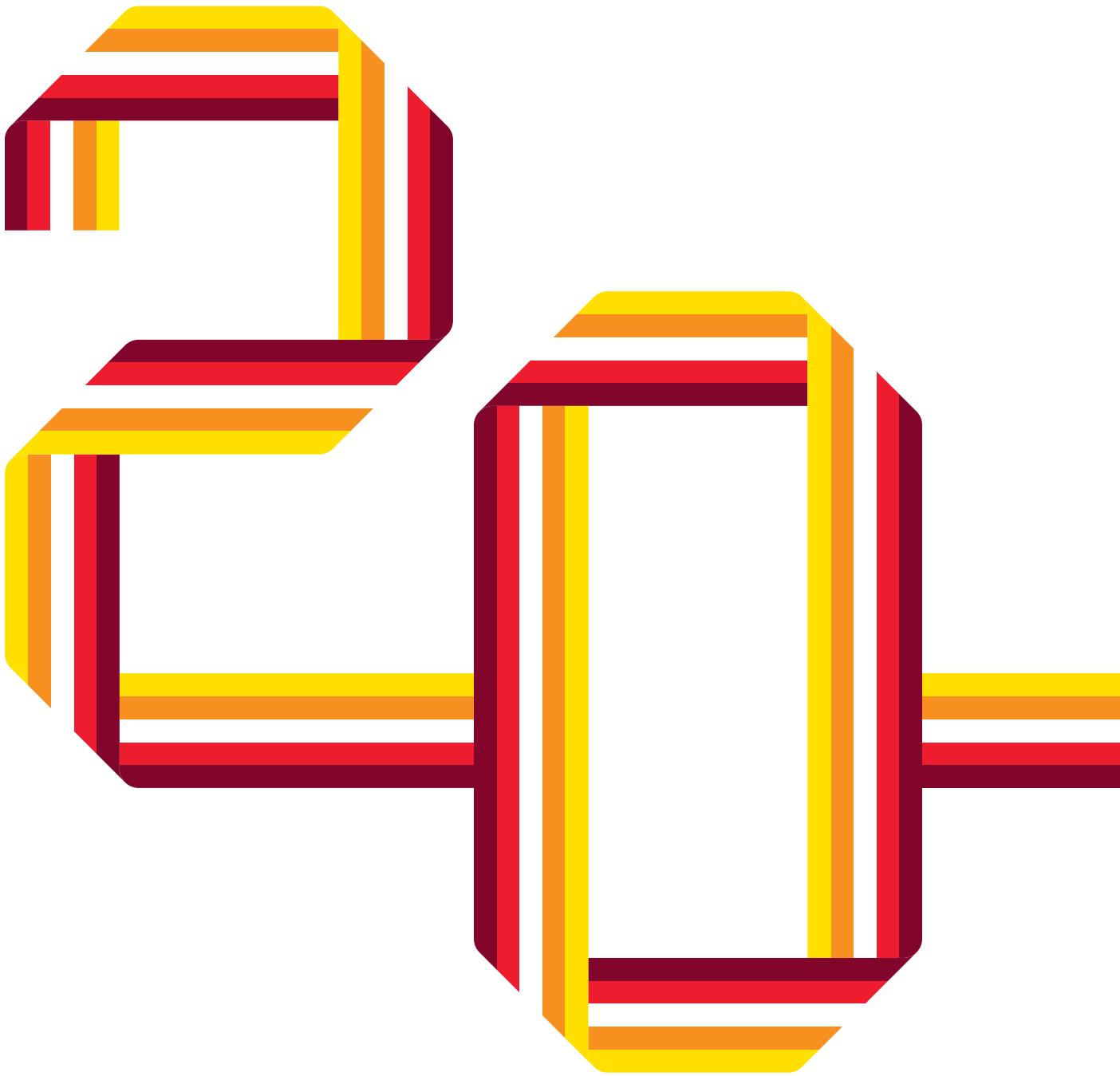




BEA 東亞銀行

(Stock Code 股份代號 : 23)



Annual Report
2020 年報



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

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CORPORATE PROFILE

本行簡介



Our Vision 願景

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

Our Mission 使命

To ensure 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-based financial services group with total consolidated assets of HK\$884.4 billion (US\$114.1 billion) as of 31st December, 2020.

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

The Bank maintains one of the largest retail networks in Hong Kong, with full-service branches; SupremeGold and SupremeGold Private Centres for affluent and premium affluent customers respectively; 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 40 cities nationwide.

Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA serves customers through around 170 outlets and offers rewarding and challenging career opportunities to over 9,500 employees.

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.

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

For more information on BEA, please visit your nearest BEA branch or the Bank's homepage at www.hkbea.com.

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2020年12月31日，本行的綜合資產總額達港幣8,844億元(1,141億美元)。

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

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

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

本行於世界各地共設有約170個網點，業務遍布東南亞、英國和美國。集團現於全球聘用逾9,500名員工。

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

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

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



FINANCIAL HIGHLIGHTS

財務摘要

	2020 HK\$ Million 港幣百萬元	2019 HK\$ Million 港幣百萬元	Change 變動 % 百分率
Profitability 盈利能力			
Operating profit before impairment losses 未扣除減值損失之經營溢利	8,347	9,864*	-15.4
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	3,614	3,260	+10.8
Balance Sheet Strength 資產負債狀況			
Total loans and advances to customers and trade bills 客戶貸款及墊款及貿易票據總額	525,725	521,186	+0.9
Total assets 資產總額	884,420	865,198	+2.2
Total customers' deposits and certificates of deposit issued 存款總額	650,054	647,586	+0.4
Total equity 股東權益總額	113,796	109,638	+3.8
Earnings Per Share and Dividends Per Share 每股盈利及每股股息			
Basic earnings 基本盈利	HK\$0.97	HK\$0.89	+9.0
Dividends 股息	HK\$0.40	HK\$0.46	-13.0
Key Ratios 主要比率			
Return on average assets ¹ 平均資產回報率	0.3%	0.3%	
Return on average equity ² 平均股東權益回報率	3.0%	2.7%	
Cost-to-income ratio ³ 成本對收入比率	51.8%	50.1%*	
Loan to deposit ratio ⁴ 貸款對存款比率	79.1%	78.6%	
Impaired loan ratio ⁵ 減值貸款比率	1.26%	1.22%	
Average liquidity coverage ratio - first quarter 第一季度 平均流動性覆蓋比率	178.1%	169.8%	
- second quarter 第二季度	177.7%	171.7%	
- third quarter 第三季度	175.9%	166.9%	
- fourth quarter 第四季度	183.8%	175.7%	
Common Equity Tier 1 capital ratio ⁶ 普通股權一級資本比率	16.5%	15.6%	
Tier 1 capital ratio ⁶ 一級資本比率	19.4%	18.4%	
Total capital ratio ⁶ 總資本比率	21.9%	20.4%	

* Restated 重報

Notes:

¹ Profits attributable to owners of the parent for the year after deduction of the distributions to Hybrid/Additional Tier 1 issue holders / Monthly average balance of the total assets for the year including last year-end balance.

² Profits attributable to owners of the parent for the year after deduction of the distributions to Hybrid/Additional Tier 1 issue holders / Monthly average balance of the total equity attributable to the owners of the parent for the year including last year-end balance.

³ Operating expenses / Operating income.

⁴ Total gross loans and advances to customers / Total deposits from customers and certificates of deposits issued.

⁵ Gross impaired loans and advances to customers / Total gross loans and advances to customers.

⁶ It is computed on a consolidated basis in accordance with Banking (Capital) Rules.

附註：

¹ 已減除分派予混合/額外一級資本工具持有人及後可歸屬於本集團股東之年度溢利/年內(包括去年末的結餘)資產總額之每月平均結餘。

² 已減除分派予混合/額外一級資本工具持有人及後可歸屬於本集團股東之年度溢利/年內(包括去年末的結餘)可歸屬於本集團股東權益總額之每月平均結餘。

³ 經營支出/經營收入。

⁴ 客戶貸款及墊款總額/客戶存款及已發行存款證總額。

⁵ 減值貸款及墊款總額/客戶貸款及墊款總額。

⁶ 根據銀行業(資本)規則的綜合基準計算。

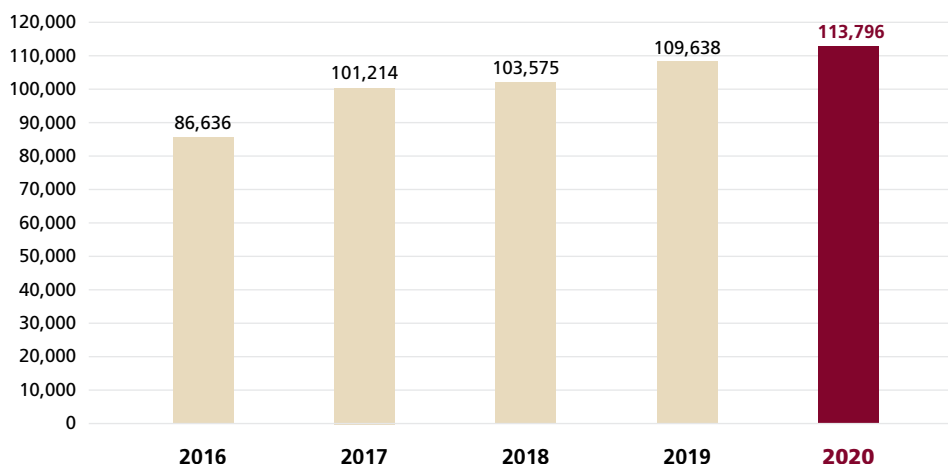
FIVE-YEAR FINANCIAL SUMMARY*

5年財務概要*

TOTAL EQUITY

股東權益總額

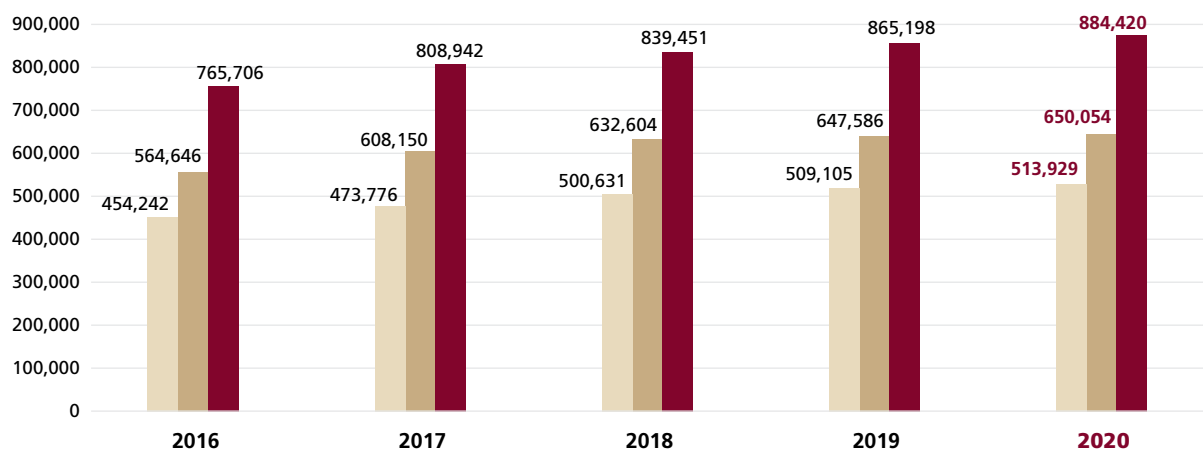
HK\$ Million
港幣百萬元



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。

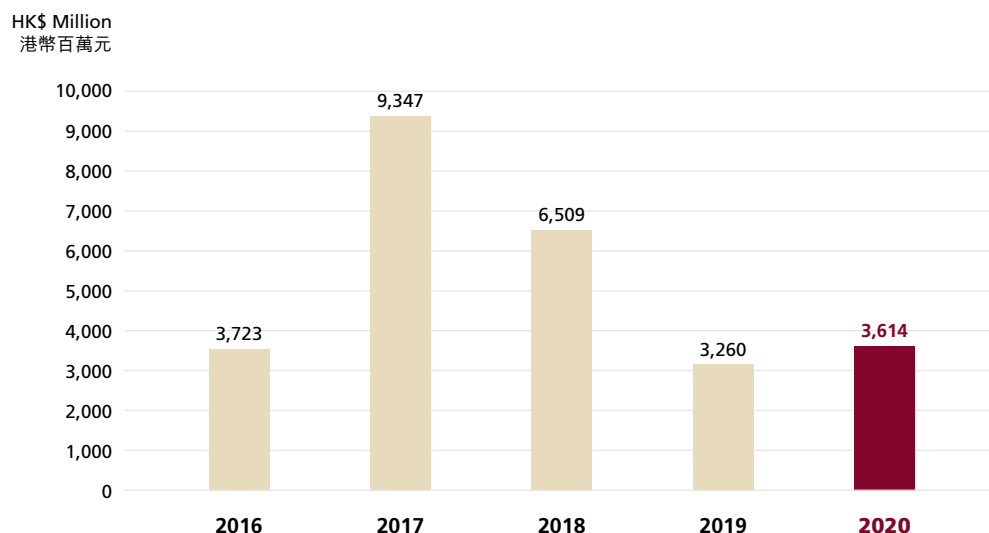


FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

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

	2016 HK\$ Million 港幣百萬元	2017 HK\$ Million 港幣百萬元	2018 HK\$ Million 港幣百萬元	2019 HK\$ Million 港幣百萬元	2020 HK\$ Million 港幣百萬元
Total equity 股東權益總額	86,636	101,214	103,575	109,638	113,796
Total deposits 存款總額	564,646	608,150	632,604	647,586	650,054
Loans and advances to customers 客戶貸款及墊款	454,242	473,776	500,631	509,105	513,929
Total assets 資產總額	765,706	808,942	839,451	865,198	884,420
Loan to deposit ratio 貸款對存款比率	80%	78%	79%	79%	79%
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	3,723	9,347	6,509	3,260	3,614
Earnings per share 每股盈利	HK\$1.21	HK\$3.21	HK\$2.07	HK\$0.89	HK\$0.97
Dividends per share 每股股息	HK\$0.56	HK\$1.28	HK\$1.18	HK\$0.46	HK\$0.40

113,796

Total equity in 2020
2020 股東權益總額

HK\$0.40

Dividends per share
每股股息



EXECUTIVE CHAIRMAN'S STATEMENT

The global coronavirus pandemic in 2020 changed the way we work, learn, and interact with each other. It brought misery worldwide, put healthcare systems under severe strain and brought much of the global economy to a standstill.

To mitigate the economic impact, governments and central banks adopted bold fiscal and monetary policies, expanding liquidity and forcing interest rates to near zero. The banking sector as a whole has had to adapt quickly to a radically different business environment.

Throughout this challenging year, we at BEA have remained steadfast in our commitment to serve our customers and the communities in which we operate, working closely with local authorities to support clients, negotiate payment holidays and protect employment.

We started the year in a strong position, having made the difficult decision in 2019 to write down a series of legacy bad loans. At the same time, we accelerated our commitment to digital transformation, and shifted

resources to fee-based services. As a result of these timely initiatives, our business performance improved in 2020, despite the low interest rate environment and the disruption caused by the pandemic.

STRATEGIC FOCUS

BEA is committed to maintaining strong capital and liquidity positions, and delivering attractive returns to shareholders – now and into the future. To achieve these goals, we are transforming the way we work.

Firstly, we are speeding up the pace of digitalising our business, seeking to improve the productivity of our middle and back-office infrastructure. We are seeing the benefits in faster turn-around times and better customer service.

Secondly, we are incorporating advanced analytics into our decision-making. This is delivering improved performance across our operation, from account opening to sale of fee-based products, and from credit-risk management to compliance.



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



執行主席報告書

2020年，2019冠狀病毒病（「冠狀病毒病」）疫情改變了我們工作、學習及互動的模式。疫情肆虐全球，令醫療系統面臨沉重壓力，並導致多國經濟活動停擺。

各國政府和央行為紓緩疫情對經濟的影響，都紛紛採取果斷的財政及貨幣政策，增加市場流動性，令利率降至接近零的水平。銀行業亦因此需要迅速地應對一個截然不同的經營環境。

在這充滿挑戰的一年，東亞銀行繼續履行承諾，致力服務客戶和社會，與相關政府部門緊密合作，支援客戶、為客戶提供延期還款安排以保障就業。

我們於2019年作出艱難的決定，為早年批出的一些不良貸款作出減值撥備，此舉有利我們在2020年進一步發展業務。同時，我們加快推動數碼化轉型，並

將更多資源調撥至帶來服務費收入的服務。這些適切的措施已見果效，令我們即使面對低息環境以及疫情造成的影響，2020年的業務表現仍錄得改善。

策略重點

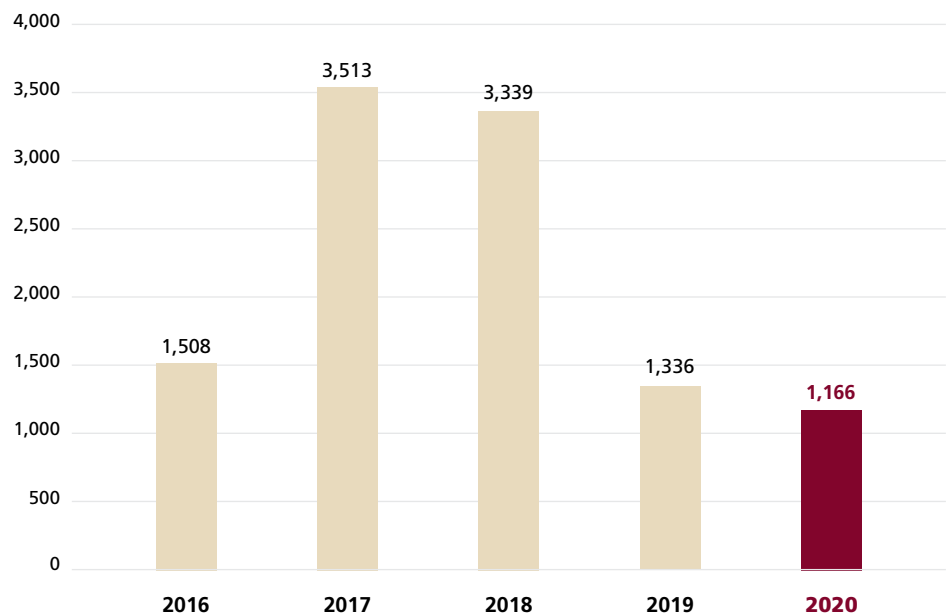
東亞銀行致力維持強健的資本及流動資金狀況，力求由現在直至未來為股東提供良好的回報。為實現這些目標，我們正在努力改善經營業務的方式。

首先，我們加快推進業務數碼化，致力提高中後勤部門的生產力。我們已採取措施，提升業務處理的速度和客戶服務質素，並已開始帶來成果。

其次，我們在決策過程當中採用先進的數據分析，令我們由開戶流程到產品的銷售，以至信貸風險管理和合規方面，整體的營運表現均得以提升。

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

HK\$ Million
港幣百萬元



EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)

Thirdly, we are expanding our ability to generate revenue with less capital. In particular, we are generating more fee-based income by expanding the range of services that we provide to each and every client.

Fourthly, we are streamlining our work practices and seeking cost-savings wherever possible. In response to the pandemic, we identified and implemented a series of "quick wins", resulting in immediate cost savings in 2020. We plan more fundamental changes in the next three years, with investments in new technology to further streamline and automate our business.

I have often said that our most valuable asset is our people. Throughout our history, their ability to adapt and change with our business and operational needs has never wavered. The Bank is committed to providing the necessary training and redeployment support to ensure that our employees grow with us, and we grow with our employees.

OUTLOOK

The global recovery from the pandemic is likely to be uneven as countries struggle to roll out vaccination programmes and bring the pandemic under control. Based on the Mainland's success in 2020, we are confident that China will lead the global economic rebound in 2021 and is on its way to becoming the world's largest economy later in the decade. As integration of the GBA deepens, this region is developing into a global powerhouse for innovation, attracting the best talent and the shrewdest investors.

BEA is a Hong Kong-headquartered bank, deeply rooted in the Greater China region and serving 1.9 million customers in the GBA alone. The Group is fully licensed to participate in all aspects of banking and wealth management, and possesses an extensive omni-channel distribution network. Our platforms in Hong Kong, Macau and the Pearl River Delta uniquely position us to benefit from the opportunities in the GBA and beyond, and we are determined to capitalise on these opportunities.

Following our 2020 Strategic Review, we announced in September that we will explore strategic and synergistic partnerships in Mainland China to enhance the value and capability of our unique regional platform. This is a key priority for the Bank. We believe that the right partners will invigorate our digital transformation, strengthen risk management and facilitate growth, thereby markedly raising our competitiveness. To this end, we are exploring

opportunities with a range of potential partners with the capacity to accelerate the realisation of our strategic objectives, in line with the regulatory landscape.

Furthermore, our overseas branches and affiliates in Singapore, Malaysia, the UK and North America extend and feed into our Greater China network. We are ideally positioned to serve Mainland companies seeking to expand their overseas network under China's national development strategy.

As we grow, we will benefit from our commitment to be a market leader in ESG performance. In 2020, we mapped out a three-year road map for green and sustainable banking, and prepared an action plan to address ESG risks, including climate-change risk. Demonstrating our commitment to green finance, climate-related risk factors are now part of the ESG risk assessment criteria used in making corporate lending decisions. Furthermore, in November 2020, we established a Board-level ESG Committee to oversee the Bank Group's ESG performance.

I am encouraged by the resilience that this bank has displayed during 2020. In large measure, we owe this resilience to the close working relationship that we enjoy with our banking partners, including our major strategic partners.

I am thankful for the diligence, commitment and determination of the management and staff, who have given their very best each and every day throughout this difficult year. I am grateful to our Board of Directors for their patience, seasoned advice and ready support, which has guided us through the pandemic. I deeply appreciate the loyalty of our shareholders and, above all, I thank our customers for their continuing support and their many helpful suggestions about their needs and preferences.

We will never take this support and loyalty for granted, and we will continue to strive to perform to the very best of our ability in everything that we do.

David LI Kwok-po

Executive Chairman

Hong Kong, 24th February, 2021



執行主席報告書（續）

第三，我們加強創造盈利的能力，以較少的資本賺取更多收入。我們現正透過擴大服務的範圍，以爭取更多服務費收入。

第四，我們現正精簡工作流程，致力節省成本。為應對疫情，我們已於2020年確立一系列的短期目標並實施其相關工作，亦在減省成本方面取得顯著效果。我們計劃於未來三年推行更多重要改革，投資新科技，以進一步精簡業務流程和實現自動化運作。

我經常指出，員工是我們最寶貴的資產。多年以來，我們的員工一直與時並進，因應業務及營運需要作出靈活應變。我們致力提供必要的培訓並調配資源，確保員工與本行一同成長。

展望

多個國家在推行疫苗接種計劃和控制疫情上面對不少困難，全球復甦之路仍崎嶇不平。內地於2020年在控制疫情方面取得成功，因此我們有信心中國可望於2021年帶動全球經濟復甦，並有望於十年內成為全球最大的經濟體。此外，大灣區正進一步深度融合，並迅速發展成為全球創新的重要動力，吸引優秀人才和頂尖投資者。

東亞銀行總部設於香港，多年來紮根於大中華區，單計大灣區已擁有190萬名客戶。本集團持有多項牌照，可從事與銀行及財富管理相關等多元化業務，並擁有龐大的多渠道分銷網絡。我們的中港平台覆蓋香港、澳門和珠江三角洲，讓我們在大灣區等地區的發展當中，佔盡先機。

在完成2020年的策略性檢討之後，我們於9月份刊發通告，指出本行將於中國內地物色策略及協作夥伴，以提升我們獨特地區業務平台的價值和業務能力。這是本行的重要工作。我們深信，合適的夥伴能進一步推動我們的數碼化轉型，加強我們的風險管理，並帶動業務增長，從而提升我們的競爭力。為此，我們正與多家有能力加快實現我們策略目標的潛在夥伴，在符合監管環境的前提下探討合作機會。

此外，我們在新加坡、馬來西亞、英國和北美洲設有的海外分行和聯營公司，亦會進一步擴闊業務領域，並與我們的大中華區網絡互相配合。我們已準備就緒，為配合國家發展策略而積極開拓海外業務的內地企業服務。

在發展業務的同時，本行致力成為環境、社會及管治方面的市場領導者，期望能實現當中所帶來的益處。2020年，我們就綠色及可持續銀行業務制定了為期三年的發展藍圖，並已訂立行動計劃，以應對環境、社會及管治風險，當中包括氣候變化風險等。為進一步履行綠色金融的承諾，我們在審批企業貸款時，已把氣候變化相關的風險因素納入環境、社會及管治風險評估標準當中。此外，我們於2020年11月於董事會轄下成立環境、社會及管治委員會，以監督本集團的有關表現。

在不尋常的2020年，本行展現強大的韌性，讓我們得以有效地應對各種挑戰，本人深感鼓舞。而事實上，這韌性很大程度建基於與夥伴的緊密合作，包括我們的主要策略夥伴。

本人衷心感謝管理層和員工的努力、付出和決心。在這充滿挑戰的一年裡，他們時刻盡心盡力，全力以赴。本人亦對董事會表達由衷謝意，他們的耐心、寶貴意見和充分支持，均有助我們有效應對疫情帶來的挑戰。同時，本人感謝股東及客戶的忠實支持。客戶給予本行的寶貴意見，亦讓我們更瞭解他們的需要及喜好。

本行非常珍惜各持份者對本行的長期支持及忠誠。我們將會繼續竭盡所能，力求在各個領域精益求精。

執行主席
李國寶

香港，2021年2月24日

REPORT OF THE CO-CHIEF EXECUTIVES

FINANCIAL REVIEW

Financial Performance

For the year 2020, BEA and its subsidiaries earned a profit attributable to owners of the parent of HK\$3,614 million, representing an increase of HK\$354 million or 10.8%, compared with the HK\$3,260 million earned in 2019. Pre-provision operating profit of the Group was down by HK\$1,517 million, or 15.4%, to HK\$8,347 million. The increase in attributable profit was mainly due to a significant decrease in impairment losses in Mainland China.

Basic earnings per share were HK\$0.97 in 2020, compared to HK\$0.89 in 2019.

Return on average assets and return on average equity stood at 0.3% and 3.0%, respectively, in 2020, compared to 0.3% and 2.7%, respectively, in 2019.

NII for the Group decreased by HK\$3,016 million, or 20.7%, to HK\$11,550 million. NIM decreased from 1.86% to 1.48%, and average interest earning assets fell by 0.4%.

Net fee and commission income rose by HK\$47 million, or 1.6%, to HK\$2,922 million. Net commission income from lending, retail banking services, securities and brokerage and sale of investment products grew. This was partly offset by a decline in credit card and trade-related services resulting from the adverse macroeconomic conditions.

Taken together, net trading and hedging results and net results from other financial instruments rose by HK\$268 million to HK\$1,383 million. Net insurance profit was down by HK\$55 million, which was mainly due to lower mark-to-market gain on financial instruments. Overall, non-interest income rose by 11.0% to HK\$5,760 million. Total operating income decreased by 12.4% to HK\$17,310 million.

Total operating expenses fell by 9.4% to HK\$8,963 million, mainly attributable to declines in staff costs and internet platform charges. The cost-to-income ratio for 2020 was 51.8% versus 50.1% in 2019.

Operating profit before impairment losses stood at HK\$8,347 million, a decrease of HK\$1,517 million, or 15.4%, when compared with 2019.

The net charge for impairment losses on financial instruments fell sharply from HK\$7,253 million in 2019 to HK\$4,674 million in 2020, mainly due to a reduction in impairment losses recorded by Mainland China operations. The Group's impaired loan ratio rose from 1.22% at the end of December 2019 to 1.26% at the end of December 2020. The impaired loan ratio for Hong Kong operations rose from 0.25% to 0.75%, while that for Mainland China operations decreased from 3.80% to 3.10%. In addition, there was an impairment loss of HK\$402 million on the Group's interest in an associate operating in Malaysia in 2020.

Operating profit after impairment losses amounted to HK\$3,257 million, an increase of HK\$646 million, or 24.7%.

Net profit on sale of subsidiaries and associates increased by HK\$348 million, mainly due to a profit of HK\$349 million on a partial disposal of 14.7% and reclassification of 6.3% of the Group's interest in Prasac Microfinance Institution Limited in Cambodia in 2020.

Valuation on investment properties recorded a net loss of HK\$301 million.

The Group shared after-tax profits from associates and joint ventures of HK\$310 million, a decrease of HK\$312 million, or 50.1% compared to 2019. The decrease was partly due to the abovementioned disposal and reclassification of Prasac Microfinance Institution Limited in 2020 and lower contribution from associates operating in US, Canada and Malaysia.

After accounting for income taxes, profit increased to HK\$3,685 million, an increase of 10.5% compared to the HK\$3,336 million recorded in 2019.



聯席行政總裁報告書

財務回顧

財務表現

2020年，本集團錄得可歸屬於本集團股東溢利達港幣36.14億元，較2019年錄得的港幣32.60億元，增加港幣3.54億元或10.8%。本集團的撥備前經營溢利下跌港幣15.17億元或15.4%至港幣83.47億元。應佔溢利增加，主要是由於內地的減值損失大幅減少所致。

2020年的每股基本盈利為港幣0.97元，而2019年則為港幣0.89元。

2020年的平均資產回報率及平均股東權益回報率分別為0.3%及3.0%，而2019年則分別為0.3%及2.7%。

本集團的淨利息收入減少港幣30.16億元，或20.7%，至港幣115.50億元。淨息差由1.86%收窄至1.48%，而賺取利息之平均資產減少0.4%。

服務費及佣金收入淨額增加港幣4,700萬元，或1.6%，至港幣29.22億元。來自貸款、零售銀行服務、證券及經紀及投資產品銷售的佣金收入淨額均錄得增長。而不利的宏觀經濟狀況導致信用卡和與貿易相關之業務佣金收入下跌，抵銷了部分服務費及佣金收入的增加。

交易及對沖淨額，以及其他金融工具的淨表現增加港幣2.68億元，至港幣13.83億元。保險業務淨溢利減少港幣5,500萬元，減幅主要是由於金融工具按市價計量的估值下降所致。整體而言，非利息收入增加11.0%，至港幣57.60億元，而經營收入總額下跌12.4%，至港幣173.10億元。

經營支出總額下降9.4%，至港幣89.63億元，主要是由於員工成本及互聯網平台的支出減少所致。2020年的成本對收入比率為51.8%，而2019年則為50.1%。

未扣除減值損失之經營溢利達港幣83.47億元，較2019年減少港幣15.17億元，或15.4%。

金融工具之減值損失支銷淨額由2019年的港幣72.53億元大幅下降至2020年的港幣46.74億元，主要是由於中國內地業務錄得的減值損失減少所致。本集團的減值貸款比率由2019年12月底的1.22%，上升至2020年12月底的1.26%。香港業務的減值貸款比率由0.25%上升至0.75%，而內地業務的減值貸款比率則由3.80%下降至3.10%。另外，在2020年本集團錄得位於馬來西亞營運的一所聯營公司之投資減值損失，金額為港幣4.02億元。

扣除減值損失後之經營溢利為港幣32.57億元，增加港幣6.46億元，或24.7%。

出售附屬及聯營公司之淨溢利增加港幣3.48億元，主要是由於在2020年出售14.7%及重新分類餘下6.3%本集團於柬埔寨Prasac Microfinance Institution Limited所持的股權而錄得的溢利港幣3.49億元所致。

投資物業估值錄得淨虧損港幣3.01億元。

集團應佔聯營公司及合資企業之除稅後溢利為港幣3.10億元，較2019年減少港幣3.12億元，或50.1%。溢利減少部分是因為上述在2020年出售及重新分類Prasac Microfinance Institution Limited及在美國、加拿大及馬來西亞營運的聯營公司的溢利減少所致。

經計及所得稅後，溢利增至港幣36.85億元，較2019年錄得的港幣33.36億元上升10.5%。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Financial Position

Total consolidated assets of the Group stood at HK\$884,420 million at the end of December 2020, an increase of 2.2% compared to HK\$865,198 million at the end of 2019.

Gross advances to customers increased by 0.9% to HK\$513,929 million.

Total equity attributable to owners of the parent increased to HK\$98,885 million, or 3.8%, mainly due to the net profit of HK\$3,614 million earned during 2020.

Total deposits from customers increased by 2.7% to HK\$589,202 million. Of the total, demand deposits and current account balances increased by HK\$3,075 million, or 4.6%, and savings deposits increased by HK\$48,160 million, or 34.5%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, increased to HK\$650,054 million.

The loan-to-deposit ratio stood at 79.1% at the end of December 2020, compared to 78.6% at the end of 2019.

As at 31st December, 2020, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio were 21.9%, 19.4%, and 16.5%, respectively. The average liquidity coverage ratio for the quarter ended 31st December, 2020 was 183.8%, well above the statutory minimum of 100%.

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

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



聯席行政總裁報告書(續)

財務狀況

於2020年12月底，本集團綜合資產總額達港幣8,844.20億元，較2019年底的港幣8,651.98億元增加2.2%。

客戶墊款總額增加0.9%，至港幣5,139.29億元。

可歸屬於本集團股東權益總額增加至港幣988.85億元，或3.8%，主要是由於在2020年錄得的淨溢利達港幣36.14億元。

客戶存款總額增加2.7%，至港幣5,892.02億元。其中，活期存款和往來存款賬戶結餘增加港幣30.75億元，增幅為4.6%，及儲蓄存款增加港幣481.60億元，增幅為34.5%。包括客戶存款及所有已發行存款證的存款總額增加至港幣6,500.54億元。

於2020年底，貸款對存款比率為79.1%，而2019年底則為78.6%。

於2020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21.9%、19.4%及16.5%。截至2020年12月31日止季度的平均流動性覆蓋比率為183.8%，遠高於100%的法定下限。

評級

標普全球評級

東亞銀行有限公司

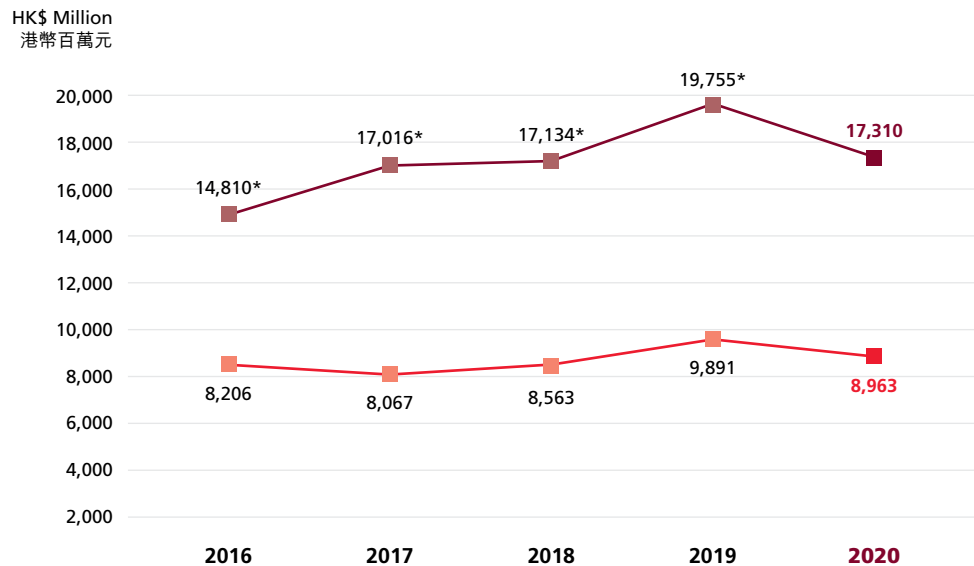
長期交易對手信貸(港元及外幣)	A-
短期交易對手信貸(港元及外幣)	A-2
前景	穩定

穆迪投資服務

東亞銀行有限公司

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

OPERATING INCOME VS OPERATING EXPENSES 經營收入與經營支出



— Operating Income 經營收入
— Operating Expenses 經營支出

* Restated operating income
重報之經營收入

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

MAJOR RECOGNITION 主要榮譽與獎項

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



“Best SME’s Partner Gold Award 2020”

The Hong Kong General Chamber of Small and Medium Business

「2020 中小企業最佳拍檔金獎」

香港中小型企業總商會



“Domestic Retail Bank of the Year – Hong Kong” “Strategic Partnership of the Year – Hong Kong” in the ABF Retail Banking Awards 2020

Asian Banking and Finance

零售銀行大獎 2020

- 「香港最佳本地零售銀行」
- 「香港最佳戰略合作夥伴」

《亞洲銀行及財金》雜誌



“Client Service – Excellence” “Retail Bank of the Year – Outstanding” “Premium Segment Client Service – Outstanding” “Bank of the Year – Outstanding” in the Financial Institution Awards (2020)

Bloomberg Businessweek (Chinese Edition)

金融機構大獎 2020

- 「顧客服務 — 卓越大獎」
- 「年度零售銀行 — 傑出大獎」
- 「優質分層客戶服務 — 傑出大獎」
- 「年度銀行 — 傑出大獎」

《彭博商業周刊 — 中文版》



“Best Wealth Management Partner in North Asia 2020” “Best Private Bank in Greater China 2020”

Global Brands Magazine

「2020 北亞太區最佳財富管理合作伙伴」及
「2020 大中華區最佳私人銀行」

《全球品牌》雜誌



聯席行政總裁報告書（續）

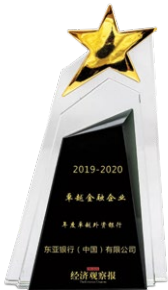
The Bank of East Asia (China) Limited
東亞銀行（中國）有限公司



“2020 Foreign Bank of Excellent Competitiveness” at the 2020 Financial Institutions of Competitiveness of Excellence

China Business Journal

**2020 卓越競爭力金融機構評選
「卓越競爭力外資商業銀行」**
《中國經營報》



“Annual Foreign Bank of Excellent Competitiveness at the 2020 Financial Excellence Award”

The Economic Observer

「年度卓越外資銀行」
《經濟觀察報》

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

The Asset Benchmark Research Awards 2020 – “Top Investment House: Rank 7-Asian G3 Bond Benchmark Review 2020”

– “Top Investment House: highly Commended: Asian Local Currency Bond Benchmark Review 2020”

The Asset

2020 年度基準研究

- 「2020年亞洲G3債券頂尖投資公司（中國香港地區）第7名」
- 「2020年亞洲本地貨幣債券頂尖投資公司（中國香港地區）之一」

《財資》雜誌



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

“Gold Ratings – BEA (MPF) Value Scheme” – MPF Ratings’ 2020 MPF Scheme Ratings and Awards

MPF Ratings Limited

**金級 — 東亞（強積金）享惠計劃 — 「積金評級
2019 年度強積金計劃評級及獎項」**
積金評級有限公司



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

The Hong Kong Insurance Awards 2020 – “Outstanding Claims Management Award”

The Hong Kong Federation of Insurers

香港保險業大獎2020 — 「傑出理賠管理大獎」
香港保險業聯會



REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

BUSINESS REVIEW

The coronavirus pandemic inflicted widespread damage on the global economy in 2020, with many industries seeing their business plummet to unimagined lows. To encourage companies to retain workers, central banks around the globe launched sizable monetary stimuli, forcing interest rates down to near zero. Government fiscal support brought a measure of much-needed relief to hard-hit sectors, but this has not been enough to prevent a sharp decline in overall economic growth.

With external demand weak, Hong Kong's exports fell by 1.5% year-on-year in 2020. Meanwhile, with the Government imposing stringent border controls and social distancing measures, Hong Kong visitor arrivals plunged by 93.6% year-on-year in 2020. Retail sales were also depressed, falling by an annualised rate of 24.3% over the same period. Unemployment averaged 6.6% in the three months to the end of December. Facing tremendous stress, the economy contracted by 6.1% year-on-year in 2020. Bucking the trend, property prices rose by 0.03% year-on-year to the end of December, as demand remained strong amidst ultra-low interest rates.

While the outlook remains bleak, the vaccine rollout has provided hope of a global economic rebound. However, the pace of recovery will be largely determined by vaccine efficacy and how quickly it is administered to a sizeable majority of the world's population.

Nevertheless, Hong Kong's gross domestic product is forecast to grow by 4% in 2021, due to the low base of comparison with 2020. Inflation will remain low, at 1.5%.

On the Mainland, exports rose by 3.6% in 2020, as demand for manufactured goods rebounded from the lows experienced in the first quarter. With the pandemic largely under control on the Mainland, domestic economic activity has stabilised. Value-added industrial output grew by 2.8% in 2020, while the overall economy grew by 2.3%.

Fuelled by a surge in food prices, overall inflation averaged 2.5% in 2020. However, non-food inflation averaged only 0.4%, reflecting weakness in consumer demand. Meanwhile, property prices rose by 3.9%, due to robust underlying demand.

Looking ahead, Mainland economic growth is expected to pick up speed if the worldwide deployment of vaccines proceeds on schedule. Together with the effect of the low base of comparison against 2020, China's economy is forecast to grow by 8.6% in 2021. Inflation will be modest, averaging 2.0%.

Business – Hong Kong

At the end of December 2020, BEA's customer loans in Hong Kong were 2.1% higher than at the end of 2019 at HK\$295,768 million. Customer deposits increased by 3.8% to HK\$391,071 million, while debt investments rose by 5.3% to HK\$130,125 million.

Under the impact of COVID-19, profit before tax for Hong Kong operations declined to HK\$3,413 million.

Performance was dragged by a 23.5% decrease in NII. Interbank rates dropped significantly following substantial cuts to the US federal funds target rate in March, and remained at a low level throughout the second half of the year. NIM was 41 basis points lower than the previous year.

The decline in NII was partially offset by a 19.4% increase in non-interest income, due in part to successful efforts to drive fees and commissions. The impact of financial market movements in March, which led to substantial revaluation losses on the debt and equity securities portfolios of the Bank and its insurance subsidiaries in the first half, was largely reversed as global markets staged a sustained recovery.

Overall, operating income declined by 8.7% year-on-year.

Successive waves of the COVID-19 outbreak and the resultant restrictions began to take their toll on certain businesses and individuals in the second half of the year. Credit costs trended upwards, particularly in the corporate portfolio. However, impairment losses did not reach the worst-case projections made in the Bank's COVID-19 scenario planning exercises.



聯席行政總裁報告書（續）

業務回顧

2020年，冠狀病毒病疫情對全球經濟造成廣泛衝擊，多個行業的業務於短時間內嚴重萎縮。為鼓勵企業繼續聘用員工，全球多家央行推出規模龐大的貨幣刺激措施，令利率降至接近零的水平。政府的財政資助雖在一定程度上為遭受重創的行業紓困，但未能足以阻止整體經濟增長大幅放緩。

由於環球需求疲弱，2020年，香港出口按年下跌1.5%。同時，由於政府實施嚴厲的邊境管制及社交距離措施，2020年訪港旅客人次按年急跌93.6%，而零售市道亦陷入低迷，零售銷售額較去年同期下跌24.3%。10月至12月的平均失業率為6.6%。在沉重的壓力下，經濟於2020年按年收縮6.1%。然而，在極低息環境下，物業需求持續強勁，截至12月底，樓價按年逆勢上升0.03%。

在疫情受到控制之前，經濟前景依然黯淡。新疫苗的推出被寄予厚望，但經濟的復甦步伐，仍取決於疫苗的有效性，以及在全球讓大部分人口接種的進度。

然而，由於2020年的基數偏低，預料香港2021年本地生產總值將增長4%。通脹率將維持在1.5%的低位。

內地方面，由於製成品需求由首季的低位回升，2020年的出口上升3.6%。隨著內地疫情基本受控，當地經濟活動已趨穩定。2020年的工業增加值增長2.8%，而整體經濟則增長2.3%。

受食品價格飆升影響，2020年的整體通脹率平均為2.5%，但非食品通脹率平均只有0.4%，反映消費需求疲弱。同時，由於住屋需求強勁，物業價格全年上升3.9%。

展望未來，若全球的疫苗接種計劃能按序進行，內地經濟增長有望加快，再加上2020年的低基數影響，預計中國經濟2021年將增長8.6%，而通脹率將維持溫和，平均為2.0%。

香港業務

於2020年12月31日，東亞銀行香港的客戶貸款較2019年底增加2.1%至港幣2,957.68億元。客戶存款上升3.8%至港幣3,910.71億元，而債券投資則增加5.3%至港幣1,301.25億元。

受冠狀病毒病影響，香港業務的除稅前溢利下跌至港幣34.13億元。

淨利息收入下跌23.5%，拖累業績表現。美國聯邦基金利率的目標區間於3月大幅下調，銀行同業拆借利率亦隨之而大幅下降，並於下半年一直維持低水平。淨息差較去年收窄41個基點。

服務費及佣金收入增長令非利息收入上升19.4%，抵銷淨利息收入的部分跌幅。3月金融市場的波動導致本行及其保險附屬公司的債務和股權投資組合於上半年錄得重大估值虧損。隨著全球市場持續復甦，這種狀況已大致上扭轉。

整體而言，經營收入按年下跌8.7%。

下半年，冠狀病毒病接連爆發及相應的限制措施對部分企業和個人客戶構成不利影響。信貸成本呈上升趨勢，當中以企業貸款組合的影響最為明顯，但與本行在冠狀病毒病疫情情景規劃預測的最壞情況仍有一段距離。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

To protect asset quality, underwriting criteria were tightened and proactive measures were taken to restructure payments and enhance debt recovery. The Bank actively participated in the HKSAR government's relief measures, providing principal payment holidays and trade loan extensions, among other features, to both individual and corporate customers.

Under the challenging operating environment, additional efforts were made to reduce costs by automating and simplifying processes, achieving meaningful man-hour savings. Operating expenses were well contained, rising by just 3.1%.

To mitigate the pressure on NIM, the Bank sought to attract current and savings account balances while maintaining a tight control on deposit pricing. Growth was achieved in Current Account and Savings Account ("CASA") deposits for all main business units, and the CASA ratio improved by 11.8 percentage points.

Meanwhile, a prudent approach was taken to new lending, focussing on yield rather than volume.

The Bank places significant importance on customer advocacy. Continued efforts have been made to enhance internal systems and processes, thereby improving the customer experience and raising satisfaction. In 2020, BEA's Net Promoter Score from a survey of personal banking customers in Hong Kong increased by seven points year-on-year.

Retail Banking

The Bank's retail operations were impacted by COVID-19 as branch services were affected by temporary closures and social distancing measures. BEA has made a sustained effort to build out its digital platform in recent years, and service access was maintained via automated channels. Digital adoption accelerated, with online and mobile financial transactions increasing by 23.1%. In particular, digital investment transactions more than doubled.

Successful growth in fee-based income helped to mitigate the effects of the challenging operating environment. Insurance and investment income rose by 26.1%. A shift in focus to long-term life insurance products saw strong growth in commissions. Meanwhile, investment activity picked up in the second half as market sentiment improved. Overall, operating income declined by 16.7% compared to 2019 due to the aforementioned drag on NII.

BEA focussed on growing its retail wealth business to capture more fee income from affluent customers. A Relationship Manager ("RM") Academy was established to uplift the capabilities of frontline staff. Meanwhile, product development and turnaround time were also improved. With an enhanced product suite and additional support from specialist product teams, RM productivity recorded double-digit growth.

To continue this momentum, acquisition also focussed on the affluent segment. The SupremeGold service was revamped in the first half of the year, with new features including comprehensive mobile wealth management tools. Growth in SupremeGold accounts remained strong at 13.7% for the year. A new premium service, SupremeGold Private, was launched in November, providing more sophisticated financial planning and wealth management solutions.

In the coming years, effective omni-channel service fulfilment will be increasingly important to attract and engage customers. The Bank will continue to migrate standard transactions to digital channels and repurpose its branch network and frontline staff to focus on advisory services and relationship building.

The Bank also sees immense prospects in the GBA. With its strong regional presence, digital platform and retail wealth capabilities, BEA is well-placed to capture opportunities from the forthcoming Wealth Management Connect scheme. A cross-border mortgage service has already been launched, and the Bank will continue to develop market-leading solutions under the leadership of its GBA Office.



聯席行政總裁報告書（續）

為保持資產質素，本行已收緊授信準則，並採取積極措施，重訂還款安排及加快追收問題貸款。本行積極參與香港特區政府的紓困措施、為個人和企業客戶提供「還息不還本」及貿易貸款延期等安排。

面對充滿挑戰的經營環境，本行透過自動化及簡化流程，進一步降低成本，顯著節省工時。經營支出控制得宜，僅上升3.1%。

為減輕淨息差壓力，本行在致力吸納往來及儲蓄賬戶結餘之餘，亦繼續嚴格控制存款利率。所有主要業務單位的往來及儲蓄存款均錄得增長，往來及儲蓄存款比率改善11.8個百分點。

同時，本行以審慎態度審批新貸款，注重收益率多於貸款量。

本行非常重視客戶的忠誠度，一直致力優化內部系統和流程以提升客戶體驗及其滿意度。調查顯示2020年香港個人銀行客戶對東亞銀行的淨推薦值按年上升7分。

零售銀行

冠狀病毒病疫情期間，本行部分分行暫停服務，加上社交距離措施的限制，零售銀行業務受到影響。惟東亞銀行近年一直致力發展數碼平台，透過自動化渠道為客戶提供無間斷服務。數碼渠道使用量加速增長，透過網上及流動平台進行的財務交易宗數增加23.1%，而經數碼渠道完成的投資交易宗數更增長逾一倍。

服務費收入的增長有助減輕嚴峻經營環境的影響。銷售保險及投資產品的收入上升26.1%。業務重點轉至長期人壽保險產品，帶動佣金強勁增長。與此同時，下半年的投資活動亦隨著市場氣氛改善而有所回升。整體而言，受淨利息收入減少的影響，經營收入較2019年下跌16.7%。

東亞銀行專注拓展零售財富管理業務，以增加來自富裕客戶的服務費及佣金收入。本行成立客戶經理培訓學院提升前綫員工的業務能力。與此同時，產品開發及回覆客戶的效率亦有所提升。加上產品組合進一步完善以及產品專家團隊提供的額外支援，客戶經理生產力因此錄得雙位數增長。

本行重點吸納富裕階層客戶以維持增長動力。上半年，本行全面革新顯卓理財服務，推出功能全面的流動理財工具。顯卓理財賬戶於年內增長強勁，達13.7%。本行亦於11月推出全新的尊尚服務——顯卓私人理財，為高端客戶提供更專業的財務規劃及理財方案。

未來幾年，高效的全渠道服務對於吸納客戶及深化客戶關係將更為重要。本行會繼續將一般交易轉移至數碼渠道，並把分行網絡及前綫員工重新定位，專注於提供諮詢服務及建立客戶關係。

此外，本行認為大灣區發展潛力巨大。憑藉本行在區內的強大優勢，以及數碼平台和零售理財能力，東亞銀行具備有利的條件，把握即將推出的「跨境理財通」計劃所帶來的機遇。本行已推出跨境按揭貸款服務，並將在大湾区辦公室的帶領下，推出更多領先市場的理財方案。



BEA launched SupremeGold Private, a new service providing sophisticated financial planning and wealth management solutions to premium affluent clients.

東亞銀行推出特別為高端客戶而設的「顯卓私人理財」服務，提供專業的財務規劃及理財方案。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Corporate and Commercial Banking

Corporate Banking faced significant headwinds during the period under review. The impact of COVID-19 and geopolitical tensions hampered global trade and economic activity, while local businesses were also affected by social distancing measures and dampened consumer appetite.

The challenging circumstances led to downgrades for certain corporate loans, and impairment losses inevitably rose, dragging overall performance.

Under these conditions, the Bank sought to diversify its portfolio and focus on growth in stable industries. The corporate loan balance recorded a 5.2% increase for the year, mainly driven by growth in secured and syndicated loans. However, with deposit spreads compressed in the low-interest environment, NII declined by 1.6%.

Operating income rose by 2.3%, led by higher non-interest income. Strong growth was achieved in fees from treasury and insurance products. The Bank also enhanced its capabilities in debt capital market solutions for corporate clients, generating new fee revenue.

Income growth was driven by the Bank's refined segmentation strategy. Acquisition focussed on industries with secure trade flows, bringing additional growth in fees as well as CASA deposits. To develop a stable source of recurring revenue, sector solutions have been developed with packaged products targeting companies across value chains. Initial results have been promising, and solutions will be rolled out for additional sectors in the coming year.

Going forward, Corporate Banking will work closely with BEA China to target growth industries with national policy support including healthcare, technology, media and telecommunications.

In addition, the Bank is dedicated to supporting the development of green and sustainable finance in Hong Kong. In November 2020, BEA won the "Outstanding Award for Green Loan Arranger" at the Hong Kong Sustainable Finance Awards. The Bank will continue to drive ESG initiatives, incorporate climate-related risk assessment in its lending policies, and instil sustainability in its DNA.

Wealth Management

After a rocky start to 2020, Private Banking's performance was positive during the second half of the year. Investor sentiment improved significantly with a buoyant stock and bond market recovery, as well as optimism over potential COVID-19 vaccines.

Non-interest income increased by 35.5%, with strong growth in revenues from client investment activity across all asset classes. This offset a decline in NII. Overall, operating income recorded mild growth of 2.5% year-on-year.

AUM increased by 6.0% as client portfolios recovered. In line with market sentiment, loan demand returned in the second half of the year, largely undoing the impact of deleveraging in the first half. Overall, lending to Private Banking customers increased by 2.2% year-on-year.

Amidst market volatility and heightened geopolitical risks, the Bank's relationship managers worked with clients to diversify portfolios, lower gearing and enhance returns. Emphasis was placed on identifying investment strategies with sound downside protection and ability to capture rebound opportunities. Even at the worst of the downturn, there was no significant deterioration in asset quality or shortfall in clients' margin positions.

The Bank made effective use of digital communication tools to communicate and maintain relationships with clients in China. Income from Mainland customers, particularly those in the GBA, increased year-on-year despite COVID-19 travel restrictions.



The Bank launched a GBA cross-boundary mortgage service, covering residential properties located in Shenzhen, Guangzhou, Foshan and Zhuhai in the first phase.

本行推出大灣區跨境按揭貸款服務，初期服務範圍覆蓋位於深圳、廣州、佛山及珠海的住宅物業。



聯席行政總裁報告書（續）

企業及商業銀行

回顧期內，冠狀病毒病疫情及緊張的地緣政治局勢令全球貿易及經濟活動受挫，本地企業亦受社交距離措施及消費意欲減弱影響，企業銀行業務因此面對重大衝擊。

充滿挑戰的環境導致部分企業貸款被降級，減值損失無可避免地增加，拖累整體業績表現。

面對上述種種情況，本行致力使其貸款組合多樣化，並專注拓展營運穩健的行業。抵押貸款及銀團貸款的增長帶動企業貸款組合於年內錄得5.2%升幅。存款息差在低息環境下受壓，淨利息收入下跌1.6%。

非利息收入上升帶動經營收入增加2.3%。來自財資及保險產品的服務費錄得強勁增長。同時，本行亦加強為企業客戶提供債務資本市場方案的能力，開拓新的服務費收入來源。

上述的收入增長主要受惠於本行優化客戶分層策略。本行致力吸納貿易資金流穩定的客戶，推動服務費和往來及儲蓄存款的增長。本行已為個別行業度身制定專屬方案，為價值鏈上的公司提供各類產品組合，藉此拓展穩定的收入來源。有關舉措現已取得初步進展，未來一年將會推出更多行業方案。

展望未來，企業銀行將繼續與東亞中國緊密合作，開拓獲國家政策扶持的增長型行業，如醫療、科技、媒體及電訊等。

此外，本行致力支持香港綠色及可持續金融的發展。2020年11月，東亞銀行於香港可持續發展金融大獎中，榮獲「傑出綠色貸款經辦行」獎項。本行將繼續推進環境、社會及管治措施，將與氣候相關的風險評估納入信貸評估政策當中，並貫徹可持續發展的理念。

財富管理

經歷2020年動盪不穩的開局之後，私人銀行業務於下半年取得良好表現。隨著股市和債券市場強勁反彈，以及對冠狀病毒疫苗前景樂觀，投資氣氛顯著改善。

客戶的投資涵蓋所有資產類別，由此產生的收入增長強勁，非利息收入增加35.5%，抵銷了淨利息收入的跌幅。整體而言，經營收入按年輕微增長2.5%。

隨著客戶投資組合的表現回升，管理資產增加6.0%。市場氣氛於下半年好轉，貸款需求亦見復甦，抵銷了大部分上半年去槓桿化的影響。整體而言，私人銀行客戶貸款按年增長2.2%。

面對市場波動及地緣政治風險加劇的狀況，本行客戶經理與客戶緊密聯繫，助其分散投資風險、降低槓桿並提高回報。我們的投資策略著重於管理市場下跌帶來的風險以及把握反彈機遇。即使在經濟下行最嚴重的情況下，私人銀行業務的資產質素亦沒有大幅惡化或出現客戶保證金不足的情況。

本行透過數碼通訊工具，與內地客戶保持聯繫。即使受到冠狀病毒病相關的旅遊限制影響，來自內地客戶（尤其是大灣區客戶）的收入按年仍有所增加。



BEA Wins Best SME's Partner Gold Award for Three Straight Years – BEA works closely with SME clients, catering to their diverse, evolving banking needs, and offers a series of supportive measures to relieve the unprecedented challenges brought by COVID-19.

東亞銀行連續三年榮獲「中小企業最佳拍檔金獎」一面對不斷變化的營商環境，以及冠狀病毒病帶來前所未有的挑戰，本行都與中小企客戶並肩而行，並推出一系列紓困措施以減輕疫情對他們帶來的營運壓力。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Initiatives to expand Private Banking's customer base and deepen wallet share were also successful. An internal referral programme resulted in a significant number of new accounts, particularly from Corporate Banking. Meanwhile, penetration of wealth management products improved by 16 percentage points.

Looking ahead, the Bank is investing to uplift the capabilities and productivity of private bankers while upgrading its digital platform for high-net-worth customers. A new Chief Investment Strategist was hired in December 2020 to coordinate the Bank's house view and advisory services. The Bank will also strengthen its team of investment counsellors to provide additional client support, and enable digitalised trading solutions to improve the customer experience.

Insurance and MPF Services

Net insurance profit declined by 6.6% year-on-year. Revaluation gains in the debt and equity portfolios of the Bank's insurance subsidiaries did not reach the highs recorded in 2019. Meanwhile, additional policy reserves were required under the low-interest environment. Excluding these impacts, profit from BEA's core insurance business grew by 8.3%.

BEA Life Limited, the Bank's wholly-owned life insurance arm ("BEA Life"), shifted its product mix towards long-term protection products which command higher margins and commissions. In particular, new premium income from whole life and annuity products grew by 9.5 times year-on-year, driving an 83.0% increase in the Bank's commission income from sales of BEA Life products.

Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm ("Blue Cross"), saw 75.0% growth in underwriting profit due to a significant improvement to the medical claims ratio. Premium income was 9.5% lower as a result of reduced demand, as travel was restricted under COVID-19 and both corporates and individuals were impacted by the economic downturn.

Blue Cross continued to drive adoption of its mobile application. Penetration of mobile outpatient e-claim submissions increased from 5.4% in 2019 to 17.1% in 2020. E-claims will be extended to cover inpatient expenses in mid-2021, while a new virtual consultation service will bring added convenience to customers.

Total membership of BEA's Mandatory Provident Fund ("MPF") schemes grew to 836,000 at the end of 2020, while AUM rose to HK\$31.8 billion. Employers and employees were receptive to digital MPF service channels under COVID-19, and a 35% upturn in digital usage was recorded during the period under review.

Business – Mainland China

The Mainland's GDP growth rate decelerated to 2.3% in 2020, the slowest pace since economic reforms began in 1978. Like many companies operating on the Mainland, BEA China experienced a contraction in business during the year. Advances to customers remained flat, at HK\$127,033 million, but with a higher quality composition due to various de-risking measures. Meanwhile, NII decreased by 23.2% to HK\$4,112 million, as NIM shrank under the low interest rate environment. BEA China took proactive measures to manage the asset quality of its retail and corporate portfolio, resulting in a much lower non-performing loan formation rate and non-performing loan ratio despite the impact of COVID-19. With credit cost still at a relatively high level, primarily due to accelerated asset recovery measures, BEA's China operations reported a net loss of HK\$818 million for 2020, an improvement on its position in 2019.

Responding to the challenging operating environment, BEA China focussed on maintaining stable operations and developing the competencies required for future success.

On the corporate banking side, BEA China expanded its clientele and suite of products for transaction banking, investment banking and treasury in order to better capture clients' operating cash flow. With a stronger focus on diversified revenue sources, non-interest income of syndicated loans grew by 74.2% year-on-year, and BEA China won the Best Syndicated Loan Program & Best Lead Bank award from the Shanghai Banking Association. During the year, BEA also originated 45 offshore bond issuances, a historical high, as the Bank Group forged a closer partnership with its clients for offshore financing solutions. Meanwhile, BEA China continued to strengthen its collaboration with the Bank Group through the launch of an enhanced Global Relationship Management programme which helped drive continuous revenue growth from its top corporate clients amidst a challenging economy.



聯席行政總裁報告書（續）

本行為擴大私人銀行客戶群及加深與現有客戶的關係而採取的措施亦取得成效。其中一項與銀行其他業務單位之間的轉介計劃令新開立賬戶數目顯著增長，當中與企業銀行的合作最為成功。與此同時，財富管理產品的滲透率提高了16個百分點。

展望未來，本行將投入資源，提升私人銀行家的能力及生產力，同時為高端客戶推出升級版的數碼平台。本行首席投資策略師於2020年12月履新，負責協調本行的投資觀點及諮詢服務。本行亦將擴充投資顧問團隊，為客戶提供額外支援，並提供數碼化交易方案，提升客戶體驗。

保險及強積金服務

保險業務淨溢利按年減少6.6%。本行旗下保險附屬公司的債務和股權投資組合的重估盈利低於2019年的高位。與此同時，在低息環境下，需要撥備額外的保單準備金。若撇除此等影響，東亞銀行核心保險業務的溢利增長8.3%。

本行旗下全資壽險附屬公司—東亞人壽保險有限公司（「東亞人壽」）將產品組合內溢利率和佣金更高的長期產品比重增加。其中，來自終身壽險及年金產品的新造保單保費收入按年增長9.5倍，推動本行來自銷售東亞人壽產品的佣金收入增加83.0%。

由於醫療索償比率顯著改善，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（「藍十字」）的承保利潤增長75.0%。但鑑於冠狀病毒病疫情嚴峻，企業和個人受經濟下行影響而令整體需求下降，加上旅遊受到限制，導致保費收入減少9.5%。

藍十字繼續推動手機應用程式的應用。利用手機申請門診電子索償的滲透率由2019年的5.4%上升至2020年的17.1%。電子索償的涵蓋範圍將於2021年中擴大至住院費用，而藍十字亦將推出全新的視像診症服務，為客戶提供更多便利。

於2020年底，東亞銀行旗下強積金計劃的成員總數增至836,000名，而管理資產則增加至港幣318億元。在冠狀病毒病疫情下，僱主及僱員樂於採用強積金數碼服務渠道，於回顧期內數碼服務使用量上升35%。


中國內地業務

2020年內地經濟增長放緩至2.3%，增幅為1978年改革開放以來最低。期內，東亞中國與許多其他在內地經營的企業一樣，均經歷業務收縮。客戶貸款規模保持在港幣1,270.33億元，基本持平。由於採取了各種去風險措施，貸款組合的構成有所優化。與此同時，由於淨息差在低息環境下收窄，淨利息收入減少23.2%，至港幣41.12億元。儘管受到冠狀病毒病疫情影響，但由於東亞中國採取了積極的措施來管理其零售和企業貸款組合的資產質素，不良貸款形成比率和不良貸款率均大幅下降。由於加快了資產處置措施，信貸成本仍處於相對較高的水平，東亞銀行中國業務2020年的淨虧損為港幣8.18億元，但較2019年有所改善。

面對充滿挑戰的經營環境，東亞中國專注於維持穩定的營運，以及提升業務能力，為未來的業務發展作好準備。

在企業銀行業務方面，為更好地捕捉來自客戶經營現金流的商機，東亞中國拓展了交易銀行業務、投資銀行業務和金融市場業務的客戶群和產品系列。東亞中國加強注重多元化收入來源，來自銀團貸款的非利息收入按年增長74.2%，並榮獲上海銀行同業公會年度銀團貸款最佳項目獎及牽頭行獎項。年內，東亞銀行進一步與客戶在離岸融資解決方案方面建立了緊密的合作關係，並協助客戶完成了45項離岸債券的發行，創出了歷史新高。同時，東亞中國繼續通過參與集團的全球客戶管理項目與集團加強合作，在充滿挑戰的經濟形勢下，來自重要企業客戶的收入持續增加。



 Construction of BEA's GBA Headquarters in Qianhai, Shenzhen is expected to complete in 2021.
東亞銀行位於深圳前海的大灣區總部預計將於2021年落成。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

On the retail banking side, BEA China set its sights on further expanding its income sources in 2020. By improving its wealth management product offerings and incentivising its sales force, BEA China successfully increased non-interest income from retail wealth management by 75.9% year-on-year, with a significant increase in high-net-worth customers. Through the retail banking transformation project, BEA China successfully maintained a stable loan portfolio with a balanced composition of secured residential mortgages and unsecured consumer loans supported by more advanced big data analytics. At year end, retail lending stabilised at around 30% of total loan volume.

Regarding asset quality, BEA China has been gradually reducing the size of its legacy corporate problem loans via sales transfer and other de-risking means since 2019. As for retail loans, despite deteriorating asset quality in early 2020 due to the impact of the pandemic, BEA China has seen some encouraging signs emerge in the second half of 2020. Overall asset quality has greatly improved, with the non-performing loan formation ratio significantly reduced year-on-year. Between the end of 2019 and the end of 2020, the impaired loan ratio dropped by 71 basis points to 3.10%. We expect this to continue on an improving trend in 2021.

Ongoing productivity uplift programmes made good progress during the year. BEA China continues to improve its operational efficiency through process reengineering, streamlining and operation centralisation. The repositioning effort translated into improved resource allocation and branch consolidation involving 1 branch and 17 sub-branches. At the end of 2020, BEA China maintained one of the most extensive networks among foreign banks in Mainland China, with 30 branches and 49 sub-branches covering 40 cities. With these efforts, BEA China successfully reduced its cost-to-income ratio to 62.7% in 2020, down by 2.2 percentage points year-on-year.

Business – International, Macau and Taiwan

In 2020, the Bank's overseas operations remained resilient. In light of the challenging operating environment due to the pandemic, BEA's overseas branches launched a series of payment relief programmes and support measures for the Bank's customers.

BEA's overseas branches carried out a full review of existing client relationships and adopted a prudent approach to new business during the year. Challenging relationships were terminated. Overall, the Bank's overseas operations achieved modest loan growth of 3.7% in 2020.

Pre-provision operating profit for overseas branches fell by 8.5% year-on-year, mainly due to the narrowing of NIM on interest-bearing assets.

Net profit after tax also dropped to HK\$595 million, mainly due to a spike in impairment losses triggered by COVID-19. Through prudent acquisition of new business and proactive management of asset quality, the impaired loan ratio ended the year at 0.33%, down from 0.54% at the end of 2019.

Given the uncertain business landscape, the Bank's overseas branches have further tightened control of costs. The result was encouraging. Total operating expenses dropped slightly year-on-year, notwithstanding a surge in information technology and risk and compliance expenses due to more stringent regulatory requirements. The cost-to-income ratio edged up from 35.2% in 2019 to 36.7% in 2020.

Customer advances in the US rose by single digits in 2020. The Bank's branches in New York and Los Angeles focussed on acquiring quality investment-grade syndicated loans with positive business prospects. Asset quality remained strong. Meanwhile, the Bank's UK operations continued to deliver positive growth in both loans and pre-provision operating profit.

With a view to improving the performance of its International Division, the Bank conducted a review of its strategy during the year. Following the review, the Bank's Singapore and Macau branches will in future focus on corporate banking businesses. The review process will continue in the coming year.

Taiwan Branch, the Bank's branch operations in Taiwan, continued to face various headwinds due to external factors. As a result, the unit took a cautious approach to loans and only sought opportunities from large corporates in Taiwan.

With the low-interest environment expected to persist for an extended period, the Bank's overseas operations will seek opportunities in sectors that will do well when the economy recovers and enhance collaboration with BEA Head Office, BEA China and the Bank's strategic partners in order to enhance the clients' total value to BEA Group.

The business units will continue to monitor the evolving impact of the pandemic and safeguard asset quality. Overseas branches will also continue to seek and adopt tools to further streamline workflow and invest in technology with an aim to enhance the customer experience, improve operational efficiency and comply with regulatory requirements.



聯席行政總裁報告書（續）

在零售銀行方面，東亞中國在2020年進一步擴大收入來源。透過優化財富管理產品和銷售團隊獎勵機制，東亞中國的高淨值客戶大幅提升，導致其零售財富管理業務的非利息收入按年增加75.9%。同時，透過零售銀行轉型計劃，東亞中國成功建立了穩定均衡的貸款組合，包括有抵押的住房貸款和透過先進的大數據分析支援的無抵押消費貸款。於年底，零售貸款規模保持穩定，約佔貸款總額的三成。

資產質素方面，自2019年以來，東亞中國透過出售貸款及其他降低風險的方式，縮減問題企業貸款的規模。至於零售貸款，儘管受2020年初疫情影響，東亞中國資產質素有所惡化，但在2020年下半年出現了令人鼓舞的改善跡象。整體資產質素大幅改善，不良貸款形成比率按年大幅下降。2020年底的減值貸款比率較2019年底下降71個基點至3.10%，預計這一改善趨勢在2021年將會繼續。

年內，持續進行的生產力提升計劃取得了理想進展。東亞中國繼續推行業務改造、精簡流程及集中業務流程等措施，以提升營運效率。透過推行分行重新定位的措施，東亞中國改善了資源配置，並進一步整合分行網絡，涉及1間分行和17間支行。於2020年底，東亞中國在內地擁有30間分行和49間支行，覆蓋40個城市，是網絡最為龐大的外資銀行之一。透過推行上述措施，東亞中國成功將2020年的成本對收入比率降至62.7%，按年下降2.2個百分點。

國際、澳門及台灣業務

2020年，本行海外業務依然穩健。受疫情影響，經營環境充滿挑戰，本行海外分行已為客戶推出一系列債務紓困計劃及支援措施。

年內，本行海外分行對現有客戶關係作全面檢討及審慎地拓展新業務，並積極收回信貸質素變差的貸款。整體而言，本行海外業務的貸款於2020年錄得3.7%的溫和增長。

海外分行的撥備前經營溢利按年下降8.5%，主要由於計息資產的淨息差收窄。

除稅後淨溢利亦下跌至港幣5.95億元，主要由於冠狀病毒病的影響引致減值損失上升。惟透過審慎開展新業務及積極管理資產質素，減值貸款比率由2019年年底的0.54%下降至2020年底的0.33%。

鑑於營商環境不穩定，本行海外分行已進一步收緊成本控制，成效令人鼓舞。儘管在更嚴格的監管要求下引致資訊科技、風險及合規成本上升，惟經營支出總額比去年同期錄得輕微下跌。成本對收入比率則由2019年的35.2%微升至2020年的36.7%。

2020年，本行美國的貸款業務錄得單位數增長。紐約和洛杉磯分行專注拓展投資級別及業務前景理想的銀團貸款。其資產質素保持良好。同時，本行英國業務在貸款及撥備前經營溢利方面均持續增長。

為提升國際業務的表現，本行於年內進行了策略檢討。經檢討後，未來本行新加坡及澳門分行將專注於企業銀行業務。來年，本行將繼續展開相關檢討程序。

台灣分行的業務因外部因素而繼續面臨多種挑戰。因此，該分行採取審慎的政策批出貸款，僅物色來自台灣大型企業的商機。

鑑於低息環境預期將持續一段時間，本行海外業務將著重拓展經濟復甦中表現出色的行業之商機，並加強與東亞銀行總行、東亞中國及本行的策略夥伴合作，以提升客戶對本集團的整體貢獻。

各業務單位將繼續密切留意不斷變化的疫情所帶來的影響，並致力維持穩健的資產質素。海外分行亦將持續物色及採取各種措施，進一步精簡工作流程及投資科技，藉此提升客戶體驗和營運效率，並遵守各項監管要求。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

BEA Union Investment Management Limited

The capital market was volatile in 2020 due to COVID-19 and global lockdowns. Nonetheless, BEA Union Investment Management Limited, a non-wholly owned subsidiary of the Bank (“BEA Union Investment”) continued to grow, with its AUM increasing by 10% over the year.

Retail investors preferred investment products with regular payout over a fixed tenor while preserving original capital. BEA Union Investment introduced two fixed maturity funds and received overwhelming response.

In mid-2020, the Company’s wholly-owned subsidiary, BEA Union Investment Management (Shenzhen) Limited, set up the first private fund targeting Mainland China professional investors.

With the proximity to China and the initiatives over the GBA, BEA Union Investment will continue to search for opportunities derived from this fast growing area.

Our People

As of 31st December, 2020, the BEA Group employed 9,539 people:

	As of 31st December, 2020	As of 31st December, 2019
Hong Kong	5,576	5,564
Mainland China	3,373	3,681
Macau and Taiwan	151	158
Overseas	439	443
Total	9,539	9,846

Employees have always been the Bank’s greatest assets, and BEA attracts, retains, develops and motivates talent by maintaining a performance-driven culture. During the year, the Bank revamped its performance management system with a number of notable initiatives, including aligning financial and non-financial performance scoring with the Bank’s scorecard for shared objectives and introducing peer review for effective collaboration.

To enhance and reinforce a sound corporate culture, as well as drive employee engagement, the Bank revamped its intranet to feature more timely content with greater depth and breadth. BEA’s core values were promoted through stories of exemplary staff behaviour and words of encouragement from the Bank’s General Managers. These messages were disseminated through the intranet as well as a poster campaign, inspiring staff and creating a more inclusive and motivational workplace.

The Bank continuously seeks bottom-up feedback from staff members and encourages them to share their views and ideas. To this end, an employee survey of all staff was conducted during the year under review, with a strong response rate of 91%. As well as voicing their opinions on a wide range of topics, staff members gave valuable suggestions on workplace enhancements. Actions will be taken to address this feedback.

More details on people management and training are featured in the Sustainability Section.



聯席行政總裁報告書（續）

東亞聯豐投資管理有限公司

儘管環球市場於2020年受冠狀病毒病疫情及多國封城影響而變得波動，本行的非全資附屬公司東亞聯豐投資有限公司（「東亞聯豐投資」）的業務持續增長，管理資產於年內仍錄得10%增幅。

由於零售投資者對定期派息及提供資本保障的產品需求殷切，東亞聯豐投資亦推出了兩隻目標年期基金，廣受客戶歡迎。

於2020年中，東亞聯豐投資旗下全資附屬公司——東亞聯豐投資管理（深圳）有限公司推出首隻為內地專業投資者而設的私募基金。

展望未來，隨著國家推出多項推動大灣區發展的措施，加上香港佔盡地理優勢，東亞聯豐投資正密切留意該區迅速發展所帶來的潛在商機。

人力資源

東亞銀行集團於2020年12月31日的僱員人數為9,539人，分布如下：

	於2020年 12月31日	於2019年 12月31日
香港	5,576	5,564
中國內地	3,373	3,681
澳門及台灣	151	158
海外	439	443
總計	9,539	9,846

東亞銀行一直視員工為最重要的資產。本行透過績效導向的文化，吸引、挽留、培育及激勵人才。年內，本行完善了員工績效管理機制，推出多項重要舉措，包括將財務和非財務表現評準則與本行的共同宗旨掛鉤，並引入同級評審，以促進有效協作。

為加強企業文化及提升員工的參與度，本行革新了內聯網，提供更及時、多元化和深入的內容。此外，本行透過彰顯員工體現核心價值的故事，以及分享多位總經理的鼓勵說話，宣揚本行的核心價值。本行透過革新後的內聯網平台，以及一系列的宣傳海報傳達有關訊息，以營造一個更包容、更能激勵員工的工作環境。

為進一步深化優良的企業文化，本行一直樂於聽取員工的聲音，並鼓勵他們發表意見和想法。為此，本行於回顧年內進行了一項員工意見調查，並獲得高達91%的回覆率。除了就廣泛的議題表達意見外，參與的同事亦在改善工作間方面提出建議。本行將因應有關意見制訂行動計劃。

有關人員管理及培訓的更多詳情，請參閱「可持續發展」一節。



BEA launched a Core Values campaign featuring the Bank's 2019 Employees of the Year. 東亞銀行推出一系列活動宣傳其核心價值，並邀請了2019年度最佳員工參與海報拍攝工作。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

RISK MANAGEMENT

Approach to Risk

The Group recognises that a sound risk culture is the very foundation of its strength. To this end, the Group maintains a prudent and proactive risk management framework that supports risk awareness, proper behaviour and sound judgement in relation to risk-taking. All employees are responsible for the management of risk.

To ensure that business activities provide an appropriate balance between risk and reward, the following principles guide the Group's risk appetite and determine how its business and risks are managed.

Financial and Capital Position

- Maintain a sound capital position defined by stringent regulatory and internal capital ratios.
- Maintain sufficient funds to continue business and operations during crises.

Business and Return

- Formulate business plans in line with the Group's risk appetite.
- Generate sustainable, diversified earnings that deliver consistent returns to shareholders.

Operations

- Ensure that the Bank's operations are conducted with integrity and in compliance with all applicable legal and regulatory requirements.
- Zero tolerance for any inappropriate conduct by any member of staff, business and/or customer, or any action to engage in or knowingly facilitate illegal activities.

Risk Management Framework

The Group has established a robust risk governance and management framework that ensures appropriate oversight of, and accountability for, the effective management of risk.

This framework enables the Board and Senior Management to administer risk management-related responsibilities with appropriate delegation, checks and balances.

The key aspects of the framework, principal risks and principal uncertainties are outlined below.

Enterprise Risk Management

The Group manages risk on a Group-wide basis within an Enterprise Risk Management ("ERM") framework. The ERM framework spans multiple risk types and focusses on optimising the balance and interaction of the different types of risk, and the balance between risk and return.

ERM provides an effective and efficient approach to governance and oversight within the organisation, and assists the Group to monitor and mitigate risks to the successful implementation of the Group's strategies.

Further, ERM promotes risk awareness throughout the organisation and facilitates better operational and strategic decision-making, promoting a strong risk culture and ensuring that operations are compatible with the nature and level of risk that stakeholders are willing to take.

Risk Governance

The Board of Directors has ultimate responsibility for the effective management of risk. It approves risk appetite, risk policies that govern the execution of strategies, procedures and limits.

The Risk Committee stands at the highest level of the Group's risk governance structure under the Board. It provides direct oversight of the formulation of the Group's risk appetite and ensures that the Group's risk appetite is reflected in the policies and procedures that Senior Management adopts to execute business functions.

Through the Group's management committees, the Risk Committee regularly reviews the Group's ERM framework and ensures that all important risk-related tasks are performed according to established policies with appropriate resources.



聯席行政總裁報告書（續）

風險管理

風險管理方針

本集團深明，維持業務強健之道，在於擁有穩健的風險管理文化。為此，本集團致力維持一套審慎且積極主動的風險管理架構，務求令本集團在承擔風險的同時，能提高風險意識，採取適當的行為及作出合理判斷。本集團全體員工均有管理風險的責任。

為確保業務活動可在風險與回報間取得適當的平衡，本集團制定了下列原則，為本集團的風險偏好提供指引，並確立管理業務及風險的方式。

財務及資本狀況

- 維持良好的資本狀況，以符合監管規定以及嚴格的內部資本比率要求。
- 在危機期間維持充足的資金，以繼續進行業務及營運。

業務及回報

- 根據本集團的風險偏好制定業務計劃。
- 採取長期且多元化的獲利方式，為股東帶來穩定的回報。

營運

- 確保本行以誠信正直的方式經營業務，並遵守所有適用的法律及監管規定。
- 絕不容忍任何員工、業務單位及/或客戶有任何不當行為，或參與非法活動，或故意促成任何非法活動。

風險管理架構

本集團已建立健全的風險管治及管理架構，具備適當的監管和問責機制，確保有效管理風險。

有關架構有助董事會及高層管理人員透過適當授權、檢查和制衡方式，履行其與風險管理相關的職責。

有關架構的重點、主要風險及主要不明朗因素闡述如下。

企業風險管理

本集團按企業風險管理架構管理整體風險。此企業風險管理架構涵蓋多種風險類型，並重點優化不同風險類型之間的平衡及相互作用，以及風險與回報之間的平衡。

企業風險管理為集團內部的管治及監督提供有效及高效的方法，並協助本集團監控及減低風險，以落實集團的策略。

此外，企業風險管理旨在提高整個集團的風險意識，並協助作出更佳的營運及策略決策，從而推動穩健的風險管理文化，確保經營活動與持份者願意承擔風險的性質及水平相符。

風險管治

董事會肩負有效管理風險的最終責任，並負責審批風險偏好及風險政策，以管理在策略、程序及限制方面的實施。

風險委員會為本集團僅次於董事會的最高風險管治單位，直接監督本集團風險偏好的制定，並確保本集團的風險偏好得以反映於政策及程序上，讓高層管理人員加以採用，以行使其業務職能。

透過本集團的各個管理委員會，風險委員會定期檢討本集團的企業風險管理架構，確保所有與風險相關的重要任務，均能根據現有政策及運用適當的資源落實執行。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Three Lines of Defence

The Group has adopted the “Three Lines of Defence” risk management structure to ensure that roles and responsibilities with regard to risk management within the Group are clearly defined. The “Three Lines of Defence” model is summarised below.

The First Line of Defence	Comprises the Risk Owners, who are heads of business units or support units of the Bank Group, together with staff under their purview. They are primarily responsible for the day-to-day management of risk within their units, including establishing and executing specific risk control mechanisms and detailed procedures.
The Second Line of Defence	Consists of the Risk Controllers, who are designated staff responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management for the Bank Group.
The Third Line of Defence	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 leads and coordinates all the Group’s risk management-related matters, 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. The principal risks that have been identified under the ERM framework and how these are managed can be found in the following table.

Principal risk type	How it is managed
Credit Risk	Managed through control limits, delegated lending authorities, underwriting criteria, monitoring processes, internal rating structure, recovery procedures, and provisioning policies set out in the policies, guidelines, manuals and regulatory requirements.
Interest Rate Risk	The Group has established control limits and assesses the gap risk, basis risk and options risk primarily through the monitoring of repricing mismatches and the impact of changes in interest rates on earnings and economic value.
Market Risk	The Group measures and monitors potential loss due to adverse price movements and market volatility in accordance with the control limits set out in comprehensive policies, guidelines and manuals.
Liquidity Risk	The Group conducts cash flow analysis to monitor funding needs and has a contingency funding plan in place that clearly stipulates procedures and mitigating actions required to meet liquidity needs in crisis situations.
Operational Risk	The Group has established a framework that defines the standards and processes for managing operational risks and internal controls against risk appetite through various tools and systems.
Reputation Risk	The Group identifies, assesses, monitors, mitigates and controls reputation risk systematically. Specific procedures and guidelines are in place to facilitate timely and effective communications with various stakeholders.



聯席行政總裁報告書（續）

三道防線

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」，包括本銀行集團各業務或後勤單位主管，以及其屬下職員。他們主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
第二道防線	為「風險監控人」，由指定的員工組成，負責為本銀行集團制定風險管理管治架構、獨立地監控風險，並輔助各管理委員會監督本集團的風險管理。
第三道防線	稽核處，確保本集團風險管理架構（包括風險管治安排）的有效性。

集團風險總監協調本集團所有與風險管理相關的事務，與各風險監控人就風險管理政策的制定作出緊密協作，並透過與所有風險監控人及風險負責人的職能工作關係，在集團層面作出風險方面的監督。

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。企業風險管理架構所識別的主要風險以及該等風險的管理方法詳列如下。

主要風險類型	管理方法
信貸風險	根據政策、指引、手冊及監管規定載列的控制限額、信貸權限授權、授信準則、監控程序、內部評級架構、追收程序及撥備政策，加以管理信貸風險。
利率風險	本集團已制定控制限額，並主要透過監察重訂息率錯配及利率走勢對盈利及經濟價值造成的影響，對差距風險、息率基準風險及期權風險進行評估。
市場風險	本集團根據全面的政策、指引及手冊載列的控制限額，衡量及監控價格不利變動及市場波動可能造成的損失。
流動性風險	本集團進行現金流量分析，以監控資金需求，另設有應急資金計劃，以清晰制定在危機情況下所需流動資金的處理程序及緩減措施。
營運風險	本集團已按風險偏好建立框架，制定營運風險管理政策及內部監控的標準及程序，並透過各種工具及系統以管理營運風險。
聲譽風險	本集團有系統地識別、評估、監控、減低及控制聲譽風險。本集團制定了具體的程序及指引，務求與各個持分者有效溝通。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Principal risk type	How it is managed
Strategic Risk	<p>The Group formulates and updates its strategic plan (covering a period of five years) annually to set strategic goals and objectives, evaluate strategic position and develop appropriate strategies according to the latest changing circumstances of the external environment and internal capability.</p> <p>The Group establishes comprehensive policies, manuals and reports to set out the management framework as well as assessment and monitoring tools.</p> <p>The Group proactively manages the Capital Adequacy Ratio ("CAR") and conducts regular reviews of Internal Capital Adequacy Assessment Processes to assess the level and structure of capital resources needed to support the risks that it faces.</p>
Legal Risk	The Group has produced comprehensive policies, guidelines and manuals. Qualified internal personnel and/or external professionals are engaged to provide advice and training courses.
Compliance Risk	The Group has established various policies, guidelines and manuals to ensure compliance with legal and regulatory requirements. A risk-based approach is in place to complement the management of compliance risk.
Technology Risk	The Group strengthens cyber security awareness of all staff through comprehensive training programmes and further mitigates technology risk by implementing a range of control measures.
Business Continuity Risk	The Group conducts business impact analysis and performs annual drills to test business continuity preparedness and effectiveness.
New Product and Business Risk	The Group has established a risk governance structure and an appropriate approval process for new products / businesses.

ERM Reports

ERM is driven and supported by the following enterprise-wide risk reports, which are applied in a consistent manner to identify, assess and manage risk across the Group.

Risk Appetite

Risk Appetite is the Board's articulation of accepted and tolerated levels of risk and return from an enterprise-wide perspective. The Risk Appetite Statement consists of qualitative statements and quantitative metrics, covering income-generating risks and non-income-generating risks.

Risk Profile

The Risk Profile report provides a point-in-time view of the suite of risk categories and assessment of their potential to have a significant impact on the Group's financial results, reputation or business sustainability.

Emerging Risks

The Group adopts an emerging risks process that provides a forward-looking view of issues that have the potential to disrupt the successful execution of the Group's strategies or operations over the medium-to-long term.



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主要風險類型	管理方法
策略風險	<p>本集團每年均會制定及更新為期五年的策略計劃，根據最新外部環境和集團內部狀況的變化，設立策略的目標和宗旨、評估戰略定位及制定適當的策略。</p> <p>本集團制定全面的政策、指引及報告，載列管理架構及評估和監控工具。</p> <p>本集團積極管理資本充足比率，並定期檢討內部資本充足評估程序，以評估因支援本集團面臨風險所需的資本資源水平及結構。</p>
法律風險	<p>本集團已制定全面的政策、指引及手冊，並聘請合資格內部人員及/或外聘專業人士提供建議及培訓課程。</p>
合規風險	<p>本集團已透過制定各項政策、指引及手冊，確保遵守法律及監管規定，並落實風險為本的方式，以進一步完善合規風險管理。</p>
科技風險	<p>本集團透過全面的培訓計劃，加強所有員工的網絡安全意識，並實施一系列控制措施，進一步減低科技風險。</p>
持續業務運作風險	<p>本集團進行業務影響分析，並每年進行演習以測試持續業務運作是否備妥及有效。</p>
新產品及業務風險	<p>本集團已就新產品/業務建立風險管治架構及適當的審批程序。</p>

企業風險管理報告

企業風險管理乃基於以下集團整體風險報告所推動，有關報告的標準一致，務求可識別、評估及管理整個集團的風險。

風險偏好

風險偏好是董事會從整個集團的角度，對風險及回報的接受和容許程度的闡述。風險偏好聲明包括定性聲明及定量指標，涵蓋與產生收益相關風險及並非與產生收益有關的風險。

風險狀況

風險狀況報告提供對一系列風險類別在特定時點的觀點，並評估該等風險對本集團的財務業績、聲譽或業務可持續性構成重大影響的可能性。

新增風險

本集團採用新增風險流程，就中長期可能影響本集團落實策略或進行業務的事宜，提供前瞻性意見。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Principal Uncertainties

The key uncertainties currently facing the Group and the mitigating measures implemented are set out below.

Principal Uncertainties	Mitigating Measures
Virus Risk	
<p>The COVID-19 pandemic emerged in late 2019 and plunged the global economy into a downturn. The latest consumer and manufacturer readings from the world's major economies (China, Europe and the US) suggest that a full global recovery from the COVID-19 contraction remains uncertain in the near future.</p>	<p>The Group will continue to monitor the market situation and portfolios closely in order to manage risk exposure.</p> <p>Stress tests are conducted regularly to assess the impact of hypothetical scenarios on the Group's profitability and CAR.</p>
Cyber Security Risk	
<p>Cyber security risk is a key focus area for regulators and the banking industry, as these risks evolve rapidly. Attackers are constantly seeking more sophisticated and efficient ways to jeopardise banks' operations and cyber security.</p>	<p>The Group has implemented a series of actions and controls to tackle cyber security risk:</p> <ul style="list-style-type: none"> (a) Engaged an external consultant to review the Group's cyber security controls. (b) Maintain access to different intelligence sources to monitor the latest worldwide threats.
Political Risk	
<p>COVID-19 has intensified the already tense US-China relationship, impacting a wide-range of interactions including trade, human rights issues, immigration, national security and technology.</p> <p>Further, the imposition of tariffs by both the US and China, plus favourable tax policies meant to keep industries at home, are further restricting global trade.</p>	<p>To manage the impact of political risk, the Bank identifies potential adverse events and devises ways to mitigate any impact on its capital adequacy, liquidity and asset quality such as:</p> <ul style="list-style-type: none"> (a) Stress testing capital adequacy and loan loss allowance. (b) Close monitoring of liquidity coverage. (c) Enhanced credit control on loan exposures most susceptible to US-China trade tensions. (d) Portfolio review on loan exposures, and more frequent review of credit strategies and concentration limits.
Conduct Risk	
<p>Emerging conduct risks arise from a number of factors, including product design and sales practices, changes in the market environment, changes in customer profiles, and adoption of new technologies.</p>	<p>To enhance and strengthen its risk and compliance culture, the Group has implemented a number of measures:</p> <ul style="list-style-type: none"> (a) Formulated an accountability framework to define accountability processes and obligations (b) Enhanced the performance management framework to ensure alignment of remuneration and risk (c) Strengthened the bank-culture reform with initiatives including a new governance structure and a revamped dashboard



聯席行政總裁報告書（續）

主要不明朗因素

本集團現時面對的主要不明朗因素及所實施的緩減措施載列如下。

主要不明朗因素	緩減措施
<p>病毒風險</p> <p>冠狀病毒病於2019年底爆發，令全球經濟陷入收縮。全球主要經濟體（中國、歐洲及美國）的最新消費者及製造業指數顯示，全球經濟的全面復甦於短期仍存在不確定性。</p>	<p>本集團將繼續密切監控市況及資產組合，以管理風險承擔情況。</p> <p>本集團定期進行壓力測試，以評估假設情境對本集團盈利能力及資本充足比率帶來的影響。</p>
<p>網絡安全風險</p> <p>網絡安全風險發展迅速，已成為監管機構及銀行業的重點關注範疇。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。</p>	<p>本集團已實施一系列行動及控制措施以應對網絡安全風險：</p> <p>(a) 委聘外部顧問審閱本集團的網絡安全控制措施。</p> <p>(b) 留意各種情報來源，以監察全球面臨的最新威脅。</p>
<p>政治風險</p> <p>冠狀病毒病令本來已緊張的中美關係進一步升級，亦廣泛地影響兩國在貿易、人權問題、移民、國家安全及科技等議題上的互動。</p> <p>此外，中美兩國互徵關稅，加上有利產業留在國內的稅務優惠政策，正進一步限制全球貿易。</p>	<p>為管理政治風險帶來的影響，本行識別潛在不利事件，並設法減輕其對資本充足度、流動性及資產質素的影響，例如：</p> <p>(a) 就資本充足度及貸款損失撥備進行壓力測試。</p> <p>(b) 密切監控流動性覆蓋比率。</p> <p>(c) 就最易受中美貿易緊張局勢影響的貸款，加強信貸控制。</p> <p>(d) 對貸款進行組合檢討，並更密切重檢信貸策略及集中限額。</p>
<p>行為風險</p> <p>新興行為風險衍生自多項因素，包括產品設計及銷售常規、市場環境變化及新技術的採用。</p>	<p>為提升及加強風險管理及合規文化，本集團已實施多項措施：</p> <p>(a) 制定問責框架，界定問責程序及責任。</p> <p>(b) 完善績效管理架構，確保薪酬與風險相符。</p> <p>(c) 進一步推行銀行文化變革，包括推出新的管治架構及革新的監察機制。</p>

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Interbank Offered Rate (“IBOR”) Transition

A series of scandals surrounding IBOR rising from the 2008 financial crisis prompted a move in the UK, US and many other jurisdictions from IBOR to Alternative Reference Rates (“ARRs”). This was followed in 2017 by the Financial Conduct Authority (“FCA”) of the UK announcing that it would no longer compel panel banks to submit rates for deriving the fixing of the London Interbank Offered Rate (“LIBOR”) after 2021.

In early 2020, the FCA, together with the Bank of England and the Working Group on Sterling Risk-Free Reference Rates, set out a roadmap for IBOR reform. In May 2020, the Alternative Reference Rates Committee of the US published best practices and roadmap for transition of the USD LIBOR to Secured Overnight Financing Rate. In August 2020, the People’s Bank of China released the white paper “Participation in International Benchmark Interest Rate Reforms and Improving China’s Benchmark Interest Rate”, signalling its commitment to shifting away from using the LIBOR. In October 2020, the International Swaps and Derivatives Association (“ISDA”) launched IBOR Fallbacks Supplement and Protocol as to amend the ISDA’s standard definitions for interest rate derivatives and incorporate fallbacks for derivatives linked to certain IBORs, effective as of 25th January, 2021. In November 2020, ICE Benchmark Administration, the administrator of LIBORs of USD, GBP, EUR, CHF and JPY, announced its plan to cease publication of overnight, 1-month, 3-month, 6-month and 12-month USD LIBORs after the end of June 2023 and other LIBORs after 2021. The HKMA is also following developments closely, and has set a schedule for authorised institutions to transition away from the LIBOR.

In addition to regulatory compliance and conduct risk, the transition to ARR may expose the Bank to an increased level of legal, operational and financial risks.

For orderly transition to ARR, the Bank formed a global cross-functional IBOR Reform Project Team in late 2019 to formulate and implement the Bank’s IBOR transition plan covering Hong Kong, Mainland China and overseas operations.

In the middle of 2020, the Bank started to publish IBOR transition information on its official website to keep investors and the public informed. To protect the interests of customers, the Bank has started and will continue to communicate the potential impact of the reform and

details of transitional arrangements with customers who are affected by the reform.

Regulatory authorities expect banks to offer more ARR products and the Bank has been developing its ARR product capabilities. Trading of interest rate swaps referencing Sterling Overnight Index Average, the ARR for the GBP LIBOR, started in 2020. More ARR products will be offered in 2021.

The Bank has been complying with the requirements and milestones set out by the HKMA and relevant international regulatory authorities, and will continue to monitor the reform process to ensure compliance with regulatory requirements and industry practices.

COMPLIANCE

Compliance is an integral part of the Group’s corporate governance regime, and the Group is committed to upholding the highest standards in all jurisdictions in which it operates.

The Compliance Division is responsible for overseeing the regulatory compliance framework and monitoring compliance risks for the Group; communicating new regulatory requirements to relevant units; delivering compliance advice on the implementation of regulations; conducting regulatory compliance reviews using a risk-based approach; and regularly reporting compliance matters to the Group’s management committees.

Any significant compliance issues, including those related to anti-money laundering and counter-financing of terrorism, are also reported to the Risk Committee and the Board of Directors via the Operational Risk Management Committee. Through the support of the Risk and Compliance Function established in the Bank’s business, functional, and operations units – which act as the first line of defence against regulatory non-compliance – a comprehensive and efficient compliance risk management framework is maintained.

The Group is fully prepared to meet the demands of the evolving regulatory environment – including those related to anti-money laundering and counter-financing of terrorism; international standards and regulatory changes in jurisdictions where the Group has a presence; cross-border business; personal data protection; insurance and investment products sales practices; and any other relevant requirements.

By order of the Board

Adrian David LI Man-kiu
Co-Chief Executive

Brian David LI Man-bun
Co-Chief Executive

Hong Kong, 24th February, 2021



聯席行政總裁報告書（續）

銀行同業拆借利率的過渡

由2008年金融危機衍生一系列圍繞銀行同業拆借利率的醜聞，促使英國、美國和許多其他司法管轄區從銀行同業拆借利率轉向使用替代參考利率。隨後，英國金融行為監管局在2017年宣布，不再強制指定成員銀行在2021年後為釐定倫敦銀行同業拆借利率提交報價。

在2020年初，英國金融行為監管局、英倫銀行與英鎊無風險參考利率工作組共同制定了銀行同業拆借利率的改革路線圖。2020年5月，美國的替代參考利率委員會發布了將美元倫敦銀行同業拆借利率向具抵押隔夜融資利率(SOFR)過渡的最佳做法和路線圖。2020年8月，中國人民銀行發布了名為《參與國際基準利率改革和健全中國基準利率體系》的白皮書，表明其致力於不再使用倫敦銀行同業拆借利率的決心。2020年10月，國際掉期及衍生工具協會發布自2021年1月25日起生效的銀行同業拆息備用條款協議及補充文件，以修訂該協會為利率衍生工具所制定的標準定義，並為與銀行同業拆借利率掛鈎的衍生工具引入備用條款。2020年11月，負責管理美元、英鎊、歐元、瑞郎和日圓倫敦銀行同業拆借利率的國際交易所定價管理機構宣布，計劃在2023年6月以後停止公布隔夜、1個月、3個月、6個月和12個月的美元倫敦銀行同業拆借利率，以及在2021年以後停止發布其他倫敦銀行同業拆借利率。香港金融管理局也正在密切關注事態發展，並為認可機構從倫敦銀行同業拆借利率過渡定立了時間表。

除了合規和行為風險外，過渡至替代參考利率還可能增加法律、業務操作和財務風險。

為了有序地過渡至替代參考利率，本行於2019年末成立了全球跨部門的銀行同業拆借利率改革項目團隊，以制定和實施涵蓋香港、內地和海外業務的銀行同業拆借利率過渡計劃安排。

在2020年中，本行開始在官方網站發布有關銀行同業拆借利率改革過渡的資訊，讓投資者和公眾了解相

關的情況。為了保障客戶的利益，本行已經開始並將繼續與受改革影響的客戶溝通，讓他們了解改革的潛在影響和過渡安排的細節。

監管機構期望銀行能提供更多替代參考利率的產品，而本行也正在開發建立提供替代參考利率產品的能力。在2020年，本行開始進行參照英鎊隔夜平均指數(SONIA，此乃英鎊倫敦銀行同業拆借利率的替代參考利率)的利率掉期交易，並計劃於2021年提供更多的替代參考利率產品。

本行一直遵守香港金融管理局和相關國際監管機構所制定的要求和進度時間表，並將繼續監督好有關改革過渡的過程，以確保符合監管要求和行業慣例。

合規

合規乃本集團企業管治制度的重要組成元素。本集團致力於在其業務所在的各個司法管轄區維持最高標準的企業管治。

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

至於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。

本集團已作好準備，務求可在不斷變化的監管環境下達至各項合規要求，包括與打擊洗錢及恐怖分子資金籌集相關的規定、國際標準及本集團業務所在司法管轄區的監管變動、跨境業務、個人資料保障、銷售保險及投資產品，以及任何其他相關規定。

承董事會命
聯席行政總裁
李民橋
謹啟

聯席行政總裁
李民斌

香港，2021年2月24日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員的個人資料

DIRECTORS



Dr. the Hon. Sir David LI Kwok-po

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

Sir David, aged 82, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. On 1st July, 2019, Sir David stepped down as Chief Executive and was re-designated as Executive Chairman of the Bank. Sir David is also the Chairman of BEA China and The Bank of East Asia Charitable Foundation Limited.

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

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

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

董事

李國寶爵士

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

執行主席及提名委員會委員

李爵士，現年82歲，在1969年加入本行，1977年任董事、1981年任行政總裁、1995年任副主席、繼而於1997年獲委任為主席。於2019年7月1日，李爵士退任本行行政總裁一職，並調任為執行主席。李爵士亦是東亞中國及東亞銀行慈善基金有限公司的主席。

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

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

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



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Professor Arthur LI Kwok-cheung

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

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

Professor Li, aged 75, 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 of the University of Hong Kong. Professor Li was a Member of the National Committee of the Chinese People's Political Consultative Conference (1998 - 2018).

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

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 75 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）。他亦是香港大學校務委員會主席。李教授曾是中國人民政治協商會議全國委員會委員（1998 年至 2018 年）。

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

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 70, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited (listed in Hong Kong). Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Ltd. (listed in Hong Kong). He was an Independent Non-executive Director of MTR Corporation Limited (listed in Hong Kong) and Li & Fung Ltd (listing in Hong Kong withdrawn on 27th May, 2020).

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70歲，在1995年獲委任為本行董事，並於2009年獲委任為副主席。他是偉易達集團（在香港上市）主席兼集團行政總裁。黃博士為中港照相器材集團有限公司（在香港上市）之獨立非執行董事。他曾出任香港鐵路有限公司（在香港上市）及利豐有限公司（於2020年5月27日撤銷在香港的上市地位）之獨立非執行董事。

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

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

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

李國星先生

ScB, MBA

非執行董事及風險委員會委員

李先生，現年71歲，在1995年獲委任為本行董事。他是星安家族辦公室有限公司（前稱星安控股有限公司）主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司（在香港上市）、九龍建業有限公司（在香港上市）及博富臨置業有限公司（在香港上市）之獨立非執行董事。他曾出任昆侖能源有限公司（在香港上市）及太平地氈國際有限公司（在香港上市）之獨立非執行董事。

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

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

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

羅友禮先生

SBS, BSc, MSc
非執行董事

羅先生，現年79歲，在2000年獲委任為本行董事。他是維他奶國際集團有限公司（在香港上市）執行主席。

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

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



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. Stephen Charles LI Kwok-sze

BSc (Hons.), ACA
Non-executive Director

Mr. Li, aged 61, 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61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)



Mr. Adrian David LI Man-kiu

MA (Cantab), MBA, LPC, JP

Co-Chief Executive and Member of the Environmental, Social, and Governance Committee

Mr. Li, aged 47, was appointed an Executive Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019, and is responsible for overall management and control of the Bank Group with a particular focus on its Hong Kong Business. He serves on the boards of several Bank Group members as Chairman or Member.

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

李民橋先生

MA (Cantab), MBA, LPC, JP

聯席行政總裁及環境、社會及管治委員會委員

李先生，現年47歲，於2014年獲委任為執行董事。他在2000年加入本行為總經理兼企業銀行處主管，於2009年4月獲任命為副行政總裁，其後於2019年7月獲委任為聯席行政總裁，負責本集團之整體運作及管理，並專注領導香港業務發展。他同時亦出任本集團內多間公司董事會的主席或成員。

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



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

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

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

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

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. Brian David Li Man-bun

JP, MA (Cantab), MBA, FCA

Co-Chief Executive and Member of the Environmental, Social, and Governance Committee

Mr. Li, aged 46, was appointed an Executive Director in 2014. He first joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019. He is responsible for the overall management and control of the Bank Group with a particular focus on its China and international businesses. He serves on the boards of several Bank Group members as Chairman or as a Member.

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

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

He is a Member of the Hong Kong-Europe Business Council, a Member of the Hongkong-Japan Business Co-operation Committee, and a Vice Chairman of the Asian Financial Cooperation Association.

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 Member of the Hong Kong Academy of Finance and a Full Member of the Treasury Markets Association. He holds an MBA degree from Stanford University as well as a BA degree from the University of Cambridge.

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

李民斌先生

JP, MA (Cantab), MBA, FCA

聯席行政總裁及環境、社會及管治委員會委員

李先生，現年46歲，於2014年獲委任為執行董事。他在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管。他於2009年4月獲任命為聯席行政總裁，其後於2019年7月出任聯席行政總裁，負責本集團之整體運作及管理，並主要領導中國及國際業務。他亦是本集團內若干公司董事會的主席或成員。

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

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

此外，李先生為香港歐洲商務委員會委員、港日經濟合作委員會委員，以及亞洲金融合作協會副理事長。

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，他亦為香港金融學院會員及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 42, was appointed a Director in 2015. He is currently an Executive Director and Deputy Chairman of Sino Land Company Limited (listed in Hong Kong), Tsim Sha Tsui Properties Limited (listed in Hong Kong) and Sino Hotels (Holdings) Limited (listed in Hong Kong). He is also the Chairman, Non-independent & Non-executive Director of Yeo Hiap Seng Limited (listed in Singapore).

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

Dr. Ng is a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th and 13th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is the President of Hong Kong United Youth Association, a Council Member of the Hong Kong Committee for UNICEF, a Council Member of The Hong Kong Management Association, an Advisor of Our Hong Kong Foundation, a Council Member of Hong Kong Chronicles Institute Limited, a Council Member of the Employers' Federation of Hong Kong, a Member of the Board of Hong Kong Science and Technology Parks Corporation, the Chairman of Greater Bay Area Homeland Youth Community Foundation Limited, a Member of the Board of Mind Mental Health Hong Kong Limited, a member of the Estate Agents Authority of the Government of Hong Kong Special Administrative Region, a member of the Council of the University of Hong Kong, a member of the Court of the Hong Kong University of Science and Technology, a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore, a member of International Advisory Council of Singapore Management University, a member of the Board of M Plus Museum Limited, a Board Member of National Heritage Board, Singapore, a member of Hong Kong Trade Development Council Mainland Business Advisory Committee, a member of the Cyberport Advisory Panel of Hong Kong Cyberport Management Company Limited, 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，42歲，於2015年獲委任為董事。他現時為信和置業有限公司（在香港上市）、尖沙咀置業集團有限公司（在香港上市）及信和酒店（集團）有限公司（在香港上市）之執行董事兼副主席。他亦是楊協成有限公司（在新加坡上市）之主席及非獨立非執行董事。

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

黃博士是紐約哥倫比亞大學 Global Leadership Council 會員、第十屆中國人民政治協商會議四川省委員會委員、第十二屆及第十三屆中國人民政治協商會議北京市委員會委員、中華全國青年聯合會第十屆及第十一屆委員會委員及重慶市青年聯合會港區特邀副主席。他亦是香港青年聯會會長、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、團結香港基金顧問、香港地方志中心有限公司理事、香港僱主聯合會諮議會成員、香港科技園公司董事會成員、大灣區共同家園青年公益基金會有限公司主席、心聆精神健康香港有限公司董事會成員、香港特別行政區政府地產代理監管局成員、香港大學校務委員、香港科技大學顧問委員會成員、新加坡國立大學楊潞齡醫學院 NUS Medicine International Council 成員、新加坡管理大學之 International Advisory Council 成員、M Plus Museum Limited 之董事局成員、新加坡國家文物局董事局成員、香港貿易發展局內地商貿諮詢委員會委員、香港數碼港管理有限公司數碼港顧問委員會成員、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 76, was appointed a Director in 2015. He is an Independent Non-executive Director of Chugai Pharmaceutical Co., Ltd., Rengo Co., Ltd. and The Royal Hotel, Limited, all of which are companies listed in Japan. Mr. Oku is also the Honorary Advisor of Sumitomo Mitsui Financial Group, Inc. ("SMFG")^{Note} (listed in Japan and USA). He was an Auditor of Nankai Electric Railway Co. Ltd. (listed in Japan) and an Independent Non-executive Director of Komatsu Ltd., Kao Corporation and Panasonic Corporation, all of which are 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")^{Note} 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.

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

奧正之先生

*LL.B, LL.M, 產業勳章銀塔獎
非執行董事及提名委員會委員*

奧正之先生，現年76歲，於2015年獲委任為董事。他是中外製藥株式會社(Chugai Pharmaceutical Co., Ltd.)、Rengo Co., Ltd.及麗嘉皇室酒店(The Royal Hotel, Limited)的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為三井住友金融集團^註(在日本及美國上市)的名譽顧問。他曾任南海鐵道株式會社(Nankai Electric Railway Co. Ltd.)(在日本上市)的核數師，以及小松製作所(Komatsu Ltd.)、花王株式會社(Kao Corporation)及松下電器產業株式會社(Panasonic Corporation)的獨立非執行董事，該等公司均在日本上市。

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^註於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)。

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



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



Dr. the Hon. Rita FAN HSU Lai-tai

GBM, GBS, DSocSc, JP

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

Dr. Fan, aged 75, was appointed a Director in 2016. She is currently an Independent Non-executive Director of China Overseas Land & Investment Limited (listed in Hong Kong) and COSCO SHIPPING Ports Limited (listed in Hong Kong).

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 and a member of Hong Kong Laureate Forum Council.

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75歲，於2016年獲委任為本行董事。她現時為中國海外發展有限公司（在香港上市）及中遠海運港口有限公司（在香港上市）的獨立非執行董事。

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，以及香港桂冠論壇委員會委員。

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 65, 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 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65歲，於2016年獲委任為本行董事。現時為冠聯金融控股有限公司的行政總裁。

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

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

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



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



Dr. the Hon. Henry TANG Ying-yen

GBM, GBS, JP

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

Dr. Tang, aged 68, 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 the Supervisor of BEA China.

唐英年博士

GBM, GBS, JP

獨立非執行董事，風險委員會主席，審核委員會、提名委員會及薪酬委員會委員

唐博士，現年68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監事。

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, Chairman of the Environmental, Social, and Governance Committee, Member of the Audit Committee, the Nomination Committee and the Risk Committee

Dr. Lee, aged 53, was appointed a Director in 2017. He is currently the Vice Chairman of TAL Apparel Limited. He is also a non-executive director of Tradelink Electronic Commerce Limited (listed in Hong Kong) and Dairy Farm International Holdings Limited (listed in London, Bermuda and Singapore).

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，環境、社會及管治委員會主席，審核委員會、提名委員會及風險委員會委員

李博士，現年53歲，於2017年獲委任為董事。他現為聯業製衣有限公司的副主席。他亦是貿易通電子貿易有限公司（在香港上市）及牛奶國際控股有限公司（在倫敦、百慕達及新加坡上市）的非執行董事。

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

李博士擁有牛津大學博士學位及倫敦帝國學院電機工程學士學位。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. William Junior Guilherme DOO

BA, MA (Oxon), JP

Independent Non-executive Director, Member of the Audit Committee, the Risk Committee and the Environmental, Social, and Governance Committee

Mr. Doo, aged 47, was appointed a Director in November, 2019. He is currently the Chief Executive Officer and Director of Fung seng Prosperity Holdings Limited, the Deputy Chief Executive Officer and Executive Director of FSE Holdings Limited, an Executive Director of FSE Services Group Limited (listed in Hong Kong) and a Non-executive Director of NWS Holdings Limited (listed in Hong Kong).

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

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

杜家駒先生

BA, MA (Oxon), JP

獨立非執行董事，審核委員會、風險委員會及環境、社會及管治委員會委員

杜先生，現年47歲，於2019年11月獲委任為董事。他現為豐盛企業集團有限公司行政總裁兼董事、豐盛創建控股有限公司副行政總裁兼執行董事、豐盛服務集團有限公司（在香港上市）之執行董事，以及新創建集團有限公司（在香港上市）之非執行董事。

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Dr. David MONG Tak-yeung

BScEE, DSocSc, DBA, The Order of the Rising Sun, Gold Rays with Neck Ribbon

Independent Non-executive Director, Member of the Remuneration Committee and the Environmental, Social, and Governance Committee

Dr. Mong, aged 58, was appointed a Director in January 2021. He is currently the Chairman and Chief Executive Officer of Shun Hing Group, which has been the exclusive regional representative of a famous brand of home appliances, Panasonic (formerly National), for many decades. He is the President of the Hong Kong & Kowloon Electrical Appliances Merchants Association Limited and a Member of Occupational Safety and Health Council.

Dr. Mong obtained a Bachelor of Science in Electrical Engineering, University of California, Los Angeles and a Master of Business Administration, Santa Clara University, California. Dr. Mong was conferred Doctoral Degrees of Social Sciences, honoris causa from the University of Hong Kong and Hong Kong Baptist University and Doctoral Degree of Business Administration, honoris causa from Hong Kong Polytechnic University. Dr. Mong is an Honorary Fellow of the University of Hong Kong and the Chinese University of Hong Kong, as well as a Fellow of The Hong Kong Management Association. He was awarded the Order of the Rising Sun, Gold Rays with Neck Ribbon by the Government of Japan.

Dr. Mong is an Independent Non-executive Director and the Chairman of the Nomination Committee of Blue Cross (Asia-Pacific) Insurance Limited and an Independent Non-executive Director of BEA Life Limited, the Bank's wholly-owned subsidiaries, and an Independent Non-executive Director of Blue Care JV (BVI) Holdings Limited which is an 80% owned subsidiary of the Bank.

蒙德揚博士

BScEE, DSocSc, DBA, 旭日中綬章 (The Order of the Rising Sun, Gold Rays with Neck Ribbon)

獨立非執行董事，薪酬委員會及環境、社會及管治委員會委員

蒙博士，現年 58 歲，於 2021 年 1 月獲委任為董事。他現任信興集團主席兼行政總裁。信興集團數十年來一直是著名家用電器品牌樂聲牌 (Panasonic，前為 National) 的獨家地區代理商。他是港九電器商聯會有限公司的會長，以及職業安全健康局的成員。

蒙博士獲加利福尼亞大學洛杉磯分校電機工程學士學位和加利福尼亞聖塔克拉拉大學工商管理碩士學位。蒙博士分別獲香港大學及香港浸會大學頒授榮譽社會科學博士學位及香港理工大學頒授榮譽工商管理博士學位。蒙博士是香港大學和香港中文大學的名譽院士，以及香港管理專業協會的會士。他獲日本政府頒授旭日中綬章 (the Order of the Rising Sun, Gold Rays with Neck Ribbon)。

蒙博士為本行全資附屬公司 — 藍十字 (亞太) 保險有限公司之獨立非執行董事及其提名委員會主席及東亞人壽保險有限公司之獨立非執行董事，他亦出任本行持有 80% 權益的附屬公司 — Blue Care JV (BVI) Holdings Limited 之獨立非執行董事。



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



Dr. Francisco Javier SERRADO TREPAT

Non-executive Director and Member of the Nomination Committee

Dr. Serrado, aged 62, was appointed a Director in January 2021. He is currently the Asia Regional Manager of Criteria Caixa, S.A., Sociedad Unipersonal^{Note} ("Criteria") and CaixaBank, S.A., Hong Kong Office which is Criteria's associate (as defined in the Listing Rules). He possesses extensive knowledge and skills and has more than 34 years of experience in banking and finance-related industries, including about 29 years of experience working in Mainland China. His major responsibilities include overseeing the operations (including establishment) of banking and finance entities of Criteria and CaixaBank S.A. in Mainland China and other regions in Asia.

Among other academic and professional qualifications, Dr. Serrado holds a PhD degree in Economics from Columbia University; a PhD in Economics from the University of Philippines Diliman; and an MBA degree from The London School of Economics and Political Science. He was awarded the Cross of the Order of Civil Merit (2020) at the behest of His Majesty King Felipe VI of Spain in recognition for his achievements in economic cooperation, investment and trade between the People's Republic of China and Spain.

Francisco Javier SERRADO TREPAT 博士

非執行董事及提名委員會委員

Serrado 博士，現年 62 歲，於 2021 年 1 月獲委任為董事。他現任 Criteria Caixa, S.A., Sociedad Unipersonal^註 (「Criteria」) 及西班牙商業銀行 (CaixaBank, S.A.) 香港辦公室的亞洲區經理。西班牙商業銀行為 Criteria 的聯繫人 (根據《上市規則》之定義)。他在銀行和金融相關行業擁有豐富的知識和技能，相關經驗超過 34 年，其中包括在中國內地工作約 29 年的經驗。他的職責主要包括監督 Criteria 及西班牙商業銀行在中國內地和亞洲其他地區的銀行和金融實體 (包括設立) 的運營。

除其他學術及專業資格外，Serrado 博士持有哥倫比亞大學 (Columbia University) 經濟學博士學位、菲律賓帝力曼大學 (University of Philippines Diliman) 經濟學博士學位，以及倫敦政治經濟學院 (The London School of Economics and Political Science) 的工商管理碩士學位。他獲西班牙國王費利佩六世頒授「公民功績勳章 (2020 年)」(the Cross of the Order of Civil Merit (2020))，以表彰他在中華人民共和國與西班牙之間的經濟合作、投資和貿易方面取得的成就。

^{Note} Criteria is 100% owned by Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa"). Both Criteria and "la Caixa" 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 "Interests of Substantial Shareholders and Other Persons" section of the Report of the Directors.

^註 Criteria 為 Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (「la Caixa」) 全資所擁有。根據《上市規則》及《證券及期貨條例》第 XV 部之定義，Criteria 及 "la 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。

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

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu

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

(Biographical details are set out on pages 44 and 45)

高層管理人員

李民橋先生

MA (Cantab), MBA, LPC, JP
聯席行政總裁

(個人資料載列於第44頁及第45頁)

Mr. Brian David LI Man-bun

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

(Biographical details are set out on page 46)

李民斌先生

JP, MA (Cantab), MBA, FCA
聯席行政總裁

(個人資料載列於第46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, FCG, FCS, HKSI
Deputy Chief Executive & Chief Investment Officer

Mr. Li, aged 60, 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 Chartered Governance Institute, 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, FCG, FCS, HKSI
副行政總裁兼投資總監

李先生，現年60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、英國特許公司治理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, FCG, FCS, Fellow CB
Deputy Chief Executive & Chief Operating Officer

Mr. Tong, aged 61, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division

from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for operations support, compliance, human resources, and corporate communications of the Bank. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board. Mr. Tong is a Fellow Certified Banker of The Hong Kong Institute of Bankers, a Fellow of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute 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, FCG, FCS, Fellow CB
副行政總裁兼營運總監

唐先生，現年61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公司治理公會資深會士，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

SPECIAL ADVISOR TO THE BOARD

Dr. Isidro FAINÉ CASAS¹

BOARD

Executive Directors

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

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

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

Non-executive Directors

Professor Arthur LI Kwok-cheung
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

Dr. Francisco Javier SERRADO TREPAT²

Independent Non-executive Directors

Dr. Allan WONG Chi-yun
(Deputy Chairman)

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre LI Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

Mr. William Junior Guilherme DOO

Dr. David MONG Tak-yeung²

董事會特別顧問

范禮賢博士¹

董事會

執行董事

李國寶爵士
(執行主席)

李民橋先生
(聯席行政總裁)

李民斌先生
(聯席行政總裁)

非執行董事

李國章教授
(副主席)

李國星先生

羅友禮先生

李國仕先生

黃永光博士

奧正之先生

Francisco Javier SERRADO TREPAT 博士²

獨立非執行董事

黃子欣博士
(副主席)

范徐麗泰博士

李國榮先生

唐英年博士

李國本博士

杜家駒先生

蒙德揚博士²

¹ Appointed as Special Advisor on 24th April, 2020 following his retirement as Director on the same day

² Appointed as Director on 15th January, 2021

¹ 繼2020年4月24日退任董事後，於同日獲委任為特別顧問

² 於2021年1月15日獲委任為董事



CORPORATE INFORMATION (CONTINUED)

公司資料(續)

BOARD COMMITTEES

Audit Committee

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

Nomination Committee

Dr. Allan WONG Chi-yun* (*Chairman*)
 Dr. the Hon. Sir David LI Kwok-po
 Mr. Masayuki OKU
 Dr. the Hon. Henry TANG Ying-yen*
 Dr. the Hon. Rita FAN HSU Lai-tai*
 Dr. Delman LEE*
 Dr. Francisco Javier SERRADO TREPAT¹

Remuneration Committee

Dr. the Hon. Rita FAN HSU Lai-tai* (*Chairman*)
 Dr. Allan WONG Chi-yun*
 Dr. the Hon. Henry TANG Ying-yen*
 Professor Arthur LI Kwok-cheung
 Dr. David MONG Tak-yeung*²

Risk Committee

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

Environmental, Social, and Governance Committee³

Dr. Delman Lee*⁴ (*Chairman*)
 Mr. Adrian David LI Man-kiu⁵
 Mr. Brian David LI Man-bun⁵
 Mr. William Junior Guilherme DOO*⁵
 Dr. David MONG Tak-yeung*²

* Independent Non-executive Director

¹ Appointed as Member of NC on 15th January, 2021

² Appointed as Member of RemCo and ESGC on 15th January, 2021

³ Established on 26th November, 2020

⁴ Appointed as Chairman of ESGC on 26th November, 2020

⁵ Appointed as Member of ESGC on 26th November, 2020

董事會轄下委員會

審核委員會

李國榮先生* (*主席*)
 黃子欣博士*
 唐英年博士*
 李國本博士*
 杜家駒先生*

提名委員會

黃子欣博士* (*主席*)
 李國寶爵士
 奧正之先生
 唐英年博士*
 范徐麗泰博士*
 李國本博士*
 Francisco Javier SERRADO TREPAT 博士¹

薪酬委員會

范徐麗泰博士* (*主席*)
 黃子欣博士*
 唐英年博士*
 李國章教授
 蒙德揚博士*²

風險委員會

唐英年博士* (*主席*)
 黃子欣博士*
 李國星先生
 黃永光博士
 李國榮先生*
 李國本博士*
 杜家駒先生*

環境、社會及管治委員會³

李國本博士*⁴ (*主席*)
 李民橋先生⁵
 李民斌先生⁵
 杜家駒先生*⁵
 蒙德揚博士*²

* 獨立非執行董事

¹ 於2021年1月15日獲委任為提名委員會委員

² 於2021年1月15日獲委任為薪酬委員會及環境、社會及管治委員會委員

³ 於2020年11月26日成立

⁴ 於2020年11月26日獲委任為環境、社會及管治委員會主席

⁵ 於2020年11月26日獲委任為環境、社會及管治委員會委員

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

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

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

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

執行主席**李國寶爵士**

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

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

於《財務匯報局條例》下的註冊公眾利益實體核數師



CORPORATE INFORMATION (CONTINUED)
公司資料(續)



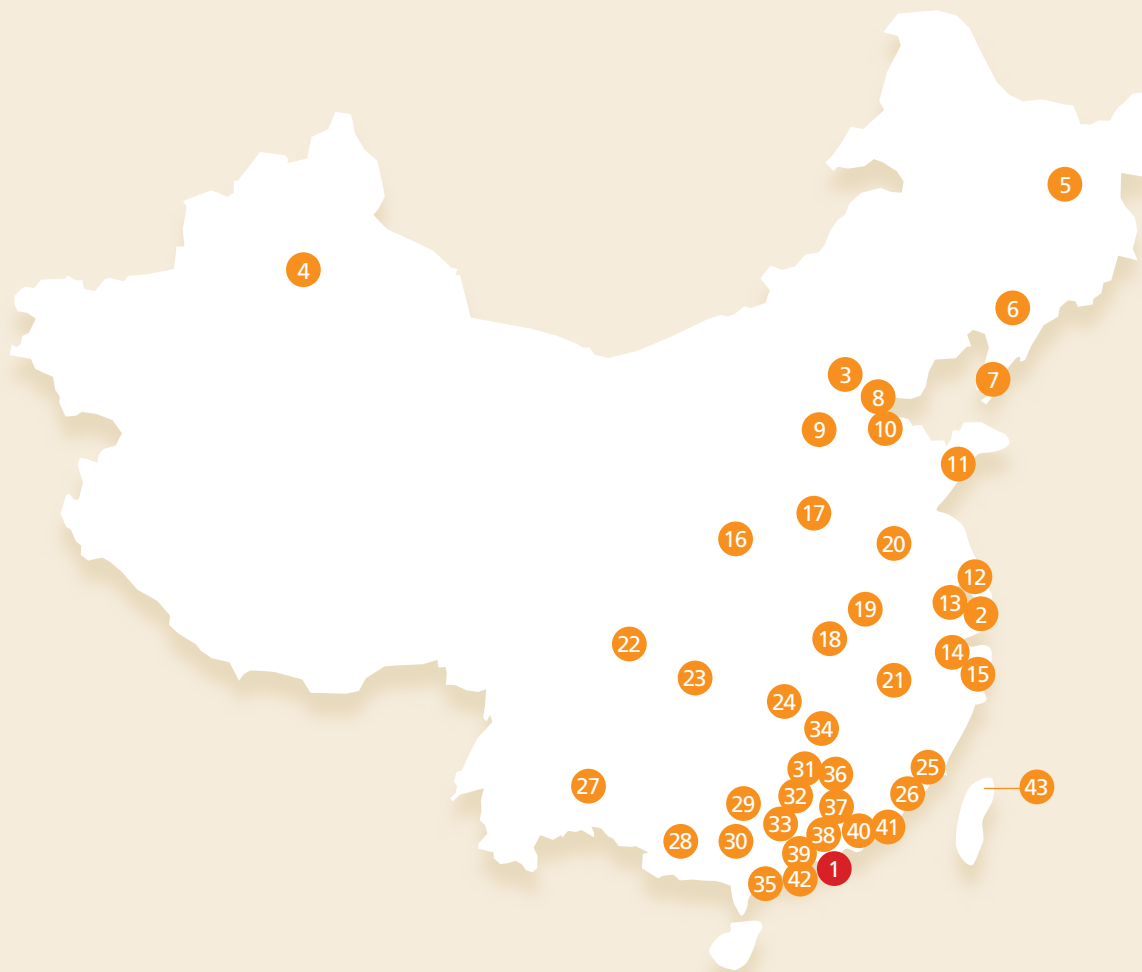
**EXECUTIVE CHAIRMAN
AND SENIOR MANAGEMENT**
執行主席及高層管理人員

1. Dr. the Hon. Sir David LI Kwok-po
李國寶爵士
2. Mr. Adrian David LI Man-kiu
李民橋先生
3. Mr. Brian David LI Man-bun
李民斌先生
4. Mr. Samson LI Kai-cheong
李繼昌先生
5. 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	16 Xi'an	西安	30 Jiangmen	江門
3 Beijing	北京	17 Zhengzhou	鄭州	31 Qingyuan	清遠
4 Urumqi	烏魯木齊	18 Wuhan	武漢	32 Guangzhou	廣州
5 Harbin	哈爾濱	19 Hefei	合肥	33 Foshan	佛山
6 Shenyang	瀋陽	20 Nanjing	南京	34 Shaoguan	韶關
7 Dalian	大連	21 Nanchang	南昌	35 Zhuhai	珠海
8 Tianjin	天津	22 Chengdu	成都	36 Jieyang	揭陽
9 Shijiazhuang	石家莊	23 Chongqing	重慶	37 Dongguan	東莞
10 Jinan	濟南	24 Changsha	長沙	38 Shenzhen	深圳
11 Qingdao	青島	25 Fuzhou	福州	39 Zhongshan	中山
12 Kunshan	昆山	26 Xiamen	廈門	40 Huizhou	惠州
13 Suzhou	蘇州	27 Kunming	昆明	41 Shantou	汕頭
14 Hangzhou	杭州	28 Nanning	南寧	42 Macau	澳門
15 Ningbo	寧波	29 Zhaoqing	肇慶	43 Taipei	台北

Overseas 海外

Singapore 新加坡

Singapore 新加坡

Malaysia 馬來西亞

Labuan 納閩
Kuala Lumpur 吉隆坡

United Kingdom 英國

London 倫敦
Birmingham 伯明翰
Manchester 曼徹斯特

United States 美國

New York 紐約
Los Angeles 洛杉磯



LIST OF OUTLETS (CONTINUED) 網絡一覽(續)

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

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

HONG KONG BRANCH NETWORK 香港分行網絡

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

Outlying Islands Branches 離島分行

Tung Chung 東涌

FINANCIAL CENTRES 理財中心

Hong Kong Region 香港區

Pacific Place i-Financial Centre 太古廣場 i-理財中心
Quarry Bay SupremeGold Centre 鯉魚涌顯卓理財中心

New Territories Region 新界區

Lingnan University i-Financial Centre 嶺南大學 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
Sheung Shui Landmark North Business Centre 上水廣場 商務理財中心

Kowloon Region 九龍區

Hong Kong Baptist University i-Financial Centre 香港浸會大學 i-理財中心
Millennium City 5 SupremeGold Centre 創紀之城五期 顯卓理財中心
Whampoa Garden i-Financial Centre 黃埔花園 i-理財中心

Outlying Islands Region 離島區

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 framework which identifies all the key participants of the Group and their roles in the application of effective governance

policies and processes. A *Corporate Governance Policy* has also been established to direct and guide the business conducts and affairs of the Group.

This report highlights key corporate governance practices and activities of the Group during the year ended 31st December, 2020 and up to 24th February, 2021 (being the date of approval of the Bank's 2020 Annual Report).

Governance Overview

Board Composition

- One INED and one NED were appointed, bringing INED ratio to 41%
- One NED resigned

Board Practices and Activities at a Glance

- 9 Board and 13 Board Committee meetings in 2020
- 97% attendance rate of Board meetings
- 44 training activities for Directors
- Review of Strategic Plan and Risk Appetite
- Annual Review of Corporate Governance Framework
- Evaluation of Board performance
- Periodic review of Bank Culture Reform
- Review of the ESG Report

Establishment of ESG Committee

- A Board-level ESG Committee was established with a majority of the members being INEDs.



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，以及他們在應用有效企業管治政策和程

序方面的角色。本行並制定一套企業管治政策為本集團的商業行為及事務提供指引。

本報告重點介紹本集團在截至2020年12月31日止的年度及直至2021年2月24日（即批准本行《2020年報》的日期）的期間內主要的企業管治實務和活動。

管治總覽

董事會組成

- 委任一位獨立非執行董事及一位非執行董事，獨立非執行董事的比例因而提升至41%
- 一位非執行董事辭任

董事會的實務及活動概覽

- 於2020年內舉行9次董事會會議及13次董事會轄下委員會會議
- 董事會會議出席率達97%
- 為董事安排44項培訓活動
- 審閱策略計劃及風險偏好
- 年度檢討企業管治架構
- 評估董事會的表現
- 定期檢討本行企業文化改革
- 審閱環境、社會及管治報告

成立環境、社會及管治委員會

- 成立董事會轄下的環境、社會及管治委員會，大部份成員為獨立非執行董事

CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate Governance Practices

During the year ended 31st December, 2020, the Bank has complied with all code provisions set out in the CG Code.

The Bank has also followed the modules on CG-1, CG-5, Guidance on Empowerment of INEDs, and the circular on Bank Culture Reform issued by the HKMA. In supporting prudent risk management and upholding 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*; the *Statement on Anti-Money Laundering and Counter-Financing of Terrorism* and the *Human Rights Policy* 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. Having made specific enquiry by the Bank, all Directors (including the Director resigned during the year 2020) confirmed that they had complied with the required standard set out in the Model Code and the Bank’s Policy at all the applicable time during the year ended 31st December, 2020.

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.

A. BOARD OF DIRECTORS

The Board

The Bank is headed by an effective Board which assumes responsibility for leadership and control of the Bank. The Board is collectively responsible for promoting the success of the Bank by directing and supervising the Bank’s affairs.

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

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.

Some of the key matters reserved for the Board’s consideration and decision include, but are not limited to:

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

The Schedule will be reviewed periodically to ensure that it remains appropriate to the Bank’s needs and regulatory requirements.



企業管治報告(續)

企業管治實務

在截至2020年12月31日止的年度期間內，本行已遵守《企業管治守則》的全部守則條文。

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

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」)。經本行明確查詢後，所有董事(包括在2020年內辭任的董事)已確認於截至2020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。

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。

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。董事會集體負責統管並監督本行事務以促使本行成功。

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

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、高層管理人員、總經理和專責委員會權力的事項。

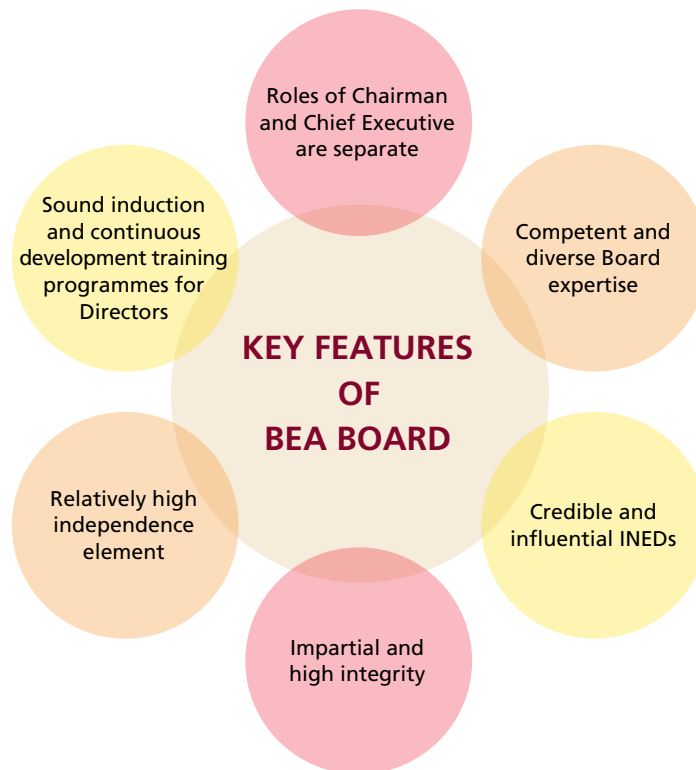
由董事會考慮及決策之重要事項包括(但不限於)：

- 資本計劃及管理
- 財務報告及業務計劃
- 策略計劃及目標
- 有關企業管治功能的事項
- 確立企業價值觀及標準
- 風險管理及內部監控
- 本行董事、聯席行政總裁、副行政總裁、主要管理人員的委任，撤職及繼任安排
- 根據《上市規則》必須披露的重大投資或出售集團資產，須予公布的交易及/或關連交易

本行會定期檢討該事項表以確保符合本行的需要及監管規定。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Key features of BEA Board



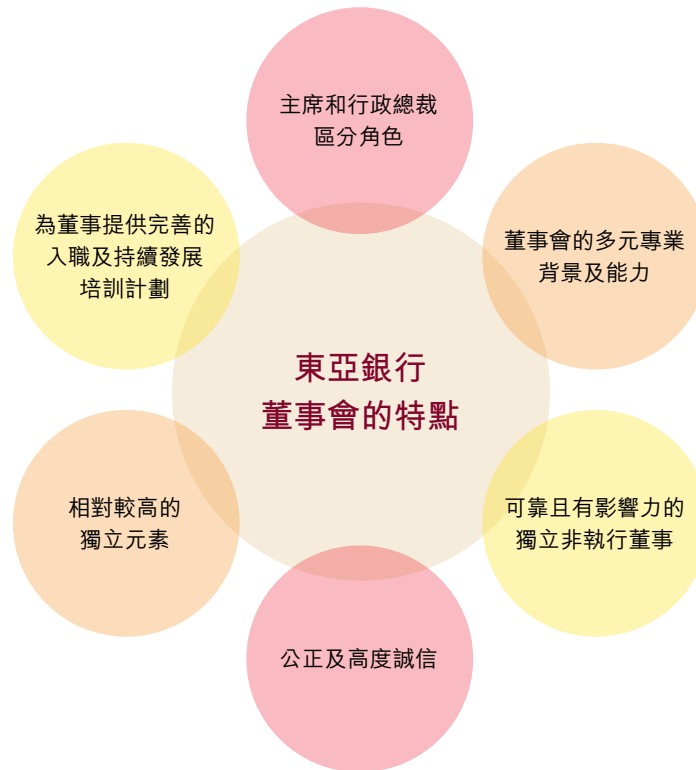
Board composition

Following the appointments of (i) Dr. David Mong Tak-yeung as INED and (ii) Dr. Francisco Javier Serrado Trepas as NED, both effective on 15th January, 2021, the Board currently has 17 Directors, including 3 EDs, 7 NEDs and 7 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 Bank's affairs. They bring a wide range of professional expertise as well as business and financial experience to the Board.

An updated list of Directors, identifying their roles and functions at the Bank, is available on the websites of HKEX and the Bank. The compositions of the Board and Board Committees are shown on pages 58 and 59 under the Corporate Information. The biographical details 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 38 to 57 under the Biographical Details of Directors and Senior Management, whereas the list of other directorships of each Director is available on the Bank's website.



東亞銀行董事會的特點



董事會組成

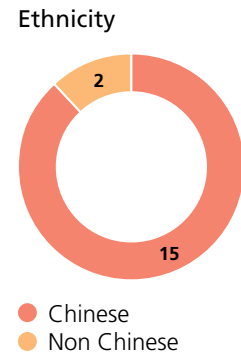
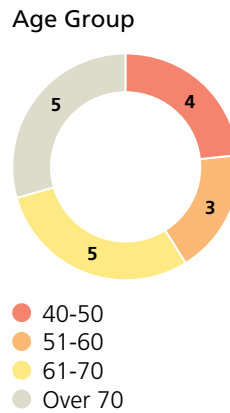
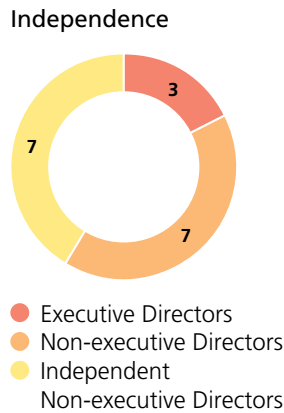
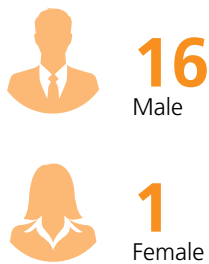
隨著於2021年1月15日委任(i)蒙德揚博士為獨立非執行董事及(ii) Francisco Javier Serrado Trepal博士為非執行董事，本行董事會現有董事17人，包括3位執行董事、7位非執行董事及7位獨立非執行董事。超過三分之一的董事為獨立非執行董事。董事會以非執行董事及獨立非執行董事佔大多數，確保能作出獨立客觀之決策，並能全面及不偏不倚地監控本行業務。他們為董事會帶來廣泛的專業知識及業務和財務經驗。

本行最新的董事會成員名單(當中訂明其在本行的角色和職能)已載於香港交易所及本行網站。董事會及董事會轄下委員會的成員名單刊載於第58及59頁公司資料內。各董事的個人資料，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，已刊載於第38至57頁董事及高層管理人員的個人資料項下，而各董事在其他公司出任董事職位的公司名單則刊載於本行網站內。

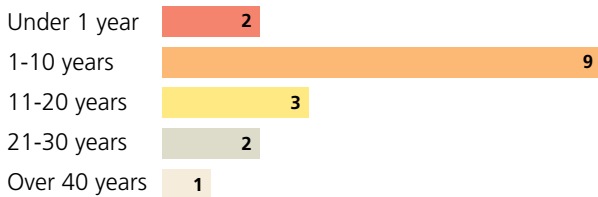
CORPORATE GOVERNANCE REPORT (CONTINUED)

An analysis of the Board composition and skill matrix during the year and up to 24th February, 2021 is set out below:

Board composition



Tenure of office



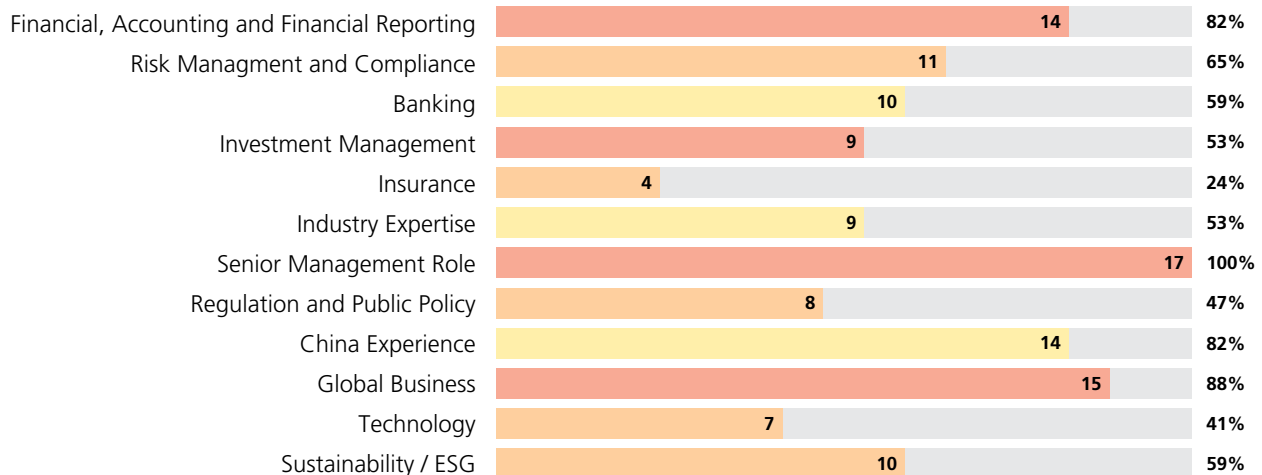
Attendance of Board Meeting (only applicable to Directors in 2020)



Directorship(s) in other listed companies



Board Expertise and Skills



Notes:

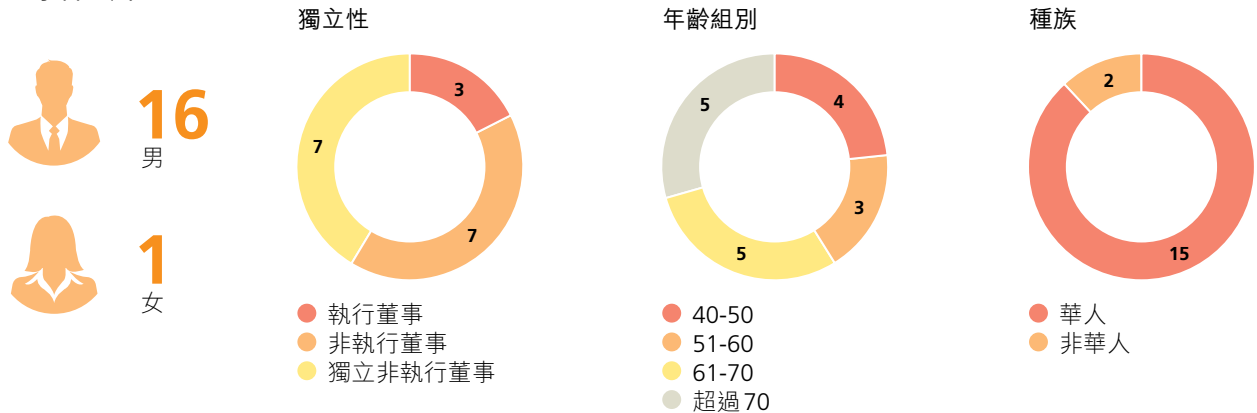
Financial, Accounting and Financial Reporting – Expertise and work experience in financial market, financial reporting and auditing
 Risk Management and Compliance – Regulatory and Compliance expertise in managing and overseeing risk in public and private companies and in other contexts.
 Banking – Management experience in retail, corporate, and investment banking
 Investment Management – Work experience in asset management and portfolio management
 Insurance - Work 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 mainland 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
 Sustainability / ESG – Expertise and/or experience in developing, promoting or ensuring the effective delivery of an organisation’s sustainability / ESG strategies, policies and objectives



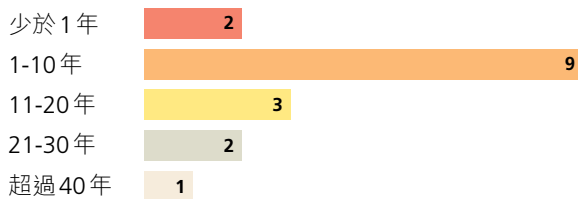
企業管治報告(續)

年內及直至2021年2月24日止對董事會組成及技能矩陣的分析載列如下：

董事會組成

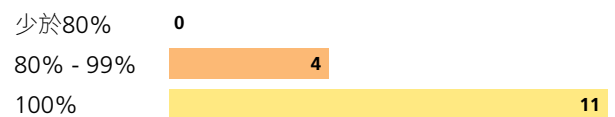


擔任本行董事年期



董事會會議出席率

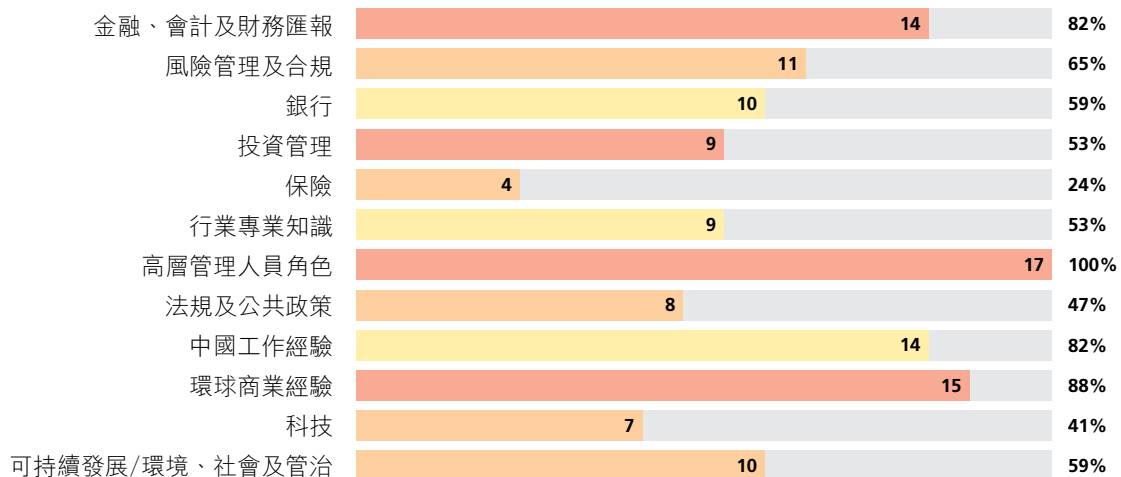
(只適用於2020年在任的董事)



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、會計及財務匯報 — 具備金融市場、財務匯報及審核的專業知識和工作經驗

風險管理及合規 — 具備監管和合規方面的專業知識，以管理和監督公眾公司、私營公司以及其他情況下的風險

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

法規及公共政策 — 前政府官員或擔任政府顧問工作

中國工作經驗 — 曾於中國內地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

可持續發展/環境、社會及管治 — 具備在制定、促進或確保有效傳遞一個組織的可持續發展/環境、社會及管治策略、政策和目標方面的專業知識和/或經驗

CORPORATE GOVERNANCE REPORT (CONTINUED)

Executive Chairman and Co-Chief Executives

Separation of the roles of the Chairman and Chief Executive enhances accountability and responsibility of each position. The roles and responsibilities of the Executive Chairman and Co-Chief Executives are clearly set out in their respective job mandates.

Key Responsibilities

Dr. David Li Kwok-po (Executive Chairman)

- Provides leadership to the Board
- Manages relationships with stakeholders
- Ensures the Board's overall effectiveness
- Ensures all Directors receive, in a timely manner, adequate information to enable them to make informed decision
- Encourages all Directors to make full and active contribution to the Board's affairs
- Leads the Board to act in the best interests of the Bank and its shareholders as a whole

Co-Chief Executives

Mr. Adrian David Li Man-kiu

- Mainly focuses on the Bank Group's Hong Kong business

Mr. Brian David Li Man-bun

- Mainly focuses on the Bank Group's China and international businesses

- Lead day-to-day management of the Bank Group
- Set strategic direction and vision of the Group
- Review key risk issues, major branding and marketing campaigns, human resources situation and financial performance of the Group

Board Process

Board meetings are held at least 5 times a year and no less than once in each quarter. In addition, special Board meetings are held when necessary. Dates of regular Board and most of the Board Committee meetings are scheduled in the prior year with at least 14 days' notice before each regular meeting. Board agenda is approved by the Executive Chairman following consultation with Directors and the Senior Management to include matters for discussion in the agenda. Minutes of the Board and Board Committees meetings with sufficient details of the matters considered / discussed by the Board or the Board Committees are kept by the Company Secretary and open for inspection by Directors.

Directors make their best endeavor to participate in meetings either in person or through other electronic means of communication. 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.

Apart from regular Board meetings, the Executive Chairman also meets with the INEDs to seek their views on issues relating to the Bank at least once every year in the absence of the other EDs, NEDs and the Senior Management.

The Board meets with the HKMA regularly to maintain good communication. HKMA will also meet with the INEDs separately for exchange of views.



企業管治報告(續)

執行主席及聯席行政總裁

主席與行政總裁角色的區分加強該兩個職位的問責及責任。執行主席及聯席行政總裁各自的角色與職責已清楚訂明在其職責範圍文件內。

主要職責

李國寶爵士 (執行主席)

- 領導董事會
- 處理本行與持分者關係
- 負責董事會整體的有效運作
- 確保董事適時收到充分的本行資訊，使其能在掌握有關資料的情況下作出決定
- 鼓勵所有董事全力投入董事會事務
- 領導董事會行事符合本行及其整體股東的最佳利益

聯席行政總裁

李民橋先生

- 專責管理本集團的香港業務

李民斌先生

- 專責管理本集團的中國及國際業務

- 領導集團業務日常營運管理
- 設定本集團的策略方向與願景
- 檢討本集團的主要風險事項、主要品牌及推廣活動，人力資源情況及財務表現

董事會程序

董事會會議每年召開最少5次，每季度並不少於一次。此外，在有需要時會召開董事會特別會議。董事會及大多數其轄下委員會定期會議的日期在前一年已安排，召開常規會議的通知最少在會議前14天發出。會議議程內容，包括需討論的事項，均在事前諮詢董事及高層管理人員意見後，經執行主席確認而制定。董事會及其轄下委員會的會議記錄，對董事會或其轄下委員會所考慮/討論事項都作出足夠的記錄，並由公司秘書備存及公開以供董事查閱。

董事盡量親自或以其他電子通訊方式參加會議。本行鼓勵董事在無法以任何方式出席會議時，就要討論的議題在會議召開之前提出書面意見。

除舉行常規董事會會議外，執行主席在沒有其他執行董事，非執行董事及高層管理人員在場的情況下，與獨立非執行董事每年舉行至少一次會議，就與本行有關的事宜徵求意見。

董事會定期與金管局會面，以與監管機構保持良好溝通。金管局亦分別與獨立非執行董事會見交換意見。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board also meets with senior executives of the Bank who are responsible for internal audit, risk management and compliance functions 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 of the Group.

In order to assist the Directors in making informed decisions and discharging their duties to the Group, the Bank has established procedures to enable the

Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Bank's expense.

The Bank has arranged an appropriate Directors & Officers Liability and Company Reimbursement Insurance to indemnify directors and officers of the Group against liabilities incurred by them arising from their discharge of duties and responsibilities as the Group's directors or officers. The scope of the insurance is reviewed annually.

Directors' attendance records

In 2020, 9 Board meetings (including a meeting attended by the HKMA) were held with an average attendance rate of 97%.

Attendance records of Directors at BMs, ACMs, NCMs, RemCoMs, RCMs and the AGM held in 2020 are as follows:

Directors	Number of meetings attended/held in 2020					
	BM	ACM	NCM	RemCoM	RCM	AGM
Executive Directors:						
David LI Kwok-po (Executive Chairman)	9/9	-	2/2	-	-	1/1
Adrian David LI Man-kiu (Co-Chief Executive)	9/9	-	-	-	-	1/1
Brian David LI Man-bun (Co-Chief Executive)	9/9	-	-	-	-	1/1
Non-executive Directors:						
Arthur LI Kwok-cheung* (Deputy Chairman)	8/9	-	-	1/2	-	1/1
Aubrey LI Kwok-sing	9/9	-	-	-	5/5	1/1
Winston LO Yau-lai	9/9	-	-	-	-	1/1
Stephen Charles LI Kwok-sze*	8/9	-	-	-	-	1/1
Isidro FAINÉ CASAS* [^] #	3/4	-	-	-	-	0/1
Daryl NG Win-kong	9/9	-	-	-	5/5	1/1
Masayuki OKU [^]	9/9	-	2/2	-	-	0/1
Independent Non-executive Directors:						
Allan WONG Chi-yun* (Deputy Chairman)	8/9	4/4	2/2	2/2	5/5	1/1
Rita FAN HSU Lai-tai	9/9	-	2/2	2/2	-	1/1
Meocre LI Kwok-wing	9/9	4/4	-	-	5/5	1/1
Henry TANG Ying-yen	9/9	4/4	2/2	2/2	5/5	1/1
Delman LEE	9/9	4/4	2/2	-	5/5	1/1
William Junior Guilherme DOO*	9/9	3/4	-	-	4/5	1/1
Average attendance rate	97%	95%	100%	88%	97%	88%

* Each of Professor Arthur Li, Dr. Allan Wong, Mr. Stephen Li and Mr. William Doo Jr. was unable to attend a scheduled Board/Board Committee meeting due to prior commitment. Dr. Isidro Fainé was unable to attend a scheduled Board meeting because he could not travel to Hong Kong due to the outbreak of COVID-19, nor attend via conference call due to time difference between Spain and Hong Kong.

[^] Dr. Isidro Fainé and Mr. Masayuki Oku were unable to attend the AGM due to the COVID-19 situation and travel restrictions.

Dr. Isidro Fainé resigned as a Director and ceased as a member of the NC with effect from the conclusion of the 2020 AGM held on 24th April, 2020.



企業管治報告(續)

董事會亦與本行負責內部審計、風險管理及合規職能的高級行政人員，每年最少召開會議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本集團重大的風險事宜。

為協助董事在掌握有關資料的情況下作出適當決定及履行其對本集團的職務，本行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。

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職員因履行擔任本集團董事或職員之職責而引起之賠償責任。本行每年檢討保險涵蓋範圍。

董事會議出席記錄

於2020年舉行的9次董事會會議(包括金管局參與的一次會議)，董事之平均出席率為97%。

各董事於2020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2020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
執行董事：						
李國寶 (執行主席)	9/9	-	2/2	-	-	1/1
李民橋 (聯席行政總裁)	9/9	-	-	-	-	1/1
李民斌 (聯席行政總裁)	9/9	-	-	-	-	1/1
非執行董事：						
李國章* (副主席)	8/9	-	-	1/2	-	1/1
李國星	9/9	-	-	-	5/5	1/1
羅友禮	9/9	-	-	-	-	1/1
李國仕*	8/9	-	-	-	-	1/1
范禮賢*^#	3/4	-	-	-	-	0/1
黃永光	9/9	-	-	-	5/5	1/1
奧正之^	9/9	-	2/2	-	-	0/1
獨立非執行董事：						
黃子欣* (副主席)	8/9	4/4	2/2	2/2	5/5	1/1
范徐麗泰	9/9	-	2/2	2/2	-	1/1
李國榮	9/9	4/4	-	-	5/5	1/1
唐英年	9/9	4/4	2/2	2/2	5/5	1/1
李國本	9/9	4/4	2/2	-	5/5	1/1
杜家駒*	9/9	3/4	-	-	4/5	1/1
平均出席率	97%	95%	100%	88%	97%	88%

* 李國章教授、黃子欣博士、李國仕先生及杜家駒先生各因約定事務未能出席其中一次預定董事會/董事會轄下委員會會議。由於2019冠狀病毒病疫情關係，范禮賢博士未能前往香港參加一次預定董事會會議，亦因西班牙與香港時差的原因而未能以電話參加會議。

^ 范禮賢博士與奧正之先生由於2019冠狀病毒病疫情及旅遊限制，未能出席股東周年常會。

范禮賢博士辭任董事及提名委員會委員，由2020年4月24日舉行的股東周年常會結束後生效。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' 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. Directors have 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 and an indication of time involved.

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 ended 31st December, 2020. None of the Directors held directorships in more than six public companies (including the Bank) during the year.

Induction and continuous professional development

A newly appointed Director will receive an Information Package from the Company Secretary upon his/her appointment. This Information Package, containing, inter alia, materials on the operations and businesses of the Bank, is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a Director. The Senior Management and the Company Secretary will subsequently conduct a briefing as necessary, to ensure that the Director has a proper understanding of the operations and businesses of the Bank as well as his/her role and responsibilities as a Director of the Bank. A reminder on on-going obligations to be observed by a Director of the Bank is sent to each Director annually.

During the year, all Directors of the Bank participated in continuous professional development covering, among others, areas of directors' duties and responsibilities, operations and businesses of the Bank, corporate governance and changes in regulatory requirements etc. to develop and refresh their knowledge and skills. All current Directors (except Dr. David Mong Tak-yeung and Dr. Francisco Javier Serrado Trepas, who were appointed as Directors in January 2021) had provided to the Bank a record of trainings they received in 2020.

During the year, Directors received briefings and trainings on the following topics at the Bank's expense (where appropriate):

- Annual Corporate and Regulatory Update 2020
- INEDs Forum held by a professional firm
- Role of Company Director: Overview of Legal and Regulatory Framework
- The Growth of Shareholder Activism in Hong Kong
- Banking Forum 2020 held by a professional firm
- Cyber Security Briefing
- "G" in ESG – Corporate Governance in Asia and Why it Matters to Investors
- FinTech Services Riding on Artificial Intelligence
- Annual Banking Conference 2020



企業管治報告(續)

董事付出時間

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時間履行其職務。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，並提供有關所涉及的時間。

本行已接獲每名董事確認於截至2020年12月31日的年度內，付出足夠的時間及充分關注本行事務的聲明。在年內，本行所有董事均沒有在超過六家上市公司(包括本行)擔任董事職務。

入職培訓及持續發展

每名新任的董事在其委任時將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，其中包含有關本行營運和業務的資料。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，以及知道本身作為本行董事的角色和職責。本行每年會將有關董事須遵守的持續職責須知的提示發送給各董事。

在年內，本行所有董事均參與持續專業發展，包括董事職責、本行的業務和運作、企業管治及監管規定變動的培訓，以發展並更新其知識及技能。所有現任董事(於2021年1月獲委任為董事的蒙德揚博士和Francisco Javier Serrado Trepát博士除外)已向本行提供了他們在2020年接受的培訓記錄。

於本年度內，董事已接受下列議題的簡介及培訓，相關費用由本行承擔(如適用)：

- 2020年度企業及監管資料更新
- 由專業機構舉辦的獨立非執行董事論壇
- 公司董事的角色：法律法規框架概述
- 股東積極主義在香港的增長
- 由專業機構舉辦的2020年銀行論壇
- 網絡安全簡報
- 「環境、社會及管治」中的「管治」— 在亞洲的企業管治及其對投資者的重要性
- 金融科技服務有賴於人工智能
- 2020年度銀行業會議

CORPORATE GOVERNANCE REPORT (CONTINUED)

The following summarises key areas of trainings^{Note} received by current Directors of the Bank during 2020:

Directors	Corporate Governance and Risk Management	Regulatory Update	Bank's business and management	e-learning on regulatory requirements arranged by regulator	Bank Culture	AML / CFT	Fintech/ Cyber Security
<i>Executive Directors:</i>							
David LI Kwok-po (Executive Chairman)	✓	✓	✓	✓	✓	✓	✓
Adrian David LI Man-kiu (Co-Chief Executive)	✓	✓	✓	✓	✓	✓	✓
Brian David LI Man-bun (Co-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	✓	✓	✓		✓	✓	✓
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	✓	✓	✓	✓	✓	✓	✓
Delman LEE	✓	✓	✓		✓	✓	✓
William Junior Guilherme DOO	✓	✓	✓	✓	✓	✓	✓

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



企業管治報告(續)

下表概列現任董事於2020年接受持續專業發展^註的主要類別：

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 監管規定 線上學習	銀行企業 文化	打擊洗錢及 恐怖分子 資金籌集	金融科技/ 網絡安全
執行董事：							
李國寶 (執行主席)	✓	✓	✓	✓	✓	✓	✓
李民橋 (聯席行政總裁)	✓	✓	✓	✓	✓	✓	✓
李民斌 (聯席行政總裁)	✓	✓	✓	✓	✓	✓	✓
非執行董事：							
李國章 (副主席)	✓	✓	✓	✓	✓	✓	✓
李國星	✓	✓	✓	✓	✓	✓	✓
羅友禮	✓	✓	✓	✓	✓	✓	✓
李國仕	✓	✓	✓	✓	✓	✓	✓
黃永光	✓	✓	✓	✓	✓	✓	✓
奧正之	✓	✓	✓	✓	✓	✓	✓
獨立非執行董事：							
黃子欣 (副主席)	✓	✓	✓		✓	✓	✓
范徐麗泰	✓	✓	✓		✓	✓	✓
李國榮	✓	✓	✓	✓	✓	✓	✓
唐英年	✓	✓	✓	✓	✓	✓	✓
李國本	✓	✓	✓		✓	✓	✓
杜家駒	✓	✓	✓	✓	✓	✓	✓

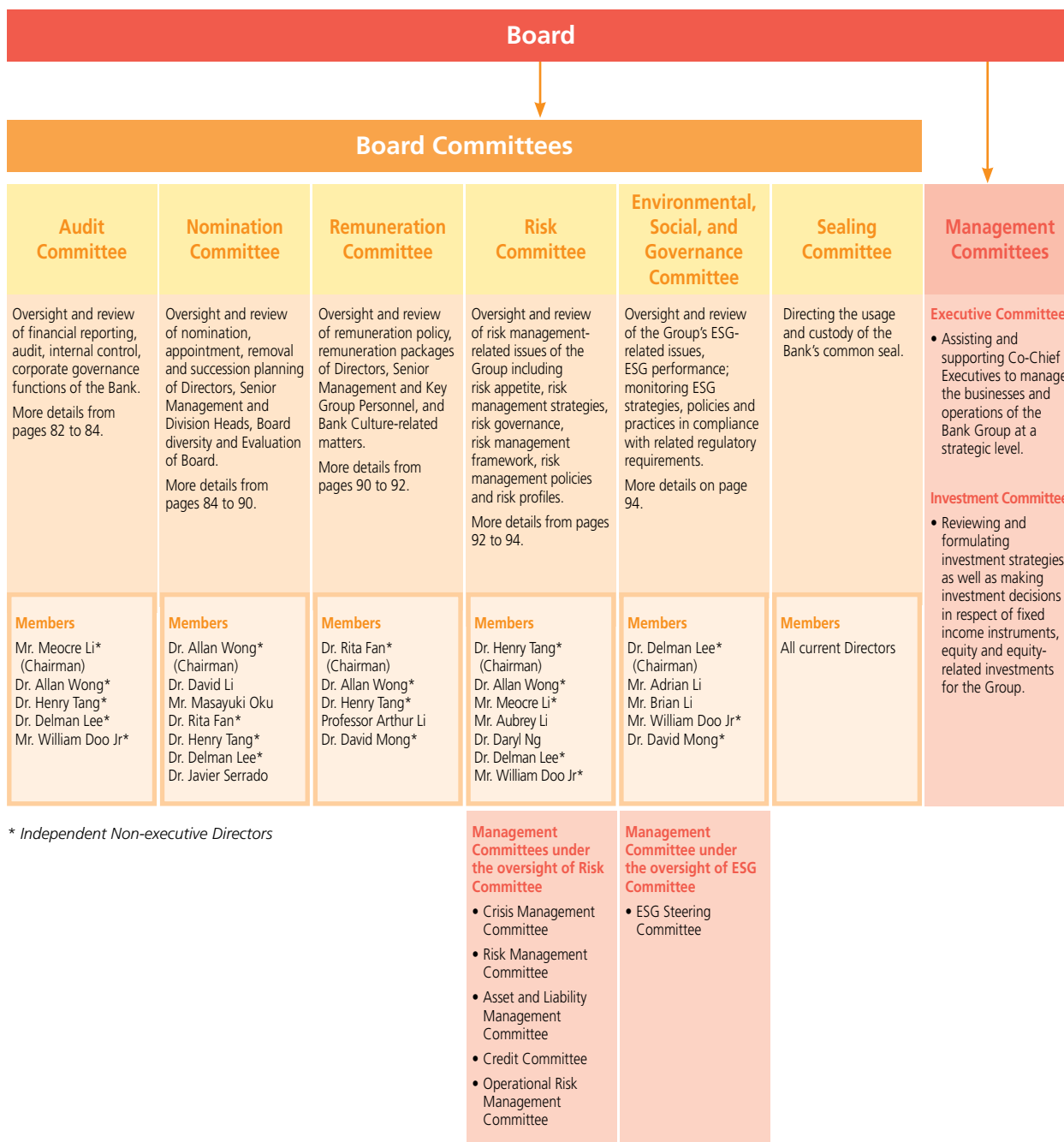
註：出席研討會/網上研討會/會議、論壇致辭、閱覽文章及/或審閱資料亦視為董事培訓。

CORPORATE GOVERNANCE REPORT (CONTINUED)

B. BOARD DELEGATION

The Board has delegated authority to specialised committees as follows to deal with specific matters under defined terms of reference of respective Committees. The composition and terms of reference of these Committees

are reviewed and updated periodically to align with the regulatory requirements, the Group’s business and changes in governance practices. 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.



* Independent Non-executive Directors



企業管治報告(續)

B. 董事會授權

董事會授權以下的專責委員會按照其明確的職權範圍處理特定事宜。各委員會的組成及職權範圍會定期檢討及更新，確保有關安排符合監管規定，以及配合本

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



CORPORATE GOVERNANCE REPORT (CONTINUED)

A joint meeting of the Chairmen of the AC and RC shall be held 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.

A joint meeting of the Chairmen of the AC, RemCo and RC shall be held on a need basis to discuss the alignment of risk and remuneration, and bank culture reform of the Bank.

Board Committees

B1. Audit Committee

The Bank has established an AC with specific written Terms of Reference (available on the websites of HKEX and the Bank) which deal clearly with its authorities and duties included in CG Code.

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

The AC comprises 5 members and all of them are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2020 Annual Report. No former partners of the Bank's external auditors is acting as a member of the AC before expiry of a period of two years commencing on the date of his/her ceasing to be a partner of the firm or to have any financial interest in the firm whichever is later.

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

The number of meetings held by the AC and attendance of individual members at ACM in 2020 is recorded on page 74.

The following is a summary of the major work performed by the AC for the year 2020 and up to 24th February, 2021:

- 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' 2020 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 2019 and under the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules for the six months ended 30th June, 2020 and for 2020;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2020;



企業管治報告(續)

因應需要會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。

亦會視乎需要舉行審核委員會、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。

董事會轄下委員會

B1. 審核委員會

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(已載於香港交易所和本行網站)，清楚說明委員會在《企業管治守則》內所載的職權及責任。

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。

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《2020年報》「公司資料」及「董事及高層管理人員的個人資料」內。本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其享有該核數師事務所財務利益當日起計兩年內(以日期較後者為準)的情況下，成為審核委員會成員。

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

審核委員會於2020年舉行的會議次數及個別成員的出席記錄載於第75頁。

審核委員會在2020年度及截至2021年2月24日所做的主要工作，摘要如下：

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及實務；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《企業管治守則》的情況及在企業管治報告內的披露；
- 會見外聘核數師以商討其在集團的核數工作；
- 審閱外聘核數師的2020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2019年度及根據《銀行業(披露規則)》及《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求作出有關截至2020年6月30日止6個月及2020年度的財務披露的獨立確認報告；
- 審閱及向董事會推薦批准2020年集團的核數費用建議；

CORPORATE GOVERNANCE REPORT (CONTINUED)

- Recommended to the Board to re-appoint KPMG as the Group's external auditor for 2020 and 2021;
- 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 2019 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the Auditor's Report regarding the correctness of Return of Large Exposures for the quarter ended 31st March, 2020 prepared under section 63(3) of the Banking Ordinance;
- Reviewed the on-site examination reports of the HKMA issued in 2020;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2020;
- Reviewed the audited financial statements and final results announcement for 2020; and
- Reviewed and approved Group internal audit plan for 2021.

The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditor for 2021. The recommendation will be presented for the approval of shareholders at the 2021 AGM.

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 (available on the websites of HKEX and the Bank) which deal clearly with its authorities and duties, including the specific duties set out in 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, Chief Executive / Co-Chief Executives, Deputy Chief Executives, Division Heads, Group Chief Compliance Officer, Group Chief Auditor, Group Chief Financial Officer, Group Chief Risk Officer, Chief Strategy Officer and Chief Digital 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 2020 Annual Report.

The number of meetings held by the NC and the attendance of individual members at NCM in 2020 is recorded on page 74.



企業管治報告(續)

- 向董事會建議續聘畢馬威會計師事務所為本集團2020年度及2021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》第63(3A)條2019年度內部監控系統核數師報告；
- 審閱根據《銀行業條例》第63(3)條截至2020年3月31日季度止大額風險申報表正確性的核數師報告；
- 審閱金管局2020年內發出的現場審查報告；
- 審閱截至2020年6月30日止6個月的中期報告及中期業績公告；
- 審閱2020年度經審核財務報表及全年業績公告；及
- 審閱及批准2021年度集團的內部稽核計劃。

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2021年度外聘核數師的建議。推薦建議將在2021股東周年常會上提呈予股東批准。

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（已載於香港交易所和本行網站），清楚說明委員會的職權和責任，並已包括載於《企業管治守則》所指明的特定責任，惟因應需要而作出適當修改。

提名委員會負責就有關以下事項向董事會提出建議：

- 本行董事、行政總裁/聯席行政總裁、副行政總裁、分處主管、集團合規總監、集團總稽核、集團財務總監、集團風險總監、策略總監及數碼創新總監的委任、重選、撤職及繼任安排；
- 訂定董事會成員接任及董事會多元化計劃；及
- 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《2020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2020年舉行的會議次數及個別成員的出席記錄載於第75頁。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The following is a summary of the major work performed by the NC for the year 2020 and up to 24th February, 2021:

- Reviewed the size, structure, composition and diversity of the Board and composition of Board Committees;
- 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, including that of Dr. Allan WONG Chi-yun who has served the Board for more than 9 years;
- Reviewed and considered the appointments of Dr. David MONG Tak-yeung as an INED and Dr. Francisco Javier SERRADO TREPAT as an NED according to the the Bank’s *Procedures for Nomination of Director by the Board of Directors* and the *Board Succession and Diversity Policy*, taking into account the perspectives, skills, experience and diversified representation that the candidates can bring to the Board, and made recommendation to the Board for their appointments; and
- Considered and recommended to the Board for re-election of Mr. Adrian David LI Man-kiu, Mr. Brian David LI Man-bun, Dr. David MONG Tak-yeung and Dr. Francisco Javier SERRADO TREPAT as Directors of the Bank to be proposed for shareholders’ approval at the 2021 AGM.

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 independence, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Appointments and re-election of Directors

The Bank uses a formal, considered and transparent procedure for the appointment of new Directors and has adopted *Procedures for Nomination of Director (by the Board of Directors and by Shareholders respectively)*, which set out the procedures for the NC to evaluate a proposed candidate to be nominated to the Board for appointment as a Director of the Bank (as summarised below) or to the shareholders of the Bank for election as a Director of the Bank. The *Procedures for Nomination of Director by Shareholders* is available on the website of the Bank.



提名委員會在2020年度及截至2021年2月24日止所做的主要工作，摘要如下：

- 檢討董事會的人數、架構、組合及多元化，以及董事會轄下委員會的組合；
- 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該政策的可計量目標；
- 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，包括已擔任董事超過9年的黃子欣博士；
- 根據董事會提名董事的程序和董事會繼任及多元化政策，考慮候選人能為董事會帶來的觀點與角度、技能、經驗及多元化代表性，檢討及審議委任蒙德揚博士為獨立非執行董事及Francisco Javier SERRADO TREPAT博士為非執行董事，並向董事會推薦其委任；及
- 考慮並向董事會推薦在2021股東周年常會上向股東提呈批准重選李民橋先生、李民斌先生、蒙德揚博士及Francisco Javier SERRADO TREPAT博士為本行董事的建議。

多元化政策

董事會已採納一套董事會繼任及多元化政策，訂定董事會成員繼任及多元化計劃。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，包括但不限於獨立性、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。

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，並採納提名董事的程序(分別由董事會及股東提名)，該程序列明了提名委員會評估提名候選人的程序，以提名予董事會作委任其為本行董事(概述如下)，或予本行股東作選舉其為本行董事。股東提名董事的程序已刊載於本行網站內。

CORPORATE GOVERNANCE REPORT (CONTINUED)

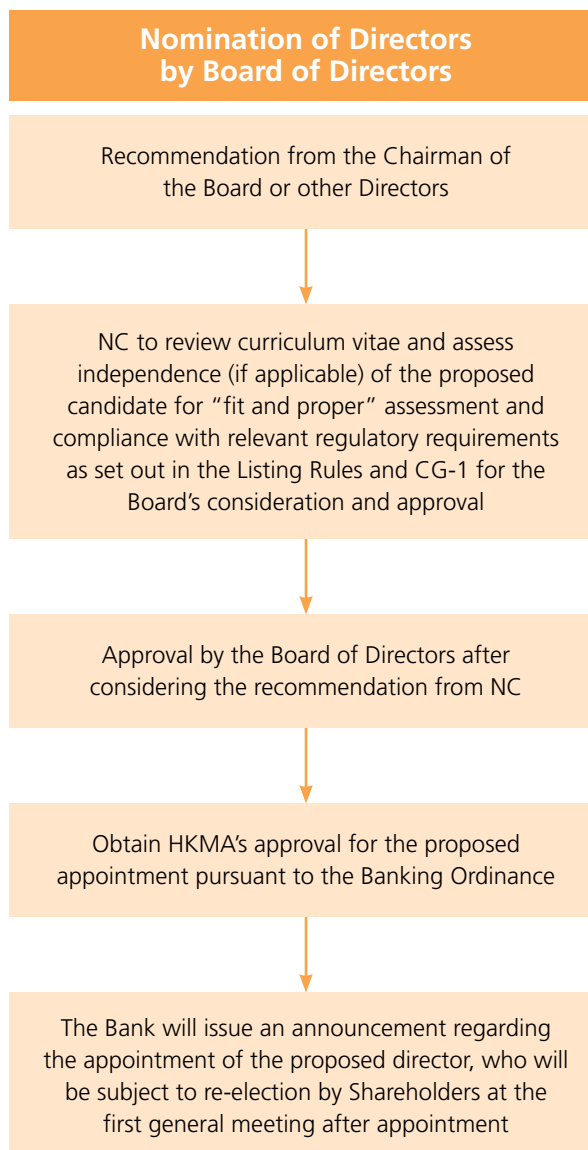
For considering the suitability of the proposed candidate for appointment as Director of the Bank, the NC shall perform a “fit and proper” assessment taking into account, inter alia, the proposed candidate’s accomplishment and experience in the banking and/or commercial sector, reputation for integrity, professional and education background, time commitment, and other relevant factors with regard to the Diversity Policy as determined by the Board from time to time, pursuant to the requirements of relevant rules and regulations.

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 from the NC, the proposed appointment will be reviewed and, if thought fit, approved by the Board. According to the requirement of the Banking Ordinance, prior approval from the HKMA will also be obtained for appointment of Directors.

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

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

The NC conducts annual review of the independence of INEDs before confirming their independence status to the Board.





企業管治報告(續)

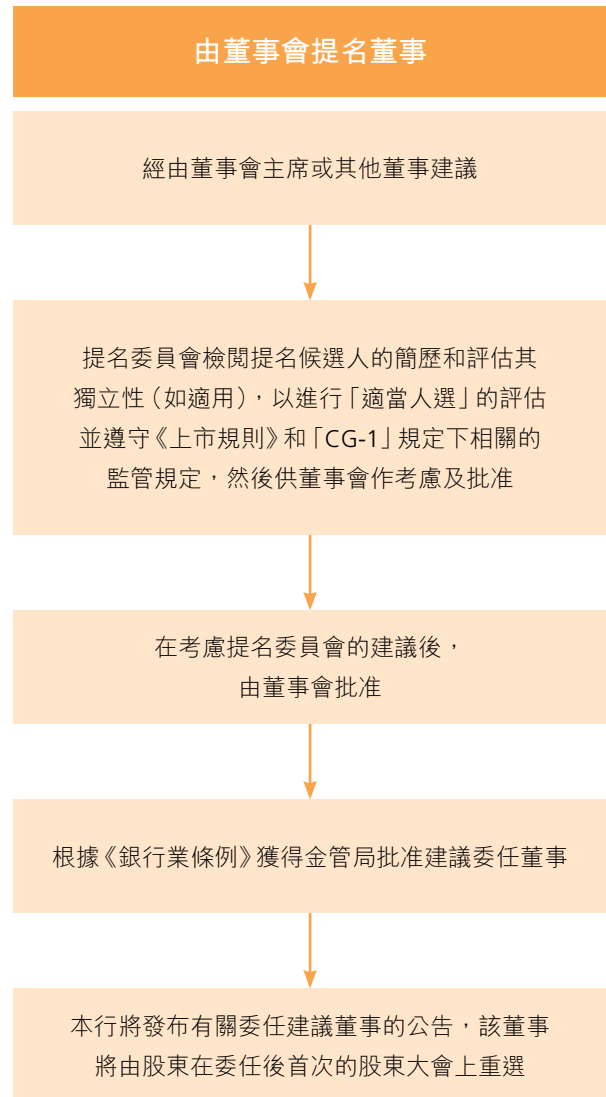
在考慮提名候選人是否適合擔任本行董事時，提名委員會應進行「適當人選」的評估，當中應考慮提名候選人在銀行和/或商業領域的成就和經驗、誠信信譽、專業和教育背景、投入時間，以及董事會根據相關規則和法規要求不時確立的多元化政策下的其他相關因素。

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

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

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



CORPORATE GOVERNANCE REPORT (CONTINUED)

Evaluation of the Board and Directors

During the year, the Bank conducted an evaluation of the Board effectiveness as a whole and contributions made by each Director to the Board effectiveness 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 2020. 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 a RemCo with specific written Terms of Reference (available on the websites of HKEX and the Bank) which deal clearly with its authorities and duties, including the specific duties set out in the CG Code, with appropriate modifications where necessary.

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

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

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

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

The RemCo comprises 5 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 2020 Annual Report.

The number of RemCo meetings held in 2020 and the attendance records of individual members at RemCoM are shown on page 74.

The following is a summary of major work performed by the RemCo during and for the year 2020:

- Reviewed the 2019 Variable Remuneration for members of Senior Management and Key Personnel;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Year 2016 to 2018;
- Considered the Fourth Offer and Grant of Options under the Staff Share Options Scheme 2016;
- Reviewed the list of Individual Material Risk Takers for 2020 and considered the Salary Review for Senior Management and Key Personnel for 2020;
- Considered the General Staff Annual Salary Review 2020;
- Reviewed the 2020 Annual Salary Review for Staff of Mainland China, Overseas Branches and Subsidiaries;
- Reviewed the Usage of Salary Increment Budget for 2019;
- Reviewed the Total Variable Pay Pool for 2019;
- Reviewed the Audit Result on the Bank's Remuneration System for 2019;
- Reviewed BEA's Performance Scorecard for 2020;
- Reviewed the Performance & Behavioural Goals Worksheets of the Executive Chairman, Co-Chief Executives and Deputy Chief Executives for 2020;



企業管治報告(續)

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2020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。

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(已載於香港交易所和本行網站)，清楚說明委員會的職權和責任，並已包括《企業管治守則》所指定的特定責任，惟因應需要而作出適當修改。

薪酬委員會負責就本行的薪酬政策，以及就訂立及審議集團董事、執行主席、聯席行政總裁、副行政總裁、總經理及主要管理人員的薪酬組合，向董事會提出建議。

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

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

薪酬委員會由5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《2020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2020年舉行的會議次數及個別成員的出席記錄載於第75頁。

薪酬委員會在年內及為2020年度所做的主要工作，摘要如下：

- 檢討2019年度高層管理人員及主要管理人員的浮動薪酬；
- 檢討2016至2018年度遞延浮動薪酬獎勵的歸屬；
- 考慮根據僱員認股計劃2016，給予及授出第四批認股權；
- 檢討2020年度重大風險承受人員的個人名單及考慮高層管理人員及主要管理人員2020年度的薪酬；
- 考慮2020年度員工的薪酬；
- 檢討2020年度中國內地、海外分行及附屬公司當地員工的薪酬；
- 檢討2019年度薪酬加幅預算的使用狀況；
- 檢討2019年度總浮動薪酬金額；
- 檢討2019年度本行的薪酬制度審核結果；
- 檢討2020年度本行的績效計分卡；
- 檢討執行主席、行政總裁、聯席行政總裁及副行政總裁2020年度的績效評核表；

CORPORATE GOVERNANCE REPORT (CONTINUED)

- Reviewed the proposed deferral arrangement for variable remuneration for Staff other than Senior Management and Key Personnel;
- Reviewed the Performance Management System and Incentive Scheme Review for 2020;
- Revised the market remuneration analysis for Deputy Chief Executives;
- Reviewed the Terms of Reference of the RemCo;
- Reviewed the *Remuneration Policy*; and
- Reviewed the progress of Bank Culture Reform.

In view of HKMA requirements in relation to Bank Culture Reform and pursuant to the insights drawn from the HKMA's Report on Review of Self-Assessment on Bank Culture (per HKMA's Circular 22nd May, 2020), Senior Management has agreed to simplify the two-level Bank Culture Steering Group & Work Group with a new Bank Culture Work Group. Deputy Conduct Risk Champions were appointed to assist Conduct Risk Champions to strengthen ownership in planning and implementing bank-wide and Division-specific cultural initiatives. The Bank provided the oversight of the Bank Culture Work Group with the RemCo to advise and assist the Board in discharging its responsibilities for the Bank's culture-related matters. The Bank reported to RemCo the Culture Dashboard which was revamped (effective from 2021 onwards) to include 13 Bank Culture Indicators covering tone from the top communications, trainings to senior executives, recognition of exemplary behaviour, employee feedback, customer feedback, misconducts, grievances, whistleblowing cases, customer compliments, substantiated customer complaints, regulatory breaches, market risk limit breach, and internal audit findings rectification.

B4. Risk Committee

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

The RC is assisted by 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 RC comprises 7 members and 5 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2020 Annual Report.

RCMs are held on a quarterly basis, or as required. During the meetings, RC 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 RC.

The number of RC meetings held in 2020 and the attendance records of individual members at RCM are shown on page 74.



企業管治報告(續)

- 檢討非高層管理人員及主要管理人員浮動薪酬的遞延安排；
- 檢討2020年度績效管理系統及獎勵計劃；
- 檢討副行政總裁的市場薪酬分析；
- 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。

鑑於金管局對銀行文化改革及自我評估檢視報告(金管局於2020年5月22日發出)的要求，高級管理層同意簡化雙重層面的「銀行文化督導小組」及「工作小組」將其合二為一為新的「銀行文化工作小組」。設立「副操守風險領袖」協助各分處主管即「操守風險領袖」加強計劃、推動和實施銀行整體及各分處的文化相連活動。新的「銀行文化工作小組」將履行責任向薪酬委員會匯報銀行文化相關工作，薪酬委員會既而對本行在促進良好銀行文化的相關事宜向董事會提供意見及協助。本行向薪酬委員會所匯報的新《文化指標儀表板》(由2021年起生效)，其中涵蓋13項文化指標結果，包括銀行內部溝通頻率、高級管理層文化相關的培訓、表揚實踐本行核心價值的員工嘉許數目、員工意見、客戶意見、員工的操守管理、員工申訴個案、員工舉報個案、客戶讚賞、獲證實客戶投訴個案、違反合規條例、違反市場風險限度和內部稽核調查糾正。

B4. 風險委員會

本行已設立一個風險委員會，並以書面訂明具體的職權範圍(已載於本行網站)，清楚說明委員會的職權及責任。風險委員會負責處理本行與風險管理相關的事宜，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，負責處理與風險相關事項的日常管理事宜，並且由危機管理委員會協助處理危機管理事宜。

風險委員會由7名委員組成，其中5名(包括主席)為獨立非執行董事，成員名單及履歷載於《2020年報》「公司資料」及「董事及高層管理人員的個人資料」內。

風險委員會每季召開一次會議，並於必要時召開額外會議。於會議上，風險委員會審閱本集團的風險管理相關事宜，包括風險偏好、風險管理策略、風險管治、風險管理架構、風險管理政策及風險狀況。重大的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2020年舉行的會議次數及個別成員的出席記錄載於第75頁。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The following is a summary of the major work performed by the RC during and for the year 2020:

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

B5. Environmental, Social, and Governance Committee

In November 2020, the Bank established an ESG Committee with specific written Terms of Reference (available on the website of the Bank), which deal clearly with its authorities and duties. The ESG Committee is responsible for overseeing the Group's ESG performance. It is assisted by a Management Committee, namely the ESG Steering Committee.

The ESG Committee currently 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 2020 Annual Report.

B6. 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.



企業管治報告(續)

風險委員會在年內及為2020年度所做的主要工作，摘要如下：

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

B5. 環境、社會及管治委員會

於2020年11月，本行設立一個環境、社會及管治委員會，並以書面訂明具體的職權範圍（已載於本行網站），清楚說明委員會的職權及責任。環境、社會及管治委員會主要負責監督本集團的可持續發展表現，並由管理層組成的環境、社會及管治督導委員會協助。

環境、社會及管治委員會由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《2020年報》「公司資料」及「董事及高層管理人員的個人資料」內。

B6. 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:

Executive Committee
<ul style="list-style-type: none"> assist and support Co-Chief Executives to manage the businesses and operations of the Bank Group at a strategic level
Risk Management Committee
<ul style="list-style-type: none"> assist the RC in the daily management of issues related to all major risks faced by the Group including risk appetites, risk profiles, regulatory updates and stress-testing
Credit Committee
<ul style="list-style-type: none"> deal with all credit risk-related issues of the Group
Operational Risk Management Committee
<ul style="list-style-type: none"> deal with issues related to operational, legal, reputation, compliance, technology and business continuity risks of the Group
Asset and Liability Management Committee
<ul style="list-style-type: none"> deal with all issues related to market, interest rate and liquidity risks of the Group
Crisis Management Committee
<ul style="list-style-type: none"> deal 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
Investment Committee
<ul style="list-style-type: none"> review and formulate 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
ESG Steering Committee
<ul style="list-style-type: none"> set direction for BEA's ESG strategy and drive the ESG performance of the Bank Group

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



企業管治報告(續)

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處理相關事宜：

執行委員會

- 協助及支援聯席行政總裁在策略層面上管理本集團的業務及運作

風險管理委員會

- 協助風險委員會處理與本集團所有與主要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

信貸委員會

- 處理本集團所有與信貸風險有關的事宜

營運風險管理委員會

- 處理本集團與營運、法律、信譽、合規、科技及持續業務運作風險有關的事宜

資產負債管理委員會

- 處理集團所有與市場、利率及流動性風險有關的事宜

危機管理委員會

- 在發生或有可能發生危害集團信譽、流動性/財政狀況及持續業務運作的事故時負責處理本集團的危機事故管理事宜

投資委員會

- 審閱及制定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

環境、社會及管治督導委員會

- 為本行的環境、社會及管治策略設定方向，並提高本集團的可持續發展表現

管理層委員會根據其職權範圍向董事會/管理層委員會匯報重要事項。

CORPORATE GOVERNANCE REPORT (CONTINUED)

C. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

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

	Amount per annum 2020
Board of Directors:	
Chairman	HK\$550,000
Deputy Chairman	HK\$425,000
Other Directors	HK\$400,000
Audit Committee:	
Chairman	HK\$250,000
Other members	HK\$140,000
Nomination Committee:	
Chairman	HK\$90,000
Other members	HK\$60,000
Remuneration Committee:	
Chairman	HK\$90,000
Other members	HK\$60,000
Risk Committee:	
Chairman	HK\$250,000
Other members	HK\$140,000
Environmental, Social, and Governance Committee:	
Chairman	HK\$90,000
Other members	HK\$60,000

Information relating to the remuneration of each Director for 2020 is set out in Note 22 to the accounts on page 225.

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 RemCo, 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 RemCo in 2020. The major changes were to further elaborate the importance of non-financial performance and risk and compliance considerations in designing variable remuneration plan and adjusting the bonus funding; set out the roles and responsibilities of the risk control functions in determining any risk & compliance

modification on bonus funding; strengthen the governance in reviewing the classification of Material Risk Takers ("MRTs") and list of individual MRTs; elaborate the consideration factor in the deferral of variable remuneration and clearly set out the deferral arrangement for all employees other than Senior Management and Key Personnel.

General Principles

The Remuneration Policy of the Group promotes effective risk management, and is designed to encourage employee behaviour that supports the Group's business objectives, long-term financial soundness, risk tolerance, risk management framework and corporate values.

Remuneration Structure

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



企業管治報告(續)

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、風險委員會及環境、社會及管治委員會委員的酬金摘錄如下：

	年度金額 2020
董事會：	
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
審核委員會：	
主席	港幣 25 萬元
其他董事	港幣 14 萬元
提名委員會：	
主席	港幣 9 萬元
其他董事	港幣 6 萬元
薪酬委員會：	
主席	港幣 9 萬元
其他董事	港幣 6 萬元
風險委員會：	
主席	港幣 25 萬元
其他董事	港幣 14 萬元
環境、社會及管治委員會	
主席	港幣 9 萬元
其他董事	港幣 6 萬元

有關各董事 2020 年度的薪酬資料載於第 225 頁的賬項附註 22。

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 2020 年檢討並修訂薪酬政策。主要修訂包括進一步闡述在設計浮動薪酬計劃和調整獎金總額時，應慎重考慮非財務表現以及風險和合規的因素；載列風險控制職能按風險和合規表現調整獎金總額所擔當的職務和職責；加強對檢討重大風險承受人員的

定義及相關的個人名單的監管；闡述遞延浮動薪酬的決定因素，並明確列出非高層管理人員及主要管理人員的遞延安排。

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、風險管理架構及企業價值觀等方面的工作。

薪酬架構

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 RemCo 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 which are determined by senior management with reference to the relevant corporate goals and the functional responsibilities of the business units.

The award of variable remuneration is determined by taking into account a combination of corporate and/or business results as well as the assessment of individual employee's performance against the pre-set financial/quantitative measures and non-financial/qualitative measures for the year which include adherence to risk management policies, compliance with legal, regulatory and ethical standards, results of internal audit reviews as well as adherence to corporate values.

To ensure that there is balance between financial factors and non-financial factors in the assessment of performance of both business units and individual employees, the overall weighting on financial factors is limited to avoid over reliance on financial measures and to align with HKMA's expectation on Bank Culture Reform. Performance is therefore judged, not only on what is

achieved over the short and long-term, but also on how it is achieved. Performance in relation to non-financial factors, including risk, compliance and adherence to corporate values, forms a significant part of the overall employee performance measurement and promotes proper employee conduct and behaviour, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial/qualitative factors will override outstanding financial/quantitative achievements and be reflected by a reduction to, or elimination of, any variable remuneration.

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.

To embed a values-led, high performance culture, the variable remuneration plans are designed to recognise and reward positive behaviours. Meanwhile, the Bank Group carries out regular review to assess instances of non-compliance with risk control procedures and/or regulatory requirements. Instances of non-compliance are escalated for consideration in remuneration decision, including adjustment of variable remuneration within the year, malus of the unvested awards granted in prior year(s) and clawback of vested awards.

In 2020, joint meetings of Senior Management, Group Chief Risk Officer, Group Chief Compliance Officer, Group Chief Auditor and Head of Human Resources & Corporate Communications were held to ensure that risk and compliance performance of department are taken into due consideration in the determination of variable remuneration funding and individual performance and reward so as to foster proper risk culture and business conduct. To enhance openness and transparency, if a formal accountability review of a significant incident is required, the Accountability Work Group will determine whether any staff member should be held accountable individually or collectively, or any department should be subject to risk and compliance modification on variable remuneration funding for the incident.



企業管治報告(續)

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鉤。

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因素。

浮動薪酬會綜合考慮企業及/或業務部門之表現，以及根據當年的預設財務/數量措施和非財務/質量措施對個別僱員的績效評估而釐定，其中包括遵守風險管理政策，遵守法律、法規和道德標準，內部稽核報告的結果以及遵守企業價值觀。

為了確保業務部門和個別僱員的績效評估，能在財務和非財務因素之間取得平衡，故限制財務因素的評核佔比以避免過度依據財務因素，並確保符合金管局對銀行企業文化改革的要求。因此，不僅根據短期和長期取得的成就，還要根據如何取得該成就來評估績

效。於非財務因素(包括風險、合規及遵守企業價值觀)相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員整體表現的重要考量因素，以促進僱員的正確行為操守。再者，非財務/質量措施方面表現欠佳將凌駕於其財務/數量措施方面的傑出表現，其浮動薪酬會有所下調甚至撤銷。

本集團使用計分卡來評核個別僱員的工作表現時，已包含一系列合規及風險管理評級的準則在內，以確保僱員的工作表現獲平衡考量。主要風險的種類涵蓋市場、信貸、利率、流動資金及營運風險。其他風險包括法律、信譽、科技、策略性、合規、持續業務運作、新產品及業務風險則由不同的管理層轄下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。

為了促進以價值為本之高績效文化，浮動薪酬計劃旨在識別和獎勵正面行為。與此同時本集團還會定期進行檢討，以評估風險控制程序及/或監管要求的違規情況。相關的違規情況將會上告並影響薪酬之決定，包括調整當年的浮動薪酬、調整及要求退回全部或部分已歸屬/支付或尚待歸屬之遞延薪酬。

本集團於2020年多次舉行高層管理人員、集團風險總監、集團合規總監、集團總稽核、人力資源及企業傳訊處主管之聯席會議，以確保在制定浮動薪酬總額和個人績效及獎勵時，應考慮部門之風險和合規的表現，從而推動正確的風險文化和商業行為。為確保公開和透明度，問責工作小組需要對重大事故進行正式問責審查，以釐定僱員是否需要單獨或與他人共同為該事件問責、以及相關部門因應該事件而觸犯有關風險及合規方面之事宜，從而對部門的獎金總額作出調整。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Senior Executive Compensation

The RemCo annually reviews the remuneration packages of the Senior Management (including the Executive Chairman, Co-Chief Executives and Deputy Chief Executives of the Bank), and Key Personnel (including 19 General Managers, the Executive Director & Chief Executive of BEA China, the Head of Capital Markets & Liquidity Management Department and the Head of Fixed Income Capital Markets Department). In determining the remuneration packages of the Senior Management and

Key Personnel, the RemCo takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. In 2020, the Bank engaged an external consultant, Ernst & Young, to review performance management system and incentive scheme and market analysis for executive remuneration.

The aggregate payouts for these senior executives for 2020 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

Total value of remuneration in 2020

Total value of remuneration awards for the current financial year	2020		2019 (Restated)	
	Non-deferred (HK\$)	Deferred (HK\$)	Non-deferred (HK\$)	Deferred (HK\$)
(i) Senior Management				
Number of employees	5		5	
Fixed remuneration				
• Cash-based	35,797,870	0	32,054,590	0
Variable remuneration				
• Cash-based	12,885,001	4,734,111	10,341,860	4,453,435
• Share Options	0	12,564,685	0	9,287,068
(ii) Key Personnel				
Number of employees	25		21	
Fixed remuneration				
• Cash-based	59,910,412	0	57,633,282	0
Variable remuneration				
• Cash-based	23,845,753	8,062,271	21,877,002	10,854,932
• Share Options	0	8,001,570	0	3,729,737
Total Remuneration	132,439,036	33,362,637	121,906,734	28,325,172

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, 2021 for 2020 and 17th January, 2020 for 2019 respectively.
- (ii) The remuneration of Key Personnel for 2020 included the remuneration of four Key Personnel who retired from/left the Group on 1st March, 2020, 14th March, 2020, 1st April, 2020, and 1st September, 2020 and six Key Personnel who joined the Group on 2nd January, 2020, 2nd March, 2020, 14th April, 2020, 23rd June, 2020, 16th September, 2020 and 2nd November, 2020 respectively. The remuneration of Key Personnel for 2019 included the remuneration of two Key Personnel who retired from the Group on 1st August, 2019 and 1st September, 2019 and two Key Personnel who joined the Group on 27th May, 2019 and 23rd August, 2019 respectively.
- (iii) The Share Options to one member of Senior Management and one Key Personnel under the 2018 Award were withheld in May 2019 and the deferred and non-deferred portion of cash-based variable remuneration for the related members were adjusted to meet the deferral requirement of the Bank accordingly. A certain number of Share Options for the 2018 Award to the member of Senior Management was granted together with the Share Options under the 2019 Award in 2020, while the related Share Options for the Key Personnel was not be granted.
- (iv) The 2019 award of cash-based variable remuneration was not made to one Key Personnel as the employee left the Group on 14th March, 2020. As such, the 2019 deferred and non-deferred portion of cash-based variable remuneration for the related employee were restated.
- (v) In 2020, an aggregate amount of HK\$3,856,888 sign-on payment was made to three Key Personnel of the Group. In 2019, no guaranteed bonuses, sign-on or severance payments were made.



企業管治報告(續)

高級行政人員的薪酬

薪酬委員會於每個年度檢討高層管理人員(包括本行執行主席、聯席行政總裁及副行政總裁)及主要管理人員(包括19名總經理、東亞中國執行董事兼行長、資本市場及流動資金管理部門主管,以及固定收益業務部門主管)的薪酬組合。薪酬委員會在釐定高層管理人員及主要管理人員的薪酬組合時所考慮的因素,

包括個人工作表現、相關分處及部門的表現,以及本集團的整體業務目的和目標。本行於2020年委任外部顧問公司—安永檢討銀行的績效管理系統及獎勵計劃和高級行政人員的市場薪酬分析。

根據《指引》第3.3項的披露規定,此等高級行政人員於2020年度獲得的薪酬總額載於下表。

2020年度薪酬總值

本財政年度發放的薪酬總值	2020		2019(重報)	
	非遞延(港幣)	遞延(港幣)	非遞延(港幣)	遞延(港幣)
(i) 高層管理人員				
僱員人數	5		5	
固定薪酬				
• 薪金	35,797,870	0	32,054,590	0
浮動薪酬				
• 現金花紅	12,885,001	4,734,111	10,341,860	4,453,435
• 認股權	0	12,564,685	0	9,287,068
(ii) 主要管理人員				
僱員人數	25		21	
固定薪酬				
• 薪金	59,910,412	0	57,633,282	0
浮動薪酬				
• 現金花紅	23,845,753	8,062,271	21,877,002	10,854,932
• 認股權	0	8,001,570	0	3,729,737
薪酬總值	132,439,036	33,362,637	121,906,734	28,325,172

註:

- (i) 2020認股權價值乃參照本行股份於2021年1月18日的公平價值計算,而2019認股權價值則參照2020年1月17日的公平價值計算,僅供參考用途。
- (ii) 2020年度之主要管理人員的薪酬包括4名分別於2020年3月1日、2020年3月14日、2020年4月1日及2020年9月1日退休/離職和6名分別於2020年1月2日、2020年3月2日、2020年4月14日、2020年6月23日、2020年9月16日及2020年11月2日加入本集團的主要管理人員。2019年度之主要管理人員的薪酬包括2名於2019年8月1日及2019年9月1日退休及2名分別於2019年5月27日及2019年8月23日加入本集團的主要管理人員。
- (iii) 於2019年5月,本集團暫緩向1名高層管理人員及1名主要管理人員授予2018年認股權,而有關人員浮動薪酬之遞延及非遞延的現金花紅部份須因應本集團遞延規定作出相應調整。相關高層管理人員之2018年認股權的若干部份已連同其2019年認股權於2020年一併授予,而該主要管理人員之認股權將不獲授予。
- (iv) 由於1名高層管理人員已於2020年3月14日離職,本集團並沒有向其支付現金花紅。因此,2019年度有關浮動薪酬之非遞延及遞延的現金花紅披露須予重報。
- (v) 而2020年度,集團向3名主要管理人員共支付了港幣3,856,888元的簽約受聘酬金。集團於2019年度並無支付任何保證花紅、簽約受聘酬金或遣散費。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Total outstanding deferred remuneration in 2020

Outstanding deferred remuneration	Vested portion during the year 2020 (HK\$)	Unvested portion as at the end of 2020 (HK\$)	Performance adjustments to Vested portion during the year 2020 (HK\$)	Performance adjustments to Unvested portion as at the end of 2020 (HK\$)
(i) Senior Management				
• Cash-based	10,541,087	20,503,382	0	0
• Share Options	13,710,184	22,360,673	5,288,839	4,130,980
(ii) Key Personnel				
• Cash-based	8,198,523	20,829,166	0	0
• Share Options	6,921,580	11,060,182	1,078,394	807,168

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 2016 variable remuneration award granted in 2017 and vested in 2020, the 2017 variable remuneration award granted in 2018 and vested in 2020 and the 2018 variable remuneration award granted in 2019 and vested in 2020. The total number of share options granted in 2017, 2018 and 2019 are 6,400,000 shares, 6,687,500 shares and 5,850,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2017, 2018 and 2019 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2020 included the vested and unvested cash bonuses and share options of five Key Personnel who retired from/left the Group on 1st May, 2018, 1st August, 2019, 1st September, 2019, 1st April, 2020 and 1st September, 2020 respectively.

Total outstanding deferred remuneration in 2019

Outstanding deferred remuneration	Vested portion during the year 2019 (HK\$)	Unvested portion as at the end of 2019 (HK\$)	Performance adjustments to Vested portion during the year 2019 (HK\$)	Performance adjustments to Unvested portion as at the end of 2019 (HK\$)
(i) Senior Management				
• Cash-based	4,351,024	27,272,253	0	0
• Share Options	27,369,154	34,363,626	0	0
(ii) Key Personnel				
• Cash-based	6,048,441	20,623,751	0	0
• Share Options	10,813,838	15,416,594	0	0

Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2015 variable remuneration award granted in 2016 and vested in 2019, the 2016 variable remuneration award granted in 2017 and vested in 2019 and the 2017 variable remuneration award granted in 2018 and vested in 2019. The total number of share options granted in 2016, 2017 and 2018 are 6,262,500 shares, 6,400,000 shares and 6,687,500 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2016, 2017 and 2018 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2019 included the vested and unvested cash bonuses and share options of three Key Personnel who retired from the Group on 1st May, 2018, 1st August, 2019 and 1st September, 2019 respectively.

Other relevant remuneration disclosures are set out in Notes 22, 23 and 51 to the accounts on pages 225, 227 and 352.

The Bank has fully complied with HKMA's disclosure requirements set out in Part 3 of the Guideline.



企業管治報告(續)

2020年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2020年度 已歸屬部分 (港幣)	於2020年底 未歸屬部分 (港幣)	於2020年度 因工作表現而取消 的已歸屬部分 (港幣)	於2020年度 因工作表現而取消 的未歸屬部分 (港幣)
(i) 高層管理人員				
• 現金花紅	10,541,087	20,503,382	0	0
• 認股權	13,710,184	22,360,673	5,288,839	4,130,980
(ii) 主要管理人員				
• 現金花紅	8,198,523	20,829,166	0	0
• 認股權	6,921,580	11,060,182	1,078,394	807,168

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2017年授予並於2020年歸屬的2016年浮動薪酬、2018年授予並於2020年歸屬的2017年浮動薪酬和2019年授予並於2020年歸屬的2018年浮動薪酬。於2017、2018及2019年授予的認股權總額分別為6,400,000股、6,687,500股及5,850,000股。
- (iii) 未歸屬現金花紅及認股權為2017、2018及2019年浮動薪酬。
- (iv) 2020年度之主要管理人員未發放的遞延薪酬含5名已分別於2018年5月1日、2019年8月1日、2019年9月1日、2020年4月1日及2020年9月1日退休之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。

2019年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2019年度 已歸屬部分 (港幣)	於2019年底 未歸屬部分 (港幣)	於2019年度 因工作表現而取消 的已歸屬部分 (港幣)	於2019年度 因工作表現而取消 的未歸屬部分 (港幣)
(i) 高層管理人員				
• 現金花紅	4,351,024	27,272,253	0	0
• 認股權	27,369,154	34,363,626	0	0
(ii) 主要管理人員				
• 現金花紅	6,048,441	20,623,751	0	0
• 認股權	10,813,838	15,416,594	0	0

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2016年授予並於2019年歸屬的2015年浮動薪酬、2017年授予並於2019年歸屬的2016年浮動薪酬和2018年授予並於2019年歸屬的2017年浮動薪酬。於2016、2017及2018年授予的認股權總額分別為6,262,500股、6,400,000股及6,687,500股。
- (iii) 未歸屬現金花紅及認股權為2016、2017及2018年浮動薪酬。
- (iv) 2019年度之主要管理人員未發放的遞延薪酬含3名已於2018年5月1日、2019年8月1日及2019年9月1日退休之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。

其他相關薪酬披露項目載於第225、227及352頁的賬項附註22、23及51內。

本行已遵循《指引》第3部分有關金管局薪酬披露之要求。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Deferral Arrangements

The award of variable remuneration to the Senior Management and Key Personnel is subject to deferment in such a manner as determined by the RemCo. In general, the proportion of variable remuneration which is subject to deferment will increase progressively in line with the seniority, scope of responsibilities, and other relevant factors pertinent to the Senior Management and Key Personnel.

For employees other than Senior Management and Key Personnel, the Bank adopts a materiality-based deferral arrangement of variable remuneration, where the total amount of variable remuneration, including cash bonus and any kind of incentive, will be subject to deferment when certain thresholds of total variable remunerations determined by the Board of Directors are met. The portion of variable remuneration to be deferred will increase by reference to the total amount of variable remuneration.

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the RemCo and communicated to all relevant employees. Deferred remuneration is awarded in such a manner so as to align employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Group, relevant business units, and individual employees, as well as the creation of value for our shareholders, are taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be made gradually over a period of 3 years and no faster than on a pro-rata basis.

In circumstances where it is later established that decisions or actions made by an employee and/or business unit in a particular year had a severe negative impact on the Bank Group's overall profitability, any unvested portions (i.e. both cash bonus and/or share option tranche(s) which have yet to be vested) of deferred variable remuneration (relating to that particular year) should be forgone, either in part or in whole, as determined by the RemCo.

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 RemCo. In certain circumstances, clawback of vested portion of the deferred variable remuneration of that particular year may apply.

Future Review

As a major financial institution in Hong Kong, the Group not only takes extensive measures to ensure that it complies with all the relevant guidelines, rules, and regulations, but also adopts positive steps to ensure that ethical, social, and environmental aspects are taken into account when determining remuneration policies and packages.

The Group will keep abreast of the latest development in the labour market, especially in the financial services sector, and will review and refine its compensation and remuneration policies whenever necessary to enable the provision of competitive remuneration packages to ensure the retention of talent.



企業管治報告(續)

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。

對於其他非高層管理人員及主要管理人員，本行將採用董事局因應其超逾既定門檻之浮動薪酬總額(包括現金花紅和任何形式的獎金)而訂定漸進的延付機制。遞延的浮動薪酬部分將依照總浮動薪酬總額逐漸增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員日後在財務及非財務方面的表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例進行。

若日後確定僱員及/或業務部門在某年度作出的決策或措施，對集團的整體盈利有嚴重的負面影響時，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管控政策等行為，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。在若干情況下，該特定年度的已歸屬遞延浮動薪酬可予以收回。

未來檢討

本集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，並採取積極的措施以確保顧及道德、社會和環境各方面。

本集團將會密切留意勞工市場，尤其是金融服務界別的最新發展，並在必要時檢討及改善薪酬及報酬政策，藉此提供具競爭力的薪酬組合以留住人才。

CORPORATE GOVERNANCE REPORT (CONTINUED)

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Bank's performance, position and prospects.

Management comprising Co-Chief Executives, Deputy Chief Executives and General Managers shall provide sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. It provides the Board with monthly updates giving a balanced and understandable assessment of the Bank's performance, position and prospects to assist the Board as a whole and each Director to discharge their duties.

The Directors are responsible for ensuring maintenance of proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2020, the Directors have:

- consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the accounts on the going concern basis.

The Bank has announced its annual and interim results within 2 months after the end of the relevant periods, which is earlier than the limit of 3 months (for annual results) and within the limit of 2 months (for interim results) as required by the Listing Rules.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report from pages 152 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.

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, 2020, 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 271 to 323 and "Capital Adequacy" from pages 364 to 368 of Annual Report 2020 for further details on the processes that the Group uses to identify, evaluate and manage principal risks.



D. 問責及稽核

財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

管理層包括聯席行政總裁、副行政總裁及總經理須向董事會提供足夠解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。管理層每月向董事會提供更新資料，就有關本行的表現、財務狀況及前景的公正且易於理解的評估，以協助董事會及各董事履行彼等的職責。

董事負責確保保存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至2020年12月31日止年度的賬項時，董事已：

- 貫徹地應用適當的會計政策；
- 作出審慎及合理的判斷及估計；及
- 按持續經營基準編製賬項。

本行一向在有關財政期間結束後2個月內公布年度及中期業績，較《上市規則》所規定3個月（年度業績）的期限為早，亦符合《上市規則》所規定2個月（中期業績）的期限。

核數師的申報責任聲明載於由第153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。

風險管理及內部監控

董事會承認其須對集團的風險管理及內部監控系統負責，並有責任檢討其效能。所有員工作為三道防線模式的一部分，都有其角色範圍內識別和管理風險的責任。第二道防線設定政策和指引管理特定的風險領域，就風險提供意見和指導，並對風險負責人作為風險管理第一道防線的有效性提出挑戰。第三道防線就本集團風險管理及內部監控系統的有效性提供獨立保證。本行的稽核處及風險管理處分別負責內部稽核及風險管理。在截至2020年12月31日止的財政年度期間內，董事會審閱風險管理及內部監控系統的足夠性及有效性。

董事會負責評估及釐定本行達成策略目標時所願意承受的風險性質及程度，並確保本行設立及維持合適及有效的風險管理及內部監控系統。董事會並負責監督高層管理人員及其他高級行政人員對風險管理及內部監控系統的設計、實施及監察。

本行的風險管理及內部監控系統旨在管理而不是消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。這系統包含一個完善的公司架構，以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效制衡。關於本集團用於辨認、評估及管理主要風險的程序，詳情請參閱《2020年報》的「主要風險管理」（第271至323頁）及「資本充足」（第364至368頁）的部分。

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 RC, 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.

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 auditor, for providing audit and audit-related services of the Group during 2020 was HK\$25 million in total.

During 2020, the fees paid or payable to KPMG and its associates for providing non-audit-related services amounted to approximately HK\$12 million, which included the following items:

- Review and consultancy services: HK\$3 million;
- Services made at the request of regulators: HK\$6 million; and
- Taxation services: HK\$3 million.

The AC was satisfied that the non-audit services in 2020 did not affect the independence of KPMG.



企業管治報告(續)

以下為董事會為提供有效的內部監控而建立的主要程序：

- 組織架構權責清晰，監控層次分明。
- 設有一個全面的管理會計系統，為高層管理人員提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 設計政策及程序以保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理而非絕對的保證，以防出現嚴重的錯誤、損失或舞弊。
- 設有企業風險管理架構以識別、評估、管理、控制及匯報本集團的主要風險，包括信貸、市場、營運、流動性、利率、策略性、法律、信譽、合規、科技、持續業務運作和新產品及業務風險。為全面有效地識別及管理潛在風險，本集團已採納「三道防線」風險管理模式，以「風險負責人」、「風險監控人」及稽核處分別作為第一、第二及第三道防線，及由集團風險總監作整體協調。風險委員會由各管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責監督風險管理。設有政策及程序確保遵守適用法例、規則及規例。
- 審核委員會審閱由外聘核數師提交涉及年度核數的報告（包括致管理層的審核情況說明函件），及由集團總稽核呈交的內部稽核報告。

- 設有一套處理及發布內幕消息的政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 設有舉報聲明及舉報政策與程序，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。

本集團稽核處採用風險為本的評估方法，針對與各項運作和活動的監控機制進行獨立審閱，以評核本集團風險管理及內部監控系統的效能，該系統涵蓋所有重要監控，包括財務、營運及遵守法規的監控。

在年內，董事會審閱本行內部監控及風險管理是否足夠和有效。董事會同意高層管理人員確認本集團的風險管理及內部監控系統有效運作及足夠。

核數師酬金

2020年內，已支付或須支付予本行外聘核數師——畢馬威會計師事務所為本集團提供核數及有關核數服務的總費用為港幣2,500萬元。

2020年內，已支付或須支付予畢馬威會計師事務所及其聯營公司提供非核數相關服務的費用約為港幣1,200萬元，其中包括以下事項：

- 審查及顧問服務：港幣300萬元；
- 按監管機構要求所作的服務：港幣600萬元；及
- 稅務服務：港幣300萬元。

審核委員會對於2020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。

CORPORATE GOVERNANCE REPORT (CONTINUED)

E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, the following duties:

- ensuring that Board procedures are observed, and that the Bank's Articles of Association, relevant rules and regulations are complied with;
- implementing and strengthening corporate governance practices and processes of the Bank;
- ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management;

- ensuring Directors have access to the advice and services of the Company Secretary;
- facilitating induction programme of new Directors and the continuous professional development of existing Directors; and
- developing agendas for Board and Board Committee meetings and their respective minutes.

The Company Secretary is an employee of the Bank and reports directly to the Executive Chairman. During the year, the Company Secretary undertook over 15 hours of professional training.

F. SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

Communication with Shareholders

- The Bank's *Shareholders Communication Policy* (available on the website of the Bank) sets out the practices in relation to communication with shareholders and the investment community.
- Through various channels, including its website (www.hkbea.com), shareholders and investors are provided with fair, timely and simultaneous access to the Bank's information such as 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.

Investors Relations

- The Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media in accordance with its *Shareholders Communication Policy*. Apart from AGMs, other communication channels include:
 - the Group's website at 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 conducts briefings with analysts and the press to apprise them of the Bank's annual and interim results, business strategies and outlook.



企業管治報告(續)

E. 公司秘書

公司秘書的責任(其中包括)如下:

- 確保遵守董事會程序、本行的組織章程細則及相關規則及規例;
- 執行及加強本行的企業管治實務及程序;
- 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;
- 確保所有董事均可取得公司秘書的意見和享用其服務;
- 負責安排新任董事入職培訓及現任董事的持續專業發展;及
- 為各董事會及董事會轄下委員會制訂會議的議程,並負責編寫會議記錄。

公司秘書為本行僱員,直接向執行主席匯報。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**股東通訊政策**(已載於本行網站)訂明有關與股東及投資人士溝通的政策。
- 本行利用不同渠道,包括其網站(www.hkbea.com),公平、適時及同步地向股東及投資者提供本行的公告、財務業績及新聞稿;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。

投資者關係

- 根據**股東通訊政策**,本行與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話。除股東周年常會外,其他傳訊渠道包括:
 - 本集團網址 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。
- 高層管理人員安排簡介會向分析員及傳媒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)

General Meetings

- The Board 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, RemCo, RC and ESGC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.
- In accordance with the relevant requirements under the Listing Rules and the Articles of Association, any vote of shareholders at a general meeting will be taken by poll. Detailed procedures for conducting a poll will be explained to the shareholders in the general meeting so that shareholders are familiar with such voting procedures. A separate resolution on each substantially separate issue will be proposed by the chairman of a general meeting. The poll results are available on the websites of the HKEX and the Bank on the day of the general meeting.
- The Bank's 2021 AGM will be held on Thursday, 6th May, 2021 at 11:30 a.m., the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Please refer to the Circular for the details of the 2021 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 shareholders having a right to vote at general meetings, may request 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

- Pursuant to the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all the shareholders 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 procedures and timeline on the above-mentioned, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance.
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企業管治報告(續)

股東大會

- 董事會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、風險委員會及環境、社會及管治委員會的主席、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。
- 根據《上市規則》和組織章程細則的有關要求，股東於股東大會上所作的任何表決均以投票方式進行。本行亦會於股東大會上，向各股東講解有關按點算股數形式進行投票表決之詳細程序，以確保各股東理解該投票程序。股東大會主席分別就每項重要之議題，以獨立決議案形式提呈股東批准。投票結果會在股東大會當日於香港交易所和本行網站上刊登。
- 本行2021股東周年常會將於2021年5月6日(星期四)上午11時30分舉行，其通告將於會議前最少足20個營業日寄出予股東。詳情請參閱2021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。
- 股東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

- 按《公司條例》，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。
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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 and will be reviewed annually.

General guidelines

Pursuant to the Articles of Association, the Board may from time to time pay to 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 to the accounts. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, in relation to the constituted connected transaction under the Listing Rules, it also complied with applicable requirements under the Listing Rules. Details of the said connected transaction are provided in the Report of the Directors on pages 148 and 150. For the other related party transactions, if constituted connected transactions or continuing connected transactions, they are exempt from the relevant disclosure requirements under the Listing Rules.

H. RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant provisions, the Bank published the 2019 Annual Report and the 2020 Interim Report as scheduled.



企業管治報告(續)

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，並將每年進行檢討。

一般指引

根據組織章程細則規定，董事會有權自行決定可不時向股東支付中期股息。董事會考慮支付股息時，應按照目前法律及監管規定，以及參考最合宜的市場常規。

本行將考慮以下因素以決定派發股息：

- 法定及監管限制；
- 本集團的財務業績；
- 股東的期望及權益；
- 市場情況及長期業務增長和策略；
- 派發後的資本充足比率、槓桿比率、流動性覆蓋比率及穩定資金淨額比率；及
- 任何其他董事會視為相關的因素。

派息比率

為了在本集團長期增長及股東權益之間取得平衡，每年可派發給股東的總股息（除特別股息外）範圍預計為扣除任何分派予混合/額外一級資本工具持有人之後的年度應佔溢利淨額的30%至70%。

派息頻率及形式

本行每半年可宣布派發截至6月30日止半年期及12月31日止半年期的中期股息。

本行經董事會核准可以折讓價格向股東提供以股份代替現金股息。

董事會可考慮派發特別股息。

G. 關聯人士交易

關聯人士的重大交易列於賬項附註51。該等交易為本行於一般及日常業務過程中按正常商業條款訂立，至於構成《上市規則》下的一項關連交易，已遵守《上市規則》所適用的規定。該項關連交易的詳情請參閱董事會報告書（第149及151頁）。而其他關聯人士交易如構成關連交易或持續關連交易時，則獲豁免《上市規則》的相關披露規定。

H. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關規定，在年內本行已按時刊發2019年報及2020中期報告。

SUSTAINABILITY

The BEA Group is committed to addressing ESG concerns as part of its core business and operational mission. The following report highlights BEA's major ESG achievements in 2020, and how addressing ESG issues guides BEA's approach to major stakeholder relationships. A more comprehensive review of BEA's performance will be provided in the Group's 2020 ESG Report, which will be issued in the first half of 2021. All ESG reports are available via BEA's homepage at www.hkbea.com (About BEA / Sustainability / ESG Reports).

Aware that expectations of stakeholders are growing as social and environmental issues become more complex, BEA dedicated considerable effort in 2020 to establishing a strong ESG governance framework that will enable the Group to adopt a more strategic approach to managing its ESG performance in the years ahead.

Importantly, in November 2020, the Bank's Board of Directors established a Board-level ESG Committee to oversee the Bank Group's ESG performance. The Committee is chaired by Dr. Delman Lee (Independent Non-executive Director), with four Directors as members – namely, Mr. William Junior Guilherme Doo and Dr. David Mong Tak-yeung (Independent Non-executive Directors) and the two Co-Chief Executives of the Bank, Mr. Adrian Li and Mr. Brian Li.

A new ESG Steering Committee has also been formed, reporting to the Board's ESG Committee. Chaired by Mr. Brian Li, the ESG Steering Committee includes the General Managers of divisions that play a key role in the Group's ESG performance. It is responsible for setting the direction of BEA's ESG strategy and managing for results. The ESG Work Group, comprising Heads of Department, has been established to implement the decisions of the ESG Steering Committee.

GROWING OUR BUSINESS RESPONSIBLY

In 2020, the ESG Work Group developed a 3-year road map for green and sustainable banking. It also prepared an action plan to address ESG risks, including climate change risk. Climate-related risk factors have been incorporated into ESG risk assessment criteria for corporate lending. BEA will build on these initiatives to develop its green banking business, and thereby reduce the impact of its business activities on the environment. The initiatives will also assist the Bank in assessing the financial risk it faces due to climate change.

BEA adopted a Responsible Investment Statement in 2020, evidence of ESG's evolving influence in the Bank's decision-making processes. The Statement can be viewed via BEA's homepage (www.hkbea.com) and will serve as the basis for the development of a Responsible Investment Policy in 2021.

BEA's financial success is inextricably linked to the health of the communities in which it operates. Its stakeholders, who are impacted by the Bank's business and operations, include but are not limited to customers, investors, employees, and suppliers. BEA's commitments to its stakeholders have been laid down in a newly established Group Human Rights Policy, which is aligned with the United Nations Guiding Principles on Business and Human Rights and applies to the Group's operations and business activities worldwide. BEA's Human Rights Policy can be viewed on the Bank's homepage (About BEA / Sustainability / Policies, Statements, & Codes).

In September 2020, BEA appointed an external consultant to conduct a thorough assessment of its procurement process and identify ways to enhance the Bank's responsible supply chain management practices. The conclusions of the review will assist the Bank to set clear goals to achieve meaningful improvement in its ESG performance. Already, BEA has strengthened its Supplier Code of Conduct by more clearly articulating the conduct it expects from prospective suppliers. In December, the Bank launched a Sustainable Procurement Toolkit, which offers procurement staff convenient access to a full set of responsible supply-chain tools, training materials, and other forms of guidance.



可持續發展

東亞銀行集團致力將可持續發展的議題融入其核心業務及營運使命。以下報告概述東亞銀行於2020年的主要環境、社會及管治工作成果，以及本行處理可持續發展議題的取向如何影響東亞銀行與主要持份者的關係。本集團將於2021年上半年刊發2020年環境、社會及管治報告，更全面地闡述我們的表現。本集團歷年來的環境、社會及管治報告於東亞銀行網頁 (www.hkbea.com) (關於東亞銀行/可持續發展/環境、社會及管治報告) 可供瀏覽或下載。

隨著有關社會及環境的議題日趨複雜，持份者亦因而對企業處理可持續發展議題的期望日漸提高。有見及此，東亞銀行於2020年努力建立完善的環境、社會及管治治理框架，以助本集團今後更有策略地管理其可持續發展表現。

本行董事會於11月在董事會轄下設立了環境、社會及管治委員會，監督本銀行集團的可持續發展表現。該委員會由獨立非執行董事李國本博士擔任主席，並由四名董事擔任成員，當中包括杜家駒先生及蒙德揚博士 (均為獨立非執行董事)，以及本行的兩名聯席行政總裁李民橋先生及李民斌先生。

同時，本行成立了全新的環境、社會及管治督導委員會 (「督導委員會」)，向董事會轄下的環境、社會及管治委員會匯報。督導委員會由李民斌先生擔任主席，其他成員包括在本集團可持續發展表現方面擔當關鍵角色的分處總經理。督導委員會負責制定東亞銀行可持續發展策略的方向，並管理相關工作成果。另外，由部門主管組成的環境、社會及管治工作小組 (「工作小組」) 亦已成立，負責執行督導委員會的各項決策。

我們的業務發展

2020年，工作小組為綠色及可持續銀行業務制訂了3年發展藍圖，並準備了行動計劃，以應對環境、社會及管治風險，當中包括氣候變化風險。本行亦已將氣候相關的風險因素納入企業貸款的環境、社會及管治風險評估標準當中。東亞銀行將基於該等舉措發展綠色銀行業務，以減低業務活動為環境帶來的影響。該等舉措亦將有助本行評估因氣候變化而面臨的財務風險。

2020年，東亞銀行採納負責任投資聲明，彰顯了本行在作出投資決策時，會考慮環境、社會及管治因素。該聲明可於東亞銀行網頁 (www.hkbea.com) 瀏覽，並將作為2021年制定負責任投資政策的基礎。

東亞銀行的業務成功，與其業務所在地的社區健康密不可分。受本行業務和營運影響的持份者包括但不限於客戶、投資者、員工和供應商。東亞銀行對持份者的承諾已載於新制定的集團人權政策中，該政策符合《聯合國工商企業與人權指導原則》，並適用於集團的環球業務和商業活動。東亞銀行的人權政策可於東亞銀行網頁 (關於東亞銀行/可持續發展/政策、聲明及守則) 瀏覽。

2020年9月，東亞銀行委任外部顧問對採購流程進行全面評估，以尋求加強本行負責任供應鏈管理的辦法。有關評估結論將有助本行確立目標，讓其可持續發展表現得以有效提升。東亞銀行已進一步修訂供應商行為守則，更清晰地闡述對潛在供應商遵守行為守則的期望。12月，本行亦推出可持續採購的相關工具庫，方便採購人員獲取一系列與負責任供應鏈有關的工具、培訓材料以及其他形式的教學資料。



In 2020, BEA established a robust 3 tiered ESG governance structure including a Board level ESG Committee to oversee the Bank Group's ESG performance.

東亞銀行於2020年設立了一個完善的三層可持續發展管理架構，包括在董事會轄下的環境、社會及管治委員會，以監督本銀行集團的可持續發展表現。

SUSTAINABILITY (CONTINUED)

DEVELOPING OUR PEOPLE

During the year under review, BEA further developed the Staff Recognition Scheme in order to give due recognition to staff members who exemplify the Bank's core values, and reinforce positive behaviour within the Bank. The Employee of the Year Award was expanded and enhanced, to highlight the contributions of a greater number of staff members. The prize presentation ceremony and photos of all awardees were posted on the Bank's intranet in order to share these achievements with all staff.

Staff members' well-being is a top concern of the Bank. In 2020, the Bank announced a number of strengthened staff benefits that will be rolled out in 2021. These include an enhanced medical-benefit plan, additional days of annual leave for staff at manager grade and below, and increased maternity leave for expectant mothers. To support staff during the COVID-19 pandemic, the Bank provided two days of special leave to each staff member. In addition, an allowance of HK\$1,500 was given to designated staff members to assist them with any extra costs that they had to bear due to the pandemic. The Bank also dispatched vitamin C and reusable masks specially manufactured for the Bank to all staff in Hong Kong.

To protect both staff and customers of the Bank against COVID-19, a series of precautionary and social distancing measures were launched. The Bank took steps to substantially increase the proportion of staff able to work from home or at other work sites closer to where they live. Given that business attire is generally washed less frequently than casual clothing, the Bank implemented a casual dress policy to further reduce the risk of infection in the workplace. Guidance was provided to ensure that productivity and sustainability were not compromised as more staff worked from home.

To promote good health, the Bank's Staff Sports and Recreation Club ("SSRC") operates a gym for staff members. Working within Government guidelines, the SSRC continued to offer sports and recreational activities to keep staff energised and to encourage a healthy work-life balance. Throughout the year, the SSRC organised over 50 wellness and staff recreational activities. These hybrid events were attended by more than 3,000 staff and their family members. The SSRC also facilitated staff participation in charitable events, including The Community Chest "2019/2020 Hong Kong and Kowloon Walk for Millions" and "Dress Casual Day 2020".

As part of its effort to better understand the needs and views of staff, the Bank launched an employee survey. More than 8,200 staff members in Hong Kong, Mainland China, and other markets were invited to participate in the survey in August, and the response rate reached a very high 91%. In response to the feedback, the Bank enhanced a number of staff benefits while the Bank Culture Work Group began working with divisions to formulate action plans to address employee concerns and suggestions.

The Bank rolled out a new talent development programme aimed at grooming mid-career high-potential staff members into future leaders. The programme provides a series of structured development interventions that support growth and career development, including on-the-job development, coaching and mentoring, and leadership training.

The Bank continued to groom young talent under existing programmes, including the Management Trainee, Corporate Banking Trainee, Operations Trainee, Relationship Manager Trainee and Branch Operations Trainee programmes. Moreover, BEA participated in various programmes to develop the skills of fresh graduates from local universities. These included the Banking Talent Programme organised by the HKMA, the inaugural Talent Amplifier Programme organised by the Financial Services Development Council ("FSDC"), the Financial Industry Recruitment Scheme for Tomorrow commissioned by the Financial Services and the Treasury Bureau and administered by the FSDC, CityU Career Launch Scheme organised by the City University of Hong Kong, and the Pilot Apprenticeship Programme for Private Wealth Management co-organised by the HKMA and Private Wealth Management Association and administered by The Hong Kong Institute of Bankers.

The Bank also launched new training programmes to strengthen collaboration and foster leadership among its people. In particular, the Bank empowered a group of "Transformation Champions" to change mindsets and develop skillsets through a series of learning initiatives. A new change leadership programme was also introduced for senior managers to strengthen their abilities to lead change.

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



可持續發展（續）

我們的人力資源

於回顧年內，東亞銀行進一步完善「員工嘉許計劃獎」，以表揚實踐本行核心價值的員工，藉此營造良好的工作氛圍。本行亦提升了最佳員工獎項，讓更多員工的努力獲得表揚。頒獎典禮的詳情及所有獲獎員工的相片已上載於本行的內聯網，與全體員工分享喜悅和成果。

本行十分重視員工的福祉。於2020年，本行宣布將於2021年提升多項員工福利，包括提升醫療福利計劃、為經理及以下級別員工提供額外年假，以及延長孕婦的產假等。於冠狀病毒病疫情期間，本行為每位員工提供兩日的特別假期，藉此支持員工。此外，本行亦向指定員工發放港幣1,500元的特別津貼，幫助他們應付因疫情而產生的額外開支，以及向全體香港員工派發維他命C及本行特製的可重用口罩。

為於疫情期間保障本行員工及客戶，本行已推行一系列預防及保持社交距離措施，當中包括大幅增加安排員工在家工作，或於就近居住地點上班的比例。另外，考慮到便服較制服或西裝方便清洗，因此本行已實施便服政策，以進一步減低工作場所感染病毒的風險。本行亦向員工提供指引，確保員工在家工作，也不會影響工作效率及業務的可持續發展。

為促進員工的身心健康，本行的員工康體會為員工設有健身室。在政府的防疫指引下，員工康體會繼續為員工舉辦不同體育及康樂活動，讓員工充滿活力，同時鼓勵他們在工作與生活之間取得健康的平衡。員工康體會於年內舉辦了逾50項健康及員工康樂活動，吸引超過3,000名員工及其家屬參與，其中包括「2019/2020年度港島、九龍區百萬行」及「2020公益便服日」等慈善活動。

為進一步了解員工的想法和需要，本行展開了員工問卷調查。位於香港、中國內地及其他地區市場的超過8,200名員工，於8月獲邀參與問卷調查，整體回覆率高達91%。本行因應員工提出的意見，完善了多項員工福利，而本行的文化工作小組亦已開始與各分處籌備行動計劃，以回應員工的想法和建議。

本行還推出了一項全新的人才發展計劃，旨在培養身處職業生涯中期的具潛質員工，成為未來領導人選。該計劃提供一系列支援個人及職業發展的措施，包括在職發展、培訓及指導，以及領袖訓練。

本行亦繼續按現行計劃培養年輕人才，當中包括見習管理人員計劃、企業銀行見習人員計劃、見習營運人員計劃、見習客戶經理計劃及分行見習營運人員計劃等。此外，東亞銀行亦透過不同計劃，致力培訓本地大學的應屆畢業生，包括金管局舉辦的「銀行業人才起動計劃」、金融發展局舉辦的「人才拓展計劃」、由財經事務及庫務局委託及金融發展局負責執行的「金融服務業創職位計劃」、香港城市大學舉辦的「『城』就開拓計劃」，以及金管局與私人財富管理公會合辦，並由香港銀行學會推出的「私人財富管理先導人才培訓計劃」。

本行更推出新的培訓課程，以增強員工協作及培養員工的領導能力，當中本行特別支持「轉型先鋒」團隊，希望透過一系列的學習計劃讓他們學習轉變思維、發展所長。此外，本行亦為高級經理開設全新的轉型領導能力課程，以增強他們帶領轉型的能力。

為促進員工的持續專業發展，本行支持員工透過金管局「銀行專業資歷架構」考取專業資格。東亞銀行亦就廣泛的培訓項目投放資源，當中涵蓋技術知識及軟技能的培訓。



At the financial literacy and inclusion workshop organised by BEA in October, community stakeholders specialising in financial education joined BEA staff members to discuss the issues faced by older customers in relation to digital banking services and how the Bank could more effectively support them in adopting these services.

10月，東亞銀行舉辦理財教育及普惠金融工作坊。席間，理財教育方面的專家與東亞銀行代表一同討論年長客戶使用電子銀行服務時的難處，並探討本行如何更有效地支援長者客戶使用有關銀行服務。

SUSTAINABILITY (CONTINUED)

SERVING OUR CUSTOMERS

As one of its ESG goals for 2020, BEA explored how it could best support efforts to improve financial literacy and inclusion in Hong Kong. At the recommendation of the Investor and Financial Education Council (“IFEC”), BEA examined how it could facilitate greater adoption of digital banking services by older customers. In October, the Bank held a multi-stakeholder workshop attended by representatives of the IFEC as well as academics, behavioural economists, representatives of non-governmental organisations (“NGOs”), and staff members of the Bank to discuss how BEA could foster greater adoption among its older customers. The findings from the workshop will serve as the basis for new goals next year.

With COVID-19 remaining a threat throughout the year, the Bank implemented various safety measures to protect the well-being of its customers. During the successive waves of the pandemic, the Bank temporarily closed selected branches and readjusted operating hours, thus minimising branch traffic. Service to customers was maintained by encouraging use of digital banking channels. Customers entering branches were required to wear face masks and undergo temperature checks. To facilitate social distancing in branches, floor markings helped customers queue safely. Additionally, hand sanitisers were readily available at all branch locations.

CONTRIBUTING TO OUR COMMUNITY

BEA’s community investment initiatives are built around three pillars: education, social welfare, and environmental protection. The Bank also donates both time and money to support worthwhile causes, and has established The Bank of East Asia Charitable Foundation (“BEA Foundation”) and The Bank of East Asia Volunteer Team (“BEA Volunteer Team”) to this end.

With the spread of COVID-19, the BEA Foundation teamed up with several NGOs to provide the needy with personal hygiene products and daily necessities that were in short supply in the community. The relief effort saw the BEA Foundation donate a total of HK\$2.6 million, and BEA Senior Management joined with the BEA Volunteer Team to distribute these much needed supplies. The BEA Volunteer Team also prepared face masks, mask holders, and hand sanitisers for the needy. Moreover, BEA collaborated with St. James’ Settlement to provide companionship for the elderly via phone calls.

Similarly, BEA China donated CNY3 million to support front-line medical workers helping with Mainland China’s COVID-19 effort, while UK Branch staff in London, Birmingham, and Manchester donated food to food banks.

While COVID-19 brought the need for an urgent response, the BEA Foundation also maintained its existing programmes in Hong Kong. It partnered with Tung Wah Group of Hospitals to support youths at risk of mental health issues in the Teen Café Youth Mental Health Promotion Project. Up to 600 students across 12 schools benefitted from the programme, and an additional 3,600 students participated in various community activities.

The BEA Foundation also embarked on Phase IV of the Palliative Care in Residential Care Homes for the Elderly Programme in 2020. Phase IV will see the BEA Foundation, The Salvation Army Hong Kong and Macau Command (“The Salvation Army”), and “la Caixa” Banking Foundation join hands for a further three years to 2023 to provide end-of-life care to the terminally ill, and also to provide support to their family carers. Under Phases I to III, the BEA Foundation and its partners have already provided assistance to over 290 individuals and their families, helping to relieve suffering and provide counselling.



Mr. Adrian Li (fourth from the right) and BEA volunteers packed necessities such as hand sanitiser and toilet paper for distribution by The Salvation Army during the pandemic.

李民橋先生（右四）與其他東亞銀行義工隊成員一同準備衛生防護包。這些防護包備有酒精潔手液和紙巾，並透過救世軍於疫情期間派發予有需要人士。



可持續發展（續）

我們的客戶服務

東亞銀行2020年的環境、社會及管治目標之一，是致力推進香港大眾的理財教育及支持香港普惠金融的發展。在投資者及理財教育委員會（「投委會」）的建議下，東亞銀行研究如何促進年長客戶數碼銀行服務的使用率。於10月，本行舉辦了由多方持份者參與的工作坊，邀請了投委會代表、學者、行為經濟學的學者、非政府組織代表以及本行員工參加，共同探討本行可如何促進年長客戶使用數碼銀行服務。工作坊的討論結果將會用作來年新目標的基礎。

鑑於疫情於年內持續，本行已實施多項安全措施，以保障客戶的健康。因應疫情，本行暫時關閉部分分行和調整營業時間，以盡量減少分行人流。本行亦鼓勵客戶透過數碼銀行服務渠道使用銀行服務。本行亦要求進入分行的客戶必須佩戴口罩及量度體溫。分行地面亦加上標記，提示客戶的輪候位置，以保持合適的社交距離。此外，所有分行均有提供消毒搓手液。

我們對社區的貢獻

東亞銀行的社區投資計劃主要由教育、社會福利及環境保護三大支柱組成。本行亦投入時間及資金，支持有意義的慈善事業，並就此成立了東亞銀行慈善基金及東亞銀行義工隊。

冠狀病毒肆虐期間，東亞銀行慈善基金與多家非政府組織攜手合作，為有需要人士提供個人衛生防護用品和日用品，以解燃眉之急。東亞銀行慈善基金就此捐出合共港幣260萬元，東亞銀行高層管理人員亦與東亞銀行義工隊身體力行，一同分發相關急需物資。除了為有需要人士製作口罩、口罩存放盒及消毒搓手液外，東亞銀行義工隊亦與聖雅各福群會合作，於疫情期間致電長者，送上慰問。

此外，東亞中國捐款人民幣300萬元，用於支援前線醫護人員，協助中國內地的抗疫工作。至於倫敦、伯明翰及曼徹斯特的英國員工，亦向食物銀行捐贈食物。

除了因應疫情作出緊急支援外，東亞銀行慈善基金繼續支持多項本地計劃，當中包括與東華三院合作的「Teen Café青少年身心健康推廣計劃」，旨在幫助青少年處理精神健康問題。多達600名來自12間學校的學生受惠於有關計劃，亦另有3,600名學生參加各項社區活動。

於2020年，東亞銀行慈善基金、「la Caixa」基金會及救世軍港澳軍區（「救世軍」）攜手合作支援「香港安老院舍完善人生關顧計劃」第四階段亦已展開。第四階段為期三年直至2023年，為末期病患長者提供善終照顧服務，並向照顧他們的家人提供支援。在第一至第三階段，東亞銀行慈善基金及其合作夥伴已為超過290位末期病患長者及其家人提供援助，幫助他們紓緩壓力，並向他們提供諮詢服務。



Mr. Brian Li (middle), alongside other BEA Volunteers, helped pack daily necessities at St. James' Settlement into the \$100 relief kits BEA provided to Hong Kong's underprivileged.

李民斌先生（中）與其他東亞銀行義工隊成員一同為聖雅各福群會包裝衛生防護包。每個防護包備有價值約港幣100元的物品，以轉贈予基層市民。

Members of Blue Cross' senior management packed hygiene kits that included a reusable mask, disinfectant spray, and other items to help employees, customers, and other members of the community protect themselves from infection during the pandemic.

藍十字高級管理層成員包裝衛生防護包，當中備有可重用口罩、消毒噴霧及其他物品，以助員工、客戶及其他市民於疫情期間加強保護，免受病毒感染。



SUSTAINABILITY (CONTINUED)

The BEA Foundation also supported the BEA Parent-Child Reading Programme for the eighth consecutive year. The Programme helped 2,000 primary school students and 400 kindergarten students whose families are recipients of Comprehensive Social Security Assistance or student financial assistance. Under the programme, the BEA Foundation distributed a set of fiction and non-fiction books to these families to encourage both the bonding and learning that comes from children reading with their parents.

The BEA Foundation sponsored two scholarship programmes during the period under review, namely The Bank of East Asia Scholarship and BEA Inspiring Student Scholarship. These initiatives saw 27 students receive HK\$10,000 each and 10 students with special education needs receive HK\$20,000 each to help them achieve their academic goals. Meanwhile, BEA China provided financial support to 47 outstanding students from disadvantaged backgrounds in Mainland China.

In the coming year, bringing together its proud history of promoting the arts and strengthening its commitment to protect the environment, the BEA Foundation will partner with an NGO to organise a series of creative events that will encourage a change of mind-set to achieve a sustainable future.

As part of BEA China's centenary campaign "A New Journey for the Next Century", the Shanghai Soong Ching Ling Foundation – BEA Charity Fund ("BEA Charity Fund") opened its 100th Firefly Centre in 2020, one of four newly launched during the year. BEA China donated multimedia equipment such as computers and projectors to make learning more exciting, as well as new desks, chairs, and a library to provide basic school needs. Over the course of the year, the Firefly Project provided 2,090 Firefly Backpacks to underprivileged students. Each Firefly Backpack contains stationery and reference books to encourage self-learning. The programme also supported more than 4,570 hours of online training for over 200 school teachers and 44 principals.

Meanwhile, BEA China funded six selected outstanding NGO projects, among them efforts to assist children with Autism Spectrum Disorder, "left-behind girls" in rural areas whose parents work in cities, and elderly parents who had lost their only child. Over 230 BEA China volunteers accumulated over 1,450 hours helping vulnerable members of society through activities such as delivering epidemic prevention materials and festive gifts through the Dragon Boat Festival Charity Campaign.

To promote financial literacy among teenagers, BEA China co-organised the "2020 Bank of East Asia Cup Financial Education School Tour" with Shanghai Students Moral Education Development Centre and the Shanghai Educational Press Group. The event has been held for eight consecutive years and around 80,000 students from more than 120 schools in Shanghai participated in this year's event.



The BEA Charity Fund donated pandemic prevention materials such as disinfectants, hand sanitisers, and digital thermometers to rural schools in China.

東亞銀行公益基金向中國偏遠地區的學校捐贈消毒劑、酒精潔手液及電子探熱針等防疫物資。

East Asia Digital Information Services (Guangdong) Limited donated nearly 4,000 face masks to elderly residents of the Fushouyuan elderly centre and Qijing village in Guangzhou.

東亞數據信息服務(廣東)有限公司向廣州福壽園長者中心及七境村的長者居民捐贈近4,000個口罩。





可持續發展（續）

東亞銀行慈善基金亦已連續八年贊助「東亞銀行親子閱讀證書獎勵計劃」。今年，來自領取綜合社會保障援助家庭的2,000名小學生及400名幼稚園學生參與計劃。透過有關計劃，東亞銀行慈善基金向參與計劃的家庭捐出一套小說類及非小說類書籍，鼓勵親子共讀，藉此加強親子關係，同時學習知識。

於回顧期內，東亞銀行慈善基金贊助了「東亞銀行獎學金」及「東亞銀行展毅獎學金」兩項計劃，分別向27名大專學生及10名有特殊教育需要的學生頒發港幣10,000元及港幣20,000元的獎學金，以幫助他們實現學業目標。與此同時，東亞中國亦向中國內地47名來自基層家庭的優秀學生提供資助。

東亞銀行慈善基金推廣藝術的同時，亦會進一步履行環保的承諾，並計劃將這兩方面的工作結合。就此，東亞銀行慈善基金來年將與非政府組織合辦一系列創意活動，鼓勵大眾擁有創意思維，一同實現未來可持續發展。

作為東亞中國「一百年•心開始」百周年系列的活動之一，上海宋慶齡基金會—東亞銀行公益基金（「東亞銀行公益基金」）於2020年開設第100所「螢火蟲樂園」，這亦是年內計劃新捐建的四所「螢火蟲樂園」之一。東亞中國透過「螢火蟲計劃」捐贈電腦及投影機等多媒體設備，以助學生便捷學習，另亦捐贈新的桌椅及圖書館，以滿足鄉村學校的基本需要。過去一年，東亞中國還向基層鄉村學生提供2,090個「螢火蟲背包」。每個「螢火蟲背包」均備有文具及參考書籍，旨在鼓勵學生自學。該計劃亦為逾200名學校教師及44名校長提供超過4,570小時的網上培訓。

與此同時，東亞中國甄選了六個卓越的非政府組織項目並提供資助，以幫助自閉症兒童、留守女童以及失去獨生子女的高齡家長。為協助弱勢群體，超過230名東亞中國義工參與1,450多個小時的義工服務，活動包括於端午節關愛活動中派發防疫物資及節日禮物等。

為提升青少年的理財知識，東亞中國與上海市學生德育發展中心及上海教育報刊總社合辦「2020年東亞銀行杯金融教育校園行」活動。該活動已連續第八年舉行，近80,000名來自上海120多間學校的學生參加了今年的活動。



Mr. Adrian Li (left) represented the Bank at The Community Chest BEA Charity Golf Day 2020 held in March. More than HK\$2.4 million was raised in support of mental health services provided by member agencies of The Community Chest of Hong Kong.

李民橋先生（左）代表本行出席於3月舉行的「公益金東亞慈善高爾夫球賽2020」。該活動籌得超過港幣240萬元，以支持香港公益金的會員機構提供精神健康服務。

BEA showed care to the underprivileged and supported local restaurants by donating 1,000 coupons that could be redeemed for meal boxes at chosen establishments during Winter Solstice. 冬至期間，本行向弱勢社群送上合共一千個飯盒。受惠者可於活動期間到指定的街坊餐廳及社企等合作食店換領飯盒。



SUSTAINABILITY (CONTINUED)

Macau Branch supported World Vision's "Macau Famine" for the 7th consecutive year by skipping meals and donating the cost to help World Vision provide nutrition and livelihood assistance to families affected by natural disasters in Somalia, South Sudan, and Zimbabwe. Macau Branch also donated food to Fuhong Society of Macau, for distribution to low-income families in Macau during the pandemic. In December, Macau Branch supported "Walk for a Million", an annual fundraising event for people in need. All staff members of the branch participated by setting out on individual walks in accordance with social distancing regulations and recorded well over one million steps in total.

Fifteen staff members from Taiwan Branch joined the World Cerebral Palsy Day Walking event. They were among over 600 people in Taiwan alone; the global event raised money and awareness in over 75 countries.

ENHANCING OUR ENVIRONMENTAL PERFORMANCE

The impact of climate change is intensifying around the world. To manage emissions from its operations more effectively, during the past year, BEA established a Group carbon emissions reduction target that covers a wider scope of operational activities. Between the baseline year of 2019 and the target year 2030, BEA aims to reduce Scope 1 and Scope 2 carbon emissions produced by its

Group operations by 32%. Progress will be monitored on an ongoing basis, with interim goals set for 2023 and 2026. The target not only guides BEA to continuously improve its environmental performance, but also enables it to support global efforts to combat climate change more effectively.

In 2020, BEA also began measuring indirect Scope 3 emissions, starting with business travel emissions on a Group-wide basis. Going forward, the Bank will explore other forms of Scope 3 emissions measurement.

In October, BEA began measuring all office waste generated by its Head Office Building on a daily basis. The Bank plans to extend measuring efforts to BEA Tower in Kwun Tong in early 2021 and, once the COVID-19 pandemic has subsided, the Bank aims to commence waste sorting to identify opportunities for better waste management including recycling.

In June, BEA's Macau Branch participated in the "Light-off One Hour" campaign organised by the Office for the Development of the Energy Sector of the Macao Special Administrative Region. In August, Taiwan Branch helped reduce hazardous substances and carbon emissions produced from e-waste by collecting over 200 second-hand electronic devices and donating them to ASUS Foundation.



In December, Mr Ronald Ho (centre, second row), Deputy Chief Executive of BEA China, presented awards to winners of the 2020 Bank of East Asia Cup Financial Education School Tour at the ceremony.

12月，何長明先生（第二行中間）於「2020年東亞銀行杯上海市中學生金融教育校園行」頒獎典禮上頒獎予得獎同學。



可持續發展（續）

澳門分行連續第七年支持世界宣明會的「澳門饑饉」活動，透過支持「饑饉一餐」活動並捐出餐飲費用，以助世界宣明會向索馬里、南蘇丹及津巴布韋受自然災害影響的家庭提供營養品及生計援助。於疫情期間，澳門分行亦向澳門扶康會捐出食物，以供其轉贈予澳門的低收入家庭。12月，澳門分行亦全力支持「2020公益金百萬行」的年度籌款活動，澳門分行全體同事均根據社區距離規定各自參與步行活動，累計步數超過100萬步。

台灣分行的15名員工參加了「世界腦麻日健走嘉年華」活動。單單在台灣，就有600多人參加有關活動，而台灣分行的參與員工也是其中一分子。這項全球性的活動旨在於逾75個國家籌款，並喚起社會大眾的對腦性麻痺的關注。

我們的環保工作

氣候變化對全球的影響日益加劇。為更有效地管理經營活動所產生的排放量，東亞銀行於去年訂立了集團減排碳目標，以涵蓋更廣泛的經營活動。東亞銀行的

目標是於2019年基準年至2030年目標年度期間，將集團經營活動所產生的範圍1及範圍2碳排放量減少32%。本集團將持續監控有關進度，並就2023年及2026年訂立中期目標。這些目標可為東亞銀行提供指引，以持續提升其環保工作的表現，亦有助該行為環保出一分力，更有效地應對氣候變化。

於2020年，東亞銀行開始計量範圍3的間接排放量，並從整個集團的出差活動的排放量著手。展望未來，本行將致力尋求計量範圍3排放量的其他方式。

10月，東亞銀行開始計量總行大廈每日的辦公室廢物產量，並計劃於2021年初開始計量觀塘東亞銀行中心的廢物產量。疫情過後，本行將著手開展廢物分類工作，以尋求機會完善廢物管理，包括回收。

6月，東亞銀行澳門分行參加由澳門特別行政區能源發展辦公室舉辦的「齊熄燈，一小時」活動。8月，台灣分行亦收集了200多部二手電子設備並捐贈予華碩文教基金會，幫助減少電子垃圾所產生的有害物質及碳排放量。



Taiwan Branch Staff Volunteers at 2020 World Cerebral Palsy Day.

台灣分行同事全力支持2020「世界腦麻日健走嘉年華」。

Macau Branch staff supported World Vision's "Macau Famine" for the 7th consecutive year by skipping a meal and donating the amount to charity.

澳門分行員工連續第七年支持世界宣明會的「澳門饑饉」活動，並透過支持「饑饉一餐」活動和捐出餐飲費用的方式以示支持。



SUSTAINABILITY (CONTINUED)

MAJOR RECOGNITION

During the year under review, the Group received a number of awards in recognition of its achievements. These included:

BEA / Blue Cross / BEA Life

1. "Outstanding Award for Green Loan Arranger – Comprehensive Green Framework – Single Green Loan (Printing & Communication Industry)" by the Hong Kong Quality Assurance Agency
2. Named "Financial Education Champion 2021" (for the third consecutive year) by the Investor and Financial Education Council
3. "President's Award" (for the 21st consecutive year), "Diamond Award" in the Corporate & Employee Contribution Programme 2019/2020 (for the 26th consecutive year), and the "Top Fund-raiser Award – 2nd Runner-up" in 2019/2020 Hong Kong & Kowloon Walk for Millions from The Community Chest of Hong Kong
4. Named "Caring Company" by The Hong Kong Council of Social Service (17th consecutive year for BEA, 12th consecutive year for Blue Cross, and 3rd year for BEA Life)
5. "ERB Manpower Developer Award Scheme" (for the ninth consecutive year for BEA and the first year for Blue Cross) by the Employees Retraining Board
6. "Caring Certificate" from the Federation of Hong Kong Industries
7. Occupational Health Award 2019-20 "Joyful@Healthy Workplace Best Practices Award", "Enterprise / Organisation Category – Grand Award" (Blue Cross) and "Branch / Small and Medium Enterprise Category – Outstanding Award" (BEA Life) by the Department of Health, Labour Department and the Occupational Safety and Health Council
8. "Social Capital Builder Logo Award" (third consecutive time for BEA and second consecutive time for Blue Cross) from The Community Investment and Inclusion Fund of the Labour and Welfare Bureau
9. "Gold Award for Volunteer Service (Organisation)" by the Social Welfare Department
10. "2019-2020 Hong Kong Citizen Hong Kong Heart" Volunteer Ambassador Program Certification by The Steering Committee on Promotion of Volunteer Service under the Social Welfare Department
11. "Wastewi\$e Certificate – Excellence Level" for BEA's Head Office Building and BEA Tower from the Environmental Campaign Committee
12. "Energywi\$e Certificate – Excellence Level" for BEA's Head Office Building from the Environmental Campaign Committee



Ms. Zoe Lau (right), General Manager and Head of Human Resources & Corporate Communications Division represented the Bank to receive The Community Chest's "President's Award" in the 2019/2020 Campaign Year.

總經理兼人力資源及企業傳訊主管劉月屏女士(右)代表本行接受香港公益金頒發2019/2020年度「公益榮譽獎」。

BEA China

13. "2019-2020 Corporate Contribution Award for Fixed-Point Poverty Alleviation" by the China Banking Association
14. "2020 Charity Practice Contribution Award" by Yi CAI
15. "Excellent Corporate Television Commercial – Flowers in Desks" by the 2020 China International Philanthropic Movie Festival



可持續發展（續）

主要榮譽與獎項

本集團於回顧年內表現卓越，先後獲頒發多個獎項。

東亞銀行/藍十字/東亞人壽保險

1. 榮獲香港品質保證局頒發「傑出綠色貸款經辦行 — 多元綠色框架 — 單一綠色貸款（印刷及傳訊業）」獎項
2. 榮獲投資者及理財教育委員會頒發「理財教育獎 2021」（連續第三年榮獲該獎項）
3. 香港公益金頒發「公益榮譽獎」（連續第21年）、2019/2020年度商業及僱員募捐計劃「鑽石獎」（連續第26年）、以及2019/2020年度港島、九龍區百萬行「最高籌款機構季軍」
4. 榮獲香港社會服務聯會嘉許為「商界展關懷」機構（東亞銀行、藍十字及東亞人壽保險分別連續第17年、第12年及第3年榮獲該項嘉許）
5. 榮獲僱員再培訓局嘉許為「人才企業」（東亞銀行及藍十字分別連續第九年及首年榮獲該項嘉許）
6. 香港工業總會頒發「愛心關懷證書」獎狀
7. 榮獲衛生署、勞工處及職業安全健康局頒發職業健康大獎2019-20「好心情@健康工作間大獎」—「企業/機構組 — 超卓機構大獎」（藍十字）及「業務部/中小企組 — 傑出機構大獎」（東亞人壽保險）
8. 勞工及福利局社區投資共享基金頒發「社會資本動力標誌獎」（東亞銀行及藍十字分別連續第三次及第二次榮獲該項嘉許）
9. 榮獲社會福利署頒發「義務工作嘉許狀（團體）金狀」
10. 榮獲社會福利署推廣義工服務督導委員會頒發「2019-2020香港人·香港心義工大馬路行動嘉許狀」
11. “榮獲環境運動委員會頒發「減廢證書（卓越級別）」予東亞銀行總行大廈及東亞銀行中心
12. 榮獲環境運動委員會頒發「節能證書（卓越級別）」予東亞銀行總行大廈

東亞中國

13. 榮獲中國銀行業協會頒發「2019-2020年度定點扶貧單位貢獻獎」
14. 榮獲第一財經中國企業社會責任榜頒發「2020公益實踐貢獻獎」
15. 於2020中國公益映像節獲得「企業類優秀作品獎 — 《課桌裡的格桑花》」



In October, BEA won the Outstanding Award for Green Loan Arranger – Comprehensive Green Framework – Single Green Loan (Printing & Communication Industry) in the Hong Kong Sustainable Finance Awards 2020.

10月，東亞銀行在香港可持續發展金融大獎2020中榮獲「傑出綠色貸款經辦行 — 多元綠色框架 — 單一綠色貸款（印刷及傳訊業）」獎項。

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, 2020 (“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, 2020 and an indication of likely future development in the business of the Group are provided in the Executive Chairman’s Statement and the Report of the Co-Chief Executives 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 Co-Chief Executives. 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 Sustainability section of the Annual Report as well as in the Group’s 2020 Environmental, Social and Governance Report which will be available on the Bank’s website at www.hkbea.com (About BEA – Sustainability – ESG Reports) in the first half of 2021.

MAJOR CUSTOMERS

The Directors note 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, 2020 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 363.

FIXED ASSETS

Details of the movements in fixed assets are set out in Note 34 to the accounts.

TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$3,614 million (2019: HK\$3,260 million) has been transferred to reserves. Other movements in reserves are set out in Note 43 to the accounts.

DIVIDENDS

An interim dividend of HK\$0.16 per Share (2019: HK\$0.11 per Share) was paid on 30th September, 2020. The Directors have declared the payment of a second interim dividend of HK\$0.24 per Share (2019: a second interim dividend of HK\$0.35 per Share) in respect of the financial year ended 31st December, 2020.

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 8,312,141 Shares at HK\$17.9208 each and 1,804,496 Shares at HK\$16.2564 each to Shareholders who had elected to receive new Shares in lieu of cash dividend in respect of the 2019 second interim dividend and the 2020 interim dividend respectively.

Details about the issue of Shares are also set out in Note 41 to the accounts.

PURCHASE, SALE OR REDEMPTION OF THE BANK’S LISTED SECURITIES

On 16th July, 2020, the Bank completed the redemption of US\$600 million of 6.125% Subordinated Notes due 2020 (the “2020 Subordinated Notes”) upon their maturity. The 2020 Subordinated Notes were issued in 2010 and listed on the Singapore Exchange.

On 2nd December, 2020, the Bank completed the redemption of US\$650 million of 5.5% Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities (the “Undated Capital Securities”) on the First Call Date. The Undated Capital Securities were issued in 2015 under the Bank’s Medium Term Note Programme and listed on the Stock Exchange.

Save for the redemption of the 2020 Subordinated Notes and the Undated Capital Securities 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, 2020.



董事會報告書

董事會全寅現謹向各股東發表截至2020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2020年12月31日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的執行主席報告書及聯席行政總裁報告書內。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）已作出披露。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已作出披露。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聯席行政總裁報告書。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，披露於本年報的可持續發展項下及本集團之2020環境、社會及管治報告內，該報告在2021年上半年登載於本行網站www.hkbea.com（「關於東亞銀行 — 可持續發展 — 環境、社會及管治報告」）。

主要客戶

董事會知悉，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2020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363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36.14億元（2019年：港幣32.6億元）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0.16元（2019年：每股港幣0.11元）已於2020年9月30日派發。董事會現宣布派發截至2020年12月31日止年度第二次中期股息每股港幣0.24元（2019年：第二次中期股息每股港幣0.35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，本行分別以每股港幣17.9208元發行8,312,141股股份及以每股港幣16.2564元發行1,804,496股股份，派發予選擇以新股代替現金收取2019年度第二次中期股息及2020年度中期股息的股東。

有關發行股份的詳情，亦載於賬項附註41。

購入、出售或贖回本行的上市證券

本行於2020年7月16日（票據到期日）完成贖回6億美元，孳息率為6.125%於2020年到期的後償票據（「2020後償票據」）。2020後償票據在2010年發行並於新加坡交易所上市。

本行於2020年12月2日（第一個可贖回日）完成贖回6.5億美元，孳息率為5.5%的無到期日非累積後償債額外一級資本證券（「無到期日資本證券」）。無到期日資本證券在2015年根據本行的中期票據計劃發行並於聯交所上市。

除上述所披露贖回2020後償票據及無到期日資本證券外，在截至2020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, 2020, the following capital securities and notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme to raise funds for general corporate purposes:

Class	Amount Issued (HK\$ equivalent)	Consideration received (HK\$ equivalent)
Subordinated Notes*	US\$600,000,000 (HK\$4,650,150,000.00)	US\$597,552,000 (HK\$4,632,731,023.20)
Additional Tier 1 Undated Capital Securities*	US\$650,000,000 (HK\$5,036,850,000.00)	US\$650,000,000 (HK\$5,029,294,725.00)
Senior Notes	US\$240,000,000 (HK\$1,867,509,000.00)	US\$239,693,000 (HK\$1,861,632,293.88)
Total (HK\$ equivalent)	HK\$11,554,509,000.00	HK\$11,523,658,042.08

* Listed on the Stock Exchange

DIRECTORS

The present Directors of the Bank are shown on page 58.

In accordance with the Articles of Association, the terms of office of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun, will expire at the 2021 AGM. They, being eligible, offer themselves for re-election at the 2021 AGM.

Dr. David MONG Tak-yeung (an INED) and Dr. Francisco Javier SERRADO TREPAT (a Non-executive Director) were appointed Directors of the Bank on 15th January, 2021. They will retire under the provisions of the Articles of Association and, being eligible, offer themselves for re-election at the 2021 AGM.

Dr. Isidro FAINÉ CASAS resigned as a Non-executive Director of the Bank with effect from the conclusion of the 2020 AGM.

Details of the Directors to be re-elected at the 2021 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2021 AGM has a service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

The Bank has received an annual confirmation of independence for the year ended 31st December, 2020 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, Dr. Delman LEE and Mr. William Junior Guilherme DOO and considers them to be independent throughout the applicable period.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2020) during the year up to 24th February, 2021 (being the date of approval of the Bank's 2020 Annual Report) are available on the Bank's website at 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, 2020.

The fees to the Director who resigned during 2020 were paid in accordance with his length of service.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There was no transaction, arrangement or contracts of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his connected entities (as defined under section 486 of the Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Bank is interested in any business that competes or is likely to compete, either directly or indirectly, with the Bank's business.



董事會報告書(續)

發行債權證

在截至2020年12月31日止年度內，本行根據其6,000,000,000美元中期票據計劃發行以下資本證券及票據，藉以籌集資金用作一般企業用途：

類別	發行款額(港元等值)	收取的代價(港元等值)
後償票據*	600,000,000 美元 (港幣 4,650,150,000.00 元)	597,552,000 美元 (港幣 4,632,731,023.20 元)
無到期日額外一級資本證券*	650,000,000 美元 (港幣 5,036,850,000.00 元)	650,000,000 美元 (港幣 5,029,294,725.00 元)
高級票據	240,000,000 美元 (港幣 1,867,509,000.00 元)	239,693,000 美元 (港幣 1,861,632,293.88 元)
合共(港元等值)	港幣 11,554,509,000.00 元	港幣 11,523,658,042.08 元

* 於聯交所上市

董事會

本行現任董事的名單載於第58頁。

根據組織章程細則規定，李民橋先生及李民斌先生將於2021股東周年常會上卸任，並願膺選連任。

蒙德揚博士(獨立非執行董事)及Francisco Javier SERRADO TREPAT博士(非執行董事)於2021年1月15日獲委任為本行董事。根據組織章程細則規定，他們將於2021股東周年常會上卸任，並願膺選連任。

范禮賢博士(Dr. Isidro FAINÉ CASAS)辭任非執行董事，在2020股東周年常會結束後生效。

所有在2021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2021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、李國本博士及杜家駒先生，根據《上市規則》第3.13條及提升獨立非執行董事的專業能力指引而作出的截至2020年12月31日止年度獨立性確認函。本行對他們在整個適用期間的獨立性表示認同。

附屬公司董事

於年度內及截至2021年2月24日(為通過本行2020年報當天)止之期間，出任本行(包括在截至2020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

具名列載本行董事薪酬的資料在截至2020年12月31日止年度的財務報表附註22內披露。

在2020年內辭任的董事的酬金已按其服務期支付。

董事在交易、安排或合約中之權益

於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體(根據《條例》第486條之定義)均無直接或間接擁有重大權益。

董事在競爭業務之權益

本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

Dr. the Hon. Sir David LI Kwok-po is employed as the Executive Chairman of the Bank. His existing three-year term service contract commenced on 1st July, 2019 and will expire on 30th June, 2022.

PERMITTED INDEMNITY

Pursuant to the Articles of Association, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the

extent permitted by the Ordinance) incurred by such Director, Secretary or officer in the execution of his duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

DIRECTORS' AND CO-CHIEF EXECUTIVES' INTERESTS

As at 31st December, 2020, the interests and short positions of the Directors and Co-Chief Executives of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

I. Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued voting Shares
David LI Kwok-po	Beneficial owner	86,208,360	100,433,789 ¹	3.44
	Interest of spouse	2,215,755		
	Interest of corporation	458,594		
	Executor of estate	11,551,080		
Arthur LI Kwok-cheung	Beneficial owner	13,085,663	42,074,036 ²	1.44
	Interest of corporation	17,437,293		
	Executor of estate	11,551,080		
Allan WONG Chi-yun	Beneficial owner	464,393	17,879,763 ³	0.61
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	17,415,234		
Aubrey LI Kwok-sing	Beneficial owner	833,426	18,759,824 ⁴	0.64
	Interest of spouse	25,157		
	Founder/Settlor of trust	17,901,241		
Stephen Charles LI Kwok-sze	Beneficial owner	11,752,581	13,575,104 ⁵	0.47
	Administrator of estates	1,822,523		
Adrian David LI Man-kiu	Beneficial owner	1,095,959	3,200,799 ⁶	0.11
	Settlor/Founder of discretionary trust	2,104,840		
Brian David LI Man-bun	Beneficial owner	2,579,902	3,400,184 ⁷	0.12
	Interest of corporation	820,282		

Notes:

- David LI Kwok-po was the beneficial owner of 86,208,360 shares and he was deemed to be interested in 2,215,755 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 458,594 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 11,551,080 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 11,551,080 shares as one of the executors of the estate (please refer to Note 2 below).
- Arthur LI Kwok-cheung was the beneficial owner of 13,085,663 shares and he was deemed to be interested in 17,437,293 shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 11,551,080 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 11,551,080 shares as one of the executors of the estate (please refer to Note 1 above).
- Allan WONG Chi-yun was the beneficial owner of 464,393 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 17,415,234 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.



董事會報告書(續)

管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行的執行主席。他現行為期3年的僱傭合約已於2019年7月1日起生效，並將於2022年6月30日屆滿。

獲准許的彌償條文

根據組織章程細則，每名本行董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或產生

之所有債務(受限於《條例》的規定)，有權獲得從本行基金中撥付彌償。此外，本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工。

董事及聯席行政總裁權益

於2020年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊(「該登記冊」)所記錄，本行各董事及聯席行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行有投票權股份的百分率
李國寶	實益擁有人	86,208,360	100,433,789 ¹	3.44
	配偶的權益	2,215,755		
	法團的權益	458,594		
	遺產執行人	11,551,080		
李國章	實益擁有人	13,085,663	42,074,036 ²	1.44
	法團的權益	17,437,293		
	遺產執行人	11,551,080		
黃子欣	實益擁有人	464,393	17,879,763 ³	0.61
	配偶的權益	136		
	酌情信託的成立人及受益人	17,415,234		
李國星	實益擁有人	833,426	18,759,824 ⁴	0.64
	配偶的權益	25,157		
	信託的成立人/授予人	17,901,241		
李國仕	實益擁有人	11,752,581	13,575,104 ⁵	0.47
	遺產管理人	1,822,523		
李民橋	實益擁有人	1,095,959	3,200,799 ⁶	0.11
	酌情信託的財產授予人/成立人	2,104,840		
李民斌	實益擁有人	2,579,902	3,400,184 ⁷	0.12
	法團的權益	820,282		

附註：

- 李國寶為86,208,360股的實益擁有人。由於其配偶潘金翠擁有2,215,755股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的458,594股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,551,080股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批11,551,080股(請參閱下列附註2)。
- 李國章為13,085,663股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的17,437,293股，該公司為李國章全資擁有。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,551,080股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批11,551,080股(請參閱上列附註1)。
- 黃子欣為464,393股的實益擁有人。由於其配偶郭志蕙(已歿)擁有136股之權益，他被視為擁有該等股份。而由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的17,415,234股。

REPORT OF THE DIRECTORS (CONTINUED)

- 4 *Aubrey LI Kwok-sing was the beneficial owner of 833,426 shares and he was deemed to be interested in 25,157 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 17,901,241 shares held by LEVA Trust of which he is the founder/settlor.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 11,752,581 shares. He was also deemed to be interested in 1,822,523 shares held by two estates of which he is one of the administrators.*
- 6 *Adrian David LI Man-kiu was the beneficial owner of 1,095,959 shares. He has made a voluntary disclosure of 2,104,840 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.*
- 7 *Brian David LI Man-bun was the beneficial owner of 2,579,902 shares. He was also deemed to be interested in 820,282 shares held by Triple Kingdom Limited, which is wholly-owned by him.*

II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2020 was shown in the section under "Information on Share Options" of this Report.

Each of the other Directors, namely Winston LO Yau-lai, Daryl NG Win-kong, Masayuki OKU, Rita FAN HSU Lai-tai, Meocre LI Kwok-wing, Henry TANG Ying-yen, Delman LEE and William Junior Guilherme DOO did not have any interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations as at 31st December, 2020.

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under "Information on Share Options", and Notes 2(y)(iv) and 40 to the accounts.

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, 2020:

Name	Date of Grant	Number of Share Options				
		Outstanding at 01/1/2020	Granted	Exercised	Lapsed / Cancelled	Outstanding at 31/12/2020
David LI Kwok-po	03/5/2013 ^a	668,000 ^{T3}	-	-	-	668,000
	02/5/2014 ^a	666,000 ^{T1}	-	-	666,000	0
	02/5/2014 ^a	666,000 ^{T2}	-	-	-	666,000
	02/5/2014 ^a	668,000 ^{T3}	-	-	-	668,000
	04/5/2015 ^a	666,000 ^{T1}	-	-	-	666,000
	04/5/2015 ^a	666,000 ^{T2}	-	-	-	666,000
	04/5/2015 ^a	668,000 ^{T3}	-	-	-	668,000
	08/4/2016 ^a	666,000 ^{T2}	-	-	-	666,000
	08/4/2016 ^a	668,000 ^{T3}	-	-	-	668,000
	07/4/2017 ^a	666,000 ^{T1}	-	-	-	666,000
	07/4/2017 ^a	666,000 ^{T2}	-	-	-	666,000
	07/4/2017 ^a	668,000 ^{T3}	-	-	167,000 [#]	501,000
	10/4/2018 ^a	666,000 ^{T1}	-	-	-	666,000
	10/4/2018 ^a	666,000 ^{T2}	-	-	166,500 [#]	499,500
	10/4/2018 ^a	668,000 ^{T3}	-	-	167,000 [#]	501,000
	19/7/2019 ^a	666,000 ^{T1}	-	-	166,500 [#]	499,500
	19/7/2019 ^a	666,000 ^{T2}	-	-	166,500 [#]	499,500
	19/7/2019 ^a	668,000 ^{T3}	-	-	167,000 [#]	501,000
	07/4/2020 ^b	-	-	346,115 ^{T1}	-	-
07/4/2020 ^b	-	-	347,802 ^{T2}	-	-	347,802
07/4/2020 ^b	-	-	354,090 ^{T3}	-	-	354,090



董事會報告書(續)

- 4 李國星為833,426股的實益擁有人。由於其配偶吳伊莉擁有25,157股之權益，他亦被視為擁有該等股份。由於李國星為一個信託 LEVA Trust 的成立人/授予人而被視為擁有該信託所持有的17,901,241股。
- 5 李國仕為11,752,581股的實益擁有人。李國仕作為兩個遺產的其中一位管理人，因而被視為擁有該兩個遺產持有的1,822,523股。
- 6 李民橋為1,095,959股的實益擁有人。他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2,104,840股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 7 李民斌為2,579,902股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的820,282股，該公司為李民斌全資擁有。

II. 本行相關股份(就股本衍生工具而言)的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2020年12月31日止年度內的資料，見於本報告「認股權資料」項下。

其他董事，包括羅友禮、黃永光、奧正之、范徐麗泰、李國榮、唐英年、李國本和杜家駒，於2020年12月31日均無持有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。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

除於下列「認股權資料」項下及賬項附註2(y)(iv)及40所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或聯席行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債權證而獲益。

認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2020年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01/1/2020 尚未行使	授出	行使	失效/註銷	於31/12/2020 尚未行使
李國寶	03/5/2013 ^a	668,000 ^{T3}	-	-	-	668,000
	02/5/2014 ^a	666,000 ^{T1}	-	-	666,000	0
	02/5/2014 ^a	666,000 ^{T2}	-	-	-	666,000
	02/5/2014 ^a	668,000 ^{T3}	-	-	-	668,000
	04/5/2015 ^a	666,000 ^{T1}	-	-	-	666,000
	04/5/2015 ^a	666,000 ^{T2}	-	-	-	666,000
	04/5/2015 ^a	668,000 ^{T3}	-	-	-	668,000
	08/4/2016 ^a	666,000 ^{T2}	-	-	-	666,000
	08/4/2016 ^a	668,000 ^{T3}	-	-	-	668,000
	07/4/2017 ^a	666,000 ^{T1}	-	-	-	666,000
	07/4/2017 ^a	666,000 ^{T2}	-	-	-	666,000
	07/4/2017 ^a	668,000 ^{T3}	-	-	167,000 [#]	501,000
	10/4/2018 ^a	666,000 ^{T1}	-	-	-	666,000
	10/4/2018 ^a	666,000 ^{T2}	-	-	166,500 [#]	499,500
	10/4/2018 ^a	668,000 ^{T3}	-	-	167,000 [#]	501,000
	19/7/2019 ^a	666,000 ^{T1}	-	-	166,500 [#]	499,500
	19/7/2019 ^a	666,000 ^{T2}	-	-	166,500 [#]	499,500
	19/7/2019 ^a	668,000 ^{T3}	-	-	167,000 [#]	501,000
	07/4/2020 ^b	-	346,115 ^{T1}	-	-	-
07/4/2020 ^b	-	347,802 ^{T2}	-	-	-	347,802
07/4/2020 ^b	-	354,090 ^{T3}	-	-	-	354,090

REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options					
		Outstanding at 01/1/2020	Granted	Exercised	Lapsed / Cancelled	Outstanding at 31/12/2020	
Adrian David LI Man-kiu	10/5/2012 ^a	218,000 ^{T3}	-	-	218,000	0	
	03/5/2013 ^a	216,000 ^{T2}	-	-	216,000	0	
	03/5/2013 ^a	218,000 ^{T3}	-	-	-	218,000	
	02/5/2014 ^a	216,000 ^{T1}	-	-	216,000	0	
	02/5/2014 ^a	216,000 ^{T2}	-	-	-	216,000	
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000	
	04/5/2015 ^a	216,000 ^{T1}	-	-	-	216,000	
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000	
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000	
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000	
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000	
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000	
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000	
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000	
	07/4/2017 ^a	218,000 ^{T3}	-	-	54,500 [#]	163,500	
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000	
	10/4/2018 ^a	216,000 ^{T2}	-	-	54,000 [#]	162,000	
	10/4/2018 ^a	218,000 ^{T3}	-	-	54,500 [#]	163,500	
	19/7/2019 ^a	216,000 ^{T1}	-	-	54,000 [#]	162,000	
	19/7/2019 ^a	216,000 ^{T2}	-	-	54,000 [#]	162,000	
19/7/2019 ^a	218,000 ^{T3}	-	-	54,500 [#]	163,500		
07/4/2020 ^b	-	-	268,360 ^{T1}	-	-	268,360	
07/4/2020 ^b	-	-	271,648 ^{T2}	-	-	271,648	
07/4/2020 ^b	-	-	282,769 ^{T3}	-	-	282,769	
Brian David LI Man-bun	10/5/2012 ^a	218,000 ^{T3}	-	-	218,000	0	
	03/5/2013 ^a	216,000 ^{T2}	-	-	216,000	0	
	03/5/2013 ^a	218,000 ^{T3}	-	-	-	218,000	
	02/5/2014 ^a	216,000 ^{T1}	-	-	216,000	0	
	02/5/2014 ^a	216,000 ^{T2}	-	-	-	216,000	
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000	
	04/5/2015 ^a	216,000 ^{T1}	-	-	-	216,000	
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000	
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000	
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000	
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000	
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000	
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000	
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000	
	07/4/2017 ^a	218,000 ^{T3}	-	-	109,000 [#]	109,000	
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000	
	10/4/2018 ^a	216,000 ^{T2}	-	-	108,000 [#]	108,000	
	10/4/2018 ^a	218,000 ^{T3}	-	-	109,000 [#]	109,000	
	07/4/2020 ^b	-	-	286,690 ^{T1}	-	-	286,690
	07/4/2020 ^b	-	-	288,878 ^{T2}	-	-	288,878
07/4/2020 ^b	-	-	297,977 ^{T3}	-	-	297,977	



董事會報告書(續)

姓名	授予日期	認股權數目					
		於01/1/2020 尚未行使	授出	行使	失效/註銷	於31/12/2020 尚未行使	
李民橋	10/5/2012 ^a	218,000 ^{T3}	-	-	218,000	0	
	03/5/2013 ^a	216,000 ^{T2}	-	-	216,000	0	
	03/5/2013 ^a	218,000 ^{T3}	-	-	-	218,000	
	02/5/2014 ^a	216,000 ^{T1}	-	-	216,000	0	
	02/5/2014 ^a	216,000 ^{T2}	-	-	-	216,000	
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000	
	04/5/2015 ^a	216,000 ^{T1}	-	-	-	216,000	
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000	
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000	
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000	
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000	
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000	
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000	
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000	
	07/4/2017 ^a	218,000 ^{T3}	-	-	54,500 [#]	163,500	
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000	
	10/4/2018 ^a	216,000 ^{T2}	-	-	54,000 [#]	162,000	
	10/4/2018 ^a	218,000 ^{T3}	-	-	54,500 [#]	163,500	
	19/7/2019 ^a	216,000 ^{T1}	-	-	54,000 [#]	162,000	
	19/7/2019 ^a	216,000 ^{T2}	-	-	54,000 [#]	162,000	
19/7/2019 ^a	218,000 ^{T3}	-	-	54,500 [#]	163,500		
07/4/2020 ^b	-	268,360 ^{T1}	-	-	-	268,360	
07/4/2020 ^b	-	271,648 ^{T2}	-	-	-	271,648	
07/4/2020 ^b	-	282,769 ^{T3}	-	-	-	282,769	
李民斌	10/5/2012 ^a	218,000 ^{T3}	-	-	218,000	0	
	03/5/2013 ^a	216,000 ^{T2}	-	-	216,000	0	
	03/5/2013 ^a	218,000 ^{T3}	-	-	-	218,000	
	02/5/2014 ^a	216,000 ^{T1}	-	-	216,000	0	
	02/5/2014 ^a	216,000 ^{T2}	-	-	-	216,000	
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000	
	04/5/2015 ^a	216,000 ^{T1}	-	-	-	216,000	
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000	
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000	
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000	
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000	
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000	
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000	
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000	
	07/4/2017 ^a	218,000 ^{T3}	-	-	109,000 [#]	109,000	
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000	
	10/4/2018 ^a	216,000 ^{T2}	-	-	108,000 [#]	108,000	
	10/4/2018 ^a	218,000 ^{T3}	-	-	109,000 [#]	109,000	
	07/4/2020 ^b	-	286,690 ^{T1}	-	-	-	286,690
	07/4/2020 ^b	-	288,878 ^{T2}	-	-	-	288,878
07/4/2020 ^b	-	297,977 ^{T3}	-	-	-	297,977	

REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options					
		Outstanding at 01/1/2020	Granted	Exercised	Lapsed / Cancelled	Outstanding at 31/12/2020	
Aggregate of other Employees*	10/5/2012 ^a	586,000 ^{T3}	-	-	586,000	0	
	03/5/2013 ^a	582,000 ^{T2}	-	-	582,000	0	
	03/5/2013 ^a	636,000 ^{T3}	-	-	-	636,000	
	02/5/2014 ^a	602,000 ^{T1}	-	-	602,000	0	
	02/5/2014 ^a	732,000 ^{T2}	-	-	-	732,000	
	02/5/2014 ^a	736,000 ^{T3}	-	-	-	736,000	
	04/5/2015 ^a	732,000 ^{T1}	-	-	-	732,000	
	04/5/2015 ^a	732,000 ^{T2}	-	-	-	732,000	
	04/5/2015 ^a	736,000 ^{T3}	-	-	-	736,000	
	08/4/2016 ^a	532,000 ^{T1}	-	-	-	532,000	
	08/4/2016 ^a	748,000 ^{T2}	-	-	-	748,000	
	08/4/2016 ^a	792,500 ^{T3}	-	-	-	792,500	
	07/4/2017 ^a	832,000 ^{T1}	-	-	-	832,000	
	07/4/2017 ^a	832,000 ^{T2}	-	-	-	832,000	
	07/4/2017 ^a	836,000 ^{T3}	-	-	184,000 [#]	652,000	
	10/4/2018 ^a	877,000 ^{T1}	-	-	-	877,000	
	10/4/2018 ^a	877,000 ^{T2}	-	-	183,000 [#]	694,000	
	10/4/2018 ^a	883,500 ^{T3}	-	-	184,000 [#]	699,500	
	19/7/2019 ^a	915,000 ^{T1}	-	-	183,000 [#]	732,000	
	19/7/2019 ^a	915,000 ^{T2}	-	-	183,000 [#]	732,000	
	19/7/2019 ^a	920,000 ^{T3}	-	-	184,000 [#]	736,000	
	07/4/2020 ^b	-	-	777,000 ^{T1}	-	-	777,000
	07/4/2020 ^b	-	-	777,000 ^{T2}	-	-	777,000
07/4/2020 ^b	-	-	783,500 ^{T3}	-	-	783,500	
Other Participants**	10/5/2012 ^a	150,000 ^{T3}	-	-	150,000	0	
	03/5/2013 ^a	100,000 ^{T2}	-	-	100,000	0	
	03/5/2013 ^a	100,000 ^{T3}	-	-	-	100,000	
	02/5/2014 ^a	112,000 ^{T1}	-	-	112,000	0	
	02/5/2014 ^a	112,000 ^{T2}	-	-	-	112,000	
	02/5/2014 ^a	113,500 ^{T3}	-	-	-	113,500	
	04/5/2015 ^a	200,000 ^{T1}	-	-	-	200,000	
	04/5/2015 ^a	200,000 ^{T2}	-	-	-	200,000	
	04/5/2015 ^a	165,746 ^{T3}	-	-	-	165,746	
	08/4/2016 ^a	100,000 ^{T1}	-	-	-	100,000	
	08/4/2016 ^a	150,000 ^{T2}	-	-	-	150,000	
	08/4/2016 ^a	200,000 ^{T3}	-	-	-	200,000	
	07/4/2017 ^a	200,000 ^{T1}	-	-	-	200,000	
	07/4/2017 ^a	200,000 ^{T2}	-	-	-	200,000	
	07/4/2017 ^a	200,000 ^{T3}	-	-	25,000 [#]	175,000	
	10/4/2018 ^a	250,000 ^{T1}	-	-	-	250,000	
	10/4/2018 ^a	250,000 ^{T2}	-	-	50,000	200,000	
	10/4/2018 ^a	250,000 ^{T3}	-	-	50,000	200,000	
	19/7/2019 ^a	150,000 ^{T1}	-	-	-	150,000	
	19/7/2019 ^a	150,000 ^{T2}	-	-	-	150,000	
	19/7/2019 ^a	150,000 ^{T3}	-	-	-	150,000	
	07/4/2020 ^b	-	-	100,000 ^{T1}	-	-	100,000
	07/4/2020 ^b	-	-	100,000 ^{T2}	-	-	100,000
07/4/2020 ^b	-	-	100,000 ^{T3}	-	-	100,000	

* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

** Other Participants refer to 7 former employees of the Bank. Such share options were offered / granted to them prior to their cessation as employees of the Bank.

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



董事會報告書(續)

姓名	授予日期	認股權數目				
		於01/1/2020 尚未行使	授出	行使	失效/註銷	於31/12/2020 尚未行使
其他僱員的總數*	10/5/2012 ^a	586,000 ^{T3}	-	-	586,000	0
	03/5/2013 ^a	582,000 ^{T2}	-	-	582,000	0
	03/5/2013 ^a	636,000 ^{T3}	-	-	-	636,000
	02/5/2014 ^a	602,000 ^{T1}	-	-	602,000	0
	02/5/2014 ^a	732,000 ^{T2}	-	-	-	732,000
	02/5/2014 ^a	736,000 ^{T3}	-	-	-	736,000
	04/5/2015 ^a	732,000 ^{T1}	-	-	-	732,000
	04/5/2015 ^a	732,000 ^{T2}	-	-	-	732,000
	04/5/2015 ^a	736,000 ^{T3}	-	-	-	736,000
	08/4/2016 ^a	532,000 ^{T1}	-	-	-	532,000
	08/4/2016 ^a	748,000 ^{T2}	-	-	-	748,000
	08/4/2016 ^a	792,500 ^{T3}	-	-	-	792,500
	07/4/2017 ^a	832,000 ^{T1}	-	-	-	832,000
	07/4/2017 ^a	832,000 ^{T2}	-	-	-	832,000
	07/4/2017 ^a	836,000 ^{T3}	-	-	184,000 [#]	652,000
	10/4/2018 ^a	877,000 ^{T1}	-	-	-	877,000
	10/4/2018 ^a	877,000 ^{T2}	-	-	183,000 [#]	694,000
	10/4/2018 ^a	883,500 ^{T3}	-	-	184,000 [#]	699,500
	19/7/2019 ^a	915,000 ^{T1}	-	-	183,000 [#]	732,000
	19/7/2019 ^a	915,000 ^{T2}	-	-	183,000 [#]	732,000
	19/7/2019 ^a	920,000 ^{T3}	-	-	184,000 [#]	736,000
	07/4/2020 ^b	-	777,000 ^{T1}	-	-	777,000
	07/4/2020 ^b	-	777,000 ^{T2}	-	-	777,000
07/4/2020 ^b	-	783,500 ^{T3}	-	-	783,500	
其他參與人**	10/5/2012 ^a	150,000 ^{T3}	-	-	150,000	0
	03/5/2013 ^a	100,000 ^{T2}	-	-	100,000	0
	03/5/2013 ^a	100,000 ^{T3}	-	-	-	100,000
	02/5/2014 ^a	112,000 ^{T1}	-	-	112,000	0
	02/5/2014 ^a	112,000 ^{T2}	-	-	-	112,000
	02/5/2014 ^a	113,500 ^{T3}	-	-	-	113,500
	04/5/2015 ^a	200,000 ^{T1}	-	-	-	200,000
	04/5/2015 ^a	200,000 ^{T2}	-	-	-	200,000
	04/5/2015 ^a	165,746 ^{T3}	-	-	-	165,746
	08/4/2016 ^a	100,000 ^{T1}	-	-	-	100,000
	08/4/2016 ^a	150,000 ^{T2}	-	-	-	150,000
	08/4/2016 ^a	200,000 ^{T3}	-	-	-	200,000
	07/4/2017 ^a	200,000 ^{T1}	-	-	-	200,000
	07/4/2017 ^a	200,000 ^{T2}	-	-	-	200,000
	07/4/2017 ^a	200,000 ^{T3}	-	-	25,000 [#]	175,000
	10/4/2018 ^a	250,000 ^{T1}	-	-	-	250,000
	10/4/2018 ^a	250,000 ^{T2}	-	-	50,000	200,000
	10/4/2018 ^a	250,000 ^{T3}	-	-	50,000	200,000
	19/7/2019 ^a	150,000 ^{T1}	-	-	-	150,000
	19/7/2019 ^a	150,000 ^{T2}	-	-	-	150,000
	19/7/2019 ^a	150,000 ^{T3}	-	-	-	150,000
	07/4/2020 ^b	-	100,000 ^{T1}	-	-	100,000
	07/4/2020 ^b	-	100,000 ^{T2}	-	-	100,000
07/4/2020 ^b	-	100,000 ^{T3}	-	-	100,000	

* 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7位本行前僱員。在其終止為本行僱員前已接納/獲授予該等認股權。

認股權已被撤銷並註銷。詳情請參閱本節第(3)段。

REPORT OF THE DIRECTORS (CONTINUED)

Notes:

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

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45

b Share options granted in year 2020:

(i) Particulars:

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

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

(iii) Fair value of share options granted during the year ended 31st December, 2020 and the assumptions are set out in Note 40 to the accounts.

(2) No share options were exercised during the year ended 31st December, 2020.

(3) The following share options were forfeited and cancelled during the year ended 31st December, 2020:

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

(4) The accounting policy adopted for share options is set out in Note 2(y)(iv) to the accounts.

Save as disclosed above, as at 31st December, 2020, none of the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.



董事會報告書(續)

附註：

a 於2012年至2019年授予的認股權詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45

b 於2020年授予的認股權：

(i) 詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

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

(iii) 在截至2020年12月31日止年度內授出認股權的公平價值及假設載於賬項附註40。

(2) 截至2020年12月31日止年度內並無認股權被行使。

(3) 在截至2020年12月31日止年度內被撤銷並註銷的認股權如下：

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

(4) 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2020年12月31日，本行的董事或聯席行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股份或債務證券。

REPORT OF THE DIRECTORS (CONTINUED)

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:

- (a) 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.
- (b) The 2016 Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

2. Participants of the 2016 Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Co-Chief Executives of the Group.

3. Total number of shares available for issue under the 2016 Scheme and % of issued shares at 31st December, 2020:

The maximum number of Shares that may be issued upon the exercise of the options that may be granted under the 2016 Scheme is 134,157,681 Shares, being 5% of the total number of issued Shares as at the date of approval of the 2016 Scheme, and 4.60% as at 31st December, 2020.

The total number of Shares available for issue upon the exercise of the options that have been granted (less those exercised and cancelled options, if any) under the 2016 Scheme is 21,441,329 Shares representing 0.74% of the issued Shares of the Bank at 31st December, 2020.

4. Maximum entitlement of each participant under the 2016 Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of Shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the 2016 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued Shares as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2016 Scheme.

5. The period within which the shares must be taken up under an option:

Beginning on the vesting date of such options, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2016 Scheme.

6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the vesting date thereof.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

Not applicable.

8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

- (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.



董事會報告書(續)

認股權計劃資料

根據《上市規則》披露的有關2016計劃的摘要如下：

1. 2016計劃的目的：

- (a) 2016計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 2016計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

2. 2016計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和聯席行政總裁，授予認股權。

3. 2016計劃中可予發行的股份數目及其於2020年12月31日佔已發行股份的百分率：

根據2016計劃可授出的認股權獲行使時可予發行的股份數目上限為134,157,681股，即相當於批准2016計劃當日已發行股份的5%及於2020年12月31日已發行股份的4.60%。

根據2016計劃已授出的認股權（減除已行使及已註銷的認股權，如有）獲行使時可予發行的股份總數為21,441,329股，相當本行於2020年12月31日已發行股份的0.74%。

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，但不少於下列的最高價：

- (a) 於授出有關認股權當日，本行普通股股份於聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權日之前5個營業日，本行普通股股份於聯交所日報表的平均收市價。

REPORT OF THE DIRECTORS (CONTINUED)

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.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2020, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued voting Shares
Sumitomo Mitsui Banking Corporation	Beneficial owner	510,003,673 ¹	19.01
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	510,003,673 ¹	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	464,287,319 ²	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	464,287,319 ²	17.30
Guoco Management Company Limited	Beneficial owner	369,755,978 ^{3,4}	14.15 ⁵
Guoco Group Limited	Interest of corporation	369,755,978 ³	14.15
GuoLine Overseas Limited	Interest of corporation	369,755,978 ³	14.15 ⁵
GuoLine Capital Assets Limited	Interest of corporation	369,755,978 ³	14.15 ⁵
Hong Leong Company (Malaysia) Berhad	Interest of corporation	369,755,978 ^{3,4}	14.15
HL Holdings Sdn Bhd	Interest of corporation	369,755,978 ³	14.15
QUEK Leng Chan	Interest of corporation	369,755,978 ³	14.15
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	369,755,978 ⁴	14.15
Davos Investment Holdings Private Limited	Interest of corporation	369,755,978 ⁴	14.15
KWEK Leng Kee	Interest of corporation	369,755,978 ⁴	14.15
Elliott International Special GP, LLC	Interest of corporation	229,178,373 ⁶	7.86
Elliott Investment Management GP LLC	Investment Manager	249,214,373 ⁷	8.54

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, 2020, they stood at 574,516,317 shares (equivalent to approximately 19.70% of the issued shares of the Bank as at 31st December, 2020). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 2 As at 31st December, 2020, Fundación 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, 2020, they stood at 508,519,684 shares (equivalent to approximately 17.44% of the issued shares of the Bank as at 31st December, 2020). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.



董事會報告書(續)

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：

計劃期間將於2021年4月18日終止。

主要股東及其他人士的權益

於2020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 ¹	19.01
三井住友金融集團	法團的權益	510,003,673 ¹	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	464,287,319 ²	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	464,287,319 ²	17.30
國浩管理有限公司	實益擁有人	369,755,978 ^{3,4}	14.15 ⁵
國浩集團有限公司	法團的權益	369,755,978 ³	14.15
GuoLine Overseas Limited	法團的權益	369,755,978 ³	14.15 ⁵
GuoLine Capital Assets Limited	法團的權益	369,755,978 ³	14.15 ⁵
Hong Leong Company (Malaysia) Berhad	法團的權益	369,755,978 ^{3,4}	14.15
HL Holdings Sdn Bhd	法團的權益	369,755,978 ³	14.15
郭令燦	法團的權益	369,755,978 ³	14.15
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	369,755,978 ⁴	14.15
Davos Investment Holdings Private Limited	法團的權益	369,755,978 ⁴	14.15
KWEK Leng Kee	法團的權益	369,755,978 ⁴	14.15
Elliott International Special GP, LLC	法團的權益	229,178,373 ⁶	7.86
Elliott Investment Management GP LLC	投資經理	249,214,373 ⁷	8.54

附註：

- 1 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的510,003,673股的權益。

本行已收到通知上述兩個法團於2020年12月31日的持股量已增加至574,516,317股（相等於本行於2020年12月31日已發行股份約19.70%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。

- 2 於2020年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2020年12月31日的持股量已增加至508,519,684股（相等於本行於2020年12月31日已發行股份約17.44%）。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。

REPORT OF THE DIRECTORS (CONTINUED)

- 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 12.68% of the issued shares of the Bank as at 31st December, 2020). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

QUEK Leng Chan was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was 49.27% owned by QUEK Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited.

- 4 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 12.68% of the issued shares of the Bank as at 31st December, 2020) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

KWEK Leng Kee was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

- 5 GuoLine Overseas Limited and GuoLine Capital Assets Limited are wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by Hong Leong Company (Malaysia) Berhad and Guoco Group Limited, GuoLine Overseas Limited, GuoLine Capital Assets Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.

- 6 Elliott International Special GP, LLC ("EISGP") was deemed to be interested in these shares comprising 229,177,773 shares held by Elliott International L.P. ("EILP"), 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd. Please also refer to note 7 below.

Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd. were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..

Hambledon, Inc. was 100% controlled by EISGP which is accustomed to act in accordance with the directions of Paul Singer.

- 7 Elliott Investment Management GP LLC ("EIMGP"), as Investment Manager, was deemed to be interested in these shares comprising those shares disclosed in note 6 above, 20,035,600 shares held by The Liverpool Limited Partnership, 200 shares held by Artan Investments Ltd and 200 shares held by Frasco Investments Ltd. EIMGP 100% controls Elliott Investment Management L.P., which has investment discretion with respect to all these shares.

EIMGP is accustomed to act in accordance with the directions 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 to the accounts, the Bank has not entered into any equity-linked agreement.

CONNECTED TRANSACTION

On 30th October, 2020, The Bank of East Asia, Limited, Singapore Branch ("BEA Singapore") entered into with Sumitomo Mitsui Banking Corporation ("SMBC") the transfer certificate in relation to the novation of the Loan¹ ("Transfer Certificate") from SMBC to BEA Singapore. Pursuant to the Transfer Certificate, BEA Singapore agreed to acquire the commitment, rights and obligations in respect of the Loan from SMBC for a consideration of US\$30 million (equivalent to approximately HK\$234 million) (the "Transaction"). The Loan novated in the amount of US\$30 million (equivalent to approximately HK\$234 million) is part of the US\$300 million (equivalent to approximately HK\$2,340 million) loan granted by SMBC and other original financiers to the Borrower pursuant to a syndicated facility agreement dated 30th March, 2020 entered into by, among others, SMBC as one of the original financiers and the Borrower.

¹ The Loan means the loan in the amount of US\$30 million (equivalent to approximately HK\$234 million) as part of the US\$300 million (equivalent to approximately HK\$2,340 million) loan granted by SMBC and other original financiers to Macquarie Group Limited (the "Borrower") pursuant to a syndicated facility agreement dated 30th March, 2020 entered into by, among others, SMBC as one of the original financiers and the Borrower.



董事會報告書(續)

- 3 附註3及4所指之369,755,978股本行股份為同一批股份。國浩管理有限公司為369,755,978股(相等於本行於2015年3月27日(即根據《證券及期貨條例》第XV部作出披露時)已發行股份約14.15%，及本行於2020年12月31日已發行股份約12.68%)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之71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司，Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的369,755,978股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的369,755,978股的權益。

郭令燦擁有HL Holdings Sdn Bhd (「HLH」)的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311% (合共49.27%權益)，因此郭令燦被視為擁有國浩管理有限公司持有的369,755,978股股份的權益。

- 4 附註3及4所指之369,755,978股本行股份為同一批股份。Davos Investment Holdings Private Limited 持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.69%權益。Davos Investment Holdings Private Limited 和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有國浩管理有限公司所持有的369,755,978股(相等於2015年3月27日(即根據《證券及期貨條例》第XV部作出披露時)已發行股份約14.15%，及本行於2020年12月31日已發行股份約12.68%)的權益。

KWEK Leng Kee 因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司所持有之369,755,978股的權益。

- 5 GuoLine Overseas Limited及GuoLine Capital Assets Limited 為Hong Leong Company (Malaysia) Berhad的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於Hong Leong Company (Malaysia) Berhad及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。

- 6 Elliott International Special GP, LLC (「EISGP」)被視為擁有該批股份(其中包括Elliott International L.P. (「EILP」)持有的229,177,773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。請同時參閱下列附註7。

EILP全資擁有Milton Investments Ltd、Parlan Investments Ltd及Trevet Investments Ltd。Hambleton, Inc.則全資擁有EILP。

EISGP全資擁有Hambleton, Inc.。而EISGP慣於按照Paul Singer的指令行事。

- 7 Elliott Investment Management GP LLC (「EIMG」)以投資經理身份被視為擁有該批股份，其中包括上列附註6所披露的股份、The Liverpool Limited Partnership持有的20,035,600股、Artan Investments Ltd持有的200股及Frasco Investments Ltd持有的200股。EIMG 100%控制Elliott Investment Management L.P.。Elliott Investment Management L.P.對所有該等股份有投資決定權。

EIMG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。

關連交易

於2020年10月30日，東亞銀行有限公司新加坡分行(「東亞新加坡」)與三井住友銀行株式會社(「三井住友銀行」)訂立轉讓證書(「轉讓證書」)，通過約務更替的方式將貸款¹從三井住友銀行轉讓至東亞新加坡。根據轉讓證書，東亞新加坡同意以3,000萬美元(相當於約港幣2.34億元)的代價向三井住友銀行購入貸款中的承貸額、權利及義務(「該交易」)。通過約務更替的方式轉讓的貸款金額為3,000萬美元(相當於約港幣2.34億元)，是三井住友銀行及其他原始出資人根據由三井住友銀行作為原始出資人之一與借款人於2020年3月30日訂立的一份銀團授信協議向借款人發放的3億美元(相當於約港幣23.4億元)的貸款的一部分。

¹ 貸款指金額為3,000萬美元(相當於約港幣2.34億元)的貸款，是三井住友銀行及其他原始出資人根據由三井住友銀行作為原始出資人之一與麥格理集團有限公司(「借款人」)於2020年3月30日訂立的一份銀團授信協議向借款人發放的3億美元(相當於約港幣23.4億元)的貸款的一部分。

REPORT OF THE DIRECTORS (CONTINUED)

The Directors considered that the Transaction is in the best interests of the Bank as it helps promote the cooperation in loan financing business between the Bank and SMBC. Besides, the Loan, a part of which will be used to refinance green projects, presents the Bank with a good opportunity to support the development of green finance and demonstrates the Bank's commitment to fulfilling its responsibility in Environmental, Social and Governance matters.

There was no gain or loss incurred as a result of the Transaction as the Loan was transferred at par level against its principal value.

As SMBC is a substantial shareholder (as defined in the Listing Rules) of the Bank, SMBC is a connected person of the Bank under the Listing Rules. Therefore, the entering into of the Transfer Certificate between BEA Singapore and SMBC constituted a connected transaction of the Bank. As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction exceeds 0.1% but all are less than 5%, the Transaction is required to be reported in the Bank's Annual Report. For details of the Transaction, please refer to the announcements dated 30th October, 2020 and 6th November, 2020 issued by the Bank.

PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$11 million (2019: HK\$9 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 AND THE DISCLOSURE REQUIREMENTS IN PART 6 OF FINANCIAL INSTITUTIONS (RESOLUTION) (LOSS-ABSORBING CAPACITY REQUIREMENTS – BANKING SECTOR) RULES

The Annual Report for the financial year ended 31st December, 2020 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules and the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules.

AUDITOR

A resolution for the re-appointment of KPMG as auditor of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

David Li Kwok-po
Executive Chairman

Hong Kong, 24th February, 2021



董事會報告書(續)

董事認為該交易符合本行的最佳利益，因為其有助於促進本行與三井住友銀行之間的貸款融資業務合作。此外，一部分貸款將被用於為綠色項目進行再融資，為本行提供支持綠色金融發展的良好機遇，並展現出本行致力於履行其在環境、社會和管治方面的責任。

因貸款是按其本金金額轉讓，本交易並未產生任何收益或虧損。

由於三井住友銀行是本行的主要股東（「根據《上市規則》的定義」），故根據《上市規則》，三井住友銀行被視為本行的關連人士。因此，東亞新加坡與三井住友銀行訂立轉讓證書構成本行的一項關連交易。因關於該交易的一項適用百分比率（「根據《上市規則》的定義」）超過0.1%，但均少於5%。該交易須在本行年報作出披露。有關該交易的詳情，請參閱本行於2020年10月30日及2020年11月6日所刊發的公告。

公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

捐款

本集團本年內所作出的慈善及公益捐款約為港幣1,100萬元（2019：港幣900萬元）。

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》及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第6部之披露要求

截至2020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及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第6部之披露要求。

核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

承董事會命
執行主席
李國寶

香港，2021年2月24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 363, which comprise the consolidated statement of financial position as at 31 December 2020, 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 2020 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

The Group's advances to customers as at 31 December 2020 amounted to HK\$513,929 million, with total expected credit losses ("ECL") amounting to HK\$4,859 million as at 31 December 2020. Hong Kong and Mainland China Operations contributed to 57.6% and 24.7% of the Group's advances to customers, and 30.1% and 57.7% of the Group's total ECL respectively.

Impairment allowances of loans and advances to customers across the banking industry continues to be an area of concern and elevated focus due to the uncertain local and global economic outlook, including the adverse impact from China – United States tensions and the COVID-19 pandemic.

How the matter was addressed in our audit

Our audit procedures to assess the Group's impairment allowances on loans and advances to customers measured at amortised cost included the following:

- understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over approval, recording and monitoring of loans measured at amortised cost, the credit grading process, the ECL model monitoring, governance process, and the measurement of impairment allowances;
- involving credit risk specialists in assessing the reliability of the ECL models used by management in determining impairment allowances, including assessing the appropriateness of the key parameters and assumptions in the ECL models, 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;

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363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二零二零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 貴集團於二零二零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	審計對策
<p>於二零二零年十二月三十一日， 貴集團的客戶墊款達到港幣5,139.29億元，預期信貸損失於二零二零年十二月三十一日總額為港幣48.59億元。香港與中國內地的業務分別佔 貴集團客戶墊款的57.6%和24.7%，以及佔 貴集團預期信貸損失總額的30.1%和57.7%。</p> <p>由於本地及全球經濟前景不明朗，包括中美關係緊張及二零一九冠狀病毒病大流行帶來的不利影響。</p>	<p>與評估 貴集團以攤銷成本計量的客戶貸款及墊款的減值準備相關的審計程序包括以下各項：</p> <ul style="list-style-type: none"> 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：以攤銷成本計量的貸款的審批、記錄和監管，信貸評級流程、預期信貸損失模型監管和管治程序，以及減值準備的計量； 使用信貸風險專家評估管理層在釐定減值準備時所用的預期信貸損失模型的可靠性，包括評估預期信貸損失模型所用的關鍵參數及假設是否恰當，這包括所識別的損失階段、違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及管理層所作的其他調整；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The COVID-19 pandemic has led to additional challenges in assessing impairment provisions. The relief measures such as moratoriums on repayment of loan principals have increased the difficulty in identifying those loans which may have significant increase in credit risk and impaired loans. Past historical experience on repayment may be less representative of the borrowers' financial conditions and therefore more judgement is required.</p>	<ul style="list-style-type: none"> assessing the completeness and accuracy of data used for the key parameters in the ECL models, 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 ECL models. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with publicly available sources;
<p>Impairment allowances may be materially misstated if the exposures with a significant increase in credit risk are not properly identified and classified in the appropriate stages. The assessment of the recoverable amount of collateral is particularly challenging in Mainland China as the extent of judgement exercised by management in the process of determining the strategy of recovery and assessing the collateral value of these exposures is high. As a result, the impairment allowances of loans and advances to customers in this particular part of business is subject to a higher inherent risk of material misstatements.</p>	<ul style="list-style-type: none"> 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 the reasons for modifications to estimates and input parameters and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;
<p>The Group applies its ECL models to assess impairment allowances of loans and advances to customers measured at amortised cost. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, experience a significant increase in credit risk (stage 2) or become credit-impaired (stage 3), for which a lifetime ECL provision is recognised.</p>	<ul style="list-style-type: none"> for key parameters used in the ECL models 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;
<p>The determination of impairment allowances using the ECL models is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.</p>	<ul style="list-style-type: none"> in respect of identifying exposures with a significant increase in credit risk, evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired by selecting samples for which we checked loan overdue information, made enquiries of the credit managers about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses. Our sample of loans and advances to customers selected for credit review, including in Mainland China Operations, focused on accounts with high risk characteristics, including industries, features of loan arrangements, types of collateral and credit quality of the accounts;

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

關鍵審計事項

二零一九冠狀病毒病大流行令評估減值準備的困難增加。包括對貸款本金償還的寬免等的紓困措施加重識別信貸風險可能顯著增加的貸款及不良信貸的難度。過去的歷史償還經驗可能較難代表客戶的財務狀況，因而需要更多的判斷。

倘貸款的信貸風險顯著增加未被恰當地識別及分類，可能導致預期信貸損失存在重大錯誤陳述。由於管理層在釐定收回策略及評估抵押品價值的過程中涉及高度的判斷，評估在中國內地的抵押物的可收回金額時特別具有難度。因此，有關此部份業務的客戶貸款及墊款減值準備存在較高重大錯誤陳述的內含風險。

貴集團使用其預期信貸損失模型來評估以攤銷成本計量的客戶貸款及墊款的減值準備。尚未成為不良信貸的貸款於發放時被劃歸為第一階段，並按照相當於12個月的預期信貸損失的金額確認撥備。貸款會保留於第一階段直至其被償還，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)，相應撥備會按照相當於合約期內之預期信貸損失的金額確認。

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

- 通過在抽樣基礎上對比個別貸款資訊與相關協議及其他相關文檔，評估預期信貸損失模型中的貸款資訊是否準確，以此評估預期信貸損失模型中的關鍵參數所用的數據是否完整及準確。對於源自外部數據的關鍵參數，我們採用抽樣方式將該等數據與公開可獲取的數據進行比較，以檢查該等數據的準確性；
- 對於涉及判斷的關鍵參數，從外部來源獲得證據並將其與貴集團的內部記錄(包括以往損失經驗和抵押品的類型)進行比較，以對輸入參數進行審慎評估。在這個過程中，我們就管理層對估計及輸入參數的修訂證據提出質詢，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。我們使用我們的資訊技術專家來評估對信貸評級流程有重要影響的資訊系統控制，包括客戶墊款逾期報告的編制。我們還評估這些系統內的相關自動化應用程式控制，以及對這些相關系統的主要內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；
- 在識別信貸風險已顯著增加的貸款方面，採用抽樣的方式檢查貸款逾期資訊，就借款人的業務運營詢問信貸經理，檢查借款人的財務信息並查考有關借款人業務的市場資訊，以評價管理層對於貸款的信貸風險自初始確認以來是否已，或尚未有，顯著增加以及貸款是否已成為不良信貸的評估是否恰當。我們抽查的樣本，包括中國業務的樣本，關注於具有高風險條件的貸款，高風險條件包括行業、貸款安排、抵押品類型及信貸質量；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>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.</p>	<ul style="list-style-type: none"> • 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;
<p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the macroeconomic factors, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount from collateral and, therefore, the amount of impairment allowances as at the end of the reporting period.</p>	<ul style="list-style-type: none"> • in respect of assessing the accuracy of ECL calculation, calculating the amount of credit loss allowance for 12-month and life-time credit losses using the ECL models 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;
<p>We identified the impairment allowances of loans and advances to customers measured at amortised cost as a key audit matter because of the complexity of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.</p>	<ul style="list-style-type: none"> • assessing the appropriateness of material manual adjustments and overlays on ECL model outputs; • in respect of evaluating the accounting treatments of disposal of impaired loans during the year, inspecting the loan disposal agreements and documents, enquiring of management and assessing whether the transactions are recognised appropriately; and • evaluating whether the presentation and disclosures on impairment allowances of loans and advances to customers measured at amortised cost meet the requirements of the prevailing accounting 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、宏觀經濟因素、索賠受償順序及其他債權人是否存在及其合作意向等。在評估持作抵押品的物業的價值時，管理層會參考合資格第三方評估師出具的估值報告，並考慮各種因素的影響，包括物業的市場價格、位置及用途。抵押品的法律效力、變現時間和方法亦會影響抵押品的可收回金額，並從而影響報告期末的減值準備金額。

由於以攤銷成本計量的客戶貸款及墊款的減值準備所涉及的複雜性、管理層判斷以及內含的不確定性，同時由於其對貴集團財務業績和資本的重大影響，我們將其認定為一項關鍵審計事項。

審計對策

- 對於已抽選的不良信貸的客戶貸款及墊款樣本，根據持作抵押品的物業的位置及用途以及鄰近物業的價格，將持作抵押品的物業的價值與市場價格進行比較，以評價管理層對該類物業價值的評估。我們還評價了抵押品的變現時間和方法以及現金流預測，對貴集團回收方案的可行性提出了質詢，並對合同條款中的其他信貸提升進行了評價；
- 在評估預期信貸損失計算的準確性方面，抽選信貸風險自初始確認以來尚未顯著增加或已顯著增加的客戶貸款及墊款樣本，同時根據上述參數及假設並使用預期信貸損失模型，分別計算該等樣本按照12個月內的信貸損失和合約期內的信貸損失計量的信貸損失準備金額，並將該計算結果與貴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；
- 評估年內減值貸款處置的會計處理，檢查相關協議和文件，向管理層詢問並評估該等交易是否恰當地確認；及
- 評價以攤銷成本計量的客戶貸款及墊款的減值準備的列報與披露是否滿足現行會計準則的要求。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Assessment of the fair value of financial instruments

Refer to notes 2(h)(iii), 27, 28, 30, 46(a), 47(b)(ii) to the consolidated financial statements

Key audit matter

Financial instruments carried at fair value account for a significant portion of the Group's assets. As at 31 December 2020 the fair value of these financial instruments was HK\$172,939 million of which HK\$28,359 million, HK\$142,447 million and HK\$2,133 million was classified as level 1, 2 and 3 financial instruments respectively.

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.

The Group developed its own models to value certain level 2 and 3 financial instruments, which involves significant management judgement.

During the year, the tightened market liquidity and increased market volatility resulted in higher estimation uncertainty in management's assessment of the marketability and valuation of financial instruments held.

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.

How the matter was addressed in our audit

Our audit procedures to assess the fair value of financial instruments included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the valuation, including 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;
- evaluating the fair values of financial instruments with quoted price by comparing the fair values applied by the Group with publicly available market data;
- involving our 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 either:
 - compared prices from independent sources to those used by management to assess pricing for certain instruments; or
 - evaluated management's methodology and obtained independent inputs in order to reperform our own valuation;
- 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
- 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.

評估金融工具的公平價值

請參閱綜合財務報表附註2(h)(iii)、27、28、30、46(a)和47(b)(ii)

關鍵審計事項

以公平價值列賬的金融工具是貴集團持有的重要資產之一。貴集團於二零二零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1,729.39億元，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283.59億元、港幣1,424.47億元及港幣21.33億元。

貴集團以公平價值列賬的金融工具的估值以市場數據和估值模型為基礎，其中估值模型通常需要大量的參數輸入。大部分參數源自於高流動性市場中可獲取的數據。當可觀察的數據無法從高流動性市場獲取時，即公平價值屬於第三級的情形下，管理層便需提供估算，這當中會涉及管理層的重大判斷。

貴集團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。

受到年內市場流動性收緊及市場波動性增加的影響，管理層對金融工具的可流通性及估值中的估算不確定性會較高。

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，包括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。我們利用專家，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；
- 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，由我們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。我們的內部估值專家：
 - 將從獨立來源獲取的與管理層所選用的價格進行比較以評估相關工具的價格；或
 - 評估管理層的估值模型並獲取獨立參數以進行我們的估值；
- 在評估對構成公平價值組成部分的信用估值調整和債務價值調整的運用是否適當時，詢問管理層計算信用估值調整和債務價值調整的方法曾否發生變化，並評估參數運用的恰當性；及
- 評估綜合財務報表中與金融工具相關的披露是否符合有關會計準則的要求，恰當反映了貴集團的金融工具估值風險。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment assessment of an investment in associate, AFFIN Bank Berhad ("AFFIN")

Refer to notes 2(r), 32 to the consolidated financial statements

Key audit matter

The quoted market price of the Group's investment in AFFIN has been persistently below the carrying amount for a period of time. This is considered an indicator of potential impairment.

HKAS 36 "Impairment of assets" requires recognition of impairment loss when the carrying amount exceeds the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use ("VIU"). An impairment test was performed by the Group using a VIU model to estimate the investment's value assuming the Group continues to hold this investment.

As at 31 December 2020, the recoverable amount based on the VIU calculation was HK\$3,648 million. The carrying value was written down to the recoverable amount and an impairment charge of HK\$402 million was recognised in 2020.

The VIU model is based on the requirements in HKAS 36 "Impairment of assets" and is dependent on many assumptions, both short-term and long-term in nature. These assumptions, which are judgemental, are derived from a combination of management estimates, forecasts and market data. The assumptions considered the current levels of uncertainty, due to the impact of COVID-19 pandemic, on the economy in Malaysia.

How the matter was addressed in our audit

Our audit procedures to assess the carrying value of the Group's investment in AFFIN included the following:

- discussing with management, who sit on the board of AFFIN, to understand business performance and future business plans of AFFIN;
- comparing AFFIN's budgeted income and profits with the assumptions used by management in its discounted cash flow forecast;
- engaging our valuation specialists to evaluate the methodology used in the VIU calculation;
- evaluating the assumptions and judgements adopted by management in its discounted cash flow forecast relating to growth rates, terminal value and the discount rate used to derive the recoverable amount of the Group's investment in AFFIN, with support of our valuation specialists, through the following procedures:
 - conducting research on the assumptions and judgements relating to growth rates, terminal value and the discount rate based on market information available;
 - performing an alternative calculation of the discount rate and comparing this calculation with the discount rate applied by management to assess reasonableness of the discount rate used by management;
 - comparing the estimated key performance indicators and ratios with externally derived data, comparable companies and analysts' reports;

投資於聯營公司，AFFIN Bank Berhad (「AFFIN」)，的減值評估

請參閱綜合財務報表附註2(r)和32

關鍵審計事項

貴集團對AFFIN的投資的市場報價持續低於賬面值一段時間。這是潛在減值的指標。

按《香港會計準則》第36號「資產減值」的要求，當賬面值高於可收回價值時，便需要確認減值損失。可收回價值為銷售淨值與使用價值中的較高者。在 貴集團繼續持有此投資的假設下， 貴集團利用使用價值模型進行了減值測試以估計此投資的價值。

於二零二零年十二月三十一日，基於使用價值計算的可收回價值為港幣36.48億元。其賬面值減值到可收回價值並於年內確認港幣4.02億元的減值損失。

其使用價值模型是按《香港會計準則》第36號「資產減值」的要求並取決於很多長期及短期的參數。這些具判斷性的參數綜合了管理層估計，預測及市場數據。其中假設已經考慮現時由二零一九冠狀病毒病大流行對馬來西亞經濟帶來的影響而產生的不確定性。

審計對策

與 貴集團對AFFIN的投資的減值評估相關的審計程式包括以下各項：

- 與同時為AFFIN董事會成員的管理層商討並瞭解AFFIN的業務表現及未來商業計劃；
- 對AFFIN的預算收入及盈利與管理層於折現現金流預測使用的假設作出比較；
- 使用我們估值專家評估使用價值計算方法；
- 在我們估值專家的協助下，評估管理層於折現現金流預測用到的參數及判斷，包括用於計算對AFFIN投資的可收回價值時用到的增長率，終值及折現率。程序包括以下各項：
 - 對增長率，終值及折現率相關的假設及判斷作出市場資訊調查；
 - 執行折現率替代性計算，將該計算結果與管理層使用的折現率進行比較，以評估管理層使用的折現率的合理性；
 - 對關鍵業務表現指標及比率的估計與源自外部的數據，可比較的公司及分析師報告作出比較；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment assessment of an investment in associate, AFFIN Bank Berhad ("AFFIN")

Refer to notes 2(r), 32 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>A number of key judgements were made by management in determining the inputs for the VIU calculation which included:</p> <ul style="list-style-type: none"> • forecast cash flows; • forecast regulatory capital adjustments required; • growth rates and terminal values; and • discount rate applied to the forecast cash flows. 	<ul style="list-style-type: none"> • comparing the actual results of AFFIN for the past years to forecasts prepared by management for the preceding years to assess the accuracy of management's forecasting process; • evaluating the sensitivity analyses prepared by management for each of the key assumptions adopted in the discounted cash flow forecast, including growth rates applied, cash flow forecast, and discount rate assumptions, and considering any management bias in formulating these assumptions; • evaluating the probabilities assigned by management to the various economic scenarios in the VIU calculation by assessing whether they were aligned with market and economic development; and • considering whether the disclosures in the consolidated financial statements in respect of the impairment assessment of the Group's investment in AFFIN reflected the risks inherent in the key assumptions with reference to the requirements of the prevailing accounting standards.
<p>We identified the impairment assessment of the Group's investment in AFFIN as a key audit matter because of the increased uncertainty of the VIU estimation and its significance to the consolidated financial statements, and because assessing the key assumptions involved a significant degree of management judgement which may affect both the carrying value of the Group's investment in AFFIN at year end and amount of impairment charge for the year.</p>	

投資於聯營公司，AFFIN Bank Berhad (「AFFIN」)，的減值評估

請參閱綜合財務報表附註2(r)和32

關鍵審計事項

管理層於釐定使用價值計算的參數輸入時作出一些關鍵判斷，包括：

- 現金流預測；
- 預測的監管資本需求調整；
- 增長率及終值；及
- 對預測的現金流所使用的折現率。

由於估計使用價值涉及較高的不確定性及其對 貴集團財務報表的重要性，關鍵參數的評估涉及管理層的重大判斷，這些重大判斷可能影響 貴集團對AFFIN的投資於年末的賬面值及年內的減值損失，我們因此將 貴集團對AFFIN的投資的減值評估識別為關鍵審計事項。

審計對策

- 將AFFIN過去的實際業績與管理層為往年準備的預測進行對比，以評估管理層預測程序的準確性；
- 評估管理層就於折現現金流預測使用的各項關鍵參數準備的敏感性測試，包括增長率，終值及折現率，並考慮作出這些假設當中管理層有偏向的可能性；
- 評估管理層於使用價值計算中對不同經濟情景使用的概率是否符合市場及經濟發展；及
- 參考現行會計準則的要求，考慮綜合財務報表內關於 貴集團對AFFIN的投資的減值評估的披露是否反映了關鍵假設固有的風險。

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 McSheaffrey, Paul Kevin.

KPMG

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

24 February 2021



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馬紹輝(McSheaffrey, Paul Kevin)。

畢馬威會計師事務所

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零二一年二月二十四日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st December, 2020 截至2020年12月31日止年度

			2020	2019
		Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Interest income	利息收入	5	21,107	28,575
Interest income calculated using the effective interest method	按有效利率方法計算的利息收入		21,718	28,143
Other interest (expense)/income	其他利息(支出)/收入		(611)	432
Interest expense	利息支出	6	(9,557)	(14,009)
Net interest income	淨利息收入		11,550	14,566
Fee and commission income	服務費及佣金收入	7	3,714	3,821
Fee and commission expense	服務費及佣金支出		(792)	(946)
Net fee and commission income	服務費及佣金收入淨額		2,922	2,875
Net trading profit	交易溢利淨額	8	984	807
Net result on financial instruments at FVTPL	通過損益以反映公平價值金融工具的淨表現	9	198	213
Net result on financial assets measured at FVOCI	通過全面收益以反映公平價值金融資產的淨表現	10	153	84
Net loss on sale of investments measured at amortised cost	出售按攤銷成本計量投資之淨虧損		(14)	(1)
Net hedging profit	對沖溢利淨額	11	62	12
Net insurance profit	保險業務淨溢利	12(a)	771	826
Other operating income	其他經營收入	13	684	373
Non-interest income	非利息收入		5,760	5,189
Operating income	經營收入		17,310	19,755
Operating expenses	經營支出	14	(8,963)	(9,891)
Operating profit before impairment losses	未扣除減值損失之經營溢利		8,347	9,864
Impairment losses on financial instruments	金融工具減值損失	15	(4,674)	(7,253)
Impairment losses on assets held for sale	持有作出售資產減值損失		(12)	-
Impairment losses on intangible assets	無形資產減值損失	33(b)	(2)	-
Impairment losses on associate	聯營公司減值損失	32	(402)	-
Impairment losses	減值損失		(5,090)	(7,253)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		3,257	2,611
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利	16	32	18
Net profit/(loss) on disposal of subsidiaries/associates	出售附屬/聯營公司之淨溢利/(虧損)		341	(7)
Net loss on disposal of fixed assets	出售固定資產之淨虧損	17	(33)	(13)
Valuation losses on investment properties	重估投資物業盈利/(虧損)	34	(301)	(33)
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損	32	310	622
Profit for the year before taxation	年度內除稅前溢利		3,606	3,198
Income tax	所得稅	18	79	138
Profit for the year	年度內溢利		3,685	3,336

CONSOLIDATED INCOME STATEMENT (CONTINUED)

綜合收益表(續)

For the year ended 31st December, 2020 截至2020年12月31日止年度

			2020	2019
		Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Attributable to:	可歸屬於:			
Owners of the parent	本集團股東	43(k)	3,614	3,260
Non-controlling interests	非控股權益	44	71	76
Profit for the year	年度內溢利		3,685	3,336
			HK\$ 港幣元	HK\$ 港幣元
Earnings per share	每股盈利			
Basic	基本	21	0.97	0.89
Diluted	攤薄	21	0.97	0.89

The notes on pages 177 to 363 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 20.

第177至363頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註20。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31st December, 2020 截至2020年12月31日止年度

	Notes 附註	2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Net profit	淨溢利	3,685	3,336
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) 57	99
– deferred taxes	– 遞延稅項	43(b) (4)	2
Fair value reserve (equity instruments):	公平價值儲備(股本工具)：		
– net change in fair value	– 公平價值變動	43(g) 228	382
– deferred taxes	– 遞延稅項	43(g) 12	(1)
Liability credit reserve:	負債信貸儲備：		
– net change in fair value attributable to Group's own credit risk	– 因集團自身信貸風險而引致的公平價值變動	36,43(i) (29)	(4)
– deferred taxes	– 遞延稅項	43(i) 4	–
Items that may be reclassified subsequently to income statement:	以後可能轉回收益表的項目：		
Fair value reserve (debt instruments):	公平價值儲備(債務工具)：		
– net change in fair value	– 公平價值變動	43(g) 439	1,709
– amount transferred to income statement on disposal	– 於出售時轉入收益表的金額	43(g) (618)	(285)
– on amortisation	– 攤銷	43(g) (1)	(7)
– deferred taxes	– 遞延稅項	43(g) 74	(131)
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) 2	(5)
– fair value change transferred to income statement	– 轉入收益表的公平價值變動	43(h) (3)	(9)
Share of changes in equity of associates and joint ventures	應佔聯營公司及合資企業權益的變動	43(j) (17)	102
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries, associates and joint ventures	從海外分行、附屬公司、聯營公司及合資企業的賬項折算/出售所產生的匯兌差額	1,931	(222)
Other comprehensive income	其他全面收益	2,075	1,630
Total comprehensive income	全面收益總額	5,760	4,966
Total comprehensive income attributable to:	全面收益總額可歸屬於：		
Owners of the parent	本集團股東	5,688	4,909
Non-controlling interests	非控股權益	72	57
		5,760	4,966

The notes on pages 177 to 363 form part of these financial statements.

第177至363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, 2020 2020年12月31日

		Notes 附註	2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
ASSETS	資產			
Cash and balances with banks	現金及在銀行的結存	25	56,377	51,525
Placements with and advances to banks	在銀行的存款及墊款	26	66,849	62,280
Trade bills	貿易票據	27	11,793	12,081
Trading assets	交易用途資產	28	1,190	1,273
Derivative assets	衍生工具資產	47(b)(ii)	8,059	5,693
Loans and advances to customers	客戶貸款及墊款	29	509,070	505,336
Investment securities	投資證券	30	144,171	163,514
Investments in associates and joint ventures	聯營公司及合資企業投資	32	9,182	9,970
Fixed assets	固定資產	34	14,065	14,328
– Investment properties	– 投資物業		4,961	5,333
– Other properties and equipment	– 其他物業及設備		8,208	7,907
– Right-of-use assets	– 使用權資產		896	1,088
Goodwill and intangible assets	商譽及無形資產	33	1,912	1,926
Deferred tax assets	遞延稅項資產	37(b)	2,022	1,563
Other assets	其他資產	35	59,730	35,709
– Assets held for sale	– 持有作出售資產	56	26,657	39
– Others	– 其他		33,073	35,670
Total Assets	資產總額		884,420	865,198
EQUITY AND LIABILITIES	股東權益及負債			
Deposits and balances of banks	銀行的存款及結餘		31,143	27,915
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	36	5,442	3,182
– At amortised cost	– 攤銷成本		25,701	24,733
Deposits from customers	客戶存款		589,202	573,527
Derivative liabilities	衍生工具負債		13,016	7,654
Certificates of deposit issued	已發行存款證		60,852	74,059
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	36	24,494	27,401
– At amortised cost	– 攤銷成本		36,358	46,658
Current taxation	本期稅項	37(a)	624	2,103
Debt securities issued	已發行債務證券		5,057	3,181
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	36	155	–
– At amortised cost	– 攤銷成本		4,902	3,181
Deferred tax liabilities	遞延稅項負債	37(b)	460	584
Other liabilities	其他負債	38	59,959	56,299
– Liabilities held for sale	– 持有作出售負債	56	26,864	–
– Others	– 其他		33,095	56,299
Loan capital – at amortised cost	借貸資本 – 攤銷成本	39	10,311	10,238
Total Liabilities	負債總額		770,624	755,560
Share capital	股本	41	41,557	41,379
Reserves	儲備	43	57,328	53,928
Total equity attributable to owners of the parent	歸屬於本集團股東權益總額		98,885	95,307
Additional equity instruments	額外股本工具	42	13,968	13,963
Non-controlling interests	非控股權益	44	943	368
Total Equity	股東權益總額		113,796	109,638
Total Equity and Liabilities	股東權益及負債總額		884,420	865,198

Approved and authorised for issue by the Board on 24th February, 2021.

Executive Chairman
Co-Chief Executives

Director

David LI Kwok-po
Adrian David LI Man-kiu
Brian David LI Man-bun
Meocre LI Kwok-wing

董事會於2021年2月24日核准及授權發布。

執行主席
聯席行政總裁

董事

李國寶
李民橋
李民斌
李國榮

The notes on pages 177 to 363 form part of these financial statements.

第177至363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, 2020 截至2020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 ²	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
				行址重估儲備		匯兌重估儲備	資本儲備 – 已發行權證							額外股本工具	非控股權益	
		股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備 – 已發行權證	公平價值儲備	對沖儲備	負債信貸儲備	其他儲備 ²	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, 2020	於2020年1月1日	41,379	13,651	1,848	1,090	(1,629)	163	2,331	1	(7)	5,347	31,133	95,307	13,963	368	109,638
Changes in equity	權益變動															
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	-	-	3,614	3,614	-	71	3,685
Other comprehensive income	其他全面收益	-	-	53	-	1,930	-	134	(1)	(25)	(17)	-	2,074	-	1	2,075
Total comprehensive income	全面收益總額	-	-	53	-	1,930	-	134	(1)	(25)	(17)	3,614	5,688	-	72	5,760
Issue of additional equity instruments ¹	發行額外股本工具 ¹	-	-	-	-	-	-	-	-	-	-	-	-	5,021	-	5,021
Shares issued in lieu of dividend (Note 41)	以股代息發行的股份 (附註41)	178	-	-	-	-	-	-	-	-	-	-	178	-	-	178
Equity settled share-based transaction (Note 43(f))	以股份為基礎作支付之交易 (附註43(f))	-	-	-	-	-	11	-	-	-	-	11	-	-	-	11
Transfer	轉賬	-	6	(6)	(195)	-	(17)	-	-	-	(192)	404	-	-	-	-
Distribution/Dividends declared or approved during the year	年度內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	-	(2,275)	(2,275)	-	(53)	(2,328)
Change of ownership in subsidiaries (Note 44)	附屬公司之擁有權變動 (附註44)	-	-	-	-	-	-	-	-	-	-	-	-	-	556	556
Redemption of additional equity instruments ²	贖回額外股本工具 ²	-	-	-	-	-	-	-	-	-	-	(24)	(24)	(5,016)	-	(5,040)
At 31st December, 2020	於2020年12月31日	41,557	13,657	1,895	895	301	157	2,465	-	(32)	5,138	32,852	98,885	13,968	943	113,796

- In 2020, the Bank issued HK\$5,037 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities. Direct issuance costs of HK\$16 million are accounted for as a deduction from the equity instruments.
- In 2020, the Bank redeemed HK\$5,016 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities issued in 2015.
- Other reserves include statutory reserve and other reserves.

The notes on pages 177 to 363 form part of these financial statements.

- 於2020年，本行發行港幣50.37億元（6.5億美元）無到期日非累積後償額外一級股本工具。直接發行成本港幣1,600萬元經已入賬，並已從股本工具中扣除。
- 於2020年，本行贖回港幣50.16億元（6.5億美元）於2015年發行無到期日非累積後償額外一級股本工具。
- 其他儲備包括法定儲備及其他儲備。

第177至363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, 2019 截至2019年12月31日止年度

		Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Hedging reserve	Liability credit reserve	Other reserves ²	Retained profits	Additional equity instruments	Non-controlling interests	Total equity	
		股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備—已發行權證	公平價值儲備	對沖儲備	負債信貸儲備	其他儲備 ²	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	
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
At 1st January, 2019	於2019年1月1日	39,925	14,054	1,752	933	(1,426)	158	664	15	(3)	4,963	30,791	91,826	8,894	2,855	103,575
Changes in equity	權益變動															
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	-	-	3,260	3,260	-	76	3,336
Other comprehensive income	其他全面收益	-	-	101	-	(203)	-	1,667	(14)	(4)	102	-	1,649	-	(19)	1,630
Total comprehensive income	全面收益總額	-	-	101	-	(203)	-	1,667	(14)	(4)	102	3,260	4,909	-	57	4,966
Issue of additional equity instruments ¹	發行額外股本工具 ¹	-	-	-	-	-	-	-	-	-	-	-	-	5,069	-	5,069
Shares issued in lieu of dividend (Note 41)	以股代息發行的股份(附註41)	1,454	-	-	-	-	-	-	-	-	-	-	1,454	-	-	1,454
Equity settled share-based transaction (Note 43(f))	以股份為基礎作支付之交易(附註43(f))	-	-	-	-	-	23	-	-	-	-	-	23	-	-	23
Transfer	轉賬	-	(403)	(5)	157	-	(18)	-	-	-	282	(13)	-	-	-	-
Distribution/Dividends declared or approved during the year	年度內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	-	(2,905)	(2,905)	-	(52)	(2,957)
Change of ownership in subsidiaries (Note 44)	附屬公司之擁有權變動(附註44)	-	-	-	-	-	-	-	-	-	-	-	-	-	3	3
Redemption of Hybrid Tier 1 capital instruments ²	贖回混合一級資本工具 ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,495)	(2,495)
At 31st December, 2019	於2019年12月31日	41,379	13,651	1,848	1,090	(1,629)	163	2,331	1	(7)	5,347	31,133	95,307	13,963	368	109,638

- In 2019, the Bank issued HK\$5,083 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities. Direct issuance costs of HK\$14 million are accounted for as a deduction from the equity instruments.
- In 2019, the Bank redeemed the remaining HK\$2,495 million (USD318 million) Hybrid Tier 1 capital instruments which were classified as non-controlling interests in the consolidated financial statements.
- Other reserves include statutory reserve and other reserves.

- 在2019年，本行發行港幣50.83億元(6.5億美元)無到期日非累積後償額外一級股本工具。直接發行成本港幣1,400萬元經已入賬，並已從股本工具中扣除。
- 在2019年，本行贖回在綜合財務報表中分類為非控股權益之混合一級資本工具港幣24.95億元(3.18億美元)的餘額。
- 其他儲備包括法定儲備及其他儲備。

The notes on pages 177 to 363 form part of these financial statements.

第177至363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, 2020 截至2020年12月31日止年度

			2020	2019
		Notes 附註	HKS Mn 港幣百萬元	Restated (Note) 重報 (註) HK\$ Mn 港幣百萬元
OPERATING ACTIVITIES	經營業務活動			
Profit for the year before taxation	年度內除稅前溢利		3,606	3,198
Adjustments for:	調整：			
Charge for impairment losses on financial instruments	金融工具減值損失支銷		4,674	7,253
Charge for impairment losses on assets held for sale	持有作出售資產減值損失支銷		12	–
Charge for impairment losses on intangible assets	無形資產減值損失支銷	33(b)	2	–
Charge for impairment losses on associate	聯營公司減值損失支銷		402	–
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損		(310)	(622)
Net loss on sale of investments measured at amortised cost	出售按攤銷成本計量投資之淨虧損		14	1
Net profit on sale of debt securities measured at FVOCI	出售通過全面收益以反映公平價值債務證券之淨溢利		(661)	(72)
Net (profit)/loss on disposal of subsidiaries and associates	出售附屬公司及聯營公司之淨(溢利)/虧損		(341)	7
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利		(32)	(18)
Net loss on disposal of fixed assets	出售固定資產之淨虧損		33	13
Interest expense on debt securities issued	已發行債務證券利息支出		122	94
Interest expense on loan capital issued	已發行借貸資本利息支出		449	690
Interest expense on lease liabilities	租賃負債利息支出		35	41
Depreciation on bank premises, furniture, fixtures and equipment	行址、傢俬、裝修及設備折舊	34	556	530
Depreciation on right-of-use assets	使用權資產折舊	34	425	397
Dividend income from equity securities measured at FVOCI	通過全面收益以反映公平價值股份證券股息收入	10	(13)	(12)
Amortisation of intangible assets	無形資產攤銷	14	14	14
Amortisation of premium/discount on debt securities and loan capital issued	已發行債務證券及借貸資本的溢價/折扣攤銷		8	15
Revaluation losses on debt securities and loan capital issued	重估已發行債務證券及借貸資本虧損		33	157
Valuation losses on investment properties	重估投資物業虧損	34	301	33
Equity settled share-based payment expenses	以股份為基礎作支付費用	14,43(f)	11	23
			9,340	11,742

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表 (續)

For the year ended 31st December, 2020 截至2020年12月31日止年度

		2020	2019
		HK\$ Mn 港幣百萬元	Restated (Note) 重報 (註) HK\$ Mn 港幣百萬元
Notes 附註			
(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個月以上的現金及在銀行存款的結存	1,775	4,786
Placements with and advances to banks with original maturity beyond three months	原本期限為3個月以上在銀行的存款及墊款	15,641	(12,438)
Trade bills	貿易票據	285	2,569
Trading assets	交易用途資產	261	2,096
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	446	1,184
Derivative assets	衍生工具資產	(2,366)	4,518
Loans and advances to customers	客戶貸款及墊款	(8,468)	(14,302)
Debt investment securities measured at amortised cost	按攤銷成本計量債務投資證券	896	794
Debt investment securities measured at FVOCI	按通過全面收益以反映公平價值計量債務投資證券	(15,174)	(11,277)
Debt investment securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值計量債務投資證券	2,252	2,070
Non-trading equity securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值非交易用途股份證券	(1,820)	1,363
Other assets	其他資產	2,296	(1,918)
Increase/(decrease) in operating liabilities:	經營負債增/(減)額:		
Deposits and balances of banks	銀行的存款及結餘	3,228	425
Deposits from customers	客戶存款	15,675	(587)
Certificates of deposit issued	已發行存款證	(13,236)	15,569
Derivative liabilities	衍生工具負債	5,362	(1,842)
Other liabilities	其他負債	4,119	4,057
Exchange adjustments	匯兌調整	(1,095)	484
NET CASH INFLOW FROM OPERATIONS	經營活動現金流入淨額	19,417	9,293
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(1,539)	(24)
Outside Hong Kong profits tax paid	已付海外利得稅	(214)	(335)
NET CASH GENERATED FROM OPERATING ACTIVITIES	源自經營業務活動之現金淨額	17,664	8,934

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表(續)

For the year ended 31st December, 2020 截至2020年12月31日止年度

			2020	2019
		Notes 附註	HKS Mn 港幣百萬元	Restated (Note) 重報(註) HK\$ Mn 港幣百萬元
INVESTING ACTIVITIES	投資活動			
Dividends received from associates and joint ventures	收取聯營公司及合資企業股息		61	1
Dividends received from equity securities measured at FVOCI	收取通過全面收益以反映公平價值股份證券股息		13	12
Purchase of fixed assets	購入固定資產		(599)	(1,010)
Proceeds from disposal of other properties and equipment	出售其他物業及設備所得款項		5	17
Proceeds from sale of assets held for sale	出售持有作出售資產所得款項		43	1,016
Proceeds from disposal of associates	出售聯營公司所得款項		906	-
Additional investments in associates	增加聯營公司投資		(61)	(151)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	源自/(用於)投資活動之現金淨額		368	(115)
FINANCING ACTIVITIES	融資活動			
Ordinary dividends paid	支付普通股股息		(1,358)	(823)
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)	(792)	(680)
Issue of additional equity instruments	發行額外股本工具		5,021	5,083
Issue of debt securities	發行債務證券		1,867	3,024
Issue of loan capital	發行借貸資本		4,632	1,675
Payment of lease liabilities	支付租賃負債		(444)	(391)
Redemption of Hybrid Tier 1 issued	贖回已發行混合一級資本工具		-	(2,495)
Redemption of debt securities issued	贖回已發行債務證券		(163)	(408)
Redemption of loan capital	贖回已發行借貸資本		(4,651)	(3,913)
Redemption of additional equity instruments	贖回額外股本工具		(5,040)	-
Interest paid on debt securities issued	支付已發行債務證券利息		(117)	(15)
Interest paid on loan capital	支付借貸資本利息		(560)	(653)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(用於)/源自融資活動之現金淨額		(1,605)	404
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目淨增額		16,427	9,223
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	於1月1日之現金及等同現金項目	48(a)	94,638	86,020
Effect of foreign exchange rate changes	匯率變動的影響		2,637	(605)
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	於12月31日之現金及等同現金項目	48(a)	113,702	94,638
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		21,653	28,941
Interest paid	利息支出		11,290	13,703
Dividend received	股息收入		38	48

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

註: 以符合本年的呈報方式, 若干2019年之比較數字經已重報, 包括若干源自購入及出售非交易用途股份證券的現金流, 經已由投資活動重新分類為經營活動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. PRINCIPAL ACTIVITIES 主要業務

The Bank and its subsidiaries (the “Group”) are engaged in the provision of banking and related financial services.

本行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務。

2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

(a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of Preparation of the Financial Statements

The consolidated financial statements for the year ended 31st December, 2020 comprise the Group and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated or mandatorily measured at fair value through profit or loss and measured at fair value through other comprehensive income (Note 2(h)(ii));
- derivative financial instruments (Notes 2(l) and 2(k)); and
- investment properties (Note 2(o)(ii)).

The preparation of financial statements in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) 符合指引聲明

本財務報表乃按照香港會計師公會頒布所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合聯交所《上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會已頒布數項新增及經修訂的《香港財務報告準則》，並於本年度本集團的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而須反映在本期及去年會計期的財務報表。

(b) 財務報表編製基準

截至2020年12月31日止年度的綜合財務報表包括本集團及其應佔聯營公司及合資企業之權益。

除以下資產及負債是以公平價值列賬外，本財務報表是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定或強制通過損益以反映公平價值及通過全面收益以反映公平價值的金融工具(附註2(h)(ii))；
- 衍生金融工具(附註2(l)及2(k))；及
- 投資物業(附註2(o)(ii))。

按《香港財務報告準則》之要求，在編製財務報表時，管理層須作判斷、估計及假設從而影響政策實施及資產及負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計存在差異。

有關估計及假設須持續作檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Details of judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 53.

(c) Basis of Consolidation

These consolidated financial statements cover the consolidated position of the Bank and all subsidiaries unless otherwise stated and the Group's interest in associates and joint ventures. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in Note 1 in the Unaudited Supplementary Financial Information.

(i) Subsidiaries and Non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

在附註53內，管理層已解釋實施對財務報表有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

(c) 綜合基準

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司及本集團所佔聯營公司及合資企業之權益的綜合狀況。根據《銀行業(披露)規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註1列載。

(i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。本集團基於對有關實體之權利、參與度及權力並可運用此等條件以影響其所得回報，則視為本集團對該實體擁有控制權。在評估是否有控制權時，本集團只考慮實質的權力(由本集團及其他人士所擁有)。

附屬公司之投資由控制權生效日起至控制權失效日止在綜合財務報表內計算。在編製綜合財務報表時，集團之間的結餘，交易及現金流及任何因集團之間交易所產生的未實現溢利均被抵銷。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益指無論是直接或間接並不歸屬於本行之附屬公司的權益部分，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

非控股權益在綜合財務狀況表內的股東權益中列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate and joint venture (Note 2(c)(ii)), and is offset against the gain or loss on the loss of control of that subsidiary.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less any impairment losses, if any (Note 2(r)).

(ii) Associates and joint ventures

The consolidated financial statements include the attributable share of the results and reserves of associates and joint ventures based on financial statements prepared at dates not earlier than three months prior to 31st December each year.

An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

Investment in associates and joint ventures are accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2(ad)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate or joint venture's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (Note 2(q) and 2(r)). Any excess of fair values of the investees' net identifiable assets over the cost of investment upon acquisition, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值，或(如適用)按成本初始確認一聯營公司及合資企業投資(附註2(c)(ii))，及當喪失對該附屬公司控股權時與盈虧沖銷。

在本行的財務狀況表中，附屬公司投資是以成本減除任何減值損失(附註2(r))列賬。

(ii) 聯營公司及合資企業

本綜合財務報表包括根據截至每年的12月31日止之前不超過三個月的財務報表所編製應佔聯營公司及合資企業的業績及儲備。

聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參予其財務及經營政策的決策，但並不控制或共同控制其管理層。

合資企業是指本集團或本行與其他合約方共同擁有該合資企業之控制權，及對淨資產擁有權的安排。

除分類為持有作出售資產(或包括在分類為持有作出售資產的出售組別內)(附註2(ad))外，聯營公司及合資企業投資是以權益會計法在綜合財務報表內入賬。根據權益會計法，投資的入賬方法是先以成本另調整本集團於購入後應佔該聯營公司及合資企業的可辨識淨資產所超出成本之任何金額。往後，需調整在收購後本集團應佔被投資方淨資產之變動及在(附註2(q)和2(r))所載有關投資的減值損失。任何於收購日應佔被投資方可辨識淨資產的公平價值超出投資成本，本集團應佔被投資方收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔被投資方收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

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 the Group's share of losses exceeds its interest in an associate or a joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For these purposes, the Group's interest in the associate or the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except when unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)).

The Bank accounts for the results of associates and joint ventures to the extent of dividends received. Investments in associates and joint ventures are stated in the Bank's statement of financial position at cost less any impairment losses (Note 2(r)).

(d) Translation of Foreign Currencies

Foreign currencies transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss (FVTPL) and derivative financial instruments are included in gains less losses from trading securities or financial instruments at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on translation of equity investments for which an election has been made to present subsequent changes in fair value in other comprehensive income are recognised in other comprehensive income and accumulated separately in equity.

除本集團對該聯營公司及合資企業所作具法律或推定義務或替該被投資方償付的承擔外，當本集團應佔該聯營公司及合資企業的虧損超出本集團之應佔權益時，超出的虧損將不被確認，而本集團應佔該被投資方之權益將被減值至零。因此，本集團應佔該聯營公司及合資企業權益即按權益會計法計算投資賬面值，及實質上構成本集團應佔該聯營公司及合資企業淨資產的長期權益。

本集團與聯營公司及合資企業交易而產生之未實現溢利及虧損，按本集團應佔該被投資方之權益為限作沖銷。若有證據顯示未實現虧損屬資產轉讓的減值損失，則須立即於損益賬內確認。

當本集團喪失對一聯營公司及合資企業之重大影響力及合資企業之共同控制權，將按出售該被投資方之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失重大影響力或共同控股權日仍保留該前度被投資方之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值。

本行按照已收取股息計算應佔聯營公司及合資企業之業績。在本行的財務狀況表中，聯營公司及合資企業投資是以成本減除任何減值損失(附註2(r))列賬。

(d) 外幣換算

年度內的外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按報告期結束日的匯率折算為港幣。匯兌盈虧則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或指定通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算已選擇將往後公平價值變動在其他全面收益列示的股份證券所產生的差額則於其他全面收益內確認，並在股東權益內分開累計。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items of statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(e) Interest

Effective interest rate

Interest income and expense for all interest-bearing financial instruments are recognised in the income statement on an accrual 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 as credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，財務狀況表的項目中，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

(e) 利息

有效利率

所有帶息金融工具的利息收入及支出均按有效利率方法於收益表內以應計基準確認。

有效利率是可準確將金融工具在預計年期內產生之未來現金支出或收入折算為該金融資產的賬面值或該金融負債的攤銷成本的利率。

在計算除信貸不良資產外的金融工具的有效利率時，本集團計及金融工具的所有合約條款，但不計及預期信貸損失，以估計未來現金流。就初始確認時已購入或源生的信貸不良金融資產，使用估計未來現金流(包括預期信貸損失)計算信貸調整有效利率(即在初始確認時無需作出預期信貸損失撥備)。

有效利率的計算包括構成有效利率組成部分的交易成本及費用以及基點支出或收入。交易成本包括金融資產或金融負債的收購或發行直接應佔的增加成本。

攤銷成本及賬面值總額

金融資產或金融負債的「攤銷成本」是金融資產或金融負債於初始確認時計量的金額減本金還款額，加減使用有效利率方法計算的初始確認金額與到期金額之任何差額而計算的累計攤銷，而就金融資產而言，經任何預期信貸損失準備作調整。

「金融資產的賬面值總額」是金融資產就任何預期信貸損失準備作調整前的攤銷成本。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated as credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(h)(vii).

(f) Fee and Commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate calculation (Note 2(e)).

Other fee and commission income is recognised in the income statement when the corresponding service is provided. Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If it is uncertain that a loan commitment will result in draw-down of a loan, then the related loan commitment fee is recognised as revenue on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed when the services are received.

(g) Other Revenue Recognition

Other revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

- (i) Net income from financial instruments at fair value through profit or loss and net trading income
- Net income from financial instruments designated as at FVTPL, net income from non-trading financial assets mandatorily measured at FVTPL and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to these financial instruments. Coupon interest from these financial assets and financial liabilities measured at FVTPL is accrued and presented as interest income or interest expense.

計算利息收入及支出

在計算利息收入及支出時，有效利率應用於資產的賬面值總額(當資產並非信貸不良時)或負債的攤銷成本。

然而，就初始確認後成為信貸不良的金融資產而言，透過將有效利率應用於該金融資產的攤銷成本而計算利息收入。若資產不再屬信貸不良，則恢復使用總額基準計算利息收入。

就初始確認時已購入或源生的信貸不良金融資產而言，透過將經信貸調整的有效利率應用於該資產的攤銷成本計算利息收入。即使該資產的信貸風險有所改善，亦不恢復使用總額基準計算利息收入。

有關金融資產屬信貸不良時的資料見附註2(h)(vii)。

(f) 服務費及佣金

有效利率的計算(附註2(e))包括金融資產及金融負債中構成有效利率組成部分的服务費及佣金收入及支出。

其他服務費及佣金收入在有關服務提供時確認在收益表內。因本集團開展或購入金融資產而產生之開立或承擔服務費收入/支出須遞延及確認為有效利率之調整。如不確定會否借出貸款，該相關承擔服務費按承擔期限以直線法列作收入。

其他服務費及佣金支出主要是交易及服務費，並在獲得服務時支銷。

(g) 其他收入確認

其他收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

- (i) 通過損益以反映公平價值金融工具的淨收入及淨交易收入
- 指定通過損益以反映公平價值金融工具的淨收入，強制通過損益以反映公平價值之非交易用途金融資產及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的匯兌差額及股息收入。由該等通過損益以反映公平價值金融資產及金融負債產生的應計票面利息列作利息收入或利息支出。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

- (ii) Finance income from finance leases
Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.
- (iii) Rental income from operating leases
Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.
- (iv) Dividend income
Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

(h) Financial Instruments

- (i) Initial recognition
The Group initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets at FVTPL, investment securities classified as measured at fair value through other comprehensive income (FVOCI), derivative transactions or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Any gains and losses of the financial assets or financial liabilities measured at fair value arising from changes in fair value are recorded from the date of initial recognition.

Accrued contractual interests from financial assets and liabilities are presented as accrued interest receivables and payables separately in the financial statements.

- (ii) 融資租賃收入
融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。
- (iii) 經營租賃租金收入
除非有更具有代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以賺取該收入的會計期間列作收入。
- (iv) 股息收入
非上市投資股息收入在股東收取權被無條件確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

(h) 金融工具

- (i) 初始確認
當本集團成為金融工具合約其中一方時初始確認金融資產和金融負債。以正常方式購買或出售通過損益以反映公平價值的金融資產、通過其他全面收益以反映公平價值計量的投資證券、衍生產品交易或已發行債務俱按交易日會計法確認。其他金融資產和金融負債則按結算日會計法確認。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於通過損益以反映公平價值，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

自初始確認日期起，按公平價值計量的金融資產或金融負債因公平價值變動而產生的任何盈利及虧損均予以記錄。

金融資產及負債的應計合約利息在財務報表中作為應計應收及應付利息分開列示。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(ii) Classification

Financial assets and liabilities*Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income – (Note 2(n)). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) 分類

金融資產及金融負債*金融資產*

於初始確認時，金融資產分類為：按攤銷成本、通過其他全面收益以反映公平價值或通過損益以反映公平價值計量。

一項金融資產按攤銷成本計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以持有該資產以收取合約現金流為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

一項債務工具按通過其他全面收益以反映公平價值計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以收取合約現金流及出售金融資產為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

非交易用途之股份投資初始確認時，本集團可作出不可撤回的選擇，將其後續公平價值變化確認於其他全面收益—(附註(2(n)))。該選擇是按投資逐項作出。

所有其他金融資產均分類為按通過損益以反映公平價值計量。

此外，於初始確認時，在可消除或明顯減少會計錯配的情況下，本集團可不可撤回地指定在其他情況下符合按攤銷成本或通過其他全面收益以反映公平價值條件的金融資產為通過損益以反映公平價值計量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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;
- 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.

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；
- 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。

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)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rates).

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.

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)。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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.

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新分類日重新分類由權益轉入收益表作為重新分類調整。

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.

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，則其在重新分類日的公平價值作為新的總賬面值。

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.

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。

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

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。

The Group may, at initial recognition, irrevocably designate a financial liability as at FVTPL in either of the following circumstances:

本集團將其金融負債於初始確認時，在以下任一情況下，或分類為不可撤銷形式指定為按通過損益以反映公平價值計量：

- (i) When doing so results in more relevant information because either:
- a group of liabilities or a group of financial assets and liabilities is managed and its performance is evaluated and reported internally on a fair value basis; or
 - the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- (ii) If a liability contract contains one or more embedded derivatives unless the embedded derivative(s) does not significantly modify the cash flows that would otherwise be required by the contract or if it is obvious that separation of the embedded derivative(s) is prohibited.
- (i) 當指定為按通過損益以反映公平價值計量可提供更相關資訊，因：
- 該負債組別或金融資產及負債是按公平價值作內部管理、評估及呈報；或
 - 該指定可抵銷或明顯減少因計量資產及負債或按不同基準確認盈利和虧損時可能產生計量或確認的不一致。
- (ii) 如負債合約包含一個或多個嵌入式衍生工具，除非該等嵌入式衍生工具不會顯著改變合約原本要求的現金流量，或分拆該等嵌入式衍生工具是明顯地禁止。

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) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices, where available, at the end of the reporting period without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset, together with substantially all the risks and rewards of ownership, have been transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement. Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in the income statement on derecognition of such securities, as explained in (Note 2(n)).

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

(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.

(iii) 計量公平價值之原則

金融工具的公平價值是根據報告期結束日之可得市場報價但未減除將來的估計出售成本。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在報告期結束日適用於相同條款工具的市場利率。當採用其他價格模式時，參數是在報告期結束日的市場價格資料。

(iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

於終止確認金融資產時，資產賬面值（或終止確認部分資產的賬面值）與(i)已收代價（包括任何所得新資產減任何新負債）及(ii)已於其他全面收益確認的任何累計收益或虧損會於收益表內確認。指定為通過其他全面收益以反映公平價值的股份投資證券在其他全面收益中確認的任何累計收益／虧損均不會在終止確認時在收益表中確認（附註2(n)）。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法（如適用）以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

(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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the income statement. If such a modification is carried out because of financial difficulties of the borrower (Note 2(h)(vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the income statement.

(vi) Offsetting

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

(vii) Impairment

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued;
- loan commitments issued; and
- contract assets

No impairment loss is recognised on equity investments.

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，基於修改條款後的新金融負債會按公平價值確認。已終止的金融負債與已修改條款的新金融負債的賬面值差額會在收益表內確認。

(vi) 抵銷

只有具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，並在財務狀況表內以淨額列示。

(vii) 減值

本集團就以下非通過損益以反映公平價值計量的金融工具的預期信貸損失確認減值準備：

- 屬債務工具的金融資產；
- 租賃應收賬款；
- 已發出的財務擔保合約；
- 已發出的貸款承擔；及
- 合約資產

無需為股份投資計算減值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The Group measures loss allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

本集團使用3階段法計量12個月或合約期內之預期信貸損失的減值準備如下：

Stage 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 a significant increase in credit risk at the reporting date compared to initial recognition 履約中但自其初始確認以來於報告日的信用風險大幅增加	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。

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:

「信貸風險顯著增加」的準則已計及兩個關鍵因素：

- The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated; and
- The rating of the exposure falls out of the "Low-Credit Risk Threshold" that is equivalent to the globally understood definition of "investment grade".

- 風險的內部或外部評級與風險產生之時的評級相比顯著轉差；及
- 風險的評級不再屬於相當於普遍理解的「投資級別」定義的「低信貸風險界限」。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Measurement of ECL

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

$$\text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$$

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes but not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision on the liabilities side; and
- debt instruments measured at FVOCI: no loss allowance is presented in the statement of financial position because the carrying amount of these assets is their fair value, inclusive of any ECL. However, the loss allowance is recognised in the fair value reserve and disclosed separately.

計量預期信貸損失

預期信貸損失是在不同經濟情景中一個信貸損失的概率在加權後的估算值，以如下方法計量：

$$\text{違約風險承擔} \times \text{違約概率} \times \text{違約損失率}$$

信貸不良金融資產

於各報告日，本集團評估按攤銷成本列賬的金融資產及按通過其他全面收益以反映公平價值列賬的債務金融資產是否為信貸不良。當發生一宗或多宗對金融資產的估計未來現金流造成不利影響的事件，則該金融資產屬「信貸不良」。

金融資產出現信貸減值的證據包括但不限於以下可觀察數據：

- 借款人或發行人出現重大財政困難；
- 違反合約，如拖欠或逾期事件；
- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；
- 借款人很可能會破產或進行其他財務重組；或
- 因財政困難而導致某擔保失去活躍市場。

因借款人的財政狀況惡化而重訂條款的貸款，除有證據證明無法收取合約現金流的風險已顯著減低且並無其他減值跡象外，通常被視為信貸不良。此外，逾期90日或以上的貸款被視為已減值。

在財務狀況表中列示預期信貸損失的準備

預期信貸損失的損失準備在財務狀況表中按以下方式列示：

- 按攤銷成本計量的金融資產：從資產的賬面值總額中扣除；
- 貸款承擔及財務擔保合約：一般作為負債方面的撥備；及
- 按通過其他全面收益以反映公平價值計量的債務工具：在財務狀況表中並不列示損失準備，因該等資產的賬面值為其公平價值，包括任何預期信貸損失。然而，損失準備在公平價值儲備內確認並單獨披露。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(i) Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities which are acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets and liabilities are initially recognised and subsequently measured at FVTPL.

(j) Contract Assets and Liabilities

When revenue is recognised by transferring goods or services to a customer before the consideration is received or before payment is due, the Group presents the amount of revenue as a contract asset, excluding any amounts presented as a receivable. A contract asset is recognised in statement of financial position when there is a right to consideration that is conditional on factors other than the passage of time. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Impairment of a contract asset is measured on the same basis as a financial asset as (Note 2(h)(vii)) above. The Group presents the contract assets in "other accounts" of other assets in the statement of financial position.

A contract liability is recognised when a customer pays non-refundable consideration or when the Group has a right to an amount of non-refundable consideration that is unconditional, before the Group transfers a good or service to the customer. The Group presents the contract liabilities in "other accounts" of other liabilities in the statement of financial position.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

撤銷

若貸款及債務證券無實際可收回的前景，則予撤銷(部分或全部)。當本集團判斷借款人並無資產或收入來源可產生足夠的現金流以償還應撤銷的金額時，一般會如此處理。然而，已撤銷的金融資產仍可能受到執行活動的影響，以遵守本集團收回應收金額的程序。

(i) 交易用途資產及負債

作交易用途的資產和負債包括主要是作短期出售或購入的金融資產和金融負債，或屬於組合一部分並共同管理的可辨識金融工具，及有證據顯示近期有短期出售以賺取利潤的模式。交易資產和負債於初始確認，及其後以公平價值計量且其變動計入當期損益。

(j) 合約資產及負債

若本集團透過向客戶轉讓貨品或服務履約並於客戶支付代價或款項到期前確認收入，則本集團應將該合約有關收益金額列示為合約資產，惟任何列示為應收賬款的金額除外。若獲取代價的權利以除時間流逝以外的因素為條件，則合約資產於財務狀況表中確認。當獲取代價的權利成為無條件時，合約資產將轉至應收賬款。合約資產減值與金融資產(附註2(h)(vii))的計算相同。本集團呈列合約資產於財務狀況表中其他資產內的其他賬項。

當客戶在本集團已獲取代價或款項到期時(以較早者為準)擁有收取不可退還代價的權利，則確認為合約負債。本集團的合約負債呈列在財務狀況表內的「其他負債」項下的「其他賬項」。

視乎實際情況，若本集團在訂立合約時預期實體向客戶轉讓已承諾的貨品或服務之時起至客戶支付該貨品或服務款項時止的期間為一年或以內，則本集團毋須就重大融資組成部分的影響而調整已承諾的代價金額。若本集團原本會確認的資產攤銷期為一年或以內，則本集團可於產生時將獲得合約的增加成本確認為支出。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(k) Hedging

Hedge accounting recognises the offsetting effects on income statement of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (i) the hedging instrument expires or is sold, terminated or exercised; (ii) the hedge no longer meets the criteria for hedge accounting; or (iii) the Group revokes the designation.

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

(k) 對沖

對沖會計法是確認因用作對沖工具與被對沖項目因公平價值變動而在收益表內產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間，本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當 (i) 該用作對沖工具到期或已出售、終止或行使；(ii) 該對沖交易不再符合對沖會計法的要求；或 (iii) 本集團取消對沖指定，本集團會停止繼續採用對沖會計法。

(i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生的預計交易，或已承諾未來交易之外匯風險，其重新計量衍生金融工具至公平價值有效對沖部分盈利或虧損會在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

如因對沖預計交易而其後須確認為非金融資產或非金融負債，其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而其後須確認為金融資產或金融負債，其相關之盈虧由股東權益轉入收益表並計入相同期間或當購入資產或引起負債而影響該期間之收益表(如當確認為利息收入或支出)。

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售，終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(ii) Fair value hedges

A fair value hedge seeks to offset risks of changes in the fair value of recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

(iii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regression analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

(ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

當用作對沖工具到期或已出售，終止或行使，或當對沖不再符合對沖會計法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。

(iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

對於公平價值對沖關係，本集團採用累計價值抵銷法或回歸分析作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(l) Derivatives

Derivatives are recognised initially and are subsequently remeasured, at fair value. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative, this includes embedded derivatives which are bifurcated from the host contract, when they meet the definition of a derivative on a standalone basis.

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of HKFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

(m) Loans and Advances

Loans and advances mainly comprise placements with and advances to banks, trade bills and loans and advances to customers:

- loans and advances measured at amortised cost (Note 2(h)(ii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- loans and advances measured at FVOCI (Note 2(h)(ii)); and
- finance lease receivables (Note 2(s)).

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

(l) 衍生工具

衍生工具初始確認及其後按公平價值重新計量。當衍生工具的公平價值為正數時，衍生工具分類為資產；當公平價值為負數時，衍生工具則分類為負債，這包括在獨立基礎上符合衍生工具定義但從主合同分拆的嵌入式衍生工具。

衍生工具可能嵌入另一合同(主合同)。在下列情況下，本集團會分開計算主合同及嵌入的衍生工具：

- 該主合同並非在《香港財務報告準則》第9號所覆蓋的資產；
- 該主合同不是通過損益以反映公平價值計量；
- 嵌入衍生工具的條款如果包含在單獨的合同中，符合衍生工具的定義；及
- 該嵌入式衍生工具的經濟特性及風險與主合同並非緊密關連的。

分離的嵌入式衍生工具按公平價值計量，公平價值的所有變動均在收益內確認，除非他們構成合資格現金流量或淨投資對沖關係的一部分。

(m) 貸款及墊款

貸款和墊款主要包括在銀行的存款及墊款、貿易票據和客戶貸款及墊款：

- 按攤銷成本計量的貸款和墊款(附註2(h)(ii))；初始以公平價值加上直接相關的交易成本計量，其後以有效利率法按攤銷成本計量；
- 強制性通過損益以反映公平價值計量的貸款及墊款(附註2(h)(ii))；以公平價值計量，其變動立即在收益表內確認；
- 通過其他全面收益以反映公平價值的貸款及墊款(附註2(h)(ii))；及
- 融資租賃應收款項(附註2(s))。

當本集團購買金融資產並同時訂立協議以未來日期的固定價格(反向回購或股票借入)轉售資產(或實質上相似的資產)時，該安排將作為貸款及墊款入賬，相關資產不會在本集團財務報表中確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(n) Investment Securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (Note 2(h)(ii)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- debt securities measured at FVOCI (Note 2(h)(ii)); and
- equity investment securities designated as at FVOCI (Note 2(h)(ii)).

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in the income statement in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to the income statement and no impairment is recognised in the income statement. Dividends are recognised in the income statement unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

(n) 投資證券

財務狀況表中的「投資證券」包括：

- 以攤銷成本計量的債務投資證券(附註2(h)(ii))：這些初始按公平價值加上直接相關交易成本計量，其後以有效利率法按攤餘成本計量；
- 債務和股權投資證券強制性通過損益以反映公平價值計量或指定為通過損益以反映公平價值計量(附註2(h)(ii))，其公平價值變動立即在收益表中確認；
- 通過其他全面收益以反映公平價值的債務證券(附註2(h)(ii))；及
- 指定為通過其他全面收益以反映公平價值的股權投資證券(附註2(h)(ii))。

就通過其他全面收益以反映公平價值的債務證券而言，收益及虧損於其他全面收益確認，惟以下各項會於收益表內確認，與按攤銷成本計量的金融資產相同：

- 以有效利率法計算的利息收入；
- 預期信用損失和轉回；及
- 外匯收益和損失。

當通過其他全面收益以反映公平價值的債務證券被終止確認時，以前在其他全面收益中確認的累計收益或虧損將從權益重新分類至收益表內。

本集團選擇在其他全面收益中列示非持作買賣的股份工具投資之公平價值變動。該選擇是按個別工具於初始確認時進行，並不可撤銷的。

此類股份工具的收益和損失不會重新分類至收益表，亦不會在收益表中確認減值。股息在收益表內確認，但若該等股息明確顯示為收回部分投資成本者，會在其他全面收益中確認。其他全面收益中確認的累計收益和損失會於出售投資時轉入留存溢利。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(o) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(r)).

When a deficit arises on revaluation, it will be charged to the income statement, to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80AA of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

- (ii) Investment properties are properties which are held either to earn rental income, for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(g)(iii).

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(o)(i).

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

A property interest under a lease 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 a lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(s).

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve related to the bank premises disposed is transferred to the general reserve.

(o) 物業

- (i) 行址是按成本或於1989年董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(r))後於財務狀況表中列賬。

當重估出現虧損時，於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘；當重估出現盈餘時，存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

在編製此等財務報表時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80AA段所載的過渡條款，故行址並未在報告期結束日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每半年作估值，該公司擁有適當認可專業資格及對估值物業的所在地和類別有近期經驗。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(g)(iii)所載計算。

如附註2(o)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

本集團以租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(s)所載入賬。

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(p) Amortisation and Depreciation

(i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

(ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

(q) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(r)).

On disposal of a cash-generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

(p) 攤銷及折舊

(i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

(ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

(q) 商譽

商譽指

(i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出

(ii) 本集團在收購日計量應佔該被購入者之可辨識資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(r))。

當出售單一現金生產單位時，計算出售溢利包括任何可歸屬購入商譽的金額。

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(r) Impairment of Non-Financial Assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- right-of-use assets;
- investments in subsidiaries, associates and joint ventures;
- goodwill; and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, if measurable, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(r) 非金融資產減值

在報告期結束日，須檢討對內及對外資料來源以辨識以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備(以重估金額列賬的物業除外)；
- 使用權資產；
- 附屬、聯營公司及合資企業投資；
- 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值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即單一現金生產單位)。

減值損失之確認

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位群組)之賬面值，其後再按比例減低在該單位(或其單位群組)其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本(如可計量的話)或使用值(如可確定的話)。

減值損失之轉回

除商譽外的有關資產，如在用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。

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)

(s) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to directing how and for what purpose the asset is used. In case where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1st January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently at cost less any accumulated depreciation and impairment losses (Note 2(r)), and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is initially measured at cost, and subsequently at fair value, in accordance with the accounting policy set out in Note 2(o)(ii).

(s) 租賃

本集團於訂立合約時會評估有關合約是否屬於租賃或包含租賃。倘某項合約為換取代價而給予在某段時間內對可識別資產使用的控制權，則該合約屬於租賃或包含租賃。為評估合約會否給予對可識別資產使用的控制權，本集團會評估：

- 該合約是否涉及使用可識別資產；
- 本集團是否有權於整段使用期間從使用資產獲得絕大部分的經濟利益；及
- 本集團是否有權指示使用資產。當本集團擁有與指示如何及為何使用資產最為相關的決策權時，本集團便擁有此項權利。倘本集團需要預先決定如何及為何使用資產，本集團便可在出現以下其中一種情況時有權指示使用資產：
 - 本集團有權經營該資產；或
 - 本集團以預先決定將會如何及為何使用資產的方式設計資產。

此項政策適用於2019年1月1日或之後訂立或改變的合約。

本集團會在訂立或重新評估包含租賃部分的合約時，根據各租賃部分的相對單獨價格，將合約代價分配予各該等部分。

(i) 作為承租人

本集團於租賃生效日期確認使用權資產及租賃負債。使用權資產初步按成本計量，其包括租賃負債的初始金額加上任何於生效日期或之前已付之租賃款項，及任何已付之初始直接成本。如適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或其所在的估計成本之折讓現值，並減去任何已收之租賃激勵款項。

使用權資產其後按成本減任何累計折舊及減值損失計量(附註2(r))，並對租賃的若干重新計量作出調整。倘使用權資產符合投資物業的定義，根據附註2(o)(ii)本集團之會計政策，該使用權初始按成本計量，其後按公平價值計量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. Lease payment included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method (Note 6 and Note 38). It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes its assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exception is any rent concession which arose as a direct consequence of the COVID-19 pandemic and satisfied the conditions set out in paragraph 46B of HKFRS 16 Leases. In such case, the Group took advantage of the practical expedient set out in paragraph 46A of HKFRS 16 and recognized the change in consideration as if it were not a lease modification. The rent concessions are recognised as a credit to variable lease expenses in profit or loss.

租賃負債初始按照生效日期尚未支付的租賃款項之現值計量，並採用租約隱含的利率或(倘該利率無法輕易釐定)本集團的增量借款率。本集團一般以其增量借款利率用作貼現率。

租賃負債其後因租賃負債的利息成本而增加，並因所付租賃款項而減少。計量租賃負債時計入的租賃項包括以下項目：

- 固定款項，包括實質固定款項；
- 基於指數或利率而定且初步採用截至生效日期的指數或利率計量的可變租賃款項；
- 根據剩餘價值擔保預計應付的款項；及
- 本集團所合理肯定行使的購買選擇權行使價、可選續租年期的租賃款項(倘本集團合理肯定行使延長選擇權)以及提早終止租賃的罰款(除非本集團合理肯定不會提早終止租賃)。

租賃負債採用有效利率方法按攤銷成本計量(附註6及附註38)。當未來租賃款項因指數或利率變動而有所改變，根據剩餘價值擔保預計應付的款項之估計出現變動、改變有關會否合理肯定行使購買或延長選擇權或是否合理肯定不會行使終止選擇權的評估時，租賃負債會重新計量。

當租賃負債重新計量時，相應調整會在使用權資產之賬面值上調整，或要是使用權資產的賬面值已減至零時，該金額則記入損益賬內。

當租賃範圍或代價變更時，且該變更不是原租賃合同的一部分("租賃修改")，租賃負債將重新計量，並且不構成爲單獨的租賃。在這情況下，租賃負債將根據修訂後的租賃款項及租期，在修改生效日使用修訂後的貼現率重新計量。唯一的例外是因2019冠狀病毒大流行而直接產生，並符合載於《香港財務報告準則》第16號「租賃」第46B段之條件的任何租金寬免。在此情況下，本集團採用《香港財務報告準則》第16號第46A段所載之務實權宜方法，並確認該代價變動並非租賃修改。有關之租金寬免在損益表中確認為可變租賃款項的貸方。

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 Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group presents right-of-use assets that do not meet the definition of investment property in “fixed assets” (Note 34) and lease liabilities in “other liabilities” (Note 38) in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less (“short-term leases”) and leases of underlying assets with an approximate value of HK\$0.04 million or less (“low-value assets”). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term (Note 14).

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applied HKFRS 15 to allocate the consideration in the contract.

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Notes 2(g)(ii) and 2(e).

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease period as part of ‘other operating income’, as set out in Note 2(g)(iii).

The accounting policies applicable to the Group as a lessor in the comparative period were not different from HKFRS 16.

本集團運用判斷以釐定作為承租人若干包括續租權之租約的租期。本集團是否合理肯定行使該等選擇權的評估會影響租期，而租期則會對租賃負債及使用權資產的確認金額產生重大影響。

本集團呈列並不符合投資物業定義之使用權資產於「固定資產」(附註34)中及將租賃負債列於財務狀況表內的「其他負債」(附註38)。

短期租賃及低價值資產租賃

本集團已選擇不就若干12個月或以下之租賃(「短期租賃」)及相關資產價值約港幣4萬元或以下之租賃(「低價值資產租賃」)確認使用權資產及租賃負債。本集團將此等租賃相關的租賃款項按租期以直線法確認為支出(附註14)。

(ii) 作為出租人

當本集團作為出租人時，其會於租賃生效時釐定各項租賃屬融資租賃或經營租賃。

為劃分各項租賃，本集團會整體評估租賃會否轉移了相關資產擁有權所附帶的絕大部分風險及回報。如屬上述情況，該租賃便為融資租賃；反之則為經營租賃。作為評估的一部分，本集團會考慮若干指標，例如租賃是否佔資產經濟壽命的大部分。

倘某項安排包括租賃及非租賃部分，本集團便按照《香港財務報告準則》第15號分配合約代價。

有關融資租賃的應收承租人款項按淨投資金額(等於融資租賃項下應收租金總額減去未實現收入)以客戶墊款列載於財務狀況表。融資租賃所產生的收益已根據附註2(g)(ii)及2(e)所載的本集團收入確認政策獲確認。

本集團於租賃期內按直線基準確認經營租賃項下已收租賃款項為收入，以作為附註2(g)(iii)所載「其他經營收入」的一部分。

於比較期間適用於本集團作為出租人之會計政策與《香港財務報告準則》第16號並無不同。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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 subsequent to initial classification 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.

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.

(t) 收回資產

在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(h)(vii)所載的會計政策，計算減值貸款及墊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及墊款。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及墊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。

緊隨初始確認後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。

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。

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 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 the end of each 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.

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)

(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 profit 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 12.

(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間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產生的經營收入在綜合收益表中以保險業務淨溢利列示。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12保險業務淨收入。

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)

(w) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(x) Financial Guarantees and Loan Commitments

“Financial guarantees” are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. “Loan commitments” are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortised amount and the amount of loss allowance (Note 2(h)(vii)).

For other loan commitments, the Group recognises impairment loss allowances (Note 2(h)(vii)).

Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

(y) Employee Benefits

(i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

(ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the end of the reporting period, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(w) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

(x) 財務擔保和貸款承諾

「財務擔保」是指要求本集團支付特定款項以償還持有人因其特定債務人在債務工具條款到期時未能支付而產生的損失的合同。「貸款承諾」是在預定的條款和條件下提供信貸的承諾。

已發行的財務擔保或以低於市場利率的貸款承諾初始按公平價值計量，初始公平價值在擔保或承諾期內攤銷。往後，該擔保及承諾按該攤銷金額及損失準備(附註2(h)(vii))，二者之較高者，計量。

對於其他貸款承諾，本集團確認減值損失準備(附註2(h)(vii))。

財務擔保和貸款承諾產生的負債包含在其他負債中。

(y) 僱員福利

(i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至報告期結束日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

(ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於報告期結束日後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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 Bank adopted equity-settled share based payment arrangement under Staff Share Option Schemes to grant the options to eligible employees of the Group. The option exercise price is equal to the higher of:

- (i) the closing price of the Bank's shares in the Stock Exchange's daily quotation sheet on the date of grant of the relevant options; and
- (ii) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

(iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本在相關期間的收益表內支銷，而所有此類計劃的資產均與本集團的資產分開處理。在強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。

(iv) 以股份為基礎作支付

據僱員認股計劃，本行採納按股權結算之股份報酬安排向本集團合資格僱員授予購股權。行使價為以下之較高者：

- (i) 於授出認股權當日日本行股份在聯交所日報表的收市價；及
- (ii) 相等於緊接授出有關認股權當日之前五個營業日，本行股份在聯交所日報表的平均收市價。

當認股權被行使時，所得款項計入股東權益。授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在資本儲備作相應調整）。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The equity amount is recognised in capital reserve until either the option is exercised and new shares allotted (when it is transferred to share capital) or the option expires (when it is released directly to retained profits). For Grantees who do not meet the applicable vesting conditions, the unvested options are forfeited, either in whole or in part. Forfeited share options are cancelled.

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時(轉入股本)，或當認股權之有效期屆滿時(轉入留存溢利)。對於未能符合適用的歸屬條件的承授人，其未歸屬的認股權會全部或部分被撤銷。被撤銷的認股權會被註銷。

(z) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (f) The entity is controlled or jointly controlled by a person identified in (i).
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) 關聯人士

在編製本財務報表時，與本集團關聯人士是指：

- (i) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
 - (a) 可控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 是本集團或本集團之母公司的主要管理人員之成員。
- (ii) 在以下任何情況下一實體會視為與本集團有關聯：
 - (a) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司與其他有關聯)。
 - (b) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。
 - (c) 兩個實體是同一第三者的合營公司。
 - (d) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。
 - (e) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。
 - (f) 該實體受在(i)項中所辨識的個人所控制或共同控制。
 - (g) 在(i)(a)項中所辨識的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員之成員。
 - (h) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(aa) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(ab) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash and balances with banks, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(ac) Deposits, Debt Securities Issued and Capital Instruments

Deposits, debt securities issued and capital instruments are the Group's sources of funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The substance of a financial instrument, rather than its legal form, governs its classification. A financial instrument is classified as a liability where there is a contractual obligation to deliver either cash or another financial asset to the holder of that instrument, regardless of the manner in which the contractual obligation will be settled.

Subsequent to initial recognition deposits, debt securities issued and capital instruments classified as financial liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

For those capital instruments classified as equity instruments, they are not redeemable by holders and bear an entitlement to coupons at the Bank's sole discretion. Accordingly, they are presented within equity. Distribution thereon are recognised in equity.

(aa) 分部報告

經營分部，及在財務報表列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各項業務和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

(ab) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括現金及在銀行結餘、國庫債券、及其他受較低風險影響價值及隨時可轉換成預知金額的合格票據及存款證。

(ac) 存款、已發行債務證券及資本工具

存款、已發行債務證券及資本工具是本集團籌募資金的來源。

本集團按工具合約條款的實質分類資本工具為金融負債或股本工具。

金融工具的實質而非其法律形式決定其分類。如有法定義務將現金或另一金融資產交付予該金融工具的持有人，則該金融工具被分類為負債，該法定義務的結算方式不影響其分類。

緊隨初始確認後，本集團為存款、已發行債務證券及分類為股本工具的資本工具，惟通過損益的負債除外，已按有效利率方式計算攤銷成本。

就分類為股本工具的資本工具，該等工具是不可贖回及視乎本行決定是否可享有利息。因此，該等工具在股東權益內列賬。相關分派於股東權益內確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(ad) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (a) their carrying amounts will be recovered principally through sale; (b) they are available for sale in their present condition; and (c) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRSs. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with applicable HKFRSs before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

(ae) Interim Financial Reporting and Impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(h)(vii) and Note 2(r)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(ad) 持有作出售資產

當 (a) 其賬面值將主要需通過出售才可收回；(b) 它們可以在現況下可供出售；(c) 出售之機會率是非常高的，非流動資產及出售組別（包括出售組別的資產和負債）按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

在被初始分類為持有作出售之前，資產的賬面值（或出售組別的資產和負債）按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別之公平價值減成本前，非在《香港財務報告準則》第5號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

(ae) 中期財務報告及減值

根據聯交所《上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編制有關年度首6個月的中期財務報告。於中期末，本集團採用等同年末的減值測試、確認、及轉回標準（附註2(h)(vii)及附註2(r)）。

已確認於中期中間的商譽減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期中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。

3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

The Group has initially adopted Amendments to HKFRS 9 “Financial Instruments”, HKAS 39 “Financial Instruments: Recognition and Measurement” and HKFRS 7 “Financial Instruments: Disclosures” in respect of Interest Rate Benchmark Reform and early adopted Amendment to HKFRS 16 “Leases” in respect of COVID-19-Related Rent Concessions from 1st January, 2020. A number of other new standards are effective 1st January, 2020 but they do not have a material effect on the Group’s financial statements.

本集團自2020年1月1日起初始採用《香港財務報告準則》第9號「金融工具」、《香港會計準則》第39號「金融工具：確認與計量」及《香港財務報告準則》第7號「金融工具：披露」有關利率基準改革之修訂，並提前採用《香港財務報告準則》第16號「租賃」有關2019冠狀病毒病相關租金寬免之修訂。若干其他新準則已於2020年1月1日起生效，但並不會對本集團財務報表產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

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

Significant judgement will be required in determining when uncertainty is expected to be resolved and when the temporary exceptions will cease to apply. As at 31st December 2020, the Group believes it is too early to reliably estimate when interest rate benchmark uncertainty will be resolved for all benchmarks assumed to be in scope of the amendments and so the temporary exceptions applied to the Group's hedge accounting relationships that reference benchmarks subject to reform or replacement.

The Group enters into fixed-for-floating interest rate swaps to hedge the exposure to changes in the fair value due to movements in market interest rates on certain fixed rate financial instruments, including subordinated notes issued, debt securities investment and loans and advances to customers. The table below indicates the nominal amount and weighted average maturity of derivative instruments designated in fair value hedge accounting relationships that will be affected by the interest rate benchmark reform. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Group manages through hedging relationships.

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

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

於釐定何時能解決因利率基準改革所引起的不確定因素，並停止應用暫時性豁免，須運用重大判斷。於2020年12月31日，本集團認為尚無法可靠地估計所有假設在修訂範圍之內以利率基準為參考基準的不確定因素何時得到解決。故此，暫時性豁免適用於本集團所有對沖會計關係，當中的參考基準可予改革或取代。

本集團訂立固定浮動利率掉期以對沖若干定息金融工具因市場利率波動而出現公平價值變動的影響，當中包括已發行的後償票據、債券投資及客戶貸款及墊款。下表列出受利率基準改革影響的公平價值對沖會計關係指定的衍生工具的名義金額和加權平均承擔年期，並按利率基準進行了分析。衍生對沖工具與本集團通過對沖關係管理的風險敞口非常接近。

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)

		2020	
		Notional designated 指定名義金額 HK\$ Mn 港幣百萬元	Weighted average exposure years 加權平均承擔年期
Interest rate swaps	利率掉期合約		
USD London Interbank Offered Rate	美元銀行間同業拆借利率相關	58,036	3.35
Bank Bill Swap Rate	澳元銀行票據掉期利率相關	7,649	0.58
The Euro Interbank Offered Rate	歐元銀行間同業拆借利率相關	5,373	0.28
Hong Kong Interbank Offered Rate	香港銀行間同業拆借利率相關	1,665	0.08
Singapore Dollar Swap Offer Rate	新加坡元掉期利率相關	820	0.03
Bank Bill Benchmark Rate	紐西蘭元銀行票據參考利率相關	714	0.01
		74,257	4.33

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

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

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

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

The amendment is effective for annual reporting periods beginning on or after 1st June, 2020 with early adoption permitted. The Group has early adopted the Amendment from 1st January, 2020 to all rent concessions that met the conditions. A total of HK\$5 million of rent concessions was recognised as a credit to variable lease payments that were not included in the measurement of lease liabilities (Note 14) during the year.

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

2019冠狀病毒病相關租金寬免：《香港財務報告準則》第16號之修訂

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

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

該修訂自2020年6月1日或之後開始的年度報告期間生效，並容許提前採納。本集團於2020年1月1日提前應用該修訂於所有符合條件之租金寬免。年內已確認並包括在「不包括計量租賃負債的可變租賃款項」(附註14)的租金寬免為港幣500萬元。

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

		Notes 附註	2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
ASSETS		資產		
Cash and balances with banks	現金及在銀行的結存		25,911	21,712
Placements with and advances to banks	在銀行的存款及墊款		55,929	50,958
Trade bills	貿易票據		1,012	1,845
Trading assets	交易用途資產		881	1,183
Derivative assets	衍生工具資產		4,743	1,139
Loans and advances to customers	客戶貸款及墊款		384,200	376,536
Investment securities	投資證券		118,398	115,519
Amounts due from subsidiaries	附屬公司欠款		9,542	10,952
Investments in subsidiaries	附屬公司投資		20,216	20,698
Investments in associates and joint ventures	聯營公司及合資企業投資		4,312	4,872
Fixed assets	固定資產		10,075	10,450
– Investment properties	– 投資物業		4,945	5,267
– Other properties and equipment	– 其他物業及設備		4,484	4,387
– Right-of-use assets	– 使用權資產		646	796
Goodwill and intangible assets	商譽及無形資產		1,460	1,460
Deferred tax assets	遞延稅項資產		146	107
Other assets	其他資產		12,815	10,158
– Assets held for sale	– 持有作出售資產		521	4
– Others	– 其他		12,294	10,154
Total Assets	資產總額		649,640	627,589
EQUITY AND LIABILITIES		股東權益及負債		
Deposits and balances of banks	銀行的存款及結餘		25,682	21,334
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		5,442	3,182
– At amortised cost	– 攤銷成本		20,240	18,152
Deposits from customers	客戶存款		443,131	426,564
Derivative liabilities	衍生工具負債		6,207	3,695
Certificates of deposit issued	已發行存款證		49,949	57,464
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		24,494	27,401
– At amortised cost	– 攤銷成本		25,455	30,063
Amounts due to subsidiaries	欠附屬公司款項		5,271	4,117
Current taxation	本期稅項		594	2,065
Debt securities issued	已發行債務證券		2,092	389
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		155	–
– At amortised cost	– 攤銷成本		1,937	389
Deferred tax liabilities	遞延稅項負債		375	425
Other liabilities	其他負債		10,365	8,164
Loan capital – at amortised cost	借貸資本 – 攤銷成本		8,533	8,563
Total Liabilities	負債總額		552,199	532,780
Share capital	股本		41,557	41,379
Reserves	儲備	43(i)	41,916	39,467
Total equity attributable to owners of the Bank	歸屬於本行股東權益總額		83,473	80,846
Additional equity instruments	額外股本工具		13,968	13,963
			97,441	94,809
Total Equity and Liabilities	股東權益及負債總額		649,640	627,589

Approved and authorised for issue by the Board on 24th February, 2021.

董事會於2021年2月24日核准及授權發布。

Executive Chairman
Co-Chief Executives

David LI Kwok-po
Adrian David LI Man-kiu
Brian David LI Man-bun
Meocre LI Kwok-wing

執行主席
聯席行政總裁

李國寶
李民橋
李民斌
李國榮

Director

董事

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

5. INTEREST INCOME 利息收入

		2020	2019
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Loans, deposits with banks, and trade bills	貸款、在銀行的存款、及貿易票據	17,966	24,041
Investment securities	投資證券		
– measured at amortised cost or FVOCI	– 按攤銷成本或通過其他全面 收益以反映公平價值	2,972	4,113
– designated at FVTPL	– 指定為通過損益以反映 公平價值	2	107
– mandatory at FVTPL	– 強制按通過損益以反映 公平價值	144	245
Trading assets	交易用途資產	23	69
		21,107	28,575

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

The above included HK\$21,718 million (2019: HK\$28,143 million) interest income, before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

就已對沖利率風險的交易而言，作為帶息金融資產的合格對沖工具或可個別地與帶息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣217.18億元(2019年：港幣281.43億元)。

6. INTEREST EXPENSE 利息支出

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Customer deposits and deposits of banks	客戶存款及銀行的存款		
– at amortised cost	– 攤銷成本	7,739	11,485
– designated at FVTPL	– 指定為通過損益以反映 公平價值	40	65
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	951	1,254
– designated at FVTPL	– 指定為通過損益以反映 公平價值	332	447
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	455	704
Lease liabilities	租賃負債	35	41
Other borrowings	其他借款	5	13
		9,557	14,009

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

The above included HK\$9,243 million (2019: HK\$13,457 million) interest expense, before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

就已對沖利率風險的交易而言，作為帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣92.43億元(2019年：港幣134.57億元)。

7. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income is disaggregated by services:

服務費及佣金收入分類如下：

		2020	2019
		HK\$ Mn 港幣百萬元	Restated ^(Note) 重報 ^(註) HK\$ Mn 港幣百萬元
Credit cards	信用卡	909	1,221
Loans, overdrafts and guarantees	貸款、透支及擔保	754	686
Investment products	投資產品	457	353
Securities and brokerage	證券及經紀	370	198
Trust and other fiduciary activities	信託及其他代理業務	282	315
Trade finance	貿易融資	262	325
Other retail banking services	其他零售銀行服務	165	158
Sale of third party insurance policies	銷售第三者的保單	52	90
Financial consultancy	財務諮詢	13	26
Others	其他	450	449
Total fee and commission income	服務費及佣金收入總額	3,714	3,821
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)	2,935	2,890
Fee income	服務費收入	3,714	3,821
Fee expenses	服務費支出	(779)	(931)

Note: Certain fee and commission income in 2019 has been reclassified among the categories of investment products, trust and other fiduciary activities, and other retail banking services; and certain fee income from loans of HK\$66 million in 2019 has been reclassified to interest income in line with the nature of the income (Note 5).

註：為了更好地反映服務費及佣金收入的類別，若干2019年來自投資產品、信託及其他代理業務、及其他零售銀行服務的服務費及佣金收入已重新分類，而若干2019年被歸類為貸款服務費收入的港幣6,600萬元，現已重新分類為利息收入(附註5)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

8. NET TRADING PROFIT 交易溢利淨額

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Profit on dealing in foreign currencies and funding swaps	外幣買賣及外匯掉期溢利	130		399	
Profit on trading securities	交易用途證券溢利	76		184	
Net gain on derivatives	衍生工具淨盈利	755		194	
Loss on other dealing activities	其他交易業務虧損	(2)		(6)	
Dividend income from trading equity securities	交易用途股份證券的股息收入	25		36	
		984		807	

9. NET RESULT ON FINANCIAL INSTRUMENTS AT FVTPL
通過損益以反映公平價值金融工具的淨表現

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net loss from financial instruments designated at FVTPL	指定為通過損益以反映公平價值金融工具的淨虧損	(22)		(28)	
Net gain from financial instruments mandatorily measured at FVTPL (other than those included in net trading profit)	強制按通過損益以反映公平價值計量金融工具的淨盈利(除已包括在交易溢利淨額內)	220		241	
		198		213	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

10. NET RESULT ON FINANCIAL ASSETS MEASURED AT FVOCI 通過全面收益以反映公平價值金融資產的淨表現

		2020	2019
		HK\$ Mn 港幣百萬元	Restated ^(Note) 重報 ^(註) HK\$ Mn 港幣百萬元
Net profit on sale of debt securities	出售債務證券之淨溢利	140	72
Dividend income from equity securities	股份證券股息收入	13	12
		153	84

Note: To better reflect the income nature, dividend income from equity securities measured at FVOCI for 2019 has been reclassified from other operating income (Note 13) to conform to current year's presentation.

註：以符合本年呈列方式，若干2019年來自按通過全面收益以反映公平價值股份證券的股息收入經已由其他經營收入(附註13)重新分類至此項下，以更準確地反映收入的性質。

11. NET HEDGING PROFIT 對沖溢利淨額

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value hedges	公平價值對沖		
– Net gain on hedged items attributable to the hedged risk	– 可歸屬於被對沖項目之對沖風險產生的淨盈利	2,203	1,594
– Net loss on hedging instruments	– 用作對沖工具的淨虧損	(2,141)	(1,582)
		62	12

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the years 2020 and 2019 (see Note 47(b)(iii)(b)).

於2020年及2019年，本集團因現金流對沖所產生已在收益表內確認並無重大低效用(詳見附註47(b)(iii)(b))。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

12. NET INSURANCE PROFIT 保險業務淨溢利

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Net insurance profit	(a) 保險業務淨溢利		
Net interest income	淨利息收入	666	650
Net trading loss	交易虧損淨額	(78)	(101)
Net result on financial instruments at FVTPL	通過損益以反映公平價值 金融工具的淨表現	292	588
Net profit on sale of debt investment securities measured at FVOCI	出售通過其他全面收益以反映 公平價值債務投資證券 的淨溢利	521	264
Net insurance premium (b)	淨保費(b)	6,461	6,058
Other operating income	其他收入	1	1
		7,863	7,460
Net insurance claims and expenses (c)	保險索償及支出淨額(c)	(7,076)	(6,608)
		787	852
Operating expenses	經營支出	(4)	(3)
Impairment losses on financial instruments	金融工具減值損失	(12)	(23)
		771	826
(b) Net insurance premium	(b) 淨保費		
Gross insurance premium income (Note)	保費收入總額(註)	6,531	6,123
Reinsurers' share of gross insurance premium income	保費收入總額之分保份額	(70)	(65)
		6,461	6,058
(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	2,144	2,915
Movement in provisions	準備金變動	4,830	3,554
		6,974	6,469
Reinsurers' share of claim, benefits and surrenders paid	已付索償、利益及退保之 分保份額	(59)	(322)
Reinsurers' share of movement in provisions	準備金變動之分保份額	21	306
		(38)	(16)
		6,936	6,453
Net insurance commission expenses	保險佣金支出淨額	140	155
		7,076	6,608

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)

13. OTHER OPERATING INCOME 其他經營收入

		2020	2019
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Rental from safe deposit boxes	保險箱租金收入	121	119
Rental income on properties (Note 34(ii))	物業租金收入(附註34(ii))	154	175
Government subsidy – Employment Support Scheme	政府補貼—「保就業」計劃	252	–
Others	其他	157	79
		684	373

14. OPERATING EXPENSES 經營支出

		2020	2019
		HK\$ Mn 港幣百萬元	Restated (Note) 重報(註) HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*		
– Hong Kong	– 香港	188	175
– Outside Hong Kong	– 香港以外	94	227
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))	11	23
Salaries and other staff costs	薪金及其他員工成本	4,778	4,799
Total staff costs	員工成本總額	5,071	5,224
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Expenses relating to short-term leases	– 有關短期租賃支出	18	69
– Expenses relating to low value assets	– 有關低價值資產租賃支出	1	1
– Variable lease payments not included in the measurement of lease liabilities	– 不包括計量租賃負債的可變租賃款項	(1)	4
– Maintenance, repairs and others	– 保養、維修及其他	742	676
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	760	750
Depreciation on (Note 34)	折舊(附註34)		
– Bank premises, furniture, fixtures and equipment	– 行址、傢私、裝修及設備	556	530
– Right-of-use assets	– 使用權資產	425	397
		981	927
Amortisation of intangible assets (Note 33(b))	無形資產攤銷(附註33(b))	14	14

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

14. OPERATING EXPENSES (CONTINUED) 經營支出(續)

		2020	2019
		HK\$ Mn 港幣百萬元	Restated ^(Note) 重報 ^(註) HK\$ Mn 港幣百萬元
Other operating expenses	其他經營支出		
– Internet platform charges	– 互聯網平台費用	511	913
– Legal and professional fees	– 法律及專業服務費	357	364
– Communications, stationery and printing	– 通訊、文具及印刷	267	268
– Advertising expenses	– 廣告費	251	255
– Card related expenses	– 有關信用卡支出	207	174
– Insurance expenses	– 保險費	108	114
– Stamp duty, withholding taxes and value added taxes	– 印花稅、預提稅及增值稅	77	117
– Business promotions and business travel	– 業務推廣及商務旅遊	64	105
– Audit fee	– 核數師酬金	20	19
– Others	– 其他	275	647
Total other operating expenses	其他經營支出總額	2,137	2,976
Total operating expenses**	經營支出總額**	8,963	9,891

Note: Certain other operating expenses of HK\$128 million in 2019 has been reclassified from legal and professional expense to maintenance, repairs and others in line with the nature of the expenses.

註：為了更好地反映經營支出的類別，若干2019年被歸類為法律及專業服務費項下港幣1.28億元，現已重新分類為保養、維修及其他項下。

* Forfeited contributions totalling HK\$17 million (2019: HK\$19 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 (2019: Nil).

* 年度內沒收之供款共港幣1,700萬元(2019年：港幣1,900萬元)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(2019年：無)。

** Included in operating expenses are direct operating expenses of HK\$7 million (2019: HK\$5 million) in respect of investment properties which generated rental income during the year.

** 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700萬元(2019年：港幣500萬元)。

15. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS 金融工具減值損失

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loans and advances to customers	客戶貸款及墊款	4,734	7,250
Others	其他	(60)	3
		4,674	7,253

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

16. NET PROFIT ON SALE OF ASSETS HELD FOR SALE 出售持有作出售資產之淨溢利

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net profit on sale of properties	出售物業之淨溢利	30	108
Net profit/(loss) on sale of disposal groups	出售出售組別之淨溢利/(虧損)	2	(90)
		32	18

17. NET LOSS ON DISPOSAL OF FIXED ASSETS 出售固定資產之淨虧損

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
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	(33)	(13)

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：

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Current tax – Hong Kong	本期稅項—香港		
Tax for the year	本年度稅項	531	1,024
Over-provision in respect of prior years	往年度撥備過剩	(394)	(145)
		137	879
Current tax – outside Hong Kong	本期稅項—香港以外		
Tax for the year	本年度稅項	229	284
Over-provision in respect of prior years	往年度撥備過剩	(50)	(138)
		179	146
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 37(b))	暫時性差異的源生及轉回 (附註37(b))	(395)	(1,163)
		(79)	(138)

The provision for Hong Kong profits tax is calculated at 16.5% (2019: 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%(2019年:16.5%)計算。

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

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

18. INCOME TAX (CONTINUED) 所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Profit before tax	除稅前溢利		3,606		3,198
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		570		47
Tax effect of non-deductible expenses	不可扣減支出的稅項影響		220		329
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響		(393)		(304)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響		30		2
Recognition of deferred tax assets on prior year tax losses	往年度稅損確認為遞延稅項資產		-		(1)
Write back of over-provision in respect of prior years	往年度過剩的回撥		(444)		(283)
Others	其他		(62)		72
Actual tax expense write-back to income statement	於收益表回撥的實際稅項		(79)		(138)

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\$4,277 million (2019: HK\$5,904 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42.77億元(2019年：港幣59.04億元)。

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

		2020		2019	
		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		4,277		5,904
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		239		216
Bank's profit for the year	本行年度內溢利		4,516		6,120

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

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Interim dividend declared and paid of HK\$0.16 per share on 2,915 million shares (2019: HK\$0.11 per share on 2,897 million shares) (Note 43(k))	已宣布派發及支付中期股息予 29.15 億股每股港幣 0.16 元 (2019 年：28.97 億股每股港幣 0.11 元) (附註 43(k))	466		319	
	Second interim dividend of HK\$0.24 per share on 2,917 million shares (2019: HK\$0.35 per share on 2,907 million shares)	第二次中期股息予 29.17 億股每股港幣 0.24 元 (2019 年：29.07 億股每股港幣 0.35 元)	700		1,017
		1,166		1,336	

The total dividend attributable to the year is HK\$0.40 per share (2019: HK\$0.46 per share). The second interim dividend has not been recognised as a liability at the end of the reporting period.

應屬本年度股息為每股港幣 0.40 元 (2019 年：每股港幣 0.46 元)。於報告期末該第二次中期股息並未確認為負債。

(b) Dividends attributable to the previous financial year, approved and paid during the year

		2020		2019	
		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\$0.35 per share on 2,907 million shares (2019: HK\$0.32 per share on 2,846 million shares) (Note 43(k))	年度內核准及支付予 29.07 億股每股港幣 0.35 元 (2019 年：28.46 億股每股港幣 0.32 元) 的上年度第二次中期股息 (附註 43(k))	1,017		910	
Special dividend of HK\$0.35 per share on 2,846 million shares (Note 43(k))	特別股息予 28.46 億股每股港幣 0.35 元 (附註 43(k))	-		996	
		1,017		1,906	

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

		2020		2019	
		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的利息 (附註 43(k))	-		179	
Distribution paid on the Additional Tier 1 capital instruments (Note 43(k))	已派發予額外一級資本工具的款項 (附註 43(k))	792		501	
		792		680	

(a) 應屬本年度股息

(b) 於年度核准及支付屬上年度股息

(c) 派發予混合／額外一級資本工具持有人

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

21. EARNINGS PER SHARE 每股盈利

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$2,822 million (2019: HK\$2,580 million) after the distribution of HK\$792 million (2019: HK\$680 million) to Hybrid/Additional Tier 1 issue holders, and on the weighted average of 2,913 million (2019: 2,885 million) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

		2020 Number of shares 股份數目 Million 百萬	2019 Number of shares 股份數目 Million 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	2,907	2,846
Effect of shares issued in lieu of dividends	以股代息發行新股的影響	6	39
Weighted average number of ordinary shares at 31st December		2,913	2,885
		於12月31日普通股份的加權平均數	

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$2,822 million (2019: HK\$2,580 million) after the distribution of HK\$792 million (2019: HK\$680 million) to Hybrid/Additional Tier 1 issue holders, and on 2,913 million (2019: 2,885 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)

		2020 Number of shares 股份數目 Million 百萬	2019 Number of shares 股份數目 Million 百萬
Weighted average number of ordinary shares at 31st December		2,913	2,885
Effect of deemed issue of ordinary shares under the Bank's share option schemes for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	-	-
Weighted average number of ordinary shares (diluted) at 31st December		2,913	2,885
		於12月31日普通股份的加權平均數 (攤薄)	

(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7.92億元(2019年：港幣6.80億元)後之年度內綜合溢利可歸屬於本集團股東溢利為港幣28.22億元(2019年：港幣25.80億元)及年度內已發行普通股份的加權平均數29.13億股(2019年：28.85億股)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7.92億元(2019年：港幣6.80億元)後之年度內綜合溢利可歸屬於本集團股東溢利為港幣28.22億元(2019年：港幣25.80億元)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29.13億股(2019年：28.85億股)計算。

普通股份的加權平均(攤薄)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

22. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options ^(Note)	Retirement scheme contributions	2020 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權 ^(附註)	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
Executive Chairman	執行主席						
Dr. the Hon. Sir David Li Kwok-po	李國寶爵士	0.6	11.8	2.8	4.7	1.1	21.0
Co-Chief Executives	聯席行政總裁						
Mr. Adrian David Li Man-kiu	李民橋先生	0.4	7.8	4.8	2.2	0.7	15.9
Mr. Brian David Li Man-bun	李民斌先生	0.4	7.8	4.8	1.5	0.7	15.2
Non-executive Directors	非執行董事						
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	0.1	-	-	-	-	0.1
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
Independent Non-executive Directors	獨立非執行董事						
Dr. Allan WONG Chi-yun	黃子欣博士	0.9	-	-	-	-	0.9
Dr. the Hon. Rita FAN HSU Lai-tai	范徐麗泰博士	0.6	-	-	-	-	0.6
Mr. Meocre Li Kwok-wing	李國榮先生	1.1	-	-	-	-	1.1
Dr. the Hon. Henry TANG Ying-yen	唐英年博士	1.2	-	-	-	-	1.2
Dr. Delman LEE	李國本博士	0.7	-	-	-	-	0.7
Mr. William Junior Guilherme DOO	杜家駒先生	0.9	-	-	-	-	0.9
		9.7	27.4	12.4	8.4	2.5	60.4

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 values of the share options granted in 2020 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 40.

附註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於2020年及往年授予並在歸屬期內攤銷的公平價值，而並非是屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註40內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

22. DIRECTORS' REMUNERATION (CONTINUED) 董事酬金(續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options ^(Note)	Retirement scheme contributions	2019 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權 ^(附註)	退休計劃供款	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
Executive Chairman	執行主席						
Dr. the Hon. Sir David LI Kwok-po ⁽¹⁾	李國寶爵士 ⁽¹⁾	0.6	11.6	5.5	7.4	1.1	26.2
Co-Chief Executives	聯席行政總裁						
Mr. Adrian David LI Man-kiu ⁽²⁾	李民橋先生 ⁽²⁾	0.4	6.0	3.1	2.4	0.5	12.4
Mr. Brian David LI Man-bun ⁽²⁾	李民斌先生 ⁽²⁾	0.4	6.0	2.1	1.8	0.5	10.8
Non-executive Directors	非執行董事						
Prof. Arthur LI Kwok-cheung	李國章教授	0.5	-	-	-	-	0.5
Mr. Aubrey LI Kwok-sing	李國星先生	0.5	-	-	-	-	0.5
Mr. Winston LO Yau-lai	羅友禮先生	0.4	-	-	-	-	0.4
Mr. Stephen Charles LI Kwok-sze	李國仕先生	0.4	-	-	-	-	0.4
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.5	-	-	-	-	0.5
Dr. Peter LEE Ka-kit	李家傑博士	0.3	-	-	-	-	0.3
Dr. Daryl NG Win-kong	黃永光博士	0.5	-	-	-	-	0.5
Mr. Masayuki OKU	奧正之先生	0.5	-	-	-	-	0.5
Independent Non-executive Directors	獨立非執行董事						
Dr. Allan WONG Chi-yun	黃子欣博士	0.9	-	-	-	-	0.9
Dr. the Hon. Rita FAN HSU Lai-tai	范徐麗泰博士	0.6	-	-	-	-	0.6
Mr. Meocre LI Kwok-wing	李國榮先生	1.1	-	-	-	-	1.1
Dr. the Hon. Henry TANG Ying-yen	唐英年博士	1.1	-	-	-	-	1.1
The Hon. CHAN Kin-por	陳健波議員	0.3	-	-	-	-	0.3
Dr. Delman LEE	李國本博士	0.7	-	-	-	-	0.7
Mr. William Junior Guilherme DOO	杜家駒先生	0.3	-	-	-	-	0.3
		10.0	23.6	10.7	11.6	2.1	58.0

(1) Re-designated from Chairman and Chief Executive to Executive Chairman on 1st July, 2019.

(1) 於2019年7月1日由主席兼行政總裁調任為執行主席。

(2) Re-designated from Executive Directors and Deputy Chief Executives to Co-Chief Executive on 1st July, 2019.

(2) 於2019年7月1日由執行董事兼副行政總裁任命為聯席行政總裁。

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2019 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 40.

附註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於2019年及往年授予並在歸屬期內攤銷的公平價值，而非非屬於現金支付。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

		2020	2019
		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	39	34
Performance-related bonuses	表現獎勵花紅	18	15
Share options	認股權	12	16
Pension contributions	退休金供款	3	3
		72	68

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：

HK\$ 港幣元	2020	2019
	Number of Employees 僱員人數	Number of Employees 僱員人數
9,000,001 – 9,500,000	–	2
9,500,001 – 10,500,000	2	–
10,500,001 – 11,000,000	–	1
12,000,001 – 12,500,000	–	1
15,000,001 – 15,500,000	1	–
15,500,001 – 16,000,000	1	–
20,500,001 – 21,000,000	1	–
26,000,001 – 26,500,000	–	1

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2019: 3) Directors and 2 (2019: 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(2019年: 3位)董事及2位(2019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

(a) Business segments

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's Senior Management for the purposes of resource allocation and performance assessment, the Group has presented the following nine reportable segments.

Hong Kong operations

Hong Kong operations include Hong Kong banking business carrying out by the Bank and other business operations, dividing into the following six reportable segments.

Personal Banking includes branch operations, personal internet banking, consumer finance, property loans and credit card business to individual customers in Hong Kong.

(a) 營業分部

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下九個可匯報分部。

香港業務

香港業務包括本行在香港經營的銀行業務及其他業務，分類為以下六個可匯報分部。

個人銀行包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款及個人信用卡業務。

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)

Corporate Banking includes corporate lending and loan syndication, asset based lending, commercial lending, securities lending and trade financing activities with correspondent banks and corporates in Hong Kong.

Treasury Markets include treasury operations and securities dealing in Hong Kong.

Wealth management includes private banking business, investment products & advisory and trusts & fiduciary services in Hong Kong.

Centralised operations include supporting units of banking operations in Hong Kong.

Others mainly include insurance business, trust business, securities & futures broking and corporate financial advisory carried out by subsidiaries operated in Hong Kong and other supporting units of Hong Kong operations located outside Hong Kong.

Mainland operations

Mainland China operations mainly include the back office unit for Mainland China operations in Hong Kong, all subsidiaries and associates operated in Mainland China, except those subsidiaries carrying out data processing and other back office operations for Hong Kong operations in Mainland China.

Overseas operations

Overseas operations mainly include the back office unit for overseas banking operations in Hong Kong, Macau Branch, Taiwan Branch and all branches, subsidiaries and associates operated in overseas.

Corporate management

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

For the purposes of assessing segment performance and allocating resources between segments, the Group's Senior Management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of interests in associates and joint ventures and assets held for sale. Segment liabilities include deposits, financial liabilities and other liabilities attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to interest and fee and commission income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

(a) 營業分部(續)

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款、證券業務貸款及與在香港之全球同業間的銀行代理行及企業的金融貿易業務。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務、投資產品和諮詢及信託及其他代理業務。

中央營運包括在香港業務之後勤單位。

其他業務主要包括在香港附屬公司經營之保險業務、信託業務、證券及期貨經紀及企業財務諮詢，及在香港以外但支援香港業務之後勤單位。

內地業務

內地業務主要包括在香港支援中國內地業務之後勤單位、所有在內地經營的附屬公司及聯營公司，但不包括在內地經營資料處理及其他後勤支援香港業務之附屬公司。

國際業務

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

企業管理

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

在評估分部表現及分配分部間的資源時，集團的高層管理人員根據以下基準監控可歸屬於每一可匯報分部之業績、資產及負債：

除聯營公司及合資企業之權益及持有作出售資產外，分部資產包括所有資產。分部負債包括存款、金融負債及可歸屬於個別分部的其他負債。

收入與支出按有關分部所產生的利息及服務費用和佣金收入，及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020												
		Hong Kong operations 香港業務												
		Hong Kong banking business 香港銀行業務												
		Personal banking	Corporate banking	Treasury markets	Wealth management	Centralised operations	Total	Others	Total	Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination	Total
		個人銀行	企業銀行	財資市場	財富管理	中央營運	總額	其他	總額	內地業務	國際業務	企業管理	分部間之交易抵銷	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
		港幣百萬元	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
Net interest income/(expense)	淨利息收入/(支出)	2,692	2,319	101	327	(76)	5,363	148	5,511	4,117	1,492	426	4	11,550
Non-interest income	非利息收入	1,069	576	477	502	635	3,259	1,273	4,532	955	317	-	(44)	5,760
Operating income	經營收入	3,761	2,895	578	829	559	8,622	1,421	10,043	5,072	1,809	426	(40)	17,310
Operating expenses	經營支出	(1,758)	(321)	(169)	(237)	(2,111)	(4,596)	(461)	(5,057)	(3,264)	(682)	-	40	(8,963)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	2,003	2,574	409	592	(1,552)	4,026	960	4,986	1,808	1,127	426	-	8,347
(Charge for)/Write back of impairment losses on financial instruments	金融工具的減值損失(支銷)/回撥	(208)	(1,083)	1	8	1	(1,281)	(1)	(1,282)	(2,954)	(438)	-	-	(4,674)
Impairment losses on assets held for sale	持有作出售資產減值損失	-	-	-	-	-	-	-	-	(12)	-	-	-	(12)
Impairment losses on intangible assets	無形資產減值損失	-	-	-	-	-	-	-	-	(2)	-	-	-	(2)
Impairment losses on associates	聯營公司減值損失	-	-	-	-	-	-	-	-	-	(402)	-	-	(402)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,795	1,491	410	600	(1,551)	2,745	959	3,704	(1,160)	287	426	-	3,257
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利	-	-	-	-	30	30	-	30	1	1	-	-	32
Net profit on disposal of subsidiaries/associates	出售附屬/聯營公司之淨溢利	-	-	-	-	-	-	-	-	-	341	-	-	341
Net profit/(loss) on disposal of fixed assets	出售固定資產之淨溢利/(虧損)	(19)	-	-	-	1	(18)	-	(18)	(12)	(3)	-	-	(33)
Valuation losses on investment properties	重估投資物業虧損	-	-	-	-	(248)	(248)	(52)	(300)	-	(1)	-	-	(301)
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損	-	-	-	-	-	-	(3)	(3)	123	190	-	-	310
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,776	1,491	410	600	(1,768)	2,509	904	3,413	(1,048)	815	426	-	3,606
Depreciation for the year	年內折舊	(340)	(6)	(7)	(3)	(216)	(572)	(41)	(613)	(302)	(66)	-	-	(981)
Segment assets	分部資產	115,004	163,163	218,240	31,371	11,406	539,184	9,244	548,428	230,472	113,192	-	(43,511)	848,581
Investments in associates and joint ventures	聯營公司及合資企業投資	-	-	-	-	-	-	76	76	4,121	4,985	-	-	9,182
Other assets – Assets held for sale	其他資產 – 持有作出售資產	-	-	-	-	20	20	26,620	26,640	17	-	-	-	26,657
Total assets	資產總額	115,004	163,163	218,240	31,371	11,426	539,204	35,940	575,144	234,610	118,177	-	(43,511)	884,420
Segment liabilities	分部負債	328,720	46,151	69,730	29,911	1,958	476,470	2,229	478,699	203,868	103,955	-	(42,762)	743,760
Other liabilities – Liabilities held for sale	其他負債 – 持有作出售負債	-	-	-	-	-	-	26,864	26,864	-	-	-	-	26,864
Total liabilities	負債總額	328,720	46,151	69,730	29,911	1,958	476,470	29,093	505,563	203,868	103,955	-	(42,762)	770,624
Capital expenditure incurred during the year	年度內資本開支	197	8	9	5	280	499	42	541	255	40	-	-	836

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)

		2019 Restated ^{(Note 19)(附註19)}												
		Hong Kong operations 香港業務												
		Hong Kong banking business 香港銀行業務												
		Personal banking	Corporate banking	Treasury markets	Wealth management	Centralised operations	Total	Others	Total	Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination	Total
		個人銀行	企業銀行	財資市場	財富管理	中央營運	總額	其他	總額	內地業務	國際業務	企業管理	分部間之交易抵銷	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
		港幣百萬元	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
Net interest income/(expense)	淨利息收入/(支出)	3,531	2,356	877	407	(139)	7,032	168	7,200	5,382	1,589	395	-	14,566
Non-interest income	非利息收入	986	473	335	370	313	2,477	1,319	3,796	1,138	294	-	(39)	5,189
Operating income	經營收入	4,517	2,829	1,212	777	174	9,509	1,487	10,996	6,520	1,883	395	(39)	19,755
Operating expenses	經營支出	(1,694)	(338)	(155)	(221)	(2,032)	(4,440)	(466)	(4,906)	(4,328)	(696)	-	39	(9,891)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	2,823	2,491	1,057	556	(1,858)	5,069	1,021	6,090	2,192	1,187	395	-	9,864
(Charge for)/Write back of impairment losses on financial instruments	金融工具的減值損失(支銷)/回撥	(199)	(117)	5	(4)	-	(315)	(3)	(318)	(6,994)	59	-	-	(7,253)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	2,624	2,374	1,062	552	(1,858)	4,754	1,018	5,772	(4,802)	1,246	395	-	2,611
Net profit/(loss) on sale of assets held for sale	出售持有作出售資產之淨溢利/(虧損)	-	-	-	-	105	105	-	105	(72)	(15)	-	-	18
Net loss on disposal of subsidiaries/associates	出售附屬/聯營公司之淨虧損	-	-	-	-	-	-	-	-	-	(7)	-	-	(7)
Net loss on disposal of fixed assets	出售固定資產之淨虧損	(8)	-	-	-	(1)	(9)	-	(9)	(4)	-	-	-	(13)
Valuation losses on investment properties	重估投資物業虧損	-	-	-	-	(28)	(28)	(5)	(33)	-	-	-	-	(33)
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損	-	-	-	-	-	-	12	12	123	487	-	-	622
Profit/(Loss) before taxation	除稅前溢利/(虧損)	2,616	2,374	1,062	552	(1,782)	4,822	1,025	5,847	(4,755)	1,711	395	-	3,198
Depreciation for the year	年內折舊	(313)	(4)	(5)	-	(205)	(527)	(32)	(559)	(302)	(66)	-	-	(927)
Segment assets	分部資產	117,815	160,856	199,827	28,342	11,924	518,764	29,169	547,933	241,082	113,978	-	(47,804)	855,189
Investments in associates and joint ventures	聯營公司及合資企業投資	-	-	-	-	-	-	79	79	3,741	6,150	-	-	9,970
Other assets - Assets held for sale	其他資產 - 持有作出售資產	-	-	-	-	5	5	-	5	34	-	-	-	39
Total assets	資產總額	117,815	160,856	199,827	28,342	11,929	518,769	29,248	548,017	244,857	120,128	-	(47,804)	865,198
Total liabilities	負債總額	325,912	38,606	68,813	22,709	3,290	459,330	23,594	482,924	213,666	105,872	-	(46,902)	755,560
Capital expenditure incurred during the year	年度內資本開支	392	5	12	3	196	608	50	658	310	42	-	-	1,010

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

附註：在2020年，分部之處理方法有所修訂以提供可較公正地比較各營運分部的表現，以方便高層管理人員作出有關於更有效分配資源及評估個別營運分部表現之決策，2019年的比較數字經已重報以符合本年的呈報方式。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the entities and branches of the Bank responsible for reporting the results or booking the assets or, by the location where the subsidiaries or business units with special risks associated with operations originate.

(b) 地區分部

按地區分部之資料是根據負責報告業績或將資產入賬之實體或本行之分行的主要業務所在地點，或按與附屬公司或業務單位之營運有特殊風險關連的所在地點予以劃分。

		2020					
		Hong Kong	Mainland China	Other Asian Countries and Regions	Others	Inter- segment elimination	Total
		香港	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	經營收入	10,902	5,068	572	1,190	(422)	17,310
Profit/(loss) before taxation	除稅前溢利/(虧損)	3,730	(988)	244	620	-	3,606
Total assets	資產總額	591,381	215,558	49,174	68,444	(40,137)	884,420
Total liabilities	負債總額	502,213	203,870	41,945	61,984	(39,388)	770,624
Contingent liabilities and commitments	或然負債及承擔	87,731	104,440	9,905	7,284	-	209,360
Capital expenditure during the year	年度內資本開支	542	255	32	7	-	836

		2019 Restated 重報					
		Hong Kong	Mainland China	Other Asian Countries and Regions	Others	Inter- segment elimination	Total
		香港	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	經營收入	11,766	6,496	676	1,207	(390)	19,755
Profit/(loss) before taxation	除稅前溢利/(虧損)	6,080	(4,631)	756	993	-	3,198
Total assets	資產總額	568,276	224,446	51,562	68,488	(47,574)	865,198
Total liabilities	負債總額	482,727	213,664	43,230	62,611	(46,672)	755,560
Contingent liabilities and commitments	或然負債及承擔	78,286	105,360	7,898	8,970	-	200,514
Capital expenditure during the year	年度內資本開支	659	309	29	13	-	1,010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

25. CASH AND BALANCES WITH BANKS (Note 48(a))

現金及在銀行的結存(附註48(a))

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash in hand	現金	1,140		1,228	
Balances with central banks	在中央銀行的結存	33,506		35,252	
Balances with other banks	在其他銀行的結存	21,750		15,054	
		56,396		51,534	
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(19)		(9)	
– Stage 1	– 第一階段	(19)		(9)	
– Stage 2	– 第二階段	–		–	
– Stage 3	– 第三階段	–		–	
		56,377		51,525	

26. PLACEMENTS WITH AND ADVANCES TO BANKS (Note 48(a))

在銀行的存款及墊款(附註48(a))

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Placements with and advances to banks	在銀行的存款及墊款				
Maturing	到期期限				
– within one month	– 1個月內	64,380		46,796	
– after one month but within one year	– 1個月至1年內	2,472		15,333	
– after one year	– 1年後	–		156	
		66,852		62,285	
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(3)		(5)	
– Stage 1	– 第一階段	(3)		(5)	
– Stage 2	– 第二階段	–		–	
– Stage 3	– 第三階段	–		–	
		66,849		62,280	
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

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Measured at amortised cost	按攤銷成本計量	372	620
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(3)	-
- Stage 1	- 第一階段	(3)	-
- Stage 2	- 第二階段	-	-
- Stage 3	- 第三階段	-	-
		369	620
Measured at FVOCI	通過其他全面收益以反映公平價值	11,424	11,461
		11,793	12,081

28. TRADING ASSETS 交易用途資產

		2020	2019
		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))	119	34
Debt securities (Note 48(a))	債務證券(附註48(a))	190	56
Equity securities	股份證券	881	1,183
		1,190	1,273

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

		2020	2019
		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	513,929	509,105
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(4,859)	(3,769)
- Stage 1	- 第一階段	(845)	(501)
- Stage 2	- 第二階段	(1,038)	(516)
- Stage 3	- 第三階段	(2,976)	(2,752)
		509,070	505,336

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

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

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

(b) 客戶貸款及墊款 – 按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

		2020		2019	
		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	29,038	59.33	25,243	59.07
– Property investment	– 物業投資	49,544	89.17	49,904	89.77
– Financial concerns	– 金融企業	13,434	55.49	15,322	63.71
– Stockbrokers	– 股票經紀	4,468	94.34	1,694	70.22
– Wholesale and retail trade	– 批發與零售業	6,273	52.78	7,156	53.63
– Manufacturing	– 製造業	4,390	47.24	3,510	50.49
– Transport and transport equipment	– 運輸與運輸設備	5,441	56.21	4,736	64.85
– Recreational activities	– 娛樂活動	82	70.40	99	71.92
– Information technology	– 資訊科技	676	5.20	655	2.19
– Others	– 其他	19,151	56.85	17,256	58.99
– Sub-total	– 小計	132,497	69.81	125,575	71.36
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	1,383	100.00	1,124	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	87,512	100.00	89,319	100.00
– Credit card advances	– 信用卡墊款	4,043	0.00	4,696	0.00
– Others	– 其他	27,730	85.01	26,599	80.73
– Sub-total	– 小計	120,668	93.20	121,738	91.93
Total loans for use in Hong Kong	在香港使用的貸款總額	253,165	80.96	247,313	81.49
Trade finance	貿易融資	4,427	49.24	3,686	53.24
Loans for use outside Hong Kong*	在香港以外使用的貸款*	256,337	37.78	258,106	41.29
Total advances to customers	客戶墊款總額	513,929	59.15	509,105	60.90

Note: 2019 comparative figures have been restated by reclassifying HK\$28,341 million advances from Others categories to Property development, Property investment and Loans for the purchase of other residential properties categories in the amounts of HK\$1 million, HK\$132 million and HK\$28,208 million respectively in line with the industry sector of the loans and advances.

註：為了更好地反映行業分類的客戶墊款總額及有抵押墊款的類別，若干2019年被歸類在「其他」類別的墊款共港幣283.41億元現已重新分類為「物業發展」、「物業投資」及「購買其他住宅物業的貸款」之類別，分別為港幣100萬元、港幣1.32億元及港幣282.08億元。

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

* 在香港以外使用的貸款包括以下在內地使用的貸款。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020		2019	
		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
		Restated ^(Note) 重報(註)			
Loans for use in PRC	在內地使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	41,344	29.81	41,117	34.72
– Property investment	– 物業投資	13,254	81.47	16,957	90.50
– Financial concerns	– 金融企業	41,107	3.84	32,658	3.43
– Wholesale and retail trade	– 批發與零售業	6,644	40.81	7,771	46.21
– Manufacturing	– 製造業	5,870	12.28	5,556	13.30
– Transport and transport equipment	– 運輸與運輸設備	584	38.04	2,315	73.20
– Recreational activities	– 娛樂活動	71	58.14	560	2.89
– Information technology	– 資訊科技	1,601	0.70	1,326	0.90
– Others	– 其他	13,997	19.62	16,341	27.53
– Sub-total	– 小計	124,472	25.03	124,601	33.14
Individuals	個人				
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	14,180	99.98	13,360	99.97
– Credit card advances	– 信用卡墊款	7,072	0.00	8,631	0.00
– Others	– 其他	14,910	1.84	17,838	1.48
– Sub-total	– 小計	36,162	39.96	39,829	34.20
Total loans for use in PRC	在內地使用的貸款總額	160,634	28.39	164,430	33.40

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

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

Individually impaired loans, as well as relevant information, in respect of industry sectors which constitute 10% or more of total advances to customers are as follows:

(b) 客戶貸款及墊款 – 按行業分類(續)

以下按行業分類並佔客戶墊款總額百分之十或以上的墊款中已個別減值的貸款、以及相關資料如下：

		2020		2019	
		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	642		1,329	
b. Specific provisions	b. 特殊準備	216		257	
c. Collective provisions	c. 整體準備	88		139	
d. New provision charged to income statement	d. 於收益表支銷的準備	324		1,745	
e. Written off	e. 撇銷	284		2,058	
(ii) Property investment	(ii) 物業投資				
a. Individually impaired loans	a. 已個別減值的貸款	2,298		1,076	
b. Specific provisions	b. 特殊準備	702		301	
c. Collective provisions	c. 整體準備	319		289	
d. New provision charged to income statement	d. 於收益表支銷的準備	1,079		1,327	
e. Written off	e. 撇銷	666		1,657	
(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	273		264	
b. Specific provisions	b. 特殊準備	13		19	
c. Collective provisions	c. 整體準備	153		71	
d. New provision charged to income statement	d. 於收益表支銷的準備	200		68	
e. Written off	e. 撇銷	-		6	
(iv) Financial concerns	(iv) 金融企業				
a. Individually impaired loans	a. 已個別減值的貸款	-		48	
b. Specific provisions	b. 特殊準備	-		-	
c. Collective provisions	c. 整體準備	303		101	
d. New provision charged to income statement	d. 於收益表支銷的準備	250		58	
e. Written off	e. 撇銷	-		-	

The specific provisions represent lifetime expected credit loss provisions for credited impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired exposures.

特殊準備指減值信貸風險在合約期內的預期信貸損失準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失準備。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk in accordance with the requirements of Banking (Disclosure) Rules. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. The location of a party is determined by its residence which is the economic territory under whose laws the party is incorporated or registered. This requirement is different from the allocation under segment reporting in Note 24 which is prepared in a manner consistent with the way in which information is reported internally to the Group's Senior Management. The specific provisions represent lifetime expected credit loss provisions for credit impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired exposures.

(c) 客戶貸款及墊款－按區域分類

根據《銀行業(披露)規則》，客戶墊款總額按國家或區域的分類，是根據交易對手的所在地，並已顧及轉移風險因素。一般而言，有關墊款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。一方的所在地由其居住地決定，而該居住地是該締約方註冊或登記的法律所規定的經濟領土。此要求與附註24分部報告的分配不同，後者的編製方法與內部匯報資料予集團高層管理人員的方法是一致的。特殊準備指減值信貸風險在合約期內的預期信貸損失準備及整體準備指非減值信貸風險12個月及合約期內的預期信貸損失準備。

		2020				
		Total	Advances	Impaired	Specific	Collective
		advances to	overdue for	advances to	provisions	provisions
		customers	over three	customers		
			months			
			逾期3個月以上			
		客戶墊款總額	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	262,280	863	1,225	447	423
Mainland China	內地	178,085	1,856	4,992	2,353	1,179
Other Asian Countries and Regions	其他亞洲國家及地區	29,483	80	234	174	55
Others	其他	44,081	14	14	2	226
Total	總額	513,929	2,813	6,465	2,976	1,883
% of total advances to customers	佔客戶墊款總額的百分比			1.26%		
Market value of collateral held against impaired advances to customers	減值客戶墊款抵押品市值			4,801		

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)

		2019				
		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	252,488	391	716	176	396
Mainland China	內地	186,380	1,603	4,997	2,508	533
Other Asian Countries and Regions	其他亞洲國家及地區	30,255	110	156	68	62
Others	其他	39,982	–	320	–	26
Total	總額	509,105	2,104	6,189	2,752	1,017
% of total advances to customers	佔客戶墊款總額的百分比			1.22%		
Market value of collateral held against impaired advances to customers	減值客戶墊款抵押品市值			4,958		

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。上述資料按國家或區域分類，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：

		2020			2019		
		Present value of the minimum lease payments HK\$ Mn 港幣百萬元	Interest income relating to future periods HK\$ Mn 港幣百萬元	Total minimum lease payments HK\$ Mn 港幣百萬元	Present value of the minimum lease payments HK\$ Mn 港幣百萬元	Interest income relating to future periods HK\$ Mn 港幣百萬元	Total minimum lease payments HK\$ Mn 港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	211	60	271	224	70	294
After one year but within two years	1年以後至2年內	174	54	228	196	63	259
After two year but within three years	2年以後至3年內	159	50	209	176	58	234
After three year but within four years	3年以後至4年內	147	47	194	162	53	215
After four years but within five years	4年以後至5年內	146	43	189	159	50	209
After five years	5年以後	1,955	328	2,283	2,142	378	2,520
		2,792	582	3,374	3,059	672	3,731
Less: Impairment allowances	減：減值準備	(16)			(8)		
Net investment in finance leases	融資租賃的淨投資額	2,776			3,051		

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

		2020				
		Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
		強制按通過 損益以反映 公平價值計量	指定為通過 損益以反映 公平價值	按通過 其他全面 收益以反映 公平價值計量	按攤銷成本 計量	總額
		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(包括外匯基金票據) (附註48(a))	-	-	25,828	2,359	28,187
Certificates of deposits held (Note 48(a))	持有存款證(附註48(a))	-	-	1,175	1,065	2,240
Debt securities (Note 48(a))	債務證券(附註48(a))	4,571	-	94,325	12,297	111,193
Equity securities	股份證券	482	-	1,283	-	1,765
Investment funds	投資基金	786	-	-	-	786
		5,839	-	122,611	15,721	144,171
		2019				
		Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
		強制按通過 損益以反映 公平價值計量	指定為通過 損益以反映 公平價值	按通過 其他全面 收益以反映 公平價值計量	按攤銷成本 計量	總額
		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(包括外匯基金票據) (附註48(a))	-	-	35,719	3,008	38,727
Certificates of deposits held (Note 48(a))	持有存款證(附註48(a))	-	-	1,141	1,604	2,745
Debt securities (Note 48(a))	債務證券(附註48(a))	8,095	446	96,268	13,693	118,502
Equity securities	股份證券	1,972	-	1,055	-	3,027
Investment funds	投資基金	513	-	-	-	513
		10,580	446	134,183	18,305	163,514

Debt securities were designated as at FVTPL on initial recognition when the Group held derivatives for managing specific risk of the debt securities, and the designation therefore eliminated or significantly reduced an accounting mismatch that would otherwise arise.

當本集團持有衍生工具以管理債務證券的特定風險時，該等證券會被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Equity securities designated at FVOCI

指定為通過全面收益以反映公平價值的股份證券

	2020		2019	
	Fair value	Dividend income recognised	Fair value	Dividend income recognised
	公平價值	已確認股息收入	公平價值	已確認股息收入
	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
Equity investments held for long-term strategic purposes 持有作長期策略用途的股份投資	1,283	13	1,055	12

As at 31st December, 2020, equity securities designated at FVOCI amounting to HK\$1,283 million (2019: HK\$1,055 million) were held for long-term strategic purposes, of which HK\$1,156 million (2019: HK\$853 million) was attributable to the fair value of the Bank's investment in China UnionPay Co., Ltd. None of these strategic investments was disposed of during 2020 and 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

於2020年12月31日，持有作長期策略用途之指定為通過全面收益以反映公平價值的股份證券金額為港幣12.83億元(2019年：港幣10.55億元)，其中港幣11.56億元(2019年：港幣8.53億元)為本行於中國銀聯股份有限公司之投資的公平價值。在2020及2019年度內沒有出售該等策略投資，亦沒有將該等投資的累計盈利及虧損於股東權益內轉賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

Details of these companies are as follows:

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股份。

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 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
BEA Union Investment Management (Shenzhen) Limited 東亞聯豐投資管理(深圳)有限公司	PRC 中華人民共和國	US\$4,000,000美元		51%	Asset management/ Investment management 資產管理/ 投資管理
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
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

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	
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$ 港幣 10,000 元		100%	Facility management 設施管理
* 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 International Trustees Limited	BVI 英屬處女群島	US\$1,301,000 美元		100%	Trustees service 信託服務
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
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 14,160,000,000 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 less than 0.1% respectively of the related consolidated totals.

Note:

1. Represents a wholly foreign owned enterprise registered under the PRC laws.

* 非由畢馬威會計師事務所審核的公司，其財務報表之資產淨額及收入總額分別佔相關綜合總額的0.6%及低於0.1%。

附註：

1. 指根據中華人民共和國法例註冊由外資全擁有的企業。

32. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES 聯營公司及合資企業投資

		2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Share of net assets	應佔淨資產	9,504	9,579
Goodwill	商譽	477	788
		9,981	10,367
Less: Impairment allowances	減：減值準備	(799)	(397)
		9,182	9,970

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

32. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

聯營公司及合資企業投資(續)

The following list contains only the particulars of principal associates and joint ventures.

以下列載只包括本集團的主要聯營公司及合資企業。

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary share 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	
Associates 聯營公司				
Listed 上市				
AFFIN Bank Berhad	Malaysia 馬來西亞	23.56%		Banking and related financial business 銀行及有關的金融業務
Unlisted 非上市				
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
Shanghai Ctrip Financial Information Services Co., Ltd. 上海攜程金融信息服務有限公司	PRC 中華人民共和國		9.6%	Financial services 金融服務
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

At 31st December, 2020, the fair value of the Group's investment in AFFIN Bank Berhad ("AFFIN") based on the quoted market price had been persistently below the carrying amount for a period of time. As a result, the Group performed an impairment test on the investment using a value-in-use ("VIU") methodology and this demonstrated that the recoverable amount of the investment was HK\$3,648 million. An additional impairment charge of HK\$402 million was recorded in 2020, making an aggregated impairment allowance of HK\$799 million for AFFIN. The VIU calculation uses discounted cash flow projections based on AFFIN's latest forecast of financial results and estimates made by the Group's management for the next five years and extrapolating in perpetuity using a long-term growth rate of 3% to derive a terminal value. Discount rate of 11% (2019: 10.3%), which is based on a Capital Asset Pricing Model calculation for AFFIN, is used in the VIU calculation.

The following table illustrates the impact on VIU of reasonably possible changes to key assumptions. This reflects the sensitivity of the VIU to each key assumption on its own and it is possible that more than one favourable and/or unfavourable change may occur at the same time.

於2020年12月31日，按市場報價的公允價值，本集團對AFFIN Bank Berhad(「AFFIN」)之投資的市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36.48億元。於2020年，額外減值損失為港幣4.02億元，使對AFFIN的減值準備總額達港幣7.99億元。使用價值計算方法使用了集團管理層基於AFFIN最新對財務業績的預測以及對未來五年的估計的折現現金流量預測，並使用3%長期增長率永久性推算得出終端價值。在價值計算方法中使用基於AFFIN的資本資產定價模型計算得出的11%(2019年：10.3%)的折現率。

下表進一步說明主要假設的合理可能變動對使用價值產生的影響。有關資料反映使用價值對各主要假設本身的敏感度。超過一項有利及/或不利變動有可能同時發生。

		Favourable change		Unfavourable change			
		有利變動		不利變動			
		Increase in VIU	VIU	Decrease in VIU	VIU		
		使用價值增加	使用價值	使用價值減少	使用價值		
		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		
At 31st December 2020	於2020年12月31日						
Discount rate	折現率	-50 bps	236	3,884	+50 bps	(210)	3,438
Long-term growth rate	長期增長率	+50 bps	69	3,717	-50 bps	(65)	3,583
Expected cash flows	預計現金流	+10%	365	4,013	-10%	(365)	3,283

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

32. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

聯營公司及合資企業投資(續)

		2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Aggregate information of associates and joint ventures that are not individually material	個別不重大聯營公司及合資企業之總和資料		
Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements	個別不重大聯營公司及合資企業在綜合財務報表之總和賬面值	9,182	9,970
Aggregate amounts of the Group's share of those associates and joint ventures	本集團佔該等聯營公司及合資企業之總和金額		
Profit after tax	源自持續營運溢利	310	622
Other comprehensive income	其他全面收益	288	64
Total comprehensive income	全面收益總額	598	686
Reconciliation of carrying amounts to the Group's total interest in the associates and joint ventures	賬面值與本集團於聯營公司及合資企業的權益對賬		
Carrying amount of material associates and joint ventures	重大聯營公司及合資企業之賬面值	-	-
Carrying amount of individually immaterial associates and joint ventures	個別不重大聯營公司及合資企業之賬面值	9,182	9,970
Interest in associates and joint ventures in the consolidated financial statements	在綜合財務報表中聯營公司及合資企業權益	9,182	9,970

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。

		2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Goodwill	商譽	1,474	1,474
Acquired intangible assets	購入無形資產	438	452
		1,912	1,926

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(a) Goodwill

		2020 HK\$ Mn 港幣百萬元	2019 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
Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

包含商譽的現金生產單位之減值測試
本集團按業務分部分配商譽予可辨識的現金生產單位如下：

		2020 HK\$ Mn 港幣百萬元	2019 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 9.3% (2019: 7.1%) and the long-term growth rate is 2.5% (2019: 2.4%).

用於計算使用價值的折扣率為9.3% (2019年：7.1%) 及長期增長率為2.5% (2019年：2.4%)。

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

(b) Intangible assets (other than goodwill)

Intangible assets consist of building naming rights only. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(r)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(b) 無形資產(商譽除外)

無形資產只包括建築物命名權。無形資產按成本減除累計攤銷及減值損失列賬(附註2(r))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

命名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		2020	2019
		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	1,402	1,403
Exchange adjustments	匯兌調整	2	(1)
At 31st December	於12月31日	1,404	1,402
Accumulated amortisation	累計攤銷		
At 1st January	於1月1日	(295)	(282)
Amortisation charge for the year (Note 14)	年度內攤銷(附註14)	(14)	(14)
Exchange adjustments	匯兌調整	(1)	1
At 31st December	於12月31日	(310)	(295)
Impairment allowance	減值準備		
At 1st January	於1月1日	(655)	(655)
Charge for the year	年度內支銷	(2)	-
Exchange adjustments	匯兌調整	1	-
At 31st December	於12月31日	(656)	(655)
Carrying amount at 31st December	於12月31日賬面值	438	452

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

34. FIXED ASSETS 固定資產

		2020							
		Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	使用權資產 – 行址	使用權資產 – 傢俬、裝修及設備	小計	總額
		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
Cost or valuation	成本或估值								
At 1st January, 2020	於2020年1月1日	5,333	8,160	5,962	14,122	1,457	23	1,480	20,935
Additions	增置	-	105	494	599	233	4	237	836
Revaluation deficit	重估虧損	(301)	-	-	-	-	-	-	(301)
Disposals	出售	-	-	(247)	(247)	-	-	-	(247)
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))	-	57	-	57	-	-	-	57
Transfer from bank premises to investment properties	由行址轉入投資物業	79	(79)	-	(79)	-	-	-	-
Transfer from investment properties to bank premises	由投資物業轉入行址	(151)	151	-	151	-	-	-	-
Expiry/termination of lease contracts	到期/終止租賃合約	-	-	-	-	(172)	(2)	(174)	(174)
Less: Elimination of accumulated depreciation on revalued bank premises	減: 抵銷行址重估的累計折舊	-	(9)	-	(9)	-	-	-	(9)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	-	(34)	(14)	(48)	-	-	-	(48)
Exchange adjustments	匯兌調整	1	244	116	360	31	1	32	393
At 31st December, 2020	於2020年12月31日	4,961	8,595	6,311	14,906	1,549	26	1,575	21,442
Accumulated depreciation and amortisation	累計折舊及攤銷								
At 1st January, 2020	於2020年1月1日	-	2,049	4,166	6,215	388	4	392	6,607
Charge for the year (Note 14)	年度內支銷(附註14)	-	149	407	556	419	6	425	981
Expiry/termination of lease contracts	到期/終止租賃合約	-	-	-	-	(151)	(1)	(152)	(152)
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	-	(9)	-	(9)	-	-	-	(9)
Written off on disposal	出售時撇銷	-	-	(209)	(209)	-	-	-	(209)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	-	(13)	(5)	(18)	-	-	-	(18)
Exchange adjustments	匯兌調整	-	78	85	163	14	-	14	177
At 31st December, 2020	於2020年12月31日	-	2,254	4,444	6,698	670	9	679	7,377
Net book value at 31st December, 2020	賬面淨值於2020年12月31日	4,961	6,341	1,867	8,208	879	17	896	14,065
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	-	7,847	6,311	14,158	1,549	26	1,575	15,733
At Directors' valuation – 1989	按董事估值 – 1989年	-	748	-	748	-	-	-	748
At professional valuation – 2020	按專業估值 – 2020年	4,961	-	-	-	-	-	-	4,961
		4,961	8,595	6,311	14,906	1,549	26	1,575	21,442

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

34. FIXED ASSETS (CONTINUED) 固定資產(續)

		2019							
		Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	使用權資產 – 行址	使用權資產 – 傢俬、裝修及設備	小計	總額
		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
Cost or valuation	成本或估值								
At 1st January, 2019	於2019年1月1日	5,249	8,237	5,523	13,760	-	-	-	19,009
Impact of adopting HKFRS 16	實施《香港財務報告》第16號的影響	-	-	-	-	1,099	9	1,108	1,108
Restated balance at 1st January, 2019	於2019年1月1日重報後結餘	5,249	8,237	5,523	13,760	1,099	9	1,108	20,117
Additions	增置	-	43	579	622	374	14	388	1,010
Revaluation deficit	重估虧損	(33)	-	-	-	-	-	-	(33)
Disposals	出售	-	(23)	(115)	(138)	-	-	-	(138)
Revaluation surplus on bank premises upon transfer to investment properties (Note 43(b))	行址重估盈餘轉入投資物業(附註43(b))	-	99	-	99	-	-	-	99
Transfer from bank premises to investment properties	由行址轉入投資物業	118	(118)	-	(118)	-	-	-	-
Remeasurement	重新計量	-	-	-	-	(3)	-	(3)	(3)
Termination of lease contracts	終止租賃合約	-	-	-	-	(11)	-	(11)	(11)
Less: Elimination of accumulated depreciation on revalued bank premises	減：抵銷行址重估的累計折舊	-	(8)	-	(8)	-	-	-	(8)
Transfer to asset classified as assets held for sale	轉至分類為持有待售資產	-	(6)	-	(6)	-	-	-	(6)
Exchange adjustments	匯兌調整	(1)	(64)	(25)	(89)	(2)	-	(2)	(92)
At 31st December, 2019	於2019年12月31日	5,333	8,160	5,962	14,122	1,457	23	1,480	20,935
Accumulated depreciation and amortisation	累計折舊及攤銷								
At 1st January, 2019	於2019年1月1日	-	1,933	3,911	5,844	-	-	-	5,844
Charge for the year (Note 14)	年度內支銷(附註14)	-	154	376	530	393	4	397	927
Termination of lease contracts	終止租賃合約	-	-	-	-	(3)	-	(3)	(3)
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	-	(8)	-	(8)	-	-	-	(8)
Written off on disposal	轉至分類為持有待售出售資產	-	(7)	(101)	(108)	-	-	-	(108)
Transfer to asset classified as assets held for sale	出售時撇銷	-	(2)	-	(2)	-	-	-	(2)
Exchange adjustments	匯兌調整	-	(21)	(20)	(41)	(2)	-	(2)	(43)
At 31st December, 2019	於2019年12月31日	-	2,049	4,166	6,215	388	4	392	6,607
Net book value at 31st December, 2019	賬面淨值於2019年12月31日	5,333	6,111	1,796	7,907	1,069	19	1,088	14,328
The gross amounts of the above assets are stated:	上述資產的總額列示如下：								
At cost	按成本	-	7,393	5,962	13,355	1,457	23	1,480	14,835
At Directors' valuation – 1989	按董事估值 – 1989年	-	767	-	767	-	-	-	767
At professional valuation – 2019	按專業估值 – 2019年	5,333	-	-	-	-	-	-	5,333
		5,333	8,160	5,962	14,122	1,457	23	1,480	20,935

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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未按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

第一級估值：	釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。
第二級估值：	釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。
第三級估值：	釐定公平價值採用重要的非可觀察參數。

	Fair value at 31st December, 2020 於2020年12月31日 之公平價值 HK\$ Mn 港幣百萬元	Fair value measurements as at 31st December, 2020 categorised into 於2020年12月31日釐定公平價值之分類		
		Level 1 第一級 HK\$ Mn 港幣百萬元	Level 2 第二級 HK\$ Mn 港幣百萬元	Level 3 第三級 HK\$ Mn 港幣百萬元
Recurring fair value measurement	重覆發生的公平價值釐定			
Investment properties	投資物業			
Commercial – Hong Kong	商業 – 香港	4,947	–	4,947
Commercial – Others	商業 – 其他	14	–	14
		4,961	–	4,961

	Fair value at 31st December, 2019 於2019年12月31日 之公平價值 HK\$ Mn 港幣百萬元	Fair value measurements as at 31st December, 2019 categorised into 於2019年12月31日釐定公平價值之分類		
		Level 1 第一級 HK\$ Mn 港幣百萬元	Level 2 第二級 HK\$ Mn 港幣百萬元	Level 3 第三級 HK\$ Mn 港幣百萬元
Recurring fair value measurement	重覆發生的公平價值釐定			
Investment properties	投資物業			
Commercial – Hong Kong	商業 – 香港	5,319	–	5,319
Commercial – Others	商業 – 其他	14	–	14
		5,333	–	5,333

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

34. FIXED ASSETS (CONTINUED) 固定資產(續)

Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

During the years ended 31st December, 2020 and 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2020 and 2019.

Investment properties in Hong Kong were valued at HK\$4,947 million (2019: HK\$5,319 million) as at 31st December, 2020 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, 2020 and it was performed on an open market value basis. Details of valuation techniques are described below:

(ii) Information about Level 3 fair value measurement of properties

Investment properties
投資物業

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.

物業公平價值之釐定(續)

(i) 公平價值分級(續)

截至2020年及2019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報告期末公平價值分級之間發生的轉移。

於2020年及2019年12月31日，所有本集團的投資物業均由獨立估值師估價。

於2020年12月31日，香港投資物業的估值為港幣49.47億元(2019年：港幣53.19億元)。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2020年12月31日之賬項內。估值模式詳述如下：

(ii) 有關第三級釐定公平價值的物業

Valuation techniques	Unobservable input
估值模式	非可觀察輸入參數
Income capitalisation approach 收入還原法	Expected market rental 預期市場租金
	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)

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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.

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 year in the balance of these Level 3 fair value measurements are as follows:

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。

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。

年內該等第三級公平價值釐定之餘額變動如下：

		2020		2019	
		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		5,319		5,234
Transfer from bank premises to investment properties	由行址轉入投資物業		79		118
Transfer from investment properties to bank premises	由投資物業轉入行址		(151)		–
Revaluation deficit	重估虧損		(300)		(33)
At 31st December	於12月31日		4,947		5,319
Investment properties – Commercial – Others					
At 1st January	投資物業—商業—其他 於1月1日		14		15
Revaluation deficit	重估虧損		(1)		–
Exchange adjustments	匯兌調整		1		(1)
At 31st December	於12月31日		14		14

Fair value adjustment of investment properties is recognised in the line item “valuation losses on investment properties” on the face of the consolidated income statement.

All the gains recognised in the income statement for the year arise from the properties held at the end of the reporting period.

投資物業的公平價值調整在綜合收益表上之「重估投資物業虧損」項下確認。

所有確認於年度收益表之盈利均源自於報告期末持有之物業。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

34. FIXED ASSETS (CONTINUED) 固定資產(續)

Fair value measurement of properties (continued)

(ii) Information about Level 3 fair value measurement of properties (continued)

The net book value of bank premises and investment properties comprises:

物業公平價值之釐定(續)

(ii) 有關第三級釐定公平價值的物業(續)

行址及投資物業的賬面淨值包括：

		2020		2019	
		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	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	622	14	618
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)	4,166	1,752	4,585	1,612
On medium-term lease (10 – 50 years)	中期租約(10至50年)	780	1,173	734	1,153
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	-	13
On medium-term lease (10 – 50 years)	中期租約(10至50年)	-	2,763	-	2,692
On short-term lease (below 10 years)	短期租約(10年以下)	-	17	-	23
		4,961	6,341	5,333	6,111

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income receivable from investment properties held for use under operating leases amounted to HK\$154 million in 2020 (2019: HK\$175 million). There was no contingent rental recognised during the year 2020 (2019: Nil).

本集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

於年內，以經營租賃形式租出的投資物業之應收租金為港幣1.54億元(2019年：港幣1.75億元)。於2020年內未有確認或有租金(2019年：無)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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：

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Within one year	1年以內	102	130
After one year but within two years	1年以後至2年內	60	46
After two years but within three years	2年以後至3年內	23	14
After three years but within four years	3年以後至4年內	-	1
After four years but within five years	4年以後至5年內	-	-
After five years	5年以後	-	-
		185	191

35. OTHER ASSETS 其他資產

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Accrued interest	應計利息	2,488	3,034
Customer liabilities under acceptances	承兌客戶負債	17,333	21,513
Other accounts*	其他賬項*	13,437	11,318
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(185)	(195)
– Stage 1	– 第一階段	(14)	(44)
– Stage 2	– 第二階段	(3)	(7)
– Stage 3	– 第三階段	(168)	(144)
		33,073	35,670
Assets held for sale (Note 56)	持有作出售資產(附註56)	26,657	39
		59,730	35,709

* Include nil contract assets (2019: 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(2019年：無)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Deposits and balances of banks	銀行的存款及結餘	5,442	3,182
Certificates of deposits issued	已發行存款證	24,494	27,401
Debt securities issued	已發行債務證券	155	-
		30,091	30,583

Financial liabilities above have been designated as at FVTPL when the Group holds related derivatives at FVTPL, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The amount of change, during the year 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.

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。

年內及累計結餘，下表列示指定為通過損益以反映公平價值的金融負債的公平價值變動及在其他全面收益表內確認的金額，而該變動是歸屬於該等負債的信貸風險。

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Balance at 1st January	於1月1日結餘	(7)	(3)
Recognised in other comprehensive income during the year	年內在其他全面收益表內確認的金額	(29)	(4)
Deferred tax	遞延稅項	4	-
Balance at 31st December	於12月31日結餘	(32)	(7)

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during the year (2019: Nil).

The change in fair value attributable to changes in credit risk on financial liabilities is calculated using the difference between the fair value of the financial liabilities at the reporting date and the present value computed with adjusted asset swap spread.

The carrying amount of financial liabilities designated as at FVTPL was HK\$2 million lower than the contractual amount due at maturity (2019: HK\$164 million lower).

年內(2019年:無)並未有指定為通過損益以反映公平價值的負債被終止確認，亦未有將其累計盈利或虧損在股東權益內轉賬。

計算可歸屬於金融負債信貸風險的公平價值變動是採用近期發行相同債務的可觀察信用利差，然後根據集團實體稍後所發行高級債務的信用違約掉期之可觀察利差變動作調整。

於2020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200萬元(2019年:低於港幣1.64億元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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：

		2020	2019
		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	531	1,024
Provisional profits tax paid	已付暫繳利得稅	(661)	(22)
		(130)	1,002
Balance of profits tax provision relating to prior years	以往年度利得稅準備餘額	635	945
Taxation outside Hong Kong	在香港以外稅項	119	156
		624	2,103

(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：

		2020						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
		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
Deferred tax arising from:								
遞延稅項源自：								
At 1st January, 2020	於2020年1月1日	326	111	(1,227)	206	(334)	(61)	(979)
Charged/(credited) to income statement (Note 18(a))	收益表內支銷/(存入)(附註18(a))	20	-	(96)	-	(178)	(141)	(395)
Charged/(credited) to reserves (Notes 43(b), (g) and (i))	儲備內支銷/(存入)(附註43(b)、(g)及(i))	-	4	-	(86)	-	(4)	(86)
Transfer to assets held for sale (Note 56)	轉至持有作出售資產(附註56)	(1)	-	-	-	-	-	(1)
Exchange and other adjustments	匯兌及其他調整	-	-	(64)	2	(28)	(11)	(101)
At 31st December, 2020	於2020年12月31日	345	115	(1,387)	122	(540)	(217)	(1,562)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

37. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

財務狀況表內的所得稅(續)

(b) Deferred tax assets and liabilities recognised (continued)

(b) 遞延稅項資產及負債確認(續)

		2019						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
Deferred tax arising from:					通過其他全面收益以反映			
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	公平價值金融資產重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2019	於2019年1月1日	289	113	(675)	74	-	201	2
Charged/(credited) to income statement (Note 18(a))	收益表內支銷/(存入) (附註18(a))	38	-	(570)	-	(338)	(293)	(1,163)
Charged/(credited) to reserves (Notes 43(b), (g) and (i))	儲備內支銷/(存入) (附註43(b)、(g)及(i))	-	(2)	-	132	-	-	130
Exchange and other adjustments	匯兌及其他調整	(1)	-	18	-	4	31	52
At 31st December, 2019	於2019年12月31日	326	111	(1,227)	206	(334)	(61)	(979)

		2020	2019
		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	(2,022)	(1,563)
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	460	584
		(1,562)	(979)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$118 million (2019: HK\$107 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:

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Expiring within 5 years	於五年內到期	19	10
No expiry date	無到期日	99	97
		118	107

(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1.18億元(2019年：港幣1.07億元)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：

38. OTHER LIABILITIES 其他負債

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Accrued interest payable	應計應付利息	1,852	3,585
Acceptance draft payable	應付承兌票據	17,333	21,513
Impairment allowances (Note 45(a)(x))	減值準備(附註45(a)(x))	72	82
– Financial guarantee contracts issued	– 已發出財務擔保合約	14	8
– Loan commitments issued	– 已發出貸款承擔	58	74
Liabilities held for sale (Note 56)	持有作出售負債(附註56)	26,864	–
Lease Liabilities	租賃負債	936	1,107
Other accounts*	其他賬項*	12,902	30,012
		59,959	56,299

* Include contract liabilities of HK\$612 million (2019: HK\$616 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6.12億元(2019年：港幣6.16億元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

39. LOAN CAPITAL 借貸資本

		2020		2019	
		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)	-	(1)	4,699
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	(2)	3,911	(2)	3,864
Subordinated notes at amortised cost without hedging	按攤銷成本列賬及並未對沖的後償票據				
RMB1,500 million fixed rate subordinated notes due 25th April, 2029	在2029年4月25日到期的定息人民幣15億元後償票據	(3)	1,778	(3)	1,675
USD600 million fixed rate subordinated notes due 29th May, 2030	在2030年5月29日到期的定息6億美元後償票據	(4)	4,622	(4)	-
			10,311		10,238

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, 2020 and 2019.

截至2020及2019年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

- (1) Loan capital of face value of HK\$4,672 million (USD600 million) and carrying amount of HK\$4,699 million as at 31st December, 2019 represents subordinated notes carrying a coupon rate of 6.125% p.a. qualifying as Tier 2 capital issued on 16th July, 2010 and 23rd July, 2010 by the Bank. The Bank has fully redeemed the subordinated notes on 16th July, 2020. The notes were under fair value hedge accounting and hedge ineffectiveness of HK\$2 million loss was recorded in 2020.
- (1) 於2019年12月31日，票面值港幣46.72億元(6億美元)及賬面值港幣46.99億元的借貸資本，是指由本行於2010年7月16日及於2010年7月23日發行年息6.125%，並評定為二級資本的後償票據。本行於2020年7月16日全數贖回該等後償票據。在2020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200萬元。
- (2) Loan capital of face value of HK\$3,876 million (USD500 million) and carrying amount of HK\$3,911 million (2019: HK\$3,864 million) represents subordinated notes (under the Euro Medium Term Note Programme) carrying a coupon rate of 4% p.a. qualifying as Tier 2 capital issued on 3rd November, 2016 by the Bank. The notes are listed on the Hong Kong Stock Exchange and with maturity on 3rd November, 2026 and callable on 3rd November, 2021. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$0.1 million profit was recorded in 2020 (2019: HK\$0.3 million loss).
- (2) 票面值港幣38.76億元(5億美元)及賬面值港幣39.11億元(2019年：港幣38.64億元)的借貸資本，是指由本行於2016年11月3日發行年息4%，並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於聯交所上市，並將於2026年11月3日到期，可於2021年11月3日贖回。在2020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10萬元(2019年：港幣30萬元虧損)。
- (3) Loan capital of face value of HK\$1,780 million (RMB1,500 million) and carrying amount of HK\$1,778 million (2019: HK\$1,675 million) represents subordinated notes carrying a coupon of 4.94% p.a. issued on 25th April, 2019 by the Bank's subsidiary, The Bank of East Asia (China) Limited. The notes are with maturity on 25th April, 2029 and callable on 24th April, 2024.
- (3) 票面值港幣17.80億元(人民幣15億元)及賬面值港幣17.78億元(2019年：港幣16.75億元)的借貸資本，是指由本行附屬公司東亞中國於2019年4月25日發行年息4.94%。該等票據將於2029年4月25日到期，可於2024年4月24日贖回。
- (4) Loan capital of face value of HK\$4,651 million (USD600 million) and carrying amount of HK\$4,622 million represents subordinated notes carrying a coupon of 4% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 29th May, 2020 by the Bank. The notes are listed on the Hong Kong Stock Exchange and with maturity on 29th May, 2030 and callable on 29th May, 2025.
- (4) 票面值港幣46.51億元(6億美元)及賬面值港幣46.22億元的借貸資本，是指由本行於2020年5月29日發行年息4%，並評定為二級資本及符合吸收虧損能力之要求。該等票據於聯交所上市，並將於2030年5月29日到期，可於2025年5月29日贖回。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

40. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Director(s) and Co-Chief Executives, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under the 2011 Scheme and 2016 Scheme may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情授出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。除有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

(a) Particulars of share options:

(i) Share options granted in years 2012 to 2019:

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
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45

(ii) Share options granted in year 2020:

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
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

(a) 認股權詳情：

(i) 在2012年至2019年所授予的認股權：

(ii) 在2020年所授予的認股權：

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)

(b) The number and weighted average exercise prices of share options are as follows:

		2020		2019	
		Weighted average exercise price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 Million 百萬	Weighted average exercise price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 Million 百萬
Outstanding at the beginning of the year	年初結餘	30.49	40	31.78	38
Exercised during the year	年內行使	-	-	-	-
Granted during the year	年內授予	16.58	5	22.45	6
Lapsed during the year	年內失效	29.93	(7)	31.02	(4)
Outstanding at the end of the year	年末結餘	28.64	38	30.49	40
Exercisable at the end of the year	年末可供行使	31.41	28	31.78	28

There were no share options exercised during the year 2020 and 2019.

The options outstanding at 31st December, 2020 had an exercise price from HK\$16.58 to HK\$34.15 (2019: from HK\$22.45 to HK\$34.15) and a weighted average remaining contractual life of 3.28 years (2019: 3.60 years).

(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.

(b) 已行使認股權的數目及加權平均行使價如下：

於2020年及2019年並無認股權被行使。

於2020年12月31日，尚未行使認股權的行使價由港幣16.58元至港幣34.15元(2019年：由港幣22.45元至港幣34.15元)，及剩餘合約年期之加權平均數為3.28年(2019年：3.60年)。

(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。

		2020	2019
Fair value at measurement date	於計量日的公平價值		
- Tranche 1	- 部分1	HK\$ 港幣 3.08 元	HK\$ 港幣 2.85 元
- Tranche 2	- 部分2	HK\$ 港幣 3.03 元	HK\$ 港幣 2.80 元
- Tranche 3	- 部分3	HK\$ 港幣 2.87 元	HK\$ 港幣 2.65 元
Share price at measurement date	於計量日的股價	HK\$ 港幣 16.58 元	HK\$ 港幣 22.45 元
Exercise price	行使價	HK\$ 港幣 16.58 元	HK\$ 港幣 22.45 元
Expected volatility	預計波幅	30.62%	24.00%
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	9.40%-11.25%	8.95%-10.10%
Risk-free interest rate (based on Hong Kong Government Bonds)	無風險利率(根據香港政府債券)	0.66%-0.68%	1.34%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The expected volatility is based on the historic volatility and the expected dividends are based on historical dividends prior to grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

預計波幅是根據過往之波幅及按在發行日前過往股息的預計股息。主觀輸入假設的變動可能重大影響公平價值的估計。

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.

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

		2020		2019	
		No. of shares		No. of shares	
		股份數目	股份數目	股份數目	股份數目
		Million 百萬	HK\$ Mn 港幣百萬元	Million 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	2,907	41,379	2,846	39,925
Shares issued in lieu of dividend	以股代息發行的股份	10	178	61	1,454
At 31st December	於12月31日	2,917	41,557	2,907	41,379

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under 2011 and 2016 Scheme will be exercisable during the period beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。除在有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

Shares issued under Staff Share Option Schemes

There were no options exercised during the year 2020 and 2019.

根據僱員認股權計劃發行的股份

於2020年及2019年並無認股權被行使。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

42. ADDITIONAL EQUITY INSTRUMENTS 額外股本工具

		2020		2019	
		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	
USD500 million undated non-cumulative subordinated capital securities (2)	5 億美元無到期日非累積後償資本證券 (2)	3,878		3,878	
USD650 million undated non-cumulative subordinated capital securities (3)	6.50 億美元無到期日非累積後償資本證券 (3)	5,069		5,069	
USD650 million undated non-cumulative subordinated capital securities (4)	6.50 億美元無到期日非累積後償資本證券 (4)	5,021		-	
		13,968		13,963	

(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 5.5% coupon until the first call date 2nd December, 2020. The Bank has fully redeemed on 2nd December, 2020.

(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 Additional Tier 1 Capital Securities from 18th May, 2022 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

(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」及附帶5.5%息率直至2020年12月2日的第一次收回日。本行於2020年12月2日全數贖回。

(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撤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撤銷。

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額外一級資本工具，但須受已列載之條款及細則所規限。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

- (3) On 19th September, 2019, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,069 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.875% coupon until the first call date on 19th September, 2024. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 4.257% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

The first scheduled coupon payment date was 19th March, 2020 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding Additional Tier 1 Capital Securities from 19th September, 2024 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

- (4) On 21st October, 2020, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,021 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.825% coupon until the first call date on 21st October, 2025. 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 5.527% 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 will be 21st April, 2021 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 Additional Tier 1 Capital Securities from 21st October, 2025 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

- (3) 於2019年9月19日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.69億元)無到期日非累積後償資本證券。該額外一級資本證券是無到期日及附帶5.875%息率，直至2024年9月19日的第一次收回日。如該額外一級資本證券並非按相等於當時五年期美國庫券息率加年息4.257%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本證券將會被撤銷。該額外一級資本證券在發生清盤事件時比普通股有優先權。

第一次既定派息日為2020年3月19日，每半年派發一次。本行可自行決定是否取消支付利息(受限於發行額外一級資本證券所載規則及條款的要求)及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息于普通股股東。

如金管局認為及通知本行如不撤銷額外一級資本證券之本金將無法經營，本行將按金管局的指示或與金管局共同協商後得出之金額，本行須將該金額從額外一級資本證券之本金中撤銷。

由2024年9月19日或往後任何利息支付日，本行可行使贖回權以贖回所有額外一級資本證券之結餘，但受限於所訂立的規則及條款。

- (4) 於2020年10月21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50.21億元)無到期日非累積後償資本證券。該額外一級資本證券是無到期日及附帶5.825%息率，直至2025年10月21日的第一次收回日。如該額外一級資本證券並非按相等於當時五年期美國庫券息率加年息5.527%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本證券將會被撤銷。該額外一級資本證券在發生清盤事件時比普通股有優先權。

第一次既定派息日為2021年4月21日，每半年派發一次。本行可自行決定是否取消支付利息(受限於發行額外一級資本證券所載規則及條款的要求)及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息于普通股股東。

如金管局通知本行並認為本行如不撤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撤銷。

由2025年10月21日或往後任何利息支付日，本行可行使贖回權以贖回所有資本證券之結餘，但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			
		2020		2019		2020		2019	
		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	13,651		14,054		13,465		13,460	
	Transferred from property revaluation reserve on disposals 出售後轉自物業重估儲備	6		5		6		5	
	Transfer to retained profits 撥入留存溢利	-		(408)		-		-	
	At 31st December 於12月31日	13,657		13,651		13,471		13,465	
(b)	Revaluation reserve on bank premises (b) 行址重估儲備								
	At 1st January 於1月1日	1,848		1,752		1,857		1,761	
	Recognition of deferred tax assets/(liabilities) (Note 37(b)) 確認遞延稅項資產/(負債) (附註37(b))	(4)		2		(4)		2	
	Transferred to general reserve on disposals 出售後轉入一般儲備	(6)		(5)		(6)		(5)	
	Revaluation surplus on bank premises transferred to investment properties (Note 34) 行址重估盈餘轉入投資物業 (附註34)	57		99		44		99	
	At 31st December 於12月31日	1,895		1,848		1,891		1,857	
(c)	Statutory reserves (c) 法定儲備								
	At 1st January 於1月1日	5,247		4,965		-		-	
	Transfer (to)/from retained profits (撥入)/撥自留存溢利	(192)		282		-		-	
	At 31st December 於12月31日	5,055		5,247		-		-	
(d)	Capital reserve (d) 資本儲備								
	At 1st January 於1月1日	1,090		933		-		-	
	Transfer (to)/from retained profits (撥入)/撥自留存溢利	(195)		157		-		-	
	At 31st December 於12月31日	895		1,090		-		-	
(e)	Exchange revaluation reserve (e) 匯兌重估儲備								
	At 1st January 於1月1日	(1,629)		(1,426)		43		(3)	
	Exchange adjustments 匯兌調整	1,930		(203)		119		46	
	At 31st December 於12月31日	301		(1,629)		162		43	
(f)	Capital reserve (f) 資本儲備								
	- staff share options issued - 已發行僱員認股權								
	At 1st January 於1月1日	163		158		163		158	
	Forfeited options transferred to retained profits 已註銷認股權轉入留存溢利	(17)		(18)		(17)		(18)	
	Additions 增加	11		23		11		23	
	At 31st December 於12月31日	157		163		157		163	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		The Group 集團		The Bank 銀行	
		2020	2019	2020	2019
		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				
	At 1st January	2,331	664	1,600	605
	Changes in fair value of securities	667	2,091	(20)	1,119
	Reversal upon disposal	(618)	(285)	67	4
	Recognition of deferred tax assets/(liabilities) (Note 37(b))	86	(132)	41	(121)
	Amortisation	(1)	(7)	(1)	(7)
	At 31st December	2,465	2,331	1,687	1,600
(h)	Hedging reserve				
	At 1st January	1	15	-	-
	Changes in fair value of hedging instruments	2	(5)	-	-
	Fair value change reclassified to income statement	(3)	(9)	-	-
	At 31st December	-	1	-	-
(i)	Liability credit reserve				
	At 1st January	(7)	(3)	(7)	(50)
	Changes in fair value arising from changes in own credit risk	(29)	(4)	(29)	43
	Recognition of deferred tax assets/(liabilities) (Note 37(b))	4	-	4	-
	At 31st December	(32)	(7)	(32)	(7)
(j)	Other reserves				
	At 1st January	100	(2)	-	-
	Share of changes in equity of associates and joint ventures	(17)	102	-	-
	At 31st December	83	100	-	-

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	
		2020	2019	2020	2019
		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	31,133	30,791	22,346	18,934
Net profit for the year	年度內溢利	3,614	3,260	4,516	6,120
Transfer from general reserve	撥自一般儲備	-	408	-	-
Transfer from/(to) capital reserve	撥自/(撥入)資本儲備	195	(157)	-	-
Transfer from capital reserve	撥自資本儲備				
- staff share options issued	- 已發行僱員認股權	17	18	17	18
Transfer from/(to) statutory reserve	撥自/(撥入)法定儲備	192	(282)	-	-
Redemption of Additional Tier 1 capital instruments	贖回額外一級股本工具	(24)	-	(24)	-
Dividends (Note 20)	股息(附註20)				
- Interim dividend	- 中期股息	(466)	(319)	(466)	(319)
- Second interim dividend in respect of prior years	- 上年度第二次中期股息	(1,017)	(910)	(1,017)	(910)
- Special dividend in respect of prior years	- 上年度特別股息	-	(996)	-	(996)
- Hybrid Tier 1 capital instruments	- 混合一級資本工具	-	(179)	-	-
- Additional Tier 1 capital instruments	- 額外一級資本工具	(792)	(501)	(792)	(501)
At 31st December	於12月31日	32,852	31,133	24,580	22,346
(l) Total reserves	(l) 儲備總額	57,328	53,928	41,916	39,467

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', associates' and joint ventures' reserves.

資本儲備指附屬公司、聯營公司及合資企業投資儲備的資本化發行。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(y)(iv).

Fair value reserve comprises the cumulative net change in the fair value of FVOCI securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(h).

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

Liability credit reserve includes the cumulative changes in the fair value of the financial liabilities designated as at FVTPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss.

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2020, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$1,762 million (2019: HK\$5,162 million).

At 31st December, 2020 the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$33,759 million (2019: HK\$28,003 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.24 per ordinary share (2019: HK\$0.35 per share), amounting to HK\$700 million (2019: HK\$1,017 million). The dividend has not been recognised as a liability at the end of the reporting period.

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(y)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

公平價值儲備包括持有通過全面收益以反映公平價值證券直至證券被終止確認的累計公平價值變動淨額。有關處理的會計政策已詳載於附註2(h)。

對沖儲備包括用作現金流對沖工具的有關對沖交易之累計公平價值變動淨額的有效部分。

負債信貸儲備包括指定通過損益以反映公平價值金融負債的累計公平價值變動。而有關於該等負債引致的信貸風險變動並非在收益表內確認。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款及投資減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2020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17.62億元(2019年：港幣51.62億元)。

於2020年12月31日，可派發予本行股東的儲備總額為港幣337.59億元(2019年：港幣280.03億元)。在報告期末後董事宣布派發第二次中期股息每股普通股港幣0.24元(2019年：每股港幣0.35元)，總額達港幣7億元(2019年：港幣10.17億元)。於報告期末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

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	368	2,855
Final dividend in respect of previous year	上年度末期股息	(53)	(52)
Change of ownership in subsidiaries	附屬公司之擁有權變動	556	3
Redemption of Hybrid Tier 1 capital instruments	贖回混合一級資本工具	-	(2,495)
Other comprehensive income	其他全面收益	1	(19)
Profit for the year	年度內溢利	71	76
At 31st December	於12月31日	943	368

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT 主要風險管理

This section presents information on the Group's management of principal risks.

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

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

The RC also ensures that the Group's risk appetite is reflected in the policies and procedures that Senior Management adopts to execute their business functions. Through the Group's management committees, including Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – and with overall co-ordination by the Risk Management Division – the RC 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, Risk Management Committee, 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 relevant areas.

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

本部分載述有關本集團主要風險管理的資料。

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

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

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

危機管理委員會、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，旨在全面有效地識別及管理潛在風險。本集團作為一間本地系統重要性銀行，金管局對本集團在風險管理方面有著高標準要求。風險管理架構協助本集團達到要求以及鞏固「三道防線」風險管理模式。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

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

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

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

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

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. The Group’s major risk management policies and control limits are approved by the Board and are reviewed and enhanced on a regular basis to cater for market changes, statutory requirements, and best practice in risk management processes. The Board has delegated the responsibility for ongoing risk management to the RC and the management committees. Significant risk management-related issues must be reported to the Board, which oversees risk management, through the RC. 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.

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

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

本集團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、聲譽風險、策略性風險、法律風險、合規風險、科技風險、持續業務運作風險及新產品及業務風險。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並定期予以檢討及改善，以配合市場轉變、法定要求，以及達致風險管理程序的最佳做法。董事會已將持續管理風險的責任授予風險委員會及有關的管理委員會。與重要風險管理相關的事項須經由風險委員會上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督與集團風險管理相關的事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Stress testing is an integral part of the Group's risk management. The Group regularly performs stress tests on the principal risks, where appropriate, to assess the potential impact of stressed business conditions (including hypothetical situations such as a significant economic downturn in Mainland China and Hong Kong) on the Group's financial positions, in particular, capital adequacy, profitability, and liquidity. Whenever necessary, a prompt management response will be developed and executed to mitigate potential impacts.

(a) Credit risk management

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet its obligations.

The Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies and carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

The Group has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit underwriting criteria, credit monitoring processes, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practice in risk management processes.

壓力測試為本集團風險管理的重要部分。本集團在適當情況下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，尤其是資本充足性、盈利能力及流動性的潛在影響。有需要時，管理層亦會及時制定並執行應對措施以減低潛在影響。

(a) 信貸風險管理

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報信貸風險。在此方面，本集團已將信貸風險管理指引詳列於集團的信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，及達致風險管理程序的最佳做法。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

The Group's credit risk management for the major types of credit risk is depicted as follows:

(i) Corporate and financial institutions 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 customers' background, credit behaviours 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 financial institutions credit risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

(a) 信貸風險管理(續)

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及金融機構信貸風險

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客戶背景、信貸行為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

本集團採用企業及金融機構信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(v) Master netting arrangements

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

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

(v) 淨額結算總安排

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

		2020				
		Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position 於綜合財務 狀況表中 抵銷之 已確認金融 資產總額 HK\$ Mn 港幣百萬元	Net amounts of financial assets presented in the consolidated statement of financial position 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	Related financial instruments that are not set off 未有於 相關金融 工具中抵銷 之金額 HK\$ Mn 港幣百萬元	Net amount 淨額 HK\$ Mn 港幣百萬元	
Assets	資產					
Derivative assets	衍生工具資產	52	-	52	29	
Other assets	其他資產	1,124	(1,071)	53	53	
Total	總額	1,176	(1,071)	105	82	

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)

		2020				
		Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount	
		於綜合財務狀況表中抵銷之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	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	
Liabilities	負債					
Derivative liabilities	衍生工具負債	77	-	77	54	
Other liabilities	其他負債	1,071	(1,071)	-	-	
Total	總額	1,148	(1,071)	77	54	
		2019				
		Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount	
		於綜合財務狀況表中抵銷之已確認金融資產總額	於綜合財務狀況表中列示的金融資產淨額	未有於相關金融工具中抵銷之金額	淨額	
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
Assets	資產					
Derivative assets	衍生工具資產	35	-	35	16	
Other assets	其他資產	854	(422)	432	432	
Total	總額	889	(422)	467	448	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2019				Net amount 淨額 HK\$ Mn 港幣百萬元
		Gross amounts of recognised financial liabilities 已確認金融 負債總額 HK\$ Mn 港幣百萬元	Gross amounts of recognised financial assets set off in the consolidated statement of financial position 於綜合財務 狀況表中 抵銷之 已確認金融 資產總額 HK\$ Mn 港幣百萬元	Net amounts of financial liabilities presented in the consolidated statement of financial position 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	Related financial instruments that are not set off 未有於 相關金融 工具中抵銷 之金額 HK\$ Mn 港幣百萬元	
Liabilities	負債					
Derivative liabilities	衍生工具負債	23	-	23	(19)	4
Other liabilities	其他負債	422	(422)	-	-	-
Total	總額	445	(422)	23	(19)	4

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。

		2020		2019	
		Derivative assets 衍生工具資產 HK\$ Mn 港幣百萬元	Other assets 其他資產 HK\$ Mn 港幣百萬元	Derivative assets 衍生工具資產 HK\$ Mn 港幣百萬元	Other assets 其他資產 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	52	53	35	432
Financial assets not in scope of offsetting disclosure	不在披露範疇的金融資產	8,007	59,862	5,658	35,472
Impairment allowances	減值準備	-	(185)	-	(195)
		8,059	59,730	5,693	35,709

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)

	2020				2019			
	Derivative liabilities		Other liabilities		Derivative liabilities		Other liabilities	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net amount of financial liabilities after offsetting as stated above			77	-	23			-
Financial liabilities not in scope of offsetting disclosure			12,939	59,959	7,631			56,299
			13,016	59,959	7,654			56,299

(vi) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's credit portfolio is diversified along geographic, industry and product sectors. For analysis of loans and advances to customers by industry sectors and geographical areas, please refer to Notes 29(b) and 29(c) respectively.

The Group monitors its credit concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(a) 信貸風險管理(續)

(v) 淨額結算總安排(續)

(vi) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。有關按行業分類及區域分類的客戶貸款及墊款，請分別參閱附註29(b)及29(c)。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(vii) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

(vii) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

		2020	2019
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Cash and balances with banks	現金及在銀行的結存	55,237	50,297
Placements with and advances to banks	在銀行的存款及墊款	66,849	62,280
Trade bills	貿易票據	11,793	12,081
Trading assets	交易用途資產	309	90
Derivative assets	衍生工具資產	8,059	5,693
Loans and advances to customers	客戶貸款及墊款	509,070	505,336
Investment securities	投資證券	141,620	159,974
Other assets	其他資產	54,754	35,461
Financial guarantees contracts	財務擔保合約	23,531	7,882
Loan commitments	貸款承擔	196,730	236,782
		1,067,952	1,075,876

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality analysis

Credit quality of loans and advances

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

(a) 信貸風險管理(續)

(viii) 信貸質素分析

貸款及墊款的信貸質素

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面總額。

		2020						Total 總額	
		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			
		Accrued Principal	Accrued interest	Accrued Principal	Accrued interest	Accrued Principal	Accrued interest		
本金	應計利息	本金	應計利息	本金	應計利息	Principal	interest		
HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn		
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元		
Loans and advances to customers at amortised cost	按攤銷成本的客戶貸款 及墊款								
- Grades 1 - 15: Pass	- 1 - 15 級: 合格	482,325	819	17,485	42	-	-	499,810	861
- Grades 16 - 17: Special Mention	- 16 - 17 級: 需要關注	-	-	7,654	23	-	-	7,654	23
- Grade 18: Substandard	- 18 級: 次級	-	-	-	-	3,953	3	3,953	3
- Grade 19: Doubtful	- 19 級: 呆滯	-	-	-	-	2,370	96	2,370	96
- Grade 20: Loss	- 20 級: 虧損	-	-	-	-	142	3	142	3
Total gross carrying amount	賬面值總額	482,325	819	25,139	65	6,465	102	513,929	986
Impairment allowances	減值準備	(845)	(4)	(1,038)	(3)	(2,976)	(49)	(4,859)	(56)
Carrying amount	賬面值	481,480	815	24,101	62	3,489	53	509,070	930

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2019							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
		Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
		本金 HK\$ Mn 港幣百萬元	應計利息 HK\$ Mn 港幣百萬元	本金 HK\$ Mn 港幣百萬元	應計利息 HK\$ Mn 港幣百萬元	本金 HK\$ Mn 港幣百萬元	應計利息 HK\$ Mn 港幣百萬元	本金 HK\$ Mn 港幣百萬元	應計利息 HK\$ Mn 港幣百萬元
Loans and advances to customers at amortised cost	按攤銷成本的客戶貸款 及墊款								
- Grades 1 – 15: Pass	- 1 – 15級:合格	477,603	998	14,257	58	-	-	491,860	1,056
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	-	11,056	52	-	-	11,056	52
- Grade 18: Substandard	- 18級:次級	-	-	-	-	4,757	46	4,757	46
- Grade 19: Doubtful	- 19級:呆滯	-	-	-	-	1,314	99	1,314	99
- Grade 20: Loss	- 20級:虧損	-	-	-	-	118	5	118	5
Total gross carrying amount	賬面值總額	477,603	998	25,313	110	6,189	150	509,105	1,258
Impairment allowances	減值準備	(501)	(1)	(516)	(2)	(2,752)	(32)	(3,769)	(35)
Carrying amount	賬面值	477,102	997	24,797	108	3,437	118	505,336	1,223

Credit quality of financial assets other than loans and advances

The following tables set out the credit analysis for financial assets other than loans and advances to customers, measured at amortised cost and FVOCI. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts/fair value. For loan commitment and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

除貸款及墊款外的金融資產的信貸質素

下表載列除貸款及墊款外並按攤銷成本及通過其他全面收益以反映公平價值計量的債務工具的信貸分析。除特別指明者外，就金融資產而言，表格內的金額為賬面總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

		2020							
		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
Trade bills at amortised cost	按攤銷成本的貿易票據								
- Grades 1 – 15: Pass	- 1 – 15級:合格	367	-	-	-	-	-	367	-
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	-	5	-	-	-	5	-
- Grade 18: Substandard	- 18級:次級	-	-	-	-	-	-	-	-
- Grade 19: Doubtful	- 19級:呆滯	-	-	-	-	-	-	-	-
- Grade 20: Loss	- 20級:虧損	-	-	-	-	-	-	-	-
Total gross carrying amount	賬面總額	367	-	5	-	-	-	372	-
Impairment allowances	減值準備	(3)	-	-	-	-	-	(3)	-
Carrying amount	賬面值	364	-	5	-	-	-	369	-
		2019							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Trade bills at amortised cost	按攤銷成本的貿易票據								
- Grades 1 – 15: Pass	- 1 – 15級:合格	620	4	-	-	-	-	620	4
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	-	-	-	-	-	-	-
- Grade 18: Substandard	- 18級:次級	-	-	-	-	-	-	-	-
- Grade 19: Doubtful	- 19級:呆滯	-	-	-	-	-	-	-	-
- Grade 20: Loss	- 20級:虧損	-	-	-	-	-	-	-	-
Total gross carrying amount	賬面總額	620	4	-	-	-	-	620	4
Impairment allowances	減值準備	-	-	-	-	-	-	-	-
Carrying amount	賬面值	620	4	-	-	-	-	620	4

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020							
		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		Total 總額	
		Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息
		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	HK\$ Mn 港幣百萬元
	按通過其他全面收益 以反映公平價值的 貿易票據								
Trade bills at FVOCI									
- Grades 1 – 15: Pass	- 1 – 15級:合格	11,056	-	361	-	-	-	11,417	-
- Grade 18: Substandard	- 18級:次級	-	-	-	-	7	-	7	-
Total carrying amount at fair value	賬面值總額-按公平價值	11,056	-	361	-	7	-	11,424	-
Impairment allowances	減值準備	(3)	-	(1)	-	-	-	(4)	-

		2019							
		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		Total 總額	
		Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息
		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	HK\$ Mn 港幣百萬元
	按通過其他全面收益 以反映公平價值的 貿易票據								
Trade bills at FVOCI									
- Grades 1 – 15: Pass	- 1 – 15級:合格	10,927	1	534	-	-	-	11,461	1
Total carrying amount at fair value	賬面值總額-按公平價值	10,927	1	534	-	-	-	11,461	1
Impairment allowances	減值準備	(3)	-	(1)	-	-	-	(4)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素
(續)

		2020							
		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	在銀行的存款及墊款								
- Grades 1 - 15: Pass	- 1 - 15級:合格	66,852	12	-	-	-	-	66,852	12
Total gross carrying amount	賬面值總額	66,852	12	-	-	-	-	66,852	12
Impairment allowances	減值準備	(3)	-	-	-	-	-	(3)	-
Carrying amount	賬面值	66,849	12	-	-	-	-	66,849	12
		2019							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Placements with and advances to banks	在銀行的存款及墊款								
- Grades 1 - 15: Pass	- 1 - 15級:合格	62,285	88	-	-	-	-	62,285	88
Total gross carrying amount	賬面值總額	62,285	88	-	-	-	-	62,285	88
Impairment allowances	減值準備	(5)	-	-	-	-	-	(5)	-
Carrying amount	賬面值	62,280	88	-	-	-	-	62,280	88

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020			
		12-month ECL	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	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	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
Loan commitments	貸款承擔				
- Grades 1 – 15: Pass	- 1 – 15級:合格	187,734	7,621	-	195,355
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	1,431	-	1,431
- Grade 18: Substandard	- 18級:次級	-	-	2	2
Total	總額	187,734	9,052	2	196,788
Impairment allowances	減值準備	(40)	(16)	(2)	(58)
Financial guarantee contracts	財務擔保合約				
- Grades 1 – 15: Pass	- 1 – 15級:合格	21,608	1,788	-	23,396
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	148	-	148
- Grade 18: Substandard	- 18級:次級	-	-	1	1
Total	總額	21,608	1,936	1	23,545
Impairment allowances	減值準備	(12)	(2)	-	(14)
2019 Restated 重報					
		12-month ECL	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	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	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
Loan commitments	貸款承擔				
- Grades 1 – 15: Pass	- 1 – 15級:合格	224,246	12,351	-	236,597
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	246	-	246
- Grade 18: Substandard	- 18級:次級	-	-	13	13
Total	總額	224,246	12,597	13	236,856
Impairment allowances	減值準備	(51)	(23)	-	(74)
Financial guarantee contracts	財務擔保合約				
- Grades 1 – 15: Pass	- 1 – 15級:合格	7,048	713	-	7,761
- Grades 16 – 17: Special Mention	- 16 – 17級:需要關注	-	129	-	129
Total	總額	7,048	842	-	7,890
Impairment allowances	減值準備	(5)	(3)	-	(8)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

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

Credit risk of treasury transactions is managed in the same way as the Group 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)

除貸款及墊款外的金融資產的信貸質素(續)

資金交易的信貸風險管理方法，與本集團管理其企業及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

		2020							
		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	
		Principal	Accrued	Principal	Accrued	Principal	Accrued	Principal	Accrued
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities at amortised cost	按攤銷成本的債務投資證券								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	3,187	-	-	-	-	-	3,187	-
A1 to A3	A1至A3	3,938	65	-	-	-	-	3,938	65
Baa1 to Baa3	Baa1至Baa3	2,036	16	-	-	-	-	2,036	16
Below Baa3	Baa3以下	1,193	24	-	-	-	-	1,193	24
Unrated	無評級	5,436	50	-	-	-	-	5,436	50
Total gross carrying amount	賬面值總額	15,790	155	-	-	-	-	15,790	155
Impairment allowances	減值準備	(69)	(1)	-	-	-	-	(69)	(1)
Carrying amount	賬面值	15,721	154	-	-	-	-	15,721	154
Debt investment securities at amortised cost classified as assets held for sale	按攤銷成本的債務投資證券分類為持有作出售資產								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	11	-	-	-	-	-	11	-
A1 to A3	A1至A3	998	8	-	-	-	-	998	8
Baa1 to Baa3	Baa1至Baa3	1,009	12	-	-	-	-	1,009	12
Below Baa3	Baa3以下	31	1	-	-	-	-	31	1
Unrated	無評級	62	1	-	-	-	-	62	1
Total gross carrying amount	賬面值總額	2,111	22	-	-	-	-	2,111	22
Impairment allowances	減值準備	(7)	-	-	-	-	-	(7)	-
Carrying amount	賬面值	2,104	22	-	-	-	-	2,104	22

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2019							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities at amortised cost	按攤銷成本的債務投資證券								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	3,078	1	-	-	-	-	3,078	1
A1 to A3	A1至A3	5,144	78	-	-	-	-	5,144	78
Baa1 to Baa3	Baa1至Baa3	2,703	30	-	-	-	-	2,703	30
Below Baa3	Baa3以下	844	13	804	14	-	-	1,648	27
Unrated	無評級	5,778	65	28	-	-	-	5,806	65
Total gross carrying amount	賬面值總額	17,547	187	832	14	-	-	18,379	201
Impairment allowances	減值準備	(73)	(1)	(1)	-	-	-	(74)	(1)
Carrying amount	賬面值	17,474	186	831	14	-	-	18,305	200

		2020							
		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
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities at FVOCI	通過其他全面收益以反映公平價值的債務投資證券								
Aaa	Aaa	8,415	9	-	-	-	-	8,415	9
Aa1 to Aa3	Aa1至Aa3	21,163	7	-	-	-	-	21,163	7
A1 to A3	A1至A3	49,729	744	-	-	-	-	49,729	744
Baa1 to Baa3	Baa1至Baa3	35,515	336	-	-	-	-	35,515	336
Below Baa3	Baa3以下	246	5	-	-	-	-	246	5
Unrated	無評級	6,260	71	-	-	-	-	6,260	71
Total carrying amount at fair value	賬面值總額—按公平價值	121,328	1,172	-	-	-	-	121,328	1,172
Impairment allowances	減值準備	(201)	(2)	-	-	-	-	(201)	(2)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

		2020							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities at FVOCI classified as assets held for sale	通過其他全面收益以反映公平價值的債務投資證券分類為持有作出售資產								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	133	-	-	-	-	-	133	-
A1 to A3	A1至A3	9,187	60	-	-	-	-	9,187	60
Baa1 to Baa3	Baa1至Baa3	9,416	89	-	-	-	-	9,416	89
Below Baa3	Baa3以下	167	4	-	-	-	-	167	4
Unrated	無評級	156	2	29	-	-	-	185	2
Total carrying amount at fair value	賬面值總額—按公平價值	19,059	155	29	-	-	-	19,088	155
Impairment allowances	減值準備	(72)	-	-	-	-	-	(72)	-
		2019							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities at FVOCI	通過其他全面收益以反映公平價值的債務投資證券								
Aaa	Aaa	6,577	8	-	-	-	-	6,577	8
Aa1 to Aa3	Aa1至Aa3	29,487	6	-	-	-	-	29,487	6
A1 to A3	A1至A3	50,602	714	102	2	-	-	50,704	716
Baa1 to Baa3	Baa1至Baa3	37,326	375	-	-	-	-	37,326	375
Below Baa3	Baa3以下	461	5	505	7	-	-	966	12
Unrated	無評級	7,414	81	654	15	-	-	8,068	96
Total carrying amount at fair value	賬面值總額—按公平價值	131,867	1,189	1,261	24	-	-	133,128	1,213
Impairment allowances	減值準備	(282)	(3)	(3)	-	-	-	(285)	(3)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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。

		2020		2019	
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
Debt investment securities	債務投資證券				
Aaa	Aaa	-		-	
Aa1 to Aa3	Aa1 至 Aa3	-		1,341	
A1 to A3	A1 至 A3	171		1,061	
Baa1 to Baa3	Baa1 至 Baa3	4,279		5,221	
Below Baa3	Baa3 以下	-		-	
Unrated	無評級	121		918	
Total carrying amount at fair value		4,571		8,541	
Debt investment securities classified as assets held for sale	債務投資證券分類為持有作出售資產				
Aaa	Aaa	-		-	
Aa1 to Aa3	Aa1 至 Aa3	-		-	
A1 to A3	A1 至 A3	77		-	
Baa1 to Baa3	Baa1 至 Baa3	976		-	
Below Baa3	Baa3 以下	219		-	
Unrated	無評級	-		-	
Total carrying amount at fair value		1,272		-	

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

下表載列作交易用途債務投資證券的信貸分析。

		2020		2019	
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
Debt investment securities	債務投資證券				
Aaa	Aaa	-		-	
Aa1 to Aa3	Aa1 至 Aa3	-		-	
A1 to A3	A1 至 A3	309		90	
Baa1 to Baa3	Baa1 至 Baa3	-		-	
Below Baa3	Baa3 以下	-		-	
Unrated	無評級	-		-	
Total carrying amount at fair value		309		90	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

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

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

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Derivative assets	衍生工具資產				
Aa1 to Aa3	Aa1 至 Aa3		53		92
A1 to A3	A1 至 A3		4,590		1,937
Baa1 to Baa3	Baa1 至 Baa3		1,259		1,731
Below Baa3	Baa3 以下		264		347
Unrated	無評級		1,893		1,586
Total carrying amount at fair value	賬面值總額—按公平價值		8,059		5,693

Cash and balances with banks

At 31st December, 2020, the Group held cash and balances with banks of HK\$56,396 million (2019: HK\$51,534 million), of which 99% (2019: 96%) of cash and balances with banks 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)

除貸款及墊款外的金融資產的信貸質素(續)

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。

現金及在銀行的結存

於2020年12月31日，本集團持有現金及在銀行的結存為港幣563.96億元(2019年：港幣515.34億元)。基於穆迪投資服務或相當的評級，其中99%(2019年：96%)的現金及在銀行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 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.

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.

Internal Credit risk grade 內部信用風險等級	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.

(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。

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。

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)

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	穆迪：年度違約研究之公司的違約率和恢復率
Sovereign exposures 主體風險承擔	Moody's: Sovereign default and recovery rates 穆迪：主權債務的違約率和恢復率

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 forecasts of economic index relevant to the portfolio.

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 using the parameters suggested by BASEL or statistical model based on historical data.

(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)

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。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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 significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Also, being Special-mention under HKMA classification is also an indicator of significant increase in credit risk.

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, property price index, interest rate and other economic indicators specific to particular portfolio.

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。此外，在金管局貸款分類制度下成為需要關注貸款也表明信貸風險顯著增加。

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、房地產價格指數、利率及特定投資組合的其他經濟指標。

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)

Incorporating forward-looking information into the measurement of ECLs (continued)

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 and monetary authorities in the regions/countries where the Group operates. The Group also takes reference from forecasts by international agencies and private sector analysts as far as possible to formulate a more objective forecast, while taken into account the current domestic and international economic developments, and changes in local economic policies. Autoregressive econometric model is applied as a tool to forecast the equity and property prices movements in the regions/countries concerned.

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.

(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)

整合前瞻性資料以作估算預期信貸損失(續)

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。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Baseline Scenario – Hong Kong

The coronavirus outbreak in early 2020 continued to be the major drag of Hong Kong's economy. The volatile pandemic situation severely deterred the normalization of social and economic activities, and left retail spending and tourism reeling.

Looking forward, we estimate that real GDP will rebound and grow at 4% in 2021, after suffering from a severe virus-led slump in 2020, after mass vaccination programme starts and the pandemic situation gradually subsides. Meanwhile, inflation is expected to be moderate at 1.5%, while the unemployment rate is expected to gradually trend downwards from the 2020 peak, though it will take a considerable time to return to pre-crisis level.

The exports sector shall be driven by economic growth in Mainland China, and optimism fueled by vaccine development, which will also shore up investment and consumer sentiment. Although the US-China relationship shall continue to be confrontational and most anti-China policies would still be in place, the new US government shall focus more on reviving its virus-hit economy, while China will continue to open up its economy. This shall give a breathing space for Hong Kong's economy.

Residential property prices have been resilient, supported by supply shortage and low interest rates. The epidemic's heavy toll on the economy and labour market has only led to a slight correction in property prices. Interest rates will continue to be low as the market generally believes the US Federal Reserve to maintain the current loose monetary policies at least until 2023. Together with the chronic shortage of land supply in the short run, residential property prices shall remain resilient in the foreseeable future.

Baseline Scenario – Mainland China

Since the second half of 2020, China's economic recovery is in firm footing. The industrial and exports sector is the first to lead the rebound, while consumer activities and domestic demand subsequently gained momentum.

Looking ahead, on the external front, mass adoption of coronavirus vaccines is expected to be able to lift the European and US economies from downturns. This will boost global demand and thus Chinese exports. At the same time, the new US administration is unlikely to withdraw policies targeting China in the near term, but it is expected to refrain from rolling out more restrictions. This shall be a good news to China. Overall, we expect China's economy to grow at 8.6% in 2021 because of the economic recovery and a low baser of comparison, and stabilize at 5.3% in 2022.

For the housing market, it has been holding up well throughout the year. Prices continued with an upward trend, while sales of residential buildings and real estate investment has been strong. Yet higher house prices have alerted government over a high leveraging problem in the market. As such, the central government shall continue to aim at stabilizing the housing price, which is therefore expected to rise with a decelerating trend.

基準情景—香港

香港經濟主要受到2020年初爆發的新冠狀病毒疫情所拖累。疫情反覆，大大阻礙社會和經濟活動正常化的步伐，使零售消費及旅遊業陷入困境。

展望未來，我們預測經濟在2020年因疫情而重挫後，隨着群眾開始接種疫苗，以及疫情開始緩和，經濟在2021年將反彈，並錄得4%增長。通脹率將在1.5%的溫和水平，失業率則從2020年的高位逐步回落。然而，我們相信失業率需要一段頗長的時間，才能回復到疫情前的水平。

香港出口將受惠於中國內地經濟增長穩定，以及對疫苗研發和推出的樂觀情緒，這亦會支持投資和消費者信心。展望未來，中美之間關係仍然會充滿爭拗，針對中國的措施相信仍然在短期內會維持。然而，美國政府應會首先集中刺激災後經濟，而中國將更加致力開放市場。這將為香港經濟帶來喘息空間。

在供應不足和低利率的支持下，住宅樓價表現強韌。疫情爆發對經濟造成沉重打擊，勞動市場顯著惡化，但樓價僅出現輕微調整。由於市場普遍預期美國聯儲局至少在2023年之前維持寬鬆的貨幣政策，香港利率將繼續保持低位。加上短期內土地供應仍然短缺，樓價在可見將來仍會持續表現強韌。

基準情景—內地

自2020年下半年開始，中國經濟穩步復甦。工業及出口首先反彈，隨後消費活動及國內需求亦開始重回升軌。

展望未來，於國外層面，新冠肺炎疫苗的大規模接種將會提振本來陷入負增長的歐洲及美國經濟，並刺激全球需求及中國出口。同時，美國新政府上場，短期內不太可能取消針對中國的措施，但有望避免進一步對中國實施更多限制，對中國是一個利好消息。整體來說，由於經濟復甦及2020年的低基數效應，我們預計中國的經濟將在2021年增長8.6%，至2022年則穩定增長5.3%。

房地產市場方面，住宅市場全年表現良好。房價繼續呈上升趨勢，而住宅銷售和房地產投資強勁。然而，房價持續向上，使政府關注市場的高槓桿問題。因此，中央政府會繼續致力維持房價穩定。因此，我們預期房價將持續上升，然而增幅將會減慢。

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)

Forecast of Key Macroeconomic Indicators (3 years average (2021 – 2023))

(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)

主要宏觀經濟指標預測(3年平均(2021–2023))

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	4.9%	8.2%
	Property Price Index (Compounded annual growth rate) 房地產價格指數(複合年均增長率)	4.2%	5.6%
	Unemployment Rate 失業率	3.1%	3.8%
	3-month Interest Rate 3個月期利率	2.3%	4.4%
Baseline 基準情景	Real GDP (YoY growth) 國內生產總值增長	2.4%	6.5%
	Property Price Index (Compounded annual growth rate) 房地產價格指數(複合年均增長率)	0.0%	3.4%
	Unemployment Rate 失業率	4.4%	3.9%
	3-month Interest Rate 3個月期利率	0.5%	3.2%
Pessimistic 悲觀情景	GDP (YoY growth) 國內生產總值增長	-1.0%	4.2%
	Property Price Index (Compounded annual growth rate) 房地產價格指數(複合年均增長率)	-9.8%	-5.4%
	Unemployment Rate 失業率	7.0%	4.1%
	3-month Interest Rate 3個月期利率	0.4%	1.8%

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 type of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 31st December at transaction level. Transfers between different stages of ECL are deemed to occur at the beginning of the year and therefore amounts transferred net to zero. The re-measurement of ECL resulting from a change in ECL stage is reported under the ECL stage in which they are transferred to.

Explanations of 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.

(x) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至12月31日期間交易層面的狀況。預期信貸損失不同階段之間的轉撥被視為於年初發生，故金額轉撥淨額為零。因預期信貸損失階段轉變而引致的重新計量預期信貸損失會記於其所轉撥的預期信貸損失階段項下。

關於12個月內之預期信貸損失、合約期內之預期信貸損失及信貸不良的解釋見附註2。

		2020				
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		
		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	信貸不良的 合約期內之 預期信貸損失	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
Loans and advances to customers 客戶貸款及墊款						
Balance at 1st January	於1月1日的結餘	502	518	2,784	3,804	
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	23	(23)	-	-	
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)	12	(4)	-	
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	(5)	(68)	73	-	
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	324	344	364	1,032	
Write-offs	撤銷	-	-	(4,172)	(4,172)	
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)	13	258	3,980	4,251	
Balance at 31st December	於12月31日的結餘	849	1,041	3,025	4,915	
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))	845	1,038	2,976	4,859	
For related accrued interest receivable (Note 35)	就相關應收應計利息(附註35)	4	3	49	56	
		849	1,041	3,025	4,915	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

(a) 信貸風險管理(續)

(x) 減值準備對賬(續)

		2019		Total 總額
		Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	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	
Loans and advances to customers	客戶貸款及墊款			
Balance at 1st January	於1月1日的結餘	432	859	2,543
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	60	(60)	-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之 預期信貸損失	(20)	45	(25)
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之 預期信貸損失	(49)	(268)	317
New financial assets originated or purchased, assets derecognised, repayments and further lending	源生或購入之新金融資產、 撤銷確認資產、還款及 進一步貸款	208	2	640
Write-offs	撤銷	-	-	(5,674)
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額 (包括外匯調整)	(129)	(60)	6,274
Balance at 31st December	於12月31日的結餘	502	518	2,784
Of which:	其中:			
For advance to customers at amortised cost (Note 29(a))	就按攤銷成本的客戶墊款 (附註29(a))	501	516	2,752
For related accrued interest receivable (Note 35)	就相關應收應計利息 (附註35)	1	2	32
		502	518	2,784

The contractual amount outstanding on loans and advances to customers that were written off during the year ended 31st December 2020 and 2019 and that are still subject to enforcement activity are HK\$2,032 million and HK\$455 million respectively.

在截至2020年及2019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分別為港幣20.32億元及港幣4.55億元。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020							
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired					
		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		信貸不良的 合約期內之 預期信貸損失		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
Debt investment securities	債務投資證券								
Balance at 1st January	於1月1日的結餘	359		4		-		363	
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 investment	源生或購入之新金融資產、撤銷確認資產、還款及進一步投資	12		(4)		-		8	
Write-offs	撤銷	-		-		-		-	
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)	(19)		-		-		(19)	
Transfer to assets held for sale	轉至持有作出售資產	(79)		-		-		(79)	
Balance at 31st December	於12月31日的結餘	273		-		-		273	
Of which:	其中：								
For debt investment securities at amortised cost	就按攤銷成本的債務投資證券	69		-		-		69	
For related accrued interest receivable (Note 35)	就相關應收應計利息(附註35)	1		-		-		1	
		70		-		-		70	
For debt investment securities at FVOCI	就按通過其他全面收益以反映公平價值的債務投資證券	201		-		-		201	
For related accrued interest receivable	就相關應收應計利息	2		-		-		2	
		203		-		-		203	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

(a) 信貸風險管理(續)

(x) 減值準備對賬(續)

		2019		Total 總額
		Lifetime ECL not credit-impaired 12-month ECL 12個月內之 預期信貸損失 HK\$ Mn 港幣百萬元	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	
Debt investment securities	債務投資證券			
Balance at 1st January	於1月1日的結餘	354	7	361
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	-	-	-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	-	-	-
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	-	-	-
New financial assets originated or purchased, assets derecognised, repayments and further investment	源生或購入之新金融資產、撤銷確認資產、還款及進一步投資	44	1	45
Write-offs	撤銷	-	-	-
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	(39)	(4)	(43)
Balance at 31st December	於12月31日的結餘	359	4	363
Of which:	其中:			
For debt investment securities at amortised cost	就按攤銷成本的債務投資證券	73	1	74
For related accrued interest receivable (Note 35)	就相關應收應計利息(附註35)	1	-	1
		74	1	75
For debt investment securities at FVOCI	就按通過其他全面收益以反映公平價值的債務投資證券	282	3	285
For related accrued interest receivable	就相關應收應計利息	3	-	3
		285	3	288

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

按通過其他全面收益以反映公平價值的債務投資證券的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值的債務投資證券的賬面值是其公平價值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020				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	HK\$ Mn 港幣百萬元
Others	其他					
Balance at 1st January	於1月1日的結餘	115	32	112	259	
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	2	(2)	-	-	
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(1)	1	-	-	
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	-	-	-	-	
New financial assets originated or purchased, assets derecognised and repayments	源生或購入之新金融資產、撤銷確認資產及還款	(23)	(10)	4	(29)	
Write-offs	撤銷	-	-	(4)	(4)	
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)	(4)	(2)	9	3	
Balance at 31st December	於12月31日的結餘	89	19	121	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	3	1	-	4	
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	
		3	1	-	4	
For trade bills at amortised cost (Note 27)	就按攤銷成本的貿易票據(附註27)	3	-	-	3	
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	
		3	-	-	3	
For placements with and advances to banks (Note 26)	就在銀行的存款及墊款(附註26)	3	-	-	3	
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	
		3	-	-	3	
For cash and balances with banks (Note 25)	就現金及在銀行的結存(附註25)	19	-	-	19	
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	
		19	-	-	19	
For loan commitments and financial guarantee contracts (Note 38)	就貸款承擔和財務擔保合約(附註38)	52	18	2	72	
For account receivables and other accounts (Note 35)	就應收賬款及其他賬項(附註35)	9	-	119	128	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

(a) 信貸風險管理(續)

(x) 減值準備對賬(續)

		2019				
		12-month ECL		Lifetime ECL		Total
		not credit-impaired	credit-impaired	not credit-impaired	credit-impaired	
		非信貸不良的	信貸不良的	非信貸不良的	信貸不良的	
		合約期內之	合約期內之	合約期內之	合約期內之	
		預期信貸損失	預期信貸損失	預期信貸損失	預期信貸損失	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Others	其他					
Balance at 1st January	於1月1日的結餘	114	47	68		229
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	3	(3)	-		-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(1)	1	-		-
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	-	-	-		-
New financial assets originated or purchased, assets derecognised and repayments	源生或購入之新金融資產、撤銷確認資產及還款	5	2	47		54
Write-offs	撤銷	-	-	(1)		(1)
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	(6)	(15)	(2)		(23)
Balance at 31st December	於12月31日的結餘	115	32	112		259
Of which:	其中:					
For trade bills at FVOCI	就按通過其他全面收益以反映公平價值的貿易票據	3	1	-		4
For related accrued interest receivable	就相關應收應計利息	-	-	-		-
		3	1	-		4
For trade bills at amortised cost (Note 27)	就按攤銷成本的貿易票據(附註27)	-	-	-		-
For related accrued interest receivable	就相關應收應計利息	-	-	-		-
		-	-	-		-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2019				
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total
		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	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
For placements with and advances to banks (Note 26)	就在銀行的存款及墊款 (附註26)	5	-	-	-	5
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	-
		5	-	-	-	5
For cash and balances with banks (Note 25)	就現金及在銀行的結存 (附註25)	9	-	-	-	9
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	-
		9	-	-	-	9
For loan commitments and financial guarantee contracts (Note 38)	就貸款承擔和財務擔保合約 (附註38)	56	26	-	-	82
For account receivables and other accounts (Note 35)	就應收賬款及其他賬項 (附註35)	42	5	112	-	159

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)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(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 loans and advances to banks, except when securities are held as part of sale and 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 gross 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.

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.

(a) 信貸風險管理(續)

(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。除持有用作回購及證券借貸活動的抵押品外，在銀行的結存及存款，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。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Market risk management

Market risk is the risk arising from adverse movements in market rates and prices such as interest rates, foreign exchange rates, equity prices, debt security prices and commodity prices, which result in potential losses for the Group. The aim in managing market risk is to reduce the Group's exposure to the volatility inherent in market factors.

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. Market risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk. The Internal Audit Division performs periodic reviews to ensure that the market risk management functions are performed effectively.

The use of derivatives for trading and the sale of derivatives to customers as risk management products are integral parts of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange, and equity-related contracts, in the form of both over-the-counter derivatives and exchange-traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of market risk that must be managed are:

(i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing (including derivatives), commercial banking operations, and structural foreign currency exposures. The Group's non-structural foreign currency exposures are denominated in major currencies, particularly USD and RMB. All foreign currency positions are managed within limits approved by the Board and the Asset and Liability Management Committee.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from value-at-risk measurements, as related gains or losses are taken to reserves. Such foreign currency positions are held with the intention of hedging any adverse effect, partially or totally, of exchange rate movements on the capital adequacy ratio. The Group seeks to match its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

(b) 市場風險管理

市場風險是指因市場價格，例如利率、匯率、股票價格、債務證券價格及商品價格的不利變動而導致本集團有機會出現虧損的風險。市場風險管理旨在減少市場因素的波動為本集團帶來的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。市場風險由集團的資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。稽核處會進行定期審查，以確保市場風險管理職能得到有效執行。

透過衍生工具進行自營交易及向客戶出售衍生工具以用作風險管理產品，為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團必須管理的主要市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外匯風險以主要貨幣計值，當中以美元及人民幣為主。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利或虧損因為已撥入儲備，所以未計算在風險值內。此等結構性外幣持倉的主要目的，是對沖因匯率變動而對本集團資本充足比率產生的部分或全部不利影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

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)

(i) Currency risk (continued)

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:

	2020			2019		
	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	16,503	2,376	(12,883)	15,550	2,281	(12,365)

(ii) Interest rate risk in trading book

The Group's trading interest rate positions arise from treasury and dynamic hedging of retail and commercial banking activities. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives. For the interest rate risk management of the Group's banking book positions, please refer to Note 45(e).

(iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of customer-driven business. Equity risk is managed daily by the Investment Department within the limits approved by the Board, Investment Committee, or the Asset and Liability Management Committee.

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board approves the core control limits and has delegated the authority to set detailed control limits to the Asset and Liability Management Committee. Risk, return, and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from the risk-taking activities of the Group to ensure that market risk exposures are within the Group's risk tolerance levels. Risk exposures are monitored frequently to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of VaR. VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, assuming that positions are held unchanged over a certain horizon time period.

(b) 市場風險管理(續)

(i) 貨幣風險(續)

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零售及商業銀行業務的動態對沖。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。就管理本集團銀行賬冊持倉的利率風險而言，請參閱附註 45(e)。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團進行風險活動時所產生的相關市場風險，確保其市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度假設於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The Group estimates VaR for the Group's trading portfolio by the historical simulation approach, where the VaR is calculated by revaluing the portfolio for each of the market movement scenarios obtained from the historical observation period. This methodology uses movements in market rates and prices over a one-day holding period with a 99% confidence level under a two-year observation period.

The market value of listed shares, the fair value of private equity funds and unlisted equities (collectively the "Unlisted Securities"), are subject to limits and these are managed by the Investment Department of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Asset and Liability Management Committee.

Value-at-risk statistics

		2020			
		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	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險值總額	30	37	23	30
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	6	12	4	6
VaR for interest rate trading positions	利率交易持倉的風險值	1	4	1	1
VaR for equity trading positions	股份交易持倉的風險值	24	27	18	24

		2019			
		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	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險值總額	25	38	25	30
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	6	16	4	9
VaR for interest rate trading positions	利率交易持倉的風險值	1	5	1	3
VaR for equity trading positions	股份交易持倉的風險值	20	25	19	21

* 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。

本集團通過歷史模擬法評估本集團交易組合的風險值，其按從歷史觀察期中截獲的每個市場波動情景對有關組合進行重新估值以計算風險值。該方法是依據1日持倉期、99%置信水平以及過往兩年觀察期來推算市場利率與價格的波動。

上市股份的市值、私人股份基金及非上市股份(統稱「非上市證券」)的公平價值均由本集團投資部按限額管理。非上市證券及非交易上市股份是根據特定限額管理，且不包括在交易股份持倉的風險值計算內。資產負債管理委員會須定期檢討該限額。

風險值統計

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)

Value-at-risk statistics (continued)

		2020			
		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	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	63	92	53	65

		2019			
		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	HK\$ Mn 港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	94	141	81	103

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。

(c) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The objectives of operational risk management are to identify, assess, monitor, and report operational risk of the Group systematically and effectively; to minimise any operational loss and other impact on the Group; and to comply with the relevant regulatory requirements.

The Operational Risk Management Committee is responsible for overseeing operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group is assisting the Management in managing the Group's operational risk, including the establishment and review of the operational risk management policy and framework, designing the operational risk management tools and reporting mechanism, and assessing and reporting the overall operational risk position to the Management and Risk Management Committee. All the heads of business units and support units of the Group are responsible for the day-to-day operational risk management of their units.

The Group has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Group adheres to the fundamental principle of proper segregation of duties and authorisation. The Group adopts various operational risk management tools and methodologies such as key risk indicators, self assessment, operational risk events reporting and review to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance to mitigate unforeseeable operational risks. Business continuity plans are established to support business operations in the event of an emergency or disaster.

(b) 市場風險管理(續)

風險值統計(續)

(c) 營運風險管理

營運風險是指由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統及有效地識別、評估、監控及匯報本集團營運風險；減少營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督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負責協助管理層管理本集團的營運風險，包括制定和重檢營運風險管理政策和框架、設計營運風險的管理工具和匯報機制、評估及向管理層和風險管理委員會匯報總體營運風險狀況。本集團所有部門或後勤單位主管均負責其單位的日常營運風險管理。

本集團建立了有效的內部控制程序，對所有重大活動訂下政策及監控措施。設置適當的職責分工和授權乃本集團緊守的基本原則。本集團採用關鍵風險指標、自我評估、營運風險事件匯報及檢查等不同的營運風險管理工具及方法以識別、評估、監察及控制潛在於業務活動及產品內的風險，同時透過購買保險，將未能預見的營運風險減低。對支援緊急或災難事件時的業務運作備有持續業務運作計劃。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(d) Liquidity risk management

Liquidity risk is the risk that the Group may not be able to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk).

The purpose of liquidity risk management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to make new loans and investments as opportunities arise and, last but not least, to comply with all the statutory requirements for liquidity risk management, including Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR").

The Group reviews the risk profile through regular assessments of both qualitative and quantitative risk factors to determine its tolerance of prevailing risk levels against applicable risk appetite statement for liquidity risk approved annually by the Board. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee comprises balanced representation of senior staff from various business units, Treasury, Risk Management and Finance, who jointly formulate funding strategies. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

The LCR and NSFR statutory requirements are part of the stringent regulatory regime that covers the liquidity risk management of the Group. To ensure compliance with the regulatory requirements, internal targets for LCR and NSFR have been set above regulatory required levels, after considering the Group's liquidity risk appetite. In addition material changes in the LCR and NSFR are reviewed regularly by the Asset and Liability Management Committee together with proposed mitigation actions to cope with adverse changes arising from, but not limited to, composition of the deposit base and remaining tenor to maturity, lending activities with respect to different maturity tenors, and the Group's asset and liability mix strategy. In planning the asset and liability mix strategy, the Group's relevant business units contribute to an assessment of the impact of asset growth and funding structure on the LCR and NSFR for review and decision by the Asset and Liability Management Committee.

(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。

流動性覆蓋比率及穩定資金淨額比率的法定要求是本集團對流動性風險管理的嚴格監管制度部份之一。為確保遵守監管要求,本集團考慮過其流動性風險偏好後,為流動性覆蓋比率及穩定資金淨額比率設定的內部目標均高於上述監管規定水平。此外,資產負債管理委員會會定期檢閱流動性覆蓋比率及穩定資金淨額比率的重大變動,並提出建議補救措施,以應對來自(但不限於)存款基礎及其餘下到期期限、不同到期期限的貸款活動以及本集團資產及負債組合策略所產生的不利變動。在規劃資產及負債組合策略時,本集團的相關業務單位就資產增長及資金結構對流動性覆蓋比率及穩定資金淨額比率的影响提交評估,以供資產負債管理委員會檢討和作出決策。

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)

As part of Group efforts to manage the LCR and NSFR effectively, emphasis is placed on strengthening the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement, and other borrowings for the purposes of providing additional funding, maintaining a presence in local money markets, and optimising asset and liability maturities.

In addition to observing the statutory LCR and NSFR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative maturity mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risk. The Group maintains sufficient High-quality liquid assets ("HQLAs") as a liquidity cushion that can be accessed in times of stress. The HQLAs for fulfilling the LCR consist of cash, exchange fund bills and notes, high quality government debt securities and other equivalent liquid marketable assets. The majority of HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

Internally, intra-group funding transactions are carried out at arm's length and treated in a manner in line with third-party transactions, with regular monitoring and appropriate control. A majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios. The Group manages liquidity risk by conducting regular cash flow analysis and projections through the use of the Bank's management information system so as to facilitate the identification of funding needs arising from on and off-balance sheet items over a set of time horizons.

The Group also conducts stress-testing regularly to analyse liquidity risk. Both on and off-balance sheet items and their impact on cash flow are considered, together with applicable hypothetical and historical assumptions. The assessment and review of market liquidity risk are included in the various control processes, including investment/trading strategy, market risk monitoring, valuation, and portfolio review. Three stress scenarios – namely an institution-specific crisis, a general market crisis, and a crisis involving a combination of the two – are adopted with minimum survival period defined according to the HKMA's Supervisory Policy Manual LM-2, "Sound Systems and Controls for Liquidity Risk Management".

With reference to the stress-testing results, the Group identifies potential vulnerabilities within the Group, establishes internal limits and formulates a contingency funding policy that sets out the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations.

(d) 流動性風險管理(續)

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、貨幣市場拆借及其他借貸進入專業市場，獲取額外資金，以此維持本行於本地金融市場的地位及優化資產及負債的期限。

除了緊守法定的流動性覆蓋比率及穩定資金淨額比率外，本集團已設立不同的流動性指標，以衡量及分析流動性風險，包括(但不限於)貸存比率、累積到期錯配比例、資金集中比率、集團內公司之間風險限額以及跨貨幣資金比率。本集團維持充足的優質流動資產，作為能夠在資金受壓時取用的流動資金緩衝。為滿足流動性覆蓋比率所需的優質流動資產包括：現金、外匯基金票據和債券、優質的政府債務票據，以及其他同等的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。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，對一系列時間內的資產負債表內、外項目定期進行現金流量分析及預測，以確定不同時段的資金需要，從而管理流動性風險。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過適用的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景—即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機—均採用金管局監管政策手冊LM-2「穩健的流動性風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，訂立內部限額，並制訂應急資金政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The contingency funding policy is designed to be pro-active and pre-emptive, and stipulates the following three stages:

1. The Group utilises early warning indicators, which cover both qualitative and quantitative measures, and monitors both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the Asset and Liability Management Committee is informed. The Asset and Liability Management Committee will consider appropriate remedial actions and will consider employing crisis management if the situation warrants.
2. A Crisis Management Committee, which is chaired by the Co-Chief Executives, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

An annual drill test is conducted and the contingency funding policy is subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the contingency funding policy are approved by the Board.

應急資金政策旨在提供防患未然的積極措施，並訂明以下3個階段：

1. 本集團運用預早警報指標，當中包括質性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在情況需要時會考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由聯席行政總裁擔任該委員會的主席，該委員會專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急資金。應急資金政策如有任何重大變動，均須分別取得董事會的批准。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

Analysis of assets and liabilities by remaining maturity:

(d) 流動性風險管理(續)

資產及負債的剩餘期限分析：

		2020							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
Assets	資產								
Cash and balances with banks	現金及在銀行的結存	42,702	20	273	541	-	-	12,841	56,377
Placements with and advances to banks	在銀行的存款及墊款	-	64,378	1,219	1,252	-	-	-	66,849
Trade bills	貿易票據	1	3,250	6,225	2,317	-	-	-	11,793
Trading assets	交易用途資產	-	178	-	-	95	36	881	1,190
Derivative assets	衍生工具資產	-	-	-	-	-	-	8,059	8,059
Loans and advances to customers	客戶貸款及墊款	3,289	70,318	30,773	96,407	190,272	116,354	1,657	509,070
Investment securities	投資證券	-	8,189	9,918	29,335	58,208	35,970	2,551	144,171
Investments in associates and Joint ventures	聯營公司及合資企業投資	-	-	-	-	-	-	9,182	9,182
Fixed assets	固定資產	-	-	-	-	-	-	14,065	14,065
Goodwill and intangible assets	商譽及無形資產	-	-	-	-	-	-	1,912	1,912
Deferred tax assets	遞延稅項資產	-	-	-	-	-	-	2,022	2,022
Other assets	其他資產	45	6,598	6,664	9,315	5,529	17,360	14,219	59,730
Total assets	資產總額	46,037	152,931	55,072	139,167	254,104	169,720	67,389	884,420
Liabilities	負債								
Deposits and balances of banks	銀行的存款及結餘	980	12,957	7,732	9,474	-	-	-	31,143
Deposits from customers	客戶存款	259,701	96,354	130,613	89,267	13,267	-	-	589,202
- Demand deposits and current accounts	- 活期存款及往來賬戶	69,835	-	-	-	-	-	-	69,835
- Savings deposits	- 儲蓄存款	187,902	-	-	-	-	-	-	187,902
- Time, call and notice deposits	- 定期及通知存款	1,964	96,354	130,613	89,267	13,267	-	-	331,465
Derivative liabilities	衍生工具負債	-	-	-	-	-	-	13,016	13,016
Certificates of deposit issued	已發行存款證	-	4,783	20,456	28,509	7,104	-	-	60,852
Current taxation	本期稅項	-	-	-	624	-	-	-	624
Debt securities issued	已發行債務證券	-	1	-	-	5,056	-	-	5,057
Deferred tax liabilities	遞延稅項負債	-	-	-	-	-	-	460	460
Other liabilities	其他負債	933	5,910	8,702	11,256	15,544	6,313	11,301	59,959
- Lease liabilities	- 租賃負債	2	34	62	238	399	201	-	936
- Other accounts	- 其他賬項	931	5,876	8,640	11,018	15,145	6,112	11,301	59,023
Loan capital	借貸資本	-	-	-	3,911	6,400	-	-	10,311
Total liabilities	負債總額	261,614	120,005	167,503	143,041	47,371	6,313	24,777	770,624
Net gap	淨差距	(215,577)	32,926	(112,431)	(3,874)	206,733	163,407		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2019							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
				1個月以上	3個月以上	1年以上	5年以上	無註明日期 或逾期	
				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		
Assets	資產								
Cash and balances with banks	現金及在銀行的結存	36,001	185	327	687	-	-	14,325	51,525
Placements with and advances to banks	在銀行的存款及墊款	-	46,794	14,101	1,230	155	-	-	62,280
Trade bills	貿易票據	1	4,298	4,702	3,080	-	-	-	12,081
Trading assets	交易用途資產	-	-	-	-	56	34	1,183	1,273
Derivative assets	衍生工具資產	-	-	-	-	-	-	5,693	5,693
Loans and advances to customers	客戶貸款及墊款	3,893	63,352	29,670	85,762	198,224	123,525	910	505,336
Investment securities	投資證券	-	10,588	15,444	30,949	64,838	38,686	3,009	163,514
Investments in associates and Joint ventures	聯營公司及合資企業投資	-	-	-	-	-	-	9,970	9,970
Fixed assets	固定資產	-	-	-	-	-	-	14,328	14,328
Goodwill and intangible assets	商譽及無形資產	-	-	-	-	-	-	1,926	1,926
Deferred tax assets	遞延稅項資產	-	-	-	-	-	-	1,563	1,563
Other assets	其他資產	96	7,034	6,655	13,019	1,100	245	7,560	35,709
Total assets	資產總額	39,991	132,251	70,899	134,727	264,373	162,490	60,467	865,198
Liabilities	負債								
Deposits and balances of banks	銀行的存款及結餘	2,247	12,133	7,708	5,821	6	-	-	27,915
Deposits from customers	客戶存款	208,421	122,769	146,808	86,254	9,273	-	2	573,527
- Demand deposits and current accounts	- 活期存款及往來賬戶	66,760	-	-	-	-	-	-	66,760
- Savings deposits	- 儲蓄存款	139,742	-	-	-	-	-	-	139,742
- Time, call and notice deposits	- 定期及通知存款	1,919	122,769	146,808	86,254	9,273	-	2	367,025
Derivative liabilities	衍生工具負債	-	-	-	-	-	-	7,654	7,654
Certificates of deposit issued	已發行存款證	-	4,073	20,528	49,198	260	-	-	74,059
Current taxation	本期稅項	-	-	-	2,103	-	-	-	2,103
Debt securities issued	已發行債務證券	-	-	-	156	3,025	-	-	3,181
Deferred tax liabilities	遞延稅項負債	-	-	-	-	-	-	584	584
Other liabilities	其他負債	891	5,268	8,617	16,153	13,381	5,157	6,832	56,299
- Lease liabilities	- 租賃負債	1	33	62	254	518	239	-	1,107
- Other accounts	- 其他賬項	890	5,235	8,555	15,899	12,863	4,918	6,832	55,192
Loan capital	借貸資本	-	-	-	4,699	5,539	-	-	10,238
Total liabilities	負債總額	211,559	144,243	183,661	164,384	31,484	5,157	15,072	755,560
Net gap	淨差距	(171,568)	(11,992)	(112,762)	(29,657)	232,889	157,333		

As the trading assets and debt instruments measured at FVOCI may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易資產及反映公平價值之債務工具可能於到期前出售或客戶存款可能在到期前未被提取，合約到期日並不代表未來現金流的預計日期。

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 following tables provide an analysis of the undiscounted cashflow projection of the non-derivative financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

(d) 流動性風險管理(續)

下表展示於報告期結束日集團的未經折扣之非衍生工具金融負債的預計現金流按其合約支付債務之日期分析：

		2020						
				Between				
Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	three months and one year	Between one and five years	More than five years	Undated	
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	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
Deposits and balances of banks	銀行的存款及結餘	31,143	31,198	980	20,719	9,499	-	-
Deposits from customers	客戶存款	589,202	592,162	259,781	227,942	90,290	14,149	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	69,835	69,890	69,884	6	-	-	-
- Savings deposits	- 儲蓄存款	187,902	187,914	187,914	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	331,465	334,358	1,983	227,936	90,290	14,149	-
Certificates of deposit issued	已發行存款證	60,852	61,363	-	25,409	28,738	7,216	-
Current taxation	本期稅項	624	624	-	-	624	-	-
Debt securities issued	已發行債務證券	5,057	5,320	-	114	15	5,191	-
Loan capital	借貸資本	10,311	11,655	-	-	4,340	7,315	-
Other liabilities	其他負債	60,419	58,700	872	13,611	10,763	15,374	6,320
- Lease liabilities	- 租賃負債	936	1,069	2	103	256	459	249
- Other accounts	- 其他賬項	59,483	57,631	870	13,508	10,507	14,915	6,071
Total	總額	757,608	761,022	261,633	287,795	144,269	49,245	6,320

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2019							
		Carrying amount	Gross cash outflow	Repayable on demand	Between			More than five years	Undated
					Less than three months	three months and one year	one and five years		
		賬面值	總額	即時還款	或以下	至1年	至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks	銀行的存款及結餘	27,915	28,062	2,247	19,923	5,886	6	-	-
Deposits from customers	客戶存款	573,527	578,086	208,526	271,972	87,794	9,792	-	2
- Demand deposits and current accounts	- 活期存款及往來賬戶	66,760	66,843	66,818	25	-	-	-	-
- Savings deposits	- 儲蓄存款	139,742	139,779	139,779	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	367,025	371,464	1,929	271,947	87,794	9,792	-	2
Certificates of deposit issued	已發行存款證	74,059	74,906	-	24,933	49,707	266	-	-
Current taxation	本期稅項	2,103	2,103	-	-	2,103	-	-	-
Debt securities issued	已發行債務證券	3,181	3,508	-	104	162	3,242	-	-
Loan capital	借貸資本	10,238	11,250	-	143	5,081	6,026	-	-
Other liabilities	其他負債	56,883	53,298	792	11,617	15,073	13,268	5,132	7,416
- Lease liabilities	- 租賃負債	1,107	1,107	1	95	254	518	239	-
- Other accounts	- 其他賬項	55,776	52,191	791	11,522	14,819	12,750	4,893	7,416
Total	總額	747,906	751,213	211,565	328,692	165,806	32,600	5,132	7,418

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 following tables summarise the undiscounted cashflows of the Group by remaining contractual maturity as at 31 December for derivative financial liabilities that will be settled on net and gross basis. The Group's derivative financial liabilities that will be settled on a net basis mainly include interest rate swaps whereas the derivative financial liabilities that will be settled on a gross basis mainly include foreign exchange forwards and futures and foreign exchange swaps.

(d) 流動性風險管理(續)

下表概述了本集團於12月31日以剩餘合約到期日列示之現金流，包括按淨額基準結算及所有按總額基準之衍生金融負債。本集團按淨額基準結算之衍生金融工具主要包括利率掉期，而按總額基準結算之衍生金融工具主要包括外匯遠期及外匯掉期。

		2020							
		Carrying amount 賬面值 HK\$ Mn 港幣百萬元	Total cash outflow 現金流出 總額 HK\$ Mn 港幣百萬元	Repayable on demand 即時還款 HK\$ Mn 港幣百萬元	Less than	Between	Between	More than 5 years 5年以上 HK\$ Mn 港幣百萬元	Undated 無註明日期 HK\$ Mn 港幣百萬元
					three months 3個月 或以下 HK\$ Mn 港幣百萬元	three months and one year 3個月以上至1年 HK\$ Mn 港幣百萬元	one and five years 1年以上至5年 HK\$ Mn 港幣百萬元		
Derivative financial liabilities	衍生金融負債	13,016	15,559	3,607	2,298	3,757	4,531	1,366	-
Derivative financial liabilities settled on a net basis	按淨額基準結算之衍生金融負債								
Total net cash outflow	總淨現金流出		9,435	127	1,350	2,391	4,227	1,340	-
Derivative financial liabilities settled on a gross basis	按總額基準結算之衍生金融負債								
Total cash inflow	總現金流入		(54,716)	(403)	(31,926)	(17,604)	(3,986)	(797)	-
Total cash outflow	總現金流出		60,840	3,883	32,874	18,970	4,290	823	-
		2019							
		Carrying amount 賬面值 HK\$ Mn 港幣百萬元	Total cash outflow 現金流出 總額 HK\$ Mn 港幣百萬元	Repayable on demand 即時還款 HK\$ Mn 港幣百萬元	Less than	Between	Between	More than 5 years 5年以上 HK\$ Mn 港幣百萬元	Undated 無註明日期 HK\$ Mn 港幣百萬元
					three months 3個月 或以下 HK\$ Mn 港幣百萬元	three months and one year 3個月以上至1年 HK\$ Mn 港幣百萬元	one and five years 1年以上至5年 HK\$ Mn 港幣百萬元		
Derivative financial liabilities	衍生金融負債	7,654	7,648	911	1,949	2,331	2,056	401	-
Derivative financial liabilities settled on a net basis	按淨額基準結算之衍生金融負債								
Total net cash outflow	總淨現金流出		5,494	77	1,223	1,949	1,852	393	-
Derivative financial liabilities settled on a gross basis	按總額基準結算之衍生金融負債								
Total cash inflow	總現金流入		(48,260)	(1,394)	(27,468)	(15,898)	(3,052)	(448)	-
Total cash outflow	總現金流出		50,414	2,228	28,194	16,280	3,256	456	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Certificates of Deposit, Debt Securities Issued, and Loan Capital

In 2020, BEA issued floating rate certificates of deposit and debt securities with a face value of US\$950 million; fixed rate certificates of deposit and debt securities with a face value of HK\$7,085 million, US\$2,638 million and GBP24 million; and zero coupon certificates of deposit and debt securities with a face value of HK\$5,539 million, US\$4,121 million, CNY19,350 million, GBP269 million and CHF30 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HK\$109,833 million equivalent upon maturity.

At the end of December 2020, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$66,074 million, with a carrying amount equivalent to HK\$65,909 million.

Maturity Profile of Certificates of Deposit and Debt Securities Issued

As at 31st December, 2020

(All expressed in millions of dollars)

已發行存款證、債務證券及借貸資本

2020年，東亞銀行發行了面值為9.5億美元的浮息存款證及債務證券；面值為港幣70.85億元、26.38億美元、及2,400萬英鎊的定息存款證及債務證券；以及面值為港幣55.39億元、41.21億美元、人民幣193.5億元、2.69億英鎊及3,000萬瑞士法郎的零息存款證及債務證券。本集團於到期時贖回各類存款證及債務證券達等值港幣1,098.33億元。

於2020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660.74億元，賬面值則相等於港幣659.09億元。

已發行存款證及債務證券的年期

於2020年12月31日

(以百萬元位列示)

	Total Face Value 總面值	Year of Maturity 到期年份		
		2021	2022	2023
Amount in currencies of issuance 發行金額的貨幣				
Floating Rate 浮息				
USD 美元	980	210	30	740
Fixed Rate (Note) 定息(附註)				
HKD 港元	4,945	3,400	680	865
USD 美元	1,693	1,523	150	20
CNY 人民幣	2,500	–	2,500	–
GBP 英鎊	24	24	–	–
Zero Coupon 零息				
HKD 港元	3,416	3,216	200	–
USD 美元	2,901	2,881	20	–
CNY 人民幣	9,290	9,290	–	–
CHF 瑞士法郎	30	30	–	–
Total Certificates of Deposit and Debt Securities issued in HKD equivalent 所有已發行存款證及債務證券(港幣等值)				
	66,074	53,920	5,397	6,757

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

附註：已就管理已發行長期存款證及債務證券附帶的利率風險，安排認為必要的相關利率掉期。

In 2020, BEA issued fixed rate loan capital with a face value of USD600 million. On the other hand, the Group redeemed the USD loan capital upon maturity on 16th July, 2020 amounting to HK\$4,652 million equivalent.

2020年，東亞銀行發行了面值為美元6億元的借貸資本。同時，本集團於2020年7月16日贖回港幣等值46.52億美元的美元借貸資本。

At the end of December 2020, the face value of the outstanding loan capital issued was equivalent to HK\$10,307 million, with a carrying amount equivalent to HK\$10,311 million.

於2020年12月底，已發行在外的借貸資本面值相等於港幣103.07億元，賬面值則相等於港幣103.11億元。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

Maturity Profile of Loan Capital
As at 31st December, 2020
(All expressed in millions of dollars)

(d) 流動性風險管理(續)

借貸資本的年期
於2020年12月31日
(以百萬元位列示)

	Total Face Value 總面值	Year of Maturity 到期年份		
		2026	2029	2030
Amount in currencies of issuance 發行金額的貨幣				
USD (Note 1&3) 美元 (附註1及3)	1,100	500	-	600
CNY (Note 2) 人民幣 (附註2)	1,500	-	1,500	-
Total Loan Capital issued in HKD equivalent 所有已發行借貸資本(港幣等值)				
	10,307	3,876	1,780	4,651

Notes: 1. The US\$500 million loan capital that matures in 2026 will be callable on 3rd November, 2021.
2. The CNY1,500 million loan capital that matures in 2029 will be callable on 25th April, 2024.
3. The US\$600 million loan capital that matures in 2030 will be callable on 29th May, 2025.

附註：1. 將於2026年到期的5億美元借貸資本於2021年11月3日可贖回。
2. 將於2029年到期的人民幣15億元借貸資本於2024年4月25日可贖回。
3. 將於2030年到期的美元6億元借貸資本於2025年5月29日可贖回。

(e) Interest rate risk management

Interest rate risk is the risk resulting from adverse movements in interest rates that affect the earnings and economic value of the Group's banking book positions. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's interest rate risk management, establish the strategy and policy for managing interest rate risk, and determine the means for ensuring that such strategies and policies are implemented. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Division performs periodic reviews to ensure that the interest rate risk management functions are implemented effectively.

Interest rate risk primarily results from the timing differences in the re-pricing of interest rate-sensitive assets, liabilities, and off-balance sheet items in the banking book. In determining the level of interest rate risk, assessments are made for the gap risk, basis risk and option risk. The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's interest rate-sensitive assets, liabilities, and off-balance sheet positions. Re-pricing gap position limits are set to control the Group's interest rate risk.

From 1st July, 2019, in line with the requirements set by the HKMA, new assumptions, such as optionality and behaviour of certain products, are also estimated in the exposure measurement.

(e) 利率風險管理

利率風險是指本集團的銀行帳內的利率風險(簡稱「IRRBB」)受到不利的利率走勢對其盈利及經濟價值造成不利的影響所帶來的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

利率風險主要是由銀行賬冊內利率敏感性資產、負債及資產負債表外項目在再定息時的時差所致。釐定利率風險水平時，對差距風險、息率基準風險及期權風險進行評估。本集團管理銀行賬冊上的利率風險主要集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解利率敏感性資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距限額，以控制本集團的利率風險。

由2019年7月1日起，若干假設如產品的選擇權和習性將會因應香港金融管理局的要求於風險承擔計量中估算。

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, in terms of net interest income ("NII"), and economic value, in terms of economic value of equity ("EVE") is assessed regularly through a number of hypothetical interest rate shock scenarios prescribed by the HKMA. EVE represents an assessment of the present value of expected net cash flows, discounted to reflect market rates. As fluctuations in interest rates will affect earnings, they will also affect its net worth. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

The following table provides information on the changes on EVE and also the change on NII over next 12 months under each of the prescribed interest rate shock scenarios in respect of the Group's interest rate exposures arising from banking book positions for the current annual reporting date at 31st December, 2020.

Sensitivity analysis on interest rate risk at 31st December, 2020 and 2019:

(In HK\$ Mn) (港幣百萬元)

		Adverse impact on EVE 對股權經濟價值 的不利影響	Adverse impact on NII 對淨利息收入 的不利影響
31st December, 2020 2020年12月31日			
Period 期間			
1	Parallel up 平行向上	497	32
2	Parallel down 平行向下	302	2,636
3	Steeper 較傾斜	117	
4	Flattener 較橫向	140	
5	Short rate up 短率上升	345	
6	Short rate down 短率下降	977	
7	Maximum 最高	977	2,636
31st December, 2020 2020年12月31日			
Period 期間			
8	Tier 1 capital 一級資本	95,752	

In order to produce quantitative estimation on IRRBB, the Group has assumed shock scenarios to interest rate yield curves which allow changes in economic value and earnings to be computed with consideration of optionality and behavioural assumptions. These scenarios are applied to IRRBB exposures in each currency for which the Group has material positions.

本集團每月定期進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中包括金管局規定的不同利率衝擊假設情景。股權經濟價值反映對按照市場利率折算其預計淨現金流的現值的評估。由於利率變動會影響本集團的盈利，因此亦會影響本集團的淨值。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果會定期向資產負債管理委員會匯報。

下表展示銀行帳內持倉在2020年12月31日於規定的利率衝擊情境下，引致EVE及NII在未來12個月的改變。

於2020年及2019年12月31日對利率風險的敏感性分析：

		Adverse impact on EVE 對股權經濟價值 的不利影響	Adverse impact on NII 對淨利息收入 的不利影響
31st December, 2019 2019年12月31日			
		113	13
		2,339	2,781
		302	
		22	
		62	
		1,479	
		2,339	2,781
31st December, 2019 2019年12月31日			
		89,276	

為了對IRRBB進行定量估計，本集團假設利率收益率曲線受到衝擊並考慮了選擇權和習性的設定，從而計算經濟價值和盈利的變化。這些情境適用於本集團持有的IRRBB風險敞口於各種重要貨幣。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(e) Interest rate risk management (continued)

The prescribed interest rate shock scenarios are provided by the HKMA in their Supervisory Policy Manual IR-1, Interest Rate Risk in the Banking Book and generally described as follows:

1. Parallel up: A constant parallel shock up across all time buckets
2. Parallel down: A constant parallel shock down across all time buckets
3. Steepener: Short rates down and long rates up
4. Flattener: Short rates up and long rates down
5. Short rate up: Rates up are greatest at shortest time bucket and diminish towards current rates in longer time buckets
6. Short rate down: Rates down are greatest at shortest time bucket and diminish towards current rates in longer time buckets

(f) Strategic risk management

Strategic risk is the risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technological changes.

The Risk Management Division of the Group monitors the activities under the Group's prevailing interest-earning asset mix and funding strategies and regularly reports the status to the Asset and Liability Management Committee, Risk Management Committee, RC and the Board, where appropriate.

Future capital requirements are determined based on the projections of Capital Adequacy Ratio and conditions under the Internal Capital Adequacy Assessment Process, so as to assess the level and structure of capital resources needed to support the risks that the Group tolerates.

The Risk Management Committee is responsible for overseeing the management of the Group's strategic risk.

(g) Legal risk management

Legal risk is the risk of loss arising from unenforceable contracts, lawsuits, or adverse judgements that may disrupt or otherwise negatively affect the operations or financial condition of the Group.

The objective of managing legal risk is to identify, assess, monitor and report on legal risk, and to comply with the relevant legal and regulatory requirements.

The Group provides appropriate training courses conducted by qualified internal personnel and/or external lawyers/professionals. It also issues reminders to staff members if necessary. When dealing with legal matters, the Group consults qualified internal personnel and, when necessary and appropriate, engages external lawyers with appropriate expertise including counsel and senior counsel.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's legal risk.

(e) 利率風險管理(續)

規定的利率衝擊情境是由香港金融管理局在其監管政策手冊IR-1「銀行帳內的利率風險」中提供，其一般描述如下：

1. 平行向上：利率收益率曲線在所有時間段內平行向上移動
2. 平行向下：利率收益率曲線在所有時間段內平行向下移動
3. 較傾斜：短期利率下降而長期利率上升
4. 較橫向：短期利率上升而長期利率下降
5. 短率上升：利率在最短的時間段內上升差距最大，而差距隨著較長時段減少至與當前利率相若
6. 短率下跌：利率在最短的時間段內下降差距最大，而差距隨著較長時段減少至與當前利率相若

(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、聲譽或地位造成當前或潛在影響的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及融資策略下的活動，並於適當情況下定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團亦根據資本充足比率預計及內部資本充足評估程序狀況決定未來所需的資本，以評估支援本集團在風險可承受水平上所需的資本資源水平及結構。

風險管理委員會負責監督本集團的策略性風險管理。

(g) 法律風險管理

法律風險是指出現合約未能執行、訴訟或不利審判的情況，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

如有需要，本集團會提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並於有需要時向員工發出提示。當處理法律事宜，本集團諮詢合資格內部人員，並於必要及適當的情況下聘請具備相應專業知識的外聘律師（包括大律師及資深大律師）。

營運風險管理委員會負責監督本集團的法律風險管理。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(h) Reputation risk management

Reputation risk is the risk that the Group's reputation is damaged by one or more events that result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group and may result in costly litigation, or lead to a decline in the Group's customer base, business, and/or revenue.

The objective of managing reputation risk is to identify, assess, monitor, report, and mitigate reputation risk, and to ensure compliance with the relevant regulatory requirements.

The Group establishes various policies, guidelines, manuals and codes to ensure compliance with applicable laws, rules and regulations, and to ensure that the Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation.

The Group formulates, and adheres to the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation and control, thereby protecting and enhancing the reputation of the Group. The Guidelines for Incident Response and Management are established for swift response to and management of unexpected incidents. The Media Guidelines are established to ensure effective and consistent delivery of the Group's key messages to the media.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's reputation risk.

(i) Compliance risk management

Compliance risk is the risk of potential losses arising from legal or regulatory sanctions, fines and penalties, financial losses or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its business activities.

The Group establishes various policies, guidelines and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards, and guidelines issued by the relevant regulatory authorities that govern the Group's operations. The Group formulates, and adheres to, the Compliance Risk Management Manual, which outlines a systematic approach to the management of compliance risk, including a framework for compliance risk identification, assessment, monitoring, mitigation and control, thereby enabling the Group to manage its compliance risk effectively. Independent regulatory compliance reviews are conducted on major functions of the Group using a risk-based approach.

(j) Technology risk management

Technology risk is the risk of loss to the Group due to inadequate or failed technical processes, people, and/or computing systems, or unauthorised access or disruption to technology resources, in particular relating to cyber security and e-banking.

To address increasing cyber security threats, the Group has put in place adequate security resources and proper control measures based on a defined risk appetite level. The Group has developed technology risk related policies and cyber security strategies as well as comprehensive security awareness programmes to strengthen cyber security at all levels.

(h) 聲譽風險管理

聲譽風險是指因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團聲譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及／或收入減少。

聲譽風險管理的目的在於識別、評估、監控、匯報及降低聲譽風險，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聲譽。

本集團制定並遵從聲譽風險管理手冊，該手冊載錄對聲譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制聲譽風險的機制，藉此保護及提升本集團的聲譽。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聲譽風險管理。

(i) 合規風險管理

合規風險是指因未能遵守適用於本集團業務活動的法例、規例、規則、相關自我監管機構所定的標準及行為守則而引致的法律及監管制裁、罰金或罰款、財務損失，或令聲譽受損而導致本集團可能損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險。並採用風險為本的方式對本集團主要職能進行獨立合規監察審查。

(j) 科技風險管理

科技風險是指因技術程序、人員及／或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險。

為應對日漸上升的網絡安全威脅，本集團已根據既定風險偏好級別投入充足的網絡安全資源和實施適當的控制措施。本集團已制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(j) Technology risk management (continued)

The Group has also established a framework for proper management of technology risk. The Board and designated committees at the top level are responsible for overall management of technology risk for the Group. They lead various working teams and the "Three Lines of Defence" to address specific areas of concern.

Comprehensive control policies, standards, guidelines, and procedures are maintained to ensure that adequate control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality, integrity and availability of information are all in place.

(k) New product and business risk management

New product and business risk is the risk of loss due to insufficient pre-assessment of significant potential risks introduced to the Group arising from the launch of new products, the structural change of existing products, and the establishment of new business operations (i.e. through the establishment of a new subsidiary and/or merger and acquisition). The significant potential risks include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Legal Risk, Technology Risk, Compliance Risk, Strategic Risk, Reputation Risk and Business Continuity Risk.

The Group establishes a risk governance structure, supported by comprehensive control guidelines and procedures. A structured evaluation process ensures that before initiating a new product or business, the potential significant risks are duly assessed, vetted and documented. The process also facilitates oversight of new products and businesses by Senior Management.

Each new product launch must go through an approval process, which includes business and financial analysis as well as risk assessment. New products are reviewed and endorsed by the Steering Group for New Product and Business Risk Management (chaired by the Group Chief Risk Officer and comprising the division heads of supporting units), and approved by the Risk Management Committee.

(l) Business continuity risk management

Business continuity risk is the risk of loss arising from business disruptions in the event of an incident or crisis. Business disruption could be caused by the loss of staff members, information technology and telecommunication systems, premises, key service providers, vital records, etc.

To manage business continuity risk, the Group establishes comprehensive policies, guidelines and manuals. Business impact analysis is conducted and business continuity plans are developed by all individual functional units of the Group.

Annual drills are performed to test preparedness and effectiveness of the business continuity plans.

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

(j) 科技風險管理(續)

本集團亦已為科技風險設立妥善管理框架。處於集團頂層的董事會及其指定委員會負責對本集團科技風險的整體管理，統領各工作小組及「三道防線」解決個別領域的問題。

本集團繼續落實全面的控制政策、標準、指引及程序，確保充分實施與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估、以及資料保密、完整性及可用性相關的控制措施。

(k) 新產品及業務風險管理

新產品及業務風險是指本集團在新產品推出、現有產品結構性變動及新業務運作(即透過設立新附屬公司及／或合併及收購)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、聲譽風險及持續業務運作風險。

本集團已建立風險管治架構，並以全面的控制指引及程序確保其實施。結構嚴密而有序的評估程序，確保本集團在推出新產品或業務前對潛在重大風險作出適當評估、審查及記錄。該程序亦有助高層管理人員監督新產品及業務。

每一個新產品的推出，須通過審批過程，包括業務和財務分析以及風險評估。這些新產品由新產品及業務風險管理督導組認可及由風險管理委員會批准。新產品及業務風險管理督導組的主席為集團風險總監，並由支援職能的處級主管組成。

(l) 持續業務運作風險管理

持續業務運作風險是指事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵記錄等相關損失而引致。

為管理持續業務運作風險，本集團已制定全面的政策、指引及手冊。本集團所有個別職能單位均進行業務影響分析及制定業務持續規劃。

本集團每年進行演習以測試業務持續規劃是否備妥及有效。

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(m) Capital management

The Group's primary objectives when managing capital are to meet the regulatory requirements and safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities, impairment allowances and regulatory reserve for general banking risks as allowed under Capital Rules.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Steering Group for Capital Management and Recovery and Resolution Planning is responsible for overseeing issues related to the capital positions and monitoring the capital adequacy against all regulatory and internal reference. The capital position is also reviewed regularly by the Risk Management Committee, RC 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, 2020 and 31st December, 2019 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, 2020 and 31st December, 2019 and the Group's capital ratios are well above the minimum required by the HKMA.

(m) 資本管理

本集團管理資本的主要目的是要符合監管規定及保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益(已扣除商譽和無形資產)。管理資本亦包括無償負債、減值準備及資本規則所容許的一般銀行業風險的規管儲備。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

資本管理、恢復及處置規劃督導組負責監督與資本狀況相關的事項，並根據監管機構及內部指引以監控資本充足度。風險管理委員會、風險委員會及董事會亦會定期檢討資本狀況。

金管局按綜合基準及單獨綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別海外分行及銀行附屬公司分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

在實施現行資本要求金管局要求本集團維持特定的總資本對風險資產總額比率。本集團計算其交易組合的市場風險是按本集團風險值模式及採用內部評級作為信貸風險的加權風險基準。銀行營運分類為交易賬或銀行賬，及風險加權資產視乎可反映與資產及資產負債表以外風險不同層面風險之特定要求。

本集團以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2020年12月31日及2019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2020年12月31日及2019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末，在公平價值分級內金融工具之公平價值的處理方式：

		2020				2019			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總額	第一級	第二級	第三級	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
Recurring fair value measurement Assets	重覆發生的公平價值釐定資產								
Trade Bills – At FVOCI	貿易票據 – 通過其他全面收益以反映公平價值	–	11,424	–	11,424	–	11,461	–	11,461
Trading assets	交易用途資產	881	309	–	1,190	1,183	90	–	1,273
Derivative assets	衍生工具資產	267	7,792	–	8,059	–	5,693	–	5,693
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	4,987	850	5,839	1,445	8,857	278	10,580
– Designated at FVTPL	– 指定通過損益以反映公平價值	–	–	–	–	–	446	–	446
– Measured at FVOCI	– 通過其他全面收益以反映公平價值	26,183	95,145	1,283	122,611	32,971	100,157	1,055	134,183
		27,333	119,657	2,133	149,123	35,599	126,704	1,333	163,636
Investment securities classified as assets held for sale	投資證券分類為持有作出售資產								
– Mandatorily measured at FVTPL	– 強制按通過損益以反映公平價值計量	1,026	3,702	–	4,728	–	–	–	–
– Measured at FVOCI	– 通過其他全面收益以反映公平價值	–	19,088	–	19,088	–	–	–	–
		1,026	22,790	–	23,816	–	–	–	–
Liabilities	負債								
Derivative liabilities	衍生工具負債	104	12,912	–	13,016	–	7,654	–	7,654
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	–	30,091	–	30,091	–	30,583	–	30,583
		104	43,003	–	43,107	–	38,237	–	38,237
Derivative liabilities classified as liabilities held for sale	衍生工具負債分類為持有作出售負債	–	1	–	1	–	–	–	–

During the years ended 31st December 2020 and 2019, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2020年及2019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	16.4% (2019年: 8.6%)
		Marketability discount 市場性折扣	20% (2019年: 20%)
	Market-comparable approach 市場可類比法	Earnings multiple 盈利倍數	43.49 – 52.88 (2019年: 29.60 – 34.48)
		EV/EBIT 企業價值／稅息前利潤	38.43 – 42.49 (2019年: 25.19 – 35.68)
		Marketability discount 市場性折扣	50% (2019年: 50%)

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI are estimated using the discounted cash flow model, on the basis of an analysis of the investee's financial position and results, or with reference to multiples of comparable listed companies, adjusted for a marketability discount to reflect the fact that the shares are not actively traded. An increase in the ratio/investee's financial position and results in isolation will result in favourable movement in the fair values, while an increase in discount rate/marketability discount in isolation will result in unfavourable movement.

按強制通過損益以反映公平價值或通過其他全面收益以反映公平價值非上市股份工具的公平價值是採用現金流折扣模式作估算，根據受投資公司的財務狀況及業績之分析，或參考可比較上市公司之倍數，但須計入市場性折扣以反映該股份並非有活躍交易之調整。任何因比率／受投資公司的財務狀況及業績之個別增加對公平價值有正面影響，而因折扣率／市場性折扣之個別增加則對公平價值有負面影響。

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

在第三級之金融工具估值是受以上所述之相同估值監控機制及金融工具估值群組的定期檢視。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

(1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

		2020		2019	
		Investment securities mandatorily measured at FVTPL	Investment securities measured at FVOCI	Investment securities mandatorily measured at FVTPL	Investment securities measured at FVOCI
		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 計 量 的 投 資 證 券	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 計 量 的 投 資 證 券
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Assets	資產				
At 1st January	於1月1日	278	1,055	309	688
Additions/Purchases	增加/購入	510	-	-	-
Settlements	結算	(9)	-	(19)	(15)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	71	-	(12)	-
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	-	228	-	382
At 31st December	於12月31日年度內	850	1,283	278	1,055
Total gains for the year included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有按通過其他全面收益以反映公平價值資產而已計入其他全面收益的公平價值儲備之年度內收益或虧損總額	-	228	-	382
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	71	-	(12)	-

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

		2020			
		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	71	(71)	-	-
Investment securities measured at FVOCI	按通過其他全面收益以反映公平價值計量的投資證券	-	-	107	(107)
		71	(71)	107	(107)
		2019			
		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	23	(23)	-	-
Investment securities measured at FVOCI	按通過其他全面收益以反映公平價值計量的投資證券	-	-	88	(88)
		23	(23)	88	(88)

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 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) 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, 2020 and 2019 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2020年12月31日及2019年同日之公平價值相若。

		2020				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Investment securities measured at amortised cost	投資證券按攤銷成本計量	15,721	15,796	2,020	13,776	-
Investment securities measured at amortised cost classified as assets held for sale	投資證券按攤銷成本計量分類為持有作出售資產	2,104	2,380	-	2,380	-
		2019				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Investment securities measured at amortised cost	投資證券按攤銷成本計量	18,305	18,539	2,203	16,336	-

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 and the aggregate credit risk-weighted amount and is prepared with reference to the completion instructions for the HKMA return of capital adequacy ratio.

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Contingent liabilities	或然負債		
Direct credit substitutes	直接信貸替代品	9,065	11,705
Transaction-related contingencies	與交易有關的或然項目	1,325	1,051
Trade-related contingencies	與貿易有關的或然項目	4,303	2,157
		14,693	14,913
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	159,852	148,791
Other commitments with an original maturity	其他承擔的原到期日		
– up to 1 year	– 1年或以下	7,093	10,038
– over 1 year	– 1年以上	27,722	26,772
		194,667	185,601
Total	總額	209,360	200,514
Credit risk weighted amounts	信貸風險加權金額	22,946	23,193

The credit risk-weighted amount is calculated in accordance with the Capital Rules. 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.

(a) 或然負債及承擔

參照金管局資本充足比率申報表的填報指示，每項資產負債表以外風險及信貸風險加權金額的主要類別摘要如下：

信貸風險加權金額是按《資本規則》計算。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 of 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：

		2020							
		Managed in conjunction with financial instruments designated at fair value		Others, including held for trading		Total			
		Qualifying for hedge accounting		through profit or loss		Total			
		符合對沖會計法		按通過損益以反映公平價值		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	242		6,035		287,496		293,773	
Interest rate contracts	利率合約	79,348		22,274		326,832		428,454	
Equity contracts	股份合約	-		-		17,522		17,522	
Others	其他	-		-		77		77	
		79,590		28,309		631,927		739,826	
		2019							
		Managed in conjunction with financial instruments designated at fair value		Others, including held for trading		Total			
		Qualifying for hedge accounting		through profit or loss		Total			
		符合對沖會計法		按通過損益以反映公平價值		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		1,547		6,483		441,126		449,156
Interest rate contracts	利率合約		73,755		25,646		272,273		371,674
Equity contracts	股份合約		-		-		12,214		12,214
Others	其他		-		-		89		89
			75,302		32,129		725,702		833,133

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)

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.

(ii) Fair value and credit risk weighted amounts of derivatives

		2020			2019		
		Fair value		Credit risk weighted amounts*	Fair value		Credit risk weighted amounts*
		公平價值			公平價值		
		Assets	Liabilities	信貨風險加權金額*	Assets	Liabilities	信貨風險加權金額*
		資產	負債	加權金額*	資產	負債	加權金額*
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	
Exchange rate contracts	匯率合約	2,333	2,827	1,695	2,887	3,375	1,743
Interest rate contracts	利率合約	2,004	6,450	444	2,037	3,442	290
Equity contracts	股份合約	3,721	3,740	1,123	767	827	58
Others	其他	1	-	-	2	10	-
		8,059	13,017	3,262	5,693	7,654	2,091

* 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, 2020 and 31st December, 2019. The derivatives – Others consist of credit derivatives which are classified as direct credit substitutes in calculating the credit risk weighted amount, and therefore such credit risk weighted amount is included under Note 47(a) Contingent liabilities and commitments.

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.

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.

(b) 衍生工具(續)

(i) 衍生工具的名義金額(續)

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

(ii) 衍生工具之公平價值及信貸風險加權金額

* 根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算於2020年12月31日及2019年12月31日之信貸風險加權金額。「衍生工具—其他」包括了在計算信貸風險加權金額時被歸類為直接信貸代替品的信用衍生工具，因此該信貸風險加權金額包括在附註47(a)或然負債及承擔中。

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。

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)

(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 investment securities 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 cumulative dollar offset method or 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%.

(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的定息後償票據、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。本集團採用累計價值抵銷法或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)

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)

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, 2020 and 2019, the Group held the following interest rate swaps as hedging instruments in fair value hedges of interest risk:

(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)

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2020年及2019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：

		2020 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 (HK\$ Mn)	名義金額(港幣百萬元)	3,876	–	–
Average fixed interest rate	平均固定利率	4.00%	–	–
Hedge of debt securities investment	對沖債務證券投資			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	8,482	38,021	28,059
Average fixed interest rate	平均固定利率	2.53%	1.58%	1.57%
Hedge of loans and advances	對沖貸款及墊款			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	–	771	139
Average fixed interest rate	平均固定利率	–	1.92%	2.12%

		2019 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 (HK\$ Mn)	名義金額(港幣百萬元)	4,672	3,894	–
Average fixed interest rate	平均固定利率	6.12%	4.00%	–
Hedge of debt securities investment	對沖債務證券投資			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	7,350	37,531	19,708
Average fixed interest rate	平均固定利率	2.55%	1.88%	2.25%
Hedge of loans and advances	對沖貸款及墊款			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	–	461	139
Average fixed interest rate	平均固定利率	–	3.10%	2.12%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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：

	2020				
	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	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
Nominal amount 名義金額 HK\$ Mn 港幣百萬元	Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	Ineffectiveness recognised in profit or loss 於損益表內 確認的無效 對沖部份	Net hedging profit/(loss) 對沖盈利/ (虧損)淨額
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	3,876	45	–	31	(2)
Interest rate swaps – hedge of debt securities 利率掉期 – 對沖債務證券投資	74,562	22	(4,380)	(2,148)	64
Interest rate swaps – hedge of loans and advances 利率掉期 – 對沖貸款及墊款	910	–	(43)	(24)	–

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)

(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)

	2019			Line item in the consolidated statement of financial position where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness	Line item in consolidated income statement that includes hedge ineffectiveness
	Nominal amount	Carrying amount				
		Assets	Liabilities	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	於損益表內包含無效對沖部份的綜合收益表的項目
	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
Interest rate risk						
利率風險						
Interest rate swaps – hedge of subordinated notes issued	8,566	113	(27)	Derivative assets/(liabilities)	152	(4) Net hedging profit/(loss)
利率掉期 – 對沖已發行後價票據				衍生工具資產/(負債)		對沖盈利/(虧損)淨額
Interest rate swaps – hedge of debt securities	64,589	158	(1,822)	Derivative assets/(liabilities)	(1,717)	16 Net hedging profit/(loss)
利率掉期 – 對沖債務證券投資				衍生工具資產/(負債)		對沖盈利/(虧損)淨額
Interest rate swaps – hedge of loans and advances	600	-	(19)	Derivative assets/(liabilities)	(17)	- Net hedging profit/(loss)
利率掉期 – 對沖貸款及墊款				衍生工具資產/(負債)		對沖盈利/(虧損)淨額

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：

	2020						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 的綜合財務狀況表的項目	Change in value used for calculating hedge ineffectiveness 以計算無效對沖部份	
	Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債			
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
Subordinated notes issued 已發行後償票據	-	3,911	-	38	Loan capital 借貸資本	(33)	-
Debt securities investment 債務證券投資	79,232	-	4,390	-	Investment securities 投資證券	2,212	-
Loans and advances 貸款及墊款	1,050	-	38	-	Loans and advances to customers 客戶貸款及墊款	24	-

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)

(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)

	Carrying amount		Accumulated amount of		Line item in the	Change in	Accumulated amount
	Assets	Liabilities	Assets	Liabilities			
	賬面值	賬面值	包含於被對沖項目賬面值的累計公平價值對沖調整	包含於被對沖項目	的綜合財務狀況表的項目	value used for calculating hedge ineffectiveness	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
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	包含被對沖項目	以計算無效對沖部份	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
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	的綜合財務狀況表的項目	港幣百萬元	港幣百萬元
Subordinated notes issued 已發行後償票據	-	8,563	-	5	Loan capital 借貸資本	(156)	-
Debt securities investment 債務證券投資	66,866	-	1,320	-	Investment securities 投資證券	1,733	-
Loans and advances 貸款及墊款	678	-	15	-	Loans and advances to customers 客戶貸款及墊款	17	-

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

本集團的公平價值對沖主要包括利率掉期，用於抵禦因市場利率變動而導致的定息長期金融工具公平價值變動。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Cash flow hedges of foreign currency risk

The Group uses exchange rate forward contracts to hedge against the variability in cash flows of certain debt securities investments denominated in US dollar held by the insurance subsidiaries. The Group hedges foreign exchange rate risk to the extent of variability in functional currency equivalent cash flows (i.e. in HK dollar) from principal payment of the debt securities attributable to movements in US dollar/HK dollar. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

The Group determines the amount of the exposure to which it applies hedge accounting by assessing the potential impact of changes in foreign currency exchange rates on the future cash flows from the debt securities investments denominated in US dollar that will result in a reduction of functional currency equivalent cash flow to meet the obligation of insurance policies at maturity. This assessment is performed using analytical techniques, such as cash flow sensitivity analysis.

As noted above for fair value hedges, the Group exposes itself to credit risk of the counterparties to the derivatives, which is not offset by the hedged items. This exposure is managed similarly to that for fair value hedges.

The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the notional amount, maturity and underlying currencies.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The dollar offset ratio, being the periodic change in fair value of the hypothetical exchange rate forward contract attributable to changes in forward rate is calculated to assess whether the hedge can achieve 0.8 – 1.25 cumulative dollar offset on each reporting date.

(b) 外匯風險的現金流對沖

本集團使用匯率遠期合約對沖保險附屬公司持有的若干以美元計值的債券投資的現金流量變動。本集團因應美元/港元變動所導致債務證券本金支付以功能貨幣(即以港元計算)計算的等值現金流量變動進行外匯風險對沖。對沖會計適用於符合對沖會計條件的經濟對沖關係。

本集團通過評估外匯變動對以美元計值的債券投資的未來現金流量可能導致相應功能貨幣減少的潛在影響，確定其應用對沖會計的風險金額現金流量，以滿足到期保險單的責任。該評估使用分析技術進行，例如現金流敏感度分析。

如上文對於公平價值對沖所述，本集團面對衍生工具交易對手的信用風險，而該風險未有被被對沖項目抵銷。這種風險與公平價值對沖的風險管理類似。

本集團根據對這些項目的定性特徵的評估以及支持的對沖風險的定量分析，以確定被對沖項目的現金流量與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的現金流量是否就對沖風險的反應相似，例如以名義金額，到期日及相關貨幣評估。

本集團採用模擬衍生工具方法評估對沖效用，該方法建立一衍生工具作為對沖交易的代理。模擬衍生工具的條款與被對沖項目的關鍵條款一致，並且在開始時其公平價值為零。價值抵銷比率，即由遠期利率變動引起的模擬匯率遠期合約的公平價值的周期性變化，計算以評估對沖是否可在每個報告日期實現0.8–1.25的累計價值抵銷。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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 currency rate risk (continued)

At 31st December, 2020 and 2019, the Group held the following instruments to hedge exposures to changes in foreign currency:

(b) 衍生工具(續)

(iii) 對沖會計(續)

(b) 外匯風險的現金流對沖(續)

於2020年及2019年12月31日，本集團持有以下工具對沖外匯變動風險：

		2020 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 (HK\$ Mn)	名義金額(港幣百萬元)	194	48	-
Average forward price	平均遠期金額	7.70	7.72	-
		2019 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 (HK\$ Mn)	名義金額(港幣百萬元)	1,304	243	-
Average forward price	平均遠期金額	7.69	7.70	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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：

		2020								
Nominal amount	Carrying amount		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 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	
	Assets	Liabilities								包含對沖工具的綜合財務狀況表的項目
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	
Currency rate risk 外匯風險										
Exchange rate forward contracts (HKD:USD) 匯率遠期合約(港幣:美元)	242	-	(1)	-	2	-	Net insurance profit 淨保險溢利	3	Net insurance profit 淨保險溢利	
			Other liabilities – liabilities held for sale 其他負債—持有待出售負債							
		2019								
Nominal amount	Carrying amount		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 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	
	Assets	Liabilities								包含對沖工具的綜合財務狀況表的項目
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	
Currency rate risk 外匯風險										
Exchange rate forward contracts (HKD:USD) 匯率遠期合約(港幣:美元)	1,547	-	(17)	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	1	(5)	-	Net insurance profit 淨保險溢利	9	Net insurance profit 淨保險溢利

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 currency rate 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：

		2020		
Line item in the consolidated statement of financial position where the hedged item is included		Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
包含被對沖項目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分	現金流對沖儲備	不再應用對沖會計法的現金流對沖儲備餘額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Currency rate risk 外匯風險				
Debt securities investment 債務證券投資	Other assets – assets held for sale 其他資產–持有作出售資產	(3)	–	–
		2019		
Line item in the consolidated statement of financial position where the hedged item is included		Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
包含被對沖項目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分	現金流對沖儲備	不再應用對沖會計法的現金流對沖儲備餘額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 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	(10)	1	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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							
		2020				2019			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上 至5年	5年以上	總額	1年或以下	1年以上 至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	152,559	244,765	31,130	428,454	143,999	206,443	21,232	371,674
Currency derivatives	貨幣衍生工具	279,620	13,200	953	293,773	436,903	10,978	1,275	449,156
Other derivatives	其他衍生工具	13,295	4,304	-	17,599	7,890	4,413	-	12,303
		445,474	262,269	32,083	739,826	588,792	221,834	22,507	833,133

(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：

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	340		305	
Expenditure authorised but not contracted for	已核准支出但未簽約	116		177	
		456		482	

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) Leases committed but not yet commenced

At 31st December, 2020 and 2019, the total future cash outflows to which the Group (as a lessee) is exposed that are not reflected in the measurement of lease liabilities are as follows:

		2020		2019	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Properties	物業				
Within one year	1年以內		3		10
After one year but within five years	1年至5年內		10		32
After five years	5年以後		-		6
			13		48
Equipment	設備				
Within one year	1年以內		-		-
After one year but within five years	1年至5年內		-		-
			-		-
Total lease committed but not yet commenced	已承擔但仍未開始的租賃總額		13		48

(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.

(d) 已承擔但仍未開始的租賃

於2020年及2019年12月31日，本集團作為承租人所承擔但並未反映於租賃負債計量中的未來現金流出總額如下：

(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

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks with original maturity within three months	原本期限為3個月以內之現金及在銀行的結存	43,025	36,388
Placements with and advances to banks with original maturity within three months	原本期限為3個月以內在銀行的存款及墊款	64,743	44,535
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	4,807	12,539
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	237	-
Debt securities with original maturity within three months	原本期限為3個月以內的債務證券	887	1,176
Add: Cash and balances with banks included in "Assets held for sale" (Note 56)	加：包括在「持有作出售資產」(附註56)的現金及在銀行的結存	3	-
		113,702	94,638

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

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks (Note 25)	現金及在銀行的結存(附註25)	56,377	51,525
Placements with and advances to banks (Note 26)	在銀行的存款及墊款(附註26)	66,849	62,280
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)	309	90
– investment securities (Note 30)	– 投資證券(附註30)	141,620	159,974
		141,929	160,064
Add: Cash and balances with banks included in “Assets held for sale” (Note 56)	加：包括在「持有作出售資產」(附註56)的現金及在銀行的結存	3	–
Debt securities – investment securities included in “Assets held for sale” (Note 56)	包括在「持有作出售資產」債務證券–投資證券(附註56)	22,464	–
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	287,622	273,869
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	(160,549)	(164,085)
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	(13,371)	(15,146)
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	113,702	94,638

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。

		Debt securities issued		Loan capital accrued		Interest rate swaps held to hedge borrowings (assets)		Interest rate swaps held to hedge liabilities		Total
		Debt securities issued	Loan capital	Debt securities accrued interest payable	Loan capital accrued interest payable	Lease liabilities	borrowings (assets)	borrowings liabilities		
		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	租賃負債 HK\$ Mn 港幣百萬元	持有作對沖借款的利率掉期合約(資產) HK\$ Mn 港幣百萬元	持有作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, 2020	於2020年1月1日	3,181	10,238	84	213	1,107	(113)	27	14,737	
Changes from financing cash flows	源自融資現金流的變動									
Issue of debt securities	發行債務證券	1,867	-	-	-	-	-	-	1,867	
Issue of loan capital	發行借貸資本	-	4,632	-	-	-	-	-	4,632	
Redemption of debt securities issued	贖回已發行債務證券	(163)	-	-	-	-	-	-	(163)	
Redemption of loan capital	贖回已發行借貸資本	-	(4,651)	-	-	-	-	-	(4,651)	
Interest paid on loan capital	支付借貸資本利息	-	-	-	(560)	-	-	-	(560)	
Interest paid on debt securities issued	支付已發行債務證券利息	-	-	(117)	-	-	-	-	(117)	
Interest paid on lease liabilities	支付租賃負債利息	-	-	-	-	(444)	-	-	(444)	
Total changes from financing cash flows	源自融資現金流的變動總額	1,704	(19)	(117)	(560)	(444)	-	-	564	
Exchange adjustments	匯兌調整	170	53	-	-	26	-	-	249	
Changes in fair value	公平價值變動	-	-	-	-	-	-	-	-	
Revaluation under hedge accounting	對沖會計法的重估	-	33	-	-	-	68	(27)	74	
Interest expenses	利息支出	2	6	122	449	35	-	-	614	
Increase in lease liabilities from entering into new leases during the year	年度內訂立新租賃引致租賃負債增加	-	-	-	-	212	-	-	212	
Total other changes	其他變動總額	172	92	122	449	273	68	(27)	1,149	
At 31st December, 2020	於2020年12月31日	5,057	10,311	89	102	936	(45)	-	16,450	

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)

		Debt securities issued	Loan capital	Debt securities accrued interest payable	Loan capital	Debt securities accrued interest payable	Loan capital	Lease liabilities	Interest rate swaps held to hedge borrowings (assets)	Interest rate swaps held to hedge borrowings (liabilities)	Total
		已發行債務證券	借貨資本	已發行債務證券之應計利息	借貨資本之應計利息	已發行債務證券之應計利息	借貨資本之應計利息	租賃負債	對沖借款的利率掉期合約(資產)	對沖借款的利率掉期合約負債	總額
		HK\$ Mn	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
At 1st January, 2019	於2019年1月1日	564	12,358	5	176	1,094	(105)	182	14,274		
Changes from financing cash flows	源自融資現金流的變動										
Issue of debt securities	發行債務證券	3,024	-	-	-	-	-	-	-	-	3,024
Issue of loan capital	發行借貨資本	-	1,675	-	-	-	-	-	-	-	1,675
Redemption of debt securities issued	贖回已發行債務證券	(408)	-	-	-	-	-	-	-	-	(408)
Redemption of loan capital	贖回已發行借貨資本	-	(3,913)	-	-	-	-	-	-	-	(3,913)
Interest paid on loan capital	支付借貨資本利息	-	-	-	(653)	-	-	-	-	-	(653)
Interest paid on debt securities issued	支付已發行債務證券利息	-	-	(15)	-	-	-	-	-	-	(15)
Interest paid on lease liabilities	支付租賃負債利息	-	-	-	-	(391)	-	-	-	-	(391)
Total changes from financing cash flows	源自融資現金流的變動總額	2,616	(2,238)	(15)	(653)	(391)	-	-	(681)		
Exchange adjustments	匯兌調整	(1)	(52)	-	-	(2)	-	-	-	-	(55)
Changes in fair value	公平價值變動	1	-	-	-	-	2	(1)	-	-	2
Revaluation under hedge accounting	對沖會計法的重估	-	156	-	-	-	(10)	(154)	-	-	(8)
Interest expenses	利息支出	1	14	94	690	41	-	-	-	-	840
Increase in lease liabilities from entering into new leases during the year	年度內訂立新租賃引致租賃負債增加	-	-	-	-	365	-	-	-	-	365
Total other changes	其他變動總額	1	118	94	690	404	(8)	(155)	1,144		
At 31st December, 2019	於2019年12月31日	3,181	10,238	84	213	1,107	(113)	27	14,737		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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.

於報告期末，以下資產經已用作本身負債之抵押品。

		2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Secured liabilities	有抵押負債	9,969	3,790
Assets pledged:	抵押資產：		
Loans and advances to customers	客戶貸款及墊款	-	954
Investment securities	投資證券		
- designated at FVTPL	- 指定為通過損益以反映 公平價值	-	156
- measured at FVOCI	- 通過其他全面收益以反映 公平價值	10,510	6,144
- measured at amortised cost	- 按持攤銷成本	103	354
		10,613	7,608

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。

		2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	20	13
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	10,025	3,906
		10,045	3,919

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

50. LOANS TO DIRECTORS AND ENTITIES CONNECTED WITH DIRECTORS

董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

		2020	2019
		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	698	1,615
By subsidiaries	由附屬公司借出	-	-
		698	1,615
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	3,233	2,086
By subsidiaries	由附屬公司借出	-	2
		3,233	2,088

As at 31st December, 2020 and 2019, there was no interest due but unpaid and the impairment allowance made against these loans as required under HKFRS 9 were insignificant.

於2020年12月31日及2019年12月31日，沒有逾期未償付利息，面對該等貸款按《香港財務報告準則》第9號所作出之減值準備是不重大的。

51. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 22 and certain of the highest paid employees as disclosed in Note 23, is as follows:

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註22中所披露支付予本行董事及在附註23中所披露支付予本行若干最高薪酬僱員的金額如下：

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Short-term employee benefits	短期僱員福利	152	141
Post-employment benefits	僱員退休福利	8	8
Equity compensation benefits	股份補償福利	11	23
		171	172

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 2020, the total amount of contributions the Group made to the schemes was HK\$201 million (2019: HK\$189 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, shareholders with significant influence, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the 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2020年內，本集團對該等計劃的供款總數為港幣2.01億元(2019年：港幣1.89億元)。

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、有重大影響力之股東、及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

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 主要管理人員		Associates 聯營公司		Shareholders with significant influence 有重大影響力之股東	
		2020	2019	2020	2019	2020	2019
		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
Interest income	利息收入	48	73	52	39	-	-
Interest expense	利息支出	9	35	2	2	1	-
Amounts due from	關聯人士的欠款	2,512	3,741	1,473	1,395	842	818
Amounts due to	欠關聯人士的款項	1,242	2,717	132	442	49	9
Maximum amounts due from	關聯人士的最高欠款	4,330	5,324	2,471	2,265	7,434	8,998
Maximum amounts due to	欠關聯人士的最高款項	4,807	6,498	639	684	200	189
Committed facilities to	給予信貸承諾	974	192	1,200	823	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

52. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees of the Group, including Executive Director and Co-Chief Executives, options to subscribe for ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。所有認股權均以無計價款形式發出。

(a) Particulars of share options

(a) 認股權詳情

Date of grant 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
10/5/2012(T3)	10/5/2012–09/5/2015	10/5/2015–10/5/2020	28.99
03/5/2013(T2)	03/5/2013–02/5/2015	03/5/2015–03/5/2020	31.40
03/5/2013(T3)	03/5/2013–02/5/2016	03/5/2016–03/5/2021	31.40
02/5/2014(T1)	02/5/2014–01/5/2015	02/5/2015–02/5/2020	32.50
02/5/2014(T2)	02/5/2014–01/5/2016	02/5/2016–02/5/2021	32.50
02/5/2014(T3)	02/5/2014–01/5/2017	02/5/2017–02/5/2022	32.50
04/5/2015(T1)	04/5/2015–03/5/2016	04/5/2016–04/5/2021	34.15
04/5/2015(T2)	04/5/2015–03/5/2017	04/5/2017–04/5/2022	34.15
04/5/2015(T3)	04/5/2015–03/5/2018	04/5/2018–04/5/2023	34.15
08/4/2016(T1)	08/4/2016–07/4/2017	08/4/2017–08/4/2022	28.45
08/4/2016(T2)	08/4/2016–07/4/2018	08/4/2018–08/4/2023	28.45
08/4/2016(T3)	08/4/2016–07/4/2019	08/4/2019–08/4/2024	28.45
07/4/2017(T1)	07/4/2017–06/4/2018	07/4/2018–07/4/2023	32.25
07/4/2017(T2)	07/4/2017–06/4/2019	07/4/2019–07/4/2024	32.25
07/4/2017(T3)	07/4/2017–06/4/2020	07/4/2020–07/4/2025	32.25
10/4/2018(T1)	10/4/2018–09/4/2019	10/4/2019–10/4/2024	32.25
10/4/2018(T2)	10/4/2018–09/4/2020	10/4/2020–10/4/2025	32.25
10/4/2018(T3)	10/4/2018–09/4/2021	10/4/2021–10/4/2026	32.25
19/7/2019(T1)	19/7/2019–18/7/2020	19/7/2020–18/7/2025	22.45
19/7/2019(T2)	19/7/2019–18/7/2021	19/7/2021–18/7/2026	22.45
19/7/2019(T3)	19/7/2019–18/7/2022	19/7/2022–18/7/2027	22.45
07/4/2020(T1)	07/4/2020–06/4/2021	07/4/2021–07/4/2026	16.58
07/4/2020(T2)	07/4/2020–06/4/2022	07/4/2022–07/4/2027	16.58
07/4/2020(T3)	07/4/2020–06/4/2023	07/4/2023–07/4/2028	16.58

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

2020		Exercise price per share	Number of share options 認股權數目				
Date of grant 授予日期	Tranche 部分		Outstanding at 1/1/2020 於2020年 1月1日 尚未行使	Granted 已授予	Exercised 已行使	Lapsed/ Cancelled 已失效/ 已註銷	Outstanding at 31/12/2020 於2020年 12月31日 尚未行使
10/5/2012	T3	28.99	1,172,000	-	-	1,172,000	-
03/5/2013	T2	31.40	1,114,000	-	-	1,114,000	-
03/5/2013	T3	31.40	1,840,000	-	-	-	1,840,000
02/5/2014	T1	32.50	1,812,000	-	-	1,812,000	-
02/5/2014	T2	32.50	1,942,000	-	-	-	1,942,000
02/5/2014	T3	32.50	1,953,500	-	-	-	1,953,500
04/5/2015	T1	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T2	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T3	34.15	2,005,746	-	-	-	2,005,746
08/4/2016	T1	28.45	1,064,000	-	-	-	1,064,000
08/4/2016	T2	28.45	1,996,000	-	-	-	1,996,000
08/4/2016	T3	28.45	2,096,500	-	-	-	2,096,500
07/4/2017	T1	32.25	2,130,000	-	-	-	2,130,000
07/4/2017	T2	32.25	2,130,000	-	-	-	2,130,000
07/4/2017	T3	32.25	2,140,000	-	-	539,500 [#]	1,600,500
10/4/2018	T1	32.25	2,225,000	-	-	-	2,225,000
10/4/2018	T2	32.25	2,225,000	-	-	50,000	
						511,500 [#]	1,663,500
10/4/2018	T3	32.25	2,237,500	-	-	50,000	
						514,500 [#]	1,673,000
19/7/2019	T1	22.45	1,947,000	-	-	403,500 [#]	1,543,500
19/7/2019	T2	22.45	1,947,000	-	-	403,500 [#]	1,543,500
19/7/2019	T3	22.45	1,956,000	-	-	405,500 [#]	1,550,500
07/4/2020	T1	16.58	-	1,778,165	-	-	1,778,165
07/4/2020	T2	16.58	-	1,785,328	-	-	1,785,328
07/4/2020	T3	16.58	-	1,818,336	-	-	1,818,336
Total 總額			39,993,246	5,381,829	-	6,976,000	38,399,075

[#] Share options were forfeited and cancelled.[#] 被撤銷並註銷的認股權。

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)

2019				Number of share options 認股權數目			
Date of grant	Tranche	Exercise price per share	Outstanding at 1/1/2019 於2019年 1月1日 尚未行使	Granted	Exercised	Lapsed	Outstanding at 31/12/2019 於2019年 12月31日 尚未行使
授予日期	部分	每股行使價 HK\$港幣元		已授予	已行使	已失效	
05/5/2011	T3	32.00	1,890,000	-	-	1,890,000	-
10/5/2012	T2	28.99	1,114,000	-	-	1,114,000	-
10/5/2012	T3	28.99	1,172,000	-	-	-	1,172,000
03/5/2013	T1	31.40	1,114,000	-	-	1,114,000	-
03/5/2013	T2	31.40	1,114,000	-	-	-	1,114,000
03/5/2013	T3	31.40	1,840,000	-	-	-	1,840,000
02/5/2014	T1	32.50	1,812,000	-	-	-	1,812,000
02/5/2014	T2	32.50	1,942,000	-	-	-	1,942,000
02/5/2014	T3	32.50	1,953,500	-	-	-	1,953,500
04/5/2015	T1	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T2	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T3	34.15	2,005,746	-	-	-	2,005,746
08/4/2016	T1	28.45	1,064,000	-	-	-	1,064,000
08/4/2016	T2	28.45	1,996,000	-	-	-	1,996,000
08/4/2016	T3	28.45	2,096,500	-	-	-	2,096,500
07/4/2017	T1	32.25	2,130,000	-	-	-	2,130,000
07/4/2017	T2	32.25	2,130,000	-	-	-	2,130,000
07/4/2017	T3	32.25	2,140,000	-	-	-	2,140,000
10/4/2018	T1	32.25	2,225,000	-	-	-	2,225,000
10/4/2018	T2	32.25	2,225,000	-	-	-	2,225,000
10/4/2018	T3	32.25	2,237,500	-	-	-	2,237,500
19/7/2019	T1	22.45	-	1,947,000	-	-	1,947,000
19/7/2019	T2	22.45	-	1,947,000	-	-	1,947,000
19/7/2019	T3	22.45	-	1,956,000	-	-	1,956,000
Total 總額			38,261,246	5,850,000	-	4,118,000	39,993,246

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

- (c) The following share options were forfeited and cancelled during the year ended 31st December, 2020 (2019: Nil). (c) 截至2020年12月31日止年度內(2019年: 無)被撤銷並註銷的認股權如下:

Date of grant 授予日期	Tranche 部分	No. of share options forfeited and cancelled 被撤銷並註銷的 認股權數目	Exercise price per share 每股行使價 HK\$ 港幣元
07/4/2017	T3	539,500	32.25
10/4/2018	T2	511,500	32.25
10/4/2018	T3	514,500	32.25
19/7/2019	T1	403,500	22.45
19/7/2019	T2	403,500	22.45
19/7/2019	T3	405,500	22.45

53. 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.

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。

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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) 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:

(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) Impairment losses

Note 45(a)(ix): impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information.

(i) 減值損失

附註45(a)(ix): 金融工具減值: 決定預期信貸損失計量模型的計算因素, 包括植入具前瞻性的資料。

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.

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

53. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)

(a) Key sources of estimation uncertainty (Continued)

(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. 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 pricing models. 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 estimation are usually required for selection of the appropriate valuation model, assumptions and inputs to be used.

(iii) Provisions for tax uncertainties

The Group makes provisions for tax uncertainties by either estimating the most likely amount, which is the single most likely amount in a range of possible outcomes, or the expected value in a range of possible outcomes. The estimate could be different from the actual results of resolution. Any increase or decrease in the provision would affect profit or loss in future years.

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Classification of financial assets

Note 2(h)(ii): assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

(ii) Measurement of ECL

Note 45(a)(ix): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

(a) 估計不穩定因素的主要來源(續)

(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。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。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。一般而言，管理層亦會對揀選適當的估值模式、假設及參數。

(iii) 稅務不確定性之撥備

本集團對稅務之不確定性會以最大可能，即最具可能性或預期價值的結果範圍內，作出撥備。該估計值可能與實際情況有差異。撥備的任何增加或減少將影響未來年度的損益。

(b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

(i) 金融資產

附註2(h)(ii)：評估持有資產的商業模型，即金融資產合約期內是否純粹是本金及按本金結餘的利息支付。

(ii) 預期信貸損失計量

附註45(a)(ix)：訂立標準以決定金融資產的信貸風險是否比初始確認時經已大幅增加及制定方法以植入具前瞻性計量預期信貸損失的資料及選擇模型以計算預期信貸損失。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(iii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(iii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

54. COMPARATIVE FIGURES 比較數字

Certain 2019 comparative figures have been restated to conform to current year's presentation. Please refer to consolidated income statement, consolidated cash flow statement, Notes 5, 7, 10, 13, 14, 24, 29(b) and 45(a) for the effect of restatement.

若干2019年的比較數字已經重報以符合本年度的呈報方式。請參閱綜合收益表、綜合現金流量表、附註5、7、10、13、14、24、29(b)及45(a)中所述的重報影響。

55. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD 毋須調整的報告期結束日後的事件

After the end of the reporting period the directors declared a second interim dividend. Further details are disclosed in Note 20(a).

董事於報告期結束日後擬派發第二次中期股息。詳情已在附註20(a)作披露。

56. ASSETS HELD FOR SALE 持有作出售資產

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：

		2020	2019
		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	26,620	–
Other properties	其他物業	37	39
		26,657	39
Liabilities held for sale (Note 38)	持有作出售負債(附註38)		
Disposal groups held for sale	持有作出售的組別	26,864	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

56. ASSETS HELD FOR SALE (CONTINUED) 持有作出售資產(續)

On 23rd September, 2020, the Bank announced that it had completed its comprehensive strategic review and decided to initiate a sale process for its wholly-owned subsidiary, BEA Life Limited (“BEA Life”). Subsequently, the Bank launched the sale process of BEA Life and the legacy life insurance portfolio underwritten by its wholly owned subsidiary, Blue Cross (Asia-Pacific) Insurance Limited (“life insurance business”). As part of the sale process, the Bank will seek to enter into a long-term exclusive distribution agreement that will provide an ongoing source of recurrent revenue for the bank as a distributor of insurance products through its banking platform. The assets and liabilities of the life insurance business as at 31st December, 2020 are classified and presented separately as assets held for sale and liabilities held for sale in the consolidated financial statements.

The assets and liabilities of the disposal groups held for sale after elimination of inter-companies balances are summarised below:

於2020年9月23日，本行公布已完成全面策略性檢討並決定啟動出售其全資擁有附屬公司一東亞人壽保險有限公司(「東亞人壽」)。其後，本行決定啟動出售東亞人壽保險有限公司及早年提供壽險服務的旗下全資附屬公司一藍十字(亞太)保險有限公司的流程。作為出售流程的一部分，本行將尋求簽訂長期獨家保險分銷協議，將透過本行分銷平台為特定保險公司分銷保險產品，從而獲取持續的收入來源。視乎監管機構批准，本行預計該出售交易可於2021年內完成。於2020年12月31日，人壽保險業務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。

持有作出售之出售組合的資產和負債，並撤銷與本集團屬下業務公司之間的交易摘要如下：

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
ASSETS	資產		
Cash and balances with banks	現金及在銀行的結存	3	–
Investment securities	投資證券	25,920	–
Fixed assets	固定資產	9	–
– Investment properties	– 投資物業	–	–
– Other properties and equipment	– 其他物業及設備	9	–
Other assets	其他資產	688	–
Assets held for sale	持有作出售資產	26,620	–
LIABILITIES	負債		
Derivative liabilities	衍生工具負債	1	–
Current taxation	本期稅項	39	–
Deferred tax liabilities	遞延稅項負債	1	–
Other liabilities	其他負債	26,823	–
Liabilities held for sale	持有作出售負債	26,864	–

As at 31st December 2020, the total equity of the disposal groups attributable to the Group was HK\$2,688 million.

於2020年12月31日，可歸屬於本集團之出售組合的股東權益總額為港幣26.88億元。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Investment Securities

投資證券

		2020			
		Mandatorily measured at FVTPL	Measured at FVOCI 按通過其他全面 強制按通過損益以 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
Debt securities	債務證券	1,272	19,088	2,104	22,464
Equity securities	股份證券	1,026	-	-	1,026
Investment funds	投資基金	2,430	-	-	2,430
		4,728	19,088	2,104	25,920

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：

		2020 HK\$ Mn 港幣百萬元	2019 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	707	-

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, 2020

在截至2020年12月31日止年度前已公布但尚未生效的修訂、新準則和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments to standards and new standards which are not yet effective for the year ended 31st December, 2020 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2020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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, <i>Interest Rate Benchmark Reform – Phase 2</i> 《香港財務報告準則》第9號，《香港會計準則》第39號，《香港財務報告準則》第7號， 《香港財務報告準則》第4號及《香港財務報告準則》第16號之修訂「利率基準改革：第二期」	1st January, 2021 2021年1月1日
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i> 《香港財務報告準則》第3號之修訂「概念框架之引述」	1st January, 2022 2022年1月1日
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 《香港會計準則》第16號之修訂「物業、廠房及設備：預定使用之前款項」	1st January, 2022 2022年1月1日
Amendments to HKAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i> 《香港會計準則》第37號之修訂「虧損合約：履行合約的成本」	1st January, 2022 2022年1月1日
Annual Improvements to HKFRSs 2018 – 2020 Cycle 每年對《香港財務報告準則》之提升2018至2020循環	1st January, 2022 2022年1月1日
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current</i> 《香港會計準則》第1號之修訂「流動及非流動負債的分類」	1st January, 2023 2023年1月1日
HKFRS 17 and amendments to HKFRS 17, <i>Insurance Contracts</i> 《香港財務報告準則》第17號「保險合約」及其修訂	1st January, 2023 2023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 and new standards are expected to be in the period of initial application. So far the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 17, Insurance Contracts

HKFRS 17 and amendments to HKFRS 17 issued in January 2018 and October 2020 respectively. HKFRS 17 sets out the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. The amendments defer the effective date of HKFRS 17 from 1st January, 2021 to 1st January, 2023 and introduce other changes. The Group is in progress of assessment of its impact.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting as a result of the interest rate benchmark reform arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 relating to the changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting. The amendments will also require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities. The Group is in progress of assessment of its impact.

本集團正在評估該等修訂和新準則對首個應用期可能產生的影響。除以下所述外，至今所得結論是若採納該等修訂、新準則和詮釋對本集團的綜合財務報表不可能構成重大影響：

《香港財務報告準則》第17號「保險合約」

《香港財務報告準則》第17號及《香港財務報告準則》第17號之修訂分別於2018年1月及2020年10月頒布，《香港財務報告準則》第17號制定實體對其發出之保險合約及持有分保合約的會計要求。經修訂後，《香港財務報告準則》第17號的生效日將由2021年1月1日延遲至2023年1月1日，並引入其他變動。本集團正在評估其影響。

《香港財務報告準則》第9號，《香港會計準則》第39號，《香港財務報告準則》第7號，《香港財務報告準則》第4號及《香港財務報告準則》第16號之修訂「利率基準改革：第二期」

該等修訂處理因基準利率改革下，可能因替代基準利率引起的財務報告問題。《香港財務報告準則》第9號，《香港會計準則》第39號，《香港財務報告準則》第7號，《香港財務報告準則》第4號及《香港財務報告準則》第16號為有關釐定金融資產，金融負債及租賃負債的合約現金流量以及對沖會計的基礎的某些規定提供了實際緩解。該等修訂亦將要求本集團披露有關該實體因利率基準改革及相關風險管理活動而承受之風險之額外資料，本集團正在評估其影響。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

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

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by the HKMA.

編制補充財務資料是根據《銀行業(披露)規則》及金管局核準的綜合監管要求。

(1) CAPITAL ADEQUACY 資本充足

		2020	2019
		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	81,784	75,313
– Additional Tier 1 capital	– 額外一級資本	13,968	13,963
– Total Tier 1 capital	– 一級資本總額	95,752	89,276
– Tier 2 capital	– 二級資本	12,669	9,349
– Total capital	– 資本總額	108,421	98,625
Risk weighted assets by risk type	風險加權資產類別		
– Credit risk	– 信貸風險	453,886	439,676
– Market risk	– 市場風險	11,516	13,260
– Operational risk	– 營運風險	32,285	34,878
		497,687	487,814
Less: Deductions	減：扣除	(3,145)	(3,619)
		494,542	484,195
		2020	2019
		% 百分率	% 百分率
Common Equity Tier 1 capital ratio	普通股權一級資本比率	16.5	15.6
Tier 1 capital ratio	一級資本比率	19.4	18.4
Total capital ratio	總資本比率	21.9	20.4

Capital adequacy ratios are compiled in accordance with the Capital Rules issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

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)

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds as determined in accordance with Part 3 of the Capital Rules.

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關維持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定經計算後從一級及二級資本中扣除。

以下附屬公司並未包括在用作監管用途之綜合計算內：

Name of company 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		334		334
BC (BVI) Holdings Limited	Investment holding 投資控股		16		16
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		37		37
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		28,576		2,560
BEA Pacific Asia Limited	Liquidation in progress 清盤中		–		–
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Asset management 資產管理		628		552
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		16		13
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		20		17
Blue Care Medical Services Limited 寶康醫療服務有限公司	Medical services 醫療服務		49		42
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Insurance 保險		2,783		984
Central Town Limited 滙中興業有限公司	Property investment 物業投資		786		647

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
Century Able Limited 階潤有限公司	Investment holding 投資控股	91		91	
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	2		2	
Corona Light Limited	Investment holding 投資控股	930		930	
Crystal Gleaming Limited	Investment holding 投資控股	929		929	
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	59		59	
East Asia Indonesian Holdings Limited	Investment holding 投資控股	2		2	
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	35		33	
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Investment holding 投資控股	–		(52)	
East Asia Property Agency Company Limited 東亞物業代理有限公司	Property agency 物業代理	9		9	
East Asia Qianhai Holdings Company Limited 東亞前海控股有限公司	Investment holding 投資控股	217		217	
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	1,833		954	
Golden Empire International Inc.	Property investment 物業投資	1		1	
High Town Limited	To be liquidated 將被清盤	–		–	
Leader One Limited	Investment holding 投資控股	1		1	
Manchester Property Holdings Ltd.	Property holding 物業持有	33		17	
Quantum Hong Kong Holdings Company Limited 君騰香港控股有限公司	Investment holding 投資控股	77		77	
Red Phoenix Limited	Leasing of motor vehicles 汽車租賃	2		2	

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		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Shaftesbury Property Holdings Limited	Investment holding 投資控股	63		63	
Shaftesbury Property Investments Limited	Investment holding 投資控股	45		45	
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	214		214	
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	33		33	
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	–		–	
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	28		(11)	
United Chinese (Nominee) Limited	Dormant 不活動	–		–	

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)

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, 2020.

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, 2020.

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2020 (31st December, 2019: 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 and Part 6 of the Financial Institutions (Resolutions) (Loss-absorbing Capacity Requirements – Banking Sector) 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 or at the following direct link: 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2020年12月31日其綜合計算方法是不相同的。

於2020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2020年12月31日(2019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》及《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求，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主頁內「監管披露」的連繫或www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

(2) LEVERAGE RATIO 槓桿比率

		2020	2019
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Total Tier 1 capital	一級資本	95,752	89,276
Exposure measure	風險承擔計量	879,956	874,070
		% 百分率	% 百分率
Leverage ratio	槓桿比率	10.9	10.2

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 or at the following direct link: 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主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(3) LIQUIDITY POSITION 流動資金狀況

Liquidity coverage ratio

流動性覆蓋比率

		2020 %百分率	2019 %百分率
Average liquidity coverage ratio	平均流動性覆蓋比率		
– First quarter	– 第一季	178.1	169.8
– Second quarter	– 第二季	177.7	171.7
– Third quarter	– 第三季	175.9	166.9
– Fourth quarter	– 第四季	183.8	175.7

The liquidity coverage ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2015. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: 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 主頁內「監管披露」的連繫或按 www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html 的直接連繫。

The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. There is no significant currency mismatch in the Bank's LCR at respective levels of consolidation.

本行持有以港幣計價的一級優質流動資產不少於以港幣計價的淨現金流出總額的20%。按各綜合層級的流動性覆蓋比率並沒有重大的貨幣錯配。

Net stable funding ratio

穩定資金淨額比率

		2020 HK\$ Mn 港幣百萬元	2019 HK\$ Mn 港幣百萬元
Total available stable funding	可用穩定資金總額	540,767	525,048
Total required stable funding	所需穩定資金總額	455,969	464,523

		2020 %百分率	2019 %百分率
Net stable funding ratio	穩定資金淨額比率	118.6	113.0

The net stable funding ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2018. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

穩定資金淨額比率是根據由2018年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html 的直接連繫。

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

	2020		2019	
	HK\$ Mn 港幣百萬元	% of total advances to customers 佔客戶墊款總額 的百分比	HK\$ Mn 港幣百萬元	% of total advances to customers 佔客戶墊款總額 的百分比
Advances to customers overdue for				
– 6 months or less but over 3 months	776	0.2	1,049	0.2
– 1 year or less but over 6 months	870	0.2	308	0.1
– Over 1 year	1,167	0.2	747	0.1
	2,813	0.6	2,104	0.4
Rescheduled advances to customers	166	0.0	163	0.0
Total overdue and rescheduled advances	2,979	0.6	2,267	0.4
Covered portion of overdue advances	1,878	0.4	1,408	0.3
Uncovered portion of overdue advances	935	0.2	696	0.1
Current market value of collateral held against the covered portion of overdue advances	5,007		2,876	
Specific provisions made on advances overdue for more than 3 months	1,578		1,190	

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)

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

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

		2020		2019	
		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)

(4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

逾期、經重組及收回資產(續)

(c) Other overdue and rescheduled assets

(c) 其他逾期及經重組資產

		2020			
		Accrued interest	Debt securities	Other assets*	
		應計利息	債務證券	其他資產*	
		HK\$ Mn	港幣百萬元	HK\$ Mn	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	8	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	20	–	–	–
– Over 1 year	– 1年以上	73	–	–	–
		101	–	–	–
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	101	–	–	–

		2019			
		Accrued interest	Debt securities	Other assets*	
		應計利息	債務證券	其他資產*	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	16	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	9	–	–	–
– Over 1 year	– 1年以上	89	–	–	–
		114	–	–	–
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	115	–	–	–

* 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)

(d) Repossessed assets

		(d) 收回資產	
		2020	2019
		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 *	211	225
Repossessed vehicles and equipment	收回汽車及設備	28	-
Repossessed machines	收回機器	-	-
Total repossessed assets	收回資產總額	239	225

The amount represents the estimated market value of the repossessed assets as at 31st December.

* The balance included HK\$52 million (2019: HK\$4 million) relating to properties that were contracted for sale but not yet completed.

此等金額指於12月31日收回資產的估計市值。

* 結餘中並包括港幣5,200萬元已簽約出售但仍未成交的物業(2019年:港幣400萬元)。

(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, the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

本年的額外資料披露是根據《銀行業(披露)規則》、《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求及按金管局所頒布的披露模版而編製,詳情可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory_disclosures.html的直接連繫。

GLOSSARY

詞彙

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
2020 AGM 「2020股東周年常會」	An AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 24th April, 2020 at 11:30 a.m. 本行於2020年4月24日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會
2021 AGM 「2021股東周年常會」	An AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 6th May, 2021 at 11:30 a.m. or any adjournment thereof 本行將於2021年5月6日星期四上午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
Articles 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
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)》
CAR 「資本充足率」	Capital Adequacy Ratio 資本充足率
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 to 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》

GLOSSARY (CONTINUED)

詞彙 (續)

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, 2021 日期為2021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 or Ordinance 「《公司條例》」或「《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
ED 「執行董事」	Executive Director of the Bank 本行的執行董事
ESG 「環境、社會及管治」	Environmental, social, and governance 環境、社會及管治
ESGC 「環境、社會及管治委員會」	The Environmental, Social, and Governance Committee of the Bank 本行的環境、社會及管治委員會
EUR 「歐羅」	Euro, the lawful currency of 19 of the 27 member states of the European Union 歐洲聯盟27個成員國內·其中19個成員國採納的法定貨幣
GBA 「大灣區」	Guangdong-Hong Kong-Macao Greater Bay Area 「粵港澳大灣區」
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
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
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
HK\$ Mn 「港幣百萬元」	HK\$ Million 港幣百萬元
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKEX 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會

GLOSSARY (CONTINUED)

詞彙 (續)

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 the 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 of Hong Kong Limited (as amended, modified or otherwise supplemented from time to time) 《香港聯合交易所有限公司證券上市規則》，經不時修訂、修改或以其他方式補充
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
NII 「淨利息收入」	Net interest income 淨利息收入
NIM 「淨息差」	Net interest margin 淨息差
RemCo 「薪酬委員會」	The Remuneration Committee of the Bank 本行的薪酬委員會
RemCoM 「薪酬委員會會議」	Remuneration Committee Meeting 薪酬委員會會議
RC 「風險委員會」	The Risk Committee of the Bank 本行的風險委員會
RCM 「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 Co-Chief Executives and Deputy Chief Executives of the Bank 本行的聯席行政總裁及副行政總裁
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)
Share(s) 「股」或「股份」	Ordinary share(s) of the Bank 本行普通股
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
The Salvation Army 「救世軍」	The Salvation Army Hong Kong and Macau Command 救世軍港澳軍區
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

FINANCIAL CALENDAR

2020 full year results announced	24th February, 2021
2020 Second Interim Dividend declared (with scrip option)	24th February, 2021
Ex-all date for 2020 Second Interim Dividend	11th March, 2021
Closure of register of members – 2020 Second Interim Dividend	15th March, 2021 and 16th March, 2021
Record date for 2020 Second Interim Dividend	16th March, 2021
Despatch of Scrip Dividend Circular and Form of Election	16th March, 2021
Despatch of dividend warrants and share certificates for 2020 Second Interim Dividend	(on or about) 9th April, 2021
Closure of register of members – 2021 AGM	From 29th April, 2021 to 6th May, 2021 (Both days inclusive)
2021 AGM	6th May, 2021
2021 interim results to be announced	August, 2021*

* *Subject to change*

SHARE LISTING

The Stock Exchange of Hong Kong Limited

SHARE REGISTRAR

Tricor Standard Limited
Telephone: (852) 2980 1333
Facsimile: (852) 2810 8185

ADR DEPOSITARY BANK

BNY Mellon
Telephone: 1-888-BNY-ADRS
E-mail: shrrrelations@cpushareownerservices.com

REGISTERED OFFICE

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E-mail: info@hkbea.com

財務日誌

公布 2020 年度全年業績	2021 年 2 月 24 日
宣布派發 2020 年度第二次中期股息 (可選擇以股代息)	2021 年 2 月 24 日
2020 年度第二次中期股息除淨日期	2021 年 3 月 11 日
暫停辦理股票過戶登記手續 — 2020 年度第二次中期股息	2021 年 3 月 15 日及 2021 年 3 月 16 日
2020 年度第二次中期股息記錄日期	2021 年 3 月 16 日
寄發以股代息通函及選擇表格	2021 年 3 月 16 日
寄發 2020 年度第二次中期股息單及股票	(約於) 2021 年 4 月 9 日
暫停辦理股票過戶登記手續 — 2021 股東周年常會	由 2021 年 4 月 29 日至 2021 年 5 月 6 日 (包括首尾兩天)
2021 股東周年常會	2021 年 5 月 6 日
公布 2021 年度中期業績	2021 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 1333
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美國預託證券託管銀行

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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 and HKEX's website at www.hkexnews.hk.

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