

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 (together referred to as the “Group”), provides a range of banking, financial and related services.

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 (“HKCO”). Significant accounting policies adopted by the Group are disclosed below.

(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.

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2020 comprise the Bank and its subsidiaries.

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));
- owned properties (see Note 2(k)); and
- investment properties (see Note 2(l)).

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(統稱為「本集團」)提供一系列銀行、金融及相關服務。

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》、詮釋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) 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) 財務報告的編製基準

截至二零二零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。

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))；
- 本集團擁有之物業(見附註 2(k))；及
- 投資物業(見附註 2(l))。

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(m)).

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 40.

(d) Changes in accounting policies

The Group has initially adopted Amendments to HKFRS 9 “Financial Instruments”, HKAS 39 “Financial Instruments: Recognition and Measurement” and HKFRS 7 “Financial Instruments: Disclosures” in respect of Interest Rate Benchmark Reform on 1 January 2020. A number of other new standards are effective from 1 January 2020 but they do not have a material effect on the Group’s financial statements.

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(m))。

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 40 中詳述。

(d) 會計政策變動

本集團已於二零二零年一月一日就利率基準改革首次採納香港財務報告準則第 9 號「金融工具」、香港會計準則第 39 號「金融工具：確認及計量」及香港財務報告準則第 7 號「金融工具：披露」修訂本。若干其他新訂準則自二零二零年一月一日起生效，但對本集團的財務報告並無重大影響。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

Interest Rate Benchmark Reform: Amendments to HKFRS 9, HKAS 39 and HKFRS 7

Interest rate benchmark reform is a global initiative to replace or reform interbank offered rates (“IBORs”) with alternative reference rates (“ARRs”) that represents observed transactions rate. These amendments modify specific hedge accounting requirements to provide temporary relief from potential effects of the uncertainties caused by interest rate benchmark reform and replace the need for specific judgements to determine whether certain hedge accounting relationships are expected to be reformed or replaced after the interest rate benchmarks reform would continue to qualify for hedge accounting.

Significant judgement will be required in determining when uncertainty is expected to be resolved and when the temporary exceptions will cease to apply. At the end of the reporting period, it is uncertain that when interest rate benchmark reform will be resolved and therefore the Group applied these temporary exceptions on its impacted hedge accounting relationships.

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, which are measured at amortized cost. The notional amounts of interest rate swaps under these hedging relationship amounted to HKD25.0 billion as of 31 December 2020 and are all linked to USD London Interbank Offered Rates.

The notional contract amounts of interest rate derivatives designated in qualifying hedge accounting relationships indicate the nominal value of transactions outstanding as at the reporting date; they do not represent amounts at risk.

2. 主要會計政策(續)

(d) 會計政策變動(續)

利率基準改革：香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本

利率基準改革是以備用參考利率取代或改革銀行間同業拆借利率的全球舉措，而該利率代表可觀察的交易利率。該等修訂修改特定對沖會計規定，以暫時減輕利率基準改革所帶來不確定因素的潛在影響，並取代釐定若干對沖會計關係是否預期於利率基準改革後將繼續符合對沖會計資格後改革或取代的特定判斷的需要。

於釐定預期何時解決不確定性及何時不再應用臨時例外情況時，將須作出重大判斷。於報告期末，尚未確定何時會解決利率基準改革，因此本集團就其受影響的對沖會計關係應用該等暫時性例外情況。

本集團利用利率掉期對沖其若干已發行固定利率存款證及固定利率債務證券投資(按攤銷成本計量)的公平值變動風險。截至二零二零年十二月三十一日，該等對沖關係下的利率掉期名義金額為250億港元，均與美元倫敦銀行同業拆息掛鈎。

於合資格對沖會計關係中指定的利率衍生工具的名義合約金額顯示為於報告日期未完成交易的面值；其並不代表風險金額。

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(p)).

(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(p))。

(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)及匯兌損益外。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 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) Fixed assets

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(p)):

- 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(n)); 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.

2. 主要會計政策(續)

(k) 固定資產

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：

- 當重估出現虧損時，虧損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損自損益扣除時，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損。

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(p))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(n))；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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Fixed assets (continued)

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.

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) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value which are assessed annually by professional qualified valuers.

Any gain or loss arising from a change in fair value or from the retirement or disposal of investment properties is recognized in the profit or loss.

When a property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognized in the premises revaluation reserve as a revaluation of the property.

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

2. 主要會計政策(續)

(k) 固定資產(續)

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。

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) 投資物業

投資物業指為賺取租金收入或資本增值或兩者兼有而持有的物業。投資物業按公平值列賬，並由專業合資格估值師每年進行評估。

投資物業公平值變動或報廢或出售投資物業所產生的任何收益或虧損於損益確認。

當一物業於其用途改變後轉撥至投資物業時，該物業於緊接轉撥前的賬面值與其公平值之間於轉撥日期產生的任何差額於物業重估儲備中確認為該物業的重估。

倘投資物業轉成為業主自用，則重新分類為銀行物業，而就其後會計目的而言，其於重新分類日期之公平值成為其成本。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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.

(n) Leases and hire purchase contracts

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, Lease.

(i) 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.

2. 主要會計政策(續)

(m) 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。

(n) 租約及租購合約

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號租賃中租賃的定義。

(i) 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases and hire purchase contracts (continued)

(i) Group acting as a lessee (continued)

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.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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.

2. 主要會計政策(續)

(n) 租約及租購合約(續)

(i) 本集團作為承租人(續)

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。

計量租賃負債時計入的租賃款項包括固定付款額，包括實物固定付款額。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases and hire purchase contracts (continued)

(i) Group acting as a lessee (continued)

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.

(ii) 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(p)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

2. 主要會計政策(續)

(n) 租約及租購合約(續)

(i) 本集團作為承租人(續)

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。

(ii) 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(p))。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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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.

(p) 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).

2. 主要會計政策(續)

(o) 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。

(p) 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

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.

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").

2. 主要會計政策(續)

(p) 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)

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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

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.

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.

2. 主要會計政策(續)

(p) 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

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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

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.

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.

2. 主要會計政策(續)

(p) 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)

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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) 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 (continued)

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.

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.

2. 主要會計政策(續)

(p) 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(續)

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。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

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.

(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; and
- investments in subsidiaries and associates.

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).

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

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。

(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；及
- 於附屬公司及聯營公司的投資。

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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(ii) Impairment of other assets (continued)

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.

(q) 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.

(r) 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.

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(ii) 其他資產減值(續)

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。

(q) 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。

(r) 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(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. 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)).

(s) 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.

2. 主要會計政策(續)

(r) 僱員福利(續)

(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。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)。

(s) 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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(l), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date. In all other cases, the amount of deferred tax recognised 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. Rental income from investment properties is accounted for as described in Note 2(u).

2. 主要會計政策(續)

(s) 所得稅(續)

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。

倘投資物業根據附註 2(l)所載會計政策按公平值列賬，已確認遞延稅項金額按於報告日期按賬面值出售該等資產所適用的稅率計量。在所有其他情況下，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。投資物業的租金收入按附註 2(u)所述方式入賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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 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 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.

(t) Provisions and contingent liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Group 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)

(s) 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。

(t) 撥備及或然負債

撥備乃本集團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)

(u) 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)

(u) 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)

(u) 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(p).

(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.

2. 主要會計政策(續)

(u) 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(p)。

(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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(iii) Fee and commission income (continued)

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.

(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)

(u) 收益確認(續)

(iii) 費用及佣金收入(續)

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。

(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)**(v) 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.

2. 主要會計政策 (續)**(v) 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兌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兌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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) 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)

(w) 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)

(x) 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.

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 219.

4. INTEREST INCOME AND EXPENSE

(a) Interest income

| | |
|--|----------------|
| Balances with banks and other financial institutions | 銀行同業及其他金融機構結餘 |
| Investment in securities | 證券投資 |
| Loans and advances | 借款及貸款 |
| Interest income calculated using the effective interest method | 採用實際利率法計算的利息收入 |
| Other interest income | 其他利息收入 |
| Total interest income | 利息收入總額 |

Interest income recognized on financial assets that are not measured at fair value through profit or loss amounted to HK\$2,431,425,000 (2019: HK\$3,201,774,000).

2. 主要會計政策(續)

(x) 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. 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 219 頁未經審核補充財務資料附註(A)內。

4. 利息收入及支出

(a) 利息收入

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 64,077 | 111,097 |
| 834,589 | 1,237,264 |
| 1,532,759 | 1,849,213 |
| 2,431,425 | 3,197,574 |
| 11,497 | 24,979 |
| 2,442,922 | 3,222,553 |

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 2,431,425,000 港元(二零一九年：3,201,774,000 港元)。

4. INTEREST INCOME AND EXPENSE (continued)

(b) Interest expense

| | |
|--|-------------------|
| Deposits from customers | 客戶存款 |
| 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 |
| Financial assets sold under repurchase agreements | 購回協議項下出售之金融資產 |
| Certificates of deposit, debt securities and subordinated debts issued | 已發行存款證、債務證券及後償債務 |
| Lease liabilities | 合約負債 |
| Others | 其他 |

Interest expense recognized on financial liabilities that are not measured at fair value through profit or loss amounted to HK\$1,258,608,000 (2019: HK\$1,797,151,000).

4. 利息收入及支出(續)

(b) 利息支出

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 919,993 | 1,306,700 |
| 36,897 | 91,923 |
| 85,448 | 133,383 |
| 214,065 | 261,868 |
| 1,953 | 2,464 |
| 1,989 | 10,524 |
| 1,260,345 | 1,806,862 |

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1,258,608,000港元(二零一九年：1,797,151,000港元)。

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

| | |
|--|-------------------|
| Fee and commission income arising from: | 由以下業務所產生的費用及佣金收入： |
| Credit card services | 信用卡業務 |
| Insurance services | 保險業務 |
| Credit related services | 信貸業務 |
| Securities brokerage and investment services | 證券經紀及投資服務 |
| Unit trust services | 信託基金業務 |
| Trade finance services | 貿易融資業務 |
| Other fees | 其他費用 |

| | |
|---|--------------------------|
| 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 |
| – Trust and other fiduciary activities | – 信託及其他受託業務 |

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.

5. 費用及佣金收入及支出

(a) 費用及佣金收入

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 99,891 | 131,870 |
| 71,174 | 104,481 |
| 46,648 | 58,893 |
| 40,768 | 23,737 |
| 28,043 | 28,674 |
| 15,803 | 20,324 |
| 25,698 | 26,940 |
| 328,025 | 394,919 |

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)

(b) Fee and commission expense

Handling fees and commission
Other fees paid

Of which:

Fee and commission expense arising
from financial assets or financial liabilities
which are not measured at fair value
through profit or loss

手續費及佣金
其他已付費用

其中：

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

6. OTHER OPERATING INCOME

Gains less losses from dealing

- Foreign exchange
- Trading assets
- Other dealing activities*
- Short selling activities

Net hedging loss from fair value hedges

Net gain on hedged items attributable
to the hedged risk
Net loss on hedging instruments

Government subsidies
Dividend income from unlisted equity
securities (Note 32(a)(i))
Rental income
– from investment properties
– others
Others

交易收益減虧損

- 外匯
- 持作交易用途資產
- 其他買賣交易*
- 賣空交易

公平價值對沖之淨對沖虧損

與對沖風險相關之被對沖
項目之淨收益
對沖工具之淨虧損

政府補助
非上市股本證券之
股息收入(附註 32(a)(i))
租賃收入
– 來自投資物業
– 其他
其他

5. 費用及佣金收入及支出(續)

(b) 費用及佣金支出

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 57,815 | 73,365 |
| 21,337 | 25,443 |
| 79,152 | 98,808 |
| 68,054 | 91,351 |

6. 其他營運收入

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 71,795 | 25,985 |
| 23,154 | 29,385 |
| 9,000 | 8,972 |
| (5,791) | (7,157) |
| 98,158 | 57,185 |
| 681,672 | 499,195 |
| (734,222) | (543,414) |
| (52,550) | (44,219) |
| 25,353 | – |
| 9,271 | 10,849 |
| 340 | – |
| 1,030 | 1,584 |
| 16,244 | 25,009 |
| 97,846 | 50,408 |

* 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(包括股票掛鈞票據、期權及結構性存款產品)。

7. OPERATING EXPENSES

7. 營運支出

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------------------|----------------------------------|----------------------------------|
| Staff costs | 僱員成本 | | |
| Contributions to defined contribution scheme | 定額供款計劃供款 | 20,362 | 19,272 |
| Current service cost of defined benefit scheme (Note 29(a)(v)) | 定額福利計劃現時服務成本 (附註 29(a)(v)) | 9,428 | 10,954 |
| Retirement schemes costs | 退休計劃成本 | 29,790 | 30,226 |
| Salaries and other staff costs | 薪金及其他僱員成本 | 522,753 | 562,880 |
| | | 552,543 | 593,106 |
| Premises and other fixed assets | 物業及其他固定資產 | | |
| Depreciation (Note 20(a)) | 折舊(附註 20(a)) | 182,763 | 183,092 |
| Government rent and rates and expenses on short-term leases | 政府地租及差餉以及 短期租賃開支 | 4,913 | 5,454 |
| Others | 其他 | 21,035 | 20,615 |
| Audit fee | 核數費用 | 4,591 | 4,500 |
| Other operating expenses | 其他營運支出 | | |
| Business promotion | 業務推廣 | 24,187 | 27,184 |
| Legal and professional fees | 法律及顧問費用 | 8,128 | 11,124 |
| Communication | 通訊 | 31,150 | 30,304 |
| Electronic data processing and computer systems | 電子資料處理及電腦系統 | 76,745 | 72,224 |
| Others | 其他 | 45,163 | 47,416 |
| Reversal of compensation paid* | 撥回已付補償金* | - | (96,193) |
| | | 951,218 | 898,826 |

* During 2019, 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".

* 於2019年，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 HKCO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

| | |
|-------------------------------------|---------|
| Basic salaries and other allowances | 底薪及其他津貼 |
| Directors' fee | 董事袍金 |
| Contributions to pension scheme | 退休計劃供款 |
| Discretionary bonuses | 酌情花紅 |

8. 董事薪酬

根據公司條例第 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：

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 6,025 | 6,023 |
| 5,159 | 5,135 |
| 300 | 300 |
| 1,500 | 3,000 |
| 12,984 | 14,458 |

9. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

| | |
|---|-----------|
| Impairment losses on advances to customers: | 客戶貸款減值虧損： |
| - Stage 1 | - 第一階段 |
| - Stage 2 | - 第二階段 |
| - Stage 3 | - 第三階段 |

9. 客戶貸款減值虧損

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 132,058 | 64,890 |
| 17,420 | 28,449 |
| 253,228 | 11,848 |
| 402,706 | 105,187 |

10. GAIN ON DISPOSAL OF AN INVESTMENT PROPERTY

In October 2020, the Group entered into a sale and purchase agreement to dispose of one of its investment properties to an independent third party. The transaction was completed in December 2020.

10. 出售投資物業收益

於二零二零年十月，本集團就出售其中一項投資物業予一名獨立第三方訂立買賣協議。該交易已於二零二零年十二月完成。

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：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 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 | 55,392 | 136,883 |
| Under/(over)-provision in prior years | 過往年度撥備不足／(超額撥備) | 10,114 | (4,327) |
| Current tax – Overseas Tax | 即期稅項 – 海外稅項 | | |
| Tax for the year | 年內稅項 | – | 167 |
| Deferred tax | 遞延稅項 | | |
| Origination and reversal of temporary differences (Note 25(b)) | 暫時性差異產生及撥回 (附註 25(b)) | (32,006) | (16,425) |
| | | 33,500 | 116,298 |

Provision for Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 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.

二零二零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% (二零一九年：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

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|----------------------------------|
| Profit before taxation | 除稅前溢利 | 108,840 | 717,417 |
| 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 | 17,959 | 118,374 |
| Tax effect of non-taxable income | 非應課稅收入之稅項影響 | (8,571) | (9,738) |
| Tax effect of non-deductible expenses | 非可扣減支出之稅項影響 | 13,998 | 11,822 |
| Overseas withholding taxes | 海外預扣稅 | – | 167 |
| Under/(over)-provision in prior years | 過往年度撥備不足／(超額撥備) | 10,114 | (4,327) |
| Actual tax expense | 實質稅項支出 | 33,500 | 116,298 |

12. OTHER COMPREHENSIVE INCOME

Premises:

Deficits on revaluation of premises
Deferred taxation (Note 25(b))
Net movement in the premises revaluation reserve during the year recognized in other comprehensive income

Equity securities designated at fair value through other comprehensive income (non-recycling):

Changes in fair value recognized during the year (Note 32(a)(i))
Deferred taxation (Note 25(b))
Net movement in the investment revaluation reserve (non-recycling) during the year recognized in other comprehensive income

Defined benefit liability:

Remeasurement of net defined benefit liability (Note 29(a)(v))
Deferred taxation (Note 25(b))
Net movement in the defined benefit liability during the year recognized in other comprehensive income

物業：

物業重估虧損
遞延稅項(附註 25(b))
本年度於其他全面收益
確認之物業重估儲備
淨變動

指定以公平價值於其他全面收益計量之股本證券(非循環)：

本年度確認之公平價值變動(附註 32(a)(i))
遞延稅項(附註 25(b))
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

定額福利負債：

重新計量定額福利負債淨額(附註 29(a)(v))
遞延稅項(附註 25(b))
本年度於其他全面收益
確認之定額福利負債
淨變動

12. 其他全面收益

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| (198,619) | (241,365) |
| 47,301 | 49,946 |
| (151,318) | (191,419) |
| 243,420 | 266,958 |
| (40,164) | (44,048) |
| 203,256 | 222,910 |
| (56,553) | (5,229) |
| 9,331 | 863 |
| (47,222) | (4,366) |

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 net interest income, 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淨利息收入、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。

| | |
|--|-------------------|
| Net interest income | 淨利息收入 |
| Other operating income/(loss) from external customers | 源自外界客戶其他營運收入/(虧損) |
| Fee and commission expense | 費用及佣金支出 |
| Other operating income/(loss) | 其他營運收入/(虧損) |
| Operating income | 營運收入 |
| Operating expenses | 營運支出 |
| Inter-segment expenses | 跨分部支出 |
| Operating profit before other gains and impairment losses | 未計其他收益及減值虧損前經營溢利 |
| Impairment losses on advances to customers | 客戶貸款減值虧損 |
| Impairment losses on other financial assets | 其他金融資產減值虧損 |
| (Charge for)/write back of impairment losses on other assets | 其他資產減值虧損之(扣除)/回撥 |
| 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 |
| Net losses on disposal of fixed assets | 出售固定資產淨虧損 |
| Profit before taxation | 除稅前溢利 |
| Operating expenses – depreciation | 營運支出 – 折舊 |
| Segment assets | 分部資產 |
| Segment liabilities | 分部負債 |

| For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | | |
|--|-----------------------|-------------------|---------------------------|
| Retail Banking | Institutional Banking | Financial Markets | Reportable Segments Total |
| 零售銀行 | 企業及機構銀行 | 金融市場 | 可申報分部總額 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 |
| 399,734 | 626,762 | 156,181 | 1,182,677 |
| 299,819 | 76,754 | (5,246) | 371,327 |
| (61,067) | (181) | (7,522) | (68,770) |
| 238,752 | 76,573 | (12,768) | 302,557 |
| 638,486 | 703,335 | 143,413 | 1,485,234 |
| (361,979) | (93,686) | (58,529) | (514,194) |
| (51,144) | (6,608) | (1,925) | (59,677) |
| 225,363 | 603,041 | 82,959 | 911,363 |
| (33,872) | (368,834) | – | (402,706) |
| (6,997) | (20,148) | (43,511) | (70,656) |
| (15) | 305 | – | 290 |
| – | – | 258 | 258 |
| (166) | – | – | (166) |
| 184,313 | 214,364 | 39,706 | 438,383 |
| (86,821) | (9,009) | (3,547) | (99,377) |
| 20,401,006 | 38,164,272 | 49,894,588 | 108,459,866 |
| 53,818,710 | 22,705,460 | 19,635,296 | 96,159,466 |

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 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 other gains and impairment losses | 未計其他收益及減值虧損前 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)

Reconciliation of reportable segment operating income, profit before taxation, assets and liabilities

Operating income

| |
|---|
| Reportable segment operating income |
| Elimination of inter-segment operating income |
| Unallocated operating income |
| Consolidated operating income |

營運收入

| |
|-----------|
| 可申報分部營運收入 |
| 跨分部營運收入抵銷 |
| 未分配營運收入 |
| 綜合營運收入 |

Profit before taxation

| |
|--|
| Reportable segment profit before taxation |
| Unallocated operating income |
| Unallocated operating expenses |
| Write back of impairment losses on assets acquired under lending agreements |
| Impairment losses on asset held for sale |
| Gain on disposal of an investment property |
| Net losses on revaluation of investment properties |
| Net gains on disposal of fixed assets |
| Gain on disposal of a subsidiary |
| Consolidated profit before taxation |

除稅前溢利

| |
|-----------------------|
| 可申報分部除稅前溢利 |
| 未分配營運收入 |
| 未分配營運支出 |
| 根據貸款協議所得資產 減值虧損之回撥 |
| 持作出售資產減值虧損 |
| 出售投資物業收益 |
| 投資物業重估淨虧損 |
| 出售固定資產淨收益 |
| 出售附屬公司收益 |
| 綜合除稅前溢利 |

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 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元 | 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 |
|--|--|
| 1,485,234 | 1,740,810 |
| (94,437) | (106,896) |
| 138,499 | 128,296 |
| 1,529,296 | 1,762,210 |
| 438,383 | 998,107 |
| 138,499 | 128,296 |
| (471,784) | (406,149) |
| 300 | - |
| - | (4,143) |
| 8,010 | - |
| (4,600) | - |
| 32 | 18 |
| - | 1,288 |
| 108,840 | 717,417 |

13. SEGMENT REPORTING (continued)

Reconciliation of reportable segment operating income, profit before taxation, assets and liabilities (continued)

Assets

| |
|--|
| Reportable segment assets |
| Unallocated fixed assets and investment properties |
| Unallocated other assets |
| Consolidated total assets |

資產

| |
|--------------|
| 可申報分部資產 |
| 未分配固定資產及投資物業 |
| 未分配其他資產 |
| 綜合資產總額 |

Liabilities

| |
|--------------------------------|
| Reportable segment liabilities |
| Unallocated other liabilities |
| Consolidated total liabilities |

負債

| |
|---------|
| 可申報分部負債 |
| 未分配其他負債 |
| 綜合負債總額 |

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 2020 and 2019, 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.

Major customers

For the years ended 31 December 2020 and 2019, no single customer or a group of customers under common control contributed 10% or more of the Group's operating income.

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 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 | As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 108,459,866 | 108,097,910 |
| 1,716,984 | 1,769,750 |
| 2,146,834 | 1,538,974 |
| 112,323,684 | 111,406,634 |

| As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 | As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 96,159,466 | 94,584,412 |
| 1,436,988 | 2,175,048 |
| 97,596,454 | 96,759,460 |

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。截至二零二零年及二零一九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、除稅前溢利或虧損、營運收入或然負債及承擔10%或以上。

主要客戶

截至二零二零年及二零一九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

| | |
|---|----------------------|
| Cash in hand | 現金 |
| Balances with the Hong Kong Monetary Authority (“HKMA”) | 香港金融管理局 (「金管局」)結餘 |
| Balances with banks | 銀行同業之結餘 |
| Money at call and short notice * | 通知及短期存款* |

* Money at call and short notice represents deposits of up to a maximum of one-month maturity from the end of the reporting period.

15. TRADING ASSETS

| | |
|--|------------------------|
| 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 |

As at 31 December 2020 and 2019, all trading assets held by the Group are issued by governments and central banks.

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.

14. 現金及短期資金

| 31 December 2020 二零二零年 十二月三十一日 HK\$’000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$’000 千港元 |
|--|--|
| 93,278 | 200,439 |
| 648,851 | 97,357 |
| 568,784 | 620,135 |
| 3,655,742 | 4,372,775 |
| 4,966,655 | 5,290,706 |

* 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. 持作交易用途資產

| 31 December 2020 二零二零年 十二月三十一日 HK\$’000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$’000 千港元 |
|--|--|
| 1,948,454 | 1,943,242 |

於二零二零年及二零一九年十二月三十一日，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. 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 2020 二零二零年十二月三十一日 | | |
|---------------------------|--------|--|--|--------------------------------|
| | | 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 | – | 5,732,908 | 5,732,908 |
| – Swaps | – 掉期 | – | 10,308,733 | 10,308,733 |
| – Options purchased | – 購入期權 | – | 435,326 | 435,326 |
| – Options written | – 沽出期權 | – | 435,326 | 435,326 |
| | | – | 16,912,293 | 16,912,293 |
| Interest rate derivatives | 利率衍生工具 | | | |
| – Swaps | – 掉期 | 25,607,137 | 786,300 | 26,393,437 |
| | | 25,607,137 | 786,300 | 26,393,437 |
| Equity derivatives | 股票衍生工具 | | | |
| – Options purchased | – 購入期權 | – | 22,294 | 22,294 |
| – Options written | – 沽出期權 | – | 22,294 | 22,294 |
| | | – | 44,588 | 44,588 |
| Total | 總額 | 25,607,137 | 17,743,181 | 43,350,318 |

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

| | |
|---------------------------|--------|
| Exchange rate derivatives | 匯率衍生工具 |
| – Forwards | – 遠期 |
| – Swaps | – 掉期 |
| – Options purchased | – 購入期權 |
| – Options written | – 沽出期權 |
| Interest rate derivatives | 利率衍生工具 |
| – Swaps | – 掉期 |
| Equity derivatives | 股票衍生工具 |
| – Options purchased | – 購入期權 |
| – Options written | – 沽出期權 |
| Total | 總額 |

The above amounts are shown on a gross basis without taking into account the effect of any bilateral netting arrangements.

Derivatives reported as qualifying for hedge accounting represent hedging instruments designated as hedges under HKAS 39.

16. 衍生金融工具(續)

(a) 衍生工具之名義金額(續)

| 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 |
| – | 7,403,947 | 7,403,947 |
| – | 15,376,121 | 15,376,121 |
| – | 271,576 | 271,576 |
| – | 271,576 | 271,576 |
| – | 23,323,220 | 23,323,220 |
| 23,390,741 | 20,000 | 23,410,741 |
| 23,390,741 | 20,000 | 23,410,741 |
| – | – | – |
| – | – | – |
| – | – | – |
| 23,390,741 | 23,343,220 | 46,733,961 |

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。

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 2020 二零二零年十二月三十一日 | | | 31 December 2019 二零一九年十二月三十一日 | | |
|---------------------------|--------|---|--|--|---|--|--|
| | | 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 | 471,428 | 51,246 | 27,549 | 443,306 | 25,573 | 39,533 |
| - Swaps | - 掉期 | 35,391 | 10,239 | 37,355 | 41,927 | 20,106 | 60,121 |
| - Options purchased | - 購入期權 | 562 | - | 10,494 | 426 | - | 7,662 |
| - Options written | - 沽出期權 | - | 564 | - | - | 429 | - |
| | | 507,381 | 62,049 | 75,398 | 485,659 | 46,108 | 107,316 |
| Interest rate derivatives | 利率衍生工具 | | | | | | |
| - Swaps | - 掉期 | 55,569 | 1,018,348 | 55,050 | 58,134 | 339,240 | 110,286 |
| | | 55,569 | 1,018,348 | 55,050 | 58,134 | 339,240 | 110,286 |
| Equity derivatives | 股票衍生工具 | | | | | | |
| - Options purchased | - 購入期權 | 493 | - | - | - | - | - |
| - Options written | - 沽出期權 | - | 493 | - | - | - | - |
| | | 493 | 493 | - | - | - | - |
| Total | 總額 | 563,443 | 1,080,890 | 130,448 | 543,793 | 385,348 | 217,602 |

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.

| 31 December 2020 | 二零二零年十二月三十一日 |
|---------------------------|--------------|
| Exchange rate derivatives | 匯率衍生工具 |
| Interest rate derivatives | 利率衍生工具 |
| Equity derivatives | 股票衍生工具 |
| Total | 總額 |

| 31 December 2019 | 二零一九年十二月三十一日 |
|---------------------------|--------------|
| Exchange rate derivatives | 匯率衍生工具 |
| Interest rate derivatives | 利率衍生工具 |
| Equity derivatives | 股票衍生工具 |
| Total | 總額 |

(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.

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 | Over 1 year to | | | |
| | 1 year or less | 5 years | Over 5 years | |
| 總額 | 一年或以下 | 一年以上 至五年 | 五年以上 | |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 千港元 | 千港元 | 千港元 | 千港元 | |
| 16,912,293 | 16,465,775 | 446,518 | - | |
| 26,393,437 | 3,352,498 | 17,511,922 | 5,529,017 | |
| 44,588 | 44,588 | - | - | |
| 43,350,318 | 19,862,861 | 17,958,440 | 5,529,017 | |

| Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額 | | | | |
|---|----------------|-------------|--------------|--|
| Total | Over 1 year to | | | |
| | 1 year or less | 5 years | Over 5 years | |
| 總額 | 一年或以下 | 一年以上 至五年 | 五年以上 | |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 千港元 | 千港元 | 千港元 | 千港元 | |
| 23,323,220 | 23,027,301 | 295,919 | - | |
| 23,410,741 | 2,703,407 | 16,488,148 | 4,219,186 | |
| - | - | - | - | |
| 46,733,961 | 25,730,708 | 16,784,067 | 4,219,186 | |

(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 35(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 35(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 35(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 35(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.

31 December 2020 二零二零年十二月三十一日

Risk category

Interest rate risk

Hedge of debt securities measured at amortized cost

Nominal amount (HK\$'000)

Average fixed interest rate

Hedge of certificates of deposit issued

Nominal amount (HK\$'000)

Average fixed interest rate

風險類別

利率風險

對沖按攤銷成本計量的債務證券

名義金額(千港元)

平均固定利率

對沖已發行存款證

名義金額(千港元)

平均固定利率

31 December 2019

Risk category

Interest rate risk

Hedge of debt securities measured at amortized cost

Nominal amount (HK\$'000)

Average fixed interest rate

Hedge of certificates of deposit issued

Nominal amount (HK\$'000)

Average fixed interest rate

二零一九年十二月三十一日

風險類別

利率風險

對沖按攤銷成本計量的債務證券

名義金額(千港元)

平均固定利率

對沖已發行存款證

名義金額(千港元)

平均固定利率

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 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 2020 | | | |
| Hedge of debt securities measured at amortized cost | 2,862,498 | 16,745,622 | 5,529,017 |
| Average fixed interest rate | 3.52% | 3.87% | 3.15% |
| Hedge of certificates of deposit issued | 470,000 | - | - |
| Average fixed interest rate | 1.01% | - | - |

| | Remaining maturity of 剩餘年期 | | |
|---|-------------------------------|--|----------------------|
| | 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 | | | |
| Hedge of debt securities measured at amortized cost | 2,113,407 | 15,998,148 | 4,219,186 |
| Average fixed interest rate | 3.68% | 3.92% | 3.56% |
| Hedge of certificates of deposit issued | 590,000 | 470,000 | - |
| Average fixed interest rate | 3.10% | 3.06% | - |

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 2020 二零二零年十二月三十一日 | | | |
|---|----------------------------------|----------------------------------|--------------------------------------|---|--|
| | | Carrying amount 賬面值 | | Line item in the consolidated statement of financial position where the hedging instrument is included | Line item in profit or loss that includes hedge ineffectiveness 包含對沖 無效性的 損益賬內項目 |
| 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 | 包含對沖工具 的綜合財務 狀況表中的項目 | |
| 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 | 25,137,137 | (1,012,845) | 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 | 470,000 | – | 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 2019 二零一九年十二月三十一日 | | | 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 | Line item in profit or loss that includes hedge ineffectiveness 包含對沖 無效性的 損益賬內項目 |
|---|----------------------------------|--|---------------------------------|--------------------------------------|--|--|
| | | Carrying amount 賬面值 | Assets 資產 | Liabilities 負債 | | |
| | | 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 | | |
| 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)

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 2020 二零二零年十二月三十一日 | | | | | 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 |
|--|-------------------|----------------------------------|-------------------|--|-----------------|--|--|
| | | 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 2020 二零二零年對沖無效性的公平價值變動 | |
| Assets 資產 | Liabilities 負債 | Assets 資產 | Liabilities 負債 | | | | |
| 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 | HK\$'000 千港元 | | |
| Debt securities measured at amortized cost | 按攤銷成本計量之債務證券 | 26,609,909 | - | 1,047,991 | - | (11,298) | - |
| Certificates of deposit issued | 已發行存款證 | - | (472,104) | - | (2,188) | - | - |

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Fair values of derivatives designated as hedging instruments (continued)

Fair value hedges (continued)

| | | 31 December 2019 二零一九年十二月三十一日 | | | | | Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses |
|--|--------------|----------------------------------|--------------------------------------|--|--------------------------------------|--|---|
| | | Carrying amount 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 | 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) | - | - |

17. ADVANCES TO CUSTOMERS

(a) Advances to customers less impairment allowances

| | |
|--|----------------------|
| Gross advances to customers | 客戶貸款總額 |
| Less: Impairment allowances (Note 35(a)(xi)) | 減：減值撥備(附註 35(a)(xi)) |
| - Stage 1 | - 第一階段 |
| - Stage 2 | - 第二階段 |
| - Stage 3 | - 第三階段 |

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 2019 二零一九年十二月三十一日 | | | | | Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses |
|--|--------------|----------------------------------|--------------------------------------|--|--------------------------------------|--|---|
| | | Carrying amount 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 | 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) | - | - |

17. 客戶貸款

(a) 客戶貸款減減值撥備

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---|
| 55,584,673 | 52,596,340 |
| (223,974) | (91,916) |
| (52,597) | (35,177) |
| (395,039) | (160,795) |
| 54,913,063 | 52,308,452 |

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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 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 | 3,351,855 | 4,767,242 |
| – Property investment | – 物業投資 | 7,867,895 | 8,710,970 |
| – Financial concerns | – 金融企業 | 1,935,165 | 2,243,493 |
| – Stockbrokers | – 股票經紀 | 2,501,549 | 1,714,513 |
| – Wholesale and retail trade | – 批發及零售業 | 1,104,961 | 778,689 |
| – Manufacturing | – 製造業 | 2,259,969 | 2,053,959 |
| – Transport and transport equipment | – 運輸及運輸設備 | 304,104 | 282,605 |
| – Information technology | – 資訊科技 | 533,402 | 374,438 |
| – Electricity and gas | – 電力及煤氣 | 341,597 | 550,212 |
| – Others | – 其他 | 4,417,395 | 3,676,258 |
| 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 | 3,627 | 4,061 |
| – Loans for the purchase of other residential properties | – 購買其他住宅物業的貸款 | 9,988,744 | 9,018,440 |
| – Credit card advances | – 信用卡貸款 | 745,129 | 819,809 |
| – Others | – 其他 | 3,686,143 | 4,051,517 |
| Trade finance | 貿易融資 | 39,041,535 | 39,046,206 |
| Gross advances for use outside Hong Kong | 在香港以外使用的貸款總額 | 4,242,438 | 4,784,320 |
| Gross advances to customers | 客戶貸款總額 | 12,300,700 | 8,765,814 |
| | | 55,584,673 | 52,596,340 |

17. ADVANCES TO CUSTOMERS (continued)

(c) Impaired advances to customers

| | |
|---|------------------|
| Gross impaired advances | 減值貸款總額 |
| Stage 3 impairment allowances made against impaired loans | 就減值貸款作出的第三階段減值撥備 |
| Amount of collateral held in respect of impaired loans | 就減值貸款持有的抵押品金額 |

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.

(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:

| | |
|--|-----------------|
| 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 |
| – after 1 year but within 5 years | – 一年以後惟五年以內 |
| – after 5 years | – 五年以後 |
| Interest income relating to future periods | 與未來期間有關之利息收入 |
| Present value of the minimum lease payments receivable | 應收最低租賃還款之現值 |
| Impairment allowances on Stage 1 financial assets | 第一階段金融資產減值撥備 |
| Net investment in finance leases and hire purchase contracts | 融資租賃及租購合約之投資淨額 |

17. 客戶貸款 (續)

(c) 客戶減值貸款

| 31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元 | % of gross advances 佔貸款總額百分比 | 31 December 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 |
|---|---------------------------------|---|---------------------------------|
| 482,883 | 0.87 | 170,952 | 0.33 |
| (395,039) | | (160,795) | |
| 87,844 | | 10,157 | |
| 2,827 | | 8,057 | |

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) 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 2020 二零二零年十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年十二月三十一日 HK\$'000 千港元 |
|---|---|
| 86,457 | 88,087 |
| 115,000 | 116,241 |
| 77 | 77 |
| 201,534 | 204,405 |
| (9,461) | (13,824) |
| 192,073 | 190,581 |
| (2,483) | (1,831) |
| 189,590 | 188,750 |

17. ADVANCES TO CUSTOMERS (continued)

(d) Net investment in finance leases and hire purchase contracts (continued)

The maturity profile of the present value of the minimum lease payments before impairment allowances is as follows:

| | |
|---------------------------------|-----------|
| Within 1 year | 一年以內 |
| After 1 year but within 5 years | 一年以後惟五年以內 |
| After 5 years | 五年以後 |

17. 客戶貸款(續)

(d) 融資租賃及租購合約之投資淨額(續)

減值撥備前最低租賃還款現值之期限組別如下：

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 81,229 | 80,355 |
| 110,767 | 110,149 |
| 77 | 77 |
| 192,073 | 190,581 |

18. DEBT SECURITIES MEASURED AT AMORTIZED COST

Debt securities measured at amortized cost

Treasury bills (including Exchange Fund Bills)

- Listed outside Hong Kong
- Unlisted

Certificates of deposit held

- Unlisted

Debt securities

- Listed in Hong Kong
- Listed outside Hong Kong
- Unlisted

Debt securities measured at amortized cost are issued by:

- Governments and central banks
- Public sector entities
- Banks
- Corporate entities

按攤銷成本計量之債務證券

國庫券(包括外匯基金票據)

- 於香港以外上市
- 非上市

所持存款證

- 非上市

債務證券

- 於香港上市
- 於香港以外上市
- 非上市

按攤銷成本計量之債務證券

由以下機構發行：

- 政府及中央銀行
- 公營實體
- 銀行
- 企業實體

18. 按攤銷成本計量之債務證券

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 14,961 | 14,949 |
| 2,798,586 | 4,583,427 |
| 126,629 | 482,873 |
| 18,208,321 | 15,335,702 |
| 10,128,457 | 10,842,073 |
| 9,908,277 | 9,257,212 |
| 41,185,231 | 40,516,236 |
| 3,482,936 | 5,329,319 |
| 1,775,451 | 1,022,393 |
| 8,649,822 | 10,817,194 |
| 27,277,022 | 23,347,330 |
| 41,185,231 | 40,516,236 |

As at 31 December 2020, debt securities issued by banks include debt securities with fair value of HK\$4.49 billion issued by multilateral development banks (2019: HK\$3.07 billion). As at 31 December 2020, the fair value of debt securities guaranteed by governments was HK\$2.83 billion (2019: HK\$2.54 billion).

於二零二零年十二月三十一日，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4,490,000,000港元(二零一九年：3,070,000,000港元)的債務證券。於二零二零年十二月三十一日，政府擔保的債務證券的公平價值為2,830,000,000港元(二零一九年：2,540,000,000港元)。

19. EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets designated at fair value through other comprehensive income

Equity securities
– Listed in Hong Kong
– Unlisted

指定以公平價值於其他全面收益計量的金融資產

股本證券
– 於香港上市
– 非上市

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 the year ended 31 December 2020 (2019: Nil), and there were no transfers of any cumulative gain or loss within equity relating to these investments.

19. 指定以公平價值於其他全面收益計量之股本證券

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 52 | 54 |
| 1,316,220 | 1,074,000 |
| 1,316,272 | 1,074,054 |

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。於截至二零二零年十二月三十一日止年度期間概無出售該等投資（二零一九年：無），且並無轉讓與該等投資有關的權益之累積收益或虧損。

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

20. 固定資產及投資物業

(a) 賬面值對賬

| | | Premises | Furniture, fixtures and equipment | Other properties and equipment leased for own use carried at cost | Subtotal | Investment properties | Total |
|--|--------------------------|-----------|-----------------------------------|---|-----------|-----------------------|-----------|
| | | 物業 | 傢俬、裝置及設備 | 以成本列賬之其他自用租賃物業及設備 | 小計 | 投資物業 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Cost or valuation | 成本值或估價 | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 3,667,833 | 1,013,575 | 135,629 | 4,817,037 | - | 4,817,037 |
| Additions | 添置 | - | 86,028 | 17,691 | 103,719 | - | 103,719 |
| Transfer from assets held for sale | 轉撥自持作出售資產 | 41,300 | - | - | 41,300 | - | 41,300 |
| Surplus on revaluation upon transfer to investment properties | 轉撥至投資物業時的重估盈餘 | 4,677 | - | - | 4,677 | - | 4,677 |
| Elimination of accumulated depreciation upon transfer to investment properties | 轉撥至投資物業時抵銷累計折舊 | (10,677) | - | - | (10,677) | - | (10,677) |
| Transfer to investment properties | 轉撥至投資物業 | (88,600) | - | - | (88,600) | 88,600 | - |
| Disposals | 出售 | - | (14,633) | (26,962) | (41,595) | (34,500) | (76,095) |
| Deficits on revaluation | 重估虧損 | (203,296) | - | - | (203,296) | (4,600) | (207,896) |
| Elimination of accumulated depreciation on revalued premises | 抵銷重估物業之累計折舊 | (65,304) | - | - | (65,304) | - | (65,304) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 3,345,933 | 1,084,970 | 126,358 | 4,557,261 | 49,500 | 4,606,761 |
| Accumulated depreciation | 累計折舊 | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | - | 655,239 | 70,847 | 726,086 | - | 726,086 |
| Charge for the year (Note 7) | 年內扣除(附註7) | 75,981 | 79,460 | 27,322 | 182,763 | - | 182,763 |
| Released on disposal | 出售撥回 | - | (14,308) | (26,962) | (41,270) | - | (41,270) |
| Elimination of accumulated depreciation upon transfer to investment properties | 轉撥至投資物業時抵銷累計折舊 | (10,677) | - | - | (10,677) | - | (10,677) |
| Elimination of accumulated depreciation on revalued premises | 抵銷重估物業之累計折舊 | (65,304) | - | - | (65,304) | - | (65,304) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | - | 720,391 | 71,207 | 791,598 | - | 791,598 |
| Accumulated impairment loss | 累計減值虧損 | | | | | | |
| At 1 January 2020 and 31 December 2020 | 於二零二零年一月一日及於二零二零年十二月三十一日 | 15,733 | - | - | 15,733 | - | 15,733 |
| Net book value | 賬面淨值 | | | | | | |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 3,330,200 | 364,579 | 55,151 | 3,749,930 | 49,500 | 3,799,430 |

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(a) Reconciliation of carrying amount (continued)

Cost or valuation

| | |
|--|-----------------------|
| At 31 December 2018 | 於二零一八年十二月三十一日 |
| 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 |
| At 1 January 2019 | 於二零一九年一月一日 |
| Additions | 添置 |
| Disposals | 出售 |
| Deficits on revaluation | 重估虧損 |
| Elimination of accumulated depreciation on revalued premises | 抵銷重估物業之累計折舊 |
| At 31 December 2019 | 於二零一九年十二月三十一日 |

Accumulated depreciation

| | |
|--|-----------------------|
| At 31 December 2018 | 於二零一八年十二月三十一日 |
| 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 |
| At 1 January 2019 | 於二零一九年一月一日 |
| Charge for the period (Note 7) | 年內扣除(附註 7) |
| Released on disposal | 出售撥回 |
| Elimination of accumulated depreciation on revalued premises | 抵銷重估物業之累計折舊 |
| At 31 December 2019 | 於二零一九年十二月三十一日 |

Accumulated impairment loss

| | |
|--|--------------------|
| 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 |
|--|--------------------|

Net book value

| | |
|---------------------|---------------|
| At 31 December 2019 | 於二零一九年十二月三十一日 |
|---------------------|---------------|

成本值或估值

於二零一八年十二月三十一日
初次應用香港財務報告準則
第 16 號的影響

於二零一九年一月一日
添置
出售
重估虧損
抵銷重估物業之累計折舊

於二零一九年十二月三十一日

累計折舊

於二零一八年十二月三十一日
初次應用香港財務報告準則
第 16 號的影響

於二零一九年一月一日
年內扣除(附註 7)
出售撥回
抵銷重估物業之累計折舊

於二零一九年十二月三十一日

累計減值虧損

於二零一九年一月一日及
十二月三十一日

賬面淨值

於二零一九年十二月三十一日

20. 固定資產及投資物業(續)

(a) 賬面值對賬(續)

| Premises | Furniture, fixtures and equipment | Other properties and equipment leased for own use carried at cost | Total |
|-----------|-----------------------------------|---|-----------|
| 物業 | 傢私、裝置及設備 | 以成本列賬之其他自用租賃物業及設備 | 總計 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 |
| 3,981,272 | 973,522 | - | 4,954,794 |
| - | - | 108,327 | 108,327 |
| 3,981,272 | 973,522 | 108,327 | 5,063,121 |
| - | 101,461 | 43,606 | 145,067 |
| - | (61,408) | (16,304) | (77,712) |
| (241,365) | - | - | (241,365) |
| (72,074) | - | - | (72,074) |
| 3,667,833 | 1,013,575 | 135,629 | 4,817,037 |
| - | 626,557 | - | 626,557 |
| - | - | 61,215 | 61,215 |
| - | 626,557 | 61,215 | 687,772 |
| 72,074 | 85,082 | 25,936 | 183,092 |
| - | (56,400) | (16,304) | (72,704) |
| (72,074) | - | - | (72,074) |
| - | 655,239 | 70,847 | 726,086 |
| 15,733 | - | - | 15,733 |
| 3,652,100 | 358,336 | 64,782 | 4,075,218 |

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(a) Reconciliation of carrying amount (continued)

Had the revalued premises been carried at cost less accumulated depreciation, the carrying amounts would have been:

Net book value 賬面淨值

The Group leases out an investment property under operating lease, which runs for an initial period 3 years. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in 2 years amounted to HK\$1,160,000.

(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 |

20. 固定資產及投資物業(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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 770,650 | 795,799 |

本集團根據經營租賃出租投資物業，初步為期三年。本集團將於兩年內收取於報告日期已存在之不可撤銷經營租賃項下之未貼現租賃付款 1,160,000 港元。

(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 |

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

The fair value measurement of the Group's premises and investment properties are categorized as Level 3 as at 31 December 2020 and 2019. During the year ended 31 December 2020 and 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's premises and investment properties were revalued as at 31 December 2020 and 2019. The 2020 valuations were carried out by an independent firm of surveyors, Knight Frank Petty Limited, (2019: 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\$165.8 million for premises (2019: surplus of HK\$201.5 million) has been recognized in other comprehensive income and accumulated in the premises revaluation reserve, net of deferred tax.

The revaluation deficits of HK\$4.6 million for investment properties (2019: Nil) has been recognized in the profit or loss.

(ii) Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of premises and investment properties are determined using market comparison approach assuming sale with immediate vacant possession and by reference to comparable sales evidence.

20. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(i) 公平價值等級制度(續)

於二零二零年及二零一九年十二月三十一日，本集團物業及投資物業的公平價值計量分類為第三級。於截至二零二零年及二零一九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。

本集團所有物業於二零二零年及二零一九年十二月三十一日作出重估。估值由獨立測量師行萊坊測量師行有限公司(2019：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。

物業重估虧損 165,800,000 港元(二零一九年：盈餘 201,500,000 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。

投資物業之重估虧損 4,600,000 港元(二零一九年：無)已於損益確認。

(ii) 第三級公平價值計量使用的估值技術及輸入數據

物業及投資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。

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

(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:

Premises

物業

| | |
|---|--|
| At 1 January | 於一月一日 |
| Depreciation for the year | 本年度折舊 |
| Transfer from assets held for sale | 轉撥自持作出售之資產 |
| Transfer to investment properties | 轉撥至投資物業 |
| Deficits on revaluation – debit to premises revaluation reserve | 重估虧損 – 計入 物業重估儲備 |
| At 31 December | 於十二月三十一日 |
| Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period | 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 |
| – Premises: net movement in premises revaluation reserve | – 物業：物業重估儲備淨 變動 |
| Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period | 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 |
| – Operating expenses: Depreciation | – 營運支出：折舊 |

20. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(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：

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 3,652,100 | 3,965,539 |
| (75,981) | (72,074) |
| 41,300 | – |
| (88,600) | – |
| (198,619) | (241,365) |
| 3,330,200 | 3,652,100 |
| (151,318) | (191,419) |
| (65,304) | (72,074) |

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

(iii) Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (continued)

Investment properties 投資物業

| | |
|--|----------------------------|
| At 1 January | 於一月一日 |
| Transfer from premises | 轉撥自物業 |
| Disposal | 出售 |
| Deficits on revaluation – debit to profit or loss | 重估虧損 — 計入損益 |
| At 31 December | 於十二月三十一日 |
| Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period | 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 |
| – Rental income | – 租金收入 |
| – Operating expenses: Depreciation* | – 營運支出：折舊* |
| – Net losses on revaluation of investment properties | – 投資物業重估淨虧損 |

* As Premises before reclassification to investment properties.

(iv) Information about Level 3 fair value measurements

| Valuation technique 估值技術 | Unobservable input 不可觀察輸入數據 | Range 範圍 |
|---|--|---|
| Market Approach – Comparable Transactions Method 市場法—可資比較交易法 | Premium/(discount) on characteristic of the properties 物業特點的溢價/(折讓) | –30% to 40% (2019: –40% to 154%) –30%至–40% (二零一九年： –40%至 154%) |
| Income Approach 收入法 | Market yield 市場收益率 | 2.6% to 2.7% (2019: N/A) 2.6%至 2.7% (二零一九年：不適用) |
| | Market rent 市場租值 | HK\$38 to HK\$330 per square feet (2019: N/A) 每平方呎 38 港元至 330 港元 (二零一九年：不適用) |

20. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(iii) 公平價值等級制度第三級公平價值計量的對賬(續)

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| – | – |
| 88,600 | – |
| (34,500) | – |
| (4,600) | – |
| 49,500 | – |
| 1,066 | – |
| (10,677) | – |
| (4,600) | – |

* 作為重新分類至投資物業前的物業。

(iv) 有關第三級公平價值計量的資料

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

(iv) Information about Level 3 fair value measurements

(continued)

The fair value of premises held for own use and investment properties are determined using either the Market Approach – Comparable Transactions Method or the Income Approach. The Market Approach – Comparable Transactions Method 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. The fair value under Income Approach is determined by discounting a projected cash flow series associated with the property using risk-adjusted discount rate. The valuation takes into account expected market rental growth and occupancy rate of the respective property. The discount rate used has been adjusted for the quality and location of the buildings and the tenant credit quality.

(c) The analysis of net book value of premises and investment properties are as follows:

Premises

物業

Held in Hong Kong at fair value
– Long-term leases (over 50 years)
– Medium-term leases (10-50 years)

於香港按公平價值持有
– 長期租約(超過五十年)
– 中期租約(十年至五十年)

Investment properties

投資物業

Held in Hong Kong at fair value
– Medium-term leases (10-50 years)

於香港按公平價值持有
– 中期租約(十年至五十年)

20. 固定資產及投資物業(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(續)

持作自用物業及投資物業的公平價值乃使用市場法—可資比較交易法及收入法釐定。可資比較交易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。收入法下的公平價值乃使用經風險調整的折現率對與物業相關的預測現金流量進行折現來釐定。估值已計及物業的預期市場租金增長率和租用率。所使用的折現率根據相關建築物的質量和所在區域以及租戶的信用風險進行了調整。

(c) 物業及投資物業賬面淨值的分析如下：

| | 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|--|
| | 2,243,000 | 2,290,800 |
| | 1,087,200 | 1,361,300 |
| | 3,330,200 | 3,652,100 |
| | 49,500 | – |

21. DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

| | |
|--|----------------------------------|
| Deposits and balances from banks | 銀行同業之存款及結餘 |
| Deposits and balances from the HKMA | 於金管局之存款及結餘 |
| Amounts due to banks and other financial institutions under repurchase agreements (Note 35(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 35(f)) |

21. 銀行同業及其他金融機構之存款及結餘

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---|
| 3,188,305 | 2,932,734 |
| - | 12,337 |
| 3,188,305 | 2,945,071 |
| 6,853,334 | 6,195,224 |
| 10,041,639 | 9,140,295 |

22. DEPOSITS FROM CUSTOMERS

| | |
|--------------------------------------|---------|
| Demand deposits and current accounts | 活期及往來存款 |
| Savings deposits | 儲蓄存款 |
| Time deposits | 定期存款 |

22. 客戶存款

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---|
| 15,808,654 | 11,377,060 |
| 5,681,074 | 5,280,322 |
| 55,048,702 | 58,386,029 |
| 76,538,430 | 75,043,411 |

23. TRADING LIABILITIES

| | |
|--|-----------|
| Short positions in Exchange Fund Bills | 外匯基金票據之短倉 |
|--|-----------|

23. 交易賬項下之負債

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---|
| 1,948,454 | 948,173 |

24. OTHER LIABILITIES

24. 其他負債

| | | 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|------------------------------------|--|--|
| Net defined benefit liability (Note 29(a)(i)) | 定額福利負債淨額(附註 29(a)(i)) | 92,792 | 41,996 |
| Impairment allowance recognized in respect of credit related commitments and contingencies (Note 35(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 35(a)(x)) | 45,267 | 21,560 |
| Lease liabilities | 租賃負債 | 58,398 | 67,611 |
| Accounts payable and other liabilities | 應付賬項及其他負債 | 1,474,117 | 3,007,481 |
| | | 1,670,574 | 3,138,648 |

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

下表顯示本集團於報告期末之租賃負債的剩餘合約到期日：

| | | 31 December 2020 於二零二零年十二月三十一日 | | As at 31 December 2019 於二零一九年十二月三十一日 | |
|--------------------------------------|------------|--|--|--|---|
| | | 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 | 22,940 | 24,357 | 23,207 | 25,015 |
| After 1 year but within 2 years | 一年以後惟兩年以內 | 15,686 | 16,548 | 15,633 | 16,833 |
| After 2 year but within 5 years | 兩年以後惟五年以內 | 19,029 | 19,753 | 25,318 | 26,724 |
| After 5 years | 五年以後 | 743 | 748 | 3,453 | 3,524 |
| | | 58,398 | 61,406 | 67,611 | 72,096 |
| Less: total future interest expenses | 減：未來利息開支總額 | | (3,008) | | (4,485) |
| Present value of lease liabilities | 租賃負債之現值 | | 58,398 | | 67,611 |

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current tax provision/(recoverable) in the consolidated statement of financial position represents:

| | |
|--|----------------|
| Provision for Hong Kong Profits Tax for the year | 年內香港利得稅準備 |
| Provisional Hong Kong Profits Tax paid | 已付香港暫繳利得稅 |
| 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 |
| <i>Representing:</i> | <i>代表：</i> |
| Hong Kong Profits Tax recoverable* | 可收回香港利得稅* |
| Provision for Hong Kong Profits Tax* | 香港利得稅準備* |

* 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.

25. 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---|
| 55,392 | 136,883 |
| - | - |
| 55,392 | 136,883 |
| 38,789 | 23,113 |
| 94,181 | 159,996 |
| (4) | - |
| 94,185 | 159,996 |
| 94,181 | 159,996 |

* 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。

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

25. 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 | Defined benefit scheme | Impairment allowances | Revaluation of equity securities designated at fair value through other comprehensive income | Revaluation of premises | Right-of-use assets | Revaluation of investment properties | Total |
|--|--------------------------------|---|------------------------|-----------------------|--|-------------------------|---------------------|--------------------------------------|------------------|
| | | 超過有關折舊的折舊免稅額 | 定額福利計劃 | 減值撥備 | 指定以公平價值於其他全面收益計量之股本證券重估 | 物業重估 | 使用權資產 | 投資物業重估 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 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 |
| Credited/(charged) to other comprehensive income (Note 12) | 於其他全面收益中撥回/(扣除)(附註 12) | - | 863 | - | (44,048) | 49,946 | - | - | 6,761 |
| At 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | (52,359) | 6,564 | 31,901 | (154,496) | (484,550) | 505 | - | (652,435) |
| (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)) | (3,672) | (1,012) | 36,322 | - | 114 | (505) | 759 | 32,006 |
| Credited/(charged) to other comprehensive income (Note 12) | 於其他全面收益中撥回/(扣除)(附註 12) | - | 9,331 | - | (40,164) | 47,301 | - | - | 16,468 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | (56,031) | 14,883 | 68,223 | (194,660) | (437,135) | - | 759 | (603,961) |

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax assets and liabilities recognized (continued)

Deferred tax assets and liabilities recognized are summarized as follows:

Net deferred tax assets recognized in the consolidated statement of financial position
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
資產淨額
綜合財務狀況表確認之遞延稅項
負債淨額

25. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債(續)

已確認遞延稅項資產及負債概述如下：

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 6 | 8 |
| (603,967) | (652,443) |
| (603,961) | (652,435) |

(c) Deferred tax assets unrecognized

The Group has no material unrecognized deferred tax asset as at 31 December 2020 (2019: HK\$Nil).

(c) 未確認之遞延稅項資產

於二零二零年十二月三十一日，本集團並無重大未確認之遞延稅項資產(二零一九年：無)。

26. SHARE CAPITAL

26. 股本

Issued and fully paid:

Ordinary shares

As at 1 January and 31 December

已發行及繳足：

普通股

於一月一日及
十二月三十一日

| 2020 二零二零年 | | 2019 二零一九年 | |
|-----------------------------|--|-----------------------------|--|
| 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 |
| 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。

27. RESERVES

(a) 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.

(b) 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)).

(c) 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).

28. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated cash flow statement

| | |
|---|------------------|
| Cash and balances with banks | 現金及於銀行同業之結餘 |
| 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 |
| Treasury bills with original maturity within three months | 原於三個月內到期之國庫券 |
| Placements with banks with original maturity within three months | 原於三個月內到期之銀行同業放款 |

27. 儲備

(a) 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。

(b) 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))。

(c) 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。

28. 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

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,310,913 | 917,931 |
| 3,655,742 | 4,372,775 |
| 3,947,873 | 1,698,610 |
| 142,993 | 2,222,266 |
| 9,057,521 | 9,211,582 |

28. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation to the consolidated statement of financial position

| | |
|---|-----------------------|
| Cash and short-term funds (Note 14) | 現金及短期資金(附註 14) |
| Treasury bills | 國庫券 |
| – Trading assets (Note 15) | – 持作交易用途資產(附註 15) |
| – Debt securities measured at amortized cost (Note 18) | – 按攤銷成本計量的債務證券(附註 18) |
| Balances with banks and other financial institutions | 銀行及其他金融機構結餘 |
| Amount shown in the consolidated statement of financial position | 綜合財務狀況表內所示金額 |
| 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 |
| 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 |

(c) Total cash outflow for leases

| | |
|-----------------------------|----------|
| Within operating cash flows | 於經營現金流之內 |
| Within financing cash flows | 於融資現金流之內 |

28. 現金及等同現金項目(續)

(b) 綜合財務狀況表之對賬

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 4,966,655 | 5,290,706 |
| 1,948,454 | 1,943,242 |
| 2,813,547 | 4,598,376 |
| 458,770 | 2,862,464 |
| 10,187,426 | 14,694,788 |
| (1,129,905) | (5,483,206) |
| 9,057,521 | 9,211,582 |

(c) 租賃現金流出總額

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,953 | 2,464 |
| 26,904 | 28,708 |
| 28,857 | 31,172 |

28. CASH AND CASH EQUIVALENTS (continued)

(d) Reconciliation of liabilities arising from financing activities

28. 現金及等同現金項目(續)

(d) 融資活動所產生的負債之對賬

| | | Subordinated notes issued 已發行後償票據 HK\$'000 千港元 | 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 2020 | 於二零二零年一月一日 | 1,555,776 | 1,165,268 | 67,611 | 2,788,655 |
| Changes from financing cash flows: | 融資現金流量變動： | | | | |
| Repayment of subordinated notes issued | 償還已發行後償票據 | (1,555,776) | - | - | (1,555,776) |
| Repayment of debt securities | 償還債務證券 | - | (1,542,467) | - | (1,542,467) |
| Proceeds from issuance of debt securities | 發行債務證券所得款項 | - | 1,921,290 | - | 1,921,290 |
| Payment of lease liabilities | 租賃負債的付款 | - | - | (26,904) | (26,904) |
| Total changes from financing cash flows | 融資現金流量變動總額 | (1,555,776) | 378,823 | (26,904) | (1,203,857) |
| Exchange adjustment | 匯兌調整 | - | 535 | - | 535 |
| 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 | - | - | 17,691 | 17,691 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | - | 1,544,626 | 58,398 | 1,603,024 |

| | | 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 | 匯兌調整 | 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 |

29. 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% (2019: 19%) 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 2020 and was prepared by Joseph Yip, Fellow 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 75.23% (2019: 86.22%) 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:

| | |
|--|------------------------|
| Present value of wholly or partly funded obligations | 獲全數或部分資助的承擔現值 |
| Fair value of plan assets | 計劃資產的公平價值 |
| Net liabilities recognized in the consolidated statement of financial position (Note 24) | 於綜合財務狀況表確認之負債淨額(附註 24) |

29. 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%(二零一九年：19%)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二零二零年十二月三十一日進行，由美世(香港)有限公司之葉廣霖(美國精算師)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，75.23%(二零一九年：86.22%)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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| (374,667) | (304,656) |
| 281,875 | 262,660 |
| (92,792) | (41,996) |

29. 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 2019 and it was assessed at that valuation that the Bank is required to contribute:

- 14.0% of active members' Scheme Salary from 1 January 2020 to 30 June 2020;
- 10.0% of active members' Scheme Salary from 1 July 2020 to 31 August 2021;
- 11.2% of active members' Scheme Salary from 1 September 2021 to 31 December 2023.

The next funding valuation will be carried as at 31 December 2022 in the first half of year 2023.

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 2020–30 June 2021 financial year is HK\$13,309,000 which will be made in the first half of year 2021.

(ii) Plan assets consist of the following:

| | |
|-------------------------------------|--------------|
| Equities and unit funds | 股本或基金單位 |
| Interest-bearing securities | 計息證券 |
| Bank deposit, cash and other assets | 銀行存款、現金及其他資產 |

All of the interest-bearing securities have quoted prices in active markets.

29. 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二零一九年十二月三十一日，且按該評估估值。本行需繳付的金額為：

- 由二零二零年一月一日至二零二零年六月三十日，在職成員計劃薪金的 14.0%；
- 由二零二零年七月一日至二零二一年八月三十一日，在職成員計劃薪金的 10.0%；
- 由二零二一年九月一日至二零二三年十二月三十一日，在職成員計劃薪金的 11.2%。

下一次截至二零二二年十二月三十一日的融資估值將於二零二三年上半年進行。

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）。二零二零年七月一日至二零二一年六月三十日財政年度的擔保人供款經釐定為 13,309,000 港元，並將於二零二一年上半年作出。

(ii) 計劃資產包括如下：

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 12,495 | 5,886 |
| 111,602 | 54,859 |
| 157,778 | 201,915 |
| 281,875 | 262,660 |

所有計息證券於活躍市場有報價。

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(iii) Movements in the present value of the defined benefit obligation

| | |
|--|-------------------|
| At 1 January | 於一月一日 |
| 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 |
| - Actuarial losses arising from changes in financial assumptions | - 財務假設變動產生之精算虧損 |
| - Actuarial losses arising from experience adjustments | - 過往調整產生之精算虧損 |
| Benefits paid by the plans | 計劃已付福利 |
| Current service cost | 本期服務成本 |
| Interest cost | 利息成本 |
| Participants' contributions | 參與者供款 |
| At 31 December | 於十二月三十一日 |

The weighted average duration of the defined benefit obligation is 8.1 years (2019: 4.6 years).

(iv) Movements in plan assets

| | |
|---|--------------|
| At 1 January | 於一月一日 |
| Group's contributions paid to the plans | 本集團對計劃的供款 |
| Benefits paid by the plans | 計劃已付福利 |
| Interest income | 利息收入 |
| Administrative expenses paid from plan assets | 自計劃資產支付的行政開支 |
| Return on plan assets | 計劃資產回報 |
| At 31 December | 於十二月三十一日 |

29. 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

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 304,656 | 298,116 |
| 22,575 | 36 |
| 28,365 | 2,733 |
| 6,949 | 2,575 |
| 362,545 | 303,460 |
| (5,373) | (18,595) |
| 9,428 | 10,954 |
| 4,760 | 5,463 |
| 3,307 | 3,374 |
| 374,667 | 304,656 |

定額福利責任加權平均期限為 8.1 年 (二零一九年：4.6 年)。

(iv) 計劃資產變動

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 262,660 | 250,755 |
| 21,897 | 28,068 |
| (5,373) | (18,595) |
| 4,192 | 4,777 |
| (2,837) | (2,460) |
| 1,336 | 115 |
| 281,875 | 262,660 |

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(v) Amounts recognized in the consolidated statement of comprehensive income are as follows:

| | |
|--|-----------------------|
| Current service cost (Note 7) | 本期服務成本(附註 7) |
| Net interest on net defined benefit liability | 定額福利負債淨額之淨利息 |
| Administrative expenses and taxes | 行政支出及稅項 |
| Total amounts recognized in profit or loss | 於損益賬內確認之總額 |
| Actuarial losses | 精算虧損 |
| Return on plan assets, excluding interest income | 計劃資產之回報不包括利息收入 |
| 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) |
| Total defined benefit cost | 定額福利成本總額 |

The actual return on the Scheme's assets for the year ended 31 December 2020 amounted to approximately HK\$2,691,000 (2019: HK\$2,432,000).

(vi) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

| | |
|----------------------|-------|
| Discount rate | 折現率 |
| Salary increase rate | 薪金增加率 |

29. 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：

| For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度 HK\$'000 千港元 | 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 |
|---|---|
| 9,428 | 10,954 |
| 568 | 686 |
| 2,837 | 2,460 |
| 12,833 | 14,100 |
| 57,889 | 5,344 |
| (1,336) | (115) |
| 56,553 | 5,229 |
| 69,386 | 19,329 |

截至二零二零年十二月三十一日止年度，計劃資產實際回報達約 2,691,000 港元(二零一九年：2,432,000 港元)。

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下：

| 2020 二零二零年 | 2019 二零一九年 |
|----------------------|----------------------|
| 0.7% p.a. 年利率0.7% | 1.7% p.a. 年利率1.7% |
| 3.0% p.a. 年利率3.0% | 3.0% p.a. 年利率3.0% |

29. 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 would have increased/(decreased) as a result of 50 basis points change in the significant actuarial assumptions:

31 December 2020

Discount rate
Salary increase rate

二零二零年十二月三十一日

折現率
薪金增加率

31 December 2019

Discount rate
Salary increase rate

二零一九年十二月三十一日

折現率
薪金增加率

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.

29. 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增加/(減少):

| 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 |
|--|--|
| (14,641) | 15,637 |
| 7,220 | (6,192) |

| 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 |
|--|--|
| (7,616) | 7,007 |
| 4,265 | (3,656) |

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。

30. 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:

30. 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兌項目、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 2020 二零二零年十二月三十一日 | | 31 December 2019 二零一九年十二月三十一日 | |
|---|----------------|--|---|--|---|
| | | 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 | 113,733 | 83,936 | 129,750 | 101,790 |
| Transaction-related contingencies | 與交易有關之 或然項目 | 58,762 | 29,381 | 53,061 | 26,531 |
| Trade-related contingencies | 與貿易有關之 或然項目 | 155,214 | 31,043 | 220,411 | 42,503 |
| Undrawn loan facilities | 未提取之備用貸款 | | | | |
| - which are unconditionally cancellable | - 其中可無條件地取消 | 29,730,064 | - | 32,654,500 | - |
| - with an original maturity of up to one year | - 原訂到期期限為最多一年 | 155,773 | 31,155 | 397,311 | 79,462 |
| - with an original maturity of more than one year | - 原訂到期期限為一年以上 | 2,619,575 | 1,290,120 | 2,203,104 | 1,080,182 |
| | | 32,833,121 | 1,465,635 | 35,658,137 | 1,330,468 |

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。

30. CONTINGENT LIABILITIES AND COMMITMENTS

(continued)

(b) 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:

Contracted for

已訂合約

31. 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.

30. 或然負債及承擔(續)

(b) 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 216,682 | 196,763 |

31. 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。

32. 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.

32. 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。

32. 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:

| | | 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 |
|---|-----------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| 31 December 2020 | 二零二零年十二月三十一日 | | | | |
| Assets | 資產 | | | | |
| Trading assets | 持作交易用途資產 | 1,948,454 | - | - | 1,948,454 |
| Derivative financial instruments | 衍生金融工具 | - | 563,443 | - | 563,443 |
| 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 | 52 | - | 1,316,220 | 1,316,272 |
| | | 1,948,506 | 563,443 | 1,316,220 | 3,828,169 |
| Liabilities | 負債 | | | | |
| Trading liabilities | 交易賬項下之負債 | 1,948,454 | - | - | 1,948,454 |
| Derivative financial instruments | 衍生金融工具 | - | 1,080,890 | - | 1,080,890 |
| | | 1,948,454 | 1,080,890 | - | 3,029,344 |
| | | | | | |
| | | 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 |
| 31 December 2019 | 二零一九年十二月三十一日 | | | | |
| 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 |

During the year ended 31 December 2020 and 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

32. 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：

於截至二零二零年及二零一九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。

32. 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:

| Assets | 資產 |
|--|--------------------------------------|
| At 1 January | 於一月一日 |
| Purchases | 購買 |
| Distribution | 分派 |
| Changes in fair value recognized in other comprehensive income (Note 12) | 在其他全面收益內確認之公平價值變動(附註 12) |
| At 31 December | 於十二月三十一日 |
| Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period (Note 12) | 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(附註 12) |
| Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period (Note 6) | 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(附註 6) |

32. 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 | |
|--|----------------------------------|
| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| 1,074,000 | 809,268 |
| 1,111 | 499 |
| (2,311) | (2,725) |
| 243,420 | 266,958 |
| 1,316,220 | 1,074,000 |
| 243,420 | 266,958 |
| 9,271 | 10,849 |

32. 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 reasonably possible alternative assumptions would have the following effects:

31 December 2020

Assets

Equity securities designated at fair value through other comprehensive income

二零二零年十二月三十一日

資產

指定以公平價值於其他全面收益計量之股本證券

31 December 2019

Assets

Equity securities designated at fair value through other comprehensive income

二零一九年十二月三十一日

資產

指定以公平價值於其他全面收益計量之股本證券

32. 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，合理可能的替代假設向任意方向變動10%可能產生下列影響：

| | | Effect on other comprehensive income 對其他全面收益的影響 | | | |
|---|-----------------------|--|----------------------|--|----------------------|
| | | 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 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 31 December 2020 | 二零二零年十二月三十一日 | | | | |
| 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 | - | - | 131,622 | (131,622) |
| 31 December 2019 | 二零一九年十二月三十一日 | | | | |
| 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) |

32. 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)).

32. 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。

32. 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:

Financial assets

Advances to customers
Debt securities measured at
amortized cost

金融資產

客戶貸款
按攤銷成本計量之
債務證券

Financial liabilities

Deposits from customers

金融負債

客戶存款

| 31 December 2020 二零二零年十二月三十一日 | | | | |
|--|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 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 |
| | 2,706,369 | - | 2,712,068 | - |
| | 41,185,231 | 21,046,053 | 20,252,026 | 2,000 |
| | 55,040,831 | - | 55,139,786 | - |

| 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 |
| | 2,100,593 | - | 2,091,075 | - |
| | 40,516,236 | 7,985,653 | 32,701,599 | 2,000 |
| | 58,350,496 | - | 58,346,690 | - |

During the year 2020, 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\$653 million (2019: HK\$5,868 million) as active markets cannot be identified for identical instruments, and transfers from Level 2 to Level 1 of HK\$14,526 million (2019: HK\$133 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.

32. 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：

於二零二零年，由於未能就相同工具分辨出活躍市場，價值 653,000,000 港元(二零一九年：5,868,000,000 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 14,526,000,000 港元(二零一九年：133,000,000 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。

33. 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:

(a) Income/(expenses)

| | |
|-----------------------------|---------------|
| <i>Fellow subsidiaries</i> | <i>同系附屬公司</i> |
| Fee and commission income | 費用及佣金收入 |
| Interest income | 利息收入 |
| <i>Fellow subsidiaries</i> | <i>同系附屬公司</i> |
| Fee and commission expenses | 費用及佣金支出 |
| Interest expenses | 利息支出 |
| <i>A fellow associate</i> | <i>同系聯營公司</i> |
| Interest expenses | 利息支出 |

33. 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) 收入／(支出)

| For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元 | 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 |
|---|---|
| 12,896 | 30,749 |
| 125 | - |
| 13,021 | 30,749 |
| (3,950) | (3,973) |
| (2,050) | (1,999) |
| (6,000) | (5,972) |
| (3) | (26) |

33. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(b) Assets

| | |
|-----------------------------------|---------------|
| <i>Fellow subsidiaries</i> | <i>同系附屬公司</i> |
| Cash and short-term funds | 現金及短期資金 |
| Accrued interest and other assets | 應計利息及其他資產 |
| | |
| <i>A fellow associate</i> | <i>同系聯營公司</i> |
| Cash and short-term funds | 現金及短期資金 |

There was no impairment allowance made against the above assets.

(c) Liabilities

| | |
|---|-------------------|
| <i>Fellow subsidiaries</i> | <i>同系附屬公司</i> |
| 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 |
| Deposits from customers | 客戶存款 |
| Other liabilities | 其他負債 |
| | |
| <i>A fellow associate</i> | <i>同系聯營公司</i> |
| Deposits and balances of banks and other financial institutions | 銀行及其他金融機構的存款及結餘 |
| | |
| <i>Other related parties</i> | <i>其他關連方</i> |
| Deposits from customers | 客戶存款 |

33. 重大關連各方交易 (續)

(b) 資產

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 49,178 | 10,710 |
| 765 | 22 |
| 49,943 | 10,732 |
| - | 2,837 |

上述資產並未有作出減值撥備。

(c) 負債

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 110,640 | 245,059 |
| 332,655 | 376,221 |
| 1,400 | 1,406 |
| 444,695 | 622,686 |
| 19,957 | 668 |
| 111,508 | 150,459 |

33. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(d) Financial instruments

| | |
|---|---------------|
| <i>Fellow subsidiaries</i> | 同系附屬公司 |
| Derivative contracts (notional principal) | 衍生工具合約(名義本金額) |

(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:

| | |
|--|-------------------|
| 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 |
| 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 |

There was no interest due but unpaid nor any impairment allowance made against these loans at 31 December 2020 (2019: Nil).

(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:

| | |
|---|-----------|
| Salaries and short-term employee benefits | 薪金及短期僱員福利 |
| Post-employment benefits | 退休福利 |

Total remuneration is included in "staff costs" (see Note 7).

33. 重大關連各方交易(續)

(d) 金融工具

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| - | 299,813 |

(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：

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 18 | 45 |
| 64 | 261 |

於二零二零年十二月三十一日並無到期但未付的利息或就該等貸款作出減值撥備(二零一九年：無)。

(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：

| For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元 | 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 |
|--|--|
| 48,682 | 52,589 |
| 3,272 | 3,301 |
| 51,954 | 55,890 |

酬金總額計入「僱員成本」(見附註 7)。

33. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(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:

| | |
|-----------------------------------|--------------|
| Loans, at 31 December | 於十二月三十一日貸款餘額 |
| Interest income during the year | 年內利息收入 |
| Credit facilities, at 31 December | 於十二月三十一日信貸服務 |

No Stage 3 impairment allowances have been made against balances outstanding during the year with key management personnel.

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.

(h) Other transactions with related parties

The Group acquire certain advances to customers at cost from a fellow subsidiary during the year ended 31 December 2020 with net settlement amount of HK\$382 million (2019: HK\$660 million).

33. 重大關連各方交易 (續)

(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：

| 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 732 | 1,426 |
| 18 | 39 |
| 4,086 | 4,206 |

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。

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。

(h) 與關聯方其他交易

截至二零二零年十二月三十一日止年度，本集團按成本向一間同系附屬公司收購若干客戶貸款，結算淨額為382,000,000港元(二零一九年：660,000,000港元)。

34. ASSETS PLEDGED AS SECURITY

The following assets have been pledged as collateral for own liabilities at the end of the reporting period:

| | |
|--|---------------|
| Secured liabilities | 已抵押負債 |
| <i>Assets pledged:</i> | <i>已質押資產:</i> |
| Trading assets | 持作交易用途資產 |
| Debt securities measured at amortized cost | 按攤銷成本計量之債務證券 |

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:

| | |
|--|--------------|
| Margin deposits for derivative contracts | 衍生工具合約的保證金存款 |
|--|--------------|

These transactions are conducted under usual and customary terms.

35. 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.

34. 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 8,801,788 | 7,143,397 |
| 1,948,454 | 848,592 |
| 7,265,199 | 6,629,360 |
| 9,213,653 | 7,477,952 |

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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 1,183,691 | 625,683 |

該等交易乃按照一般及慣用條款進行。

35. 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。

35. 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.

35. 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。

35. 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.

35. 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。

35. 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.

The COVID-19 outbreak in 2020 has posted serious challenges to the business community. In response, the Group has introduced a number of initiatives to provide support to our corporate customers who were impacted by the coronavirus. These include:

- a program initiated by the Group to extend trade due date by 30 days, and term loan principal repayment by 6 months, for eligible customers was introduced in Feb – Apr 2020;
- an industry-wide relief programme called “Pre-approved Principal Payment Holiday Scheme” initiated by the HKMA was launched in May 2020, entailing an up to 90-day tenor extension for trade facilities and up to 6-month principal payment holiday for other loans; and
- a special 100% Loan Guarantee under the SME Financing Guarantee Scheme was launched in April 2020. With caps on maximum tenor and loan size, this program involves transfer of title of the loan to the Hong Kong Mortgage Corporation, a quasi-government agency.

These initiatives were to support the immediate cash flow and liquidity of our corporate customers, without increasing our overall exposure to them. Eligible customers need to meet prescribed eligibility criteria to ensure that these customers were not under signs of stress before the COVID-19 outbreak. They are proactive measures to deal with the COVID-19 situations, rather than distressed restructuring.

35. 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。

二零二零年爆發的2019冠狀病毒病疫情為商界帶來嚴峻挑戰。為此，本集團已推出多項措施，為受冠狀病毒影響的企業客戶提供支援。其中包括：

- 本集團於二零二零年二月至四月推出計劃，為合資格客戶延長貿易到期日30日及延長定期貸款本金還款期6個月；
- 金管局於二零二零年五月推出名為「預先批核還息不還本計劃」的行業紓困計劃，當中包括延長貿易融資最多90天期限及延長其他貸款最多6個月的還本假期；及
- 於二零二零年四月推出中小企業融資擔保計劃項下特別100%貸款擔保。該計劃設有最長期限及貸款規模上限，涉及將貸款的所有權轉讓予半官方機構香港按揭證券有限公司。

該等舉措旨在支持我們企業客戶的即時現金流量及流動資金，而不會增加我們對彼等的整體風險。合資格客戶須符合指定合格標準，以確保該等客戶於2019冠狀病毒病疫情前並無壓力跡象。該等舉措為積極應對2019冠狀病毒病形勢，而非不良重組。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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.

35. 財務風險管理(續)

(a) 信貸風險管理(續)

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、商業應收賬款融資、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。

35. 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.

35. 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。

35. 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.

35. 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。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

The following table sets out the carrying amount of recognized financial instruments that are subject to the above agreements.

31 December 2020

Financial assets
– Exchange rate derivatives
– Interest rate derivatives
– Equity derivatives

Financial liabilities
– Exchange rate derivatives
– Interest rate derivatives
– Equity derivatives

二零二零年十二月三十一日

金融資產
– 匯率衍生工具
– 利率衍生工具
– 股票衍生工具

金融負債
– 匯率衍生工具
– 利率衍生工具
– 股票衍生工具

35. 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。

| Gross amount of financial instruments in the consolidated statement of financial position | Gross amount of recognized financial instruments off-set in the consolidated statement of financial position | Net amount of financial instruments in the consolidated statement of financial position | Related financial instruments that are not offset | Net amount |
|---|--|---|---|------------|
| 金融工具於綜合財務狀況表確認的總額 | 已抵銷金融工具於綜合財務狀況表確認的總額 | 金融工具於綜合財務狀況表的淨額 | 未抵銷的有關金融工具 | 淨額 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 87,610 | – | 87,610 | 11,586 | 76,024 |
| 31,847 | – | 31,847 | 31,847 | – |
| – | – | – | – | – |
| 119,457 | – | 119,457 | 43,433 | 76,024 |
| 11,854 | – | 11,854 | 11,586 | 268 |
| 513,661 | – | 513,661 | 31,847 | 481,814 |
| 493 | – | 493 | – | 493 |
| 526,008 | – | 526,008 | 43,433 | 482,575 |

31 December 2019

Financial assets
– Exchange rate derivatives
– Interest rate derivatives

Financial liabilities
– Exchange rate derivatives
– Interest rate derivatives

二零一九年十二月三十一日

金融資產
– 匯率衍生工具
– 利率衍生工具

金融負債
– 匯率衍生工具
– 利率衍生工具

| Gross amount of financial instruments in the consolidated statement of financial position | Gross amount of recognized financial instruments off-set in the consolidated statement of financial position | Net amount of financial instruments in the consolidated statement of financial position | Related financial instruments that are not offset | Net amount |
|---|--|---|---|------------|
| 金融工具於綜合財務狀況表確認的總額 | 已抵銷金融工具於綜合財務狀況表確認的總額 | 金融工具於綜合財務狀況表的淨額 | 未抵銷的有關金融工具 | 淨額 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 53,613 | – | 53,613 | 19,975 | 33,638 |
| 47,791 | – | 47,791 | 39,565 | 8,226 |
| 101,404 | – | 101,404 | 59,540 | 41,864 |
| 33,914 | – | 33,914 | 19,975 | 13,939 |
| 158,299 | – | 158,299 | 39,565 | 118,734 |
| 192,213 | – | 192,213 | 59,540 | 132,673 |

35. 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:

| | |
|---|-----------------------|
| <i>Credit risk exposures relating to on-balance sheet assets:</i> | 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 |
| Balances with banks and other financial institutions | 銀行同業及其他金融機構結餘 |
| Trading assets | 持作交易用途資產 |
| Derivative financial instruments | 衍生金融工具 |
| Advances to customers | 客戶貸款 |
| Trade bills | 商業票據 |
| Accrued interest and other assets | 應計利息及其他資產 |
| Debt securities measured at amortized cost | 按攤銷成本計量的債務證券 |
| <i>Credit risk exposures relating to off-balance sheet items:</i> | 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 |
| Loan commitments and other credit related commitments | 貸款承擔及其他信貸相關之承擔 |

35. 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 4,966,655 | 5,290,706 |
| 458,770 | 2,862,464 |
| 1,948,454 | 1,943,242 |
| 563,443 | 543,793 |
| 54,913,063 | 52,308,452 |
| 915,668 | 724,425 |
| 2,244,892 | 2,015,236 |
| 41,185,231 | 40,516,236 |
| 327,709 | 403,222 |
| 32,505,412 | 35,254,915 |
| 140,029,297 | 141,862,691 |

35. 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:

| Component 組成部分 | Definition 定義 |
|-------------------------------|--|
| Probability of default ("PD") | <p>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.</p> <p>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.</p> |
| 違約或然率 | <p>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。</p> <p>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。</p> |
| Loss given default ("LGD") | <p>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.</p> <p>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.</p> |
| 違約損失率 | <p>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。</p> <p>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。</p> |
| Exposure at default ("EAD") | <p>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.</p> |
| 違約風險承擔 | <p>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。</p> |

35. 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：

35. 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.

The Group considered the impact of COVID-19 pandemic on the forecast of economic indices in different scenarios that would impact the PD and LGD when determining the ECL at 31 December 2020. During the year ended 31 December 2020, the Group's offered certain relief measures to its customers in form of principal payment holiday and trade facility extensions in responses to COVID-19 pandemic. The modification of contractual terms solely under these relief measures is not considered as credit-impaired immediately. The delay on principal payment under these relief measures would not by itself being considered as past due, which would indicate that credit risk of the financial instrument has increased significantly since initial recognition.

35. 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。

於釐定二零二零年十二月三十一日的預期信貸虧損時,本集團已考慮2019冠狀病毒病疫情對不同情況下的經濟指標預測的影響,其將影響違約概率及違約損失率。於截至二零二零年十二月三十一日止年度,為應對2019冠狀病毒病疫情,本集團向其客戶提供若干寬免措施,包括還本假期及延長貿易融資工具期限。僅根據該等寬免措施修改合約條款不會即時被視為信貸減值。根據該等寬免措施延遲支付本金本身不會被視為逾期,否則將顯示金融工具的信貸風險自初始確認以來顯著增加。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of advances to customers

The credit quality of advances to customers can be analysed as follows:

| | |
|--|----------------|
| Neither past due nor impaired | 並無逾期或減值 |
| Past due but not impaired | 已逾期但並無減值 |
| Impaired | 已減值 |
| 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 |
| – Grade 2: Special mention | – 第二級：關注 |

35. 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

客戶貸款之信貸質素可分析如下：

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 54,651,069 | 51,335,570 |
| 450,721 | 1,089,818 |
| 482,883 | 170,952 |
| 55,584,673 | 52,596,340 |
| 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 |
| – Grade 2: Special mention | – 第二級：關注 |
| 53,745,824 | 51,198,320 |
| 905,245 | 137,250 |
| 54,651,069 | 51,335,570 |

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of advances to customers (continued)

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

| | | 31 December 2020 二零二零年十二月三十一日 | | | | | | | |
|-----------------------------|--------|----------------------------------|----------|-------------------------------------|----------|---------------------------------|----------|------------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Pass | 通過 | 53,041,116 | 53,399 | 960,022 | 590 | - | - | 54,001,138 | 53,989 |
| Special mention | 關注 | - | - | 1,100,652 | 2,753 | - | - | 1,100,652 | 2,753 |
| Substandard | 次級 | - | - | - | - | 130,056 | - | 130,056 | - |
| Doubtful | 可疑 | - | - | - | - | 352,827 | - | 352,827 | - |
| Loss | 損失 | - | - | - | - | - | - | - | - |
| Gross carrying amount | 賬面總值 | 53,041,116 | 53,399 | 2,060,674 | 3,343 | 482,883 | - | 55,584,673 | 56,742 |
| Less: Impairment allowances | 減：減值撥備 | (223,974) | - | (52,597) | - | (395,039) | - | (671,610) | - |
| Carrying amount | 賬面值 | 52,817,142 | 53,399 | 2,008,077 | 3,343 | 87,844 | - | 54,913,063 | 56,742 |
| | | | | | | | | | |
| | | 31 December 2019 二零一九年十二月三十一日 | | | | | | | |
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 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 allowances | 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 |

The Group classifies advances to customers in accordance with the loan classification system required to be adopted for reporting to the HKMA.

35. 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係的資料。除特別訂明外，表中金額指賬面總額。

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。

35. 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:

| | |
|--|------------------|
| 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 |
| – Overdue 6 months or less but over 3 months | – 逾期六個月或以下惟三個月以上 |
| – Overdue 1 year or less but over 6 months | – 逾期一年或以下惟六個月以上 |

Advances to customers that would be past due or impaired had the terms not been modified amounted to HK\$11,205,000 as at 31 December 2020 (2019: HK\$13,831,000).

(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 amount in the tables represent gross carrying amount.

35. 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 441,021 | 1,079,149 |
| 2,456 | – |
| 7,244 | 10,669 |
| 450,721 | 1,089,818 |

於二零二零年十二月三十一日，倘條款不予修訂即為已逾期或已減值之客戶貸款金額為11,205,000港元(二零一九年：13,831,000港元)。

(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。

35. 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

AA – to AA+
A – to A+
Lower than A-
Unrated
Gross carrying amount
Less: Impairment allowances
Carrying amount

AA – 至 AA+
A – 至 A+
A – 以下
無評級
賬面總額
減：減值撥備
賬面值

| 31 December 2020 二零二零年十二月三十一日 | | | | | | | |
|----------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|-----------|------------------|
| 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest |
| 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 570,668 | 1 | - | - | - | - | 570,668 | 1 |
| 2,340,070 | 209 | - | - | - | - | 2,340,070 | 209 |
| 1,314,748 | 317 | - | - | - | - | 1,314,748 | 317 |
| 742,129 | - | - | - | - | - | 742,129 | - |
| 4,967,615 | 527 | - | - | - | - | 4,967,615 | 527 |
| (960) | - | - | - | - | - | (960) | - |
| 4,966,655 | 527 | - | - | - | - | 4,966,655 | 527 |

AA – to AA+
A – to A+
Lower than A-
Unrated
Gross carrying amount
Less: Impairment allowances
Carrying amount

AA – 至 AA+
A – 至 A+
A – 以下
無評級
賬面總額
減：減值撥備
賬面值

| 31 December 2019 二零一九年十二月三十一日 | | | | | | | |
|----------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|-----------|------------------|
| 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest |
| 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 1,076,764 | 781 | - | - | - | - | 1,076,764 | 781 |
| 3,612,350 | 1,581 | - | - | - | - | 3,612,350 | 1,581 |
| 301,481 | 18 | - | - | - | - | 301,481 | 18 |
| 300,635 | - | - | - | - | - | 300,635 | - |
| 5,291,230 | 2,380 | - | - | - | - | 5,291,230 | 2,380 |
| (524) | - | - | - | - | - | (524) | - |
| 5,290,706 | 2,380 | - | - | - | - | 5,290,706 | 2,380 |

35. 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

A - to A+
Lower than A-
Gross carrying amount
Less: Impairment allowances
Carrying amount

A - 至A+
A - 以下
賬面總額
減：減值撥備
賬面值

| 31 December 2020 二零二零年十二月三十一日 | | | | | | | |
|----------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|-----------|------------------|
| 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest |
| 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 458,885 | 2,998 | - | - | - | - | 458,885 | 2,998 |
| - | - | - | - | - | - | - | - |
| 458,885 | 2,998 | - | - | - | - | 458,885 | 2,998 |
| (115) | - | - | - | - | - | (115) | - |
| 458,770 | 2,998 | - | - | - | - | 458,770 | 2,998 |

A - to A+
Lower than A-
Gross carrying amount
Less: Impairment allowances
Carrying amount

A - 至A+
A - 以下
賬面總額
減：減值撥備
賬面值

| 31 December 2019 二零一九年十二月三十一日 | | | | | | | |
|----------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|-----------|------------------|
| 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest |
| 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 2,663,425 | 19,209 | - | - | - | - | 2,663,425 | 19,209 |
| 200,000 | 437 | - | - | - | - | 200,000 | 437 |
| 2,863,425 | 19,646 | - | - | - | - | 2,863,425 | 19,646 |
| (961) | - | - | - | - | - | (961) | - |
| 2,862,464 | 19,646 | - | - | - | - | 2,862,464 | 19,646 |

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Credit quality of financial assets other than advances to customers (continued)

Trade bills

Gross carrying amount 賬面總額
Less: Impairment allowances 減：減值撥備
Carrying amount 賬面值

| 31 December 2020 二零二零年十二月三十一日 | | | | | | | |
|----------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|-----------|------------------|
| 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest |
| 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 921,176 | - | - | - | - | - | 921,176 | - |
| (5,508) | - | - | - | - | - | (5,508) | - |
| 915,668 | - | - | - | - | - | 915,668 | - |

Gross carrying amount 賬面總額
Less: Impairment allowances 減：減值撥備
Carrying amount 賬面值

| 31 December 2019 二零一九年十二月三十一日 | | | | | | | |
|----------------------------------|------------------|-------------------------------------|------------------|---------------------------------|------------------|-----------|------------------|
| 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest | Principal | Accrued interest |
| 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 726,495 | - | - | - | - | - | 726,495 | - |
| (2,070) | - | - | - | - | - | (2,070) | - |
| 724,425 | - | - | - | - | - | 724,425 | - |

All trade bills as at 31 December 2020 and 2019 are classified as "Pass" under the Group's loan classification system.

於二零二零年及二零一九年十二月三十一日，所有商業票據根據本集團貸款分級制度分為「通過」級。

35. 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

35. 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 2020 二零二零年十二月三十一日 | | | | | | | |
|-----------------------------|-----------|----------------------------------|----------|-------------------------------------|----------|---------------------------------|----------|------------|----------|
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| AAA | AAA | 6,919,044 | 47,837 | - | - | - | - | 6,919,044 | 47,837 |
| AA - to AA+ | AA - 至AA+ | 7,634,307 | 42,296 | - | - | - | - | 7,634,307 | 42,296 |
| A - to A+ | A - 至A+ | 21,082,686 | 161,725 | - | - | - | - | 21,082,686 | 161,725 |
| Lower than A- | A - 以下 | 3,926,596 | 39,162 | - | - | - | - | 3,926,596 | 39,162 |
| Unrated | 無評級 | 1,707,650 | 11,148 | - | - | - | - | 1,707,650 | 11,148 |
| Gross carrying amount | 賬面總額 | 41,270,283 | 302,168 | - | - | - | - | 41,270,283 | 302,168 |
| Less: Impairment allowances | 減: 減值撥備 | (85,052) | - | - | - | - | - | (85,052) | - |
| Carrying amount | 賬面值 | 41,185,231 | 302,168 | - | - | - | - | 41,185,231 | 302,168 |
| | | | | | | | | | |
| | | 31 December 2019 二零一九年十二月三十一日 | | | | | | | |
| | | 12-month ECL | | Lifetime ECL not credit-impaired | | Lifetime ECL credit-impaired | | Total | |
| | | 12個月內預期信貸虧損 | | 非信貸不良的全期預期信貸虧損 | | 信貸不良的全期預期信貸虧損 | | 總額 | |
| | | Accrued | | Accrued | | Accrued | | Accrued | |
| | | Principal | interest | Principal | interest | Principal | interest | Principal | interest |
| | | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 | 本金 | 應計利息 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |

35. 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

| | |
|---------------------------------|-------------|
| Pass | 通過 |
| Special mention | 關注 |
| Gross amount | 賬面總額 |
| Impairment allowances (Note 24) | 減值撥備(附註 24) |

35. 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 2020 二零二零年十二月三十一日 | | | |
|---|---|--|---|
| 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 |
| | 32,503,191 | 270,922 | 32,774,113 |
| | - | 59,008 | 59,008 |
| | 32,503,191 | 329,930 | 32,833,121 |
| | (34,465) | (10,802) | (45,267) |

| | |
|---------------------------------|-------------|
| Pass | 通過 |
| Special mention | 關注 |
| Gross amount | 賬面總額 |
| Impairment allowances (Note 24) | 減值撥備(附註 24) |

| 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 |
| | 35,221,201 | 434,534 | 35,655,735 |
| | - | 2,402 | 2,402 |
| | 35,221,201 | 436,936 | 35,658,137 |
| | (16,297) | (5,263) | (21,560) |

35. 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:

Trading assets

AA – to AA+

持作交易用途資產

AA – 至 AA+

There were no overdue debt securities held by the Group as at 31 December 2020 (2019: Nil).

35. 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 1,948,454 | 1,943,242 |

本集團於二零二零年十二月三十一日並未持有已逾期債務證券(二零一九年：無)。

35. 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 allowances by class of financial instruments at transaction level.

Advances to customers

| | 於一月一日 | | | |
|---|------------------------------|----------|----------|----------|
| At 1 January | 於一月一日 | | | |
| Transfer to lifetime ECL not credit-impaired | 轉至非信貸不良的全期預期信貸虧損 | (3,008) | 3,008 | - |
| Transfer to 12-month ECL | 轉至 12 個月內預期信貸虧損 | 21,314 | (21,314) | - |
| Transfer to lifetime ECL credit-impaired | 轉至信貸不良的全期預期信貸虧損 | (1,081) | - | 1,081 |
| 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 | 145,463 | 21,857 | - |
| Repayments | 還款 | (34,595) | (10,516) | - |
| Write-offs | 撇銷 | - | - | (23,870) |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值撥備之重新計量淨額 (包括匯兌調整) | 3,965 | 24,385 | 257,033 |
| At 31 December (Note 17(a)) | 於十二月三十一日(附註 17(a)) | 223,974 | 52,597 | 395,039 |

35. 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。

客戶貸款

| 2020 二零二零年 | | | | |
|---|--|---|--------------------------------|--|
| 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 | |
| 91,916 | 35,177 | 160,795 | 287,888 | |
| (3,008) | 3,008 | - | - | |
| 21,314 | (21,314) | - | - | |
| (1,081) | - | 1,081 | - | |
| 145,463 | 21,857 | - | 167,320 | |
| (34,595) | (10,516) | - | (45,111) | |
| - | - | (23,870) | (23,870) | |
| 3,965 | 24,385 | 257,033 | 285,383 | |
| 223,974 | 52,597 | 395,039 | 671,610 | |

| 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 | |
| 27,026 | 6,728 | 196,876 | 230,630 | |
| (1,963) | 1,963 | - | - | |
| 233 | (233) | - | - | |
| (3) | - | 3 | - | |
| 14,841 | 1,778 | - | 16,619 | |
| 67,166 | 19,185 | - | 86,351 | |
| (8,467) | (1,268) | (20,493) | (30,228) | |
| - | - | (54,595) | (54,595) | |
| (6,917) | 7,024 | 39,004 | 39,111 | |
| 91,916 | 35,177 | 160,795 | 287,888 | |

The contractual amount outstanding on advances to customers that were written off during the year ended 31 December 2020 and that are still subject to enforcement activity is HK\$23.9 million (2019: HK\$54.6 million).

截至二零二零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 23,900,000 港元(二零一九年：54,600,000 港元)。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Debt securities measured at amortized cost

| At 1 January | 於一月一日 | | | |
|---|------------------------------|--|--|--|
| 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 | | | |
| Repayment | 還款 | | | |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值撥備之重新計量淨額 (包括匯兌調整) | | | |
| At 31 December | 於十二月三十一日 | | | |

35. 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

| 2020 二零二零年 | | | | |
|---|--|--|---|--------------------------------|
| | 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 | 41,131 | - | - | 41,131 |
| New financial assets originated or purchased, assets derecognized, repayments and further lending | 22,370 | - | - | 22,370 |
| Repayment | (18,560) | - | - | (18,560) |
| Net remeasurement of impairment allowances (including exchange adjustments) | 40,111 | - | - | 40,111 |
| At 31 December | 85,052 | - | - | 85,052 |

| 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 | 21,582 | 1,024 | - | 22,606 |
| Transfer to 12-month ECL | 1,024 | (1,024) | - | - |
| Changes in model/parameters | 20,740 | - | - | 20,740 |
| New financial assets originated or purchased, assets derecognized, repayments and further lending | 7,458 | - | - | 7,458 |
| Repayment | (7,366) | - | - | (7,366) |
| Net remeasurement of impairment allowances (including exchange adjustments) | (2,307) | - | - | (2,307) |
| At 31 December | 41,131 | - | - | 41,131 |

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others

| | |
|---|------------------------------|
| At 1 January | 於一月一日 |
| 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 |
| Repayments | 還款 |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值撥備之重新計量淨額 (包括匯兌調整) |
| At 31 December | 於十二月三十一日 |
| Of which: | 其中： |
| Cash and short-term funds | 現金及短期資金 |
| Balances with banks and other financial institutions | 銀行同業及其他金融機構結餘 |
| Trade bills | 商業票據 |
| Credit related commitments and contingencies | 與信貸有關之承擔及或然項目 |

35. 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

| 12-month ECL 12個月內預期 信貸虧損 HK\$'000 千港元 | 2020 二零二零年 | | Total 總額 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 | |
| 19,852 | 5,263 | - | 25,115 |
| 6,583 | - | - | 6,583 |
| (3,555) | - | - | (3,555) |
| 18,168 | 5,539 | - | 23,707 |
| 41,048 | 10,802 | - | 51,850 |
| 960 | - | - | 960 |
| 115 | - | - | 115 |
| 5,508 | - | - | 5,508 |
| 34,465 | 10,802 | - | 45,267 |
| 41,048 | 10,802 | - | 51,850 |

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others (continued)

| | |
|---|------------------------------|
| At 1 January | 於一月一日 |
| 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 |
| Changes in model/parameters | 模式/參數變動 |
| Repayments | 還款 |
| Net remeasurement of impairment allowances (including exchange adjustments) | 減值撥備之重新計量淨額 (包括匯兌調整) |
| At 31 December | 於十二月三十一日 |
| Of which: | 其中: |
| Cash and short-term funds | 現金及短期資金 |
| Balances with banks and other financial institutions | 銀行同業及其他金融機構結餘 |
| Trade bills | 商業票據 |
| Credit related commitments and contingencies | 與信貸有關之承擔及或然項目 |

35. 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)

| 12-month ECL 12個月內預期 信貸虧損 HK\$'000 千港元 | 2019 二零一九年 | | Total 總額 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 | |
| | 9,956 | 184 | |
| 1,922 | - | - | 1,922 |
| 7,561 | 555 | - | 8,116 |
| (4,875) | - | - | (4,875) |
| 5,288 | 4,524 | - | 9,812 |
| 19,852 | 5,263 | - | 25,115 |
| 524 | - | - | 524 |
| 961 | - | - | 961 |
| 2,070 | - | - | 2,070 |
| 16,297 | 5,263 | - | 21,560 |
| 19,852 | 5,263 | - | 25,115 |

35. 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:

Fair value of collateral and other credit enhancements held against financial assets that are:

- Neither past due nor impaired
- Past due but not impaired
- Impaired

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：

- 並無逾期或減值
- 已逾期但並無減值
- 已減值

(xiii) Collateral and other credit enhancements obtained

At 31 December 2020, total repossessed assets and assets acquired under lending agreements of the Group amounted to HK\$11,800,000 (2019: 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 HK\$47,600,000 (2019: HK\$23,000,000) 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.

35. 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 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 64,863,932 | 71,997,760 |
| 957,526 | 1,600,297 |
| 3,793 | 8,379 |
| 65,825,251 | 73,606,436 |

(xiii) 已取得之抵押品及其他信貸提升措施

於二零二零年十二月三十一日，根據本集團之借貸協議獲得之收回資產及資產總值為 11,800,000 港元(二零一九年：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 47,600,000 港元(二零一九年：23,000,000 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撤銷，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。

35. 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.

35. 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。

35. 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 2020, 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\$6.49 million lower (2019: HK\$2.3 million higher).

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\$6.49 million higher (2019: HK\$2.3 million lower).

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 on interest rate movement based on HKMA instructions. At 31 December 2020 and 2019, the interest rate upward or downward movement would not result in a material profit movement.

Equity risk

At 31 December 2020 and 2019, 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.

35. 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

於二零二零年十二月三十一日，如港元兌其他貨幣升值0.5%，並假設所有其他變量保持不變，本年度之除稅前溢利將減少6,490,000港元(二零一九年：增加2,300,000港元)。

反之，如港元兌其他貨幣貶值0.5%，並假設所有其他變量保持不變，本年度之除稅前溢利將增加6,490,000港元(二零一九年：減少2,300,000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。

本集團採用利率變動之敏感度測試。於二零二零年及二零一九年十二月三十一日，如果上調或下調利率，溢利將不會有重大變動。

股票風險

本集團於二零二零年及二零一九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。

35. 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 2020, if other market variables including prime rate were held constant, an increase in HKD market interest rates movement would result in a decrease in earnings over the next 12 months of HK\$323 million (2019: HK\$297 million decrease), but increase in economic value of HK\$559 million (2019: HK\$352 million increase); while an increase in USD market interest rates of movement would result in a decrease in earnings over the next 12 months of HK\$146 million (2019: HK\$62 million decrease), or an increase in economic value of HK\$163 million (2019: HK\$162 million increase).

Conversely, if other market variables including prime rate were held constant, a decrease in HKD market interest rates movement would result in an increase in earnings over the next 12 months of HK\$323 million (2019: HK\$297 million increase), but decrease in economic value of HK\$559 million (2019: HK\$352 million decrease); while a decrease in USD market interest rates of movement would result in an increase in earnings over the next 12 months of HK\$146 million respectively (2019: HK\$62 million increase), or a decrease in economic value of HK\$163 million (2019: HK\$162 million decrease).

35. 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。

於二零二零年十二月三十一日，假設其他市場變量(包括最優惠利率)維持不變，如果港元市場利率變動調升，將導致接下來12個月盈利減少323,000,000港元(二零一九年：減少297,000,000港元)，惟經濟值增加559,000,000港元(二零一九年：增加352,000,000港元)；如果美元市場利率變動調升，將導致接下來12個月盈利減少146,000,000港元(二零一九年：減少62,000,000港元)，或經濟值增加163,000,000港元(二零一九年：增加162,000,000港元)。

反之，假設其他市場變量(包括最優惠利率)維持不變，如果港元市場利率變動下調，將導致接下來12個月盈利增加323,000,000港元(二零一九年：增加297,000,000港元)，及經濟值減少559,000,000港元(二零一九年：減少352,000,000港元)；如果美元市場利率變動下調，將導致接下來12個月盈利增加146,000,000港元(二零一九年：增加62,000,000港元)，或經濟值減少163,000,000港元(二零一九年：減少162,000,000港元)。

35. 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 2020 and 2019, 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 32(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 years 2020 and 2019.

(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 2020 and 2019. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

35. 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

於二零二零年及二零一九年十二月三十一日，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 32(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，就二零二零年及二零一九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。於二零二零年及二零一九年十二月三十一日，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。

35. 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:

(Equivalent in HK\$'000)

ASSETS

Cash and short-term funds
Balances with banks and other financial institutions
Derivative financial instruments
Advances to customers
Trade bills
Accrued interest and other assets
Debt securities measured at amortized cost
Equity securities designated at fair value through other comprehensive income

Spot assets

LIABILITIES

Deposits and balances of banks and other financial institutions
Deposits from customers
Certificates of deposit issued
Debt securities issued
Derivative financial instruments
Other liabilities

Spot liabilities

Net on-balance sheet position

Off-balance sheet position
Foreign exchange derivative contracts

Net aggregate position

Credit commitments and other contingent liabilities in foreign currencies

(千港元等值)

資產

現金及短期資金
銀行同業及其他金融機構結餘
衍生金融工具
客戶貸款
商業票據
應計利息及其他資產
按攤銷成本計量的債務證券
指定以公平價值於其他全面收益計量之股本證券

現貨資產

負債

銀行同業及其他金融機構之存款及結餘
客戶存款
已發行存款證
已發行債務證券
衍生金融工具
其他負債

現貨負債

資產負債表內持倉淨額

資產負債表外倉盤
外匯衍生合約

總持倉淨額

以外幣結算之信貸承擔及其他或然負債

35. 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 2020 二零二零年十二月三十一日 | |
|----------------------------------|-------------------------------------|
| US Dollars 美元 | Other foreign currencies 其他外幣 |
| 2,009,895 | 243,696 |
| – | 458,770 |
| 69,890 | 55,433 |
| 10,037,316 | 2,337,874 |
| 856,073 | 59,595 |
| 1,736,569 | 70,264 |
| 28,465,907 | 2,043,788 |
| 79,381 | 1,124,498 |
| 43,255,031 | 6,393,918 |
| 8,581,345 | 768,658 |
| 21,591,157 | 5,482,680 |
| 1,469,851 | – |
| 1,544,626 | – |
| 1,022,288 | 51,165 |
| 583,942 | 123,850 |
| 34,793,209 | 6,426,353 |
| 8,461,822 | (32,435) |
| (6,711,708) | 615,908 |
| 1,750,114 | 583,473 |
| 558,777 | 782,487 |

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

(Equivalent in HK\$'000)

ASSETS

| |
|---|
| Cash and short-term funds |
| Balances with banks and other financial institutions |
| Derivative financial instruments |
| Advances to customers |
| Trade bills |
| Accrued interest and other assets |
| Debt securities measured at amortized cost |
| Equity securities designated at fair value through other comprehensive income |
| Fixed assets |

Spot assets

LIABILITIES

| |
|---|
| Deposits and balances of banks and other financial institutions |
| Deposits from customers |
| Certificates of deposit issued |
| Debt securities issued |
| Derivative financial instruments |
| Other liabilities |
| Subordinated notes issued |

Spot liabilities

Net on-balance sheet position

| |
|---------------------------------------|
| Off-balance sheet position |
| Foreign exchange derivative contracts |

Net aggregate position

Credit commitments and other contingent liabilities in foreign currencies

(千港元等值)

資產

| |
|-----------------------|
| 現金及短期資金 |
| 銀行同業及其他金融機構結餘 |
| 衍生金融工具 |
| 客戶貸款 |
| 商業票據 |
| 應計利息及其他資產 |
| 按攤銷成本計量的債務證券 |
| 指定以公平價值於其他全面收益計量之股本證券 |

固定資產

現貨資產

負債

| |
|-------------------|
| 銀行同業及其他金融機構之存款及結餘 |
| 客戶存款 |
| 已發行存款證 |
| 已發行債務證券 |
| 衍生金融工具 |
| 其他負債 |
| 已發行後償票據 |

現貨負債

資產負債表內持倉淨額

| |
|----------|
| 資產負債表外倉盤 |
| 外匯衍生合約 |

總持倉淨額

以外幣結算之信貸承擔及其他或然負債

| 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 |
| 1,847,707 | 448,460 |
| 833,246 | 710,178 |
| 63,861 | 27,892 |
| 10,061,043 | 2,223,518 |
| 720,656 | 3,769 |
| 1,442,840 | 53,090 |
| 26,445,543 | 3,782,198 |
| 131,111 | 849,301 |
| - | 186 |
| 41,546,007 | 8,098,592 |
| 7,024,189 | 1,873,710 |
| 23,894,461 | 5,474,748 |
| 1,191,167 | - |
| 768,063 | - |
| 342,896 | 24,061 |
| 859,012 | 46,224 |
| 1,555,776 | - |
| 35,635,564 | 7,418,743 |
| 5,910,443 | 679,849 |
| (5,921,661) | (251,211) |
| (11,218) | 428,638 |
| 746,251 | 226,757 |

35. 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.

| ASSETS | 資產 |
|---|-------------------|
| Cash and short-term funds | 現金及短期資金 |
| Balances with banks and other financial institutions | 銀行同業及其他金融機構結餘 |
| Trading assets | 持作交易用途資產 |
| Derivative financial instruments | 衍生金融工具 |
| Advances to customers | 客戶貸款 |
| Trade bills | 商業票據 |
| Debt securities measured at amortized cost | 按攤銷成本計量的債務證券 |
| Other assets | 其他資產 |
| 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 |
| Deposits from customers | 客戶存款 |
| Trading liabilities | 交易賬項下之負債 |
| Certificates of deposit issued | 已發行存款證 |
| Debt securities issued | 已發行債務證券 |
| Derivative financial instruments | 衍生金融工具 |
| Lease liabilities | 租賃負債 |
| Other liabilities | 其他負債 |
| Interest rate sensitivity gap | 利率敏感度差距 |

Derivative financial instruments are carried at fair values. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

35. 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 2020 二零二零年十二月三十一日 | | | | | | | |
|----------------------------------|-----------------|------------------------------------|-------------------------|------------------------|-----------------|----------------------|--|
| Average effective interest rate | Total | 3 months or less (include overdue) | Over 3 months to 1 year | Over 1 year to 5 years | Over 5 years | Non-interest bearing | |
| 平均實際利率 | 總額 | 三個月或以下(包括逾期部分) | 三個月以上至一年 | 一年以上至五年 | 五年以上 | 不計息 | |
| 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 | HK\$'000 千港元 | HK\$'000 千港元 | |
| 0.21% | 4,966,655 | 3,725,489 | - | - | - | 1,241,166 | |
| 3.00% | 458,770 | 458,770 | - | - | - | - | |
| 0.01% | 1,948,454 | 1,948,454 | - | - | - | - | |
| N/A 不適用 | 563,443 | - | - | - | - | 563,443 | |
| 2.39% | 54,913,063 | 53,230,893 | 952,269 | 632,625 | 1,138 | 96,138 | |
| 1.19% | 915,668 | 779,723 | 135,945 | - | - | - | |
| 2.33% | 41,185,231 | 7,006,884 | 8,670,320 | 19,549,199 | 5,956,828 | 2,000 | |
| 2.26% | 7,372,400 | 82,251 | 581 | - | - | 7,289,568 | |
| | 112,323,684 | 67,232,464 | 9,759,115 | 20,181,824 | 5,957,966 | 9,192,315 | |
| 0.68% | 10,041,639 | 8,532,199 | 1,378,822 | - | - | 130,618 | |
| 0.62% | 76,538,430 | 66,855,463 | 9,169,497 | 179,083 | - | 334,387 | |
| 0.01% | 1,948,454 | 1,948,454 | - | - | - | - | |
| 2.49% | 4,167,874 | 1,565,262 | 321,248 | 2,281,364 | - | - | |
| 1.25% | 1,544,626 | 695,723 | 848,903 | - | - | - | |
| N/A 不適用 | 1,080,890 | - | - | - | - | 1,080,890 | |
| 2.92% | 58,398 | 5,729 | 17,211 | 34,715 | 743 | - | |
| N/A 不適用 | 2,216,143 | - | - | - | - | 2,216,143 | |
| | 97,596,454 | 79,602,830 | 11,735,681 | 2,495,162 | 743 | 3,762,038 | |
| | | (12,370,366) | (1,976,566) | 17,686,662 | 5,957,223 | | |

衍生金融工具按公平價值計價列賬。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。

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures (continued)

35. 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 2019 二零一九年十二月三十一日 | | | | | | |
|---|-------------------|---------------------------------------|-----------------------|---|---|---|-------------------------|--------------------------------|
| | | Average effective interest rate | Total | 3 months or less (include overdue) 三個月或以下 | Over 3 months to 1 year 三個月以上 至一年 | Over 1 year to 5 years 一年以上 至五年 | Over 5 years 五年以上 | Non-interest bearing 不計息 |
| | | 平均 實際利率 HK\$'000 千港元 | 總額 HK\$'000 千港元 | (包括 逾期部分) 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 |
| 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 | - | - | - |
| Lease liabilities | 租賃負債 | 3.21% | 67,611 | 6,815 | 16,392 | 40,951 | 3,453 | - |
| Other liabilities | 其他負債 | N/A 不適用 | 3,723,480 | - | - | - | - | 3,723,480 |
| | | | 96,759,460 | 77,487,153 | 11,998,261 | 2,529,275 | 3,453 | 4,741,318 |
| Interest rate sensitivity gap | 利率敏感度差距 | | | (11,208,743) | 645,283 | 17,054,935 | 4,394,017 | |

Derivative financial instruments are carried at fair values. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。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。

35. 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 Groups' 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 Group'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.

35. 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本集團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，以支持本集團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。

35. 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.

35. 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說明將予採取的行動，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期限管理。

35. 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 and concentration of funding sources 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.

35. 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、累計現金流缺口及資金來源集中度。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。

35. 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 2020:

- 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 was maintained above 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%;
- 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 2020.

35. 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)

本集團於二零二零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；
- 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%；
- 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。核心存款比率於二零二零年全年維持在25%以上。

35. 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.

35. 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。

現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。

35. 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 2020:

- 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 9% of total customer deposits;
- non-financial institution high-quality readily liquefiable assets were maintained at not less than 26% of total customer deposits; and
- total high-quality readily liquefiable assets were maintained at not less than 32% 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.

35. 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二零二零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 9%；
- 非金融機構優質流動資產保持不低於客戶存款總額的 26%；及
- 優質流動資產總額保持不低於客戶存款總額的 32%。

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。

35. 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 2020.

The Bank also maintains average liquidity maintenance and core funding ratio well above the statutory minimum ratios of 25% and 75% respectively throughout the year 2020.

35. 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，並於二零二零年全年保持100%以上的流動性維持比率。

於二零二零年全年，本行亦分別保持平均流動性維持比率及核心資金比率遠高於法定最低比率25%及75%。

35. 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.

35. 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 2020 二零二零年十二月三十一日 | | | | | | |
|---|------------------------|----------------------------------|------------------------|---|---|---|-------------------------|-------------------------------------|
| | | | | Over 1 month but within 3 months 一個月以上 三個月以內 | Over 3 months but within 1 year 三個月以上 一年以內 | Over 1 year but within 5 years 一年以上 五年以內 | Over 5 years 五年以上 | Undated or overdue 無定期或 逾期 |
| Total | Repayable on demand | Within 1 month | but within 3 months | but within 1 year | but within 5 years | 5 years | 5 years | or overdue |
| 總額 | 即時還款 | 一個月內 | 三個月以內 | 一年以內 | 五年以內 | 五年以上 | 五年以上 | 逾期 |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| ASSETS | 資產 | | | | | | | |
| Cash and short-term funds | 現金及短期資金 | 4,966,655 | 1,310,913 | 3,655,742 | - | - | - | - |
| Balances with banks and other financial institutions | 銀行同業及其他金融機構結餘 | 458,770 | - | - | 458,770 | - | - | - |
| Trading assets | 持作交易用途資產 | 1,948,454 | - | 813,493 | 1,134,961 | - | - | - |
| Derivative financial instruments | 衍生金融工具 | 563,443 | - | - | - | - | - | 563,443 |
| Advances to customers | 客戶貸款 | 54,913,063 | - | 9,455,572 | 5,848,190 | 8,550,044 | 19,008,508 | 11,804,000 |
| Trade bills | 商業票據 | 915,668 | - | 543,426 | 236,297 | 135,945 | - | - |
| Debt securities measured at amortized cost | 按攤銷成本計量的債務證券 | 41,185,231 | - | 3,208,742 | 3,065,732 | 8,972,751 | 19,979,178 | 5,956,828 |
| 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 | 1,316,272 | - | - | - | - | - | 1,316,272 |
| Other assets | 其他資產 | 6,056,128 | - | 1,907,544 | 171,767 | 36,053 | 2 | 3,940,762 |
| | | 112,323,684 | 1,310,913 | 19,584,519 | 10,915,717 | 17,694,793 | 38,987,688 | 17,760,828 |
| | | | | | | | | 6,069,226 |
| 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 | 10,041,639 | 130,618 | 2,242,889 | 6,289,310 | 1,378,822 | - | - |
| Deposits from customers | 客戶存款 | 76,538,430 | 21,489,727 | 19,776,041 | 25,924,082 | 9,169,497 | 179,083 | - |
| Trading liabilities | 交易賬項下之負債 | 1,948,454 | - | 813,493 | 1,134,961 | - | - | - |
| Certificates of deposit issued | 已發行存款證 | 4,167,874 | - | - | 400,756 | 1,031,200 | 2,735,918 | - |
| Debt securities issued | 已發行債務證券 | 1,544,626 | - | 77,506 | 618,217 | 848,903 | - | - |
| Derivative financial instruments | 衍生金融工具 | 1,080,890 | - | - | - | - | - | 1,080,890 |
| Other liabilities | 其他負債 | 2,274,541 | - | 1,069,449 | 243,745 | 269,484 | 52,837 | 743 |
| | | 97,596,454 | 21,620,345 | 23,979,378 | 34,611,071 | 12,697,906 | 2,967,838 | 743 |
| | | | | | | | | 1,719,173 |
| Net liquidity gap | 流動資金缺口淨額 | | (20,309,432) | (4,394,859) | (23,695,354) | 4,996,887 | 36,019,850 | 17,760,085 |

Derivative financial instruments are carried at fair values which do not present its expected cashflow on contractual maturity date. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。附註 16(b)包括按名義金額分析衍生金融工具剩餘期限的進一步資料。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity
(continued)

| | |
|--|------------------|
| 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 |
| - Included in debt securities measured at amortized cost | - 納入按攤銷成本計量的債務證券 |
| 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 |
| Certificates of deposit issued | 已發行存款證 |
| - Stated at amortized cost | - 按攤銷成本列賬 |

* The amount of debt securities held included certificates of deposit held.

35. 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 2020 二零二零年十二月三十一日 | | | | | | |
|------------|---------------------|----------------------------------|----------------------------------|---------------------------------|--------------------------------|--------------|--------------------|--|
| Total | Repayable on demand | Within 1 month | Over 1 month but within 3 months | Over 3 months but within 1 year | Over 1 year but within 5 years | Over 5 years | Undated or overdue | |
| 總額 | 即時還款 | 一個月內 | 三個月以上 一個月以上 | 一年以內 三個月以上 | 五年以內 一年以上 | 五年以上 | 無定期或 逾期 | |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| 1,948,454 | - | 813,493 | 1,134,961 | - | - | - | - | |
| 41,185,231 | - | 3,208,742 | 3,065,732 | 8,972,751 | 19,979,178 | 5,956,828 | 2,000 | |
| 43,133,685 | - | 4,022,235 | 4,200,693 | 8,972,751 | 19,979,178 | 5,956,828 | 2,000 | |
| 126,629 | - | - | 89,679 | 36,950 | - | - | - | |
| 4,167,874 | - | - | 400,756 | 1,031,200 | 2,735,918 | - | - | |

* 所持債務證券的金額已計入所持存款證。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

| | | 31 December 2019 二零一九年十二月三十一日 | | | | | | |
|---|-----------------------|----------------------------------|--------------|-------------|--------------|------------|------------|------------|
| | | Repayable | Within | Over | Over | Over | Over | Undated |
| | | on demand | 1 month | 1 month | 3 months | 1 year | 5 years | or overdue |
| | | Total | | but within | but within | but within | 5 years | or overdue |
| | | | | 3 months | 1 year | 5 years | | 無定期或 |
| | | | | 一個月以上 | 一年以內 | 五年以內 | 五年以上 | 逾期 |
| | | 總額 | 即時還款 | 三個月以內 | 一年以內 | 五年以內 | 五年以上 | 逾期 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 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 | 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券證券 | 40,516,236 | - | 2,510,470 | 4,046,763 | 9,377,411 | 20,212,652 | 4,366,940 |
| 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 |
| | | 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 fair values which do not present its expected cashflow on contractual maturity date. Note 16(b) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。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。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity
(continued)

| | | 31 December 2019 二零一九年十二月三十一日 | | | | | | |
|---|----------------------|----------------------------------|-------------------|--------------------------------|------------------------------|-------------------------------|-----------------|-----------------------|
| | | Repayable on demand | Within 1 month | Over but within 3 months | Over but within 1 year | Over but within 5 years | Over 5 years | Undated or overdue |
| | | Total | Total | Total | Total | Total | Total | Total |
| | | 總額 | 總額 | 總額 | 總額 | 總額 | 總額 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 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 |
| | | 42,459,478 | - | 2,960,420 | 4,544,986 | 10,372,480 | 20,212,652 | 4,366,940 |
| 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。

35. 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)

35. 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.

35. 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 2020 二零二零年十二月三十一日 | | | | | |
|---|-------------------|----------------------------------|-------------------|---|--|---|------------------|
| | | Repayable on demand | Within 1 month | Over 1 month but within 3 months | Over 3 months but within 1 year | Over 1 year but within 5 years | Over 5 years |
| | | 總額 | 一個月內 | 三個月以內 | 一年以內 | 五年以內 | 五年以上 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 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 | 10,106,577 | 130,618 | 2,244,373 | 6,295,045 | 1,436,541 | - |
| Deposits from customers | 客戶存款 | 76,743,443 | 21,489,728 | 19,817,427 | 26,006,198 | 9,241,012 | 189,078 |
| Trading liabilities | 交易賬項下之負債 | 1,948,454 | - | 813,492 | 1,134,962 | - | - |
| Certificates of deposit issued | 已發行存款證 | 4,296,779 | - | 3,591 | 426,802 | 1,062,583 | 2,803,803 |
| Debt securities issued | 已發行債務證券 | 1,550,410 | - | 77,521 | 620,164 | 852,725 | - |
| Other liabilities | 其他負債 | 1,290,109 | - | 927,103 | 197,161 | 115,916 | 49,186 |
| | | 95,935,772 | 21,620,346 | 23,883,507 | 34,680,332 | 12,708,777 | 3,042,067 |
| Off-balance sheet exposures | 資產負債表外風險 | | | | | | |
| - Contingent liabilities | - 或然負債 | 155,773 | - | 155,773 | - | - | - |
| - Commitments | - 承擔 | 32,677,348 | 32,677,348 | - | - | - | - |
| | | 32,833,121 | 32,677,348 | 155,773 | - | - | - |

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities (continued)

35. 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 2019 二零一九年十二月三十一日 | | | | | |
|---|-------------------|----------------------------------|-------------------|---|--|---|-----------------|
| | | Repayable on demand | Within 1 month | Over 1 month but within 3 months | Over 3 months but within 1 year | Over 1 year but within 5 years | Over 5 years |
| | | 總額 | 一個月內 | 三個月以內 | 一年以內 | 五年以內 | 五年以上 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 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 |
| | | 96,139,715 | 16,915,466 | 24,925,325 | 37,579,717 | 13,029,680 | 3,686,075 |
| 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 | - | - | - |

35. 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 or variation of existing products or services 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. Proper and adequate due diligence process is in place to ensure all on-shelf products are reviewed on a continuous basis. 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.

35. 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。

各新產品或服務的引進或現有產品或服務的更改均須進行嚴格檢閱及審批過程，並由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。本集團已制定適當及充足的盡職審查程序，以確保持續檢討所有現成產品。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。

35. 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 internal capital adequacy assessment process ("ICAAP"), capital budgeting, monitoring, stress testing. An annual ICAAP is conducted to identify and measure the risks it faces and to assess how much capital is needed to support pursuant to HKMA's requirements in the SPM "Supervisory Review Process". 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 and reserves. Capital for regulatory purposes also includes the impairment allowances made against Stage 1 and Stage 2 financial assets as allowed by the 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.

35. 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內部資本充足評估程序、資本預算、監管及壓力測試。根據金管局於監管政策手冊中「監管審查程序」的規定，進行年度內部資本充足評估程序以識別及計量面臨的風險，並評估需要多少資金作支援。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之影響。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：股本及儲備。就監管目的而言，資本亦包括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。

35. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management (continued)

The Bank computes its capital adequacy ratios and leverage ratio of the Bank and certain specified subsidiaries in accordance with the 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 2020 and 31 December 2019, and were above the minimum required ratio set by the HKMA and other regulatory authorities.

(f) Transfers of financial assets

At 31 December 2020, the Group had entered into repurchase agreements with certain counterparties to sell debt securities measured at amortized cost with carrying amounts of HK\$7.26 billion (2019: HK\$6.63 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 totalling HK\$6.85 billion (2019: HK\$6.20 billion) is reported as “Deposits and balances of banks and other financial institutions” (Note 21) 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 2020 and 2019, there were no outstanding transferred financial assets in which the Group had a continuing involvement, that were derecognized in their entirety.

35. 財務風險管理(續)

(e) 資本管理(續)

本行根據香港《銀行業條例》的資本規則計算本行及若干指定附屬公司的資本充足比率及槓桿比率。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。

截至二零二零年十二月三十一日及二零一九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

於二零二零年十二月三十一日，本集團與若干對手方訂立回購協議，出售賬面值為72.6億港元之以攤銷成本計量之債務證券(二零一九年：66.3億港元)，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」)。於十二月三十一日，根據該等回購協議收取之代價總額68.5億港元(二零一九年：62億港元)列作「銀行同業及其他金融機構之存款及結餘」(附註21)。

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。

於二零二零年及二零一九年十二月三十一日，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。

36. INVESTMENTS IN SUBSIDIARIES

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.

| 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 於香港註冊成立及經營 | | | |
| 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 | 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\$500,000 500,000 港元 | 100% | Insurance broker services 保險經紀服務 |

All of the above subsidiaries are directly owned by the Bank.

36. 於附屬公司之投資

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。

所有上述附屬公司由本行直接擁有。

37. INTEREST IN AN ASSOCIATE

Unlisted shares, at cost
Less: Impairment allowance on unlisted shares

非上市股份，按成本值
減：非上市股份之減值撥備

37. 於聯營公司之權益

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|--|--|
| 10,394 | 10,394 |
| (10,394) | (10,394) |
| - | - |

37. INTEREST IN AN ASSOCIATE (continued)

The Group has an associate as at 31 December 2020 and 2019. The associate is an unlisted corporate entity, whose market price is not available. The information of the associate is as follows:

| 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.

37. 於聯營公司之權益(續)

於二零二零年及二零一九年十二月三十一日，本集團擁有一間聯營公司。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：

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。

38. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2020, 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.

38. 直接母公司及最終控股公司

於二零二零年十二月三十一日，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。

39. BANK-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY

39. 銀行財務狀況表及權益變動表

ASSETS

| |
|---|
| Cash and short-term funds |
| Balances with banks and other financial institutions |
| Trading assets |
| Derivative financial instruments |
| Advances to customers |
| Trade bills |
| Accrued interest and other assets |
| Debt securities measured at amortized cost |
| Equity securities designated at fair value through other comprehensive income |
| Investments in subsidiaries |
| Amounts due from subsidiaries |
| Fixed assets |
| Investment properties |
| Assets held for sale |
| Total assets |

LIABILITIES

| |
|---|
| Deposits and balances of banks and other financial institutions |
| Deposits from customers |
| Trading liabilities |
| Certificates of deposit issued |
| Debt securities issued |
| Derivative financial instruments |
| Other liabilities |
| Amounts due to subsidiaries |
| Deferred tax liabilities |
| Subordinated notes issued |
| Total liabilities |

EQUITY

| |
|------------------------------|
| Share capital |
| Reserves |
| Total equity |
| Total equity and liabilities |

資產

| |
|-----------------------|
| 現金及短期資金 |
| 銀行同業及其他金融機構結餘 |
| 持作交易用途資產 |
| 衍生金融工具 |
| 客戶貸款 |
| 商業票據 |
| 應計利息及其他資產 |
| 以攤銷成本計量之債務證券 |
| 指定以公平價值於其他全面收益計量之股本證券 |
| 於附屬公司之投資 |
| 應收附屬公司款項 |
| 固定資產 |
| 投資物業 |
| 持作出售之資產 |
| 資產總額 |

負債

| |
|-------------------|
| 銀行同業及其他金融機構之存款及結餘 |
| 客戶存款 |
| 交易賬項下之負債 |
| 已發行存款證 |
| 已發行債務證券 |
| 衍生金融工具 |
| 其他負債 |
| 應付附屬公司款項 |
| 遞延稅項負債 |
| 已發行後償票據 |
| 負債總額 |

權益

| |
|---------|
| 股本 |
| 儲備 |
| 權益總額 |
| 權益及負債總額 |

| 31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元 | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 |
|---|---|
| 4,966,634 | 5,290,683 |
| 458,770 | 2,862,464 |
| 1,948,454 | 1,943,242 |
| 563,443 | 543,793 |
| 54,912,205 | 52,307,177 |
| 915,668 | 724,425 |
| 2,221,900 | 2,003,631 |
| 41,185,231 | 40,516,235 |
| 1,316,272 | 1,074,054 |
| 73,562 | 73,162 |
| 147,195 | 65,633 |
| 3,749,930 | 4,075,218 |
| 49,500 | - |
| - | 41,300 |
| 112,508,764 | 111,521,017 |
| 10,041,639 | 9,140,295 |
| 76,538,430 | 75,043,411 |
| 1,948,454 | 948,173 |
| 4,167,874 | 4,730,098 |
| 1,544,626 | 1,165,268 |
| 1,080,890 | 385,348 |
| 1,649,826 | 3,115,973 |
| 369,541 | 273,138 |
| 602,966 | 651,442 |
| - | 1,555,776 |
| 97,944,246 | 97,008,922 |
| 4,830,448 | 4,830,448 |
| 9,734,070 | 9,681,647 |
| 14,564,518 | 14,512,095 |
| 112,508,764 | 111,521,017 |

Approved and authorized for issue by the Board of Directors on 16 March 2021.

經董事會於二零二一年三月十六日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Hung SHIH
石宏
Director
董事

Raymond LEE Wing Hung
李永鴻
Director
董事

39. BANK-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

39. 銀行財務狀況表及權益變動表 (續)

| | | Share capital | Regulatory reserve | Investment revaluation reserve (non-recycling) | Premises revaluation reserve | Retained earnings | Total equity |
|---|-----------------------------------|---------------|--------------------|--|------------------------------|-------------------|--------------|
| | | 股本 | 法定儲備 | (非循環) 投資重估儲備 | 物業重估儲備 | 保留溢利 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 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 |

39. BANK-LEVEL STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY (continued)

39. 銀行財務狀況表及權益變動表(續)

| | | Share capital | Regulatory reserve | Investment revaluation reserve (non-recycling) | Premises revaluation reserve | Retained earnings | Total equity |
|---|-----------------------------------|---------------|--------------------|--|------------------------------|-------------------|--------------|
| | | 股本 | 法定儲備 | 投資重估儲備 (非循環) | 物業重估儲備 | 保留溢利 | 權益總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2020 | 二零二零年一月一日 | 4,830,448 | 425,166 | 781,847 | 2,421,599 | 6,053,035 | 14,512,095 |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | 203,256 | (151,318) | 485 | 52,423 |
| - Profit for the year | - 本年度溢利 | - | - | - | - | 47,707 | 47,707 |
| - 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 | - | - | 203,256 | - | - | 203,256 |
| - Remeasurement of net defined benefit liability | - 重新計量定額福利負債淨額 | - | - | - | - | (47,222) | (47,222) |
| - Premises: net movement in premises revaluation reserve | - 物業：物業重估儲備淨變動 | - | - | - | (151,318) | - | (151,318) |
| Transfer from/(to) retained earnings | 轉撥自/(至)保留溢利 | - | (340,440) | - | (88,042) | 428,482 | - |
| At 31 December 2020 | 二零二零年十二月三十一日 | 4,830,448 | 84,726 | 985,103 | 2,182,239 | 6,482,002 | 14,564,518 |

The information of individual reserves is disclosed in Note 27.

個別儲備的資料於附註 27 披露。

40. 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.

(A) Key sources of estimation uncertainty

Notes 20 and 32 contain information about the assumptions and risk factors relating to fair value of premises, investment properties and financial instruments. Other key sources of estimation uncertainty are as follows:

(i) 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 35(a)(viii).

(ii) 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, the net assets of the underlying investments, P/E, EV/EBIT and P/AUM multiples of comparable listed companies. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

(B) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Classification of financial assets

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset comprise solely payments of principal and interest.

40. 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。

(A) 估計不明朗因素之主要來源

附註 20 及 32 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：

(i) 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 35(a)(viii)。

(ii) 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、相關投資之淨資產、可資比較上市公司的市盈率、企業價值與息稅前盈利比率及市值對管理資產比率倍數等市場參數，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。

(B) 應用本集團會計政策時所作之重大會計判斷

有關應用本集團會計政策的若干重要會計判斷載述如下：

(i) 金融資產分類

評估持有資產的業務模式及評估金融資產的合約條款是否僅包括支付本金及利息。

40. ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

(B) Critical accounting judgements in applying the Group's accounting policies (continued)

(ii) Measurement of ECL

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

41. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2020

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 2020 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group:

| | |
|--|--|
| Amendment to HKFRS 16, <i>COVID-19-Related Rent Concessions</i> 香港財務報告準則第 16 號修訂本， <i>COVID-19 相關租金減免</i> | |
| Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i> 香港財務報告準則第 3 號修訂本， <i>引用概念框架</i> | |
| Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 香港會計準則第 16 號修訂本， <i>物業、廠房及設備：擬定用途前之所得款項</i> | |
| Amendments to HKAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i> 香港會計準則第 37 號修訂本， <i>繁重合約 – 履行合約之成本</i> | |
| Annual Improvements to HKFRSs 2018-2020 Cycle 香港財務報告準則二零一八年至二零二零年週期之年度改進 | |
| Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current</i> 香港會計準則第 1 號， <i>分類負責為流動或非流動</i> | |

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.

40. 會計估計及判斷(續)

(B) 應用本集團會計政策時所作之重大會計判斷(續)

(ii) 預期信貸虧損計量

建立釐定金融資產信貸風險自初始確認後是否大幅增加的標準、釐定在預期信貸虧損計量納入前瞻性資料的方法以及甄選用作計量預期信貸虧損的模型。

41. 已公佈但於截至二零二零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二零二零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 |
|---|
| 1 June 2020 二零二零年六月一日 |
| 1 January 2022 二零二二年一月一日 |
| 1 January 2022 二零二二年一月一日 |
| 1 January 2022 二零二二年一月一日 |
| 1 January 2022 二零二二年一月一日 |
| 1 January 2023 二零二三年一月一日 |

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。