



(Stock Code 股份代號 : 23)

# Interim Report **2019** 中期報告

## Contents 目錄

<b>Financial Highlights</b>	1	財務摘要	115
<b>Corporate Information</b>	2	公司資料	116
<b>Interim Results</b>	3	中期業績	117
Consolidated Income Statement	3	綜合收益表	117
Consolidated Statement of Comprehensive Income	5	綜合全面收益表	119
Consolidated Statement of Financial Position	6	綜合財務狀況表	120
Consolidated Statement of Changes in Equity	7	綜合權益變動表	121
Condensed Consolidated Cash Flow Statement	8	簡略綜合現金流量表	122
Notes to the Interim Financial Statements	9	中期財務報表附註	123
Supplementary Financial Information	74	補充財務資料	188
<b>Independent Review Report</b>	80	獨立審閱報告	194
<b>Interim Dividend</b>	81	中期股息	195
<b>Closure of Register of Members</b>	81	過戶日期	195
<b>Financial Review</b>	81	財務回顧	195
<b>Business Review</b>	83	業務回顧	197
<b>Risk Management</b>	90	風險管理	204
<b>Corporate Social Responsibility</b>	100	企業社會責任	214
<b>Recognition</b>	101	獎項	215
<b>Changes to Information in respect of Directors</b>	102	董事資料的變動	216
<b>Interests of Directors and Chief Executive</b>	104	董事及行政總裁權益	218
<b>Information on Share Options</b>	107	認股權資料	221
<b>Interests of Substantial Shareholders and Other Persons</b>	111	主要股東及其他人士的權益	225
<b>Purchase, Sale or Redemption of the Bank's Listed Securities</b>	113	購入、出售或贖回本行的上市證券	227
<b>Compliance with Corporate Governance Code</b>	113	遵守企業管治守則	227
<b>Compliance with Model Code</b>	114	遵守標準守則	228
<b>Publication of Interim Report</b>	114	刊發中期報告	228
<b>Glossary</b>	229	詞彙	229

## FINANCIAL HIGHLIGHTS

	30 June 2019	30 June 2018	31 December 2018
--	-----------------	-----------------	---------------------

### For the half year ended

<b>Profitability</b>	HK\$ Mn	HK\$ Mn	HK\$ Mn
Operating profit before impairment losses	5,184	4,340	4,169
Profit attributable to owners of the parent	1,000	3,992	2,517
<b>Earnings Per Share and Dividends Per Share</b>	HK\$	HK\$	HK\$
Basic earnings	0.22	1.30	0.77
Dividends	0.11	0.51	0.67
<b>Key Ratios</b>	%	%	%
Return on average assets (annualised) <sup>1</sup>	0.1	0.9	0.5
Return on average equity (annualised) <sup>2</sup>	1.4	8.0	4.7
Cost-to-income ratio <sup>3</sup>	48.7	49.1	51.2

### At period / year end

<b>Balance Sheet Strength</b>	HK\$ Mn	HK\$ Mn	HK\$ Mn
Total loans and advances to customers and trade bills	524,107	507,531	515,281
Total assets	876,778	826,834	839,451
Total customer deposits and certificates of deposit issued	646,008	619,497	632,604
Total equity	104,988	103,595	103,575
<b>Key Ratios</b>	%	%	%
Loan to deposit ratio <sup>4</sup>	79.1	79.3	79.1
Impaired loan ratio <sup>5</sup>	1.6	0.9	0.7
Common Equity Tier 1 capital ratio <sup>6</sup>	15.3	15.3	15.7
Tier 1 capital ratio <sup>6</sup>	17.3	17.4	17.8
Total capital ratio <sup>6</sup>	20.3	20.5	20.8

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

## **CORPORATE INFORMATION (As of 1st July, 2019)**

### **BOARD OF DIRECTORS**

#### **Executive Directors**

Dr. the Hon. Sir David LI Kwok-po

*(Executive Chairman)*

Mr. Adrian David LI Man-kiu

*(Co-Chief Executive, appointed on 1st July, 2019)*

Mr. Brian David LI Man-bun

*(Co-Chief Executive, appointed on 1st July, 2019)*

#### **Non-executive Directors**

Professor Arthur LI Kwok-cheung

*(Deputy Chairman)*

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Isidro FAINÉ CASAS

Dr. Peter LEE Ka-kit

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

#### **Independent Non-executive Directors**

Dr. Allan WONG Chi-yun

*(Deputy Chairman)*

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre LI Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

### **SENIOR ADVISOR**

Mr. CHAN Tze-ching

### **SENIOR MANAGEMENT**

Mr. Adrian David LI Man-kiu

*Co-Chief Executive*

Mr. Brian David LI Man-bun

*Co-Chief Executive*

Mr. Samson LI Kai-cheong

*Deputy Chief Executive & Chief Investment Officer*

Mr. TONG Hon-shing

*Deputy Chief Executive & Chief Operating Officer*

### **COMPANY SECRETARY**

Mr. Alson LAW Chun-tak

### **AUDITORS**

KPMG

*Certified Public Accountants*

### **SHARE LISTING**

The Stock Exchange of Hong Kong Limited

### **SHARE REGISTRARS**

Tricor Standard Limited

Telephone: (852) 2980 1768

Facsimile: (852) 2861 1465

### **ADR DEPOSITARY BANK**

BNY Mellon

Telephone: 1 201 680 6825

Toll free (domestic): 1-888-BNY-ADRS

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

### **REGISTERED OFFICE**

10 Des Voeux Road Central, Hong Kong

Telephone: (852) 3608 3608

Facsimile: (852) 3608 6000

Website: [www.hkbea.com](http://www.hkbea.com)

E-mail: [info@hkbea.com](mailto: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, 2019. The interim financial report is prepared on a basis consistent with the accounting policies and methods adopted in the 2018 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 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 80.

### Consolidated Income Statement

		6 months ended 30/6/2019	6 months ended 30/6/2018
	Notes	HK\$ Mn	HK\$ Mn
Interest income	3	14,556	12,183
Interest income calculated using the effective interest method		14,259	11,943
Other interest income		297	240
Interest expense	4	(7,150)	(5,933)
Net interest income		7,406	6,250
Fee and commission income	5	1,895	1,935
Fee and commission expense		(524)	(573)
Net fee and commission income		1,371	1,362
Net trading profits	6	416	556
Net result from other financial instruments at FVTPL	7	129	(142)
Net hedging profit	8	17	16
Net insurance revenue	9	574	264
Other operating income	10	189	220
Non-interest income		2,696	2,276
Operating income		10,102	8,526
Operating expenses	11	(4,918)	(4,186)
Operating profit before impairment losses		5,184	4,340
Impairment losses on financial instruments	12	(5,063)	(282)
Impairment losses on intangible assets		–	(1)
Impairment losses		(5,063)	(283)
Operating profit after impairment losses		121	4,057
Net loss on sale of investments measured at amortised cost		(5)	–
Net profit on sale of financial assets measured at FVOCI	13	104	49
Net profit on sale of assets held for sale	14	82	10
Net loss on disposal of subsidiaries		(6)	–
Net loss on disposal of fixed assets	15	(6)	(10)
Valuation gains on investment properties	23	18	394
Share of profits less losses of associates		328	281
Profit for the period before taxation		636	4,781
Income tax	16	402	(762)
Profit for the period		1,038	4,019

## Consolidated Income Statement (Continued)

		6 months ended 30/6/2019	6 months ended 30/6/2018
	Notes	HK\$ Mn	HK\$ Mn
Attributable to:			
Owners of the parent		1,000	3,992
Non-controlling interests		38	27
		<hr/>	<hr/>
Profit for the period		1,038	4,019
		<hr/>	<hr/>
Profit for the Bank		3,246	3,369
		<hr/>	<hr/>
Earnings per share			
Basic - profit for the period	1(b)	HK\$0.22	HK\$1.30
Diluted - profit for the period	1(b)	HK\$0.22	HK\$1.30

## Consolidated Statement of Comprehensive Income

		6 months ended 30/6/2019	6 months ended 30/6/2018
	<i>Notes</i>	HK\$ Mn	HK\$ Mn
Net profit		1,038	4,019
Other comprehensive income for the period:			
Items that will not be reclassified to income statement:			
Premises:			
– unrealised surplus on revaluation of premises		–	8
– deferred taxes	31	1	(8)
Fair value reserve (equity instruments):			
– net change in fair value		418	254
– deferred taxes	31	(7)	(4)
Liability credit reserve:			
– net change in fair value attributable to Group's own credit risk		–	(5)
– deferred taxes	31	(1)	1
Items that may be reclassified subsequently to income statement:			
Fair value reserve (debt instruments):			
– net change in fair value		986	(479)
– amount transferred to income statement on disposal	13	(66)	(23)
– on amortisation		(2)	(2)
– deferred taxes	31	(39)	12
Hedging reserve (cash flow hedges):			
– effective portion of changes in fair value of hedging instruments		(4)	(6)
– fair value change reclassified from income statements		(4)	7
Share of changes in equity of associates		71	(58)
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries and associates		52	(489)
Other comprehensive income		1,405	(792)
Total comprehensive income		2,443	3,227
Total comprehensive income attributable to:			
Owners of the parent		2,411	3,189
Non-controlling interests		32	38
		2,443	3,227

## Consolidated Statement of Financial Position

		30/6/2019	31/12/2018
	Notes	HK\$ Mn	HK\$ Mn
<b>ASSETS</b>			
Cash and balances with banks and other financial institutions	17	52,823	48,106
Placements with and advances to banks and other financial institutions	18	69,720	60,373
Trade bills	19	12,826	14,646
Trading assets	20	4,131	3,483
Derivative assets	38(a)	6,141	10,211
Loans and advances to customers	21	506,099	498,284
Investment securities	22	157,212	144,729
Investments in associates		9,675	9,129
Fixed assets	23	14,222	13,165
– Investment properties		5,266	5,249
– Other properties and equipment		7,873	7,916
– Right-of-use assets		1,083	–
Goodwill and intangible assets		1,933	1,940
Deferred tax assets	31	1,565	481
Other assets	24	40,431	34,904
Total Assets		<u>876,778</u>	<u>839,451</u>
<b>EQUITY AND LIABILITIES</b>			
Deposits and balances of banks and other financial institutions		36,057	27,490
– Designated at fair value through profit or loss	25	3,535	1,335
– At amortised cost		32,522	26,155
Deposits from customers		582,105	574,114
– Demand deposits and current accounts		62,791	71,952
– Savings deposits		131,735	130,477
– Time, call and notice deposits		387,579	371,685
Trading liabilities	26	38	–
Derivative liabilities	38(a)	8,139	9,496
Certificates of deposit issued		63,903	58,490
– Designated at fair value through profit or loss	25	20,275	9,462
– At amortised cost		43,628	49,028
Current taxation		1,682	1,437
Debt securities issued		3,106	564
– Designated at fair value through profit or loss	25	109	407
– At amortised cost		2,997	157
Deferred tax liabilities	31	583	483
Other liabilities	27	61,984	51,444
Loan capital	28	14,193	12,358
Total Liabilities		<u>771,790</u>	<u>735,876</u>
Share capital	1(d)	41,194	39,925
Reserves	32	52,061	51,901
Total equity attributable to owners of the parent		93,255	91,826
Additional equity instruments	33	8,894	8,894
Non-controlling interests		2,839	2,855
Total Equity		<u>104,988</u>	<u>103,575</u>
Total Equity and Liabilities		<u>876,778</u>	<u>839,451</u>



## Consolidated Statement of Changes in Equity

	Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Hedging reserve	Liability credit reserve	Other reserves <sup>Note</sup>	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1st January, 2019	39,925	14,054	1,752	933	(1,426)	158	664	15	(3)	4,963	30,791	91,826	8,894	2,855	103,575
Changes in equity															
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-	38	1,038
Other comprehensive income	-	-	1	-	58	-	1,290	(8)	(1)	71	-	1,411	-	(6)	1,405
Total comprehensive income	-	-	1	-	58	-	1,290	(8)	(1)	71	1,000	2,411	-	32	2,443
Shares issued in lieu of dividend (Note 1(d))	1,269	-	-	-	-	-	-	-	-	-	-	1,269	-	-	1,269
Equity settled share-based transaction	-	-	-	-	-	12	-	-	-	-	-	12	-	-	12
Transfer	-	5	(5)	95	-	(18)	-	-	-	287	(364)	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	-	(2,263)	(2,263)	-	(52)	(2,315)
Change of ownership in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
At 30th June, 2019	<u>41,194</u>	<u>14,059</u>	<u>1,748</u>	<u>1,028</u>	<u>(1,368)</u>	<u>152</u>	<u>1,954</u>	<u>7</u>	<u>(4)</u>	<u>5,321</u>	<u>29,164</u>	<u>93,255</u>	<u>8,894</u>	<u>2,839</u>	<u>104,988</u>
At 1st January, 2018	37,527	14,060	1,757	230	487	135	1,454	11	-	4,931	28,890	89,482	8,894	2,838	101,214
Impact of adopting HKFRS 9 at 1st January, 2018	-	-	-	-	-	-	(162)	-	(6)	-	(32)	(200)	-	-	(200)
Restated balance at 1st January, 2018	<u>37,527</u>	<u>14,060</u>	<u>1,757</u>	<u>230</u>	<u>487</u>	<u>135</u>	<u>1,292</u>	<u>11</u>	<u>(6)</u>	<u>4,931</u>	<u>28,858</u>	<u>89,282</u>	<u>8,894</u>	<u>2,838</u>	<u>101,014</u>
Changes in equity															
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,992	3,992	-	27	4,019
Other comprehensive income	-	-	-	-	(500)	-	(242)	1	(4)	(58)	-	(803)	-	11	(792)
Total comprehensive income	-	-	-	-	(500)	-	(242)	1	(4)	(58)	3,992	3,189	-	38	3,227
Shares issued in lieu of dividend	1,271	-	-	-	-	-	-	-	-	-	-	1,271	-	-	1,271
Shares issued under Staff Share Option Schemes (Note 1(d))	73	-	-	-	-	-	-	-	-	-	-	73	-	-	73
Equity settled share-based transaction	-	-	-	-	-	17	-	-	-	-	-	17	-	-	17
Transfer	12	(6)	-	728	-	(12)	-	-	-	48	(770)	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	-	(2,017)	(2,017)	-	(45)	(2,062)
Change of ownership in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	55	55
At 30th June, 2018	<u>38,883</u>	<u>14,054</u>	<u>1,757</u>	<u>958</u>	<u>(13)</u>	<u>140</u>	<u>1,050</u>	<u>12</u>	<u>(10)</u>	<u>4,921</u>	<u>30,063</u>	<u>91,815</u>	<u>8,894</u>	<u>2,886</u>	<u>103,595</u>

Note: Other reserves include statutory reserve and other reserves.

## Condensed Consolidated Cash Flow Statement

		6 months ended 30/6/2019	6 months ended 30/6/2018
	Notes	HK\$ Mn	HK\$ Mn
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS		7,706	(10,995)
Income tax paid			
Hong Kong profits tax paid		(16)	(2)
Outside Hong Kong profits tax paid		(382)	(469)
		<u>7,308</u>	<u>(11,466)</u>
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		7,308	(11,466)
INVESTING ACTIVITIES			
Dividends received from associates		1	6
Dividends received from non-trading equity securities		4	8
Purchase of non-trading equity securities		(2,993)	(1,187)
Proceeds from sale of non-trading equity securities		4,279	1,092
Purchase of fixed assets		(407)	(203)
Proceeds from disposal of other properties and equipment		16	15
Proceeds from sale of assets held for sale		372	49
Increase of shareholding in associates		(149)	(111)
		<u>1,123</u>	<u>(331)</u>
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		1,123	(331)
FINANCING ACTIVITIES			
Ordinary dividends paid		(689)	(434)
Distribution to Hybrid/Additional Tier 1 issue holders	1(c)	(357)	(357)
Issue of ordinary share capital		–	73
Issue of certificates of deposit		54,839	46,579
Issue of debt securities		2,841	113
Issue of loan capital		1,705	–
Payment of lease liabilities		(181)	–
Redemption of certificates of deposit issued		(49,699)	(32,448)
Redemption of debt securities issued		(300)	(266)
Interest paid on loan capital		(361)	(314)
Interest paid on certificates of deposit and debt securities issued		(818)	(382)
		<u>6,980</u>	<u>12,564</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES		6,980	12,564
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,411	767
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		86,020	89,980
Effect of foreign exchange rate changes		(74)	(934)
		<u>101,357</u>	<u>89,813</u>
CASH AND CASH EQUIVALENTS AT 30TH JUNE	34	101,357	89,813
Cash flows from operating activities included:			
Interest received		14,563	11,673
Interest paid		6,909	5,836
Dividend received		25	37

## Notes to the Interim Financial Statements

1. (a) This interim report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 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, 2018 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 2018 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\$643 million (six months ended 30th June, 2018: HK\$3,635 million) respectively after the distribution of HK\$357 million (six months ended 30th June, 2018: HK\$357 million) to Hybrid/Additional Tier 1 issue holders, and on the weighted average of 2,869 million (six months ended 30th June, 2018: 2,786 million) ordinary shares outstanding during the six months ended 30th June, 2019.
- (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\$643 million (six months ended 30th June, 2018: HK\$3,635 million) respectively after the distribution of HK\$357 million (six months ended 30th June, 2018: HK\$357 million) to Hybrid/Additional Tier 1 issue holders, and on 2,869 million (six months ended 30th June, 2018: 2,787 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the six months ended 30th June, 2019, 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 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Interim dividend declared after the interim period of HK\$0.11 per share on 2,897 million shares (six months ended 30th June, 2018: HK\$0.51 per share on 2,808 million shares)	319	1,432

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 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.32 per share (2018: HK\$0.60 per share)	–	1
Second interim dividend of HK\$0.32 per share on 2,846 million shares (2018: HK\$0.60 per share on 2,765 million shares)	910	1,659
Special dividend of HK\$0.35 per share on 2,846 million shares	996	–
	<u>1,906</u>	<u>1,660</u>

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

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Interest paid or payable on the Hybrid Tier 1 capital instruments	106	106
Amount paid on the Additional Tier 1 capital instruments	251	251
	<u>357</u>	<u>357</u>

### (d) Share Capital

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

	At 30th June, 2019		At 31st December, 2018	
	No. of shares		No. of shares	
	Mn	HK\$ Mn	Mn	HK\$ Mn
Ordinary shares, issued and fully paid:				
At 1st January	2,846	39,925	2,765	37,527
Shares issued under Staff Share Option Schemes	–	–	3	73
Transfer of the fair value of options from capital reserve – share options issued	–	–	–	12
Share issued in lieu of dividend	51	1,269	78	2,313
At 30th June/31st December	<u>2,897</u>	<u>41,194</u>	<u>2,846</u>	<u>39,925</u>

## Notes to the Interim Financial Statements (Continued)

### 2. Changes in Accounting Policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31st December, 2018.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31st December, 2019.

The Group has initially adopted HKFRS 16 Leases from 1st January, 2019. A number of other new standards are effective 1st January, 2019 but they do not have a material effect on the Group's financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

#### (a) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under HKFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

#### (b) As a lessee

The Group leases many assets, including properties and equipments.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases that have a lease term of 12 months or less ("short-term leases"), and leases of underlying assets with an approximate value of HK\$0.04 million or less ("low-value assets"). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the Interim Financial Statements (Continued)

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

#### (b) As a lessee (Continued)

The Group presented right-of-use assets in 'fixed assets', the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as below.

	Right-of-use assets		
	Bank premises	Furniture, fixtures and equipment	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Balance at 1st January	1,099	9	1,108
Balance at 30th June	1,073	10	1,083

The Group presented lease liabilities in 'other liabilities' in the statement of financial position.

#### i. Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is initially measured at cost, and subsequently at fair value, in accordance with the Group's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

## Notes to the Interim Financial Statements (Continued)

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

#### (b) As a lessee (Continued)

##### ii. Transition

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1st January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all leases.

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains option to extend or terminate the lease.

#### (c) As a lessor

The Group leases out its investment properties as the lessor of operating leases.

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

#### (d) Impacts on transition

On transition to HKFRS 16, the Group recognised an additional right-of-use assets and additional lease liabilities, with adjustment of prepaid and accrued lease payments. The impact on transition is summarised below.

	Carrying amount at 31st December, 2018	Capitalisation of operating lease contracts	Carrying amount at 1st January, 2019
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Fixed assets			
– Right-of-use assets	–	1,108	1,108
Other assets			
– Other accounts	9,294	(20)	9,274
<b>Total Assets</b>	<b>839,451</b>	<b>1,088</b>	<b>840,539</b>
Other liabilities			
– Lease liabilities	–	1,094	1,094
– Other accounts	26,300	(6)	26,294
<b>Total Liabilities</b>	<b>735,876</b>	<b>1,088</b>	<b>736,964</b>

## Notes to the Interim Financial Statements (Continued)

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

#### (d) Impacts on transition (Continued)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1st January, 2019. The weighted-average incremental borrowing rate applied is 3.65%.

	1st January, 2019
	HK\$ Mn
Operating lease commitment at 31st December, 2018	1,085
Less: Commitments relating to leases not yet commenced	(85)
Less: Commitments relating to leases exempt from capitalisation:	
– Leases with less than 12 months of lease term at transition	(58)
– Leases of low-value assets	(2)
Add: Extension options or termination options reasonably certain to be exercised	321
	<u>1,261</u>
Less: Total future interest expenses	(167)
	<u>1,094</u>
Lease liabilities recognised at 1st January, 2019	<u>1,094</u>

### 3. Interest Income

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Loans, deposits with banks and financial institutions, and trade bills	12,218	10,262
Investment securities		
– at amortised cost or FVOCI	2,095	1,660
– designated at FVTPL	64	53
– mandatory at FVTPL	133	119
Trading assets	46	89
	<u>14,556</u>	<u>12,183</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 HK\$14,259 million (six months ended 30th June, 2018: HK\$11,943 million) interest income, before hedging effect, for financial assets that are not recognised at fair value through profit or loss.



## Notes to the Interim Financial Statements (Continued)

### 4. Interest Expense

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Customer deposits, deposits of banks and other financial institutions		
– at amortised cost	5,870	5,159
– designated at FVTPL	32	18
Certificates of deposit and debt securities issued		
– at amortised cost	659	323
– designated at FVTPL	205	129
Subordinated notes carried at amortised cost	361	300
Lease liabilities	21	–
Other borrowings	2	4
	<u>7,150</u>	<u>5,933</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 HK\$6,881 million (six months ended 30th June, 2018: HK\$5,801 million) interest expense, before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

### 5. Fee and Commission Income

Fee and commission income is disaggregated by services:

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Credit cards	598	525
Loans, overdrafts and guarantees	364	343
Other retail banking services	182	194
Trade finance	169	164
Trust and other fiduciary activities	146	152
Securities and brokerage	101	179
Investment products	56	78
Sale of third party insurance policies	33	29
Financial consultancy	19	43
Others	227	228
	<u>1,895</u>	<u>1,935</u>
Total fee and commission income		
	<u>1,895</u>	<u>1,935</u>
of which:		
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not measured at FVTPL	1,379	1,379
Fee income	1,895	1,935
Fee expenses	(516)	(556)

## Notes to the Interim Financial Statements (Continued)

### 6. Net Trading Profits

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Profit on dealing in foreign currencies and funding swaps	163	310
Profit on trading securities	183	83
Net gain on derivatives	49	134
Dividend income from trading equity securities	21	29
	<u>416</u>	<u>556</u>

### 7. Net Result from Other Financial Instruments at Fair Value through Profit or Loss

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Net loss from financial instruments designated at FVTPL	(44)	(28)
Net profit/(loss) from financial instruments mandatorily measured at FVTPL (other than those included in net trading profits)	173	(114)
	<u>129</u>	<u>(142)</u>

### 8. Net Hedging Profit

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Fair value hedges		
– Net profit/(loss) on hedged items attributable to the hedged risk	1,649	(394)
– Net (loss)/profit on hedging instruments	(1,632)	410
	<u>17</u>	<u>16</u>

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the six months ended 30th June, 2019 and 30th June, 2018.

## Notes to the Interim Financial Statements (Continued)

### 9. Net Insurance Revenue

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
(a) Net insurance revenue		
Net interest income	312	252
Net trading (loss)/profits	(43)	33
Net profits/(loss) from other financial instruments mandatory at FVTPL	515	(139)
Net insurance premium	3,686	2,833
	4,470	2,979
Net insurance claims and expenses	(3,935)	(2,727)
	535	252
Operating expenses	(2)	(1)
(Charge for)/Write back of impairment loss on financial instruments	(3)	3
Net profit on sale of debt investment securities at FVOCI	44	10
	574	264
(b) Net insurance premium		
Gross insurance premium income (Note)	3,716	2,863
Reinsurer's share of gross insurance premium income	(30)	(30)
	3,686	2,833
(c) Net insurance claims and expenses		
Claims, benefits and surrenders paid	1,797	1,771
Movement in provisions	2,060	903
	3,857	2,674
Reinsurers' share of claim, benefits and surrenders paid	(251)	(342)
Reinsurers' share of movement in provisions	249	315
	(2)	(27)
	3,855	2,647
Net insurance commission expenses	80	80
	3,935	2,727

Note: Gross insurance premium income represents gross premiums received and receivable in respect of long-term business and general insurance business, net of discounts and returns.

## Notes to the Interim Financial Statements (Continued)

### 10. Other Operating Income

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Dividend income from equity securities measured at FVOCI	4	8
Rental from safe deposit boxes	59	54
Rental income on properties	88	89
Others	38	69
	<u>189</u>	<u>220</u>

### 11. Operating Expenses

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Contributions to defined contribution plan		
– Hong Kong	84	72
– Outside Hong Kong	119	119
Equity-settled share-based payment expenses	12	17
Salaries and other staff costs	2,433	2,310
	<u>2,648</u>	<u>2,518</u>
Total staff costs		
Premises and equipment expenses excluding depreciation		
– Rental	–	266
– Expenses relating to short-term leases	47	–
– Variable lease payments not included in the measurement of lease liabilities	3	–
– Maintenance, repairs and others	293	303
	<u>343</u>	<u>569</u>
Total premises and equipment expenses excluding depreciation		
Depreciation on fixed assets	263	240
Depreciation on right-of-use assets	186	–
Amortisation of intangible assets	7	7
Other operating expenses		
– Internet platform charges	476	33
– Legal and professional fees	219	180
– Advertising expenses	129	86
– Communications, stationery and printing	128	127
– Card related expenses	96	68
– Stamp duty, withholding taxes and value added taxes	70	70
– Insurance expenses	64	54
– Business promotions and business travel	48	58
– Donations	8	9
– Membership fees	7	8
– Bank charges	7	5
– Bank licence	2	2
– Others	217	152
	<u>1,471</u>	<u>852</u>
Total other operating expenses		
Total operating expenses	<u>4,918</u>	<u>4,186</u>

## Notes to the Interim Financial Statements (Continued)

### 12. Impairment Losses on Financial Instruments

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Loans and advances to customers	5,015	298
Others	48	(16)
	<u>5,063</u>	<u>282</u>

### 13. Net Profit on Sale of Financial Assets at FVOCI

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Net profit on sale of debt securities		
– Net revaluation gain transferred from reserves	66	23
– Profit arising in the period	38	26
	<u>104</u>	<u>49</u>

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

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Net loss on sale of disposal group	(26)	–
Net profit on sale of properties	108	10
	<u>82</u>	<u>10</u>

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

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Net loss on disposal of investment properties	–	(1)
Net loss on disposal of bank premises, furniture, fixtures and equipment	(6)	(9)
	<u>(6)</u>	<u>(10)</u>

## Notes to the Interim Financial Statements (Continued)

### 16. Income Tax

Taxation in the consolidated income statement represents:

	6 months ended 30/6/2019	6 months ended 30/6/2018
	HK\$ Mn	HK\$ Mn
Current tax – Hong Kong		
Tax for the year	518	432
(Over)/Under-provision in respect of prior years	(147)	3
	<u>371</u>	<u>435</u>
Current tax – outside Hong Kong		
Tax for the year	346	248
(Over)/Under-provision in respect of prior years	(68)	207
	<u>278</u>	<u>455</u>
Deferred tax		
Origination and reversal of temporary differences	(1,051)	(128)
	<u>(402)</u>	<u>762</u>

The provision for Hong Kong profits tax is calculated at 16.5% (six months ended 30th June, 2018: 16.5%) of the estimated assessable profits for the six months ended 30th June, 2019.

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)

### 17. Cash and Balances with Banks and Other Financial Institutions

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Cash in hand	1,307	1,284
Balances with central banks	37,683	36,854
Balances with banks and other financial institutions	13,841	9,973
	52,831	48,111
Less: Impairment allowances	(8)	(5)
– Stage 1	(8)	(5)
– Stage 2	–	–
– Stage 3	–	–
	52,823	48,106

### 18. Placements with and Advances to Banks and Other Financial Institutions

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Placements with and advances to banks and other financial institutions		
Maturing		
– within one month	60,712	43,962
– after one month but within one year	8,860	16,343
– after one year	156	78
	69,728	60,383
Less: Impairment allowances	(8)	(10)
– Stage 1	(8)	(10)
– Stage 2	–	–
– Stage 3	–	–
	69,720	60,373
Of which:		
Placements with and advances to central banks	–	–

## Notes to the Interim Financial Statements (Continued)

### 19. Trade Bills

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
At amortised cost	1,031	2,886
Less: Impairment allowances	–	(4)
– Stage 1	–	(3)
– Stage 2	–	–
– Stage 3	–	(1)
	1,031	2,882
At FVOCI	11,795	11,764
	<u>12,826</u>	<u>14,646</u>

### 20. Trading Assets

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	905	270
Certificates of deposits held	373	–
Debt securities	1,566	1,861
Equity securities	1,287	1,352
	<u>4,131</u>	<u>3,483</u>

### 21. Loans and Advances to Customers

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost	511,281	500,631
Less: Impairment allowances	(5,182)	(2,347)
– Stage 1	(387)	(431)
– Stage 2	(849)	(855)
– Stage 3	(3,946)	(1,061)
	<u>506,099</u>	<u>498,284</u>



## Notes to the Interim Financial Statements (Continued)

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

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

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

	30/6/2019		31/12/2018	
	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	29,615	58.61	26,427	59.34
– Property investment	43,926	89.31	40,218	90.48
– Financial concerns	14,266	71.59	14,944	69.20
– Stockbrokers	1,335	68.98	1,928	67.61
– Wholesale and retail trade	5,793	47.86	6,839	53.30
– Manufacturing	2,948	55.41	1,903	51.42
– Transport and transport equipment	4,352	67.30	5,111	64.32
– Recreational activities	36	86.88	35	91.59
– Information technology	658	2.03	668	3.38
– Others	23,952	72.56	20,196	72.96
– Sub-total	126,881	72.89	118,269	73.07
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,062	100.00	1,048	100.00
– Loans for the purchase of other residential properties	56,562	100.00	55,292	100.00
– Credit card advances	4,485	0.00	4,496	0.00
– Others	43,098	88.63	39,909	88.91
– Sub-total	105,207	91.08	100,745	91.14
Total loans for use in Hong Kong	232,088	81.13	219,014	81.38
Trade finance	3,352	56.83	3,733	56.18
Loans for use outside Hong Kong*	275,841	43.03	277,884	46.84
Total advances to customers	511,281	60.42	500,631	62.02

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

## Notes to the Interim Financial Statements (Continued)

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

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

	30/6/2019		31/12/2018 Restated	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in PRC				
Industrial, commercial and financial				
– Property development	43,246	41.63	45,304	49.98
– Property investment	21,109	93.91	24,020	95.23
– Financial concerns	28,873	5.91	30,924	5.70
– Wholesale and retail trade	8,894	44.22	9,057	55.60
– Manufacturing	6,798	25.09	6,673	26.08
– Transport and transport equipment	2,601	70.35	2,911	82.36
– Recreational activities	702	9.14	1,074	78.64
– Information technology	1,849	1.50	3,685	0.60
– Others	17,440	31.17	19,063	33.89
– Sub-total	131,512	39.94	142,711	44.69
Individuals				
– Loans for the purchase of other residential properties	13,684	99.97	13,879	99.97
– Credit card advances	9,444	0.00	9,405	0.00
– Others	25,041	1.21	17,093	2.19
– Sub-total	48,169	29.03	40,377	35.29
Total loans for use in PRC	179,681	37.02	183,088	42.62

## Notes to the Interim Financial Statements (Continued)

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

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

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
(i) Property development		
a. Individually impaired loans	2,742	749
b. Specific provisions	1,436	–
c. Collective provisions	284	249
d. New provision charged to income statement	1,523	188
e. Written off	581	50
(ii) Property investment		
a. Individually impaired loans	1,949	150
b. Specific provisions	919	94
c. Collective provisions	392	314
d. New provision charged to income statement	1,045	310
e. Written off	703	264
(iii) Loans for purchase of residential properties		
a. Individually impaired loans	267	278
b. Specific provisions	10	8
c. Collective provisions	107	201
d. New provision charged to income statement	48	158
e. Written off	2	8

The specific provisions represent lifetime expected credit loss provisions for credited impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired exposures.

#### (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. The analysis of impairment provisions follow the terminology used by the HKMA. The specific provisions represent lifetime expected credit loss provisions for credit impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired exposures.

## Notes to the Interim Financial Statements (Continued)

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

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

	30/6/2019				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	241,678	343	2,445	1,400	255
Mainland China	198,151	2,354	5,152	2,403	892
Other Asian Countries and Regions	26,898	138	406	143	69
Others	44,554	–	332	–	20
<b>Total</b>	<b>511,281</b>	<b>2,835</b>	<b>8,335</b>	<b>3,946</b>	<b>1,236</b>
% of total advances to customers			1.63%		
Market value of collateral held against impaired advances to customers			6,640		
	31/12/2018				
	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	225,656	367	559	224	260
Mainland China	203,377	2,405	2,515	776	871
Other Asian Countries and Regions	27,634	121	396	61	117
Others	43,964	–	21	–	38
<b>Total</b>	<b>500,631</b>	<b>2,893</b>	<b>3,491</b>	<b>1,061</b>	<b>1,286</b>
% of total advances to customers			0.70%		
Market value of collateral held against impaired advances to customers			2,414		

## Notes to the Interim Financial Statements (Continued)

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

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

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

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

### 22. Investment Securities

	30/6/2019				
	Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	–	30,901	2,812	33,713
Certificates of deposits held	–	–	1,065	933	1,998
Debt securities	9,712	1,303	91,715	15,344	118,074
Equity securities	1,805	–	1,105	–	2,910
Investment funds	517	–	–	–	517
	<u>12,034</u>	<u>1,303</u>	<u>124,786</u>	<u>19,089</u>	<u>157,212</u>
	31/12/2018				
	Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	–	26,594	1,915	28,509
Certificates of deposits held	–	–	1,191	1,109	2,300
Debt securities	10,663	1,630	81,574	15,997	109,864
Equity securities	2,513	–	688	–	3,201
Investment funds	855	–	–	–	855
	<u>14,031</u>	<u>1,630</u>	<u>110,047</u>	<u>19,021</u>	<u>144,729</u>

Debt securities were designated as at FVTPL on initial recognition when the Group held derivatives for managing specific risk of the debt securities, and the designation therefore eliminated or significantly reduced an accounting mismatch that would otherwise arise.

## Notes to the Interim Financial Statements (Continued)

### 22. Investment Securities (Continued)

#### *Equity securities designated at FVOCI*

The Group designated certain equity securities as shown in the following table at FVOCI. The FVOCI designation was made because the investments are expected to be held for long-term strategic purposes.

	30/6/2019		31/12/2018	
	Fair value at 30/6/2019	Dividend income recognised	Fair value at 31/12/2018	Dividend income recognised
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Aberdeen Restaurant Enterprises Limited	2	–	2	–
EPS Company (Hong Kong) Limited	64	4	47	7
Joint Electronic Teller Services Ltd.	17	–	18	2
Nova Credit Limited	11	–	11	–
OTC Clearing Hong Kong Limited	12	–	14	–
TransUnion Limited	93	–	70	11
China International Payment Service Corporation	35	–	35	–
China UnionPay Co., Ltd.	859	–	481	2
Euroclear Plc	10	–	8	1
Society For World-Wide Interbank Financial Telecommunication	2	–	2	–
	<u>1,105</u>	<u>4</u>	<u>688</u>	<u>23</u>

## Notes to the Interim Financial Statements (Continued)

### 23. Fixed Assets

	30/6/2019							
	Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Cost or valuation								
At 1st January, 2019	5,249	8,237	5,523	13,760	–	–	–	19,009
Impact of adopting HKFRS 16	–	–	–	–	1,099	9	1,108	1,108
Restated balance at 1st January, 2019	5,249	8,237	5,523	13,760	1,099	9	1,108	20,117
Additions	–	28	216	244	160	3	163	407
Revaluation surplus	18	–	–	–	–	–	–	18
Disposals	–	(23)	(31)	(54)	–	–	–	(54)
Remeasurement	–	–	–	–	(1)	–	(1)	(1)
Transfer to asset classified as assets held for sale	–	(6)	–	(6)	–	–	–	(6)
Exchange adjustments	(1)	–	(2)	(2)	(2)	–	(2)	(5)
At 30th June, 2019	5,266	8,236	5,706	13,942	1,256	12	1,268	20,476
Accumulated depreciation and amortisation								
At 1st January, 2019	–	1,933	3,911	5,844	–	–	–	5,844
Charge for the period	–	78	185	263	184	2	186	449
Written off on disposal	–	(7)	(25)	(32)	–	–	–	(32)
Transfer to asset classified as assets held for sale	–	(2)	–	(2)	–	–	–	(2)
Exchange adjustments	–	(2)	(2)	(4)	(1)	–	(1)	(5)
At 30th June, 2019	–	2,000	4,069	6,069	183	2	185	6,254
Net book value at 30th June, 2019	5,266	6,236	1,637	7,873	1,073	10	1,083	14,222
Net book value at 31st December, 2018	5,249	6,304	1,612	7,916	–	–	–	13,165
The gross amounts of the above assets are stated:								
At cost	–	766	5,706	6,472	1,256	12	1,268	7,740
At Directors' valuation – 1989	–	7,470	–	7,470	–	–	–	7,470
At professional valuation – 2019	5,266	–	–	–	–	–	–	5,266
	5,266	8,236	5,706	13,942	1,256	12	1,268	20,476

## Notes to the Interim Financial Statements (Continued)

### 24. Other Assets

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Accrued interest	3,459	3,466
Customer liabilities under acceptances	25,257	21,747
Other accounts*	11,618	9,294
Less: Impairment allowances	(410)	(291)
– Stage 1	(38)	(27)
– Stage 2	(9)	(6)
– Stage 3	(363)	(258)
	<u>39,924</u>	<u>34,216</u>
Assets held for sale (Note 43)	<u>507</u>	<u>688</u>
	<u><u>40,431</u></u>	<u><u>34,904</u></u>

\* Include nil contract assets (31/12/2018: nil) from contracts with customers under HKFRS 15.

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Deposits and balances of banks and other financial institutions	3,535	1,335
Certificates of deposits issued	20,275	9,462
Debt securities issued	109	407
	<u>23,919</u>	<u>11,204</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.

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Balance at 1st January	(3)	(6)
Recognised in other comprehensive income during the period	<u>–</u>	<u>3</u>
Balance at 30th June/31st December	<u><u>(3)</u></u>	<u><u>(3)</u></u>



## Notes to the Interim Financial Statements (Continued)

### 25. Financial Liabilities Designated at Fair Value through Profit or Loss (Continued)

None of the liabilities designated as at FVTPL was derecognized during the period ended 30th June, 2019 and there was no transfer of cumulative gain or loss within equity during the period.

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

The carrying amount of financial liabilities designated as at FVTPL at 30 June 2019 was HK\$100 million lower than the contractual amount due at maturity (31/12/2018: HK\$57 million lower).

### 26. Trading Liabilities

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Shares sold	38	–

### 27. Other Liabilities

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Accrued interest payable	3,520	3,279
Acceptance draft payable	25,257	21,747
Impairment allowances	100	111
– Financial guarantee contracts issued	14	15
– Loan commitments issued	86	96
Liabilities held for sale ( <i>Note 43</i> )	3	7
Lease liabilities	1,089	–
Other accounts*	32,015	26,300
	<u>61,984</u>	<u>51,444</u>

\* Include contract liabilities of HK\$599 million (31/12/2018: HK\$633 million) from contracts with customers under HKFRS 15.

## Notes to the Interim Financial Statements (Continued)

### 28. Loan Capital

		30/6/2019	31/12/2018
		HK\$ Mn	HK\$ Mn
Subordinated notes, at amortised cost with fair value hedge adjustments			
USD600 million fixed rate subordinated notes due 16th July, 2020	(1)	4,730	4,710
USD500 million fixed rate subordinated notes due 20th November, 2024	(2)	3,897	3,878
USD500 million fixed rate subordinated notes due 3rd November, 2026	(3)	3,862	3,770
Subordinated notes at amortised cost			
RMB1,500 million fixed rate subordinated notes due 25th April, 2029	(4)	1,704	–
		<u>14,193</u>	<u>12,358</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, 2019 and 31st December, 2018.

- (1) Two tranches of loan capital of face value totalling HK\$4,688 million (USD600 million) and carrying amount totalling HK\$4,730 million (31/12/2018: HK\$4,710 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as Tier 2 capital are listed on the Singapore Exchange and will mature on 16th July, 2020. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$3 million loss was recorded in the first half of 2019 (first half 2018: HK\$3 million loss).
- (2) Loan capital of face value of HK\$3,907 million (USD500 million) and carrying amount of HK\$3,897 million (31/12/2018: HK\$3,878 million) represents 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 20th November, 2014 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 20th November, 2024. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$0.05 million profit was recorded in first half of 2019 (first half 2018: HK\$1 million loss).
- (3) Loan capital of face value of HK\$3,907 million (USD500 million) and carrying amount of HK\$3,862 million (31/12/2018: HK\$3,770 million) represents 4% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 3rd November, 2016 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 3rd November, 2026. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$0.7 million loss was recorded in first half of 2019 (first half 2018: HK\$2 million loss).
- (4) Loan capital of face value of HK\$1,707 million (RMB1,500 million) and carrying amount of HK\$1,704 million represents 4.94% subordinated notes issued on 25th April, 2019 by the Bank's subsidiary, BEA (China). The notes will mature on 25th April, 2029.

## 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 eight reportable segments.

Personal banking includes branch operations, personal internet banking, consumer finance, property loans and credit card business in Hong Kong.

Corporate banking includes corporate lending and loan syndication, asset based lending, commercial lending and securities lending in Hong Kong.

Treasury markets include treasury operations and securities dealing in Hong Kong.

Wealth management includes private banking business and related assets in Hong Kong.

Financial institutions include trade financing activities with correspondent banks in Hong Kong.

Other Hong Kong operations mainly include insurance business, trust business, securities & futures broking, money lender activities and corporate financial advisory, other subsidiaries in Hong Kong and supporting units of Hong Kong operations.

Mainland China operations mainly include the back office unit for Mainland China operations in Hong Kong, all subsidiaries and associates operated in Mainland China, except those subsidiaries carrying out data processing and other back office operations in Mainland China.

Overseas operations include the back office unit for overseas banking operations in Hong Kong, Macau Branch, Taiwan Branch and all branches, subsidiaries and associates operated in overseas.

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

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

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

## Notes to the Interim Financial Statements (Continued)

### 29. Segment Reporting (Continued)

	Hong Kong operations						Total	Mainland China operations	Overseas operations	Inter- segment elimination	Total
	Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others					
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn					
6 months ended 30th June, 2019											
Net interest income	1,709	1,107	258	201	11	696	3,982	2,657	762	5	7,406
Non-interest income/(expense)	478	221	204	206	11	1,124	2,244	506	141	(195)	2,696
Operating income	2,187	1,328	462	407	22	1,820	6,226	3,163	903	(190)	10,102
Operating expenses	(829)	(146)	(72)	(109)	(6)	(1,448)	(2,610)	(2,152)	(346)	190	(4,918)
Operating profit before impairment losses	1,358	1,182	390	298	16	372	3,616	1,011	557	-	5,184
(Charge for)/Write back of impairment losses on financial instruments	(98)	13	21	(1)	(2)	(1)	(68)	(5,065)	70	-	(5,063)
Operating profit/(loss) after impairment losses	1,260	1,195	411	297	14	371	3,548	(4,054)	627	-	121
Profit/(Loss) on sale of fixed assets, financial assets measured at FVOCI and investments measured at amortised cost	(6)	(3)	44	-	-	8	43	52	(2)	-	93
Profit on sale of assets held for sale	-	-	-	-	-	79	79	3	-	-	82
Loss on disposal of subsidiaries	-	-	-	-	-	-	-	-	(6)	-	(6)
Valuation gains on investment properties	-	-	-	-	-	17	17	-	1	-	18
Share of profits less losses of associates	-	-	-	-	-	3	3	63	262	-	328
Profit/(loss) before taxation	1,254	1,192	455	297	14	478	3,690	(3,936)	882	-	636
Depreciation for the period	(146)	(1)	(3)	(1)	-	(113)	(264)	(152)	(33)	-	(449)
At 30th June, 2019											
Segment assets	107,871	154,061	188,031	28,252	4,108	41,262	523,585	280,172	115,227	(52,388)	866,596
Investments in associates	-	-	-	-	-	54	54	3,742	5,879	-	9,675
Other assets – Assets held for sale	-	-	-	-	-	105	105	34	368	-	507
Total assets	107,871	154,061	188,031	28,252	4,108	41,421	523,744	283,948	121,474	(52,388)	876,778
Segment liabilities	327,634	17,386	69,995	23,329	8	25,351	463,703	251,914	107,654	(51,484)	771,787
Other liabilities – Liabilities held for sale	-	-	-	-	-	3	3	-	-	-	3
Total liabilities	327,634	17,386	69,995	23,329	8	25,354	463,706	251,914	107,654	(51,484)	771,790

## Notes to the Interim Financial Statements (Continued)

### 29. Segment Reporting (Continued)

	Hong Kong operations						Total	Mainland China operations	Overseas operations	Inter- segment elimination	Total
	Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others					
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn					
6 months ended 30th June, 2018 (Restated) (Note)											
Net interest income	1,501	1,083	322	231	13	523	3,673	1,765	810	2	6,250
Non-interest income/(expense)	453	212	5	226	11	846	1,753	550	150	(177)	2,276
Operating income	1,954	1,295	327	457	24	1,369	5,426	2,315	960	(175)	8,526
Operating expenses	(754)	(109)	(79)	(108)	(6)	(1,335)	(2,391)	(1,630)	(340)	175	(4,186)
Operating profit before impairment losses	1,200	1,186	248	349	18	34	3,035	685	620	-	4,340
(Charge for)/Write back of impairment losses on financial instruments	(92)	(92)	(1)	9	(1)	-	(177)	(312)	207	-	(282)
Impairment losses on intangible assets	-	-	-	-	-	-	-	(1)	-	-	(1)
Operating profit after impairment losses	1,108	1,094	247	358	17	34	2,858	372	827	-	4,057
Profit/(Loss) on sale of fixed assets, financial assets measured at FVOCI	(7)	-	45	-	-	-	38	1	-	-	39
Profit on sale of assets held for sale	-	-	-	-	-	-	-	-	10	-	10
Valuation gains on investment properties	-	-	-	-	-	394	394	-	-	-	394
Share of profits less losses of associates	-	-	-	-	-	-	-	41	240	-	281
Profit before taxation	1,101	1,094	292	358	17	428	3,290	414	1,077	-	4,781
Depreciation for the period	(32)	(1)	(2)	(1)	-	(84)	(120)	(105)	(15)	-	(240)
At 31st December, 2018 (Restated)											
Segment assets	103,770	149,307	177,169	24,170	7,041	38,202	499,659	269,739	108,272	(48,036)	829,634
Investments in associates	-	-	-	-	-	52	52	3,637	5,440	-	9,129
Other assets – Assets held for sale	-	-	-	-	-	276	276	49	363	-	688
Total assets	103,770	149,307	177,169	24,170	7,041	38,530	499,987	273,425	114,075	(48,036)	839,451
Segment liabilities	323,333	14,116	59,743	23,378	20	20,402	440,992	240,872	101,181	(47,176)	735,869
Other liabilities – Liabilities held for sale	-	-	-	-	-	7	7	-	-	-	7
Total liabilities	323,333	14,116	59,743	23,378	20	20,409	440,999	240,872	101,181	(47,176)	735,876

Note: Due to the change of ownership of some customer deposits and the revision of internal fund transfer pricing methodology, some internal charges and segment grouping, certain 2018 comparative figures have been restated to conform to current period's presentation.

## Notes to the Interim Financial Statements (Continued)

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

	30/6/2019							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>								
Cash and balances with banks and other financial institutions	31,900	–	551	1,997	–	–	18,375	52,823
Placements with and advances to banks and other financial institutions	–	60,709	6,521	2,335	155	–	–	69,720
Trade bills	233	5,122	4,180	3,291	–	–	–	12,826
Trading assets	–	–	239	1,211	1,236	158	1,287	4,131
Derivative assets	–	–	–	–	–	–	6,141	6,141
Loans and advances to customers	3,824	69,358	25,560	93,718	196,257	115,307	2,075	506,099
Investment securities	–	5,568	14,245	31,763	67,341	35,143	3,152	157,212
Investments in associates	–	–	–	–	–	–	9,675	9,675
Fixed assets	–	–	–	–	–	–	14,222	14,222
Goodwill and intangible assets	–	–	–	–	–	–	1,933	1,933
Deferred tax assets	–	–	–	–	–	–	1,565	1,565
Other assets	207	6,470	8,065	14,251	704	240	10,494	40,431
<b>Total assets</b>	<b>36,164</b>	<b>147,227</b>	<b>59,361</b>	<b>148,566</b>	<b>265,693</b>	<b>150,848</b>	<b>68,919</b>	<b>876,778</b>
<b>Liabilities</b>								
Deposits and balances of banks and other financial institutions	1,641	12,809	11,316	10,279	12	–	–	36,057
Deposits from customers	196,624	113,835	149,095	111,094	10,316	1,138	3	582,105
– Demand deposits and current accounts	62,791	–	–	–	–	–	–	62,791
– Savings deposits	131,735	–	–	–	–	–	–	131,735
– Time, call and notice deposits	2,098	113,835	149,095	111,094	10,316	1,138	3	387,579
Trading liabilities	–	–	–	–	–	–	38	38
Derivative liabilities	–	–	–	–	–	–	8,139	8,139
Certificates of deposit issued	–	5,941	17,457	40,505	–	–	–	63,903
Current taxation	–	–	–	1,682	–	–	–	1,682
Debt securities issued	–	109	–	156	2,841	–	–	3,106
Deferred tax liabilities	–	–	–	–	–	–	583	583
Other liabilities	1,445	7,304	9,223	18,579	11,772	4,703	8,958	61,984
– Lease liabilities	–	30	57	249	514	239	–	1,089
– Other accounts	1,445	7,274	9,166	18,330	11,258	4,464	8,958	60,895
Loan capital	–	–	–	3,897	10,296	–	–	14,193
<b>Total liabilities</b>	<b>199,710</b>	<b>139,998</b>	<b>187,091</b>	<b>186,192</b>	<b>35,237</b>	<b>5,841</b>	<b>17,721</b>	<b>771,790</b>
<b>Net gap</b>	<b>(163,546)</b>	<b>7,229</b>	<b>(127,730)</b>	<b>(37,626)</b>	<b>230,456</b>	<b>145,007</b>		

## Notes to the Interim Financial Statements (Continued)

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

	31/12/2018							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>								
Cash and balances with banks and other financial institutions	27,033	–	–	1,818	–	–	19,255	48,106
Placements with and advances to banks and other financial institutions	–	43,957	15,536	802	78	–	–	60,373
Trade bills	16	5,594	4,760	4,276	–	–	–	14,646
Trading assets	–	114	148	1,243	402	224	1,352	3,483
Derivative assets	–	–	–	–	–	–	10,211	10,211
Loans and advances to customers	2,899	56,756	29,843	99,734	191,557	115,674	1,821	498,284
Investment securities	–	6,353	9,033	26,354	71,656	27,528	3,805	144,729
Investments in associates	–	–	–	–	–	–	9,129	9,129
Fixed assets	–	–	–	–	–	–	13,165	13,165
Goodwill and intangible assets	–	–	–	–	–	–	1,940	1,940
Deferred tax assets	–	–	–	–	–	–	481	481
Other assets	104	7,154	6,415	13,691	713	195	6,632	34,904
<b>Total assets</b>	<b>30,052</b>	<b>119,928</b>	<b>65,735</b>	<b>147,918</b>	<b>264,406</b>	<b>143,621</b>	<b>67,791</b>	<b>839,451</b>
<b>Liabilities</b>								
Deposits and balances of banks and other financial institutions	2,691	15,154	5,827	3,818	–	–	–	27,490
Deposits from customers	203,713	118,991	146,031	88,469	16,906	–	4	574,114
– Demand deposits and current accounts	71,952	–	–	–	–	–	–	71,952
– Savings deposits	130,477	–	–	–	–	–	–	130,477
– Time, call and notice deposits	1,284	118,991	146,031	88,469	16,906	–	4	371,685
Trading liabilities	–	–	–	–	–	–	–	–
Derivative liabilities	–	–	–	–	–	–	9,496	9,496
Certificates of deposit issued	–	3,236	19,976	35,278	–	–	–	58,490
Current taxation	–	–	–	1,437	–	–	–	1,437
Debt securities issued	–	–	–	407	157	–	–	564
Deferred tax liabilities	–	–	–	–	–	–	483	483
Other liabilities	883	5,339	7,075	15,971	9,881	3,955	8,340	51,444
Loan capital	–	–	–	–	12,358	–	–	12,358
<b>Total liabilities</b>	<b>207,287</b>	<b>142,720</b>	<b>178,909</b>	<b>145,380</b>	<b>39,302</b>	<b>3,955</b>	<b>18,323</b>	<b>735,876</b>
<b>Net gap</b>	<b>(177,235)</b>	<b>(22,792)</b>	<b>(113,174)</b>	<b>2,538</b>	<b>225,104</b>	<b>139,666</b>		

## Notes to the 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 1st January, 2019	289	113	(675)	74	-	201	2
(Credited)/Charged to income statement	31	-	(812)	-	(6)	(264)	(1,051)
(Credited)/Charged to reserve	-	(1)	-	46	-	1	46
Exchange and other adjustments	-	-	16	-	1	4	21
At 30th June, 2019	<u>320</u>	<u>112</u>	<u>(1,471)</u>	<u>120</u>	<u>(5)</u>	<u>(58)</u>	<u>(982)</u>
Balance as at 31st December, 2018	<u>289</u>	<u>113</u>	<u>(675)</u>	<u>74</u>	<u>-</u>	<u>201</u>	<u>2</u>

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Net deferred tax assets recognised on the statement of financial position	(1,565)	(481)
Net deferred tax liabilities recognised on the statement of financial position	<u>583</u>	<u>483</u>
	<u>(982)</u>	<u>2</u>



## Notes to the Interim Financial Statements (Continued)

### 32. Reserves

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
General reserve	14,059	14,054
Revaluation reserve on bank premises	1,748	1,752
Capital reserve	1,028	933
Exchange revaluation reserve	(1,368)	(1,426)
Capital reserve – staff share options issued	152	158
Fair value reserve	1,954	664
Hedging reserve	7	15
Liability credit reserve	(4)	(3)
Other reserves	5,321	4,963
Retained profits*	29,164	30,791
	<u>52,061</u>	<u>51,901</u>
Proposed dividends, not provided for	<u>319</u>	<u>1,906</u>

\* 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, 2019, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$4,942 million (31/12/2018: HK\$5,112 million).

### 33. Additional Equity Instruments

		30/6/2019	31/12/2018
		HK\$ Mn	HK\$ Mn
USD650 million undated non-cumulative subordinated capital securities	(1)	5,016	5,016
USD500 million undated non-cumulative subordinated capital securities	(2)	3,878	3,878
		<u>8,894</u>	<u>8,894</u>

- (1) On 2nd December, 2015, the Bank issued undated non-cumulative subordinated capital securities (“Additional Tier 1 Capital Securities”) with a face value of US\$650 million (equivalent to HK\$5,016 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.50% coupon until the first call date on 2nd December, 2020. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.834% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.
- (2) On 18th May, 2017, the Bank issued undated non-cumulative subordinated capital securities (“Additional Tier 1 Capital Securities”) with a face value of US\$500 million (equivalent to HK\$3,878 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.625% coupon until the first call date on 18th May, 2022. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.682% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

## Notes to the Interim Financial Statements (Continued)

### 34. Consolidated Cash Flow Statement

#### *Cash and cash equivalents*

	30/6/2019	30/6/2018
	HK\$ Mn	HK\$ Mn
(i) Components of cash and cash equivalents in the consolidated cash flow statement		
Cash and balances with banks and other financial institutions with original maturity within three months	32,474	25,640
Placements with and advances to banks and other financial institutions with original maturity within three months	63,975	60,524
Treasury bills with original maturity within three months	3,995	2,517
Certificates of deposit held with original maturity within three months	148	1,128
Debt securities with original maturity within three months	763	–
Add: Cash and balances with banks and other financial institutions included in “Assets held for sale” (Note 43)	2	4
	<u>101,357</u>	<u>89,813</u>
(ii) Reconciliation with the consolidated statement of financial position		
Cash and balances with banks and other financial institutions	52,823	48,869
Placements with and advances to banks and other financial institutions	69,720	66,381
Treasury bills, certificates of deposit held and debt securities		
– trading assets	2,844	5,036
– investment securities	153,785	128,945
	156,629	133,981
Add: Cash and balances with banks and other financial institutions included in “Assets held for sale” (Note 43)	2	4
Amount shown in the consolidated statement of financial position	279,174	249,235
Less: Amounts with an original maturity of beyond three months	(157,460)	(136,185)
Cash balance with central bank subject to regulatory restriction	(20,357)	(23,237)
Cash and cash equivalents in the consolidated cash flow statement	<u>101,357</u>	<u>89,813</u>

## Notes to the Interim Financial Statements (Continued)

### 35. Offsetting Financial Instruments

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

	At 30th June, 2019				
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>					
Derivative assets	36	–	36	(32)	4
Other assets	434	(282)	152	–	152
<b>Total</b>	<b>470</b>	<b>(282)</b>	<b>188</b>	<b>(32)</b>	<b>156</b>

	At 30th June, 2019				
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Liabilities</b>					
Derivative liabilities	105	–	105	(32)	73
Other liabilities	282	(282)	–	–	–
<b>Total</b>	<b>387</b>	<b>(282)</b>	<b>105</b>	<b>(32)</b>	<b>73</b>

## Notes to the Interim Financial Statements (Continued)

### 35. Offsetting Financial Instruments (Continued)

	At 31st December, 2018				
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>					
Derivative assets	20	–	20	(19)	1
Other assets	441	(423)	18	–	18
Total	461	(423)	38	(19)	19

	At 31st December, 2018				
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Liabilities</b>					
Derivative liabilities	48	–	48	(19)	29
Other liabilities	423	(423)	–	–	–
Total	471	(423)	48	(19)	29

## Notes to the Interim Financial Statements (Continued)

### 35. Offsetting Financial Instruments (Continued)

The tables below reconcile the “net amounts of financial assets and financial liabilities presented in the consolidated statement of financial position”, as set out above, to the derivative assets, other assets, derivative liabilities and other liabilities presented in the consolidated statement of financial position.

	30/6/2019		31/12/2018	
	Derivative assets	Other assets	Derivative assets	Other assets
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Net amount of financial assets after offsetting as stated above	36	152	20	18
Financial assets not in scope of offsetting disclosure	6,105	40,689	10,191	35,177
Impairment allowances	–	(410)	–	(291)
	<u>6,141</u>	<u>40,431</u>	<u>10,211</u>	<u>34,904</u>

	30/6/2019		31/12/2018	
	Derivative liabilities	Other liabilities	Derivative liabilities	Other liabilities
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Net amount of financial liabilities after offsetting as stated above	105	–	48	–
Financial liabilities not in scope of offsetting disclosure	8,034	61,984	9,448	51,444
	<u>8,139</u>	<u>61,984</u>	<u>9,496</u>	<u>51,444</u>

## Notes to the Interim Financial Statements (Continued)

### 36. 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-wide recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument 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)

### 36. 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:

	30/6/2019				31/12/2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Recurring fair value measurement</b>								
<b>Assets</b>								
Trade Bills - At FVOCI	-	11,795	-	11,795	-	11,764	-	11,764
Trading assets	1,386	2,745	-	4,131	1,371	2,112	-	3,483
Derivative assets	-	6,141	-	6,141	-	10,211	-	10,211
Investment securities								
- Mandatorily measured at FVTPL	1,537	10,210	287	12,034	2,471	11,251	309	14,031
- Designated at FVTPL	-	1,303	-	1,303	-	1,630	-	1,630
- At FVOCI	29,201	94,480	1,105	124,786	22,125	87,234	688	110,047
	<u>32,124</u>	<u>126,674</u>	<u>1,392</u>	<u>160,190</u>	<u>25,967</u>	<u>124,202</u>	<u>997</u>	<u>151,166</u>
<b>Liabilities</b>								
Trading liabilities	38	-	-	38	-	-	-	-
Derivative liabilities	-	8,139	-	8,139	-	9,496	-	9,496
Financial liabilities designated at FVTPL	-	23,919	-	23,919	-	11,204	-	11,204
	<u>38</u>	<u>32,058</u>	<u>-</u>	<u>32,096</u>	<u>-</u>	<u>20,700</u>	<u>-</u>	<u>20,700</u>

During the period ended 30th June, 2019 and year ended 31st December, 2018, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## Notes to the Interim Financial Statements (Continued)

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

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

Information about significant unobservable inputs in Level 3 valuations:

	<u>Valuation technique</u>	<u>Significant unobservable input(s)</u>	<u>Value or range</u>
Unlisted equity securities and investment funds	Net asset value	N/A	N/A
	Discounted cash flow model	Discount rate	30/6/2019: 8.8% (2018: 11.8%)
		Marketability discount	30/6/2019: 20% (2018: 20%)
	Market-comparable approach	Earnings multiple	30/6/2019: 28.74 – 30.84 (2018: 18.24-19.90)
		EV/EBIT	30/6/2019: 25.90 – 31.75 (2018: 22.54-23.18)
		Marketability discount	30/6/2019: 50% (2018: 50%)

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI are estimated using the discounted cash flow model, on the basis of an analysis of the investee's financial position and results, or with reference to multiples of comparable listed companies, such as price/earning ratio of comparables, adjusted for a marketability discount to reflect the fact that the shares are not actively traded. An increase in the ratio/investee's financial position and results in isolation will result in favourable movement in the fair values, while an increase in discount rate/marketability discount in isolation will result in unfavourable movement.

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



## Notes to the Interim Financial Statements (Continued)

### 36. 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:

	30/6/2019		31/12/2018	
	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities at FVOCI HK\$ Mn	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities at FVOCI HK\$ Mn
<b>Assets</b>				
At 1st January	309	688	213	349
Purchases	–	–	124	43
Settlements	(7)	–	(13)	–
Changes in fair value recognised in the income statement	(15)	–	(15)	–
Changes in fair value recognised in the other comprehensive income	–	417	–	296
At 30th June/31st December	<u>287</u>	<u>1,105</u>	<u>309</u>	<u>688</u>
Total gains or losses for the period included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period	<u>–</u>	<u>417</u>	<u>–</u>	<u>296</u>
Total gains or losses for the period included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL	<u>(15)</u>	<u>–</u>	<u>(15)</u>	<u>–</u>

## Notes to the Interim Financial Statements (Continued)

### 36. 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

	30/6/2019			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	24	(24)	–	–
Investment securities at FVOCI	–	–	92	(92)
	<u>24</u>	<u>(24)</u>	<u>92</u>	<u>(92)</u>
	31/12/2018			
	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	26	(26)	–	–
Investment securities at FVOCI	–	–	57	(57)
	<u>26</u>	<u>(26)</u>	<u>57</u>	<u>(57)</u>

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

## Notes to the Interim Financial Statements (Continued)

### 36. 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, 2019 and 31st December, 2018 except as follows:

	30/6/2019		31/12/2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities at amortised cost	19,089	19,348	19,021	19,140

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk

The Group adopts the criteria of stage allocation as follows:

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

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

- The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated; and
- The rating of the exposure falls out of the "Low-Credit Risk Threshold" that 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.

	30/6/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers at amortised cost</b>								
– Grades 1 - 15: Pass	473,718	1,133	21,740	99	–	–	495,458	1,232
– Grades 16 - 17: Special Mention	–	–	7,488	56	–	–	7,488	56
– Grade 18: Substandard	–	–	–	–	5,735	8	5,735	8
– Grade 19: Doubtful	–	–	–	–	2,028	151	2,028	151
– Grade 20: Loss	–	–	–	–	572	203	572	203
Total gross carrying amount	473,718	1,133	29,228	155	8,335	362	511,281	1,650
Impairment allowances	(387)	(1)	(849)	(4)	(3,946)	(208)	(5,182)	(213)
Carrying amount	<u>473,331</u>	<u>1,132</u>	<u>28,379</u>	<u>151</u>	<u>4,389</u>	<u>154</u>	<u>506,099</u>	<u>1,437</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

Credit quality of loans and advances (Continued)

	31/12/2018							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers at amortised cost</b>								
– Grades 1 - 15: Pass	465,980	1,124	25,413	100	–	–	491,393	1,224
– Grades 16 - 17: Special Mention	–	–	5,747	29	–	–	5,747	29
– Grade 18: Substandard	–	–	–	–	1,226	17	1,226	17
– Grade 19: Doubtful	–	–	–	–	1,718	109	1,718	109
– Grade 20: Loss	–	–	–	–	547	187	547	187
Total gross carrying amount	465,980	1,124	31,160	129	3,491	313	500,631	1,566
Impairment allowances	(431)	(1)	(855)	(4)	(1,061)	(191)	(2,347)	(196)
Carrying amount	465,549	1,123	30,305	125	2,430	122	498,284	1,370

Credit quality of financial assets other than loans and advances

The following tables set out the credit analysis for debt instruments other than loans and advances to customers, measured at amortised cost and FVOCI. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts/fair value. For loan commitment and financial guarantee contracts, the amount in the table represent the amounts committed or guaranteed, respectively.

	30/6/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at amortised cost</b>								
– Grades 1 - 15: Pass	1,029	13	2	–	–	–	1,031	13
– Grades 16 - 17: Special Mention	–	–	–	–	–	–	–	–
– Grade 18: Substandard	–	–	–	–	–	–	–	–
– Grade 19: Doubtful	–	–	–	–	–	–	–	–
– Grade 20: Loss	–	–	–	–	–	–	–	–
Total gross carrying amount	1,029	13	2	–	–	–	1,031	13
Impairment allowances	–	–	–	–	–	–	–	–
Carrying amount	1,029	13	2	–	–	–	1,031	13

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

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

	31/12/2018							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at amortised cost</b>								
– Grades 1 - 15: Pass	2,816	45	69	–	–	–	2,885	45
– Grades 16 - 17: Special Mention	–	–	–	–	–	–	–	–
– Grade 18: Substandard	–	–	–	–	–	–	–	–
– Grade 19: Doubtful	–	–	–	–	1	–	1	–
– Grade 20: Loss	–	–	–	–	–	–	–	–
Total gross carrying amount	2,816	45	69	–	1	–	2,886	45
Impairment allowances	(3)	–	–	–	(1)	–	(4)	–
Carrying amount	<u>2,813</u>	<u>45</u>	<u>69</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,882</u>	<u>45</u>
	30/6/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at FVOCI</b>								
– Grades 1 - 15: Pass	10,401	1	1,394	–	–	–	11,795	1
Total carrying amount at fair value	<u>10,401</u>	<u>1</u>	<u>1,394</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,795</u>	<u>1</u>
Impairment allowances	<u>(4)</u>	<u>–</u>	<u>(3)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(7)</u>	<u>–</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

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

	31/12/2018							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at FVOCI</b>								
– Grades 1 - 15: Pass	11,541	2	223	–	–	–	11,764	2
Total carrying amount at fair value	11,541	2	223	–	–	–	11,764	2
Impairment allowances	(5)	–	–	–	–	–	(5)	–
	30/6/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Placements with and advances to banks and other financial institutions</b>								
– Grades 1 - 15: Pass	69,728	52	–	–	–	–	69,728	52
Total gross carrying amount	69,728	52	–	–	–	–	69,728	52
Impairment allowances	(8)	–	–	–	–	–	(8)	–
Carrying amount	69,720	52	–	–	–	–	69,720	52

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

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

	31/12/2018							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Placements with and advances to banks and other financial institutions</b>								
– Grades 1 - 15: Pass	60,224	127	159	–	–	–	60,383	127
Total gross carrying amount	60,224	127	159	–	–	–	60,383	127
Impairment allowances	(10)	–	–	–	–	–	(10)	–
Carrying amount	<u>60,214</u>	<u>127</u>	<u>159</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>60,373</u>	<u>127</u>

	30/6/2019			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loan commitments</b>				
– Grades 1 - 15: Pass	122,915	5,379	–	128,294
– Grades 16 - 17: Special Mention	–	173	–	173
– Grade 18: Substandard	–	–	554	554
Total	<u>122,915</u>	<u>5,552</u>	<u>554</u>	<u>129,021</u>
Impairment allowances	<u>(49)</u>	<u>(37)</u>	<u>–</u>	<u>(86)</u>
<b>Financial guarantee contracts</b>				
– Grades 1 - 15: Pass	22,215	2,326	–	24,541
– Grades 16 - 17: Special Mention	–	4	–	4
– Grade 18: Substandard	–	–	–	–
Total	<u>22,215</u>	<u>2,330</u>	<u>–</u>	<u>24,545</u>
Impairment allowances	<u>(6)</u>	<u>(8)</u>	<u>–</u>	<u>(14)</u>



## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

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

	31/12/2018			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loan commitments</b>				
– Grades 1 - 15: Pass	111,004	5,822	–	116,826
– Grades 16 - 17: Special Mention	–	58	–	58
Total	<u>111,004</u>	<u>5,880</u>	<u>–</u>	<u>116,884</u>
Impairment allowances	<u>(56)</u>	<u>(40)</u>	<u>–</u>	<u>(96)</u>
<b>Financial guarantee contracts</b>				
– Grades 1 - 15: Pass	25,136	2,101	–	27,237
– Grades 16 - 17: Special Mention	–	7	–	7
Total	<u>25,136</u>	<u>2,108</u>	<u>–</u>	<u>27,244</u>
Impairment allowances	<u>(10)</u>	<u>(5)</u>	<u>–</u>	<u>(15)</u>

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.

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

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

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:

	30/6/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities at amortised cost</b>								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	2,848	1	-	-	-	-	2,848	1
A1 to A3	5,628	99	-	-	-	-	5,628	99
Baa1 to Baa3	2,560	33	-	-	-	-	2,560	33
Below Baa3	1,903	27	79	1	-	-	1,982	28
Unrated	6,119	74	28	1	-	-	6,147	75
Total gross carrying amount	19,058	234	107	2	-	-	19,165	236
Impairment allowances	(74)	-	(2)	-	-	-	(76)	-
Carrying amount	18,984	234	105	2	-	-	19,089	236
	31/12/2018							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities at amortised cost</b>								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	2,695	2	-	-	-	-	2,695	2
A1 to A3	6,007	103	-	-	-	-	6,007	103
Baa1 to Baa3	2,546	32	-	-	-	-	2,546	32
Below Baa3	1,492	20	-	-	-	-	1,492	20
Unrated	6,347	76	28	1	-	-	6,375	77
Total gross carrying amount	19,087	233	28	1	-	-	19,115	234
Impairment allowances	(93)	(1)	(1)	-	-	-	(94)	(1)
Carrying amount	18,994	232	27	1	-	-	19,021	233

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

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

	30/6/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities at FVOCI</b>								
Aaa	6,444	7	-	-	-	-	6,444	7
Aa1 to Aa3	21,211	5	-	-	-	-	21,211	5
A1 to A3	48,622	623	-	-	-	-	48,622	623
Baa1 to Baa3	37,077	396	-	-	-	-	37,077	396
Below Baa3	1,338	13	-	-	-	-	1,338	13
Unrated	8,755	103	234	3	-	-	8,989	106
Total carrying amount at fair value	123,447	1,147	234	3	-	-	123,681	1,150
Impairment allowances	(235)	(2)	(4)	-	-	-	(239)	(2)
	31/12/2018							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities at FVOCI</b>								
Aaa	5,566	8	-	-	-	-	5,566	8
Aa1 to Aa3	19,355	7	-	-	-	-	19,355	7
A1 to A3	41,890	627	-	-	-	-	41,890	627
Baa1 to Baa3	31,302	336	-	-	-	-	31,302	336
Below Baa3	1,157	15	-	-	-	-	1,157	15
Unrated	9,856	130	233	3	-	-	10,089	133
Total carrying amount at fair value	109,126	1,123	233	3	-	-	109,359	1,126
Impairment allowances	(257)	(3)	(6)	-	-	-	(263)	(3)

## Notes to the Interim Financial Statements (Continued)

### 37. 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.

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
<b>Debt investment securities</b>		
Aaa	158	159
Aa1 to Aa3	2,414	2,564
A1 to A3	1,504	1,736
Baa1 to Baa3	5,951	6,551
Below Baa3	–	258
Unrated	988	1,025
	<u>11,015</u>	<u>12,293</u>
Total carrying amount at fair value	<u>11,015</u>	<u>12,293</u>

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
<b>Debt investment securities</b>		
Aaa	–	–
Aa1 to Aa3	100	24
A1 to A3	2,303	1,856
Baa1 to Baa3	373	125
Below Baa3	–	–
Unrated	68	126
	<u>2,844</u>	<u>2,131</u>
Total carrying amount at fair value	<u>2,844</u>	<u>2,131</u>

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
<b>Derivative assets</b>		
Aa1 to Aa3	102	255
A1 to A3	1,991	4,102
Baa1 to Baa3	1,244	3,975
Below Baa3	1,165	215
Unrated	1,639	1,664
	<u>6,141</u>	<u>10,211</u>
Total carrying amount at fair value	<u>6,141</u>	<u>10,211</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

##### *Cash and balances with banks and other financial institutions*

The Group held cash and balances with banks and other financial institutions of HK\$52,831 million at 30th June, 2019 (31st December, 2018: HK\$48,111 million), of which 95% (31st December, 2018: 98%) of cash and balances with banks and other financial institutions counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

#### b. Impairment Allowances Reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by class of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 30th June/31st December at transaction level.

	30/6/2019			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers</b>				
Balance at 1st January	432	859	1,252	2,543
Transfer to 12-month ECL	94	(94)	–	–
Transfer to lifetime ECL not credit-impaired	(20)	36	(16)	–
Transfer to lifetime ECL credit-impaired	(770)	(711)	1,481	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	55	14	321	390
Write-offs	–	–	(2,139)	(2,139)
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	597	749	3,255	4,601
Balance at 30th June	<u>388</u>	<u>853</u>	<u>4,154</u>	<u>5,395</u>
Of which:				
For advance to customers at amortised cost	387	849	3,946	5,182
For related accrued interest receivable	1	4	208	213
	<u>388</u>	<u>853</u>	<u>4,154</u>	<u>5,395</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

	31/12/2018			Total HK\$ Mn
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
	HK\$ Mn	HK\$ Mn	HK\$ Mn	
<b>Loans and advances to customers</b>				
Balance at 1st January	839	1,028	1,177	3,044
Transfer to 12-month ECL	151	(151)	–	–
Transfer to lifetime ECL not credit-impaired	(8)	23	(15)	–
Transfer to lifetime ECL credit-impaired	(98)	(203)	301	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	(88)	(230)	376	58
Write-offs	–	–	(1,649)	(1,649)
Changes in models	(229)	287	17	75
Net remeasurement of impairment allowances (including exchange adjustments)	(135)	105	1,045	1,015
Balance at 31st December	<u>432</u>	<u>859</u>	<u>1,252</u>	<u>2,543</u>
Of which:				
For advance to customers at amortised cost	431	855	1,061	2,347
For related accrued interest receivable	1	4	191	196
	<u>432</u>	<u>859</u>	<u>1,252</u>	<u>2,543</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

	30/6/2019			Total HK\$ Mn
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
	HK\$ Mn	HK\$ Mn	HK\$ Mn	
<b>Debt investment securities</b>				
Balance at 1st January	354	7	–	361
Transfer to 12-month ECL	–	–	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	27	1	–	28
Write-offs	–	–	–	–
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(70)	(2)	–	(72)
Balance at 30th June	<u>311</u>	<u>6</u>	<u>–</u>	<u>317</u>
Of which:				
For debt investment securities at amortised cost	74	2	–	76
For related accrued interest receivable	–	–	–	–
	<u>74</u>	<u>2</u>	<u>–</u>	<u>76</u>
For debt investment securities at FVOCI	235	4	–	239
For related accrued interest receivable	2	–	–	2
	<u>237</u>	<u>4</u>	<u>–</u>	<u>241</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

	31/12/2018			Total HK\$ Mn
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
	HK\$ Mn	HK\$ Mn	HK\$ Mn	
<b>Debt investment securities</b>				
Balance at 1st January	277	13	–	290
Transfer to 12-month ECL	–	–	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	52	(2)	–	50
Write-offs	–	–	–	–
Changes in models	61	(1)	–	60
Net remeasurement of impairment allowances (including exchange adjustments)	(36)	(3)	–	(39)
	<u>354</u>	<u>7</u>	<u>–</u>	<u>361</u>
Balance at 31st December				
Of which:				
For debt investment securities at amortised cost	93	1	–	94
For related accrued interest receivable	1	–	–	1
	<u>94</u>	<u>1</u>	<u>–</u>	<u>95</u>
For debt investment securities at FVOCI	257	6	–	263
For related accrued interest receivable	3	–	–	3
	<u>260</u>	<u>6</u>	<u>–</u>	<u>266</u>

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



## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

	30/6/2019			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Others</b>				
Balance at 1st January	114	47	68	229
Transfer to 12-month ECL	3	(3)	–	–
Transfer to lifetime ECL not credit-impaired	(1)	1	–	–
Transfer to lifetime ECL credit-impaired	(1)	–	1	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	18	3	83	104
Write-offs	–	–	(1)	(1)
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(21)	5	4	(12)
<b>Balance at 30th June</b>	<b>112</b>	<b>53</b>	<b>155</b>	<b>320</b>
Of which:				
For trade bills at FVOCI	4	3	–	7
For related accrued interest receivable	–	–	–	–
	<b>4</b>	<b>3</b>	<b>–</b>	<b>7</b>
For trade bills at amortised cost	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
For placements with banks and financial institutions	8	–	–	8
For related accrued interest receivable	–	–	–	–
	<b>8</b>	<b>–</b>	<b>–</b>	<b>8</b>
For cash and balances with banks and financial institutions	8	–	–	8
For related accrued interest receivable	–	–	–	–
	<b>8</b>	<b>–</b>	<b>–</b>	<b>8</b>
For loan commitments and financial guarantee contracts	55	45	–	100
For account receivables and other accounts	37	5	155	197

## Notes to the Interim Financial Statements (Continued)

### 37. Credit Risk (Continued)

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

	31/12/2018			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Others</b>				
Balance at 1st January	220	54	1	275
Transfer to 12-month ECL	5	(5)	–	–
Transfer to lifetime ECL not credit-impaired	(3)	3	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	1	(30)	–	(29)
Write-offs	–	–	–	–
Changes in models	(76)	(2)	–	(78)
Net remeasurement of impairment allowances (including exchange adjustments)	(33)	27	67	61
<b>Balance at 31st December</b>	<b>114</b>	<b>47</b>	<b>68</b>	<b>229</b>
Of which:				
For trade bills at FVOCI	5	–	–	5
For related accrued interest receivable	–	–	–	–
	<b>5</b>	<b>–</b>	<b>–</b>	<b>5</b>
For trade bills at amortised cost	3	–	1	4
For related accrued interest receivable	–	–	–	–
	<b>3</b>	<b>–</b>	<b>1</b>	<b>4</b>
For placements with banks and financial institutions	10	–	–	10
For related accrued interest receivable	–	–	–	–
	<b>10</b>	<b>–</b>	<b>–</b>	<b>10</b>
For cash and balances with banks and financial institutions	5	–	–	5
For related accrued interest receivable	–	–	–	–
	<b>5</b>	<b>–</b>	<b>–</b>	<b>5</b>
For loan commitments and financial guarantee contracts	66	45	–	111
For account receivables and other accounts	25	2	67	94

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

## Notes to the Interim Financial Statements (Continued)

### 38. Off-balance Sheet Exposures

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Contractual amounts of contingent liabilities		
Direct credit substitutes	13,452	14,629
Transaction-related contingencies	818	883
Trade-related contingencies	2,380	2,997
	<u>16,650</u>	<u>18,509</u>
Contractual amounts of commitments		
Commitments that are unconditionally cancellable without prior notice	155,866	141,668
Other commitments with an original maturity		
– up to 1 year	9,364	9,332
– over 1 year	29,441	26,710
	<u>194,671</u>	<u>177,710</u>
Total	<u>211,321</u>	<u>196,219</u>
Credit risk weighted amounts	<u>23,899</u>	<u>23,531</u>
Fair value of derivatives		
Assets		
Exchange rate contracts	3,112	6,783
Interest rate contracts	2,169	2,919
Equity contracts	856	507
Others	4	2
	<u>6,141</u>	<u>10,211</u>
Liabilities		
Exchange rate contracts	3,510	6,191
Interest rate contracts	3,739	2,816
Equity contracts	877	472
Others	13	17
	<u>8,139</u>	<u>9,496</u>
Notional amounts of derivatives		
Exchange rate contracts	670,845	723,848
Interest rate contracts	348,841	411,325
Equity contracts	13,089	11,880
Others	157	266
	<u>1,032,932</u>	<u>1,147,319</u>
Credit risk weighted amounts*		
Exchange rate contracts	2,359	2,843
Interest rate contracts	322	414
Equity contracts	68	122
Others	456	363
	<u>3,205</u>	<u>3,742</u>

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

\* *The Bank adopted the Foundation Internal Ratings Based approach according to Capital Rules for calculating the credit risk weighted amount as at 30th June, 2019 and 31st December, 2018.*

## Notes to the Interim Financial Statements (Continued)

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

#### (b) Capital commitments

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Expenditure authorised and contracted for	316	284
Expenditure authorised but not contracted for	185	161
	<u>501</u>	<u>445</u>

#### (c) Contingencies

The Group receives legal claims against it arising in the normal courses of business. The Group considers none of these matters as material. Where appropriate the Group recognises provisions for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation.

### 39. 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:

	30/6/2019	30/6/2018
	HK\$ Mn	HK\$ Mn
Short-term employee benefits	71	76
Post-employment benefits	3	4
Equity compensation benefits	12	17
	<u>86</u>	<u>97</u>

## Notes to the Interim Financial Statements (Continued)

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

- (b) The Group maintains certain retirement benefit schemes for its staff. In the six months ended 30th June, 2019, the total amount of contributions the Group made to the schemes was HK\$91 million (six months ended 30th June, 2018: HK\$82 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, 2019, outstanding balances of amounts due from and due to them at 30th June, 2019 and maximum outstanding balance of amounts due from and due to them for the six months ended 30th June, 2019 are aggregated as follows:

	Key management personnel		Associates		Shareholders with significant influence	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Interest income	28	12	24	16	2	3
Interest expense	25	14	1	2	8	14
Amounts due from	2,347	3,323	695	1,117	2,458	889
Amounts due to	2,540	2,569	49	115	972	2,036
Maximum amounts due from	3,730	3,739	1,803	1,781	5,391	5,736
Maximum amounts due to	4,698	4,809	555	723	2,542	3,739
Committed facilities to	1,370	629	1,313	1,422	–	–

## Notes to the Interim Financial Statements (Continued)

### 40. Basis of Consolidation

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

The capital adequacy ratio and liquidity position of the Group are prepared according to the basis of consolidation for regulatory purposes. The main difference between the consolidation base for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries 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	349	349
* Bank of East Asia (Trustees) Limited	Trustee	243	230
BC (BVI) Holdings Limited	Investment holding	16	16
BEA Blue Sky Company Limited	Acting as the sole general partner to BEA Blue Sky Real Estate Fund L.P.	–	–
BEA Blue Sky Real Estate Fund L.P.	Acting as a limited partner for the purpose of making investment in a China real estate fund	–	–
BEA Blue Sky SLP Limited	Acting as a special limited partner to BEA/AGRE China Real Estate Fund, L.P.	–	(1)
BEA Consortium GS Investors L.P.	Acting as a limited partner for the purpose of making investment in private equity fund	52	52
BEA Insurance Agency Limited	Insurance agency	–	–
BEA Life Limited	Life insurance	21,511	2,124
BEA Pacific Asia Limited	Dormant	–	–
BEA Union Investment Management Limited	Asset management	568	489
BEA Union Investment Management (Shenzhen) Limited	Asset management/Investment management	5	4
Blue Care (BVI) Holdings Limited	Investment holding	16	16
Blue Care JV (BVI) Holdings Limited	Investment holding	20	17

## Notes to the Interim Financial Statements (Continued)

### 40. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Blue Care Medical Services Limited	Medical services	58	44
Blue Cross (Asia-Pacific) Insurance Limited	Insurance	3,058	733
Central Town Limited	Property investment	845	679
Century Able Limited	Investment holding	96	96
Chongqing Dongrong Business Consultancy Company Limited	Business consultancy services	3	(1)
* Chongqing Liangjiang New Area Credit Gain Finance Company Limited	Micro-finance loan	359	356
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership	3	(1)
Corona Light Limited	Investment holding	930	930
* Credit Gain Finance Company Limited	Money lenders	771	756
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	186	124
* East Asia Facility Management Limited	Facility management	13	12
East Asia Financial Services (BVI) Ltd.	Investment holding	–	–
East Asia Futures Limited	Futures and options trading	59	59
* East Asia Holding Company, Inc.	Bank holding company	631	614
East Asia Indonesian Holdings Limited	Investment holding	132	131
East Asia International Trustees Holdings (BVI) Limited	Investment holding	10	10
East Asia International Trustees Limited	Trustee services	29	25

## Notes to the Interim Financial Statements (Continued)

### 40. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
* East Asia Properties (US), Inc.	Property holding	14	12
East Asia Properties Holding Company Limited	Investment holding	–	(57)
East Asia Property Agency Company Limited	Property agency	8	8
East Asia Property Holdings (Jersey) Limited	Property holding	27	26
East Asia Qianhai Holdings Company Limited	Investment holding	209	209
East Asia Secretaries Limited	Secretarial services	–	–
East Asia Securities Company Limited	Securities broking	1,184	865
* East Asia Services (Holdings) Limited	Holding company	24	–
Golden Empire International Inc.	Property investment	1	1
High Town Limited	Investment holding	4	4
* Innovate Holdings Limited	Special purpose vehicle company specially set up for BEA's Hybrid Tier 1 issue	2,486	2,486
Leader One Limited	Investment holding	1	1
Manchester Property Holdings Ltd.	Property holding	33	17
Quantum Hong Kong Holdings Company Limited	Investment holding	208	208
Red Phoenix Limited	Leasing of motor vehicles	2	1
Shaftesbury Property Holdings Limited	Investment holding	68	68
Shaftesbury Property Investments Limited	Investment holding	51	51
Shanghai Lingxie Business Consulting Co. Ltd.	Business information consulting, corporate management consulting	206	206
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership	47	–



## Notes to the Interim Financial Statements (Continued)

### 40. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Silver Sunlight Limited	Acting as the general partner of a limited partnership	–	–
Skyray Holdings Limited	Investment holding	450	450
Speedfull Limited	Investment holding	450	450
* /# The Bank of East Asia (China) Limited	Banking and related financial services	277,894	25,982
The Bank of East Asia (Nominees) Limited	Nominee services	–	–
The Bank of East Asia (Nominees) Private Limited	Trustee, fiduciary and custody services	–	–
Travelsafe Limited	Dormant	–	–
U Care Hong Kong Medical Limited	Medical services	28	(10)
United Chinese (Nominee) Limited	Dormant	–	–
* "regulated financial entities" as defined by the Capital Rules and included in the basis of consolidation for regulatory reporting purpose.			
# "associated entities" as defined by the Banking (Liquidity) Rules and included in the basis of consolidation for regulatory reporting purpose.			

### 41. Comparative Figures

Certain 2018 comparative figures have been restated to conform to current period's presentation. Please refer to Note 21(b) and Note 29 for the effect of the restatement.

## Notes to the Interim Financial Statements (Continued)

### 42. 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 21st August, 2019.

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

### 43. Assets Held for Sale

On 29th November, 2017, the Bank and its wholly-owned subsidiary, Credit Gain Finance Company Limited entered into an equity transfer agreement with China Financial Services Holdings Limited for the sale and purchase of all equity interests in Shenzhen Credit Gain Finance Company Limited ("Shenzhen Credit Gain"), Chongqing Liangjiang New Area Credit Gain Finance Company ("Chongqing Credit Gain") and Chongqing Dongrong Business Consultancy Company Limited ("Chongqing Dongrong"). The disposal of Shenzhen Credit Gain was completed on 12th April, 2019. Up to the reporting date, the completion of the disposals of Chongqing Credit Gain and Chongqing Dongrong is still subject to the requisite Chinese regulatory approvals. Chongqing Credit Gain and Chongqing Dongrong's assets and liabilities as at 30th June, 2019 and Shenzhen Credit Gain, Chongqing Credit Gain and Chongqing Dongrong's assets and liabilities as at 31st December, 2018 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements.

On 29th October, 2018, the Bank entered into a sale and purchase agreement with The Bank of Yokohama, Ltd. ("BOY") for the sale of 30% of the issued shares of P.T. Bank Resona Perdanania ("BRP"), held via a special purpose vehicle, East Asia Indonesian Holdings Limited, to BOY (the "Disposal"). The investment in BRP is classified and presented as assets held for sale in the consolidated financial statements as at 30th June, 2019 and 31st December, 2018. All the conditions precedent to completion of the Disposal have been satisfied and the Disposal was completed on 24th July, 2019.

## Notes to the Interim Financial Statements (Continued)

### 43. Assets Held for Sale (Continued)

The assets and liabilities of the disposal groups held for sale are summarised below:

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
<b>ASSETS</b>		
Cash and balances with banks and other financial institutions	2	6
Loans and advances to customers	89	228
Gross loans and advances to customers	89	230
Less: Impairment allowances		
– Stage 1	–	(1)
– Stage 2	–	–
– Stage 3	–	(1)
Fixed assets	3	8
– Investment properties	–	–
– Other properties and equipment	3	8
Deferred tax assets	5	18
Other assets	1	8
Assets held for sale	<u>100</u>	<u>268</u>
<b>LIABILITIES</b>		
Other liabilities	<u>3</u>	<u>7</u>
Liabilities held for sale	<u>3</u>	<u>7</u>

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

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Assets held for sale ( <i>Note 24</i> )		
Disposal groups held for sale	100	268
Other properties	39	57
Investment in associate	368	363
	<u>507</u>	<u>688</u>
Liabilities held for sale ( <i>Note 27</i> )		
Disposal groups held for sale	<u>3</u>	<u>7</u>

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

	30/6/2019	30/6/2018
	HK\$ Mn	HK\$ Mn
Cumulative expense recognised in other comprehensive income	<u>(41)</u>	<u>(43)</u>

## Supplementary Financial Information

### A. Capital Adequacy

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Capital base		
– Common Equity Tier 1 capital	73,715	74,513
– Additional Tier 1 capital	9,958	10,312
	<hr/>	<hr/>
– Total Tier 1 capital	83,673	84,825
– Tier 2 capital	14,212	14,202
	<hr/>	<hr/>
– Total capital	97,885	99,027
	<hr/> <hr/>	<hr/> <hr/>
Risk weighted assets by risk type		
– Credit risk	434,664	428,383
– Market risk	17,619	18,671
– Operational risk	33,589	31,934
	<hr/>	<hr/>
	485,872	478,988
Less: Deductions	(3,442)	(3,274)
	<hr/>	<hr/>
	482,430	475,714
	<hr/> <hr/>	<hr/> <hr/>
	30/6/2019	31/12/2018
	%	%
Common Equity Tier 1 capital ratio	15.3	15.7
Tier 1 capital ratio	17.3	17.8
Total capital ratio	20.3	20.8

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

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

## Supplementary Financial Information (Continued)

### A. Capital Adequacy (Continued)

The subsidiaries that are included in consolidation for regulatory purposes are listed in Note 40 of the Interim Report.

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

The information relating to the Group's regulatory capital and other disclosures can be found on the Bank's website, accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

### B. Leverage Ratio

	30/6/2019	31/12/2018 Restated
	HK\$ Mn	HK\$ Mn
Total Tier 1 capital	83,673	84,825
Exposure measure	895,940	862,745
	30/6/2019	31/12/2018
	%	%
Leverage ratio	9.3	9.8

The disclosure on leverage ratio has been effective since 31st March, 2015 and is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

### C. Liquidity Position

	30/6/2019	31/12/2018
	%	%
Average liquidity coverage ratio – First quarter	169.8	137.8
– Second quarter	171.7	144.8
– Third quarter	N/A	153.0
– Fourth quarter	N/A	180.5

The liquidity coverage ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2015. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

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

## Supplementary Financial Information (Continued)

### D. Overdue, Rescheduled and Repossessed Assets

#### (a) Overdue and rescheduled advances

	30/6/2019		31/12/2018	
	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	452	0.1	970	0.2
– 1 year or less but over 6 months	648	0.1	428	0.1
– Over 1 year	1,735	0.4	1,495	0.3
	2,835	0.6	2,893	0.6
Rescheduled advances to customers	191	0.0	110	0.0
Total overdue and rescheduled advances	3,026	0.6	3,003	0.6
Covered portion of overdue advances	2,084	0.4	2,159	0.4
Uncovered portion of overdue advances	751	0.2	734	0.2
Current market value of collateral held against the covered portion of overdue advances	4,266		4,273	
Specific provisions made on advances overdue for more than 3 months	1,122		789	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the 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.

## Supplementary Financial Information (Continued)

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

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

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

#### (b) Advances to banks

	30/6/2019 HK\$ Mn	31/12/2018 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	–	–

## Supplementary Financial Information (Continued)

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

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

	30/6/2019		
	Accrued interest	Debt securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	4	–	–
– 1 year or less but over 6 months	31	–	–
– Over 1 year	320	–	–
	<u>355</u>	<u>–</u>	<u>–</u>
Rescheduled assets	1	–	–
	<u>1</u>	<u>–</u>	<u>–</u>
Total other overdue and rescheduled assets	<u>356</u>	<u>–</u>	<u>–</u>
	31/12/2018		
	Accrued Interest	Debt securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	19	–	–
– 1 year or less but over 6 months	8	–	–
– Over 1 year	281	–	1
	<u>308</u>	<u>–</u>	<u>1</u>
Rescheduled assets	1	–	–
	<u>1</u>	<u>–</u>	<u>–</u>
Total other overdue and rescheduled assets	<u>309</u>	<u>–</u>	<u>1</u>

\* Other assets refer to trade bills and receivables.



## Supplementary Financial Information (Continued)

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

#### (d) Repossessed assets

	30/6/2019	31/12/2018
	HK\$ Mn	HK\$ Mn
Reposessed land and buildings*	208	147
Reposessed vehicles and equipment	1	–
Reposessed machines	–	–
	<hr/>	<hr/>
Total reposessed assets	<u>209</u>	<u>147</u>

The amount represents the estimated market value of the reposessed assets as at 30th June, 2019 and 31st December, 2018.

\* *The balance included HK\$19 million (31/12/2018: HK\$58 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 and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

## **INDEPENDENT REVIEW REPORT**



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

#### **INTRODUCTION**

We have reviewed the interim financial report set out on pages 3 to 73 which comprises the consolidated statement of financial position of The Bank of East Asia, Limited as of 30th June, 2019 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, 2019 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

21st August, 2019

## **INTERIM DIVIDEND**

The Board is pleased to declare an interim dividend of HK\$0.11 per share (the “2019 Interim Dividend”) (2018 Interim Dividend: HK\$0.51 per share) for the six months ended 30th June, 2019. The 2019 Interim Dividend will be paid in cash with an option to receive new, fully paid shares in lieu of cash (the “Scrip Dividend Scheme”), to shareholders whose names appear on the Register of Members of the Bank at the close of business on Tuesday, 10th September, 2019. For the purpose of calculating the number of new Shares to be allotted under the Scrip Dividend Scheme, the market value of the new Shares means 95% of the average closing price of the Shares on the Stock Exchange from Thursday, 5th September, 2019 (being the first day that the Shares were traded ex-dividend) to Wednesday, 11th September, 2019 (both days inclusive). Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about Tuesday, 10th September, 2019. The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme. The dividend warrants and the share certificates for the scrip dividend will be sent to shareholders by ordinary mail on or about Friday, 4th October, 2019.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Bank will be closed on Monday, 9th September, 2019 and Tuesday, 10th September, 2019. In order to qualify for the 2019 Interim Dividend, all transfer documents should be lodged for registration with Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by 4:00 p.m. on Friday, 6th September, 2019.

## **FINANCIAL REVIEW**

### **Financial Performance**

For the first six months of 2019, the Group earned a profit attributable to owners of the parent of HK\$1,000 million, representing a decrease of HK\$2,992 million or 74.9%, compared with the HK\$3,992 million earned in the same period in 2018. Pre-provision operating profit of the Group was strong, growing by 19.5% year-on-year. The drop in attributable profit was mainly due to a significant increase in impairment losses in Mainland China.

Basic earnings per share were HK\$0.22 in the first half of 2019, compared to HK\$1.30 for the corresponding period in 2018.

Annualised return on average assets and annualised return on average equity stood at 0.1% and 1.4%, respectively, compared to 0.9% and 8.0%, respectively, in the first half of 2018.

Net interest income for the Group increased by HK\$1,156 million, or 18.5%, to HK\$7,406 million, with net interest margin rising from 1.70% to 1.90% and average interest-bearing assets growing by 6.4%.

Net fee and commission income rose by HK\$9 million, or 0.7%, to HK\$1,371 million. Commission income from credit cards, loans, overdrafts and guarantees, trade finance and the sale of third-party insurance policies grew, while commission income from securities and brokerage, investment products, other retail banking and financial consultancy decreased.

Taken together, net trading and hedging results and net results from financial instruments designated/mandatory at fair value through profit or loss increased by HK\$132 million to HK\$562 million. Overall, non-interest income grew by 18.4% to HK\$2,696 million. Operating income increased by 18.5% to HK\$10,102 million.

Total operating expenses rose by 17.5% to HK\$4,918 million. The rise was mainly due to expenses incurred for new business initiatives and partnerships in China (including credit card expenses and internet platform charges). Given that operating income rose at a higher rate than expenses, the cost-to-income ratio improved from 49.1% in the first half of 2018 to 48.7% in the first half of 2019.

Operating profit before impairment losses stood at HK\$5,184 million, an increase of HK\$844 million, or 19.5%, when compared with the corresponding period in 2018.

As advised in the profit-warning announcement issued on 13th June, 2019, four legacy loan assets in Mainland China with a nominal value of approximately HK\$6.2 billion have been downgraded, after commercial property market conditions weakened in non-tier-1 cities on the Mainland during the first half of the year. Subsequent to the profit warning, certain legacy loan assets were disposed of to third parties.

Due largely to these downgrades, the net charge of impairment losses on financial assets for the Group rose from HK\$282 million in the first half of 2018 to HK\$5,063 million in the first half of 2019. As a result, the Group's impaired loan ratio rose from 0.70% at the end of December 2018 to 1.63% at the end of June 2019. The impaired loan ratio for Hong Kong operations improved from 0.29% to 0.26%, while that for Mainland China operations rose from 1.73% to 4.89%.

It shall be noted that if the disposal of certain legacy loan assets subsequent to the end of June is also incorporated in the calculation, the Group's impaired loan ratio would be 1.00% while that for Mainland China operations would be 2.72%.

Operating profit after impairment losses amounted to HK\$121 million, a decrease of HK\$3,936 million, or 97.0%.

Net profit on the sale of financial assets measured at fair value through other comprehensive income increased by 111.3% to HK\$104 million.

Net profit on sale of assets held for sale increased by HK\$72 million, or 694.7%, mainly due to a profit of HK\$105 million on disposal of several properties in Hong Kong in 2019.

Valuation gains on investment properties decreased to HK\$18 million.

The Group shared after-tax profits from associates of HK\$328 million, an increase of HK\$47 million, or 16.8% compared to the same period in 2018.

After accounting for income taxes, profit after taxation fell to HK\$1,038 million, a decrease of 74.2% compared to the HK\$4,019 million earned in the first half of 2018.

## **Financial Position**

Total consolidated assets of the Group stood at HK\$876,778 million at the end of June 2019, an increase of 4.4% compared to HK\$839,451 million at the end of 2018.

Gross advances to customers rose by 2.1% to HK\$511,281 million, while trade bills negotiated declined by 12.4% to HK\$12,826 million.

Total equity attributable to owners of the parent increased to HK\$93,255 million, a rise of 1.6%, mainly due to the net profit of HK\$1,000 million earned during the first six months of 2019.

Total deposits from customers increased by 1.4% to HK\$582,105 million. Of the total, demand deposits and current account balances decreased by HK\$9,161 million, or 12.7%; savings deposits increased by HK\$1,258 million, or 1.0%; and time deposits increased by HK\$15,894 million, or 4.3%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, increased by 2.1% to HK\$646,008 million.

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

As at 30th June, 2019, the total capital ratio, tier 1 ratio, and common equity tier 1 ratio were 20.3%, 17.3%, and 15.3%, respectively. The average liquidity coverage ratio for the quarter ended 30th June, 2019 was 171.7%, which was well above the statutory minimum of 100% for the year 2019.

## **Appointment of Co-Chief Executives**

The Board of Directors approved the appointment of Mr. Adrian David LI Man-kiu, Executive Director & Deputy Chief Executive, and Mr. Brian David LI Man-bun, Executive Director & Deputy Chief Executive, as Co-Chief Executives of the Bank, with effect from 1st July, 2019.

Mr. Adrian David LI Man-kiu is responsible for Hong Kong business, while Mr. Brian David LI Man-bun leads China and International business. Together, they make a formidable team, and under their leadership BEA will continue to evolve and innovate to ensure that the Bank meets the needs of its customers.

## **BUSINESS REVIEW**

Global economic conditions weakened slightly in the first half of 2019, leading the US Federal Reserve to take a more dovish view of the future of interest rates. International trade grew at the slowest pace since the financial crisis of 2008. Meanwhile, the sudden escalation of the US-China trade dispute in May 2019 dashed optimism that a new trade deal was imminent and led to a fresh bout of uncertainty about the prospects for global growth.

Hong Kong was impacted by this uncertainty, with the economy growing by just 0.6% in the first half of 2019 as both retail sales and exports weakened. Equity markets underperformed, but residential property prices rose by 9.5% for the first six months of 2019 as unemployment remained stable at a 20-year low of 2.8% and housing supply remains tight.

Going forward, the performance of the Hong Kong economy could be affected by the recent social unrest. The tense atmosphere is likely to weigh on consumer and business confidence, and on in-bound tourism, if there is no resolution soon.

Given the external and domestic uncertainties, the performance of the Hong Kong economy is likely to be constrained through the end of 2019. Unemployment could rise as economic sentiment turns weaker. Meanwhile, the current high property price may be vulnerable to a correction. Hong Kong's gross domestic product is forecast to grow by 0.5-1.0% for 2019 as a whole, while the inflation rate will soften to 2.2%.

On the Mainland, the export sector grew by a weak 0.1% in the first six months of 2019 as the US-China trade dispute forced a scramble among US importers to find alternative suppliers beyond the Mainland. The escalation of US-China tensions adversely affected business and consumer confidence, leading to lower growth in retail sales on the Mainland – retail sales rose by 8.4% in the first six months of 2019, down from 9% for 2018 as a whole. In an attempt to mitigate the impact of the worsening sentiment, the Central Government has launched a series of fiscal and monetary stimulus measures. Since early 2018, the People's Bank of China has cut the required reserve ratio for banks six times. The government also cut taxes for both individuals and corporations.

Looking ahead, the Mainland economy is expected to experience further weakness through the remainder of the year. If the trade dispute cannot be resolved, China's exports to the US will come under renewed pressure. Slowing growth in Asia and Europe will also impact demand, and consumer sentiment is expected to weaken further. Economic growth is expected to decelerate to around 6.2% for 2019. Inflation will remain subdued, at about 2.2%.

## **Business – Hong Kong**

In the six months to 30th June, 2019, the aggregate value of BEA's customer loans and trade bills in Hong Kong rose by 3.5%. Customer loans grew by 4.9%, while total deposits increased by 2.6%. Debt investments increased by 10.8%.

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

Corporate Banking Division was restructured and expanded at the start of 2019 to position the Bank to better cater to the needs of a diverse range of clients. The results so far have been positive.

Operating income increased by 2.5% year-on-year, with growth in both net interest income and net fee and commission income. Asset quality remained sound and the impaired loan ratio continued to improve.

Lending to large corporates rose, and two new relationship manager teams were formed to serve mid-cap firms, driving overall growth of 4.3% in the corporate loan book compared to December 2018. Meanwhile, a new department, the Enterprise Banking Department, was established to provide dedicated support to small and medium-sized enterprises.

Improved segmentation has already resulted in new business, with a significant upturn in new accounts opened. At the end of June 2019, corporate CASA balances were 4.9% higher than at the end of December. The Bank approved more loans under the government's SME guarantee schemes during the first six months this year than were granted for the whole of 2018.

Going forward, the Corporate Banking Division will continue to streamline account opening procedures, revitalise trade finance business and enhance transaction banking capabilities, in order to position BEA as a total corporate solutions provider.

### ***Retail Banking***

The Bank's retail operations continued to perform well in the first half of the year. Net interest income recorded double-digit growth, while net fee and commission income also rose. Operating income increased by 11.9% year-on-year.

Following a weak second half in 2018, retail sales of investment products picked up at the start of the year, before market sentiment dipped in the second quarter. Overall, sales declined year-on-year from a high base in the first half of 2018.

Sales of life insurance products recorded strong growth, as customers responded enthusiastically to short-term products with guaranteed returns.

Efforts to expand the Bank's customer base in key segments brought good results. The number of new SupremeGold accounts, the Bank's all-in-one account for affluent customers, rose by 20% year-on-year. Intake of new accounts from Mainland clients more than doubled following the establishment of 11 cross-border financial centres.

Enhancements are being made to the Bank's mobile app to improve customer onboarding. Mobile remote account opening will be launched later this year. With the second phase of the HKMA's Open Application Programming Interface initiative, this will further strengthen the Bank's acquisition capability, in particular through collaboration with external partners.

The Bank is also improving its retail wealth offering, both at branches and via digital channels, to develop new sources of fee income. The branch salesforce was increased by 18% during the first half to boost product sales. Further, the BEA App has been refined to enable customers to complete the risk assessment questionnaire and trade linked deposits and unit trusts, shortening the sales process and making investment products more accessible.

## **Wealth Management**

Private Banking benefitted from an upturn in investor sentiment in the first six months of 2019. Investment revenue rebounded significantly compared to the second half of 2018, although it did not return to the high levels seen during the first half of last year.

Net fee and commission income was maintained at a similar level year-on-year. Meanwhile, net interest income fell as loan margins narrowed due to keen competition. Overall, operating income declined by 9.6%.

At the end of June, assets under management were up by 9.5% and loans by 15.1% compared to end-December 2018, driven mainly by new clients from the Greater Bay Area. The GBA now accounts for around 30% of all AUM from Mainland China, up from 20% one year ago.

Looking ahead, Private Banking remains China-focussed and has targeted the GBA for business expansion. Meanwhile, the investment consultant team has been expanded to better serve internal referrals, particularly from Corporate Banking.

## **Insurance & MPF Services**

BEA Life Limited, the Bank's wholly-owned life insurance arm, recorded significant growth in new premium income year-on-year. The increase came mainly from short-term products with guaranteed returns, which were welcomed by customers seeking stability in the volatile investment environment. The Bank's commission income from BEA Life products grew by 52.2%.

In November 2018, BEA Life launched its first online life insurance product via the BEA website. The product will be available in the BEA app in the third quarter this year. More products will be launched via online and mobile channels soon to expand BEA Life's digital offering.

Despite a competitive market environment, Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm, recorded stable premium income year-on-year with underwriting profit achieving double-digit growth.

Blue Cross is strengthening its digital platform to stay at the forefront of insurtech developments. A new mobile application was launched in April this year, featuring a market-first blockchain-enabled medical claims service. To date, there have been more than 25,500 downloads of the new app, with an activation rate of over 50%. The app will be extended to cover travel and other general insurance products in the third quarter.

Total membership in BEA's Mandatory Provident Fund schemes grew to more than 805,000 at the end of June 2019, while AUM increased to HK\$26.5 billion. Following changes to the relevant legislation, BEA launched a tax deductible voluntary contribution account for MPF clients in April 2019. The initial response was encouraging, and online enrolment will be enabled in the third quarter to further drive the take-up rate.

## **Business – Mainland China**

In the first half of 2019, the operating environment in Mainland China remained challenging amid a slowing economy and the US-China trade dispute.

Despite the macro uncertainties, BEA's core China banking operations remained sound. Pre-provision operating profit increased to HK\$1,209 million, up 43.8% year-on-year. Net interest income rose by 50.2% year-on-year to HK\$2,824 million, while NIM further widened by 62 basis points to reach 2.32% at the end of June 2019, compared with 1.70% at the end of 2018. The improvement in NIM is largely attributable to growth in our internet platform co-lending business where the yield is relatively high.

The impact of the weakening Mainland economy is most evident in non-tier-1 cities, with the commercial property sector in these cities particularly vulnerable. Despite the ongoing de-risking of BEA's China portfolio in recent years, the operation remains partially exposed to commercial properties in non-tier-1 cities. As a result, four legacy loan assets were downgraded in the first half of 2019, leading to significant one-off post-tax impairment losses.

Consequently, BEA's China banking operations reported a net loss of HK\$2,846 million in the first half of 2019. The impaired loan ratio rose to 4.89% at the end of June 2019, compared with 1.73% at the end of 2018. The pro-forma non-performing loan ratio after disposal of certain legacy problem loans subsequent to the end of June is about 2.72%. Looking ahead, BEA's China banking operations will continue to exercise caution in extending credit, and will actively manage the impaired loan portfolio.

Total loans to corporates and individuals from BEA's China banking operations amounted to HK\$146,235 million as at the end of June 2019, a decrease of 3.7% year-on-year. Meanwhile, deposits from customers decreased by 6.4% year-on-year to HK\$177,397 million.

BEA's China banking operations continued to implement cost-control measures in the first half of 2019, while investments are being made to pave way for future growth. Operating expenses were HK\$2,106 million for the six-month period, up by 32.2% year-on-year. The increase was mainly due to investments in new initiatives in connection with the retail business and platform fees paid to our internet partners. Excluding these development costs, operating expenses dropped by 4.4% year-on-year.

BEA's China retail banking transformation programme has delivered some early results. Retail loans grew by 68.4% year-on-year in the first half of the year, supported by consumer finance partnerships with leading internet platform companies.

Going forward, BEA China will further expand its internet consumer finance and credit card businesses through such partnerships. In addition, BEA China's retail banking will further enhance its products and services, in particular in the areas of payments, deposits and wealth management.

On the corporate side, BEA China will continue to de-risk and proactively manage its portfolio. These actions, coupled with further enhancements to product and service capabilities in areas such as transaction banking and investment banking, will help BEA China lay a solid foundation for further growth in fee income and acquire low-cost deposits.

In the first half of 2019, BEA China successfully issued CNY2.5 billion in financial bonds and CNY1.5 billion in Tier-2 capital bonds. Furthermore, the Bank injected additional capital of CNY2 billion into BEA China in June 2019. These measures will serve to support the development and expansion of BEA's China business and further optimise its balance sheet structure.

As at the end of June 2019, BEA China operated 31 branches and 68 sub-branches in 44 cities on the Mainland. In order to further enhance cost efficiency, BEA China will further rationalise its network in the coming three years.

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

The Bank's overseas operations continued to deliver steady operating results in the first half of 2019.

During the period under review, BEA's overseas branches expanded their loan books prudently. The branches have successfully cultivated quality bilateral lending relationships with existing BEA customers who are seeking outbound investments. They also participated in syndicated loans and club deals, spanning various industries, for large corporates that have strong balance sheets and positive business outlooks. As at 30th June, 2019, the aggregate loan book of overseas branches was 1.4% higher than at 31st December, 2018.



Pre-provision operating profit decreased by 6.95% year-on-year mainly due to an impact from the implementation of the Hong Kong Financial Reporting Standard 16 Leases (HKFRS 16) on 1st January, 2019 and depreciation of Pound Sterling and Singapore Dollar against Hong Kong Dollar. The cost-to-income ratio increased slightly, from 32.7% for the full year 2018 to 34.5% for the first half of 2019, due to increasing compliance costs. The impaired loan ratio slightly rose to 0.54%.

UK and US operations remained the main contributors to the Bank's overseas loan and income growth. Outstanding loan at the two operations combined rose by 4.4% between 31st December, 2018 and 30th June, 2019, while income rose by 2.2% year-on-year.

The Bank's operations in other parts of Asia – Singapore, Malaysia, Macau and Taiwan – continued to face various headwinds. In response, they have adopted a defensive strategy, taking a cautious approach to new business and exiting accounts with financial deficiencies.

Looking ahead, the Bank will continue to optimise its loan portfolio to balance risk and return. Cost will be managed carefully, so as to minimise the impact of rising risk and compliance expenditure.

### BEA Union Investment Management Limited

BEA Union Investment recorded an increase of 19.7% in AUM in the first half of 2019. The growth was due in large part to the company's strong performance in the fixed income sector and success in penetrating both the retail and institutional client segments in China, Europe and the rest of Asia.

In response to the growing demand from retail investors for Asian bond funds with a fixed investment tenor, the Asian Bond Target Maturity Fund 2022 was introduced at the beginning of the year.

Looking ahead, the company's wholly-owned subsidiary, BEA Union Investment Management (Shenzhen) Limited, is registering with the Mainland authorities for a private fund management company license, which will enable the company to invest capital onshore and launch private funds catering to Mainland professional investors.

### Our People

As of 30th June, 2019, the BEA Group employed 9,879 people:

Continuing Operations	As of 30th June, 2019	As of 31st December, 2018	As of 30th June, 2018
Hong Kong	5,497	5,376	5,144
Mainland China	3,782	3,821	3,879
Macau & Taiwan	161	164	158
Overseas	439	435	422
Total	9,879	9,796	9,603

In the first half of 2019, the Bank continued to promote a strong corporate culture of prudent risk management and commitment to positive customer experiences. Drawing on feedback gathered through employee and customer surveys, a number of new initiatives are being implemented. The Staff Recognition Scheme is being promoted more actively, in order to highlight the good performance of staff who exhibit exemplary behaviour. Meanwhile, a series of interactive town hall meetings are being held to share examples of best practice.

To identify and develop future leaders of high potential to support the Group's succession planning, a new Talent Development Framework for senior executives will be implemented later this year. As part of the Bank's ongoing programme to support leadership and professional development, the Bank ran senior executive leadership training for senior managers, performance management training for people managers, risk and compliance training for all staff, induction training on core values for new joiners and code of conduct training for all staff members. In addition, the Bank continued to operate a management trainee programme to groom staff members for future leadership roles.

As a caring employer, the Bank further enhanced staff benefits in respect of medical protection in 2019.

## **Future Prospects**

### ***Outlook***

The global political and economic environment is becoming more complex and fluid, raising the overall level of risk faced by the banking industry. The longer the US-China trade conflict continues to drag on, the greater the potential for further deterioration in the economic outlook for China. As a trading hub, Hong Kong is caught in the middle, and cannot escape the fallout from the conflict. The situation for Hong Kong is further complicated by social unrest. In Europe, uncertainties are growing, with a "no-deal" Brexit now a strong possibility.

Meanwhile, the emergence of virtual banks and the continuing development of non-bank Fintech solutions will challenge the business model of conventional banks. Funding costs may rise as virtual banks compete for deposits; operating expenses may face pressure, as traditional banks invest in enhanced products and services and introduce more favourable terms in order to maintain their edge.

Going forward, BEA will seek to raise core revenues through various means, including expanding its customer base, enhancing the customer experience and pursuing its retail transformation strategy on the Mainland. At the same time, the Bank will keep careful control over asset quality and risk, and pursue strategies to reduce funding costs.

### ***Expand customer base***

Hong Kong business will focus on expanding its customer base in high growth segments. Specifically, BEA will continue to offer innovative products and services that cater to the needs and aspirations of the affluent, young professionals and millennials in Hong Kong.

In addition, BEA will deploy more resources to better serve SMEs, so as to drive the growth of its corporate client base in Hong Kong. At the same time, BEA is upgrading its commercial banking capacity to offer services tailored to mid-market customers.

In respect of cross-border operations, the Bank is driving significant reforms focussing on product specialisation, global relationship management, cooperation between Hong Kong, Mainland and overseas operations, and customer diversification.

### ***Enhance customer experience***

To enhance the customer experience, the Bank will continue to enrich its digital services and refine its mobile offerings. Additional features are being added to its Hong Kong mobile banking platform on a continuing basis. Later this year, customers will be able to open new accounts directly through their mobile devices. In addition, the Corporate Cyberbanking platform in Hong Kong is being enhanced to improve online services for corporate clients.

Meanwhile, BEA China is also working to further develop its digital banking platform. The latest enhancements to the BEA China mobile banking app include use of facial recognition for cash withdrawals, and QR code capabilities.

### ***Retail transformation in China***

Three key elements have been identified to drive BEA China's retail transformation – technology, risk management and compliance, and partnerships.

Technology plays a major role in BEA China's plan to further extend its reach. Technology also helps enhance the customer experience, improve risk management and drive efficiency.

Following efforts by the Mainland regulators to orderly mitigate shadow banking risks, lending activities are being channeled back to the banking system. With its extensive experience in the market, BEA China is well-positioned to capture the opportunities arising from this policy.

Meanwhile, BEA China has been highly successful in leveraging its partnerships with Internet platform companies to acquire new customers and expand its retail loan portfolio. BEA China is well-positioned to provide innovative solutions to partners who are agile, reliable and have an extensive nationwide reach.

### ***Greater Bay Area***

BEA has an extensive network in the Greater Bay Area, with 100 outlets covering Hong Kong, Macau and 9 cities in Guangdong. In addition to its banking licence, BEA is the largest shareholder of East Asia Qianhai Securities Limited, a fully-licensed securities company.

The interconnection of people, logistics and capital flows is expected to create significant business opportunities for banks. BEA will focus on promoting cross-border payments, trade finance, wealth management and professional services to enterprises and individuals in the region.

### ***Cost Management***

BEA continues to implement new technologies to enhance efficiency. The adoption of Robotic Process Automation has enabled the Bank to increase employee productivity and ultimately deliver a more satisfying customer experience by automating repetitive manual tasks. Meanwhile, mobile remote account opening uses advanced facial recognition technology for identity verification, streamlining the application flow and shortening processing time.

To reduce funding costs, BEA has implemented a multi-pronged strategy. The Bank is working to absorb low-cost deposits across all business units with the launch of new savings products. This strategy has proven to be highly effective.

On the Mainland, the Bank will continue to enhance its trade finance and cash management businesses with the aim of acquiring low-cost deposits in order to further reduce funding costs.

### ***Asset quality***

As the operating environment on the Mainland is likely to remain challenging, BEA will proactively manage its exposure to high credit-risk and cyclical industries.

In Hong Kong and overseas, asset quality has remained healthy. The Bank will continue to monitor the macro environment, government policies and liquidity conditions closely and manage its asset quality carefully.

## **RISK MANAGEMENT**

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

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

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

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

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

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

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

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. The Group's major risk management policies and control limits are approved by the Board and are reviewed and enhanced on a regular basis to cater for market changes, statutory requirements, and best practice in risk management processes. The Board has delegated the responsibility for ongoing risk management to the Risk Committee and the management committees. Significant risk management-related issues must be reported to the Board, which oversees risk management. Moreover, on a daily basis, the Group Chief Risk Officer is responsible for overseeing the Group's risk management issues, which include, but are not limited to, the risk management infrastructure, strategies, appetites, culture, and resources.

Stress testing is an integral part of the Group's risk management. The Group regularly performs stress tests on the principal risks, where appropriate, to assess the potential impact of stressed business conditions (including hypothetical situations such as a significant economic downturn in Mainland China and Hong Kong) on the Group's financial positions, in particular, capital adequacy, profitability, and liquidity. Whenever necessary, a prompt management response will be developed and executed to mitigate potential impacts.

#### **(a) Credit risk management**

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet its obligations.

The Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

The Group has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit underwriting criteria, credit monitoring processes, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practice in risk management processes.

#### **(b) Market risk management**

Market risk is the risk arising from adverse movements in market factors such as interest rates, foreign exchange, equity prices, and commodity prices, which result in profits or losses for the Group. The aim in managing market risk is to reduce the Group's exposure to the volatility inherent in market factors.

The Asset and Liability Management Committee deals with all market-risk related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The use of derivatives for proprietary trading and the sale of derivatives to customers as risk management products are integral parts of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange, and equity-related contracts, in the form of both over-the-counter derivatives and exchange-traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of market risk that must be managed are:

(i) *Currency risk*

The Group's foreign currency positions arise from foreign exchange dealing (including derivatives), commercial banking operations, and structural foreign currency exposures. The Group's non-structural foreign currency exposures are denominated in major currencies, particularly USD and CNY. All foreign currency positions are managed within limits approved by the Board or the Asset and Liability Management Committee.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from value-at-risk measurements, as related gains or losses are taken to reserves. Such foreign currency positions are held with the intention of hedging any adverse effect, partially or totally, of exchange rate movements on the capital adequacy ratio. The Group seeks to match its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

(ii) *Interest rate risk*

The Group's trading interest rate positions arise from treasury and dynamic hedging of commercial banking activities. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

(iii) *Equity risk*

The Group's equity positions arise from equity investment and dynamic hedging of customer-driven business. Equity risk is managed daily by the Investment Department within the limits approved by the Board, Investment Committee, or the Asset and Liability Management Committee.

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board approves the core control limits and has delegated the authority to set detailed control limits to the Asset and Liability Management Committee. Risk, return, and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from the risk-taking activities of the Group to ensure that overall and individual market risks are within the Group's risk tolerance level. Risk exposures are monitored frequently to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of VaR. VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, assuming that positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the historical simulation approach, where the VaR is calculated by revaluing the portfolio for each of the market movement scenarios obtained from the historical observation period. This methodology uses movements in market rates and prices over a one-day holding period with a 99% confidence level under a two-year observation period.

The market value of listed shares, the fair value of private equity funds and unlisted equities (collectively the “Unlisted Securities”), are subject to limits and these are managed by the Investment Department of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Asset and Liability Management Committee.

#### *Value-at-risk statistics*

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

  

	2018 – First Half			
	At 30th June	Maximum	Minimum	Mean
	HKD Mn	HKD Mn	HKD Mn	HKD Mn
VaR for total trading activities	38	41	34	38
VaR for foreign exchange trading positions*	14	14	7	10
VaR for interest rate trading positions	6	8	5	7
VaR for equity trading positions	24	32	23	27

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

The average daily profit for all trading activities (including foreign exchange, interest rate, and equity trading activities) for the first six months of 2019 was HKD2.74 million (average daily profit of HKD2.48 million for the first six months of 2018). The standard deviation of the daily profit/loss for the period was HKD8.44 million (standard deviation of HKD10.5 million for the same period in 2018).

### **(c) Operational risk management**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The objectives of operational risk management are to identify, assess, monitor, and report operational risk of the Group systematically and effectively; to minimise any operational loss and other impact on the Group; and to comply with the relevant regulatory requirements.

The Operational Risk Management Committee is responsible for overseeing operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

The operational risk management tools adopted include operational risk incidents reporting, risk assessments, key risk indicators, operation manuals, insurance policies, etc.



**(d) Liquidity risk management**

Liquidity risk is the risk that the Group may not be able to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk).

The purpose of liquidity risk management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to make new loans and investments as opportunities arise and, last but not least, to comply with all the statutory requirements for liquidity risk management, including Liquidity Coverage Ratio and Net Stable Funding Ratio.

The Group reviews the risk profile through regular assessments of both qualitative and quantitative risk factors to determine its tolerance of prevailing risk levels against applicable risk appetite statement for liquidity risk approved annually by the Board. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee comprises balanced representation of senior staff from business, Treasury, Risk Management and Finance units, who jointly formulate funding strategies. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

The LCR and NSFR statutory requirements are part of the stringent regulatory regime that covers the liquidity risk management of the Group. To ensure compliance with the regulatory requirements, internal targets for LCR and NSFR have been set above regulatory required levels, after considering the Group's liquidity risk appetite. In addition, material changes in the LCR and NSFR are reviewed regularly by the Asset and Liability Management Committee together with proposed mitigation actions to cope with adverse changes arising from, but not limited to, composition of the deposit base and remaining tenor to maturity, lending activities with respect to different maturity tenors, and the Group's asset and liability mix strategy. In planning the asset and liability mix strategy, the Group's relevant business units contribute to an assessment of the impact of asset growth and funding structure on the LCR and NSFR for review and decision by the Asset and Liability Management Committee.

As part of Group efforts to manage the LCR and NSFR effectively, emphasis is placed on strengthening the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement, and borrowing for the purposes of providing additional funding, maintaining a presence in local money markets, and optimising asset and liability maturities.

In addition to observing the statutory LCR and NSFR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative maturity mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risk. The Group maintains sufficient High-quality liquid assets as a liquidity cushion that can be accessed in times of stress. The HQLAs for fulfilling the LCR consist of cash, exchange fund bills and notes, high quality government debt securities and other equivalent liquid marketable assets. The majority of HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.



Internally, intra-group funding transactions are carried out at arm's length and treated in a manner in line with third-party transactions, with regular monitoring and appropriate control. As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections through the regular use of the Bank's management information system. These are carried out on a regular basis to identify funding needs arising from on- and off-balance sheet items in a specific time frame over a set of time horizons.

The Group also conducts stress-testing regularly to analyse liquidity risk. Both on and off-balance sheet items and their impact on cash flow are considered, together with applicable hypothetical and historical assumptions. The assessment and review of market liquidity risk are included in the various control processes, including investment/trading strategy, market risk monitoring, valuation, and portfolio review. Three stress scenarios – namely an institution-specific crisis, a general market crisis, and a crisis involving a combination of the two – are adopted with minimum survival period defined according to the HKMA's Supervisory Policy Manual LM-2, "Sound Systems and Controls for Liquidity Risk Management".

With reference to the stress-testing results, the Group identifies potential vulnerabilities within the Group, establishes internal limits and formulates a contingency funding policy that sets out the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations.

The contingency funding policy is designed to be pro-active and pre-emptive, and stipulates the following three stages:

1. The Group utilises early warning indicators, which cover both qualitative and quantitative measures, and monitors both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the Asset and Liability Management Committee is informed. The Asset and Liability Management Committee will consider appropriate remedial actions and will consider employing crisis management if the situation warrants.
2. A Crisis Management Committee, which is chaired by the Co-Chief Executives, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

An annual drill test is conducted and the contingency funding policy is subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the contingency funding policy are approved by the Board.

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

In the first half of 2019, BEA issued floating rate certificates of deposit and debt securities with a face value of HKD150 million and USD516 million; fixed rate certificates of deposit and debt securities with a face value of HKD5,527 million, USD848 million and CNY2,500 million; and zero coupon certificates of deposit and debt securities with a face value of HKD2,303 million, USD2,070 million, CNY11,630 million, GBP118 million, EUR651 million and CHF50 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HKD50,593 million equivalent upon maturity.

At the end of June 2019, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HKD67,495 million, with a carrying amount equivalent to HKD67,009 million.

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

As at 30th June, 2019

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity		
		2019	2020	2022
<b>Floating Rate</b>				
HKD	150		150	
USD	948	412	536	
<b>Fixed Rate (Note)</b>				
HKD	7,287	4,567	2,720	
USD	969	300	669	
CNY	2,500			2,500
GBP	25	25		
JPY	1,500	1,500		
CHF	30	30		
<b>Zero Coupon</b>				
HKD	2,550	250	2,300	
USD	2,279	1,715	564	
CNY	13,640	6,790	6,850	
GBP	258	138	120	
CHF	50	50		
EUR	316	266	50	
<b>Total Certificates of Deposit and Debt Securities issued in HKD equivalent</b>	<b>67,495</b>	<b>36,231</b>	<b>28,419</b>	<b>2,845</b>

Note:

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

In the first half of 2019, BEA issued fixed rate loan capital with a face value of CNY1,500 million.

At the end of June 2019, the face value of the outstanding loan capital issued was equivalent to HKD14,208 million, with a carrying amount equivalent to HKD14,193 million.

## Maturity Profile of Loan Capital

As at 30th June, 2019

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity			
		2020	2024	2026	2029
USD (Notes 1 & 2)	1,600	600	500	500	
CNY (Note 3)	1,500				1,500
<b>Total Loan Capital issued in HKD equivalent</b>	<b>14,208</b>	<b>4,688</b>	<b>3,907</b>	<b>3,907</b>	<b>1,706</b>

Notes:

1. The USD500 million loan capital that matures in 2024 will be callable on 20th November, 2019.
2. The USD500 million loan capital that matures in 2026 will be callable on 3rd November, 2021.
3. The CNY1,500 million loan capital that matures in 2029 will be callable on 25th April, 2024.

### (e) Interest rate risk management

Interest rate risk is the risk resulting from adverse movements in interest rates that affect the earnings and economic value of the Group's banking book positions. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's interest rate risk management, establish the strategy and policy for managing interest rate risk, and determine the means for ensuring that such strategies and policies are implemented. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Division performs periodic reviews to ensure that the interest rate risk management functions are implemented effectively.

Interest rate risk primarily results from the timing differences in the re-pricing of interest rate-sensitive assets, liabilities, and off-balance sheet items in the banking book. In determining the level of interest rate risk, assessments are made for the gap risk, basis risk and options risk. The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's interest rate-sensitive assets, liabilities, and off-balance sheet positions. Re-pricing gap position limits are set to control the Group's interest rate risk.

From 1st July, 2019, in line with the new requirements set by the HKMA, optionality and behavioural assumptions of certain products will also be estimated in the exposure measurement.

Sensitivity analysis in relation to the impact of changes in interest rates on earnings and economic value is assessed regularly through a number of hypothetical interest rate shock scenarios prescribed by the HKMA. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

**(f) Strategic risk management**

Strategic risk is the risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technological changes.

The Risk Management Division of the Group monitors the activities under the Group's prevailing interest-earning asset mix and funding strategies and regularly reports the status to the Asset and Liability Management Committee, Risk Management Committee, Risk Committee, and the Board, where appropriate.

Future capital requirements are determined based on the projections of Capital Adequacy Ratio and conditions under the Internal Capital Adequacy Assessment Process, so as to assess the level and structure of capital resources needed to support the risks that the Group tolerates.

**(g) Legal risk management**

Legal risk is the risk of loss arising from unenforceable contracts, lawsuits, or adverse judgements that may disrupt or otherwise negatively affect the operations or financial condition of the Group.

The objective of managing legal risk is to identify, assess, monitor and report on legal risk, and to comply with the relevant legal and regulatory requirements.

The Group provides appropriate training courses conducted by qualified internal personnel and/or external lawyers/professionals. It also issues reminders to staff members if necessary. When dealing with legal matters, the Group engages qualified internal personnel and, when necessary and appropriate, external lawyers with appropriate expertise including counsel and senior counsel.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's legal risk.

**(h) Reputation risk management**

Reputation risk is the risk that the Group's reputation is damaged by one or more events that result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group and may result in costly litigation, or lead to a decline in the Group's customer base, business, and/or revenue.

The objective of managing reputation risk is to identify, assess, monitor, report, and mitigate reputation risk, and to ensure compliance with the relevant regulatory requirements.

The Group establishes various policies, guidelines, manuals and codes to ensure compliance with applicable laws, rules and regulations, and to ensure that the Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation.

The Group formulates and adheres to the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation and control, thereby protecting and enhancing the reputation of the Group. The Guidelines for Incident Response and Management are established for swift response to and management of unexpected incidents. The Media Guidelines are established to ensure effective and consistent delivery of the Group's key messages to the media.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's reputation risk.

**(i) Compliance risk management**

Compliance risk is the risk of potential losses arising from legal or regulatory sanctions, fines and penalties, financial losses or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its business activities.

The Group establishes various policies, guidelines and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards, and guidelines issued by the relevant regulatory authorities that govern the Group's operations. The Group formulates, and adheres to, the Group Compliance Risk Management Manual, which outlines a systematic approach to the management of compliance risk, including a framework for compliance risk identification, assessment, monitoring, mitigation and control, thereby enabling the Group to manage its compliance risk effectively. Independent regulatory compliance reviews are conducted on major functions of the Group using a risk-based approach.

**(j) Technology risk management**

Technology risk is the risk of loss to the Group due to inadequate or failed technical processes, people, and/or computing systems, or unauthorised access or disruption to technology resources, in particular relating to cyber security and e-banking.

To address increasing cyber security threats, the Group has put in place adequate security resources and proper control measures based on a defined risk appetite level. The Group has developed technology risk related policies and cyber security strategies as well as comprehensive security awareness programmes to strengthen cyber security at all levels.

The Group has also established a framework for proper management of technology risk. The Board and designated committees at the top level are responsible for overall management of technology risk for the Group. They lead various working teams and the "Three lines of defence" to address specific areas of concern.

Comprehensive control policies, standards, guidelines, and procedures are maintained to ensure that adequate control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information are all in place.

**(k) New product and business risk management**

New product and business risk is the risk of loss due to insufficient pre-assessment of significant potential risks introduced to the Group arising from the launch of new products, the structural change of existing products, and the establishment of new business operations (i.e. through the establishment of a new subsidiary and/or merger and acquisition). The significant potential risks include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Legal Risk, Technology Risk, Compliance Risk, Strategic Risk, Reputation Risk and Business Continuity Risk.

The Group establishes a robust risk governance structure, supported by comprehensive control guidelines and procedures. A structured evaluation process ensures that before initiating a new product or business, the potential significant risks are duly assessed, vetted and documented. The process also facilitates oversight of new products and businesses by Senior Management.

Each new product launch must go through an approval process, which includes business and financial analysis and risk assessment. New products are reviewed and assessed by the New Products Evaluation Working Group (comprising the department heads of supporting units and representatives of risk controllers), endorsed by the Steering Group for New Product and Business Risk Management (chaired by the Group Chief Risk Officer and comprising the division heads of supporting units), and approved by the Risk Management Committee.

## **(I) Business continuity risk management**

Business continuity risk is the risk of loss arising from business disruptions in the event of an incident or crisis. Business disruption could be caused by the loss of staff members, information technology and telecommunication systems, premises, key service providers, vital records, etc.

To manage business continuity risk, the Group establishes comprehensive policies, guidelines and manuals. Business impact analysis is conducted and business continuity plans are developed by all individual functional units of the Group.

Annual drills are performed to test preparedness and effectiveness of the business continuity plans.

## **CORPORATE SOCIAL RESPONSIBILITY**

Through staff volunteering, donations, and other forms of assistance, the BEA Group and The Bank of East Asia Charitable Foundation (“BEA Foundation”) support a wide range of important initiatives under the three pillars of the Group’s community investment programme, namely education, social welfare, and the environment.

The year 2019 is a very special year for BEA, marking the centenary of the opening of the Bank in January 1919. In celebration of this achievement, the Bank launched several initiatives this year to highlight the Bank’s commitment to the prosperity and well-being of Hong Kong and all Hong Kong residents.

In January, approximately 200 representatives of the Bank, including members of senior management and staff volunteers, hosted a community luncheon for about 1,200 elderly residents of Hong Kong in conjunction with nine non-governmental organisations (“NGOs”). Meanwhile, BEA reaffirmed its commitment to supporting Hong Kong’s youth by teaming up with Tung Wah Group of Hospitals (“TWGHs”) to launch the Teen Café Youth Mental Health Promotion Project (“Teen Café”). As at the end of January 2019, the Bank had raised approximately HK\$1.8 million to support this project by inviting customers, business partners, and others to donate to the Teen Café in lieu of sending flowers or other congratulatory gifts to the Bank. The funds raised will enable TWGHs to provide mental health support to around 600 adolescents and young adults annually over the next several years.

For the fourth consecutive year, in March 2019 the Bank served as title sponsor for The Community Chest BEA Charity Golf Day, raising nearly HK\$2.3 million for mental health services provided by The Community Chest of Hong Kong’s member agencies.

In May 2019, the BEA Foundation announced the recipients of the BEA Inspiring Student Scholarship. Ten tertiary students with special educational needs were chosen for this inspirational award, based on their personal achievements, circumstances, and ambitions.

BEA believes that financial literacy is a key life-skill for the modern world, giving people the knowledge they need to make informed decisions to manage their financial affairs. In January, the Bank held its annual Economic and Market Outlook Seminar for more than 650 corporate and personal banking customers. Attendees learned from experts in the property, securities, and foreign exchange fields, who spoke on the latest developments in the various asset classes. In March, the Bank supported Hong Kong Money Month 2019 by organising several visits to secondary schools where staff members explained to students how banks can support people’s needs at different stages of life. In addition, BEA organised a number of workshops for primary and secondary school students, the underprivileged, and the elderly during the first half of the year, collaborating with a number of NGOs including Christian Action, Hong Kong Christian Service, The Hong Kong Chinese Christian Churches Union, and The Salvation Army Hong Kong and Macau Command. BEA also developed a special programme for youth, teaming up with Hong Kong Science Park to organise the BEA 100 FinTech Challenge for local university students. Students were evaluated on the creativity, functionality and feasibility of their proposals, and on the group’s presentation skills.

During the period under review, the Bank continued to explore ways to reduce the impact of its operations on the environment. During the past year, the flood lights on top of BEA Tower were replaced with energy-efficient halogen lamps. The Bank expects that this initiative will result in a 70% reduction in the electricity required for rooftop lighting.

Meanwhile, improvements to the water-cooled chiller plant at Head Office should reduce annual energy consumption for air conditioning by about 5%, and water consumption by about 10%.

In June 2019, the Bank held an environmental, social and governance (“ESG”) workshop for its senior executives based in the region and overseas with the aim of creating a greater understanding of sustainability issues and raising awareness of the importance of ESG throughout the entire organisation.

BEA ensured that its units complied with the Group’s Corporate Social Responsibility (“CSR”) Policy, Environmental Policy, and other related codes and guidelines during the period under review through the efforts of the Group’s CSR Working Group.

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

## **RECOGNITION**

During the first six months of 2019, the Bank received a number of awards in recognition of its achievements. These included:

- “2019 Best SME’s Partner Award” (for the twelfth consecutive year) from The Hong Kong General Chamber of Small and Medium Business;
- “Quamnet Outstanding Enterprise Awards 2018 – Outstanding SME Service Provider (Bank)” (for the sixth consecutive year) from Quam (H.K.) Limited;
- “Best Digital Bank, Hong Kong” and “Best Retail Bank, Hong Kong” in the Global Brands Awards 2018 from Global Brands Magazine;
- “Excellent Brand of Smart Banking” in the Hong Kong Leaders’ Choice 2019 from Metro Finance;
- “Outstanding Intelligent Lifestyle and Financial Management Platform” in the FinTech Awards 2018 from ET Net;
- Gold Award for “Best App – Banking Services”, “Best App – Lifestyle/Entertainment”, “Best App – Reform”, Silver Award for “Best User Experience”, and “Most Innovative Use of Mobile Technology” in the Mob-Ex Awards 2019 from Marketing Magazine;
- “Most Innovative Mobile Banking Application, Hong Kong” in the Triple A Digital Awards 2018 from The Asset Magazine;
- “Payment Merchant Services of the Year in Asia-Pacific” in the International Excellence in Retail Financial Services Awards 2019 from The Asian Banker;
- The “Excellence Award” in Digital Innovation, Branch Innovation, and Integrated Marketing (Branding Promotion) and “Outstanding Performance Award” in Mobile Banking in the Financial Institution Awards 2019 from Bloomberg Businessweek (Chinese Edition);
- “Hong Kong and Macau Innovative Awards – Issuing Innovative Award (UnionPay APP)” from UnionPay International; and
- Gold Award for “Highest UPOP Acquiring Volume 2018” from UnionPay International.

Awards received by The Bank of East Asia (China) Limited included:

- “New Era Financial Institution Influence Award” from China Business Journal;
- “2018 Most Potential Forward & Swap Transaction Market Maker Award”, “2018 Best Comprehensive Member Award”, and “2018 Active Local Currency Market Interbank Trader” from China Foreign Exchange Trade System & National Interbank Funding Center; and
- “2018 China Grand Award” from JIEMIAN & CaiLianPress.

During the first half of 2019, Blue Cross (Asia-Pacific) Insurance Limited received the “IFTA Fintech Achievement Award 2018 – Insur-Tech Platinum Award” from the Institute of Financial Technologists of Asia while Bank of East Asia (Trustees) Limited received a Gold Rating for the BEA (MPF) Value Scheme in the MPF Ratings’ 2019 MPF Scheme Ratings and Awards programme from MPF Ratings Limited.

BEA Union Investment Management Limited received a number of awards in recognition of its performance.

For BEA Union Investment:

- “Hong Kong Pension Funds Group Awards – Mixed Assets” from Lipper Fund Awards from Refinitiv Year 2019 Hong Kong.

For the BEA Union Investment Asian Bond and Currency Fund:

- “Best of the Best Award 2019: Asian Bonds” from Asia Asset Management (for its 10-year performance).

For the BEA Union Investment RMB Core Bond Fund:

- “Best Bond Fund, CNY” from Lipper Fund Awards from Refinitiv Year 2019 Hong Kong (for its 3-year performance).

For the BEA Greater China Tracker Fund under the BEA (MPF) Value Scheme:

- “Best Greater China Equity Pension Fund” from Lipper Awards from Refinitiv year 2019 Hong Kong (for its 3-year performance).

## **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 2018 up to 21st August, 2019 (being the date of approval of the Bank’s Interim Report 2019) are set out below:

### **Changes in Positions held with the Bank**

The Hon. CHAN Kin-por resigned as an Independent Non-executive Director and ceased as the Chairman of the Risk Committee and Member of the Audit Committee of the Bank with effect from 1st June, 2019.

Dr. the Hon. Henry TANG Ying-yen was appointed the Chairman of the Risk Committee with effect from 1st June, 2019.

Dr. the Hon. Sir David LI Kwok-po stepped down as Chief Executive of the Bank and was re-designated as Executive Chairman and remains as an Executive Director, the Chairman of the Board and a member of the Nomination Committee of the Bank with effect from 1st July, 2019. The term of his employment contract as Executive Chairman of the Bank is 3 years commencing on 1st July, 2019 and will expire on 30th June, 2022.

Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun were appointed as Co-Chief Executives of the Bank with effect from 1st July, 2019.



## Changes in experience including other directorships and major appointments

<u>Name of Directors</u>	<u>Other directorships and appointments</u>
Dr. the Hon. Sir David LI Kwok-po	Ceased to be a Director of Hong Kong Interbank Clearing Limited and was conferred a Fellow of the Hong Kong Academy of Finance
Dr. Peter LEE Ka-kit	Appointed as Chairman and Managing Director of Henderson Land Development Company Limited and Chairman of The Hong Kong and China Gas Company Limited (both listed in Hong Kong)
Mr. Adrian David LI Man-kiu	Ceased to be a Member of the International Advisory Board (dissolved) of Abertis Infraestructuras S.A. (listed in Spain) and appointed as a Member of Executive Committee of The Community Chest of Hong Kong, a Member of the Advisory Board of The Salvation Army, Hong Kong and Macau Command and Chairman of The Chinese Banks' Association
Mr. Brian David LI Man-bun	Ceased to be the Chairman of the Traffic Accident Victims Assistance Advisory Committee
Dr. Daryl NG Win-kong	Ceased to be a member of the Council for Sustainable Development of HKSAR
Mr. Masayuki OKU	Ceased to be an Independent Non-executive Director of Kao Corporation and Panasonic Corporation (both listed in Japan) and appointed as an Independent Non-executive Director of Rengo Co., Ltd. and The Royal Hotel, Limited (both listed in Japan)

## Changes in Directors' emoluments

The base salary paid to Dr. the Hon. Sir David LI Kwok-po as Chief Executive of the Bank from 1st April, 2019 to 30th June, 2019, was increased from HK\$11.3 million to HK\$11.7 million on an annualized basis. After his re-designation as Executive Chairman with effect from 1st July, 2019, apart from the fees to be received for being the Chairman of the Board and a member of the Nomination Committee, Sir David will receive an annual salary of approximately HK\$11.8 million and is entitled to a discretionary bonus and share options to be determined with reference to the remuneration policy of the Bank each year.

After appointment as Co-Chief Executives with effect from 1st July, 2019, Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun, respectively, will receive an annual salary of approximately HK\$7.5 million and are entitled to discretionary bonuses and share options to be determined with reference to the remuneration policy of the Bank each year.

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

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30th June, 2019, the interests and short positions of the Directors and Chief Executive of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

### I. Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued voting shares
David LI Kwok-po	Beneficial owner	85,192,183	98,805,950 <sup>1</sup>	3.41
	Interest of spouse	2,203,003		
	Interest of corporation	255,955		
	Executor of estate	11,154,809		
Arthur LI Kwok-cheung	Beneficial owner	13,052,823	41,644,925 <sup>2</sup>	1.44
	Interest of corporation	17,437,293		
	Executor of estate	11,154,809		
Allan WONG Chi-yun	Beneficial owner	461,721	17,776,857 <sup>3</sup>	0.61
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	17,315,000		
Aubrey LI Kwok-sing	Beneficial owner	1,221,941	18,428,568 <sup>4</sup>	0.64
	Interest of spouse	24,298		
	Interest of corporation	17,182,329		
Winston LO Yau-lai	–	–	Nil	Nil
Stephen Charles LI Kwok-sze	Beneficial owner	11,684,939	13,934,042 <sup>5</sup>	0.48
	Interest of child	190,471		
	Administrator of estates	1,812,034		
	Beneficiary of discretionary trust	246,598		
Isidro FAINÉ CASAS	–	–	Nil	Nil
Peter LEE Ka-kit	Interest of corporation	679,000	679,000 <sup>6</sup>	0.02
Adrian David LI Man-kiu	Beneficial owner	1,079,032	3,159,076 <sup>7</sup>	0.11
	Interest of child	7,714		
	Settlor/Founder of discretionary trust	2,072,330		
Brian David LI Man-bun	Beneficial owner	2,465,629	3,281,190 <sup>8</sup>	0.11
	Interest of corporation	815,561		

Name	Capacity and nature	No. of shares	Total	% of issued voting shares
Daryl NG Win-kong	–	–	Nil	Nil
Masayuki OKU	–	–	Nil	Nil
Rita FAN HSU Lai-tai	–	–	Nil	Nil
Meocre LI Kwok-wing	–	–	Nil	Nil
Henry TANG Ying-yen	–	–	Nil	Nil
Delman LEE	–	–	Nil	Nil

Notes:

- 1 *David LI Kwok-po was the beneficial owner of 85,192,183 shares and he was deemed to be interested in 2,203,003 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 255,955 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 11,154,809 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 11,154,809 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 13,052,823 shares and he was deemed to be interested in 17,437,293 shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 11,154,809 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 11,154,809 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 461,721 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 17,315,000 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 1,221,941 shares and he was deemed to be interested in 24,298 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 17,182,329 shares held by Hope Lake Ltd., which is wholly-owned by him.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 11,684,939 shares, and he was deemed to be interested in 190,471 shares through the interests of his daughter. He was also deemed to be interested in 1,812,034 shares held by two estates of which he is one of the Administrators. He was also deemed to be interested in 246,598 shares held by a discretionary trust, Longevity Trust (the "Trust"), of which his daughter was a beneficiary.*  
  
*On 2nd July, 2019, the Bank received notification that on 29th June, 2019, Stephen Charles LI Kwok-sze passed the de facto voting rights attached to the 190,471 shares held by his daughter and the 246,598 shares interested by his daughter as a beneficiary of the Trust back to his daughter. Accordingly, as at 30th June, 2019, the total interests of Stephen Charles LI Kwok-sze were reduced to 13,496,973 shares (equivalent to approximately 0.47% of the issued shares of the Bank as at 30th June, 2019).*
- 6 *Peter LEE Ka-kit was deemed to be interested in 679,000 shares owned by Successful Lotus Limited, which is wholly-owned by him.*
- 7 *Adrian David LI Man-kiu was the beneficial owner of 1,079,032 shares, and he was deemed to be interested in 7,714 shares through the interests of his child under the age of 18. Adrian David LI Man-kiu has made a voluntary disclosure of 2,072,330 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.*
- 8 *Brian David LI Man-bun was the beneficial owner of 2,465,629 shares. He was also deemed to be interested in 815,561 shares held by Triple Kingdom Limited, which is wholly-owned by him.*

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

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the six months ended 30th June, 2019 was shown in the section under "Information on Share Options" of this Report.

## III. Interests in Hybrid Tier I Capital Instruments:

Allan WONG Chi-yun was the beneficial owner of the following capital instruments<sup>Note</sup>:

Issuer	Type/Class of securities	Amount of debentures	No. of shares
The Bank of East Asia, Limited	Subordinated Notes	US\$7,000,000	–
Innovate Holdings Limited	Preference Shares	–	7,000
The Bank of East Asia, Limited	Substitute Preference Shares (unissued)	–	7,000

*Note: In November 2009, the Bank issued capital instruments qualifying as hybrid tier 1 capital with a face value of US\$500 million. The capital instruments comprise 8.5% step-up subordinated notes due 2059 issued by the Bank (the "2059 Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The 2059 Notes and the Innovate Preference Shares are listed as stapled units on Singapore Exchange. The Substitute Preference Shares (being perpetual non-cumulative step-up preference shares) are created, and to be issued by the Bank upon the occurrence of a Substitution Event (as defined in the circular to shareholders of the Bank dated 11th November, 2009) as one of the terms of the issue of the 2059 Notes and the Innovate Preference Shares.*

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

## 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, 2019:

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2019
		Outstanding at 01/1/2019	Granted	Exercised	Lapsed/Cancelled	
David LI Kwok-po	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	668,000	0
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	–	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	–	–	–	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	–	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	–	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	–	–	–	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	–	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	–	668,000
	08/4/2016 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	–	666,000
	08/4/2016 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	–	668,000
	07/4/2017 <sup>a</sup>	666,000 <sup>T1</sup>	–	–	–	666,000
	07/4/2017 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	–	666,000
	07/4/2017 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	–	668,000
	10/4/2018 <sup>a</sup>	666,000 <sup>T1</sup>	–	–	–	666,000
	10/4/2018 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	–	666,000
	10/4/2018 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	–	668,000
Adrian David LI Man-kiu	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	218,000	0
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	216,000	0
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	216,000	0
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000	
07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000	
10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000	
10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000	
10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000	

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2019
		Outstanding at 01/1/2019	Granted	Exercised	Lapsed/ Cancelled	
Brian David LI Man-bun	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	218,000	0
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	216,000	0
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	216,000	0
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000	
Aggregate of other Employees*	05/5/2011 <sup>a</sup>	686,000 <sup>T3</sup>	–	–	686,000	0
	10/5/2012 <sup>a</sup>	582,000 <sup>T2</sup>	–	–	582,000	0
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	–	–	–	636,000
	03/5/2013 <sup>a</sup>	632,000 <sup>T1</sup>	–	–	632,000	0
	03/5/2013 <sup>a</sup>	632,000 <sup>T2</sup>	–	–	–	632,000
	03/5/2013 <sup>a</sup>	686,000 <sup>T3</sup>	–	–	–	686,000
	02/5/2014 <sup>a</sup>	714,000 <sup>T1</sup>	–	–	–	714,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T2</sup>	–	–	–	844,000
	02/5/2014 <sup>a</sup>	849,500 <sup>T3</sup>	–	–	–	849,500
	04/5/2015 <sup>a</sup>	882,000 <sup>T1</sup>	–	–	–	882,000
	04/5/2015 <sup>a</sup>	882,000 <sup>T2</sup>	–	–	–	882,000
	04/5/2015 <sup>a</sup>	886,000 <sup>T3</sup>	–	–	–	886,000
	08/4/2016 <sup>a</sup>	632,000 <sup>T1</sup>	–	–	–	632,000
	08/4/2016 <sup>a</sup>	898,000 <sup>T2</sup>	–	–	–	898,000
	08/4/2016 <sup>a</sup>	942,500 <sup>T3</sup>	–	–	–	942,500
	07/4/2017 <sup>a</sup>	982,000 <sup>T1</sup>	–	–	–	982,000
	07/4/2017 <sup>a</sup>	982,000 <sup>T2</sup>	–	–	–	982,000
07/4/2017 <sup>a</sup>	986,000 <sup>T3</sup>	–	–	–	986,000	
10/4/2018 <sup>a</sup>	1,077,000 <sup>T1</sup>	–	–	–	1,077,000	
10/4/2018 <sup>a</sup>	1,077,000 <sup>T2</sup>	–	–	–	1,077,000	
10/4/2018 <sup>a</sup>	1,083,500 <sup>T3</sup>	–	–	–	1,083,500	

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2019
		Outstanding at 01/1/2019	Granted	Exercised	Lapsed/Cancelled	
Other Participants**	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	–	–	100,000	0
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	–	–	100,000	0
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	–	–	–	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	50,000	0
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	–	–	–	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	–	–	–	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	–	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T2</sup>	–	–	–	50,000
	04/5/2015 <sup>a</sup>	15,746 <sup>T3</sup>	–	–	–	15,746
	08/4/2016 <sup>a</sup>	50,000 <sup>T3</sup>	–	–	–	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	–	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T2</sup>	–	–	–	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T3</sup>	–	–	–	50,000
	10/4/2018 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	–	50,000
	10/4/2018 <sup>a</sup>	50,000 <sup>T2</sup>	–	–	–	50,000
10/4/2018 <sup>a</sup>	50,000 <sup>T3</sup>	–	–	–	50,000	

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

\*\* Other Participants refer to three former employees of the Bank. The share options were granted to them prior to their cessation as employees of the Bank.

Notes:

a Particulars of share options granted in years 2011 to 2018:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share
				HK\$
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25

(2) No share options were cancelled during the six months ended 30th June, 2019.

(3) The accounting policy adopted for share options:

The option exercise price is equal to the higher of:

- (a) the closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant options; and
- (b) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

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

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

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

Save as disclosed above, as at 30th June, 2019, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.



## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30th June, 2019, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

### Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued voting Shares
Sumitomo Mitsui Banking Corporation	Beneficial owner	510,003,673 <sup>1</sup>	19.01
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	464,287,319 <sup>2</sup>	17.30
Guoco Management Company Limited	Beneficial owner	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
Guoco Group Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	Interest of corporation	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	Interest of corporation	369,755,978 <sup>3</sup>	14.15
QUEK Leng Chan	Interest of corporation	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	Interest of corporation	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	Interest of corporation	218,080,742 <sup>6</sup>	8.00

Notes:

1 Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 510,003,673 shares of the Bank held by Sumitomo Mitsui Banking Corporation.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 30th June, 2019, they stood at 566,664,061 shares (equivalent to approximately 19.56% of the issued shares of the Bank as at 30th June, 2019). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

2 As at 30th June, 2019, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Criteria Caixa.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 30th June, 2019, they stood at 507,052,049 shares (equivalent to approximately 17.50% of the issued shares of the Bank as at 30th June, 2019). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

3 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 12.76% of the issued shares of the Bank as at 30th June, 2019). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

QUEK Leng Chan was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was 49.27% owned by QUEK Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited.

4 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 12.76% of the issued shares of the Bank as at 30th June, 2019) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

KWEK Leng Kee was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

5 GuoLine Overseas Limited and GuoLine Capital Assets Limited are wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by Hong Leong Company (Malaysia) Berhad and Guoco Group Limited, GuoLine Overseas Limited, GuoLine Capital Assets Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.

6 Elliott Capital Advisors, L.P. ("ECALP") was deemed to be interested in these shares (equivalent to approximately 8.00% of the issued shares of the Bank as at 4th July, 2017, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 7.53% of the issued shares of the Bank as at 30th June, 2019) comprising 198,044,142 shares held by Elliott International L.P. ("EILP"), 20,035,600 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.

Liverpool LP was 100% controlled by Liverpool Associates, Ltd. Liverpool Associates, Ltd, Artan Investments Ltd and Frasco Investments Ltd were 100% controlled by Elliott Associates, L.P.. Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..

Both Elliott Associates, L.P. and Hambledon, Inc. were 100% controlled by ECALP which is accustomed to act in accordance with the instructions of Paul Singer.

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

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

There was no purchase, sale or redemption by the Bank or any of its subsidiaries, of the listed securities of the Bank during the six months ended 30th June, 2019.

## **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 and employees; and in upholding accountability and transparency.

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

The Bank also constantly reviews and enhances the effectiveness of the Group's corporate governance practices by referencing to market trend as well as guidelines and requirements issued by regulatory authorities.

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

Pursuant to Rule 3.10A of the Listing Rules, an issuer must appoint INEDs representing at least one-third of the board. Upon the resignation of The Hon. Chan Kin-por as an INED on 1st June, 2019, the Board comprises 16 members including 3 Executive Directors, 8 Non-executive Directors and 5 INEDs. As a result, the number of INEDs of the Board fell below the minimum number prescribed by the Listing Rules. The Bank is identifying a suitable candidate to fill the vacancy in order to comply with Rule 3.10A and Rule 3.11 of the Listing Rules as soon as practicable<sup>Note</sup>.

During the six months ended 30th June, 2019, the Bank has also followed the modules on CG-1, CG-5, Guidance on Empowerment of INEDs, and circular on Bank Culture Reform issued by the HKMA.

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

The AC of the Bank has reviewed the results of the Bank for the six months ended 30th June, 2019 and the Bank's Interim Report 2019.

---

<sup>Note</sup> Dr. Peter Lee Ka-kit ("Dr. Lee") has resigned as a Non-executive Director of the Bank effective 23rd August, 2019. Following resignation of Dr. Lee, the Board comprises 15 members including 3 Executive Directors, 7 Non-executive Directors and 5 INEDs. As one-third of the Directors are INEDs, the Bank is in compliance with the requirement of Rule 3.10A of the Listing Rules with effect from 23rd August, 2019.

## 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, 2019.

## PUBLICATION OF INTERIM REPORT

The Interim Report 2019 in both English and Chinese is now available in printed form and on the websites of the Bank ([www.hkbea.com](http://www.hkbea.com)) and HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are encouraged to rely on website version to help reduce the quantity of printed copies of corporate communications of the Bank and hence the impact on the environment. Notwithstanding any choice of means for the receipt of corporate communications (i.e. either receiving a printed copy or by electronic means through the Bank’s website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank’s Share Registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by fax to (852) 2861 1465 or by email to [BEA0023-ecom@hk.tricorglobal.com](mailto:BEA0023-ecom@hk.tricorglobal.com) specifying your request together with your full name and contact telephone number.

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

Hong Kong, 21st August, 2019

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

<sup>#</sup> *Executive Director*

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

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

## 財務摘要

	2019年 6月30日	2018年 6月30日	2018年 12月31日
<b>半年期內</b>			
<b>盈利能力</b>	港幣百萬元	港幣百萬元	港幣百萬元
未扣除減值損失之經營溢利	5,184	4,340	4,169
可歸屬於本集團股東溢利	1,000	3,992	2,517
<b>每股盈利及每股股息</b>	港幣元	港幣元	港幣元
基本盈利	0.22	1.30	0.77
股息	0.11	0.51	0.67
<b>主要比率</b>	%	%	%
平均資產回報率（年率） <sup>1</sup>	0.1	0.9	0.5
平均股東權益回報率（年率） <sup>2</sup>	1.4	8.0	4.7
成本對收入比率 <sup>3</sup>	48.7	49.1	51.2

## 於期末／年末

	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產負債狀況</b>			
客戶貸款及墊款及貿易票據總額	524,107	507,531	515,281
資產總額	876,778	826,834	839,451
客戶存款及已發行存款證總額	646,008	619,497	632,604
股東權益總額	104,988	103,595	103,575
<b>主要比率</b>	%	%	%
貸款對存款比率 <sup>4</sup>	79.1	79.3	79.1
減值貸款比率 <sup>5</sup>	1.6	0.9	0.7
普通股權一級資本比率 <sup>6</sup>	15.3	15.3	15.7
一級資本比率 <sup>6</sup>	17.3	17.4	17.8
總資本比率 <sup>6</sup>	20.3	20.5	20.8

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

## 公司資料(於2019年7月1日)

### 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，於2019年7月1日獲委任)

李民斌先生

(聯席行政總裁，於2019年7月1日獲委任)

#### 非執行董事

李國章教授

(副主席)

李國星先生

羅友禮先生

李國仕先生

范禮賢博士

李家傑博士

黃永光博士

奧正之先生

#### 獨立非執行董事

黃子欣博士

(副主席)

范徐麗泰博士

李國榮先生

唐英年博士

李國本博士

#### 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

#### 股份上市

香港聯合交易所有限公司

#### 股份登記處

卓佳標準有限公司

電話：(852) 2980 1768

傳真：(852) 2861 1465

#### 美國預託證券託管銀行

BNY Mellon

電話：1 201 680 6825

美國境內免費電話：1-888-BNY-ADRS

電郵：shrrelations@bnymellon.com

#### 註冊行址

香港德輔道中10號

電話：(852) 3608 3608

傳真：(852) 3608 6000

網站：www.hkbea.com

電郵：info@hkbea.com

## 中期業績

本行董事會欣然宣布本集團截至2019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2019年已審核賬項內的會計政策變動外，編製此中期財務報表的基礎，跟2018年度已審核賬項所採納的會計政策及方法是一致的。會計政策變動之詳情已列載於附註2。此中期財務報表是未經審核的，但畢馬威會計師事務所已按照香港會計師公會頒布之《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」，審閱此中期財務報表。畢馬威會計師事務所致本行董事會之獨立審閱報告刊載於第194頁。

### 綜合收益表

		截至30/6/2019 止6個月	截至30/6/2018 止6個月
	附註	港幣百萬元	港幣百萬元
利息收入	3	14,556	12,183
按有效利率方法計算的利息收入		14,259	11,943
其他利息收入		297	240
利息支出	4	(7,150)	(5,933)
淨利息收入		7,406	6,250
服務費及佣金收入	5	1,895	1,935
服務費及佣金支出		(524)	(573)
服務費及佣金收入淨額		1,371	1,362
交易溢利淨額	6	416	556
通過損益以反映公平價值其他金融工具的淨表現	7	129	(142)
對沖溢利淨額	8	17	16
保險業務淨收入	9	574	264
其他經營收入	10	189	220
非利息收入		2,696	2,276
經營收入		10,102	8,526
經營支出	11	(4,918)	(4,186)
未扣除減值損失之經營溢利		5,184	4,340
金融工具減值損失	12	(5,063)	(282)
無形資產減值損失		-	(1)
減值損失		(5,063)	(283)
已扣除減值損失後之經營溢利		121	4,057
出售按攤銷成本計量投資之淨虧損		(5)	-
出售通過全面收益以反映公平價值金融資產之淨溢利	13	104	49
出售持有作出售資產之淨溢利	14	82	10
出售附屬公司之淨虧損		(6)	-
出售固定資產之淨虧損	15	(6)	(10)
重估投資物業盈利	23	18	394
應佔聯營公司溢利減虧損		328	281
期內除稅前溢利		636	4,781
所得稅	16	402	(762)
期內溢利		1,038	4,019

綜合收益表(續)

		截至30/6/2019 止6個月	截至30/6/2018 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		1,000	3,992
非控股權益		38	27
		<u>1,038</u>	<u>4,019</u>
期內溢利		<u>1,038</u>	<u>4,019</u>
本行的溢利		<u>3,246</u>	<u>3,369</u>
每股盈利			
基本一期內溢利	1(b)	港幣0.22元	港幣1.30元
攤薄一期內溢利	1(b)	港幣0.22元	港幣1.30元



## 綜合全面收益表

		截至30/6/2019 止6個月	截至30/6/2018 止6個月
	附註	港幣百萬元	港幣百萬元
淨溢利		1,038	4,019
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		—	8
— 遞延稅項	31	1	(8)
公平價值儲備(股份工具)：			
— 公平價值變動		418	254
— 遞延稅項	31	(7)	(4)
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		—	(5)
— 遞延稅項	31	(1)	1
以後可能轉回收益表的項目：			
公平價值儲備(債務工具)：			
— 公平價值變動		986	(479)
— 於出售時轉入收益表的金額	13	(66)	(23)
— 攤銷		(2)	(2)
— 遞延稅項	31	(39)	12
對沖儲備(現金流對沖)：			
— 對沖工具公平價值變動的有效部分		(4)	(6)
— 轉自收益表的公平價值變動		(4)	7
應佔聯營公司權益的變動		71	(58)
從海外分行、附屬公司及聯營公司的賬項折算/ 出售所產生的匯兌差額		52	(489)
其他全面收益		1,405	(792)
全面收益總額		2,443	3,227
全面收益總額可歸屬於：			
本集團股東		2,411	3,189
非控股權益		32	38
		2,443	3,227

綜合財務狀況表

		30/6/2019	31/12/2018
	附註	港幣百萬元	港幣百萬元
<b>資產</b>			
現金及在銀行和其他金融機構的結存	17	52,823	48,106
在銀行及其他金融機構的存款及墊款	18	69,720	60,373
貿易票據	19	12,826	14,646
交易用途資產	20	4,131	3,483
衍生工具資產	38(a)	6,141	10,211
客戶貸款及墊款	21	506,099	498,284
投資證券	22	157,212	144,729
聯營公司投資		9,675	9,129
固定資產	23	14,222	13,165
— 投資物業		5,266	5,249
— 其他物業及設備		7,873	7,916
— 使用權資產		1,083	—
商譽及無形資產		1,933	1,940
遞延稅項資產	31	1,565	481
其他資產	24	40,431	34,904
資產總額		<u>876,778</u>	<u>839,451</u>
<b>股東權益及負債</b>			
銀行及其他金融機構的存款及結餘		36,057	27,490
— 指定為通過損益以反映公平價值	25	3,535	1,335
— 攤銷成本		32,522	26,155
客戶存款		582,105	574,114
— 活期存款及往來賬戶		62,791	71,952
— 儲蓄存款		131,735	130,477
— 定期及通知存款		387,579	371,685
交易用途負債	26	38	—
衍生工具負債	38(a)	8,139	9,496
已發行存款證		63,903	58,490
— 指定為通過損益以反映公平價值	25	20,275	9,462
— 攤銷成本		43,628	49,028
本期稅項		1,682	1,437
已發行債務證券		3,106	564
— 指定為通過損益以反映公平價值	25	109	407
— 攤銷成本		2,997	157
遞延稅項負債	31	583	483
其他負債	27	61,984	51,444
借貸資本	28	14,193	12,358
負債總額		<u>771,790</u>	<u>735,876</u>
股本	1(d)	41,194	39,925
儲備	32	52,061	51,901
歸屬於本集團股東權益總額		93,255	91,826
額外股本工具	33	8,894	8,894
非控股權益		2,839	2,855
股東權益總額		<u>104,988</u>	<u>103,575</u>
股東權益及負債總額		<u>876,778</u>	<u>839,451</u>

## 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	對沖儲備	負債信貸 儲備	其他儲備 <sup>1</sup>	留存溢利	總額	額外 股本工具	非控股 權益	權益總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2019年1月1日	39,925	14,054	1,752	933	(1,426)	158	664	15	(3)	4,963	30,791	91,826	8,894	2,855	103,575
權益變動															
期內溢利	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-	38	1,038
其他全面收益	-	-	1	-	58	-	1,290	(8)	(1)	71	-	1,411	-	(6)	1,405
全面收益總額	-	-	1	-	58	-	1,290	(8)	(1)	71	1,000	2,411	-	32	2,443
以股代息發行的股份(附註1(d))	1,269	-	-	-	-	-	-	-	-	-	-	1,269	-	-	1,269
以股份為基礎作支付之交易	-	-	-	-	-	12	-	-	-	-	-	12	-	-	12
轉賬	-	5	(5)	95	-	(18)	-	-	-	287	(364)	-	-	-	-
期內的分派及已宣布或核准 派發股息	-	-	-	-	-	-	-	-	-	-	(2,263)	(2,263)	-	(52)	(2,315)
附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
於2019年6月30日	<u>41,194</u>	<u>14,059</u>	<u>1,748</u>	<u>1,028</u>	<u>(1,368)</u>	<u>152</u>	<u>1,954</u>	<u>7</u>	<u>(4)</u>	<u>5,321</u>	<u>29,164</u>	<u>93,255</u>	<u>8,894</u>	<u>2,839</u>	<u>104,988</u>
於2018年1月1日	37,527	14,060	1,757	230	487	135	1,454	11	-	4,931	28,890	89,482	8,894	2,838	101,214
於2018年1月1日因採納《香港財務 報告準則》第9號之影響	-	-	-	-	-	-	(162)	-	(6)	-	(32)	(200)	-	-	(200)
於2018年1月1日已重報後的結餘	<u>37,527</u>	<u>14,060</u>	<u>1,757</u>	<u>230</u>	<u>487</u>	<u>135</u>	<u>1,292</u>	<u>11</u>	<u>(6)</u>	<u>4,931</u>	<u>28,858</u>	<u>89,282</u>	<u>8,894</u>	<u>2,838</u>	<u>101,014</u>
權益變動															
期內溢利	-	-	-	-	-	-	-	-	-	-	3,992	3,992	-	27	4,019
其他全面收益	-	-	-	-	(500)	-	(242)	1	(4)	(58)	-	(803)	-	11	(792)
全面收益總額	-	-	-	-	(500)	-	(242)	1	(4)	(58)	3,992	3,189	-	38	3,227
以股代息發行的股份	1,271	-	-	-	-	-	-	-	-	-	-	1,271	-	-	1,271
根據僱員認股計劃發行的 股份(附註1(d))	73	-	-	-	-	-	-	-	-	-	-	73	-	-	73
以股份為基礎作支付之交易	-	-	-	-	-	17	-	-	-	-	-	17	-	-	17
轉賬	12	(6)	-	728	-	(12)	-	-	-	48	(770)	-	-	-	-
期內的分派及已宣布或核准 派發股息	-	-	-	-	-	-	-	-	-	-	(2,017)	(2,017)	-	(45)	(2,062)
附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	-	55	55
於2018年6月30日	<u>38,883</u>	<u>14,054</u>	<u>1,757</u>	<u>958</u>	<u>(13)</u>	<u>140</u>	<u>1,050</u>	<u>12</u>	<u>(10)</u>	<u>4,921</u>	<u>30,063</u>	<u>91,815</u>	<u>8,894</u>	<u>2,886</u>	<u>103,595</u>

註： 其他儲備包括法定儲備及其他儲備。

## 簡略綜合現金流量表

		截至30/6/2019 止6個月	截至30/6/2018 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		7,706	(10,995)
已付所得稅			
已付香港利得稅		(16)	(2)
已付海外利得稅		(382)	(469)
源自／(用於)經營活動之現金淨額		7,308	(11,466)
投資活動			
收取聯營公司股息		1	6
收取非交易用途股份證券股息		4	8
購入非交易用途股份證券		(2,993)	(1,187)
出售非交易用途股份證券所得款項		4,279	1,092
購入固定資產		(407)	(203)
出售其他物業及設備所得款項		16	15
出售持有作出售資產所得款項		372	49
增加持有聯營公司權益		(149)	(111)
源自／(用於)投資活動之現金淨額		1,123	(331)
融資活動			
支付普通股股息		(689)	(434)
分派予混合／額外一級資本工具持有人	1(c)	(357)	(357)
發行普通股股本		—	73
發行存款證		54,839	46,579
發行債務證券		2,841	113
發行借貸資本		1,705	—
支付租賃負債		(181)	—
贖回已發行存款證		(49,699)	(32,448)
贖回已發行債務證券		(300)	(266)
支付已發行借貸資本利息		(361)	(314)
支付已發行存款證及債務證券利息		(818)	(382)
源自融資活動之現金淨額		6,980	12,564
現金及等同現金項目淨增額		15,411	767
於1月1日之現金及等同現金項目		86,020	89,980
匯率變動的影響		(74)	(934)
於6月30日之現金及等同現金項目	34	101,357	89,813
源自經營業務活動的現金流量包括：			
利息收入		14,563	11,673
利息支出		6,909	5,836
股息收入		25	37

## 中期財務報表附註

1. (a) 除預計需要反映在2019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2018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2019年中期報告的、與截至2018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2018年12月31日止年度的財務報表。本行的核數師已就這些財務報表出具核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不出具保留意見的情況下以強調的方式提請使用者注意的任何事項；亦不包含根據《公司條例》第406(2)條及第407(2)或(3)條作出的聲明。

- (b) (i) 每股基本盈利乃按照已分派予混合／額外一級資本工具持有人港幣3.57億元（截至2018年6月30日止6個月：港幣3.57億元）後的可歸屬於本集團股東之期內溢利港幣6.43億元（截至2018年6月30日止6個月：港幣36.35億元）及截至2019年6月30日止6個月內已發行普通股份的加權平均數28.69億股（截至2018年6月30日止6個月：27.86億股）計算。
- (ii) 每股攤薄盈利乃按照已分派予混合／額外一級資本工具持有人港幣3.57億元（截至2018年6月30日止6個月：港幣3.57億元）後的可歸屬於本集團股東之期內溢利港幣6.43億元（截至2018年6月30日止6個月：港幣36.35億元）及就截至2019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28.69億股（截至2018年6月30日止6個月：27.87億股）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30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
在中期後已宣布派發中期股息予28.97億股 每股港幣0.11元（截至2018年6月30日止 6個月：28.08億股每股港幣0.51元）	319	1,432

於報告期結束日該中期股息並未確認為負債。

中期財務報表附註(續)

1. (c) 分派／股息(續)

(ii) 已核准及在本中期支付可歸屬於上年度應付予本集團股東的股息

	截至30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
已支付於報告期結束日後及本行股票過戶登記 截止日前根據認股計劃發行股份屬上年度 每股港幣0.32元的第二次中期股息(2018年： 每股港幣0.60元)	-	1
第二次中期股息予28.46億股每股港幣0.32元 (2018年：27.65億股每股港幣0.60元)	910	1,659
特別股息予28.46億股每股港幣0.35元	996	-
	<u>1,906</u>	<u>1,660</u>

(iii) 分派予混合／額外一級資本工具持有人

	截至30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
已付或應付予混合一級資本工具的利息	106	106
已付予額外一級資本工具的款項	251	251
	<u>357</u>	<u>357</u>

(d) 股本

本行普通股的變動列示如下：

	於30/6/2019		於31/12/2018	
	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	2,846	39,925	2,765	37,527
根據僱員認股計劃發行的股份 認股權的公平價值轉自資本	-	-	3	73
儲備－已發行認股權	-	-	-	12
以股代息發行的股份	51	1,269	78	2,313
	<u>2,897</u>	<u>41,194</u>	<u>2,846</u>	<u>39,925</u>
於6月30日／12月31日	<u>2,897</u>	<u>41,194</u>	<u>2,846</u>	<u>39,925</u>

## 中期財務報表附註(續)

### 2. 會計政策之變動

除下文所述者外，編製此中期財務報表時所採納的會計政策與本集團於2018年12月31日及截至該日止年度的綜合財務報表相同。

預期會計政策變動亦將在本集團於2019年12月31日及截至該日止年度的綜合財務報表內反映。

本集團自2019年1月1日起初始採用《香港財務報告準則》第16號「租賃」。若干其他新準則已於2019年1月1日起生效，但並不會對本集團財務報表產生重大影響。本集團並未採納任何於本會計期尚未生效的新準則或詮釋。

《香港財務報告準則》第16號取代了《香港會計準則》第17號「租賃」，及其相關詮釋香港《國際財務報告準則詮釋委員會詮釋》第4號「決定一項安排是否包含租賃」，及香港《常務解釋委員會發布之解釋公告》第15號「經營租賃－激勵措施」及第27號「評估涉及租賃法律形式為租賃之交易的實質」。《香港財務報告準則》第16號為承租人引入單一及計入資產負債表的會計處理模式。因此，本集團（作為承租人）已確認有權使用相關資產之使用權資產以及有義務支付租賃款項之租賃負債。出租人會計處理模式仍與以往會計政策類似。

本集團採用經改良追溯模式應用《香港財務報告準則》第16號，故2018年呈報的比較資料尚未重報，即根據《香港會計準則》第17號及相關詮釋按照以往列報資料列示。會計政策的變動細節於下文披露。

#### (a) 租賃的定義

本集團以往在訂立合約時釐定某項安排是否屬於租賃或包含租賃是根據香港《國際財務報告準則詮釋委員會詮釋》第4號「決定一項安排是否包含租賃」。本集團現根據《香港財務報告準則》第16號的租賃定義釐定某項合約為是否屬於或包含租賃。在《香港財務報告準則》第16號下，倘某項合約為換取代價而給予在某段時間內對可識別資產使用的控制權，則該合約屬於租賃或包含租賃。

#### (b) 作為承租人

本集團承租許多資產，包括物業及設備。

本集團（作為承租人）先前透過評估租賃是否轉讓擁有權的絕大部分風險及回報將租賃分類為融資租賃及經營租賃。根據《香港財務報告準則》第16號下，本集團對大部分租賃確認使用權資產及租賃負債，並載於資產負債表內。

然而，本集團已選擇不就若干12個月或以下之租賃（「短期租賃」）及相關資產價值約港幣4萬元或以下之租賃（「低價值資產租賃」）確認使用權資產及租賃負債。本集團將此等租賃相關的租賃款項按租期以直線法確認為支出。

## 中期財務報表附註(續)

### 2. 會計政策之變動(續)

#### (b) 作為承租人(續)

本集團的使用權資產在「固定資產」項下呈列，與本集團所擁有具相同性質的相關資產並列在相同項目。使用權資產的賬面值如下。

	使用權資產		
	行址	傢俬、裝修 及設備	總計
	港幣百萬元	港幣百萬元	港幣百萬元
於1月1日的結餘	1,099	9	1,108
於6月30日的結餘	1,073	10	1,083

本集團將租賃負債列於財務狀況表內的「其他負債」。

#### i. 主要會計政策

本集團於租賃生效日期確認使用權資產及租賃負債。使用權資產初步按成本計量，其包括租賃負債的初始金額加上任何於生效日期或之前已付之租賃款項，及任何已付之初始直接成本。如適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或其所在的估計成本之折讓現值，並減去任何已收之租賃激勵款項。

使用權資產其後按成本減任何累計折舊及減值損失計量，並對租賃的若干重新計量作出調整。倘使用權資產符合投資物業的定義，根據本集團的會計政策，該使用權初始按成本計量，其後按公平價值計量。

租賃負債初始按照生效日期尚未支付的租賃款項之現值計量，並採用租約隱含的利率或(倘該利率無法輕易釐定)本集團的增量借款利率。本集團一般以其增量借款利率用作貼現率。

租賃負債其後因租賃負債的利息成本而增加，並因所付租賃款項而減少。當未來租賃款項因指數或利率變動而有所改變，根據剩餘價值擔保預計應付的款項之估計出現變動、改變有關會否合理肯定行使購買或延長選擇權或是否合理肯定不會行使終止選擇權的評估時，租賃負債會重新計量。當租賃負債重新計量時，相應調整會在使用權資產之賬面值上調整，或要是使用權資產的賬面值已減至零時，該金額則記入損益賬內。

本集團運用判斷以釐定作為承租人若干包括續租權之租約的租期。本集團是否合理肯定行使該等選擇權的評估會影響租期，而租期則會對租賃負債及使用權資產的確認金額產生重大影響。



## 中期財務報表附註(續)

### 2. 會計政策之變動(續)

#### (b) 作為承租人(續)

##### ii. 過渡

於過渡時，在《香港會計準則》第17號下分為經營租賃的租賃，其租賃負債按餘下租賃款項根據本集團於2019年1月1日的增量借款利率折算為現值計量。使用權資產則按租賃負債的等值金額計量並調整任何預付或應計租賃款項的金額。本集團應用此方法於所有租賃。

本集團將《香港財務報告準則》第16號於以往在《香港會計準則》第17號下分類為經營租賃的租賃時，採用以下務實權宜方法。

- 應用豁免不就租期少於12個月的租賃確認使用權資產及負債。
- 於初始應用日期計量使用權資產時，豁除初始直接成本。
- 若合約包含延長或終止租賃的選擇權，則採用事後確認方法釐定租期。

#### (c) 作為出租人

本集團以經營租賃之出租人租出投資物業。

適用於本集團作為出租人的會計政策與《香港會計準則》第17號項下的相關政策大致維持不變。

#### (d) 過渡影響

於過渡至《香港財務報告準則》第16號時，本集團確認額外使用權資產及額外租賃負債，並調整其預付及應計租賃款項。過渡影響摘要如下。

	於2018年 12月31日 之賬面值	經營租賃 合約資本化	於2019年 1月1日 之賬面值
	港幣百萬元	港幣百萬元	港幣百萬元
固定資產			
— 使用權資產	—	1,108	1,108
其他資產			
— 其他賬項	9,294	(20)	9,274
<b>總資產</b>	<b>839,451</b>	<b>1,088</b>	<b>840,539</b>
其他負債			
— 租賃負債	—	1,094	1,094
— 其他賬項	26,300	(6)	26,294
<b>總負債</b>	<b>735,876</b>	<b>1,088</b>	<b>736,964</b>

## 中期財務報表附註(續)

### 2. 會計政策之變動(續)

#### (d) 過渡影響(續)

當計量分為經營租賃的租賃計量租賃負債時，本集團採用2019年1月1日的增量借款利率折算租賃款項。所採用的加權平均增量借款利率為3.65%。

	2019年1月1日
	港幣百萬元
於2018年12月31日之經營租賃承擔	1,085
減：尚未生效的租賃承擔	(85)
減：可豁免資本化的經營租賃承擔	
— 於過渡期少於12個月租賃期之租賃	(58)
— 低價值資產租賃	(2)
加：合理肯定會被行使的延長選擇權或終止選擇權	321
	<hr/>
	1,261
減：未來利息支出總額	(167)
	<hr/>
於2019年1月1日確認的租賃負債	<u>1,094</u>

### 3. 利息收入

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
貸款、在銀行和金融機構的存款、及貿易票據	12,218	10,262
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	2,095	1,660
— 指定為通過損益以反映公平價值	64	53
— 強制按通過損益以反映公平價值	133	119
交易用途資產	46	89
	<hr/>	<hr/>
	14,556	12,183
	<hr/>	<hr/>

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

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣142.59億元(截至2018年6月30日止6個月：港幣119.43億元)。

中期財務報表附註(續)

4. 利息支出

	截至30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
客戶存款、銀行及其他金融機構的存款		
—按攤銷成本	5,870	5,159
—指定為通過損益以反映公平價值	32	18
已發行存款證及債務證券		
—按攤銷成本	659	323
—指定為通過損益以反映公平價值	205	129
按攤銷成本列賬的後償票據	361	300
租賃負債	21	—
其他借款	2	4
	<u>7,150</u>	<u>5,933</u>

就已對沖利率風險的交易而言，作為帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣68.81億元(截至2018年6月30日止6個月：港幣58.01億元)。

5. 服務費及佣金收入

服務費及佣金收入分類如下：

	截至30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
信用卡	598	525
貸款、透支及擔保	364	343
其他零售銀行服務	182	194
貿易融資	169	164
信託及其他代理業務	146	152
證券及經紀	101	179
投資產品	56	78
銷售第三者發行的保單	33	29
財務諮詢	19	43
其他	227	228
服務費及佣金收入總額	<u>1,895</u>	<u>1,935</u>
其中：		
由非持作交易用途或指定為通過損益以反映公平價值列賬之 金融資產或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)	1,379	1,379
服務費收入	1,895	1,935
服務費支出	(516)	(556)

中期財務報表附註(續)

6. 交易溢利淨額

	截至30/6/2019 止6個月	截至30/6/2018 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	163	310
交易用途證券溢利	183	83
衍生工具淨盈利	49	134
交易用途股份證券的股息收入	21	29
	<u>416</u>	<u>556</u>

7. 通過損益以反映公平價值其他金融工具的淨表現

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
來自指定為通過損益以反映公平價值金融工具的淨虧損	(44)	(28)
來自強制按通過損益以反映公平價值金融工具的淨溢利／ (虧損)(除已包括在交易溢利淨額內)	<u>173</u>	<u>(114)</u>
	<u>129</u>	<u>(142)</u>

8. 對沖溢利淨額

	截至30/6/2019 止6個月	截至30/6/2018 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溢利／(虧損)	1,649	(394)
—用作對沖工具的淨(虧損)／溢利	<u>(1,632)</u>	<u>410</u>
	<u>17</u>	<u>16</u>

截至2019年6月30日止6個月及2018年6月30日止6個月，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的。

中期財務報表附註(續)

9. 保險業務淨收入

	截至30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
(a) 保險業務淨收入		
淨利息收入	312	252
交易(虧損)/溢利淨額	(43)	33
來自強制按通過損益以反映公平價值 其他金融工具的淨溢利/(虧損)	515	(139)
淨保費	(b) 3,686	2,833
保險索償及支出淨額	(c) 4,470 (3,935)	2,979 (2,727)
經營支出	535 (2)	252 (1)
金融工具減值損失(支銷)/回撥	(3)	3
出售通過其他全面收益以反映公平價值 債務投資證券的淨溢利	44	10
	<u>574</u>	<u>264</u>
(b) 淨保費		
保費收入總額(註)	3,716	2,863
保費收入總額之分保份額	(30)	(30)
	<u>3,686</u>	<u>2,833</u>
(c) 保險索償及支出淨額		
已付索償、利益及退保 準備金變動	1,797 2,060	1,771 903
	<u>3,857</u>	<u>2,674</u>
已付索償、利益及退保之分保份額 準備金變動之分保份額	(251) 249	(342) 315
	<u>(2)</u>	<u>(27)</u>
保險佣金支出淨額	3,855 80	2,647 80
	<u>3,935</u>	<u>2,727</u>

註： 保費收入總額指由長期業務及一般保險業務產生的已收取和應收取之保費總額，並已扣除折扣及回報。

中期財務報表附註(續)

10. 其他經營收入

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	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		
股份證券股息收入	4	8
保險箱租金收入	59	54
物業租金收入	88	89
其他	38	69
	<u>189</u>	<u>220</u>

11. 經營支出

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
定額供款公積金供款		
— 香港	84	72
— 香港以外	119	119
以股份為基礎作支付的費用	12	17
薪金及其他員工成本	2,433	2,310
員工成本總額	<u>2,648</u>	<u>2,518</u>
不包括折舊的物業及設備支出		
— 租金	—	266
— 有關短期租賃支出	47	—
— 不包括計量租賃負債的可變租賃款項	3	—
— 保養、維修及其他	293	303
不包括折舊的物業及設備支出總額	<u>343</u>	<u>569</u>
固定資產折舊	263	240
使用權資產折舊	186	—
無形資產攤銷	7	7
其他經營支出		
— 互聯網平台費用	476	33
— 法律及專業服務費	219	180
— 廣告費	129	86
— 通訊、文具及印刷	128	127
— 有關信用卡支出	96	68
— 印花稅、預提稅及增值稅	70	70
— 保險費	64	54
— 業務推廣及商務旅遊	48	58
— 捐款	8	9
— 會員費	7	8
— 銀行收費	7	5
— 銀行牌照費	2	2
— 其他	217	152
其他經營支出總額	<u>1,471</u>	<u>852</u>
經營支出總額	<u>4,918</u>	<u>4,186</u>

中期財務報表附註(續)

12. 金融工具減值損失

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
客戶貸款及墊款	5,015	298
其他	48	(16)
	<u>5,063</u>	<u>282</u>

13. 出售通過其他全面收益以反映公平價值金融資產之淨溢利

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
出售債務證券之淨溢利		
— 由儲備轉撥的重估盈利淨額	66	23
— 期內產生的溢利	38	26
	<u>104</u>	<u>49</u>

14. 出售持有作出售資產之淨溢利

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
出售出售組別之淨虧損	(26)	—
出售物業之淨溢利	108	10
	<u>82</u>	<u>10</u>

15. 出售固定資產之淨虧損

	截至30/6/2019 止6個月	截至30/6/2018 止6個月
	港幣百萬元	港幣百萬元
出售投資物業之淨虧損	—	(1)
出售行址、傢俬、裝修及設備之淨虧損	(6)	(9)
	<u>(6)</u>	<u>(10)</u>

中期財務報表附註(續)

16. 所得稅

綜合收益表內的稅項指：

	截至30/6/2019 止6個月 港幣百萬元	截至30/6/2018 止6個月 港幣百萬元
本期稅項－香港		
本年度稅項	518	432
往年度(過剩的回撥)／撥備不足	(147)	3
	<u>371</u>	<u>435</u>
本期稅項－香港以外		
本年度稅項	346	248
往年度(過剩的回撥)／撥備不足	(68)	207
	<u>278</u>	<u>455</u>
遞延稅項		
暫時性差異的源生及轉回	(1,051)	(128)
	<u>(402)</u>	<u>762</u>

香港利得稅款是以截至2019年6月30日止6個月預計應課稅溢利按稅率16.5% (截至2018年6月30日止6個月：16.5%) 計算。

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。



中期財務報表附註(續)

17. 現金及在銀行和其他金融機構的結存

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
現金	1,307	1,284
在中央銀行的結存	37,683	36,854
在銀行及其他金融機構的結存	13,841	9,973
	<u>52,831</u>	<u>48,111</u>
減：減值準備	(8)	(5)
— 第一階段	(8)	(5)
— 第二階段	—	—
— 第三階段	—	—
	<u>52,823</u>	<u>48,106</u>

18. 在銀行及其他金融機構的存款及墊款

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
在銀行及其他金融機構的存款及墊款		
到期期限		
— 1個月內	60,712	43,962
— 1個月至1年內	8,860	16,343
— 1年後	156	78
	<u>69,728</u>	<u>60,383</u>
減：減值準備	(8)	(10)
— 第一階段	(8)	(10)
— 第二階段	—	—
— 第三階段	—	—
	<u>69,720</u>	<u>60,373</u>
其中：		
在中央銀行的存款及墊款	—	—

中期財務報表附註(續)

19. 貿易票據

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
按攤銷成本	1,031	2,886
減：減值準備	-	(4)
— 第一階段	-	(3)
— 第二階段	-	-
— 第三階段	-	(1)
	1,031	2,882
按通過其他全面收益以反映公平價值	11,795	11,764
	<u>12,826</u>	<u>14,646</u>

20. 交易用途資產

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	905	270
持有存款證	373	-
債務證券	1,566	1,861
股份證券	1,287	1,352
	<u>4,131</u>	<u>3,483</u>

21. 客戶貸款及墊款

(a) 客戶貸款及墊款

	30/6/2019	31/12/2018
	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	511,281	500,631
減：減值準備	(5,182)	(2,347)
— 第一階段	(387)	(431)
— 第二階段	(849)	(855)
— 第三階段	(3,946)	(1,061)
	<u>506,099</u>	<u>498,284</u>

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類

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。

	30/6/2019		31/12/2018	
	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	29,615	58.61	26,427	59.34
—物業投資	43,926	89.31	40,218	90.48
—金融企業	14,266	71.59	14,944	69.20
—股票經紀	1,335	68.98	1,928	67.61
—批發與零售業	5,793	47.86	6,839	53.30
—製造業	2,948	55.41	1,903	51.42
—運輸與運輸設備	4,352	67.30	5,111	64.32
—娛樂活動	36	86.88	35	91.59
—資訊科技	658	2.03	668	3.38
—其他	23,952	72.56	20,196	72.96
—小計	126,881	72.89	118,269	73.07
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	1,062	100.00	1,048	100.00
—購買其他住宅物業的貸款	56,562	100.00	55,292	100.00
—信用卡墊款	4,485	0.00	4,496	0.00
—其他	43,098	88.63	39,909	88.91
—小計	105,207	91.08	100,745	91.14
在香港使用的貸款總額	232,088	81.13	219,014	81.38
貿易融資	3,352	56.83	3,733	56.18
在香港以外使用的貸款*	275,841	43.03	277,884	46.84
客戶墊款總額	511,281	60.42	500,631	62.02

\* 在香港以外使用的貸款包括以下在中國內地使用的貸款。

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

	30/6/2019		31/12/2018 (重報)	
	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
在中國內地使用的貸款				
工商金融				
—物業發展	43,246	41.63	45,304	49.98
—物業投資	21,109	93.91	24,020	95.23
—金融企業	28,873	5.91	30,924	5.70
—批發與零售業	8,894	44.22	9,057	55.60
—製造業	6,798	25.09	6,673	26.08
—運輸與運輸設備	2,601	70.35	2,911	82.36
—娛樂活動	702	9.14	1,074	78.64
—資訊科技	1,849	1.50	3,685	0.60
—其他	17,440	31.17	19,063	33.89
—小計	<u>131,512</u>	39.94	<u>142,711</u>	44.69
個人				
—購買其他住宅物業的貸款	13,684	99.97	13,879	99.97
—信用卡墊款	9,444	0.00	9,405	0.00
—其他	25,041	1.21	17,093	2.19
—小計	<u>48,169</u>	29.03	<u>40,377</u>	35.29
中國內地使用的貸款總額	<u><u>179,681</u></u>	37.02	<u><u>183,088</u></u>	42.62

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

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

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
(i) 物業發展		
a. 已個別減值的貸款	2,742	749
b. 特殊準備	1,436	—
c. 整體準備	284	249
d. 於收益表支銷的準備	1,523	188
e. 撇銷	581	50
(ii) 物業投資		
a. 已個別減值的貸款	1,949	150
b. 特殊準備	919	94
c. 整體準備	392	314
d. 於收益表支銷的準備	1,045	310
e. 撇銷	703	264
(iii) 購買其他住宅物業的貸款		
a. 已個別減值的貸款	267	278
b. 特殊準備	10	8
c. 整體準備	107	201
d. 於收益表支銷的準備	48	158
e. 撇銷	2	8

特殊準備指減值信貸風險在合約期內的預期信貸損失準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失準備。

(c) 客戶貸款及墊款—按區域分類

根據《銀行業(披露)規則》，客戶墊款總額按國家或區域的分類，是根據交易對手的所在地，並已顧及轉移風險因素。一般而言，有關墊款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。一方的所在地由其居住地決定，而該居住地是該締約方註冊或登記的法律所規定的經濟領土。此要求與附註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。減值準備之分析是按照金管局所採用的術語。特殊準備指減值信貸風險在合約期內的預期信貸損失準備及整體準備指非減值信貸風險12個月及合約期內的預期信貸損失準備。

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(c) 客戶貸款及墊款—按區域分類(續)

	30/6/2019				
	客戶墊款 總額	逾期3個月 以上的 客戶墊款	減值客戶 墊款	特殊準備	整體準備
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
香港	241,678	343	2,445	1,400	255
中國內地	198,151	2,354	5,152	2,403	892
其他亞洲國家及地區	26,898	138	406	143	69
其他	44,554	—	332	—	20
總額	<u>511,281</u>	<u>2,835</u>	<u>8,335</u>	<u>3,946</u>	<u>1,236</u>
佔客戶墊款總額的百分比			<u>1.63%</u>		
減值客戶墊款抵押品市值			<u>6,640</u>		
	31/12/2018				
	客戶墊款 總額	逾期3個月 以上的 客戶墊款	減值客戶 墊款	特殊準備	整體準備
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
香港	225,656	367	559	224	260
中國內地	203,377	2,405	2,515	776	871
其他亞洲國家及地區	27,634	121	396	61	117
其他	43,964	—	21	—	38
總額	<u>500,631</u>	<u>2,893</u>	<u>3,491</u>	<u>1,061</u>	<u>1,286</u>
佔客戶墊款總額的百分比			<u>0.70%</u>		
減值客戶墊款抵押品市值			<u>2,414</u>		

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(c) 客戶貸款及墊款—按區域分類(續)

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。以上按國家或區域的分類的資料，是根據交易對手的所在地並已顧及轉移風險因素。

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

22. 投資證券

	30/6/2019				
	強制按 通過損益 以反映公平 價值計量 港幣百萬元	指定為通過 損益以反映 公平價值 港幣百萬元	按通過其他 全面收益 以反映公平 價值計量 港幣百萬元	按攤銷 成本計量 港幣百萬元	總額 港幣百萬元
國庫債券(包括外匯基金票據)	-	-	30,901	2,812	33,713
持有存款證	-	-	1,065	933	1,998
債務證券	9,712	1,303	91,715	15,344	118,074
股份證券	1,805	-	1,105	-	2,910
投資基金	517	-	-	-	517
	<u>12,034</u>	<u>1,303</u>	<u>124,786</u>	<u>19,089</u>	<u>157,212</u>
	31/12/2018				
	強制按 通過損益 以反映公平 價值計量 港幣百萬元	指定為通過 損益以反映 公平價值 港幣百萬元	按通過其他 全面收益 以反映公平 價值計量 港幣百萬元	按攤銷 成本計量 港幣百萬元	總額 港幣百萬元
國庫債券(包括外匯基金票據)	-	-	26,594	1,915	28,509
持有存款證	-	-	1,191	1,109	2,300
債務證券	10,663	1,630	81,574	15,997	109,864
股份證券	2,513	-	688	-	3,201
投資基金	855	-	-	-	855
	<u>14,031</u>	<u>1,630</u>	<u>110,047</u>	<u>19,021</u>	<u>144,729</u>

當本集團持有衍生工具以管理債務證券的特定風險時，該等證券會被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

中期財務報表附註(續)

22. 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*

本集團指定若干在下表所列示的股份證券為通過其他全面收益以反映公平價值。作出通過其他全面收益以反映公平價值的指定是由於預期持有該等投資作長期策略用途。

	30/6/2019		31/12/2018	
	於30/6/2019 的公平價值	已確認 股息收入	於31/12/2018 的公平價值	已確認 股息收入
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
香港仔飲食企業有限公司	2	-	2	-
易辦事(香港)有限公司	64	4	47	7
銀聯通寶有限公司	17	-	18	2
諾華誠信有限公司	11	-	11	-
香港場外結算有限公司	12	-	14	-
環聯資訊有限公司	93	-	70	11
跨境銀行間支付清算(上海)有限責任公司	35	-	35	-
中國銀聯股份有限公司	859	-	481	2
歐洲結算系統	10	-	8	1
環球銀行金融電信協會	2	-	2	-
	<u>1,105</u>	<u>4</u>	<u>688</u>	<u>23</u>



中期財務報表附註(續)

23. 固定資產

	30/6/2019							
	投資物業 港幣百萬元	行址 港幣百萬元	傢俬、裝修 及設備 港幣百萬元	小計 港幣百萬元	使用權資產 —行址 港幣百萬元	使用權資產 —傢俬、裝修 及設備 港幣百萬元	小計 港幣百萬元	總額 港幣百萬元
成本或估值								
於2019年1月1日	5,249	8,237	5,523	13,760	-	-	-	19,009
實施《香港財務報告》第16號的影響	-	-	-	-	1,099	9	1,108	1,108
於2019年1月1日重報後結餘	5,249	8,237	5,523	13,760	1,099	9	1,108	20,117
增置	-	28	216	244	160	3	163	407
重估盈餘	18	-	-	-	-	-	-	18
出售	-	(23)	(31)	(54)	-	-	-	(54)
重新計量	-	-	-	-	(1)	-	(1)	(1)
轉入持有作出售資產	-	(6)	-	(6)	-	-	-	(6)
匯兌調整	(1)	-	(2)	(2)	(2)	-	(2)	(5)
於2019年6月30日	5,266	8,236	5,706	13,942	1,256	12	1,268	20,476
累計折舊及攤銷								
於2019年1月1日	-	1,933	3,911	5,844	-	-	-	5,844
期內支銷	-	78	185	263	184	2	186	449
出售時撇銷	-	(7)	(25)	(32)	-	-	-	(32)
轉入持有作出售資產	-	(2)	-	(2)	-	-	-	(2)
匯兌調整	-	(2)	(2)	(4)	(1)	-	(1)	(5)
於2019年6月30日	-	2,000	4,069	6,069	183	2	185	6,254
賬面淨值於2019年6月30日	5,266	6,236	1,637	7,873	1,073	10	1,083	14,222
賬面淨值於2018年12月31日	5,249	6,304	1,612	7,916	-	-	-	13,165
上述資產的總額列示如下：								
按成本	-	766	5,706	6,472	1,256	12	1,268	7,740
按董事估值								
—1989	-	7,470	-	7,470	-	-	-	7,470
按專業估值								
—2019	5,266	-	-	-	-	-	-	5,266
	5,266	8,236	5,706	13,942	1,256	12	1,268	20,476

中期財務報表附註(續)

24. 其他資產

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
應計利息	3,459	3,466
承兌客戶負債	25,257	21,747
其他賬項*	11,618	9,294
減：減值準備	(410)	(291)
— 第一階段	(38)	(27)
— 第二階段	(9)	(6)
— 第三階段	(363)	(258)
	39,924	34,216
持有作出售資產(附註43)	507	688
	40,431	34,904

\* 包括由《香港財務報告準則》第15號所產生的合約資產為無(於2018年12月31日：無)。

25. 指定為通過損益以反映公平價值的金融負債

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
銀行及其他金融機構的存款及結餘	3,535	1,335
已發行存款證	20,275	9,462
已發行債務證券	109	407
	23,919	11,204

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。

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
於1月1日結餘	(3)	(6)
期內在其他全面收益表內確認的金額	—	3
	(3)	(3)

## 中期財務報表附註(續)

### 25. 指定為通過損益以反映公平價值的金融負債(續)

截至2019年6月30日止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。

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2019年6月30日，指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低於港幣1億元(2018年12月31日：低於港幣5,700萬元)。

### 26. 交易用途負債

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
股份空倉	38	-

### 27. 其他負債

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
應計應付利息	3,520	3,279
應付承兌票據	25,257	21,747
減值準備	100	111
—已發出財務擔保合約	14	15
—已發出貸款承擔	86	96
持有作出售負債(附註43)	3	7
租賃負債	1,089	-
其他賬項*	32,015	26,300
	61,984	51,444

\* 包括由《香港財務報告準則》第15號所產生的合約負債港幣5.99億元(於2018年12月31日：港幣6.33億元)。

28. 借貸資本

		30/6/2019	31/12/2018
		港幣百萬元	港幣百萬元
按攤銷成本及經公平價值對沖調整後列賬的後償票據			
在2020年7月16日到期的定息6億美元後償票據	(1)	4,730	4,710
在2024年11月20日到期的定息5億美元後償票據	(2)	3,897	3,878
在2026年11月3日到期的定息5億美元後償票據	(3)	3,862	3,770
按攤銷成本列賬的後償票據			
在2029年4月25日到期的定息人民幣15億元後償票據	(4)	1,704	-
		<u>14,193</u>	<u>12,358</u>

截至2019年6月30日及2018年12月31日止期內／年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

- (1) 兩宗票面值總額港幣46.88億元(6億美元)及賬面總額港幣47.30億元(於2018年12月31日：港幣47.10億元)的借貸資本，是指由本行於2010年7月16日(4.5億美元)及於2010年7月23日(1.5億美元)發行年息6.125%，並評定為二級資本的後償票據。該票據於新加坡交易所上市，並將於2020年7月16日到期。在2019年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣300萬元(2018年上半年：港幣300萬元虧損)。
- (2) 票面值港幣39.07億元(5億美元)及賬面值港幣38.97億元(於2018年12月31日：港幣38.78億元)的借貸資本，是指由本行於2014年11月20日發行年息4.25%，並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於聯交所上市，並將於2024年11月20日到期。在2019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為港幣5萬元(2018年上半年：港幣100萬元虧損)。
- (3) 票面值港幣39.07億元(5億美元)及賬面值港幣38.62億元(於2018年12月31日：港幣37.70億元)的借貸資本，是指由本行於2016年11月3日發行年息4%，並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於聯交所上市，並將於2026年11月3日到期。在2019年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣70萬元(2018年上半年：港幣200萬元虧損)。
- (4) 票面值港幣17.07億元(人民幣15億元)及賬面值港幣17.04億元的借貸資本，是指由本行附屬公司東亞中國於2019年4月25日發行年息4.94%。該等票據將於2029年4月25日到期。

## 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。本集團列報以下八個可匯報分部。

個人銀行包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款及信用卡業務。

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務及相關資產。

金融機構包括在香港之全球同業間的銀行代理行及金融貿易業務。

其他香港業務主要包括在香港之保險業務、信託業務、證券及期貨經紀、放債人業務及企業財務諮詢，在香港之其他附屬公司及香港業務之後勤單位。

中國內地業務主要包括在香港支援中國內地業務之後勤單位、所有在中國內地經營的分行、附屬公司及聯營公司，但不包括在中國內地經營資料處理及其他後勤支援之附屬公司。

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。

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

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

收入與支出按有關分部所產生的利息及服務費用和佣金收入，及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。分部收入與支出並不包括集團之聯營公司的活動所產生集團應佔之收入與支出。

中期財務報表附註(續)

29. 分部報告(續)

	香港業務						總額	中國內地 業務	國際業務	分部間之 交易抵銷	總額
	個人銀行	企業銀行	財資市場	財富管理	金融機構	其他					
截至2019年6月30日 止6個月											
淨利息收入	1,709	1,107	258	201	11	696	3,982	2,657	762	5	7,406
非利息收入/(支出)	478	221	204	206	11	1,124	2,244	506	141	(195)	2,696
經營收入	2,187	1,328	462	407	22	1,820	6,226	3,163	903	(190)	10,102
經營支出	(829)	(146)	(72)	(109)	(6)	(1,448)	(2,610)	(2,152)	(346)	190	(4,918)
未扣除減值損失之 經營溢利	1,358	1,182	390	298	16	372	3,616	1,011	557	-	5,184
金融工具的減值損失 (支銷)/回撥	(98)	13	21	(1)	(2)	(1)	(68)	(5,065)	70	-	(5,063)
已扣除減值損失後之 經營溢利/(虧損)	1,260	1,195	411	297	14	371	3,548	(4,054)	627	-	121
出售固定資產、按過 其他全面收益以反映 公平價值計量金融資 產及按攤銷成本計量 投資之溢利/(虧損)	(6)	(3)	44	-	-	8	43	52	(2)	-	93
出售持有作出售資產 之溢利	-	-	-	-	-	79	79	3	-	-	82
出售附屬公司之虧損	-	-	-	-	-	-	-	-	(6)	-	(6)
重估投資物業盈利	-	-	-	-	-	17	17	-	1	-	18
應佔聯營公司溢利 減虧損	-	-	-	-	-	3	3	63	262	-	328
除稅前溢利/(虧損)	1,254	1,192	455	297	14	478	3,690	(3,936)	882	-	636
期內折舊	(146)	(1)	(3)	(1)	-	(113)	(264)	(152)	(33)	-	(449)
於2019年6月30日											
分部資產	107,871	154,061	188,031	28,252	4,108	41,262	523,585	280,172	115,227	(52,388)	866,596
聯營公司投資	-	-	-	-	-	54	54	3,742	5,879	-	9,675
其他資產 - 持有作出售資產	-	-	-	-	-	105	105	34	368	-	507
資產總額	107,871	154,061	188,031	28,252	4,108	41,421	523,744	283,948	121,474	(52,388)	876,778
分部負債	327,634	17,386	69,995	23,329	8	25,351	463,703	251,914	107,654	(51,484)	771,787
其他負債 - 持有作出售負債	-	-	-	-	-	3	3	-	-	-	3
負債總額	327,634	17,386	69,995	23,329	8	25,354	463,706	251,914	107,654	(51,484)	771,790

中期財務報表附註(續)

29. 分部報告(續)

	香港業務							中國內地 業務	國際業務	分部間之 交易抵銷	總額
	個人銀行 港幣百萬元	企業銀行 港幣百萬元	財資市場 港幣百萬元	財富管理 港幣百萬元	金融機構 港幣百萬元	其他 港幣百萬元	總額 港幣百萬元				
截至2018年6月30日 止6個月(重報)(註)											
淨利息收入	1,501	1,083	322	231	13	523	3,673	1,765	810	2	6,250
非利息收入/(支出)	453	212	5	226	11	846	1,753	550	150	(177)	2,276
經營收入	1,954	1,295	327	457	24	1,369	5,426	2,315	960	(175)	8,526
經營支出	(754)	(109)	(79)	(108)	(6)	(1,335)	(2,391)	(1,630)	(340)	175	(4,186)
未扣除減值損失之 經營溢利	1,200	1,186	248	349	18	34	3,035	685	620	-	4,340
金融工具的減值損失 (支銷)/回撥	(92)	(92)	(1)	9	(1)	-	(177)	(312)	207	-	(282)
無形資產減值損失	-	-	-	-	-	-	-	(1)	-	-	(1)
已扣除減值損失後之 經營溢利	1,108	1,094	247	358	17	34	2,858	372	827	-	4,057
出售固定資產、按通過 其他全面收益以反映 公平價值計量金融資 產之溢利/(虧損)	(7)	-	45	-	-	-	38	1	-	-	39
出售持有作出售資產 之溢利	-	-	-	-	-	-	-	-	10	-	10
重估投資物業溢利	-	-	-	-	-	394	394	-	-	-	394
應佔聯營公司溢利 減虧損	-	-	-	-	-	-	-	41	240	-	281
除稅前溢利	1,101	1,094	292	358	17	428	3,290	414	1,077	-	4,781
期內折舊	(32)	(1)	(2)	(1)	-	(84)	(120)	(105)	(15)	-	(240)
於2018年12月31日 (重報)											
分部資產	103,770	149,307	177,169	24,170	7,041	38,202	499,659	269,739	108,272	(48,036)	829,634
聯營公司投資	-	-	-	-	-	52	52	3,637	5,440	-	9,129
其他資產	-	-	-	-	-	276	276	49	363	-	688
資產總額	103,770	149,307	177,169	24,170	7,041	38,530	499,987	273,425	114,075	(48,036)	839,451
分部負債	323,333	14,116	59,743	23,378	20	20,402	440,992	240,872	101,181	(47,176)	735,869
其他負債	-	-	-	-	-	7	7	-	-	-	7
負債總額	323,333	14,116	59,743	23,378	20	20,409	440,999	240,872	101,181	(47,176)	735,876

註： 鑒於部份客戶存款的負責單位有所變更，以及內部資金轉移定價方法和部份內部費用及分部分類有所修訂，2018年的比較數字經已重報以符合本期的呈報方式。

中期財務報表附註(續)

30. 資產及負債的剩餘期限分析

	30/6/2019							總額 港幣百萬元
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>資產</b>								
現金及在銀行和其他金融機構的結存	31,900	-	551	1,997	-	-	18,375	52,823
在銀行及其他金融機構的存款及墊款	-	60,709	6,521	2,335	155	-	-	69,720
貿易票據	233	5,122	4,180	3,291	-	-	-	12,826
交易用途資產	-	-	239	1,211	1,236	158	1,287	4,131
衍生工具資產	-	-	-	-	-	-	6,141	6,141
客戶貸款及墊款	3,824	69,358	25,560	93,718	196,257	115,307	2,075	506,099
投資證券	-	5,568	14,245	31,763	67,341	35,143	3,152	157,212
聯營公司投資	-	-	-	-	-	-	9,675	9,675
固定資產	-	-	-	-	-	-	14,222	14,222
商譽及無形資產	-	-	-	-	-	-	1,933	1,933
遞延稅項資產	-	-	-	-	-	-	1,565	1,565
其他資產	207	6,470	8,065	14,251	704	240	10,494	40,431
<b>資產總額</b>	<b>36,164</b>	<b>147,227</b>	<b>59,361</b>	<b>148,566</b>	<b>265,693</b>	<b>150,848</b>	<b>68,919</b>	<b>876,778</b>
<b>負債</b>								
銀行及其他金融機構的存款及結餘	1,641	12,809	11,316	10,279	12	-	-	36,057
客戶存款	196,624	113,835	149,095	111,094	10,316	1,138	3	582,105
- 活期存款及往來賬戶	62,791	-	-	-	-	-	-	62,791
- 儲蓄存款	131,735	-	-	-	-	-	-	131,735
- 定期及通知存款	2,098	113,835	149,095	111,094	10,316	1,138	3	387,579
交易用途負債	-	-	-	-	-	-	38	38
衍生工具負債	-	-	-	-	-	-	8,139	8,139
已發行存款證	-	5,941	17,457	40,505	-	-	-	63,903
本期稅項	-	-	-	1,682	-	-	-	1,682
已發行債務證券	-	109	-	156	2,841	-	-	3,106
遞延稅項負債	-	-	-	-	-	-	583	583
其他負債	1,445	7,304	9,223	18,579	11,772	4,703	8,958	61,984
- 租賃負債	-	30	57	249	514	239	-	1,089
- 其他賬項	1,445	7,274	9,166	18,330	11,258	4,464	8,958	60,895
借貸資本	-	-	-	3,897	10,296	-	-	14,193
<b>負債總額</b>	<b>199,710</b>	<b>139,998</b>	<b>187,091</b>	<b>186,192</b>	<b>35,237</b>	<b>5,841</b>	<b>17,721</b>	<b>771,790</b>
<b>淨差距</b>	<b>(163,546)</b>	<b>7,229</b>	<b>(127,730)</b>	<b>(37,626)</b>	<b>230,456</b>	<b>145,007</b>		



中期財務報表附註(續)

30. 資產及負債的剩餘期限分析(續)

	31/12/2018							總額 港幣百萬元
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>資產</b>								
現金及在銀行和其他金融機構的結存	27,033	-	-	1,818	-	-	19,255	48,106
在銀行及其他金融機構的存款及墊款	-	43,957	15,536	802	78	-	-	60,373
貿易票據	16	5,594	4,760	4,276	-	-	-	14,646
交易用途資產	-	114	148	1,243	402	224	1,352	3,483
衍生工具資產	-	-	-	-	-	-	10,211	10,211
客戶貸款及墊款	2,899	56,756	29,843	99,734	191,557	115,674	1,821	498,284
投資證券	-	6,353	9,033	26,354	71,656	27,528	3,805	144,729
聯營公司投資	-	-	-	-	-	-	9,129	9,129
固定資產	-	-	-	-	-	-	13,165	13,165
商譽及無形資產	-	-	-	-	-	-	1,940	1,940
遞延稅項資產	-	-	-	-	-	-	481	481
其他資產	104	7,154	6,415	13,691	713	195	6,632	34,904
<b>資產總額</b>	<b>30,052</b>	<b>119,928</b>	<b>65,735</b>	<b>147,918</b>	<b>264,406</b>	<b>143,621</b>	<b>67,791</b>	<b>839,451</b>
<b>負債</b>								
銀行及其他金融機構的存款及結餘	2,691	15,154	5,827	3,818	-	-	-	27,490
客戶存款	203,713	118,991	146,031	88,469	16,906	-	4	574,114
— 活期存款及往來賬戶	71,952	-	-	-	-	-	-	71,952
— 儲蓄存款	130,477	-	-	-	-	-	-	130,477
— 定期及通知存款	1,284	118,991	146,031	88,469	16,906	-	4	371,685
交易用途負債	-	-	-	-	-	-	-	-
衍生工具負債	-	-	-	-	-	-	9,496	9,496
已發行存款證	-	3,236	19,976	35,278	-	-	-	58,490
本期稅項	-	-	-	1,437	-	-	-	1,437
已發行債務證券	-	-	-	407	157	-	-	564
遞延稅項負債	-	-	-	-	-	-	483	483
其他負債	883	5,339	7,075	15,971	9,881	3,955	8,340	51,444
借貸資本	-	-	-	-	12,358	-	-	12,358
<b>負債總額</b>	<b>207,287</b>	<b>142,720</b>	<b>178,909</b>	<b>145,380</b>	<b>39,302</b>	<b>3,955</b>	<b>18,323</b>	<b>735,876</b>
<b>淨差距</b>	<b>(177,235)</b>	<b>(22,792)</b>	<b>(113,174)</b>	<b>2,538</b>	<b>225,104</b>	<b>139,666</b>		

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	按通過其他 全面收益以 反映公平價值 金融資產重估	稅損	其他	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2019年1月1日	289	113	(675)	74	-	201	2
收益表內(存入)/支銷	31	-	(812)	-	(6)	(264)	(1,051)
儲備內(存入)/支銷	-	(1)	-	46	-	1	46
匯兌及其他調整	-	-	16	-	1	4	21
於2019年6月30日	<u>320</u>	<u>112</u>	<u>(1,471)</u>	<u>120</u>	<u>(5)</u>	<u>(58)</u>	<u>(982)</u>
於2018年12月31日結餘	<u>289</u>	<u>113</u>	<u>(675)</u>	<u>74</u>	<u>-</u>	<u>201</u>	<u>2</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。

	30/6/2019	31/12/2018
	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	(1,565)	(481)
於財務狀況表確認的遞延稅項負債淨額	<u>583</u>	<u>483</u>
	<u>(982)</u>	<u>2</u>

中期財務報表附註(續)

32. 儲備

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
一般儲備	14,059	14,054
行址重估儲備	1,748	1,752
資本儲備	1,028	933
匯兌重估儲備	(1,368)	(1,426)
資本儲備－已發行僱員認股權	152	158
公平價值儲備	1,954	664
對沖儲備	7	15
負債信貸儲備	(4)	(3)
其他儲備	5,321	4,963
留存溢利*	29,164	30,791
	<u>52,061</u>	<u>51,901</u>
未入賬擬派股息	<u>319</u>	<u>1,906</u>

\* 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2019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49.42億元(2018年12月31日：港幣51.12億元)。

33. 額外股本工具

		30/6/2019	31/12/2018
		港幣百萬元	港幣百萬元
6.5億美元無到期日非累積後償資本證券	(1)	5,016	5,016
5億美元無到期日非累積後償資本證券	(2)	3,878	3,878
		<u>8,894</u>	<u>8,894</u>

(1) 於2015年12月2日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.16億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.50%息率，直至2020年12月2日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息3.834%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權。

(2) 於2017年5月18日，本行發行面值5億美元(扣除有關發行成本後等值港幣38.78億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.625%息率，直至2022年5月18日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息3.682%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權。

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

	30/6/2019	30/6/2018
	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個月以內在銀行及 其他金融機構的結存	32,474	25,640
原本期限為3個月以內在銀行及 其他金融機構的存款及墊款	63,975	60,524
原本期限為3個月以內的國庫債券	3,995	2,517
原本期限為3個月以內之持有的存款證	148	1,128
原本期限為3個月以內之債務證券	763	-
加：持有作出售資產中包括現金及在銀行及 其他金融機構的結存(附註43)	2	4
	101,357	89,813
(ii) 與綜合財務狀況表的對賬		
現金及在銀行及其他金融機構的結存	52,823	48,869
在銀行及其他金融機構的存款及墊款	69,720	66,381
國庫債券、持有的存款證及債務證券		
— 交易用途資產	2,844	5,036
— 投資證券	153,785	128,945
	156,629	133,981
加：持有作出售資產中包括現金及在銀行及 其他金融機構的結存(附註43)	2	4
在綜合財務狀況表列示的金額	279,174	249,235
減：原本期限為3個月以上的金額	(157,460)	(136,185)
受監管限制的在中央銀行之現金結存	(20,357)	(23,237)
在綜合現金流量表內的現金及等同現金項目	101,357	89,813

35. 抵銷金融工具

下表列示受抵銷、具法律効力之淨額結算總安排及相近協議約束的金融工具詳情。

	於2019年6月30日				
	已確認 金融資產 總額	於財務狀況 表中抵銷之 已確認金融 負債總額	於財務狀況 表中列示的 金融資產淨額	未有於相關 金融工具中 抵銷之金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產</b>					
衍生工具資產	36	–	36	(32)	4
其他資產	434	(282)	152	–	152
<b>總額</b>	<b>470</b>	<b>(282)</b>	<b>188</b>	<b>(32)</b>	<b>156</b>

	於2019年6月30日				
	已確認 金融負債 總額	於財務狀況 表中抵銷之 已確認金融 資產總額	於財務狀況 表中列示的 金融負債淨額	未有於相關 金融工具中 抵銷之金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>負債</b>					
衍生工具負債	105	–	105	(32)	73
其他負債	282	(282)	–	–	–
<b>總額</b>	<b>387</b>	<b>(282)</b>	<b>105</b>	<b>(32)</b>	<b>73</b>

中期財務報表附註(續)

35. 抵銷金融工具(續)

	於2018年12月31日				
	已確認 金融資產 總額	於財務狀況 表中抵銷之 已確認金融 負債總額	於財務狀況 表中列示的 金融資產淨額	未有於相關 金融工具中 抵銷之金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產</b>					
衍生工具資產	20	–	20	(19)	1
其他資產	441	(423)	18	–	18
總額	461	(423)	38	(19)	19

	於2018年12月31日				
	已確認 金融負債 總額	於財務狀況 表中抵銷之 已確認金融 資產總額	於財務狀況 表中列示的 金融負債淨額	未有於相關 金融工具中 抵銷之金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>負債</b>					
衍生工具負債	48	–	48	(19)	29
其他負債	423	(423)	–	–	–
總額	471	(423)	48	(19)	29

中期財務報表附註(續)

35. 抵銷金融工具(續)

下表即上述在綜合財務狀況表列賬的金融資產及金融負債淨額與綜合財務狀況表列賬的衍生工具、其他資產、衍生工具負債及其他負債之對賬。

	30/6/2019		31/12/2018	
	衍生工具資產	其他資產	衍生工具資產	其他資產
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
如上述抵銷後的金融資產淨額	36	152	20	18
不在披露範疇的金融資產	6,105	40,689	10,191	35,177
減值準備	-	(410)	-	(291)
	<u>6,141</u>	<u>40,431</u>	<u>10,211</u>	<u>34,904</u>

  

	30/6/2019		31/12/2018	
	衍生工具負債	其他負債	衍生工具負債	其他負債
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
如上述抵銷後的金融負債淨額	105	-	48	-
不在披露範疇的金融負債	8,034	61,984	9,448	51,444
	<u>8,139</u>	<u>61,984</u>	<u>9,496</u>	<u>51,444</u>

## 36. 金融工具的公平價值

### (a) 以公平價值列賬的金融工具

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

第一級－參考同一工具在活躍市場取得的市場報價。

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

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

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在報告日能反映金融工具的價格，而該價格可被視為在正常交易下市場人士當賣出資產時可收取或當轉移負債時須支付之款項。

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組(「群組」)。價格核賣的程序已經確立。任何將被採用的價格模式必須經過嚴格的檢測及審批程序。



中期財務報表附註(續)

36. 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：

	30/6/2019				31/12/2018			
	第一級	第二級	第三級	總額	第一級	第二級	第三級	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>重覆發生的</b>								
<b>公平價值釐定</b>								
<b>資產</b>								
貿易票據								
—通過其他全面收益								
以反映公平價值	-	11,795	-	11,795	-	11,764	-	11,764
交易用途資產	1,386	2,745	-	4,131	1,371	2,112	-	3,483
衍生工具資產	-	6,141	-	6,141	-	10,211	-	10,211
投資證券								
—強制按通過損益								
以反映公平								
價值計量	1,537	10,210	287	12,034	2,471	11,251	309	14,031
—指定通過損益以								
反映公平價值	-	1,303	-	1,303	-	1,630	-	1,630
—通過其他全面收益								
以反映公平價值	29,201	94,480	1,105	124,786	22,125	87,234	688	110,047
	<u>32,124</u>	<u>126,674</u>	<u>1,392</u>	<u>160,190</u>	<u>25,967</u>	<u>124,202</u>	<u>997</u>	<u>151,166</u>
<b>負債</b>								
交易用途負債	38	-	-	38	-	-	-	-
衍生工具負債	-	8,139	-	8,139	-	9,496	-	9,496
指定為通過損益以反映								
公平價值的金融負債	-	23,919	-	23,919	-	11,204	-	11,204
	<u>38</u>	<u>32,058</u>	<u>-</u>	<u>32,096</u>	<u>-</u>	<u>20,700</u>	<u>-</u>	<u>20,700</u>

截至2019年6月30日止期內及2018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。

36. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

有關在第三級估值的重要非可觀察參數資料：

	估值模式	重要非可觀察參數	價值或幅度
非上市股份證券及 投資基金	資產淨值	不適用	不適用
	現金流折扣模式	折扣率	30/6/2019: 8.8% (2018: 11.8%)
		市場性折扣	30/6/2019: 20% (2018: 20%)
	市場可類比法	盈利倍數	30/6/2019: 28.74 – 30.84 (2018: 18.24 – 19.90)
		企業價值／稅息前利潤	30/6/2019: 25.90 – 31.75 (2018: 22.54 – 23.18)
		市場性折扣	30/6/2019: 50% (2018: 50%)

強制按通過損益以反映公平價值計量或按通過其他全面收益以反映公平價值的非上市股份工具，是採用現金流折扣模式作估算，根據受投資公司的財務狀況及業績之分析，或參考可比較上市公司之倍數(如價格／盈利率的比較)，但須計入市場性折扣以反映該股份並非有活躍交易之調整。任何因比率／受投資公司的財務狀況及業績之個別增加對公平價值有正面影響，而因折扣率／市場性折扣之個別增加則對公平價值有負面影響。

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

36. 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：

	30/6/2019		31/12/2018	
	強制按通過 損益以反映 公平價值計量 的投資證券 港幣百萬元	按通過其他 全面收益以 反映公平價值 的投資證券 港幣百萬元	強制按通過 損益以反映 公平價值計量 的投資證券 港幣百萬元	按通過其他 全面收益以 反映公平價值 的投資證券 港幣百萬元
<b>資產</b>				
於1月1日	309	688	213	349
購入	-	-	124	43
結算	(7)	-	(13)	-
公平價值變動確認				
於收益表	(15)	-	(15)	-
公平價值變動確認				
於其他全面收益	-	417	-	296
於6月30日/12月31日	<u>287</u>	<u>1,105</u>	<u>309</u>	<u>688</u>
於報告期結束日持有按通 過其他全面收益以反映 公平價值資產而已計入 其他全面收益的公平價 值儲備之期內收益或虧 損總額	<u>-</u>	<u>417</u>	<u>-</u>	<u>296</u>
於報告期結束日持有之資 產而已計入期內收益表 之通過損益以反映公平 價值金融工具的淨表現 之期內收益或虧損總額	<u>(15)</u>	<u>-</u>	<u>(15)</u>	<u>-</u>

中期財務報表附註(續)

36. 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

	30/6/2019			
	直接記錄於損益上之影響		直接記錄於股東權益上之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
強制按通過損益以反映公平價值計量的投資證券	24	(24)	-	-
按通過其他全面收益以反映公平價值的投資證券	-	-	92	(92)
	<u>24</u>	<u>(24)</u>	<u>92</u>	<u>(92)</u>
	31/12/2018			
	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	26	(26)	-	-
按通過其他全面收益以反映公平價值的投資證券	-	-	57	(57)
	<u>26</u>	<u>(26)</u>	<u>57</u>	<u>(57)</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。

36. 金融工具的公平價值(續)

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

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

除下列者外，以成本或攤銷成本入賬的金融工具賬面值，與其於2019年6月30日及2018年12月31日之公平價值相若：

	30/6/2019		31/12/2018	
	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	19,089	19,348	19,021	19,140

### 37. 信貸風險

本集團採納階段分配準則如下：

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

「信貸風險顯著增加」的準則已計及兩個關鍵因素：

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

#### a. 信貸質素分析

貸款及墊款的信貸質素

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面總額。

	30/6/2019							
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本的 客戶貸款及墊款								
- 1-15級：合格	473,718	1,133	21,740	99	-	-	495,458	1,232
- 16-17級： 需要關注	-	-	7,488	56	-	-	7,488	56
- 18級：次級	-	-	-	-	5,735	8	5,735	8
- 19級：呆滯	-	-	-	-	2,028	151	2,028	151
- 20級：虧損	-	-	-	-	572	203	572	203
賬面值總額	473,718	1,133	29,228	155	8,335	362	511,281	1,650
減值準備	(387)	(1)	(849)	(4)	(3,946)	(208)	(5,182)	(213)
賬面值	473,331	1,132	28,379	151	4,389	154	506,099	1,437

中期財務報表附註(續)

37. 信貸風險(續)

a. 信貸質素分析(續)

貸款及墊款的信貸質素(續)

	31/12/2018								
	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	
<b>按攤銷成本的</b>									
<b>客戶貸款及墊款</b>									
-1-15級：合格	465,980	1,124	25,413	100	-	-	491,393	1,224	
-16-17級： 需要關注	-	-	5,747	29	-	-	5,747	29	
-18級：次級	-	-	-	-	1,226	17	1,226	17	
-19級：呆滯	-	-	-	-	1,718	109	1,718	109	
-20級：虧損	-	-	-	-	547	187	547	187	
賬面值總額	465,980	1,124	31,160	129	3,491	313	500,631	1,566	
減值準備	(431)	(1)	(855)	(4)	(1,061)	(191)	(2,347)	(196)	
賬面值	465,549	1,123	30,305	125	2,430	122	498,284	1,370	

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貨分析。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。

	30/6/2019								
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
<b>按攤銷成本的貿易票據</b>									
-1-15級：合格	1,029	13	2	-	-	-	1,031	13	
-16-17級： 需要關注	-	-	-	-	-	-	-	-	
-18級：次級	-	-	-	-	-	-	-	-	
-19級：呆滯	-	-	-	-	-	-	-	-	
-20級：虧損	-	-	-	-	-	-	-	-	
賬面值總額	1,029	13	2	-	-	-	1,031	13	
減值準備	-	-	-	-	-	-	-	-	
賬面值	1,029	13	2	-	-	-	1,031	13	

中期財務報表附註(續)

37. 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)

	31/12/2018								
	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	
<b>按攤銷成本的</b>									
<b>貿易票據</b>									
-1-15級:合格	2,816	45	69	-	-	-	2,885	45	
-16-17級: 需要關注	-	-	-	-	-	-	-	-	
-18級:次級	-	-	-	-	-	-	-	-	
-19級:呆滯	-	-	-	-	1	-	1	-	
-20級:虧損	-	-	-	-	-	-	-	-	
賬面值總額	2,816	45	69	-	1	-	2,886	45	
減值準備	(3)	-	-	-	(1)	-	(4)	-	
賬面值	2,813	45	69	-	-	-	2,882	45	
	30/6/2019								
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
<b>按通過其他全面收益 以反映公平價值的 貿易票據</b>									
-1-15級:合格	10,401	1	1,394	-	-	-	11,795	1	
賬面值總額 -按公平價值	10,401	1	1,394	-	-	-	11,795	1	
減值準備	(4)	-	(3)	-	-	-	(7)	-	



中期財務報表附註(續)

37. 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)

	31/12/2018							
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按通過其他全面收益 以反映公平價值的 貿易票據 - 1-15級:合格	11,541	2	223	-	-	-	11,764	2
賬面值總額 -按公平價值	11,541	2	223	-	-	-	11,764	2
減值準備	(5)	-	-	-	-	-	(5)	-
	30/6/2019							
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
在銀行及其他金融 機構的存款及墊款 - 1-15級:合格	69,728	52	-	-	-	-	69,728	52
賬面值總額	69,728	52	-	-	-	-	69,728	52
減值準備	(8)	-	-	-	-	-	(8)	-
賬面值	69,720	52	-	-	-	-	69,720	52

中期財務報表附註(續)

37. 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)

	31/12/2018							
	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
在銀行及其他金融 機構的存款及墊款 -1-15級：合格	60,224	127	159	-	-	-	60,383	127
賬面值總額	60,224	127	159	-	-	-	60,383	127
減值準備	(10)	-	-	-	-	-	(10)	-
賬面值	60,214	127	159	-	-	-	60,373	127

	30/6/2019			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	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	122,915	5,379	-	128,294
-16-17級：需要關注	-	173	-	173
-18級：次級	-	-	554	554
總額	122,915	5,552	554	129,021
減值準備	(49)	(37)	-	(86)
財務擔保合約				
-1-15級：合格	22,215	2,326	-	24,541
-16-17級：需要關注	-	4	-	4
-18級：次級	-	-	-	-
總額	22,215	2,330	-	24,545
減值準備	(6)	(8)	-	(14)

中期財務報表附註(續)

37. 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)

	31/12/2018			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>貸款承擔</b>				
– 1 – 15級：合格	111,004	5,822	–	116,826
– 16 – 17級：需要關注	–	58	–	58
總額	<u>111,004</u>	<u>5,880</u>	<u>–</u>	<u>116,884</u>
減值準備	<u>(56)</u>	<u>(40)</u>	<u>–</u>	<u>(96)</u>
<b>財務擔保合約</b>				
– 1 – 15級：合格	25,136	2,101	–	27,237
– 16 – 17級：需要關注	–	7	–	7
總額	<u>25,136</u>	<u>2,108</u>	<u>–</u>	<u>27,244</u>
減值準備	<u>(10)</u>	<u>(5)</u>	<u>–</u>	<u>(15)</u>

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。

中期財務報表附註(續)

37. 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)

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：

	30/6/2019								
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額		
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	
港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元		港幣百萬元	
<b>按攤銷成本的債務投資</b>									
<b>證券</b>									
Aaa	-	-	-	-	-	-	-	-	
Aa1 至 Aa3	2,848	1	-	-	-	-	2,848	1	
A1 至 A3	5,628	99	-	-	-	-	5,628	99	
Baa1至 Baa3	2,560	33	-	-	-	-	2,560	33	
Baa3以下	1,903	27	79	1	-	-	1,982	28	
無評級	6,119	74	28	1	-	-	6,147	75	
賬面值總額	19,058	234	107	2	-	-	19,165	236	
減值準備	(74)	-	(2)	-	-	-	(76)	-	
賬面值	18,984	234	105	2	-	-	19,089	236	
<b>31/12/2018</b>									
	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		
<b>按攤銷成本的債務投資</b>									
<b>證券</b>									
Aaa	-	-	-	-	-	-	-	-	
Aa1 至 Aa3	2,695	2	-	-	-	-	2,695	2	
A1 至 A3	6,007	103	-	-	-	-	6,007	103	
Baa1至 Baa3	2,546	32	-	-	-	-	2,546	32	
Baa3以下	1,492	20	-	-	-	-	1,492	20	
無評級	6,347	76	28	1	-	-	6,375	77	
賬面值總額	19,087	233	28	1	-	-	19,115	234	
減值準備	(93)	(1)	(1)	-	-	-	(94)	(1)	
賬面值	18,994	232	27	1	-	-	19,021	233	

中期財務報表附註(續)

37. 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)

	30/6/2019							
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
通過其他全面收益以反 映公平價值的債務投 資證券								
Aaa	6,444	7	-	-	-	-	6,444	7
Aa1 至 Aa3	21,211	5	-	-	-	-	21,211	5
A1 至 A3	48,622	623	-	-	-	-	48,622	623
Baa1至 Baa3	37,077	396	-	-	-	-	37,077	396
Baa3以下	1,338	13	-	-	-	-	1,338	13
無評級	8,755	103	234	3	-	-	8,989	106
賬面值總額 —按公平價值	<u>123,447</u>	<u>1,147</u>	<u>234</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>123,681</u>	<u>1,150</u>
減值準備	<u>(235)</u>	<u>(2)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239)</u>	<u>(2)</u>
	31/12/2018							
	12個月內之 預期信貸損失		非信貸不良的合約期內之 預期信貸損失		信貸不良的合約期內之 預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
通過其他全面收益 以反映公平價值的 債務投資證券								
Aaa	5,566	8	-	-	-	-	5,566	8
Aa1 至 Aa3	19,355	7	-	-	-	-	19,355	7
A1 至 A3	41,890	627	-	-	-	-	41,890	627
Baa1至 Baa3	31,302	336	-	-	-	-	31,302	336
Baa3以下	1,157	15	-	-	-	-	1,157	15
無評級	9,856	130	233	3	-	-	10,089	133
賬面值總額 —按公平價值	<u>109,126</u>	<u>1,123</u>	<u>233</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>109,359</u>	<u>1,126</u>
減值準備	<u>(257)</u>	<u>(3)</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263)</u>	<u>(3)</u>

中期財務報表附註(續)

37. 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。

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
<b>債務投資證券</b>		
Aaa	158	159
Aa1 至 Aa3	2,414	2,564
A1 至 A3	1,504	1,736
Baa1至 Baa3	5,951	6,551
Baa3以下	-	258
無評級	988	1,025
	<u>11,015</u>	<u>12,293</u>
賬面值總額—按公平價值		

下表載列作交易用途債務證券的信貸分析。

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
<b>債務投資證券</b>		
Aaa	-	-
Aa1 至 Aa3	100	24
A1 至 A3	2,303	1,856
Baa1至 Baa3	373	125
Baa3以下	-	-
無評級	68	126
	<u>2,844</u>	<u>2,131</u>
賬面值總額—按公平價值		

下表載列由衍生工具資產交易所產生之對手信貸質素分析如下。

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
<b>衍生工具資產</b>		
Aa1 至 Aa3	102	255
A1 至 A3	1,991	4,102
Baa1至 Baa3	1,244	3,975
Baa3以下	1,165	215
無評級	1,639	1,664
	<u>6,141</u>	<u>10,211</u>
賬面值總額—按公平價值		

中期財務報表附註(續)

37. 信貸風險(續)

a. 信貸質素分析(續)

現金及在銀行和其他金融機構的結存

於2019年6月30日，本集團持有現金及在銀行和其他金融機構的結存為港幣528.31億元(2018年12月31日：港幣481.11億元)。基於穆迪投資服務或相當的評級，其中95%(2018年12月31日：98%)的現金及在銀行和其他金融機構交易對手的結存評級為投資評級。

b. 減值準備對賬

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

	30/6/2019			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>客戶貸款及墊款</b>				
於1月1日的結餘	432	859	1,252	2,543
轉至12個月內之預期信貸損失	94	(94)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(20)	36	(16)	-
轉至信貸不良的合約期內之 預期信貸損失	(770)	(711)	1,481	-
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	55	14	321	390
撤銷	-	-	(2,139)	(2,139)
模型變動	-	-	-	-
減值準備的重新計量淨額(包括外 匯調整)	597	749	3,255	4,601
於6月30日的結餘	388	853	4,154	5,395
其中：				
就按攤銷成本的客戶墊款	387	849	3,946	5,182
就相關應收應計利息	1	4	208	213
	388	853	4,154	5,395

中期財務報表附註(續)

37. 信貸風險(續)

b. 減值準備對賬(續)

	31/12/2018			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>客戶貸款及墊款</b>				
於1月1日的結餘	839	1,028	1,177	3,044
轉至12個月內之預期信貸損失	151	(151)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(8)	23	(15)	-
轉至信貸不良的合約期內之 預期信貸損失	(98)	(203)	301	-
源生或購入之新金融資產、 撤銷確認資產、還款及 進一步貸款	(88)	(230)	376	58
撤銷	-	-	(1,649)	(1,649)
模型變動	(229)	287	17	75
減值準備的重新計量淨額 (包括外匯調整)	(135)	105	1,045	1,015
於12月31日的結餘	<u>432</u>	<u>859</u>	<u>1,252</u>	<u>2,543</u>
其中：				
就按攤銷成本的客戶墊款	431	855	1,061	2,347
就相關應收應計利息	1	4	191	196
	<u>432</u>	<u>859</u>	<u>1,252</u>	<u>2,543</u>



中期財務報表附註(續)

37. 信貸風險(續)

b. 減值準備對賬(續)

	30/6/2019			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>債務投資證券</b>				
於1月1日的結餘	354	7	-	361
轉至12個月內之預期信貸損失	-	-	-	-
轉至非信貸不良的合約期內之 預期信貸損失	-	-	-	-
轉至信貸不良的合約期內之 預期信貸損失	-	-	-	-
源生或購入之新金融資產、撤銷 確認資產、還款及進一步貸款 撤銷	27	1	-	28
模型變動	-	-	-	-
減值準備的重新計量淨額 (包括外匯調整)	(70)	(2)	-	(72)
於6月30日的結餘	<u>311</u>	<u>6</u>	<u>-</u>	<u>317</u>
其中：				
就按攤銷成本的債務投資證券 就相關應收應計利息	74	2	-	76
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>74</u>	<u>2</u>	<u>-</u>	<u>76</u>
就按通過其他全面收益以反映 公平價值的債務投資證券 就相關應收應計利息	235	4	-	239
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
	<u>237</u>	<u>4</u>	<u>-</u>	<u>241</u>

中期財務報表附註(續)

37. 信貸風險(續)

b. 減值準備對賬(續)

	31/12/2018			總額 港幣百萬元
	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	
	港幣百萬元	港幣百萬元	港幣百萬元	
<b>債務投資證券</b>				
於1月1日的結餘	277	13	–	290
轉至12個月內之預期信貸損失	–	–	–	–
轉至非信貸不良的合約期內之 預期信貸損失	–	–	–	–
轉至信貸不良的合約期內之 預期信貸損失	–	–	–	–
源生或購入之新金融資產、撤銷 確認資產、還款及進一步貸款 撤銷	52	(2)	–	50
模型變動	61	(1)	–	60
減值準備的重新計量淨額 (包括外匯調整)	(36)	(3)	–	(39)
於12月31日的結餘	<u>354</u>	<u>7</u>	<u>–</u>	<u>361</u>
其中：				
就按攤銷成本的債務投資證券 就相關應收應計利息	93	1	–	94
	1	–	–	1
	<u>94</u>	<u>1</u>	<u>–</u>	<u>95</u>
就按通過其他全面收益以反映 公平價值的債務投資證券 就相關應收應計利息	257	6	–	263
	3	–	–	3
	<u>260</u>	<u>6</u>	<u>–</u>	<u>266</u>

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

中期財務報表附註(續)

37. 信貸風險(續)

b. 減值準備對賬(續)

	30/6/2019			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>其他</b>				
於1月1日的結餘	114	47	68	229
轉至12個月內之預期信貸損失	3	(3)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(1)	1	-	-
轉至信貸不良的合約期內之 預期信貸損失	(1)	-	1	-
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	18	3	83	104
撤銷	-	-	(1)	(1)
模型變動	-	-	-	-
減值準備的重新計量淨額 (包括外匯調整)	(21)	5	4	(12)
	<u>112</u>	<u>53</u>	<u>155</u>	<u>320</u>
其中：				
就按通過其他全面收益以反映 公平價值的貿易票據	4	3	-	7
就相關應收應計利息	-	-	-	-
	<u>4</u>	<u>3</u>	<u>-</u>	<u>7</u>
就按攤銷成本的貿易票據	-	-	-	-
就相關應收應計利息	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
就在銀行和其他金融機構的存款	8	-	-	8
就相關應收應計利息	-	-	-	-
	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>
就現金及在銀行和其他金融機 構的結存	8	-	-	8
就相關應收應計利息	-	-	-	-
	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>
就貸款承擔和財務擔保合約	55	45	-	100
就應收賬款及其他賬項	37	5	155	197

中期財務報表附註(續)

37. 信貸風險(續)

b. 減值準備對賬(續)

	31/12/2018			
	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
<b>其他</b>				
於1月1日的結餘	220	54	1	275
轉至12個月內之預期信貸損失	5	(5)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(3)	3	-	-
轉至信貸不良的合約期內之 預期信貸損失	-	-	-	-
源生或購入之新金融資產、撤銷 確認資產、還款及進一步貸款 撤銷	1	(30)	-	(29)
模型變動	(76)	(2)	-	(78)
減值準備的重新計量淨額 (包括外匯調整)	(33)	27	67	61
於12月31日的結餘	114	47	68	229
其中：				
就按通過其他全面收益以反映 公平價值的貿易票據 就相關應收應計利息	5	-	-	5
	-	-	-	-
	5	-	-	5
就按攤銷成本的貿易票據 就相關應收應計利息	3	-	1	4
	-	-	-	-
	3	-	1	4
就在銀行和其他金融機構的存 款 就相關應收應計利息	10	-	-	10
	-	-	-	-
	10	-	-	10
就現金及在銀行和其他金融機 構的結存 就相關應收應計利息	5	-	-	5
	-	-	-	-
	5	-	-	5
就貸款承擔和財務擔保合約	66	45	-	111
就應收賬款及其他賬項	25	2	67	94

按通過其他全面收益以反映公平價值的貿易票據的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值的貿易票據的賬面值是其公平價值。

38. 資產負債表以外的風險

(a) 每項資產負債表以外風險的主要類別摘要如下：

	30/6/2019 港幣百萬元	31/12/2018 港幣百萬元
或然負債的合約金額		
直接信貸替代品	13,452	14,629
與交易有關的或然項目	818	883
與貿易有關的或然項目	2,380	2,997
	<u>16,650</u>	<u>18,509</u>
承擔的合約金額		
可無條件取消而毋須事先通知的承擔	155,866	141,668
其他承擔的原到期日		
- 1年或以下	9,364	9,332
- 1年以上	29,441	26,710
	<u>194,671</u>	<u>177,710</u>
總額	<u>211,321</u>	<u>196,219</u>
信貸風險加權金額	<u>23,899</u>	<u>23,531</u>
衍生工具的公平價值		
資產		
匯率合約	3,112	6,783
利率合約	2,169	2,919
股份合約	856	507
其他	4	2
	<u>6,141</u>	<u>10,211</u>
負債		
匯率合約	3,510	6,191
利率合約	3,739	2,816
股份合約	877	472
其他	13	17
	<u>8,139</u>	<u>9,496</u>
衍生工具的名義金額		
匯率合約	670,845	723,848
利率合約	348,841	411,325
股份合約	13,089	11,880
其他	157	266
	<u>1,032,932</u>	<u>1,147,319</u>
信貸風險加權金額*		
匯率合約	2,359	2,843
利率合約	322	414
股份合約	68	122
其他	456	363
	<u>3,205</u>	<u>3,742</u>

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

\* 根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算於2019年6月30日及2018年12月31日之信貸風險之風險加權金額。

中期財務報表附註(續)

38. 資產負債表以外的風險(續)

(b) 資本承擔

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

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
已核准支出並已簽約	316	284
已核准支出但未簽約	185	161
	<u>501</u>	<u>445</u>

(c) 或有事項

本集團收到正常業務過程中產生的法律索賠。本集團認為這些事項均不重大。在適當情況下，本集團在很可能需要經濟利益流出並且可以對該責任作出可靠估計時確認負債準備。

39. 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：

	30/6/2019	30/6/2018
	港幣百萬元	港幣百萬元
短期僱員福利	71	76
僱員退休福利	3	4
股份補償福利	12	17
	<u>86</u>	<u>97</u>

中期財務報表附註(續)

39. 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2019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9,100萬元（截至2018年6月30日止6個月：港幣8,200萬元）。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司，有重大影響力之股東，及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

截至2019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2019年6月30日關聯人士的欠款及欠關聯人士的款項，及截至2019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	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
利息收入	28	12	24	16	2	3
利息支出	25	14	1	2	8	14
關聯人士的欠款	2,347	3,323	695	1,117	2,458	889
欠關聯人士的款項	2,540	2,569	49	115	972	2,036
關聯人士的 最高欠款	3,730	3,739	1,803	1,781	5,391	5,736
欠關聯人士的 最高款項	4,698	4,809	555	723	2,542	3,739
給予信貸承諾	1,370	629	1,313	1,422	-	-

中期財務報表附註(續)

40. 綜合基準

除特別說明外，此中期報告所載的財務資料是按用作會計用途之綜合基準編製。

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

於報告日已包括在綜合財務報表內的附屬公司列示如下：

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
承悅有限公司	投資控股	349	349
* 東亞銀行(信託)有限公司	信託服務	243	230
BC (BVI) Holdings Limited	投資控股	16	16
BEA Blue Sky Company Limited	出任 BEA Blue Sky Real Estate Fund L.P.單一普通合夥人	—	—
BEA Blue Sky Real Estate Fund L.P.	出任有限責任合夥人用作投資內地房地產基金	—	—
BEA Blue Sky SLP Limited	出任 BEA/AGRE China Real Estate Fund, L.P.特殊有限責任合夥人	—	(1)
BEA Consortium GS Investors L.P.	出任有限責任合夥人用作投資私募基金	52	52
東亞保險代理有限公司	保險代理	—	—
東亞人壽保險有限公司	人壽保險	21,511	2,124
BEA Pacific Asia Limited	不活動	—	—
東亞聯豐投資管理有限公司	資產管理	568	489
東亞聯豐投資管理(深圳)有限公司	資產管理／投資管理	5	4
Blue Care (BVI) Holdings Limited	投資控股	16	16
Blue Care JV (BVI) Holdings Limited	投資控股	20	17



中期財務報表附註(續)

40. 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
寶康醫療服務有限公司	醫療服務	58	44
藍十字(亞太)保險有限公司	保險	3,058	733
滙中興業有限公司	物業投資	845	679
階潤有限公司	投資控股	96	96
重慶市東榮商務諮詢有限公司	商業諮詢服務	3	(1)
* 重慶兩江新區領達小額貸款有限公司	小額貸款	359	356
Citiview Capital Limited	普通合夥人及 有限責任合夥人	3	(1)
Corona Light Limited	投資控股	930	930
* 領達財務有限公司	放債人	771	756
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	186	124
* 東亞設施管理有限公司	設施管理	13	12
East Asia Financial Services (BVI) Ltd.	投資控股	–	–
東亞期貨有限公司	期貨及期權交易	59	59
* East Asia Holding Company, Inc.	銀行控股公司	631	614
East Asia Indonesian Holdings Limited	投資控股	132	131
East Asia International Trustees Holdings (BVI) Limited	投資控股	10	10
East Asia International Trustees Limited	信託服務	29	25

中期財務報表附註(續)

40. 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
* East Asia Properties (US), Inc.	物業持有	14	12
東亞物業控股有限公司	投資控股	–	(57)
東亞物業代理有限公司	物業代理	8	8
East Asia Property Holdings (Jersey) Limited	物業持有	27	26
東亞前海控股有限公司	投資控股	209	209
東亞秘書有限公司	秘書服務	–	–
東亞證券有限公司	證券買賣	1,184	865
* 東亞服務(控股)有限公司	控股公司	24	–
Golden Empire International Inc.	物業投資	1	1
High Town Limited	投資控股	4	4
* Innovate Holdings Limited	為東亞銀行混合一級資本而成立之特定目的投資工具公司	2,486	2,486
Leader One Limited	投資控股	1	1
Manchester Property Holdings Ltd.	物業控股	33	17
君騰香港控股有限公司	投資控股	208	208
Red Phoenix Limited	汽車租賃	2	1
Shaftesbury Property Holdings Limited	投資控股	68	68
Shaftesbury Property Investments Limited	投資控股	51	51
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	206	206
Silver River International Limited	普通合夥人及有限責任合夥人	47	–

中期財務報表附註(續)

40. 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
Silver Sunlight Limited	出任普通合夥人	—	—
Skyray Holdings Limited	投資控股	450	450
Speedfull Limited	投資控股	450	450
*/# 東亞銀行(中國)有限公司	銀行及有關的金融服務	277,894	25,982
東亞銀行受託代管有限公司	受託代管服務	—	—
The Bank of East Asia (Nominees) Private Limited	信託、代理及託管服務	—	—
Travelsafe Limited	不活動	—	—
明康醫療香港有限公司	醫療服務	28	(10)
United Chinese (Nominee) Limited	不活動	—	—

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

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

41. 比較數字

若干2018年的比較數字經已重報以符合本期的呈報方式。有關重報的影響，請參閱附註21(b)及附註29。

## 中期財務報表附註(續)

### 42. 符合指引

此中期財務報表已經按照有關《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2019年8月21日獲授權發布。

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

### 43. 持有作出售資產

2017年11月29日，本行及其全資附屬公司領達財務有限公司與中國金融投資管理有限公司簽訂一份股權轉讓協議，就買賣深圳市領達小額貸款有限公司(「深圳領達小額貸款」)、重慶兩江新區領達小額貸款有限公司(「重慶領達小額貸款」)及重慶市東榮商務諮詢有限公司(「東榮商務諮詢」)的全部股權。出售深圳領達小額貸款之交易已於2019年4月12日完成。截至報告日，出售重慶領達小額貸款及東榮商務諮詢的交易仍待中國內地相關監管部門之批准。重慶領達小額貸款及東榮商務諮詢於2019年6月30日及2018年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。

2018年10月29日，本行與橫濱銀行(「濱銀」)訂立買賣協議，向濱銀出售透過East Asia Indonesian Holdings Limited(特定目的投資工具公司)持有的P.T. Bank Resona Perdania(「BRP」)已發行股份之30%(「出售」)。於2019年6月30日及2018年12月31日的綜合財務狀況表中，BRP投資以持有作出售資產列示。有關完成出售之所有先決條件均已達成，而該出售已於2019年7月24日完成。

中期財務報表附註(續)

43. 持有作出售資產(續)

持有作出售之出售組別的資產和負債摘要如下：

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
<b>資產</b>		
現金及在銀行和其他金融機構的結存	2	6
客戶貸款及墊款	89	228
客戶貸款及墊款總額	89	230
減：減值準備		
— 第一階段	—	(1)
— 第二階段	—	—
— 第三階段	—	(1)
固定資產	3	8
— 投資物業	—	—
— 其他物業及設備	3	8
遞延稅項資產	5	18
其他資產	1	8
持有作出售資產	<u>100</u>	<u>268</u>
<b>負債</b>		
其他負債	3	7
持有作出售負債	<u>3</u>	<u>7</u>

持有作出售之資產及負債摘要如下：

	30/6/2019	31/12/2018
	港幣百萬元	港幣百萬元
持有作出售資產(附註24)		
持有作出售組別	100	268
其他物業	39	57
聯營公司投資	368	363
	<u>507</u>	<u>688</u>
持有作出售負債(附註27)		
持有作出售組別	<u>3</u>	<u>7</u>

有關持有作出售組別在其他全面收益內確認之累計支出如下：

	30/6/2019	30/6/2018
	港幣百萬元	港幣百萬元
確認在其他全面收益內之累計支出	<u>(41)</u>	<u>(43)</u>

## 補充財務資料

### A. 資本充足

	30/6/2019 港幣百萬元	31/12/2018 港幣百萬元
股本基礎		
— 普通股權一級資本	73,715	74,513
— 額外一級資本	9,958	10,312
	<hr/>	<hr/>
— 一級資本總額	83,673	84,825
— 二級資本	14,212	14,202
	<hr/>	<hr/>
— 資本總額	<u>97,885</u>	<u>99,027</u>
風險加權資產類別		
— 信貸風險	434,664	428,383
— 市場風險	17,619	18,671
— 營運風險	33,589	31,934
	<hr/>	<hr/>
減：扣除	485,872 (3,442)	478,988 (3,274)
	<hr/>	<hr/>
	<u>482,430</u>	<u>475,714</u>
	<hr/>	<hr/>
	30/6/2019	31/12/2018
	百分率	百分率
普通股權一級資本比率	15.3	15.7
一級資本比率	17.3	17.8
總資本比率	20.3	20.8

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

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

## 補充財務資料(續)

### A. 資本充足(續)

包括在用作監管用途的綜合基礎之主要附屬公司已於中期報告之附註40列示。

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

有關本集團的監管資本工具及其他披露資料，可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

### B. 槓桿比率

	30/6/2019	31/12/2018 重報
	港幣百萬元	港幣百萬元
一級資本	83,673	84,825
風險承擔計量	895,940	862,745
	30/6/2019	31/12/2018
	百分率	百分率
槓桿比率	9.3	9.8

槓桿比率之披露是由2015年3月31日起生效，其計算按金管局《資本規則》第3C條頒布的通知內所指定的綜合基準。有關披露資料可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

### C. 流動性狀況

	30/6/2019	31/12/2018
	百分率	百分率
平均流動性覆蓋比率		
— 第一季度	169.8	137.8
— 第二季度	171.7	144.8
— 第三季度	不適用	153.0
— 第四季度	不適用	180.5

流動性覆蓋比率是根據由2015年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

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

補充財務資料(續)

D. 逾期、經重組及收回資產

(a) 逾期及經重組墊款

	30/6/2019		31/12/2018	
	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	452	0.1	970	0.2
– 6個月以上至1年	648	0.1	428	0.1
– 1年以上	1,735	0.4	1,495	0.3
	2,835	0.6	2,893	0.6
經重組客戶墊款	191	0.0	110	0.0
逾期及經重組客戶墊款總額	3,026	0.6	3,003	0.6
已逾期墊款涵蓋部份	2,084	0.4	2,159	0.4
已逾期墊款非涵蓋部份	751	0.2	734	0.2
已逾期墊款涵蓋部份之抵押品市值	4,266		4,273	
逾期3個月以上墊款的特殊準備	1,122		789	

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。



## 補充財務資料(續)

### D. 逾期、經重組及收回資產(續)

#### (a) 逾期及經重組墊款(續)

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

#### (b) 銀行墊款

	30/6/2019 港幣百萬元	31/12/2018 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	—	—
	=====	=====

補充財務資料(續)

D. 逾期、經重組及收回資產(續)

(c) 其他逾期及經重組資產

	30/6/2019		
	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	4	—	—
—6個月以上至1年	31	—	—
—1年以上	320	—	—
	355	—	—
經重組資產	1	—	—
其他逾期及經重組資產總額	356	—	—
	31/12/2018		
	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	19	—	—
—6個月以上至1年	8	—	—
—1年以上	281	—	1
	308	—	1
經重組資產	1	—	—
其他逾期及經重組資產總額	309	—	1

\* 其他資產是指貿易票據及應收款項。

## 補充財務資料(續)

### D. 逾期、經重組及收回資產(續)

#### (d) 收回資產

	30/6/2019 港幣百萬元	31/12/2018 港幣百萬元
收回土地及建築物*	208	147
收回汽車及設備	1	-
收回機器	-	-
收回資產總額	<u>209</u>	<u>147</u>

此等金額指於2019年6月30日及2018年12月31日收回資產的估計市值。

\* 結餘中包括港幣1,900萬元(2018年12月31日:港幣5,800萬元)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》及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

## 獨立審閱報告



致東亞銀行有限公司董事會

### 引言

我們已審閱 貴集團列載於第117頁至第187頁的中期財務報告，此中期財務報告包括於2019年6月30日的綜合財務狀況表與截至該日止6個月期間有關的綜合收益表、綜合全面收益表、綜合權益變動表和簡略綜合現金流量表以及附註解釋。根據《上市規則》，上市公司必須符合《上市規則》中的相關規定和香港會計師公會頒布的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

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

### 審閱範圍

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

### 結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2019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

2019年8月21日

## 中期股息

董事會欣然宣布派發截至2019年6月30日止6個月的中期股息每股港幣0.11元（「2019中期股息」）（2018中期股息：每股港幣0.51元），2019中期股息將以現金派發予於2019年9月10日（星期二）辦公時間結束時在本行股東名冊上已登記的股東，股東亦可選擇收取已繳足股款的新股以代替現金（「以股代息計劃」）。在計算股東所應獲發給的新股份數目時，新股份的市值將按股份在聯交所於2019年9月5日（星期四）（股份除息後首個交易日）至2019年9月11日（星期三）（包括首尾兩天）的平均收市價之95%計算。以股代息計劃的詳情將連同有關選擇表格約於2019年9月10日（星期二）寄予各股東。以股代息計劃須待聯交所上市委員會批准所發行的新股上市及買賣方可作實。有關的股息單和以股代息的股票將約於2019年10月4日（星期五）以平郵寄予股東。

## 過戶日期

本行將於2019年9月9日（星期一）及2019年9月10日（星期二）暫停辦理股票過戶登記。如欲享有2019中期股息，股東須於2019年9月6日（星期五）下午4時前，將過戶文件送達卓佳標準有限公司，地址為香港皇后大道東183號合和中心54樓辦理登記手續。

## 財務回顧

### 財務表現

於2019年首6個月，本集團錄得可歸屬於本集團股東溢利達港幣10億元，較2018年同期錄得的港幣39.92億元，下跌港幣29.92億元或74.9%。本集團的撥備前經營溢利表現理想，按年增長19.5%。應佔溢利減少，主要是由於中國內地的減值損失大幅增加所致。

2019年上半年的每股基本盈利為港幣0.22元，而2018年同期則為港幣1.30元。

年度平均資產回報率及年度平均股東權益回報率分別為0.1%及1.4%，而2018年上半年則分別為0.9%及8.0%。

本集團的淨利息收入增加港幣11.56億元，或18.5%，至港幣74.06億元。淨息差由1.70%擴闊至1.90%，而平均帶息資產增加6.4%。

服務費及佣金收入淨額增加港幣900萬元，或0.7%，至港幣13.71億元。來自信用卡、貸款、透支及擔保、貿易融資、銷售第三者保單的佣金收入均錄得增長，而證券及經紀、投資產品、其他零售銀行及財務諮詢的佣金收入則錄得下跌。

交易及對沖淨額，以及指定／強制為通過損益以反映公平價值金融工具的淨表現增加港幣1.32億元，至港幣5.62億元。整體而言，非利息收入增加18.4%，至港幣26.96億元，而經營收入上升18.5%，至港幣101.02億元。

經營支出總額上升17.5%，至港幣49.18億元。這主要是由於在內地推出新業務以及與業務夥伴合作而產生的相關支出（包括信用卡業務及互聯網平台的開支）所致。由於經營收入增速高於支出，成本對收入比率因而能夠由2018年上半年的49.1%，改善至2019年上半年的48.7%。

未扣除減值損失之經營溢利達港幣51.84億元，較2018年同期增加港幣8.44億元，或19.5%。

誠如於2019年6月13日發布的盈利警告公告所指，由於今年上半年中國內地非一線城市商業地產市場環境惡化，4項面值總值約為港幣62億元於內地早年批出的貸款資產出現信貸級別下調。盈利警告發出後，該等早年批出的貸款資產中，部分已出售予第三方。

本集團金融資產之減值損失支銷淨額由2018年上半年的港幣2.82億元增加至2019年上半年的港幣50.63億元，主要是由於上述貸款資產的信貸級別下調所致。因此，本集團的減值貸款比率由2018年12月底的0.70%，上升至2019年6月底的1.63%。香港業務的減值貸款比率由0.29%改善至0.26%，而內地業務的減值貸款比率則由1.73%上升至4.89%。

需要留意的是，若計及於6月底後所出售部分早年批出的問題貸款，則本集團的減值貸款比率為1.00%，而內地業務的減值貸款比率為2.72%。

扣除減值損失後之經營溢利為港幣1.21億元，減少港幣39.36億元，或97.0%。

出售通過其他全面收益按公平價值計量的金融資產所獲淨溢利增加111.3%，至港幣1.04億元。

出售持有作出售資產之淨溢利增加港幣7,200萬元，或694.7%，主要是由於2019年出售多項香港物業錄得溢利港幣1.05億元所致。

重估投資物業盈利減少至港幣1,800萬元。

集團應佔聯營公司之除稅後溢利為港幣3.28億元，較2018年同期增加港幣4,700萬元，或16.8%。

經計及所得稅後，除稅後溢利跌至港幣10.38億元，較2018年上半年錄得的港幣40.19億元下跌74.2%。

## 財務狀況

於2019年6月底，本集團綜合資產總額達港幣8,767.78億元，較2018年年底的港幣8,394.51億元增加4.4%。

客戶墊款總額上升2.1%，至港幣5,112.81億元，而貿易票據貼現則減少12.4%，至港幣128.26億元。

可歸屬於本集團股東權益總額增加1.6%，至港幣932.55億元，主要是由於在2019年首6個月錄得淨溢利達港幣10億元。

客戶存款總額增長1.4%，至港幣5,821.05億元。其中，活期存款和往來存款賬戶結餘減少港幣91.61億元，降幅為12.7%；儲蓄存款增加港幣12.58億元，增幅為1.0%；而定期存款則增加港幣158.94億元，增幅為4.3%。包括客戶存款及所有已發行存款證的存款總額增加2.1%，至港幣6,460.08億元。

於2019年6月底，貸款對存款比率為79.1%，而2018年年底則為79.1%。

於2019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20.3%、17.3%及15.3%。截至2019年6月30日止季度的平均流動性覆蓋比率為171.7%，遠高於2019年100%的法定下限。

## 委任聯席行政總裁

董事會通過於2019年7月1日委任李民橋先生(執行董事兼副行政總裁)及李民斌先生(執行董事兼副行政總裁)為本行的聯席行政總裁。

李民橋先生負責香港業務，而李民斌先生則執掌中國及國際業務，他們將攜手建立優秀的團隊，帶領本行繼續不斷進步和創新，以確保本行能滿足客戶的不同需要。

## 業務回顧

全球經濟狀況於2019上半年略為轉弱，令美國聯邦儲備局對未來利率走勢取態轉趨溫和。國際貿易的增速降至2008年金融危機以來的最低位。與此同時，中美貿易摩擦於2019年5月驟然升溫，打破市場對能短期內達成協議的樂觀預期，並為環球經濟增長前景加添不明朗因素。

受不明朗因素的影響，香港經濟在2019上半年僅錄得0.6%的增長，當中零售及出口表現疲弱；股市表現不佳，但住宅物業價格於今年首6個月攀升9.5%；失業率維持在2.8%，為20年來最低，而住宅供應量則依然緊張。

香港的經濟表現受到近期社會不穩定的情況所影響。若問題未能在短期內化解，緊張的氣氛將影響消費者和企業的信心，來港旅客亦會卻步。

受內部和外部多重因素影響，相信香港的經濟表現在年底前仍會受到拖累。隨着經濟信心轉弱，失業率可能會上升。與此同時，高企的樓價或會出現調整。預計2019年香港本地生產總值增長將介乎0.5至1.0%，而通脹率將回落至2.2%。

內地方面，中美貿易摩擦迫使美國進口商加快向中國內地以外的地方採購貨品。受此拖累，2019年首6個月的出口僅增加0.1%。中美關係緊張局勢升級，對企業及消費者信心帶來負面影響，導致內地零售增速放緩，今年首6個月增長8.4%，低於2018年全年9%的增幅。為減輕經濟氣氛轉差所帶來的影響，中央政府已推出一系列財政及貨幣相關的刺激措施。自2018年初以來，中國人民銀行已6次下調銀行最低存款準備金率。政府亦已推出個人及企業稅務相關的寬減措施。

展望未來，預期內地經濟將於下半年進一步轉弱。假如貿易糾紛遲遲未能解決，中國對美國的出口將會進一步受壓。此外，亞洲及歐洲經濟增長放緩將會打擊需求，而消費者情緒預期亦將進一步轉弱。預期2019年內地經濟增長會放緩至6.2%左右，而通脹率將維持在約2.2%的低位。

## 香港業務

截至2019年6月30日止6個月，東亞銀行香港的客戶貸款及貿易票據總額上升3.5%，客戶貸款增長4.9%，存款總額增加2.6%，而債券投資亦上升10.8%。

## 企業及商業銀行

企業銀行處於2019年初進行重組及擴展業務，為求滿足不同類型客戶的需要，至今已取得理想成果。

經營收入按年增加2.5%，當中淨利息收入及服務費及佣金收入淨額均錄得增長。資產質素保持穩健，減值貸款比率持續改善。

大型企業貸款增加，加上兩組專為服務中型企業而新加設的客戶經理，推動整體企業貸款期內增長4.3%。此外，本行亦成立商務理財部，為中小型企業提供適切的銀行服務。

為每個部門重新定位，讓其專注拓展不同市場的措施已見成效，成功帶動業務增長，新開立賬戶數量顯著增加。截至今年6月底，企業客戶的往來及儲蓄賬戶存款較2018年底上升4.9%。今年首6個月，本行透過政府中小企融資擔保計劃所批出的貸款，已超過2018年全年發放的有關貸款總額。

展望未來，企業銀行處將繼續簡化開戶程序、提振貿易融資業務，以及提升在交易銀行服務方面的能力，銳意為企業客戶提供全方位的金融服務方案。

## 零售銀行

今年上半年，本行的零售業務繼續表現良好。淨利息收入錄得雙位數增長，而服務費及佣金收入淨額亦有所上升。經營收入按年增加11.9%。

零售投資產品在2018年下半年表現疲弱，其後於今年年初有明顯改善，但市場氣氛於第二季再度轉差。整體而言，上半年投資產品銷售因去年同期基數較高而錄得下跌。

由於客戶對具保證回報的短期保險產品反應熱烈，壽險產品銷售錄得強勁增長。

擴大主要目標客戶群基礎的措施亦取得理想效果。本行為富裕客戶群而設的「顯卓理財」綜合戶口，新開立的賬戶數目於今年上半年錄得按年20%增長。隨著11間跨境金融服務中心的開設，新開立的內地客戶賬戶數目增長超過一倍。

為進一步增加客戶開戶數量，本行不斷提升手機應用程式功能，當中包括將於今年推出的手機遙距開戶功能。香港金融管理局提倡的開放應用程式介面框架第二階段亦即將推出，本行將透過與業務夥伴的合作，進一步開拓新客源。

本行亦正透過各分行及數碼渠道提升零售理財服務，以開拓新的服務費收入來源。為提升產品銷售，今年上半年分行銷售人員的數目已經增加18%。此外，本行已進一步完善手機應用程式所提供的服務，客戶現時可以使用手機應用程式填寫風險評估問卷，以及買賣掛鈎存款及單位信託基金，令銷售流程縮短，方便客戶購買各種投資產品。



## 財富管理

投資者信心於2019年上半年回升，私人銀行業務表現因而受惠。雖然投資產品收入未能回升至去年上半年的高水平，但較2018年下半年明顯好轉。

服務費及佣金收入淨額按年大致持平。因市場競爭劇烈，導致貸款息差收窄，淨利息收入因而有所下跌。整體而言，經營收入減少9.6%。

於2019年6月底，管理資產及貸款分別較2018年底上升9.5%及15.1%，升幅主要由大灣區新客戶所帶動。目前，來自大灣區客戶佔整體內地客戶的管理資產約30%，較一年前的20%有所上升。

展望未來，私人銀行業務將繼續聚焦中國市場，並已將大灣區鎖定為目標業務發展區域。與此同時，本行已擴大投資顧問團隊，以便更好地服務由其他部門轉介的客戶，尤其是企業銀行處的客戶。

## 保險及強積金服務

本行旗下全資壽險附屬機構—東亞人壽保險有限公司的新造保單保費收入按年錄得大幅增長，主要來自具保證回報的短期產品。在不穩定的投資環境中，該類型產品較受追求穩定回報的客戶青睞。於回顧期內，本行來自銷售東亞人壽產品的佣金收入增加52.2%。

於2018年11月，東亞人壽透過東亞銀行網站推出首個網上壽險產品。今年第三季度，該產品的銷售渠道將進一步伸延至東亞銀行手機應用程式。本行稍後將繼續透過網上及手機渠道推出更多保險產品，務求令其數碼平台所提供的產品更多元化。

儘管市場競爭激烈，但本行旗下全資一般保險附屬公司—藍十字(亞太)保險有限公司的保費收入保持平穩，而承保利潤則按年錄得雙位數字增長。

藍十字正積極強化其數碼平台，致力保持在保險科技發展的領先地位。藍十字已於今年4月推出全港首個將區塊鏈技術應用於醫療索償服務的手機應用程式。截至目前為止，該應用程式的下載量已超過25,500次，啟動率超過50%。於第三季，該應用程式將進一步伸延至涵蓋旅遊保險及其他一般保險產品。

於2019年6月底，東亞銀行旗下強積金計劃的成員總數增至超過805,000名，而管理資產則增至港幣265億元。自相關法例獲修訂後，東亞銀行於2019年4月為強積金客戶推出可扣稅自願性供款賬戶，初步反應令人鼓舞。本行將於第三季度推出網上登記功能，以進一步提高參與率。

## 中國內地業務

受經濟放緩及中美貿易糾紛的影響，中國內地營商環境於2019年上半年仍然充滿挑戰。

面對宏觀不明朗因素，東亞銀行的核心中國業務表現仍然強勁。撥備前經營溢利增加至港幣12.09億元，按年增長43.8%。淨利息收入按年增長50.2%至港幣28.24億元，淨息差於2019年6月底進一步擴闊62個基點，達至2.32%，而2018年底則為1.70%。息差擴闊主要受惠於互聯網平台聯合貸款業務的增長，及其相對較高的收益率。

內地經濟放緩，對非一線城市的影響最為明顯，而相關城市的商業地產市場尤其容易受到拖累。儘管東亞銀行近年持續降低其中國業務的風險水平，但仍有部分貸款與非一線城市的商業房地產相關。因此，四項內地早年批出的貸款，於2019年上半年出現信貸級別下調，導致產生重大的一次性除稅後減值損失。

因此，東亞銀行中國業務於2019年上半年錄得淨虧損港幣28.46億元。減值貸款比率於2019年6月底上升至4.89%，而2018年底則為1.73%。計及於6月底後出售部分減值貸款的因素，備考不良貸款比率約為2.72%。展望未來，東亞銀行將繼續審慎經營內地信貸業務，並積極管理減值貸款組合。

2019年6月底，東亞銀行中國業務的企業及個人客戶貸款總額為港幣1,462.35億元，按年減少3.7%。同時，客戶存款按年減少6.4%，至港幣1,773.97億元。

東亞銀行中國業務於2019年上半年繼續實行成本控制措施，並為未來的業務增長作出投資。六個月期間的經營支出為港幣21.06億元，按年上升32.2%，主要由於零售業務的相關投資以及向互聯網夥伴支付平台費用所致。除去上述的發展成本，經營支出按年減少4.4%。

東亞銀行中國業務的零售銀行轉型計劃已取得初步成果。透過與領先的互聯網平台公司合作發展消費金融業務，帶動零售貸款於本年度上半年增長68.4%。

未來，東亞中國將透過該等合作夥伴關係，進一步擴大互聯網消費貸款及信用卡業務。此外，東亞中國的零售銀行業務將進一步完善其產品及服務，尤其是在支付、存款及財富管理等範疇。

至於企業銀行業務方面，東亞中國繼續致力減低風險，並積極管理其業務組合。相關措施加上提升交易銀行及投資銀行等範疇的產品及服務能力，將為東亞中國打好基礎以進一步推動費用及佣金收入增長，並有助獲得低成本的存款。

於2019年上半年，東亞中國成功發行人民幣25億元的金融債券及人民幣15億元的二級資本債券。此外，本行於2019年6月向東亞中國額外注資人民幣20億元。該等措施將有助於東亞銀行中國業務的發展及拓展，以及進一步優化其資產負債表結構。

於2019年6月底，東亞中國於內地44個城市設有31間分行及68間支行。為進一步提高成本效益，東亞中國將於未來三年繼續優化其網絡。

## 國際、澳門及台灣業務

本行的海外業務於2019年上半年繼續錄得穩健的經營業績。

回顧期內，東亞銀行的海外分行採取審慎策略拓展其貸款業務，並且成功地加強與現有東亞銀行客戶的優質雙邊貸款關係，幫助客戶在境外投資，同時亦透過參與不同行業的銀團貸款及俱樂部貸款，為業內資產負債狀況穩健及業務前景樂觀的大型企業提供服務。於2019年6月30日，海外分行的貸款總額較2018年12月31日增長1.4%。

撥備前經營溢利按年下跌6.95%，主要是受到香港財務報告準則第16號「租賃」於2019年1月1日實施的影響，以及英鎊及新加坡元兌換港幣價格下降。另外，鑒於合規成本上升，成本對收入比率由2018年全年的32.7%略升至2019年上半年的34.5%。減值貸款比率輕微上升至0.54%。

英國及美國的分行仍然是本行海外貸款及收入增長的主要來源。兩地分行的貸款總額於2018年12月31日至2019年6月30日期間合計增長4.4%，而收入則按年增加2.2%。

亞洲其他地區（新加坡、馬來西亞、澳門及台灣）方面，本行的業務繼續面對各種挑戰。為有效應對，相關分行已採取防禦性策略，謹慎地開展新客戶業務，並著手處理財務狀況欠佳的現有賬戶。

展望未來，本行將繼續優化貸款組合以平衡風險及回報。此外，為盡量減低風險及合規支出日益增加的影響，各海外分行會繼續嚴謹控制營運成本。

### 東亞聯豐投資管理有限公司

東亞聯豐投資的管理資產於2019年上半年錄得19.7%的增長。有關增長主要得益於該公司的定息業務表現強勁，以及成功滲透中國內地、歐洲及亞洲其他地區的零售及機構客戶群。

因應零售投資者對具有固定投資年期的亞洲債券基金的需求日益增加，該公司於年初推出亞洲債券目標年期基金2022。

展望未來，該公司旗下全資附屬公司—東亞聯豐投資管理（深圳）有限公司現正向內地當局申請私募基金管理公司牌照，此牌照將讓該公司參與在岸投資，以及推出面向內地專業投資者的私募基金。

### 人力資源

東亞銀行集團於2019年6月30日的僱員人數為9,879人，分布如下：

來自持續經營業務	於2019年 6月30日	於2018年 12月31日	於2018年 6月30日
香港	5,497	5,376	5,144
中國內地	3,782	3,821	3,879
澳門及台灣	161	164	158
海外	439	435	422
總計	<u>9,879</u>	<u>9,796</u>	<u>9,603</u>

於2019年上半年，本行繼續宣揚審慎管理風險及致力為客戶帶來積極成果的企業文化。本行早前透過員工及客戶調查收集意見，並據此實施若干新措施。本行亦加強推廣「員工嘉許計劃」，以表揚展現模範表現的員工。同時，本行亦舉行一系列的互動分享會，與員工分享最佳實踐的事例。

為物色及培養具潛質的未來領導人選，以支持本集團的繼任安排，本行將於今年稍後時間實施新的高級行政人員人才發展框架。作為本行領導層及專業發展計劃的一部份，本行為高級經理提供高級行政人員領導能力培訓，為日常負責管理員工的經理提供績效管理培訓，為全體員工提供風險及合規培訓，為新入職員工提供有關核心價值的入職培訓，以及為全體員工提供行為守則培訓。此外，本行繼續積極推行見習管理人員計劃，為未來的領導職務培養人才。

作為關懷員工的僱主，本行於2019年進一步優化了醫療保障福利。

## **未來展望**

### **展望**

全球的政治經濟環境日益複雜多變，令銀行業面對的整體風險水平上升。中美貿易摩擦持續的時間愈長，中國經濟前景進一步轉差的機會便愈高。香港作為貿易中心，難免會受到貿易摩擦帶來的衝擊。社會不穩定令香港的情況更形複雜。歐洲方面，局勢漸趨不明朗，而英國在無協議的情況下脫歐的機會甚高。

與此同時，虛擬銀行興起，加上非銀行的金融科技方案持續發展，將為傳統銀行的商業模式帶來挑戰。資金成本或會隨著虛擬銀行爭取存款而上漲。傳統銀行為保持優勢，紛紛致力提升產品與服務，以及推出更多優惠，均會令經營支出面臨壓力。

展望未來，東亞銀行將透過多種途徑提高核心收入，包括擴大客戶基礎、提升客戶體驗及在內地推行零售業務轉型策略。同時，本行亦會繼續謹慎控制資產素質及風險，並致力降低資金成本。

### **擴大客戶基礎**

香港業務將專注拓展具高增長潛力的客戶群。東亞銀行將繼續在產品及服務層面不斷追求創新，以滿足本港富裕階層、年輕專業人士及千禧一代的需要及期望。

此外，本行將投入更多資源，致力加強對中小型企業的服務，以擴大本行在港的企業客戶基礎。同時，本行亦正提升其商業銀行服務能力，銳意為中型企業提供更佳的服務。

至於跨境業務，本行現正推動多項重大改革，主要範疇包括提供針對性產品予客戶、推行環球客戶關係管理、推動中港兩地及海外的業務合作，以及令客戶基礎更多樣化。

### **提升客戶體驗**

為提升客戶體驗，本行將繼續加強其數碼服務，亦不斷為香港手機銀行平台增添新功能，今年稍後時間客戶便可以直接透過流動通訊設備開立新戶口。此外，本行亦正在提升其香港地區的企業電子網絡銀行服務平台，務求為企業客戶提供更方便的網上銀行服務。

與此同時，東亞中國亦正進一步發展其數碼銀行服務平台。東亞中國在最近的手機銀行應用程式更新中，加入了面容識別提取現金和二維碼掃描兩大功能。

## **中國零售業務轉型**

東亞中國的零售業務轉型包含三大關鍵元素：分別為科技、風險管理與合規，以及夥伴關係。

科技在東亞中國進一步擴大業務版圖的計劃中發揮重要作用，同時亦有助提升客戶體驗、改善風險管理及提高效率。

隨著內地監管機構實施措施以有序地化解影子銀行的風險，借貸活動現正回流銀行體系。憑藉在相關市場的豐富經驗，東亞中國已作好準備，迎接有關政策帶來的機遇。

同時，東亞中國亦透過與互聯網平台公司建立夥伴關係，成功吸引新客戶及擴大零售貸款產品組合。東亞中國已準備就緒，為靈活、可靠且業務遍布全國各地的合作夥伴提供創新的方案。

## **大灣區**

東亞銀行於大灣區擁有龐大的服務網絡，在香港、澳門和廣東的9個城市設有100個網點。除了持牌銀行業務外，東亞銀行亦是全牌照證券公司—東亞前海證券有限責任公司的第一大股東。

人流、物流和資金流相輔相成，有望為本行締造重大商機。東亞銀行將會專注為大灣區的企業和個人客戶推出跨境支付、貿易融資、理財和專業服務。

## **成本管理**

東亞銀行會繼續採用嶄新技術以提升效益。採用機械人流程自動化技術，可取代重複的人手工作，這有助提升本行員工的生產力之餘，最終亦可為客戶帶來更稱心的服務體驗。同時，遙距開戶服務採用了先進的面容識別技術以進行身份驗證，有助簡化申請流程及縮短處理時間。

為降低資金成本，本行已多管齊下，透過推出新的儲蓄產品，致力為各業務部門吸納低成本存款，效果理想。

內地方面，本行將繼續提升內地的貿易融資及現金管理業務，從而獲取低成本存款以進一步降低資金成本。

## **資產素質**

鑑於內地的營商環境料依然嚴峻，東亞銀行將積極管理信貸風險較高，以及較受經濟周期影響行業的貸款業務。

香港及海外業務的資產素質維持穩健。本行將繼續密切注視宏觀經濟、政府政策和流動資金情況，並審慎管理其資產質素。

## 風險管理

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

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括四名獨立非執行董事（包括委員會主席）及兩名非執行董事。風險委員會直接監督本集團機構風險偏好的制定，並設定本集團因應其財務能力、策略性指引、當前市場情況以及監管要求而可承擔的風險水平。

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

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

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

- 第一道防線為「風險負責人」，由總行各分處／部門主管及各重要附屬公司主管，連同其屬下職員組成，主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由總行指定的分處／部門主管組成。在其本身所屬分處／部門的支援下，風險監控人負責制定風險管理管治架構、獨立監督風險及輔助各管理委員會監控風險管理。
- 第三道防線為稽核處。稽核處負責為本集團風險管理架構（包括風險管治安排）的有效性提供保證。

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



本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並定期予以檢討及改善，以配合市場轉變、法定要求，以及達致風險管理程序的最佳做法。董事會已將持續管理風險的責任授予風險委員會及有關的管理委員會。與重要風險管理相關的事項須上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

壓力測試為本集團風險管理的重要部分。本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括中國內地及香港出現嚴重經濟下滑等假設情景)對本集團的財務狀況，尤其是資本充足、盈利能力及流動性可能產生的影響。有需要時，管理層亦會果斷制定並執行應對措施以減低潛在影響。

#### **(a) 信貸風險管理**

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報信貸風險。在此方面，本集團已將信貸風險管理指引詳列於集團的信貸風險管理手冊內，對信貸權限授權、授信準則、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，以及達致風險管理程序的最佳做法。

#### **(b) 市場風險管理**

市場風險是指由市場因素，例如利率、外匯、股票價格及商品價格的不利變動而導致本集團在溢利或虧損的風險。市場風險管理旨在減少市場因素的波動為本集團帶來的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

透過衍生工具進行自營交易及向客戶出售衍生工具以用作風險管理產品，為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

就此，必須管理的市場風險主要類別如下：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外匯風險以主要貨幣計值，當中以美元及人民幣為主。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外幣持倉主要源自於本集團對分行、附屬公司和聯營公司的外幣投資，其有關的溢利或虧損因為已撥入儲備，所以未計算在風險值內。此等結構性外幣持倉的主要目的，是對沖因匯率變動而對本集團資本充足比率產生的部分或全部不利影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

(ii) 利率風險

本集團的交易組合中的利率持倉來自財資及商業銀行業務的動態對沖。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團進行風險活動時所產生的相關市場風險，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度假設於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過歷史模擬法評估本集團交易組合的風險值，其按從歷史觀察期中截獲的每個市場波動情景對有關組合進行重新估值以計算風險值。該方法是依據1日持倉期、99%置信水平以及過往兩年觀察期來推算市場利率與價格的波動。



上市股份的市值、私人股份基金及非上市股份（統稱「非上市證券」）的公平價值均由本集團投資部按限額管理。非上市證券及非交易上市股份是根據特定限額管理，且不包括在交易股份持倉的風險值計算內。資產負債管理委員會須定期檢討該限額。

#### 風險值統計

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

  

	2018年上半年			
	於6月30日	最高	最低	平均
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
交易活動的風險值總額	38	41	34	38
外匯交易持倉的風險值*	14	14	7	10
利率交易持倉的風險值	6	8	5	7
股份交易持倉的風險值	24	32	23	27

\* 包括所有外匯持倉但不包括結構性外匯持倉。

於2019年上半年，所有交易活動（包括外匯、利率及股份交易活動）所得的每日平均收入為港幣274萬元（2018年上半年的每日平均收入為港幣248萬元）。期內每日盈虧標準差為港幣844萬元（2018年同期標準差為港幣1,050萬元）。

#### (c) 營運風險管理

營運風險是指由於內部流程、人員和系統的不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統及有效地識別、評估、監控及匯報本集團的營運風險；減少任何營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、風險評估、關鍵風險指標、營運手冊、保險政策等。

#### (d) 流動性風險管理

流動性風險是指本集團因未能獲得充足資金投入而可能無法履行到期責任的風險（資金流動性風險）；或因市場深度不足或市場失序，本集團非得大幅降低市場價格的情況下無法輕易迅速變現資產的風險（市場流動性風險）。

流動性風險管理是為了確保本集團維持充足的現金流量以履行所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足提款要求，在借款期滿時能夠還款，掌握貸款和投資的機會，以及符合所有有關流動性風險管理的法定規定，包括流動性覆蓋比率及穩定資金淨額比率。

本集團通過定期評估定性及定量的風險因素檢討風險狀況，根據董事會每年批准的適用於流動性風險的風險偏好釐定其現行風險承受範圍。資產負債管理委員會獲董事會授權，負責監察本集團的流動性風險管理。資產負債管理委員會由各業務、司庫、風險管理及財務單位的管理層出任以共同制定資金戰略方案。資產負債管理委員會制訂管理流動性風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各既有監控架構的合規情況，以及是否需要改變策略及政策。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部負責監察與流動性風險相關的活動。稽核處會定期作出檢討，確保流動性風險管理功能得以有效執行。

流動性覆蓋比率及穩定資金淨額比率的法定要求是本集團對流動性風險管理的嚴格監管制度部份之一。為確保遵守監管要求，本集團考慮過其流動性風險偏好後，為流動性覆蓋比率及穩定資金淨額比率設定的內部目標均高於上述監管規定水平。此外，資產負債管理委員會會定期檢閱流動性覆蓋比率及穩定資金淨額比率的重大變動，並提出建議補救措施，以應對來自（但不限於）存款基礎的組成及其餘下到期期限、不同到期期限的貸款活動以及本集團資產及負債組合策略所產生的不利變動。在規劃資產及負債組合策略時，本集團的相關業務單位就資產增長及資金結構對流動性覆蓋比率及穩定資金淨額比率的影響提交評估，以供資產負債管理委員會檢討和作出決策。

為有效地管理流動性覆蓋比率及穩定資金淨額比率，本集團特別著重存留忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業以及批發市場資金之間保持平衡，避免資金集中於任何一種來源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，以此維持本行於本地金融市場的地位及優化資產及負債的期限。

除了緊守法定的流動性覆蓋比率及穩定資金淨額比率外，本集團已設立不同的流動性指標，以衡量及分析流動性風險，包括（但不限於）貸存比率、累積到期錯配比例、資金集中比率、集團內公司之間風險限額以及跨貨幣資金比率。本集團維持充足的優質流動資產，作為能夠在資金受壓時取用的流動資金緩衝。為滿足流動性覆蓋比率所需的優質流動資產包括：現金、外匯基金票據和債券、優質的政府債務票據，以及其他同等的而可供出售的流動資產，其中大部分優質流動資產以港幣計值。本集團維持應急資金來源，能提供策略性的流動資金，以應付未能預計及大量的資金需求。

內部方面，集團內公司間的融資交易乃按一般正常公平交易原則進行，處理方式與第三方交易一致，並會定期進行監察及適當控制。由於本集團大部分流動性風險來自資產與負債組合之間的期限錯配差距，本集團會透過使用本行的管理資訊系統，定期對一系列時間內的資產負債表內、外項目進行現金流量分析及預測，確定特定時間組別的資金需要，從而管理流動性風險。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過適用的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景—即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機—均採用金管局監管政策手冊LM-2「穩健的流動性風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，訂立內部限額，並制訂應急資金政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急資金政策旨在提供防患未然的積極措施，並訂明以下3個階段：

1. 本集團運用預早警報指標，當中包括質量性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在情況需要時會考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由聯席行政總裁擔任該委員會的主席，該委員會專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急資金政策。應急資金政策如有任何重大變動，必須取得董事會的批准。

#### **已發行存款證、債務證券及借貸資本**

於2019年上半年，東亞銀行發行了面值為港幣1.5億元及5.16億美元的浮息存款證及債務證券；面值為港幣55.27億元、8.48億美元及人民幣25億元的定息存款證及債務證券；以及面值為港幣23.03億元、20.70億美元、人民幣116.30億元、1.18億英鎊、6.51億歐元及5,000萬瑞士法郎的零息存款證及債務證券。本集團於到期時贖回的各類存款證及債務證券達等值港幣505.93億元。

於2019年6月底，已發行在外的存款證及債務證券面值相等於港幣674.95億元，賬面值則相等於港幣670.09億元。

已發行存款證及債務證券的年期  
於2019年6月30日  
(以百萬元位列示)

	總面值	到期年份		
		2019	2020	2022
<b>浮息</b>				
港幣	150		150	
美元	948	412	536	
<b>定息 (附註)</b>				
港幣	7,287	4,567	2,720	
美元	969	300	669	
人民幣	2,500			2,500
英鎊	25	25		
日圓	1,500	1,500		
瑞士法郎	30	30		
<b>零息</b>				
港幣	2,550	250	2,300	
美元	2,279	1,715	564	
人民幣	13,640	6,790	6,850	
英鎊	258	138	120	
瑞士法郎	50	50		
歐元	316	266	50	
<b>所有已發行存款證及債務證券 (港幣等值)</b>	<b>67,495</b>	<b>36,231</b>	<b>28,419</b>	<b>2,845</b>

附註：

已就管理已發行長期存款證及債務證券附帶的利率風險，安排認為必要的相關利率掉期。

於2019年6月上半年，東亞銀行已發行面值相等等於人民幣15億元的定息借貸資本。

於2019年6月底，已發行的借貸資本面值相等等於港幣142.08億元，賬面值則相等等於港幣141.93億元。

借貨資本的年期  
於2018年6月30日  
(以百萬元位列示)

	總面值	到期年份			
		2020	2024	2026	2029
美元(附註1及2)	1,600	600	500	500	
人民幣(附註3)	1,500				1,500
<b>所有已發行借貨資本 (港幣等值)</b>	<b>14,208</b>	<b>4,688</b>	<b>3,907</b>	<b>3,907</b>	<b>1,706</b>

附註：

1. 將於2024年到期的5億美元借貨資本於2019年11月20日可贖回。
2. 將於2026年到期的5億美元借貨資本於2021年11月3日可贖回。
3. 將於2029年到期的人民幣15億借貨資本於2024年4月25日可贖回。

**(e) 利率風險管理**

利率風險是指本集團的銀行賬冊持倉受到不利的利率走勢對其盈利及經濟價值造成不利的影響所帶來的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

利率風險主要是由銀行賬冊內利率敏感性資產、負債及資產負債表外項目在再定息時的時差所致。釐定利率風險水平時，對差距風險、息率基準風險及期權風險進行評估。本集團管理銀行賬冊上的利率風險主要集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解利率敏感性資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距持倉限額，以控制本集團的利率風險。

由2019年7月1日起，若干資產的選擇權和習性假設將會因應金管局的要求於風險承擔計量中估算。

本集團定期進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中包括金管局規定的不同利率衝擊假設情景。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果會定期向資產負債管理委員會匯報。

**(f) 策略性風險管理**

策略性風險是指因本集團營運環境變動、不良策略決策、決策實施不當或對行業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及資金策略下的活動，並於適當情況下定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團亦根據資本充足比率預計及內部資本充足評估程序狀況決定未來所需的資本，以評估因支援本集團在風險可承受水平上所需的資本資源水平及結構。

**(g) 法律風險管理**

法律風險是指出現因合約未能執行、訴訟或判決不利的情況，可能對本集團的營運或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

如有需要，本集團會提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並於有需要時向員工發出提示。當處理法律事宜，本集團諮詢合資格內部人員，並於必要及適當的情況下聘請具備相應專業知識的外聘律師（包括大律師及資深大律師）。

營運風險管理委員會負責監督本集團的法律風險管理。

**(h) 信譽風險管理**

信譽風險是指因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及／或收入減少。

信譽風險管理的目的在於識別、評估、監控、匯報及緩減信譽風險，以及確保符合相關監管規定的要求。

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽。

本集團制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽。本集團已建立事件應對及管理指引，以快速應對並管理未能預期的事件，並已制定媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體。

營運風險管理委員會負責監督本集團的信譽風險管理。



## **(i) 合規風險管理**

合規風險是指因未能遵守適用於本集團業務活動的法例、規例、規則、相關自我監管機構所定的標準及行為守則而引致的法律及監管制裁、罰金或罰款、財務損失，或令聲譽受損而導致本集團可能損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險，並採用風險為本的方式對本集團主要職能進行獨立合規監察審查。

## **(j) 科技風險管理**

科技風險是指因技術程序、人員及／或計算系統不足或出現故障；或因未經授權使用或破壞技術資源(尤其在涉及網絡安全及電子銀行時)導致本集團損失的風險。

為應對日漸上升的網絡安全威脅，本集團已根據既定風險偏好級別投入充足的網絡安全資源和實施適當的控制措施。本集團已制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全。

本集團亦已為科技風險設立妥善管理框架。處於集團頂層的董事會及其指定委員會負責對本集團科技風險的整體管理，統領各工作小組及「三道防線」解決個別領域的問題。

本集團繼續落實全面的控制政策、標準、指引及程序，確保充分實施與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估，以及資料保密及完整性相關的控制措施。

## **(k) 新產品及業務風險管理**

新產品及業務風險是指本集團在新產品推出、現有產品結構性變動及新業務運作(即透過設立新附屬公司及／或合併和收購)時，未充分預先評估其重大潛在風險，而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動性風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險。

本集團已建立穩健風險管治架構，並以全面的控制指引及程序確保其實施。結構嚴密而有序的評估程序，確保本集團在推出新產品或業務前對潛在重大風險作出適當評估、審查及記錄。該程序亦有助高層管理人員監督新產品及業務。

每一個新產品的推出，須通過審批過程，包括業務和財務分析和風險評估。這些新產品首先由新產品評審工作組審核及評估，再由新產品及業務風險管理督導組認可及由風險管理委員會批准。新產品評審工作組由支援職能的部門主管及風險監控代表組成；而督導組的主席為集團風險總監，並由支援職能的處級主管組成。

## (I) 持續業務運作風險管理

持續業務運作風險是指因事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵紀錄等相關損失而引致。

為管理持續業務運作風險，本集團已制定全面的政策、指引及手冊。本集團所有個別職能單位均進行業務影響分析及制定業務持續規劃。

本集團每年進行演習以測試業務持續規劃是否備妥及有效。

## 企業社會責任

本集團的社區投資計劃已定下三個核心範疇：教育、社會福利及環境。東亞銀行集團及東亞銀行慈善基金透過舉辦義工活動、慈善捐獻及其他援助方式，支持一系列在上述三個核心範疇下的主要項目。

本行於1919年1月正式開業，意味著本行至今已成立一百周年，因此2019年對本行而言別具意義。為慶祝創行一百周年，本行今年推出多項計劃，以強調我們與香港市民繁榮共進、謀求福祉的承諾。

1月，本行與九間非政府機構攜手舉辦社區午宴，款待約1,200名香港長者，約有200名東亞銀行代表，包括東亞銀行的高級管理層及員工義工參與該項活動。此外，東亞銀行亦與東華三院攜手推出「Teen Café青少年身心健康推廣計劃」（「Teen Café計劃」），進一步全力支持香港青少年的發展。我們更鼓勵客戶、商業夥伴及其他相關人士，把致送給本行的花籃或其他禮物轉化為善款支持Teen Café計劃。截至2019年1月底，所籌得的善款約港幣180萬元，有關款項將用作支持東華三院於未來數年為青少年提供的心理健康支援服務，每年可惠及約600名青少年。

2019年3月，本行連續第4年冠名贊助「公益金東亞慈善高爾夫球賽」，為香港公益金會員機構轄下的精神健康服務籌得善款近港幣230萬元。

2019年5月，東亞銀行慈善基金公布獲得「東亞銀行展毅獎學金」的學生名單。東亞銀行慈善基金根據學生的個人成就、經濟狀況和未來志向等多項因素，選出10位有特殊教育需要的大學生接受獎學金。

東亞銀行相信，金融知識於現代社會生活中不可或缺，大眾可根據相關知識作出明智決定，謹慎理財。1月，本行舉辦年度「經濟及市場展望」研討會，並邀請多位地產、股票和外匯專家擔任演講嘉賓，向逾650位企業和個人客戶分享不同資產類別的最新市場概況。3月，本行亦響應「香港理財月2019」活動，多次接待到訪本行的中學生，向他們講解銀行如何因應客戶人生不同階段的需要提供適切的服務。此外，本行於上半年與基督教勵行會、香港基督教服務處、香港華人基督教聯會及救世軍港澳軍區等多間非政府機構合作，為中小學生、弱勢社群及長者舉辦多場工作坊。至於青年人方面，本行亦特別聯同香港科學園合辦「東亞銀行100周年金融科技挑戰賽」，邀請本地大學生參加。評審委員會在創意、功能、可行性及參賽隊伍臨場演說技巧等多方面對計劃書進行評審。



回顧期內，本行不斷尋求各種方式來降低我們業務對環境構成的影響。去年，我們於東亞銀行中心天台採用環保節能石英燈，以取代原有的泛光燈，預期可將天台照明用電量減少70%。

同時，總行的水冷式冷氣機組已進行升級，應能將每年的冷氣能源消耗量及耗水量分別減少約5%和10%。

2019年6月，本行為本地及駐海外的高級行政人員舉行了一場關於環境、社會及管治的工作坊，旨在讓他們對可持續發展議題有更深入的了解，並明白提高集團上下對環境、社會及管治水平的重要性。

東亞銀行通過本集團的企業社會責任工作小組，確保轄下各業務單位於回顧期內全面遵守本集團的企業社會責任政策、環境政策及其他相關守則及指引。

有關東亞銀行的社區投資活動以及在環境、社會及管治方面的表現，請參閱本集團的《環境、社會及管治報告》以獲得更多資訊，該報告已上載於本行網頁[www.hkbea.com](http://www.hkbea.com)（關於東亞銀行／企業社會責任）。

## 獎項

本行於2019年上半年表現卓越，先後獲頒發多個獎項，包括：

- 香港中小型企業總商會之「中小企業最佳拍檔獎2019」（連續第12年獲獎）；
- 華富財經（香港）有限公司之「華富財經傑出企業大獎2018－傑出中小企業服務機構（銀行）」（連續第6年獲獎）；
- 《全球品牌》雜誌「全球品牌大獎2018之『香港最佳數碼銀行』及『香港最佳零售銀行』」；
- 新城財經台「香港企業領袖品牌2019之『卓越創新智能銀行服務品牌』」；
- 經濟通「金融科技大獎2018之『傑出智能生活理財平台』」；
- 《Marketing》雜誌「手機市場推廣卓越大獎2019之『最佳手機程式－銀行服務』金獎、『最佳手機程式－生活／娛樂』金獎、『最佳手機程式－革新』金獎、『最佳用戶體驗』銀獎及『最創新手機科技應用』銀獎」；
- 《財資》雜誌「Triple A數碼服務大獎2018之『香港最創新手機銀行程式』」；
- 《亞洲銀行家》「年度國際卓越零售金融服務獎項計劃2019之『亞太區年度最佳商戶支付服務』」；
- 《彭博商業周刊》（中文版）「金融機構大獎2019之『數碼創新一卓越大獎』、『分行創新服務－卓越大獎』、『整合營銷策略（公司品牌推廣）－卓越大獎』及『手機應用銀行服務－傑出大獎』」；
- 銀聯國際之「港澳區創新獎項－發卡創新獎（雲閃付APP）」；
- 銀聯國際之「『商戶UPOP交易量獎2018』金獎」。

此外，東亞銀行(中國)有限公司亦榮獲以下殊榮：

- 《中國經營報》之「新時代金融機構影響力獎」；
- 中國外匯交易中心暨全國銀行間同業拆借中心之「『2018年度遠掉最具做市潛力會員獎』、『2018年度最佳綜合會員獎』及『2018年度銀行間本幣市場活躍交易商』」；
- 界面•財聯社之「2018中國好公司金融榜」。

於2019年上半年，藍十字(亞太)保險有限公司獲亞洲金融科技師學會頒發「IFTA金融科技成就大獎2018—保險科技白金獎」，而東亞銀行(信託)有限公司之「東亞(強積金)享惠計劃」亦獲積金評級有限公司之「積金評級2019年度強積金計劃評級及獎項」頒予金級。

東亞聯豐投資管理有限公司(「東亞聯豐投資」)表現卓越，先後獲頒發多個獎項。

頒予東亞聯豐投資：

- 「Refinitiv理柏基金香港年獎2019」之「香港強積金最佳團體大獎—混合型資產」。

頒予東亞聯豐亞洲債券及貨幣基金：

- 《亞洲資產管理》之「2019年度最佳亞洲債券基金」(按其過往10年業績)。

頒予東亞聯豐人民幣核心債券基金：

- 「Refinitiv理柏基金香港年獎2019」之「最佳人民幣債券基金」(按其過往3年業績)。

頒予東亞(強積金)享惠計劃—東亞大中華追蹤指數基金：

- 「Refinitiv理柏基金香港年獎2019」之「最佳大中華股票強積金基金」(按其過往3年業績)。

## **董事資料的變動**

根據《上市規則》第13.51B(1)條，自刊發本行2018年報起直至2019年8月21日(為通過本行2019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：

### **於本行所擔當職位的變動**

陳健波議員辭任本行獨立非執行董事、風險委員會主席及審核委員會委員，由2019年6月1日起生效。

唐英年博士獲委任為風險委員會主席，由2019年6月1日起生效。

李國寶爵士退任本行行政總裁之職，調任為執行主席，並繼續出任本行執行董事、董事會主席及提名委員會委員，由2019年7月1日起生效。其受聘為本行執行主席的僱傭合約的任期為3年，由2019年7月1日起生效，並將於2022年6月30日屆滿。

李民橋先生及李民斌先生獲委任為本行聯席行政總裁，由2019年7月1日起生效。

## 有關擔任其他公司董事職務及其他主要任命的變動

<u>董事姓名</u>	<u>其他公司董事職務及任命</u>
李國寶爵士	辭任香港銀行同業結算有限公司之董事及獲頒授金融學院院士
李家傑博士	獲委任為恒基兆業地產有限公司之主席兼董事總經理及香港中華煤氣有限公司之主席(兩間公司均在香港上市)
李民橋先生	停任西班牙上市公司Abertis Infraestructuras, S.A.之國際諮詢委員會(已解散)成員及獲委任為香港公益金執行委員會成員、救世軍港澳軍區顧問委員會成員及香港華商銀行公會主席
李民斌先生	辭任交通意外傷亡援助諮詢委員會主席
黃永光博士	辭任香港特區政府可持續發展委員會成員
奧正之先生	辭任花王株式會社(Kao Corporation)及松下電器產業株式會社(Panasonic Corporation)(兩間公司均在日本上市)的獨立非執行董事及獲委任為Rengo Co., Ltd.及麗嘉皇室酒店(The Royal Hotel, Limited)(兩間公司均在日本上市)的獨立非執行董事

## 有關董事酬金的變動

於2019年4月1日至2019年6月30日期間，支付予本行當時的行政總裁李國寶爵士的年度基本薪酬已由港幣1,130萬元增加至港幣1,170萬元。在調任為執行主席於2019年7月1日生效後，除董事會主席袍金和提名委員會成員酬金外，李爵士將收取每年薪金約為港幣1,180萬元，並可享有按本行薪酬政策規定而釐定的酌情賞金和認股權。

在獲委任為聯席行政總裁於2019年7月1日生效後，李民橋先生及李民斌先生分別將收取每年薪金約為港幣750萬元，並可享有按本行薪酬政策規定而釐定的酌情賞金和認股權。

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。

## 董事及行政總裁權益

於2019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	85,192,183	98,805,950 <sup>1</sup>	3.41
	配偶的權益	2,203,003		
	法團的權益	255,955		
	遺產執行人	11,154,809		
李國章	實益擁有人	13,052,823	41,644,925 <sup>2</sup>	1.44
	法團的權益	17,437,293		
	遺產執行人	11,154,809		
黃子欣	實益擁有人	461,721	17,776,857 <sup>3</sup>	0.61
	配偶的權益	136		
	酌情信託的成立人 及受益人	17,315,000		
李國星	實益擁有人	1,221,941	18,428,568 <sup>4</sup>	0.64
	配偶的權益	24,298		
	法團的權益	17,182,329		
羅友禮	—	—	無	無
李國仕	實益擁有人	11,684,939	13,934,042 <sup>5</sup>	0.48
	子女的權益	190,471		
	遺產管理人	1,812,034		
	酌情信託的受益人	246,598		
范禮賢	—	—	無	無
李家傑	法團的權益	679,000	679,000 <sup>6</sup>	0.02
李民橋	實益擁有人	1,079,032	3,159,076 <sup>7</sup>	0.11
	子女的權益	7,714		
	酌情信託的財產 授予人／成立人	2,072,330		
李民斌	實益擁有人	2,465,629	3,281,190 <sup>8</sup>	0.11
	法團的權益	815,561		

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
黃永光	-	-	無	無
奧正之	-	-	無	無
范徐麗泰	-	-	無	無
李國榮	-	-	無	無
唐英年	-	-	無	無
李國本	-	-	無	無

附註：

- 1 李國寶為85,192,183股的實益擁有人。由於其配偶潘金翠擁有2,203,003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255,955股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,154,809股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批11,154,809股（請參閱下列附註2）。
- 2 李國章為13,052,823股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的17,437,293股，該公司為李國章全資擁有。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,154,809股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批11,154,809股（請參閱上列附註1）。
- 3 黃子欣為461,721股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的17,315,000股。
- 4 李國星為1,221,941股的實益擁有人。由於其配偶吳伊莉擁有24,298股之權益，他亦被視為擁有該等股份。李國星因全資擁有Hope Lake Ltd.而被視為擁有該公司所持有的17,182,329股。
- 5 李國仕為11,684,939股的實益擁有人。他亦被視為擁有由其女兒持有的190,471股。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1,812,034股。而由於李國仕的女兒為一個酌情信託Longevity Trust（「該信託」）的一位受益人，李國仕亦被視為擁有該信託所持有的246,598股。  
  
於2019年7月2日，本行收到通知，於2019年6月29日李國仕將其女兒持有的190,471股及以受益人身份擁有該信託持有的246,598股權益的實際投票權轉回其女兒。據此，於2019年6月30日，李國仕擁有的權益總數減低至13,496,973股（相等於本行於2019年6月30日已發行股份約0.47%）。
- 6 李家傑被視為擁有由Successful Lotus Limited持有的679,000股，該公司為李家傑全資擁有。
- 7 李民橋為1,079,032股的實益擁有人。他亦被視為擁有由其18歲以下子女持有的7,714股。李民橋自願披露其作為財產授予人／成立人的一個酌情信託所持有的2,072,330股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 8 李民斌為2,465,629股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的815,561股，該公司為李民斌全資擁有。

## II. 本行相關股份(就股本衍生工具而言)的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2019年6月30日止6個月內的資料，見於本報告「認股權資料」項下。

## III. 混合一級資本工具的權益：

黃子欣為下列資本工具的實益擁有人<sup>附註</sup>：

發行人	證券種類／類別	債權證數額	股份數目
東亞銀行有限公司	後償票據	7,000,000美元	-
Innovate Holdings Limited	優先股	-	7,000
東亞銀行有限公司	替代優先股(尚未發行)	-	7,000

附註：本行於2009年11月發行面值為5億美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步升後償票據(票據息率為年利率8.5%)(「2059票據」)，以及由本行全資附屬公司Innovate Holdings Limited 發行之永久非累積步升優先股(「Innovate優先股」)。2059票據連同Innovate優先股以不可分拆單位形式於新加坡交易所上市。替代優先股(永久非累積步升優先股)由本行設立及將於發生替代事件(定義見日期為2009年11月11日本行發出之致股東通函)時發行以作為發行2059票據及Innovate優先股的條款之一。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

## 認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2019年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30/6/2019 尚未行使
		於01/1/2019 尚未行使	授出	行使	失效／註銷	
李國寶	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	668,000	0
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	—	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	—	—	—	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	—	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	—	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	—	—	—	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	—	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	—	668,000
	08/4/2016 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	—	666,000
	08/4/2016 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	—	668,000
	07/4/2017 <sup>a</sup>	666,000 <sup>T1</sup>	—	—	—	666,000
	07/4/2017 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	—	666,000
	07/4/2017 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	—	668,000
	10/4/2018 <sup>a</sup>	666,000 <sup>T1</sup>	—	—	—	666,000
	10/4/2018 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	—	666,000
	10/4/2018 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	—	668,000
李民橋	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	218,000	0
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	216,000	0
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	216,000	0
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	—	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	—	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	—	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	—	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000
07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	—	216,000	
07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000	
10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000	
10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	—	216,000	
10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	—	218,000	

姓名	授予日期	認股權數目				於30/6/2019 尚未行使
		於01/1/2019 尚未行使	授出	行使	失效／註銷	
李民斌	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	218,000	0
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	216,000	0
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	216,000	0
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000
	07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	–	216,000	
10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	–	218,000	
其他僱員的總數*	05/5/2011 <sup>a</sup>	686,000 <sup>T3</sup>	–	–	686,000	0
	10/5/2012 <sup>a</sup>	582,000 <sup>T2</sup>	–	–	582,000	0
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	–	–	–	636,000
	03/5/2013 <sup>a</sup>	632,000 <sup>T1</sup>	–	–	632,000	0
	03/5/2013 <sup>a</sup>	632,000 <sup>T2</sup>	–	–	–	632,000
	03/5/2013 <sup>a</sup>	686,000 <sup>T3</sup>	–	–	–	686,000
	02/5/2014 <sup>a</sup>	714,000 <sup>T1</sup>	–	–	–	714,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T2</sup>	–	–	–	844,000
	02/5/2014 <sup>a</sup>	849,500 <sup>T3</sup>	–	–	–	849,500
	04/5/2015 <sup>a</sup>	882,000 <sup>T1</sup>	–	–	–	882,000
	04/5/2015 <sup>a</sup>	882,000 <sup>T2</sup>	–	–	–	882,000
	04/5/2015 <sup>a</sup>	886,000 <sup>T3</sup>	–	–	–	886,000
	08/4/2016 <sup>a</sup>	632,000 <sup>T1</sup>	–	–	–	632,000
	08/4/2016 <sup>a</sup>	898,000 <sup>T2</sup>	–	–	–	898,000
	08/4/2016 <sup>a</sup>	942,500 <sup>T3</sup>	–	–	–	942,500
	07/4/2017 <sup>a</sup>	982,000 <sup>T1</sup>	–	–	–	982,000
07/4/2017 <sup>a</sup>	982,000 <sup>T2</sup>	–	–	–	982,000	
07/4/2017 <sup>a</sup>	986,000 <sup>T3</sup>	–	–	–	986,000	
10/4/2018 <sup>a</sup>	1,077,000 <sup>T1</sup>	–	–	–	1,077,000	
10/4/2018 <sup>a</sup>	1,077,000 <sup>T2</sup>	–	–	–	1,077,000	
10/4/2018 <sup>a</sup>	1,083,500 <sup>T3</sup>	–	–	–	1,083,500	



姓名	授予日期	認股權數目				於30/6/2019 尚未行使
		於01/1/2019 尚未行使	授出	行使	失效/註銷	
其他參與人**	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	100,000	0
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	100,000	0
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	50,000	0
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	15,746 <sup>T3</sup>	-	-	-	15,746
	08/4/2016 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	10/4/2018 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	10/4/2018 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	10/4/2018 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000

\* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

\*\* 其他參與人指三位本行前僱員。在其終止為本行僱員前已獲授予該等認股權。

附註：

a 於2011年至2018年授予的認股權詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25

(2) 在截至2019年6月30日止6個月內並無認股權被註銷。

(3) 有關認股權的會計政策：

認股權的行使價為以下之較高者：

(a) 於授出認股權當日本行股份在聯交所日報表的收市價；及

(b) 相等於緊接授出有關認股權當日之前5個營業日，本行股份在聯交所日報表的平均收市價。

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

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

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

除上述所披露外，於2019年6月30日，本行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

## 主要股東及其他人士的權益

於2019年6月30日，根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）所紀錄，主要股東及其他人士擁有本行的股份及相關股份的權益如下：

本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	佔已發行 有投票權 股份的百分率
三井住友銀行	實益擁有人	510,003,673 <sup>1</sup>	19.01
三井住友金融集團	法團的權益	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d' Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	464,287,319 <sup>2</sup>	17.30
國浩管理有限公司	實益擁有人	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
國浩集團有限公司	法團的權益	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	法團的權益	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	法團的權益	369,755,978 <sup>3</sup>	14.15
郭令燦	法團的權益	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	法團的權益	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	法團的權益	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	法團的權益	218,080,742 <sup>6</sup>	8.00

附註：

- 1 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的510,003,673股的權益。

本行已收到通知上述兩個法團於2019年6月30日的持股量已增加至566,664,061股（相等於本行於2019年6月30日已發行股份約19.56%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。

- 2 於2019年6月30日，Fundación Bancaria Caixa d' Estalvis i Pensions de Barcelona, "la Caixa"（「la Caixa」）全資擁有Criteria Caixa, S.A., Sociedad Unipersonal（「Criteria Caixa」）。la Caixa因此而被視為擁有Criteria Caixa所持有的464,287,319股的權益。

本行已收到通知上述兩個法團於2019年6月30日的持股量已增加至507,052,049股（相等於本行於2019年6月30日已發行股份約17.50%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。

- 3 附註3及4所指之369,755,978股本行股份為同一批股份。國浩管理有限公司為369,755,978股（相等於本行於2015年3月27日（即根據《證券及期貨條例》第XV部作出披露時）已發行股份約14.15%·及本行於2019年6月30日已發行股份約12.76%）之實益擁有人。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有國浩集團有限公司的71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司·Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的369,755,978股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的369,755,978股的權益。

郭令燦擁有HL Holdings Sdn Bhd（「HLH」）的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311%（合共49.27%權益），因此郭令燦被視為擁有國浩管理有限公司持有的369,755,978股股份的權益。

- 4 附註3及4所指之369,755,978股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.69%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有國浩管理有限公司所持有的369,755,978股（相等於2015年3月27日（即根據《證券及期貨條例》第XV部作出披露時）已發行股份約14.15%·及本行於2019年6月30日已發行股份約12.76%）的權益。

KWEK Leng Kee 因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司所持有之369,755,978股的權益。

- 5 GuoLine Overseas Limited 及 GuoLine Capital Assets Limited 為 Hong Leong Company (Malaysia) Berhad 的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於 Hong Leong Company (Malaysia) Berhad 及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited 及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。

- 6 Elliott Capital Advisors, L.P.（「ECALP」）被視為擁有該批股份（相等於2017年7月4日（即根據《證券及期貨條例》第XV部作出披露時）已發行股份約8.00%·及本行於2019年6月30日已發行股份約7.53%），其中包括 Elliott International L.P.（「EILP」）持有的198,044,142股、The Liverpool Limited Partnership（「Liverpool LP」）持有的20,035,600股、Artan Investments Ltd 持有的200股、Frasco Investments Ltd 持有的200股、Milton Investments Ltd 持有的200股、Parlan Investments Ltd 持有的200股及 Trevet Investments Ltd 持有的200股。

Liverpool Associates, Ltd 全資擁有 Liverpool LP；Elliott Associates, L.P.全資擁有Liverpool Associates, Ltd、Artan Investments Ltd 及 Frasco Investments Ltd；而EILP則全資擁有Milton Investments Ltd、Parlan Investments Ltd 及 Trevet Investments Ltd。Hambleton, Inc.則全資擁有EILP。

ECALP 全資擁有 Elliott Associates, L.P.及Hambleton, Inc.。而ECALP則慣於按照Paul Singer的指令行事。

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

## 購入、出售或贖回本行的上市證券

截至2019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、客戶及員工的利益，以及保持問責及透明度，至為重要。

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

本行亦參考市場趨勢及根據監管機構所發布的指引及要求，不時對所採用的企業管治實務進行檢討及改進。

除以下所述偏離守則條文A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任外，本行在截至2019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。隨著於2019年7月1日李國寶爵士調任為本行執行主席及委任李民橋先生及李民斌先生為本行聯席行政總裁後，本行已遵守《企業管治守則》的全部守則條文。

根據《上市規則》第3.10A條，發行人之獨立非執行董事須佔該上市發行人的董事會成員人數至少三分之一。於2019年6月1日陳健波議員辭任獨立非執行董事後，董事會成員人數為16名，包括3名執行董事、8名非執行董事及5名獨立非執行董事。因此，董事會獨立非執行董事人數降至低於《上市規則》規定之最少人數。為遵守《上市規則》第3.10A及3.11條之規定，本行正盡快物色合適人選以填補上述空缺<sup>註</sup>。

在截至2019年6月30日止6個月期內，本行亦已遵循由金管局發出的CG-1、CG-5、提升獨立非執行董事的專業能力指引及銀行企業文化改革內各項要求。

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

本行審核委員會已審閱本行截至2019年6月30日止之半年業績及2019年中期報告。

---

<sup>註</sup> 李家傑博士（「李博士」）已辭任為本行之非執行董事，由2019年8月23日起生效。在李博士的辭任生效後，董事會成員人數為15名，包括3名執行董事、7名非執行董事及5名獨立非執行董事。由於三分之一的董事為獨立非執行董事，本行由2019年8月23日起已遵守《上市規則》第3.10A條的規定。

## 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，所有董事已確認在截至2019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

2019年中期報告備有中文及英文印刷本，以及載於本行網站（www.hkbea.com）及香港交易所之網站（www.hkexnews.hk）的網上電子版本。為減少企業通訊印刷本的數量從而減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。無論股東之前曾否就收取企業通訊之方式（即收取印刷本或透過本行網站閱覽電子版本）作出任何選擇並將有關選擇通知本行，股東可隨時向本行股份登記處卓佳標準有限公司，地址為香港皇后大道東183號合和中心54樓，或以傳真（852）2861 1465或電郵BEA0023-ecom@hk.tricorglobal.com發出合理的書面通知，以更改其選擇，費用全免。該通知應註明閣下更改選擇之要求，全名及聯絡電話。

承董事會命  
執行主席  
**李國寶**  
謹啟

香港，2019年8月21日

於本報告日期，本行董事會成員為李國寶爵士<sup>#</sup>（執行主席）、李國章教授\*（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\*、范禮賢博士\*、李家傑博士\*、李民橋先生<sup>#</sup>（聯席行政總裁）、李民斌先生<sup>#</sup>（聯席行政總裁）、黃永光博士\*、奧正之先生\*、范徐麗泰博士\*\*、李國榮先生\*\*、唐英年博士\*\*及李國本博士\*\*。

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

## GLOSSARY 詞彙

AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
AUM 「管理資產」	Assets under management 管理資產
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 「《銀行業條例》」	Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 香港《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BEA Life 「東亞人壽」	BEA Life Limited, a wholly-owned subsidiary of the Bank 東亞人壽保險有限公司，本行的全資附屬公司
BEA Union Investment 「東亞聯豐投資」	BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank 東亞聯豐投資管理有限公司，本行的非全資附屬公司
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
Board 「董事會」	Board of Directors of the Bank 本行的董事會
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業(資本規則)》
CASA 「往來賬戶及儲蓄賬戶」	Current and savings account 往來賬戶及儲蓄賬戶
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules 《上市規則》附錄14內所載的《企業管治守則》及《企業管治報告》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
CHF 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China or Mainland or Mainland China or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國
CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣



Companies Ordinance 「《公司條例》」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Director(s) 「董事」	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何擔任本行董事職位的人士(無論該人是以何職稱擔任該職位),或文義另有所指的人士
ERM 「企業風險管理架構」	Enterprise Risk Management 企業風險管理架構
EUR 「歐元」或「歐羅」	Euro 歐元區法定貨幣
FVTPL	Fair value through profit or loss 通過損益以反映公平價值
FVOCI	Fair value through other comprehensive income 通過其他全面收益以反映公平價值
Fintech 「金融科技」	Financial technology 金融科技
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKEx 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
Hong Kong or HK or HKSAR 「香港」	Hong Kong Special Administration Region of PRC 中華人民共和國香港特別行政區
HQLA 「優質流動資產」	High-quality liquid asset 優質流動資產
IT 「資訊科技」	Information technology 資訊科技
JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
LCR 「流動性覆蓋比率」	Liquidity Coverage Ratio 流動性覆蓋比率
Listing Rules 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time) 聯交所《證券上市規則》,經不時修訂、修改或以其他方式補充



Mn 「百萬」	Million 百萬
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
NIM 「淨息差」	Net interest margin 淨息差
NSFR 「穩定資金淨額比率」	Net Stable Funding Ratio 穩定資金淨額比率
SFO 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
Share 「股份」	Ordinary shares of the Bank 本行普通股
SME 「中小企」	Small and medium-sized enterprise 中小型企業
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣
VaR 「風險值」	value-at-risk 風險值

Head Office 總行 10 Des Voeux Road Central  
Hong Kong  
香港德輔道中10號

Telephone 電話 (852) 3608 3608  
Facsimile 傳真 (852) 3608 6000  
Website 網址 [www.hkbea.com](http://www.hkbea.com)

