THE FUBON EXPERIENCE
貼心便捷 富邦體驗

Fubon Bank 富邦銀行

Fubon Bank (Hong Kong) Limited
富邦銀行(香港)有限公司

Annual Report 2019 年年報

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富邦金控成員

CORPORATE PROFILE

Fubon Bank (Hong Kong) Limited ("Fubon Bank") is a wholly owned subsidiary of Fubon Financial Holding Co., Ltd. ("Fubon Financial Holdings"), one of the largest financial holding companies in Taiwan. Fubon Financial Holdings is now the only Taiwanese financial institution with banking subsidiaries in China, Taiwan and Hong Kong. Fubon Bank operates 19 branches and 1 Securities Services Centre in Hong Kong, providing a wide range of financial services encompassing consumer and wholesale banking, wealth management, financial markets, securities brokerage and investment services. Fubon Bank holds an A-2 short-term, BBB+ long-term rating from Standard & Poor's. The rating reflects Fubon Bank's strong capitalization, good liquidity and sound asset quality.

公司簡介

富邦銀行(香港)有限公司(「富邦銀行」)是富邦金融控股股份有限公司(「富邦金控」)的全資附屬公司。富邦金控為台灣最大的金融控股公司之一，也是唯一「在兩岸三地均擁有銀行子行」的台資金融機構，擁有最完整的金融服務平台。富邦銀行於香港透過19間分行及1間證券投資服務中心為客戶提供全面的優質銀行服務，包括零售及商業銀行、財富管理、金融市場、證券及投資服務。富邦銀行獲標準普爾授予A-2短期及BBB+長期信貸評級。該評級反映富邦銀行資本雄厚，流動資金充裕及資產質素優良。

ACCOLADES

Sky Post
Banking & Finance Awards 2019
– Excellence Award for Commercial Finance Solutions

The Hong Kong General Chamber of Small and Medium Business
Best SME's Partner Award

The Asset
Triple A Country Awards 2019
– Best Acquisition Finance (Hong Kong)
– Best Green Loan (China)

U Magazine
U Magazine Travel Awards 2019
– The Most Favourite Travel Credit Card

Tiptop Consultants Ltd.
Tiptop Service Award
– Persistently Outstanding Service Company (2018-2019)
– Persistently Outstanding Service Outlet (2018-2019)

LACP
2018 Vision Awards Annual Report Competition
– Gold Award
Top 80 Chinese Reports of 2018
Outstanding Production Value
Technical Achievement Award

Bank of New York Mellon
Straight Through Processing Award

Employees Retraining Board
ERB Manpower Developer Award Scheme
– Manpower Developer

The Hong Kong Institute of Bankers
HKIB Talent Development Award 2019

Environment Bureau, HKSAR Government
Charter on External Lighting – Platinum Award

Environmental Campaign Committee
Wastewi$e Certificate
Energywi$e Certificate
Hong Kong Green Organisation

Hong Kong Council of Social Service
10 Years Plus Caring Company Logo

榮譽

晴報
Banking & Finance Awards 2019
－傑出商業金融方案大獎

香港中小型企業總商會
中小企業最佳拍檔獎

財資
Triple A Country Awards 2019
－最佳融資交易銀行(香港)
－最佳綠色貸款(中國)

U Magazine
U Magazine 旅遊大獎 2019
－我最喜愛旅遊信用卡

天高管理發展有限公司
天高服務獎
－持續超卓表現機構 (2018-2019)
－持續超卓表現分店 (2018-2019)

LACP
2018 Vision Awards 年報比賽
－金獎
2018 年最佳 80 本中文年報
高度生產價值獎
技術成就獎

紐約梅隆銀行
直通式聯繫結算處理獎

僱員再培訓局
ERB 人才企業嘉許計劃
－人才企業

香港銀行學會
HKIB 人才發展獎 2019

香港特別行政區政府環境局
戶外燈光約章－鉑金獎

環境運動委員會
減廢證書
節能證書
香港綠色機構

香港社會服務聯會
10 年 Plus「商界展關懷」標誌

FIVE-YEAR FINANCIAL SUMMARY
五個年度之財務概要

	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
For the Year (HK$ Million) **全年(百萬港元)**					
Profit before Taxation 除稅前溢利	**717**	924	693	708	613
Profit for the Year 年度溢利	**601**	823	583	635	522
At Year End (HK$ Million) **於年結日(百萬港元)**					
Total Equity 權益總額	**14,647**	14,024	14,368	11,373	10,806
Total Assets 資產總額	**111,407**	102,787	98,484	95,648	90,993
Advances to Customers less Impairment Allowances 客戶貸款減減值撥備	**52,308**	47,699	47,583	43,319	42,495
Customer Deposits 客戶存款	**75,043**	68,248	62,068	63,564	58,385
Financial Ratios (%) **財務比率 (%)**					
Return on Average Equity 平均股本回報率	**4.19**	5.61	4.81	5.72	4.92
Return on Average Assets 平均資產回報率	**0.56**	0.82	0.60	0.68	0.60
Total Capital Ratio 總資本比率	**19.66**	20.60	19.42	17.02	16.62
Average Liquidity Maintenance Ratio 平均流動性維持比率	**67.09**	54.83	50.52	48.49	45.82
Loan-to-deposit Ratio 貸存比率	**65.88**	66.73	73.25	64.78	69.40

Profit for the Year
年度溢利

HK$ Million
百萬港元

Advances to Customers less Impairment Allowances
客戶貸款減減值撥備

HK$ Million
百萬港元

Total Assets
資產總額

HK$ Million
百萬港元

Customer Deposits
客戶存款

HK$ Million
百萬港元

CORPORATE INFORMATION
公司資料

SHAREHOLDER

100% – Fubon Financial Holding Co., Ltd.

股東

100% – 富邦金融控股股份有限公司

AUDITORS

KPMG

核數師

畢馬威會計師事務所

COMPANY SECRETARY

Juliana CHIU Yuk Ching

公司秘書

趙玉貞

REGISTERED OFFICE

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

註冊辦事處

香港中環
德輔道中38號
富邦銀行大廈

BOARD OF DIRECTORS
董事

Daniel TSAI Ming Chung

Chairman

Aged 63. Mr. Tsai joined Fubon Group in 1981. He is currently the Chairman of the Fubon Group, Taiwan Mobile Co., Ltd. and Taiwan Fixed Network Co., Ltd. Mr. Tsai is also the Standing Director of Taipei Fubon Commercial Bank Co., Ltd. and Director of Fubon Bank (China) Co., Ltd. Mr. Tsai has extensive experience in banking and telecommunication services, as well as land development, construction management and building leasing business. He holds a Master of Law Degree (1979) from Georgetown University and a Bachelor of Law Degree (1978) from National Taiwan University. Mr. Tsai is the elder brother of Mr. Richard Tsai Ming Hsing. He became a Director of the Bank in February 2004.

蔡明忠

主席

六十三歲。蔡先生於一九八一年加入富邦集團，現時為富邦集團、台灣大哥大股份有限公司及台灣固網股份有限公司之董事長。蔡先生現時亦擔任台北富邦商業銀行股份有限公司的常務董事及富邦華一銀行有限公司的董事。蔡先生於銀行、電訊服務、土地發展、建築管理及樓宇租賃業務方面具有豐富的經驗。他持有喬治城大學法律碩士學位(一九七九年)以及國立臺灣大學法律學士學位(一九七八年)。蔡先生是蔡明興先生之胞兄。他於二零零四年二月出任本行董事。

Richard TSAI Ming Hsing

Vice Chairman

Aged 62. Mr. Tsai joined Fubon Group in 1983. He is the Chairman of Fubon Financial Holding Co., Ltd. and Fubon Life Insurance Co., Ltd. Mr. Tsai is also the Director of Taiwan Mobile Co., Ltd. and Taiwan Fixed Network Co., Ltd. Mr. Tsai has over 30 years of experience in financial and insurance businesses. He holds a Master of Finance Degree (1981) from New York University and a Bachelor of Business Administration Degree (1979) from National Taiwan University. Mr. Tsai is the younger brother of Mr. Daniel Tsai Ming Chung. He became a Director of the Bank in February 2004.

蔡明興

副主席

六十二歲。蔡先生於一九八三年加入富邦集團，是富邦金融控股股份有限公司及富邦人壽保險股份有限公司的董事長。蔡先生現時亦為台灣大哥大股份有限公司及台灣固網股份有限公司的董事。蔡先生於金融及保險業擁有超過三十年的經驗。他持有紐約大學財務金融碩士學位(一九八一年)及國立臺灣大學工商管理學士學位(一九七九年)。蔡先生是蔡明忠先生的胞弟。他於二零零四年二月出任本行董事。

Raymond LEE Wing Hung

Executive Director

Aged 70. Mr. Lee was appointed Chief Executive Officer and Managing Director of the Bank in May 2012. He is the Director of Fubon Life Insurance (Hong Kong) Company Limited. Mr. Lee is a professional accountant and veteran banker with over 40 years of extensive international banking experience acquired both locally and overseas. He was the Executive Director and Chief Financial Officer of the BOC Hong Kong (Holdings) Limited ("BOCHK") from 2004 to 2009. Before joining BOCHK, he was a Director, Alternate Chief Executive and Managing Director of CITIC International Financial Holdings Limited and a Director and Chief Executive of The Hong Kong Chinese Bank. He was seconded by the Bank of New York in 1992 to serve as a Director and Alternate Chief Executive of Wing Hang Bank and had remained in that capacity until 1999. While serving in Wing Hang, Mr. Lee was concurrently a Senior Vice President and Managing Director of the Bank of New York, where he had served in different capacities in New York and Toronto since 1982. Prior to 1982, he had worked for Bank of America for 8 years in various positions in different Asian and North American cities. Mr. Lee is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

李永鴻

執行董事

七十歲。李先生於二零一二年五月獲委任為本行行政總裁兼董事總經理。他現時亦為富邦人壽保險(香港)有限公司之董事。李先生是位專業會計師及資深銀行家，在本地及海外銀行業積逾四十年豐富的國際銀行經驗。李先生於二零零四年至二零零九年期間出任中銀香港(控股)有限公司(「中銀香港」)的執行董事及財務總監。於加入中銀香港之前，李先生曾擔任中信國際金融控股有限公司董事、替代總裁及董事總經理及香港華人銀行董事兼總裁。在一九九二年至一九九九年期間，李先生獲紐約銀行借調出任永亨銀行董事兼替代總裁；在此期間，李先生亦同時擔任紐約銀行高級副總裁及總經理。李先生於一九八二年加入紐約銀行，並曾在紐約及多倫多擔任不同職位。於一九八二年之前，李先生在美國銀行工作了八年，在亞洲及北美洲多個城市擔任不同職位。李先生為英國特許公認會計師公會資深會員及香港會計師公會會員。

Jerry HARN Wey Ting

Non-Executive Director

Aged 58. Mr. Harn joined Fubon Group in 2005, currently serves as President and Director of Fubon Financial Holding Co., Ltd. and Chairman of Fubon Securities Co., Ltd. He has over 30 years of experience in financial business. Prior to this, he was the Executive Vice President of Chinatrust Commercial Bank and Vice President of Citibank Taiwan. Mr. Harn is also the Director of Fubon Bank (China) Co., Ltd. and Taipei Fubon Commercial Bank Co., Ltd. Mr. Harn holds a Master of Business Administration Degree from The Ohio State University. He became a Director of the Bank in January 2014.

韓蔚廷

非執行董事

五十八歲。韓先生於二零零五年加入富邦集團，現為富邦金融控股股份有限公司總經理兼董事及富邦綜合證券股份有限公司董事長。他於金融業有超過三十年經驗。在此之前，他曾擔任中國信託商業銀行資深副總經理及花旗銀行台北分行副總裁。韓先生亦為富邦華一銀行有限公司及台北富邦商業銀行股份有限公司董事。韓先生持有俄亥俄州立大學工商管理碩士學位。他於二零一四年一月出任本行董事。

Eric CHEN Sun Te

Non-Executive Director

Aged 65. Mr. Chen is the Chairman of Taipei Fubon Commercial Bank Co., Ltd. He has over 36 years of experience in the banking and financial industry. Mr. Chen is also a Director of Fubon Financial Holding Co., Ltd., Fubon Bank (China) Co., Ltd. and Fubon Securities Co., Ltd. He is also an Independent Director of Uni-President China Holdings Ltd. and Lion Travel Services Co., Ltd. Prior to joining Fubon Group, Mr. Chen was the President of North Asia and Greater China of Fullerton Financial Holdings, a Temasek wholly owned subsidiary, President of Chinatrust Financial Holding Co., Ltd. (now known as CTBC Financial Holding Co., Ltd.) and Country Corporate Officer for Citigroup, Taiwan. Mr. Chen received a Master Degree in Business Administration from University of Missouri and a Bachelor Degree in Political Science from National Chengchi University. Mr. Chen became a Director of the Bank in June 2016.

陳聖德

非執行董事

六十五歲。陳先生現為台北富邦商業銀行股份有限公司之董事長。他於銀行及金融業擁有逾三十六年經驗。陳先生現時亦為富邦金融控股股份有限公司、富邦華一銀行有限公司及富邦綜合證券股份有限公司之董事。他同時亦為統一企業中國控股有限公司及雄獅旅行社股份有限公司之獨立董事。在加入富邦集團之前，陳先生曾擔任富登金融控股私人有限公司(新加坡淡馬錫控股之全資子公司)北亞及大中華地區總經理，中國信託金融控股股份有限公司(現為中國信託金融控股(股)公司)總經理及花旗集團台灣區負責人。陳先生持有密蘇里大學工商管理碩士學位及國立政治大學政治學學士學位。他於二零一六年六月出任本行董事。

Roman CHENG Yao Hui

Non-Executive Director

Aged 54. Mr. Cheng is President and Standing Director of Taipei Fubon Commercial Bank Co., Ltd. He is also the Chairman of Fubon AMC, Ltd. and Director of Fubon Bank (China) Co., Ltd. Prior to that, Mr. Cheng was the Director and Chairman of Strategy Committee of Haier Consumer Finance Co., Ltd., Senior Vice President of Fullerton Financial Holdings Pte Ltd. (subsidiary of Temasek Holdings (Private) Limited) and Chief Executive Officer and Director of Fullerton Investment & Credit Guarantee Co., Ltd. and Fullerton Commercial Factoring Co., Ltd. Mr. Cheng holds a Master of Business Administration Degree and a Bachelor Degree in Diplomacy from the National Chengchi University. He became a Director of the Bank in March 2018.

程耀輝

非執行董事

五十四歲。程先生現為台北富邦商業銀行股份有限公司總經理及常務董事。他亦為富邦資產管理股份有限公司董事長及富邦華一銀行有限公司董事。在此之前，程先生曾為海爾消費金融公司董事、戰略委員會主任委員、新加坡淡馬錫集團富登金融控股公司高級副總裁及旗下富登投資信用擔保有限公司及富登商業保理有限公司之首席執行官及董事。程先生持有臺灣國立政治大學外交系學士學位及企業管理研究所碩士學位。他於二零一八年三月出任本行董事。

Robert James KENRICK

Independent Non-Executive Director

Aged 72. Mr. Kenrick was a partner of the international accounting firm KPMG from 1988 to 1998 and a member of the Financial Accounting Standards Committee of the Hong Kong Institute of Certified Public Accountants from 1992 to 2001. He holds a Master of Arts and Bachelor of Arts Degree (1969) from Cambridge University and is a Certified Public Accountant (Hong Kong) and Chartered Accountant (England & Wales). He became a Director of the Bank in April 1999.

甘禮傑

獨立非執行董事

七十二歲。甘先生於一九八八年至一九九八年間為國際會計師行畢馬威會計師事務所的合夥人，並於一九九二年至二零零一年間為香港會計師公會財務會計準則委員會成員。甘先生持有劍橋大學文學碩士學位及學士學位(一九六九年)，現為香港執業會計師及英格蘭及威爾斯特許會計師。他於一九九九年四月出任本行董事。

SHIH Hung

Independent Non-Executive Director

Aged 65. Mr. Shih is an Independent Non-Executive Director of Fubon Life Insurance (Hong Kong) Company Limited. He was the Director of China Renaissance Capital Advisors Limited and Managing Director of China Renaissance Capital Investment Limited. Prior to this, he was also the Managing Director and the China Country Head of UBS AG. Mr. Shih holds both a Master of Business Administration Degree (1982) and a Master of Law Degree (1980) from the University of Michigan, as well as a Bachelor of Law Degree (1976) from National Taiwan University. He became a Director of the Bank in February 2004.

石宏

獨立非執行董事

六十五歲。石先生現為富邦人壽保險(香港)有限公司之獨立非執行董事。他曾為崇德投資顧問有限公司之董事及崇德基金投資有限公司董事總經理。在此之前，他亦曾是UBS AG董事總經理兼中國區域主管。石先生持有密歇根大學工商管理碩士學位(一九八二年)及法律碩士學位(一九八零年)，以及國立臺灣大學法律學士學位(一九七六年)。他於二零零四年二月出任本行董事。

Peter PANG Sing Tong

Independent Non-Executive Director

Aged 64. Mr. Pang joined the Hong Kong Monetary Authority ("HKMA") as Executive Director (Banking Policy) in 1994 and was appointed as Executive Director (Monetary Policy and Markets) in 1996. Mr. Pang was seconded to the Hong Kong Mortgage Corporation and assumed the position of the Chief Executive Officer in 1997 till 2004. He was appointed as Deputy Chief Executive of the HKMA from July 2004 to February 2016. Mr. Pang holds a Bachelor Degree of Social Science from The University of Hong Kong and a Master Degree in Management from the Stanford University. He became a Director of the Bank in April 2018.

彭醒棠

獨立非執行董事

六十四歲。彭先生於一九九四年加入香港金融管理局(「金管局」)擔任助理總裁(銀行政策)及於一九九六年被委任為助理總裁(金融政策及市場)。彭先生於一九九七年至二零零四年期間借調至香港按揭證券有限公司出任該公司之總裁，並於二零零四年七月至二零一六年二月期間出任金管局之副總裁。彭先生持有香港大學社會科學學士學位及史丹福大學管理碩士學位。他於二零一八年四月出任本行董事。

SENIOR MANAGEMENT
高級管理層

Raymond LEE Wing Hung
Chief Executive Officer and Managing Director

(Biographical details are set out on page 7)

李永鴻
行政總裁兼董事總經理

（資料詳情見第7頁）

Henry WANG Hao Jen
Executive Vice President and Chief Financial Officer

Mr. Wang joined the Bank in April 2009 and currently oversees the Bank's financial control, legal and corporate communications functions. Mr. Wang is an experienced professional with over 25 years of related work experience. Before joining the Bank, Mr. Wang has held various senior positions in marketing and finance fields in The Chase Manhattan Bank, N.A., Banque Nationale de Paris, Taiwan Semiconductor Manufacturing Company, Ltd., Taiwan Mobile Co., Ltd. and Primax Electronics Co., Ltd. Mr. Wang obtained an MBA degree from Rutgers, The State University of New Jersey, U.S.A. and a BA degree in Finance, National Taiwan University.

王浩人
執行副總裁兼財務長

王先生於二零零九年四月加盟本行，現監管本行之財務管理、法務及企業傳訊等範疇。他在銀行界及商業界已累積了超過二十五年的專業經驗。王先生在加入本行前，曾於多家主要國際性銀行及台資機構擔任業務與財務相關要職，其中包括美商大通銀行、法國國家巴黎銀行、台灣積體電路製造(股)公司、台灣大哥大(股)公司及致伸科技公司。王先生擁有美國羅格斯大學企管碩士及國立臺灣大學財務金融學士學位。

Carmen YIP Ka Man
Executive Vice President and Head of Retail Banking Group

Ms. Yip joined the Bank in January 2000 and overseeing the Bank's Retail Banking Group, including Channel and Wealth Management, Consumer Finance, Securities Services and Retail Credit Approval and Administration. Ms. Yip held management positions in local and foreign banks, gaining expertise in retail banking. She obtained a Bachelor of Social Sciences degree from The University of Hong Kong.

葉嘉敏
執行副總裁兼零售銀行部主管

葉女士在二零零零年一月加盟本行，現掌管本行的零售銀行業務，包括通路及財富管理、消費金融、證券投資服務及零售信貸批核及行政部。葉女士曾任多間本地及外資銀行管理要員，在零售銀行服務方面擁有豐富的經驗。葉女士持有香港大學社會科學學士學位。

Henry NG Yuk Hang
Executive Vice President and Head of Institutional Banking Group

Mr. Ng possesses extensive experience in commercial and corporate banking as well as credit administration and risk assets management. Before joining the Bank, he was Senior Vice President, Private Banking Credit Head of DBS Bank. He also held key positions in various banks including Bank of New York – Hong Kong Branch, Wing Hang Bank, Citic Ka Wah Bank, East West Bank – Hong Kong Branch, and DBS Bank. Mr. Ng obtained a Master of Business Administration degree from The City University, London and is an Associate of The Hong Kong Institute of Bankers.

吳毓鏗
執行副總裁兼企業及機構銀行部主管

吳先生於商業及企業銀行、信貸管理和資產風險管理具豐富經驗。加盟本行前，吳先生於星展銀行擔任高級副總裁兼私人銀行業務信貸主管，他亦曾於多間銀行擔任要職，其中包括紐約銀行 – 香港分行、永亨銀行、中信嘉華銀行、華美銀行 – 香港分行及星展銀行。吳先生持有倫敦城市大學工商管理碩士學位及現為香港銀行學會會士。

(From left) Henry Wang, Executive Vice President & Chief Financial Officer; Raymond Lee, Chief Executive Officer & Managing Director; Carmen Yip, Executive Vice President & Head of Retail Banking Group; Henry Ng, Executive Vice President & Head of Institutional Banking Group

（左起） 執行副總裁兼財務長王浩人、行政總裁兼董事總經理李永鴻、執行副總裁兼零售銀行部主管葉嘉敏、執行副總裁兼企業及機構銀行部主管吳毓鏗

CHAIRMAN'S STATEMENT
主席匯報

Looking back on 2019, it will be remembered as a year when Hong Kong was deeply impacted by social instability, only to be overshadowed by the onset of the novel coronavirus (COVID-19) outbreak at year's end. The first half of the year began on a positive note but then the economy suffered an abrupt deterioration in the second half. Gross Domestic Product contracted by about 1.3%, down heavily from the growth of 3.0% in 2018 and 3.8% in 2017. Retail sales shrank 10% along with a sharp fall of 14% in tourist arrivals. Both imports and exports of goods registered negative growth, resulting in a 5.4% year-on-year decrease in total trade. Uncertainties over the local economic slowdown caused by the U.S.-China trade tensions dampened the local property market, and business sentiment towards the end of the year turned pessimistic. Falling USD LIBOR rates strengthened the Hong Kong Dollar and pushed down the USD/HKD exchange rate to nearly HK$7.80. This development, together with the strong liquidity in the local market, led to a decrease in the Hong Kong Dollar prime rate in November 2019, marking the first prime rate reduction in more than a decade.

2019年將是令人回想為香港深受社會動盪局勢影響的一年，直至年底才被新型冠狀病毒爆發的陰霾所籠罩。去年經濟於上半年開始時出現利好消息，但下半年卻突然轉差。本地生產總值下跌近1.3%，大幅低於2018年錄得3.0%增長以及2017年錄得3.8%增長。隨著訪港旅客銳減14%，零售業銷貨額下跌10%。貨物進出口均出現負增長，貿易總額按年下跌5.4%。由中美貿易戰所導致本地經濟放緩的不確定性增加，對本地物業市場造成打擊，年末營商情緒更轉趨悲觀。美元倫敦銀行同業拆息下跌令港元走強，並將美元兑港元匯率推低至接近每美元兑7.80港元。此發展加上本地市場流動資金充裕，導致港元最優惠利率於2019年11月下調，為十多年來的首次。

Amid these volatile market conditions, Fubon Bank (Hong Kong) Limited ("the Bank") continued to follow a prudent growth strategy to grow its interest earning assets and expand its wealth management business. However, while the Bank's operating profit increased by 3% to HK$721 million, the sale of our entire shareholding in Xiamen Bank Co., Ltd ("Xiamen Bank") to our parent company in November 2018 led to a significant reduction in the Bank's non-operating income. As a result, the Bank recorded a net profit of HK$601 million for the year ending 31 December 2019, a 27% decrease when compared with 2018.

在波動的市場情況下，富邦銀行(香港)有限公司(「本行」)繼續採取穩中求進的策略，以增加生息資產及拓展財富管理業務。然而，儘管本行的經營溢利增加 3% 至 7.21 億港元，但由於本行於 2018 年 11 月向母公司出售廈門銀行股份有限公司(「廈門銀行」)的全部股份，導致本行非營運收入大幅減少。因此，本行於截至 2019 年 12 月 31 日止錄得全年淨溢利 6.01 億港元，較2018年減少27%。

On the corporate banking business side, we continued to expand our market penetration in this sector. Net interest income and credit fee income from our corporate customers registered a double-digit increase. This was attributed to solid increases in loans and deposits, and modest gains in spreads. We continuously strive to introduce even easier access to bank financing and banking services through the use of internet and mobile banking technologies. Our aim is to become a valuable banking partner to our corporate customers. Leveraging on the Fubon Group's extensive network in the region, we continued to deepen relationships with customers by providing a wide range of trade-related and general banking services through collaboration with Fubon Bank (China) and Xiamen Bank.

在企業金融業務方面，本行繼續擴大在該領域的市場滲透率。受惠於貸款及存款穩健增長，以及息差溫和擴闊，來自企業客戶的淨利息收入及信貸費用收入錄得雙位數增長。我們繼續致力透過互聯網及流動理財技術，提供更便捷的融資及銀行服務。我們旨在成為企業客戶重要的銀行夥伴。憑藉富邦集團在區內的龐大網絡，以及透過與富邦華一銀行及廈門銀行合作，我們繼續為客戶提供多元化的貿易相關及一般銀行服務，並深化與他們的關係。

Our Bank is committed to Hong Kong's small-and-medium enterprises ("SMEs") sector. Our commitment to provide comprehensive and high-quality services to SMEs remained a core business strategy. Examples of our efforts to support our SME customers include innovative products such as our Merchant Receivables Financing. Our dedication to this market was recognized by a number of industry awards received during the year. We were presented with the "Best SME's Partner Award" from The Hong Kong General Chamber of Small and Medium Business and the "Banking & Finance Awards 2019 – Excellence Award for Commercial Finance Solutions" from Sky Post.

本行致力發展香港的中小型企業(「中小企」)業務，為中小企提供全面且優質的服務亦是我們的核心業務策略，如本行推出「先享錢」信用卡商戶貸款等創新產品，以支援中小企客戶。我們在中小企市場的努力於年內獲得多個行業獎項，包括獲香港中小型企業總商會頒發「中小企業最佳拍檔獎」，以及獲《晴報》頒發「Banking & Finance Awards 2019－傑出商業金融方案大獎」。

Looking at retail banking, we took advantage of our Fintech initiatives to upgrade our virtual banking services and realign our branch network to enhance the customer banking experience. The number of customers using our digital banking services increased during the year and our digital banking services were well-received by our customers for being secure and efficient. We successfully launched an online foreign exchange platform and an integrated API platform to further enhance our digital banking experience. Our efforts in providing exceptional services for our retail customers and promoting green finance also gained recognition. We received the "Tiptop Service Award – Persistently Outstanding Service Company (2018-2019)" from Tiptop Consultants Ltd., and our award-winning credit card platform, "Travel Companion", not only maintained a healthy and stable card portfolio, but again received the "U Magazine Travel Awards 2019 – The Most Favourite Travel Credit Card" from U Magazine, affirming our leading position in the market for "Travel Companion".

在零售銀行業務方面，本行運用金融科技提升虛擬銀行服務，並重整分行網絡以提升客戶體驗。我們數位化銀行服務的客戶數目於年內有所增加，而有關服務在安全及效率方面亦深受客戶讚賞。本行成功推出網上外幣兌換平台及綜合應用程式介面平台，進一步提升本行的數位化銀行服務體驗。同時，我們為零售客戶提供卓越服務及在推廣綠色金融方面的努力亦獲得認可。本行不但獲天高管理發展有限公司頒發「天高服務獎－持續超卓表現機構 (2018-2019) 」，我們屢獲殊榮的信用卡平台「旅遊夥伴」亦不僅維持了穩健的信用卡貸款組合，更再次獲《U Magazine》頒發「U Magazine 旅遊大獎2019－我最喜愛旅遊信用卡」，肯定了我們在市場上作為「旅遊夥伴」的領導地位。

We continued our efforts to enhance the "Fubon Experience" by upgrading our digital banking through various Fintech initiatives. The completion of the Core Banking System Replacement Project in 2019 also marked a milestone in our technology development. Through our physical and virtual platforms, we are committed to improving the quality of our services to create a seamless customer service environment.

我們繼續致力透過各種金融科技舉措提升數位化銀行服務，從而提升「富邦體驗」。我們於2019年完成了核心銀行系統的更新工程，標誌著本行技術發展的一個里程碑。透過本行的實體及虛擬平台，我們致力提升服務質素，以建設一個無縫的客戶服務環境。

As a socially responsible organization, we emphasize a corporate culture that includes placing the interests of our customers and staff as a corporate priority. We encourage corporate and staff behaviours that contribute towards environmental sustainability. We have been recognized as a "Hong Kong Green Organisation" by the Environmental Campaign Committee, and we were given the "Charter on External Lighting – Platinum Award" by the Environment Bureau of the HKSAR Government.

作為一個對社會負責任的機構，我們的企業文化著重把客戶及員工的利益置於首位。我們鼓勵企業及員工對環境可持續性作出貢獻。去年，本行獲環境運動委員會頒發「香港綠色機構」榮銜，並獲香港特別行政區政府環境局頒發「戶外燈光約章－鉑金獎」。

Over the past years, we have unceasingly made substantial efforts to promote operational efficiency and sustainability. Our paperless plan is part of this initiative, which coupled with our efforts to streamline procedures and processes through automation, will see us achieve this goal. Our deep commitment to empower our staff by providing them with training, education sponsorship and career development earned us the recognition of "Manpower Developer" under the Employees Retraining Board's "ERB Manpower Developer Award Scheme" in 2019. Also, we were awarded the "Talent Development Award 2019" from The Hong Kong Institute of Bankers.

過去數年，我們不斷提升營運效率及可持續發展。我們的無紙化計劃是此舉措的一部分，加上本行致力透過自動化以精簡程序及流程，我們勢將實現此目標。我們藉著為員工提供培訓、教育資助及職業發展來培育員工，令本行於 2019 年獲僱員再培訓局嘉許為「ERB人才企業嘉許計劃」的「人才企業」，並獲香港銀行學會頒發「人才發展獎」。

Persistent volatility in the global economy and slower economic growth in both Mainland China and Hong Kong have made operating conditions more challenging than ever. Tariff measures introduced by the U.S. and Chinese governments will continue to depress business sentiment. The novel coronavirus (COVID-19) pandemic is all but assured that 2020 will be a difficult year for the global economy. Nevertheless, the Bank will remain vigilant in its risk management to ensure that a prudent growth strategy is in place to help us capitalize on new opportunities and maintain sustainable growth. As always, we will take advantage of the strengths of our parent company, Fubon Financial Holdings, to reinforce our business in the Greater China Region.

全球經濟持續波動，加上中國內地及香港經濟增長放緩，令經營環境較以往更具挑戰性。美國及中國政府推出的關稅措施將繼續壓抑營商氣氛。新型冠狀病毒大流行無疑令 2020 年成為全球經濟最艱難的一年。儘管如此，本行將加強風險管理，堅守穩中求進的策略，助本行把握新機遇及維持可持續增長。我們將繼續憑藉母公司富邦金控的優勢，鞏固我們在大中華地區的業務。

Last but not least, I would like to express my sincere gratitude to our Board, management and all staff members for demonstrating professionalism and perseverance in such a difficult operating environment. Going forward, we will continue to provide high-quality services so that we can become the preferred banking partner of our valued customers and deliver the unique "Fubon Experience".

最後，本人謹此向董事會、管理層及全體員工致以衷心謝意，感謝他們在這艱難的經營環境中展現專業且堅毅不屈的精神。展望未來，我們將繼續提供優質的服務，令我們成為尊貴客戶的首選銀行夥伴，為客戶提供獨特的「富邦體驗」。

Daniel M. Tsai
Chairman
April 2020

蔡明忠
主席
2020年4月

CHIEF EXECUTIVE'S REPORT
行政總裁報告

Amid an uncertain and challenging market environment, Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries ("the Group") reported a net profit of HK$601 million for the year ended 31 December 2019, representing a year-on-year decrease of 27% as compared with 2018. Return on average equity and return on average assets were 4.19% and 0.56%, respectively, compared with 5.61% and 0.82% in 2018. The decline in net profit was mainly attributable to the reduction in the share of profits from Xiamen Bank Co., Ltd. ("Xiamen Bank") upon the disposal of the Bank's entire shareholding in Xiamen Bank to its parent company, Fubon Financial Holding Co., Ltd. ("Fubon Financial Holdings"), in November 2018. Nevertheless, the Group's core operating profit after impairment losses increased by 3% to HK$721 million.

在不明朗和充滿挑戰的市場環境中，富邦銀行(香港)有限公司(「本行」)及其附屬公司(「本集團」)截至2019年12月31日止錄得全年淨溢利6.01億港元，較2018年下跌27%。平均股本回報率及平均資產回報率分別為4.19%及0.56%，而2018年則分別為5.61%及0.82%。淨溢利下降，主要由於我們在2018年11月出售本行於廈門銀行股份有限公司(「廈門銀行」)的全部股份予母公司富邦金融控股股份有限公司(「富邦金控」)後於廈門銀行的應佔溢利減少。儘管如此，本集團扣除減值虧損之核心經營溢利增加3%至7.21億港元。

Benefiting from the growth in average interest-earning assets, net interest income rose by 4% to HK$1,416 million. Net interest margin for the year, however, narrowed by four basis points to 1.49% primarily due to the increase in deposit costs, which outweighed the improvement in the overall assets yield. Average interest-earning assets grew by 7%, underpinned by the expanding loan and debt securities investment portfolios.

受惠於生息資產均額增長，淨利息收入上升4%至14.16億港元。然而，年內淨息差收窄4個基點至1.49%，這主要由於存款成本增加的幅度超過整體資產收益的增幅。受貸款及債務證券投資組合擴展所帶動，生息資產均額上升7%。

Net fee and commission income increased by 2% to HK$296 million. The rise was attributed to the increase in credit related services and insurance services income by 15% and 14%, respectively. On the other hand, securities brokerage and investment services income was impacted by significantly lower turnover in the stock market and declined by 30%. Unit trust services income also decreased by 24%.

信貸業務及保險業務收入分別增加15%及14%，帶動淨費用及佣金收入上升2%至2.96億港元。另一方面，受股票市場成交顯著縮減影響，證券經紀及投資服務收入下跌30%，信託基金業務收入亦減少24%。

The increase in other operating income was due to lower mark-to-market losses on foreign exchange swaps. Total non-interest income increased by 5% to HK$347 million. The non-interest income-to-total operating income ratio was stable at 19.7%.

其他營運收入增加乃由於外匯掉期按市值計算的虧損減少。總非利息收入增長5%至3.47億港元，非利息收入對總營運收入比率維持19.7%。

Operating expenses decreased by 7% to HK$899 million. The cost-to-income ratio dropped to 51.0% compared with 57.2% in 2018. The Group continued its effective cost control measures while remaining committed to allocating resources and investing in the development of a robust Fintech framework.

營運支出下降7%至8.99億港元，成本對收入比率下跌至51.0%，而2018年則為57.2%。本集團持續採取有效的成本控制措施，並同時繼續在發展穩健的金融科技框架方面分配資源及作出投資。

Regarding Fintech, in 2019 the Bank successfully replaced its fragmented Core Banking System with a single system named Finacle. With many new functionalities, Finacle provides a platform for the Bank to develop a Fintech strategy. Virtualization of our banking services is a central theme in our medium term strategy. Among our efforts in 2019, we introduced software token authentication, developed an Open API environment, and launched the Faster Payment System. In the next two years, the Bank plans to provide a virtual channel allowing our customers to conduct most, if not all, of their major banking services via the internet and mobile banking.

在金融科技方面，本行於2019年成功以單一系統Finacle取代舊有的核心銀行系統。Finacle擁有多項新功能，為本行提供一個發展金融科技策略的平台。銀行服務虛擬化為我們中期策略的核心主題。於2019年，我們引入了保安編碼器認證系統，發展開放應用程式介面平台，並推出「轉數快」服務。未來兩年，本行計劃為客戶提供虛擬渠道，透過網上及流動理財進行大部分甚至全部主要的銀行服務。

During the year, the Bank won an appeal in the Court of Appeal against a High Court judgment in 2016 which awarded a net aggregate amount of HK$96 million to the plaintiff. This resulted in the Bank recovering the entire amount from the plaintiff in 2019. The plaintiff's attempt to obtain leave to appeal to the Court of Final Appeal was rejected in early 2020, which represented a final closure to this litigation. The litigation related to a loan syndication transaction that originated in 1998.

年內，本行就高等法院於2016年的一項須向原告賠償淨額合共9,600萬港元的判決向上訴法庭提出上訴，最終得直。因此，本行於2019年向原告悉數取回該筆款項。原告曾嘗試向終審法院取得上訴許可，惟於2020年初被駁回，表示該訴訟已經完結。此訴訟乃關於1998年的一宗銀團貸款交易。

While the Bank's impaired loan ratio at the end of 2019 was low at 0.33%, the Bank made a provision of HK$93 million for loan impairment for stages 1 and 2 under the HKFRS9. Following the same accounting standard, the Bank made a further provision of HK$37 million for other asset impairment losses that covered primarily other financial assets. However, loan impairment losses for stage 3 (net of bad debt recovery) declined by HK$51 million to HK$12 million. As a result, the total impairment losses amounted to HK$142 million. The coverage ratio for the Bank's non-performing loans was 98.8% as at 31 December 2019.

本行於2019年年底的減值貸款比率下跌至0.33%，惟本行根據香港財務報告準則第9號就第一及第二階段的貸款減值虧損作出9,300萬港元撥備。根據同一會計準則，本行就主要涵蓋其他金融資產的其他資產減值虧損進行額外撥備3,700萬港元。然而，第三階段貸款減值虧損（扣除壞賬收回後）下降5,100萬港元至1,200萬港元。因此，減值虧損總額為1.42億港元。於2019年12月31日，本行的減值貸款覆蓋率為98.8%。

The Group's total assets rose by HK$9 billion, or 8%, to HK$111 billion as at 31 December 2019. Gross advances to customers attained a double-digit growth of 10% to HK$53 billion, mainly contributed by growth in loans to corporate customers. Customer deposits grew at a satisfactory pace of 10% to HK$75 billion, giving the Bank a strong deposit base in an uncertain market. With the inclusion of trade bills and certificates of deposit issued by the Bank, the loan-to-deposit ratio decreased from 66.7% at 31 December 2018 to 65.9% at 31 December 2019.

於2019年12月31日，本集團的總資產上升90億港元或8%至1,110億港元。客戶貸款總額維持雙位數增長，上升10%至530億港元，這主要受惠於企業客戶貸款增長。客戶存款上升10%至750億港元，升幅令人滿意，在不明朗的市場狀況下為本行提供穩固的存款基礎。計及商業票據及本行發行之存款證，貸款對存款比率由2018年12月31日的66.7%下降至2019年12月31日的65.9%。

The Group's capital and liquidity position continued to remain strong and healthy during the year. As at 31 December 2019, the Group's common equity tier 1 capital ratio and tier 1 capital ratio were both 16.72%, and its total capital ratio was 19.66%, which was well above the statutory requirements. The average liquidity maintenance ratio also stood at a comfortable level of 67.09%.

年內，本集團的資本及流動資金狀況仍然雄厚穩健。於2019年12月31日，本集團的普通股權一級資本比率及一級資本比率均為16.72%，而其總資本比率為19.66%，遠高於相關之法定要求。平均流動性維持比率處於67.09%的穩健水平。

We believe that global economic conditions and the market environment in Hong Kong will remain volatile in 2020. The outbreak of the novel coronavirus (COVID-19) has posed additional challenges to the already weakened market conditions in Hong Kong. Continuing uncertainty over the U.S.-China trade dispute, heightened geopolitical tensions and the social unrest in Hong Kong will continue to be obstacles to economic recovery. Against a backdrop of a rapidly-changing operating environment, we will continue to pursue our customer-centric and prudent growth strategy to strengthen our local franchise. Underscoring our commitment to provide our customers with the unique "Fubon Experience", we remain focused on enhancing our efficiency and service delivery capabilities by making investments in technology and operational infrastructure to develop innovative Fintech solutions for both retail and corporate customers.

我們相信全球經濟狀況及香港的市場環境將於2020年持續波動。新型冠狀病毒爆發對香港已見疲弱的市場狀況帶來進一步挑戰。中美貿易糾紛前景仍然不明朗，地緣政治越趨緊張，加上香港的社會動盪局勢將繼續對經濟復甦帶來阻力。於瞬息萬變的經營環境下，本行將繼續採取以客為本及穩中求進的策略，鞏固我們的本地業務。我們致力為客戶提供獨特的「富邦體驗」，為此，我們將繼續在科技及營運基礎設施上作出投資，為零售及企業客戶發展創新的金融科技方案，從而提升營運效率及服務提供能力。

We will continue to deepen our relationships with customers and enhance customer engagement by providing products and services that best suit their financial needs and advance our digital customer experience. With technology changing the landscape of the banking industry and the increased use of big data and artificial intelligence in businesses, the Fintech strategy we developed will enable us to stay in touch with the market. We will continue to apply technologies to acquire customers via digital channels and realign our retail network to provide customers with a better customer journey and in-branch experience. Our continued association with Ms. Ng On Yee, Hong Kong's renowned snooker player, reflects both our corporate and business culture to be a vibrant and professional institution.

我們將繼續深化與客戶的關係，並透過提供最適合其財務需要的產品和服務及優化數位化客戶體驗，以吸納更多客戶。科技進步改變了銀行業的發展，加上大數據及人工智能的應用越來越普及，我們的金融科技策略將讓我們更緊貼市場。我們將繼續運用科技，以數位化渠道吸納客戶，並重整分行網絡以提供更佳的客戶旅程及分行體驗。我們一直與著名香港桌球運動員吳安儀小姐合作，以展示我們充滿活力和專業的企業及業務文化。

As always, we believe in a robust risk management and compliance culture, and we will continue to maintain good credit quality through proactive credit risk management. Leveraging the competitive advantages of the Fubon Group, we will closely collaborate with Fubon Financial Holdings and other affiliates to capitalize on new opportunities in the region and to establish ourselves as a quality and trustworthy banking partner.

一如既往，我們堅信嚴謹的風險管理及合規文化，並繼續透過積極的信貸風險管理來保持良好的信貸質素。憑藉富邦集團的競爭優勢，我們將繼續與富邦金控及其他聯屬公司緊密合作，把握區內湧現的新機遇並塑造本行為優質及值得信賴的銀行夥伴。

We believe our staff are our most valuable asset and remain committed to promoting a caring working environment that supports personal well-being and career advancement. Since the onset of the novel coronavirus (COVID-19) outbreak, we have been closely monitoring the situation and have taken appropriate actions to safeguard the health of our employees and customers. Meanwhile, we have also launched a number of relief measures to assist customers in overcoming their short-term financial difficulties. As a good corporate citizen, we will also continue to support a variety of corporate social responsibility programmes in the community.

我們深信員工為本行最寶貴的資產，並致力為員工提供有益身心健康及職業發展的關愛工作環境。由於新型冠狀病毒爆發，我們一直密切關注事態發展並採取適切措施以保障員工及客戶的健康。同時，我們亦已推出多項紓緩措施，協助客戶跨過短期財務困境。作為良好的企業公民，我們亦將繼續支持社區的各種企業社會責任活動。

Finally, I wish to express my sincere thanks to our management team and staff for their continuous dedication and contributions to the Bank, especially under such difficult market and social conditions. I also wish to express my gratitude to our Chairman, the Chairman of Fubon Financial Holdings and to the entire Board of Directors for their ongoing guidance and support, which has led to our success. Supported by our professional and experienced staff, we stand together committed to deliver the exceptional "Fubon Experience" to our customers.

最後，我謹此感謝管理層及全體員工在如此艱難的市況及社會環境中不斷為本行付出及作出貢獻。同時，我衷心感謝本行主席、富邦金控主席及全體董事會成員一直以來的指導及支持，令我們能獲取佳績。在本行專業及經驗豐富的員工支持下，我們同心協力，一起為客戶提供非凡的「富邦體驗」。

Raymond Lee
Chief Executive Officer and Managing Director
April 2020

李永鴻
行政總裁兼董事總經理
2020年4月

BUSINESS & OPERATIONS REVIEW
業務回顧

Fubon Bank
富邦銀行
Ambassador Banking
Mobile Security Key
PRODUCTS
產品資訊
利率及兌換價查詢
編輯捷點
通告 – Android 多國語言
通告 | 最新消息
信貸及按揭
無障礙專區

CORPORATE & INSTITUTIONAL BANKING
企業及機構銀行

CORPORATE BANKING

2019 started out against a tenuous economic backdrop where tensions from the U.S.-China trade dispute along with the slowing global economy threatened to dampen business prospects. Nevertheless, the economy remained resilient until the second and third quarters when the Hong Kong economy started to waver. Notably, challenges from weak export volumes and sluggish domestic demand were compounded significantly by the onset of social instability, and the resulting impact on business and consumer sentiment slowed down lending activities across the banking industry. Notwithstanding these challenges, the Bank was able to register solid business growth as we focused on customers with strong medium-to-long term business fundamentals.

Supporting the core middle-market enterprises ("MME") segment and expanding the small-and-medium enterprises ("SME") business remained the key objectives of our Commercial Banking team. We continued to engage in structured marketing programmes to reach new customers while leveraging our cross-selling mechanism, including alliances with other Fubon Group members, to deepen our penetration and relationships with existing customers.

Meanwhile, extending exceptional service to first and second-tier large corporations in Hong Kong remained the centerpiece of our growth strategy for Corporate Banking team. Active participation in the primary and secondary syndication markets also allowed us to quickly respond to both opportunities and risks while maintaining a nimble and well-diversified portfolio. To maintain a balanced business model, we also have a sizable Non-bank Financial Institutions ("NBFI") book which not only contributes to operating results, but also demonstrates our strong product suite and ability to cater for a wide range of customer segments.

Revenue from corporate customers reported a strong growth of 23% when compared with 2018. The growth was mainly spurred by the impressive performance of our core drivers including solid increases in loans and deposits in 2019. Net interest income and credit fee income registered double-digit increases, due to higher loans outstanding and modest gains in spreads. Our marketing strategy to focus on fee income generation has also produced satisfactory results. Furthermore, sound credit risk management was crucial to our success, particularly in light of the persistent volatile market situation.

企業金融

2019年在疲弱的經濟環境下起步，中美貿易糾紛帶來緊張的局勢，加上全球經濟放緩，令商業前景蒙上陰霾。強韌的香港經濟於第二及第三季開始不穩。社會的動盪亦令疲弱的出口及不振的本地需求倍受挑戰，受影響的營商者及消費者情緒令銀行業的借貸業務放緩。儘管挑戰重重，憑藉本行專注於擁有強大中長線業務基礎的客戶，我們仍然取得穩健的業務增長。

支援中型企業及擴大本行中小企業務仍然是我們商業銀行團隊的主要目標。我們繼續以結構性營銷計劃吸納新客戶，並運用交叉銷售策略，包括與富邦集團其他成員合作，以提高滲透率及深化與現有客戶的關係。

與此同時，將本行的卓越服務伸延至香港一、二線大企業仍然是我們企業銀行團隊的核心增長策略。我們積極參與一級及二級銀團貸款市場，迅速把握機遇及應對風險，同時維持靈活及多元化的組合。為維持平衡的業務模式，我們亦擁有具規模的非銀行金融機構客戶群，此舉不僅為經營業績作出貢獻，亦展示我們強大的產品組合及能夠為各種客戶提供服務的能力。

與2018年相比，來自企業客戶的收入激增23%。此增長主要受核心業務的卓越表現所帶動，包括2019年穩步增長的貸款及存款業務。由於未償還貸款上升及溫和上調的息差，淨利息收入及信貸費用收入亦錄得雙位數的增長。本行專注於費用收入的營銷策略亦取得滿意成果。此外，在動盪不斷的市況下，我們穩健的信貸風險管理對我們的成功亦是一個關鍵因素。

The Bank's corporate e-banking platform, Fubon Business Online, will receive further enhancement in 2020, and services such as online account opening and online application will also be rolled out. With our full-scale cash management e-banking services which provides customers with the latest Fintech tools, we will be able to deliver the exceptional "Fubon Experience".

本行將於2020年進一步提升企業電子銀行系統「富邦商務網」，並將會推出網上開戶及網上申請等服務。憑藉本行具備最新金融科技工具的現金管理電子銀行服務，我們將可以為客戶提供卓越的「富邦體驗」。

CHINA COVERAGE

Although China's economy was impacted by slowing economic growth and the U.S.-China trade dispute, cross-border import/export trade remained reasonably stable. Against this backdrop, there was still ample demand for loans particularly in the real-estate and NBFI sectors. Furthermore, the Bank continued to diversify our loan portfolio by expanding our marketing efforts to State-Owned-Enterprises and government-backed entities, as well as companies across other industries which have proven track records. Leveraging on Fubon Group's unique status of being the only Taiwanese financial institution with subsidiaries in Mainland China, Taiwan, and Hong Kong, we will continue to provide comprehensive and wide-ranging cross-border banking services to our customers in trade-related and general banking service areas through cooperation with Fubon Bank (China) and Xiamen Bank.

中國業務

儘管中國的經濟受增長放緩以及中美貿易糾紛影響，但跨境進出口貿易仍然穩健。在此環境下，貸款需求仍然充裕，尤其是地產及非銀行金融機構。本行繼續透過提升對國有企業、受政府支持的企業以及具有良好往績紀錄的各類公司進行營銷，令貸款組合更多元化。憑藉富邦集團作為唯一在中國內地、台灣及香港設有附屬公司的台灣金融機構，我們將繼續透過與富邦華一銀行及廈門銀行的合作，為客戶在貿易相關及一般銀行服務方面提供全面且多元化的跨境銀行服務。

FINANCIAL INSTITUTIONS

Our Financial Institutions ("FI") team plays an important role as a prime contact point with other banks and NBFIs for business referrals while simultaneously providing credit and risk management support to facilitate the Bank's investment and loan activities. Moreover, the FI team contributed to the diversification of the Bank's deposit portfolio by taking deposits from NBFIs.

Looking forward to 2020, our FI team will continue to stay alert to the market trends and develop more NBFI relationships in order to expand the Bank's deposit base and explore new cooperation opportunities. Also, we will reallocate our resources and strengthen the alliances within the Bank and the Fubon Group to support business growth of the Bank.

Looking ahead, the outbreak of the novel coronavirus (COVID-19), the lingering impact of social unrest in Hong Kong, and the elusive U.S.-China trade deal will cause formidable headwinds for our business. Nevertheless, we will closely monitor the market developments and stay focused on building our high-quality and well-diversified loan portfolio. We remain confident in logging modest growth as we focus on customers with good and sustainable track records, and those who are capable of riding out the temporary economic storms.

金融機構業務

我們的金融機構團隊在向其他銀行及非銀行金融機構提供業務轉介方面擔當重要角色，並同時為本行的投資及貸款活動提供信貸及風險管理支援。此外，金融機構團隊透過接受非銀行金融機構的存款，令本行的存款組合更多元化。

展望2020年，我們的金融機構團隊將繼續在瞬息萬變的市場動向中保持警覺，並深化與非銀行金融機構的關係，從而擴闊本行的存款基礎及開拓新的合作機會。此外，我們將會重新分配資源及加強本行與其他富邦集團成員的關係，以維持本行的業務增長。

展望未來，新型冠狀病毒爆發、香港社會動盪的影響揮之不去，以及中美貿易協議前景未明，將為本行的業務帶來巨大阻力。儘管如此，我們會密切關注市場的發展，並繼續專注增強我們高質素且多元化的貸款組合。我們亦會專注於具持續良好紀錄的客戶，並深信他們可以克服短暫的經濟風暴，故我們對業務仍可維持溫和增長抱有信心。

RETAIL BANKING
零售銀行

CONSUMER FINANCE

Introduction of new technologies enables the Bank to enhance its credit card products at a much faster pace. To allow more customers to enjoy the convenience of contactless payment, we pushed forward our credit card renewal process so that customers would receive new cards with contactless features before their credit cards expired. In addition, the Bank is one of the few credit card issuers that accepts credit card payment via the Faster Payment System. This ultra-fast and convenient channel facilitates timely management of personal finance. To be in line with today's customer spending habits, we kept soliciting online merchants to satisfy the appetite of the internet generation by focusing on travel-related privileges to reinforce our award-winning "Travel Companion" credit card platform.

Along with our conventional marketing strategy, the Bank carried out a series of infrastructure improvement projects in 2019 to strengthen our service platform, such as Open API promoting smart banking and TIN verification for our Phone Banking service. Although new customer acquisition campaigns and merchant promotions were held continuously in 2019, the credit card industry suffered from the unstable market situation in the second half of the year with shrinkage in both card spending and new application volume. Nevertheless, we were able to maintain a healthy and stable credit card portfolio.

Our existing customers continued to be the focus of the Bank's unsecured lending business as we had a better understanding of their financial needs and behaviour. Throughout the year, our card loan programme with privileged handling fee offers was available to provide our credit cardholders with instant cash by utilizing their unused credit card limit. At the same time, various personal loan campaigns were rolled out to meet the different financial needs of our customers. Our sound underwriting policy established a healthy unsecured loan portfolio with the net charge-off ratio dropping by 30% when compared with 2018. As online applications are anticipated to be the mainstream method in the coming years, we have made significant investment in improving our e-Application platform. We are well-prepared to compete with other industry players, virtual banks in particular, that have gone in the same direction.

消費金融

新科技的引入，令本行得以更迅速提升我們的信用卡產品。為了讓更多客戶可享用非接觸式付款的便利，我們推前了換領信用卡的流程，讓客戶可在信用卡有效期屆滿之前獲得備有非接觸式功能的新卡。此外，本行是少數可透過「轉數快」系統接受信用卡付款的信用卡發卡機構之一。此快速便捷的渠道有助客戶適時處理個人財務。為配合現今客戶的消費習慣，我們一直尋求網上商戶提供與旅遊相關的尊屬禮遇，強化我們屢獲殊榮的「旅遊夥伴」信用卡平台，以滿足互聯網世代的需求。

除常規營銷策略外，本行在2019年開展了一連串優化基礎設施的項目以強化我們的服務平台，例如：為推動智能理財而建立開放應用程式介面以及就電話理財提供私人密碼驗證。儘管我們在2019年持續進行吸納新客戶計劃及商戶推廣活動，惟下半年的不穩市況令信用卡消費及信用卡申請量均有所萎縮。然而，我們仍然能夠維持穩健的信用卡客戶群。

由於我們比較了解現有客戶的財務需求及行為，他們仍然是本行無抵押貸款業務的重點客戶。我們全年不斷為信用卡客戶提供特惠手續費的信用卡貸款計劃，讓信用卡持卡人運用未使用的信貸額即時提取現金。與此同時，我們亦推出各類私人貸款計劃，以滿足客戶的不同財務需要。我們完善的信貸審批政策建立了穩健的無抵押貸款組合，淨撇賬率較2018年下降30%。由於預期網上申請將成為未來數年的主流，我們已投放大量資源改進網上申請平台，為與其他行業參與者(尤其是虛擬銀行)的競爭作充足準備。

The Bank's merchant acquiring business continued to deliver excellent performance despite the rapidly changing market environment. The evolution of payment technology has made payment much easier and convenient to customers. To maintain our competitiveness, we have bundled our services with the latest technology for acquisition and retention of merchant customers. In addition to technical support, our Merchant Receivables Financing also enables retail merchant customers to fulfill their expansion plan and other business needs. During the year, the volume of applications for Merchant Receivables Financing remained steady.

儘管市場環境瞬息萬變，本行的信用卡商戶業務仍繼續取得佳績。支付科技的發展使客戶付款更為便捷。為保持我們的競爭力，我們於服務注入最新技術，以吸納及保留客戶。除技術支援外，我們的「先享錢」信用卡商戶貸款亦滿足零售商戶的業務擴展計劃及其他業務需要，相關業務的申請量於年內維持穩定。

The volume of property transactions went through major ups and downs in 2019. In May 2019, over 10,000 transactions were recorded while the number dropped below 4,000 in December 2019. While such fluctuations inevitably affected the intake of mortgage applications, the unstable market situation in the second half of 2019 further discouraged home buyers from entering the market. Meanwhile, our strategic manoeuvre to move from conventional mortgage loans to non-conventional mortgage loans paved way to improve our overall mortgage loan portfolio return. This unique market positioning is likely to continue in 2020 as we anticipate interest rates will be maintained at historical low levels and mortgage loan demand may not have a major rebound under uncertain market conditions.

房地產交易量於2019年起伏不定，儘管於2019年5月錄得10,000多筆交易，但於2019年12月則跌至4,000筆以下。該等波動無可避免地影響了按揭貸款的申請數目，而2019年下半年的不穩定市況亦進一步令物業買家卻步。同時，我們策略性地從傳統抵押貸款轉向非傳統抵押貸款，提高了整體按揭貸款組合回報。由於我們預計利率將維持在歷史低位以及按揭貸款需求在不明朗的市場情況下不會大幅反彈，此獨特的市場定位或會在2020年繼續採用。

CHANNEL MANAGEMENT

The Bank successfully completed its Core Banking System Replacement Project in April 2019 and our staff were well-trained and equipped to provide our customers with timely and efficient banking services. In an era of Fintech, digital and physical channels are complementary. While physical branches enable the Bank to stay connected with our target customers, digitization improves our work efficiency. Meanwhile, the rationalization of our branch network was also underway. Our Taikoo Shing Branch and Kowloon Main Branch were merged into the North Point Branch and Mongkok Branch, respectively. To further enhance our banking services and to deliver a better in-branch experience, the Bank will continue to realign its branch network and identify potential locations for establishing mega branches with enhanced staffing and digital platforms.

通路管理

本行於2019年4月已成功完成核心銀行系統更新工程，我們的員工透過接受與系統相關的培訓後，可為客戶提供適時且有效率的銀行服務。在金融科技的世代，數位化及實體分行乃相輔相成，相互裨益。分行可讓本行得以與目標客戶保持聯繫，而數位化則提高了我們的工作效率。同時，我們也整合了分行網絡。太古城分行及九龍總行已分別與北角分行及旺角分行合併。為進一步提升銀行服務及提供更佳的分行體驗，本行將繼續重整分行網絡，並為設立大型綜合分行物色地點、加強人手及提升數位化平台的配置。

2019 was a challenging year for the Bank and the community. Apart from the imminent competition brought by virtual banks, the social unrest in the second half of 2019 disrupted businesses across the city and posed challenges to the banking industry in Hong Kong. Despite facing such a difficult situation, the Bank was able to safeguard its staff and customers, and maintain normal business operations.

對本行及社會而言，2019年是極具挑戰的一年。除了虛擬銀行帶來的競爭外，2019年下半年的社會事件亦令銀行業以至各行各業均面臨挑戰。儘管面對如此艱難的局面，本行在秉持保障員工和客戶安全的前題下，繼續維持正常的業務運作。

In 2019, we successfully launched an online foreign exchange platform alongside an integrated API platform to deliver a seamless banking experience. Also, we participated in the Faster Payment System launched by the Hong Kong Monetary Authority and rolled out the biometric authentication Mobile Security Key Service to meet our customers' expectations. During the year, the number of customers using our digital banking services increased and our customers acknowledged that our digital banking services were secure and efficient. We will strive to provide even more efficient and secure banking services for our customers in 2020.

2019年，我們成功推出網上外幣兑換平台以及綜合應用程式介面平台，為客戶提供無縫的銀行體驗。此外，我們加入了由香港金融管理局推出的「轉數快」系統，並推出了「流動保安編碼器」服務，以滿足客戶的需求。年內，使用我們數位化銀行服務的客戶數目亦有所增加，而我們數位化銀行服務的安全性及效率亦備受客戶所肯定。2020年，我們將繼續為客戶提供更有效率且更安全的銀行服務。

INVESTMENT & INSURANCE

Apart from the uncertainties engendered by the U.S.-China trade dispute and Brexit in the U.K., prolonged social unrest in Hong Kong has further weakened market sentiment. Our customers' demand for wealth management products declined. To cope with the evolving market environment, the Bank continued to deliver products and services that catered for the risk appetite of our customers so as to mitigate market risk.

投資及保險

除了中美貿易糾紛及英國脱歐帶來的不確定性，香港久未止息的社會動盪進一步削弱了市場情緒，客戶對理財產品的需求亦下降。為應對瞬息萬變的市場環境，本行繼續提供可滿足客戶風險偏好的產品與服務，務求減低市場風險。

Hong Kong's social instability in 2019 posed challenges to all walks of life. As customers considered how best to weather the uncertainties and plan for retirement, whole life insurance products, annuity products in particular, became more popular than short-tenor life insurance products. In view of this, we expanded our product range by launching different whole life insurance products with regular cash coupon. As a result, our whole life insurance products accounted for approximately 70% of total sales in 2019.

2019年，香港社會的不穩定局面為各行各業帶來了挑戰。由於客戶期望可抵禦不明朗市況並為退休作好計劃，終身人壽保險產品（尤其是年金產品）比短期人壽保險產品更受歡迎。有鑑於此，我們推出了多種具有可支取現金的終身人壽保險產品，擴闊了我們的產品範圍，而我們的終身人壽保險產品於2019年佔總銷售額約70%。

However, with a suspension of sales of leading insurance products in the fourth quarter of 2019 and under a gloomy market situation, both annualized net premium and commission income from insurance business reported a slight decline when compared with 2018. It is anticipated that 2020 will be more challenging in terms of evolving customer behaviour, product variety and market competition as well as various measures and standards imposed by regulators.

然而，隨著受歡迎的保險產品於2019年第四季下架以及市場前景開始不明朗，與2018年相比，保險業務的年度淨保費收入及佣金收入均輕微下降。我們預期，因應客戶行為、產品種類變更、市場競爭以及監管機構實施的各種措施及準則，2020年將更具挑戰性。

SECURITIES SERVICES

證券投資服務

The local stock market encountered unusual challenges and volatility in 2019. During the first quarter, the Hang Seng Index dramatically rebounded due to the short truce in the U.S.-China trade dispute in December 2018. However, it reversed course in June 2019 because of the social unrest in Hong Kong. Uncertainties in the market adversely affected customers' sentiment and the securities business, which in turn led to a decrease in the Bank's trading turnover and brokerage income.

香港股市在2019年遇到非一般的挑戰及動盪。在第一季，由於2018年12月中美貿易糾紛暫緩，恒生指數急劇反彈。然而，形勢在2019年6月因香港社會動盪而逆轉。市場環境不明朗對客戶的情緒及證券業務均造成不利影響，繼而導致本行的交易額及經紀收入減少。

During the year, the Bank continued to deploy resources to improve its digital trading platform and expand its customer base. Promotional programmes were launched throughout the year to acquire new customers as well as to boost the usage of Internet and Mobile Stock Trading services. The result was encouraging as over 50% of transactions were conducted through Internet and Mobile Trading platforms in 2019. Also, digital marketing proved to be an effective tool to raise public awareness and capture our target customers.

年內，本行繼續調配資源以改善其數位化交易平台，並擴大其客戶基礎。我們於年內推出了一系列推廣計劃，以吸納新客戶及促進網上及流動股票交易服務的用量。2019年，超過50%的交易乃透過網上及流動股票交易平台進行，成績令人鼓舞。此外，數位化營銷渠道亦已被認證為可提高大眾認識及吸引目標客戶的有效工具。

In order to stay connected with our customers, our Securities Services marketing staff were assigned to selected branches to provide our customers with up-to-date market information so they had a better understanding of their investment needs and expectations. In response to increasing IPO offers in the market, IPO margin financing has been widely employed by market traders to maximize the yield from IPOs. With our competitive rates, the application of IPO margin financing showed a significant increase during the year. The commission and interest income from IPO margin financing narrowed the shortfall of commission income generated from stock trading.

為了和客戶保持聯繫，我們將證券投資服務的市場營銷人員調派至指定分行，以便為客戶提供最新的市場資訊，讓客戶對其投資需要及期望有更深入的了解。為應對市場上越來越多的新股認購，市場交易商已廣泛採用新股孖展認購以盡量賺取最大的收益。憑藉我們具競爭力的價格，新股孖展認購的申請於年內顯著增加，而新股孖展認購的佣金及利息收入亦縮減了股票交易佣金收入的不足。

The outbreak of the novel coronavirus (COVID-19) has presented additional challenges to both global and local economies. Nevertheless, the Bank is committed to its customer-centric strategy and aims to provide efficient and quality services by upgrading its stock trading platform and enhancing the features of its digital delivery channels.

新型冠狀病毒爆發為全球及本地經濟帶來更多挑戰。儘管如此，本行致力採取以客為本的策略，並透過提升股票交易平台及強化數位化服務渠道，提供高效率及優質的服務。

FINANCIAL MARKETS
金融市場

The financial markets in 2019 were volatile due to uncertain political and trade tensions. In January, the International Monetary Fund revised downward its global growth projections for 2019 by 0.1 percentage point relative to October 2018 to recognize the softer global growth momentum. The U.S.-China trade dispute continued with each side imposing punitive tariffs and other trade restrictions on one another's imports. Meanwhile, the Brexit-related uncertainty continuously weakened the economic outlook in the eurozone.

由於不明朗的政治及貿易緊張局勢，2019年的金融市場動盪不定。國際貨幣基金組織於1月將2019年的全球增長預測由2018年10月的水平下調0.1個百分點，確定了全球增長趨勢減弱。中美貿易糾紛持續，雙方均互相對進口產品徵收懲罰性關稅及實施其他貿易限制。同時，英國脱歐的不確定性持續削弱了歐元區的經濟前景。

The U.S. Federal Reserve ("Fed") cut the Federal Funds Rate from 2.50% to 1.75% after raising it four times in 2018. As the global economy faced the worst hit since World War II combating the novel coronavirus (COVID-19), the Fed made two emergency cuts in March 2020 and probably will maintain the Federal Funds Rate at 0% to 0.25% for the remaining of 2020. In Hong Kong, most local banks cut their Prime Rates last year. On 5 November 2019, the Bank cut the Hong Kong Dollar ("HKD") Prime Rate from 5.5% to 5.375%.

美國聯邦儲備局(「聯儲局」)於2018年將聯邦基金利率上調四次後，將利率由2.50%下調至1.75%。環球經濟因新型冠狀病毒爆發而受到自第二次世界大戰後最大的重挫，聯儲局因此在2020年3月作出兩次緊急減息，預期聯邦基金利率在2020年將維持在0%至0.25%的區間。香港大部分銀行於去年調低其最優惠利率。本行於2019年11月5日亦將港元最優惠利率由5.5%調低至5.375%。

INVESTMENT PORTFOLIO

In 2019, the Bank continued to follow a prudent investment strategy. The overall credit rating of our investment portfolio remained at "A" while we maintained an appropriate diversification in terms of geography, currency and industry. The trade dispute tension, geopolitical and political risks, and curve inversion drove our portfolio yield down by 38 basis points compared with the end of 2018. In line with general growth of the Bank's overall business, our portfolio also expanded by about 9% year-on-year, and sustained an upward trend of net interest income for the year.

投資組合

2019年，本行維持審慎的投資策略。本行投資組合的整體信貸評級維持在A級，而我們亦繼續把投資適當地分配在不同的地域、貨幣及行業。與2018年年底相比，我們投資組合的收益率因貿易關係緊張、地理及政治風險以及利率收益曲線反彈而下降了38個基點。我們的投資組合按年上升約9%，且年內淨利息收入仍然維持上升趨勢，與本行整體業務的全面增長一致。

Looking forward to 2020, both geopolitical and political risks are expected to continue dominating the global markets. The Bank aims to mitigate the impact of a volatile interest rate market environment with effective hedging tools, and obviously the global political development is a key part of portfolio risk management in the coming year. In addition, credit risk exposure will be closely monitored by using various predictive tools and sensitivity analysis that will assist us to take timely mitigating measures in the event of market turmoil.

展望2020年，預期地理及政治風險將繼續影響全球市場。本行旨在透過有效的對沖工具，減輕利率市場動盪所帶來的影響。觀察全球政治形勢的發展是我們來年投資組合風險管理的關鍵。此外，我們將利用各種預測工具和敏感度分析來密切監控信貸風險，這將有助我們在動盪的市況下採取適切的緩解措施。

FLOW INVESTMENT PRODUCT AND TREASURY MARKETING

In 2019, global economic expansion continued in the first half of the year while it lost momentum later due to the slowdown in worldwide trade flows and trade tensions between the U.S. and China. However, our Flow Investment Product team still recorded growth from various products. Our currency-linked business excelled beyond the budget by 76%, while our bond and FX margin business exceeded the budget by 4% and 11%, respectively. We will strive to continue expanding our product range to satisfy various customers' needs and risk appetites.

Corporate customers have become more cautious over long-term production base relocation and export market diversifications. Our professional Treasury Marketing Unit ("TMU") has been providing timely market information and tailor-made financial product solutions to assist our customers in addressing their currency exposures, hedging interest rate risks and capturing investment opportunities. In 2019, our TMU income exceeded the annual budget by 18%.

投資產品及金融行銷

全球經濟於2019年上半年繼續擴張，惟隨後由於全球貿易流動放緩以及中美貿易緊張局勢而失去動力。然而，我們的投資產品團隊負責的各種產品仍然錄得增長。我們的貨幣掛鈎業務較預算超出76%，而債券及外匯孖展業務亦分別較預算超出4%和11%。我們將繼續致力拓展產品範圍，以滿足客戶的各種需求及風險偏好。

企業客戶對遷移長期的生產基地以及分散出口市場變得更加謹慎。我們專業的金融行銷團隊一直提供適時的市場資訊及量身定制的金融產品方案，以協助客戶應對貨幣風險、對沖利率風險及把握投資機會。2019年，我們的金融行銷業務收入比預算超出18%。

FUNDING AND INTEREST INCOME

In the first quarter of 2019, the HKD exchange rate was pushed towards the weak side by carry trade activities. Since late May, it rebounded significantly driven by funding demand from market participants for sizable IPOs and by corporate demand for HKD to pay dividends near the half-year end. In the second half of 2019, the HKD traded smoothly in the USD-pegged range.

Despite that the overall economy in Hong Kong was subdued, the funding costs of the Bank were comparatively stable while maintaining a healthy liquidity maintenance ratio. The Bank's funding position remained strong and our deposits base increased by 10% to HK$75 billion.

It is likely that 2020 will be another challenging and volatile year due to ongoing political and economic uncertainties around the world and the emergence of the novel coronavirus (COVID-19). With the support and guidance of the Bank's core values, we will ensure that our customers' interests stay at the forefront of our business activities while maintaining a risk profile that is within the parameters of our risk appetite.

資金及利息收入

於2019年第一季，利差交易活動將港元匯率推向弱勢。自5月下旬以來，由於市場參與者對規模較大的新股認購融資需求以及企業對以港元派付中期股息的需求殷切，對港元需求大幅反彈。2019年下半年，港元在與美元掛鈎的區間內交易平穩。

儘管香港整體經濟低迷，惟本行的資金成本相對穩定，並維持良好的流動性維持比率。本行的資金狀況依然穩健，存款基礎亦增加10%至750億港元。

由於世界各地的政治和經濟環境不明朗以及新型冠狀病毒的出現，2020年亦可能是另一個充滿挑戰和動盪的年度。我們將依循本行的核心價值，確保在拓展業務時以客戶的利益為先，並把風險狀況維持在本行的風險承受能力之內。

RISK MANAGEMENT & COMPLIANCE
風險管理及合規監控

RISK MANAGEMENT

Credit Risk Management

The credit conditions in Hong Kong and Mainland China showed signs of deterioration in 2019, amidst the U.S.-China trade dispute and weakening local retail sales. In anticipation of an increasingly uncertain credit outlook, the Bank kept reviewing and adjusting its credit guidelines on a continual basis to cater for market changes and meet the latest regulatory requirements. Stress tests and portfolio analyses were performed regularly to ensure the Bank could withstand any unanticipated financial market turmoil and safeguard against asset quality deterioration.

The situation in 2020 is expected to worsen because of the novel coronavirus (COVID-19), which has severely affected the economy of the region and is spreading around the world. The Bank will further enhance its asset quality monitoring measures, and stay alert to the latest market developments that may negatively impact our loan quality. Also, the Bank continues to invest resources in digitalizing its credit process and enhancing its credit risk management system.

Market Risk Management

In 2019, the markets were affected by the ongoing U.S.-China trade dispute and Brexit. The U.S. Federal Reserve cut interest rates three times in an attempt to keep the longest running period of growth in U.S. history. It was believed that the rate cut was on hold unless the economy weakened significantly. The market outlook for 2020 is uncertain. The outbreak of novel coronavirus (COVID-19) and the U.S. presidential election in November will certainly give key directions on the global economy. Furthermore, the second stage of the U.S.-China trade negotiations and the rising geopolitical tensions between the U.S. and Iran are major challenges impacting the growth of global economies. The Bank will continue to closely monitor and manage the risks associated with its trading and investment activities to ensure that the associated risks are within the Bank's tolerance level.

Operational Risk Management

In 2019, the Bank actively managed and controlled operational risk within the target levels that were in line with its risk appetite while achieving its business objectives. To assure effectiveness, the Bank kept enriching the evaluation process of the underlying operational and system controls for new products and services. The Bank also reaped the benefits of the new Core Banking System, which strengthened its operational resilience. Business continuity plans and contingency systems were also revised and tested accordingly. Going forward, the Bank will continue to promote and maintain a sound internal control environment.

風險管理

信貸風險管理

中美貿易糾紛及本地零售疲弱，令香港及中國內地的信貸狀況於2019年開始出現惡化的跡象。由於預期信貸前景越來越不明朗，本行將持續審視及調整信貸指引，以緊貼市場變化及符合最新的監管規定。我們定期進行壓力測試及組合分析，以確保本行可承受任何突如其來的金融市場動盪，並防止資產質素惡化。

由於新型冠狀病毒已嚴重打擊地區經濟並在全球蔓延，預計2020年的情況將進一步惡化。本行將進一步加強資產質素監控措施，並留意任何可能對我們貸款質素產生負面影響的最新市場發展。此外，本行繼續投放資源於數位化信貸流程，並提升信貸風險管理系統。

市場風險管理

2019年，市場受中美貿易糾紛及英國脱歐影響。美國聯邦儲備局三度減息，以維持美國歷史上最長的經濟增長周期。除非經濟顯著衰弱，否則減息措施料將會擱置。2020年的市場前景未明。新型冠狀病毒爆發以及11月的美國總統大選無疑將影響全球經濟導向。此外，中美貿易談判的第二階段以及美伊地緣政治緊張升溫亦是影響全球經濟增長的主要挑戰。本行將繼續密切監視及管理其交易及投資活動風險，以確保本行可承受相關風險。

營運風險管理

本行於2019年積極管理及控制營運風險，以期在符合我們風險偏好的調控目標水平的同時，也能達到我們的業務目標。本行持續強化專為新產品及服務而設的相關營運及系統監控的評估流程，以確保其有效性。同時，本行核心銀行系統所帶來的裨益，亦鞏固了我們營運的靈活性。我們亦檢討並測試了本行的持續業務運作計劃以及緊急應變系統。展望未來，本行將繼續提升及維持一個穩健的內部監控環境。

COMPLIANCE

The Bank has an effective compliance framework to identify compliance risks in each business line, product and process, and to devise ways to mitigate such risks to ensure its activities are conducted in accordance with applicable laws and regulations. This framework is reviewed regularly and reported to our Board for endorsement and approval. We hold our compliance framework to high standards when carrying out business, and at all times we strive to ensure that business transactions are fair and have followed the laws and regulations. Apart from its effective compliance framework, the Bank has also promoted a strong compliance culture. With good communication among all levels of staff, transparency management, as well as the demarcation of accountability of senior management and the Board, we can continuously foster a compliance culture and embed it in all processes and controls in our organization.

To ensure the continuous enhancement of staff competency, the Bank has participated actively in the licensing regime of the Enhanced Competency Framework on Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CFT"). All our practicing staff have met the qualification requirements of this competency framework and have been certified as AML Professionals. Our staff are committed to continuous professional development to maintain up-to-date knowledge of the latest AML/CFT risks, compliance developments, and local and international regulatory requirements and standards.

To ensure our AML risk management systems and controls are effective and flexible enough to implement the latest legal and regulatory requirements for combating Money Laundering and Terrorist Financing, the Bank has been working with selected business partners to develop a new customer risk assessment system to further enhance our customer due diligence process. This new customer due diligence system will be launched in 2020. Also rolling out in 2020 are enhancements to our transaction/activity monitoring system that will further boost the Bank's capabilities to identify and detect suspicious transactions and activities.

Several years ago, we established a Business Compliance Department to conduct regular internal control self-assessments. This process allows us to very quickly identify weaknesses in our regulatory compliance and enables us to take timely remedial measures. Also, this Department is used as a training ground for both new and existing employees to develop their compliance awareness and culture. Staff are therefore periodically rotated both in and out of the Department. Our Business Compliance Department staff serve as a sustainable talent pool of highly qualified compliance personnel to meet the critical demand for compliance professionals in our Bank.

In 2020, we will continue to keep abreast of sound compliance and AML regulations and practices. Our Bank's compliance culture of the Board owning responsibility individually and collectively helps to integrate good compliance controls in every process of our Bank. By providing comprehensive compliance training, application of new technology in enhancing our AML risk management systems, and cultivating a strong compliance culture, we will be able to keep abreast of new regulatory requirements and best market practices, and also AML and CFT threats. This will allow us to deliver a great experience for our customers and stakeholders throughout the evolving and challenging regulatory environment.

合規監控

本行有一個有效的合規框架以識別每項業務、產品及流程的合規風險，並制訂減輕該等風險的方法，以確保我們的活動符合適用的法律及規定。我們會定期檢討此框架，並匯報予董事會以供審批。在進行業務時，我們恪守合規框架，並且在任何時候均盡力確保業務交易乃公平且守法。除有效的合規框架外，本行亦積極推廣合規文化。透過各級員工之間的良好溝通、具透明度的管理以及明確劃分高級管理層與董事會的問責機制，我們可持續提倡合規文化並將其融合到機構的所有流程及監控之中。

為不斷提升本行員工的能力，我們積極參與「銀行專業資歷架構－打擊洗錢及恐怖分子資金籌集」方面的培訓。我們負責從事相關工作之員工均符合該資歷架構的要求並獲打擊洗錢的專業認證。我們的執業人員均致力於持續專業發展，以確保能掌握最新的打擊洗錢/恐怖分子資金籌集、合規監控的發展以及本地及國際監管規定和標準等方面的知識。

為確保我們的打擊洗錢風險管理系統和監控有效靈活，並足以實踐就打擊洗錢及恐怖分子資金籌集最新的法律及規定要求，本行一直與既定的業務夥伴合作，開發新的客戶風險評估系統，以進一步優化我們的客戶盡職審查流程。此新客戶盡職審查系統將於2020年推出。屆時我們的交易/活動監控系統將會有所提升，並將可進一步提升本行識別及監測可疑交易及活動的能力。

本行於數年前成立商業合規部，進行定期的內部自我監控評估，讓我們能迅速找出本行合規監控的問題，並及時採取補救措施。此外，該部門亦被用作新聘員工和現有員工的培訓基地，培育他們的合規監控意識和文化。為此，該部門員工需進行定期輪調。我們商業合規部的員工為本行高資歷合規人員的人才儲備，以滿足本行對合規專才的需求。

2020年，我們將繼續維持良好的合規及打擊洗錢的規管及工作。本行董事會具有個人及集體責任的合規文化，有助將良好的合規監控整合於本行的每個流程中。透過提供全面的合規培訓、於打擊洗錢風險管理系統中應用新技術以及培養深厚的合規文化，我們將可掌握最新的監管要求、最佳的市場常規，以及與打擊洗錢及恐怖分子資金籌集的相關最新資訊。這些將使我們能夠在多變且具挑戰性的監管環境中，為客戶和持份者提供更佳的體驗。

INFORMATION TECHNOLOGY & OPERATIONS
資訊科技及營運

INFORMATION TECHNOLOGY

The completion of the Core Banking System ("CBS") Replacement Project in 2019 not only allows the Bank to launch new products, but also to react to market changes more effectively and in a timelier manner. We understand that Fintech has been changing the landscape of the finance industry, and so we reviewed and updated our Five-year Strategic Information Technology ("IT") Plan in 2018 to support our business development in 2019. Some of our major initiatives included the biometric software token for e-banking services, the Faster Payment System and the Open API platform.

In 2020, we will roll out virtual banking services and plan to include the eKYC capability for both retail and corporate banking businesses. With technological improvements of our branch banking services, we will be able to provide a unique experience for our customers based on the combined advantages of virtual banking and physical banking. We aim to offer electronic and virtual banking services that will match or exceed those offered by the new virtual banks, and yet our customers will also continue to benefit from highly sophisticated branch banking services that cannot be matched by virtual banking entities.

The revised Five-year Strategic IT Plan also enhances user infrastructure through an automated Enterprise Work Flow ("EWF") and the replacement of the remaining legacy systems. The Bank has already identified several business processes that will be deployed with EWF, including credit approval, retail loan applications and credit card applications. The use of EWF will enable the Bank to automate the entire process from the initial credit approval to renewal and disbursement, giving the Bank the necessary eKYC information to make better credit decisions and speed up the turnaround time to approve loan applications for both retail and corporate banking.

Eventually, EWF will be applied to different business units so that all business processes are automated and fully integrated with the existing document management system, turning our operations into a paperless and highly automated working environment with user-friendly delivery channels. Also, we will continuously enhance the Bank's IT infrastructure, including cyber security and data warehousing, aiming to provide business analytics that can help us to formulate better business initiatives and programmes.

資訊科技

於2019年完成的核心銀行系統更新工程不但有助新產品的推出，亦讓本行能更有效及適時地回應市場變化。我們深明金融科技正在改變金融業的發展，故於2018年已審視並更新了本行五年期策略性資訊科技計劃，以支持2019年的業務發展，相關重點舉措包括為電子銀行服務推出具生物認證功能的「流動保安編碼器」、發展「轉數快」系統及開放應用程式介面平台。

2020年，我們將就零售及企業銀行推出虛擬銀行服務，並計劃加入eKYC功能。透過在分行理財服務方面作出技術上的改進，我們將能結合虛擬銀行和實體銀行的優勢，為客戶提供獨特的體驗。我們旨在提供能夠達到甚至超越新興虛擬銀行所提供的電子及虛擬銀行服務，並讓客戶可繼續享用虛擬銀行無法提供的分行理財服務。

新的五年期策略性資訊科技計劃透過自動化企業工作流程及更新舊有系統，以提升基礎設施。本行已識別若干需透過企業工作流程改進的業務程序，包括貸款審批、零售貸款申請以及信用卡申請。使用企業工作流程可讓本行將審批貸款以至續期及批出貸款的整個流程自動化，並提供所需的eKYC資料，令我們可以更有效率地作出信貸決策，加快審批零售及企業貸款的申請。

最後，企業工作流程將應用到不同的業務單位，令所有業務流程均可自動化及與現有文件管理系統完全整合，令營運環境達致無紙化及高度自動化，並為客戶提供便捷的服務渠道。此外，我們將持續提升本行的資訊科技基礎設施，包括網絡安全及數據庫，以獲取可助本行制訂更佳業務計劃的分析。

OPERATIONS

Over the last few years, the Bank has made great efforts to promote the concept of environmental consciousness and put it into practice. A series of programmes have been implemented to nurture and reinforce the mindset of our staff. In particular, we launched a five-year paperless plan which moves the Bank towards a sustainable workplace.

In order to enhance our operational efficiency and achieve our paperless plan, we continue to regularly review and streamline the Bank's procedures to minimize manual processes and paper printing. Following the system revamp for investment products in 2017, the new CBS for deposit and loan products was launched in 2019. It has streamlined most of the operating processes and eliminated the unnecessary printing of hard copies.

Looking forward to 2020, our remittance system will be migrated to the new CBS so that both inward and outward remittances will be processed via straight through processing. The migration will further streamline procedures, eliminate manual processing and save paper. In addition, a new Application Processing System for credit approval for both corporate and retail loans will be launched to support end-to-end processing from customer applications to loan drawdowns. We anticipate that both our operational efficiency and the customer experience will be improved.

For the 13th consecutive year, the Bank has been ranked as one of the top performing banks among 500 banks in the Asian region and won the Straight Through Processing Award in 2019. The Award was presented by our USD clearing bank, the Bank of New York Mellon, in recognition of our excellent quality fund transfer operations. Upon the implementation of the new remittance system in 2020, we anticipate that our performance in achieving rate will be enhanced and we will continue to sustain our high-quality performance to deliver the exceptional "Fubon Experience" to our customers.

營運

過去數年，本行致力推廣環保意識，並將此付諸實行。我們實施了一連串計劃，以培養及加強員工的環保理念。我們推行了一個為期五年的無紙化計劃，讓本行未來成為可持續發展的工作場所。

為提高營運效率並實現無紙化，本行定期審視及簡化程序，以減少人手工序及紙張打印。繼2017 年提升投資產品系統後，我們於 2019 年為存款及貸款產品推出了新的核心銀行系統。該系統簡化了大部分的操作流程，並免除了不必要的紙張打印。

展望 2020 年，我們的匯款系統將合併至新核心銀行系統，以便直接處理匯款進出。該合併將進一步簡化工作流程，免卻人手處理並節省紙張。此外，我們亦將推出新的企業及零售貸款信貸審批處理系統，以支援由客戶申請至提取貸款的整個流程。我們預期，營運效率及客戶體驗均會有所提升。

本行於 2019 年連續第13年獲本行之美元結算行紐約梅隆銀行選為亞洲區 500 間銀行中表現最優秀的銀行之一，並獲頒「直通式聯繫結算處理獎」，以嘉許我們卓越的資金轉賬服務。當新匯款系統於 2020 年推出後，預期有關服務的達標率將有所提升。我們將繼續維持優質的服務表現，為客戶帶來卓越的「富邦體驗」。

PEOPLE DEVELOPMENT
人才管理及發展

In 2019, one chief aim of the Bank was to maintain a stable and well-equipped workforce to meet the needs of our business development. To do so in a competitive environment, we continued to review the Bank's remuneration packages and benefits against the prevailing market benchmarks. As a result, we enhanced staff remuneration packages and benefits during the year.

2019 年，本行旨在維持一個穩定且訓練有素的員工團隊，以滿足業務發展的需要。為了在競爭激烈的市場環境中達到此目標，我們根據現行的市場基準審視並優化本行員工的薪酬和福利。

The Bank organized 329 training courses offering 729 training classes in 2019. With the advent of Fintech and other evolving technologies in the banking industry, external experts were invited to share the latest developments and use of state-of-the-art technologies and innovation in the financial industry. They covered such topics as e-Payment, Artificial Intelligence and Big Data in the Financial Industry, Innovation Insights by Peter Drucker, and Design Thinking. The training courses were much appreciated by our staff as valuable opportunities to widen their scope of knowledge and enhance their problem-solving skills at work.

本行在 2019 年舉行了 329 項培訓課程，涉及 729 個培訓班。隨著金融科技及其他技術於銀行業急速冒起，本行邀請了業界專家和我們分享金融業最新的科技發展、資訊和應用。有關分享涵蓋電子支付、金融業的人工智能和大數據、Peter Drucker的創新見解以及設計思維等主題。員工均對相關培訓課程表示讚賞，認為有助豐富知識並提升他們在工作上的解難能力。

In support of nurturing the next generation of Fintech talents, the Bank has an undergraduate student internship programme that provides participation in various Fintech projects in the Bank under the Fintech Career Accelerator Scheme of the Hong Kong Monetary Authority. Also, we continued our green policy by adopting more e-Learning training initiatives such as Thomson Reuters e-Learning platform for Board members, senior management and other staff of the Bank. The enhancement of the eQuiz system also saved large amounts of paper and resources.

為培育金融科技人才，本行根據香港金融管理局的金融科技人才培育計劃設立了相關的實習計劃，讓實習生參與本行各種金融科技項目。此外，我們透過採納更多電子學習培訓計劃繼續推行綠色政策，例如推出為董事會成員、高級管理層及本行其他員工而設的湯森路透網上電子學習平台，而 eQuiz 系統的應用亦有助節省紙張及資源。

Risk culture and risk management are our primary focus in staff development. We provided a variety of training for different levels of staff to strengthen their knowledge and understanding of the types of risks they may encounter at work. In addition, seminars on compliance-related issues were conducted to enhance staff awareness of this important area.

風險文化及風險管理為本行員工發展的重點。我們為不同級別的員工提供各類培訓，以加深他們對工作上可能遇到之風險的認知及理解。此外，我們亦舉辦了和合規相關的研討會，以提高員工對此重要範疇的認識。

We believe that our staff are the Bank's most important asset. Therefore, we continued to promote the wellness of our staff by arranging a variety of Lunch & Learn sessions covering medical issues and interesting programmes such as Laughing Yoga, Frosted Glass Making, Healthy Sporting and Go Green workshops. Meanwhile, our Staff Recreation Committee also helped to promote employees' physical and mental wellness by organizing various activities like the Voice of Fubon Singing Contest, Movie Night, Coffee Tasting and Thai Boxing classes. We also took advantage of our medical provider's vitality programme and over 100 staff participated in a pilot run which encouraged them to do more exercise and be more health conscious. In the face of Hong Kong's social unrest during the year, we relaunched the Employee Assistance Programme as a proactive measure to provide professional counselling services for all staff and their immediate family members under age 18 through a third-party 24-hour hotline service and with face-to-face consultations. To support and safeguard the health of our staff during the outbreak of novel coronavirus (COVID-19), we have implemented various precautionary measures, including flexible work arrangements and setting up dedicated hotlines for our staff.

我們認為，員工是本行最重要的資產。因此，我們繼續透過舉辦一系列午餐時段學習課程來提升員工的健康水平，課程涵蓋醫療資訊及康樂活動，包括大笑瑜伽、磨砂玻璃製作、體育活動以及綠色工作坊。同時，我們的員工康樂委員會亦舉辦了不同活動以促進員工的身心健康，包括富邦好聲音歌唱比賽、電影之夜、咖啡品嚐工作坊及泰拳課程。此外，本行有超過100名員工加入了我們醫療服務供應商為鼓勵參加者多做運動和注重健康而推出的健康程式先導計劃。面對年內香港的社會動盪情況，我們再次推出員工援助計劃，透過第三方 24 小時熱線電話服務為所有員工及其 18 歲以下的直系親屬提供專業的諮詢及面談服務。為了在新型冠狀病毒爆發期間支援及保障員工的健康，我們採取了多項預防措施，包括彈性上班安排及為員工設立特別支援熱線。

During the year, the Bank received the Talent Development Award presented by The Hong Kong Institute of Bankers in recognition of its efforts to develop and nurture banking talents. Also for the eighth consecutive year, the Bank was awarded the Manpower Developer by the Employees Retraining Board ("ERB") under the ERB Manpower Developer Award Scheme.

年內，本行榮獲香港銀行學會頒發人才發展獎，以表彰我們在發展及培養銀行業專才方面所作出的努力。此外，本行亦連續第八年獲僱員再培訓局嘉許為「ERB人才企業嘉許計劃」的「人才企業」。

CORPORATE SOCIAL RESPONSIBILITY
企業社會責任

Fubon Bank is committed to delivering each of our strategic priorities while serving the best interests of our stakeholders and the local community. We believe that providing an exceptional customer experience, building a talent-centric culture, and contributing to our communities are key factors that determine our long-term success. By operating with ethics and integrity, delivering forward-looking insights, and adhering to environmentally-responsible business practices, the Bank serves as a catalyst for a successful future – for our customers, our employees, our communities and our shareholders.

富邦銀行一直致力履行各項策略目標，同時為持份者及社區帶來最大的利益。我們認為，長遠成功的關鍵在於提供卓越的客戶體驗，建立以人才為中心的文化，並為社會作出貢獻。憑藉以道德及誠信經營業務、高瞻遠矚並緊遵對環境負責任的業務模式，本行將協助客戶、員工、社區及股東邁向成功的未來。

Our commitment to corporate social responsibility is the embodiment of our core values that shapes every decision we make as it impacts our customers, employees, communities and shareholders. We strive to deliver a better, more convenient, and more satisfying banking experience to our customers. During the year, we enhanced our employee benefits, including more paid leave, enhanced medical benefits and staff recreational activities to promote a better work-life balance for everyone. We supported our communities through charitable donations, sponsorships and volunteerism, and we contributed to a more environmentally-sustainable economy by implementing various green operational measures.

本行對企業社會責任的承諾體現了我們的核心價值，而我們憑藉這核心價值作出的每個決定均對客戶、員工、社區及股東有所影響。我們致力為客戶提供更優質、更便捷和更令人滿意的銀行服務。年內，我們優化了員工福利方案，包括增加有薪假期、加強醫療福利以及舉辦員工康樂活動，以鼓勵每一位員工維持工作與生活之間的平衡。此外，我們透過慈善捐贈、企業贊助及義工活動支援社區，並推行各種綠色營運措施，為環境可持續的經濟作出貢獻。

The table below showcases our ongoing efforts throughout 2019 to give back to our communities and pursue robust environmental targets.

下表顯示了我們於 2019 年在回饋社會及為達致各項環保目標所作出的努力。

Month 月份	Activity 活動	Beneficiary Organization 受惠機構
March 3月	Skip Lunch Day 公益行善「折」食日	The Community Chest of Hong Kong 香港公益金
March 3月	Earth Hour 地球一小時	World Wide Fund 世界自然基金會
April 4月	Donation to Po Leung Kuk 保良局慈善捐助	Po Leung Kuk 保良局
June 6月	The Community Chest Green Day 公益綠識日	The Community Chest of Hong Kong 香港公益金

Month 月份	Activity 活動	Beneficiary Organization 受惠機構
June 6月	Day Camp with New-arrival Families 日營樂滿FUN	Windshield Charitable Foundation 宏施慈善基金
September 9月	Moon Cake Donation Programme 「月滿愛」月餅收集計劃	Windshield Charitable Foundation 宏施慈善基金
October 10月	Po Leung Kuk Charity Raffle 保良局慈善獎券	Po Leung Kuk 保良局
November 11月	One-day Tour with the Elderly 耆樂遊	Windshield Charitable Foundation 宏施慈善基金
November 11月	Sponsor at “Banana Fallout Fever” 「蕉夫@大埔」嘉年華贊助	Stewards 香港神託會
December 12月	Donation to Lai See Reuse and Recycle Programme 利是封回收重用大行動	Greeners Action 綠領行動

Our fundamental commitment to conduct business with integrity is one of the key elements of our Bank culture, and it has helped us to thrive and grow over the past years. As the Fintech landscape in the banking industry evolves, we will continue to strengthen the Bank’s delivery capabilities by making investments in Fintech-related projects. We will also continue to forge a sustainable future for the customers, employees, shareholders and communities we proudly serve.

我們恪守以誠信進行業務的承諾是本行文化的關鍵要素之一，此理念讓我們於過去蓬勃發展。隨著金融科技在銀行業發展迅速，我們將繼續對金融科技相關的項目作出投資，以提升本行的服務。此外，我們將持續為客戶、員工、股東以及社區塑造可持續發展的未來。

BANK NETWORK
銀行網絡

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Branches 分行

Hong Kong 香港

Central Main Branch 中環總行
Fubon Bank Building, 38 Des Voeux Road Central
德輔道中 38 號富邦銀行大廈

Causeway Bay 銅鑼灣
G/F, Shing Wah Mansion, 455-457 Hennessy Road
軒尼詩道 455-457 號勝華樓地下

Chai Wan 柴灣
Shops 82-83 & 85-86, Lower G/F, Koway Plaza,
111 Chai Wan Road
柴灣道 111 號高威廣場地下 82-83 及 85-86 號舖

North Point 北角
Shop 2, G/F, Tsing Wan Building, 334-336 King's Road
英皇道 334-336 號青雲大廈地下 2 號舖

Queen's Road East 皇后大道東 iBranch
Shop 2, G/F, Wu Chung House, 213 Queen's Road East
皇后大道東 213 號胡忠大廈地下 2 號舖

Sheung Wan 上環
G/F & 1/F, Ngan House, 210 Des Voeux Road Central
德輔道中 210 號顏氏大廈地下及1樓

Western District 西環 iBranch
Shop 1, LG/F, 44A-46 Belcher's Street, Lexington Hill,
Kennedy Town
堅尼地城卑路乍街 44A-46 號低層地下 1 號舖

Kowloon 九龍

Hung Hom 紅磡
Shop A3, G/F, 13 Tak Man Street, Wong Po Sun Tsuen
黃埔新邨德民街 13 號地下 A3 號舖

Jordan 佐敦
Shop A, G/F, Ka Woo Building, 131-137 Woo Sung Street
吳松街 131-137 號嘉和大廈地下 A 舖

Kwun Tong 觀塘
Unit 1501, 15/F, Millennium City 6, 392 Kwun Tong Road
觀塘道 392 號創紀之城第 6 期 15 樓 1501 室

Mei Foo 美孚
G/F, 26B Nassau Street
蘭秀道 26 號 B 地下

Mong Kok 旺角
G/F, President Commercial Center, 602 Nathan Road
彌敦道 602 號總統商業中心地下

Richland Gardens 麗晶花園
Shops 111-112 & 117-118, Richland Gardens,
Commercial Complex, Wang Kwong Road
宏光道麗晶花園商場 111-112 及 117-118 號舖

Tsim Sha Tsui 尖沙咀
G/F, Grand Right Centre, 10-10A Cameron Road
金馬倫道 10-10A 宏威中心地下

Branches 分行

New Territories 新界

Sha Tin 沙田 iBranch

Shops Nos. 15 B, C, D & E, Level 1, Shatin Lucky Plaza,
Nos. 1-15 Wang Pok Street
橫壆街 1-15 號沙田好運中心商場 15B、C、D 及 E 號舖

Tai Po 大埔

Shop 28, G/F, Jade Plaza, On Chee Road
安慈路翠屏花園地下 28 號舖

Tsuen Wan 荃灣

G/F & 1/F, Wing On Mansion, 22-28 Tai Ho Road
大河道 22-28 號榮安大廈地下及 1 樓

Tuen Mun 屯門

Shop 11, G/F, Mei Hang Building, 15-45 Kai Man Path
啟民徑 15-45 號美恒樓地下 11 號舖

Yuen Long 元朗

G/F, Hing Fat House, 9 Kau Yuk Road
教育路 9 號興發大廈地下

Branches Tel 分行電話: (852) 2566 8181

Securities Services Centre 證券投資服務中心

Tsuen Wan 荃灣

Shop D & E, G/F, Wing On Mansion,
22-28 Tai Ho Road
大河道 22-28 號榮安大廈地下 D 及 E 舖
Tel 電話: (852) 2842 1628

Credit Card Centre 信用卡中心

23/F, Fortress Tower, 250 King's Road, North Point, Hong Kong
香港北角英皇道 250 號北角城中心 23 樓

Operations Centre 營運中心

9/F, Fortress Tower, 250 King's Road, North Point, Hong Kong
香港北角英皇道 250 號北角城中心 9 樓

Principal Subsidiaries 主要附屬公司

Fubon Credit (Hong Kong) Limited 富邦財務(香港)有限公司

Rooms 2501-2504, 25/F, Wing On House,
71 Des Voeux Road Central, Hong Kong
香港中環德輔道中 71 號永安集團大廈 25 樓 2501-2504 室
Tel 電話: (852) 2806 7228 Fax 傳真: (852) 2541 2848

FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司

1/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈 1 樓
Tel 電話: (852) 3767 6067 Fax 傳真: (852) 2840 0742

Fubon Insurance Brokers Limited 富邦保險顧問有限公司

4/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈 4 樓
Tel 電話: (852) 2842 6528 Fax 傳真: (852) 2524 9632

Fubon Nominees (Hong Kong) Limited

1/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈 1 樓
Tel 電話: (852) 3767 6067 Fax 傳真: (852) 2840 0742

CORPORATE GOVERNANCE REPORT
企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Hong Kong Monetary Authority ("HKMA") has issued a statutory guideline on Corporate Governance of Locally Incorporated Authorized Institutions ("CG") under section 7(3) of the Banking Ordinance, which the HKMA expects all Authorized Institutions to adopt.

Fubon Bank (Hong Kong) Limited ("the Bank") belongs to Fubon Financial Holding Co., Ltd. ("the Group"), which is highly esteemed for its corporate governance, and regards corporate governance as an essential discipline for its operations and businesses. Thus, the Bank has in place an effective framework which is consistent with the principles and best practices in corporate governance as set forth in the CG guideline.

From time to time, the Bank will review its corporate governance practices to ensure that they are consistent with the latest requirements of international and local corporate governance best practices.

企業管治常規

香港金融管理局(「金管局」)已根據《銀行業條例》第7(3)條發出有關「本地註冊認可機構之企業管治」法定指引(「企業管治指引」)，而金管局希望所有本地註冊認可機構均予以採納。

富邦銀行(香港)有限公司(「本行」)屬於富邦金融控股股份有限公司(「集團」)，一個高度重視企業管治的集團，並視企業管治為其經營及業務的必要原則。因此，本行已制定符合企業管治指引內所載的企業管治原則及最佳常規的有效架構。

本行不時對所採用的企業管治常規作出檢討，並力求符合國際和本地有關企業管治最佳常規的最新要求。

BOARD OF DIRECTORS

Board Composition

The Board of Directors ("the Board") of the Bank currently comprises nine members: one Executive Director, five Non-Executive Directors and three Independent Non-Executive Directors. All Directors possess appropriate experience, competence and personal and professional integrity to discharge their responsibilities effectively.

As structured, the Board is sufficiently independent and possesses collective expertise for effective and objective decision-making and oversight of the Bank in the pursuit of its business objectives and control of the associated risks.

Details of the members of the Board may be found in the Corporate Information section of this Annual Report.

董事會

董事會成員

本行董事會(「董事會」)現有九名董事，包括一名執行董事、五名非執行董事及三名獨立非執行董事。所有董事均擁有適當的經驗、才能與個人及專業操守以充份及有效地履行其責任。

董事會在架構上已具備足夠的獨立性及整體專業知識，以確保有效及客觀的決策過程及對銀行在追求其業務目標及控管相關風險的同時施以適當的監管。

本年報「公司資料」一節載列有董事會成員詳情。

Board Practices

Full Board meetings are held at least four times a year, with one in each quarter. Notice of each Board meeting is given to all Directors at least 14 days in advance and the agenda is sent to the Directors at least 7 days before the date of each Board meeting.

Pursuant to the Articles of Association of the Bank, a Director shall not be entitled to vote or be counted in the quorum in respect of any contract or arrangement in which the Director or any of the Director's associates has a material interest.

Minutes of each Board meeting are circulated to all Directors for their comments prior to confirmation of the minutes at the following Board meeting. Minutes of Board meetings are kept by the Company Secretary and are available for inspection by Directors.

Directors may have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

董事會會議常規

本行每年至少舉行四次董事會會議，每季度一次。每次董事會會議通知會於至少十四天前發給全體董事，而會議議程會於各董事會會議日期至少七天前發給全體董事。

本行之組織章程細則規定，就任何合約或安排而言，倘董事或董事之聯繫人士於其擁有重大權益，則該董事無權投票或計入法定人數。

每次董事會會議之記錄會於下次董事會會議確認前交由全體董事傳閱及提出意見。董事會會議之記錄會交由公司秘書保存並供董事查閱。

董事於確保遵守董事會程序及所有適用規則及條例上，可取得公司秘書的意見及服務。

Board Responsibilities

In meeting its overall responsibilities to shareholders, depositors, creditors, employees and other stakeholders, the Board has to ensure that there is a competent executive management capable of running the Bank in a sound, efficient and profitable manner.

The responsibilities of the Board include:

- Establishing the business objectives of the Bank and approving and reviewing the corresponding business strategies and plans (including annual budgets);
- Ensuring that the operations of the Bank are conducted prudently within the laws and regulations of the Hong Kong Special Administrative Region, and as such, reviews and approves policies, codes of conduct and systems of the Bank as and when it is necessary and appropriate;
- Ensuring that the Bank observes a high standard of integrity in the conduct of its businesses and complies with all applicable laws and regulatory guidelines issued by the HKMA, the Securities and Futures Commission, and other relevant regulatory authorities;
- Establishing, approving and reviewing risk management strategies and policies of the Bank to ensure that the various types of risk inherent in the Bank's operations and businesses (including credit, market, interest rate, liquidity, operational, reputation, legal and strategic) are regularly identified, measured, monitored and controlled;
- Overseeing the business of the Bank and managing the Bank by delegating duties and responsibilities to the Chief Executive Officer or through the appointment of Directors to specialized Board committees with all decisions and approvals being reported to the Board regularly.

董事會責任

董事會有責任確保行政管理層有能力以合理、有效及可盈利的方式經營本行，以履行其對股東、存戶、債權人、僱員及其他相關人士之整體責任。

董事會之責任包括：

- 制定本行之業務目標，並批核及檢討相應之業務策略及計劃(包括年度財政預算)；
- 確保本行謹慎營運並遵守香港特別行政區之法例及法規，從而於董事會認為有需要及適當時審核及批准銀行的政策、行為守則及系統；
- 確保本行於進行其業務時遵循高標準的誠信準則，並遵守由金管局、證券及期貨事務監察委員會及其他相關監管機構頒布之法例及規管指引；
- 制定、批准及審核本行之風險管理策略及政策，以確保定期識別、估量、監察及控制本行營運及業務上(包括信貸、市場、利率、流動資金、營運、聲譽、法律及策略)固有的各類風險；
- 監察本行之業務及透過委派職責及責任予行政總裁，或委任董事加入專責董事委員會以管理本行。專責董事委員會會定時向董事會匯報。

Roles of the Chairman and Chief Executive Officer ("CEO")

Information on the Chairman, Daniel Tsai Ming-Chung, and the CEO, Raymond Lee Wing Hung, may be found in the Corporate Information section of this Annual Report.

The Chairman and the CEO are not related, and their roles are segregated with a clear division of responsibilities.

The Chairman is a Non-Executive Director and is responsible to lead and run the Board effectively, ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner.

The CEO is an Executive Director and is appointed by the Board under its authority. He is responsible for the day-to-day general management and control of the businesses and operations of the Bank. The CEO may consult and/or seek guidance from other Directors of the Board when he considers it necessary.

主席及行政總裁的角色

本年報「公司資料」一節載有主席蔡明忠與行政總裁李永鴻之詳細資料。

主席與行政總裁並無關連，其職能有明確的分工。

主席為非執行董事，負責領導及有效率地管理董事會，並確保所有重大及需要處理的事務得以有效及有建設性地進行商議。

行政總裁為執行董事，由董事會在其權力下委任負責日常管理及控管本行之業務營運。行政總裁可於必要時向其他董事或董事會進行諮詢及/或尋求指引。

Appointment and Re-election of Directors

The Board, or its Nomination and Remuneration Committee, identifies, assesses and selects qualified and experienced individuals for appointment as Directors. The proposed appointment will be reviewed by the Nomination and Remuneration Committee, taking into account the candidate's experience, knowledge, skills, track record, independence of mind (particularly in the case of Non-Executive Directors and Independent Non-Executive Directors), and other relevant factors as may be determined by the Board.

The appointment of Directors will be considered and approved by the full Board or Shareholders in accordance with the Articles of Association of the Bank. Approval from the HKMA will also be obtained in accordance with the Banking Ordinance.

All Directors are subject to retirement by rotation and re-election at the Annual General Meeting ("AGM") in accordance with the Articles of Association of the Bank.

The Directors appointed by the Board during the year shall hold office only until the next AGM and shall then be eligible for re-election.

委任及重選董事

董事會或其提名及薪酬委員會會確定、評估並選擇合資格且有經驗的人選擔任董事。提名及薪酬委員會會審閱提名人的經驗、知識、專業、往績、獨立性(特別是對於非執行董事和獨立非執行董事)以及其他由董事會決定的相關條件。

根據本行組織章程細則，董事之委任將由全體董事會成員或股東審核及批准。根據《銀行業條例》，亦須獲得金管局之審批。

根據本行之組織章程細則，所有董事均需於股東週年常會上輪值告退及膺選連任。

董事會於年度內所委任之董事只任職至下屆股東週年常會，並於其時有資格再度膺選連任。

BOARD-LEVEL COMMITTEES

The Board has established five Board-level committees to assist in carrying out its responsibilities: Nomination and Remuneration Committee, Audit Committee, Risk Committee, Executive Committee, and Executive Credit Committee.

董事會轄下的委員會

董事會已成立了五個其轄下的委員會以協助行使其職責；提名及薪酬委員會、審核委員會、風險委員會、執行委員會及執行信貸委員會。

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by an Independent Non-Executive Director and comprises the Non-Executive Chairman, Non-Executive Vice Chairman and all the Independent Non-Executive Directors of the Bank. The Committee meets periodically and as required and provides oversight of the management of the Bank's human resources function including the appointment of Directors (both Executive and Non-Executive), senior management, and Management Committee Members. The Committee approves the Bank's overall human resources management framework to ensure that the Bank is in compliance with the applicable government regulations and follows the market best practices wherever feasible. The Committee is also responsible for ensuring that Directors, the Chief Executive Officer, and Management Committee Members possess the necessary and appropriate qualifications to perform and discharge their duties.

The Committee regularly reviews whether each existing Director continues to remain qualified for his/her post. It also reviews the structure, size and composition of the Board and makes recommendations on any proposed change to the Board.

The Committee reviews and approves the remuneration for Directors, members of Board Committees, senior management, and Key Personnel (as defined under the Remuneration Policy of the Bank).

提名及薪酬委員會

提名及薪酬委員會由獨立非執行董事擔任主席，其他成員包括非執行主席、非執行副主席及所有獨立非執行董事。該委員會會定期及按需要舉行會議，其主要職責為監察本行人力資源管理，包括委任董事(執行和非執行)，高級管理層及管理委員會成員。批核本行整體人力資源管理框架以確保本行遵守政府相關規定及在可能情況下遵循市場最佳常規。該委員會亦負責確保獲委任董事、行政總裁及管理委員會成員擁有必要及適當的資格以履行彼等的職責。

該委員會定期審視現任董事的資格以確定其繼續符合擔任其職務；亦會就董事會結構、規模及組成向董事會作出適切建議。

該委員會審閱及批准董事、董事會轄下的委員會成員，高級管理層及重要人員的薪酬(定義見本行薪酬政策)。

The Committee is mandated to assist the Board in establishing cultural and behavioural standards that promote prudent risk-taking and fair treatment of customers and employees. It advises and assists the Board in discharging its responsibilities for the Bank's culture-related matters.

該委員會亦獲董事會授權協助建立本行的企業文化及行為準則，以配合本行審慎的風險承擔和公平對待客戶及員工的原則。其亦會建議並協助董事會履行對企業文化等相關事宜的責任。

The Nomination and Remuneration Committee held two meetings during the year.

提名及薪酬委員會於年度內舉行了兩次會議。

Audit Committee

The Audit Committee comprises four members including one Non-Executive Director and three Independent Non-Executive Directors. The Audit Committee is chaired by an Independent Non-Executive Director who has appropriate accounting professional qualifications. The Committee meets at least four times a year and additionally when deemed necessary.

The Audit Committee is required to ensure that there is adequate supervision of the Bank's financial reporting processes and systems of internal control, and that the internal audit function is effective and backed by adequate resources and has appropriate standing within the Bank. It is also required to ensure that there is coordination between the internal and external auditors, to monitor compliance with internal policies and statutory regulations, and to consider recommendations made by the internal and external auditors.

The Audit Committee reviews the Bank's financial reporting process, the systems of internal control, the internal audit function, and the risk management process. In particular, the review undertaken by the Audit Committee on the internal audit function includes the Internal Audit Charter and its approval, the annual audit plan, internal audit reports, and special investigation reports. It also ensures that appropriate management actions are taken following the major audit findings.

In addition, the Audit Committee reviews the appointment of external auditors and discusses with them the nature and scope of their audits. The Audit Committee also reviews the interim and annual financial statements before recommending them to the Board for approval.

The Audit Committee held four meetings during the year.

審核委員會

審核委員會由四名成員組成，包括一名非執行董事及三名獨立非執行董事。審核委員會由擁有適當會計專業資格之獨立非執行董事擔任主席。該委員會每年最少舉行四次會議，並在有需要時舉行額外會議。

審核委員會須確保對本行之財務申報程序及內部監控制度進行足夠之監管，使內部審核職能可在有效及充足資源下在本行內訂立適當地位。並確保內部及外聘核數師互相協調，以監控遵守內部政策、法規及考慮其提出之建議。

審核委員會檢討本行之財務報告程序、內部監控系統、內部審核職能及風險管理程序。尤其是在內部審核職能的檢討工作方面，該委員會的審核範圍包括內部審核規章及其批准、年度審核方案、已發布之內部審核報告及特別調查報告，確保管理層對調查所發現之主要問題作出適當之補救行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。審核委員會於向董事會建議批准中期及年度財務報告之前審閱有關報告。

審核委員會於年度內舉行了四次會議。

Risk Committee

The Risk Committee is composed of five members including one Executive Director, one Non-Executive Director and three Independent Non-Executive Directors. The Risk Committee is chaired by an Independent Non-Executive Director who has extensive banking experience. The Committee meets at least four times a year and additionally when deemed necessary. Its mandate is to establish the Bank's overall risk appetite and to ensure a proper risk management framework is in place. The Committee also oversees senior management's implementation of the Bank's risk policies.

風險委員會

風險委員會由五名成員組成，包括一名執行董事、一名非執行董事及三名獨立非執行董事。風險委員會由擁有豐富銀行經驗之獨立非執行董事擔任主席。該委員會每年舉行四次會議並於必要時舉行額外會議。其職能是建立本行的整體風險承受能力及確保本行已建立一個合適的風險管理框架，以及監管高級管理層實施本行的風險政策。

The Risk Committee reviews and endorses the Bank's risk appetite statement and risk management strategies on an annual basis. It oversees the establishment and maintenance by senior management of appropriate infrastructure, resources and systems for risk management, particularly regarding the compliance with relevant legal and regulatory requirements, adherence to the approved risk appetite and related policies, and the adoption of best practices wherever feasible.

風險委員會將每年審查並認可本行的風險承受能力聲明及風險管理策略。其將監督高級管理層建立和維護風險管理的適當基礎設施，資源和系統，特別是在遵守相關法律和監管要求，以及遵守已批准的風險承受能力和相關政策，以及本行於可行情況下採納最佳常規。

The Risk Committee is required to ensure that the staff responsible for implementing risk management systems and controls are sufficiently independent of the risk-taking units in the Bank.

風險委員會須要確保負責風險管理及監控的員工充分獨立於涉及本行的風險承擔單位。

The Risk Committee held four meetings during the year.

風險委員會於年度內舉行了四次會議。

Executive Committee

The Executive Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the Executive Director of the Bank. It exercises the powers and authorities delegated by the Board from time to time concerning the management and day-to-day running of the Bank. The Executive Committee meets periodically and as required and operates as a general management function under the auspices of the Board.

執行委員會

執行委員會包括非執行主席、非執行副主席及執行董事，將行使由董事會不時委託的有關本行管理及日常營運之權力及職權。執行委員會會定期及於有須要時舉行會議，並於董事會的支持下監控董事會的一般管理職能。

The Executive Committee dealt with 64 resolutions in writing during the year.

執行委員會於年度內處理了六十四份書面決議。

Executive Credit Committee

The Executive Credit Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman, and the Executive Director of the Bank. It has the delegated authority to approve credit proposals, credit policies and other credit-related matters which require the approval of the Board. The Executive Credit Committee meets regularly and as required.

執行信貸委員會

執行信貸委員會包括本行非執行主席、非執行副主席及執行董事。該委員會獲授權批核須獲董事會批准的信貸建議、信貸政策及其他信貸相關事項。執行信貸委員會定期及於需要時召開會議。

The Executive Credit Committee held 34 meetings during the year.

執行信貸委員會於年度內舉行了三十四次會議。

KEY MANAGEMENT-LEVEL COMMITTEES

In addition to the Board-level committees, six management-level committees have been set up by the Board to oversee the effectiveness of the Bank's daily operations – Management Steering/Business Committee, Asset and Liability Committee, Internal Control Committee, Credit Committee, Information Technology Steering Committee, and Compliance & Anti-Money Laundering Committee.

主要管理層轄下的委員會

除董事會轄下的委員會外，董事會亦設立六個管理層委員會以監控本行日常營運的效率－管理督導/業務委員會、資產負債委員會、內部監控委員會、信貸委員會、資訊科技督導委員會與合規及反洗黑錢委員會。

Management Steering/Business Committee

The Management Steering Committee and the Management Business Committee (together "the Committees") are both chaired by the Bank's CEO, and comprise senior management personnel appointed by the CEO. The Committees are the key decision-making bodies for the Bank's daily operations and are responsible for the running of the Bank's day-to-day business under the authority delegated by the Board and within the strategy and business plan approved by the Board. The Committees are also responsible for the formulation of the Bank's business strategies and major bank-wide initiatives for the Board's approval. The Committees meet weekly on an alternate basis to evaluate and approve new business initiatives, coordinate business and support units during the implementation process, and monitor the progress. The Committees also monitor the implementation of the approved business strategies, and review the achievement of business targets, objectives, and the financial performance of the Bank.

管理督導/業務委員會

管理督導委員會及管理業務委員會(統稱「該等委員會」)由本行的行政總裁任主席，由行政總裁所委任的相關高級管理人員組成。該等委員會乃本行日常運作的重要決策組織，在董事會授權下負責銀行的日常業務，以確保切合董事會批核的策略和業務計劃。該等委員會亦負責制定本行的業務策略及主要全行措施以供董事會批核。該等委員會每隔一周舉行一次會議，以評估和審批新的業務計劃、在實施過程中協調業務和後勤部門的工作以及監測進展情況。該等委員會還監察已審批的業務策略的實施情況，並檢討是否實現本行業務目標、宗旨及財務表現。

Asset and Liability Committee

The Asset and Liability Committee ("ALCO") comprises the Bank's CEO, Chief Financial Officer, and senior management personnel appointed by the CEO. The Committee is responsible for providing oversight of the Bank's operations relating to interest rate risk, market risk, and liquidity risk (collectively known as "financial risks"), as well as capital management. The Committee initiates, reviews and endorses the Bank's policies on financial risks and capital management for the approval of the Risk Committee of the Board. It approves guidelines relating to such policies, and reviews and approves all major financial risk management reports. The ALCO also oversees the Bank's investment activities by establishing investment strategies within policies laid down by the Risk Committee of the Board, and reviews actual performance.

資產負債委員會

資產負債委員會由本行行政總裁、財務總監及行政總裁所委任的高級管理人員組成。該委員會負責監查本行營運上有關利率風險、市場風險及流動資金風險(總稱為「財務風險」)以及資本管理。該委員會啟動、審閱及批准本行財務風險及資本管理政策，以供董事會風險委員會批准。其批准有關該等政策的指引，審閱及批准所有重大財務風險及管理報告。資產負債委員會亦透過在董事會風險委員會規定的政策範圍內，設立投資策略以監查本行的投資活動以及檢討實際表現。

Internal Control Committee

The Internal Control Committee ("ICC") is composed of the Bank's CEO, Executive Vice Presidents, Head of Control & Risk Management, and the heads of different control, business and support functions. The responsibilities of the Committee include providing oversight of the Bank's exposure to operational and legal risks, ensuring the Bank has in place an effective internal control framework, while providing guidance to the Bank for establishing a sound internal control and monitoring system to ensure overall compliance within the Bank.

To ensure an effective internal control framework is in place, the ICC reviews policies and approves guidelines relating to internal control and management of operational and legal risks, receives and discusses reports submitted by various risk management units, and promotes an internal control culture. To maintain an adequate system of internal controls, the ICC reviews and discusses major operational risk events, and the progress of rectification of audit findings and control self-assessment.

內部監控委員會

內部監控委員會包括本行的行政總裁、執行副總裁、監控及風險管理部主管以及不同控管、業務及後勤部門的主管。委員會的職能包括監督本行面對之營運及法律風險，確保本行推行有效之內部監控架構，以及提供指導為銀行建立一套完善的內部控管和監察制度，以確保銀行內全面的遵守。

為確保推行有效的內部監控架構，內部監控委員會審閱及批核有關內部監控及營運與法律風險有關的政策及指引，接收及討論各風險管理單位提交的報告並會推動內部監控文化。為了維持適當的內部控制系統，委員會會審視和討論主要的營運風險事件及源自審計報告和監控自我評估的改善進度。

Credit Committee

The Credit Committee ("CC") meets weekly and its mandate is to provide oversight of the Bank's credit risk management. The Committee is chaired by the Bank's CEO, and consists of senior executives of the Bank.

The CC reviews and endorses credit policies and the credit risk profile of the Bank for the Executive Credit Committee's approval, and reviews and approves credit-related guidelines. The Committee also reviews and approves requests for credit facilities that are within the CC's authority as delegated by the Board, and reviews and endorses requests for credit facilities before their submission to the Executive Credit Committee for approval.

The CC will also conduct ongoing reviews on the market environment and make necessary policy recommendations to the Executive Credit Committee to ensure the credit risk profile of the Bank is within the established risk appetite. In this regard, the CC will provide periodic and timely credit-related management and stress testing reports to the Executive Credit Committee for review.

信貸委員會

信貸委員會每周舉行會議及獲授權監察本行的信貸風險管理。信貸委員會由本行行政總裁擔任主席，由本行高級行政人員組成。

信貸委員會審閱及批准本行信貸政策及信貸風險狀況，以供執行信貸委員會批准，以及審閱及批准信貸相關指引。信貸委員會亦在董事會授權內批核客戶信貸融資申請，或審閱及提呈執行信貸委員會批核。

信貸委員會會就市場環境作出持續審查及向執行信貸委員會提出所須政策建議，以確保本行信貸風險維持於既定風險取向能力之內。因此，信貸委員會會定期及適時地向執行信貸委員會提供信貸相關管理及壓力測試報告予其審閱。

Information Technology Steering Committee

The Information Technology Steering Committee is chaired by the Bank's CEO, and comprises senior management personnel appointed by the CEO. The Committee is responsible for providing oversight of the Bank's key information technology governance objectives. The Committee approves the Bank's IT-related guidelines; approves long and short term information technology strategies to ensure they are in line with the Bank's business strategy and priorities; approves funding and determines prioritization of information technology-enabled investment projects; discusses the status of key projects and risk issues escalated from its sub-committee; and manages major information technology risk issues and corresponding remediation. The Committee meets on a monthly basis and as required by the Committee Chairman.

資訊科技督導委員會

資訊科技督導委員會由本行的行政總裁任主席，由行政總裁所委任的高級管理人員組成。委員會負責監督本行的主要資訊科技管治目標。委員會會批准銀行的資訊科技相關指引；批准長期及短期資訊科技策略，確保有關策略符合本行業務策略及優先權；批准資金及釐定支持資訊科技的投資項目的優先次序；應核下委員會上呈要求討論重要項目及風險議題的狀況；以及管理主要資訊科技風險事宜及相應的補救措施。委員會每月舉行一次例議及委員會主席召集的臨時會議。

Compliance & Anti-Money Laundering Committee

The Compliance & Anti-Money Laundering Committee ("CAMLC") comprises the Bank's CEO, Executive Vice Presidents, Head of Compliance & Anti-Money Laundering, and the heads of different control, business and support functions. The responsibilities of the Committee include providing oversight of the Bank's exposure to compliance risks and compliance activities to ensure the Bank is in compliance with applicable regulatory requirements and Anti-Money Laundering and Counter-Terrorist Financing ("AML/CFT") requirements. The CAMLC provides guidance to the Bank and senior management in establishing a professional compliance control and monitoring system to cultivate a strong compliance culture, and ensures the Bank has an effective compliance framework in place to meet the regulatory requirements. In addition, the CAMLC reviews and approves guidelines relating to compliance and AML/CFT. CAMLC reports to the Risk Committee on key issues discussed and approved.

合規及反洗黑錢委員會

合規及反洗黑錢委員會由本行行政總裁、執行副總裁、合規及反洗黑錢部門主管以及各監控、業務及後勤部門主管組成。該委員會的職責包括監督本行的合規風險及合規活動，以確保本行符合反洗黑錢及恐怖分子資金籌集的規定及其他適用的監管規定。委員會為本行及高級管理層提供指引以構建一個專業的合規監控及監督系統，用以培育一個穩健及整體的合規文化，並確保本行備有行之有效的合規架構以配合監管者的要求。此外，委員亦會審閱及批准有關監管規例的內部指引。合規及反洗黑錢委員會將就討論和批准的重要議題向風險委員會報告。

To maintain the Bank's overall regulatory compliance standards, the CAMLC reviews the latest developments in regulatory compliance and AML/CFT requirements applicable to the Bank.

為保持本行的整體監管合規水平，委員會審閱適用於本行的監管規例的最新進展。

RISK MANAGEMENT

The Risk Committee, a Board-level committee, establishes the overall risk appetite and risk management strategy of the Bank, taking into account current and forward-looking aspects of risk exposure.

The Bank has established a set of risk management policies and guidelines to identify, measure, monitor and control various types of risks, including credit, market, interest rate, liquidity, operational, reputational, legal and strategic risks. A set of risk limits and indicators are set in accordance with the Bank's defined risk appetite, and a proper risk management framework is put in place to ensure the degree of risk that the Bank is exposed to is kept within an acceptable level. Risk management policies and major risk limits are approved by the Board or a Board-level committee.

Regular risk management reports are submitted to the Risk Committee for assessing the level of risk involved in the Bank's business activities and how they are controlled and managed. The Risk Committee monitors the risk profile of the Bank against the approved risk limits and indicators, and determines appropriate management action if material deviations from approved limits occur. The Risk Committee also assesses the effectiveness of the risk management function of the Bank and ensures that it has the necessary resources and expertise to carry out its duties.

風險管理

風險委員會為董事會轄下委員會，經考慮當前及前瞻性的風險面，設定本行全面風險承受能力及風險管理策略。

本行已制定一系列風險管理政策及指引以識別、計量、監管及控制各類風險，包括信貸、市場、利率、流動資金、營運、聲譽、法律及策略風險。根據界定的風險承受能力設立一組風險限額及指標，並建立合適的風險管理架構，以保證本行面臨的風險等級控制在可接受水平。風險管理政策及主要風險限額經由董事會或其轄下的委員會批准。

定期風險管理報告會提交至風險委員會以供評估本行業務涉及的風險水平，以及如何控制及管理該等風險。風險委員會根據批准的風險限額及指標監控本行的風險狀況，並確定如果與批准的限額發生重大偏差，則將採取適當的管理措施。風險委員會亦評估本行風險管理職能的有效性且確保其擁有必要資源及專長來履行其職責。

ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING

The Bank has in place stringent internal guidelines and procedures to combat money laundering, drug trafficking and terrorist financing. All staff members are required to comply with these guidelines and procedures by conducting customer due diligence and transaction monitoring to ensure prevention of such activities. With the support of the Board, management of the Bank has been actively promoting a strong AML/CTF and culture to ensure compliance with all relevant laws and regulations.

反洗黑錢及反恐怖分子資金籌集

本行已訂立嚴謹的指引及程序以打擊洗黑錢、販毒和恐怖分子資金籌集。本行全體員工對客戶進行盡職審核及交易監控時，均須遵守相關指引及程序，以確保防止此類活動。於董事會的支持下，管理層積極推動強大的反洗黑錢及反恐怖分子資金籌集文化，以確保適當地符合所有相關法律和法規。

INTERNAL CONTROLS

To ensure the Bank has adequate internal control systems in place, the Board discharges its responsibilities through the Audit Committee and Risk Committee. Management is primarily responsible for the design, implementation, and maintenance of internal controls.

The Bank's internal control systems comprise a number of measures designed to promote effective control and fraud prevention. Reliable and timely reporting to the Board of financial and management information and internal control matters ensure that the Board can properly oversee the Bank's operations.

內部監控

董事會通過審核委員會及風險委員會履行其職責以確保本行具有適當的內部監控系統。管理層主要負責內部監控的設計、實施及維護。

本行的內部監控系統包括一系列旨在促進有效控制及防止欺詐的措施。向董事會可靠和及時地報告財務及管理資訊以及內部監控事項，以確保董事會能夠妥善監督本行的運作。

The internal control framework includes:

1. Establishment of functional committees responsible for monitoring various risks and controls.

2. A clear organization structure with well-defined authorities and responsibilities to enable effective checks and balances.

3. All major Bank policies are approved by the Board. These policies provide specific operational, financial, and compliance controls, which will facilitate segregation of duties, accuracy of reporting, and proper control over assets and risk exposure.

4. Risk management policies and procedures are in place to identify and measure risks associated with the Bank's businesses and operations.

5. A risk management reporting framework to provide regular reports to senior management and/or relevant Board-level committees.

6. A system to monitor changes and developments of relevant laws, regulations and standards applicable to the Bank's activities, and ensures that senior management and relevant units are duly aware of those and are in a position to take appropriate measures to ensure continued compliance.

The internal audit function of the Bank is an independent appraisal function set up with the primary objective of evaluating the internal control systems and the compliance regime of the Bank, and to report major findings and agreed rectification measures to the Board's Audit Committee for review and comments on a regular basis. The Chief Internal Auditor reports directly to the Audit Committee and is appointed by the Audit Committee.

內部監控架構包括包括：

1. 成立負責各類風險監察和監控的功能委員會。

2. 一個具有妥善界定權限和職責的清晰組織架構，將有利於有效的牽制與平衡。

3. 本行所有主要政策均由董事會批准。該政策和程序包括特定的營運、財務及法規監控，以利分工、準確申報及對資產和風險度的適當監控。

4. 為識別和衡量對本行業務及營運可能面對的風險，本行已制定風險管理政策和程序。

5. 在報告風險管理的框架下，會定期提供報告予高級管理層及/或董事會轄下的委員會。

6. 一個負責監控與本行業務有關的法律、法規及準則變化與發展的系統，以確保高級管理層及有關單位充分知悉該等變化，並能採取適當措施以確保持續合規。

本行的內部稽核是一個獨立的評估職能，設立的主要目的為評估本行內部控管及合規制度，並定期向董事會的審核委員會報告主要查核結果及其改善措施給其審視。內部稽核主管直屬審核委員會，並由審核委員會任命。

BANK CULTURE

The Bank promotes a culture that encourages and recognizes high ethical standards and expects its staff to be familiar with and observe the Group's four Core Values: INTEGRITY, SINCERITY, PROFESSIONALISM and INNOVATION, as well as the three Personal Behavioural Principles: INTEGRITY, THRIFT and HUMILITY. These Core Values and Behavioural Principles form the cornerstones of the Bank's corporate culture, and the Bank expects its staff to uphold these Values and Principles when dealing with its customers and other staff members. The Bank discourages and prohibits any form of discrimination and harassment of a personal nature and will take appropriate actions against any staff who engages in these unacceptable social behaviours.

Sensible sustainability of the environment is an important social responsibility principle. With this ideal in mind, the Bank promotes green programmes wherever possible and ensures that Bank staff contribute to this effort. The Bank also promotes this green culture to customers and considers the green impact of day-to-day customer interactions.

企業文化

本行一直致力鼓勵及推動高道德操守的企業文化，並期望每位員工瞭解及恪守集團的四個核心價值：「誠信、親切、專業及創新」，以及三信條：「誠信、勤儉及謙和」。這些核心價值及信條為本行企業文化的基石，本行期望每位員工在對待客戶及其他員工時恪守這些價值及信條。本行絕不鼓勵並禁止任何針對個人的歧視及騷擾行為，並必對參與這些不當行為之員工採取適當行動。

鑑於維持一個合適可持續的環境是一項重要的社會責任原則。本行為此積極推行各項綠色計劃，並確保本行員工能予以配合。本行亦會向客戶推廣綠色的文化及考慮其對日常客戶交流造成的影響。

Treating customers fairly and ensuring the protection of their interests are part of the professional standards the Bank looks for in its employees.

本行期望員工具備公平對待客戶及保障彼等權益的專業操守。

The Bank also expects its employees to understand that a sound corporate culture in a bank includes prudent risk-taking. While risk-taking is inherent in the banking business, employees are expected to exercise astute and prudent judgment in their daily work activities to reflect the underlying principles outlined above.

本行亦期望員工明白良好的企業文化包括審慎的風險承擔，誠然風險承擔為銀行業務的本質，員工於日常工作時仍必須審慎判斷風險，以反映已遵守上述相關原則。

To ensure that the Bank maintains a proper framework to sustain and enhance its desired culture, the Bank has established a Culture Policy to clearly explain the Bank's expectations and requirements to its employees, and it will evaluate employee performance in this regard.

為確保本行具備合適的架構以持續發展及提升企業文化，本行已制定銀行文化政策，清楚解釋本行對員工的期望及要求，並會評估員工於此方面的表現。

Through its Nomination and Remuneration Committee, the Board of Directors of the Bank is responsible for ensuring that the Bank's Culture Policy is effectively implemented and maintained.

本行董事會透過其提名及薪酬委員會負責確保本行的文化項目得到有效實施和維護。

The Bank believes that the promotion of a good corporate culture will contribute towards its success and establish the Bank as a good corporate citizen. Good corporate governance is also a key element in providing a good working environment for Bank staff.

本行相信，推動良好企業文化將令銀行邁向成功，亦令銀行成為良好的企業公民。良好的公司治理也是為本行員工提供良好工作環境的關鍵因素。

CODE OF CONDUCT

操守守則

The Bank adopts a high standard of ethical conduct and professional competence. Consistent with the policies and practices of the Group, it has set up a Code of Conduct guideline ("Code"), which all levels of staff are required to observe in the discharge of their duties.

本行已採納高標準的道德守則及專業能力。為與集團政策及常規一致，已制定操守守則指引(「守則」)，要求所有員工在履行彼等職責時加以遵守。

The Code is structured according to applicable regulatory guidelines and other industry best practices, setting out professional standards and corporate values that promote ethical, professional, and responsible behaviour among the Bank's staff.

該守則在架構方面與適用的規管指引及其他行業最佳常規一致，當中訂明專業準則及企業價值以提高本行員工道德和負責任的專業操守。

The Bank has procedures set up for staff to communicate, in confidence, material and bona fide concerns or observations of any violations or irregularities in the Bank. Communication can also be directed to the Board through a "CEO Channel", which is independent of the internal chain of command.

本行亦建立了程序予員工以保密方式通報、高度誠實關注或監察任何本行的異常或違規事件。亦可透過獨立於內部指令程序的「行政總裁渠道」與董事會進行溝通。

In addition, the Bank promotes a culture that encourages and recognizes high ethical standards and expects its staff to be familiar with and observe the Core Values and Behavioural Principles of the Group and the Bank.

除此，本行致力鼓勵及推動高道德操守的企業文化，並期望每位員工瞭解及恪守本行及集團的核心價值及信條。

The Bank also adopted the principles of the Group's Code of Ethical Conduct, which is available in the "Corporate Governance" section of the Bank's website.

本行亦採納了集團「道德行為準則」的原則，該準則詳載於本行網站的「公司治理」網頁。

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The Directors have pleasure in presenting their report together with the audited financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2019.

董事會欣然提呈其報告連同富邦銀行(香港)有限公司(「本行」)及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度的經審核財務報告。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

主要業務及業務回顧

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

SUBSIDIARIES

Particulars of the Bank's principal subsidiaries at 31 December 2019 are set out in Note 20 to the financial statements.

附屬公司

本行的主要附屬公司於二零一九年十二月三十一日的詳情載於財務報告附註20。

SHARE CAPITAL

Details of the share capital of the Bank are set out in Note 29 to the financial statements.

股本

本行的股本詳情載於財務報告附註29。

PRINCIPAL PLACE OF BUSINESS

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong.

主要營業地點

本行為一所於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中38號富邦銀行大廈。

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2019 is set out in the consolidated statement of comprehensive income on page 68. The state of the Group's affairs as at 31 December 2019 is set out in the financial statements on pages 68 to 222.

No interim dividend was paid for the year ended 31 December 2019 (2018: Nil).

The Directors do not recommend a payment of final dividend in respect of the year ended 31 December 2019 (2018: Nil).

業績及分派

本集團截至二零一九年十二月三十一日止年度的業績載於第68頁綜合全面收益表。有關本集團於二零一九年十二月三十一日的業務狀況載於第68至222頁的財務報告。

於截至二零一九年十二月三十一日止年度，本行無派付中期股息(二零一八年：無)。

董事並不建議派付截至二零一九年十二月三十一日止年度的末期股息(二零一八年：無)。

DIRECTORS

The Directors in office during the financial year and up to the issuance date of this Report of the Directors were:

Executive Director

Raymond LEE Wing Hung *(Chief Executive Officer and Managing Director)*

Non-Executive Directors

Daniel TSAI Ming Chung *(Chairman)*
Richard TSAI Ming Hsing *(Vice Chairman)*
Jerry HARN Wey Ting
Eric CHEN Sun Te
Roman CHENG Yao Hui

Independent Non-Executive Directors

Robert James KENRICK
Hung SHIH
Peter PANG Sing Tong

The names of Directors who have served on the boards of directors of the subsidiaries of the Bank during the year ended 31 December 2019 are set out below:

Henry WANG Hao Jen
Carmen YIP Ka Man
Dennis HA Yiu Fai
Patrick CHAN Tin Ching
Fabian CHEUNG Yue Kiu
Randy CHENG Ying Kwong *(appointed on 15 August 2019)*
Tony NG Yin Tsang *(resigned on 31 May 2019)*

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Richard TSAI Ming Hsing, Roman CHENG Yao Hui and Robert James KENRICK retire and, being eligible, offer themselves for re-election.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors of the Bank is currently in force and was in force throughout this year.

董事

本財政年度及截至本董事會報告發行日期之在任董事為：

執行董事

李永鴻*(行政總裁兼董事總經理)*

非執行董事

蔡明忠*(主席)*
蔡明興*(副主席)*
韓蔚廷
陳聖德
程耀輝

獨立非執行董事

甘禮傑
石宏
彭醒棠

截至二零一九年十二月三十一日止年度，本行附屬公司董事會的董事載列如下：

王浩人
葉嘉敏
夏耀輝
陳天正
張宇翹
鄭應光*(於二零一九年八月十五日獲委任)*
吳彥錚*(於二零一九年五月三十一日辭任)*

於應屆股東週年大會上的董事輪任

根據本行組織章程細則第八十一條，蔡明興、程耀輝及甘禮傑輪值告退，並合資格膺選連任。

董事彌償

有關本行董事利益之獲准許的可彌償條文(定義見香港公司條例第469條)現正並已於年內生效。

DIRECTORS' SERVICE CONTRACTS

The Non-Executive Directors were appointed by the Bank's shareholders at the Annual General Meeting with appointment terms in accordance with Article 81 of the Bank's Articles of Association.

No Director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Bank which is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事的服務合約

非執行董事是按照本行組織章程細則第八十一條委任條款於股東週年大會上獲本行股東委任。

於應屆股東週年大會擬膺選連任的董事並無與本行訂立不可由本行或其任何附屬公司於一年內毋須賠償(一般法定責任除外)而終止的尚未屆滿服務合約。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance in relation to the Bank's business to which the Bank, its holding company, subsidiaries or fellow subsidiaries was a party and in which the Directors of the Bank had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事之交易、安排或合約權益

於年底或年內任何時間，本行、其任何控股公司、附屬公司或同系附屬公司並無就本行業務訂立本行董事直接或間接擁有重大權益的重要交易、安排或合約。

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

The Directors and Chief Executive of the Bank who held office at 31 December 2019 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") and the Bank, at that date as recorded in the register of Directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

董事認購股份及債券之權利

於二零一九年十二月三十一日在任的本行董事及行政總裁於當日在本行最終控股公司富邦金融控股股份有限公司(「富邦金控」)及本行股份中擁有須根據證券及期貨條例(「證券及期貨條例」)第352條所存置之董事及行政總裁之權益及淡倉登記冊中所記錄之權益如下：

	Ordinary shares in Fubon Financial of NT$10 each 富邦金控每股面值10元新台幣普通股				
Name **姓名**	**Personal interests** **個人權益**	**Family interests** **家族權益**	**Corporate interests** **法團權益**	**Total number of shares held** **所持股份總數**	**Percentage of total issued shares** **佔全部已發行股份百分比**
Daniel TSAI Ming Chung 蔡明忠	308,507,129	28,458,053	2,155,933,036(1)	2,492,898,218	24.36
Richard TSAI Ming Hsing 蔡明興	327,125,694	29,473,565	2,155,933,036(1)	2,512,532,295	24.55
Jerry HARN Wey Ting 韓蔚廷	2,430,288	–	–	2,430,288	0.02

Note:

(1) 2,155,933,036 shares were held through corporations in which Daniel TSAI Ming Chung, Richard TSAI Ming Hsing and other TSAI family members have beneficial interest.

附註：

(1) 2,155,933,036股股份透過蔡明忠、蔡明興及其他蔡氏家族成員擁有實益權益之法團持有。

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES (continued)

董事認購股份及債券之權利(續)

Name 姓名	Preferred Shares A in Fubon Financial of NT$10 each 富邦金控每股面值新台幣10元之優先股份A Personal interests 個人權益	Family interests 家族權益	Corporate interests 法團權益	Total number of shares held 所持股份總數	Percentage of total issued shares 佔全部已發行股份百分比
Daniel TSAI Ming Chung 蔡明忠	2,500,000	–	–	2,500,000	0.197
Richard TSAI Ming Hsing 蔡明興	74,564	–	–	74,564	0.006
Jerry HARN Wey Ting 韓蔚廷	100,000	–	–	100,000	0.008
Eric CHEN Sun Te 陳聖德	22,800	–	–	22,800	0.002
Roman CHENG Yao Hui 程耀輝	25,000	249	–	25,249	0.002

Options

No Directors or Chief Executive of the Bank or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Bank, any of its holding company, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept under section 352 of the SFO.

認股權

概無本行之董事及行政總裁或彼等之配偶或十八歲以下之子女於本行、其任何控股公司、附屬公司或同系附屬公司之股份、相關股份或債券中擁有須根據證券及期貨條例第352條所存置之登記冊中所記錄之權益或淡倉。

EQUITY-LINKED AGREEMENTS

At no time during the year was the Bank, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

股權掛鈎協議

本年度本行或其任何控股公司、附屬公司或同系附屬公司並非任何協助本行董事以收購本行或任何其他法人團體的股份或債券之方式收購利益之安排的參與方。

DONATIONS

Donations made by the Group during the year amounted to HK$74,500 (2018: HK$180,000).

捐款

本集團於年內捐出74,500港元(二零一八年：180,000港元)。

RETIREMENT SCHEMES

The Group operates a defined benefit retirement scheme which covers 19% (2018: 20%) of the Group's employees, and a Mandatory Provident Fund Scheme. Particulars of these retirement schemes are set out in Note 32 to the financial statements.

退休計劃

本集團推行一項定額退休福利計劃(範圍涵蓋本集團19%(二零一八年：20%)的僱員)及一項強制性公積金計劃。該等退休計劃的詳情載於財務報告附註32。

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The financial statements for the year ended 31 December 2019 in conjunction with the unaudited supplementary financial information on pages 223 to 238, together with a separate document – "Regulatory Disclosures Statement" and disclosures made in the Bank's website under the page "Regulatory Disclosures", comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority under section 60A of the Hong Kong Banking Ordinance.

遵守《銀行業(披露)規則》

截至二零一九年十二月三十一日止年度之財務報告及列載於第223至238頁的未經審核補充財務資料以及另一份文件－「監管披露報表」及於本行網頁內的「監管披露」頁面項下所作披露完全遵守香港金融管理局根據香港《銀行業條例》第60A節頒佈的《銀行業(披露)規則》之適用披露條文而編製。

AUDITORS

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

核數師

財務報告已由畢馬威會計師事務所審核，彼將告退並符合資格膺選連任。於應屆股東週年常會上將提呈一項決議案續聘畢馬威會計師事務所為本行的核數師。

On behalf of the Board

Daniel TSAI Ming Chung
Chairman

17 March 2020

承董事會命

蔡明忠
主席

二零二零年三月十七日

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Independent auditor's report
to the members of Fubon Bank (Hong Kong) Limited
(incorporated in Hong Kong with limited liability)

獨立核數師報告
致富邦銀行(香港)有限公司成員
(於香港註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 68 to 222, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 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.

意見

本核數師(以下簡稱「我們」)已審計載列於第68至222頁的富邦銀行(香港)有限公司(「貴行」)及其附屬公司(統稱「貴集團」)的綜合財務報告，此綜合財務報告包括於二零一九年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流動表，以及綜合財務報告的附註，包括主要會計政策概要。

我們認為，該等綜合財務報告已根據香港會計師公會頒佈的香港財務報告準則真實而中肯地反映　貴集團於二零一九年十二月三十一日的綜合財務狀況以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。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基礎

我們已根據香港會計師公會頒佈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於本報告「核數師就審計綜合財務報告須承擔的責任」一節進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)，我們獨立於　貴集團，並已根據守則履行其他道德責任。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。

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.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期間綜合財務報告的審計最為重要的事項。該等事項於我們審計整體綜合財務報告及出具意見時處理。我們不會對該等事項提供單獨的意見。

Impairment of advances to customers
客戶貸款減值

Refer to Note 38 to the consolidated financial statements and the accounting policies on page 98.
茲提述綜合財務報告附註38及第98頁之會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
The Group has applied Hong Kong Financial Reporting Standard 9 – Financial Instruments ("HKFRS 9") and developed an impairment model for financial assets including advances to customers. 貴集團已應用香港財務報告準則第9號－金融工具(「香港財務報告準則第9號」)，並為金融資產包括客戶貸款制定新的減值模型。 Loan exposures that are not already credit-impaired are originated into stage 1 and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit-impaired (stage 3). 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個月的預期信貸虧損的金額確認撥備。在貸款被償還前，貸款會保留於第一階段，除非其信貸風險有顯著增加(第二階段)或已成為不良信貸(第三階段)。 Loan exposures will transfer to stage 2 and a lifetime ECL provision recognised when there has been a significant change in the credit risk compared to what was expected at origination. 當信貸風險與原始預期相比其信貸風險顯著增加時，貸款風險承擔將轉移至第二階段，並確認全期預期信貸虧損撥備。 Loan exposures are classified as stage 3 when they become credit-impaired. 貸款風險承擔於信貸減值時被歸類為第三階段。	Our audit procedures to assess the ECL of advances to customers as at 31 December 2019 included the following: 我們於二零一九年十二月三十一日評估客戶貸款的預期信貸虧損的審計程序包括以下各項： ■ understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of advances to customers, the credit grading process, the ECL model approval and monitoring of the measurement of ECL; ■ 瞭解與評估財務報表關鍵內部控制的設計、實施及運作成效，包括審批、記錄及監控客戶貸款、信貸評級流程、預期信貸虧損模型批准及監控預期信貸虧損計量；

KEY AUDIT MATTERS (continued) 關鍵審計事項(續)

Impairment of advances to customers (continued)
客戶貸款減值(續)

Refer to Note 38 to the consolidated financial statements and the accounting policies on page 98. (continued)
茲提述綜合財務報告附註38及第98頁之會計政策。(續)

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions. 使用預期信貸虧損模型釐定虧損撥備受限於若干關鍵參數及假設，包括識別虧損階段、違約概率、違約損失率、違約風險承擔及貼現率的估計、前瞻性資料調整及其他調整因素。涉及該等參數的選擇及假設的應用均需要加入管理層的判斷。 In particular, the determination of the loss allowance is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses are derived from estimates including historical losses, internal and external credit grading, historical overdue data and other adjustment factors. The expected credit losses for advances to customers are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for advances to customers and other adjustment factors. 尤其是，釐定虧損撥備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。預期信貸虧損來自估計，包括歷史虧損、內部及外部信貸評級、歷史逾期數據及其他調整因素。客戶貸款的預期信貸虧損來自估計，據此，管理層會考慮歷史逾期數據、客戶貸款的歷史虧損經驗及其他調整因素。	▪ evaluating the accuracy of the classification of advances to customers. We obtained information on how management applied the classification requirements of the financial instruments standard and the classification results. On a sample basis we assessed the contractual cash flow characteristics of advances to customers and relevant documents in relation to the business model; ▪ 評估客戶貸款分類的準確性。我們已獲得有關管理層如何應用金融工具準則的分類及分類結果的資料。我們抽樣評估客戶貸款的合約現金流特徵以及業務模式相關文件； ▪ with the assistance of our internal specialists, assessing the validity of the ECL models used by the management in determining ECL of advances to customers, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments; ▪ 在我們的內部專家的協助下，評估管理層於釐定客戶貸款的預期信貸虧損時使用的預期信貸虧損模型的有效性，包括評估預期信貸虧損模型中關鍵參數及假設的適當性，包括識別虧損階段、違約概率、違約損失率、違約風險、貼現率、前瞻性資料調整及其他管理層調整；

KEY AUDIT MATTERS (continued) 關鍵審計事項(續)

Impairment of advances to customers (continued)
客戶貸款減值(續)

Refer to Note 38 to the consolidated financial statements and the accounting policies on page 98. (continued)
茲提述綜合財務報告附註38及第98頁之會計政策。(續)

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held a collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of loss allowances as at the end of the reporting period. 管理層亦根據一系列因素對釐定違約損失金額進行判斷，其中包括收回墊款的方式、借款人的財務狀況、抵押品的可收回金額、索賠受償順序及其他債權人是否存在及其合作意向等。管理層參考合資格第三方估值師出具的估值報告，並在評估持有抵押品的物業價值時考慮多種因素的影響，包括市價、地點及用途。抵押品的法律效力、變現時間和方法亦會對抵押品的可收回金額產生影響，因此亦會對報告期末的虧損撥備金額產生影響。 We identified impairment of advances to customers as a key audit matter because of the inherent subjectivity and management judgement involved in calculating loss allowances and because of its significance to the financial results and capital of the Group. 我們將與金融工具準則變動及客戶貸款減值相關的過渡調整及披露認定為一項關鍵審計事項，乃由於過渡過程的複雜性、計算虧損撥備所涉及的固有主觀性及管理層判斷以及由於其對　貴集團的財務業績及資本的重要性。	▪ assessing the completeness and accuracy of data used for the key parameters in the ECL model, by selecting samples and comparing individual loan information with the underlying agreements and other related documentation to assess the accuracy of the loan information in the expected credit loss model. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources; ▪ 通過選擇樣本並將個別貸款信息與有關協議及其他相關文件比較，評估貸款信息於預期信貸虧損模型中的準確性，從而評估預期信貸虧損模型中關鍵參數所用數據的完整性及準確性。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； ▪ for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged management's revisions to estimates and input parameters compared with prior period and current period 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; ▪ 就涉及判斷的關鍵參數而言，通過從外部獲得證據並與　貴集團的內部記錄(包括歷史虧損經驗及抵押品類型)比較以批判性地評估輸入參數。作為該等程序的一部分，我們通過對前期及當期的估計及輸入參數進行比較，就管理層對估計及輸入參數的修訂提出質詢，並考慮判斷的一致性。我們將模型中所用經濟因素與市場信息比較，以評估彼等是否與市場及經濟發展保持一致；

KEY AUDIT MATTERS (continued) 關鍵審計事項(續)

Impairment of advances to customers (continued)
客戶貸款減值(續)

Refer to Note 38 to the consolidated financial statements and the accounting policies on page 98. (continued)
茲提述綜合財務報告附註38及第98頁之會計政策。(續)

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
	▪ for key parameters used in the ECL model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved our IT specialists to assess the logics and compilation of the overdue information and the operational process of the credit grading of corporate customers for selected samples; ▪ 就預期信貸虧損模型中使用的關鍵參數而言，該等參數源自系統生成的內部數據，以抽樣方式通過將輸入數據與原始文件比較以評估輸入數據的準確性。此外，我們聘請我們的信息技術專家評估逾期信息的邏輯及彙編以及就所選取企業客戶樣本的信貸評級的操作流程； ▪ 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 in industries more vulnerable to the current economic situation with reference to other borrowers with potential credit risk and checking the loan overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses; ▪ 透過選擇樣本，評價管理層對信用風險是否自初始確認後發生了顯著增加的判斷及貸款是否已發生減值的評估的合理性。我們按行業對集團的貸款組合進行了分析，並且從更易受到當前經濟情況影響的行業中選取樣本，同時參考其他具潛在信用風險的借款人。我們檢查了貸款逾期資料，詢問了信貸經理借款人的業務運營狀況，檢查了借款人的財務資料及調查了有關借款人所從事業務活動的市場訊息；

KEY AUDIT MATTERS (continued) 關鍵審計事項(續)

Impairment of advances to customers (continued)
客戶貸款減值(續)

Refer to Note 38 to the consolidated financial statements and the accounting policies on page 98. (continued)
茲提述綜合財務報告附註38及第98頁之會計政策。(續)

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
	▪ for selected samples of loans and advances to customers that are credit-impaired, evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realization of collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; ▪ 對於已抽選的不良信貸的客戶貸款及墊款樣本而言，根據物業的位置及用途以及鄰近物業的價格，通過與市價比較，評估管理層對所持物業抵押品價值的評估。我們亦評估抵押品的變現時間及方法，評估預測現金流，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； ▪ recalculating the amount of credit loss allowance for 12-month and lifetime credit losses using the ECL model based on the above parameters and assumptions for a sample of advances to customers where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively; and ▪ 使用預期信貸虧損模型重新計算12個月及全期信貸虧損的信貸虧損撥備金額，乃基於上述客戶貸款樣本的參數及假設，其中包括貸款的信貸風險險自初步確認以來是否顯著增加； ▪ evaluating whether the presentation and disclosures on impairment of loans and advances to customers measured at amortised cost meet the requirements in HKAS 32 Financial Instruments: Presentation and HKFRS 7 Financial Instruments: Disclosure. ▪ 評估按攤銷成本計量的貸款及貸款減值的列報及披露是否符合香港會計準則第32號金融工具：呈列及香港財務報告準則第7號金融工具：披露的規定。

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Assessing the fair value of financial instruments
評估金融工具的公平價值

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 88.
茲提述綜合財務報告附註35及第88頁之會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
At 31 December 2019, the Group's financial assets measured at fair value includes equity securities designated at fair value through other comprehensive income of HK$1,074 million, trading assets of HK$1,943 million, derivative financial assets of HK$544 million, derivative liabilities of HK$385 million and trading liabilities of HK$948 million. 於二零一九年十二月三十一日， 貴集團按公平價值計量的金融資產包括指定以公平價值於其他全面收益計量之股本證券共1,074,000,000港元、持作交易用途資產共1,943,000,000港元、衍生金融資產共544,000,000港元、衍生負債共385,000,000港元以及持作交易用途負債共948,000,000港元。 The valuation of the Group's financial instruments measured at fair value through profit or loss or at fair value through other comprehensive income is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement. In addition, the Group has developed its own models to value certain level 2 and 3 financial instruments, which also involves significant management judgement. 貴集團透過損益或其他綜合收益按公平價值計量之金融工具估值乃按照市場數據及經常需要大量輸入數據之估值模型的組合釐定。多數該等輸入數據自流動市場隨時可得的數據獲取。倘該等可觀察數據無法獲取時，即屬於第三級金融工具，管理層需要制定估算，當中可涉及重大管理層判斷。此外， 貴集團已對若干第二級及第三級金融工具制定估值模型，當中亦涉及重大管理層判斷。	Our audit procedures to assess the fair value of financial instruments included the following: 與評估金融工具公平價值相關之審計程序包括以下各項： ▪ assessing the, design, implementation and operating effectiveness of management's key internal controls over the valuation, independent price verification and front office/back office reconciliations; ▪ 評估管理層對估值、獨立價格核查、前台與後台對賬之關鍵內部控制的設計、實施及運作上的成效； ▪ assessing the fair values of all level 1 financial instruments by comparing the fair values applied by the Group with publicly available market data; ▪ 透過比較 貴集團應用之公平價值與公開可得市場數據，評估所有第一級金融工具的公平價值；

KEY AUDIT MATTERS (continued) 關鍵審計事項(續)

Assessing the fair value of financial instruments (continued)
評估金融工具的公平價值(續)

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 88. (continued)
茲提述綜合財務報告附註35及第88頁之會計政策。(續)

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
We have identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and the degree of judgement exercised by management in determining the inputs used in the valuation models. 由於對若干金融工具估值所涉及之複雜程度，以及於釐定估值模型所用之輸入數據涉及管理層判斷，我們將評估金融工具的公平價值認定為一項關鍵審計事項。	▪ involving our internal valuation specialists to evaluate the appropriateness of the valuation models used by the Group to value certain level 2 and level 3 financial instruments and to perform, on a sample basis, independent valuations of level 2 and level 3 financial instruments and compare these valuations with the Group's valuations. This included comparing the Group's valuation models with our knowledge of current and emerging practice, evaluating inputs to the fair value calculations and establishing our own valuation models to perform revaluations; and ▪ 委聘我們的內部估值專家評估　貴集團使用以評估若干第二級及第三級金融工具的估值模型的合適程度，及以抽樣方式對第二級及第三級金融工具進行獨立估值，並將該等估值與　貴集團的估值進行比較。此包括將　貴集團的估值模型與我們對當前和新興做法的了解進行比較、評估公平價值計算的輸入數據以及建立我們自身的估值模型以進行重估； ▪ assessing whether the financial statement disclosures appropriately reflect the Group's exposure to financial instrument valuation risk in accordance with the requirements of the prevailing accounting standards. ▪ 評估財務報告披露是否適當地反映　貴集團根據現行會計準則的規定承擔的金融工具估值風險。

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. The other information is expected to be made available to us after the date of this auditor's report.

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 when it becomes available 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.

綜合財務報告及其核數師報告以外的信息

董事須對其他信息負責。其他信息包括年報內所載綜合財務報告及我們載於其中的核數師報告以外的所有信息。我們預期其他信息將於本核數師報告日期後可供我們查閱。

我們對綜合財務報告的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的保證結論。

就我們對綜合財務報告的審計，我們的責任乃於其他信息可供查閱時細閱有關資料，在此過程中，考慮其他信息與綜合財務報告或我們在審計過程中所知悉的情況是否存在重大抵觸或似乎存在重大錯誤陳述。

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.

董事就綜合財務報告須承擔的責任

董事須負責根據香港會計師公會頒佈的《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告，並對董事認為為使綜合財務報告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。

在擬備綜合財務報告時，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。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報告須承擔的責任

本行的目標乃對綜合財務報告整體而言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，並出具包括本行意見的核數師報告。本報告乃按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，本報告不可用作其他用途。我們概不就本報告的內容向任何其他人士負責或承擔任何責任。

合理保證為高水平的保證，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，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合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。

作為根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持專業懷疑態度。我們亦：

- 識別及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該等風險，以及獲取充足及適當的審計憑證，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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。

- 了解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

- 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.

核數師就審計綜合財務報告須承擔的責任(續)

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

- 對董事採用持續經營會計基礎的適當性作出結論，並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。倘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。我們的結論乃基於直至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業務。

- 評估綜合財務報表的整體列報方式、結構及內容(包括披露事項)，以及綜合財務報表是否公平反映相關交易及事項。

- 就　貴集團內實體或業務活動的財務資料獲取充足、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、監督及執行。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審計的計劃範圍及時間安排以及重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Po Shan.

核數師就審計綜合財務報告須承擔的責任(續)

我們亦向審核委員會提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響我們獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

從與審核委員會溝通的事項中，我們確定該等對本期綜合財務報表的審計為最重要的事項，因而構成關鍵審計事項。我們在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於我們之報告中註明某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中註明該事項。

出具本獨立核數師報告的審計項目合夥人為黃寶珊。

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

17 March 2020

畢馬威會計師事務所
執業會計師
香港中環
遮打道10號
太子大廈8樓

二零二零年三月十七日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
綜合全面收益表

For the year ended 31 December 2019　截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Interest income calculated using effective interest method	採用實際利率法計算之利息收入	4(a)	3,197,574	2,692,504
Other interest income	其他利息收入	4(a)	24,979	15,736
Interest income	利息收入		3,222,553	2,708,240
Interest expense	利息支出	4(b)	(1,806,862)	(1,351,788)
Net interest income	**淨利息收入**		1,415,691	1,356,452
Fee and commission income	費用及佣金收入	5(a)	394,919	396,600
Fee and commission expense	費用及佣金支出	5(b)	(98,808)	(107,287)
Net fee and commission income	**淨費用及佣金收入**		296,111	289,313
Other operating income	其他營運收入	6	50,408	42,007
Operating income	營運收入		1,762,210	1,687,772
Operating expenses	營運支出	7	(898,826)	(964,707)
Operating profit before gains and impairment losses	**未計收益及減值虧損前經營溢利**		863,384	723,065
Impairment losses on advances to customers	客戶貸款減值虧損	9	(105,187)	(48,953)
(Charge for)/write back of impairment losses on other financial assets	其他金融資產減值虧損之（扣除）／回撥		(33,500)	20,010
Write back of impairment losses on other assets	其他資產減值虧損之回撥		449	5,492
(Charge for)/write back of impairment losses on assets held for sale	持作出售之資產減值虧損之（扣除）／回撥		(4,143)	1,543
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥		–	1,100
Impairment losses	**減值虧損**		(142,381)	(20,808)
Gain on disposal of a subsidiary	出售附屬公司收益	10	1,288	–
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨收益		28	399
Net (losses)/gains on disposal of fixed assets	出售固定資產淨（虧損）／收益		(4,902)	16
Share of profits of an associate	應佔聯營公司溢利		–	269,921
Gain on bargain purchase of an associate	議價收購聯營公司收益		–	70,255
Loss on disposal of an associate	出售聯營公司虧損		–	(118,768)
Profit before taxation	**除稅前溢利**		717,417	924,080
Taxation	稅項	11	(116,298)	(101,252)
Profit for the year	**本年度溢利**		601,119	822,828

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Other comprehensive income for the year, net of tax:	**本年度其他全面收益(除税後):**			
Items that will not be reclassified to profit or loss:	將不會重新分類至損益之項目:			
Premises: net movement in premises revaluation reserve	物業:物業重估儲備淨變動	12	**(191,419)**	262,501
Equity securities designated at fair value through other comprehensive income: net movement in investment revaluation reserve (non-recycling)	指定以公平價值於其他全面收益計量之股本證券:投資重估儲備淨變動(非循環)	12	**222,910**	225,939
Remeasurement of net defined benefit liability	重新計量定額福利負債淨額	12	**(4,366)**	1,199
			27,125	489,639
Items that may be reclassified subsequently to profit or loss:	可能隨後重新分類至損益之項目:			
Debt securities designated at fair value through other comprehensive income: net movement in investment revaluation reserve (recycling)	指定以公平價值於其他全面收益計量之債務證券:投資重估儲備淨變動(循環)	12	**–**	68,501
Net movement in foreign exchange reserve	外幣換算儲備淨變動	12	**–**	9,637
			–	78,138
Total comprehensive income for the year	**本年度全面收益總額**		**628,244**	1,390,605

The notes on pages 76 to 222 form part of these financial statements.

載於第76至222頁之附註為此等財務報告之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2019　於二零一九年十二月三十一日

		Note 附註	31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
ASSETS	**資產**			
Cash and short-term funds	現金及短期資金	14	**5,290,706**	5,981,567
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		**2,862,464**	2,060,262
Trading assets	持作交易用途資產	15	**1,943,242**	1,898,372
Derivative financial instruments	衍生金融工具	16(b)	**543,793**	796,595
Advances to customers	客戶貸款	17	**52,308,452**	47,699,240
Trade bills	商業票據		**724,425**	907,964
Accrued interest and other assets	應計利息及其他資產		**2,026,736**	1,385,311
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	18	**40,516,236**	36,889,767
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	19	**1,074,054**	809,330
Fixed assets	固定資產	21(a)	**4,075,218**	4,312,504
Assets held for sale	持作出售之資產	22	**41,300**	45,827
Deferred tax assets	遞延稅項資產	27(b)	**8**	7
Total assets	資產總額		**111,406,634**	102,786,746
LIABILITIES	**負債**			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	23	**9,140,295**	9,467,425
Deposits from customers	客戶存款	24	**75,043,411**	68,247,798
Trading liabilities	交易賬項下之負債	25	**948,173**	1,898,372
Certificates of deposit issued	已發行存款證		**4,730,098**	4,551,273
Debt securities issued	已發行債務證券		**1,165,268**	388,774
Derivative financial instruments	衍生金融工具	16(b)	**385,348**	133,347
Other liabilities	其他負債	26	**3,138,648**	1,836,703
Liabilities associated with assets held for sale	持作出售資產之相關負債		**–**	25
Deferred tax liabilities	遞延稅項負債	27(b)	**652,443**	676,552
Subordinated notes issued	已發行後償票據	28	**1,555,776**	1,562,870
Total liabilities	負債總額		**96,759,460**	88,763,139

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
EQUITY	**權益**			
Share capital	股本	29	**4,830,448**	4,830,448
Reserves	儲備		**9,816,726**	9,193,159
Total equity	權益總額		**14,647,174**	14,023,607
Total equity and liabilities	權益及負債總額		**111,406,634**	102,786,746

Approved and authorized for issue by the Board of Directors on 17 March 2020.

經董事會於二零二零年三月十七日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Robert James KENRICK
甘禮傑
Director
董事

Raymond LEE Wing Hung
李永鴻
Director
董事

The notes on pages 76 to 222 form part of these financial statements.

載於第76至222頁之附註為此等財務報告之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動報告表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備(循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Foreign exchange reserve 外幣換算儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total 總計 HK$'000 千港元	Additional equity instruments 額外股本工具 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2018	於二零一八年一月一日	4,830,448	499,093	332,998	(68,501)	2,556,112	(9,637)	4,565,944	12,706,457	1,507,797	14,214,254
Total comprehensive income for the year	本年度全面收益總額	–	–	225,939	68,501	262,501	9,637	824,027	1,390,605	–	1,390,605
– Profit for the year	–本年度溢利	–	–	–	–	–	–	822,828	822,828	–	822,828
– Other comprehensive income, of which:	–其他全面收益，其中包括：										
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	–	262,501	–	–	262,501	–	262,501
– Equity securities designated at FVOCI: net movement in investment revaluation reserve	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動	–	–	225,939	–	–	–	–	225,939	–	225,939
– Debt securities designated at FVOCI: net movement in investment revaluation reserve	–指定以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動	–	–	–	118,116	–	–	–	118,116	–	118,116
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	–	–	–	–	–	–	1,199	1,199	–	1,199
– Movement in foreign exchange reserve	–外匯儲備變動	–	–	–	–	–	(216,434)	–	(216,434)	–	(216,434)
– Realization upon disposal of an associate	–出售聯營公司時變現	–	–	–	(49,615)	–	226,071	–	176,456	–	176,456
Realization upon disposal of an associate	出售聯營公司時變現	–	–	–	–	(57,629)	–	57,629	–	–	–
Transfer from/(to) retained earnings	轉撥(至)/自保留溢利	–	37,520	–	–	(81,564)	–	44,044	–	–	–
Dividend payment for additional equity instruments	就額外股本工具派付股息	–	–	–	–	–	–	(72,986)	(72,986)	–	(72,986)
Redemption of additional equity instruments	購回額外股本工具	–	–	–	–	–	–	(469)	(469)	(1,507,797)	(1,508,266)
At 31 December 2018	於二零一八年十二月三十一日	4,830,448	536,613	558,937	–	2,679,420	–	5,418,189	14,023,607	–	14,023,607

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備（非循環） HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	4,830,448	536,613	558,937	2,679,420	5,418,189	14,023,607
Opening balance adjustments arising from change in accounting policy	因會計政策變動而對期初結餘作出調整	–	–	–	–	(4,677)	(4,677)
At 1 January 2019	於二零一九年一月一日	4,830,448	536,613	558,937	2,679,420	5,413,512	14,018,930
Total comprehensive income for the year	年內全面收益總額	–	–	222,910	(191,419)	596,753	628,244
– Profit for the year	–本年度溢利	–	–	–	–	601,119	601,119
– Other comprehensive income, of which:	–其他全面收益，其中包括：						
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	(191,419)	–	(191,419)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動	–	–	222,910	–	–	222,910
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	–	–	–	–	(4,366)	(4,366)
Transfer to retained earnings	轉撥至保留溢利	–	(111,442)	–	(61,335)	172,777	–
At 31 December 2019	於二零一九年十二月三十一日	4,830,448	425,171	781,847	2,426,666	6,183,042	14,647,174

The notes on pages 76 to 222 form part of these financial statements. 載於第76至222頁之附註為此等財務報告之一部分。

CONSOLIDATED CASH FLOW STATEMENT
綜合現金流動表

For the year ended 31 December 2019　截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 HK$'000 千港元	HK$'000 千港元	2018 二零一八年 HK$'000 千港元	HK$'000 千港元
Operating activities	**營運活動**					
Profit before taxation	除稅前溢利		717,417		924,080	
Adjustments for non-cash items:	非現金項目之調整：					
Depreciation	折舊		183,092		138,543	
Net losses/(gains) on disposal of fixed assets	出售固定資產之淨虧損／(收益)		4,902		(16)	
Impairment losses on advances to customers	客戶貸款減值虧損		105,187		48,953	
Charge for/(write back of) impairment losses on other financial assets	其他金融資產減值虧損之扣除／(回撥)		33,500		(20,010)	
Write back of impairment losses on other assets	其他資產減值虧損之回撥		(449)		(5,492)	
Charge for/(write back of) impairment losses on assets held for sale	持作出售之資產減值虧損之扣除／(回撥)		4,143		(1,543)	
Gain on disposal of a subsidiary	出售附屬公司收益		(1,288)		–	
Write back of impairment losses on assets acquired under lending agreement	根據借貸協議所收購資產減值虧損之回撥		–		(1,100)	
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨收益		–		(399)	
Share of profits of an associate	應佔聯營公司溢利		–		(269,921)	
Gain on bargain purchase of an associate	議價收購聯營公司收益		–		(70,255)	
Loss on disposal of an associate	出售聯營公司虧損		–		118,768	
Exchange difference and other non-cash items	匯兑差額及其他非現金項目		(1,691)		5,536	
				1,044,813		867,144
(Increase)/decrease in operating assets:	營運資產之(增加)／減少：					
Treasury bills with original maturity of over three months	國庫券(原本期限為三個月以上)		(1,747,302)		(2,618,253)	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		1,085,884		(831,253)	
Derivative financial instruments	衍生金融工具		252,802		(91,430)	
Gross advances to customers	客戶貸款總額		(4,714,399)		(79,774)	
Trade bills	商業票據		181,546		(27,785)	
Accrued interest and other assets	應計利息及其他資產		(641,160)		66,729	
Certificates of deposit held	所持存款證		579,803		576,438	
Debt securities measured at amortized cost	以攤銷成本計量之債務證券		(4,220,899)		(885,987)	
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券		2,234		5,665	
				(9,221,491)		(3,885,650)

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 HK$'000 千港元	HK$'000 千港元	2018 二零一八年 HK$'000 千港元	HK$'000 千港元
(Decrease)/increase in operating liabilities:	營運負債之(減少)/增加：					
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘		(327,130)		(1,739,870)	
Deposits from customers	客戶存款		6,787,065		6,180,005	
Trading liabilities	交易賬項下之負債		(950,199)		51,553	
Certificates of deposit issued	已發行存款證		178,825		1,239,816	
Derivative financial instruments	衍生金融工具		252,001		(94,869)	
Other liabilities	其他負債		1,101,042		(259,295)	
				7,041,604		5,377,340
Net cash (used in)/generated from operations	**營運之現金(支出)/收入淨額**			(1,135,074)		2,358,834
Hong Kong Profits Tax paid	已付香港利得稅			(20,409)		(101,162)
Overseas tax paid	已付海外稅項			(167)		(4,694)
Net cash (used in)/generated from operating activities	**營運活動之現金(支出)/收入淨額**			(1,155,650)		2,252,978
Investing activities	**投資活動**					
Proceeds from disposal of a subsidiary	出售一間附屬公司所得款項		10,000		–	
Payment for purchases of fixed assets	購買固定資產付款		(101,461)		(81,184)	
Proceeds from disposal of fixed assets	出售固定資產所得款項		106		77	
Net proceeds from disposal of an associate	出售一間聯營公司所得款項淨額		–		3,239,180	
Payment for investment in an associate	於一間聯營公司投資之付款		–		(575,071)	
Dividend received from an associate	自一間聯營公司收取之股息		–		45,684	
Net cash (used in)/generated from investing activities	**投資活動之現金(支出)/收入淨額**			(91,355)		2,628,686
Financing activities	**融資活動**					
Net issue/(repayment) of debt securities	發行/(償還)債務證券淨額		771,091		(790,373)	
Payment of lease liabilities	租賃負債付款		(28,708)		–	
Dividends payment on additional equity instruments	就額外股本工具派付股息		–		(72,986)	
Redemption of additional equity instruments	贖回額外股本工具		–		(1,508,266)	
Net cash generated from/(used in) financing activities	**融資活動之現金收入/(支出)淨額**	31(d)		742,383		(2,371,625)
Net (decrease)/increase in cash and cash equivalents	**現金及等同現金項目之(減少)/增加淨額**			(504,622)		2,510,039
Cash and cash equivalents as at 1 January	**於一月一日之現金及等同現金項目**			9,716,204		7,206,165
Cash and cash equivalents as at 31 December	**於十二月三十一日之現金及等同現金項目**	31(a)		9,211,582		9,716,204
Cash flows from operating activities include:	**營運活動之現金流量包括：**					
Interest received	已收利息			3,181,805		2,649,705
Interest paid	已付利息			(1,678,447)		(1,248,842)
Dividends received	已收股息			10,849		15,874

The notes on pages 76 to 222 form part of these financial statements. 載於第76至222頁之附註為此等財務報告之一部分。

NOTES TO THE FINANCIAL STATEMENTS
財務報告附註

1. ACTIVITIES

Fubon Bank (Hong Kong) Limited ("The Bank") is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

1. 業務

富邦銀行(香港)有限公司(「本行」)為一所於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中38號。

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

2. 主要會計政策

(a) 遵守聲明

此等財務報告乃根據香港會計師公會頒佈的一切適用《香港財務報告準則》而編製，該統稱包括一切適用的個別香港財務報告準則、《香港會計準則》、詮譯與及香港普遍採納的會計原則及香港《公司條例》的規定。本集團所採納的主要會計政策載於下文。

(b) New and revised HKFRSs

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(d) 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.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干項新訂及經修訂香港財務報告準則，於本集團本期會計期間首次生效或可供提早採納。就首次採納該等改動而引致的會計政策變動，其於此等財務報告對本集團本會計年度及以前會計年度的信息，載附於附註2(d)。

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Bank and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- equity securities designated at fair value through other comprehensive income (see Note 2(g));
- trading assets and liabilities (see Note 2(g));
- derivative financial instruments (see Note 2(i)); and
- owned properties (see Note 2(k)).

(c) 財務報告的編製基準

截至二零一九年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司(統稱為「本集團」)。

編製財務報告所採用的計算基準為歷史成本法，但下列以公平價值列賬的資產及負債(如下文的會計政策所闡釋)除外：

- 指定以公平價值於其他全面收益計量之股本證券(見附註2(g))；
- 持作交易用途資產及負債(見附註2(g))；
- 衍生金融工具(見附註2(i))；及
- 本集團擁有之物業(見附註2(k))。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of preparation of the financial statements (continued)

In addition, the carrying amounts of assets and liabilities carried at amortized cost that are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risk.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see Note 2(l)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 43.

(d) Changes in accounting policies

The HKICPA has issued a new standard, HKFRS 16, Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. 主要會計政策(續)

(c) 財務報告的編製基準(續)

另外，在公平價值對沖中指定為對沖項目的按攤銷成本列賬的資產與負債賬面價值，乃就與對沖風險有關的公平價值變動作出調整。

非流動資產及持作出售的出售組別按賬面價值與公平價值減出售成本之較低者列賬(見附註2(l))。

編製此等符合香港財務報告準則之財務報告需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所列報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成對目前未能從其他來源得出的資產及負債賬面值所作估計之基準。實際數字或會有別於此等估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動之當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

管理層應用對財務報告及估計不確定因素之主要來源構成重大影響的香港財務報告準則所作出之判斷於附註43中詳述。

(d) 會計政策變動

香港會計師公會已頒佈一項新訂準則，香港財務報告準則第16號「租賃」以及多項香港財務報告準則之修訂，該等新訂準則及修訂於本集團當前的會計期間首次生效。

除香港財務報告準則第16號外，概無改進對本集團之當前或過往期間之業績及財務狀況之編製或呈列方式有重大影響。本集團尚未應用任何於當前會計期間尚未生效的新準則或詮釋。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases – incentives, and HK(SIC) 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognize a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognized the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019.

Comparative information has not been restated and continues to be reported under HKAS 17. Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalize all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalized leases are primarily in relation to fixed assets as disclosed in Note 21.

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」以及相關詮釋、香港(國際財務報告詮釋委員會)詮釋第4號「確定安排是否包含租賃」、香港(常設詮釋委員會)詮釋第15號「經營租賃－優惠」以及香港(常設詮釋委員會)詮釋第27號「評估涉及租賃法律形式的交易的實質」。該準則為承租人引入單一會計模式，要求承租人確認所有租賃的使用權資產及租賃負債，惟租賃期限為12個月或以下的租賃(「短期租賃」)及低價值資產租賃除外。出租人會計要求乃轉承自香港會計準則第17號，大致上維持不變。

本集團已自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇採用經修訂追溯法，並因此將首次應用的累計影響確認為對於二零一九年一月一日期初權益結餘的調整。

比較資料並無重列，並繼續按照香港會計準則第17號列報。有關過往會計政策的變動性質及影響以及所應用過渡選擇的進一步詳情載列如下：

(i) 租賃的新定義

租賃定義的變動主要與控制權的概念有關。香港財務報告準則第16號根據客戶是否在某一時段內能控制已識別資產的使用(其可由指定使用量釐定)而對租賃作出定義。當客戶有權主導已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示控制權已轉移。

(ii) 承租人會計處理

香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃的規定。取而代之，倘本集團為承租人，則須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。就本集團而言，該等新資本化的租賃主要與附註21披露的固定資產有關。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(ii) *Lessee accounting* (continued)

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. 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.

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(ii) *承租人會計處理(續)*

當合約包含租賃部分及非租賃部分，本集團選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃的單一租賃部分。

當本集團就低價值資產訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。與該等並無資本化的租賃有關的租賃付款額，於租賃期內按系統基準確認為開支。

當租賃資本化時，租賃負債初始按於租賃期內應付的租賃付款額使用租賃中的內含利率折現的現值確認，如果不能較容易地確定該利率，則使用相關增量借款利率。於初始確認後，租賃負債以攤銷成本計量，而利息開支使用實際利率法計算。不取決於一項指數或比率的可變租賃付款額不包括在租賃負債的計量，因此於發生的會計期間扣自損益。

於租賃資本化所確認的使用權資產初始以成本計量，其包括租賃負債的初始金額加在開始日或之前支付的任何租賃付款額，以及發生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括拆卸及移除相關資產或將相關資產或相關資產所在地復原的估計成本折現的現值，並減去任何收到的租賃激勵。

使用權資產其後以成本減去累計折舊及減值虧損列值。

當未來租賃付款額因指數或比率的變化而發生改變，或本集團剩餘價值擔保下預計應付的金額估計發生變化，或當重新評估本集團是否將合理確定行使購買、延長或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，對使用權資產的賬面金額作出相應調整，或倘若使用權資產的賬面金額已經減至零，則記入損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(iii) Lessor accounting

The Group leases out a number of items of machinery as the lessor of finance leases. The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

Under HKFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The adoption of HKFRS 16 does not have a significant impact on the Group's financial statements in this regard.

A. Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

(i) Classification of interest in leasehold land and buildings held for own use

In accordance with HKAS 16, Property, plant and equipment, the Group chooses to apply either the cost model or the revaluation model as its accounting policy for items of property, plant and equipment held for own use on a class-by-class basis. In applying this policy, the Group has concluded that its registered ownership interests in leasehold properties and the right to use other properties leased under tenancy agreements are two separate groupings of assets which differ significantly in their nature and use. Accordingly, they are regarded by the Group as separate classes of asset for subsequent measurement policies in accordance with the above accounting policies. Specifically, registered ownership interests are carried under the revaluation model, while rights to use properties under tenancy agreements are carried at depreciated cost.

In making this judgement, the Group has taken into account that, as the registered owner of a leasehold property, the Group is able to benefit fully from any changes in the valuation of these properties whether as holding gains or by selling the property interest to others, as well as being able to use the properties in its operation free of paying market rents. In contrast, the shorter term tenancy agreements are typically for periods of no more than 10 years and are subject to other restrictions, in particular on transferability of the Group's tenancy rights to others. These shorter term tenancy agreements are executed in order to retain operational flexibility and to reduce the Group's exposure to property market fluctuations. They may contain termination or extension clauses, and are typically subject to market rent reviews every two to three years.

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(iii) 出租人會計處理

本集團作為融資租賃出租人租出多個機器項目。適用於本集團(作為出租人)的會計政策與香港會計準則第17號所載者大致維持不變。

根據香港財務報告準則第16號，倘本集團擔任分租安排的中介出租人，則本集團須參考主租賃產生的使用權資產(而非參考相關資產)後將分租分類為融資租賃或經營租賃。就此而言，採納香港財務報告準則第16號不會對本集團財務報表構成重大影響。

A. 應用上述會計政策時的重要會計判斷及估計不確定性來源

(i) 持作自用的租賃土地及樓宇權益之分類

根據香港會計準則第16號物業、廠房及設備，本集團選擇應用成本模式或重估模式作為按類別基準持作自用物業、廠房及設備項目的會計政策。於應用該政策，本集團認為其於租賃物業中註冊所有權權益及租賃協議項下其他已租賃物業的使用權為兩項在性質和使用上存在明顯差異的獨立資產。因此，根據以上的會計政策，本集團將有關資產視為其後計量政策的獨立類別資產。具體而言，註冊所有權權益應根據重估模式列賬，而租賃協議項下使用物業權應按折舊成本列賬。

在作出該判斷時，本集團已考慮作為租賃物業之登記擁有人，不論是持有收益或向其他人出售物業權益，本集團均能從該等物業的估值變動中全面獲益，且能在無需支付市場租金的情況下於其營運中使用該等物業。相反，較短的租賃期協議通常為期不超過10年，同時受到其他限制，尤其是本集團將租賃權轉讓予他人的可轉讓性。簽立該等較短的租賃期協議乃為保持營運的靈活性並減少本集團面對物業市場波動的機會。其可能包含終止或延期條款，並通常每2至3年進行市場租金檢討。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(iii) Lessor accounting (continued)

A. Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies (continued)

(ii) Determining the lease term

As explained in the above accounting policies, the lease liability is initially recognized at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favorable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognized in future years.

B. Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 3.3% p.a..

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(iii) 出租人會計處理(續)

A. 應用上述會計政策時的重要會計判斷及估計不確定性來源(續)

(ii) 釐定租賃期

誠如以上會計政策所闡述，租賃負債初步按租賃期內應付租賃款項的現值確認。於租賃開始日期釐定包括本集團可予行使的續期選擇權的租賃租期時，本集團評估行使續期選擇權的可能性，當中計及導致本集團行使有關選擇權的經濟動機的所有相關事實及情況，包括優惠條款、進行的租賃裝修及相關資產對本集團運營的重要性。當發生重大事件或本集團可控制情況中出現重大變動時，將會重新評估租期。租期延長或縮短將會對未來年度所確認租賃負債及使用權資產的金額造成影響。

B. 過渡影響

於過渡至香港財務報告準則第16號當日(即二零一九年一月一日)，本集團就先前按現值分類為經營租賃的租賃的餘下租賃款項釐定餘下租期及計量租賃負債，並已使用二零一九年一月一日之相關增量借款利率進行貼現。用於釐定餘下租賃付款現值的增量借款利率的年加權平均數為3.3%。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(iii) Lessor accounting (continued)

B. Transitional impact (continued)

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

(ii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

The following table reconciles the operating lease commitments as disclosed in Note 33(b) as at 31 December 2018 to the opening balance for lease liabilities recognized as at 1 January 2019:

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(iii) 出租人會計處理(續)

B. 過渡影響(續)

為緩解香港財務報告準則第16號的過渡，本集團於首次應用香港財務報告準則第16號當日採用下列確認豁免及實際權宜方法：

(i) 於計量首次應用香港財務報告準則第16號當日之租賃負債時，本集團或對具有合理類似特徵的租賃組合使用單一貼現率(例如，在類似經濟環境下就類似分類的相關資產作出且餘下租期類似的租賃)；及

(ii) 當計量於初始應用香港財務報告準則第16號當日之使用權資產時，本集團依賴先前於二零一八年十二月三十一日對繁重合約條文作出之評估，以替代進行減值審閱。

下表為於二零一八年十二月三十一日的經營租賃承擔(於附註33(b)披露)與於二零一九年一月一日確認的租賃負債期初結餘之對賬：

		HK$'000 千港元
Operating lease commitments at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	58,492
Less: total future interest expenses	減：未來利息開支總額	(5,779)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019	剩餘租賃付款額使用於二零一九年一月一日的增量借款利率折現的現值	52,713
Add: finance lease liabilities recognized as at 31 December 2018	加：於二零一八年十二月三十一日確認的融資租賃負債	–
Total lease liabilities recognized at 1 January 2019	於二零一九年一月一日確認的租賃負債總額	52,713

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(iii) Lessor accounting (continued)

B. Transitional impact (continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognized as if HKFRS 16 had always been applied since the commencement date of the lease.

On transition to HKFRS 16, the Group recognized additional right-of-use assets and additional lease liabilities, recognizing the difference in retained earnings. The following table summarizes the impacts of the adoption on the Group's consolidated statement of financial position:

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(iii) 出租人會計處理(續)

B. 過渡影響(續)

與先前分類為經營租賃的租賃相關的使用權資產已確認，如同自租賃開始之日起一直應用香港財務報告準則第16號。

於過渡至香港財務報告準則第16號時，本集團已確認額外的使用權資產及額外的租賃負債，並於保留溢利中確認差額。下表概述採用該準則對本集團綜合財務狀況表的影響：

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	受採用香港財務報告準則第16號影響之綜合財務狀況表項目：	Carrying amount at 31 December 2018 於二零一八年十二月三十一日的賬面值 HK$'000 千港元	Capitalisation of operating lease contracts 經營租賃合約資本化 HK$'000 千港元	Carrying amount at 1 January 2019 於二零一九年一月一日的賬面值 HK$'000 千港元
ASSETS	**資產**			
Fixed assets	固定資產	4,312,504	47,112	4,359,616
LIABILITIES	**負債**			
Other liabilities	其他負債	1,836,703	52,713	1,889,416
Deferred tax liabilities	遞延稅項負債	676,552	(924)	675,628
EQUITY	**權益**			
Reserves	儲備	9,193,159	(4,677)	9,188,482

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period and at the date of transition to HKFRS 16 is as follows:

於報告期末及過渡至香港財務報告準則第16號當日，本集團使用權資產按相關資產類別劃分的賬面淨值分析如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	1 January 2019 二零一九年一月一日 HK$'000 千港元
Included in "Fixed assets":	以下計入「固定資產」中：		
Other properties and equipment leased for own use, carried at depreciated cost	租賃作自用的其他物業及設備，按折舊成本列值	**64,782**	47,112

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(iii) Lessor accounting (continued)

C. Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to HKFRS 16 are as follows:

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(iii) 出租人會計處理(續)

C. 租賃負債

本集團於報告期末及過渡至香港財務報告準則第16號之日的租賃負債餘下合約年期如下：

		31 December 2019 二零一九年十二月三十一日		1 January 2019 二零一九年一月一日	
		Present value of the minimum lease payments 最低租賃付款額現值 HK$'000 千港元	**Total minimum lease payments 最低租賃付款總額 HK$'000 千港元**	Present value of the minimum lease payments 最低租賃付款額現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元
Within 1 year	一年內	**23,207**	**25,015**	18,052	21,008
After 1 year but within 2 years	一年後但兩年內	**15,633**	**16,833**	10,646	11,607
After 2 year but within 5 years	兩年後但五年內	**25,318**	**26,724**	15,983	17,521
After 5 years	五年後	**3,453**	**3,524**	8,032	8,356
		67,611	**72,096**	52,713	58,492
Less: total future interest expenses	減：未來利息開支總額		**(4,485)**		(5,779)
Present value of lease liabilities	租賃負債現值		**67,611**		52,713

D. Impact on the financial result of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognize interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognizing rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of comprehensive income, as compared to the results if HKAS 17 had been applied during the year.

D. 對本集團財務業績的影響

於二零一九年一月一日首次確認使用權資產及租賃負債後，本集團作為承租人須確認租賃負債未償還結餘的應計利息開支、使用權資產折舊，而非按原有政策於租賃期內按直線法確認經營租賃項下產生的租金開支。與年內倘應用香港會計準則第17號的業績相比，此導致對本集團綜合全面收益表中來自營運的呈報溢利的正面影響。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

HKFRS 16, Leases (continued)

(iii) Lessor accounting (continued)

D. Impact on the financial result of the Group (continued)

The following tables may give an indication of the estimated impact of adoption of HKFRS 16 on the Group's financial result for the year ended 31 December 2019, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognized under HKAS 17 if this superseded standard had continued to apply to 2019 instead of HKFRS 16.

2. 主要會計政策(續)

(d) 會計政策變動(續)

香港財務報告準則第16號「租賃」(續)

(iii) 出租人會計處理(續)

D. 對本集團財務業績的影響(續)

下表顯示採用香港財務報告準則第16號對本集團截至二零一九年十二月三十一日止年度之財務業績之估計影響，方法為將該等綜合財務報表中根據香港財務報告準則第16號所呈報之金額與根據香港會計準則第17號本應確認之假設金額進行比較(倘該被取代標準繼續適用於二零一九年而非香港財務報告準則第16號)。

		2019 二零一九年				2018 二零一八年
		Amounts reported under HKFRS 16 (A)	Add back: HKFRS 16 depreciation and interest expense (B)	Deduct: Estimated amounts related to operating leases as if under HKAS 17 (C)	Hypothetical amounts for 2019 as if under HKAS 17 (D=A+B-C)	Compared to amounts reported under HKAS 17
		根據香港財務報告準則第16號呈報之金額 (A)	加回：香港財務報告準則第16號折舊及利息開支 (B)	扣除：有關經營租賃之估計金額(猶如根據香港會計準則第17號) (C)	二零一九年之假設金額(猶如根據香港會計準則第17號) (D=A+B-C)	根據香港會計準則第17號呈報之金額比較
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Financial result for the year ended 31 December 2019 impacted by the adoption of HKFRS 16:	受採用香港財務報告準則第16號影響之截至二零一九年十二月三十一日止年度之財務業績：					
Profit before taxation	除稅前溢利	717,417	28,400	(31,172)	714,645	924,080

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in subsidiaries

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 and transactions, and any unrealized profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less impairment losses, if any (see Note 2(o)).

(f) Interest in an associate

An associate is an entity 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.

The investment in an associate in the Philippines is not equity accounted for in the consolidated financial statements as it is considered by the directors to be immaterial to the Group. It is stated at cost less impairment losses in the Group's and the Bank's statement of financial position. The result of this associated company is included in the Group's and the Bank's profit or loss to the extent of dividends receivable.

2. 主要會計政策(續)

(e) 附屬公司投資

附屬公司為本集團控制之實體。當本集團因參與實體業務而對浮動回報承擔風險或享有權利，以及能運用權力影響該等回報金額時，本集團即具有該實體之控制權。在評估本集團是否擁有權力時，只會考慮實質權利(由本集團及其他人士持有者)。

於附屬公司之投資自控制開始日期會併入綜合財務報告內直至控制結束日期。

集團公司內部間的結餘及交易，以及集團公司內部間交易所產生的任何未變現溢利，均於編製綜合財務報告時悉數抵銷。集團公司內部間交易所產生的未變現虧損與未變現溢利以相同方式抵銷，惟僅限於無證據顯示已出現減值的情況。

於本行之財務狀況表中，其於附屬公司的投資乃按成本值減去減值虧損(如有)列賬(見附註2(o))。

(f) 於聯營公司之權益

聯營公司為本集團或本行可對其管理(包括參與其財政及營運政策的決定)有重大影響力(惟並非控制或聯合控制)之實體。

由於董事認為於菲律賓之聯營公司的投資對本集團的影響並不重大，故並無以權益法計入綜合財務報告，而於本集團及本行之財務狀況表中按成本值扣除減值虧損列賬。該聯營公司之業績以應收股息於本集團及本行的損益賬中列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments

(i) Initial recognition

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in debt and equity securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at Fair Value through Profit or Loss ("FVPL") for which transaction costs are recognized directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification.

(ii) Categorization

Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

- Fair Value through Other Comprehensive Income ("FVOCI") (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

- FVPL, if the investment is held for trading or otherwise does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

2. 主要會計政策(續)

(g) 金融工具

(i) 初始確認

本集團有關債務及股本證券投資(不包括於附屬公司、聯營公司及合營公司的投資)之政策載列如下：

債務及股本證券投資於本集團承諾購買時確認，出售該投資時除列賬目。投資初步按公平值加直接交易成本列賬。惟以通過損益以反映公平價值計量之投資除外，有關投資之交易成本直接於損益賬內確認。該等投資其後視乎其分類按下列方式列賬。

(ii) 分類

股本投資以外的投資

本集團持有的非股本投資分為以下其中一個計量類別：

- 攤銷成本，倘持有該投資目的為收取合約現金流，而該現金流純粹為支付本金和利息。投資的利息收入採用實際利率法計算；

- 以公平價值於其他全面收益計量(循環)，倘投資的合約現金流純粹為支付本金及利息，及投資是在一種目標為通過收取合約現金流及銷售之商業模式中進行。公平價值變動須計入其他全面收益，除確認在損益賬內的預期信貸虧損、利息收入(採用實際利率法計算)及匯兑損益外。當終止確認該投資時，在其他全面收益中累計的金額會從權益循環轉入損益；或

- 通過損益以反映公平價值，倘該投資持作交易用途，或不符合以攤銷成本或以公平價值於其他全面收益計量(循環)的標準。投資的公平價值變動(包括利息)在損益賬內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Categorization (continued)

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. The FVOCI designation is made when the non-trading equity investments are expected to be held for long-term strategic purposes. Where such an election is made, the amount accumulated in other comprehensive income remains in the investment revaluation reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the investment revaluation reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognized in profit or loss as other operating income.

(iii) Fair value measurement principles

The fair value of financial instruments is ideally based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognized stock exchange, a price from a broker/dealer for non-exchange-traded financial instruments is used. If the market for a financial instrument is not active, the fair value of the instrument is estimated using a valuation technique that provides a reliable estimate of the price which could be obtained in an actual market transaction.

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.

2. 主要會計政策(續)

(g) 金融工具(續)

(ii) 分類(續)

股本投資

股本證券投資會被分類為通過損益以反映公平價值，除非該等股本投資並非以交易為目的持有，且於初步確認投資時，本集團選擇指定投資以公平價值於其他全面收益計量(非循環)，由此，隨後公平價值之變動於其他全面收益內確認。該等選擇以個別工具為基礎作出，但僅會在發行人認為該投資符合股本之定義的情況下作出。作出指定以公平價值於其他全面收益計量乃由於非交易股本投資預計以長期策略為目的持有。作出該選擇後，於其他全面收益內累計之金額仍將保留在投資重估儲備(非循環)內直至完成投資出售。於出售時，於投資重估儲備(非循環)內累計之金額會轉入保留溢利，並不會透過損益循環。股本證券投資產生之股息(不論分類為通過損益以反映公平價值或以公平價值於其他全面收益計量(非循環))均會於損益內確認為其他運營收入。

(iii) 計量公平價值之原則

金融工具的公平價值最理想地是於報告期末根據其市場報價但未減除將來的估計出售成本。金融資產按買入現價作價，而金融負債則按賣出現價作價。

如並沒有認可交易所的最新公開成交價或市場報價，經紀或交易商的報價會被用作非交易所買賣金融工具的報價。若金融工具的市場不流通，則公平價值按估值模式計算，而該估值模式可根據市場實際交易提供可靠的估計價格。

當採用現金流折算計價模式，需依據管理層對日後現金流之最佳估計，並採用在報告期末具相近條款及條件的工具所適用之市場利率作為折算率。當採用其他計價模式時，輸入資料是依據報告期末的市場數據。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(iv) Derecognition

A financial asset is derecognized when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognized when the obligation specified in the contract expires or is discharged or cancelled.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(vi) Modified financial instruments

Financial assets and financial liabilities whose original contractual terms have been modified, including those loans subject to forbearance strategies, are considered to be modified instruments. Modifications may include changes to the tenor, cash flows and or interest rates amongst other factors.

Where derecognition of financial assets is appropriate, the newly recognized residual loans are assessed to determine whether the assets should be classified as purchased or originated credit impaired assets ("POCI").

Where derecognition is not appropriate, the gross carrying amount of the applicable instruments are recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (or credit adjusted effective interest rate for POCI financial assets). The difference between the recalculated values and the pre-modified gross carrying values of the instruments are recorded as a modification gain or loss in profit or loss.

2. 主要會計政策(續)

(g) 金融工具(續)

(iv) 終止確認

當收取金融資產現金流之合約權利到期時或者該金融資產連同擁有權之絕大部分風險及回報被轉移時，金融資產將被終止確認。

當合約的義務期滿或被履行、取消，本集團終止確認該金融負債。

(v) 對銷

若存在一項可依法強制執行的權利可對銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均予對銷，並把淨金額列入財務狀況表內。

(vi) 經修改金融工具

原合約條款已予修改的金融資產及金融負債(包括受暫緩還款策略所限的貸款)被視為經修改工具。修改可包括期限、現金流或利率方面的變動及其他因素。

倘終止確認金融資產屬恰當，則會對新確認的剩餘貸款進行評估，以釐定資產應否分類為購買或產生的信貸減值資產。

倘終止確認金融資產屬不恰當，則會重新計算適用工具的賬面總值為重議或經修改的合約現金流的現值，並按原來實際利率(或購買或產生的信貸減值金融資產的經信貸調整實際利率)折現。該等工具經重新計算的價值與修改前的賬面總值之間的差異於損益賬入賬列作經修改收益或虧損。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Repurchase and reverse repurchase transactions

Securities sold subject to a simultaneous agreement to repurchase these securities at a certain later date at a fixed price (repurchase agreement) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortized cost.

Securities purchased under agreements to resell (reverse repurchase agreements) are reported as receivables and are carried at amortized cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is recognized as interest income and interest expense respectively, over the life of each agreement using the effective interest method.

(i) Derivative financial instruments

Derivative financial instruments are recognized at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(j) Hedging

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instruments and the hedged items. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. As permitted by HKFRS 9, the Group has elected to apply the hedge accounting requirements of HKAS 39. Under HKAS 39 hedges are classified into three categories: (a) fair value hedges; (b) cash flow hedges; and (c) net investment hedges. The Group only applies hedge accounting for fair value hedging of certain fixed rate debt securities measured at amortized cost and certificates of deposit issued.

The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

2. 主要會計政策(續)

(h) 回購交易和反向回購交易

根據同步協議(回購協議)售出並在之後某特定時間以固定價格回購的證券會保留在財務報告內並根據該等證券之原來計量原則計量。出售所得款項乃列作負債，並按攤銷成本列賬。

根據轉售協議(反向回購協議)購買之證券乃列作為應收款項，並按攤銷成本列賬。

反向回購協議所賺取之利息與回購協議產生之利息，分別於各個協議有效期間採用實際利率法確認為利息收入及利息支出。

(i) 衍生金融工具

衍生金融工具以公平價值確認。於各報告期末，其公平價值被重新計量。因重新計量公平價值而產生之收益或虧損於損益賬內即時確認，除該衍生金融工具符合現金流對沖會計，或對沖在外國經營之淨投資，在此情況下，確認任何因此產生的收益或虧損將取決於對沖項目之性質。

(j) 對沖

對沖會計處理確認對沖工具及對沖項目之公平價值變動對溢利或虧損之抵銷效應。本集團於對沖交易開始時及於日後繼續評估對沖交易中採用之金融工具是否能高度有效地抵銷對沖項目因對沖風險所引致之公平價值變動，並將記錄有關評估。根據香港財務報告準則第9號的規定，本集團選擇採用香港會計準則第39號的對沖會計規定。根據香港會計準則第39號，對沖分為三類：(a)公平價值對沖；(b)現金流量對沖及(c)投資淨額對沖。本集團僅對若干按攤銷成本計量之定息債務證券及已發行存款證的公平價值對沖應用對沖會計處理。

倘(a)對沖工具到期或被出售、終止或行使；(b)對沖不再符合對沖會計處理的準則；或(c)本集團撤回指定，本集團便會終止對沖會計處理。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Hedging (continued)

(i) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognized assets and liabilities that will give rise to a gain or loss being recognized in profit or loss.

The hedging instruments are measured at fair value, with fair value changes recognized in profit or loss. The carrying amounts of the hedged items are adjusted by the changes in fair value attributable to the risk being hedged. These adjustments are recognized in profit or loss to offset the effect of gains or losses on the hedging instruments.

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 amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(ii) 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.

The Group utilises both cumulative dollar offset method and regression analysis as the effectiveness testing methodologies for retrospective testing. For prospective effectiveness, the hedging instruments must be expected to be highly effective in achieving offsetting changes in fair value attributable to the hedged risk during the period for which the hedge is designated and is typically demonstrated through matching of critical terms. For actual effectiveness, the hedging instrument should demonstrate that it is highly effective in offsetting changes in fair value attributable to the hedged risk. The Group considers that where changes in fair value offset each other in the range of 80 percent to 125 percent the hedge is highly effective.

2. 主要會計政策(續)

(j) 對沖(續)

(i) 公平價值對沖

公平價值對沖目的是為抵銷已確認資產及負債的公平價值變動之風險(該等變動將導致須在損益賬內確認損益)。

對沖工具按公平價值列賬，其公平價值變動於損益賬內確認。對沖項目之賬面值按所對沖之風險所導致之公平價值變動作出調整。此等調整在損益賬內確認，以抵銷對沖工具所產生之損益之影響。

當對沖工具到期或被出售、終止或被行使，對沖不再符合對沖會計法的標準，或本集團撤銷了指定的對沖關係時，截至當時為止對使用實際利率法計算的被對沖項目的任何調整，會在損益賬內攤銷，作為在該項目的剩餘期間重新計算其實際利率的一部分。

(ii) 對沖有效性測試

為符合對沖會計法，本集團於初始訂立對沖時指定對沖工具，亦於初始訂立對沖時及於其整段年期內進行預計有效性評估測試，以證明該項對沖交易能高度有效地發揮預期對沖功能。本集團亦持續地為對沖之實際有效性進行追溯有效性測試。

每項對沖關係均備有詳細文件載列該項對沖有效性之評估方法。本集團就評估對沖的有效性而採用的方法取決於其風險管理策略。

本集團使用累計價值抵銷法及回歸分析作為追溯測試的有效性測試方法。就預計有效性而言，對沖工具必須預期在指定對沖期間內能高度有效地抵銷所對沖風險而導致之公平價值變動，通常通過配對關鍵條款顯示有效性。就實際有效性而言，對沖工具必須能夠顯示能夠高度有效地抵銷所對沖風險導致之公平價值變動。本集團認為，公平價值變動抵銷比率在80%至125%的範圍內才被視為高度有效。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property and equipment

The Group's leasehold land and buildings are held under leasehold agreements and, in the absence of reliable information to allow separation of the land and buildings components under the leases the land and buildings are accounted for as properties.

These leasehold land and buildings are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of the reporting period.

Changes arising on the revaluation of properties are generally dealt with in other comprehensive income and are accumulated separately in equity in the premises revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and

- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(o)):

- right-of-use assets arising from leases over other properties and equipment for own use where the group is not the registered owner of the property interest (see Note 2(m)); and

- items of furniture, fixtures and equipment.

Subsequent expenditure relating to a fixed asset that has already been recognized is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the premises revaluation reserve to retained earnings and is not reclassified to profit or loss.

2. 主要會計政策(續)

(k) 物業及設備

本集團根據租賃協議持有租賃土地及樓宇，在無可靠資料以允許根據租約分開土地和樓宇之組成部分情況下，土地及樓宇列作物業入賬。

該等租賃土地及樓宇乃按其重估金額(即其於重估日期的公平價值扣除其後任何累計折舊)列賬。本集團會定期進行評估以確保於報告期末該等資產之賬面值與使用公平價值釐定之價值沒有重大差異。

重估物業產生之變動一般認列於其他全面收益內，並於權益項下之物業重估儲備中獨立累計。惟下列情況除外：

- 當重估出現虧絀時，虧絀超出同一資產於緊接重估前之儲備款額會自損益扣除；及

- 當因重估而出現盈餘時，倘同一資產以往曾有重估虧絀自損益扣除時，則本次重估盈餘將計入損益，惟上限為以往曾自損益賬內扣除之重估虧絀。

以下物業、廠房及設備項目乃按成本減去累計折舊及減值虧損(見附註2(o))列賬：

- 租賃本集團並非物業權益的註冊擁有人的其他自用的物業及設備而產生的使用權資產(見附註2(m))；及

- 傢俱、固定裝置及設備。

倘若該固定資產所發生的後續費用能產生未來經濟收益(超出現有資產之初始評定之表現標準)並流向本集團，該筆費用會附加於相關資產之賬面值。其他所有後續費用於其產生期間被確認為開支。

固定資產報廢或出售產生的盈虧乃根據有關資產出售所得款項淨額與其賬面值之差額而釐定，並於報廢或出售當日於損益賬內確認。任何相關重估盈餘乃自物業重估儲備轉撥至保留盈利，且不會重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property and equipment (continued)

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight line method over the estimated useful lives as follows:

- buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.

- furniture and equipment is generally depreciated over periods of between three to ten years.

- Right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term.

Where parts of an item of property and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(l) Assets held for sale

An asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

Immediately before classification as held for sale, the measurement of the assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the assets (except for certain assets as explained below), are recognized at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group are concerned are deferred tax assets, assets arising from employee benefits and financial assets (other than investments in subsidiaries, associates and joint ventures). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognized in profit or loss. As long as an asset is classified as held for sale, the asset is not depreciated or amortized.

2. 主要會計政策(續)

(k) 物業及設備(續)

物業和設備項目於預計可用期限內以直線法攤銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。

- 傢俱和設備一般於三至十年之期間折舊。

- 使用權資產於開始日期起至租期結束時止期間採用直線法折舊。

當物業和設備項目之部件有不同使用期限時，每個部件的成本或估值會被合理地分拆並分開折舊。資產之使用期限及其殘值(如有)均須每年進行覆核。

(l) 持作出售之資產

如資產賬面值極大可能透過出售交易而收回，而並非透過持續使用，及其現時狀況為可供出售，則此資產分類為持作出售。

分類為持作出售前，資產之計量根據分類前之會計政策計至截至分類當日止。其後於初始分類為持作出售及直至出售期間，資產(不包括下列所解釋之若干資產)按其賬面值及公平價值減出售成本之較低者確認。就本集團之財務報告而言，此計量政策之主要例外為遞延稅項資產、僱員福利產生之資產及金融資產(不包括於附屬公司、聯營公司及合營公司之投資)。該等資產(即使持作出售)將持續根據附註2所載之政策計量。

於初始分類為持作出售以及於列作持作出售之期間重新計量而產生之減值虧損，在損益賬內確認。只要資產被分類為持作出售，該資產即不予折舊及攤銷。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts

The Group has applied HKFRS 16 using the modified retrospective approach and therefore comparative information has not been restated and continues to be reported under HKAS 17 and HKFRIC 4. The details of accounting policies under HKAS 17 and HKFRIC 4 are disclosed separately.

Policies applicable from 1 January 2019

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 uses the definition of a lease in HKFRS 16.

A. Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognizes 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 and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

2. 主要會計政策(續)

(m) 租約及租購合約

本集團已採用經修訂的追溯法應用香港財務報告準則第16號，因此比較資料未重列並仍將根據香港會計準則第17號及香港財務報告詮釋委員會詮釋第4號進行報告。香港會計準則第17號及香港財務報告詮釋委員會詮釋第4號的會計政策詳情另行披露。

自二零一九年一月一日起適用的政策

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。為評估合約是否為控制可識別資產使用的權利，本集團使用香港財務報告準則第16號中租賃的定義。

A. 本集團作為承租人

在包含租賃部分的合約開始或修訂時，本集團根據其相對獨立價格將合約的代價分配予各個租賃部分。然而，就分行及辦公場所的租賃而言，本集團選擇不將非租賃部分分開，並將租賃及非租賃部分作為單個租賃部分列賬。

本集團於租賃開始日確認使用權資產及租賃負債。使用權資產按成本進行初始計量，該成本包括為在開始日期或之前作出的任何租賃付款而調整的租賃負債之初始金額，加上任何應計初始直接成本、拆除及撤除對分行或辦公場所進行的任何改進之估計成本。

隨後，使用權資產自開始日期至租賃期限結束時使用直線法進行折舊。此外，使用權資產會定期減少減值虧損(如有)，並就租賃負債的若干重新計量進行調整。

租賃負債於開始日期初步按並未支付之租賃付款之現值計量，並使用租賃中所隱含之利率(或倘該利率未能輕易釐定，則使用本集團之增量借款利率)貼現。一般而言，本集團採用其增量借款利率作為貼現率。

本集團通過分析從各種外部來源獲得的借款來確定其增量借款利率，並作出若干調整以反映租賃條款及租賃資產之類型。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts (continued)

Policies applicable from 1 January 2019 (continued)

A. *Group acting as a lessee* (continued)

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments; 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 amortized 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, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'fixed assets' and lease liabilities in 'other liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. 主要會計政策(續)

(m) 租約及租購合約(續)

自二零一九年一月一日起適用的政策(續)

A. *本集團作為承租人*(續)

計量租賃負債時計入的租賃款項包括以下各項：

– 固定付款額，包括實物固定付款額；及

– 本集團可以合理確定將會行使的購買選擇權的行權價；倘本集團合理確定行使續租選擇權，於選擇性續租期之租賃付款；及提前終止租約的罰款，除非本集團合理確定不會提前終止。

租賃負債採用實際利率法按攤銷成本計量。當指數或利率變動引致未來租賃款項出現變動，倘本集團根據剩餘價值擔保預期應支付的金額之估計變化，倘本集團改變其對於是否會行使購買、延長或終止選擇權的評估或存在經修訂的實物固定租賃付款，則重新計量租賃負債。

倘租賃負債以此方式重新計量，使用權資產的賬面值會作出相應調整，或倘使用權資產的賬面值已減為零，則於損益記錄。

本集團在財務狀況表中於「固定資產」呈列使用權資產以及於「其他負債」呈列租賃負債。

短期租賃及低價值資產租賃

本集團選擇不確認低價值資產租賃及短期租賃的使用權資產及租賃負債。本集團在租賃期內以直線法基準將與該等租賃有關的租賃付款確認為支出。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts (continued)

Policies applicable from 1 January 2019 (continued)

B. Group acting as a lessor

At inception or on modification 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 selling prices.

When the Group acts as a lessor, it determines at lease inception whether the 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.

The Group applies the derecognition and impairment requirements in HKFRS 9 to the net investment in the lease (see Note 2(g)(iv) and 2(o)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Policies applicable before 1 January 2019

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

A. Group acting as a lessee

Assets held under other leases were classified as operating leases and were not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

2. 主要會計政策(續)

(m) 租約及租購合約(續)

自二零一九年一月一日起適用的政策(續)

B. 本集團作為出租人

在包含租賃部分的合約開始或修訂時，本集團根據其相對獨立出售價格將合約的代價分配予各個租賃部分。

當本集團作為出租人時，在租賃開始時確定該租賃為融資租賃或經營租賃。

為對各租賃分類，本集團全面評估租賃是否將與相關資產所有權有關的絕大部分風險及回報轉移。倘是，則租賃為融資租賃，反之則為經營租賃。評估時，本集團考慮若干指標，例如該租賃是否佔資產使用壽命的大部分。

本集團將香港財務報告準則第9號的終止確認及減值規定應用於租賃的淨投資(見附註2(g)(iv)及2(o))。本集團進一步定期審閱用於計算租賃總投資的估計無擔保剩餘價值。

二零一九年一月一日之前適用的政策

倘本集團確定一項安排具有在協定期限內通過支付一筆或一系列款項，而使用某一特定資產或多項資產之權利，則該安排(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而非按安排是否具備租賃之法律形式。

A. 本集團作為承租人

根據其他租賃持有的資產被分類為經營租賃，於本集團財務狀況表中並無確認。根據經營租賃支付的款項在租賃期內以直線法基準在損益中確認。在租賃期內，收取的租賃激勵措施被確認為總租賃開支的組成部分。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts (continued)

Policies applicable before 1 January 2019 (continued)

B. Group acting as a lessor

(i) Classification of leased assets

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the statement of financial position as advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy for impairment (see Note 2(o)).

(iii) Operating leases

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be delivered from the leased asset. Lease incentives received are recognized in profit or loss as an integral part of the aggregated net lease payments made. Contingent rentals are charged to profit or loss in the period in which they are incurred.

2. 主要會計政策(續)

(m) 租約及租購合約(續)

二零一九年一月一日之前適用的政策(續)

B. 本集團作為出租人

(i) 租賃資產分類

凡將擁有權之絕大部分風險與所有權回報轉移至承租人之租約均列為融資租約。未將擁有權之絕大部分風險與所有權回報轉由承租人承擔之租約列為經營租約。

(ii) 融資租約

凡本集團根據融資租約為出租人時，相當於租約中投資淨額之款項作為客戶貸款計入財務狀況表內。具有融資租約特徵之租購合約以同樣方式列賬為融資租約。減值虧損根據減值之會計政策入賬(見附註2(o))。

(iii) 經營租約

凡本集團根據經營租約擁有所持資產之使用權時，則根據租約作出的付款會在租賃期所涵蓋的期間內，以相同的分期款項在損益賬內扣除；惟倘有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃協議所涉及的鼓勵措施均在損益賬內確認為租賃淨付款總額的組成部分。或然租金在其產生的期間內在損益賬內扣除。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Repossessed assets

During the recovery of impaired advances to customers, the Group may take repossession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realization of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Accrued interest and other assets" and the relevant loans and advances are derecognized. The Group does not hold repossessed assets for its own use.

Repossessed assets are initially 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 amortized.

Impairment losses on subsequent remeasurement are recognized in profit or loss. Any gains on subsequent remeasurement are recognized in profit or loss subject to a cap at the amount of related loans and advances at the date of exchange.

(o) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group applies the Expected Credit Loss ("ECL") model under HKFRS 9, Financial Instruments, on all financial assets that are measured at amortized cost, including cash and short-term funds, balances with banks and other financial institutions, advances to customers, trade bills, debt securities measured at amortized cost, and credit related commitments and contingencies. The Group does not recognize ECL in respect of accrued interest and others assets as the impact is considered to be immaterial.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For credit related commitments and contingencies, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the credit related commitments and contingencies draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2. 主要會計政策(續)

(n) 收回資產

於收回已減值客戶貸款期間，本集團可能透過法院訴訟或由借方自願交付財產以收回持作抵押之資產。倘預期減值資產將有秩序地變現及本集團不再尋求借方還款時，收回資產在報告內呈列為「應計利息及其他資產」，而相關借款及貸款則撤銷確認。本集團並無收回資產作為自用。

收回資產最初按相關借款及貸款之款額及公平價值減出售成本之較低者於交易日期記錄，且不折舊或攤銷。

其後重新計量之減值虧損於損益賬內確認。其後重新計量之收益於損益賬內確認，惟上限為於交易日期相關借款及貸款之金額。

(o) 信貸虧損及資產減值

(i) 金融工具的信貸虧損

本集團根據香港財務報告準則第9號「金融工具」將預期信貸虧損模式應用於以攤銷成本計量之金融資產(包括現金及短期資金、銀行同業及其他金融機構結餘、客戶貸款、商業票據、以攤銷成本計量之債務證券及與信貸有關之承擔及或然項目)。由於有關影響被視為輕微，故本集團並無就應計利息及其他資產確認預期信貸虧損。

計量預期信貸虧損

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損以所有預期現金不足額(即本集團根據合約應得的現金流與本集團預期可收取的現金流之間的差額)之現值估算。

對於與信貸有關之承擔及或然項目，預期現金不足額以(i)倘與信貸有關之承擔及或然項目持有人提取貸款，本集團應得的合約現金流與(ii)倘貸款獲提取，本集團預期可收取的現金流之間的差額計量。

估計預期信貸虧損時考慮的最長期限為本集團面臨信貸風險的最長合約期。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group recognizes a loss allowance equal to 12-month ECLs ("Stage 1") unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs ("Stage 2" or, where classified as credit impaired, "Stage 3").

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including credit related commitments and contingencies) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. 主要會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

計量預期信貸虧損(續)

在計量預期信貸虧損時，本集團會考慮毋須付出過份的成本或努力可得合理且可支持的資料，包括過去事件、當前狀況和未來經濟狀況預測的資料。

預期信貸虧損乃通過以下其一基礎計量：

- 12個月預期信貸虧損：為預計在報告日期後12個月內可能發生違約事件造成的損失；或

- 全期預期信貸虧損：為預計由預期信貸虧損模式適用項目之預計可用年期內可能發生所有違約事件導致之損失。

本集團確認相當於12個月預期信貸虧損(「第一階段」)之虧損撥備，除非自初始確認以來金融工具的信貸風險顯著增加，在此情況下，虧損撥備計量相等於全期預期信貸虧損(「第二階段」，或倘分類為信貸減值，則為「第三階段」)金額。

信貸風險顯著增加

在評估金融工具(包括與信貸有關之承擔及或然項目)的信貸風險是否顯著增加時，本集團比較金融工具於報告日與初始確認日所評估的違約風險。本集團考慮合理且可支持的定量和定性資料，包括毋須付出過份的成本或努力所得之歷史經驗和前瞻性資料。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

Financial assets that are 30 days or more days past due and not credit impaired will always be considered to have a significant increase in credit risk. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available); or
- an actual or expected significant deterioration in the operating results of the debtor; and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group assumes that there is no significant increase in credit risk when a financial instrument is determined to have low credit risk at the reporting date. For cash and short-term funds, balances with banks and other financial institutions and debt securities measured at amortized cost, the Group is utilizing the low credit risk simplified approach. All obligors with investment grade ratings based on external rating agencies are allocated to Stage 1.

For credit related commitments and contingencies, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a credit related commitment and contingency, the Group considers changes in the risk of default occurring on the loan to which the credit related commitment and contingency relates.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment loss or write-back of impairment loss in profit or loss. The Group recognizes an impairment loss or write-back of impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2. 主要會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加(續)

逾期30天或以上且並無出現信貸減值的金融資產將一直被視為出現信貸風險顯著增加的情況。在評估自初始確認後信貸風險是否顯著增加時會特別考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具的外部或內部信用評級(如有)實際或預期顯著惡化；或
- 債務人經營業績實際或預期顯著惡化；及技術、市場、經濟或法律環境之現有或預測變化，對債務人履行其對本集團義務的能力產生重大不利影響。

若金融工具於報告日為低信貸風險，則本集團假設其信貸風險並未顯著增加。本集團就現金及短期資金、銀行同業及其他金融機構結餘及以攤銷成本計量之債務證券採用低信貸風險簡化方法。所有被外部評級機構評定為投資級別的債務人均被分配至第一階段。

對於與信貸有關之承擔及或然項目，為評估預期信貸虧損，初始確認的日期為本集團成為不可撤銷承諾一方的日期。在評估自初始確認與信貸有關之承擔及或然項目以來信貸風險是否顯著增加時，本集團考慮與信貸有關之承擔及或然項目所涉及的貸款發生違約風險之變化。

預期信貸虧損在每個報告日被重新計量，以反映自初始確認以來金融工具信貸風險的變化。預期信貸虧損金額的任何變動均於損益賬內確認為減值虧損，或回撥減值虧損。本集團確認所有金融工具的減值虧損或回撥減值虧損，並通過虧損撥備賬對其賬面金額進行相應調整。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Basis of calculation of interest income on credit-impaired (or defaulted) financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the gross carrying amount less loss allowance of the financial asset.

Financial assets are considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. Financial assets that are credit-impaired (or defaulted) include those that are at least 90 days past due in respect of principal and/or interest. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

Evidence that a financial asset is credit-impaired (or defaulted) includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a past due event or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Credit losses against credit-impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realization of any collateral held where appropriate. The loss provisions held represent the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

2. 主要會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸減值(或違約)金融資產的利息收入之計算基礎

利息收入乃根據金融資產之賬面總額計算，惟金融資產出現信貸減值者除外，在此情況下，利息收入乃根據金融資產賬面總額減虧損撥備計算。

金融資產在債務人於發生一項或多項對金融資產的估計未來現金流產生不利影響的可觀察事件時不太可能付款的情況下被視為信貸減值。信貸減值(或違約)金融資產指本金及／或利息逾期最少90天的金融資產。單一個別事件可能無法被識別，惟多項事件的共同影響可導致金融資產出現信貸減值。

金融資產出現信貸減值(或違約)的證明包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違約，例如逾期事件或拖欠利息或本金付款；
- 借款人很可能破產或進行其他財務重組；
- 對債務人產生不利影響的技術、市場、經濟或法律環境之重大變動；或
- 由於發行人遭遇財務困難以致活躍證券市場不復再。

信貸減值金融資產的信貸虧損乃根據一系列情況下的可收回現金流評估釐定，包括於適當時變現任何所持抵押品。所持虧損撥備指預期將予收回的現金流現值(按工具的初始實際利率折現)與工具於出現任何信貸減值前的賬面總值之間的差額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Modified financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognized, the resulting modification loss is recognized within impairment in the profit or loss with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group would not otherwise consider, the instrument is considered to be credit-impaired.

These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification. Although loans may be modified for non-credit reasons, a significant increase in credit risk may occur. ECL for modified financial assets that have not been derecognized and are not considered to be credit-impaired will be recognized on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk.

In addition to the recognition of modification gains and losses, the revised carrying value of modified financial assets will impact the calculation of ECL, with any increase or decrease in ECL recognized within impairment.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment loss in profit or loss in the period in which the recovery occurs.

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.

2. 主要會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

經修改金融工具

倘金融資產的原本合約條款因信貸原因而被修改且該工具並無被終止確認，則所產生的修改虧損在損益賬內確認為減值，並相應減少該資產的賬面總值。倘修改涉及本集團不會在其他情況下考慮作出的讓步，則該工具被視為出現信貸減值。

本集團會就該等資產進行評估，以釐定修改後信貸風險有否顯著增加。儘管貸款可能因非信貸原因而被修改，信貸風險亦有可能會顯著增加。倘經修改金融資產並無終止確認且不被視為出現信貸減值，該等資產的預期信貸虧損將按12個月基準確認，惟倘信貸風險顯著增加，則按全期基準確認。

除確認修改收益及虧損外，經修改金融資產的經修訂賬面值將影響預期信貸虧損的計算，其中預期信貸虧損的任何增加或減少均在減值中確認。

註銷政策

金融資產賬面總額在並無實際可收回前景的情況下予以註銷(部分或全部)。一般情況為當本集團認定債務人並無資產或收入來源可以產生足夠現金流以償還待註銷之金額。

先前已註銷的資產的後續收回於收回發生期間在損益確認為減值虧損撥回。

本集團對已撇銷的金融資產會繼續追收債務的工作，以遵守本集團收回應收金額的程序。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Credit losses and impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following non-financial assets may be impaired or an impairment loss previously recognized no longer exists or may have decreased:

- furniture, fixtures and equipment;
- right-of-use assets arising from leases over other properties and equipment for own use;
- investments in subsidiaries and associates; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the 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 generate cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized 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, or value in use, if determinable.

Reversals of impairment losses

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

2. 主要會計政策(續)

(o) 信貸虧損及資產減值(續)

(ii) 其他資產減值

於各報告期末均會檢討內部及外部資料來源，以識別有否跡象顯示以下非金融資產可能出現減值或先前已確認的減值虧損已不存在或可能已減少：

- 傢俱、固定裝置及設備；
- 租賃自用的其他物業及設備產生的使用權資產；
- 於附屬公司及聯營公司的投資；及
- 商譽。

倘出現任何該等跡象，則估計資產的可收回金額。

計算可收回金額

資產的可收回金額以其公平值扣除出售成本與使用價值二者的較高者為準。於評估使用價值時，估計未來現金流量乃使用反映目前市場對貨幣時間價值的評估及該項資產的特有風險的稅前折現率折現至現值。倘資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)釐定可收回金額。

確認減值虧損

當一項資產或其所屬現金產生單位的賬面值高於其可收回金額，須於損益內確認減值虧損。就現金產生單位確認的減值虧損首先獲分配，以按比例減少任何分配至現金產生的商譽單位(或一組單位)的賬面值，再減少該單位(或一組單位)其他資產的賬面值，惟該資產的賬面值不可降至低於其個別公平值減出售成本(如可計量)或使用價值(如可釐定)。

減值虧損撥回

倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。

減值虧損的撥回以有關資產過往年度如並無確認任何減值虧損而原應釐定的賬面值為限。減值虧損的撥回於確認撥回的年度計入損益內。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits include salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits and are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material these amounts are stated at their present values.

(ii) Defined benefit retirement scheme

The Group's net obligation in respect of its defined benefit retirement scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any scheme assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the scheme or reductions in future contributions to the scheme. Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognized in profit or loss as part of "Staff costs". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. When the benefits of a scheme are changed, or when a scheme is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognized as an expense in profit or loss at the earlier of when the scheme amendment or curtailment occurs and when related restructuring costs or termination benefits are recognized. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. Remeasurements arising from defined benefit retirement schemes are recognized in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

2. 主要會計政策(續)

(p) 等同現金項目

等同現金項目為短期和流動性極高的投資項目。這些項目可以容易地換算為確定的現金數額，而所須承受的價值變動風險甚小，並在購入後三個月內到期。

(q) 僱員福利

(i) 短期僱員福利

短期僱員福利包括薪酬、每年花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

(ii) 定額福利退休計劃

本集團有關其定額福利退休計劃的淨義務乃估計僱員於本期及過往期間的服務所賺取的未來福利金額而計算；該福利已折現以釐定其現值，並扣減相關資產的公平價值。有關計算由合資格精算師使用預計單位信貸方法進行。倘計算結果對本集團有利，則確認的資產僅限以任何未來由計劃退款或未來減少向計劃供款的方式獲得經濟利益的現值。服務成本及定額福利負債(資產)淨值的利息支出(收入)淨額乃於損益賬內確認為「僱員成本」的一部分。本期服務成本乃按本期僱員服務產生的定額福利責任現值的增加而計量。倘計劃的福利出現變動，或計劃縮短，有關僱員過往服務變動福利的比例，或縮短的收益或虧損於計劃修訂或縮短發生及當有關重組成本或終止福利已確認時較早者於損益賬內確認為支出。期內利息支出(收入)淨額乃應用於報告期初用於計量定額福利責任的折現率折現至定額福利淨負債(資產)而釐定。折現率乃高質素企業債券於報告期末的收益率，有關的債券到期日與本集團所承擔責任的條款相若。定額福利退休計劃產生的重新計量乃於其他全面收入中確認且立即於保留溢利中反映。重新計量包括精算收益及虧損，計劃資產之回報(不包括計入定額福利淨負債(資產)的淨利息內的金額)及資產上限影響的任何變動(不包括計入定額福利淨負債(資產)的淨利息內的金額)。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax

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 recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

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.

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 utilized, are recognized.

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. 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 utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

2. 主要會計政策(續)

(r) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬內確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認於其他全面收益或權益中。

即期稅項乃預期於本年度就應課稅收入應付之稅項(按於報告期末已頒佈或實質頒佈之稅率計算)，以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅及應課稅暫時性差異，即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干有限例外情況外，所有遞延稅項負債及所有遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式，使用於報告期末已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各報告期末，遞延稅項資產之賬面值均進行覆核，對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利，則任何有關扣減均會被撥回。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

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 realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the related current tax assets and settle the related current tax liabilities on a net basis or realize and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognized for other 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, 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.

2. 主要會計政策(續)

(r) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本行或本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本行或本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額基準變現即期稅項資產及清償即期稅項負債或兩者同時進行。

(s) 撥備及或然負債

撥備乃本集團或本行因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務並能作出可靠估計時，而未能確定之時間或數額以其他負債確認。倘金錢時間價值屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟利益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就一項或多項未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性極微。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows:

(i) Interest income

Effective interest rate

Interest income and expense for all interest-bearing financial instruments are recognized in the profit or loss on an accruals basis using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortized cost and gross carrying amount

The 'amortized 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 amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

2. 主要會計政策(續)

(t) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收益及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬內確認：

(i) 利息收入

實際利率

所有計息金融工具的利息收入及開支按應計基準採用實際利率法於損益賬內確認。

實際利率是將金融工具在預計年期產生的預計未來現金付款或收入準確折算為金融資產之賬面總值或金融負債之攤銷成本之比率。

當計算信貸減值資產以外的金融工具的實際利率時，本集團在估計現金流時須考慮金融工具的所有合約條款，但不考慮預期信貸虧損。對於初始確認時購買或產生信貸減值的金融資產，信貸調整實際際利率使用預計未來現金流(包括預期信貸虧損)計算(即於初始確認時無需考慮信貸虧損撥備)。

計算實際利率時計及屬實際利率重要組成部分的交易成本及費用及已付或已收點數。交易成本為收購或發行金融資產或金融負債直接應佔的增量成本。

攤銷成本及賬面總值

金融資產或金融負債的「攤銷成本」應當以金融資產或金融負債的初始確認金額經下列調整後的結果確定：扣除已償還的本金、加上或減去採用實際利率法將該初始確認金額與到期日金額之間的差額進行攤銷形成的累計攤銷額及，就金融資產而言，扣除任何預期信貸虧損撥備。

「金融資產的賬面總值」指在任何預期信貸虧損撥備調整前金融資產的攤銷成本。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(i) Interest income (continued)

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 amortized 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 amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized 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(o).

(ii) Net income from financial instruments designated at FVPL and net trading income

Net income from financial instruments designated at FVPL and net trading income comprise all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, foreign exchange differences and dividend income attributable to those financial instruments.

(iii) Fee and commission income

Fee and commission income arises on financial services provided by the Group including cash management services, brokerage services, investment banking services, investment management services and project and structured finance transactions services. Fee and commission income is recognized when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer or is interest in nature. In these cases the fee is recognized as income in the accounting period in which the costs or risk is incurred or is accounted for as interest income.

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognized as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at FVPL. In this case it is immediately recognized in profit or loss. If the commitment expires without the Group making a loan, the fee is recognized as revenue on expiry.

2. 主要會計政策(續)

(t) 收益確認(續)

(i) 利息收入(續)

計算收益利息及開支

於計算收益利息及開支時，資產的賬面總值(當資產為非信貸減值)或負債的攤銷成本採用實際利率。

然而，對於初始確認後出現信貸減值的金融資產，利息收入的計算方法是將實際利率應用於金融資產的攤銷成本。若資產不再為信貸減值，則利息收入的計算將恢復為總額。

對於初始確認時購買或產生信貸減值的金融資產，利息收入的計算方法是將信貸調整實際利率應用於資產的攤銷成本。即使資產的信貸風險有所改善，利息收入的計算亦不會恢復為總額。

有關金融資產何時出現信貸減值的資料，請參閱附註2(o)。

(ii) 指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益

指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

(iii) 費用及佣金收入

費用及佣金收入乃本集團提供金融服務，包括現金管理服務、經紀服務、投資銀行服務、投資管理服務以及項目及結構性融資交易服務之所得收入。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

本集團已收因建立或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，則該費用於期滿時確認為收益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(iv) Finance income from finance lease and hire purchase contracts

Finance income implicit in finance lease and hire purchase payments is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivable are recognized as income in the accounting period in which they are earned.

(v) Rental income from operating lease

Rental income received under operating leases is recognized 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 recognized in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognized as income in the accounting period in which they are earned.

(vi) Dividend income

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is irrevocably established. Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

2. 主要會計政策(續)

(t) 收益確認(續)

(iv) 來自融資租約及租購合約之財務收入

融資租約之隱含財務收入及租購付款於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於所賺取的會計期間確認為收入。

(v) 經營租賃產生之租金收入

根據經營租賃收取之租金收入於租賃期間內以等額方式在其他營運收入中確認，但如有另一基準更能代表租賃資產所產生之利益之模式則除外。已授出之租賃獎勵於損益賬內確認為應收總租賃款項淨額的一部分。應收或然租金於所賺取的會計期間確認為收入。

(vi) 股息收入

非上市投資之股息收入於股東收取款項之權利確立為不可撤回時予以確認。上市投資之股息收入於投資項目之股價除息時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Translation of foreign currencies

The Group and the Bank's functional currency is Hong Kong Dollars. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are dealt with in profit or loss.

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 exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong dollars at exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to financial instruments held at FVPL and derivative financial instruments are included in net income from financial instruments designated at FVPL and net gain/(loss) on derivative financial instruments, respectively. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in profit or loss and are reported within "Other operating income". Differences arising on translation of equity securities designated at FVOCI are recognized in other comprehensive income.

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. Assets and liabilities are translated at the closing rate at the end of the reporting period. All resulting exchange differences are recognized in other comprehensive income and accumulated in equity in the foreign exchange reserve.

On disposal of a foreign operation the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

2. 主要會計政策(續)

(u) 外幣換算

本集團及本行的記賬單位幣別為港元。本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以報告期末之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

以外幣定值並以歷史成本列賬之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬之非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

通過損益以反映公平價值之金融工具及衍生金融工具的匯兑差額分別包括於指定為通過損益以反映公平價值之金融工具淨收益及衍生金融工具淨溢利／(虧損)。其他有關貨幣性項目的匯兑差額則於損益賬內呈列為外幣買賣淨盈虧，並於「其他營運收入」內呈報。換算指定以公平價值於其他全面收益計量之股本證券之差額於其他全面收益確認。

海外業務的業績按與交易日的匯率相若的匯率換算為港幣。資產及負債則按報告期末的收市匯率換算。產生的所有匯兑差額於其他全面收益確認，並於外幣換算儲備內累計為權益。

出售海外業務時，在權益內與該等海外業務有關之匯兑差額之累計金額，於確認出售盈虧時由權益重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(a) a person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) an entity is related to the Group if any of the following conditions applies:

(i) 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).

(ii) 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).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) 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).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 主要會計政策(續)

(v) 關連各方

就此等財務報告而言，被視為與本集團有關連的一方是指：

(a) 個人或該個人之近親家庭成員，該個人在以下情況下被視為與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 是本集團或本集團之母公司的主要管理人員。

(b) 在以下任何情況下一實體會視為與本集團有關連：

(i) 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互相關連)。

(ii) 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)。

(iii) 兩個實體是同一第三方的合營公司。

(iv) 一實體是一第三方的合營公司而另一實體則是該第三方的聯營公司。

(v) 該實體是提供予本集團或與本集團有關連之實體的僱員離職後福利計劃。

(vi) 該實體受在(a)項中所辨別的個人所控制或共同控制。

(vii) 在(a)(i)項中所辨別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。

(viii) 實體或組成集團一部分的任何成員公司向集團或集團母公司提供主要管理人員服務。

個人的近親家庭成員指預料可於彼等與實體交易中影響該個人(或受該個人影響)的家庭成員。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) 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.

2. 主要會計政策(續)

(w) 分部資料

財務報告中的經營分部和每個分部項目的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務和地區進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries. For information required to be reported in accordance with the Banking (Disclosures) Rules ("BDR"), the basis of consolidation is set out in Note (A) in the Unaudited Supplementary Financial Information on page 223.

3. 綜合基準

該等綜合財務報告涵蓋本行及本行所有附屬公司的綜合狀況。根據《銀行業(披露)規則》所需呈報的資料，其綜合基準載列於第223頁未經審核補充財務資料附註(A)內。

4. INTEREST INCOME AND EXPENSE

(a) Interest income

4. 利息收入及支出

(a) 利息收入

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**111,097**	119,358
Investment in securities	證券投資	**1,237,264**	1,033,329
Loans and advances	借款及貸款	**1,849,213**	1,539,817
Interest income calculated using the effective interest method	採用實際利率法計算的利息收入	**3,197,574**	2,692,504
Other interest income	其他利息收入	**24,979**	15,736
Total interest income	利息收入總額	**3,222,553**	2,708,240

Interest income recognized on financial assets that are not measured at fair value through profit or loss amounted to HK$3,201,774,000 (2018: HK$2,692,504,000).

就非通過損益以反映公平價值計量之金融資產確認之利息收入為3,201,774,000港元(二零一八年：2,692,504,000港元)。

4. INTEREST INCOME AND EXPENSE (continued)

(b) Interest expense

4. 利息收入及支出(續)

(b) 利息支出

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Deposits from customers	客戶存款	**1,306,700**	886,181
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**91,923**	77,763
Financial assets sold under repurchase agreements	購回協議項下出售之金融資產	**133,383**	164,828
Certificates of deposit, debt securities and subordinated debts issued	已發行存款證、債務證券及後償債務	**261,868**	216,317
Lease liabilities	合約負債	**2,464**	–
Others	其他	**10,524**	6,699
		1,806,862	1,351,788

Interest expense recognized on financial liabilities that are not measured at fair value through profit or loss amounted to HK$1,797,151,000 (2018: HK$1,345,089,000).

就非通過損益以反映公平價值計量之金融負債確認之利息支出為1,797,151,000港元(二零一八年：1,345,089,000港元)。

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

5. 費用及佣金收入及支出

(a) 費用及佣金收入

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Fee and commission income arising from:	由以下業務所產生的費用及佣金收入：		
Credit related services	信貸業務	**58,893**	51,194
Trade finance services	貿易融資業務	**20,324**	20,509
Credit card services	信用卡業務	**131,870**	140,489
Securities brokerage and investment services	證券經紀及投資服務	**23,737**	33,853
Insurance services	保險業務	**104,481**	91,284
Unit trust services	信託基金業務	**28,674**	37,897
Other fees	其他費用	**26,940**	21,374
		394,919	396,600
Of which:	其中：		
Fee and commission income arising from:	費用及佣金收入來自：		
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	－非通過損益以反映公平價值之金融資產或金融負債	**199,520**	194,045
– Trust and other fiduciary activities	－信託及其他受託業務	**1,809**	1,889

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group holds assets or invests on behalf of customers.

來自信託及其他受託業務的費用及佣金收入，與本集團代表客戶持有資產或投資所收取的資產管理業務費用相關。

5. FEE AND COMMISSION INCOME AND EXPENSE (continued)

5. 費用及佣金收入及支出(續)

(b) Fee and commission expense

(b) 費用及佣金支出

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Handling fees and commission	手續費及佣金	73,365	79,561
Other fees paid	其他已付費用	25,443	27,726
		98,808	107,287
Of which:	其中：		
Fee and commission expense arising from financial assets or financial liabilities which are not measured at fair value through profit or loss	費用及佣金支出來自非通過損益以反映公平價值之金融資產或金融負債	91,351	94,766

6. OTHER OPERATING INCOME

6. 其他營運收入

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Gains less losses from dealing	**交易收益減虧損**		
– Foreign exchange	－外匯	25,985	(771)
– Trading assets	－持作交易用途資產	29,385	27,094
– Other dealing activities*	－其他買賣交易*	8,972	7,991
– Short selling activities	－賣空交易	(7,157)	(1,930)
		57,185	32,384
Net hedging loss from fair value hedges	**公平價值對沖之淨對沖虧損**		
Net gain/(loss) on hedged items attributable to the hedged risk	與對沖風險相關之被對沖項目之淨收益／(虧損)	499,195	(156,500)
Net (loss)/gain on hedging instruments	對沖工具之淨(虧損)／收益	(543,414)	133,678
		(44,219)	(22,822)
Dividend income from unlisted equity securities	非上市股本證券之股息收入	10,849	15,874
Others	其他	26,593	16,571
		50,408	42,007

* *Other dealing activities include customer-driven dealing in financial instruments including equity linked notes, options and structured deposit products.*

* *其他買賣交易包括客戶買賣金融工具(包括股票掛鈎票據、期權及結構性存款產品)。*

7. OPERATING EXPENSES

7. 營運支出

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	**19,272**	18,085
Current service cost of defined benefit scheme (Note 32(a)(v))	定額福利計劃現時服務成本（附註32(a)(v)）	**10,954**	11,654
Retirement schemes costs	退休計劃成本	**30,226**	29,739
Salaries and other staff costs	薪金及其他僱員成本	**562,880**	551,224
		593,106	580,963
Premises and other fixed assets	物業及其他固定資產		
Rental of premises	物業租金	**5,454**	36,888
Depreciation (Note 21(a))	折舊（附註21(a)）	**183,092**	138,543
Others	其他	**20,615**	19,075
Audit fee	核數費用	**4,500**	5,055
Other operating expenses	其他營運支出		
Business promotion	業務推廣	**27,184**	27,622
Legal and professional fees	法律及顧問費用	**11,124**	13,444
Communication	通訊	**30,304**	31,834
Electronic data processing and computer systems	電子資料處理及電腦系統	**72,224**	63,516
Others	其他	**47,416**	47,767
Reversal of compensation paid*	撥回已付補償金*	**(96,193)**	–
		898,826	964,707

* *During the year, the Court of Appeal issued judgment allowing the Bank's appeal and rejecting the Plaintiff's cross-appeal in a lawsuit, where an original judgement was issued against the Bank during 2016. The Bank received HK$96 million (being the net aggregate amount that the Bank previously paid the Plaintiff under the original judgment) from the Plaintiff and recognized it as a reversal of compensation paid, which was previously recognized under "Operating expenses – Other operating expenses".*

* *年內，上訴法庭頒下判令，就一宗於二零一六年對本行提出的訴訟的原裁決，宣判本行上訴得直並駁回原告人之交相上訴。本行自原告人收取9,600萬港元（即本行過往就原裁決向原告人支付之總計淨額）並確認為已付代價撥回（過往於「營運支出－其他營運支出」項下確認）。*

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance ("HKCO") and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8. 董事薪酬

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事薪酬如下：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Basic salaries and other allowances	底薪及其他津貼	6,023	6,111
Directors' fee	董事袍金	5,135	4,913
Contributions to pension scheme	退休計劃供款	300	300
Discretionary bonuses	酌情花紅	3,000	3,000
		14,458	14,324

9. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

9. 客戶貸款減值虧損

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Charge for/(written back of) impairment losses on advances to customers:	客戶貸款減值虧損扣除／(回撥)：		
– Stage 1	－第一階段	64,890	(10,322)
– Stage 2	－第二階段	28,449	(3,891)
– Stage 3	－第三階段	11,848	63,166
		105,187	48,953

10. GAIN ON DISPOSAL OF A SUBSIDIARY

In February 2019, the Bank disposed of its entire interest in FB Investment Management Limited ("FBIM") to a fellow subsidiary. The interest in FBIM was classified as assets held for sale in the consolidated statement of financial position since May 2018 when the Bank entered into a sale and purchase agreement for the transaction.

10. 出售附屬公司收益

於二零一九年二月，本行將其於富銀投資管理有限公司的全部權益出售予一間同系附屬公司。自二零一八年五月本行就該交易訂立的買賣協議以來，富銀投資管理有限公司的權益於綜合財務狀況表中分類為持作出售資產。

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

11. 綜合全面收益表內的所得稅

(a) Taxation in the consolidated statement of comprehensive income represents:

(a) 綜合全面收益表內的稅項指：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Current tax – Hong Kong Profits Tax	**即期稅項－香港利得稅**		
Tax for the year	年內稅項	**136,883**	113,184
Over-provision in prior years	過往年度超額撥備	**(4,327)**	–
Current tax – Overseas Tax	**即期稅項－海外稅項**		
Tax for the year	年內稅項	**167**	4,694
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences (Note 27(b))	暫時性差異產生及撥回（附註27(b)）	**(16,425)**	(16,626)
		116,298	101,252

Provision for Hong Kong Profits Tax for 2019 is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year. Taxation for overseas operations is similarly calculated using the estimated annual effective rates of taxation that are expected to apply in the relevant countries.

二零一九年之香港利得稅撥備乃根據本年度之評估應課稅溢利之16.5%（二零一八年：16.5%）計算。海外業務稅項的計算與之類似，為使用評估年度在相關國家預期應用的實際稅率計算。

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Profit before taxation	除稅前溢利	**717,417**	924,080
Notional tax on profit before taxation, calculated at the rates applicable to profits at 16.5%	除稅前溢利之估計稅項按16.5%之應課稅率計算	**118,374**	152,473
Tax effect of non-taxable income	非應課稅收入之稅項影響	**(9,738)**	(1,495)
Tax effect of non-deductible expenses	非可扣減支出之稅項影響	**11,822**	28,708
Effect on profit of an associate	聯營公司溢利之影響	**–**	(26,480)
Tax effect on reversal of temporary differences upon disposal of an associate	出售聯營公司後暫時性差異撥回之稅項影響	**–**	(56,648)
Overseas withholding taxes	海外預扣稅	**167**	4,694
Over-provision in prior years	過往年度超額撥備	**(4,327)**	–
Actual tax expense	實質稅項支出	**116,298**	101,252

12. OTHER COMPREHENSIVE INCOME

12. 其他全面收益

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Premises:	**物業：**		
(Deficits)/surplus on revaluation of premises (Note 21(a))	物業重估(虧損)／盈餘（附註21(a)）	**(241,365)**	269,604
Share of surplus on revaluation of premises of an associate	應佔聯營公司之物業重估盈餘	**–**	28,270
Deferred taxation (Note 27(b))	遞延稅項(附註27(b))	**49,946**	(35,373)
Net movement in the premises revaluation reserve during the year recognized in other comprehensive income	本年度於其他全面收益確認之物業重估儲備淨變動	**(191,419)**	262,501
Equity securities designated at fair value through other comprehensive income (non-recycling):	**指定以公平價值於其他全面收益計量之股本證券（非循環）：**		
Changes in fair value recognized during the year	本年度確認之公平價值變動	**266,958**	270,585
Deferred taxation (Note 27(b))	遞延稅項(附註27(b))	**(44,048)**	(44,646)
Net movement in the investment revaluation reserve (non-recycling) during the year recognized in other comprehensive income	本年度於其他全面收益確認之投資重估儲備(非循環)淨變動	**222,910**	225,939
Defined benefit liability:	**定額福利負債：**		
Remeasurement of net defined benefit liability (Note 32(a)(v))	重新計量定額福利負債淨額（附註32(a)(v)）	**(5,229)**	1,436
Deferred taxation (Note 27(b))	遞延稅項(附註27(b))	**863**	(237)
Net movement in the defined benefit liability during the year recognized in other comprehensive income	本年度於其他全面收益確認之定額福利負債淨變動	**(4,366)**	1,199
Debt securities designated at fair value through other comprehensive income (recycling):	**指定以公平價值於其他全面收益計量之證券（循環）：**		
Share of changes in fair value of debt securities held by an associate	應佔聯營公司之債務證券公平價值變動	**–**	118,116
Realization upon disposal of an associate	出售聯營公司後變現	**–**	(49,615)
Net movement in the investment revaluation reserve (recycling) during the year recognized in other comprehensive income	本年度於其他全面收益確認之投資重估儲備(循環)淨變動	**–**	68,501
Foreign exchange reserve:	**外匯儲備：**		
Exchange differences on translation of an associate	聯營公司外幣報表換算差額	**–**	(216,434)
Realization upon disposal of an associate	出售聯營公司後變現	**–**	226,071
Net movement in the foreign exchange reserves during the year recognized in other comprehensive income	本年度於其他全面收益確認之外匯儲備淨變動	**–**	9,637

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer and Managing Director in deciding how to allocate resources and in assessing performance.

Operating segments

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

Retail Banking comprises consumer finance activities including credit card merchant acquiring, provision of credit card advances, mortgage lending and other consumer lending and wealth management services such as the sales and distribution of insurance products, investment products and securities brokerage to wealth management clients and provision of banking services to the mass market segment.

Institutional Banking comprises the corporate banking business, the commercial banking business and the financial institutions business, covering the provision of services including corporate lending, syndicated loans, trade financing and deposits to large corporates and small and medium enterprises in Hong Kong and Mainland China.

Financial Markets mainly engages in the marketing of investment products to non-bank enterprises, managing the Group's investment portfolio and trading in foreign exchange and debt securities. Moreover, it also manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of operating income reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer pricing mechanisms. To reflect the benefit of joint efforts of two operating segments on a third party fee-related transaction, operating income derived from the transaction is split between the relevant operating segments.

Cost allocation is based on the direct costs incurred by the respective operating segments. For consistency with internal management reporting, there is no apportionment of central management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. Rental charges at market rates for usage of premises are reflected in operating expenses and inter-segment expenses for the respective operating segments.

Segment assets mainly include advances to customers, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments.

13. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部分，相關之財務資料可被獨立地提供以及行政總裁及董事總經理用作定期評估以決定如何分配資源和評核表現。

經營分部

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報經營分部載列如下。

零售銀行包括消費金融業務及財富管理服務，前者包括信用卡商戶服務、信用卡信貸服務、按揭貸款及其他消費信貸，後者包括向財富管理客戶提供銷售及分銷保險產品、投資產品和證券經紀服務以及向大眾市場分部提供銀行服務。

企業及機構銀行包括企業銀行業務、商業銀行業務及金融機構業務，涵蓋向香港及中國內地之大型企業及中小企業提供企業借貸、銀團貸款、貿易融資及存款服務。

金融市場主要從事向非銀行企業銷售投資產品、本集團的投資組合管理以及外匯及債務證券的交易活動。此外，其亦管理本集團整體資金以及由銀行業務產生之流動性及利率風險部位。

分部業績、資產及負債

按分部分析下之營運收入劃分，反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個經營分部在第三方非利息收入相關交易上共同努力所賺取之回報，從這交易上所賺取之營運收入會在相關之經營分部拆分。

成本分配則以各經營分部之直接成本計算。為與內部管理報告一致，中央管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，在各經營分部扣除。各經營分部使用物業，按市值計算之租金反映於各經營分部之營運支出及跨分部支出內。

分部資產主要包括各經營分部應佔客戶貸款、證券及金融工具投資、銀行同業放款、流動資產及物業。

13. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

Segment liabilities mainly include deposits from customers, certificates of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue, interest expense, depreciation, amortization, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

13. 分部資料(續)

分部業績、資產及負債(續)

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業借款及應計款項。

除了分部資料中的除稅前溢利資料外，管理層亦獲提供分部資料中的有關收入、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Retail Banking 零售銀行 HK$'000 千港元	Institutional Banking 企業及機構銀行 HK$'000 千港元	Financial Markets 金融市場 HK$'000 千港元	Reportable Segments Total 可申報分部總額 HK$'000 千港元
Net interest income	淨利息收入	406,628	605,134	400,197	1,411,959
Other operating income/(loss) from external customers	源自外界客戶其他營運收入／(虧損)	350,226	91,468	(24,199)	417,495
Fee and commission expense	費用及佣金支出	(80,953)	(358)	(7,333)	(88,644)
Other operating income/(loss)	其他營運收入／(虧損)	269,273	91,110	(31,532)	328,851
Operating income	營運收入	675,901	696,244	368,665	1,740,810
Operating expenses	營運支出	(375,881)	(92,360)	(59,879)	(528,120)
Inter-segment expenses	跨分部支出	(61,185)	(7,523)	(2,745)	(71,453)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利	238,835	596,361	306,041	1,141,237
Impairment losses on advances to customers	客戶貸款減值虧損	(31,261)	(73,926)	–	(105,187)
Impairment losses on other financial assets	其他金融資產減值虧損	(9,783)	(8,505)	(15,212)	(33,500)
Write back of impairment losses on other assets	其他資產減值虧損之回撥	2	447	–	449
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨收益	–	–	28	28
Net losses on disposal of fixed assets	出售固定資產淨虧損	(4,920)	–	–	(4,920)
Profit before taxation	除稅前溢利	192,873	514,377	290,857	998,107
Operating expenses – depreciation	營運支出－折舊	(100,097)	(9,647)	(5,834)	(115,578)
Segment assets	分部資產	20,600,957	35,796,053	51,700,900	108,097,910
Segment liabilities	分部負債	58,183,701	17,044,308	19,356,403	94,584,412

13. SEGMENT REPORTING (continued)
Segment results, assets and liabilities (continued)

13. 分部資料(續)
分部業績、資產及負債(續)

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
		Retail Banking 零售銀行 HK$'000 千港元	Institutional Banking 企業及機構銀行 HK$'000 千港元	Financial Markets 金融市場 HK$'000 千港元	Reportable Segments Total 可申報分部總額 HK$'000 千港元
Net interest income	淨利息收入	399,242	495,926	462,483	1,357,651
Other operating income/(loss) from external customers	源自外界客戶其他營運收入／(虧損)	368,675	69,386	(27,878)	410,183
Fee and commission expense	費用及佣金支出	(85,833)	(196)	(7,947)	(93,976)
Other operating income/(loss)	其他營運收入／(虧損)	282,842	69,190	(35,825)	316,207
Operating income	營運收入	682,084	565,116	426,658	1,673,858
Operating expenses	營運支出	(369,670)	(83,196)	(60,403)	(513,269)
Inter-segment expenses	跨分部支出	(64,266)	(7,871)	(2,701)	(74,838)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利	248,148	474,049	363,554	1,085,751
Impairment losses on advances to customers	客戶貸款減值虧損	(174)	(48,779)	–	(48,953)
Write back of/(charge for) impairment losses on other financial assets	其他金融資產減值虧損之回撥／(扣除)	6,195	(1,053)	14,868	20,010
(Charge for)/write back of impairment losses on other assets	其他資產減值虧損之(扣除)／回撥	(13)	5,505	–	5,492
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨收益	–	–	399	399
Profit before taxation	除稅前溢利	254,156	429,722	378,821	1,062,699
Operating expenses – depreciation	營運支出－折舊	(22,247)	(1,577)	(3,066)	(26,890)
Segment assets	分部資產	22,038,646	29,916,286	48,010,503	99,965,435
Segment liabilities	分部負債	52,043,772	16,229,042	18,585,148	86,857,962

13. SEGMENT REPORTING (continued)

Reconciliation of reportable segment operating income, profit before taxation, assets and liabilities

13. 分部資料(續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度 HK$'000 千港元
Operating income	**營運收入**		
Reportable segment operating income	可申報分部營運收入	**1,740,810**	1,673,858
Elimination of inter-segment operating income	跨分部營運收入抵銷	**(106,896)**	(106,808)
Unallocated operating income	未分配營運收入	**128,296**	120,722
Consolidated operating income	綜合營運收入	**1,762,210**	1,687,772

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度 HK$'000 千港元
Profit before taxation	**除稅前溢利**		
Reportable segment profit before taxation	可申報分部除稅前溢利	**998,107**	1,062,699
Unallocated operating income	未分配營運收入	**128,296**	120,722
Unallocated operating expenses	未分配營運支出	**(406,149)**	(483,408)
(Charge for)/write back of impairment losses on assets held for sale	持作出售之資產減值虧損之(扣除)／回撥	**(4,143)**	1,543
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥	**–**	1,100
Gain on disposal of a subsidiary	出售附屬公司收益	**1,288**	–
Net gains on disposal of fixed assets	出售固定資產淨收益	**18**	16
Share of profits of an associate	應佔聯營公司溢利	**–**	269,921
Gain on bargain purchase of an associate	議價收購聯營公司收益	**–**	70,255
Loss on disposal of an associate	出售聯營公司虧損	**–**	(118,768)
Consolidated profit before taxation	綜合除稅前溢利	**717,417**	924,080

13. SEGMENT REPORTING (continued)

Reconciliation of reportable segment operating income, profit before taxation, assets and liabilities (continued)

13. 分部資料(續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬(續)

		As at 31 December 2019 於二零一九年十二月三十一日 HK$'000 千港元	As at 31 December 2018 於二零一八年十二月三十一日 HK$'000 千港元
Assets	**資產**		
Reportable segment assets	可申報分部資產	**108,097,910**	99,965,435
Unallocated fixed assets	未分配固定資產	**1,769,750**	1,760,124
Unallocated other assets	未分配其他資產	**1,538,974**	1,061,187
Consolidated total assets	綜合資產總額	**111,406,634**	102,786,746

		As at 31 December 2019 於二零一九年十二月三十一日 HK$'000 千港元	As at 31 December 2018 於二零一八年十二月三十一日 HK$'000 千港元
Liabilities	**負債**		
Reportable segment liabilities	可申報分部負債	**94,584,412**	86,857,962
Unallocated other liabilities	未分配其他負債	**2,175,048**	1,905,177
Consolidated total liabilities	綜合負債總額	**96,759,460**	88,763,139

Geographical information

Geographical segment information is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2019 and 2018, all of the Group's operating income and profit before taxation were generated by assets booked by the branches and subsidiaries of the Bank located in Hong Kong. No single country or geographic segment other than Hong Kong contributed 10% or more of the Group's assets, liabilities, profit or loss before taxation, operating income or contingent liabilities and commitments.

區域資料

區域分部資料乃基於附屬公司之主要營運地點或負責申報業績或將資產入賬之本行分行位置、客戶位置及資產位置予以披露。截至二零一九年及二零一八年十二月三十一日止年度，本集團所有營運收入及除稅前溢利均來自位於香港的本行分行及附屬公司入賬之資產所產生。概無香港以外的其他國家或區域分部佔本集團的資產、負債、稅前溢利或虧損、營運收入或或然負債及承擔10%或以上。

Major customers

For the years ended 31 December 2019 and 2018, no single customer or a group of customers under common control contributed 10% or more of the Group's operating income.

主要客戶

截至二零一九年及二零一八年十二月三十一日止年度，概無單一客戶或共同控制之一組客戶佔本集團營運收入10%或以上。

14. CASH AND SHORT-TERM FUNDS

14. 現金及短期資金

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Cash in hand	**現金**	**200,439**	117,284
Balances with the Hong Kong Monetary Authority ("HKMA")	香港金融管理局（「金管局」）結餘	**97,357**	261,609
Balances with banks	銀行同業之結餘	**620,135**	686,695
Money at call and short notice *	通知及短期存款*	**4,372,775**	4,915,979
		5,290,706	5,981,567

* *Money at call and short notice represents deposits of up to a maximum of one-month maturity from the end of the reporting period.*

* *通知及短期存款指由報告期末起計最長一個月到期之存款。*

15. TRADING ASSETS

15. 持作交易用途資產

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Trading assets at fair value	*按公平價值列賬之持作交易用途資產*		
Treasury bills (including Exchange Fund Bills) – Unlisted	國庫券（包括外匯基金票據）－非上市	**1,943,242**	1,898,372

As at 31 December 2019 and 2018, all trading assets held by the Group are issued by governments and central banks.

於二零一九年及二零一八年十二月三十一日，所有由本集團持有之持作交易用途資產由政府及中央銀行發行。

16. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives 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 and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivative positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading or qualifying for hedge accounting.

16. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。衍生工具亦用以管理本集團所承受的市場風險，作為其資產負債管理程序的一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦購買交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途或合資格採用對沖會計法。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the end of the reporting period and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

16. 衍生金融工具(續)

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於報告期末尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

		31 December 2019 二零一九年十二月三十一日		
		Qualifying for hedge accounting 合資格採用對沖會計法 HK$'000 千港元	Held for trading 持作交易用途 HK$'000 千港元	Total 總額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	－遠期	–	7,403,947	7,403,947
– Swaps	－掉期	–	15,376,121	15,376,121
– Options purchased	－購入期權	–	271,576	271,576
– Options written	－沽出期權	–	271,576	271,576
		–	23,323,220	23,323,220
Interest rate derivatives	利率衍生工具			
– Swaps	－掉期	23,390,741	20,000	23,410,741
		23,390,741	20,000	23,410,741
Total	總額	23,390,741	23,343,220	46,733,961

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

16. 衍生金融工具(續)

(a) 衍生工具之名義金額(續)

		31 December 2018 二零一八年十二月三十一日		
		Qualifying for hedge accounting 合資格採用對沖會計法 HK$'000 千港元	Held for trading 持作交易用途 HK$'000 千港元	Total 總額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	–遠期	–	6,697,062	6,697,062
– Swaps	–掉期	–	9,428,007	9,428,007
– Options purchased	–購入期權	–	812,906	812,906
– Options written	–沽出期權	–	812,906	812,906
		–	17,750,881	17,750,881
Interest rate derivatives	利率衍生工具			
– Swaps	–掉期	18,582,413	2,134,680	20,717,093
		18,582,413	2,134,680	20,717,093
Equity derivatives	股票衍生工具			
– Options purchased	–購入期權	–	10,860	10,860
– Options written	–沽出期權	–	10,860	10,860
		–	21,720	21,720
Total	總額	18,582,413	19,907,281	38,489,694

The above amounts are shown on a gross basis without taking into account the effect of any bilateral netting arrangements.

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

Derivatives reported as qualifying for hedge accounting represent hedging instruments designated as hedges under HKAS 39.

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第39號指定作對沖之對沖工具。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives

Credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the HKBO. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100%.

These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements and are as below:

16. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額

信貸風險加權金額指根據香港《銀行業條例》項下之《銀行業(資本)規則》計算之金額。此等金額須視乎交易對手之現況及到期特點而定。所採用之信貸風險加權比率介乎0%至100%之間。

該等金額並無計及雙邊淨額結算安排之影響以總額顯示如下：

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		Fair value assets 公平價值資產 HK$'000 千港元	Fair value liabilities 公平價值負債 HK$'000 千港元	Credit risk weighted amount 信貸風險加權金額 HK$'000 千港元	Fair value assets 公平價值資產 HK$'000 千港元	Fair value liabilities 公平價值負債 HK$'000 千港元	Credit risk weighted amount 信貸風險加權金額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具						
– Forwards	–遠期	443,306	25,573	39,533	473,708	51,393	68,421
– Swaps	–掉期	41,927	20,106	60,121	24,163	1,315	40,093
– Options purchased	–購入期權	426	–	7,662	1,100	–	18,980
– Options written	–沽出期權	–	429	–	–	1,103	–
		485,659	46,108	107,316	498,971	53,811	127,494
Interest rate derivatives	利率衍生工具						
– Swaps	–掉期	58,134	339,240	110,286	297,238	79,150	143,688
		58,134	339,240	110,286	297,238	79,150	143,688
Equity derivatives	股票衍生工具						
– Options purchased	–購入期權	–	–	–	386	–	–
– Options written	–沽出期權	–	–	–	–	386	–
		–	–	–	386	386	–
Total	總額	543,793	385,348	217,602	796,595	133,347	271,182

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives (continued)

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

16. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額(續)

下表為本集團按於報告期末時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

		Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額			
		Total 總額	1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上
31 December 2019	**二零一九年十二月三十一日**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**
Exchange rate derivatives	匯率衍生工具	**23,323,220**	**23,027,301**	**295,919**	**–**
Interest rate derivatives	利率衍生工具	**23,410,741**	**2,703,407**	**16,488,148**	**4,219,186**
Total	總額	**46,733,961**	**25,730,708**	**16,784,067**	**4,219,186**

		Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額			
		Total 總額	1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上
31 December 2018	二零一八年十二月三十一日	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Exchange rate derivatives	匯率衍生工具	17,750,881	16,066,291	1,684,590	–
Interest rate derivatives	利率衍生工具	20,717,093	3,813,545	13,420,211	3,483,337
Equity derivatives	股票衍生工具	21,720	21,720	–	–
Total	總額	38,489,694	19,901,556	15,104,801	3,483,337

(c) Fair values of derivatives designated as hedging instruments

Fair value hedges

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate certificates of deposit issued and fixed rate debt securities investment. Pay-floating/receive-fixed interest rate swaps are matched to specific issuances of fixed rate certificates of deposit issued or pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment with terms that closely align with the critical terms of the hedged item.

(c) 指定作為對沖工具之衍生工具之公平價值

公平價值對沖

本集團使用利率掉期以對沖其所發行的若干固定利率存款證及固定利率債務證券投資的公平價值變動的風險。支付浮動／收取固定利率掉期與已發行固定利率存款證的特定發行相匹配，或支付固定／收取浮動利率掉期與其條款與對沖項目的關鍵條款緊密一致的固定利率債務證券投資相匹配。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 38(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate certificates of deposit issued and fixed rate debt securities investment, 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 the fair value of fixed rate certificates of deposit issued and fixed rate debt securities investment 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. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties, requiring the counterparties to post collateral and clearing through central counterparties (see Note 38(a)(vi)).

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 establishes a hedge ratio by aligning the par amount of the hedged fixed rate debt securities investment, fixed rate certificates of deposit issued and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group's 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 0.96.
- The slope of the regression line is within a range of –0.8 and –1.25.
- Statistical validity of the overall regression model (F-statistic) must be small.

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

本集團管理市場風險(包括利率風險)的方法於附註38(b)中予以討論。本集團應用對沖會計法的利率風險來自固定利率的存款證及固定利率債務證券投資，其公平價值在基準利率變動時發生波動。由於固定利率債務證券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。倘經濟對沖關係符合對沖會計準則，則應用對沖會計法。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面臨衍生交易對手的信貸風險。本集團通過訂立與優質交易對手的交易、要求交易對手提供抵押及通過中央交易對手進行清算(見附註38(a)(vi))，最大程度地減少衍生工具的交易對手信貸風險。

在本集團應用公平價值對沖會計法之前，本集團根據對該等項目的定性特徵的評估及定量分析支持的對沖風險，確定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，會考慮對沖項目及對沖工具的關鍵條款是否緊密一致。本集團評估對沖項目及對沖工具的公平價值是否與類似風險的回應相似。

本集團通過調整對沖固定利率債務證券的面值及指定為對沖工具的利率掉期的名義金額來確定對沖比率。根據本集團的政策，為得出對沖關係有效的結論，應滿足以下所有標準。

- 計量回歸變量之間相關性的回歸系數(R的平方)至少為0.96。
- 回歸線的斜率介乎－0.8及－1.25之間。
- 整體回歸模型(F統計量)的統計有效性必須很小。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

In these hedge relationships, the main source of ineffectiveness is expected to be the effect of the counterparty's 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.

The Group holds the following interest rate swaps as hedging instruments in fair value hedges of interest risk.

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

在該等對沖關係中，無效性的主要來源預計為交易對手及本集團本身的信貸風險對利率掉期的公平價值的影響，這不會反映在利率變動應佔的對沖項目的公平價值上。

本集團持有以下利率掉期作為利息風險公平價值對沖的對沖工具。

		Remaining maturity of 剩餘年期		
		1 year or less	Over 1 year to 5 years 一年以上至五年	Over 5 years
31 December 2019	**二零一九年十二月三十一日**	**一年或以下**		**五年以上**
Risk category	**風險類別**			
Interest rate risk	**利率風險**			
Hedge of debt securities measured at amortized cost	*對沖按攤銷成本計量的債務證券*			
Nominal amount (HKD'000)	名義金額(千港元)	**2,113,407**	**15,998,148**	**4,219,186**
Average fixed interest rate	平均固定利率	**3.68%**	**3.92%**	**3.56%**
Hedge of certificates of deposit issued	*對沖已發行存款證*			
Nominal amount (HKD'000)	名義金額(千港元)	**590,000**	**470,000**	**–**
Average fixed interest rate	平均固定利率	**3.10%**	**3.06%**	**–**

		Remaining maturity of 剩餘年期		
		1 year or less	Over 1 year to 5 years 一年以上至五年	Over 5 years
31 December 2018	二零一八年十二月三十一日	一年或以下		五年以上
Risk category	風險類別			
Interest rate risk	利率風險			
Hedge of debt securities measured at amortized cost	*對沖按攤銷成本計量的債務證券*			
Nominal amount (HKD'000)	名義金額(千港元)	1,852,185	11,036,891	3,483,337
Average fixed interest rate	平均固定利率	4.57%	3.88%	3.99%
Hedge of certificates of deposit issued	*對沖已發行存款證*			
Nominal amount (HKD'000)	名義金額(千港元)	1,450,000	760,000	–
Average fixed interest rate	平均固定利率	1.88%	2.73%	–

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of certain of the Group's fixed rate certificates of deposit issued and fixed rate debt securities investment due to movements in market interest rates.

公平價值對沖包括用作保障若干本行已發出存款證及所持定息債務證券因市場利率變動而出現之公平價值變化的利率掉期。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額及對沖無效性載列如下。

		31 December 2019 二零一九年十二月三十一日				
		Nominal amount 名義金額 HK$'000 千港元	Carrying amount 賬面值 Assets 資產 HK$'000 千港元	Carrying amount 賬面值 Liabilities 負債 HK$'000 千港元	Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表中的項目 HK$'000 千港元	Line item in profit or loss that includes hedge ineffectiveness 包含對沖無效性的損益賬內項目 HK$'000 千港元
Interest rate risk	**利率風險**					
Interest rate swaps – hedge of debt securities measured at amortized cost	利率掉期 – 對沖按攤銷成本計量的債務證券	22,330,741	56,868	(338,105)	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
Interest rate swaps – hedge of certificates of deposit issued	利率掉期 – 對沖已發行存款證	1,060,000	1,166	(1,035)	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

		31 December 2018 二零一八年十二月三十一日				
			Carrying amount 賬面值			
		Nominal amount 名義金額 HK$'000 千港元	Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表中的項目 HK$'000 千港元	Line item in profit or loss that includes hedge ineffectiveness 包含對沖無效性的損益賬內項目 HK$'000 千港元
Interest rate risk	利率風險					
Interest rate swaps – hedge of debt securities measured at amortized cost	利率掉期 – 對沖按攤銷成本計量的債務證券	16,372,413	284,740	(56,368)	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
Interest rate swaps – hedge of certificates of deposit issued	利率掉期 – 對沖已發行存款證	2,210,000	1,423	(11,707)	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

During the year ended 31 December 2019 and 2018, no hedge ineffectiveness was recognized.

截至二零一九年及二零一八年十二月三十一日止年度，並無認列無效性之對沖。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

The amounts relating to items designated as hedged items were as follows:

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額載列如下：

		31 December 2019 二零一九年十二月三十一日					
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for 2019 用於計量二零一九年對沖無效性的公平價值變動	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 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	22,973,081	-	281,238	-	-	-
Certificates of deposit issued	已發行存款證	-	(1,060,139)	-	(131)	-	-

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

		31 December 2018 二零一八年十二月三十一日					
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for 2018 用於計量二零一八年對沖無效性的公平價值變動	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 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	16,427,351	–	(178,806)	–	–	–
Certificates of deposit issued	已發行存款證	–	(2,199,529)	–	9,378	–	–

17. ADVANCES TO CUSTOMERS

(a) Advances to customers less impairment allowances

17. 客戶貸款

(a) 客戶貸款減減值撥備

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Gross advances to customers	客戶貸款總額	**52,596,340**	47,929,870
Less: Impairment allowances (Note 38(a)(xi))	減：減值撥備(附註38(a)(xi))		
– Stage 1	–第一階段	**(91,916)**	(27,026)
– Stage 2	–第二階段	**(35,177)**	(6,728)
– Stage 3	–第三階段	**(160,795)**	(196,876)
		52,308,452	47,699,240

17. ADVANCES TO CUSTOMERS (continued)

(b) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

17. 客戶貸款(續)

(b) 按行業分析的客戶貸款

以下客戶貸款總額的經濟行業分析乃基於金管局所採用的類別及定義。

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額		
Industrial, commercial and financial	工商金融		
– Property development	–物業發展	**4,767,242**	4,311,798
– Property investment	–物業投資	**8,710,970**	8,230,920
– Financial concerns	–金融企業	**2,243,493**	2,734,051
– Stockbrokers	–股票經紀	**1,714,513**	1,051,310
– Wholesale and retail trade	–批發及零售業	**778,689**	501,723
– Manufacturing	–製造業	**2,053,959**	1,582,124
– Transport and transport equipment	–運輸及運輸設備	**282,605**	154,633
– Information technology	–資訊科技	**374,438**	615,749
– Electricity and gas	–電力及煤氣	**550,212**	356,792
– Others	–其他	**3,676,258**	3,651,717
Individuals	個人		
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	–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」或其各自的後繼計劃的樓宇的貸款	**4,061**	4,635
– Loans for the purchase of other residential properties	–購買其他住宅物業的貸款	**9,018,440**	9,376,721
– Credit card advances	–信用卡貸款	**819,809**	872,000
– Others	–其他	**4,051,517**	4,491,341
		39,046,206	37,935,514
Trade finance	貿易融資	**4,784,320**	4,745,559
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	**8,765,814**	5,248,797
Gross advances to customers	客戶貸款總額	**52,596,340**	47,929,870

17. ADVANCES TO CUSTOMERS (continued)

17. 客戶貸款(續)

(c) Impaired advances to customers

(c) 客戶減值貸款

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	% of gross advances 佔貸款總額百分比	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元	% of gross advances 佔貸款總額百分比
Gross impaired advances	減值貸款總額	170,952	0.33	233,231	0.49
Stage 3 impairment allowances made against impaired loans	就減值貸款作出的第三階段減值撥備	(160,795)		(196,876)	
		10,157		36,355	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	8,057		26,308	

Collateral mainly comprises mortgage interests over residential properties with the Group. It does not include any expected recovery from companies in liquidation and government guarantee schemes.

抵押品主要包括抵押予本集團的住宅物業按揭，當中不包括任何預期自公司清盤及政府擔保計劃之收回款項。

(d) Net investment in finance leases and hire purchase contracts

Advances to customers include the net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

(d) 融資租賃及租購合約之投資淨額

客戶貸款中包括根據融資租賃及具融資租賃特性之租購合約租予客戶之汽車及設備的投資淨額。合約一般初步為期三至五年，附帶按名義價值購買所租用資產之選擇權。根據融資租賃及租購合約應收之最低租賃還款總金額及於年結日之現值如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元 (Restated) (經重列)
Total minimum lease payments due:	最低租賃還款總金額到期期限為：		
– within 1 year	—一年以內	88,087	75,186
– after 1 year but within 5 years	—一年以後惟五年以內	116,241	84,110
– after 5 years	—五年以後	77	344
		204,405	159,640
Interest income relating to future periods	與未來期間有關之利息收入	(13,824)	(9,899)
Present value of the minimum lease payments receivable	應收最低租賃還款之現值	190,581	149,741
Impairment allowances on Stage 1 financial assets	第一階段金融資產減值撥備	(1,831)	(655)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	188,750	149,086

17. ADVANCES TO CUSTOMERS (continued)

(d) Net investment in finance leases and hire purchase contracts (continued)

Certain comparative figures have been restated to conform to the current year's presentation.

The maturity profile of the present value of the minimum lease payments before impairment allowances is as follows:

17. 客戶貸款(續)

(d) 融資租賃及租購合約之投資淨額(續)

若干比較數字已經重列以符合該年度的呈報方式。

減值撥備前最低租賃還款現值之期限組別如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Within 1 year	一年以內	**80,355**	69,517
After 1 year but within 5 years	一年以後惟五年以內	**110,149**	79,891
After 5 years	五年以後	**77**	333
		190,581	149,741

18. DEBT SECURITIES MEASURED AT AMORTIZED COST

18. 按攤銷成本計量之債務證券

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Debt securities measured at amortized cost	按攤銷成本計量之債務證券		
Treasury bills (including Exchange Fund Bills)	國庫券(包括外匯基金票據)		
– Listed outside Hong Kong	－於香港以外上市	**14,949**	14,958
– Unlisted	－非上市	**4,583,427**	4,579,528
Certificates of deposit held	所持存款證		
– Listed outside Hong Kong	－於香港以外上市	**–**	226,585
– Unlisted	－非上市	**482,873**	834,699
Debt securities	債務證券		
– Listed in Hong Kong	－於香港上市	**15,335,702**	10,889,872
– Listed outside Hong Kong	－於香港以外上市	**10,842,073**	13,036,403
– Unlisted	－非上市	**9,257,212**	7,307,722
		40,516,236	36,889,767
Debt securities measured at amortized cost are issued by:	*按攤銷成本計量之債務證券由以下機構發行：*		
– Governments and central banks	－政府及中央銀行	**5,329,319**	5,234,078
– Public sector entities	－公營實體	**1,022,393**	895,557
– Banks	－銀行	**10,817,194**	13,336,240
– Corporate entities	－企業實體	**23,347,330**	17,423,892
		40,516,236	36,889,767

As at 31 December 2019, debt securities issued by banks include debt securities with fair value of HK$3,072.8 million issued by multilateral development banks (2018: HK$2,943.2 million). As at 31 December 2019, the fair value of debt securities guaranteed by governments was HK$2,542.6 million (2018: HK$1,637.8 million).

於二零一九年十二月三十一日，銀行發行的債務證券包括由多邊開發銀行發行的公平價值為3,072,800,000港元(二零一八年：2,943,200,000港元)的債務證券。於二零一九年十二月三十一日，政府擔保的債務證券的公平價值為2,542,600,000港元(二零一八年：1,637,800,000港元)。

19. EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 指定以公平價值於其他全面收益計量之股本證券

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Financial assets designated at fair value through other comprehensive income	*指定以公平價值於其他全面收益計量的金融資產*		
Equity securities	股本證券		
– Listed in Hong Kong	–於香港上市	**54**	62
– Unlisted	–非上市	**1,074,000**	809,268
		1,074,054	809,330

These equity securities are irrevocably designated at FVOCI as the Group intends to hold these securities for long-term investment or strategic purposes. None of these investments was disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

由於本集團擬持有該等證券作長期投資或策略用途，該等股本證券不可撤銷地指定為按公平價值計入其他全面收益。於二零一九年期間概無出售該等投資，且並無轉讓與該等投資有關的權益之累積收益或虧損。

20. INVESTMENTS IN SUBSIDIARIES

20. 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 unless otherwise stated.

以下名單僅包括主要影響本集團業績、資產或負債的附屬公司的詳情。除另有說明者外，所持股份類別均為普通股。

Name of Company 公司名稱		Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
Incorporated and operating in Hong Kong	**於香港註冊成立及運作**			
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK$65,000,000 65,000,000港元	100%	Provision of financing services 提供財務服務
FB Securities (Hong Kong) Limited	富銀證券(香港)有限公司	HK$8,000,000 8,000,000港元	100%	Securities broking 證券經紀
Fubon Nominees (Hong Kong) Limited	Fubon Nominees (Hong Kong) Limited	HK$200 200港元	100%	Nominee service 代理人服務
Fubon Insurance Brokers Limited	富邦保險顧問有限公司	HK$100,000 100,000港元	100%	Insurance broker services 保險經紀人服務

All of the above subsidiaries are directly owned by the Bank.

所有上述附屬公司由本行直接擁有。

21. FIXED ASSETS

(a) Reconciliation of carrying amount

21. 固定資產

(a) 賬面值對賬

		Premises 物業 HK$'000 千港元	Furniture, fixtures and equipment 傢私、裝置及設備 HK$'000 千港元	Other properties and equipment leased for own use carried at cost 以成本列賬之其他自用租賃物業及設備 HK$'000 千港元	Total 總額 HK$'000 千港元
Cost or valuation	**成本值或估值**				
At 31 December 2018	於二零一八年十二月三十一日	3,981,272	973,522	–	4,954,794
Impact on initial application of HKFRS 16	初次應用香港財務報告準則第16號的影響	–	–	108,327	108,327
At 1 January 2019	於二零一九年一月一日	3,981,272	973,522	108,327	5,063,121
Additions	添置	–	101,461	43,606	145,067
Disposals	出售	–	(61,408)	(16,304)	(77,712)
Deficits on revaluation (Note 12)	重估虧損(附註12)	(241,365)	–	–	(241,365)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(72,074)	–	–	(72,074)
At 31 December 2019	於二零一九年十二月三十一日	3,667,833	1,013,575	135,629	4,817,037
Accumulated depreciation	**累計折舊**				
At 31 December 2018	於二零一八年十二月三十一日	–	626,557	–	626,557
Impact on initial application of HKFRS 16	初次應用香港財務報告準則第16號的影響	–	–	61,215	61,215
At 1 January 2019	於二零一九年一月一日	–	626,557	61,215	687,772
Charge for the period (Note 7)	年內扣除(附註7)	72,074	85,082	25,936	183,092
Released on disposal	出售撥回	–	(56,400)	(16,304)	(72,704)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(72,074)	–	–	(72,074)
At 31 December 2019	於二零一九年十二月三十一日	–	655,239	70,847	726,086
Accumulated impairment loss	**累計減值虧損**				
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及十二月三十一日	15,733	–	–	15,733
Net book value	**賬面淨值**				
At 31 December 2019	於二零一九年十二月三十一日	3,652,100	358,336	64,782	4,075,218

21. FIXED ASSETS (continued) 21. 固定資產(續)

(a) Reconciliation of carrying amount (continued) (a) 賬面值對賬(續)

		Premises 物業 HK$'000 千港元	Furniture, fixtures and equipment 傢私、裝置及設備 HK$'000 千港元	Total 總額 HK$'000 千港元
Cost or valuation	**成本值或估值**			
At 1 January 2018	於二零一八年一月一日	3,777,633	913,284	4,690,917
Additions	添置	–	81,184	81,184
Disposals	出售	–	(20,946)	(20,946)
Surplus on revaluation (Note 12)	重估盈餘(附註12)	269,604	–	269,604
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(65,965)	–	(65,965)
At 31 December 2018	於二零一八年十二月三十一日	3,981,272	973,522	4,954,794
Representing:	**指：**			
Cost	成本值	–	973,522	973,522
Valuation – 2018	估值－二零一八年	3,981,272	–	3,981,272
		3,981,272	973,522	4,954,794
Accumulated depreciation	**累計折舊**			
At 1 January 2018	於二零一八年一月一日	–	574,864	574,864
Charge for the year (Note 7)	年內扣除(附註7)	65,965	72,578	138,543
Released on disposal	出售撥回	–	(20,885)	(20,885)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(65,965)	–	(65,965)
At 31 December 2018	於二零一八年十二月三十一日	–	626,557	626,557
Accumulated impairment loss	**累計減值虧損**			
At 1 January and 31 December 2018	於二零一八年一月一日及十二月三十一日	15,733	–	15,733
Net book value	**賬面淨值**			
At 1 January 2018	於二零一八年一月一日	3,761,900	338,420	4,100,320
At 31 December 2018	於二零一八年十二月三十一日	3,965,539	346,965	4,312,504

21. FIXED ASSETS (continued)

(a) Reconciliation of carrying amount (continued)

Had the revalued premises been carried at cost less accumulated depreciation, the carrying amounts would have been:

21. 固定資產(續)

(a) 賬面值對賬(續)

倘重估物業按成本減累計折舊入賬，則賬面值應為：

	31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Net book value 賬面淨值	795,799	806,415

(b) 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, categorized 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: 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: 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: Fair value measured using significant unobservable inputs

The fair value measurement of the Group's premises are categorized as Level 3 as at 31 December 2019 and 2018. During the year ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) 物業之公平價值計量

(i) 公平價值等級制度

下表列示本集團於報告期末按經常性基準計量之物業公平價值，並歸類為香港財務報告準則第13號公平價值計量所界定之三個公平價值架構級別。公平價值計量所歸類之級別乃參照以下估值技術所用輸入數據之可觀察程度及重要程度而釐定：

第一級：使用第一級輸入數據(即於計量日期相同資產或負債在活躍市場之未經調整報價)計量之公平價值

第二級：使用第二級輸入數據(即未能符合第一級規定之可觀察輸入數據，以及不使用不可觀察重要輸入數據)計量之公平價值。不可觀察輸入數據指未有相關市場數據之輸入數據

第三級：使用不可觀察重要輸入數據計量之公平價值

於二零一九年及二零一八年十二月三十一日，本集團物業的公平價值計量分類為第三級。於截至二零一九年及二零一八年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級。本集團之政策是於轉移發生之相關報告期末確認公平價值等級制度之間的轉移。

21. FIXED ASSETS (continued)

(b) Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

All of the Group's premises were revalued as at 31 December 2019 and 2018. The valuations were carried out by an independent firm of surveyors, Colliers International (Hong Kong) Limited, who have among their staff fellows of the Royal Institute of Chartered Surveyors with recent experience in the location and category of property being valued.

The revaluation deficits of HK$201.5 million (2018: surplus of HK$225.1 million) has been recognized in other comprehensive income and accumulated in the premises revaluation reserve, net of deferred tax.

(ii) Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of premises is determined using market comparison approach assuming sale with immediate vacant possession and by reference to comparable sales evidence.

(iii) Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

The following table provides a reconciliation of the movement between opening and closing balances of Level 3 properties, measured at fair value using a valuation technique with significant unobservable inputs:

21. 固定資產(續)

(b) 物業之公平價值計量(續)

(i) 公平價值等級制度(續)

本集團所有物業於二零一九年及二零一八年十二月三十一日作出重估。估值由獨立測量師行高力國際物業顧問(香港)有限公司進行，其部分員工為英國皇家特許測量師學會資深會員且具有近期評估物業所在地及範疇的經驗。

重估虧損201,500,000港元(二零一八年：盈餘225,100,000港元)經扣除遞延稅項後已於其他全面收益表內確認及在物業重估儲備中累計。

(ii) 第三級公平價值計量使用的估值技術及輸入數據

物業的公平價值乃使用市場比較方法假定即時交吉出售及參考可資比較銷售證據而釐定。

(iii) 公平價值等級制度第三級公平價值計量的對賬

下表載列按公平價值計量使用估值技術連同重大不可觀察輸入數據之第三級物業期初及期末結餘之變動對賬：

Premises **物業**		**2019** **二零一九年** **HK$'000** **千港元**	2018 二零一八年 HK$'000 千港元
At 1 January	於一月一日	**3,965,539**	3,761,900
Depreciation for the year	本年度折舊	**(72,074)**	(65,965)
(Deficits)/surplus on revaluation – credit to premises revaluation reserve	重估(虧損)／盈餘－計入物業重估儲備	**(241,365)**	269,604
At 31 December	於十二月三十一日	**3,652,100**	3,965,539
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period – Premises: net movement in premises revaluation reserve	就於報告期末所持資產計入其他全面收益表的本年度收益或虧損總額 －物業：物業重估儲備淨變動	**(191,419)**	234,231
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period – Operating expenses: Depreciation	就於報告期末所持資產計入損益賬的本年度收益或虧損總額 －營運支出：折舊	**(72,074)**	(65,965)

21. FIXED ASSETS (continued)

(b) Fair value measurement of properties (continued)

(iv) Information about Level 3 fair value measurements

21. 固定資產(續)

(b) 物業之公平價值計量(續)

(iv) 有關第三級公平價值計量的資料

	Valuation technique 估值技術	Unobservable input 不可觀察輸入數據	Range 範圍
Premises	Market Approach – Comparable Transactions Method	Premium/(discount) on characteristic of the properties	–40% to 154%
物業	市場法－可資比較交易法	物業特點的溢價／(折讓)	–40%至154%

The fair value of premises held for own use are determined using the Market Approach – Comparable Transactions Method. This approach provides an indication of value by comparing the subject asset with sales of identical or similar assets for which price information is available. In analysing such sales, which qualify as arms-length transactions between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors to assess the value of the subject asset.

持作自用物業的公平價值乃使用市場法－可資比較交易法釐定。該方法乃透過將目標資產與價格資訊可得的相同或類似資產銷售作比較，以提供價值指標。透過分析自願買方及自願賣方雙方按公平原則進行的出售交易以評估目標資產之價值時，已調整規模、位置、時間、設施及其他相關因素。

(c) The analysis of net book value of premises is as follows:

(c) 物業賬面淨值的分析如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Held in Hong Kong at fair value	於香港按公平價值持有		
– Long-term leases (over 50 years)	－長期租約(超過五十年)	**2,290,800**	2,426,439
– Medium-term leases (10-50 years)	－中期租約(十年至五十年)	**1,361,300**	1,539,100
		3,652,100	3,965,539

22. ASSETS HELD FOR SALE

In May 2014, the Group transferred two owned properties situated in Hong Kong with carrying amount of HK$92,669,000 from premises to assets held for sale following the Group's decision to dispose of the properties. In December 2014, the Group sold one of the properties, with a carrying amount of HK$47,225,000, at a consideration of HK$52,000,000. A gain of HK$4,775,000 was recognized in profit the year ended 31 December 2014. The Group is committed to a plan to sell the remaining property.

The asset is measured at the lower of its carrying amount and fair value less costs to sell at the end of each reporting period. The carrying amount as of 31 December 2019 of HK$41,300,000 (2018: HK$45,443,000) represents its fair value less costs to sell. The fair value measurement is categorized as at Level 3 valuation as described in Note 21(b).

Cumulative income recognized in other comprehensive income relating to assets held for sale is HK$27,995,000 (2018: HK$27,995,000), net of tax, which represents cumulative revaluation surplus of the property.

In May 2018, the Bank's Board of Directors approved the disposal of one of the Bank's subsidiaries, which is a licensed corporation registered with the Securities and Futures Commission. The Bank then signed a Sale and Purchase agreement with the acquirer who is a fellow subsidiary of the Bank. The completion of the transaction was subject to regulatory approval, which was obtained in January 2019. The disposal was completed in February 2019. All assets and liabilities related to this subsidiary were presented under "Assets held for sale" and "Liabilities associated with assets held for sale" respectively.

Assets held for sale comprise the following:

22. 持作出售之資產

於二零一四年五月，本集團決定出售其位於香港的賬面值為92,669,000港元的兩項物業，並將其由物業轉撥至持作出售之資產。於二零一四年十二月，本集團售出其中一項賬面值為47,225,000港元的物業，代價為52,000,000港元，得以於截至二零一四年十二月三十一日止年度溢利中確認4,775,000港元之收益。本集團承諾計劃出售餘下物業。

資產按於各報告期末其賬面值及公平價值減出售成本(兩者之較低者為準)計量。於二零一九年十二月三十一日，賬面值41,300,000港元(二零一八年：45,443,000港元)相當於其公平價值減出售成本，而其公平價值計量分類為第三級估值(如附註21(b)所述)。

累計收入於其他全面收入中確認，乃關於持作出售資產27,995,000港元(二零一八年：27,995,000港元)(扣除稅項)，相當於物業的累計重估盈餘。

於二零一八年五月，本行董事會批准出售本行其中一家附屬公司，其為於證券及期貨事務監察委員會註冊的持牌法團。其後，本行與作為本行同系附屬公司的收購方簽訂買賣協議。交易須經監管部門批准方可完成，並於二零一九年一月獲得該批准。此出售於二零一九年二月完成。與該附屬公司相關的所有資產及負債分別在「持作出售之資產」及「持作出售資產之相關負債」下列示。

持作出售之資產包括下列各項：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Property situated in Hong Kong	位於香港之物業	**41,300**	45,443
Account receivables and other assets of a subsidiary	一間附屬公司之應收賬項及其他資產	**–**	384
		41,300	45,827

23. DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

23. 銀行同業及其他金融機構之存款及結餘

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Deposits and balances from banks	銀行同業之存款及結餘	**2,932,734**	3,209,729
Deposits and balances from the HKMA	於金管局之存款及結餘	**12,337**	278,273
		2,945,071	3,488,002
Amounts due to banks and other financial institutions under repurchase agreements (Note 38(f))	回購協議項下應付銀行同業及其他金融機構之款項(附註38(f))	**6,195,224**	5,979,423
		9,140,295	9,467,425

24. DEPOSITS FROM CUSTOMERS

24. 客戶存款

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Demand deposits and current accounts	活期及往來存款	**11,377,060**	12,956,273
Savings deposits	儲蓄存款	**5,280,322**	1,269,027
Call deposits	通知存款	**–**	4,091,701
Time deposits	定期存款	**58,386,029**	49,930,797
		75,043,411	68,247,798

25. TRADING LIABILITIES

25. 交易賬項下之負債

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Short positions in Exchange Fund Bills	外匯基金票據之短倉	**948,173**	1,898,372

26. OTHER LIABILITIES

26. 其他負債

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Net defined benefit liability (Note 32(a)(i))	定額福利負債淨額(附註32(a)(i))	**41,996**	47,361
Impairment allowance recognized in regard of credit related commitments and contingencies (Note 38(a)(x))	就與信貸有關之承擔及或然項目確認的減值撥備(附註38(a)(x))	**21,560**	5,265
Lease liabilities	租賃負債	**67,611**	–
Accounts payable and other liabilities	應付賬項及其他負債	**3,007,481**	1,784,077
		3,138,648	1,836,703

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to HKFRS 16:

下表顯示本集團於報告期末及過渡至香港財務報告準則第16號當日之租賃負債的剩餘合約到期日：

		As at 31 December 2019 於二零一九年十二月三十一日		As at 1 January 2019 於二零一九年一月一日	
		Present value of the minimum lease payments 最低租賃付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元	Present value of the minimum lease payments 最低租賃付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元
Within 1 year	一年以內	**23,207**	**25,015**	18,052	21,008
After 1 year but within 2 years	一年以後惟兩年以內	**15,633**	**16,833**	10,646	11,607
After 2 year but within 5 years	兩年以後惟五年以內	**25,318**	**26,724**	15,983	17,521
After 5 years	五年以後	**3,453**	**3,524**	8,032	8,356
		67,611	**72,096**	52,713	58,492
Less: total future interest expenses	減：未來利息開支總額		**(4,485)**		(5,779)
Present value of lease liabilities	租賃負債之現值		**67,611**		52,713

27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current tax provision/(recoverable) in the consolidated statement of financial position represents:

27. 綜合財務狀況表之所得稅

(a) 綜合財務狀況表內之即期稅項準備／(可收回即期稅項)為：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Provision for Hong Kong Profits Tax for the year	年內香港利得稅準備	136,883	113,184
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅	–	(66,807)
		136,883	46,377
Balance of Hong Kong Profits Tax payable relating to prior years	承過往年度應付香港利得稅結餘	23,113	1,472
		159,996	47,849
Representing:	*代表：*		
Hong Kong Profits Tax recoverable*	可收回香港利得稅*	–	(350)
Provision for Hong Kong Profits Tax*	香港利得稅準備*	159,996	48,199
		159,996	47,849

* *The amounts of taxation recoverable and payable are expected to be settled within 1 year and are included in the "Accrued interest and other assets" and "Other liabilities" respectively.*

* *可收回及應繳稅項金額預計於一年內清償。此等項目分別包括在「應計利息及其他資產」以及「其他負債」內。*

27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

27. 綜合財務狀況表之所得稅(續)

(b) Deferred tax assets and liabilities recognized

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

(b) 已確認遞延稅項資產及負債

於綜合財務狀況表內確認之遞延稅項資產／(負債)之各組成部分及年內之變動如下：

		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK$'000 千港元	Defined benefit scheme 定額福利計劃 HK$'000 千港元	Impairment allowance 減值撥備 HK$'000 千港元	Revaluation of equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券重估 HK$'000 千港元	Revaluation of premises 物業重估 HK$'000 千港元	Right-of-use assets 使用權資產 HK$'000 千港元	Unappropriated profit of an associate 聯營公司未分配溢利 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January 2018	於二零一八年一月一日	(47,202)	9,816	16,623	(65,802)	(499,351)	-	(26,999)	(612,915)
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)／撥回(附註11(a))	(3,226)	(1,611)	(5,650)	-	114	-	26,999	16,626
Charged to other comprehensive income (Note 12)	於其他全面收益中扣除(附註12)	-	(237)	-	(44,646)	(35,373)	-	-	(80,256)
At 31 December 2018	於二零一八年十二月三十一日	(50,428)	7,968	10,973	(110,448)	(534,610)	-	-	(676,545)
At 31 December 2018	**於二零一八年十二月三十一日**	**(50,428)**	**7,968**	**10,973**	**(110,448)**	**(534,610)**	**-**	**-**	**(676,545)**
Opening adjustments arising from change in accounting policy	**因會計政策變動而對期初結餘作出調整**	**-**	**-**	**-**	**-**	**-**	**924**	**-**	**924**
At 1 January 2019	**於二零一九年一月一日**	**(50,428)**	**7,968**	**10,973**	**(110,448)**	**(534,610)**	**924**	**-**	**(675,621)**
(Charged)/credited in arriving at the profit for the year (Note 11(a))	**於本年度溢利中(扣除)／撥回(附註11(a))**	**(1,931)**	**(2,267)**	**20,928**	**-**	**114**	**(419)**	**-**	**16,425**
(Charged)/credited to other comprehensive income (Note 12)	**於其他全面收益中(扣除)／撥回(附註12)**	**-**	**863**	**-**	**(44,048)**	**49,946**	**-**	**-**	**6,761**
At 31 December 2019	**於二零一九年十二月三十一日**	**(52,359)**	**6,564**	**31,901**	**(154,496)**	**(484,550)**	**505**	**-**	**(652,435)**

27. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

27. 綜合財務狀況表之所得稅(續)

(b) Deferred tax assets and liabilities recognized (continued)

(b) 已確認遞延稅項資產及負債(續)

Deferred tax assets and liabilities recognized are summarized as follows:

已確認遞延稅項資產及負債概述如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Net deferred tax assets recognized in the consolidated statement of financial position	綜合財務狀況表確認之遞延稅項資產淨額	8	7
Net deferred tax liabilities recognized in the consolidated statement of financial position	綜合財務狀況表確認之遞延稅項負債淨額	(652,443)	(676,552)
		(652,435)	(676,545)

(c) Deferred tax assets unrecognized

The Group has no material unrecognized deferred tax asset as at 31 December 2019 (2018: HK$Nil).

(c) 未確認之遞延稅項資產

於二零一九年十二月三十一日，本集團並無重大未確認之遞延稅項資產(二零一八年：無)。

28. SUBORDINATED NOTES ISSUED

28. 已發行後償票據

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
US$200 million 6.125% subordinated notes issued in 2010	於二零一零年發行200,000,000美元年息率為6.125%的後償票據	1,555,776	1,562,870

Subordinated notes with face value of US$200 million (equivalent to HK$1,557.5 million) and carrying amount of HK$1,555.8 million which qualify as supplementary capital were issued by the Bank on 30 November 2010 and will mature on 30 November 2020.

本行於二零一零年十一月三十日發行面值為200,000,000美元(相當於1,557,500,000港元)及賬面值為1,555,800,000港元及符合附加資本準則的後償票據，該票據於二零二零年十一月三十日到期。

28. SUBORDINATED NOTES ISSUED (continued)

If at any time the HKMA determines (having regard to the applicable regulatory framework) that these subordinated notes no longer qualify as supplementary capital, the Bank may, on or after 1 January 2013 at its option and subject to the prior written approval of the HKMA, provide notice to such effect to Noteholders, such notice being a "Change in Status Notice". Upon a Change in Status Notice becoming effective, these subordinated notes shall cease to constitute subordinated obligations of the Bank and shall thereafter constitute direct, unconditional, unsubordinated and unsecured obligations of the Bank and shall at all times thereafter rank pari passu and without any preference among themselves. The payment obligations of the Bank under these subordinated notes shall, save for such exceptions as may be provided by applicable legislation, at all times thereafter rank at least equally with all its other present and future unsecured and unsubordinated obligations including liabilities in respect of deposits.

These subordinated notes bear interest at 6.125% per annum, payable semi-annually. Upon a Change in Status Notice becoming effective, the interest rate for these subordinated notes will become 5.625% per annum, payable semi-annually. These subordinated notes are stated at amortized cost.

28. 已發行後償票據(續)

倘若金管局於任何時候決定(經考慮適用的法規框架)本後償票據不再合資格作為附加資本，本行可於二零一三年一月一日或之後，在事先獲得金管局書面批准後選擇向票據持有人通知有關影響，該通知即為「地位變更通知」。於地位變更通知生效後，本後償票據將不再構成本行之後償責任，並於其後構成本行之直接、無條件、非後償及無抵押責任，並將於其後任何時間享有同等權益，且彼此並無任何優先權。除適用法律可能規定之例外情況外，本行根據本後償票據之付款責任將於其後任何時間至少與所有其他現有及未來無抵押及非後償負債(包括有關存款之負債)享有同等權益。

本後償票據按年利率6.125%計息，每半年支付一次。地位變更通知生效後，本後償票據之年利率將變為5.625%，每半年支付一次。本後償票據以攤餘成本列賬。

29. SHARE CAPITAL

29. 股本

		2019 二零一九年		2018 二零一八年	
		Number of shares 股份數目	**Share capital 股本 HK$'000 千港元**	Number of shares 股份數目	Share capital 股本 HK$'000 千港元
Issued and fully paid:	*已發行及繳足：*				
Ordinary shares	*普通股*				
As at 1 January and 31 December	於一月一日及十二月三十一日	**1,641,273,089**	**4,830,448**	1,641,273,089	4,830,448

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

30. RESERVES

(a) Foreign exchange reserve

The foreign exchange reserve of the Group comprises all foreign exchange differences arising from the translations of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(u).

(b) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the HKBO for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(c) Investment revaluation reserve (non-recycling)

The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 2(g)).

(d) Premises revaluation reserve

The premises revaluation reserve is dealt with in accordance with the accounting policies adopted for land and buildings in Note 2(k).

30. 儲備

(a) 外匯儲備

本集團外匯儲備包括因折算海外業務財務報告所產生之所有外匯差異。該儲備根據附註2(u)所載之會計政策處理。

(b) 法定儲備

為根據《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢金管局之意見後直接從保留溢利轉撥。

(c) 投資重估儲備(非循環)

投資重估儲備(非循環)包括於報告期末持有根據香港財務報告準則第9號被指定為按公平價值計入其他全面收益的股本投資的累計公平價值變動淨額(見附註2(g))。

(d) 物業重估儲備

物業重估儲備乃按附註2(k)中就土地及樓宇採納之會計政策所設立及處理。

31. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated cash flow statement

31. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Cash and balances with banks	現金及於銀行同業之結餘	**917,931**	1,065,588
Money at call and short notice with original maturity within three months	原於三個月內到期之通知及短期存款	**4,372,775**	4,626,132
Treasury bills with original maturity within three months	原於三個月內到期之國庫券	**1,698,610**	3,397,144
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業放款	**2,222,266**	627,340
		9,211,582	9,716,204

31. CASH AND CASH EQUIVALENTS (continued)

31. 現金及等同現金項目(續)

(b) Reconciliation to the consolidated statement of financial position

(b) 綜合財務狀況表之對賬

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Cash and short-term funds (Note 14)	現金及短期資金(附註14)	5,290,706	5,981,567
Treasury bills	國庫券		
– Trading assets (Note 15)	–持作交易用途資產(附註15)	1,943,242	1,898,372
– Debt securities measured at amortized cost (Note 18)	–按攤銷成本計量的債務證券(附註18)	4,598,376	4,594,486
Balances with banks and other financial institutions	銀行及其他金融機構結餘	2,862,464	2,060,262
Amount shown in the consolidated statement of financial position	綜合財務狀況表內所示金額	14,694,788	14,534,687
Less: Amount with an original maturity of over three months	減：原到期日為三個月以上到期的金額	(5,483,206)	(4,818,483)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之現金及等同現金項目	9,211,582	9,716,204

(c) Total cash outflow for leases

(c) 租賃現金流出總額

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Within operating cash flows	於經營現金流之內	2,464	36,888
Within financing cash flows	於融資現金流之內	28,708	–
		31,172	36,888

As explained in the Note 2(d), the adoption of HKFRS 16 introduces a change in classification of cash flows of certain rentals paid on leases. The comparative amounts have not been restated.

誠如附註2(d)所述，香港財務報告準則第16號的採用引起已付的若干租賃租金的現金流分類的變動。比較金額尚未重列。

31. CASH AND CASH EQUIVALENTS (continued)

(d) Reconciliation of liabilities arising from financing activities

31. 現金及等同現金項目(續)

(d) 融資活動所產生的負債之對賬

		Debt securities issued 已發行債務證券 HK$'000 千港元	Lease liabilities 租賃負債 HK$'000 千港元	Total 總計 HK$'000 千港元
At 1 January 2019	**於二零一九年一月一日**	**388,774**	**52,713**	**441,487**
Changes from financing cash flows:	**融資現金流量變動：**			
Repayment of debt securities	償還債務證券	**(1,593,492)**	**–**	**(1,593,492)**
Proceeds from issuance of debt securities	發行債務證券所得款項	**2,364,583**	**–**	**2,364,583**
Payment of lease liabilities	租賃負債的付款	**–**	**(28,708)**	**(28,708)**
Total changes from financing cash flows	**融資現金流量變動總額**	**771,091**	**(28,708)**	**742,383**
Exchange adjustment	**匯兑調整**	**5,403**	**–**	**5,403**
Other changes	**其他變動**			
Increase in lease liabilities from entering into new leases during the year	年內因訂立新租賃而增加的租賃負債	**–**	**43,606**	**43,606**
At 31 December 2019	**於二零一九年十二月三十一日**	**1,165,268**	**67,611**	**1,232,879**

		Debt securities issued 已發行債務證券 HK$'000 千港元	Additional equity instruments 額外股本工具 HK$'000 千港元	Total 總計 HK$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,179,009	1,507,797	2,686,806
Changes from financing cash flows:	融資現金流量變動：			
Repayment of debt securities	償還債務證券	(2,941,519)	–	(2,941,519)
Proceeds from issuance of debt securities	發行債務證券所得款項	2,151,146	–	2,151,146
Dividends payment on additional equity instruments	額外股本工具派付股息	–	(72,986)	(72,986)
Redemption of additional equity instruments	贖回額外股本工具	–	(1,508,266)	(1,508,266)
Total changes from financing cash flows	融資現金流量變動總額	(790,373)	(1,581,252)	(2,371,625)
Exchange adjustment	匯兑調整	138	–	138
Other changes	其他變動			
Professional fees to repayment of additional equity instruments	償還額外股本工具專業費用	–	469	469
Dividends paid on additional equity instruments	額外股本工具派付股息	–	72,986	72,986
Total other changes	其他變動總額	–	73,455	73,455
At 31 December 2018	於二零一八年十二月三十一日	388,774	–	388,774

32. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme ("the Scheme"), which incorporates a defined benefits plan for 19% (2018: 20%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured Mandatory Provident Fund ("MPF") exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary's recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2019 and was prepared by Mandy Chan, Associate of the Society of Actuaries, of Mercer (Hong Kong) Limited using the projected unit credit actuarial cost method. The actuarial valuation indicates that the Group's obligations under the Scheme are 86.22% (2018: 84.11%) covered by the plan assets held by the trustee.

The Scheme offers a lump sum at retirement based on final salary and years of service or employee and employer contributions if greater. The contribution based benefit is notionally invested in a "guarantee fund" (for which the Group acts as Guarantor), with no less than a 5% p.a. return.

The Scheme is closed to new entrants except that in exceptional circumstances new individual entrants are allowed to join at the Group's discretion, so that the plan's size is contained. However, the defined benefit element and the 5% p.a. guaranteed return offered on contributions exposes the Group to actuarial risks such as interest rate risk, investment risk and longevity risk.

(i) The amounts recognized in the consolidated statement of financial position are as follows:

32. 僱員退休福利

(a) 定額福利退休計劃

本集團推行一項退休計劃，名為富邦銀行(香港)有限公司退休計劃(「該計劃」)，為其19%(二零一八年：20%)全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強制性公積金(「強積金」)的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零一九年十二月三十一日進行，由美世(香港)有限公司之陳瑋雯(美國準精算師)以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，86.22%(二零一八年：84.11%)可透過受託人所持有的計劃資產獲得保障。

該計劃在退休時基於僱員最終薪金及服務年期及僱主供款之較高者提供一筆金額。基於福利之供款於名義上投資於一項「擔保基金」(本集團作為擔保人)，年回報率不低於5%。

該計劃不向新加入者開放，惟新加入個人由本集團酌情決定允許加入，致使該計劃的規模可受控制。然而，定額福利部分及供款年回報率5%擔保回報使本集團面臨精算風險，例如利率風險、投資風險及長壽風險。

(i) 於綜合財務狀況表確認的金額如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Present value of wholly or partly funded obligations	獲全數或部分資助的承擔現值	**(304,656)**	(298,116)
Fair value of plan assets	計劃資產的公平價值	**262,660**	250,755
Net liabilities recognized in the consolidated statement of financial position (Note 26)	於綜合財務狀況表確認之負債淨額(附註26)	**(41,996)**	(47,361)

32. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(i) The amounts recognized in the consolidated statement of financial position are as follows: (continued)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

The Scheme follows a tri-annual funding valuation schedule when at each funding valuation, the contributions for the following three years are set. The last funding valuation was as of 31 December 2016 and it was assessed at that valuation that the entity contributes 14.0% of member's salary. The next funding valuation will be carried out for the position as of 31 December 2019.

In addition to the above, the Group acts as the Guarantor to meet the 5% p.a. return on the defined contribution benefits. The annual contribution relating to this obligation is determined annually (based on the Scheme's return in the 1 July – 30 June financial year). The Guarantor contribution determined for the 1 July 2019 – 30 June 2020 financial year is HK$8,287,000 which will be made in the first half of 2020.

(ii) Plan assets consist of the following:

32. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(i) 於綜合財務狀況表確認的金額如下：(續)

上述負債的一部分預期將於超過一年後結算。然而，將該金額從未來十二月應付金額中分離屬不實際，原因為未來供款將亦涉及提供的未來服務及精算假設及市況的未來變動。

該計劃於每三年一次融資估值時設定接下來三年供款。最近一次融資評估為截至二零一六年十二月三十一日，且按實體就成員薪金14.0%作出供款來評估估值。截至二零一九年十二月三十一日將對該狀況進行下一次融資估值。

除上文以外，本集團作為「擔保人」以滿足定額供款福利每年5%的回報。有關該責任的供款為每年釐定(基於七月一日至六月三十日財政年度該計劃的回報)。二零一九年七月一日至二零二零年六月三十日財政年度的擔保人供款經釐定為8,287,000港元，並將於二零二零年上半年作出。

(ii) 計劃資產包括如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Equities and unit funds	股本或基金單位	**5,886**	5,927
Interest-bearing securities	計息證券	**54,859**	69,636
Bank deposit, cash and other assets	銀行存款、現金及其他資產	**201,915**	175,192
		262,660	250,755

All of the interest-bearing securities have quoted prices in active markets.

所有計息證券於活躍市場有報價。

32. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(iii) Movements in the present value of the defined benefit obligation

32. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(iii) 定額福利責任現值的變動

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
At 1 January	於一月一日	298,116	292,992
Remeasurements:	重新計量：		
– Actuarial losses arising from changes in demographic assumptions	－人口統計假設變動產生之精算虧損	36	–
– Actuarial losses/(gains) arising from changes in financial assumptions	－財務假設變動產生之精算虧損／(收益)	2,733	(3,123)
– Actuarial losses arising from experience adjustments	－過往調整產生之精算虧損	2,575	1,159
		303,460	291,028
Benefits paid by the plans	計劃已付福利	(18,595)	(12,888)
Current service cost	本期服務成本	10,954	11,654
Interest cost	利息成本	5,463	4,784
Participants' contributions	參與者供款	3,374	3,538
At 31 December	於十二月三十一日	304,656	298,116

The weighted average duration of the defined benefit obligation is 4.6 years (2018: 5.3 years).

定額福利責任加權平均期限為4.6年(二零一八年：5.3年)。

(iv) Movements in plan assets

(iv) 計劃資產變動

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
At 1 January	於一月一日	250,755	235,691
Group's contributions paid to the plans	本集團對計劃的供款	28,068	26,868
Benefits paid by the plans	計劃已付福利	(18,595)	(12,888)
Interest income	利息收入	4,777	4,029
Administrative expenses paid from plan assets	自計劃資產支付的行政開支	(2,460)	(2,417)
Return on plan assets	計劃資產回報	115	(528)
At 31 December	於十二月三十一日	262,660	250,755

32. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(v) Amounts recognized in the consolidated statement of comprehensive income are as follows:

32. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(v) 於綜合全面收益表中已確認之金額如下：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Current service cost (Note 7)	本期服務成本(附註7)	**10,954**	11,654
Net interest on net defined benefit liability	定額福利負債淨額之淨利息	**686**	755
Administrative expenses and taxes	行政支出及稅項	**2,460**	2,417
Total amounts recognized in profit or loss	於損益賬內確認之總額	**14,100**	14,826
Actuarial losses/(gain)	精算虧損／(收益)	**5,344**	(1,964)
Return on plan assets, excluding interest income	計劃資產之回報不包括利息收入	**(115)**	528
Total amounts recognized in other comprehensive income (Note 12)	於其他全面收益表中確認之總額(附註12)	**5,229**	(1,436)
Total defined benefit cost	定額福利成本總額	**19,329**	13,390

The actual return on the Scheme's assets for the year ended 31 December 2019 amounted to approximately HK$2,432,000 (2018: HK$1,084,000).

截至二零一九年十二月三十一日止年度，計劃資產實際回報達約2,432,000港元(二零一八年：1,084,000港元)。

(vi) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下：

		2019 二零一九年	2018 二零一八年
Discount rate	折現率	**1.7% p.a.** **年利率1.7%**	1.9% p.a. 年利率1.9%
Salary increase rate	薪金增加率	**3.0% p.a.** **年利率3.0%**	3.0% p.a. 年利率3.0%

32. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(vi) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows: (continued)

The analysis below shows how the defined benefit obligation as at 31 December 2019 would have increased/(decreased) as a result of 50 basis points change in the significant actuarial assumptions:

31 December 2019	**二零一九年十二月三十一日**	**Increase in 50 basis points 上升50個基點 HK$'000 千港元**	**Decrease in 50 basis points 下降50個基點 HK$'000 千港元**
Discount rate	折現率	**(7,616)**	**7,007**
Salary increase rate	薪金增加率	**4,265**	**(3,656)**

31 December 2018	二零一八年十二月三十一日	Increase in 50 basis points 上升50個基點 HK$'000 千港元	Decrease in 50 basis points 下降50個基點 HK$'000 千港元
Discount rate	折現率	(7,453)	8,049
Salary increase rate	薪金增加率	4,472	(3,876)

The sensitivity analysis presented above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

(b) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee.

Under the MPF Scheme, the employer and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the scheme vest immediately.

In addition to the mandatory contribution, employees will have a one-off election to make a voluntary contribution of 5% of employee's relevant income. At the same time, the employer will make a matching voluntary contribution accordingly.

32. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下:(續)

以下分析顯示因重大精算假設變動50個基點時定額福利責任於二零一九年十二月三十一日增加/(減少):

31 December 2019	**二零一九年十二月三十一日**	**Increase in 50 basis points 上升50個基點 HK$'000 千港元**	**Decrease in 50 basis points 下降50個基點 HK$'000 千港元**
Discount rate	折現率	**(7,616)**	**7,007**
Salary increase rate	薪金增加率	**4,265**	**(3,656)**

31 December 2018	二零一八年十二月三十一日	Increase in 50 basis points 上升50個基點 HK$'000 千港元	Decrease in 50 basis points 下降50個基點 HK$'000 千港元
Discount rate	折現率	(7,453)	8,049
Salary increase rate	薪金增加率	4,472	(3,876)

以上呈報敏感度分析於釐定時乃基於於報告期末假設的可能合理變動(假定所有其他假設保持不變)。

(b) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃,以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃,僱主及其僱員須各自就計劃按僱員相關收入作出5%之強制性供款,惟須受限於每月相關收入之上限30,000港元。一經對計劃作出供款,供款即予以歸屬。

除強制性供款外,僱員可作出一次一次性選擇,就其相關收入作出5%之自願性供款。同時,僱主將須作出相應的等額自願性供款。

33. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit related commitments and contingencies

Credit related commitments and contingencies include acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

The following is a summary of the contractual and credit risk-weighted amounts of each significant class of credit related commitments and contingencies:

33. 或然負債及承擔

(a) 與信貸有關之承擔及或然項目

與信貸有關之承擔及或然項目包括承兑項目、信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。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之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流。

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		Contractual amounts 合約金額 HK$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK$'000 千港元	Contractual amounts 合約金額 HK$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK$'000 千港元
Direct credit substitutes	直接信貸替代項目	129,750	101,790	866,758	866,758
Transaction-related contingencies	與交易有關之或然項目	53,061	26,531	40,830	20,415
Trade-related contingencies	與貿易有關之或然項目	220,411	42,503	192,471	38,494
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 其中可無條件地取消	32,654,500	–	32,667,732	–
– with an original maturity of up to one year	– 原訂到期期限為最多一年	397,311	79,462	256,791	51,358
– with an original maturity of more than one year	– 原訂到期期限為一年以上	2,203,104	1,080,182	2,023,875	1,004,828
		35,658,137	1,330,468	36,048,457	1,981,853

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

用於計算信貸風險加權金額之風險加權比率介乎0%至100%之間。

33. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

33. 或然負債及承擔(續)

(b) Lease commitments

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

(b) 租賃承擔

不可取消經營租約下之未來最低應付租金總額如下：

		31 December 2018 二零一八年十二月三十一日 HK$'000 千港元 (Restated) (經重列)
Properties:	物業：	
– Within one year	－一年內	21,008
– After 1 year but within 2 years	－一至兩年間	11,607
– After 2 year but within 5 years	－兩年至五年間	17,521
– After 5 years	－五年以上	8,356
		58,492

The Group is the lessee in respect of a number of properties and items of office equipment held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognize lease liabilities relating to these leases (see Note 2(m)). From 1 January 2019 onwards, future lease payments are recognized as lease liabilities in the consolidated statement of financial position in accordance with the accounting policies set out in Note 2(m), and the details regarding the Group's future lease payments are disclosed in Note 26. Comparative figures have been restated to conform to the current year's presentation.

本集團為先前根據香港會計準則第17號分類為經營租賃之租賃下持有之多個物業及辦公室設備項目之承租人。本集團已使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整於二零一九年一月一日之期初結餘，以確認有關該等租賃之租賃負債(見附註2(m))。自二零一九年一月一日起，未來租賃付款乃按照附註2(m)所載之會計政策於綜合財務狀況表中確認為租賃負債，而有關本集團未來租賃付款之詳情在附註26進行披露。已對比較數字進行重述以符合年內的呈報。

(c) Capital commitments

Capital commitments for purchase of equipment and equity securities designated at fair value through other comprehensive income outstanding not provided for in these financial statements were as follows:

(c) 資本承擔

未於財務報告內提撥之有關購買設備及指定以公平價值於其他全面收益計量之股本證券之未兌現資本承擔如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Contracted for	已訂合約	**196,763**	231,213

34. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and the income arising thereon are excluded from these financial statements, as the Group has no beneficial interest in the assets.

35. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

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

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or 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: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs 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.

34. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並無於該等資產中擁有實益權益，因此該等資產及其所產生之收入不會於等財務報告中列賬。

35. 金融工具之公平價值

(a) 以公平價值列賬之金融工具

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

第一級： 相同工具於活躍市場之市場報價（未經調整）。

第二級： 由第一級所載報價以外的可觀察直接（即價格）或間接（即源自價格）輸入數據。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。

第三級： 並非以可觀察市場數據（不可觀察輸入數據）為基礎的資產或負債的輸入數據。該分類包括估值技術並非基於可觀察數據且不可觀察數據對工具之估值有重大影響之所有工具。倘重大不可觀察調整或假設須用以反映工具之間的差額，該分類包括根據類似工具的報價而估值的工具。

35. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

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

35. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

下表乃以公平價值等級制度(公平價值據此分類)分析於本報告期末以公平價值計量之金融工具：

31 December 2019 二零一九年十二月三十一日		Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元	Total 總額 HK$'000 千港元
Assets	**資產**				
Trading assets	持作交易用途資產	**1,943,242**	**–**	**–**	**1,943,242**
Derivative financial instruments	衍生金融工具	**–**	**543,793**	**–**	**543,793**
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**54**	**–**	**1,074,000**	**1,074,054**
		1,943,296	**543,793**	**1,074,000**	**3,561,089**
Liabilities	**負債**				
Trading liabilities	交易賬項下之負債	**948,173**	**–**	**–**	**948,173**
Derivative financial instruments	衍生金融工具	**–**	**385,348**	**–**	**385,348**
		948,173	**385,348**	**–**	**1,333,521**

31 December 2018 二零一八年十二月三十一日		Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元	Total 總額 HK$'000 千港元
Assets	資產				
Trading assets	持作交易用途資產	1,898,372	–	–	1,898,372
Derivative financial instruments	衍生金融工具	–	796,595	–	796,595
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	62	–	809,268	809,330
		1,898,434	796,595	809,268	3,504,297
Liabilities	負債				
Trading liabilities	交易賬項下之負債	1,898,372	–	–	1,898,372
Derivative financial instruments	衍生金融工具	–	133,347	–	133,347
		1,898,372	133,347	–	2,031,719

During the year ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零一九年及二零一八年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級。本集團之政策是於報告期末確認於報告期間發生的公平價值分級轉移。

35. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

(1) The fair value of unquoted equity investments is estimated, if possible, using the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues; and

(2) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

35. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值

以下方法已用於釐定屬於公平價值等級制度第三級之金融工具之公平價值：

(1) 沒有市價之股本投資之公平價值乃於可行情況下使用類似上市公司之市盈率及其他市場數據調整至反映該發行之特定情況進行估計；及

(2) 非上市投資基金之公平價值是以該等基金之經理申報的資產淨值進行估計。

下表載列公平價值等級制度第三級內公平價值計量之年初餘額與年終餘額之對賬：

		Equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券	
		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Assets	**資產**		
At 1 January	於一月一日	**809,268**	544,340
Purchases	購買	**499**	3,962
Distribution	分派	**(2,725)**	(9,619)
Changes in fair value recognized in other comprehensive income	在其他全面收益內確認之公平價值變動	**266,958**	270,585
At 31 December	於十二月三十一日	**1,074,000**	809,268
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period	於報告期末持有之資產計入其他全面收益之本年度收益或虧損總額	**266,958**	270,585
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	於報告期末持有之資產計入損益賬之本年度收益或虧損總額	**10,849**	15,874

35. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

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

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in the net asset value reported by respective counterparties would have the following effects:

35. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(ii) 重大不可觀察假設出現變動對可行替代合理假設之影響

雖然本集團相信其公平價值估計屬適宜，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度第三級下之公平價值計量而言，各交易對手申報之資產淨值向任意方向變動10%可能產生下列影響：

		Effect on profit or loss 對損益賬內的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
31 December 2019	**二零一九年十二月三十一日**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**
Assets	**資產**				
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**–**	**–**	**107,400**	**(107,400)**

		Effect on profit or loss 對損益賬內的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
31 December 2018	二零一八年十二月三十一日	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Assets	資產				
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	–	–	80,927	(80,927)

35. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table 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 and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans are not taken into account in determining gross fair values, as the impact of credit risk is recognized 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 amortized cost is estimated by comparing 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 recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value; and

(iv) the fair value of debt securities measured at amortized cost is determined with reference to the available market value. If quoted market prices are not available, then the fair value is estimated on the basis of pricing models (see Note 2(g)(iii)).

35. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

(i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於報告期末可要求還款之金額；

(ii) 假設浮息金融工具及貸款之公平價值接近其賬面值。釐定公平價值總額時並不計算該等金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面值及公平價值扣除減值虧損及撥備金額予以確認；

(iii) 有關定息貸款及按攤餘成本列賬之按揭的公平價值是透過比較相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面值及公平價值扣除減值虧損及撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化；及

(iv) 按攤銷成本計量之債務證券之公平價值乃經參考可用市值釐定。倘無法獲取市場報價，則公平價值根據計價模式(見附註2(g)(iii))估計。

35. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

The carrying amount of the Group's financial instruments carried at cost or amortized cost are not significantly different from their fair values at the end of the reporting period except as follows:

35. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值(續)

本集團按成本或攤餘成本列賬之金融工具之賬面值與其於報告期末之公平價值並無重大差異，惟以下所列除外：

		31 December 2019 二零一九年十二月三十一日				
		Carrying amount 賬面金額 HK$'000 千港元	Fair value 公平價值 HK$'000 千港元	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元
Financial assets	***金融資產***					
Advances to customers	客戶貸款	**2,100,593**	**2,091,075**	**–**	**2,091,075**	**–**
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	**40,516,236**	**40,689,252**	**7,985,653**	**32,701,599**	**2,000**
Financial liability	***金融負債***					
Deposits from customers	客戶存款	**58,350,496**	**58,346,690**	**–**	**58,346,690**	**–**

		31 December 2018 二零一八年十二月三十一日				
		Carrying amount 賬面金額 HK$'000 千港元	Fair value 公平價值 HK$'000 千港元	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元
Financial assets	*金融資產*					
Advances to customers	客戶貸款	2,329,386	2,342,390	–	2,342,390	–
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	36,889,767	36,958,174	15,746,394	21,209,780	2,000
Financial liability	*金融負債*					
Deposits from customers	客戶存款	49,912,002	49,907,782	–	49,907,782	–

During the year 2019, there were transfers of financial instruments, being debt securities measured at amortized cost from Level 1 to Level 2 of the fair value hierarchy of HK$5,868 million (2018: HK$3,054 million) as active markets cannot be identified for identical instruments, and transfers from Level 2 to Level 1 of HK$133 million (2018: HK$1,766 million) as active markets were identified for identical instruments. There were no transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於二零一九年，由於未能就相同工具分辨出活躍市場，價值5,868,000,000港元(二零一八年：3,054,000,000港元)的金融工具(即按攤銷成本計量之債務證券)由公平價值等級制度第一級轉移至第二級；由於能就相同工具分辨出活躍市場，價值133,000,000港元(二零一八年：1,766,000,000港元)的金融工具由第二級轉移至第一級。第三級概無轉入或轉出。本集團之政策是於報告期末確認於報告期間發生的公平價值分級轉移。

36. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and other related parties. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, correspondent banking transactions and foreign exchange transactions. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the end of the reporting period that are not disclosed in other notes to these financial statements is set out below:

36. 重大關連各方交易

年內，本集團與其最終控股公司及其他關連方訂立多項交易。該等交易在本集團銀行業務之日常業務過程中訂立，包括(不限於)借貸、銀行同業拆借與存款、相關銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

有關年內關連各方交易所產生之收支及於報告期末尚未償還的餘額且並未於財務報告其他附註披露之資料載列如下：

(a) Income/(expenses)

(a) 收入／(支出)

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Fee and commission income	費用及佣金收入	**30,749**	25,546
Fellow subsidiaries	*同系附屬公司*		
Fee and commission expenses	費用及佣金支出	**(3,973)**	(4,015)

(b) Assets

(b) 資產

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Ultimate holding company	*最終控股公司*		
Accrued interest and other assets	應計利息及其他資產	**–**	9,224
Fellow subsidiaries	*同系附屬公司*		
Cash and short-term funds	現金及短期資金	**10,710**	30,149
Accrued interest and other assets	應計利息及其他資產	**22**	56
		10,732	30,205
Fellow associate	*同系聯營公司*		
Cash and short-term funds	現金及短期資金	**2,837**	1,856

There was no impairment allowance made against the above assets.

上述資產並未有作出減值撥備。

36. MATERIAL RELATED PARTY TRANSACTIONS (continued)

36. 重大關連各方交易(續)

(c) Liabilities

(c) 負債

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**245,059**	32,907
Deposits from customers	客戶存款	**376,221**	394,603
Other liabilities	其他負債	**1,406**	413
		622,686	427,923
Other related parties	*其他關連方*		
Deposits from customers	客戶存款	**150,459**	73,277

(d) Financial instruments

(d) 金融工具

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Derivative contracts (notional principal)	衍生工具合約(名義本金額)	**299,813**	379,835

(e) Loans to directors and entities connected with directors

Loans to directors of the Bank and entities connected with directors disclosed pursuant to section 383(1)(d) of the HKCO and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(e) 董事及董事關連實體貸款

根據香港《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規例》第3部披露之本行董事及董事關連實體貸款如下：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Aggregate amount of relevant loans at 31 December by the Bank	本行相關貸款於十二月三十一日的總額	**45**	112
Maximum aggregate amount of relevant loans outstanding during the year by the Bank	本行年內尚未償還相關貸款之最高總額	**261**	177

There was no interest due but unpaid nor any impairment allowance made against these loans at 31 December 2019 (2018: Nil).

於二零一九年十二月三十一日並無到期但未付的利息或就該等資款作出減值撥備(二零一八年：無)。

36. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(f) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Bank's directors as disclosed in Note 8 is as follows:

36. 重大關連各方交易(續)

(f) 主要管理人員酬金

主要管理人員之酬金(包括附註8所披露付予本行董事之款項)如下：

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Salaries and short-term employee benefits	薪金及短期僱員福利	52,589	56,902
Post-employment benefits	退休福利	3,301	3,302
		55,890	60,204

Total remuneration is included in "staff costs" (see Note 7).

酬金總額計入「僱員成本」(見附註7)。

(g) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below:

(g) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關條款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下。

		2019 二零一九年 HK$'000 千港元	2018 二零一八年 HK$'000 千港元
Loans, at 31 December	於十二月三十一日貸款餘額	1,426	2,103
Interest income	利息收入	39	46
Credit facilities, at 31 December	於十二月三十一日信貸服務	4,206	4,060

No Stage 3 impairment allowances have been made against balances outstanding during the year with key management personnel.

並無就年內主要管理人員的未償還餘額作出第三階段的減值撥備。

The Group's policies for lending to related parties take into account the requirements under the HKBO and the guidelines of the HKMA. The Group sets internal limits (individual and aggregate group limits for individual, group, secured and unsecured exposures) and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, the Chief Executive Officer and Managing Director and/or the Executive Credit Committee.

本行向關連各方貸款的政策已計及香港《銀行業條例》及金管局指引之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督關連各方之風險(個人或企業)及採取各必要措施以控管各關連借貸之風險。信用委員會、行政總裁兼董事總經理及／或執行信用委員會已予批准。

37. ASSETS PLEDGED AS SECURITY

The following assets have been pledged as collateral for own liabilities at the end of the reporting period:

37. 質押作為抵押品之資產

下列資產已於報告期末作為自身負債抵押品予以質押：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Secured liabilities	已抵押負債	**7,143,397**	7,877,795
Assets pledged:	*已質押資產：*		
Trading assets	持作交易用途資產	**848,592**	1,898,372
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	**6,629,360**	6,266,342
		7,477,952	8,164,714

The Group maintains the following balances with counterparties for margin deposits of derivatives and is included in "Accrued interest and other assets" at the end of the reporting period:

本集團就衍生工具向交易對手方存有保證金存款，其於報告期末計入「應計利息及其他資產」：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Margin deposits for derivative contracts	衍生工具合約的保證金存款	**625,683**	99,654

These transactions are conducted under usual and customary terms.

該等交易乃按照一般及慣用條款進行。

38. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: losses resulting from customer or counterparty default and arising from credit exposures in all forms, including settlement risk.
- Market risk: exposures to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from inadequate or failed internal processes, people and systems or from external events resulting in financial loss.

38. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：客戶或交易對手拖欠款項而招致損失的風險，以及各類型信貸風險，包括結算風險。
- 市場風險：市場變數風險，例如利率、匯率及股市等。
- 流動性及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續在市場上以無抵押或甚至以有抵押的方式按可接受之價格借入資金，藉此為實際或建議之承擔提供所需的資金的風險。
- 營運風險：由於內部程序、人員及制度不足或不作為或外部事件導致財務虧損而引致之風險。

38. FINANCIAL RISK MANAGEMENT (continued)

The Group has established policies and procedures to identify and measure these risks, to set appropriate risk limits as derived from its risk appetite statements and risk appetite indicators and control measures, and to monitor the risks and limits continuously by means of reliable and up-to-date management and information systems. These policies and procedures, including limit excess follow-up procedures, are distributed to the relevant risk taking and risk management units for execution and monitoring. Regular training courses are conducted in order to ensure that all staff are familiar with the key principles of the Group's code of conduct. The Group continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with the Group's policies and procedures.

The Group has established an organizational structure such that risk management functions are independent of risk taking units. The risk management functions independently provide key risk information, including asset quality, liquidity profile, capital adequacy ratio and the risk exposures, and limit monitoring results to the Risk Committee of the Board ("RC") and to senior management on a regular basis.

(a) Credit risk management

Credit risk is the risk of suffering financial loss in the event that the Group's customers or counterparties fail to fulfil their obligations to the Group. It arises mainly from advances to customers, debt securities held and counterparty credit risk arising from derivative contracts entered into with customers or counterparties. It can also arise from trading and treasury activities.

The Group manages credit risk through a framework of controls to ensure credit risk taking activities are based on sound principles and in line with the overall business objectives of the Group. It has established a set of credit policies and procedures which define credit risk taking criteria, credit approval authorities delegated from the Board of Directors ("Board"), credit monitoring processes, credit rating and scoring systems and loan impairment criteria.

The Board has delegated credit approval authorities to the following committees in descending order of authority: the Executive Credit Committee ("ECC"), the Credit Committee ("CC") and the Wholesale Credit Committee ("WCC").

The ECC serves as the credit committee of the Board to review and approve credits that require the approval of the Board. In addition, it approves the Group's credit policies and credit risk profile, taking into consideration relevant law and regulations.

38. 財務風險管理(續)

本集團已設有相關政策及程序以識別及衡量該等風險、制定適當之風險限額(自風險取向聲明及風險取向指標獲取)及控制措施，以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。該等政策和程序(包括超額跟進程序)已分發給相關風險承擔和風險管理單位執行和監督。本集團定期舉辦培訓課程以確保所有員工都熟悉本集團行為守則的關鍵原則。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合本集團政策及程序。

本集團已建立組織架構，使風險管理職能獨立於風險承擔單位。風險管理職能定期獨立向董事會風險委員會和高級管理層提供關鍵風險信息(包括資產質素、流動資金狀況、資本充足率和風險)以及限額監測結果。

(a) 信貸風險管理

信貸風險指因本集團客戶或交易對手未能履行其對本集團之承諾而遭受財務虧損的風險。其主要源於貸款及放款、所持債務證券及因與客戶或交易對手訂立衍生工具合約產生的交易對手信貸風險，亦可源於交易及財資活動。

本集團透過控制框架管理信貸風險，以確保產生信貸風險之活動基於完善的原則及與本集團整體業務目標一致。其亦設立一系列信貸政策及程序，以界定承擔信貸風險的標準、董事會授權之信貸批准權限、信貸監控過程、信貸評級與評分系統及貸款減值標準。

董事會已向以下委員會依次授權審批信貸權限：執行信貸委員會、信貸委員會及批發信貸委員會。

執行信貸委員會以董事會信貸委員會的身份，審閱及批准需由董事會審批的信貸，同時根據相關法律及規例審批本集團的信貸政策及信貸風險框架。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

The CC is a management level committee that provides management oversight of the Group's credit risk management. It ensures that the Group has in place an effective credit risk management framework and that its credit risks are within the credit policies and credit risk profile as specified by the Board or its delegated committees. The CC reviews and endorses credit policies and credit risk profile for the ECC's approval, and reviews and approves credit related guidelines. It also conducts on-going review of the market environment and makes necessary policy recommendations to the ECC to ensure that the credit risk profile of the Group is within its risk appetite. The CC also reviews and approves credits that are within its authority as delegated by the Board.

The WCC reviews and approves corporate credits that are within its authority as delegated by the Board.

The credit risk units, Enterprise Credit Risk Management Department, Special Assets Management Department and Retail Credit Risk Oversight & Data Analytics Team, provide centralized management of credit risk for corporate credits and retail credits respectively. They are responsible for:

- independent evaluation of corporate credit applications;
- monitoring loan portfolio and conducting regular analysis;
- managing problem corporate credits to achieve the highest recovery;
- recommending loan classification, impairment and charge-off; and
- reporting to the CC and ECC regularly on aspects of the loan portfolio.

Compliance reviews are conducted by an independent unit on an ongoing basis to ensure compliance with applicable laws and regulations, standards, guidelines and codes of practices. The internal audit function of the Group is an independent appraisal function set up with the primary objective of evaluating the internal control system and compliance with laws, regulatory guidelines and internal control policies.

Credit risk limits are set at different levels, including portfolio and individual customer levels, taking into consideration various factors including market situation, capital requirement and the returns.

38. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸委員會為管理級別之委員會，監督本集團之信貸風險管理，確保本集團擁有有效的信貸風險管理架構且其信貸風險符合董事會或其授權委員會訂明之信貸政策及信貸風險概況。信貸委員會審閱及認可信貸政策及信貸風險狀況以供執行信貸委員會批准及審閱並批准信貸相關指引。信貸委員會亦持續審閱市場環境，並向執行信貸委員會作出必要政策建議，確保本集團之信貸風險狀況符合其風險取向。信貸委員會亦在董事會授出之授權範圍內審閱及批准客戶信貸。

批發信貸委員會在董事會授出之授權範圍內審閱及批准企業信貸。

信貸單位(企業信貸風險管理部門、專項資產管理部門及消費信貸風險監控以及數據分析團隊)對企業信貸及零售信貸進行統一信貸風險管理，負責下列各項職責：

- 獨立審核企業信貸申請；
- 監管貸款組合及進行定期分析；
- 管理問題企業信貸以達到最高收回金額；
- 建議貸款分類、減值及註銷；及
- 定期向信貸委員會及執行信貸委員會匯報貸款組合情況。

合規審閱由獨立單位持續進行，以確保遵守適用的法律和法規、標準、準則和應用守則。本集團內部審計單位為獨立評估單位，並以評估內部控管制度，對法律、監管指引和內部控管政策之遵守為主要目標。

信貸風險限額是根據市場形勢、資本要求和回報等各種因素考慮在不同的層面上，包括組合和個人客戶層面而制定。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

Credit risk management procedures are designed to promote early detection of customer, industry or product exposures that require special monitoring. Overall portfolio risk is monitored on an on-going basis. Regular risk management reports covering information on large exposures, country exposures, industry exposures, loan quality and loan impairment level are submitted to the CC, ECC and RC.

Specific policies and measures to address different kinds of credit related activities are set out below:

(i) Institutional Banking

Credit risk from Institutional Banking is managed by conducting thorough credit evaluation, credit mitigation through collateral and guarantee, internal credit rating system and post-approval monitoring system. Subject to the size of the credit, value of collateral and the internal credit rating of the customer, different levels of credit approval authority are required. Credit decisions take into account facility structure, tenor, repayment ability of the obligor and credit mitigation through collateral and guarantee.

The Group has established limits for credit exposure to individual industry and customer groups, regardless of whether the credit exposure is funded or non-funded. The Group also undertakes ongoing credit review and monitoring at several levels. The relevant policies and procedures take into account the rules under the HKBO, regulatory requirements of the HKMA and best market practices.

(ii) Retail Banking

Credit risk from Retail Banking is product driven, arising from retail loan products such as credit cards, unsecured personal loans, merchant receivable financing, mortgage loans and loans secured by wealth management products. Because of the homogeneous nature of these products, credit risk management is primarily based on statistical analyses of risks with respect to different types of product, collateral and customer. The Group determines product terms and desired customer profiles on a regular basis by developing, validating and fine-tuning internal scorecards and stress testing models.

38. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸風險管理程序旨在促進對需要特別監控之客戶、行業或產品風險承擔的早期檢測。整體組合風險受持續監控。常規風險管理報告涵蓋信息包括大型風險承擔、國家風險承擔、行業風險承擔、貸款質量和貸款減值程度，並提交信貸委員會、執行信貸委員會和風險委員會。

針對不同類型信貸相關業務之特定政策及措施載列如下：

(i) 機構銀行

機構銀行產生的信貸風險透過進行全面信貸評估、以抵押品及擔保減低信貸風險、內部信貸評級系統及批准後監管系統來管理。受限於信貸規模、抵押品價值及客戶內部信貸評級，需要不同級別的信貸審批機構。信貸決策考慮融資結構、期限、債務人還款能力以及以抵押品及擔保減低信貸。

無論信貸風險是由於融資與非融資交易而產生，本集團已制定個別行業及客戶組別之信貸風險限額。本集團亦在不同層次持續進行信貸審閱及監控。相關政策及程序亦參考香港《銀行業條例》內之規則、金管局監管規定以及最佳市場慣例。

(ii) 零售銀行

零售銀行信貸風險以產品為導向，源於零售銀行貸款產品，諸如信用卡、無抵押個人貸款、商業應收賬款融貸、按揭貸款及以財富管理產品作抵押之貸款。由於該等產品本質相同，信貸風險管理主要基於不同產品、抵押品及客戶類型之風險統計分析結果而釐定。本集團透過發展、確認及調整內部記分卡及壓力測試模型定期釐定產品條款及理想客戶概況。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(iii) Counterparty credit risk

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value of loans or other financial instruments, counterparty credit risk means counterparty default risk, credit valuation adjustment risk and settlement risk. Counterparty credit risk exposure means an exposure to counterparty credit risk, which involves situation in which the Group enters into a derivatives or non-same day spot foreign currency exchange settlement transaction with a counterparty which may subsequently fail to meet its obligations on or before the final settlement of the transactions. These credit exposures are managed as part of the overall credit limits to the counterparties and central clearing counterparty. In evaluating the credit risk associated with counterparty, financial strength is always the primary considerations. The credit risk exposure on derivatives is disclosed in Note 16(b) to these financial statements. The Group uses the current exposure method for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Group has set up policies and procedures to control both general and specific wrong-way risk.

(iv) Credit related commitments

The risks involved in credit related commitments and contingencies are essentially the same as the credit risk involved in extending loans to customers. These transactions are, therefore, subject to the same credit application, portfolio management and collateral requirements as for loan transactions.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of customers or counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's financial risk exposure is diversified by customer group, industry and product, but is concentrated in Hong Kong.

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 14 to 19.

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(iii) 交易對手信貸風險

有別於資產負債內的工具(通常以貸款或其他金融工具之本金值來表示信貸風險)，交易對手信貸風險指交易對手違約風險、信貸估值調整風險及結算風險。交易對手信貸風險指交易對手信貸風險，包括本集團與交易對手進行衍生品交易或非當日即期外匯結算交易，其後可能無法在該等交易最終結算或之前履行其義務的情況。該等信貸風險乃作為有關交易對手及中央結算對手整體信貸限額的一部分進行管理。 在評估與交易對手相關的信貸風險時，財務實力始終是首要考慮因素。衍生工具之信貸風險於該等財務報告的附註16(b)披露。本集團以現行風險承擔法為該等交易對手風險提供資本。

當交易對手遭受的信貸風險與交易對手的信貸質素相互產生不利影響時將產生錯向風險。信貸風險及潛在虧損可能因市況不利變動而增加。本集團已制定政策及程序以控制操作錯向風險。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶延長貸款之信貸風險相同。因此，該等交易須遵守與貸款交易相同之信貸申請、組合管理及抵押品規定。

(v) 信貸風險過分集中

當地域、經濟或行業因素之變動對不同類別之客戶或交易對手產生類似影響，而彼等之信貸風險綜合起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融風險已因客戶組別、行業及產品而分散，但集中於香港。

有關各類金融資產之信貸風險集中情況之分析於附註14至19內披露。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation

The Group's credit evaluation focuses primarily on the obligor's repayment ability from its cash flow and financial condition. In addition, the Group employs various credit risk mitigation techniques such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. There is immaterial credit and market risk concentration within the credit risk mitigations used by the Group. The most commonly used credit risk mitigation measures are provided below:

Collateral

The Group holds collateral against its credit exposures to customers mainly in the form of cash deposits, marketable securities, mortgage interests over properties and guarantees. The Group also has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of the collateral. Collateral taken to secure credit exposures is revalued periodically ranging from daily to annually depending on the type of collateral. For treasury operations, collateral management is based on daily marked-to-market positions.

Master netting agreements

Collateral generally is not held over credit exposures to banks, except for securities held as part of reverse repurchase and securities borrowing activities. However, where applicable, the Group manages its credit exposures to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivative activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter derivative products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by such agreement if either party defaults or upon the occurrence of other pre-agreed termination events.

It is also common for the Group to execute a Credit Support Annex with counterparties in conjunction with the ISDA Master Agreement to mitigate the market risk inherent in derivative transactions.

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險

本集團的信貸評估主要集中於債務人以其現金流及財務狀況還款的能力。此外，本集團採用如適當信貸結構、給予抵押品及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低措施，以作為其信貸風險管理流程的不可或缺組成部分。本集團所使用的信貸風險減低措施的信貸及市場集中風險甚微。最常用的信貸風險減低措施載列如下：

抵押品

本集團就信貸風險承擔而持有抵押品，主要包括現金存款、可流通證券、物業按揭以及擔保等形式。本集團亦已制定監管抵押品的評估、接納及定時估值的政策及程序。擔保信貸風險的抵押品乃定時被重估，取決於抵押品的類型，週期介乎每日至每年一次不等。就財資業務而言，抵押品管理會以市場情況每日重估。

淨額結算總協議

抵押品一般並非就給予銀行的信貸風險而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算安排導致於違約時結算交易對手之風險會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外衍生工具產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

有關雙方會於簽訂ISDA總協議時亦簽訂信用擔保附件，此乃普遍的做法，以減低衍生工具交易固有的市場風險。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

The following table sets out the carrying amounts of recognized financial instruments that are subject to the above agreements.

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

下表載列受限於上述協議的已確認金融工具的賬面值。

31 December 2019 二零一九年十二月三十一日	Gross amounts of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Gross amount of recognized financial instruments off-set in the consolidated statement of financial position 已抵銷金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Net amounts of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的淨額 HK$'000 千港元	Related financial instruments that are not offset 未抵銷的有關金融工具 HK$'000 千港元	Net amount 淨額 HK$'000 千港元
Financial assets 金融資產					
– Exchange rate derivatives –匯率衍生工具	53,613	–	53,613	19,975	33,638
– Interest rate derivatives –利率衍生工具	47,791	–	47,791	39,565	8,226
	101,404	–	101,404	59,540	41,864
Financial liabilities 金融負債					
– Exchange rate derivatives –匯率衍生工具	33,914	–	33,914	19,975	13,939
– Interest rate derivatives –利率衍生工具	158,299	–	158,299	39,565	118,734
	192,213	–	192,213	59,540	132,673

31 December 2018 二零一八年十二月三十一日	Gross amounts of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Gross amount of recognized financial instruments off-set in the consolidated statement of financial position 已抵銷金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Net amounts of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的淨額 HK$'000 千港元	Related financial instruments that are not offset 未抵銷的有關金融工具 HK$'000 千港元	Net amount 淨額 HK$'000 千港元
Financial assets 金融資產					
– Exchange rate derivatives –匯率衍生工具	33,874	–	33,874	20,479	13,395
– Interest rate derivatives –利率衍生工具	281,116	–	281,116	28,254	252,862
	314,990	–	314,990	48,733	266,257
Financial liabilities 金融負債					
– Exchange rate derivatives –匯率衍生工具	45,299	–	45,299	20,479	24,820
– Interest rate derivatives –利率衍生工具	46,211	–	46,211	28,254	17,957
– Equity derivatives –股票衍生工具	379	–	379	–	379
	91,889	–	91,889	48,733	43,156

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

Central clearing

The Group makes use of central clearing, whenever possible, to mitigate counterparty credit risk. The Group has developed its own credit assessment framework to evaluate the parties involved in the central clearing.

Other credit risk mitigation measures

The Group may also employ other types of credit mitigation, such as guarantees and letters of credit, mainly for corporate exposures. As the value of these types of collateral is conditional upon other credit related factors, their financial effect has not been quantified.

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the end of the reporting period without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. A summary of the maximum exposure to credit risk for the various components of the consolidated statement of financial position, contingencies and commitments is as follows:

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

中央結算

本集團盡可能利用中央結算來減低交易對手信貸風險。本集團已建立自己的信貸評估框架，以評估參與中央結算的各方。

其他減低信貸風險措施

本集團亦使用擔保及信用證等其他類別的信貸減緩方式，主要用於減低企業風險。由於該等類別的抵押品價值取決於其他信貸相關因素，故並無計量其財務影響。

(vii) 最高信貸風險

於報告期末最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為綜合財務狀況表內各項金融資產扣除任何減值撥備後之賬面值。綜合財務狀況表、或然負債及承擔的各部分信貸風險的最高風險概要如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Credit risk exposures relating to on-balance sheet assets:	與資產負債表內資產有關之信貸風險：		
Cash and short-term funds	現金及短期資金	**5,290,706**	5,981,567
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**2,862,464**	2,060,262
Trading assets	持作交易用途資產	**1,943,242**	1,898,372
Derivative financial instruments	衍生金融工具	**543,793**	796,595
Advances to customers	客戶貸款	**52,308,452**	47,699,240
Trade bills	商業票據	**724,425**	907,964
Accrued interest and other assets	應計利息及其他資產	**2,015,236**	1,373,811
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	**40,516,236**	36,889,767
Credit risk exposures relating to off-balance sheet items:	與資產負債表外項目有關之信貸風險：		
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸相關之或然負債	**403,222**	1,100,059
Loan commitments and other credit related commitments	貸款承擔及其他信貸相關之承擔	**35,254,915**	34,948,398
		141,862,691	133,656,035

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses

The Group adopts the approach below in determining ECL on financial assets in accordance with HKFRS 9:

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定

本集團採納下列方式以按照香港財務報告準則第9號釐定財務資產預期信貸虧損：

Component 組成部分	Definition 定義
Probability of default ("PD")	The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and Stage 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk, such as property prices indices, unemployment rates and GDP forecasts. The PD is estimated at a point in time which means it will fluctuate in line with the economic cycle. The term structure of the PD is based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
違約或然率	交易對手於某個時間點將違約的概率，校準至自報告日期起最多12個月（第一階段）或產品生命週期（第二階段及第三階段），並納入對信貸風險造成影響的前瞻性經濟假設的影響，如物業價格指數、失業率及國內生產總值預測。 違約或然率乃基於某個時間點估計得出，意即其將隨經濟週期波動。違約或然率的期限結構乃基於統計模型，使用歷史數據校準並調整至包含前瞻性經濟假設。
Loss given default ("LGD")	The percentage loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the proportion of the contractual cash flows due that the Group expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.
違約損失率	於違約時預計造成的損失百分比（經納入相關前瞻性經濟假設的影響），代表本集團預期收取的到期合約現金流部分。 經計及同時考慮相關前瞻性經濟假設，本集團根據回收率的歷史記錄以估計違約損失率，並考慮收回金融資產的任何重要抵押品。
Exposure at default ("EAD")	The expected balance sheet exposure at the time of default, taking into account the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortization and prepayments, together with the impact of forward-looking economic assumptions where relevant.
違約風險承擔	於違約時的預期資產負債表風險承擔（經計及風險承擔期間的預期風險承擔變動），其中包括動用信貸承擔、償還本金和利息、攤銷和預付款項的影響，以及相關前瞻性經濟假設的影響。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses (continued)

ECLs are measured at the present value of all expected cash shortfalls.

The estimate of expected cash shortfalls is determined by multiplying the PD with LGD and EAD.

Forward looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk, such as property price indices, unemployment rate and GDP amongst others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios, both in respect of determining the PD, LGD and EAD and in determining the overall expected credit loss amounts.

(ix) Credit quality of advances to customers

The credit quality of advances to customers can be analysed as follows:

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定(續)

預期信貸虧損以所有預期現金不足額之現值計量。

預期現金差額的估計乃透過將違約或然率、違約損失率及預期違約風險承擔相乘而釐定。

前瞻性經濟假設會納入違約或然率、違約損失率及違約風險承擔(倘相關及影響信貸風險，如國內生產總值、失業率及樓價指數等)。該等假設使用本集團對一系列宏觀經濟假設的最有可能的預測而納入。該等預測使用所有合理及可證明的資料(包括內部作出的預測及外部提供的預測)而釐定，並與預算、預測及資本計劃所用者一致。

為計及信貸虧損的潛在非線性性質，多個前瞻性情景會納入所有重大組合的合理可能結果範圍內，包括釐定違約或然率、違約損失率及違約風險承擔，以釐定整體預期信貸虧損金額。

(ix) 客戶貸款之信貸質素

客戶貸款之信貸質素可分析如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Neither past due nor impaired	並無逾期或減值	**51,335,570**	47,138,226
Past due but not impaired	已逾期但並無減值	**1,089,818**	558,413
Impaired	已減值	**170,952**	233,231
		52,596,340	47,929,870
Of which:	其中：		
Gross advances to customers that are neither past due nor impaired	並無逾期或減值之客戶貸款總額		
– Grade 1: Pass	－第一級：通過	**51,198,320**	46,994,434
– Grade 2: Special mention	－第二級：關注	**137,250**	143,792
		51,335,570	47,138,226

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of advances to customers (continued)

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

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 客戶貸款之信貸質素(續)

下表載列客戶貸款之信貸質素有關的資料。除特別訂明外，表中金額指賬面總額。

		31 December 2019 二零一九年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Pass	通過	50,397,998	86,509	1,733,909	1,872	-	-	52,131,907	88,381
Special mention	關注	-	-	293,481	1,297	-	-	293,481	1,297
Substandard	次級	-	-	-	-	21,434	-	21,434	-
Doubtful	可疑	-	-	-	-	149,518	-	149,518	-
Loss	損失	-	-	-	-	-	-	-	-
Gross carrying amount	賬面總值	50,397,998	86,509	2,027,390	3,169	170,952	-	52,596,340	89,678
Less: Impairment allowance	減：減值撥備	(91,916)	-	(35,177)	-	(160,795)	-	(287,888)	-
Carrying amount	賬面值	50,306,082	86,509	1,992,213	3,169	10,157	-	52,308,452	89,678

		31 December 2018 二零一八年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Pass	通過	46,265,963	93,757	1,140,514	822	-	-	47,406,477	94,579
Special mention	關注	-	-	290,162	1,645	-	-	290,162	1,645
Substandard	次級	-	-	-	-	11,694	-	11,694	-
Doubtful	可疑	-	-	-	-	221,537	-	221,537	-
Loss	損失	-	-	-	-	-	-	-	-
Gross carrying amount	賬面總值	46,265,963	93,757	1,430,676	2,467	233,231	-	47,929,870	96,224
Less: Impairment allowance	減：減值撥備	(27,026)	-	(6,728)	-	(196,876)	-	(230,630)	-
Carrying amount	賬面值	46,238,937	93,757	1,423,948	2,467	36,355	-	47,699,240	96,224

The Group classifies advances to customers in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據為向金管局呈報而須採納之貸款分級制度就客戶貸款進行分類。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of advances to customers (continued)

The ageing analysis of advances to customers that are past due but not impaired is as follows:

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 客戶貸款之信貸質素(續)

已逾期但並無減值之客戶貸款賬齡分析如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Gross advances to customers that are past due but not impaired	已逾期但並無減值之客戶貸款總額		
– Overdue 3 months or less	－逾期三個月或以下	**1,079,149**	535,146
– Overdue 6 months or less but over 3 months	－逾期六個月或以下惟三個月以上	**–**	13,272
– Overdue 1 year or less but over 6 months	－逾期一年或以下惟六個月以上	**10,669**	9,995
		1,089,818	558,413

Advances to customers that would be past due or impaired had the terms not been modified amounted to HK$13,831,000 as at 31 December 2019 (2018: HK$16,284,000).

於二零一九年十二月三十一日，倘條款不予修訂即為已逾期或已減值之客戶貸款金額為13,831,000港元(二零一八年：16,284,000港元)。

(x) Credit quality of financial assets other than advances to customers

The following tables set out the credit analysis for financial assets, other than advances to customers, measured at amortized cost. The tables below analyse the financial assets by their rating under the Group's loan classification system or credit rating designation based on Standard & Poor's rating or their equivalents, whichever is appropriate. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

(x) 客戶貸款以外之金融資產之信貸質素

下表載列除客戶貸款以外之按攤銷成本計量金融資產之信貸分析。下表根據本集團借款分類系統項下的評級或以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對金融資產作出分析。除特別訂明外，表中金額指賬面總額。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Cash and short-term funds

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

現金及短期資金

		31 December 2019 二零一九年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA – to AA+	AA－至AA+	1,076,764	781	-	-	-	-	1,076,764	781
A – to A+	A－至A+	3,612,350	1,581	-	-	-	-	3,612,350	1,581
Lower than A–	A－以下	301,481	18	-	-	-	-	301,481	18
Unrated	無評級	300,635	-	-	-	-	-	300,635	-
Gross carrying amount	賬面總額	5,291,230	2,380	-	-	-	-	5,291,230	2,380
Less: Impairment allowances	減：減值撥備	(524)	-	-	-	-	-	(524)	-
Carrying amount	賬面值	5,290,706	2,380	-	-	-	-	5,290,706	2,380

		31 December 2018 二零一八年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA – to AA+	AA－至AA+	1,210,080	1,159	–	–	–	–	1,210,080	1,159
A – to A+	A－至A+	4,039,000	6,370	–	–	–	–	4,039,000	6,370
Lower than A–	A－以下	353,790	151	–	–	–	–	353,790	151
Unrated	無評級	380,750	–	–	–	–	–	380,750	–
Gross carrying amount	賬面總額	5,983,620	7,680	–	–	–	–	5,983,620	7,680
Less: Impairment allowances	減：減值撥備	(2,053)	–	–	–	–	–	(2,053)	–
Carrying amount	賬面值	5,981,567	7,680	–	–	–	–	5,981,567	7,680

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Balances with banks and other financial institutions

		31 December 2019 二零一九年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
A – to A+	A－至A+	2,663,425	19,209	-	-	-	-	2,663,425	19,209
Lower than A–	A－以下	200,000	437	-	-	-	-	200,000	437
Gross carrying amount	賬面總額	2,863,425	19,646	-	-	-	-	2,863,425	19,646
Less: Impairment allowances	減：減值撥備	(961)	-	-	-	-	-	(961)	-
Carrying amount	賬面值	2,862,464	19,646	-	-	-	-	2,862,464	19,646

		31 December 2018 二零一八年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA – to AA+	AA－至AA+	380,000	1,020	-	-	-	-	380,000	1,020
A – to A+	A－至A+	1,533,007	5,346	-	-	-	-	1,533,007	5,346
Lower than A–	A－以下	150,000	573	-	-	-	-	150,000	573
Gross carrying amount	賬面總額	2,063,007	6,939	-	-	-	-	2,063,007	6,939
Less: Impairment allowances	減：減值撥備	(2,745)	-	-	-	-	-	(2,745)	-
Carrying amount	賬面值	2,060,262	6,939	-	-	-	-	2,060,262	6,939

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

銀行及其他金融機構結餘

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Trade bills

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

商業票據

		31 December 2019 二零一九年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總額	726,495	-	-	-	-	-	726,495	-
Less: Impairment allowances	減：減值撥備	(2,070)	-	-	-	-	-	(2,070)	-
Carrying amount	賬面值	724,425	-	-	-	-	-	724,425	-

		31 December 2018 二零一八年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總額	908,041	-	-	-	-	-	908,041	-
Less: Impairment allowances	減：減值撥	(77)	-	-	-	-	-	(77)	-
Carrying amount	賬面值	907,964	-	-	-	-	-	907,964	-

All trade bills as at 31 December 2019 and 2018 are classified as "Pass" under the Group's loan classification system.

於二零一九年及二零一八年十二月三十一日，所有商業票據根據本集團貸款分級制度分為「通過」級。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Debt securities measured at amortized cost

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

按攤銷成本計量的債務證券

		31 December 2019 二零一九年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AAA	AAA	5,050,930	52,215	-	-	-	-	5,050,930	52,215
AA - to AA+	AA－至AA+	10,290,916	48,069	-	-	-	-	10,290,916	48,069
A - to A+	A－至A+	19,585,678	151,316	-	-	-	-	19,585,678	151,316
Lower than A–	A－以下	3,696,985	36,912	-	-	-	-	3,696,985	36,912
Unrated	無評級	1,932,858	13,832	-	-	-	-	1,932,858	13,832
Gross carrying amount	賬面總額	40,557,367	302,344	-	-	-	-	40,557,367	302,344
Less: Impairment allowances	減：減值撥備	(41,131)	-	-	-	-	-	(41,131)	-
Carrying amount	賬面值	40,516,236	302,344	-	-	-	-	40,516,236	302,344

		31 December 2018 二零一八年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AAA	AAA	4,482,085	53,953	–	–	–	–	4,482,085	53,953
AA - to AA+	AA- to AA+	9,896,238	34,317	–	–	–	–	9,896,238	34,317
A - to A+	A- to A+	16,521,443	133,211	193,152	1,346	–	–	16,714,595	134,557
Lower than A–	A－以下	4,093,774	36,837	–	–	–	–	4,093,774	36,837
Unrated	無評級	1,725,681	15,640	–	–	–	–	1,725,681	15,640
Gross carrying amount	賬面總額	36,719,221	273,958	193,152	1,346	–	–	36,912,373	275,304
Less: Impairment allowances	減：減值撥備	(21,582)	–	(1,024)	–	–	–	(22,606)	–
Carrying amount	賬面值	36,697,639	273,958	192,128	1,346	–	–	36,889,767	275,304

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Credit related commitments and contingencies

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

與信貸有關之承擔及或然項目

		31 December 2019 二零一九年十二月三十一日			
		12-month ECL 12個月內預期信貸虧損 Principal 本金 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 Principal 本金 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 Principal 本金 HK$'000 千港元	Total 總額 Principal 本金 HK$'000 千港元
Pass	通過	35,221,201	434,534	–	35,655,735
Special mention	關注	–	2,402	–	2,402
Gross amount	賬面總額	35,221,201	436,936	–	35,658,137
Impairment allowances (Note 26)	減值撥備(附註26)	(16,297)	(5,263)	–	(21,560)

		31 December 2018 二零一八年十二月三十一日			
		12-month ECL 12個月內預期信貸虧損 Principal 本金 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 Principal 本金 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 Principal 本金 HK$'000 千港元	Total 總額 Principal 本金 HK$'000 千港元
Pass	通過	35,819,057	221,968	–	36,041,025
Special mention	關注	–	7,432	–	7,432
Gross amount	賬面總額	35,819,057	229,400	–	36,048,457
Impairment allowances (Note 26)	減值撥備(附註26)	(5,081)	(184)	–	(5,265)

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Credit related commitments and contingencies (continued)

Credit risk that arises from investments in financial assets is managed in the same way as the Group manages its credit risk under corporate lending, with the exposure to the issuer controlled under the overall lending limit to the customer group. Analysis of investment securities by credit rating designation, that are not disclosed in other notes to these financial statements, based on Standard & Poor's ratings or their equivalents, is as follows:

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

與信貸有關之承擔及或然項目(續)

本集團按管理公司借貸之信貸風險相同之方式，管理其金融資產投資產生之信貸風險，對發行方之承擔受制於客戶組別授出的整體借貸限額。以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對投資證券進行之分析(並無於該等財務報表的其他附註披露)如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Trading assets	**持作交易用途資產**		
AA – to AA+	AA－至AA+	**1,943,242**	1,898,372

There were no overdue debt securities held by the Group as at 31 December 2019 (2018: Nil).

本集團於二零一九年十二月三十一日並未持有已逾期債務證券(二零一八年：無)。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by class of financial instruments at transaction level.

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬

下表顯示按金融工具交易級別劃分的減值撥備的期初至期末餘額的對賬。

Advances to customers *客戶貸款*

		2019 二零一九年			
		12-month ECL 12個月內預期信貸虧損 HK$000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$000 千港元	Total 總額 HK$000 千港元
At 1 January	於一月一日	27,026	6,728	196,876	230,630
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損	(1,963)	1,963	–	–
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	233	(233)	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損	(3)	–	3	–
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款	14,841	1,778	–	16,619
Changes in model/parameters	模式／參數變動	67,166	19,185	–	86,351
Repayments	還款	(8,467)	(1,268)	(20,493)	(30,228)
Write-offs	撇銷	–	–	(54,595)	(54,595)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	(6,917)	7,024	39,004	39,111
At 31 December	於十二月三十一日	91,916	35,177	160,795	287,888

		2018 二零一八年			
		12-month ECL 12個月內預期信貸虧損 HK$000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$000 千港元	Total 總額 HK$000 千港元
At 1 January	於一月一日	37,348	10,619	155,963	203,930
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損	(147)	147	–	–
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	4,641	(4,641)	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損	2	–	(2)	–
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款	2,065	1,354	–	3,419
Write-offs	撇銷	–	–	(29,207)	(29,207)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	(16,883)	(751)	70,122	52,488
At 31 December	於十二月三十一日	27,026	6,728	196,876	230,630

The contractual amount outstanding on advances to customers that were written off during the year ended 31 December 2019 and that are still subject to enforcement activity is HK$54.6 million (2018: HK$29.2 million).

截至二零一九年十二月三十一日止年度已撇銷但仍進行執行活動之客戶貸款未償還合約金額為54,600,000港元（二零一八年：29,200,000港元）。

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Debt securities measured at amortized cost

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

按攤銷成本計量的債務證券

		2019 二零一九年			
		12-month ECL 12個月內預期信貸虧損 HK$000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$000 千港元	Total 總額 HK$000 千港元
At 1 January	於一月一日	21,582	1,024	–	22,606
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	1,024	(1,024)	–	–
Changes in model/parameters	模式/參數變動	20,740	–	–	20,740
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款	7,458	–	–	7,458
Repayment	還款	(7,366)			(7,366)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(2,307)	–	–	(2,307)
At 31 December	於十二月三十一日	41,131	–	–	41,131

		2018 二零一八年			
		12-month ECL 12個月內預期信貸虧損 HK$000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$000 千港元	Total 總額 HK$000 千港元
At 1 January	於一月一日	38,426	804	–	39,230
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款	4,023	–	–	4,023
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(20,867)	220	–	(20,647)
At 31 December	於十二月三十一日	21,582	1,024	–	22,606

38. FINANCIAL RISK MANAGEMENT (continued)

38. 財務風險管理(續)

(a) Credit risk management (continued)

(a) 信貸風險管理(續)

(xi) Impairment allowances reconciliation (continued)

(xi) 減值撥備對賬(續)

Others

其他

		2019 二零一九年			
		12-month ECL 12個月內預期信貸虧損 HK$000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$000 千港元	Total 總額 HK$000 千港元
At 1 January	於一月一日	9,956	184	-	10,140
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款	1,922	-	-	1,922
Changes in model/parameters	模式／參數變動	7,561	555	-	8,116
Repayments	還款	(4,875)	-	-	(4,875)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	5,288	4,524	-	9,812
At 31 December	於十二月三十一日	19,852	5,263	-	25,115
Of which:	其中：				
Cash and short-term funds	現金及短期資金	524	-	-	524
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	961	-	-	961
Trade bills	商業票據	2,070	-	-	2,070
Credit related commitments and contingencies	與信貸有關之承擔及或然項目	16,297	5,263	-	21,560
		19,852	5,263	-	25,115

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others (continued)

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

其他(續)

		2018 二零一八年			
		12-month ECL 12個月內預期信貸虧損 HK$000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$000 千港元	Total 總額 HK$000 千港元
At 1 January	於一月一日	12,826	700	–	13,526
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款	4,875	–	–	4,875
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(7,745)	(516)	–	(8,261)
At 31 December	於十二月三十一日	9,956	184	–	10,140
Of which:	其中：				
Cash and short-term funds	現金及短期資金	2,053	–	–	2,053
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,745	–	–	2,745
Trade bills	商業票據	77	–	–	77
Credit related commitments and contingencies	與信貸有關之承擔及或然項目	5,081	184	–	5,265
		9,956	184	–	10,140

38. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xii) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

38. 財務風險管理(續)

(a) 信貸風險管理(續)

(xii) 抵押品及其他信貸提升措施

就金融資產所持有之抵押品及其他信貸提升措施之估計公平價值如下：

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Fair value of collateral and other credit enhancements held against financial assets that are:	就下列金融資產所持有之抵押品及其他信貸提升措施之公平價值：		
– Neither past due nor impaired	－並無逾期或減值	**71,997,760**	94,285,726
– Past due but not impaired	－已逾期但並無減值	**1,600,297**	1,770,137
– Impaired	－已減值	**8,379**	81,218
		73,606,436	96,137,081

(xiii) Collateral and other credit enhancements obtained

At 31 December 2019, total repossessed assets and assets acquired under lending agreements of the Group amounted to HK$11,500,000 (2018: HK$11,500,000) which is included in "Accrued interest and other assets" in the consolidated statement of financial position.

During the year, the Group took possession on properties amounting to HKD23,000,000 (2018: HK$15,500,000) of collateral held as security. These properties were held as collateral against impaired advances to customers and are not recognized as assets in the consolidated statement of financial position as the relevant impaired advances to customers have not been written-off at the end of the reporting periods.

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

(xiii) 已取得之抵押品及其他信貸提升措施

於二零一九年十二月三十一日，根據本集團之借貸協議獲得之收回資產及資產總值為11,500,000港元(二零一八年：11,500,000港元)，有關金額計入綜合財務狀況表中的「應計利息及其他資產」。

年內，本集團收回作為擔保持有的抵押品的物業達23,000,000港元(二零一八年：15,500,000港元)。該等物業作為針對客戶減值貸款的抵押品而持有，而相關客戶減值貸款在報告期末尚未撇銷，因此該等物業未有在綜合財務狀況表中確認為資產。

收回物業會儘快予以出售，所得之款項將用以削減未償還之債項。

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from the statement of financial position or structural positions. The Group transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, and market making activities, and offsetting transactions taken in order to hedge the Group's open position. The Group does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board reviews and approves policies for the management of market risks including dealing authorities and limits. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee ("ALCO"). This committee articulates the interest rate view of the Group and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policies, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the Board. Market risk is managed within various limits approved by the Board. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, mark to market limits, stop loss limits and risk position limits. These limits are reviewed and endorsed by the ALCO and approved by the Board at least annually. The regular limit monitoring is performed daily and the result is reported to the ALCO members. The risk exposures are also reported to the RC at least monthly.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part 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 and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other positions.

38. 財務風險管理(續)

(b) 市場風險管理

市場風險產生於所有對市場風險敏感之金融工具，包括證券、外匯合約、股票及其他衍生工具，以及財務狀況表或結構性倉盤。本集團在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本集團就執行客戶指令、市場莊家活動，以及為對沖本集團之未平倉盤而持有倉盤。本集團並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引申之風險。

董事會檢討及審批有關市場風險管理之政策包括處理授權及限額事宜。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本集團對利率走勢之預測，而決定有關未來業務策略。該委員會亦審閱及制定融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由董事會定期予以檢討及批准。市場風險乃在經由董事會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、按市場調整之限額、止蝕限額及風險倉盤限額設定之限額。資產負債委員會對這些限制進行審閱和認可，並且至少每年一次由董事會批准。定期監測每天進行，並將結果報告給資產負債委員會成員。風險承擔也至少每月向風險委員會報告。

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項主要業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及匯率相關合約等場外交易衍生工具。本集團亦有參與交易所買賣之衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖此等和其他倉盤而訂立。

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

One of the tools used by the Group to monitor and limit market risk exposure is Value-at-risk ("VAR"). VAR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the historical simulation method as the means to estimate the statistical confidence level.

The VAR technique is only effective for potential loss events which are not correlated. The Group therefore augments its VAR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis and stress testing, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

(i) Sensitivity analysis of market risk exposures

Trading market risk

Currency risk

At 31 December 2019, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK$2.3 million higher (2018: HK$8.7 million lower).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK$2.3 million lower (2018: HK$8.7 million higher).

Interest rate risk

The Group measures trading book interest rate risks through Present Value of Basis Point ("PVBP"). PVBP is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group adopts a sensitivity test of a 100 basis points movement. At 31 December 2019 and 2018, 100 basis points upward or downward movement in interest rate would not result in a material profit movement.

Equity risk

At 31 December 2019 and 2018, the Group has no equity position in its trading portfolio. As such, any movement in the equity price would have no impact on the Group.

38. 財務風險管理(續)

(b) 市場風險管理(續)

風險值(VAR)是本集團為監控及限制市場風險所採用之其中一種工具。風險值是一種按既定信心水平及在特定持盤時間內，就市場利率及價格之變動而對持倉盤之潛在虧損之結算的技術。計算方式乃使用歷史模擬法估計統計數字信心水平。

VAR技術僅對不相關的潛在虧損事項有效。因此，本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別組合及本集團之綜合狀況應用較廣範圍之敏感性分析及壓力測試，以評估市價之極端變動對本集團盈利之潛在影響。

(i) 市場風險敏感度分析

交易市場風險

貨幣風險

於二零一九年十二月三十一日，如港元兑其他貨幣升值0.5%，並假設所有其他變量保持不變，本年度之除税前溢利將增加2,300,000港元(二零一八年：減少8,700,000港元)。

反之，如港元兑其他貨幣貶值0.5%，並假設所有其他變量保持不變，本年度之除税前溢利將減少2,300,000港元(二零一八年：增加8,700,000港元)。

利率風險

本集團透過基點現值法(PVBP)計量交易賬利率風險。PVBP是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團採用100個基點變動之敏感度測試。於二零一九年及二零一八年十二月三十一日，如果利率上調或下調100個基點，溢利將不會有重大變動。

股票風險

本集團於二零一九年及二零一八年十二月三十一日並無持有持作交易用途之股本證券，因此，股價之任何變動對本集團並無影響。

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk

Currency risk

All of the Group's foreign currency position arises from the Group's non-trading activities (e.g. investments, lending and deposit taking) are captured and transferred to the Financial Markets Division. The Financial Markets Division monitors these foreign currency exposures and minimizes foreign currency asset and liability mismatch by entering into foreign currency spot and forward transactions. Market Risk Management Department monitors those outstanding foreign currency positions on a daily basis and report to the ALCO regularly.

Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. Interest rate risk is managed by the Financial Markets Division within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the ALCO.

At 31 December 2019, if other market variables including prime rate were held constant, an increase in HKD market interest rates of 100 basis points would result in a decrease in earnings over the next 12 months of HK$297 million (2018: HK$77.5 million increase), and increase in economic value of HK$2.61 million (2018: HK$22.0 million increase); while an increase in USD market interest rates of 100 basis points would result in an decrease in earnings over the next 12 months of HK$62 million (2018: HK$1.5 million increase), or an increase in economic value of HK$1.2 million (2018: HK$13.5 million increase).

Conversely, if other market variables including prime rate were held constant, a decrease in HKD market interest rates of 100 basis points would result in an increase in earnings over the next 12 months of HK$297 million (2018: HK$77.5 million decrease), and decrease in economic value of HK$2.61 million (2018: HK$22.0 million decrease); while an decrease in USD market interest rates of 100 basis points would result in an increase in earnings over the next 12 months of HK$62 million respectively (2018: HK$1.5 million decrease), or a decrease in economic value of HK$1.2 million (2018: HK$13.5 million decrease).

38. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險

貨幣風險

本集團所有來自非交易活動(如投資、放款及吸收存款等)的外匯持倉均轉移到金融市場部名下。金融市場部負責管理此等外幣風險，並以外幣現貨交易及遠期交易減少外幣資產及負債錯配。市場風險管理部負責每天監察此等外幣持倉並定期向資產負債委員會匯報。

利率風險

利率風險主要由計息資產、負債及承擔之利率重訂時差引致，利率風險由金融市場部管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

於二零一九年十二月三十一日，假設其他市場變量(包括最優惠利率)維持不變，如果港元市場利率調升100個基點，將導致接下來12個月盈利減少297,000,000港元(二零一八年：增加77,500,000港元)，及經濟值增加2,610,000港元(二零一八年：增加22,000,000港元)；如果美元市場利率調升100個基點，將導致接下來12個月盈利減少62,000,000港元(二零一八年：增加1,500,000港元)，或經濟值增加1,200,000港元(二零一八年：增加13,500,000港元)。

反之，假設其他市場變量(包括最優惠利率)維持不變，如果港元市場利率下調100個基點，將導致接下來12個月盈利增加297,000,000港元(二零一八年：減少77,500,000港元)，及經濟值減少2,610,000港元(二零一八年：減少22,000,000港元)；如果美元市場利率下調100個基點，將導致接下來12個月盈利增加62,000,000港元(二零一八年：減少1,500,000港元)，或經濟值減少1,200,000港元(二零一八年：減少13,500,000港元)。

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk (continued)

Equity risk

At 31 December 2019 and 2018, the Group holds a small portfolio of non-trading listed equity securities. As such, any movement in the equity price would have insignificant impact on the Group.

The Group holds non-trading unlisted equity investments and uses the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues or the net assets value reported by the management of the investee companies to determine the fair value of the investment. A sensitivity analysis on the fair value of these unlisted equity investments is disclosed in Note 35(a)(ii).

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both 2019 and 2018.

(ii) Analysis of currency risk exposures

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by the Financial Markets Division within limits approved by the Board. The Group has no structural foreign currency positions as at 31 December 2019 and 2018. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

38. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險(續)

股票風險

於二零一九年及二零一八年十二月三十一日，本集團持有少部分非持作交易用途之上市股本證券。因此，股價變動對本集團並無重大影響。

本集團持有非交易非上市股權投資，並使用適用的價格／盈利率及經調整類似上市公司其他市場數據以反映發行的特定條件或被投資公司管理層報告之資產淨值釐定投資之公平價值。該等非上市股權投資公平價值的敏感度分析披露於附註35(a)(ii)。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零一九年及二零一八年而言所採用者乃屬相同。

(ii) 貨幣風險分析

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由金融市場部管理，並維持在董事會所訂定之限額內。於二零一九年及二零一八年十二月三十一日，本集團並無結構性外幣持倉。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

The following table indicates the concentration of currency risk at the end of the reporting period:

38. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

下表列示於報告期末之貨幣風險集中度：

		31 December 2019 二零一九年十二月三十一日	
(Equivalent in HK$'000)	**(千港元等值)**	**US Dollars 美元**	**Other foreign currencies 其他外幣**
ASSETS	**資產**		
Cash and short-term funds	現金及短期資金	1,847,707	448,460
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	833,246	710,178
Derivative financial instruments	衍生金融工具	63,861	27,892
Advances to customers	客戶貸款	10,061,043	2,223,518
Trade bills	商業票據	720,656	3,769
Accrued interest and other assets	應計利息及其他資產	1,442,840	53,090
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	26,445,543	3,782,198
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	131,111	849,301
Fixed assets	固定資產	–	186
Spot assets	**現貨資產**	41,546,007	8,098,592
LIABILITIES	**負債**		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	7,024,189	1,873,710
Deposits from customers	客戶存款	23,894,461	5,474,748
Certificates of deposit issued	已發行存款證	1,191,167	–
Debt securities issued	已發行債務證券	768,063	–
Derivative financial instruments	衍生金融工具	342,896	24,061
Other liabilities	其他負債	859,012	46,224
Subordinated notes issued	已發行後償票據	1,555,776	–
Spot liabilities	**現貨負債**	35,635,564	7,418,743
Net on-balance sheet position	**資產負債表內持倉淨額**	5,910,443	679,849
Off-balance sheet position	資產負債表外倉盤		
Foreign exchange derivative contracts	外匯衍生合約	(5,921,661)	(251,211)
Net aggregate position	**總持倉淨額**	(11,218)	428,638
Credit commitments and other contingent liabilities in foreign currencies	**以外幣結算之信貸承擔及其他或然負債**	746,251	226,757

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

38. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

		31 December 2018 二零一八年十二月三十一日		
(Equivalent in HK$'000)	**(千港元等值)**	US Dollars 美元	Chinese Renminbi 人民幣	Other foreign currencies 其他外幣
ASSETS	**資產**			
Cash and short-term funds	現金及短期資金	1,731,613	510,049	675,026
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	676	410,107	573,363
Derivative financial instruments	衍生金融工具	317,531	18,931	34,505
Advances to customers	客戶貸款	9,508,029	311,271	557,929
Trade bills	商業票據	727,091	180,873	–
Accrued interest and other assets	應計利息及其他資產	798,518	7,824	59,196
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	22,248,193	404,303	6,589,547
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	144,884	589,003	4,733
Spot assets	**現貨資產**	35,476,535	2,432,361	8,494,299
LIABILITIES	**負債**			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	5,682,356	–	3,491,202
Deposits from customers	客戶存款	19,745,371	1,786,744	4,163,921
Certificates of deposit issued	已發行存款證	1,292,127	–	–
Debt securities issued	已發行債務證券	388,774	–	–
Derivative financial instruments	衍生金融工具	66,437	17,278	34,254
Other liabilities	其他負債	678,879	14,920	63,114
Subordinated notes issued	已發行後償票據	1,562,870	–	–
Spot liabilities	**現貨負債**	29,416,814	1,818,942	7,752,491
Net on-balance sheet position	**資產負債表內持倉淨額**	6,059,721	613,419	741,808
Off-balance sheet position	資產負債表外倉盤			
Foreign exchange derivative contracts	外匯衍生合約	(3,753,819)	(569,677)	(743,069)
Net aggregate position	**總持倉淨額**	2,305,902	43,742	(1,261)
Credit commitments and other contingent liabilities in foreign currencies	**以外幣結算之信貸承擔及其他或然負債**	405,070	56,929	411,839

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the end of the reporting period. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

38. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析

下表列示於報告期末計息資產與負債於相關期間之實際利率及於預期利息重訂價格日期之錯配。實際重訂價格日期可能因預付款及行使期權而不同於合約日期。

		31 December 2019 二零一九年十二月三十一日						
		Average effective interest rate 平均實際利率	Total 總額 HK$'000 千港元	3 months or less (include overdue) 三個月或以下(包括逾期部分) HK$'000 千港元	Over 3 months to 1 year 三個月以上至一年 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Non-interest bearing 不計息 HK$'000 千港元
ASSETS	**資產**							
Cash and short-term funds	現金及短期資金	3.01%	5,290,706	4,499,485	-	-	-	791,221
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2.74%	2,862,464	2,574,429	288,035	-	-	-
Trading assets	持作交易用途資產	2.28%	1,943,242	948,174	995,068	-	-	-
Derivative financial instruments	衍生金融工具	N/A 不適用	543,793	-	-	-	-	543,793
Advances to customers	客戶貸款	3.87%	52,308,452	48,709,738	3,197,942	360,888	30,530	9,354
Trade bills	商業票據	2.56%	724,425	655,860	68,565	-	-	-
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	2.91%	40,516,236	8,832,977	8,090,997	19,223,322	4,366,940	2,000
Other assets	其他資產	4.10%	7,217,316	57,747	2,937	-	-	7,156,632
			111,406,634	66,278,410	12,643,544	19,584,210	4,397,470	8,503,000
LIABILITIES	**負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	2.10%	9,140,295	7,497,110	-	1,385,101	-	258,084
Deposits from customers	客戶存款	1.98%	75,043,411	65,402,264	9,112,864	153,877	-	374,406
Trading liabilities	交易賬項下之負債	1.88%	948,173	948,173	-	-	-	-
Certificates of deposit issued	已發行存款證	2.56%	4,730,098	2,864,728	916,024	949,346	-	-
Debt securities issued	已發行債務證券	2.40%	1,165,268	768,063	397,205	-	-	-
Derivative financial instruments	衍生金融工具	N/A 不適用	385,348	-	-	-	-	385,348
Subordinated notes issued	已發行後償票據	6.25%	1,555,776	-	1,555,776	-	-	-
Other liabilities	其他負債	N/A 不適用	3,791,091	-	-	-	-	3,791,091
			96,759,460	77,480,338	11,981,869	2,488,324	-	4,808,929
Interest rate sensitivity gap	**利率敏感度差距**			(11,201,928)	661,675	17,095,886	4,397,470	

Derivative financial instruments are carried at mark-to-market values. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按市值計價列賬。附註16(b)包括按名義金額分析衍生工具剩餘期限的進一步資料。

38. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures (continued)

38. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析(續)

		31 December 2018 二零一八年十二月三十一日						
		Average effective interest rate 平均實際利率	Total 總額 HK$'000 千港元	3 months or less (include overdue) 三個月或以下(包括逾期部分) HK$'000 千港元	Over 3 months to 1 year 三個月以上至一年 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Non-interest bearing 不計息 HK$'000 千港元
ASSETS	**資產**							
Cash and short-term funds	現金及短期資金	2.20%	5,981,567	4,989,179	–	–	–	992,388
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2.66%	2,060,262	2,060,262	–	–	–	–
Trading assets	持作交易用途資產	1.53%	1,898,372	1,898,372	–	–	–	–
Derivative financial instruments	衍生金融工具	N/A 不適用	796,595	–	–	–	–	796,595
Advances to customers	客戶貸款	3.86%	47,699,240	45,978,693	1,334,412	335,129	2,570	48,436
Trade bills	商業票據	3.44%	907,964	795,671	112,293	–	–	–
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	2.97%	36,889,767	10,026,947	6,819,497	16,508,914	3,532,409	2,000
Other assets	其他資產	4.50%	6,552,979	74,293	–	–	–	6,478,686
			102,786,746	65,823,417	8,266,202	16,844,043	3,534,979	8,318,105
LIABILITIES	**負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	2.77%	9,467,425	9,121,622	–	–	–	345,803
Deposits from customers	客戶存款	1.80%	68,247,798	57,670,700	10,215,600	8,952	–	352,546
Trading liabilities	交易賬項下之負債	1.53%	1,898,372	1,898,372	–	–	–	–
Certificates of deposit issued	已發行存款證	2.40%	4,551,273	2,355,615	1,437,069	758,589	–	–
Debt securities issued	已發行債務證券	3.03%	388,774	234,701	154,073	–	–	–
Derivative financial instruments	衍生金融工具	N/A 不適用	133,347	–	–	–	–	133,347
Subordinated notes issued	已發行後償票據	6.48%	1,562,870	–	–	1,562,870	–	–
Other liabilities	其他負債	N/A 不適用	2,513,280	–	–	–	–	2,513,280
			88,763,139	71,281,010	11,806,742	2,330,411	–	3,344,976
Interest rate sensitivity gap	**利率敏感度差距**			(5,457,593)	(3,540,540)	14,513,632	3,534,979	

Derivative financial instruments are carried at mark-to-market values. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按市值計價列賬。附註16(b)包括按名義金額分析衍生工具剩餘期限的進一步資料。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize 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 comply with the statutory liquidity maintenance ratio, and to make new loans and investments as opportunities arise.

The Group has a Liquidity Risk Management Policy which covers the Group's liquidity risk management strategy, a mechanism to identify, measure, monitor and control liquidity risks, and also the Group's contingency funding plan. A Liquidity Risk Management Guideline covers risk measurement, risk reporting and operational requirements in implementing the Banks' liquidity management strategy. The policy and guideline are both reviewed by the ALCO. The policy and guideline are approved by the RC and the ALCO respectively.

The RC reviews and approves the Group's risk appetite statement at least annually. The Group's liquidity risk management strategy is to maintain a healthy liquidity position with adequate stock of liquid assets, well-diversified funding structure relying on a broad customer deposit portfolio with prudent loan-to-deposit ratio and money market funding ratio to support the Bank's liquidity needs under both normal and stressed conditions.

It is the responsibility of the Group's management to ensure compliance with local regulatory requirements and limits set by the RC. Liquidity is managed on a daily basis by the Group's Funding Desk unit. The Funding Desk unit is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to minimise price and reinvestment rate risk in the case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

38. 財務風險管理(續)

(c) 流動性風險管理

流動性風險管理旨在確保足夠現金流以滿足所有財務承擔之所需及滿足業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時償還貸款、為符合法定流動性維持比率所需及當新貸款及投資機會出現時所需資金的能力。

本集團的流動性風險管理政策涵蓋本集團的流動性風險管理策略，識別、計量、監控及控制流動性風險的機制，以及本集團的應急資金計劃。流動性風險管理指引涵蓋實施流動性管理策略的風險衡量、風險報告及運營要求。該政策及指引均由資產負債委員會審核，並分別由風險委員會及資產負債委員會批准。

風險委員會至少每年審查並批准本集團的風險取向聲明。本集團的流動性風險管理策略則為保持擁有充足的流動資產存量的良好流動性狀況，依賴於廣泛的客戶存款組合及具有審慎的貸存比率與貨幣市場融資比率的良好多元化融資結構，以支持本行在正常及壓力條件下的流動性需求。

本集團管理層的職責為確保遵守本地監管規定及風險委員會設立的限額。本集團的資金部每日對本集團的流動資金進行管理。資金部負責確保本集團擁有充足流動資金以應付所有營運活動、確保有適當之資金組合以避免期限錯配，並在存在年期差距時降低價格及再投資利率風險並監察相關市場之資金充足性及流動性。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

Compliance with liquidity and funding requirements is monitored by the ALCO and is reported to the RC on a regular basis. This process includes:

- maintaining balances within relevant regulatory requirements;
- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;
- maintaining adequate intraday liquidity position and assessing how the intraday liquidity profile will change in conditions of stress;
- monitoring balance sheet liquidity and loan to deposit ratios against internal requirements;
- maintaining a diverse range of funding sources with adequate back-up facilities;
- managing the concentration and profile of debt maturities;
- managing lending commitments to customers within pre-determined management alert triggers;
- managing debt financing plans;
- monitoring depositor concentration in order to avoid undue reliance on large individual depositors and ensuring a satisfactory overall funding mix;
- maintaining funding contingency plans, which identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systematic or other crises, while minimizing adverse long-term implications for the business; and
- managing liquidity on a legal entity and on a group basis. Intragroup funding transactions are carried out at arm's length and treated in the same way as transactions with non-related third parties and controlled within pre-determined management alert triggers.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

資金流動性及融資規定之遵守乃由資產負債委員會監管及定期向董事會風險委員會報告。該過程包括：

- 於有關監管規定範圍內維持平衡；
- 預測各種壓力情況下的現金流及考慮與此有關的必要流動資產水平；
- 維持充足當日流動資金狀況及評估當日流動資金狀況在壓力條件下將如何變動；
- 依照內部規定監控資產負債表流動性及貸存比率；
- 借助充足預備融資維持資金來源的分散；
- 管理債務期限集中度及狀況；
- 於管理警告觸發水平範圍內管理客戶借貸承擔；
- 管理債務融資計劃；
- 監管存款人集中度，以避免過度依賴大型個別存款人以及確保令人滿意的全面融資組合；
- 設立應急融資計劃，載明可於系統性或其他危機時識別早期壓力狀況之預警指標並説明將予採取的行動，而降低對業務的不利長期影響；及
- 按法人實體及集團基準管理流動資金。集團內公司間公平進行融資交易，按與非關聯第三方進行交易的相同方式處理並按預定限額管理。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

Primary sources of funding

Customer deposits form a significant part of the Group's overall funding. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail and corporate banking activities and by maintaining depositor confidence in the Group's capital strength. In order to lengthen the duration of the funding, the Group issues certificates of deposit with different maturities from time to time. Interbank markets are also accessed for the purposes of providing additional funding, maintaining a regular presence in local money markets and optimising asset and liability maturities.

The management of funding and liquidity risk

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingency planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudential levels. Debt securities held are marked to the market on daily basis to ensure their market liquidity. The Group also adopts a funding strategy that is to achieve diversification of funding by controlling the concentration of top depositors, wholesale funding and reliance on foreign exchange swap markets. Moreover, adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

In addition to observing the statutory liquidity ratio, the Group has established different liquidity risk metrics, including but not limited to the liquidity maintenance ratio, loan-to-deposit ratio, cumulative cash flow gap, concentration of funding sources and medium-term funding ratio to measure and analyze its liquidity risks. Financial Control Division is responsible for measurement and monitoring of these liquidity metrics and reporting to the ALCO regularly.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

資金的主要來源

客戶存款構成本集團整體資金的重大部分。本集團相當重視該等存款的穩定性，方式為透過本集團零售及企業銀行業務及維持存款人對本集團資本實力的信心。為延長資金的期限，本集團不時發行不同到期日的存款證，亦有透過銀行同業市場取得額外資金，維持本集團於本地同業市場之參與及優化資產及負債到期狀況。

資金及流動性風險的管理

作為其流動性風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、維持分散的流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產(如現金及短期基金與證券)確保短期資金需求在審慎水平內來管理流動性風險。本集團每日對所持有債務證券進行市場評價以確保其市場流動性。本集團亦透過控制大額存款人集中度、批發融資及對外匯掉期市場的依賴性以達融資多樣性。此外，維持備用融資在充足水平以提供策略性流動資金，從而滿足於日常業務過程中意外及重大現金流出。

除緊守法定的流動性維持比率外，本集團已設立不同的流動性風險標準以衡量及分析流動性風險，包括(但不限於)流動性維持比率、貸存比率、累計現金流缺口、資金來源集中度及中期資金比率。財務管理部負責計量及監管該等流動資金標準及定期向資產負債委員會匯報。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

The Group assesses and monitors the structure of balance sheet and also the concentration of funding sources from time to time with use of different risk metrics. During the year 2019:

- Loan-to-deposits ratio was kept below 80% for the aggregate position of all currencies and also not exceeding respective management alert trigger levels for each significant lending currency;
- Core funding ratio, which measures medium-term funding demand and use exceeded 125%;
- Undrawn commitments were maintained not exceeding HK$9.0 billion;
- Single depositor concentration was maintained below 5% of total customer deposits;
- Concentration of the top 10 depositors was maintained below 20% of total customer deposits;
- Swapped fund ratio (measuring reliance on foreign exchange and/or currency swap markets) was maintained below 15%;
- Medium-term funding ratio was maintained above 5%;
- Wholesale funding was kept below 20% of total funding;
- Certificates of deposit and other debt securities issued did not exceed 10% of total customer deposits (including certificates of deposit and other debt securities issued); and
- Intragroup funding was maintained at minimal level not exceeding USD53 million.

Core deposits

The Group monitors the stability of customer deposits by means of the core deposit ratio, which is the ratio of core deposits to total customer deposits. The Group categorizes customer deposits into core deposits after taking into consideration of nature of deposits, relationship history with customers and stability of customer's total balance. An alert trigger level is set on the core deposits ratio which is monitored by the ALCO. Core deposits ratio was maintained above 25% throughout the year 2019.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

本集團於二零一九年全年使用下列不同風險指標不時評估及監察資產負債表結構及資金來源的集中度：

- 所有貨幣加總的貸存比率保持低於80%以下，且每個重大貸款貨幣未超過各自的管理警告觸發水平；
- 用以衡量中期資金需求及使用的核心資金比率保持高於125%；
- 未履行的承諾維持不超過90億港元；
- 單一存款人的集中度維持在客戶存款總額的5%以下；
- 前10名存款人的集中度維持在客戶存款總額的20%以下；
- 掉期基金比率(衡量對外匯及／或貨幣掉期市場的依賴度)維持低於15%；
- 中期資金比率維持高於5%以上；
- 批發資金保持低於資金總額的20%以下；
- 存款證及其他已發行債務證券不超過客戶存款總額(包括存款證及其他已發行的債務證券)的10%；及
- 內部集團資金維持在不超過53,000,000美元的低水平。

核心存款

本集團透過核心存款比率(即核心存款對客戶存款總額的比率)監控客戶存款的穩定性。本集團考量存款性質、與客戶的歷史關係及客戶總餘額的穩定性將客戶存款分類為核心存款。本集團亦為核心存款比率設立警告觸發水平，該水平由資產負債委員會監管。於二零一九年整個年度，核心存款比率維持在25%以上。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Loan to deposit ratio

The Group emphasizes the importance of customer deposits as a source of funds to finance lending to customers, and mitigate against reliance on short-term interbank funding. A limit on the loan to deposit ratio is established and approved by the RC and monitored by the ALCO. Management alert triggers are also set on loan to deposit ratio for significant lending currencies and monitored by the ALCO.

Cash flow projection and stress testing

The Group conducts cash flow analysis and cash flow projection arising from on- and off-balance sheet items over a set of time horizons on a regular basis to identify funding needs in specific time buckets. The Group also regularly performs stress tests on its liquidity position to ensure adequate liquidity is maintained at all time. In the stress test, both on- and off-balance sheet items with a cash flow impact are considered, with applicable hypothetical and historical assumptions. Three stressed scenarios, namely an institution-specific crisis scenario, a general market crisis scenario, and a combined scenario are adopted with minimum survival period defined pursuant to HKMA's Supervisory Policy Manual ("SPM") "Sound Systems and Controls for Liquidity Risk Management". Stress testing assumptions are reviewed and approved by the ALCO regularly to ensure their continued appropriateness.

Liquidity Cushion

The Group maintains a stock of high-quality readily liquefiable assets as a liquidity cushion against a range of stressed scenarios. The eligible assets are unencumbered, low credit risk and low market risk. The liquidity cushion is segregated from debt securities held for trading purposes. A certain portion of the liquidity cushion is made up of the most liquid and readily marketable assets (such as debt securities issued by government or multinational development banks) that can be easily liquidated to meet funding needs in the initial phase of liquidity stress.

The size of the liquidity cushion shall be adequate to meet the Group's day-to-day liquidity needs and also emergency funding needs under both normal and stress market conditions. The minimum required size of the liquidity cushion is determined with reference to the funding gap generated from the Group's regular liquidity stress testing results. Management alert triggers are established by the ALCO to ensure sufficient size of liquidity cushion is maintained and appropriate diversification among the liquidity cushion is achieved. The size and mix of the liquidity cushion is reviewed by the ALCO regularly.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

貸存比率

本集團重視客戶存款的重要性，視之為撥付貸款予客戶的資金來源，並減少對短期銀行同業融資的依賴。貸存比率的限制由風險委員會設立並批准，且由資產負債委員會監管。亦就重大貸款貨幣的貸存比率設定管理警告觸發水平，並由資產負債委員會監管。

金流預測及壓力測試

本集團定期透過對一系列時間內的資產負債表內外項目進行現金流分析及預測以辨認特定時間內的資金需要。本集團亦定期對流動性狀況進行壓力測試以確保一直保持適當的流動性。透過運用適當的理論及歷史假設，本集團的壓力測試均已考慮對現金流會造成影響的資產負債表內外項目。三個壓力情景(即個別銀行危機、整體市場危機及綜合危機)均採用金管局監管政策手冊(「SPM」)「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。資產負債委員會定期檢討及審批壓力測試假設，以確保其持續適用。

流動資金緩衝

本集團維持充足的可隨時變現的優質流動資產，作為在一系列壓力情況下的流動資金緩衝。合資格資產不附帶產權負擔、承擔低信貸風險及低市場風險。流動資金緩衝須與持作交易用途的債務證券分開管理。流動資金緩衝的若干部分由最具流動性並可隨時變現的有價資產(例如由政府或跨國發展銀行發行的債務證券)組成。有關資產極易變現，可滿足流動性壓力初始階段的資金需求。

流動資金緩衝規模應足以滿足本集團日常流動資金需求以及正常及壓力市況下之緊急資金需求。最小規模的流動資金緩衝需求乃經參考本集團流動資金定期壓力測試結果產生之資金缺口釐定。資產負債委員會設定管理警告觸發水平，以確保維持足夠規模之流動資金緩衝及達至流動資金緩衝的適當多元化。資產負債委員會定期審查流動資金緩衝規模及組合。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Liquidity Cushion (continued)

Size and mix of liquidity cushion were maintained above all relevant management alert triggers throughout the year 2019:

- net long position of Exchange Fund Bills/Notes held was maintained at not less than HK$2.0 billion;
- assets eligible for Lenders of Last Resort purpose was maintained at not less than 30% of total customer deposits;
- level 1 high-quality readily liquefiable assets were maintained at not less than 8.5% of total customer deposits;
- non-financial institution high-quality readily liquefiable assets were maintained at not less than 25% of total customer deposits; and
- total high-quality readily liquefiable assets were maintained at not less than 30% of total customer deposits.

Contingent liquidity risk

The Group provides customers with committed and standby facilities. These facilities increase the funding requirements of the Group when customers drawdown. The liquidity risk associated with the potential drawdown on committed facilities is factored into our stressed scenarios and a management alert trigger is set for these facilities.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

流動資金緩衝(續)

流動資金緩衝規模及組合於二零一九年全年保持在所有相關管理警告觸發水平之上：

- 持有外匯基金票據／票據的長倉淨額維持不少於20億港元；
- 符合緊急貸款者用途資格之資產保持不低於客戶存款總額的30%；
- 第一級優質流動資產保持不低於客戶存款總額的8.5%；
- 非金融機構優質流動資產保持不低於客戶存款總額的25%；及
- 優質流動資產總額保持不低於客戶存款總額的30%。

或然流動性風險

本集團向客戶提供承諾及備用融資。倘客戶提取資金，該等融資將增加本集團資金需求。與承諾融資可能被提取有關的流動性風險已計作壓力情況的一項因素，且就該等承諾融資設定管理警告觸發水平。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Contingency funding plan

The Group has formulated a Contingency Funding Plan ("CFP") that describes the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations. The CFP is designed to be pro-active and pre-emptive. The Group utilizes early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the management would be informed for their consideration. Once the CFP is triggered, a Crisis Management Team, which is led by senior management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated. The CFP also includes the analysis of cash flow projections to estimate potential liquidity needs under stress scenarios.

The CFP is subject to regular testing to ensure its effectiveness and operational feasibility, particularly in respect of the availability of the contingency sources of funding listed in it. The CFP is also subject to review and update on a regular basis to ensure it remains robust over time. Any changes to the CFP would be approved by the RC.

Moreover, in accordance with the HKMA's SPM "Recovery Planning", the Group has established a Recovery Plan, which has been approved by the Board. The Recovery Plan helps ensure that the Group is able to recover quickly from period of severe stress and preserve or restore its liquidity level. The Recovery Plan is subject to regular, at least annual, review and update.

Liquidity exposures

The Group's liquidity exposures are measured on a consolidated basis which comprises the Bank and Fubon Credit (Hong Kong) Limited as designated by the HKMA for regulatory purposes.

Fubon Credit (Hong Kong) Limited maintains a minimal loan portfolio not exceeding HK$10 million without borrowings and new lending, and maintains liquidity maintenance ratio over 100% throughout the year 2019.

The Bank also maintains average liquidity maintenance and core funding ratios well above the statutory minimum ratios of 25% and 75% respectively throughout the year 2019.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

應急融資計劃

本集團已制定應急融資計劃，當中訂明處理流動性問題的策略及於緊急情況下彌補現金流不足的程序。應急融資計劃旨在提供防患未然的積極措施。本集團運用預警指標，當中包括質化及量化指標，藉以監督內部及外在因素。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，管理層將獲通知供其考慮。一旦啟動應急融資計劃，將成立由高級管理層領導的危機管理團隊，專責處理危機。應急融資計劃訂明取得應急資金的策略及程序，以及有關各方的職務及職責。應急融資計劃亦包括現金流預測之分析，以估計在壓力情景下潛在流動性所需。

應急融資計劃須定期進行測試，以確保其效益及操作可行性，尤其是列於其中之資金來源之可獲得性。此外，應急融資計劃須定期檢討及更新，以確保其健全性。應急融資計劃之任何變動將由風險委員會批准。

此外，根據金管局監管政策手冊「恢復計劃」，本集團已設立恢復計劃並獲董事會批准。恢復計劃有助本集團迅速自重大壓力期內恢復並保持其流動資金水平。恢復計劃須定期(最少一年)審閱及更新。

流動性風險承擔

本集團的流動性風險按綜合基準計量，包括金管局為監管目的而指定的本行及富邦財務(香港)有限公司。

富邦財務(香港)有限公司在並無借款及新增貸款的情況下維持低限度的貸款組合不超過10,000,000港元，並於二零一九年全年保持100%以上的流動性維持比率。

於二零一九年整個年度，本行亦分別保持平均流動性維持及核心資金比率遠高於法定最低比率25%及75%。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity

The following maturity profile is prepared based on the remaining period at the end of the reporting period to the contractual maturity date.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債

下列期限組別乃基於報告期末至合約訂明到期日之剩餘期限編製。

		31 December 2019 二零一九年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
ASSETS	**資產**								
Cash and short-term funds	現金及短期資金	5,290,706	917,931	4,372,775	-	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,862,464	-	-	2,574,457	288,007	-	-	-
Trading assets	持作交易用途資產	1,943,242	-	449,950	498,223	995,069	-	-	-
Derivative financial instruments	衍生金融工具	543,793	-	-	-	-	-	-	543,793
Advances to customers	客戶貸款	52,308,452	-	9,906,993	4,125,422	7,543,377	19,321,242	11,267,530	143,888
Trade bills	商業票據	724,425	-	469,343	186,517	68,565	-	-	-
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	40,516,236	-	2,510,470	4,046,763	9,377,411	20,212,652	4,366,940	2,000
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	1,074,054	-	-	-	-	-	-	1,074,054
Other assets	其他資產	6,143,262	-	884,518	1,030,517	44,212	3	-	4,184,012
		111,406,634	917,931	18,594,049	12,461,899	18,316,641	39,533,897	15,634,470	5,947,747
LIABILITIES	**負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	9,140,295	258,084	2,639,079	4,858,031	-	1,385,101	-	-
Deposits from customers	客戶存款	75,043,411	16,657,382	19,243,147	29,876,142	9,112,864	153,876	-	-
Trading liabilities	交易賬項下之負債	948,173	-	449,950	498,223	-	-	-	-
Certificates of deposit issued	已發行存款證	4,730,098	-	490,602	759,087	1,515,909	1,964,500	-	-
Debt securities issued	已發行債務證券	1,165,268	-	-	768,064	397,204	-	-	-
Derivative financial instruments	衍生金融工具	385,348	-	-	-	-	-	-	385,348
Subordinated notes issued	已發行後償票據	1,555,776	-	-	-	1,555,776	-	-	-
Other liabilities	其他負債	3,791,091	-	2,048,776	566,899	239,090	63,302	3,452	869,572
		96,759,460	16,915,466	24,871,554	37,326,446	12,820,843	3,566,779	3,452	1,254,920
Net liquidity gap	**流動資金缺口淨額**		(15,997,535)	(6,277,505)	(24,864,547)	5,495,798	35,967,118	15,631,018	

Derivative financial instruments are carried at mark-to-market values. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按市值計價列賬。附註16(b)包括按名義金額分析衍生工具剩餘期限的進一步資料。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

38. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		31 December 2019 二零一九年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
Of which:	其中：								
Debt securities held*	持有債務證券*								
– Included in trading assets	–納入持作交易用途資產	1,943,242	-	449,950	498,223	995,069	-	-	-
– Included in debt securities measured at amortized cost	–納入按攤銷成本計量的債務證券	40,516,236	-	2,510,470	4,046,763	9,377,411	20,212,652	4,366,940	2,000
		42,459,478	-	2,960,420	4,544,986	10,372,480	20,212,652	4,366,940	2,000
Of which:	其中：								
Certificates of deposit held	持有存款證								
– Included in debt securities measured at amortized cost	–納入按攤銷成本計量的債務證券	482,873	-	-	76,390	324,700	81,783	-	-
Certificates of deposit issued	已發行存款證								
– Stated at amortized cost	–按攤銷成本列賬	4,730,098	-	490,602	759,087	1,515,909	1,964,500	-	-

* *The amount of debt securities held included certificates of deposit held.*

* *所持債務證券的金額已計入所持存款證。*

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

38. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		31 December 2018 二零一八年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
ASSETS	**資產**								
Cash and short-term funds	現金及短期資金	5,981,567	1,065,589	4,915,978	–	–	–	–	–
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,060,262	–	–	1,511,974	548,288	–	–	–
Trading assets	持作交易用途資產	1,898,372	–	573,351	1,325,021	–	–	–	–
Derivative financial instruments	衍生金融工具	796,595	–	–	–	–	–	–	796,595
Advances to customers	客戶貸款	47,699,240	–	11,525,648	2,965,704	5,070,005	15,895,999	12,104,237	137,647
Trade bills	商業票據	907,964	–	682,929	112,741	112,294	–	–	–
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	36,889,767	–	2,033,035	3,199,445	8,265,881	19,856,997	3,532,409	2,000
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	809,330	–	–	–	–	–	–	809,330
Other assets	其他資產	5,743,649	–	862,487	180,223	30,497	10	–	4,670,432
		102,786,746	1,065,589	20,593,428	9,295,108	14,026,965	35,753,006	15,636,646	6,416,004
LIABILITIES	**負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	9,467,425	345,803	3,266,015	5,855,607	–	–	–	–
Deposits from customers	客戶存款	68,247,798	18,317,001	21,591,023	18,115,224	10,215,599	8,951	–	–
Trading liabilities	交易賬項下之負債	1,898,372	–	573,351	1,325,021	–	–	–	–
Certificates of deposit issued	已發行存款證	4,551,273	–	939,769	199,647	1,693,638	1,718,219	–	–
Debt securities issued	已發行債務證券	388,774	–	156,598	78,103	154,073	–	–	–
Derivative financial instruments	衍生金融工具	133,347	–	–	–	–	–	–	133,347
Subordinated notes issued	已發行後償票據	1,562,870	–	–	–	–	1,562,870	–	–
Other liabilities	其他負債	2,513,280	–	1,225,380	137,673	207,316	17,517	–	925,394
		88,763,139	18,662,804	27,752,136	25,711,275	12,270,626	3,307,557	–	1,058,741
Net liquidity gap	**流動資金缺口淨額**		(17,597,215)	(7,158,708)	(16,416,167)	1,756,339	32,445,449	15,636,646	

Derivative financial instruments are carried at mark-to-market values. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按市值計價列賬。附註16(b)包括按名義金額分析衍生工具剩餘期限的進一步資料。

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

38. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		31 December 2018 二零一八年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
Of which:	**其中：**								
Debt securities held*	**持有債務證券***								
– Included in trading assets	–納入持作交易用途資產	1,898,372	–	573,351	1,325,021	–	–	–	–
– Included in debt securities measured at amortized cost	–納入按攤銷成本計量的債務證券	36,889,767	–	2,033,035	3,199,445	8,265,881	19,856,997	3,532,409	2,000
		38,788,139	–	2,606,386	4,524,466	8,265,881	19,856,997	3,532,409	2,000
Of which:	**其中：**								
Certificates of deposit held	**持有存款證**								
– Included in debt securities measured at amortized cost	–納入按攤銷成本計量的債務證券	1,061,284	–	–	60,808	512,660	487,816	–	–
Certificates of deposit issued	**已發行存款證**								
– Stated at amortized cost	–按攤銷成本列賬	4,551,273	–	939,769	199,647	1,693,638	1,718,219	–	–

* *The amount of debt securities held included certificates of deposit held.*

* *所持債務證券的金額已計入所持存款證。*

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities

The following table sets out contractual cash flow projections of the Group's financial liabilities and off-balance sheet exposures analysed by the remaining period as at the end of the reporting period to the contractual maturity dates. The balances in the tables below do not agree directly to the balances in the consolidated statement of financial position as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future interest and coupon payments.

38. 財務風險管理(續)

(c) 流動性風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析

下表載列按報告期末至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。下表結餘將不會直接等同於綜合財務狀況表之結餘，因為下表包含與全部未來票息付款之本金及相關款項有關之所有現金流(根據未折現基準)。

		31 December 2019 二零一九年十二月三十一日						
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
Financial liabilities	**金融負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	9,233,933	258,084	2,650,268	4,882,498	-	1,443,083	-
Deposits from customers	客戶存款	75,597,499	16,657,382	19,347,635	30,147,432	9,283,557	161,493	-
Trading liabilities	交易賬項下之負債	948,173	-	449,950	498,223	-	-	-
Certificates of deposit issued	已發行存款證	4,883,065	-	498,456	775,429	1,585,946	2,023,234	-
Debt securities issued	已發行債務證券	1,170,948	-	-	770,948	400,000	-	-
Subordinated notes issued	已發行後償票據	1,654,189	-	-	-	1,654,189	-	-
Other liabilities	其他負債	2,651,908	-	1,979,016	505,187	105,988	58,265	3,452
		96,139,715	16,915,466	24,925,325	37,579,717	13,029,680	3,686,075	3,452
Off-balance sheet exposures	**資產負債表外風險**							
- Contingent liabilities	-或然負債	403,222	-	403,222	-	-	-	-
- Commitments	-承擔	35,254,915	35,254,915	-	-	-	-	-
		35,658,137	35,254,915	403,222	-	-	-	-

38. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities (continued)

38. 財務風險管理(續)

(c) 流動性風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析(續)

		31 December 2018 二零一八年十二月三十一日						
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
Financial liabilities	**金融負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	9,530,724	345,803	3,287,360	5,897,561	–	–	–
Deposits from customers	客戶存款	68,685,736	18,317,001	21,695,456	18,250,593	10,413,692	8,994	–
Trading liabilities	交易賬項下之負債	1,902,000	–	574,000	1,328,000	–	–	–
Certificates of deposit issued	已發行存款證	4,708,206	–	956,403	216,908	1,763,951	1,770,944	–
Debt securities issued	已發行債務證券	391,583	–	156,633	78,317	156,633	–	–
Subordinated notes issued	已發行後償票據	1,760,870	–	–	–	97,537	1,663,333	–
Other liabilities	其他負債	1,482,283	–	1,173,007	190,002	101,763	17,511	–
		88,461,402	18,662,804	27,842,859	25,961,381	12,533,576	3,460,782	–
Off-balance sheet exposures	**資產負債表外風險**							
– Contingent liabilities	–或然負債	1,100,059	–	1,100,059	–	–	–	–
– Commitments	–承擔	34,948,398	34,948,398	–	–	–	–	–
		36,048,457	34,948,398	1,100,059	–	–	–	–

38. FINANCIAL RISK MANAGEMENT (continued)

(d) Operational risk management

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Given that operational risk is inherent in all business products, activities, processes and systems, the Group has developed, implemented and maintained a robust operational risk management framework to facilitate the timely identification, effective assessment and mitigation of the risk. Internal controls, an integral part of a sound operational risk management framework, are maintained by the departmental operational manuals which provide guidance on the baseline controls to ensure a sound management of business and operations.

The RC provides oversight of the risk management of the Group, regularly reviews the Group's operational risk framework and risk profiles, and approves the risk management policies. The Internal Control Committee ("ICC") also plays an active role in overseeing operational risk related issues and monitoring the implementation of improvement plans for risk events identified and rectifications needed in operational risk management tools, including Control Self Assessment and Key Risk Indicator.

Business and support units are required to review their procedures regularly to ensure compliance with internal control standards and regulatory requirements. They are also required to work closely with Operational Risk Management Department and Compliance and Anti-Money Laundering Division on internal control, regulatory compliance and operational risk management related activities and initiatives.

Each new product or service introduced is subject to a rigorous review and approval process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Variations of existing products or services are also subject to a similar process. In addition, the Group maintains business continuity plans and tests contingency facilities regularly to ensure the ability to continue operating and limit losses in the event of severe business disruptions.

Internal Audit Division plays an essential role in monitoring and limiting operational risk. Their foci include evaluating the adequacy of all internal controls independently, ensuring adherence to operating guidelines and making improvement recommendations pro-actively.

38. 財務風險管理(續)

(d) 營運風險管理

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。鑒於所有業務產品、活動、過程及制度均具有內在營運風險，本集團已制定、實施及維持健全的營運風險管理框架，以促進及時識別、有效評估及減少該風險。內部監控作為穩健營運風險管理框架之重要部分，已按照部門營運手冊(載有基本監控之指引，確保一個受控制且穩健的營運環境)而實施。

風險委員會監察本集團的風險管理，定期審閱本集團的營運風險框架及風險狀況，並審批風險管理政策。內部監控及合規委員會亦發揮重要作用，監督營運風險相關事宜及監控已識別風險事項的改善計劃及由營運風險管理工具(包括自我監控評估及主要風險指標)所需的待糾正事項。

業務及支援單位須定期審閱其程序以確保符合內部監控標準及監管規定。彼等亦須就內部監控、監管合規及營運風險管理相關活動及措施與營運風險管理部門，合規及反洗黑錢部門緊密合作。

各新產品或服務須進行嚴格檢閱及審批過程，並於獨立於建議該產品或服務的風險承擔部門之獨立部門識別及評估所有相關風險完成後，方可引進。更改現有產品或服務亦須受類似程序限制。此外，本集團定期維持業務連續性計劃及測試或然設備，以確保於業務受嚴重干擾下有能力持續經營及限制因此而造成的虧損。

內部審核部在監察及限定營運風險方面發揮關鍵作用。彼等的焦點包括獨立評估所有內部監控的充分性、確保遵守營運指引以及主動提出改善建議。

38. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to 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.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings 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 Group's capital management is overseen by the ALCO and reviewed regularly by the Board. Key tools adopted include capital budgeting, monitoring, stress testing. An annual capital budget is prepared during the annual budgeting process to assess the adequacy of the Group's capital to support current and future business activities taking into account projected business growth and any new business activities. The annual budget is approved by the Board. Actual capital adequacy is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed to assess impact on capital adequacy ratios. The Group's Recovery Plan ensures that the Group is able to preserve or restore its capital level during a severe stress period. The Recovery Plan is subject to regular, at least annual, review and update.

The principal forms of capital are included in the following balances in the consolidated statement of financial position: share capital, reserves and subordinated notes issued. Capital for regulatory purposes also includes the impairment allowances made against Stage 1 and Stage 2 financial assets as allowed by the Banking (Capital) Rules.

The Group adopts the standardised approach for the calculation of risk-weighted assets for credit risk and market risk, and the basis indicator approach for the calculation of operational risk.

Consistent with industry practice, the Group monitors its capital structure on the basis of its capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

38. 財務風險管理(續)

(e) 資本管理

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，從而透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，持續為股東提供回報及向其他權益持有人提供利益。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

本集團的資本管理由資產負債委員會監督，並由董事會定期審查。採納的關鍵工具包括資本預算、監管及壓力測試。年度資本預算乃於年度預算過程中編製，經計及預測業務增長及任何新業務活動後，評估本集團之資本充足性，從而支持當期及未來業務活動。年度預算由董事會批准。實際資本充足性乃按定期基準計量及與批准預算進行比較。此外，針對本集團面臨的風險的主要來源進行定期壓力測試及情況分析，以評估對資本充足性比率的影響。本集團的恢復計劃確保本集團於嚴重受壓期間能夠維持或恢復其資金水平。恢復計劃須進行定期(最少每年一次)檢討及更新。

資本的主要形式包括以下於綜合財務狀況表的餘額：股本、儲備及已發行後償票據。就監管目的而言，資本亦包括《銀行業(資本)規則》所允許的對第一階段和第二階段金融資產的減值準備。

本集團採用標準化方法計算信貸風險及市場風險之風險加權資產以及採用基本指標方法計算營運風險。

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，年內本集團之資本管理政策並無重大變動。

38. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management (continued)

The Bank computes its capital adequacy ratios of the Bank and certain specified subsidiaries in accordance with the Banking (Capital) Rules of the HKBO. Certain non-banking financial subsidiaries are also subject to the supervision and capital requirements of local regulatory authorities. The Group regularly measures and monitors capital adequacy of these regulated subsidiaries.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2019 and 2018, and were above the minimum required ratio set by the HKMA and other regulatory authorities.

(f) Transfers of financial assets

At 31 December 2019, the Group had entered into repurchase agreements with certain counterparties to sell debt securities measured at amortized cost with carrying amounts of HK$6.52 billion (2018: HK$6.27 billion) which are subject to simultaneous agreements ("repurchase agreements") to repurchase these financial assets at agreed dates and prices. The consideration received under these repurchase agreements at 31 December 2019 totalling HK$6.20 billion (2018: HK$5.98 billion) is reported as "Deposits and balances of banks and other financial institutions" (Note 23) in the consolidated statement of financial position.

As stipulated in the repurchase agreements, there was no transfer of the legal ownership of these financial assets to the counterparties during the covered period. However, the Group was not allowed to sell or pledge these financial assets during the covered period unless both parties mutually agree with such arrangement. Accordingly, these financial assets were not derecognized from the financial statements but regarded as "collateral" for the secured lending by these counterparties. Normally, the counterparties could only claim from the collateral when there exists an event of default on the secured lending.

At 31 December 2019 and 2018, there were no outstanding transferred financial assets in which the Group had a continuing involvement, that were derecognized in their entirety.

38. 財務風險管理(續)

(e) 資本管理(續)

本行根據香港《銀行業條例》的《銀行業(資本)規則》計算本行及若干指定附屬公司的資本充足比率。若干非銀行金融附屬公司亦須遵守當地監管機構的監督及資本規定。本集團定期計量及監管該等受監管附屬公司的資本充足性。

截至二零一九年及二零一八年十二月三十一日止整個年度本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局及其他監管機構頒佈之最低比率規定。

(f) 金融資產轉讓

於二零一九年十二月三十一日，本集團與若干對手方訂立回購協議，出售賬面值為6,520,000,000港元之以攤銷成本計量之債務證券(二零一八年：6,270,000,000港元)，並受限於在協定日期及以協定價格回購該等金融資產之同步協議(「回購協議」)。於二零一九年十二月三十一日，根據該等回購協議收取之代價總額6,200,000,000港元(二零一八年：5,980,000,000港元)列作「銀行同業及其他金融機構之存款及結餘」(附註23)。

如回購協議所規定，於覆蓋期間並無轉讓該等金融資產之法律所有權至對手方。然而，本集團於覆蓋期間並不允許出售或抵押該等金融資產，除非訂約各方相互同意有關安排則另作別論。因此，該等金融資產並無於財務報告終止確認但被視作向該等對手方提供有抵押借貸之「抵押品」。對手方一般只有在有抵押借貸存在違約事件時才會索償抵押品。

於二零一九年及二零一八年十二月三十一日，既有已轉讓金融資產已全部終止確認，且本集團並無持續牽涉其中。

39. INTEREST IN AN ASSOCIATE

39. 於聯營公司之權益

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	10,394	10,394
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備	(10,394)	(10,394)
		–	–

The Bank has an associate as at 31 December 2019 and 2018. The associate is an unlisted corporate entity, whose market price is not available. The information of the associate is as follows:

於二零一九年及二零一八年十二月三十一日，本行擁有一間聯營公司。該聯營公司為非上市企業實體且無法獲取其市價。聯營公司之資料載列如下：

Name of associate 聯營公司名稱	Form of business structure 業務構成形式	Place of incorporation and operation 註冊成立及營運地點	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
IBA Finance Corporation ("IBAFI")	Incorporated 註冊成立	The Philippines 菲律賓	50,000,000 ordinary shares of PHP1 each 50,000,000股每股面值菲律賓披索1元的普通股	40.00%	Provision of financing and leasing services 提供融資及租賃服務

The Group's effective interest over the associate is held by the Bank directly. The Group has not equity accounted for the investments in IBAFI in view of the immaterial amount involved.

本集團於聯營公司的實際權益由本行直接持有。由於所涉及之金額微不足道，本集團並無以權益法將於IBAFI之投資列入賬內。

40. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

40. 直接母公司及最終控股公司

At 31 December 2019, the Directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Co., Ltd., which is incorporated in the Republic of China.

於二零一九年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司。該公司於中華民國註冊成立。

41. POST BALANCE SHEET SUBSEQUENT EVENT

41. 資產負債表後期後事項

The novel coronavirus outbreak in early 2020 has brought disruptions to business and economic activities in Hong Kong, which impact the Group's operations.

二零二零年年初爆發的新型冠狀病毒疫情使香港的商業及經濟活動中斷，從而影響本集團的運營。

The Group is closely monitoring the situation and has taken measures to minimize its impact on the Group. The Group conducts regular stress tests to assess its vulnerability in stressed business conditions and its capacity to withstand the impact of stressed situations in terms of profitability, liquidity and capital adequacy. Based on the result of the latest stress test conducted, the Group's capital and liquidity levels are likely to remain well above the required regulatory and statutory levels in stressed situations. However, since the situation is still evolving, an estimate of its financial impact on the Group at the current stage may not be appropriate as it will be subject to material change.

本集團正密切監察狀況，並已採取措施以盡量減少對本集團的影響。本集團定期進行壓力測試，以評估其在受壓商業環境中的脆弱性，以及在盈利能力、流動性以及資本充足性方面應對受壓狀況影響的能力。根據最新壓力測試的結果，在受壓狀況下，本集團的資本及流動性水平相信仍遠高於規定的監管及法定水平。然而，由於狀況仍在演變，因此於現階段就此作出對本集團財務影響評估估計可能不適當，原因為其可能發生重大變動。

42. BANK-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY

42. 銀行財務狀況表及權益變動表

		31 December 2019 二零一九年十二月三十一日 HK$'000 千港元	31 December 2018 二零一八年十二月三十一日 HK$'000 千港元
ASSETS	**資產**		
Cash and short-term funds	現金及短期資金	**5,290,683**	5,981,544
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**2,862,464**	2,060,262
Trading assets	持作交易用途資產	**1,943,242**	1,898,372
Derivative financial instruments	衍生金融工具	**543,793**	796,595
Advances to customers	客戶貸款	**52,307,177**	47,697,362
Trade bills	商業票據	**724,425**	907,964
Accrued interest and other assets	應計利息及其他資產	**2,003,631**	1,377,011
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**40,516,235**	36,889,767
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**1,074,054**	809,330
Investments in subsidiaries	於附屬公司之投資	**73,162**	73,162
Amounts due from subsidiaries	應收附屬公司款項	**65,633**	42,060
Fixed assets	固定資產	**4,075,218**	4,312,504
Assets held for sale	持作出售之資產	**41,300**	53,443
Total assets	資產總額	**111,521,017**	102,899,376
LIABILITIES	**負債**		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**9,140,295**	9,467,425
Deposits from customers	客戶存款	**75,043,411**	68,247,798
Trading liabilities	交易賬項下之負債	**948,173**	1,898,372
Certificates of deposit issued	已發行存款證	**4,730,098**	4,551,273
Debt securities issued	已發行債務證券	**1,165,268**	388,774
Derivative financial instruments	衍生金融工具	**385,348**	133,347
Other liabilities	其他負債	**3,115,973**	1,796,504
Amounts due to subsidiaries	應付附屬公司款項	**273,138**	277,213
Deferred tax liabilities	遞延稅項負債	**651,442**	675,551
Subordinated notes issued	已發行後償票據	**1,555,776**	1,562,870
Total liabilities	負債總額	**97,008,922**	88,999,127
EQUITY	**權益**		
Share capital	股本	**4,830,448**	4,830,448
Reserves	儲備	**9,681,647**	9,069,801
Total equity	權益總額	**14,512,095**	13,900,249
Total equity and liabilities	權益及負債總額	**111,521,017**	102,899,376

Approved and authorized for issue by the Board of Directors on 17 March 2020.

經董事會於二零二零年三月十七日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Robert James KENRICK
甘禮傑
Director
董事

Raymond LEE Wing Hung
李永鴻
Director
董事

42. BANK-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

42. 銀行財務狀況表及權益變動表(續)

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total 總額 HK$'000 千港元	Additional equity instruments 額外股本工具 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2018	二零一八年一月一日	4,830,448	498,988	332,998	2,495,345	3,485,746	11,643,525	1,507,797	13,151,322
Total comprehensive income for the year	本年度全面收益總額	–	–	225,939	234,231	1,870,009	2,330,179	–	2,330,179
– Profit for the year	–本年度溢利	–	–	–	–	1,868,810	1,868,810	–	1,868,810
– Other comprehensive income, of which:	–其他全面收益，其中：								
– Equity securities designated at FVOCI: net movement in investment revaluation reserve	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動	–	–	225,939	–	–	225,939	–	225,939
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	–	–	–	–	1,199	1,199	–	1,199
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	234,231	–	234,231	–	234,231
Transfer from/(to) retained earnings	轉撥自／(至)保留溢利	–	37,612	–	(55,224)	17,612	–	–	–
Dividend payment for additional equity instruments	就額外股本工具的股息付款	–	–	–	–	(72,986)	(72,986)	–	(72,986)
Redemption of additional equity instruments	額外股本工具贖回	–	–	–	–	(469)	(469)	(1,507,797)	(1,508,266)
At 31 December 2018	二零一八年十二月三十一日	4,830,448	536,600	558,937	2,674,352	5,299,912	13,900,249	–	13,900,249

42. BANK-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

42. 銀行財務狀況表及權益變動表(續)

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 31 December 2018	二零一八年十二月三十一日	4,830,448	536,600	558,937	2,674,352	5,299,912	13,900,249
Opening balance adjustments arising from change in accounting policy	因會計政策變動而對期初結餘作出調整	-	-	-	-	(4,677)	(4,677)
At 1 January 2019	二零一九年一月一日	4,830,448	536,600	558,937	2,674,352	5,295,235	13,895,572
Total comprehensive income for the year	本年度全面收益總額	-	-	222,910	(191,419)	585,032	616,523
– Profit for the year	–本年度溢利	-	-	-	-	589,398	589,398
– Other comprehensive income, of which:	–其他全面收益，其中：						
– Equity securities designated at FVOCI: net movement in investment revaluation reserve	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動	-	-	222,910	-	-	222,910
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	-	-	-	-	(4,366)	(4,366)
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	-	-	-	(191,419)	-	(191,419)
Transfer from/(to) retained earnings	轉撥自／(至)保留溢利	-	(111,434)	-	(61,334)	172,768	-
At 31 December 2019	二零一九年十二月三十一日	4,830,448	425,166	781,847	2,421,599	6,053,035	14,512,095

The information of individual reserves is disclosed in Note 30.

個別儲備的資料於附註30披露。

43. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

Notes 21 and 35 contain information about the assumptions and risk factors relating to fair value of premises and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment losses

Management exercises judgement in establishing the criteria for determining whether the credit risk of a financial asset has increased significantly since initial recognition and determining inputs into the ECL measurement model, including the incorporation of forward-looking information. For details of the ECL model, please refer to Note 38(a)(viii).

(b) Fair value determination

The Group determines the fair values of financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, and the net assets of the underlying investments. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

(c) Other accounting estimates

Judgement has been exercised in determining the amount which may be payable to customers in respect of complaints or legal claims arising from the sale of investment products and establishing a reserve included in other liabilities. A charge has been recognized in profit or loss representing amounts paid and an estimate of future amounts which could be payable.

43. 會計估計及判斷

本集團的管理層於編製此等財務報告時作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

附註21及35載有與物業及金融工具的公平價值有關的假設及風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(a) 減值虧損

管理層在確定釐定自初始確認後一項金融資產的信貸風險是否顯著增加及釐定預期信貸虧損計量模型的輸入數據(包括納入前瞻性資料)的標準時作出判斷。有關預期信貸虧損模式的詳情，請參閱附註38(a)(viii)。

(b) 公平價值釐定

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關工具之價格及相關投資之淨資產等市場參數，以內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

(c) 其他會計估計

於釐定可能就出售投資產品產生的投訴或法律索償而應付予客戶的金額及設立計入其他負債的儲備時進行了判斷。有關支出已於損益賬內確認為已付金額及可能應付的未來金額估計。

44. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group:

44. 已公佈但於截至二零一九年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之可能影響

截至此等財務報告公佈日，香港會計師公會已發布多項修訂及新準則(香港財務報告準則第17號，保險合約)，該等修訂及新準則於截至二零一九年十二月三十一日止年度尚未生效且並無在此等財務報告中採納。。此等變動包含以下可能與本集團相關的事項：

	Effective for accounting periods beginning on or after **於下列日期或之後開始之會計期間生效**
Amendments to HKFRS 3, *Definition of a business* 香港財務報告準則第3號修訂本，*業務的定義*	1 January 2020 二零二零年一月一日
Amendments to HKAS 1 and HKAS 8, *Definition of material* 香港會計準則第1號及香港會計準則第8號修訂本，*重大的定義*	1 January 2020 二零二零年一月一日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

本集團正對此等變動預期於初次應用期間的影響進行評估。就目前得出的結論而言，採納其不太可能對本集團綜合財務報表造成重大影響。

(A) CONSOLIDATION BASIS FOR REGULATORY DISCLOSURES

The capital ratio is computed on a consolidated basis which combines the position of the Bank and Fubon Credit (Hong Kong) Limited as required by the HKMA for regulatory purposes.

The basis of consolidation for accounting purposes is in accordance with the HKFRSs and is different from the basis and scope of consolidation for the calculation of capital ratios. Subsidiaries that are included in the consolidation for accounting purposes but not included in the consolidation for the calculation of capital ratios are set out below:

(A) 監管披露之綜合基準

資本比率乃按金管局就監管目的要求的綜合本行與富邦財務(香港)有限公司的狀況按綜合基準計算。

作會計目的之綜合基準乃依據香港財務報告準則制定，但有別於計算資本比率之綜合基準及範圍。就會計用途綜合計入而計算資本比率時未綜合計入之附屬公司載於如下：

		As at 31 December 2019 於二零一九年十二月三十一日		As at 31 December 2018 於二零一八年十二月三十一日	
Name of subsidiaries 附屬公司名稱	**Principal activities** 主要業務	**Total assets** 資產總額 **HK$'000** 千港元	**Total equity** 權益總額 **HK$'000** 千港元	Total assets 資產總額 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司	Securities broking 證券經紀	**194,286**	**116,653**	172,289	103,956
Fubon Insurance Brokers Limited 富邦保險顧問有限公司	Insurance broker services 保險經紀服務	**1,889**	**1,064**	3,219	1,529
Fubon Nominees (Hong Kong) Limited	Nominee service 代理人服務	**4,134**	**143**	3,982	142
Admiralty Finance Company Limited 海富財務有限公司	Dormant 不活躍	**63**	**63**	63	63
Aquarius (Nominees) Limited	Dormant 不活躍	**6**	**6**	6	6
FB Investment Management Limited* 富銀投資管理有限公司*	Fund management 基金管理	**N/A** **不適用**	**N/A** **不適用**	11,135	8,644
		200,378	**117,929**	190,694	114,340

* *The Bank disposed its entire shareholding of FB Investment Management Limited in February 2019 and therefore FB Investment Management Limited is not included in the consolidation for accounting purpose as at 31 December 2019.*

* *本行於二零一九年二月出售了富銀投資管理有限公司的全部股權，因此於二零一九年十二月三十一日，富銀投資管理有限公司並未就會計用途而綜合計入。*

(A) CONSOLIDATION BASIS FOR REGULATORY DISCLOSURES (continued)

No subsidiaries are excluded from both the accounting scope of consolidation and the regulatory scope of consolidation. There are also no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation.

The Bank's shareholdings in the above subsidiaries are deducted from CET1 capital in accordance with the Banking (Capital) Rules ("Capital Rules"). There is no relevant capital shortfall in any of the Bank's subsidiaries which are not included as part of the consolidation group for the calculation of capital ratio.

The Group maintains a regulatory reserve, as disclosed in Note 30, to satisfy the provisions of the HKBO for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

In accordance with the Capital Rules, the Group has adopted the "standardised approach" for the calculation of risk-weighted assets for credit risk and market risk and the "basic indicator approach" for the calculation of operational risk.

The Group disclosed the full terms and conditions of its capital instruments as of the end of the reporting period in its website (https://www.fubonbank.com.hk) under the page "Regulatory Disclosures" in accordance with section 16FE of the BDR.

The leverage ratio, countercyclical capital ratio and liquidity maintenance ratio are computed on the same consolidation basis as the capital ratio.

(A) 監管披露之綜合基準(續)

概無附屬公司既未被納入會計的綜合基準，亦未被納入監管目的的綜合基準。亦概無附屬公司被納入監管目的的綜合基準但未被納入會計的綜合基準。

本行於上述附屬公司之股權乃根據《銀行業(資本)規則》(「資本規則」)自普通股本一級資本中扣除。於計算資本比率時不計作綜合集團一部分之本行附屬公司中，並無有關資本短欠。

本集團已根據香港《銀行業條例》以嚴謹監管的規定維持法定儲備(如附註30所披露)。該儲備之變動乃在諮詢金管局之意見後直接透過保留溢利作出。

按照資本規則，本集團已採用「標準化方法」計算信貸風險及市場風險之風險加權資產以及採用「基本指標方法」計算營運風險。

本集團根據《銀行業(披露)規則》第16FE條於其網站(https://www.fubonbank.com.hk)「監管披露」頁面披露其截至報告期末的資本工具的全部條款及條件。

槓桿比率、逆週期資本比率及流動性維持比率均按與資本比率相同的綜合基準計算。

(B) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR

Advances to customers analysed by industry sector and the coverage of collateral is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

(B) 按行業分類的客戶貸款的進一步分析

按行業及有抵押貸款的客戶貸款分析如下。經濟行業分析乃基於金管局所採用的類別及定義。

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		Gross advances to customers 客戶貸款總額 HK$'000 千港元	% of gross loans covered by collateral 有抵押之貸款佔貸款總額之百分比	Gross advances to customers 客戶貸款總額 HK$'000 千港元	% of gross loans covered by collateral 有抵押之貸款佔貸款總額之百分比
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
– Property development	–物業發展	4,767,242	14.29	4,311,798	16.05
– Property investment	–物業投資	8,710,970	66.24	8,230,920	92.29
– Financial concerns	–金融企業	2,243,493	3.56	2,734,051	2.93
– Stockbrokers	–股票經紀	1,714,513	48.36	1,051,310	43.08
– Wholesale and retail trade	–批發及零售業	778,689	32.37	501,723	27.20
– Manufacturing	–製造業	2,053,959	19.79	1,582,124	8.35
– Transport and transport equipment	–運輸及運輸設備	282,605	52.32	154,633	94.40
– Information technology	–資訊科技	374,438	–	615,749	–
– Electricity and gas	–電力及煤氣	550,212	–	356,792	–
– Others	–其他	3,676,258	33.74	3,651,717	35.08
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	–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」或其各自的後繼計劃的樓宇的貸款	4,061	100.00	4,635	100.00
– Loans for the purchase of other residential properties	–購買其他住宅物業的貸款	9,018,440	100.00	9,376,721	100.00
– Credit card advances	–信用卡貸款	819,809	–	872,000	–
– Others	–其他	4,051,517	35.60	4,491,341	32.90
		39,046,206		37,935,514	
Trade finance	貿易融資	4,784,320	18.53	4,745,559	17.43
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	8,765,814	1.46	5,248,797	4.74
Gross advances to customers	客戶貸款總額	52,596,340	39.71	47,929,870	46.84

(B) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR (continued)

(B) 按行業分類的客戶貸款的進一步分析(續)

Analysis of the Group's impaired advances in respect of industry sectors which account for 10% or more of gross advances to customers:

按行業分析佔客戶貸款總額10%或以上的本集團減值貸款如下：

31 December 2019	二零一九年十二月三十一日	Overdue advances 逾期貸款 HK$'000 千港元	Impaired advances 減值貸款 HK$'000 千港元	Individual impairment allowances* 個別減值撥備* HK$'000 千港元	Collective impairment allowance* 綜合減值撥備* HK$'000 千港元	Provisions (released back)/ charged to the profit or loss during the year 本年度於損益賬內(撥回)／扣除之撥備 HK$'000 千港元	Loans written off during the year 年內撇賬之貸款 HK$'000 千港元
– Property investment	–物業投資	55,186	3,598	–	13,444	8,810	–
– Loans for the purchase of other residential properties	–購買其他住宅物業的貸款	79,403	–	–	3,616	2,990	–
– Gross advances for use outside Hong Kong	–在香港以外使用的貸款總額	–	–	–	27,207	2,456	23,097

31 December 2018	二零一八年十二月三十一日	Overdue advances 逾期貸款 HK$'000 千港元	Impaired advances 減值貸款 HK$'000 千港元	Individual impairment allowances* 個別減值撥備* HK$'000 千港元	Collective impairment allowance* 綜合減值撥備* HK$'000 千港元	Provisions (released back)/ charged to the profit or loss during the year 本年度於損益賬內(撥回)／扣除之撥備 HK$'000 千港元	Loans written off during the year 年內撇賬之貸款 HK$'000 千港元
– Property investment	–物業投資	64,245	24,336	–	4,634	2,496	–
– Loans for the purchase of other residential properties	–購買其他住宅物業的貸款	61,853	–	–	626	(1,801)	–
– Gross advances for use outside Hong Kong	–在香港以外使用的貸款總額	42,090	42,090	42,090	5,758	(11,991)	–

* *For the purpose of regulatory disclosures made in the Unaudited Supplementary Financial Information, the term "individual impairment allowances" represents impairment allowances recognized for financial assets categorized as Stage 3 under the Group's accounting policies, while "collective impairment allowance" represents impairment allowances recognized on financial assets categorized as Stage 1 and Stage 2 under the Group's accounting policies.*

* *就於未經審核補充財務資料作出的監管披露而言，「個別減值撥備」指本集團會計政策下分類為第三階段的金融資產確認的減值撥備，而「綜合減值撥備」本集團會計政策下分類為第一階段及第二階段的金融資產確認的減值撥備。*

(C) OVERDUE AND RESCHEDULED ASSETS

(i) Overdue advances to customers

(C) 逾期及經重組資產

(i) 逾期客戶貸款

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		HK$'000 千港元	% of gross advances 佔貸款總額之百分比	HK$'000 千港元	% of gross advances 佔貸款總額之百分比
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	客戶貸款總額之本金或利息有逾期：				
– 6 months or less but over 3 months	－六個月或以下惟三個月以上	17,934	0.04	38,450	0.08
– 1 year or less but over 6 months	－一年或以下惟六個月以上	10,668	0.02	62,049	0.13
– Over 1 year	－超過一年	147,847	0.28	132,733	0.28
		176,449	0.34	233,232	0.49
Covered portion of overdue advances to customers	逾期客戶貸款的有抵押部分	18,725		28,776	
Uncovered portion of overdue advances to customers	逾期客戶貸款的無抵押部分	157,724		204,456	
		176,449		233,232	
Individual impairment allowances in respect of advances overdue for more than three months	就逾期超過三個月之貸款所作之個別減值撥備	156,179		192,690	

Advances to customers 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.

有指定還款期的客戶貸款在其本金或利息逾期並於年末仍未支付時被分類為已逾期。分期付款償還的貸款在部分分期貸款已逾期且於年末仍未支付時被視為已逾期。按要求償還的貸款在借款人收到償還要求但並無根據要求通知還款及／或在貸款已持續超出已知會借款人的獲批准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長時分類為已逾期。

(C) OVERDUE AND RESCHEDULED ASSETS (continued)

(ii) Rescheduled advances to customers

Rescheduled advances to customers are those advances to customers which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled advances to customers are stated net of any advances to customers that have subsequently become overdue for over 3 months and can be analysed as follows:

(C) 逾期及經重組資產(續)

(ii) 重定還款期的客戶貸款

重定還款期的客戶貸款是指由於借款人財政狀況轉壞或無法按原定還款期還款，而被重定還款期的或重新議定的客戶貸款，而經修訂的還款計劃對於本集團屬非商業條款。重定還款期的客戶貸款乃扣除已隨後逾期超過三個月的任何客戶貸款列賬，並可分析如下：

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		HK$'000 千港元	% of gross advances 佔貸款總額之百分比	HK$'000 千港元	% of gross advances 佔貸款總額之百分比
Rescheduled advances to customers	重定還款期的客戶貸款	3,264	0.01	4,684	0.01

(iii) Geographical analysis of overdue advances to customers

Analysis of the Group's overdue advances to customers in respect of geographical segment which account for not less than 10% of gross advances to customers:

(iii) 按地區分析的已逾期客戶貸款

按地區分部分析本集團已逾期客戶貸款(佔客戶貸款總額不足10%)：

		31 December 2019 二零一九年十二月三十一日			
		Gross advances to customers 客戶貸款總額 HK$'000 千港元	Overdue advances to customers 已逾期客戶貸款 HK$'000 千港元	Impaired loans (individually determined) 減值貸款(個別釐定) HK$'000 千港元	Individual impairment allowances 個別減值撥備 HK$'000 千港元
Hong Kong	香港	43,301,898	103,547	98,050	87,893
China	中國	7,662,895	–	–	–
Other	其他地區	1,631,547	72,902	72,902	72,902
		52,596,340	176,449	170,952	160,795

(C) OVERDUE AND RESCHEDULED ASSETS (continued)

(iii) Geographical analysis of overdue advances to customers (continued)

(C) 逾期及經重組資產(續)

(iii) 按地區分析的已逾期客戶貸款(續)

		31 December 2018 二零一八年十二月三十一日			
		Gross advances to customers 客戶貸款總額 HK$'000 千港元	Overdue advances to customers 已逾期客戶貸款 HK$'000 千港元	Impaired loans (individually determined) 減值貸款(個別釐定) HK$'000 千港元	Individual impairment allowances 個別減值撥備 HK$'000 千港元
Hong Kong	香港	40,441,972	117,473	117,472	92,158
China	中國	6,752,584	42,090	42,090	42,090
Other	其他地區	735,314	73,669	73,669	62,628
		47,929,870	233,232	233,231	196,876

The above geographical analysis is classified by the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

以上地區分析按借款人所在地，經計及風險轉移後而劃定。一般而言，若貸款的擔保人所處地區與交易對手不同，則風險轉移至擔保人的所在地區。

The collective impairment allowance is not allocated to any geographical segment as at 31 December 2019 and 2018.

於二零一九年及二零一八年十二月三十一日，概無綜合減值撥備分派予任何地區分部。

(D) INTERNATIONAL CLAIMS

The Group's country risk exposures in the tables below are prepared in according to the location and types of the counterparties as defined by the HKMA under the BDR. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies.

International claims attributable to individual countries or areas not less than 10% of the Group's total international claims, after recognized risk transfer, are shown as follows:

(D) 國際債權

下表為本集團對國家的風險分析，乃按照金管局根據《銀行業(披露)規則》所界定的對手方所在地及類別分類。國際債權為對手方在資產負債表內風險承擔，按對手方的所在地作出分類，並已計及風險轉移因素後，其總和包括所有貨幣之跨國債權及本地之外幣債權。

個別國家或地區分部並已計及已確認風險轉移後佔本集團國際債權總額不少於10%之國際債權載列如下：

Figures in HK$ million	百萬港元	31 December 2019 二零一九年十二月三十一日 Banks 銀行	Official sector 官方機構	Non-bank financial institution 非銀行金融機構	Non-financial private sector 非金融私人機構	Total 總額
Counterparty country/jurisdiction	**對手方國家／司法權區**					
Developed countries	發達國家	8,230	18	357	479	9,084
Offshore centres	離岸中心	252	11	2,226	18,112	20,601
– of which: Hong Kong	－其中：香港	180	11	2,029	17,133	19,353
Developing Asia and Pacific	發展中亞洲及太平洋地區	10,196	329	2,570	14,594	27,689
– of which: China	－其中：中國	6,013	329	2,570	13,858	22,770

Figures in HK$ million	百萬港元	31 December 2018 二零一八年十二月三十一日 Banks 銀行	Official sector 官方機構	Non-bank financial institution 非銀行金融機構	Non-financial private sector 非金融私人機構	Total 總額
Counterparty country/jurisdiction	**對手方國家／司法權區**					
Developed countries	發達國家	10,548	17	75	160	10,800
Offshore centres	離岸中心	1,026	–	2,939	13,399	17,364
– of which: Hong Kong	－其中：香港	158	–	2,624	12,688	15,470
Developing Asia and Pacific	發展中亞洲及太平洋地區	9,874	196	1,915	10,844	22,829
– of which: China	－其中：中國	6,967	196	1,906	10,151	19,220

(E) NON-BANK MAINLAND CHINA EXPOSURES

The analysis of non-bank Mainland exposures includes the exposure of the Bank and Fubon Credit (Hong Kong) Limited on the basis agreed with the HKMA.

(E) 中國內地非銀行業之風險

中國內地非銀行業之風險(包括本行及富邦財務(香港)有限公司)按與金管局協議的基準作出分析。

		31 December 2019 二零一九年十二月三十一日		
		On-balance sheet exposure 資產負債表內之風險承擔 HK$'000 千港元	Off-balance sheet exposures 資產負債表外之風險承擔 HK$'000 千港元	Total 總額 HK$'000 千港元
Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	中央政府、中央政府擁有之實體以及其附屬公司及合營公司	14,334,945	186,896	14,521,841
Local governments, local government-owned entities and their subsidiaries and JVs	地方政府、地方政府擁有之實體以及其附屬公司及合營公司	2,949,321	–	2,949,321
Companies incorporated in and PRC nationals residing in Mainland China	於中國內地註冊成立之公司及居住於中國內地之中國公民	6,106,794	176,201	6,282,995
Companies incorporated outside and PRC nationals residing outside Mainland China where the credit is granted for use in Mainland China	於授出之信貸用於中國內地之中國內地以外地區註冊成立之公司及居住於有關地區之中國公民	3,375,043	135,030	3,510,073
Other counterparties where the exposures are considered by the Bank to be non-bank Mainland China exposures	本行認為其風險為中國內地非銀行業之風險之其他交易對手	–	–	–
Total	**總額**	26,766,103	498,127	27,264,230
Total assets after provision	資產總值(扣除撥備)	110,987,016		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔資產總值之百分比	24.12%		

(E) NON-BANK MAINLAND CHINA EXPOSURES (continued) (E) 中國內地非銀行業之風險(續)

		31 December 2018 二零一八年十二月三十一日		
		On-balance sheet exposure 資產負債表內之風險承擔 HK$'000 千港元	Off-balance sheet exposures 資產負債表外之風險承擔 HK$'000 千港元	Total 總額 HK$'000 千港元
Central government, central government-owned entities and their subsidiaries and JVs	中央政府、中央政府擁有之實體以及其附屬公司及合營公司	10,635,306	27,869	10,663,175
Local governments, local government-owned entities and their subsidiaries and JVs	地方政府、地方政府擁有之實體以及其附屬公司及合營公司	2,599,533	–	2,599,533
Companies incorporated in and PRC nationals residing in Mainland China	於中國內地註冊成立之公司及居住於中國內地之中國公民	5,235,852	229,317	5,465,169
Companies incorporated outside and PRC nationals residing outside Mainland China where the credit is granted for use in Mainland China	於授出之信貸用於中國內地之中國內地以外地區註冊成立之公司及居住於有關地區之中國公民	1,723,578	156,002	1,879,580
Other counterparties where the exposures are considered by the Bank to be non-bank Mainland China exposures	本行認為其風險為中國內地非銀行業之風險之其他交易對手	–	–	–
Total	**總額**	20,194,269	413,188	20,607,457
Total assets after provision	資產總值(扣除撥備)	102,547,037		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔資產總值之百分比	19.69%		

(F) CURRENCY CONCENTRATION

The Bank's net positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position in all foreign currencies:

(F) 外幣持盤量

本行個別外幣的淨持有額若佔所持有外匯淨盤總額總淨額10%或以上，則披露如下：

Equivalent in HK$ Million	百萬港元等值	31 December 2019 二零一九年十二月三十一日 US dollars 美元	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	現貨資產	40,716	7,686	48,402
Spot liabilities	現貨負債	(35,295)	(7,395)	(42,690)
Forward purchase	遠期買入	9,572	4,098	13,670
Forward sales	遠期賣出	(15,494)	(4,349)	(19,843)
Net option position	期權倉盤淨額	–	–	–
Net (short)/long position	(短)／長盤淨額	(501)	40	(461)

Equivalent in HK$ Million	百萬港元等值	31 December 2018 二零一八年十二月三十一日 US dollars 美元	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	現貨資產	34,825	10,872	45,697
Spot liabilities	現貨負債	(29,362)	(9,521)	(38,883)
Forward purchase	遠期買入	7,646	3,458	11,104
Forward sales	遠期賣出	(11,400)	(4,771)	(16,171)
Net option position	期權倉盤淨額	1	–	1
Net long position	長盤淨額	1,710	38	1,748

The net option position is calculated on the basis of the delta-weighted position of option contracts. The Bank has no structural foreign currency position as of 31 December 2019 and 2018.

期權倉盤淨額乃根據期權合約的「得爾塔加權持倉」為基準計算。截至二零一九年及二零一八年十二月三十一日，本集團並無結構性外幣倉盤。

(G) CORPORATE GOVERNANCE

The Bank is committed to high standards of corporate governance, and has fully complied throughout the year with the guidelines on "Corporate Governance of Locally Incorporated Authorised Institutions" and "Guideline on a Sound Remuneration System" issued by the HKMA.

(G) 企業管治

本行致力實行高水平企業管治，並於本年度一直遵守金管局頒佈之「本地註冊認可機構的企業管治指引」及「穩健的薪酬制度指引」。

(H) KEY COMMITTEES

The Board of Directors (the "Board") has established five Board committees to assist it in carrying out its responsibilities comprising the Audit Committee, Nomination and Remuneration Committee, Risk Committee, Executive Credit Committee and Executive Committee. In addition, a number of management level committees have been set up by the Board to oversee the effectiveness of the Bank's daily operations including, the Management Steering/Business Committee, Asset and Liability Committee, Internal Control Committee, Credit Committee, Information Technology Steering Committee and Compliance & Anti-Money Laundering Committee. The composition and function of these committees are set out below:

(H) 主要委員會

董事會已成立五個董事委員會以協助董事會行使其職責，該等委員會包括審核委員會、提名及薪酬委員會、風險委員會、執行信貸委員會及執行委員會。此外，董事會亦成立了若干管理級別委員會以監督本行日常運作之有效性，該等委員會包括管理督導／業務委員會、資產負債委員會、內部監控委員會、信貸委員會、資訊科技督導委員會以及合規及反洗黑錢委員會。該等委員會之構成及職能載列如下：

(i) Audit Committee

The Audit Committee comprises four members including one Non-Executive Director and three Independent Non-Executive Directors. The Audit Committee is chaired by an Independent Non-Executive Director who has appropriate accounting professional qualifications. The committee meets at least four times a year and additionally when deemed necessary.

The Audit Committee is required to ensure that there is adequate supervision of the Bank's financial reporting processes, systems of internal control, and that the internal audit function is effective and backed by adequate resources and has appropriate standing within the Bank. It is also required to ensure that there is coordination between the internal and external auditors, to monitor compliance with internal policies, statutory regulation, and to consider recommendations made by the internal and external auditors.

The Audit Committee reviews the Bank's financial reporting process, the systems of internal control, the internal audit function and the risk management process. In particular, the review undertaken by the Audit Committee on the internal audit function includes the Internal Audit Charter and its approval, the annual audit plan, internal audit reports and special investigation reports issued, and ensuring that appropriate management actions are taken following the major audit findings.

The Audit Committee also reviews the appointment of external auditors and discusses with them the nature and scope of their audits. The Audit Committee also reviews the interim and annual financial statements before recommending them to the Board for approval.

(i) 審核委員會

審核委員會由四名成員組成，包括一名非執行董事及三名獨立非執行董事。審核委員會由擁有適當之會計專業資格之獨立非執行董事任主席。該委員會每年最少舉行四次會議，並在有需要時舉行額外會議。

審核委員會須確保對本行之財務申報程序及內部監控制度進行足夠之監管，使內部審核職能可在有效及充足資源下在本行內訂立適當地位，並確保內部及外聘核數師互相協調，以監控遵守內部政策及法規，並考慮內部及外聘核數師提出之建議。

審核委員會須檢討本行之財務報告程序、內部監控系統、內部審核職能及風險管理程序。尤其是在內部審核職能的檢討工作方面，該委員會的審核範圍包括內部審核規章及其批准、年度審核方案、已發佈之內部審核報告及特別調查報告，確保管理層對審核所發現之主要問題作出適當之補救行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。審核委員會亦將於向董事會建議批准中期及年度財務報告之前審閱有關報告。

(H) KEY COMMITTEES (continued)

(ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by an Independent Non-Executive Director and comprises the Non-Executive Chairman, Non-Executive Vice Chairman and all the Independent Non-Executive Directors of the Bank. The committee meets periodically and as required and provides oversight of the management of the Bank's human resources including the appointment of Directors (for both executive and non-executive), Senior Management and Management Committee Members. The committee approves the Bank's overall human resources management framework to ensure that the Bank is in compliance with the applicable government regulations and follows the market best practice whenever feasible. The committee is also responsible to ensure that Directors, the Chief Executive Officer and Management Committee Members appointed possess the necessary and appropriate qualifications to perform and discharge their duties.

The committee regularly reviews whether each existing Director continues to remain qualified for his post. It also reviews the structure, size and composition of the Board and makes recommendations on any proposed change to the Board.

The committee reviews and approves the remuneration of Directors, members of Board Committees, Senior Management and Key Personnel (as defined in the Remuneration Policy of the Bank).

The committee is mandated to assist the Board in establishing cultural and behavioural standards that promote prudent risk-taking and fair treatment of customers and employees. It advises and assists the Board in discharging its responsibilities for the Bank's culture-related matters.

(iii) Risk Committee

The Risk Committee comprises five members including one Executive Director, one Non-Executive Director and three Independent Non-Executive Directors. The Risk Committee is chaired by an Independent Non-Executive Director who has extensive banking experience. The committee meets at least four times a year and additionally when deemed necessary. Its mandate is to establish the Bank's overall risk appetite and to ensure a proper risk management framework is in place. The committee also oversees Senior Management's implementation of the Bank's risk policies.

(H) 主要委員會(續)

(ii) 提名及薪酬委員會

提名及薪酬委員會由本行的獨立非執行董事任主席並由本行的非執行主席、非執行副主席及全體獨立非執行董事組成。該委員會按需要定期舉行會議，以及監查本行人力資源管理，包括委任董事(執行及非執行)、高級管理層及管理委員會成員。該委員會亦設立本行的整體人力資源管理框架以確保本行遵守政府相關規定及在任何可能情況下遵循市場最佳常規。該委員會亦負責確保獲委任董事、行政總裁及管理委員會成員擁有必要及適當的資格以履行彼等的職責。

該委員會定期審視每位現任董事的資格以確定其繼續符合擔任其職務。其亦審視董事會結構、規模及組成並向董事會作出適切建議。

該委員會審閱及批准董事、董事會轄下的委員會成員、高級管理層及主要員工的薪酬(定義見本行薪酬政策)。

委員會獲授權協助董事會制定本行的企業文化和行為準則，以配合本行審慎的風險承擔和公平對待客戶及員工的原則。委員會建議並協助董事會履行對企業文化等相關事宜的責任。

(iii) 風險委員會

風險委員會由五名成員組成，包括一名執行董事、一名非執行董事及三名獨立非執行董事。風險委員會由具豐富銀行經驗之獨立非執行董事擔任主席。委員會每年最少舉行四次會議，並在有需要時舉行額外會議。其職責為建立本行的整體風險承受能力及確保本行已建立一個合適的風險管理框架，以及監管高級管理層實施本行的風險政策。

(H) KEY COMMITTEES (continued)

(iii) Risk Committee (continued)

The Risk Committee will annually review and endorse the Bank's risk appetite statement and risk management strategies. It will oversee the establishment and maintenance by Senior Management of appropriate infrastructure, resources and systems for risk management, particularly in relation to compliance with relevant legal and regulatory requirements and adherence to the approved risk appetite and related policies, and the adoption of best practices wherever feasible.

The Risk Committee is required to ensure that the staff responsible for implementing risk management systems and controls are sufficiently independent of the risk taking units in the Bank.

(iv) Executive Committee

The Executive Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the Executive Director of the Bank. It will exercise the powers and authorities delegated by the Board from time to time concerning the management and day-to-day running of the Bank. The Executive Committee will meet periodically and as required and will operate as a general management function under the auspices of the Board.

(v) Executive Credit Committee

The Executive Credit Committee ("ECC") comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the Executive Director of the Bank. It has the delegated authority to approve credit proposals, credit policies and other credit related matters which require the approval of the Board. The ECC meets regularly and as required.

(vi) Management Steering/Business Committee

The Management Steering Committee and the Management Business Committee (together "the Committees") are both chaired by the Bank's CEO, and comprises senior management personnel appointed by the CEO. The Committees are the key decision making bodies for the Bank and are responsible mainly for the running of the Bank's day to day business under the authority delegated by the Board and within the strategy and business plan as approved by the Board. The Committees are also responsible for the formulation of the Bank's business strategies and major bank-wide initiatives for the Board's approval. The Committees meet weekly on an alternate basis to evaluate and approve new business initiatives, coordinate business and support units during the implementation process, monitor the progress. The Committees also monitor the implementation of the approved business strategies and, review the achievement of business targets, objectives and the financial performance of the Bank.

(H) 主要委員會(續)

(iii) 風險委員會(續)

風險委員會將每年審查及確認本行的風險承受能力聲明及風險管理策略。其將監察由高級管理層就風險管理所制定及維持的適當基礎設施、資源及系統，尤其是遵守相關法律及監管規定以及經批准的風險承受能力及有關政策，並於可行情況下採取最佳常規。

風險委員會須確保負責實施風險管理系統及監控的員工及充分獨立於本行的風險承擔部門。

(iv) 執行委員會

執行委員會由本行非執行主席、非執行副主席及執行董事組成，並行使由董事會不時委託的有關本行管理及日常營運之權力及職權。執行委員會定期及於有需要時舉行會議，並於董事會的支持下監控董事會的一般管理職能。

(v) 執行信貸委員會

執行信貸委員會由本行非執行主席、非執行副主席及執行董事組成。該委員會獲授權批核須獲董事會批准的信貸建議、信貸政策及其他信貸相關事項。執行信貸委員會定期及於需要時召開會議。

(vi) 管理督導／業務委員會

管理督導委員會及管理業務委員會(統稱「該等委員會」)均由本行的行政總裁任主席，並由行政總裁所委任的高級管理人員組成。該等委員會乃本行重要的決策組織，主要在董事會授權下負責銀行的日常運作，以確保切合董事會批核的策略和業務計劃。該等委員會亦負責制定本行的業務策略及主要全行措施以供董事會批核。該等委員會每隔一周舉行一次會議，以評估及批准新業務計劃、在業務策略的推行過程中協調業務及後勤部門的工作，以及監察進度。該等委員會亦監察已批准業務策略的實施進度，檢討本行業務目標的實現狀況、宗旨及財務表現。

(H) KEY COMMITTEES (continued)

(vii) Asset and Liability Committee

The Asset and Liability Committee ("ALCO") comprises the Bank's CEO, Chief Financial Officer and senior management personnel as appointed by the CEO. The ALCO is responsible for providing oversight of the Bank's operations relating to interest rate risk, market risk and liquidity risk (collectively known as "financial risks") as well as capital management. The ALCO initiates, reviews and endorses for the approval of the Risk Committee of the Board the Bank's policies on financial risks and capital management. It approves guidelines relating to such policies, reviews and approves all major financial risk management reports. The ALCO also oversees the Bank's investment activities by establishing investment strategies within policies laid down by the Risk Committee of the Board and reviews actual performance.

(viii) Internal Control Committee

The Internal Control Committee ("ICC") comprises the Bank's CEO, Executive Vice Presidents, Head of Control & Risk Management and the heads of different control, business and support functions. The responsibilities of the committee include providing oversight of the Bank's exposure to operational and legal risks, ensuring the Bank has in place an effective internal control framework, providing guidance to the Bank in establishing a sound internal control and monitoring system to ensure overall compliance within the Bank.

To ensure an effective internal control framework is in place, the ICC reviews policies and approves guidelines relating to internal control and management of operational and legal risks, receives and discusses reports submitted by various risk management units and promotes internal control culture. To maintain an adequate system of internal control, the ICC reviews and discusses major operational risk events, and the progress of rectification of audit findings and control self-assessment.

(ix) Credit Committee

The Credit Committee ("CC") meets weekly and its mandate is to provide oversight of the Bank's credit risk management. The CC is chaired by the Bank's CEO, and consists of senior executives of the Bank.

The CC reviews and endorses credit policies and credit risk profile of the Bank for ECC's approval, and reviews and approves credit related guidelines. The CC also reviews and approves requests for credit facilities that are within the CC's authority as delegated by the Board, and reviews and endorses requests for credit facilities before their submission to the ECC for approval.

(H) 主要委員會(續)

(vii) 資產負債委員會

資產負債委員會由本行的行政總裁、財務長及行政總裁所委任的高級管理人員組成。該委員會負責監查本行有關利率風險、市場風險及流動資金性風險(統稱為「財務風險」)的業務以及資本管理。該委員會啟動、審閱及批准本行財務風險及資本管理政策，以供董事會風險委員會批准。其批准有關該等政策的指引，審閱及批准所有重大財務風險管理報告。資產負債委員會亦透過在董事會的風險委員會規定的政策範圍內設立投資策略以監督本行的投資活動以及檢討實際表現。

(viii) 內部監控委員會

內部監控委員會由本行的行政總裁、執行副總裁、監控及風險管理部主管以及各控管、業務及後勤部門主管組成。該委員會負責監督本行面臨之營運及法律風險、確保本行備有行之有效內部監控架構、及提供指引為本行建立良好的內部監控及監督系統，以確保本行整體之合規性。

為確保推行有效的內部監控架構，內部監控委員會審閱及批核與內部監控以及管理營運及法律風險有關的政策及指引、省覽及討論各風險管理單位提交的報告以及推動內部監控文化。為了維持充足的內部監控制度，內部監控委員會審視及討論主要營運風險事件，以及源自審計報告及監控自我評估之改善進展。

(ix) 信貸委員會

信貸委員會每周舉行會議及獲授權監察本行的信貸風險管理。該委員會由本行行政總裁任主席，由本行高級行政人員組成。

信貸委員會審閱及批准本行信貸政策及信貸風險狀況，以供執行信貸委員會批准，以及審閱及批准信貸相關指引。該委員會亦在董事會授權內審閱及批准信貸融資申請，或審閱及提交執行信貸委員會以供批核。

(H) KEY COMMITTEES (continued)

(ix) Credit Committee (continued)

The CC will also conduct on-going reviews on the market environment and make necessary policy recommendations to the ECC to ensure the credit risk profile of the Bank is within the established risk appetite. In this regard, the CC will provide periodic and timely credit related management and stress testing reports to the ECC for review.

(x) Information Technology Steering Committee

The Information Technology Steering Committee is chaired by the Bank's CEO, and comprises senior management personnel as appointed by the CEO. The committee is responsible for providing oversight of the Bank's key information technology governance objectives. The committee approves the Bank's information technology related guidelines; approves long and short term information technology strategies to ensure they are in line with the Bank's business strategy and priorities; approves funding and determines prioritization of information technology enabled investment projects; discusses status of key projects and risk issues escalated from its sub-committee; and manages major information technology risk issues and corresponding remediation. The committee meets on a monthly basis and upon ad hoc call by the committee chairman.

(xi) Compliance & Anti-Money Laundering Committee

The Compliance & Anti-Money Laundering Committee ("CAMLC") comprises the Bank's CEO, Executive Vice Presidents, Head of Compliance & Anti-Money Laundering and the heads of different control, business and support functions. The responsibilities of the CAMLC include providing oversight of the Bank's exposure to compliance risks and compliance activities to ensure the Bank is in compliance with applicable regulatory requirements and Anti-Money Laundering and Counter-Terrorist Financing ("AML/CFT") requirements. The CAMLC provides guidance to the Bank and senior management in establishing a professional compliance control and monitoring system to cultivate a strong compliance culture and ensures the Bank has an effective compliance framework in place to meet regulatory requirements. In addition, the CAMLC also reviews and approves guidelines relating to compliance and AML/CFT. The CAMLC will report to Risk Committee on key issues discussed and approved.

To maintain the Bank's overall regulatory compliance standards, the CAMLC reviews latest developments in regulatory compliance and AML/CFT requirements applicable to the Bank.

(H) 主要委員會(續)

(ix) 信貸委員會(續)

信貸委員會會就市場環境進行持續檢討，並向執行信貸委員會提出所須的政策建議，以確保本行的信貸風險維持於既定風險承受能力之內。就此而言，信貸委員會會定期及適時地向執行信貸委員會提供信貸相關管理及壓力測試報告以供審閱。

(x) 資訊科技督導委員會

資訊科技督導委員會由本行的行政總裁任主席，由行政總裁所委任的高級管理人員組成。該委員會負責監督本行的主要資訊科技管治方針。該委員會會批準銀行的資訊科技相關指引；批准長期及短期資訊科技策略以確保有關策略符合本行業務策略及優先權；批准資金及釐定資訊科技投資項目的優先次序；討論由其下轄委員會上呈的主要項目及風險議題的狀況；以及管理主要資訊科技風險事宜及相應補救方法。該委員會每月召開會議並在委員會主席特別要求時舉行臨時會議。

(xi) 合規及反洗黑錢委員會

合規及反洗黑錢委員會由本行行政總裁、執行副總裁、合規及反洗黑錢部門主管以及各監控、業務及後勤部門主管組成。合規及反洗黑錢委員會的職責包括監督本行的合規風險及合規活動，以確保本行符合反洗黑錢及恐怖分子資金籌集的規定及其他適用的監管規定。合規及反洗黑錢委員會為本行及高級管理層提供指引以構建一個專業的合規監控及監督系統，用以培育一個穩健及整體的合規文化及確保本行備有行之有效的合規架構以配合監管者的要求。此外，合規及反洗黑錢委員會亦審閱及批准有關監管規例的內部指引。合規及反洗黑錢委員會將就討論及批准的關鍵事宜向風險委員會報告。

為保持本行的整體監管合規水平，合規及反洗黑錢委員會審閱本行適用的監管規例的最新進展。

MEMBERS OF FUBON FINANCIAL HOLDINGS
富邦金控成員

Fubon Financial Holding Co., Ltd.
Year of Founding: Dec 2001
Chairman: Richard M. Tsai
President: Jerry Harn
Capital : NT$115 Billion
237 Section 1 Jianguo S Road,
Taipei, Taiwan
Tel : (8862) 6636 6636
Fax: (8862) 6636 0111
www.fubon.com

Fubon Life Insurance Co., Ltd.
Year of Founding: Jul 1987
Chairman: Richard M. Tsai
President: Benson Chen
Capital : NT$110.83 Billion
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 8771 6699
Fax: (8862) 8809 8889
www.fubon.com

* Aetna Life Insurance Company of America, Taiwan Branch was established in 1987 and then bought by ING Group in 2000 and renamed ING Life Taiwan. The branch became an ING Life subsidiary in 2006, which was later bought by the Fubon Group. Fubon Life was launched in 1993. The two insurers formally merged in 2009.

Taipei Fubon Commercial Bank Co., Ltd.
Year of Founding: Apr 1969
Chairman: Eric Chen
President: Roman Cheng
Capital : NT$106.52 Billion
169 Section 4 Ren Ai Road,
Taipei, Taiwan
Tel : (8862) 2771 6699
Fax: (8862) 6638 3812
www.fubon.com

Fubon Bank (Hong Kong) Limited
Year of Founding: Jan 1970
Chairman : Daniel M. Tsai
Chief Executive Officer: Raymond Lee
Capital : HK$4.83 Billion
38 Des Voeux Road Central,
Hong Kong
Tel : (852) 2842 6222
Fax: (852) 2810 1483
www.fubonbank.com.hk

Fubon Bank (China) Co., Ltd.
Year of Founding: Mar 1997
Chairman: Lixin Ma
President: Feng Chen
Capital : RMB 2.1 Billion
1-3F, 5F, 18-20F, Oriental Financial Plaza, Tower A, 1168 Century Avenue,
Pudong Shanghai, P.R.C.
Tel : (8621) 2061 9888
Fax: (8621) 5840 9900
www.fubonchina.com

Fubon Insurance Co., Ltd.
Year of Founding: Apr 1961
Chairman: Ben Chen
President: Jason C.M. Lo
Capital : NT$3.18 Billion
237 Section 1 Jianguo S Road,
Taipei, Taiwan
Tel : (8862) 6636 7890
Fax: (8862) 2325 4723
www.fubon.com

Fubon Securities Co., Ltd.
Year of Founding: Jul 1988
Chairman: Jerry Harn
President: Leo Cheng
Capital : NT$16.64 Billion
169 Section 4 Ren Ai Road,
Taipei, Taiwan
Tel : (8862) 8771 6888
Fax: (8862) 8771 6636
www.fubon.com

Fubon Securities Investment Services Co., Ltd.
Year of Founding: May 1987
Chairman: Charles Hsiao
President: Peter Cheng
Capital : NT$300 Million
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 2781 5995
Fax: (8862) 2773 5601
www.fubon.com

Fubon Futures Co., Ltd.
Year of Founding: May 1998
Chairman: Raymond Yang
President: Phoebe Chang
Capital : NT$1.4 Billion
3F, 9 Xiangyang Road,
Taipei, Taiwan
Tel : (8862) 2388 2626
Fax: (8862) 2370 1110
www.fubon.com

Fubon Asset Management Co., Ltd.
Year of Founding: Sep 1992
Chairman: Gang Shyy
President: Ming M.C. Lee
Capital : NT$2.30 Billion
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 8771 6688
Fax: (8862) 8771 6788
www.fubon.com

Fubon Direct Marketing Consulting Co., Ltd.
Year of Founding: Aug 1997
Chairman: Fred Juang
President: Alex Yeh
Capital : NT$145 Million
17F, 9 Xiangyang Road, Taipei, Taiwan
Tel : (8862) 2370 5199
Fax: (8862) 2370 5100
www.fubon.com

Fubon Financial Holding Venture Capital Corp.
Year of Founding: Oct 2003
Chairman: Daniel M. Tsai
President: Chris Tsai
Capital : NT$4.93 Billion
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 6606 9088
Fax: (8862) 8771 4697
www.fubon.com

Fubon Sports & Entertainment Co., Ltd.
Year of Founding: Sep 2007
Chairman: Chris Tsai
President: Joyce Chen
Capital : NT$48 Million
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 6606 9088
Fax: (8862) 8771 4697
www.fubon.com

* Taiwan Mobile Basketball was founded in September 2007 and renamed Fubon Sports & Entertainment in September 2014.

Fubon AMC, Ltd.
Year of Founding: Aug 2004
Chairman: Roman Cheng
Acting President: Wenshing Hung
Capital : NT$2.5 Billion
50 Section 2 Zhongshan N Road,
Taipei, Taiwan
Tel : (8862) 6618 0588
Fax: (8862) 6608 0166
www.fubon.com

MEMBERS OF FUBON FINANCIAL HOLDINGS
富邦金控成員

富邦金融控股股份有限公司
2001年12月成立
董事長：蔡明興
總經理：韓蔚廷
資本額：新台幣1150.03億元
台灣台北市建國南路一段237號
電話：(8862) 6636 6636
傳真：(8862) 6636 0111
www.fubon.com

富邦人壽保險股份有限公司
1987年7月成立
董事長：蔡明興
總經理：陳俊伴
資本額：新台幣1108.31億元
台灣台北市敦化南路一段108號
電話：(8862) 8771 6699
傳真：(8862) 8809 8889
www.fubon.com

* 原安泰人壽台灣分公司於1987年成立（於2006年改制為子公司），原富邦人壽於1993年成立，富邦人壽與安泰人壽已於2009年正式合併。

台北富邦商業銀行股份有限公司
1969年4月成立
董事長：陳聖德
總經理：程耀輝
資本額：新台幣1065.18億元
台灣台北市仁愛路四段169號
電話：(8862) 2771 6699
傳真：(8862) 6638 3812
www.fubon.com

富邦銀行(香港)有限公司
1970年1月成立
主席　　：蔡明忠
行政總裁：李永鴻
資本額　：港幣48.3億元
香港中環德輔道中38號
電話：(852) 2842 6222
傳真：(852) 2810 1483
www.fubonbank.com.hk

富邦華一銀行有限公司
1997年3月成立
董事長：馬立新
行長　：陳峰
資本額：人民幣21億元
中國上海市浦東新區
世紀大道1168號東方金融廣場
A座1-3樓、5樓、18-20樓
電話：(8621) 2061 9888
傳真：(8621) 5840 9900
www.fubonchina.com

富邦產物保險股份有限公司
1961年4月成立
董事長：陳伯燿
總經理：羅建明
資本額：新台幣31.78億元
台灣台北市建國南路一段237號
電話：(8862) 6636 7890
傳真：(8862) 2325 4723
www.fubon.com

富邦綜合證券股份有限公司
1988年7月成立
董事長：韓蔚廷
總經理：程明乾
資本額：新台幣166.44億元
台灣台北市仁愛路四段169號
電話：(8862) 8771 6888
傳真：(8862) 8771 6636
www.fubon.com

富邦證券投資顧問股份有限公司
1987年5月成立
董事長：蕭乾祥
總經理：程定國
資本額：新台幣3億元
台灣台北市敦化南路一段108號
電話：(8862) 2781 5995
傳真：(8862) 2773 5601
www.fubon.com

富邦期貨股份有限公司
1998年5月成立
董事長：楊俊宏
總經理：張雅斐
資本額：新台幣14億元
台灣台北市襄陽路9號3樓
電話：(8862) 2388 2626
傳真：(8862) 2370 1110
www.fubon.com

富邦證券投資信託股份有限公司
1992年9月成立
董事長：史綱
總經理：李明州
資本額：新台幣23.03億元
台灣台北市敦化南路一段108號
電話：(8862) 8771 6688
傳真：(8862) 8771 6788
www.fubon.com

富邦行銷股份有限公司
1997年8月成立
董事長：莊子明
總經理：葉文正
資本額：新台幣1.45億元
台灣台北市襄陽路9號17樓
電話：(8862) 2370 5199
傳真：(8862) 2370 5100
www.fubon.com

富邦金控創業投資股份有限公司
2003年10月成立
董事長：蔡明忠
總經理：蔡承儒
資本額：新台幣49.37億元
台灣台北市敦化南路一段108號
電話：(8862) 6606 9088
傳真：(8862) 8771 4697
www.fubon.com

富邦育樂股份有限公司
2007年9月成立
董事長：蔡承儒
總經理：陳昭如
資本額：新台幣0.48億元
台灣台北市敦化南路一段108號
電話：(8862) 6606 9088
傳真：(8862) 8771 4697
www.fubon.com

* 2007年9月成立台灣大籃球股份有限公司，2014年9月核准更名為富邦育樂股份有限公司。

富邦資產管理股份有限公司
2004年8月成立
董事長：程耀輝
總經理：洪文興
資本額：新台幣25億元
台灣台北市中山北路二段50號
電話：(8862) 6618 0588
傳真：(8862) 6608 0166
www.fubon.com

The Risk Appetite Statement ("RAS") is a written articulation of the Bank's risk-taking tolerance, risk mitigation and risk avoidance positions as a commercial bank. In formulating our risk appetite, the Bank takes into consideration the statutory requirements, market conditions and industry best practices. It describes the types and quantum of risks that the Bank is willing to accept in achieving its overall business mission, provides a risk framework, and governs the establishment of the Bank's short and long-term strategic objectives. All strategic business decisions and their execution are guided by the risk appetite framework and capital requirements.

The RAS is a key component of the Bank's business plan, and guides its annual planning process by defining the desired forward-looking risk profile of the Bank under normal and stressed conditions. The level of capital support required to sustain a healthy banking operation is ordinarily determined through the Internal Capital Adequacy Assessment Process. Management is responsible to establish robust risk management systems to ensure the risk exposure arising from business decisions are within the Bank's risk tolerance. The Bank has also established a robust system to detect, control and report money laundering activities by potential or existing customers.

Risk appetite is one of the factors that the Board of Directors and senior management take into account when defining the Bank's growth path and devising related operating strategies. The Bank strives to generate sustainable economic profits commensurate with the risks taken and industry conditions.

Risk appetite must always be defined to be equal to or below risk capacity, which directly correlates to the Bank's capital position and revenue generating capabilities. Quantitative risk appetite parameters, such as thresholds or limits, are established for key risks inherent in commercial banking. Limits are expressed for individual risk types that can be used by the relevant risk-taking units within the Bank.

風險偏好聲明是本行作為商業銀行承擔風險、降低風險及規避風險的書面表述，同時考慮了法定要求。它描述了本行在實現其整體業務使命方面願意接受的風險類型及數量，並提供了風險架構及管理本行短期及長期策略目標的制定，本行的所有策略性業務及日常業務的決策均依循風險偏好架構及資本要求而制定。

風險偏好聲明是本行業務計劃的關鍵組成部分，通過定義本行在正常及壓力條件下期望的前瞻性風險狀況來指導其年度計劃過程。而維持穩健的銀行體質及業務營運所需的資本水平一般是透過內部資本充足評估程序所制定。本行要求管理層建立健全的風險管理制度，以確保業務決策所產生的風險在本行的風險承受能力內。本行還建立了一個健全的系統，以檢測、控制及報告潛在或現有客戶的洗錢活動。

風險偏好是董事會及高級管理人員在確定本行的成長路徑和制定相關經營策略時考慮的因素之一。本行努力創造與所承擔的風險及行業狀況相稱的可持續經濟利潤。

本行必須將風險偏好定義為等於或低於與本行資本狀況及獲利能力直接相關的風險承受能力，並應為商業銀行固有的關鍵風險訂立定量風險偏好參數，例如門檻或限額，而限額是指本行內部承擔風險的單位可以使用的個別風險類型。

Fubon Bank
富邦銀行

Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
香港中環德輔道中38號富邦銀行大廈
www.fubonbank.com.hk