

The Risk Appetite Statement (“RAS”) is a written articulation of the Bank’s risk-taking tolerance, risk mitigation and risk avoidance positions as a commercial bank. In formulating our risk appetite, the Bank takes into consideration the statutory requirements, market conditions and industry best practices. It describes the types and quantum of risks that the Bank is willing to accept in achieving its overall business mission, provides a risk framework, and governs the establishment of the Bank’s short and long-term strategic objectives. All strategic business decisions and their execution are guided by the risk appetite framework and capital requirements.

The RAS is a key component of the Bank’s business plan, and guides its annual planning process by defining the desired forward-looking risk profile of the Bank under normal and stressed conditions. The level of capital support required to sustain a healthy banking operation is ordinarily determined through the Internal Capital Adequacy Assessment Process. Management is responsible to establish robust risk management systems to ensure the risk exposure arising from business decisions are within the Bank’s risk tolerance. The Bank has also established a robust system to detect, control and report money laundering activities by potential or existing customers.

Risk appetite is one of the factors that the Board of Directors and senior management take into account when defining the Bank’s growth path and devising related operating strategies. The Bank strives to generate sustainable economic profits commensurate with the risks taken and industry conditions.

Risk appetite must always be defined to be equal to or below risk capacity, which directly correlates to the Bank’s capital position and revenue generating capabilities. Quantitative risk appetite parameters, such as thresholds or limits, are established for key risks inherent in commercial banking. Limits are expressed for individual risk types that can be used by the relevant risk-taking units within the Bank.

風險偏好聲明是本行作為商業銀行承擔風險、降低風險及規避風險的書面表述，同時考慮了法定要求、市場狀況及行業最佳常規。它描述了本行在實現其整體業務使命方面願意接受的風險類型及數量，並提供了風險架構及管理本行短期及長期策略目標的制定，本行所有策略性業務的決策及執行均依循風險偏好架構及資本要求而制定。

風險偏好聲明是本行業務計劃的關鍵組成部分，通過定義本行在正常及壓力條件下期望的前瞻性風險狀況來指導其年度計劃過程。而維持穩健的銀行體質及業務營運所需的資本水平一般是透過內部資本充足評估程序所制定。管理層負責建立健全的風險管理制度，以確保業務決策所產生的風險在本行的風險承受能力以內。本行還建立了一個健全的系統，以檢測、控制及報告潛在或現有客戶的洗錢活動。

風險偏好是董事會及高級管理人員在確定本行的成長路徑和制定相關經營策略時其中一個考量因素。本行努力創造與所承擔的風險及行業概況相稱的可持續經營利潤。

本行必須將風險偏好定義為等於或低於與本行的資本狀況及獲利能力直接相關的風險承受能力，並應為商業銀行固有的關鍵風險訂立定量風險偏好參數，例如門檻或限額，而限額是指本行內部承擔風險的單位可以使用的個別風險類型。