

Equity Linked Deposits
股票掛鈎存款



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

(incorporated in Hong Kong with limited liability and is a licensed bank regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission for Types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance)

(在香港註冊成立的有限公司，為受香港金融管理局規管的持牌銀行，已於證券及期貨事務監察委員會註冊可進行證券及期貨條例項下第1、4、6及9類受規管活動)

(“Bank”)
(「本行」)

as Offeror and Product Arranger
作為要約人及產品安排人

The Securities and Futures Commission (“SFC”) has authorised the issue of this Financial Disclosure Document based on the standard format submitted under section 105(1) of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). The SFC takes no responsibility for the contents of this Financial Disclosure Document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Financial Disclosure Document. The SFC’s authorisation does not imply its endorsement or recommendation of the Equity Linked Deposits referred to in this Financial Disclosure Document.

證券及期貨事務監察委員會（「證監會」）根據證券及期貨條例（香港法例第571章）第105(1)條認可按所提呈的標準格式編製的本財務披露文件的發出。證監會對本財務披露文件的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本財務披露文件全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何法律責任。證監會的認可並不表示證監會認許或推介本財務披露文件提述的股票掛鈎存款。

IMPORTANT

重要提示

If you are in any doubt about any of the contents of this Financial Disclosure Document, you should obtain independent professional advice.

如閣下對本財務披露文件的任何內容有任何疑問，閣下應諮詢獨立專業意見。

This Financial Disclosure Document sets out financial information relating to the Bank. No Equity Linked Deposits are being offered by this document alone. If you would like to make an investment in any Equity Linked Deposits, you must read the principal brochure for the Equity Linked Deposits and the addendum thereto (if any), the relevant term sheet and this Financial Disclosure Document and the addendum thereto (if any) together, each as indicated in the relevant term sheet from time to time (together “**Offering Documents**”). Copies of the Offering Documents are available from our branches free of charge. You should read and understand all of the Offering Documents for an Equity Linked Deposit before deciding whether to make an investment.

本財務披露文件載有關於本行的財務資料。概無股票掛鈎存款僅依據本文件而提呈發售。如閣下擬投資於任何股票掛鈎存款，閣下必須一併細閱股票掛鈎存款的指南及其增編（如有）、相關條款單張及本財務披露文件及其增編（如有），各文件均按相關條款單張不時訂明者為準（統稱「**銷售文件**」）。銷售文件可於本行各分行免費索取。閣下在作出投資決定前應先細閱及理解本行的股票掛鈎存款的所有銷售文件。

The Offering Documents of our Equity Linked Deposits include particulars given in compliance with the Code on Unlisted Structured Investment Products (“**Code**”) issued by the SFC for the purpose of giving information with regard to the Bank (as the Offeror and the Product Arranger) and our Equity Linked Deposits. We (as the Offeror and the Product Arranger) accept full responsibility for the contents of, and the completeness and accuracy of the information contained in the Offering Documents and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement herein untrue or misleading. We (as the Offeror and the Product Arranger) also confirm that we meet the eligibility requirements applicable to issuers and product arrangers respectively under the Code and our Equity Linked Deposits comply with the Code.

本行的股票掛鈎存款的銷售文件所載資料乃為遵守證監會頒布的《非上市結構性投資產品守則》（「**守則**」）而作出，以提供有關本行（作為要約人及產品安排人）及本行的股票掛鈎存款的資料。本行（作為要約人及產品安排人）就銷售文件的內容及當中所載資料的完整性及準確性承擔全部責任，並於作出一切合理查詢後確認，盡本行所知及所信，當中概無任何失實或具誤導性的陳述，或遺漏任何其他事實，致使銷售文件所載任何陳述失實或具誤導成份。本行（作為要約人及產品安排人）亦確認本行符合守則項下分別適用於發行人及產品安排人的資格規定，而本行的股票掛鈎存款符合守則。

Our auditor, KPMG, certified public accountants of 8th Floor, Prince’s Building, 10 Chater Road, Central, Hong Kong, has given and has not withdrawn its written consent to the inclusion of the auditor’s report dated 21 February 2024 (the “**Report**”) on the audited consolidated financial statements of the Bank for the year ended 31 December 2023 and/or the references to its name in this Financial Disclosure Document, in the form and context in which it is included. The Report was not prepared for incorporation in this Financial Disclosure Document. The Bank confirms that the auditor was engaged by the Bank as its independent auditor in respect of its audited consolidated financial statements for the year ended 31 December 2023. The Bank is not aware of, to the best of its knowledge, any conflict of interests for the auditor in the preparation of the Report.

本行的核數師畢馬威會計師事務所（為執業會計師，地址為香港中環遮打道10號太子大廈8樓）已就於本財務披露文件內按目前刊載的形式及內容載入其日期為2024年2月21日有關本行截至2023年12月31日止年度的經審核綜合財務報表的核數師報告（「**報告**」）及／或提述其名稱發出其書面同意，且迄今未有撤回。該報告並非為載入本財務披露文件而編製。本行確認，核數師獲本行委聘為其截至2023年12月31日止年度經審核綜合財務報表的獨立核數師。就本行所知，核數師在編製該報告時並無任何利益衝突。

The Bank’s financial year runs from 1st January to 31st December.

本行的財政年度由1月1日至12月31日。

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東亞銀行有限公司截至2023年12月31日止年度的年報

2023

Annual Report
年報



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

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Corporate Profile

本行簡介

Our Vision 願景

To be the trusted and preferred banking partner in Greater China and beyond.

成為大中華及其他地區客戶信任及首選的銀行夥伴。

Our Mission 使命

To ensure every customer experience is positive. We achieve this by providing best in class financial products and services.

提供出類拔萃的金融產品及服務，務求令每位客戶時刻享有稱心的服務體驗。

Total Consolidated Assets 綜合資產總額

HK\$860.4 billion



Incorporated in 1918, The Bank of East Asia, Limited ("BEA") is a leading Hong Kong-based financial services group with total consolidated assets of HK\$860.4 billion (US\$110.1 billion) as of 31st December, 2023.

BEA provides a comprehensive range of wholesale banking, personal banking, wealth management, and investment services to customers throughout Greater China and beyond. The Bank maintains one of the largest retail networks in Hong Kong, with full-service branches; SupremeGold and SupremeGold Private Centres for affluent and premium affluent customers respectively; and innovative, extended-hour i-Financial Centres conveniently located throughout the city.

港幣 8,604 億元

東亞銀行有限公司（「東亞銀行」）成立於1918年，為一家具領導地位的香港金融服務集團。於2023年12月31日的綜合資產總額達港幣8,604億元（1,101億美元）。

本行一直致力服務大中華及其他地區的客戶，提供全面的批發銀行、個人銀行、財富管理和投資服務，以滿足客戶的理財所需。本行為香港擁有最大零售網絡的銀行之一，分行提供全面的服務，並設有專為高端客戶而設的顯卓理財中心和顯卓私人理財中心。此外，本行亦於不同地區設立i-理財中心，為客戶提供更長的營業時間及便捷創新的服務。

Nationwide outlets 網點遍布內地

38 cities 城市



In the Chinese Mainland, BEA's wholly-owned subsidiary, The Bank of East Asia (China) Limited operates one of the most extensive networks of any foreign bank in China, with outlets in 38 cities nationwide.

本行的全資附屬公司 — 東亞銀行（中國）有限公司為內地網絡最大的外資銀行之一，網點遍布內地38個城市。

Over 逾

8,000 employees 員工



Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA serves customers through around 130 outlets and offers rewarding and challenging career opportunities to over 8,000 employees.

在海外地區，在東南亞、英國和美國設有據點。現時，集團在全球 — 包括香港及大中華其他地區，共設有約130個網點，並聘用逾8,000名員工。

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

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

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

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

Financial Highlights

財務摘要

| | 2023 | 2022 | Change 變動 |
|---|--------------|----------|-----------|
| | HK\$ Million | 港幣百萬元 | % 百分率 |
| Profitability 盈利能力 | | | |
| Operating profit before impairment losses 未扣除減值損失之經營溢利 | 11,314 | 8,730 | + 29.6% |
| Profit attributable to owners of the parent 可歸屬於本集團股東溢利 | 4,118 | 4,359 | -5.5% |
| Balance Sheet Strength 資產負債狀況 | | | |
| Total loans and advances to customers and trade bills 客戶貸款及墊款及貿易票據總額 | 532,484 | 549,543 | -3.1% |
| Total assets 資產總額 | 860,361 | 882,825 | -2.5% |
| Total customers' deposits and certificates of deposit issued 存款總額 | 656,216 | 680,755 | -3.6% |
| Total equity 股東權益總額 | 108,326 | 106,346 | +1.9% |
| Earnings Per Share and Dividends Per Share 每股盈利及每股股息 | | | |
| Basic earnings 基本盈利 | HK\$1.32 | HK\$1.32 | - |
| Dividends 股息 | HK\$0.54 | HK\$0.81 | -33.3% |
| Key Ratios 主要比率 | | | |
| Return on average assets ¹ 平均資產回報率 | 0.4% | 0.4% | |
| Return on average equity ² 平均股東權益回報率 | 3.6% | 3.7% | |
| Cost-to-income ratio ³ 成本對收入比率 | 45.5% | 51.4% | |
| Loan to deposit ratio ⁴ 貸款對存款比率 | 81.1% | 80.6% | |
| Impaired loan ratio ⁵ 減值貸款比率 | 2.69% | 2.39% | |
| Average liquidity coverage ratio - first quarter 第一季度 平均流動性覆蓋比率 | 182.9% | 184.2% | |
| - second quarter 第二季度 | 208.9% | 187.5% | |
| - third quarter 第三季度 | 191.4% | 179.1% | |
| - fourth quarter 第四季度 | 201.5% | 197.7% | |
| Common Equity Tier 1 capital ratio ⁶ 普通股權一級資本比率 | 17.3% | 15.8% | |
| Tier 1 capital ratio ⁶ 一級資本比率 | 19.4% | 17.7% | |
| Total capital ratio ⁶ 總資本比率 | 22.0% | 20.1% | |

Notes:

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

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

³ Operating expenses / Operating income.

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

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

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

附註：

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

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

³ 經營支出/經營收入。

⁴ 客戶貸款及墊款總額/客戶存款及已發行存款證總額。

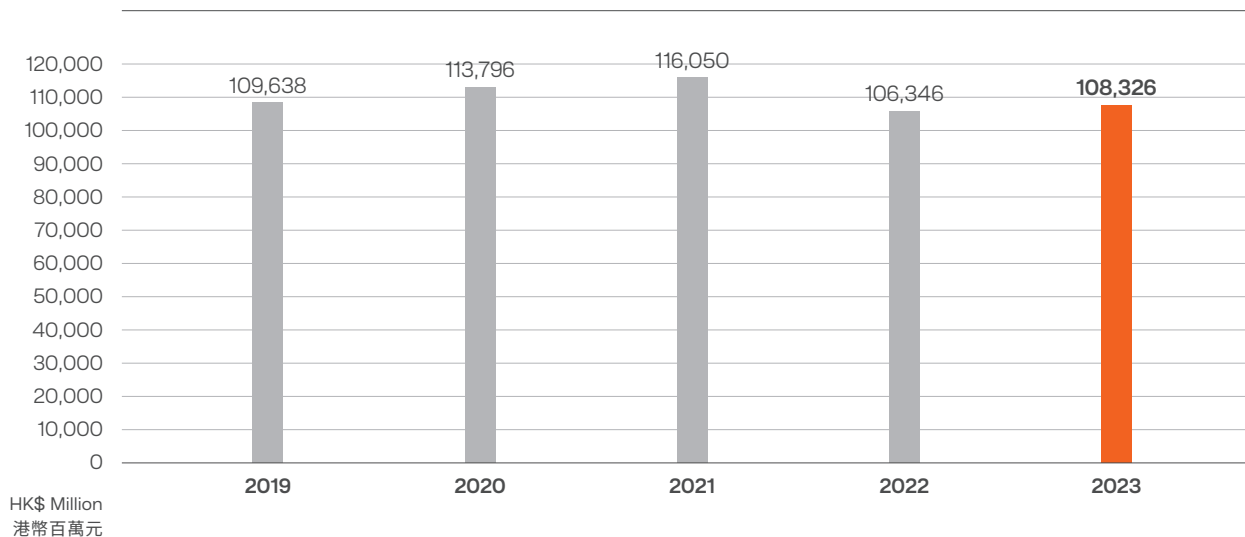
⁵ 減值貸款及墊款總額/客戶貸款及墊款總額。

⁶ 根據銀行業(資本)規則的綜合基準計算。

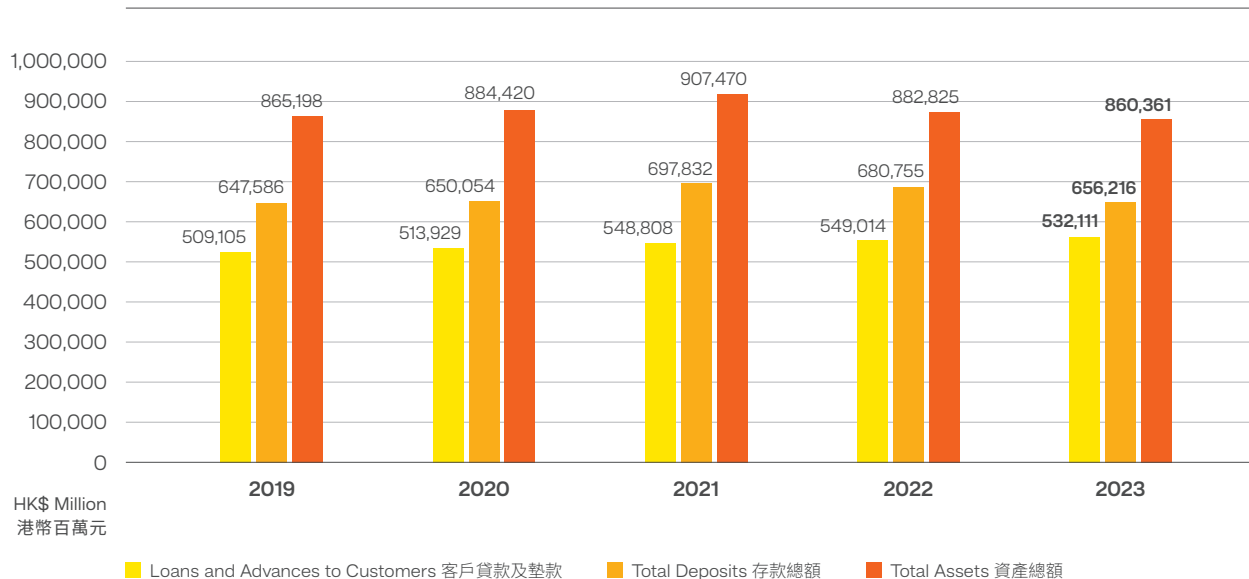
Five-Year Financial Summary*

5年財務概要*

Total Equity 股東權益總額



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

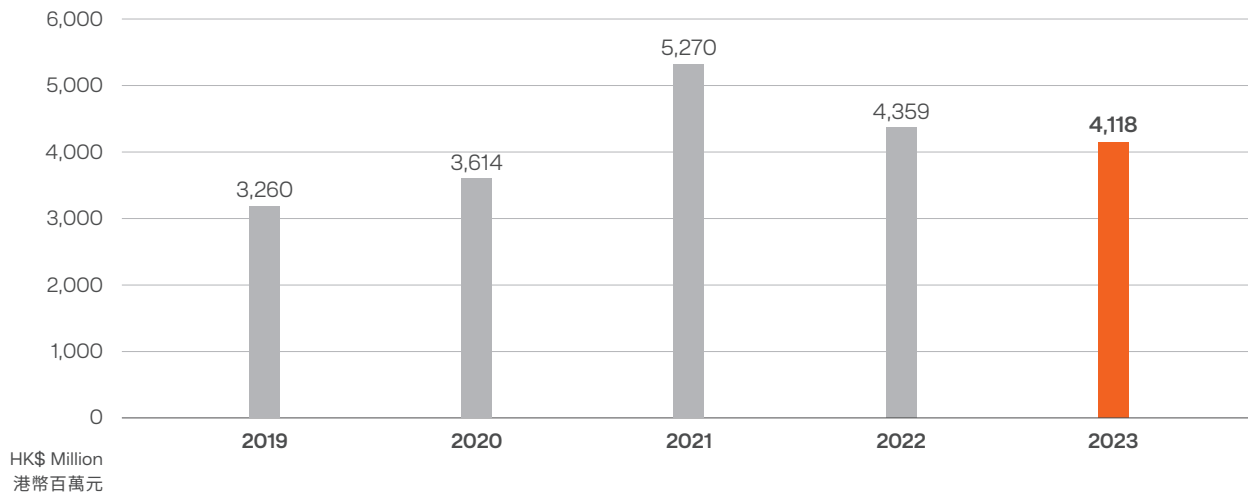


* Due to the Hong Kong Financial Reporting Standards that came into effect during the financial year, the above summary have not been prepared on a consistent basis. Changes in accounting policies are set out in Note 3 of the Notes to the Financial Statements.

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

Five Year Financial Summary (continued)
5 年財務概要 (續)

Profit Attributable to Owners of the Parent
可歸屬於本集團股東溢利



Five-Year Comparison
5 年比較

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------------|----------|----------|----------|-----------------|
| | HK\$ Million 港幣百萬元 | | | | |
| Total equity 股東權益總額 | 109,638 | 113,796 | 116,050 | 106,346 | 108,326 |
| Total deposits 存款總額 | 647,586 | 650,054 | 697,832 | 680,755 | 656,216 |
| Loans and advances to customers 客戶貸款及墊款 | 509,105 | 513,929 | 548,808 | 549,014 | 532,111 |
| Total assets 資產總額 | 865,198 | 884,420 | 907,470 | 882,825 | 860,361 |
| Loan to deposit ratio 貸款對存款比率 | 79% | 79% | 79% | 81% | 81% |
| Profit attributable to owners of the parent 可歸屬於本集團股東溢利 | 3,260 | 3,614 | 5,270 | 4,359 | 4,118 |
| Earnings per share 每股盈利 | HK\$0.89 | HK\$0.97 | HK\$1.53 | HK\$1.32 | HK\$1.32 |
| Dividends per share 每股股息 | HK\$0.46 | HK\$0.40 | HK\$0.70 | HK\$0.81 | HK\$0.54 |

108,326

Total equity in 2023
2023 股東權益總額

HK\$0.54

Dividends per share
每股股息

Executive Chairman's Statement 執行主席報告書

In the face of challenges, the Bank's core operations performed well. BEA is now reaping the rewards of the heavy emphasis placed in recent years on diversifying revenue sources, developing cross-boundary business, and improving operational efficiency.

儘管面對各種挑戰，東亞銀行的核心業務表現強勁。本行近年聚焦於開拓收入來源，發展跨境業務，以及提升營運效率，付出的努力已帶來成果。

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

執行主席
李國寶爵士



Executive Chairman's Statement (continued)
執行主席報告書 (續)

The Chinese Mainland and Hong Kong lifted all COVID-related travel restrictions during the course of 2023, removing a major constraint that had limited growth and productivity for the previous three years. However, with the US Federal Funds rate at the highest level in 23 years and geopolitical tensions rising, investors remained cautious. Equity markets in the Chinese Mainland and Hong Kong underperformed their global peers; commercial and residential property remained in disfavour and prices declined.

In the face of these challenges, the Bank's core operations performed well. The Bank benefitted from widened margins under the current high-interest-rate environment. In addition, the Bank is now reaping the rewards of the heavy emphasis placed in recent years on diversifying revenue sources, developing cross-boundary business, and improving operational efficiency. The Bank generated a pre-provision operating profit of HK\$11,314 million in 2023, 29.6% higher than in 2022.

During the course of the year, BEA devoted considerable effort to maintaining the quality of the Bank's asset base, and the Bank worked closely with clients to resolve troubled loans in the real estate sector. However, the industry as a whole continued to suffer liquidity issues and the Bank took appropriate provisions in line with its exposure. Meanwhile, exercising prudence, the Bank wrote down a portion of its investment in AFFIN Bank Berhad in Malaysia.

Following these prudential measures, net profit attributable to shareholders declined by 5.5% year-on-year.

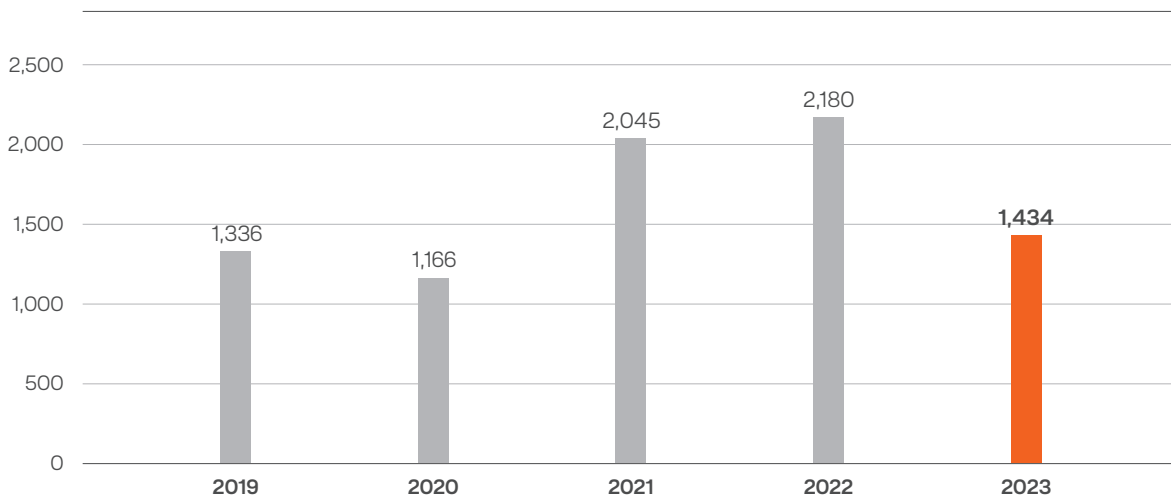
中國內地與香港於 2023 年相繼解除所有新冠疫情相關的旅遊限制措施，消除了過去三年來一直遏抑經濟發展和生產力的主要因素。然而，隨著美國聯邦基金利率上升至 23 年以來的新高，加上地緣政治局勢升溫，投資者取態審慎。內地和香港股市表現遜於其他市場，商業及住宅物業市道亦欠佳，價格下跌。

儘管面對以上各種挑戰，東亞銀行的核心業務表現強勁。在目前的高息環境下，本行的息差得以擴闊。同時，本行近年聚焦於開拓收入來源，發展跨境業務，以及提升營運效率，付出的努力已帶來成果。東亞銀行於 2023 年錄得撥備前經營溢利港幣 113.14 億元，較 2022 年上升 29.6%。

年內，本行致力保持良好的資產質素，並與客戶緊密合作，積極處理房地產行業的不良貸款。然而，房地產行業持續受到資金流動性問題困擾，而本行亦已因應其風險敞口作出合適的撥備。同時，本行審慎處理對馬來西亞 AFFIN Bank Berhad 的投資，作出了減值。

採取上述的審慎措施後，本行的股東應佔溢利按年下跌 5.5%。

Dividends for the Last 5 Years
過往 5 年股息紀錄



HK\$ Million
港幣百萬元

Strategic Focus

As Hong Kong and the Mainland draw inextricably closer, BEA is at the forefront of efforts to provide a seamless GBA banking experience.

On 12th January, 2024, BEA celebrated the grand opening of BEA Tower, located in the Qianhai Shenzhen-Hong Kong Cooperation Zone. This landmark building will serve as the Bank's strategic hub for the GBA, facilitating closer collaboration between members of the BEA Group in order to better provide customers with a wide range of local and cross-boundary services.

In addition, this new regional headquarters will enable BEA to tap into the thriving tech scene within the Qianhai-Shenzhen area, drawing on local talent to support BEA's fintech ambitions, while also offering local entrepreneurs a rich start-up collaboration platform to commercialise their innovations.

Concurrently, the Bank continued its transformation journey with the goal of emerging as a lean, asset-efficient, digital-led bank, delivering superior service to customers and greater returns to stakeholders with more efficient deployment of assets.

As part of this journey, BEA is changing the way it works, striving to build on previous gains to achieve even more effective use of its rich data resources and further develop its digital capabilities.

Efforts are ongoing to centralise, streamline, and automate back-end processes and – where it makes sense – near-shore support to BEA's service centre in Guangzhou. Already, BEA has cut turnaround times for a wide range of services significantly, improving service quality and cost efficiency.

With the reopening of the Hong Kong-Mainland boundary, we will step up our cross-boundary services across the GBA.

隨著香港與內地通關，我們於2023年將加強與大灣區的跨境服務。

In Hong Kong, BEA relaunched its mobile and corporate internet banking platforms in 2023, incorporating industry-leading technologies to provide a more customer-centric interface and better serve personal and corporate clients' transaction banking needs.

In so doing, more banking transactions are moving online, allowing the Bank to optimise the use of branches as wealth management and bancassurance hubs. This greatly enhances the Bank's ability to generate fee income.

Reflecting the new BEA that is emerging from the transformation journey, the Bank refreshed its brand in December 2023. The new BEA is more dynamic and focused on enabling customers to "Live every moment". Each and every staff member is committed to the goal of furthering the financial well-being of customers and local communities.

In addition, as part of its broader social mission, the Bank has set targets to achieve net zero emissions in its own operations by 2030 and net zero emissions in its financed activities by 2050. BEA has been recognised by external agencies as one of the top performers in the GBA sustainability index. In addition, BEA is the first bank from China to join the Net-Zero Banking Alliance, an industry-led group of international banks convened under the auspices of the United Nations.

BEA launched a series of advertising campaigns across multiple channels to promote the refreshed brand.

東亞銀行推出一系列廣告，宣傳煥新後的品牌。



執行主席報告書 (續)

策略重點

隨著香港與內地的聯繫日益密切，東亞銀行亦不斷努力提供完善的大灣區銀行服務體驗。

2024年1月12日，東亞銀行位於前海深港合作區的東亞銀行大廈隆重開幕。這座地標建築將成為本行在大灣區的策略樞紐，促進東亞銀行集團成員間的緊密合作，務求為客戶更好地提供全面的本地和跨境服務。

此外，新廈的落成將有助東亞銀行把握深圳前海地區的科技發展優勢，吸納人才以支持本行落實金融科技方面的策略，並且為本地初創企業提供高效的合作平台，協助將創新意念商品化。

同時，本行繼續轉型之旅，致力成為高效率、高資產效益及以數碼為主導的銀行，為客戶提供優越的服務之餘，亦透過更高效的資產運用，為股東帶來更豐厚的回報。

在轉型的過程中，東亞銀行改變了運作模式，努力承先啟後，更有效地運用豐富的數據資源，和提升數碼能力。

本行繼續把後勤工序集中化、精簡化和自動化，並在適合的情況下為東亞銀行的廣州服務中心提供支援。藉此，東亞銀行已顯著縮短了多項服務的處理時間，並提升服務質素及成本效益。

此外，東亞銀行於2023年革新了流動及企業網上銀行平台，透過引入行業領先的科技，提供一個更以客戶為中心的服務界面，滿足個人和企業客戶的交易需求。

隨著更多交易轉移至網上進行，本行得以進一步優化分行的功能，打造成為財富管理及銀行保險中心，助力本行大力推動服務費收入的增長。

東亞銀行於2023年12月煥新品牌，展現本行轉型之旅至今的成果。今天的東亞銀行更具活力，致力讓客戶「活出每刻」。本行每一位同事都以為客戶和社區帶來財務健康為目標。

同時，本行致力於2030年前實現營運淨零排放，並於2050年前實現業務活動淨零排放。東亞銀行獲外部機構評為大灣區可持續發展指數表現最佳的企業之一，並成為中國首家加入淨零銀行聯盟的銀行。該聯盟雲集全球銀行，是由業界主導及聯合國倡議的組織。



Mr. Adrian Li (left) and Mr. Brian Li (right), Co-Chief Executives of BEA, believe the Bank's refreshed brand injects a renewed sense of purpose to its identity, and symbolises the next chapter of its transformation journey.

聯席行政總裁李民橋先生(左)及李民斌先生(右)相信，煥新的形象為銀行的品牌注入了新的使命感，象徵東亞銀行正邁進轉型之旅的下一個篇章。

Outlook

The Chinese Mainland economy is transitioning from high-speed growth to high-quality development. Sectors that led the economy in the past are giving way to emerging trailblazers. From electric vehicles to major retail brands, Chinese champions are forging into the lead both domestically and abroad. The Bank is targeting the future by developing a wide range of clients both on the Chinese Mainland and in Hong Kong that will profit from these exciting trends.

Hong Kong is an international financial gateway for Mainland companies, and will benefit from the Mainland's shift to higher-value-added industries and stronger domestic consumption. In 2023, the number of Mainland-based companies opening offices in Hong Kong recorded a notable increase. Further, Hong Kong's Top Talent Pass Scheme, launched on 28th December, 2022, proved highly attractive to professional talent from the Mainland. With its seamless cross-boundary banking services, BEA is particularly well-placed to serve these emerging financial needs.

The Bank will continue to strengthen its wealth management services, establishing new relationships to further diversify its client portfolio and generate stronger fee-income streams. Cross-boundary services will be further enhanced, following the opening of BEA Tower in Qianhai.

The recent upgrade to the Bank's mobile platform offers a streamlined, personalised view of daily banking and investment holdings. The platform includes a number of innovative, customisable features, and is further evidence of BEA's commitment to be a leader in digital banking. New features will continue to be rolled out in 2024.

In closing, I take pleasure in thanking the Bank's Board of Directors and the directors of subsidiaries and associated companies for their invaluable advice and support during the past year. Their experience, covering different industries and geographies, is particularly valuable in this era of emerging global challenges.

I thank the Bank's international partners, in particular Criteria Caixa S.A. and Sumitomo Mitsui Banking Corporation, for the excellent working relationship that we enjoy with them. The end of COVID travel restrictions has enabled us to reconnect with our overseas partners, and we have been delighted at their warm reception.

We deeply appreciate the strength of our bonds to our major markets, and I thank our clients and shareholders for their loyalty and the faith that they place in us to help them achieve their goals.

And I thank our loyal and hard-working management and staff throughout the Group. Without their commitment and initiative, we could not achieve so much.

David LI Kwok-po

Executive Chairman

Hong Kong, 21st February, 2024

展望

中國內地經濟正在經歷轉型，從高增長轉化至高質量發展。過去的龍頭行業逐步受到新興行業取代。從電動車到大型零售品牌，內地企業翹楚皆奮發圖強，致力躋身國內及海外行業前列。本行亦銳意放眼未來，與內地和香港新興行業的客戶建立業務關係，把握當中的機遇。

香港作為聯繫內地企業及國際金融市場的重要橋樑，可受惠於內地向高增值行業轉型的趨勢及國內消費增長。在 2023 年，內地企業來港開設辦事處的數目顯著上升。同時，香港於 2022 年 12 月 28 日推出的高端人才通行證計劃，對內地專業人才而言甚具吸引力。憑藉無縫的跨境銀行服務，東亞銀行早佔先機，滿足這些新客戶的理財需要。

本行將繼續提升財富管理服務，建立新的業務關係以擴闊客戶基礎，並開拓費用收入來源。隨著前海東亞銀行大廈的開幕，跨境業務亦將得以加強。

本行近期為手機平台進行重大升級，提供更簡潔、更個人化的介面，讓客戶輕鬆管理銀行和投資事宜。這平台具備多項創新及個人化的功能，再次印證本行致力成為數碼化領先的銀行。更多新功能將於 2024 年陸續推出。

最後，本人謹此衷心感謝本行董事會、各附屬公司及聯營公司的董事在過去一年給予寶貴的建議和支持。在面對不斷湧現的新挑戰下，他們來自不同行業、不同地域的經驗，對本行尤為寶貴。

本人亦感謝一眾國際夥伴，特別是 Criteria Caixa S.A. 和三井住友銀行，我們一直維持極佳的業務關係，合作無間。隨著新冠疫情相關的旅遊限制撤銷，我們得以再次拜訪海外夥伴，並感謝他們的盛情接待。

我們亦十分重視與各主要市場的聯繫，並感謝各位客戶和股東的長期支持和信任，讓我們協助他們實現目標。

我亦要感謝集團管理層及全體員工，全賴他們盡忠職守，我們才能取得如此豐碩的成果。

執行主席
李國寶

香港，2024 年 2 月 21 日

Report of the Co-Chief Executives

Under the complex external environment, BEA's operations were resilient. Core profits improved as a result of a widened net interest margin. Performance was supported by continued efforts to develop new revenue streams and enhance operational efficiency.

在複雜的外圍環境下，東亞銀行的業務仍然保持強韌。淨息差擴闊，帶動核心盈利上升。本行亦不斷開拓新收入來源及提高營運效率，令經營表現得以提升。

Adrian David LI Man-kiu

Co-Chief Executive

聯席行政總裁

李民橋



Financial Review

Financial Performance

The external environment remained complex for the banking industry across Asia in 2023. The post-COVID economic recovery was slower than expected, and many businesses remained under pressure.

For the full year, BEA and its subsidiaries earned a profit attributable to owners of the parent of HK\$4,118 million. The year-on-year comparison was influenced by the extraordinary gain recorded in August 2022 on the disposal of Blue Cross (Asia-Pacific) Insurance Limited ("Blue Cross") and Blue Care JV (BVI) Holdings Limited ("Blue Care"), as well as the one-time shared gain arising from AFFIN Bank Berhad's ("AFFIN") disposal of AFFIN Hwang Asset Management in 2022.

Basic earnings per share were unchanged from 2022 at HK\$1.32. The return on average assets remained stable at 0.4%, while the return on average equity decreased by 0.1 percentage point to 3.6%.

Nevertheless, core business results improved as the Group benefitted from the end of the ultra-low interest rate environment.

Net interest income increased by HK\$3,366 million, or 24.9%, to HK\$16,874 million. Net interest margin widened by 49 basis points year-on-year, from 1.65% to 2.14%, on the back of rising rates.

聯席行政總裁報告書

財務回顧

財務表現

亞洲銀行業於 2023 年繼續面對複雜的外圍環境。疫後經濟復甦的步伐較預期慢，令多個行業持續受壓。

東亞銀行及其附屬公司全年錄得可歸屬於本集團股東溢利達港幣 41.18 億元。按年比較受到 2022 年 8 月出售藍十字(亞太)保險有限公司(「藍十字」)及 Blue Care JV (BVI) Holdings Limited (「Blue Care」) 錄得的非經常性盈利，以及 2022 年聯營公司 AFFIN Bank Berhad (「AFFIN」) 出售 AFFIN Hwang 資產管理所產生的一次性應佔收益所影響。

每股基本盈利與 2022 年持平，為港幣 1.32 元。平均資產回報率亦持平，為 0.4%，而平均股東權益回報率減少 0.1 個百分點，至 3.6%。

然而，受惠於極低息環境結束，本集團的核心業務業績有所改善。

淨利息收入增加港幣 33.66 億元，或 24.9%，至港幣 168.74 億元。在利率上升的環境下，淨息差按年擴闊 49 個基點，由 1.65% 上升至 2.14%。

由於市場情緒低迷，服務費及佣金收入淨額按年輕微減少 4.1%，至港幣 26.4 億元。來自貸款業務和第三方保單銷售的佣金收入增加，抵銷了客戶投資活動收入的下跌。

交易及對沖淨額，以及其他金融工具的淨表現減少港幣 3 億元，或 24.1%，至港幣 9.45 億元。非利息收入減少 12.9%，至港幣 38.72 億元。

整體而言，經營收入總額增加 15.5%，至港幣 207.46 億元。

經營支出有效控制於港幣 94.32 億元，增加港幣 2.08 億元，或 2.2%。本行持續大力投資於人才、銷售及數碼能力，而轉型措施令經營效率提升。2023 年的成本對收入比率改善 5.9 個百分點至 45.5%。

金融工具之減值損失減少港幣 4.4 億元，或 7.4%，至港幣 54.83 億元。中國內地商業房地產行業繼續是影響資產質素的主要因素，佔整體撥備約 82%。本集團的減值貸款比率由 2022 年 12 月底的 2.39%，上升至 2023 年 12 月底的 2.69%。

同時，由於 AFFIN 的使用價值下降，導致本集團就 AFFIN 的投資作出了港幣 7.26 億元的減值撥備。

出售持有作出售資產之淨溢利減少港幣 14.43 億元，主要是由於上文所述，在 2022 年出售藍十字及 Blue Care 所錄得的港幣 14.46 億元一次性收益所致。

Brian David LI Man-bun

Co-Chief Executive

聯席行政總裁

李民斌



Report of the Co-Chief Executives (continued)

Net fee and commission income year-on-year slightly decreased by 4.1% to HK\$2,640 million amid the continued weak market sentiment. The decline in income from customer investment activity was offset by a growing contribution of fees from lending business and sale of third-party insurance policies.

Taken together, net trading and hedging results and net results from other financial instruments decreased by HK\$300 million, or 24.1%, to HK\$945 million. Non-interest income fell by 12.9% to HK\$3,872 million.

Overall, total operating income increased by 15.5% to HK\$20,746 million.

Operating expenses were well contained at HK\$9,432 million, an increase of HK\$208 million or 2.2%. The Bank continued to invest in talent, sales, and digital capabilities while realising efficiency gains from its transformation initiatives. The cost-to-income ratio for 2023 improved by 5.9 percentage points to 45.5%.

Impairment losses on financial instruments decreased by HK\$440 million, or 7.4%, to HK\$5,483 million. The Chinese commercial real estate ("CRE") sector continued to be the main concern for asset quality, accounting for some 82% of loan loss provisions. The Group's impaired loan ratio increased from 2.39% at the end of December 2022 to 2.69% at the end of December 2023.

Meanwhile, an impairment of HK\$726 million was made on the Group's investment in AFFIN, as a result of a drop in AFFIN's value-in-use.

Net profit on sale of assets held for sale decreased by HK\$1,443 million, mainly due to the aforementioned one-off gain of HK\$1,446 million on the disposal of Blue Cross and Blue Care in 2022.

Financial Position

Total equity attributable to owners of the parent rose by 2.1% to HK\$97,973 million.

The BEA Group remained cautious in its approach to new lending, focusing instead on risk management and portfolio diversification. Continued efforts were made to reduce risk-weighted assets. As a result, gross advances to customers decreased by 3.1% to HK\$532,111 million. Total consolidated assets of the Group stood at HK\$860,361 million at the end of December 2023, down by HK\$22,464 million, or 2.5%, compared to HK\$882,825 million at the end of 2022.

Deposits were managed in line with loan demand. Total deposits from customers decreased by 3.0% to HK\$628,598 million. Of the total, demand deposits and current account balances decreased by HK\$256 million, or 0.4%; savings deposits decreased by HK\$26,944 million, or 18.6%; and time deposits increased by HK\$7,705 million, or 1.76%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, amounted to HK\$656,216 million.

The loan-to-deposit ratio stood at 81.1% at the end of December 2023, compared to 80.6% at the end of 2022.

The Group continued its on-market share buyback programme. During 2023, 35,940,800 shares were repurchased on the Stock Exchange for a total consideration of HK\$366 million.

A new budget of HK\$500 million has been announced for the continuation of the programme.

As at 31st December, 2023, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio remained solid at 22.0%, 19.4%, and 17.3%, respectively. The estimated average liquidity coverage ratio for the period ended 31st December, 2023 was 201.5%, well above the statutory minimum of 100%.

聯席行政總裁報告書 (續)

財務狀況

可歸屬於本集團股東權益總額上升 2.1%，至港幣 979.73 億元。

東亞銀行集團對審批新貸款維持審慎態度，主要着眼於風險管理及分散貸款組合，並繼續致力降低風險加權資產。客戶墊款總額因而減少 3.1%，至港幣 5,321.11 億元。於 2023 年 12 月底，本集團綜合資產總額達港幣 8,603.61 億元，較 2022 年底的港幣 8,828.25 億元減少港幣 224.64 億元，或 2.5%。

本集團因應貸款需求而調整存款額。客戶存款總額減少 3.0%，至港幣 6,285.98 億元。其中，活期存款和往來存款賬戶結餘減少港幣 2.56 億元，或 0.4%；儲蓄存款減少港幣 269.44 億元，或 18.6%；而定期存款則增加港幣 77.05 億元，或 1.76%。包括客戶存款及所有已發行存款證的存款總額為港幣 6,562.16 億元。

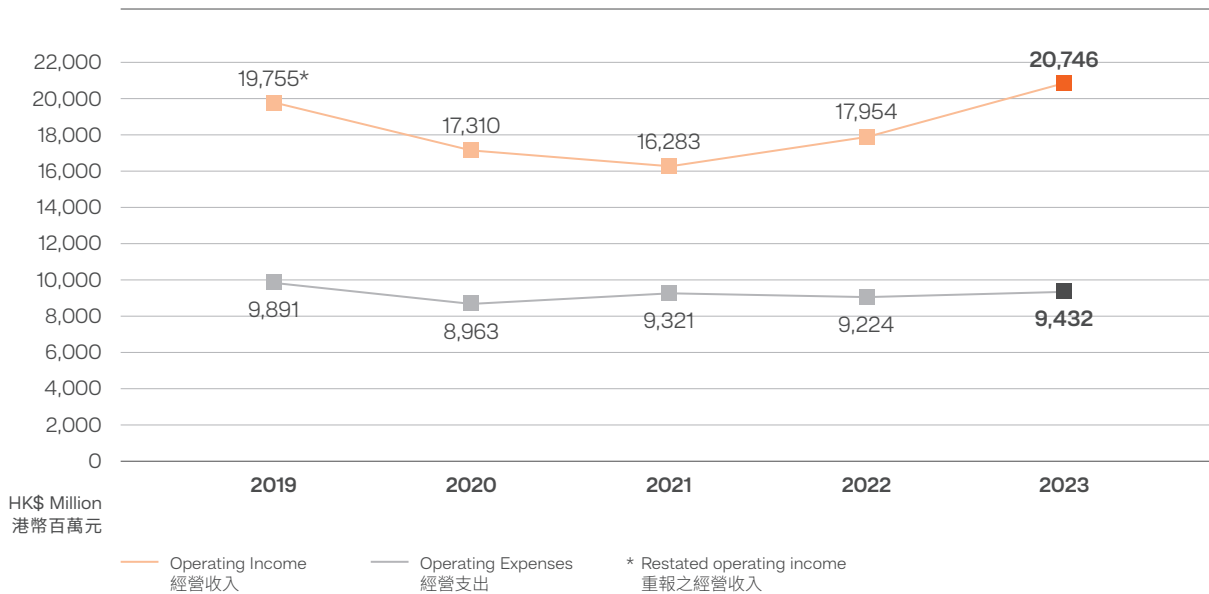
於 2023 年 12 月底，貸款對存款比率為 81.1%，而 2022 年底則為 80.6%。

本集團按計劃持續進行場內股份回購。於 2023 年，本集團以總代價港幣 3.66 億元，於聯交所回購 35,940,800 股股份。

本行宣布推出新一輪港幣 5 億元股份回購計劃，將繼續於市場回購股份。

於 2023 年 12 月 31 日，總資本比率、一級資本比率及普通股權一級資本比率分別為 22.0%、19.4% 及 17.3%。截至 2023 年 12 月 31 日止季度的平均流動性覆蓋比率為 201.5%，遠高於 100% 的法定下限。

Operating Income vs Operating Expenses 經營收入與經營支出



Major Recognition 主要獎項及榮譽

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



"Best for HNW in Hong Kong" 「香港最佳高淨值客戶私人銀行」
Private Banking Awards 2023 | 亞洲貨幣私人銀行大獎2023

— Asiamoney 亞洲貨幣



"Highly Commended Private Bank Hong Kong" 「最佳私人銀行 (高度認可) – 香港」
Asian Private Banker 12th Awards for Distinction 2022 | 2022年第12屆亞洲私人銀行家 – 卓越大獎
"Best Private Bank – GBA (Silver)" 「最佳私人銀行 – 大灣區 (銀獎)」
Asian Private Banker 5th China Wealth Awards 2022 | 2022年第5屆亞洲私人銀行家中國財富獎

— Asian Private Banker 亞洲私人銀行家



"Retail Bank of the Year – Outstanding Achievement" 「年度零售銀行 – 傑出」
"Premium Segment Client Service – Outstanding Achievement" 「優端客戶級別服務 – 傑出大獎大獎」
"Customer Engagement – Excellence Award" 「顧客關顧 – 卓越大獎」
Financial Institution Awards 2023 | 金融機構大獎2023

— Bloomberg Businessweek (Chinese Edition) 《彭博商業周刊/中文版》



"Domestic Retail Bank of the Year – Hong Kong" 「香港最佳本地零售銀行」
"Digital Consumer Banking Initiative of the Year – Hong Kong" 「香港個人銀行最佳數碼項目」
Asian Banking and Finance Retail Banking Awards 2023 | 「《亞洲銀行及財金》零售銀行大獎 (2023)」

— Asian Banking and Finance Magazine 《亞洲銀行及財金》雜誌



"Best Personal Banking Brand" 「最佳個人銀行品牌」
"Best New Digital Banking Product – BEA GOAL" 「最佳創新數碼銀行產品 – BEA GOAL」
"Best Banking Product – Virtual Card" 「最佳銀行產品 – 虛擬卡」
Global Brand Awards 2023 | 全球品牌大獎2023

— Global Brands Magazine 《全球品牌雜誌》



"Best SME's Partner Gold Award" 「中小企業最佳拍檔獎 – 金獎」
2023 Best SME's Partner Award | 2023 中小企業最佳拍檔獎

— Hong Kong General Chamber of Small and Medium Business 香港中小企業總商會

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



"Best Consumer Digital Banks in Asia-Pacific-China" 「中國最佳消費者數字銀行」
"Global Best User Experience (UX) Design" 「全球最佳用戶體驗設計」
"Best User Experience (UX) Design in Asia-Pacific" 「亞太最佳用戶體驗設計」
World's Best Consumer Digital Banks 2023 | 2023 年度全球最佳數字銀行

— Global Finance 《環球金融》



"Best Practice Award for Sustainable Disclosure" 「可持續信息披露最佳實踐獎」
Outstanding Case for High Quality Green Finance 2023 | 2023 年綠色金融高質量發展優秀案例

— Shenzhen Green Finance Association 深圳市綠色金融協會

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



"Fund of the Year House Awards 2023 – Asia Fixed Income – Best-In-Class" 「香港年度基金大獎 – 同級最佳 – 亞洲固定收益」
"BEA (IS) MPF Conservative Fund – Outstanding Achiever" 「東亞(行業計劃)強積金保守基金 – 傑出成就獎」
"BEA (MTS) Conservative Fund – Outstanding Achiever" 「東亞(強積金)保守基金 – 傑出成就獎」
BENCHMARK Fund of the Year Awards 2023 | BENCHMARK 指標年度基金大獎 2023

— BENCHMARK

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

"BEA (MPF) Value Scheme – BEA Balanced (10 Years)" 「東亞(強積金)享惠計劃 東亞均衡基金(10年)」
"BEA (MPF) Value Scheme – BEA Stable (10 Years)" 「東亞(強積金)享惠計劃 東亞平穩基金(10年)」
2023 Refinitiv Lipper Fund Awards | 理柏基金香港年獎 2023

— Lipper 理柏基金

Report of the Co-Chief Executives (continued)

Business Review

Economic Review

The global economy experienced an eventful year in 2023. The Federal Reserve and other major central banks raised interest rates at a pace unseen in decades in order to combat inflation, exposing vulnerabilities in the financial system – including a string of bank failures in the US and Europe in March 2023. Meanwhile, geopolitical tensions remained high, with unresolved US-China strategic competition and the prolonged Russia-Ukraine and Israel-Hamas conflicts. Furthermore, consumers remained cautious while corporations continued to hold back investment and reduce their inventories, posing a drag on global trade and manufacturing activities.

Despite the above downside risks, the global economy has proven to be more resilient than expected. Importantly, a recession has been avoided, bolstered by solid labour markets, excess savings, and strong pent-up demand for spending on services. The global supply chain has also witnessed a visible pickup, with easing of disruptions and reduced shipping costs. Meanwhile, inflation began to show a meaningful downward trend towards the end of 2023.

The International Monetary Fund forecasted that global economic growth would moderate from 3.5% in 2022 to 3.1% in 2023, with inflation coming down from 8.7% to 6.8%.

In the Chinese Mainland, 2023 was the first year of economic recovery after the pandemic. The economy has gradually regained momentum, driven by economic reopening, a solid rebound in services spending, higher investment in strategic emerging industries, and supportive macro policies. Meanwhile, sluggish external demand and a subdued property market constrained the advance. Overall, the Chinese Mainland economy grew by 5.2% in 2023, up from 3.0% in 2022.

In Hong Kong, domestic consumption and inbound tourism have taken the lead in powering a new expansion cycle. Despite pressure from weak trade flows and global monetary tightening, the economy rebounded, boosted by the return to normalcy, border reopening, low unemployment, and the Government's expansionary fiscal stance. In 2023, the Hong Kong economy grew by 3.2%, following a 3.7% contraction in 2022.

Looking ahead to 2024, the global economic outlook remains challenging and uncertain, as the risks from geopolitical tensions and tight financial conditions weigh on global growth, particularly in the advanced economies. Nonetheless, Asian economies are poised to continue their recovery.

Crucially, the Mainland authorities have intensified their support for the economy. A well-coordinated package of measures has been implemented to foster long-term, high-quality development by promoting growth in strategic sectors, defusing property market risks, and boosting consumer confidence. With the promise of more policy support ahead, the Chinese Mainland economy is expected to recover steadily. We forecast that GDP will grow by around 5.0% in 2024, with inflation remaining moderate.

For Hong Kong, significant pent-up demand for services and inbound tourism will continue to lay a solid foundation for the economic recovery. Trade flows have shown signs of stabilising, in part due to a low base of comparison. The Government's implementation of large-scale investment projects and measures to actively align with national development strategies, together with an expected unwinding of tight monetary policies globally as inflation comes under control, will help boost business confidence and investment spending. We forecast Hong Kong's GDP growth for 2024 at around 3.5% in 2023, with inflation ticking up slightly.

Business – Hong Kong

Notwithstanding the challenging operating environment, the Bank's Hong Kong operations recorded improved results in 2023. Profit before tax increased by 9.9% to HK\$3,463 million.

Core business remained solid, with pre-provision operating profit rising by 38.9%. The improvement was driven by a 41.1% increase in net interest income. NIM expanded by 62 basis points on the back of higher interbank interest rates.

Fee income continued to be impacted by reduced customer investment activity under the prevailing weak market sentiment. This was largely offset by higher income from product sales to private banking clients, as well as strong growth in fees and commissions from bancassurance.

業務回顧

宏觀總覽

2023 年，全球經濟歷經許多挑戰。為應對通脹，美國聯儲局及其他主要央行相繼調高利率，步伐乃數十年來前所未見，這暴露了金融體系的薄弱環節，包括 2023 年 3 月由美國蔓延至歐洲的一連串銀行業危機。同時，地緣政治局勢持續緊張，中美戰略競爭未見緩和，俄烏及以哈衝突曠日持久。此外，消費者維持審慎態度，企業則繼續抑制投資並減少庫存，拖累全球貿易及生產活動。

儘管面對上述下行風險，但全球經濟證明了其表現較預期更具韌性，在強勁的勞工市場、超額儲蓄及服務消費需求釋放的支撐下，經濟得以避過衰退。隨著障礙得到緩解和運輸成本回落，全球供應鏈的狀況亦見明顯改善。同時，通脹於 2023 年底亦開始出現明顯下降趨勢。

據國際貨幣基金組織預測，全球經濟增長將由 2022 年的 3.5% 放緩至 2023 年的 3.1%，通脹則由 8.7% 降至 6.8%。

中國內地方面，2023 年是疫後經濟復甦的第一年。在經濟重啟、服務消費強勁反彈、策略性新興產業投資增加，以及宏觀政策支持等因素的推動下，經濟逐步重拾增長動力。同時，外部需求疲弱及房地產市場低迷，卻抑制了經濟增長。整體而言，2023 年內地經濟增長 5.2%，高於 2022 年的 3.0%。

香港方面，本地消費及訪港旅遊業帶動新一輪經濟擴張。儘管貿易表現疲弱及面對全球貨幣政策緊縮的壓力，但在各行各業走向復常、邊境重開，加上失業率低企及特區政府擴張性財政政策等眾多因素的支持下，經濟出現反彈。在 2022 年收縮 3.7% 後，香港經濟於 2023 年增長 3.2%。

展望 2024 年，全球經濟前景仍充滿挑戰及不確定性。地緣政局緊張及金融環境收緊帶來的風險，將拖累全球經濟增長，對先進經濟體的影響尤其顯著。儘管如此，亞洲經濟體仍有望繼續復甦。

至關重要的是，內地當局正加大對經濟的支持力度，推出一系列措施既可支持策略性行業發展，以推動長遠、高質量發展，亦可化解房地產市場風險及提振消費者信心。隨著更多政策出台，內地經濟可望穩步復甦。本行預期 2024 年國內生產總值增長可達到約 5.0%，而通脹將維持於溫和水平。

香港方面，疫情期間被遏抑的服務業需求得以釋放，加上訪港旅遊業持續增長，將為經濟復甦奠定堅實基礎。貿易往來亦出現回穩跡象，部分原因是與 2022 年低比較基數有關。隨著特區政府落實大型投資項目和積極對接國家發展大局的措施，以及全球央行在通脹受控下可望放寬貨幣政策，均有利於提振企業信心及投資開支。本行預期 2024 年香港本地生產總值增幅將達到約 3.5%，通脹則輕微回升。

香港業務

縱然經營環境充滿挑戰，但本行香港業務 2023 年的業績仍然錄得改善。除稅前溢利上升 9.9% 至港幣 34.63 億元。

核心業務保持穩健，撥備前經營溢利上升 38.9%，主要受淨利息收入增長 41.1% 所帶動。受惠於銀行同業拆息上揚，淨息差擴闊 62 個基點。

由於市場情緒低迷，客戶的投資活躍度下降，令服務費收入持續受壓。然而，私人銀行的產品銷售收入增加，加上來自銀保業務的費用及佣金強勁增長，大致抵銷投資活動減少所帶來的影響。

Report of the Co-Chief Executives (continued)

Growth in operating expenses was held to 2.1%, despite investments in technology and sales capabilities, as efficiency gains from the Bank's digital transformation initiatives were realised.

Meanwhile, the liquidity problems facing Mainland property developers have affected offshore lending in particular. As the situation deteriorated in the second half, the Bank made additional provisions. Impairment losses for Hong Kong operations reached HK\$3,949 million for the full year.

In view of the difficulties facing borrowers, we maintained a prudent stance. Overall, the Hong Kong loan balance recorded a mild decline, primarily due to proactive measures to de-risk the corporate loan book. Deposits were closely managed to optimise funding costs.

Business development focused on diversifying the client portfolio and exploring new growth opportunities, particularly in the GBA. Under the OneBank initiative, Hong Kong worked closely with BEA teams on the Chinese Mainland and overseas to provide seamless cross-border corporate and wealth management solutions to customers.

We have also made continuous enhancements to our digital and data capabilities that are now starting to bear fruit. A major upgrade to the Bank's mobile banking and investment trading infrastructure was conducted in 2023. Revamped client-facing apps will provide a significant uplift in functionality and user experience, supported by a new, more efficient back-end that leverages advanced data analytics.

Retail Banking

Performance for the Bank's retail operations improved in 2023, driven by higher interest rates and resurgent sales activity. Net profit increased by 44.6% year-on-year.

Growth was led by a 41.1% rise in net interest income on higher volume and widened margins. The customer loan balance increased by 3.7%, primarily due to a stable rise in mortgage lending and higher credit card spending. Retail deposits rose by 4.5% following efforts to diversify the deposit mix.

Net fee and commission income recorded a fall of 4.1%. Customer investment activity remained subdued throughout the year on weak market sentiment. The impact was partially offset by a strong performance from bancassurance. Annualised new premiums rose by 80.9%, generating growth in related fee income.

We have continued to strengthen our frontline service delivery capabilities in recent years. With an expanded salesforce, enhanced digital channels and strategic branch locations, strong momentum has been maintained in customer acquisition. Double-digit growth was achieved across key target segments including affluent and young professionals.

Notably, the retail cross-boundary customer base increased by 37% year-on-year and 75% from pre-pandemic levels as a result of initiatives to capture demand from the GBA. BEA also provides a Type II account opening attestation service for Hong Kong residents seeking payment convenience on the Chinese Mainland.

Wholesale Banking

The situation for the Chinese CRE sector deteriorated further in the second half of 2023. With tightened liquidity conditions, certain sizeable corporate accounts faced sustained repayment difficulties. Additional provisions were made to cover the associated risk, affecting the performance of the Bank's wholesale banking unit.

Nevertheless, underlying business was sound. Operating income rose by 1.4% year-on-year. Net interest income was higher, despite a reduction in the customer loan balance on continued efforts to de-risk the corporate portfolio.

Non-interest income rose by 2.9% as a result of successful initiatives to generate sustainable fee income. In particular, solid growth was achieved in credit-related fees from syndicated loans following enhancements to the Bank's structured finance capabilities. Meanwhile, revenues from cross-border business, particularly from intra-group referrals, also increased as we continued to strengthen our OneBank service proposition.

聯席行政總裁報告書 (續)

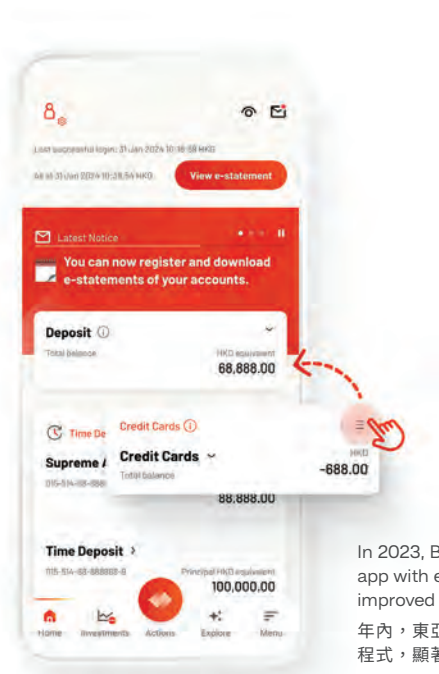
儘管本行繼續在科技及銷售能力方面投入資源，但數碼化轉型令營運效率提升，因此經營支出控制得宜，全年僅上升 2.1%。

內地房地產開發商的流動性問題，對其償還離岸貸款能力造成影響。由於下半年形勢惡化，本行進一步作出了撥備。因此，香港業務全年減值損失達 39.49 億港元。

鑑於企業客戶經營環境困難，本行保持審慎態度，積極採取措施降低相關貸款組合風險，以致整體香港貸款餘額錄得輕微下跌。本行亦同時謹慎管理存款結餘，以控制資金成本。

在業務發展方面，本行專注於推動客戶多元化及尋求增長機遇，特別著眼於大灣區。本行的香港與內地及海外團隊緊密合作，實踐 OneBank 理念，致力為客戶提供跨地域無縫的企業及財富管理方案。

與此同時，我們亦不斷提升數碼及數據應用能力，現已漸見成效。於 2023 年，本行已對流動理財及投資交易平台基建進行重大升級，利用先進的數據分析技術，打造全新、更高效的後端處理系統，顯著提升了手機應用程式的功能和用戶體驗。



In 2023, BEA introduced a new mobile app with enhanced features and an improved user experience.

年內，東亞銀行推出嶄新版面的手機應用程式，顯著提升了功能和用戶體驗。

零售銀行

2023 年本行的零售銀行業績有所增長，主要由利率上升以及銷售活動恢復所帶動。淨溢利按年上升 44.6%。

受惠於業務增長及息差擴闊，淨利息收入上升 41.1%。按揭貸款業務升幅穩健及信用卡消費增加，帶動客戶貸款餘額上升 3.7%。本行致力推動存款組合多元化，令零售存款增加 4.5%。

服務費及佣金淨收入下跌 4.1%。由於市場氣氛低迷，客戶投資活動全年均處於低位。部分跌幅被銀保業務的強勁表現所抵銷，新造年度化保費增長 80.9%，推動相關服務費收入上升。

近年，我們不斷強化前線服務能力。透過擴大銷售團隊、提升數碼渠道，以及分行的策略性選址，本行在吸納新客戶方面保持強勁勢頭，主要目標客戶群，包括富裕及年青專業人士，均錄得雙位數增幅。

本行積極採取措施迎合大灣區客戶的殷切需求，零售跨境客戶按年顯著增加 37%，較疫情前更上升 75%。東亞銀行亦為香港居民提供見證開立內地第二類賬戶服務，讓客戶可享內地支付便利。

批發銀行

內地房地產行業的情況於 2023 年下半年進一步惡化。由於市場流動性緊縮，若干規模較大的企業客戶持續面臨還款困難。本行已就相關風險作出進一步撥備，批發銀行的業績表現因而受到影響。

然而，基本業務仍保持穩健，經營收入按年上升 1.4%。本行不斷致力降低企業貸款組合風險，儘管客戶貸款餘額減少，淨利息收入仍錄得增長。

本行採取多項措施，成功帶來可持續的服務費收入，非利息收入因而上升 2.9%。當中，本行增強結構性融資能力，帶動銀團貸款相關信貸費用收入穩健增長。同時，本行進一步實踐 OneBank 服務理念，推動跨境業務尤其來自集團內部轉介的收入上升。

Report of the Co-Chief Executives (continued)

BEA has restructured its enterprise banking team for more effective targeting of different segments within the small and medium enterprise ("SME") sector. An improved payment and collection services offering will enable us to better serve the transaction banking needs of corporate clients, and SMEs in particular. Data-assisted credit rating profiles have streamlined the approval process for the Bank's Enterprise Easy Fund loan products, which provide secured and unsecured lending with faster turnaround times. We shall further expand the scope of this product offering in areas such as trade finance.

BEA remains committed to promoting the development of green and sustainable finance ("GSF") in Hong Kong. In 2023, the proportion of green lending in the wholesale banking portfolio increased satisfactorily from 9.5% to 12.2% as the Bank worked with businesses to fund sustainable projects. To further this trend, a new GSF advisory team has been established to assist clients in setting sustainability targets and monitoring performance.

Wealth Management

For Private Banking, performance was constrained by external market conditions throughout the past year. Investment sentiment remained weak on higher interest rates, slower-than-expected economic growth, and heightened geopolitical tensions. Against this backdrop, investment AUM and loans declined, driven by client de-leveraging activities.

Despite these challenges, top-line performance for Private Banking business held steady. Non-interest income increased by 14.5% year-on-year, with strong results from structured products and wealth planning solutions. Overall, operating income rose by 6.5%.

Private Banking continued to ramp up its frontline capabilities to drive customer acquisition. The number of relationship managers increased by around 11.5% compared to December 2022, bringing double digit growth in the intake of new clients compared to the previous year. The new assets acquired will provide a solid base to grow income and AUM. Under the prevailing investment climate, Private Banking will focus on providing advisory strategies in portfolio risk management, medium-to long-term asset allocation as well as cross-generational wealth transfer.

To cater to customer preferences and generate recurring fee revenues, we have further enhanced our digital wealth management capabilities. Following a significant upgrade, the Bank's new internet trading platform will be launched for retail and high-net-worth clients in early 2024. The new platform will enable customers to trade Hong Kong, US, and China A-shares with ease.

Going forward, significant opportunities are expected to arise from the Government's new talent and capital investment schemes. BEA Hong Kong shall continue to work closely with BEA China to enhance the Bank's regional capabilities, and capture growing demand for wealth management services in the GBA and beyond.

Meanwhile, the opening of a wealth management centre in Singapore will enable us to expand BEA's footprint in Southeast Asia and extend the Bank's reach to a diversified client base.

Business – Chinese Mainland

The Chinese Mainland economy grew by 5.2% in 2023, meeting the official target, but the recovery from the pandemic has been uneven. Although domestic consumption rebounded, the sluggish property sector and subdued exports weighed on growth. Together with the widening interest rate differentials, the Renminbi also weakened against the US dollar.

Against challenging conditions, BEA China grew its pre-provision operating profit by 13.3% to HK\$1,742 million. Impairment losses on financial instruments fell by 20.6% to HK\$1,657 million and successful bad debt recovery efforts reduced the impaired loan ratio by 0.07 percentage points to 2.68% year-on-year. Net profit came in at HK\$56 million, reversing a net loss of HK\$424 million in 2022.

BEA China's total loans and advances fell by 3.9% in Hong Kong dollar terms. Total deposits fell by 7.3% with the run off of higher-cost deposits.

Net interest income rose by 2% to HK\$4,072 million, as NIM expanded by 22 basis points to 2.07%. Despite a low interest rate environment, this was achieved through higher-yielding internet lending and a reduction in the weighting of structured deposits. Non-interest income expanded by 13.8% to HK\$984 million, driven by a rise in fee income from cross-boundary banking services, syndicated loans, treasury sales, and bancassurance.

聯席行政總裁報告書 (續)

東亞銀行已完成重組商務理財團隊，務求更有效地服務不同規模的中小企業。本行亦提升了支付及收款服務，以滿足客戶特別是中小企業對交易銀行服務的需求。本行利用數據輔助的信用評級模型，簡化「貸融易」貸款產品的審批程序，大大縮短批核時間，為客戶提供有抵押及無抵押的貸款服務。此模式將推展至其他產品，例如貿易融資等。

本行致力推動香港的綠色及可持續金融發展。於 2023 年，由於本行積極與客戶合作，為可持續項目提供資金，綠色貸款佔批發銀行貸款組合的佔比由 9.5% 上升至 12.2%。因應此趨勢，本行成立了全新的綠色及可持續金融諮詢團隊，協助客戶設定可持續發展目標及監察相關表現。

財富管理

過去一年，私人銀行的業務表現受到外圍市況拖累。由於利率高企，經濟復甦步伐較預期緩慢，加上地緣政治局勢緊張，投資氣氛低迷。在此背景下，客戶繼續減低投資組合風險，以致私人銀行的投資資產管理總值及貸款均下跌。

儘管面對重重挑戰，私人銀行業務收入保持穩健。結構性投資產品及財富策劃方案的表現大幅提升，帶動非利息收入增長 14.5%。整體而言，經營收入增加 6.5%。

私人銀行繼續增強前線服務能力，爭取更多新客戶。客戶經理人數較 2022 年底上升 11.5%，帶動全新私人銀行客戶人數按年錄得雙位數增幅。來自新客戶的資金，將為日後收入及資產管理總值的增長，打下良好基礎。在目前的投資環境下，私人銀行將專注為客戶就投資組合風險管理、中長綫資產配置，以及跨代資產傳承等方面，提供建議策略。

為滿足客戶需求並產生經常性收入，我們已進一步加強數碼化財富管理的能力。經過重大的升級後，本行為零售及高淨值人士而設的全新網上交易平台將於 2024 年初推出，新平台將讓客戶更便捷地買賣港股、美股及內地 A 股。

展望將來，香港政府推出各項計劃吸引人才及投資者落戶香港，預期將帶來更多業務機會。東亞銀行將繼續與東亞中國緊密合作，提升區內的服務能力，以捕捉大灣區及以外地區財富管理需求快速增長所帶來的機遇。

本行並於新加坡分行推出財富管理服務，此舉有助我們將市場覆蓋範圍延伸至東南亞，以開拓新客源。

中國內地業務

2023 年，中國內地經濟增長 5.2%，達到了政府目標。然而，疫後復甦的步伐並不一致，儘管本地消費反彈，但房地產行業持續低迷，加上出口需求受壓，拖累整體經濟增長。同時，中美之間的利率差距擴闊，導致人民幣兌美元轉弱。

面對充滿挑戰的經營環境，東亞中國於 2023 年的撥備前經營溢利達港幣 17.42 億元，上升 13.3%。金融工具之減值損失按年下降 20.6% 至港幣 16.57 億元。由於壞賬回收工作進展順利，成功把減值貸款比率降低 0.07 個百分點至 2.68%。淨溢利為港幣 5,600 萬元，較 2022 年的淨虧損港幣 4.24 億元顯著改善。

東亞中國貸款總額按港幣計算下降 3.9%。存款總額減少 7.3%，主要由於成本較高的存款減少。

淨息差擴闊 22 個基點至 2.07%，帶動淨利息收入按年上升 2% 至港幣 40.72 億元。雖然低息環境持續，但東亞中國專注於收益率相對較高的互聯網貸款，加上結構性存款佔比下降，導致淨利息收入增長。非利息收入上升 13.8% 至港幣 9.84 億元，主要是由於跨境金融、銀團貸款、財資產品銷售及銀行保險業務的服務費收入有所上升。

Report of the Co-Chief Executives (continued)

On the wholesale banking side, BEA China maintained a prudent approach to new business while emphasising risk mitigation and portfolio diversification. The proportion of property-related loans was further managed downward. Non-property related loans accounted for 78% of the total wholesale banking portfolio at year-end, compared to 73% a year ago.

A large proportion of the increase has come from extending new facilities to targeted strategic industries supported by national policies. BEA China is also actively expanding its GSF portfolio, which accounted for 15.1% of the total wholesale banking segment at year-end.

Wholesale banking operating income rose by 4.9%, boosted by 17.7% growth in non-interest income. BEA China holds a leading position in syndication loan origination among foreign banks and treasury sales have shown consistent growth momentum. The growth in trade finance business also contributed a stable source of fee income and low-cost deposits.

Meanwhile, personal banking operating income grew by 9% year-on-year. The growth was primarily driven by a 25.8% increase in internet lending and the auto finance portfolio, which offer relatively higher yields with stable risk performance.

Non-interest income from the affluent segment was up 26.02%, largely within the GBA, Shanghai, and Beijing. This was fuelled by a 19% rise in bancassurance income as well as a 69.53% increase in treasury sales.

To better serve customers, BEA China has launched an enhanced mobile banking application offering with improved user interface and functionalities. The application received multiple awards by the respected Global Finance magazine.

Operating expenses were largely flat at HK\$3,314 million. Excluding an increase in business volume-related platform fees in 2023 and a one-off write-back in 2022, BEA China's controllable operating expenses fell by 3.3% on a constant currency basis. This was made possible through strict cost discipline and a productivity uplift facilitated by the Bank's digital transformation initiatives and process automation.

Furthermore, BEA China has successfully upgraded its core banking system and is seeking further efficiency gains through continued investment in data and technology infrastructure. BEA China was honoured with the "Data Governance Innovation" award by the Data Management Association China, the first foreign bank in the Chinese Mainland to win this award.

In January 2024, BEA Tower in Qianhai officially opened. BEA's new GBA headquarters serves the rapidly expanding financial needs in the region and facilitates the delivery of seamless cross-boundary services to customers. BEA Tower also houses BEA's fintech platform – **BEAST** (BEA + Startups), connecting the Bank with the Mainland's robust fintech community. **BEAST** Qianhai benefits BEA and its customers with co-created solutions, while also facilitating broader intragroup collaboration.

BEA China maintains a strong network presence in the Mainland, with 30 branches and 32 sub-branches covering 38 cities as at the end of 2023. In the GBA, BEA China operates 20 outlets and will continue to leverage the Group's extensive network to capture future opportunities.

Business – International, Macau, and Taiwan

In 2023, the Bank's overseas, Macau, and Taiwan operations reported steady financial results, despite heightened economic uncertainties arising from elevated geopolitical tensions, sticky inflation, and restrictive monetary policies of the major central banks.

During the period under review, the pre-provision operating profit ("PPOP") of the Bank's overseas, Macau, and Taiwan branches soared by 25.6% year-on-year to HK\$2,076 million as NIM widened during the year.

Net profit after tax increased 50.5% to HK\$1,588 million. The result was driven by a write-back of expected credit loss ("ECL") provisions on post-COVID macro-economic conditions in the US and UK, as well as a change to the ECL model. The impaired loan ratio stood at 1.10% at the end of December 2023.

The cost-to-income ratio improved to 26.9% compared with 29.9% in 2022, on the back of strong revenue growth.

聯席行政總裁報告書 (續)

批發銀行方面，東亞中國審慎拓展新的業務，並致力降低風險和推動貸款組合多元化。房地產相關貸款進一步下降，非房地產相關貸款組合佔批發銀行整體貸款組合的 78%，較去年的 73% 有所提高。

此貸款增長當中，大多來自獲政策支持的策略行業的新客戶。東亞中國亦正在積極擴展綠色及可持續貸款組合，於年底佔整體批發銀行業務的貸款比重達 15.1%。

批發銀行的經營收入按年上升 4.9%，主要由非利息收入增長 17.7% 所帶動。在外資銀行之中，東亞中國在發起銀團貸款方面佔有領導地位，在財資產品銷售方面亦保持增長動力。貿易融資業務的增長，亦帶來穩定的服務費用收入和低成本存款。

同時，個人銀行經營收入按年增長 9%，主要受惠於互聯網貸款及汽車融資組合增長 25.8%，不僅為本行帶來相對高收益資產，而且風險水平穩健。

源自高淨值客戶群的非利息收入上升 26.02%，這些客戶主要來自大灣區、上海及北京。當中，來自銀行保險的收入上升 19%，來自財資產品的銷售更上升 69.53%。

為提供更優質服務，東亞中國推出新版本的手機銀行應用程式，提供最佳的用戶界面和功能。此應用程式榮獲《環球金融》雜誌的多個獎項。

經營支出大致持平，為港幣 33.14 億元。若不包括因業務增長而上升的互聯網平台費用，以及 2022 年作出一次性回撥的因素，按固定匯率基準計算，東亞中國可控經營支出較去年下降 3.3%，主要得益於嚴格的成本控制，以及因本行數碼化轉型和流程自動化帶來的生產力提升。

同時，東亞中國成功升級核心銀行系統，並計劃繼續在數據和科技基建方面作出投資，爭取進一步提升經營效率。東亞中國獲國際數據管理協會中國分會授予「數據治理創新獎」，這是外資銀行首次在中國內地獲此獎項。

2024 年 1 月，前海東亞銀行大廈正式開幕。東亞銀行將利用這座全新的大灣區總部，致力滿足區內快速增長的金融需求，為客戶帶來無縫的跨境服務。同時，大樓內亦設有前海 BEAST (東亞銀行+初創企業)，讓本行得以聯通內地蓬勃的金融科技社區。前海 BEAST 將有助本行與初創企業共同創建解決方案，並推動集團內更廣泛的合作，為本行及客戶帶來裨益。

東亞中國在內地擁有龐大的服務網絡，截至 2023 年底，設有 30 間分行和 32 間支行，業務遍及 38 個城市。在大灣區，東亞中國設有 20 個網點，並將繼續利用本集團的龐大網絡贏得未來的機遇。

國際、澳門及台灣業務

2023 年，儘管地緣政治緊張局勢升溫，通脹持續，加上主要央行採取緊縮貨幣政策，導致經濟環境不明朗，本行的海外、澳門及台灣業務仍錄得穩健的財務業績。

回顧期內，由於淨息差擴闊，本行的海外、澳門及台灣分行的撥備前經營溢利按年上升 25.6%，至港幣 20.76 億元。

除稅後淨溢利大幅上升 50.5%，達港幣 15.88 億元。主要受惠於美國和英國分行在疫情後錄得的預期信貸損失回撥，以及相關測算模型的調整。於 2023 年 12 月底，減值貸款比率為 1.10%。

有賴於收入強勁增長，成本對收入比率相較 2022 年的 29.9%，進一步下降至 26.9%。

Report of the Co-Chief Executives (continued)

The Bank's operations in the US and UK achieved solid growth in both revenue and profit. Branches in these regions will continue to diversify from the commercial real estate segment and seek new opportunities in sectors where borrowers exhibit sound balance sheets and strong cash flows.

Singapore Branch achieved a significant increase in PPOP and net profit, benefiting from the interest rate hike cycle. Going forward, the Branch will proactively manage its portfolio by replacing loans with lower risk-weighted asset density.

Macau Branch is well-positioned to capitalise on the growing cross-boundary business opportunities in the GBA. Taiwan Branch, on the other hand, maintains a cautious approach given the economic headwinds facing the island.

Sustainability remains a priority for the overseas, Macau, and Taiwan branches, and they are actively exploring green and sustainable financing opportunities aligned with the Bank's ESG strategies.

Given the uncertain business landscape, overseas operations will continue to optimise risk-weighted assets, bolster returns, and exercise prudent cost management. Meanwhile, investments in digital capabilities will be enhanced in order to uplift operational efficiency and improve the overall customer experience.

Looking ahead, the OneBank strategy will continue to be a key focus of the overseas, Macau, and Taiwan branches as they further strengthen collaboration with the Bank's other business units and ultimately offer our customers a seamless banking experience across the Group.

BEA Union Investment Management Limited

US treasury yields reached a 16-year high in 2023, stoking market volatility and pushing many investors to the sidelines. With investor sentiment subdued, BEA Union Investment Management Limited ("BEA Union Investment") focused on its core competencies, positioning clients' portfolios to benefit from value-adding opportunities. Assets under management and advisory stood at US\$7 billion as at 31st December, 2023. With inflation and US treasury yields moderating towards the end of the year, investors' risk appetite has been improving steadily.

BEA Union Investment is committed to sustainable investing. In 2023, BEA Union Investment joined Climate Action 100+ (CA100+) as a Contributing Investor, expanding the sustainability pledge that it made as a signatory to the United Nations Principles for Responsible Investments (PRI) in 2021. As a Contributing Investor in CA100+, BEA Union Investment joins more than 700 investors globally aiming to encourage a reduction in greenhouse gas emissions by strengthening climate-related financial disclosures and improving the overall governance of climate impacts.

In line with these international commitments, BEA Union Investment launched the BU Asia Impact Bond Fund in June 2023, offering investors the opportunity to benefit from the efforts of companies that place a high value on sustainability.

Looking ahead, BEA Union Investment will continue to stay abreast of the latest trends and identify fruitful investment opportunities for clients.

Our People

As at 31st December, 2023, the BEA Group employed 8,140 people:

| | As at 31st December, 2023 | As at 31st December, 2022 |
|------------------|------------------------------|------------------------------|
| Hong Kong | 4,672 | 4,833 |
| Mainland China | 2,906 | 3,060 |
| Macau and Taiwan | 118 | 130 |
| Overseas | 444 | 430 |
| Total | 8,140 | 8,453 |

People lie at the heart of BEA's transformation strategy, and the Bank is continuously making investments to attract and retain a diverse and digitally adept workforce that embraces the challenge to meet evolving customer needs.

聯席行政總裁報告書 (續)

本行於美國及英國的業務，無論在收入和溢利方面均錄得穩健的增長。英美兩地的分行將繼續降低商業房地產領域的貸款比重，發展多元化的貸款組合，在其他行業中發掘擁有穩健資產負債表和強勁現金流的借款客戶，尋找新商機。

受惠於加息周期，新加坡分行的撥備前經營溢利和淨溢利大幅增加。展望未來，該分行將透過增加風險權重較低的貸款，積極管理貸款組合。

澳門為大灣區的城市之一，位置優越，因此澳門分行更容易直接把握大灣區與日俱增的跨境商機。另一方面，鑑於台灣經濟的不景氣，台灣分行經營業務繼續取態審慎。

可持續發展仍然是海外、澳門及台灣分行的業務重點。為配合本行的環境、社會及管治策略，海外、澳門及台灣分行正在積極開拓綠色及可持續發展融資方面的商機。

由於業務環境不明朗，海外業務將繼續優化風險加權資產和提升回報，以及審慎控制成本，同時進一步加大數碼化的投資，以提升經營效率和改善整體客戶體驗。

展望未來，海外、澳門及台灣分行將繼續集中推行 OneBank 策略，進一步加強與本行其他業務部門的合作，讓客戶享受多元化的一站式銀行服務體驗。

東亞聯豐投資管理有限公司

美國國債收益率於 2023 年創下 16 年新高，加上市況波動，令許多投資者持觀望態度。當投資意慾減弱時，東亞聯豐投資管理有限公司（「東亞聯豐」）集中提高核心競爭力，協助投資者把握增值機遇。截至 2023 年 12 月 31 日，管理和諮詢資產達 70 億美元。隨著通脹及美國國債收益率於年底趨緩，投資者的風險偏好逐漸提高。

東亞聯豐致力於可持續投資。2023 年，東亞聯豐以參與投資者的身份加入「氣候行動 100+」，擴展於 2021 年簽署聯合國負責任投資原則時所作出的可持續發展承諾。作為「氣候行動 100+」的參與投資者，東亞聯豐成為全球 700 多位投資者的一員，透過加強與氣候相關的財務披露，以及改善氣候影響的整體治理，促進減少溫室氣體排放。

為實踐有關國際承諾，東亞聯豐於 2023 年 6 月推出東亞聯豐亞洲正向效益債券基金，讓投資者可透過投資高度重視可持續發展的公司以獲益。

展望未來，東亞聯豐將繼續緊貼最新趨勢，為客戶鎖定豐碩的投資機遇。

人力資源

東亞銀行集團於 2023 年 12 月 31 日的僱員人數為 8,140 人：

| | 於 2023 年 12 月 31 日 | 於 2022 年 12 月 31 日 |
|-----------|-----------------------|-----------------------|
| 香港 | 4,672 | 4,833 |
| 中國內地 | 2,906 | 3,060 |
| 澳門及台灣 | 118 | 130 |
| 海外 | 444 | 430 |
| 總計 | 8,140 | 8,453 |

人才是東亞銀行轉型策略的核心，本行繼續投放資源，致力吸引和留住人才，以組成一個多元化且精通數碼科技的團隊，迎接挑戰和滿足不斷變化的客戶需求。



A new series of posters featuring 2022 Employees of the Year was unveiled to promote BEA's core values.

本行邀請 2022 年度最佳員工拍攝新一輯海報，宣揚東亞銀行的核心價值。

Report of the Co-Chief Executives (continued)

To employ top talent, Head Office has expanded its recruitment strategy to the Chinese Mainland, particularly in respect of digital and other specialist business expertise. The Bank runs a series of trainee programmes, such as Group Management Trainees and Wholesale Banking Trainees to develop young talent. The Bank also participates in a number of outside youth-oriented programmes, including the FinTech Career Accelerator Scheme initiated by the HKMA and Corporate Summer Internship in Chinese Mainland organised by the Home and Youth Affairs Bureau. These programmes provide structured training and on-the-job experience for recent graduates and students, equipping them with essential knowledge and skills to become future bankers, relationship managers, and specialists in fintech and GBA cross-boundary business.

The Bank is also committed to providing opportunities for staff to develop a range of transferable and future-proof skills. Through programmes on Design Thinking, the Bank encourages staff to embrace a culture of innovation and co-create human-centric solutions. A newly-developed mobile micro-learning platform allows staff to access training on a wide range of timely content, anytime, anywhere. These programmes supplement existing training on technology, data application, and culture building. Beyond Hong Kong, the Bank has extended courses on data literacy, ESG, and GBA to staff in Chinese Mainland and overseas.

In another sign of the Bank's commitment to building strong leadership and talent pipelines, a new cohort of high-potential executives have embarked on the BEA Future Leader Accelerated Programme. A new Group

Management Trainee Programme kick-started in July to provide exposure across Hong Kong, the Chinese Mainland, and overseas for young future leaders. BEA also provides ongoing training support and sponsorship for obtaining the HKMA's Enhanced Competency Framework ("ECF") certification. With the launch of the ECF-FinTech certification by the HKMA, BEA is actively supporting relevant staff to complete the required training and obtain the new credential.

Leveraging new technology and data science, centralisation and streamlining was a key focus in 2023. New operating models, particularly in compliance and operations, were developed to foster greater satisfaction and higher productivity amongst staff. The most recent employee pulse survey, with an overall 98% response rate, suggests that most employees feel proud to work for BEA and are positive about the Bank's commitment to its transformation journey. Following the lifting of all COVID restrictions, regular in-person town hall gatherings were resumed for closer and more interactive communications.

To celebrate BEA's 105th anniversary, a bank-wide sports carnival was held in West Kowloon Art Park, Hong Kong, in January 2024. Some 4,000 employees, together with their families and friends, immersed themselves in a range of family-friendly activities and themed workshops throughout the day.

Going forward, the Bank is committed to building an inclusive and collaborative workplace where each and every employee can share their views and develop their unique talents, both supporting and supported by BEA's transformation journey.

To celebrate BEA's 105th anniversary, a bank-wide sports carnival was held in West Kowloon Cultural District, attracting more than 4,000 employees and their families and friends from Hong Kong, the Chinese Mainland, and overseas branches to participate on the day.

為慶祝東亞銀行成立105周年，本行在西九文化區舉辦全行參與的運動嘉年華，吸引超過4,000名來自本港、內地及海外員工及其親友一同參與。



聯席行政總裁報告書 (續)

為延攬頂尖人才，總行已將招聘策略延伸至中國內地，特別是數碼及其他業務領域的專才。本行推出東亞見習管理人員及批發銀行見習人員等一系列計劃，以培育年青人才。本行亦繼續參與多項以年輕人為導向的計劃，包括由金管局推出的金融科技人才培育計劃，以及由民政及青年事務局舉辦的企業內地暑期實習計劃。這些計劃為應屆畢業生及學生提供有系統的培訓，讓他們累積工作經驗，掌握基本知識和技能，以成為未來的銀行家、客戶經理，以及金融科技和大灣區跨境業務專才。

本行亦致力為員工提供機會，提高他們靈活應變及面向未來的技能。透過設計思維的培訓，本行鼓勵員工擁抱創新文化，共同創造以人為本的解決方案。我們透過新開發的流動微學習平台，讓員工隨時隨地獲取內容廣泛的培訓。這些計劃有效地輔助現有在科技、數據應用及文化建設方面的培訓。除香港外，本行亦為中國內地及海外員工提供有關數據認知、環境、社會及管治及粵港澳大灣區的課程。

本行致力建立強大的領袖團隊及人才庫，一批新的高潛質行政人員已加入東亞銀行未來領袖培訓計劃。本行已於7月推出新一屆集團管理見習人員計劃，為未來的年青領袖提供香港、中國內地及海外的見習機會。此外，東亞銀行亦提供持續培訓支持及資助，協助員工取得金管局「銀行專業資歷架構」(ECF) 認證。隨著金管局推出金融科技專業資歷架構 (ECF-FinTech) 認證，東亞銀行亦積極支持相關員工完成所需培訓及取得最新資格。

2023年，我們的工作重點是運用新科技及數據，集中和精簡業務流程。我們建立新的工作模式，特別是在合規及營運方面，以提高員工的工作滿足感及生產力。我們最新的員工調查總體回覆率達98%，結果顯示大多數員工對在東亞銀行工作感到自豪，並對本行的轉型策略抱有信心。疫情防控措施解除後，我們恢復了定期舉行實體的員工大會，以便進行更密切、更互動的交流。

為慶祝東亞銀行成立105周年，本行於2024年1月在香港西九文化區藝術公園舉辦全行參與的運動嘉年華，當日全天候舉辦的一系列合家歡活動和主題工作坊，大約4,000名員工與親友共同參加。

展望將來，本行將致力建立一個包容和互相協作的工作空間，讓每位員工可以發表意見，發揮自己的獨特才能，並在獲得東亞銀行支援的同時，也協助本行推動持續轉型。

Report of the Co-Chief Executives (continued)

Risk Management

Approach to Risk

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

The following principles guide the Group's risk appetite and determine how its business and risks are managed. Further details on the Group's management of principal risks are set out in Note 43 of "Notes to the Financial Statements".

Risk and Return

The Group's risk appetite is used to guide its business plan. The level of return generated through business activities is in line with the risk taken and in alignment with strategic plans, business outlooks, and risk management policies, with an aim to generate sustainable earnings.

Capital Adequacy

The Group is committed to maintaining a sound capital position defined by regulatory and internal capital ratios after taking into account the Bank's dividend policy and the need to meet capital requirements. The Group, and each of its members, expect to maintain a robust capital adequacy position that supports the growth of business activities.

Liquidity & Funding Management

The Group is committed to having sufficient funds to continue business and operations under crisis scenarios on a Group basis, with the ability to meet all obligations as they come due.

Regulatory Compliance

The Group strives to deliver fair treatment to customers and ensures that operations are conducted with integrity and in compliance with all applicable legal and regulatory requirements. The Group will not tolerate negative conduct risk outcomes that go against the spirit of the law and regulatory requirements, and is committed to developing and promoting a sound corporate culture and incentivising proper staff behaviour.

Operational Resilience

The Group is committed to being operationally resilient and maintaining critical operations through disruptions, including those due to pandemics, cyber incidents, technology failures, and natural disasters, as these have the potential to affect the viability of the Bank, and in turn, the stability of the wider financial system.

Cybersecurity

The Group strives to adapt to the rapid pace of technological change to improve the Bank's services for clients and enhance customer experience, and is committed to continually strengthening cybersecurity capabilities including identification, prevention, detection, and response to address the ever-evolving cyber threat landscape and protect our critical information assets and systems from external malicious attacks.

Reputation

The Group does not tolerate any controllable activity that could cause material damage to its reputation, and protects its reputation with an established process of managing reputation risk and by dealing with potential threats to its reputation proactively and minimising the effects of reputation risk events.

風險管理

風險管理方針

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

本集團制定了下列原則，為本集團的風險偏好提供指引，並確立管理業務及風險的方式。有關本集團主要風險管理的進一步詳情載於「財務報表附註」內的附註 43。

風險及回報

本集團的風險偏好為其業務計劃提供指引。透過業務活動獲得的回報，與所承擔的風險相符，且能配合本集團的策略、業務展望及風險管理政策，以帶動可持續盈利。

資本充足

考慮到本行的派息政策，以及滿足資本要求，本集團致力維持穩健的資本狀況，以符合監管規定以及內部資本比率要求。本集團及其各成員公司預期可維持穩健的資本充足狀況，支持業務發展。

流動資金及資金管理

本集團致力確保在危機期間維持充足的資金，以繼續進行業務及營運，並有能力償還一切到期債務。

合規

本集團力求公平對待每位客戶，確保以誠信正直的方式經營業務，並遵守所有適用的法律及監管規定。本集團絕不容忍違背法律精神及監管規定的負面行為，並致力建立及宣揚良好的企業文化，鼓勵員工作出正當的行為。

營運穩健性

疫情、網絡事件、技術故障和天災可能會影響本行的持續經營能力，進而影響整個金融系統的穩定性，因此，本集團致力確保營運穩健性及維持關鍵營運，避免上述因素造成業務中斷。

網絡安全

本集團努力適應科技發展的急速步伐，改善本行的客戶服務，提升客戶體驗，同時亦持續加強識別、預防、檢測及應對網絡安全等的防禦能力，以應對日新月異的網絡威脅，避免我們的重要信息資產及系統受到外部惡意攻擊。

聲譽

本集團絕不容忍任何在其可控制範圍內，對其聲譽構成嚴重受損的活動。為保護本集團的聲譽，我們透過既定的聲譽風險管理程序，積極處理對其聲譽的潛在威脅，並盡力減低聲譽風險事件帶來的影響。

Report of the Co-Chief Executives (continued)

ESG Risks (Including Climate Risk)

The Group recognises the importance of sustainability to long-term business success and therefore considers environmental and social concerns when extending financing to customers, making investments, and conducting operations. This strategic direction guides the Group towards supporting companies and projects that positively impact the environment and society, while complying with local regulations and standards of governance. The Group is committed to managing and mitigating environmental, social, and governance risks, including climate risk, in a manner that is strategically aligned with its Sustainability Vision and Mission Statements, and reducing carbon emissions in its business and operations.

Risk Management Framework

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

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

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

Enterprise Risk Management

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

The ERM framework provides an effective and efficient approach to governance and oversight within the organisation, and helps the Group monitor and mitigate risk during the course of carrying out the Group's strategies.

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

Risk Governance

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

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

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

環境、社會及管治風險 (包括氣候風險)

本集團明白，可持續發展對業務的長遠增長尤關重要。因此，我們在向客戶提供融資、作出投資決定，以及開展業務時，會同時將環境及社會因素納入考慮。有關策略方針為本集團提供指引，帶領我們支持對環境及社會產生正面影響的公司及項目，並遵守當地法規及管治準則。本集團致力根據其可持續發展願景與使命聲明來管理及減低環境、社會及管治相關的風險 (包括氣候風險)，並減少業務及營運中產生的碳排放。

風險管理架構

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

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

有關架構的重點、主要風險及主要不明朗因素闡述如下。

企業風險管理

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

企業風險管理架構為集團內部的管治及監督提供有效及高效的方法，並幫助本集團在落實集團策略的過程中監控及減低風險。

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

風險管治

董事會肩負有效管理風險的最終責任，並負責審批風險偏好、管理在策略、程序及限額方面的執行的風險政策。

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

整個集團已成立不同的風險管理委員會。在該等委員會的協助下，風險委員會定期檢討本集團的企業風險管理架構，確保所有與風險相關的重要任務，均能根據現有政策及運用適當的資源落實執行。

Report of the Co-Chief Executives (continued)

Three Lines of Defence

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

| | |
|-----------------------------------|--|
| The First Line of Defence | Comprises the Risk Owners, who are heads of business units or support units of the Bank Group, together with staff under their purview. They are responsible for the day-to-day management of risk within their units, including establishing and executing specific risk-control mechanisms and detailed procedures. |
| The Second Line of Defence | Consists of the Risk Controllers, who are designated staff responsible for setting out a risk management governance framework, monitoring risks independently, and supporting the management committees in their oversight of risk management for the Bank Group. |
| The Third Line of Defence | Internal Audit Division, which is responsible for providing assurance as to the effectiveness of the Group's risk management framework, including risk-governance arrangements. |

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

Principal Risks

The Group faces a variety of risks that could affect its franchise, operations, and financial health. The principal risks identified by the Group and how they are managed are set out in the following table.

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

聯席行政總裁報告書 (續)

三道防線

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

| | |
|--------------|---|
| 第一道防線 | 為「風險負責人」，包括本銀行集團各業務或後勤單位主管，以及其屬下職員。他們主要負責其業務單位的日常風險管理，包括設立及執行特定風險管理機制及具體程序。 |
| 第二道防線 | 為「風險監控人」，由指定的員工組成，負責為本銀行集團制定風險管理管治架構、獨立地監控風險，並輔助各管理委員會監督本集團的風險管理。 |
| 第三道防線 | 稽核處，確保本集團風險管理架構(包括風險管治安排)的有效性。 |

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

主要風險

本集團面臨可能影響其品牌、營運及財務狀況的各類風險。本集團所識別的主要風險，以及該等風險的管理方法詳列如下。

| 主要風險類型 | 管理方法 |
|--------|---|
| 信貸風險 | 本集團已制定控制限額、信貸權限授權、授信準則、監控程序、內部評級架構、追收程序及撥備政策(有關詳情載於本集團的政策、指引及手冊內)，以配合監管規定以及最重要的是應對市況。 |
| 利率風險 | 本集團已制定控制限額，並主要透過監察重訂息率錯配、利率走勢對盈利及經濟價值造成的影響，對差距風險、息率基準風險及期權風險進行評估。 |
| 市場風險 | 本集團根據已制定的政策、指引及手冊載列的控制限額，衡量及監控價格不利變動及市場波動可能造成的損失。 |
| 流動性風險 | 本集團進行現金流量分析，以監控資金需求，另設有應急資金計劃，以清晰制定在危機情況下所需流動資金的處理程序及緩減措施。 |
| 營運風險 | 本集團已按風險偏好建立及落實框架，制定標準、程序及內部監控，透過各種工具及系統，以具成本效益的方式來管理營運風險。 |

Report of the Co-Chief Executives (continued)

| Principal risk type | How it is managed |
|---------------------|--|
| Reputation Risk | The Group identifies, assesses, monitors, mitigates, and controls reputation risk systematically. Specific procedures and guidelines are in place to facilitate timely and effective communication with various stakeholders in order to defuse any potential reputation-risk incidents. |
| Strategic Risk | The Group formulates and updates its strategic plan (covering a period of five years) annually to set strategic goals and objectives, evaluate strategic positions and develop appropriate strategies according to the changing external environment and internal capabilities. |
| Legal Risk | The Group has adopted comprehensive policies, guidelines, and manuals. Qualified internal personnel and/or external professionals are engaged to provide advice and training courses. |
| Compliance Risk | The Group has established various policies, guidelines, and manuals to ensure compliance with legal and regulatory requirements. A risk-based approach is in place to complement the management of compliance risk. |
| Technology Risk | The Group strengthens cybersecurity awareness of all staff through comprehensive training programmes and further mitigates technology risk by implementing a range of control measures. |

Risk Appetite

Risk Appetite is set by the Board, and defines the accepted and tolerated levels of risk and return from an enterprise-wide perspective. The Risk Appetite Statement consists of qualitative statements and quantitative metrics, covering financial risks and non-financial risks.

Risk Profile

The Risk Profile report provides both a point-in-time view and a forward-looking assessment of the suite of risk categories, as well as an assessment of their potential impact on the Group's financial results, reputation, and business sustainability.

Key Developments

The Group faced multiple headwinds and challenges in 2023, including the downturn in the real estate sector in Hong Kong and the Chinese Mainland as well as in the US and UK, and global economic uncertainties stemming from monetary tightening, elevated interest rates, and geopolitical tensions. At the same time, cyberattacks and fraud cases have also been on the rise around the globe.

In response to these challenges, the Group has actively managed the associated risks, with enhanced risk management in the following areas in 2023:

- Additional resources were allocated for management of special assets and credit monitoring to proactively identify risk in the loan book and mitigate risks in a timely manner. In addition to enhanced credit control, thematic reviews were regularly conducted on high-risk sectors and loan exposures that were most susceptible to the challenges.
- The Group constantly reviews the Operational Risk Management Framework to manage material operational risk, assure sustainability, and enhance incident management and third-party risk management capabilities. The Operational Resilience Framework is developed to set out the core principles and standards to govern the resilience-related controls. Operational resilience parameters include critical operations, tolerance for disruption and severe but plausible scenarios. Through performing pilot process mapping and scenario testing, the Bank enhances its resilience by mitigating the vulnerabilities identified and revising business continuity plans.

聯席行政總裁報告書 (續)

| 主要風險類型 | 管理方法 |
|--------|---|
| 聲譽風險 | 本集團有系統地識別、評估、監控、減低及控制聲譽風險。本集團制定了具體的程序及指引，務求與各個持分者及時有效溝通，以化解任何潛在的聲譽風險事件。 |
| 策略風險 | 本集團每年均會制定及更新為期五年的策略計劃，根據最新外部環境和集團內部狀況的變化，設立策略目標和目的、評估戰略定位及制定適當的策略。 |
| 法律風險 | 本集團已制定全面的政策、指引及手冊，並聘請合資格內部人員及 / 或外聘專業人士提供意見及培訓課程。 |
| 合規風險 | 本集團已透過制定各項政策、指引及手冊，確保遵守法律及監管規定，並落實風險為本的方式，以進一步完善合規風險管理。 |
| 科技風險 | 本集團透過全面的培訓計劃，加強所有員工的網絡安全意識，並實施一系列控制措施，進一步減低科技風險。 |

風險偏好

風險偏好是董事會從整個集團的角度，對風險及回報的接受和容許程度的闡述。風險偏好聲明包括定性聲明及定量指標，涵蓋財務風險及非財務風險。

風險狀況

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

主要發展

2023 年，本集團面對多重不利因素及挑戰，包括香港、內地、美國和英國房地產行業下行，以及因貨幣政策緊縮、利率上升及地緣政治緊張局勢所引致的全球經濟不明朗因素。同時，世界各地的網絡攻擊和欺詐案件亦呈上升趨勢。

本集團為此積極管理相關風險，於 2023 年加強了以下方面的風險管理：

- 本集團已就特殊資產管理及信貸監控調撥額外資源，並積極識別貸款業務的風險，及時採取緩解措施。除了加強信貸控制，本集團亦針對高風險行業及最容易受挑戰影響的貸款業務進行定期專項審查。
- 本集團持續審視營運風險管理架構，以管理重要營運風險、確保可持續運作發展，以及優化事故管理及第三方風險管理效能。本集團亦制定了營運穩健性架構，當中載有管理穩健性相關控制的核心原則和標準。營運穩健性的參數包括關鍵營運、對業務中斷的容忍度以及嚴重但有可能發生的情境。本集團透過進行程序分析和情境測試，以發現並修正弱項及修訂持續業務運作計劃，從而提升營運穩健性。

Report of the Co-Chief Executives (continued)

- The Bank has worked collaboratively with other stakeholders to enhance anti-fraud controls amidst the constantly evolving threat landscape, including the implementation of initiatives proposed by the HKMA and the Hong Kong Police Force, for example, becoming one of the participating banks of the Anti-Deception Alliance.
- Complementing the detection and protection control measures, the Group continues to enhance its data backup arrangements as proposed by the HKMA and Hong Kong Association of Banks ("HKAB"), and performs regular testing to address the risk of destructive cyberattacks.
- The risk appetite statement is aligned strategically with the Group's Sustainability Vision and Mission Statements, and continuous efforts have been made to expand green and sustainable lending to support customers to realise their transition plans to a low-carbon economy. Furthermore, under the Group's GSF framework, sector policies have been developed to establish a consistent Bank-wide stance towards lending to high-carbon emitting sectors.

Principal Uncertainties

During 2023, the Group identified a number of emerging risks. The key uncertainties currently facing the Group and the mitigating measures implemented are set out below.

Principal Uncertainties

Mitigating Measures

Macro-economy

Global economic recovery has remained slow and uneven. Headwinds from unprecedented monetary tightening to combat inflation led to a slowdown in growth momentum in 2023. The global economy has been affected by rising geopolitical tensions, which could potentially result in supply chain disruption, cross-border capital outflows, increased funding cost, asset price corrections, and financial instabilities. Meanwhile, the rising threats of cyberattacks and climate change might further impede global recovery.

Although the US economy maintained moderate growth momentum and defied recession fears in 2023, inflation stayed above the policy target and the federal funds rate is expected to stay high for longer. While interest rates are believed to have peaked, the possibility of a rate cut by the Federal Reserve would depend on incoming employment and inflation data. Under this scenario, and factoring in the normalisation of excess saving and fiscal stimulus, the prospects of rate-sensitive sectors will remain gloomy, undermining consumer and business confidence and thus leading to a soft growth outlook.

The Group will continue to closely monitor the market situation and its portfolios in order to manage risk exposure.

From a credit risk perspective, the Bank continues to identify potential adverse events and devise ways to mitigate any impact on its capital adequacy and asset quality. Such measures include enhanced credit control on loan exposures, thematic reviews on high-risk sectors, and stress testing on capital adequacy and loan-loss allowances. In response to the uncertainties arising from the liquidity and refinancing risk of the Mainland property sector, the Group is taking a conservative approach, with accounts being monitored closely. Overall credit exposure to the sector is being reduced amid the Group's broader diversification strategy. While remaining alert to the development of the Mainland property market, the Bank is also closely monitoring its commercial real estate exposure in Hong Kong, the US, and the UK. The Group's lending appetite has become highly selective, with prudent and proactive credit risk management adopted to control loan asset quality.

聯席行政總裁報告書 (續)

- 鑑於詐騙活動情況不斷轉變，本行正與其他持份者緊密合作，加強打擊詐騙活動，當中包括落實金管局和香港警務處提出的各種建議 (例如成為反詐騙聯合情報中心的參與銀行)。
- 為完善偵測及保護控制措施，本集團遵循金管局及香港銀行公會的建議，不斷加強數據備份安排，並定期進行測試，以應對破壞性網絡攻擊的風險。
- 本集團的風險偏好聲明，在策略上與其可持續發展願景和使命聲明一致。我們不斷致力擴增綠色及可持續貸款，以支援客戶實現過渡至低碳經濟的計劃。此外，本集團基於綠色及可持續金融框架制定行業政策，以確保全行就貸款予高碳排放行業採取一致的態度。

主要不明朗因素

於 2023 年，本集團識別出數項新出現的風險。本集團現時面對的主要不明朗因素及已採取的緩解措施載列如下。

主要不明朗因素

緩解措施

宏觀經濟

全球經濟維持緩慢復甦，步伐並不一致。為控制通脹以前所未有的速度緊縮貨幣政策對經濟帶來不利影響，導致 2023 年增長勢頭放緩。全球經濟亦受到地緣政治緊張局勢升溫，並可能導致供應鏈中斷、跨境資本外流、融資成本上升、資產價格調整及金融不穩定。同時，網絡攻擊及氣候變化的威脅不斷增加，亦可能會進一步阻礙全球復甦。

2023 年，美國經濟保持溫和增長勢頭，克服了經濟衰退的憂慮，但通脹仍高於政策目標，預期聯邦基金利率將較長時間維持高企。縱使市場認為利率已經見頂，但美聯儲減息的可能性將取決於未來就業及通脹數據。在此背景下，考慮到超額儲蓄及財政刺激的正常化，利率敏感行業的前景料續黯淡，削弱消費者及營商信心，令增長前景趨於疲弱。

本集團將繼續密切監控市況及資產組合，以管理風險承擔情況。

於信貸風險方面，本行繼續識別潛在不利事件，並設法減輕其對資本充足度及資產質素的影響。有關措施包括：加強對貸款風險的信貸管控，對高風險行業進行專項審查，以及就資本充足度及貸款損失撥備進行壓力測試。因應內地房地產行業的流動性及再融資風險帶來的不明朗因素，本集團採取較為穩健做法，密切監察賬目。得益於本集團廣泛多元化的貸款策略，對相關行業的整體信貸風險敞口有所減低。本行對內地房地產市場的狀態保持警惕，同時亦密切關注其在香港、美國及英國的商業房地產風險。本集團的借貸偏好更傾向嚴格挑選，並採納審慎而積極主動的信貸風險管理以控制貸款資產質素。

Report of the Co-Chief Executives (continued)

Principal Uncertainties

Mitigating Measures

Macro-economy (continued)

In the Chinese Mainland, steady economic growth in 2023 was boosted by an enhanced policy mix. Services-led consumption maintained robust growth while infrastructure and high-tech investment expanded steadily. Faced with the uncertain global economic and geopolitical outlook as well as its own domestic challenges, in particular the still-sluggish property market, the path of economic recovery will be gradual and possibly bumpy.

In Hong Kong, private consumption and inbound tourism served as the key growth drivers in 2023, offsetting subdued government spending and weak merchandise trade. Looking ahead, despite the elevated interest rate environment and geopolitical tensions, robust private consumption, inbound tourism, low unemployment, as well as numerous large-scale public investment projects are expected to keep Hong Kong on a continuous recovery path.

From a market and interest rate risk perspective, the Bank continues to assess trends, manage exposures, perform hedging scenario analysis and stress-testing, review its risk-taking strategy, and formulate mitigating actions as necessary.

From a compliance risk perspective, the Bank continues to track the development of relevant sanction regimes and mitigate risk exposure where appropriate.

Cybersecurity Risk

Cybersecurity risk is a key focus area for regulators and the banking industry as these risks evolve rapidly. Attackers are constantly seeking more sophisticated and efficient ways to undermine banks' cybersecurity and operations.

The Group takes a multi-pronged approach to tackle cybersecurity risk and improve cyber resilience:

- Engage external consultants to assess the Group's cybersecurity controls against relevant information security standards and emerging risks to identify and implement necessary improvements
 - Engage independent parties to perform Intelligence-led Cyber Attack Simulation Testing ("iCAST") based on the HKMA's Cyber Resilience Assessment Framework ("C-RAF") and continue to enhance the Group's cybersecurity capabilities
 - Analyse different intelligence sources to monitor the latest worldwide threats and establish industry-wide collaborations on sharing of cyber threat intelligence
 - Maintain a proper incident response management process, including cybersecurity insurance
 - Enhance cyber and information security training programmes to promote security awareness among staff and improve security practices
 - Regularly report to Directors in Risk Committee meetings
-

聯席行政總裁報告書 (續)

主要不明朗因素

緩解措施

宏觀經濟 (續)

中國內地方面，在政策措施有所增強下，2023 年經濟穩步增長。以服務業為主導的消費保持穩健增長，基礎設施及高科技投資亦穩步擴張。面對全球經濟及地緣政治前景不明朗，以及房地產市場持續低迷的內部挑戰，經濟復甦之路料將緩慢，並可能有所反覆。

香港方面，私人消費和訪港旅遊成為 2023 年的主要增長動力，抵銷了政府支出轉弱及商品貿易疲軟的影響。展望未來，儘管利率高企及地緣政治局勢緊張，但穩健的私人消費、訪港旅遊、低失業率，以及多項大型政府投資項目上馬，有望帶動香港走在持續復甦之道。

於市場及利率風險方面，本行繼續評估市場趨勢、管理風險敞口、進行對沖情境分析及壓力測試，以及審視風險承擔策略，並在有需要時就風險敞口制定緩減措施。

合規風險方面，本行繼續密切關注相關制裁機制的進展，並在適當情況下緩解風險。

網絡安全風險

網絡安全風險發展迅速，已成為監管機構及銀行業關注的重點領域。攻擊者不斷尋找更複雜、更有效的方法損害銀行的網絡安全及運營。

本集團多管齊下，應對網絡安全風險並提高網絡防衛能力：

- 委聘外部顧問，並因應相關信息安全標準及新興風險來評估本集團的網絡安全控制措施，從而識別及實施必要的改進
- 委聘獨立機構根據金管局的「網絡防衛評估框架」進行以風險信息主導的「網絡攻防模擬測試」，並持續提升本集團的網絡安全能力
- 分析各種情報來源，以監察全球面臨的最新網絡威脅，並在分享網絡威脅情報方面支持推動全行業合作
- 制定合適的安全事件應變管理流程，包括投保網絡安全保險
- 加強網絡及信息安全培訓計劃，以提高員工的安全意識，並加強網絡安全實踐
- 定期於風險委員會會議上向董事進行報告

Report of the Co-Chief Executives (continued)

Principal Uncertainties

Mitigating Measures

ESG Risks

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

To manage the potential risks from ESG and cultivate ESG awareness throughout the Group, BEA has:

- Refined the GSF framework to manage the Group's risk exposure to "brown sectors" and to capture GSF business opportunities and support customers' transition to a low-carbon economy
- Conducted second round of climate risk stress test
- Introduced quantitative and qualitative risk appetite statements to monitor the Group's performance and risk tolerance on ESG/climate risk
- Formulated a climate risk heat map framework to assess and monitor physical and transition risk of vulnerable industries
- Integrated ESG / climate risk considerations when deriving the internal Pillar 2 capital requirement, and incorporated greenness together with ESG / climate risk / greenwashing risk assessment for new green / ESG-themed products and services

Compliance

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

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

Any significant compliance issues, including those related to anti-money laundering ("AML") and counter-financing of terrorism ("CFT"), are also reported to the Risk Committee and the Board of Directors via the management committees. Through the support of the risk and compliance function established in the Bank's business and support units – which acts as the first line of defence against regulatory non-compliance – a comprehensive and efficient compliance risk management framework is maintained.

The Group is fully prepared to meet the demands of the evolving regulatory environment – including those related to AML, CFT and Fraud, international standards and regulatory changes in jurisdictions where the Group has a presence, cross-border business, investment and insurance sales practices, customer protection – particularly in a digitalised environment, personal data protection, and all other relevant requirements.

By order of the Board

Adrian David LI Man-kiu

Co-Chief Executive

Brian David LI Man-bun

Co-Chief Executive

Hong Kong, 21st February, 2024

聯席行政總裁報告書 (續)

主要不明朗因素

緩解措施

環境、社會及管治風險

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

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

- 完善綠色及可持續金融框架，以管理本集團對「棕色行業」的風險敞口，把握綠色及可持續金融業務機遇，並支援客戶過渡至低碳經濟
- 進行第二輪氣候風險壓力測試
- 引入定量及定性風險偏好聲明，以監控本集團在環境、社會及管治/氣候風險方面的表現及風險承受能力
- 制定氣候風險熱圖框架，以評估及監察脆弱行業的實體風險和轉型風險
- 在制定內部第二支柱資本要求時納入環境、社會及管治/氣候風險考量，以及在提供以綠色/環境、社會及管治為主題的新產品及服務時，納入綠色元素以及環境、社會及管治/氣候風險/漂綠風險評估

合規

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

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

至於任何重要的合規事宜，包括有關打擊洗錢及恐怖分子資金籌集之事宜，亦會經由各個管理委員會，向風險委員會及董事會作出匯報。此外，透過本行於各業務及後勤部門內設置的風險及合規人員作為防範監管違規行為的第一道防線，本集團得以維持一個全面及有效的合規風險管理架構。

本集團已作好準備，務求可在不斷變化的監管環境下達至各項合規要求，包括與打擊洗錢、恐怖分子資金籌集及詐騙相關的規定、國際標準及本集團業務所在司法管轄區的監管變動、跨境業務、投資及保險產品的銷售手法、特別於數碼化環境下的客戶保護、個人資料保護，以及所有其他相關規定。

承董事會命
聯席行政總裁
李民橋
謹啟

聯席行政總裁
李民斌

香港，2024年2月21日

Biographical Details of Directors and Senior Management

董事及高層管理人員的個人資料

Directors 董事



Dr. the Hon. Sir David LI Kwok-po

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

李國寶爵士

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

Sir David, aged 85, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. On 1st July, 2019, Sir David stepped down as Chief Executive and was re-designated as Executive Chairman of the Bank. Sir David is also the Chairman of BEA China and The Bank of East Asia Charitable Foundation Limited.

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

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

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

李爵士，現年 85 歲，在 1969 年加入本行、1977 年任董事、1981 年任行政總裁、1995 年任副主席、繼而於 1997 年獲委任為主席。於 2019 年 7 月 1 日，李爵士退任本行行政總裁一職，並調任為執行主席。李爵士亦是東亞中國及東亞銀行慈善基金有限公司的主席。

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

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

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Professor Arthur Li Kwok-cheung

GBM, GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), Hon Doc (KNUA), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP
Deputy Chairman, Non-executive Director, Member of the Nomination Committee and the Remuneration Committee

李國章教授

GBM, GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), Hon Doc (KNUA), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP
副主席，非執行董事，提名委員會及薪酬委員會委員

Professor Li, aged 78, was a Director of the Bank (1995 – 2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

Professor Li is a Member of the Executive Council of the HKSAR (he was/has been a Member from 2002 to June 2007 and from July 2012 to present). He also serves as a Member of the Committee for the Basic Law of the HKSAR under the Standing Committee of the National People's Congress. Professor Li was a Member of the National Committee of the Chinese People's Political Consultative Conference (1998 – 2018).

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited (listed in Hong Kong) and a Non-executive Director of Greater Bay Airlines Company Limited. He was an Independent Non-executive Director of Nature Home Holding Company Limited (listing in Hong Kong withdrawn on 19th October, 2021).

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

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

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

李教授，現年 78 歲，曾任本行董事（1995 年至 2002 年）及在 2008 年再獲委任為本行董事，並於 2009 年獲委任為副主席。

李教授是香港特別行政區行政會議成員（他曾在 2002 年至 2007 年 6 月期間及自 2012 年 7 月起至今出任此職）。他亦為全國人民代表大會常務委員會香港特別行政區基本法委員會委員。李教授曾是中國人民政治協商會議全國委員會委員（1998 年至 2018 年）。

李教授現為香格里拉（亞洲）有限公司（在香港上市）之獨立非執行董事、及大灣區航空有限公司之非執行董事。他曾出任大自然家居控股有限公司（於 2021 年 10 月 19 日撤銷在香港的上市地位）之獨立非執行董事。

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

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

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Dr. Allan WONG Chi-yun

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

黃子欣博士

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

Dr. Wong, aged 73, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited (listed in Hong Kong). Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Limited (listed in Hong Kong).

Dr. Wong is a Member of the Chief Executive's Council of Advisers of the Government of the HKSAR.

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

黃博士，現年73歲，在1995年獲委任為本行董事，並於2009年獲委任為副主席。他是偉易達集團（在香港上市）主席兼集團行政總裁。黃博士為中港照相器材集團有限公司（在香港上市）之獨立非執行董事。

黃博士現為香港特別行政區政府特首顧問團成員。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. Aubrey LI Kwok-sing

ScB, MBA

Non-executive Director and Member of the Risk Committee

李國星先生

ScB, MBA

非執行董事及風險委員會委員

Mr. Li, aged 74, was appointed a Director in 1995. He is Chairman of IAM Family Office Limited and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Café de Coral Holdings Limited (listed in Hong Kong), Kowloon Development Co. Ltd (listed in Hong Kong) and Pokfulam Development Company Limited (listed in Hong Kong).

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

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

李先生，現年74歲，在1995年獲委任為本行董事。他是星安家族辦公室有限公司主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司（在香港上市）、九龍建業有限公司（在香港上市）及博富臨置業有限公司（在香港上市）之獨立非執行董事。

李先生持有布朗大學土木工程學學士學位，及哥倫比亞大學工商管理碩士學位。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. Winston LO Yau-lai

SBS, BSc, MSc
Non-executive Director

羅友禮先生

SBS, BSc, MSc
非執行董事

Mr. Lo, aged 82, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited (listed in Hong Kong).

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

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

羅先生，現年82歲，在2000年獲委任為本行董事。他是維他奶國際集團有限公司（在香港上市）執行主席。

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

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. Stephen Charles LI Kwok-sze

BSc (Hons.), ACA
Non-executive Director

李國仕先生

BSc (Hons.), ACA
非執行董事

Mr. Li, aged 64, was appointed a Director in 2006. He is a Member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, UK. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong and board positions with international investment funds.

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

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

李先生，現年64歲，在2006年獲委任為本行董事。他是英國及威爾斯特許會計師公會會員。李先生持有英國倫敦大學 King's College 數學 (榮譽) 理學士學位。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職，以及國際投資基金的董事職務。

李先生現為凱瑟克基金的執行委員會成員及義務司庫。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. Adrian David LI Man-kiu

BBS, MA (Cantab), MBA, LPC, JP

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

李民橋先生

BBS, MA (Cantab), MBA, LPC, JP

聯席行政總裁及環境、社會及管治委員會委員

Mr. Li, aged 50, was appointed an Executive Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019, and is responsible for overall management and control of the Bank Group with a particular focus on its Hong Kong business. He serves on the boards of several Bank Group members as Chairman or Member.

Mr. Li is currently an Independent Non-executive Director of two listed companies under the Sino Group (Sino Land Company Limited (listed in Hong Kong) and Tsim Sha Tsui Properties Limited (listed in Hong Kong)) and COSCO SHIPPING Ports Limited (listed in Hong Kong). He previously served as a Non-executive Director of The Berkeley Group Holdings plc (listed in London) and an Independent Non-executive Director of China State Construction International Holdings Limited (listed in Hong Kong).

李先生，現年50歲，於2014年獲委任為執行董事。他在2000年加入本行為總經理兼企業銀行處主管，於2009年4月獲任命為副行政總裁，其後於2019年7月獲委任為聯席行政總裁，負責本集團之整體運作及管理，並專注領導香港業務發展。他同時亦出任本集團內多間公司董事會的主席或成員。

李先生現任信和集團旗下兩間上市公司（信和置業有限公司（在香港上市）及尖沙咀置業集團有限公司（在香港上市））及中遠海運港口有限公司（在香港上市）之獨立非執行董事。他曾出任The Berkeley Group Holdings plc（在倫敦上市）之非執行董事及中國建築國際集團有限公司（在香港上市）之獨立非執行董事。

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)

Mr. Li is a Member of the Shanghai Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Hong Kong United Youth Association. He is Chairman of The Chinese Banks' Association, Deputy Chairman of The Hong Kong Institute of Bankers' Executive Committee and Vice President of its Council, and a Member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. He is a Vice Patron of The Community Chest of Hong Kong, a Member of the Advisory Board of The Salvation Army Hong Kong and Macau Territory, and a Trustee of The University of Hong Kong's occupational retirement schemes. Furthermore, he serves as a Member of the Election Committees responsible for electing the Chief Executive and Legislative Council Members of the HKSAR as well as deputies of the HKSAR to the 14th National People's Congress.

Mr. Li holds a Master of Management Degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts Degree and Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a Member of The Law Society of England and Wales, and The Law Society of Hong Kong. He is also a Member of the Hong Kong Academy of Finance and has been conferred as an Honorary Certified Banker by The Hong Kong Institute of Bankers. Mr. Li was awarded the Bronze Bauhinia Star by the Government of the HKSAR in 2022 in recognition of his contributions to the community.

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

李先生現為中國人民政治協商會議上海市委員會委員及香港青年聯會參事。他是香港華商銀行公會主席、香港銀行學會理事會副主席及其議會副會長，以及香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。他同時擔任香港公益金名譽副會長、救世軍港澳地域顧問委員會成員，以及香港大學職業退休計劃受託人。此外，他為負責推選香港特別行政區行政長官及立法會議員之選舉委員會委員，及香港特別行政區第十四屆全國人民代表大會代表選舉會議成員。

李先生持有美國西北大學凱洛格管理學院工商管理碩士學位、英國劍橋大學法學院碩士及學士學位。他是英國律師會及香港律師會會員，亦是香港金融學院會員，更獲香港銀行學會頒授榮譽銀行專業會士名銜。李先生於2022年獲香港特別行政區政府頒授銅紫荊星章，以表揚其對社會的貢獻。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料(續)



Mr. Brian David LI Man-bun

BBS, JP, MA (Cantab), MBA, FCA
Co-Chief Executive and Member of the Environmental, Social, and Governance Committee

李民斌先生

BBS, JP, MA (Cantab), MBA, FCA
聯席行政總裁及環境、社會及管治委員會委員

Mr. Li, aged 49, was appointed an Executive Director in 2014. He first joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019. He is responsible for the overall management and control of the Bank Group with a particular focus on its Chinese Mainland and international businesses. He serves on the boards of several Bank Group members as Chairman or as a Member.

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

Mr. Li holds a number of public and honorary positions, including being a Member of the National Committee of the Chinese People's Political Consultative Conference and a Vice Chairman of its Committee on Social and Legal Affairs, a Member of the Chief Executive's Council of Advisers of the Government of the HKSAR, a Director of the Financial Services Development Council, a Member of the Process Review Panel for the Securities and Futures Commission, a Board Member of Hong Kong-Shenzhen Innovation and Technology Park Limited, a Member of the Disaster Relief Fund Advisory Committee, and a Vice Chairman of the Asian Financial Cooperation Association. Mr. Li was awarded the Bronze Bauhinia Star by the Government of the HKSAR in 2023 in recognition of his contributions to the community.

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

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

李先生，現年49歲，於2014年獲委任為執行董事。他在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管。他於2009年4月獲任命為副行政總裁，其後於2019年7月出任聯席行政總裁，負責本集團之整體運作及管理，並主要領導中國內地及國際業務。他亦是本集團內若干公司董事會的主席或成員。

李先生現為港華智慧能源有限公司（在香港上市）、中國海外發展有限公司（在香港上市）及粵海投資有限公司（在香港上市）的獨立非執行董事。他曾出任深圳投控灣區發展有限公司（在香港上市）的獨立非執行董事。

李先生現擔任多項公職及榮譽職務，包括：中國人民政治協商會議全國委員會委員兼社會和法制委員會副主任、香港特別行政區政府特首顧問團成員、香港金融發展局董事、證券及期貨事務監察委員會程序覆檢委員會成員、港深創新及科技園有限公司董事會成員、賑災基金諮詢委員會委員，以及亞洲金融合作協會副理事長。李先生於2023年獲香港特別行政區政府頒授銅紫荊星章，以表揚其對社會的貢獻。

李先生為香港會計師公會資深會員和英格蘭及威爾士特許會計師協會資深會員，他亦為香港金融學院會員、香港銀行學會榮譽銀行專業會士及財資市場公會專業會員。李先生持有美國斯坦福大學工商管理碩士學位，和英國劍橋大學文學學士學位。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Dr. Daryl NG Win-kong

SBS, BA, MSc, DHL, Hon. DBA, JP
Non-executive Director and Member of the Risk Committee

黃永光博士

SBS, BA, MSc, DHL, Hon. DBA, JP
非執行董事及風險委員會委員

Dr. Ng, aged 45, was appointed a Director in 2015. He is currently an Executive Director and Deputy Chairman of Sino Land Company Limited (listed in Hong Kong), Tsim Sha Tsui Properties Limited (listed in Hong Kong) and Sino Hotels (Holdings) Limited (listed in Hong Kong). He is also the Chairman, Non-independent & Non-executive Director of Yeo Hiap Seng Limited (listed in Singapore).

Dr. Ng holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York, an Honorary Doctor of Humane Letters Degree from Savannah College of Art and Design and an Honorary Doctor of Business Administration, honoris causa from Hong Kong Metropolitan University. He is also Honorary Fellow of The Hong Kong University of Science and Technology and Hong Kong Metropolitan University.

Dr. Ng is a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference, a member of the Standing Committee of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is the President of Hong Kong United Youth Association, a Council Member of the Hong Kong Committee for UNICEF, a Council Member of The Hong Kong Management Association, a Governor of Our Hong Kong Foundation Limited, a Council Member of Hong Kong Chronicles Institute Limited, a Council Member of the Employers' Federation of Hong Kong, a Member of the Board of Hong Kong Science and Technology Parks Corporation, the Chairman of Greater Bay Area Homeland Youth Community Foundation Limited, a member of the Estate Agents Authority of the HKSAR Government, a member of the Council for Carbon Neutrality and Sustainable Development of the HKSAR Government, a member of the Culture Commission of the HKSAR Government, a member of the Advisory Council on the Environment of the HKSAR Government, a member of the Steering Committee of the Research, Academic and Industry Sectors One-plus (RAISe+) Scheme of Innovation and Technology Commission of the HKSAR Government, a member of the Council of the University of Hong Kong, a Member of the Court of the Hong Kong University of Science and Technology, a Member of the Board of Hong Kong Academy for Wealth Legacy of Financial Services Development Council, a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore, a member of International Advisory Council of Singapore Management University, a Member of the National Heritage Board, Singapore, a Special Advisor to UNESCO Asia-Pacific Awards for Cultural Heritage Conservation, a Director of The Real Estate Developers Association of Hong Kong, a Vice Patron of The Community Chest of Hong Kong and a Member of the Board of Hong Kong Palace Museum Limited.

黃博士，45歲，於2015年獲委任為董事。他現時為信和置業有限公司（在香港上市）、尖沙咀置業集團有限公司（在香港上市）及信和酒店（集團）有限公司（在香港上市）之執行董事兼副主席。他亦是楊協成有限公司（在新加坡上市）之主席及非獨立非執行董事。

黃博士持有紐約哥倫比亞大學經濟學文學學士學位、房地產發展理學碩士學位、薩凡納藝術設計學院榮譽人文科學博士學位及香港都會大學榮譽工商管理博士學位。他亦為香港科技大學及香港都會大學榮譽大學院士。

黃博士是紐約哥倫比亞大學Global Leadership Council會員、第十屆中國人民政治協商會議四川省委員會委員、第十四屆中國人民政治協商會議北京市委員會常務委員、中華全國青年聯合會第十屆及第十一屆委員會委員及重慶市青年聯合會港區特邀副主席。他亦是香港青年聯合會會長、聯合國兒童基金香港委員會委員、香港管理專業協會理事會委員、團結香港基金有限公司理事、香港地方志中心有限公司理事、香港僱主聯合會諮詢會成員、香港科技園公司董事會成員、大灣區共同家園青年公益基金會有限公司主席、香港特別行政區政府地產代理監管局成員、香港特別行政區政府碳中和及可持續發展委員會委員、香港特別行政區政府文化委員會成員、香港特別行政區政府環境諮詢委員會成員、香港特別行政區政府創新科技署產學研1+計劃督導委員會委員、香港大學校務委員、香港科技大學顧問委員會成員、香港金融發展局香港財富傳承學院董事會成員、新加坡國立大學楊潞齡醫學院NUS Medicine International Council成員、新加坡管理大學之International Advisory Council成員、新加坡國家文物局董事局成員、聯合國教科文組織亞太區文化遺產保護獎特別顧問、香港地產建設商會董事、香港公益金名譽副會長及香港故宮文化博物館有限公司董事局成員。

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. Masayuki OKU

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

奧正之先生

LL.B, LL.M, 產業勳章銀塔獎
非執行董事及提名委員會委員

Mr. Oku, aged 79, was appointed a Director in 2015. He is an Independent Non-executive Director of Rengo Co., Ltd., The Royal Hotel, Limited and TV TOKYO Holdings Corporation, all of which are companies listed in Japan. Mr. Oku is also the Honorary Advisor of Sumitomo Mitsui Financial Group, Inc. ("SMFG")^{Note} (listed in Japan and US). He was an Independent Non-executive Director of Chugai Pharmaceutical Co., Ltd. (listed in Japan).

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

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

奧正之先生，現年79歲，於2015年獲委任為董事。他是Rengo Co., Ltd.、麗嘉皇室酒店(The Royal Hotel, Limited)及TV TOKYO Holdings Corporation的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為三井住友金融集團^註(在日本及美國上市)的名譽顧問。他曾任中外製藥株式會社(Chugai Pharmaceutical Co., Ltd.) (在日本上市)的獨立非執行董事。

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

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

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

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Dr. the Hon. Rita FAN HSU Lai-tai

GBM, GBS, DSocSc, JP
Independent Non-executive Director, Chairman of the Remuneration Committee and Member of the Nomination Committee

范徐麗泰博士

GBM, GBS, DSocSc, JP
獨立非執行董事，薪酬委員會主席及提名委員會委員

Dr. Fan, aged 78, was appointed a Director in 2016. She is currently an Independent Non-executive Director of COSCO SHIPPING Ports Limited (listed in Hong Kong). She was an Independent Non-executive Director of China Overseas Land & Investment Limited (listed in Hong Kong).

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

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

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

范博士，現年78歲，於2016年獲委任為本行董事。她現時為中遠海運港口有限公司（在香港上市）的獨立非執行董事。她曾出任中國海外發展有限公司（在香港上市）的獨立非執行董事。

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

在香港回歸祖國的事務上，范博士擔當著重要角色。范博士於1993年至1995年出任香港特別行政區籌備委員會預備工作委員會委員，並於1995年至1997年出任香港特別行政區籌備委員會委員。此外，范博士於1998年至2018年期間當選為中華人民共和國第九屆至第十二屆全國人民代表大會香港區代表，並於2008年至2018年期間出任第十一屆和第十二屆全國人民代表大會常務委員會委員。范博士為香港特別行政區候選人資格審查委員會非官守成員。她亦是勵進教育中心有限公司理事會及勵進教育信託基金主席，以及香港桂冠論壇委員會委員。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料(續)



Mr. Meocre Li Kwok-wing

BCom, CPA

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

李國榮先生

BCom, CPA

獨立非執行董事，審核委員會主席及風險委員會委員

Mr. Li, aged 68, was appointed a Director in 2016. He is the Chief Executive of Alpha Alliance Finance Holdings Limited.

Mr. Li was the Managing Partner of Arthur Andersen, one of the major international accounting firms, taking charge of its Hong Kong and Chinese Mainland operations from September 1993 to February 1995. He was the Managing Director and Head of Corporate Finance of NatWest Securities Asia from March 1995 to March 1998. He was the Chief Executive of ICEA Finance Holdings Limited (from March 1998 to March 2002), an investment banking joint venture between The Industrial and Commercial Bank of China and the Bank, prior to the company's becoming a wholly-owned subsidiary of the Bank, which was subsequently renamed as Tung Shing Holdings Company Limited and disposed to SinoPac Securities (Cayman) Holdings Limited on 6th April, 2016. He was an Independent Non-executive Director of BEA China (from May 2016 to July 2022).

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

李先生，現年68歲，於2016年獲委任為本行董事。現時為冠聯金融控股有限公司的行政總裁。

李先生曾是國際主要會計師行之一 — 安達信會計事務所 — 的主管合夥人(1993年9月至1995年2月)，主管其香港及中國內地業務。他曾出任西敏證券亞洲有限公司的董事總經理兼企業融資總裁(1995年3月至1998年3月)。在工商東亞金融控股有限公司(「工商東亞」)成為本行的全資附屬公司之前，他曾經出任該公司的行政總裁(1998年3月至2002年3月)。工商東亞曾是中國工商銀行股份有限公司與本行的聯營公司。本行於2016年4月6日將該公司(更名為東盛控股有限公司)出售予永豐金證券(開曼)控股有限公司。他曾出任東亞中國之獨立非執行董事(2016年5月至2022年7月)。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Dr. the Hon. Henry TANG Ying-yen

GBM, GBS, JP

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

唐英年博士

GBM, GBS, JP

獨立非執行董事，風險委員會主席，審核委員會、提名委員會及薪酬委員會委員

Dr. Tang, aged 71, was appointed a Director in 2017. He was the Chief Secretary for Administration of the HKSAR Government from 2007 to 2011 and the Financial Secretary of the HKSAR Government from 2003 to 2007. He served as a member of the Executive Council of Hong Kong from 1997 to 2011 and was a member of the Legislative Council of Hong Kong from 1991 to 1998.

Dr. Tang is a Standing Committee Member of the Chinese People's Political Consultative Conference, Chairman of the West Kowloon Cultural District Authority Board and the Chairman of Shanghai Tang Junyuan Education Foundation.

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

Dr. Tang is the Supervisor of BEA China.

唐博士，現年71歲，於2017年獲委任為董事。他曾出任香港特別行政區政府政務司司長（2007年至2011年）及財政司司長（2003年至2007年）。他曾為香港行政會議成員（1997年至2011年）及香港立法會議員（1991年至1998年）。

唐博士是中國人民政治協商會議全國委員會常務委員、西九文化區管理局董事局主席及上海唐君遠教育基金會理事長。

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

唐博士為東亞中國之監事。

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料(續)



Dr. Delman LEE

BEng, DPhil

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

李國本博士

BEng, DPhil

獨立非執行董事，環境、社會及管治委員會主席，審核委員會、提名委員會及風險委員會委員

Dr. Lee, aged 56, was appointed a Director in 2017. He is currently the Vice Chairman of TAL Apparel Limited. He is also a Non-executive Director of Tradelink Electronic Commerce Limited (listed in Hong Kong). He was a Non-executive Director of Dairy Farm International Holdings Limited (listed in London, Bermuda and Singapore).

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

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

李博士，現年56歲，於2017年獲委任為董事。他現為聯業製衣有限公司的副主席。他亦是貿易通電子貿易有限公司（在香港上市）的非執行董事。他曾出任牛奶國際控股有限公司（在倫敦、百慕達及新加坡上市）的非執行董事。

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

李博士擁有牛津大學博士學位及倫敦帝國學院電機工程學士學位。

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. William Junior Guilherme Doo

BBS, BA, MA (Oxon), JP

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

杜家駒先生

BBS, BA, MA (Oxon), JP

獨立非執行董事，審核委員會、風險委員會及環境、社會及管治委員會委員

Mr. Doo, aged 50, was appointed a Director in 2019. He is currently the Chief Executive Officer and Director of Fung seng Prosperity Holdings Limited, the Deputy Chief Executive Officer and Executive Director of FSE Holdings Limited, an Executive Director of FSE Lifestyle Services Limited (listed in Hong Kong) and a Non-executive Director of NWS Holdings Limited (listed in Hong Kong).

Mr. Doo is a solicitor admitted in Hong Kong and is currently a non-practising solicitor in England and Wales. He had legal practice experience in one of the largest global law firms specialising in finance and corporate transactions. He is a Member of the National Committee of the Chinese People's Political Consultative Conference. He serves in different committees of the Government of the HKSAR, including a member of the Standing Committee on Young Offenders of Fight Crime Committee, a member of the Correctional Services Department Complaints Appeal Board, a member of the Election Committee and a member of the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption.

Mr. Doo graduated from University of Oxford with B.A. and M.A. degrees in Jurisprudence and he is elected as Foundation Fellow of Wadham College, University of Oxford and a member of Chancellor's Court of Benefactors, University of Oxford. He was appointed as Justice of the Peace, and was awarded the honour of Chevalier de l'Ordre National du Mérite by the President of the French Republic. Mr. Doo was awarded the Bronze Bauhinia Star by the Government of the HKSAR.

杜先生，現年 50 歲，於 2019 年獲委任為董事。他現為豐盛企業集團有限公司行政總裁兼董事、豐盛創建控股有限公司副行政總裁兼執行董事、豐盛生活服務有限公司（在香港上市）之執行董事，以及新創建集團有限公司（在香港上市）之非執行董事。

杜先生取得香港律師資格，現為英格蘭及威爾斯的非執業律師。他曾在其中一家全球最大的律師事務所工作，擁有金融及企業交易法律實務經驗。他為中國人民政治協商會議全國委員會委員。他亦熱心參與香港特別行政區政府公職事務，包括青少年罪犯問題常務委員會委員、懲教署投訴上訴委員會委員、選舉委員會成員及廉政公署防止貪污諮詢委員會成員。

杜先生於英國牛津大學法律系畢業並獲得學士學位及碩士研究生學位，並成為牛津大學華頓學院基金會院士及牛津大學校長恩德堂成員。他獲委任為香港太平紳士，並獲法國總統頒授「法國國家榮譽騎士勳章」。杜先生獲香港特別行政區政府頒授銅紫荊星章。

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Dr. David MONG Tak-yeung

BScEE, DSocSc, DBA, The Order of the Rising Sun, Gold Rays with Neck Ribbon
Independent Non-executive Director, Member of the Nomination Committee, the
Remuneration Committee and the Environmental, Social, and Governance Committee

蒙德揚博士

BScEE, DSocSc, DBA, 旭日中綬章 (The Order of the Rising Sun, Gold Rays with Neck Ribbon)
獨立非執行董事，提名委員會、薪酬委員會及環境、社會及管治委員會委員

Dr. Mong, aged 61, was appointed a Director in 2021. He is currently the Chairman and Chief Executive Officer of Shun Hing Group, which has been the exclusive regional representative of a famous brand of home appliances, Panasonic (formerly National), for many decades. He is the President of the Hong Kong & Kowloon Electrical Appliances Merchants Association Limited and the Chairman of Occupational Safety and Health Council.

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

蒙博士，現年61歲，於2021年獲委任為董事。他現任信興集團主席兼行政總裁。信興集團數十年來一直是著名家用電器品牌樂聲牌 (Panasonic，前為 National) 的獨家地區代理商。他是港九電器商聯會有限公司的會長，以及職業安全健康局的主席。

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

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Dr. Francisco Javier SERRADO TREPAT

Non-executive Director and Member of the Nomination Committee

Francisco Javier SERRADO TREPAT 博士

非執行董事及提名委員會委員

Dr. Serrado, aged 65, was appointed a Director in 2021. He is currently the Asia Regional Manager of Criteria Caixa, S.A., Sociedad Unipersonal^{Note} ("Criteria"). He possesses extensive knowledge and skills and has more than 35 years of experience in banking and finance-related industries, including about 30 years of experience working in China. His major responsibilities include overseeing the operations (including establishment) of banking and finance entities of Criteria in China and other regions in Asia. Dr. Serrado was the Asia Regional Manager of CaixaBank, S.A. (listed in Spain) since 2007 until February 2022.

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

Serrado 博士，現年 65 歲，於 2021 年獲委任為董事。他現任 Criteria Caixa, S.A., Sociedad Unipersonal^註 (「Criteria」) 的亞洲區經理。他在銀行和金融相關行業擁有豐富的知識和技能，相關經驗超過 35 年，其中包括在中國工作約 30 年的經驗。他的職責主要包括監督 Criteria 在中國和亞洲其他地區的銀行和金融實體 (包括設立) 的運營。Serrado 博士曾於 2007 年至 2022 年 2 月期間出任 CaixaBank, S.A. (在西班牙上市) 的亞洲區經理。

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

^{Note} Criteria is 100% owned by Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa"). Both Criteria and "la Caixa" are substantial shareholders of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the "Interests of Substantial Shareholders and Other Persons" section of the Report of the Directors.

^註 Criteria 為 Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (「la Caixa」) 全資所擁有。根據《上市規則》及《證券及期貨條例》第 XV 部之定義，Criteria 及 "la Caixa" 均為本行的主要股東，詳情在董事會報告書內「主要股東及其他人士的權益」項下披露。

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料(續)

Senior Management 高層管理人員

Mr. Adrian David LI Man-kiu

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

(Biographical details are set out on pages 50 and 51)

李民橋先生

BBS, MA (Cantab), MBA, LPC, JP
聯席行政總裁

(個人資料載列於第 50 及 51 頁)

Mr. Brian David LI Man-bun

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

(Biographical details are set out on page 52)

李民斌先生

BBS, JP, MA (Cantab), MBA, FCA
聯席行政總裁

(個人資料載列於第 52 頁)

Biographical Details of Directors and Senior Management (continued)
董事及高層管理人員的個人資料 (續)



Mr. Samson LI Kai-cheong

FCCA, CPA, FCG, HKFCG, HKSI
Deputy Chief Executive & Chief Investment Officer

李繼昌先生

FCCA, CPA, FCG, HKFCG, HKSI
副行政總裁兼投資總監

Mr. Li, aged 63, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009. Mr. Li is primarily responsible for the Bank's investment activities and treasury operations. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

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

李先生，現年63歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動及資金業務的運作。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

李先生為香港公司治理公會、英國特許公司治理公會和英國特許公認會計師公會資深會士、香港會計師公會會士和香港證券及投資學會會員，並獲香港理工大學會計學專業文憑。



Mr. TONG Hon-shing

BSc, ACIB, FCG, HKFCG, Fellow CB
Deputy Chief Executive & Chief Operating Officer

唐漢城先生

BSc, ACIB, FCG, HKFCG, Fellow CB
副行政總裁兼營運總監

Mr. Tong, aged 64, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for operations, technology, compliance, human resources, and corporate communications of the Bank. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board. Mr. Tong is a Fellow Certified Banker of The Hong Kong Institute of Bankers, a Fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute as well as an Associate of The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

唐先生，現年64歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的營運、信息科技、合規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。唐先生為香港銀行學會資深銀行專業會士，香港公司治理公會和英國特許公司治理公會資深會士，及英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

Corporate Information

公司資料

Special Advisor to the Board

Dr. Isidro FAINÉ CASAS

Board

Executive Directors

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

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

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

Non-executive Directors

Professor Arthur LI Kwok-cheung
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

Dr. Francisco Javier SERRADO TREPAT

Independent Non-executive Directors

Dr. Allan WONG Chi-yun
(Deputy Chairman)

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre LI Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

Mr. William Junior Guilherme DOO

Dr. David MONG Tak-yeung

董事會特別顧問

范禮賢博士

董事會

執行董事

李國寶爵士
(執行主席)

李民橋先生
(聯席行政總裁)

李民斌先生
(聯席行政總裁)

非執行董事

李國章教授
(副主席)

李國星先生

羅友禮先生

李國仕先生

黃永光博士

奧正之先生

Francisco Javier SERRADO TREPAT 博士

獨立非執行董事

黃子欣博士
(副主席)

范徐麗泰博士

李國榮先生

唐英年博士

李國本博士

杜家駒先生

蒙德揚博士

Corporate Information (continued)
公司資料 (續)

Board Committees

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

Risk Committee

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

Environmental, Social, and Governance Committee

Dr. Delman LEE* (Chairman)
Mr. Adrian David LI Man-kiu
Mr. Brian David LI Man-bun
Mr. William Junior Guilherme DOO*
Dr. David MONG Tak-yeung*

董事會轄下委員會

審核委員會

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

提名委員會

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

薪酬委員會

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

風險委員會

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

環境、社會及管治委員會

李國本博士* (主席)
李民橋先生
李民斌先生
杜家駒先生*
蒙德揚博士*

* Independent Non-executive Director

* 獨立非執行董事

Corporate Information (continued)
公司資料 (續)

Executive Chairman

Dr. the Hon. Sir David LI Kwok-po

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

Senior Advisor

Mr. CHAN Tze-ching
BBS, JP

Senior Management

Co-Chief Executives

Mr. Adrian David LI Man-kiu
BBS, MA (Cantab), MBA, LPC, JP

Mr. Brian David LI Man-bun
BBS, JP, MA (Cantab), MBA, FCA

Deputy Chief Executive & Chief Investment Officer

Mr. Samson LI Kai-cheong
FCCA, CPA, FCG, HKFCG, HKSI

Deputy Chief Executive & Chief Operating Officer

Mr. TONG Hon-shing
BSc, ACIB, FCG, HKFCG, Fellow CB

Company Secretary

Mr. Alson LAW Chun-tak
FCCA, FCPA, FCG, HKFCG

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

執行主席

李國寶爵士

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

高級顧問

陳子政先生
BBS, JP

高層管理人員

聯席行政總裁

李民橋先生
BBS, MA (Cantab), MBA, LPC, JP

李民斌先生
BBS, JP, MA (Cantab), MBA, FCA

副行政總裁兼投資總監

李繼昌先生
FCCA, CPA, FCG, HKFCG, HKSI

副行政總裁兼營運總監

唐漢城先生
BSc, ACIB, FCG, HKFCG, Fellow CB

公司秘書

羅春德先生
FCCA, FCPA, FCG, HKFCG

核數師

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

Corporate Information (continued)
公司資料 (續)

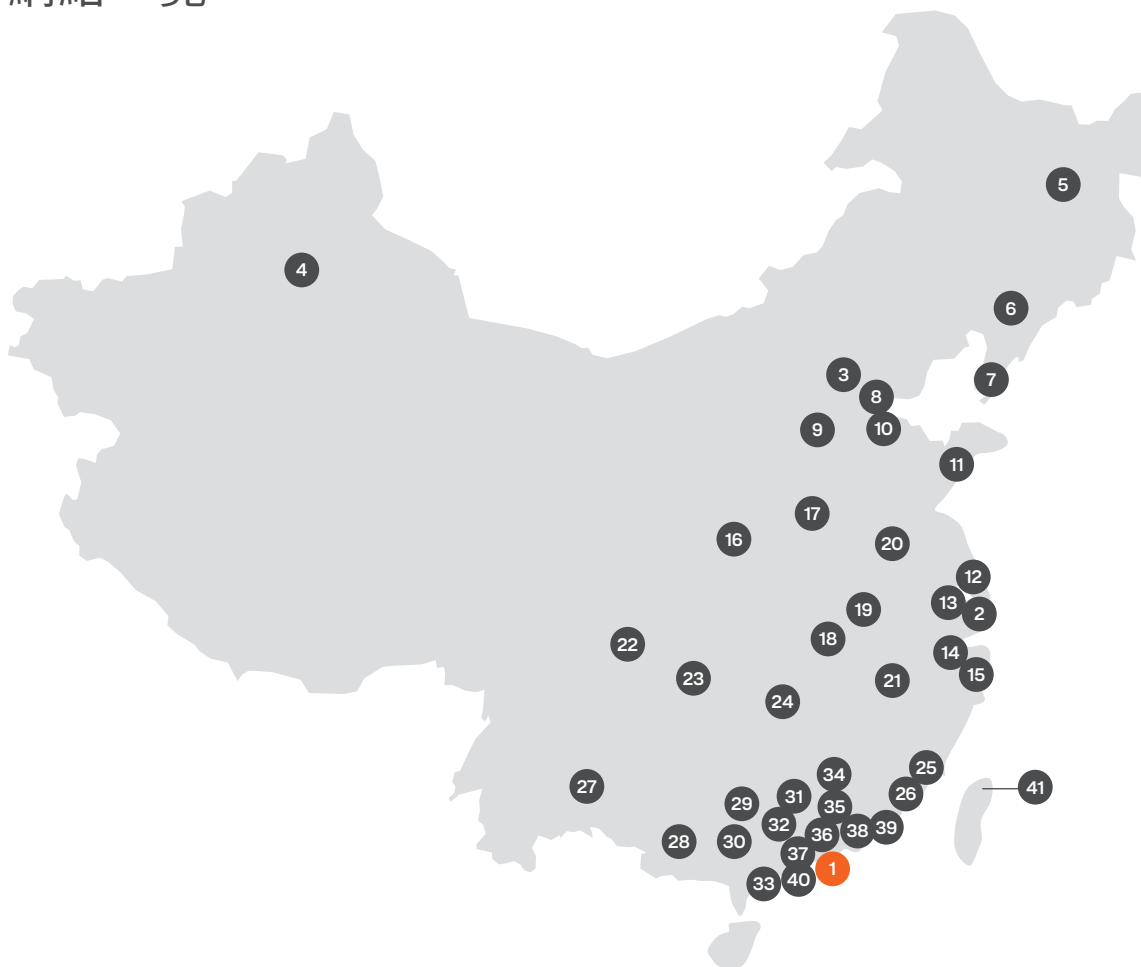
Executive Chairman and Senior Management 執行主席及高層管理人員



1. Dr. the Hon. Sir David LI Kwok-po
李國寶爵士
2. Mr. Adrian David LI Man-kiu
李民橋先生
3. Mr. Brian David LI Man-bun
李民斌先生
4. Mr. Samson LI Kai-cheong
李繼昌先生
5. Mr. TONG Hon-shing
唐漢城先生

List of Outlets

網絡一覽



1 Head Office – Hong Kong 香港 – 總行

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

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

Overseas 海外

Singapore 新加坡

Singapore 新加坡

Malaysia 馬來西亞

Kuala Lumpur 吉隆坡

United Kingdom 英國

London 倫敦
Birmingham 伯明翰
Manchester 曼徹斯特

United States 美國

New York 紐約
Los Angeles 洛杉磯

List of Outlets (continued)
網絡一覽 (續)

| Hong Kong Branch Network 香港分行網絡 | | | | | |
|---------------------------------|-------------------------------------|-----------------------|--|---------------------------------------|--|
| SBP Main Branch | 總行 | Kowloon Branches 九龍分行 | | New Territories Branches 新界分行 | |
| Hong Kong Branches 香港分行 | | S | Castle Peak Road 青山道 | S | East Point City 東港城 |
| S | Aberdeen 香港仔 | SB | Cheung Sha Wan Plaza 長沙灣廣場 | S | Kwai Fong 葵芳 |
| S | Admiralty 金鐘 | S | iSQUARE 國際廣場 | S | Ma On Shan Plaza 馬鞍山廣場 |
| S | BEA Harbour View Centre 東亞銀行港灣中心 | S | Jordan 佐敦 | | Park Central 將軍澳中心 |
| S | Causeway Bay 銅鑼灣 | | Kowloon City 九龍城 | S | Shatin Plaza 沙田廣場 |
| | Chai Wan 柴灣 | S | 133 Wai Yip Street 偉業街 133 號 | S | Sheung Shui 上水 |
| S | Happy Valley 跑馬地 | S | Lok Fu 樂富 | S | Tai Po 大埔 |
| S | Hennessy Road 軒尼詩道 | S | Ma Tau Wei Road 馬頭圍道 | S | Tai Wai 大圍 |
| S | North Point 北角 | S | Mei Foo Sun Chuen 美孚新邨 | | The Chinese University of Hong Kong 香港中文大學 |
| | Quarry Bay 鰂魚涌 | | Millennium City 5 創紀之城五期 | | Tin Shui Wai 天水圍 |
| S | Queen's Road East 皇后大道東 | SBP | Mongkok 旺角 | S | Tsuen Wan Sha Tsui Road 荃灣沙咀道 |
| S | Shaukiwan 筲箕灣 | S | Mongkok North 旺角北 | S | Tuen Mun Town Plaza 屯門市廣場 |
| S | Shek Tong Tsui 石塘咀 | S | San Po Kong 新蒲崗 | S | Yuen Long 元朗 |
| S | Queen's Road Central 皇后大道中 | | Tai Hang Tung 大坑東 | Outlying Islands Branches 離島分行 | |
| S | Shun Tak Centre 信德中心 | S | Telford Plaza 德福廣場 | | Tung Chung 東涌 |
| S | The University of Hong Kong 香港大學 | S | Tsim Sha Tsui 尖沙咀 | | |
| S | Wanchai 灣仔 | S | Waterloo Road 窩打老道 | | |
| S | With SupremeGold Centre 設有顯卓理財中心 | B | With Business Centre 設有商務理財中心 | | |
| Ⓜ | With i-Financial Centre 設有 i - 理財中心 | P | With SupremeGold Private Centre 設有顯卓私人理財中心 | | |

| Financial Centres 理財中心 | | | |
|--|------------------|--------------------------------------|--------------|
| Hong Kong Region 香港區 | | Kowloon Region 九龍區 | |
| Quarry Bay SupremeGold Centre | 鰂魚涌顯卓理財中心 | Millennium City 5 SupremeGold Centre | 創紀之城五期顯卓理財中心 |
| 33 DVRC SupremeGold Centre | 33 德輔道中顯卓理財中心 | | |
| New Territories Region 新界區 | | Outlying Islands Region 離島區 | |
| Tin Shui Wai One Sky Mall i-Financial Centre | 天水圍天一商城 i - 理財中心 | Silvermine Bay i-Financial Centre | 梅窩 i - 理財中心 |
| Sheung Shui Landmark North Business Centre | 上水廣場商務理財中心 | Tai O i-Financial Centre | 大澳 i - 理財中心 |

Corporate Governance Report

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

The Bank has in place a Corporate Governance Framework which identifies all the key participants of the Group and their roles in the application of effective governance policies and processes. A *Corporate Governance Policy* has also been established to direct and guide the business conducts and affairs of the Group.

This report highlights key corporate governance practices and activities of the Group during the year ended 31st December, 2023.

Governance Overview

Board Features

- Roles of Chairman and Chief Executive are separate
- 7 out of 17 Directors are INEDs, representing an INED ratio of 41%
- Credible and influential INEDs
- Competent Board consisting of Directors with diverse expertise and experience

Board Practices and Activities at a Glance

- 5 Board and 13 Board Committee meetings in 2023
- 99% attendance rate of Board meetings
- Sound induction and continuous development training programmes with 68 training activities arranged for Directors
- Review of Strategic Plan and Risk Appetite
- Annual review of Corporate Governance Framework
- Annual review of Management Succession Plan
- Annual evaluation of Board performance and Directors' contribution to the effectiveness of the Board
- Annual review of time commitment and potential conflicts of interest of Directors and Co-Chief Executives
- Quarterly review of the Bank Culture Dashboard
- Review of the ESG Report

Corporate Governance Practices

During the year ended 31st December, 2023, the Bank has complied with all code provisions set out in the CG Code.

The Bank has also followed the modules on CG-1, CG-5, Guidance on Empowerment of INEDs, and the circular on Bank Culture Reform issued by the HKMA. In supporting prudent risk management and upholding high ethical standards in the banking industry, the Bank has published, among others, the *Anti-Bribery and Corruption Statement*; the *Slavery and Human Trafficking Statement*; the *Whistleblowing Policy*; the *Statement on Anti-Money Laundering and Counter-Financing of Terrorism* and the *Human Rights Policy* on the website of the Bank.

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* ("Bank's Policy") on terms no less exacting than the required standard set out in Appendix C3 – Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules. Having made specific enquiry by the Bank, all Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable time during the year ended 31st December, 2023.

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

企業管治報告

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

本行已制定企業管治架構以確認集團內所有企業管治的主要人士，以及他們在應用有效企業管治政策和程序方面的角色。本行並制定一套企業管治政策，為本集團的商業行為及事務提供指引。

本報告重點介紹本集團在截至 2023 年 12 月 31 日止年度期間內的主要企業管治實務和活動。

管治總覽

董事會特點

- 區分主席及行政總裁的角色
- 17 位董事當中，7 位董事為獨立非執行董事，獨立非執行董事的比例達 41%
- 可靠及具有影響力的獨立非執行董事
- 由多元專業背景和經驗的董事組成能力卓越的董事會

董事會的實務及活動概覽

- 於 2023 年內舉行 5 次董事會會議及 13 次董事會轄下委員會會議
- 董事會會議出席率達 99%
- 為董事提供完善入職培訓，及在持續發展培訓計劃下為董事安排 68 項培訓活動
- 審閱策略計劃及風險偏好
- 年度檢討企業管治架構
- 年度檢討管理層繼任規劃
- 年度評估董事會的表現及董事對董事會有效性的貢獻
- 年度評估董事及聯席行政總裁的時間投入及其潛在利益衝突
- 季度檢討本行的文化指標儀表板
- 審閱環境、社會及管治報告

企業管治實務

在截至 2023 年 12 月 31 日止年度期間內，本行已遵守《企業管治守則》的全部守則條文。

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

本行已自行訂立一套與《上市規則》附錄 C3「上市發行人董事進行證券交易的標準守則」(「標準守則」) 所訂標準同樣嚴格的董事及行政總裁證券交易政策，即內幕交易政策 — 董事及行政總裁 (「本行政策」)。經本行明確查詢後，所有董事已確認於截至 2023 年 12 月 31 日止年度內之所有適用期間，均已遵守標準守則及本行政策中所要求的標準。

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

BEA's Culture

The Bank strives to foster a positive working culture in which our people are inspired to do their best for BEA, our customers, and our community. Central to our success is a set of business principles and ethics that defines our vision, mission and values.

Our Bank Culture Work Group ("BCWG") monitors and evaluates bank culture status and devises enhancement initiatives for each division. The BCWG aims to foster a sound Bank-wide culture by promoting BEA's core values and developing strategic initiatives in accordance with HKMA's three pillars of governance, incentive systems, and assessment and feedback mechanisms. The BCWG holds quarterly meetings to review action plans and ensure that initiatives support risk management and internal controls to effectively promote the desired culture. The BCWG, which reports to the Bank's Remuneration Committee, is chaired by the Group Head of People & Sustainability Division and overseen by the Bank's Executive Committee.

The Bank's Culture Dashboard is a key tool used by the BCWG to monitor and evaluate Bank-wide performance on a quarterly basis. Through the dashboard, we collect employee feedback alongside other key bank culture indicators including customer complaints and compliments, and customer satisfaction level. All the data gathered from the Culture Dashboard is used to devise enhancement initiatives that effectively promote our desired culture.

Another invaluable tool we use to track and improve our performance is the annual Bank-wide employee survey. Through this survey we are able to gauge BEA employee experience and perceptions on our core values. Feedback is shared with respective divisions to develop related action plans to enhance the work environment and bank culture. If our employees do have concerns, we encourage them to raise them through our *Staff Grievance Procedure* or our *Whistleblowing Policy and Procedure*. All complaints are handled in confidence and employees can voice their concerns without fear of retaliation.

Since 2019, members of Senior Management have led interactive town hall meetings to encourage open communication on risk management, discuss lessons learned from real cases, and strengthen the Bank's risk culture. These town halls are also used as key opportunities to provide updates on business highlights, key focus areas, transformation initiatives, sharing of employee survey results and other relevant topics. The town hall meetings are well received by employees, who treasure the opportunity to have a genuine dialogue with our Senior Management and to share thoughts and ideas for the betterment of the Bank.

Our Vision

To be the trusted and preferred banking partner in Greater China and beyond.

Our Mission

To ensure every customer experience is positive. We achieve this by providing best in class financial products and services.

Our Core Values



Excellence



Commitment



Integrity



Customer Focus



Teamwork



Innovation

東亞銀行的文化

本行致力營造積極的工作文化，鼓勵員工為東亞銀行、我們的客戶和我們的社區作出貢獻。我們成功的核心是一套商業原則和道德規範，它們定義了我們的願景、使命和價值觀。

我們的「銀行文化工作小組」監控和評估本行文化狀況，並為各分處制訂完善計劃。工作小組旨在推廣東亞銀行的核心價值觀和根據金管局提倡的三大支柱 — 管治、獎勵制度以及評估和意見反映機制 — 來制定文化相關的策略性措施，從而在全行範圍內營造良好的文化。工作小組舉行季度會議，檢視行動計劃並確保相關舉措支持風險管理和內部監控，以有效促進理想的文化。工作小組向薪酬委員會匯報，該小組由集團人事及可持續發展處主管擔任主席，並由本行執行委員會監督。

「文化指標儀表板」是銀行文化工作小組用於季度監測和評估本行文化表現的關鍵工具。儀表板綜合員工意見以及其他關鍵銀行文化指標，包括客戶投訴和表揚以及客戶滿意水平。從儀表板收集的數據均用於制訂文化相關的工作，以有效地推廣本行的文化。

年度全行員工意見調查是我們監察和完善員工工作體驗的另一重要工具。通過這項調查，我們能夠收集員工的工作體驗意見和對本行核心價值的看法。我們會將員工的反饋與各部門分享，制定相關的行動計劃以改善工作環境和銀行文化。如員工對日常工作有意見，我們鼓勵他們通過員工申訴程序或舉報政策與程序提出。所有投訴均會以保密方式處理，員工可以在無須顧慮遭到不良後果的情況下提出關注。

自 2019 年以來，高層管理人員會帶領互動分享會，以鼓勵就風險管理進行公開交流，討論從實際案例中汲取的教訓，並加強銀行的風險文化。這些分享會同時提供相關業務亮點、重點關注領域、轉型計劃、員工意見調查結果和其他業務的最新信息。分享會深受好評，員工珍惜與高層管理人員進行真誠對話及為銀行提出改善建議和意見的機會。

願景

成為大中華及其他地區客戶信任及首選的銀行夥伴。

使命

提供出類拔萃的金融產品及服務，務求令每位客戶時刻享有稱心的服務體驗。

核心價值



追求卓越



長期承諾



誠信正直



以客為尊



團隊協作

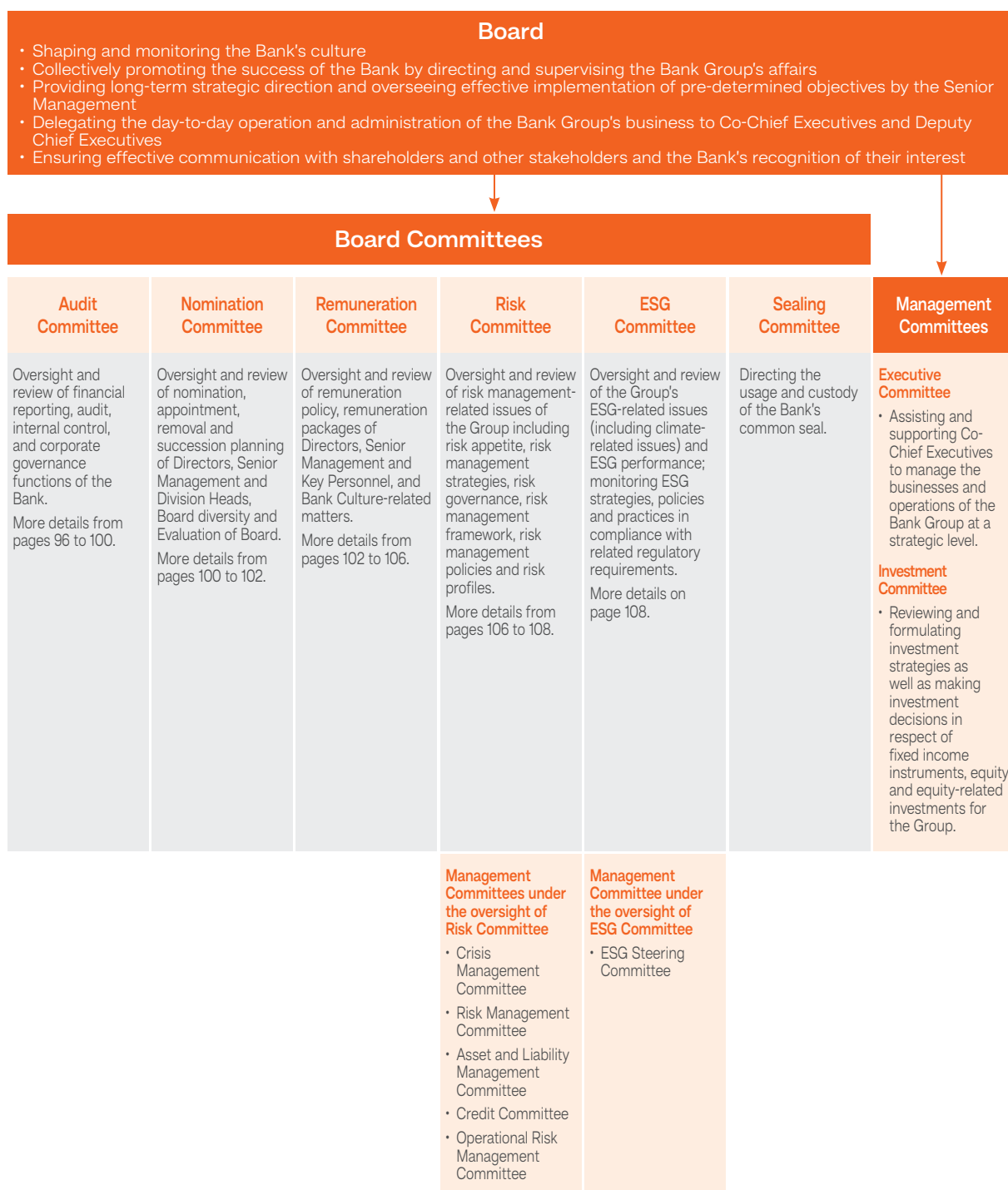


勇於創新

A. Board of Directors

Board Structure and Delegation

The Bank is headed by an effective Board which assumes responsibility for leadership and control of the Bank. The Bank currently has 6 Board Committees with defined terms of reference of respective Committees. A summary of their key responsibilities is shown below:



A. 董事會

董事會架構及授權

本行以一個行之有效的董事會為首；董事會應負有領導及監控本行的責任。本行現有 6 個董事會轄下委員會，各委員會訂立其明確職權範圍。以下是每個委員會的主要職責摘要：



Board Composition

The Board currently has 17 Directors, including 3 EDs, 7 NEDs and 7 INEDs. 41% of the Directors are INEDs.

The majority of NEDs and INEDs ensure the independence and objectivity of the decisions of the Board, as well as the thoroughness and impartiality of the Board's oversight of the Bank Group's affairs. They bring a wide range of professional expertise as well as business and financial experience to the Board.

An updated list of Directors, identifying their roles and functions at the Bank, is available on the websites of HKEX and the Bank. The compositions of the Board and Board Committees are shown on pages 64 and 65 under the Corporate Information. The biographical details of Directors are shown from pages 44 to 61 under the Biographical Details of Directors and Senior Management and also published on the Bank's website.

Executive Chairman and Co-Chief Executives

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

Key Responsibilities

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

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

Co-Chief Executives

Mr. Adrian David Li Man-kiu

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

Mr. Brian David Li Man-bun

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

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

董事會組成

本行董事會現有董事 17 人，包括 3 位執行董事、7 位非執行董事及 7 位獨立非執行董事。41% 的董事為獨立非執行董事。

董事會以非執行董事及獨立非執行董事佔大多數，確保能作出獨立客觀之決策，並能全面及不偏不倚地監控本集團業務。他們為董事會帶來廣泛的專業知識及業務和財務經驗。

本行最新的董事會成員名單（當中訂明其在本行的角色和職能）已載於香港交易所及本行網站。董事會及董事會轄下委員會的成員名單刊載於第 64 及 65 頁「公司資料」內。各董事的個人資料已刊載於第 44 至 61 頁「董事及高層管理人員的個人資料」項下，並刊載於本行網站內。

執行主席及聯席行政總裁

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

主要職責

李國寶爵士 (執行主席)

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

聯席行政總裁

李民橋先生

- 專責管理本集團的香港業務

李民斌先生

- 專責管理本集團的中國內地及國際業務

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

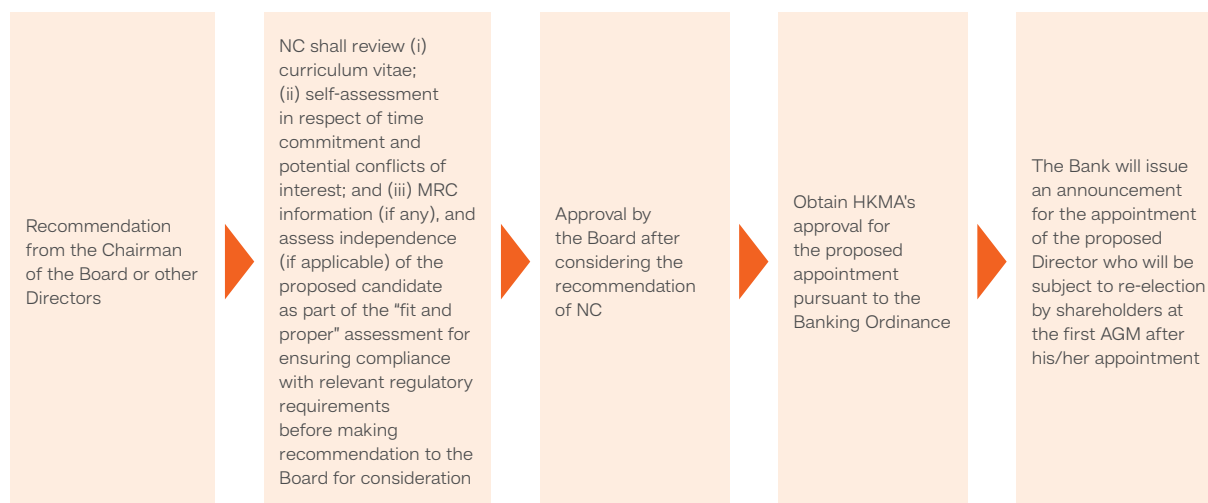
Appointments and Re-election of Directors

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

For considering the suitability of the proposed candidate for appointment as Director of the Bank, the NC shall perform a "fit and proper" assessment taking into account, inter alia, the proposed candidate's accomplishment and experience in the banking and/or commercial sector, reputation for integrity, professional and education background, time commitment, potential conflicts of interest, and other relevant factors with regard to the Diversity Policy as determined by the Board from time to time, pursuant to the requirements of relevant rules and regulations. Where applicable, the proposed candidate will also be requested to provide his/her consent for the Bank to conduct reference check for conduct-related information ("MRC information") relating to his/her employment in any authorised institutions during the applicable period as required under the Mandatory Reference Checking Scheme implemented by the HKMA.

A candidate who is to be appointed as an INED should also meet the independence criteria set out in the Listing Rules and the requirements of the Guidance on Empowerment of INEDs.

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



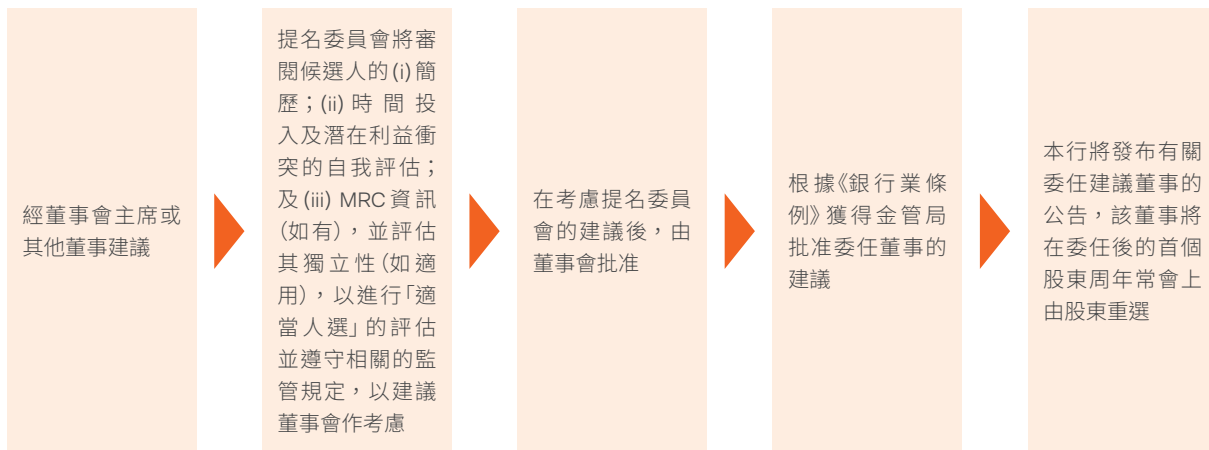
委任及重選董事

本行按正式制訂、經審慎考慮並具透明度的程序委任新董事，並採納提名董事的程序（分別由董事會及股東提名），該程序列明了提名委員會評估候選人的程序（概述如下），以提名予董事會委任其為本行董事，或由本行股東提名候選人以推選為本行董事。股東提名董事的程序已刊載於本行網站內。

在考慮候選人是否適合擔任本行董事時，提名委員會應進行「適當人選」的評估，當中會考慮候選人在銀行和/或商業領域的成就和經驗、誠信信譽、專業和教育背景、時間投入、潛在利益衝突，以及董事會根據相關規則和法規要求不時確立的多元化政策下的其他相關因素。在適用的情況下，候選人亦將被要求同意本行根據金管局實施的強制性背景查核計劃，對其於規定的適用期間內在任任何認可機構受僱時的相關行為資訊（「MRC 資訊」）進行背景調查。

如候選人會獲委任為獨立非執行董事，亦須符合《上市規則》所列的獨立性準則，以及提升獨立非執行董事的專業能力指引的規定。

根據提名委員會之建議，董事會考慮有關委任，如認為合適者，將批准有關委任建議。依據《銀行業條例》規定，委任董事須取得金管局的預先批准。



Corporate Governance Report (continued)

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

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

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

Diversity Policy

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

The Board consists of a diverse mix of Board members in terms of age, gender, tenure of office and ethnicity. The NC regularly reviews the structure, size, composition and diversity of the Board and considered that the Board has a balance of skills, experience and diversity that is appropriate to the requirements of the Bank's business.

During the year, the Board, through endorsement by the NC, reviewed the structure, size and composition (including various aspects for diversity) of the Board and the Bank's Diversity Policy to ensure the Board composition contributes to the Board's efficiency and effectiveness as well as complies with the Listing Rules with an appropriate mix of skills, experience and diversity that are relevant to the Bank Group's strategy, governance and business needs. The implementation of the Bank's Diversity Policy during the year 2023 was considered effective.

企業管治報告 (續)

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

根據組織章程細則規定，董事（包括非執行董事及獨立非執行董事）的任期為不超過約3年，在其任期屆滿時，將被視為一位卸任董事並有資格重選。所有由董事會委任的新董事須於獲委任後的首個股東周年常會退任，由本行股東重選。

提名委員會就獨立非執行董事的獨立性進行年度檢討，並向董事會確認其獨立性。

多元化政策

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

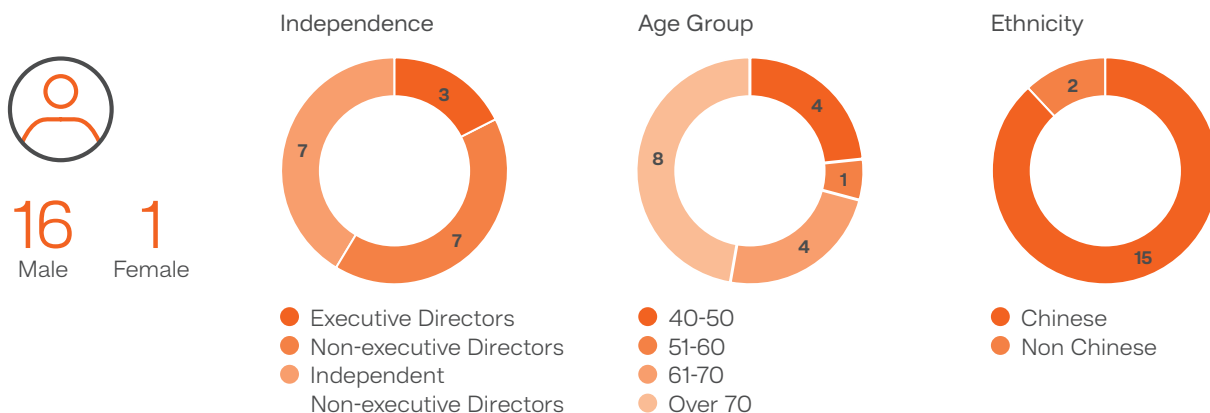
董事會成員具備多元化背景，包括年齡、性別、任期和種族各方面。提名委員會定期檢視董事會的結構、規模、組成和多元化，並認為董事會在技能、經驗和多元化方面取得平衡，切合本行業務的需要。

年內，經提名委員會審議，董事會檢討了董事會的結構、規模和組成（包括多元化的各項元素），以及本行的多元化政策，以確保董事會具備適當的技能、經驗和多樣性組合，符合本集團的策略、治理和業務需求，有助於提高董事會的效率和有效性的同時，亦遵守《上市規則》的要求。本行多元化政策在2023年的實施被認為是有效的。

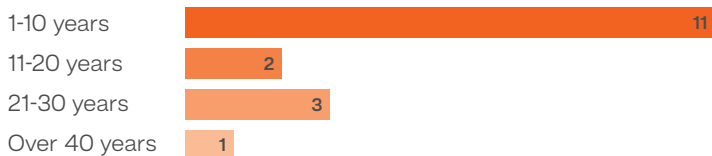
Corporate Governance Report (continued)

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

Board composition



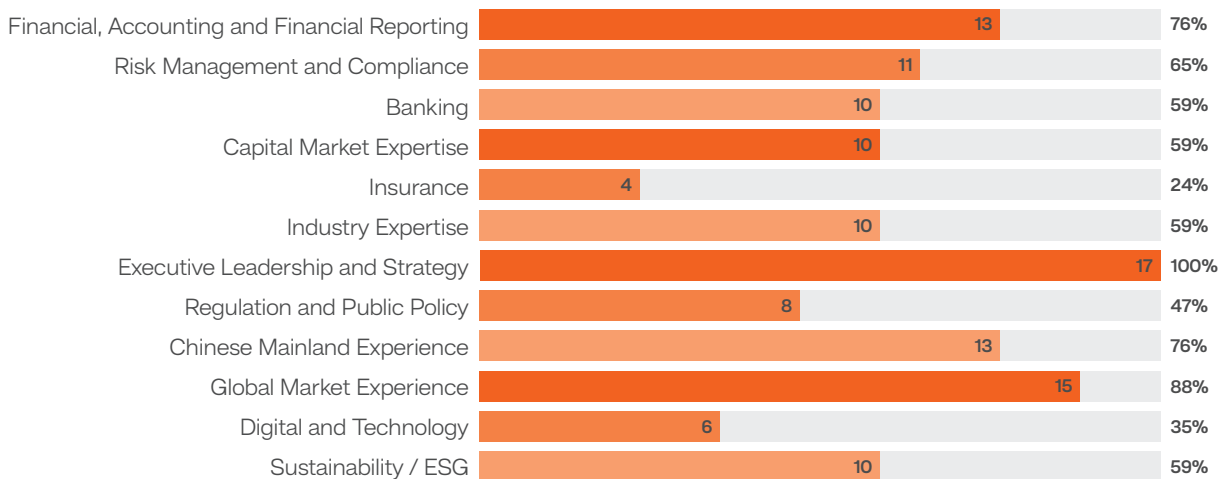
Tenure of office



Directorship(s) in other listed companies



Board Expertise and Skills



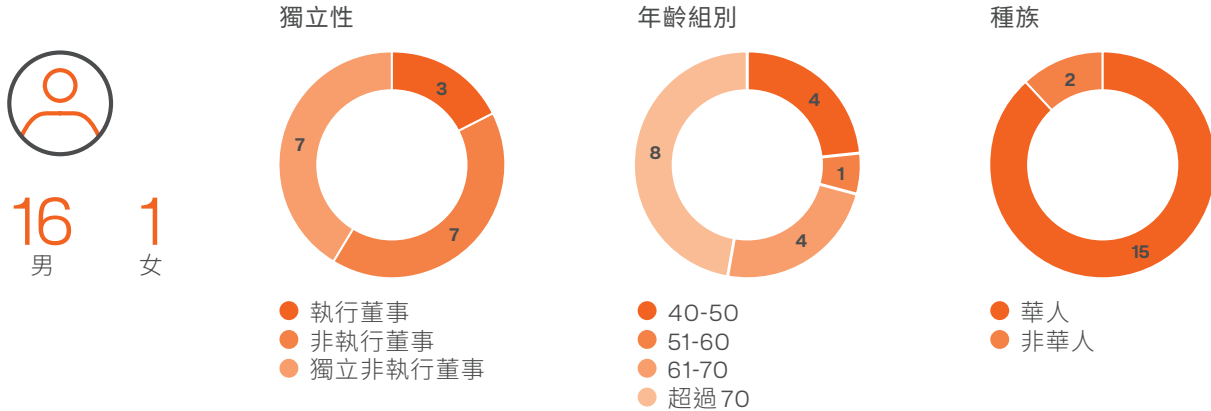
Notes:

- Financial, Accounting and Financial Reporting – Expertise and work experience in financial market, financial reporting and auditing
- Risk Management and Compliance – Regulatory and Compliance expertise in managing and overseeing risk in public and private companies and in other contexts
- Banking – Management experience in retail, corporate, and investment banking
- Capital Market Expertise – Work experience in asset management, portfolio management, and capital allocation
- Insurance – Work experience in and understanding of the insurance industry
- Industry Expertise – Expertise in various industries such as real estate, technology, consumer goods etc.
- Executive Leadership and Strategy – Current or past roles as top or senior executives; experience in defining strategic objectives and formulating business plans
- Regulation and Public Policy – Former government officials, or the undertaking of consultative roles for government
- Chinese Mainland Experience – Exposure to Chinese Mainland in the private and/or public sectors
- Global Market Experience – Professional experience dealing with international business operations and relations as well as providing insights into the global economic trends and opportunities
- Digital and Technology – Management or consulting experience in the digital and technology industry
- Sustainability / ESG – Expertise and/or experience in developing, promoting or ensuring the effective delivery of an organisation’s sustainability / ESG / climate-related strategies, policies and objectives

企業管治報告 (續)

年內對董事會組成及技能矩陣的分析載列如下：

董事會組成



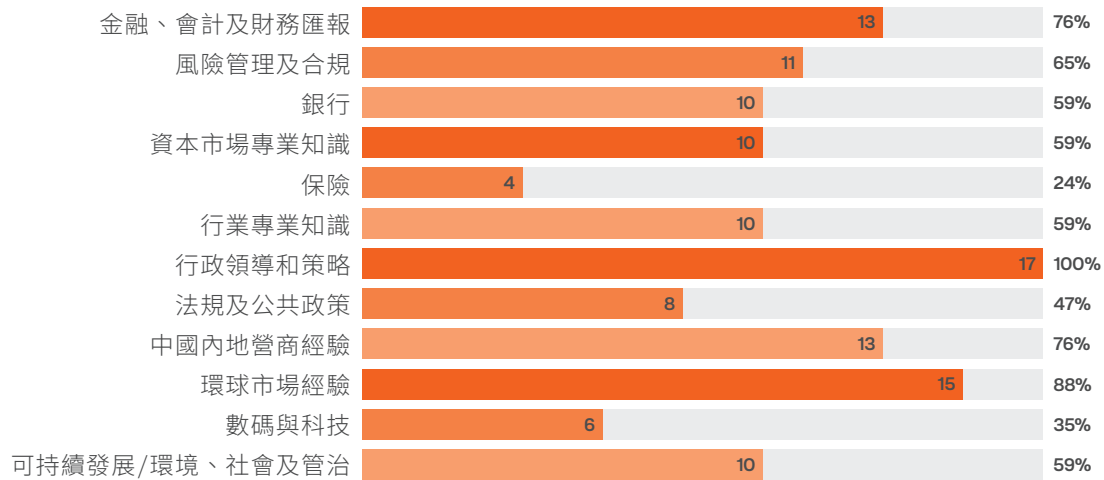
擔任本行董事年期



出任其他上市公司董事



董事會成員專業背景及技能



註：

金融、會計及財務匯報 — 具備金融市場、財務匯報及審核的專業知識和工作經驗

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

銀行 — 具備零售、企業及投資銀行的管理經驗

資本市場專業知識 — 具備資產管理、投資組合管理及資本配置的工作經驗

保險 — 具備保險工作經驗並了解保險業

行業專業知識 — 具備房地產、科技、消費品等各行各業的專業知識

行政領導和策略 — 目前或過去擔任最高級或高級行政人員；具備確立策略目標和制定業務計劃的經驗

法規及公共政策 — 前政府官員或擔任政府顧問工作

中國內地營商經驗 — 曾於中國內地公營或私營機構任職

環球市場經驗 — 擁有國際業務運作和關係的專業經驗，並提供環球經濟趨勢和機會的見解

數碼與科技 — 具備數碼與科技業的管理或諮詢經驗

可持續發展/環境、社會及管治 — 具備在制定、促進或確保有效達成一個組織的可持續發展/環境、社會及管治/氣候相關的策略、政策和目標方面的專業知識和/或經驗

Corporate Governance Report (continued)

As of 31st December, 2023, the Bank Group's gender ratio of the workforce is 42.2%:57.8% (male to female), which aligns with the demographic characteristics of Hong Kong. The Bank maintains a good and healthy gender ratio of the workforce. We are committed to fostering a positive working culture and striving to build an inclusive, equitable and diverse workplace. The workforce is evaluated by performance on its professional contribution, without regard to their differences or similarities. The Bank has developed policy on human rights and diversity and will continue to comply with all applicable ordinances in Hong Kong and other jurisdictions where the Bank operates, as well as international standards regarding equal opportunities and treatment with respect to the workforce.

Board Process

The Bank is committed to providing timely and quality information to the Directors in order to assist them in making informed decisions and discharging their duties and responsibilities to the Group effectively.

| Schedule of meetings | Meeting agenda | Dispatch of meeting papers | Participation in Board / Board Committee meetings | Minutes |
|--|--|--|--|--|
| <ul style="list-style-type: none"> Dates of regular Board meetings and most of the Board Committee meetings are scheduled in the prior year Board meetings are held at least 5 times a year and no less than once in each quarterly interval Special Board meetings are held when necessary At least 14 days' notice is served before each regular meeting | <ul style="list-style-type: none"> Approved by the Executive Chairman following consultation with Directors and the Senior Management to include matters for discussion in the agenda | <ul style="list-style-type: none"> Agenda and board papers are dispatched to Directors at least 7 days prior to the date of Board / Board Committee meeting Meeting materials are sent via electronic means / paper form in a secure and timely manner | <ul style="list-style-type: none"> Directors make their best endeavour to participate in meetings either in person or through other electronic means of communication (e.g. teleconference or video conference) Directors are encouraged to submit written views on items to be discussed ahead of the meeting in case they are not able to attend the meeting via any means Directors with different views are welcomed to voice their independent views at the meetings so as to make a full and active contribution to the Board's affairs and act in the best interests of the Bank Briefing on complex matters will be arranged for Directors ahead of meeting upon request | <ul style="list-style-type: none"> Included sufficient details of the matters considered / discussed and the decisions reached by the Board or the Board Committees Included any concerns raised and dissenting views expressed by Directors Draft and final versions are circulated to Directors for comment / record in a timely manner Kept by the Company Secretary and open for inspection by Directors |

企業管治報告 (續)

截至 2023 年 12 月 31 日，本集團員工性別比例為 42.2%:57.8% (男性對女性)，符合香港的人口特徵。本行一直維持良好的員工性別比例平衡。我們致力於培養積極的工作文化，努力建設一個包容、公平和多元化的工作場所。員工的績效評估是根據其專業貢獻的表現，而不會基於其個體差異而劃分。本行已制定有關人權和多元化的政策，並將繼續遵守香港和本行經營所在的其他司法管轄區的所有適用條例，以及有關員工平等機會和待遇的國際標準。

董事會程序

本行承諾向董事會提供適時和優質的訊息，使董事能夠在掌握有關資料的情況下作出決定，並能對本集團有效地履行其職責及責任。

| 會議時間表 | 會議議程內容 | 送出會議文件 | 參加董事會或其轄下委員會會議 | 會議紀錄 |
|---|--|---|--|--|
| <ul style="list-style-type: none"> 常規董事會會議及大多數其轄下委員會定期會議的日期在前一年已安排 董事會會議每年召開最少 5 次，每季度並不少於一次 在有需要時會召開董事會特別會議 召開常規會議的通知最少在會議前 14 天發出 | <ul style="list-style-type: none"> 會議需討論的事項，均在事前諮詢董事及高層管理人員意見後，經執行主席批准而制定議程 | <ul style="list-style-type: none"> 董事會/其轄下委員會會議的議程及文件最少在會議前 7 天發送予董事 會議文件通過電子方式/印刷本以安全及時的方式發送 | <ul style="list-style-type: none"> 董事盡量親自或以其他電子通訊方式參加會議 (例如：電話會議或視像會議) 鼓勵董事在無法以任何方式出席會議時，就將要討論的議題在會議召開之前提出書面意見 鼓勵持不同意見的董事在會議上表達其獨立觀點，從而對董事會事務做出充分和積極的貢獻，並以本行的最佳利益行事 在會議前按董事要求就複雜事項提供簡報 | <ul style="list-style-type: none"> 對董事會或其轄下委員會所考慮/討論的事項及所作出的決定，均充分記錄在案 記錄董事提出的任何疑慮或表達的反對意見 於合理時間內將會議紀錄的初稿及最終定稿發送全體董事供研提意見/存檔 由公司秘書備存及提供予董事查閱 |

Meeting with INEDs

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

Meeting with the HKMA

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

Meeting with Senior Executives of the Bank

The Board meets regularly with senior executives of the Bank who are responsible for internal audit, risk management and compliance functions of the Bank respectively to review policies and controls in order to identify improvement areas and address significant risks and issues of the Group.

The Bank has also established written procedures to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances to assist them in making informed decisions and discharging their duties to the Group, at the Bank's expense.

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

Key Matters Reserved to the Board for Decision

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

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

Corporate strategy:

- Strategic plan and objectives
- Setting corporate values and standards
- Substantial investment or disposal of the Group's assets

Financial:

- Capital plans and management
- Financial reports and business plans
- Annual budgets

Corporate governance:

- Matters in relation to corporate governance functions
- Risk management and internal controls
- ESG-related issues (including climate-related issues)
- Notifiable and/or Connected Transactions under the Listing Rules

Board / management membership:

- Appointment, removal and succession planning of Directors, Co-Chief Executives, Deputy Chief Executives and Division Heads of the Bank
- Appointment and dismissal of Company Secretary of the Bank

與獨立非執行董事會面

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

與金管局會面

董事會定期與金管局會面，以與監管機構保持良好溝通。金管局亦另行會見獨立非執行董事以交換意見。

與本行高級行政人員會面

董事會定期與本行負責內部審計、風險管理及合規職能的高級行政人員會面，檢討政策及管控措施，以識別需要改進的地方及處理本集團的重大風險事宜。

本行亦設定有關書面程序讓董事按合理要求，可在適當的情況下尋求獨立專業意見，協助董事在掌握有關資料的情況下作出適當決定及履行其對本集團的職務，費用由本行支付。

本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及職員因履行擔任本集團董事或職員之職責而引起之賠償責任。本行每年檢討保險涵蓋範圍。

由董事會決策之重要事項

本行已訂立一份保留予董事會決定的事項表(「事項表」)，以界定保留予董事會審批及授予董事會、高層管理人員、總經理和專責委員會權力的事項。本行會定期檢討該事項表以確保符合本行的需要及相關的監管規定。

由董事會考慮及決策之重要事項包括(但不限於)：

企業策略：

- 策略計劃及目標
- 確立企業價值觀及標準
- 重大投資或出售集團資產

財務：

- 資本計劃及管理
- 財務報告及業務計劃
- 年度財政預算

企業管治：

- 有關企業管治功能的事項
- 風險管理及內部監控
- 環境、社會及管治相關事宜(包括氣候相關事宜)
- 根據《上市規則》須予公布的交易及/或關連交易

董事/管理人員：

- 本行董事、聯席行政總裁、副行政總裁及分處主管的委任、撤職及繼任安排
- 本行公司秘書的委任及撤職

Corporate Governance Report (continued)

Directors' Attendance Records

In 2023, 5 Board meetings (including a meeting attended by the HKMA) were held with an attendance rate of 99%.

Attendance records of Directors at BMs, ACMs, NCM, RemCoMs, RCMs, ESGCMs and the AGM held in 2023 are as follows:

| Directors | Number of meetings attended/held in 2023 | | | | | | |
|---|--|------|------|--------|-----|-------|-----|
| | BM | ACM | NCM | RemCoM | RCM | ESGCM | AGM |
| Executive Directors: | | | | | | | |
| David LI Kwok-po (Executive Chairman) | 5/5 | - | 1/1 | - | - | - | 1/1 |
| Adrian David LI Man-kiu (Co-Chief Executive) | 5/5 | - | - | - | - | 2/2 | 1/1 |
| Brian David LI Man-bun (Co-Chief Executive) | 5/5 | - | - | - | - | 2/2 | 1/1 |
| Non-executive Directors: | | | | | | | |
| Arthur LI Kwok-cheung (Deputy Chairman) | 5/5 | - | 1/1 | 2/2 | - | - | 1/1 |
| Aubrey LI Kwok-sing | 5/5 | - | - | - | 4/4 | - | 1/1 |
| Winston LO Yau-lai | 5/5 | - | - | - | - | - | 1/1 |
| Stephen Charles LI Kwok-sze* | 5/5 | - | - | - | - | - | 0/1 |
| Daryl NG Win-kong* | 4/5 | - | - | - | 2/4 | - | 0/1 |
| Masayuki OKU | 5/5 | - | 1/1 | - | - | - | 1/1 |
| Francisco Javier SERRADO TREPAT | 5/5 | - | 1/1 | - | - | - | 1/1 |
| Independent Non-executive Directors: | | | | | | | |
| Allan WONG Chi-yun (Deputy Chairman) | 5/5 | 4/4 | 1/1 | 2/2 | 4/4 | - | 1/1 |
| Rita FAN HSU Lai-tai | 5/5 | - | 1/1 | 2/2 | - | - | 1/1 |
| Meocre LI Kwok-wing | 5/5 | 4/4 | - | - | 4/4 | - | 1/1 |
| Henry TANG Ying-yen* | 5/5 | 4/4 | 1/1 | 1/2 | 4/4 | - | 1/1 |
| Delman LEE | 5/5 | 4/4 | 1/1 | - | 4/4 | 2/2 | 1/1 |
| William Junior Guilherme DOO | 5/5 | 4/4 | - | - | 4/4 | 2/2 | 1/1 |
| David MONG Tak-yeung | 5/5 | - | 1/1 | 2/2 | - | 2/2 | 1/1 |
| Average attendance rate | 99% | 100% | 100% | 90% | 93% | 100% | 88% |

* Each of Mr. Stephen Li, Dr. Daryl Ng and Dr. Henry Tang was unable to attend a scheduled Board / Board Committee / AGM due to prior commitment. Nevertheless, each of them was provided with the meeting materials and discussion on some important issues was arranged ahead of the respective meeting when necessary.

企業管治報告 (續)

董事會議出席記錄

於 2023 年舉行的 5 次董事會會議 (包括金管局參與的一次會議)，董事之平均出席率為 99%。

各董事於 2023 年內舉行的董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議、風險委員會會議、環境、社會及管治委員會會議及股東周年常會的出席記錄如下：

| 董事 | 於 2023 年會議出席次數/舉行次數 | | | | | | |
|---------------------------------|---------------------|---------|---------|---------|---------|---------------|--------|
| | 董事會會議 | 審核委員會會議 | 提名委員會會議 | 薪酬委員會會議 | 風險委員會會議 | 環境、社會及管治委員會會議 | 股東周年常會 |
| 執行董事： | | | | | | | |
| 李國寶 (執行主席) | 5/5 | - | 1/1 | - | - | - | 1/1 |
| 李民橋 (聯席行政總裁) | 5/5 | - | - | - | - | 2/2 | 1/1 |
| 李民斌 (聯席行政總裁) | 5/5 | - | - | - | - | 2/2 | 1/1 |
| 非執行董事： | | | | | | | |
| 李國章 (副主席) | 5/5 | - | 1/1 | 2/2 | - | - | 1/1 |
| 李國星 | 5/5 | - | - | - | 4/4 | - | 1/1 |
| 羅友禮 | 5/5 | - | - | - | - | - | 1/1 |
| 李國仕* | 5/5 | - | - | - | - | - | 0/1 |
| 黃永光* | 4/5 | - | - | - | 2/4 | - | 0/1 |
| 奧正之 | 5/5 | - | 1/1 | - | - | - | 1/1 |
| Francisco Javier SERRADO TREPAT | 5/5 | - | 1/1 | - | - | - | 1/1 |
| 獨立非執行董事： | | | | | | | |
| 黃子欣 (副主席) | 5/5 | 4/4 | 1/1 | 2/2 | 4/4 | - | 1/1 |
| 范徐麗泰 | 5/5 | - | 1/1 | 2/2 | - | - | 1/1 |
| 李國榮 | 5/5 | 4/4 | - | - | 4/4 | - | 1/1 |
| 唐英年* | 5/5 | 4/4 | 1/1 | 1/2 | 4/4 | - | 1/1 |
| 李國本 | 5/5 | 4/4 | 1/1 | - | 4/4 | 2/2 | 1/1 |
| 杜家駒 | 5/5 | 4/4 | - | - | 4/4 | 2/2 | 1/1 |
| 蒙德揚 | 5/5 | - | 1/1 | 2/2 | - | 2/2 | 1/1 |
| 平均出席率 | 99% | 100% | 100% | 90% | 93% | 100% | 88% |

* 李國仕先生、黃永光博士及唐英年博士因約定事務未能出席預定的董事會會議/董事會轄下委員會會議/股東周年常會。儘管如此，他們每人均獲得了所有相關的會議資料，並在有需要時，於上述會議前獲安排討論一些重要事項。

Directors' Time Commitment

The Board regularly reviews the contributions required from a Director to perform his/her responsibilities to the Bank, and whether he/she is spending sufficient time performing his/her role. Directors have disclosed to the Bank the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments and an indication of time involved.

The Bank has given guidelines on Directors' time commitment and received confirmation from each Director that he/she has spent sufficient time, attention and efforts to the affairs of the Bank Group during the year ended 31st December, 2023. None of the Directors held directorships in more than six public companies (including the Bank) during the year. The Bank conducts an annual assessment of Directors' time commitment to facilitate assessment of the on-going suitability of each Director.

Conflicts of Interest

The Bank has adopted the *Directors' Code of Conduct and Policy on Conflicts of Interest* (the "Policy") that:

- provides guidance to Directors to help them recognise and deal with ethical issues including the handling of conflicts of interest and fair dealing, and help foster a culture of honesty and accountability in the best interests of the Group as well as the shareholders of the Bank.
- contains a compliance process which requires declaration by a Director in respect of any existing or proposed contract, arrangement, transaction or other proposal in which the Director and/or his/her associate and/or his/her connected entity (as defined in section 486 of the Companies Ordinance) is/are directly/indirectly materially interested. A Director shall not vote on any resolution approving any contract, arrangement or transaction in which he/she and/or his/her associate and/or his/her connected entity has/have any material interest.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a Committee (except for an appropriate Board Committee set up for that purpose pursuant to a resolution passed in a Board meeting), and a Board meeting shall be held to deal with the specific matter.

Independence

To ensure independent view and input from Directors are available to the Board, the NC had reviewed and considered that the following key features or mechanisms under the Board and governance structure of the Bank are effective and appropriate. The Board can therefore exercise independent judgement and can act in the best interests of the Bank and its shareholders as a whole.

| | |
|---|---|
| Board and Board Committees' structure | <ul style="list-style-type: none"> • Separation of the roles of the Executive Chairman and Co-Chief Executives ensures the balance of power and authority. • The chairmen and majority of members of Board Committees (except Sealing Committee) are INEDs. • Only the Chairman of the Board and Co-Chief Executives of the Bank are EDs, and all the remaining 14 Directors are NEDs (including INEDs) who do not involve in the day-to-day management of the Bank. |
| Remuneration of NEDs (including INEDs) | <ul style="list-style-type: none"> • NEDs (including INEDs) receive fixed fee(s) for their role as members of the Board and Board Committee(s) as appropriate, and shall not be granted any equity-based remuneration (including share options and grants) with performance-related elements. Information about the Directors' remuneration is set out on page 112 and in Note 20 to the financial statements. |

董事的時間投入

董事會定期檢討各董事就履行本行董事職責所需的貢獻，並檢討其是否付出足夠時間履行其職務。董事亦已向本行披露他們於香港或海外上市的公眾公司或組織擔任職位的數目和性質，以及其他重大承擔，並提供當中所涉及的時間。

本行已就董事的時間投入提供指引及接獲每名董事確認於截至 2023 年 12 月 31 日止年度內，已付出足夠的時間、充分關注及對本集團事務付出努力的聲明。在年內，本行所有董事均沒有在超過六家上市公司 (包括本行) 擔任董事職務。本行就每位董事所付出的時間進行年度評估，以評估其擔任董事的持續合適性。

利益衝突政策

本行已訂立董事行為準則及利益衝突政策，該政策：

- 向每位董事提供指引，協助他們了解及處理有關道德操守等事宜，其中包括處理利益衝突及公正交易，並協助培養誠信和問責的文化，以符合本集團和本行股東的最佳利益。
- 載列一套合規程序，規定董事在獲悉其本人及/或其聯繫人及/或其有關連實體 (定義見《公司條例》第 486 條) 在任何本行已訂定或擬定的合約、安排、交易或其他計劃項目中擁有直接/間接的重大利益，必須作出申報。董事不得就其本人及/或其聯繫人及/或其有關連實體擁有任何重大利益的任何合約、安排或交易進行投票。

若有董事在董事會將予考慮的事項中存在董事會認為重大的利益衝突，有關事項不會以書面方式傳閱或交由董事會轄下委員會處理 (根據董事會會議上通過的決議而特別為此事項成立的委員會除外)，而董事會會就有關事項舉行董事會會議。

獨立性

為確保董事會能夠獲得董事的獨立觀點和意見，提名委員會已檢討並認為本行董事會及其管治架構的下列主要特徵或機制是有效和適當的。因此，董事會可以作出獨立判斷，並以本行及其股東的整體最佳利益行事。

董事會及董事會轄下委員會架構

- 執行主席和聯席行政總裁的角色有所區分，以確保權力和授權的平衡。
- 董事會轄下委員會 (印章委員會除外) 的主席及大多數委員為獨立非執行董事。
- 本行僅董事會主席和聯席行政總裁為執行董事，其餘 14 名董事均為非執行董事 (包括獨立非執行董事)，並不參與本行日常管理工作。

非執行董事 (包括獨立非執行董事) 的薪酬

- 非執行董事 (包括獨立非執行董事) 就其作為董事會和董事會轄下委員會成員 (按情況) 收取固定費用，而不得獲授予任何附有業績相關元素的股權掛鈎的薪酬 (包括認股權和授予股份)。有關董事薪酬的資料載於第 113 頁及財務報表附註 20。

Corporate Governance Report (continued)

| | |
|---|---|
| Appointment of INEDs | <ul style="list-style-type: none"> In assessing suitability of candidates for INEDs, the NC will review their background, potential conflicts of interest and time commitment, taking into account the criteria set out in the <i>Board Succession and Diversity Policy</i>, the Board composition and relevant regulatory requirements. |
| Time commitment and conflicts of interest of Directors and Senior Management | <ul style="list-style-type: none"> All Directors are committed to devoting sufficient time and attention to the affairs of the Bank Group. Each NED (including INED) is informed of the number of working days per year expected on performing his/her responsibilities as a Director of the Bank. Directors' attendance records in 2023 are disclosed on page 88. The Bank has put in place the <i>Directors' Code of Conduct and Policy on Conflicts of Interest</i> to provide guidance to Directors on recognising and dealing with ethical issues of conflicts of interest and fair dealing. The NC reviews time commitment and potential conflicts of interest of the Directors (including the Co-Chief Executives) annually to ensure they are fit and proper for their roles. |
| Independence of INEDs | <ul style="list-style-type: none"> INEDs' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration, taking into account the criteria set out in the Listing Rules and the Guidance on Empowerment of INEDs issued by the HKMA. The Bank has received from each of the INEDs an annual confirmation of his/her independence for the year 2023. |
| Professional advice | <ul style="list-style-type: none"> To assist Directors in discharging their duties to the Group, they are entitled to seek independent professional advice in appropriate circumstances at the Bank's expense. |
| Board evaluation | <ul style="list-style-type: none"> The NC reviews the results of the Board evaluation annually to ensure, among other things, the Board continues to benefit from the independent view and input provided by the Directors. |

Induction and Continuous Professional Development

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

During the year, all Directors of the Bank participated in continuous professional development covering, among others, areas of directors' duties and responsibilities, operations and businesses of the Bank, corporate governance, sustainability/ESG and changes in regulatory requirements etc. to develop and refresh their knowledge and skills. All current Directors had provided to the Bank a record of trainings they received in 2023.

企業管治報告 (續)

| | |
|----------------------------|---|
| 獨立非執行董事的委任 | <ul style="list-style-type: none"> 在評估獨立非執行董事候選人的合適性時，提名委員會將審查他們的背景、潛在利益衝突及時間投入，同時考慮董事會繼任及多元化政策載列的準則、董事會組成和相關監管要求。 |
| 董事及高層管理人員的時間投入及利益衝突 | <ul style="list-style-type: none"> 所有董事均致力付出足夠時間和精神處理本集團的事務。非執行董事 (包括獨立非執行董事) 知悉本行期望其履行作為本行董事的職責所需的每年工作天數。 2023 年董事出席會議的記錄載於第 89 頁內。 本行訂立了董事行為準則及利益衝突政策，向董事提供指引，協助他們識別和處理利益衝突和公平交易等的道德操守事宜。 提名委員會每年檢視董事 (包括聯席行政總裁) 的時間投入和潛在利益衝突，以確保他們適合擔任其職務。 |
| 獨立非執行董事的獨立性 | <ul style="list-style-type: none"> 獨立非執行董事的獨立性在任命時、每年以及在需要重新考慮的情況下任何其他時間均會進行評估，亦會考慮《上市規則》和金管局發布的提升獨立非執行董事的專業能力指引所載列的準則。 本行已收到每位獨立非執行董事關於其 2023 年獨立性的年度確認函。 |
| 專業意見 | <ul style="list-style-type: none"> 為協助董事履行其對集團的職責，他們有權在適當情況下尋求獨立專業意見，費用由本行承擔。 |
| 評估董事會 | <ul style="list-style-type: none"> 提名委員會每年檢視董事會評估的結果，以確保 (其中包括) 董事會繼續受益於董事提供的獨立觀點和意見。 |

入職培訓及持續發展

每名新任董事在其獲委任時將獲得由公司秘書準備的一份資料套件。此資料套件為一份全面、正式兼特別為董事而設的董事責任及持續職責須知，其中包含有關本行營運和業務的資料。其後，高層管理人員及公司秘書會在有需要時向董事作出簡介，以確保董事對本行的運作及業務具適當的理解，以及知悉其作為本行董事的角色和職責。本行每年會將有關董事須遵守的持續職責須知的提示發送給各董事。

在年內，本行所有董事均參與持續專業發展，其中包括董事職責、本行的業務和運作、企業管治、可持續發展/環境、社會及管治及監管規定變動的培訓，以發展並更新其知識及技能。所有現任董事已向本行提供其在 2023 年接受培訓的記錄。

Corporate Governance Report (continued)

The following summarises key areas of trainings^{Note} received by current Directors of the Bank during 2023:

| Directors | Corporate Governance and Risk Management | Regulatory Update | Bank's Business and Management | AML / CFT | Fintech / Cyber Security | Sustainability / ESG |
|---|--|-------------------|--------------------------------|-----------|--------------------------|----------------------|
| Executive Directors: | | | | | | |
| David LI Kwok-po (Executive Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Adrian David LI Man-kiu (Co-Chief Executive) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Brian David LI Man-bun (Co-Chief Executive) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Non-executive Directors: | | | | | | |
| Arthur LI Kwok-cheung (Deputy Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Aubrey LI Kwok-sing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Winston LO Yau-lai | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Stephen Charles LI Kwok-sze | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Daryl NG Win-kong | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Masayuki OKU | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Francisco Javier SERRADO TREPAT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Independent Non-executive Directors: | | | | | | |
| Allan WONG Chi-yun (Deputy Chairman) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Rita FAN HSU Lai-tai | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Meocre LI Kwok-wing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Henry TANG Ying-yen | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Delman LEE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| William Junior Guilherme DOO | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| David MONG Tak-yeung | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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

Evaluation of the Board and Directors

During the year, the Bank conducted an evaluation of the Board effectiveness as a whole and contributions made by each Director to the Board effectiveness in the form of a questionnaire to all Directors individually. In addition, as an enhanced monitoring mechanism, an annual self-assessment of time commitment and potential conflicts of interest of Directors and Co-Chief Executives was also conducted.

The evaluation covered a diverse range of topics including Board and Board Committee structure and composition; Board process and effectiveness; responsibilities of the Board; and duties and responsibilities of Directors. The evaluation report revealed that Board process was effective during the year 2023. All Directors continued to perform effectively and demonstrate commitment to their roles. The Board Committees were highly regarded in the feedback and viewed as effective in fulfilling their duties. The results of the evaluation and self-assessment had been reviewed by the NC and submitted to the Board.

The Bank will continue to undertake an evaluation of the performance of the Board and the Directors and also the self-assessment of time commitment and potential conflicts of interest of Directors and Co-Chief Executives annually.

企業管治報告 (續)

下表概列現任董事於 2023 年接受培訓^註的主要類別：

| 董事 | 企業管治及 風險管理 | 監管資料 更新 | 本行業務及 管理 | 打擊洗錢及 恐怖分子 資金籌集 | 金融科技/ 網絡安全 | 可持續 發展/ 環境、社會 及管治 |
|---------------------------------|---------------|------------|-------------|-----------------------|---------------|----------------------------|
| 執行董事： | | | | | | |
| 李國寶 (執行主席) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 李民橋 (聯席行政總裁) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 李民斌 (聯席行政總裁) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 非執行董事： | | | | | | |
| 李國章 (副主席) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 李國星 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 羅友禮 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 李國仕 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 黃永光 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 奧正之 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Francisco Javier SERRADO TREPAT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 獨立非執行董事： | | | | | | |
| 黃子欣 (副主席) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 范徐麗泰 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 李國榮 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 唐英年 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 李國本 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 杜家駒 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 蒙德揚 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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

評估董事會及董事

年內，本行向每位董事發出問卷，就董事會整體工作成效及每位董事對達致董事會有效運作的貢獻進行評估。此外，在本行加強監督的機制下，董事和聯席行政總裁亦已就其時間投入和潛在利益衝突進行年度自我評估。

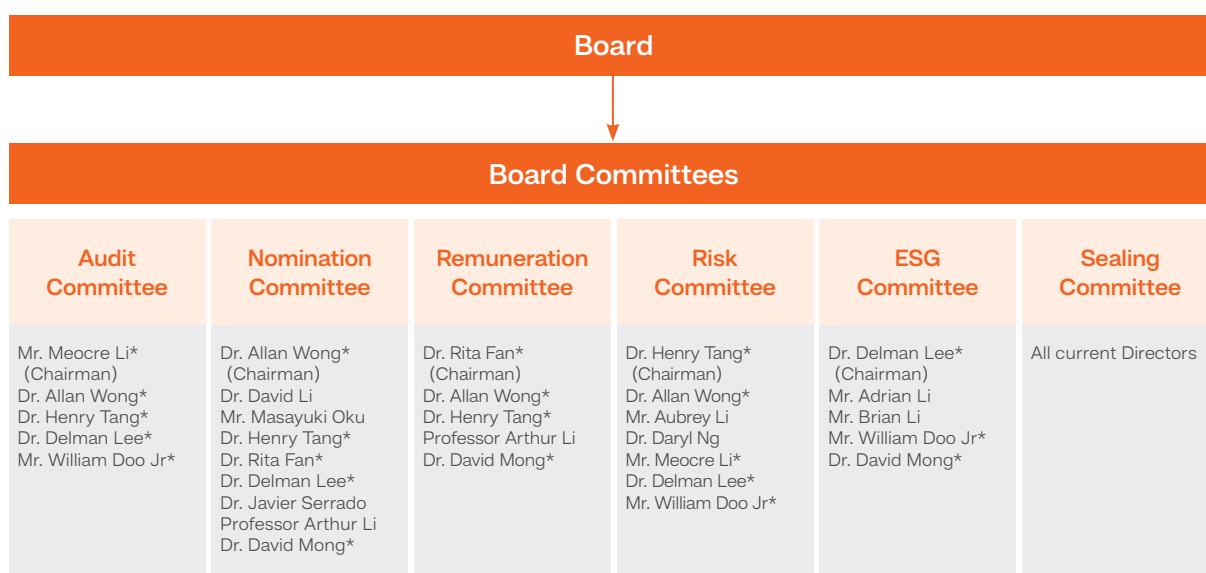
評估範圍涵蓋多種主題，包括董事會及董事會轄下委員會的架構及組成、董事會程序及成效、董事會的責任，以及董事的職務及責任。評估報告顯示董事會程序於 2023 年內行之有效。所有董事繼續有效履行責任及對職務的承擔。各董事會轄下委員會獲得高度評價，並視為有效履行其職責。提名委員會已審閱該評估報告及自我評估的結果並已提交董事會參考。

本行將繼續每年就董事會及董事的工作成效進行評估，並要求董事和聯席行政總裁就其時間投入和潛在利益衝突進行自我評估。

B. Board Committees

The Board has delegated authority to specialised committees as follows to deal with specific matters under defined terms of reference of respective Committees. The composition and terms of reference of these Committees are reviewed and updated periodically to align with the regulatory requirements, the Group's business and changes in governance practices. All Board Committees adopt the same governance processes as the Board as far as practicable and report to the Board on their decisions or recommendations after each meeting.

Membership



* Independent Non-executive Directors

A joint meeting of the Chairmen of the AC and RC shall be held on a need basis to facilitate the exchange of information and effective coverage of all risks, including emerging risks, and any needed adjustments to the risk governance arrangements of the Bank.

A joint meeting of the Chairmen of the AC, RemCo and RC shall be held on a need basis to discuss the alignment of risk and remuneration, as well as review the Bank's culture status and activities.

B1. Audit Committee

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

The AC is responsible for reviewing corporate governance functions, financial controls, risk management and internal control systems, annual report and accounts, and half-year interim report.

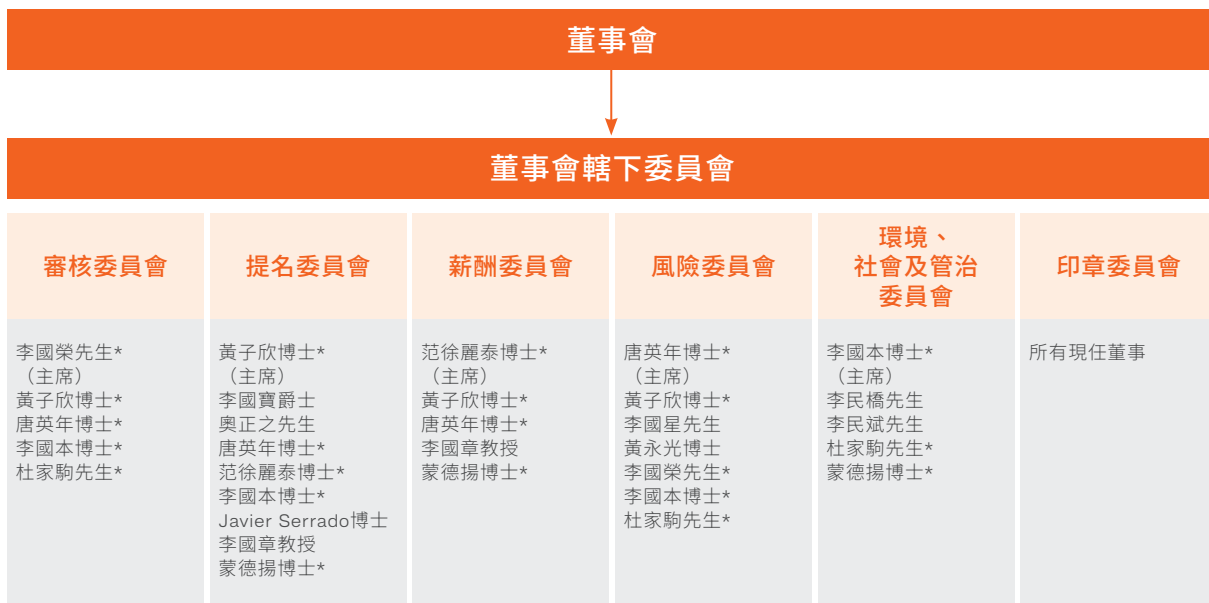
The Board has delegated its corporate governance functions as set out in the CG Code to the AC.

The AC comprises 5 members and all of them are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2023. No former partners of the Bank's external auditor are acting as a member of the AC before expiry of a period of two years commencing on the date of his/her ceasing to be a partner of the firm or to have any financial interest in the firm whichever is later.

B. 董事會轄下委員會

董事會授權以下的專責委員會按照其明確的職權範圍處理特定事宜。各委員會的組成及職權範圍會定期檢討及更新，確保有關安排符合監管規定，以及配合本集團業務及管治常規的發展。各董事會轄下委員會在可行的情況下採納與董事會相同的管治程序，並在每次會議後向董事會匯報其決策或向董事會提出建議。

成員



* 獨立非執行董事

因應需要會舉行審核委員會及風險委員會主席聯席會議，以促進資訊交流及有效管理所有風險，包括各種新的風險及本行任何所需調整的風險管治安排。

按需要舉行審核委員會、薪酬委員會及風險委員會主席聯席會議，討論風險與薪酬的一致性，並檢視本行的銀行企業文化的進展情況。

B1. 審核委員會

本行已設立一個審核委員會，並以書面訂明具體的職權範圍（已載於香港交易所和本行網站），清楚說明委員會在《企業管治守則》內所載的職權及責任。

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

審核委員會獲董事會授權執行其企業管治職能，有關職能載於《企業管治守則》。

審核委員會由5名委員組成，所有成員均為獨立非執行董事。成員名單及履歷載於《2023年報》「公司資料」及「董事及高層管理人員的個人資料」內。本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其終止享有該核數師事務所財務利益當日起計兩年內（以日期較後者為準）的情況下，成為審核委員會成員。

Corporate Governance Report (continued)

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

The number of meetings held by the AC and the attendance of individual members at ACMs in 2023 is recorded on page 88.

The following is a summary of the major work performed by the AC for the year 2023 and up to 21st February, 2024:

Corporate Governance

- Reviewed and endorsed the policies and practices under the Bank's Corporate Governance Framework, including the *Corporate Governance Policy* and made recommendations to the Board, where appropriate;
- Reviewed the training and continuous professional development of Directors and Senior Management;
- Reviewed the policies and practices on compliance with legal and regulatory requirements;
- Reviewed the code of conduct and compliance manual applicable to employees and Directors;
- Reviewed the status of compliance with the CG Code and disclosure in the Corporate Governance Report;

Financial Reporting

- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2023;
- Reviewed the audited financial statements and final results announcement for 2023;

External Audit

- Met with the external auditor to discuss their audit work on the Group;
- Reviewed external auditor's 2023 annual audit plan, management letter and management's response;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2023;
- Recommended to the Board to re-appoint KPMG as the Group's external auditor for 2023 and 2024;
- Reviewed and approved the appointment of external auditor for providing non-audit services to the Group;
- Reviewed the Auditor's Independent Assurance Reports in respect of the Bank's financial disclosures under the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules for the six months ended 30th June, 2023 and for 2023;
- Reviewed the Auditor's Reports regarding the correctness of compilation of certain banking returns and the internal control systems for 2022 prepared under sections 63(3) and 63(3A) of the Banking Ordinance, respectively;

企業管治報告 (續)

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

審核委員會於 2023 年舉行的會議次數及個別委員的出席記錄載於第 89 頁。

審核委員會在 2023 年度及截至 2024 年 2 月 21 日止所做的主要工作，摘要如下：**企業管治**

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及常規；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《企業管治守則》的情況及在企業管治報告內的披露；

財務報告

- 審閱截至 2023 年 6 月 30 日止 6 個月的中期報告及中期業績公告；
- 審閱 2023 年度經審核財務報表及全年業績公告；

外部稽核

- 會見外聘核數師以商討其在集團的核數工作；
- 審閱外聘核數師的 2023 年度稽核計劃、致管理層的審核情況說明函件及管理層的回應；
- 審閱及向董事會建議審批 2023 年集團核數的費用方案；
- 向董事會建議續聘畢馬威會計師事務所為本集團 2023 年度及 2024 年度的外聘核數師；
- 審閱及批准聘用外聘核數師向本集團提供非核數服務；
- 審閱外聘核數師就本行根據《銀行業（披露）規則》及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第 6 部之披露要求作出有關截至 2023 年 6 月 30 日止 6 個月及 2023 年度的財務披露的獨立確認報告；
- 審閱外聘核數師分別根據《銀行業條例》第 63(3) 及 63(3A) 條所擬備的有關銀行報表編製的準確性及 2022 年度內部監控系統的核數師報告；

Internal Controls and Internal Audit

- Reviewed the adequacies of resources, qualifications and experience of the staff of the Bank's accounting, internal audit and financial reporting functions, and their training programmes and budget; effectiveness of the Group's internal audit function;
- Reviewed the on-site examination reports of the HKMA issued in 2023;
- Reviewed the internal audit reports covering the evaluation of risk management and internal control systems of various operations of the Group;
- Reviewed and approved Group internal audit plan for 2024; and

Review of Policies and Procedures

- Reviewed the Terms of Reference of the AC.

Pursuant to the Companies Ordinance, the Bank shall at each AGM appoint or re-appoint the external auditor of the Group, and the external auditor so appointed shall hold office until the conclusion of the next AGM of the Bank.

With reference to the *Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors* published by the Accounting and Financial Reporting Council on 16th December, 2021, the AC has given due consideration to the audit quality and audit fees when selecting and making recommendation to the Board on the appointment/re-appointment of the Group's external auditor. The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditor for 2024. The recommendation will be presented for the approval of shareholders at the 2024 AGM.

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

B2. Nomination Committee

The Bank has established an NC with specific written Terms of Reference (available on the websites of HKEX and the Bank) which deal clearly with its authorities and duties, including the specific duties set out in the CG Code, with appropriate modifications where necessary.

The NC is responsible for recommending to the Board on relevant matters relating to:

- appointment, re-appointment, removal and succession planning of Directors, Chief Executive / Co-Chief Executives, Deputy Chief Executives, Group Chief Compliance Officer, Group Chief Auditor, Group Chief Financial Officer, Group Chief Risk Officer, and Division Heads;
- defining succession planning and diversity of the Board; and
- performing evaluation of the Board performance and Directors' contribution to the effectiveness of the Board.

The NC comprises 9 members and 5 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2023.

內部監控及內部稽核

- 審閱本行會計、內部稽核及財務匯報職能方面的員工的資源、資歷和經驗，以及有關的培訓計劃和預算是否充裕；以及本集團內部稽核職能是否有效；
- 審閱金管局於 2023 年內發出的現場審查報告；
- 審閱內部稽核報告，內容涵蓋對本集團各項運作的風險管理和內控系統的評估；
- 審閱及批准 2024 年度集團的內部稽核計劃；及

檢討政策及程序

- 檢討審核委員會的職權範圍。

根據《公司條例》，本行須於每屆股東周年常會上聘用或續聘本集團的外聘核數師，而獲聘用的外聘核數師任期至本行下屆股東周年常會結束為止。

經參考會計及財務匯報局於 2021 年 12 月 16 日發布的《審計委員會有效運作指引 — 甄選、委任及重新委任核數師》，審核委員會在甄選和向董事會提出關於委任/重新委任集團的外聘核數師的建議時，已充分考慮核數師的質素和核數費用。董事會同意審核委員會續聘畢馬威會計師事務所為本集團 2024 年度外聘核數師的建議。推薦建議將在 2024 股東周年常會上提呈予股東批准。

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

B2. 提名委員會

本行已設立一個提名委員會，並以書面訂明具體的職權範圍（已載於香港交易所和本行網站），清楚說明委員會的職權和責任，當中包括《企業管治守則》內所指明的特定職責，惟因應需要而作出適當修改。

提名委員會負責就以下相關事項向董事會提出建議：

- 本行董事、行政總裁/聯席行政總裁、副行政總裁、集團合規總監、集團總稽核、集團財務總監、集團風險總監及分處主管的委任、重新委任、撤職及繼任安排；
- 訂定董事會成員繼任及董事會多元化計劃；及
- 評估董事會表現及董事對達致董事會有效運作的貢獻。

提名委員會由 9 名委員組成，其中 5 名（包括主席）為獨立非執行董事，成員名單及履歷載於《2023 年報》「公司資料」及「董事及高層管理人員的個人資料」內。

The number of meetings held by the NC and the attendance of individual members at NCM in 2023 is recorded on page 88.

The following is a summary of the major work performed by the NC for the year 2023 and up to 21st February, 2024:

Board and Board Committees' Compositions

- Reviewed the size, structure, composition and diversity of the Board and composition of Board Committees;
- Assessed the independence status of current INEDs, in particular that of Dr. Allan WONG Chi-yun who has served on the Board for more than 9 years;
- Considered and recommended to the Board for re-election of Mr. Adrian David LI Man-kiu, Mr. Brian David LI Man-bun, Dr. David MONG Tak-yeung and Dr. Francisco Javier SERRADO TREPAT as Directors of the Bank to be proposed for shareholders' approval at the 2024 AGM;

Change of Division Heads

- Endorsed the proposed appointments of (i) General Manager and Head of Operations Division; (ii) General Manager and Head of Treasury Markets Division; and (iii) Group Chief Information Officer, General Manager and Head of Technology & Productivity Division and recommended to the Board for approval;

Review of Policies and Procedures

- Reviewed the *Procedures for Nomination of Directors*;
- Reviewed the *Board Succession and Diversity Policy* including measurable objectives for implementing the said Policy;
- Reviewed the implementation and effectiveness of the Bank's mechanism under which independent views and input are available to the Board;
- Reviewed the *Management Succession Policy*;
- Reviewed the Management Succession Plan;
- Reviewed the Terms of Reference of the NC;

Board and Board Committees' Evaluation

- Reviewed and assessed the evaluation of the Board performance and Directors' contribution to the effectiveness of the Board; and
- Reviewed the annual self-assessment of time commitment and potential conflicts of interest of the Directors (including the Co-Chief Executives of the Bank).

B3. Remuneration Committee

The Bank has established a RemCo with specific written Terms of Reference (available on the websites of HKEX and the Bank) which deal clearly with its authority and duties, including the specific duties set out in the CG Code, with appropriate modifications where necessary.

The RemCo is responsible for making recommendations to the Board regarding the Bank's *Remuneration Policy*, and for the formulation and review of the remuneration packages of the Directors, Executive Chairman, Co-Chief Executives, Deputy Chief Executives, General Managers and Key Personnel of the Group.

提名委員會於 2023 年舉行的會議次數及個別委員的出席記錄載於第 89 頁。

提名委員會在 2023 年度及截至 2024 年 2 月 21 日止所做的主要工作，摘要如下：

董事會及董事會轄下委員會的組成

- 檢討董事會的人數、架構、組合及多元化，以及董事會轄下委員會的組合；
- 評核現任獨立非執行董事的獨立性，尤其是已擔任董事超過 9 年的黃子欣博士；
- 考慮並向董事會推薦在 2024 股東周年常會上向股東提呈批准重選李民橋先生、李民斌先生、蒙德揚博士及 Francisco Javier SERRADO TREPAT 博士為本行董事的建議；

分處主管的變動

- 同意委任 (i) 總經理兼營運處主管；(ii) 總經理兼資金市場處主管；及 (iii) 集團首席資訊總監、總經理兼科技及生產力促進處主管，並建議董事會批准；

檢討政策及程序

- 檢討提名董事的程序；
- 檢討董事會繼任及多元化政策，包括推行該政策的可計量目標；
- 檢討本行相關機制的實施和有效性，確保董事會可獲得獨立的觀點和意見；
- 檢討管理層繼任政策；
- 檢討管理層繼任安排；
- 檢討提名委員會的職權範圍；

董事會及董事會轄下委員會的評估

- 檢討及評估董事會的表現及董事對達致董事會有效運作的貢獻；及
- 檢視董事（包括本行聯席行政總裁）就時間投入和潛在利益衝突的年度自我評估。

B3. 薪酬委員會

本行已設立薪酬委員會，並以書面訂明具體的職權範圍（已載於香港交易所和本行網站），清楚說明委員會的職權和責任，當中包括《企業管治守則》內所指明的特定職責，惟因應需要而作出適當修改。

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

Corporate Governance Report (continued)

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

The emoluments payable by the Bank to its Directors and senior executives are determined taking into account their roles and responsibilities so as to ensure that the remuneration packages are in accordance with regulatory requirements and market conditions. The Bank will also take into account various factors in determining the grant of shares/share-linked instruments to senior executives, including but not limited to the Bank Group's performance, risk profile, market conditions, performance and total compensation of the employees, where applicable. The Bank will ensure that no Director, Executive Chairman, Co-Chief Executive or any of their associates will be involved in deciding his/her own remuneration.

The RemCo comprises 5 members and 4 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2023.

The number of meetings held by the RemCo and the attendance of individual members at RemCoMs is recorded on page 88.

The following is a summary of the major work performed by the RemCo during and for the year 2023:

Remuneration-related Matters

- Reviewed the 2022 Variable Remuneration for members of Senior Management and Key Personnel;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Years 2019 to 2021;
- Reviewed the Usage of Salary Increment Budget for 2022;
- Reviewed Bonus Funding for 2022;
- Reviewed the Audit Result on the Bank's Remuneration System for 2022;
- Considered the Second Offer and Grant of Options under the Staff Share Option Scheme 2021;
- Reviewed the list of Individual Material Risk Takers for 2023 and considered the Salary Review for Senior Management and Key Personnel for 2023;
- Considered the General Staff Annual Salary Review Budget 2023;
- Reviewed the 2023 Annual Salary Review Budget for Staff of Chinese Mainland, Overseas Branches and Subsidiaries;
- Reviewed BEA's Performance Scorecard for 2023;
- Reviewed the Performance Scorecards of the Executive Chairman, Co-Chief Executives and Deputy Chief Executives for 2023;
- Reviewed the New Variable Pay Mix and the Proposed Key Terms of Long-Term Incentive Plan for General Managers and Key Personnel;
- Considered the Conversion of 13-month Pay Initiative;

企業管治報告 (續)

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

本行於釐定董事及高級行政人員的酬金時，會考慮其職務及職責，以確保薪酬待遇符合監管要求和市場條件。本行於釐定授予高級行政人員股票/股票掛鉤工具時，亦會考慮各種因素，包括但不限於本集團的業績、風險狀況、市場狀況、和員工的表現及總薪酬(如適用)。本行確保任何董事、執行主席、聯席行政總裁或任何彼等的聯繫人均不能自行釐定薪酬。

薪酬委員會由5名委員組成，其中4名(包括主席)為獨立非執行董事，成員名單及履歷載於《2023年報》「公司資料」及「董事及高層管理人員的個人資料」內。

薪酬委員會於2023年舉行的會議次數及個別委員的出席記錄載於第89頁。

薪酬委員會在年內及為2023年度所做的主要工作，摘要如下：**薪酬相關事宜**

- 檢討2022年度高層管理人員及主要管理人員的浮動薪酬；
- 檢討2019至2021年度遞延浮動薪酬獎勵的歸屬；
- 檢討2022年度薪酬加幅預算的使用狀況；
- 檢討2022年度總浮動薪酬金額；
- 檢討2022年度本行的薪酬制度審核結果；
- 考慮根據僱員認股權計劃2021，給予及授出第二批認股權；
- 檢討2023年度重大風險承受人員的個人名單及考慮高層管理人員及主要管理人員2023年度的薪酬；
- 考慮2023年度員工的薪酬加幅預算；
- 檢討2023年度中國內地、海外分行及附屬公司員工的薪酬加幅預算；
- 檢討2023年度本行的績效計分卡；
- 檢討執行主席、聯席行政總裁及副行政總裁2023年度的績效計分卡；
- 檢討總經理和主要管理人員浮動薪酬的新組合及長期獎勵計劃的主要建議條款；
- 考慮第13個月月薪的轉化計劃；

Culture-related Matters

- Reviewed the progress of Bank Culture Reform;

Review of Policies and Procedures

- Reviewed the *Remuneration Policy*; and
- Reviewed the Terms of Reference of the RemCo.

B4. Risk Committee

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

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

The RC comprises 7 members and 5 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2023.

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

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

The following is a summary of the major work performed by the RC during and for the year 2023:

Risk Management

- Reviewed the Group's Risk Appetite Statement;
- Reviewed the Group's risk management strategies;
- Reviewed and monitored the Group's risk profiles, including the outlook;
- Reviewed the Group's enterprise risk management framework;
- Reviewed the result of Internal Capital Adequacy Assessment Process;
- Reviewed the stress-testing results for major risks;
- Reviewed the Group Recovery Plan;
- Reviewed regulatory updates on risk management-related issues and considered their probable material implications to the Group;
- Reviewed critical regulatory comments on the Group's risk management-related issues;

企業文化相關事宜

- 檢討銀行企業文化改革的進程；

檢討政策及程序

- 檢討薪酬政策；及
- 檢討薪酬委員會的職權範圍。

B4. 風險委員會

本行已設立風險委員會，並以書面訂明具體的職權範圍（已載於本行網站），清楚說明委員會的職權及責任。風險委員會負責處理與本行風險管理相關的事宜，尤其是本集團的策略事宜。

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

風險委員會由7名委員組成，其中5名（包括主席）為獨立非執行董事，成員名單及履歷載於《2023年報》「公司資料」及「董事及高層管理人員的個人資料」內。

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

風險委員會於2023年舉行的會議次數及個別委員的出席記錄載於第89頁。

風險委員會在年內及為2023年度所做的主要工作，摘要如下：

風險管理

- 審閱本集團的風險偏好報告書；
- 審閱本集團的風險管理策略；
- 審閱及監察本集團的風險狀況及其展望；
- 審閱本集團的企業風險管理架構；
- 審閱內部資本充足評估程序的結果；
- 審閱主要風險的壓力測試結果；
- 審閱集團恢復計劃；
- 審閱與風險管理相關的新監管規定，並考慮其對本集團可能造成的重大影響；
- 審閱與本集團風險管理相關的重要監管意見；

Review of Policies and Procedures

- Reviewed the Group's risk management policies, oversaw their implementation and compliance with respective statutory rules and regulations; and
- Reviewed the Terms of Reference of the RC, Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee.

B5. Environmental, Social, and Governance Committee

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

The ESGC currently comprises 5 members and 3 of them (including the Chairman) are INEDs. Dr. Delman Lee, Chairman of the ESGC, has a strong background in corporate sustainability. Names and biographies of the ESGC members are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2023.

The number of meetings held by the ESGC and the attendance of individual members at ESGCMs is recorded on page 88.

The following is a summary of the major work performed by the ESGC during and for the year 2023:

ESG Goals, Strategy, Performance and Reporting

- Reviewed and endorsed the Group's 2022 ESG Report;
- Approved the Group's 2023 ESG goals;
- Reviewed and approved the Group's ESG materiality matrix for 2023;
- Approved BEA's interim financed emission reduction targets for the energy (oil & gas) and power sector portfolios;
- Reviewed the adequacy of resources and training relating to the Group's ESG performance and reporting;

Review of Policies and Procedures

- Reviewed and endorsed the Group's *Sustainability Policy, Human Rights Policy, Environmental Policy, Slavery and Human Trafficking Statement*, and the *Group Responsible Investment Policy*; and
- Reviewed the Terms of Reference of the ESGC and ESG Steering Committee.

B6. Sealing Committee

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

檢討政策及程序

- 審閱本集團的風險管理政策，監督其執行及遵守相關法例及法規的情況；及
- 檢討風險委員會、危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會的職權範圍。

B5. 環境、社會及管治委員會

本行已設立環境、社會及管治委員會，並以書面訂明具體的職權範圍（已載於本行網站），清楚說明委員會的職權及責任。環境、社會及管治委員會負責監督本集團的可持續發展表現，並由管理層組成的環境、社會及管治督導委員會提供協助。

環境、社會及管治委員會由5名委員組成，其中3名（包括主席）為獨立非執行董事。環境、社會及管治委員會主席李國本博士擁有豐富的企業可持續發展背景。環境、社會及管治委員會成員名單及履歷載於《2023年報》「公司資料」及「董事及高層管理人員的個人資料」內。

環境、社會及管治委員會於2023年舉行的會議次數及個別委員的出席記錄載於第89頁。

環境、社會及管治委員會在年內及為2023年度所做的主要工作，摘要如下：**環境、社會及管治的目標、策略、表現和報告**

- 審閱及批准本集團的2022年環境、社會及管治報告；
- 批准本集團的2023年可持續發展目標；
- 審閱及批准本集團的2023年環境、社會及管治重要程度示意圖；
- 批准東亞銀行能源（石油和天然氣）及電力行業組合的中期融資減碳目標；
- 檢討就達致本集團可持續發展表現和匯報要求的資源分配和培訓是否充裕；

檢討政策及程序

- 審閱及批准本集團的可持續發展政策、人權政策、環保政策、奴役和人口販賣聲明以及負責任投資政策；及
- 檢討環境、社會及管治委員會和環境、社會及管治督導委員會的職權範圍。

B6. 印章委員會

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

Management Committees

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

Executive Committee

- assists and supports Co-Chief Executives to manage the businesses and operations of the Bank Group at a strategic level

Risk Management Committee

- assists the RC in the daily management of issues related to all major risks faced by the Group including risk appetites, risk profiles, regulatory updates and compliance with major controls

Credit Committee

- deals with all credit risk-related issues of the Group

Operational Risk Management Committee

- deals with issues related to operational, legal, reputation, compliance and technology risks of the Group

Asset and Liability Management Committee

- deals with all issues related to market, interest rate and liquidity risks of the Group

Crisis Management Committee

- deals with the Group's crisis scenarios (if any), which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/financial position and business continuity

Investment Committee

- reviews and formulates investment strategies as well as makes investment decisions in respect of fixed income instruments, equity and equity-related investments for the Bank, and The Bank of East Asia, Limited Employees' Provident Fund

ESG Steering Committee

- sets direction for BEA's ESG strategy and drives the ESG performance of the Bank Group

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

企業管治報告 (續)

管理層委員會

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

| |
|--|
| 執行委員會 |
| <ul style="list-style-type: none"> 協助及支援聯席行政總裁在策略層面上管理本集團的業務及運作 |
| 風險管理委員會 |
| <ul style="list-style-type: none"> 協助風險委員會處理與本集團所有主要風險相關的日常管理工作，包括風險偏好、風險狀況、更新監管規定及主要監控措施的合規性 |
| 信貸委員會 |
| <ul style="list-style-type: none"> 處理本集團信貸風險相關的所有事宜 |
| 營運風險管理委員會 |
| <ul style="list-style-type: none"> 處理本集團營運、法律、信譽、合規及科技風險相關事宜 |
| 資產負債管理委員會 |
| <ul style="list-style-type: none"> 處理本集團市場、利率及流動性風險相關的所有事宜 |
| 危機管理委員會 |
| <ul style="list-style-type: none"> 負責處理本集團的危機事故 (如有)，該等事故會危害或可能危害集團的信譽、流動性/財政狀況及持續業務運作 |
| 投資委員會 |
| <ul style="list-style-type: none"> 檢討及制訂本行及東亞銀行有限公司僱員公積金就有關定息債券工具、股本及其他股本相關投資工具的投資策略及決策 |
| 環境、社會及管治督導委員會 |
| <ul style="list-style-type: none"> 為本行的環境、社會及管治策略設定方向，並提高本集團的可持續發展表現 |

管理層委員會根據其各自的職權範圍向董事會/董事會轄下委員會匯報重要事項。

C. Remuneration of Directors and Senior Executives

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

| | per annum (HK\$) |
|--------------------------------|------------------|
| Board of Directors: | |
| Chairman | 600,000 |
| Deputy Chairman | 475,000 |
| Other Directors | 450,000 |
| Audit Committee: | |
| Chairman | 300,000 |
| Other members | 170,000 |
| Nomination Committee: | |
| Chairman | 110,000 |
| Other members | 70,000 |
| Remuneration Committee: | |
| Chairman | 110,000 |
| Other members | 70,000 |
| Risk Committee: | |
| Chairman | 300,000 |
| Other members | 170,000 |
| ESG Committee: | |
| Chairman | 110,000 |
| Other members | 70,000 |

Information relating to the remuneration of each Director for 2023 is set out in Note 20 to the financial statements on page 245.

Disclosure of Remuneration Policy

In accordance with the latest "Guideline on a Sound Remuneration System" (the "Guideline") issued by the HKMA in July 2021, the Bank has reviewed and revised its *Remuneration Policy* for employees of the Group, including its branches in Macau, Taiwan and overseas and subsidiaries. The *Remuneration Policy* covers all categories of employees, including those described in paragraph 2.1.1 of the Guideline. The RemCo, Group Chief Risk Officer and Group Chief Compliance Officer annually review the Bank's *Remuneration Policy*, including a reassessment of the principles applied in determining remuneration packages, as well as the structure and amount of compensation ultimately awarded.

The *Remuneration Policy* was reviewed and endorsed by the RemCo in 2023. The major changes included the elaboration on the roles and responsibilities of the risk control functions in the on-going review process, extending the review scope on the list of all Material Risk Takers and refining the definition of clawback for variable remuneration.

General Principles

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

C. 董事及高級行政人員的薪酬

董事袍金，以及審核委員會、提名委員會、薪酬委員會、風險委員會及環境、社會及管治委員會委員的酬金摘錄如下：

| | 每年港幣 (元) |
|---------------------|----------|
| 董事會： | |
| 主席 | 600,000 |
| 副主席 | 475,000 |
| 其他董事 | 450,000 |
| 審核委員會： | |
| 主席 | 300,000 |
| 其他委員 | 170,000 |
| 提名委員會： | |
| 主席 | 110,000 |
| 其他委員 | 70,000 |
| 薪酬委員會： | |
| 主席 | 110,000 |
| 其他委員 | 70,000 |
| 風險委員會： | |
| 主席 | 300,000 |
| 其他委員 | 170,000 |
| 環境、社會及管治委員會： | |
| 主席 | 110,000 |
| 其他委員 | 70,000 |

有關各董事 2023 年度的薪酬資料載於第 245 頁的財務報表附註 20。

薪酬政策的披露

按照金管局於 2021 年 7 月發出的《穩健的薪酬制度指引》修訂版（「《指引》」），本行已檢討並修訂對本集團（包括其澳門、台灣及海外分行及附屬公司）僱員的薪酬政策。薪酬政策適用於所有僱員，並包括依據《指引》第 2.1.1 段所述的員工。薪酬委員會、集團風險總監及集團合規總監於每個年度檢討本行的薪酬政策，當中包括重新評估應用於薪酬組合，以及報酬的架構及最終所發放金額的釐定原則。

薪酬委員會於 2023 年檢討並修訂薪酬政策。主要修訂包括進一步闡述風險控制職能在持續檢討薪酬政策過程中的角色和責任，擴大重大風險承受人員的的檢閱範圍至所有類別，並改進可要求退回浮動薪酬的定義。

一般原則

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

Remuneration Structure

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

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

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

Employees' Performance Measurements and the Award of Variable Remuneration

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

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

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

To ensure that there is balance between financial factors and non-financial factors in the assessment of performance of both business units and individual employees, the overall weighting on financial factors is limited to avoid over reliance on financial measures and to align with HKMA's expectation on Bank Culture Reform. Performance is therefore judged, not only on what is achieved over the short and long-term, but also on how it is achieved. Performance in relation to non-financial factors, including risk, compliance and adherence to corporate values, forms a significant part of the overall employee performance measurement and promotes proper employee conduct and behaviour, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial/qualitative factors will override outstanding financial/quantitative achievements and be reflected by a reduction in, or elimination of, any variable remuneration.

To help ensure a balanced evaluation, a series of compliance and risk management factors are also taken into account. The major types of risks covered are market, credit, interest rate, liquidity and operational risks. Other risks including legal, reputation, technology, strategic and compliance are closely monitored at Bank level by various Management Committees and adjustment will be made to an individual's variable remuneration when appropriate.

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

薪酬架構

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

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

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

僱員表現的衡量和浮動薪酬的發放

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

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

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

為了確保業務部門和個別僱員的績效評估，能在財務和非財務因素之間取得平衡，故限制財務因素的評核佔比以避免過度依據財務因素，並確保符合金管局對銀行企業文化改革的要求。因此，不僅根據短期和長期取得的成就，還要根據如何取得該成就來評估績效。於非財務因素（包括風險、合規及遵守企業價值觀）相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員整體表現的重要考量因素，以促進僱員的正確行為操守。再者，非財務/質量措施方面表現欠佳將凌駕於其財務/數量措施方面的傑出表現，其浮動薪酬會有所下調甚至撤銷。

除此之外，還考慮一系列合規及風險管理因素的準則，以確保僱員的工作表現獲平衡考量。主要風險的因素涵蓋市場、信貸、利率、流動資金及營運風險。其他風險包括法律、信譽、科技、策略性及合規風險則由不同的管理層轄下委員會在銀行層面上作出緊密監察，並於適當時調整個別僱員的浮動薪酬。

為了促進以價值為本之高績效文化，浮動薪酬計劃旨在識別和獎勵正面行為。與此同時本集團還會定期進行檢討，以評估風險控制程序及/或監管要求的違規情況。相關的違規情況將會上告並影響薪酬之決定，包括調整當年的浮動薪酬、扣減尚未歸屬及要求退回已歸屬的浮動薪酬。

Corporate Governance Report (continued)

In 2023, in accordance with the Accountability Framework Implementation Guidelines of the Bank, regular accountability review meetings were held by Senior Management, Group Chief Risk Officer, Group Chief Compliance Officer, Group Chief Auditor, Group Head of People & Sustainability Division, and Group Head of Legal & Secretarial Division to ensure that risk and compliance performance of department were taken into due consideration in the determination of variable remuneration funding and individual performance and reward so as to foster proper risk culture and business conduct. To enhance openness and transparency, if a formal accountability review of a significant incident is required, the Accountability Work Group will determine whether any staff member should be held accountable individually or collectively, or any department should be subject to risk and compliance modification on variable remuneration funding for the incident.

Senior Executive Compensation

The RemCo annually reviews the remuneration packages of the Senior Management (including the Executive Chairman, Co-Chief Executives and Deputy Chief Executives of the Bank), and Key Personnel (including 16 General Managers and the Co-Head of Capital Markets & Liquidity Management Department). In determining the remuneration packages of the Senior Management and Key Personnel, the RemCo takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. The Bank has engaged a number of external consultants to revamp the structure of variable remuneration of key personnel by introducing a new Long-Term Incentive Plan to ensure its competitiveness and alignment with regulatory requirements, as well as to refine the variable remuneration of other employees respectively.

The aggregate payouts for these senior executives for 2023 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

Total value of remuneration in 2023

| Total value of remuneration awards for the current financial year | 2023 | | 2022 | |
|---|---------------------|-------------------|---------------------|-------------------|
| | Non-deferred (HK\$) | Deferred (HK\$) | Non-deferred (HK\$) | Deferred (HK\$) |
| (i) Senior Management | | | | |
| Number of employees | 5 | | 5 | |
| Fixed remuneration | | | | |
| • Cash-based | 38,135,330 | 0 | 36,605,410 | 0 |
| Variable remuneration | | | | |
| • Cash-based | 19,011,920 | 6,925,080 | 17,180,600 | 6,297,400 |
| • Share Options | 0 | 18,400,260 | 0 | 16,725,560 |
| (ii) Key Personnel | | | | |
| Number of employees | 19 | | 21 | |
| Fixed remuneration | | | | |
| • Cash-based | 54,468,171 | 0 | 60,728,678 | 0 |
| Variable remuneration | | | | |
| • Cash-based | 21,775,213 | 10,314,660 | 23,863,147 | 10,917,853 |
| • Share Options | 0 | 4,431,115 | 0 | 5,207,586 |
| Total Remuneration | 133,390,634 | 40,071,115 | 138,377,835 | 39,148,399 |

Remarks:

- (i) For indication purpose only, the value of share options is calculated based on the fair value of the Bank's shares on 16th January, 2024 for 2023, 26th January, 2023 for 2022.
- (ii) The remuneration of Key Personnel for 2023 included the remuneration of three Key Personnel who retired from / left the Group on 1st July, 2023, 1st December, 2023 and 1st January, 2024 respectively, and two Key Personnel who joined the Group on 21st August, 2023 and was appointed on 1st December, 2023 respectively. The remuneration of Key Personnel for 2022 included the remuneration of four Key Personnel who retired from / left the Group on 11th March, 2022, 21st July, 2022, 1st October, 2022 and 1st January, 2023 respectively, and one Key Personnel who joined the Group on 1st March, 2022.
- (iii) The aggregate amount of HK\$955,554 and HK\$3,144,890 sign-on payments were made to three and four Key Personnel of the Group for 2023 and 2022 respectively. The aggregate amount of HK\$1,276,874 severance payment were made to a Key Personnel of the Group for 2022 while no guaranteed bonus or severance payment was made in 2023.

企業管治報告 (續)

本集團根據問責框架實施指引，於 2023 年多次舉行高層管理人員、集團風險總監、集團合規總監、集團總稽核、集團人事及可持續發展處主管、及集團法律及公司秘書處主管之間責審查會議，以確保在制定浮動薪酬總額和個人績效及獎勵時，應考慮部門之風險和合規的表現，從而推動正確的風險文化和商業行為。為確保公開和透明度，問責工作小組需要對重大事故進行正式問責審查，以釐定僱員是否需要單獨或與他人共同為該事件問責、以及相關部門因應該事件而觸犯有關風險及合規方面之事宜，是否需要對部門的獎金總額作出調整。

高級行政人員的薪酬

薪酬委員會於每個年度檢討高層管理人員（包括本行執行主席、聯席行政總裁及副行政總裁）及主要管理人員（包括 16 名總經理以及資本市場及流動資金管理部門聯席主管）的薪酬組合。薪酬委員會在釐定高層管理人員及主要管理人員的薪酬組合時所考慮的因素，包括個人工作表現、相關分處及部門的表現，以及本集團的整體業務目的和目標。本行委聘了若干外部顧問公司以改革主要管理人員的浮動薪酬組合及推出新的長期獎勵計劃，以確保銀行能提供具競爭力及合規的薪酬，以及完善其他員工的浮動薪酬。

根據《指引》第 3.3 項的披露規定，此等高級行政人員於 2023 年度獲得的薪酬總額載於下表。

2023 年度薪酬總值

| 本財政年度發放的薪酬總值 | 2023 | | 2022 | |
|--------------------|--------------------|-------------------|--------------------|-------------------|
| | 非遞延 (港幣) | 遞延 (港幣) | 非遞延 (港幣) | 遞延 (港幣) |
| (i) 高層管理人員 | | | | |
| 僱員人數 | 5 | | 5 | |
| 固定薪酬 | | | | |
| • 薪金 | 38,135,330 | 0 | 36,605,410 | 0 |
| 浮動薪酬 | | | | |
| • 現金花紅 | 19,011,920 | 6,925,080 | 17,180,600 | 6,297,400 |
| • 認股權 | 0 | 18,400,260 | 0 | 16,725,560 |
| (ii) 主要管理人員 | | | | |
| 僱員人數 | 19 | | 21 | |
| 固定薪酬 | | | | |
| • 薪金 | 54,468,171 | 0 | 60,728,678 | 0 |
| 浮動薪酬 | | | | |
| • 現金花紅 | 21,775,213 | 10,314,660 | 23,863,147 | 10,917,853 |
| • 認股權 | 0 | 4,431,115 | 0 | 5,207,586 |
| 薪酬總值 | 133,390,634 | 40,071,115 | 138,377,835 | 39,148,399 |

註：

- (i) 2023 認股權價值乃參照本行股份於 2024 年 1 月 16 日的公平價值計算，而 2022 認股權價值則參照 2023 年 1 月 26 日的公平價值計算，僅供參考用途。
- (ii) 2023 年度之主要管理人員的薪酬包括 3 名分別於 2023 年 7 月 1 日、2023 年 12 月 1 日及 2024 年 1 月 1 日退休/離職和兩名分別於 2023 年 8 月 21 日加入本集團及於 2023 年 12 月 1 日委任的主要管理人員。2022 年度之主要管理人員的薪酬包括 4 名分別於 2022 年 3 月 11 日、2022 年 7 月 21 日、2022 年 10 月 1 日及 2023 年 1 月 1 日退休/離職和 1 名於 2022 年 3 月 1 日加入本集團的主要管理人員。
- (iii) 於 2023 及 2022 年度，集團分別向 3 名及 4 名主要管理人員共支付了港幣 955,554 元及港幣 3,144,890 元的簽約受聘酬金。於 2022 年度，集團向 1 名主要管理人員支付了港幣 1,276,874 元的遣散費，而集團於 2023 年度並無支付任何保證花紅或遣散費。

Corporate Governance Report (continued)

Total outstanding deferred remuneration in 2023

| Outstanding deferred remuneration | Vested portion during the year 2023 (HK\$) | Unvested portion as at the end of 2023 (HK\$) | Performance adjustments to Vested portion during the year 2023 (HK\$) | Performance adjustments to Unvested portion as at the end of 2023 (HK\$) |
|-----------------------------------|--|---|---|--|
| (i) Senior Management | | | | |
| • Cash-based | 5,312,711 | 12,829,975 | 0 | 0 |
| • Share Options | 15,109,350 | 33,553,904 | 0 | 0 |
| (ii) Key Personnel | | | | |
| • Cash-based | 10,111,353 | 22,315,583 | 0 | 0 |
| • Share Options | 6,649,306 | 11,282,948 | 0 | 0 |

Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2019 variable remuneration award granted in 2020 and vested in 2023, the 2020 variable remuneration award granted in 2021 and vested in 2023 and the 2021 variable remuneration award granted in 2022 and vested in 2023. The total number of share options granted in 2020, 2021 and 2022 are 5,381,829 shares, 4,336,553 shares and 16,118,590 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2020, 2021 and 2022 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2023 included the vested and unvested cash bonuses and share options of thirteen Key Personnel who retired from / left the Group on 1st August, 2019, 1st September, 2019, 1st April, 2020, 1st September, 2020, 1st March, 2021, 1st October, 2021, 1st January, 2022, 11th March, 2022, 21st July, 2022, 1st October, 2022, 1st January, 2023, 1st July, 2023 and 1st December, 2023 respectively.

Total outstanding deferred remuneration in 2022

| Outstanding deferred remuneration | Vested portion during the year 2022 (HK\$) | Unvested portion as at the end of 2022 (HK\$) | Performance adjustments to Vested portion during the year 2022 (HK\$) | Performance adjustments to Unvested portion as at the end of 2022 (HK\$) |
|-----------------------------------|--|---|---|--|
| (i) Senior Management | | | | |
| • Cash-based | 9,025,508 | 11,845,286 | 0 | 0 |
| • Share Options | 10,326,204 | 31,937,694 | 874,697 | 0 |
| (ii) Key Personnel | | | | |
| • Cash-based | 9,561,725 | 21,374,145 | 0 | 0 |
| • Share Options | 6,476,130 | 12,949,576 | 198,494 | 0 |

Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2018 variable remuneration award granted in 2019 and vested in 2022, the 2019 variable remuneration award granted in 2020 and vested in 2022 and the 2020 variable remuneration award granted in 2021 and vested in 2022. The total number of share options granted in 2019, 2020 and 2021 are 5,850,000 shares, 5,381,829 shares and 4,336,553 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2019, 2020 and 2021 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2022 included the vested and unvested cash bonuses and share options of eleven Key Personnel who retired from / left the Group on 1st May, 2018, 1st August, 2019, 1st September, 2019, 1st April, 2020, 1st September, 2020, 1st March, 2021, 1st October, 2021, 1st January, 2022, 11th March, 2022, 21st July, 2022 and 1st October, 2022 respectively.
- (v) These performance adjustments reduced the outstanding balance of deferred remuneration.

企業管治報告 (續)

2023 年度未發放的遞延薪酬總額

| 未發放的遞延薪酬 | 於 2023 年度 已歸屬部分 (港幣) | 於 2023 年底 未歸屬部分 (港幣) | 於 2023 年度 因工作表現而取消 的已歸屬部分 (港幣) | 於 2023 年底 因工作表現而取消 的未歸屬部分 (港幣) |
|--------------------|----------------------------|----------------------------|---|---|
| (i) 高層管理人員 | | | | |
| • 現金花紅 | 5,312,711 | 12,829,975 | 0 | 0 |
| • 認股權 | 15,109,350 | 33,553,904 | 0 | 0 |
| (ii) 主要管理人員 | | | | |
| • 現金花紅 | 10,111,353 | 22,315,583 | 0 | 0 |
| • 認股權 | 6,649,306 | 11,282,948 | 0 | 0 |

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為 2020 年授予並於 2023 年歸屬的 2019 年浮動薪酬、2021 年授予並於 2023 年歸屬的 2020 年浮動薪酬和 2022 年授予並於 2023 年歸屬的 2021 年浮動薪酬。於 2020、2021 及 2022 年授予的認股權總額分別為 5,381,829 股、4,336,553 股及 16,118,590 股。
- (iii) 未歸屬現金花紅及認股權為 2020、2021 及 2022 年浮動薪酬。
- (iv) 2023 年度之主要管理人員未發放的遞延薪酬含 13 名已分別於 2019 年 8 月 1 日、2019 年 9 月 1 日、2020 年 4 月 1 日、2020 年 9 月 1 日、2021 年 3 月 1 日、2021 年 10 月 1 日、2022 年 1 月 1 日、2022 年 3 月 11 日、2022 年 7 月 21 日、2022 年 10 月 1 日、2023 年 1 月 1 日、2023 年 7 月 1 日及 2023 年 12 月 1 日退休/離職之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。

2022 年度未發放的遞延薪酬總額

| 未發放的遞延薪酬 | 於 2022 年度 已歸屬部分 (港幣) | 於 2022 年底 未歸屬部分 (港幣) | 於 2022 年度 因工作表現而取消 的已歸屬部分 (港幣) | 於 2022 年底 因工作表現而取消 的未歸屬部分 (港幣) |
|--------------------|----------------------------|----------------------------|---|---|
| (i) 高層管理人員 | | | | |
| • 現金花紅 | 9,025,508 | 11,845,286 | 0 | 0 |
| • 認股權 | 10,326,204 | 31,937,694 | 874,697 | 0 |
| (ii) 主要管理人員 | | | | |
| • 現金花紅 | 9,561,725 | 21,374,145 | 0 | 0 |
| • 認股權 | 6,476,130 | 12,949,576 | 198,494 | 0 |

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為 2019 年授予並於 2022 年歸屬的 2018 年浮動薪酬、2020 年授予並於 2022 年歸屬的 2019 年浮動薪酬和 2021 年授予並於 2022 年歸屬的 2020 年浮動薪酬。於 2019、2020 及 2021 年授予的認股權總額分別為 5,850,000 股、5,381,829 股及 4,336,553 股。
- (iii) 未歸屬現金花紅及認股權為 2019、2020 及 2021 年浮動薪酬。
- (iv) 2022 年度之主要管理人員未發放的遞延薪酬含 11 名已分別於 2018 年 5 月 1 日、2019 年 8 月 1 日、2019 年 9 月 1 日、2020 年 4 月 1 日、2020 年 9 月 1 日、2021 年 3 月 1 日、2021 年 10 月 1 日、2022 年 1 月 1 日、2022 年 3 月 11 日、2022 年 7 月 21 日及 2022 年 10 月 1 日退休/離職之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。
- (v) 未發放的遞延薪酬因應工作表現而減少。

Other relevant remuneration disclosures are set out in Notes 20, 21 and 50 to the financial statements on pages 245, 247 and 370.

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

Deferral Arrangements

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

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

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

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

In circumstances where it is later established that any performance measurement for a particular year was based on data that is later proven to have been manifestly misstated, or it is later established that the relevant employee has committed fraud, malfeasance, or a violation of internal control policies, any unvested portions (i.e. both cash bonuses and/or share option tranches that have yet to be vested) of deferred variable remuneration (relating to that particular year in question) should be forgone, either in part or in whole, as determined by the RemCo. In certain circumstances, clawback of vested portion of the deferred variable remuneration of that particular year may apply.

Future Review

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

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

企業管治報告 (續)

其他相關薪酬披露項目載於第 245、247 及 370 頁的財務報表附註 20、21 及 50 內。

本行已完全遵循《指引》第 3 部分有關金管局薪酬披露之要求。

遞延安排

高層管理人員及主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，高層管理人員及主要管理人員可予遞延的浮動薪酬比例，會按其本身的職級、職責範圍和其他相關因素而遞增。

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

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

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

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

未來檢討

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

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

D. Accountability and Audit

Financial Reporting

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

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

The Directors are responsible for ensuring maintenance of proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2023, the Directors have:

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

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

A statement by the auditor about their reporting responsibilities is included in the Independent Auditor's Report from pages 172 to 186.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

Risk Management and Internal Controls

The Directors acknowledged that they are responsible for the Group's risk management and internal control systems and reviewing their effectiveness. All employees are responsible for identifying and managing risk within the scope of their roles as part of the three lines of defence model. The second line of defence sets the policy and guidelines for managing specific risk areas, provides advice and guidance in relation to the risk, and challenges the first line of defence, the Risk Owners, on effectiveness of risk management. The third line of defence provides an independent assurance on effectiveness of the Group's risk management and internal control systems. The Internal Audit Division and Risk Management Division assume the responsibilities of internal audit and risk management functions of the Group, respectively.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing the Senior Management and the other senior executives in the design, implementation and monitoring of the risk management (including ESG risk) and internal control systems.

D. 問責及稽核

財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

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

董事負責確保保存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至 2023 年 12 月 31 日止年度的賬項時，董事已：

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

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

核數師的申報責任聲明載於由第 173 至 187 頁的獨立核數師報告內。

董事會在各方面將作出平衡、清晰及可理解的評審，包括：年度報告及中期報告、其他涉及股價敏感資料的公告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書，以至根據法例規定須予披露的資料。

風險管理及內部監控

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

董事會負責評估及釐定集團達成策略目標時所願意承受的風險性質及程度，並確保集團設立及維持合適及有效的風險管理及內部監控系統。董事會亦負責監督高層管理人員及其他高級行政人員對風險管理（包括環境、社會及管治風險）及內部監控系統的設計、實施及監察。

Corporate Governance Report (continued)

The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Such systems comprise comprehensive policies and standards under a well-established organisational structure. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances. Please refer to the Sections "Principal Risk Management" from pages 292 to 343 and "Capital Adequacy" from pages 378 to 381 of Annual Report 2023 for further details on the processes that the Group uses to identify, evaluate and manage principal risks.

The key procedures that the Board established to provide effective internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and control responsibilities.
- A comprehensive management accounting system is in place to provide financial and operational performance indicators to the Senior Management and the relevant financial information for reporting and disclosure purpose.
- Policies and procedures are designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.
- An enterprise risk management framework is in place for the Group to identify, evaluate, manage, control and report principal risks including credit, market, operational, liquidity, interest rate, strategic, legal, reputation, compliance, and technology risks. To identify and manage all potential risks in a more holistic and effective manner, a "Three Lines of Defence" risk management model is adopted, with Risk Owners, Risk Controllers and Internal Audit Division acting as the 1st, 2nd and 3rd lines of defence respectively, along with the overall coordination of the Group Chief Risk Officer. Oversight of risk management is provided by the RC, which is assisted by the Management Committees including the Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. Policies and procedures are in place to ensure compliance with applicable laws, rules and regulations.
- The enterprise risk management framework incorporates ESG and climate-related considerations and enables responsible parties to prioritise and allocate resources and better manage these issues. The significant climate risk issues will be reported and escalated to Management Committees and the Board through the existing enterprise risk management framework structure.
- The ESGC oversees the Bank Group's ESG performance and management of its material ESG impacts. Among its other duties, it is responsible for reviewing and approving ESG strategies, goals, and targets, and making recommendations to the Board.
- The AC reviews reports (including management letter) submitted by external auditor in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Inside Information* is in place, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner.
- *Whistleblowing Policy and Procedure* is in place to encourage stakeholders and employees to raise concerns, in confidence, about possible improprieties in any matter related to the Bank. The Bank treats all information received confidentially and protects the identity and the interests of all whistleblowers.

During the financial year ended 31st December, 2023, the Board reviewed the adequacy and effectiveness of the risk management (including ESG risk) and internal control systems of the Group which cover all material controls, including financial, operational and compliance controls. The Board concurred with the Senior Management's confirmation that the Group's risk management and internal control systems are considered effective and adequate.

企業管治報告 (續)

集團的風險管理及內部監控系統旨在管理而不是消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。這系統包含一個完善的公司架構，以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效制衡。關於本集團用於辨認、評估及管理主要風險的程序，詳情請參閱《2023 年報》的「主要風險管理」(第 292 至 343 頁)及「資本充足」(第 378 至 381 頁)的部分。

以下為董事會為提供有效的內部監控而建立的主要程序：

- 組織架構權責清晰，監控層次分明。
- 設有一個全面的管理會計系統，為高層管理人員提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 設計政策及程序以保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理而非絕對的保證，以防出現嚴重的錯誤、損失或舞弊。
- 設有企業風險管理架構以識別、評估、管理、控制及匯報本集團的主要風險，包括信貸、市場、營運、流動性、利率、策略性、法律、信譽、合規、科技風險。為全面有效地識別及管理所有潛在風險，本集團已採納「三道防線」風險管理模式，以「風險負責人」、「風險監控人」及稽核處分別作為第一、第二及第三道防線，及由集團風險總監作整體協調。風險委員會由各管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責監督風險管理。設有政策及程序確保遵守適用法例、規則及規例。
- 企業風險管理架構已納入環境、社會及管治和氣候相關的考慮因素，使相關負責人決定管理議題的先後次序及資源分配。重大氣候風險議題將通過現有的企業風險管理架構匯報給相關的管理層委員會和董事會。
- 環境、社會及管治委員會監督本集團的可持續發展表現及集團就其對環境及社會重大影響的管理工作。委員會的職責包括檢討與批核可持續發展方面的策略、目標和指標等，並向董事會提出建議。
- 審核委員會審閱由外聘核數師提交涉及年度核數的報告（包括致管理層的審核情況說明函件），及由集團總稽核呈交的內部稽核報告。
- 設有一套處理及發布內幕消息政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 設有舉報政策與程序鼓勵持分者及僱員在保密情況下舉報有關本行任何可能發生不當行為的事宜。本行會對接獲的所有資料保密，並保護舉報人的身份及權益。

在截至 2023 年 12 月 31 日止的財政年度期間內，董事會審閱本集團的風險管理（包括環境、社會及管治風險）及內部監控系統的足夠性及有效性，該管控涵蓋所有重要監控，包括財務、營運及遵守法規的監控。董事會同意高層管理人員有關本集團風險管理及內部監控系統為有效及足夠的確認。

Auditor's Remuneration

The fee paid or payable to KPMG, the Bank's external auditor, for providing audit and audit-related services to the Group during 2023 is HK\$28 million in total.

During 2023, the fees paid or payable to KPMG and its associates for providing non-audit-related services amounted to approximately HK\$9.6 million, which included the following items:

- Review and consultancy services: HK\$7.5 million; and
- Taxation services: HK\$2.1 million.

The AC was satisfied that the non-audit services in 2023 did not affect the independence of KPMG.

E. Company Secretary

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

- keeping abreast of the developments in laws, rules and regulations that may affect the Bank's business, operations and governance practices;
- taking a proactive role in anticipating issues and providing advice to the Board in accordance with the Bank's Articles of Association, relevant laws, rules and regulations;
- implementing and strengthening corporate governance practices and culture upheld by the Bank;
- ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management;
- ensuring Directors and Senior Management have access to the advice and services of the Company Secretary in the decision-making process;
- facilitating induction programme of new Directors and the continuous professional development of existing Directors;
- developing agendas for Board and Board Committee meetings and their respective minutes; and
- assisting the Board to formulate and push forward a robust compliance culture to meet both regulatory and investor expectations, and ensuring these align with the Bank's culture.

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

企業管治報告 (續)

核數師酬金

2023 年內，已支付或須支付予本行外聘核數師 — 畢馬威會計師事務所為本集團提供核數及與核數相關服務的總費用為港幣 2,800 萬元。

2023 年內，已支付或須支付予畢馬威會計師事務所及其聯營公司提供非核數相關服務的費用約為港幣 960 萬元，其中包括以下事項：

- 審查及顧問服務：港幣 750 萬元；及
- 稅務服務：港幣 210 萬元。

審核委員會對於 2023 年度的非核數服務並無影響畢馬威會計師事務所的獨立性感到滿意。

E. 公司秘書

公司秘書的責任 (其中包括) 如下：

- 時刻掌握或會影響到本行業務、營運及管治實務的法律、規則和法規的最新發展；
- 積極主動，預先估計可能會發生的事宜，並根據本行的組織章程細則及相關法律、規則及規例向董事會提供建議；
- 執行及加強本行的企業管治實務及本行所倡導的文化；
- 確保董事會及董事會轄下委員會之間，以及董事與高層管理人員之間的資訊有效率地交流；
- 確保董事及高層管理人員在決策時均可取得公司秘書的意見和享用其服務；
- 負責安排新任董事入職培訓及現任董事的持續專業發展；
- 為董事會及董事會轄下委員會制訂會議的議程，並負責編寫會議紀錄；及
- 協助董事會制定及推行穩健的合規文化，以符合監管當局與投資者的期望，並確保其與本行的文化配合一致。

公司秘書為本行僱員，直接向執行主席匯報。年內，公司秘書已接受超過 15 個小時的專業培訓。

F. Shareholders' Rights and Investor Relations

The Bank's approach to shareholders communication and engagement is set out below:

Communication with Shareholders

- The Bank's *Shareholders Communication Policy* (available on the website of the Bank) sets out the practices in relation to communication with shareholders and the investment community.
- Through various channels, including its website (www.hkbea.com), shareholders, investors and other stakeholders are provided with fair, timely and simultaneous access to the Bank's information such as the Bank's announcements, financial results, and press releases. The Bank also holds press and investor conferences to present half-year and full-year financial results to the media and analysts.
- The Bank welcomes shareholders' and other stakeholders' views and concerns relating to the Group's management and governance. They may at any time send their opinions or enquiries to the Board by addressing to the Bank's Company Secretary at the Bank's registered address or email at info@hkbea.com.

Investor Relations

- The Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media in accordance with its *Shareholders Communication Policy*. Apart from AGMs, other communication channels include:
 - the Group's website at www.hkbea.com;
 - annual and interim reports, and press releases;
 - announcements, notices and circulars;
 - ESG reports;
 - press conferences after the announcement of interim and final results for media and analysts;
 - meetings with analysts; and
 - roadshows.
- The Senior Management conducts briefings with analysts and the press to apprise them of the Bank's annual and interim results, business strategies and outlook.
- During the year, the Board reviewed the implementation and effectiveness of the Bank's *Shareholders Communication Policy*, which has been included under the Bank's Corporate Governance Framework, and considered that it has remained appropriate and effective.

General Meetings

- The Board uses the AGMs or other general meetings as a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC, RemCo, RC and ESGC, external auditor, Senior Management and legal advisors are also present to answer shareholders' questions.
- In accordance with the relevant requirements under the Listing Rules and the Articles of Association, any vote of shareholders at a general meeting will be taken by poll. Detailed procedures for conducting a poll will be explained to the shareholders in the general meeting so that shareholders are familiar with such voting procedures. A separate resolution on each substantially separate issue will be proposed by the chairman of a general meeting. The poll results are available on the websites of HKEX and the Bank on the day of the general meeting.
- The Bank's 2024 AGM will be held on Friday, 10th May, 2024 at 11:30 a.m., the notice of which will be sent to shareholders not less than 21 days before the meeting. Please refer to the Circular for the details of the 2024 AGM.

F. 股東權利及投資者關係

本行讓股東溝通和參與的方法如下：

與股東的溝通

- 本行股東通訊政策 (已載於本行網站) 訂明有關與股東及投資人士溝通的實務。
- 本行利用不同渠道，包括其網站 (www.hkbea.com)，公平、適時及同步地向股東、投資者及其他持分者提供本行的公告、財務業績及新聞稿等資訊；亦舉行新聞發布會及投資者會議，向傳媒及分析員闡述半年及全年業績表現。
- 本行歡迎股東及其他持分者提出有關本集團管理及企業管治的意見及關注事項。他們如有意見或查詢，可隨時以郵寄至本行註冊地址或電郵至本行郵箱 info@hkbea.com 的方式向董事會反映，並註明公司秘書收。

投資者關係

- 根據股東通訊政策，本行與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話。除股東周年常會外，其他傳訊渠道包括：
 - 本集團網址 www.hkbea.com；
 - 年報及中期報告，以及新聞稿；
 - 公告、通告及通函；
 - 環境、社會及管治報告；
 - 在中期及年度業績公告後，為傳媒及分析員舉行新聞發布會；
 - 與分析員會面；及
 - 巡迴推介。
- 高層管理人員安排簡介會向分析員及傳媒闡述關於本行的年度及中期業績、業務策略及前瞻。
- 年內，董事會檢視了本行股東通訊政策的實施情況和有效性，並認為其仍然適當和有效。該政策已被納入本行的企業管治架構內。

股東大會

- 董事會藉股東周年常會或其他股東大會作為一個有效平台與股東直接溝通。審核委員會、提名委員會、薪酬委員會、風險委員會及環境、社會及管治委員會各自的主席、外聘核數師、高層管理人員及法律顧問會出席並回答股東提問。
- 根據《上市規則》和組織章程細則的有關要求，股東於股東大會上所作的任何表決均以投票方式進行。本行亦會於股東大會上，向各股東講解有關按點算股數形式進行投票表決之詳細程序，以確保各股東理解該投票程序。股東大會主席分別就每項重要議題，以獨立決議案形式提呈股東批准。投票結果會在股東大會當日於香港交易所和本行網站上刊登。
- 本行 2024 股東周年常會將於 2024 年 5 月 10 日 (星期五) 上午 11 時 30 分舉行，其通告將於會議前不少於 21 日寄發予股東。詳情請參閱 2024 股東周年常會通函。

Corporate Governance Report (continued)

**Convening of
General Meeting
on Requisition**

- Subject to the Companies Ordinance, Directors of the Bank shall, on the request of shareholders of the Bank who represent at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings, convene a general meeting of the Bank.
- Each request must state the general nature of the business to be dealt with at the meeting, the name and contact details of the person making the request, must be authenticated by the person making it and may be sent to the Bank in hard copy form or in electronic form.
- Shareholders may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid request is received.
- For further details, shareholders may refer to the requirements as set out in the Companies Ordinance.

**Putting Forward
Proposals at
General Meeting**

- Pursuant to the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all the shareholders having a right to vote, or at least 50 shareholders who have a relevant right to vote, may:
 - put forward proposal at general meeting; and
 - circulate to other shareholders written statement with respect to matter or other business to be dealt with at general meeting.
- For further details on the shareholder qualifications, procedures and timeline on the above-mentioned, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance, as amended from time to time, or any section(s) in the Ordinance substituted thereof.

**Amendments to
the Articles of
Association**

- At the 2023 AGM held on 11th May, 2023, shareholders passed a special resolution to approve amendments to the Articles of Association.
 - The amendments were made to tie in with the latest legal and regulatory requirements and market practice as well as provide flexibility to the Bank in relation to the conduct of general meetings, so that the Bank may convene hybrid or virtual general meetings where shareholders may attend in person or via virtual meeting technologies. The Bank also took the opportunity to remove outdated clauses and references contained in the Articles of Association and make some housekeeping amendments.
 - The amended Articles of Association was adopted on 11th May, 2023 and is available on the websites of HKEX and the Bank.
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Dividend Policy

The *Dividend Policy* is to formulate the dividend payments of the Bank in a complete and comprehensive manner and to fulfil the corporate governance requirement. It forms part of the Bank's Corporate Governance Framework and will be reviewed annually.

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- 要求召開股東大會**
- 按《公司條例》的規定，本行董事在接獲本行股東的要求時，須安排召開股東大會，而該等股東須佔全體有權在股東大會上投票表決的股東的總表決權最少 5%。
 - 每項要求均必須述明將於會上處理事務的一般性質、該股東姓名及聯絡資料，並且必須由該股東認證及可透過印本形式或電子形式送交本行。
 - 有關要求可包含在該大會上可恰當地動議並擬在該大會上動議的決議的文本。一旦接獲有效的要求，本行將根據《公司條例》的規定採取適當措施及作出必要安排。
 - 股東欲了解詳情，可參閱《公司條例》所載的規定。

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- 於股東大會提出動議**
- 按《公司條例》，持有本行總表決權不少於 2.5% 之股東，或最少 50 位有表決權利之股東，可：
 - 於股東大會上提出動議；及
 - 向其他股東傳閱有關於股東大會上動議之陳述書，或其他有待在該股東大會上處理之事務。
 - 有關於股東大會提出動議之股東資格、程序及時限之詳細資料，請各股東參考《公司條例》(經不時修訂) 中第 580 條及第 615 條，或該條例中取代其任何條文之規定。

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- 修訂組織章程細則**
- 於 2023 年 5 月 11 日召開的 2023 股東周年常會上，股東通過特別決議案批准修改組織章程細則。
 - 修訂旨在使組織章程細則與最新的法律和監管要求以及市場慣例一致，並提高本行召開股東大會的靈活性，以便本行可召開混合或虛擬股東大會，使股東可以親身或通過虛擬會議科技參加會議。本行亦藉此機會刪除組織章程細則中過時的條款和引用，並進行若干行文上的修訂。
 - 經修訂的組織章程細則已於 2023 年 5 月 11 日通過採用，並可在香港交易所及本行的網站查閱。
-

派息政策

派息政策旨在以完整的方式制定本行的股息派發，符合企業管治的規定。該政策為本行企業管治架構的一部分，並將每年進行檢討。

General guidelines

Pursuant to the Articles of Association, the Board may from time to time pay to shareholders interim dividends, subject to its discretion. The Board shall take into account prevailing legal and regulatory requirements and the best market practices when considering the payment of dividends.

The following factors will be considered for determining the payment of dividends:

- Statutory and regulatory restrictions;
- The Group's financial results;
- Shareholders' expectation and interests;
- Market conditions and long-term business growth and strategies;
- The capital adequacy ratios, leverage ratios, liquidity coverage ratios and net stable funding ratios after distribution; and
- Any other factors the Board may deem relevant.

Dividend pay-out ratio

To strike a balance between the long-term growth of the Bank Group and the interests of shareholders, the total dividends (other than special dividend, if any) to be distributed yearly to shareholders are to be within the range of 30% to 70% of the net attributable profits for the year, after deduction of any distribution to holders of Additional Tier 1 capital instruments.

Frequency and form of dividend

Interim dividend may be declared half-yearly for the half-year period ending 30th June and the half-year period ending 31st December.

Scrip in lieu of cash dividend may be offered to shareholders, subject to the approval of the Board.

Special dividend may be considered by the Board.

G. Related Party Transactions

Details of the significant related party transactions are provided under Note 50 to the financial statements. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, in relation to those constituted connected transactions under the Listing Rules, they also complied with applicable requirements under the Listing Rules. Details of the said connected transactions are provided in the Report of the Directors from pages 168 to 170. For other related party transactions, if constituted connected transactions or continuing connected transactions, they are exempt from the relevant disclosure requirements under the Listing Rules.

H. Responsibilities of Directors for the Consolidated Financial Statements

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant regulatory requirements, the Bank published the Annual Report 2022 and the Interim Report 2023 as scheduled.

企業管治報告 (續)

一般指引

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

本行將考慮以下因素以決定派發股息：

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

派息比率

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

派息頻率及形式

本行可就截至 6 月 30 日止半年期及截至 12 月 31 日止半年期，每半年宣布派發中期股息。

本行經董事會核准可以向股東提供以股份代替現金股息。

董事會可考慮派發特別股息。

G. 關聯人士交易

關聯人士的重大交易列於財務報表附註 50。該等交易為本行於一般及日常業務過程中按正常商業條款訂立，至於構成《上市規則》項下的關連交易，亦已遵守《上市規則》所適用的規定。該等關連交易的詳情請參閱董事會報告書 (第 169 至 171 頁)，而其他關聯人士交易若構成關連交易或持續關連交易時，則獲豁免《上市規則》的相關披露規定。

H. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關法規要求，在年內本行已按時刊發 2022 年報及 2023 中期報告。

Sustainability

With the aim of realising its vision to be the sustainability leader among financial institutions in Greater China and beyond, the BEA Group integrates sustainability principles into its business and operations while continuing to serve as a positive force in the markets it serves. The Bank proactively addresses issues material to the Group and its stakeholders by strengthening strategy, governance, risk management, and operating practices.

This section outlines BEA's commitment, which aligns with the Bank's three environmental, social, and governance ("ESG") pillars, namely responsible business, responsible operations, and responsible citizen. These strategic pillars inform the Bank's ESG policy and goal formulation.

This ESG Report provides a more in-depth review of the Group's performance and the initiatives that were undertaken during the reporting year. All ESG reports are available via www.hkbea.com (About BEA / Sustainability / ESG Reports).

BEA's robust ESG governance regime comprising a department-level ESG Work Group, division-level ESG Steering Committee, and Board-level ESG Committee ensures effective implementation of the Group's sustainability strategies. These bodies meet regularly throughout the year to review strategies and performance against goals. On the Chinese Mainland, BEA China has its own 3-tiered ESG governance structure and Sustainability Section, ensuring alignment across the Group. In the UK, an ESG Task Force has been established to discuss ESG matters on a quarterly basis, while BEA Union Investment Management Limited ("BEA Union Investment") has established a dedicated ESG Committee to oversee and monitor ESG developments.

BEA recognises its role as a financial institution in combating climate change by facilitating the transition to a low-carbon economy. In December, BEA became the first Chinese member of the industry-led, UN-convened Net-Zero Banking Alliance, reinforcing the Bank's commitment to aligning its lending and investment portfolios with net zero emissions by 2050.

In November, BEA Union Investment joined Climate Action 100+, the world's largest investor engagement initiative on climate change. As a signatory to the initiative, BEA Union Investment aims to intensify its engagement with investee companies to accelerate the transition to a net-zero future.

In addition to joining forces with banks worldwide, BEA is harnessing resources and creativity within the Bank. This year's ESG Innovation Workshop delved into the key attributes that define a sustainability leader as identified by customers. Pulling ideas together in teams, participants utilised the principles of design thinking to tackle this challenge. Following a review by the ESG Steering Committee, the winning ideas will be further refined and implemented in the coming years.

Growing Our Business Responsibly

To fulfil the Group's commitment to drive the green transition and ensure business resilience in the face of climate change, BEA has integrated two interconnected sustainability goals into the Bank-wide scorecard. These goals are centred around driving progress towards achieving net zero financed emissions and promoting the development of green and sustainable finance ("GSF").

As a signatory to the Partnership for Carbon Accounting Financials ("PCAF"), in 2023, BEA continued to measure the financed emissions of prioritised sectors in accordance with the PCAF methodology. During the year under review, BEA successfully completed the measurement of financed emissions in the Group's portfolios for the Construction, Energy (oil & gas), Metals & Mining, Power, and Transportation sectors. In addition, carbon reduction targets were set for two prioritised sectors, namely Energy (oil & gas) and Power. In conjunction with these efforts, BEA has developed a dedicated internal data platform tailored for the calculation and monitoring of financed emissions. This platform will play a pivotal role in identifying additional opportunities for reducing emissions.

可持續發展

為實現集團的可持續發展願景—成為大中華及其他地區於可持續發展方面的領先金融機構，東亞銀行集團致力將可持續發展原則融入業務及營運當中，務求繼續為其所服務的市場帶來正面影響。本行透過完善集團的策略、加強管治實務、風險管理及營運常規，積極處理對集團和持份者而言屬重大的事宜。

下文概述東亞銀行對可持續發展的承諾，涵蓋三大支柱，包括負責任的業務、負責任的營運及負責任的公民。本行以這些策略性支柱為基礎，制定可持續發展政策和目標。

本集團已於東亞銀行 2023 年環境、社會及管治報告中更全面地闡述本行的可持續發展相關表現及於報告年度推行的措施。本集團歷年來的環境、社會及管治報告於東亞銀行公司網頁 (www.hkbea.com) (關於東亞銀行/可持續發展/環境、社會及管治報告) 可供瀏覽或下載。

為確保集團可持續發展策略有效落實，本行設有健全的環境、社會及管治管理制度，包括部門層面的環境、社會及管治工作小組、分處層面的環境、社會及管治督導委員會，以及董事會層面的環境、社會及管治委員會。年內，上述工作小組及委員會定期召開會議，以檢視本集團的策略、表現及達標情況。中國內地方面，東亞中國設有三層的環境、社會及管治管理架構以及可持續發展小組，確保其可持續發展方針與本集團保持一致。英國分行亦設有環境、社會及管治專責小組，並舉行季度會議討論環境、社會及管治相關事宜。此外，東亞聯豐投資管理有限公司（「東亞聯豐」）已成立環境、社會及管治委員會，以監督及監察環境、社會及管治相關事宜。



東亞銀行深知作為金融機構，有責任促進低碳經濟轉型以應對氣候變化。本行於 12 月成為淨零銀行業聯盟 (Net-Zero Banking Alliance, NZBA) 的首個中國成員，藉此鞏固本集團在 2050 年實現貸款和投資組合淨零排放的承諾。淨零銀行業聯盟是一個由業界主導及聯合國倡議的全球銀行聯盟。

東亞聯豐於 11 月成為全球最大型氣候變化投資者倡議「氣候行動 100+」的簽署機構，旨在加強與獲投資公司的溝通，加快邁向淨零排放的步伐。

除了與世界各地的銀行合作外，東亞銀行亦善用本行的資源和創造力。本年度的環境、社會及管治創新工作坊深入探討在客戶眼中可持續發展領導者需具備的重要特質。參加者分組集思廣益，運用設計思維的原則應對這項挑戰。經環境、社會及管治督導委員會審視後，勝出概念將獲進一步改良，並於未來數年實行。

我們的業務發展

東亞銀行致力推動綠色轉型，同時確保業務能夠抵禦氣候變化帶來的影響。為此，本集團已在全行的績效計分卡納入兩大可持續發展目標，分別圍繞推動實現淨零融資排放，以及發展綠色及可持續金融。

作為碳核算金融聯盟 (Partnership for Carbon Accounting Financials, PCAF) 的簽署機構，東亞銀行於 2023 年繼續按照碳核算金融聯盟的方法計算優先行業融資活動所衍生的碳排放。於回顧年內，本集團已成功完成了建造、能源 (石油及天然氣)、金屬和礦務、電力和運輸行業組合融資排放量計算，並為能源 (石油和天然氣) 及電力行業組合制定減碳目標。同時，東亞銀行亦建立了內部數據平台，專門計算和監察融資排放量。有關平台將發揮關鍵作用，以助集團識別更多減排機會。

As sponsor of The Community Chest BEA Charity Golf Day 2023 in March, BEA helped raise more than HK\$2.6 million in support of mental health services provided by member agencies of The Community Chest of Hong Kong.

3 月，東亞銀行贊助「公益金東亞慈善高爾夫球賽 2023」，賽事籌得超過港幣 260 萬元善款，用作支持香港公益金會員機構的精神健康服務。

Sustainability (continued)

In July, BEA's management, staff volunteers, and performers took part in the second "BEA Festival".

7月，東亞銀行管理層與一眾義工及表演者參與第二屆「東亞綠色藝術節」。



To effectively identify GSF opportunities, BEA established a GSF framework in 2022. This framework comprises a list of prohibited lending, outlining transactions or activities for which the Bank will not knowingly extend financing. Moreover, it incorporates other tools and guidance such as policies governing business activities in high carbon-emitting sectors. In 2023, the Bank expanded this framework by creating four additional policies for the Construction, Manufacturing (chemicals), Metals & Mining, and Transportation sectors. These policies, together with the existing ones for the Energy (oil & gas), Power Utilities, and Property Development sectors, provide clear guidance on the determination of green and brown activities, which in turn facilitates the development of GSF business. To mitigate the risk of greenwashing, the Bank incorporated climate risk assessment into the new product approval process for green-labelled products in alignment with regulatory expectations.

Leveraging the Group's OneBank ecosystem, BEA has developed a OneBank GSF strategy through collaborative efforts and synergies within the Bank. In 2023, BEA made significant progress in GSF business development, including the formulation of a 3-year OneBank strategic plan and the creation of a solution that incorporates GSF considerations for the renewable energy sector, particularly in solar photovoltaics. Through the implementation of a multi-faceted approach, BEA aims to strengthen its GSF offering, thereby driving the growth of GSF and contributing to the Bank's financed emissions targets.

In 2023, a new GSF advisory section was established within the Wholesale Banking Division to support relationship managers, promote GSF business development, and provide value-added services to assist clients in their net zero journey.

With various initiatives launched to drive GSF growth, the Group's total GSF loans and ESG bond investments reached nearly HK\$71 billion, accounting for 14.9% of the total loans and bond investments as of the end of 2023.

BEA has made significant progress in upscaling its climate-related risk management capacity. One notable achievement is the development of a climate risk heatmap tool, which has enabled the Bank to identify climate-related risks associated with high carbon-emitting sectors, thereby enabling different business units to prioritise the building of portfolio resilience and implement risk mitigating measures. In the second quarter of 2023, the Bank kick-started a new round of climate risk stress tests driven by the Hong Kong Monetary Authority. These stress tests employ data with a high level of granularity, adopt expanded metrics, and assess financial impacts under multiple scenarios. The analysis on the short-term scenario was completed in December while the stress tests on the three long-term scenarios will be conducted in 2024.

Ensuring the highest standards of business conduct is central to the Group's long-term business success. To this end, BEA has employed various proactive measures to enhance fraud resilience and safeguard the interests of its stakeholders.

In March, BEA launched an Intelligence-Led Financial Crime Prevention initiative, which leverages advanced analytics and valuable intelligence for fraud detection and prevention. This proactive approach enables the Bank to identify and mitigate sophisticated financial crimes more effectively, even before customers realise that they have fallen victim to scams.

可持續發展 (續)



The "BEA Festival" featured nature-themed artworks co-created by local artists, students, and BEA volunteers.

「東亞綠色藝術節」展出了由本地藝術家、學生及本行義工攜手創作以自然為主題的藝術作品。

為有效地識別可持續金融的機遇，東亞銀行於2022年建立綠色及可持續金融框架，當中載有禁止貸款清單，列明本行不會在知情的情況下為指定交易或活動提供融資。此外，框架亦設有其他工具及指引，包括管理高碳排放行業業務的政策。本行於2023年優化該框架，就建造、製造（化學品）、金屬和礦務及運輸等行業發布四項新的政策。加上現有的能源（石油和天然氣）、電力公用事業及物業發展行業政策，這些行業政策提供清晰指引，說明如何判斷綠色或棕色行業活動，從而促進綠色及可持續金融業務的發展。為減低漂綠風險，本行已將氣候風險評估納入綠色標籤產品的新產品審批流程，以符合監管預期。

東亞銀行善用集團的OneBank生態系統，透過本行內部通力合作和協同效應，訂立OneBank綠色及可持續金融策略。2023年，東亞銀行在綠色及可持續金融業務發展上取得重大進展，包括制定了三年OneBank發展策略計劃及為可再生能源行業，特別是太陽能光伏領域，訂立行業方案，並納入綠色及可持續金融考量。本行多管齊下，務求加強旗下綠色及可持續金融產品，從而帶動綠色及可持續金融發展，為本集團的融資排放目標作出貢獻。

2023年，批發銀行處旗下新成立了綠色及可持續金融諮詢組，以支援客戶經理，推動綠色及可持續金融業務發展，並提供增值服務，協助客戶實現淨零目標。

隨著促進綠色及可持續金融發展的措施陸續推出，截至2023年底，本集團的綠色及可持續金融貸款與環境、社會及管治債券投資總額達港幣近710億元，佔貸款及投資總額14.9%。

東亞銀行亦進一步提升氣候相關風險的管理能力，其中一項值得關注的成就為新開發的氣候風險熱圖工具。該工具有助本行識別高碳排放行業的氣候相關風險，以便業務部門優先加強投資組合的抗禦力，並實施風險緩解措施。本行於2023年第二季展開了新一輪由香港金融管理局推動的氣候風險壓力測試，透過精細度高的數據、新增的指標及多重情境，衡量集團氣候相關風險的影響。短期氣候情境分析已於12月完成，三項長期氣候情境的壓力測試將於2024年進行。

多年來本集團業務得以取得成功，全賴本行致力遵從最高的商業行為標準。東亞銀行採取多項積極措施，以鞏固本行反欺詐的能力，並保障持份者的利益。

東亞銀行於3月推出一項情報主導的金融罪行防範措施，借助先進分析及重要情報，偵測及防範欺詐。此舉有助本行更有效地識別和減少複雜的金融罪行，甚至在客戶察覺欺詐陷阱前，早一步識破騙局。

Sustainability (continued)

Participants explored the beauty of nature through creative arts workshops held as part of the "BEA Festival".

參加者透過「東亞綠色藝術節」的創意藝術工作坊，探索大自然的各種美態。



BEA also utilises a cyber intelligence platform and data feeds to stay up to date on the latest threats and shares this information internally. In March, an enhanced cloud strategy was launched, along with the Bank's digital transformation and fintech roadmap. This strategy includes a cloud security governance framework that ensures effective and efficient cloud usage, establishes data security standards and architecture and enables continuous reporting and analysis for timely risk monitoring and threat detection. These measures are crucial for maintaining regulatory compliance regarding data security and privacy.

Stakeholder engagement has consistently shown the importance of financial literacy from the customers' perspective. To address this, BEA has implemented various initiatives, one of which is the active promotion of digital banking services to mature customers. In May, the Bank launched "Golden Afternoon", a pilot scheme that provides interactive digital banking demonstrations to mature customers in a dedicated digital zone located at BEA's Mongkok Branch. Furthermore, the HKSAR Government's Silver Bond was actively promoted through BEA's mobile platform. To facilitate subscription of the Silver Bond, an instructional page was created to guide mature customers through the use of BEA's digital services. By the end of 2023, the digital adoption rate among mature customers at all local branches increased by four percentage points.

Operating Our Business Responsibly

To address the effects of climate change, the Bank has set clear targets for Scope 1 and 2 emissions, and implemented several initiatives in 2023 to drive progress. Fully committed to managing and mitigating the environmental impacts of its operations, in December, BEA established a Group-wide Sustainable Building Policy. In addition, guidelines and deployment plans were put in place for sustainable practices in the leasing, design, construction, renovation, and operation of all premises under the Bank's control. In line with the Policy, BEA strives to promote the use of renewable energy in its premises. During the year under review, the Bank installed photovoltaic panels on the roof of its building at 33 Des Voeux Road Central in Hong Kong and the Zhang Jiang Data Centre in the Chinese Mainland. Together with other energy efficiency initiatives, the Group achieved a 31% reduction in Scope 1 and 2 absolute emissions between 2023 and the baseline year of 2019. To facilitate further improvements, a digital environmental data platform was developed to efficiently track the environmental performance of our owned and occupied premises.

可持續發展 (續)

東亞銀行亦善用網絡情報平台和數據饋送，掌握最新威脅資訊，並與本行員工分享有關資料。本行於3月推出數碼轉型和金融科技路線圖，並完善了雲端策略，包括訂立雲端安全管治架構，以確保有效和有效率地使用雲端；建立數據安全標準及架構；以及透過持續的匯報和分析，適時監察風險和偵測威脅。上述措施對於維持本行在數據安全及私隱方面的合規監管至關重要。

一如以往，持份者參與反映理財知識在客戶眼中至關重要。有見及此，東亞銀行推行多項舉措，其中包括積極向銀齡客戶推廣數碼理財服務。本行於5月推出「Golden Afternoon」先導計劃，於旺角分行的數碼專區為銀齡客戶提供互動數碼銀行的示範活動。此外，本行通過流動平台，積極推廣由香港特區政府發行的銀色債券。為推動銀色債券認購，本行製作了示範頁面，為銀齡客戶提供使用東亞銀行的數碼服務的指引。截至2023年底，所有本地分行銀齡零售客戶使用數碼服務的比率上升了四個百分點。



“BEA Upcycles” was held in September to promote environmental protection.

「東亞環保再造之旅」於9月舉行，藉此推廣環保意識。



可持續的業務營運

為應對氣候變化的影響，本行已為範圍1及2碳排放設立明確目標，並於2023年實施多項措施，推動進展。東亞銀行致力管理和緩解營運對環境的影響，於12月制定全集團的《可持續建築政策》，並且訂立指引和行動方案，推動本行擁有全面營運控制權的場所，在租賃、設計、建造、裝修及營運方面推行可持續發展措施。為配合相關政策，本行致力於旗下物業推廣可再生能源的使用。在報告期內，本行已在香港德輔道中33號和中國上海張江的東亞銀行數據中心天台安裝太陽能板。加上其他節約能源措施，與2019年基準相比，今年範圍1及2絕對碳排放量已減少31%。為進一步改善表現，本行亦建立了數碼環境數據平台，以便更有效率地監察集團所擁有/佔用的場所的環境表現。



Entering its fifth phase from 2023 through 2026 with the theme of “Golden Adventures”, the Palliative Care for the Elderly Programme continues to drive the provision of holistic care for the elderly, while encouraging retirees and others to proactively plan for the future.

「完善人生計劃」於2023-2026年踏入第五期，以「精彩人生下半场」為主題，繼續推動義工參與及為長者提供全人照顧，鼓勵退休人士及長者積極規劃人生。

Sustainability (continued)

In terms of human capital, the Bank places a high priority on attracting and retaining top talent. In addition to offering rewarding career opportunities competitive remuneration and equal opportunities, the Bank provides an enabling work environment that prioritises work-life balance, health, and safety for all employees. Furthermore, BEA caters to the specific needs of certain staff groups, such as nursing mothers. In recognition of our efforts, BEA was awarded the Most Innovative Design Award in July at the Breastfeeding Room Design Competition co-organised by UNICEF HK and the Department of Health of the HKSAR Government.

Recognising the crucial role of training and development in enhancing the skills and capabilities of employees, BEA actively invests in continuous learning programmes to promote professional growth and ensure that its workforce remains equipped with the necessary knowledge and skills. These included modules that addressed business and regulatory requirements, and topical courses on design thinking, the "ESG Essentials" mobile micro-learning programme, as well as the net zero and GSF e-Learning compulsory for all Group staff members. Meanwhile, practical training on GSF was provided to relationship managers and other relevant staff members across the Group. These ongoing efforts reflect our strong commitment to sustainability and help keep our staff members abreast of developments.

For more information about the Group's staff-related efforts in 2023, please refer to the "Our People" section under "Report of the Co-Chief Executives" on page 26.

BEA is committed to integrating sustainable and ethical considerations into its procurement and sourcing activities. In 2023, the Bank established a Sustainable Procurement Policy, and a cross-divisional team expanded the Group's procurement documentation to include guidance on responsible procurement. The Sustainable Procurement

Policy, as well as the Group's Supplier Code of Conduct, are available on the Bank's website at www.hkbea.com (About BEA / Sustainability / Policies, Statements & Codes).

Serving Our Community Responsibly

Since its founding more than a century ago, BEA has been a positive and empowering influence in society through its support of community initiatives focusing on education, social welfare, and environmental causes. BEA's commitment to serving the community is guided by the Group's Sustainability Policy and Community Investment Guidelines.

Through the Group's charitable arm, The Bank of East Asia Charitable Foundation Limited ("BEA Foundation"), BEA fosters enduring partnerships with business and non-governmental partners to leverage synergies and resources with the aim of supporting the community through financial and in-kind donations, employee and customer giving, volunteering activities, and more. Regional branches and subsidiaries act in the same spirit and have developed their own initiatives tailored to local needs.

BEA's flagship corporate social responsibility programmes exemplify the Group's multifaceted approach to making positive contributions to the communities it serves while providing staff members with opportunities to personally contribute. "Golden Adventures", developed in partnership with The Salvation Army Hong Kong and Macau Territory and "la Caixa" Banking Foundation, focuses on promoting positive aging and palliative care for the elderly; the "BEA Festival" launched in collaboration with Hong Kong Youth Arts Foundation in 2022, aims to raise public awareness of various environmental topics through art activities; and "BEA Upcycles", conducted in partnership with St. James' Settlement, promotes environmental protection and social inclusion.



可持續發展 (續)

人力資源方面，本行十分注重吸納和挽留頂尖人才。除了為員工提供豐碩的事業良機、具競爭力的薪酬待遇及平等機會，本行亦營造有利的工作環境，以員工的工作生活平衡、健康和安全為先。此外，東亞銀行明白並照顧授乳母親等員工群體的特定需要。本集團的努力受到肯定，於7月由聯合國兒童基金香港委員會聯同香港特別行政區政府衛生署合辦的「母乳餵哺室設計比賽」中獲頒最佳創意獎。

東亞銀行深明員工培訓及發展對提升員工的知識和能力至關重要，因此積極投放資源開辦持續進修課程，推動專業發展，並確保員工持續具備所需的知識和技能。當中包括監管規定、業務部門相關的知識及專題課程，如一系列有關設計思維的培訓、「ESG Essentials」微學習課程、為集團全體員工提供關於淨零排放和綠色及可持續金融的網上學習必修課程，以及為集團客戶經理和其他相關員工舉辦綠色及可持續金融實務培訓。上述措施反映本集團對可持續發展的堅定承諾，並有助確保員工與時並進。

關於2023年與員工相關的工作詳情，請參閱第27頁「聯席行政總裁報告書」中「人力資源」一節。

東亞銀行致力將可持續發展和道德考量融入採購工作。2023年，本行訂立《可持續採購政策》，並成立跨部門團隊，擴充集團的採購文件，就負責任的採購手法提供指引。本集團的《可持續採購政策》及《供應

商行為守則》於東亞銀行公司網頁 (www.hkbea.com) (關於東亞銀行/可持續發展/政策、聲明及守則) 可供瀏覽或下載。

我們致力服務社區

成立百多年以來，東亞銀行一直重點支持教育、社會福利及環境保護三大範疇的社區項目，積極造福社會。本集團依從《可持續發展政策》和社區投資指引，致力服務社區。

東亞銀行透過其全資附屬的東亞銀行慈善基金有限公司（「東亞銀行慈善基金」），與商業機構和非政府組織建立長久的合作夥伴關係，以便善用資源以發揮協同效應，透過現金捐款及物資捐贈、員工及客戶捐獻以及義務工作等方式支援社區。集團各地區的分行及附屬公司均秉持同樣精神，並根據當地需要訂立各自的措施。

東亞銀行的企業社會責任旗艦項目在不同領域，為所服務的社區帶來正面影響，同時提供機會予員工回饋社會。本集團與"la Caixa"基金會及救世軍港澳地域合辦「精彩人生下半場」，專注推廣積極頤年概念和長者臨終關懷；與香港青年藝術協會於2022年推出「東亞綠色藝術節」，透過藝術活動提升公眾環保意識；亦聯同聖雅各福群會舉辦「東亞環保再造之旅」，推廣環境保護及社會共融。



Staff members participated in a series of volunteer activities during the year under review.

本行員工於回顧年內積極參與一系列義工活動。



Sustainability (continued)

On the Chinese Mainland, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund continues to improve educational resources in rural areas through the "Firefly Project". In 2023, five new Firefly Centres were established, three of which are upgraded versions known as Green Firefly Centres. These centres are equipped with smart and environmentally friendly features, including smart TVs, digital tablets, and solar power system, with an aim to promote education while also advocating environmental protection and emissions reduction.

During times of calamity, BEA China demonstrates its commitment to supporting affected communities. In August, a donation of CNY1 million was made to the China Charity Federation to assist the Beijing-Tianjin-Hebei region, which was struck by Typhoon Doksuri. In December, another donation of CNY1 million was made to the Red Cross Society of Jishishan Bonan and Salar Autonomous County, Linxia Prefecture, Gansu Province, in response to the 6.2-magnitude earthquake that struck the area.

Major Recognition – Sustainability 主要榮譽與獎項 — 可持續發展

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



"CTgoodjobs Best HR Awards 2023 – Best Corporate Wellbeing Programme Award (Grand), Best Innovative L&D Initiative Award (Grand), Best Data Literacy Award (Grand), Best Corporate Social Responsibility Award (Gold), Best Graduate and Management Trainee Programme Award (Gold)"
by CTgoodjobs

"CTgoodjobs Best HR Awards 2023 – 最佳企業福祉計劃大獎 (傑出大獎)、最佳培訓及發展創新大獎 (傑出大獎)、最佳數據素養大獎 (傑出大獎)、最佳企業社會責任大獎 (金獎)、最佳畢業生及管理培訓生招聘大獎 (金獎)"
CTgoodjobs



"Carbon Neutral Award – Commendation"
by Hong Kong ESG Reporting Awards

「卓越碳中和獎 – 嘉許獎」
香港環境、社會及管治報告大獎



"The Breastfeeding Room Design Competition – Most Innovative Design Award"
by UNICEF HK and the Department of Health of the HKSAR Government

「母乳餵哺室設計比賽 – 最佳創意獎」
聯合國兒童基金香港委員會及香港特別行政區政府衛生署



"TVB ESG Awards 2023 – ESG Special Recognition Award"
by Television Broadcasts Limited (TVB)

「TVB環境、社會及管治大獎2023 – ESG特別嘉許獎」
電視廣播有限公司

可持續發展 (續)

中國內地方面，上海宋慶齡基金會 — 東亞銀行公益基金繼續透過「螢火蟲計劃」改善農村地區的教育資源。在 2023 年新落成的五間「螢火蟲樂園」中，三間升級成為「綠色螢火蟲樂園」，設有智能電視、平板電腦及太陽能充儲設施等智能及環保設備，在加強教育之餘亦不忘推廣環保和減排。

於災難發生時，東亞中國充分展現支持受影響社區的承諾，於 8 月捐出人民幣 100 萬元予中華慈善總會，支援受颱風杜蘇芮吹襲的京津冀地區。此外，因應 12 月甘肅省臨夏州發生 6.2 級地震，東亞中國向當地的積石山保安族撒拉族自治縣紅十字會捐出人民幣 100 萬元。



"Outstanding Award for Green and Sustainable Loan Facilitator (Garment and Textile Industry) – Visionary Sustainability-linked Loan Performance Metrics" & "Outstanding Award for Green and Sustainable Loan Facilitator (Electronic Component Industry) – Visionary Green Loan Framework"

by the Hong Kong Quality Assurance Agency

「香港綠色和可持續金融大獎 2023『傑出綠色和可持續貸款服務機構（服裝和紡織業）— 卓越遠見可持續發展掛鉤貸款績效指標』及

「香港綠色和可持續金融大獎 2023『傑出綠色和可持續貸款服務機構（電子元件業）— 卓越遠見綠色貸款框架』

香港品質保證局



Greater Bay Area Business Sustainability Index 2022

粵港澳大灣區企業可持續發展指數 2022

4th Greater Bay Area Business Sustainability Index ("GBABSI") 2022 –

"Pace setter" rating – the second highest rating and "Top 20 companies of GBABSI"

by The Chinese University of Hong Kong Business School

2022 年第四屆粵港澳大灣區企業可持續發展指數 — 第二高評級「前驅者」及「粵港澳大灣區企業可持續發展指數首 20 名企業」

香港中文大學商學院

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

"2023 Bloomberg Green ESG 50 ESG – Grand Prize – Best Companies"

by Bloomberg Green and Bloomberg Businessweek / Chinese Edition

「2023 年度彭博綠金 ESG 50 榜單 — 年度受關注企業」

彭博綠金及《彭博商業周刊/中文版》



"2023 Green Development Annual Tribute Award – Outstanding Climate Ambition"

by Phoenix Satellite TV

「2023 綠色發展年度致敬評選 — 年度卓越氣候雄心」

鳳凰衛視



Report of the Directors

The Directors have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December, 2023 ("Annual Report").

Principal Place of Business

The Bank of East Asia, Limited is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

Principal Activities

The Bank and its subsidiaries are engaged in the provision of banking and related financial services.

Business Review

A fair review of the business and a discussion and analysis of the performance for the year ended 31st December, 2023 and an indication of likely future development in the business of the Group are provided in the Executive Chairman's Statement and the Report of the Co-Chief Executives of the Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout the Annual Report, in particular the Risk Management section. Particulars of important events affecting the Bank that have occurred (if any) can be found in the Annual Report and the Notes to the Financial Statements. An analysis using financial key performance indicators is provided in the Financial Highlights and the Report of the Co-Chief Executives. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout the Annual Report, in particular, the Corporate Governance Report.

In addition, discussions on the Group's environmental policies and relationships with the key stakeholders that have a significant impact on the Group are discussed in the Sustainability section of the Annual Report as well as in the Group's 2023 Environmental, Social, and Governance Report which is available on the Bank's website at www.hkbea.com (About BEA – Sustainability – ESG Reports).

Major Customers

The Directors note that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

Accounts

The profit attributable to equity holders of the Group for the year ended 31st December, 2023 and the state of the Bank's and the Group's affairs as at that date are set out in the financial statements from pages 188 to 377.

Fixed Assets

Details of the movements in fixed assets are set out in Note 32 to the financial statements.

Transfer to Reserves

Profit attributable to equity holders of the Group, before dividends, of HK\$4,118 million (2022: HK\$4,359 million) has been transferred to reserves. Other movements in reserves are set out in Note 42 to the financial statements.

Dividends

An interim dividend of HK\$0.36 per Share (2022: an interim dividend of HK\$0.16 per Share and a special dividend of HK\$0.48 per Share) was paid on 5th October, 2023. The Directors have declared the payment of a second interim dividend of HK\$0.18 per Share (2022: a second interim dividend of HK\$0.17 per Share) in respect of the financial year ended 31st December, 2023.

Five-Year Financial Summary

A summary of the results, assets and liabilities of the Group for the last 5 years is set out in the Annual Report.

Issue of Shares

During the year, the Bank issued 1,984,428 Shares at HK\$11.132 each and 3,726,843 Shares at HK\$10.07 each to shareholders who had elected to receive new Shares in lieu of cash dividend in respect of the 2022 second interim dividend and the 2023 interim dividend respectively.

Details about the issue of Shares are also set out in Note 40 to the financial statements.

董事會報告書

董事會全寅現謹向各股東發表截至 2023 年 12 月 31 日止年度的報告書及已審核財務報表（「年報」）。

主要營業地點

東亞銀行有限公司乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中 10 號。

主要業務

本行及其附屬公司的主要業務為提供銀行及有關的金融服務。

業務審視

有關對本集團截至 2023 年 12 月 31 日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的執行主席報告書及聯席行政總裁報告書內。對本集團面對的主要風險及不明朗因素的描述，於本年報各部分（尤其在風險管理項下）已作出披露。對本集團有影響的重大事件（如有）的詳情，在本年報各部分及財務報表各附註已作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務摘要及聯席行政總裁報告書。有關本集團遵守對本集團有重大影響的相關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持分者的關係的討論，披露於本年報的可持續發展項下及本集團之 2023 環境、社會及管治報告內，該報告已登載於本行網站 www.hkbea.com（關於東亞銀行 — 可持續發展 — 環境、社會及管治報告）。

主要客戶

董事會知悉，本集團 5 位最大客戶所佔是年度本集團總利息收入及其他經營收入少於 30%。

賬項

本集團截至 2023 年 12 月 31 日止年度的股東應佔溢利，以及本行和本集團於當日的財政狀況，載列由第 188 頁至第 377 頁的財務報表內。

固定資產

固定資產的變動詳情載於財務報表附註 32。

撥入儲備

本集團除股息前的股東應佔溢利中的港幣 41.18 億元（2022 年：港幣 43.59 億元）已予撥入儲備。至於儲備的其他變動，則載於財務報表附註 42。

股息

中期股息每股港幣 0.36 元（2022 年：中期股息每股港幣 0.16 元及特別股息每股港幣 0.48 元）已於 2023 年 10 月 5 日派發。此外，董事會現宣布派發截至 2023 年 12 月 31 日止財政年度第二次中期股息每股港幣 0.18 元（2022 年：第二次中期股息每股港幣 0.17 元）。

5 年財務概要

本集團過去 5 年的業績、資產及負債的摘要載列於本年報。

發行股份

年內，本行分別以每股港幣 11.132 元發行 1,984,428 股股份及以每股港幣 10.07 元發行 3,726,843 股股份，派發予選擇以新股代替現金收取 2022 年度第二次中期股息及 2023 年度中期股息的股東。

有關發行股份的詳情，亦載於財務報表附註 40。

Report of the Directors (continued)

Purchase, Sale or Redemption of the Bank's Listed Securities

On-market Share Buy-back

During the year ended 31st December, 2023, the Bank bought back a total of 35,940,800 Shares on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$365.53 million. Details of the Shares bought back are set out below:

| Month (2023) | No. of Shares bought back | Purchase price per Share | | Aggregate consideration (excluding expenses) (HK\$) |
|--------------|---------------------------|--------------------------|---------------|---|
| | | Highest (HK\$) | Lowest (HK\$) | |
| February | 2,932,400 | 11.24 | 10.50 | 31,847,248 |
| April | 3,991,200 | 10.50 | 9.88 | 40,559,740 |
| May | 6,884,000 | 10.72 | 9.58 | 70,067,298 |
| June | 4,032,600 | 10.56 | 9.77 | 40,994,740 |
| July | 3,906,800 | 12.20 | 10.38 | 44,058,544 |
| August | 1,494,400 | 11.34 | 10.92 | 16,642,356 |
| September | 259,400 | 11.42 | 11.18 | 2,940,172 |
| October | 4,754,600 | 10.34 | 9.23 | 45,925,242 |
| November | 4,455,400 | 9.92 | 9.01 | 42,152,396 |
| December | 3,230,000 | 9.72 | 9.09 | 30,342,632 |
| Total | 35,940,800 | | | 365,530,368 |

Out of the 35,940,800 Shares bought back:

- 35,111,000 Shares were cancelled prior to the end of the year 2023;
- the remaining 829,800 Shares were cancelled on 8th January, 2024;
- 9,299,400 Shares were bought back pursuant to the general mandate granted by the shareholders at the 2022 AGM held on 6th May, 2022 at an aggregate consideration of approximately HK\$97.24 million; and
- the remaining 26,641,400 Shares were bought back pursuant to the general mandate granted by the shareholders at the 2023 AGM held on 11th May, 2023 at an aggregate consideration of approximately HK\$268.29 million.

The on-market share buy-backs were conducted in the interest of the Bank and the shareholders as a whole. The share buy-backs may lead to an enhancement of the Bank's return on equity and book value per Share.

Save for the on-market share buy-backs as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of the listed securities of the Bank during the year ended 31st December, 2023.

董事會報告書 (續)

購入、出售或贖回本行的上市證券

場內股份回購

截至 2023 年 12 月 31 日止年度內，本行於聯交所回購合共 35,940,800 股股份，總代價 (不包括開支) 約為港幣 36,553 萬元。回購股份詳情如下：

| 月份 (2023) | 回購股份數目 | 每股購買價 | | 總代價 (不包括開支) (港幣) |
|-----------|-------------------|------------|------------|------------------------|
| | | 最高 (港幣) | 最低 (港幣) | |
| 2月 | 2,932,400 | 11.24 | 10.50 | 31,847,248 |
| 4月 | 3,991,200 | 10.50 | 9.88 | 40,559,740 |
| 5月 | 6,884,000 | 10.72 | 9.58 | 70,067,298 |
| 6月 | 4,032,600 | 10.56 | 9.77 | 40,994,740 |
| 7月 | 3,906,800 | 12.20 | 10.38 | 44,058,544 |
| 8月 | 1,494,400 | 11.34 | 10.92 | 16,642,356 |
| 9月 | 259,400 | 11.42 | 11.18 | 2,940,172 |
| 10月 | 4,754,600 | 10.34 | 9.23 | 45,925,242 |
| 11月 | 4,455,400 | 9.92 | 9.01 | 42,152,396 |
| 12月 | 3,230,000 | 9.72 | 9.09 | 30,342,632 |
| 合共 | 35,940,800 | | | 365,530,368 |

在回購的 35,940,800 股股份中：

- 35,111,000 股股份於 2023 年底前已被註銷；
- 餘下的 829,800 股股份則於 2024 年 1 月 8 日被註銷；
- 9,299,400 股股份是根據股東在 2022 年 5 月 6 日舉行的 2022 股東周年常會上授予的一般性授權而進行回購，總代價約為港幣 9,724 萬元；及
- 餘下的 26,641,400 股股份則根據股東在 2023 年 5 月 11 日舉行的 2023 股東周年常會上授予的一般性授權而進行回購，總代價約為港幣 26,829 萬元。

場內回購股份在符合本行和股東整體利益的情況下進行。股份回購可能提升本行的股本回報率和每股賬面價值。

除上述所披露場內股份回購外，在截至 2023 年 12 月 31 日止年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

Report of the Directors (continued)

Issue of Debentures

During the year ended 31st December, 2023, the following notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme to raise funds for general corporate purposes:

| Class | Amount issued (HK\$ equivalent) | Consideration received (HK\$ equivalent) |
|-------------------------------------|--|---|
| Non-Preferred Loss Absorbing Notes* | US\$500,000,000 (HK\$3,925,495,000) | US\$498,287,710 (HK\$3,912,071,765.38) |
| Total (HK\$ equivalent) | HK\$3,925,495,000 | HK\$3,912,071,765.38 |

* Listed on the Stock Exchange

Directors

The present Directors of the Bank are shown on page 64.

In accordance with the Articles of Association, the terms of office of Mr. Adrian David LI Man-kiu, Mr. Brian David LI Man-bun, Dr. David MONG Tak-yeung and Dr. Francisco Javier SERRADO TREPAT will expire at the 2024 AGM. They, being eligible, offer themselves for re-election at the 2024 AGM.

Details of the Directors to be re-elected at the 2024 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2024 AGM has a service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

The Bank has received an annual confirmation of independence for the year ended 31st December, 2023 from each of the INEDs, namely: Dr. Allan WONG Chi-yun, Dr. the Hon. Rita FAN HSU Lai-tai, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen, Dr. Delman LEE, Mr. William Junior Guilherme DOO and Dr. David MONG Tak-yeung, with reference to the guidelines set out in Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs and considers each of the INEDs to be independent throughout the applicable period.

Directors of Subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2023) during the year up to 21st February, 2024 (being the date of approval of the Bank's Annual Report 2023) are available on the Bank's website at www.hkbea.com under "About BEA – Corporate Governance" section on the home page.

Directors' Emoluments

The emoluments of the Directors of the Bank on a named basis are disclosed in Note 20 to the financial statements for the year ended 31st December, 2023.

Directors' Interests in Transactions, Arrangements and Contracts

There was no transaction, arrangement or contract of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his/her connected entities (as defined under section 486 of the Companies Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

Directors' Interests in Competing Business

None of the Directors of the Bank is interested in any business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

董事會報告書 (續)

發行債權證

在截至 2023 年 12 月 31 日止年度內，本行根據其 6,000,000,000 美元中期票據計劃發行以下票據，藉以籌集資金用作一般企業用途：

| 類別 | 發行款額 (港元等值) | 收取的代價 (港元等值) |
|------------------|--|---|
| 非優先吸收虧損票據* | 500,000,000 美元 (港幣 3,925,495,000 元) | 498,287,710 美元 (港幣 3,912,071,765.38 元) |
| 合共 (港元等值) | 港幣 3,925,495,000 元 | 港幣 3,912,071,765.38 元 |

* 於聯交所上市

董事會

本行現任董事的名單載於第 64 頁。

根據組織章程細則規定，李民橋先生、李民斌先生、蒙德揚博士及 Francisco Javier SERRADO TREPAT 博士將於 2024 股東周年常會上卸任，並願膺選連任。

所有在 2024 股東周年常會重選的董事的資料，載於寄發予股東的通函內。

所有擬在 2024 股東周年常會上膺選連任的董事，並沒有本行或其附屬公司在 1 年內不可在不予賠償 (法定賠償除外) 的情況下終止的服務合約。

本行已收到每位獨立非執行董事 (黃子欣博士、范徐麗泰博士、李國榮先生、唐英年博士、李國本博士、杜家駒先生及蒙德揚博士) 經參考《上市規則》第 3.13 條及提升獨立非執行董事的專業能力指引而作出的截至 2023 年 12 月 31 日止年度獨立性確認函。本行對他們在整個適用期間內各自的獨立性表示認同。

附屬公司董事

於年度內及截至 2024 年 2 月 21 日 (為通過本行 2023 年報當天) 止之期間，出任本行附屬公司 (包括在截至 2023 年 12 月 31 日止年度的綜合財務報表內) 董事會的董事姓名名單，已登載於本行網站 www.hkbea.com 主頁內的「關於東亞銀行 — 企業管治」項下以供閱覽。

董事薪酬

具名列載本行董事薪酬的資料在截至 2023 年 12 月 31 日止年度的財務報表附註 20 內披露。

董事在交易、安排或合約中之權益

於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體 (根據《公司條例》第 486 條之定義) 均無直接或間接擁有重大權益。

董事在競爭業務之權益

本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

Report of the Directors (continued)

Management Contracts

Save for employment contracts, no other contracts relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

Dr. the Hon. Sir David LI Kwok-po is employed as the Executive Chairman of the Bank. His existing three-year term service contract commenced on 1st July, 2022 and will expire on 30th June, 2025.

Permitted Indemnity

Pursuant to the Articles of Association, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the

extent permitted by the Companies Ordinance) incurred by such Director, Secretary or officer in the execution of his/her duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

Directors' and Co-Chief Executives' Interests

As at 31st December, 2023, the interests and short positions of the Directors and Co-Chief Executives of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

I. Long positions in ordinary shares of the Bank:

| Name | Capacity and nature | No. of Shares | % of issued voting Shares ⁹ | |
|-----------------------------|--|---------------|--|------|
| | | | Total | |
| David LI Kwok-po | Beneficial owner | 93,157,233 | | |
| | Interest of spouse | 2,881,086 | | |
| | Interest of corporation | 480,085 | 96,518,404 ¹ | 3.64 |
| Arthur LI Kwok-cheung | Beneficial owner | 15,744,283 | | |
| | Interest of corporation | 17,437,293 | 33,181,576 ² | 1.25 |
| Allan WONG Chi-yun | Beneficial owner | 464,393 | | |
| | Interest of spouse | 136 | | |
| | Interest of corporation | 7,543,427 | | |
| | Founder and beneficiary of discretionary trust | 17,415,234 | 25,423,190 ³ | 0.96 |
| Aubrey LI Kwok-sing | Beneficial owner | 955,717 | | |
| | Interest of spouse | 28,840 | | |
| | Founder/Settlor of trust | 18,334,282 | 19,318,839 ⁴ | 0.73 |
| Stephen Charles LI Kwok-sze | Beneficial owner | 12,878,472 | | |
| | Administrator of estate | 501,101 | 13,379,573 ⁵ | 0.50 |
| Adrian David LI Man-kiu | Beneficial owner | 1,713,111 | | |
| | Settlor/Founder of discretionary trust | 2,190,347 | 3,903,458 ⁶ | 0.15 |
| Brian David LI Man-bun | Beneficial owner | 3,323,154 | | |
| | Interest of corporation | 833,798 | 4,156,952 ⁷ | 0.16 |
| David MONG Tak-yeung | Interest of corporations | 6,041,926 | 6,041,926 ⁸ | 0.23 |

董事會報告書 (續)

管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行執行主席，其現行為期三年的僱傭合約已於 2022 年 7 月 1 日起生效，並將於 2025 年 6 月 30 日屆滿。

獲准許的彌償條文

根據組織章程細則，每名本行董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或

產生之所有債務 (受限於《公司條例》的規定)，有權獲得從本行基金中撥付彌償。此外，本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工。

董事及聯席行政總裁權益

於 2023 年 12 月 31 日，根據《證券及期貨條例》第 352 條須予備存的登記冊 (「該登記冊」) 所記錄，本行各董事及聯席行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行普通股股份的好倉：

| 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 ⁹ |
|-----|----------------|------------|-------------------------|-------------------------------------|
| 李國寶 | 實益擁有人 | 93,157,233 | | |
| | 配偶的權益 | 2,881,086 | | |
| | 法團的權益 | 480,085 | 96,518,404 ¹ | 3.64 |
| 李國章 | 實益擁有人 | 15,744,283 | | |
| | 法團的權益 | 17,437,293 | 33,181,576 ² | 1.25 |
| 黃子欣 | 實益擁有人 | 464,393 | | |
| | 配偶的權益 | 136 | | |
| | 法團的權益 | 7,543,427 | | |
| | 酌情信託的成立人及受益人 | 17,415,234 | 25,423,190 ³ | 0.96 |
| 李國星 | 實益擁有人 | 955,717 | | |
| | 配偶的權益 | 28,840 | | |
| | 信託的成立人/財產授予人 | 18,334,282 | 19,318,839 ⁴ | 0.73 |
| 李國仕 | 實益擁有人 | 12,878,472 | | |
| | 遺產管理人 | 501,101 | 13,379,573 ⁵ | 0.50 |
| 李民橋 | 實益擁有人 | 1,713,111 | | |
| | 酌情信託的財產授予人/成立人 | 2,190,347 | 3,903,458 ⁶ | 0.15 |
| 李民斌 | 實益擁有人 | 3,323,154 | | |
| | 法團的權益 | 833,798 | 4,156,952 ⁷ | 0.16 |
| 蒙德揚 | 法團的權益 | 6,041,926 | 6,041,926 ⁸ | 0.23 |

Report of the Directors (continued)

Notes:

- 1 David LI Kwok-po was the beneficial owner of 93,157,233 Shares and he was deemed to be interested in 2,881,086 Shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 480,085 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.
- 2 Arthur LI Kwok-cheung was the beneficial owner of 15,744,283 Shares and he was deemed to be interested in 17,437,293 Shares held by Dapa Company Limited, which is wholly-owned by him.
- 3 Allan WONG Chi-yun was the beneficial owner of 464,393 Shares and he was deemed to be interested in 136 Shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 7,543,427 Shares held by Wong Chung Man Limited, which is wholly-owned by him. He was also deemed to be interested in 17,415,234 Shares held by a discretionary trust, The 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 955,717 Shares and he was deemed to be interested in 28,840 Shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 18,334,282 Shares held by LEVA Trust of which he is the founder / settlor.
- 5 Stephen Charles LI Kwok-sze was the beneficial owner of 12,878,472 Shares. He was also deemed to be interested in 501,101 Shares held by an estate of which he is one of the administrators.
- 6 Adrian David LI Man-kiu was the beneficial owner of 1,713,111 Shares. He has made a voluntary disclosure of 2,190,347 Shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.
- 7 Brian David LI Man-bun was the beneficial owner of 3,323,154 Shares. He was also deemed to be interested in 833,798 Shares held by Triple Kingdom Limited, which is wholly-owned by him.
- 8 David MONG Tak-yeung was deemed to be interested in 6,041,926 Shares held by certain corporations, out of which (i) 5,306,771 Shares were held by Shun Hing Electronic Trading Co., Ltd., and (ii) 735,155 Shares were held by Shun Hing Technology Co. Ltd.. He directly/indirectly controls one-third or more of the voting power at a general meeting of these corporations.
- 9 The percentages of shareholding in the table were calculated based on the number of total issued Shares as at 31st December, 2023, being 2,650,133,527 Shares.

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

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2023 is shown in the section under "Information on Share Options" of this Report.

III. Interests in debt securities of the Bank:

| Name | Capacity and nature | Type of debt securities | Amount of debentures |
|---------------------------------|--|--|-----------------------------|
| Allan WONG Chi-yun | Founder and beneficiary of discretionary trust | 6.75% Non-Preferred Loss Absorbing Notes with a face value of US\$500 million (the "LAC Notes") | US\$3,000,000 ¹ |
| Francisco Javier SERRADO TREPAT | Beneficial owner | 5.875% Additional Tier 1 Undated Capital Securities with a face value of US\$650 million (the "AT1 Notes") | US\$20,500,000 ² |

Notes:

- 1 Allan WONG Chi-yun was deemed to be interested in the LAC Notes in an amount of US\$3,000,000, which was held by a discretionary trust, The Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary. The LAC Notes were issued by the Bank under its US\$6,000 million Medium Term Note Programme ("MTN Programme") in 2023 and are listed on the Stock Exchange.
- 2 Francisco Javier SERRADO TREPAT was the beneficial owner of the AT1 Notes in an amount of US\$20,500,000. The AT1 Notes were issued by the Bank under the MTN Programme in 2019 and are listed on the Stock Exchange.

董事會報告書 (續)

附註：

- 1 李國寶為 93,157,233 股的實益擁有人。由於其配偶潘金翠擁有 2,881,086 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 480,085 股，李國寶為該慈善機構的董事兼唯一成員。
- 2 李國章為 15,744,283 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，該公司由他全資擁有。
- 3 黃子欣為 464,393 股的實益擁有人。由於其配偶郭志蕙 (已歿) 擁有 136 股之權益，他亦被視為擁有該等股份。他亦被視為擁有由 Wong Chung Man Limited 持有的 7,543,427 股，該公司由他全資擁有。由於黃子欣為一個酌情信託 The Allan Wong 2011 Trust 的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的 17,415,234 股。
- 4 李國星為 955,717 股的實益擁有人。由於其配偶吳伊莉擁有 28,840 股之權益，他亦被視為擁有該等股份。他亦為一個信託 LEVA Trust 的成立人/財產授予人，因而被視為擁有該信託所持有的 18,334,282 股。
- 5 李國仕為 12,878,472 股的實益擁有人。他作為一個遺產的其中一位管理人，因而被視為擁有該遺產所持有的 501,101 股。
- 6 李民橋為 1,713,111 股的實益擁有人。他自願披露其作為財產授予人/成立人的一個酌情信託間接所持有的 2,190,347 股，惟他不可以影響受託人如何行使其酌情權。
- 7 李民斌為 3,323,154 股的實益擁有人。他亦被視為擁有由 Triple Kingdom Limited 持有的 833,798 股，該公司由他全資擁有。
- 8 蒙德揚被視為擁有由若干法團所持有的 6,041,926 股，其中 (i) 5,306,771 股由信興電器貿易有限公司持有；而 (ii) 735,155 股則由信興科技有限公司持有。他直接/間接控制該兩間公司股東大會三分之一或以上的投票權。
- 9 本表所列之持股百分比乃按於 2023 年 12 月 31 日之已發行股份總數 (即 2,650,133,527 股) 計算。

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權計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的股本衍生工具。有關此等認股權在截至 2023 年 12 月 31 日止年度內的資料，載於本報告「認股權資料」項下。

III. 本行債務證券的權益：

| 姓名 | 身分及性質 | 債務證券種類 | 債權證金額 |
|---------------------------------|--------------|--|----------------------------|
| 黃子欣 | 酌情信託的成立人及受益人 | 面值為 500,000,000 美元的非優先吸收虧損票據 (息率為年利率 6.75%) (「LAC 票據」) | 3,000,000 美元 ¹ |
| Francisco Javier SERRADO TREPAT | 實益擁有人 | 面值為 650,000,000 美元的無到期日額外一級資本證券 (息率為年利率 5.875%) (「AT1 票據」) | 20,500,000 美元 ² |

註：

- 1 由於黃子欣為一個酌情信託 The Allan Wong 2011 Trust 的成立人及一位合資格受益人，他被視為擁有該酌情信託所持有金額 3,000,000 美元的 LAC 票據。LAC 票據為本行根據其 6,000,000,000 美元中期票據計劃 (「MTN 計劃」) 於 2023 年發行並在聯交所上市。
- 2 Francisco Javier SERRADO TREPAT 為金額 20,500,000 美元的 AT1 票據的實益擁有人。AT1 票據為本行根據 MTN 計劃於 2019 年發行並在聯交所上市。

Report of the Directors (continued)

Each of the other Directors, namely Winston LO Yau-lai, Daryl NG Win-kong, Masayuki OKU, Rita FAN HSU Lai-tai, Meocre LI Kwok-wing, Henry TANG Ying-yen, Delman LEE and William Junior Guilherme DOO did not have any interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations as at 31st December, 2023.

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 as at 31st December, 2023.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the section under "Information on Share Options" of this Report, and Notes 2(x)(iv) and 39 to the financial statements.

Senior Management's Interests

As at 31st December, 2023, the interests of the Senior Management (other than the Co-Chief Executives, whose interests are shown in the section under "Directors' and Co-Chief Executives' Interests" of this Report) in ordinary shares of the Bank were as follows:

| Name (Position) | Capacity and nature | No. of Shares | % of issued voting Shares* |
|--|---------------------|---------------|----------------------------|
| Samson LI Kai-cheong (Deputy Chief Executive & Chief Investment Officer) | Beneficial owner | 202,311 | 0.01 |
| TONG Hon-shing (Deputy Chief Executive & Chief Operating Officer) | Beneficial owner | 575,944 | 0.02 |

* The percentages of shareholding in the table were calculated based on the number of total issued Shares as at 31st December, 2023, being 2,650,133,527 Shares.

As at 31st December, 2023, each of Mr. Samson LI Kai-cheong and Mr. TONG Hon-shing held 5,017,225 outstanding share options to subscribe for the ordinary shares of the Bank, which were granted pursuant to the approved Staff Share Option Schemes.

董事會報告書 (續)

其他董事 (包括羅友禮、黃永光、奧正之、范徐麗泰、李國榮、唐英年、李國本和杜家駒) 於 2023 年 12 月 31 日均無持有本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉。

除上述所披露外，於 2023 年 12 月 31 日，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

除於本報告「認股權資料」項下及財務報表附註 2(x)(iv) 及 39 所詳載的僱員認股權計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或聯席行政總裁或他們的配偶或 18 歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

高層管理人員權益

於 2023 年 12 月 31 日，本行各高層管理人員 (其權益詳載於本報告「董事及聯席行政總裁權益」項下的聯席行政總裁除外) 於本行普通股股份擁有的權益如下：

| 姓名 (職位) | 身分及性質 | 股份數目 | 佔已發行有投票權 股份的百分率* |
|------------------|-------|---------|---------------------|
| 李繼昌 (副行政總裁兼投資總監) | 實益擁有人 | 202,311 | 0.01 |
| 唐漢城 (副行政總裁兼營運總監) | 實益擁有人 | 575,944 | 0.02 |

* 本表所列之持股百分比乃按於 2023 年 12 月 31 日之已發行股份總數 (即 2,650,133,527 股) 計算。

於 2023 年 12 月 31 日，李繼昌先生及唐漢城先生各自持有 5,017,225 份尚未行使的認股權，以認購本行普通股股份。該等認股權乃根據認可僱員認股權計劃授出。

Report of the Directors (continued)

Information on Share Options

Information in relation to share options and their movement during the year ended 31st December, 2023 disclosed in accordance with the Listing Rules is as follows:

| Name (Position)/ Description of Grantees | Date of Grant | Number of Share Options ^c | | | | Outstanding at 31/12/2023 |
|---|-------------------------|--------------------------------------|---------|-----------|-----------|------------------------------|
| | | Outstanding at 01/1/2023 | Granted | Exercised | Lapsed | |
| Directors | | | | | | |
| David LI Kwok-po (Executive Chairman) | 04/5/2015 ^a | 668,000 ^{T3} | - | - | 668,000 | 0 |
| | 08/4/2016 ^a | 666,000 ^{T2} | - | - | 666,000 | 0 |
| | 08/4/2016 ^a | 668,000 ^{T3} | - | - | - | 668,000 |
| | 07/4/2017 ^a | 666,000 ^{T1} | - | - | 666,000 | 0 |
| | 07/4/2017 ^a | 666,000 ^{T2} | - | - | - | 666,000 |
| | 07/4/2017 ^a | 501,000 ^{T3} | - | - | - | 501,000 |
| | 10/4/2018 ^a | 666,000 ^{T1} | - | - | - | 666,000 |
| | 10/4/2018 ^a | 499,500 ^{T2} | - | - | - | 499,500 |
| | 10/4/2018 ^a | 501,000 ^{T3} | - | - | - | 501,000 |
| | 19/7/2019 ^a | 499,500 ^{T1} | - | - | - | 499,500 |
| | 19/7/2019 ^a | 499,500 ^{T2} | - | - | - | 499,500 |
| | 19/7/2019 ^a | 501,000 ^{T3} | - | - | - | 501,000 |
| | 07/4/2020 ^a | 346,115 ^{T1} | - | - | - | 346,115 |
| | 07/4/2020 ^a | 347,802 ^{T2} | - | - | - | 347,802 |
| | 07/4/2020 ^a | 354,090 ^{T3} | - | - | - | 354,090 |
| | 13/4/2021 ^a | 123,586 ^{T1} | - | - | - | 123,586 |
| | 13/4/2021 ^a | 123,602 ^{T2} | - | - | - | 123,602 |
| | 13/4/2021 ^a | 123,893 ^{T3} | - | - | - | 123,893 |
| | 12/4/2022 ^a | 692,152 ^{T1} | - | - | - | 692,152 |
| | 12/4/2022 ^a | 691,261 ^{T2} | - | - | - | 691,261 |
| 12/4/2022 ^a | 701,082 ^{T3} | - | - | - | 701,082 | |
| 12/4/2023 ^b | - | 460,896 ^{T1} | - | - | 460,896 | |
| 12/4/2023 ^b | - | 460,896 ^{T2} | - | - | 460,896 | |
| 12/4/2023 ^b | - | 461,219 ^{T3} | - | - | 461,219 | |
| Adrian David LI Man-kiu (Co-Chief Executive) | 04/5/2015 ^a | 218,000 ^{T3} | - | - | 218,000 | 0 |
| | 08/4/2016 ^a | 216,000 ^{T2} | - | - | 216,000 | 0 |
| | 08/4/2016 ^a | 218,000 ^{T3} | - | - | - | 218,000 |
| | 07/4/2017 ^a | 216,000 ^{T1} | - | - | 216,000 | 0 |
| | 07/4/2017 ^a | 216,000 ^{T2} | - | - | - | 216,000 |
| | 07/4/2017 ^a | 163,500 ^{T3} | - | - | - | 163,500 |
| | 10/4/2018 ^a | 216,000 ^{T1} | - | - | - | 216,000 |
| | 10/4/2018 ^a | 162,000 ^{T2} | - | - | - | 162,000 |
| | 10/4/2018 ^a | 163,500 ^{T3} | - | - | - | 163,500 |
| | 19/7/2019 ^a | 162,000 ^{T1} | - | - | - | 162,000 |
| | 19/7/2019 ^a | 162,000 ^{T2} | - | - | - | 162,000 |
| | 19/7/2019 ^a | 163,500 ^{T3} | - | - | - | 163,500 |
| | 07/4/2020 ^a | 268,360 ^{T1} | - | - | - | 268,360 |
| | 07/4/2020 ^a | 271,648 ^{T2} | - | - | - | 271,648 |
| | 07/4/2020 ^a | 282,769 ^{T3} | - | - | - | 282,769 |
| | 13/4/2021 ^a | 240,154 ^{T1} | - | - | - | 240,154 |
| | 13/4/2021 ^a | 240,186 ^{T2} | - | - | - | 240,186 |
| | 13/4/2021 ^a | 240,759 ^{T3} | - | - | - | 240,759 |
| | 12/4/2022 ^a | 1,345,001 ^{T1} | - | - | - | 1,345,001 |
| | 12/4/2022 ^a | 1,343,274 ^{T2} | - | - | - | 1,343,274 |
| 12/4/2022 ^a | 1,362,297 ^{T3} | - | - | - | 1,362,297 | |
| 12/4/2023 ^b | - | 919,712 ^{T1} | - | - | 919,712 | |
| 12/4/2023 ^b | - | 919,711 ^{T2} | - | - | 919,711 | |
| 12/4/2023 ^b | - | 920,333 ^{T3} | - | - | 920,333 | |

董事會報告書 (續)

認股權資料

根據《上市規則》所披露有關認股權及其於截至 2023 年 12 月 31 日止年度內的變動如下：

| 姓名(職位)/ 承授人概述 | 授予日期 | 認股權數目 ^o | | | | |
|------------------------|-------------------------|-------------------------|----|----|-----------|----------------------|
| | | 於 01/1/2023 尚未行使 | 授出 | 行使 | 失效 | 於 31/12/2023 尚未行使 |
| 董事 | | | | | | |
| 李國寶 (執行主席) | 04/5/2015 ^a | 668,000 ^{T3} | - | - | 668,000 | 0 |
| | 08/4/2016 ^a | 666,000 ^{T2} | - | - | 666,000 | 0 |
| | 08/4/2016 ^a | 668,000 ^{T3} | - | - | - | 668,000 |
| | 07/4/2017 ^a | 666,000 ^{T1} | - | - | 666,000 | 0 |
| | 07/4/2017 ^a | 666,000 ^{T2} | - | - | - | 666,000 |
| | 07/4/2017 ^a | 501,000 ^{T3} | - | - | - | 501,000 |
| | 10/4/2018 ^a | 666,000 ^{T1} | - | - | - | 666,000 |
| | 10/4/2018 ^a | 499,500 ^{T2} | - | - | - | 499,500 |
| | 10/4/2018 ^a | 501,000 ^{T3} | - | - | - | 501,000 |
| | 19/7/2019 ^a | 499,500 ^{T1} | - | - | - | 499,500 |
| | 19/7/2019 ^a | 499,500 ^{T2} | - | - | - | 499,500 |
| | 19/7/2019 ^a | 501,000 ^{T3} | - | - | - | 501,000 |
| | 07/4/2020 ^a | 346,115 ^{T1} | - | - | - | 346,115 |
| | 07/4/2020 ^a | 347,802 ^{T2} | - | - | - | 347,802 |
| | 07/4/2020 ^a | 354,090 ^{T3} | - | - | - | 354,090 |
| | 13/4/2021 ^a | 123,586 ^{T1} | - | - | - | 123,586 |
| | 13/4/2021 ^a | 123,602 ^{T2} | - | - | - | 123,602 |
| | 13/4/2021 ^a | 123,893 ^{T3} | - | - | - | 123,893 |
| | 12/4/2022 ^a | 692,152 ^{T1} | - | - | - | 692,152 |
| | 12/4/2022 ^a | 691,261 ^{T2} | - | - | - | 691,261 |
| 12/4/2022 ^a | 701,082 ^{T3} | - | - | - | 701,082 | |
| 12/4/2023 ^b | - | 460,896 ^{T1} | - | - | 460,896 | |
| 12/4/2023 ^b | - | 460,896 ^{T2} | - | - | 460,896 | |
| 12/4/2023 ^b | - | 461,219 ^{T3} | - | - | 461,219 | |
| 李民橋 (聯席行政總裁) | 04/5/2015 ^a | 218,000 ^{T3} | - | - | 218,000 | 0 |
| | 08/4/2016 ^a | 216,000 ^{T2} | - | - | 216,000 | 0 |
| | 08/4/2016 ^a | 218,000 ^{T3} | - | - | - | 218,000 |
| | 07/4/2017 ^a | 216,000 ^{T1} | - | - | 216,000 | 0 |
| | 07/4/2017 ^a | 216,000 ^{T2} | - | - | - | 216,000 |
| | 07/4/2017 ^a | 163,500 ^{T3} | - | - | - | 163,500 |
| | 10/4/2018 ^a | 216,000 ^{T1} | - | - | - | 216,000 |
| | 10/4/2018 ^a | 162,000 ^{T2} | - | - | - | 162,000 |
| | 10/4/2018 ^a | 163,500 ^{T3} | - | - | - | 163,500 |
| | 19/7/2019 ^a | 162,000 ^{T1} | - | - | - | 162,000 |
| | 19/7/2019 ^a | 162,000 ^{T2} | - | - | - | 162,000 |
| | 19/7/2019 ^a | 163,500 ^{T3} | - | - | - | 163,500 |
| | 07/4/2020 ^a | 268,360 ^{T1} | - | - | - | 268,360 |
| | 07/4/2020 ^a | 271,648 ^{T2} | - | - | - | 271,648 |
| | 07/4/2020 ^a | 282,769 ^{T3} | - | - | - | 282,769 |
| | 13/4/2021 ^a | 240,154 ^{T1} | - | - | - | 240,154 |
| | 13/4/2021 ^a | 240,186 ^{T2} | - | - | - | 240,186 |
| | 13/4/2021 ^a | 240,759 ^{T3} | - | - | - | 240,759 |
| | 12/4/2022 ^a | 1,345,001 ^{T1} | - | - | - | 1,345,001 |
| | 12/4/2022 ^a | 1,343,274 ^{T2} | - | - | - | 1,343,274 |
| 12/4/2022 ^a | 1,362,297 ^{T3} | - | - | - | 1,362,297 | |
| 12/4/2023 ^b | - | 919,712 ^{T1} | - | - | 919,712 | |
| 12/4/2023 ^b | - | 919,711 ^{T2} | - | - | 919,711 | |
| 12/4/2023 ^b | - | 920,333 ^{T3} | - | - | 920,333 | |

Report of the Directors (continued)

| Name (Position)/ Description of Grantees | Date of Grant | Number of Share Options ^c | | | | Outstanding at 31/12/2023 |
|--|-------------------------|--------------------------------------|-----------------------|-----------|-----------|------------------------------|
| | | Outstanding at 01/1/2023 | Granted | Exercised | Lapsed | |
| Brian David LI Man-bun (Co-Chief Executive) | 04/5/2015 ^a | 218,000 ^{T3} | - | - | 218,000 | 0 |
| | 08/4/2016 ^a | 216,000 ^{T2} | - | - | 216,000 | 0 |
| | 08/4/2016 ^a | 218,000 ^{T3} | - | - | - | 218,000 |
| | 07/4/2017 ^a | 216,000 ^{T1} | - | - | 216,000 | 0 |
| | 07/4/2017 ^a | 216,000 ^{T2} | - | - | - | 216,000 |
| | 07/4/2017 ^a | 109,000 ^{T3} | - | - | - | 109,000 |
| | 10/4/2018 ^a | 216,000 ^{T1} | - | - | - | 216,000 |
| | 10/4/2018 ^a | 108,000 ^{T2} | - | - | - | 108,000 |
| | 10/4/2018 ^a | 109,000 ^{T3} | - | - | - | 109,000 |
| | 07/4/2020 ^a | 286,690 ^{T1} | - | - | - | 286,690 |
| | 07/4/2020 ^a | 288,878 ^{T2} | - | - | - | 288,878 |
| | 07/4/2020 ^a | 297,977 ^{T3} | - | - | - | 297,977 |
| | 13/4/2021 ^a | 240,154 ^{T1} | - | - | - | 240,154 |
| | 13/4/2021 ^a | 240,186 ^{T2} | - | - | - | 240,186 |
| | 13/4/2021 ^a | 240,759 ^{T3} | - | - | - | 240,759 |
| | 12/4/2022 ^a | 1,345,001 ^{T1} | - | - | - | 1,345,001 |
| | 12/4/2022 ^a | 1,343,274 ^{T2} | - | - | - | 1,343,274 |
| | 12/4/2022 ^a | 1,362,297 ^{T3} | - | - | - | 1,362,297 |
| | 12/4/2023 ^b | - | 919,712 ^{T1} | - | - | 919,712 |
| | 12/4/2023 ^b | - | 919,711 ^{T2} | - | - | 919,711 |
| 12/4/2023 ^b | - | 920,333 ^{T3} | - | - | 920,333 | |
| Other Participants/Employees | | | | | | |
| Other Employee Participants* | 04/5/2015 ^a | 536,000 ^{T3} | - | - | 536,000 | 0 |
| | 08/4/2016 ^a | 548,000 ^{T2} | - | - | 548,000 | 0 |
| | 08/4/2016 ^a | 592,500 ^{T3} | - | - | - | 592,500 |
| | 07/4/2017 ^a | 632,000 ^{T1} | - | - | 632,000 | 0 |
| | 07/4/2017 ^a | 632,000 ^{T2} | - | - | - | 632,000 |
| | 07/4/2017 ^a | 489,500 ^{T3} | - | - | - | 489,500 |
| | 10/4/2018 ^a | 677,000 ^{T1} | - | - | - | 677,000 |
| | 10/4/2018 ^a | 531,500 ^{T2} | - | - | - | 531,500 |
| | 10/4/2018 ^a | 537,000 ^{T3} | - | - | - | 537,000 |
| | 19/7/2019 ^a | 536,500 ^{T1} | - | - | - | 536,500 |
| | 19/7/2019 ^a | 536,500 ^{T2} | - | - | - | 536,500 |
| | 19/7/2019 ^a | 539,500 ^{T3} | - | - | - | 539,500 |
| | 07/4/2020 ^a | 565,000 ^{T1} | - | - | - | 565,000 |
| | 07/4/2020 ^a | 565,000 ^{T2} | - | - | - | 565,000 |
| | 07/4/2020 ^a | 570,000 ^{T3} | - | - | - | 570,000 |
| | 13/4/2021 ^a | 589,903 ^{T1} | - | - | - | 589,903 |
| | 13/4/2021 ^a | 589,932 ^{T2} | - | - | - | 589,932 |
| | 13/4/2021 ^a | 593,439 ^{T3} | - | - | - | 593,439 |
| | 12/4/2022 ^a | 1,871,666 ^{T1} | - | - | - | 1,871,666 |
| | 12/4/2022 ^a | 1,869,844 ^{T2} | - | - | - | 1,869,844 |
| 12/4/2022 ^a | 1,891,441 ^{T3} | - | - | - | 1,891,441 | |
| 12/4/2023 ^b | - | 1,556,559 ^{T1} | - | - | 1,556,559 | |
| 12/4/2023 ^b | - | 1,556,559 ^{T2} | - | - | 1,556,559 | |
| 12/4/2023 ^b | - | 1,559,282 ^{T3} | - | - | 1,559,282 | |

董事會報告書(續)

| 姓名(職位)/ 承授人概述 | 授予日期 | 認股權數目。 | | | | |
|------------------------|-------------------------|-------------------------|-----------------------|----|-----------|---------------------|
| | | 於01/1/2023 尚未行使 | 授出 | 行使 | 失效 | 於31/12/2023 尚未行使 |
| 李民斌 (聯席行政總裁) | 04/5/2015 ^a | 218,000 ^{T3} | - | - | 218,000 | 0 |
| | 08/4/2016 ^a | 216,000 ^{T2} | - | - | 216,000 | 0 |
| | 08/4/2016 ^a | 218,000 ^{T3} | - | - | - | 218,000 |
| | 07/4/2017 ^a | 216,000 ^{T1} | - | - | 216,000 | 0 |
| | 07/4/2017 ^a | 216,000 ^{T2} | - | - | - | 216,000 |
| | 07/4/2017 ^a | 109,000 ^{T3} | - | - | - | 109,000 |
| | 10/4/2018 ^a | 216,000 ^{T1} | - | - | - | 216,000 |
| | 10/4/2018 ^a | 108,000 ^{T2} | - | - | - | 108,000 |
| | 10/4/2018 ^a | 109,000 ^{T3} | - | - | - | 109,000 |
| | 07/4/2020 ^a | 286,690 ^{T1} | - | - | - | 286,690 |
| | 07/4/2020 ^a | 288,878 ^{T2} | - | - | - | 288,878 |
| | 07/4/2020 ^a | 297,977 ^{T3} | - | - | - | 297,977 |
| | 13/4/2021 ^a | 240,154 ^{T1} | - | - | - | 240,154 |
| | 13/4/2021 ^a | 240,186 ^{T2} | - | - | - | 240,186 |
| | 13/4/2021 ^a | 240,759 ^{T3} | - | - | - | 240,759 |
| | 12/4/2022 ^a | 1,345,001 ^{T1} | - | - | - | 1,345,001 |
| | 12/4/2022 ^a | 1,343,274 ^{T2} | - | - | - | 1,343,274 |
| | 12/4/2022 ^a | 1,362,297 ^{T3} | - | - | - | 1,362,297 |
| | 12/4/2023 ^b | - | 919,712 ^{T1} | - | - | 919,712 |
| | 12/4/2023 ^b | - | 919,711 ^{T2} | - | - | 919,711 |
| 12/4/2023 ^b | - | 920,333 ^{T3} | - | - | 920,333 | |
| 其他參與者/僱員 | | | | | | |
| 其他僱員參與者* | 04/5/2015 ^a | 536,000 ^{T3} | - | - | 536,000 | 0 |
| | 08/4/2016 ^a | 548,000 ^{T2} | - | - | 548,000 | 0 |
| | 08/4/2016 ^a | 592,500 ^{T3} | - | - | - | 592,500 |
| | 07/4/2017 ^a | 632,000 ^{T1} | - | - | 632,000 | 0 |
| | 07/4/2017 ^a | 632,000 ^{T2} | - | - | - | 632,000 |
| | 07/4/2017 ^a | 489,500 ^{T3} | - | - | - | 489,500 |
| | 10/4/2018 ^a | 677,000 ^{T1} | - | - | - | 677,000 |
| | 10/4/2018 ^a | 531,500 ^{T2} | - | - | - | 531,500 |
| | 10/4/2018 ^a | 537,000 ^{T3} | - | - | - | 537,000 |
| | 19/7/2019 ^a | 536,500 ^{T1} | - | - | - | 536,500 |
| | 19/7/2019 ^a | 536,500 ^{T2} | - | - | - | 536,500 |
| | 19/7/2019 ^a | 539,500 ^{T3} | - | - | - | 539,500 |
| | 07/4/2020 ^a | 565,000 ^{T1} | - | - | - | 565,000 |
| | 07/4/2020 ^a | 565,000 ^{T2} | - | - | - | 565,000 |
| | 07/4/2020 ^a | 570,000 ^{T3} | - | - | - | 570,000 |
| | 13/4/2021 ^a | 589,903 ^{T1} | - | - | - | 589,903 |
| | 13/4/2021 ^a | 589,932 ^{T2} | - | - | - | 589,932 |
| | 13/4/2021 ^a | 593,439 ^{T3} | - | - | - | 593,439 |
| | 12/4/2022 ^a | 1,871,666 ^{T1} | - | - | - | 1,871,666 |
| | 12/4/2022 ^a | 1,869,844 ^{T2} | - | - | - | 1,869,844 |
| 12/4/2022 ^a | 1,891,441 ^{T3} | - | - | - | 1,891,441 | |
| 12/4/2023 ^b | - | 1,556,559 ^{T1} | - | - | 1,556,559 | |
| 12/4/2023 ^b | - | 1,556,559 ^{T2} | - | - | 1,556,559 | |
| 12/4/2023 ^b | - | 1,559,282 ^{T3} | - | - | 1,559,282 | |

Report of the Directors (continued)

| Name (Position)/ Description of Grantees | Date of Grant | Number of Share Options ^c | | | | Outstanding at 31/12/2023 | |
|---|------------------------|--------------------------------------|----------------------|-----------|------------------|------------------------------|--------|
| | | Outstanding at 01/1/2023 | Granted | Exercised | Lapsed | | |
| Former Employees** | 04/5/2015 ^a | 315,746 ^{T3} | - | - | 315,746 | 0 | |
| | 08/4/2016 ^a | 300,000 ^{T2} | - | - | 300,000 | 0 | |
| | 08/4/2016 ^a | 350,000 ^{T3} | - | - | 50,000 | 300,000 | |
| | 07/4/2017 ^a | 350,000 ^{T1} | - | - | 350,000 | 0 | |
| | 07/4/2017 ^a | 350,000 ^{T2} | - | - | 50,000 | 300,000 | |
| | 07/4/2017 ^a | 300,000 ^{T3} | - | - | 50,000 | 250,000 | |
| | 10/4/2018 ^a | 350,000 ^{T1} | - | - | 50,000 | 300,000 | |
| | 10/4/2018 ^a | 312,500 ^{T2} | - | - | 50,000 | 262,500 | |
| | 10/4/2018 ^a | 312,500 ^{T3} | - | - | 50,000 | 262,500 | |
| | 19/7/2019 ^a | 295,500 ^{T1} | - | - | 50,000 | 245,500 | |
| | 19/7/2019 ^a | 295,500 ^{T2} | - | - | 50,000 | 245,500 | |
| | 19/7/2019 ^a | 346,500 ^{T3} | - | - | 100,000 | 246,500 | |
| | 07/4/2020 ^a | 262,000 ^{T1} | - | - | 50,000 | 212,000 | |
| | 07/4/2020 ^a | 312,000 ^{T2} | - | - | 100,000 | 212,000 | |
| | 07/4/2020 ^a | 313,500 ^{T3} | - | - | - | 313,500 | |
| | 13/4/2021 ^a | 250,000 ^{T1} | - | - | 100,000 | 150,000 | |
| | 13/4/2021 ^a | 250,000 ^{T2} | - | - | - | 250,000 | |
| | 13/4/2021 ^a | 250,000 ^{T3} | - | - | - | 250,000 | |
| | 12/4/2022 ^a | 100,000 ^{T1} | - | - | - | 100,000 | |
| | 12/4/2022 ^a | 100,000 ^{T2} | - | - | - | 100,000 | |
| | 12/4/2022 ^a | 100,000 ^{T3} | - | - | - | 100,000 | |
| | 12/4/2023 ^b | - | 50,000 ^{T1} | - | - | - | 50,000 |
| | 12/4/2023 ^b | - | 50,000 ^{T2} | - | - | - | 50,000 |
| 12/4/2023 ^b | - | 50,000 ^{T3} | - | - | - | 50,000 | |
| Total | | 47,357,218 | 11,724,923 | - | 6,731,746 | 52,350,395 | |

* Other Employee Participants are "Eligible Persons" as defined in the rules of the 2021 Scheme and relevant expired share option schemes (of which the scheme period had expired) of the Bank, which include any full-time or part-time employee, as the Directors may determine, in the service of the Bank Group.

** The share options were offered/granted to those former employees who were Employee Participants prior to their cessation as employees of the Bank Group.

Notes:

a Particulars of share options granted in years 2015 to 2022:

| Date of Grant | Tranche | Vesting Period | Exercise Period | Exercise Price Per Share HK\$ |
|---------------|---------|-----------------------|-----------------------|----------------------------------|
| 04/5/2015 | T3 | 04/5/2015 – 03/5/2018 | 04/5/2018 – 04/5/2023 | 34.15 |
| 08/4/2016 | T2 | 08/4/2016 – 07/4/2018 | 08/4/2018 – 08/4/2023 | 28.45 |
| 08/4/2016 | T3 | 08/4/2016 – 07/4/2019 | 08/4/2019 – 08/4/2024 | 28.45 |
| 07/4/2017 | T1 | 07/4/2017 – 06/4/2018 | 07/4/2018 – 07/4/2023 | 32.25 |
| 07/4/2017 | T2 | 07/4/2017 – 06/4/2019 | 07/4/2019 – 07/4/2024 | 32.25 |
| 07/4/2017 | T3 | 07/4/2017 – 06/4/2020 | 07/4/2020 – 07/4/2025 | 32.25 |
| 10/4/2018 | T1 | 10/4/2018 – 09/4/2019 | 10/4/2019 – 10/4/2024 | 32.25 |
| 10/4/2018 | T2 | 10/4/2018 – 09/4/2020 | 10/4/2020 – 10/4/2025 | 32.25 |
| 10/4/2018 | T3 | 10/4/2018 – 09/4/2021 | 10/4/2021 – 10/4/2026 | 32.25 |
| 19/7/2019 | T1 | 19/7/2019 – 18/7/2020 | 19/7/2020 – 19/7/2025 | 22.45 |
| 19/7/2019 | T2 | 19/7/2019 – 18/7/2021 | 19/7/2021 – 19/7/2026 | 22.45 |
| 19/7/2019 | T3 | 19/7/2019 – 18/7/2022 | 19/7/2022 – 19/7/2027 | 22.45 |
| 07/4/2020 | T1 | 07/4/2020 – 06/4/2021 | 07/4/2021 – 07/4/2026 | 16.58 |
| 07/4/2020 | T2 | 07/4/2020 – 06/4/2022 | 07/4/2022 – 07/4/2027 | 16.58 |
| 07/4/2020 | T3 | 07/4/2020 – 06/4/2023 | 07/4/2023 – 07/4/2028 | 16.58 |
| 13/4/2021 | T1 | 13/4/2021 – 12/4/2022 | 13/4/2022 – 13/4/2027 | 17.08 |
| 13/4/2021 | T2 | 13/4/2021 – 12/4/2023 | 13/4/2023 – 13/4/2028 | 17.08 |
| 13/4/2021 | T3 | 13/4/2021 – 12/4/2024 | 13/4/2024 – 13/4/2029 | 17.08 |
| 12/4/2022 | T1 | 12/4/2022 – 11/4/2023 | 12/4/2023 – 12/4/2028 | 12.17 |
| 12/4/2022 | T2 | 12/4/2022 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 12.17 |
| 12/4/2022 | T3 | 12/4/2022 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 12.17 |

董事會報告書(續)

| 姓名(職位)/ 承授人概述 | 授予日期 | 認股權數目。 | | | | |
|------------------|------------------------|-----------------------|----------------------|----------|------------------|---------------------|
| | | 於01/1/2023 尚未行使 | 授出 | 行使 | 失效 | 於31/12/2023 尚未行使 |
| 前僱員** | 04/5/2015 ^a | 315,746 ^{T3} | - | - | 315,746 | 0 |
| | 08/4/2016 ^a | 300,000 ^{T2} | - | - | 300,000 | 0 |
| | 08/4/2016 ^a | 350,000 ^{T3} | - | - | 50,000 | 300,000 |
| | 07/4/2017 ^a | 350,000 ^{T1} | - | - | 350,000 | 0 |
| | 07/4/2017 ^a | 350,000 ^{T2} | - | - | 50,000 | 300,000 |
| | 07/4/2017 ^a | 300,000 ^{T3} | - | - | 50,000 | 250,000 |
| | 10/4/2018 ^a | 350,000 ^{T1} | - | - | 50,000 | 300,000 |
| | 10/4/2018 ^a | 312,500 ^{T2} | - | - | 50,000 | 262,500 |
| | 10/4/2018 ^a | 312,500 ^{T3} | - | - | 50,000 | 262,500 |
| | 19/7/2019 ^a | 295,500 ^{T1} | - | - | 50,000 | 245,500 |
| | 19/7/2019 ^a | 295,500 ^{T2} | - | - | 50,000 | 245,500 |
| | 19/7/2019 ^a | 346,500 ^{T3} | - | - | 100,000 | 246,500 |
| | 07/4/2020 ^a | 262,000 ^{T1} | - | - | 50,000 | 212,000 |
| | 07/4/2020 ^a | 312,000 ^{T2} | - | - | 100,000 | 212,000 |
| | 07/4/2020 ^a | 313,500 ^{T3} | - | - | - | 313,500 |
| | 13/4/2021 ^a | 250,000 ^{T1} | - | - | 100,000 | 150,000 |
| | 13/4/2021 ^a | 250,000 ^{T2} | - | - | - | 250,000 |
| | 13/4/2021 ^a | 250,000 ^{T3} | - | - | - | 250,000 |
| | 12/4/2022 ^a | 100,000 ^{T1} | - | - | - | 100,000 |
| | 12/4/2022 ^a | 100,000 ^{T2} | - | - | - | 100,000 |
| | 12/4/2022 ^a | 100,000 ^{T3} | - | - | - | 100,000 |
| | 12/4/2023 ^b | - | 50,000 ^{T1} | - | - | 50,000 |
| | 12/4/2023 ^b | - | 50,000 ^{T2} | - | - | 50,000 |
| | 12/4/2023 ^b | - | 50,000 ^{T3} | - | - | 50,000 |
| 總數 | | 47,357,218 | 11,724,923 | - | 6,731,746 | 52,350,395 |

* 其他僱員參與者為2021計劃及本行相關已無效的認股權計劃(其計劃期間已完結)的規則中所定義的「合資格人士」,其包括由董事確定為於本集團服務的任何全職或兼職僱員。

** 該等認股權乃向於停止擔任本集團僱員前為僱員參與者的該等前僱員要約授予/授予。

附註:

a 於2015年至2022年授予的認股權詳情:

| 授予日期 | 部分 | 歸屬期 | 行使期 | 每股行使價 港幣(元) |
|-----------|----|-----------------------|-----------------------|----------------|
| 04/5/2015 | T3 | 04/5/2015 – 03/5/2018 | 04/5/2018 – 04/5/2023 | 34.15 |
| 08/4/2016 | T2 | 08/4/2016 – 07/4/2018 | 08/4/2018 – 08/4/2023 | 28.45 |
| 08/4/2016 | T3 | 08/4/2016 – 07/4/2019 | 08/4/2019 – 08/4/2024 | 28.45 |
| 07/4/2017 | T1 | 07/4/2017 – 06/4/2018 | 07/4/2018 – 07/4/2023 | 32.25 |
| 07/4/2017 | T2 | 07/4/2017 – 06/4/2019 | 07/4/2019 – 07/4/2024 | 32.25 |
| 07/4/2017 | T3 | 07/4/2017 – 06/4/2020 | 07/4/2020 – 07/4/2025 | 32.25 |
| 10/4/2018 | T1 | 10/4/2018 – 09/4/2019 | 10/4/2019 – 10/4/2024 | 32.25 |
| 10/4/2018 | T2 | 10/4/2018 – 09/4/2020 | 10/4/2020 – 10/4/2025 | 32.25 |
| 10/4/2018 | T3 | 10/4/2018 – 09/4/2021 | 10/4/2021 – 10/4/2026 | 32.25 |
| 19/7/2019 | T1 | 19/7/2019 – 18/7/2020 | 19/7/2020 – 19/7/2025 | 22.45 |
| 19/7/2019 | T2 | 19/7/2019 – 18/7/2021 | 19/7/2021 – 19/7/2026 | 22.45 |
| 19/7/2019 | T3 | 19/7/2019 – 18/7/2022 | 19/7/2022 – 19/7/2027 | 22.45 |
| 07/4/2020 | T1 | 07/4/2020 – 06/4/2021 | 07/4/2021 – 07/4/2026 | 16.58 |
| 07/4/2020 | T2 | 07/4/2020 – 06/4/2022 | 07/4/2022 – 07/4/2027 | 16.58 |
| 07/4/2020 | T3 | 07/4/2020 – 06/4/2023 | 07/4/2023 – 07/4/2028 | 16.58 |
| 13/4/2021 | T1 | 13/4/2021 – 12/4/2022 | 13/4/2022 – 13/4/2027 | 17.08 |
| 13/4/2021 | T2 | 13/4/2021 – 12/4/2023 | 13/4/2023 – 13/4/2028 | 17.08 |
| 13/4/2021 | T3 | 13/4/2021 – 12/4/2024 | 13/4/2024 – 13/4/2029 | 17.08 |
| 12/4/2022 | T1 | 12/4/2022 – 11/4/2023 | 12/4/2023 – 12/4/2028 | 12.17 |
| 12/4/2022 | T2 | 12/4/2022 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 12.17 |
| 12/4/2022 | T3 | 12/4/2022 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 12.17 |

Report of the Directors (continued)

b Share options granted in year 2023:

(i) Particulars:

| Date of Grant | Tranche | Vesting Period | Exercise Period | Exercise Price Per Share HK\$ |
|---------------|---------|-----------------------|-----------------------|----------------------------------|
| 12/4/2023 | T1 | 12/4/2023 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 10.08 |
| 12/4/2023 | T2 | 12/4/2023 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 10.08 |
| 12/4/2023 | T3 | 12/4/2023 – 11/4/2026 | 12/4/2026 – 12/4/2031 | 10.08 |

- (ii) Vesting of the share options of each tranche shall be subject to any one or more of the performance thresholds as adopted by the Bank for the financial year prior to the commencement of the exercise period of that tranche having been met or exceeded.
- (iii) The closing price of the Shares on 11th April, 2023 (being the business day immediately preceding 12th April, 2023 on which the options were granted) was HK\$10.04.
- (iv) Fair value of the share options at the date of grant and the assumptions are set out in Note 39 to the financial statements. The accounting standard and policy adopted for share options is set out in Note 2(x)(iv) to the financial statements.
- (v) The number of Shares that may be issued in respect of share options granted during the year under the 2021 Scheme, i.e. 11,724,923 Shares, represents approximately 0.44% of the weighted average number of Shares in issue for the year ended 31st December, 2023. Please refer to Note 19 to the financial statements for the weighted average number of Shares in issue.

c No share options were exercised or cancelled during the year ended 31st December, 2023.

Save as disclosed above, as at 31st December, 2023, none of the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

Information on Share Option Scheme

The following is a summary of the 2021 Scheme disclosed in accordance with the Listing Rules:

1. Purpose of the 2021 Scheme:

- (a) The 2021 Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- (b) The 2021 Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

2. Participants of the 2021 Scheme:

The Board may at its discretion grant options to any employees of the Group including Executive Directors and Co-Chief Executives of the Bank.

3. Total number of Shares available for issue:

The total number of Shares which may be issued upon exercise of all share options to be granted under the 2021 Scheme and any other schemes of the Bank shall not, in aggregate, exceed 5% of the Shares in issue as at the date of adoption of the 2021 Scheme (i.e. 145,949,434 Shares) (the "Scheme Mandate Limit"). The Scheme Mandate Limit may be refreshed by shareholders of the Bank in general meeting in accordance with the Listing Rules provided always that the Scheme Mandate Limit so refreshed must not exceed 5% of the Shares in issue as at the date of approval of such refreshment by the Bank's shareholders in general meeting.

董事會報告書 (續)

b 於 2023 年授予的認股權：

(i) 詳情：

| 授予日期 | 部分 | 歸屬期 | 行使期 | 每股行使價 港幣 (元) |
|-----------|----|-----------------------|-----------------------|-----------------|
| 12/4/2023 | T1 | 12/4/2023 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 10.08 |
| 12/4/2023 | T2 | 12/4/2023 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 10.08 |
| 12/4/2023 | T3 | 12/4/2023 – 11/4/2026 | 12/4/2026 – 12/4/2031 | 10.08 |

(ii) 各部分認股權的歸屬須受限於本行就該部分認股權之行使期開始前的財政年度所採納的任何一項或多項表現指標已獲達成或超越。

(iii) 股份在 2023 年 4 月 11 日 (即 2023 年 4 月 12 日授出認股權當日之前一個營業日) 的收市價為港幣 10.04 元。

(iv) 有關認股權在授予日期的公平價值及假設載於財務報表附註 39。有關認股權所採納的會計準則及政策載於財務報表附註 2(x)(iv)。

(v) 本行根據 2021 計劃於年內已授出的認股權可能發行的股份數目 (即 11,724,923 股) 約佔截至 2023 年 12 月 31 日止年度已發行股份的加權平均數的 0.44%。有關已發行股份的加權平均數，請參閱財務報表附註 19。

c 截至 2023 年 12 月 31 日止年度內並無認股權被行使或被註銷。

除上述所披露外，於 2023 年 12 月 31 日，本行的董事或聯席行政總裁或他們的配偶或 18 歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的任何股本或債務證券。

認股權計劃資料

根據《上市規則》披露的有關 2021 計劃的摘要如下：

1. 2021 計劃的目的：

(a) 2021 計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。

(b) 2021 計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

2. 2021 計劃的參與者：

董事會可按其酌情權，向本集團任何僱員 (包括本行執行董事和聯席行政總裁) 授予認股權。

3. 可予發行的股份總數：

根據 2021 計劃及本行任何其他計劃可授出的所有認股權獲行使時可予發行的股份總數，合計不得超過 2021 計劃獲採納當日已發行股份的 5% (即 145,949,434 股) (「計劃授權限額」)。計劃授權限額可由本行股東根據《上市規則》在股東大會上更新，惟更新後的計劃授權限額將不得超過本行股東於股東大會批准該更新當日已發行股份的 5%。

Report of the Directors (continued)

Other than the 2021 Scheme, the Bank had no other share scheme (as defined under Chapter 17 of the Listing Rules) in force during the year ended 31st December, 2023 and up to the date of this Report. The number of Shares available for issue in respect of all share options available for grant under the 2021 Scheme and subject to the Scheme Mandate Limit, at the following respective dates, is set out below:

| | Number of Shares available for issue | % of total number of issued Shares |
|----------------------------|---|---------------------------------------|
| At 1st January, 2023 | 129,830,844 | 4.84 |
| At 31st December, 2023 | 118,105,921 | 4.46 |
| At the date of this Report | 118,105,921 | 4.46 |

4. Maximum entitlement of each participant under the 2021 Scheme:

No options may be granted to any eligible person which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the 2021 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued Shares as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2021 Scheme.

5. The period within which the option may be exercised by the grantee under the 2021 Scheme:

Beginning on the vesting date of such option, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2021 Scheme.

6. Vesting of options:

Save as provided otherwise in the rules of the 2021 Scheme and subject to the vesting conditions as determined by the Board, options granted under the 2021 Scheme shall be vested and become exercisable in three tranches as follows:

- (a) not more than one-third of the options shall be vested and become exercisable on the first anniversary of the date of grant;
- (b) not more than one-third of the options shall be vested and become exercisable on the second anniversary of the date of grant; and
- (c) the remaining balance of the options shall be vested and become exercisable on the third anniversary of the date of grant.

The vesting period of options is from the date of grant until commencement of the exercise periods of the respective tranches.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

Not applicable.

董事會報告書 (續)

除 2021 計劃外，本行於截至 2023 年 12 月 31 日止年度及直至本報告日期為止，並無其他股份計劃 (定義見《上市規則》第 17 章) 仍生效。於下列各日期就所有根據 2021 計劃 (須受限於計劃授權限額) 可供授予的認股權所可供發行的股份數目分別如下：

| | 可供發行的股份數目 | 佔已發行股份總數的百分率 |
|--------------------|-------------|--------------|
| 於 2023 年 1 月 1 日 | 129,830,844 | 4.84 |
| 於 2023 年 12 月 31 日 | 118,105,921 | 4.46 |
| 於本報告日期 | 118,105,921 | 4.46 |

4. 2021 計劃中每名參與者可獲授權益上限：

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日 (包括當日) 止 12 個月內，因行使已經根據或將會根據 2021 計劃或本行任何其他計劃 (須受《上市規則》第 17 章的規定所規限) 獲授的認股權 (包括已行使、已註銷及尚未行使的認股權) 時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的 1%，則不得向該位合資格人士再授出新認股權。進一步授出超出該上限的認股權，須受載於 2021 計劃的規則內的若干規定所約束。

5. 承授人可根據 2021 計劃行使認股權的期限：

除 2021 計劃的規則另有規定外，由該認股權歸屬日 (該認股權被歸屬及成為可行使之日期) 開始截至歸屬日的第 5 周年止。

6. 認股權的歸屬：

除 2021 計劃的規則另有規定外及受限於董事會所釐定的歸屬條件，按 2021 計劃授出的認股權將如下分為三部分被歸屬及成為可行使：

- (a) 不多於三分之一的認股權將於授予日的第 1 周年被歸屬及成為可行使；
- (b) 不多於三分之一的認股權將於授予日的第 2 周年被歸屬及成為可行使
- (c) 餘下的認股權將於授予日的第 3 周年被歸屬及成為可行使。

認股權的歸屬期為自授出日期起至各批次的行使期開始為止。

7. 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

不適用。

Report of the Directors (continued)

8. The basis of determining the exercise price of options granted:

The exercise price is determined by the Board and being not less than the highest of:

- (a) the closing price of the Bank's ordinary 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 ordinary shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

9. The remaining life of the 2021 Scheme:

The scheme period will end on 5th May, 2026.

Interests of Substantial Shareholders and Other Persons

As at 31st December, 2023, 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 ⁶ |
|---|-------------------------|----------------------------|--|
| Sumitomo Mitsui Banking Corporation | Beneficial owner | 574,516,317 ¹ | 21.68 |
| Sumitomo Mitsui Financial Group, Inc. | Interest of corporation | 574,516,317 ¹ | 21.68 |
| Criteria Caixa, S.A., Sociedad Unipersonal | Beneficial owner | 508,519,684 ² | 19.19 |
| Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" | Interest of corporation | 508,519,684 ² | 19.19 |
| Guoco Management Company Limited | Beneficial owner | 435,691,137 ^{3,4} | 16.44 ⁵ |
| Guoco Group Limited | Interest of corporation | 435,691,137 ³ | 16.44 |
| GuoLine Overseas Limited | Interest of corporation | 435,691,137 ³ | 16.44 ⁵ |
| GuoLine Capital Assets Limited | Interest of corporation | 435,691,137 ³ | 16.44 |
| QUEK Leng Chan | Interest of corporation | 435,691,137 ³ | 16.44 |
| Hong Leong Investment Holdings Pte. Ltd. | Interest of corporation | 435,691,137 ⁴ | 16.44 |
| Davos Investment Holdings Private Limited | Interest of corporation | 435,691,137 ⁴ | 16.44 |
| KWEK Leng Kee | Interest of corporation | 435,691,137 ⁴ | 16.44 |

Notes:

- 1 Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 574,516,317 Shares held by Sumitomo Mitsui Banking Corporation.
- 2 Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). "la Caixa" was deemed to be interested in the 508,519,684 Shares held by Criteria Caixa.
- 3 The references to 435,691,137 Shares in Notes 3 and 4 relate to the same block of Shares. Guoco Management Company Limited was the beneficial owner of 435,691,137 Shares. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited, which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Overseas Limited and Guoco Group Limited were both deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited. GuoLine Capital Assets Limited was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Overseas Limited.
QUEK Leng Chan was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of his 49.11% interest in GuoLine Capital Assets Limited.
- 4 The references to 435,691,137 Shares in Notes 3 and 4 relate to the same block of Shares. GuoLine Capital Assets Limited was 34.49% held by Hong Leong Investment Holdings Pte. Ltd., which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of their interests in GuoLine Capital Assets Limited.
KWEK Leng Kee was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

董事會報告書 (續)

8. 授出的認股權行使價的釐定基準：

行使價由董事會釐定，但不低於下列各項中的最高價：

(a) 於授出有關認股權當日，本行普通股股份於聯交所日報表所列之收市價；及

(b) 相等於緊接授出有關認股權當日之前5個營業日，本行普通股股份於聯交所日報表所列之平均收市價的金額。

9. 2021 計劃尚餘的有效期：

計劃期間將於 2026 年 5 月 5 日終止。

主要股東及其他人士的權益

於 2023 年 12 月 31 日，根據《證券及期貨條例》第 336 條須予備存的登記冊（「該登記冊」）所記錄，主要股東及其他人士擁有本行的股份及相關股份的權益或淡倉如下：

本行普通股股份的好倉：

| 姓名/名稱 | 身分及性質 | 股份數目 | 佔已發行有投票權股份的百分率 ⁶ |
|---|-------|----------------------------|-----------------------------|
| 三井住友銀行 | 實益擁有人 | 574,516,317 ¹ | 21.68 |
| 三井住友金融集團 | 法團的權益 | 574,516,317 ¹ | 21.68 |
| Criteria Caixa, S.A., Sociedad Unipersonal | 實益擁有人 | 508,519,684 ² | 19.19 |
| Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" | 法團的權益 | 508,519,684 ² | 19.19 |
| 國浩管理有限公司 | 實益擁有人 | 435,691,137 ^{3,4} | 16.44 ⁵ |
| 國浩集團有限公司 | 法團的權益 | 435,691,137 ³ | 16.44 |
| GuoLine Overseas Limited | 法團的權益 | 435,691,137 ³ | 16.44 ⁵ |
| GuoLine Capital Assets Limited | 法團的權益 | 435,691,137 ³ | 16.44 |
| 郭令燦 | 法團的權益 | 435,691,137 ³ | 16.44 |
| Hong Leong Investment Holdings Pte. Ltd. | 法團的權益 | 435,691,137 ⁴ | 16.44 |
| Davos Investment Holdings Private Limited | 法團的權益 | 435,691,137 ⁴ | 16.44 |
| KWEK Leng Kee | 法團的權益 | 435,691,137 ⁴ | 16.44 |

附註：

- 三井住友金融集團擁有三井住友銀行的 100% 權益。三井住友金融集團因而被視為擁有三井住友銀行所持有的 574,516,317 股的權益。
- Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"（「la Caixa」）擁有 Criteria Caixa, S.A., Sociedad Unipersonal（「Criteria Caixa」）的 100% 權益。「la Caixa」因而被視為擁有 Criteria Caixa 所持有的 508,519,684 股的權益。
- 附註 3 及 4 所指之 435,691,137 股為同一批股份。國浩管理有限公司為 435,691,137 股之實益擁有人。GuoLine Overseas Limited 擁有國浩集團有限公司的 71.88% 權益及國浩集團有限公司擁有國浩管理有限公司的 100% 權益。GuoLine Overseas Limited 和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的 435,691,137 股的權益。由於 GuoLine Capital Assets Limited 擁有 GuoLine Overseas Limited 的 100% 權益，GuoLine Capital Assets Limited 被視為擁有國浩管理有限公司所持有的 435,691,137 股的權益。
郭令燦因持有 GuoLine Capital Assets Limited 的 49.11% 權益而被視為擁有國浩管理有限公司持有的 435,691,137 股的權益。
- 附註 3 及 4 所指之 435,691,137 股為同一批股份。Davos Investment Holdings Private Limited 持有 Hong Leong Investment Holdings Pte. Ltd. 的 33.59% 權益，而 Hong Leong Investment Holdings Pte. Ltd. 則持有 GuoLine Capital Assets Limited 的 34.49% 權益。Hong Leong Investment Holdings Pte. Ltd. 和 Davos Investment Holdings Private Limited 因持有 GuoLine Capital Assets Limited 的權益而被視為擁有國浩管理有限公司所持有的 435,691,137 股的權益。
KWEK Leng Kee 因持有 Davos Investment Holdings Private Limited 的 41.92% 權益而被視為擁有國浩管理有限公司所持有的 435,691,137 股的權益。

Report of the Directors (continued)

- 5 GuoLine Overseas Limited is a wholly-owned subsidiary of GuoLine Capital Assets Limited and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by GuoLine Capital Assets Limited and Guoco Group Limited, GuoLine Overseas Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.
- 6 The percentages of shareholding in the table were calculated based on the number of total issued Shares as at 31st December, 2023, being 2,650,133,527 Shares.

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register as at 31st December, 2023.

Equity-Linked Agreements

During the year, other than the Staff Share Option Schemes as set out in the above section under "Information on Share Options" and Notes 2(x)(iv) and 39 to the financial statements, the Bank has not entered into any equity-linked agreement.

Connected Transactions

On 19th July, 2023, the Bank entered into with Sumitomo Mitsui Banking Corporation ("SMBC") four transfer certificates (collectively the "Transfer Certificates") in relation to the novation of the following four loans ("Loan 1", "Loan 2", "Loan 3" and "Loan 4", collectively the "Loans") from SMBC to the Bank at an aggregate consideration of HK\$850.8 million (collectively the "Transactions"):

- Loan 1: Pursuant to the relevant Transfer Certificate, the Bank agreed to acquire the commitment, rights and obligations in respect of Loan 1 from SMBC for a consideration of HK\$397.5 million. Loan 1 novated in the amount of HK\$397.5 million is part of the HK\$1,380 million term loan facility granted by SMBC and other original financiers to Xinyi Group (Glass) Company Limited ("Borrower 1") pursuant to a syndicated facility agreement dated 15th December, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 1.
- Loan 2: Pursuant to the relevant Transfer Certificate, the Bank agreed to acquire the commitment, rights and obligations in respect of Loan 2 from SMBC for a consideration of HK\$156 million. Loan 2 novated in the amount of HK\$156 million is part of the US\$450 million equivalent dual-currency term loan facility granted by SMBC and other original financiers to Far East Horizon Limited ("Borrower 2") pursuant to a syndicated dual-currency term loan facility agreement dated 17th June, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 2 and as amended on 19th June, 2023.
- Loan 3: Pursuant to the relevant Transfer Certificate, the Bank agreed to acquire the commitment, rights and obligations in respect of Loan 3 from SMBC for a consideration of HK\$156 million. Loan 3 novated in the amount of HK\$156 million is part of the HK\$8 billion transferable term loan and revolving credit facility granted by SMBC and other original financiers to Kingboard Investments Limited ("Borrower 3") pursuant to a syndicated term loan and revolving credit facility agreement dated 29th October, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 3.
- Loan 4: Pursuant to the relevant Transfer Certificate, the Bank agreed to acquire the commitment, rights and obligations in respect of Loan 4 from SMBC for a consideration of US\$18 million. Loan 4 novated in the amount of US\$18 million is part of the US\$660 million term loan facility granted by SMBC and other original financiers to China Lesso Finance Limited ("Borrower 4") pursuant to a syndicated term loan facilities and dual-currency revolving credit facility agreement dated 30th July, 2019 entered into by, among others, SMBC as one of the original financiers and Borrower 4 and as amended on 23rd October, 2019 and 13th June, 2023.

The Directors considered that the Transactions are in the best interests of the Bank as they help promote the cooperation in loan financing business between the Bank and SMBC. Besides, the Transactions present the Bank with a good opportunity to support the development of green finance as some of the Loans are being used to refinance green projects, thereby demonstrating the Bank's commitment to fulfilling its responsibility in the ESG arena.

董事會報告書 (續)

- 5 GuoLine Overseas Limited 為 GuoLine Capital Assets Limited 的全資附屬公司，而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於 GuoLine Capital Assets Limited 及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited 及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。
- 6 本表所列之持股比例乃按於 2023 年 12 月 31 日之已發行股份總數 (即 2,650,133,527 股) 計算。

除上述所披露外，於 2023 年 12 月 31 日，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

股票掛鈎協議

於年內，除於上列「認股權資料」項下及財務報表附註 2(x)(iv) 及 39 所載的僱員認股權計劃外，本行並無訂立任何股票掛鈎協議。

關連交易

於 2023 年 7 月 19 日，本行與三井住友銀行訂立 4 份轉讓證書 (統稱「轉讓證書」)，以港幣 8.508 億元的總代價，通過約務更替的方式將下列 4 宗貸款 (「貸款 1」、「貸款 2」、「貸款 3」及「貸款 4」，統稱「貸款」) 從三井住友銀行轉讓至本行 (統稱「該等交易」)：

- 貸款 1：根據相關轉讓證書，本行同意以港幣 3.975 億元的代價向三井住友銀行購入貸款 1 中的承貸額、權利及義務。通過約務更替的方式轉讓的貸款 1 金額為港幣 3.975 億元，是三井住友銀行及其他原有出資人根據由原有出資人 (當中包括三井住友銀行) 與信義集團 (玻璃) 有限公司 (「借款人 1」) 於 2021 年 12 月 15 日訂立的一份銀團授信協議向借款人 1 發放的港幣 13.8 億元的定期貸款授信的一部分。
- 貸款 2：根據相關轉讓證書，本行同意以港幣 1.56 億元的代價向三井住友銀行購入貸款 2 中的承貸額、權利及義務。通過約務更替的方式轉讓的貸款 2 金額為港幣 1.56 億元，是三井住友銀行及其他原有出資人根據由原有出資人 (當中包括三井住友銀行) 與遠東宏信有限公司 (「借款人 2」) 於 2021 年 6 月 17 日訂立的一份銀團雙幣定期貸款授信協議 (並於 2023 年 6 月 19 日經修訂) 向借款人 2 發放的 4.5 億美元的等值雙幣定期貸款授信的一部分。
- 貸款 3：根據相關轉讓證書，本行同意以港幣 1.56 億元的代價向三井住友銀行購入貸款 3 中的承貸額、權利及義務。通過約務更替的方式轉讓的貸款 3 金額為港幣 1.56 億元，是三井住友銀行及其他原有出資人根據由原有出資人 (當中包括三井住友銀行) 與建滔投資有限公司 (「借款人 3」) 於 2021 年 10 月 29 日訂立的一份銀團定期貸款及循環信貸授信協議向借款人 3 發放的港幣 80 億元的可轉讓定期貸款及循環信貸授信的一部分。
- 貸款 4：根據相關轉讓證書，本行同意以 1,800 萬美元的代價向三井住友銀行購入貸款 4 中的承貸額、權利及義務。通過約務更替的方式轉讓的貸款 4 金額為 1,800 萬美元，是三井住友銀行及其他原有出資人根據由原有出資人 (當中包括三井住友銀行) 與中國聯塑財務有限公司 (「借款人 4」) 於 2019 年 7 月 30 日訂立的一份銀團定期貸款授信及雙幣循環信貸授信協議 (並於 2019 年 10 月 23 日及 2023 年 6 月 13 日經修訂) 向借款人 4 發放的 6.6 億美元的定期貸款授信的一部分。

董事認為該等交易符合本行的最佳利益，因其有助於促進本行與三井住友銀行之間的貸款融資業務合作。此外，由於部分貸款被用於為綠色項目進行再融資，故該等交易為本行提供良機以支持綠色金融發展，彰顯本行致力於履行其在環境、社會及管治方面的責任。

Report of the Directors (continued)

There was no gain or loss incurred as a result of the Transactions as the Loans were transferred at par level against its principal value.

As SMBC is a substantial shareholder (as defined in the Listing Rules) of the Bank, SMBC is a connected person of the Bank under the Listing Rules. Therefore, the entering into of the Transfer Certificates between the Bank and SMBC constituted connected transactions of the Bank. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transactions exceed 0.1% but all are less than 5% when calculated on an aggregated basis, the Transactions are required to be reported in the Bank's Annual Report. For details of the Transactions, please refer to the announcement dated 19th July, 2023 issued by the Bank.

Public Float

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

Donations

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$14 million (2022: HK\$12 million).

Corporate Governance

The Bank is committed to maintaining high standards of corporate governance. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report of this Annual Report.

Compliance with the Banking (Disclosure) Rules and the Disclosure Requirements in Part 6 of Financial Institutions (Resolution) (Loss-Absorbing Capacity Requirements – Banking Sector) Rules

The Annual Report for the financial year ended 31st December, 2023 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules and the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules.

Auditor

A resolution for the re-appointment of KPMG as auditor of the Bank is to be proposed at the forthcoming AGM.

On behalf of the Board

David LI Kwok-po
Executive Chairman

Hong Kong, 21st February, 2024

董事會報告書 (續)

由於貸款乃根據其本金價值按票面水平轉讓，因此該等交易不會產生任何收益或損失。

由於三井住友銀行是本行的主要股東（根據《上市規則》的定義），根據《上市規則》，三井住友銀行為本行的關連人士。因此，本行與三井住友銀行訂立轉讓證書構成本行的關連交易。由於有關該等交易的一項或多項適用百分比率（根據《上市規則》的定義）超過 0.1%，但全部均少於 5%（按合併基準計算），故該等交易須在本行年報作出披露。有關該等交易的詳情，請參閱本行於 2023 年 7 月 19 日所刊發的公告。

公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

捐款

本集團本年內所作出的慈善及公益捐款約為港幣 1,400 萬元（2022：港幣 1,200 萬元）。

企業管治

本行致力維持良好的企業管治標準。有關本行所採納的企業管治常規的資料，載列於本年報的企業管治報告內。

符合《銀行業（披露）規則》及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第 6 部之披露要求

截至 2023 年 12 月 31 日止財政年度的年報已符合《銀行業（披露）規則》中所適用的披露規定及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第 6 部之披露要求。

核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

承董事會命
執行主席
李國寶

香港，2024 年 2 月 21 日

Independent Auditor's Report



TO THE MEMBERS OF THE BANK OF EAST ASIA, LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 188 to 377, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 27(a), 43(a)(ix) to the consolidated financial statements

Key audit matter

The Group's advances to customers as at 31 December 2023 amounted to HK\$532,111 million, with total expected credit losses ("ECL") amounting to HK\$5,127 million as at 31 December 2023. Hong Kong and Chinese Mainland Operations contributed to 55.0% and 26.6% of the Group's advances to customers, and 48.2% and 40.8% of the Group's total ECL respectively.

Impairment allowances of loans and advances to customers across the banking industry continues to be an area of elevated focus due to ongoing challenges in the China real estate sector and tightening monetary policy by many central banks to combat inflation. This has led to a more difficult environment for borrowers and leads to challenges in assessing impairment provisions.

How the matter was addressed in our audit

Our audit procedures to assess the Group's impairment allowances on loans and advances to customers measured at amortised cost with regards to the methodology, data and assumptions used in the estimate included the following:

Methodology

- understanding and assessing the design, implementation and operating effectiveness of key internal controls on the ECL model monitoring and governance process and on the controls around the final review and determination of impairment allowances by management;

獨立核數師報告



致東亞銀行有限公司成員
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第188至第377頁的東亞銀行有限公司(以下簡稱「貴銀行」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零二三年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括重大會計政策資訊及其他解釋資訊。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零二三年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於 貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、27(a)和43(a)(ix)

關鍵審計事項

於二零二三年十二月三十一日, 貴集團的客戶墊款達到港幣5,321.1億元,預期信貸損失於二零二三年十二月三十一日總額為港幣51.27億元。香港與中國內地的業務分別佔 貴集團客戶墊款的55.0%和26.6%,以及佔 貴集團預期信貸損失總額的48.2%和40.8%。

由於中國房地產行業的持續挑戰以及許多央行行為應對通脹而收緊貨幣政策,銀行業客戶貸款和墊款的減值準備繼續成為關注的焦點。這導致評估減值準備更加困難。

審計對策

因應估計中使用的方法、數據和假設,我們就評估 貴集團以攤銷成本計量的客戶貸款及墊款的減值準備相關的審計程序包括以下各項:

方法

- 瞭解並評估與以下項目有關的關鍵內部控制的設計、實施及操作成效:預期信貸損失模型監管和管治流程,以及管理層在最終審閱及釐定減值準備的內部控制;

Independent Auditor's Report (continued)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 27(a), 43(a)(ix) to the consolidated financial statements

Key audit matter**How the matter was addressed in our audit**

The Group applies its ECL models to assess impairment allowances of loans and advances to customers measured at amortised cost. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, experience a significant increase in credit risk (stage 2) or become credit-impaired (stage 3), for which a lifetime ECL provision is recognised.

The difficulty in identifying those loans which may have significant increase in credit risk or impaired has remained high. Past historical experience on repayment may be less representative of the borrowers' financial conditions and therefore more judgement is required.

Impairment allowances may be materially misstated if the exposures with a significant increase in credit risk are not properly identified and classified in the appropriate stages.

The determination of impairment allowances using the ECL models is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.

In particular, the determination of the impairment allowances is heavily dependent on the external macro environment. The expected credit losses are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The expected credit losses for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.

- involving credit risk specialists in assessing the appropriateness of the methodology and reliability of the ECL models used by management in determining impairment allowances; and
- in respect of assessing the accuracy of ECL calculation, calculating the amount of credit loss allowance for 12-month and life-time credit losses using the ECL models based on the above parameters and assumptions for a sample of loans and advances to customers where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively and comparing to the results from the Group;

Data

- understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over approval, recording and monitoring of loans measured at amortised cost, including the recording of key data elements used in the ECL model;
- assessing the completeness and accuracy of data used for the key parameters in the ECL models, by comparing individual loan information on a sample basis with the underlying agreements and other related documentation to assess the accuracy of the loan information in the ECL models. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with publicly available sources; and
- for key parameters used in the ECL models which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. We involved our information technology specialists in assessing the information systems controls critical to the financial reporting process, such as the compilation of the overdue reports for advances to customers. We also assessed the design, implementation and operating effectiveness of relevant automated application controls within these systems, as well as key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;

獨立核數師報告(續)

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、27(a)和43(a)(ix)

關鍵審計事項

貴集團使用其預期信貸損失模型來評估以攤銷成本計量的客戶貸款及墊款的減值準備。尚未成為不良信貸的貸款於發放時被劃歸為第一階段，並按照相當於12個月的預期信貸損失的金額確認撥備。貸款會保留於第一階段直至其被償還，信貸風險有顯著增加(第二階段)或已成為不良信貸(第三階段)，相應撥備會按照相當於合約期內之預期信貸損失的金額確認。

識別信貸風險可能顯著增加的貸款及不良信貸的難度仍高。當中需要更多的判斷，因為過去的歷史償還經驗可能較難代表客戶的財務狀況。

倘貸款的信貸風險顯著增加未被恰當地識別及分類，可能導致預期信貸損失存在重大錯誤陳述。

採用預期信貸損失模型釐定減值準備時須考慮若干關鍵參數及假設，包括所識別的損失階段，所估計的違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及其他調整因素。在選取該等參數及應用上述假設時亦須管理層作出判斷。

當中，減值準備的釐定在很大程度上取決於外部宏觀環境及貴集團的內部信貸風險管理策略。預期信貸損失乃源自於對歷史損失、內部及外部信貸評級及其他調整因素的估計。個人貸款的預期信貸損失乃源自於管理層考慮了歷史逾期數據、個人貸款的以往損失經驗以及其他調整因素而作出的估計。

審計對策

- 使用信貸風險專家評估管理層在釐定減值準備時所用的預期信貸損失模型的可靠性；及
- 在評估預期信貸損失計算的準確性方面，抽選信貸風險自初始確認以來尚未顯著增加或已顯著增加的客戶貸款及墊款樣本，同時根據上述參數及假設並使用預期信貸損失模型，分別計算該等樣本按照12個月內的信貸損失和合約期內的信貸損失計量的信貸損失準備金額，並將該計算結果與貴集團的結果進行比較；

數據

- 瞭解並評估與以下項目有關的關鍵財務報告內部控制的設計、實施及操作成效：以攤銷成本計量的貸款的審批、記錄和監管，包括記錄預期信貸損失模型中使用的關鍵數據；
- 通過在抽樣基礎上對比個別貸款資訊與相關協議及其他相關文檔，評估預期信貸損失模型中的貸款資訊是否準確，以此評估預期信貸損失模型中的關鍵參數所用的數據是否完整及準確。對於源自外部數據的關鍵參數，我們採用抽樣方式將該等數據與公開可獲取的數據進行比較，以檢查該等數據的準確性；及
- 對於預期信貸損失模型中所用的、源自系統生成的內部數據的關鍵參數，在抽樣基礎上將輸入數據與原始文檔進行對比以評估輸入參數的準確性。我們使用我們的資訊技術專家來評估對財務報告流程有重要影響的資訊系統控制，包括客戶墊款逾期報告的編制。我們還評估這些系統內的相關自動化應用程式控制，以及對這些相關系統的主要內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；

Independent Auditor's Report (continued)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 27(a), 43(a)(ix) to the consolidated financial statements

Key audit matter**How the matter was addressed in our audit**

Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, macroeconomic factors, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount from collateral and, therefore, the amount of impairment allowances as at the end of the reporting period. The assessment of the recoverable amount of collateral is particularly challenging in the Chinese Mainland as the extent of judgement exercised by management in the process of determining the strategy of recovery and assessing the collateral value of these exposures is high. As a result, the impairment allowances of loans and advances to customers in this particular part of business is subject to a higher inherent risk of material misstatements.

We identified the impairment allowances of loans and advances to customers measured at amortised cost as a key audit matter because of the complexity of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.

Assumptions

- understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over the credit grading process;
- understanding and assessing the design, implementation and operating effectiveness of key internal controls on the monitoring and governance process for the assumptions used in the ECL models, including the assessment of the internal credit grading applied to exposures;
- evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired by selecting samples for which we checked loan overdue information, made enquiries of the credit managers about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses. Our sample of loans and advances to customers selected for credit review, including in Chinese Mainland Operations, focused on accounts with high risk characteristics, including industries, features of loan arrangements, types of collateral and credit quality of the accounts;
- involving credit risk specialists in assessing the appropriateness of the key assumptions in the ECL models, including the criteria used by management in determining loss stages, the probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments;
- for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing it to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged the reasons for modifications to estimates and input parameters and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;

獨立核數師報告(續)

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、27(a)和43(a)(ix)

關鍵審計事項

管理層在釐定違約損失率的數額時亦會根據多項因素作出判斷。這些因素包括收回墊款的方式、借款人的財務狀況、抵押品的可收回金額、宏觀經濟因素、索賠受償順序及其他債權人是否存在及其合作意向等。在評估持作抵押品的物業的價值時，管理層會參考合資格第三方評估師出具的估值報告，並考慮各種因素的影響，包括物業的市場價格、位置及用途。收回抵押品的法律依據、變現時間和方法亦會影響抵押品的可收回金額，並從而影響報告期末的減值準備金額。由於管理層在釐定中國內地的抵押物的收回策略及評估抵押品價值的過程中涉及高度的判斷，評估此類抵押物的可收回金額具有特別難度。因此，有關此部份業務的客戶貸款及墊款減值準備存在較高重大錯誤陳述的內含風險。

由於以攤銷成本計量的客戶貸款及墊款的減值準備所涉及的複雜性、管理層判斷以及內含的不確定性，同時由於其對貴集團財務業績和資本的重大影響，我們將其認為一項關鍵審計事項。

審計對策**假設**

- 瞭解並評估與信貸評級流程有關的關鍵財務報告內部控制的設計、實施及操作成效；
- 瞭解並評估用於監管和管治預期信貸損失模型中使用的假設的流程的關鍵內部控制的設計、實施及操作成效，包括評估適用於承擔的內部信貸評級；
- 採用抽樣的方式檢查貸款逾期資訊，就借款人的業務運營詢問信貸經理，檢查借款人的財務信息並查考有關借款人業務的市場資訊，以評價管理層對於貸款的信貸風險自初始確認以來是否已，或尚未有，顯著增加以及貸款是否已成為不良信貸的評估是否恰當。我們抽查的客戶貸款及墊款樣本，包括中國內地業務的樣本，關注於具有高風險條件的貸款，高風險條件包括行業、貸款安排、抵押品類型及信貸質量；
- 使用信貸風險專家評估管理層在預期信貸損失模型中使用的假設的恰當性，包括損失階段的識別、違約概率、違約損失率、違約風險承擔、貼現率、就前瞻性資訊所作的調整以及管理層所作的其他調整；
- 對於涉及判斷的關鍵參數，從外部來源獲得證據並將其與貴集團的內部記錄(包括以往損失經驗和抵押品的類型)進行比較，以對輸入參數進行審慎評估。在這個過程中，我們就管理層對估計及輸入參數的修訂理據提出質詢，並考慮判斷的一致性。我們將模型中所運用的經濟因素與市場資訊進行對比，以評估這些數據是否與市場及經濟發展相符；

Independent Auditor's Report (continued)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 27(a), 43(a)(ix) to the consolidated financial statements

Key audit matter**How the matter was addressed in our audit**

- for selected samples of loans and advances to customers that are credit-impaired, evaluating management's assessment of the recoverable amount of the exposure including evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of comparable properties. We also evaluated the timing and means of realisation of other collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; and
- assessing the appropriateness of material manual adjustments and overlays on ECL model outputs.

Other audit procedures to assess the Group's impairment allowances on loans and advances to customers measured at amortised cost included the following:

- in respect of evaluating the accounting treatments of disposal of impaired loans during the year, inspecting the loan disposal agreements and documents, enquiring of management and assessing whether the transactions are recognised appropriately; and
- evaluating whether the presentation and disclosures on impairment allowances of loans and advances to customers measured at amortised cost meet the requirements of the prevailing accounting standards.

獨立核數師報告 (續)

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、27(a)和43(a)(ix)

關鍵審計事項

審計對策

- 對於已抽選的不良信貸的客戶貸款及墊款樣本，評價管理層對信貸風險可收回金額的評估，包括根據持作抵押品的物業的位置及用途以及鄰近物業的價格，將持作抵押品的物業的價值與市場價格進行比較，以評價管理層對該類物業價值的評估。我們還評價了其他抵押品的變現時間和方法以及現金流預測，對貴集團回收方案的可行性提出了質詢，並對合同條款中的其他信貸提升進行了評價；及
- 評估重大的手動調整以及預期信貸損失模型輸出值的調整是否恰當；

與評估 貴集團以攤銷成本計量的客戶貸款及墊款的減值準備的其他審計程式包括：

- 評估年內減值貸款處置的會計處理，檢查相關貸款處置協議和文件，向管理層詢問並評估該等交易是否恰當地確認；及
- 評價以攤銷成本計量的客戶貸款及墊款的減值準備的列報與披露是否滿足現行會計準則的要求。

Independent Auditor's Report (continued)

Impairment assessment of an investment in associate, AFFIN Bank Berhad ("AFFIN")

Refer to notes 2(r), 30 to the consolidated financial statements

Key audit matter

The quoted market price of the Group's investment in AFFIN has been persistently below the carrying amount for a period of time. This is considered an indicator of potential impairment.

HKAS 36 "Impairment of assets" requires recognition of impairment loss when the carrying amount exceeds the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use ("VIU"). An impairment test was performed by the Group using a VIU model to estimate the investment's value assuming the Group continues to hold this investment.

As at 31 December 2023, the recoverable amount based on the VIU calculation was HK\$3,012 million. The carrying value was written down to the recoverable amount and an additional impairment charge of HK\$726 million was recognised in 2023.

The VIU model is based on the requirements in HKAS 36 "Impairment of assets" and is dependent on many assumptions, both short-term and long-term in nature. These assumptions, which are judgemental, are derived from a combination of management estimates, forecasts and market data. The assumptions considered the current levels of uncertainty on the economy in Malaysia.

A number of key judgements were made by management in determining the inputs for the VIU calculation which included:

- forecast cash flows;
- forecast regulatory capital adjustments required;
- growth rates and terminal values; and
- discount rate applied to the forecast cash flows.

We identified the impairment assessment of the Group's investment in AFFIN as a key audit matter because of the increased uncertainty of the VIU estimation and its significance to the consolidated financial statements, and because assessing the key assumptions involved a significant degree of management judgement which may affect both the carrying value of the Group's investment in AFFIN at year end and amount of impairment charge for the year.

How the matter was addressed in our audit

Our audit procedures to assess the carrying value of the Group's investment in AFFIN with regards to methodology, data and assumptions used in the estimate included the following:

Methodology

- engaging our valuation specialists to evaluate the methodology used in the VIU calculation;

Data

- comparing AFFIN's budgeted income and profits with the assumptions used by management in its discounted cash flow forecast; and
- comparing the actual results of AFFIN for the past years to forecasts prepared by management for the preceding years to assess the accuracy of management's forecasting process;

Assumptions

- discussing with management, who sit on the board of AFFIN, to understand business performance and future business plans of AFFIN;
- evaluating the assumptions and judgements adopted by management in its discounted cash flow forecast relating to growth rates, terminal value and the discount rate used to derive the recoverable amount of the Group's investment in AFFIN, with support of our valuation specialists, through the following procedures:
 - conducting research on the assumptions and judgements relating to growth rates, terminal value and the discount rate based on available market information;
 - performing an alternative calculation of the discount rate and comparing this calculation with the discount rate applied by management to assess reasonableness of the discount rate used by management;

獨立核數師報告 (續)

投資於聯營公司，AFFIN Bank Berhad (「AFFIN」)，的減值評估
請參閱綜合財務報表附註2(r)和30

關鍵審計事項

貴集團對AFFIN的投資的市場報價持續低於賬面值一段時間。這是潛在減值的指標。

按《香港會計準則》第36號「資產減值」的要求，當賬面值高於可收回價值時，便需要確認減值損失。可收回價值為銷售淨值與使用價值中的較高者。在 貴集團繼續持有此投資的假設下， 貴集團利用使用價值模型進行了減值測試以估計此投資的價值。

於二零二三年十二月三十一日，基於使用價值計算的可收回價值為港幣30.12億元。其賬面值減值到可收回價值並於年內確認港幣7.26億元的減值損失。

其使用價值模型是按《香港會計準則》第36號「資產減值」的要求並取決於很多長期及短期的參數。這些具判斷性的參數綜合了管理層估計，預測及市場數據。其中假設已經考慮現時馬來西亞經濟的不確定性。

管理層於釐定使用價值計算的參數輸入時作出一些關鍵判斷，包括：

- 現金流預測；
- 預測的監管資本需求調整；
- 增長率及終值；及
- 對預測的現金流所使用的折現率。

由於估計使用價值涉及較高的不確定性及其對綜合財務報表的重要性，關鍵參數的評估涉及管理層的重大判斷，這些重大判斷可能影響 貴集團對AFFIN的投資於年末的賬面值及年內的減值損失，我們因此將 貴集團對AFFIN的投資的減值評估識別為關鍵審計事項。

審計對策

因應估計中使用的方法、數據和假設，我們就 貴集團對AFFIN的投資的減值評估相關的審計程序包括以下各項：

方法

- 使用我們估值專家評估使用價值計算方法；

數據

- 對AFFIN的預算收入及盈利與管理層於折現現金流預測使用的假設作出比較；
- 將AFFIN過去的實際業績與管理層為往年準備的預測進行對比，以評估管理層預測程式的準確性；

假設

- 與同時為AFFIN董事會成員的管理層商討並瞭解AFFIN的業務表現及未來商業計劃；
- 在我們估值專家的協助下，透過以下程序評估管理層於折現現金流預測用到的假設及判斷，包括用於計算對AFFIN投資的可收回價值時用到的增長率，終值及折現率：
 - 利用可用市場資訊，對增長率，終值及折現率相關的假設及判斷作出調查；
 - 執行折現率替代性計算，將該計算結果與管理層使用的折現率進行比較，以評估管理層使用的折現率的合理性；

Independent Auditor's Report (continued)

Impairment assessment of an investment in associate, AFFIN Bank Berhad ("AFFIN")

Refer to notes 2(r), 30 to the consolidated financial statements

Key audit matter**How the matter was addressed in our audit**

- evaluating the assumptions used in forecasting regulatory capital adjustments required;
- comparing AFFIN's budgeted income and profits with externally derived data, such as analysts' reports, to assess their reasonableness;
- evaluating the sensitivity analyses prepared by management for each of the key assumptions adopted in the discounted cash flow forecast, including growth rates applied, cash flow forecast, and discount rate assumptions, and considering any management bias in formulating these assumptions; and
- evaluating the probabilities assigned by management to the various economic scenarios in the VIU calculation by assessing whether they were aligned with market and economic development.

In addition to the above audit procedures, we also considered whether the disclosures in the consolidated financial statements in respect of the impairment assessment of the Group's investment in AFFIN reflected the risks inherent in the key assumptions with reference to the requirements of the prevailing accounting standards.

獨立核數師報告(續)

投資於聯營公司，AFFIN Bank Berhad (「AFFIN」)，的減值評估
請參閱綜合財務報表附註2(r)和30

關鍵審計事項

審計對策

- 評價用於預測的監管資本需求調整的假設；及
- 對AFFIN的預算收入及盈利，與源自外部的數據，如分析師報告作出比較，以評估其合理性；
- 評估管理層就於折現現金流預測使用的各項關鍵參數準備的敏感性測試包括增長率，現金流預測及折現率的假設，並考慮作出這些假設當中管理層有偏向的可能性；及
- 評估管理層於使用價值計算中對不同經濟情景使用的概率是否符合市場及經濟發展。

除了上述的審計程序，我們還參考現行會計準則的要求，考慮綜合財務報表內關於 貴集團對AFFIN的投資的減值評估的披露是否反映了關鍵假設的固有風險。

Independent Auditor's Report (continued)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

獨立核數師報告(續)

綜合財務報表及其核數師報告以外的資訊

董事需對其他資訊負責。其他資訊包括刊載於年報內的全部資訊，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

Independent Auditor's Report (continued)

-
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong, Po Shan.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

21 February 2024

獨立核數師報告(續)

- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及為消除對獨立性的威脅所採取的行動或防範措施(若適用)。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是黃寶珊。

畢馬威會計師事務所

執業會計師
香港中環
遮打道十號
太子大廈八樓

二零二四年二月二十一日

Consolidated Income Statement

綜合收益表

For the year ended 31st December, 2023 截至2023年12月31日止年度

| | | Notes 附註 | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|---|----------------------------|----------|-----------------------|-----------------------|
| Interest income | 利息收入 | 5 | 39,685 | 24,848 |
| Interest income calculated using the effective interest method | 按有效利率方法計算的利息收入 | | 36,788 | 24,871 |
| Related interest income/(expense) | 相關利息收入/(支出) | | 2,897 | (23) |
| Interest expense | 利息支出 | 6 | (22,811) | (11,340) |
| Net interest income | 淨利息收入 | | 16,874 | 13,508 |
| Fee and commission income | 服務費及佣金收入 | 7 | 3,361 | 3,372 |
| Fee and commission expense | 服務費及佣金支出 | | (721) | (619) |
| Net fee and commission income | 服務費及佣金收入淨額 | | 2,640 | 2,753 |
| Net trading profit | 交易溢利淨額 | 8 | 1,225 | 943 |
| Net result on financial instruments at FVTPL | 按通過損益以反映公平價值金融工具的淨表現 | 9 | (262) | (68) |
| Net result on financial assets measured at FVOCI | 按通過其他全面收益以反映公平價值計量金融資產的淨表現 | 10 | (26) | 175 |
| Net loss on sale of financial assets measured at amortised cost | 出售按攤銷成本計量金融資產之淨虧損 | | (22) | (6) |
| Net hedging profit | 對沖溢利淨額 | 11 | 30 | 201 |
| Other operating income | 其他經營收入 | 12 | 287 | 448 |
| Non-interest income | 非利息收入 | | 3,872 | 4,446 |
| Operating income | 經營收入 | | 20,746 | 17,954 |
| Operating expenses | 經營支出 | 13 | (9,432) | (9,224) |
| Operating profit before impairment losses | 未扣除減值損失之經營溢利 | | 11,314 | 8,730 |
| Impairment losses on financial instruments | 金融工具減值損失 | 14 | (5,483) | (5,923) |
| Impairment losses on associate | 聯營公司減值損失 | 30 | (726) | - |
| Impairment losses on other assets | 其他資產減值損失 | | (6) | (3) |
| Impairment losses | 減值損失 | | (6,215) | (5,926) |
| Operating profit after impairment losses | 已扣除減值損失後之經營溢利 | | 5,099 | 2,804 |
| Net profit on sale of assets held for sale | 出售持有作出售資產之淨溢利 | 15 | 2 | 1,445 |
| Net loss on disposal of subsidiaries/ associates | 出售附屬公司/聯營公司之淨虧損 | | (12) | (1) |
| Net profit on disposal of fixed assets | 出售固定資產之淨溢利 | 16 | 14 | 17 |
| Valuation losses on investment properties | 重估投資物業虧損 | 32 | (86) | (179) |
| Share of profits less losses of associates and joint ventures | 應佔聯營公司及合資企業溢利減虧損 | 30 | 293 | 855 |
| Profit for the year before taxation | 年度內除稅前溢利 | | 5,310 | 4,941 |
| Income tax | 所得稅 | 17 | (1,174) | (563) |
| Profit for the year | 年度內溢利 | | 4,136 | 4,378 |
| Attributable to: | 可歸屬於： | | | |
| Owners of the parent | 本集團股東 | 42(j) | 4,118 | 4,359 |
| Non-controlling interests | 非控股權益 | | 18 | 19 |
| Profit for the year | 年度內溢利 | | 4,136 | 4,378 |
| | | | HK\$ 港幣元 | HK\$ 港幣元 |
| Earnings per share | 每股盈利 | | | |
| Basic | 基本 | 19 | 1.32 | 1.32 |
| Diluted | 攤薄 | 19 | 1.32 | 1.32 |

The notes on pages 196 to 377 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 18.

第196至377頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註18。

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31st December, 2023 截至2023年12月31日止年度

| | Notes 附註 | 2023 | | 2022 | |
|--|----------|---------|-------|---------|---------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net profit | | | 4,136 | | 4,378 |
| Other comprehensive income for the year: | | | | | |
| Items that will not be reclassified to income statement: | | | | | |
| Premises: | | | | | |
| – unrealised surplus on revaluation of premises | | | | | |
| – deferred taxes | | | | | |
| Fair value reserve (equity instruments): | | | | | |
| – net change in fair value | | | | | |
| – deferred taxes | | | | | |
| Liability credit reserve: | | | | | |
| – net change in fair value attributable to Group's own credit risk | | | | | |
| – deferred taxes | | | | | |
| Items that may be reclassified subsequently to income statement: | | | | | |
| Fair value reserve (debt instruments): | | | | | |
| – net change in fair value | | | | | |
| – amount transferred to income statement on disposal | | | | | |
| – deferred taxes | | | | | |
| Share of changes in equity of associates and joint ventures | | | | | |
| Exchange differences arising from translation of accounts/disposal of overseas, Macau and Taiwan branches, subsidiaries, associates and joint ventures | | | | | |
| Other comprehensive income | | | 160 | | (3,830) |
| Total comprehensive income | | | 4,296 | | 548 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | | 4,278 | | 529 |
| Non-controlling interests | | | 18 | | 19 |
| | | | 4,296 | | 548 |

The notes on pages 196 to 377 form part of these financial statements.

第196至377頁之附註屬本財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31st December, 2023 於2023年12月31日

| | | Notes 附註 | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|---|------------------|-----------|-----------------------|-----------------------|
| ASSETS | 資產 | | | |
| Cash and balances with banks | 現金及在銀行的結存 | 23 | 45,903 | 54,579 |
| Placements with and advances to banks | 在銀行的存款及墊款 | 24 | 43,691 | 60,203 |
| Trade bills | 貿易票據 | 25 | 373 | 529 |
| Trading assets | 交易用途資產 | 26 | 3,049 | 1,530 |
| Derivative assets | 衍生工具資產 | 45(b)(ii) | 9,056 | 11,092 |
| Loans and advances to customers | 客戶貸款及墊款 | 27 | 526,984 | 542,394 |
| Investment securities | 投資證券 | 28 | 167,270 | 147,007 |
| Investments in associates and joint ventures | 聯營公司及合資企業投資 | 30 | 8,384 | 9,061 |
| Fixed assets | 固定資產 | 32 | 13,493 | 13,476 |
| – Investment properties | – 投資物業 | | 5,105 | 5,166 |
| – Other properties and equipment | – 其他物業及設備 | | 7,603 | 7,593 |
| – Right-of-use assets | – 使用權資產 | | 785 | 717 |
| Goodwill and intangible assets | 商譽及無形資產 | 31 | 1,852 | 1,870 |
| Deferred tax assets | 遞延稅項資產 | 35(b) | 1,836 | 1,849 |
| Other assets | 其他資產 | 33 | 38,470 | 39,235 |
| Total Assets | 資產總額 | | 860,361 | 882,825 |
| EQUITY AND LIABILITIES | 股東權益及負債 | | | |
| Deposits and balances of banks | 銀行的存款及結餘 | | 25,619 | 25,478 |
| – Designated at fair value through profit or loss | – 指定為通過損益以反映公平價值 | 34 | 3,199 | 4,545 |
| – At amortised cost | – 攤銷成本 | | 22,420 | 20,933 |
| Deposits from customers | 客戶存款 | 36 | 628,598 | 648,093 |
| – Demand deposits and current accounts | – 活期存款及往來賬戶 | | 65,643 | 65,899 |
| – Savings deposits | – 儲蓄存款 | | 118,163 | 145,107 |
| – Time, call and notice deposits | – 定期及通知存款 | | 444,792 | 437,087 |
| Trading liabilities | 交易用途負債 | | – | 5 |
| Derivative liabilities | 衍生工具負債 | 45(b)(ii) | 4,007 | 4,145 |
| Certificates of deposit issued | 已發行存款證 | | 27,618 | 32,662 |
| – Designated at fair value through profit or loss | – 指定為通過損益以反映公平價值 | 34 | 9,415 | 19,001 |
| – At amortised cost | – 攤銷成本 | | 18,203 | 13,661 |
| Current taxation | 本年稅項 | 35(a) | 1,602 | 1,252 |
| Debt securities issued | 已發行債務證券 | | 844 | 2,892 |
| – Designated at fair value through profit or loss | – 指定為通過損益以反映公平價值 | 34 | 688 | 811 |
| – At amortised cost | – 攤銷成本 | | 156 | 2,081 |
| Deferred tax liabilities | 遞延稅項負債 | 35(b) | 468 | 226 |
| Other liabilities | 其他負債 | 37 | 47,312 | 49,799 |
| Loan capital – at amortised cost | 借貸資本—攤銷成本 | 38 | 15,967 | 11,927 |
| Total Liabilities | 負債總額 | | 752,035 | 776,479 |
| Share capital | 股本 | 40 | 41,915 | 41,856 |
| Reserves | 儲備 | 42 | 56,058 | 54,131 |
| Total equity attributable to owners of the parent | 歸屬於本集團股東權益總額 | | 97,973 | 95,987 |
| Additional equity instruments | 額外股本工具 | 41 | 10,090 | 10,090 |
| Non-controlling interests | 非控股權益 | | 263 | 269 |
| Total Equity | 股東權益總額 | | 108,326 | 106,346 |
| Total Equity and Liabilities | 股東權益及負債總額 | | 860,361 | 882,825 |

Approved and authorised for issue by the Board on 21st February, 2024.

董事會於2024年2月21日核准及授權發布。

Executive Chairman
Co-Chief ExecutivesDavid LI Kwok-po
Adrian David LI Man-kiu
Brian David LI Man-bun
Meocre LI Kwok-wing執行主席
聯席行政總裁李國寶
李民橋
李民斌
李國榮

Director

董事

The notes on pages 196 to 377 form part of these financial statements.

第196至377頁之附註屬本財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st December, 2023 截至2023年12月31日止年度

| | | Capital | | | | | | | | | | | | | |
|---|-----------------------|---------------|-----------------|--------------------------------------|-----------------|------------------------------|--|--------------------|--------------------------|-----------------------------|------------------|-------------------------------|---------------------------|--------------|---------|
| | | Share capital | General reserve | Revaluation reserve of bank premises | Capital reserve | Exchange revaluation reserve | Capital reserve - staff share options issued | Fair value reserve | Liability credit reserve | Other reserves ² | Retained profits | Additional equity instruments | Non-controlling interests | Total equity | |
| | | 股本 | 一般儲備 | 行址重估儲備 | 資本儲備 | 匯兌重估儲備 | 已發行僱員認股權儲備 | 公平價值儲備 | 負債信貸儲備 | 其他儲備 ² | 留存溢利 | 額外股本工具 | 非控股權益 | 權益總額 | |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | |
| At 1st January, 2023 | 於2023年1月1日 | 41,856 | 13,658 | 2,255 | 895 | (1,822) | 150 | 510 | 15 | 5,105 | 33,365 | 95,987 | 10,090 | 269 | 106,346 |
| Changes in equity | 權益變動 | | | | | | | | | | | | | | |
| Profit for the year | 年度內溢利 | - | - | - | - | - | - | - | - | - | 4,118 | 4,118 | - | 18 | 4,136 |
| Other comprehensive income | 其他全面收益 | - | - | 15 | - | (723) | - | 828 | (11) | 51 | - | 160 | - | - | 160 |
| Total comprehensive income | 全面收益總額 | - | - | 15 | - | (723) | - | 828 | (11) | 51 | 4,118 | 4,278 | - | 18 | 4,296 |
| Shares issued in lieu of dividend (Note 40) | 以股代息發行的股份(附註40) | 59 | - | - | - | - | - | - | - | - | - | 59 | - | - | 59 |
| Equity settled share-based transaction (Note 42(f)) | 以股份為基礎作支付之交易(附註42(f)) | - | - | - | - | - | 24 | - | - | - | - | 24 | - | - | 24 |
| Transfer | 轉賬 | - | - | - | - | - | (35) | - | - | (2) | 37 | - | - | - | - |
| Distribution/Dividends declared or approved during the year | 年度內的分派及已宣佈或核准派發股息 | - | - | - | - | - | - | - | - | - | (2,008) | (2,008) | - | (24) | (2,032) |
| Share buy-back ¹ | 股份回購 ¹ | - | - | - | - | - | - | - | - | - | (367) | (367) | - | - | (367) |
| At 31st December, 2023 | 於2023年12月31日 | 41,915 | 13,658 | 2,270 | 895 | (2,545) | 139 | 1,338 | 4 | 5,154 | 35,145 | 97,973 | 10,090 | 263 | 108,326 |

1. During the year, the Bank bought back 36 million issued shares on the Stock Exchange at a total consideration of HK\$366 million. Together with the direct transaction cost of approximately HK\$1 million, a total amount of HK\$367 million was accounted for as a deduction from retained profits. For details of the share buy-back, please refer to Note 40.

2. Other reserves include statutory reserve and other reserves.

1. 年內，本行以總代價港幣3.66億元回購3,600萬股已發行股份。連同直接交易成本港幣100萬元，總額港幣3.67億元已從留存溢利中扣除。有關股份回購的詳情，請參閱附註40。

2. 其他儲備包括法定儲備及其他儲備。

The notes on pages 196 to 377 form part of these financial statements.

第196至377頁之附註屬本財務報表之一部分。

Consolidated Statement of Changes in Equity (continued)
綜合權益變動表 (續)

For the year ended 31st December, 2022 截至2022年12月31日止年度

| | | Capital | | | | | | | | | | | | | |
|---|------------------------|---------------|-----------------|--------------------------------------|-----------------|------------------------------|--|--------------------|--------------------------|-----------------------------|------------------|-------------------------------|---------------------------|--------------|---------|
| | | Share capital | General reserve | Revaluation reserve of bank premises | Capital reserve | Exchange revaluation reserve | Capital reserve - staff share options issued | Fair value reserve | Liability credit reserve | Other reserves ³ | Retained profits | Additional equity instruments | Non-controlling interests | Total equity | |
| | | 股本 | 一般儲備 | 行址重估儲備 | 資本儲備 | 匯兌重估儲備 | 已發行僱員認股權 | 公平價值儲備 | 負債信貸儲備 | 其他儲備 ³ | 留存溢利 | 總額 | 額外股本工具 | 非控股權益 | 權益總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| At 1st January, 2022 | 於2022年1月1日 | 41,645 | 13,658 | 1,905 | 895 | 1,058 | 152 | 1,925 | (46) | 5,191 | 35,395 | 101,778 | 13,968 | 304 | 116,050 |
| Changes in equity | 權益變動 | | | | | | | | | | | | | | |
| Profit for the year | 年度內溢利 | - | - | - | - | - | - | - | - | - | 4,359 | 4,359 | - | 19 | 4,378 |
| Other comprehensive income | 其他全面收益 | - | - | 350 | - | (2,880) | - | (1,415) | 61 | 54 | - | (3,830) | - | - | (3,830) |
| Total comprehensive income | 全面收益總額 | - | - | 350 | - | (2,880) | - | (1,415) | 61 | 54 | 4,359 | 529 | - | 19 | 548 |
| Shares issued in lieu of dividend (Note 40) | 以股代息發行的股份 (附註40) | 211 | - | - | - | - | - | - | - | - | - | 211 | - | - | 211 |
| Equity settled share-based transaction (Note 42(f)) | 以股份為基礎作支付之交易 (附註42(f)) | - | - | - | - | - | 22 | - | - | - | - | 22 | - | - | 22 |
| Transfer | 轉帳 | - | - | - | - | - | (24) | - | - | (140) | 164 | - | - | - | - |
| Distribution/Dividends declared or approved during the year | 年度內的分派及已宣佈或核准派發股息 | - | - | - | - | - | - | - | - | - | (3,455) | (3,455) | - | (48) | (3,503) |
| Share buy-back ¹ | 股份回購 ¹ | - | - | - | - | - | - | - | - | - | (3,051) | (3,051) | - | - | (3,051) |
| Redemption of additional equity instruments ² | 贖回額外股本工具 ² | - | - | - | - | - | - | - | - | - | (47) | (47) | (3,878) | - | (3,925) |
| Change of ownership in subsidiaries | 附屬公司之擁有權變動 | - | - | - | - | - | - | - | - | - | - | - | - | (6) | (6) |
| At 31st December, 2022 | 於2022年12月31日 | 41,856 | 13,658 | 2,255 | 895 | (1,822) | 150 | 510 | 15 | 5,105 | 33,365 | 95,987 | 10,090 | 269 | 106,346 |

1. In 2022, the Bank bought back 262 million issued shares at a total consideration of HK\$3,038 million. Together with the direct transaction cost of HK\$13 million, a total amount of HK\$3,051 million were accounted for as a deduction from retained profits. For details of the share buy-back, please refer to Note 40.

2. In 2022, the Bank redeemed HK\$3,878 million (US\$500 million) undated non-cumulative subordinated Additional Tier 1 capital securities issued in 2017.

3. Other reserves include statutory reserve and other reserves.

The notes on pages 196 to 377 form part of these financial statements.

1. 2022年內，本行以總代價港幣30.38億元回購2.62億股已發行股份。連同直接交易成本港幣1,300萬元，總額港幣30.51億元已從留存溢利中扣除。有關股份回購的詳情，請參閱附註40。

2. 2022年內，本行贖回港幣38.78億元(5億美元)於2017年發行的無到期日非累積後償額外一級資本工具。

3. 其他儲備包括法定儲備及其他儲備。

第196至377頁之附註屬本財務報表之一部分。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st December, 2023 截至2023年12月31日止年度

| | | | 2023 | 2022 |
|---|----------|-----------------------------------|---------------|---------------|
| | Notes 附註 | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| OPERATING ACTIVITIES | | 經營業務活動 | | |
| Profit for the year before taxation | | 年度內除稅前溢利 | 5,310 | 4,941 |
| Adjustments for: | | 調整： | | |
| Charge for impairment losses on financial instruments | | 金融工具減值損失支銷 | 5,483 | 5,923 |
| Charge for impairment losses on associate | | 聯營公司減值損失支銷 | 726 | - |
| Charge for impairment losses on other assets | | 其他資產減值損失支銷 | 6 | 3 |
| Share of profits less losses of associates and joint ventures | | 應佔聯營公司及合資企業溢利減虧損 | (293) | (855) |
| Net loss on sale of financial assets measured at amortised cost | | 出售按攤銷成本計量金融資產之淨虧損 | 22 | 6 |
| Net loss/(profit) on sale of debt securities measured at FVOCI | | 出售按通過其他全面收益以反映公平價值計量債務證券之淨虧損/(溢利) | 60 | (142) |
| Net loss on disposal of subsidiaries and associates | | 出售附屬公司及聯營公司之淨虧損 | 12 | 1 |
| Net profit on sale of assets held for sale | | 出售持有作出售資產之淨溢利 | (2) | (1,445) |
| Net profit on disposal of fixed assets | | 出售固定資產之淨溢利 | (14) | (17) |
| Interest expense on debt securities issued | | 已發行債務證券利息支出 | 51 | 80 |
| Interest expense on loan capital issued | | 已發行借貸資本利息支出 | 949 | 454 |
| Interest expense on lease liabilities | | 租賃負債利息支出 | 29 | 28 |
| Depreciation on bank premises, furniture, fixtures and equipment | | 行址、傢俬、裝修及設備折舊 | 547 | 567 |
| Depreciation on right-of-use assets | | 使用權資產折舊 | 260 | 295 |
| Dividend income from equity securities measured at FVOCI | | 按通過其他全面收益以反映公平價值計量股份證券股息收入 | (34) | (16) |
| Amortisation of intangible assets | | 無形資產攤銷 | 13 | 13 |
| Amortisation of premium/discount on debt securities and loan capital issued | | 已發行債務證券及借貸資本的溢價/折扣攤銷 | 11 | 7 |
| Revaluation losses/(gains) on debt securities and loan capital issued | | 重估已發行債務證券及借貸資本虧損/(盈利) | 201 | (298) |
| Valuation losses on investment properties | | 重估投資物業虧損 | 86 | 179 |
| Equity settled share-based payment expenses | | 以股份為基礎作支付費用 | 24 | 22 |
| | | | 13,447 | 9,746 |

Consolidated Cash Flow Statement (continued)
綜合現金流量表(續)

For the year ended 31st December, 2023 截至2023年12月31日止年度

| | Notes 附註 | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|--|---------------------------|-----------------------|-----------------------|
| (Increase)/decrease in operating assets: | 經營資產(增)/減額： | | |
| Cash and balances with banks with original maturity beyond three months | 原本期限為3個月以上的現金及在銀行的結存 | 1,533 | 1,457 |
| Placements with and advances to banks with original maturity beyond three months | 原本期限為3個月以上在銀行的存款及墊款 | (4,028) | 1,618 |
| Trade bills | 貿易票據 | 156 | 10,244 |
| Trading assets | 交易用途資產 | (2,728) | 2,228 |
| Derivative assets | 衍生工具資產 | 2,036 | (7,711) |
| Loans and advances to customers | 客戶貸款及墊款 | 10,778 | (3,374) |
| Debt investment securities measured at amortised cost | 按攤銷成本計量債務投資證券 | 5,187 | 2,260 |
| Investment securities measured at FVOCI | 按通過其他全面收益以反映公平價值計量投資證券 | (17,193) | (2,761) |
| Debt investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量債務投資證券 | 1,194 | 1,095 |
| Non-trading equity securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量非交易用途股份證券 | 95 | 193 |
| Other assets | 其他資產 | 182 | 624 |
| Increase/(decrease) in operating liabilities: | 經營負債增/(減)額： | | |
| Deposits and balances of banks | 銀行的存款及結餘 | 141 | (6,288) |
| Deposits from customers | 客戶存款 | (19,495) | 14,588 |
| Certificates of deposit issued | 已發行存款證 | (5,056) | (31,595) |
| Trading liabilities | 交易用途負債 | (5) | - |
| Derivative liabilities | 衍生工具負債 | (138) | (905) |
| Other liabilities | 其他負債 | (2,727) | 8,642 |
| Exchange adjustments | 匯兌調整 | 453 | 1,476 |
| NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS | 經營活動現金(流出)/流入淨額 | (16,168) | 1,537 |
| Income tax paid | 已付所得稅 | | |
| Hong Kong profits tax paid | 已付香港利得稅 | (261) | (199) |
| Outside Hong Kong profits tax paid | 已付香港以外利得稅 | (489) | (244) |
| NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES | (用於)/源自經營業務活動之現金淨額 | (16,918) | 1,094 |

Consolidated Cash Flow Statement (continued)
綜合現金流量表(續)

For the year ended 31st December, 2023 截至2023年12月31日止年度

| | Notes 附註 | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|---|----------------------------|-----------------------|-----------------------|
| INVESTING ACTIVITIES | 投資活動 | | |
| Dividends received from associates and joint ventures | 收取聯營公司及合資企業股息 | 71 | 209 |
| Dividends received from equity securities measured at FVOCI | 收取按通過其他全面收益以反映公平價值計量股份證券股息 | 34 | 16 |
| Purchase of fixed assets | 購入固定資產 | (680) | (555) |
| Proceeds from disposal of other properties and equipment | 出售其他物業及設備所得款項 | 42 | 174 |
| Proceeds from sale of assets held for sale | 出售持有作出售資產所得款項 | 22 | 2,290 |
| NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES | (用於)／源自投資活動之現金淨額 | (511) | 2,134 |
| FINANCING ACTIVITIES | 融資活動 | | |
| Ordinary dividends paid | 支付普通股股息 | (1,377) | (2,584) |
| Distribution to Additional Tier 1 issue holders | 派發予額外一級資本工具持有人 | (596) | (708) |
| Payment for repurchase of shares | 支付股份回購 | (367) | (3,051) |
| Issue of debt securities | 發行債務證券 | - | 388 |
| Issue of loan capital | 發行借貸資本 | 3,893 | 5,793 |
| Capital element of lease rentals paid | 支付租賃負債之資本部份 | (245) | (274) |
| Interest element of lease rentals paid | 支付租賃負債之利息部份 | (29) | (28) |
| Redemption of debt securities issued | 贖回已發行債務證券 | (2,090) | (3,061) |
| Redemption of additional equity instruments | 贖回額外股本工具 | - | (3,925) |
| Interest paid on debt securities issued | 支付已發行債務證券利息 | (58) | (161) |
| Interest paid on loan capital | 支付已發行借貸資本利息 | (873) | (374) |
| NET CASH USED IN FINANCING ACTIVITIES | 用於融資活動之現金淨額 | (1,742) | (7,985) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | 現金及等同現金項目淨減少 | (19,171) | (4,757) |
| CASH AND CASH EQUIVALENTS AT 1ST JANUARY | 於1月1日之現金及等同現金項目 | 112,149 | 120,646 |
| Effect of foreign exchange rate changes | 匯率變動的影響 | (844) | (3,740) |
| CASH AND CASH EQUIVALENTS AT 31ST DECEMBER | 於12月31日之現金及等同現金項目 | 92,134 | 112,149 |
| Cash flows from operating activities included: | 源自經營業務活動的現金流量包括： | | |
| Interest received | 利息收入 | 39,022 | 23,960 |
| Interest paid | 利息支出 | 20,771 | 9,079 |
| Dividend received | 股息收入 | 10 | 34 |

The notes on pages 196 to 377 form part of these financial statements.

第196至377頁之附註屬本財務報表之一部分。

Notes to the Financial Statements

財務報表附註

1. Principal Activities 主要業務

The Bank and its subsidiaries (the "Group") are engaged in the provision of banking and related financial services.

本行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務。

2. Material Accounting Policies 重大會計政策

(a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the material accounting policies adopted by the Group is set out below.

The HKICPA has issued a number of amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of Preparation of the Financial Statements

The consolidated financial statements for the year ended 31st December, 2023 comprise the Group and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated or mandatorily measured at fair value through profit or loss and measured at fair value through other comprehensive income (Note 2(h)(ii));
- derivative financial instruments (Notes 2(k) and 2(l)); and
- investment properties (Note 2(o)(ii)).

The preparation of financial statements in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a) 符合指引聲明

本財務報表乃按照香港會計師公會頒布所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合聯交所《上市規則》有關的披露規定。本集團採納的重大會計政策簡列如下。

香港會計師公會已頒布數項《香港財務報告準則》的修訂，並於本年度本集團的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而須反映在本期及去年會計期的財務報表。

(b) 財務報表編製基準

截至2023年12月31日止年度的綜合財務報表包括本集團及其應佔聯營公司及合資企業之權益。

除以下資產及負債是以公平價值列賬外，本財務報表是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定為或強制按通過損益以反映公平價值計量及按通過其他全面收益以反映公平價值計量的金融工具(附註2(h)(ii))；
- 衍生金融工具(附註2(k)及2(l))；及
- 投資物業(附註2(o)(ii))。

按《香港財務報告準則》之要求，在編製財務報表時，管理層須作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計存在差異。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details of judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 52.

(c) Basis of Consolidation

These consolidated financial statements cover the consolidated position of the Bank and all subsidiaries unless otherwise stated and the Group's interest in associates and joint ventures. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in Note 1 in the Unaudited Supplementary Financial Information.

(i) Subsidiaries and non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

有關估計及假設須持續作檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

在附註52內，管理層已解釋實施對財務報表有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

(c) 綜合基準

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司及本集團所佔聯營公司及合資企業之權益的綜合狀況。根據《銀行業(披露)規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註1列載。

(i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。本集團基於對有關實體之權利、參與度及權力並可運用此等條件以影響其所得回報，則視為本集團對該實體擁有控制權。在評估是否有控制權時，本集團只考慮實質的權力(由本集團及其他人士所擁有)。

附屬公司之投資由控制權生效日起至控制權失效日止在綜合財務報表內計算。在編製綜合財務報表時，集團之間的結餘、交易及現金流及任何因集團之間交易所產生的未實現溢利均被抵銷。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益指無論是直接或間接並不歸屬於本行之附屬公司的權益部分，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate and joint venture (Note 2(c)(ii)), and is offset against the gain or loss on the loss of control of that subsidiary.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less any impairment losses, if any (Note 2(r)).

(ii) Associates and joint ventures

The consolidated financial statements include the attributable share of the results and reserves of associates and joint ventures based on financial statements prepared at dates not earlier than three months prior to 31st December each year.

An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

非控股權益在綜合財務狀況表內的股東權益中列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值，或(如適用)按成本初始確認一聯營公司及合資企業投資(附註2(c)(ii))，及當喪失對該附屬公司控股權時與盈虧沖銷。

在本行的財務狀況表中，附屬公司投資是以成本減除任何減值損失(附註2(r))列賬。

(ii) 聯營公司及合資企業

本綜合財務報表包括根據截至每年的12月31日止之前不超過三個月的財務報表所編製應佔聯營公司及合資企業的業績及儲備。

聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參與其財務及經營政策的決策，但並不控制或共同控制其管理層。

合資企業是指本集團或本行與其他合約方共同擁有該合資企業之控制權，及對淨資產擁有權的安排。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Investments in associates and joint ventures are accounted for in the consolidated financial statements under the equity method, unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2(ac)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate or joint venture's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (Note 2(q) and 2(r)). Any excess of fair values of the investees' net identifiable assets over the cost of investment upon acquisition, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income. Any dividend income received from associates and joint ventures reduces the carrying values of the investments in associates and joint ventures, respectively.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For these purposes, the Group's interest in the associate or the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except when unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)).

除分類為持有作出售資產 (或包括在分類為持有作出售資產的出售組別內) (附註2(ac)) 外, 聯營公司及合資企業投資是以權益會計法在綜合財務報表內入賬。根據權益會計法, 投資的入賬方法是先以成本入賬, 另調整本集團於購入後應該聯營公司及合資企業的可辨識淨資產所超出成本之任何金額。往後, 需調整在收購後本集團應佔被投資方淨資產之變動及在 (附註2(q) 和2(r)) 所載有關投資的減值損失。任何於收購日應佔被投資方可辨識淨資產的公平價值超出投資成本、本集團應佔被投資方收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認, 而本集團應佔被投資方收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。任何由聯營公司及合資企業投資收取的股息收入將分別減低聯營公司及合資企業投資的賬面值。

除本集團對該聯營公司及合資企業所作具法律或推定義務或替該被投資方償付的承擔外, 當本集團應佔該聯營公司及合資企業的虧損超出本集團之應佔權益時, 超出的虧損將不被確認, 而本集團應佔該被投資方之權益將被減值至零。因此, 本集團應佔該聯營公司及合資企業權益即按權益會計法計算投資賬面值, 及實質上構成本集團應佔該聯營公司及合資企業淨資產的長期權益。

本集團與聯營公司及合資企業交易而產生之未實現溢利及虧損, 按本集團應佔該被投資方之權益為限作沖銷。若有證據顯示未實現虧損屬資產轉讓的減值損失, 則須立即於損益賬內確認。

當本集團喪失對一聯營公司之重大影響力或合資企業之共同控制權, 將按出售該被投資方之所有權益入賬, 而所產生的盈虧確認為損益。任何在喪失重大影響力或共同控制權日仍保留該前度被投資方之權益按公平價值確認, 而此金額被視為初始確認一金融資產 (附註2(h)) 的公平價值。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

The Bank accounts for the results of associates and joint ventures to the extent of dividends received. Investments in associates and joint ventures are stated in the Bank's statement of financial position at cost less any impairment losses (Note 2(r)).

本行按照已收取股息計算應佔聯營公司及合資企業之業績。在本行的財務狀況表中，聯營公司及合資企業投資是以成本減除任何減值損失(附註2(r))列賬。

(d) Translation of Foreign Currencies

Foreign currencies transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss ("FVTPL") and derivative financial instruments are included in gains less losses from trading securities or financial instruments at FVTPL. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising from translation of equity investments for which an election has been made to present subsequent changes in fair value in other comprehensive income are recognised in other comprehensive income and accumulated separately in equity.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items in the statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(d) 外幣換算

年度內的外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按報告期結束日的匯率折算為港幣。匯兌盈虧則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算已選擇將往後公平價值變動在其他全面收益列示的股份證券所產生的差額則於其他全面收益內確認，並在股東權益內分開累計。

海外業務之業績按交易日相約的匯率折算為港幣。財務狀況表的項目中，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(e) Interest

Effective interest rate

Interest income for financial assets measured at fair value through other comprehensive income ("FVOCI") or amortised cost, and interest expense on financial liabilities measured at amortised cost is recognised in the income statement using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated as credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The Group adopts Interest Rate Benchmark Reform – Phase 2 Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (the "Phase 2 amendments"), which allows a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of interest rate benchmark reform and that the transition takes place on an economically equivalent basis.

Amortised cost and gross carrying amount

The "amortised cost" of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

(e) 利息

有效利率

按通過其他全面收益以反映公平價值計量或按攤銷成本計量的金融資產的利息收入及按攤銷成本計量的金融負債的利息支出均按有效利率方法於收益表內確認。

有效利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為該金融資產的賬面值總額或該金融負債的攤銷成本的利率。

在計算除信貸不良資產外的金融工具的有效利率時，本集團計及金融工具的所有合約條款，但不計及預期信貸損失，以估計未來現金流。就初始確認時已購入或源生的信貸不良金融資產，使用估計未來現金流（包括預期信貸損失）計算信貸調整有效利率（即在初始確認時無需作出預期信貸損失撥備）。

有效利率的計算包括構成有效利率組成部分的交易成本及費用以及基點支出或收入。交易成本包括金融資產或金融負債的收購或發行直接應佔的增加成本。

本集團採用《香港財務報告準則》第9號、《香港會計準則》第39號、《香港財務報告準則》第7號、《香港財務報告準則》第4號及《香港財務報告準則》第16號有關利率基準改革之第二期修訂（「第二期修訂」），第二期修訂提供了合約現金流之改變可視為浮動利率改變的實務操作方法，若符合某些條件。該等條件包括該變動必須是利率基準改革直接導致的結果；和該變動在經濟上是等同的。

攤銷成本及賬面值總額

金融資產或金融負債的「攤銷成本」是金融資產或金融負債於初始確認時計量的金額減本金還款額，加減使用有效利率方法計算的初始確認金額與到期金額之任何差額而計算的累計攤銷，而就金融資產而言，經任何預期信貸損失準備作調整。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

The "gross carrying amount of a financial asset" is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated as credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(h)(vii).

(f) Fees and Commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate calculation (Note 2(e)).

Other fee and commission income is recognised in the income statement when the corresponding service is provided.

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If it is uncertain that a loan commitment will result in draw-down of a loan, then the related loan commitment fee is recognised as revenue on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed when the services are received.

「金融資產的賬面值總額」是金融資產就任何預期信貸損失準備作調整前的攤銷成本。

計算利息收入及支出

在計算利息收入及支出時，有效利率應用於資產的賬面值總額（當資產並非信貸不良時）或負債的攤銷成本。

然而，就初始確認後成為信貸不良的金融資產而言，透過將有效利率應用於該金融資產的攤銷成本而計算利息收入。若資產不再屬信貸不良，則恢復使用總額基準計算利息收入。

就初始確認時已購入或源生的信貸不良金融資產而言，透過將經信貸調整的有效利率應用於該資產的攤銷成本計算利息收入。即使該資產的信貸風險有所改善，亦不恢復使用總額基準計算利息收入。

有關金融資產屬信貸不良時的資料見附註2(h)(vii)。

(f) 服務費及佣金

有效利率的計算（附註2(e)）包括金融資產及金融負債中構成有效利率組成部分的服務費及佣金收入及支出。

其他服務費及佣金收入在有關服務提供時確認在收益表內。

因本集團開展或購入金融資產而產生之開立或承擔服務費收入／支出須遞延及確認為有效利率之調整。如不確定會否借出貸款，該相關承擔服務費按承擔期限以直線法列作收入。

其他服務費及佣金支出主要是交易及服務費，並在獲得服務時支銷。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(g) Other Revenue Recognition

Other revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Net income from financial instruments at FVTPL and net trading income

Net income from financial instruments designated at FVTPL, net income from non-trading financial assets mandatorily measured at FVTPL and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to these financial instruments. Coupon interest from these financial assets and financial liabilities measured at FVTPL is accrued and presented as interest income or interest expense.

(ii) Finance income from finance leases

Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.

(iii) Rental income from operating leases

Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

(iv) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

(g) 其他收入確認

其他收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入 and 支出 (如適用) 屬可靠計量的，在收益表內確認收入的方法如下：

(i) 通過損益以反映公平價值金融工具的淨收入及淨交易收入

指定為通過損益以反映公平價值金融工具的淨收入，強制按通過損益以反映公平價值計量之非交易用途金融資產及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧 (減除應計利息)，以及應歸屬於該等金融工具的匯兌差額及股息收入。由該等按通過損益以反映公平價值金融資產及金融負債產生的應計票面利息列作利息收入或利息支出。

(ii) 融資租賃收入

融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。

(iii) 經營租賃租金收入

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以賺取該收入的會計期間列作收入。

(iv) 股息收入

非上市投資股息收入在股東收取權被無條件確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

(h) Financial Instruments

(i) Initial recognition

The Group initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets at FVTPL, investment securities classified as measured at amortised cost or at FVOCI, derivative transactions or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities measured at FVTPL are expensed immediately.

Any gains and losses of the financial assets or financial liabilities measured at fair value are recorded from the date of initial recognition.

Accrued contractual interests from financial assets and liabilities are presented as accrued interest receivables and payables separately in the financial statements.

(ii) Classification

Financial assets and liabilities

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(h) 金融工具

(i) 初始確認

當本集團成為金融工具合約其中一方時初始確認金融資產和金融負債。以正常方式購買或出售按通過損益以反映公平價值的金融資產、按攤銷成本或按通過其他全面收益以反映公平價值計量的投資證券、衍生產品交易或已發行債務俱按交易日會計法確認。其他金融資產和金融負債則按結算日會計法確認。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於按通過損益以反映公平價值計量，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。按通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

自初始確認日期起，按公平價值計量的金融資產或金融負債產生的任何盈利及虧損均予以記錄。

金融資產及負債的應計合約利息在財務報表中作為應計應收及應付利息分開列示。

(ii) 分類

金融資產及金融負債

金融資產

於初始確認時，金融資產分類為：按攤銷成本、按通過其他全面收益以反映公平價值或按通過損益以反映公平價值計量。

一項金融資產按攤銷成本計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以持有該資產以收取合約現金流為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

Notes to the Financial Statements (continued)
財務報表附註 (續)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (Note 2(n)). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

一項債務工具按通過其他全面收益以反映公平價值計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以收取合約現金流及出售金融資產為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

非交易用途之股份投資初始確認時，本集團可作出不可撤回的選擇，將其後續公平價值變化確認於其他全面收益(附註(2(n)))。該選擇是按投資逐項作出。

所有其他金融資產均分類為按通過損益以反映公平價值計量。

此外，於初始確認時，在可消除或明顯減少會計錯配的情況下，本集團可不可撤回地指定在其他情況下符合按攤銷成本或按通過其他全面收益以反映公平價值計量條件的金融資產為按通過損益以反映公平價值計量。

商業模式評估

本集團評估在組合層面持有資產的商業模式之目標，因為這最能反映業務管理的方法及向管理層提供資料的方式。所考慮的資料包括：

- 組合的既定政策和目標以及該等政策的實際操作。尤其是，管理層的策略專注於賺取合約利息收入、維持特定的利率曲線、將金融資產的期限與為該等資產提供資金的負債或通過出售資產變現現金流的期限相配；
- 如何評估組合的表現並向本集團的管理層報告；
- 影響商業模式(及該商業模式下持有的金融資產)表現的風險以及如何管理該等風險；

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rates).

- 業務管理人員如何得到補償—例如，補償是否根據所管理資產的公平價值或所收取的合約現金流釐定；及

- 過往期間的出售頻率、銷量和出售時點，出售原因以及其對未來出售活動的預期。然而，銷售活動的資料並非孤立考慮，而是作為關於本集團如何實現既定的金融資產管理目標及如何實現現金流的整體評估的一部分。

持作交易用途或管理或按公平值基準評估其表現的金融資產乃按通過損益以反映公平價值計量，因其既非持作收取合約現金流之用，亦非持作收取合約現金流及出售金融資產之用。

評估合約現金流是否純粹為支付本金及利息

就此項評估而言，「本金」的定義是金融資產在初始確認時的公平價值。「利息」的定義是貨幣的時間價值以及與特定時段內未償還本金有關的信用風險以及其他基本貸款風險和成本（例如流動性風險和管理費用）及利潤率的代價。

在評估合約現金流是否純粹為支付本金及利息時，本集團考慮工具的合約條款。這包括評估金融資產是否包含可能改變合約現金流的時點或金額，致使其不符合該項條件。在評估時，本集團考慮：

- 將會改變現金流金額及時點的或有事件；
- 槓桿特徵；
- 提前還款和延期條款；
- 限制本集團要求取得指定資產（例如無追索權資產安排）的現金流的條款；及
- 修正金錢時間值代價的特徵（例如定期調整利率）。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. When (and only when) the Group changes its business model for managing financial assets, it reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the "reclassification date", which is defined as, "the first day of the first reporting period following the change in business model that results in reclassifying financial assets". Accordingly, any previously recognised gains, losses or interest will not be restated.

If a financial asset is reclassified out of the amortised cost measurement category and into the FVTPL or FVOCI measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in profit or loss (if reclassification as FVTPL measurement category) or is recognised in other comprehensive income (if reclassification as FVOCI measurement category).

If a financial asset is reclassified out of the FVOCI measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost.

If a financial asset is reclassified out of the FVOCI measurement category and into the FVTPL measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

If a financial asset is reclassified out of the FVTPL measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount.

重新分類

除於本集團改變管理金融資產的商業模式後期間外，金融資產在初始確認後不會作出重新分類。當（並且僅當）本集團更改其管理金融資產的商業模式時，所有受影響的金融資產會根據新商業模式重新分類。重新分類應由「重分類日」前瞻性地應用。「重分類日」定義為「因商業模式變化而重新分類金融資產後的第一個報告期首天」。因此，任何之前確認的收益、虧損或利息不會重報。

如金融資產從按攤銷成本計量重新分類為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計量，則其公平價值會在重分類日計量。金融資產的先前攤銷成本與公平價值之間的差額產生的任何收益或損失會在收益表內確認（如重新分類為按通過損益以反映公平價值計量）或在其他全面收益內確認（如果重新分類為按通過其他全面收益以反映公平價值計量）。

如金融資產從按通過其他全面收益以反映公平價值計量重新分類為按攤銷成本計量，則金融資產會在重分類日按其公平價值重新分類。然而，先前於其他全面收益確認的累計收益或虧損將從權益中扣除，並於重分類日按金融資產的公平價值調整。因此，金融資產在重分類日進行計量，就好像它一直按攤銷成本計量一樣。

如金融資產從按通過其他全面收益以反映公平價值計量重新分類為按通過損益以反映公平價值計量，則該金融資產會繼續以公平價值計量。先前於其他全面收益確認的累計收益或虧損於重分類日重新分類於權益轉入收益表作為重新分類調整。

如金融資產從按通過損益以反映公平價值計量重新分類為按攤銷成本計量，則其在重新分類日的公平價值作為新的賬面值總額。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

If an entity reclassifies a financial asset out of the FVTPL measurement category and into the FVOCI measurement category, the financial asset continues to be measured at fair value and subsequent changes in fair value will be recognised in other comprehensive income.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Group may, at initial recognition, irrevocably designate a financial liability as measured at FVTPL in either of the following circumstances:

(i) When doing so results in more relevant information because either:

- a group of liabilities or a group of financial assets and liabilities is managed and its performance is evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

(ii) If a liability contract contains one or more embedded derivatives unless the embedded derivative(s) does not significantly modify the cash flows that would otherwise be required by the contract or if it is obvious that separation of the embedded derivative(s) is prohibited.

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices, where available, at the end of the reporting period without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

如金融資產從按通過損益以反映公平價值計量重新分類為按通過其他全面收益以反映公平價值計量，則該金融資產會繼續以公平價值計量，而其後的公平價值變動會在其他全面收益中確認。

金融負債

本集團將其金融負債(財務擔保及貸款承擔除外)分類為按攤銷成本或按通過損益以反映公平價值計量類別。

本集團將其金融負債於初始確認時，在以下任一情況下，或分類為不可撤銷形式指定為按通過損益以反映公平價值計量：

(i) 當指定為按通過損益以反映公平價值計量可提供更相關資訊，因：

- 該負債組別或金融資產及負債是按公平價值作內部管理、評估及呈報；或
- 該指定可抵銷或明顯減少因計量資產及負債或按不同基準確認盈利和虧損時可能產生計量或確認的不一致。

(ii) 如負債合約包含一個或多個嵌入式衍生工具，除非該等嵌入式衍生工具不會顯著改變合約原本要求的現金流量，或分拆該等嵌入式衍生工具是明顯地禁止。

(iii) 計量公平價值之原則

金融工具的公平價值是根據報告期結束日之可得市場報價但未減除將來的估計出售成本。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset, together with substantially all the risks and rewards of ownership, has been transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement. Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated at FVOCI is not recognised in the income statement on derecognition of such securities, as explained in (Note 2(n)).

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

(v) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (Note 2(h)(iv)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the income statement. If such a modification is carried out because of financial difficulties of the borrower (Note 2(h)(vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在報告期結束日適用於相同條款工具的市場利率。當採用其他價格模式時，參數是在報告期結束日的市場價格資料。

(iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移，或本集團既沒有轉移也沒有保留金融資產的重大風險和回報，並且也沒有保留對該金融資產的控制後，本集團終止確認該金融資產。

於終止確認金融資產時，資產賬面值（或終止確認部分資產的賬面值）與(i)已收代價（包括任何所得新資產減任何新負債）及(ii)已於其他全面收益確認的任何累計收益或虧損會於收益表內確認。指定為通過其他全面收益以反映公平價值的股份投資證券在其他全面收益中確認的任何累計收益／虧損均不會在終止確認時在收益表中確認（附註2(n)）。

當合約的義務已被履行、取消或到期，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法（如適用）以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

(v) 修改金融資產及金融負債

若金融資產的條款被修改，本集團會評估經修訂資產的現金流量是否重大不同。如現金流量有重大不同，則原金融資產的現金流量的法定權利被視為已過期。在此情況下，原金融資產會被終止確認（附註2(h)(iv)），並按公平價值確認為新金融資產。

如果按攤銷成本計量的已修訂資產之現金流量並無重大差異，則該修訂不會終止確認該金融資產。在這種情況下，本集團會重新計算金融資產的賬面值總額，並將調整賬面值總額所產生的金額在收益表內確認為修訂損益。如果由於借款人的財務困難而進行此類修改（附註2(h)(vii)），則將損益與減值損失一併列報。在其他情況下，應列示為利息收入。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the income statement.

In the context of interest rate benchmark reform, the Group's assessment of whether a change to an amortised cost financial instrument is substantial is made after applying the practical expedient introduced by the Phase 2 amendments. This requires the transition from an interbank offered rate to a new alternative benchmark rate to be treated as a change to a floating interest rate as described in (Note 2(e)) above.

The Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the interest rate benchmark reform if the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis, i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

當合約條款被修改及已修訂之金融負債的現金流量有重大不同，本集團會終止確認其金融負債。在這種情況下，基於修改條款後的新金融負債會按公平價值確認。已終止的金融負債與已修改條款的新金融負債的賬面值差額會在收益表內確認。

根據第二期修訂容許，本集團會應用第二期修訂的實務操作方法後評估按攤銷成本計量的金融工具是否有實質變動。基準利率被替代基準利率所取代會被視為浮動利率變動(如以上附註2(e)所述)。

本集團更新金融資產或金融負債的有效利率，以反映因利率基準改革而導致按攤銷成本計量的金融資產或金融負債之合約現金流的基礎變動。因利率基準改革要求而改變釐定合約現金流的基礎必須符合以下條件：

- 該變動必須是利率基準改革直接導致的結果；和
- 用於確定合約現金流的新基礎在經濟上是等同於舊基礎(即變動前的基礎)。

如果金融資產或金融負債合約現金流的基礎發生除利率基準改革要求以外的變動，則本集團首先更新該金融資產或金融負債的有效利率，以反映利率基準改革要求的變動。隨後，本集團應用以上修訂的會計政策於額外變動。

(vi) 抵銷

只有具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，並在財務狀況表內以淨額列示。

Notes to the Financial Statements (continued)
財務報表附註(續)

(vii) Impairment

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued;
- loan commitments issued; and
- contract assets

No impairment loss is recognised on equity investments.

The Group measures loss allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

(vii) 減值

本集團就以下非按通過損益以反映公平價值計量的金融工具的預期信貸損失確認減值準備：

- 屬債務工具的金融資產；
- 租賃應收賬款；
- 已發出的財務擔保合約；
- 已發出的貸款承擔；及
- 合約資產

無需為股份投資計算減值。

本集團使用3階段法計量12個月或合約期內之預期信貸損失的減值準備如下：

| Stage 階段 | Description 描述 | Impairment Loss Allowance Measurement 減值損失準備計量 |
|-------------|--|---|
| 1 | Performing 履行中 | 12-month ECL 12個月內之預期信貸損失 |
| 2 | Performing but with a significant increase in credit risk at reporting date compared to initial recognition 履行中但自其初始確認以來於報告日的信用風險大幅增加 | Lifetime ECL 合約期內之預期信貸損失 |
| 3 | Non-performing 不良 | Lifetime ECL 合約期內之預期信貸損失 |

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The mapping between the Group's Stage Allocation and the HKMA's 5-Grade Asset Classification is as follows:

12個月內之預期信貸損失指金融工具在報告日後之12個月內，所有潛在違約事件所導致的信貸損失。

本集團的階段分配與金管局的5級資產分類對應關係如下：

| HKMA's 5-Grade Asset Classification 金管局的5級資產類別 | Stage Allocation 階段分配 |
|---|--------------------------|
| Pass 合格 | 1 |
| Special Mention 需要關注 | 2 |
| Substandard 次級 | 2 |
| Doubtful 呆滯 | 3 |
| Loss 虧損 | |

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

The criterion of "significant increase of credit risk" takes into consideration of any one of the following key factors:

1. The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated;
2. The exposure is classified as Special Mention;
3. The rating of the exposure falls out of the "Low-Credit Risk Threshold" that is equivalent to the globally understood definition of "investment grade"; or
4. Other events and indications that the credit risk of the exposure has significantly increased since origination or purchase.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

$$\text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$$

Credit-impaired (non-performing) financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes but not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

「信貸風險顯著增加」的準則已計及以下任何一個關鍵因素：

1. 風險的內部或外部評級與風險產生之時的評級相比顯著轉差；
2. 風險被分類為「需要關注」金管局資產類別；
3. 風險的評級不再屬於相當於普遍理解的「投資級別」定義的「低信貸風險界限」；或
4. 其他事件及徵兆顯示其信貸風險自產生或購買後顯著增加。

計量預期信貸損失

預期信貸損失是在不同經濟情景中一個信貸損失的概率在加權後的估算值，以如下方法計量：

$$\text{違約風險承擔} \times \text{違約概率} \times \text{違約損失率}$$

信貸不良金融資產

於各報告日，本集團評估按攤銷成本列賬的金融資產及按通過其他全面收益以反映公平價值列賬的債務金融資產是否為信貸不良。當發生一宗或多宗對金融資產的估計未來現金流造成不利影響的事件，則該金融資產屬「信貸不良」。

金融資產出現信貸減值的證據包括但不限於以下可觀察數據：

- 借款人或發行人出現重大財政困難；
- 違反合約，如拖欠或逾期事件；
- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；
- 借款人很可能會破產或進行其他財務重組；或
- 因財政困難而導致某擔保失去活躍市場。

Notes to the Financial Statements (continued)
財務報表附註(續)

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision on the liabilities side; and
- debt instruments measured at FVOCI: no loss allowance is presented in the statement of financial position because the carrying amount of these assets is their fair value, inclusive of any ECL. However, the loss allowance is disclosed separately.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(i) Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities which are acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets and liabilities are initially recognised and subsequently measured at FVTPL.

(j) Contract Assets and Liabilities

When revenue is recognised by transferring goods or services to a customer before the consideration is received or before payment is due, the Group presents the amount of revenue as a contract asset, excluding any amounts presented as a receivable. A contract asset is recognised in statement of financial position when there is a right to consideration that is conditional on factors other than the passage of time. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Impairment of a contract asset is measured on the same basis as a financial asset as (Note 2(h)(vii)) above. The Group includes the contract assets in "Others" under "Other assets" in the statement of financial position.

因借款人的財政狀況惡化而重訂條款的貸款，除有證據證明無法收取合約現金流的風險已顯著減低且並無其他減值跡象外，通常被視為信貸不良。此外，逾期90日或以上的貸款被視為已減值。

在財務狀況表中列示預期信貸損失的準備

預期信貸損失的損失準備在財務狀況表中按以下方式列示：

- 按攤銷成本計量的金融資產：從資產的賬面值總額中扣除；
- 貸款承擔及財務擔保合約：一般作為負債方面的撥備；及
- 按通過其他全面收益以反映公平價值計量的債務工具：在財務狀況表中並不列示損失準備，因該等資產的賬面值為其公平價值，包括任何預期信貸損失。然而，損失準備會分開披露。

撇銷

若貸款及債務證券無實際可收回的前景，則予撇銷（部分或全部）。當本集團判斷借款人並無資產或收入來源可產生足夠的現金流以償還應撇銷的金額時，一般會如此處理。然而，已撇銷的金融資產仍可進行追討，以遵守本集團收回應收金額的程序。

(i) 交易用途資產及負債

作交易用途的資產和負債包括主要是作短期出售或購入的金融資產和金融負債，或屬於組合一部分並共同管理的可辨識金融工具，及有證據顯示近期有短期出售以賺取利潤的模式。交易資產和負債於初始確認，及其後以公平價值計量且其變動計入當期損益。

(j) 合約資產及負債

若本集團透過向客戶轉讓貨品或服務履約並於客戶支付代價或款項到期前確認收入，則本集團應將該合約有關收益金額列示為合約資產，惟任何列示為應收賬款的金額除外。若獲取代價的權利以隨時間流逝以外的因素為條件，則合約資產於財務狀況表中確認。當獲取代價的權利成為無條件時，合約資產將轉至應收賬款。合約資產減值與金融資產(附註2(h)(vii))的計算相同。本集團包括合約資產於財務狀況表中「其他資產」內的「其他賬項」。

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

A contract liability is recognised when a customer pays non-refundable consideration or when the Group has a right to an amount of non-refundable consideration that is unconditional, before the Group transfers a good or service to the customer. The Group includes the contract liabilities in "Others" under "Other liabilities" in the statement of financial position.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

(k) Hedging

Hedge accounting recognises the offsetting effects on the income statement of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (i) the hedging instrument expires or is sold, terminated or exercised; (ii) the hedge no longer meets the criteria for hedge accounting; or (iii) the Group revokes the designation.

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

當客戶在本集團已獲取代價或款項到期時 (以較早者為準) 擁有收取不可退還代價的權利, 則確認為合約負債。本集團的合約負債包括在財務狀況表內的「其他負債」項下的「其他賬項」。

視乎實際情況, 若本集團在訂立合約時預期實體向客戶轉讓已承諾的貨品或服務之時起至客戶支付該貨品或服務款項時止的期間為一年或以內, 則本集團毋須就重大融資組成部分的影響而調整已承諾的代價金額。若本集團原本會確認的資產攤銷期為一年或以內, 則本集團可於產生時將獲得合約的增加成本確認為支出。

(k) 對沖

對沖會計法是確認因用作對沖工具與被對沖項目因公平價值變動而在收益表內產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間, 本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當 (i) 該用作對沖工具到期或已出售、終止或行使; (ii) 該對沖交易不再符合對沖會計法的要求; 或 (iii) 本集團取消對沖指定, 本集團會停止繼續採用對沖會計法。

(i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量, 或是甚有可能發生的預計交易, 或已承諾未來交易之外匯風險, 其重新計量衍生金融工具至公平價值有效對沖部分盈利或虧損會在其他全面收益內確認, 並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

如因對沖預計交易而其後須確認為非金融資產或非金融負債, 其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而其後須確認為金融資產或金融負債, 其相關之盈虧由股東權益轉入收益表並計入相同期間或當購入資產或引起負債而影響該期間之收益表 (如當確認為利息收入或支出)。

Notes to the Financial Statements (continued)
財務報表附註 (續)

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

(ii) Fair value hedges

A fair value hedge seeks to offset risks of changes in the fair value of recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

(iii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售，終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

(ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

當用作對沖工具到期或已出售，終止或行使，或當對沖不再符合對沖會計法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。

(iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regression analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

- (iv) Specific policies for hedges affected by interest rate benchmark reform
The Group applies Interest Rate Benchmark Reform: Amendments to HKFRS 9, HKAS 39 and HKFRS 7 (the "Phase 1 amendments") reliefs to hedging relationships directly affected by interest rate benchmark reform during the period before the replacement of an existing interest rate benchmark with a new alternative benchmark rate.

The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item when the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

The Group also applies the Phase 2 amendments, which provides temporary reliefs that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with a new alternative benchmark rate.

- (i) The Phase 1 amendments
The Phase 1 amendments modify specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform so that entities applying those hedge accounting requirements assume that the interest rate benchmark on which the hedged cash flows and cash flows of the hedging instrument are based is not altered as a result of interest rate benchmark reform. These amendments replace the need for specific judgements to determine whether certain hedge accounting relationships that hedge the variability of cash flows or interest rate risk exposures for periods after the interest rate benchmarks are expected to be reformed or replaced continue to qualify for hedge accounting.

對於公平價值對沖關係，本集團採用累計價值抵銷法或回歸分析作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。

- (iv) 受利率基準改革影響的對沖特定政策
本集團應用《香港財務報告準則》第9號、《香港會計準則》第39號及《香港財務報告準則》第7號之修訂（「第一期修訂」）中有關受利率基準改革直接影響的對沖關係，在現有基準利率被替代基準利率所取代前期間的豁免。

當符合某些條件後，該豁免應停止使用。條件包括當利率基準改革對被對沖項目或用作對沖工具以利率為基礎的現金流在時間和金額上於對沖關係終止或金額在現金流對沖儲備轉出不再存在不確定性時。

本集團並採用第二期修訂，對某些對沖會計規定亦提供了臨時豁免，當現有基準利率被替代基準利率所取代時，對沖關係得以繼續。

- (i) 第一期修訂
第一期修訂對特定對沖會計的規定作出修改，以減輕因利率基準改革所引起的不確定因素之潛在影響，以使實體採用該等對沖會計規定時，假設被對沖的現金流及用作對沖工具的現金流所依據的利率基準並無因利率基準改革而改變。有關修訂豁免了就利率基準預計被改革或取代後的期間，處理對沖現金流或利率風險承擔變動的若干對沖會計關係時運用特定判斷以釐定該等關係是否仍合資格採用對沖會計法的需要。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(ii) The Phase 2 amendments

The Phase 2 amendments provide a series of temporary exemptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedging relationship to be continued without interruption. The Group applies the following relief as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

While uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies.

(i) Derivatives

Derivatives are recognised initially and are subsequently remeasured, at fair value. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative, this includes embedded derivatives which are bifurcated from the host contract, when they meet the definition of a derivative on a standalone basis.

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of HKFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and

(ii) 第二期修訂

第二期修訂對某些對沖會計規定亦提供了一系列的臨時豁免，容許當被對沖項目和／或用作對沖工具發生利率基準改革所要求的變動時，對沖關係得以繼續並不受干擾。當利率基準改革對被對沖項目或用作對沖工具以利率為基礎的現金流在時間和金額上不再存在不確定性時，本集團採用以下操作：

- 本集團修改對沖關係的指定，以反映改革所要求的變動，且不會導致對沖關係終止；和
- 當現金流對沖的被對沖項目被修改以體現改革要求的變動時，現金流對沖儲備中的累計金額將被視為以用於確定未來被對沖現金流的替代基準利率為基礎而確定的金額。

當被對沖項目或用作對沖工具基於利率基準的現金流在時間或金額上仍存在不確定性，本集團則繼續採用現有會計政策。

(i) 衍生工具

衍生工具初始確認及其後按公平價值重新計量。當衍生工具的公平價值為正數時，衍生工具分類為資產；當公平價值為負數時，衍生工具則分類為負債，這包括在獨立基礎上符合衍生工具定義但從主合同分拆的嵌入式衍生工具。

衍生工具可能嵌入另一合同(主合同)。在下列情況下，本集團會分開計算主合同及嵌入的衍生工具：

- 該主合同並非在《香港財務報告準則》第9號所覆蓋的資產；
- 該主合同不是按通過損益以反映公平價值計量；
- 嵌入衍生工具的條款如果包含在單獨的合同中，符合衍生工具的定義；及

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

(m) Loans and Advances

Loans and advances mainly comprise placements with and advances to banks, trade bills and loans and advances to customers:

- loans and advances measured at amortised cost (Note 2(h)(ii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at FVTPL or designated at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- loans and advances measured at FVOCI (Note 2(h)(ii)); and
- finance lease receivables (Note 2(s)).

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan, and the underlying asset is not recognised in the Group's financial statements.

(n) Investment Securities

The "investment securities" caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (Note 2(h)(ii)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;

- 該嵌入衍生工具的經濟特性及風險與主合同並非緊密關連的。

分離的嵌入式衍生工具按公平價值計量，公平價值的所有變動均在收益內確認，除非他們構成合資格現金流量或淨投資對沖關係的一部分。

(m) 貸款及墊款

貸款和墊款主要包括在銀行的存款及墊款、貿易票據和客戶貸款及墊款：

- 按攤銷成本計量的貸款和墊款 (附註 2(h)(ii))；初始以公平價值加上直接相關的交易成本計量，其後以有效利率法按攤銷成本計量；
- 強制按通過損益以反映公平價值計量或指定為通過損益以反映公平價值計量的貸款及墊款 (附註 2(h)(ii))；以公平價值計量，其變動立即在收益表內確認；
- 按通過其他全面收益以反映公平價值計量的貸款及墊款 (附註 2(h)(ii))；及
- 融資租賃應收款項 (附註 2(s))。

當本集團購買金融資產並同時訂立協議以未來日期的固定價格 (反向回購或股票借入) 轉售資產 (或實質上相似的資產) 時，該安排將作為貸款入賬，相關資產不會在本集團財務報表中確認。

(n) 投資證券

財務狀況表中的「投資證券」包括：

- 按攤銷成本計量的債務投資證券 (附註 2(h)(ii))；這些初始按公平價值加上直接相關交易成本計量，其後以有效利率法按攤銷成本計量；
- 債務和股權投資證券強制按通過損益以反映公平價值計量或指定為通過損益以反映公平價值計量 (附註 2(h)(ii))，其公平價值變動立即在收益表中確認；

Notes to the Financial Statements (continued)
財務報表附註 (續)

- debt securities measured at FVOCI (Note 2(h)(ii)); and
- equity investment securities designated at FVOCI (Note 2(h)(ii)).

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in the income statement in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

The Group elects to present changes in the fair value of certain investments in equity instruments that are not held for trading in other comprehensive income. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to the income statement and no impairment is recognised in the income statement. Dividends are recognised in the income statement unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

(o) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(r)).

In 1989, any deficit arising from revaluation was charged to the income statement, to the extent that it exceeded the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation. Any surplus arising from revaluation was credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

- 按通過其他全面收益以反映公平價值計量的債務證券 (附註2(h)(ii))；及
- 指定為通過其他全面收益以反映公平價值的股權投資證券 (附註2(h)(ii))。

就按通過其他全面收益以反映公平價值計量的債務證券而言，收益及虧損於其他全面收益確認，惟以下各項會於收益表內確認，與按攤銷成本計量的金融資產相同：

- 以有效利率法計算的利息收入；
- 預期信用損失和轉回；及
- 外匯收益和損失。

當按通過其他全面收益以反映公平價值計量的債務證券被終止確認時，以前在其他全面收益中確認的累計收益或虧損將從權益重新分類至收益表內。

本集團選擇在其他全面收益中列示非持有作交易用途的股份工具投資之公平價值變動。該選擇是按個別工具於初始確認時進行，並不可撤銷的。

此類股份工具的收益和損失不會重新分類至收益表，亦不會在收益表中確認減值。股息在收益表內確認，但若該等股息明確顯示為收回部分投資成本者，會在其他全面收益中確認。其他全面收益中確認的累計收益和損失會於出售投資時轉入留存溢利。

(o) 物業

- (i) 行址是按成本或於1989年董事參照獨立專業評估作出的估值，減除累計折舊及減值損失 (附註2(r)) 後於財務狀況表中列賬。

於1989年，任何重估出現虧損時於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘。任何重估出現盈餘時存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

In preparing these financial statements, advantage of the transitional provisions set out in paragraph 80AA of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA has been taken, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

- (ii) Investment properties are properties which are held either to earn rental income, for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(g)(iii).

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(o)(i).

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

A property interest under a lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under a lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(s).

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve related to the bank premises disposed is transferred to the general reserve.

在編製此等財務報表時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80AA段所載的過度條款，故行址並未在報告期結束日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每半年作估值，該公司擁有適當認可專業資格及對估值物業的所在地和類別有近期經驗。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(g)(iii)所載計算。

如附註2(o)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

本集團以租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(s)所載入賬。

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(p) Amortisation and Depreciation

(i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

(ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

(q) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(r)).

On disposal of a cash-generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

(p) 攤銷及折舊

(i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

(ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

(q) 商譽

商譽指：

(i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出

(ii) 本集團在收購日計量應佔該被購入者之可辨識資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(r))。

當出售單一現金生產單位時，計算出售溢利包括任何可歸屬購入商譽的金額。

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

(r) Impairment of Non-Financial Assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that any non-financial assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, if measurable, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(r) 非金融資產減值

在報告期結束日，須檢討對內及對外資料來源以辨識任何非金融資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少。

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

可收回金額之計算

可收回金額是公平價值減出售成本及使用價值二者中之較高者。在評估使用價值時，會採用一項當時市場評估的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合（即單一現金生產單位）。

減值損失之確認

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位（或其單位群組）之賬面值，其後再按比例減低在該單位（或其單位群組）其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本（如可計量的話）或使用值（如可確定的話）。

減值損失之轉回

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限於該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(s) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to directing how and for what purpose the asset is used. In cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) As a lessee

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

(s) 租賃

本集團於訂立合約時會評估有關合約是否屬於租賃或包含租賃。倘某項合約為換取代價而給予在某段時間內對可識別資產使用的控制權，則該合約屬於租賃或包含租賃。為評估合約會否給予對可識別資產使用的控制權，本集團會評估：

- 該合約是否涉及使用可識別資產；
- 本集團是否有權於整段使用期間從使用資產獲得絕大部分的經濟利益；及
- 本集團是否有權指示使用資產。當本集團擁有與指示如何及為何使用資產最為相關的決策權時，本集團便擁有此項權利。倘本集團需要預先決定如何及為何使用資產，本集團便可在出現以下其中一種情況時有權指示使用資產：
 - 本集團有權經營該資產；或
 - 本集團以預先決定將會如何及為何使用資產的方式設計資產。

本集團會在訂立或重新評估包含租賃部分的合約時，根據各租賃部分的相對單獨價格，將合約代價分配予各該等部分。

(i) 作為承租人

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

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses (Note 2(r)), and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is initially measured at cost, and subsequently at fair value, in accordance with the accounting policy set out in Note 2(o)(ii).

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. Lease payments included in the measurement of the lease liability comprises the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the Group's 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.

使用權資產其後按成本減任何累計折舊及減值損失計量(附註2(r))，並調整若干重新計量的租賃負債。倘使用權資產符合投資物業的定義，根據附註2(o)(ii)本集團之會計政策，該使用權初始按成本計量，其後按公平價值計量。

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

租賃負債其後因租賃負債的利息成本而增加，並因所付租賃款項而減少。計量租賃負債時計入的租賃項包括以下項目：

- 固定款項，包括實質固定款項；
- 基於指數或利率而定且初步採用截至生效日期的指數或利率計量的可變租賃款項；
- 根據剩餘價值擔保預計應付的款項；及
- 本集團所合理肯定行使的購買選擇權行使價、可選續租年期的租賃款項(倘本集團合理肯定行使延長選擇權)以及提早終止租賃的罰款(除非本集團合理肯定不會提早終止租賃)。

租賃負債採用有效利率方法按攤銷成本計量。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。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exception is any rent concession which arose as a direct consequence of the COVID-19 pandemic and satisfied the conditions set out in paragraph 46B of HKFRS 16 Leases. In such case, the Group took advantage of the practical expedient set out in paragraph 46A of HKFRS 16 and recognised the change in consideration as if it were not a lease modification. The rent concessions are recognised as a credit to variable lease expenses in profit or loss.

In the situation that if a lease modification is required by interest rate benchmark reform, the Phase 2 amendments allow the Group to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability.

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

The Group presents right-of-use assets that do not meet the definition of investment property in "Fixed assets" (Note 32) and lease liabilities in "Other liabilities" (Note 37) in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less ("short-term leases") and leases of underlying assets with an approximate value of HK\$0.04 million or less ("low-value assets"). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term (Note 13).

當租賃範圍或代價變更時，且該變更不是原租賃合同的一部分（「租賃修改」），租賃負債將重新計量，並且不構成爲單獨的租賃。在這情況下，租賃負債將根據修訂後的租賃款項及租期，在修改生效日使用修訂後的貼現率重新計量。唯一的例外是因2019冠狀病毒大流行而直接產生，並符合載於《香港財務報告準則》第16號「租賃」第46B段之條件的任何租金寬免。在此情況下，本集團採用《香港財務報告準則》第16號第46A段所載之務實權宜方法，並確認該代價變動並非租賃修改。有關之租金寬免在損益表中確認為可變租賃款項的貸方。

因利率基準改革所要求的租賃修改，在重新計量租賃負債時，第二期修訂容許使用修訂後的貼現率以反映利率變動。

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

本集團呈列並不符合投資物業定義之使用權資產於「固定資產」（附註32）中及將租賃負債列於財務狀況表內的「其他負債」（附註37）。

短期租賃及低價值資產租賃

本集團已選擇不就若干12個月或以下之租賃（「短期租賃」）及相關資產價值約港幣4萬元或以下之租賃（「低價值資產租賃」）確認使用權資產及租賃負債。本集團將此等租賃相關的租賃款項按租期以直線法確認為支出（附註13）。

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applied HKFRS 15 to allocate the consideration in the contract.

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Notes 2(g)(ii) and 2(e).

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease period as part of "other operating income", as set out in Note 2(g)(iii).

(t) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(h)(vii), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported as assets held for sale under other assets if the risks and rewards of ownership of the relevant repossessed assets have been substantially transferred to the Group and it is highly probable that the future economic benefits will flow to the Group, their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

(ii) 作為出租人

當本集團作為出租人時，其會於租賃生效時釐定各項租賃屬融資租賃或經營租賃。

為劃分各項租賃，本集團會整體評估租賃會否轉移了相關資產擁有權所附帶的絕大部分風險及回報。如屬上述情況，該租賃便為融資租賃；反之則為經營租賃。作為評估的一部分，本集團會考慮若干指標，例如租賃是否佔資產經濟壽命的大部分。

倘某項安排包括租賃及非租賃部分，本集團便按照《香港財務報告準則》第15號分配合約代價。

有關融資租賃的應收承租人款項按淨投資金額（等於融資租賃項下應收租金總額減去未實現收入）以客戶墊款列載於財務狀況表。融資租賃所產生的收益已根據附註2(g)(ii)及2(e)所載的本集團收入確認政策獲確認。

本集團於租賃期內按直線基準確認經營租賃項下已收租賃款項為收入，以作為附註2(g)(iii)所載「其他經營收入」的一部分。

(t) 收回資產

在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(h)(vii)所載的會計政策，計算減值貸款及墊款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款及墊款。如相關收回資產擁有權所附帶的絕大部分風險及回報已轉移至本集團及有可能本集團享有未來經濟收益，其賬面值須透過變賣而不是持續使用該資產，及該資產可在現況下出售，收回資產在其他資產的持有作出售資產項下列賬。有關貸款及墊款隨後撇銷。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses subsequent to initial classification are recognised in the income statement.

(u) Income Tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

收回資產按有關貸款及墊款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須計算折舊或攤銷。

緊隨初始確認後的減值損失於收益表確認。

(u) 所得稅

- (i) 本年度所得稅包括本年及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本年稅項及遞延稅項資產和負債的變動計入收益表內。
- (ii) 本年稅項為年度應課稅收入按報告期結束日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(o)(ii), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債（須不是商業合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，當本集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就不可扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註2(o)(ii)所載按公平價值列賬，除非該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據預期變現或償還該資產及負債的賬面值的方式，按在報告日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於每報告期結束日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。可轉回之金額不可超過預期將來出現足夠可供扣減的應課稅溢利。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

(iv) 本年稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本年稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本年及遞延稅項資產及負債作出抵銷：

- 就本年稅項資產及負債而言，本行或本集團計劃支付淨額或同時間收回資產及償還負債；或
- 有關的遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：

Notes to the Financial Statements (continued)
財務報表附註 (續)

- the same taxable entity; or
- different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(v) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) Financial Guarantees and Loan Commitments

"Financial guarantees" are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. "Loan commitments" are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortised amount and the amount of loss allowance (Note 2(h)(vii)).

For other loan commitments, the Group recognises impairment loss allowances (Note 2(h)(vii)).

Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

- 同一個應課稅實體；或
- 不同的應課稅實體，並預計在未來期間會償還或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本年稅項資產及償還本年稅項負債，或同時變現及償還。

(v) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

(w) 財務擔保和貸款承諾

「財務擔保」是指要求本集團支付特定款項以償還持有人因其特定債務人在債務工具條款到期時未能支付而產生的損失的合同。「貸款承諾」是在預定的條款和條件下提供信貸的承諾。

已發行的財務擔保或以低於市場利率的貸款承諾初始按公平價值計量，初始公平價值在擔保或承諾期內攤銷。往後，該擔保及承諾按該攤銷金額及損失準備（附註2(h)(vii)），二者之較高者，計量。

對於其他貸款承諾，本集團確認減值損失準備（附註2(h)(vii)）。

財務擔保和貸款承諾產生的負債包含在其他負債中。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

(x) Employee Benefits

(i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

(ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the end of the reporting period, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC, overseas, Macau and Taiwan employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

The cost of all these schemes is charged to the income statement for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

(x) 僱員福利

(i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至報告期結束日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

(ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於報告期結束後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

(iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有中國內地、海外、澳門及台灣員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本在相關期間的收益表內支銷，而所有此類計劃的資產均與本集團的資產分開處理。在強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(iv) Share based payments

The Bank adopted equity-settled share based payment arrangement under Staff Share Option Schemes to grant the options to eligible employees of the Group.

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

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

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

(y) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.

(iv) 以股份為基礎作支付

據僱員認股計劃，本行採納按股權結算之股份報酬安排向本集團合資格僱員授予購股權。

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

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

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

(y) 關聯人士

在編製本財務報表時，與本集團關聯人士是指：

- (i) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
 - (a) 可控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 是本集團或本集團之母公司的主要管理人員之成員。

Notes to the Financial Statements (continued)
財務報表附註(續)

2. Material Accounting Policies (continued) 主要會計政策(續)

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| <p>(ii) An entity is related to the Group if any of the following conditions applies:</p> <p>(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).</p> <p>(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</p> <p>(c) Both entities are joint ventures of the same third party.</p> <p>(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</p> <p>(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.</p> <p>(f) The entity is controlled or jointly controlled by a person identified in (i).</p> <p>(g) A person identified in (i) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</p> <p>(h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.</p> | <p>(ii) 在以下任何情況下，一實體會視為與本集團有關聯：</p> <p>(a) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司與其他有關聯)。</p> <p>(b) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。</p> <p>(c) 兩個實體是同一第三者的合營公司。</p> <p>(d) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。</p> <p>(e) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。</p> <p>(f) 該實體受在(i)項中所辨識的個人所控制或共同控制。</p> <p>(g) 在(i)(a)項中所辨識的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員之成員。</p> <p>(h) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。</p> |
|---|--|

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(z) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(aa) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash and balances with banks, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(ab) Deposits, Debt Securities Issued and Capital Instruments

Deposits, debt securities issued and capital instruments are the Group's sources of funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The substance of a financial instrument, rather than its legal form, governs its classification. A financial instrument is classified as a liability where there is a contractual obligation to deliver either cash or another financial asset to the holder of that instrument, regardless of the manner in which the contractual obligation will be settled.

Subsequent to initial recognition deposits, debt securities issued and capital instruments classified as financial liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at FVTPL.

For those capital instruments classified as equity instruments, they are not redeemable by holders and bear an entitlement to coupons at the Bank's sole discretion. Accordingly, they are presented within equity. Distribution thereon are recognised in equity.

(z) 分部報告

經營分部，及在財務報表列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各項業務和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

(aa) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括現金及在銀行結餘、國庫債券、及其他受較低風險影響價值及隨時可轉換成預知金額的認可票據及存款證。

(ab) 存款、已發行債務證券及資本工具

存款、已發行債務證券及資本工具是本集團籌募資金的來源。

本集團按工具合約條款的實質分類資本工具為金融負債或股本工具。

金融工具的實質而非其法律形式決定其分類。如有法定義務將現金或另一金融資產交付予該金融工具的持有人，則該金融工具被分類為負債，該法定義務的結算方式不影響其分類。

緊隨初始確認後，本集團為存款、已發行債務證券及分類為股本工具的資本工具，惟指定為通過損益的負債除外，已按有效利率方式計算攤銷成本。

就分類為股本工具的資本工具，該等工具是不可贖回及視乎本行決定是否可享有利息。因此，該等工具在股東權益內列賬。相關分派於股東權益內確認。

Notes to the Financial Statements (continued)
財務報表附註 (續)

2. Material Accounting Policies (continued) 主要會計政策 (續)

(ac) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (a) their carrying amounts will be recovered principally through sale; (b) they are available for sale in their present condition; and (c) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRSs. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with applicable HKFRSs before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

(ad) Interim Financial Reporting and Impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, "Interim Financial Reporting", in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(h)(vii) and Note 2(r)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(ac) 持有作出售資產

當(a)其賬面值將主要需通過出售才可收回；(b)它們可以在現況下可供出售；(c)出售之機會率是非常高的，非流動資產及出售組別(包括出售組別的資產和負債)按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

在被初始分類為持有作出售之前，資產的賬面值(或出售組別的資產和負債)按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別的公平價值減成本前，非在《香港財務報告準則》第5號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

(ad) 中期財務報告及減值

根據聯交所《上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編制有關年度首6個月的中期財務報告。於中期期末，本集團採用等同年末的減值測試、確認、及轉回標準(附註2(h)(vii)至附註2(r))。

已確認於中期期間的商譽減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期期間有關之年底作評估而該減值損失是不會發生、或損失之金額會較小，在此情況下亦不可轉回。

3. Changes in Accounting Policies 會計政策之變動

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

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

香港會計師公會已頒布多項新訂及修訂香港財務報告準則，並於集團本年度的會計期首次生效。

以上修訂對已編製或已呈報本集團本年度或往期之業績及財務狀況並無重大影響。本集團並未採納任何於本年會計期尚未生效的新準則或詮釋。

New HKICPA Guidance on the Accounting Implications of the Abolition of the MPF-LSP Offsetting Mechanism

In June 2022, the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1st May, 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

Applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit. The Amendment Ordinance has no material impact on the Group's LSP liability and staff cost.

香港會計師公會就取消強積金對沖長期服務金機制的會計影響作出的新指引

於2022年6月，香港特別行政區政府（「政府」）刊憲公布《2022年僱傭及退休計劃法例（抵銷安排）（修訂）條例》（「修訂條例」），並將於2025年5月1日（「轉制日」）起生效。一旦修訂條例予以生效，僱主不可再使用其強制性公積金（「強積金」）供款所產生的累算權益，以抵銷僱員自轉制日起提供的服務產生的長期服務金（取消「對沖機制」）。此外，轉制日前提供的服務所產生的長期服務金將根據轉制日前僱員的月薪及截至該日的服務年期計算。

於2023年7月，香港會計師公會公布「香港取消強積金對沖長期服務金機制的會計影響」，就對沖機制及取消對沖機制提供會計指引。該指引尤其指出，實體可以將其強積金供款的累算權益（預計用於抵銷應付僱員的長期服務金）視為僱員對長期服務金的供款。

運用此方法，自2022年6月修訂條例生效後，不再允許應用《香港會計準則》第19號第93(b)段中的實務操作方法，將該等僱員對長期服務金的供款於提供相關服務期間減低服務成本（「負服務成本」）。相反，該等供款應與長期服務金福利一致於服務期間確認。該修訂條例對本集團長期服務金負債及員工成本並無產生重大影響。

Notes to the Financial Statements (continued)
財務報表附註 (續)

4. Bank-Level Statement of Financial Position 銀行層面之財務狀況表

| | Notes 附註 | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|---|------------------|-----------------------|-----------------------|
| ASSETS | 資產 | | |
| Cash and balances with banks | 現金及在銀行的結存 | 22,336 | 25,498 |
| Placements with and advances to banks | 在銀行的存款及墊款 | 36,752 | 48,296 |
| Trade bills | 貿易票據 | 224 | 41 |
| Trading assets | 交易用途資產 | 285 | 355 |
| Derivative assets | 衍生工具資產 | 7,644 | 9,733 |
| Loans and advances to customers | 客戶貸款及墊款 | 387,217 | 397,533 |
| Investment securities | 投資證券 | 144,710 | 125,620 |
| Amounts due from subsidiaries | 附屬公司欠款 | 14,705 | 14,145 |
| Investments in subsidiaries | 附屬公司投資 | 19,461 | 19,469 |
| Investments in associates and joint ventures | 聯營公司及合資企業投資 | 4,483 | 4,466 |
| Fixed assets | 固定資產 | 9,501 | 9,493 |
| – Investment properties | – 投資物業 | 4,718 | 4,774 |
| – Other properties and equipment | – 其他物業及設備 | 4,338 | 4,293 |
| – Right-of-use assets | – 使用權資產 | 445 | 426 |
| Goodwill and intangible assets | 商譽及無形資產 | 1,460 | 1,460 |
| Deferred tax assets | 遞延稅項資產 | 72 | 197 |
| Other assets | 其他資產 | 9,643 | 9,529 |
| – Assets held for sale | – 持有作出售資產 | 15 | 15 |
| – Others | – 其他 | 9,628 | 9,514 |
| Total Assets | 資產總額 | 658,493 | 665,835 |
| EQUITY AND LIABILITIES | 股東權益及負債 | | |
| Deposits and balances of banks | 銀行的存款及結餘 | 24,538 | 24,031 |
| – Designated at fair value through profit or loss | – 指定為通過損益以反映公平價值 | 3,199 | 4,545 |
| – At amortised cost | – 攤銷成本 | 21,339 | 19,486 |
| Deposits from customers | 客戶存款 | 487,537 | 483,553 |
| Trading liabilities | 交易用途負債 | – | 5 |
| Derivative liabilities | 衍生工具負債 | 2,707 | 2,816 |
| Certificates of deposit issued | 已發行存款證 | 10,876 | 27,018 |
| – Designated at fair value through profit or loss | – 指定為通過損益以反映公平價值 | 9,415 | 19,001 |
| – At amortised cost | – 攤銷成本 | 1,461 | 8,017 |
| Amounts due to subsidiaries | 欠附屬公司款項 | 1,561 | 1,777 |
| Current taxation | 本年稅項 | 1,444 | 1,255 |
| Debt securities issued | 已發行債務證券 | 844 | 2,892 |
| – Designated at fair value through profit or loss | – 指定為通過損益以反映公平價值 | 688 | 811 |
| – At amortised cost | – 攤銷成本 | 156 | 2,081 |
| Deferred tax liabilities | 遞延稅項負債 | 420 | 185 |
| Other liabilities | 其他負債 | 16,979 | 18,299 |
| Loan capital – at amortised cost | 借貸資本 – 攤銷成本 | 14,318 | 10,232 |
| Total Liabilities | 負債總額 | 561,224 | 572,063 |
| Share capital | 股本 | 40 | 41,915 |
| Reserves | 儲備 | 42(k) | 45,264 |
| Total equity attributable to owners of the Bank | 歸屬於本行股東權益總額 | 87,179 | 83,682 |
| Additional equity instruments | 額外股本工具 | 41 | 10,090 |
| | | 97,269 | 93,772 |
| Total Equity and Liabilities | 股東權益及負債總額 | 658,493 | 665,835 |

Approved and authorised for issue by the Board on 21st February, 2024.

董事會於2024年2月21日核准及授權發布。

Executive Chairman

David LI Kwok-po

執行主席

李國寶

Co-Chief Executives

Adrian David LI Man-kiu

聯席行政總裁

李民橋

Brian David LI Man-bun

李民斌

Director

Meocre LI Kwok-wing

董事

李國榮

Notes to the Financial Statements (continued)
財務報表附註(續)

5. Interest Income 利息收入

| | | 2023 | | 2022 | |
|---|--------------------------------|---------|---------------|---------|---------------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Loans, placements with banks, and trade bills | 貸款、在銀行的存款、及貿易票據 | | 31,179 | | 20,624 |
| Investment securities | 投資證券 | | | | |
| – measured at amortised cost or FVOCI | – 按攤銷成本或按通過其他全面 收益以反映公平價值計量 | | 8,269 | | 4,076 |
| – mandatorily measured at FVTPL | – 強制按通過損益以反映公平 價值計量 | | 141 | | 120 |
| Trading assets | 交易用途資產 | | 96 | | 28 |
| | | | 39,685 | | 24,848 |

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

The above included interest income of HK\$36,788 million (2022: HK\$24,871 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

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

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣367.88億元(2022年：港幣248.71億元)。

6. Interest Expense 利息支出

| | | 2023 | | 2022 | |
|--|------------------------|---------|---------------|---------|---------------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Customer deposits and deposits of banks | 客戶存款及銀行的存款 | | | | |
| – at amortised cost | – 按攤銷成本計量 | | 19,914 | | 9,713 |
| – designated at FVTPL | – 指定為通過損益以反映公平 價值計量 | | 202 | | 84 |
| Certificates of deposit and debt securities issued | 已發行存款證及債務證券 | | | | |
| – at amortised cost | – 按攤銷成本計量 | | 581 | | 511 |
| – designated at FVTPL | – 指定為通過損益以反映公平 價值計量 | | 914 | | 485 |
| Subordinated notes carried at amortised cost | 按攤銷成本計量的後償票據 | | 960 | | 460 |
| Lease liabilities | 租賃負債 | | 29 | | 28 |
| Other borrowings | 其他借款 | | 211 | | 59 |
| | | | 22,811 | | 11,340 |

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

The above included interest expense of HK\$21,491 million (2022: HK\$10,782 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

就已對沖利率風險的交易，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214.91億元(2022年：港幣107.82億元)。

Notes to the Financial Statements (continued)
財務報表附註(續)

7. Fee and Commission Income 服務費及佣金收入

Fee and commission income is disaggregated by services:

服務費及佣金收入按服務分類如下：

| | | 2023 | 2022 |
|--|--|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Loans, overdrafts and guarantees | 貸款、透支及擔保 | 888 | 846 |
| Credit cards | 信用卡 | 759 | 692 |
| Sale of third party insurance policies | 銷售第三者發行的保單 | 528 | 484 |
| Other retail banking services | 其他零售銀行服務 | 208 | 197 |
| Trust and other fiduciary activities | 信託及其他代理業務 | 177 | 224 |
| Investment products | 投資產品 | 162 | 195 |
| Securities brokerage | 證券經紀 | 141 | 203 |
| Trade finance | 貿易融資 | 96 | 92 |
| Others | 其他 | 402 | 439 |
| Total fee and commission income | 服務費及佣金收入總額 | 3,361 | 3,372 |
| Net fee income on financial assets and financial liabilities that are not measured at FVTPL (other than those included in determining the effective interest rate) | 由非按通過損益以反映公平價值計量之金融資產或金融負債所產生之淨服務費收入(不包括用作計算有效利率之金額) | 2,648 | 2,762 |
| Fee income | 服務費收入 | 3,361 | 3,372 |
| Fee expenses | 服務費支出 | (713) | (610) |

8. Net Trading Profit 交易溢利淨額

| | | 2023 | 2022 |
|---|---------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Profit on dealing in foreign currencies and funding swaps | 外幣買賣及外匯掉期溢利 | 382 | 501 |
| Profit/(loss) on trading securities | 交易用途證券溢利/(虧損) | 22 | (124) |
| Net gain on derivatives | 衍生工具淨盈利 | 811 | 549 |
| Loss on other dealing activities | 其他交易業務虧損 | - | (1) |
| Dividend income from trading equity securities | 交易用途股份證券的股息收入 | 10 | 18 |
| | | 1,225 | 943 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

9. Net Result on Financial Instruments at FVTPL 按通過損益以反映公平價值金融工具的淨表現

| | | 2023 | | 2022 | |
|--|---|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net (loss)/gain from financial instruments designated at FVTPL | 指定為通過損益以反映公平價值金融工具的淨(虧損)/盈利 | (263) | | 292 | |
| Net gain/(loss) from financial instruments mandatorily measured at FVTPL (other than those included in net trading profit) | 強制按通過損益以反映公平價值計量金融工具的淨盈利/(虧損)(除已包括在交易溢利淨額內) | 1 | | (360) | |
| | | (262) | | (68) | |

10. Net Result on Financial Assets Measured at FVOCI 按通過其他全面收益以反映公平價值計量金融資產的淨表現

| | | 2023 | | 2022 | |
|--|-----------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net (loss)/profit on sale of debt securities | 出售債務證券之淨(虧損)/溢利 | (60) | | 159 | |
| Dividend income from equity securities | 股份證券股息收入 | 34 | | 16 | |
| | | (26) | | 175 | |

11. Net Hedging Profit 對沖溢利淨額

| | | 2023 | | 2022 | |
|---|-----------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Fair value hedges | 公平價值對沖 | | | | |
| - Net gain/(loss) on hedged items attributable to the hedged risk | - 可歸屬於被對沖項目之對沖風險產生的淨盈利/(虧損) | 1,735 | | (8,541) | |
| - Net (loss)/gain on hedging instruments | - 用作對沖工具的淨(虧損)/盈利 | (1,705) | | 8,742 | |
| | | 30 | | 201 | |

12. Other Operating Income 其他經營收入

| | | 2023 | | 2022 | |
|--|------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net insurance profit | 保險業務淨溢利 | - | | 158 | |
| Rental from safe deposit boxes | 保險箱租金收入 | 117 | | 120 | |
| Rental income on properties (Note 32(ii)) | 物業租金收入(附註32(ii)) | 129 | | 133 | |
| Government subsidy - Employment Support Scheme | 政府補貼 - 「保就業」計劃 | - | | 8 | |
| Others | 其他 | 41 | | 29 | |
| | | 287 | | 448 | |

Notes to the Financial Statements (continued)
財務報表附註(續)

13. Operating Expenses 經營支出

| | | 2023 | 2022 |
|---|----------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Contributions to defined contribution plan* | 定額供款公積金供款* | | |
| – Hong Kong | – 香港 | 191 | 170 |
| – Outside Hong Kong | – 香港以外 | 223 | 223 |
| Equity settled share-based payment expenses (Note 42(f)) | 以股份為基礎作支付的費用 (附註 42(f)) | 24 | 22 |
| Salaries and other staff costs | 薪金及其他員工成本 | 5,007 | 5,078 |
| Total staff costs | 員工成本總額 | 5,445 | 5,493 |
| Premises and equipment expenses excluding depreciation | 不包括折舊的物業及設備支出 | | |
| – Expenses relating to short-term leases | – 有關短期租賃支出 | 8 | 15 |
| – Expenses relating to low value assets | – 有關低價值資產租賃支出 | 10 | 6 |
| – Variable lease payments not included in the measurement of lease liabilities** | – 不包括計量租賃負債的 可變租賃款項** | 1 | (2) |
| – Maintenance, repairs and others | – 保養、維修及其他 | 739 | 702 |
| Total premises and equipment expenses excluding depreciation | 不包括折舊的物業及設備支出總額 | 758 | 721 |
| Depreciation and amortisation | 折舊及攤銷 | 820 | 875 |
| Other operating expenses | 其他經營支出 | | |
| – Internet platform charges | – 互聯網平台費用 | 560 | 460 |
| – Legal and professional fees | – 法律及專業服務費 | 457 | 423 |
| – Communications, stationery and printing | – 通訊、文具及印刷 | 295 | 294 |
| – Advertising and business promotion expenses | – 廣告費及業務推廣支出 | 294 | 298 |
| – Others | – 其他 | 803 | 660 |
| Total other operating expenses | 其他經營支出總額 | 2,409 | 2,135 |
| Total operating expenses*** | 經營支出總額*** | 9,432 | 9,224 |

* Forfeited contributions totalling HK\$27 million (2022: HK\$36 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2022: Nil).

** For the year ended 31st December, 2022, there were a credit of HK\$2 million of COVID-19-related rent concessions and a credit of HK\$1 million of rent concession for the purpose of entering into a new lease. There was no such rental concession during the year.

*** Included direct operating expenses of HK\$10 million (2022: HK\$7 million) in respect of investment properties which generated rental income during the year.

* 本年度內沒收之供款共港幣2,700萬元(2022年：港幣3,600萬元)已被用作減少本集團的供款。於本年末並無任何被沒收而可用作減低將來之供款(2022年：無)。

** 截至2022年12月31日止年度，2019冠狀病毒病相關租金寬免為港幣200萬元及因訂立新租賃的租金寬免為港幣100萬元。本年度內並無該等租金寬免。

*** 本年度內包括由有租金收益的投資物業產生的直接經營支出，金額為港幣1,000萬元(2022年：港幣700萬元)。

Notes to the Financial Statements (continued)
財務報表附註(續)

14. Impairment Losses on Financial Instruments 金融工具減值損失

| | | 2023 | | 2022 | |
|---------------------------------|---------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Loans and advances to customers | 客戶貸款及墊款 | 5,164 | | 5,416 | |
| Debt securities | 債務證券 | 211 | | 345 | |
| Others | 其他 | 108 | | 162 | |
| | | 5,483 | | 5,923 | |

15. Net Profit on Sale of Assets Held for Sale 出售持有作出售資產之淨溢利

| | | 2023 | | 2022 | |
|---------------------------------------|------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net loss on sale of properties | 出售物業之淨虧損 | (2) | | (1) | |
| Net profit on sale of disposal groups | 出售出售組別之淨溢利 | 4 | | 1,446 | |
| | | 2 | | 1,445 | |

16. Net Profit on Disposal of Fixed Assets 出售固定資產之淨溢利

| | | 2023 | | 2022 | |
|--|-------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net profit on disposal of bank premises, furniture, fixtures and equipment | 出售行址、傢俬、裝修及設備之淨溢利 | 14 | | 18 | |
| Net loss on termination of lease | 終止租賃之淨虧損 | - | | (1) | |
| | | 14 | | 17 | |

Notes to the Financial Statements (continued)
財務報表附註(續)

17. Income Tax 所得稅

(a) Taxation in the Consolidated Income Statement Represents:

(a) 綜合收益表內的稅項為：

| | | 2023 | 2022 |
|---|--------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Current tax – Hong Kong | 本年稅項—香港 | | |
| Tax for the year | 本年度稅項 | 482 | 485 |
| Over-provision in respect of prior years | 往年度過剩的回撥 | (63) | (57) |
| | | 419 | 428 |
| Current tax – outside Hong Kong | 本年稅項—香港以外 | | |
| Tax for the year | 本年度稅項 | 693 | 325 |
| Over-provision in respect of prior years | 往年度過剩的回撥 | (17) | (16) |
| | | 676 | 309 |
| Deferred tax | 遞延稅項 | | |
| Origination and reversal of temporary differences (Note 35(b)) | 暫時性差異的源生及轉回 (附註35(b)) | 79 | (174) |
| | | 1,174 | 563 |

The provision for Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year.

香港利得稅稅款是以年度預計應課稅溢利按稅率16.5% (2022年：16.5%) 計算。

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

海外、澳門及台灣分行及附屬公司的稅款是按其經營所在地現行稅率而計算。

(b) Reconciliation Between Tax Expense and Accounting Profit at Applicable Tax Rates:

(b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

| | | 2023 | 2022 |
|---|-------------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Profit before tax | 除稅前溢利 | 5,310 | 4,941 |
| Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned | 根據相關司法地區適用之利得稅稅率按除稅前溢利計算的名義稅款 | 1,000 | 730 |
| Tax effect of non-deductible expenses | 不可扣減支出的稅項影響 | 484 | 273 |
| Tax effect of non-taxable revenue | 毋須課稅收入的稅項影響 | (234) | (385) |
| Tax effect of tax losses not recognised | 未確認的稅損的稅項影響 | 3 | 8 |
| Write back of over-provision in respect of prior years | 往年度過剩的回撥 | (80) | (73) |
| Others | 其他 | 1 | 10 |
| Actual tax expense charged to income statement | 於收益表支銷的實際稅項 | 1,174 | 563 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

18. Distribution/Dividends 分派／股息

(a) Dividends Payable to Equity Owners of the Parent Attributable to the Year (a) 可歸屬於本年度而應付予本集團股東的股息

| | | 2023 | | 2022 | |
|--|--|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Interim dividend declared and paid of HK\$0.36 per share on 2,658 million shares (2022: HK\$0.16 per share on 2,689 million shares) (Note 42(j)) | 已宣布派發及支付中期股息予26.58億股每股港幣0.36元(2022年:26.89億股每股港幣0.16元)(附註42(j)) | | 957 | | 430 |
| Special dividend declared and paid (2022: HK\$0.48 per share on 2,695 million shares) (Note 42(j)) | 已宣布派發及支付特別股息(2022年:26.95億股每股港幣0.48元)(附註42(j)) | | - | | 1,294 |
| Second interim dividend of HK\$0.18 per share on 2,650 million shares (2022: HK\$0.17 per share on 2,680 million shares) | 第二次中期股息予26.50億股每股港幣0.18元(2022年:26.80億股每股港幣0.17元) | | 477 | | 456 |
| | | | 1,434 | | 2,180 |

The total dividends attributable to the year is HK\$0.54 per share (2022: HK\$0.81 per share). The second interim dividend has not been recognised as a liability at the end of the reporting period.

應屬本年度股息為每股港幣0.54元(2022年:每股港幣0.81元)。於報告期期末,該第二次中期股息並未確認為負債。

(b) Dividends Payable to Equity Owners of the Parent Attributable to the Previous Financial Year, Approved and Paid During the Year (b) 已核准及在本年度內支付可歸屬於上年度應付予本集團股東的股息

| | | 2023 | | 2022 | |
|---|---|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Second interim dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.17 per share on 2,677 million shares (2022: HK\$0.35 per share on 2,923 million shares) (Note 42(j)) | 年度內核准及支付予26.77億股每股港幣0.17元(2022年:29.23億股每股港幣0.35元)的上年度第二次中期股息(附註42(j)) | | 455 | | 1,023 |

(c) Distribution to Holders of Additional Tier 1 Capital Instruments (c) 分派予額外一級資本工具持有人

| | | 2023 | | 2022 | |
|---|------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Distribution paid on the Additional Tier 1 capital instruments (Note 42(j)) | 已付額外一級資本工具的分派(附註42(j)) | | 596 | | 708 |

Notes to the Financial Statements (continued)
財務報表附註(續)

19. Earnings Per Share 每股盈利

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$3,522 million (2022: HK\$3,651 million) after accounting for the distribution of HK\$596 million (2022: HK\$708 million) to Additional Tier 1 issue holders, and on the weighted average of 2,668 million ordinary shares outstanding during the year (2022: 2,759 million), calculated as follows:

Weighted average number of ordinary shares

| | | 2023 Number of shares 股份數目 Million 百萬 | 2022 Number of shares 股份數目 Million 百萬 |
|---|-------------------|---|---|
| Issued ordinary shares at 1st January | 於1月1日的已發行普通股 | 2,680 | 2,923 |
| Effect of shares issued in lieu of dividends | 以股代息發行新股的影響 | 2 | 11 |
| Effect of share buy-back | 股份回購的影響 | (14) | (175) |
| Weighted average number of ordinary shares at 31st December | 於12月31日普通股份的加權平均數 | 2,668 | 2,759 |

(a) 每股基本盈利

每股基本盈利乃按照已分派予額外一級資本工具持有人港幣5.96億元(2022年:港幣7.08億元)後的可歸屬於本集團股東溢利港幣35.22億元(2022年:港幣36.51億元)及年度內已發行普通股份的加權平均數26.68億股(2022年:27.59億股)計算。

普通股份的加權平均數

(b) Diluted Earnings Per Share

The calculation of diluted earnings per share is the same as the calculation of basic earnings per share, except that the weighted average of ordinary shares is adjusted for the effects of all dilutive potential shares. For the year ended 31st December, 2023, the weighted average of ordinary shares adjusted for the effects of all dilutive potential shares was 2,668 million (2022: 2,759 million).

Weighted average number of ordinary shares (diluted)

| | | 2023 Number of shares 股份數目 Million 百萬 | 2022 Number of shares 股份數目 Million 百萬 |
|---|-----------------------|---|---|
| Weighted average number of ordinary shares at 31st December | 於12月31日普通股份的加權平均數 | 2,668 | 2,759 |
| Effect of deemed issue of ordinary shares under the Bank's share option schemes | 假設按認股權計劃發行的普通股份之影響 | - | - |
| Weighted average number of ordinary shares (diluted) at 31st December | 於12月31日普通股份的加權平均數(攤薄) | 2,668 | 2,759 |

(b) 每股攤薄盈利

每股攤薄盈利的計算與每股基本盈利的計算相同,只是普通股份的加權平均數根據所有具備潛在攤薄影響的股份進行調整。截至2023年12月31日止年度,就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26.68億股(2022年:27.59億股)計算。

普通股份的加權平均數(攤薄)

Notes to the Financial Statements (continued)
財務報表附註 (續)

20. Directors' Remuneration 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

| | | Salaries, allowances and benefits in kind 薪金、津貼 及實物收益 | Discretionary bonuses 酌情花紅 | Share options ^(Note) 認股權 ^(註) | Retirement scheme contributions 退休計劃供款 | 2023 Total 總額 | |
|--|------------------------------------|--|----------------------------------|--|---|---------------------|------|
| | 袍金 HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | |
| Executive Chairman | 執行主席 | | | | | | |
| Dr. the Hon. Sir David LI Kwok-po | 李國寶爵士 | 0.7 | 11.8 | 3.8 | 2.7 | 1.1 | 20.1 |
| Co-Chief Executives | 聯席行政總裁 | | | | | | |
| Mr. Adrian David LI Man-kiu | 李氏橋先生 | 0.5 | 8.0 | 7.0 | 5.2 | 0.7 | 21.4 |
| Mr. Brian David LI Man-bun | 李氏斌先生 | 0.5 | 8.0 | 7.0 | 5.2 | 0.7 | 21.4 |
| Non-executive Directors | 非執行董事 | | | | | | |
| Prof. Arthur LI Kwok-cheung | 李國章教授 | 0.6 | - | - | - | - | 0.6 |
| Mr. Aubrey LI Kwok-sing | 李國星先生 | 0.6 | - | - | - | - | 0.6 |
| Mr. Winston LO Yau-lai | 羅友禮先生 | 0.5 | - | - | - | - | 0.5 |
| Mr. Stephen Charles LI Kwok-sze | 李國仕先生 | 0.5 | - | - | - | - | 0.5 |
| Dr. Daryl NG Win-kong | 黃永光博士 | 0.6 | - | - | - | - | 0.6 |
| Mr. Masayuki OKU | 奧正之先生 | 0.5 | - | - | - | - | 0.5 |
| | Francisco Javier SERRADO TREPAT | | | | | | |
| Dr. Francisco Javier SERRADO TREPAT | 博士 | 0.5 | - | - | - | - | 0.5 |
| Independent Non-executive Directors | 獨立非執行董事 | | | | | | |
| Dr. Allan WONG Chi-yun | 黃子欣博士 | 1.0 | - | - | - | - | 1.0 |
| Dr. the Hon. Rita FAN HSU Lai-tai | 范徐麗泰博士 | 0.6 | - | - | - | - | 0.6 |
| Mr. Meocre LI Kwok-wing | 李國榮先生 | 0.9 | - | - | - | - | 0.9 |
| Dr. the Hon. Henry TANG Ying-yen | 唐英年博士 | 1.1 | - | - | - | - | 1.1 |
| Dr. Delman LEE | 李國本博士 | 1.0 | - | - | - | - | 1.0 |
| Mr. William Junior Guilherme DOO | 杜家駒先生 | 0.9 | - | - | - | - | 0.9 |
| Dr. David MONG Tak-yeung | 蒙德揚博士 | 0.7 | - | - | - | - | 0.7 |
| | | 11.7 | 27.8 | 17.8 | 13.1 | 2.5 | 72.9 |

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2023 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 39.

註：執行董事是根據本行的僱員認股權計劃獲授予認股權。認股權金額是指該等認股權於2023年及往年授予並在歸屬期內攤銷的公平價值，而並非屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註39內。

Notes to the Financial Statements (continued)
財務報表附註 (續)

20. Directors' Remuneration (continued) 董事酬金 (續)

| | | Directors' fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Share options ⁽ⁱ⁾⁽ⁱⁱ⁾ | Retirement scheme contributions | 2022 Total |
|--|---------------------------------|-----------------|---|-----------------------|----------------------------------|---------------------------------|------------|
| | | 袍金 | 薪金、津貼及實物收益 | 酌情花紅 | 認股權 ⁽ⁱⁱ⁾ | 退休計劃供款 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Executive Chairman | 執行主席 | | | | | | |
| Dr. the Hon. Sir David LI Kwok-po | 李國寶爵士 | 0.6 | 11.8 | 3.6 | 2.9 | 1.1 | 20.0 |
| Co-Chief Executives | 聯席行政總裁 | | | | | | |
| Mr. Adrian David LI Man-kiu | 李民橋先生 | 0.5 | 7.7 | 6.4 | 4.7 | 0.7 | 20.0 |
| Mr. Brian David LI Man-bun | 李民斌先生 | 0.5 | 7.7 | 6.4 | 4.6 | 0.7 | 19.9 |
| Non-executive Directors | 非執行董事 | | | | | | |
| Prof. Arthur LI Kwok-cheung | 李國章教授 | 0.6 | - | - | - | - | 0.6 |
| Mr. Aubrey LI Kwok-sing | 李國星先生 | 0.6 | - | - | - | - | 0.6 |
| Mr. Winston LO Yau-lai | 羅友禮先生 | 0.4 | - | - | - | - | 0.4 |
| Mr. Stephen Charles LI Kwok-sze | 李國仕先生 | 0.4 | - | - | - | - | 0.4 |
| Dr. Daryl NG Win-kong | 黃永光博士 | 0.6 | - | - | - | - | 0.6 |
| Mr. Masayuki OKU | 奧正之先生 | 0.5 | - | - | - | - | 0.5 |
| | Francisco Javier SERRADO TREPAT | | | | | | |
| Dr. Francisco Javier SERRADO TREPAT | 博士 | 0.5 | - | - | - | - | 0.5 |
| Independent Non-executive Directors | 獨立非執行董事 | | | | | | |
| Dr. Allan WONG Chi-yun | 黃子欣博士 | 0.9 | - | - | - | - | 0.9 |
| Dr. the Hon. Rita FAN HSU Lai-tai | 范徐麗泰博士 | 0.6 | - | - | - | - | 0.6 |
| Mr. Meocre LI Kwok-wing | 李國榮先生 | 1.2 | - | - | - | - | 1.2 |
| Dr. the Hon. Henry TANG Ying-yen | 唐英年博士 | 1.0 | - | - | - | - | 1.0 |
| Dr. Delman LEE | 李國本博士 | 0.9 | - | - | - | - | 0.9 |
| Mr. William Junior Guilherme DOO | 杜家駒先生 | 0.8 | - | - | - | - | 0.8 |
| Dr. David MONG Tak-yeung | 蒙德揚博士 | 0.6 | - | - | - | - | 0.6 |
| | | 11.2 | 27.2 | 16.4 | 12.2 | 2.5 | 69.5 |

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2022 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 39.

註：執行董事是根據本行的僱員認股權計劃獲授予認股權。認股權金額是指該等認股權於2022年及往年授予並在歸屬期內攤銷的公平價值，而非屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註39內。

Notes to the Financial Statements (continued)
財務報表附註 (續)

21. Five Top-Paid Employees 5名薪酬最高的僱員

| | | 2023 | | 2022 | |
|-------------------------------|---------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Salaries and other emoluments | 薪金及其他酬金 | 41 | | 39 | |
| Performance-related bonuses | 表現獎勵花紅 | 26 | | 24 | |
| Share options | 認股權 | 17 | | 16 | |
| Pension contributions | 退休金供款 | 3 | | 3 | |
| | | 87 | | 82 | |

The remuneration of the five top-paid employees is within the following bands: 5名薪酬最高的僱員的金額範圍如下：

| | 2023 | | 2022 | |
|-------------------------|---------------------|------|---------------------|------|
| | Number of Employees | 僱員人數 | Number of Employees | 僱員人數 |
| HK\$ 港幣元 | | | | |
| 11,000,001 – 11,500,000 | – | | 2 | |
| 12,000,001 – 12,500,000 | 2 | | – | |
| 19,500,001 – 20,000,000 | – | | 2 | |
| 20,000,001 – 20,500,000 | 1 | | 1 | |
| 21,000,001 – 21,500,000 | 2 | | – | |

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2022: 3) Directors and 2 (2022: 2) senior management members. Their director's emoluments have been included in Note 20 above.

5名薪酬最高的僱員中包括3位(2022年：3位)董事及2位(2022年：2位)高層管理人員。他們的董事酬金已包括於上述附註20內。

22. Segment Reporting 分部報告

(a) Business Segments

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

Hong Kong operations divided into the following five reportable segments.

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

(a) 營業分部

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下八個可匯報分部。

香港業務分類為以下五個可匯報分部。

個人銀行包括分行營運、個人電子網絡銀行、消費貸款、物業貸款、強制性公積金業務及信用卡業務。

Notes to the Financial Statements (continued)
財務報表附註 (續)

22. Segment Reporting (continued) 分部報告 (續)

(a) Business Segments (continued)

Wholesale banking includes corporate lending and loan syndication, asset based lending, commercial lending, securities lending and trade financing activities with correspondent banks and corporates.

Treasury markets include treasury operations and securities dealing.

Wealth management includes private banking business, investment products & advisory and securities & futures broking.

Others mainly include trust business carried out by subsidiaries operating in Hong Kong and other supporting units of Hong Kong operations.

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

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

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

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

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

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

(a) 營業分部 (續)

批發銀行包括企業借貸及銀團貸款、資產融資、商業貸款、證券貸款及與同業間的銀行代理行及企業的金融貿易業務。

財資市場包括財資運作及證券買賣。

財富管理包括私人銀行業務、投資產品和諮詢業務及證券和期貨經紀業務。

其他業務主要包括由在香港附屬公司經營之信託業務，及其他支援香港業務的後勤單位。

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

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

企業管理承擔本行發行借貸資本的監管資本成本及從香港業務獲得由本行發行資本工具所資助之業務活動的利息收入。

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

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

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

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2023 | | | | | | | | | | |
|---|----------------------|---------------------------|-------------------|------------------|-------------------|---------|-----------|------------------------------------|-------------------------------------|---------------------------|------------------------------------|---------|
| | | Hong Kong operations 香港業務 | | | | | Overseas, | | | | | |
| | | Personal banking | Wholesale banking | Treasury markets | Wealth management | Others | Total | Chinese Mainland operations 中國內地業務 | Macau and Taiwan operations 澳門及台灣業務 | Corporate management 企業管理 | Inter-segment elimination 分部間之交易抵銷 | Total |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Net interest income/(expense) | 淨利息收入/(支出) | 5,653 | 2,888 | 1,352 | 387 | (251) | 10,029 | 4,082 | 2,637 | 126 | - | 16,874 |
| Non-interest income/(expense) | 非利息收入/(支出) | 1,189 | 676 | (42) | 554 | 345 | 2,722 | 978 | 202 | - | (30) | 3,872 |
| Operating income | 經營收入 | 6,842 | 3,564 | 1,310 | 941 | 94 | 12,751 | 5,060 | 2,839 | 126 | (30) | 20,746 |
| Operating expenses | 經營支出 | (1,792) | (485) | (194) | (399) | (2,378) | (5,248) | (3,409) | (805) | - | 30 | (9,432) |
| Operating profit/(loss) before impairment losses | 未扣除減值損失之經營溢利/(虧損) | 5,050 | 3,079 | 1,116 | 542 | (2,284) | 7,503 | 1,651 | 2,034 | 126 | - | 11,314 |
| (Charge for)/write back of impairment losses on financial instruments | 金融工具減值(損失)/回撥 | (128) | (3,652) | 95 | (261) | (3) | (3,949) | (1,657) | 123 | - | - | (5,483) |
| Impairment losses on associate | 聯營公司減值損失 | - | - | - | - | - | - | - | (726) | - | - | (726) |
| Impairment losses on other assets | 其他資產減值損失 | - | - | - | - | - | - | (6) | - | - | - | (6) |
| Operating profit/(loss) after impairment losses | 已扣除減值損失後之經營溢利/(虧損) | 4,922 | (573) | 1,211 | 281 | (2,287) | 3,554 | (12) | 1,431 | 126 | - | 5,099 |
| Net profit/(loss) on sale of assets held for sale | 出售持有作出售資產之淨溢利/(虧損) | - | - | - | - | 4 | 4 | (2) | - | - | - | 2 |
| Net profit/(loss) on disposal of subsidiaries/associates | 出售附屬公司/聯營公司之淨溢利/(虧損) | - | - | - | - | 1 | 1 | - | (13) | - | - | (12) |
| Net profit/(loss) on disposal of fixed assets | 出售固定資產之淨溢利/(虧損) | (4) | - | - | - | 1 | (3) | 17 | - | - | - | 14 |
| Valuation losses on investment properties | 重估投資物業虧損 | - | - | - | - | (84) | (84) | - | (2) | - | - | (86) |
| Share of profits less losses of associates and joint ventures | 應佔聯營公司及合資企業溢利減虧損 | - | - | - | - | (9) | (9) | 51 | 251 | - | - | 293 |
| Profit/(loss) before taxation | 除稅前溢利/(虧損) | 4,918 | (573) | 1,211 | 281 | (2,374) | 3,463 | 54 | 1,667 | 126 | - | 5,310 |
| Depreciation for the year | 年內折舊 | (207) | (19) | (12) | (9) | (206) | (453) | (295) | (59) | - | - | (807) |
| Segment assets | 分部資產 | 124,381 | 150,293 | 233,644 | 17,488 | 11,299 | 537,105 | 231,335 | 128,647 | - | (45,125) | 851,962 |
| Investments in associates and joint ventures | 聯營公司及合資企業投資 | - | - | - | - | 48 | 48 | 3,843 | 4,493 | - | - | 8,384 |
| Other assets – Assets held for sale | 其他資產 – 持有作出售資產 | - | - | - | - | 15 | 15 | - | - | - | - | 15 |
| Total assets | 資產總額 | 124,381 | 150,293 | 233,644 | 17,488 | 11,362 | 537,168 | 235,178 | 133,140 | - | (45,125) | 860,361 |
| Total liabilities | 負債總額 | 358,753 | 41,148 | 37,547 | 33,026 | 3,139 | 473,613 | 206,654 | 116,422 | - | (44,654) | 752,035 |
| Capital expenditure incurred during the year | 年度內資本開支 | 225 | 26 | 12 | 11 | 245 | 519 | 457 | 32 | - | - | 1,008 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

22. Segment Reporting (continued) 分部報告 (續)

(a) Business Segments (continued)

(a) 營業分部 (續)

| | | 2022 | | | | | | | | | | |
|---|--------------------|---|-------------------|------------------|-------------------|---------|---------|-----------------------------|-----------------------------|----------------------|---------------------------|---------|
| | | Hong Kong operations (Restated) ¹ 香港業務 (重報) ² | | | | | | Overseas, | | | | |
| | | Personal banking | Wholesale banking | Treasury markets | Wealth management | Others | Total | Chinese Mainland operations | Macau and Taiwan operations | Corporate management | Inter-segment elimination | Total |
| | | 個人銀行 | 批發銀行 | 財資市場 | 財富管理 | 其他 | 總額 | 中國內地業務 | 及台灣業務 | 企業管理 | 交易抵銷 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Net interest income/(expense) | 淨利息收入/(支出) | 4,007 | 2,859 | (19) | 367 | (106) | 7,108 | 3,997 | 2,177 | 226 | - | 13,508 |
| Non-interest income | 非利息收入 | 1,249 | 657 | 373 | 565 | 592 | 3,436 | 860 | 179 | - | (29) | 4,446 |
| Operating income | 經營收入 | 5,256 | 3,516 | 354 | 932 | 486 | 10,544 | 4,857 | 2,356 | 226 | (29) | 17,954 |
| Operating expenses | 經營支出 | (1,713) | (500) | (168) | (358) | (2,401) | (5,140) | (3,374) | (739) | - | 29 | (9,224) |
| Operating profit/(loss) before impairment losses | 未扣除減值損失之經營溢利/(虧損) | 3,543 | 3,016 | 186 | 574 | (1,915) | 5,404 | 1,483 | 1,617 | 226 | - | 8,730 |
| Impairment losses on financial instruments | 金融工具減值損失 | (127) | (3,258) | (70) | (40) | - | (3,495) | (2,088) | (340) | - | - | (5,923) |
| Impairment losses on other assets | 其他資產減值損失 | - | - | - | - | - | - | (3) | - | - | - | (3) |
| Operating profit/(loss) after impairment losses | 已扣除減值損失後之經營溢利/(虧損) | 3,416 | (242) | 116 | 534 | (1,915) | 1,909 | (608) | 1,277 | 226 | - | 2,804 |
| Net profit/(loss) on sale of assets held for sale | 出售持有作出售資產之淨溢利/(虧損) | - | - | - | - | 1,446 | 1,446 | (1) | - | - | - | 1,445 |
| Net loss on disposal of subsidiaries/associates | 出售附屬公司/聯營公司之淨虧損 | - | - | - | - | (1) | (1) | - | - | - | - | (1) |
| Net profit/(loss) on disposal of fixed assets | 出售固定資產之淨溢利/(虧損) | (16) | - | - | - | - | (16) | 34 | (1) | - | - | 17 |
| Valuation losses on investment properties | 重估投資物業虧損 | - | - | - | - | (177) | (177) | - | (2) | - | - | (179) |
| Share of profits less losses of associates and joint ventures | 應佔聯營公司及合資企業溢利減虧損 | - | - | - | - | (9) | (9) | 221 | 643 | - | - | 855 |
| Profit/(loss) before taxation | 除稅前溢利/(虧損) | 3,400 | (242) | 116 | 534 | (656) | 3,152 | (354) | 1,917 | 226 | - | 4,941 |
| Depreciation for the year | 年內折舊 | (239) | (16) | (12) | (7) | (246) | (520) | (286) | (56) | - | - | (862) |
| Segment assets | 分部資產 | 120,111 | 163,414 | 231,299 | 22,679 | 11,560 | 549,063 | 245,349 | 126,730 | - | (47,405) | 873,737 |
| Investments in associates and joint ventures | 聯營公司及合資企業投資 | - | - | - | - | 56 | 56 | 3,893 | 5,112 | - | - | 9,061 |
| Other assets - Assets held for sale | 其他資產 - 持有作出售資產 | - | - | - | - | 15 | 15 | 12 | - | - | - | 27 |
| Total assets | 資產總額 | 120,111 | 163,414 | 231,299 | 22,679 | 11,631 | 549,134 | 249,254 | 131,842 | - | (47,405) | 882,825 |
| Total liabilities | 負債總額 | 342,982 | 54,275 | 51,773 | 35,141 | 2,940 | 487,111 | 220,008 | 116,307 | - | (46,947) | 776,479 |
| Capital expenditure incurred during the year | 年度內資本開支 | 108 | 33 | 63 | 9 | 114 | 327 | 442 | 28 | - | - | 797 |

Note: The financials of Hong Kong operations have been restated to conform to the current year's presentation that reflected the organisational restructure during the year. The restructure includes regrouping MPF business from "Others" segment to "Personal banking" segment, regrouping merchant acquiring business from "Personal banking" segment to "Wholesale banking" segment, and combining previous "Centralised operations" segment and "Others" segment into one single "Others" segment under Hong Kong operations.

註：香港業務之財務數據已經重新分類，以符合本年度的呈報方式及反映年內的架構重組。重組包括將強制性公積金業務從「其他」業務分部重組為「個人銀行」業務分部，將商戶收單業務從「個人銀行」業務分部重組為「批發銀行」業務分部，並將原有的「中央營運」和「其他」業務分部合併至香港業務下的單一「其他」業務分部。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(b) Geographical Segments

The information concerning geographical analysis has been classified by the location of the principal operations of the entities and branches of the Bank responsible for reporting the results or booking the assets or, by the location where the subsidiaries or business units with special risks associated with operations originate.

(b) 地區分部

按地區分部之資料是根據負責報告業績或將資產入賬之實體或本行之分行的主要業務所在地點，或按與附屬公司或業務單位之營運有特殊風險關連的所在地點予以劃分。

| | | 2023 | | | | | |
|--|------------|-----------|------------------|-----------------------------------|---------|---------------------------|---------|
| | | Hong Kong | Chinese Mainland | Other Asian Countries and Regions | Others | Inter-segment elimination | Total |
| | | 香港 | 中國內地 | 其他亞洲國家及地區 | 其他 | 分部間之交易抵銷 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Operating income | 經營收入 | 13,181 | 5,031 | 888 | 1,953 | (307) | 20,746 |
| Profit/(loss) before taxation | 除稅前溢利／(虧損) | 3,512 | 83 | (188) | 1,903 | – | 5,310 |
| Total assets | 資產總額 | 537,607 | 234,486 | 48,322 | 84,781 | (44,835) | 860,361 |
| Total liabilities | 負債總額 | 473,670 | 206,304 | 40,901 | 75,525 | (44,365) | 752,035 |
| Contingent liabilities and commitments | 或然負債及承擔 | 90,012 | 270,752 | 7,795 | 6,533 | – | 375,092 |
| Capital expenditure during the year | 年度內資本開支 | 521 | 456 | 20 | 11 | – | 1,008 |

| | | 2022 | | | | | |
|--|------------|-----------|------------------|-----------------------------------|---------|---------------------------|---------|
| | | Hong Kong | Chinese Mainland | Other Asian Countries and Regions | Others | Inter-segment elimination | Total |
| | | 香港 | 中國內地 | 其他亞洲國家及地區 | 其他 | 分部間之交易抵銷 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Operating income | 經營收入 | 11,081 | 4,832 | 770 | 1,590 | (319) | 17,954 |
| Profit/(loss) before taxation | 除稅前溢利／(虧損) | 3,167 | (179) | 938 | 1,015 | – | 4,941 |
| Total assets | 資產總額 | 549,662 | 248,570 | 51,427 | 80,336 | (47,170) | 882,825 |
| Total liabilities | 負債總額 | 487,253 | 219,631 | 43,686 | 72,621 | (46,712) | 776,479 |
| Contingent liabilities and commitments | 或然負債及承擔 | 94,745 | 242,178 | 8,729 | 6,749 | – | 352,401 |
| Capital expenditure during the year | 年度內資本開支 | 327 | 442 | 24 | 4 | – | 797 |

Notes to the Financial Statements (continued)
財務報表附註(續)

23. Cash and Balances with Banks (Note 47(a)(ii)) 現金及在銀行的結存 (附註 47(a)(ii))

| | | 2023 | | 2022 | |
|--|-----------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Cash in hand | 現金 | 1,417 | | 1,465 | |
| Balances with central banks | 在中央銀行的結存 | 32,139 | | 34,496 | |
| Balances with other banks | 在其他銀行的結存 | 12,348 | | 18,620 | |
| Gross carrying amount before impairment allowances | 未扣除減值準備之賬面值總額 | 45,904 | | 54,581 | |
| Less: Impairment allowances (Note 43(a)(ix)) | 減：減值準備 (附註 43(a)(ix)) | (1) | | (2) | |
| | | 45,903 | | 54,579 | |

24. Placements with and Advances to Banks (Note 47(a)(ii)) 在銀行的存款及墊款 (附註 47(a)(ii))

| | | 2023 | | 2022 | |
|--|-----------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Placements with and advances to banks | 在銀行的存款及墊款 | | | | |
| Maturing | 到期期限 | | | | |
| – within one month | –1個月內 | 40,885 | | 52,337 | |
| – after one month but within one year | –1個月至1年內 | 2,808 | | 7,867 | |
| – after one year | –1年後 | – | | – | |
| Gross carrying amount before impairment allowances | 未扣除減值準備之賬面值總額 | 43,693 | | 60,204 | |
| Less: Impairment allowances (Note 43(a)(ix)) | 減：減值準備 (附註 43(a)(ix)) | (2) | | (1) | |
| | | 43,691 | | 60,203 | |
| Of which: | 其中： | | | | |
| Placements with and advances to central banks | 在中央銀行的存款及墊款 | 2,142 | | 495 | |

Notes to the Financial Statements (continued)
財務報表附註 (續)

25. Trade Bills 貿易票據

| | | 2023 | | 2022 | |
|--|-----------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Measured at amortised cost | 按攤銷成本計量 | | | | |
| Gross carrying amount before impairment allowances | 未扣除減值準備之賬面值總額 | 251 | | 41 | |
| Less: Impairment allowances (Note 43(a)(ix)) | 減：減值準備 (附註 43(a)(ix)) | - | | - | |
| | | 251 | | 41 | |
| Measured at FVOCI | 按通過其他全面收益以反映公平價值計量 | 122 | | 488 | |
| | | 373 | | 529 | |

26. Trading Assets 交易用途資產

| | | 2023 | | 2022 | |
|--|-----------------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Treasury bills (including Exchange Fund Bills) (Note 47(a)(ii)) | 國庫債券 (包括外匯基金票據) (附註 47(a)(ii)) | - | | 292 | |
| Debt securities (Note 47(a)(ii)) | 債務證券 (附註 47(a)(ii)) | 2,764 | | 983 | |
| Equity securities | 股份證券 | 285 | | 255 | |
| | | 3,049 | | 1,530 | |

27. Loans and Advances to Customers 客戶貸款及墊款

(a) Loans and Advances to Customers

(a) 客戶貸款及墊款

| | | 2023 | | 2022 | |
|--|-----------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Gross carrying amount before impairment allowances | 未扣除減值準備之賬面值總額 | 532,111 | | 549,014 | |
| Less: Impairment allowances (Note 43(a)(ix)) | 減：減值準備 (附註 43(a)(ix)) | (5,127) | | (6,620) | |
| | | 526,984 | | 542,394 | |

Notes to the Financial Statements (continued)
財務報表附註 (續)

27. Loans and Advances to Customers (continued) 客戶貸款及墊款 (續)

(b) Loans and Advances to Customers – by Industry Sectors

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

(b) 客戶貸款及墊款—按行業分類

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

| | | 2023 | | 2022 | |
|---|--|---|---|---|---|
| | | Gross advances 墊款總額 HK\$ Mn 港幣百萬元 | % of gross advances covered by collateral 有抵押墊款的百分比 % 百分率 | Gross advances 墊款總額 HK\$ Mn 港幣百萬元 | % of gross advances covered by collateral 有抵押墊款的百分比 % 百分率 |
| Loans for use in Hong Kong | 在香港使用的貸款 | | | | |
| Industrial, commercial and financial | 工商金融 | | | | |
| – Property development | – 物業發展 | 28,590 | 59.39 | 36,872 | 59.19 |
| – Property investment | – 物業投資 | 50,155 | 92.35 | 52,366 | 92.57 |
| – Financial concerns | – 金融企業 | 14,171 | 54.48 | 14,892 | 67.56 |
| – Stockbrokers | – 股票經紀 | 1,218 | 91.77 | 708 | 99.54 |
| – Wholesale and retail trade | – 批發與零售業 | 5,996 | 53.85 | 6,560 | 56.18 |
| – Manufacturing | – 製造業 | 3,219 | 39.40 | 4,485 | 29.00 |
| – Transport and transport equipment | – 運輸與運輸設備 | 4,106 | 50.05 | 5,495 | 42.22 |
| – Recreational activities | – 娛樂活動 | 108 | 99.41 | 347 | 93.76 |
| – Information technology | – 資訊科技 | 2,093 | 63.13 | 1,438 | 34.22 |
| – Others | – 其他 | 20,868 | 54.76 | 16,262 | 49.00 |
| Sub-total | 小計 | 130,524 | 70.14 | 139,425 | 69.69 |
| Individuals | 個人 | | | | |
| – Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme | – 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇貸款 | 1,081 | 99.10 | 1,200 | 99.97 |
| – Loans for the purchase of other residential properties | – 購買其他住宅物業的貸款 | 96,147 | 99.53 | 91,944 | 99.95 |
| – Credit card advances | – 信用卡墊款 | 4,740 | 0.00 | 4,115 | 0.00 |
| – Others | – 其他 | 20,555 | 58.71 | 24,367 | 55.23 |
| Sub-total | 小計 | 122,523 | 88.83 | 121,626 | 87.61 |
| Total loans for use in Hong Kong | 在香港使用的貸款總額 | 253,047 | 79.19 | 261,051 | 78.07 |
| Trade finance | 貿易融資 | 5,592 | 32.97 | 5,110 | 38.56 |
| Loans for use outside Hong Kong (Note) | 在香港以外使用的貸款 (註) | 273,472 | 35.82 | 282,853 | 35.50 |
| Total advances to customers | 客戶墊款總額 | 532,111 | 56.41 | 549,014 | 55.75 |

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

註：在香港以外使用的貸款包括以下在中國內地使用的貸款及在香港及中國內地以外使用的貸款。

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2023 | | 2022 | |
|--|-------------------|----------------|---|----------------|---|
| | | Gross advances | % of gross advances covered by collateral | Gross advances | % of gross advances covered by collateral |
| | | 墊款總額 | 有抵押墊款的百分比 | 墊款總額 | 有抵押墊款的百分比 |
| | | HK\$ Mn 港幣百萬元 | % 百分率 | HK\$ Mn 港幣百萬元 | % 百分率 |
| Loans for use in Chinese Mainland | 在中國內地使用的貸款 | | | | |
| Industrial, commercial and financial | 工商金融 | | | | |
| - Property development | - 物業發展 | 29,598 | 43.16 | 38,339 | 33.92 |
| - Property investment | - 物業投資 | 7,796 | 67.72 | 10,918 | 76.61 |
| - Financial concerns | - 金融企業 | 43,746 | 10.19 | 43,747 | 0.79 |
| - Stockbrokers | - 股票經紀 | 440 | 100.00 | 678 | 100.00 |
| - Wholesale and retail trade | - 批發與零售業 | 8,509 | 10.42 | 9,331 | 13.91 |
| - Manufacturing | - 製造業 | 14,255 | 7.35 | 13,291 | 7.76 |
| - Transport and transport equipment | - 運輸與運輸設備 | 1,921 | 61.89 | 2,077 | 81.44 |
| - Information technology | - 資訊科技 | 1,194 | 0.74 | 1,994 | 0.27 |
| - Others | - 其他 | 18,123 | 14.07 | 18,709 | 11.63 |
| Sub-total | 小計 | 125,582 | 22.80 | 139,084 | 20.56 |
| Individuals | 個人 | | | | |
| - Loans for the purchase of other residential properties | - 購買其他住宅物業的貸款 | 10,398 | 99.96 | 13,139 | 100.00 |
| - Credit card advances | - 信用卡墊款 | 3,825 | 0.00 | 4,962 | 0.00 |
| - Others | - 其他 | 18,552 | 3.67 | 16,340 | 3.34 |
| Sub-total | 小計 | 32,775 | 33.79 | 34,441 | 39.73 |
| Total loans for use in Chinese Mainland | 在中國內地使用的貸款總額 | 158,357 | 25.08 | 173,525 | 24.37 |
| Loans for use outside Hong Kong and Chinese Mainland | 在香港及中國內地以外使用的貸款 | | | | |
| Industrial, commercial and financial | 工商金融 | | | | |
| - Property development | - 物業發展 | 8,239 | 50.27 | 11,335 | 56.55 |
| - Property investment | - 物業投資 | 33,696 | 77.20 | 40,054 | 78.58 |
| - Financial concerns | - 金融企業 | 14,109 | 73.80 | 3,379 | 41.54 |
| - Wholesale and retail trade | - 批發與零售業 | 4,808 | 15.39 | 4,184 | 18.43 |
| - Manufacturing | - 製造業 | 15,032 | 1.41 | 13,440 | 3.69 |
| - Transport and transport equipment | - 運輸與運輸設備 | 2,693 | 44.13 | 3,069 | 44.94 |
| - Recreational activities | - 娛樂活動 | 885 | 80.27 | 517 | 94.78 |
| - Information technology | - 資訊科技 | 4,741 | 3.66 | 4,063 | 8.12 |
| - Others | - 其他 | 27,536 | 40.97 | 25,444 | 45.35 |
| Sub-total | 小計 | 111,739 | 49.11 | 105,485 | 51.47 |
| Individuals | 個人 | | | | |
| - Loans for the purchase of other residential properties | - 購買其他住宅物業的貸款 | 3,297 | 99.91 | 3,767 | 100.00 |
| - Credit card advances | - 信用卡墊款 | 1 | 0.00 | 2 | 0.00 |
| - Others | - 其他 | 78 | 99.65 | 74 | 87.24 |
| Sub-total | 小計 | 3,376 | 99.86 | 3,843 | 99.70 |
| Total loans for use outside Hong Kong and Chinese Mainland | 在香港及中國內地以外使用的貸款總額 | 115,115 | 50.60 | 109,328 | 53.16 |
| Total loans for use outside Hong Kong | 在香港以外使用的貸款總額 | 273,472 | 35.82 | 282,853 | 35.50 |

Notes to the Financial Statements (continued)
財務報表附註(續)

27. Loans and Advances to Customers (continued) 客戶貸款及墊款(續)

(b) Loans and Advances to Customers – by Industry Sectors (continued)

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

(b) 客戶貸款及墊款—按行業分類(續)

佔客戶墊款總額百分之十或以上的行業中已個別減值的貸款及其相關資料如下：

| | | 2023 | 2022 |
|--|-------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (i) Property development | (i) 物業發展 | | |
| a. Individually impaired loans | a. 已個別減值的貸款 | 7,581 | 8,114 |
| b. Specific provisions | b. 特殊準備 | 2,162 | 2,643 |
| c. Collective provisions | c. 整體準備 | 404 | 502 |
| d. New provision charged to income statement | d. 於收益表支銷的準備 | 2,157 | 2,949 |
| e. Written off | e. 撇銷 | 3,934 | 659 |
| (ii) Property investment | (ii) 物業投資 | | |
| a. Individually impaired loans | a. 已個別減值的貸款 | 4,094 | 3,325 |
| b. Specific provisions | b. 特殊準備 | 441 | 956 |
| c. Collective provisions | c. 整體準備 | 67 | 286 |
| d. New provision charged to income statement | d. 於收益表支銷的準備 | 227 | 589 |
| e. Written off | e. 撇銷 | 910 | 605 |
| (iii) Loans for purchase of residential properties | (iii) 購買其他住宅物業的貸款 | | |
| a. Individually impaired loans | a. 已個別減值的貸款 | 359 | 318 |
| b. Specific provisions | b. 特殊準備 | 12 | 13 |
| c. Collective provisions | c. 整體準備 | 25 | 40 |
| d. New provision charged to income statement | d. 於收益表支銷的準備 | 17 | 34 |
| e. Written off | e. 撇銷 | 1 | 3 |
| (iv) Financial concerns | (iv) 金融企業 | | |
| a. Individually impaired loans | a. 已個別減值的貸款 | 640 | 43 |
| b. Specific provisions | b. 特殊準備 | 50 | 27 |
| c. Collective provisions | c. 整體準備 | 121 | 118 |
| d. New provision charged to income statement | d. 於收益表支銷的準備 | 140 | 107 |
| e. Written off | e. 撇銷 | 45 | – |

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

特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失(第一階段及第二階段)準備。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(c) Loans and Advances to Customers – by Geographical Areas

The information concerning the breakdown of the gross amount of advances to customers by 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 22 which is prepared in a manner consistent with the way in which information is reported internally to the Group's Senior Management. The specific provisions represent lifetime expected credit loss provisions for credit impaired (Stage 3) exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired (Stage 1 and Stage 2) exposures.

(c) 客戶貸款及墊款—按區域分類

根據《銀行業(披露)規則》，客戶墊款總額按區域的分類是根據交易對手的所在地，並考慮轉移風險因素後得出的。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22分部報告的分配不同，後者的編製方法與內部匯報資料予集團高層管理人員的方法是一致的。特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)準備及整體準備指非減值信貸風險12個月及合約期內的預期信貸損失(第一階段及第二階段)準備。

| | | 2023 | | | | |
|-----------------------------------|-------------|-----------------------------|--|--------------------------------|---------------------|-----------------------|
| | | Total advances to customers | Advances overdue for over three months | Impaired advances to customers | Specific provisions | Collective provisions |
| | | 客戶墊款總額 | 逾期3個月以上的墊款 | 減值客戶墊款 | 特殊準備 | 整體準備 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Hong Kong | 香港 | 251,929 | 2,329 | 4,863 | 825 | 215 |
| Chinese Mainland | 中國內地 | 174,954 | 5,393 | 8,567 | 2,648 | 1,072 |
| Other Asian Countries and Regions | 其他亞洲國家及地區 | 31,279 | 61 | 111 | 31 | 121 |
| Others | 其他 | 73,949 | 297 | 793 | 32 | 183 |
| Total | 總額 | 532,111 | 8,080 | 14,334 | 3,536 | 1,591 |
| % of total advances to customers | 佔客戶墊款總額的百分比 | | | 2.69% | | |

Notes to the Financial Statements (continued)
財務報表附註(續)

27. Loans and Advances to Customers (continued) 客戶貸款及墊款(續)

(c) Loans and Advances to Customers – by Geographical Areas (continued) (c) 客戶貸款及墊款—按區域分類(續)

| | | 2022 | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|------------|------------|
| | | Total | Advances | Impaired | Specific | Collective |
| | | advances to | overdue for | advances to | provisions | provisions |
| | | customers | over three | customers | | |
| | | 客戶墊款 | months | 減值客戶 | 特殊準備 | 整體準備 |
| | | 總額 | 以上的墊款 | 墊款 | | |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Hong Kong | 香港 | 270,332 | 552 | 1,924 | 813 | 450 |
| Chinese Mainland | 中國內地 | 183,886 | 4,405 | 10,824 | 3,623 | 1,069 |
| Other Asian Countries and Regions | 其他亞洲國家及地區 | 30,227 | 48 | 58 | 8 | 109 |
| Others | 其他 | 64,569 | – | 339 | 74 | 474 |
| Total | 總額 | 549,014 | 5,005 | 13,145 | 4,518 | 2,102 |
| % of total advances to customers | 佔客戶墊款總額的百分比 | | | 2.39% | | |

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

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。上述按區域分類的資訊，是根據交易對手的所在地並已考慮轉移風險因素。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(d) Loans and Advances to Customers – Net Investment in Finance Leases

Loans and advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

(d) 客戶貸款及墊款—融資租賃的淨投資額

客戶貸款及墊款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

| | | 2023 | | | 2022 | | |
|---|-----------|---|--|------------------------------|---|--|------------------------------|
| | | Present value of the minimum lease payments | Interest income relating to future periods | Total minimum lease payments | Present value of the minimum lease payments | Interest income relating to future periods | Total minimum lease payments |
| | | 最低租賃付款現值 | 相關未來利息收入 | 最低租賃付款總額 | 最低租賃付款現值 | 相關未來利息收入 | 最低租賃付款總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Amounts receivable: | 應收賬款： | | | | | | |
| Within one year | 1年以內 | 165 | 72 | 237 | 179 | 69 | 248 |
| After one year but within two years | 1年以後至2年內 | 148 | 64 | 212 | 151 | 62 | 213 |
| After two years but within three years | 2年以後至3年內 | 138 | 58 | 196 | 141 | 56 | 197 |
| After three years but within four years | 3年以後至4年內 | 130 | 52 | 182 | 124 | 51 | 175 |
| After four years but within five years | 4年以後至5年內 | 124 | 47 | 171 | 120 | 48 | 168 |
| After five years | 5年以後 | 1,463 | 312 | 1,775 | 1,614 | 336 | 1,950 |
| | | 2,168 | 605 | 2,773 | 2,329 | 622 | 2,951 |
| Less: Impairment allowances | 減：減值準備 | (12) | | | (10) | | |
| Net investment in finance leases | 融資租賃的淨投資額 | 2,156 | | | 2,319 | | |

The net investment in finance leases is carried on the statement of financial position as loans and advances to customers. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作客戶貸款及墊款在財務狀況表中列賬，未來期間的利息收入並無計算。

Notes to the Financial Statements (continued)
財務報表附註(續)

28. Investment Securities 投資證券

| | | 2023 | | | | | |
|---|------------------------|---|--|----------------------------|------------------------------|-----------------------------|------------------|
| | | Treasury bills (including Exchange Fund Bills) 國庫債券 (包括外匯 基金票據) | Certificates of deposit held 持有存款證 | Debt securities 債務證券 | Equity securities 股份證券 | Investment funds 投資基金 | Total 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Investment securities measured at amortised cost | 按攤銷成本計量投資證券 | | | | | | |
| Gross carrying amount before impairment allowances | 未扣除減值準之賬面值總額 | 2,660 | 1,103 | 8,099 | - | - | 11,862 |
| Less: Impairment allowances | 減: 減值準備 | - | - | (672) | - | - | (672) |
| | | 2,660 | 1,103 | 7,427 | - | - | 11,190 |
| Investment securities measured at FVOCI | 按通過其他全面收益以反映公平價值計量投資證券 | 27,914 | - | 124,347 | 959 | - | 153,220 |
| Investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量投資證券 | - | - | 2,076 | - | 784 | 2,860 |
| | | 30,574 | 1,103 | 133,850 | 959 | 784 | 167,270 |
| | | 2022 | | | | | |
| | | Treasury bills (including Exchange Fund Bills) 國庫債券 (包括外匯 基金票據) | Certificates of deposit held 持有存款證 | Debt securities 債務證券 | Equity securities 股份證券 | Investment funds 投資基金 | Total 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Investment securities measured at amortised cost | 按攤銷成本計量投資證券 | | | | | | |
| Gross carrying amount before impairment allowances | 未扣除減值準之賬面值總額 | 2,428 | 809 | 11,630 | - | - | 14,867 |
| Less: Impairment allowances | 減: 減值準備 | - | - | (405) | - | - | (405) |
| | | 2,428 | 809 | 11,225 | - | - | 14,462 |
| Investment securities measured at FVOCI | 按通過其他全面收益以反映公平價值計量投資證券 | 22,390 | - | 105,167 | 839 | - | 128,396 |
| Investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量投資證券 | - | - | 3,270 | 37 | 842 | 4,149 |
| | | 24,818 | 809 | 119,662 | 876 | 842 | 147,007 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

Equity Securities Designated at FVOCI

指定為通過其他全面收益以反映公平價值的股份證券

| | | 2023 | | 2022 | |
|--|----------------|---------------|-----------------|---------------|-----------------|
| | | Fair value | Dividend income | Fair value | Dividend income |
| | | 公平價值 | 已確認股息收入 | 公平價值 | 已確認股息收入 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Equity investments held for long-term strategic purposes | 持有作長期策略用途的股份投資 | 959 | 34 | 839 | 16 |

As at 31st December, 2023, equity securities designated at FVOCI amounting to HK\$959 million (2022: HK\$839 million) were held for long-term strategic purposes, of which HK\$809 million (2022: HK\$694 million) was attributable to the fair value of the Bank's investment in China UnionPay Co., Ltd. None of these strategic investments was disposed of during 2023 and 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

於2023年12月31日，持有作長期策略用途之指定為通過其他全面收益以反映公平價值的股份證券金額為港幣9.59億元（2022年：港幣8.39億元），其中港幣8.09億元（2022年：港幣6.94億元）為本行於中國銀聯股份有限公司之投資的公平價值。在2023及2022年度內沒有出售該等策略投資，亦沒有將該等投資的累計盈利及虧損於股東權益內轉賬。

Notes to the Financial Statements (continued)
財務報表附註(續)

29. Investments in Subsidiaries 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股份。

Details of these companies are as follows:

此等公司的詳情如下：

| Name of company 公司名稱 | Place of incorporation and operation 註冊及營業地點 | Issued and paid-up capital 已發行及繳足股本 | % Held by | | Nature of business 業務性質 |
|---|---|--|------------------------|---|---|
| | | | The Bank 銀行 所佔權益 | The Group (Note 3) 集團所佔權益 (註3) | |
| Ample Delight Limited 承悅有限公司 | Hong Kong 香港 | HK\$港幣450,000,000元 | | 100% | Investment holding 投資控股 |
| Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司 | Hong Kong 香港 | HK\$港幣150,000,000元 | 100% | | Trustee service 信託服務 |
| BEA Union Investment Management Limited 東亞聯豐投資管理有限公司 | Hong Kong 香港 | HK\$港幣374,580,000元 | 51% | | Asset management 資產管理 |
| BEA Union Investment Management (Shenzhen) Limited (Note 1) 東亞聯豐投資管理(深圳)有限公司(註1) | PRC 中華人民共和國 | US\$7,000,000美元 | | 51% | Asset management/Investment management 資產管理/投資管理 |
| Central Town Limited 滙中興業有限公司 | Hong Kong 香港 | HK\$港幣2元 | 100% | | Property investment 物業投資 |
| Century Able Limited 階潤有限公司 | Hong Kong 香港 | HK\$港幣929,752,849元 | | 100% | Investment holding 投資控股 |
| Corona Light Limited | BVI 英屬處女群島 | HK\$港幣929,752,849元 | | 100% | Investment holding 投資控股 |
| Credit Gain Finance Company Limited 領達財務有限公司 | Hong Kong 香港 | HK\$港幣640,000,000元 | 100% | | Money lenders 放債人 |
| Crystal Gleaming Limited | BVI 英屬處女群島 | HK\$港幣929,752,849元 | 100% | | Investment holding 投資控股 |
| Dragon Jade Holdings Company Limited 卓領控股有限公司 | Hong Kong 香港 | HK\$港幣1,127,510,000元 | 100% | | Investment holding 投資控股 |
| East Asia Digital Information Services (Guangdong) Limited (Note 1) 東亞數據信息服務(廣東)有限公司(註1) | PRC 中華人民共和國 | US\$3,000,000美元 | | 100% | Servicing 服務 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

| Name of company 公司名稱 | Place of incorporation and operation 註冊及營業地點 | Issued and paid-up capital 已發行及繳足股本 | % Held by | | Nature of business 業務性質 |
|---|---|--|------------------------|---|---|
| | | | The Bank 銀行 所佔權益 | The Group (Note 3) 集團所佔權益 (註3) | |
| East Asia Holding Company, Inc. (Note 2) | U.S.A. 美國 | US\$5 美元 | 100% | | Investment holding 投資控股 |
| East Asia Securities Company Limited 東亞證券有限公司 | Hong Kong 香港 | HK\$ 港幣 25,000,000 元 | 100% | | Securities broking 證券買賣 |
| East Asia Services (Holdings) Limited 東亞服務(控股)有限公司 | Hong Kong 香港 | HK\$ 港幣 10,000 元 | 100% | | Holding company 控股公司 |
| Skycray Holdings Limited | BVI 英屬處女群島 | HK\$ 港幣 450,000,000 元 | 100% | | Investment holding 投資控股 |
| Speedfull Limited | BVI 英屬處女群島 | HK\$ 港幣 450,000,000 元 | | 100% | Investment holding 投資控股 |
| The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限公司(附註1) | PRC 中華人民共和國 | CNY 人民幣 14,160,000,000 元 | 100% | | Banking and related financial services 銀行及有關的金融服務 |

Note:

1. Represents a wholly foreign owned enterprise registered under the PRC laws.
2. Audited by auditors other than KPMG with total net assets and total income constituting approximately 0.6% and less than 0.1% respectively of the related consolidated totals.
3. Entities held by the Bank's subsidiaries.

註：

1. 指根據中華人民共和國法例註冊由外資全資擁有之企業。
2. 非由畢馬威會計師事務所審核的公司，其財務報表之資產淨總額及收入總額分別佔相關綜合總額的0.6%及低於0.1%。
3. 實體由銀行之子公司持有。

30. Investments in Associates and Joint Ventures 聯營公司及合資企業投資

| | | 2023 | 2022 |
|-----------------------------|--------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Share of net assets | 應佔淨資產 | 9,469 | 9,408 |
| Goodwill | 商譽 | 440 | 452 |
| | | 9,909 | 9,860 |
| Less: Impairment allowances | 減：減值準備 | (1,525) | (799) |
| | | 8,384 | 9,061 |

Notes to the Financial Statements (continued)
財務報表附註(續)

30. Investments in Associates and Joint Ventures (continued) 聯營公司及合資企業投資(續)

The following list contains only the particulars of principal associates and joint ventures.

以下列載只包括本集團的主要聯營公司及合資企業。

| Name of company 公司名稱 | Place of incorporation and operation 註冊及營業地點 | % of ordinary shares 普通股 held by The Group (Note 1) 集團 所佔權益 (註1) | | Nature of business 業務性質 |
|---|---|---|--|---|
| | | The Bank 銀行 所佔權益 | | |
| Associates 聯營公司 | | | | |
| Listed 上市 | | | | |
| AFFIN Bank Berhad | Malaysia 馬來西亞 | 23.93% | | Banking and related financial business 銀行及有關的金融業務 |
| Unlisted 非上市 | | | | |
| Brilliance-BEA Auto Finance Co., Ltd. 華農東亞汽車金融有限公司 | PRC 中華人民共和國 | 22.5% | | Auto finance and other related financial businesses 汽車貸款及其他有關金融業務 |
| Dolford Property Holdings Limited | BVI 英屬處女群島 | 30% | | Property investment 物業投資 |
| East Asia Qianhai Securities Company Limited 東亞前海證券有限責任公司 | PRC 中華人民共和國 | 49% | | Securities business 證券業務 |
| GUOTONG Trust Co., Ltd. 國通信託有限責任公司 | PRC 中華人民共和國 | 15.38% | | Trust and other financial business 信託及其他金融業務 |
| Industrial and Commercial Bank of China (Canada) 中國工商銀行(加拿大)有限公司 | Canada 加拿大 | 20% | | Banking services 銀行服務 |
| Industrial and Commercial Bank of China (USA) N.A. 中國工商銀行(美國) | U.S.A. 美國 | 20% | | Banking services 銀行服務 |
| Million Fortune Development (Shenzhen) Co., Ltd. 寰裕置業(深圳)有限公司 | PRC 中華人民共和國 | 25% | | Property development 物業發展 |
| Platinum Holdings Company Limited | Cayman Islands 開曼群島 | 30% | | Investment holding 投資控股 |
| Shanghai Ctrip Financial Information Services Co., Ltd. 上海攜程金融信息服務有限公司 | PRC 中華人民共和國 | 9.6% | | Financial services 金融服務 |

Note:

1. Entities held by the Bank's subsidiaries.

註：

1. 實體由銀行之子公司持有。

Notes to the Financial Statements (continued)
財務報表附註 (續)

At 31st December, 2023, the fair value of the Group's investment in AFFIN Bank Berhad ("AFFIN") based on the quoted market price had been persistently below the carrying amount. As a result, the Group performed an impairment test on the investment using a value-in-use ("VIU") methodology and this demonstrated that the recoverable amount of the investment was HK\$3,012 million. The recoverable amount was lower than the carrying value of HK\$3,738 million, thus an additional impairment charge of HK\$726 million was recognised in 2023 (2022: no impairment charge). The VIU calculation uses discounted cash flow projections based on AFFIN's latest forecast of financial results and estimates made by the Group's management for the next five years and extrapolating in perpetuity using a long-term growth rate of 3% to derive a terminal value. Discount rate of 12.03% (2022: 11.95%), which is based on a Capital Asset Pricing Model calculation for AFFIN, is used in the VIU calculation.

The following table illustrates the impact on VIU of reasonably possible changes to key assumptions. This reflects the sensitivity of the VIU to each key assumption on its own and it is possible that more than one favourable and/or unfavourable change may occur at the same time.

於2023年12月31日，按市場報價的公平價值，本集團對AFFIN Bank Berhad (「AFFIN」) 之投資的市值持續低於賬面值。因此，本集團對此項投資透過使用價值計算方法進行減值測試，測試顯示此項投資的可收回金額為港幣30.12億元。由於可收回金額低於港幣37.38億元之賬面值，因此於2023年確認額外港幣7.26億元的減值損失(2022年沒有減值損失)。使用價值計算方法採用了集團管理層基於AFFIN最新的財務業績的預測以及對未來五年的估計的折現現金流量預測，並使用3%長期增長率永久性推算得出終端價值。在價值計算方法中使用基於AFFIN的資本資產定價模型計算得出的12.03%(2022年：11.95%)折現率。

下表列出主要假設的合理可能變動對使用價值產生的影響。有關資料反映使用價值對各主要假設本身的敏感度。超過一項有利及／或不利變動有可能同時發生。

| | | Favourable change 有利變動 | | Unfavourable change 不利變動 | | | |
|------------------------|--------------|---|---------------------------------|---|---------------------------------|-------|-------|
| | | Increase in VIU 使用價值增加 HK\$ Mn 港幣百萬元 | VIU 使用價值 HK\$ Mn 港幣百萬元 | Decrease in VIU 使用價值減少 HK\$ Mn 港幣百萬元 | VIU 使用價值 HK\$ Mn 港幣百萬元 | | |
| At 31st December, 2023 | 於2023年12月31日 | | | | | | |
| Discount rate | 折現率 | -50 bps 基點 | 199 | 3,211 | +50 bps 基點 | (177) | 2,835 |
| Long-term growth rate | 長期增長率 | +50 bps 基點 | 2 | 3,014 | -50 bps 基點 | (3) | 3,009 |
| Expected cash flows | 預計現金流 | +10% | 302 | 3,314 | -10% | (301) | 2,711 |

Notes to the Financial Statements (continued)
財務報表附註(續)

30. Investments in Associates and Joint Ventures (continued) 聯營公司及合資企業投資(續)

| | | 2023 | 2022 |
|---|-----------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Aggregate information of associates and joint ventures that are not individually material | 個別不重大聯營公司及合資企業之總和資料 | | |
| Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements | 個別不重大聯營公司及合資企業在綜合財務報表之總和賬面值 | 8,384 | 9,061 |
| Aggregate amounts of the Group's share of those associates and joint ventures | 本集團佔該等聯營公司及合資企業之總和金額 | | |
| Profit after tax | 源自持續營運溢利 | 293 | 855 |
| Other comprehensive income | 其他全面收益 | (217) | (511) |
| Total comprehensive income | 全面收益總額 | 76 | 344 |
| Reconciliation of carrying amounts to the Group's total interest in the associates and joint ventures | 賬面值與本集團於聯營公司及合資企業的權益對賬 | | |
| Carrying amount of material associates and joint ventures | 重大聯營公司及合資企業之賬面值 | - | - |
| Carrying amount of individually immaterial associates and joint ventures | 個別不重大聯營公司及合資企業之賬面值 | 8,384 | 9,061 |
| Interest in associates and joint ventures in the consolidated financial statements | 在綜合財務報表中聯營公司及合資企業權益 | 8,384 | 9,061 |

31. Goodwill and Intangible Assets 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets are amortised over their estimated economic useful life.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產按其估計經濟使用期攤銷。

| | | 2023 | 2022 |
|----------------------------|--------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Goodwill | 商譽 | 1,460 | 1,460 |
| Acquired intangible assets | 購入無形資產 | 392 | 410 |
| | | 1,852 | 1,870 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

(a) Goodwill

| | | 2023 | | 2022 | |
|----------------------------------|--------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| At 1st January and 31st December | 於1月1日及12月31日 | 1,460 | | 1,460 | |

Impairment tests for cash-generating units containing goodwill
Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

| | | 2023 | | 2022 | |
|-------------------|------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Personal banking | 個人銀行 | 849 | 849 | 849 | 849 |
| Wholesale banking | 批發銀行 | 453 | 453 | 453 | 453 |
| Treasury markets | 財資市場 | 158 | 158 | 158 | 158 |
| | | 1,460 | | 1,460 | |

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The discount rate used for value-in-use calculations is 9.62% (2022: 7.98%) and the long-term growth rate is 3% (2022: 3%).

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

(a) 商譽

包含商譽的現金生產單位之減值測試
本集團按業務分部分配商譽予可辨識的現金生產單位如下：

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的折扣率為9.62% (2022年：7.98%) 及長期增長率為3% (2022年：3%)。

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

Notes to the Financial Statements (continued)
財務報表附註 (續)

31. Goodwill and Intangible Assets (continued) 商譽及無形資產 (續)

(b) Intangible Assets (other than Goodwill)

Intangible assets consist of building naming rights only. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(r)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(b) 無形資產 (商譽除外)

無形資產只包括建築物命名權。無形資產按成本減除累計攤銷及減值損失列賬 (附註 2(r))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

命名權：按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

| | | 2023 | 2022 |
|----------------------------------|------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cost | 成本 | | |
| At 1st January | 於1月1日 | 1,402 | 1,404 |
| Exchange adjustments | 匯兌調整 | - | (2) |
| At 31st December | 於12月31日 | 1,402 | 1,402 |
| Accumulated amortisation | 累計攤銷 | | |
| At 1st January | 於1月1日 | (336) | (323) |
| Amortisation charge for the year | 年度內攤銷 | (13) | (13) |
| Exchange adjustments | 匯兌調整 | - | - |
| At 31st December | 於12月31日 | (349) | (336) |
| Impairment allowance | 減值準備 | | |
| At 1st January | 於1月1日 | (656) | (656) |
| Charge for the year | 年度內支銷 | (5) | - |
| Exchange adjustments | 匯兌調整 | - | - |
| As at 31st December | 於12月31日 | (661) | (656) |
| Carrying amount at 31st December | 於12月31日賬面值 | 392 | 410 |

Notes to the Financial Statements (continued)
財務報表附註(續)

32. Fixed Assets 固定資產

| | | 2023 | | | | | | | |
|--|-----------------------|-----------------------|---------------|-----------------------------------|-----------|-------------------------------------|---|-----------|---------|
| | | Investment properties | Bank premises | Furniture, fixtures and equipment | Sub-total | Right-of-use assets – Bank premises | Right-of-use assets – Furniture, fixtures and equipment | Sub-total | Total |
| | | 投資物業 | 行址 | 傢俬、裝修及設備 | 小計 | 使用權資產 – 行址 | 使用權資產 – 傢俬、裝修及設備 | 小計 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Cost or valuation | 成本或估值 | | | | | | | | |
| At 1st January, 2023 | 於2023年1月1日 | 5,166 | 8,064 | 6,478 | 14,542 | 1,304 | 25 | 1,329 | 21,037 |
| Additions | 增置 | - | 13 | 667 | 680 | 326 | 2 | 328 | 1,008 |
| Revaluation deficit | 重估虧損 | (86) | - | - | - | - | - | - | (86) |
| Disposals | 出售 | - | (24) | (191) | (215) | - | - | - | (215) |
| Revaluation surplus on bank premises upon transfer to investment properties (Note 42(b)) | 行址重估盈餘轉入投資物業(附註42(b)) | - | 13 | - | 13 | - | - | - | 13 |
| Transfer from bank premises to investment properties | 由行址轉入投資物業 | 24 | (24) | - | (24) | - | - | - | - |
| Expiry/termination of lease contracts | 到期/終止租賃合約 | - | - | - | - | (199) | (4) | (203) | (203) |
| Less: Elimination of accumulated depreciation on revalued bank premises | 減: 抵銷行址重估的累計折舊 | - | (3) | - | (3) | - | - | - | (3) |
| Transfer to asset classified as assets held for sale | 轉至分類為持有作出售資產 | - | (21) | - | (21) | - | - | - | (21) |
| Exchange adjustments | 匯兌調整 | 1 | (87) | (44) | (131) | (3) | - | (3) | (133) |
| At 31st December, 2023 | 於2023年12月31日 | 5,105 | 7,931 | 6,910 | 14,841 | 1,428 | 23 | 1,451 | 21,397 |
| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | | | | |
| At 1st January, 2023 | 於2023年1月1日 | - | 2,289 | 4,660 | 6,949 | 598 | 14 | 612 | 7,561 |
| Depreciation for the year | 年內折舊 | - | 134 | 413 | 547 | 255 | 5 | 260 | 807 |
| Impairment for the year | 年內減值 | - | 1 | - | 1 | - | - | - | 1 |
| Expiry/termination of lease contracts | 到期/終止租賃合約 | - | - | - | - | (199) | (4) | (203) | (203) |
| Elimination of accumulated depreciation on revalued bank premises | 抵銷行址重估的累計折舊 | - | (3) | - | (3) | - | - | - | (3) |
| Written off on disposal | 出售時撇銷 | - | (13) | (174) | (187) | - | - | - | (187) |
| Transfer to asset classified as assets held for sale | 轉至分類為持有作出售資產 | - | (8) | - | (8) | - | - | - | (8) |
| Exchange adjustments | 匯兌調整 | - | (35) | (26) | (61) | (3) | - | (3) | (64) |
| At 31st December, 2023 | 於2023年12月31日 | - | 2,365 | 4,873 | 7,238 | 651 | 15 | 666 | 7,904 |
| Net book value at 31st December, 2023 | 賬面淨值於2023年12月31日 | 5,105 | 5,566 | 2,037 | 7,603 | 777 | 8 | 785 | 13,493 |
| The gross amounts of the above assets are stated: | 上述資產的總額列示如下: | | | | | | | | |
| At cost | 按成本 | - | 7,183 | 6,910 | 14,093 | 1,428 | 23 | 1,451 | 15,544 |
| At Directors' valuation – 1989 | 按董事估值 – 1989年 | - | 748 | - | 748 | - | - | - | 748 |
| At professional valuation – 2023 | 按專業估值 – 2023年 | 5,105 | - | - | - | - | - | - | 5,105 |
| | | 5,105 | 7,931 | 6,910 | 14,841 | 1,428 | 23 | 1,451 | 21,397 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

32. Fixed Assets (continued) 固定資產 (續)

| | | 2022 | | | | | | | |
|--|------------------------|--------------------------|------------------------|-----------------------------------|------------------------|-------------------------------------|---|------------------------|------------------------|
| | | Investment properties | Bank premises | Furniture, fixtures and equipment | Sub-total | Right-of-use assets – Bank premises | Right-of-use assets – Furniture, fixtures and equipment | Sub-total | Total |
| | | 投資物業 HK\$ Mn 港幣百萬元 | 行址 HK\$ Mn 港幣百萬元 | 傢俬、裝修 及設備 HK\$ Mn 港幣百萬元 | 小計 HK\$ Mn 港幣百萬元 | 使用權資產 – 行址 HK\$ Mn 港幣百萬元 | 使用權資產 – 傢俬、 裝修及設備 HK\$ Mn 港幣百萬元 | 小計 HK\$ Mn 港幣百萬元 | 總額 HK\$ Mn 港幣百萬元 |
| Cost or valuation | 成本或估值 | | | | | | | | |
| At 1st January, 2022 | 於2022年1月1日 | 4,992 | 8,529 | 6,448 | 14,977 | 1,507 | 23 | 1,530 | 21,499 |
| Additions | 增置 | - | 82 | 473 | 555 | 238 | 4 | 242 | 797 |
| Revaluation deficit | 重估虧損 | (179) | - | - | - | - | - | - | (179) |
| Disposals | 出售 | - | (209) | (270) | (479) | - | - | - | (479) |
| Remeasurement | 重新計量 | - | - | - | - | (15) | - | (15) | (15) |
| Revaluation surplus on bank premises upon transfer to investment properties (Note 42(b)) | 行址重估盈餘轉入投資物業 (附註42(b)) | - | 354 | - | 354 | - | - | - | 354 |
| Transfer from bank premises to investment properties | 由行址轉入投資物業 | 493 | (493) | - | (493) | - | - | - | - |
| Transfer from investment properties to bank premises | 由投資物業轉入行址 | (139) | 139 | - | 139 | - | - | - | - |
| Expiry/termination of lease contracts | 到期/終止租賃合約 | - | - | - | - | (367) | (2) | (369) | (369) |
| Less: Elimination of accumulated depreciation on revalued bank premises | 減: 抵銷行址重估的累計折舊 | - | (35) | - | (35) | - | - | - | (35) |
| Exchange adjustments | 匯兌調整 | (1) | (303) | (173) | (476) | (59) | - | (59) | (536) |
| At 31st December, 2022 | 於2022年12月31日 | 5,166 | 8,064 | 6,478 | 14,542 | 1,304 | 25 | 1,329 | 21,037 |
| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | | | | |
| At 1st January, 2022 | 於2022年1月1日 | - | 2,378 | 4,584 | 6,962 | 682 | 11 | 693 | 7,655 |
| Depreciation for the year | 年內折舊 | - | 139 | 428 | 567 | 290 | 5 | 295 | 862 |
| Expiry/termination of lease contracts | 到期/終止租賃合約 | - | - | - | - | (350) | (2) | (352) | (352) |
| Elimination of accumulated depreciation on revalued bank premises | 抵銷行址重估的累計折舊 | - | (35) | - | (35) | - | - | - | (35) |
| Written off on disposal | 出售時撇銷 | - | (83) | (239) | (322) | - | - | - | (322) |
| Exchange adjustments | 匯兌調整 | - | (110) | (113) | (223) | (24) | - | (24) | (247) |
| At 31st December, 2022 | 於2022年12月31日 | - | 2,289 | 4,660 | 6,949 | 598 | 14 | 612 | 7,561 |
| Net book value at 31st December, 2022 | 賬面淨值 於2022年12月31日 | 5,166 | 5,775 | 1,818 | 7,593 | 706 | 11 | 717 | 13,476 |
| The gross amounts of the above assets are stated: | 上述資產的總額列示如下: | | | | | | | | |
| At cost | 按成本 | - | 7,316 | 6,478 | 13,794 | 1,304 | 25 | 1,329 | 15,123 |
| At Directors' valuation – 1989 | 按董事估值 – 1989年 | - | 748 | - | 748 | - | - | - | 748 |
| At professional valuation – 2022 | 按專業估值 – 2022年 | 5,166 | - | - | - | - | - | - | 5,166 |
| | | 5,166 | 8,064 | 6,478 | 14,542 | 1,304 | 25 | 1,329 | 21,037 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

Fair Value Measurement of Properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

| | |
|---------------------|--|
| Level 1 valuations: | Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. |
| Level 2 valuations: | Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available. |
| Level 3 valuations: | Fair value measured using significant unobservable inputs. |

物業公平價值之釐定

(i) 公平價值分級

根據《香港財務報告準則》第十三號「釐定公平價值」三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

| | |
|--------|--|
| 第一級估值： | 釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。 |
| 第二級估值： | 釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。 |
| 第三級估值： | 釐定公平價值採用重要的非可觀察參數。 |

| | Fair value at 31st December, 2023 於2023年12月31日之公平價值 HK\$ Mn 港幣百萬元 | Fair value measurements as at 31st December, 2023 categorised into 於2023年12月31日釐定公平價值之分類 | | |
|---|---|--|---------------------------------|---------------------------------|
| | | Level 1 第一級 HK\$ Mn 港幣百萬元 | Level 2 第二級 HK\$ Mn 港幣百萬元 | Level 3 第三級 HK\$ Mn 港幣百萬元 |
| Recurring fair value measurement | 重覆發生的公平價值釐定 | | | |
| Investment properties | 投資物業 | | | |
| Commercial – Hong Kong | 商業—香港 | 5,094 | - | 5,094 |
| Commercial – Others | 商業—其他 | 11 | - | 11 |
| | | 5,105 | - | 5,105 |

| | Fair value at 31st December, 2022 於2022年12月31日之公平價值 HK\$ Mn 港幣百萬元 | Fair value measurements as at 31st December, 2022 categorised into 於2022年12月31日釐定公平價值之分類 | | |
|---|---|--|---------------------------------|---------------------------------|
| | | Level 1 第一級 HK\$ Mn 港幣百萬元 | Level 2 第二級 HK\$ Mn 港幣百萬元 | Level 3 第三級 HK\$ Mn 港幣百萬元 |
| Recurring fair value measurement | 重覆發生的公平價值釐定 | | | |
| Investment properties | 投資物業 | | | |
| Commercial – Hong Kong | 商業—香港 | 5,154 | - | 5,154 |
| Commercial – Others | 商業—其他 | 12 | - | 12 |
| | | 5,166 | - | 5,166 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

32. Fixed Assets (continued) 固定資產 (續)

Fair Value Measurement of Properties (continued)

(i) Fair value hierarchy (continued)

During the years ended 31st December, 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2023 and 2022.

Investment properties in Hong Kong were valued at HK\$5,094 million (2022: HK\$5,154 million) as at 31st December, 2023 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the financial statements as at 31st December, 2023 and it was performed on an open market value basis. Details of valuation techniques are described below:

(ii) Information about Level 3 fair value measurement of properties

| | Valuation techniques 估值模式 | Unobservable input 不可觀察輸入參數 |
|-------------------------------|--|---|
| Investment properties 投資物業 | Income capitalisation approach 收入還原法 | Expected market rental 預期市場租金 Capitalisation rate 還原率 |
| | Direct comparison approach 直接比較法 | Premium (discount) on quality of the buildings 樓宇質素溢價 (折扣) |

Investment properties not under construction

The fair value of investment properties is determined by adoption of the Income Capitalisation Approach whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which in turn capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewals of Government lease upon its expiry. The summation of the capitalised value of the term income for the leased portion, the capitalised value of the reversion income as appropriately deferred for the leased portion and the capitalised value for the vacant portion provides the market value of the property.

物業公平價值之釐定 (續)

(i) 公平價值分級 (續)

2023年及2022年12月31日止年度內，沒有第一級和第二級兩者之間的轉移，亦未有第三級的轉入或轉出。本集團的政策是只確認於報告期末公平價值分級之間發生的轉移。

於2023年及2022年12月31日，所有本集團的投資物業均由獨立估值師估價。

於2023年12月31日，香港投資物業的估值為港幣50.94億元（2022年：港幣51.54億元）。該等物業由獨立估值師—特許測量師第一太平戴維斯估價，其僱員具香港測量師學會士資歷並對估值物業的所在地及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2023年12月31日之賬項內。估值模式詳述如下：

(ii) 有關第三級釐定公平價值的物業

非正在建築中的投資物業

投資物業的公平價值是按採納收入還原法計算，其方法是將現時物業已出租單位之租金收入按其分別未到期租約條款還原，而空置單位則假設於估價日每一單位可按市值租金租出，再根據投資者預期每一類別物業之市場回報來還原。其中已顧及並預期政府之租約於期限屆滿後可續約。出租部分期間收入之還原值、已適當遞延出租部分之歸還收入的還原值及空置部分之還原值之總和計算出物業的市場價值。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The market rentals of all lettable units are made (a) by reference to the rentals fetched in the property and/or (b) by reference to the lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the market expectation from property investors. This expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating costs, risk factor and the like.

As a supporting approach to the Income Capitalisation Approach, the Direct Comparison Approach is also adopted as a check for the valuation. Comparable sales transactions of similar properties in the locality are collected and analysed each in terms of a price per square footage. The collected comparables are then adjusted to take account of the discrepancies between the property and comparables in terms of time, location, age, building quality and the like.

The fair value measurement is positively correlated to the market rental and negatively correlated to the capitalisation rate.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

| | | 2023 | 2022 |
|--|--|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Investment properties – Commercial – Hong Kong 投資物業 – 商業 – 香港 | | | |
| At 1st January 於1月1日 | | 5,154 | 4,978 |
| Transfer from bank premises to investment properties 由行址轉入投資物業 | | 24 | 493 |
| Transfer from investment properties to bank premises 由投資物業轉入行址 | | – | (139) |
| Revaluation deficit 重估虧損 | | (84) | (178) |
| At 31st December 於12月31日 | | 5,094 | 5,154 |
| Investment properties – Commercial – Others 投資物業 – 商業 – 其他 | | | |
| At 1st January 於1月1日 | | 12 | 14 |
| Revaluation deficit 重估虧損 | | (2) | (1) |
| Exchange adjustments 匯兌調整 | | 1 | (1) |
| At 31st December 於12月31日 | | 11 | 12 |

Fair value adjustment of investment properties is recognised in the line item "valuation losses on investment properties" on the face of the consolidated income statement.

All the losses recognised in the income statement for the year arise from the properties held at the end of the reporting period.

所有已租出單位市場租金之計算是(a)參考由物業賺取的租金及/或(b)參考鄰近所租出之類同物業。採納之還原率是參考分析市場出售交易得出之回報及物業投資者對市場的預期。此預期回報已潛在地反映投資的質素、預期未來租金增長和資本增值的潛力、營運成本、風險因素及其他。

除收入還原法外，亦採納直接比較法以核實估值。在鄰近可比較類同物業之出售交易會被收集及分析，以計算每一平方呎的價值。已收集之比較資料根據物業及可比較資料的差異，並按時間、位置、樓齡、樓宇質素及其他作調整。

釐定公平價值與市場租金有正面相互關聯及與還原率有負面相互關聯。

年內該等第三級公平價值釐定之餘額變動如下：

投資物業的公平價值調整在綜合收益表上之「重估投資物業虧損」項下確認。

所有確認於年度收益表之虧損均源自於報告期期末持有之物業。

Notes to the Financial Statements (continued)
財務報表附註 (續)

32. Fixed Assets (continued) 固定資產 (續)

Fair Value Measurement of Properties (continued)

(ii) Information about Level 3 fair value measurement of properties (continued)

The net book value of bank premises and investment properties comprises:

物業公平價值之釐定 (續)

(ii) 有關第三級釐定公平價值的物業 (續)

行址及投資物業的賬面淨值包括：

| | | 2023 | | 2022 | |
|--------------------------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | | Investment properties | Bank premises | Investment properties | Bank premises |
| | | 投資物業 | 行址 | 投資物業 | 行址 |
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Freeholds | 永久業權 | | | | |
| Held outside Hong Kong | 在香港以外地區 | 11 | 610 | 12 | 606 |
| Leaseholds | 租借地 | | | | |
| Held in Hong Kong | 在香港 | | | | |
| On long lease (over 50 years) | 長期租約 (50年以上) | 3,952 | 1,611 | 4,003 | 1,620 |
| On medium-term lease (10-50 years) | 中期租約 (10至50年) | 1,142 | 1,113 | 1,151 | 1,163 |
| Held outside Hong Kong | 在香港以外地區 | | | | |
| On long lease (over 50 years) | 長期租約 (50年以上) | - | 12 | - | 13 |
| On medium-term lease (10-50 years) | 中期租約 (10至50年) | - | 2,210 | - | 2,363 |
| On short-term lease (below 10 years) | 短期租約 (10年以下) | - | 10 | - | 10 |
| | | 5,105 | 5,566 | 5,166 | 5,775 |

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 5 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income from investment properties held for use under operating leases amounted to HK\$129 million in 2023 (2022: HK\$133 million).

本集團以經營租賃形式租出投資物業。租賃年期通常由1年至5年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

於年內，以經營租賃形式租出的投資物業之租金收入為港幣1.29億元 (2022年：港幣1.33億元)。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The total future minimum lease payments of investment properties under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出租的投資物業的未來最低應收租賃付款總額如下：

| | | 2023 | | 2022 | |
|---|----------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Within one year | 1年以內 | 105 | | 104 | |
| After one year but within two years | 1年以後至2年內 | 55 | | 38 | |
| After two years but within three years | 2年以後至3年內 | 25 | | 14 | |
| After three years but within four years | 3年以後至4年內 | 8 | | 3 | |
| After four years but within five years | 4年以後至5年內 | 5 | | - | |
| After five years | 5年以後 | 6 | | - | |
| | | 204 | | 159 | |

33. Other Assets 其他資產

| | | 2023 | | 2022 | |
|--|-----------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Accrued interest | 應計利息 | 4,200 | | 3,537 | |
| Customer liabilities under acceptances | 承兌客戶負債 | 26,771 | | 27,796 | |
| Other accounts | 其他賬項 | 7,776 | | 8,094 | |
| Gross carrying amount before impairment allowances | 未扣除減值準備之賬面值總額 | 38,747 | | 39,427 | |
| Less: Impairment allowances (Note 43(a)(ix)) | 減：減值準備 (附註 43(a)(ix)) | (292) | | (219) | |
| | | 38,455 | | 39,208 | |
| Assets held for sale | 持有作出售資產 | 15 | | 27 | |
| | | 38,470 | | 39,235 | |

Notes to the Financial Statements (continued)
財務報表附註(續)

34. Financial Liabilities Designated at Fair Value through Profit or Loss 指定為通過損益以反映公平價值的金融負債

| | | 2023 | 2022 |
|-----------------------------------|-------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Deposits and balances of banks | 銀行的存款及結餘 | 3,199 | 4,545 |
| Deposits from customers (Note 36) | 客戶存款 (附註36) | 199 | - |
| Certificates of deposits issued | 已發行存款證 | 9,415 | 19,001 |
| Debt securities issued | 已發行債務證券 | 688 | 811 |
| | | 13,501 | 24,357 |

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

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

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

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

| | | 2023 | 2022 |
|---|----------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Balance at 1st January | 於1月1日結餘 | 15 | (46) |
| Recognised in other comprehensive income during the year (Note 42(h)) | 年內在其他全面收益表內確認的金額 (附註42(h)) | (13) | 73 |
| Deferred tax (Note 42(h)) | 遞延稅項 (附註42(h)) | 2 | (12) |
| Balance at 31st December | 於12月31日結餘 | 4 | 15 |

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during the year (2022: Nil).

年內(2022年：無)並未有指定為通過損益以反映公平價值的負債被終止確認，亦未有將其累計盈利或虧損在股東權益內轉賬。

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

計算可歸屬於金融負債信貸風險的公平價值變動是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。

The carrying amount of financial liabilities designated at FVTPL was HK\$120 million lower than the contractual amount due at maturity (2022: HK\$428 million lower).

於2023年，指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低港幣1.20億元(2022年：低港幣4.28億元)。

Notes to the Financial Statements (continued)
財務報表附註(續)

35. Income Tax in the Statement of Financial Position 財務狀況表內的所得稅

(a) Current Taxation in the Statement of Financial Position Represents:

(a) 資產負債表內的本年稅項為：

| | | 2023 | | 2022 | |
|--|-------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Provision for Hong Kong profits tax for the year | 本年度香港利得稅準備 | 482 | | 486 | |
| Provisional profits tax paid | 已付暫繳利得稅 | (217) | | (260) | |
| | | 265 | | 226 | |
| Balance of profits tax provision relating to prior years | 以往年度利得稅準備餘額 | 891 | | 772 | |
| Taxation outside Hong Kong | 在香港以外稅項 | 446 | | 254 | |
| | | 1,602 | | 1,252 | |

(b) Deferred Tax Assets and Liabilities Recognised

(b) 遞延稅項資產及負債確認

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

確認於綜合財務狀況表中遞延稅項資產/(負債)的組成部分及年內之變動如下：

| | | 2023 | | | | | | |
|---|-----------------------------|---|---------------------------|---------------------------------------|--|------------|---------|---------|
| | | Depreciation allowances in excess of related depreciation | Revaluation of properties | Impairment losses on financial assets | Revaluation of financial assets at FVOCI | Tax losses | Others | Total |
| | | 超過有關折舊的折舊免稅額 | 物業重估 | 金融資產減值損失 | 公平價值金融資產重估 | 稅損 | 其他 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Deferred tax arising from: | | | | | 按通過其他全面收益以反映 | | | |
| 遞延稅項源自： | | | | | 超過有關折舊的折舊免稅額 | | | |
| At 1st January, 2023 | 於2023年1月1日 | (354) | (113) | 1,904 | 15 | 16 | 155 | 1,623 |
| (Charged)/credited to income statement (Note 17(a)) | 收益表內(支銷)/存入(附註17(a)) | (27) | - | 2 | - | (13) | (41) | (79) |
| (Charged)/credited to reserves (Notes 42(b), (g) and (h)) | 儲備內(支銷)/存入(附註42(b)、(g)及(h)) | - | 2 | - | (134) | - | 2 | (130) |
| Exchange and other adjustments | 匯兌及其他調整 | - | - | (43) | - | - | (3) | (46) |
| At 31st December, 2023 | 於2023年12月31日 | (381) | (111) | 1,863 | (119) | 3 | 113 | 1,368 |

Notes to the Financial Statements (continued)
財務報表附註(續)

35. Income Tax in the Statement of Financial Position (continued) 財務狀況表內的所得稅(續)

(b) Deferred Tax Assets and Liabilities Recognised (continued)

(b) 遞延稅項資產及負債確認(續)

| Deferred tax arising from: | | 2022 | | | | | | Total |
|--|-----------------------------|---|---------------------------|---------------------------------------|--|------------------|------------------|------------------|
| | | Depreciation allowances in excess of related depreciation | Revaluation of properties | Impairment losses on financial assets | Revaluation of financial assets at FVOCI | Tax losses | Others | |
| 遞延稅項源自： | | 超過有關折舊的折舊免稅額 | 物業重估 | 金融資產減值損失 | 公平價值金融資產重估 | 稅損 | 其他 | 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| At 1st January, 2022 | 於2022年1月1日 | (339) | (109) | 1,515 | (282) | 303 | 214 | 1,302 |
| (Charged)/credited to income statement (Note 17(a)) | 收益表內(支銷)/存入(附註17(a)) | (15) | - | 494 | - | (272) | (33) | 174 |
| (Charged)/credited to reserves (Notes 42(b), (g) and (h)) | 儲備內(支銷)/存入(附註42(b)、(g)及(h)) | - | (4) | - | 294 | - | (12) | 278 |
| Reversal due to disposal of subsidiaries | 出售附屬公司的轉回 | - | - | - | (1) | - | (1) | (2) |
| Exchange and other adjustments | 匯兌及其他調整 | - | - | (105) | 4 | (15) | (13) | (129) |
| At 31st December, 2022 | 於2022年12月31日 | (354) | (113) | 1,904 | 15 | 16 | 155 | 1,623 |
| | | | | | | 2023 | 2022 | |
| | | | | | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | |
| Net deferred tax assets recognised on the statement of financial position | 確認於財務狀況表的遞延稅項資產淨額 | | | | | 1,836 | 1,849 | |
| Net deferred tax liabilities recognised on the statement of financial position | 確認於財務狀況表的遞延稅項負債淨額 | | | | | (468) | (226) | |
| | | | | | | 1,368 | 1,623 | |

Notes to the Financial Statements (continued)
財務報表附註 (續)

(c) Deferred Tax Assets Not Recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$109 million (2022: HK\$101 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

| | | 2023 | | 2022 | |
|-------------------------|--------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Expiring within 5 years | 於五年內到期 | 47 | | 41 | |
| No expiry date | 無到期日 | 62 | | 60 | |
| | | 109 | | 101 | |

(c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣1.09億元(2022年：港幣1.01億元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

36. Deposits from Customers 客戶存款

| | | 2023 | | 2022 | |
|-------------------------------|---------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Measured at amortised cost | 按攤銷成本計量 指定為通過損益以反映公平價值 | 628,399 | | 648,093 | |
| Designated at FVTPL (Note 34) | (附註 34) | 199 | | - | |
| | | 628,598 | | 648,093 | |

37. Other Liabilities 其他負債

| | | 2023 | | 2022 | |
|--|---------------------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Accrued interest payable | 應計應付利息 | 5,265 | | 4,155 | |
| Acceptance draft payable | 應付承兌票據 | 26,771 | | 27,796 | |
| Impairment allowances on financial guarantee contracts issued and loan commitments issued (Note 43(a)(ix)) | 已發行的財務擔保及已發行的貸款承擔之減值準備 (附註 43(a)(ix)) | 415 | | 318 | |
| Lease Liabilities | 租賃負債 | 852 | | 774 | |
| Other accounts (Note) | 其他賬項 (註) | 14,009 | | 16,756 | |
| | | 47,312 | | 49,799 | |

Note: Include contract liabilities of HK\$2,162 million (2022: HK\$2,476 million) from contracts with customers under HKFRS 15.

註：包括由《香港財務報告準則》第15號所產生的合約負債港幣21.62億元(2022年：港幣24.76億元)。

Notes to the Financial Statements (continued)
財務報表附註(續)

38. Loan Capital 借貸資本

| | | 2023 | | 2022 | |
|--|---------------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Subordinated notes/Loss absorbing notes, at amortised cost with fair value hedge adjustments | 按攤銷成本及經公平價值對沖調整後列賬的後償票據/吸收虧損票據 | | | | |
| USD500 million fixed rate subordinated notes due 22nd April, 2032 | 在2032年4月22日到期的定息5億美元後償票據 (1) | 3,750 | | 3,691 | |
| USD600 million fixed rate subordinated notes due 29th May, 2030 | 在2030年5月29日到期的定息6億美元後償票據 (2) | 4,727 | | 4,665 | |
| USD250 million fixed rate loss absorbing notes due 7th July, 2028 | 在2028年7月7日到期的定息2.5億美元吸收虧損票據 (3) | 1,899 | | 1,876 | |
| USD500 million fixed rate loss absorbing notes due 15th March, 2027 | 在2027年3月15日到期的定息5億美元吸收虧損票據 (4) | 3,942 | | – | |
| Subordinated notes, at amortised cost without hedging | 按攤銷成本列賬及並未對沖的後償票據 | | | | |
| RMB1,500 million fixed rate subordinated notes due 25th April, 2029 | 在2029年4月25日到期的定息人民幣15億元後償票據 (5) | 1,649 | | 1,695 | |
| | | 15,967 | | 11,927 | |

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the years ended 31st December, 2023 and 2022.

截至2023及2022年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

(1) Loan capital with face value of US\$500 million (equivalent to HK\$3,906 million) and carrying amount of HK\$3,750 million (2022: HK\$3,691 million) represents subordinated notes carrying a coupon rate of 4.875% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 22nd April, 2022 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 22nd April, 2032 and are callable on 22nd April, 2027. The notes are under fair value hedge accounting and the hedge ineffectiveness of HK\$0.6 million loss was recorded in 2023.

(1) 票面值5億美元(相等於港幣39.06億元)及賬面值港幣37.50億元(於2022年12月31日:港幣36.91億元)的借貸資本,是指由本行於2022年4月22日發行年息4.875%,並評定為二級資本及符合吸收虧損能力之要求的後償票據。該等票據於聯交所上市,並將於2032年4月22日到期及可於2027年4月22日贖回。在2023年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣60萬元。

(2) Loan capital with face value of US\$600 million (equivalent to HK\$4,687 million) and carrying amount of HK\$4,727 million (2022: HK\$4,665 million) represents subordinated notes carrying a coupon of 4% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 29th May, 2020 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 29th May, 2030 and are callable on 29th May, 2025. The notes are under fair value hedge accounting and the hedge ineffectiveness of HK\$17.7 million loss was recorded in 2023.

(2) 票面值6億美元(相等於港幣46.87億元)及賬面值港幣47.27億元(於2022年12月31日:港幣46.65億元)的借貸資本,是指由本行於2020年5月29日發行年息4%,並評定為二級資本及符合吸收虧損能力之要求的後償票據。該等票據於聯交所上市,並將於2030年5月29日到期及可於2025年5月29日贖回。在2023年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣1,770萬元。

Notes to the Financial Statements (continued)
財務報表附註 (續)

- (3) Loan capital with face value of US\$250 million (equivalent to HK\$1,953 million) and carrying amount of HK\$1,899 million (2022: HK\$1,876 million) represents non-preferred loss-absorbing capacity notes carrying a coupon rate of 5.125% p.a. and meeting the loss-absorbing capacity requirements issued on 7th July, 2022 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 7th July, 2028 and are callable on 7th July, 2027. The notes are under fair value hedge accounting and insignificant hedge ineffectiveness was recorded in 2023.
- (3) 票面值2.5億美元(相等於港幣19.53億元)及賬面值港幣18.99億元(於2022年12月31日:港幣18.76億元)的借貸資本,是指由本行於2022年7月7日發行年息5.125%,及符合吸收虧損能力之要求的非優先吸收虧損能力票據。該等票據於聯交所上市,並將於2028年7月7日到期及可於2027年7月7日贖回。在2023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並不重大。
- (4) Loan capital with face value of US\$500 million (equivalent to HK\$3,906 million) and carrying amount of HK\$3,942 million represents non-preferred loss-absorbing capacity notes carrying a coupon rate of 6.75% p.a. and meeting the loss-absorbing capacity requirements issued on 15th March, 2023 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 15th March, 2027 and are callable on 15th March, 2026. The notes are under fair value hedge accounting and the hedge ineffectiveness of HK\$4.8 million loss was recorded in 2023.
- (4) 票面值5億美元(相等於港幣39.06億元)及賬面值港幣39.42億元的借貸資本,是指由本行於2023年3月15日發行年息6.75%,及符合吸收虧損能力之要求的非優先吸收虧損能力票據。該等票據於聯交所上市,並將於2027年3月15日到期及可於2026年3月15日贖回。在2023年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣480萬元。
- (5) Loan capital with face value of RMB1,500 million (equivalent to HK\$1,650 million) and carrying amount of HK\$1,649 million (2022: HK\$1,695 million) represents subordinated notes carrying a coupon of 4.94% p.a. issued on 25th April, 2019 by the Bank's subsidiary, The Bank of East Asia (China) Limited. The notes will mature on 25th April, 2029 and are callable on 25th April, 2024.
- (5) 票面值人民幣15億元(相等於港幣16.50億元)及賬面值港幣16.49億元(於2022年12月31日:港幣16.95億元)的借貸資本,是指由本行附屬公司東亞中國於2019年4月25日發行年息4.94%的後償票據。該等票據將於2029年4月25日到期及可於2024年4月25日贖回。

Notes to the Financial Statements (continued)
財務報表附註(續)

39. Equity Settled Share-Based Transactions 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Director(s) and Co-Chief Executives, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under the 2011 Scheme, 2016 Scheme and 2021 Scheme may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股權計劃是董事會可酌情授出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。除有關計劃的規則另有規定外，根據2011計劃、2016計劃及2021計劃所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

(a) Particulars of Share Options:

(i) Share options granted in years 2015 to 2022:

(a) 認股權詳情：

(i) 在2015年至2022年所授予的認股權：

| Date of grant 授予日期 | Tranche 部分 | Vesting period 歸屬期 | Exercise period 行使期 | Exercise price per share 每股行使價 HK\$ 港幣元 |
|-----------------------|---------------|-----------------------|------------------------|---|
| 04/5/2015 | T3 | 04/5/2015 – 03/5/2018 | 04/5/2018 – 04/5/2023 | 34.15 |
| 08/4/2016 | T2 | 08/4/2016 – 07/4/2018 | 08/4/2018 – 08/4/2023 | 28.45 |
| 08/4/2016 | T3 | 08/4/2016 – 07/4/2019 | 08/4/2019 – 08/4/2024 | 28.45 |
| 07/4/2017 | T1 | 07/4/2017 – 06/4/2018 | 07/4/2018 – 07/4/2023 | 32.25 |
| 07/4/2017 | T2 | 07/4/2017 – 06/4/2019 | 07/4/2019 – 07/4/2024 | 32.25 |
| 07/4/2017 | T3 | 07/4/2017 – 06/4/2020 | 07/4/2020 – 07/4/2025 | 32.25 |
| 10/4/2018 | T1 | 10/4/2018 – 09/4/2019 | 10/4/2019 – 10/4/2024 | 32.25 |
| 10/4/2018 | T2 | 10/4/2018 – 09/4/2020 | 10/4/2020 – 10/4/2025 | 32.25 |
| 10/4/2018 | T3 | 10/4/2018 – 09/4/2021 | 10/4/2021 – 10/4/2026 | 32.25 |
| 19/7/2019 | T1 | 19/7/2019 – 18/7/2020 | 19/7/2020 – 19/7/2025 | 22.45 |
| 19/7/2019 | T2 | 19/7/2019 – 18/7/2021 | 19/7/2021 – 19/7/2026 | 22.45 |
| 19/7/2019 | T3 | 19/7/2019 – 18/7/2022 | 19/7/2022 – 19/7/2027 | 22.45 |
| 07/4/2020 | T1 | 07/4/2020 – 06/4/2021 | 07/4/2021 – 07/4/2026 | 16.58 |
| 07/4/2020 | T2 | 07/4/2020 – 06/4/2022 | 07/4/2022 – 07/4/2027 | 16.58 |
| 07/4/2020 | T3 | 07/4/2020 – 06/4/2023 | 07/4/2023 – 07/4/2028 | 16.58 |
| 13/4/2021 | T1 | 13/4/2021 – 12/4/2022 | 13/4/2022 – 13/4/2027 | 17.08 |
| 13/4/2021 | T2 | 13/4/2021 – 12/4/2023 | 13/4/2023 – 13/4/2028 | 17.08 |
| 13/4/2021 | T3 | 13/4/2021 – 12/4/2024 | 13/4/2024 – 13/4/2029 | 17.08 |
| 12/4/2022 | T1 | 12/4/2022 – 11/4/2023 | 12/4/2023 – 12/4/2028 | 12.17 |
| 12/4/2022 | T2 | 12/4/2022 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 12.17 |
| 12/4/2022 | T3 | 12/4/2022 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 12.17 |

Notes to the Financial Statements (continued)
財務報表附註(續)

(ii) Share options granted in year 2023:

(ii) 在2023年所授予的認股權：

| Date of grant 授予日期 | Tranche 部分 | Vesting period 歸屬期 | Exercise period 行使期 | Exercise price per share 每股行使價 HK\$ 港幣元 |
|-----------------------|---------------|-----------------------|------------------------|---|
| 12/4/2023 | T1 | 12/4/2023 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 10.08 |
| 12/4/2023 | T2 | 12/4/2023 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 10.08 |
| 12/4/2023 | T3 | 12/4/2023 – 11/4/2026 | 12/4/2026 – 12/4/2031 | 10.08 |

(b) The Number and Weighted Average Exercise Prices of Share Options are as Follows: (b) 認股權的數目及加權平均行使價如下：

| | 2023 | | 2022 | |
|--|--|--|--|--|
| | Weighted average exercise price 加權平均行使價 HK\$ 港幣元 | Number of options 認股權數目 Million 百萬 | Weighted average exercise price 加權平均行使價 HK\$ 港幣元 | Number of options 認股權數目 Million 百萬 |
| Outstanding at the beginning of the year 年初結餘 | 21.08 | 47 | 26.57 | 36 |
| Exercised during the year 年內行使 | - | - | - | - |
| Granted during the year 年內授予 | 10.08 | 12 | 12.17 | 16 |
| Lapsed during the year 年內失效 | 30.81 | (7) | 32.04 | (5) |
| Outstanding at the end of the year 年末結餘 | 17.37 | 52 | 21.08 | 47 |
| Exercisable at the end of the year 年末可供行使 | 22.36 | 28 | 27.24 | 27 |

There were no share options exercised during the years 2023 and 2022.

於2023年及2022年並無認股權被行使。

The options outstanding at 31st December, 2023 had an exercise price from HK\$10.08 to HK\$32.25 (2022: from HK\$12.17 to HK\$34.15) and a weighted average remaining contractual life of 4.09 years (2022: 3.91 years).

於2023年12月31日，尚未行使認股權的行使價由港幣10.08元至港幣32.25元(2022年：由港幣12.17元至港幣34.15元)，及剩餘合約年期之加權平均數為4.09年(2022年：3.91年)。

Notes to the Financial Statements (continued)
財務報表附註(續)

39. Equity Settled Share-Based Transactions (continued) 以股份為基礎作支付的交易(續)

(c) Fair Value of Share Options and Assumptions

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

(c) 認股權的公平價值及假設

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

| | | 2023 | 2022 |
|---|-----------------|-----------------|-----------------|
| Fair value at measurement date | 於計量日的公平價值 | | |
| – Tranche 1 | – 部分1 | HK\$ 港幣 1.88 元 | HK\$ 港幣 1.65 元 |
| – Tranche 2 | – 部分2 | HK\$ 港幣 1.88 元 | HK\$ 港幣 1.50 元 |
| – Tranche 3 | – 部分3 | HK\$ 港幣 1.80 元 | HK\$ 港幣 1.30 元 |
| Share price at measurement date | 於計量日的股價 | HK\$ 港幣 10.08 元 | HK\$ 港幣 12.17 元 |
| Exercise price | 行使價 | HK\$ 港幣 10.08 元 | HK\$ 港幣 12.17 元 |
| Expected volatility | 預計波幅 | 26.97% | 25.12% |
| Option life | 認股權年期 | | |
| – Tranche 1 | – 部分1 | 6 years 年 | 6 years 年 |
| – Tranche 2 | – 部分2 | 7 years 年 | 7 years 年 |
| – Tranche 3 | – 部分3 | 8 years 年 | 8 years 年 |
| Expected dividends | 預計股息 | 9.64%–12.95% | 16.06%–18.69% |
| Risk-free interest rate (based on Hong Kong Government Bonds) | 無風險利率(根據香港政府債券) | 2.88% | 2.67%–2.69% |

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

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

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

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

40. Share Capital 股本

| | 2023 | | 2022 | |
|---|---------------|---------------|---------------|---------------|
| | No. of shares | | No. of shares | |
| | 股份數目 | | 股份數目 | |
| | Million 百萬 | HK\$ Mn 港幣百萬元 | Million 百萬 | HK\$ Mn 港幣百萬元 |
| Ordinary shares, issued and fully paid: | | | | |
| At 1st January | 2,680 | 41,856 | 2,923 | 41,645 |
| Shares issued in lieu of dividend | 6 | 59 | 19 | 211 |
| Share repurchased and cancelled | (36) | - | (262) | - |
| At 31st December | 2,650 | 41,915 | 2,680 | 41,856 |

Share Buy-back

In 2023, 35,940,800 shares were repurchased on the Stock Exchange at an aggregate consideration (excluding expenses) of HK\$366 million and 35,797,200 shares were cancelled (including 686,200 shares repurchased in 2022), representing 1.34% and 1.34% of the ordinary shares in issue at the beginning of the year, respectively. The remaining 829,800 shares repurchased in 2023 were cancelled on 8th January, 2024.

In 2022, the Bank repurchased 246,510,173 shares of the Bank by share buy-back deed with Elliot Investment Management's affiliate entities at a consideration of HK\$2,904 million, and 15,744,800 shares on the Stock Exchange at a consideration of HK\$134 million. As at 31st December, 2022, the total number of shares repurchased and cancelled were 262,254,973 and 261,568,773 respectively, representing 8.97% and 8.95% of the ordinary shares in issue at the beginning of the year.

股份回購

在2023年，本行於聯交所總代價（不包括開支）港幣3.66億元回購35,940,800股股份並註銷35,797,200股股份（其中包括於2022年回購之686,200股股份），分別佔期初已發行普通股的1.34%和1.34%。2023年回購的剩餘829,800股股份已於2024年1月8日被註銷。

在2022年，本行與Elliot Investment Management之附屬公司通過股份回購協議，回購本行246,510,173股股份，代價為港幣29.04億元，及於聯交所回購15,744,800股股份，代價為港幣1.34億元。截至2022年12月31日止年度，回購及註銷股份總數分別為262,254,973股和261,568,773股，佔該年初已發行普通股的8.97%和8.95%。

Notes to the Financial Statements (continued)
財務報表附註(續)

40. Share Capital (continued) 股本(續)

Below table shows the details of the shares repurchased and cancelled during 2023.

下表列載2023年已回購和註銷股份之詳情。

| Month | | Number of shares | Highest price per share | Lowest price per share | Average price per share | Aggregate consideration |
|---------------------------------|---------------|------------------|-------------------------|------------------------|-------------------------|-------------------------|
| 月份 | | 股數 | 每股的最高價格 | 每股的最低價格 | 每股的平均價格 | 總代價 |
| | | | HK\$ 港幣 | HK\$ 港幣 | HK\$ 港幣 | HK\$ Mn 港幣百萬元 |
| Share repurchased: | 已回購股份： | | | | | |
| <i>On-market share buy-back</i> | <i>場內股份回購</i> | | | | | |
| - February 2023 | -2023年2月 | 2,932,400 | 11.24 | 10.50 | 10.86 | 32 |
| - April 2023 | -2023年4月 | 3,991,200 | 10.50 | 9.88 | 10.16 | 41 |
| - May 2023 | -2023年5月 | 6,884,000 | 10.72 | 9.58 | 10.18 | 70 |
| - June 2023 | -2023年6月 | 4,032,600 | 10.56 | 9.77 | 10.17 | 41 |
| - July 2023 | -2023年7月 | 3,906,800 | 12.20 | 10.38 | 11.28 | 44 |
| - August 2023 | -2023年8月 | 1,494,400 | 11.34 | 10.92 | 11.14 | 17 |
| - September 2023 | -2023年9月 | 259,400 | 11.42 | 11.18 | 11.33 | 3 |
| - October 2023 | -2023年10月 | 4,754,600 | 10.34 | 9.23 | 9.66 | 46 |
| - November 2023 | -2023年11月 | 4,455,400 | 9.92 | 9.01 | 9.46 | 42 |
| - December 2023 | -2023年12月 | 3,230,000 | 9.72 | 9.09 | 9.39 | 30 |
| - Settled | -已結算 | 2,919,400 | | | | 27 |
| - Not yet settled at year end | -於年末尚未結算 | 310,600 | | | | 3 |
| | | 35,940,800 | | | | 366 |
| Share cancelled | 已註銷股份 | 35,797,200 | | | | |

Staff Share Option Schemes

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under 2011 Scheme, 2016 Scheme and 2021 Scheme will be exercisable during the period beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

There were no options exercised and shares issued under the Schemes during the years 2023 and 2022.

僱員認股權計劃

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合資格僱員以認購本行的普通股股份。除在有關計劃的規則另有規定外，根據2011計劃、2016計劃及2021計劃所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

於2023年和2022年，在該等計劃下並無任何認股權和股份被行使和發行。

Notes to the Financial Statements (continued)
財務報表附註 (續)

41. Additional Equity Instruments 額外股本工具

| | | 2023 | | 2022 | |
|---|--------------------------|---------|--------|---------|--------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Additional Tier 1 Capital Securities | 額外一級資本工具 | | | | |
| USD650 million undated non-cumulative subordinated capital securities | 6.5 億美元無到期日非累積後償資本證券 (1) | (1) | 5,069 | | 5,069 |
| USD650 million undated non-cumulative subordinated capital securities | 6.5 億美元無到期日非累積後償資本證券 (2) | (2) | 5,021 | | 5,021 |
| | | | 10,090 | | 10,090 |

(1) On 19th September, 2019, the Bank issued Additional Tier 1 capital securities with a face value of US\$650 million (equivalent to HK\$5,069 million net of related issuance costs). The Additional Tier 1 capital securities are undated non-cumulative subordinated capital securities and bear a 5.875% per annum coupon until the first call date on 19th September, 2024. The coupon will be reset every five years, if the Additional Tier 1 capital securities are not redeemed, to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 4.257% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 capital securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up, and meet the loss-absorbing capacity requirement.

The first scheduled coupon payment date was 19th March, 2020 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 capital securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 capital securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding Additional Tier 1 capital securities from 19th September, 2024 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

(1) 於2019年9月19日，本行發行面值6.5億美元（扣除有關發行成本後等值港幣50.69億元）額外一級資本工具。該額外一級資本工具是無到期日非累積後償資本工具及附帶5.875%年息率，直至2024年9月19日的第一次贖回日。如該額外一級資本工具未被贖回，息率將會每五年按相等於當時五年期美國庫券息率加年息4.257%之固定利率重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撤銷。該額外一級資本工具在發生清盤事件時比普通股有優先權，及符合吸收虧損能力之要求。

第一次既定派息日為2020年3月19日，每半年派發一次。本行可自行決定是否取消支付利息（受限於發行額外一級資本證券所載規則及條款的要求）及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息予普通股股東。

如金管局通知本行並認為本行如不撤銷額外一級資本工具之本金將無法繼續經營，本行將按金管局的指示或與金管局共同協商後得出之金額從額外一級資本工具之本金中撤銷。

由2024年9月19日或以後任何利息支付日，本行可行使認購權以贖回所有額外一級資本工具之結餘，但須受已列載之條款及細則所規限。

Notes to the Financial Statements (continued)
財務報表附註(續)

41. Additional Equity Instruments (continued) 額外股本工具(續)

(2) On 21st October, 2020, the Bank issued Additional Tier 1 capital securities with a face value of US\$650 million (equivalent to HK\$5,021 million net of related issuance costs). The Additional Tier 1 capital securities are undated non-cumulative subordinated capital securities and bear a 5.825% per annum coupon until the first call date on 21st October, 2025. The coupon will be reset every five years, if the Additional Tier 1 capital securities are not redeemed, to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 5.527% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 capital securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up, and meet the loss-absorbing capacity requirement.

The first scheduled coupon payment date was 21st April, 2021 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 capital securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 capital securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding Additional Tier 1 capital securities from 21st October, 2025 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

(2) 於2020年10月21日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.21億元)額外一級資本工具。該額外一級資本工具是無到期日非累積後償資本工具及附帶5.825%年息率，直至2025年10月21日的第一次贖回日。如該額外一級資本工具未被贖回，息率將會每五年按相等於當時五年期美國庫券息率加年息5.527%之固定利率重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撤銷。該額外一級資本工具在發生清盤事件時比普通股有優先權，及符合吸收虧損能力之要求。

第一次既定派息日為2021年4月21日，每半年派發一次。本行可自行決定是否取消支付利息(受限於發行額外一級資本工具所載規則及條款的要求)及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息予普通股股東。

如金管局通知本行並認為本行如不撤銷額外一級資本工具之本金將無法繼續經營，本行將按金管局的指示或與金管局共同協商後得出之金額從額外一級資本工具之本金中撤銷。

由2025年10月21日或以後任何利息支付日，本行可行使認購權以贖回所有資本工具之結餘，但須受已列載之條款及細則所規限。

Notes to the Financial Statements (continued)
財務報表附註(續)

42. Reserves 儲備

| | | The Group 集團 | | The Bank 銀行 | |
|---|----------------------------|---------------|---------------|---------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (a) General Reserve | (a) 一般儲備 | | | | |
| At 1st January | 於1月1日 | 13,658 | 13,658 | 13,472 | 13,472 |
| Transferred from property revaluation reserve on disposals | 出售後轉自物業重估儲備 | - | - | - | - |
| At 31st December | 於12月31日 | 13,658 | 13,658 | 13,472 | 13,472 |
| (b) Revaluation Reserve on Bank Premises | (b) 行址重估儲備 | | | | |
| At 1st January | 於1月1日 | 2,255 | 1,905 | 1,895 | 1,899 |
| Recognition of deferred tax assets/ (liabilities) (Note 35(b)) | 確認遞延稅項資產/(負債) (附註35(b)) | 2 | (4) | 2 | (4) |
| Revaluation surplus on bank premises transferred to investment properties (Note 32) | 行址重估盈餘轉入投資物業 (附註32) | 13 | 354 | 13 | - |
| At 31st December | 於12月31日 | 2,270 | 2,255 | 1,910 | 1,895 |
| (c) Statutory Reserves | (c) 法定儲備 | | | | |
| At 1st January | 於1月1日 | 5,138 | 5,273 | - | - |
| Transfer to retained profits | 撥入留存溢利 | (2) | (135) | - | - |
| At 31st December | 於12月31日 | 5,136 | 5,138 | - | - |
| (d) Capital Reserve | (d) 資本儲備 | | | | |
| At 1st January | 於1月1日 | 895 | 895 | - | - |
| Transfer to retained profits | 撥入留存溢利 | - | - | - | - |
| At 31st December | 於12月31日 | 895 | 895 | - | - |
| (e) Exchange Revaluation Reserve | (e) 匯兌重估儲備 | | | | |
| At 1st January | 於1月1日 | (1,822) | 1,058 | (125) | 127 |
| Exchange adjustments | 匯兌調整 | (723) | (2,880) | 223 | (252) |
| At 31st December | 於12月31日 | (2,545) | (1,822) | 98 | (125) |
| (f) Capital Reserve – Staff Share Options Issued | (f) 資本儲備 – 已發行僱員認股權 | | | | |
| At 1st January | 於1月1日 | 150 | 152 | 150 | 152 |
| Forfeited options transferred to retained profits | 已註銷認股權轉入留存溢利 | (35) | (24) | (35) | (24) |
| Additions (Note 13) | 增加 (附註13) | 24 | 22 | 24 | 22 |
| At 31st December | 於12月31日 | 139 | 150 | 139 | 150 |

Notes to the Financial Statements (continued)
財務報表附註(續)

42. Reserves (continued) 儲備(續)

| | | The Group 集團 | | The Bank 銀行 | |
|---|----------------------------|---------------|---------------|---------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (g) Fair Value Reserve | (g) 公平價值儲備 | | | | |
| At 1st January | 於1月1日 | 510 | 1,925 | 360 | 1,763 |
| Changes in fair value of securities | 證券的公平價值變動 | 880 | (1,722) | 897 | (1,545) |
| Reversal upon disposal | 於出售時轉回 | 82 | 13 | 121 | (153) |
| Recognition of deferred tax (liabilities)/assets (Note 35(b)) | 確認遞延稅項(負債)/資產 (附註35(b)) | (134) | 294 | (148) | 295 |
| At 31st December | 於12月31日 | 1,338 | 510 | 1,230 | 360 |
| (h) Liability Credit Reserve | (h) 負債信貸儲備 | | | | |
| At 1st January | 於1月1日 | 15 | (46) | 15 | (46) |
| Changes in fair value arising from changes in own credit risk (Note 34) | 自身信貸變動產生的公平價值變動 (附註34) | (13) | 73 | (13) | 73 |
| Recognition of deferred tax assets/(liabilities) (Notes 34 and 35(b)) | 確認遞延稅項資產/(負債) (附註34及35(b)) | 2 | (12) | 2 | (12) |
| At 31st December | 於12月31日 | 4 | 15 | 4 | 15 |
| (i) Other Reserves | (i) 其他儲備 | | | | |
| At 1st January | 於1月1日 | (33) | (82) | - | - |
| Transfer to retained profits | 撥入留存溢利 | - | (5) | - | - |
| Share of changes in equity of associates and joint ventures | 應佔聯營公司及合資企業權益的變動 | 51 | 54 | - | - |
| At 31st December | 於12月31日 | 18 | (33) | - | - |
| (j) Retained Profits | (j) 留存溢利 | | | | |
| At 1st January | 於1月1日 | 33,365 | 35,395 | 26,059 | 28,292 |
| Net profit for the year | 年度內溢利 | 4,118 | 4,359 | 4,692 | 4,296 |
| Transfer from capital reserve | 撥自資本儲備 | | | | |
| - staff share options issued | - 已發行僱員認股權 | 35 | 24 | 35 | 24 |
| Transfer from statutory reserve | 撥自法定儲備 | 2 | 135 | - | - |
| Transfer from other reserves | 撥自其他儲備 | - | 5 | - | - |
| Share buy-back | 股份回購 | (367) | (3,051) | (367) | (3,051) |
| Redemption of Additional Tier 1 capital instruments | 贖回額外一級股本工具 | - | (47) | - | (47) |
| Distribution/Dividends (Note 18) | 分派/股息 (附註18) | | | | |
| - Interim dividend | - 中期股息 | (957) | (430) | (957) | (430) |
| - Second interim dividend in respect of prior years | - 上年度第二次中期股息 | (455) | (1,023) | (455) | (1,023) |
| - Special dividend | - 特別股息 | - | (1,294) | - | (1,294) |
| - Additional Tier 1 capital instruments | - 額外一級資本工具 | (596) | (708) | (596) | (708) |
| At 31st December | 於12月31日 | 35,145 | 33,365 | 28,411 | 26,059 |
| (k) Total Reserves | (k) 儲備總額 | 56,058 | 54,131 | 45,264 | 41,826 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

General reserve was set up from the transfer of retained earnings and the realised revaluation surplus on disposal of properties.

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

Statutory reserves are set up to satisfy the statutory requirements of certain overseas subsidiaries and associates mainly for the purpose of covering unidentified potential losses on risk assets in addition to those recognised under the prevailing accounting requirements in their jurisdictions.

Capital reserve represents the capitalisation of subsidiaries', associates' and joint ventures' reserves.

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(x)(iv).

Fair value reserve comprises the cumulative net change in the fair value of FVOCI securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Note 2(h).

Liability credit reserve includes the cumulative changes in the fair value of the financial liabilities designated at FVTPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss.

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2023, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$2,138 million (2022: HK\$1,742 million).

At 31st December, 2023, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$37,462 million (2022: HK\$34,698 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.18 per ordinary share (2022: HK\$0.17 per share), amounting to HK\$477 million (2022: HK\$456 million). The dividend has not been recognised as a liability at the end of the reporting period.

一般儲備的建立，包括來自留存溢利及出售物業時的已實現重估盈餘。

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

法定儲備是用作滿足若干海外附屬公司及聯營公司之法定要求，主要用途為除按當地現行會計要求下已確認而需額外涵蓋風險資產的不可辨別之可能損失。

資本儲備指附屬公司、聯營公司及合資企業投資儲備的資本化發行。

資本儲備（已發行僱員認股權）包括根據已採納有關附註2(x)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

公平價值儲備包括持有按通過其他全面收益以反映公平價值證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(h)。

負債信貸儲備包括指定為通過損益以反映公平價值金融負債的累計公平價值變動，而有關於該等負債引致的信貸風險變動並非在收益表內確認。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合香港《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款及投資減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2023年12月31日，該要求的影響是要限制本行可派發予本集團股東的儲備，金額為港幣21.38億元（2022年：港幣17.42億元）。

於2023年12月31日，可派發予本行股東的儲備總額為港幣374.62億元（2022年：港幣346.98億元）。在報告期期末後董事宣布派發第二次中期股息每股普通股港幣0.18元（2022年：每股港幣0.17元），總額達港幣4.77億元（2022年：港幣4.56億元）。於報告期期末並未確認該等股息為負債。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management 主要風險管理

This section presents information on the Group's management of principal risks.

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

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

The Risk Committee also ensures that the Group's risk appetite is reflected in the policies and procedures that Senior Management adopt to execute their business functions. Through the Group's management committees, including Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – and with overall co-ordination by the Risk Management Division – the 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.

本部分載述有關本集團主要風險管理的資料。

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

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括五名獨立非執行董事及兩名非執行董事，並由其中一名獨立非執行董事擔任主席。風險委員會直接監督本集團風險偏好的制定，並因應本集團的財務能力、策略性指引、當前市場情況及監管要求設定可承擔的風險水平。

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

The Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee comprise the Senior Management, the Group Chief Risk Officer and where appropriate senior executives from relevant areas.

The Group has implemented an Enterprise Risk Management framework to identify and manage potential risks in a holistic and effective manner. The ERM framework assists the Group to achieve this, and reinforces the "Three Lines of Defence" risk management model.

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

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

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

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

危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會由高層管理人員、集團風險總監及(在適當情況下)其他有關方面的高級行政人員組成。

本集團已推行企業風險管理架構，旨在全面有效地識別及管理潛在風險。企業風險管理架構協助本集團達到這目標，以及鞏固「三道防線」風險管理模式。

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

- 第一道防線為「風險負責人」，由本集團各業務或後勤單位主管，連同其屬下職員組成，主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由指定的職員組成，負責為本集團制定風險管理管治架構、獨立監控風險及輔助各管理委員會對本銀行集團風險管理的監督。
- 第三道防線為稽核處，負責為本集團風險管理架構(包括風險管治安排)的有效性提供保證。

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

本集團面臨可能影響其品牌、營運及財務狀況的各類風險。在企業風險管理架構下，主要風險包括信貸風險、利率風險、市場風險、流動性風險、營運風險、聲譽風險、策略性風險、法律風險、合規風險及科技風險。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

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, through the Risk Committee. 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 Chinese Mainland 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.

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相關的管理委員會。與重要風險管理相關的事項須經由風險委員會上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督與集團風險管理相關的事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

壓力測試為本集團風險管理的重要部分。本集團在適當情況下定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括中國內地及香港出現嚴重經濟下滑等假設情景)對本集團的財務狀況，尤其是資本充足性、盈利能力及流動性的潛在影響。有需要時，管理層亦會及時制定並執行應對措施以減低潛在影響。

(a) 信貸風險管理

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產質素，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報信貸風險。在此方面，本集團已將信貸風險管理指引詳列於集團的信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，及達致風險管理程序的最佳做法。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The Group's credit risk management for the major types of credit risk is depicted as follows:

(i) Corporate and financial institutions credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that incorporate different risk factors (e.g. region of operation, corporate size) and are applied to each counterparty. For exposure classified as Specialised Lending in particular, supervisory slotting criteria are adopted. To monitor credit concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are monitored on a regular basis.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of the internal rating system and formulation of credit policies are primarily based on customers' background, credit behaviours and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

(iii) Credit risk of treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate and financial institutions credit risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitments

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及金融機構信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定不同的內部評級系統（例如經營地區、企業規模）以適用於所有交易對手。專門性借貸的風險承擔則採用監管分類準則。為監控信貸集中的風險，本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，確保按照貸款的規模和信貸評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

(ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括客戶背景、信貸行為和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

(iii) 財資交易的信貸風險

本集團採用企業及金融機構信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(v) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's credit portfolio is diversified along geographic, industry and product sectors. For analysis of loans and advances to customers by industry sectors and geographical areas, please refer to Notes 27(b) and 27(c) respectively.

The Group monitors its credit concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

| | | 2023 | 2022 |
|---------------------------------------|-----------|------------------|------------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cash and balances with banks | 現金及在銀行的結存 | 44,486 | 53,114 |
| Placements with and advances to banks | 在銀行的存款及墊款 | 43,691 | 60,203 |
| Trade bills | 貿易票據 | 373 | 529 |
| Trading assets | 交易用途資產 | 2,764 | 1,275 |
| Derivative assets | 衍生工具資產 | 9,056 | 11,092 |
| Loans and advances to customers | 客戶貸款及墊款 | 526,984 | 542,394 |
| Investment securities | 投資證券 | 165,527 | 145,289 |
| Other assets | 其他資產 | 38,218 | 38,974 |
| Financial guarantees contracts | 財務擔保合約 | 13,570 | 14,032 |
| Loan commitments | 貸款承擔 | 360,382 | 338,673 |
| | | 1,205,051 | 1,205,575 |

(a) 信貸風險管理(續)

(v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。有關按行業分類及區域分類的客戶貸款及墊款，請分別參閱附註27(b)及27(c)。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

Notes to the Financial Statements (continued)
財務報表附註(續)

(vii) 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.

(vii) 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值總額。

| | 2023 | | | | | | | | | |
|--|-------------------|------------------|----------------------------------|------------------|------------------------------|------------------|-------------------|------------------|---------|-------|
| | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | | | |
| | 12個月內之預期信貸損失 | | 非信貸不良的合約期內之預期信貸損失 | | 信貸不良的合約期內之預期信貸損失 | | 總額 | | | |
| | Accrued Principal | Accrued interest | Accrued Principal | Accrued interest | Accrued Principal | Accrued interest | Accrued Principal | Accrued interest | | |
| | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | | |
| HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | | | |
| 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | | | |
| Loans and advances to customers at amortised cost | 按攤銷成本計量的客戶貸款及墊款 | | | | | | | | | |
| - Grades 1-15: Pass | -1-15級：合格 | | 493,730 | 1,748 | 14,060 | 50 | - | - | 507,790 | 1,798 |
| - Grades 16-17: Special Mention | -16-17級：需要關注 | | - | - | 9,987 | 55 | - | - | 9,987 | 55 |
| - Grade 18: Substandard | -18級：次級 | | - | - | - | - | 6,711 | 120 | 6,711 | 120 |
| - Grade 19: Doubtful | -19級：呆滯 | | - | - | - | - | 1,918 | 99 | 1,918 | 99 |
| - Grade 20: Loss | -20級：虧損 | | - | - | - | - | 5,705 | 230 | 5,705 | 230 |
| Total gross carrying amount | 賬面值總額 | | 493,730 | 1,748 | 24,047 | 105 | 14,334 | 449 | 532,111 | 2,302 |
| Impairment allowances | 減值準備 | | (900) | (4) | (691) | (7) | (3,536) | (163) | (5,127) | (174) |
| Carrying amount | 賬面值 | | 492,830 | 1,744 | 23,356 | 98 | 10,798 | 286 | 526,984 | 2,128 |
| Market value of collateral held against impaired loans and advances to customers | 減值客戶貸款及墊款抵押品市值 | | | | | | 7,041 | | | |

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(a) Credit Risk Management (continued)

(vii) Credit quality analysis (continued)

Credit quality of loans and advances (continued)

(a) 信貸風險管理 (續)

(vii) 信貸質素分析 (續)

貸款及墊款的信貸質素 (續)

| | | 2022 | | | | | | | |
|--|---------------------|------------------------------|----------|--|----------|---|----------|-------------|----------|
| | | 12-month ECL 12個月內之預期信貸損失 | | Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失 | | Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失 | | Total 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Loans and advances to customers at amortised cost | 按攤銷成本計量的客戶 貸款及墊款 | | | | | | | | |
| - Grades 1-15: Pass | -1-15級：合格 | 508,308 | 1,534 | 11,543 | 51 | - | - | 519,851 | 1,585 |
| - Grades 16-17: Special Mention | -16-17級：需要關注 | - | - | 16,018 | 95 | - | - | 16,018 | 95 |
| - Grade 18: Substandard | -18級：次級 | - | - | - | - | 9,498 | 96 | 9,498 | 96 |
| - Grade 19: Doubtful | -19級：呆滯 | - | - | - | - | 2,756 | 97 | 2,756 | 97 |
| - Grade 20: Loss | -20級：虧損 | - | - | - | - | 891 | 30 | 891 | 30 |
| Total gross carrying amount | 賬面值總額 | 508,308 | 1,534 | 27,561 | 146 | 13,145 | 223 | 549,014 | 1,903 |
| Impairment allowances | 減值準備 | (1,084) | (5) | (1,018) | (8) | (4,518) | (123) | (6,620) | (136) |
| Carrying amount | 賬面值 | 507,224 | 1,529 | 26,543 | 138 | 8,627 | 100 | 542,394 | 1,767 |
| Market value of collateral held against impaired loans and advances to customers | 減值客戶貸款及 墊款抵押品市值 | | | | | 5,901 | | | |

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.

Credit quality of financial assets other than loans and advances

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

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。

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按通過其他全面收益以反映公平價值計量的債務工具的信貸分析。除特別指明者外，就金融資產而言，表格內的金額為賬面值總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2023 | | | | | | | |
|--|--------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內之預期信貸損失 | | 信貸不良的合約期內之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Trade bills measured at amortised cost | 按攤銷成本計量的貿易票據 | | | | | | | | |
| - Grades 1-15: Pass | - 1-15級: 合格 | 250 | - | 1 | - | - | - | 251 | - |
| Total gross carrying amount | 賬面值總額 | 250 | - | 1 | - | - | - | 251 | - |
| Impairment allowances | 減值準備 | - | - | - | - | - | - | - | - |
| Carrying amount | 賬面值 | 250 | - | 1 | - | - | - | 251 | - |

| | | 2022 | | | | | | | |
|--|--------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內之預期信貸損失 | | 信貸不良的合約期內之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Trade bills measured at amortised cost | 按攤銷成本計量的貿易票據 | | | | | | | | |
| - Grades 1-15: Pass | - 1-15級: 合格 | 41 | - | - | - | - | - | 41 | - |
| Total gross carrying amount | 賬面值總額 | 41 | - | - | - | - | - | 41 | - |
| Impairment allowances | 減值準備 | - | - | - | - | - | - | - | - |
| Carrying amount | 賬面值 | 41 | - | - | - | - | - | 41 | - |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2023 | | | | | | | |
|---------------------------------------|-----------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內之預期信貸損失 | | 信貸不良的合約期內之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Placements with and advances to banks | 在銀行的存款及墊款 | | | | | | | | |
| - Grades 1-15: Pass | -1-15級:合格 | 43,693 | 164 | - | - | - | - | 43,693 | 164 |
| Total gross carrying amount | 賬面值總額 | 43,693 | 164 | - | - | - | - | 43,693 | 164 |
| Impairment allowances | 減值準備 | (2) | - | - | - | - | - | (2) | - |
| Carrying amount | 賬面值 | 43,691 | 164 | - | - | - | - | 43,691 | 164 |

| | | 2022 | | | | | | | |
|---------------------------------------|-----------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內之預期信貸損失 | | 信貸不良的合約期內之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Placements with and advances to banks | 在銀行的存款及墊款 | | | | | | | | |
| - Grades 1-15: Pass | -1-15級:合格 | 60,204 | 122 | - | - | - | - | 60,204 | 122 |
| Total gross carrying amount | 賬面值總額 | 60,204 | 122 | - | - | - | - | 60,204 | 122 |
| Impairment allowances | 減值準備 | (1) | - | - | - | - | - | (1) | - |
| Carrying amount | 賬面值 | 60,203 | 122 | - | - | - | - | 60,203 | 122 |

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(vii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(vii) 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)*

| | | 2023 | | | |
|--------------------------------------|---------------|------------------|---|---------------------------------|---------------|
| | | 12-month ECL | Lifetime ECL not credit- impaired | Lifetime ECL credit-impaired | Total |
| | | 12個月內之 預期信貸損失 | 非信貸不良的 合約期內 之預期信貸損失 | 信貸不良的 合約期內 之預期信貸損失 | 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Loan commitments | 貸款承擔 | | | | |
| - Grades 1-15: Pass | - 1-15級：合格 | 355,118 | 4,843 | - | 359,961 |
| - Grades 16-17: Special Mention | - 16-17級：需要關注 | - | 522 | - | 522 |
| Total | 總額 | 355,118 | 5,365 | - | 360,483 |
| Impairment allowances | 減值準備 | (90) | (11) | - | (101) |
| Financial guarantee contracts | 財務擔保合約 | | | | |
| - Grades 1-15: Pass | - 1-15級：合格 | 13,110 | 8 | - | 13,118 |
| - Grades 16-17: Special Mention | - 16-17級：需要關注 | - | 136 | - | 136 |
| - Grade 18: Substandard | - 18級：次級 | - | - | 630 | 630 |
| Total | 總額 | 13,110 | 144 | 630 | 13,884 |
| Impairment allowances | 減值準備 | (22) | (11) | (281) | (314) |
| | | 2022 | | | |
| | | 12-month ECL | Lifetime ECL not credit- impaired | Lifetime ECL credit-impaired | Total |
| | | 12個月內之 預期信貸損失 | 非信貸不良的 合約期內 之預期信貸損失 | 信貸不良的 合約期內 之預期信貸損失 | 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Loan commitments | 貸款承擔 | | | | |
| - Grades 1-15: Pass | - 1-15級：合格 | 334,520 | 3,906 | - | 338,426 |
| - Grades 16-17: Special Mention | - 16-17級：需要關注 | - | 373 | - | 373 |
| Total | 總額 | 334,520 | 4,279 | - | 338,799 |
| Impairment allowances | 減值準備 | (107) | (19) | - | (126) |
| Financial guarantee contracts | 財務擔保合約 | | | | |
| - Grades 1-15: Pass | - 1-15級：合格 | 12,476 | 1,058 | - | 13,534 |
| - Grades 16-17: Special Mention | - 16-17級：需要關注 | - | 28 | - | 28 |
| - Grade 18: Substandard | - 18級：次級 | - | - | 662 | 662 |
| Total | 總額 | 12,476 | 1,086 | 662 | 14,224 |
| Impairment allowances | 減值準備 | (14) | (4) | (174) | (192) |

Notes to the Financial Statements (continued)
財務報表附註 (續)

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

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

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

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

| | | 2023 | | | | | | | |
|-----------------------------|-----------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內之預期信貸損失 | | 信貸不良的合約期內之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Debt investment securities | 按攤銷成本計量的 | | | | | | | | |
| measured at amortised cost | 債務投資證券 | | | | | | | | |
| Aaa | Aaa | - | - | - | - | - | - | - | - |
| Aa1 to Aa3 | Aa1至Aa3 | 3,252 | 2 | - | - | - | - | 3,252 | 2 |
| A1 to A3 | A1至A3 | 2,244 | 49 | - | - | - | - | 2,244 | 49 |
| Baa1 to Baa3 | Baa1至Baa3 | 1,886 | 8 | - | - | - | - | 1,886 | 8 |
| Below Baa3 | Baa3以下 | 650 | 6 | 172 | 1 | 682 | 29 | 1,504 | 36 |
| Unrated | 無評級 | 2,395 | 27 | 207 | 6 | 374 | 16 | 2,976 | 49 |
| Total gross carrying amount | 賬面值總額 | 10,427 | 92 | 379 | 7 | 1,056 | 45 | 11,862 | 144 |
| Impairment allowances | 減值準備 | (19) | - | (8) | - | (645) | (45) | (672) | (45) |
| Carrying amount | 賬面值 | 10,408 | 92 | 371 | 7 | 411 | - | 11,190 | 99 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(a) Credit Risk Management (continued)

(vii) Credit quality analysis (continued)

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

(a) 信貸風險管理 (續)

(vii) 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)*

| | | 2022 | | | | | | | |
|-----------------------------|-----------|--------------|----------|-------------------------------------|----------|---------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內 之預期信貸損失 | | 信貸不良的合約期內 之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Debt investment securities | 按攤銷成本計量的 | | | | | | | | |
| measured at amortised cost | 債務投資證券 | | | | | | | | |
| Aaa | Aaa | - | - | - | - | - | - | - | - |
| Aa1 to Aa3 | Aa1至Aa3 | 3,210 | 1 | - | - | - | - | 3,210 | 1 |
| A1 to A3 | A1至A3 | 4,068 | 72 | - | - | - | - | 4,068 | 72 |
| Baa1 to Baa3 | Baa1至Baa3 | 2,248 | 18 | - | - | - | - | 2,248 | 18 |
| Below Baa3 | Baa3以下 | 538 | 7 | 405 | 4 | 193 | 2 | 1,136 | 13 |
| Unrated | 無評級 | 3,584 | 48 | 368 | 8 | 253 | 5 | 4,205 | 61 |
| Total gross carrying amount | 賬面值總額 | 13,648 | 146 | 773 | 12 | 446 | 7 | 14,867 | 165 |
| Impairment allowances | 減值準備 | (66) | (1) | (98) | (2) | (241) | (7) | (405) | (10) |
| Carrying amount | 賬面值 | 13,582 | 145 | 675 | 10 | 205 | - | 14,462 | 155 |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2023 | | | | | | | |
|---|-----------------------------------|--------------|----------|-------------------------------------|----------|---------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內 之預期信貸損失 | | 信貸不良的合約期內 之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Debt investment securities measured at FVOCI | 按通過其他全面收益以 反映公平價值計量的 債務投資證券 | | | | | | | | |
| Aaa | Aaa | 9,057 | 3 | - | - | - | - | 9,057 | 3 |
| Aa1 to Aa3 | Aa1至Aa3 | 30,720 | 131 | - | - | - | - | 30,720 | 131 |
| A1 to A3 | A1至A3 | 66,383 | 848 | - | - | - | - | 66,383 | 848 |
| Baa1 to Baa3 | Baa1至Baa3 | 42,922 | 473 | - | - | - | - | 42,922 | 473 |
| Below Baa3 | Baa3以下 | 76 | - | 315 | 3 | 14 | 4 | 405 | 7 |
| Unrated | 無評級 | 2,243 | 43 | 531 | 9 | - | - | 2,774 | 52 |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 151,401 | 1,498 | 846 | 12 | 14 | 4 | 152,261 | 1,514 |
| where impairment allowances included | 包括減值準備 | (98) | (1) | (14) | - | (48) | (4) | (160) | (5) |

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(vii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(vii) 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)*

| | | 2022 | | | | | | | |
|---|-----------------------------------|--------------|----------|-------------------------------------|----------|---------------------------------|----------|-----------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內之預期信貸損失 | | 非信貸不良的合約期內 之預期信貸損失 | | 信貸不良的合約期內 之預期信貸損失 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Debt investment securities measured at FVOCI | 按通過其他全面收益以 反映公平價值計量的 債務投資證券 | | | | | | | | |
| Aaa | Aaa | 7,305 | 10 | - | - | - | - | 7,305 | 10 |
| Aa1 to Aa3 | Aa1至Aa3 | 21,855 | 37 | - | - | - | - | 21,855 | 37 |
| A1 to A3 | A1至A3 | 56,412 | 798 | - | - | - | - | 56,412 | 798 |
| Baa1 to Baa3 | Baa1至Baa3 | 37,906 | 419 | 803 | 9 | - | - | 38,709 | 428 |
| Below Baa3 | Baa3以下 | 233 | 2 | 228 | 3 | - | - | 461 | 5 |
| Unrated | 無評級 | 2,815 | 37 | - | - | - | - | 2,815 | 37 |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 126,526 | 1,303 | 1,031 | 12 | - | - | 127,557 | 1,315 |
| where impairment allowances included | 包括減值準備 | (214) | (2) | (41) | - | - | - | (255) | (2) |

Notes to the Financial Statements (continued)
財務報表附註(續)

The following table sets out the credit analysis for non-trading debt investment securities measured at FVTPL.

下表載列按通過損益以反映公平價值計量的非交易用途債務投資證券的信貸分析。

| | | 2023 | 2022 |
|---|-----------------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Non-trading debt investment securities measured at FVTPL | 按通過損益以反映公平價值計量的非交易用途債務投資證券 | | |
| Aaa | Aaa | - | - |
| Aa1 to Aa3 | Aa1至Aa3 | - | - |
| A1 to A3 | A1至A3 | - | 192 |
| Baa1 to Baa3 | Baa1至Baa3 | 2,076 | 2,963 |
| Below Baa3 | Baa3以下 | - | - |
| Unrated | 無評級 | - | 115 |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 2,076 | 3,270 |

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

下表載列作交易用途債務投資證券的信貸分析。

| | | 2023 | 2022 |
|---|----------------------------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Trading debt investment securities measured at FVTPL | 按通過損益以反映公平價值計量的交易用途債務投資證券 | | |
| Aaa | Aaa | - | - |
| Aa1 to Aa3 | Aa1至Aa3 | - | 99 |
| A1 to A3 | A1至A3 | 2,764 | 1,176 |
| Baa1 to Baa3 | Baa1至Baa3 | - | - |
| Below Baa3 | Baa3以下 | - | - |
| Unrated | 無評級 | - | - |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 2,764 | 1,275 |

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(vii) Credit quality analysis (continued)

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

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

| | | 2023 | 2022 |
|-------------------------------------|---------------|---------------|---------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Derivative assets | 衍生工具資產 | | |
| Aa1 to Aa3 | Aa1至Aa3 | 6,438 | 8,317 |
| A1 to A3 | A1至A3 | 989 | 1,183 |
| Baa1 to Baa3 | Baa1至Baa3 | 698 | 612 |
| Below Baa3 | Baa3以下 | - | - |
| Unrated | 無評級 | 931 | 980 |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 9,056 | 11,092 |

Cash and balances with banks

At 31st December, 2023, the Group held cash and balances with banks of HK\$45,904 million (2022: HK\$54,581 million), of which 96% (2022: 97%) of cash and balances with banks counterparties that are rated at investment grade, based on Moody's Investors Service, or equivalent ratings.

(viii) Details of key areas in measurement of ECLs

The Group adopts a forward-looking "expected credit loss" model for measuring and recognising impairment loss to meet the requirement of HKFRS 9.

The impairment requirements of HKFRS 9 are complex and require management judgements, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- Assessing whether the credit risk of an asset has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

The key inputs into the measurement of ECL are Probability of default (PD); Loss given default (LGD); and Exposure at default (EAD).

(a) 信貸風險管理(續)

(vii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

下表載列由衍生工具資產交易所產生之對手信貸質素分析如下。

現金及在銀行的結存

於2023年12月31日，本集團持有現金及在銀行的結存為港幣459.04億元(2022年：港幣545.81億元)。基於穆迪投資服務或相當的評級，其中96%(2022年：97%)的現金及在銀行交易對手的結存評級為投資評級。

(viii) 「預期信貸損失」估算中主要之處的詳述

本集團採納一套具前瞻性的「預期信貸損失」模型以估算和確認《香港財務報告準則》第9號要求的減值。

《香港財務報告準則》第9號的減值規定具複雜性並需要管理層作出判斷、估算及假設，特別是在以下將會詳述之處：

- 評估金融資產的信貸風險會否較初始承擔時明顯增加；及
- 整合前瞻性資料以作估算預期信貸損失。

「預期信貸損失」估算的關鍵輸入是違責或然率(PD)、違責損失率(LGD)及違責風險承擔(EAD)。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The Group has established a framework to determine whether the credit risk on a particular financial asset has increased significantly since initial recognition (see Note 2(h)(vii)). The framework aligns with the Group's internal credit risk management process.

Credit risk grades

For majority of the Group's portfolios, the Group assigns each exposure to a credit risk grade that is determined according to the predicted level of the risk of default. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The table below provides the 12-month Probability of default ("PD") range for each credit risk grade of retail and non-retail portfolios. The table also provides an indicative mapping of how the Group's internal credit risk grades relate to PD and, for the non-retail portfolio, to external credit ratings of Standard & Poor's.

| Internal Credit Risk Grade 內部信用風險等級 | Remarks on Default Risk 違約風險的備註 | 12-Month PD Range 12個月PD範圍 | External Rating Benchmark 外部評級基準 |
|--|------------------------------------|-------------------------------|-------------------------------------|
| 1-3 | Minimal to Low risk 極小至低的風險 | 0.0000% to 至 0.0857% | AAA to 至 A- |
| 4-8 | Moderate risk 適度風險 | 0.0857% to 至 0.4290% | BBB+ to 至 BBB- |
| 9-11 | Substantial risk 略高風險 | 0.4290% to 至 1.6500% | BB+ to 至 BB- |
| 12-15 | High risk 高風險 | 1.6500% to 至 8.3531% | B+ to 至 B- |
| 16-17 | Very High risk 很高風險 | 8.3531% to 至 100% | CCC+ to 至 C |
| 18-20 | Default 違約 | 100% | D |

For the remaining portfolios without credit risk grade assignment, references of peer bank PD estimates of similar portfolios and the long-run average default rate of the portfolios are used.

本集團已建立機制以確定某一金融資產的信貸風險是否較初始承擔時明顯增加 (詳見附註2(h)(vii))。此機制與本集團的內部信貸風險管理程序吻合。

信用風險等級

對於本集團大多數信貸組合，本集團為每一個信貸風險承擔根據違約風險的預測而配定一個信貸風險評級。信用風險等級使用表明違約風險的定性和定量因素來定義。這些因素取決於風險承擔的性質和借款人的類型。

下表提供了零售和非零售投資組合的每個信用風險等級的12個月違責或然率範圍。該表還提供了本集團非零售信貸組合的內部信用風險等級與標準普爾的外部信用評級的指示性參考。

對於餘下沒有信用風險等級分配的信貸組合，我們使用類似信貸組合的同行銀行違責或然率估計的參考或信貸組合的長期平均違責或然率。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(a) Credit Risk Management (continued)

(viii) Details of key areas in measurement of ECLs (continued)

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group also collects historical performance and default information about portfolios of credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios with no internal data available, information from external data sources is used. In particular,

| Portfolio 組合 | External data sources 外部數據源 |
|----------------------------|--|
| Debt exposures 債務風險承擔 | Moody's Investors Service: Annual default study report 穆迪投資服務：年度違約研究報告 Wind Information Co., Ltd: Debt default report 萬得信息技術股份有限公司：違約債券報告 |
| Bank exposures 銀行風險承擔 | |
| Sovereign exposures 主體風險承擔 | |

The Group deploys statistical models to analyse the data collected and generate estimates of PD of exposures expected to change as a result of the passage of time. The estimation of PD term structure makes use of the annual credit risk grade transition for the portfolios with credit risk grade assignment. For the portfolios without credit risk grade assignment and no credit risk grade transition information available, the PD term structure estimation is referenced to forecasts of economic index relevant to the portfolio.

LGD is the magnitude of the likely loss if there is a default. For the retail and corporate portfolio with sufficient historical loss and recovery data, the collateral recovery rates and the LGD estimates can be derived. For portfolios with insufficient historical loss and recovery data, either reference to peer bank LGD estimates of the similar portfolios or external data source are used for deriving the LGD estimates.

For portfolio with individual assessment of credit risk mitigation measures, collateral values are projected for different economic scenarios so as to reflect the LGD estimates under different economic scenarios. For other portfolios, different scenario portfolio LGDs are derived by benchmarking to corresponding LGDs within a long period of historical LGDs.

EAD represents the expected exposure in the event of a default. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments or undrawn limit of retail revolving products, the EAD is the potential future amounts that may be drawn under the contract. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. The EAD estimates are adopted using the parameters suggested by BASEL or statistical model based on historical data.

(a) 信貸風險管理 (續)

(viii) 「預期信貸損失」估算中主要之處的詳述 (續)

違責或然率的期限結構

信用風險等級是確定違責或然率的期限結構的主要輸入。本集團亦會按司法管轄區或地區收集有關分析的信貸風險承擔，以及產品及借款人類別以及信貸風險評級的歷史表現及違約信息。對於一些沒有內部數據的投資組合，自外部數據源的信息會被使用。特別是，

本集團採用統計模型分析所收集的數據，並產生預計會因時間推移而發生變化的違責或然率的估計值。具有信用風險等級分配的組合，我們利用信用風險等級的年度轉換以估計對的違責或然率期限結構。對於沒有信用風險等級分配的組合或沒有可用的信用風險等級轉換信息。違責或然率期限結構估計參考了與組合相關的經濟指數預測。

如果存在違約，違責損失率是可能損失的幅度。對於具有足夠歷史損失和恢復數據的零售和公司投資組合，可以推導出抵押品回收率和違責損失率估計值。對於歷史損失和恢復數據不足的組合，可以使用同行銀行類似組合的違責損失率估計值或外部數據源來推導違責損失率估計值。

對於單獨評估信用風險緩解措施的組合，預測不同經濟情景的抵押品價值，以反映不同經濟情景下的違約損失率估計。對於其他組合，不同情景組合違責損失率通過在長期歷史期間對相應的違責損失率進行基準測試而得出。

違責風險承擔表示發生違約時的預期風險。金融資產的違責風險承擔是其違約時的賬面值總額。對於貸款承諾或零售周轉產品的未提取限額，違責風險承擔是可能根據合同提取的未來潛在金額。對於財務擔保，違責風險承擔表示財務擔保到期時的擔保風險金額。違責風險承擔估計採用BASEL建議的參數或基於歷史數據的統計模型。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Significant increase in credit risk

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade when the risk of asset changes. The Group primarily identifies whether a significant increase in credit risk under HKFRS 9 has occurred for an exposure by comparing:

- the credit risk grade at the reporting date; with
- the credit risk grade at the initial recognition of the exposure.

The Group deems the credit risk of a particular exposure to have increased significantly since initial recognition if the current credit risk grade deteriorates by a pre-determined number of notches. The criteria for determining the number of notches may vary by portfolio and include a backstop based on delinquency.

As a backstop, and as required by HKFRS 9, the Group presumptively considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Also, being Special-mention under HKMA classification is also an indicator of significant increase in credit risk.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular review to confirm that:

- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

明顯增加的信貸風險

信貸風險承擔會持續受監控並在其風險程度有所改變時被調配至不同的信貸風險評級。在《香港財務報告準則》第9號下，集團識別一個資產的信貸風險是否明顯增加主要透過比較該資產：

- 於結算日的信貸風險評級；和
- 於初始承擔時的信貸風險評級。

如某一資產的現行信貸風險評級已較本集團初始承擔時的評級轉差了超過一個指定數量的級別，本集團視該資產的信貸風險已有明顯增加。不同的資產組合會以不同的級別數量作為衡量標準，並以逾期情況作為預設的基本標準。

在《香港財務報告準則》第9號下，作為一個基本標準，本集團預設某一已逾期超過30日的資產為信貸風險已經明顯增加。此外，在金管局貸款分類制度下成為需要關注貸款也表明信貸風險顯著增加。

本集團監控識別信貸風險增加的衡量標準的有效性，透過定期檢討以確保：

- 衡量標準能在風險承擔違約前識別信貸風險增加；
- 風險承擔一般不會從12個月內之預期信貸損失直接轉為不良信貸；及
- 不會導致減值撥備因為風險承擔在計算12個月內之預期信貸損失和合約期內之預期信貸損失中的轉變時出現不必要的波動。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(viii) Details of key areas in measurement of ECLs (continued)

Incorporating forward-looking information into the measurement of ECLs

The Group has identified key drivers of systematic credit risk for each portfolio of financial assets based on an analysis of historical data in which relationship between macro-economic indicators and the systematic credit risk is exhibited.

The Group formulates economic forward looking scenarios for the view of the future direction of major economic indicators such as GDP, unemployment rate, property price index, interest rate and other economic indicators specific to particular portfolio.

For each portfolio, the key drivers under forward looking scenarios are applied for estimating the systematic credit risk component of an obligor's Probability of Default ("PD") used in calculating ECLs. In addition to PD, relevant macro-economic indicators are used for projection of the collateral value for recovery rate estimates used in ECL calculation.

The Group adopts the use of three economic scenarios. In each region/country where the Group operates, the Group formulates probability for each scenario and forecast the major macro-economic indicators to reflect the Group's forward-looking view on the future business outcomes in that particular region/country under each scenario.

The forecasts of baseline scenario are based on advice from the in-house economic experts and considerations of a variety of actual and forecast information, such as economic data and forecasts published by governmental bodies and monetary authorities in the regions/countries where the Group operates. The Group also takes reference from the forecasts by international agencies and private sector analysts to formulate an objective assessment, while taking into account domestic and international economic and political developments, and changes in local economic policies. Econometric methods such as autoregressive and linear regression models are applied as a tool to forecast the variables, like equity and property prices movements, etc., in the regions/countries concerned.

The baseline scenario represents the most-likely outcome that the Group expects. The corresponding probability is reflecting the confidence of the future uncertainties are being captured in the baseline scenario forecast.

(a) 信貸風險管理(續)

(viii) 「預期信貸損失」估算中主要之處的詳述(續)

整合前瞻性資料以作估算預期信貸損失

本集團根據歷史數據對宏觀經濟指標與系統信用風險之間關係進行分析，確定了各金融資產組合的系統信用風險的關鍵驅動因素。

本集團制定經濟前瞻情景，以了解主要經濟指標的未來方向，例如國內生產總值、失業率、房地產價格指數、利率及特定投資組合的其他經濟指標。

對於每個投資組合，前瞻性情景下的關鍵驅動因素將用於估算債務人的違約概率的系統信用風險部分以用於計算預期信貸損失。除違約概率外，相關的宏觀經濟指標將用於預測抵押品價值以估算回收率並使用於計算預期信貸損失。

本集團會採納使用三個經濟情景。在本集團經營的每個地區／國家，本集團將為每個情景制定情景的可能性並預測主要的宏觀經濟指標，以反映集團在每種情景下，該地區／國家未來業務成果的前瞻性觀點。

基準情景的預測是根據本集團經濟專家的建議和對各種外部實際和預測信息的考慮，例如本集團經營所在地區／國家的政府機構和金融管理局公佈的經濟數據和預測。同時，本集團參考國際機構及私營機構分析師的預測，以及考慮國內外經濟及政治發展情況、當地經濟政策的轉變。至於相關地區或國家的股票及樓價指數，則使用自迴歸及線性迴歸經濟模型作出估算。

基準情景是代表本集團預期中的最具可能性的結果。其相對應的機會率反映了集團在預測基準情景中對未來不確定性的掌握置信度。

Notes to the Financial Statements (continued)
財務報表附註 (續)

The other scenarios are an optimistic scenario and a pessimistic scenario, to capture the less likely, yet possible, upside and downside divergence from the baseline forecast. These scenarios and their probabilities represent the Group's view that in case the future outcome is outside the expectation as in the baseline scenario, how likely it would be optimistic (i.e. unexpectedly good) or pessimistic (i.e. unexpectedly bad) and how unexpectedly good or unexpectedly bad outcomes will be, based on economic outlook, potential domestic and international economic and political risks affecting the regions/countries the Group has business presence, and the strength of a region/country's fundamentals to weather through crises. Forecasts for these two scenarios are mainly derived from the historical volatility of the data series, with a wider divergence from the baseline over time.

The baseline, optimistic and pessimistic scenarios are updated quarterly to timely reflect a change in the current economic sentiment locally and internationally.

Baseline scenario – Hong Kong

The Hong Kong economy continued to recover, driven by economic reopening and pent-up demand. For the first three quarters of 2023, Hong Kong's real GDP grew by 2.8% year-on-year. Solid private consumption and a rebound in inbound tourism have served as the primary growth engines for the economic recovery. Meanwhile, global monetary tightening and rising geopolitical risks have adversely affected investment sentiment and external demand. The Government also implemented measures to support the economy, such as the disbursement consumption vouchers and launching a series of mega events to encourage household spending and attract tourists, while overall public spending has gradually returned to the pre-pandemic trend after the huge Covid-related budgets in 2021 and 2022.

Looking ahead, the Hong Kong economy is set to leverage its solid fundamentals against a challenging external environment. On one hand, private consumption and inbound tourism, two major supporting forces for the economy, are expected to remain resilient to ensure a continued recovery. In particular, ongoing progress in resuming cross-border and international transportation capacity is likely to further boost visitor arrivals to Hong Kong. Besides, the Government's efforts to attract talent have begun to bear fruit. As of the end of September, about 60,000 talents have already arrived Hong Kong, nearly 1.6% of the labour force. The talent inflows would help relieve the labour market's tightness, further boosting the recovery momentum. On the external front, with global monetary tightening remaining intact as interest rates are poised to stay higher for longer, investment and merchandise trade demand are likely to remain a drag on growth. It is worth noting that the 2023 Policy Address announced a series of measures to support the residential property market and rolled out a comprehensive plan to develop Hong Kong's economic strengths in the "eight centres" as outlined in the 14th Five-Year Plan. On balance, the Hong Kong economy is anticipated to continue a steady recovery ahead.

其他情景是一個樂觀情景和一個悲觀情景。在這些情景中，我們對可能性較低、卻可能發生的上行和下行狀況作出預測。這些情景及其機會率代表了集團的觀點，即當未來結果超出基準情景預期時，經濟將傾向樂觀（即出乎意料的好）或悲觀（即出乎意外的差）的可能性有多大，以及出乎意料的好或意外的壞的結果將會是怎樣，基於經濟前景、潛在的國內外經濟及政治風險，及其對本集團有業務之地區／國家的影響，並且這些地區／國家的經濟面、應付危機的能力。這兩種情景的預測主要是基於數據列的歷史波動。隨著時間的推移，與基準的差異更大。

基準、樂觀及悲觀情景會每季度更新，以及時反映當地及國際經濟情緒的變化。

基準情景－香港

在經濟重啟和疫情積壓的需求得到釋放的帶動下，香港經濟持續復甦。2023年首3季，香港本地生產總值實質按年擴張約2.8%。強勁的私人消費和訪港旅遊業成為推動經濟復甦的主要引擎。同時，全球貨幣緊縮政策和地緣政治風險上升對投資情緒和外圍需求產生不利影響。特區政府推出多項經濟措施，如發放消費券、舉辦一系列大型活動等，以鼓勵家庭消費和吸引更多遊客。另一方面，在2021年和2022年為應對疫情大幅增加開支後，政府開支正在逐步返回疫情前的趨勢。

展望未來，香港經濟將憑藉穩健的基本面以應對外部挑戰。一方面，強勁的私人消費和訪港旅遊業將繼續擔當經濟的兩大增長引擎，以持續推動經濟復甦。其中，跨境和國際運輸能力持續恢復將進一步推動訪港旅客人數增加。此外，政府吸引人才的措施已初見成效。截至9月底，已有約6萬名人才陸續到達香港，約佔本地勞動人口總數的1.6%。人才流入將有助緩解勞工市場的緊張情況，並進一步提振復甦動力。外圍方面，預計全球貨幣政策環境在高利率環境長期持續下將維持偏緊，故投資和商品貿易需求料將繼續影響香港經濟。值得注意的是，2023年《施政報告》公布了一系列支持房地產市場的措施，以及為「十四五規劃綱要」提出的「八大中心」發展目標制定全面規劃。整體而言，預計香港經濟未來將繼續穩定復甦。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(viii) Details of key areas in measurement of ECLs (continued)

Incorporating forward-looking information into the measurement of ECLs (continued)

Baseline scenario – Chinese Mainland

The Chinese Mainland economy has staged a steady recovery in the post-pandemic period. For the first three quarters of 2023, gross domestic product growth reached 5.2% year-on-year. Domestic consumption, particularly in the services sector, took the lead in the recovery. Industrial production and infrastructure investment expanded steadily. Moreover, the policy easing measures by the Mainland authorities are gaining momentum. The policy measures are not only limited to conventional fiscal and monetary policy, such as reductions of reserve requirement ratio and policy rates, and support to the targeted sectors, but also include raising fiscal deficits, and frontloading local government special bond issuances, etc. In addition, the enhanced policy mix also covered demand-side property easing and developers' funding support as well as measures to foster capital market developments, improve the operating environment of private sector, and attract foreign investment, etc.

Looking ahead, the Chinese Mainland economy will maintain a more balanced and stable growth, with a continued focus on high-quality development. In the near-term, there is still room for stronger policy support to reinforce consumption and investment, ensuring stability in growth, employment and prices. In the medium-to-long term, dual-circulation strategy is upheld as the top economic agenda. Domestic consumption will be increasingly playing a pivotal role in the economy, with continued measures to expand middle income consumers. Innovation and technology will be further developed into a major growth driver, with a focus in fostering strategic emerging industries such as advanced manufacturing, next-generation information technology, biological sciences, new materials, new energy, artificial intelligence, etc.

(a) 信貸風險管理(續)

(viii) 預期信貸損失「估算中主要之處的詳述(續)

整合前瞻性資料以作估算預期信貸損失(續)

基準情景－中國內地

中國內地經濟於疫後穩步復甦。2023年首3季，國內生產總值按年增長5.2%。內部消費(尤其是服務業)復甦持續領先，工業生產及基建投資則穩定擴張。此外，內地當局亦正加大政策力度，其對穩經濟的正面效果料將逐步浮現。政策措施亦不限於傳統的財政及貨幣政策，如下調存款準備金率及政策利率，以及定向支持重點環節等，亦涵蓋上調財政赤字率及提前下達地方政府專項債發行額度等。另外，政策組合拳力度涵蓋各個經濟環節，包括刺激樓市需求、為房地產開發商提供融資支持、促進資本市場發展、改善民營企業營商環境、以至吸引外來投資等。

展望未來，中國內地經濟料將趨於平衡和穩定增長，並聚焦高質量發展。短期而言，政策措施尚有進一步加大力度的空間，以鞏固消費及投資表現，達致穩增長、穩就業及穩物價。中長期而言，雙循環戰略是未來國家經濟發展的重點，其中內部消費對經濟發展的角色將更為關鍵，料續有政策出台，如擴大中等收入消費群體，以配合其發展所需。創新科技亦是未來國家高質量發展的主要動力來源，料將聚焦戰略性新興產業的發展，如先進製造業、新一代信息技術、生物科學、新材料、新能源和人工智能等。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Forecast of key macroeconomic indicators (3 years average
(2024–2026))

主要宏觀經濟指標預測 (3年平均
(2024–2026))

| Scenario 情景 | Macroeconomic Indicator 宏觀經濟指標 | Hong Kong 香港 | Chinese Mainland 中國內地 |
|---------------------|---|-----------------|--------------------------|
| Optimistic 樂觀情景 | Real GDP (YoY growth) 實質本地生產總值 (按年增長) | 6.4% | 6.6% |
| | Property Price Index (Compounded annual growth rate) 房地產價格指數 (複合年均增長率) | 5.9% | 3.2% |
| | Unemployment Rate 失業率 | 2.0% | 4.9% |
| | 3-month Interest Rate 3個月期利率 | 5.5% | 4.5% |
| Baseline 基準情景 | Real GDP (YoY growth) 實質本地生產總值 (按年增長) | 3.3% | 5.0% |
| | Property Price Index (Compounded annual growth rate) 房地產價格指數 (複合年均增長率) | 2.3% | 1.8% |
| | Unemployment Rate 失業率 | 2.8% | 5.0% |
| | 3-month Interest Rate 3個月期利率 | 4.5% | 3.4% |
| Pessimistic 悲觀情景 | Real GDP (YoY growth) 實質本地生產總值 (按年增長) | 0.2% | 3.3% |
| | Property Price Index (Compounded annual growth rate) 房地產價格指數 (複合年均增長率) | -1.7% | 0.3% |
| | Unemployment Rate 失業率 | 3.8% | 5.1% |
| | 3-month Interest Rate 3個月期利率 | 2.5% | 2.3% |

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(a) Credit Risk Management (continued)

(ix) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by type of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 31st December at transaction level. Transfers between different stages of ECL are deemed to occur at the beginning of the year and therefore amounts transferred net to zero. The re-measurement of ECL resulting from a change in ECL stage is reported under the ECL stage in which they are transferred to.

Explanations of 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.

(a) 信貸風險管理 (續)

(ix) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至12月31日期間交易層面的狀況。預期信貸損失不同階段之間的轉撥被視為於年初發生，故金額轉撥淨額為零。因預期信貸損失階段轉變而引致的重新計量預期信貸損失會記於其所轉撥的預期信貸損失階段項下。

關於12個月內之預期信貸損失、合約期內之預期信貸損失及信貸不良的解釋見附註2。

| | | 2023 | | | |
|---|-----------------------------|---------------|----------------------------------|------------------------------|---------------|
| | | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total |
| | | 12個月內之預期信貸損失 | 非信貸不良的合約期內之預期信貸損失 | 信貸不良的合約期內之預期信貸損失 | 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Loans and advances to customers | 客戶貸款及墊款 | | | | |
| Balance at 1st January | 於1月1日的結餘 | 1,089 | 1,026 | 4,641 | 6,756 |
| Transfer to 12-month ECL | 轉至12個月內之預期信貸損失 | 117 | (117) | - | - |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的合約期內之預期信貸損失 | (24) | 24 | - | - |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的合約期內之預期信貸損失 | (37) | (493) | 530 | - |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款 | 106 | 232 | 344 | 682 |
| Write-offs | 撤銷 | - | - | (6,819) | (6,819) |
| Changes in models | 模型變動 | (175) | (34) | - | (209) |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值準備的重新計量淨額 (包括外匯調整) | (172) | 60 | 5,003 | 4,891 |
| Balance at 31st December | 於12月31日的結餘 | 904 | 698 | 3,699 | 5,301 |
| Of which: | 其中: | | | | |
| For loans and advances to customers at amortised cost (Note 27(a)) | 就按攤銷成本的客戶貸款及墊款 (附註27(a)) | 900 | 691 | 3,536 | 5,127 |
| For related accrued interest receivable (Note 33) | 就相關應收應計利息 (附註33) | 4 | 7 | 163 | 174 |
| | | 904 | 698 | 3,699 | 5,301 |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2022 | | | | |
|--|-------------------------------------|------------------|-------------------------------------|---------------------------------|------------------|--|
| | | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total | |
| | | 12個月內之 預期信貸損失 | 非信貸不良的 合約期內之 預期信貸損失 | 信貸不良的 合約期內之 預期信貸損失 | 總額 | |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | |
| Loans and advances to customers | | | | | | |
| | 客戶貸款及墊款 | | | | | |
| Balance at 1st January | 於1月1日的結餘 | 670 | 528 | 3,231 | 4,429 | |
| Transfer to 12-month ECL | 轉至12個月內之預期信貸損失 | 155 | (155) | - | - | |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的合約期內之預期 信貸損失 | (27) | 54 | (27) | - | |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的合約期內之預期 信貸損失 | (24) | (141) | 165 | - | |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、 撤銷確認資產、還款及 進一步貸款 | 350 | 114 | 273 | 737 | |
| Write-offs | 撤銷 | - | - | (3,095) | (3,095) | |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值準備的重新計量淨額 (包括外匯調整) | (35) | 626 | 4,094 | 4,685 | |
| Balance at 31st December | 於12月31日的結餘 | 1,089 | 1,026 | 4,641 | 6,756 | |
| Of which: | 其中： | | | | | |
| For loans and advances to customers at amortised cost (Note 27(a)) | 就按攤銷成本的客戶貸款及墊款 (附註27(a)) | 1,084 | 1,018 | 4,518 | 6,620 | |
| For related accrued interest receivable (Note 33) | 就相關應收應計利息(附註33) | 5 | 8 | 123 | 136 | |
| | | 1,089 | 1,026 | 4,641 | 6,756 | |

The total contractual amounts of loans and advances to customers written off during the year ended 31st December, 2023 and 2022 which are still subject to enforcement activity are HK\$5,513 million and HK\$1,067 million respectively.

在截至2023年及2022年12月31日止年度內已撤銷的客戶貸款及墊款的合約餘額中仍在進行追討的貸款分別為港幣55.13億元及港幣10.67億元。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(a) Credit Risk Management (continued)

(ix) Impairment allowances reconciliation (continued)

(a) 信貸風險管理(續)

(ix) 減值準備對賬(續)

| | | 2023 | | | | |
|--|-----------------------------|-------------------------------------|-------|---------------------------------|-------|---------|
| | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total |
| | | 非信貸不良的 合約期內之 預期信貸損失 | | 信貸不良的 合約期內之 預期信貸損失 | | 總額 |
| | | 12-month ECL 12個月內之 預期信貸損失 | | Lifetime ECL credit-impaired | | |
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Debt investment securities | 債務投資證券 | | | | | |
| Balance at 1st January | 於1月1日的結餘 | 283 | 141 | 248 | | 672 |
| Transfer to 12-month ECL | 轉至12個月內之預期信貸損失 | 12 | (12) | - | | - |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的合約期內之預期信貸損失 | (7) | 7 | - | | - |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的合約期內之預期信貸損失 | - | (99) | 99 | | - |
| New financial assets originated or purchased, assets derecognised, repayments and further investment | 源生或購入之新金融資產、撤銷確認資產、還款及進一步投資 | (16) | (10) | - | | (26) |
| Write-offs | 撤銷 | - | - | - | | - |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值準備的重新計量淨額(包括外匯調整) | (154) | (5) | 395 | | 236 |
| Balance at 31st December | 於12月31日的結餘 | 118 | 22 | 742 | | 882 |
| Of which: | 其中: | | | | | |
| For debt investment securities measured at amortised cost (Note 28) | 就按攤銷成本計量的債務投資證券(附註28) | 19 | 8 | 645 | | 672 |
| For related accrued interest receivable (Note 33) | 就相關應收應計利息(附註33) | - | - | 45 | | 45 |
| | | 19 | 8 | 690 | | 717 |
| For debt investment securities measured at FVOCI | 就按透過其他全面收益以反映公平價值計量的債務投資證券 | 98 | 14 | 48 | | 160 |
| For related accrued interest receivable | 就相關應收應計利息 | 1 | - | 4 | | 5 |
| | | 99 | 14 | 52 | | 165 |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2022 | | | | |
|--|-----------------------------|------------------|-------------------------------------|---------------------------------|------------------|-------|
| | | 12-month ECL | Lifetime ECL not credit-impaired | Lifetime ECL credit-impaired | Total | |
| | | 12個月內之 預期信貸損失 | 非信貸不良的 合約期內之 預期信貸損失 | 信貸不良的 合約期內之 預期信貸損失 | 總額 | |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | 港幣百萬元 |
| Debt investment securities | 債務投資證券 | | | | | |
| Balance at 1st January | 於1月1日的結餘 | 284 | 47 | - | | 331 |
| Transfer to 12-month ECL | 轉至12個月內之預期信貸損失 | - | - | - | | - |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的合約期內之預期信貸損失 | (11) | 11 | - | | - |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的合約期內之預期信貸損失 | (5) | (13) | 18 | | - |
| New financial assets originated or purchased, assets derecognised, repayments and further investment | 源生或購入之新金融資產、撤銷確認資產、還款及進一步投資 | 25 | 21 | - | | 46 |
| Write-offs | 撤銷 | - | - | - | | - |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值準備的重新計量淨額(包括外匯調整) | (10) | 75 | 230 | | 295 |
| Balance at 31st December | 於12月31日的結餘 | 283 | 141 | 248 | | 672 |
| Of which: | 其中： | | | | | |
| For debt investment securities measured at amortised cost (Note 28) | 就按攤銷成本計量的債務投資證券(附註28) | 66 | 98 | 241 | | 405 |
| For related accrued interest receivable (Note 33) | 就相關應收應計利息(附註33) | 1 | 2 | 7 | | 10 |
| | | 67 | 100 | 248 | | 415 |
| For debt investment securities measured at FVOCI | 就按通過其他全面收益以反映公平價值計量的債務投資證券 | 214 | 41 | - | | 255 |
| For related accrued interest receivable | 就相關應收應計利息 | 2 | - | - | | 2 |
| | | 216 | 41 | - | | 257 |

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

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(a) Credit Risk Management (continued)

(ix) Impairment allowances reconciliation (continued)

(a) 信貸風險管理 (續)

(ix) 減值準備對賬 (續)

| | | 2023 | | | |
|---|------------------------------|---------------|---------------------|-----------------|---------------|
| | | 12-month ECL | Lifetime ECL | Lifetime ECL | Total |
| | | 12個月內之 | not credit-impaired | credit-impaired | Total |
| | | 預期信貸損失 | 非信貸不良的 | 信貸不良的 | 總額 |
| | | 預期信貸損失 | 合約期內之 | 合約期內之 | 總額 |
| | | 預期信貸損失 | 預期信貸損失 | 預期信貸損失 | 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Others | 其他 | | | | |
| Balance at 1st January | 於1月1日的結餘 | 133 | 23 | 238 | 394 |
| | 轉至12個月內之預期 | | | | |
| Transfer to 12-month ECL | 信貸損失 | 12 | (12) | - | - |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的合約期內之預期 | | | | |
| | 信貸損失 | (1) | 1 | - | - |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的合約期內之預期 | | | | |
| | 信貸損失 | - | - | - | - |
| New financial assets originated or purchased, assets derecognised and repayments | 源生或購入之新金融資產、 | | | | |
| | 撤銷確認資產及還款 | (18) | 2 | (11) | (27) |
| Write-offs | 撤銷 | - | - | (2) | (2) |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值準備的重新計量淨額 (包括外匯調整) | (4) | 8 | 122 | 126 |
| Balance at 31st December | 於12月31日的結餘 | 122 | 22 | 347 | 491 |
| Of which: | 其中: | | | | |
| For trade bills measured at FVOCI | 就按通過其他全面收益以反映公平價值計量的貿易票據 | - | - | - | - |
| For related accrued interest receivable | 就相關應收應計利息 | - | - | - | - |
| For trade bills measured at amortised cost (Note 25) | 就按攤銷成本計量的貿易票據 (附註25) | - | - | - | - |
| For related accrued interest receivable | 就相關應收應計利息 | - | - | - | - |
| For placements with and advances to banks (Note 24) | 就在銀行的存款及墊款 (附註24) | 2 | - | - | 2 |
| For related accrued interest receivable | 就相關應收應計利息 | - | - | - | - |
| | | 2 | - | - | 2 |
| For cash and balances with banks (Note 23) | 就現金及在銀行的結存 (附註23) | 1 | - | - | 1 |
| For related accrued interest receivable | 就相關應收應計利息 | - | - | - | - |
| | | 1 | - | - | 1 |
| For loan commitments and financial guarantee contracts (Note 37) | 就貸款承擔和財務擔保合約 (附註37) | 112 | 22 | 281 | 415 |
| For account receivables and other accounts other than accrued interest receivable (Note 33) | 就應收賬款及其他賬項 (應收應計利息除外) (附註33) | 7 | - | 66 | 73 |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2022 | | | | Total 總額 | | | |
|---|------------------------------------|-------------------------------------|-----------------|---------------------------------|--------|-------------|-------|---------|-------|
| | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | | | | |
| | | 12-month ECL | 非信貸不良的 合約期內之 | 信貸不良的 | 合約期內之 | | | | |
| | | 12個月內之 預期信貸損失 | 預期信貸損失 | 預期信貸損失 | 預期信貸損失 | | | | |
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Others | 其他 | | | | | | | | |
| Balance at 1st January | 於1月1日的結餘 | 143 | | 24 | | 85 | | | 252 |
| Transfer to 12-month ECL | 轉至12個月內之預期信貸損失 | 2 | | (2) | | - | | | - |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的合約期內之預期信貸損失 | - | | - | | - | | | - |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的合約期內之預期信貸損失 | (1) | | (7) | | 8 | | | - |
| New financial assets originated or purchased, assets derecognised and repayments | 源生或購入之新金融資產、 撤銷確認資產及還款 | 11 | | (3) | | 68 | | | 76 |
| Write-offs | 撤銷 | - | | - | | - | | | - |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值準備的重新計量淨額 (包括外匯調整) | (22) | | 11 | | 77 | | | 66 |
| Balance at 31st December | 於12月31日的結餘 | 133 | | 23 | | 238 | | | 394 |
| Of which: | 其中: | | | | | | | | |
| For trade bills measured at FVOCI | 就按通過其他全面收益以反映公平價值計量的貿易票據 | - | | - | | - | | | - |
| For related accrued interest receivable | 就相關應收應計利息 | - | | - | | - | | | - |
| | | - | | - | | - | | | - |
| For trade bills measured at amortised cost (Note 25) | 就按攤銷成本計量的貿易票據 (附註25) | - | | - | | - | | | - |
| For related accrued interest receivable | 就相關應收應計利息 | - | | - | | - | | | - |
| | | - | | - | | - | | | - |
| For placements with and advances to banks (Note 24) | 就在銀行的存款及墊款 (附註24) | 1 | | - | | - | | | 1 |
| For related accrued interest receivable | 就相關應收應計利息 | - | | - | | - | | | - |
| | | 1 | | - | | - | | | 1 |
| For cash and balances with banks (Note 23) | 就現金及在銀行的結存 (附註23) | 2 | | - | | - | | | 2 |
| For related accrued interest receivable | 就相關應收應計利息 | - | | - | | - | | | - |
| | | 2 | | - | | - | | | 2 |
| For loan commitments and financial guarantee contracts (Note 37) | 就貸款承擔和財務擔保合約 (附註37) | 121 | | 23 | | 174 | | | 318 |
| For account receivables and other accounts other than accrued interest receivable (Note 33) | 就應收賬款及其他賬項 (應收應計利息除外) (附註33) | 9 | | - | | 64 | | | 73 |

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

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(a) Credit Risk Management (continued)

(x) Collateral and other credit enhancements

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management.

The extent of collateral coverage over the Group's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include residential properties (in the form of mortgages over property), other properties, aircraft, other registered securities over assets, cash deposits, standby letters of credit and guarantees. Collateral generally is not held over balances and placements with banks, and loans and advances to banks, except when securities are held as part of sale and repurchase and securities borrowing activity. The Group takes possession of collateral through court proceedings or voluntary delivery of possession by the borrowers during the course of the recovery of impaired loans and advances. These repossessed assets are reported in the statement of financial position within "other assets" (Note 2(t)). If the recovery from the repossessed assets exceeds the corresponding gross exposure, the surplus fund is made available either to repay the borrower's other secured loans with lower priority or is returned to the borrower.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. However the credit risk may be implicit in the terms or reflected in the fair value of the corresponding instruments.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

For contingent liabilities and commitments that are unconditionally cancellable (Note 45), the Group will assess the necessity to withdraw the credit line when there is a concern over the credit quality of the customers. Accordingly, the exposure to significant credit risk is considered as minimal. For commitments that are not unconditionally cancellable, the Group assesses the necessity of collateral depending on the type of customer and the product offered.

(a) 信貸風險管理 (續)

(x) 抵押品及其他信用提升

本集團已制訂可接受不同類別抵押品的指引，並釐定相關估值參數。本集團會定期檢討指引及抵押品估值參數，以確保信貸風險管理的成效。

本集團客戶貸款及墊款的抵押品範圍視乎客戶類別及所提供產品而定。抵押品類別包括住宅物業（以物業按揭形式）、其他物業、飛機、其他登記抵押資產、現金存款、備用信用證及擔保。除持有用作回購及證券借貸活動的抵押品外，在銀行的結存及存款，以及銀行貸款及墊款一般不需要抵押品。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品。該等收回資產於財務狀況表中以「其他資產」列賬（附註2(t)）。倘從收回資產所得之追收額超出相關風險承擔時，則會使用盈餘資金償還借款人優先次序較低的已抵押貸款或退回予借款人。

持有用作非貸款及墊款金融資產的抵押品，是按照工具之性質決定。除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。然而，信貸風險可能隱含於相關工具的條款內或於相關工具的公平價值中反映。

ISDA的主合約為本集團處理衍生交易文件的優先合約，當中涵蓋合約框架，而在合約框架之下，本集團可進行一系列的場外產品交易活動，如其中一方違約或發生其他預先協定的終止事件，則按合約約束參與者以淨額結算合約涵蓋的所有未履行交易。本集團亦會在簽訂ISDA的主合約的同時，與交易對手簽訂信貸附約，據此，抵押品可於訂約方之間轉交，以降低出現在未履約情況下的內在市場或然交易對手風險。

對於或然負債及可無條件取消的承擔（附註45），如本集團對客戶的信貸質素有疑慮，則會評估是否需要撤回信貸額。因此，本集團面臨重大信貸風險機會視為微乎其微。對於不可無條件取消的承擔，本集團會視乎客戶類別及所提供產品評估是否需要進行抵押。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(b) Market Risk Management

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

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. Market risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Market & Liquidity Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk. The Internal Audit Division performs periodic reviews to ensure that the market risk management functions are performed effectively.

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

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

(i) Currency risk

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

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

(b) 市場風險管理

市場風險是指因市場價格，例如利率、匯率、股票價格、債務證券價格及商品價格的不利變動而導致本集團有機會出現虧損的風險。市場風險管理旨在減少市場因素的波動為本集團帶來的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。市場風險由集團的資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。本集團風險管理處轄下的市場及流動性風險管理部，負責監察與市場風險有關的活動。稽核處會進行定期審查，以確保市場風險管理職能得到有效執行。

透過衍生工具進行自營交易及向客戶出售衍生工具以用作風險管理產品，為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團必須管理的主要市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣（包括衍生工具）、商業銀行業務和結構性外匯風險。本集團的非結構性外匯風險以主要貨幣計值，當中以美元及人民幣為主。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利或虧損因為已撥入儲備，所以未計算在風險值內。此等結構性外幣持倉的主要目的，是對沖因匯率變動而對本集團資本充足比率產生的部分或全部不利影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(b) Market Risk Management (continued)

(i) Currency risk (continued)

The Group had the following net structural positions which were not less than 10% of the total net structural foreign currency position at the end of the reporting period:

| | | 2023 | | | 2022 | | |
|-------------------------|---------|--------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|
| | | RMB 人民幣 HK\$ Mn 港幣百萬元 | MYR 馬幣 HK\$ Mn 港幣百萬元 | USD 美元 HK\$ Mn 港幣百萬元 | RMB 人民幣 HK\$ Mn 港幣百萬元 | MYR 馬幣 HK\$ Mn 港幣百萬元 | USD 美元 HK\$ Mn 港幣百萬元 |
| Net structural position | 結構性持倉淨額 | 15,297 | 2,269 | (9,111) | 15,727 | 2,335 | (9,098) |

(ii) Interest rate risk in trading book

The Group's trading interest rate positions arise from treasury and dynamic hedging of retail and commercial banking activities. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives. For the interest rate risk management of the Group's banking book positions, please refer to Note 43(e).

(iii) Equity risk

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

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

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

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

(b) 市場風險管理 (續)

(i) 貨幣風險 (續)

於報告期結束日，本集團的以下結構性持倉淨額不低於結構性外幣淨持倉總額10%：

(ii) 交易賬冊的利率風險

本集團的交易組合中的利率持倉來自零售及商業銀行業務的動態對沖。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。就管理本集團銀行賬冊持倉的利率風險而言，請參閱附註43(e)。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團進行風險活動時所產生的相關市場風險，確保其市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度假設於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

Notes to the Financial Statements (continued)
財務報表附註 (續)

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

The market value of listed shares, the fair value of private equity funds and unlisted equities (collectively the "Unlisted Securities"), are subject to limits and these are managed by the Investment Department of the Group. The Unlisted Securities 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

| | | 2023 | | | |
|---|-------------|------------------|---------------|---------------|---------------|
| | | At 31st December | Maximum | Minimum | Mean |
| | | 於12月31日 | 最高 | 最低 | 平均 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| VaR for total trading activities | 交易活動的風險值總額 | 7 | 13 | 7 | 9 |
| VaR for foreign exchange trading positions* | 外匯交易持倉的風險值* | 2 | 7 | 1 | 3 |
| VaR for interest rate trading positions | 利率交易持倉的風險值 | 1 | 3 | - | 2 |
| VaR for equity trading positions | 股份交易持倉的風險值 | 5 | 6 | 4 | 5 |

| | | 2022 | | | |
|---|-------------|------------------|---------------|---------------|---------------|
| | | At 31st December | Maximum | Minimum | Mean |
| | | 於12月31日 | 最高 | 最低 | 平均 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| VaR for total trading activities | 交易活動的風險值總額 | 11 | 33 | 11 | 19 |
| VaR for foreign exchange trading positions* | 外匯交易持倉的風險值* | 6 | 12 | 5 | 8 |
| VaR for interest rate trading positions | 利率交易持倉的風險值 | - | 5 | - | 1 |
| VaR for equity trading positions | 股份交易持倉的風險值 | 5 | 20 | 5 | 11 |

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

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

* 包括所有外匯持倉但不包括結構性外匯持倉。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(b) Market Risk Management (continued)

(b) 市場風險管理 (續)

| | | 2023 | | | |
|---|--------------|-----------------------------|---------------|---------------|---------------|
| | | At 31st December 於12月31日 | Maximum 最高 | Minimum 最低 | Mean 平均 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Stressed VaR for total trading activities | 交易活動的受壓風險值總額 | 16 | 29 | 15 | 22 |

| | | 2022 | | | |
|---|--------------|-----------------------------|---------------|---------------|---------------|
| | | At 31st December 於12月31日 | Maximum 最高 | Minimum 最低 | Mean 平均 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Stressed VaR for total trading activities | 交易活動的受壓風險值總額 | 27 | 59 | 24 | 41 |

A stressed VaR measure is intended to replicate a VaR calculation that would be generated on current trading portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值是假設相關市場因素在受壓期間下，模擬計算由現行交易組合產生的風險值。

(c) Operational Risk Management

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

(c) 營運風險管理

營運風險是指由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險。

The objectives of operational risk management are to identify, measure, assess and monitor the operational risk exposures associated to the Group; to control and mitigate the exposures by taking effective measures; to report in a structured, systematic and consistent manner; and to comply with the relevant regulatory requirements.

營運風險管理的目的在於識別、衡量、評估及監控與本集團有關的營運風險；採取有效的措施以管控及緩減風險承擔；以具組織，系統及一致的方式作出匯報；以及遵守相關監管規定的要求。

The Operational Risk Management Committee is responsible for overseeing the effectiveness of operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group assists the Management in managing the Group's operational risk, including the establishment and review of the operational risk management, third party risk management and operational resilience policies and framework; designing the operational risk management tools and reporting mechanism; assessing, monitoring and reporting the overall operational risk position to the Management and Risk Management Committee. All the heads of business units and support units of the Group are responsible for the day-to-day operational risk management of their units.

營運風險管理委員會負責監督集團的營運風險管理的有效性，而本集團風險管理處轄下的營運風險管理部負責協助管理層管理本集團的營運風險，包括制定和重檢營運風險管理，第三方風險管理，及運作穩健性政策和框架；設計營運風險的管理工具和匯報機制；評估、監察及向管理層和風險管理委員會匯報總體營運風險狀況。本集團所有部門或後勤單位主管均負責其單位的日常營運風險管理。

The Group has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Group adopts various operational risk management tools such as key risk indicators, risk and control self-assessments, operational risk incident management to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance to mitigate unforeseeable and significant operational risk incidents. Business continuity plans are established to support business operations in the event of an emergency or disaster.

本集團建立了有效的內部控制程序，對所有重大活動訂下政策及監控措施。本集團採用關鍵風險指標、風險與管控自我評估、營運風險事件匯報及檢查等不同的營運風險管理工具及方法以識別、評估、監察及控制潛在於業務活動及產品內的風險，同時透過購買保險，將未能預見的重大營運風險減低。對支援緊急或災難事件時的業務運作備有持續業務運作計劃。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(d) Liquidity Risk Management

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

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

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

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

(d) 流動性風險管理

流動性風險是指本集團因未能獲得充足資金投入而可能無法履行到期責任的風險(資金流動性風險);或因市場深度不足或市場失序,本集團非得大幅降低市場價格的情況下無法輕易迅速變現資產的風險(市場流動性風險)。

流動性風險管理是為了確保本集團維持充足的現金流量以履行所有財務承擔,並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足提款要求,在借款期滿時能夠還款,掌握貸款和投資的機會,以及符合所有有關流動性風險管理的法定規定,包括流動性覆蓋比率及穩定資金淨額比率。

本集團通過定期評估定性及定量的風險因素檢討風險狀況,根據董事會每年批准的適用於流動性風險的風險偏好釐定其現行風險承受範圍。資產負債管理委員會獲董事會授權,負責監察本集團的流動性風險管理。資產負債管理委員會由各業務單位、司庫、風險管理及財務的管理層出任以共同制定資金策略方案。資產負債管理委員會制訂管理流動性風險的策略、政策及限額,以及確保執行有關策略與政策的措施。委員會定期舉行會議,檢討各既有監控架構的合規情況,以及是否需要改變策略及政策。流動資金狀況由本集團資本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市場及流動性風險管理部負責監察與流動性風險相關的活動。稽核處會定期作出檢討,確保流動性風險管理功能得以有效執行。

流動性覆蓋比率及穩定資金淨額比率的法定要求是本集團對流動性風險管理的嚴格監管制度部份之一。為確保遵守監管要求,本集團考慮過其流動性風險偏好後,為流動性覆蓋比率及穩定資金淨額比率設定的內部目標均高於上述監管規定水平。此外,資產負債管理委員會會定期檢閱流動性覆蓋比率及穩定資金淨額比率的重大變動,並提出建議補救措施,以應對來自(但不限於)存款基礎及其餘下到期期限、不同到期期限的貸款活動以及本集團資產及負債組合策略所產生的不利變動。在規劃資產及負債組合策略時,本集團的相關業務單位就資產增長及資金結構對流動性覆蓋比率及穩定資金淨額比率的影響提交評估,以供資產負債管理委員會檢討和作出決策。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(d) Liquidity Risk Management (continued)

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

The Group manages liquidity risk of the branches in Macau, Taiwan and overseas and significant subsidiary in a holistic approach. The liquidity risk management policies of the Group are abided by all of the branches in Macau, Taiwan and overseas and significant subsidiary, while supplementing their respective local practices and statutory requirements. Reporting to the Group Chief Risk Officer, the Risk Management Unit of each of the branches in Macau, Taiwan and overseas and significant subsidiary reports and escalates liquidity risk related matter to the liquidity risk management team at Head Office. The respective local Asset and Liability Management Committee or respective local authorities are also established for overseeing liquidity risk in accordance with the local regulatory requirements and limits approved.

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

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

(d) 流動性風險管理 (續)

為有效地管理流動性覆蓋比率及穩定資金淨額比率，本集團特別著重存留忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業以及批發市場資金之間保持平衡，避免資金集中於任何一種來源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及其他借貸進入專業市場，獲取額外資金，以此維持本行於本地金融市場的地位及優化資產及負債的期限。

本集團全面有效地管理澳門、台灣及海外分行及主要附屬公司的流動性風險。集團的流動性風險管理政策涵蓋了所有澳門、台灣及海外分行及主要附屬公司，當中包括了當地法定要求及個別管理辦法。各澳門、台灣及海外分行及主要附屬公司的風險管理單位需要向本行風險管理部門匯報有關流動性風險事宜，而各風險管理單位需上報集團風險總監。此外，本集團在各澳門、台灣及海外分行及主要附屬公司當地成立了資產負債管理委員會或相關管理委員會，以監督各澳門、台灣及海外分行及主要附屬公司需符合當地監管規定及已批准的風險限額。

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。作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。本集團大部分流動性風險來自資產與負債組合之間的期限錯配差距。本集團會透過使用本行的管理資訊系統，對一系列時間內的資產負債表內、外項目定期進行現金流量分析及預測，以確定不同時段的資金需要，從而管理流動性風險。

Notes to the Financial Statements (continued)
財務報表附註 (續)

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 plan 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 plan 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 plan is subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the contingency funding plan are approved by the Board.

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。

應急資金計劃旨在提供防患未然的積極措施，並訂明以下3個階段：

1. 本集團運用預早警報指標，當中包括質性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在情況需要時會考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由聯席行政總裁擔任該委員會的主席，該委員會專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急資金。應急資金計劃如有任何重大變動，均須分別取得董事會的批准。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(d) Liquidity Risk Management (continued)

Analysis of assets and liabilities by remaining maturity:

(d) 流動性風險管理(續)

資產及負債的剩餘期限分析：

| | | 2023 | | | | | | | |
|--|-------------|------------------------|-------------------|--|---|--|-----------------|-----------------------|----------------|
| | | 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 |
| | | 即時還款 | 1個月內 | 至3個月 | 至1年 | 至5年 | 5年以上 | 或逾期 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Assets | 資產 | | | | | | | | |
| Cash and balances with banks | 現金及在銀行的結存 | 37,014 | 12 | 20 | 121 | - | - | 8,736 | 45,903 |
| Placements with and advances to banks | 在銀行的存款及墊款 | - | 40,883 | 2,687 | 121 | - | - | - | 43,691 |
| Trade bills | 貿易票據 | 94 | 62 | 133 | 84 | - | - | - | 373 |
| Trading assets | 交易用途資產 | - | - | 66 | 1,925 | 773 | - | 285 | 3,049 |
| Derivative assets | 衍生工具資產 | - | - | - | - | - | - | 9,056 | 9,056 |
| Loans and advances to customers | 客戶貸款及墊款 | 2,460 | 64,389 | 47,667 | 118,973 | 170,070 | 115,063 | 8,362 | 526,984 |
| Investment securities | 投資證券 | - | 10,854 | 18,513 | 21,090 | 60,567 | 54,242 | 2,004 | 167,270 |
| Investments in associates and joint ventures | 聯營公司及合資企業投資 | - | - | - | - | - | - | 8,384 | 8,384 |
| Fixed assets | 固定資產 | - | - | - | - | - | - | 13,493 | 13,493 |
| Goodwill and intangible assets | 商譽及無形資產 | - | - | - | - | - | - | 1,852 | 1,852 |
| Deferred tax assets | 遞延稅項資產 | - | - | - | - | - | - | 1,836 | 1,836 |
| Other assets | 其他資產 | 23 | 6,748 | 12,635 | 10,463 | 575 | 571 | 7,455 | 38,470 |
| Total assets | 資產總額 | 39,591 | 122,948 | 81,721 | 152,777 | 231,985 | 169,876 | 61,463 | 860,361 |
| Liabilities | 負債 | | | | | | | | |
| Deposits and balances of banks | 銀行的存款及結餘 | 633 | 9,318 | 8,777 | 6,891 | - | - | - | 25,619 |
| Deposits from customers | 客戶存款 | 185,225 | 125,787 | 188,736 | 113,622 | 15,228 | - | - | 628,598 |
| - Demand deposits and current accounts | - 活期存款及往來賬戶 | 65,643 | - | - | - | - | - | - | 65,643 |
| - Savings deposits | - 儲蓄存款 | 118,163 | - | - | - | - | - | - | 118,163 |
| - Time, call and notice deposits | - 定期及通知存款 | 1,419 | 125,787 | 188,736 | 113,622 | 15,228 | - | - | 444,792 |
| Derivative liabilities | 衍生工具負債 | - | - | - | - | - | - | 4,007 | 4,007 |
| Certificates of deposit issued | 已發行存款證 | - | 2,783 | 5,296 | 8,851 | 10,688 | - | - | 27,618 |
| Current taxation | 本年稅項 | - | - | - | 1,602 | - | - | - | 1,602 |
| Debt securities issued | 已發行債務證券 | - | - | 155 | 306 | 383 | - | - | 844 |
| Deferred tax liabilities | 遞延稅項負債 | - | - | - | - | - | - | 468 | 468 |
| Other liabilities | 其他負債 | 1,005 | 7,392 | 13,936 | 11,373 | 1,445 | 1,317 | 10,844 | 47,312 |
| - Lease liabilities | - 租賃負債 | - | 27 | 43 | 167 | 389 | 226 | - | 852 |
| - Other accounts | - 其他賬項 | 1,005 | 7,365 | 13,893 | 11,206 | 1,056 | 1,091 | 10,844 | 46,460 |
| Loan capital | 借貸資本 | - | - | - | 1,649 | 14,318 | - | - | 15,967 |
| Total liabilities | 負債總額 | 186,863 | 145,280 | 216,900 | 144,294 | 42,062 | 1,317 | 15,319 | 752,035 |
| Net gap | 淨差距 | (147,272) | (22,332) | (135,179) | 8,483 | 189,923 | 168,559 | | |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2022 | | | | | | | |
|--|-------------|------------------|----------------|--------------------------------|------------------------------|-------------------------------|----------------|---------------|----------------|
| | | Repayable | Within | 3 months | 1 year or | 5 years | Over | Undated | Total |
| | | on demand | 1 month | or less but over 1 month | less but over 3 months | or less but over 1 year | 5 years | or overdue | |
| | | 即時還款 | 1個月內 | 至3個月 | 至1年 | 至5年 | 5年以上 | 無註明日期 或逾期 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Assets | 資產 | | | | | | | | |
| Cash and balances with banks | 現金及在銀行的結存 | 44,156 | - | - | 96 | - | - | 10,327 | 54,579 |
| Placements with and advances to banks | 在銀行的存款及墊款 | - | 52,337 | 7,866 | - | - | - | - | 60,203 |
| Trade bills | 貿易票據 | 1 | 147 | 148 | 233 | - | - | - | 529 |
| Trading assets | 交易用途資產 | - | 1,176 | 99 | - | - | - | 255 | 1,530 |
| Derivative assets | 衍生工具資產 | - | - | - | - | - | - | 11,092 | 11,092 |
| Loans and advances to customers | 客戶貸款及墊款 | 2,594 | 53,685 | 38,832 | 116,096 | 202,555 | 121,575 | 7,057 | 542,394 |
| Investment securities | 投資證券 | - | 10,446 | 10,510 | 19,043 | 64,709 | 40,618 | 1,681 | 147,007 |
| Investments in associates and joint ventures | 聯營公司及合資企業投資 | - | - | - | - | - | - | 9,061 | 9,061 |
| Fixed assets | 固定資產 | - | - | - | - | - | - | 13,476 | 13,476 |
| Goodwill and intangible assets | 商譽及無形資產 | - | - | - | - | - | - | 1,870 | 1,870 |
| Deferred tax assets | 遞延稅項資產 | - | - | - | - | - | - | 1,849 | 1,849 |
| Other assets | 其他資產 | 27 | 4,845 | 7,463 | 18,286 | 505 | 437 | 7,672 | 39,235 |
| Total assets | 資產總額 | 46,778 | 122,636 | 64,918 | 153,754 | 267,769 | 162,630 | 64,340 | 882,825 |
| Liabilities | 負債 | | | | | | | | |
| Deposits and balances of banks | 銀行的存款及結餘 | 2,263 | 8,074 | 9,255 | 5,886 | - | - | - | 25,478 |
| Deposits from customers | 客戶存款 | 212,727 | 106,604 | 160,879 | 151,421 | 16,462 | - | - | 648,093 |
| - Demand deposits and current accounts | - 活期存款及往來賬戶 | 65,899 | - | - | - | - | - | - | 65,899 |
| - Savings deposits | - 儲蓄存款 | 145,107 | - | - | - | - | - | - | 145,107 |
| - Time, call and notice deposits | - 定期及通知存款 | 1,721 | 106,604 | 160,879 | 151,421 | 16,462 | - | - | 437,087 |
| Trading liabilities | 交易用途負債 | - | - | - | - | - | - | 5 | 5 |
| Derivative liabilities | 衍生工具負債 | - | - | - | - | - | - | 4,145 | 4,145 |
| Certificates of deposit issued | 已發行存款證 | - | 3,559 | 12,971 | 12,244 | 3,888 | - | - | 32,662 |
| Current taxation | 本年稅項 | - | - | - | 1,252 | - | - | - | 1,252 |
| Debt securities issued | 已發行債務證券 | - | - | 1,404 | 672 | 816 | - | - | 2,892 |
| Deferred tax liabilities | 遞延稅項負債 | - | - | - | - | - | - | 226 | 226 |
| Other liabilities | 其他負債 | 779 | 5,027 | 8,261 | 19,697 | 1,124 | 1,541 | 13,370 | 49,799 |
| - Lease liabilities | - 租賃負債 | 1 | 24 | 40 | 155 | 347 | 207 | - | 774 |
| - Other accounts | - 其他賬項 | 778 | 5,003 | 8,221 | 19,542 | 777 | 1,334 | 13,370 | 49,025 |
| Loan capital | 借貸資本 | - | - | - | - | 11,927 | - | - | 11,927 |
| Total liabilities | 負債總額 | 215,769 | 123,264 | 192,770 | 191,172 | 34,217 | 1,541 | 17,746 | 776,479 |
| Net gap | 淨差距 | (168,991) | (628) | (127,852) | (37,418) | 233,552 | 161,089 | | |

As the trading assets and debt instruments measured at FVOCI may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於交易用途資產及按通過其他全面收益以反映公平價值計量之債務工具可能於到期前出售或客戶存款可能在到期前未被提取，合約到期日並非代表未來現金流的預計日期。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(d) Liquidity Risk Management (continued)

The following tables provide an analysis of the undiscounted cashflow projection of the non-derivative financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

(d) 流動性風險管理(續)

下表展示於報告期結束日集團的未經折扣之非衍生工具金融負債的預計現金流按其合約支付債務之日期分析：

| | | 2023 | | | | | | | |
|--|-------------|-----------------|--------------------|---------------------|--------------|---------------------------|--------------------|----------------------|---------|
| | | Carrying amount | Total cash outflow | Repayable on demand | Less than | Between | Between | More than five years | Undated |
| | | | | | three months | three months and one year | one and five years | | |
| | | 賬面值 | 現金流出 | 即時還款 | 3個月或以下 | 3個月以上至1年 | 1年以上至5年 | 5年以上 | 無註明日期 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Deposits and balances of banks | 銀行的存款及結餘 | 25,619 | 26,283 | 633 | 18,341 | 7,309 | - | - | - |
| Deposits from customers | 客戶存款 | 628,598 | 637,171 | 185,665 | 319,344 | 116,501 | 15,661 | - | - |
| - Demand deposits and current accounts | - 活期存款及往來賬戶 | 65,643 | 65,737 | 65,737 | - | - | - | - | - |
| - Savings deposits | - 儲蓄存款 | 118,163 | 118,335 | 118,335 | - | - | - | - | - |
| - Time, call and notice deposits | - 定期及通知存款 | 444,792 | 453,099 | 1,593 | 319,344 | 116,501 | 15,661 | - | - |
| Certificates of deposit issued | 已發行存款證 | 27,618 | 29,053 | - | 8,248 | 9,119 | 11,686 | - | - |
| Current taxation | 本年稅項 | 1,602 | 1,602 | - | - | 1,602 | - | - | - |
| Debt securities issued | 已發行債務證券 | 844 | 870 | - | 164 | 316 | 390 | - | - |
| Loan capital | 借貸資本 | 15,967 | 18,056 | - | 182 | 2,290 | 15,584 | - | - |
| Other liabilities | 其他負債 | 47,312 | 42,157 | 587 | 20,016 | 9,369 | 472 | 869 | 10,844 |
| - Lease liabilities | - 租賃負債 | 852 | 962 | - | 78 | 187 | 448 | 249 | - |
| - Other accounts | - 其他賬項 | 46,460 | 41,195 | 587 | 19,938 | 9,182 | 24 | 620 | 10,844 |
| Total | 總額 | 747,560 | 755,192 | 186,885 | 366,295 | 146,506 | 43,793 | 869 | 10,844 |

Notes to the Financial Statements (continued)
財務報表附註(續)

| | | 2022 | | | | | | | |
|--|-------------|--------------------|-----------------------|------------------------|------------------------------|---|----------------------------------|-------------------------|---------|
| | | Carrying amount | Total cash outflow | Repayable on demand | Less than three months | Between three months and one year | Between one and five years | More than five years | Undated |
| | | | | | | | | | |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Deposits and balances of banks | 銀行的存款及結餘 | 25,478 | 26,017 | 2,263 | 17,510 | 6,244 | - | - | - |
| Deposits from customers | 客戶存款 | 648,093 | 655,121 | 212,946 | 270,268 | 155,184 | 16,723 | - | - |
| - Demand deposits and current accounts | - 活期存款及往來賬戶 | 65,899 | 65,978 | 65,978 | - | - | - | - | - |
| - Savings deposits | - 儲蓄存款 | 145,107 | 145,174 | 145,174 | - | - | - | - | - |
| - Time, call and notice deposits | - 定期及通知存款 | 437,087 | 443,969 | 1,794 | 270,268 | 155,184 | 16,723 | - | - |
| Trading liabilities | 交易用途負債 | 5 | 5 | - | - | - | - | - | 5 |
| Certificates of deposit issued | 已發行存款證 | 32,662 | 33,270 | - | 16,727 | 12,559 | 3,984 | - | - |
| Current taxation | 本年稅項 | 1,252 | 1,252 | - | - | 1,252 | - | - | - |
| Debt securities issued | 已發行債務證券 | 2,892 | 2,946 | - | 1,435 | 690 | 821 | - | - |
| Loan capital | 借貸資本 | 11,927 | 13,918 | - | 50 | 511 | 13,357 | - | - |
| Other liabilities | 其他負債 | 49,799 | 45,742 | 540 | 11,265 | 18,119 | 982 | 1,466 | 13,370 |
| - Lease liabilities | - 租賃負債 | 774 | 872 | 1 | 69 | 171 | 398 | 233 | - |
| - Other accounts | - 其他賬項 | 49,025 | 44,870 | 539 | 11,196 | 17,948 | 584 | 1,233 | 13,370 |
| Total | 總額 | 772,108 | 778,271 | 215,749 | 317,255 | 194,559 | 35,867 | 1,466 | 13,375 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(d) Liquidity Risk Management (continued)

The following tables summarise the undiscounted cashflows of the Group by remaining contractual maturity as at 31st December for derivative financial liabilities that will be settled on net and gross basis. The Group's derivative financial liabilities that will be settled on a net basis mainly include interest rate swaps whereas the derivative financial liabilities that will be settled on a gross basis mainly include foreign exchange forwards and futures and foreign exchange swaps.

(d) 流動性風險管理 (續)

下表概述了本集團於12月31日以剩餘合約到期日列示之現金流，包括按淨額基準結算及所有按總額基準之衍生金融負債。本集團按淨額基準結算之衍生金融工具主要包括利率掉期，而按總額基準結算之衍生金融工具主要包括外匯遠期及外匯掉期。

| | | 2023 | | | | | | | |
|---|----------------|-----------------|--------------------|---------------------|--------------|--------------|--------------------|----------------------|---------|
| | | Carrying amount | Total cash outflow | Repayable on demand | Less than | Between | Between | More than five years | Undated |
| | | | | | three months | and one year | one and five years | | |
| | | 賬面值 | 總額 | 即時還款 | 3個月或以下 | 3個月以上至1年 | 1年以上至5年 | 5年以上 | 無註明日期 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Derivative financial liabilities | 衍生金融負債 | 4,007 | 2,675 | (10) | 1,407 | 748 | 705 | (175) | - |
| Derivative financial liabilities settled on a net basis | 按淨額基準結算之衍生金融負債 | | | | | | | | |
| Total net cash outflow/(inflow) | 總淨現金流出/(流入) | | 1,835 | 15 | 763 | 615 | 617 | (175) | - |
| Derivative financial liabilities settled on a gross basis | 按總額基準結算之衍生金融負債 | | | | | | | | |
| Total cash inflow | 總現金流入 | | (64,063) | (9,409) | (47,133) | (5,749) | (1,772) | - | - |
| Total cash outflow | 總現金流出 | | 64,903 | 9,384 | 47,777 | 5,882 | 1,860 | - | - |

| | | 2022 | | | | | | | |
|---|----------------|-----------------|--------------------|---------------------|--------------|--------------|--------------------|----------------------|---------|
| | | Carrying amount | Total cash outflow | Repayable on demand | Less than | Between | Between | More than five years | Undated |
| | | | | | three months | and one year | one and five years | | |
| | | 賬面值 | 總額 | 即時還款 | 3個月或以下 | 3個月以上至1年 | 1年以上至5年 | 5年以上 | 無註明日期 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Derivative financial liabilities | 衍生金融負債 | 4,145 | 3,978 | 37 | 1,261 | 1,180 | 1,172 | 328 | - |
| Derivative financial liabilities settled on a net basis | 按淨額基準結算之衍生金融負債 | | | | | | | | |
| Total net cash outflow | 總淨現金流出 | | 3,074 | 6 | 767 | 998 | 1,024 | 279 | - |
| Derivative financial liabilities settled on a gross basis | 按總額基準結算之衍生金融負債 | | | | | | | | |
| Total cash inflow | 總現金流入 | | (51,195) | (325) | (33,383) | (12,552) | (4,782) | (153) | - |
| Total cash outflow | 總現金流出 | | 52,099 | 356 | 33,877 | 12,734 | 4,930 | 202 | - |

Notes to the Financial Statements (continued)
財務報表附註 (續)

Certificates of Deposit, Debt Securities Issued, and Loan Capital
In 2023, BEA issued fixed rate certificates of deposit and debt securities with face values of US\$1,129 million, CNY10,614 million, EUR50 million; and zero coupon certificates of deposit and debt securities with face values of US\$488 million, CNY12,900 million, GBP158 million and EUR403 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HK\$51,198 million equivalent upon maturity.

At the end of December 2023, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$28,759 million, with a carrying amount equivalent to HK\$28,462 million.

Maturity Profile of Certificates of Deposit and Debt Securities Issued
As at 31st December, 2023
(All amounts expressed in millions of dollars of respective currencies)

已發行存款證、債務證券及借貸資本
2023年，東亞銀行發行了面值為11.29億美元、人民幣106.14億元及0.5億歐元的定息存款證及債務證券；以及面值為4.88億美元、人民幣129億元、1.58億英鎊及4.03億歐元的零息存款證及債務證券。本集團於到期時贖回各類存款證及債務證券達等值港幣511.98億元。

於2023年12月底，已發行在外的存款證及債務證券面值相等於港幣287.59億元，賬面值則相等於港幣284.62億元。

已發行存款證及債務證券的年期
於2023年12月31日
(金額以各個貨幣的百萬元位列示)

| | Total Face Value 總面值 | Year of Maturity 到期年份 | | |
|--|-------------------------|--------------------------|-------|-------|
| | | 2024 | 2025 | 2026 |
| Amount in currencies of issuance 發行金額的貨幣 | | | | |
| Floating Rate 浮息 | | | | |
| HKD 港元 | 200 | - | 200 | - |
| USD 美元 | 78 | 58 | 20 | - |
| Fixed Rate (Note) 定息 (註) | | | | |
| USD 美元 | 884 | 763 | 121 | - |
| CNY 人民幣 | 9,055 | 155 | - | 8,900 |
| EUR 歐元 | 50 | 50 | - | - |
| Zero Coupon 零息 | | | | |
| USD 美元 | 173 | 173 | - | - |
| CNY 人民幣 | 6,250 | 6,250 | - | - |
| GBP 英鎊 | 158 | 158 | - | - |
| EUR 歐元 | 100 | 100 | - | - |
| Total Certificates of Deposit and Debt Securities issued in HKD equivalent 所有已發行存款證及債務證券 (港幣等值) | | | | |
| | 28,759 | 17,669 | 1,302 | 9,788 |

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

註：已就管理已發行長期存款證及債務證券引致的利率風險，安排認為必要的相關利率掉期。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(d) Liquidity Risk Management (continued)

Certificates of Deposit, Debt Securities Issued, and Loan Capital (continued)
In 2023, BEA issued fixed rate loan capital with a face value of US\$500 million.

At the end of December 2023, the face value of the outstanding loan capital issued was equivalent to HK\$16,102 million, with a carrying amount equivalent to HK\$15,967 million.

Maturity Profile of Loan Capital

As at 31st December, 2023

(All amounts expressed in millions of dollars of respective currencies)

(d) 流動性風險管理 (續)

已發行存款證、債務證券及借貸資本 (續)
2023年，東亞銀行發行了面值為5億美元的借貸資本。

於2023年12月底，已發行在外的借貸資本面值相等於港幣161.02億元，賬面值則相等於港幣159.67億元。

借貸資本的年期

於2023年12月31日

(金額以各個貨幣的百萬元位列示)

| | Total Face Value 總面值 | Year of Maturity 到期年份 | | | | |
|--|-------------------------|--------------------------|-------|-------|-------|-------|
| | | 2027 | 2028 | 2029 | 2030 | 2032 |
| Amount in currencies of issuance 發行金額的貨幣 | | | | | | |
| USD (Note 1, 2, 4, 5) 美元 (註1、2、4、5) | 1,850 | 500 | 250 | – | 600 | 500 |
| CNY (Note 3) 人民幣 (註3) | 1,500 | – | – | 1,500 | – | – |
| Total Loan Capital issued in HKD equivalent 所有已發行借貸資本 (港幣等值) | | | | | | |
| | 16,102 | 3,906 | 1,953 | 1,650 | 4,687 | 3,906 |

Notes: 1. The US\$500 million loan capital that will mature in 2027 is callable on 15th March, 2026.

2. The US\$250 million loan capital that will mature in 2028 is callable on 7th July, 2027.

3. The CNY1,500 million loan capital that will mature in 2029 is callable on 25th April, 2024.

4. The US\$600 million loan capital that will mature in 2030 is callable on 29th May, 2025.

5. The US\$500 million loan capital that will mature in 2032 is callable on 22nd April, 2027.

註： 1. 將於2027年到期的5億美元借貸資本於2026年3月15日可贖回。

2. 將於2028年到期的2.5億美元借貸資本於2027年7月7日可贖回。

3. 將於2029年到期的人民幣15億元借貸資本於2024年4月25日可贖回。

4. 將於2030年到期的6億美元借貸資本於2025年5月29日可贖回。

5. 將於2032年到期的5億美元借貸資本於2027年4月22日可贖回。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(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 Market & Liquidity Risk Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Division performs periodic reviews to ensure that the interest rate risk management functions are implemented effectively.

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

Sensitivity analysis in relation to the impact of changes in interest rates on earnings, in terms of net interest income ("NII"), and economic value, in terms of economic value of equity ("EVE") is assessed regularly through a number of hypothetical interest rate shock scenarios prescribed by the HKMA. EVE represents an assessment of the present value of expected net cash flows, discounted to reflect market rates. As fluctuations in interest rates will affect earnings, they will also affect its net worth. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

In order to produce quantitative estimation on IRRBB, the Group has assumed shock scenarios to interest rate yield curves which allow changes in economic value and earnings to be computed with consideration of optionality and behavioural assumptions. These scenarios are applied to IRRBB exposures in each currency for which the Group has material positions.

(e) 利率風險管理

利率風險是指本集團的銀行帳內的利率風險(簡稱「IRRBB」)受到不利的利率走勢對其盈利及經濟價值造成不利的影響所帶來的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的市場及流動性風險管理部，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了解利率敏感性資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距限額，以控制本集團的利率風險。

本集團每月定期進行敏感度分析，以估算利率變動對盈利和股權經濟價值的影響，當中包括金管局規定的不同利率衝擊假設情景。股權經濟價值反映對按照市場利率折算其預計淨現金流的現值的評估。由於利率變動會影響本集團的盈利，因此亦會影響本集團的淨值。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果會定期向資產負債管理委員會匯報。

為了對IRRBB進行定量估計，本集團假設利率收益率曲線受到衝擊並考慮了選擇權和習性的設定，從而計算經濟價值和盈利的變化。這些情境適用於本集團持有的IRRBB風險敞口於各種重要貨幣。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(e) Interest Rate Risk Management (continued)

The prescribed interest rate shock scenarios are provided by the HKMA in their Supervisory Policy Manual IR-1, Interest Rate Risk in the Banking Book and generally described as follows:

- | | |
|---------------------|---|
| 1. Parallel up: | A constant parallel shock up across all time buckets |
| 2. Parallel down: | A constant parallel shock down across all time buckets |
| 3. Steepener: | Short rates down and long rates up |
| 4. Flattener: | Short rates up and long rates down |
| 5. Short rate up: | Rates up are greatest at shortest time bucket and diminish towards current rates in longer time buckets |
| 6. Short rate down: | Rates down are greatest at shortest time bucket and diminish towards current rates in longer time buckets |

Based on the sensitivity analysis performed by the Group for each of the prescribed interest rate shock scenarios for the annual reporting date at 31st December, 2023, the maximum adverse impact on EVE and NII over the next 12 months are HK\$1,839 million (31st December, 2022: HK\$1,687 million) and HK\$2,674 million (31st December, 2022: HK\$2,927 million) respectively.

Details of the sensitivity analysis on interest rate risk can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

(e) 利率風險管理 (續)

規定的利率衝擊情境是由香港金融管理局在其監管政策手冊IR-1「銀行帳內的利率風險」中提供，其一般描述如下：

- | | |
|----------|--------------------------------------|
| 1. 平行向上： | 利率收益率曲線在所有時間段內平行向上移動 |
| 2. 平行向下： | 利率收益率曲線在所有時間段內平行向下移動 |
| 3. 較傾斜： | 短期利率下降而長期利率上升 |
| 4. 較橫向： | 短期利率上升而長期利率下降 |
| 5. 短率上升： | 利率在最短的時間段內上升差距最大，而差距隨著較長時段減少至與當前利率相若 |
| 6. 短率下跌： | 利率在最短的時間段內下降差距最大，而差距隨著較長時段減少至與當前利率相若 |

根據本集團在2023年12月31日年度報告日於規定的利率衝擊情境下的敏感性分析，未來12個月對股權經濟價值及淨利息收入的最高不利影響分別為港幣18.39億元(2022年12月31日：港幣16.87億元)及港幣26.74億元(2022年12月31日：港幣29.27億元)。

有關利率風險敏感性分析可瀏覽本行網站 www.hkbea.com/html/tc 主頁內「監管披露」的連繫或按 www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html 的直接連繫。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(f) Strategic Risk Management

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

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

The Group establishes comprehensive policies, manuals, profiles and reports to set out the management framework as well as assessment and monitoring tools.

The Group formulates, and adheres to the Strategic Risk Management Manual, which outlines a systematic approach to the management of strategic risk, including a framework for strategic risk identification, assessment, monitoring, mitigation and control, thereby enhancing the level of strategic risk management of the Group.

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

(g) Legal Risk Management

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

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

From time to time, the Group provides training conducted by qualified internal personnel and/or external lawyers/professionals to staff members. It also issues reminders to staff members when necessary. When dealing with legal matters, the Group consults qualified internal personnel and, when necessary and appropriate, engages external lawyers with relevant expertise.

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

(f) 策略性風險管理

策略性風險是指因本集團營運環境變動、不良策略決策、決策實施不當或對工業、經濟或技術變動反應遲緩而對本集團盈利、資本、聲譽或地位造成當前或潛在影響的風險。

策略性風險管理的目的在於識別、評估、監控、匯報及降低策略性風險，以及確保符合相關監管規定的要求。

本集團制定全面的政策、指引、狀況及報告，載列管理架構及評估和監控工具。

本集團制定並遵從策略性風險管理手冊，該手冊載錄對策略性風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制策略性風險的機制，藉此提升本集團的策略性風險管理水平。

風險管理委員會負責監督本集團的策略性風險管理。

(g) 法律風險管理

法律風險是指出現合約未能執行、訴訟或不利審判的情況，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

本集團會不時向員工提供由合資格內部人員及／或外聘律師／專業人士講解的培訓，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。

營運風險管理委員會負責監督本集團的法律風險管理。

Notes to the Financial Statements (continued)
財務報表附註(續)

43. Principal Risk Management (continued) 主要風險管理(續)

(h) Reputation Risk Management

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

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

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

The Group formulates, and adheres to the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, mitigation, control, and monitoring, 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.

(h) 聲譽風險管理

聲譽風險是指因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團聲譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及／或收入減少。

聲譽風險管理的目的在於識別、評估、監控、匯報及降低聲譽風險，以及確保符合相關監管規定的要求。

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的聲譽。

本集團制定並遵從聲譽風險管理手冊，該手冊載錄對聲譽風險實施系統化管理的方法，包括識別、評估、緩減、控制及監控聲譽風險的機制，藉此保護及提升本集團的聲譽。本集團已建立事件應對及管理指引，以快速應對並管理未能預期的事件。並已建立媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體。

營運風險管理委員會負責監督本集團的聲譽風險管理。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(i) Compliance Risk Management

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

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

(j) Technology Risk Management

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

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

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, third-party security and confidentiality, integrity and availability of information are all in place.

(i) 合規風險管理

合規風險是指因未能遵守適用於本集團業務活動的法例、規例、規則、相關自我監管機構所定的標準及行為守則而引致的法律及監管制裁、罰金或罰款、財務損失，或令聲譽受損而導致本集團可能損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險。並採用風險為本的方式對本集團主要職能進行獨立合規監察審查。

(j) 科技風險管理

科技風險是指因技術程序、人員及／或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險。

為應對日漸上升的網絡安全威脅，本集團已根據既定風險偏好級別投入充足的網絡安全資源和實施適當的控制措施。本集團已制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全。

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、第三方安全性、以及資料保密、完整性及可用性相關的控制措施。

Notes to the Financial Statements (continued)
財務報表附註 (續)

43. Principal Risk Management (continued) 主要風險管理 (續)

(k) Capital Management

The Group's primary objectives when managing capital are to meet the regulatory requirements and safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities, impairment allowances and regulatory reserve for general banking risks as allowed under Banking (Capital) Rules.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Steering Group for Capital Management and Recovery and Resolution Planning is responsible for overseeing issues related to the capital positions and monitoring the capital adequacy against all regulatory and internal reference. The capital position is also reviewed regularly by the Risk Management Committee, Risk Committee and the Board.

The HKMA supervises the Group on both a consolidated basis and a solo-consolidated basis and, as such, sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual branches in Macau, Taiwan and overseas and banking subsidiaries are directly regulated by respective domestic banking supervisors, who set and monitor their capital adequacy requirements. In certain jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital requirements of domestic regulatory authorities.

In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Group monitors its capital structure on the basis of the capital adequacy ratios and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2023 and 31st December, 2022 as disclosed are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2023 and 31st December, 2022 and the Group's capital ratios are well above the minimum required by the HKMA.

(k) 資本管理

本集團管理資本的主要目的是要符合監管規定及保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益（已扣除商譽和無形資產）。管理資本亦包括無償負債、減值準備及資本規則所容許的一般銀行業風險的規管儲備。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

資本管理、恢復及處置規劃督導組負責監督與資本狀況相關的事項，並根據監管機構及內部指引以監控資本充足度。風險管理委員會、風險委員會及董事會亦會定期檢討資本狀況。

金管局按綜合基準及單獨綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別澳門、台灣及海外分行及銀行附屬公司分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

在實施現行資本要求，金管局要求本集團維持特定的總資本對風險資產總額比率。

本集團以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2023年12月31日及2022年12月31日的資本充足比率的披露是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合《銀行業條例》的《銀行業（資本）規則》。

截至2023年12月31日及2022年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團的資本比率俱遠高於金管局所定的最低規定比率。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(I) Climate-Related Risk Management

The Group is of the view that there is growing urgency for immediate climate action in building resilience and to mitigate potential negative impacts of climate change. The Group distinguishes climate related risk between physical risk and transition risk. "Physical risk" refers to the impacts of weather and climate-related events, which could lead to disruptions to the business and operations of banks and their clients. "Transition risk" refers to the risk related to the process of adjustment towards a low-carbon economy, which can be prompted by policy, legal, technology and market changes as climate-change mitigation and adaptation measures are adopted. The Group views climate risk as a transverse risk that can manifest in the traditional and principal risk types such as credit, operational and reputation risks, etc. The impacts can materialise in the business and operational activities of the Bank.

The Bank's Board of Directors has established a Board-level ESG Committee to oversee the Group's ESG performance. The ESG Steering Committee ("Steering Committee") reports directly to the ESG Committee. The Steering Committee, chaired by the Co-Chief Executive, is responsible for driving ESG strategy development, assessing the materiality of existing and emerging ESG topics, and ESG target setting and performance review, which is then reported to the ESG Committee. The Group Chief Risk Officer sits on the ESG Steering Committee and is tasked with managing and reporting on ESG risks.

Through the HKMA-led Climate Risk Stress Test ("CRST") exercise, the Group has identified emerging climate risks and opportunities which may materially affect the Group's business and operations. Based on the results from the climate risk and scenario analysis, the Group is able to determine certain financial and non-financial impacts of climate change which could manifest in the major risk categories through impacting of the asset quality (i.e. borrower repayment ability, collateral quality), valuation of financial instruments (i.e. market fluctuation), operational resilience (i.e. operational damage to bank premises and assets and business disruption) and reputational impact to the Group. The Group has developed plans to strengthen its strategies and risk governance framework to ensure its resilience against extreme climate events and to mitigate the vulnerabilities identified during this CRST exercise. Due to strong capital buffers built up over past years, the estimated financial impact from climate change do not create material capital impact to the Group.

The Group's climate risk management measures include supporting customers towards transition to a low carbon economy, expanding green and sustainable finance products, controlling the Group's exposure to high climate risk sectors, and the development of net zero roadmaps for both operational emissions (Scope 1 and 2), as well as financed emissions (Scope 3). The significant climate risk issues will be reported and escalated to management committees and the Board through the existing enterprise risk management organizational structure. To strengthen our climate risk management capability and assess the operational and financial impact arising from extreme weather events, the Group has developed and implemented new risk management tools in 2023, including qualitative and quantitative risk appetite statement for climate risk and climate risk heatmap, and strengthened ESG risk assessment to customers and debt securities issuers.

(I) 氣候相關風險管理

本集團認為應對氣候行動刻不容緩，必須建立氣候抗禦力和緩解氣候變化潛在的不利影響。本集團將氣候相關風險區分為實體風險及轉型風險。「實體風險」指天氣及氣候相關事件的影響，可能對銀行及相關客戶的業務和營運以造成干擾。「轉型風險」指與轉型至低碳經濟過程中的相關風險，可以是歸因於推行氣候變化的緩解及適應措施導致的政策、法規、科技和市場變化。本行認為氣候風險屬於橫向風險，可體現在傳統和主要風險類別中，例如信貸、營運及信譽風險等，其影響可體現於本行的業務及營運活動。

本行董事會已成立董事會層面的環境、社會及管治委員會以監督集團的可持續發展表現。環境、社會及管治督導委員會（「督導委員會」）直接向環境、社會及管治委員會匯報。督導委員會由聯席行政總裁擔任主席，負責促進制訂可持續發展策略、評估現有及新興可持續發展議題的重要性、訂立可持續發展目標和檢討表現，然後向環境、社會及管治委員會匯報。集團風險總監為環境、社會及管治督導委員會的成員之一，專責管理和匯報環境、社會及管治風險。

本集團藉著金管局推出的氣候風險壓力測試識別可能對本集團業務及營運構成重大影響的新興氣候風險與機遇。本集團根據氣候風險及情境分析結果，透過對資產質素（即借款人償還能力、抵押品質素）、金融票據的估值（即市場波動）、營運抗禦力（即銀行處所及資產運作受損和業務中斷）造成的影響，確定可能落入主要風險類別的氣候變化的財務及非財務影響，以及對本集團聲譽的影響。本集團已制訂多個方案強化策略及風險管治架構，確保可以抵禦極端氣候事件和緩解氣候風險壓力測試所識別的弱點。由於本集團過去多年建立了雄厚的緩衝資本，因此氣候變化的估計財務影響不會對本集團的資本構成重大影響。

本集團的氣候風險管理措施包括協助客戶過渡至低碳經濟、增加綠色及可持續金融產品類型、控制本集團於高氣候風險行業的投資，以及為營運碳排放（範圍1及2）和本集團提供融資的排放量（範圍3）擬定淨零碳排放路線圖。重大氣候風險議題將通過現有的企業風險管理架構匯報給相關的管理層委員會和董事會。為加強本集團的氣候風險管理能力及評估極端天氣事件對營運以及財務上的影響，本集團於2023年度已推行各項風險管理措施，包括定性和定量氣候風險偏好聲明和氣候風險熱圖，及加強對客戶和債務證券發行人於環境、社會及管治的風險評估。

Notes to the Financial Statements (continued)
財務報表附註(續)

44. Fair Values of Financial Instruments 金融工具的公平價值

(a) Financial Instruments Carried at Fair Value

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

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

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

(a) 以公平價值列賬的金融工具

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

第一級－參考同一工具在活躍市場取得的市場報價。

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

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

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

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

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

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

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

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

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

44. Fair Values of Financial Instruments (continued) 金融工具的公平價值 (續)

(a) Financial Instruments Carried at Fair Value (continued)

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

(a) 以公平價值列賬的金融工具 (續)

下表是分析於報告期末，在公平價值分級內以公平價值計量的金融工具之公平價值的處理方式：

| | | 2023 | | | | 2022 | | | |
|---|---------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| | | Level 1 第一級 HK\$ Mn 港幣百萬元 | Level 2 第二級 HK\$ Mn 港幣百萬元 | Level 3 第三級 HK\$ Mn 港幣百萬元 | Total 總額 HK\$ Mn 港幣百萬元 | Level 1 第一級 HK\$ Mn 港幣百萬元 | Level 2 第二級 HK\$ Mn 港幣百萬元 | Level 3 第三級 HK\$ Mn 港幣百萬元 | Total 總額 HK\$ Mn 港幣百萬元 |
| Recurring fair value measurement | 重覆發生的公平價值釐定資產 | | | | | | | | |
| Assets | 資產 | | | | | | | | |
| Trade Bills – Measured at FVOCI | 貿易票據 – 按通過其他全面收益以反映公平價值計量 | - | 122 | - | 122 | - | 488 | - | 488 |
| Trading assets | 交易用途資產 | 285 | 2,764 | - | 3,049 | 354 | 1,176 | - | 1,530 |
| Derivative assets | 衍生工具資產 | 12 | 9,044 | - | 9,056 | 200 | 10,892 | - | 11,092 |
| Investment securities | 投資證券 | | | | | | | | |
| – Mandatorily measured at FVTPL | – 強制按通過損益以反映公平價值計量 | - | 2,327 | 533 | 2,860 | - | 3,417 | 732 | 4,149 |
| – Measured at FVOCI | – 按通過其他全面收益以反映公平價值計量 | 35,922 | 116,339 | 959 | 153,220 | 24,654 | 102,903 | 839 | 128,396 |
| | | 36,219 | 130,596 | 1,492 | 168,307 | 25,208 | 118,876 | 1,571 | 145,655 |
| Liabilities | 負債 | | | | | | | | |
| Trading liabilities | 交易用途負債 | - | - | - | - | 5 | - | - | 5 |
| Derivative liabilities | 衍生工具負債 | - | 4,007 | - | 4,007 | 99 | 4,046 | - | 4,145 |
| Financial liabilities designated at FVTPL | 指定為通過損益以反映公平價值的金融負債 | - | 13,501 | - | 13,501 | - | 24,357 | - | 24,357 |
| | | - | 17,508 | - | 17,508 | 104 | 28,403 | - | 28,507 |

During the years ended 31st December, 2023 and 2022, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2023年及2022年12月31日止之年度內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期末公平價值分級之間發生的轉移。

Notes to the Financial Statements (continued)
財務報表附註 (續)

Information about significant unobservable inputs in Level 3 valuations

有關第三級估值的不可觀察之重要參數資料

| | Valuation technique 估值模式 | Significant unobservable input(s) 不可觀察之重要參數 | Range 幅度 |
|---|---------------------------------------|--|------------------------------------|
| Unlisted debt securities, equity securities and investment funds 非上市債務證券、股份證券及投資基金 | Counterparty quote 交易對手報價 | N/A 不適用 | N/A 不適用 |
| | Net asset value 資產淨值 | N/A 不適用 | N/A 不適用 |
| | Discounted cash flow model 現金流折扣模式 | Discount rate 折扣率 | 13.4% (2022年:12.2%) |
| | | Marketability discount 市場性折扣 | 20% (2022年:20%) |
| | Market-comparable approach 市場可類比法 | Earnings multiple 盈利倍數 | 14.38–36.36 (2022年:20.51–27.66) |
| | | EV/EBIT 企業價值／稅息前利潤 | 18.26–26.75 (2022年:21.61–27.78) |
| | Marketability discount 市場性折扣 | 50% (2022年:50%) | |

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI are estimated using the discounted cash flow model, on the basis of an analysis of the investee's financial position and results, or with reference to multiples of comparable listed companies, adjusted for a marketability discount to reflect the fact that the shares are not actively traded. An increase in the ratio/investee's financial position and results in isolation will result in favourable movement in the fair values, while an increase in discount rate/marketability discount in isolation will result in unfavourable movement. The fair value of the unlisted investment funds are estimated by using the net asset valuations ("NAV") provided by the managers of the funds.

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計量的非上市股本工具的公平價值，是採用現金流折扣模式作估算，根據受投資公司的財務狀況及業績之分析，或參考可比較上市公司之倍數，並計入市場性折扣以反映該股份並非有活躍交易之調整。任何因比率／受投資公司的財務狀況及業績之個別增加對公平價值有正面影響，而因折扣率／市場性折扣之個別增加則對公平價值有負面影響。非上市投資基金的公平價值是採用基金經理提供的資產淨值作估算。

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

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

Notes to the Financial Statements (continued)
財務報表附註(續)

44. Fair Values of Financial Instruments (continued) 金融工具的公平價值(續)

(a) Financial Instruments Carried at Fair Value (continued)

(1) Valuation of financial instruments with significant unobservable inputs

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

(a) 以公平價值列賬的金融工具(續)

(1) 使用不可觀察之重要參數的金融工具估值

已列賬並含有不可觀察之重要參數的工具，其公平價值之變動如下：

| | | 2023 | | 2022 | |
|---|--|--|--|--|--|
| | | Investment securities mandatorily measured at FVTPL 強制按通過損益以反映公平價值計量的投資證券 HK\$ Mn 港幣百萬元 | Investment securities measured at FVOCI 按通過其他全面收益以反映公平價值計量的投資證券 HK\$ Mn 港幣百萬元 | Investment securities mandatorily measured at FVTPL 強制按通過損益以反映公平價值計量的投資證券 HK\$ Mn 港幣百萬元 | Investment securities measured at FVOCI 按通過其他全面收益以反映公平價值計量的投資證券 HK\$ Mn 港幣百萬元 |
| Assets | 資產 | | | | |
| At 1st January | 於1月1日 | 732 | 839 | 808 | 712 |
| Additions/Purchases | 增加/購入 | 8 | - | 31 | - |
| Disposals/Settlements | 出售/結算 | (208) | - | (27) | - |
| Changes in fair value recognised in the income statement | 公平價值變動確認於收益表 | 1 | - | (80) | - |
| Changes in fair value recognised in the other comprehensive income | 公平價值變動確認於其他全面收益 | - | 120 | - | 127 |
| At 31st December | 於12月31日年度內 | 533 | 959 | 732 | 839 |
| Total gains for the year included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period | 於報告期結束日持有按通過其他全面收益以反映公平價值資產而已計入其他全面收益的公平價值儲備之年度內收益總額 | - | 120 | - | 127 |
| Total gains/(losses) for the year included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL | 於報告期結束日持有之資產而已計入期內收益表之按通過損益以反映公平價值金融工具的淨表現之年度內收益/(虧損) 收益總額 | 1 | - | (80) | - |

Notes to the Financial Statements (continued)
財務報表附註 (續)

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

(2) 因不可觀察之重要假設變動至合理可行之另類假設所產生的影響

| | | 2023 | | | |
|---|-------------------------|--|------------------------|---|------------------------|
| | | Effect recorded in profit or loss 直接記錄於損益上之影響 | | Effect recorded directly in equity 直接記錄於股東權益上之影響 | |
| | | Favourable 有利 | (Unfavourable) (不利) | Favourable 有利 | (Unfavourable) (不利) |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Financial assets | 金融資產 | | | | |
| Investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量的投資證券 | 45 | (45) | - | - |
| Investment securities measured at FVOCI | 按通過其他全面收益以反映公平價值計量的投資證券 | - | - | 80 | (80) |
| | | 45 | (45) | 80 | (80) |
| | | 2022 | | | |
| | | Effect recorded in profit or loss 直接記錄於損益上之影響 | | Effect recorded directly in equity 直接記錄於股東權益上之影響 | |
| | | Favourable 有利 | (Unfavourable) (不利) | Favourable 有利 | (Unfavourable) (不利) |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Financial assets | 金融資產 | | | | |
| Investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量的投資證券 | 61 | (61) | - | - |
| Investment securities measured at FVOCI | 按通過其他全面收益以反映公平價值計量的投資證券 | - | - | 70 | (70) |
| | | 61 | (61) | 70 | (70) |

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

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

44. Fair Values of Financial Instruments (continued) 金融工具的公平價值 (續)

(b) Fair Values of Financial Instruments Carried at other than Fair Value

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2023 and 2022.

(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。

本集團以成本或攤銷成本入賬的金融工具賬面值，與其於2023年12月31日及2022年同日之公平價值並無重大差異。

Notes to the Financial Statements (continued)
財務報表附註 (續)

45. Off-Balance Sheet Exposures 資產負債表以外的風險

(a) Contingent Liabilities and Commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments and the aggregate credit risk-weighted amount and is prepared with reference to the completion instructions for the HKMA return of capital adequacy ratio.

| | | 2023 | | 2022 | |
|---|------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Contingent liabilities | 或然負債 | | | | |
| Direct credit substitutes | 直接信貸代替品 | 3,522 | | 4,220 | |
| Transaction-related contingencies | 與交易有關的或然項目 | 3,927 | | 3,846 | |
| Trade-related contingencies | 與貿易有關的或然項目 | 7,741 | | 6,143 | |
| | | 15,190 | | 14,209 | |
| Commitments | 承擔 | | | | |
| Commitments that are unconditionally cancellable without prior notice | 可無條件取消而毋須事先通知的承擔 | 332,203 | | 303,920 | |
| Other commitments with an original maturity | 其他承擔的原到期日 | | | | |
| – up to 1 year | –1年或以下 | 2,531 | | 2,229 | |
| – over 1 year | –1年以上 | 25,168 | | 32,043 | |
| | | 359,902 | | 338,192 | |
| Total | 總額 | 375,092 | | 352,401 | |
| Credit risk-weighted amounts | 信貸風險加權金額 | 17,458 | | 23,651 | |

The credit risk-weighted amount is calculated in accordance with the Capital Rules. Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

(b) Derivatives

(i) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

(a) 或然負債及承擔

參照金管局資本充足比率申報表的填報指示，各主要類別的或然負債及承擔的合約金額及信貸風險加權金額摘要如下：

信貸風險加權金額是按《資本規則》計算。或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。

(b) 衍生工具

(i) 衍生工具的名義金額

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

Notes to the Financial Statements (continued)
財務報表附註(續)

45. Off-Balance Sheet Exposures (continued) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(i) Notional amount of derivatives (continued)

The following is a summary of the notional amounts of each significant type of derivative of the Group:

(b) 衍生工具(續)

(i) 衍生工具的名義金額(續)

集團的每項衍生工具主要類別的名義金額摘要如下：

| | | 2023 | | | |
|-------------------------|------|---------------------------------|---|------------------------------------|---------|
| | | Qualifying for hedge accounting | Managed in conjunction with financial instruments designated at fair value through profit or loss | Others, including held for trading | Total |
| | | 符合對沖會計法 | 按通過損益以反映公平價值金融工具模式管理 | 其他，包括持有作交易用途 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Exchange rate contracts | 匯率合約 | - | 2,932 | 311,977 | 314,909 |
| Interest rate contracts | 利率合約 | 115,455 | 8,171 | 195,198 | 318,824 |
| Equity contracts | 股份合約 | - | - | 6,245 | 6,245 |
| | | 115,455 | 11,103 | 513,420 | 639,978 |
| | | 2022 | | | |
| | | Qualifying for hedge accounting | Managed in conjunction with financial instruments designated at fair value through profit or loss | Others, including held for trading | Total |
| | | 符合對沖會計法 | 按通過損益以反映公平價值金融工具模式管理 | 其他，包括持有作交易用途 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Exchange rate contracts | 匯率合約 | - | 4,163 | 288,758 | 292,921 |
| Interest rate contracts | 利率合約 | 113,222 | 19,685 | 186,718 | 319,625 |
| Equity contracts | 股份合約 | - | - | 4,774 | 4,774 |
| | | 113,222 | 23,848 | 480,250 | 617,320 |

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

衍生工具是由本集團在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

Notes to the Financial Statements (continued)
財務報表附註 (續)

(ii) Fair value of derivatives

| | | 2023 | | 2022 | |
|-------------------------|------|------------|-------------|------------|-------------|
| | | Fair value | | Fair value | |
| | | 公平價值 | | 公平價值 | |
| | | Assets | Liabilities | Assets | Liabilities |
| | | 資產 | 負債 | 資產 | 負債 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Exchange rate contracts | 匯率合約 | 1,650 | 1,733 | 1,781 | 1,749 |
| Interest rate contracts | 利率合約 | 7,307 | 2,169 | 9,220 | 2,297 |
| Equity contracts | 股份合約 | 99 | 105 | 91 | 99 |
| | | 9,056 | 4,007 | 11,092 | 4,145 |

(ii) 衍生工具之公平價值

(iii) Hedge accounting

Fair value hedges of interest rate risk

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate financial assets and financial liabilities in respect of a benchmark interest rate. Pay-floating/receive-fixed interest rate swaps are matched to specific issuances of fixed rate financial liabilities or pay-fixed/receive-floating interest rate swaps are matched to fixed rate financial assets with terms that closely align with the critical terms of the hedged item.

(iii) 對沖會計

利率風險的公平價值對沖

本集團的公平價值對沖主要包括利率掉期，用於防範定息長期金融工具的公平價值因市場利率變動而轉變。

本集團以利率掉期對沖若干定息金融資產及金融負債因基準利率而導致的公平價值轉變的風險。對沖以支付浮動／收取固定利率掉期合約與定息金融負債的特定發行配對或以支付固定利率／收取浮動利率掉期合約與定息金融資產配對，其條款與被對沖項目的關鍵條款一致。

Notes to the Financial Statements (continued)
財務報表附註 (續)

45. Off-Balance Sheet Exposures (continued) 資產負債表以外的風險 (續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

Fair value hedges of interest rate risk (continued)

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 43(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate financial assets and financial liabilities, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in fair value of a fixed rate financial asset and financial liability are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties and requiring the counterparties to post collateral (see Note 43(a)(x)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks. The Group further supports this qualitative assessment by using cumulative dollar offset method or regression analysis to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

The Group establishes a hedge ratio by aligning the par amount of the hedged item and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met.

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.8.
- The slope of the regression line is within a 0.8–1.25 range.
- The confidence level of the slope is at least 95%.

(b) 衍生工具 (續)

(iii) 對沖會計 (續)

利率風險的公平價值對沖 (續)

本集團管理市場風險的方法，包括利率風險詳述於附註43(b)。本集團採用對沖會計的利率風險來自定息金融資產及金融負債，其公平價值在基準利率變動時波動。因定息金融資產及金融負債的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。對沖會計適用於符合對沖會計條件的經濟對沖關係。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面對衍生工具交易對手的信貸風險，而該風險並未被被對沖項目抵銷。本集團通過與高質量交易對手進行交易，要求交易對手提供抵押品，減低衍生工具交易對手的信用風險 (詳見附註43(a)(x))。

在採用公平價值對沖會計法前，本集團根據被對沖項目和對沖工具的定性特徵評估和支持對沖風險評估的定量分析，以確定被對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的公平價值是否對類似風險反應相似。本集團採用累計價值抵銷法或回歸分析評估對沖工具是否預期及非常有效地抵銷被對沖項目的公平價值變動以進一步支持定性評估。

本集團通過調整對沖項目的面值與指定為對沖工具的利率掉期合約的名義金額來確定對沖比率。根據本集團政策，有效對沖關係應滿足以下所有條件：

- 測量回歸中變量之間相關性的回歸係數 (R平方) 至少為0.8。
- 回歸線的斜率在0.8–1.25範圍內。
- 斜率的置信水平至少為95%。

Notes to the Financial Statements (continued)
財務報表附註 (續)

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- differences in maturities of the interest rate swap and the hedged item.

At 31st December, 2023 and 2022, the Group held the following interest rate swaps as hedging instruments in fair value hedges of interest risk:

在這些對沖關係中，無效對沖部份的主要來源是：

- 交易對手和本集團自身信用風險對利率掉期合約公平價值的影響未能反映在利率變動導致的被對沖項目的公平價值中；及
- 利率掉期和相關對沖項目的到期日之差異。

於2023年及2022年12月31日，本集團持有以下利率掉期合約作為利率風險公平價值對沖的對沖工具：

| | | 2023 | | |
|-------------------------------------|--------------|--------------------------|-------------------|---------------------------|
| | | Less than 1 year 少於1年 | 1-5 years 1-5年 | More than 5 years 多於5年 |
| Risk category | 風險類別 | | | |
| Interest rate risk | 利率風險 | | | |
| Hedge of debt securities investment | 對沖債務證券投資 | | | |
| Nominal amount (HK\$ Mn) | 名義金額 (港幣百萬元) | 6,832 | 40,841 | 51,483 |
| Average fixed interest rate | 平均固定利率 | 2.21% | 1.54% | 1.47% |
| Hedge of loans and advances | 對沖貸款及墊款 | | | |
| Nominal amount (HK\$ Mn) | 名義金額 (港幣百萬元) | 124 | 698 | 27 |
| Average fixed interest rate | 平均固定利率 | 2.76% | 1.19% | 2.59% |
| Hedge of subordinated notes issued | 對沖已發行後償票據 | | | |
| Nominal amount (HK\$ Mn) | 名義金額 (港幣百萬元) | - | 14,452 | - |
| Average fixed interest rate | 平均固定利率 | - | 3.98% | - |
| Hedge of deposits from customers | 對沖客戶存款 | | | |
| Nominal amount (HK\$ Mn) | 名義金額 (港幣百萬元) | 998 | - | - |
| Average fixed interest rate | 平均固定利率 | 4.04% | - | - |

Notes to the Financial Statements (continued)
財務報表附註(續)

45. Off-Balance Sheet Exposures (continued) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

Fair value hedges of interest rate risk (continued)

(b) 衍生工具(續)

(iii) 對沖會計(續)

利率風險的公平價值對沖(續)

| | | 2022 Maturity 到期日 | | |
|-------------------------------------|-------------|--------------------------|-------------------|---------------------------|
| | | Less than 1 year 少於1年 | 1-5 years 1-5年 | More than 5 years 多於5年 |
| Risk category | 風險類別 | | | |
| Interest rate risk | 利率風險 | | | |
| Hedge of debt securities investment | 對沖債務證券投資 | | | |
| Nominal amount (HK\$ Mn) | 名義金額(港幣百萬元) | 9,953 | 39,974 | 44,403 |
| Average fixed interest rate | 平均固定利率 | 2.33% | 1.33% | 1.33% |
| Hedge of loans and advances | 對沖貸款及墊款 | | | |
| Nominal amount (HK\$ Mn) | 名義金額(港幣百萬元) | 125 | 869 | 27 |
| Average fixed interest rate | 平均固定利率 | 2.78% | 1.54% | 2.59% |
| Hedge of subordinated notes issued | 對沖已發行後償票據 | | | |
| Nominal amount (HK\$ Mn) | 名義金額(港幣百萬元) | - | 5,852 | - |
| Average fixed interest rate | 平均固定利率 | - | 2.72% | - |
| Hedge of deposits from customers | 對沖客戶存款 | | | |
| Nominal amount (HK\$ Mn) | 名義金額(港幣百萬元) | 9,631 | - | - |
| Average fixed interest rate | 平均固定利率 | 3.67% | - | - |
| Hedge of repo | 對沖回購 | | | |
| Nominal amount (HK\$ Mn) | 名義金額(港幣百萬元) | 2,388 | - | - |
| Average fixed interest rate | 平均固定利率 | 4.72% | - | - |

Notes to the Financial Statements (continued)
財務報表附註(續)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

指定為對沖工具及無效對沖金額如下：

| | 2023 | | | Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表的項目 | Change in fair value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部份 | Ineffectiveness recognised in profit or loss 於損益表內確認的無效對沖部份 | Line item in consolidated income statement that includes hedge ineffectiveness 包含無效對沖部份的綜合收益表的項目 |
|--|--|--|---------------------------------------|---|--|--|---|
| | Nominal amount 名義金額 HK\$ Mn 港幣百萬元 | Carrying amount 賬面值 Assets 資產 HK\$ Mn 港幣百萬元 | Liabilities 負債 HK\$ Mn 港幣百萬元 | | | | |
| Interest rate risk 利率風險 | | | | | | | |
| Interest rate swaps – hedge of debt securities investment 利率掉期— 對沖債務證券投資 | 99,156 | 5,689 | (412) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | (1,860) | 76 | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of loans and advances 利率掉期— 對沖貸款及墊款 | 849 | 42 | – | Derivative assets/ (liabilities) 衍生工具資產/(負債) | (24) | (2) | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of subordinated notes issued 利率掉期— 對沖已發行後價票據 | 14,452 | 29 | (402) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | 147 | (23) | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of deposits from customers 利率掉期— 對沖客戶存款 | 998 | – | (2) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | 28 | 2 | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of repo 利率掉期— 對沖回購 | – | – | – | Derivative assets/ (liabilities) 衍生工具資產/(負債) | 4 | (23) | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |

Notes to the Financial Statements (continued)
財務報表附註(續)

45. Off-Balance Sheet Exposures (continued) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

Fair value hedges of interest rate risk (continued)

(b) 衍生工具(續)

(iii) 對沖會計(續)

利率風險的公平價值對沖(續)

| | 2022 | | | Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表的項目 | Change in fair value used for calculating ineffectiveness 公平價值變動以計算無效對沖部份 | Ineffectiveness recognised in profit or loss 於損益表內確認的無效對沖部份 | Line item in consolidated income statement that includes hedge ineffectiveness 包含無效對沖部份的綜合收益表的項目 |
|--|--|--|---------------------------------------|---|--|--|---|
| | Nominal amount 名義金額 HK\$ Mn 港幣百萬元 | Carrying amount 賬面值 Assets 資產 HK\$ Mn 港幣百萬元 | Liabilities 負債 HK\$ Mn 港幣百萬元 | | | | |
| Interest rate risk 利率風險 | | | | | | | |
| Interest rate swaps – hedge of debt securities investment 利率掉期— 對沖債務證券投資 | 94,330 | 7,311 | (113) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | 8,958 | 172 | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of loans and advances 利率掉期— 對沖貸款及墊款 | 1,021 | 65 | - | Derivative assets/ (liabilities) 衍生工具資產/(負債) | 72 | 4 | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of subordinated notes issued 利率掉期— 對沖已發行後償票據 | 5,852 | - | (299) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | (255) | 4 | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of deposits from customers 利率掉期— 對沖客戶存款 | 9,631 | 9 | (37) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | (29) | (2) | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |
| Interest rate swaps – hedge of repo 利率掉期— 對沖回購 | 2,388 | - | (1) | Derivative assets/ (liabilities) 衍生工具資產/(負債) | (4) | 23 | Net hedging profit/(loss) 對沖溢利/(虧損) 淨額 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

The amounts relating to items designated as hedged items were as follows:

指定為被對沖項目金額如下：

| | | 2023 | | | | Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses | |
|--------------------------------------|-------------|---|-------------|---|--|---|--|
| Carrying amount | | Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item | | Line item in the consolidated statement of financial position where the hedged item is included | Change in value used for calculating hedge ineffectiveness | 包含於財務狀況表的已終止調整對沖盈利及虧損的被對沖項目之累計公平價值對沖調整餘額 | |
| Assets | Liabilities | Assets | Liabilities | 包含被對沖項目的綜合財務狀況表的項目 | 以計算無效對沖部份 | 累計公平價值對沖調整餘額 | |
| HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | |
| 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | |
| Debt securities investment 債務證券投資 | 92,652 | - | (4,449) | - Investment securities 投資證券 | 1,936 | - | |
| Loans and advances 貸款及墊款 | 845 | - | (40) | - Loans and advances to customers 客戶貸款及墊款 | 22 | - | |
| Subordinated notes issued 已發行後償票據 | - | 14,318 | - | (88) Loan capital 借貸資本 | (170) | - | |
| Deposits from customers 客戶存款 | - | 997 | - | (2) Deposits from customers 客戶存款 | (26) | - | |
| Repo 回購 | - | - | - | - Deposits and balances of banks 銀行的存款及結餘 | (27) | - | |

Notes to the Financial Statements (continued)
財務報表附註 (續)

45. Off-Balance Sheet Exposures (continued) 資產負債表以外的風險 (續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

Fair value hedges of interest rate risk (continued)

(b) 衍生工具 (續)

(iii) 對沖會計 (續)

利率風險的公平價值對沖 (續)

2022

| | Carrying amount | | Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item | | Line item in the consolidated statement of financial position where the hedged item is included | Change in value used for calculating hedge ineffectiveness | Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses |
|--------------------------------------|-----------------|-------------|---|--------------|---|--|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| | 賬面值 | | 包含於被對沖項目賬面值的 | 包含於被對沖項目賬面值的 | 包含被對沖項目的 | 公平價值變動 | 包含於 |
| | 資產 | 負債 | 累計公平價值對沖調整 | 累計公平價值對沖調整 | 綜合財務狀況表的項目 | 以計算無效對沖部份 | 財務狀況表的已終止 |
| | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | 調整對沖盈利 |
| | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 及虧損的 |
| | | | | | | | 被對沖項目之 |
| | | | | | | | 累計公平價值 |
| | | | | | | | 對沖調整餘額 |
| Debt securities investment 債務證券投資 | 85,306 | - | (7,683) | - | Investment securities 投資證券 | (8,786) | - |
| Loans and advances 貸款及墊款 | 1,028 | - | (62) | - | Loans and advances to customers 客戶貸款及墊款 | (68) | - |
| Subordinated notes issued 已發行後償票據 | - | 5,567 | - | (257) | Loan capital 借貸資本 | 259 | - |
| Deposits from customers 客戶存款 | - | 9,604 | - | (27) | Deposits from customers 客戶存款 | 27 | - |
| Repo 回購 | - | 2,361 | - | (27) | Deposits and balances of banks 銀行的存款及結餘 | 27 | - |

Notes to the Financial Statements (continued)
財務報表附註 (續)

(c) Capital Commitments

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

| | | 2023 | | 2022 | |
|---|-----------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Expenditure authorised and contracted for | 已核准支出並已簽約 | 484 | | 452 | |
| Expenditure authorised but not contracted for | 已核准支出但未簽約 | 90 | | 138 | |
| | | 574 | | 590 | |

(c) 資本承擔

於12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

(d) Leases Committed But Not Yet Commenced

At 31st December, 2023 and 2022, the total future cash outflows to which the Group (as a lessee) is exposed that are not reflected in the measurement of lease liabilities are as follows:

| | | 2023 | | 2022 | |
|---|---------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Properties | 物業 | | | | |
| Within one year | 1年以內 | 4 | | 2 | |
| After one year but within five years | 1年至5年內 | 5 | | 20 | |
| After five years | 5年以後 | - | | 6 | |
| | | 9 | | 28 | |
| Equipment | 設備 | | | | |
| Within one year | 1年以內 | - | | - | |
| After one year but within five years | 1年至5年內 | - | | - | |
| | | - | | - | |
| Total lease committed but not yet commenced | 已承擔但仍未開始的租賃總額 | 9 | | 28 | |

(d) 已承擔但仍未開始的租賃

於2023年及2022年12月31日，本集團作為承租人所承擔但並未反映於租賃負債計量中的未來現金流出總額如下：

(e) Contingencies

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

(e) 或有事項

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

Notes to the Financial Statements (continued)
財務報表附註 (續)

46. Offsetting of Financial Assets and Liabilities 抵銷金融資產及金融負債

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

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

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

| | | 2023 | | | | | | | | |
|--|------------------------------|---|-------------------|-------------------------|--|------------------------|--------------------|----------------|---|---------------|
| | | Amounts subject to enforceable netting arrangements 涉及具法律效力之淨額結算安排之金額 | | | | | | | | |
| | | Effects of offsetting in the consolidated statement of financial position 在綜合財務狀況表抵銷之影響 | | | Amounts not set off in the consolidated statement of financial position 並無在綜合財務狀況表內抵銷之金額 | | | | Amounts not subject to enforceable netting arrangements 不涉及具法律 效力之淨額 結算安排 之金額 | |
| | | Net amounts presented in the consolidated statement of financial position | | | Financial instruments | Non-cash collateral | Cash collateral | Net amounts | Total amounts | |
| | | Gross amounts | Amounts offset | 於綜合財務 狀況表中列示 之淨金額 | 金融工具 | 非現金抵押品 | 現金抵押品 | 淨額 | 效力之淨額 結算安排 之金額 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Financial assets | 金融資產 | | | | | | | | | |
| Derivative assets | 衍生工具資產 | 7,672 | - | 7,672 | (2,094) | - | (2,821) | 2,757 | 1,384 | 9,056 |
| Placements with and advances to banks | 在銀行的存款及墊款 | | | | | | | | | |
| - under reverse repos, securities borrowing and similar agreements with banks | —與銀行的反向回購、 證券借入及相近協議 | 4,932 | - | 4,932 | - | (4,828) | (104) | - | - | 4,932 |
| Loans and advances to customers | 客戶貸款及墊款 | | | | | | | | | |
| - under reverse repos, securities borrowing and similar agreements with non-banks | —與非銀行的反向回購、 證券借入及相近 協議 | 11,940 | - | 11,940 | - | (11,546) | (394) | - | - | 11,940 |
| Other assets | 其他資產 | 2,381 | (2,124) | 257 | - | - | - | 257 | - | 257 |
| Total | 總額 | 26,925 | (2,124) | 24,801 | (2,094) | (16,374) | (3,319) | 3,014 | 1,384 | 26,185 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

| | | Amounts subject to enforceable netting arrangements 涉及具法律效力之淨額結算安排之金額 | | | | | | | | |
|--|--|---|----------------------------|-------------------------|---|----------------------------------|-----------------------------|----------------------|------------------------|------------------------|
| | | Effects of offsetting in the consolidated statement of financial position 在綜合財務狀況表抵銷之影響 | | | Amounts not set off in the consolidated statement of financial position 並無在綜合財務狀況表內抵銷之金額 | | | | | |
| | | Net amounts presented in the consolidated statement of financial position | | | Amounts not subject to enforceable netting arrangements 不涉及具法律 效力之淨額 結算安排 之金額 | | | | Total amounts 總額 | |
| | | Gross amounts 總額 | Amounts offset 抵銷之金額 | 於綜合財務 狀況表中列示 之淨金額 | Financial instruments 金融工具 | Non-cash collateral 非現金抵押品 | Cash collateral 現金抵押品 | Net amounts 淨額 | 效力之淨額 結算安排 之金額 | Total amounts 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Financial liabilities | 金融負債 | | | | | | | | | |
| Derivative liabilities | 衍生工具負債 | 2,781 | - | 2,781 | (2,094) | - | (65) | 622 | 1,226 | 4,007 |
| Deposits and balances of banks - under repos, securities lending and similar agreements with banks | 銀行的存款及結餘 - 與銀行的回購、 證券借出及相近協議 | 5,250 | - | 5,250 | - | (4,246) | (1,004) | - | - | 5,250 |
| Other liabilities | 其他負債 | 2,124 | (2,124) | - | - | - | - | - | - | - |
| Total | 總額 | 10,155 | (2,124) | 8,031 | (2,094) | (4,246) | (1,069) | 622 | 1,226 | 9,257 |

Notes to the Financial Statements (continued)
財務報表附註(續)

46. Offsetting of Financial Assets and Liabilities (continued) 抵銷金融資產及金融負債(續)

| | | 2022 | | | | | | | | |
|--|-----------------------------|---|----------------------------|-------------------------|--|------------------------|--------------------|------------------|---|------------------|
| | | Amounts subject to enforceable netting arrangements 涉及具法律效力之淨額結算安排之金額 | | | | | | | | |
| | | Effects of offsetting in the consolidated statement of financial position 在綜合財務狀況表抵銷之影響 | | | Amounts not set off in the consolidated statement of financial position 並無在綜合財務狀況表內抵銷之金額 | | | | Amounts not subject to enforceable netting arrangements 不涉及具法律 效力之淨額 結算安排 之金額 | |
| | | Net amounts presented in the consolidated statement of financial position | | | Financial instruments | Non-cash collateral | Cash collateral | Net amounts | Total amounts | |
| | | Gross amounts 總額 | Amounts offset 抵銷之金額 | 於綜合財務 狀況表中列示 之淨金額 | 金融工具 金額 | 非現金抵押品 金額 | 現金抵押品 金額 | 淨額 金額 | 總額 | |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Financial assets | 金融資產 | | | | | | | | | |
| Derivative assets | 衍生工具資產 | 9,985 | - | 9,985 | (2,298) | - | (5,264) | 2,423 | 1,107 | 11,092 |
| Placements with and advances to banks | 在銀行的存款及墊款 | | | | | | | | | |
| - under reverse repos, securities borrowing and similar agreements with banks | —與銀行的反向回購、 證券借入及相近 協議 | 3,498 | - | 3,498 | - | (3,232) | (11) | 255 | - | 3,498 |
| Other assets | 其他資產 | 431 | (396) | 35 | - | - | - | 35 | - | 35 |
| Total | 總額 | 13,914 | (396) | 13,518 | (2,298) | (3,232) | (5,275) | 2,713 | 1,107 | 14,625 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

| | | Amounts subject to enforceable netting arrangements 涉及具法律效力之淨額結算安排之金額 | | | | | | | | |
|---|-----------------------------|---|----------------------------|-------------------------|--|----------------------------------|-----------------------------|---|----------------------|------------------------|
| | | Effects of offsetting in the consolidated statement of financial position 在綜合財務狀況表抵銷之影響 | | | Amounts not set off in the consolidated statement of financial position 並無在綜合財務狀況表內抵銷之金額 | | | | | |
| | | Net amounts presented in the consolidated statement of financial position | | | | | | Amounts not subject to enforceable netting arrangements 不涉及具法律 效力之淨額 結算安排 之金額 | | |
| | | Gross amounts 總額 | Amounts offset 抵銷之金額 | 於綜合財務 狀況表中列示 之淨金額 | Financial instruments 金融工具 | Non-cash collateral 非現金抵押品 | Cash collateral 現金抵押品 | Net amounts 淨額 | 效力之淨額 結算安排 之金額 | Total amounts 總額 |
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Financial liabilities | 金融負債 | | | | | | | | | |
| Derivative liabilities | 衍生工具負債 | 3,404 | - | 3,404 | (2,298) | - | (109) | 997 | 741 | 4,145 |
| Deposits and balances of banks | 銀行的存款及結餘 | | | | | | | | | |
| - under repos, securities lending and similar agreements with banks | - 與銀行的回購、 證券借出及相近 協議 | 2,953 | - | 2,953 | - | (2,900) | (53) | - | - | 2,953 |
| Deposits from customers | 客戶存款 | | | | | | | | | |
| - under repos, securities lending and similar agreements with non- banks | - 與非銀行的回購、 證券借出及相近 協議 | 283 | - | 283 | - | (283) | - | - | - | 283 |
| Other liabilities | 其他負債 | 396 | (396) | - | - | - | - | - | - | - |
| Total | 總額 | 7,036 | (396) | 6,640 | (2,298) | (3,183) | (162) | 997 | 741 | 7,381 |

Notes to the Financial Statements (continued)
財務報表附註(續)

47. Notes on Consolidated Cash Flow Statement 綜合現金流量表附註

(a) Cash and Cash Equivalents

(i) Components of cash and cash equivalents in the consolidated cash flow statement

(a) 現金及等同現金項目

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

| | | 2023 | 2022 |
|--|----------------------|---------------|----------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cash and balances with banks with original maturity within three months | 原本期限為3個月以內之現金及在銀行的結存 | 37,014 | 44,158 |
| Placements with and advances to banks with original maturity within three months | 原本期限為3個月以內在銀行的存款及墊款 | 39,552 | 60,091 |
| Treasury bills with original maturity within three months | 原本期限為3個月以內的國庫債券 | 14,394 | 6,107 |
| Certificates of deposit held with original maturity within three months | 原本期限為3個月以內之持有的存款證 | 516 | 226 |
| Debt securities with original maturity within three months | 原本期限為3個月以內的債務證券 | 658 | 1,567 |
| | | 92,134 | 112,149 |

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

| | | 2023 | 2022 |
|---|---------------------|------------------|------------------|
| | | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cash and balances with banks (Note 23) | 現金及在銀行的結存 (附註23) | 45,903 | 54,579 |
| Placements with and advances to banks (Note 24) | 在銀行的存款及墊款 (附註24) | 43,691 | 60,203 |
| Treasury bills, certificates of deposit held and debt securities | 國庫債券、持有存款證及債務證券 | | |
| – trading assets (Note 26) | – 交易用途資產 (附註26) | 2,764 | 1,275 |
| – investment securities (Note 28) | – 投資證券 (附註28) | 165,527 | 145,289 |
| | | 168,291 | 146,564 |
| Amounts shown in the consolidated statement of financial position | 在綜合財務狀況表列示的金額 | 257,885 | 261,346 |
| Less: Amounts with an original maturity of beyond three months | 減：原本期限為3個月以上的金額 | (156,861) | (138,774) |
| Cash balance with central bank subject to regulatory restriction | 受規管限制的在中央銀行的現金結存 | (8,890) | (10,423) |
| Cash and cash equivalents in the consolidated cash flow statement | 在綜合現金流量表內的現金及等同現金項目 | 92,134 | 112,149 |

Notes to the Financial Statements (continued)
財務報表附註(續)

(b) Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

(b) 源自融資活動產生的負債之對賬

下表列載本集團由融資活動產生的負債之變動，包括現金及非現金之變動。源自融資活動產生的負債指在本集團的綜合現金流量表內分類為由融資活動產生的現金流或未來現金流產生的負債。

| | | Debt securities issued | | Loan capital accrued | | Interest rate swaps held to hedge borrowings (assets) | | Interest rate swaps held to hedge liabilities | | Total |
|---|---------------------|------------------------|--------------|--|---------------------------------------|---|---|---|--|------------|
| | | Debt securities issued | Loan capital | Debt securities accrued interest payable | Loan capital accrued interest payable | Lease liabilities | Interest rate swaps held to hedge borrowings (assets) | Interest rate swaps held to hedge liabilities | | |
| | | 已發行債務證券 | 借貸資本 | 已發行債務證券之應計利息 | 借貸資本之應計利息 | 租賃負債 | 持有作對沖借款的利率掉期合約(資產) | 持有作對沖借款的利率掉期合約負債 | | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | | 港幣百萬元 |
| At 1st January, 2023 | 於2023年1月1日 | 2,892 | 11,927 | 14 | 159 | 774 | - | 307 | | 16,073 |
| Changes from financing cash flows | 源自融資現金流的變動 | | | | | | | | | |
| Issue of loan capital | 發行借貸資本 | - | 3,893 | - | - | - | - | - | | 3,893 |
| Redemption of debt securities issued | 贖回已發行債務證券 | (2,090) | - | - | - | - | - | - | | (2,090) |
| Interest paid on loan capital | 支付借貸資本利息 | - | - | - | (873) | - | - | - | | (873) |
| Interest paid on debt securities issued | 支付已發行債務證券利息 | - | - | (58) | - | - | - | - | | (58) |
| Payment of lease liabilities | 支付租賃負債 | - | - | - | - | (274) | - | - | | (274) |
| Total changes from financing cash flows | 源自融資現金流的變動總額 | (2,090) | 3,893 | (58) | (873) | (274) | - | - | | 598 |
| Exchange adjustments | 匯兌調整 | 10 | (34) | - | - | 1 | - | - | | (23) |
| Changes in fair value | 公平價值變動 | 32 | - | - | - | - | - | (7) | | 25 |
| Revaluation under hedge accounting | 對沖會計法之重估 | - | 170 | - | - | - | (29) | 102 | | 243 |
| Interest expenses | 利息支出 | - | 11 | 51 | 949 | 29 | - | - | | 1,040 |
| Increase in lease liabilities from entering into new leases during the year | 年度內訂立新租賃引致租賃負債增加 | - | - | - | - | 322 | - | - | | 322 |
| Total other changes | 其他變動總額 | 42 | 147 | 51 | 949 | 352 | (29) | 95 | | 1,607 |
| At 31st December, 2023 | 於2023年12月31日 | 844 | 15,967 | 7 | 235 | 852 | (29) | 402 | | 18,278 |

Notes to the Financial Statements (continued)
財務報表附註(續)

47. Notes on Consolidated Cash Flow Statement (continued) 綜合現金流量表附註(續)

(b) Reconciliation of Liabilities Arising from Financing Activities (continued) (b) 源自融資活動產生的負債之對賬(續)

| | | Debt securities issued | Loan capital | Debt securities accrued interest payable | Loan capital accrued interest payable | Lease liabilities | Interest rate swaps held to hedge borrowings | Total |
|---|------------------|------------------------|--------------|--|---------------------------------------|-------------------|--|---------|
| | | 已發行債務證券 | 借貸資本 | 已發行債務證券之應計利息 | 借貸資本之應計利息 | 租賃負債 | 持有作對沖借款的利率掉期合約負債 | 總額 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| At 1st January, 2022 | 於2022年1月1日 | 5,847 | 6,488 | 95 | 79 | 884 | 2 | 13,395 |
| Changes from financing cash flows | 源自融資現金流的變動 | | | | | | | |
| Issue of debt securities | 發行債務證券 | 388 | - | - | - | - | - | 388 |
| Issue of loan capital | 發行借貸資本 | - | 5,793 | - | - | - | - | 5,793 |
| Redemption of debt securities issued | 贖回已發行債務證券 | (3,061) | - | - | - | - | - | (3,061) |
| Interest paid on loan capital | 支付借貸資本利息 | - | - | - | (374) | - | - | (374) |
| Interest paid on debt securities issued | 支付已發行債務證券利息 | - | - | (161) | - | - | - | (161) |
| Payment of lease liabilities | 支付租賃負債 | - | - | - | - | (302) | - | (302) |
| Total changes from financing cash flows | 源自融資現金流的變動總額 | (2,673) | 5,793 | (161) | (374) | (302) | - | 2,283 |
| Exchange adjustments | 匯兌調整 | (239) | (103) | - | - | (41) | - | (383) |
| Changes in fair value | 公平價值變動 | (44) | - | - | - | - | 6 | (38) |
| Revaluation under hedge accounting | 對沖會計法的重估 | - | (257) | - | - | - | 299 | 42 |
| Interest expenses | 利息支出 | 1 | 6 | 80 | 454 | 28 | - | 569 |
| Increase in lease liabilities from entering into new leases during the year | 年度內訂立新租賃引致租賃負債增加 | - | - | - | - | 205 | - | 205 |
| Total other changes | 其他變動總額 | (282) | (354) | 80 | 454 | 192 | 305 | 395 |
| At 31st December, 2022 | 於2022年12月31日 | 2,892 | 11,927 | 14 | 159 | 774 | 307 | 16,073 |

Notes to the Financial Statements (continued)
財務報表附註 (續)

48. Assets Pledged As Security 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the end of the reporting period.

於報告期期末，以下資產經已用作本身負債之抵押品。

| | | 2023 | | 2022 | |
|-------------------------------|------------------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Secured liabilities | 有抵押負債 | | 5,250 | | 3,236 |
| Assets pledged: | 抵押資產: | | | | |
| On-balance sheet | 資產負債表內 | | | | |
| Investment securities | 投資證券 | | | | |
| | — 按通過其他全面收益以反映 | | | | |
| | — measured at FVOCI | | 5,071 | | 2,999 |
| | — measured at amortised cost | | — | | 461 |
| | | | 5,071 | | 3,460 |
| Off-balance sheet | 資產負債表外 | | | | |
| Repledged collateral received | 已收並再抵押的抵押品 | | 392 | | — |
| | | | 5,463 | | 3,460 |

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品。

| | | 2023 | | 2022 | |
|--|------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Cash collateral for borrowed securities | 用作證券借貸的現金抵押品 | | 497 | | 24 |
| Margin accounts for open futures and forward contracts | 用作開立期貨及遠期合約的孖展賬戶 | | 3,671 | | 3,125 |
| | | | 4,168 | | 3,149 |

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

Notes to the Financial Statements (continued)
財務報表附註(續)

49. Loans to Directors and Entities Connected with Directors 董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

| | | 2023 | | 2022 | |
|--|------------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Aggregate amount of relevant loans outstanding at 31st December | | | | | |
| | 相關貸款於12月31日的結欠總額 | | | | |
| By the Bank | 由銀行借出 | 867 | | 1,613 | |
| By subsidiaries | 由附屬公司借出 | - | | - | |
| | | 867 | | 1,613 | |
| The maximum aggregate amount of relevant loans outstanding during the year | | | | | |
| | 年度內相關貸款之最高結欠總額 | | | | |
| By the Bank | 由銀行借出 | 1,712 | | 2,465 | |
| By subsidiaries | 由附屬公司借出 | - | | - | |
| | | 1,712 | | 2,465 | |

As at 31st December, 2023 and 2022, there was no interest due but unpaid and the impairment allowance made against these loans as required under HKFRS 9 were insignificant.

於2023年12月31日及2022年12月31日，沒有逾期未償付利息，面對該等貸款按《香港財務報告準則》第9號所作出之減值準備是不重大的。

50. Material Related Party Transactions 關聯人士的重大交易

(a) Key Management Personnel Remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 20 and certain of the highest paid employees as disclosed in Note 21, is as follows:

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註20中所披露支付予本行董事及在附註21中所披露支付予本行若干最高薪酬僱員的金額如下：

| | | 2023 | | 2022 | |
|------------------------------|--------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Short-term employee benefits | 短期僱員福利 | 164 | | 169 | |
| Post-employment benefits | 僱員退休福利 | 7 | | 8 | |
| Equity compensation benefits | 股份補償福利 | 23 | | 23 | |
| | | 194 | | 200 | |

Notes to the Financial Statements (continued)
財務報表附註 (續)

(b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(x)(iii). In 2023, the total amount of contributions the Group made to the schemes was HK\$219 million (2022: HK\$204 million).

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

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

(b) 本集團為其職員提供若干退休保障計劃，並已於附註2(x)(iii)披露。於2023年內，本集團對該等計劃的供款總數為港幣2.19億元(2022年：港幣2.04億元)。

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

年度內，本集團從關聯人士所收取與支付的利息，及在年末關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

| | | Key management personnel | | Associates | | Shareholders with significant influence | |
|--------------------------|------------|--------------------------|---------|------------|---------|---|---------|
| | | 主要管理人員 | | 聯營公司 | | 有重大影響力之股東 | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
| | | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 | 港幣百萬元 |
| Interest income | 利息收入 | 41 | 40 | 73 | 76 | 12 | - |
| Interest expense | 利息支出 | 96 | 26 | 1 | - | - | - |
| Amounts due from | 關聯人士的欠款 | 815 | 1,763 | 1,374 | 1,335 | 422 | 120 |
| Amounts due to | 欠關聯人士的款項 | 2,180 | 3,075 | 209 | 34 | 5 | 1 |
| Maximum amounts due from | 關聯人士的最高欠款 | 1,681 | 2,636 | 1,988 | 2,219 | 1,316 | 8,054 |
| Maximum amounts due to | 欠關聯人士的最高款項 | 5,273 | 6,599 | 789 | 438 | 212 | 43 |
| Committed facilities to | 給予信貸承諾 | 1,293 | 876 | 1,755 | 2,244 | 59 | - |

Notes to the Financial Statements (continued)
財務報表附註 (續)

51. Equity Compensation Plans 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees of the Group, including Executive Director and Co-Chief Executives, options to subscribe for ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股權計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。所有認股權均以無計價款形式發出。

(a) Particulars of Share Options

(a) 認股權詳情

| Date of grant 授予日期 | Vesting period 歸屬期 | Exercise period 行使期 | Exercise price per share 每股行使價 HK\$ 港幣元 |
|-----------------------|-----------------------|------------------------|---|
| 04/5/2015(T3) | 04/5/2015 – 03/5/2018 | 04/5/2018 – 04/5/2023 | 34.15 |
| 08/4/2016(T2) | 08/4/2016 – 07/4/2018 | 08/4/2018 – 08/4/2023 | 28.45 |
| 08/4/2016(T3) | 08/4/2016 – 07/4/2019 | 08/4/2019 – 08/4/2024 | 28.45 |
| 07/4/2017(T1) | 07/4/2017 – 06/4/2018 | 07/4/2018 – 07/4/2023 | 32.25 |
| 07/4/2017(T2) | 07/4/2017 – 06/4/2019 | 07/4/2019 – 07/4/2024 | 32.25 |
| 07/4/2017(T3) | 07/4/2017 – 06/4/2020 | 07/4/2020 – 07/4/2025 | 32.25 |
| 10/4/2018(T1) | 10/4/2018 – 09/4/2019 | 10/4/2019 – 10/4/2024 | 32.25 |
| 10/4/2018(T2) | 10/4/2018 – 09/4/2020 | 10/4/2020 – 10/4/2025 | 32.25 |
| 10/4/2018(T3) | 10/4/2018 – 09/4/2021 | 10/4/2021 – 10/4/2026 | 32.25 |
| 19/7/2019(T1) | 19/7/2019 – 18/7/2020 | 19/7/2020 – 19/7/2025 | 22.45 |
| 19/7/2019(T2) | 19/7/2019 – 18/7/2021 | 19/7/2021 – 19/7/2026 | 22.45 |
| 19/7/2019(T3) | 19/7/2019 – 18/7/2022 | 19/7/2022 – 19/7/2027 | 22.45 |
| 07/4/2020(T1) | 07/4/2020 – 06/4/2021 | 07/4/2021 – 07/4/2026 | 16.58 |
| 07/4/2020(T2) | 07/4/2020 – 06/4/2022 | 07/4/2022 – 07/4/2027 | 16.58 |
| 07/4/2020(T3) | 07/4/2020 – 06/4/2023 | 07/4/2023 – 07/4/2028 | 16.58 |
| 13/4/2021(T1) | 13/4/2021 – 12/4/2022 | 13/4/2022 – 13/4/2027 | 17.08 |
| 13/4/2021(T2) | 13/4/2021 – 12/4/2023 | 13/4/2023 – 13/4/2028 | 17.08 |
| 13/4/2021(T3) | 13/4/2021 – 12/4/2024 | 13/4/2024 – 13/4/2029 | 17.08 |
| 12/4/2022(T1) | 12/4/2022 – 11/4/2023 | 12/4/2023 – 12/4/2028 | 12.17 |
| 12/4/2022(T2) | 12/4/2022 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 12.17 |
| 12/4/2022(T3) | 12/4/2022 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 12.17 |
| 12/4/2023(T1) | 12/4/2023 – 11/4/2024 | 12/4/2024 – 12/4/2029 | 10.08 |
| 12/4/2023(T2) | 12/4/2023 – 11/4/2025 | 12/4/2025 – 12/4/2030 | 10.08 |
| 12/4/2023(T3) | 12/4/2023 – 11/4/2026 | 12/4/2026 – 12/4/2031 | 10.08 |

Notes to the Financial Statements (continued)
財務報表附註(續)

(b) Movement of Share Options During the Year

(b) 年內認股權之變動

| 2023 | | | Number of share options 認股權數目 | | | | |
|---------------|---------|--------------------------|-------------------------------|------------|-----------|-----------|---------------------------|
| Date of grant | Tranche | Exercise price per share | Outstanding at 1/1/2023 | Granted | Exercised | Lapsed | Outstanding at 31/12/2023 |
| 授予日期 | 部分 | 每股行使價 HK\$港幣元 | 於2023年 1月1日 尚未行使 | 已授予 | 已行使 | 已失效 | 於2023年 12月31日 尚未行使 |
| 04/5/2015 | T3 | 34.15 | 1,955,746 | - | - | 1,955,746 | - |
| 08/4/2016 | T2 | 28.45 | 1,946,000 | - | - | 1,946,000 | - |
| 08/4/2016 | T3 | 28.45 | 2,046,500 | - | - | 50,000 | 1,996,500 |
| 07/4/2017 | T1 | 32.25 | 2,080,000 | - | - | 2,080,000 | - |
| 07/4/2017 | T2 | 32.25 | 2,080,000 | - | - | 50,000 | 2,030,000 |
| 07/4/2017 | T3 | 32.25 | 1,563,000 | - | - | 50,000 | 1,513,000 |
| 10/4/2018 | T1 | 32.25 | 2,125,000 | - | - | 50,000 | 2,075,000 |
| 10/4/2018 | T2 | 32.25 | 1,613,500 | - | - | 50,000 | 1,563,500 |
| 10/4/2018 | T3 | 32.25 | 1,623,000 | - | - | 50,000 | 1,573,000 |
| 19/7/2019 | T1 | 22.45 | 1,493,500 | - | - | 50,000 | 1,443,500 |
| 19/7/2019 | T2 | 22.45 | 1,493,500 | - | - | 50,000 | 1,443,500 |
| 19/7/2019 | T3 | 22.45 | 1,550,500 | - | - | 100,000 | 1,450,500 |
| 07/4/2020 | T1 | 16.58 | 1,728,165 | - | - | 50,000 | 1,678,165 |
| 07/4/2020 | T2 | 16.58 | 1,785,328 | - | - | 100,000 | 1,685,328 |
| 07/4/2020 | T3 | 16.58 | 1,818,336 | - | - | - | 1,818,336 |
| 13/4/2021 | T1 | 17.08 | 1,443,797 | - | - | 100,000 | 1,343,797 |
| 13/4/2021 | T2 | 17.08 | 1,443,906 | - | - | - | 1,443,906 |
| 13/4/2021 | T3 | 17.08 | 1,448,850 | - | - | - | 1,448,850 |
| 12/4/2022 | T1 | 12.17 | 5,353,820 | - | - | - | 5,353,820 |
| 12/4/2022 | T2 | 12.17 | 5,347,653 | - | - | - | 5,347,653 |
| 12/4/2022 | T3 | 12.17 | 5,417,117 | - | - | - | 5,417,117 |
| 12/4/2023 | T1 | 10.08 | - | 3,906,879 | - | - | 3,906,879 |
| 12/4/2023 | T2 | 10.08 | - | 3,906,877 | - | - | 3,906,877 |
| 12/4/2023 | T3 | 10.08 | - | 3,911,167 | - | - | 3,911,167 |
| Total 總額 | | | 47,357,218 | 11,724,923 | - | 6,731,746 | 52,350,395 |

Notes to the Financial Statements (continued)
財務報表附註(續)

51. Equity Compensation Plans (continued) 股份補償計劃(續)

(b) Movement of Share Options During the Year (continued)

(b) 年內認股權之變動(續)

| 2022 | Date of grant | Tranche | Exercise price per share | Outstanding at 1/1/2022 | Number of share options 認股權數目 | | | Outstanding at 31/12/2022 |
|------|---------------|---------|-----------------------------|----------------------------|-------------------------------|-----------|-----------|------------------------------|
| | | | | | Granted | Exercised | Lapsed | |
| | 授予日期 | 部分 | 每股行使價 HK\$港幣元 | 於2022年 1月1日 尚未行使 | 已授予 | 已行使 | 已失效 | 於2022年 12月31日 尚未行使 |
| | 02/5/2014 | T3 | 32.50 | 1,903,500 | - | - | 1,903,500 | - |
| | 04/5/2015 | T2 | 34.15 | 1,980,000 | - | - | 1,980,000 | - |
| | 04/5/2015 | T3 | 34.15 | 1,955,746 | - | - | - | 1,955,746 |
| | 08/4/2016 | T1 | 28.45 | 1,064,000 | - | - | 1,064,000 | - |
| | 08/4/2016 | T2 | 28.45 | 1,946,000 | - | - | - | 1,946,000 |
| | 08/4/2016 | T3 | 28.45 | 2,046,500 | - | - | - | 2,046,500 |
| | 07/4/2017 | T1 | 32.25 | 2,080,000 | - | - | - | 2,080,000 |
| | 07/4/2017 | T2 | 32.25 | 2,080,000 | - | - | - | 2,080,000 |
| | 07/4/2017 | T3 | 32.25 | 1,563,000 | - | - | - | 1,563,000 |
| | 10/4/2018 | T1 | 32.25 | 2,125,000 | - | - | - | 2,125,000 |
| | 10/4/2018 | T2 | 32.25 | 1,613,500 | - | - | - | 1,613,500 |
| | 10/4/2018 | T3 | 32.25 | 1,673,000 | - | - | 50,000 | 1,623,000 |
| | 19/7/2019 | T1 | 22.45 | 1,493,500 | - | - | - | 1,493,500 |
| | 19/7/2019 | T2 | 22.45 | 1,543,500 | - | - | 50,000 | 1,493,500 |
| | 19/7/2019 | T3 | 22.45 | 1,550,500 | - | - | - | 1,550,500 |
| | 07/4/2020 | T1 | 16.58 | 1,778,165 | - | - | 50,000 | 1,728,165 |
| | 07/4/2020 | T2 | 16.58 | 1,785,328 | - | - | - | 1,785,328 |
| | 07/4/2020 | T3 | 16.58 | 1,818,336 | - | - | - | 1,818,336 |
| | 13/4/2021 | T1 | 17.08 | 1,443,797 | - | - | - | 1,443,797 |
| | 13/4/2021 | T2 | 17.08 | 1,443,906 | - | - | - | 1,443,906 |
| | 13/4/2021 | T3 | 17.08 | 1,448,850 | - | - | - | 1,448,850 |
| | 12/4/2022 | T1 | 12.17 | - | 5,353,820 | - | - | 5,353,820 |
| | 12/4/2022 | T2 | 12.17 | - | 5,347,653 | - | - | 5,347,653 |
| | 12/4/2022 | T3 | 12.17 | - | 5,417,117 | - | - | 5,417,117 |
| | Total 總額 | | | 36,336,128 | 16,118,590 | - | 5,097,500 | 47,357,218 |

(c) There were no share option forfeited and cancelled during the year ended 31st December, 2023 and 2022.

(c) 截至2023年12月31日及2022年12月31日止年度內並無被撤銷並註銷的認股權。

52. Accounting Estimates and Judgements 會計估計及判斷

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Key Sources of Estimation Uncertainty

Notes 31, 39 and 44 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Note 43(a)(viii): impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information.

Note 30: impairment testing of investments in associates involves significant judgement in determining the value in use, and in particular estimating the present values of cash flows expected to arise from continuing to hold the investment.

(ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. For all other financial instruments, the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised pricing models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management estimation are usually required for selection of the appropriate valuation model, assumptions and inputs to be used.

(iii) Provisions for tax uncertainties

The Group makes provisions for tax uncertainties by either estimating the most likely amount, which is the single most likely amount in a range of possible outcomes, or the expected value in a range of possible outcomes. The estimate could be different from the actual results of resolution. Any increase or decrease in the provision would affect profit or loss in future years.

在編製本綜合財務報表時，管理層已經作出若干對應用本集團會計政策及所匯報的資產、負債、收入及支出之金額披露有影響的判斷、估計和假定。最終結果與該等估計可能不盡相同。

估計及相關假定會定期作檢討。估計之修改不會被追溯確認。

(a) 估計不穩定因素的主要來源

附註31、39和44載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

(i) 減值損失

附註43(a)(viii)：金融工具減值涉及決定預期信貸損失計量模型的計算因素，包括植入具前瞻性的資料。

附註30：聯營公司投資的減值測試包括估計使用值的重大判斷，及估算因持續持有該投資而產生的預計現金流的現值。

(ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀/交易員的報價。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。部分或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值。一般而言，揀選適當的估值模式、假設及參數亦需要管理層估計。

(iii) 稅務不確定性之撥備

本集團對稅務之不確定性會以最大可能，即最具可能性或預期價值的結果範圍內，作出撥備。該估計值可能與實際情況有差異。撥備的任何增加或減少將影響未來年度的損益。

Notes to the Financial Statements (continued)
財務報表附註(續)

52. Accounting Estimates and Judgements (continued) 會計估計及判斷(續)

(b) Critical Accounting Judgements in Applying the Group's Accounting Policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Classification of financial assets

Note 2(h)(ii): assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

(ii) Measurement of ECL

Note 43(a)(viii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

(iii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

(i) 金融資產分類

附註2(h)(ii)：評估持有資產的商業模型，即金融資產合約期內是否純粹是本金及按本金結餘的利息支付。

(ii) 預期信貸損失計量

附註43(a)(viii)：訂立標準以決定金融資產的信貸風險是否比初始確認時經已大幅增加及制定方法以植入具前瞻性計量預期信貸損失的資料及選擇模型以計算預期信貸損失。

(iii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

53. Comparative Figures 比較數字

Certain 2022 comparative figures have been restated to conform to current year's presentation. Please refer to Note 22 for the effect of restatement.

若干2022年的比較數字經已重報以符合本年度的呈報方式。請參閱附註22中所述的重報影響。

54. Non-Adjusting Events After the Reporting Period 毋須調整的報告期結束日後的事件

After the end of the reporting period, the directors declared a second interim dividend. Further details are disclosed in Note 18(a).

董事於報告期結束日後擬派發第二次中期股息。詳情已在附註18(a)作披露。

Notes to the Financial Statements (continued)
財務報表附註 (續)

55. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet Effective for the Year ended 31st December, 2023 在截至2023年12月31日止年度前已公布但尚未生效的修訂、新準則和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments to standards and new standards which are not yet effective for the year ended 31st December, 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至2023年12月31日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

| | Effective for accounting periods beginning on or after 由會計期開始或以後起生效 |
|---|---|
| Amendments to HKFRS 16, <i>Lease Liability in a Sale and Leaseback</i> 《香港財務報告準則》第16號之修訂「售後租回交易中的租賃負債」 | 1st January, 2024 2024年1月1日 |
| Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants</i> 《香港會計準則》第1號之修訂「流動及非流動負債的分類」及「附有契約條款的非流動負債」 | 1st January, 2024 2024年1月1日 |
| Amendments to HKAS 7 and HKFRS 7, <i>Supplier Finance Arrangements</i> 《香港會計準則》第7號及《香港財務報告準則》第7號之修訂「供應商融資安排」 | 1st January, 2024 2024年1月1日 |
| Amendments to HKAS 21, <i>Lack of Exchangeability</i> 《香港會計準則》第21號之修訂「缺乏可兌換性」 | 1st January, 2025 2025年1月1日 |

The Group is in the process of making an assessment of what the impact of these amendments and new standards are expected to be in the period of initial application. So far the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估該等修訂和新準則對首個應用期可能產生的影響。至今所得結論是若採納該等修訂、新準則和詮釋對本集團的綜合財務報表不可能構成重大影響。

Unaudited Supplementary Financial Information

未經審核補充財務資料

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the audited financial statements.

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by the HKMA.

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

編制補充財務資料是根據《銀行業(披露)規則》及金管局核准的綜合監管要求。

1 Capital Adequacy 資本充足

| | | 2023 | | 2022 | |
|------------------------------------|------------|------|----------------|------|--------------|
| | | HK\$ | Mn 港幣百萬元 | HK\$ | Mn 港幣百萬元 |
| Capital base | 資本基礎 | | | | |
| - Common Equity Tier 1 capital | - 普通股權一級資本 | | 83,590 | | 81,282 |
| - Additional Tier 1 capital | - 額外一級資本 | | 10,090 | | 10,090 |
| - Total Tier 1 capital | - 一級資本總額 | | 93,680 | | 91,372 |
| - Tier 2 capital | - 二級資本 | | 12,682 | | 12,048 |
| - Total capital | - 資本總額 | | 106,362 | | 103,420 |
| Risk-weighted assets by risk type | 風險加權資產類別 | | | | |
| - Credit risk | - 信貸風險 | | 430,128 | | 483,104 |
| - Market risk | - 市場風險 | | 3,758 | | 4,053 |
| - Operational risk | - 營運風險 | | 35,221 | | 30,580 |
| - Capital floor adjustment | - 資本下限調整 | | 16,579 | | - |
| | | | 485,686 | | 517,737 |
| Less: Deductions | 減：扣除 | | (2,829) | | (2,864) |
| | | | 482,857 | | 514,873 |
| | | | 2023 | | 2022 |
| | | | % 百分率 | | % 百分率 |
| Common Equity Tier 1 capital ratio | 普通股權一級資本比率 | | 17.3 | | 15.8 |
| Tier 1 capital ratio | 一級資本比率 | | 19.4 | | 17.7 |
| Total capital ratio | 總資本比率 | | 22.0 | | 20.1 |

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 securities and insurance companies that are authorised and supervised by a regulator and 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 Common Equity Tier 1 capital subject to the thresholds as determined in accordance with Part 3 of the Capital Rules.

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普通股權一級資本中扣除。

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料 (續)

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

以下附屬公司並未包括在用作監管用途之綜合計算內：

| Name of company 公司名稱 | Nature of business 業務性質 | Total assets 資產總額 HK\$ Mn 港幣百萬元 | Total equity 股東權益總額 HK\$ Mn 港幣百萬元 |
|--|---|---------------------------------------|---|
| Ample Delight Limited 承悅有限公司 | Investment holding 投資控股 | 305 | 305 |
| BEA Consortium GS Investors L.P. | Acting as a limited partner for the purpose of making investment in private equity fund 出任有限責任合夥人用作投資予私募基金 | 7 | 7 |
| BEA Insurance Agency Limited 東亞保險代理有限公司 | Insurance agency services 保險代理服務 | - | - |
| BEA Union Investment Management Limited 東亞聯豐投資管理有限公司 | Asset management 資產管理 | 511 | 464 |
| BEA Union Investment Management (Shenzhen) Limited 東亞聯豐投資管理(深圳)有限公司 | Asset management/Investment management 資產管理/投資管理 | 9 | 5 |
| Central Town Limited 滙中興業有限公司 | Property investment 物業投資 | 726 | 630 |
| Century Able Limited 階潤有限公司 | Investment holding 投資控股 | 77 | 77 |
| Citiview Capital Limited | Acting as the general partner and limited partner of a limited partnership 出任一間有限責任合夥的普通合夥人及有限責任合夥人 | 1 | 1 |
| Corona Light Limited | Investment holding 投資控股 | 930 | 930 |
| Crystal Gleaming Limited | Investment holding 投資控股 | 930 | 930 |
| Dragon Jade Holdings Company Limited 卓領控股有限公司 | Investment holding 投資控股 | 1,128 | 1,128 |
| EA Securities Limited | Investment holding 投資控股 | - | (62) |
| East Asia Financial Services (BVI) Ltd. | Investment holding 投資控股 | - | - |
| East Asia Futures Limited 東亞期貨有限公司 | Futures and options trading 期貨及期權交易 | 58 | 58 |
| East Asia Indonesian Holdings Limited | Investment holding 投資控股 | 2 | 1 |
| East Asia International Trustees Holdings (BVI) Limited | Investment holding 投資控股 | 10 | 10 |
| East Asia International Trustees Limited | Trustee service 信託服務 | 18 | 16 |

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料 (續)

1 Capital Adequacy (continued) 資本充足 (續)

| Name of company 公司名稱 | Nature of business 業務性質 | Total assets 資產總額 | | Total equity 股東權益總額 | |
|--|--|----------------------|-------|------------------------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| East Asia Properties Holding Company Limited 東亞物業控股有限公司 | Investment holding 投資控股 | – | | (27) | |
| East Asia Property Agency Company Limited 東亞物業代理有限公司 | Property agency 物業代理 | 8 | | 7 | |
| East Asia Qianhai Holdings Company Limited 東亞前海控股有限公司 | Investment holding 投資控股 | 201 | | 201 | |
| East Asia Secretaries Limited 東亞秘書有限公司 | Secretarial services 秘書服務 | – | | – | |
| East Asia Securities Company Limited 東亞證券有限公司 | Securities broking 證券買賣 | 1,350 | | 1,024 | |
| Golden Empire International Inc. | Investment holding 投資控股 | 1 | | – | |
| Leader One Limited | Investment holding 投資控股 | 1 | | 1 | |
| Manchester Property Holdings Ltd. | Property holding 物業持有 | 24 | | 8 | |
| Quantum Hong Kong Holdings Company Limited 君騰香港控股有限公司 | Investment holding 投資控股 | 48 | | 48 | |
| Red Phoenix Limited | Leasing of motor vehicles 汽車租賃 | 4 | | 4 | |
| Shaftesbury Property Holdings Limited | Investment holding 投資控股 | 53 | | 53 | |
| Shaftesbury Property Investments Limited | Investment holding 投資控股 | 36 | | 36 | |
| Shanghai Lingxie Business Consulting Co., Ltd. 上海領僑商務諮詢有限公司 | Business information consulting and corporate management consulting 商業資訊諮詢及企業管理諮詢 | 199 | | 198 | |
| Silver River International Limited | Acting as the general partner and limited partner of a limited partnership 出任一間有限責任合夥的普通合夥人及有限責任合夥人 | – | | – | |
| Skyray Holdings Limited | Investment holding 投資控股 | 450 | | 450 | |
| Speedfull Limited | Investment holding 投資控股 | 450 | | 450 | |

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料 (續)

| Name of company 公司名稱 | Nature of business 業務性質 | Total assets 資產總額 HK\$ Mn 港幣百萬元 | Total equity 股東權益總額 HK\$ Mn 港幣百萬元 |
|--|---|---------------------------------------|---|
| The Bank of East Asia (Nominees) Limited 東亞銀行受託代管有限公司 | Nominee services 受託代管服務 | - | - |
| The Bank of East Asia (Nominees) Private Limited | Trustee, fiduciary and custody services 信託、代理及託管服務 | - | - |

There are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but where the method of consolidation differs at 31st December, 2023.

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation at 31st December, 2023.

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2023 (31st December, 2022: Nil) which are not included in the Group's consolidation for regulatory purposes.

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

For the purpose of compliance with the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolutions) (Loss-absorbing Capacity Requirements – Banking Sector) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

並未有已包括在用作會計範疇及監管範疇之綜合賬的附屬公司，而於2023年12月31日其綜合計算方法是不相同的。

於2023年12月31日，並未有附屬公司已包括在用作監管範疇之綜合賬但並未包括在用作會計範疇之綜合賬內。

於2023年12月31日（2022年12月31日：無），本集團之附屬公司並無有關資本不足而未有包括在本集團用作監管用途之綜合賬內。

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

為符合《銀行業（披露）規則》及《金融機構（處置機制）（吸收虧損能力規定—銀行界）規則》第6部，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可於本行網站該節內找到，只要瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 <https://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html> 的直接連繫。

2 Leverage Ratio 槓桿比率

| | | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|----------------------|--------|-----------------------|-----------------------|
| Total Tier 1 capital | 一級資本總額 | 93,680 | 91,372 |
| Exposure measure | 風險承擔計量 | 907,840 | 935,197 |
| | | 2023 % 百分率 | 2022 % 百分率 |
| Leverage ratio | 槓桿比率 | 10.3 | 9.8 |

The leverage ratio is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

槓桿比率之計算按金管局根據《資本規則》第3C條頒布的通知內所指定的綜合基準。有關披露資料可瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 <https://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html> 的直接連繫。

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料 (續)

3 Liquidity Position 流動資金狀況

Liquidity Coverage Ratio

流動性覆蓋比率

| | | 2023 %百分率 | 2022 %百分率 |
|----------------------------------|-----------|--------------|--------------|
| Average liquidity coverage ratio | 平均流動性覆蓋比率 | | |
| - First quarter | - 第一季 | 182.9 | 184.2 |
| - Second quarter | - 第二季 | 208.9 | 187.5 |
| - Third quarter | - 第三季 | 191.4 | 179.1 |
| - Fourth quarter | - 第四季 | 201.5 | 197.7 |

The liquidity coverage ratio is calculated in accordance with the Banking (Liquidity) Rules. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

流動性覆蓋比率是根據《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 <https://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html> 的直接連繫。

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

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

Net Stable Funding Ratio

穩定資金淨額比率

| | | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|--------------------------------|----------|-----------------------|-----------------------|
| Total available stable funding | 可用穩定資金總額 | 589,018 | 568,204 |
| Total required stable funding | 所需穩定資金總額 | 469,180 | 489,801 |
| | | 2023 %百分率 | 2022 %百分率 |
| Net stable funding ratio | 穩定資金淨額比率 | 125.5 | 116.0 |

The net stable funding ratio is calculated in accordance with the Banking (Liquidity) Rules. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

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

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料(續)

4 Overdue, Rescheduled and Repossessed Assets 逾期、經重組及收回資產

(a) Overdue and Rescheduled Advances to Customers

(a) 逾期及經重組客戶墊款

| | | 2023 | | 2022 | |
|---|----------------|---------|----------------------------------|---------|----------------------------------|
| | | HK\$ Mn | % of total advances to customers | HK\$ Mn | % of total advances to customers |
| | | 港幣百萬元 | 佔客戶墊款總額的百分比 | 港幣百萬元 | 佔客戶墊款總額的百分比 |
| Advances to customers overdue for | 逾期客戶墊款 | | | | |
| – 6 months or less but over | | | | | |
| 3 months | –3個月以上至6個月 | 3,039 | 0.6 | 2,257 | 0.4 |
| – 1 year or less but over | | | | | |
| 6 months | –6個月以上至1年 | 2,772 | 0.5 | 1,630 | 0.3 |
| – Over 1 year | –1年以上 | 2,269 | 0.4 | 1,118 | 0.2 |
| | | 8,080 | 1.5 | 5,005 | 0.9 |
| Rescheduled advances to customers | 經重組客戶墊款 | 1,002 | 0.2 | 1,193 | 0.2 |
| Total overdue and rescheduled advances | 逾期及經重組墊款總額 | 9,082 | 1.7 | 6,198 | 1.1 |
| Covered portion of overdue advances | 逾期墊款涵蓋部份 | 3,958 | 0.7 | 2,745 | 0.5 |
| Uncovered portion of overdue advances | 逾期墊款非涵蓋部份 | 4,122 | 0.8 | 2,261 | 0.4 |
| Current market value of collateral held against the covered portion of overdue advances | 逾期墊款涵蓋部份之抵押品市值 | 7,201 | | 5,454 | |
| Specific provisions made on advances overdue for more than 3 months | 逾期3個月以上墊款的特殊準備 | 2,262 | | 1,830 | |

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

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

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

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

可視作合格抵押品的資產須符合下列條件：

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

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料 (續)

4 Overdue, Rescheduled and Repossessed Assets (continued) 逾期、經重組及收回資產 (續)

(a) Overdue and Rescheduled Advances to Customers (continued)

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

(i) "Eligible Financial Collateral" mainly comprises cash deposits and shares.

(ii) "Eligible Physical Collateral" mainly comprises land and buildings, vehicles and equipment.

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

(a) Debt rescheduling/restructuring

(b) Enforcement of security

(c) Legal action

(d) Recovery via debt collector

(a) 逾期及經重組客戶墊款 (續)

「合格抵押品」主要分為下列兩種：

(i) 「合格金融抵押品」主要包括現金存款及股票。

(ii) 「合格實物抵押品」主要包括土地及建築物、汽車及設備。

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

(a) 重新編排債務還款期時間表／債務重組

(b) 沒收抵押品

(c) 採取法律行動

(d) 通過收數公司追收

(b) Overdue and Rescheduled Advances to Banks

(b) 逾期及經重組銀行墊款

| | | 2023 | | 2022 | |
|--|-------------|---------|-------|---------|-------|
| | | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Advances to banks overdue for | 逾期銀行墊款 | | | | |
| - 6 months or less but over 3 months | - 3個月以上至6個月 | - | | - | |
| - 1 year or less but over 6 months | - 6個月以上至1年 | - | | - | |
| - Over 1 year | - 1年以上 | - | | - | |
| Rescheduled advances to banks | 經重組銀行墊款 | - | | - | |
| Total overdue and rescheduled advances | 逾期及經重組墊款總額 | - | | - | |

(c) Other Overdue and Rescheduled Assets

(c) 其他逾期及經重組資產

| | | 2023 | | |
|---|------------------|--------------------------|-------------------------|------------------------|
| | | Accrued interest 應計利息 | Debt securities 債務證券 | Other assets* 其他資產* |
| | | HK\$ Mn | 港幣百萬元 | 港幣百萬元 |
| Other assets overdue for | 其他逾期資產 | | | |
| - 6 months or less but over 3 months | - 3個月以上至6個月 | 44 | 374 | - |
| - 1 year or less but over 6 months | - 6個月以上至1年 | 140 | 144 | - |
| - Over 1 year | - 1年以上 | 181 | 319 | - |
| Rescheduled assets | 經重組資產 | 26 | - | - |
| Total other overdue and rescheduled assets | 其他逾期及經重組資產總額 | 391 | 837 | - |
| Specific provisions made on other assets overdue for more than 3 months | 逾期3個月以上其他資產的特殊準備 | 119 | 576 | - |

Unaudited Supplementary Financial Information (continued)
未經審核補充財務資料(續)

| | | Accrued interest 應計利息 HK\$ Mn 港幣百萬元 | 2022 Debt securities 債務證券 HK\$ Mn 港幣百萬元 | Other assets* 其他資產* HK\$ Mn 港幣百萬元 |
|---|------------------|---|--|---|
| Other assets overdue for | 其他逾期資產 | | | |
| – 6 months or less but over | | | | |
| 3 months | –3個月以上至6個月 | 31 | 124 | – |
| – 1 year or less but over 6 months | –6個月以上至1年 | 48 | 114 | – |
| – Over 1 year | –1年以上 | 68 | – | – |
| | | 147 | 238 | – |
| Rescheduled assets | 經重組資產 | 23 | – | – |
| Total other overdue and rescheduled assets | 其他逾期及經重組資產總額 | 170 | 238 | – |
| Specific provisions made on other assets overdue for more than 3 months | 逾期3個月以上其他資產的特殊準備 | 78 | 166 | – |

* Other assets refer to trade bills and receivables.

* 其他資產是指貿易票據及應收款項。

(d) Repossessed Assets

(d) 收回資產

| | | 2023 HK\$ Mn 港幣百萬元 | 2022 HK\$ Mn 港幣百萬元 |
|--------------------------------------|-------------|-----------------------|-----------------------|
| Reposessed land and buildings (Note) | 收回土地及建築物(註) | 1,703 | 416 |
| Reposessed vehicles and equipment | 收回汽車及設備 | 1 | – |
| Reposessed machines | 收回機器 | – | – |
| Total reposessed assets | 收回資產總額 | 1,704 | 416 |

The amount represents the estimated market value of the reposessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

Note: For the year ended 31st December, 2023, no reposessed assets were contracted for sale but not yet completed. For the year ended 31st December, 2022, the reposessed assets included HK\$26 million related to properties that were contracted for sale but not yet completed.

註：截至2023年12月31日止年度，並無已簽約出售但仍未成交的收回資產。截至2022年12月31日止年度，收回資產中包括港幣2,600萬元已簽約出售但仍未成交的物業。

5 Banking Disclosure Statement 銀行業披露報表

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

本年的額外資料披露是根據《銀行業(披露)規則》、《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 <https://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html> 的直接連繫。

Glossary

詞彙

| | |
|--|--|
| 2011 Scheme 「2011計劃」 | Staff Share Option Scheme approved by the shareholders of the Bank on 19th April, 2011 and adopted on 19th April, 2011 於2011年4月19日經股東批准及於2011年4月19日採納的僱員認股權計劃 |
| 2016 Scheme 「2016計劃」 | Staff Share Option Scheme approved by the shareholders of the Bank on 8th April, 2016 and adopted on 19th April, 2016 於2016年4月8日經股東批准及於2016年4月19日採納的僱員認股權計劃 |
| 2021 Scheme 「2021計劃」 | Staff Share Option Scheme approved by the shareholders of the Bank on 6th May, 2021 and adopted on 6th May, 2021 於2021年5月6日經股東批准及於2021年5月6日採納的僱員認股權計劃 |
| 2023 AGM 「2023股東周年常會」 | An AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 11th May, 2023 at 10:30 a.m. 本行於2023年5月11日(星期四)上午10時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會 |
| 2024 AGM 「2024股東周年常會」 | An AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 10th May, 2024 at 11:30 a.m. or any adjournment thereof 本行將於2024年5月10日(星期五)上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會 |
| AC 「審核委員會」 | The Audit Committee of the Bank 本行的審核委員會 |
| ACM 「審核委員會會議」 | Audit Committee Meeting 審核委員會會議 |
| AGM 「股東周年常會」 | An Annual General Meeting of the Bank 本行的股東周年常會 |
| Article of Association 「組織章程細則」 | The articles of association of the Bank (as amended, modified or otherwise supplemented from time to time) 本行的組織章程細則(經不時修訂、修改或以其他方式補充) |
| AUM 「管理資產」 | Assets under management 管理資產 |
| Bank or BEA 「本行」或「東亞銀行」 | The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司 |
| Bank Culture Reform 「銀行企業文化改革」 | Bank Culture Reform as elaborated in the circular issued by the HKMA on 2nd March, 2017 金管局於2017年3月2日發出之通告所闡述的銀行企業文化改革 |
| 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 |
| Banking Ordinance 「《銀行業條例》」 | The Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《銀行業條例》(香港法例第155章) |
| BEA China 「東亞中國」 | The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司 |
| BM 「董事會會議」 | Board Meeting 董事會會議 |
| Board 「董事會」 | Board of Directors of the Bank 本行的董事會 |
| BVI 「英屬處女群島」 | British Virgin Islands 英屬處女群島 |
| Capital Rules 「《資本規則》」 | Banking (Capital) Rules issued by the HKMA 金管局頒布之《銀行業(資本)規則》 |
| CAR 「資本充足率」 | Capital Adequacy Ratio 資本充足率 |
| CG Code 「《企業管治守則》」 | Corporate Governance Code, Appendix C1 to the Listing Rules 《上市規則》附錄C1內所載的《企業管治守則》 |

Glossary (continued)
詞彙 (續)

| | |
|--|---|
| 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》 |
| China or PRC 「中國」 | People's Republic of China 中華人民共和國 |
| Circular 「通函」 | The circular to the shareholders dated 27th March, 2024 日期為 2024 年 3 月 27 日的致股東通函 |
| CNY or RMB 「人民幣」 | Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣 |
| Companies Ordinance 「《公司條例》」 | The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第 622 章) |
| Director(s) 「董事」 | Includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何任職本行董事職位的人士(不論其職銜如何), 或文義另有所指的人士 |
| ECL 「預期信貸損失」 | Expected credit loss 預期信貸損失 |
| ED 「執行董事」 | Executive Director of the Bank 本行的執行董事 |
| ESG 「環境、社會及管治」 | Environmental, social, and governance 環境、社會及管治 |
| ESGC 「環境、社會及管治委員會」 | The Environmental, Social, and Governance Committee of the Bank 本行的環境、社會及管治委員會 |
| ESGCM 「環境、社會及管治委員會會議」 | ESG Committee Meeting 環境、社會及管治委員會會議 |
| EUR 「歐羅」 | Euro, the lawful currency of 20 of the 27 member states of the European Union 歐洲聯盟 27 個成員國內, 其中 20 個成員國採納的法定貨幣 |
| FVOCI 「通過其他全面收益以反映公平價值」 | Fair value through other comprehensive income 通過其他全面收益以反映公平價值 |
| FVTPL 「通過損益以反映公平價值」 | Fair value through profit or loss 通過損益以反映公平價值 |
| GBA 「大灣區」 | Guangdong-Hong Kong-Macao Greater Bay Area 粵港澳大灣區 |
| GBP 「英鎊」 | Pound sterling, the lawful currency of the UK 英國法定貨幣 |
| General Managers 「總經理」 | All Division Heads of the Bank and Executive Director & Chief Executive of BEA China 本行所有分處主管及東亞中國的執行董事兼行長 |
| Guidance on Empowerment of INEDs 「提升獨立非執行董事的專業能力指引」 | The guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong, issued by the HKMA 金管局頒布之提升香港銀行業獨立非執行董事的專業能力指引 |
| HK\$ or HKD 「港幣」 | Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣 |
| HK\$ Mn 「港幣百萬元」 | HK\$ Million 港幣百萬元 |
| HKAS 「香港會計準則」 | Hong Kong Accounting Standards 香港會計準則 |
| HKEX 「香港交易所」 | Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司 |

Glossary (continued)
詞彙 (續)

| | |
|----------------------------------|---|
| 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 Administrative Region of the PRC 中華人民共和國香港特別行政區 |
| INED 「獨立非執行董事」 | Independent Non-executive Director of the Bank 本行的獨立非執行董事 |
| 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 of Hong Kong Limited (as amended, modified or otherwise supplemented from time to time) 《香港聯合交易所有限公司證券上市規則》，經不時修訂、修改或以其他方式補充 |
| MPF 「強積金」 | Mandatory Provident Fund 強制性公積金 |
| NC 「提名委員會」 | The Nomination Committee of the Bank 本行的提名委員會 |
| NCM 「提名委員會會議」 | Nomination Committee Meeting 提名委員會會議 |
| NED 「非執行董事」 | Non-executive Director of the Bank 本行的非執行董事 |
| NIM 「淨息差」 | Net interest margin 淨息差 |
| RC 「風險委員會」 | The Risk Committee of the Bank 本行的風險委員會 |
| RCM 「風險委員會會議」 | Risk Committee Meeting 風險委員會會議 |
| RemCo 「薪酬委員會」 | The Remuneration Committee of the Bank 本行的薪酬委員會 |
| RemCoM 「薪酬委員會會議」 | Remuneration Committee Meeting 薪酬委員會會議 |
| Senior Management 「高層管理人員」 | The Co-Chief Executives and Deputy Chief Executives of the Bank 本行的聯席行政總裁及副行政總裁 |
| SFO 「《證券及期貨條例》」 | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章) |
| Share(s) 「股」或「股份」 | Ordinary share(s) of the Bank 本行普通股 |
| Stock Exchange 「聯交所」 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| UK 「英國」 | United Kingdom 英國 |
| US 「美國」 | United States of America 美利堅合眾國 |
| US\$ or USD 「美元」 | United States dollar, the lawful currency of the US 美國法定貨幣 |

Financial Calendar

| | |
|---|--|
| 2023 full year results announced | 21st February, 2024 |
| 2023 Second Interim Dividend declared (with scrip option) | 21st February, 2024 |
| Ex-all date for 2023 Second Interim Dividend | 6th March, 2024 |
| Closure of register of members – 2023 Second Interim Dividend | From 8th March, 2024 to 12th March, 2024 (Both days inclusive) |
| Record date for 2023 Second Interim Dividend | 12th March, 2024 |
| Despatch of Scrip Dividend Circular and Form of Election | 12th March, 2024 |
| Despatch of dividend warrants and share certificates for 2023 Second Interim Dividend | (on or about) 8th April, 2024 |
| Closure of register of members – 2024 AGM | From 7th May, 2024 to 10th May, 2024 (Both days inclusive) |
| 2024 AGM | 10th May, 2024 |
| 2024 interim results to be announced | August, 2024* |
| * Subject to change | |

Share Listing

The Stock Exchange of Hong Kong Limited

Share Registrar

Tricor Standard Limited

Telephone: (852) 2980 1333

Facsimile: (852) 2810 8185

Adr Depository Bank

BNY Mellon

Telephone: 1-888-BNY-ADRS

E-mail: shrrelations@cpushareownerservices.com

Registered Office

10 Des Voeux Road Central, Hong Kong

Telephone: (852) 3608 3608

Facsimile: (852) 3608 6000

Website: www.hkbea.com

E-mail: info@hkbea.com

財務日誌

| | |
|------------------------------|-------------------------------|
| 公布2023年度全年業績 | 2024年2月21日 |
| 宣布派發2023年度第二次中期股息(可選擇以股代息) | 2024年2月21日 |
| 2023年度第二次中期股息除淨日期 | 2024年3月6日 |
| 暫停辦理股票過戶登記手續 – 2023年度第二次中期股息 | 由2024年3月8日至2024年3月12日(包括首尾兩天) |
| 2023年度第二次中期股息記錄日期 | 2024年3月12日 |
| 寄發以股代息通函及選擇表格 | 2024年3月12日 |
| 寄發2023年度第二次中期股息單及股票 | (約於) 2024年4月8日 |
| 暫停辦理股票過戶登記手續 – 2024股東周年常會 | 由2024年5月7日至2024年5月10日(包括首尾兩天) |
| 2024股東周年常會 | 2024年5月10日 |
| 公布2024年度中期業績 | 2024年8月* |
| *可予更改 | |

股份上市

香港聯合交易所有限公司

股份登記處

卓佳標準有限公司

電話: (852) 2980 1333

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This Annual Report (both English and Chinese versions) is now available in printed form and on the website of the Bank at www.hkbea.com and HKEX's website at www.hkexnews.hk.

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