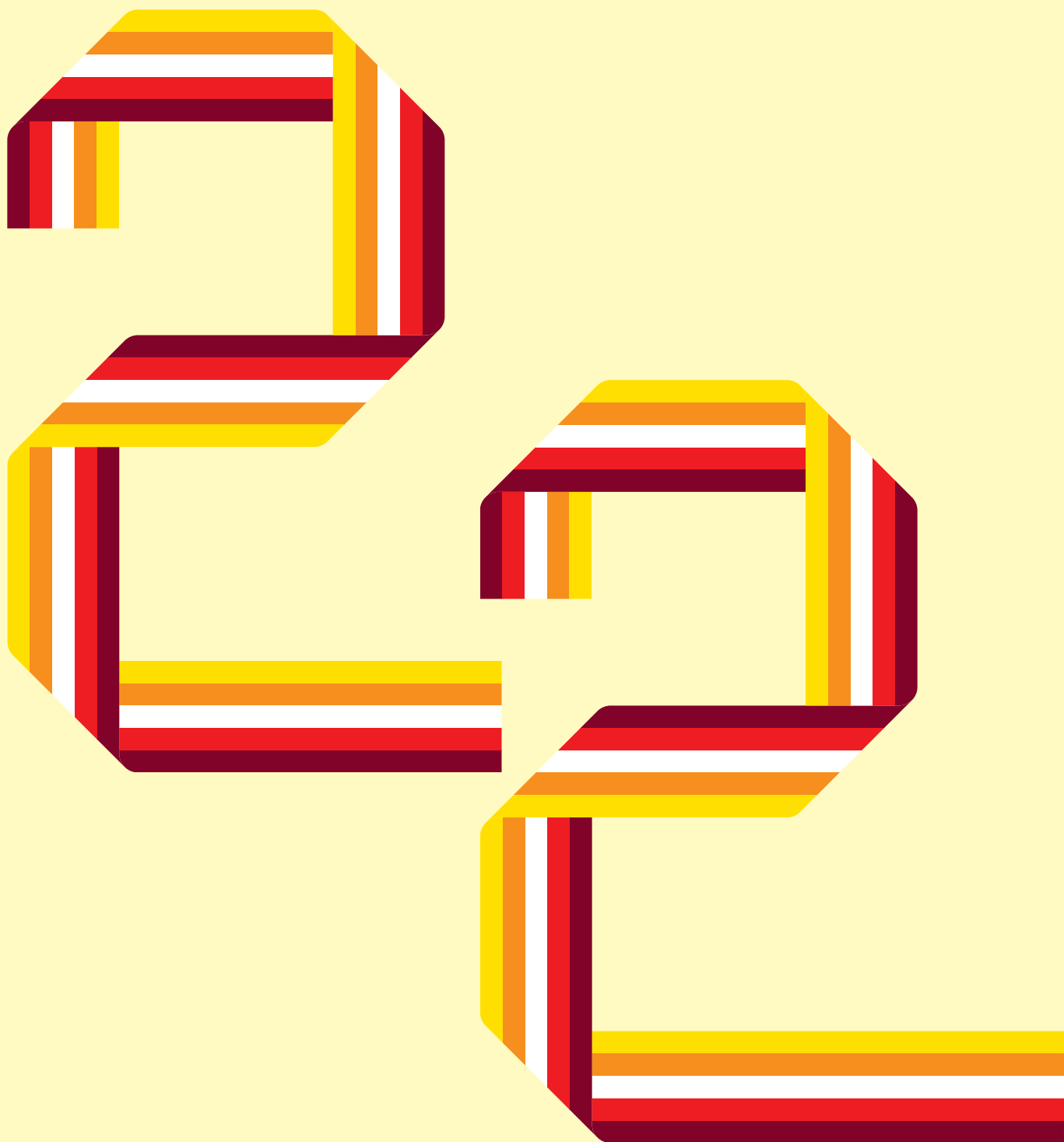




BEA 東亞銀行

(Stock Code 股份代號 : 23)



Interim Report
2022 中期報告

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FINANCIAL HIGHLIGHTS

	30 June 2022	30 June 2021	31 December 2021
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For the half year ended

Profitability	HK\$ Mn	HK\$ Mn	HK\$ Mn
Operating profit before impairment losses	3,712	3,768	3,194
Profit attributable to owners of the parent	1,499	2,671	2,599
Earnings Per Share and Dividends Per Share	HK\$	HK\$	HK\$
Basic earnings	0.39	0.78	0.75
Dividends	0.16	0.35	0.35
Key Ratios	%	%	%
Return on average assets (annualised) ¹	0.2	0.5	0.5
Return on average equity (annualised) ²	2.2	4.6	4.3
Cost-to-income ratio ³	54.3	55.2	59.4

At period/year end

Balance Sheet Strength	HK\$ Mn	HK\$ Mn	HK\$ Mn
Total loans and advances to customers and trade bills	554,443	546,577	559,580
Total assets	908,211	900,509	907,470
Total customers' deposits and certificates of deposit issued	691,221	661,656	697,832
Total equity	106,325	114,506	116,050
Key Ratios	%	%	%
Loan to deposit ratio ⁴	79.8	80.9	78.6
Impaired loan ratio ⁵	1.58	1.21	1.09
Common Equity Tier 1 capital ratio ⁶	15.7	16.9	17.0
Tier 1 capital ratio ⁶	17.7	19.8	19.8
Total capital ratio ⁶	20.2	22.4	21.6

Notes:

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

CORPORATE INFORMATION

SPECIAL ADVISOR TO THE BOARD

Dr. Isidro FAINÉ CASAS

BOARD OF DIRECTORS

Executive Directors

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

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

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

Non-executive Directors

Professor Arthur LI Kwok-cheung
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

Dr. Francisco Javier SERRADO TREPAT

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-yeung

SENIOR ADVISOR

Mr. CHAN Tze-ching

SENIOR MANAGEMENT

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

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

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

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

COMPANY SECRETARY

Mr. Alson LAW Chun-tak

AUDITOR

KPMG

Certified Public Accountants

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

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SHARE REGISTRAR

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E-mail: shrrelations@cpushareownerservices.com

REGISTERED OFFICE

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E-mail: info@hkbea.com

INTERIM RESULTS

The Board of Directors of the Bank is pleased to announce the unaudited results (Note 1(a)) of the Group for the six months ended 30th June, 2022. The interim financial report is prepared on a basis consistent with the accounting policies and methods adopted in the 2021 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 audited financial statements. Details of these changes in accounting policies are set out in Note 2. The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA. KPMG's independent review report to the Board is included on page 76.

Consolidated Income Statement

		6 months ended 30/6/2022	6 months ended 30/6/2021
	Notes	HK\$ Mn	HK\$ Mn
Interest income	3	9,658	8,887
Interest income calculated using the effective interest method		10,154	9,403
Related interest expense		(496)	(516)
Interest expense	4	(3,828)	(3,364)
Net interest income		5,830	5,523
Fee and commission income	5	1,751	1,969
Fee and commission expense		(311)	(429)
Net fee and commission income		1,440	1,540
Net trading profit	6	441	561
Net result on financial instruments at FVTPL	7	34	173
Net result on financial assets measured at FVOCI	8	(1)	21
Net loss on sale of investments measured at amortised cost		–	(13)
Net hedging profit	9	67	64
Net insurance profit	10	157	371
Other operating income	11	150	175
Non-interest income		2,288	2,892
Operating income		8,118	8,415
Operating expenses	12	(4,406)	(4,647)
Operating profit before impairment losses		3,712	3,768
Impairment losses on financial instruments	13	(2,136)	(581)
Impairment losses		(2,136)	(581)
Operating profit after impairment losses		1,576	3,187
Net gain/(loss) on disposal of fixed assets	14	33	(22)
Valuation gains/(losses) on investment properties	23	3	(123)
Share of profits less losses of associates and joint ventures		190	129
Profit for the period before taxation		1,802	3,171
Income tax	15	(292)	(474)
Profit for the period		1,510	2,697

Consolidated Income Statement (Continued)

		6 months ended 30/6/2022	6 months ended 30/6/2021
	Notes	HK\$ Mn	HK\$ Mn
Attributable to:			
Owners of the parent		1,499	2,671
Non-controlling interests		11	26
		<hr/>	<hr/>
Profit for the period		1,510	2,697
		<hr/>	<hr/>
Profit for the Bank		1,455	2,305
		<hr/>	<hr/>
Earnings per share			
Basic	1(b)	HK\$0.39	HK\$0.78
Diluted	1(b)	HK\$0.39	HK\$0.78

Consolidated Statement of Comprehensive Income

		6 months ended 30/6/2022	6 months ended 30/6/2021
	Notes	HK\$ Mn	HK\$ Mn
Net profit		1,510	2,697
Other comprehensive income for the period:			
Items that will not be reclassified to income statement:			
Premises:			
– unrealised surplus on revaluation of premises		–	4
– deferred taxes	31	1	5
Fair value reserve (equity instruments):			
– net change in fair value		181	(537)
– deferred taxes	31	(4)	(13)
Liability credit reserve:			
– net change in fair value attributable to Group's own credit risk		82	(7)
– deferred taxes	31	(13)	2
Items that may be reclassified subsequently to income statement:			
Fair value reserve (debt instruments):			
– net change in fair value		(1,807)	463
– amount transferred to income statement on disposal		7	(78)
– deferred taxes	31	267	(163)
Hedging reserve (cash flow hedges):			
– effective portion of changes in fair value of hedging instruments		–	1
– fair value change transferred to income statement		–	(1)
Share of changes in equity of associates and joint ventures		45	(193)
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries, associates and joint ventures		(1,830)	266
Other comprehensive income		(3,071)	(251)
Total comprehensive income		(1,561)	2,446
Total comprehensive income attributable to:			
Owners of the parent		(1,572)	2,420
Non-controlling interests		11	26
		(1,561)	2,446

Consolidated Statement of Financial Position

		30/6/2022	31/12/2021
	Notes	HK\$ Mn	HK\$ Mn
ASSETS			
Cash and balances with banks	16	54,817	55,088
Placements with and advances to banks	17	67,128	74,742
Trade bills	18	3,071	10,772
Trading assets	19	672	2,483
Derivative assets	37(b)	8,783	3,381
Loans and advances to customers	20	546,421	544,437
Investment securities	21	150,471	147,507
Investments in associates and joint ventures	22	8,669	8,947
Fixed assets	23	13,543	13,844
– Investment properties		4,994	4,992
– Other properties and equipment		7,677	8,015
– Right-of-use assets		872	837
Goodwill and intangible assets		1,878	1,885
Deferred tax assets	31	1,769	1,861
Other assets	24	50,989	42,523
– Assets held for sale	42	2,062	2,264
– Others		48,927	40,259
Total Assets		908,211	907,470
EQUITY AND LIABILITIES			
Deposits and balances of banks		34,531	31,766
– Designated at fair value through profit or loss	25	3,761	3,639
– At amortised cost		30,770	28,127
Deposits from customers		644,564	633,505
– Demand deposits and current accounts		69,500	79,657
– Savings deposits		184,981	196,662
– Time, call and notice deposits		390,083	357,186
Trading liabilities	26	27	5
Derivative liabilities	37(b)	3,651	5,050
Certificates of deposit issued		46,657	64,327
– Designated at fair value through profit or loss	25	25,586	32,618
– At amortised cost		21,071	31,709
Current taxation		1,144	958
Debt securities issued		3,147	5,847
– Designated at fair value through profit or loss	25	824	620
– At amortised cost		2,323	5,227
Deferred tax liabilities	31	266	559
Other liabilities	27	55,641	42,915
– Liabilities held for sale	42	1,658	1,637
– Others		53,983	41,278
Loan capital – at amortised cost	28	12,258	6,488
Total Liabilities		801,886	791,420
Share capital	1(d)	41,791	41,645
Reserves	32	54,177	60,133
Total equity attributable to owners of the parent		95,968	101,778
Additional equity instruments	33	10,090	13,968
Non-controlling interests		267	304
Total Equity		106,325	116,050
Total Equity and Liabilities		908,211	907,470

Consolidated Statement of Changes in Equity

	Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Liability credit reserve	Other reserves ²	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1st January, 2022	41,645	13,658	1,905	895	1,058	152	1,925	(46)	5,191	35,395	101,778	13,968	304	116,050
Changes in equity														
Profit for the period	-	-	-	-	-	-	-	-	-	1,499	1,499	-	11	1,510
Other comprehensive income	-	-	1	-	(1,830)	-	(1,356)	69	45	-	(3,071)	-	-	(3,071)
Total comprehensive income	-	-	1	-	(1,830)	-	(1,356)	69	45	1,499	(1,572)	-	11	(1,561)
Shares issued in lieu of dividend (Note 1(d))	146	-	-	-	-	-	-	-	-	-	146	-	-	146
Equity settled share-based transaction	-	-	-	-	-	11	-	-	-	-	11	-	-	11
Transfer	-	-	-	-	-	(24)	-	-	(7)	31	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	(1,432)	(1,432)	-	(48)	(1,480)
Share buy-back ³	-	-	-	-	-	-	-	-	-	(2,916)	(2,916)	-	-	(2,916)
Redemption of additional equity instruments ¹	-	-	-	-	-	-	-	-	-	(47)	(47)	(3,878)	-	(3,925)
At 30th June, 2022	41,791	13,658	1,906	895	(772)	139	569	23	5,229	32,530	95,968	10,090	267	106,325
At 1st January, 2021	41,557	13,657	1,895	895	301	157	2,465	(32)	5,138	32,852	98,885	13,968	943	113,796
Changes in equity														
Profit for the period	-	-	-	-	-	-	-	-	-	2,671	2,671	-	26	2,697
Other comprehensive income	-	-	9	-	266	-	(328)	(5)	(193)	-	(251)	-	-	(251)
Total comprehensive income	-	-	9	-	266	-	(328)	(5)	(193)	2,671	2,420	-	26	2,446
Shares issued in lieu of dividend	42	-	-	-	-	-	-	-	-	-	42	-	-	42
Equity settled share-based transaction	-	-	-	-	-	9	-	-	-	-	9	-	-	9
Transfer	-	-	-	-	-	(24)	-	-	208	(184)	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	(1,105)	(1,105)	-	(52)	(1,157)
Change of ownership in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(630)	(630)
At 30th June, 2021	41,599	13,657	1,904	895	567	142	2,137	(37)	5,153	34,234	100,251	13,968	287	114,506

Notes: 1. The Bank redeemed HK\$3,878 million (USD500 million) undated non-cumulative subordinated Additional Tier 1 capital securities issued in 2017.

2. Other reserves include statutory reserve and other reserves.

3. In April 2022, the Bank bought back 247 million issued shares at a consideration of HK\$2,904 million. Together with the direct transaction cost of HK\$12 million, a total amount of HK\$2,916 million were accounted for as deduction from retained profits.

Condensed Consolidated Cash Flow Statement

		6 months ended 30/6/2022	6 months ended 30/6/2021
	<i>Notes</i>	HK\$ Mn	HK\$ Mn
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS		9,305	(13,894)
Income tax paid			
Hong Kong profits tax paid		(6)	(16)
Outside Hong Kong profits tax paid		(121)	(105)
		<u>9,178</u>	<u>(14,015)</u>
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		9,178	(14,015)
INVESTING ACTIVITIES			
Dividends received from associates and joint ventures		7	–
Dividends received from equity securities measured at FVOCI		9	6
Purchase of fixed assets		(179)	(174)
Proceeds from disposal of other properties and equipment		103	3
Returns of investment in associates		–	3
		<u>(60)</u>	<u>(162)</u>
NET CASH USED IN INVESTING ACTIVITIES		(60)	(162)
FINANCING ACTIVITIES			
Ordinary dividends paid		(925)	(710)
Distribution to Additional Tier 1 issue holders	1(c)	(409)	(405)
Payment for repurchase of shares		(2,916)	–
Issue of debt securities		390	314
Issue of loan capital		3,879	–
Payment of lease liabilities		(159)	(199)
Redemption of debt securities issued		(2,931)	(4)
Redemption of additional equity instruments		(3,925)	–
Interest paid on debt securities issued		(126)	(117)
Interest paid on loan capital		(158)	(236)
		<u>(7,280)</u>	<u>(1,357)</u>
NET CASH USED IN FINANCING ACTIVITIES		(7,280)	(1,357)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,838	(15,534)
CASH AND CASH EQUIVALENTS AT 1st JANUARY		120,646	113,702
Effect of foreign exchange rate changes		(2,338)	479
		<u>120,146</u>	<u>98,647</u>
CASH AND CASH EQUIVALENTS AT 30th JUNE	34	120,146	98,647
Cash flows from operating activities included:			
Interest received		9,736	8,961
Interest paid		3,619	3,648
Dividend received		20	17
		<u>20</u>	<u>17</u>

Notes to the Interim Financial Statements

Notes:

1. (a) This interim report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of these changes in accounting policies are set out in Note 2 below.

The financial information relating to the financial year ended 31st December, 2021 that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Bank has delivered the financial statements for the year ended 31st December, 2021 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

- (b) (i) The calculation of basic earnings per share is based on the consolidated profit for the period attributable to owners of the parent of HK\$1,090 million (six months ended 30th June, 2021: HK\$2,266 million) after accounting for the distribution of HK\$409 million (six months ended 30th June, 2021: HK\$405 million) to Additional Tier 1 issue holders, and on the weighted average of 2,818 million ordinary shares outstanding during the six months ended 30th June, 2022 (six months ended 30th June, 2021: 2,918 million).
- (ii) The calculation of diluted earnings per share is based on the consolidated profit for the period attributable to owners of the parent of HK\$1,090 million (six months ended 30th June, 2021: HK\$2,266 million) after accounting for the distribution of HK\$409 million (six months ended 30th June, 2021: HK\$405 million) to Additional Tier 1 issue holders, and on the weighted average of 2,818 million ordinary shares outstanding during the six months ended 30th June, 2022 (six months ended 30th June, 2021: 2,918 million), adjusted for the effects of all dilutive potential shares.
- (c) Distribution/Dividends
- (i) Dividends payable to equity owners of the parent attributable to the interim period

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Interim dividend declared after the interim period of HK\$0.16 per share on 2,689 million shares (six months ended 30th June, 2021: HK\$0.35 per share on 2,919 million shares)	430	1,022

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

Notes to the Interim Financial Statements (Continued)

1. (c) Distribution/Dividends (Continued)

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

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Second interim dividend of HK\$0.35 per share on 2,923 million shares (2021: HK\$0.24 per share on 2,917 million shares)	1,023	700

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

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Distribution paid on the Additional Tier 1 capital instruments	409	405

(d) Share Capital

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

	At 30th June, 2022		At 31st December, 2021	
	No. of shares		No. of shares	
	Million	HK\$ Mn	Million	HK\$ Mn
Ordinary shares, issued and fully paid:				
At 1st January	2,923	41,645	2,917	41,557
Share issued in lieu of dividend	13	146	6	88
Share buy-back (Note)	(247)	–	–	–
At 30th June/31st December	<u>2,689</u>	<u>41,791</u>	<u>2,923</u>	<u>41,645</u>

Note: On 11th April, 2022, the Bank bought back its 247 million issued shares after completion of an off-market share buy-back transaction. Such shares were cancelled on 20th April, 2022.

2. Changes in Accounting Policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Interim Financial Statements (Continued)

3. Interest Income

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Loans, deposits with banks, and trade bills	8,200	7,635
Investment securities		
– measured at amortised cost or FVOCI	1,385	1,169
– mandatory at FVTPL	53	57
Trading assets	20	26
	<u>9,658</u>	<u>8,887</u>

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

The above included interest income of HK\$10,154 million (six months ended 30th June, 2021: HK\$9,403 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

4. Interest Expense

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Customer deposits and deposits of banks		
– at amortised cost	3,274	2,721
– designated at FVTPL	12	6
Certificates of deposit and debt securities issued		
– at amortised cost	238	327
– designated at FVTPL	118	96
Subordinated notes carried at amortised cost	166	197
Lease liabilities	15	15
Other borrowings	5	2
	<u>3,828</u>	<u>3,364</u>

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

The above included interest expense of HK\$3,711 million (six months ended 30th June, 2021: HK\$3,285 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

Notes to the Interim Financial Statements (Continued)

5. Fee and Commission Income

Fee and commission income is disaggregated by services:

	6 months ended 30/6/2022	6 months ended 30/6/2021 Restated ^(Note)
	HK\$ Mn	HK\$ Mn
Loans, overdrafts and guarantees	440	475
Credit cards	331	391
Sale of third party insurance policies	251	83
Securities brokerage	124	251
Investment products	118	246
Trust and other fiduciary activities	112	150
Other retail banking services	101	86
Trade finance	50	40
Others	224	247
	<hr/>	<hr/>
Total fee and commission income	1,751	1,969
	<hr/> <hr/>	<hr/> <hr/>
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not measured at FVTPL	1,445	1,549
Fee income	1,751	1,969
Fee expenses	(306)	(420)

Note: Certain fee and commission income for the six months ended 30th June, 2021 has been reclassified among the categories of loans, overdrafts and guarantees, securities brokerage, trade finance and others to conform to the current period and prior year end's presentation.

6. Net Trading Profit

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Profit on dealing in foreign currencies and funding swaps	275	239
(Loss)/Profit on trading securities	(88)	82
Net gain on derivatives	244	229
Loss on other dealing activities	(1)	(1)
Dividend income from trading equity securities	11	12
	<hr/>	<hr/>
	441	561
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Interim Financial Statements (Continued)

7. Net Result on Financial Instruments at FVTPL

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Net gain from financial instruments designated at FVTPL	289	16
Net (loss)/gain from financial instruments mandatorily measured at FVTPL (other than those included in net trading profits)	(255)	157
	<u>34</u>	<u>173</u>

8. Net Result on Financial Assets Measured at FVOCI

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Net (loss)/profit on sale of debt securities	(10)	15
Dividend income from equity securities	9	6
	<u>(1)</u>	<u>21</u>

9. Net Hedging Profit

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Fair value hedges		
– Net loss on hedged items attributable to the hedged risk	(6,462)	(1,655)
– Net gain on hedging instruments	6,529	1,719
	<u>67</u>	<u>64</u>

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the six months ended 30th June, 2022 and 30th June, 2021.

Notes to the Interim Financial Statements (Continued)

10. Net Insurance Profit

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
(a) Net insurance profit		
Net interest income	14	352
Net trading profit	5	29
Net result on financial instruments at FVTPL	(12)	159
Net profit on sale of debt investment securities measured at FVOCI	–	56
Net insurance premium	500	3,550
	507	4,146
Net insurance claims and expenses	(350)	(3,752)
	157	394
Operating expenses	–	(2)
Impairment losses on financial instruments	–	(21)
	157	371
(b) Net insurance premium		
Gross insurance premium income	529	3,586
Reinsurer's share of gross insurance premium income	(29)	(36)
	500	3,550
(c) Net insurance claims and expenses		
Claims, benefits and surrenders paid	427	3,263
Movement in provisions	(124)	445
	303	3,708
Reinsurers' share of claim, benefits and surrenders paid	(24)	(17)
Reinsurers' share of movement in provisions	13	(3)
	(11)	(20)
Net insurance commission expenses	292	3,688
	58	64
	350	3,752

Notes to the Interim Financial Statements (Continued)

11. Other Operating Income

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Rental from safe deposit boxes	61	61
Rental income on properties	66	76
Government subsidy – Employment Support Scheme	4	–
Others	19	38
	<u>150</u>	<u>175</u>

12. Operating Expenses

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Contributions to defined contribution plan		
– Hong Kong	81	93
– Outside Hong Kong	114	116
Equity settled share-based payment expenses	11	9
Salaries and other staff costs	2,546	2,547
	<u>2,752</u>	<u>2,765</u>
Total staff costs		
Premises and equipment expenses excluding depreciation		
– Expenses relating to short-term leases	6	10
– Variable lease payments not included in the measurement of lease liabilities (<i>Note</i>)	(2)	3
– Maintenance, repairs and others	370	373
	<u>374</u>	<u>386</u>
Total premises and equipment expenses excluding depreciation		
Depreciation on		
– Bank premises, furniture, fixtures and equipment	290	290
– Right-of-use assets	160	195
	<u>450</u>	<u>485</u>
Amortisation of intangible assets	<u>7</u>	<u>7</u>
Other operating expenses		
– Internet platform charges	205	259
– Legal and professional fees	165	163
– Communications, stationery and printing	133	129
– Advertising expenses	118	95
– Insurance expenses	70	66
– Stamp duty, withholding taxes and value added taxes	42	41
– Card related expenses	37	64
– Business promotions and business travel	23	24
– Others	30	163
	<u>823</u>	<u>1,004</u>
Total other operating expenses		
Total operating expenses	<u>4,406</u>	<u>4,647</u>

Note: Included a credit of HK\$2.0 million (six months ended 30th June, 2021: HK\$1.1 million) of COVID-19-related rent concession and a credit of HK\$1.3 million (six months ended 30th June, 2021: Nil) of rent concession during the period for the purpose of entering into a new lease.

Notes to the Interim Financial Statements (Continued)

13. Impairment Losses on Financial Instruments

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Loans and advances to customers	1,822	552
Others	314	29
	<u>2,136</u>	<u>581</u>

14. Net Gain/(Loss) on Disposal of Fixed Assets

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Net gain/(loss) on disposal of a bank premise, furniture, fixtures and equipment	<u>33</u>	<u>(22)</u>

15. Income Tax

Taxation in the consolidated income statement represents:

	6 months ended 30/6/2022	6 months ended 30/6/2021
	HK\$ Mn	HK\$ Mn
Current tax – Hong Kong		
Tax for the period	208	286
Over-provision in respect of prior years	(47)	(60)
	<u>161</u>	<u>226</u>
Current tax – outside Hong Kong		
Tax for the period	151	128
Under/(Over)-provision in respect of prior years	1	(5)
	<u>152</u>	<u>123</u>
Deferred tax		
Origination and reversal of temporary differences	(21)	125
	<u>292</u>	<u>474</u>

The provision for Hong Kong profits tax is calculated at 16.5% (six months ended 30th June, 2021: 16.5%) of the estimated assessable profits for the six months ended 30th June, 2022.

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

Notes to the Interim Financial Statements (Continued)

16. Cash and Balances with Banks

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Cash in hand	1,030	1,016
Balances with central banks	36,242	37,463
Balances with other banks	17,547	16,612
	54,819	55,091
Less: Impairment allowances	(2)	(3)
– Stage 1	(2)	(3)
– Stage 2	–	–
– Stage 3	–	–
	54,817	55,088

17. Placements with and Advances to Banks

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Placements with and advances to banks		
Maturing		
– within one month	62,107	73,104
– after one month but within one year	5,022	1,639
– after one year	–	–
	67,129	74,743
Less: Impairment allowances	(1)	(1)
– Stage 1	(1)	(1)
– Stage 2	–	–
– Stage 3	–	–
	67,128	74,742
Of which:		
Placements with and advances to central banks	–	–

Notes to the Interim Financial Statements (Continued)

18. Trade Bills

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Measured at amortised cost	582	560
Less: Impairment allowances	–	–
– Stage 1	–	–
– Stage 2	–	–
– Stage 3	–	–
	582	560
Measured at FVOCI	2,489	10,212
	<u>3,071</u>	<u>10,772</u>

19. Trading Assets

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	100	–
Debt securities	51	1,632
Equity securities	521	851
	<u>672</u>	<u>2,483</u>

Notes to the Interim Financial Statements (Continued)

20. Loans and Advances to Customers

(a) Loans and advances to customers

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost	551,372	548,808
Less: Impairment allowances	(4,951)	(4,371)
– Stage 1	(702)	(667)
– Stage 2	(838)	(527)
– Stage 3	(3,411)	(3,177)
	<u>546,421</u>	<u>544,437</u>

(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.

	30/6/2022		31/12/2021	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	35,222	59.49	34,103	54.12
– Property investment	49,819	91.23	50,280	91.88
– Financial concerns	17,004	58.36	15,514	50.18
– Stockbrokers	1,479	99.98	1,957	99.99
– Wholesale and retail trade	6,595	58.38	7,742	47.86
– Manufacturing	4,608	28.45	4,810	32.51
– Transport and transport equipment	5,121	47.38	5,531	46.15
– Recreational activities	373	91.88	304	87.23
– Information technology	830	2.32	1,268	2.13
– Others	15,976	56.87	15,365	58.85
Sub-total	<u>137,027</u>	69.22	<u>136,874</u>	66.89
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,270	100.00	1,337	100.00
– Loans for the purchase of other residential properties	91,856	100.00	91,532	100.00
– Credit card advances	3,955	0.00	4,284	0.00
– Others	26,777	57.35	28,182	63.75
Sub-total	<u>123,858</u>	87.59	<u>125,335</u>	88.43
Total loans for use in Hong Kong	260,885	77.94	262,209	77.18
Trade finance	6,765	31.05	6,088	32.92
Loans for use outside Hong Kong (Note)	<u>283,722</u>	34.70	<u>280,511</u>	36.83
Total advances to customers	<u>551,372</u>	55.11	<u>548,808</u>	56.07

Note: Loans for use outside Hong Kong include the following loans for use in Mainland China.

Notes to the Interim Financial Statements (Continued)

20. Loans and Advances to Customers (Continued)

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

	30/6/2022		31/12/2021	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in Mainland China				
Industrial, commercial and financial				
– Property development	41,553	32.06	44,747	34.37
– Property investment	12,713	76.09	14,134	80.56
– Financial concerns	48,867	0.28	47,765	0.00
– Wholesale and retail trade	11,207	6.36	10,837	13.94
– Manufacturing	13,109	6.98	11,219	5.76
– Transport and transport equipment	788	40.89	811	43.46
– Recreational activities	–	N/A	25	100.00
– Information technology	2,111	0.29	1,967	0.43
– Others	16,486	12.72	17,618	12.24
Sub-total	146,834	18.51	149,123	21.10
Individuals				
– Loans for the purchase of other residential properties	14,572	100.00	15,762	100.00
– Credit card advances	5,575	0.00	6,370	0.00
– Others	13,641	4.54	12,724	5.28
Sub-total	33,788	44.96	34,856	47.15
Total loans for use in Mainland China	180,622	23.46	183,979	26.03

Notes to the Interim Financial Statements (Continued)

20. Loans and Advances to Customers (Continued)

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

Individually impaired loans, as well as relevant information, in respect of industry sectors which constitute 10% or more of total advances to customers of the Group are as follows:

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
(i) Property development		
a. Individually impaired loans	4,170	1,009
b. Specific provisions	1,134	326
c. Collective provisions	550	206
d. New provision charged to income statement	1,315	607
e. Written off	–	87
(ii) Property investment		
a. Individually impaired loans	2,528	2,552
b. Specific provisions	1,047	1,375
c. Collective provisions	64	87
d. New provision charged to income statement	220	1,644
e. Written off	436	12
(iii) Loans for purchase of residential properties		
a. Individually impaired loans	278	270
b. Specific provisions	10	10
c. Collective provisions	17	27
d. New provision charged to income statement	8	146
e. Written off	3	–
(iv) Financial concerns		
a. Individually impaired loans	47	64
b. Specific provisions	30	34
c. Collective provisions	61	43
d. New provision charged to income statement	43	201
e. Written off	–	–

The specific provisions represent lifetime expected credit loss provisions for credited impaired (Stage 3) exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired (Stage 1 and Stage 2) exposures.

Notes to the Interim Financial Statements (Continued)

20. Loans and Advances to Customers (Continued)

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

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk in accordance with the requirements of Banking (Disclosure) Rules. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. The location of a party is determined by its residence which is the economic territory under whose laws the party is incorporated or registered. This requirement is different from the allocation under segment reporting in Note 29 which is prepared in a manner consistent with the way in which information is reported internally to the Group's Senior Management. Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The specific provisions represent lifetime expected credit loss provisions for credit impaired (Stage 3) exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired (Stage 1 and Stage 2) exposures.

	30/6/2022				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	265,563	456	1,234	548	145
Mainland China	196,704	2,005	7,440	2,861	1,083
Other Asian Countries and Regions	29,000	11	22	2	93
Others	60,105	–	6	–	219
Total	<u>551,372</u>	<u>2,472</u>	<u>8,702</u>	<u>3,411</u>	<u>1,540</u>
% of total advances to customers			<u>1.58%</u>		

Notes to the Interim Financial Statements (Continued)

20. Loans and Advances to Customers (Continued)

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

	31/12/2021				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	264,285	409	1,218	254	136
Mainland China	202,365	2,020	4,589	2,822	755
Other Asian Countries and Regions	28,036	22	164	101	62
Others	54,122	–	6	–	241
Total	548,808	2,451	5,977	3,177	1,194
% of total advances to customers			1.09%		

21. Investment Securities

	30/06/2022			
	Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	21,647	2,427	24,074
Certificates of deposits held	–	–	606	606
Debt securities	3,465	107,303	13,175	123,943
Equity securities	39	893	–	932
Investment funds	916	–	–	916
	4,420	129,843	16,208	150,471

	31/12/2021			
	Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	22,844	2,025	24,869
Certificates of deposits held	–	–	646	646
Debt securities	4,365	101,968	13,875	120,208
Equity securities	42	712	–	754
Investment funds	1,030	–	–	1,030
	5,437	125,524	16,546	147,507

Notes to the Interim Financial Statements (Continued)

21. Investment Securities (Continued)

Equity securities designated at FVOCI

	30/6/2022		31/12/2021	
	Fair value	Dividend income recognised	Fair value	Dividend income recognised
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Equity investments held for long-term strategic purposes	893	9	712	22

22. Investments in Associates and Joint Ventures

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Share of net assets	9,008	9,270
Goodwill	460	476
	9,468	9,746
Less: Impairment allowances	(799)	(799)
	8,669	8,947

At 30th June, 2022, 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\$3,891 million. The recoverable amount was higher than the carrying value of HK\$3,375 million and no further impairment charge was recognised. 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. A discount rate of 12.08% (31/12/2021: 11.49%), 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 the 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.

	Favourable change		Unfavourable change		
	Increase in VIU		Decrease in VIU		
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
At 30th June, 2022					
Discount rate	-50 bps	217	4,108	+50 bps (194)	3,697
Long-term growth rate	+50 bps	39	3,930	-50 bps (35)	3,856
Expected cash flows	+10%	389	4,280	-10% (389)	3,502

Notes to the Interim Financial Statements (Continued)

23. Fixed Assets

	30/6/2022							
	Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Cost or valuation								
At 1st January, 2022	4,992	8,529	6,448	14,977	1,507	23	1,530	21,499
Additions	–	1	178	179	222	3	225	404
Revaluation surplus	3	–	–	–	–	–	–	3
Disposals	–	(140)	(128)	(268)	–	–	–	(268)
Remeasurement	–	–	–	–	2	–	2	2
Expiry/termination of lease contracts	–	–	–	–	(240)	(1)	(241)	(241)
Exchange adjustments	(1)	(184)	(103)	(287)	(40)	–	(40)	(328)
At 30th June, 2022	4,994	8,206	6,395	14,601	1,451	25	1,476	21,071
Accumulated depreciation and amortisation								
At 1st January, 2022	–	2,378	4,584	6,962	682	11	693	7,655
Charge for the period	–	71	219	290	158	2	160	450
Expiry/termination of lease contracts	–	–	–	–	(235)	(1)	(236)	(236)
Written off on disposal	–	(88)	(110)	(198)	–	–	–	(198)
Exchange adjustments	–	(62)	(68)	(130)	(14)	1	(13)	(143)
At 30th June, 2022	–	2,299	4,625	6,924	591	13	604	7,528
Net book value at 30th June, 2022	4,994	5,907	1,770	7,677	860	12	872	13,543
Net book value at 31st December, 2021	4,992	6,151	1,864	8,015	825	12	837	13,844
The gross amounts of the above assets are stated:								
At cost	–	7,458	6,395	13,853	1,451	25	1,476	15,329
At Directors' valuation – 1989	–	748	–	748	–	–	–	748
At professional valuation – 2022	4,994	–	–	–	–	–	–	4,994
	4,994	8,206	6,395	14,601	1,451	25	1,476	21,071

Notes to the Interim Financial Statements (Continued)

24. Other Assets

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Accrued interest	2,571	2,649
Customer liabilities under acceptances	34,761	28,674
Other accounts	11,750	9,068
Less: Impairment allowances	(155)	(132)
– Stage 1	(9)	(8)
– Stage 2	(5)	(2)
– Stage 3	(141)	(122)
	<u>48,927</u>	<u>40,259</u>
Assets held for sale (Note 42)	<u>2,062</u>	<u>2,264</u>
	<u>50,989</u>	<u>42,523</u>

25. Financial Liabilities Designated at Fair Value through Profit or Loss

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Deposits and balances of banks	3,761	3,639
Certificates of deposits issued	25,586	32,618
Debt securities issued	824	620
	<u>30,171</u>	<u>36,877</u>

Financial liabilities above have been designated as at FVTPL when the Group holds related derivatives at FVTPL, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The amount of change, during the period and cumulatively, in the fair value of financial liabilities designated at FVTPL that is attributable to changes in the credit risk of these liabilities and recognised in other comprehensive income is set out below.

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Balance at 1st January	(46)	(32)
Recognised in other comprehensive income during the period	82	(18)
Deferred tax	(13)	4
Balance at 30th June/31st December	<u>23</u>	<u>(46)</u>

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during first half of 2022 (31/12/2021: Nil).

The change in fair value attributable to changes in credit risk on financial liabilities is calculated using the difference between the fair value of the financial liabilities at the reporting date and the present value computed with adjusted asset swap spread.

The carrying amount of financial liabilities designated as at FVTPL at 30th June, 2022 was HK\$460 million lower than the contractual amount due at maturity (31/12/2021: HK\$46 million lower).

Notes to the Interim Financial Statements (Continued)

26. Trading Liabilities

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Shares sold	27	5

27. Other Liabilities

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Accrued interest payable	2,103	1,894
Acceptance draft payable	34,761	28,674
Impairment allowances on financial guarantee contracts issued and loan commitments issued	315	174
– Stage 1	125	133
– Stage 2	126	24
– Stage 3	64	17
Liabilities held for sale (Note 42)	1,658	1,637
Lease liabilities	926	884
Other accounts (Note)	15,878	9,652
	55,641	42,915

Note: Include contract liabilities of HK\$2,519 million (31/12/2021: HK\$2,625 million) from contracts with customers under HKFRS 15.

Notes to the Interim Financial Statements (Continued)

28. Loan Capital

		30/6/2022	31/12/2021
		HK\$ Mn	HK\$ Mn
Subordinated notes/Loss absorbing notes, at amortised cost with fair value hedge adjustments			
USD500 million fixed rate subordinated notes due 22nd April, 2032	(1)	3,847	–
USD250 million fixed rate loss absorbing notes due 7th July, 2028	(2)	1,967	–
Subordinated notes, at amortised cost without hedging			
RMB1,500 million fixed rate subordinated notes due 25th April, 2029	(3)	1,757	1,833
USD600 million fixed rate subordinated notes due 29th May, 2030	(4)	4,687	4,655
		<u>12,258</u>	<u>6,488</u>

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the period/year ended 30th June, 2022 and 31st December, 2021.

- (1) Loan capital with face value of HK\$3,923 million (US\$500 million) and carrying amount of HK\$3,847 million represents subordinated notes carrying a coupon rate of 4.875% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 22nd April, 2022 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 22nd April, 2032 and are callable on 22nd April, 2027. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$4 million profit was recorded in first half of 2022.
- (2) Loan capital with face value of HK\$1,961 million (US\$250 million) and carrying amount of HK\$1,967 million represents non-preferred loss-absorbing capacity notes carrying a coupon rate of 5.125% p.a. and meeting the loss-absorbing capacity requirements issued on 7th July, 2022 (traded on 28th June, 2022) by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 7th July, 2028 and are callable on 7th July, 2027. The notes are under fair value hedge accounting.
- (3) Loan capital with face value of HK\$1,758 million (RMB1,500 million) and carrying amount of HK\$1,757 million (31/12/2021: HK\$1,833 million) represents subordinated notes carrying a coupon of 4.94% p.a. issued on 25th April, 2019 by the Bank's subsidiary, The Bank of East Asia (China) Limited. The notes will mature on 25th April, 2029 and are callable on 25th April, 2024.
- (4) Loan capital with face value of HK\$4,707 million (US\$600 million) and carrying amount of HK\$4,687 million (31/12/2021: HK\$4,655 million) represents subordinated notes carrying a coupon of 4% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 29th May, 2020 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 29th May, 2030 and are callable on 29th May, 2025.

Notes to the Interim Financial Statements (Continued)

29. Segment Reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's Senior Management for the purposes of resource allocation and performance assessment, the Group has presented the following nine reportable segments.

Hong Kong operations

Hong Kong operations include Hong Kong banking business 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.
- **Wholesale 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 securities & futures broking in Hong Kong.
- **Centralised operations** include supporting units of banking operations in Hong Kong.
- **Others** mainly include insurance business, trust business and corporate financial advisory carried out by subsidiaries operating 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 operating 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 operating 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 business activities funded by capital instruments issued by the Bank.

For the purposes of assessing segment performance and allocating resources among segments, the Group's Senior Management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of interests in associates and joint ventures and assets held for sale. Segment liabilities include deposits, financial liabilities and other liabilities attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to interest and fee and commission income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Notes to the Interim Financial Statements (Continued)

29. Segment Reporting (Continued)

	Hong Kong operations												
	Hong Kong banking business						Others	Total	Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination	Total
	Personal banking	Wholesale banking	Treasury markets	Wealth management	Centralised operations	Total							
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
6 months ended 30th June, 2022													
Net interest income/(expense)	1,220	1,393	(22)	156	(21)	2,726	14	2,740	1,948	993	149	-	5,830
Non-interest income	584	327	31	331	120	1,393	352	1,745	498	59	-	(14)	2,288
Operating income	1,804	1,720	9	487	99	4,119	366	4,485	2,446	1,052	149	(14)	8,118
Operating expenses	(782)	(225)	(98)	(164)	(1,090)	(2,359)	(178)	(2,537)	(1,512)	(371)	-	14	(4,406)
Operating profit/(loss) before impairment losses	1,022	1,495	(89)	323	(991)	1,760	188	1,948	934	681	149	-	3,712
Impairment losses on financial instruments	(45)	(1,116)	(46)	-	-	(1,207)	-	(1,207)	(990)	61	-	-	(2,136)
Operating profit/(loss) after impairment losses	977	379	(135)	323	(991)	553	188	741	(56)	742	149	-	1,576
Net gain/(loss) on disposal of fixed assets	(11)	-	-	-	-	(11)	-	(11)	44	-	-	-	33
Valuation gains on investment properties	-	-	-	-	3	3	-	3	-	-	-	-	3
Share of profits less losses of associates and joint ventures	-	-	-	-	-	-	(5)	(5)	(3)	198	-	-	190
Profit/(Loss) before taxation	966	379	(135)	323	(988)	545	183	728	(15)	940	149	-	1,802
Depreciation for the period	(131)	(6)	(6)	(3)	(111)	(257)	(15)	(272)	(149)	(29)	-	-	(450)
At 30th June, 2022													
Segment assets	119,735	167,567	238,600	25,067	11,989	562,958	2,143	565,101	254,556	123,751	-	(45,928)	897,480
Investments in associates and joint ventures	-	-	-	-	-	-	60	60	3,820	4,789	-	-	8,669
Other assets – Assets held for sale	-	-	-	-	15	15	2,031	2,046	16	-	-	-	2,062
Total assets	119,735	167,567	238,600	25,067	12,004	562,973	4,234	567,207	258,392	128,540	-	(45,928)	908,211
Segment liabilities	338,097	63,765	68,029	31,674	1,920	503,485	328	503,813	227,953	113,576	-	(45,114)	800,228
Other liabilities – Liabilities held for sale	-	-	-	-	-	-	1,658	1,658	-	-	-	-	1,658
Total liabilities	338,097	63,765	68,029	31,674	1,920	503,485	1,986	505,471	227,953	113,576	-	(45,114)	801,886

Notes to the Interim Financial Statements (Continued)

29. Segment Reporting (Continued)

	Hong Kong operations (Restated) ^{Note}												
	Hong Kong banking business							Total	Mainland China operations (Restated) ^{Note}	Overseas operations	Corporate management	Inter-segment elimination	Total
	Personal banking	Wholesale banking	Treasury markets	Wealth management	Centralised operations	Total	Others						
6 months ended 30th June, 2021	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
Net interest income/(expense)	1,130	1,177	60	172	(10)	2,529	46	2,575	1,962	828	158	-	5,523
Non-interest income	565	327	393	389	155	1,829	515	2,344	450	117	-	(19)	2,892
Operating income	1,695	1,504	453	561	145	4,358	561	4,919	2,412	945	158	(19)	8,415
Operating expenses	(844)	(181)	(87)	(158)	(1,075)	(2,345)	(208)	(2,553)	(1,738)	(375)	-	19	(4,647)
Operating profit/(loss) before impairment losses	851	1,323	366	403	(930)	2,013	353	2,366	674	570	158	-	3,768
Impairment losses on financial instruments	(56)	(189)	(7)	(2)	-	(254)	(4)	(258)	(317)	(6)	-	-	(581)
Operating profit/(loss) after impairment losses	795	1,134	359	401	(930)	1,759	349	2,108	357	564	158	-	3,187
Net loss on disposal of fixed assets	(8)	-	-	-	(2)	(10)	-	(10)	(12)	-	-	-	(22)
Valuation losses on investment properties	-	-	-	-	(101)	(101)	(22)	(123)	-	-	-	-	(123)
Share of profits less losses of associates and joint ventures	-	-	-	-	-	-	(1)	(1)	84	46	-	-	129
Profit/(Loss) before taxation	787	1,134	359	401	(1,033)	1,648	326	1,974	429	610	158	-	3,171
Depreciation for the period	(160)	(4)	(4)	(4)	(112)	(284)	(19)	(303)	(149)	(33)	-	-	(485)
At 31st December, 2021													
Segment assets	119,858	169,032	229,919	26,605	11,392	556,806	2,185	558,991	262,575	118,789	-	(44,096)	896,259
Investments in associates and joint ventures	-	-	-	-	-	-	66	66	3,983	4,898	-	-	8,947
Other assets – Assets held for sale	-	-	-	-	15	15	2,232	2,247	17	-	-	-	2,264
Total assets	119,858	169,032	229,919	26,605	11,407	556,821	4,483	561,304	266,575	123,687	-	(44,096)	907,470
Segment liabilities	331,601	58,997	65,994	29,886	2,244	488,722	384	489,106	234,937	109,059	-	(43,319)	789,783
Other liabilities – Liabilities held for sale	-	-	-	-	-	-	1,637	1,637	-	-	-	-	1,637
Total liabilities	331,601	58,997	65,994	29,886	2,244	488,722	2,021	490,743	234,937	109,059	-	(43,319)	791,420

Note: The financials of Hong Kong operations and Mainland China operations have been restated to conform to the current period's presentation that reflected the organisation restructure which took place in 2022.

Notes to the Interim Financial Statements (Continued)

30. Analysis of Assets and Liabilities by Remaining Maturity

	30/6/2022							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Assets								
Cash and balances with banks	44,272	–	–	–	–	–	10,545	54,817
Placements with and advances to banks	–	62,107	4,787	234	–	–	–	67,128
Trade bills	–	1,642	691	738	–	–	–	3,071
Trading assets	–	–	100	–	8	43	521	672
Derivative assets	–	–	–	–	–	–	8,783	8,783
Loans and advances to customers	2,898	74,407	39,506	130,918	183,708	111,073	3,911	546,421
Investment securities	–	7,646	12,127	18,476	65,639	44,773	1,810	150,471
Investments in associates and joint ventures	–	–	–	–	–	–	8,669	8,669
Fixed assets	–	–	–	–	–	–	13,543	13,543
Goodwill and intangible assets	–	–	–	–	–	–	1,878	1,878
Deferred tax assets	–	–	–	–	–	–	1,769	1,769
Other assets	48	12,169	10,211	19,053	1,114	1,066	7,328	50,989
Total assets	47,218	157,971	67,422	169,419	250,469	156,955	58,757	908,211
Liabilities								
Deposits and balances of banks	1,683	13,178	13,817	5,853	–	–	–	34,531
Deposits from customers	256,161	96,824	144,640	132,856	14,083	–	–	644,564
– Demand deposits and current accounts	69,500	–	–	–	–	–	–	69,500
– Savings deposits	184,981	–	–	–	–	–	–	184,981
– Time, call and notice deposits	1,680	96,824	144,640	132,856	14,083	–	–	390,083
Trading liabilities	–	–	–	–	–	–	27	27
Derivative liabilities	–	–	–	–	–	–	3,651	3,651
Certificates of deposit issued	–	8,824	8,905	22,002	6,926	–	–	46,657
Current taxation	–	–	–	1,144	–	–	–	1,144
Debt securities issued	–	–	–	1,647	1,500	–	–	3,147
Deferred tax liabilities	–	–	–	–	–	–	266	266
Other liabilities	1,126	8,734	10,386	19,834	1,553	1,948	12,060	55,641
– Lease liabilities	2	24	42	189	437	232	–	926
– Other accounts	1,124	8,710	10,344	19,645	1,116	1,716	12,060	54,715
Loan capital	–	–	–	–	10,291	1,967	–	12,258
Total liabilities	258,970	127,560	177,748	183,336	34,353	3,915	16,004	801,886
Net gap	(211,752)	30,411	(110,326)	(13,917)	216,116	153,040		

Notes to the Interim Financial Statements (Continued)

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

	31/12/2021							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Assets								
Cash and balances with banks	43,103	–	–	–	–	–	11,985	55,088
Placements with and advances to banks	–	73,103	1,639	–	–	–	–	74,742
Trade bills	–	2,596	5,553	2,623	–	–	–	10,772
Trading assets	–	122	–	–	1,424	86	851	2,483
Derivative assets	–	–	–	–	–	–	3,381	3,381
Loans and advances to customers	2,507	69,226	31,993	119,963	198,315	120,417	2,016	544,437
Investment securities	–	5,123	3,468	29,833	66,365	40,975	1,743	147,507
Investments in associates and joint ventures	–	–	–	–	–	–	8,947	8,947
Fixed assets	–	–	–	–	–	–	13,844	13,844
Goodwill and intangible assets	–	–	–	–	–	–	1,885	1,885
Deferred tax assets	–	–	–	–	–	–	1,861	1,861
Other assets	49	5,380	6,710	20,765	1,152	1,216	7,251	42,523
Total assets	45,659	155,550	49,363	173,184	267,256	162,694	53,764	907,470
Liabilities								
Deposits and balances of banks	5,237	7,986	8,540	10,003	–	–	–	31,766
Deposits from customers	277,711	95,546	164,176	86,374	9,698	–	–	633,505
– Demand deposits and current accounts	79,657	–	–	–	–	–	–	79,657
– Savings deposits	196,662	–	–	–	–	–	–	196,662
– Time, call and notice deposits	1,392	95,546	164,176	86,374	9,698	–	–	357,186
Trading liabilities	–	–	–	–	–	–	5	5
Derivative liabilities	–	–	–	–	–	–	5,050	5,050
Certificates of deposit issued	–	7,565	11,652	35,600	9,510	–	–	64,327
Current taxation	–	–	–	958	–	–	–	958
Debt securities issued	–	–	3,058	234	2,555	–	–	5,847
Deferred tax liabilities	–	–	–	–	–	–	559	559
Other liabilities	1,007	3,542	7,139	20,929	1,490	2,039	6,769	42,915
– Lease liabilities	1	29	49	183	434	188	–	884
– Other accounts	1,006	3,513	7,090	20,746	1,056	1,851	6,769	42,031
Loan capital	–	–	–	–	6,488	–	–	6,488
Total liabilities	283,955	114,639	194,565	154,098	29,741	2,039	12,383	791,420
Net gap	(238,296)	40,911	(145,202)	19,086	237,515	160,655		

Notes to the Interim Financial Statements (Continued)

31. Deferred Tax Assets and Liabilities Recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the period are as follows:

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 31st December, 2021/ 1st January, 2022	339	109	(1,515)	282	(303)	(214)	(1,302)
Charged/(Credited) to income statement	18	-	(246)	-	183	24	(21)
Charged/(Credited) to reserve	-	(1)	-	(263)	-	13	(251)
Transfer to assets held for sale	-	-	-	-	-	2	2
Exchange and other adjustments	1	-	57	(1)	8	4	69
At 30th June, 2022	358	108	(1,704)	18	(112)	(171)	(1,503)

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

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Net deferred tax assets recognised on the statement of financial position	(1,769)	(1,861)
Net deferred tax liabilities recognised on the statement of financial position	266	559
	(1,503)	(1,302)

32. Reserves

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
General reserve	13,658	13,658
Revaluation reserve on bank premises	1,906	1,905
Capital reserve	895	895
Exchange revaluation reserve	(772)	1,058
Capital reserve – staff share options issued	139	152
Fair value reserve	569	1,925
Liability credit reserve	23	(46)
Other reserves	5,229	5,191
Retained profits (<i>Note</i> ^{(1), (2)})	32,530	35,395
	54,177	60,133
Proposed dividends, not provided for	430	1,023

Notes to the Interim Financial Statements (Continued)

32. Reserves (Continued)

Notes:

- (1) In accordance with the resolution passed at the extraordinary general meeting of the Bank held on 28th March, 2022, the Bank executed a share buy-back deed with Elliott Investment Management's affiliate entities on 28th March, 2022 to repurchase 247 million shares of the Bank. The share buy-back transaction was completed on 11th April, 2022 at a consideration of HK\$2,904 million. Together with the direct transaction cost of HK\$12 million, a total amount of HK\$2,916 million were accounted for as deduction from retained profits.
- (2) A regulatory reserve is maintained to satisfy the provisions of the Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 30th June, 2022, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$2,327 million (31/12/2021: HK\$2,658 million).

33. Additional Equity Instruments

		30/6/2022	31/12/2021
		HK\$ Mn	HK\$ Mn
Additional Tier 1 Capital Securities			
USD500 million undated non-cumulative subordinated capital securities	(1)	–	3,878
USD650 million undated non-cumulative subordinated capital securities	(2)	5,069	5,069
USD650 million undated non-cumulative subordinated capital securities	(3)	5,021	5,021
		<u>10,090</u>	<u>13,968</u>

- (1) On 18th May, 2017, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 Capital Securities") with a face value of US\$500 million (equivalent to HK\$3,878 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.625% per annum coupon until the first call date on 18th May, 2022. The Bank fully redeemed the Additional Tier 1 Capital Securities on 18th May 2022.
- (2) On 19th September, 2019, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 Capital Securities") with a face value of US\$650 million (equivalent to HK\$5,069 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.875% per annum 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, and meet the loss-absorbing capacity requirements.
- (3) On 21st October, 2020, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 Capital Securities") with a face value of US\$650 million (equivalent to HK\$5,021 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.825% per annum 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, and meet the loss-absorbing capacity requirements.

Notes to the Interim Financial Statements (Continued)

34. Consolidated Cash Flow Statement

Cash and cash equivalents

	30/6/2022	30/6/2021
	HK\$ Mn	HK\$ Mn
(i) Components of cash and cash equivalents in the consolidated cash flow statement		
Cash and balances with banks with original maturity within three months	44,365	45,900
Placements with and advances to banks with original maturity within three months	65,084	47,579
Treasury bills with original maturity within three months	10,088	3,767
Certificates of deposit held with original maturity within three months	–	480
Debt securities with original maturity within three months	606	921
Add: Cash and balances with banks included in “Assets held for sale” (Note 42)	3	–
	<u>120,146</u>	<u>98,647</u>
(ii) Reconciliation with the consolidated statement of financial position		
Cash and balances with banks	54,817	60,370
Placements with and advances to banks	67,128	50,728
Treasury bills, certificates of deposit held and debt securities		
– trading assets	151	3,050
– investment securities	148,623	138,867
	148,774	141,917
Add: Cash and balances with banks included in “Assets held for sale” (Note 42)	3	–
Certificates of deposits held – investment securities included in “Assets held for sale” (Note 42)	638	–
Debt securities – investment securities included in “Assets held for sale” (Note 42)	918	25,376
	<u>272,278</u>	<u>278,391</u>
Amount shown in the consolidated statement of financial position	272,278	278,391
Less: Amounts with an original maturity of beyond three months	(141,678)	(165,244)
Cash balance with central bank subject to regulatory restriction	(10,454)	(14,500)
	<u>120,146</u>	<u>98,647</u>
Cash and cash equivalents in the consolidated cash flow statement	<u>120,146</u>	<u>98,647</u>

Notes to the Interim Financial Statements (Continued)

35. Fair Values of Financial Instruments

(a) *Financial instruments carried at fair value*

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments 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.

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group ("FIVG") which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

Notes to the Interim Financial Statements (Continued)

35. Fair Values of Financial Instruments (Continued)

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

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised.

	30/6/2022				31/12/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Recurring fair value measurement								
Assets								
Trade Bills – Measured at FVOCI	–	2,489	–	2,489	–	10,212	–	10,212
Trading assets	621	51	–	672	851	1,632	–	2,483
Derivative assets	525	8,258	–	8,783	146	3,235	–	3,381
Investment securities								
– Mandatorily measured at FVTPL	–	3,670	750	4,420	2	4,627	808	5,437
– Measured at FVOCI	23,885	105,065	893	129,843	25,083	99,729	712	125,524
	<u>25,031</u>	<u>119,533</u>	<u>1,643</u>	<u>146,207</u>	<u>26,082</u>	<u>119,435</u>	<u>1,520</u>	<u>147,037</u>
Investment securities classified as assets held for sale								
– Mandatorily measured at FVTPL	40	23	–	63	50	26	–	76
– Measured at FVOCI	–	1,533	–	1,533	–	1,850	–	1,850
	<u>40</u>	<u>1,556</u>	<u>–</u>	<u>1,596</u>	<u>50</u>	<u>1,876</u>	<u>–</u>	<u>1,926</u>
Liabilities								
Trading liabilities	27	–	–	27	5	–	–	5
Derivative liabilities	3	3,648	–	3,651	98	4,952	–	5,050
Financial liabilities designated at FVTPL	–	30,171	–	30,171	–	36,877	–	36,877
	<u>30</u>	<u>33,819</u>	<u>–</u>	<u>33,849</u>	<u>103</u>	<u>41,829</u>	<u>–</u>	<u>41,932</u>

During the period ended 30th June, 2022 and year ended 31st December, 2021, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Interim Financial Statements (Continued)

35. Fair Values of Financial Instruments (Continued)

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

Information about significant unobservable inputs in Level 3 valuations:

	Valuation technique	Significant unobservable input(s)	Value or range
Unlisted debt securities, equity securities and investment funds	Counterparty quote	N/A	N/A
	Net asset value	N/A	N/A
	Discounted cash flow model	Discount rate	30/6/2022: 12.4% (31/12/2021: 15.3%)
		Marketability discount	30/6/2022: 20% (31/12/2021: 20%)
	Market-comparable approach	Earnings multiple	30/6/2022: 13.42 – 29.34 (31/12/2021: 21.98 – 36.67)
		EV/EBIT	30/6/2022: 24.07 – 28.56 (31/12/2021: 30.18 – 37.54)
		Marketability discount	30/6/2022: 50% (31/12/2021: 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. The fair value of the unlisted investment funds are estimated by using the net asset valuations ("NAV") provided by the managers of the funds.

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

Notes to the Interim Financial Statements (Continued)

35. Fair Values of Financial Instruments (Continued)

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

- (1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

	30/6/2022		31/12/2021	
	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities measured at FVOCI HK\$ Mn	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities measured at FVOCI HK\$ Mn
Assets				
At 1st January	808	712	850	1,283
Additions/Purchases	24	–	413	–
Disposals/Settlements	(22)	–	(484)	–
Changes in fair value recognised in the income statement	(60)	–	29	–
Changes in fair value recognised in the other comprehensive income	–	181	–	(571)
At 30th June/31st December	<u>750</u>	<u>893</u>	<u>808</u>	<u>712</u>
Total gains/(losses) for the period included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period	<u>–</u>	<u>181</u>	<u>–</u>	<u>(571)</u>
Total (losses)/gains for the period included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL	<u>(60)</u>	<u>–</u>	<u>29</u>	<u>–</u>

Notes to the Interim Financial Statements (Continued)

35. Fair Values of Financial Instruments (Continued)

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

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

	30/6/2022			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	63	(63)	–	–
Investment securities measured at FVOCI	–	–	75	(75)
	<u>63</u>	<u>(63)</u>	<u>75</u>	<u>(75)</u>
	31/12/2021			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	67	(67)	–	–
Investment securities measured at FVOCI	–	–	59	(59)
	<u>67</u>	<u>(67)</u>	<u>59</u>	<u>(59)</u>

The fair values of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent in reasonably possible alternative assumptions.

Notes to the Interim Financial Statements (Continued)

35. Fair Values of Financial Instruments (Continued)

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

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, 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.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th June, 2022 and 31st December, 2021 except as follows:

	30/6/2022		31/12/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities measured at amortised cost	16,208	15,587	16,546	16,610

Notes to the Interim Financial Statements (Continued)

36. Credit Risk

The Group's stage allocation can be matched to the HKMA's 5-Grade Asset classification as follows:

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

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

- The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated;
- Being Special Mention under HKMA classification; and
- The rating of the exposure falls out of the "Low-Credit Risk Threshold" that is equivalent to the globally understood definition of "investment grade".

(a) Credit Quality Analysis

Credit quality of loans and advances

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

	30/6/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost								
– Grades 1 - 15: Pass	512,778	976	15,832	27	–	–	528,610	1,003
– Grades 16 - 17: Special Mention	–	–	14,059	58	–	–	14,059	58
– Grade 18: Substandard	–	–	–	–	6,492	30	6,492	30
– Grade 19: Doubtful	–	–	–	–	1,409	53	1,409	53
– Grade 20: Loss	–	–	–	–	802	18	802	18
Total gross carrying amount	512,778	976	29,891	85	8,703	101	551,372	1,162
Impairment allowances	(702)	(3)	(838)	(3)	(3,411)	(63)	(4,951)	(69)
Carrying amount	<u>512,076</u>	<u>973</u>	<u>29,053</u>	<u>82</u>	<u>5,292</u>	<u>38</u>	<u>546,421</u>	<u>1,093</u>
Market value of collateral held against impaired loans and advances to customers								<u>3,683</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

Credit quality of loans and advances (Continued)

	31/12/2021							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost								
– Grades 1 - 15: Pass	512,975	1,001	23,845	58	–	–	536,820	1,059
– Grades 16 - 17: Special Mention	–	–	6,011	16	–	–	6,011	16
– Grade 18: Substandard	–	–	–	–	4,324	24	4,324	24
– Grade 19: Doubtful	–	–	–	–	1,563	50	1,563	50
– Grade 20: Loss	–	–	–	–	90	4	90	4
Total gross carrying amount	512,975	1,001	29,856	74	5,977	78	548,808	1,153
Impairment allowances	(667)	(3)	(527)	(1)	(3,177)	(54)	(4,371)	(58)
Carrying amount	<u>512,308</u>	<u>998</u>	<u>29,329</u>	<u>73</u>	<u>2,800</u>	<u>24</u>	<u>544,437</u>	<u>1,095</u>
Market value of collateral held against impaired loans and advances to customers					<u>3,656</u>			

Collateral includes any tangible security that carries a fair market value and is readily marketable. This includes (but is not limited to) cash and deposits, stocks and bonds, mortgages over properties and charges over other fixed assets such as plant and equipment. Where collateral values are greater than gross loans and advances to customers, only the amount of collateral up to the gross loans and advances is included.

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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.

	30/6/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Trade bills measured at amortised cost								
– Grades 1 - 15: Pass	582	1	–	–	–	–	582	1
Total gross carrying amount	582	1	–	–	–	–	582	1
Impairment allowances	–	–	–	–	–	–	–	–
Carrying amount	<u>582</u>	<u>1</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>582</u>	<u>1</u>
	31/12/2021							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Trade bills measured at amortised cost								
– Grades 1 - 15: Pass	560	–	–	–	–	–	560	–
Total gross carrying amount	560	–	–	–	–	–	560	–
Impairment allowances	–	–	–	–	–	–	–	–
Carrying amount	<u>560</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>560</u>	<u>–</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

	30/6/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Trade bills measured at FVOCI								
– Grades 1 - 15: Pass	2,452	–	37	–	–	–	2,489	–
Total carrying amount at fair value	2,452	–	37	–	–	–	2,489	–
Impairment allowances	–	–	–	–	–	–	–	–
	31/12/2021							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Trade bills measured at FVOCI								
– Grades 1 - 15: Pass	10,212	–	–	–	–	–	10,212	–
Total carrying amount at fair value	10,212	–	–	–	–	–	10,212	–
Impairment allowances	(2)	–	–	–	–	–	(2)	–

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

	30/6/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Placements with and advances to banks								
– Grades 1 - 15: Pass	67,129	30	–	–	–	–	67,129	30
Total gross carrying amount	67,129	30	–	–	–	–	67,129	30
Impairment allowances	(1)	–	–	–	–	–	(1)	–
Carrying amount	<u>67,128</u>	<u>30</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>67,128</u>	<u>30</u>
	31/12/2021							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Placements with and advances to banks								
– Grades 1 - 15: Pass	74,743	10	–	–	–	–	74,743	10
Total gross carrying amount	74,743	10	–	–	–	–	74,743	10
Impairment allowances	(1)	–	–	–	–	–	(1)	–
Carrying amount	<u>74,742</u>	<u>10</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>74,742</u>	<u>10</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

	30/6/2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loan commitments				
– Grades 1 - 15: Pass	291,006	2,623	–	293,629
– Grades 16 - 17: Special Mention	–	64	–	64
– Grade 18: Substandard	–	–	40	40
Total	<u>291,006</u>	<u>2,687</u>	<u>40</u>	<u>293,733</u>
Impairment allowances	<u>(115)</u>	<u>(9)</u>	<u>–</u>	<u>(124)</u>
Financial guarantee contracts				
– Grades 1 - 15: Pass	13,401	456	–	13,857
– Grades 16 - 17: Special Mention	–	118	–	118
– Grade 18: Substandard	–	–	606	606
Total	<u>13,401</u>	<u>574</u>	<u>606</u>	<u>14,581</u>
Impairment allowances	<u>(10)</u>	<u>(117)</u>	<u>(64)</u>	<u>(191)</u>
	31/12/2021			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loan commitments				
– Grades 1 - 15: Pass	261,879	2,999	–	264,878
– Grades 16 - 17: Special Mention	–	31	–	31
– Grade 18: Substandard	–	–	1	1
Total	<u>261,879</u>	<u>3,030</u>	<u>1</u>	<u>264,910</u>
Impairment allowances	<u>(126)</u>	<u>(17)</u>	<u>–</u>	<u>(143)</u>
Financial guarantee contracts				
– Grades 1 - 15: Pass	21,433	2,393	–	23,826
– Grades 16 - 17: Special Mention	–	–	–	–
– Grade 18: Substandard	–	–	320	320
Total	<u>21,433</u>	<u>2,393</u>	<u>320</u>	<u>24,146</u>
Impairment allowances	<u>(7)</u>	<u>(7)</u>	<u>(17)</u>	<u>(31)</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate and bank lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the end of the reporting period, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follows:

	30/6/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at amortised cost								
Aaa	–	–	–	–	–	–	–	–
Aa1 to Aa3	3,235	1	–	–	–	–	3,235	1
A1 to A3	4,203	42	–	–	–	–	4,203	42
Baa1 to Baa3	2,175	19	179	1	–	–	2,354	20
Below Baa3	549	7	934	17	132	3	1,615	27
Unrated	5,046	58	–	–	–	–	5,046	58
Total gross carrying amount	15,208	127	1,113	18	132	3	16,453	148
Impairment allowances	(80)	(1)	(100)	(2)	(65)	(3)	(245)	(6)
Carrying amount	15,128	126	1,013	16	67	–	16,208	142
	31/12/2021							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at amortised cost								
Aaa	–	–	–	–	–	–	–	–
Aa1 to Aa3	2,680	–	–	–	–	–	2,680	–
A1 to A3	4,363	80	–	–	–	–	4,363	80
Baa1 to Baa3	2,464	21	–	–	–	–	2,464	21
Below Baa3	1,223	17	524	12	–	–	1,747	29
Unrated	5,433	61	–	–	–	–	5,433	61
Total gross carrying amount	16,163	179	524	12	–	–	16,687	191
Impairment allowances	(97)	(1)	(44)	(1)	–	–	(141)	(2)
Carrying amount	16,066	178	480	11	–	–	16,546	189

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

	30/6/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at FVOCI								
Aaa	8,305	9	-	-	-	-	8,305	9
Aa1 to Aa3	19,120	12	-	-	-	-	19,120	12
A1 to A3	59,016	733	-	-	-	-	59,016	733
Baa1 to Baa3	38,932	430	285	4	-	-	39,217	434
Below Baa3	78	1	-	-	-	-	78	1
Unrated	3,214	37	-	-	-	-	3,214	37
Total carrying amount at fair value	<u>128,665</u>	<u>1,222</u>	<u>285</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>128,950</u>	<u>1,226</u>
where impairment allowances included	<u>(218)</u>	<u>(2)</u>	<u>(13)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(231)</u>	<u>(2)</u>
Debt investment securities measured at FVOCI classified as assets held for sale								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	203	2	-	-	-	-	203	2
A1 to A3	837	6	-	-	-	-	837	6
Baa1 to Baa3	476	5	17	-	-	-	493	5
Below Baa3	-	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-	-
Total carrying amount at fair value	<u>1,516</u>	<u>13</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,533</u>	<u>13</u>
where impairment allowances included	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

	31/12/2021							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at FVOCI								
Aaa	7,261	9	-	-	-	-	7,261	9
Aa1 to Aa3	20,891	6	-	-	-	-	20,891	6
A1 to A3	57,540	830	-	-	-	-	57,540	830
Baa1 to Baa3	35,530	343	159	2	-	-	35,689	345
Below Baa3	80	1	15	-	-	-	95	1
Unrated	3,336	36	-	-	-	-	3,336	36
Total carrying amount at fair value	<u>124,638</u>	<u>1,225</u>	<u>174</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>124,812</u>	<u>1,227</u>
where impairment allowances included	<u>(184)</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186)</u>	<u>(2)</u>
Debt investment securities measured at FVOCI classified as assets held for sale								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	19	-	-	-	-	-	19	-
A1 to A3	665	4	-	-	-	-	665	4
Baa1 to Baa3	628	5	-	-	-	-	628	5
Below Baa3	-	-	-	-	-	-	-	-
Unrated	538	3	-	-	-	-	538	3
Total carrying amount at fair value	<u>1,850</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>12</u>
where impairment allowances included	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>-</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

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

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Debt investment securities		
Aaa	–	–
Aa1 to Aa3	–	–
A1 to A3	188	352
Baa1 to Baa3	3,157	3,887
Below Baa3	–	–
Unrated	120	126
	<u>3,465</u>	<u>4,365</u>
Total carrying amount at fair value	<u>3,465</u>	<u>4,365</u>
Debt investment securities classified as assets held for sale		
Aaa	–	–
Aa1 to Aa3	–	–
A1 to A3	23	–
Baa1 to Baa3	–	26
Below Baa3	–	–
Unrated	–	–
	<u>23</u>	<u>26</u>
Total carrying amount at fair value	<u>23</u>	<u>26</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(a) Credit Quality Analysis (Continued)

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

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

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Debt investment securities		
Aaa	–	–
Aa1 to Aa3	100	–
A1 to A3	7	1,632
Baa1 to Baa3	44	–
Below Baa3	–	–
Unrated	–	–
	<hr/>	<hr/>
Total carrying amount at fair value	151	1,632
	<hr/> <hr/>	<hr/> <hr/>

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

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Derivative assets		
Aa1 to Aa3	5,737	106
A1 to A3	1,323	700
Baa1 to Baa3	696	920
Below Baa3	–	–
Unrated	1,027	1,655
	<hr/>	<hr/>
Total carrying amount at fair value	8,783	3,381
	<hr/> <hr/>	<hr/> <hr/>

Cash and balances with banks

At 30th June, 2022, the Group held cash and balances with banks of HK\$54,819 million (31st December, 2021: HK\$55,091 million), of which 97% (31st December, 2021: 98%) of cash and balances with banks counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(b) 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 30th June/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.

	30/6/2022			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers				
Balance at 1st January	670	528	3,231	4,429
Transfer to 12-month ECL	46	(46)	–	–
Transfer to lifetime ECL not credit-impaired	(23)	120	(97)	–
Transfer to lifetime ECL credit-impaired	(6)	(102)	108	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	214	37	34	285
Write-offs	–	–	(1,220)	(1,220)
Net remeasurement of impairment allowances (including exchange adjustments)	(196)	304	1,418	1,526
Balance at 30th June	<u>705</u>	<u>841</u>	<u>3,474</u>	<u>5,020</u>
Of which:				
For loans and advances to customers at amortised cost (Note 20(a))	702	838	3,411	4,951
For related accrued interest receivable (Note 24)	3	3	63	69
	<u>705</u>	<u>841</u>	<u>3,474</u>	<u>5,020</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(b) Impairment Allowances Reconciliation (Continued)

	31/12/2021			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers				
Balance at 1st January	849	1,041	3,025	4,915
Transfer to 12-month ECL	150	(150)	–	–
Transfer to lifetime ECL not credit-impaired	(19)	24	(5)	–
Transfer to lifetime ECL credit-impaired	(10)	(371)	381	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	(4)	46	(74)	(32)
Write-offs	–	–	(2,397)	(2,397)
Net remeasurement of impairment allowances (including exchange adjustments)	(296)	(62)	2,301	1,943
Balance at 31st December	<u>670</u>	<u>528</u>	<u>3,231</u>	<u>4,429</u>
Of which:				
For loans and advances to customers at amortised cost (Note 20(a))	667	527	3,177	4,371
For related accrued interest receivable (Note 24)	3	1	54	58
	<u>670</u>	<u>528</u>	<u>3,231</u>	<u>4,429</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(b) Impairment Allowances Reconciliation (Continued)

	30/6/2022			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities				
Balance at 1st January	284	47	–	331
Transfer to 12-month ECL	2	(2)	–	–
Transfer to lifetime ECL not credit-impaired	(13)	13	–	–
Transfer to lifetime ECL credit-impaired	–	(13)	13	–
New financial assets originated or purchased, assets derecognised, repayments and further investment	38	–	–	38
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(10)	70	55	115
Balance at 30th June	<u>301</u>	<u>115</u>	<u>68</u>	<u>484</u>
Of which:				
For debt investment securities measured at amortised cost	80	100	65	245
For related accrued interest receivable (Note 24)	1	2	3	6
	<u>81</u>	<u>102</u>	<u>68</u>	<u>251</u>
For debt investment securities measured at FVOCI	218	13	–	231
For related accrued interest receivable	2	–	–	2
	<u>220</u>	<u>13</u>	<u>–</u>	<u>233</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(b) Impairment Allowances Reconciliation (Continued)

	31/12/2021			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities				
Balance at 1st January	273	–	–	273
Transfer to 12-month ECL	–	–	–	–
Transfer to lifetime ECL not credit-impaired	(6)	6	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further investment	(27)	26	–	(1)
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	51	15	–	66
Transfer to assets held for sale	(7)	–	–	(7)
	<u>284</u>	<u>47</u>	<u>–</u>	<u>331</u>
Balance at 31st December				
Of which:				
For debt investment securities measured at amortised cost	97	44	–	141
For related accrued interest receivable (Note 24)	1	1	–	2
	<u>98</u>	<u>45</u>	<u>–</u>	<u>143</u>
For debt investment securities measured at FVOCI	184	2	–	186
For related accrued interest receivable	2	–	–	2
	<u>186</u>	<u>2</u>	<u>–</u>	<u>188</u>

The impairment allowances of debt investment securities measured at FVOCI are not separately recognised in the statement of financial position because they have been adjusted to the carrying amounts of debt investment securities measured at FVOCI being their fair values.

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(b) Impairment Allowances Reconciliation (Continued)

	30/6/2022			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Others				
Balance at 1st January	143	24	85	252
Transfer to 12-month ECL	1	(1)	–	–
Transfer to lifetime ECL not credit-impaired	(1)	1	–	–
Transfer to lifetime ECL credit-impaired	–	(7)	7	–
New financial assets originated or purchased, assets derecognised and repayments	1	(6)	9	4
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(11)	115	38	142
Balance at 30th June	<u>133</u>	<u>126</u>	<u>139</u>	<u>398</u>
Of which:				
For trade bills measured at FVOCI	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For trade bills measured at amortised cost (Note 18)	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For placements with and advances to banks (Note 17)	1	–	–	1
For related accrued interest receivable	–	–	–	–
	<u>1</u>	<u>–</u>	<u>–</u>	<u>1</u>
For cash and balances with banks (Note 16)	2	–	–	2
For related accrued interest receivable	–	–	–	–
	<u>2</u>	<u>–</u>	<u>–</u>	<u>2</u>
For loan commitments and financial guarantee contracts (Note 27)	<u>125</u>	<u>126</u>	<u>64</u>	<u>315</u>
For account receivables and other accounts other than accrued interest receivable (Note 24)	<u>5</u>	<u>–</u>	<u>75</u>	<u>80</u>

Notes to the Interim Financial Statements (Continued)

36. Credit Risk (Continued)

(b) Impairment Allowances Reconciliation (Continued)

	31/12/2021			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Others				
Balance at 1st January	89	19	121	229
Transfer to 12-month ECL	2	(2)	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised and repayments	(14)	1	(1)	(14)
Write-offs	–	–	(124)	(124)
Net remeasurement of impairment allowances (including exchange adjustments)	66	6	89	161
Balance at 31st December	<u>143</u>	<u>24</u>	<u>85</u>	<u>252</u>
Of which:				
For trade bills measured at FVOCI	2	–	–	2
For related accrued interest receivable	–	–	–	–
	<u>2</u>	<u>–</u>	<u>–</u>	<u>2</u>
For trade bills measured at amortised cost (Note 18)	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For placements with and advances to banks (Note 17)	1	–	–	1
For related accrued interest receivable	–	–	–	–
	<u>1</u>	<u>–</u>	<u>–</u>	<u>1</u>
For cash and balances with banks (Note 16)	3	–	–	3
For related accrued interest receivable	–	–	–	–
	<u>3</u>	<u>–</u>	<u>–</u>	<u>3</u>
For loan commitments and financial guarantee contracts (Note 27)	<u>133</u>	<u>24</u>	<u>17</u>	<u>174</u>
For account receivables and other accounts other than accrued interest receivable (Note 24)	<u>4</u>	<u>–</u>	<u>68</u>	<u>72</u>

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

Notes to the Interim Financial Statements (Continued)

37. Off-balance Sheet Exposures

(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.

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Contractual amounts of contingent liabilities		
Direct credit substitutes	3,371	4,664
Transaction-related contingencies	3,401	4,295
Trade-related contingencies	7,774	5,046
	<u>14,546</u>	<u>14,005</u>
Contractual amounts of commitments		
Commitments that are unconditionally cancellable without prior notice	259,185	232,146
Other commitments with an original maturity		
– up to 1 year	2,803	3,145
– over 1 year	31,060	28,914
	<u>293,048</u>	<u>264,205</u>
Total	<u>307,594</u>	<u>278,210</u>
Credit risk weighted amounts	<u>21,772</u>	<u>21,412</u>

(b) *Derivatives*

Fair value of derivatives

Assets		
Exchange rate contracts	1,996	1,207
Interest rate contracts	6,507	1,764
Equity contracts	280	410
	<u>8,783</u>	<u>3,381</u>
Liabilities		
Exchange rate contracts	1,378	1,174
Interest rate contracts	1,997	3,548
Equity contracts	276	328
	<u>3,651</u>	<u>5,050</u>
Notional amounts of derivatives		
Exchange rate contracts	312,460	291,721
Interest rate contracts	343,118	403,558
Equity contracts	7,033	8,370
	<u>662,611</u>	<u>703,649</u>

Notes to the Interim Financial Statements (Continued)

37. Off-balance Sheet Exposures (Continued)

(c) Capital commitments

Capital commitments outstanding as at 30th June and 31st December and not provided for in the financial statements were as follows:

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Expenditure authorised and contracted for	307	285
Expenditure authorised but not contracted for	162	171
	<u>469</u>	<u>456</u>

(d) 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.

38. Material Related Party Transactions

(a) Key management personnel remuneration

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

	30/6/2022	30/6/2021
	HK\$ Mn	HK\$ Mn
Short-term employee benefits	78	83
Post-employment benefits	4	4
Equity compensation benefits	11	10
	<u>93</u>	<u>97</u>

Notes to the Interim Financial Statements (Continued)

38. Material Related Party Transactions (Continued)

- (b) The Group maintains certain retirement benefit schemes for its staff. In the six months ended 30th June, 2022, the total amount of contributions the Group made to the schemes was HK\$99 million (six months ended 30th June, 2021: HK\$106 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, shareholders with significant influence, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the six months ended 30th June, 2022, outstanding balances of amounts due from and due to them at 30th June, 2022 and maximum outstanding balance of amounts due from and due to them for the six months ended 30th June, 2022 are aggregated as follows:

	Key management personnel		Associates		Shareholders with significant influence	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Interest income	10	8	43	34	–	–
Interest expense	6	5	–	–	–	–
Amounts due from	972	735	1,665	1,623	2,197	3,409
Amounts due to	2,144	2,386	183	32	40	135
Maximum amounts due from	2,030	1,107	1,792	1,950	8,259	6,125
Maximum amounts due to	3,893	3,976	390	251	244	1,003
Committed facilities to	548	1,286	1,703	1,009	–	–

Notes to the Interim Financial Statements (Continued)

39. Basis of Consolidation

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

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

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

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Ample Delight Limited	Investment holding	320	320
* Bank of East Asia (Trustees) Limited	Trustee service	224	203
BC (BVI) Holdings Limited	Investment holding	16	16
BEA Consortium GS Investors L.P.	Acting as a limited partner for the purpose of making investment in private equity fund	17	17
BEA Insurance Agency Limited	Insurance agency	–	–
BEA Union Investment Management Limited	Asset management	536	475
BEA Union Investment Management (Shenzhen) Limited	Asset management/Investment management	6	4
Blue Care (BVI) Holdings Limited	Investment holding	16	16
Blue Care JV (BVI) Holdings Limited	Investment holding	20	16
Blue Care Medical Services Limited	Medical services	50	42
Blue Cross (Asia-Pacific) Insurance Limited	Insurance	2,301	651
Central Town Limited	Property investment	764	648
Century Able Limited	Investment holding	86	86
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership	1	1
Corona Light Limited	Investment holding	930	930
* Credit Gain Finance Company Limited	Money lenders	686	686

Notes to the Interim Financial Statements (Continued)

39. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets	Total equity
		HK\$ Mn	HK\$ Mn
Crystal Gleaming Limited	Investment holding	930	930
Dragon Jade Holdings Company Limited	Investment holding	1,127	1,127
EA Securities Limited	Investment holding	–	(63)
* East Asia Digital Information Services (Guangdong) Limited	Servicing	243	189
* East Asia Facility Management Limited	Facility management	23	8
East Asia Financial Services (BVI) Ltd.	Investment holding	–	–
East Asia Futures Limited	Futures and options trading	58	58
* East Asia Holding Company, Inc.	Bank holding company	633	616
East Asia Indonesian Holdings Limited	Investment holding	2	1
East Asia International Trustees Holdings (BVI) Limited	Investment holding	10	10
East Asia International Trustees Limited	Trustee service	43	42
* East Asia Properties (US), Inc.	Funding support	14	12
East Asia Properties Holding Company Limited	Investment holding	–	(32)
East Asia Property Agency Company Limited	Property agency	9	8
East Asia Qianhai Holdings Company Limited	Investment holding	215	215
East Asia Secretaries Limited	Secretarial services	–	–
East Asia Securities Company Limited	Securities broking	1,382	995
* East Asia Services (Holdings) Limited	Holding company	23	–
Golden Empire International Inc.	Property investment	1	1
Leader One Limited	Investment holding	1	1
Manchester Property Holdings Ltd.	Property holding	30	16
Quantum Hong Kong Holdings Company Limited	Investment holding	77	77

Notes to the Interim Financial Statements (Continued)

39. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Red Phoenix Limited	Leasing of motor vehicles	4	4
Shaftesbury Property Holdings Limited	Investment holding	50	50
Shaftesbury Property Investments Limited	Investment holding	34	34
Shanghai Lingxie Business Consulting Co. Ltd.	Business information consulting, corporate management consulting	212	211
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership	7	7
Skyray Holdings Limited	Investment holding	450	450
Speedfull Limited	Investment holding	450	450
*# The Bank of East Asia (China) Limited	Banking and related financial services	253,384	25,837
The Bank of East Asia (Nominees) Limited	Nominee services	–	–
The Bank of East Asia (Nominees) Private Limited	Trustee, fiduciary and custody services	–	–
Travelsafe Limited	To be deregistered	–	–
U Care Hong Kong Medical Limited	Medical services	27	(11)
United Chinese (Nominee) Limited	To be deregistered	–	–

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

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

Notes to the Interim Financial Statements (Continued)

40. Comparative Figures

Certain 2021 comparative figures have been restated to conform to current period's presentation. Please refer to Note 5 and Note 29 for the effect of the restatement.

41. Statement of Compliance

The Interim Report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules and in compliance with HKAS 34, "Interim Financial Reporting", issued by the HKICPA. It was authorised for issue on 18th August, 2022.

This Interim Report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The Banking Disclosure Statement (refer to Note E of Supplementary Financial Information), together with the disclosures in the interim financial report, contained all the disclosures required by the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolutions) (Loss-absorbing Capacity Requirements – Banking Sector) Rules issued by the HKMA.

42. Assets Held for Sale

The assets held for sale and liabilities held for sale after elimination of inter-companies balances are summarised below:

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Assets held for sale (<i>Note 24</i>)		
Disposal groups held for sale (<i>Note</i>)	2,031	2,232
Other properties	31	32
	<u>2,062</u>	<u>2,264</u>
Liabilities held for sale (<i>Note 27</i>)		
Disposal groups held for sale (<i>Note</i>)	<u>1,658</u>	<u>1,637</u>

Note: Include Blue Cross (Asia Pacific) Insurance Limited

Notes to the Interim Financial Statements (Continued)

42. Assets Held for Sale (Continued)

The assets and liabilities of the disposal groups held for sale after elimination of inter-companies balances are summarised below:

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
ASSETS		
Cash and balances with banks	3	3
Investment securities	1,596	1,926
Fixed assets	39	34
– Investment properties	–	–
– Other properties and equipment	38	33
– Right-of-use assets	1	1
Goodwill	14	14
Other assets	379	255
Assets held for sale	<u>2,031</u>	<u>2,232</u>
LIABILITIES		
Current taxation	–	4
Deferred tax liabilities	3	5
Other liabilities	1,655	1,628
Liabilities held for sale	<u>1,658</u>	<u>1,637</u>

As at 30th June, 2022, the total equity of the disposal groups attributable to the Group was HK\$678 million (31/12/2021: HK\$770 million).

Investment Securities

	30/6/2022			
	Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Certificate of deposits held	–	638	–	638
Debt securities	23	895	–	918
Equity securities	40	–	–	40
	<u>63</u>	<u>1,533</u>	<u>–</u>	<u>1,596</u>
	31/12/2021			
	Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Certificate of deposits held	–	690	–	690
Debt securities	26	1,160	–	1,186
Equity securities	50	–	–	50
	<u>76</u>	<u>1,850</u>	<u>–</u>	<u>1,926</u>

Notes to the Interim Financial Statements (Continued)

42. Assets Held for Sale (Continued)

The cumulative income recognised in other comprehensive income relating to disposal groups held for sale is as follows:

	30/6/2022	30/6/2021
	HK\$ Mn	HK\$ Mn
Cumulative income recognised in other comprehensive income	(172)	(525)

43. Exposures to Interbank Offered Rates

The following tables show outstanding amounts of financial instruments referencing the interest rate benchmarks that have yet to transit to alternative benchmark rates at the end of the reporting period, excluding the financial instruments that will expire before the transition date. The amounts of financial assets and liabilities are shown at gross carrying amounts, and derivatives are shown at notional amounts.

	30/6/2022			
	Gross Carrying Amount/Notional Amount			
	USD LIBOR	GBP LIBOR	SG Swap Offer Rate	SIBOR
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Assets				
Loans and advances to customers	41,197	95	2,494	6,086
Placements with and advances to banks	4,530	-	-	-
Negotiable debt instruments held, including negotiable certificates of deposit	78	-	-	-
Total Asset	<u>45,805</u>	<u>95</u>	<u>2,494</u>	<u>6,086</u>
Liabilities				
Certificate of deposit and debt securities issued	2,730	-	-	-
Total liabilities	<u>2,730</u>	<u>-</u>	<u>-</u>	<u>-</u>
Derivatives				
Interest rate swaps	58,339	-	-	-
Cross currency swaps	2,820	-	-	-
Other derivatives	157	-	-	-
Gross total derivatives	<u>61,316</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group has fair value hedge accounting relationships maturing beyond the anticipated cessation date for IBORs. Significant judgement will be required in determining when uncertainty is expected to be resolved and when targeted relief will cease to apply. As at 30th June, 2022, the Group believes uncertainty continues to exist as to when and how the replacement may occur with respect to the relevant derivative hedging instruments, and so the targeted reliefs apply to the Group's hedge accounting relationships that reference benchmarks subject to reform or replacement.

Notes to the Interim Financial Statements (Continued)

43. Exposures to Interbank Offered Rates (Continued)

As at 30th June 2022, the details of derivative instruments designated in fair value hedge accounting relationships linked to IBORs, excluding the derivative instruments that will expire before the transition date, are as follows:

	30/6/2022	
	Notional designated	Weighted average exposure years
	HK\$ Mn	
Interest rate swaps		
USD LIBOR	49,397	4.86

Supplementary Financial Information (unaudited)

A. Capital Adequacy

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Capital base		
– Common Equity Tier 1 capital	81,321	86,487
– Additional Tier 1 capital	10,090	13,968
	<hr/>	<hr/>
– Total Tier 1 capital	91,411	100,455
– Tier 2 capital	13,165	9,262
	<hr/>	<hr/>
– Total capital	104,576	109,717
	<hr/> <hr/>	<hr/> <hr/>
Risk weighted assets by risk type		
– Credit risk	482,978	467,566
– Market risk	7,082	11,788
– Operational risk	29,950	31,054
	<hr/>	<hr/>
	520,010	510,408
Less: Deductions	(2,953)	(3,099)
	<hr/>	<hr/>
	517,057	507,309
	<hr/> <hr/>	<hr/> <hr/>
	30/6/2022	31/12/2021
	%	%
Common Equity Tier 1 capital ratio	15.7	17.0
Tier 1 capital ratio	17.7	19.8
Total capital ratio	20.2	21.6

Capital adequacy ratios are compiled in accordance with the Capital Rules issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds as determined in accordance with Part 3 of the Capital Rules.

Supplementary Financial Information (unaudited) (Continued)

A. Capital Adequacy (Continued)

The subsidiaries that are included in consolidation for regulatory purposes are listed in Note 39 of the Interim Report.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

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.

B. Leverage Ratio

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Total Tier 1 capital	91,411	100,455
Exposure measure	953,153	941,722
	30/6/2022	31/12/2021
	%	%
Leverage ratio	9.6	10.7

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.

C. Liquidity Position

Liquidity coverage ratio

	30/6/2022	31/12/2021
	%	%
Average liquidity coverage ratio – First quarter	184.3	189.4
– Second quarter	187.5	177.3
– Third quarter	N/A	180.9
– Fourth quarter	N/A	182.4

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.

The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. There is no significant currency mismatch in the Bank's LCR at respective levels of consolidation.

Supplementary Financial Information (unaudited) (Continued)

C. Liquidity Position (Continued)

Net stable funding ratio

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Total available stable funding	561,199	562,512
Total required stable funding	493,241	486,536
	30/6/2022	31/12/2021
	%	%
Net stable funding ratio	113.8	115.6

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.

D. Overdue, Rescheduled and Repossessed Assets

(a) *Overdue and rescheduled advances to customers*

	30/6/2022		31/12/2021	
	HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
Advances to customers overdue for				
– 6 months or less but over 3 months	1,012	0.2	948	0.2
– 1 year or less but over 6 months	1,054	0.2	1,014	0.2
– Over 1 year	406	0.1	489	0.1
	2,472	0.5	2,451	0.5
Rescheduled advances to customers	1,173	0.2	262	0.0
Total overdue and rescheduled advances	3,645	0.7	2,713	0.5
Covered portion of overdue advances	1,708	0.3	1,932	0.4
Uncovered portion of overdue advances	764	0.2	519	0.1
Current market value of collateral held against the covered portion of overdue advances	4,109		3,518	
Specific provisions made on advances overdue for more than 3 months	1,148		1,310	

Supplementary Financial Information (unaudited) (Continued)

D. Overdue, Rescheduled and Repossessed Assets (Continued)

(a) *Overdue and rescheduled advances to customers (Continued)*

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at period-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

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

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

The two main types of "Eligible Collateral" are as follows:

- (i) "Eligible Financial Collateral" mainly comprises cash deposits and shares.
- (ii) "Eligible Physical Collateral" mainly comprises land and buildings, vehicles and equipment.

When the Bank's clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling/restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

Supplementary Financial Information (unaudited) (Continued)

D. Overdue, Rescheduled and Repossessed Assets (Continued)

(b) Overdue and rescheduled advances to banks

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Advances to banks overdue for		
– 6 months or less but over 3 months	–	–
– 1 year or less but over 6 months	–	–
– Over 1 year	–	–
	–	–
Rescheduled advances to banks	–	–
Total overdue and rescheduled advances	–	–

(c) Other overdue and rescheduled assets

	30/6/2022		
	Accrued interest	Debt securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	18	116	–
– 1 year or less but over 6 months	21	–	–
– Over 1 year	37	–	–
	76	116	–
Rescheduled assets	15	–	–
Total other overdue and rescheduled assets	91	116	–
Specific provisions made on other assets overdue for more than 3 months	–	58	–
	31/12/2021		
	Accrued Interest	Debt Securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	13	–	–
– 1 year or less but over 6 months	17	–	–
– Over 1 year	36	–	–
	66	–	–
Rescheduled assets	3	–	–
Total other overdue and rescheduled assets	69	–	–
Specific provisions made on other assets overdue for more than 3 months	–	–	–

* Other assets refer to trade bills and receivables.

Supplementary Financial Information (unaudited) (Continued)

D. Overdue, Rescheduled and Repossessed Assets (Continued)

(d) Repossessed assets

	30/6/2022	31/12/2021
	HK\$ Mn	HK\$ Mn
Repossessed land and buildings (Note)	136	195
Repossessed vehicles and equipment	–	–
Repossessed machines	–	–
	<hr/>	<hr/>
Total repossessed assets	<u>136</u>	<u>195</u>

The amount represents the estimated market value of the repossessed assets as at 30th June, 2022 and 31st December, 2021.

Note: The balance included HK\$26 million (31/12/2021: HK\$14 million) relating to properties that were contracted for sale but not yet completed.

E. Banking Disclosure Statement

Additional information disclosures for this period which are prepared in accordance with the Banking (Disclosure) Rules, the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

INDEPENDENT REVIEW REPORT



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

INTRODUCTION

We have reviewed the interim financial report set out on pages 3 to 69 which comprises the consolidated statement of financial position of The Bank of East Asia, Limited as of 30th June, 2022 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June, 2022 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting".

KPMG

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

18th August, 2022

INTERIM DIVIDEND

The Board has declared an interim dividend for the six months ended 30th June, 2022 of HK\$0.16 per Share (the "2022 Interim Dividend") (2021 Interim Dividend: HK\$0.35 per Share). The 2022 Interim Dividend will be paid on or about Friday, 30th September, 2022 in cash with an option to receive new, fully paid Shares in lieu of cash (the "Scrip Dividend Scheme"), to shareholders whose names appear on the Register of Members of the Bank at the close of business on Thursday, 8th September, 2022. For the purpose of calculating the number of new Shares to be allotted under the Scrip Dividend Scheme, the market value of the new Shares means the average closing price of the Shares on the Stock Exchange from Friday, 2nd September, 2022 (being the first day that the Shares were traded ex-dividend) to Thursday, 8th September, 2022 (both days inclusive). Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about Thursday, 8th September, 2022.

The Scrip Dividend Scheme is conditional upon the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the Scrip Dividend Scheme. The dividend warrants and the share certificates for the scrip dividend will be sent to shareholders by ordinary mail on or about Friday, 30th September, 2022.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Bank will be closed from Tuesday, 6th September, 2022 to Thursday, 8th September, 2022 (both days inclusive). In order to qualify for the 2022 Interim Dividend, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:00 p.m. on Monday, 5th September, 2022.

INTENTION TO INITIATE ON-MARKET SHARE BUY-BACK

The Bank intends to initiate an on-market buy-back of its Shares pursuant to the general mandate granted to the Board by the Shareholders at the 2022 annual general meeting held on 6th May, 2022 in an amount of up to HK\$500 million, depending on the prevailing market conditions.

FINANCIAL REVIEW

Financial Performance

For the first six months of 2022, the BEA Group earned a profit attributable to owners of the parent of HK\$1,499 million, representing a decrease of 43.9% compared with the HK\$2,671 million earned in the same period in 2021.

The decrease in attributable profit was mainly due to a significant increase in impairment losses in Hong Kong and Mainland China. Continued difficulties for the Mainland property sector resulted in downgrades being made to certain sizeable accounts, and the Bank made appropriate provisions to cover this exposure.

Basic earnings per share were HK\$0.39 in the first half of 2022, compared to HK\$0.78 in the corresponding period in 2021.

The annualised return on average assets decreased to 0.2%, while the annualised return on average equity decreased to 2.2%.

Net interest income for the Group increased by HK\$307 million, or 5.6%, to HK\$5,830 million, with a 2.4% increase in average interest bearing assets. Net interest margin widened from 1.38% to 1.42% on the back of rising rates.

Net fee and commission income fell by 6.5% to HK\$1,440 million. Investment sentiment was impacted by the spread of Omicron and the macro conditions, resulting in a decrease in net commission income from sales of investment products and securities brokerage. This was partially offset by a growing contribution from bancassurance.

Net insurance profit was lower compared to the first half of 2021, mainly due to the disposal of BEA Life Limited in September 2021.

Taken together, net trading and hedging results and net results from other financial instruments fell by HK\$265 million, or 32.8%, to HK\$541 million. Non-interest income fell by 20.9% to HK\$2,288 million.

Overall, total operating income decreased by 3.5% to HK\$8,118 million.

Total operating expenses decreased by HK\$241 million, or 5.2%, to HK\$4,406 million. The cost-to-income ratio for the first half of 2022 was 54.3%, compared to 55.2% in the first half of 2021.

Impairment losses on financial instruments rose from HK\$581 million in the first half of 2021 to HK\$2,136 million in the first half of 2022. The Group's impaired loan ratio increased from 1.09% at the end of December 2021 to 1.58% at the end of June 2022. The impaired loan ratio for Hong Kong operations rose from 1.09% to 1.76%, while that for Mainland China operations rose from 1.54% to 2.12%.

Operating profit after impairment losses amounted to HK\$1,576 million, a decrease of HK\$1,611 million, or 50.6%.

The Group's shared after-tax profits less losses from associates and joint ventures increased by HK\$61 million to a profit of HK\$190 million.

After accounting for income taxes, profit fell to HK\$1,510 million, a decrease of 44.0% compared to the HK\$2,697 million recorded in the first half of 2021.

Financial Position

Total consolidated assets of the Group stood at HK\$908,211 million at the end of June 2022, a slight increase of 0.1% compared to HK\$907,470 million at the end of 2021.

Gross advances to customers slightly increased by 0.5% to HK\$551,372 million.

Total equity attributable to owners of the parent fell by 5.7% to HK\$95,968 million. During the reporting period, the Bank completed the previously announced off-market share buy-back transaction with a total consideration of HK\$2,904 million.

Total deposits from customers increased by 1.7% to HK\$644,564 million. Of the total, demand deposits and current account balances decreased by HK\$10,157 million, or 12.8%; savings deposits decreased by HK\$11,681 million, or 5.9%; and time deposits increased by HK\$32,897 million, or 9.2%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, decreased by 0.9% to HK\$691,221 million.

The loan-to-deposit ratio stood at 79.8% at the end of June 2022, compared to 78.6% at the end of 2021.

As at 30th June, 2022, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio were 20.2%, 17.7%, and 15.7%, respectively. The average liquidity coverage ratio for the quarter ended 30th June, 2022 was 187.5%, well above the statutory minimum of 100%.

BUSINESS REVIEW

Economic Review

The global economic outlook is clouded by numerous uncertainties, including the Ukraine conflict, on-going COVID-19 pandemic and related lockdowns, continued supply chain bottlenecks, elevated inflation pressure and a rapidly changing monetary policy environment.

In June, the World Bank projected global GDP growth for 2022 will be 2.9%, 1.2 percentage points lower than its projection in January. The World Bank also warned of a heightened risk of stagflation. As inflation in advanced economies is expected to stay high for the remainder of the year, major central banks will continue to raise policy rates to alleviate inflationary pressure, even as the economic outlook becomes increasingly bleak.

The US Federal Reserve raised the fed funds rate target range by 225 basis points from March to July 2022, far exceeding market expectations earlier in the year. Meanwhile, the Bank of England raised the Bank Rate by 150 basis points to 1.75% in the current rate hike cycle. On-going monetary tightening by major central banks is likely to negatively impact consumer and business sentiment as the cost of borrowing rises, and as volatility in financial and asset markets increases.

The Hong Kong economy was hit hard by the fifth wave of COVID-19, contracting by 2.6% year-on-year in the first half of 2022. Unemployment once surged to above 5%, with several sectors – including retail, accommodation and food services – registering even higher levels. After the number of cases in the fifth wave peaked in mid-March, economic and consumption activities gradually recovered, supported by the relaxation of social distancing measures and a new round of the Consumption Vouchers Scheme.

Looking ahead, Hong Kong domestic consumption will likely be the key driver of economic recovery, with the disbursement of 2022 (Phase II) Consumption Voucher Scheme started in August. Nonetheless, overall growth momentum will depend on how the pandemic and its related social distancing measures evolve, and whether or not international and Mainland travel restrictions are eased later this year.

Meanwhile, policy tightening by major central banks and elevated geopolitical tensions will continue to affect the world at large. Higher interest rates may also weigh on financial and property market sentiment. The HKSAR Government forecasts that the local economy will grow between -0.5% and 0.5% in 2022, with inflation remaining moderate.

Mainland China's economy was impacted by regional COVID-19 outbreaks and consequent strict social distancing measures in the first half of 2022. Small outbreaks continue to impact economic activity, as the Mainland struggles to contain more virulent Omicron strains.

Retail sales recorded 3.1% year-on-year growth in June after three consecutive months of decline. Meanwhile, industrial production rebounded modestly by 0.7% and 3.9% year-on-year in May and June respectively, after a 2.9% decline in April. The growth of fixed asset investment climbed by 6.1% year-on-year between January and June.

For the rest of the year, Mainland China's economy is expected to recover further, driven by strengthening policy support, and better management of COVID-19 and consequent social distancing measures. Industrial production and infrastructure investment will play an increasingly key role in supporting the recovery, and will lead that of the consumption and services sectors.

It is believed that authorities on the Mainland still have the fiscal, monetary, regulatory and industrial tools to stimulate the country's economy in the near term. The Mainland will focus on its previously announced development agenda, including developing advanced technologies and achieving balanced growth. The Mainland's economy is expected to grow by a pace slightly above 4% in 2022, while inflation will remain moderate.

Business – Hong Kong

Profit before tax for Hong Kong operations declined by 63.1% year-on-year. Performance was affected by weak market sentiment and continued liquidity issues for clients in the Mainland property sector.

Repayment difficulties for Chinese developers have been particularly acute for offshore lending. A number of clients with significant exposure were subject to downgrades during the period under review, and appropriate provisions were made accordingly. As a result, impairment losses rose by HK\$949 million to HK\$1,207 million.

Loan growth was muted and total balances were impacted by the Bank's risk mitigation efforts, as well as client deleveraging. Customers loans in Hong Kong were flat at HK\$302,998 million during the period under review, while total deposits grew by 3.0% to HK\$424,412 million.

In face of challenging external conditions, pre-provision operating profit fell by 17.7%. Operating income was affected by unfavourable results from trading as valuations declined with the broader market sell-off. However, core revenues held up well as the Bank focussed on operational resilience.

Net interest income recorded a solid increase of 6.4%, driven by higher yields on assets. Net interest margin improved by 6 basis points. Under the interest rate hike cycle, the Bank will continue to deepen its relationships with customers and optimise funding costs.

The partial COVID-19 lockdown in Hong Kong brought a temporary pause to certain retail wealth activities. Despite this, net fee and commission income saw a modest drop of 3.7%. With promising results from the Bank's bancassurance partnership with AIA, an increase in income from sale of third-party insurance policies mitigated the decline in both lending and investment activity.

Operating expenses were held flat as efficiencies from BEA's digitalisation and transformation programmes started to materialise. The Bank maintained a tight control on costs through streamlining operations, helping to fund investments in technology, digital and data capabilities to future-proof its business. Meanwhile, frontline sales staff are being added to support revenue growth.

Retail Banking

Net profit for the Bank's retail operations increased by 22.7%. Reduced costs, wider margins and sustained customer onboarding more than compensated for a slowdown in investment activity under the fifth wave of COVID-19.

Non-interest income rose by 3.3% despite the impact of weak market sentiment and pandemic restrictions, particularly in the first quarter. Solid growth in income from insurance sales and linked deposits helped to offset the decline in commissions from unit trusts and stock broking.

Business momentum was maintained via the Bank's mobile and online platforms, which ensured service continuity even during temporary branch closures. Financial transactions made via mobile rose by 24.6% during the period.

Net interest income increased by 8.0%, driven by a wider net interest margin and higher average balances year-on-year in both loans and deposits. Overall, operating income rose by 6.4%.

Operating expenses were 7.4% lower as cost synergies from the Bank's branch rationalisation programme were realised. BEA will continue to optimise its network and digitalise customer journeys to drive further efficiency gains.

With a continued focus on enhancing services for affluent customers across all channels, growth in key target segments remained strong. In particular, new client intake for BEA's premium wealth management service, SupremeGold Private, was encouraging, bringing in significant new assets under management ("AUM"). The SupremeGold all-in-one account also recorded a 10.3% increase in customers.

Looking ahead, the Bank sees considerable potential in the youth segment and is launching a new digital all-in-one account, BEA GOAL, to cater to their preference for mobile-first banking. Key features include an enhanced mobile account-opening procedure, a virtual credit card, consolidated digital payment solutions, and an advanced fund selection service.

Wholesale Banking

In light of the ongoing challenges facing the Mainland property sector, the Bank made sizeable provisions on offshore lending made in Hong Kong following downgrades to certain affected clients. Profit from wholesale banking operations was dragged down as a result.

Despite these difficulties, underlying business remained sound. Operating income increased by 14.4% year-on-year.

Net interest income recorded growth of 18.3%, driven by higher average loan balances and an improvement in margins year-on-year. Meanwhile, non-interest income was flat. Income from treasury sales more than doubled as the Bank supported clients' hedging strategies under the volatile market conditions, while that from trade finance and corporate wealth management also grew. This offset lower fees from debt capital markets activity.

Operating expenses rose as a result of an upfront investment in the Bank's new digital platform for business customers, due to launch later this year, and other one-off items.

The restructured Wholesale Banking Division has integrated capabilities in corporate lending, trade services, debt capital markets solutions, insurance and channel management, enabling the Bank to provide comprehensive solutions to corporates of all sizes. BEA will continue to enhance its Global RM service model to ensure a seamless One Bank experience for cross-border customers. Meanwhile, upcoming partnerships with fintech companies and sustainability experts will further expand the Bank's range of value-added services.

Wealth Management

Private banking operations were hindered by weak investor sentiment in the first half of the year, with COVID-19, inflation fears and heightened geopolitical tensions leading to market volatility. Investment AUM and loans declined as valuations dropped and clients de-risked their portfolios.

Net interest income fell by 6.9% due to a lower average loan balance. This trend was mitigated by an improved spread on both loans and deposits. New lending began to pick up in the second quarter as the pandemic situation in Hong Kong stabilised. Business is expected to improve in the second half, particularly when the Mainland border reopens and pent up demand from cross-border customers is released.

Non-interest income was solid under challenging conditions. A decline in income from client fund and stock trading activity was offset by improved fees and commissions from foreign exchange, structured products and insurance.

Overall, operating income recorded a slight fall of 4.6%. Operating expenses rose, driven by a 25% increase in frontline staff.

BEA will continue to expand its salesforce and capabilities to serve high-net-worth customers. The Bank is developing a fully digitalised discretionary portfolio management solution for Private Banking clients that will launch towards the end of the year.

To complement the Bank's retail wealth business, an innovative Fund Portfolio Builder was launched in May. Additional digital initiatives are being pursued to cater to younger, more tech-savvy individuals.

Insurance and MPF Services

Excluding mark-to-market revaluations, profit from BEA's core insurance business fell by 58.0% year-on-year. The decline was mainly due to lower underwriting profit from life insurance business following the disposal of BEA Life Limited last year.

BEA's life insurance bancassurance partnership with AIA commenced in July 2021, and results to date have been positive. The bancassurance model has successfully leveraged the Bank's strengths in distribution and its sizeable customer base in Hong Kong, generating opportunities for cross-selling to new and existing customers.

In March 2022, BEA announced that it would expand the scope of its partnership with AIA to include general insurance. The sale of Blue Cross, as well as the Bank's 80% stake in healthcare service provider Blue Care JV (BVI) Holdings Limited, to AIA is expected to close in the third quarter. As part of this transaction, Blue Cross will be the exclusive provider of non-life insurance products for BEA's personal banking customers in Hong Kong for a period of 15 years.

BEA continues to be a top 10 MPF provider in Hong Kong by AUM. Total membership of BEA's MPF schemes grew to 861,000 at the end of June 2022. Members have benefited from BEA's broader digitalisation strategy, with a 91% utilisation rate of the Bank's digital MPF channels. BEA maintained its position as the leading Industry Scheme provider with a market share of 71% as of June 2022. With significant annual expenditure expected on infrastructure and other construction works in Hong Kong, the Bank will continue to source new business from major contractors.

Business – Mainland China

The first half of 2022 was a challenging period for the Mainland economy, and the recorded GDP growth of 2.5% year-on-year was the weakest since COVID-19 first emerged in 2020. Recurrent outbreaks of COVID-19, geopolitical tensions, supply chain issues and a weak property sector weighed on economic activity and consumer sentiment.

The COVID-19 outbreaks triggered strict control measures by the government, including various degrees of lockdown in different cities, which affected local in-branch services of BEA China. For the first half, BEA China recorded a net profit of HK\$2 million, a sharp decrease compared to the same period in the previous year due to a higher amount of provision for impairment losses amidst the challenging economic environment. Nevertheless, loan growth momentum was maintained as the total loan portfolio increased to HK\$151,641 million. Meanwhile, the proportion of property-related loans was further managed downward.

Total operating income up-ticked only by 1.4% year-on-year. Despite strong growth in the loan book, there was little change in net interest income compared to 2021, as net interest margin was lower due to a reduction in the average high-margin consumer finance loan balance. Non-interest income was driven up by revaluation gain due to US dollar appreciation and growth in trading income due to favourable market movement; whilst COVID-related lockdowns, economic uncertainty and volatile market conditions dampened demand for fee-based services.

On the wholesale banking side, BEA China continued to diversify and expand its loan portfolio. During the first six months of the year, the bank grew its non-property related loans to non-bank financial institutions, companies engaged in wholesale and retail trade, and manufacturers. A large proportion of the growth in the corporate loan book was from new-to-bank customers, with state-owned enterprises accounting for a large share. In addition, good progress has been made in implementing the One Bank strategy, with encouraging growth in revenue booked in Hong Kong and overseas from customers originated by BEA China. The bank also responded swiftly to new opportunities arising in green finance and recorded a significant growth in green loans.

Overall, operating income from wholesale banking achieved steady growth compared to the same period in 2021. Net interest income from wholesale banking grew by 10.4% year-on-year. The benefits of a larger loan portfolio were partially offset by thinner margins due to BEA China targeting quality customers, keen market competition, and loan prime rate cuts. Non-interest income from corporate banking fell, as the outbreaks of COVID-19 suppressed business activities.

On the retail banking side, income from retail lending in the first half of 2022 dropped compared to the same period last year. However, the high-margin internet finance portfolio has since returned to growth, and will begin to benefit the top line in the second half of the year.

While income from wealth management business fell in the first half, BEA China recorded an increasing number of southbound referrals through Wealth Management Connect. Meanwhile, the initial performance of the bancassurance partnership with AIA China, which was launched last year, is promising, and the partnership is expected to make a healthy contribution to BEA China's wealth management income in the future. BEA China has stepped up efforts to leverage its extensive network in the Greater Bay Area, promoting its wealth management and digital banking capabilities in the region to capture emerging business opportunities.

Operating expenses decreased by 12.8% year-on-year to HK\$1,483 million. Excluding a one-time reversal of a non-credit related provision of HK\$145 million, operating expenses fell by 4.3%, evidencing our strong discipline in cost control.

Regarding asset quality, the impaired loan ratio increased by 0.58 percentage points from the end of December 2021 to 2.12% as of the end of June 2022. Non-performing loan formation rose to HK\$1,561 million, an increase of 59.6% compared to the previous year, mainly due to the downgrade of a number of real estate accounts. Impairment losses also increased, rising by 211.3% year-on-year to HK\$990 million as BEA China took a prudent approach when assessing the impact of the weakened economy and the prolonged downturn in the property sector on its loan portfolio. Over the first half of the year, BEA China took a number of proactive steps to improving our lending positions, including by seeking early repayment and better collateral. The bank will continue to closely manage its asset quality.

BEA China operated 30 branches and 36 sub-branches covering 38 cities on the Mainland as of 30th June, 2022.

Business – International, Macau and Taiwan

The performance of the Bank's overseas operations remained robust in the first half of 2022. BEA's overseas branches maintained a prudent stance in accepting new business and exited challenging relationships.

Although the strong US dollar put pressure on the currencies of several overseas markets in which the Bank operates, the Bank recorded growth of 3.5% in customer advances over the first six months of the year. Asset quality remained sound, with the impaired loan ratio improving to 0.17% at the end of June 2022, down from 0.35% at the end of December 2021. Pre-provision operating profit grew by 27.3% year-on-year, primarily driven by loan growth and increases in net interest margins.

Net profit after tax increased by 41.7% to HK\$620 million, driven by a net release in expected credit losses as a result of the improving performance of borrowers. The cost-to-income ratio was lower at 33.6% compared with 39.3% a year earlier, on the back of higher revenue and good cost discipline.

Turning to the performance of individual branches.

The Bank's UK operations continued to deliver positive growth in both loans and profitability through continued diversification into syndicated financing for borrowers with strong balance sheets and a positive business outlook.

BEA's operations in the US also registered steady operating results on the back of higher loan balances and stronger profitability, whilst asset quality remained sound. In response to expectations that the US Federal Reserve Board will raise interest rates aggressively, possibly tipping the economy into recession, US operations are focusing on selective expansion of the loan book.

In Asia (excluding Hong Kong and Mainland China), further to the completion of the strategic repositioning exercise and network rationalisation initiative in 2021, both Singapore and Macau branches showed significant improvement in pre-provision operating profit and cost-to-income ratios in the first half of 2022. These two branches continue to maintain financial discipline by focusing on cost management. Branch operations in Taiwan took a cautious approach, and primarily catered to large local corporates in view of the prevailing economic headwinds faced by the island. Taiwan Branch continues to prioritise asset quality over aggressive loan growth.

The Bank's overseas operations are actively participating in the Bank's digital transformation journey and are increasing investment in technology to improve the customer experience and enhance operational efficiency. UK Branch operations have been enhanced by launching digital solutions for financial data management and analytics. Singapore Branch, in line with its business repositioning strategy to focus on wholesale banking business, is in the process of revitalising its corporate Cyberbanking platform by expanding online functionalities to provide convenient banking services to corporate customers. Meanwhile, Taiwan Branch is replacing its legacy core banking system to accommodate the latest technology developments, automate processes and increase operational efficiency.

Looking ahead, to pursue the One Bank strategy of the Bank, overseas branches will leverage their local expertise and cooperate with other business units of the Bank Group to deliver seamless banking experience to customers and enhance the customers' total value to the Bank.

BEA Union Investment Management Limited

BEA Union Investment Management Limited ("BEA Union Investment") continues to assist clients to manage their investments under current volatile market conditions by adopting a rigorous risk management process.

Global asset owners remain keen to expand their investments in Asia, and BEA Union Investment successfully won several new advisory mandates based on its well-respected investment capabilities in Greater China equities and Mainland China bonds. BEA Union Investment is confident that its high conviction investment strategies focusing on Asia, together with its comprehensive risk management process, will continue to attract clients seeking risk-adjusted returns in Asia.

Our People

As of 30th June, 2022, the BEA Group employed 8,636 people:

	As of 30th June, 2022	As of 31st December, 2021	As of 30th June, 2021
Hong Kong	4,965	5,057	5,359
Mainland China	3,121	3,211	3,277
Macau and Taiwan	129	130	140
Overseas	421	426	439
Total	<u>8,636</u>	<u>8,824</u>	<u>9,215</u>

The Bank continues to build a progressive culture and nurture talent as key drivers of its focus on business transformation and sustainable growth. Since the future of banking depends on a strong talent pipeline, BEA is actively recruiting recent graduates, expanding its capability in technology and data analysis, and supporting mid-career staff to further enhance their potential.

For a number of years, BEA has participated in youth-oriented programmes such as the HKMA Banking Graduate Trainee Programme and the FinTech Career Accelerator Scheme. This year, the Bank further expanded its efforts to develop young talent, launching functional trainee programmes on Personal Banking, Wholesale Banking and Internal Audit. These programmes provide structured training and on-the-job experience for recent graduates, offering them the essential knowledge required to become future relationship managers and specialists in Audit, Risk and Compliance.

BEA is also making substantial investments to enhance staff capability in the application of technology and data analysis in banking. The Bank kicked-off the year with a Digital Leadership Virtual Bootcamp for a group of senior leaders at division head and department head level to build a strong leadership team to support BEA's digitalisation strategy. A new mobile micro-learning module on Fintech 101 was rolled out across all levels, ensuring that all staff are conversant with the latest developments in the industry. This customised programme enabled staff to learn the essence of Fintech on-the-go in bite-sized portions that could easily be fit into their daily schedules. As part of its Fintech Strategy 2025, the Bank will also be launching a series of data literacy empowerment programmes to develop a strong data culture and strengthen data leadership.

For mid-career staff, the BEA Future Leader Accelerated Programme supports personal growth through a range of development opportunities specially chosen for high-potential executives. This year, BEA extended the programme to include high-potential executives from overseas branches, further strengthening the Bank's talent and succession pipeline. BEA also provides ongoing training support and sponsorship for obtaining HKMA's Enhanced Competency Framework ("ECF") certification and, with the launch of the ECF-FinTech certification by the HKMA last December, BEA is actively encouraging relevant staff to complete the required training and obtain the new credential. In the coming months, the Bank will further step up training momentum.

With respect to bank culture, the Bank Culture Work Group ("BCWG") has been revamped with a mandate to reinforce efforts to monitor and evaluate the status of bank culture reform and devise division-specific plans based on employee feedback from the staff survey conducted in 2021. In 2022, monitoring of human rights breaches was incorporated into the Bank Culture Dashboard to allow BCWG to scrutinise related areas across the Bank. In the second quarter of 2022, the Bank launched the Bright Ideas, Big Impact Programme with the aim of fostering a speak-up and innovate culture within the Bank. Over 200 ideas were received in the first round of submissions, including broad-based staff engagement that reflects a strong "echo from the bottom".

Later this year, BEA will conduct a full-scale employee survey that will streamline and improve upon the 2021 survey scope in order to gauge employee sentiment and gather feedback on the past 12 months. BEA will also introduce more frequent "skip-level exchange sessions" in relaxed settings to create opportunities for staff to share, network and learn from more senior staff, in order to enhance management-employee engagement.

Aside from strengthening collaboration within the Bank, BEA fosters social connections and promotes a caring community. In the second quarter of 2022, the Bank launched the "Join Hands, Reach Further!" programme to promote an engaging and positive work environment by encouraging staff to contribute to society. Working alongside employees from other Bank divisions, teams direct their volunteer efforts towards the Bank's key community service programmes, including BEA Upcycles, BEA Golden Adventures, BEA Festival (Beyond Environmental Arts Festival) and other outreach opportunities to build on BEA's century-long commitment to improving lives in the communities we serve.

Staff members' health and safety, as well as that of the public, has long been a key focus of the Bank Group. With the COVID-19 pandemic, this focus has gained new urgency. The Bank distributed Rapid Antigen Test kits to all staff to run self-tests as the fifth wave spread in March. Flexible work arrangements, such as split-team and work-from-home, were widely adopted. Staff were also provided additional days of leave allowance so that they may be vaccinated against COVID-19. As we move beyond the pandemic, we are continuing in our efforts to create an agile workforce, improve business continuity and increase productivity.

Outlook

The severe disruptions to global trade arising from supply disruptions, geopolitical tensions, COVID-19 and military conflict in Europe have tipped the world into a period of sustained high inflation. Although multiple rounds of interest hikes by central banks have made financial markets uneasy, economic growth and employment have remained resilient in the West through the first half of 2022. Though the spectre of recession – or worse, stagflation – remains.

China, meanwhile, has trod a different path. Its strict COVID Zero policies and regulatory adjustments have reduced both output and consumption, but also kept inflation low. As a result, China has wide fiscal, monetary and policy leeway for stimulus.

However, in contrast to past broad-based stimulus actions, this time Chinese planners are pushing through more focussed policies. This approach avoids the excesses and leakages associated with the broad sweep monetary loosening of the past, but could also take longer to show results.

This has set the conditions for what may be divergent growth paths for China and the rest of the world for the rest of this year and into 2023. As the impact of higher interest rates destabilises developed and developing economies alike, China may gradually return to a domestic investment driven growth path. This growth path may be slower than in the past, but it also may not cause the commodity price inflation that typically accompanied China's previous expansionary periods.

The pandemic has not been kind to Hong Kong's economy. However, like Mainland China it has experienced low inflation. While interest rates will rise in tandem with the US as a result of the dollar peg, Hong Kong stands to benefit from Mainland China's efforts to stimulate growth through targeted measures.

Meanwhile, any easing of border restrictions will bring an immediate economic bounce, with the revival of tourism, a renewed push to integrate Hong Kong into the Greater Bay Area and revival of the local financial sector with the shift of US listings of Chinese corporations to Hong Kong.

BEA has not been idle during the past year. We have pressed ahead with the digital transformation of the Bank, managed our exposure to the troubled China real estate developers, and maintained a strong balance sheet in these times of economic duress. The Bank has become leaner, more nimble and focussed on disciplined, risk managed growth. As we manage the challenges in front of us, we are also positioning ourselves to embrace the opportunities of the Greater Bay Area and support the realisation of China's dual circulation strategy.

Major Recognition – Business

During the first six months of 2022, the Bank received a number of awards in recognition of its achievements. These included:

- “2022 Best SME's Partner Gold Award” (for the fifth consecutive year) from The Hong Kong General Chamber of Small and Medium Business;
- “Best Personal Banking Brand – Hong Kong”, “Best Bank for Customer Experience – Hong Kong”, and “Best Banking Product - Virtual Card – Hong Kong” from Global Brands Awards 2022;
- Outstanding Achievement Award in the “Retail Bank of Year”, “Premium Segment Client Service”, “Client Service/Customer Engagement”, and “Digital Transformation Strategy categories” from Bloomberg Businessweek Financial Institution Awards 2022; and
- “Best for HNW in Hong Kong” and “Highly Regarded Domestic Private Bank in Hong Kong” from Asia Money Private Banking Awards 2022.

BEA China received “The Best Banking News Stories on Safeguarding People’s Livelihood of 2021” from China Banking Association. Blue Cross received “10Life Outstanding VHIS Award 2022” from 10Life, while Bank of East Asia (Trustees) Limited received Gold Ratings for the BEA (MPF) Value Scheme in the MPF Ratings’ 2022 MPF Scheme Ratings and Awards programme from MPF Ratings Limited.

BEA Union Investment received “BENCHMARK Provider of the Year (Onshore) 2021”, “Outstanding Achiever - Asia Allocation Mixed Asset”, “Outstanding Achiever - China Equity”, “Outstanding Achiever - Asia Fixed Income” from BENCHMARK House Award 2021.

RISK MANAGEMENT

The Group recognises that a sound risk culture is the 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.

Principal Risks

The Group faces a variety of risks that could affect its franchise, operations and financial health. The principal risks identified by the Group include credit risk, interest-rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk and technology risk. The description of principal risks, and how they are managed, is set out in the “Risk Management” section of the Bank’s Annual Report 2021.

Key Developments

The COVID-19 pandemic has presented many challenges to the Group, and the Group has actively managed the associated risks. Specifically, the Group enhanced risk management in the following areas in the first half of 2022:

- Proactive risk management of special assets and credit monitoring has been further enhanced so as to identify risk in the loan book and mitigate risks in a timely manner. On top of enhanced credit control, thematic reviews have been performed for high-risk sectors and loan exposures most susceptible to the COVID-19 pandemic and Ukraine conflict.
- The operational risk management framework is under constant review. Recent enhancements include a revamp of the Risk Control Self-Assessment programme by restructuring the risk taxonomy and control monitoring mechanism; standardisation of management of operational risk incidents; further sharpening of anti-fraud control measures; and strengthening of the policy and assessment methodology for managing third-party risk. To this end, an expanded operational risk plan is in place to enhance capability in incident analysis and monitoring, communication and reporting.
- To support the Group’s ESG initiatives, the Group’s risk appetite statement on ESG risks aligns strategically with the Group’s Sustainability Vision and Mission Statements. In order to incorporate sustainable practices into all business and operational initiatives, the Group launched the Green and Sustainability-linked Lending Policy and enhanced the ESG risk-rating mechanism for conducting a systematic assessment of customers’ ESG performance and vulnerability to climate-related risk. In 2022, the Group is further enhancing the risk management infrastructure by introducing an internal green finance framework including sector policies, green and brown taxonomy, and key ESG risk indicators to support customers’ transition to a low-carbon economy, develop green finance, incorporate climate risk considerations into the Group’s strategy formulation, and control the Group’s risk exposure to extreme climate events.
- In coordination with the Group’s automation initiative and digital strategy, the Bank has implemented a new workflow system and is enhancing processes by adopting the latest technologies in order to improve the efficiency of the daily risk management process, data capture capability and accuracy, and manpower allocation.

Principal Uncertainties

During the first half of 2022, the Group identified a number of emerging risks. The key uncertainties currently facing the Group and the mitigating measures implemented are set out below.

Principal Uncertainties	Mitigating Measures
Macro-economy The COVID-19 pandemic and US-China tensions have impacted a wide range of industries in recent years. Although the global economy rebounded in 2021, the economic outlook has worsened this year. The rise of the Omicron variants of COVID-19, social distancing measures imposed in major cities in Mainland China, geopolitical tensions resulting from the Ukraine conflict, worsening inflation and the rapidly changing global monetary environment all weighed on sentiment. Hong Kong's economy suffered in the first half of 2022 due to the fifth wave of the pandemic. Recovery remains uneven, with some sectors outperforming others. The Hong Kong property market was subdued in the first half of the year, and the local stock market was volatile. Regulatory risk for technology and real estate companies operating in Mainland China remained high, and the liquidity crisis facing the Mainland property sector continued to worsen. The credit risk environment outlook remains challenging.	<p>The Group will continue to monitor the market situation and its portfolios closely in order to manage risk exposure.</p> <p>From a credit risk perspective, the Bank continues to identify potential adverse events and devise ways to mitigate any impact on its capital adequacy and asset quality. Such measures include enhanced credit control on loan exposures most susceptible to the COVID-19 pandemic and the Ukraine conflict, thematic reviews on high-risk sectors, and stress testing on capital adequacy and loan-loss allowances. In response to the uncertainties arising from the liquidity and refinancing risk of the Mainland property sector, the Group is taking a conservative approach, with accounts being monitored closely. Overall credit exposure to the sector is being reduced amidst the Group's broader diversification strategy. The Bank remains alert to the development of the Mainland property market, and lending appetite has become highly selective, with prudent and proactive credit risk management adopted to control loan asset quality.</p> <p>From market and interest rate risks perspective, the Bank continues to assess trends, manage exposures, review its risk-taking strategy and formulate mitigating actions as necessary.</p> <p>From a compliance risk perspective, the Bank continues to track the development of relevant sanctioned regimes and mitigate risk exposure where appropriate.</p>
Cyber-Security Risk 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 undermine banks' cyber security and operations.	<p>The Group takes a multi-pronged approach to tackle cyber-security risk and improve cyber resilience:</p> <ul style="list-style-type: none">• Engage external consultants to assess the Group's cyber-security controls against relevant information-security standards and emerging risks to identify and implement necessary improvements• Analyse different intelligence sources to monitor the latest worldwide threats and establish industry-wide collaborations on the sharing of cyber-threat intelligence• Maintain a proper incident response management process including cyber-security insurance policy• Enhance cyber and information-security training programmes including periodic phishing e-mail tests to promote security awareness among staff and improve security practices <p>Cyber and information security risks and controls are regularly reviewed and reported to directors in Risk Committee meetings quarterly.</p>

Principal Uncertainties

Mitigating Measures

ESG Risks

Climate change poses both short and long-term risks to the banking industry. “Physical risk” refers to the impacts of weather and climate-related events, which could lead to disruptions to the business and operations of banks and their clients. “Transition risk” refers to the risk related to the process of adjustment towards a low-carbon economy, which can be prompted by policy, legal, technology and market changes as climate-change mitigation and adaptation measures are adopted.

To manage negative impacts from ESG risks and cultivate ESG consciousness throughout the Group, the Bank has:

- Developed a Green and Sustainability-linked Lending Policy
- Enhanced its ESG risk checklist for screening and additional assessment of credit applications by incorporating climate risk considerations
- Conducted a Climate Risk Stress Test to assess the Bank’s resilience against extreme climate events
- Introduced various ESG/climate risk indicators to enhance monitoring capability in a proactive manner
- Expanded the prohibited lending list to include wider business activities that create material environmental or social impacts
- Began disclosing the Bank’s ESG/climate risks and opportunities in accordance with the reporting framework of the Task Force on Climate-related Financial Disclosures in the Group’s 2021 ESG Report
- Promoted ESG awareness and capacity building among staff members through external and internal events including industry webinars, mandatory training, and internal communications

Interbank Offered Rate (“IBOR”) Transition

Following the decision of global regulators to phase out London Interbank Offered Rates (“LIBORs”) and replace them with risk free rates as alternative reference rates (“ARRs”), LIBORs of CHF, EUR, GBP and JPY were ceased available after 2021. 1-week and 2-month USD LIBORs were also ceased. Other tenors of USD LIBOR will cease available after June 2023. With the completion of the IBOR Reform Project, the Group has the operational capability to trade in ARR and manage the transition of the aforesaid LIBORs and the IBORs linked up with those LIBORs to ARR.

The Group will continue closely managing and monitoring the risks arisen from IBOR reform, including but not limited to the following:

- Conduct risk arising from communications with clients and market counterparties due to the amendments required to legacy contracts necessary for IBOR reform;
- Financial risk to the Group and its clients should markets be disrupted due to IBOR reform giving rise to financial losses;
- Pricing risk from the potential lack of market information should liquidity in IBORs reduce;
- Operational risk arising from changes to systems and processes, and the risk of payments being disrupted should an IBOR cease to be available; and
- Risk on mismatch of hedging relationships as financial instruments transition to ARR resulting in unrepresentative income statement volatility.

Further details are given in note 43 on the financial instruments referencing IBORs to be transitioned to ARR but not yet transitioned as at 30th June, 2022.

SUSTAINABILITY

The BEA Group is committed to integrating sustainability principles into its business and operations, and managing its social and environmental impacts. The established governance structure together with an ESG strategy framework guide the Bank Group’s ESG strategy and goal formulation. For 2022, two goals have been prioritised through stakeholder engagement and placed on the Bank-wide scorecard.

The first is to drive the development of green and sustainable finance (“GSF”) through target-setting. Targets for total GSF loans and ESG bond investments as a percentage of total loan and investment assets have been set for business units across the Group. Progress is reported on a regular basis at meetings of BEA’s ESG Steering Committee and Board-level ESG Committee.

In support of the Bank’s GSF targets, BEA strengthened its List of Prohibited Lending in February 2022. Among the prohibited activities, BEA will not knowingly extend financing to activities resulting in degradation or destruction of areas designated as High Conservation Value, High Carbon Stock forests or peatlands, or wetlands under the Ramsar Convention. Going forward, the Bank will broaden its GSF framework to cover high carbon emitting sectors, as defined by the HKMA.

To build internal capability, practical training on GSF was provided in May 2022 to more than 370 frontline staff of the Bank’s Wholesale Banking Division in Hong Kong and colleagues at overseas branches and in related risk management functions.

For its corporate customers, BEA jointly organised a number of events during the period under review with the aim of supporting their efforts to improve their sustainability performance and transition to a low-carbon economy. Besides enabling companies to learn about GSF, these events served as opportunities for companies to learn from one another through experience sharing and case studies. In addition, Bank representatives spoke at GSF seminars hosted by business and professional associations, including CPA Australia and the Hong Kong General Chamber of Commerce.

The second goal is to drive the reduction of carbon emissions in the Bank Group's business and operations. In June 2022, a focus group comprising representatives of the Group's operations teams reviewed the Group's existing targets for reducing its direct emissions from owned or controlled sources (Scope 1) and indirect emissions, primarily from the generation of purchased electricity (Scope 2). Further assessments will be conducted, after which BEA will formulate a roadmap to reduce Scopes 1 and 2 carbon emissions by 2030.

Financed emissions are a component of BEA's Scope 3 emissions, which are generated indirectly along the Group's value chain. A screening exercise conducted in the first half of 2022 revealed that BEA's corporate loan and bond portfolios account for over 90% of the Group's financed emissions. In the second half of 2022, BEA aims to complete its measurement of emissions in a number of high-emitting sectors, which will help shape BEA's Scope 3 reduction strategies.

Signalling the Group's commitment to emissions reduction, in May 2022, BEA became the first signatory headquartered in Hong Kong to the Partnership for Carbon Accounting Financials ("PCAF"), a collaboration among financial institutions worldwide to enable harmonised assessments and disclosures of greenhouse gas emissions associated with their loans and investments.

The Group's subsidiaries are equally involved in the Group's ESG strategies. BEA China established a dedicated Sustainability Section in the first half of 2022 to drive ESG development. To further strengthen ESG awareness and support collaboration, an extensive ESG training programme was conducted between Head Office and BEA China colleagues during the reporting period.

BEA believes that it also has an important role to play in promoting financial literacy in the markets where it operates. In support of the efforts of the Investor and Financial Education Council to enhance digital financial literacy levels in Hong Kong, BEA launched an in-branch programme in May 2022 across nine branches to promote the adoption of digital banking services by older customers. Retired staff members, customer experience managers, and frontline staff equipped with training materials have been stationed at the branches to introduce the BEA App to walk-in customers. The Bank also actively engaged older customers through targeted approaches, and offered incentives for these customers to adopt digital channels.

For information about BEA's staff-related efforts in the first half of 2022, please refer to the "Our People" section under "Business Review".

Through the Bank's charitable arm – The Bank of East Asia Charitable Foundation (the "BEA Foundation") – approximately HK\$3 million-worth of anti-epidemic supplies were donated via The Salvation Army and St. James' Settlement in the first half of 2022. These supplies aided over 43,000 under-resourced families and frontline staff members of the two non-governmental organisations serving the community during the pandemic. This initiative also benefited the unemployed and underemployed by creating short-term packing and delivery jobs during a period of uncertainty and economic downturn.

As an expression of gratitude to the healthcare workers who worked tirelessly in support of the people of Hong Kong, the BEA Foundation distributed over 10,000 soup vouchers through the Hospital Authority. Meanwhile, the BEA Volunteer Team made phone calls to elderly residents in the "Sending Blessings in the Air" campaign to lift the spirits of the elderly during the pandemic.

On the Mainland, 125 staff volunteers from BEA China celebrated the Year of the Tiger by contributing approximately 760 hours to Chinese New Year charity programmes, which included the provision of daily necessities and hygiene kits to more than 1,900 senior citizens and disabled children. In March 2022, more than 630 BEA China staff members, together with their friends and families, participated in various Arbour Day charity campaigns. In addition to planting trees and shrubs, the volunteers took part in hikes, bike rides, and other activities that promoted a green and healthy lifestyle.

For more information on BEA's ESG performance including community investment initiatives, please refer to the Group's 2021 ESG Report, which is available via the Bank's corporate website at www.hkbea.com (About BEA/Sustainability).

Major Recognition - Sustainability

During the first six months of 2022, the Bank received a number of awards in recognition of its achievements. These included:

- “Award of Excellence” and “Diamond Award” in the Corporate & Employee Contribution Programme 2021/2022 (for the 28th consecutive year) by The Community Chest of Hong Kong;
- Named “Caring Company” (for the 19th consecutive year) by The Hong Kong Council of Social Service;
- “Manpower Developer” (since 2012) under the ERB Manpower Developer Award Scheme by the Employees Retraining Board;
- Indoor Air Quality Certificate – Good Class and Commendation Scheme on Source Separation of Commercial and Industrial Waste – Certificate of Merit (Mixed Office) by the Environmental Protection Department; and
- “Golden Promise” Award – Outstanding Annual Corporate Social Responsibility Programme in the Chinese Financial Industry by the China Banking and Insurance News.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since publication of the Bank’s Annual Report 2021 up to 18th August, 2022 (being the date of approval of the Bank’s Interim Report 2022) are set out below:

Changes in positions held with the Bank Group

The employment contract of Dr. the Hon. Sir David LI Kwok-po as Executive Chairman of the Bank, which expired on 30th June, 2022, has been extended for a further term of 3 years commencing on 1st July, 2022 and will expire on 30th June, 2025.

Mr. Meocre LI Kwok-wing retired as an Independent Non-executive Director of BEA China, and ceased to be the chairman of its audit committee and a member of its connected transactions control committee and risk committee with effect from 4th July, 2022.

Changes in experience including other major appointments

<u>Name of Directors</u>	<u>Other appointments</u>
Mr. Adrian David LI Man-kiu	Awarded the Bronze Bauhinia Star by the HKSAR Government
Mr. Brian David LI Man-bun	Retired as a Member of the Chief Executive’s Council of Advisers on Innovation & Strategic Development of the HKSAR Government
Dr. Daryl NG Win-kong	Appointed as a Member of the Court of the Hong Kong University of Science and Technology Ceased to be a Member of Hong Kong Trade Development Council Mainland Business Advisory Committee
Dr. Henry TANG Ying-yen	Stepped down as the Chairman of Federation of HK Jiangsu Community Organisations Limited

Changes in Directors' emoluments

With effect from 1st April, 2022, the annual salary payable to Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun, respectively, as Co-Chief Executives of the Bank, has been increased from HK\$7.5 million to approximately HK\$7.7 million, in addition to entitlement of discretionary bonuses and share options to be determined with reference to the remuneration policy of the Bank each year.

The scales of Directors' fees, and fees for membership of the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Committee and the ESG Committee have been revised with effect from 1st July, 2022, as outlined below:

	Effective 1st July, 2022 per annum (HK\$)	Up to 30th June, 2022 per annum (HK\$)
Board of Directors:		
Chairman	600,000	550,000
Deputy Chairman	475,000	425,000
Other Directors	450,000	400,000
Audit Committee:		
Chairman	300,000	250,000
Other Members	170,000	140,000
Nomination Committee:		
Chairman	110,000	90,000
Other Members	70,000	60,000
Remuneration Committee:		
Chairman	110,000	90,000
Other Members	70,000	60,000
Risk Committee:		
Chairman	300,000	250,000
Other Members	170,000	140,000
ESG Committee:		
Chairman	110,000	90,000
Other Members	70,000	60,000

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

DIRECTORS' AND CO-CHIEF EXECUTIVES' INTERESTS

As at 30th June, 2022, 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:

<u>Name</u>	<u>Capacity and nature</u>	<u>No. of shares</u>	<u>Total</u>	<u>% of issued voting Shares</u>
David LI Kwok-po	Beneficial owner	91,057,705	103,397,507 ¹	3.85
	Interest of spouse	2,281,992		
	Interest of corporation	472,303		
	Executor of estate	<u>9,585,507</u>		
Arthur LI Kwok-cheung	Beneficial owner	13,347,907	40,370,707 ²	1.50
	Interest of corporation	17,437,293		
	Executor of estate	<u>9,585,507</u>		
Allan WONG Chi-yun	Beneficial owner	464,393	25,423,190 ³	0.95
	Interest of spouse	136		
	Interest of corporation	7,543,427		
	Founder and beneficiary of discretionary trust	<u>17,415,234</u>		
Aubrey LI Kwok-sing	Beneficial owner	894,120	18,822,346 ⁴	0.70
	Interest of spouse	26,985		
	Founder/Settlor of trust	<u>17,901,241</u>		
Stephen Charles LI Kwok-sze	Beneficial owner	12,103,913	13,940,745 ⁵	0.52
	Administrator of estates	<u>1,836,832</u>		
Adrian David LI Man-kiu	Beneficial owner	1,095,959	3,250,799 ⁶	0.12
	Settlor/Founder of discretionary trust	<u>2,154,840</u>		
Brian David LI Man-bun	Beneficial owner	2,679,902	3,500,184 ⁷	0.13
	Interest of corporation	<u>820,282</u>		
David MONG Tak-yeung	Interest of corporations	<u>6,041,926</u>	6,041,926 ⁸	0.22

Notes:

- 1 *David LI Kwok-po was the beneficial owner of 91,057,705 shares and he was deemed to be interested in 2,281,992 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 472,303 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 9,585,507 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 9,585,507 shares as one of the executors of the estate (please refer to Note 2 below).*
- 2 *Arthur LI Kwok-cheung was the beneficial owner of 13,347,907 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 9,585,507 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 9,585,507 shares as one of the executors of the estate (please refer to Note 1 above).*
- 3 *Allan WONG Chi-yun was the beneficial owner of 464,393 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 7,543,427 shares held by Wong Chung Man Limited, which is wholly-owned by him. He was also deemed to be interested in 17,415,234 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 894,120 shares and he was deemed to be interested in 26,985 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 12,103,913 shares. He was also deemed to be interested in 1,836,832 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 2,154,840 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 2,679,902 shares. He was also deemed to be interested in 820,282 shares held by Triple Kingdom Limited, which is wholly-owned by him.*
- 8 *David MONG Tak-yeung was deemed to be interested in 6,041,926 shares held by certain corporations, out of which (i) 5,306,771 shares were held by Shun Hing Electronic Trading Co., Ltd., and (ii) 735,155 shares were held by Shun Hing Technology Co. Ltd.. He directly/indirectly controls one-third or more of the voting power at a general meeting of these corporations.*

II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the six months ended 30th June, 2022 is shown in the section under “Information on Share Options” of this Report.

III. Interests in debt securities of the Bank:

Francisco Javier SERRADO TREPAT was the beneficial owner of the following debt securities issued by the Bank:

Type of Debt Securities	Amount of Debentures
Additional Tier 1 Undated Capital Securities ^{Note}	US\$20,500,000

Note: The 5.875% Additional Tier 1 Undated Capital Securities with a face value of US\$650 million were issued by the Bank under its US\$6,000 million Medium Term Note Programme in 2019 and are listed on the Stock Exchange.

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 30th June, 2022.

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register.

INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the six months ended 30th June, 2022:

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2022	
		Outstanding at 01/1/2022	Granted	Exercised	Lapsed		
David LI Kwok-po	02/5/2014 ^a	668,000 ^{T3}	–	–	668,000	0	
	04/5/2015 ^a	666,000 ^{T2}	–	–	666,000	0	
	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	501,000 ^{T3}	–	–	–	501,000	
	10/4/2018 ^a	666,000 ^{T1}	–	–	–	666,000	
	10/4/2018 ^a	499,500 ^{T2}	–	–	–	499,500	
	10/4/2018 ^a	501,000 ^{T3}	–	–	–	501,000	
	19/7/2019 ^a	499,500 ^{T1}	–	–	–	499,500	
	19/7/2019 ^a	499,500 ^{T2}	–	–	–	499,500	
	19/7/2019 ^a	501,000 ^{T3}	–	–	–	501,000	
	07/4/2020 ^a	346,115 ^{T1}	–	–	–	346,115	
	07/4/2020 ^a	347,802 ^{T2}	–	–	–	347,802	
	07/4/2020 ^a	354,090 ^{T3}	–	–	–	354,090	
	13/4/2021 ^a	123,586 ^{T1}	–	–	–	123,586	
	13/4/2021 ^a	123,602 ^{T2}	–	–	–	123,602	
	13/4/2021 ^a	123,893 ^{T3}	–	–	–	123,893	
	12/4/2022 ^b	–	–	692,152 ^{T1}	–	–	692,152
	12/4/2022 ^b	–	–	691,261 ^{T2}	–	–	691,261
	12/4/2022 ^b	–	–	701,082 ^{T3}	–	–	701,082
Adrian David LI Man-kiu	02/5/2014 ^a	218,000 ^{T3}	–	–	218,000	0	
	04/5/2015 ^a	216,000 ^{T2}	–	–	216,000	0	
	04/5/2015 ^a	218,000 ^{T3}	–	–	–	218,000	
	08/4/2016 ^a	216,000 ^{T1}	–	–	216,000	0	
	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	163,500 ^{T3}	–	–	–	163,500	
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000	
	10/4/2018 ^a	162,000 ^{T2}	–	–	–	162,000	
	10/4/2018 ^a	163,500 ^{T3}	–	–	–	163,500	
	19/7/2019 ^a	162,000 ^{T1}	–	–	–	162,000	
	19/7/2019 ^a	162,000 ^{T2}	–	–	–	162,000	
	19/7/2019 ^a	163,500 ^{T3}	–	–	–	163,500	
	07/4/2020 ^a	268,360 ^{T1}	–	–	–	268,360	
	07/4/2020 ^a	271,648 ^{T2}	–	–	–	271,648	
	07/4/2020 ^a	282,769 ^{T3}	–	–	–	282,769	
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154	
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186	
	13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759	
	12/4/2022 ^b	–	–	1,345,001 ^{T1}	–	–	1,345,001
	12/4/2022 ^b	–	–	1,343,274 ^{T2}	–	–	1,343,274
12/4/2022 ^b	–	–	1,362,297 ^{T3}	–	–	1,362,297	

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2022	
		Outstanding at 01/1/2022	Granted	Exercised	Lapsed		
Brian David LI Man-bun	02/5/2014 ^a	218,000 ^{T3}	–	–	218,000	0	
	04/5/2015 ^a	216,000 ^{T2}	–	–	216,000	0	
	04/5/2015 ^a	218,000 ^{T3}	–	–	–	218,000	
	08/4/2016 ^a	216,000 ^{T1}	–	–	216,000	0	
	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	109,000 ^{T3}	–	–	–	109,000	
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000	
	10/4/2018 ^a	108,000 ^{T2}	–	–	–	108,000	
	10/4/2018 ^a	109,000 ^{T3}	–	–	–	109,000	
	07/4/2020 ^a	286,690 ^{T1}	–	–	–	286,690	
	07/4/2020 ^a	288,878 ^{T2}	–	–	–	288,878	
	07/4/2020 ^a	297,977 ^{T3}	–	–	–	297,977	
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154	
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186	
	13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759	
	12/4/2022 ^b	–	–	1,345,001 ^{T1}	–	–	1,345,001
	12/4/2022 ^b	–	–	1,343,274 ^{T2}	–	–	1,343,274
12/4/2022 ^b	–	–	1,362,297 ^{T3}	–	–	1,362,297	
Aggregate of Other Employees*	02/5/2014 ^a	636,000 ^{T3}	–	–	636,000	0	
	04/5/2015 ^a	632,000 ^{T2}	–	–	632,000	0	
	04/5/2015 ^a	636,000 ^{T3}	–	–	–	636,000	
	08/4/2016 ^a	532,000 ^{T1}	–	–	532,000	0	
	08/4/2016 ^a	648,000 ^{T2}	–	–	–	648,000	
	08/4/2016 ^a	692,500 ^{T3}	–	–	–	692,500	
	07/4/2017 ^a	732,000 ^{T1}	–	–	–	732,000	
	07/4/2017 ^a	732,000 ^{T2}	–	–	–	732,000	
	07/4/2017 ^a	589,500 ^{T3}	–	–	–	589,500	
	10/4/2018 ^a	777,000 ^{T1}	–	–	–	777,000	
	10/4/2018 ^a	631,500 ^{T2}	–	–	–	631,500	
	10/4/2018 ^a	637,000 ^{T3}	–	–	–	637,000	
	19/7/2019 ^a	636,500 ^{T1}	–	–	–	636,500	
	19/7/2019 ^a	636,500 ^{T2}	–	–	–	636,500	
	19/7/2019 ^a	639,500 ^{T3}	–	–	–	639,500	
	07/4/2020 ^a	665,000 ^{T1}	–	–	–	665,000	
	07/4/2020 ^a	665,000 ^{T2}	–	–	–	665,000	
	07/4/2020 ^a	670,000 ^{T3}	–	–	–	670,000	
	13/4/2021 ^a	689,903 ^{T1}	–	–	–	689,903	
	13/4/2021 ^a	689,932 ^{T2}	–	–	–	689,932	
13/4/2021 ^a	693,439 ^{T3}	–	–	–	693,439		
12/4/2022 ^b	–	–	1,971,666 ^{T1}	–	–	1,971,666	
12/4/2022 ^b	–	–	1,969,844 ^{T2}	–	–	1,969,844	
12/4/2022 ^b	–	–	1,991,441 ^{T3}	–	–	1,991,441	

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2022
		Outstanding at 01/1/2022	Granted	Exercised	Lapsed	
Other						
Participants**	02/5/2014 ^a	163,500 ^{T3}	–	–	163,500	0
	04/5/2015 ^a	250,000 ^{T2}	–	–	250,000	0
	04/5/2015 ^a	215,746 ^{T3}	–	–	–	215,746
	08/4/2016 ^a	100,000 ^{T1}	–	–	100,000	0
	08/4/2016 ^a	200,000 ^{T2}	–	–	–	200,000
	08/4/2016 ^a	250,000 ^{T3}	–	–	–	250,000
	07/4/2017 ^a	250,000 ^{T1}	–	–	–	250,000
	07/4/2017 ^a	250,000 ^{T2}	–	–	–	250,000
	07/4/2017 ^a	200,000 ^{T3}	–	–	–	200,000
	10/4/2018 ^a	250,000 ^{T1}	–	–	–	250,000
	10/4/2018 ^a	212,500 ^{T2}	–	–	–	212,500
	10/4/2018 ^a	262,500 ^{T3}	–	–	50,000	212,500
	19/7/2019 ^a	195,500 ^{T1}	–	–	–	195,500
	19/7/2019 ^a	245,500 ^{T2}	–	–	–	245,500
	19/7/2019 ^a	246,500 ^{T3}	–	–	–	246,500
	07/4/2020 ^a	212,000 ^{T1}	–	–	50,000	162,000
	07/4/2020 ^a	212,000 ^{T2}	–	–	–	212,000
	07/4/2020 ^a	213,500 ^{T3}	–	–	–	213,500
	13/4/2021 ^a	150,000 ^{T1}	–	–	–	150,000
	13/4/2021 ^a	150,000 ^{T2}	–	–	–	150,000
	13/4/2021 ^a	150,000 ^{T3}	–	–	–	150,000

* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

** Other Participants refer to certain former employees of the Bank. Such share options were offered/granted to them prior to their cessation as employees of the Bank.

Notes:

a Particulars of share options granted in years 2014 to 2021:

<u>Date of Grant</u>	<u>Tranche</u>	<u>Vesting Period</u>	<u>Exercise Period</u>	<u>Exercise Price Per Share</u> HK\$
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
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
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
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08

b Share options granted in year 2022:

(i) Particulars:

<u>Date of Grant</u>	<u>Tranche</u>	<u>Vesting Period</u>	<u>Exercise Period</u>	<u>Exercise Price Per Share</u> HK\$
12/4/2022	T1	12/4/2022 – 11/4/2023	12/4/2023 – 12/4/2028	12.17
12/4/2022	T2	12/4/2022 – 11/4/2024	12/4/2024 – 12/4/2029	12.17
12/4/2022	T3	12/4/2022 – 11/4/2025	12/4/2025 – 12/4/2030	12.17

(ii) The closing price of the shares of the Bank on 11th April, 2022 (being the business day immediately preceding 12th April, 2022 on which the options were granted) was HK\$12.00.

(iii) Fair value of share options granted during the six months ended 30th June, 2022 and assumptions are as follows:

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

	6 months ended 30/6/2022
Fair value at measurement date	
– Tranche 1	HK\$1.65
– Tranche 2	HK\$1.50
– Tranche 3	HK\$1.30
Share price at measurement date	HK\$12.17
Exercise price	HK\$12.17
Expected volatility	25.12%
Option life	
– Tranche 1	6 years
– Tranche 2	7 years
– Tranche 3	8 years
Expected dividends	16.06%-18.69%
Risk-free interest rate (based on Hong Kong Government Bonds)	2.67%-2.69%

The expected volatility is based on the historic volatility and the expected dividends are based on historical dividends prior to grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

- (2) No share options were exercised or cancelled during the six months ended 30th June, 2022.
- (3) The accounting policy adopted for share based payment:

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 fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

The equity amount is recognised in capital reserve until either the option is exercised and new shares allotted (when it is transferred to share capital) or the option expires (when it is released directly to retained profits). For Grantees who do not meet the applicable vesting conditions, the unvested options are forfeited, either in whole or in part. Forfeited share options are cancelled. When the options are exercised, equity is increased by the amount of the proceeds received.

Save as disclosed above, as at 30th June, 2022, none of the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30th June, 2022, 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:

<u>Name</u>	<u>Capacity and nature</u>	<u>No. of shares</u>	<u>% of issued voting Shares</u>
Sumitomo Mitsui Banking Corporation	Beneficial owner	574,516,317 ¹	21.37
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	574,516,317 ¹	21.37
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	508,519,684 ²	18.91
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	508,519,684 ²	18.91
Guoco Management Company Limited	Beneficial owner	435,691,137 ^{3,4}	16.21 ⁵
Guoco Group Limited	Interest of corporation	435,691,137 ³	16.21
GuoLine Overseas Limited	Interest of corporation	435,691,137 ³	16.21 ⁵
GuoLine Capital Assets Limited	Interest of corporation	435,691,137 ³	16.21
QUEK Leng Chan	Interest of corporation	435,691,137 ³	16.21
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	435,691,137 ⁴	16.21
Davos Investment Holdings Private Limited	Interest of corporation	435,691,137 ⁴	16.21
KWEK Leng Kee	Interest of corporation	435,691,137 ⁴	16.21

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 574,516,317 shares of the Bank held by Sumitomo Mitsui Banking Corporation.*
- 2 *As at 30th June, 2022, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). "la Caixa" was deemed to be interested in the 508,519,684 shares of the Bank held by Criteria Caixa.*
- 3 *The references to 435,691,137 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 435,691,137 shares. 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 was deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited and Guoco Group Limited were both deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited.*

QUEK Leng Chan was deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited by virtue of his 49.11% interest in GuoLine Capital Assets Limited.
- 4 *The references to 435,691,137 shares of the Bank in Notes 3 and 4 relate to the same block of shares. GuoLine Capital Assets Limited was 34.49% 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 435,691,137 shares held by Guoco Management Company Limited by virtue of their interests in GuoLine Capital Assets Limited.*

KWEK Leng Kee was deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.
- 5 *GuoLine Overseas Limited is a wholly-owned subsidiary of GuoLine Capital Assets Limited and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by GuoLine Capital Assets Limited and Guoco Group Limited, GuoLine Overseas 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.*

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register.

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

Off-market Share Buy-back

Following the passing of the special resolution at the extraordinary general meeting of the Bank held on 28th March, 2022 (the "EGM"), a buy-back Deed was executed between Elliott International, L.P., The Liverpool Limited Partnership, Wakeland Securities L.P., Artan Investments Limited, Frasco Investments Limited, Milton Investments Limited, Parlan Investments Limited and Trevet Investments Limited (together, the "Elliott Parties") and the Bank immediately after the conclusion of the EGM on 28th March, 2022 in relation to an off-market share buy-back by the Bank of a total of 246,510,173 ordinary shares of the Bank (the "Buy-back Shares") held by the Elliott Parties (the "Share Buy-back"). The Share Buy-back was completed on 11th April, 2022 and the Buy-back Shares were cancelled on 20th April, 2022.

The price paid for each Buy-back Share was HK\$11.78. The aggregate consideration (before expenses) for the Share Buy-back was approximately HK\$2,904 million. Details of the Share Buy-back are set out in the Bank's announcements dated 28th January, 2022, 9th February, 2022, 10th February, 2022, 18th February, 2022, 8th March, 2022, 9th March, 2022, 11th April, 2022 and the Bank's circular to shareholders dated 9th March, 2022, respectively.

Reasons for the Share Buy-back are set out below:

- (i) the Share Buy-back is a good opportunity for the Bank to enhance its return on equity and its earnings per share;
- (ii) the Share Buy-back resulted in an increase in the consolidated net asset value per share attributable to the Bank's shareholders of approximately 6% based on the audited consolidated balance sheet of the Group as at 31st December, 2021;
- (iii) the Share Buy-back facilitated the exit of the Elliott Parties, a sizeable shareholder of the Bank, in an orderly fashion; and
- (iv) given the stock price of the Bank at the then prevailing time, the Bank considered the Share Buy-back an efficient use of capital for the Bank.

Redemption of Capital Securities

On 18th May, 2022, the Bank completed the redemption of a face value of US\$500 million of 5.625% Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities (the "Capital Securities") on the First Call Date. The Capital Securities were issued in 2017 under the Bank's Medium Term Note Programme and listed on the Stock Exchange.

Save for the Share Buy-back and the redemption of the Capital Securities as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of the listed securities of the Bank during the six months ended 30th June, 2022.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

The Bank has in place a Corporate Governance Framework which identifies all the key participants of the Group and 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. The Framework is reviewed and updated (where appropriate) from time to time to ensure it complies with the evolving regulatory requirements and meets the needs of the Bank Group.

Throughout the six months ended 30th June, 2022, the Bank has complied with all Code Provisions set out in the CG Code.

During the six months ended 30th June, 2022, 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.

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

The Audit Committee of the Bank has reviewed the results of the Bank for the six months ended 30th June, 2022 and the Bank's Interim Report 2022.

COMPLIANCE WITH MODEL CODE

The Bank has adopted its own code of securities transactions by the Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* ("Bank's Policy") on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules.

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

Following specific enquiries by the Bank, all Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable time during the six months ended 30th June, 2022.

PUBLICATION OF INTERIM REPORT

The Interim Report 2022 in both English and Chinese is now available in printed form and on the websites of the Bank (www.hkbea.com) and HKEX (www.hkexnews.hk). Shareholders are encouraged to rely on website version to help reduce the quantity of printed copies of corporate communications of the Bank and hence the impact on the environment. Notwithstanding any choice of means for the receipt of corporate communications (i.e. either receiving a printed copy or by electronic means through the Bank's website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank's Share Registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by fax to (852) 2810 8185 or by email to BEA0023-ecom@hk.tricorglobal.com specifying your request together with your full name and contact telephone number.

By order of the Board

Adrian David LI Man-kiu
Co-Chief Executive

Brian David LI Man-bun
Co-Chief Executive

Hong Kong, 18th August, 2022

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

[#] Executive Director

^{*} Non-executive Director

^{**} Independent Non-executive Director

財務摘要

	2022年 6月30日	2021年 6月30日	2021年 12月31日
半年期內			
盈利能力	港幣百萬元	港幣百萬元	港幣百萬元
未扣除減值損失之經營溢利	3,712	3,768	3,194
可歸屬於本集團股東溢利	1,499	2,671	2,599
每股盈利及每股股息	港幣元	港幣元	港幣元
基本盈利	0.39	0.78	0.75
股息	0.16	0.35	0.35
主要比率	%	%	%
平均資產回報率(年率) ¹	0.2	0.5	0.5
平均股東權益回報率(年率) ²	2.2	4.6	4.3
成本對收入比率 ³	54.3	55.2	59.4
於期末／年末			
資產負債狀況	港幣百萬元	港幣百萬元	港幣百萬元
客戶貸款及墊款及貿易票據總額	554,443	546,577	559,580
資產總額	908,211	900,509	907,470
客戶存款及已發行存款證總額	691,221	661,656	697,832
股東權益總額	106,325	114,506	116,050
主要比率	%	%	%
貸款對存款比率 ⁴	79.8	80.9	78.6
減值貸款比率 ⁵	1.58	1.21	1.09
普通股權一級資本比率 ⁶	15.7	16.9	17.0
一級資本比率 ⁶	17.7	19.8	19.8
總資本比率 ⁶	20.2	22.4	21.6

附註：

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

公司資料

董事會特別顧問
范禮賢博士

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

非執行董事
李國章教授
(副主席)
李國星先生
羅友禮先生
李國仕先生
黃永光博士
奧正之先生
Francisco Javier SERRADO TREPAT博士

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

高級顧問
陳子政先生

高層管理人員
李民橋先生
聯席行政總裁

李民斌先生
聯席行政總裁

李繼昌先生
副行政總裁兼投資總監

唐漢城先生
副行政總裁兼營運總監

公司秘書
羅春德先生

核數師
畢馬威會計師事務所
執業會計師
於《財務匯報局條例》下的註冊公眾利益實體核數師

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中期業績

本行董事會欣然宣布本集團截至2022年6月30日止6個月未經審核的業績(附註1(a))。除預計需要反映在2022年審核賬項內的會計政策變動外，編製此中期財務報表的基礎，跟2021年年度已審核賬項所採納的會計政策及方法是一致的。會計政策變動之詳情已列載於附註2。此中期財務報表是未經審核的，但畢馬威會計師事務所已按照香港會計師公會頒布之《香港審閱工作準則》第2410號「由實體的獨立核數師對中期財務資料的審閱」，審閱此中期財務報表。畢馬威會計師事務所致本行董事會之獨立審閱報告刊載於第182頁。

綜合收益表

		截至30/6/2022 止6個月	截至30/6/2021 止6個月
	附註	港幣百萬元	港幣百萬元
利息收入	3	9,658	8,887
按有效利率方法計算的利息收入		10,154	9,403
相關利息支出		(496)	(516)
利息支出	4	(3,828)	(3,364)
淨利息收入		5,830	5,523
服務費及佣金收入	5	1,751	1,969
服務費及佣金支出		(311)	(429)
服務費及佣金收入淨額		1,440	1,540
交易溢利淨額	6	441	561
通過損益以反映公平價值金融工具的淨表現	7	34	173
通過全面收益以反映公平價值金融資產的淨表現	8	(1)	21
出售按攤銷成本計量投資之淨虧損		-	(13)
對沖溢利淨額	9	67	64
保險業務淨溢利	10	157	371
其他經營收入	11	150	175
非利息收入		2,288	2,892
經營收入		8,118	8,415
經營支出	12	(4,406)	(4,647)
未扣除減值損失之經營溢利		3,712	3,768
金融工具減值損失	13	(2,136)	(581)
減值損失		(2,136)	(581)
已扣除減值損失後之經營溢利		1,576	3,187
出售固定資產之淨盈利/(虧損)	14	33	(22)
重估投資物業盈利/(虧損)	23	3	(123)
應佔聯營公司及合資企業溢利減虧損		190	129
期內除稅前溢利		1,802	3,171
所得稅	15	(292)	(474)
期內溢利		1,510	2,697

綜合收益表(續)

		截至30/6/2022 止6個月	截至30/6/2021 止6個月
	附註	港幣百萬元	港幣百萬元
可歸屬於：			
本集團股東		1,499	2,671
非控股權益		11	26
期內溢利		1,510	2,697
本行的溢利		1,455	2,305
每股盈利			
基本	1(b)	港幣0.39元	港幣0.78元
攤薄	1(b)	港幣0.39元	港幣0.78元

綜合全面收益表

		截至30/6/2022 止6個月	截至30/6/2021 止6個月
	附註	港幣百萬元	港幣百萬元
淨溢利		1,510	2,697
期內其他全面收益：			
不可轉回收益表的項目：			
行址：			
– 重估行址所產生的未實現盈餘		–	4
– 遞延稅項	31	1	5
公平價值儲備(股份工具)：			
– 公平價值變動		181	(537)
– 遞延稅項	31	(4)	(13)
負債信貸儲備：			
– 因集團自身信貸風險而引致的公平價值變動		82	(7)
– 遞延稅項	31	(13)	2
以後可能轉回收益表的項目：			
公平價值儲備(債務工具)：			
– 公平價值變動		(1,807)	463
– 於出售時轉入收益表的金額		7	(78)
– 遞延稅項	31	267	(163)
對沖儲備(現金流對沖)：			
– 對沖工具公平價值變動的有效部分		–	1
– 轉入收益表的公平價值變動		–	(1)
應佔聯營公司及合資企業權益的變動		45	(193)
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		(1,830)	266
其他全面收益		(3,071)	(251)
全面收益總額		(1,561)	2,446
全面收益總額可歸屬於：			
本集團股東		(1,572)	2,420
非控股權益		11	26
		(1,561)	2,446

綜合財務狀況表

		30/6/2022	31/12/2021
	附註	港幣百萬元	港幣百萬元
資產			
現金及在銀行的結存	16	54,817	55,088
在銀行的存款及墊款	17	67,128	74,742
貿易票據	18	3,071	10,772
交易用途資產	19	672	2,483
衍生工具資產	37(b)	8,783	3,381
客戶貸款及墊款	20	546,421	544,437
投資證券	21	150,471	147,507
聯營公司及合資企業投資	22	8,669	8,947
固定資產	23	13,543	13,844
— 投資物業		4,994	4,992
— 其他物業及設備		7,677	8,015
— 使用權資產		872	837
商譽及無形資產		1,878	1,885
遞延稅項資產	31	1,769	1,861
其他資產	24	50,989	42,523
— 持有作出售資產	42	2,062	2,264
— 其他		48,927	40,259
資產總額		908,211	907,470
股東權益及負債			
銀行的存款及結餘		34,531	31,766
— 指定為通過損益以反映公平價值	25	3,761	3,639
— 攤銷成本		30,770	28,127
客戶存款		644,564	633,505
— 活期存款及往來賬戶		69,500	79,657
— 儲蓄存款		184,981	196,662
— 定期及通知存款		390,083	357,186
交易用途負債	26	27	5
衍生工具負債	37(b)	3,651	5,050
已發行存款證		46,657	64,327
— 指定為通過損益以反映公平價值	25	25,586	32,618
— 攤銷成本		21,071	31,709
本期稅項		1,144	958
已發行債務證券		3,147	5,847
— 指定為通過損益以反映公平價值	25	824	620
— 攤銷成本		2,323	5,227
遞延稅項負債	31	266	559
其他負債	27	55,641	42,915
— 持有作出售負債	42	1,658	1,637
— 其他		53,983	41,278
借貸資本—攤銷成本	28	12,258	6,488
負債總額		801,886	791,420
股本	1(d)	41,791	41,645
儲備	32	54,177	60,133
歸屬於本集團股東權益總額		95,968	101,778
額外股本工具	33	10,090	13,968
非控股權益		267	304
股東權益總額		106,325	116,050
股東權益及負債總額		908,211	907,470

綜合權益變動表

	股本	一般儲備	行址重估 儲備	資本儲備	匯兌重估 儲備	資本儲備 -已發行 僱員認股權	公平價值 儲備	負債信貸 儲備	其他儲備 ¹	留存溢利	總額	額外 股本工具	非控股 權益	權益總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2022年1月1日	41,645	13,658	1,905	895	1,058	152	1,925	(46)	5,191	35,395	101,778	13,968	304	116,050
權益變動														
期內溢利	-	-	-	-	-	-	-	-	-	1,499	1,499	-	11	1,510
其他全面收益	-	-	1	-	(1,830)	-	(1,356)	69	45	-	(3,071)	-	-	(3,071)
全面收益總額	-	-	1	-	(1,830)	-	(1,356)	69	45	1,499	(1,572)	-	11	(1,561)
以股代息發行的股份(附註1(d))	146	-	-	-	-	-	-	-	-	-	146	-	-	146
以股份為基礎作支付之交易	-	-	-	-	-	11	-	-	-	-	11	-	-	11
轉賬	-	-	-	-	-	(24)	-	-	(7)	31	-	-	-	-
期內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	(1,432)	(1,432)	-	(48)	(1,480)
股份回購 ²	-	-	-	-	-	-	-	-	-	(2,916)	(2,916)	-	-	(2,916)
贖回額外股本工具 ¹	-	-	-	-	-	-	-	-	-	(47)	(47)	(3,878)	-	(3,925)
於2022年6月30日	<u>41,791</u>	<u>13,658</u>	<u>1,906</u>	<u>895</u>	<u>(772)</u>	<u>139</u>	<u>569</u>	<u>23</u>	<u>5,229</u>	<u>32,530</u>	<u>95,968</u>	<u>10,090</u>	<u>267</u>	<u>106,325</u>
於2021年1月1日	41,557	13,657	1,895	895	301	157	2,465	(32)	5,138	32,852	98,885	13,968	943	113,796
權益變動														
期內溢利	-	-	-	-	-	-	-	-	-	2,671	2,671	-	26	2,697
其他全面收益	-	-	9	-	266	-	(328)	(5)	(193)	-	(251)	-	-	(251)
全面收益總額	-	-	9	-	266	-	(328)	(5)	(193)	2,671	2,420	-	26	2,446
以股代息發行的股份	42	-	-	-	-	-	-	-	-	-	42	-	-	42
以股份為基礎作支付之交易	-	-	-	-	-	9	-	-	-	-	9	-	-	9
轉賬	-	-	-	-	-	(24)	-	-	208	(184)	-	-	-	-
期內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	(1,105)	(1,105)	-	(52)	(1,157)
附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	(630)	(630)
於2021年6月30日	<u>41,599</u>	<u>13,657</u>	<u>1,904</u>	<u>895</u>	<u>567</u>	<u>142</u>	<u>2,137</u>	<u>(37)</u>	<u>5,153</u>	<u>34,234</u>	<u>100,251</u>	<u>13,968</u>	<u>287</u>	<u>114,506</u>

- 註：
1. 本行贖回港幣38.78億元(5億美元)於2017年發行無到期日非累積後償額外一級資本工具。
 2. 其他儲備包括法定儲備及其他儲備。
 3. 於2022年4月，本行以總代價港幣29.04億元回購2.47億股已發行股份。連同直接交易成本港幣1,200萬元，總額港幣29.16億元已從留存溢利中扣除。

簡略綜合現金流量表

		截至30/6/2022 止6個月	截至30/6/2021 止6個月
	附註	港幣百萬元	港幣百萬元
經營活動現金流入／(流出)淨額		9,305	(13,894)
已付所得稅			
已付香港利得稅		(6)	(16)
已付香港以外利得稅		(121)	(105)
源自／(用於)經營活動之現金淨額		9,178	(14,015)
投資活動			
收取聯營公司及合資企業股息		7	–
收取通過全面收益以反映公平價值股份證券股息		9	6
購入固定資產		(179)	(174)
出售其他物業及設備所得款項		103	3
聯營公司投資返還		–	3
用於投資活動之現金淨額		(60)	(162)
融資活動			
支付普通股股息		(925)	(710)
派發予額外一級資本工具持有人	1(c)	(409)	(405)
支付股份回購		(2,916)	–
發行債務證券		390	314
發行借貸資本		3,879	–
支付租賃負債		(159)	(199)
贖回已發行債務證券		(2,931)	(4)
贖回額外股本工具		(3,925)	–
支付已發行債務證券利息		(126)	(117)
支付已發行借貸資本利息		(158)	(236)
用於融資活動之現金淨額		(7,280)	(1,357)
現金及等同現金項目之淨增加／(減少)		1,838	(15,534)
於1月1日之現金及等同現金項目		120,646	113,702
匯率變動的影響		(2,338)	479
於6月30日之現金及等同現金項目	34	120,146	98,647
源自經營活動的現金流量包括：			
利息收入		9,736	8,961
利息支出		3,619	3,648
股息收入		20	17

中期財務報表附註

附註：

1. (a) 除預計需要反映在2022年年度財務報表內的會計政策變動外，編製此中期報告的會計政策與編製2021年年度財務報表是一致的。會計政策變動之詳情已列載於附註2。

作為比較信息被納入中期報告的、與截至2021年12月31日止年度有關的財務信息雖然來源於本行的法定年度綜合財務報表，但不構成本行的法定年度綜合財務報表。《公司條例》第436條要求披露的與這些法定財務報表有關的更多信息如下：

按照《公司條例》第662(3)條及附表6第3部的要求，本行已向香港公司註冊處遞交截至2021年12月31日止年度的財務報表。

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

- (b) (i) 每股基本盈利乃按照已分派予額外一級資本工具持有人港幣4.09億元（截至2021年6月30日止6個月：港幣4.05億元）後的可歸屬於本集團股東之期內溢利港幣10.90億元（截至2021年6月30日止6個月：港幣22.66億元）及截至2022年6月30日止6個月內已發行普通股份的加權平均數28.18億股（截至2021年6月30日止6個月：29.18億股）計算。
- (ii) 每股攤薄盈利乃按照已分派予額外一級資本工具持有人港幣4.09億元（截至2021年6月30日止6個月：港幣4.05億元）後的可歸屬於本集團股東之期內溢利港幣10.90億元（截至2021年6月30日止6個月：港幣22.66億元）及就截至2022年6月30日止6個月內所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數28.18億股（截至2021年6月30日止6個月：29.18億股）計算。
- (c) 分派／股息
- (i) 可歸屬於本中期而應付予本集團股東的股息

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
在中期後已宣布派發中期股息予26.89億股每股港幣0.16元（截至2021年6月30日止6個月：29.19億股每股港幣0.35元）	430	1,022

於報告期期末，該中期股息並未確認為負債。

中期財務報表附註(續)

1. (c) 分派／股息(續)

(ii) 已核准及在本期內支付可歸屬於上年度應付予本集團股東的股息

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
第二次中期股息予29.23億股每股港幣0.35元 (2021年：29.17億股每股港幣0.24元)	1,023	700

(iii) 分派予額外一級資本工具持有人

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
已付予額外一級資本工具的分派	409	405

(d) 股本

本行普通股的變動列示如下：

	於30/6/2022		於31/12/2021	
	股份數目 百萬	港幣百萬元	股份數目 百萬	港幣百萬元
已發行及繳足普通股：				
於1月1日	2,923	41,645	2,917	41,557
以股代息發行的股份	13	146	6	88
股份回購(註)	(247)	-	-	-
於6月30日／12月31日	2,689	41,791	2,923	41,645

註：於2022年4月11日，本行完成場外股份回購交易後購回2.47億股已發行股份。該等股份已於2022年4月20日被註銷。

2. 會計政策之變動

香港會計師公會已頒布若干對本集團本期會計期可首次生效之修訂的《香港財務報告準則》。

然而，並無任何修訂對本集團在本中期財務報告內當期或前期業績及財務狀況的編製或列報方式產生重大影響。本集團並未採納任何於本期會計期尚未生效的新準則或詮釋。

中期財務報表附註(續)

3. 利息收入

	截至30/6/2022 止6個月	截至30/6/2021 止6個月
	港幣百萬元	港幣百萬元
貸款、在銀行的存款、及貿易票據	8,200	7,635
投資證券		
– 按攤銷成本或通過其他全面收益以反映公平價值	1,385	1,169
– 強制按通過損益以反映公平價值	53	57
交易用途資產	20	26
	<u>9,658</u>	<u>8,887</u>

就已對沖利率風險的交易，賺取利息金融資產的合格對沖工具或可個別地與賺取利息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣101.54億元(截至2021年6月30日止6個月：港幣94.03億元)。

4. 利息支出

	截至30/6/2022 止6個月	截至30/6/2021 止6個月
	港幣百萬元	港幣百萬元
客戶存款及銀行的存款		
– 按攤銷成本	3,274	2,721
– 指定為通過損益以反映公平價值	12	6
已發行存款證及債務證券		
– 按攤銷成本	238	327
– 指定為通過損益以反映公平價值	118	96
按攤銷成本列賬的後償票據	166	197
租賃負債	15	15
其他借款	5	2
	<u>3,828</u>	<u>3,364</u>

就已對沖利率風險的交易，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37.11億元(截至2021年6月30日止6個月：港幣32.85億元)。

中期財務報表附註(續)

5. 服務費及佣金收入

服務費及佣金收入按服務分類如下：

	截至30/6/2022 止6個月	截至30/6/2021 止6個月 重報 ^(註)
	港幣百萬元	港幣百萬元
貸款、透支及擔保	440	475
信用卡	331	391
銷售第三者發行的保單	251	83
證券經紀	124	251
投資產品	118	246
信託及其他代理業務	112	150
其他零售銀行服務	101	86
貿易融資	50	40
其他	224	247
服務費及佣金收入總額	1,751	1,969
由非通過損益以反映公平價值列賬之金融資產或金融負債 所產生之淨服務費收入(不包括用作計算有效利率之金額)	1,445	1,549
服務費收入	1,751	1,969
服務費支出	(306)	(420)

註：以符合本期及往年年末的呈報方式，2021年上半年若干的貸款、透支及擔保、證券經紀、貿易融資及其他類別的服務費及佣金收入已重新分類。

6. 交易溢利淨額

	截至30/6/2022 止6個月	截至30/6/2021 止6個月
	港幣百萬元	港幣百萬元
外幣買賣及外匯掉期溢利	275	239
交易用途證券(虧損)/溢利	(88)	82
衍生工具淨盈利	244	229
其他交易業務虧損	(1)	(1)
交易用途股份證券的股息收入	11	12
	441	561

中期財務報表附註(續)

7. 通過損益以反映公平價值金融工具的淨表現

	截至30/6/2022 止6個月	截至30/6/2021 止6個月
	港幣百萬元	港幣百萬元
指定為通過損益以反映公平價值金融工具的淨溢利	289	16
強制按通過損益以反映公平價值計量金融工具的 淨(虧損)/溢利(除已包括在交易溢利淨額內)	(255)	157
	<u>34</u>	<u>173</u>

8. 通過全面收益以反映公平價值金融資產的淨表現

	截至30/6/2022 止6個月	截至30/6/2021 止6個月
	港幣百萬元	港幣百萬元
出售債務證券之淨(虧損)/溢利	(10)	15
股份證券股息收入	9	6
	<u>(1)</u>	<u>21</u>

9. 對沖溢利淨額

	截至30/6/2022 止6個月	截至30/6/2021 止6個月
	港幣百萬元	港幣百萬元
公平價值對沖		
– 可歸屬於被對沖項目之對沖風險產生的淨虧損	(6,462)	(1,655)
– 用作對沖工具的淨溢利	6,529	1,719
	<u>67</u>	<u>64</u>

截至2022年6月30日止6個月及2021年6月30日止6個月，因現金流對沖所產生並已在本集團收益表內確認之無效部分並不重大。

中期財務報表附註(續)

10. 保險業務淨溢利

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
(a) 保險業務淨溢利		
淨利息收入	14	352
交易溢利淨額	5	29
通過損益以反映公平價值金融工具的淨表現	(12)	159
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	–	56
淨保費	500	3,550
	507	4,146
保險索償及支出淨額	(350)	(3,752)
	157	394
經營支出	–	(2)
金融工具減值損失	–	(21)
	157	371
(b) 淨保費		
保費收入總額	529	3,586
保費收入總額之分保份額	(29)	(36)
	500	3,550
(c) 保險索償及支出淨額		
已付索償、利益及退保	427	3,263
準備金變動	(124)	445
	303	3,708
已付索償、利益及退保之分保份額	(24)	(17)
準備金變動之分保份額	13	(3)
	(11)	(20)
保險佣金支出淨額	292	3,688
	58	64
	350	3,752

中期財務報表附註(續)

11. 其他經營收入

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
保險箱租金收入	61	61
物業租金收入	66	76
政府補貼 —「保就業」計劃	4	—
其他	19	38
	<u>150</u>	<u>175</u>

12. 經營支出

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
定額供款公積金供款		
— 香港	81	93
— 香港以外	114	116
以股份為基礎作支付的費用	11	9
薪金及其他員工成本	2,546	2,547
員工成本總額	<u>2,752</u>	<u>2,765</u>
不包括折舊的物業及設備支出		
— 有關短期租賃支出	6	10
— 不包括在計量租賃負債內的可變租賃款項(註)	(2)	3
— 保養、維修及其他	370	373
不包括折舊的物業及設備支出總額	<u>374</u>	<u>386</u>
折舊		
— 行址、傢俬、裝修及設備	290	290
— 使用權資產	160	195
	<u>450</u>	<u>485</u>
無形資產攤銷	<u>7</u>	<u>7</u>
其他經營支出		
— 互聯網平台費用	205	259
— 法律及專業服務費	165	163
— 通訊、文具及印刷	133	129
— 廣告費	118	95
— 保險費	70	66
— 印花稅、預提稅及增值稅	42	41
— 有關信用卡支出	37	64
— 業務推廣及商務旅遊	23	24
— 其他	30	163
其他經營支出總額	<u>823</u>	<u>1,004</u>
經營支出總額	<u>4,406</u>	<u>4,647</u>

註： 包括期內為港幣200萬元(截至2021年6月30日止6個月：港幣110萬元)的2019冠狀病毒病相關租金寬免及為港幣130萬元(截至2021年6月30日止6個月：無)的訂立新租賃的租金寬免。

中期財務報表附註(續)

13. 金融工具減值損失

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
客戶貸款及墊款	1,822	552
其他	314	29
	<u>2,136</u>	<u>581</u>

14. 出售固定資產之淨盈利／(虧損)

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
出售行址、傢俬、裝修及設備之淨盈利／(虧損)	<u>33</u>	<u>(22)</u>

15. 所得稅

綜合收益表內的稅項為：

	截至30/6/2022 止6個月 港幣百萬元	截至30/6/2021 止6個月 港幣百萬元
本期稅項－香港		
本期稅項	208	286
往年度過剩的回撥	(47)	(60)
	<u>161</u>	<u>226</u>
本期稅項－香港以外		
本期稅項	151	128
往年度撥備不足／(過剩的回撥)	1	(5)
	<u>152</u>	<u>123</u>
遞延稅項		
暫時性差異的源生及轉回	(21)	125
	<u>292</u>	<u>474</u>

香港利得稅稅款是以截至2022年6月30日止6個月預計應課稅溢利按稅率16.5% (截至2021年6月30日止6個月：16.5%) 計算。

海外分行及附屬公司的稅款是按其經營所在地現行稅率計算。

中期財務報表附註(續)

16. 現金及在銀行的結存

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
現金	1,030	1,016
在中央銀行的結存	36,242	37,463
在其他銀行的結存	17,547	16,612
	<u>54,819</u>	<u>55,091</u>
減：減值準備	(2)	(3)
– 第一階段	(2)	(3)
– 第二階段	–	–
– 第三階段	–	–
	<u>54,817</u>	<u>55,088</u>

17. 在銀行的存款及墊款

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
在銀行的存款及墊款		
到期期限		
– 1個月內	62,107	73,104
– 1個月至1年內	5,022	1,639
– 1年後	–	–
	<u>67,129</u>	<u>74,743</u>
減：減值準備	(1)	(1)
– 第一階段	(1)	(1)
– 第二階段	–	–
– 第三階段	–	–
	<u>67,128</u>	<u>74,742</u>
其中：		
在中央銀行的存款及墊款	<u>–</u>	<u>–</u>

中期財務報表附註(續)

18. 貿易票據

	<u>30/6/2022</u>	<u>31/12/2021</u>
	港幣百萬元	港幣百萬元
按攤銷成本計量	582	560
減：減值準備	-	-
- 第一階段	-	-
- 第二階段	-	-
- 第三階段	-	-
	582	560
按通過其他全面收益以反映公平價值計量	2,489	10,212
	<u>3,071</u>	<u>10,772</u>

19. 交易用途資產

	<u>30/6/2022</u>	<u>31/12/2021</u>
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	100	-
債務證券	51	1,632
股份證券	521	851
	<u>672</u>	<u>2,483</u>

20. 客戶貸款及墊款

(a) 客戶貸款及墊款

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
按攤銷成本計量的客戶貸款及墊款	551,372	548,808
減：減值準備	(4,951)	(4,371)
- 第一階段	(702)	(667)
- 第二階段	(838)	(527)
- 第三階段	(3,411)	(3,177)
	<u>546,421</u>	<u>544,437</u>

(b) 客戶貸款及墊款－按行業分類

按行業分類的客戶貸款及墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

	30/6/2022		31/12/2021	
	墊款總額	有抵押墊款 的百分比	墊款總額	有抵押墊款 的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在香港使用的貸款				
工商金融				
- 物業發展	35,222	59.49	34,103	54.12
- 物業投資	49,819	91.23	50,280	91.88
- 金融企業	17,004	58.36	15,514	50.18
- 股票經紀	1,479	99.98	1,957	99.99
- 批發與零售業	6,595	58.38	7,742	47.86
- 製造業	4,608	28.45	4,810	32.51
- 運輸與運輸設備	5,121	47.38	5,531	46.15
- 娛樂活動	373	91.88	304	87.23
- 資訊科技	830	2.32	1,268	2.13
- 其他	15,976	56.87	15,365	58.85
小計	<u>137,027</u>	69.22	<u>136,874</u>	66.89
個人				
- 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」 樓宇貸款	1,270	100.00	1,337	100.00
- 購買其他住宅物業的貸款	91,856	100.00	91,532	100.00
- 信用卡墊款	3,955	0.00	4,284	0.00
- 其他	26,777	57.35	28,182	63.75
小計	<u>123,858</u>	87.59	<u>125,335</u>	88.43
在香港使用的貸款總額	260,885	77.94	262,209	77.18
貿易融資	6,765	31.05	6,088	32.92
在香港以外使用的貸款(註)	<u>283,722</u>	34.70	<u>280,511</u>	36.83
客戶墊款總額	<u>551,372</u>	55.11	<u>548,808</u>	56.07

註： 在香港以外使用的貸款包括以下在內地使用的貸款。

中期財務報表附註(續)

20. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

	30/6/2022		31/12/2021	
	墊款總額	有抵押墊款 的百分比	墊款總額	有抵押墊款 的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在內地使用的貸款				
工商金融				
– 物業發展	41,553	32.06	44,747	34.37
– 物業投資	12,713	76.09	14,134	80.56
– 金融企業	48,867	0.28	47,765	0.00
– 批發與零售業	11,207	6.36	10,837	13.94
– 製造業	13,109	6.98	11,219	5.76
– 運輸與運輸設備	788	40.89	811	43.46
– 娛樂活動	–	不適用	25	100.00
– 資訊科技	2,111	0.29	1,967	0.43
– 其他	16,486	12.72	17,618	12.24
小計	146,834	18.51	149,123	21.10
個人				
– 購買其他住宅物業的貸款	14,572	100.00	15,762	100.00
– 信用卡墊款	5,575	0.00	6,370	0.00
– 其他	13,641	4.54	12,724	5.28
小計	33,788	44.96	34,856	47.15
在內地使用的貸款總額	180,622	23.46	183,979	26.03

中期財務報表附註(續)

20. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

以下按行業分類並佔客戶墊款總額百分之十或以上的墊款中已個別減值的貸款，以及相關資料如下：

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
(i) 物業發展		
a. 已個別減值的貸款	4,170	1,009
b. 特殊準備	1,134	326
c. 整體準備	550	206
d. 於收益表支銷的準備	1,315	607
e. 撇銷	-	87
(ii) 物業投資		
a. 已個別減值的貸款	2,528	2,552
b. 特殊準備	1,047	1,375
c. 整體準備	64	87
d. 於收益表支銷的準備	220	1,644
e. 撇銷	436	12
(iii) 購買其他住宅物業的貸款		
a. 已個別減值的貸款	278	270
b. 特殊準備	10	10
c. 整體準備	17	27
d. 於收益表支銷的準備	8	146
e. 撇銷	3	-
(iv) 金融企業		
a. 已個別減值的貸款	47	64
b. 特殊準備	30	34
c. 整體準備	61	43
d. 於收益表支銷的準備	43	201
e. 撇銷	-	-

特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)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(第一階段及第二階段)準備。

20. 客戶貸款及墊款(續)

(c) 客戶貸款及墊款—按區域分類

根據《銀行業(披露)規則》，客戶墊款總額按國家或區域的分類是根據交易對手的所在地，並考慮轉移風險因素後得出。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29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。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。特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)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(第一階段及第二階段)準備。

	30/6/2022				
	客戶墊款 總額	逾期三個月 以上的 客戶墊款	減值 客戶墊款	特殊準備	整體準備
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
香港	265,563	456	1,234	548	145
內地	196,704	2,005	7,440	2,861	1,083
其他亞洲國家及地區	29,000	11	22	2	93
其他	60,105	—	6	—	219
總額	<u>551,372</u>	<u>2,472</u>	<u>8,702</u>	<u>3,411</u>	<u>1,540</u>
佔客戶墊款總額的百分比			<u>1.58%</u>		

中期財務報表附註(續)

20. 客戶貸款及墊款(續)

(c) 客戶貸款及墊款—按區域分類(續)

	31/12/2021				
	客戶墊款 總額	逾期三個月 以上的	減值	特殊準備	整體準備
		客戶墊款	客戶墊款		
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
香港	264,285	409	1,218	254	136
內地	202,365	2,020	4,589	2,822	755
其他亞洲國家及地區	28,036	22	164	101	62
其他	54,122	—	6	—	241
總額	<u>548,808</u>	<u>2,451</u>	<u>5,977</u>	<u>3,177</u>	<u>1,194</u>
佔客戶墊款總額的百分比			<u>1.09%</u>		

21. 投資證券

	30/06/2022			
	強制按通過 損益以反映 公平價值計量	按通過其他 全面收益以 反映公平價值 計量	按攤銷 成本計量	總額
		港幣百萬元	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	—	21,647	2,427	24,074
持有存款證	—	—	606	606
債務證券	3,465	107,303	13,175	123,943
股份證券	39	893	—	932
投資基金	916	—	—	916
	<u>4,420</u>	<u>129,843</u>	<u>16,208</u>	<u>150,471</u>

	31/12/2021			
	強制按通過 損益以反映 公平價值計量	按通過其他 全面收益以 反映公平價值 計量	按攤銷 成本計量	總額
		港幣百萬元	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	—	22,844	2,025	24,869
持有存款證	—	—	646	646
債務證券	4,365	101,968	13,875	120,208
股份證券	42	712	—	754
投資基金	1,030	—	—	1,030
	<u>5,437</u>	<u>125,524</u>	<u>16,546</u>	<u>147,507</u>

中期財務報表附註(續)

21. 投資證券(續)

指定為通過全面收益以反映公平價值的股份證券

	30/6/2022		31/12/2021	
	公平價值	期內已確認 股息收入	公平價值	期內已確認 股息收入
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
持有作長期策略用途的股份投資	893	9	712	22

22. 聯營公司及合資企業投資

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
應佔淨資產	9,008	9,270
商譽	460	476
	9,468	9,746
減：減值準備	(799)	(799)
	8,669	8,947

於2022年6月30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，本集團對此項投資透過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38.91億元。由於可回收金額高於港幣33.75億元之賬面值，期內並無確認額外減值損失。使用價值計算方法採用了集團管理層基於AFFIN最新的財務業績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12.08% (2021年12月31日：11.49%) 折現率。

下表列出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。

	有利變動		不利變動			
	使用價值		使用價值			
	增加	使用價值	減少	使用價值		
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元		
於2022年6月30日						
折現率	-50 基點	217	4,108	+50 基點	(194)	3,697
長期增長率	+50 基點	39	3,930	-50 基點	(35)	3,856
預計現金流	+10%	389	4,280	-10%	(389)	3,502

中期財務報表附註(續)

23. 固定資產

	30/6/2022							
	投資物業	行址	傢俬、裝修 及設備	小計	使用權資產 — 行址	使用權資產 — 傢俬、 裝修及設備	小計	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
成本或估值								
於2022年1月1日	4,992	8,529	6,448	14,977	1,507	23	1,530	21,499
增置	-	1	178	179	222	3	225	404
重估盈餘	3	-	-	-	-	-	-	3
出售	-	(140)	(128)	(268)	-	-	-	(268)
重新計量	-	-	-	-	2	-	2	2
到期/終止租賃合約	-	-	-	-	(240)	(1)	(241)	(241)
匯兌調整	(1)	(184)	(103)	(287)	(40)	-	(40)	(328)
於2022年6月30日	4,994	8,206	6,395	14,601	1,451	25	1,476	21,071
累計折舊及攤銷								
於2022年1月1日	-	2,378	4,584	6,962	682	11	693	7,655
期內支銷	-	71	219	290	158	2	160	450
到期/終止租賃合約	-	-	-	-	(235)	(1)	(236)	(236)
出售時撇銷	-	(88)	(110)	(198)	-	-	-	(198)
匯兌調整	-	(62)	(68)	(130)	(14)	1	(13)	(143)
於2022年6月30日	-	2,299	4,625	6,924	591	13	604	7,528
賬面淨值於2022年6月30日	4,994	5,907	1,770	7,677	860	12	872	13,543
賬面淨值於2021年12月31日	4,992	6,151	1,864	8,015	825	12	837	13,844
上述資產的總額列示如下：								
按成本	-	7,458	6,395	13,853	1,451	25	1,476	15,329
按董事估值- 1989	-	748	-	748	-	-	-	748
按專業估值- 2022	4,994	-	-	-	-	-	-	4,994
	4,994	8,206	6,395	14,601	1,451	25	1,476	21,071

中期財務報表附註(續)

24. 其他資產

	30/6/2022 港幣百萬元	31/12/2021 港幣百萬元
應計利息	2,571	2,649
承兌客戶負債	34,761	28,674
其他賬項	11,750	9,068
減：減值準備	(155)	(132)
- 第一階段	(9)	(8)
- 第二階段	(5)	(2)
- 第三階段	(141)	(122)
	<u>48,927</u>	<u>40,259</u>
持有作出售資產(附註42)	<u>2,062</u>	<u>2,264</u>
	<u>50,989</u>	<u>42,523</u>

25. 指定為通過損益以反映公平價值的金融負債

	30/6/2022 港幣百萬元	31/12/2021 港幣百萬元
銀行存款及結餘	3,761	3,639
已發行存款證	25,586	32,618
已發行債務證券	824	620
	<u>30,171</u>	<u>36,877</u>

當本集團持有指定為通過損益以反映公平價值的相關衍生工具，以上金融負債被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

在期內及累計結餘，下表列示指定為通過損益以反映公平價值的金融負債的公平價值變動及在其他全面收益表內確認的金額，而該變動是歸屬於該等負債的信貸風險。

	30/6/2022 港幣百萬元	31/12/2021 港幣百萬元
於1月1日結餘	(46)	(32)
期內在其他全面收益表內確認的金額	82	(18)
遞延稅項	(13)	4
於6月30日/12月31日結餘	<u>23</u>	<u>(46)</u>

在2022年上半年期內並未有指定為通過損益以反映公平價值的負債被終止確認，亦未有將其累計盈利或虧損在股東權益內轉賬(2021年12月31日：無)。

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

於2022年6月30日，指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低於港幣4.6億元(2021年12月31日：低於港幣4,600萬元)。

中期財務報表附註(續)

26. 交易用途負債

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
股份空倉	27	5

27. 其他負債

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
應計應付利息	2,103	1,894
應付承兌票據	34,761	28,674
已發行的財務擔保及已發行的貸款承擔之減值準備	315	174
– 第一階段	125	133
– 第二階段	126	24
– 第三階段	64	17
持有作出售負債(附註42)	1,658	1,637
租賃負債	926	884
其他賬項(註)	15,878	9,652
	55,641	42,915

註： 包括由《香港財務報告準則》第15號所產生的合約負債港幣25.19億元(2021年12月31日：港幣26.25億元)。

28. 借貸資本

		30/6/2022	31/12/2021
		港幣百萬元	港幣百萬元
按攤銷成本及經公平價值對沖調整後列賬的後償票據／吸收虧損票據			
在2032年4月22日到期的定息5億美元後償票據	(1)	3,847	-
在2028年7月7日到期的定息2.5億美元吸收虧損票據	(2)	1,967	-
按攤銷成本列賬及並未對沖的後償票據			
在2029年4月25日到期的定息人民幣15億元後償票據	(3)	1,757	1,833
在2030年5月29日到期的定息6億美元後償票據	(4)	4,687	4,655
		<u>12,258</u>	<u>6,488</u>

截至2022年6月30日及2021年12月31日止期內／年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

- (1) 票面值港幣 39.23億元(5億美元)及賬面值港幣38.47億元的借貸資本，是指由本行於2022年4月22日發行年息4.875%，並評定為二級資本及符合吸收虧損能力之要求的後償票據。該等票據於聯交所上市，並將於2032年4月22日到期，可於2027年4月22日贖回。在2022年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分溢利港幣400萬元。
- (2) 票面值港幣19.61億元(2.5億美元)及賬面值港幣19.67億元的借貸資本，是指由本行於2022年7月7日發行(於2022年6月28日交易)年息5.125%，及符合吸收虧損能力之要求的非優先吸收虧損能力票據。該等票據於聯交所上市，並將於2028年7月7日到期，可於2027年7月7日贖回。該等票據採用公平價值對沖會計法。
- (3) 票面值港幣17.58億元(人民幣15億元)及賬面值港幣17.57億元(於2021年12月31日：港幣18.33億元)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%的後償票據。該等票據將於2029年4月25日到期，可於2024年4月25日贖回。
- (4) 票面值港幣47.07億元(6億美元)及賬面值港幣46.87億元(於2021年12月31日：港幣46.55億元)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的後償票據。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。

29. 分部報告

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下九個可匯報分部。

香港業務

香港業務包括本行在香港經營的銀行業務及其他業務，分類為以下六個可匯報分部。

- **個人銀行**包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款及個人信用卡業務。
- **批發銀行**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、投資產品和諮詢及證券和期貨經紀業務。
- **中央營運**包括在香港銀行業務之後勤單位。
- **其他業務**主要包括由在香港附屬公司經營之保險業務、信託業務及企業財務諮詢，及在香港以外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從香港業務獲得由本行發行資本工具所資助之業務活動的利息收入。

在評估分部表現及分配分部間的資源時，集團的高層管理人員根據以下基準監控可歸屬於每一可匯報分部之業績、資產及負債：

除聯營公司及合資企業之權益及持有作出售資產外，分部資產包括所有資產。分部負債包括存款、金融負債及可歸屬於個別分部的其他負債。

收入與支出按有關分部所產生的利息及服務費用和佣金收入，及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。

中期財務報表附註(續)

29. 分部報告(續)

	香港業務												
	香港銀行業務												
	個人銀行	批發銀行	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
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
截至2022年6月30日止6個月													
淨利息收入/(支出)	1,220	1,393	(22)	156	(21)	2,726	14	2,740	1,948	993	149	-	5,830
非利息收入	584	327	31	331	120	1,393	352	1,745	498	59	-	(14)	2,288
經營收入	1,804	1,720	9	487	99	4,119	366	4,485	2,446	1,052	149	(14)	8,118
經營支出	(782)	(225)	(98)	(164)	(1,090)	(2,359)	(178)	(2,537)	(1,512)	(371)	-	14	(4,406)
未扣除減值損失之 經營溢利/(虧損)	1,022	1,495	(89)	323	(991)	1,760	188	1,948	934	681	149	-	3,712
金融工具的減值損失	(45)	(1,116)	(46)	-	-	(1,207)	-	(1,207)	(990)	61	-	-	(2,136)
已扣除減值損失後之 經營溢利/(虧損)	977	379	(135)	323	(991)	553	188	741	(56)	742	149	-	1,576
出售固定資產之淨溢利/(虧損)	(11)	-	-	-	-	(11)	-	(11)	44	-	-	-	33
重估投資物業盈利	-	-	-	-	3	3	-	3	-	-	-	-	3
應佔聯營公司及 合資企業溢利減虧損	-	-	-	-	-	-	(5)	(5)	(3)	198	-	-	190
除稅前溢利/(虧損)	966	379	(135)	323	(988)	545	183	728	(15)	940	149	-	1,802
期內折舊	(131)	(6)	(6)	(3)	(111)	(257)	(15)	(272)	(149)	(29)	-	-	(450)
於2022年6月30日													
分部資產	119,735	167,567	238,600	25,067	11,989	562,958	2,143	565,101	254,556	123,751	-	(45,928)	897,480
聯營公司及合資企業投資	-	-	-	-	-	-	60	60	3,820	4,789	-	-	8,669
其他資產-持有作出售資產	-	-	-	-	15	15	2,031	2,046	16	-	-	-	2,062
資產總額	119,735	167,567	238,600	25,067	12,004	562,973	4,234	567,207	258,392	128,540	-	(45,928)	908,211
分部負債	338,097	63,765	68,029	31,674	1,920	503,485	328	503,813	227,953	113,576	-	(45,114)	800,228
其他負債-持有作出售負債	-	-	-	-	-	-	1,658	1,658	-	-	-	-	1,658
負債總額	338,097	63,765	68,029	31,674	1,920	503,485	1,986	505,471	227,953	113,576	-	(45,114)	801,886

中期財務報表附註(續)

29. 分部報告(續)

	香港業務(重報) ^註												
	香港銀行業務								內地業務 (重報) ^註	國際業務	企業管理	分部間之 交易抵銷	總額
	個人銀行	批發銀行	財資市場	財富管理	中央營運	總額	其他	總額					
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
截至2021年6月30日止6個月													
淨利息收入/(支出)	1,130	1,177	60	172	(10)	2,529	46	2,575	1,962	828	158	-	5,523
非利息收入	565	327	393	389	155	1,829	515	2,344	450	117	-	(19)	2,892
經營收入	1,695	1,504	453	561	145	4,358	561	4,919	2,412	945	158	(19)	8,415
經營支出	(844)	(181)	(87)	(158)	(1,075)	(2,345)	(208)	(2,553)	(1,738)	(375)	-	19	(4,647)
未扣除減值損失之 經營溢利/(虧損)	851	1,323	366	403	(930)	2,013	353	2,366	674	570	158	-	3,768
金融工具的減值損失	(56)	(189)	(7)	(2)	-	(254)	(4)	(258)	(317)	(6)	-	-	(581)
已扣除減值損失後之 經營溢利/(虧損)	795	1,134	359	401	(930)	1,759	349	2,108	357	564	158	-	3,187
出售固定資產之淨虧損	(8)	-	-	-	(2)	(10)	-	(10)	(12)	-	-	-	(22)
重估投資物業虧損	-	-	-	-	(101)	(101)	(22)	(123)	-	-	-	-	(123)
應佔聯營公司及 合資企業溢利減虧損	-	-	-	-	-	-	(1)	(1)	84	46	-	-	129
除稅前溢利/(虧損)	787	1,134	359	401	(1,033)	1,648	326	1,974	429	610	158	-	3,171
期內折舊	(160)	(4)	(4)	(4)	(112)	(284)	(19)	(303)	(149)	(33)	-	-	(485)
於2021年12月31日													
分部資產	119,858	169,032	229,919	26,605	11,392	556,806	2,185	558,991	262,575	118,789	-	(44,096)	896,259
聯營公司及合資企業投資	-	-	-	-	-	-	66	66	3,983	4,898	-	-	8,947
其他資產-持有作出售資產	-	-	-	-	15	15	2,232	2,247	17	-	-	-	2,264
資產總額	119,858	169,032	229,919	26,605	11,407	556,821	4,483	561,304	266,575	123,687	-	(44,096)	907,470
分部負債	331,601	58,997	65,994	29,886	2,244	488,722	384	489,106	234,937	109,059	-	(43,319)	789,783
其他負債-持有作出售負債	-	-	-	-	-	-	1,637	1,637	-	-	-	-	1,637
負債總額	331,601	58,997	65,994	29,886	2,244	488,722	2,021	490,743	234,937	109,059	-	(43,319)	791,420

註：香港業務及內地業務之財務數據已經重新分類，以符合本期的呈報方式及反映2022年的架構重組。

中期財務報表附註(續)

30. 資產及負債的剩餘期限分析

	30/6/2022							總額
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
資產								
現金及在銀行的結存	44,272	-	-	-	-	-	10,545	54,817
在銀行的存款及墊款	-	62,107	4,787	234	-	-	-	67,128
貿易票據	-	1,642	691	738	-	-	-	3,071
交易用途資產	-	-	100	-	8	43	521	672
衍生工具資產	-	-	-	-	-	-	8,783	8,783
客戶貸款及墊款	2,898	74,407	39,506	130,918	183,708	111,073	3,911	546,421
投資證券	-	7,646	12,127	18,476	65,639	44,773	1,810	150,471
聯營公司及合資企業投資	-	-	-	-	-	-	8,669	8,669
固定資產	-	-	-	-	-	-	13,543	13,543
商譽及無形資產	-	-	-	-	-	-	1,878	1,878
遞延稅項資產	-	-	-	-	-	-	1,769	1,769
其他資產	48	12,169	10,211	19,053	1,114	1,066	7,328	50,989
資產總額	47,218	157,971	67,422	169,419	250,469	156,955	58,757	908,211
負債								
銀行的存款及結餘	1,683	13,178	13,817	5,853	-	-	-	34,531
客戶存款	256,161	96,824	144,640	132,856	14,083	-	-	644,564
- 活期存款及往來賬戶	69,500	-	-	-	-	-	-	69,500
- 儲蓄存款	184,981	-	-	-	-	-	-	184,981
- 定期及通知存款	1,680	96,824	144,640	132,856	14,083	-	-	390,083
交易用途負債	-	-	-	-	-	-	27	27
衍生工具負債	-	-	-	-	-	-	3,651	3,651
已發行存款證	-	8,824	8,905	22,002	6,926	-	-	46,657
本期稅項	-	-	-	1,144	-	-	-	1,144
已發行債務證券	-	-	-	1,647	1,500	-	-	3,147
遞延稅項負債	-	-	-	-	-	-	266	266
其他負債	1,126	8,734	10,386	19,834	1,553	1,948	12,060	55,641
- 租賃負債	2	24	42	189	437	232	-	926
- 其他賬項	1,124	8,710	10,344	19,645	1,116	1,716	12,060	54,715
借貸資本	-	-	-	-	10,291	1,967	-	12,258
負債總額	258,970	127,560	177,748	183,336	34,353	3,915	16,004	801,886
淨差距	(211,752)	30,411	(110,326)	(13,917)	216,116	153,040		

中期財務報表附註(續)

30. 資產及負債的剩餘期限分析(續)

	31/12/2021							總額
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
資產								
現金及在銀行的結存	43,103	-	-	-	-	-	11,985	55,088
在銀行的存款及墊款	-	73,103	1,639	-	-	-	-	74,742
貿易票據	-	2,596	5,553	2,623	-	-	-	10,772
交易用途資產	-	122	-	-	1,424	86	851	2,483
衍生工具資產	-	-	-	-	-	-	3,381	3,381
客戶貸款及墊款	2,507	69,226	31,993	119,963	198,315	120,417	2,016	544,437
投資證券	-	5,123	3,468	29,833	66,365	40,975	1,743	147,507
聯營公司及合資企業投資	-	-	-	-	-	-	8,947	8,947
固定資產	-	-	-	-	-	-	13,844	13,844
商譽及無形資產	-	-	-	-	-	-	1,885	1,885
遞延稅項資產	-	-	-	-	-	-	1,861	1,861
其他資產	49	5,380	6,710	20,765	1,152	1,216	7,251	42,523
資產總額	45,659	155,550	49,363	173,184	267,256	162,694	53,764	907,470
負債								
銀行的存款及結餘	5,237	7,986	8,540	10,003	-	-	-	31,766
客戶存款	277,711	95,546	164,176	86,374	9,698	-	-	633,505
- 活期存款及往來賬戶	79,657	-	-	-	-	-	-	79,657
- 儲蓄存款	196,662	-	-	-	-	-	-	196,662
- 定期及通知存款	1,392	95,546	164,176	86,374	9,698	-	-	357,186
交易用途負債	-	-	-	-	-	-	5	5
衍生工具負債	-	-	-	-	-	-	5,050	5,050
已發行存款證	-	7,565	11,652	35,600	9,510	-	-	64,327
本期稅項	-	-	-	958	-	-	-	958
已發行債務證券	-	-	3,058	234	2,555	-	-	5,847
遞延稅項負債	-	-	-	-	-	-	559	559
其他負債	1,007	3,542	7,139	20,929	1,490	2,039	6,769	42,915
- 租賃負債	1	29	49	183	434	188	-	884
- 其他賬項	1,006	3,513	7,090	20,746	1,056	1,851	6,769	42,031
借貸資本	-	-	-	-	6,488	-	-	6,488
負債總額	283,955	114,639	194,565	154,098	29,741	2,039	12,383	791,420
淨差距	(238,296)	40,911	(145,202)	19,086	237,515	160,655		

中期財務報表附註(續)

31. 遞延稅項資產及負債確認

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及期內之變動如下：

遞延稅項源自：	超過有關 折舊的折舊 免稅額	物業重估	金融資產的 減值損失	通過其他全面 收益以反映 公平價值 金融資產重估	稅損	其他	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2021年12月31日/ 2022年1月1日	339	109	(1,515)	282	(303)	(214)	(1,302)
收益表內支銷/(存入)	18	-	(246)	-	183	24	(21)
儲備內支銷/(存入)	-	(1)	-	(263)	-	13	(251)
轉至持有作出售資產	-	-	-	-	-	2	2
匯兌及其他調整	1	-	57	(1)	8	4	69
於2022年6月30日	<u>358</u>	<u>108</u>	<u>(1,704)</u>	<u>18</u>	<u>(112)</u>	<u>(171)</u>	<u>(1,503)</u>

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

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
於財務狀況表確認的遞延稅項資產淨額	(1,769)	(1,861)
於財務狀況表確認的遞延稅項負債淨額	266	559
	<u>(1,503)</u>	<u>(1,302)</u>

32. 儲備

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
一般儲備	13,658	13,658
行址重估儲備	1,906	1,905
資本儲備	895	895
匯兌重估儲備	(772)	1,058
資本儲備－已發行僱員認股權	139	152
公平價值儲備	569	1,925
負債信貸儲備	23	(46)
其他儲備	5,229	5,191
留存溢利(註 ⁽¹⁾ ·(2))	32,530	35,395
	<u>54,177</u>	<u>60,133</u>
未入賬擬派股息	430	1,023

中期財務報表附註(續)

32. 儲備(續)

註：

- (1) 根據本行於2022年3月28日舉行的特別股東大會上通過的決議案，本行於2022年3月28日已執行與Elliott Investment Management之附屬公司簽立的股份回購契約，回購本行2.47億股股份，並於2022年4月11日以代價港幣29.04億元完成交易。連同直接交易成本港幣1,200萬元，總額港幣29.16億元已從留存溢利中扣除。
- (2) 為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款及墊款及投資減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2022年6月30日，該要求的影響是要限制本行可派發予本集團股東的儲備，金額為港幣23.27億元(2021年12月31日：港幣26.58億元)。

33. 額外股本工具

		30/6/2022	31/12/2021
		港幣百萬元	港幣百萬元
額外一級資本工具			
5億美元無到期日非累積後償資本證券	(1)	—	3,878
6.5億美元無到期日非累積後償資本證券	(2)	5,069	5,069
6.5億美元無到期日非累積後償資本證券	(3)	5,021	5,021
		<u>10,090</u>	<u>13,968</u>

- (1) 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%年息率，直至2022年5月18日的第一次收回日。本行於2022年5月18日全數贖回該等額外一級資本工具。
- (2) 於2019年9月19日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.69億元)無到期日非累積後償資本工具(「額外一級資本工具」)。該額外一級資本工具是無到期日及附帶5.875%年息率，直至2024年9月19日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息4.257%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權，及符合吸收虧損能力規定。
- (3) 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5.825%年息率，直至2025年10月21日的第一次收回日。如該額外一級資本工具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，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權，及符合吸收虧損能力規定。

中期財務報表附註(續)

34. 綜合現金流量表

現金及等同現金項目

	30/6/2022	30/6/2021
	港幣百萬元	港幣百萬元
(i) 在綜合現金流量表內現金及等同現金項目的組成部分		
現金及原本期限為3個月以內在銀行的結存	44,365	45,900
原本期限為3個月以內在銀行的存款及墊款	65,084	47,579
原本期限為3個月以內的國庫債券	10,088	3,767
原本期限為3個月以內之持有的存款證	-	480
原本期限為3個月以內之債務證券	606	921
加：包括在「持有作出售資產」的現金及在銀行的結存(附註42)	3	-
	120,146	98,647
(ii) 與綜合財務狀況表的對賬		
現金及在銀行的結存	54,817	60,370
在銀行的存款及墊款	67,128	50,728
國庫債券、持有的存款證及債務證券		
— 交易用途資產	151	3,050
— 投資證券	148,623	138,867
	148,774	141,917
加：包括在「持有作出售資產」的現金及在銀行的結存(附註42)	3	-
包括在「持有作出售資產」持有存款證—投資證券(附註42)	638	-
包括在「持有作出售資產」債務證券—投資證券(附註42)	918	25,376
	272,278	278,391
減：原本期限為3個月以上的金額	(141,678)	(165,244)
受監管限制的在中央銀行之現金結存	(10,454)	(14,500)
	120,146	98,647
在綜合現金流量表內的現金及等同現金項目	120,146	98,647

35. 金融工具的公平價值

(a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第一級 — 參考同一工具在活躍市場取得的市場報價。

第二級 — 根據可觀察的參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的參數，是直接或間接可從市場觀察所得的數據。

第三級 — 根據重要但非可觀察得到的參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在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。

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。

中期財務報表附註(續)

35. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式。

	30/6/2022				31/12/2021			
	第一級	第二級	第三級	總額	第一級	第二級	第三級	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
重覆發生的公平價值釐定								
資產								
貿易票據—按通過其他全面								
收益以反映公平價值計量	-	2,489	-	2,489	-	10,212	-	10,212
交易用途資產	621	51	-	672	851	1,632	-	2,483
衍生工具資產	525	8,258	-	8,783	146	3,235	-	3,381
投資證券								
— 強制按通過損益以反映								
公平價值計量	-	3,670	750	4,420	2	4,627	808	5,437
— 按通過其他全面收益以								
反映公平價值計量	23,885	105,065	893	129,843	25,083	99,729	712	125,524
	<u>25,031</u>	<u>119,533</u>	<u>1,643</u>	<u>146,207</u>	<u>26,082</u>	<u>119,435</u>	<u>1,520</u>	<u>147,037</u>
投資證券分類為持有作出售								
資產								
— 強制按通過損益以反映								
公平價值計量	40	23	-	63	50	26	-	76
— 按通過其他全面收益以								
反映公平價值計量	-	1,533	-	1,533	-	1,850	-	1,850
	<u>40</u>	<u>1,556</u>	<u>-</u>	<u>1,596</u>	<u>50</u>	<u>1,876</u>	<u>-</u>	<u>1,926</u>
負債								
交易用途負債	27	-	-	27	5	-	-	5
衍生工具負債	3	3,648	-	3,651	98	4,952	-	5,050
指定為通過損益以反映公平								
價值的金融負債	-	30,171	-	30,171	-	36,877	-	36,877
	<u>30</u>	<u>33,819</u>	<u>-</u>	<u>33,849</u>	<u>103</u>	<u>41,829</u>	<u>-</u>	<u>41,932</u>

截至2022年6月30日止期內及2021年12月31日止年度內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間均並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

35. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

有關第三級估值的重要非可觀察參數資料：

	估值模式	重要非可觀察參數	價值或幅度
非上市債務證券、股份 證券及投資基金	交易對手報價	不適用	不適用
	資產淨值	不適用	不適用
	現金流折扣模式	折扣率	30/6/2022: 12.4% (31/12/2021: 15.3%)
		市場性折扣	30/6/2022: 20% (31/12/2021: 20%)
	市場可類比法	盈利倍數	30/6/2022: 13.42 – 29.34 (31/12/2021: 21.98 – 36.67)
		企業價值／稅息前利潤	30/6/2022: 24.07 – 28.56 (31/12/2021: 30.18 – 37.54)
		市場性折扣	30/6/2022: 50% (31/12/2021: 50%)

按強制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計量的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，並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。非上市投資基金的公平價值是採用基金經理提供的資產淨值作估算。

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

中期財務報表附註(續)

35. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

	30/6/2022		31/12/2021	
	強制按通過 損益以反映 公平價值計量 的投資證券 港幣百萬元	按通過其他 全面收益以 反映公平價值 計量的 投資證券 港幣百萬元	強制按通過 損益以反映 公平價值計量 的投資證券 港幣百萬元	按通過其他 全面收益以 反映公平價值 計量的 投資證券 港幣百萬元
資產				
於1月1日	808	712	850	1,283
增加／購入	24	–	413	–
出售／結算	(22)	–	(484)	–
公平價值變動確認於收益表	(60)	–	29	–
公平價值變動確認於其他全面收益	–	181	–	(571)
於6月30日／12月31日	<u>750</u>	<u>893</u>	<u>808</u>	<u>712</u>
於報告期結束日持有按通過其他全面 收益以反映公平價值資產而已計入 其他全面收益的公平價值儲備之期 內收益／(虧損)總額	<u>–</u>	<u>181</u>	<u>–</u>	<u>(571)</u>
於報告期結束日持有之資產而已計入 期內收益表之通過損益以反映公平 價值金融工具的淨表現之期內(虧 損)／收益總額	<u>(60)</u>	<u>–</u>	<u>29</u>	<u>–</u>

35. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

	30/6/2022			
	直接記錄於損益上之影響		直接記錄於股東權益上之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
強制按通過損益以反映公平價值計量的投資證券	63	(63)	-	-
按通過其他全面收益以反映公平價值計量的投資證券	-	-	75	(75)
	<u>63</u>	<u>(63)</u>	<u>75</u>	<u>(75)</u>
	31/12/2021			
	直接記錄於損益上之影響		直接記錄於股東權益上之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
強制按通過損益以反映公平價值計量的投資證券	67	(67)	-	-
按通過其他全面收益以反映公平價值計量的投資證券	-	-	59	(59)
	<u>67</u>	<u>(67)</u>	<u>59</u>	<u>(59)</u>

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正、負10%的價值的並行變動。

35. 金融工具的公平價值(續)

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假設，以釐定以下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- (iii) 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易中所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

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2022年6月30日及2021年12月31日之公平價值相若：

	30/6/2022		31/12/2021	
	賬面值	公平價值	賬面值	公平價值
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
投資證券按攤銷成本計量	16,208	15,587	16,546	16,610

36. 信貸風險

本集團的階段分配符合金管局的5級資產類別，準則如下：

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

「信貸風險顯著增加」的準則已計及三個關鍵因素：

- 風險的內部或外部評級與風險源生之時的評級相比顯著轉差；
- 為「需要關注」金管局資產類別；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」。

(a) 信貸質素分析

貸款及墊款的信貸質素

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面總額。

	30/6/2022								
	12個月內之 預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
按攤銷成本計量的客戶貸款及墊款									
- 1-15級：合格	512,778	976	15,832	27	-	-	528,610	1,003	
- 16-17級：需要關注	-	-	14,059	58	-	-	14,059	58	
- 18級：次級	-	-	-	-	6,492	30	6,492	30	
- 19級：呆滯	-	-	-	-	1,409	53	1,409	53	
- 20級：虧損	-	-	-	-	802	18	802	18	
賬面值總額	512,778	976	29,891	85	8,703	101	551,372	1,162	
減值準備	(702)	(3)	(838)	(3)	(3,411)	(63)	(4,951)	(69)	
賬面值	512,076	973	29,053	82	5,292	38	546,421	1,093	
減值客戶貸款及墊款抵押品市值					3,683				

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

貸款及墊款的信貸質素(續)

	31/12/2021								
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
按攤銷成本計量的客戶貸款及墊款									
- 1-15級：合格	512,975	1,001	23,845	58	-	-	536,820	1,059	
- 16-17級：需要關注	-	-	6,011	16	-	-	6,011	16	
- 18級：次級	-	-	-	-	4,324	24	4,324	24	
- 19級：呆滯	-	-	-	-	1,563	50	1,563	50	
- 20級：虧損	-	-	-	-	90	4	90	4	
賬面值總額	512,975	1,001	29,856	74	5,977	78	548,808	1,153	
減值準備	(667)	(3)	(527)	(1)	(3,177)	(54)	(4,371)	(58)	
賬面值	<u>512,308</u>	<u>998</u>	<u>29,329</u>	<u>73</u>	<u>2,800</u>	<u>24</u>	<u>544,437</u>	<u>1,095</u>	
減值客戶貸款及墊款抵押品市值						<u>3,656</u>			

抵押品包括任何具公平價值及可隨時出售的有形抵押品。這些抵押品包括(但不限於)現金及存款、股票及債券、物業按揭及其他固定資產如器材及設備之押記。倘抵押品價值高於客戶貸款及墊款總額，則只計入最高達貸款及墊款總額的抵押品金額。

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素

下表載列除貸款及墊款外並按攤銷成本及通過其他全面收益以反映公平價值計量的債務工具的信貸分析。除特別指明者外，就金融資產而言，表格內的金額為賬面總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

	30/6/2022							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的貿易票據 - 1 - 15級：合格	582	1	-	-	-	-	582	1
賬面值總額	582	1	-	-	-	-	582	1
減值準備	-	-	-	-	-	-	-	-
賬面值	582	1	-	-	-	-	582	1
	31/12/2021							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的貿易票據 - 1 - 15級：合格	560	-	-	-	-	-	560	-
賬面值總額	560	-	-	-	-	-	560	-
減值準備	-	-	-	-	-	-	-	-
賬面值	560	-	-	-	-	-	560	-

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2022							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按通過其他全面收益以反映 公平價值計量的貿易票據 - 1-15級：合格	2,452	-	37	-	-	-	2,489	-
賬面值總額—按公平價值	2,452	-	37	-	-	-	2,489	-
減值準備	-	-	-	-	-	-	-	-
	31/12/2021							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按通過其他全面收益以反映 公平價值計量的貿易票據 - 1-15級：合格	10,212	-	-	-	-	-	10,212	-
賬面值總額—按公平價值	10,212	-	-	-	-	-	10,212	-
減值準備	(2)	-	-	-	-	-	(2)	-

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2022							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
在銀行的存款及墊款 - 1 - 15級：合格	67,129	30	-	-	-	-	67,129	30
賬面值總額	67,129	30	-	-	-	-	67,129	30
減值準備	(1)	-	-	-	-	-	(1)	-
賬面值	<u>67,128</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,128</u>	<u>30</u>
	31/12/2021							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
在銀行的存款及墊款 - 1 - 15級：合格	74,743	10	-	-	-	-	74,743	10
賬面值總額	74,743	10	-	-	-	-	74,743	10
減值準備	(1)	-	-	-	-	-	(1)	-
賬面值	<u>74,742</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,742</u>	<u>10</u>

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2022			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
貸款承擔				
– 1 - 15級：合格	291,006	2,623	–	293,629
– 16 - 17級：需要關注	–	64	–	64
– 18級：次級	–	–	40	40
總額	291,006	2,687	40	293,733
減值準備	(115)	(9)	–	(124)
財務擔保合約				
– 1 - 15級：合格	13,401	456	–	13,857
– 16 - 17級：需要關注	–	118	–	118
– 18級：次級	–	–	606	606
總額	13,401	574	606	14,581
減值準備	(10)	(117)	(64)	(191)
	31/12/2021			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
貸款承擔				
– 1 - 15級：合格	261,879	2,999	–	264,878
– 16 - 17級：需要關注	–	31	–	31
– 18級：次級	–	–	1	1
總額	261,879	3,030	1	264,910
減值準備	(126)	(17)	–	(143)
財務擔保合約				
– 1 - 15級：合格	21,433	2,393	–	23,826
– 16 - 17級：需要關注	–	–	–	–
– 18級：次級	–	–	320	320
總額	21,433	2,393	320	24,146
減值準備	(7)	(7)	(17)	(31)

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

資金交易的信貸風險管理方法，與本集團管理其企業及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

	30/6/2022							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的債務投資證券								
Aaa	-	-	-	-	-	-	-	-
Aa1 至 Aa3	3,235	1	-	-	-	-	3,235	1
A1 至 A3	4,203	42	-	-	-	-	4,203	42
Baa1 至 Baa3	2,175	19	179	1	-	-	2,354	20
Baa3 以下	549	7	934	17	132	3	1,615	27
無評級	5,046	58	-	-	-	-	5,046	58
賬面值總額	15,208	127	1,113	18	132	3	16,453	148
減值準備	(80)	(1)	(100)	(2)	(65)	(3)	(245)	(6)
賬面值	15,128	126	1,013	16	67	-	16,208	142
	31/12/2021							
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的債務投資證券								
Aaa	-	-	-	-	-	-	-	-
Aa1 至 Aa3	2,680	-	-	-	-	-	2,680	-
A1 至 A3	4,363	80	-	-	-	-	4,363	80
Baa1 至 Baa3	2,464	21	-	-	-	-	2,464	21
Baa3 以下	1,223	17	524	12	-	-	1,747	29
無評級	5,433	61	-	-	-	-	5,433	61
賬面值總額	16,163	179	524	12	-	-	16,687	191
減值準備	(97)	(1)	(44)	(1)	-	-	(141)	(2)
賬面值	16,066	178	480	11	-	-	16,546	189

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2022								
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
按通過其他全面收益以反映 公平價值計量的債務投資證券									
Aaa	8,305	9	-	-	-	-	8,305	9	
Aa1 至 Aa3	19,120	12	-	-	-	-	19,120	12	
A1 至 A3	59,016	733	-	-	-	-	59,016	733	
Baa1 至 Baa3	38,932	430	285	4	-	-	39,217	434	
Baa3 以下	78	1	-	-	-	-	78	1	
無評級	3,214	37	-	-	-	-	3,214	37	
賬面值總額—按公平價值	128,665	1,222	285	4	-	-	128,950	1,226	
包括減值準備	(218)	(2)	(13)	-	-	-	(231)	(2)	
按通過其他全面收益以反映 公平價值計量的債務投資證券 分類為持有作出售資產									
Aaa	-	-	-	-	-	-	-	-	
Aa1 至 Aa3	203	2	-	-	-	-	203	2	
A1 至 A3	837	6	-	-	-	-	837	6	
Baa1 至 Baa3	476	5	17	-	-	-	493	5	
Baa3 以下	-	-	-	-	-	-	-	-	
無評級	-	-	-	-	-	-	-	-	
賬面值總額—按公平價值	1,516	13	17	-	-	-	1,533	13	
包括減值準備	(3)	-	(3)	-	-	-	(6)	-	

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	31/12/2021								
	12個月內之 預期信貸損失		非信貸不良的 合約期內之 預期信貸損失		信貸不良的 合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
按通過其他全面收益以反映 公平價值計量的債務投資證券									
Aaa	7,261	9	-	-	-	-	7,261	9	
Aa1 至 Aa3	20,891	6	-	-	-	-	20,891	6	
A1 至 A3	57,540	830	-	-	-	-	57,540	830	
Baa1 至 Baa3	35,530	343	159	2	-	-	35,689	345	
Baa3 以下	80	1	15	-	-	-	95	1	
無評級	3,336	36	-	-	-	-	3,336	36	
賬面值總額—按公平價值	124,638	1,225	174	2	-	-	124,812	1,227	
包括減值準備	(184)	(2)	(2)	-	-	-	(186)	(2)	
按通過其他全面收益以反映 公平價值計量的債務投資證券 分類為持有作出售資產									
Aaa	-	-	-	-	-	-	-	-	
Aa1 至 Aa3	19	-	-	-	-	-	19	-	
A1 至 A3	665	4	-	-	-	-	665	4	
Baa1 至 Baa3	628	5	-	-	-	-	628	5	
Baa3 以下	-	-	-	-	-	-	-	-	
無評級	538	3	-	-	-	-	538	3	
賬面值總額—按公平價值	1,850	12	-	-	-	-	1,850	12	
包括減值準備	(7)	-	-	-	-	-	(7)	-	

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

下表載列按通過損益以反映公平價值計量的非交易金融資產的信貸分析。

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
債務投資證券		
Aaa	-	-
Aa1 至 Aa3	-	-
A1 至 A3	188	352
Baa1至 Baa3	3,157	3,887
Baa3以下	-	-
無評級	120	126
	<u>3,465</u>	<u>4,365</u>
賬面值總額—按公平價值		
債務投資證券分類為持有作出售資產		
Aaa	-	-
Aa1 至 Aa3	-	-
A1 至 A3	23	-
Baa1至 Baa3	-	26
Baa3以下	-	-
無評級	-	-
	<u>23</u>	<u>26</u>
賬面值總額—按公平價值		

中期財務報表附註(續)

36. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

下表載列作交易用途債務投資證券的信貸分析。

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
債務投資證券		
Aaa	-	-
Aa1 至 Aa3	100	-
A1 至 A3	7	1,632
Baa1至 Baa3	44	-
Baa3以下	-	-
無評級	-	-
	<u>151</u>	<u>1,632</u>
賬面值總額—按公平價值	<u>151</u>	<u>1,632</u>

下表載列由衍生工具資產交易所產生之對手信貸質素分析。

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
衍生工具資產		
Aa1 至 Aa3	5,737	106
A1 至 A3	1,323	700
Baa1至 Baa3	696	920
Baa3以下	-	-
無評級	1,027	1,655
	<u>8,783</u>	<u>3,381</u>
賬面值總額—按公平價值	<u>8,783</u>	<u>3,381</u>

現金及在銀行的結存

於2022年6月30日，本集團持有現金及在銀行的結存為港幣548.19億元(2021年12月31日：港幣550.91億元)。其中，與基於穆迪投資服務評為投資評級或相當的評級的交易對手的結存佔總額的97%(2021年12月31日：98%)。

中期財務報表附註(續)

36. 信貸風險(續)

(b) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至6月30日/12月31日期間交易層面的狀況。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。

	30/6/2022			
	12個月內 之預期 信貸損失	非信貸 不良的合約 期內之預期 信貸損失	信貸 不良的合約 期內之預期 信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
客戶貸款及墊款				
於1月1日的結餘	670	528	3,231	4,429
轉至12個月內之預期信貸損失	46	(46)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(23)	120	(97)	-
轉至信貸不良的合約期內之 預期信貸損失	(6)	(102)	108	-
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 撇銷	214	37	34	285
	-	-	(1,220)	(1,220)
減值準備的重新計量淨額(包括外匯調整)	(196)	304	1,418	1,526
	<u>705</u>	<u>841</u>	<u>3,474</u>	<u>5,020</u>
於6月30日的結餘				
其中：				
就按攤銷成本的客戶貸款及墊款 (附註20(a))	702	838	3,411	4,951
就相關應收應計利息(附註24)	3	3	63	69
	<u>705</u>	<u>841</u>	<u>3,474</u>	<u>5,020</u>

中期財務報表附註(續)

36. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2021			總額 港幣百萬元
	12個月內 之預期 信貸損失 港幣百萬元	非信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	
客戶貸款及墊款				
於1月1日的結餘	849	1,041	3,025	4,915
轉至12個月內之預期信貸損失	150	(150)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(19)	24	(5)	-
轉至信貸不良的合約期內之 預期信貸損失	(10)	(371)	381	-
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 撤銷	(4)	46	(74)	(32)
減值準備的重新計量淨額(包括外匯調整)	(296)	(62)	2,301	1,943
於12月31日的結餘	<u>670</u>	<u>528</u>	<u>3,231</u>	<u>4,429</u>
其中：				
就按攤銷成本的客戶貸款及墊款 (附註20(a))	667	527	3,177	4,371
就相關應收應計利息(附註24)	3	1	54	58
	<u>670</u>	<u>528</u>	<u>3,231</u>	<u>4,429</u>

中期財務報表附註(續)

36. 信貸風險(續)

(b) 減值準備對賬(續)

	30/6/2022			總額 港幣百萬元
	12個月內 之預期 信貸損失 港幣百萬元	非信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	
債務投資證券				
於1月1日的結餘	284	47	-	331
轉至12個月內之預期信貸損失	2	(2)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(13)	13	-	-
轉至信貸不良的合約期內之 預期信貸損失	-	(13)	13	-
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	38	-	-	38
撤銷	-	-	-	-
減值準備的重新計量淨額(包括外匯調整)	(10)	70	55	115
於6月30日的結餘	<u>301</u>	<u>115</u>	<u>68</u>	<u>484</u>
其中：				
就按攤銷成本計量的債務投資證券	80	100	65	245
就相關應收應計利息(附註24)	1	2	3	6
	<u>81</u>	<u>102</u>	<u>68</u>	<u>251</u>
就按通過其他全面收益以反映 公平價值計量的債務投資證券	218	13	-	231
就相關應收應計利息	2	-	-	2
	<u>220</u>	<u>13</u>	<u>-</u>	<u>233</u>

中期財務報表附註(續)

36. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2021			總額 港幣百萬元
	12個月內 之預期 信貸損失 港幣百萬元	非信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	
債務投資證券				
於1月1日的結餘	273	–	–	273
轉至12個月內之預期信貸損失	–	–	–	–
轉至非信貸不良的合約期內之 預期信貸損失	(6)	6	–	–
轉至信貸不良的合約期內之 預期信貸損失	–	–	–	–
源生或購入之新金融資產、 撤銷確認資產、還款及進一步投資 撤銷	(27)	26	–	(1)
減值準備的重新計量淨額(包括外匯調整)	51	15	–	66
轉至持有作出售資產	(7)	–	–	(7)
	<u>284</u>	<u>47</u>	<u>–</u>	<u>331</u>
其中：				
就按攤銷成本計量的債務投資證券	97	44	–	141
就相關應收應計利息(附註24)	1	1	–	2
	<u>98</u>	<u>45</u>	<u>–</u>	<u>143</u>
就按通過其他全面收益以反映 公平價值計量的債務投資證券	184	2	–	186
就相關應收應計利息	2	–	–	2
	<u>186</u>	<u>2</u>	<u>–</u>	<u>188</u>

按通過其他全面收益以反映公平價值計量的債務證券的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值計量的債務投資證券的賬面值是其公平價值。

中期財務報表附註(續)

36. 信貸風險(續)

(b) 減值準備對賬(續)

	30/6/2022			總額 港幣百萬元
	12個月內 之預期 信貸損失 港幣百萬元	非信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	
其他				
於1月1日的結餘	143	24	85	252
轉至12個月內之預期信貸損失	1	(1)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(1)	1	-	-
轉至信貸不良的合約期內之 預期信貸損失	-	(7)	7	-
源生或購入之新金融資產、 撤銷確認資產及還款	1	(6)	9	4
撤銷	-	-	-	-
減值準備的重新計量淨額(包括外匯調整)	(11)	115	38	142
於6月30日的結餘	133	126	139	398
其中：				
就通過其他全面收益以反映 公平價值計量的貿易票據	-	-	-	-
就相關應收應計利息	-	-	-	-
	-	-	-	-
就按攤銷成本計量的貿易票據 (附註18)	-	-	-	-
就相關應收應計利息	-	-	-	-
	-	-	-	-
就在銀行的存款及墊款(附註17)	1	-	-	1
就相關應收應計利息	-	-	-	-
	1	-	-	1
就現金及在銀行的結存(附註16)	2	-	-	2
就相關應收應計利息	-	-	-	-
	2	-	-	2
就貸款承擔和財務擔保合約(附註27)	125	126	64	315
就應收賬款及其他賬項(應收應計 利息除外)(附註24)	5	-	75	80

中期財務報表附註(續)

36. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2021			
	12個月內 之預期 信貸損失 港幣百萬元	非信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	信貸 不良的合約 期內之預期 信貸損失 港幣百萬元	總額 港幣百萬元
其他				
於1月1日的結餘	89	19	121	229
轉至12個月內之預期信貸損失	2	(2)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	-	-	-	-
轉至信貸不良的合約期內之 預期信貸損失	-	-	-	-
源生或購入之新金融資產、 撤銷確認資產及還款	(14)	1	(1)	(14)
撤銷	-	-	(124)	(124)
減值準備的重新計量淨額(包括外匯調整)	66	6	89	161
於12月31日的結餘	143	24	85	252
其中：				
就通過其他全面收益以反映 公平價值計量的貿易票據	2	-	-	2
就相關應收應計利息	-	-	-	-
	2	-	-	2
就按攤銷成本計量的貿易票據 (附註18)	-	-	-	-
就相關應收應計利息	-	-	-	-
	-	-	-	-
就在銀行的存款及墊款(附註17)	1	-	-	1
就相關應收應計利息	-	-	-	-
	1	-	-	1
就現金及在銀行的結存(附註16)	3	-	-	3
就相關應收應計利息	-	-	-	-
	3	-	-	3
就貸款承擔和財務擔保合約(附註27)	133	24	17	174
就應收賬款及其他賬項(應收應計 利息除外)(附註24)	4	-	68	72

按通過其他全面收益以反映公平價值計量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計量的貿易票據的賬面值是其公平價值。

中期財務報表附註(續)

37. 資產負債表以外的風險

(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，每項或然負債及承擔及信貸風險加權金額的主要類別摘要如下：

	30/6/2022 港幣百萬元	31/12/2021 港幣百萬元
或然負債的合約金額		
直接信貸代替品	3,371	4,664
與交易有關的或然項目	3,401	4,295
與貿易有關的或然項目	7,774	5,046
	<u>14,546</u>	<u>14,005</u>
承擔的合約金額		
可無條件取消而毋須事先通知的承擔	259,185	232,146
其他承擔的原到期日		
- 1年或以下	2,803	3,145
- 1年以上	31,060	28,914
	<u>293,048</u>	<u>264,205</u>
總額	<u>307,594</u>	<u>278,210</u>
信貸風險加權金額	<u>21,772</u>	<u>21,412</u>

(b) 衍生工具

衍生工具之公平價值

資產		
匯率合約	1,996	1,207
利率合約	6,507	1,764
股份合約	280	410
	<u>8,783</u>	<u>3,381</u>
負債		
匯率合約	1,378	1,174
利率合約	1,997	3,548
股份合約	276	328
	<u>3,651</u>	<u>5,050</u>
衍生工具的名義金額		
匯率合約	312,460	291,721
利率合約	343,118	403,558
股份合約	7,033	8,370
	<u>662,611</u>	<u>703,649</u>

中期財務報表附註(續)

37. 資產負債表以外的風險(續)

(c) 資本承擔

於6月30日及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：

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
已核准支出並已簽約	307	285
已核准支出但未簽約	162	171
	<u>469</u>	<u>456</u>

(d) 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。

38. 關聯人士的重大交易

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，包括支付予本行董事及若干最高薪酬僱員的金額如下：

	30/6/2022	30/6/2021
	港幣百萬元	港幣百萬元
短期僱員福利	78	83
僱員退休福利	4	4
股份補償福利	11	10
	<u>93</u>	<u>97</u>

38. 關聯人士的重大交易(續)

- (b) 本集團為其職員提供若干退休保障計劃。截至2022年6月30日止6個月，本集團對該等計劃的供款總額為港幣9,900萬元(截至2021年6月30日止6個月：港幣1.06億元)。

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。

截至2022年6月30日止6個月，本集團從關聯人士所收取與支付予他們的利息，及於2022年6月30日關聯人士的欠款及欠關聯人士的款項，及截至2022年6月30日止6個月關聯人士的最高欠款及欠關聯人士的最高款項總額總結如下：

	主要管理人員		聯營公司		有重大影響力之股東	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
利息收入	10	8	43	34	-	-
利息支出	6	5	-	-	-	-
關聯人士的欠款	972	735	1,665	1,623	2,197	3,409
欠關聯人士的款項	2,144	2,386	183	32	40	135
關聯人士的最高欠款	2,030	1,107	1,792	1,950	8,259	6,125
欠關聯人士的 最高款項	3,893	3,976	390	251	244	1,003
給予信貸承諾	548	1,286	1,703	1,009	-	-

中期財務報表附註(續)

39. 綜合基準

除特別說明外，此中期報告所載的財務資料是按用作會計用途之綜合基準編製。

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

於報告日已包括在綜合財務報表內的附屬公司列示如下：

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
承悅有限公司	投資控股	320	320
* 東亞銀行(信託)有限公司	信託服務	224	203
BC (BVI) Holdings Limited	投資控股	16	16
BEA Consortium GS Investors L.P.	出任有限責任合夥人用作投資 私募基金	17	17
東亞保險代理有限公司	保險代理	—	—
東亞聯豐投資管理有限公司	資產管理	536	475
東亞聯豐投資管理(深圳) 有限公司	資產管理／投資管理	6	4
Blue Care (BVI) Holdings Limited	投資控股	16	16
Blue Care JV (BVI) Holdings Limited	投資控股	20	16
寶康醫療服務有限公司	醫療服務	50	42
藍十字(亞太)保險有限公司	保險	2,301	651
匯中興業有限公司	物業投資	764	648
階潤有限公司	投資控股	86	86
Citiview Capital Limited	普通合夥人及有限責任合夥人	1	1
Corona Light Limited	投資控股	930	930
* 領達財務有限公司	放債人	686	686

中期財務報表附註(續)

39. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Crystal Gleaming Limited	投資控股	930	930
卓領控股有限公司	投資控股	1,127	1,127
EA Securities Limited	投資控股	–	(63)
* 東亞數據信息服務(廣東)有限公司	服務	243	189
* 東亞設施管理有限公司	設施管理	23	8
East Asia Financial Services (BVI) Ltd.	投資控股	–	–
東亞期貨有限公司	期貨及期權交易	58	58
* East Asia Holding Company, Inc.	銀行控股公司	633	616
East Asia Indonesian Holdings Limited	投資控股	2	1
East Asia International Trustees Holdings (BVI) Limited	投資控股	10	10
East Asia International Trustees Limited	信託服務	43	42
* East Asia Properties (US), Inc.	資金支持	14	12
東亞物業控股有限公司	投資控股	–	(32)
東亞物業代理有限公司	物業代理	9	8
東亞前海控股有限公司	投資控股	215	215
東亞秘書有限公司	秘書服務	–	–
東亞證券有限公司	證券買賣	1,382	995
* 東亞服務(控股)有限公司	控股公司	23	–
Golden Empire International Inc.	物業投資	1	1
Leader One Limited	投資控股	1	1
Manchester Property Holdings Ltd.	物業控股	30	16
君騰香港控股有限公司	投資控股	77	77

中期財務報表附註(續)

39. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Red Phoenix Limited	汽車租賃	4	4
Shaftesbury Property Holdings Limited	投資控股	50	50
Shaftesbury Property Investments Limited	投資控股	34	34
上海領偕商務諮詢有限公司	商業資訊諮詢及 企業管理諮詢	212	211
Silver River International Limited	出任普通合夥人及 有限責任合夥人	7	7
Skyray Holdings Limited	投資控股	450	450
Speedfull Limited	投資控股	450	450
*/# 東亞銀行(中國)有限公司	銀行及有關的金融服務	253,384	25,837
東亞銀行受託代管有限公司	受託代管服務	—	—
The Bank of East Asia (Nominees) Private Limited	信託、代理及託管服務	—	—
Travelsafe Limited	正撤銷註冊	—	—
明康醫療香港有限公司	醫療服務	27	(11)
United Chinese (Nominee) Limited	正撤銷註冊	—	—

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

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

中期財務報表附註(續)

40. 比較數字

若干2021年的比較數字經已重報以符合本期的呈報方式。請參閱附註5及附註29中所述的重報影響。

41. 符合指引

此中期財務報表經已按照有關《上市規則》的披露規定，包括符合香港會計師公會頒布《香港會計準則》第34號「中期財務報告」而編製。此中期財務報表已於2022年8月18日獲授權發布。

本中期財務報告包括簡略綜合財務報表及選定的若干附註。當中包括載有對瞭解本集團自2021年年度財務報表以來的財務狀況及表現的變化具有重要意義的事件及交易的闡釋。此簡略綜合中期財務報表及附註並未包括根據《香港財務報告準則》編製的整套財務報表所需的所有資料。

銀行業披露報表(即補充財務資料的附註E所載)以及此中期財務報表所列載的披露資料，亦已根據金管局所頒布的《銀行業(披露)規則》及《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之要求作披露。

42. 持有作出售資產

持有作出售之資產及負債，並撇銷與本集團屬下業務公司之間的交易摘要如下：

	<u>30/6/2022</u>	<u>31/12/2021</u>
	港幣百萬元	港幣百萬元
持有作出售資產(附註24)		
持有作出售的組別(註)	2,031	2,232
其他物業	31	32
	<u>2,062</u>	<u>2,264</u>
持有作出售負債(附註27)		
持有作出售的組別(註)	<u>1,658</u>	<u>1,637</u>

註： 包括藍十字(亞太)保險有限公司

中期財務報表附註(續)

42. 持有作出售資產(續)

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：

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
資產		
現金及在銀行的結存	3	3
投資證券	1,596	1,926
固定資產	39	34
— 投資物業	—	—
— 其他物業及設備	38	33
— 使用權資產	1	1
商譽	14	14
其他資產	379	255
持有作出售資產	<u>2,031</u>	<u>2,232</u>
負債		
本期稅項	—	4
遞延稅項負債	3	5
其他負債	1,655	1,628
持有作出售負債	<u>1,658</u>	<u>1,637</u>

於2022年6月30日，可歸屬於本集團之出售組合的股東權益總額為港幣6.78億元(2021年12月31日：港幣7.70億元)。

投資證券

	30/6/2022			
	強制按通過	按通過其他	按攤銷	總額
	損益以反映公平	全面收益以反映	成本計量	總額
	價值計量	公平價值計量	成本計量	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
持有存款證	—	638	—	638
債務證券	23	895	—	918
股份證券	40	—	—	40
	<u>63</u>	<u>1,533</u>	<u>—</u>	<u>1,596</u>
	31/12/2021			
	強制按通過	按通過其他	按攤銷	總額
	損益以反映公平	全面收益以反映	成本計量	總額
	價值計量	公平價值計量	成本計量	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
持有存款證	—	690	—	690
債務證券	26	1,160	—	1,186
股份證券	50	—	—	50
	<u>76</u>	<u>1,850</u>	<u>—</u>	<u>1,926</u>

中期財務報表附註(續)

42. 持有作出售資產(續)

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：

	30/6/2022	30/6/2021
	港幣百萬元	港幣百萬元
確認在其他全面收益內之累計收入	<u>(172)</u>	<u>(525)</u>

43. 銀行同業拆借利率風險

下表載列截至報告期期末的參考利率基準而又尚未過渡至替代基準利率的金融工具之餘額，並不包括將在過渡日之前到期的金融工具。金融資產和負債的金額以賬面值總額列示，而衍生工具則以名義金額列示。

	30/6/2022			
	賬面值總額／名義金額			
	美元倫敦銀行 同業拆借利率	英鎊倫敦銀行 同業拆借利率	新加坡元 掉期利率	新加坡銀行 同業拆借利率
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
資產				
客戶貸款及墊款	41,197	95	2,494	6,086
在銀行的存款及墊款	4,530	-	-	-
已持有可轉讓債務工具，包括可轉讓存款證	<u>78</u>	<u>-</u>	<u>-</u>	<u>-</u>
資產總額	<u>45,805</u>	<u>95</u>	<u>2,494</u>	<u>6,086</u>
負債				
已發行存款證及債務證券	<u>2,730</u>	<u>-</u>	<u>-</u>	<u>-</u>
負債總額	<u>2,730</u>	<u>-</u>	<u>-</u>	<u>-</u>
衍生工具				
利率掉期	58,339	-	-	-
交叉貨幣掉期	2,820	-	-	-
其他衍生工具	<u>157</u>	<u>-</u>	<u>-</u>	<u>-</u>
衍生工具總額	<u>61,316</u>	<u>-</u>	<u>-</u>	<u>-</u>

本集團的公平價值對沖會計關係在銀行同業拆借利率的預期終止日後到期。於釐定何時能解決因銀行同業拆借利率改革所引起的不確定因素，並停止應用有關豁免，須運用重大判斷。於2022年6月30日，本集團認為有關衍生對沖工具何時以及如何進行替代仍存在不確定性，故此，有關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。

中期財務報表附註(續)

43. 銀行同業拆借利率風險(續)

於2022年6月30日，下表載列了與銀行同業拆借利率相關的按公平價值對沖會計關係指定的衍生工具，但不包括將在過渡日之前到期的衍生工具：

	30/6/2022	
	指定名義金額	加權平均 承擔年期
	港幣百萬元	
利率掉期		
美元倫敦銀行同業拆借利率	49,397	4.86

補充財務資料(未經審核)

A. 資本充足

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
股本基礎		
– 普通股權一級資本	81,321	86,487
– 額外一級資本	10,090	13,968
	<hr/>	<hr/>
– 一級資本總額	91,411	100,455
– 二級資本	13,165	9,262
	<hr/>	<hr/>
– 資本總額	<u>104,576</u>	<u>109,717</u>
風險加權資產類別		
– 信貸風險	482,978	467,566
– 市場風險	7,082	11,788
– 營運風險	29,950	31,054
	<hr/>	<hr/>
	520,010	510,408
減：扣除	(2,953)	(3,099)
	<hr/>	<hr/>
	<u>517,057</u>	<u>507,309</u>
	<hr/>	<hr/>
	30/6/2022	31/12/2021
	百分率	百分率
普通股權一級資本比率	15.7	17.0
一級資本比率	17.7	19.8
總資本比率	20.2	21.6

資本充足比率乃根據金管局所頒布的《資本規則》計算。根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關維持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定經計算後從一級及二級資本中扣除。

補充財務資料(未經審核)(續)

A. 資本充足(續)

包括在用作監管用途的綜合基礎之主要附屬公司已於中期報告之附註39列示。

本集團之附屬公司在多個國家及地區營運而其資本乃受當地法則約束，可能在轉移受規管資本及在銀行集團成員間的資金調配方面存在某些限制。

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，本集團已在本行網站內設立了一個章節。有關本集團的監管資本工具及其他披露資料，可瀏覽本行網站 www.hkbea.com 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。

B. 槓桿比率

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
一級資本總額	91,411	100,455
風險承擔計量	953,153	941,722
	30/6/2022	31/12/2021
	百分率	百分率
槓桿比率	9.6	10.7

槓桿比率之披露是由2015年3月31日起生效，其計算按金管局《資本規則》第3C條頒布的通知內所指定的綜合基準。有關披露資料可瀏覽本行網站 www.hkbea.com 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。

C. 流動性狀況

流動性覆蓋比率

	30/6/2022	31/12/2021
	百分率	百分率
平均流動性覆蓋比率		
— 第一季度	184.3	189.4
— 第二季度	187.5	177.3
— 第三季度	不適用	180.9
— 第四季度	不適用	182.4

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。

本行持有以港幣計價的一級優質流動資產不少於以港幣計價的淨現金流出總額的20%。按各綜合層級的流動性覆蓋比率並沒有重大的貨幣錯配。

補充財務資料(未經審核)(續)

C. 流動性狀況(續)

穩定資金淨額比率

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
可用穩定資金總額	561,199	562,512
所需穩定資金總額	493,241	486,536
	30/6/2022	31/12/2021
	百分率	百分率
穩定資金淨額比率	113.8	115.6

穩定資金淨額比率是根據由2018年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html 的直接連繫。

D. 逾期、經重組及收回資產

(a) 逾期及經重組客戶墊款

	30/6/2022		31/12/2021	
	港幣百萬元	佔客戶 墊款總額 的百分比	港幣百萬元	佔客戶 墊款總額 的百分比
逾期客戶墊款				
– 3個月以上至6個月	1,012	0.2	948	0.2
– 6個月以上至1年	1,054	0.2	1,014	0.2
– 1年以上	406	0.1	489	0.1
	2,472	0.5	2,451	0.5
經重組客戶墊款	1,173	0.2	262	0.0
逾期及經重組墊款總額	3,645	0.7	2,713	0.5
逾期墊款涵蓋部份	1,708	0.3	1,932	0.4
逾期墊款非涵蓋部份	764	0.2	519	0.1
逾期墊款涵蓋部份之抵押品市值	4,109		3,518	
逾期3個月以上墊款的特殊準備	1,148		1,310	

補充財務資料(未經審核)(續)

D. 逾期、經重組及收回資產(續)

(a) 逾期及經重組客戶墊款(續)

有明確到期日之貸款及墊款，若其本金或利息已逾期，並於期結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於期結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

可視作合格抵押品的資產須符合下列條件：

- (a) 該資產的市值是可即時決定的或是可合理地確定及證實的；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表／債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

補充財務資料(未經審核)(續)

D. 逾期、經重組及收回資產(續)

(b) 逾期及經重組銀行墊款

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
逾期銀行墊款		
– 3個月以上至6個月	–	–
– 6個月以上至1年	–	–
– 1年以上	–	–
	–	–
經重組銀行墊款	–	–
逾期及經重組墊款總額	–	–

(c) 其他逾期及經重組資產

	30/6/2022		
	應計利息	債務證券	其他資產*
	港幣百萬元	港幣百萬元	港幣百萬元
其他逾期資產			
– 3個月以上至6個月	18	116	–
– 6個月以上至1年	21	–	–
– 1年以上	37	–	–
	76	116	–
經重組資產	15	–	–
其他逾期及經重組資產總額	91	116	–
逾期3個月以上其他資產的特殊準備	–	58	–
	31/12/2021		
	應計利息	債務證券	其他資產*
	港幣百萬元	港幣百萬元	港幣百萬元
其他逾期資產			
– 3個月以上至6個月	13	–	–
– 6個月以上至1年	17	–	–
– 1年以上	36	–	–
	66	–	–
經重組資產	3	–	–
其他逾期及經重組資產總額	69	–	–
逾期3個月以上其他資產的特殊準備	–	–	–

* 其他資產是指貿易票據及應收款項。

補充財務資料(未經審核)(續)

D. 逾期、經重組及收回資產(續)

(d) 收回資產

	30/6/2022	31/12/2021
	港幣百萬元	港幣百萬元
收回土地及建築物(註)	136	195
收回汽車及設備	-	-
收回機器	-	-
收回資產總額	<u>136</u>	<u>195</u>

此等金額指於2022年6月30日及2021年12月31日收回資產的估計市值。

註：結餘中包括港幣2,600萬元(2021年12月31日：港幣1,400萬元)已簽約出售但仍未成交的物業。

E. 銀行業披露報表

本期的額外資料披露是根據《銀行業(披露)規則》、《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站www.hkbea.com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。

獨立審閱報告



致東亞銀行有限公司董事會

引言

我們已審閱 貴集團列載於第109頁至第175頁的中期財務報告，此中期財務報告包括於2022年6月30日的綜合財務狀況表與截至該日止6個月期間有關的綜合收益表、綜合全面收益表、綜合權益變動表和簡略綜合現金流量表以及附註解釋。根據《上市規則》，上市公司必須符合《上市規則》中的相關規定和香港會計師公會頒布的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

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

審閱範圍

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

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2022年6月30日的中期財務報告在所有重大方面沒有按照《香港會計準則》第34號「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

2022年8月18日

中期股息

董事會宣布派發截至2022年6月30日止6個月的中期股息每股港幣0.16元（「2022中期股息」）（2021中期股息：每股港幣0.35元）。此2022中期股息將約於2022年9月30日（星期五）以現金派發予於2022年9月8日（星期四）辦公時間結束時在本行股東名冊上已登記的股東，股東亦可選擇收取已繳足股款的新股以代替現金（「以股代息計劃」）。在計算股東在以股代息計劃下所應獲發給的新股份數目時，新股份的市值將按股份在聯交所於2022年9月2日（星期五）（股份除息後首個交易日）至2022年9月8日（星期四）（包括首尾兩天）的平均收市價計算。以股代息計劃的詳情將連同有關選擇表格約於2022年9月8日（星期四）寄予各股東。

以股代息計劃須待聯交所批准所發行的新股上市及買賣方可作實。有關的股息單和以股代息的股票將約於2022年9月30日（星期五）以平郵寄予股東。

暫停辦理股票過戶登記日期

本行將由2022年9月6日（星期二）至2022年9月8日（星期四）（包括首尾兩天）暫停辦理股票過戶登記。如欲享有2022中期股息，股東須於2022年9月5日（星期一）下午4時前，將過戶文件連同有關股票送達卓佳標準有限公司，地址為香港夏慤道16號遠東金融中心17樓辦理登記手續。

擬進行場內股份回購

本行擬根據於2022年5月6日舉行的2022年股東周年常會上股東授予董事會的一般性授權，進行場內股份回購，金額不超過港幣5億元，視乎當前的市場情況而定。

財務回顧

財務表現

於2022年首6個月，東亞銀行集團錄得可歸屬於本集團股東溢利達港幣14.99億元，較去年同期錄得的港幣26.71億元減少43.9%。

應佔溢利減少，主要是香港及內地業務的減值損失大幅增加所致。內地房地產行業持續受困，導致若干規模較大的客戶被降級，而本行已為相關風險作出合適的撥備。

2022年上半年的每股基本盈利為港幣0.39元，而2021年同期則為港幣0.78元。

年化平均資產回報率下降至0.2%，而年化平均股東權益回報率則下降至2.2%。

本集團的淨利息收入增加港幣3.07億元，或5.6%，至港幣58.30億元，賺取利息之平均資產增加2.4%。在利率上升的環境下，淨息差由1.38%擴闊至1.42%。

服務費及佣金收入淨額減少6.5%，至港幣14.40億元。投資情緒受到新冠變種病毒擴散及宏觀環境的影響，導致來自投資產品銷售及證券經紀的佣金收入淨額減少。而來自銀行保險的增長，抵銷了部分減幅。

保險業務淨溢利較2021年上半年有所下跌，主要是由於2021年9月出售東亞人壽保險有限公司所致。

交易及對沖淨額，以及其他金融工具的淨表現下跌港幣2.65億元，或32.8%，至港幣5.41億元。非利息收入下跌20.9%，至港幣22.88億元。

整體而言，經營收入總額下跌3.5%，至港幣81.18億元。

經營支出總額減少港幣2.41億元，或5.2%，至港幣44.06億元。2022年上半年的成本對收入比率為54.3%，而2021年上半年則為55.2%。

金融工具之減值損失由2021年上半年的港幣5.81億元增至2022年上半年的港幣21.36億元。本集團的減值貸款比率由2021年12月底的1.09%，上升至2022年6月底的1.58%。香港業務的減值貸款比率由1.09%上升至1.76%，而內地業務的減值貸款比率則由1.54%上升至2.12%。

扣除減值損失後之經營溢利為港幣15.76億元，減少港幣16.11億元，或50.6%。

集團應佔聯營公司及合資企業之除稅後溢利減虧損，較去年同期增加港幣6,100萬元，至溢利港幣1.90億元。

經計及所得稅後，溢利跌至港幣15.10億元，較2021年上半年錄得的港幣26.97億元下跌44.0%。

財務狀況

於2022年6月底，本集團綜合資產總額達港幣9,082.11億元，較2021年底的港幣9,074.70億元微升0.1%。

客戶墊款總額微升0.5%，至港幣5,513.72億元。

可歸屬於本集團股東權益總額下跌5.7%，至港幣959.68億元。於報告期內，本行以總代價港幣29.04億元完成較早前已公布的場外股份回購交易。

客戶存款總額上升1.7%，至港幣6,445.64億元。其中，活期存款和往來存款賬戶結餘減少港幣101.57億元，或12.8%；儲蓄存款減少港幣116.81億元，或5.9%；而定期存款則增加港幣328.97億元，或9.2%。包括客戶存款及所有已發行存款證的存款總額則下跌0.9%，至港幣6,912.21億元。

於2022年6月底，貸款對存款比率為79.8%，而2021年底則為78.6%。

於2022年6月30日，總資本比率、一級資本比率及普通股權一級資本比率分別為20.2%、17.7%及15.7%。截至2022年6月30日止季度的平均流動性覆蓋比率為187.5%，遠高於100%的法定下限。

業務回顧

經濟回顧

受俄烏衝突、2019冠狀病毒疫情肆虐和相關防疫措施影響，導致供應鏈瓶頸和通脹壓力急升，推動貨幣政策環境急劇改變，為全球經濟前景增添不明朗因素。

據世界銀行6月的預測，2022年全球經濟增長料達2.9%，較1月預測低1.2個百分點，並警告滯脹風險正在升溫。在今年餘下時間，發達經濟體的通脹水平將持續高企，故即使經濟增長漸趨放緩，預期各大央行將繼續上調政策利率以紓緩通脹壓力。

2022年3月至7月，美國聯儲局將聯邦基金利率的目標區間上調225個基點，遠超年初的市場預期。此外，英倫銀行於本輪加息週期至今亦上調基準利率150個基點至1.75%。各大央行收緊貨幣政策，將導致借貸成本上升，加劇金融和資產市場波動，對消費者及營商情緒產生負面影響。

香港經濟遭遇第五波疫情的重大衝擊，2022年上半年錄得2.6%按年收縮。失業率曾上升至5%以上，其中零售、住宿及飲食服務業等行業的失業率更高。在第五波疫情於3月中旬見頂後，受到社交距離措施逐步放寬，及特區政府推出新一輪消費券所支持，經濟及消費活動正逐步復甦。

展望未來，2022年(第二階段)消費券計劃於8月開始發放，預期本地消費將成為香港經濟復甦的主要動力。儘管如此，整體增長的步伐仍取決於疫情及相關防疫措施的變化，以至跨境活動能否於今年稍後時間逐漸恢復等。

此外，全球主要央行正加快收緊貨幣政策，加上地緣政治局勢升溫，將繼續為香港的外圍環境帶來不明朗因素。利率上升的壓力則難免會令金融及房地產市場的情緒受壓。特區政府預測2022年香港經濟增長將介乎-0.5%至0.5%，通脹則料保持溫和。

2022年上半年，中國內地經濟受到地區性疫情反覆及防疫措施的影響。鑑於內地當局對變種病毒採用嚴格防控，小型社區爆發亦會對經濟活動造成影響。

在連續三個月錄得下跌後，6月零售銷售額按年上升3.1%。工業生產於4月份錄得2.9%按年下跌後，5月和6月分別溫和回升0.7%及3.9%。上半年固定資產投資則按年增長6.1%。

在今年餘下時間，中國內地料將進一步加大政策支持，以及更有針對性地管控疫情，有利於帶動經濟復甦。工業生產和基建投資將在經濟復甦之中發揮更大作用，而消費及服務業的復甦則料將滯後。

未來，內地當局仍會運用財政、貨幣、監管及行業等政策工具以支持經濟增長，日後將進一步聚焦推動其長遠發展規劃，如發展高新科技，以實現更均衡的增長，預期2022年內地經濟增長將略高於4%，通脹壓力將保持溫和。

香港業務

市場情緒低迷，加上內地房地產客戶流動性持續出現問題，對業績表現造成影響。香港業務的除稅前溢利按年下跌63.1%。

內地房地產商還款困難的情況在離岸貸款方面尤為嚴峻。於回顧期內，幾個重要客戶被降級，本行已相應作出適當的撥備。減值損失因此而增加港幣9.49億元至港幣12.07億元。

貸款增長放緩，貸款餘額亦受到本行的風險控制措施以及客戶去槓桿的影響，於回顧期內，香港客戶貸款保持平穩於港幣3,029.98億元，而存款總額則增長3.0%至港幣4,244.12億元。

在極具挑戰的外圍環境下，撥備前經營溢利下跌17.7%。受外圍市場拋售浪潮所影響，本行投資組合的資產估值出現調整，拖累經營收入。然而，本行致力維持業務運作的穩健性，核心收入大致保持平穩。

由於資產收益率上升，淨利息收入按年顯著增長6.4%。淨息差擴闊6基點。在當前利率上升週期之下，本行會繼續深化與客戶的關係，並致力優化資金成本。

香港的社交距離措施令部分零售財富管理業務一度停頓，但服務費及佣金收入淨額仍保持穩定，僅微跌3.7%。由於本行與友邦保險的銀行保險夥伴合作成績理想，銷售第三者發行的保單收入增加，抵銷了貸款及投資活動減少帶來的影響。

東亞銀行推動數碼化及轉型的措施效益逐漸顯現，經營支出得以持平。本行繼續透過精簡營運嚴格控制成本，以支持在科技、數碼及數據能力方面的投資，確保業務與時並進。同時，本行亦增聘前線銷售員工，以配合業務增長。

零售銀行

本行零售銀行業務的淨溢利上升22.7%。成本降低、息差擴闊及持續吸納新客戶，足以彌補第五波疫情下投資活動放緩的影響。

儘管受到市場情緒低迷和防疫限制措施的夾擊—影響尤以第一季度為甚—非利息收入仍然增長3.3%。保險銷售及掛鈎存款收入穩健增長，有助抵銷單位信託基金及股票經紀佣金的跌幅。

在分行暫時關閉期間，流動及網上平台確保本行為客戶提供無間斷服務，令業務動力得以保持。期內，透過流動理財完成的交易宗數按年上升24.6%。

淨息差擴闊，加上貸款和存款平均餘額均按年錄得升幅，帶動淨利息收入上升8.0%。整體而言，經營收入按年增長6.4%。

本行分行優化計劃產生成本協同效益，令經營支出下降7.4%。東亞銀行將繼續優化分行網絡，並推動客戶體驗流程數碼化，以進一步提升效益。

本行致力透過各種渠道為富裕客戶提升服務，帶動有關主要目標客戶群保持良好增長。東亞銀行的高端財富管理服務—「顯卓私人理財」吸納新客戶的成績令人鼓舞，為銀行注入可觀的全新管理資產。「顯卓理財」綜合戶口的客戶人數亦錄得10.3%增長。

展望未來，本行深明年輕客戶群具備龐大市場潛力，並推出全新數碼綜合戶口—BEA GOAL，以迎合年輕客戶追求以手機理財為先的喜好。該戶口的主要特點包括優化的手機開戶程序、虛擬信用卡、數碼支付方案以及先進的基金篩選服務。

批發銀行

鑑於內地房地產行業面臨持續挑戰，本行把若干受影響的客戶降級，並因此就有關客戶的離岸貸款作出大額撥備。批發銀行業務的溢利因而受到拖累。

儘管面臨上述困難，核心業務表現保持穩健，經營收入按年增長14.4%。

由於平均貸款餘額增加及息差按年錄得改善，淨利息收入增長18.3%。非利息收入則持平。本行提供產品支援客戶的對沖策略，以應對波動市況帶來的風險，帶動財資產品銷售收入增長超過一倍，而貿易融資及企業財富管理的收入亦錄得升幅，抵銷債務資本市場費用收入下跌的影響。

本行將於本年度較後時間推出全新企業客戶數碼平台，該項目的前期投資，加上其他一次性開支，導致經營支出有所上升。

重組後的批發銀行處整合了企業貸款、貿易服務、債務資本市場方案及保險等方面的服務能力，以及多元化的服務渠道，讓本行能夠為不同規模的企業提供全面的服務。東亞銀行將繼續提升其環球客戶經理服務模式，確保客戶可享跨地域一致性的無縫服務體驗。同時，本行即將與金融科技公司及可持續發展專家建立合作夥伴關係，進一步擴展增值服務範圍。

財富管理

由於2019冠狀病毒病疫情肆虐、通脹憂慮加劇，以及地緣政治緊張局勢升溫，導致市場大幅波動，投資氣氛疲弱，令私人銀行上半年業務受到影響。由於估值下降，加上客戶減低投資組合風險，投資管理資產及貸款均有所回落。

由於平均貸款餘額減少，淨利息收入下跌6.9%。貸款及存款息差均有改善，抵銷部分跌幅。隨著香港疫情漸趨穩定，新增貸款於第二季度開始回升，下半年業務有望好轉，特別是日後當內地對外全面通關，跨境客戶被壓抑的需求得到釋放，將會為業務帶來動力。

儘管面對嚴峻的市場狀況，非利息收入仍保持穩定。來自基金銷售及股票交易的收入下滑，但被外匯、結構性產品和保險的手續費及佣金增加所抵銷。

整體而言，經營收入錄得4.6%的溫和跌幅。前線員工人數增加25%，令經營支出有所上升。

東亞銀行將繼續為高端客戶加強銷售團隊及服務能力。本行正為私人銀行客戶開發一套全數碼化的全權委託投資組合管理解決方案，有關服務將於年底前推出。

與此同時，為配合零售財富管理業務的發展，本行於5月推出創新的基金組合工具，並會繼續為擅長運用科技的年輕客戶，推出更多嶄新的數碼服務。

保險及強積金服務

若撇除若干金融資產的估值變動，東亞銀行核心保險業務的溢利按年下跌58.0%，跌幅主要由於去年出售東亞人壽保險有限公司後引致人壽保險業務的承保利潤減少。

東亞銀行與友邦保險於2021年7月展開的銀行人壽保險夥伴合作，迄今成績理想。此合作模式充分發揮本行零售網絡的優勢及龐大的客戶群，創造向現有和新客戶交叉銷售的機會。

於2022年3月，東亞銀行擴展與友邦保險的夥伴合作範圍至一般保險，並宣佈向友邦保險出售藍十字的全部股權，以及寶康醫療服務有限公司的80%股權，預計交易將於本年度第三季完成。作為該項交易的一部分，藍十字將向東亞銀行香港的個人銀行客戶群獨家銷售非人壽保險產品，為期15年。

按強積金管理資產計算，東亞銀行繼續成為香港十大強積金服務提供者之一。於2022年6月底，東亞銀行旗下強積金計劃的成員總數已增至861,000名。成員受惠於本行廣泛推行數碼化帶來的便利，強積金數碼渠道的使用率已達至91%。東亞銀行亦在強積金行業計劃市場保持領導地位，截至2022年6月市場份額達71%。鑑於香港未來每年投放於基建設施及其他建造工程預算開支龐大，本行將會積極向主要承建商爭取業務機會。

中國內地業務

中國經濟於2022年上半年面對多方面的挑戰，期間國內生產總值錄得2.5%的按年增長，是2020年新冠疫情初次爆發以來最疲弱的表現。疫情持續爆發，加上地緣政治局勢緊張、供應鏈問題以及房地產市場低迷，令經濟活動和消費氣氛受壓。

當局因應疫情發展推出了嚴格的防控措施，包括在多個城市實施不同程度的封控措施，令東亞中國於當地的分行服務受到影響。在上半年困難的經濟環境下，由於貸款減值撥備上升，東亞中國錄得淨利潤港幣200萬元，與去年同期相比大幅下跌。然而，貸款增長的動力得以保持，總貸款組合增長至港幣1,516.41億元，而房地產相關貸款的佔比亦進一步下降。

2022年上半年經營收入總額按年上升1.4%。雖然貸款增長強勁，由於邊際利潤較高的消費貸款平均餘額下跌，令淨息差收窄，淨利息收入與2021年同期持平。非利息收入則主要受惠於美元升值帶來重估收益，以及在準確把握市場機會下，交易收益有所增長。另外，疫情相關的封控措施，加上經濟前景不明朗以及市況波動，令收費服務的需求受到影響。

在批發銀行方面，東亞中國繼續分散及擴大貸款組合。於本年首6個月，東亞中國透過增加向非銀行金融機構、批發及零售企業以及製造業客戶提供貸款，擴展非房地產相關的貸款規模。企業貸款增長主要來自新客戶，其中相當部分為國有企業。此外，本行在推動One Bank策略方面亦取得理想進展，由東亞中國轉介的客戶，為香港及海外業務所帶來的收入，於期內錄得令人鼓舞的增長。東亞中國亦積極掌握綠色金融帶來的新業務機會，綠色貸款增長理想。

整體而言，批發銀行的經營收入較2021年同期錄得平穩增長。批發銀行的淨利息收入按年增長10.4%。東亞中國積極拓展優質客戶，但由於業內競爭激烈以及貸款基準利率下調，導致息差收窄，抵消了貸款規模擴大的部分效益。另一方面，疫情爆發令商業活動大受影響，來自企業銀行的非利息收入有所下跌。

零售銀行方面，2022年上半年來自零售貸款方面的收益較去年同期下跌。然而，自年初以來，邊際利潤較高的互聯網貸款恢復增長，預期將於下半年開始帶來更多收入。

儘管上半年來自財富管理的收入減少，東亞中國透過「跨境理財通」轉介的南向客戶持續增長。同時，與友邦中國的銀行保險夥伴合作，自去年開展以來初步表現令人鼓舞，並預期在未來可為東亞中國的財富管理業務帶來理想的收入貢獻。東亞中國正加倍努力，利用在大灣區的龐大網絡，在區內推廣財富管理及數碼銀行服務，以掌握新的業務機遇。

經營支出按年減少12.8%，至港幣14.83億元。若不包括與信貸無關的港幣1.45億元一次性回撥，經營支出仍減少4.3%，反映本行嚴謹的成本控制措施達到成效。

資產質素方面，減值貸款比率於2022年6月底為2.12%，較2021年12月底上升0.58個百分點。新增不良貸款上升至港幣15.61億元，較去年同期上升59.6%，主要由於若干房地產客戶被降級所致。東亞中國在評估經濟疲弱及房地產市道持續下滑對貸款組合的影響時採取了審慎策略，減值損失因而增加，按年上升211.3%至港幣9.90億元。於上半年，東亞中國主動採取了一系列的措施改善信貸組合，包括要求客戶提早還款及提供更優質的抵押品。未來，東亞中國會繼續積極管理資產質素。

於2022年6月30日，東亞中國在內地營運30間分行及36間支行，網絡覆蓋38個城市。

國際、澳門及台灣業務

於2022年上半年，本行的海外業務表現保持穩健。本行的海外分行在開展新業務時保持審慎態度，並退出前景不明朗的業務關係。

在美元的強勢下，本行若干海外業務受當地貨幣貶值的影響，但今年首6個月仍錄得貸款增長3.5%。資產質素保持良好，於2022年6月底，減值貸款比率改善至0.17%，較2021年12月底的0.35%有所下降。撥備前經營溢利按年增長達27.3%，主要是得益於貸款增長及淨息差的擴闊。

由於借款客戶的財務狀況續有改善，信貸預期損失錄得撥回淨額，帶動除稅後淨溢利上升41.7%至港幣6.2億元。此外，收入增加和成本控制得宜，有助改善成本對收入比率，由上年6月底的39.3%下降至33.6%。

至於個別海外分行方面，英國分行繼續向資產負債表穩健、業務前景良好的客戶提供銀團融資，藉此把業務多元化，使貸款及盈利能力繼續錄得增長。

有賴於貸款增長和盈利能力提升，東亞銀行的美國分行亦錄得穩定的經營業績，同時資產質素保持良好。由於預期聯儲局會持續大幅加息，有機會令經濟陷入衰退，美國分行將專注於選擇性地擴張貸款業務。

至於內地及香港以外的亞洲地區，新加坡及澳門分行在2021年作出調整業務策略及優化網絡後，其撥備前經營溢利和成本對收入比率於2022年上半年均顯著改善。兩間分行繼續專注於成本控制和管理，嚴守財務紀律。鑒於台灣當前的經濟表現欠佳，台灣分行會採取審慎的業務策略，主要集中於當地大型企業，同時著重資產質素，而非力求貸款大幅增長。

本行的海外分行積極參與本行的數碼化轉型，現正加大科技投資以提升客戶體驗及提高營運效率。英國分行針對財務數據管理及分析推出相關的數碼化方案，以提升業務營運。新加坡分行方面，根據其集中於批發銀行業務的調整策略，正優化企業電子網絡銀行平台，透過擴展網上功能，為企業客戶提供更便捷的銀行服務。此外，台灣分行亦正在更換核心銀行系統，以配合最新技術發展，實現流程自動化及提高營運效率。

展望未來，為貫徹本行的One Bank策略，各海外分行將善用其本地專長，與集團內其他業務單位合作，為客戶提供流暢的銀行服務體驗，並進一步增加客戶收益對本行的整體貢獻。

東亞聯豐投資管理有限公司

面對多重市場逆風，東亞聯豐投資管理有限公司(「東亞聯豐投資」)繼續實施嚴格的風險管理程序，致力保障客戶資產。

全球投資者仍然積極擴展在亞洲的投資。東亞聯豐投資憑藉在大中華區股票和中國內地債券方面備受推崇的投資能力，成功獲得多項全新的諮詢委託業務。東亞聯豐投資相信，其堅定不移的亞洲投資策略，加上全面的風險管理程序，仍然會吸引希望在亞洲尋求風險調整回報的客戶。

人力資源

東亞銀行集團於2022年6月30日的僱員人數為8,636人：

	於2022年 6月30日	於2021年 12月31日	於2021年 6月30日
香港	4,965	5,057	5,359
中國內地	3,121	3,211	3,277
澳門及台灣	129	130	140
海外	421	426	439
總計	8,636	8,824	9,215

本行致力建立一個追求進步的企業文化，並積極培育人才，使之成為銀行轉型及可持續增長的主要驅動力。銀行業的未來取決於強大的人才儲備，東亞銀行因而積極招聘畢業生、增聘科技及數據分析相關人才，以及支持中層員工盡展潛能。

近年來，東亞銀行參與多項以年青人為目標的就業計劃，包括金管局「銀行業畢業生培訓計劃」及「金融科技人才培育計劃」。今年，本行進一步加強培育年青人才，個人銀行處、批發銀行處及內部審計處推出了見習人員計劃。上述計劃為畢業生提供有系統的培訓，並讓他們累積工作經驗，給予他們所需的基本知識，以成為未來的客戶經理以及審計、風險及合規專才。

東亞銀行亦投入大量資源，以增強員工在業務中應用科技及數據分析方面的能力。今年年初，本行為分處主管及部門主管級別的高層領袖舉辦數碼領袖虛擬訓練工作坊，打造一支與時並進的領袖團隊，以支持東亞銀行的數碼化策略。東亞銀行亦向各級員工推出一個全新的流動培訓課程－金融科技101，讓他們了解行業的最新發展。這個精心設計的課程讓我們的員工能夠隨時隨地按照自己的日程，透過短單元，以靈活的方式學習金融科技的精髓。作為「金融科技2025」策略的一部分，本行亦將推出一系列數據認知課程，以建立堅實的數據文化，增強數據方面的領導能力。

對於中高層員工，東亞銀行「未來領袖培訓計劃」提供一系列專為高潛質行政人員而設的發展機會，以支持他們的個人成長。今年，東亞銀行將計劃擴大至涵蓋海外分行的高潛質行政人員，進一步強化本行的人才庫及繼任安排。東亞銀行提供持續培訓支持及資助，協助員工取得金管局「銀行專業資歷架構」(ECF)認證。隨著金管局於去年12月推出金融科技專業資歷架構(ECF-FinTech)認證，東亞銀行積極鼓勵相關員工完成所需培訓及取得最新資格。未來數月，本行將進一步加大培訓力度。

本行革新了「銀行文化工作小組」，以加強監察及評估銀行文化建設的進度，並因應於去年進行的員工意見調查中收集的意見，為各分處制訂工作計劃。於2022年，本行把監察人權違規情況納入銀行文化表現指標之中，以便「銀行文化工作小組」審視銀行整體的相關狀況。於2022年第二季，本行推行「好創意大影響」計劃(Bright Ideas, Big Impact Programme)，旨在於本行內營造踴躍發言、推動創新的文化。在首輪計劃中，本行已收集超過二百個意見，可見員工積極地向管理層反映個人或團隊的看法及建議。

本行準備於今年稍後時間推行全面的員工意見調查，比2021年的版本更簡要和優化，以了解員工於過去12個月的感受及蒐集意見。東亞銀行亦將推出更多「跨職級分享會」，讓員工有機會在輕鬆環境與更高層的同事分享、交流、及學習，從而加強管理層與員工的互動。

在加強本行的內部協作之餘，本行亦致力聯繫和關懷社區。於2022年第二季，本行開展「攜手並進」(Join Hands, Reach Further!)計劃，透過鼓勵員工回饋社會，創造一個共同參與及協作的工作環境。本行員工藉著與銀行其他分處的同事合作，參與本行主要社區服務計劃的義工工作，包括BEA Upcycles、BEA Golden Adventures、東亞綠色藝術節(BEA Festival)及其他外展活動，體現了東亞銀行一百多年來一直致力改善民生和強化社區的承諾。

員工及公眾的健康和安全一直是本集團的重要焦點，這在2019冠狀病毒病疫情下尤顯迫切。本行於3月第5波疫情爆發時向全體員工派發快速抗原測試包，讓他們進行自我檢測，並廣泛實施彈性工作安排，包括於不同地點上班或在家工作，更為接種每劑2019冠狀病毒病疫苗的員工提供一天額外假期。隨著疫情漸漸穩定，本行繼續致力營造一個靈活的團隊，提高企業營運的持續性及生產力。

展望

供應鏈受阻、地緣政治局勢緊張、2019冠狀病毒疫情及歐洲軍事衝突下，貿易受到嚴重影響，導致全球經濟迎來新一輪的高通脹。儘管各國央行展開加息週期，為金融市場帶來顯著波動，但2022年上半年發達經濟體的增長及就業表現保持穩健。然而，經濟衰退甚至滯脹的風險依然存在。

與此同時，中國內地實施嚴格的防疫措施及強化對多個行業的監管要求，難免會對消費和生產活動帶來影響，但同時卻有助通脹維持於溫和水平。事實上，中國內地在財政、貨幣及政策方面仍有較大空間以刺激經濟表現。

與過往相比，內地當局推行的政策措施將更具針對性，此舉可避免造成過度寬鬆和外溢效應，惟其效果可能需更長時間，才能逐步浮現。

從上述情況可見，今年餘下時間及2023年內地與全球其他國家的增長路徑或會有所分歧。發達和發展中經濟體將一同受到快速收緊貨幣政策的衝擊，但內地經濟則逐步回復至以投資帶動的增長路徑。儘管目前內地經濟增長速度或較以往為慢，但同樣可以避免以往內地快速擴張時期出現的高通脹情況。

與此同時，疫情亦對香港經濟帶來不利影響，但香港與內地一同維持溫和的通脹壓力。在港元聯繫匯率下，港元利率將跟隨美元上調，但中國內地加大有針對性的政策措施以支持經濟增長，香港料將受惠。

再者，若跨境限制有所放寬，旅遊業料將顯著復甦，加上香港將受益於融入粵港澳大灣區，以至金融業受惠於中概股回流的發展機遇，這些因素均有利於未來香港經濟加快復甦。

過去一年，東亞銀行的發展並沒有停步。本行持續推動數碼轉型，積極管理內地房地產發展商的風險敞口，以及在複雜多變的經濟環境下維持穩健的資產負債表。本行已成為更精簡、更靈活的銀行，專注於風險可控的增長。正當我們管理當前的挑戰時，我們亦做好準備，把握粵港澳大灣區及內地雙循環戰略帶來的機遇。

主要榮譽與獎項－業務

本行於2022年上半年先後獲頒發多個獎項，包括：

- 香港中小型企業總商會之「2022中小企業最佳拍檔金獎」(連續第5年獲獎)；
- 全球品牌雜誌大獎2022之「香港最佳個人銀行品牌」、「香港最佳客戶體驗銀行」及「香港最佳銀行產品－『虛擬卡』」；
- 彭博商業周刊金融機構大獎2022之「年度零售銀行－傑出大獎」、「優質分層客戶服務－傑出大獎」、「客戶服務／顧客關顧－傑出大獎」及「數碼轉型策略－傑出大獎」；及
- 亞洲貨幣私人銀行大獎2022之「香港最佳高淨值客戶私人銀行」及「香港備受推崇的本地私人銀行」。

於2022年上半年，東亞中國獲「中國銀行業協會－2021年銀行業『保障民生』好新聞」獎；藍十字獲10Life頒發「10Life卓越醫療保障自願醫保2022」；而東亞銀行（信託）有限公司則獲得積金評級有限公司之「積金評級2022年度強積金計劃評級及獎項」頒發金級予「東亞（強積金）享惠計劃」。

東亞聯豐投資表現卓越，獲《指標》頒發「2021年度供應商大獎（境內基金）」；「亞洲配置混合型資產－『傑出表現』獎」；「中國股票－『傑出表現』獎」及「亞洲固定收益－『傑出表現』獎」。

風險管理

本集團深明，穩健的風險管理文化是業務成功的基礎。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時，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。

主要風險

本集團面臨一系列可能影響其品牌、營運及財務健康狀況的風險。本集團已識別的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、策略風險、法律風險、合規風險及科技風險。有關主要風險的描述及管理方法載於本行2021年報「風險管理」一節。

主要發展

2019冠狀病毒疫情為本集團帶來了多重挑戰，本集團已為此積極管理相關風險。具體而言，本集團於2022年上半年加強了以下方面的風險管理：

- 本集團已進一步加強特殊資產及信貸監控的主動風險管理，以便識別貸款業務的風險和及時減低風險。除了加強信貸控制，本集團亦針對深受2019冠狀病毒病疫情及烏克蘭衝突影響的高風險行業及貸款業務進行專項審查。
- 持續檢討營運風險管理架構。近期的優化工作包括：透過重組風險類別及監控機制，改革風險控制自我評估計劃、統一管理營運風險事件的標準、進一步加強反欺詐的控制措施，以及強化管理第三方風險的政策及評估方法。為此，我們擴大營運風險計劃，以提升風險事件的分析及監控、溝通及匯報能力。
- 為支持本集團的環境、社會及管治計劃，本集團的環境、社會及管治風險胃納聲明在策略上與本集團的可持續發展願景和使命聲明一致。為了把可持續發展的理念融入所有業務及營運之中，本集團制定了綠色及可持續發展表現掛鈎貸款政策，並加強環境、社會及管治風險評級機制，以便對客戶的環境、社會及管治表現，以及其應對氣候相關風險的能力進行系統性評估。2022年，本集團進一步強化風險管理基礎架構，推出內部綠色金融框架，包含行業政策、綠色及棕色分類標準、及關鍵環境、社會及管治風險指標，以支援客戶過渡至低碳經濟，發展綠色金融，將氣候風險考量納入本集團的策略制定，以及控制本集團面臨的極端氣候事件風險。
- 為配合本集團的自動化舉措及數碼策略，本行已實施新的工作流程系統，並透過採用新技術，以改善日常風險管理程序的效率、資料收集能力、準確性及人手分配。

主要不明朗因素

於2022年上半年，本集團識別出數項新興風險。本集團現時面對的主要不明朗因素及所實施的紓緩措施載列如下。

主要不明朗因素

紓緩措施

宏觀經濟

近幾年，2019冠狀病毒疫情及中美緊張局勢對多個行業構成影響。雖然全球經濟於2021年回升，但今年經濟前景惡化。Omicron變種病毒出現、中國內地各大城市實施社交距離措施、烏克蘭衝突造成的地緣政治緊張局勢、通脹加劇以及迅速變化的全球貨幣環境，皆對市場情緒造成打擊。

2022年上半年，香港經濟因第五波疫情受到影響。復甦情況不一，部分行業表現較其他行業理想。香港地產市場在上半年表現低迷，本地股市亦見波動。在中國內地營運的科技及房地產企業仍然面臨較高的監管風險，而內地房地產行業的流動性風險更持續惡化。信貸風險環境前景則繼續嚴峻。

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。

於信貸風險方面，本行繼續識別潛在不利事件，並設法減輕其對資本充足度及資產質素的影響。有關措施包括：針對深受2019冠狀病毒疫情及烏克蘭衝突影響的貸款加強信貸控制，對面臨高風險的行業進行專項審查，以及就資本充足度及貸款損失撥備進行壓力測試。因應內地房地產行業的流動性及再融資風險帶來的不明朗因素，本集團採取較為穩健做法，密切監察賬目。得益於本集團廣泛多元化的貸款策略，相關行業的整體信貸風險有所減低。本行對內地房地產市場的發展保持警惕，借貸偏好更傾向嚴格挑選，並採納審慎而積極主動的信貸風險管理以控制貸款資產質素。

於市場及利率風險方面，本行繼續評估市場趨勢、管理風險敞口，以及檢討風險承擔策略，並在有需要時就風險敞口制定緩減措施。

合規風險方面，本行繼續密切關注相關制裁機制的進展，並在適當情況下緩解風險。

網絡安全風險

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網絡安全及運作。

本集團多管齊下，應對網絡安全風險並提高網絡抗逆力：

- 委聘外部顧問，並因應相關資訊保安標準及新興風險來評估本集團的網絡安全控制措施，從而識別及實施必要的改進
- 分析各種情報來源，以監察全球面臨的最新網絡威脅，並在分享網絡威脅情報方面推動全行業合作
- 維持適當的事件應對管理流程，包括制定網絡安全保險政策
- 加強網絡及資訊保安培訓計劃，包括定期進行網絡釣魚測試，以提高員工的安全意識，並加強實踐網絡安全

本集團會定期檢討網絡及資訊保安風險，以及相關的監控措施，並於風險委員會會議上向董事進行季度報告

環境、社會及管治風險

氣候變化為銀行業帶來短期和長期風險。「實體風險」是指天氣和氣候相關事件帶來的影響，這或會導致銀行及其客戶的業務和營運中斷。「轉型風險」是指邁向低碳經濟過程中的相關風險，當中涉及應對緩和氣候變化及相關適應措施的政策、法律、技術和市場變化。

為管理環境、社會及管治風險帶來的負面影響，以及提升整個集團的環境、社會及管治意識，本行已：

- 制定綠色及可持續發展表現掛鉤貸款政策
- 優化環境、社會及管治風險清單，以此對信貸申請加強氣候風險評估及篩選
- 進行氣候風險壓力測試，以評估本行對極端氣候事件的抗逆力
- 引入多項環境、社會及管治／氣候風險指標，以積極加強風險監控能力
- 擴大禁止借貸清單，以包括更多會造成重大環境或社會影響的業務活動
- 開始於本集團2021年環境、社會及管治報告中根據氣候相關金融披露專責小組的報告框架披露本行的環境、社會及管治／氣候風險和機遇
- 透過外部和內部活動(包括業界網上研討會、強制性培訓及內部交流)提升員工的環境、社會及管治意識及能力

銀行同業拆借利率過渡

因應全球監管機構決定逐步停止使用倫敦銀行同業拆借利率(「LIBOR」)，轉用無風險利率作為替代參考利率(「ARR」)，瑞士法郎、歐元、英鎊及日圓的LIBOR已於2021年後停止使用。1星期和2個月美元LIBOR亦已停止使用。其他年期的美元LIBOR將於2023年6月後停止使用。隨著IBOR改革項目的完成，本集團已具備交易ARRs及處理IBORs掛鈎過渡至ARRs的能力。

本集團將繼續密切管理及監控IBOR改革所產生的風險，包括但不限於下列風險：

- 為執行IBOR改革而對存續合約作出必要修訂，因而與客戶及市場交易對手溝通所產生的行為風險；
- 因IBOR改革使市場受到干擾，導致本集團及其客戶蒙受財務損失的財務風險；
- 因IBOR流動性減少，可能導致缺乏市場資訊而產生的定價風險；
- 因系統及程序變動而產生的營運風險，以及因IBOR停用而導致付款被中斷的風險；及
- 金融工具過渡至ARR時可能會導致對沖關係錯配，從而引起收益表出現未能預見的波動，當中涉及的對沖關係錯配風險。

有關2022年6月30日尚未過渡至替代基準利率的金融工具，其參考利率基準的進一步詳情載於附註43。

可持續發展

東亞銀行集團致力將可持續發展原則融入業務及營運當中，並管理本行對社會及環境的影響。集團的環境、社會及管治策略框架與管治架構，引領我們推動可持續發展策略和制定目標。2022年，我們與持份者溝通，並將兩項目標列為優先重點，列入本行的績效評核。

首先是設立目標以推動綠色及可持續金融的發展。本集團已就綠色及可持續金融貸款與相關的債券投資佔貸款與投資資產總額的百分比，為旗下業務單位設定目標。相關進度會在東亞銀行的環境、社會及管治督導委員會，以及董事會層面的環境、社會及管治委員會會議上定期匯報。

為支持本行的綠色及可持續金融目標，東亞銀行於2022年2月進一步完善禁止信貸清單。東亞銀行不會在知情的情況下為被禁止的活動提供融資，例如破壞高保育價值區域、高碳儲量森林或泥炭地、或根據拉姆薩爾公約(Ramsar Convention)界定的濕地等活動。展望未來，本行將擴展其綠色及可持續金融框架，以涵蓋金管局界定的高碳排放行業。

為提升內部能力，本行於2022年5月向超過370名的香港批發銀行處前線員工、海外分行及相關風險管理職能部門的同事提供了綠色及可持續金融實踐培訓。

在企業客戶方面，東亞銀行於回顧期內聯同其他機構舉辦多項活動，在提升可持續發展表現及過渡至低碳經濟方面，為客戶提供支援。這些活動除了向企業介紹綠色及可持續金融，亦讓他們透過經驗分享及個案研究相互學習。此外，本行代表亦在澳洲會計師公會及香港總商會等商業及專業協會主辦的綠色及可持續金融研討會上演講。

第二項目標是推動減少本集團業務及營運的碳排放。於2022年6月，由本集團各營運團隊代表組成的專責小組檢討了本集團現有的減碳目標，範圍包括其自身或所控制來源的直接排放(範圍1)及主要由購買電力產生的間接排放(範圍2)。東亞銀行將開展進一步評估，然後制定於2030年前減少範圍1及範圍2碳排放量的路線圖。

東亞銀行範圍3排放包含本集團價值鏈產生的所有其他間接排放，其中包括融資排放量。我們於2022年上半年進行了篩查行動，結果顯示東亞銀行90%以上的融資排放量是源於企業貸款及債券投資組合。2022年下半年，東亞銀行的目標是量度若干高排放行業的排放量，其結果將有助於制定東亞銀行範圍3排放量的減排策略。

2022年5月，東亞銀行成為首家以香港為總部的銀行簽署加入碳核算金融聯盟(Partnership for Carbon Accounting Financials, PCAF)，彰顯本集團對減排的承諾。碳核算金融聯盟是一個由全球金融機構組成的合作組織，旨在推動與貸款和投資相關的溫室氣體排放的統一評估和披露。

本集團附屬公司同樣推行集團的環境、社會及管治策略。東亞中國於2022年上半年成立可持續發展專責小組，負責推動環境、社會及管治的發展。為進一步加強可持續發展意識和支援合作，香港總行及東亞中國的同事於報告期內已開展廣泛的可持續發展培訓計劃。

東亞銀行相信，我們應在經營業務的市場中，擔當推動金融知識普及的重要角色。為支持投資者及理財教育委員會提高香港數碼金融知識水平的工作，東亞銀行於2022年5月在9間分行推出計劃，向年長客戶推廣數碼銀行服務的使用。我們安排退休職員、客戶服務經理及前線員工進駐該9間分行，並配備培訓教材，向客戶推廣東亞銀行手機應用程式。本行亦透過針對性方法積極吸引年長客戶，提供獎賞以鼓勵他們使用數碼銀行服務。

有關2022年上半年與東亞銀行員工相關的措施詳情，請參閱「業務回顧」中的「人力資源」章節。

疫情期間，本行透過全資附屬的東亞銀行慈善基金，於2022年上半年捐贈價值約港幣300萬元的抗疫物資予救世軍及聖雅各福群會，幫助超過43,000名有需要人士以及兩間機構為社區服務的前線工作人員。是次捐贈同時為失業及就業不足人士帶來包裝及運送物資的短期工作機會。

另外，為感謝不辭勞苦支援香港市民的醫護人員，東亞銀行慈善基金特意透過醫院管理局捐贈超過10,000張湯券，為醫護人員加油打氣。同時，東亞銀行義工隊亦開展「愛心通話，疫境傳情」活動，在疫症期間致電居家抗疫的長者，表達慰問並送上關心。

在內地，東亞中國125名員工為慶祝虎年的來臨，在農曆新年期間參與約760個小時的慈善活動，包括為超過1,900名長者及殘疾兒童提供日常用品及防疫用品套裝。在2022年3月，超過630名東亞中國員工與親友一同參與各種植樹節慈善活動。除了種植樹木，義工亦參加遠足、騎自行車及其他倡導綠色健康生活方式的活動。

如欲了解更多有關本行的環境、社會及管治表現(包括社區投資計劃)的資訊，請參閱本集團的2021環境、社會及管治報告。該報告已上載至本行公司網站www.hkbea.com(關於東亞銀行／可持續發展)。

主要榮譽與獎項 – 可持續發展

本行於2022年上半年先後獲頒發多個獎項，包括：

- 香港公益金「公益卓越獎」及2021/2022年度商業及僱員募捐計劃「鑽石獎」(連續第28年獲獎)；
- 香港社會服務聯會「商界展關懷」機構(連續第19年獲嘉許)；
- 僱員再培訓局ERB人才企業嘉許計劃「人才企業」(自2012年獲嘉許)；
- 環境保護署室內空氣質素檢定證書－良好級及工商業廢物源頭分類獎勵計劃－優異獎(綜合式寫字樓)；及
- 中國銀行保險報「金諾·中國金融年度優秀社會責任項目」。

董事資料的變動

根據《上市規則》第13.51B(1)條，自刊發本行2021年報起直至2022年8月18日(為通過本行2022中期報告當天)期間，董事按《上市規則》第13.51(2)條第(a)至(e)段及第(g)段規定披露資料的變動如下：

於本集團所擔當職位的變動

李國寶爵士受聘為本行執行主席的僱傭合約的任期於2022年6月30日屆滿，並已予延長3年，由2022年7月1日起生效，將於2025年6月30日屆滿。

李國榮先生退任東亞中國獨立非執行董事，以及不再擔任其審核委員會主席和關聯交易控制委員會及風險委員會委員，自2022年7月4日起生效。

有關擔任其他主要任命的變動

<u>董事姓名</u>	<u>其他任命</u>
李民橋先生	獲香港特別行政區政府頒授銅紫荊星章
李民斌先生	退任為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
黃永光博士	獲委任為香港科技大學顧問委員會成員
	退任為香港貿易發展局內地商貿諮詢委員會委員
唐英年博士	退任為香港江蘇社團總會有限公司會長

有關董事酬金的變動

於2022年4月1日起，本行聯席行政總裁李民橋先生及李民斌先生每年分別收取的薪金由港幣750萬元增加至約為港幣770萬元，並可享有每年按本行薪酬政策規定而釐定的酌情賞金和認股權。

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、社會及管治委員會成員的酬金於2022年7月1日起已經修訂，摘錄如下：

	<u>於2022年7月1日起生效</u>	<u>直至2022年6月30日止</u>
	每年港幣(元)	每年港幣(元)
董事會：		
主席	600,000	550,000
副主席	475,000	425,000
其他董事	450,000	400,000
審核委員會：		
主席	300,000	250,000
其他成員	170,000	140,000
提名委員會：		
主席	110,000	90,000
其他成員	70,000	60,000
薪酬委員會：		
主席	110,000	90,000
其他成員	70,000	60,000
風險委員會：		
主席	300,000	250,000
其他成員	170,000	140,000
環境、社會及管治委員會：		
主席	110,000	90,000
其他成員	70,000	60,000

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

董事及聯席行政總裁權益

於2022年6月30日，根據《證券及期貨條例》第352條須予備存的登記冊（「該登記冊」）所記錄，本行各董事及聯席行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率
李國寶	實益擁有人	91,057,705	103,397,507 ¹	3.85
	配偶的權益	2,281,992		
	法團的權益	472,303		
	遺產執行人	9,585,507		
李國章	實益擁有人	13,347,907	40,370,707 ²	1.50
	法團的權益	17,437,293		
	遺產執行人	9,585,507		
黃子欣	實益擁有人	464,393	25,423,190 ³	0.95
	配偶的權益	136		
	法團的權益	7,543,427		
	酌情信託的成立人及受益人	17,415,234		
李國星	實益擁有人	894,120	18,822,346 ⁴	0.70
	配偶的權益	26,985		
	信託的成立人／授予人	17,901,241		
李國仕	實益擁有人	12,103,913	13,940,745 ⁵	0.52
	遺產管理人	1,836,832		
李民橋	實益擁有人	1,095,959	3,250,799 ⁶	0.12
	酌情信託的財產授予人／ 成立人	2,154,840		
李民斌	實益擁有人	2,679,902	3,500,184 ⁷	0.13
	法團的權益	820,282		
蒙德揚	法團的權益	6,041,926	6,041,926 ⁸	0.22

附註：

- 1 李國寶為91,057,705 股的實益擁有人。由於其配偶潘金翠擁有2,281,992 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472,303 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9,585,507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9,585,507股（請參閱下列附註2）。
- 2 李國章為13,347,907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9,585,507 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9,585,507股（請參閱上列附註1）。
- 3 黃子欣為464,393股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，他被視為擁有該等股份。他亦被視為擁有由Wong Chung Man Limited持有的7,543,427 股，該公司為黃子欣全資擁有。而由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的17,415,234股。
- 4 李國星為894,120股的實益擁有人。由於其配偶吳伊莉擁有26,985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12,103,913 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1,836,832 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2,154,840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2,679,902 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。
- 8 蒙德揚被視為擁有由若干法團所持有的6,041,926股，其中(i)5,306,771股由信興電器貿易有限公司持有；而(ii)735,155 股則由信興科技有限公司持有。他直接／間接控制該兩間公司股東大會三分之一或以上的投票權。

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股本衍生工具。有關此等認股權在截至2022年6月30日止6個月內的資料，載於本報告「認股權資料」項下。

III. 本行債務證券的權益：

Francisco Javier SERRADO TREPAT為下述本行發行的債務證券的實益擁有人：

債務證券種類	債權證數額
無到期日額外一級資本證券 ^註	20,500,000美元

註： 本行根據其6,000,000,000美元中期票據計劃發行面值為650,000,000美元的無到期日額外一級資本證券(息率為年利率5.875%)，該資本證券於2019年發行並在聯交所上市。

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2022年6月30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。

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2022年6月30日止6個月內認股權的變動：

姓名	授予日期	認股權數目				於30/6/2022 尚未行使
		於01/1/2022 尚未行使	授出	行使	失效	
李國寶	02/5/2014 ^a	668,000 ^{T3}	–	–	668,000	0
	04/5/2015 ^a	666,000 ^{T2}	–	–	666,000	0
	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	501,000 ^{T3}	–	–	–	501,000
	10/4/2018 ^a	666,000 ^{T1}	–	–	–	666,000
	10/4/2018 ^a	499,500 ^{T2}	–	–	–	499,500
	10/4/2018 ^a	501,000 ^{T3}	–	–	–	501,000
	19/7/2019 ^a	499,500 ^{T1}	–	–	–	499,500
	19/7/2019 ^a	499,500 ^{T2}	–	–	–	499,500
	19/7/2019 ^a	501,000 ^{T3}	–	–	–	501,000
	07/4/2020 ^a	346,115 ^{T1}	–	–	–	346,115
	07/4/2020 ^a	347,802 ^{T2}	–	–	–	347,802
	07/4/2020 ^a	354,090 ^{T3}	–	–	–	354,090
	13/4/2021 ^a	123,586 ^{T1}	–	–	–	123,586
	13/4/2021 ^a	123,602 ^{T2}	–	–	–	123,602
	13/4/2021 ^a	123,893 ^{T3}	–	–	–	123,893
12/4/2022 ^b	–	–	692,152 ^{T1}	–	–	692,152
12/4/2022 ^b	–	–	691,261 ^{T2}	–	–	691,261
12/4/2022 ^b	–	–	701,082 ^{T3}	–	–	701,082
李民橋	02/5/2014 ^a	218,000 ^{T3}	–	–	218,000	0
	04/5/2015 ^a	216,000 ^{T2}	–	–	216,000	0
	04/5/2015 ^a	218,000 ^{T3}	–	–	–	218,000
	08/4/2016 ^a	216,000 ^{T1}	–	–	216,000	0
	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	163,500 ^{T3}	–	–	–	163,500
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000
	10/4/2018 ^a	162,000 ^{T2}	–	–	–	162,000
	10/4/2018 ^a	163,500 ^{T3}	–	–	–	163,500
	19/7/2019 ^a	162,000 ^{T1}	–	–	–	162,000
	19/7/2019 ^a	162,000 ^{T2}	–	–	–	162,000
	19/7/2019 ^a	163,500 ^{T3}	–	–	–	163,500
	07/4/2020 ^a	268,360 ^{T1}	–	–	–	268,360
	07/4/2020 ^a	271,648 ^{T2}	–	–	–	271,648
	07/4/2020 ^a	282,769 ^{T3}	–	–	–	282,769
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186
13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759	
12/4/2022 ^b	–	–	1,345,001 ^{T1}	–	–	1,345,001
12/4/2022 ^b	–	–	1,343,274 ^{T2}	–	–	1,343,274
12/4/2022 ^b	–	–	1,362,297 ^{T3}	–	–	1,362,297

認股權數目

姓名	授予日期	於01/1/2022				於30/6/2022	
		尚未行使	授出	行使	失效	尚未行使	尚未行使
李民斌	02/5/2014 ^a	218,000 ^{T3}	—	—	218,000	0	
	04/5/2015 ^a	216,000 ^{T2}	—	—	216,000	0	
	04/5/2015 ^a	218,000 ^{T3}	—	—	—	218,000	
	08/4/2016 ^a	216,000 ^{T1}	—	—	216,000	0	
	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	109,000 ^{T3}	—	—	—	109,000	
	10/4/2018 ^a	216,000 ^{T1}	—	—	—	216,000	
	10/4/2018 ^a	108,000 ^{T2}	—	—	—	108,000	
	10/4/2018 ^a	109,000 ^{T3}	—	—	—	109,000	
	07/4/2020 ^a	286,690 ^{T1}	—	—	—	286,690	
	07/4/2020 ^a	288,878 ^{T2}	—	—	—	288,878	
	07/4/2020 ^a	297,977 ^{T3}	—	—	—	297,977	
	13/4/2021 ^a	240,154 ^{T1}	—	—	—	240,154	
	13/4/2021 ^a	240,186 ^{T2}	—	—	—	240,186	
	13/4/2021 ^a	240,759 ^{T3}	—	—	—	240,759	
	12/4/2022 ^b	—	1,345,001 ^{T1}	—	—	—	1,345,001
	12/4/2022 ^b	—	1,343,274 ^{T2}	—	—	—	1,343,274
12/4/2022 ^b	—	1,362,297 ^{T3}	—	—	—	1,362,297	
其他僱員的 總數*	02/5/2014 ^a	636,000 ^{T3}	—	—	636,000	0	
	04/5/2015 ^a	632,000 ^{T2}	—	—	632,000	0	
	04/5/2015 ^a	636,000 ^{T3}	—	—	—	636,000	
	08/4/2016 ^a	532,000 ^{T1}	—	—	532,000	0	
	08/4/2016 ^a	648,000 ^{T2}	—	—	—	648,000	
	08/4/2016 ^a	692,500 ^{T3}	—	—	—	692,500	
	07/4/2017 ^a	732,000 ^{T1}	—	—	—	732,000	
	07/4/2017 ^a	732,000 ^{T2}	—	—	—	732,000	
	07/4/2017 ^a	589,500 ^{T3}	—	—	—	589,500	
	10/4/2018 ^a	777,000 ^{T1}	—	—	—	777,000	
	10/4/2018 ^a	631,500 ^{T2}	—	—	—	631,500	
	10/4/2018 ^a	637,000 ^{T3}	—	—	—	637,000	
	19/7/2019 ^a	636,500 ^{T1}	—	—	—	636,500	
	19/7/2019 ^a	636,500 ^{T2}	—	—	—	636,500	
	19/7/2019 ^a	639,500 ^{T3}	—	—	—	639,500	
	07/4/2020 ^a	665,000 ^{T1}	—	—	—	665,000	
	07/4/2020 ^a	665,000 ^{T2}	—	—	—	665,000	
	07/4/2020 ^a	670,000 ^{T3}	—	—	—	670,000	
	13/4/2021 ^a	689,903 ^{T1}	—	—	—	689,903	
	13/4/2021 ^a	689,932 ^{T2}	—	—	—	689,932	
13/4/2021 ^a	693,439 ^{T3}	—	—	—	693,439		
12/4/2022 ^b	—	1,971,666 ^{T1}	—	—	—	1,971,666	
12/4/2022 ^b	—	1,969,844 ^{T2}	—	—	—	1,969,844	
12/4/2022 ^b	—	1,991,441 ^{T3}	—	—	—	1,991,441	

認股權數目

姓名	授予日期	認股權數目				於30/6/2022 尚未行使
		於01/1/2022 尚未行使	授出	行使	失效	
其他參與人**	02/5/2014 ^a	163,500 ^{T3}	—	—	163,500	0
	04/5/2015 ^a	250,000 ^{T2}	—	—	250,000	0
	04/5/2015 ^a	215,746 ^{T3}	—	—	—	215,746
	08/4/2016 ^a	100,000 ^{T1}	—	—	100,000	0
	08/4/2016 ^a	200,000 ^{T2}	—	—	—	200,000
	08/4/2016 ^a	250,000 ^{T3}	—	—	—	250,000
	07/4/2017 ^a	250,000 ^{T1}	—	—	—	250,000
	07/4/2017 ^a	250,000 ^{T2}	—	—	—	250,000
	07/4/2017 ^a	200,000 ^{T3}	—	—	—	200,000
	10/4/2018 ^a	250,000 ^{T1}	—	—	—	250,000
	10/4/2018 ^a	212,500 ^{T2}	—	—	—	212,500
	10/4/2018 ^a	262,500 ^{T3}	—	—	50,000	212,500
	19/7/2019 ^a	195,500 ^{T1}	—	—	—	195,500
	19/7/2019 ^a	245,500 ^{T2}	—	—	—	245,500
	19/7/2019 ^a	246,500 ^{T3}	—	—	—	246,500
	07/4/2020 ^a	212,000 ^{T1}	—	—	50,000	162,000
	07/4/2020 ^a	212,000 ^{T2}	—	—	—	212,000
	07/4/2020 ^a	213,500 ^{T3}	—	—	—	213,500
	13/4/2021 ^a	150,000 ^{T1}	—	—	—	150,000
	13/4/2021 ^a	150,000 ^{T2}	—	—	—	150,000
13/4/2021 ^a	150,000 ^{T3}	—	—	—	150,000	

* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

** 其他參與人指若干本行前僱員。在其終止為本行僱員前已接納／獲授予該等認股權。

附註：

a 於2014年至2021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)
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
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
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
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08

b 於2022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)
12/4/2022	T1	12/4/2022 – 11/4/2023	12/4/2023 – 12/4/2028	12.17
12/4/2022	T2	12/4/2022 – 11/4/2024	12/4/2024 – 12/4/2029	12.17
12/4/2022	T3	12/4/2022 – 11/4/2025	12/4/2025 – 12/4/2030	12.17

(ii) 本行股份在2022年4月11日(即2022年4月12日授出認股權當日之前一個營業日)的收市價為港幣12.00元。

(iii) 截至2022年6月30日止6個月內授出認股權的公平價值及假設如下：

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式計量。認股權的合約年期為該定價模式的參數。

	截至30/6/2022 止6個月
於計量日的公平價值	
－ 部分1	港幣1.65元
－ 部分2	港幣1.50元
－ 部分3	港幣1.30元
於計量日的股價	港幣12.17元
行使價	港幣12.17元
預計波幅	25.12%
認股權年期	
－ 部分1	6年
－ 部分2	7年
－ 部分3	8年
預計股息	16.06%–18.69%
無風險利率(根據香港政府債券)	2.67%–2.69%

預計波幅是根據過往之波幅及按在發行日前過往股息的預計股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

(2) 截至2022年6月30日止6個月內並無認股權被行使或被註銷。

(3) 以股份為基礎作支付的會計政策：

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。

授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整(並在資本儲備作相應調整)。

屬股東權益金額確認在資本儲備內，直至當認股權被行使及分配新股時（轉入股本），或當認股權之有效期屆滿時（轉入留存溢利）。對於未能符合適用的歸屬條件的承授人，其未歸屬的認股權會全部或部分被撤銷。被撤銷的認股權會被註銷。當認股權被行使時，所得款項計入股東權益。

除上述所披露外，於2022年6月30日，本行的董事或聯席行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

主要股東及其他人士的權益

於2022年6月30日，根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）所紀錄，主要股東及其他人士擁有本行的股份及相關股份的權益或淡倉如下：

本行普通股股份權益的好倉：

姓名／名稱	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	574,516,317 ¹	21.37
三井住友金融集團	法團的權益	574,516,317 ¹	21.37
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	508,519,684 ²	18.91
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	508,519,684 ²	18.91
國浩管理有限公司	實益擁有人	435,691,137 ^{3,4}	16.21 ⁵
國浩集團有限公司	法團的權益	435,691,137 ³	16.21
GuoLine Overseas Limited	法團的權益	435,691,137 ³	16.21 ⁵
GuoLine Capital Assets Limited	法團的權益	435,691,137 ³	16.21
郭令燦	法團的權益	435,691,137 ³	16.21
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	435,691,137 ⁴	16.21
Davos Investment Holdings Private Limited	法團的權益	435,691,137 ⁴	16.21
KWEK Leng Kee	法團的權益	435,691,137 ⁴	16.21

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而被視為擁有三井住友銀行所持有的574,516,317股的權益。
- 2 於2022年6月30日，Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") 全資擁有Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa")。"la Caixa"因而被視為擁有Criteria Caixa所持有的508,519,684股的權益。
- 3 附註3及4所指之435,691,137股本行股份為同一批股份。國浩管理有限公司為435,691,137股之實益擁有人。GuoLine Overseas Limited持有國浩集團有限公司的71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司。由於GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited，GuoLine Capital Assets Limited因此被視為擁有國浩管理有限公司所持有的435,691,137股的權益。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435,691,137股的權益。

郭令燦因持有GuoLine Capital Assets Limited的49.11%權益而被視為擁有國浩管理有限公司持有之435,691,137股的權益。
- 4 附註3及4所指之435,691,137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GuoLine Capital Assets Limited的34.49%權益。Hong Leong Investment Holdings Pte. Ltd.和Davos Investment Holdings Private Limited因持有GuoLine Capital Assets Limited的權益而被視為擁有國浩管理有限公司所持有的435,691,137股的權益。

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持有之435,691,137股的權益。
- 5 GuoLine Overseas Limited為GuoLine Capital Assets Limited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GuoLine Capital Assets Limited及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas 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。

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

購入、出售或贖回本行的上市證券

場外股份回購

在2022年3月28日舉行之本行股東特別大會（「股東特別大會」）通過有關特別決議案後，Elliott International, L.P., The Liverpool Limited Partnership, Wakeland Securities L.P., Artan Investments Limited, Frasco Investments Limited, Milton Investments Limited, Parlan Investments Limited 及 Trevet Investments Limited（合稱「Elliott方」）與本行於緊隨2022年3月28日股東特別大會結束後簽立回購契約，涉及本行於場外回購（「股份回購」）Elliott方所持有的246,510,173股本行普通股股份（「回購股份」）。股份回購已於2022年4月11日完成，回購股份亦已於2022年4月20日被註銷。

每股回購股份的回購價為港幣11.78元。股份回購的總代價（未計入費用）約為港幣29.04億元。股份回購詳情載於本行日期分別為2022年1月28日、2022年2月9日、2022年2月10日、2022年2月18日、2022年3月8日、2022年3月9日、2022年4月11日的公告，以及日期為2022年3月9日致股東的通函。

進行股份回購的理由如下：

- (i) 股份回購乃本行提高其股權回報及其每股盈利的良機；
- (ii) 根據本集團於2021年12月31日的經審核綜合資產負債表，股份回購將可提升每股股東應佔綜合資產淨值約6%；
- (iii) 股份回購有助大股東Elliott方有序退出；及
- (iv) 鑒於本行當其時的股份價格，本行認為股份回購讓本行有效使用資金。

贖回資本證券

本行於2022年5月18日（第一個可贖回日）完成贖回面值5億美元，孳息率為5.625%的無日期非累積後償債額外一級資本證券（「資本證券」）。資本證券在2017年根據本行的中期票據計劃發行並於聯交所上市。

除上述所披露股份回購及贖回資本證券外，在截至2022年6月30日止6個月內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

遵守企業管治守則

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

本行已制定企業管治架構以確認集團內所有企業管治的主要人士，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。該架構會不時獲審閱和更新(倘合適)，以確保其符合不斷變化的監管要求並滿足本集團的需求。

本行在截至2022年6月30日止6個月期間內，已遵守《企業管治守則》的全部守則條文。

截至2022年6月30日止6個月內，本行亦已遵循金管局發出的CG-1、CG-5、提升獨立非執行董事的專業能力指引及銀行企業文化改革內各項要求。

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

本行審核委員會已審閱本行截至2022年6月30日止之半年業績及2022年中期報告。

遵守標準守則

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」(「標準守則」)所訂標準同樣嚴格的董事及行政總裁證券交易政策，即*內幕交易政策 – 董事及行政總裁*(「本行政策」)。

本行亦已訂立一份*內幕交易政策 – 集團人士*以供本行僱員，或本行附屬公司的董事或僱員，遵照規定買賣本行證券。

經本行作出特定查詢後，所有董事已確認於截至2022年6月30日止6個月之所有適用時期，均已遵守標準守則及本行政策中所要求的標準。

刊發中期報告

2022 年中期報告備有中文及英文印刷本，以及載於本行網站 (www.hkbea.com) 及香港交易所之網站 (www.hkexnews.hk) 的網上電子版本。為減少企業通訊印刷本的數量從而減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。無論股東之前曾否就收取企業通訊之方式 (即收取印刷本或透過本行網站閱覽電子版本) 作出任何選擇並將有關選擇通知本行，股東可隨時向本行股份登記處卓佳標準有限公司，地址為香港夏慤道 16 號遠東金融中心 17 樓，或以傳真(852) 2810 8185或以電郵發送至 BEA0023-ecom@hk.tricorglobal.com 發出合理的書面通知，以更改其選擇，費用全免。該通知應註明閣下更改選擇之要求，全名及聯絡電話。

承董事會命

聯席行政總裁

李民橋

謹啟

聯席行政總裁

李民斌

香港，2022年8月18日

於本報告日期，本行董事會成員為李國寶爵士[#](執行主席)、李國章教授^{*}(副主席)、黃子欣博士^{**}(副主席)、李國星先生^{*}、羅友禮先生^{*}、李國仕先生^{*}、李民橋先生[#](聯席行政總裁)、李民斌先生[#](聯席行政總裁)、黃永光博士^{*}、奧正之先生^{*}、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^{**}及 Francisco Javier SERRADO TREPAT博士^{*}。

[#] 執行董事

^{*} 非執行董事

^{**} 獨立非執行董事

GLOSSARY 詞彙

AIA 「友邦保險」	AIA Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of AIA Group Limited 友邦保險有限公司，於香港註冊成立之有限責任公司，為友邦保險控股有限公司之全資附屬公司
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
Bank Culture Reform 「銀行企業文化改革」	The circular in respect of Bank Culture Reform, issued by the HKMA on 2 nd 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
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
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
Board 「董事會」	Board of Directors of the Bank 本行的董事會
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布之《銀行業(資本規則)》
CG Code 「《企業管治守則》」	Corporate Governance Code, Appendix 14 to the Listing Rules 《上市規則》附錄14內所載的《企業管治守則》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
CHF 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China, Mainland, Mainland China or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國
Companies Ordinance 「《公司條例》」	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Director(s) 「董事」	Includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何任職本行董事職位的人士(不論其職銜如何)，或文義另有所指的人士

ECL 「預期信貸損失」	Expected credit loss 預期信貸損失
ESG 「環境、社會及管治」	Environmental, social, and governance 環境、社會及管治
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
FVOCI 「通過其他全面收益以反映公平價值」	Fair value through other comprehensive income 通過其他全面收益以反映公平價值
FVTPL 「通過損益以反映公平價值」	Fair value through profit or loss 通過損益以反映公平價值
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
Greater Bay Area 「大灣區」	Guangdong-Hong Kong-Macao Greater Bay Area 「粵港澳大灣區」
Guidance on Empowerment of INEDs 「提升獨立非執行董事的專業能力指引」	The guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong, issued by the HKMA 金管局頒布之提升香港銀行業獨立非執行董事的專業能力指引
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
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
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
Hong Kong or HKSAR 「香港」	Hong Kong Special Administrative Region of the PRC 中華人民共和國香港特別行政區
IBOR 「銀行同業拆借利率」	Interbank Offered Rate 銀行同業拆借利率
LCR 「流動性覆蓋比率」	Liquidity Coverage Ratio 流動性覆蓋比率

LIBOR 「倫敦銀行同業拆借利率」	London Interbank Offered Rate 倫敦銀行同業拆借利率
Listing Rules 「《上市規則》」	The Rules Governing the Listing of Securities on The Stock Exchange 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
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
RMB 「人民幣」	Renminbi, the lawful currency of the PRC 中國法定貨幣
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)
SG Swap Offer Rate 「新加坡元掉期利率」	Singapore Swap Offer Rate 新加坡元掉期利率
Share(s) 「股份」	Ordinary share(s) of the Bank 本行普通股
SIBOR 「新加坡銀行同業拆借利率」	Singapore Interbank Offered Rate 新加坡銀行同業拆借利率
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣

