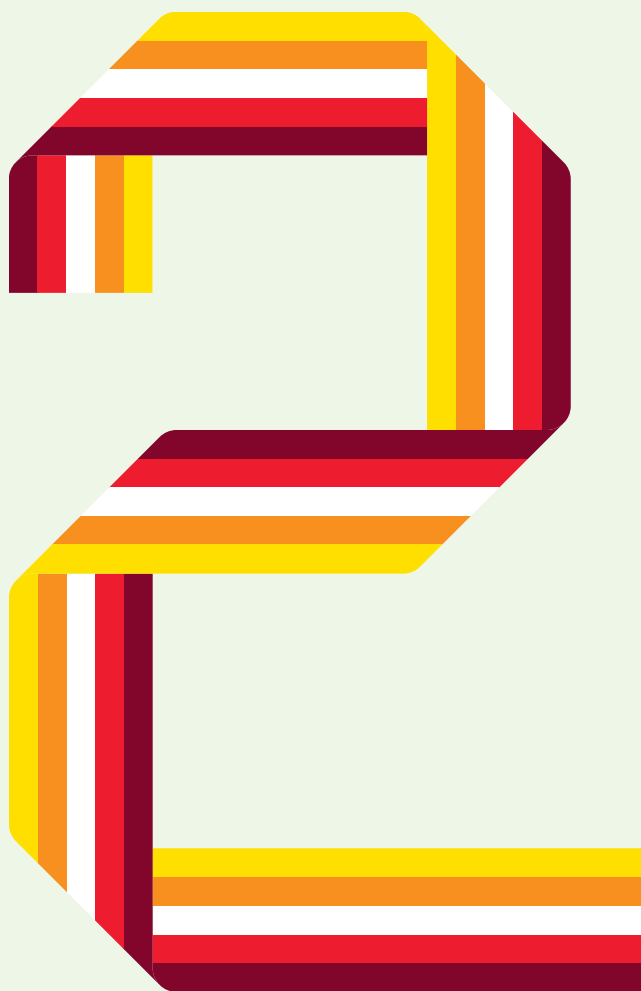




BEA 東亞銀行

(Stock Code 股份代號 : 23)



Annual Report
2021 年報



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



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CORPORATE PROFILE

本行簡介

OUR VISION



願景

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

成為大中華及其他地區客戶信任及首選的銀行夥伴。

OUR MISSION



使命

To ensure every customer experience is positive.

We achieve this by providing best in class financial products and services

提供出類拔萃的金融產品及服務，務求令每位客戶時刻享有稱心的服務體驗。

Incorporated in 1918, The Bank of East Asia, Limited ("BEA") is a leading Hong Kong-based financial services group with total consolidated assets of HK\$907.47 billion (US\$116.39 billion) as of 31st December, 2021.

BEA provides a comprehensive range of corporate banking, personal banking, wealth management, and investment services to customers throughout Greater China and beyond.

The Bank maintains one of the largest retail networks in Hong Kong, with full-service branches; SupremeGold and SupremeGold Private Centres for affluent and premium affluent customers respectively; and innovative, extended-hour i-Financial Centres conveniently located throughout the city.

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

Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA serves customers through around 150 outlets and offers rewarding and challenging career opportunities to over 8,000 employees.

BEA Group's subsidiaries further broaden the Bank's product offering to meet the increasingly diverse and sophisticated needs of a burgeoning customer base. BEA's wholly-owned subsidiary Blue Cross (Asia-Pacific) Insurance Limited serves as the Bank's general insurance arm, and provides insurance solutions for individual and corporate customers.

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

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

東亞銀行有限公司(「東亞銀行」)成立於1918年，為一家具領導地位的香港金融服務集團。於2021年12月31日的綜合資產總額達港幣9,074.7億元(1,163.9億美元)。

本行一直致力服務大中華及其他地區的客戶，提供全面的企業銀行、個人銀行、財富管理和投資服務，以滿足客戶的理財所需。

本行為香港擁有最大零售網絡的銀行之一，分行提供全面的服務，並設有專為高端客戶而設的顯卓理財中心和顯卓私人理財中心。此外，本行亦於不同地區設立i-理財中心，為客戶提供更長的營業時間及便捷創新的服務。

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

本行於世界各地共設有約150個網點，業務遍布東南亞、英國和美國。集團現於全球聘用逾8,000名員工。

此外，本行透過集團附屬公司進一步完善業務範圍，為客戶提供全面而適切的方案，以配合日益壯大的客戶群之需要。藍十字(亞太)保險有限公司為集團拓展保險業務，承保一般保險產品，讓個人和企業客戶享有周全的保障。

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

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

FINANCIAL HIGHLIGHTS

財務摘要

	2021 HK\$ Million 港幣百萬元	2020 HK\$ Million 港幣百萬元	Change 變動 % 百分率
Profitability 盈利能力			
Operating profit before impairment losses 未扣除減值損失之經營溢利	6,962	8,347	-16.6
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	5,270	3,614	+45.8
Balance Sheet Strength 資產負債狀況			
Total loans and advances to customers and trade bills 客戶貸款及墊款及貿易票據總額	559,580	525,725	+6.4
Total assets 資產總額	907,470	884,420	+2.6
Total customers' deposits and certificates of deposit issued 存款總額	697,832	650,054	+7.3
Total equity 股東權益總額	116,050	113,796	+2.0
Earnings Per Share and Dividends Per Share 每股盈利及每股股息			
Basic earnings 基本盈利	HK\$1.53	HK\$0.97	+57.7
Dividends 股息	HK\$0.70	HK\$0.40	+75.0
Key Ratios 主要比率			
Return on average assets ¹ 平均資產回報率	0.5%	0.3%	
Return on average equity ² 平均股東權益回報率	4.4%	3.0%	
Cost-to-income ratio ³ 成本對收入比率	57.2%	51.8%	
Loan to deposit ratio ⁴ 貸款對存款比率	78.6%	79.1%	
Impaired loan ratio ⁵ 減值貸款比率	1.09%	1.26%	
Average liquidity coverage ratio - first quarter 第一季度 平均流動性覆蓋比率	189.4%	178.1%	
- second quarter 第二季度	177.3%	177.7%	
- third quarter 第三季度	180.9%	175.9%	
- fourth quarter 第四季度	182.4%	183.8%	
Common Equity Tier 1 capital ratio ⁶ 普通股權一級資本比率	17.0%	16.5%	
Tier 1 capital ratio ⁶ 一級資本比率	19.8%	19.4%	
Total capital ratio ⁶ 總資本比率	21.6%	21.9%	

Notes:

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

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

³ Operating expenses / Operating income.

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

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

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

附註：

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

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

³ 經營支出/經營收入。

⁴ 客戶貸款及墊款總額/客戶存款及已發行存款證總額。

⁵ 減值貸款及墊款總額/客戶貸款及墊款總額。

⁶ 根據銀行業(資本)規則的綜合基準計算。

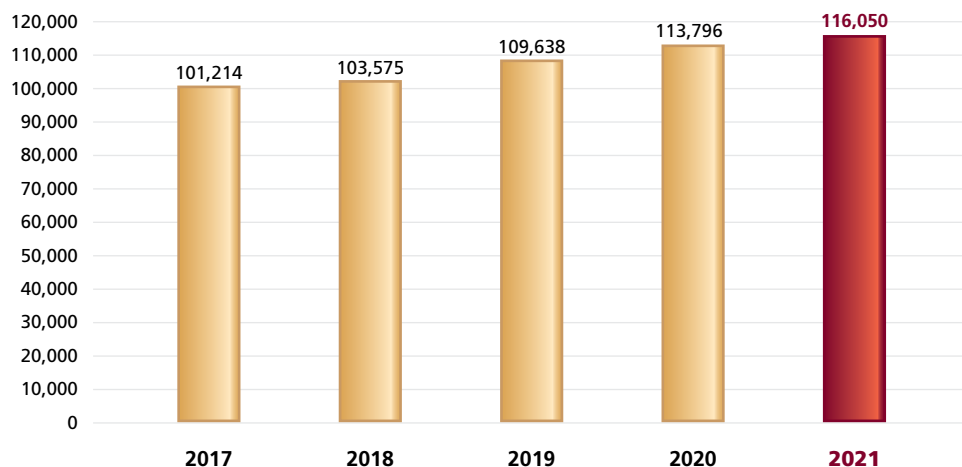
FIVE-YEAR FINANCIAL SUMMARY*

5 年財務概要*

TOTAL EQUITY

股東權益總額

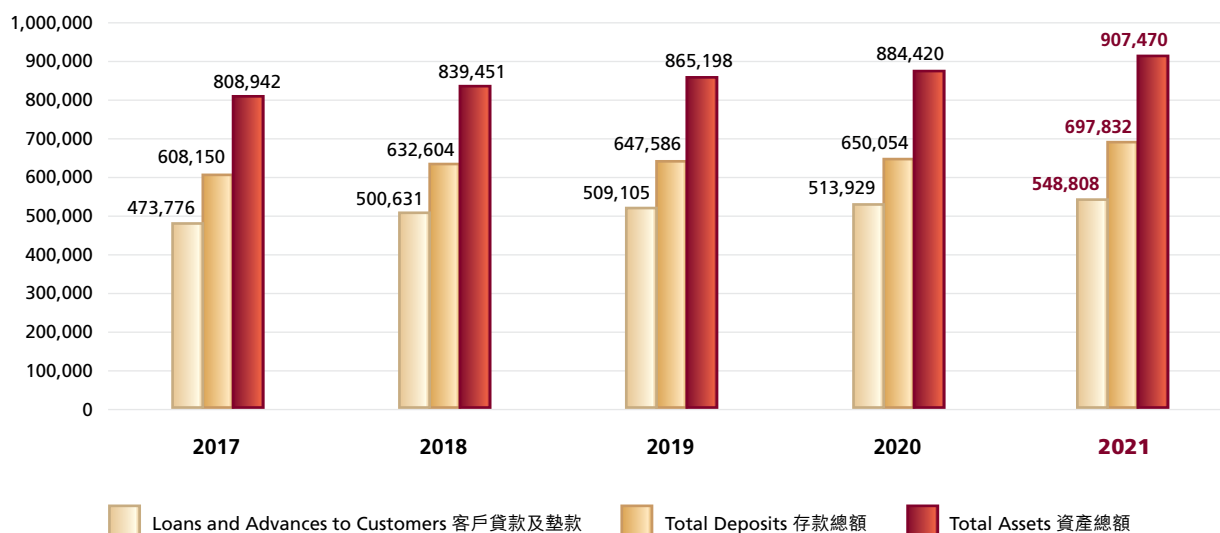
HK\$ Million
港幣百萬元



LOANS AND ADVANCES TO CUSTOMERS / TOTAL DEPOSITS / TOTAL ASSETS

客戶貸款及墊款 / 存款總額 / 資產總額

HK\$ Million
港幣百萬元



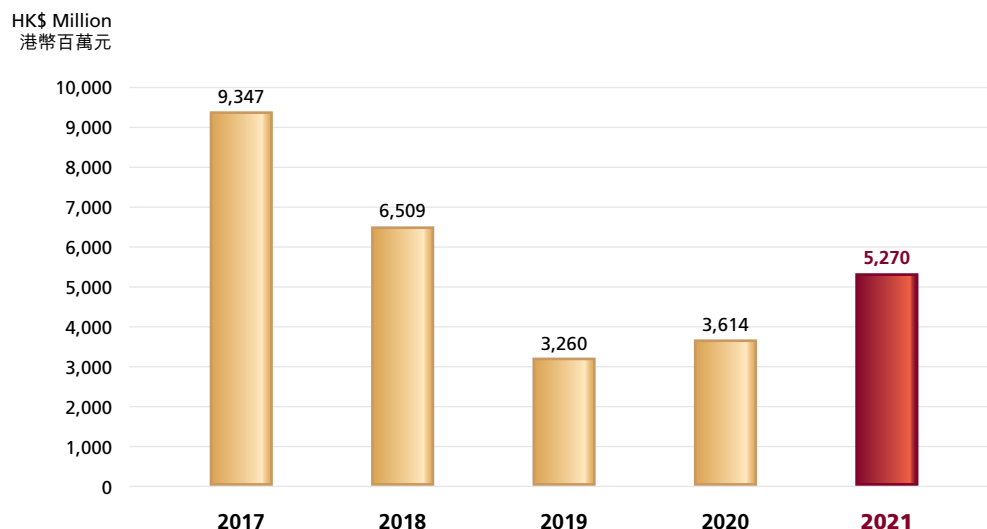
* Due to the Hong Kong Financial Reporting Standards that came into effect during the financial year, the above summary have not been prepared on a consistent basis. Changes in accounting policies are set out in Note 3 of the Notes To The Financial Statements.

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

FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

5 年財務概要 (續)

**PROFIT
ATTRIBUTABLE
TO OWNERS
OF THE
PARENT**
可歸屬於本集團股東溢利



FIVE-YEAR COMPARISON
5 年比較

	2017 HK\$ Million 港幣百萬元	2018 HK\$ Million 港幣百萬元	2019 HK\$ Million 港幣百萬元	2020 HK\$ Million 港幣百萬元	2021 HK\$ Million 港幣百萬元
Total equity 股東權益總額	101,214	103,575	109,638	113,796	116,050
Total deposits 存款總額	608,150	632,604	647,586	650,054	697,832
Loans and advances to customers 客戶貸款及墊款	473,776	500,631	509,105	513,929	548,808
Total assets 資產總額	808,942	839,451	865,198	884,420	907,470
Loan to deposit ratio 貸款對存款比率	78%	79%	79%	79%	79%
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	9,347	6,509	3,260	3,614	5,270
Earnings per share 每股盈利	HK\$3.21	HK\$2.07	HK\$0.89	HK\$0.97	HK\$1.53
Dividends per share 每股股息	HK\$1.28	HK\$1.18	HK\$0.46	HK\$0.40	HK\$0.70

116,050

Total equity in 2021
2021 股東權益總額

HK\$0.70

Dividends per share
每股股息

EXECUTIVE CHAIRMAN'S STATEMENT



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

執行主席
李國寶爵士

2021 will be remembered as a turbulent year, with multiple waves of COVID-19 across the globe despite the successful roll-out of vaccines; chip shortages and supply-chain bottlenecks leading to inflationary pressure worldwide; rigorous regulatory action on technology, education and property companies on the Mainland; and a soaring stock-market in the US, but a down year in Hong Kong.

Through it all, the global economy has bounced back, led by resurgent demand from the US. In many ways, the volatility that we endured during the past year has created the conditions for stability ahead. More and more countries are learning to live with COVID-19; the Mainland's transition to an advanced industrial economy is gaining traction; and the US and China are taking tentative steps to finding a new equilibrium in their tense relationship.

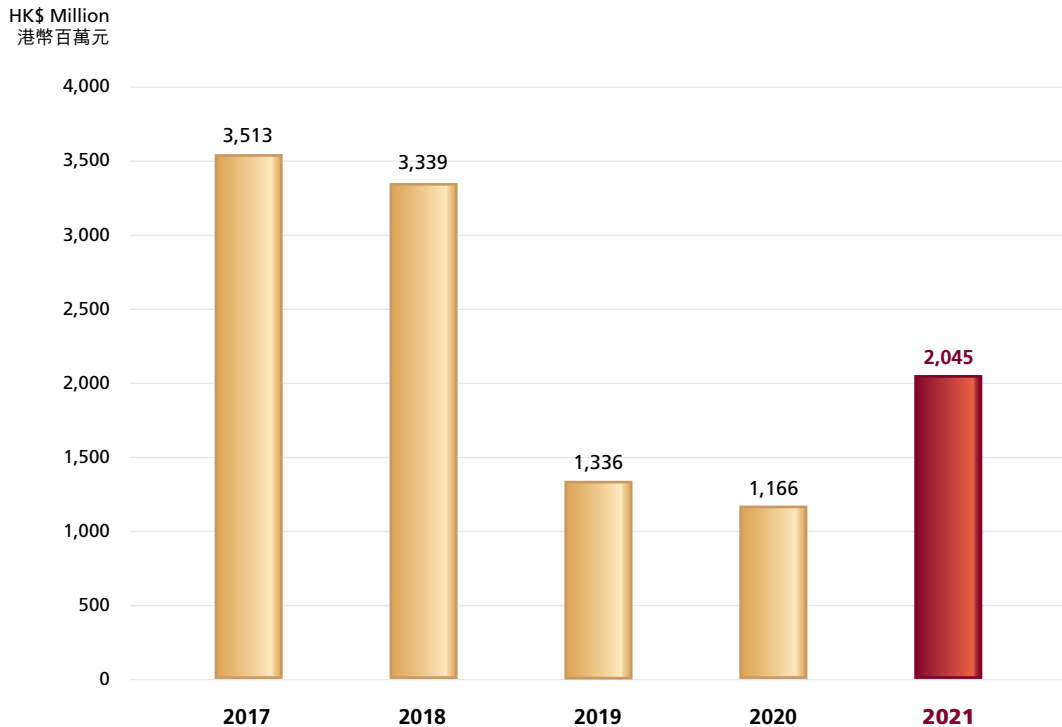
In this uncertain environment, we have doubled down on our strengths and executed our vision, which is to be the preferred banking partner in Greater China and beyond. Through focussing on our customers' needs, refining our product mix and service fulfilment capabilities, and improving our risk and compliance functions, we have enhanced the fundamentals of our business and delivered solid financial results. Indeed, profit has increased across all regions, demonstrating our ability to prosper in the face of adversity. We have also achieved a notable turnaround in loan-loss provisioning, while continuing to support our customers through the challenges of the pandemic.

STRATEGIC FOCUS

While we focus on the resilience of our business, we are also investing for the future. Online banking and digital innovation have changed the playing field for financial services. Digital transformation is part of our long-term strategy, ensuring that we are prepared for the digital challenges of tomorrow.

執行主席報告書

DIVIDENDS FOR THE LAST 5 YEARS 過往 5 年股息紀錄



2021 年是動盪的一年：雖然疫苗成功推出，但疫情仍肆虐全球；芯片短缺及供應鏈瓶頸均令全球面臨通脹壓力；內地對科技、教育及房地產企業採取嚴厲監管措施；美國股市飆升，但香港股市卻輾轉下跌。

儘管如此，全球經濟在美國需求復甦的帶動下出現反彈。綜觀來看，去年動盪中累積的經驗為我們未來的穩定發展創造了條件。愈來愈多國家嘗試與 2019 冠狀病毒病共存；內地向先進產業轉型的步伐正在加快；中美兩國亦正在緊張的關係中，尋找新的平衡點。

面對如此不明朗的環境，東亞銀行加倍發揮自身優勢，致力實現成為大中華及其他地區客戶首選銀行夥伴的願景。本行一直重視客戶需要，不斷優化產品組合及服務能力，提升風險及合規職能，令我們的業務基礎得以增強，並取得了穩健的財務業績。事實上，我們各個地區的盈利均有所上升，突顯了本行逆境自強的能力。我們在繼續支持客戶應對疫情挑戰的同時，貸款減值撥備亦顯著好轉。

策略重點

本行在致力鞏固業務之餘，亦繼續投資未來。網上銀行及數碼創新改變了金融服務的競爭環境。數碼化轉型是本行長遠策略的一部分，確保我們為相關挑戰作好準備。

EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)

At the front end, we are working to strengthen our service channels and improve the interactions that our customers have with us. As we implement straight-through processing and advanced data analytics, we will be able to increase the level of personalisation that we offer, and the speed with which we respond to market changes.

At the back end, increased use of regulatory technology ("Regtech") and automation are speeding up key processes, making risk and compliance management more efficient. Continued enhancements to our technology and cyber security platforms will ensure our resilience in tomorrow's increasingly data and tech-driven environment.

As BEA transforms, so too do our employees. We are better able to use the digital tools that are increasingly at our disposal; we are collaborating across the Group more effectively; and we are focussing more on value-added work – all to serve our customers better.

Our Bank retains a unique franchise that straddles Hong Kong, the Mainland and our overseas network. Although travel was restricted throughout 2021, we are ramping up efforts to provide our customers with a One Bank experience, delivering seamless and frictionless cross-boundary customer service.

Our Mainland business returned to profit in 2021, following a sustained effort to upgrade asset quality. BEA China faces the future with a strong balance sheet, a lower cost structure, a more robust risk culture and enhanced internal controls.

We made important changes to our international network, sharpening our focus on corporate banking in Singapore, Macau and the UK. This initiative produced the desired results, with steady growth in business. Linking Hong Kong and the Mainland with our international network remains a key aspect of our strategy going forward.

As well as strengthening internal collaboration, we have continued to foster mutually beneficial partnerships with like-minded organisations. In 2021, we entered into a ground-breaking bancassurance agreement with AIA Group Limited. Our shared vision and excellent working relationship ensured that our partnership enjoyed a highly promising start. I am confident that, by developing our strong distribution network and expanding our client base in Greater China, this synergistic partnership will continue to perform to our high expectations in 2022 and beyond.

We remain committed to developing responsibly and addressing ESG concerns in our operations. In November 2021, BEA's Board-level ESG Committee endorsed the Bank Group's ESG strategy framework, which sets out our vision to be a market leader in sustainability in financial services. We adopted concrete metrics that assist us to gauge ESG risks in our lending policies. We established a Group carbon-emissions reduction target, and we have been making the necessary investments to achieve our set targets for Group emissions. Meanwhile, we have developed innovative new products and solutions to help our customers transition to a low-carbon future.

We will continue to strengthen our governance and refine business practices to ensure that we deliver sustainable value to all stakeholders.

執行主席報告書（續）

前線方面，本行現正致力提升服務渠道，並加強本行與客戶的互動。隨著我們實施直達式處理及先進數據分析，我們能夠為客戶提供更加個人化的服務，以及更靈活地應對市場變化。

後勤方面，本行增加運用監管科技及自動化操作，令主要的工作流程更快捷，風險及合規管理工作亦更有效率。另外，我們不斷完善科技及網絡安全平台，以確保本行在未來日益數據和科技主導的年代保持競爭力。

在東亞銀行轉型的過程中，我們的員工亦與時並進。我們能善用多元化的數碼工具，集團成員之間亦更有效地合作，我們專注於增值工作，務求更好地為客戶服務。

本行擁有覆蓋香港、內地及海外的完善服務網絡。雖然各地於2021年仍實施旅遊限制，但本行繼續致力為客戶提供一站式的銀行服務，打造流暢、無縫的跨境服務體驗。

內地業務的資產質素持續提升，並於2021年轉虧為盈。東亞中國擁有穩健的資產負債表、更低的成本結構、更穩健的風險文化，以及更完善的內部控制去迎接未來。

本行對國際業務作出重要調整，把新加坡、澳門及英國的業務重點放在企業銀行服務。此策略已取得理想成效，相關業務穩步增長。把香港和內地業務與我們的國際網絡相互連接，將繼續是本行其中一個重點策略。

除了加強內部合作，本行亦繼續與經營理念相近的機構建立互惠互利的夥伴關係。2021年，本行與友邦保險控股有限公司達成了一項具開創性的銀行保險夥伴協議。我們有著一致的願景，加上良好的合作關係，為雙方協作創造了極佳的條件。本人亦深信，透過發展我們在大中華區強大的分銷網絡以及擴大客戶群，有關的夥伴合作可望於2022年及以後，繼續符合我們極高的期望。

本行著重可持續發展，並在作出業務決策時致力將有關環境、社會及管治「ESG」的因素納入考慮。東亞銀行已在董事會層面上成立環境、社會及管治委員會。2021年11月，該委員會通過了本集團的ESG策略框架，確立了致力成為金融服務可持續發展市場領導者的願景。本行採用具體的量度指標，以助評估貸款政策中所涉及的ESG風險。我們亦已訂立集團的減碳目標，並作出相應投資以達至相關指標。此外，我們已推出創新的財務產品及解決方案，幫助客戶實現低碳未來。

我們將繼續強化企業管治及經營方式，務求為所有持份者創造可持續價值。

EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)

OUTLOOK

The Mainland economy entered a period of transition in 2021, as new regulations guided investment toward sectors that would support China's long-term competitiveness and sustainable growth. These measures will keep economic fundamentals strong, reducing systemic risks and laying the foundation for an advanced industrial economy based on common prosperity. Meanwhile, the development of the Greater Bay Area is still in its infancy. The best is yet to come.

In late January, the Bank announced that it plans to repurchase all of the Bank's shares held by Elliott Investment Management and its affiliated entities, subject to approval of shareholders at an Extraordinary General Meeting. Management and the Board strongly believe that this transaction presents a tremendous opportunity to enhance return on equity and earnings per share.

Covid-19 remains an ever-present threat. However, after two years of managing successive waves of the virus, we have an effective anti-Covid response framework in place. With the emergence of the fifth wave in Hong Kong in early 2022, we are strictly enforcing all government and HKMA guidelines on vaccination, testing, work-from-home arrangements and social distancing in order to protect customers and staff.

As BEA becomes an increasingly digital, asset-efficient bank, we have become more agile, collaborative and productive. Fee-based revenue streams are being expanded. We are better able to take advantage of change, and ready to capitalise on our strengths as cross-boundary financial connectivity widens and expands.

Our employees were asked to bear the dual loads of daily operating excellence while managing the disruptive changes of our push toward a digital future. They have risen to the challenge. As we move forward, BEA will continue to recruit and develop digitally-aware talent across the organisation, further enhancing our capabilities and service and priming us for future growth.

In closing, I take pleasure in thanking our Bank's Board of Directors and the directors of our subsidiaries and associated companies for their invaluable advice and support during the past year. I also thank the management and staff of BEA for their commitment, which is all the more important as we carry out our bank transformation programme.

I thank our many international partners, in particular CaixaBank and Sumitomo Mitsui Banking Corporation, for the excellent working relationship that we enjoy with them. I thank the communities that we serve for their support and encouragement. And I thank our shareholders and customers. Without their longstanding loyalty and confidence in this Bank, we could not achieve so much.

David LI Kwok-po

Executive Chairman

Hong Kong, 24th February, 2022

執行主席報告書（續）

展望

內地經濟在 2021 年進入轉型期，新法規引導投資流向支持長遠具競爭力及可持續增長的行業。這些措施讓經濟保持紮實根基，降低系統性風險，並為邁向先進工業經濟奠定基礎，實踐共同富裕。與此同時，大灣區建設仍處於起步階段，其美好成果亦讓我們拭目以待。

1 月下旬，本行宣布擬回購 Elliott Investment Management 及其附屬公司所持有的全數股份，惟須經股東特別大會的批准。管理層和董事會深信，這次交易可為東亞銀行帶來提高股東權益回報率和每股盈利的良機。

疫情依然威脅全球，累積了兩年抗疫經驗，我們已建立了一套有效的應對機制。在 2022 年初出現的第五波疫情下，東亞銀行嚴格遵守政府及金管局關於接種疫苗、檢測、在家工作安排及社交距離措施的指引，以保障客戶和員工的健康。

隨著東亞銀行成為一家日益數碼化，資產效益更高的銀行，我們的業務運作變得更靈活、更具協同效益。服務費收入來源亦日漸擴大。另外，因應跨境金融互聯互通的拓展和延伸，本行亦已準備就緒，發揮自身優勢，把握變化帶來的機遇。

本行員工今年付出加倍的努力，他們不單要處理好日常工作，同時亦要應付業務數碼化帶來的轉變，而他們一直昂然迎接挑戰。日後，東亞銀行將繼續增聘和培育數碼人才，並為他們提供發展機會，從而進一步提升本行的業務能力及服務水平，為未來發展作好準備。

最後，本人謹此衷心感謝本行董事會、各附屬公司及聯營公司的董事在過去一年給予寶貴的建議和支持。我亦感謝東亞銀行管理層和員工上下的付出，他們對本行的轉型計劃貢獻良多。

本人亦感謝一眾國際夥伴，特別是 CaixaBank 和三井住友銀行，我們一直合作無間。本人同時感謝我們所服務的社區對本行的支持和鼓勵，亦要感謝各位股東和客戶，他們對本行長期以來的忠實支持和信任，讓我們不斷走得更遠更高。

執行主席

李國寶

香港，2022 年 2 月 24 日

REPORT OF THE CO-CHIEF EXECUTIVES

FINANCIAL REVIEW

Financial Performance

In 2021, BEA and its subsidiaries earned a profit attributable to owners of the parent of HK\$5,270 million, representing an increase of 45.8%, compared with the HK\$3,614 million earned in 2020.

The increase in attributable profit was mainly due to a significant reduction in impairment losses in Mainland China, improved net fee and commission income, and a gain of HK\$902 million on the disposal of BEA Life.

Basic earnings per share rose from HK\$0.97 in 2020 to HK\$1.53 in 2021.

The return on average assets rose from 0.3% to 0.5%, while the return on average equity rose from 3.0% to 4.4%.

Group net interest income was pressured under the prolonged low-interest-rate environment. Net interest margin for the full year narrowed from 1.48% to 1.37%, leading to a 3.2% drop in net interest income to HK\$11,185 million, despite a 4.7% increase in average interest earning assets. However, the situation stabilised in the second half of the year, with net interest income rising by 2.5% half-on-half.

Net fee and commission income rose by 5.0% to HK\$3,069 million. The increase was mainly led by higher income from sales of insurance policies, as well as improved results from investment activity in Hong Kong and other revenue streams across the Group.

Net insurance profit was lower compared to 2020, mainly due to a shorter period of revenue contribution from life insurance business following the disposal of BEA Life. Non-interest income was also impacted by the absence of COVID-19-related government subsidies.

Overall, total operating income decreased by 5.9% to HK\$16,283 million.

Total operating expenses were contained at HK\$9,321 million despite continued investments in technology and talent, as efficiency gains from automation and straight-through processing began to take effect. Excluding the impact of exchange rate movements, costs grew by just 1.0%.

Impairment losses on financial instruments fell sharply, from HK\$4,674 million in 2020 to HK\$1,679 million in 2021. Credit cost improved from 0.94% to 0.28%. The Group's impaired loan ratio decreased from 1.26% at the end of December 2020 to 1.09% at the end of December 2021, while that for Mainland China operations improved from 3.10% to 1.54%.

Operating profit after impairment losses amounted to HK\$5,283 million, an increase of HK\$2,026 million, or 62.2%.

Net profit on sale of assets held for sale increased by HK\$1,010 million to HK\$1,042 million, mainly as a result of the disposal of BEA Life.

The Group's share of after-tax profits less losses from associates and joint ventures decreased by HK\$544 million to a loss of HK\$234 million, mainly contributed by an associate operating in Mainland China.

After accounting for income taxes, profit increased to HK\$5,313 million, an increase of 44.2% compared to the HK\$3,685 million recorded in 2020.

聯席行政總裁報告書

財務回顧

財務表現

於2021年，東亞銀行及其附屬公司錄得可歸屬於本集團股東溢利達港幣52.70億元，較2020年錄得的港幣36.14億元上升45.8%。

應佔溢利增加，主要是內地業務的減值損失大幅減少，服務費及佣金淨收入改善，以及出售東亞人壽錄得收益港幣9.02億元所致。

每股基本盈利由2020年的港幣0.97元增加至2021年的港幣1.53元。

平均資產回報率由0.3%上升至0.5%，而平均股東權益回報率則由3.0%上升至4.4%。

本集團的淨利息收入受利率持續低企的環境影響而受壓。儘管賺取利息之平均資產增加了4.7%，但全年的淨息差由1.48%收窄至1.37%，導致淨利息收入減少3.2%，至港幣111.85億元。然而，有關情況在下半年已趨穩定，淨利息收入較上半年上升2.5%。

服務費及佣金淨收入上升5.0%，至港幣30.69億元。主要受惠於保單銷售的佣金增長，香港的投資市場轉趨活躍，令相關費用收入上升，以及集團其他收入錄得增長。

保險業務淨溢利較2020年有所下跌，主要是因為出售東亞人壽之後，相關業務不再產生收入貢獻。此外，由於年內缺少與2019冠狀病毒病相關的政府補貼，非利息收入因而受到影響。

整體而言，經營收入總額下跌5.9%，至港幣162.83億元。

雖然本行不斷在數碼化及人才方面作出投資，但藉推行自動化及直達式業務流程以提升效率的措施已漸見果效，本行仍能有效地控制成本。經營支出為港幣93.21億元。撇除匯率變動的影響，成本僅上升1.0%。

金融工具之減值損失由2020年的港幣46.74億元大幅下降至2021年的港幣16.79億元。信貸成本由0.94%改善至0.28%。本集團的減值貸款比率由2020年12月底的1.26%，下降至2021年12月底的1.09%，其中內地業務的減值貸款比率則由3.10%改善至1.54%。

扣除減值損失後之經營溢利較去年增加港幣20.26億元或62.2%，至港幣52.83億元。

出售持有作出售資產之淨溢利增加港幣10.10億元，至港幣10.42億元，主要來自出售東亞人壽所錄得的收益。

集團應佔聯營公司及合資企業之除稅後溢利減虧損，較前一年減少港幣5.44億元，至虧損港幣2.34億元，主要是受一家在內地經營的聯營公司所影響。

經計及所得稅後，溢利增至港幣53.13億元，較2020年錄得的港幣36.85億元上升44.2%。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Financial Position

Total consolidated assets of the Group stood at HK\$907,470 million at the end of December 2021, an increase of 2.6% compared to HK\$884,420 million at the end of 2020.

Gross advances to customers increased by 6.8% to HK\$548,808 million.

Driven by the strong contribution from net profit for the year, total equity attributable to owners of the parent increased to HK\$101,778 million, a rise of 2.9%.

Total deposits from customers increased by 7.5% to HK\$633,505 million. Of the total, demand deposits and current account balances increased by HK\$9,822 million, or 14.1%; savings deposits increased by HK\$8,760 million, or 4.7%; and time deposits increased by HK\$25,721 million, or 7.8%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, increased by 7.3% to HK\$697,832 million.

The loan-to-deposit ratio stood at 78.6% at the end of December 2021, compared to 79.1% at the end of 2020.

As at 31st December, 2021, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio were 21.6%, 19.8%, and 17.0%, respectively. The average liquidity coverage ratio for the quarter ended 31st December, 2021 was 182.4%, well above the statutory minimum of 100%.

RATINGS

S&P Global Ratings

The Bank of East Asia, Limited

Long-term Counterparty Credit (local and foreign currency)	A-
Short-term Counterparty Credit (local and foreign currency)	A-2
Outlook	Stable

Moody's Investor Service

The Bank of East Asia, Limited

Long-term Bank Deposit (local and foreign currency)	A3
Short-term Bank Deposit (local and foreign currency)	Prime-2
Outlook	Positive

聯席行政總裁報告書（續）

財務狀況

於 2021 年 12 月底，本集團綜合資產總額達港幣 9,074.70 億元，較 2020 年底的港幣 8,844.20 億元增加 2.6%。

客戶墊款總額增加 6.8%，至港幣 5,488.08 億元。

在年內淨利潤增長強勁的帶動下，可歸屬於本集團股東權益總額上升 2.9%，至港幣 1,017.78 億元。

客戶存款總額增加 7.5%，至港幣 6,335.05 億元。其中，活期存款和往來存款賬戶結餘增長港幣 98.22 億元，或 14.1%；儲蓄存款增加港幣 87.60 億元，或 4.7%；而定期存款亦增加港幣 257.21 億元，或 7.8%。包括客戶存款及所有已發行存款證的存款總額則上升 7.3%，至港幣 6,978.32 億元。

於 2021 年 12 月底，貸款對存款比率為 78.6%，而 2020 年底則為 79.1%。

於 2021 年 12 月 31 日，總資本比率、一級資本比率及普通股權一級資本比率分別為 21.6%、19.8% 及 17.0%。截至 2021 年 12 月 31 日止季度的平均流動性覆蓋比率為 182.4%，遠高於 100% 的法定下限。

評級

標普全球評級

東亞銀行有限公司

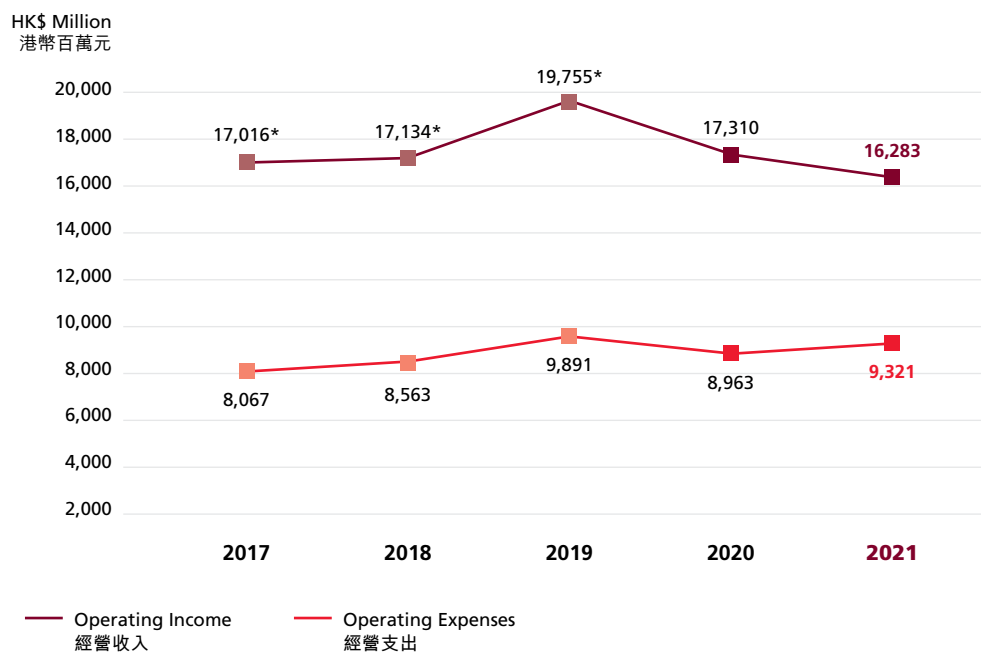
長期交易對手信貸（港元及外幣）	A-
短期交易對手信貸（港元及外幣）	A-2
前景	穩定

穆迪投資服務

東亞銀行有限公司

長期銀行存款（港元及外幣）	A3
短期銀行存款（港元及外幣）	Prime-2
前景	正面

**OPERATING
INCOME VS
OPERATING
EXPENSES**
經營收入與
經營支出



* Restated operating income
重報之經營收入

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

BUSINESS REVIEW

The global economy is on course for recovery. However, the vaccine-inspired optimism in the early part of 2021 has been tempered by inflationary pressures from commodity crunches, supply chain disruptions and food shortages. Major central banks are increasingly under pressure to rein in expansionary policies and raise interest rates. Added to this mix is the emergence of yet another highly infectious COVID-19 variant, reminding the world that it may be too soon to declare victory over the virus.

Despite external challenges, Hong Kong's economy performed well in 2021, with exports growing at 26.3% year-on-year. Strict border policies have kept the pandemic situation stable, minimising disruption to the domestic economy and supporting employment and consumption. Unemployment averaged 3.9% in the three months to the end of December. Meanwhile, retail sales rose by 8.1% year-on-year, boosted by the government's consumption voucher scheme. These factors led the economy to grow by 6.4% in 2021. While equity markets underperformed, the property market showed resilience, with prices rising 3.3% over the year.

Looking ahead, BEA expects that exports will remain strong, although year-on-year growth will be somewhat slower than 2021. Downside risks remain, however, with the threat of virus mutations and global inflationary pressures among the foremost concerns.

Overall, the Bank forecasts Hong Kong's gross domestic product will grow by 3.2% in 2022, with inflation trending upwards to 1.9%.

On the Mainland, exports continued to defy market expectations, growing by 29.9% year-on-year. Fixed asset investment rose by 4.9% year-on-year. Meanwhile, sporadic COVID-19 outbreaks have tempered private consumption, leaving retail sales with subdued average annual growth of 4% when compared to 2019 levels. Property prices started to trend downwards in September 2021, succumbing to intense regulatory pressure. Overall, the economy registered annual growth of 8.1%.

In the coming year, China may face the threat of a sliding property market, surging input prices and persistent COVID-19 risks. If these factors were to occur simultaneously, this could lead to slower growth in 2022.

The Chinese government has stated that economic and social stability are top priorities for the year. The People's Bank of China has already taken action in this regard, lowering the reserve requirement for banks by 0.5 percentage point in December, and thereby freeing up liquidity for investments. A key policy focus for 2022 will be support for small- and medium-sized enterprises. Given this expansionary posture, BEA forecasts China's economy will grow by 5.3% in 2022. Inflation will remain under control, averaging 2.2%.

Business – Hong Kong

Profit before tax for Hong Kong operations increased by 15.5% year-on-year to HK\$3,941 million. Growth was driven by higher fee income and a one-off gain on the disposal of BEA Life. This was partially offset by the impact of a sustained low-interest environment, as well as an upturn in impairment losses towards the end of the year following negative news surrounding Mainland property exposure.

Net fee and commission income increased by 14.9% year-on-year as the Bank focussed on uplifting frontline productivity and driving fee-generating business. Early results from BEA's bancassurance partnership with AIA, which launched in July 2021, have been positive. This partnership is expected to have a growing contribution in subsequent periods.

As experienced across the industry, net interest income declined, although the pressure on NIM stabilised in the second half of the year. Net insurance profit was also lower following the aforementioned disposal of BEA Life. The Bank's general insurance arm, Blue Cross (Asia Pacific) Insurance Limited, is now classified as an asset held for sale.

Initiatives to reduce costs and improve efficiency across the Bank's operations have been successful. As a result, operating expenses were well contained, despite significant investment in digital capabilities and people.

Credit deterioration was seen in the fourth quarter, as certain corporate clients faced liquidity issues. This brought impairment losses for the full year roughly in line with 2020, bucking the trend of improved asset quality in previous quarters.

聯席行政總裁報告書（續）

業務回顧

全球經濟正逐步復甦。2021年初，疫苗的面世為全球帶來樂觀情緒。然而，隨著商品緊缺、供應鏈中斷及糧食短缺帶來通脹壓力，樂觀情緒因而轉淡。各大央行面臨更大壓力，需要收緊寬鬆的貨幣政策，甚至開始加息。此外，2019冠狀病毒出現了更具傳染性的變種，提醒全球距離疫情終結仍有漫漫長路。

儘管外圍挑戰重重，但香港經濟在2021年表現理想，出口按年增長26.3%。嚴格的邊境管制政策長時間穩住了香港疫情，對本地經濟的衝擊得以減低，支持了就業及消費市場。截至12月底三個月失業率平均為3.9%。同時，在政府消費券計劃的推動下，零售額按年增長8.1%。上述因素推動2021年經濟增長6.4%。雖然股票市場表現不佳，但房地產市場表現平穩，年內樓價上漲3.3%。

展望來年，東亞銀行預期出口將持續強勁，但年增長率會較2021年放緩。然而，經濟仍存在下行風險，病毒變異的威脅和全球通脹壓力是最受關注的問題。

整體而言，本行預測2022年的香港本地生產總值將增長3.2%，而通脹率將上升至1.9%。

內地經濟方面，出口增長繼續優於市場預期，按年增長29.9%。固定資產投資按年上升4.9%。此外，2019冠狀病毒疫情的零星爆發影響個人消費，令零售額增長受壓，與2019年相比僅錄得4%的平均年增長。住宅樓價因嚴格的監管而受壓，於2021年9月開始呈現下降趨勢。整體而言，經濟年增長率為8.1%。

未來一年，中國面臨房地產市場下調、原料價格飆升，以及疫情持續風險的威脅，若這些因素同時出現，可能會導致2022年的增長放緩。

中央政府表示，經濟和社會穩定是2022年的首要重點。中國人民銀行已採取相應措施，於去年12月將銀行存款準備金率下調0.5個百分點，從而釋放流動性，促進投資。支持中小型企業亦是2022年的政策重點。基於上述支持經濟的措施，東亞銀行預測中國經濟在2022年將增長5.3%；而通脹率將繼續受控，全年平均為2.2%。

香港業務

香港業務的除稅前溢利按年增長15.5%至港幣39.41億元，主要受服務費收入增加及出售東亞人壽的一次性收益所帶動。然而，持續低息環境帶來的影響，加上與內地房地產風險相關的負面消息，導致減值損失在年底前上升，抵銷了部分升幅。

本行致力提高前線員工的生產力以及推動收取服務費的業務，服務費及佣金收入淨額因此按年增長14.9%。東亞銀行與友邦集團的銀行保險夥伴合作於2021年7月正式展開，初步成績理想。有關夥伴合作有望在日後帶來更大貢獻。

與銀行業的整體情況相似，雖然下半年淨息差壓力趨於穩定，但淨利息收入仍然下跌。於出售東亞人壽後，保險業務淨溢利亦有所下降。本行旗下一般保險公司—藍十字（亞太）保險有限公司現被歸類為持有作出售資產。

本行於各項業務中實施了降低成本和提升效益的措施，並已取得成效。因此，儘管於數碼化及人才方面作出重大投資，經營支出仍控制得宜。

由於若干企業客戶面臨流動性問題，第四季度信貸質素下降，扭轉過往季度資產質素改善的趨勢，全年的減值損失與2020年大致相若。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

The Bank maintained a prudent approach to new lending throughout 2021. Customer loans increased by 3.3% to HK\$305,400 million at 31st December, while deposits rose by 5.4% to HK\$412,018 million. To mitigate the pressure on NIM, the Bank continued to attract low-cost deposits across all business units, and the average current and savings account ratio improved compared to the previous year.

BEA is committed to developing green and sustainable finance in Hong Kong. In October 2021, the Bank signed a Memorandum of Understanding with the Hong Kong Quality Assurance Agency ("HKQAA"). Under this agreement, programmes will be developed to encourage customers to engage in certification and assessment services. Meanwhile, a new green mortgage plan was launched in December 2021 covering private and public residential properties under the Hong Kong Green Building Council's BEAM Plus scheme.

Retail Banking

For the Bank's retail operations, income was dragged by a double-digit decline in net interest income. NIM was pressured under the persistent low interest environment, impacting deposit income in particular. The effect was mitigated by successful efforts to grow fee revenues and reduce costs. Overall, profit before tax reduced by 6.4% year-on-year.

Retail wealth revenues increased by 13.4%, with higher income from investment and insurance product sales. The Bank refined its value propositions for target customer groups, and double-digit growth was recorded in the affluent and emerging affluent segments. In particular, new-to-bank customers of BEA's Supreme all-in-one account rose by 54.8%, while the newly launched SupremeGold Private service saw continued growth in both customers and AUM.



Following continuous enhancements to the Bank's digital service capabilities, 41.8% of financial transactions are now conducted online or via mobile. In particular, mobile investment transactions rose by 20.9% year-on-year. Digital migration has enabled BEA to optimise its network and repurpose branches as wealth management hubs, raising productivity and reducing costs. These efforts contributed to an 8.3% reduction in operating expenses.

Looking ahead, encouraging momentum has been seen in the youth segment, and the Bank is investing to drive future growth in its customer base. To this end, a new virtual card was launched in December. Additional functions in digital payment and consumer finance will be developed to complement BEA's offering.

Corporate and Commercial Banking

Corporate Banking's performance improved in 2021, as business activity bounced back from the lows experienced during the worst of the COVID-19 outbreak.

Overall, operating income rose by 9.6% year-on-year. Net interest income was up by 9.2%, driven by a 4.9% increase in the corporate loan book, as well as an improved interest spread on lending resulting from lower funding costs.

Non-interest income also grew by 11.3%. The Bank's efforts to improve fee income, including a widened product suite, expanded specialist teams and a systematic approach to account planning, were effective. As a result, revenues from insurance, corporate wealth management, debt capital markets solutions and trade finance activity increased.



The Bank's Green Mortgage Plan promotes green living and sustainable development

東亞銀行推出「綠色按揭計劃」，積極推廣綠色生活及支持可持續發展

BEA's refreshed Supreme service enhances the customer-centric digital wealth experience for young emerging affluent customers
東亞銀行全面革新「至尊理財」品牌，為新晉富裕及年輕財富管理客戶提供以數碼渠道為先的財富管理體驗

聯席行政總裁報告書（續）

本行於2021年繼續以審慎態度審批新貸款。於12月31日，客戶貸款增加3.3%至港幣3,054億元，存款則上升5.4%至港幣4,120.18億元。為減輕淨息差壓力，本行繼續透過各業務單位吸納低成本存款，平均往來及儲蓄賬戶比率較去年底上升。

東亞銀行致力推動香港綠色和可持續金融的發展。於2021年10月，本行與香港品質保證局簽署戰略合作協議。根據該項協議，本行將制定方案以鼓勵客戶參與認證和評估服務。同時，本行於2021年12月推出了一項新的綠色按揭計劃，涵蓋香港綠色建築議會綠建環評計劃下的私人及政府資助住宅物業。

零售銀行

本行零售銀行業務的淨利息收入錄得雙位數跌幅，整體收入因而受到拖累。淨息差在持續低息環境下受壓，對存款收入有顯著影響。本行成功採取措施增加服務費收入及降低成本以減低相關影響。整體而言，除稅前溢利按年減少6.4%。

投資及保險產品銷售收入增加，帶動零售財富收入上升13.4%。本行重整目標客戶群的價值定位，富裕客戶及新晉富裕客戶均錄得雙位數增長。其中，東亞銀行「至尊理財」綜合戶口的新客戶增長達54.8%，而新推出的「顯卓私人理財」服務在客戶及資產管理均持續增長。

隨著本行的數碼服務功能不斷提升，目前已有高達41.8%的財務交易透過網上或流動平台進行，經流動平台完成的投資交易宗數更按年增長20.9%。把交易遷移至數碼渠道有助東亞銀行優化網絡，並將分行重新定位為財富管理中心，從而提高生產力及降低成本。有關措施令經營支出減少8.3%。

展望未來，年輕客戶市場具備良好發展潛力，本行已加快投資相關產品和服務以推動此客戶群的增長。本行已於12月推出了全新虛擬信用卡，亦正積極發展其他數碼支付及消費融資功能的配套，為客戶提供更全面的服務。

企業及商業銀行

隨著商業活動從2019冠狀病毒病疫情最嚴峻時期的低點反彈，企業銀行業務的表現於2021年亦有所改善。

整體而言，經營收入按年增長9.6%。企業貸款組合增加4.9%，加上資金成本降低令貸款息差改善，帶動淨利息收入上升9.2%。

非利息收入亦上升11.3%。本行在提高服務費收入方面的措施，包括豐富產品組合、擴大產品專家團隊及採用系統化方法規劃戶口等均取得成效。因此，來自保險、企業財富管理、債務及資本市場融資方案，以及貿易融資活動的收入皆有所增長。



BEA and Blue Cross appoint Hong Kong's top fencers Edgar Cheung Ka Long and Cheung Siu Lun as Brand Ambassadors

東亞銀行及藍十字保險委任港隊頂尖劍擊運動員張家朗及張小倫為品牌代言人

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

BEA continued to attract new customers from a wide range of industries to broaden its customer base and diversify its portfolio. The corporate customer base grew by 16.3%, and new-to-bank customers made a significant contribution to growth in deposits, loans and fee income. The Bank has developed tailor-made sector solutions to further deepen penetration in target customer segments. Results to date have been encouraging, with a 43.6% increase in revenues from customers using these products.

In the coming year, BEA will focus on upgrading its digital service capabilities for corporate customers. A new Corporate Cyberbanking platform will be launched in the second half of 2022, with advanced features and an improved user interface. The Bank will also leverage the HKMA's Commercial Data Interchange project and Open Application Programming Interface technology to collaborate with a wide range of partners on commercial data, customer experience integration and new payment and financing solutions.

Wealth Management

Private Banking's performance was impacted by muted investor sentiment in the second half of the year, as equity markets in Hong Kong came under pressure from sector-specific policy risk on the Mainland. Clients continued to deleverage their portfolios, focussing instead on risk mitigation. As a result, loans and investment AUM declined. However, deposits recorded good growth, providing a solid foundation for future revenue generation.

Demand for mutual funds remained resilient throughout the period as customers were advised to actively re-adjust their portfolios and diversify their holdings. Foreign exchange-related business also recorded strong results from both retail and private banking clients, with revenues from currency-linked deposits more than doubling.

BEA will continue to promote its forex-related services to help clients capture opportunities from anticipated exchange rate volatility as global monetary policies diverge. Meanwhile, the Bank remains dedicated to serving the Greater Bay Area and has built a solid market position among foreign banks under the Wealth Management Connect scheme.

The Bank is further strengthening its integrated service platform, especially digital investment tools, to meet the holistic needs of high-net-worth individuals in the region. Seasoned relationship managers, investment consultants and product specialists have been recruited to drive the wealth management business. Strong growth in AUM and revenue is expected as the COVID-19 recovery takes hold, both from new customer acquisition as well as a deepened wallet share from existing clients.

Insurance and MPF Services

In 2021, the Bank successfully completed the sale of BEA Life to AIA Group. As part of the transaction, BEA also entered into a 15-year exclusive bancassurance agreement with AIA covering Hong Kong and Mainland China. The bancassurance partnership was launched in July following a brief transition. Initial results have been promising, and this partnership is expected to contribute meaningful revenues in the coming years.

Blue Cross (Asia Pacific) Insurance Limited, BEA's wholly-owned general insurance arm ("Blue Cross"), experienced an exceptional surge in inpatient claims in 2021 as pent up demand was released, dragging underwriting profits. Premium income was also affected by a temporary delay in new subscriptions due to ongoing travel restrictions. Nevertheless, demand is expected to rebound strongly as borders reopen and normal activity resumes.

Blue Cross remains focussed on providing value-added services for its base of over 300,000 medical and general insurance customers. To drive engagement and brand awareness, a new wellness platform is being launched in phases. The platform will provide healthy living advice, as well as a rewards program where customers can redeem gifts and insurance discounts.

Total membership of BEA's MPF schemes grew to 851,000 at the end of December 2021, while AUM stood at HK\$31 billion. The Bank continued to promote its convenient digital MPF service channels, and the utilisation rate among members reached 90% during the year under review.



Mobile Wealth – an investment trading platform in the BEA App which offers 13 wealth management functions – was launched, enabling customers to capture investment opportunities anytime, anywhere

東亞銀行在BEA App推出Mobile Wealth投資交易平台，提供13種財富管理功能，助客戶隨時隨地掌握投資機遇

聯席行政總裁報告書（續）

東亞銀行繼續吸引來自各行各業的新客戶，以擴闊客戶基礎及分散貸款組合。企業客戶群增長16.3%，新客戶為存款、貸款及服務費收入增長作出重大貢獻。本行度身訂制了行業解決方案，以提升於目標客戶群的滲透率，迄今成績令人鼓舞，來自使用該等產品的客戶收入增加了43.6%。

來年，東亞銀行將專注於提升對企業客戶的數碼服務能力。2022年下半年將推出新的企業電子銀行平台，提供先進的功能及更完善的用戶界面。本行亦將透過金管局的商業數據通項目及開放應用程式介面技術與各方合作夥伴在商業數據、客戶體驗整合，以及新的付款及融資解決方案方面展開合作。

財富管理

2021年下半年，內地針對特定行業的政策風險令香港股票市場受壓，投資氣氛轉淡，私人銀行的表現因而受到影響。客戶繼續減低投資組合的槓桿比率以減低風險，貸款及投資資產因而減少。然而，存款錄得良好增長，為未來收入帶來動力。

由於本行建議客戶重新調整投資組合及分散持倉，期內互惠基金需求保持穩健。零售及私人銀行客戶的外匯相關業務亦錄得強勁業績，貨幣掛鈎存款收入增長逾一倍。

全球貨幣政策分化將導致匯率波動，東亞銀行將繼續推廣外匯相關服務，幫助客戶把握箇中機遇。同時，本行繼續致力服務大灣區，並在「跨境理財通」計劃下的外資銀行中建立了穩固的市場地位。

本行正進一步加強綜合服務平台，特別是數碼投資工具，以全面滿足區內高淨值人士的需要。本行增聘了資深的客戶經理、投資顧問及產品專家，以推動財富管理業務。當市場從2019冠狀病毒病疫情中復甦，預期透過吸納新客戶及深化與現有客戶關係，將帶動管理資產及收入強勁增長。

保險及強積金服務

本行於2021年成功出售東亞人壽予友邦集團。作為該項交易的一部分，東亞銀行亦與友邦達成為期15年的獨家銀行保險夥伴協議，是次協議涵蓋香港及中國內地。經過短暫的過渡期，該銀行保險夥伴合作已於7月展開，初期成績理想，預期將在未來幾年帶來可觀的收入。

因疫情積壓下來的住院需求攀升，本行旗下全資一般保險附屬公司—藍十字（亞太）保險有限公司（「藍十字」）在2021年的住院索償異常激增，拖累承保利潤。持續旅遊限制令旅遊保險需求暫緩，保費收入亦因而受到影響。儘管如此，隨著通關及正常旅遊活動恢復，預計保險需求將強勁回升。

藍十字繼續專注為超過300,000名醫療及一般保險客戶群提供增值服務。為促進與客戶互動及提升品牌知名度，藍十字正分階段推出新的健康平台。該平台將會提供健康生活建議，並配合獎勵計劃讓客戶兌換禮品及保險折扣優惠。

於2021年12月底，東亞銀行旗下強積金計劃的成員總數增至851,000名，而管理資產則達港幣310億元。本行繼續推廣便利的強積金數碼服務渠道，於回顧期內成員的使用率達90%。



BEA's 15-year exclusive bancassurance partnership with AIA for Hong Kong and Mainland China commences, offering comprehensive life and long-term savings insurance solutions

東亞銀行與友邦保險達成15年香港及內地獨家銀行保險夥伴協議，為客戶提供人壽及長期儲蓄保險方案

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Business – Mainland China

In 2021, China's economy staged a strong recovery and its GDP expanded by 8.1% compared to the year before. However, signs of a slowdown were observed in the second half of 2021, mainly due to weakened demand, supply chain disruptions and tightened regulations on various industries, in particular the real estate sector.

BEA China successfully executed its business strategies and its operations showed a turnaround, achieving a net profit of HK\$571 million in 2021 from a net loss of HK\$818 million in 2020. During the year, loan growth momentum accelerated while credit cost was managed at the lowest level in recent years. Through persistent efforts in expanding and diversifying the loan portfolio, total loans recorded double-digit growth to reach HK\$150 billion while the proportion of property-related loans was progressively reduced.

Despite encouraging loan book growth in 2021, total operating income edged down on a year-on-year basis. NIM was lower as a result of the reduction in the high-margin consumer finance portfolio and keen market competition for deposits. Non-interest income was also weaker than expected, due to a slowdown in economic activity and dampened demand on wealth management services as capital market volatility increased.

On the corporate banking side, BEA China focussed on growing and diversifying its loan portfolio in 2021. Emphasis was placed on developing the non-property related loan portfolio and building up trade finance assets. BEA China's non-property related loan portfolio now accounts for 67.0% of its total corporate portfolio, while it stood at 60.7% at the end of 2020; and comprises mainly of non-bank financial institutions, companies from wholesale and retail trade, and the manufacturing industry. A large proportion of the increase came from extending additional facilities to qualified customers who have long-term banking relationships with the Bank as well as customers with financing needs on both sides of the border. At the same time, BEA China has cautiously expanded its customer base, which has led to a steady growth in new-to-bank customers, with state-owned sponsors accounting for a larger share.

Overall, operating income from corporate banking achieved steady growth in 2021. Net interest income from corporate banking grew by 15.4% year-on-year. The benefits from a larger loan portfolio were offset by thinner margins as BEA China targeted quality customers with stronger credit ratings. Non-interest income from corporate banking remained stable, and BEA China was able to capture new business opportunities through treasury sales and debt capital markets.

Operating income from retail lending in 2021 was lower compared to the previous year as BEA China downsized its high-margin internet finance and credit card portfolios. Following the new Government policy on internet finance, the Bank worked closely with its eco-system partners to improve risk control on both pre- and post-lending and ensure compliance with new regulations. Regarding its credit card business, BEA China slowed down new card issuance and put greater emphasis on deepening customers' wallet share through cross-selling.

Income from wealth management also dropped during the year as customers moved away from risky products and volatile markets. However, it is encouraging to see an increase in the number of SupremeGold customers and the amount of AUM (including deposits) and cross-boundary referrals during the year, with the GBA fuelling a large share of the growth. Since the bancassurance partnership between BEA China and AIA China was officially launched, with product proposition and a sales force put in place, early encouraging results have been noted. This momentum should carry over to 2022 and beyond.

During the period under review, operating expenses for BEA China increased by 8.5% year-on-year to HK\$3,446 million. However, on a constant currency basis, BEA China's operating expenses stayed flat compared to a year ago, reflecting strong cost discipline despite being in an inflationary environment. The cost benefits of network consolidation and a more efficient workforce were partly offset by the absence of a one-time social insurance contribution exemption granted by the Central Government in 2020 amid the COVID-19 outbreak. Notwithstanding its flat cost base, BEA China has increased its investments in information technology as well as digital and data analytics capabilities in order to drive cost efficiency, improve workflow and strengthen core infrastructure.

Regarding asset quality, BEA China continued to maintain a prudent underwriting standard and further reduced the size of its legacy corporate non-performing loan portfolio. Significant improvements in asset quality were observed in both corporate banking and retail banking. The impaired loan ratio dropped by 1.56 percentage points to 1.54% as of the end of 2021. Non-performing loan formation and impairment losses for the year fell to HK\$1,383 million and HK\$560 million, a year-on-year reduction of 58.2% and 81.1% respectively. BEA China will continue to manage its asset quality vigilantly during what is expected to be a highly uncertain year.

聯席行政總裁報告書（續）

中國內地業務

2021年，內地經濟復甦強勁，國內生產總值較去年增長8.1%，然而下半年經濟增長有所放緩，主要由於需求偏弱、供應鏈問題，以及中央政府對個別行業如房地產的調控。

東亞中國成功落實業務策略，於2021年業務表現顯著改善，錄得淨溢利港幣5.71億元，扭轉2020年淨虧損港幣8.18億元的局面。年內，儘管貸款業務增長加快，但信貸成本仍維持在近年較低水平。通過不斷努力擴大和分散貸款組合，貸款總額錄得雙位數增長，達港幣1,500億元，同時房地產相關貸款的佔比則逐步下降。

2021年，雖然整體貸款業務增長理想，但經營收入總額同比出現下降。由於高收益的消費融資組合減少，加上存款市場競爭激烈，淨息差有所下降。經濟活動放緩，加上資本市場波動加劇，影響對財富管理服務的需求，非利息收入亦遜於預期。

企業銀行方面，東亞中國於2021年專注於擴大及分散貸款組合，重點推動非房地產相關貸款組合的增長，以及增加貿易融資資產。目前，非房地產相關貸款佔東亞中國企業貸款總額的67.0%，較2020年底的60.7%為高，主要包括非銀行金融機構、批發與零售業及製造業。貸款增長主要來自與本行有長期業務關係的客戶以及有跨境融資需求的客戶。同時，東亞中國審慎地擴大其客戶基礎，新客戶規模穩步增長，而國有企業客戶的比重亦有所增加。

整體而言，2021年企業銀行經營收入穩步增長，淨利息收入同比增長15.4%。由於東亞中國的目標客戶以信用評級較高的優質企業為主，因息差收窄，抵銷了部分貸款組合擴大所帶來的收益。年內，東亞中國的企業銀行非利息收入保持平穩，亦成功把握財資產品銷售及債務資本市場的新商機。

由於東亞中國調整其高收益的互聯網金融及信用卡組合，2021年零售貸款經營收入較去年有所下降。因應政府出台的新互聯網金融政策，本行與生態系統夥伴緊密合作，持續加強發放貸款前後的風險控制，以確保符合新規定的要求。信用卡業務方面，東亞中國控制新卡發行的步伐，並注重透過交叉銷售加深與現有客戶的關係。

由於客戶減少投資於高風險市場及理財產品，年內財富管理收入亦有所下降。但令人欣喜的是，「顯卓理財」客戶數量、管理資產（包括存款）規模以及跨境轉介宗數於年內均見增加，其中大部分增長來自大灣區。自東亞中國與友邦中國的銀行保險夥伴合作正式啟動以來，產品的定位以及銷售團隊的建立已經完成，並初步取得了令人鼓舞的成績，相信這個良好勢頭將會延續。

回顧期內，東亞中國的經營支出按年上升8.5%至港幣34.46億元。若按固定匯率基準計算，東亞中國的經營支出與去年持平，反映其在通脹環境下依然嚴守成本紀律。由於中央政府於2020年不再因應疫情給予一次性的社保供款豁免，部分抵銷了網絡整合及提升營運效率所帶來的成本效益。在成本基礎保持不變的情況下，東亞中國持續增加對資訊科技、數碼化和數據分析能力方面的投資，藉以提高成本效益，改善工作流程並加強核心基礎設施。

資產質量方面，東亞中國繼續維持審慎的信貸標準，並進一步縮減歷史遺留的企業不良貸款組合規模。企業銀行及零售銀行的資產質量均見顯著改善。截至2021年底，減值貸款比率下降1.56個百分點至1.54%。年內，新增不良貸款及減值損失縮減至港幣13.83億元及港幣5.6億元，分別同比減少58.2%及81.1%。基於明年經濟形勢仍有不明朗因素，東亞中國將繼續審慎管理其資產質量。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

BEA China maintains a strong presence in Mainland China, with 30 branches and 39 sub-branches covering 38 cities at the end of 2021. In the GBA, BEA China operates 20 outlets and will continue to leverage on the Group's extensive network to capture opportunities that arise from the region.

Business – International, Macau and Taiwan

In 2021, the Bank's overseas operations delivered a solid financial performance, notwithstanding the challenging operating environment stemming from COVID-19 variants, geopolitical tensions, and global supply chain disruptions.

During the period under review, pre-provision operating profit for overseas branches grew by 10.0% year-on-year as a result of higher net interest margins and steady growth in customer advances.

Net profit after tax surged 77.0% to HK\$1,053 million, mainly driven by a reduction in credit loss provisioning as the economic outlook improved. Asset quality remained sound, with the impaired loan ratio kept firmly at the low level of 0.35% at the end of 2021.

The cost-to-income ratio remained stable at 37.0% in 2021, notwithstanding a surge in information technology and risk and compliance expenses due to more stringent regulatory requirements.

During the year, major economies rebounded strongly, supported by a gradual resumption of economic activity and social mobility. Amidst tempered optimism, BEA's overseas branches continued to uphold prudent underwriting standards when onboarding new businesses and terminate challenging relationships. In 2021, the Bank's overseas branches registered a mild loan growth of 2.6%.

The Bank's branches in New York and Los Angeles focussed on participating in quality syndicated loans with positive business prospects. Meanwhile, the Bank's UK operations recorded continuing growth in both loans and pre-provision operating profit through diversification into syndicated financing, including green and sustainability-linked loans.

In Asia (excluding Hong Kong and Mainland China), BEA successfully completed its strategic repositioning and network rationalisation initiatives, resulting in an improvement in efficiency and profitability of the respective units. As part of this exercise, Singapore and Macau branches have shifted their focus to corporate banking. In the first half of 2021, the new banking hall of Singapore Branch opened its doors to customers while in Macau, the main branch became the sole, centralised customer service point at the end of the year.

Strengthening collaboration with other business units and strategic partners of the Bank to provide seamless, quality services remains an ongoing focus. In the year under review, the Taiwan Branch successfully referred quality deals to other business units of the Bank. Going forward, the branch will capitalise on its expertise in the syndicated loan market and step up cross-selling efforts to generate new business from large corporations. In a similar vein, The Kuala Lumpur Representative Office will continue to serve our customers in the region through business referrals to other business units of the Group.

In line with the Group's strategic direction, overseas operations will seek opportunities in sectors that will benefit from economic recovery, expand green and sustainability-linked financing, and invest in digital capabilities and workflow automation.

BEA Union Investment Management Limited

BEA Union Investment Management Limited ("BEA Union Investment") is well positioned to benefit from the business opportunities presented to support the growth and development of the GBA. In particular, all of BEA Union Investment's retail funds are already eligible to participate in the recently announced Wealth Management Connect scheme.

During the past year, BEA Union Investment introduced two new funds under the Mainland-Hong Kong Mutual Recognition of Funds scheme, bringing the total number of offshore funds now on offer to Mainland investors under this scheme to four.

Meanwhile, the unit's Shenzhen-based wholly foreign-owned subsidiary, BEA Union Investment (Shenzhen) Limited, introduced one new private fund in 2021. With this addition, the Shenzhen subsidiary currently manages two private funds that are designed for sale to high-net-worth investors on the Mainland.

Following the recent regulatory changes in Hong Kong that offer favourable treatment to open-ended funds, BEA Union Investment restructured five existing unit trust funds as open-ended funds. This not only benefits investors, but also enhances Hong Kong's role as a leading fund domicile and full-service asset and wealth management centre.

Looking to 2022, with its pioneering spirit, agility and resilience, BEA Union Investment will continue to enrich its product offering and increase its market exposure.

聯席行政總裁報告書（續）

截至2021年底，東亞銀行在中國內地設有30間分行和39間支行，業務遍及38個城市。東亞中國在大灣區經營20個網點，將繼續利用本集團龐大的網絡優勢，把握區內的機遇。

國際、澳門及台灣業務

於2021年，2019冠狀病毒病由於出現變種病毒、地緣政治緊張局勢和全球供應鏈中斷等因素均為經營環境帶來重重挑戰。儘管如此，本行的海外業務仍錄得穩健的財務表現。

回顧期內，由於淨息差擴闊，加上貸款穩步增長，海外分行的撥備前經營溢利按年增長達10.0%。

除稅後淨溢利顯著上升77.0%至港幣10.53億元，主要是由於經濟前景改善，令信貸減值準備減少。資產質素保持良好，2021年底的減值貸款比率維持在0.35%的低水平。

儘管監管要求日益嚴格而令資訊科技和合規相關的開支顯著增加，成本對收入比率仍穩定維持於37.0%的水平。

年內，經濟活動漸告恢復，封鎖措施逐步解除，帶動各主要經濟體錄得強勁反彈。在審慎樂觀的氛圍下，本行的海外分行在開展新業務時，繼續秉持穩健的授信準則，同時積極管理信貸出現風險之客戶的業務關係。於2021年，本行的海外分行貸款溫和增長2.6%。

本行的紐約和洛杉磯分行專注參與業務前景理想的優質銀團貸款。同時，英國分行把業務拓展至銀團融資，包括綠色及可持續發展表現掛鈎貸款，使貸款業務及撥備前經營溢利繼續錄得增長。

至於內地及香港以外的亞洲地區，東亞銀行已成功調整業務策略及優化網絡，從而提升各單位的效率及盈利能力。其中，新加坡及澳門分行已把業務重點轉移至企業銀行業務。於2021年上半年，新加坡分行的全新銀行大堂已投入服務，而澳門分行則於年底完成整合，成為集中提供服務的網點。

一直以來，本行的海外業務致力與其他業務單位及本行的策略夥伴加強合作，以提供無縫的優質服務。回顧年內，台灣分行成功向本行其他業務單位轉介了優質項目。展望未來，該分行將善用其於銀團貸款市場的專長，透過加強交叉銷售，開拓大型企業之業務。同樣，吉隆坡代表處將繼續透過向本集團其他業務單位轉介業務，服務該地區的客戶。

海外業務將根據本集團的策略方向，從受惠於經濟復甦的行業中尋求商機，並拓展綠色及可持續發展表現掛鈎融資，以及在加強業務數碼化及工作流程自動化等方面作出投資。

東亞聯豐投資管理有限公司


東亞聯豐投資管理有限公司（「東亞聯豐投資」）已經準備就緒，支持大灣區業務的增長及發展，並掌握當中的龐大商機。東亞聯豐投資旗下的所有零售基金，均已成為近日推出的「跨境理財通」之合資格產品。

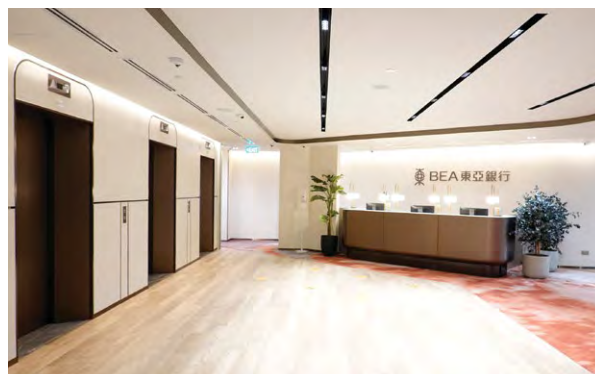
去年，東亞聯豐投資根據內地與香港基金互認安排，推出兩隻全新基金，令其在有關安排下可供內地投資者選擇的基金增至四隻。

同時，東亞聯豐投資的外資全資附屬公司—東亞聯豐投資管理（深圳）有限公司於2021年推出一隻全新的私募基金，令由該附屬公司管理，專為內地高淨值的投資者而設的私募基金增至兩隻。

香港的監管機構為開放式基金提供優惠待遇，東亞聯豐投資亦因此將現有的五隻單位信託基金重組為開放式基金。此舉不但可讓投資者受惠，亦可加強香港作為領先基金註冊地，以及全方位資產及財富管理中心中的地位。

展望2022年，東亞聯豐投資將繼續發揮進取精神，保持靈活度及韌性，致力豐富產品種類及提升市場份額。

 Singapore Branch was refurbished to offer a more welcoming and productive space
新加坡分行重新裝修後，為客戶提供更舒適雅緻的環境



REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Our People

As of 31st December, 2021, BEA Group employed 8,824 people:

	As of 31st December, 2021	As of 31st December, 2020
Hong Kong	5,057	5,576
Mainland China	3,211	3,373
Macau and Taiwan	130	151
Overseas	426	439
Total	8,824	9,539

Employees are the Bank's greatest assets, and are instrumental to its continued growth and success. To support BEA's business strategy and transformation, robust recruitment activities were in place throughout 2021 to attract both experienced and high-calibre professionals.

To groom young talent for future banking, the Bank continued to participate in the HKMA and Applied Science and Technology Research Institute's co-launched HKMA Banking Talent Programme, and sponsors intake through the FinTech Career Accelerator Scheme. In addition, BEA took part in the HKSAR Government's Greater Bay Area Youth Employment Scheme. Further, in order to best serve the career development needs of the Bank's Management Trainees, which saw a marked increment in the number hired as compared to the previous year, BEA adapted its trainee programme to provide additional support via broadened exposure to FinTech and the GBA.

BEA encourages internal mobility to fulfil employees' aspirations and meet its talent demand to build the Bank's leadership pipeline with The BEA Future Leader Accelerated Programme. This programme provides structured development for high-potential executives ("HIPOs") with opportunities for vertical and lateral movement across the Bank to support their career aspirations. HIPOs gain professional and leadership development through broadened business exposure and management experience; learning insights from the Co-Chief Executives and senior management through exchange forums and senior mentoring, strengthening their leadership competence through training and executive education.

To empower employees to take on future challenges, BEA also rolled out a series of new training programmes to build staff skillsets, such as the bank-wide growth mindset programmes launched throughout 2021 for staff at different levels, and modules designed to improve staff members' digital awareness and capabilities. These included a digital leadership programme for senior leaders, FinTech webinars for executives and managers, and Bank-wide e-learning modules. BEA also utilised bank-wide digitalisation to implement online learning, virtual classrooms, self-paced micro-learning and hybrid learning as appropriate to drive a strong learning culture and support its sustainable growth.

Moreover, the Bank launched the "Learn & Grow" Recognition Scheme during the year to encourage staff to participate in upskilling programmes, recognise their efforts, and celebrate their scholarly accomplishments. Future training curriculum will run in parallel with continuous professional staff development. It will promote staff participation and increasingly integrate technological and innovative means.

To further strengthen its bank culture, BEA restructured the Bank Culture Work Group to reinforce collective efforts to promote a healthy risk culture. Bank-wide, division-specific culture plans were developed based on employee feedback from the most recent survey, which boasted an engagement score of over 80%.

Employee well-being is factored in at all times so that staff feel appreciated and cared for. During 2021, the Bank renovated its canteen in the Head Office in Central, turning it into the sustainability-conscious Café 23, named after BEA's stock code thanks to the winning entry in a staff naming competition. The space promotes staff well-being with a new, collaborative communal space. The Bank also began to offer healthier choices at both Café 23 and the staff canteen at its Millennium City 5 office in Kowloon, both of which still provide complimentary lunch to all staff every weekday. The Bank also increased the frequency with which employees can take well-being leave (shorten a work day by two hours) to once per month.

Staff members' health and safety, as well as that of the public, is always of utmost importance to the Bank. BEA therefore enhanced its medical and leave benefits; implemented flexible work arrangements such as split-team and work-from-home operations; provided one additional day of leave allowance to all staff for each COVID-19 vaccination received; and required unvaccinated staff to undergo regular testing, as guided by the HKMA to protect the health of all staff members.

聯席行政總裁報告書（續）

人力資源

東亞銀行集團於2021年12月31日的僱員人數為8,824人：

	於2021年 12月31日	於2020年 12月31日
香港	5,057	5,576
中國內地	3,211	3,373
澳門及台灣	130	151
海外	426	439
總計	8,824	9,539

員工是本行最重要的資產，是本行得以持續增長及取得成功的關鍵因素。為支持業務策略轉型，東亞銀行於2021年積極開展招聘活動，以吸引經驗豐富及優秀的專才。

為培育未來銀行業的年青人才，本行一直參與金管局與香港應用科技研究院攜手推出的「銀行業人才起動計劃」，並透過「金融科技人才培育計劃」吸納專才。東亞銀行亦參與香港特別行政區政府的「大灣區青年就業計劃」。另外，本行見習管理人員的招聘人數較去年顯著增加，因應他們的職業發展需要，東亞銀行調整了見習人員培訓計劃，增進他們對金融科技及大灣區的了解。

東亞銀行鼓勵內部人才流動，包括內部跨部門調動，讓員工實踐抱負，同時亦透過「未來領袖培訓計劃」為本行建立領袖人才發展階梯。該計劃為具潛質的行政人員提供發展框架，讓他們可以在本行縱向或橫向發展升遷，支持他們實踐事業抱負。具潛質的行政人員亦可透過廣泛汲取業務知識及積累管理經驗，獲得專業經驗及提升領導力；參與交流論壇及透過高層管理人員擔當導師，作職涯發展路上的引導；另外，亦獲聯席行政總裁及高級管理層傳授心得；以及透過參加培訓及聽取行政人員的分享，增強領導能力。

為提升員工技能，使他們能夠應對未來挑戰，東亞銀行亦推出一系列全新的培訓計劃，例如於2021年為

全行各級員工推出成長思維計劃。為提升員工對數碼科技的了解及能力，本行亦推出多項培訓項目，包括為高層領袖打造的數碼化領導培訓計劃、為行政人員及經理級人員而設的金融科技網上研討會，以及在全行開展的電子學習課程。東亞銀行亦在適當情況下，利用覆蓋全行的數碼化設施，開展網上學習、虛擬課堂、自主微學習及混合學習，以營造濃厚的學習氛圍及支持銀行的可持續發展。

此外，本行於年內推出「學習與成長」嘉許計劃，鼓勵員工積極參與，提升技能，並肯定員工的努力，嘉許他們的學習成果。未來的培訓課程將與員工的持續專業發展同步進行，讓更多的員工參與其中，並進一步結合技術創新。

為進一步增強銀行企業文化，東亞銀行重組「銀行文化工作小組」，以共同促進健康的銀行風險文化。本行最新的員工意見調查，錄得超過80%的員工參與度，全行各分處亦根據所得的結果，制定了文化工作計劃。

本行一直以員工身心健康為重，確保員工感到受重視和關懷。於2021年，本行翻新了位於中環總行的員工餐廳，將其改造為具備可持續發展元素的Café 23。新名字取材自本行的股票編號，是員工餐廳命名比賽的獲選名稱。新餐廳為員工帶來一個促進交流的全新空間，有助發展員工的身心健康。本行亦開始在Café 23，以及位於九龍創紀之城五期辦公大樓的員工餐廳提供更健康的餐膳選擇，這兩間餐廳至今仍然於每個工作日為所有員工提供免費午餐。本行亦將員工享受彈性小休福利（其中一個工作日的工作時間縮短兩小時）的頻率提高至每月一次。

本行一直非常重視員工及公眾的健康和安全。因此，東亞銀行提高醫療及假期福利，實施彈性工作安排，包括於不同地點上班或在家工作，為接種每劑2019冠狀病毒疫苗的员工提供一天額外假期，以及根據金管局的指引要求未注射疫苗的员工接受定期檢測，以保障全體員工的健康。



BEA's Core Values campaign features the Bank's 2020 Employees of the Year
東亞銀行的核心價值宣傳活動，邀請了2020年度最佳員工參與海報拍攝工作

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

MAJOR RECOGNITION 主要榮譽與獎項

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



“Best SME’s Partner Gold Award 2021”
(for the 4th consecutive year)
The Hong Kong General Chamber of Small and Medium Business

「2021 中小企業最佳拍檔金獎」
(連續4年獲獎)
香港中小型企業總商會



“Domestic Retail Bank of the Year – Hong Kong”
“Initiative of the Year – Hong Kong”
in the ABF Retail Banking Awards 2021
Asian Banking and Finance

零售銀行大獎2021
-「香港最佳本地零售銀行」
-「香港最佳創新項目」
《亞洲銀行及財金》雜誌



“Best Financial Planning Service”
in the Hong Kong Awards 2021
The Asian Banker

香港大獎2021 - 「最佳理財規劃服務」
《亞洲銀行家》



“Retail Bank of the Year – Outstanding Achievement”
“Premium Segment Client Service – Outstanding Achievement”
“Wealth Management Platform – Outstanding” Achievement
in the Financial Institution Awards 2021
Bloomberg Businessweek (Chinese Edition)

金融機構大獎2021

-「年度零售銀行 — 傑出大獎」
-「優質分層客戶服務 — 傑出大獎」
-「財富管理平台 — 傑出大獎」
《彭博商業周刊 — 中文版》



“Best Private Bank in Greater China 2021”
“Best Wealth Management Partner in North Asia 2021”
Global Brands Magazine

「2021 大中華區最佳私人銀行」
「2021 北亞太區最佳財富管理
合作伙伴」
《全球品牌》雜誌

聯席行政總裁報告書（續）

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



**“2021 Annual Excellent Commercial Bank”
at the 21st Century
Competitiveness of Finance**
21st Century Business Herald
**21 世紀金融競爭力
「2021 年度卓越商業銀行」**
《21 世紀經濟報導》



**“Foreign Bank of
Excellent Brand-building
Competitiveness” at the
2021 Financial Institutions of
Competitiveness of Excellence**
China Business Journal
**2021 卓越競爭力金融機構評選 —
「卓越競爭力品牌建設銀行」**
《中國經營報》

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



**Gold Ratings – BEA (MPF) Value Scheme
– MPF Ratings’ 2021 MPF Scheme
Ratings and Awards**
MPF Ratings Limited
**金級 — 東亞（強積金）享惠計劃
- 積金評級 2021 年度強積金計劃評級及獎項**
積金評級有限公司

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



**For BEA Union RMB Core Bond Fund
Refinitiv Lipper Fund Awards Year 2021 Hong Kong:**
- Best Fund Over 5 Years – Bond Global LC,
- Hong Kong Group Award – Mixed Asset (3 years),
- Hong Kong Group Award – Overall (3 years)
Refinitiv Lipper Fund Awards
頒予東亞聯豐人民幣核心債券基金
Refinitiv 理柏香港基金年獎 2021:
- 5 年期最佳基金 — 環球債券（當地貨幣）
- 最佳團體大獎：混合型資產 — 2021（3 年）
- 最佳團體大獎：整體 — 2021（3 年）
理柏香港基金年獎

Blue Cross (Asia-Pacific) Insurance Limited
藍十字（亞太）保險有限公司



**The Hong Kong Insurance Awards 2021 –
“Outstanding Initiative on Community Health
Crisis Award”**
The Hong Kong Federation of Insurers
香港保險業大獎 2021 — 「傑出社區健康危機管理大獎」
香港保險業聯會

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

RISK MANAGEMENT

Approach to Risk

The Group recognises that a sound risk culture is the very foundation of its strength. To this end, the Group maintains a prudent and proactive risk management framework that supports risk awareness, proper behaviour and sound judgement in relation to risk-taking. All employees are responsible for the management of risk. The following principles guide the Group's risk appetite and determine how its business and risks are managed. Further details on the Group's management of principal risks are set out in Note 43 of the Notes To The Financial Statements.

Risk and Return

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

Capital Adequacy

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

Liquidity & Funding Management

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

Regulatory Compliance

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

Cyber Security

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

Reputation

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

ESG Risks Including Climate Risk

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

Risk Management Framework

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

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

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

聯席行政總裁報告書（續）

風險管理

風險管理方針

本集團深明，維持業務強健之道，在於擁有穩健的風險管理文化。為此，本集團致力維持一套審慎且積極主動的風險管理架構，務求令本集團在承擔風險的同時，能提高風險意識，採取適當的行為及作出合理判斷。本集團全體員工均有管理風險的責任。本集團制定了下列原則，為本集團的風險偏好提供指引，並確立管理業務及風險的方式。更多本集團的主要風險詳情，請參閱財務報表附註內的附註 43。

風險及回報

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

資本充足

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

流動資金及資金管理

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

合規

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

網絡安全

本集團努力適應科技發展的急速步伐，以改善其服務以及提升客戶體驗，同時亦持續加強識別、預防、檢測及應對網絡安全等的防禦能力，以應對日新月異的網絡威脅，避免我們的重要資訊資產及系統受到外界惡意攻擊。

聲譽

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

環境、社會及管治風險（包括氣候風險）

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

風險管理架構

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

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

有關架構的重點、主要風險及主要不明朗因素闡述如下。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Enterprise Risk Management

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

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

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

Risk Governance

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

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

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

Three Lines of Defence

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

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

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

聯席行政總裁報告書（續）

企業風險管理

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

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

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

風險管治

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

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

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

三道防線

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

第一道防線

為「風險負責人」，包括本銀行集團各業務或後勤單位主管，以及其屬下職員。

他們主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。

第二道防線

為「風險監控人」，由指定的員工組成，負責為本銀行集團制定風險管理管治架構、獨立地監控風險，並輔助各管理委員會監督本集團的風險管理。

第三道防線

稽核處，確保本集團風險管理架構（包括風險管治安排）的有效性。

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

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Principal Risks

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

Principal risk type	How it is managed
Credit Risk	The Group has established control limits, delegated lending authorities, underwriting criteria, monitoring processes, internal rating structures, recovery procedures and provisioning policies, and these are set out in the Group's policies, guidelines and manuals in line with regulatory requirements.
Interest Rate Risk	The Group has established control limits and assesses the gap risk, basis risk and options risk primarily through the monitoring of repricing mismatches and the impact of changes in interest rates on earnings and economic value.
Market Risk	The Group measures and monitors potential loss due to adverse price movements and market volatility in accordance with the control limits set out in the Group's policies, guidelines and manuals.
Liquidity Risk	The Group conducts cash-flow analysis to monitor funding needs and has a contingency funding plan in place that clearly stipulates the procedures and mitigating actions required to meet liquidity needs in crisis situations.
Operational Risk	The Group has established and implemented a framework that defines the standards, processes and internal controls for managing operational risks against risk appetite through various tools and systems in a cost-effective manner.
Reputation Risk	The Group identifies, assesses, monitors, mitigates and controls reputation risk systematically. Specific procedures and guidelines are in place to facilitate timely and effective communication with various stakeholders in order to defuse any potential reputation-risk incidents.
Strategic Risk	<p>The Group formulates and updates its strategic plan (covering a period of five years) annually to set strategic goals and objectives, evaluate strategic positions and develop appropriate strategies according to the changing external environment and internal capabilities.</p> <p>The Group establishes comprehensive policies, manuals, profiles and reports to set out the management framework as well as assessment and monitoring tools.</p>
Legal Risk	The Group has adopted comprehensive policies, guidelines and manuals. Qualified internal personnel and/or external professionals are engaged to provide advice and training courses.
Compliance Risk	The Group has established various policies, guidelines and manuals to ensure compliance with legal and regulatory requirements. A risk-based approach is in place to complement the management of compliance risk.
Technology Risk	The Group strengthens cyber-security awareness of all staff through comprehensive training programmes and further mitigates technology risk by implementing a range of control measures.

聯席行政總裁報告書（續）

主要風險

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

主要風險類型	管理方法
信貸風險	本集團已制定控制限額、信貸權限授權、授信準則、監控程序、內部評級架構、追收程序及撥備政策，有關詳情載於其符合監管規定的政策、指引、手冊內。
利率風險	本集團已制定控制限額，並主要透過監察重訂息率錯配、利率走勢對盈利及經濟價值造成的影響，對差距風險、息率基準風險及期權風險進行評估。
市場風險	本集團根據全面的政策、指引及手冊載列的控制限額，衡量及監控價格不利變動及市場波動可能造成的損失。
流動性風險	本集團進行現金流量分析，以監控資金需求，另設有應急資金計劃，以清晰制定在危機情況下所需流動資金的處理程序及緩減措施。
營運風險	本集團已按風險偏好建立框架，制定及執行營運風險管理政策的標準、程序及內部監控工作，透過各種工具及系統，以具成本效益的方式來管理營運風險。
聲譽風險	本集團有系統地識別、評估、監控、減低及控制聲譽風險。本集團制定了具體的程序及指引，務求與各個持分者有效溝通，以解決任何潛在的聲譽風險事件。
策略風險	<p>本集團每年均會制定及更新為期五年的策略計劃，根據最新外部環境和集團內部狀況的變化，設立策略的目標和宗旨、評估戰略定位及制定適當的策略。</p> <p>本集團建立全面的政策、手冊、狀況分析及報告，載列管理架構及評估和監控工具。</p>
法律風險	本集團已制定全面的政策、指引及手冊，並聘請合資格內部人員及/或外聘專業人士提供意見及培訓課程。
合規風險	本集團已透過制定各項政策、指引及手冊，確保遵守法律及監管規定，並落實風險為本的方式，以進一步完善合規風險管理。
科技風險	本集團透過全面的培訓計劃，加強所有員工的網絡安全意識，並實施一系列控制措施，進一步減低科技風險。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

ERM Reports

ERM is driven and supported by the following enterprise-wide risk reports, which are applied consistently in order to identify, assess and manage risk across the Group.

Risk Appetite

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

Risk Profile

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

Key Developments

The COVID-19 pandemic has presented many challenges to the Group, and the Group has actively managed the associated risks. Specifically, the Group enhanced risk management in the following areas in 2021:

Additional resources have been allocated for management of special assets and credit monitoring so as to proactively identify risk in the loan book and take timely mitigation actions.

Additional resources have also been allocated to strengthen parental oversight of risks associated with BEA China. An expanded operational risk plan is in place, along with enhancements covering incident analysis and monitoring, communication and reporting protocols. Post-credit-approval reviews and thematic reviews are regularly conducted on selected portfolios by head office.

The Group continues to enhance its operational risk management framework. Recent enhancements include a revamp of the Risk Control Self-Assessment programme by restructuring the risk taxonomy and control monitoring mechanism; standardisation of management of operational risk incidents; further sharpening of the anti-fraud control measures; and an update of the policy and assessment methodology for managing third-party risk.

The Group recognises the importance of sustainability for the environment, for society and for the long-term business success of the Group. During the past year, the Board approved the Group's first qualitative risk appetite statement on ESG risks, which aligns strategically with the Group's Sustainability Vision and Mission Statements. In order to incorporate sustainable practices into all business and operational initiatives, the Group launched the Green and Sustainability-linked Lending Policy and introduced an ESG risk rating mechanism and tool that enables systematic assessment of customers' ESG performance and vulnerability to climate-related risk. In addition, the Group conducts climate-related stress testing to assess the climate resilience of the Group, facilitates the capability building for measuring climate risks, and embeds climate risks in business planning and strategy formation to mitigate climate risks.

聯席行政總裁報告書（續）

企業風險管理報告

企業風險管理乃基於以下集團整體風險報告所推動和支持，有關報告的標準一致，務求可識別、評估及管理整個集團的風險。

風險偏好

風險偏好是董事會從整個集團的角度，對風險及回報的接受和容許程度的闡述。風險偏好聲明包括定性聲明及定量指標，涵蓋與產生收益相關風險，以及並非與產生收益有關的風險。

風險狀況

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

主要發展

2019冠狀病毒病疫情為本集團帶來重重挑戰，本集團亦已為此積極管理相關風險。具體而言，本集團於2021年加強了以下方面的風險管理：

本集團已就特殊資產管理及信貸監控調撥額外資源，並積極識別貸款業務的風險，和及時採取補救措施。

另外，本集團亦已調撥更多資源來加強母行對東亞中國相關風險的監督，並已制定涵蓋範疇更廣的營運風險計劃，當中包括風險事件的分析及監控、內部溝通及報告方式的協定等。總部亦會定期挑選不同信貸組合，進行授信後審查及專項審查。

本集團不斷優化營運風險管理架構。近期的優化工作包括：透過重組風險類別及監控機制，改進風險控制自我評估計劃、統一管理營運風險事件的標準、進一步加強反欺詐的控制措施，以及更新管理第三方風險的政策及評估方法。

本集團明白，可持續發展對環境、社會及我們業務的長遠增長尤為重要。去年，董事會批准本集團首份有關環境、社會及管治風險的定性風險偏好聲明，就策略方向而言，有關聲明與本集團的可持續發展願景和使命聲明一致。為了把可持續發展的理念融入所有業務及營運之中，本集團制定了綠色及可持續發展表現掛鉤貸款政策，並引入環境、社會及管治風險評級機制及工具，以助本集團系統性評估客戶的環境、社會及管治表現，以及其應對氣候相關風險的能力。此外，本集團現正進行與氣候相關的壓力測試，以評估本集團的氣候抗逆力及加強衡量氣候風險的能力，並在規劃業務及制定策略時將氣候風險納入考慮，從而減低氣候風險。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Principal Uncertainties

The key uncertainties currently facing the Group and the mitigating measures implemented are set out below.

Principal Uncertainties	Mitigating Measures
Macro-economic Uncertainty Risk	
<p>The COVID-19 pandemic and US-China tensions have impacted a wide range of industries since 2019. Despite the economic recovery accelerating in 2021 in some regions, uncertainties over the duration and impact of the COVID-19 remain.</p> <p>In Hong Kong, the economy continued to show its growth momentum. However, the recovery is uneven and some sectors are outperforming others. The Hong Kong property market sentiment declined in the second half of the year, and the local stock market was volatile. Coupled with heightened regulatory risk for technology and real estate companies operating in Mainland China, the credit risk environment outlook remains challenging.</p>	<p>The Group will continue to monitor the market situation and its portfolios closely in order to manage risk exposure.</p> <p>From a credit risk perspective, the Bank continues to identify potential adverse events and devise ways to mitigate any impact on its capital adequacy and asset quality. Such measures include enhanced credit control on loan exposures most susceptible to the COVID-19 pandemic and US-China tensions, thematic reviews on high risk sectors, and performing stress testing on capital adequacy and loan-loss allowances.</p> <p>From a market risk perspective, the Bank continues to assess trends, manage exposures, review its risk-taking strategy and formulate mitigation actions for impacted securities as necessary.</p> <p>From a compliance risk perspective, the Bank continues to track the development of relevant sanction regimes and adopt mitigating measures where appropriate.</p>
Cyber-Security Risk	
<p>Cyber-security risk is a key focus area for regulators and the banking industry, as these risks evolve rapidly. Attackers are constantly seeking more sophisticated and efficient ways to undermine banks' cyber security and operations.</p>	<p>The Group takes a multi-pronged approach to tackle cyber-security risk:</p> <ul style="list-style-type: none"> • Engage external consultants to assess the Group's cyber-security controls against relevant information-security standards and emerging risks to identify and implement necessary improvements • Analyse different intelligence sources to monitor the latest worldwide threats and establish industry-wide collaborations on the sharing of cyber threat intelligence • Maintain a proper incident response management process including cyber-security insurance policy • Enhance cyber and information-security training programmes including periodic phishing tests to promote security awareness among staff and improve security practices <p>Cyber and information security risks and controls are regularly reviewed and reported to directors in Risk Committee meetings quarterly.</p>

聯席行政總裁報告書（續）

主要不明朗因素

本集團現時面對的主要不明朗因素及所實施的緩減措施載列如下。

主要不明朗因素	緩減措施
宏觀經濟不明朗風險	
<p>自 2019 年起，2019 冠狀病毒病疫情及中美的緊張局勢對多個行業構成影響。儘管部分地區的經濟於 2021 年加快復甦，但疫情何時減退及所帶來的影響仍然是未知之數。</p> <p>香港方面，縱然經濟繼續呈現增長勢頭，但復甦情況有欠平均，部分行業表現較其他行業理想。香港物業市場的情緒於下半年轉弱，本地股市亦見波動。此外，在中國內地營運的科技及房地產企業面臨更高的監管風險，而信貸風險環境前景則繼續嚴峻。</p>	<p>本集團將繼續密切監控市況及資產組合，以管理風險承擔情況。</p> <p>信貸風險方面，本行繼續識別潛在不利事件，並設法減輕有關事件對資本充足度及資產質素的影響。有關措施包括：針對深受 2019 冠狀病毒病疫情及中美緊張局勢影響的貸款業務加強信貸控制、對面臨高風險的行業進行專項審查，以及就資本充足度及貸款損失撥備進行壓力測試。</p> <p>市場風險方面，本行繼續評估市場趨勢、管理風險敞口，以及檢討其風險承擔策略，並視乎需要就受影響的證券制定減低風險措施。</p> <p>合規風險方面，本行繼續密切關注相關制裁機制的進展，並在適當情況下採取緩解措施。</p>
網絡安全風險	
<p>網絡安全風險發展迅速，已成為監管機構及銀行業的重點關注範疇。攻擊者不斷尋找更複雜、更有效率的方式損害銀行的網絡安全及運作。</p>	<p>本集團多管齊下，應對網絡安全風險：</p> <ul style="list-style-type: none"> • 委聘外部顧問，並因應相關資訊保安標準及新興風險來評估本集團的網絡安全控制措施，從而識別及實施必要的改進措施 • 分析各種情報來源，以監察全球面臨的最新網絡威脅，並在分享網絡威脅情報方面推動全行業合作 • 維持適當的事件應對管理流程，包括制定網絡安全保險政策 • 加強網絡及資訊保安培訓計劃，包括定期進行網絡釣魚測試，以提高員工的安全意識，並加以實踐網絡安全 <p>本集團會定期檢討網絡及資訊保安風險，以及相關的監控措施，並於風險委員會會議上向董事進行季度報告</p>

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

Principal Uncertainties

Mitigating Measures

ESG Risks

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

To manage negative impacts from ESG risks and cultivate ESG consciousness throughout the Group, BEA has:

- Developed a Green and Sustainability-linked Lending Policy
- Enhanced its ESG risk assessment checklist for credit applications by incorporating climate risk considerations
- Participated in the HKMA pilot Climate Risk Stress Test to assess BEA's resilience to extreme climate events
- Introduced various ESG/climate risk indicators to enhance monitoring capability in a proactive manner
- Promoted and enhanced ESG knowledge and awareness to all staff through external and internal events including but not limited to industry webinars, mandatory training, and internal communications

Interbank Offered Rate ("IBOR") Transition

Following the decision of global regulators to phase out Interbank Offered Rates and replace them with risk-free rates as alternative reference rates ("ARRs"), the Group has established and completed the IBOR Reform Project, enabling the Group to meet related regulatory requirements of all applicable jurisdictions for 2021.

The Group has developed the capabilities to offer ARR products and started trading in ARRs. System and operational changes were also completed for handling ARR transactions, and appropriate fallback provisions have been included in contracts to protect customers. The Group also updated the IBOR reform pages as appropriate on BEA's official websites for customer reference.

With the completion of the IBOR Reform Project, the Group has the operational capability to manage the ARR transition for the USD London Interbank Offered Rates ("LIBORs") of tenors that will cease to be available after 30th June, 2023.

For the risks arisen from IBOR transition, including but not limited to the following, the Group will closely manage and monitor:

- Conduct risk arising from communications with clients and market counterparties due to the amendments required to legacy contracts necessary for IBOR reform;
- Financial risk to the Group and its clients should markets be disrupted due to IBOR reform giving rise to financial losses;
- Pricing risk from the potential lack of market information should liquidity in IBORs reduce;
- Operational risk arising from changes to systems and processes, and the risk of payments being disrupted should an IBOR cease to be available;
- Risk on mismatch of hedging relationships as financial instruments transition to ARRs resulting in unrepresentative income statement volatility.

Note 56 gives further details on outstanding financial instruments referencing interest rate benchmarks that have yet to transition to alternative benchmark rates as at 31st December, 2021.

聯席行政總裁報告書（續）

主要不明朗因素

緩減措施

環境、社會及管治風險

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

為管理環境、社會及管治風險帶來的負面影響，以及提升整個集團的環境、社會及管治意識，東亞銀行已：

- 制定綠色及可持續發展表現掛鉤貸款政策
- 將環境、社會及管治風險納入評估，同時計及氣候風險，以加強信貸申請的審批
- 參與金管局的氣候風險壓力測試試驗計劃，以評估東亞銀行對極端氣候事件的抗逆力
- 引入多項環境、社會及管治/氣候風險指標，以積極加強風險監控能力
- 透過外、內部活動（包括但不限於業界網上研討會、強制性培訓及內部交流）提升及加強全體員工的環境、社會及管治認知及意識

銀行同業拆借利率改革的過渡安排

因應全球監管機構決定逐步停止使用銀行同業拆借利率（「IBOR」），轉用無風險利率作為替代參考利率（「ARR」），本集團為此制定並完成了IBOR改革項目，以協助本集團符合2021年各個適用司法管轄區監管機構的相關要求。

本集團已建立提供ARR產品的能力，並開始進行ARR的交易。本集團亦已完成調整相關的電腦系統和操作流程，以處理ARR交易，並已在交易合約內加入適當的後備條款以保障客戶。此外，本集團亦於東亞銀行網頁適時更新有關IBOR改革的頁面，以供客戶參考。

隨着IBOR改革項目的完成，本集團有能力處理有關2023年6月30日之後停止公布的美元LIBOR過渡至ARR的流程。

本集團將會嚴密監控包括但不限於以下因IBOR過渡所產生的風險：

- 為執行IBOR改革而對存續合約作出必要修訂，因而與客戶及市場交易對手溝通所產生的行為風險；
- 因IBOR改革使市場受到干擾，導致本集團及其客戶蒙受財務損失的財務風險；
- 因IBOR流動性減少，可能導致缺乏市場資訊而產生的定價風險；
- 因系統及程序變動而產生的營運風險，以及因IBOR停用而導致付款被中斷的風險；
- 金融工具過渡至ARR時可能會導致對沖關係錯配，從而引起收益表出現未能預見的波動，當中涉及的對沖關係錯配風險。

有關2021年12月31日尚未過渡至替代基準利率的金融工具，其參考利率基準的進一步詳情載於附註56。

REPORT OF THE CO-CHIEF EXECUTIVES (CONTINUED)

COMPLIANCE

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

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

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

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

By order of the Board

Adrian David LI Man-kiu

Co-Chief Executive

Brian David LI Man-bun

Co-Chief Executive

Hong Kong, 24th February, 2022

聯席行政總裁報告書（續）

合規

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

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

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

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

承董事會命
聯席行政總裁
李民橋
謹啟

聯席行政總裁
李民斌

香港，2022 年 2 月 24 日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員的個人資料

DIRECTORS



Dr. the Hon. Sir David LI Kwok-po

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

Sir David, aged 83, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. On 1st July, 2019, Sir David stepped down as Chief Executive and was re-designated as Executive Chairman of the Bank. Sir David is also the Chairman of BEA China and The Bank of East Asia Charitable Foundation Limited.

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

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

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

董事

李國寶爵士

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

執行主席及提名委員會委員

李爵士，現年83歲，在1969年加入本行，1977年任董事、1981年任行政總裁、1995年任副主席、繼而於1997年獲委任為主席。於2019年7月1日，李爵士退任本行行政總裁一職，並調任為執行主席。李爵士亦是東亞中國及東亞銀行慈善基金有限公司的主席。

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Professor Arthur LI Kwok-cheung

GBM, GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), Hon Doc (KNUA), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP

Deputy Chairman, Non-executive Director, Member of the Nomination Committee and the Remuneration Committee

Professor Li, aged 76, was a Director of the Bank (1995 – 2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

Professor Li is a Member of the Executive Council of the Hong Kong Special Administrative Region ("HKSAR") (he was also a Member from 2002 to June 2007 and from July 2012 to June 2017). He also serves as a Member of the Committee for the Basic Law of the HKSAR under the Standing Committee of the National People's Congress. Professor Li was a Member of the National Committee of the Chinese People's Political Consultative Conference (1998 – 2018).

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

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

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

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

李國章教授

GBM, GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), Hon Doc (KNUA), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP

副主席，非執行董事，提名委員會及薪酬委員會委員

李教授，現年 76 歲，曾任本行董事（1995 年至 2002 年）及在 2008 年再獲委任為本行董事，並於 2009 年獲委任為副主席。

李教授是香港特別行政區行政會議成員（他在 2002 年至 2007 年 6 月及 2012 年 7 月至 2017 年 6 月亦曾出任此職）。他亦為全國人民代表大會常務委員會香港特別行政區基本法委員會委員。李教授曾是中國人民政治協商會議全國委員會委員（1998 年至 2018 年）。

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

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Dr. Allan WONG Chi-yun**

GBS, MBE, BSc, MSEE, Hon. DTech, JP

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

Dr. Wong, aged 71, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited (listed in Hong Kong). Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Ltd. (listed in Hong Kong). He was an Independent Non-executive Director of MTR Corporation Limited (listed in Hong Kong) and Li & Fung Ltd (listing in Hong Kong withdrawn on 27th May, 2020).

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

黃子欣博士

GBS, MBE, BSc, MSEE, Hon. DTech, JP

副主席，獨立非執行董事，提名委員會主席，審核委員會、薪酬委員會及風險委員會委員

黃博士，現年71歲，在1995年獲委任為本行董事，並於2009年獲委任為副主席。他是偉易達集團（在香港上市）主席兼集團行政總裁。黃博士為中港照相器材集團有限公司（在香港上市）之獨立非執行董事。他曾出任香港鐵路有限公司（在香港上市）及利豐有限公司（於2020年5月27日撤銷在香港的上市地位）之獨立非執行董事。

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. Aubrey LI Kwok-sing

ScB, MBA

Non-executive Director and Member of the Risk Committee

Mr. Li, aged 72, was appointed a Director in 1995. He is Chairman of IAM Family Office Limited and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Café de Coral Holdings Limited (listed in Hong Kong), Kowloon Development Co. Ltd (listed in Hong Kong) and Pokfulam Development Company Limited (listed in Hong Kong). He was an Independent Non-executive Director of Kunlun Energy Company Limited (listed in Hong Kong) and Tai Ping Carpets International Limited (listed in Hong Kong).

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

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

李國星先生

ScB, MBA

非執行董事及風險委員會委員

李先生，現年 72 歲，在 1995 年獲委任為本行董事。他是星安家族辦公室有限公司主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司（在香港上市）、九龍建業有限公司（在香港上市）及博富臨置業有限公司（在香港上市）之獨立非執行董事。他曾出任昆侖能源有限公司（在香港上市）及太平地氈國際有限公司（在香港上市）之獨立非執行董事。

李先生持有布朗大學土木工程學士學位，及哥倫比亞大學工商管理碩士學位。

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Mr. Winston LO Yau-lai**

SBS, BSc, MSc
Non-executive Director

Mr. Lo, aged 80, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited (listed in Hong Kong).

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

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

羅友禮先生

SBS, BSc, MSc
非執行董事

羅先生，現年 80 歲，在 2000 年獲委任為本行董事。他是維他奶國際集團有限公司（在香港上市）執行主席。

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. Stephen Charles LI Kwok-sze

BSc (Hons.), ACA
Non-executive Director

Mr. Li, aged 62, was appointed a Director in 2006. He is a Member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, U.K. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong and board positions with international investment funds.

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

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

李國仕先生

BSc (Hons.), ACA
非執行董事

李先生，現年 62 歲，在 2006 年獲委任為本行董事。他是英國及威爾斯特許會計師公會會員。李先生持有英國倫敦大學 King's College 數學（榮譽）理學士學位。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職，以及國際投資基金的董事職務。

李先生現為凱瑟克基金的執行委員會成員及義務司庫。

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Mr. Adrian David LI Man-kiu**

MA (Cantab), MBA, LPC, JP

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

Mr. Li, aged 48, was appointed an Executive Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019, and is responsible for overall management and control of the Bank Group with a particular focus on its Hong Kong business. He serves on the boards of several Bank Group members as Chairman or Member.

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

李民橋先生

MA (Cantab), MBA, LPC, JP

聯席行政總裁及環境、社會及管治委員會委員

李先生，現年48歲，於2014年獲委任為執行董事。他在2000年加入本行為總經理兼企業銀行處主管，於2009年4月獲任命為副行政總裁，其後於2019年7月獲委任為聯席行政總裁，負責本集團之整體運作及管理，並專注領導香港業務發展。他同時亦出任本集團內多間公司董事會的主席或成員。

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

Mr. Li is a Member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Hong Kong United Youth Association. He is Chairman of The Chinese Banks' Association, Vice President of The Hong Kong Institute of Bankers' Council and a Member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. He is a Board Member of The Community Chest of Hong Kong and serves on its Executive Committee, a Member of the Advisory Board of The Salvation Army, Hong Kong and Macau Command, and a Trustee of The University of Hong Kong's occupational retirement schemes. Furthermore, he serves as a Member of the Election Committees responsible for electing the Chief Executive and Legislative Council Members of the Hong Kong Special Administrative Region ("HKSAR") as well as deputies of the HKSAR to the 13th National People's Congress.

Mr. Li holds a Master of Management Degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts Degree and Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a Member of The Law Society of England and Wales, and The Law Society of Hong Kong. He is also a Member of the Hong Kong Academy of Finance and has been conferred as an Honorary Certified Banker by The Hong Kong Institute of Bankers.

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

李先生現為中國人民政治協商會議安徽省委員會委員及香港青年聯會參事。他是香港華商銀行公會主席、香港銀行學會議會副會長，及香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。他同時擔任香港公益金董事及其執行委員會成員、救世軍港澳軍區顧問委員會成員，以及香港大學職業退休計劃受託人。此外，他為負責推選香港特別行政區行政長官及立法會議員之選舉委員會委員，及香港特別行政區第十三屆全國人民代表大會代表選舉會議成員。

李先生持有美國西北大學凱洛格管理學院工商管理碩士學位、英國劍橋大學法學院碩士及學士學位。他是英國律師會及香港律師會會員，亦是香港金融學院會員，他更獲香港銀行學會頒授榮譽銀行專業會士名銜。

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Mr. Brian David Li Man-bun**

JP, MA (Cantab), MBA, FCA

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

Mr. Li, aged 47, was appointed an Executive Director in 2014. He first joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019. He is responsible for the overall management and control of the Bank Group with a particular focus on its China and international businesses. He serves on the boards of several Bank Group members as Chairman or as a Member.

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

Mr. Li holds a number of public and honorary positions, including being a Member of the National Committee of the Chinese People's Political Consultative Conference, a Member of the Chief Executive's Council of Advisers on Innovation & Strategic Development of the Government of the Hong Kong Special Administrative Region, a Council Member of the Hong Kong Trade Development Council, a Director of the Financial Services Development Council, and a Vice Chairman of the Asian Financial Cooperation Association.

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

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

李民斌先生

JP, MA (Cantab), MBA, FCA

聯席行政總裁及環境、社會及管治委員會委員

李先生，現年47歲，於2014年獲委任為執行董事。他在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管。他於2009年4月獲任命為副行政總裁，其後於2019年7月出任聯席行政總裁，負責本集團之整體運作及管理，並主要領導中國及國際業務。他亦是本集團內若干公司董事會的主席或成員。

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

李先生現擔任多項公職及榮譽職務，包括：中國人民政治協商會議全國委員會委員、香港特別行政區政府行政長官創新及策略發展顧問團成員、香港貿易發展局理事會成員、香港金融發展局董事，以及亞洲金融合作協會副理事長。

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Dr. Daryl NG Win-kong

SBS, BA, MSc, DHL, JP

Non-executive Director and Member of the Risk Committee

Dr. Ng, aged 43, was appointed a Director in 2015. He is currently an Executive Director and Deputy Chairman of Sino Land Company Limited (listed in Hong Kong), Tsim Sha Tsui Properties Limited (listed in Hong Kong) and Sino Hotels (Holdings) Limited (listed in Hong Kong). He is also the Chairman, Non-independent & Non-executive Director of Yeo Hiap Seng Limited (listed in Singapore).

Dr. Ng holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York and an Honorary Doctor of Humane Letters Degree from Savannah College of Art and Design. He was awarded an Honorary University Fellowship by Hong Kong Metropolitan University in 2016 and was conferred Honorary Fellow of The Hong Kong University of Science and Technology in 2021.

Dr. Ng is a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th and 13th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is the President of Hong Kong United Youth Association, a Council Member of the Hong Kong Committee for UNICEF, a Council Member of The Hong Kong Management Association, an Advisor of Our Hong Kong Foundation, a Council Member of Hong Kong Chronicles Institute Limited, a Council Member of the Employers' Federation of Hong Kong, a Member of the Board of Hong Kong Science and Technology Parks Corporation, the Chairman of Greater Bay Area Homeland Youth Community Foundation Limited, a Member of the Board of Mind Mental Health Hong Kong Limited, a member of the Estate Agents Authority of the Government of Hong Kong Special Administrative Region, a member of the Council of the University of Hong Kong, a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore, a member of International Advisory Council of Singapore Management University, a member of the Board of M Plus Museum Limited, a Board Member of National Heritage Board, Singapore, a member of Hong Kong Trade Development Council Mainland Business Advisory Committee, a member of the Cyberport Advisory Panel of Hong Kong Cyberport Management Company Limited, a Director of The Real Estate Developers Association of Hong Kong and a Director of The Community Chest of Hong Kong.

黃永光博士

SBS, BA, MSc, DHL, JP

非執行董事及風險委員會委員

黃博士，43歲，於2015年獲委任為董事。他現時為信和置業有限公司（在香港上市）、尖沙咀置業集團有限公司（在香港上市）及信和酒店（集團）有限公司（在香港上市）之執行董事兼副主席。他亦是楊協成有限公司（在新加坡上市）之主席及非獨立非執行董事。

黃博士持有紐約哥倫比亞大學經濟學文學碩士學位、房地產發展理學碩士學位及薩凡納藝術設計學院榮譽人文科學博士學位。他於2016年獲香港都會大學頒授榮譽院士學位及於2021年獲香港科技大學頒授榮譽院士學位。

黃博士是紐約哥倫比亞大學 Global Leadership Council 會員、第十屆中國人民政治協商會議四川省委員會委員、第十二屆及第十三屆中國人民政治協商會議北京市委員會委員、中華全國青年聯合會第十屆及第十一屆委員會委員及重慶市青年聯合會港區特邀副主席。他亦是香港青年聯會會長、聯合國兒童基金香港委員會委員、香港管理專業協會理事會委員、團結香港基金顧問、香港地方志中心有限公司理事、香港僱主聯合會諮議會成員、香港科技園公司董事會成員、大灣區共同家園青年公益基金會有限公司主席、心聆精神健康香港有限公司董事會成員、香港特別行政區政府地產代理監管局成員、香港大學校務委員、新加坡國立大學楊潞齡醫學院 NUS Medicine International Council 成員、新加坡管理大學之 International Advisory Council 成員、M Plus Museum Limited 之董事局成員、新加坡國家文物局董事局成員、香港貿易發展局內地商貿諮詢委員會委員、香港數碼港管理有限公司數碼港顧問委員會成員、香港地產建設商會董事及香港公益金董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Mr. Masayuki OKU**

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

Mr. Oku, aged 77, was appointed a Director in 2015. He is an Independent Non-executive Director of Chugai Pharmaceutical Co., Ltd., Rengo Co., Ltd., The Royal Hotel, Limited and TV TOKYO Holdings Corporation, all of which are companies listed in Japan. Mr. Oku is also the Honorary Advisor of Sumitomo Mitsui Financial Group, Inc. ("SMFG")^{Note} (listed in Japan and USA). He was an Auditor of Nankai Electric Railway Co. Ltd. (listed in Japan) and an Independent Non-executive Director of Komatsu Ltd., Kao Corporation and Panasonic Corporation, all of which are listed in Japan.

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

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

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

奧正之先生

LL.B, LL.M, 產業勳章銀塔獎

非執行董事及提名委員會委員

奧正之先生，現年77歲，於2015年獲委任為董事。他是中外製藥株式會社(Chugai Pharmaceutical Co., Ltd.)、Rengo Co., Ltd.、麗嘉皇室酒店(The Royal Hotel, Limited)及TV TOKYO Holdings Corporation的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為三井住友金融集團^註(在日本及美國上市)的名譽顧問。他曾任南海鐵道株式會社(Nankai Electric Railway Co. Ltd.)(在日本上市)的核數師，以及小松製作所(Komatsu Ltd.)、花王株式會社(Kao Corporation)及松下電器產業株式會社(Panasonic Corporation)的獨立非執行董事，該等公司均在日本上市。

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Dr. the Hon. Rita FAN HSU Lai-tai

GBM, GBS, DSocSc, JP

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

Dr. Fan, aged 76, was appointed a Director in 2016. She is currently an Independent Non-executive Director of China Overseas Land & Investment Limited (listed in Hong Kong) and COSCO SHIPPING Ports Limited (listed in Hong Kong).

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

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

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

范徐麗泰博士

GBM, GBS, DSocSc, JP

獨立非執行董事，薪酬委員會主席及提名委員會委員

范博士，現年76歲，於2016年獲委任為本行董事。她現時為中國海外發展有限公司（在香港上市）及中遠海運港口有限公司（在香港上市）的獨立非執行董事。

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Mr. Meocre LI Kwok-wing***BCom, CPA**Independent Non-executive Director, Chairman of the Audit Committee and Member of the Risk Committee*

Mr. Li, aged 66, was appointed a Director in 2016. He is the Chief Executive of Alpha Alliance Finance Holdings Limited.

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

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

Mr. Li is an Independent Non-executive Director of BEA China. He is also the chairman of its audit committee and a member of its connected transactions control committee and risk committee.

李國榮先生*BCom, CPA**獨立非執行董事，審核委員會主席及風險委員會委員*

李先生，現年66歲，於2016年獲委任為本行董事。現時為冠聯金融控股有限公司的行政總裁。

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

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

李先生為東亞中國之獨立非執行董事，同時出任其審核委員會主席及關聯交易控制委員會和風險委員會委員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Dr. the Hon. Henry TANG Ying-yen

GBM, GBS, JP

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

Dr. Tang, aged 69, was appointed a Director in 2017. He was the Chief Secretary for Administration of the Hong Kong Special Administrative Region ("HKSAR") Government from 2007 to 2011 and the Financial Secretary of HKSAR Government from 2003 to 2007. He served as a member of the Executive Council of Hong Kong from 1997 to 2011 and was a member of the Legislative Council of Hong Kong from 1991 to 1998.

Dr. Tang is a Standing Committee Member of the Chinese People's Political Consultative Conference, Chairman of the West Kowloon Cultural District Authority Board, Chairman of Friends of Hong Kong Association, Chairman of Federation of HK Jiangsu Community Organisations Limited and the Chairman of Shanghai Tang Junyuan Education Foundation.

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

Dr. Tang is the Supervisor of BEA China.

唐英年博士

GBM, GBS, JP

獨立非執行董事，風險委員會主席，審核委員會、提名委員會及薪酬委員會委員

唐博士，現年69歲，於2017年獲委任為董事。他曾出任香港特別行政區政府（「香港特區政府」）政務司司長（2007年至2011年）及香港特區政府財政司司長（2003年至2007年）。他曾為香港行政會議成員（1997年至2011年）及香港立法會議員（1991年至1998年）。

唐博士是中國人民政治協商會議全國委員會常務委員、西九文化區管理局董事局主席、香港友好協進會會長、香港江蘇社團總會有限公司會長及上海唐君遠教育基金會理事長。

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

唐博士為東亞中國之監事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Dr. Delman LEE***BEng, DPhil*

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

Dr. Lee, aged 54, was appointed a Director in 2017. He is currently the Vice Chairman of TAL Apparel Limited. He is also a Non-executive Director of Tradelink Electronic Commerce Limited (listed in Hong Kong). He was a Non-executive Director of Dairy Farm International Holdings Limited (listed in London, Bermuda and Singapore).

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

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

李國本博士*BEng, DPhil*

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

李博士，現年54歲，於2017年獲委任為董事。他現為聯業製衣有限公司的副主席。他亦是貿易通電子貿易有限公司（在香港上市）的非執行董事。他曾出任牛奶國際控股有限公司（在倫敦、百慕達及新加坡上市）的非執行董事。

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

李博士擁有牛津大學博士學位及倫敦帝國學院電機工程學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. William Junior Guilherme DOO

BA, MA (Oxon), JP

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

Mr. Doo, aged 48, was appointed a Director in 2019. He is currently the Chief Executive Officer and Director of Fungseng Prosperity Holdings Limited, the Deputy Chief Executive Officer and Executive Director of FSE Holdings Limited, an Executive Director of FSE Lifestyle Services Limited (listed in Hong Kong) and a Non-executive Director of NWS Holdings Limited (listed in Hong Kong).

Mr. Doo is a solicitor admitted in Hong Kong and is currently a non-practising solicitor in England and Wales. He had legal practice experience in one of the largest global law firms specializing in finance and corporate transactions. He is a member of the Standing Committee of the 13th Chinese People's Political Consultative Conference in Beijing of the People's Republic of China. He serves in different committees of the Government of Hong Kong Special Administrative Region, including a member of the Immigration Department Users' Committee, a member of the Standing Committee on Young Offenders of Fight Crime Committee and a member of the Correctional Services Department Complaints Appeal Board.

Mr. Doo graduated from University of Oxford with B.A. and M.A. degrees in Jurisprudence and he is elected as Foundation Fellow of Wadham College, University of Oxford. He was appointed as Justice of the Peace in 2018, and was awarded the honour of Chevalier de l'Ordre National du Mérite by the President of the French Republic.

杜家駒先生

BA, MA (Oxon), JP

獨立非執行董事，審核委員會、風險委員會及環境、社會及管治委員會委員

杜先生，現年48歲，於2019年獲委任為董事。他現為豐盛企業集團有限公司行政總裁兼董事、豐盛創建控股有限公司副行政總裁兼執行董事、豐盛生活服務有限公司（在香港上市）之執行董事，以及新創建集團有限公司（在香港上市）之非執行董事。

杜先生取得香港律師資格，現為英格蘭及威爾斯的非執業律師。他曾在其中一家全球最大的律師事務所工作，擁有金融及企業交易法律實務經驗。他為中華人民共和國中國人民政治協商會議北京市第十三屆委員會常務委員。他亦熱心參與香港特別行政區政府公職事務，包括入境事務處使用服務人士委員會委員、青少年罪犯問題常務委員會委員及懲教署投訴上訴委員會委員。

杜先生於英國牛津大學法律系畢業並獲得學士學位及碩士研究生學位，並成為牛津大學華頓學院基金會院士。他於2018年獲委任為香港太平紳士，並獲法國總統頒授「法國國家榮譽騎士勳章」。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

**Dr. David MONG Tak-yeung**

BScEE, DSocSc, DBA, The Order of the Rising Sun, Gold Rays with Neck Ribbon

Independent Non-executive Director, Member of the Nomination Committee, the Remuneration Committee and the Environmental, Social, and Governance Committee

Dr. Mong, aged 59, was appointed a Director in January 2021. He is currently the Chairman and Chief Executive Officer of Shun Hing Group, which has been the exclusive regional representative of a famous brand of home appliances, Panasonic (formerly National), for many decades. He is the President of the Hong Kong & Kowloon Electrical Appliances Merchants Association Limited and the Vice Chairman of Occupational Safety and Health Council.

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

Dr. Mong is an Independent Non-executive Director and the Chairman of the Nomination Committee of Blue Cross (Asia-Pacific) Insurance Limited, the Bank's wholly-owned subsidiary, and an Independent Non-executive Director of Blue Care JV (BVI) Holdings Limited which is an 80% owned subsidiary of the Bank.

蒙德揚博士

BScEE, DSocSc, DBA, 旭日中綬章 (The Order of the Rising Sun, Gold Rays with Neck Ribbon)

獨立非執行董事，提名委員會、薪酬委員會及環境、社會及管治委員會委員

蒙博士，現年59歲，於2021年1月獲委任為董事。他現任信興集團主席兼行政總裁。信興集團數十年來一直是著名家用電器品牌樂聲牌（Panasonic，前為National）的獨家地區代理商。他是港九電器商聯會有限公司的會長，以及職業安全健康局的副主席。

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

蒙博士為本行全資附屬公司——藍十字（亞太）保險有限公司之獨立非執行董事及其提名委員會主席，他亦出任本行持有80%權益的附屬公司——Blue Care JV (BVI) Holdings Limited之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Dr. Francisco Javier SERRADO TREPAT

Non-executive Director and Member of the Nomination Committee

Dr. Serrado, aged 63, was appointed a Director in January 2021. He is currently the Asia Regional Manager of Criteria Caixa, S.A., Sociedad Unipersonal^{Note} ("Criteria"). He possesses extensive knowledge and skills and has more than 35 years of experience in banking and finance-related industries, including about 30 years of experience working in Mainland China. His major responsibilities include overseeing the operations (including establishment) of banking and finance entities of Criteria in Mainland China and other regions in Asia. Dr. Serrado was the Asia Regional Manager of CaixaBank, S.A. (listed in Spain) since 2007 until February 2022.

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

Francisco Javier SERRADO TREPAT 博士

非執行董事及提名委員會委員

Serrado 博士，現年 63 歲，於 2021 年 1 月獲委任為董事。他現任 Criteria Caixa, S.A., Sociedad Unipersonal^註（「Criteria」）的亞洲區經理。他在銀行和金融相關行業擁有豐富的知識和技能，相關經驗超過 35 年，其中包括在中國內地工作約 30 年的經驗。他的職責主要包括監督 Criteria 在中國內地和亞洲其他地區的銀行和金融實體（包括設立）的運營。Serrado 博士曾於 2007 年至 2022 年 2 月期間出任 CaixaBank, S.A.（在西班牙上市）的亞洲區經理。

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

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)

SENIOR MANAGEMENT

高層管理人員

Mr. Adrian David LI Man-kiu

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

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

李民橋先生

MA (Cantab), MBA, LPC, JP
聯席行政總裁

(個人資料載列於第50及51頁)

Mr. Brian David LI Man-bun

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

(Biographical details are set out on page 52)

李民斌先生

JP, MA (Cantab), MBA, FCA
聯席行政總裁

(個人資料載列於第52頁)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料(續)



Mr. Samson Li Kai-cheong

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

Mr. Li, aged 61, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009.

Mr. Li is primarily responsible for the Bank's investment activities and treasury & broking operations including treasury markets. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

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

李繼昌先生

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

李先生，現年61歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

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



Mr. TONG Hon-shing

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

Mr. Tong, aged 62, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division

from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for operations support, compliance, human resources, and corporate communications of the Bank. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board. Mr. Tong is a Fellow Certified Banker of The Hong Kong Institute of Bankers, a Fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute as well as an Associate of The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

唐漢城先生

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

唐先生，現年62歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的營運支援、合規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。唐先生為香港銀行學會資深銀行專業會士，香港公司治理公會和英國特許公司治理公會資深會士，及英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

CORPORATE INFORMATION

公司資料

SPECIAL ADVISOR TO THE BOARD

Dr. Isidro FAINÉ CASAS

BOARD

Executive Directors

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

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

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

Non-executive Directors

Professor Arthur LI Kwok-cheung
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

Dr. Francisco Javier SERRADO TREPAT

Independent Non-executive Directors

Dr. Allan WONG Chi-yun
(Deputy Chairman)

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre LI Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

Mr. William Junior Guilherme DOO

Dr. David MONG Tak-yeung

董事會特別顧問

范禮賢博士

董事會

執行董事

李國寶爵士
(執行主席)

李民橋先生
(聯席行政總裁)

李民斌先生
(聯席行政總裁)

非執行董事

李國章教授
(副主席)

李國星先生

羅友禮先生

李國仕先生

黃永光博士

奧正之先生

Francisco Javier SERRADO TREPAT 博士

獨立非執行董事

黃子欣博士
(副主席)

范徐麗泰博士

李國榮先生

唐英年博士

李國本博士

杜家駒先生

蒙德揚博士

CORPORATE INFORMATION (CONTINUED)

公司資料 (續)

BOARD COMMITTEES

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

Risk Committee

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

Environmental, Social, and Governance Committee

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

董事會轄下委員會

審核委員會

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

提名委員會

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

薪酬委員會

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

風險委員會

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

環境、社會及管治委員會

李國本博士* (*主席*)
 李民橋先生
 李民斌先生
 杜家駒先生*
 蒙德揚博士*

* Independent Non-executive Director

Appointed as Member of NC on 1st April, 2021

* 獨立非執行董事

於2021年4月1日獲委任為提名委員會委員

CORPORATE INFORMATION (CONTINUED)

公司資料 (續)

EXECUTIVE CHAIRMAN

Dr. the Hon. Sir David LI Kwok-po

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

SENIOR ADVISOR

Mr. CHAN Tze-ching

BBS, JP

SENIOR MANAGEMENT

Co-Chief Executives

Mr. Adrian David LI Man-kiu

MA (Cantab), MBA, LPC, JP

Mr. Brian David LI Man-bun

JP, MA (Cantab), MBA, FCA

Deputy Chief Executive & Chief Investment Officer

Mr. Samson LI Kai-cheong

FCCA, CPA, FCG, HKFCG, HKSI

Deputy Chief Executive & Chief Operating Officer

Mr. TONG Hon-shing

BSc, ACIB, FCG, HKFCG, Fellow CB

COMPANY SECRETARY

Mr. Alson LAW Chun-tak

FCCA, FCPA, FCG, HKFCG

AUDITOR

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance

執行主席

李國寶爵士

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

高級顧問

陳子政先生

BBS, JP

高層管理人員

聯席行政總裁

李民橋先生

MA (Cantab), MBA, LPC, JP

李民斌先生

JP, MA (Cantab), MBA, FCA

副行政總裁兼投資總監

李繼昌先生

FCCA, CPA, FCG, HKFCG, HKSI

副行政總裁兼營運總監

唐漢城先生

BSc, ACIB, FCG, HKFCG, Fellow CB

公司秘書

羅春德先生

FCCA, FCPA, FCG, HKFCG

核數師

畢馬威會計師事務所

執業會計師

於《財務匯報局條例》下的註冊公眾利益實體核數師

CORPORATE INFORMATION (CONTINUED) 公司資料 (續)



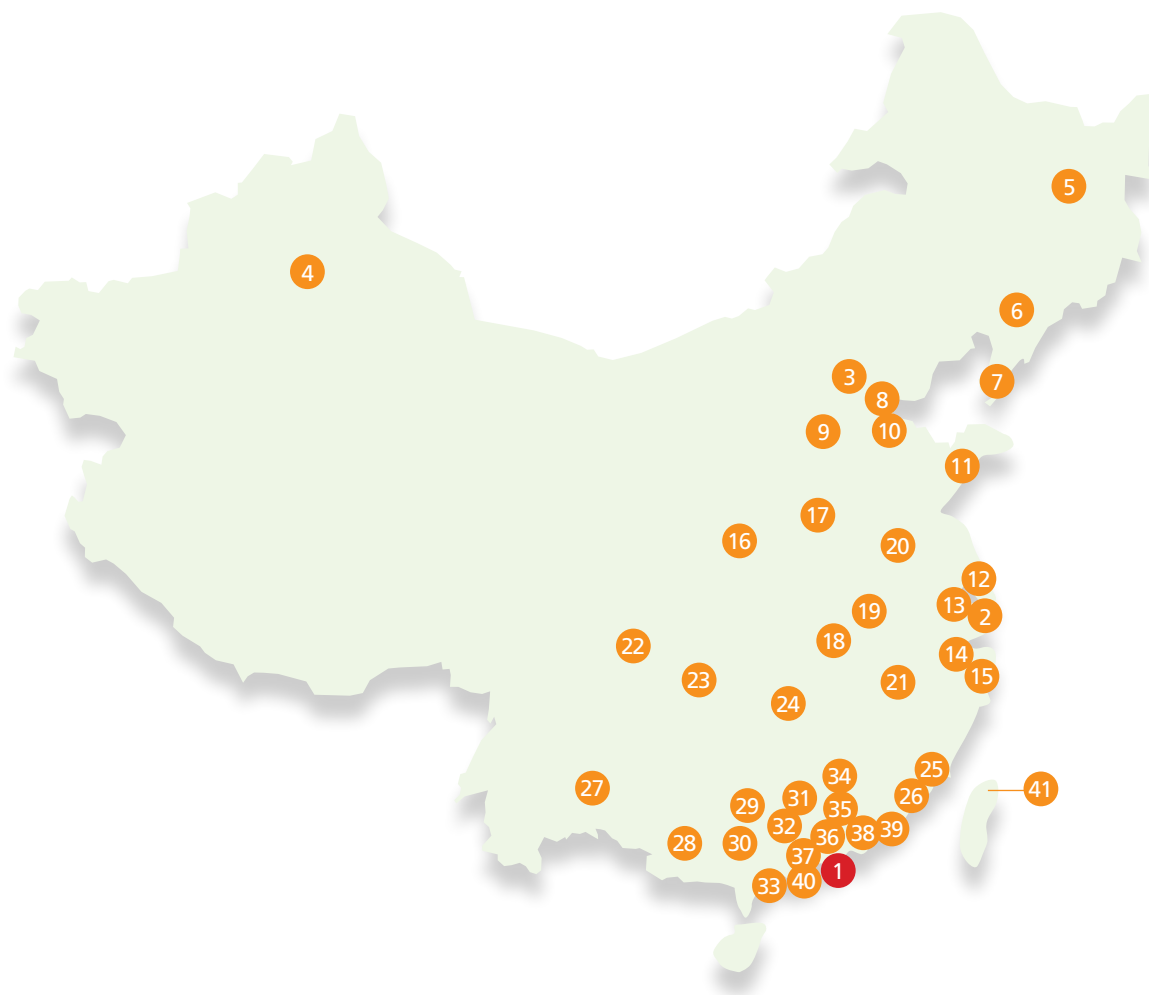
EXECUTIVE CHAIRMAN AND SENIOR MANAGEMENT 執行主席及高層管理人員

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



LIST OF OUTLETS

網絡一覽



1 Head Office – Hong Kong 香港 — 總行

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

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

Overseas 海外

Singapore 新加坡

Singapore 新加坡

Malaysia 馬來西亞

Kuala Lumpur 吉隆坡

United Kingdom 英國

London 倫敦
Birmingham 伯明翰
Manchester 曼徹斯特

United States 美國

New York 紐約
Los Angeles 洛杉磯

LIST OF OUTLETS (CONTINUED)

網絡一覽 (續)

With about 150 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of Greater China, Southeast Asia, the United Kingdom, and the United States.

東亞銀行現於全球設有約 150 個網點，龐大的國際網絡覆蓋香港、大中華其他地區、東南亞、英國和美國。

HONG KONG BRANCH NETWORK 香港分行網絡

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

FINANCIAL CENTRES 理財中心

Hong Kong Region 香港區		Kowloon Region 九龍區	
Quarry Bay SupremeGold Centre	鰂魚涌顯卓理財中心	Hong Kong Baptist University i-Financial Centre	香港浸會大學 i-理財中心
New Territories Region 新界區		Millennium City 5 SupremeGold Centre	創紀之城五期 顯卓理財中心
Lingnan University i-Financial Centre	嶺南大學 i-理財中心	Whampoa Garden i-Financial Centre	黃埔花園 i-理財中心
Tin Shui Wai One Sky Mall i-Financial Centre	天水圍天一商城 i-理財中心	Outlying Islands Region 離島區	
Sheung Shui Landmark North Business Centre	上水廣場 商務理財中心	Silvermine Bay i-Financial Centre	梅窩 i-理財中心
		Tai O i-Financial Centre	大澳 i-理財中心

CORPORATE GOVERNANCE REPORT

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

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

This report highlights key corporate governance practices and activities of the Group during the year ended 31st December, 2021.

Governance Overview

Board Features

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

Board Practices and Activities at a Glance

- 7 Board and 12 Board Committee meetings in 2021
- 100% attendance rate of Board meetings
- Sound induction and continuous development training programmes with 72 training activities arranged for Directors
- Review of Strategic Plan and Risk Appetite
- Annual Review of Corporate Governance Framework
- Annual Review of Management Succession Plan
- Annual evaluation of Board performance
- Periodic review of Bank Culture Reform
- Review of the ESG Report

Corporate Governance Practices

During the year ended 31st December, 2021, the Bank has complied with all code provisions set out in the CG Code.

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

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* ("Bank's Policy") on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules. Having made specific enquiry by the Bank, all Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable time during the year ended 31st December, 2021.

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

企業管治報告

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

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

本報告重點介紹本集團在截至 2021 年 12 月 31 日止的年度期間內主要的企業管治實務和活動。

管治總覽

董事會特點

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

董事會的實務及活動概覽

- 於 2021 年內舉行 7 次董事會會議及 12 次董事會轄下委員會會議
- 董事會會議出席率達 100%
- 為董事安排完善入職，及在持續發展培訓計劃下，為董事安排 72 項培訓活動
- 審閱策略計劃及風險偏好
- 年度檢討企業管治架構
- 年度檢討管理層繼任規劃
- 年度評估董事會的表現
- 定期檢討本行企業文化改革
- 審閱環境、社會及管治報告

企業管治實務

在截至 2021 年 12 月 31 日止的年度期間內，本行已遵守《企業管治守則》的全部守則條文。

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

本行已自行訂立一套與《上市規則》附錄 10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所訂標準同樣嚴格的董事及行政總裁證券交易政策，即內幕交易政策 — 董事及行政總裁（「本行政策」）。經本行明確查詢後，所有董事已確認於截至 2021 年 12 月 31 日止年度內之所有適用期，均已遵守標準守則及本行政策中所要求的標準。

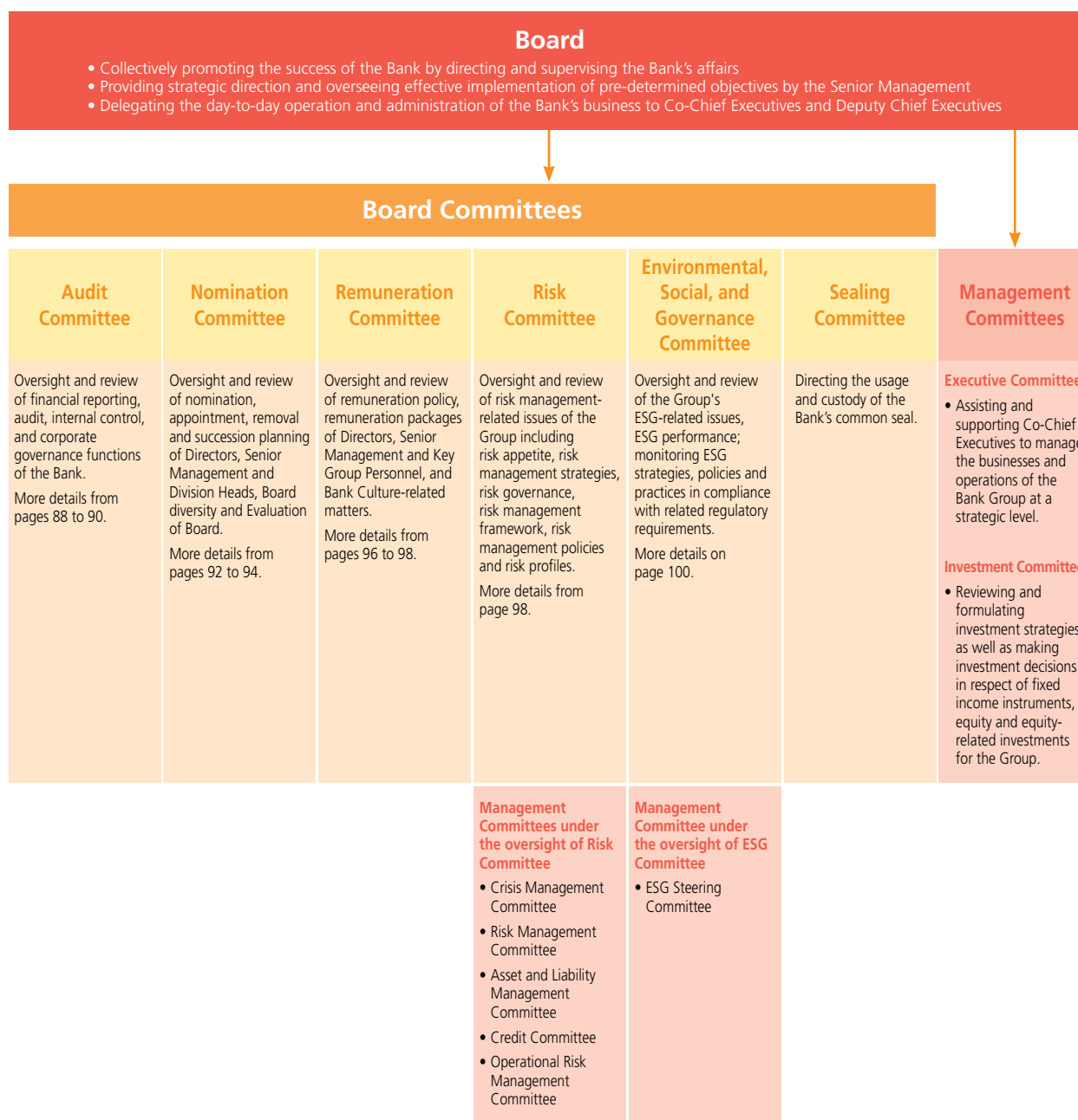
此外，本行亦已訂立一套內幕交易政策 — 集團人士以供本行僱員，或本行附屬公司的董事或僱員，遵照規定買賣本行證券。

CORPORATE GOVERNANCE REPORT (CONTINUED)

A. BOARD OF DIRECTORS

Board Structure and Delegation

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

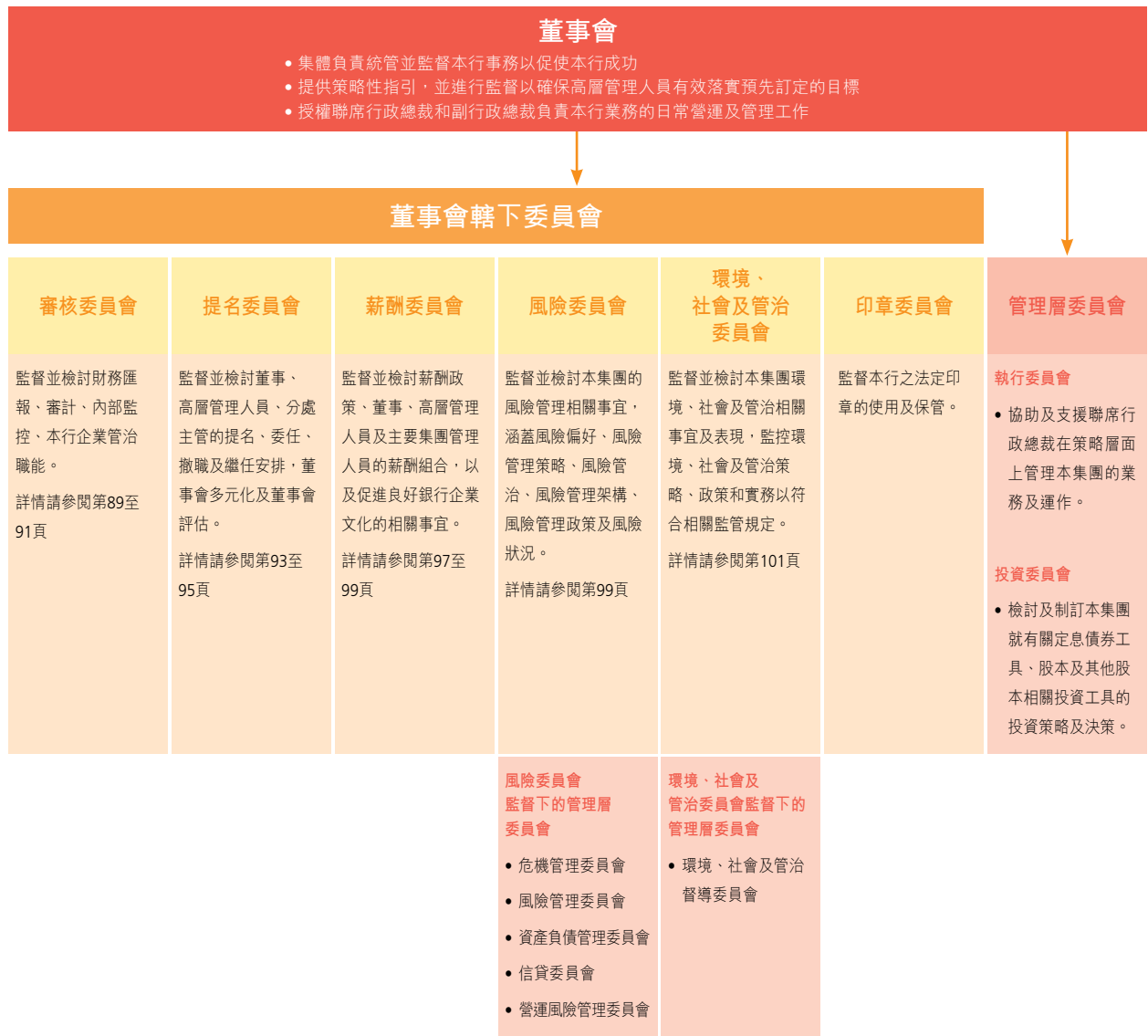


企業管治報告(續)

A. 董事會

董事會架構及授權

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



CORPORATE GOVERNANCE REPORT (CONTINUED)

Key Matters Reserved to the Board for Decision

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

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

Corporate Strategy:

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

Financial:

- Capital plans and management
- Financial Reports and Business Plans

Corporate governance:

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

Board / management membership:

- Appointments, removal and succession planning of Directors, Chief Executives, Deputy Chief Executives and Key Personnel of the Bank

Board Composition

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

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

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

企業管治報告(續)

由董事會決策之重要事項

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

由董事會考慮及決策之重要事項包括(但不限於)：

企業策略：

- 策略計劃及目標
- 確立企業價值觀及標準
- 重大投資或出售集團資產

財務：

- 資本計劃及管理
- 財務報告及業務計劃

企業管治：

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

董事/管理人員：

- 本行董事、行政總裁、副行政總裁及主要管理人員的委任，撤職及繼任安排

董事會組成

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

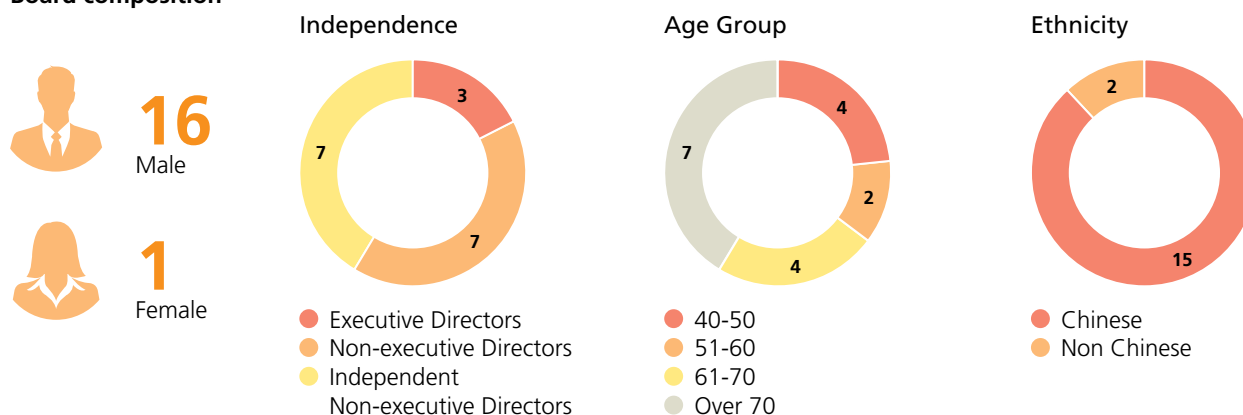
董事會以非執行董事及獨立非執行董事佔大多數，確保能作出獨立客觀之決策，並能全面及不偏不倚地監控本行業務。他們為董事會帶來廣泛的專業知識及業務和財務經驗。

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

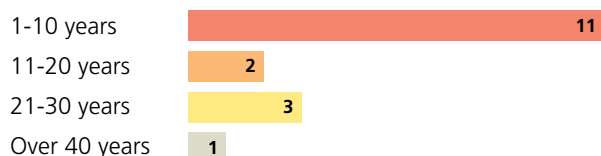
CORPORATE GOVERNANCE REPORT (CONTINUED)

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

Board composition



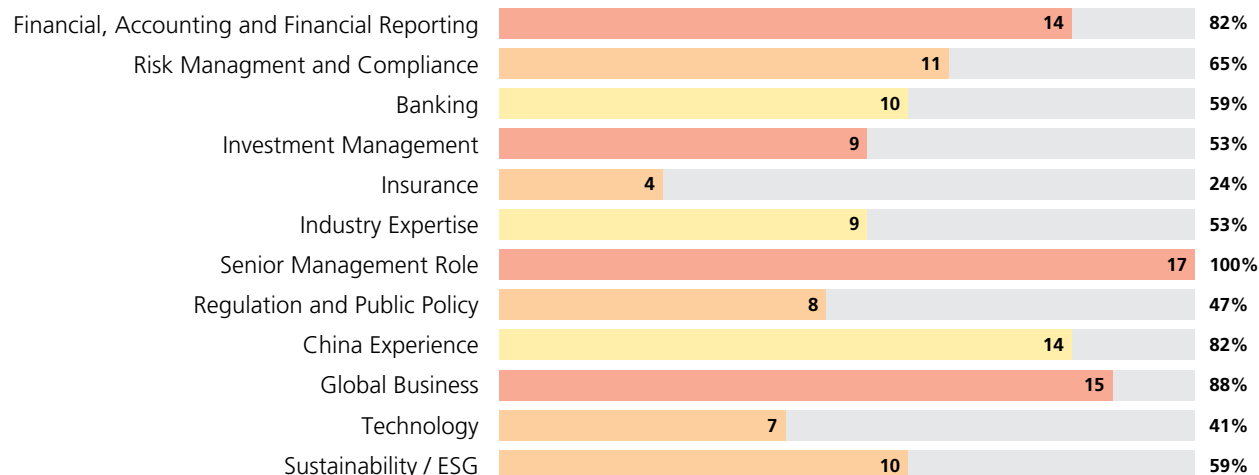
Tenure of office



Directorship(s) in other listed companies



Board Expertise and Skills



Notes:

Financial, Accounting and Financial Reporting – Expertise and work experience in financial market, financial reporting and auditing

Risk Management and Compliance – Regulatory and Compliance expertise in managing and overseeing risk in public and private companies and in other contexts.

Banking – Management experience in retail, corporate, and investment banking

Investment Management – Work experience in asset management and portfolio management

Insurance – Work experience in and understanding of the insurance industry

Industry Expertise – Expertise in various industries such as real estate, technology, consumer goods etc.

Senior Management Role – Current or past roles as top or senior executives

Regulation and Public Policy – Former government officials, or the undertaking of consultative roles for government

China Experience – Exposure to mainland China in the private or public sectors

Global business – Professional experience dealing with international business operations

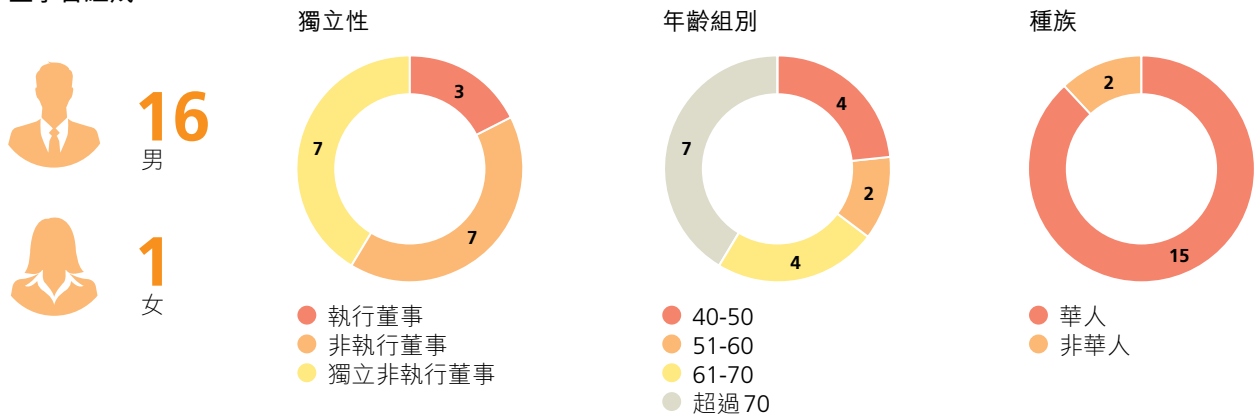
Technology – Management or consulting experience in the technology industry

Sustainability / Environmental, Social, and Governance (ESG) – Expertise and/or experience in developing, promoting or ensuring the effective delivery of an organisation's sustainability / ESG strategies, policies and objectives

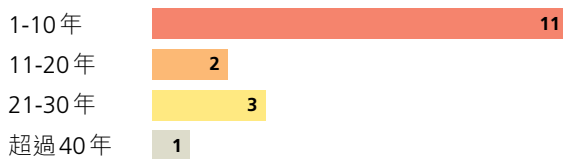
企業管治報告(續)

年內對董事會組成及技能矩陣的分析載列如下：

董事會組成



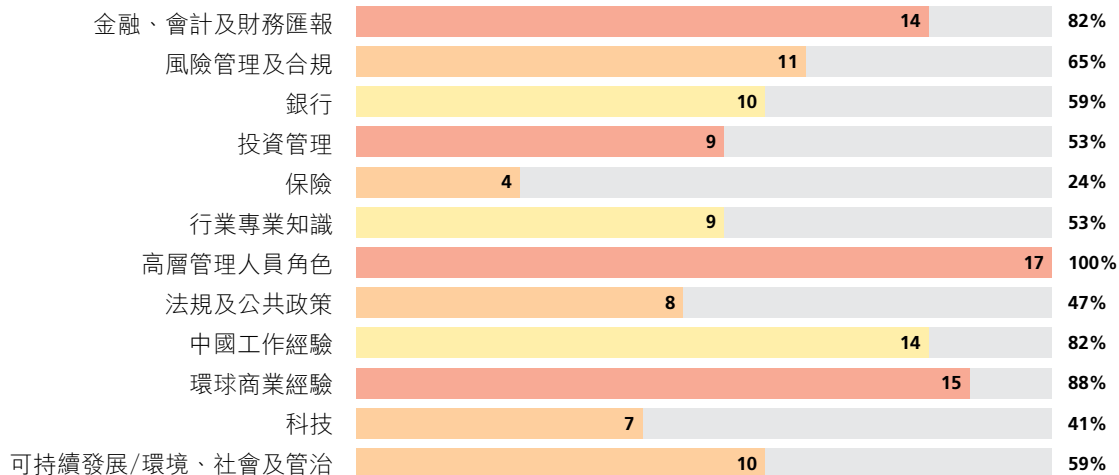
擔任本行董事年期



出任其他上市公司董事



董事會成員專業背景及技能



註：

金融、會計及財務匯報 — 具備金融市場、財務匯報及審核的專業知識和工作經驗

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

銀行 — 具備零售、企業及投資銀行的管理經驗

投資管理 — 具備資產管理及投資組合管理的工作經驗

保險 — 具備保險工作經驗並了解保險業

行業專業知識 — 具備房地產、科技、消費品等各行各業的專業知識

高層管理人員角色 — 目前及過去擔任最高級或高級行政人員

法規及公共政策 — 前政府官員或擔任政府顧問工作

中國工作經驗 — 曾於中國內地公營或私營部門工作

環球商業經驗 — 擁有國際業務運作的工作經驗

科技 — 具備科技業的管理或諮詢經驗

可持續發展/環境、社會及管治 — 具備在制定、促進或確保有效傳遞一個組織的可持續性/環境、社會及管治策略、政策和目標方面的專業知識和/或經驗

CORPORATE GOVERNANCE REPORT (CONTINUED)

Executive Chairman and Co-Chief Executives

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

Key Responsibilities

Dr. David Li Kwok-po (Executive Chairman)

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

Co-Chief Executives

Mr. Adrian David Li Man-kiu

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

Mr. Brian David Li Man-bun

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

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

Board Process

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

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

企業管治報告(續)

執行主席及聯席行政總裁

主席與行政總裁角色的區分加強兩個職位的問責及責任。執行主席及聯席行政總裁各自的角色與職責已清楚訂明在其職責範圍文件內。

主要職責

李國寶爵士 (執行主席)	
<ul style="list-style-type: none"> • 領導董事會 • 處理本行與持分者關係 • 負責董事會整體的有效運作 • 確保董事適時收到充分的本行資訊，使其能在掌握有關資料的情況下作出決定 • 鼓勵所有董事全力投入董事會事務 • 領導董事會行事符合本行及其整體股東的最佳利益 	
聯席行政總裁	
李民橋先生	李民斌先生
<ul style="list-style-type: none"> • 專責管理本集團的香港業務 	<ul style="list-style-type: none"> • 專責管理本集團的中國及國際業務
<ul style="list-style-type: none"> • 領導集團業務日常營運管理 • 設定本集團的策略方向與願景 • 檢討本集團的主要風險事項、主要品牌及推廣活動，人力資源情況及財務表現 	

董事會程序

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

會議時間表	會議議程內容	送出會議文件	參加董事會或其轄下委員會會議	會議記錄
<ul style="list-style-type: none"> • 常規董事會會議及大多數其轄下委員會定期會議的日期在前一年已安排 • 董事會會議每年召開最少5次，每季度並不少於一次 • 在有需要時會召開董事會特別會議 • 召開常規會議的通知最少在會議前14天發出 	<ul style="list-style-type: none"> • 包括需討論的事項，均在事前諮詢董事及高層管理人員意見後，經執行主席批准而制定 	<ul style="list-style-type: none"> • 召開常規會議的議程及文件最少在會議前7天送出 • 會議文件通過電子方式/印刷本以安全及時的方式發送 	<ul style="list-style-type: none"> • 董事盡量親自或以其他電子通訊方式參加會議（例如：電話會議或webex線上會議） • 鼓勵董事在無法以任何方式出席會議時，就要討論的議題在會議召開之前提出書面意見 • 鼓勵持不同意見的董事在會議時表達其獨立的觀點 	<ul style="list-style-type: none"> • 董事會及其轄下委員會的會議記錄，對董事會或其轄下委員會所考慮/討論事項都作出足夠的記錄 • 包括董事提出的任何疑慮或表達的反對意見 • 於合理時段內先後將會議紀錄的初稿及最終定稿發送全體董事 • 由公司秘書備存及公開以供董事查閱

CORPORATE GOVERNANCE REPORT (CONTINUED)

Meeting with INEDs

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

Meeting with the HKMA

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

Meeting with Senior Executives of the Bank

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

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

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

企業管治報告(續)

與獨立非執行董事會面

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

與金管局會面

董事會定期與金管局會面，以與監管機構保持良好溝通。金管局亦分別與獨立非執行董事會見交換意見。

與本行高級行政人員會面

董事會亦與本行負責內部審計、風險管理及合規職能的高級行政人員，每年最少開會一次檢討政策及管控措施，以識別需要改進的地方及如何處理本集團重大的風險事宜。

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' Attendance Records

In 2021, 7 Board meetings (including a meeting attended by the HKMA) were held with an attendance rate of 100%.

Attendance records of Directors at BMs, ACMs, NCM, RemCoM, RCMs, ESGCMs and the AGM held in 2021 are as follows:

Directors	Number of meetings attended/held in 2021						
	BM	ACM	NCM	RemCoM	RCM	ESGCM	AGM
Executive Directors:							
David LI Kwok-po (Executive Chairman)	7/7	-	1/1	-	-	-	1/1
Adrian David LI Man-kiu (Co-Chief Executive)	7/7	-	-	-	-	2/2	1/1
Brian David LI Man-bun (Co-Chief Executive)	7/7	-	-	-	-	2/2	1/1
Non-executive Directors:							
Arthur LI Kwok-cheung (Deputy Chairman)	7/7	-	1/1	1/1	-	-	1/1
Aubrey LI Kwok-sing	7/7	-	-	-	4/4	-	1/1
Winston LO Yau-lai	7/7	-	-	-	-	-	1/1
Stephen Charles LI Kwok-sze	7/7	-	-	-	-	-	1/1
Daryl NG Win-kong	7/7	-	-	-	4/4	-	1/1
Masayuki OKU	7/7	-	1/1	-	-	-	1/1
Francisco Javier SERRADO TREPAT	7/7	-	1/1	-	-	-	1/1
Independent Non-executive Directors:							
Allan WONG Chi-yun (Deputy Chairman)	7/7	4/4	1/1	1/1	4/4	-	1/1
Rita FAN HSU Lai-tai	7/7	-	1/1	1/1	-	-	1/1
Meocre LI Kwok-wing	7/7	4/4	-	-	4/4	-	1/1
Henry TANG Ying-yen*	7/7	4/4	1/1	0/1	4/4	-	1/1
Delman LEE	7/7	4/4	1/1	-	4/4	2/2	1/1
William Junior Guilherme DOO	7/7	4/4	-	-	4/4	2/2	1/1
David MONG Tak-yeung	7/7	-	1/1	1/1	-	2/2	1/1
Average attendance rate	100%	100%	100%	80%	100%	100%	100%

* Dr. Henry Tang was unable to attend a RemCo meeting due to prior commitment. Nevertheless, Dr. Tang was provided with all meeting materials and discussion on some important issues was arranged ahead of the said meeting.

Directors' Time Commitment

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

The Bank has given guidelines on Directors' time commitment and received confirmation from each Director that he/she has spent sufficient time, attention and efforts to the affairs of the Bank during the year ended 31st December, 2021. None of the Directors held directorships in more than six public companies (including the Bank) during the year. The Bank conducts an annual assessment of, inter alia, Directors' time commitment to facilitate assessment of the on-going suitability of each Director.

企業管治報告(續)

董事會議出席記錄

於2021年舉行的7次董事會會議(包括金管局參與的一次會議)，董事之出席率為100%。

各董事於2021年內舉行的董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議、風險委員會會議、環境、社會及管治委員會會議及股東周年常會的出席記錄如下：

董事	於2021年會議出席次數/舉行次數						
	董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	風險委員會會議	環境、社會及管治委員會會議	股東周年常會
執行董事：							
李國寶 (執行主席)	7/7	-	1/1	-	-	-	1/1
李民橋 (聯席行政總裁)	7/7	-	-	-	-	2/2	1/1
李民斌 (聯席行政總裁)	7/7	-	-	-	-	2/2	1/1
非執行董事：							
李國章 (副主席)	7/7	-	1/1	1/1	-	-	1/1
李國星	7/7	-	-	-	4/4	-	1/1
羅友禮	7/7	-	-	-	-	-	1/1
李國仕	7/7	-	-	-	-	-	1/1
黃永光	7/7	-	-	-	4/4	-	1/1
奧正之	7/7	-	1/1	-	-	-	1/1
Francisco Javier SERRADO TREPAT	7/7	-	1/1	-	-	-	1/1
獨立非執行董事：							
黃子欣 (副主席)	7/7	4/4	1/1	1/1	4/4	-	1/1
范徐麗泰	7/7	-	1/1	1/1	-	-	1/1
李國榮	7/7	4/4	-	-	4/4	-	1/1
唐英年*	7/7	4/4	1/1	0/1	4/4	-	1/1
李國本	7/7	4/4	1/1	-	4/4	2/2	1/1
杜家駒	7/7	4/4	-	-	4/4	2/2	1/1
蒙德揚	7/7	-	1/1	1/1	-	2/2	1/1
平均出席率	100%	100%	100%	80%	100%	100%	100%

* 唐英年博士因約定事務未能出席薪酬委員會會議。儘管如此，唐英年博士獲得了所有相關的會議資料，並在會議之前獲安排討論一些重要事項。

董事付出時間

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

本行已就董事付出時間提供指引及接獲每名董事確認於截至2021年12月31日止的年度內，付出足夠的時間、充分關注及對本行事務付出努力的聲明。在年內，本行所有董事均沒有在超過六家上市公司(包括本行)擔任董事職務。本行就每位董事付出時間進行年度評估，以進行評估董事是否持續適合其角色。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Conflicts of Interest

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

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

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

Induction and Continuous Professional Development

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

During the year, all Directors of the Bank participated in continuous professional development covering, among others, areas of directors' duties and responsibilities, operations and businesses of the Bank, corporate governance and changes in regulatory requirements etc. to develop and refresh their knowledge and skills. All current Directors had provided to the Bank a record of trainings they received in 2021.

利益衝突政策

本行已訂立董事行為準則及利益衝突政策，該政策：

- 向每位董事提供指引，協助他們了解及處理有關道德操守等事宜，其中包括處理利益衝突及公正交易，並協助培養誠信和問責的文化，以符合本集團和本行股東的最佳利益；及
- 包括一套合規程序，規定董事在獲悉其本人及/或其聯繫人（定義見《公司條例》第486條）在任何本行訂定或擬定的合約、安排、交易或其他計劃項目中擁有直接/間接的重大利益，必須作出申報。董事不得就其本人和/或其聯繫人擁有重大利益的任何合約、安排或交易進行投票。

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

入職培訓及持續發展

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

在年內，本行所有董事均參與持續專業發展，包括董事職責、本行的業務和運作、企業管治及監管規定變動的培訓，以發展並更新其知識及技能。所有現任董事已向本行提供了他們在2021年接受的培訓記錄。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The following summarises key areas of trainings^{Note} received by current Directors of the Bank during 2021:

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

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

企業管治報告(續)

下表概列現任董事於2021年接受持續專業發展^註的主要類別：

董事	企業管治及 風險管理	監管資料 更新	本行業務 及管理	監管機構 安排的 監管規定 線上學習	銀行企業 文化	打擊洗錢/ 恐怖分子 資金籌集	金融科技/ 網絡安全
執行董事：							
李國寶 (執行主席)	✓	✓	✓	✓	✓	✓	✓
李民橋 (聯席行政總裁)	✓	✓	✓	✓	✓	✓	✓
李民斌 (聯席行政總裁)	✓	✓	✓	✓	✓	✓	✓
非執行董事：							
李國章 (副主席)	✓	✓	✓	✓	✓	✓	✓
李國星	✓	✓	✓	✓	✓	✓	✓
羅友禮	✓	✓	✓		✓	✓	✓
李國仕	✓	✓	✓		✓	✓	✓
黃永光	✓	✓	✓		✓	✓	✓
奧正之	✓	✓	✓		✓	✓	✓
Francisco Javier SERRADO TREPAT	✓	✓	✓	✓	✓	✓	✓
獨立非執行董事：							
黃子欣 (副主席)	✓	✓	✓		✓	✓	✓
范徐麗泰	✓	✓	✓		✓	✓	✓
李國榮	✓	✓	✓	✓	✓	✓	✓
唐英年	✓	✓	✓	✓	✓	✓	✓
李國本	✓	✓	✓		✓	✓	✓
杜家駒	✓	✓	✓	✓	✓	✓	✓
蒙德揚	✓	✓	✓		✓	✓	✓

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

B. BOARD COMMITTEES

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

Membership

Board					
Board Committees					
Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Environmental, Social, and Governance Committee	Sealing Committee
Mr. Meocre Li* (Chairman) Dr. Allan Wong* Dr. Henry Tang* Dr. Delman Lee* Mr. William Doo Jr*	Dr. Allan Wong* (Chairman) Dr. David Li Mr. Masayuki Oku Dr. Rita Fan* Dr. Henry Tang* Dr. Delman Lee* Dr. Javier Serrado Professor Arthur Li Dr. David Mong*	Dr. Rita Fan* (Chairman) Dr. Allan Wong* Dr. Henry Tang* Professor Arthur Li Dr. David Mong*	Dr. Henry Tang* (Chairman) Dr. Allan Wong* Mr. Meocre Li* Mr. Aubrey Li Dr. Daryl Ng Dr. Delman Lee* Mr. William Doo Jr*	Dr. Delman Lee* (Chairman) Mr. Adrian Li Mr. Brian Li Mr. William Doo Jr* Dr. David Mong*	All current Directors

* Independent Non-executive Directors

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

A joint meeting of the Chairmen of the AC, RemCo and RC shall be held on a need basis to discuss the alignment of risk and remuneration, and bank culture reform of the Bank.

B1. Audit Committee

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

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

The Board has delegated its corporate governance functions as set out in Code Provision A.2.1^{Note} of the CG Code to the AC.

The AC comprises 5 members and all of them are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2021. No former partners of the Bank's external auditors are acting as a member of the AC before expiry of a period of two years commencing on the date of his/her ceasing to be a partner of the firm or to have any financial interest in the firm whichever is later.

Note: Changed to Code Provision D.3.1 with effect from 1st January, 2022

企業管治報告(續)

B. 董事會轄下委員會

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

成員



* 獨立非執行董事

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

亦會視乎需要舉行審核委員會、薪酬委員會及風險委員會主席聯席會議，討論風險與薪酬的一致性，以及本行的銀行企業文化改革。

B1. 審核委員會

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

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

審核委員會獲董事會授權執行其企業管治職能，有關職能載於《企業管治守則》守則條文第 A.2.1^註 條。

審核委員會由 5 名委員組成，所有成員均為獨立非執行董事。成員名單及履歷載於《2021 年報》「公司資料」及「董事及高層管理人員的個人資料」內。本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其享有該核數師事務所財務利益當日起計兩年內（以日期較後者為準）的情況下，成為審核委員會成員。

註：自 2022 年 1 月 1 日起更改為守則條文 D.3.1

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

The number of meetings held by the AC and attendance of individual members at ACM in 2021 is recorded on page 82.

The following is a summary of the major work performed by the AC for the year 2021 and up to 24th February, 2022:

- Reviewed and endorsed the policies and practices under the Bank's CG Framework, including the *Corporate Governance Policy* and made recommendations to the Board, where appropriate;
- Reviewed the training and continuous professional development of Directors and Senior Management;
- Reviewed the policies and practices on compliance with legal and regulatory requirements;
- Reviewed the code of conduct and compliance manual applicable to employees and Directors;
- Reviewed the status of compliance with the CG Code and disclosure in the Corporate Governance Report;
- Met with the external auditors to discuss their audit work on the Group;
- Reviewed external auditors' annual audit plan, management letter and management's response;
- Reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- Reviewed the Auditors' Independent Assurance Reports in respect of the Bank's financial disclosures under the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules for 2020, the six months ended 30th June, 2021 and for 2021;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2021;
- Recommended to the Board to re-appoint KPMG as the Group's external auditor for 2021 and 2022;
- Reviewed the internal audit reports covering the evaluation of risk management and internal control systems of various operations of the Group;
- Reviewed the adequacies of resources, qualifications and experience of the staff of the Bank's accounting, internal audit and financial reporting functions, and their training programmes and budget; effectiveness of the Group's internal audit function;
- Reviewed the Auditor's Report regarding the internal control systems for 2020 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the on-site examination reports of the HKMA issued in 2021;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2021;
- Reviewed the audited financial statements and final results announcement for 2021; and
- Reviewed and approved Group internal audit plan for 2022.

The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditor for 2022. The recommendation will be presented for the approval of shareholders at the 2022 AGM.

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

企業管治報告(續)

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

審核委員會於2021年舉行的會議次數及個別成員的出席記錄載於第83頁。

審核委員會在年內及為2021年度及截至2022年2月24日所做的主要工作，摘要如下：

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及實務；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《企業管治守則》的情況及在企業管治報告內的披露；
- 會見外聘核數師以商討其在集團的核數工作；
- 審閱外聘核數師的年度稽核計劃，致管理層的審核情況說明函件及管理層的回應；
- 審閱及批准聘用外聘核數師向本集團提供非核數服務；
- 審閱外聘核數師就本行根據《銀行業（披露規則）》及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第6部之披露要求作出有關截至2020年度，2021年6月30日止6個月及2021年度的財務披露的獨立確認報告；
- 審閱及向董事會推薦批准2021年集團的核數費用建議；
- 向董事會建議續聘畢馬威會計師事務所為本集團2021年度及2022年度的外聘核數師；
- 審閱涵蓋本集團風險管理和各項運作內部監控評估的內部稽核報告；
- 審閱本行會計、稽核及財務匯報職能員工的資源、資歷和經驗，以及有關的培訓計劃和預算是否充裕；本集團稽核職能是否有效；
- 審閱《銀行業條例》第63(3A)條2020年度內部監控系統核數師報告；
- 審閱金管局2021年內發出的現場審查報告；
- 審閱截至2021年6月30日止6個月的中期報告及中期業績公告；
- 審閱2021年度經審核財務報表及全年業績公告；及
- 審閱及批准2022年度集團的內部稽核計劃。

董事會同意審核委員會續聘畢馬威會計師事務所為本集團2022年度外聘核數師的建議。推薦建議將在2022股東周年常會上提呈予股東批准。

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

B2. Nomination Committee

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

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

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

The NC comprises 9 members and 5 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2021.

The number of meetings held by the NC and the attendance of individual members at NCM in 2021 is recorded on page 82.

The following is a summary of the major work performed by the NC for the year 2021 and up to 24th February, 2022:

- Reviewed the size, structure, composition and diversity of the Board and composition of Board Committees;
- Reviewed the *Procedures for Nomination of Directors*;
- Reviewed the Terms of Reference of the NC;
- Reviewed the *Management Succession Policy*;
- Reviewed the Management Succession Plans;
- Reviewed the *Board Succession and Diversity Policy* (the "Policy") including measurable objectives for implementing the Policy;
- Reviewed and assessed the evaluation of the Board performance and Directors' contribution to the effectiveness of the Board;
- Assessed the independence status of current INEDs, in particular that of Dr. Allan WONG Chi-yun who has served the Board for more than 9 years; and
- Considered and recommended to the Board for re-election of Dr. the Hon. Sir David LI Kwok-po, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, Dr. Daryl NG Win-kong, Mr. Masayuki OKU and Dr. the Hon. Rita FAN HSU Lai-tai as Directors of the Bank to be proposed for shareholders' approval at the 2022 AGM.

Diversity Policy

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

企業管治報告(續)

B2. 提名委員會

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

提名委員會負責就有關以下事項向董事會提出建議：

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

提名委員會由9名委員組成，其中5名（包括主席）為獨立非執行董事，成員名單及履歷載於《2021年報》「公司資料」及「董事及高層管理人員的個人資料」內。

提名委員會於2021年舉行的會議次數及個別成員的出席記錄載於第83頁。

提名委員會在2021年度及截至2022年2月24日止所做的主要工作，摘要如下：

- 檢討董事會的人數、架構、組合及多元化，以及董事會轄下委員會的組合；
- 檢討提名董事的程序；
- 檢討提名委員會的職權範圍；
- 檢討管理層繼任政策；
- 檢討管理層繼任安排；
- 檢討董事會繼任及多元化政策包括推行該政策的可計量目標；
- 檢討及評估董事會的表現及董事對達致董事會有效運作的貢獻；
- 評核現任獨立非執行董事的獨立性，尤其是已擔任董事超過9年的黃子欣博士；及
- 考慮並向董事會推薦在2022股東周年常會上向股東提呈批准重選李國寶爵士、黃子欣博士、李國星先生、羅友禮先生、李國仕先生、黃永光博士、奧正之先生及范徐麗泰博士為本行董事的建議。

多元化政策

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

Appointments and Re-election of Directors

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

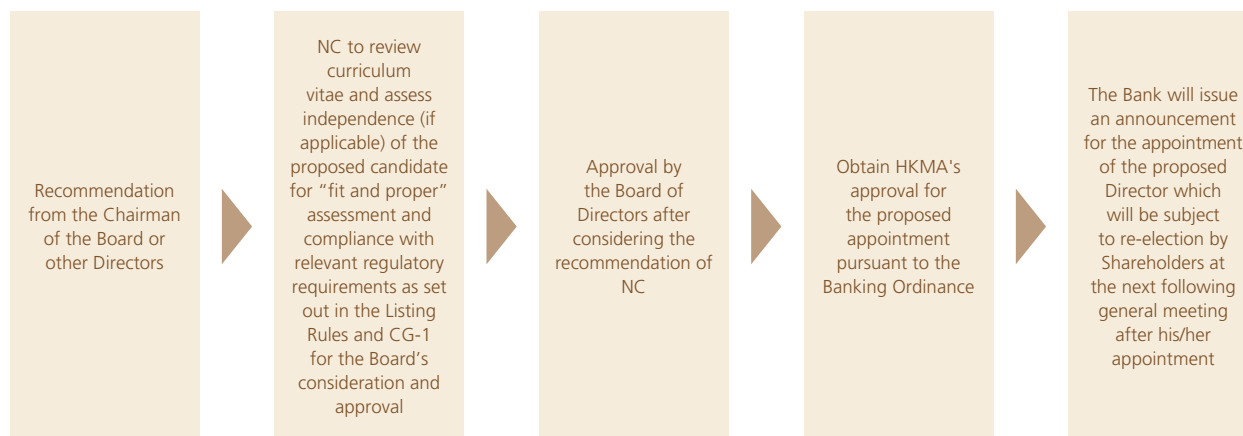
For considering the suitability of the proposed candidate for appointment as Director of the Bank, the NC shall perform a “fit and proper” assessment taking into account, inter alia, the proposed candidate’s accomplishment and experience in the banking and/or commercial sector, reputation for integrity, professional and education background, time commitment, and other relevant factors with regard to the Diversity Policy as determined by the Board from time to time, pursuant to the requirements of relevant rules and regulations.

A candidate who is to be appointed as an INED should also meet the independence criteria set out in Rule 3.13 of the Listing Rules and the requirements of the Guidance on Empowerment of INEDs. Upon recommendation from the NC, the proposed appointment will be reviewed and, if thought fit, approved by the Board. According to the requirement of the Banking Ordinance, prior approval from the HKMA will also be obtained for appointment of Directors.

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

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

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



Evaluation of the Board and Directors

During the year, the Bank conducted an evaluation of the Board effectiveness as a whole and contributions made by each Director to the Board effectiveness in the form of a questionnaire to all Directors individually.

The evaluation covered a diverse range of topics including Board and Board Committee structure and composition; Board process and effectiveness; responsibilities of the Board; and duties and responsibilities of Directors. The evaluation report revealed that Board process is effective during the year 2021. All Directors continue to perform effectively and demonstrate commitment to their roles. The Board Committees were highly regarded in the feedback and viewed as effective in fulfilling their duties. The result of the evaluation had been reviewed by the NC and submitted to the Board.

The Bank will continue to undertake an evaluation of the performance of the Board and the Directors annually.

企業管治報告(續)

委任及重選董事

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

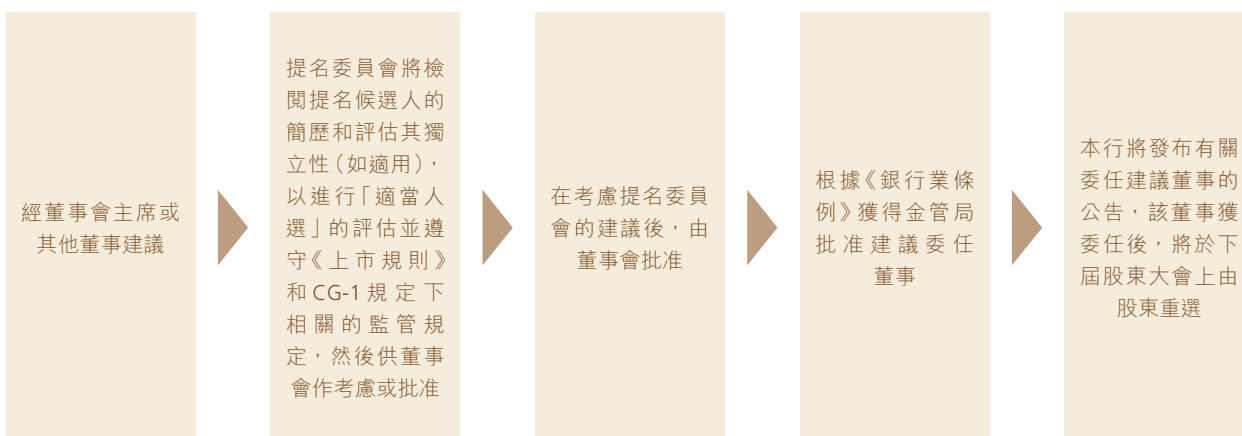
在考慮提名候選人是否適合擔任本行董事時，提名委員會應進行「適當人選」的評估，當中應考慮提名候選人在銀行和/或商業領域的成就和經驗、誠信信譽、專業和教育背景、投入時間，以及董事會根據相關規則和法規要求不時確立的多元化政策下的其他相關因素。

如提名候選人會獲委任為獨立非執行董事，亦須符合《上市規則》第3.13條所列的獨立性準則，以及提升獨立非執行董事的專業能力指引的規定。根據提名委員會之建議，董事會考慮有關委任，如認為合適者，將批准有關委任建議。依據《銀行業條例》規定，委任董事須取得金管局的預先批准。

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

根據組織章程細則規定，董事（包括非執行董事及獨立非執行董事）的任期為不超過約3年，在其任期屆滿時，將被視為一位卸任董事而有資格重選。而新任董事須於獲委任後的下屆股東大會退任，由本行股東重選。

提名委員會就獨立非執行董事的獨立性進行年度檢討，並向董事會確認其獨立性。



評估董事會及董事

年內，本行向每位董事發出問卷就董事會整體工作成效及每位董事對達致董事會有效運作的貢獻進行評估。

評估範圍涵蓋多種主題包括董事會及董事會轄下委員會的架構及組成、董事會程序及成效、董事會的責任，以及董事的職務及責任。評估報告顯示董事會程序於2021年內行之有效。所有董事繼續有效履行責任及對職務的承擔。各董事會轄下委員會獲得高度評價，並視為有效履行其職責。提名委員會已檢閱該評估報告並已提交董事會參考。

本行將繼續每年就董事會及董事的工作成效進行評估。

CORPORATE GOVERNANCE REPORT (CONTINUED)

B3. Remuneration Committee

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

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

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

The emoluments payable by the Bank to its Directors and senior executives are determined taking into account their roles and responsibilities so as to ensure a fair and competitive remuneration package. The Bank will also ensure that no Director, Executive Chairman, Co-Chief Executive or any of their associates will be involved in deciding his/her own remuneration.

The RemCo comprises 5 members and 4 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2021.

The number of RemCo meetings held in 2021 and the attendance records of individual members at RemCoM are shown on page 82.

The following is a summary of major work performed by the RemCo during and for the year 2021:

- Reviewed the 2020 Variable Remuneration for members of Senior Management and Key Personnel;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Year 2017 to 2019;
- Considered the Fifth Offer and Grant of Options under the Staff Share Options Scheme 2016;
- Reviewed the list of Individual Material Risk Takers for 2021 and considered the Salary Review for Senior Management and Key Personnel for 2021;
- Considered the General Staff Annual Salary Review 2021;
- Reviewed the 2021 Annual Salary Review for Staff of Mainland China, Overseas Branches and Subsidiaries;
- Reviewed the Usage of Salary Increment Budget for 2020;
- Reviewed the Total Variable Pay Pool for 2020;
- Reviewed the Audit Result on the Bank's Remuneration System for 2020;
- Reviewed BEA's Performance Scorecard for 2021;
- Reviewed the Performance & Behavioural Goals Worksheets of the Executive Chairman, Co-Chief Executives and Deputy Chief Executives for 2021;
- Reviewed the Terms of Reference of the RemCo;
- Reviewed the *Remuneration Policy*; and
- Reviewed the progress of Bank Culture Reform.

企業管治報告(續)

B3. 薪酬委員會

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

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

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

本行於釐定董事及高級行政人員的酬金時，會考慮其職務及職責，以確保能提供既公平又具競爭力的薪酬予有關人士。本行亦確保任何董事、執行主席、聯席行政總裁或任何彼等聯繫人不能自行釐定薪酬。

薪酬委員會由5名委員組成，其中4名(包括主席)為獨立非執行董事，成員名單及履歷載於《2021年報》「公司資料」及「董事及高層管理人員的個人資料」內。

薪酬委員會於2021年舉行的會議次數及個別委員的出席記錄載於第83頁。

薪酬委員會在年內及為2021年度所做的主要工作，摘要如下：

- 檢討2020年度高層管理人員及主要管理人員的浮動薪酬；
- 檢討2017至2019年度遞延浮動薪酬獎勵的歸屬；
- 考慮根據僱員認股計劃2016，給予及授出第五批認股權；
- 檢討2021年度重大風險承受人員的個人名單及考慮高層管理人員及主要管理人員2021年度的薪酬；
- 考慮2021年度員工的薪酬；
- 檢討2021年度中國內地、海外分行及附屬公司當地員工的薪酬；
- 檢討2020年度薪酬加幅預算的使用狀況；
- 檢討2020年度總浮動薪酬金額；
- 檢討2020年度本行的薪酬制度審核結果；
- 檢討2021年度本行的績效計分卡；
- 檢討執行主席、聯席行政總裁及副行政總裁2021年度的績效評核表；
- 檢討薪酬委員會的職權範圍；
- 檢討薪酬政策；及
- 檢討有關推行銀行企業文化改革的進程。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Bank provided the oversight of the Bank Culture Work Group (“BCWG”) with the RemCo to advise and assist the Board in discharging its responsibilities for the Bank’s culture-related matters. The Bank reported to RemCo the Culture Dashboard which was revamped (effective from 2021 onwards) to include 13 Bank Culture Indicators covering tone from the top communications, trainings to senior executives, recognition of exemplary behaviour, employee feedback, customer feedback, misconducts, grievances, whistleblowing cases, customer compliments, substantiated customer complaints, regulatory breaches, market risk limit breach, and internal audit findings rectification. Monitoring of human rights breaches has been incorporated into the Bank Culture Dashboard from the third quarter of 2021 onwards to allow BCWG to scrutinise the related areas across the Bank.

B4. Risk Committee

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

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

The RC comprises 7 members and 5 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2021.

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

The number of RC meetings held in 2021 and the attendance records of individual members at RCM are shown on page 82.

The following is a summary of the major work performed by the RC during and for the year 2021:

- Reviewed the Group’s Risk Appetite Statement and its revamped mechanism;
- Reviewed the Group’s risk management strategies;
- Reviewed and monitored the Group’s risk profiles, including the emerging risks faced by the Group;
- Reviewed the Group’s enterprise risk management framework;
- Reviewed the Internal Capital Adequacy Assessment Process and the continuing enhancements of the framework;
- Reviewed the stress-testing results for major risks;
- Reviewed the Group Recovery Plan;
- Reviewed regulatory updates on risk management related issues and considered their probable material implications to the Group;
- Reviewed critical regulatory comments on the Group’s risk management-related issues;
- Reviewed the Terms of Reference of the RC, Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee; and
- Reviewed the Group’s risk management policies, oversaw their implementation and compliance with respective statutory rules and regulations.

企業管治報告 (續)

新的「銀行文化工作小組」將履行責任向薪酬委員會彙報銀行文化相關工作，薪酬委員會既而對本行在促進良好銀行文化的相關事宜向董事會提供意見及協助。本行向薪酬委員會所匯報的新《文化指標儀表板》(由2021年起生效)，其中涵蓋13項文化指標結果，包括銀行內部溝通頻率、高級管理層文化相關的培訓、表揚實踐本行核心價值的員工嘉許數目、員工意見、客戶意見、員工的操守管理、員工申訴個案、員工舉報個案、客戶讚賞、獲證實客戶投訴個案、違反合規條例、違反市場風險限度和內部稽核調查糾正。由2021年第三季度起，人權違規監測已納入銀行《文化指標儀表板》，以便「銀行文化工作小組」進一步審查整個銀行的相關領域。

B4. 風險委員會

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

風險委員會由管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責處理與風險相關事項的日常管理事宜，並且由危機管理委員會協助處理危機管理事宜。

風險委員會由7名委員組成，其中5名(包括主席)為獨立非執行董事，成員名單及履歷載於《2021年報》「公司資料」及「董事及高層管理人員的個人資料」內。

風險委員會每季召開一次會議，並於必要時召開額外會議。於會議上，風險委員會審閱本集團的風險管理相關事宜，包括風險偏好、風險管理策略、風險管治、風險管理架構、風險管理政策及風險狀況。重大的風險管理相關事宜經由風險委員會向董事會匯報。

風險委員會於2021年舉行的會議次數及個別成員的出席記錄載於第83頁。

風險委員會在年內及為2021年度所做的主要工作，摘要如下：

- 審閱本集團的風險偏好報告書；
- 審閱本集團的風險管理策略；
- 審閱及監察本集團的風險狀況，包括本集團面臨的新增風險；
- 審閱本集團的企業風險管理架構；
- 審閱內部資本充足評估程序及其持續優化的架構；
- 審閱主要風險的壓力測試結果；
- 審閱集團恢復計劃；
- 審閱與風險管理相關的新監管規定，並考慮其對本集團可能造成的重大影響；
- 審閱與本集團風險管理相關的重要監管意見；
- 審閱風險委員會、危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會的職權範圍；及
- 審閱本集團的風險管理政策，監督其執行及遵守相關法例及法規。

CORPORATE GOVERNANCE REPORT (CONTINUED)

B5. Environmental, Social, and Governance Committee

The Bank has established an ESG Committee with specific written Terms of Reference (available on the website of the Bank), which deal clearly with its authorities and duties. The ESG Committee is responsible for overseeing the Group's ESG performance. It is assisted by a Management Committee, namely the ESG Steering Committee.

The ESG Committee currently comprises 5 members and 3 of them (including the Chairman) are INEDS. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the Annual Report 2021.

The number of ESGC meetings held in 2021 and the attendance record of individual members at ESGC meetings in 2021 are shown on page 82.

The following is a summary of the major work performed by the ESG Committee during and for the year 2021:

- Reviewed BEA's 2020 ESG Report;
- Approved the Bank's 2021 ESG goals;
- Approved BEA's ESG strategy framework, including the enhanced vision statement, pillars, and ESG topics;
- Reviewed the Terms of Reference of the ESG Committee and ESG Steering Committee; and
- Reviewed the Group's *Sustainability Policy*, *Human Rights Policy*, *Environmental Policy*, *Slavery and Human Trafficking Statement*, and the *Group Responsible Investment Policy*.

B6. Sealing Committee

Sealing Committee comprises all Directors of the Bank as appointed from time to time. It is responsible for directing the usage and custody of the Bank's common seal.

Management Committees

Management Committees are established to deal with matters as sufficiently prescribed in respective terms of reference, each of which has specific roles and responsibilities delegated by the Board or Board Committees:

Executive Committee
• assists and supports Co-Chief Executives to manage the businesses and operations of the Bank Group at a strategic level
Risk Management Committee
• assists the RC in the daily management of issues related to all major risks faced by the Group including risk appetites, risk profiles, regulatory updates and stress-testing
Credit Committee
• deals with all credit risk-related issues of the Group
Operational Risk Management Committee
• deals with issues related to operational, legal, reputation, compliance and technology risks of the Group
Asset and Liability Management Committee
• deals with all issues related to market, interest rate and liquidity risks of the Group
Crisis Management Committee
• deals with the Group's management of crisis scenarios which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/financial position and business continuity
Investment Committee
• reviews and formulates investment strategies as well as making investment decisions in respect of fixed income instruments, equity and equity related investments for the Bank, and The Bank of East Asia, Limited Employees' Provident Fund
ESG Steering Committee
• sets direction for BEA's ESG strategy and drive the ESG performance of the Bank Group

Material matters will be reported to the Board/Board Committees by the Management Committees according to their respective Terms of Reference.

企業管治報告(續)

B5. 環境、社會及管治委員會

本行已設立環境、社會及管治委員會，並以書面訂明具體的職權範圍（已載於本行網站），清楚說明委員會的職權及責任。環境、社會及管治委員會主要負責監督本集團的可持續發展表現，並由管理層組成的環境、社會及管治督導委員會協助。

環境、社會及管治委員會由5名委員組成，其中3名（包括主席）為獨立非執行董事，成員名單及履歷載於《2021年報》「公司資料」及「董事及高層管理人員的個人資料」內。

環境、社會及管治委員會於2021年舉行的會議次數及個別委員的出席記錄載於第83頁。

環境、社會及管治委員會在年內及為2021年度所做的主要工作，摘要如下：

- 審閱本集團的2020年的環境、社會和管治報告；
- 批准本行的2021年可持續發展目標；
- 批准本行的可持續發展策略框架，包括願景、支柱和可持續發展議題；
- 檢討環境、社會和管治委員會和督導委員會的職權範圍；及
- 檢討本集團的可持續發展政策、人權政策、環境政策、奴役和人口販賣聲明以及負責任投資政策。

B6. 印章委員會

印章委員會由所有本行不時委任的董事組成，負責監督本行之法定印章的使用及保管。

管理層委員會

每個管理層委員會均獲董事會或董事會轄下委員會授予特定的角色及職責，並以書面訂明具體的職權範圍處理相關事宜：

執行委員會

- 協助及支援聯席行政總裁在策略層面上管理本集團的業務及運作

風險管理委員會

- 協助風險委員會處理與本集團所有與主要風險相關的日常管理事宜，包括風險偏好、風險狀況、新監管規定及壓力測試

信貸委員會

- 處理本集團所有與信貸風險有關的事宜

營運風險管理委員會

- 處理本集團與營運、法律、信譽、合規及科技風險有關的事宜

資產負債管理委員會

- 處理集團所有與市場、利率及流動性風險有關的事宜

危機管理委員會

- 在發生或有可能發生危害集團信譽、流動性/財政狀況及持續業務運作的事故時負責處理本集團的危機事故管理事宜

投資委員會

- 審閱及制定本行及東亞銀行有限公司僱員公積金就有關定息債券工具、股票及其他股票相關投資工具的投資策略

環境、社會及管治督導委員會

- 為本行的環境、社會及管治策略設定方向，並提高本集團的可持續發展表現

管理層轄下委員會根據其職權範圍向董事會/管理層轄下委員會匯報重要事項。

CORPORATE GOVERNANCE REPORT (CONTINUED)

C. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

The scales of Director's fees, and fees for membership of the AC, NC, RemCo, RC and ESGC are outlined below:

	Amount per annum 2021
Board of Directors:	
Chairman	HK\$550,000
Deputy Chairman	HK\$425,000
Other Directors	HK\$400,000
Audit Committee:	
Chairman	HK\$250,000
Other members	HK\$140,000
Nomination Committee:	
Chairman	HK\$90,000
Other members	HK\$60,000
Remuneration Committee:	
Chairman	HK\$90,000
Other members	HK\$60,000
Risk Committee:	
Chairman	HK\$250,000
Other members	HK\$140,000
Environmental, Social, and Governance Committee:	
Chairman	HK\$90,000
Other members	HK\$60,000

Information relating to the remuneration of each Director for 2021 is set out in Note 21 to the accounts on page 227.

Disclosure of Remuneration Policy

In accordance with the latest "Guideline on a Sound Remuneration System" (the "Guideline") issued by the HKMA in July 2021, the Bank has reviewed and revised its Remuneration Policy for employees of the Group, including its overseas branches and subsidiaries. The Remuneration Policy covers all categories of employees, including the 4 described in paragraph 2.1.1 of the Guideline. The RemCo, Group Chief Risk Officer and Group Chief Compliance Officer annually reviews the Bank's Remuneration Policy, including a reassessment of the principles applied in determining remuneration packages, as well as the structure and amount of compensation ultimately awarded.

The Remuneration Policy was reviewed and endorsed by RemCo in 2021. The major changes were to further align with the latest requirements as stipulated in the Guideline, refine the roles and responsibilities of the risk control functions in the design and implementation of the Bank's remuneration policy, and further elaborate the approval requirement on variable remuneration plans.

General Principles

The Remuneration Policy of the Group promotes effective risk management, and is designed to encourage employee behaviour that supports the Group's business objectives, long-term financial soundness, risk tolerance, risk management framework and corporate values.

Remuneration Structure

Employee remuneration packages may consist of a combination of fixed and variable remuneration. The appropriate proportion of fixed and variable remuneration shall vary according to an employee's seniority, role, responsibilities, and activities within the Group, among other things.

企業管治報告(續)

C. 董事及高級行政人員的薪酬

董事袍金，以及審核委員會、提名委員會、薪酬委員會、風險委員會及環境、社會及管治委員會委員的酬金摘錄如下：

	年度金額 2021
董事會：	
主席	港幣 55 萬元
副主席	港幣 42 萬 5 千元
其他董事	港幣 40 萬元
審核委員會：	
主席	港幣 25 萬元
其他董事	港幣 14 萬元
提名委員會：	
主席	港幣 9 萬元
其他董事	港幣 6 萬元
薪酬委員會：	
主席	港幣 9 萬元
其他董事	港幣 6 萬元
風險委員會：	
主席	港幣 25 萬元
其他董事	港幣 14 萬元
環境、社會及管治委員會：	
主席	港幣 9 萬元
其他董事	港幣 6 萬元

有關各董事 2021 年度的薪酬資料載於第 227 頁的賬項附註 21。

薪酬政策的披露

按照金管局於 2021 年 7 月發出的《穩健的薪酬制度指引》修訂版（「《指引》」），本行已檢討並修訂對本集團（包括其海外分行及附屬公司）僱員的薪酬政策。薪酬政策適用於所有僱員，並包括依據《指引》第 2.1.1 段所述而劃分的四類員工。薪酬委員會、集團風險總監及集團合規總監於每個年度檢討本行的薪酬政策，當中包括重新評估應用於薪酬組合，以及報酬的架構及最終所發放金額的釐定原則。

薪酬委員會於 2021 年檢討並修訂薪酬政策。主要修訂包括進一步確保政策符合指引對銀行的要求，改善風險控制職能在薪酬政策設計和實施中所擔當的職務和職責，以及進一步闡述浮動薪酬的審批要求。

一般原則

本集團的薪酬政策以促進有效的風險管理為原則，旨在鼓勵僱員支持本集團達致業務目標，維持長期財政穩健，以及本集團在風險承擔、風險管理架構及企業價值觀等方面的工作。

薪酬架構

僱員的薪酬組合包含固定薪酬和浮動薪酬，兩者之間的合適比例因應僱員的職級、職務、職責，以及其在本集團內所進行的業務等而有所不同。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Fixed remuneration refers to an employee's annual salary (including year-end pay), while variable remuneration – comprising cash bonus payments and/or share options – is awarded based on the employee's performance with a view to better aligning incentives with risk and longer-term value creation. Variable remuneration, which is awarded in the form of cash bonus payments and/or share options, is determined taking into account an employee's seniority, role and responsibilities, and the actual or potential risks that the employee's activities may create for the Group and the extent to which they may affect its overall performance. In general, share options will be granted to staff at General Manager grade or above only.

Separate bonus schemes apply to risk control personnel, whose awards are not linked to the performances of the business units that they oversee.

Employees' Performance Measurements and the Award of Variable Remuneration

The RemCo determines the measures and the corresponding target levels of the Group's performance with reference to corporate goals and objectives at the beginning of each financial year and when necessary.

The performance of business units will be assessed by a combination of financial and non-financial factors which are determined by senior management with reference to the relevant corporate goals and the functional responsibilities of the business units.

The award of variable remuneration is determined by taking into account a combination of corporate and/or business results as well as the assessment of individual employee's performance against the pre-set financial/quantitative measures and non-financial/qualitative measures for the year which include adherence to risk management policies, compliance with legal, regulatory and ethical standards, results of internal audit reviews as well as adherence to corporate values.

To ensure that there is balance between financial factors and non-financial factors in the assessment of performance of both business units and individual employees, the overall weighting on financial factors is limited to avoid over reliance on financial measures and to align with HKMA's expectation on Bank Culture Reform. Performance is therefore judged, not only on what is achieved over the short and long-term, but also on how it is achieved. Performance in relation to non-financial factors, including risk, compliance and adherence to corporate values, forms a significant part of the overall employee performance measurement and promotes proper employee conduct and behaviour, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial/qualitative factors will override outstanding financial/quantitative achievements and be reflected by a reduction to, or elimination of, any variable remuneration.

To help ensure a balanced evaluation, a series of compliance and risk management factors are also taken into account. The major types of risks covered are market, credit, interest rate, liquidity and operational risks. Other risks including legal, reputation, technology, strategic and compliance are closely monitored at Bank level by various Management Committees and adjustment will be made to an individual's variable remuneration when appropriate.

To embed a values-led, high performance culture, the variable remuneration plans are designed to recognise and reward positive behaviours. Meanwhile, the Bank Group carries out regular review to assess instances of non-compliance with risk control procedures and/or regulatory requirements. Instances of non-compliance are escalated for consideration in remuneration decision, including adjustment of variable remuneration within the year, malus of the unvested awards granted in prior year(s) and clawback of vested awards.

In 2021, in accordance with the Accountability Framework Implementation Guidelines of the Bank, regular accountability review meetings were held by Senior Management, Group Chief Risk Officer, Group Chief Compliance Officer, Group Chief Auditor, Head of Human Resources & Corporate Communications, and Head of Legal, Secretarial & Tax Divisions to ensure that risk and compliance performance of department were taken into due consideration in the determination of variable remuneration funding and individual performance and reward so as to foster proper risk culture and business conduct. To enhance openness and transparency, if a formal accountability review of a significant incident is required, the Accountability Work Group will determine whether any staff member should be held accountable individually or collectively, or any department should be subject to risk and compliance modification on variable remuneration funding for the incident.

企業管治報告(續)

固定薪酬乃指僱員的年薪(包括雙糧)，而浮動薪酬(包含現金花紅及/或認股權)則根據僱員的工作表現而發放，使其所獲得的報酬更能配合風險和較長期的價值創造。浮動薪酬(發放的形式包括現金花紅及/或認股權)的釐定準則，主要是考慮到僱員的職級、職務、職責和他們所進行的業務對本集團可能帶來的實質或潛在風險，以及該等風險對本集團整體表現的影響程度。一般而言，認股權只會授予總經理級或以上的僱員。

本集團亦設有獨立賞金計劃予風險控制人員，而發放的獎金並非與其所監管的業務部門表現掛鉤。

僱員表現的衡量和浮動薪酬的發放

薪酬委員會於各個財政年度開始時及必要時，參考公司的目的和目標以釐定本集團表現的有關措施及相應目標水平。

高級管理層每年將根據公司的相關目標及業務部門的主要職責範圍而釐定一套評核業務部門工作表現的準則。這些評核的準則包括財務及非財務因素。

浮動薪酬會綜合考慮企業及/或業務部門之表現，以及根據當年的預設財務/數量措施和非財務/質量措施對個別僱員的績效評估而釐定，其中包括遵守風險管理政策，遵守法律、法規和道德標準，內部稽核報告的結果以及遵守企業價值觀。

為了確保業務部門和個別僱員的績效評估，能在財務和非財務因素之間取得平衡，故限制財務因素的評核佔比以避免過度依據財務因素，並確保符合金管局對銀行企業文化改革的要求。因此，不僅根據短期和長期取得的成就，還要根據如何取得該成就來評估績效。於非財務因素(包括風險、合規及遵守企業價值觀)相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員整體表現的重要考量因素，以促進僱員的正確行操守。再者，非財務/質量措施方面表現欠佳將凌駕於其財務/數量措施方面的傑出表現，其浮動薪酬會有所下調甚至撤銷。

本集團使用計分卡來評核個別僱員的工作表現時，已包含一系列合規及風險管理因素的準則在內，以確保僱員的工作表現獲平衡考量。主要風險的因素涵蓋市場、信貸、利率、流動資金及營運風險。其他風險包括法律、信譽、科技、策略性及合規風險則由不同的管理層轄下委員會在銀行層面上作出緊密監察，並於適當時調整個別僱員的浮動薪酬。

為了促進以價值為本之高績效文化，浮動薪酬計劃旨在識別和獎勵正面行為。與此同時本集團還會定期進行檢討，以評估風險控制程序及/或監管要求的違規情況。相關的違規情況將會上告並影響薪酬之決定，包括調整當年的浮動薪酬、調整及要求退回全部或部分已歸屬/支付或尚待歸屬之遞延薪酬。

本集團根據問責框架實施指引，於2021年多次舉行高層管理人員、集團風險總監、集團合規總監、集團總稽核、人力資源及企業傳訊處主管、法律、公司秘書及稅務處主管之間責審查會議，以確保在制定浮動薪酬總額和個人績效及獎勵時，應考慮部門之風險和合規的表現，從而推動正確的風險文化和商業行為。為確保公開和透明度，問責工作小組需要對重大事故進行正式問責審查，以釐定僱員是否需要單獨或與他人共同為該事件問責、以及相關部門因應該事件而觸犯有關風險及合規方面之事宜，從而對部門的獎金總額作出調整。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Senior Executive Compensation

The RemCo annually reviews the remuneration packages of the Senior Management (including the Executive Chairman, Co-Chief Executives and Deputy Chief Executives of the Bank), and Key Personnel (including 19 General Managers, the Head of Capital Markets & Liquidity Management Department and the Head of Fixed Income Capital Markets Department). In determining the remuneration packages of the Senior Management and Key Personnel, the RemCo takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. The Bank is undergoing vendor selection to engage an external consultant to review and refine the remuneration package of senior management and key personnel to ensure its competitiveness and alignment with regulatory requirements.

The aggregate payouts for these senior executives for 2021 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

Total value of remuneration in 2021

Total value of remuneration awards for the current financial year	2021		2020 (Restated)	
	Non-deferred (HK\$)	Deferred (HK\$)	Non-deferred (HK\$)	Deferred (HK\$)
(i) Senior Management	5		5	
Number of employees				
Fixed remuneration				
• Cash-based	35,955,010	0	35,797,870	0
Variable remuneration				
• Cash-based	20,253,200	7,431,800	12,885,001	4,734,111
• Share Options	0	19,721,140	0	12,564,685
(ii) Key Personnel	23		25	
Number of employees				
Fixed remuneration				
• Cash-based	64,654,864	0	59,910,412	0
Variable remuneration				
• Cash-based	26,659,992	13,104,008	23,558,095	8,423,405
• Share Options	0	4,919,313	0	7,448,663
Total Remuneration	147,523,066	45,176,261	132,151,378	33,170,864

Remarks:

- (i) For indication purpose only, the value of share options is calculated based on the fair value of the Bank's shares on 31st January, 2022 for 2021 and 18th January, 2021 for 2020 respectively.
- (ii) The remuneration of Key Personnel for 2021 included the remuneration of three Key Personnel who retired from/left the Group on 1st March, 2021, 1st October, 2021 and 1st January, 2022 and two Key Personnel who joined the Group on 12th April, 2021 and 27th September, 2021 respectively. The remuneration of Key Personnel for 2020 included the remuneration of four Key Personnel who retired from/left the Group on 1st March, 2020, 14th March, 2020, 1st April, 2020 and 1st September 2020 and six Key Personnel who joined the Group on 2nd January, 2020, 2nd March, 2020, 14th April, 2020, 23rd June, 2020, 16th September, 2020 and 2nd November, 2020 respectively.
- (iii) The 2020 award of share options was not granted to one Key Personnel as the employee left the Group on 1st March, 2021. As such, the 2020 deferred and non-deferred portion of variable remuneration for the related employee were restated.
- (iv) The aggregate amount of HK\$4,230,092 and HK\$3,856,888 sign-on payment was made to four and three Key Personnel of the Group for 2021 and 2020 respectively while no guaranteed bonuses or severance payments was made.

企業管治報告(續)

高級行政人員的薪酬

薪酬委員會於每個年度檢討高層管理人員（包括本行執行主席、聯席行政總裁及副行政總裁）及主要管理人員（包括 19 名總經理、資本市場及流動資金管理部門主管，以及固定收益業務部門主管）的薪酬組合。薪酬委員會在釐定高層管理人員及主要管理人員的薪酬組合時所考慮的因素，包括個人工作表現、相關分處及部門的表現，以及本集團的整體業務目的和目標。本行將委任外部顧問公司以檢討和改善高層管理人員及主要管理人員的薪酬組合，以確保銀行能提供具競爭力及合規的薪酬予有關人士。

根據《指引》第 3.3 項的披露規定，此等高級行政人員於 2021 年度獲得的薪酬總額載於下表。

2021 年度薪酬總值

本財政年度發放的薪酬總值	2021		2020 (重報)	
	非遞延 (港幣)	遞延 (港幣)	非遞延 (港幣)	遞延 (港幣)
(i) 高層管理人員				
僱員人數	5		5	
固定薪酬				
• 薪金	35,955,010	0	35,797,870	0
浮動薪酬				
• 現金花紅	20,253,200	7,431,800	12,885,001	4,734,111
• 認股權	0	19,721,140	0	12,564,685
(ii) 主要管理人員				
僱員人數	23		25	
固定薪酬				
• 薪金	64,654,864	0	59,910,412	0
浮動薪酬				
• 現金花紅	26,659,992	13,104,008	23,558,095	8,423,405
• 認股權	0	4,919,313	0	7,448,663
薪酬總值	147,523,066	45,176,261	132,151,378	33,170,864

註：

- (i) 2021 認股權價值乃參照本行股份於 2022 年 1 月 31 日的公平價值計算，而 2020 認股權價值則參照 2021 年 1 月 18 日的公平價值計算，僅供參考用途。
- (ii) 2021 年度之主要管理人員的薪酬包括 3 名分別於 2021 年 3 月 1 日、2021 年 10 月 1 日及 2022 年 1 月 1 日退休/離職和 2 名分別於 2021 年 4 月 12 日及 2021 年 9 月 27 日加入本集團的主要管理人員。2020 年度之主要管理人員的薪酬包括 4 名分別於 2020 年 3 月 1 日、2020 年 3 月 14 日、2020 年 4 月 1 日及 2020 年 9 月 1 日退休/離職和 6 名分別於 2020 年 1 月 2 日、2020 年 3 月 2 日、2020 年 4 月 14 日、2020 年 6 月 23 日、2020 年 9 月 16 日及 2020 年 11 月 2 日加入本集團的主要管理人員。
- (iii) 由於 1 名主要管理人員已於 2021 年 3 月 1 日離職，本集團並沒有向其授予認股權。因此，2020 年度有關浮動薪酬之非遞延及遞延部份披露須予重報。
- (iv) 於 2021 及 2020 年度，集團分別向 4 名及 3 名主要管理人員共支付了港幣 4,230,092 元及港幣 3,856,888 元的簽約受聘酬金，而集團並無支付任何保證花紅或遣散費。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Total outstanding deferred remuneration in 2021

Outstanding deferred remuneration	Vested portion during the year 2021 (HK\$)	Unvested portion as at the end of 2021 (HK\$)	Performance adjustments to Vested portion during the year 2021 (HK\$)	Performance adjustments to Unvested portion as at the end of 2021 (HK\$)
(i) Senior Management				
• Cash-based	11,798,499	13,438,994	0	0
• Share Options	12,382,600	22,542,758	3,256,283	874,697
(ii) Key Personnel				
• Cash-based	10,119,643	17,373,898	0	0
• Share Options	6,308,678	15,269,667	608,674	198,494

Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2017 variable remuneration award granted in 2018 and vested in 2021, the 2018 variable remuneration award granted in 2019 and vested in 2021 and the 2019 variable remuneration award granted in 2020 and vested in 2021. The total number of share options granted in 2018, 2019 and 2020 are 6,687,500 shares, 5,850,000 shares and 5,381,829 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2018, 2019 and 2020 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2021 included the vested and unvested cash bonuses and share options of seven Key Personnel who retired from/left the Group on 1st May, 2018, 1st August, 2019, 1st September, 2019, 1st April, 2020, 1st September, 2020, 1st March, 2021 and 1st October, 2021 respectively.
- (v) These performance adjustments reduced the outstanding balance of deferred remuneration.

Total outstanding deferred remuneration in 2020

Outstanding deferred remuneration	Vested portion during the year 2020 (HK\$)	Unvested portion as at the end of 2020 (HK\$)	Performance adjustments to Vested portion during the year 2020 (HK\$)	Performance adjustments to Unvested portion as at the end of 2020 (HK\$)
(i) Senior Management				
• Cash-based	10,541,087	20,503,382	0	0
• Share Options	13,710,184	22,360,673	5,288,839	4,130,980
(ii) Key Personnel				
• Cash-based	8,198,523	20,829,166	0	0
• Share Options	6,921,580	11,060,182	1,078,394	807,168

Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2016 variable remuneration award granted in 2017 and vested in 2020, the 2017 variable remuneration award granted in 2018 and vested in 2020 and the 2018 variable remuneration award granted in 2019 and vested in 2020. The total number of share options granted in 2017, 2018 and 2019 are 6,400,000 shares, 6,687,500 shares and 5,850,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2017, 2018 and 2019 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2020 included the vested and unvested cash bonuses and share options of five Key Personnel who retired from/left the Group on 1st May, 2018, 1st August, 2019, 1st September, 2019, 1st April, 2020 and 1st September, 2020 respectively.
- (v) These performance adjustments reduced the outstanding balance of deferred remuneration.

Other relevant remuneration disclosures are set out in Notes 21, 22 and 50 to the accounts on pages 227, 229 and 350.

The Bank has fully complied with HKMA's disclosure requirements set out in Part 3 of the Guideline.

企業管治報告(續)

2021 年度未發放的遞延薪酬總額

未發放的遞延薪酬	於 2021 年度 已歸屬部分 (港幣)	於 2021 年底 未歸屬部分 (港幣)	於 2021 年度 因工作表現而取消 的已歸屬部分 (港幣)	於 2021 年度 因工作表現而取消 的未歸屬部分 (港幣)
(i) 高層管理人員				
• 現金花紅	11,798,499	13,438,994	0	0
• 認股權	12,382,600	22,542,758	3,256,283	874,697
(ii) 主要管理人員				
• 現金花紅	10,119,643	17,373,898	0	0
• 認股權	6,308,678	15,269,667	608,674	198,494

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為 2018 年授予並於 2021 年歸屬的 2017 年浮動薪酬、2019 年授予並於 2021 年歸屬的 2018 年浮動薪酬和 2020 年授予並於 2021 年歸屬的 2019 年浮動薪酬。於 2018、2019 及 2020 年授予的認股權總額分別為 6,687,500 股、5,850,000 股及 5,381,829 股。
- (iii) 未歸屬現金花紅及認股權為 2018、2019 及 2020 年浮動薪酬。
- (iv) 2021 年度之主要管理人員未發放的遞延薪酬含 7 名已分別於 2018 年 5 月 1 日、2019 年 8 月 1 日、2019 年 9 月 1 日、2020 年 4 月 1 日、2020 年 9 月 1 日、2021 年 3 月 1 日及 2021 年 10 月 1 日退休/離職之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。
- (v) 未發放的遞延薪酬將因應工作表現而減少。

2020 年度未發放的遞延薪酬總額

未發放的遞延薪酬	於 2020 年度 已歸屬部分 (港幣)	於 2020 年底 未歸屬部分 (港幣)	於 2020 年度 因工作表現而取消 的已歸屬部分 (港幣)	於 2020 年度 因工作表現而取消 的未歸屬部分 (港幣)
(i) 高層管理人員				
• 現金花紅	10,541,087	20,503,382	0	0
• 認股權	13,710,184	22,360,673	5,288,839	4,130,980
(ii) 主要管理人員				
• 現金花紅	8,198,523	20,829,166	0	0
• 認股權	6,921,580	11,060,182	1,078,394	807,168

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為 2017 年授予並於 2020 年歸屬的 2016 年浮動薪酬、2018 年授予並於 2020 年歸屬的 2017 年浮動薪酬和 2019 年授予並於 2020 年歸屬的 2018 年浮動薪酬。於 2017、2018 及 2019 年授予的認股權總額分別為 6,400,000 股、6,687,500 股及 5,850,000 股。
- (iii) 未歸屬現金花紅及認股權為 2017、2018 及 2019 年浮動薪酬。
- (iv) 2020 年度之主要管理人員未發放的遞延薪酬含 5 名已分別於 2018 年 5 月 1 日、2019 年 8 月 1 日、2019 年 9 月 1 日、2020 年 4 月 1 日及 2020 年 9 月 1 日退休/離職之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。
- (v) 未發放的遞延薪酬將因應工作表現而減少。

其他相關薪酬披露項目載於第 227、229 及 350 頁的賬項附註 21、22 及 50 內。

本行已遵循《指引》第 3 部分有關金管局薪酬披露之要求。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Deferral Arrangements

The award of variable remuneration to the Senior Management and Key Personnel is subject to deferment in such a manner as determined by the RemCo. In general, the proportion of variable remuneration which is subject to deferment will increase progressively in line with the seniority, scope of responsibilities, and other relevant factors pertinent to the Senior Management and Key Personnel.

For employees other than Senior Management and Key Personnel, the Bank adopts a materiality-based deferral arrangement of variable remuneration, where the total amount of variable remuneration, including cash bonus and any kind of incentive, will be subject to deferment when certain thresholds of total variable remunerations determined by the Board of Directors are met. The portion of variable remuneration to be deferred will increase by reference to the total amount of variable remuneration.

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the RemCo and communicated to all relevant employees. Deferred remuneration is awarded in such a manner so as to align employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Group, relevant business units, and individual employees, as well as the creation of value for our shareholders, are taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be made gradually over a period of 3 years and no faster than on a pro-rata basis.

In circumstances where it is later established that decisions or actions made by an employee and/or business unit in a particular year had a severe negative impact on the Bank Group's overall profitability, any unvested portions (i.e. both cash bonus and/or share option tranche(s) which have yet to be vested) of deferred variable remuneration (relating to that particular year) should be forgone, either in part or in whole, as determined by the RemCo.

In circumstances where it is later established that any performance measurement for a particular year was based on data that is later proven to have been manifestly misstated, or it is later established that the relevant employee has committed fraud, malfeasance, or a violation of internal control policies, any unvested portions (i.e. both cash bonuses and/or share option tranches that have yet to be vested) of deferred variable remuneration (relating to that particular year in question) should be forgone, either in part or in whole, as determined by the RemCo. In certain circumstances, clawback of vested portion of the deferred variable remuneration of that particular year may apply.

Future Review

As a major financial institution in Hong Kong, the Group not only takes extensive measures to ensure that it complies with all the relevant guidelines, rules, and regulations, but also adopts positive steps to ensure that ethical, social, and environmental aspects are taken into account when determining remuneration policies and packages.

The Group will keep abreast of the latest development in the labour market, especially in the financial services sector, and will review and refine its compensation and remuneration policies whenever necessary to enable the provision of competitive remuneration packages to ensure the retention of talent.

企業管治報告(續)

遞延安排

高層管理人員及主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，高層管理人員及主要管理人員可予遞延的浮動薪酬比例，會按其本身的職級、職責範圍和其他相關因素而增加。

對於其他非高層管理人員及主要管理人員，本行將採用董事局因應其超逾既定門檻之浮動薪酬總額（包括現金花紅和任何形式的獎金）而訂定漸進的延付機制。遞延的浮動薪酬部分將依照總浮動薪酬總額逐漸增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員日後在財務及非財務方面的表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例進行。

若日後確定僱員及/或業務部門在某年度作出的決策或措施，對集團的整體盈利有嚴重的負面影響時，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管控政策等行為，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。在若干情況下，該特定年度的已歸屬遞延浮動薪酬可予以收回。

未來檢討

本集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，並採取積極的措施以確保顧及道德、社會和環境各方面。

本集團將會密切留意勞工市場，尤其是金融服務界別的最新發展，並在必要時檢討及改善薪酬及報酬政策，藉此提供具競爭力的薪酬組合以留住人才。

CORPORATE GOVERNANCE REPORT (CONTINUED)

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Bank's performance, position and prospects.

Management comprising Co-Chief Executives, Deputy Chief Executives and General Managers shall provide sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. It provides the Board with monthly updates giving a balanced and understandable assessment of the Bank's performance, position and prospects to assist the Board as a whole and each Director to discharge their duties.

The Directors are responsible for ensuring maintenance of proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2021, the Directors have:

- consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the accounts on the going concern basis.

The Bank has announced its annual and interim results within 2 months after the end of the relevant periods, which is earlier than the limit of 3 months (for annual results) and within the limit of 2 months (for interim results) as required by the Listing Rules.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report from pages 154 to 168.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

Risk Management and Internal Controls

The Directors acknowledged that they are responsible for the Group's risk management and internal control systems and reviewing their effectiveness. All employees are responsible for identifying and managing risk within the scope of their roles as part of the three lines of defence model. The second line of defence sets the policy and guidelines for managing specific risk areas, provides advice and guidance in relation to the risk, and challenges the first line of defence, the Risk Owners, on effectiveness of risk management. The third line of defence provides an independent assurance on effectiveness of the Group's risk management and internal control systems. The Internal Audit Division and Risk Management Division assume the responsibilities of internal audit and risk management functions of the Bank, respectively. During the financial year ended 31st December, 2021, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Bank's strategic objectives and ensuring that the Bank establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing the Senior Management and the other senior executives in the design, implementation and monitoring of the risk management and internal control systems.

The risk management and internal control systems of the Bank are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Such systems comprise comprehensive policies and standards under a well-established organisational structure. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances. Please refer to the Sections "Principal Risk Management" from pages 271 to 319 and "Capital Adequacy" from pages 364 to 368 of Annual Report 2021 for further details on the processes that the Group uses to identify, evaluate and manage principal risks.

D. 問責及稽核

財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

管理層包括聯席行政總裁、副行政總裁及總經理須向董事會提供足夠解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。管理層每月向董事會提供更新資料，就有關本行的表現、財務狀況及前景的公正且易於理解的評估，以協助董事會及各董事履行彼等的職責。

董事負責確保保存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至2021年12月31日止年度的賬項時，董事已：

- 貫徹地應用適當的會計政策；
- 作出審慎及合理的判斷及估計；及
- 按持續經營基準編製賬項。

本行一向在有關財政期間結束後2個月內公布年度及中期業績，較《上市規則》所規定3個月（年度業績）的期限為早，亦符合《上市規則》所規定2個月（中期業績）的期限。

核數師的申報責任聲明載於由第155至169頁的獨立核數師報告內。

董事會在各方面將作出平衡、清晰及可理解的評審，包括：年度報告及中期報告、其他涉及股價敏感資料的公告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書，以至根據法例規定須予披露的資料。

風險管理及內部監控

董事會承認其須對集團的風險管理及內部監控系統負責，並有責任檢討其效能。所有員工作為三道防線模式的一部分，都有其角色範圍內識別和管理風險的責任。第二道防線設定政策和指引管理特定的風險領域，就風險提供意見和指導，並對風險負責人作為風險管理第一道防線的有效性提出挑戰。第三道防線就本集團風險管理及內部監控系統的有效性提供獨立保證。本行的稽核處及風險管理處分別負責內部稽核及風險管理。在截至2021年12月31日止的財政年度期間內，董事會審閱風險管理及內部監控系統的足夠性及有效性。

董事會負責評估及釐定本行達成策略目標時所願意承受的風險性質及程度，並確保本行設立及維持合適及有效的風險管理及內部監控系統。董事會並負責監督高層管理人員及其他高級行政人員對風險管理及內部監控系統的設計、實施及監察。

本行的風險管理及內部監控系統旨在管理而不是消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。這系統包含一個完善的公司架構，以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效制衡。關於本集團用於辨認、評估及管理主要風險的程序，詳情請參閱《2021年報》的「主要風險管理」（第271至319頁）及「資本充足」（第364至368頁）的部分。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The key procedures that the Board established to provide effective internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and control responsibilities.
- A comprehensive management accounting system is in place to provide financial and operational performance indicators to the Senior Management and the relevant financial information for reporting and disclosure purpose.
- Policies and procedures are designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.
- An enterprise risk management framework is in place for the Group to identify, evaluate, manage, control and report principal risks including credit, market, operational, liquidity, interest rate, strategic, legal, reputation, compliance, technology risks. To identify and manage all potential risks in a more holistic and effective manner, a “Three Lines of Defence” risk management model is adopted, with Risk Owners, Risk Controllers and Internal Audit Division acting as the 1st, 2nd and 3rd lines of defence respectively, along with the overall coordination of the Group Chief Risk Officer. Oversight of risk management is provided by the RC, which is assisted by the Management Committees including the Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. Policies and procedures are in place to ensure compliance with applicable laws, rules and regulations.
- The AC reviews reports (including management letter) submitted by external auditors in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Inside Information* is in place, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner.
- *Whistle-blowing Statement* and *Whistle-blowing Policy and Procedure* are in place, which encourage stakeholders and employees to raise concerns, in confidence, about possible improprieties in any matter related to the Bank. The Bank treats all information received confidentially and protects the identity and the interests of all whistle-blowers.

Pursuant to a risk-based approach, the Group’s Internal Audit Division conducts independent reviews of control mechanisms over various operations and activities to assess the effectiveness of the Group’s risk management and internal control systems which cover all material controls, including financial, operational and compliance controls.

The Board conducted an annual review of the adequacy and effectiveness of the risk management and internal control systems of the Group for 2021. As a result, the Board concurred with the Senior Management’s confirmation that the Group’s risk management and internal control systems are considered effective and adequate.

Auditor’s Remuneration

The fee paid or payable to KPMG, the Bank’s external auditor, for providing audit and audit-related services of the Group during 2021 is HK\$28 million in total.

During 2021, the fees paid or payable to KPMG and its associates for providing non-audit-related services amounted to approximately HK\$14 million, which included the following items:

- Review and consultancy services: HK\$9 million; and
- Services made at the request of regulators: HK\$5 million.

The AC was satisfied that the non-audit services in 2021 did not affect the independence of KPMG.

企業管治報告(續)

以下為董事會為提供有效的內部監控而建立的主要程序：

- 組織架構權責清晰，監控層次分明。
- 設有一個全面的管理會計系統，為高層管理人員提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 設計政策及程序以保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理而非絕對的保證，以防出現嚴重的錯誤、損失或舞弊。
- 設有企業風險管理架構以識別、評估、管理、控制及匯報本集團的主要風險，包括信貸、市場、營運、流動性、利率、策略性、法律、信譽、合規、科技風險。為全面有效地識別及管理潛在風險，本集團已採納「三道防線」風險管理模式，以「風險負責人」、「風險監控人」及稽核處分別作為第一、第二及第三道防線，及由集團風險總監作整體協調。風險委員會由各管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責監督風險管理。設有政策及程序確保遵守適用法例、規則及規例。
- 審核委員會審閱由外聘核數師提交涉及年度核數的報告（包括致管理層的審核情況說明函件），及由集團總稽核呈交的內部稽核報告。
- 設有一套處理及發布內幕消息的政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 設有舉報聲明及舉報政策與程序，鼓勵持份者及僱員在保密情況下舉報有關本行任何可能發生不當行為的事宜。本行會對接獲的所有資料保密，並保護舉報人的身份及權益。

本集團稽核處採用風險為本的評估方法，針對與各項運作和活動的監控機制進行獨立審閱，以評核本集團風險管理及內部監控系統的效能，該系統涵蓋所有重要監控，包括財務、營運及遵守法規的監控。

2021 年內，董事會進行了年度審閱本行內部監控及風險管理是否足夠和有效。董事會同意高層管理人員確認本集團的風險管理及內部監控系統有效運作及足夠。

核數師酬金

2021 年內，已支付或須支付予本行外聘核數師 — 畢馬威會計師事務所為本集團提供核數及有關核數服務的總費用為港幣 2,800 萬元。

2021 年內，已支付或須支付予畢馬威會計師事務所及其聯營公司提供非核數相關服務的費用約為港幣 1,400 萬元，其中包括以下事項：

- 審查及顧問服務：港幣 900 萬元；及
- 按監管機構要求所作的服務：港幣 500 萬元。

審核委員會對於 2021 年度的非核數服務並無影響畢馬威會計師事務所的獨立性感到滿意。

CORPORATE GOVERNANCE REPORT (CONTINUED)

E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, the following duties:

- ensuring that Board procedures are observed, and that the Bank's Articles of Association, relevant rules and regulations are complied with;
- implementing and strengthening corporate governance practices and processes of the Bank;
- ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management;
- ensuring Directors have access to the advice and services of the Company Secretary;
- facilitating induction programme of new Directors and the continuous professional development of existing Directors; and
- developing agendas for Board and Board Committee meetings and their respective minutes.

The Company Secretary is an employee of the Bank and reports directly to the Executive Chairman. During the year, the Company Secretary undertook over 15 hours of professional training.

F. SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

The Bank's approach to shareholders communication and engagement is set out below:

Communication with Shareholders

- The Bank's *Shareholders Communication Policy* (available on the website of the Bank) sets out the practices in relation to communication with shareholders and the investment community.
- Through various channels, including its website (www.hkbea.com), shareholders and investors are provided with fair, timely and simultaneous access to the Bank's information such as the Bank's announcements, financial results, and press release. The Bank also holds press and investor conferences to present half-year and full-year financial results to the media and analysts.
- The Bank welcomes shareholders' views and concerns relating to the Group's management and governance. Shareholders may at any time send their enquiries to the Board by addressing to the Bank's Company Secretary at the Bank's registered address or email at info@hkbea.com.

Investors Relations

- The Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media in accordance with its *Shareholders Communication Policy*. Apart from AGMs, other communication channels include:
 - the Group's website at www.hkbea.com;
 - annual and interim reports, and press releases;
 - announcements, notices and circulars;
 - press conferences after the announcement of interim and final results for media and analysts;
 - meetings with analysts; and
 - roadshows.
- The Senior Management conducts briefings with analysts and the press to apprise them of the Bank's annual and interim results, business strategies and outlook.

E. 公司秘書

公司秘書的責任(其中包括)如下:

- 確保遵守董事會程序、本行的組織章程細則及相關規則及規例;
- 執行及加強本行的企業管治實務及程序;
- 確保董事會及董事會轄下委員會之間,以及董事與高層管理人員之間的資訊有效率地交流;
- 確保所有董事均可取得公司秘書的意見和享用其服務;
- 負責安排新任董事入職培訓及現任董事的持續專業發展;及
- 為各董事會及董事會轄下委員會制訂會議的議程,並負責編寫會議記錄。

公司秘書為本行僱員,直接向執行主席匯報。年內,公司秘書已接受超過 15 個小時的專業培訓。

F. 股東權利及投資者關係

本行讓股東溝通和參與的方法如下:

與股東的溝通

- 本行股東通訊政策(已載於本行網站)訂明有關與股東及投資人士溝通的政策。
- 本行利用不同渠道,包括其網站(www.hkbea.com),公平、適時及同步地向股東及投資者提供本行的公告、財務業績及新聞稿;亦舉行新聞發布會及投資者會議,向傳媒及分析員公布半年及全年業績表現。
- 本行歡迎股東提出有關本集團管理及企業管治的意見及關注事項。股東如有查詢,可隨時郵寄至本行註冊地址,或電郵至本行郵箱 info@hkbea.com,並註明公司秘書收。

投資者關係

- 根據股東通訊政策,本行與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話。除股東周年常會外,其他傳訊渠道包括:
 - 本集團網址 www.hkbea.com;
 - 年報及中期報告,以及新聞稿;
 - 公告、通告及通函;
 - 在中期及年度業績公告後舉行傳媒及分析員新聞發布會;
 - 與分析員會面;及
 - 巡迴推介。
- 高層管理人員安排簡介會向傳媒及分析員發布關於本行的中期及年度業績,業務策略及前瞻。

CORPORATE GOVERNANCE REPORT (CONTINUED)

General Meetings

- The Board uses the AGMs or other general meetings as a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC, RemCo, RC and ESGC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.
- In accordance with the relevant requirements under the Listing Rules and the Articles of Association, any vote of shareholders at a general meeting will be taken by poll. Detailed procedures for conducting a poll will be explained to the shareholders in the general meeting so that shareholders are familiar with such voting procedures. A separate resolution on each substantially separate issue will be proposed by the chairman of a general meeting. The poll results are available on the websites of the Exchange and the Company on the day of the general meeting.
- The Bank's 2022 AGM will be held on Friday, 6th May, 2022 at 11:30 a.m., the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Please refer to the Circular for the details of the 2022 AGM.

Convening of general meeting on requisition

- Subject to the Companies Ordinance, Directors of the Bank shall on the request of shareholders of the Bank who represent at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings, may request to convene a general meeting of the Bank.
- Each request must state the general nature of the business to be dealt with at the meeting, the name and contact details of the person making the request, must be authenticated by the person making it and may be sent to the Bank in hard copy form or in electronic form.
- Shareholders may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid request is received.
- For further details, shareholders may refer to the requirements as set out in the Companies Ordinance.

Putting Forward Proposals at General Meeting

- Pursuant to the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all the shareholders having a right to vote, or, at least 50 shareholders who have a relevant right to vote, may:
 - put forward proposal at general meeting; and
 - circulate to other shareholders written statement with respect to matter or other business to be dealt with at general meeting.
- For further details on the shareholder qualifications, and procedures and timeline on the above-mentioned, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance.

企業管治報告 (續)

股東大會

- 董事會藉股東周年常會或其他股東大會作為一個有效平台與股東直接溝通。審核委員會、提名委員會、薪酬委員會、風險委員會及環境、社會及管治委員會的主席、外聘核數師、高層管理人員及法律顧問須出席並回答股東提問。
- 根據《上市規則》和組織章程細則的有關要求，股東於股東大會上所作的任何表決均以投票方式進行。本行亦會於股東大會上，向各股東講解有關按點算股數形式進行投票表決之詳細程序，以確保各股東理解該投票程序。股東大會主席分別就每項重要之議題，以獨立決議案形式提呈股東批准。投票結果會在股東大會當日於香港交易所和本公司網站上刊登。
- 本行 2022 股東周年常會將於 2022 年 5 月 6 日（星期五）上午 11 時 30 分舉行，其通告將於會議前最少 20 個營業日寄出予股東。詳情請參閱 2022 股東周年常會通函。

要求召開股東大會

- 按《公司條例》的規定，本行董事在接獲本行股東的要求時，須安排召開股東大會，而該等股東須佔全體有權在股東大會上投票表決的股東的總表決權最少 5%。
- 每項要求均必須述明將於會上處理事務的一般性質、該股東姓名及聯絡資料，並且必須由該股東認證及可透過印本形式或電子形式送交本行。
- 要求可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。一旦接獲有效的請求，本行將根據《公司條例》的規定採取適當措施及作出必要安排。
- 股東欲了解詳情，可參閱《公司條例》所載的規定。

於股東大會提出動議

- 按《公司條例》，持有本行總表決權不少於 2.5% 之股東，或最少 50 位有表決權利之股東，可：
 - 於股東大會上提出動議；及
 - 向其他股東傳閱有關於股東大會上動議之陳述書，或其他有待在該股東大會上處理之事務。
- 有關於股東大會提出動議之股東資格，程序及時限之詳細資料，請各股東參考《公司條例》第 580 條及第 615 條之規定。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Dividend Policy

The *Dividend Policy* is to formulate the dividend payments of the Bank in a complete and comprehensive manner and to fulfil the corporate governance requirement. It forms part of the Bank's Corporate Governance Framework and will be reviewed annually.

General guidelines

Pursuant to the Articles of Association, the Board may from time to time pay to shareholders interim dividends, subject to its discretion. The Board shall take into account prevailing legal and regulatory requirements and the best market practices when considering the payment of dividends.

The following factors will be considered for determining the payment of dividends:

- Statutory and regulatory restrictions;
- The Group's financial results;
- Shareholders' expectation and interests;
- Market conditions and long term business growth and strategies;
- The capital adequacy ratios, leverage ratios, liquidity coverage ratios and net stable funding ratios after distribution; and
- Any other factors the Board may deem relevant.

Dividend pay-out ratio

To strike a balance between the long-term growth of the Bank Group and the interests of shareholders, the total dividends (other than special dividend, if any) to be distributed yearly to shareholders are to be within the range of 30% to 70% of the net attributable profits for the year, after deduction of any distribution to holders of Additional Tier 1 capital instruments.

Frequency and form of dividend

Interim dividend may be declared half-yearly for the half-year period ending 30th June and the half-year period ending 31st December.

Scrip in lieu of cash dividend may be offered to shareholders, subject to the approval of the Board.

Special dividend may be considered by the Board.

G. RELATED PARTY TRANSACTIONS

Details of the material related party transactions are provided under Note 50 to the accounts. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, if constituted connected transaction or continuing connected transactions under the Listing Rules, they are exempt from the relevant disclosure requirements under the Listing Rules.

H. RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant provisions, the Bank published the Annual Report 2020 and the Interim Report 2021 as scheduled.

企業管治報告(續)

派息政策

派息政策旨在以完整的方式制定本行的股息派發，履行企業管治的規定。派息政策為本行企業管治架構的一部分，並將每年進行檢討。

一般指引

根據組織章程細則規定，董事會有權自行決定可不時向股東支付中期股息。董事會考慮支付股息時，應按照目前法律及監管規定，以及參考最合宜的市場常規。

本行將考慮以下因素以決定派發股息：

- 法定及監管限制；
- 本集團的財務業績；
- 股東的期望及權益；
- 市場情況及長期業務增長和策略；
- 派發後的資本充足比率、槓桿比率、流動性覆蓋比率及穩定資金淨額比率；及
- 任何其他董事會視為相關的因素。

派息比率

為了在本集團長期增長及股東權益之間取得平衡，每年可派發給股東的總股息（除特別股息外）範圍預計為扣除任何分派予額外一級資本工具持有人之後的年度應佔溢利淨額的 30% 至 70%。

派息頻率及形式

本行每半年可宣布派發中期股息截至 6 月 30 日止半年期及 12 月 31 日止半年期。

本行經董事會核准可以向股東提供以股份代替現金股息。

董事會可考慮派發特別股息。

G. 關聯人士交易

關聯人士的重大交易列於賬項附註 50。該等交易為本行於一般及日常業務過程中按正常商業條款訂立，若構成《上市規則》下的一項關連交易或持續關連交易，則獲豁免《上市規則》的相關披露規定。

H. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關規定，在年內本行已按時刊發 2020 年報及 2021 中期報告。

SUSTAINABILITY

For over 100 years, BEA has grown and prospered in the knowledge that the Bank's success is intrinsically linked to the success of the wider community that it serves. In view of the increasing challenges presented by climate change and the continuing COVID-19 pandemic, this partnership for success has never been more crucial.

The Bank is committed to making a positive contribution to society through its business, operations, and community investment. Therefore, the Bank measures success not solely by financial performance, but also by the extent to which it is able to contribute to the wider world and enrich the lives of customers, employees, and other stakeholders.

The BEA Group is committed to addressing environmental, social, and governance ("ESG") concerns as part of its core business and operational mission. The following report highlights BEA's major ESG achievements in 2021, and how ESG guides BEA's approach to major stakeholder relationships. A more comprehensive review of BEA's performance will be provided in the Group's 2021 ESG Report, which will be issued in the first half of 2022. All ESG reports are available via BEA's website at www.hkbea.com (About BEA / Sustainability / ESG Reports).

In November 2021, BEA's Board-level ESG Committee approved the Bank Group's ESG strategy framework, which sets out the Bank's vision to be the financial market leader in sustainability in Greater China and beyond. The framework includes a set of ESG topics that BEA will prioritise, identified through extensive external and internal stakeholder engagement. These topics, which include ESG risk and cybersecurity, are structured under the three pillars of responsible business, responsible operations, and responsible corporate citizen. This strategic framework will help guide the Bank Group in the mid to longer-term, as the Bank addresses growing stakeholder expectations and learns to evolve in the changing business environment.

One of BEA's initiatives for 2021 was to foster awareness within the organisation of the importance of sustainability to BEA's long-term success. In June, the Bank launched its first Sustainability e-learning module, which all Group staff members were required to complete. In addition, two sustainability events were organised during the year, covering waste management and climate change. ESG-related events and achievements were regularly shared with staff members via the Bank's corporate intranet. Tailor-made ESG roadshows were organised for departments to enrich their understanding of ESG-

related topics specific to their business functions. Results from the employee pulse survey conducted in September revealed that 88% of all Group staff members considered themselves to be familiar with BEA's ESG performance and initiatives.

GROWING OUR BUSINESS RESPONSIBLY

During the year under review, the Bank's ESG Work Group successfully achieved both of the two ESG goals that had been set by the ESG Steering Committee for the Bank's scorecard. The first goal was to integrate ESG risks into BEA's risk appetite framework. This was achieved in August, when the Board approved BEA's qualitative ESG risk appetite statement and a corresponding set of metrics to gauge performance. The second goal, to develop strategies and set internal targets for green lending and responsible investment, was achieved by the end of the year.

The Group strategy on green and sustainable business will guide the Bank in supporting its corporate customers in their transition to a low-carbon economy. This strategy includes the provision of finance for improving energy efficiency, building a sustainable supply chain, and increasing renewable energy use to assist clients in their efforts to achieve carbon neutrality.

Meanwhile, the new Group Responsible Investment Policy will guide Group members in making sustainable investment decisions. Specific guidance is provided on investment themes that either reinforce or undermine ESG values, thus assisting investment managers in their investment appraisals. The Policy also recommends active engagement with shareholders. As a participant in the Mainland's onshore green investments, BEA ranked second in the "Top Five Foreign Institutional Investors in Green Bonds in the China Interbank Bond Market" in the first half of 2021. The ranking was conducted by the National Association of Financial Market Institutional Investors, the regulatory organisation for the over-the-counter bond market in China.

To manage negative impacts arising from ESG risks and guide business units in their financing decisions, BEA developed a Green and Sustainability-linked Lending Policy and provided training to all relevant staff. In addition, the Bank enhanced its ESG risk assessment checklist for credit applications by incorporating climate risk considerations. In the first half of 2021, BEA participated in the pilot climate risk stress test initiative organised by the Hong Kong Monetary Authority ("HKMA") to assess the Bank's resilience to extreme climate events.

可持續發展

百多年來，東亞銀行一直穩步發展，深明其成功與所在社區的發展密不可分。面對氣候變化日益嚴峻、2019冠狀病毒病持續肆虐等挑戰，本行與社區合作共赢的夥伴關係更顯重要。

東亞銀行致力透過業務、營運及社區投資，積極貢獻社會。因此，財務表現不只是衡量本行成功與否的唯一標準，我們亦會在其他範疇作出貢獻，使客戶、員工及其他持份者的生活更有意義。

東亞銀行集團致力將可持續發展議題融入核心業務及營運之中。以下的報告概述了東亞銀行於2021年在可持續發展方面的主要工作成果，以及本行如何以可持續發展方針建構東亞銀行與主要持份者的關係。本集團將於2022年上半年刊發2021年環境、社會及管治報告，更全面地闡述我們的表現。本集團歷年來的環境、社會及管治報告於東亞銀行公司網頁 (www.hkbea.com) (關於東亞銀行/可持續發展/環境、社會及管治報告) 可供瀏覽或下載。

於2021年11月，東亞銀行董事會轄下的環境、社會及管治委員會批准了本銀行集團的可持續發展策略框架，該框架載述本行的願景——旨在成為大中華及其他地區，於可持續發展方面的領先金融機構。透過與內外持份者作深入溝通，東亞銀行將一系列優先考慮的可持續發展議題納入框架，當中包括環境、社會及管治風險及網絡安全等，並歸納於負責任的企業、負責任的營運、及負責任的企業公民三大支柱下。隨著持份者的期望日漸提高，本行亦需要在不斷變化的營商環境下尋求發展，而這可持續發展策略框架將有助引導本集團的中長期發展方向。

東亞銀行本年的重點項目之一，是提高集團內部的可持續發展意識，讓員工充分了解可持續發展對東亞銀行長遠發展的重要性。本行在6月推出了首個可持續發展線上課程，並要求所有集團員工完成修讀。此外，我們亦於年內舉辦兩個有關廢物管理及氣候變化的可持續發展分享會，並透過內聯網定期與員工分享可持續發展相關的活動及工作成果。本行亦因應不同

部門的需要，舉辦度身訂造的工作坊，讓員工更深入了解與其業務職能有關的可持續發展議題。我們在9月進行了一次員工問卷調查，結果顯示，88%的集團員工認為自己了解東亞銀行可持續發展的表現及措施。

我們的業務發展

於回顧年內，本行環境、社會及管治工作小組順利實現環境、社會及管治督導委員會在績效計分卡制定的兩項可持續發展目標。首項目標是將環境、社會及管治風險納入東亞銀行的風險偏好框架，而董事會於8月批准東亞銀行的定性環境、社會及管治風險偏好聲明，以及相應的績效衡量指標，意味著該目標已順利達成。至於第二項目標，是制定綠色貸款及負責任的投資策略，並且設定相關的內部目標，亦已於年底前順利完成。

本集團的綠色及可持續發展業務策略將引領本行，致力支援企業客戶過渡至低碳經濟。有關策略包括提供資金，以提高能源效率、建立可持續供應鏈，和增加使用可再生能源，有助客戶邁向碳中和目標。

與此同時，新制訂的集團《負責任投資政策》為集團成員提供方向，以助他們作出可持續發展的投資決策。上述政策亦因應不同投資項目對可持續發展價值帶來的影響，設立具體指引，協助投資經理評估投資方案，並同時鼓勵集團成員與股東積極溝通。東亞銀行作為內地岸綠色投資的參與者，於2021年上半年，獲得中國場外債券市場監管機構中國銀行間市場交易商協會肯定，於其「中國銀行間債券市場前五位綠色債券境外機構投資者」的排名中位列第二。

為管理可持續發展風險帶來的負面影響，以及指導業務單位作出融資決策，東亞銀行制定了《綠色和可持續發展相關貸款政策》，並為所有相關員工提供培訓。此外，本行在審批信貸申請時將氣候風險因素納入考慮，從而改善其可持續發展風險評估機制。2021年上半年，東亞銀行參與由金管局舉辦的氣候風險壓力測試試驗計劃，以評估本行應對氣候風險的韌性。



Hang Seng Corporate
Sustainability Index
Series Member 2021-2022



BEA was selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index ("HSSUSB") in August 2021. Selection is based on a comprehensive sustainability assessment that recognises only the top 20% of eligible listed companies with the highest sustainability performance score.

東亞銀行於2021年8月獲選為恒生可持續發展企業基準指數的成份股。有關評選以全面的可持續發展評估作為基準，只有可持續發展表現得分最高的首20%合資格上市公司方可入選。

SUSTAINABILITY (CONTINUED)

Looking ahead, the Bank will incorporate climate considerations into governance, strategy, risk management, and disclosure by following the guidance set forth in the HKMA's Supervisory Policy Manual on climate risk management. BEA is already actively preparing for the adoption of the recommendations of the Task Force on Climate-related Finance Disclosures. In addition, BEA is preparing a green and sustainable finance framework as well as measuring emissions in the activities it finances, in order to identify the Group's major indirect emission impacts.

In December, BEA launched its Green Mortgage Plan to encourage customers to purchase property in sustainably designed and constructed buildings. The Plan is offered to prospective purchasers of first-hand, second-hand, or government subsidised residences that have a valid provisional / final "Platinum" or "Gold" rating under the Building Environmental Assessment Method ("BEAM") Plus New Buildings / Existing Buildings scheme of the Hong Kong Green Building Council.

The ESG Work Group also made significant progress in other areas, including financial literacy, internal staff mobility, community investment and emission reduction. These achievements will be described in the following sections.

BEA organised a financial literacy workshop in October 2020 attended by representatives of the Investor and Financial Education Council and experts in financial education from academia and non-governmental organisations. It concluded with several recommendations on how to facilitate greater adoption of digital banking services by older customers. BEA followed up to implement one of the recommendations in 2021, namely to arrange for peer customer experience managers at branches to encourage mature customers to use digital channels including the BEA App and Cyberbanking. In October, a pilot was launched in six branches and feedback will be evaluated in early 2022 to further refine the initiative.

OPERATING OUR BUSINESS RESPONSIBLY

Global warming is altering weather patterns and disrupting the balance of nature. In order to reduce emissions from its operations that contribute to global warming, BEA established a carbon emissions reduction target for the Group's operational activities in 2020. Between the baseline year of 2019 and the target year 2030, BEA aims to reduce Scope 1 and Scope 2 carbon emissions produced by its Group operations by 32%.

As its first interim target, BEA aims to reduce Group emissions by 19% by the end of 2023.

In 2021, BEA carried out a number of initiatives to reduce energy consumption. These included an upgrade of the air-cooled chillers at BEA Tower in Kwun Tong, optimising air-conditioning at data centres in Hong Kong and Mainland China, and LED lighting retrofit. These efforts are expected to reduce BEA Group's energy consumption by 9% between 2020 and 2021. Other measures to reduce carbon emissions include optimisation of the Group's car fleets. In 2021, BEA's car fleet in Hong Kong was reduced by more than 12% while BEA China's fleet was reduced by more than 22% compared with 2019. Looking ahead, BEA will install solar panels at BEA's Head Office Building and BEA Tower to harness renewable energy and reduce electricity consumption.

To support growing calls for more ambitious targets, BEA will screen its Scope 3 indirect emissions to identify its main indirect impacts and develop a carbon neutrality roadmap in 2022. Efforts will focus on reducing emissions in the Group's business and operations as far as practicable before other solutions like carbon offsetting are considered.

While the Group's procurement process is decentralised for many items and services, steps were taken in 2021 to strengthen sustainable supply chain management including the appointment of personnel responsible for supplier compliance with BEA's Supplier Code of Conduct and monitoring high risk suppliers during the course of the supplier relationship. The ESG risk identification tool was enhanced during the year under review, and related management documentation including the Procure-to-pay guideline and Supplier Code of Conduct were revised for clarity and uniformity.

BEA's commitment to human rights is set out in the Group's Human Rights Policy, which is aligned with the United Nations Guiding Principles on Business and Human Rights and applies to the Group's operations and business activities worldwide. In 2021, the Bank established a human rights monitoring and reporting system and, with effect from September 2021, any substantiated human rights cases identified through various channels including the Group's whistleblowing procedures are reported on a quarterly basis to the Bank's Senior Management. BEA's Human Rights Policy can be viewed on the Bank's corporate website (About BEA / Sustainability / Policies, Statements & Codes).

For information about our staff-related efforts in 2021, please refer to the Our People section of the Report of the Co-Chief Executives on page 28.

可持續發展（續）

展望未來，本行將遵照金管局《監管政策手冊》中關於氣候風險管理模式的指引，將氣候變化的考慮因素納入管治、策略、風險管理及披露之中。東亞銀行已著手籌備工作，積極採納氣候相關金融披露專責小組的建議。此外，東亞銀行亦正擬定綠色及可持續金融框架，並準備計算旗下融資活動的碳排放量，以識別本集團排放的主要間接影響。

東亞銀行於12月推出「綠色按揭計劃」，鼓勵客戶購買採用可持續方針設計和建造的物業。該計劃適用於獲得綠色認證的香港物業，包括在香港綠色建築議會的「綠建環評」新建/既有建築的認證計劃當中，臨時或最終獲得「鉑金」或「金」級認證的一手、二手及政府資助住宅物業。

環境、社會及管治工作小組亦在理財教育、內部員工流動、社區投資及減排等其他方面取得重大進展。以下章節將闡述有關成果。

東亞銀行於2020年10月舉辦理財教育工作坊，邀得多位投資者及理財教育委員會的代表，以及學術界及非政府組織的金融教育專家參與，會後更歸納出數項建議，以便年長客戶能多使用電子銀行服務。東亞銀行於2021年跟進落實其中一項建議，在分行安排客戶服務經理，鼓勵年長客戶使用東亞銀行手機程式及電子網絡銀行等數碼銀行服務。同年10月，本行的六間分行推行試驗計劃，並將於2022年初評估客戶意見，以進一步優化計劃。

可持續的業務營運

全球暖化令氣候出現轉變，破壞大自然的平衡。為減少業務經營中可引致全球暖化的氣體排放，東亞銀行於2020年就集團的經營活動訂立減碳目標，於2019年基準年至2030年目標年期間，將集團經營

活動所產生的範圍1及範圍2碳排放量減少32%，而首個中期目標，是在2023年底前將集團排放量減少19%。

東亞銀行於2021年採取一系列措施，務求減少能源消耗，包括將香港觀塘東亞銀行中心的風冷式製冷機更換為水冷式製冷機、改善香港及中國數據中心的空調系統，以及更換舊式燈具為LED燈。推行有關措施後，東亞銀行集團在2020至2021年間的能源消耗量預計可減少9%。其他減碳措施還包括優化集團車隊等。相比2019年，東亞銀行的香港車輛數目於2021年減少逾12%，而東亞中國的車輛數目亦減少逾22%。未來，東亞銀行將在東亞銀行總行大廈及東亞銀行中心安裝太陽能板，以善用可再生能源，減少耗電量。

因應持份者期望本行訂立更進取的目標，東亞銀行將於2022年審視屬於範圍3的間接碳排放量，識別主要的排放源頭，並制定碳中和計劃路線圖。集團會先集中在可行範圍內減低業務及營運的排放量，繼而考慮碳抵銷等其他方案。

儘管本集團很多項目和服務的採購流程較為分散，但我們已於2021年採取加強可持續供應鏈管理的措施，包括安排人手，負責確保供應商遵守東亞銀行的供應商行為守則，並在過程中監察高風險的供應商。於回顧年內，我們進一步加強環境、社會及管治風險的識別工具，並修訂相關的管理文件（包括採購及付款指引及供應商行為守則），以確保內容清晰一致。

集團的《人權政策》載有東亞銀行對尊重人權的承諾，有關政策符合《聯合國工商企業與人權指導原則》，並適用於集團的環球業務和商業活動。本行在2021年設立了人權監察及報告制度，另自2021年9月起，透過集團舉報程序等不同渠道識別所有重大人權個案，並將每季向本行的高級管理層報告一次。東亞銀行的人權政策可於東亞銀行公司網頁（關於東亞銀行/可持續發展/政策、聲明及守則）瀏覽。

關於2021年與員工相關的工作詳情，請參閱第29頁「聯席行政總裁報告書」中「人力資源」一節。



In October 2021, BEA signed a Memorandum of Understanding with the Hong Kong Quality Assurance Agency ("HKQAA"). Under the MOU, BEA and HKQAA will cooperate in promoting green and sustainable finance in Hong Kong.

2021年10月，東亞銀行與香港品質保證局簽署戰略合作協議。根據有關協議，東亞銀行將與香港品質保證局合作，在香港推廣綠色及可持續金融。

SUSTAINABILITY (CONTINUED)

SERVING OUR COMMUNITY RESPONSIBLY

BEA's community investment initiatives are built around three pillars: education, social welfare and environmental protection. The Bank also donates both time and money to support worthwhile causes, and it has established The Bank of East Asia Charitable Foundation ("BEA Foundation") and The Bank of East Asia Volunteer Team ("BEA Volunteer Team") to this end.

In 2021, BEA inaugurated the Beyond Environmental Arts Festival ("BEA Festival") together with the Hong Kong Youth Arts Foundation to promote environmental awareness among Hong Kong's youth. With funding from the BEA Foundation, BEA Festival will hold a series of school workshops with artists in residence, commissioned artworks from local artists, volunteer team engagement in green activities and week-long theatrical performances to engage young people in Hong Kong plus staff and their families in creative and interactive ways to care for the planet.

In May, BEA and its strategic partner "la Caixa" Banking Foundation sponsored an international virtual symposium in Hong Kong organised by The Salvation Army to mark a decade of support for The Palliative Care in Residential Care Homes for the Elderly Programme. The event was attended online by nearly 300 medical professionals, social workers, academics, and others. Since 2010, the Programme has seen 17 residential care homes and seven community-based units established, 363 cases taken on, over 6,800 staff trained, and around 30,600 people engaged through the outreach programme.

Other social welfare initiatives BEA supported included the BEA Parent-Child Reading Programme 2020/2021 and Teen Café Youth Mental Health Promotion Project. The former project provides 2,000 primary school students and 400 kindergarten students from under-resourced families and their parents with a selection of four to eight books each, as well as guide books for parents to encourage them to read to their children. A total of 20 schools were selected for the project's Train the Trainer Programme, which trained 100 parents, librarians, teachers and others to motivate children to read. Meanwhile, the latter project saw BEA sponsor Tung Wah Group of Hospitals a total of 3,600 participants joined a series of community activities. The project helped 600 students across 12 schools to cope with mental health issues.

In March, for the sixth consecutive year, BEA was the title sponsor of The Community Chest BEA Charity Golf Day 2021, which raised HK\$2.5 million in support of mental health services.

On the Mainland, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund ("BEA Charity Fund") continued to organise a series of public welfare projects to improve education resources in rural areas. These included building three Firefly Centres equipped with computers, projectors, and libraries; donating more than 1,200 Firefly Backpacks; and providing nearly 4,000 hours of online training to over 240 rural teachers / principals. Since its founding more than 10 years ago, the "Firefly Project" has been extended to more than 100 rural schools in 28 provinces, municipalities, and autonomous regions.



During the year, over 200 volunteers contributed over 3,000 service hours across more than 60 activities. This included writing well wishes to under-resourced families during the Year of the Ox, which were sent together with food boxes and gift packs containing daily essentials.

年內，逾200位義工參與了60多個活動，提供逾3,000小時的義工服務，其中包括向有需要人士贈送飯盒及福袋，當中載有義工親筆書寫的揮春及日用品，一同喜迎牛年。



In May, BEA marked a decade of support for The Palliative Care in Residential Care Homes for the Elderly Programme with an international virtual symposium in Hong Kong.

5月，東亞銀行贊助救世軍在香港舉辦的線上國際研討會，標誌著十年來一直對「安老院舍完善人生關顧計劃」的支持。

可持續發展（續）

我們致力服務社區

東亞銀行的社區投資計劃主要由教育、社會福利及環境保護三大支柱組成。本行亦投入時間及資金，支持有意義的慈善事業，並就此成立了東亞銀行慈善基金及東亞銀行義工隊。

於2021年，東亞銀行與香港青年藝術協會攜手為「東亞綠色藝術節」揭開序幕，希望提升香港年青一代的環保意識。在東亞銀行慈善基金的資助下，「東亞綠色藝術節」將舉辦一系列活動，包括藝術家駐校工作坊、邀請本地藝術家創作、由東亞銀行義工隊組織綠色義工活動，以及為期一周的戲劇表演等，透過富創意的互動方式，邀請本港的年青人、員工及家屬一起參與，齊心關愛地球。

為慶祝「安老院舍完善人生關顧計劃」推出十年，東亞銀行與策略夥伴「la Caixa」基金會於5月贊助救世軍在香港舉辦的線上國際研討會，吸引近300位醫學界專業人士、社工、學者及其他人士參與。自2010年起已有17間安老院舍及7間社區服務單位參與有關計劃，合共處理363宗個案，培訓了6,800多名員工，並透過外展活動推廣此計劃予約30,600人。

回顧期內，東亞銀行亦贊助了「2020/2021年度東亞銀行親子閱讀證書獎勵計劃」及「Teen Café青少年身心健康推廣計劃」，前者向來自基層家庭的2,000名小學生、400名幼稚園學生及家長各提供四至八本精心挑選的繪本，家長亦可獲得導讀本，以鼓勵他們與子女共讀。該計劃共挑選了20所學校參加「東亞開卷坊」，共培訓100位家長、圖書館管理員、教師及其他人士，學習如何培養孩子的閱讀興趣。此外，東亞銀行贊助的東華三院「Teen Café青少年身心健康推廣計劃」開展一系列社區活動，吸引3,600位參加者計劃亦協助600名來自12所學校的學生處理精神健康問題。

3月，東亞銀行連續六年冠名贊助「公益金東亞慈善高爾夫球賽2021」，並籌得逾港幣250萬元支持精神健康服務。

內地方面，上海宋慶齡基金會——東亞銀行公益基金（「東亞銀行公益基金」）繼續舉辦一系列公益項目，改善偏遠地區的教育資源，包括建造三所配備電腦、投影機及圖書館的「螢火蟲樂園」、捐贈逾1,200個「螢火蟲背包」，以及向逾240位偏遠地區的教師/校長提供近4,000小時的網上培訓。「螢火蟲計劃」創辦至今十多年，目前已推廣至28個省、市及自治區逾100所偏遠地區的學校。



In December, BEA hosted a prelude to the BEA Festival. BEA's management, as well as over 100 people including volunteers and children from local schools attended the Wreath Recycled Art Workshop to share the festive joy.

12月，東亞銀行為「東亞綠色藝術節」揭開序幕，東亞銀行的管理層聯同100多名義工及本地學童一同出席「環保裝飾工作坊」，慶祝聖誕佳節。



In June, BEA volunteers helped plant trees in Shing Mun Country Park to promote biodiversity and fight climate change in the "Tree Partner Programme 2021" organised by World Green Organisation.

6月，東亞銀行義工參加世界綠色組織舉辦的「樹林夥伴計劃2021」，在城郊郊野公園參與植樹，藉此促進生物多樣性及對抗氣候變化。



BEA was named a "Carbon Neutrality Partner" by the Environment Bureau of the Hong Kong government in recognition of its efforts to decarbonise Hong Kong, and for its pledge to support government efforts to achieve carbon neutrality before 2050.

東亞銀行獲香港特區政府環境局嘉許為「碳中和夥伴」，以表揚本行為香港減碳付出的努力，另亦代表本行響應政府於2050年前實現碳中和目標的承諾。

SUSTAINABILITY (CONTINUED)

BEA China donated CNY3 million to the China Charity Federation to be used to procure emergency relief supplies, prevent infection and provide temporary housing for residents of Henan Province who were affected by severe flooding in July.

BEA China, Shanghai Middle School Student Ethical Education Development Centre, and the Shanghai Education News Group jointly organised the Ninth Financial Education Campus Tour. The Campus Tour focussed on instilling the right attitude to financial management and other essential knowledge in young people. In 2021, more than 80,000 students from more than 120 middle schools in the city participated in the activity, and more than 100,000 people were aware of the activities.

During the year under review, BEA China also helped more than 50 underprivileged students complete university by providing financial assistance. In addition, BEA China provided financial aid for children on the Autism Spectrum and elderly people who had lost their only child, palliative care, and more. Local BEA China

branches organised charitable campaigns during Chinese New Year, Arbour Day, and Children's Day. More than 870 volunteers contributed more than 3,900 volunteer hours throughout the year.

Macau Branch supported World Vision's "Macau Famine" for the eighth consecutive year by skipping meals and donating the cost to help World Vision provide nutrition and livelihood assistance to families affected by natural disasters in Somalia, South Sudan, and Zimbabwe.

For the fifth consecutive year, Macau Branch joined "Walk for a Million" organised by The Charity Fund from the Readers of Macao Daily News. In 2021, all staff members of the Branch joined the event's "online walk" and achieved a total of 442,000 steps for the event. In addition, Macau Branch made a donation of MOP10,000.

For the second consecutive year, Taiwan Branch joined Eden Social Welfare Foundation's old clothes donation, thereby protecting the environment by reducing waste, as well as helping charity. Over 370 items of clothing were collected and donated for charity sale and distribution to disabled people and their families.



In January, BEA China joined hands with the Shanghai Charity Foundation and Huashan Hospital in support of medical workers in the battle against COVID-19. CNY1 million was donated to Huashan Hospital for front-line medical workers, training for nurses, and more.

1月，東亞中國聯同上海市慈善基金會及華山醫院，為抗疫的醫護人員打氣。華山醫院獲捐人民幣100萬元，用作支援前線抗疫人員，以及為護士提供培訓等用途。



In August and October, the BEA Volunteer Team aided FOOD-CO, an IT platform for food support service under St. James' Settlement, by packing more than 1000 kilograms of rice in over 500 bags for the needy.

8月及10月，東亞銀行義工隊協助聖雅各福群會食物援助服務資訊科技平台FOOD-CO，將逾1,000公斤的大米分裝成500多袋，以便贈予有需要人士。



BEA sponsored The Salvation Army Orienteering in November by sending five corporate teams to participate in the competition. Funds raised will help families facing crisis, under-resourced elders, and youths and people with disabilities.

11月，東亞銀行贊助「救世軍定向無定向」活動，並派出五組隊伍參賽。所籌得的善款將用於幫助逆境家庭，以及基層長者、青少年及傷健人士。

可持續發展（續）

因應河南於7月遭遇罕見的暴雨災害，東亞中國向中華慈善總會捐款人民幣300萬元，用於採購緊急救災物資、災區防疫及安置受災群眾。

東亞中國、上海市中學生德育發展中心及上海教育報刊總社聯合舉辦第九屆「東亞銀行杯上海市中學生金融教育校園行」，活動著重向青少年灌輸正確的理財態度及其他基本知識。於2021年，全市逾120所中學的80,000多名學生參加了該項活動，並且有逾100,000人留意到有關活動。

於回顧年內，東亞中國資助了逾50名基層學生完成大學學業，並向自閉症兒童、失去獨生子女的高齡家長、臨終關懷對象等弱勢群體提供經濟援助。東亞中國的當地分行更於農曆新年、植樹節及兒童節期間舉辦慈善活動。年內，超過870位義工貢獻了逾3,900小時義工時數。

澳門分行連續八年支持世界宣明會舉辦的「澳門饑饉」活動，透過響應「饑饉一餐」活動並捐出餐飲費用，協助世界宣明會向索馬里、南蘇丹及津巴布韋受自然災害影響的家庭提供營養品及生計援助。

澳門分行連續五年參加澳門日報讀者公益基金會舉辦的「公益金百萬行」活動。在2021年，澳門分行全體同事均參加了「線上百萬行」活動，並於活動當天完成了442,000步。此外，澳門分行更捐出澳門幣10,000元的款項。

台灣分行連續兩年參加伊甸社會福利基金會的舊衣捐贈活動，減少浪費。環保之餘，同時亦能推動公益慈善。活動合共回收及捐贈逾370件衣物，以作義賣用途及贈送予身心障礙人士與家屬。



In May, BEA China volunteers hosted a group of underprivileged students from Huaxing Primary School in a Children's Day programme, which included a financial education class and a visit to the Shanghai and Hong Kong Museum of Banking History.

5月，東亞中國義工隊舉辦兒童節活動，接待華星小學的基層學生，活動包括參加財商課及參觀滬港銀行歷史展覽館。



For the third consecutive year, Macau Branch staff members helped save lives by donating blood at the Macao Blood Transfusion Centre of the Health Bureau of Macao Special Administrative Region.

澳門分行的員工連續三年在澳門特別行政區政府衛生局捐血中心捐血，幫助拯救生命。



Volunteers from the Shenzhen Office of East Asia Digital Information Services (Guangdong) Limited helped clean Honghu Park as part of the programme, "A Clean Shenzhen Starts with Me".

東亞數據信息服務（廣東）有限公司深圳辦事處的義工參與「清潔深圳，從我做起」活動，協助清潔洪湖公園。

SUSTAINABILITY (CONTINUED)

MAJOR RECOGNITION

During the year under review, the Group received a number of awards in recognition of its achievements. These included:

BEA

1. "Outstanding Award for Green and Sustainable Loan Facilitator (Printing & Communication Industry) – Visionary Green Loan Framework" by the Hong Kong Quality Assurance Agency;
2. Ranked second in the "Top Five Foreign Institutional Investors in Green Bonds in the China Interbank Bond Market" by the National Association of Financial Market Institutional Investors in the first half of 2021;
3. "Award of Excellence" and "Diamond Award" in the Corporate & Employee Contribution Programme 2020/2021 (for the 27th consecutive year) by The Community Chest of Hong Kong;
4. Named "Caring Company" (for the 18th consecutive year) by The Hong Kong Council of Social Service ("HKCSS");
5. "Good MPF Employer 5 Years+" (for the seventh consecutive year), "MPF Support Award" (for the fifth consecutive year), and "e-Contribution Award" (for the fifth consecutive year) by the Mandatory Provident Fund Schemes Authority ("MPFA");
6. "ERB Manpower Developer Award Scheme" (for the tenth consecutive year) by the Employees Retraining Board ("ERB");
7. "HKIB Talent Development Awards 2021 (Category I)" by the Hong Kong Institute of Bankers ("HKIB");
8. "Qualifications Framework Star Employer" by the Education Bureau;
9. "2021 The Community Chest Virtual Walk for Millions: Outstanding Walk Team" from The Community Chest of Hong Kong;
10. "The Salvation Army Orienteering 2021 – Certificate of Appreciation" by The Salvation Army;
11. "Inaugural SportsHour Company Scheme Recognised Company (Companies >500 employees)" by the InspiringHK Sports Foundation;
12. "Say Yes to Breastfeeding – the Breastfeeding Friendly Workplace Certificate" by the United Nations Children's Fund Hong Kong;
13. "Hong Kong Sustainability Award 2021/21 – Certificate of Excellence" by The Hong Kong Management Association;
14. "Excellence in ESG Governance – Commendation Award" by the Hong Kong ESG Reporting Awards;
15. Constituent member of Hang Seng Corporate Sustainability Benchmark Index, 2021-2022 from the Hang Seng Indexes Company Limited;

16. Greater Bay Area Business Sustainability Index – "Top 20 companies of the Hang Seng Stock Connect Hong Kong Greater Bay Area Index" by the Chinese University Hong Kong Business School;
17. "Wastewi\$e Certificate – Excellence Level" for BEA's Head Office Building and BEA Tower from the Environmental Campaign Committee;
18. "Energywi\$e Certificate – Excellence Level" for BEA's Head Office Building and BEA Tower from the Environmental Campaign Committee; and
19. "IAQwi\$e Certificate – Excellence Level" for BEA Tower from the Environmental Campaign Committee.

BEA China

20. "2021 Best ESG Practice Bank in China" at the Gamma Awards by the Securities Times;
21. "2021 ESG Corporate Star" by the China Investment Network;
22. "Annual Corporate Citizen" at the 2021 China Golden Tripod Award by the National Business News; and
23. "Social Contribution Bank" at the 2020-2021 Annual Excellent Capital Value Corporation Awards by The Economic Observer.

Blue Cross

24. Named "Caring Company" (for 13th consecutive year) by HKCSS;
25. "Good MPF Employer 5 Years+" (for the seventh consecutive year), "MPF Support Award", and "e-Contribution Award" by the MPFA;
26. 2020-21 "Joyful@Healthy Workplace Best Practices Award (Enterprise / Organisation Category) – Grand Award" (for the second consecutive year) by the Department of Health, Labour Department, and the Occupational Safety and Health Council; and
27. "Inaugural SportsHour Company Scheme Recognised Company (Company 50-500 employees)" and "CO-FIT Best Practice Showcase Recognised Company (Companies 51-500 employees)" by the InspiringHK Sports Foundation.

可持續發展（續）

主要榮譽與獎項

本集團於回顧年內表現卓越，先後獲頒發多個獎項。

東亞銀行

1. 榮獲香港品質保證局頒發「傑出綠色和可持續貸款服務機構（印刷及傳訊業）— 卓越遠見綠色貸款框架」獎項；
2. 2021 年上半年在中國銀行間市場交易商協會「中國銀行間債券市場前五位綠色債券境外機構投資者」中位列第二；
3. 榮獲香港公益金頒發「公益卓越獎」及 2020/2021 年度商業及僱員募捐計劃「鑽石獎」（連續 27 年獲獎）；
4. 榮獲香港社會服務聯會嘉許為「商界展關懷」機構（連續 18 年獲嘉許）；
5. 榮獲強制性公積金計劃管理局（「積金局」）頒發「積金好僱主 5 年+」（連續第七年獲獎）、「積金推廣獎」（連續五年獲獎）及「電子供款獎」（連續五年獲獎）；
6. 榮獲僱員再培訓局嘉許為「人才企業」（連續十年獲嘉許）；
7. 榮獲香港銀行學會（「HKIB」）頒發「HKIB 人才發展獎 2021（第一組別）」；
8. 榮獲教育局嘉許為「資歷架構星級僱主」；
9. 榮獲香港公益金頒發「2021 年度公益金線上百萬行：傑出步行隊伍」獎項；
10. 榮獲救世軍頒發「救世軍定向無定向 2021 — 感謝狀」；
11. 名列於凝動香港體育基金首屆《企業「一」起動》嘉許計劃之嘉許名單（多於 500 名員工之企業）；
12. 榮獲聯合國兒童基金香港委員會頒發「Say Yes to Breastfeeding — 母乳餵哺友善工作間證書」；



BEA's efforts to help corporate customers in their low-carbon transition were recognised at the Hong Kong Green and Sustainable Finance Awards 2021 organised by HKQAA in December.

12 月，東亞銀行在香港品質保證局舉辦的「香港綠色和可持續金融大獎 2021」中獲得嘉許，以表揚本行協助企業客戶實踐低碳轉型。

13. 榮獲香港管理專業協會頒發「香港可持續發展獎 2020/21 — 卓越獎」；
14. 榮獲香港 ESG 報告大獎頒發「卓越 ESG 管治獎 — 嘉許獎」；
15. 入選為恒生指數有限公司的「2021-2022 年度恒生可持續發展企業基準指數成份股」；
16. 獲香港中文大學商學院評為大灣區企業可持續發展指數 — 「恒生港股通大灣區指數首 20 名企業」；
17. 榮獲環境運動委員會頒發「減廢證書（卓越級別）」予東亞銀行總行大廈及東亞銀行中心；
18. 榮獲環境運動委員會頒發「節能證書（卓越級別）」予東亞銀行總行大廈及東亞銀行中心；及
19. 榮獲環境運動委員會頒發「清新室內空氣證書（卓越級別）」予東亞銀行中心。

東亞中國

20. 榮獲《證券時報》頒發「2021 年中國銀行業 ESG 實踐天璣獎」；
21. 榮獲《投資時報》頒發「2021 ESG 綠色公司之星」獎項；
22. 榮獲《每日經濟新聞》頒發 2021 中國金鼎獎「年度企業公民獎」；及
23. 榮獲《經濟觀察報》頒發「2020-2021 年度卓越資本價值企業社會貢獻銀行」獎項。

藍十字

24. 榮獲香港社會服務聯會嘉許為「商界展關懷」機構（連續 13 年獲嘉許）；
25. 榮獲積金局頒發「積金好僱主 5 年+」（連續七年獲獎）、「積金推廣獎」及「電子供款獎」；
26. 榮獲衛生署、勞工處及職業安全健康局頒發 2020-21「好心情@健康工作間大獎（企業/機構組）— 超卓機構大獎」（連續兩年獲獎）；及
27. 名列於凝動香港體育基金首屆《企業「一」起動》嘉許計劃之嘉許名單（50-500 名員工之企業）及「《「疫」要「一」起動》優秀企業實踐案例」之嘉許企業（51-500 名員工之企業）。

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December, 2021 ("Annual Report").

PRINCIPAL PLACE OF BUSINESS

The Bank of East Asia, Limited is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

PRINCIPAL ACTIVITIES

The Bank and its subsidiaries are engaged in the provision of banking and related financial services.

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the year ended 31st December, 2021 and an indication of likely future development in the business of the Group are provided in the Executive Chairman's Statement and the Report of the Co-Chief Executives of the Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout the Annual Report, in particular the Risk Management section. Particulars of important events affecting the Bank that have occurred (if any) can be found in the Annual Report and the Notes to the Financial Statements. An analysis using financial key performance indicators is provided in the Financial Highlights and the Report of the Co-Chief Executives. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout the Annual Report, in particular, the Corporate Governance Report.

In addition, discussions on the Group's environmental policies and relationships with the key stakeholders that have a significant impact on the Group are discussed in the Sustainability section of the Annual Report as well as in the Group's 2021 Environmental, Social and Governance Report which will be available on the Bank's website at www.hkbea.com (About BEA / Sustainability / ESG Reports) in the first half of 2022.

MAJOR CUSTOMERS

The Directors note that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2021 and the state of the Bank's and the Group's affairs as at that date are set out in the accounts from pages 170 to 363.

FIXED ASSETS

Details of the movements in fixed assets are set out in Note 33 to the accounts.

TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$5,270 million (2020: HK\$3,614 million) has been transferred to reserves. Other movements in reserves are set out in Note 42 to the accounts.

DIVIDENDS

An interim dividend of HK\$0.35 per Share (2020: an interim dividend of HK\$0.16 per Share) was paid on 4th October, 2021. The Directors have declared the payment of a second interim dividend of HK\$0.35 per Share (2020: a second interim dividend of HK\$0.24 per Share) in respect of the financial year ended 31st December, 2021.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last 5 years is set out in the Annual Report.

ISSUE OF SHARES

During the year, the Bank issued 2,400,721 Shares at HK\$17.138 each and 3,646,848 Shares at HK\$12.82 each to Shareholders who had elected to receive new Shares in lieu of cash dividend in respect of the 2020 second interim dividend and the 2021 interim dividend respectively.

Details about the issue of Shares are also set out in Note 40 to the accounts.

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

On 3rd November, 2021, the Bank completed the early redemption of a face value of US\$500 million 4% Tier 2 Capital Dated Subordinated Notes due 2026 (the "2026 Subordinated Notes"). The 2026 Subordinated Notes were issued in 2016 under the Bank's Medium Term Note Programme and listed on the Stock Exchange.

Save for the redemption of the 2026 Subordinated Notes as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2021.

董事會報告書

董事會全寅現謹向各股東發表截至 2021 年 12 月 31 日止年度的報告書及已審核財務報表（「年報」）。

主要營業地點

東亞銀行有限公司乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中 10 號。

主要業務

本行及其附屬公司的主要業務為提供銀行及有關的金融服務。

業務審視

有關對本集團截至 2021 年 12 月 31 日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的執行主席報告書及聯席行政總裁報告書內。對本集團面對的主要風險及不明朗因素的描述，於本年報各部分（尤其在風險管理項下）已作出披露。對本集團有影響的重大事件（如有）的詳情，在本年報各部分及財務報表各附註已作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務摘要及聯席行政總裁報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持分者的關係的討論，披露於本年報的可持續發展項下及本集團之 2021 環境、社會及管治報告內，該報告在 2022 年上半年登載於本行網站 www.hkbea.com（「關於東亞銀行 — 可持續發展 — 環境、社會及管治報告」）。

主要客戶

董事會知悉，本集團 5 位最大客戶所佔是年度本集團總利息收入及其他經營收入少於 30%。

賬項

本集團截至 2021 年 12 月 31 日止年度的股東應佔溢利，以及本行和本集團於當日的財政狀況，載列由第 170 頁至第 363 頁的賬項內。

固定資產

固定資產的變動詳情載於賬項附註 33。

撥入儲備

本集團除股息前的股東應佔溢利中的港幣 52.70 億元（2020 年：港幣 36.14 億元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註 42。

股息

中期股息每股港幣 0.35 元（2020 年：每股港幣 0.16 元）已於 2021 年 10 月 4 日派發。董事會現宣布派發截至 2021 年 12 月 31 日止年度第二次中期股息每股港幣 0.35 元（2020 年：第二次中期股息每股港幣 0.24 元）。

5 年財務概要

本集團過去 5 年的業績、資產及負債的摘要載列於本年報。

發行股份

年內，本行分別以每股港幣 17.138 元發行 2,400,721 股股份及以每股港幣 12.82 元發行 3,646,848 股股份，派發予選擇以新股代替現金收取 2020 年度第二次中期股息及 2021 年度中期股息的股東。

有關發行股份的詳情，亦載於賬項附註 40。

購入、出售或贖回本行的上市證券

本行於 2021 年 11 月 3 日完成提早贖回面值 5 億美元，孳息率為 4% 於 2026 年到期的後償票據（「2026 後償票據」）。2026 後償票據在 2016 年根據本行的中期票據計劃發行並於聯交所上市。

除上述所披露贖回 2026 後償票據外，在截至 2021 年 12 月 31 日止年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

REPORT OF THE DIRECTORS (CONTINUED)

ISSUE OF DEBENTURES

During the year ended 31st December, 2021, the following notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme to raise funds for general corporate purposes:

Class	Amount Issued (HK\$ equivalent)	Consideration received (HK\$ equivalent)
Senior Notes	US\$60,000,000 (HK\$466,210,000)	US\$59,970,800 (HK\$465,983,252.93)
Senior Notes	EUR25,000,000 (HK\$221,437,500)	EUR25,094,250 (HK\$222,272,319.38)
Total (HK\$ equivalent)	HK\$687,647,500	HK\$688,255,572.31

DIRECTORS

The present Directors of the Bank are shown on page 64.

In accordance with the Articles of Association, the terms of office of Dr. the Hon. Sir David LI Kwok-po, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, Dr. Daryl NG Win-kong, Mr. Masayuki OKU and Dr. the Hon. Rita FAN HSU Lai-tai, will expire at the 2022 AGM. They, being eligible, offer themselves for re-election at the 2022 AGM.

Details of the Directors to be re-elected at the 2022 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2022 AGM has a service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

The Bank has received an annual confirmation of independence for the year ended 31st December, 2021 pursuant to Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs from each of the INEDs, namely: Dr. Allan WONG Chi-yun, Dr. the Hon. Rita FAN HSU Lai-tai, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen, Dr. Delman LEE, Mr. William Junior Guilherme DOO and Dr. David MONG Tak-yeung and considers them to be independent throughout the applicable period.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2021) during the year up to 24th February, 2022 (being the date of approval of the Bank's 2021 Annual Report) are available on the Bank's website at www.hkbea.com under "About BEA – Corporate Governance" section on the home page.

DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Bank on a named basis are disclosed in Note 21 to the Financial Statements for the year ended 31st December, 2021.

The fees to the Directors who were appointed during 2021 were paid in accordance with their length of service.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There was no transaction, arrangement or contracts of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his connected entities (as defined under section 486 of the Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Bank is interested in any business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

董事會報告書（續）

發行債權證

在截至2021年12月31日止年度內，本行根據其6,000,000,000美元中期票據計劃發行以下票據，藉以籌集資金用作一般企業用途：

類別	發行款額（港元等值）	收取的代價（港元等值）
高級票據	60,000,000 美元 （港幣466,210,000元）	59,970,800 美元 （港幣465,983,252.93元）
高級票據	25,000,000 歐羅 （港幣221,437,500元）	25,094,250 歐羅 （港幣222,272,319.38元）
合共（港元等值）	港幣687,647,500元	港幣688,255,572.31元

董事會

本行現任董事的名單載於第64頁。

根據組織章程細則規定，李國寶爵士、黃子欣博士、李國星先生、羅友禮先生、李國仕先生、黃永光博士、奧正之先生及范徐麗泰博士將於2022股東周年常會上卸任，並願膺選連任。

所有在2022股東周年常會重選的董事的資料，載於寄發予股東的通函內。

所有擬在2022股東周年常會上膺選連任的董事，並沒有本行或其附屬公司在1年內不可在不予賠償（法定賠償除外）的情況下終止的服務合約。

本行已收到每位獨立非執行董事：黃子欣博士、范徐麗泰博士、李國榮先生、唐英年博士、李國本博士、杜家駒先生及蒙德揚博士，根據《上市規則》第3.13條及提升獨立非執行董事的專業能力指引而作出的截至2021年12月31日止年度獨立性確認函。本行對他們在整個適用期間的獨立性表示認同。

附屬公司董事

於年度內及截至2022年2月24日（為通過本行2021年報當天）止之期間，出任本行（包括在截至2021年12月31日止年度的綜合財務報表內）附屬公司董事會的董事姓名名單，已登載於本行網站www.hkbea.com主頁內的「關於東亞銀行 — 企業管治」項下以供閱覽。

董事薪酬

具名列載本行董事薪酬的資料在截至2021年12月31日止年度的財務報表附註21內披露。

在2021年內獲委任的董事的酬金已按其服務期支付。

董事在交易、安排或合約中之權益

於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體（根據《條例》第486條之定義）均無直接或間接擁有重大權益。

董事在競爭業務之權益

本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

Dr. the Hon. Sir David LI Kwok-po is employed as the Executive Chairman of the Bank. His existing three-year term service contract commenced on 1st July, 2019 and will expire on 30th June, 2022.

PERMITTED INDEMNITY

Pursuant to the Articles of Association, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the

extent permitted by the Ordinance) incurred by such Director, Secretary or officer in the execution of his duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

DIRECTORS' AND CO-CHIEF EXECUTIVES' INTERESTS

As at 31st December, 2021, the interests and short positions of the Directors and Co-Chief Executives of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

I. Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued voting Shares
David LI Kwok-po	Beneficial owner	88,160,000		
	Interest of spouse	2,215,755		
	Interest of corporation	458,594		
	Executor of estate	11,683,461	102,517,810 ¹	3.51
Arthur LI Kwok-cheung	Beneficial owner	13,085,663		
	Interest of corporation	17,437,293		
	Executor of estate	11,683,461	42,206,417 ²	1.45
Allan WONG Chi-yun	Beneficial owner	464,393		
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	17,415,234	17,879,763 ³	0.61
Aubrey LI Kwok-sing	Beneficial owner	868,168		
	Interest of spouse	26,203		
	Founder/Settlor of trust	17,901,241	18,795,612 ⁴	0.64
Stephen Charles LI Kwok-sze	Beneficial owner	11,752,581		
	Administrator of estates	1,822,523	13,575,104 ⁵	0.47
Adrian David LI Man-kiu	Beneficial owner	1,095,959		
	Settlor/Founder of discretionary trust	2,154,840	3,250,799 ⁶	0.11
Brian David LI Man-bun	Beneficial owner	2,679,902		
	Interest of corporation	820,282	3,500,184 ⁷	0.12
David MONG Tak-yeung	Interest of corporation	6,041,926	6,041,926 ⁸	0.21

Notes:

1 David LI Kwok-po was the beneficial owner of 88,160,000 shares and he was deemed to be interested in 2,215,755 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 458,594 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 11,683,461 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 11,683,461 shares as one of the executors of the estate (please refer to Note 2 below).

2 Arthur LI Kwok-cheung was the beneficial owner of 13,085,663 shares and he was deemed to be interested in 17,437,293 shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 11,683,461 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 11,683,461 shares as one of the executors of the estate (please refer to Note 1 above).

董事會報告書(續)

管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行的執行主席。他現行為期3年的僱傭合約已於2019年7月1日起生效，並將於2022年6月30日屆滿。

獲准許的彌償條文

根據組織章程細則，每名本行董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或產生

之所有債務(受限於《條例》的規定)，有權獲得從本行基金中撥付彌償。此外，本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工。

董事及聯席行政總裁權益

於2021年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊(「該登記冊」)所記錄，本行各董事及聯席行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率
李國寶	實益擁有人	88,160,000	102,517,810 ¹	3.51
	配偶的權益	2,215,755		
	法團的權益	458,594		
	遺產執行人	11,683,461		
李國章	實益擁有人	13,085,663	42,206,417 ²	1.45
	法團的權益	17,437,293		
	遺產執行人	11,683,461		
黃子欣	實益擁有人	464,393	17,879,763 ³	0.61
	配偶的權益	136		
	酌情信託的成立人及受益人	17,415,234		
李國星	實益擁有人	868,168	18,795,612 ⁴	0.64
	配偶的權益	26,203		
	信託的成立人/授予人	17,901,241		
李國仕	實益擁有人	11,752,581	13,575,104 ⁵	0.47
	遺產管理人	1,822,523		
李民橋	實益擁有人	1,095,959	3,250,799 ⁶	0.11
	酌情信託的財產授予人/成立人	2,154,840		
李民斌	實益擁有人	2,679,902	3,500,184 ⁷	0.12
	法團的權益	820,282		
蒙德揚	法團的權益	6,041,926	6,041,926 ⁸	0.21

附註：

- 1 李國寶為88,160,000股的實益擁有人。由於其配偶潘金翠擁有2,215,755股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的458,594股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,683,461股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批11,683,461股(請參閱下列附註2)。
- 2 李國章為13,085,663股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的17,437,293股，該公司為李國章全資擁有。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,683,461股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批11,683,461股(請參閱上列附註1)。

REPORT OF THE DIRECTORS (CONTINUED)

- 3 *Allan WONG Chi-yun was the beneficial owner of 464,393 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 17,415,234 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 868,168 shares and he was deemed to be interested in 26,203 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 17,901,241 shares held by LEVA Trust of which he is the founder/settlor.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 11,752,581 shares. He was also deemed to be interested in 1,822,523 shares held by two estates of which he is one of the administrators.*
- 6 *Adrian David LI Man-kiu was the beneficial owner of 1,095,959 shares. He has made a voluntary disclosure of 2,154,840 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.*
- 7 *Brian David LI Man-bun was the beneficial owner of 2,679,902 shares. He was also deemed to be interested in 820,282 shares held by Triple Kingdom Limited, which is wholly-owned by him.*
- 8 *David MONG Tak-yeung was deemed to be interested in 6,041,926 shares held by certain corporations, out of which (i) 5,306,771 shares were held by Shun Hing Electronic Trading Co., Ltd.; and (ii) 735,155 shares were held by Shun Hing Technology Co. Ltd.. He directly / indirectly controls one-third or more of the voting power at a general meeting of these corporations.*

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

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2021 was shown in the section under "Information on Share Options" of this Report.

III. Interests in debt securities of the Bank:

Francisco Javier SERRADO TREPAT was the beneficial owner of the following debt securities issued by the Bank:

Type of Debt Securities	Amount of Debentures
Additional Tier 1 Undated Capital Securities ^{Note}	US\$20,500,000

Note: The 5.875% Additional Tier 1 Undated Capital Securities with a face value of US\$650 million were issued by the Bank under its US\$6,000 million Medium Term Note Programme in 2019 and are listed on the Stock Exchange.

Each of the other Directors, namely Winston LO Yau-lai, Daryl NG Win-kong, Masayuki OKU, Rita FAN HSU Lai-tai, Meocre LI Kwok-wing, Henry TANG Ying-yen, Delman LEE and William Junior Guilherme DOO did not have any interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations as at 31st December, 2021.

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

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under "Information on Share Options", and Notes 2(y)(iv) and 39 to the accounts.

董事會報告書(續)

- 3 黃子欣為 464,393 股的實益擁有人。由於其配偶郭志蕙(已歿)擁有 136 股之權益，他被視為擁有該等股份。而由於黃子欣為一個酌情信託 Allan Wong 2011 Trust 的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的 17,415,234 股。
- 4 李國星為 868,168 股的實益擁有人。由於其配偶吳伊莉擁有 26,203 股之權益，他亦被視為擁有該等股份。由於李國星為一個信託 LEVA Trust 的成立人/授予人而被視為擁有該信託所持有的 17,901,241 股。
- 5 李國仕為 11,752,581 股的實益擁有人。李國仕作為兩個遺產的其中一位管理人，因而被視為擁有該兩個遺產持有的 1,822,523 股。
- 6 李民橋為 1,095,959 股的實益擁有人。他自願披露其作為財產授予人/成立人的一個酌情信託間接所持有的 2,154,840 股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 7 李民斌為 2,679,902 股的實益擁有人。他亦被視為擁有由 Triple Kingdom Limited 持有的 820,282 股，該公司為李民斌全資擁有。
- 8 蒙德揚被視為擁有由若干法團所持有的 6,041,926 股，其中 (i) 5,306,771 股由信興電器貿易有限公司持有；而 (ii) 735,155 股則由信興科技有限公司持有。他直接/間接控制該兩間公司股東大會三分之一或以上的投票權。

II. 本行相關股份(就股本衍生工具而言)的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交付的期權。有關此等認股權在截至 2021 年 12 月 31 日止年度內的資料，見於本報告「認股權資料」項下。

III. 本行債務證券的權益：

Francisco Javier SERRADO TREPAT 為下述本行發行的債務證券的實益擁有人：

債務證券種類	債權證數額
無到期日額外一級資本證券 ^註	20,500,000 美元

註：本行根據其 6,000,000,000 美元中期票據計劃發行面值為 650,000,000 美元的無到期日額外一級資本證券(息率為年利率 5.875%)，該資本證券於 2019 年發行並在聯交所上市。

其他董事，包括羅友禮、黃永光、奧正之、范徐麗泰、李國榮、唐英年、李國本和杜家駒，於 2021 年 12 月 31 日均無持有本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

除於下列「認股權資料」項下及賬項附註 2(y)(iv) 及 39 所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或聯席行政總裁或他們的配偶或 18 歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

REPORT OF THE DIRECTORS (CONTINUED)

INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2021:

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2021
		Outstanding at 01/1/2021	Granted	Exercised	Lapsed	
David Li Kwok-po	03/5/2013 ^a	668,000 ^{T3}	-	-	668,000	0
	02/5/2014 ^a	666,000 ^{T2}	-	-	666,000	0
	02/5/2014 ^a	668,000 ^{T3}	-	-	-	668,000
	04/5/2015 ^a	666,000 ^{T1}	-	-	666,000	0
	04/5/2015 ^a	666,000 ^{T2}	-	-	-	666,000
	04/5/2015 ^a	668,000 ^{T3}	-	-	-	668,000
	08/4/2016 ^a	666,000 ^{T2}	-	-	-	666,000
	08/4/2016 ^a	668,000 ^{T3}	-	-	-	668,000
	07/4/2017 ^a	666,000 ^{T1}	-	-	-	666,000
	07/4/2017 ^a	666,000 ^{T2}	-	-	-	666,000
	07/4/2017 ^a	501,000 ^{T3}	-	-	-	501,000
	10/4/2018 ^a	666,000 ^{T1}	-	-	-	666,000
	10/4/2018 ^a	499,500 ^{T2}	-	-	-	499,500
	10/4/2018 ^a	501,000 ^{T3}	-	-	-	501,000
	19/7/2019 ^a	499,500 ^{T1}	-	-	-	499,500
	19/7/2019 ^a	499,500 ^{T2}	-	-	-	499,500
	19/7/2019 ^a	501,000 ^{T3}	-	-	-	501,000
	07/4/2020 ^a	346,115 ^{T1}	-	-	-	346,115
	07/4/2020 ^a	347,802 ^{T2}	-	-	-	347,802
	07/4/2020 ^a	354,090 ^{T3}	-	-	-	354,090
Adrian David Li Man-kiu	13/4/2021 ^b	-	123,586 ^{T1}	-	-	123,586
	13/4/2021 ^b	-	123,602 ^{T2}	-	-	123,602
	13/4/2021 ^b	-	123,893 ^{T3}	-	-	123,893
	03/5/2013 ^a	218,000 ^{T3}	-	-	218,000	0
	02/5/2014 ^a	216,000 ^{T2}	-	-	216,000	0
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^a	216,000 ^{T1}	-	-	216,000	0
Adrian David Li Man-kiu	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000
	07/4/2017 ^a	163,500 ^{T3}	-	-	-	163,500
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000
	10/4/2018 ^a	162,000 ^{T2}	-	-	-	162,000
	10/4/2018 ^a	163,500 ^{T3}	-	-	-	163,500
	19/7/2019 ^a	162,000 ^{T1}	-	-	-	162,000
	19/7/2019 ^a	162,000 ^{T2}	-	-	-	162,000
	19/7/2019 ^a	163,500 ^{T3}	-	-	-	163,500
	07/4/2020 ^a	268,360 ^{T1}	-	-	-	268,360
	07/4/2020 ^a	271,648 ^{T2}	-	-	-	271,648
	07/4/2020 ^a	282,769 ^{T3}	-	-	-	282,769
	13/4/2021 ^b	-	240,154 ^{T1}	-	-	240,154
	13/4/2021 ^b	-	240,186 ^{T2}	-	-	240,186
	13/4/2021 ^b	-	240,759 ^{T3}	-	-	240,759

董事會報告書(續)

認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2021年12月31日止年度內認股權的變動：

姓名	授予日期	認股權數目				
		於01/1/2021 尚未行使	授出	行使	失效	於31/12/2021 尚未行使
李國寶	03/5/2013 ^a	668,000 ^{T3}	-	-	668,000	0
	02/5/2014 ^a	666,000 ^{T2}	-	-	666,000	0
	02/5/2014 ^a	668,000 ^{T3}	-	-	-	668,000
	04/5/2015 ^a	666,000 ^{T1}	-	-	666,000	0
	04/5/2015 ^a	666,000 ^{T2}	-	-	-	666,000
	04/5/2015 ^a	668,000 ^{T3}	-	-	-	668,000
	08/4/2016 ^a	666,000 ^{T2}	-	-	-	666,000
	08/4/2016 ^a	668,000 ^{T3}	-	-	-	668,000
	07/4/2017 ^a	666,000 ^{T1}	-	-	-	666,000
	07/4/2017 ^a	666,000 ^{T2}	-	-	-	666,000
	07/4/2017 ^a	501,000 ^{T3}	-	-	-	501,000
	10/4/2018 ^a	666,000 ^{T1}	-	-	-	666,000
	10/4/2018 ^a	499,500 ^{T2}	-	-	-	499,500
	10/4/2018 ^a	501,000 ^{T3}	-	-	-	501,000
	19/7/2019 ^a	499,500 ^{T1}	-	-	-	499,500
	19/7/2019 ^a	499,500 ^{T2}	-	-	-	499,500
	19/7/2019 ^a	501,000 ^{T3}	-	-	-	501,000
	07/4/2020 ^a	346,115 ^{T1}	-	-	-	346,115
	07/4/2020 ^a	347,802 ^{T2}	-	-	-	347,802
	07/4/2020 ^a	354,090 ^{T3}	-	-	-	354,090
	13/4/2021 ^b	-	123,586 ^{T1}	-	-	123,586
	13/4/2021 ^b	-	123,602 ^{T2}	-	-	123,602
	13/4/2021 ^b	-	123,893 ^{T3}	-	-	123,893
李民橋	03/5/2013 ^a	218,000 ^{T3}	-	-	218,000	0
	02/5/2014 ^a	216,000 ^{T2}	-	-	216,000	0
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^a	216,000 ^{T1}	-	-	216,000	0
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000
	07/4/2017 ^a	163,500 ^{T3}	-	-	-	163,500
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000
	10/4/2018 ^a	162,000 ^{T2}	-	-	-	162,000
	10/4/2018 ^a	163,500 ^{T3}	-	-	-	163,500
	19/7/2019 ^a	162,000 ^{T1}	-	-	-	162,000
	19/7/2019 ^a	162,000 ^{T2}	-	-	-	162,000
	19/7/2019 ^a	163,500 ^{T3}	-	-	-	163,500
	07/4/2020 ^a	268,360 ^{T1}	-	-	-	268,360
	07/4/2020 ^a	271,648 ^{T2}	-	-	-	271,648
	07/4/2020 ^a	282,769 ^{T3}	-	-	-	282,769
	13/4/2021 ^b	-	240,154 ^{T1}	-	-	240,154
	13/4/2021 ^b	-	240,186 ^{T2}	-	-	240,186
	13/4/2021 ^b	-	240,759 ^{T3}	-	-	240,759

REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2021
		Outstanding at 01/1/2021	Granted	Exercised	Lapsed	
Brian David LI Man-bun	03/5/2013 ^a	218,000 ^{T3}	-	-	218,000	0
	02/5/2014 ^a	216,000 ^{T2}	-	-	216,000	0
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^a	216,000 ^{T1}	-	-	216,000	0
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000
	07/4/2017 ^a	109,000 ^{T3}	-	-	-	109,000
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000
	10/4/2018 ^a	108,000 ^{T2}	-	-	-	108,000
	10/4/2018 ^a	109,000 ^{T3}	-	-	-	109,000
	07/4/2020 ^a	286,690 ^{T1}	-	-	-	286,690
	07/4/2020 ^a	288,878 ^{T2}	-	-	-	288,878
	07/4/2020 ^a	297,977 ^{T3}	-	-	-	297,977
	13/4/2021 ^b	-	240,154 ^{T1}	-	-	240,154
	13/4/2021 ^b	-	240,186 ^{T2}	-	-	240,186
	13/4/2021 ^b	-	240,759 ^{T3}	-	-	240,759
Aggregate of other Employees*	03/5/2013 ^a	586,000 ^{T3}	-	-	586,000	0
	02/5/2014 ^a	682,000 ^{T2}	-	-	682,000	0
	02/5/2014 ^a	686,000 ^{T3}	-	-	-	686,000
	04/5/2015 ^a	682,000 ^{T1}	-	-	682,000	0
	04/5/2015 ^a	682,000 ^{T2}	-	-	-	682,000
	04/5/2015 ^a	686,000 ^{T3}	-	-	-	686,000
	08/4/2016 ^a	532,000 ^{T1}	-	-	-	532,000
	08/4/2016 ^a	698,000 ^{T2}	-	-	-	698,000
	08/4/2016 ^a	742,500 ^{T3}	-	-	-	742,500
	07/4/2017 ^a	782,000 ^{T1}	-	-	-	782,000
	07/4/2017 ^a	782,000 ^{T2}	-	-	-	782,000
	07/4/2017 ^a	639,500 ^{T3}	-	-	-	639,500
	10/4/2018 ^a	827,000 ^{T1}	-	-	-	827,000
	10/4/2018 ^a	681,500 ^{T2}	-	-	-	681,500
	10/4/2018 ^a	687,000 ^{T3}	-	-	-	687,000
	19/7/2019 ^a	686,500 ^{T1}	-	-	-	686,500
	19/7/2019 ^a	686,500 ^{T2}	-	-	-	686,500
	19/7/2019 ^a	689,500 ^{T3}	-	-	-	689,500
	07/4/2020 ^a	715,000 ^{T1}	-	-	-	715,000
	07/4/2020 ^a	715,000 ^{T2}	-	-	-	715,000
	07/4/2020 ^a	720,000 ^{T3}	-	-	-	720,000
	13/4/2021 ^b	-	789,903 ^{T1}	-	-	789,903
	13/4/2021 ^b	-	789,932 ^{T2}	-	-	789,932
	13/4/2021 ^b	-	793,439 ^{T3}	-	-	793,439

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姓名	授予日期	認股權數目				
		於 01/1/2021		於 31/12/2021		
		尚未行使	授出	行使	失效	尚未行使
李民斌	03/5/2013 ^a	218,000 ^{T3}	-	-	218,000	0
	02/5/2014 ^a	216,000 ^{T2}	-	-	216,000	0
	02/5/2014 ^a	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^a	216,000 ^{T1}	-	-	216,000	0
	04/5/2015 ^a	216,000 ^{T2}	-	-	-	216,000
	04/5/2015 ^a	218,000 ^{T3}	-	-	-	218,000
	08/4/2016 ^a	216,000 ^{T1}	-	-	-	216,000
	08/4/2016 ^a	216,000 ^{T2}	-	-	-	216,000
	08/4/2016 ^a	218,000 ^{T3}	-	-	-	218,000
	07/4/2017 ^a	216,000 ^{T1}	-	-	-	216,000
	07/4/2017 ^a	216,000 ^{T2}	-	-	-	216,000
	07/4/2017 ^a	109,000 ^{T3}	-	-	-	109,000
	10/4/2018 ^a	216,000 ^{T1}	-	-	-	216,000
	10/4/2018 ^a	108,000 ^{T2}	-	-	-	108,000
	10/4/2018 ^a	109,000 ^{T3}	-	-	-	109,000
	07/4/2020 ^a	286,690 ^{T1}	-	-	-	286,690
	07/4/2020 ^a	288,878 ^{T2}	-	-	-	288,878
	07/4/2020 ^a	297,977 ^{T3}	-	-	-	297,977
	13/4/2021 ^b	-	240,154 ^{T1}	-	-	240,154
	13/4/2021 ^b	-	240,186 ^{T2}	-	-	240,186
	13/4/2021 ^b	-	240,759 ^{T3}	-	-	240,759
其他僱員的總數 *	03/5/2013 ^a	586,000 ^{T3}	-	-	586,000	0
	02/5/2014 ^a	682,000 ^{T2}	-	-	682,000	0
	02/5/2014 ^a	686,000 ^{T3}	-	-	-	686,000
	04/5/2015 ^a	682,000 ^{T1}	-	-	682,000	0
	04/5/2015 ^a	682,000 ^{T2}	-	-	-	682,000
	04/5/2015 ^a	686,000 ^{T3}	-	-	-	686,000
	08/4/2016 ^a	532,000 ^{T1}	-	-	-	532,000
	08/4/2016 ^a	698,000 ^{T2}	-	-	-	698,000
	08/4/2016 ^a	742,500 ^{T3}	-	-	-	742,500
	07/4/2017 ^a	782,000 ^{T1}	-	-	-	782,000
	07/4/2017 ^a	782,000 ^{T2}	-	-	-	782,000
	07/4/2017 ^a	639,500 ^{T3}	-	-	-	639,500
	10/4/2018 ^a	827,000 ^{T1}	-	-	-	827,000
	10/4/2018 ^a	681,500 ^{T2}	-	-	-	681,500
	10/4/2018 ^a	687,000 ^{T3}	-	-	-	687,000
	19/7/2019 ^a	686,500 ^{T1}	-	-	-	686,500
	19/7/2019 ^a	686,500 ^{T2}	-	-	-	686,500
	19/7/2019 ^a	689,500 ^{T3}	-	-	-	689,500
	07/4/2020 ^a	715,000 ^{T1}	-	-	-	715,000
	07/4/2020 ^a	715,000 ^{T2}	-	-	-	715,000
	07/4/2020 ^a	720,000 ^{T3}	-	-	-	720,000
	13/4/2021 ^b	-	789,903 ^{T1}	-	-	789,903
	13/4/2021 ^b	-	789,932 ^{T2}	-	-	789,932
	13/4/2021 ^b	-	793,439 ^{T3}	-	-	793,439

REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2021
		Outstanding at 01/1/2021	Granted	Exercised	Lapsed	
Other Participants**	03/5/2013 ^a	150,000 ^{T3}	-	-	150,000	0
	02/5/2014 ^a	162,000 ^{T2}	-	-	162,000	0
	02/5/2014 ^a	163,500 ^{T3}	-	-	50,000	113,500
	04/5/2015 ^a	250,000 ^{T1}	-	-	250,000	0
	04/5/2015 ^a	250,000 ^{T2}	-	-	50,000	200,000
	04/5/2015 ^a	215,746 ^{T3}	-	-	50,000	165,746
	08/4/2016 ^a	100,000 ^{T1}	-	-	-	100,000
	08/4/2016 ^a	200,000 ^{T2}	-	-	50,000	150,000
	08/4/2016 ^a	250,000 ^{T3}	-	-	50,000	200,000
	07/4/2017 ^a	250,000 ^{T1}	-	-	50,000	200,000
	07/4/2017 ^a	250,000 ^{T2}	-	-	50,000	200,000
	07/4/2017 ^a	187,500 ^{T3}	-	-	37,500	150,000
	10/4/2018 ^a	300,000 ^{T1}	-	-	100,000	200,000
	10/4/2018 ^a	212,500 ^{T2}	-	-	50,000	162,500
	10/4/2018 ^a	212,500 ^{T3}	-	-	-	212,500
	19/7/2019 ^a	195,500 ^{T1}	-	-	50,000	145,500
	19/7/2019 ^a	195,500 ^{T2}	-	-	-	195,500
	19/7/2019 ^a	196,500 ^{T3}	-	-	-	196,500
	07/4/2020 ^a	162,000 ^{T1}	-	-	-	162,000
	07/4/2020 ^a	162,000 ^{T2}	-	-	-	162,000
	07/4/2020 ^a	163,500 ^{T3}	-	-	-	163,500
	13/4/2021 ^b	-	50,000 ^{T1}	-	-	50,000
	13/4/2021 ^b	-	50,000 ^{T2}	-	-	50,000
	13/4/2021 ^b	-	50,000 ^{T3}	-	-	50,000

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

** Other Participants refer to certain former employees of the Bank. Such share options were offered / granted to them prior to their cessation as employees of the Bank.

Notes:

a Particulars of share options granted in years 2013 to 2020:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

董事會報告書(續)

姓名	授予日期	認股權數目				
		於01/1/2021 尚未行使	授出	行使	於31/12/2021 失效	尚未行使
其他參與人 **	03/5/2013 ^a	150,000 ^{T3}	-	-	150,000	0
	02/5/2014 ^a	162,000 ^{T2}	-	-	162,000	0
	02/5/2014 ^a	163,500 ^{T3}	-	-	50,000	113,500
	04/5/2015 ^a	250,000 ^{T1}	-	-	250,000	0
	04/5/2015 ^a	250,000 ^{T2}	-	-	50,000	200,000
	04/5/2015 ^a	215,746 ^{T3}	-	-	50,000	165,746
	08/4/2016 ^a	100,000 ^{T1}	-	-	-	100,000
	08/4/2016 ^a	200,000 ^{T2}	-	-	50,000	150,000
	08/4/2016 ^a	250,000 ^{T3}	-	-	50,000	200,000
	07/4/2017 ^a	250,000 ^{T1}	-	-	50,000	200,000
	07/4/2017 ^a	250,000 ^{T2}	-	-	50,000	200,000
	07/4/2017 ^a	187,500 ^{T3}	-	-	37,500	150,000
	10/4/2018 ^a	300,000 ^{T1}	-	-	100,000	200,000
	10/4/2018 ^a	212,500 ^{T2}	-	-	50,000	162,500
	10/4/2018 ^a	212,500 ^{T3}	-	-	-	212,500
	19/7/2019 ^a	195,500 ^{T1}	-	-	50,000	145,500
	19/7/2019 ^a	195,500 ^{T2}	-	-	-	195,500
	19/7/2019 ^a	196,500 ^{T3}	-	-	-	196,500
	07/4/2020 ^a	162,000 ^{T1}	-	-	-	162,000
	07/4/2020 ^a	162,000 ^{T2}	-	-	-	162,000
	07/4/2020 ^a	163,500 ^{T3}	-	-	-	163,500
	13/4/2021 ^b	-	50,000 ^{T1}	-	-	50,000
	13/4/2021 ^b	-	50,000 ^{T2}	-	-	50,000
	13/4/2021 ^b	-	50,000 ^{T3}	-	-	50,000

* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

** 其他參與人指若干本行前僱員。在其終止為本行僱員前已接納/獲授予該等認股權。

附註：

a 於2013年至2020年授予的認股權詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

REPORT OF THE DIRECTORS (CONTINUED)

b Share options granted in year 2021:

(i) Particulars:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08

(ii) The closing price of the shares of the Bank on 12th April, 2021 (being the business day immediately preceding 13th April, 2021 on which the options were granted) was HK\$16.60.

(iii) Fair value of share options granted during the year ended 31st December, 2021 and the assumptions are set out in Note 39 to the accounts.

(2) No share options were exercised or cancelled during the year ended 31st December, 2021.

(3) The accounting policy adopted for share options is set out in Note 2(y)(iv) on the accounts.

Save as disclosed above, as at 31st December, 2021, none of the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the 2021 Scheme disclosed in accordance with the Listing Rules:

1. Purpose of the 2021 Scheme:

- (a) The 2021 Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- (b) The 2021 Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

2. Participants of the 2021 Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Co-Chief Executives of the Group.

3. Total number of shares available for issue under the 2021 Scheme and % of issued shares at 31st December, 2021:

The maximum number of Shares that may be issued upon the exercise of the options that may be granted under the 2021 Scheme is 145,949,434 Shares, being 5% of the total number of issued Shares as at the date of approval of the 2021 Scheme, and 4.99% as at 31st December, 2021.

During the year ended 31st December, 2021, no options had been granted under the 2021 Scheme since its Adoption Date (i.e. 6th May, 2021). Therefore, no shares were available for issue under the 2021 Scheme as at 31st December, 2021.

4. Maximum entitlement of each participant under the 2021 Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of Shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the 2021 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued Shares as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2021 Scheme.

董事會報告書(續)

b 於2021年授予的認股權：

(i) 詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08

(ii) 本行股份在2021年4月12日(即2021年4月13日授出認股權當日之前一個營業日)的收市價為港幣16.60元。

(iii) 在截至2021年12月31日止年度內授出認股權的公平價值及假設載於賬項附註39。

(2) 截至2021年12月31日止年度內並無認股權被行使或被註銷。

(3) 有關認股權的會計政策載於賬項附註2(y)(iv)。

除上述所披露外，於2021年12月31日，本行的董事或聯席行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

認股權計劃資料

根據《上市規則》披露的有關2021計劃的摘要如下：

1. 2021計劃的目的：

- (a) 2021計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 2021計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

2. 2021計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和聯席行政總裁，授予認股權。

3. 2021計劃中可予發行的股份數目及其於2021年12月31日佔已發行股份的百分率：

根據2021計劃可授出的認股權獲行使時可予發行的股份數目上限為145,949,434股，即相當於批准2021計劃當日已發行股份的5%及於2021年12月31日已發行股份的4.99%。

在截至2021年12月31日止的年度內，由採納日(即2021年5月6日)開始，並無根據2021計劃授出認股權。因此，於2021年12月31日，2021計劃中並未有可予發行的股份。

4. 2021計劃中每名參與人可獲授權益上限：

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日(包括當日)止12個月內，因行使已經根據或將會根據2021計劃及本行任何其他計劃(該計劃受《上市規則》第17章的規定所規限)獲授的認股權(包括已行使、已註銷及尚未行使的認股權)時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於2021計劃的規則內的若干規定所約束。

REPORT OF THE DIRECTORS (CONTINUED)

5. The period within which the shares must be taken up under an option:

Beginning on the vesting date of such options, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2021 Scheme.

6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the vesting date thereof.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

Not applicable.

8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

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

9. Vesting of Options:

Save as provided otherwise in the rules of the 2021 Scheme, an option granted under the 2021 Scheme shall be vested and become exercisable as follows:

- (a) not more than one third of the option shall be vested and become exercisable on the first anniversary of the Date of Grant;
- (b) not more than one third of the option shall be vested and become exercisable on the second anniversary of the Date of Grant; and
- (c) the remaining balance of the option shall be vested and become exercisable on the third anniversary of the Date of Grant.

10. The remaining life of the 2021 Scheme:

The Scheme Period will end on 5th May, 2026.

董事會報告書（續）

5. 可根據認股權認購股份的期限：

除 2021 計劃的規則另有規定外，由該認股權歸屬日（該認股權被歸屬並變為可行使之日期）開始截至歸屬日的第 5 周年止。

6. 認股權行使之前必須持有的最短期限：

由認股權授出之日起直至歸屬日之前一日。

7. 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

不適用

8. 行使價的釐定基準：

行使價由董事會釐定，但不少於下列的最高價：

- (a) 於授出有關認股權當日，本行普通股股份於聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權當日之前 5 個營業日，本行普通股股份於聯交所日報表的平均收市價。

9. 認股權的歸屬：

除 2021 計劃的規則另有規定外，按 2021 計劃授出的認股權將被歸屬及成為可行使如下：

- (a) 不多於三分之一的認股權將於授予日的第 1 周年被歸屬及成為可行使；
- (b) 不多於三分之一的認股權將於授予日的第 2 周年被歸屬及成為可行使；及
- (c) 餘下的認股權將於授予日的第 3 周年被歸屬及成為可行使。

10. 2021 計劃尚餘的有效期：

計劃期間將於 2026 年 5 月 5 日終止。

REPORT OF THE DIRECTORS (CONTINUED)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2021, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued voting Shares
Sumitomo Mitsui Banking Corporation	Beneficial owner	510,003,673 ¹	19.01
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	510,003,673 ¹	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	464,287,319 ²	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	464,287,319 ²	17.30
Guoco Management Company Limited	Beneficial owner	435,691,137 ^{3,4}	14.92 ⁵
Guoco Group Limited	Interest of corporation	435,691,137 ³	14.92
GuoLine Overseas Limited	Interest of corporation	435,691,137 ³	14.92 ⁵
GuoLine Capital Assets Limited	Interest of corporation	435,691,137 ³	14.92
QUEK Leng Chan	Interest of corporation	435,691,137 ³	14.92
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	435,691,137 ⁴	14.92
Davos Investment Holdings Private Limited	Interest of corporation	435,691,137 ⁴	14.92
KWEK Leng Kee	Interest of corporation	435,691,137 ⁴	14.92
Elliott International Special, GP, LLC	Interest of corporation	226,474,173 ⁶	7.75
Elliott Investment Management GP LLC	Investment Manager	246,510,173 ⁷	8.43

Notes:

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

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2021, they stood at 574,516,317 shares (equivalent to approximately 19.66% of the issued shares of the Bank as at 31st December, 2021). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 2 As at 31st December, 2021, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Criteria Caixa.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2021, they stood at 508,519,684 shares (equivalent to approximately 17.40% of the issued shares of the Bank as at 31st December, 2021). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 3 The references to 435,691,137 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 435,691,137 shares (equivalent to approximately 14.92% of the issued shares of the Bank as at 16th April, 2021, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 14.91% of the issued shares of the Bank as at 31st December, 2021). GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited was deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited.

QUEK Leng Chan was deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited by virtue of his 49.11% interest in GuoLine Capital Assets Limited.

- 4 The references to 435,691,137 shares of the Bank in Notes 3 and 4 relate to the same block of shares. GuoLine Capital Assets Limited was 34.49% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 435,691,137 shares (equivalent to approximately 14.92% of the issued shares of the Bank as at 16th April, 2021, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 14.91% of the issued shares of the Bank as at 31st December, 2021) held by Guoco Management Company Limited by virtue of their interests in GuoLine Capital Assets Limited.

KWEK Leng Kee was deemed to be interested in the 435,691,137 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

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

董事會報告書(續)

主要股東及其他人士的權益

於2021年12月31日，根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）所記錄，主要股東及其他人士擁有本行的股份及相關股份的權益如下：

本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	佔已發行有投票權股份的百分率
三井住友銀行	實益擁有人	510,003,673 ¹	19.01
三井住友金融集團	法團的權益	510,003,673 ¹	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	464,287,319 ²	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	464,287,319 ²	17.30
國浩管理有限公司	實益擁有人	435,691,137 ^{3,4}	14.92 ⁵
國浩集團有限公司	法團的權益	435,691,137 ³	14.92
GuoLine Overseas Limited	法團的權益	435,691,137 ³	14.92 ⁵
GuoLine Capital Assets Limited	法團的權益	435,691,137 ³	14.92
郭令燦	法團的權益	435,691,137 ³	14.92
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	435,691,137 ⁴	14.92
Davos Investment Holdings Private Limited	法團的權益	435,691,137 ⁴	14.92
KWEK Leng Kee	法團的權益	435,691,137 ⁴	14.92
Elliott International Special GP, LLC	法團的權益	226,474,173 ⁶	7.75
Elliott Investment Management GP LLC	投資經理	246,510,173 ⁷	8.43

附註：

- 1 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的510,003,673股的權益。

本行已收到通知上述兩個法團於2021年12月31日的持股量已增加至574,516,317股（相等於本行於2021年12月31日已發行股份約19.66%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。

- 2 於2021年12月31日，Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"（「la Caixa」）全資擁有Criteria Caixa, S.A., Sociedad Unipersonal（「Criteria Caixa」）。la Caixa因此而被視為擁有Criteria Caixa所持有的464,287,319股的權益。

本行已收到通知上述兩個法團於2021年12月31日的持股量已增加至508,519,684股（相等於本行於2021年12月31日已發行股份約17.40%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。

- 3 附註3及4所指之435,691,137股本行股份為同一批股份。國浩管理有限公司為435,691,137股（相等於本行於2021年4月16日（即根據《證券及期貨條例》第XV部作出披露時）已發行股份約14.92%，及本行於2021年12月31日已發行股份約14.91%）之實益擁有人。GuoLine Overseas Limited持有國浩集團有限公司71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司。由於GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited，GuoLine Capital Assets Limited因此被視為擁有國浩管理有限公司所持有的435,691,137股的權益。GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的435,691,137股的權益。

郭令燦因持有GuoLine Capital Assets Limited的49.11%權益而被視為擁有國浩管理有限公司持有之435,691,137股的權益。

- 4 附註3及4所指之435,691,137股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有GuoLine Capital Assets Limited的34.49%權益。Hong Leong Investment Holdings Pte. Ltd.和Davos Investment Holdings Private Limited因持有GuoLine Capital Assets Limited的權益而被視為擁有國浩管理有限公司所持有的435,691,137股（相等於本行於2021年4月16日（即根據《證券及期貨條例》第XV部作出披露時）已發行股份約14.92%，及本行於2021年12月31日已發行股份約14.91%）的權益。

KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司持有之435,691,137股的權益。

- 5 GuoLine Overseas Limited為GuoLine Capital Assets Limited的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於GuoLine Capital Assets Limited及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。

REPORT OF THE DIRECTORS (CONTINUED)

- 6 Elliott International Special GP, LLC ("EISGP") was deemed to be interested in these shares comprising 117,872,021 shares held by Elliott International L.P. ("EILP"), 108,601,552 shares held by Wakeland Securities L.P., 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd. Please also refer to note 7 below.

Wakeland Securities L.P., Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd. were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..

Hambledon, Inc. was 100% controlled by EISGP which is accustomed to act in accordance with the directions of Paul Singer.

- 7 Elliott Investment Management GP LLC ("EIMGP"), as Investment Manager, was deemed to be interested in these shares comprising those shares disclosed in note 6 above, 20,035,600 shares held by The Liverpool Limited Partnership, 200 shares held by Artan Investments Ltd and 200 shares held by Frasco Investments Ltd. EIMGP 100% controls Elliott Investment Management L.P., which has investment discretion with respect to all these shares.

EIMGP is accustomed to act in accordance with the directions of Paul Singer.

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

EQUITY-LINKED AGREEMENTS

During the year, other than the Staff Share Option Schemes as set out in the above section under "Information on Share Options" and Notes 2(y)(iv) and 39 to the accounts, the Bank has not entered into any equity-linked agreement.

PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$12 million (2020: HK\$11 million).

CORPORATE GOVERNANCE

The Bank is committed to maintaining high standards of corporate governance. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report of this Annual Report.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES AND THE DISCLOSURE REQUIREMENTS IN PART 6 OF FINANCIAL INSTITUTIONS (RESOLUTION) (LOSS-ABSORBING CAPACITY REQUIREMENTS – BANKING SECTOR) RULES

The Annual Report for the financial year ended 31st December, 2021 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules and the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules.

AUDITOR

A resolution for the re-appointment of KPMG as auditor of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

David Li Kwok-po
Executive Chairman

Hong Kong, 24th February, 2022

董事會報告書（續）

- 6 Elliott International Special GP, LLC (「EISGP」) 被視為擁有該批股份（其中包括 Elliott International L.P. (「EILP」) 持有的 117,872,021 股、Wakeland Securities L.P. 持有的 108,601,552 股、Milton Investments Ltd 持有的 200 股、Parlan Investments Ltd 持有的 200 股及 Trevet Investments Ltd 持有的 200 股。請同時參閱下列附註 7。

EILP 全資擁有 Wakeland Securities L.P.、Milton Investments Ltd、Parlan Investments Ltd 及 Trevet Investments Ltd。Hambledon, Inc 則全資擁有 EILP。

EISGP 全資擁有 Hambledon, Inc。而 EISGP 慣於按照 Paul Singer 的指令行事。

- 7 Elliott Investment Management GP LLC (「EIMGP」) 以投資經理身份被視為擁有該批股份，其中包括上列附註 6 所披露的股份、The Liverpool Limited Partnership 持有的 20,035,600 股、Artan Investments Ltd 持有的 200 股及 Frasco Investments Ltd 持有的 200 股。EIMGP 100% 控制 Elliott Investment Management L.P.。Elliott Investment Management L.P. 對所有該等股份有投資決定權。

EIMGP 慣於按照 Paul Singer 的指令行事。

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

股票掛鈎協議

於年內，除於上列「認股權資料」項下及賬項附註 2(y)(iv) 及 39 所載的僱員認股計劃外，本行並無訂立任何股票掛鈎協議。

公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

捐款

本集團本年內所作出的慈善及公益捐款約為港幣 1,200 萬元（2020：港幣 1,100 萬元）。

企業管治

本行致力維持良好的企業管治標準。有關本行所採納的企業管治常規的資料，載列於本年報的企業管治報告內。

符合《銀行業（披露）規則》及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第 6 部之披露要求

截至 2021 年 12 月 31 日止年度的年報已符合《銀行業（披露）規則》中所適用的披露規定及《金融機構（處置機制）（吸收虧損能力規定 — 銀行界）規則》第 6 部之披露要求。

核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

承董事會命
執行主席
李國寶

香港，2022 年 2 月 24 日

INDEPENDENT AUDITOR'S REPORT



TO THE MEMBERS OF THE BANK OF EAST ASIA, LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 170 to 363, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 28(a), 43(a)(ix) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The Group's advances to customers as at 31 December 2021 amounted to HK\$548,808 million, with total expected credit losses ("ECL") amounting to HK\$4,371 million as at 31 December 2021. Hong Kong and Mainland China Operations contributed to 55.6% and 27.3% of the Group's advances to customers, and 46.8% and 41.5% of the Group's total ECL respectively.</p> <p>Impairment allowances of loans and advances to customers across the banking industry continues to be an area of elevated focus as the recovery from the effects of the COVID-19 pandemic continues.</p>	<p>Our audit procedures to assess the Group's impairment allowances on loans and advances to customers measured at amortised cost with regards to the methodology, data and assumptions used in the estimate included the following:</p> <p>Methodology</p> <ul style="list-style-type: none"> understanding and assessing the design, implementation and operating effectiveness of key internal controls on the ECL model monitoring and governance process and on the controls around the final review and determination of impairment allowances by management; involving credit risk specialists in assessing the reliability of the ECL models used by management in determining impairment allowances; and

獨立核數師報告



致東亞銀行有限公司成員

(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第 170 至第 363 頁的東亞銀行有限公司(以下簡稱「貴銀行」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二一年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零二一年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註 2(h)(vii)、28(a) 和 43(a)(ix)

關鍵審計事項	審計對策
於二零二一年十二月三十一日，貴集團的客戶墊款達到港幣 5,488.08 億元，預期信貸損失於二零二一年十二月三十一日總額為港幣 43.71 億元。香港與中國內地的業務分別佔 貴集團客戶墊款的 55.6% 和 27.3%，以及佔 貴集團預期信貸損失總額的 46.8% 和 41.5%。	因應估計中使用的方法、數據和假設，我們就評估 貴集團以攤銷成本計量的客戶貸款及墊款的減值準備相關的審計程序包括以下各項：
處於二零一九冠狀病毒病大流行帶來的復甦當中，銀行業界的客戶貸款及墊款的減值準備繼續成為主要關注事項。	<p>方法</p> <ul style="list-style-type: none"> 瞭解並評估與以下項目有關的關鍵內部控制的設計、實施及操作成效：預期信貸損失模型監管和管治流程，以及管理層在最終審閱及釐定減值準備的內部控制； 使用信貸風險專家評估管理層在釐定減值準備時所用的預期信貸損失模型的可靠性；及

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 28(a), 43(a)(ix) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The Group applies its ECL models to assess impairment allowances of loans and advances to customers measured at amortised cost. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, experience a significant increase in credit risk (stage 2) or become credit-impaired (stage 3), for which a lifetime ECL provision is recognised.</p> <p>The difficulty in identifying those loans which may have significant increase in credit risk or impaired has remained high. Past historical experience on repayment may be less representative of the borrowers' financial conditions and therefore more judgement is required.</p> <p>Impairment allowances may be materially misstated if the exposures with a significant increase in credit risk are not properly identified and classified in the appropriate stages.</p> <p>The Group applies its ECL models to assess impairment allowances of loans and advances to customers measured at amortised cost. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, experience a significant increase in credit risk (stage 2) or become credit-impaired (stage 3). A lifetime ECL provision is recognized for loans which are in stage 2 and stage 3.</p>	<ul style="list-style-type: none"> in respect of assessing the accuracy of ECL calculation, calculating the amount of credit loss allowance for 12-month and life-time credit losses using the ECL models based on the above parameters and assumptions for a sample of loans and advances to customers where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively and comparing to the results from the Group; <p>Data</p> <ul style="list-style-type: none"> understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over approval, recording and monitoring of loans measured at amortised cost, including the recording of key data elements used in the ECL model ; involving credit risk specialists in assessing the appropriateness of the key parameters in the ECL models, including the probability of default, loss given default, exposure at default and discount rate; assessing the completeness and accuracy of data used for the key parameters in the ECL models, by comparing individual loan information on a sample basis with the underlying agreements and other related documentation to assess the accuracy of the loan information in the ECL models. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with publicly available sources; and for key parameters used in the ECL models which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. We involved our information technology specialists in assessing the information systems controls critical to the financial reporting process, such as the compilation of the overdue reports for advances to customers. We also assessed the design, implementation and operating effectiveness of relevant automated application controls within these systems, as well as key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;

獨立核數師報告(續)

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、28(a)和43(a)(ix)

關鍵審計事項

貴集團使用其預期信貸損失模型來評估以攤銷成本計量的客戶貸款及墊款的減值準備。尚未成為不良信貸的貸款於發放時被劃歸為第一階段，並按照相當於12個月的預期信貸損失的金額確認撥備。貸款會保留於第一階段直至其被償還，信貸風險有顯著增加(第二階段)或已成為不良信貸(第三階段)，相應撥備會按照相當於合約期內之預期信貸損失的金額確認。

識別信貸風險可能顯著增加的貸款及不良信貸的難度仍高。當中需要更多的判斷，因為過去的歷史償還經驗可能較難代表客戶的財務狀況。

倘貸款的信貸風險顯著增加未被恰當地識別及分類，可能導致預期信貸損失存在重大錯誤陳述。

貴集團使用其預期信貸損失模型來評估以攤銷成本計量的客戶貸款及墊款的減值準備。尚未成為不良信貸的貸款於發放時被劃歸為第一階段，並按照相當於12個月的預期信貸損失的金額確認撥備。貸款會保留於第一階段直至其被償還，信貸風險有顯著增加(第二階段)或已成為不良信貸(第三階段)。第二階段和第三階段的客戶貸款及墊款的相應撥備會按照相當於合約期內之預期信貸損失的金額確認。

審計對策

- 在評估預期信貸損失計算的準確性方面，抽選信貸風險自初始確認以來尚未顯著增加或已顯著增加的客戶貸款及墊款樣本，同時根據上述參數及假設並使用預期信貸損失模型，分別計算該等樣本按照12個月內的信貸損失和合約期內的信貸損失計量的信貸損失準備金額，並將該計算結果與貴集團的結果進行比較；

數據

- 瞭解並評估與以下項目有關的關鍵財務報告內部控制的設計、實施及操作成效：以攤銷成本計量的貸款的審批、記錄和監管，包括記錄預期信貸損失模型中使用的關鍵數據；
- 使用信貸風險專家評估預期信貸損失模型中所用的關鍵參數是否恰當，這包括違約概率、違約損失率、違約風險承擔和貼現率；
- 通過在抽樣基礎上對比個別貸款資訊與相關協議及其他相關文檔，評估預期信貸損失模型中的貸款資訊是否準確，以此評估預期信貸損失模型中的關鍵參數所用的數據是否完整及準確。對於源自外部數據的關鍵參數，我們採用抽樣方式將該等數據與公開可獲取的數據進行比較，以檢查該等數據的準確性；及
- 對於預期信貸損失模型中所用的、源自系統生成的內部數據的關鍵參數，在抽樣基礎上將輸入數據與原始文檔進行對比以評估輸入參數的準確性。我們使用我們的資訊技術專家來評估對財務報告流程有重要影響的資訊系統控制，包括客戶墊款逾期報告的編制。我們還評估這些系統內的相關自動化應用程式式控制，以及對這些相關系統的主要內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 28(a), 43(a)(ix) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The determination of impairment allowances using the ECL models is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.</p> <p>In particular, the determination of the impairment allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The expected credit losses for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.</p> <p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the macroeconomic factors, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount from collateral and, therefore, the amount of impairment allowances as at the end of the reporting period. The assessment of the recoverable amount of collateral is particularly challenging in Mainland China as the extent of judgement exercised by management in the process of determining the strategy of recovery and assessing the collateral value of these exposures is high. As a result, the impairment allowances of loans and advances to customers in this particular part of business is subject to a higher inherent risk of material misstatements.</p>	<p>Assumptions</p> <ul style="list-style-type: none"> understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over the credit grading process; understanding and assessing the design, implementation and operating effectiveness of key internal controls on the monitoring and governance process for the assumptions used in the ECL models; involving credit risk specialists in assessing the appropriateness of the key assumptions in the ECL models, including the identification of loss stages, adjustments for forward-looking information and other management adjustments; for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing it to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged the reasons for modifications to estimates and input parameters and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development; evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired by selecting samples for which we checked loan overdue information, made enquiries of the credit managers about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses. Our sample of loans and advances to customers selected for credit review, including in Mainland China Operations, focused on accounts with high risk characteristics, including industries, features of loan arrangements, types of collateral and credit quality of the accounts;

獨立核數師報告(續)

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、28(a)和43(a)(ix)

關鍵審計事項

採用預期信貸損失模型釐定減值準備時須考慮若干關鍵參數及假設，包括所識別的損失階段、所估計的違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及其他調整因素。在選取該等參數及應用上述假設時亦須管理層作出判斷。

當中，減值準備的釐定在很大程度上取決於外部宏觀環境及貴集團的內部信貸風險管理策略。預期信貸損失乃源自於對歷史損失、內部及外部信貸評級及其他調整因素的估計。個人貸款的預期信貸損失乃源自於管理層考慮了歷史逾期數據、個人貸款的以往損失經驗以及其他調整因素而作出的估計。

管理層在釐定違約損失率的數額時亦會根據多項因素作出判斷。這些因素包括收回墊款的方式、借款人的財務狀況、抵押品的可收回金額、宏觀經濟因素、索賠受償順序及其他債權人是否存在及其合作意向等。在評估持作抵押品的物業的價值時，管理層會參考合資格第三方評估師出具的估值報告，並考慮各種因素的影響，包括物業的市場價格、位置及用途。收回抵押品的法律依據、變現時間和方法亦會影響抵押品的可收回金額，並從而影響報告期末的減值準備金額。由於管理層在釐定中國內地的抵押物的收回策略及評估抵押品價值的過程中涉及高度的判斷，評估此類抵押物的可收回金額具有特別難度。因此，有關此部份業務的客戶貸款及墊款減值準備存在較高重大錯誤陳述的內含風險。

審計對策

假設

- 瞭解並評估與信貸評級流程有關的關鍵財務報告內部控制的設計、實施及操作成效；
- 瞭解並評估用於監管和管治預期信貸損失模型中使用的假設的流程的關鍵內部控制的設計、實施及操作成效；
- 使用信貸風險專家評估管理層在預期信貸損失模型中使用的假設的恰當性，包括損失階段的識別，就前瞻性資訊所作的調整以及管理層所作的其他調整；
- 對於涉及判斷的關鍵參數，從外部來源獲得證據並將其與貴集團的內部記錄（包括以往損失經驗和抵押品的類型）進行比較，以對輸入參數進行審慎評估。在這個過程中，我們就管理層對估計及輸入參數的修訂理據提出質詢，並考慮判斷的一致性。我們將模型中所運用的經濟因素與市場資訊進行對比，以評估這些數據是否與市場及經濟發展相符；
- 採用抽樣的方式檢查貸款逾期資訊，就借款人的業務運營詢問信貸經理，檢查借款人的財務信息並查考有關借款人業務的市場資訊，以評價管理層對於貸款的信貸風險自初始確認以來是否已，或尚未有，顯著增加以及貸款是否已成為不良信貸的評估是否恰當。我們抽查的客戶貸款及墊款樣本，包括中國業務的樣本，關注於具有高風險條件的貸款，高風險條件包括行業、貸款安排、抵押品類型及信貸質量；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 28(a), 43(a)(ix) to the consolidated financial statements

Key audit matter

We identified the impairment allowances of loans and advances to customers measured at amortised cost as a key audit matter because of the complexity of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.

How the matter was addressed in our audit

- for selected samples of loans and advances to customers that are credit-impaired, evaluating management's assessment of the recoverable amount of the exposure including evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realisation of other collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; and
- assessing the appropriateness of material manual adjustments and overlays on ECL model outputs.

Other audit procedures to assess the Group's impairment allowances on loans and advances to customers measured at amortised cost included the following:

- in respect of evaluating the accounting treatments of disposal of impaired loans during the year, inspecting the loan disposal agreements and documents, enquiring of management and assessing whether the transactions are recognised appropriately; and
- evaluating whether the presentation and disclosures on impairment allowances of loans and advances to customers measured at amortised cost meet the requirements of the prevailing accounting standards.

獨立核數師報告(續)

客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、28(a)和43(a)(ix)

關鍵審計事項

由於以攤銷成本計量的客戶貸款及墊款的減值準備所涉及的複雜性、管理層判斷以及內含的不確定性，同時由於其對貴集團財務業績和資本的重大影響，我們將其認定為一項關鍵審計事項。

審計對策

- 對於已抽選的不良信貸的客戶貸款及墊款樣本，評價管理層對信貸風險可收回金額的評估，包括根據持作抵押品的物業的位置及用途以及鄰近物業的價格，將持作抵押品的物業的價值與市場價格進行比較，以評價管理層對該類物業價值的評估。我們還評價了其他抵押品的變現時間和方法以及現金流預測，對貴集團回收方案的可行性提出了質詢，並對合同條款中的其他信貸提升進行了評價；及
- 評估重大的手動調整以及預期信貸損失模型輸出值的調整是否恰當；

與評估貴集團以攤銷成本計量的客戶貸款及墊款的減值準備的其他審計程式包括：

- 評估年內減值貸款處置的會計處理，檢查相關貸款處置協議和文件，向管理層詢問並評估該等交易是否恰當地確認；及
- 評價以攤銷成本計量的客戶貸款及墊款的減值準備的列報與披露是否滿足現行會計準則的要求。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment assessment of an investment in associate, AFFIN Bank Berhad ("AFFIN")

Refer to notes 2(r), 31 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The quoted market price of the Group's investment in AFFIN has been persistently below the carrying amount for a period of time. This is considered an indicator of potential impairment.</p> <p>HKAS 36 "Impairment of assets" requires recognition of impairment loss when the carrying amount exceeds the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use ("VIU"). An impairment test was performed by the Group using a VIU model to estimate the investment's value assuming the Group continues to hold this investment.</p> <p>As at 31 December 2021, the recoverable amount based on the VIU calculation was HK\$3,975 million. The recoverable amount was higher than the carrying value of HK\$3,504 million and no impairment charge was recognised in 2021.</p> <p>The VIU model is based on the requirements in HKAS 36 "Impairment of assets" and is dependent on many assumptions, both short-term and long-term in nature. These assumptions, which are judgemental, are derived from a combination of management estimates, forecasts and market data. The assumptions considered the current levels of uncertainty, due to the continuing impact of the COVID-19 pandemic, on the economy in Malaysia.</p>	<p>Our audit procedures to assess the carrying value of the Group's investment in AFFIN with regards to methodology, data and assumptions used in the estimate included the following:</p> <p>Methodology</p> <ul style="list-style-type: none"> engaging our valuation specialists to evaluate the methodology used in the VIU calculation; <p>Data</p> <ul style="list-style-type: none"> comparing AFFIN's budgeted income and profits with the assumptions used by management in its discounted cash flow forecast; and comparing the actual results of AFFIN for the past years to forecasts prepared by management for the preceding years to assess the accuracy of management's forecasting process; <p>Assumptions</p> <ul style="list-style-type: none"> discussing with management, who sit on the board of AFFIN, to understand business performance and future business plans of AFFIN; evaluating the assumptions and judgements adopted by management in its discounted cash flow forecast relating to growth rates, terminal value and the discount rate used to derive the recoverable amount of the Group's investment in AFFIN, with support of our valuation specialists, through the following procedures: <ul style="list-style-type: none"> conducting research on the assumptions and judgements relating to growth rates, terminal value and the discount rate based on market information available; performing an alternative calculation of the discount rate and comparing this calculation with the discount rate applied by management to assess reasonableness of the discount rate used by management; evaluating the assumptions used in forecasting regulatory capital adjustments required and checking the mathematical accuracy of the forecast regulatory capital adjustments required; comparing the estimated key performance indicators and ratios with externally derived data, comparable companies and analysts' reports to assess their reasonableness;

獨立核數師報告(續)

投資於聯營公司，AFFIN Bank Berhad (「AFFIN」)，的減值評估
請參閱綜合財務報表附註2(r)和31

關鍵審計事項

貴集團對AFFIN的投資的市場報價持續低於賬面值一段時間。這是潛在減值的指標。

按《香港會計準則》第36號「資產減值」的要求，當賬面值高於可收回價值時，便需要確認減值損失。可收回價值為銷售淨值與使用價值中的較高者。在 貴集團繼續持有此投資的假設下， 貴集團利用使用價值模型進行了減值測試以估計此投資的價值。

於二零二一年十二月三十一日，基於使用價值計算的可收回價值為港幣39.75億元。可收回價值高於其賬面值港幣35.04億元，年內沒有確認減值損失。

其使用價值模型是按《香港會計準則》第36號「資產減值」的要求並取決於很多長期及短期的參數。這些具判斷性的參數綜合了管理層估計，預測及市場數據。其中假設已經考慮現時由二零一九冠狀病毒病大流行對馬來西亞經濟帶來持續的影響而產生的不確定性。

審計對策

因應估計中使用的方法、數據和假設，我們就 貴集團對AFFIN的投資的減值評估相關的審計程序包括以下各項：

方法

- 使用我們估值專家評估使用價值計算方法；

數據

- 對AFFIN的預算收入及盈利與管理層於折現現金流預測使用的假設作出比較；及
- 將AFFIN過去的實際業績與管理層為往年準備的預測進行對比，以評估管理層預測程式的準確性；

假設

- 與同時為AFFIN董事會成員的管理層商討並瞭解AFFIN的業務表現及未來商業計劃；
- 在我們估值專家的協助下，透過以下程序評估管理層於折現現金流預測用到的假設及判斷，包括用於計算對AFFIN投資的可收回價值時用到的增長率，終值及折現率。
 - 利用可用市場資訊，對增長率，終值及折現率相關的假設及判斷作出調查；
 - 執行折現率替代性計算，將該計算結果與管理層使用的折現率進行比較，以評估管理層使用的折現率的合理性；
 - 評價用於預測的監管資本需求調整的假設，並檢查其計算的準確性；及
 - 對關鍵業務表現指標及比率的估計，與源自外部的數據，可比較的公司及分析師報告作出比較，以評估其合理性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Impairment assessment of an investment in associate, AFFIN Bank Berhad ("AFFIN")

Refer to notes 2(r), 31 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>A number of key judgements were made by management in determining the inputs for the VIU calculation which included:</p> <ul style="list-style-type: none"> • forecast cash flows; • forecast regulatory capital adjustments required; • growth rates and terminal values; and • discount rate applied to the forecast cash flows. <p>We identified the impairment assessment of the Group's investment in AFFIN as a key audit matter because of the increased uncertainty of the VIU estimation and its significance to the consolidated financial statements, and because assessing the key assumptions involved a significant degree of management judgement which may affect both the carrying value of the Group's investment in AFFIN at year end and amount of impairment charge for the year.</p>	<ul style="list-style-type: none"> • evaluating the sensitivity analyses prepared by management for each of the key assumptions adopted in the discounted cash flow forecast, including growth rates applied, cash flow forecast, and discount rate assumptions, and considering any management bias in formulating these assumptions; and • evaluating the probabilities assigned by management to the various economic scenarios in the VIU calculation by assessing whether they were aligned with market and economic development. <p>In addition to the above audit procedures, we also considered whether the disclosures in the consolidated financial statements in respect of the impairment assessment of the Group's investment in AFFIN reflected the risks inherent in the key assumptions with reference to the requirements of the prevailing accounting standards.</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

獨立核數師報告(續)

投資於聯營公司，AFFIN Bank Berhad (「AFFIN」)，的減值評估
請參閱綜合財務報表附註2(r)和31

關鍵審計事項	審計對策
<p>管理層於釐定使用價值計算的參數輸入時作出一些關鍵判斷，包括：</p> <ul style="list-style-type: none"> • 現金流預測； • 預測的監管資本需求調整； • 增長率及終值；及 • 對預測的現金流所使用的折現率。 <p>由於估計使用價值涉及較高的不確定性及其對綜合財務報表的重要性，關鍵參數的評估涉及管理層的重大判斷，這些重大判斷可能影響貴集團對AFFIN的投資於年末的賬面值及年內的減值損失，我們因此將貴集團對AFFIN的投資的減值評估識別為關鍵審計事項。</p>	<ul style="list-style-type: none"> • 評估管理層就於折現現金流預測使用的各項關鍵參數準備的敏感性測試包括增長率，現金流預測及折現率的假設，並考慮作出這些假設當中管理層有偏向的可能性；及 • 評估管理層於使用價值計算中對不同經濟情景使用的概率是否符合市場及經濟發展。 <p>除了上述的審計程序，我們還參考現行會計準則的要求，考慮綜合財務報表內關於貴集團對AFFIN的投資的減值評估的披露是否反映了關鍵假設的固有風險。</p>

綜合財務報表及其核數師報告以外的資訊

董事需對其他資訊負責。其他資訊包括刊載於年報內的全部資訊，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

獨立核數師報告（續）

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助董事履行監督 貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is McSheaffrey, Paul Kevin.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

24 February 2022

獨立核數師報告（續）

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及為消除對獨立性的威脅所採取的行動或防範措施（若適用）。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是馬紹輝(McSheaffrey, Paul Kevin)。

畢馬威會計師事務所

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零二二年二月二十四日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st December, 2021 截至2021年12月31日止年度

			2021	2020
			HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest income	利息收入	5	18,055	21,107
Interest income calculated using the effective interest method	按有效利率方法計算的利息收入		19,123	21,718
Other interest expense	其他利息支出		(1,068)	(611)
Interest expense	利息支出	6	(6,870)	(9,557)
Net interest income	淨利息收入		11,185	11,550
Fee and commission income	服務費及佣金收入	7	3,916	3,714
Fee and commission expense	服務費及佣金支出		(847)	(792)
Net fee and commission income	服務費及佣金收入淨額		3,069	2,922
Net trading profit	交易溢利淨額	8	879	984
Net result on financial instruments at FVTPL	通過損益以反映公平價值金融工具的淨表現	9	234	198
Net result on financial assets measured at FVOCI	通過全面收益以反映公平價值金融資產的淨表現	10	45	153
Net loss on sale of investments measured at amortised cost	出售按攤銷成本計量投資之淨虧損		(14)	(14)
Net hedging profit	對沖溢利淨額	11	144	62
Net insurance profit	保險業務淨溢利	12(a)	411	771
Other operating income	其他經營收入	13	330	684
Non-interest income	非利息收入		5,098	5,760
Operating income	經營收入		16,283	17,310
Operating expenses	經營支出	14	(9,321)	(8,963)
Operating profit before impairment losses	未扣除減值損失之經營溢利		6,962	8,347
Impairment losses on financial instruments	金融工具減值損失	15	(1,679)	(4,674)
Impairment losses on assets held for sale	持有作出售資產減值損失		–	(12)
Impairment losses on intangible assets	無形資產減值損失	32(b)	–	(2)
Impairment losses on associate	聯營公司減值損失	31	–	(402)
Impairment losses	減值損失		(1,679)	(5,090)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		5,283	3,257
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利	16	1,042	32
Net profit on disposal of subsidiaries/ associates	出售附屬／聯營公司之淨溢利		181	341
Net loss on disposal of fixed assets	出售固定資產之淨虧損	17	(4)	(33)
Valuation losses on investment properties	重估投資物業虧損	33	(132)	(301)
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損	31	(234)	310
Profit for the year before taxation	年度內除稅前溢利		6,136	3,606
Income tax	所得稅	18	(823)	79
Profit for the year	年度內溢利		5,313	3,685

CONSOLIDATED INCOME STATEMENT (CONTINUED)

綜合收益表 (續)

For the year ended 31st December, 2021 截至2021年12月31日止年度

			2021	2020
Notes 附註			HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Attributable to:	可歸屬於:			
Owners of the parent	本集團股東	42(k)	5,270	3,614
Non-controlling interests	非控股權益		43	71
Profit for the year	年度內溢利		5,313	3,685
			HK\$ 港幣元	HK\$ 港幣元
Earnings per share	每股盈利			
Basic	基本	20	1.53	0.97
Diluted	攤薄	20	1.53	0.97

The notes on pages 179 to 363 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 19.

第179至363頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註19。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31st December, 2021 截至2021年12月31日止年度

		Notes 附註	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Net profit	淨溢利		5,313	3,685
Other comprehensive income for the year:	年度內其他全面收益：			
Items that will not be reclassified to income statement:	不可轉回收益表的項目：			
Premises:	行址：			
– unrealised surplus on revaluation of premises	– 重估行址所產生的未實現盈餘	42(b)	5	57
– deferred taxes	– 遞延稅項	42(b)	6	(4)
Fair value reserve (equity instruments):	公平價值儲備(股本工具)：			
– net change in fair value	– 公平價值變動	42(g)	(571)	228
– deferred taxes	– 遞延稅項	42(g)	1	12
Liability credit reserve:	負債信貸儲備：			
– net change in fair value attributable to Group's own credit risk	– 因集團自身信貸風險而引致的公平價值變動	35,42(i)	(18)	(29)
– deferred taxes	– 遞延稅項	42(i)	4	4
Items that may be reclassified subsequently to income statement:	以後可能轉回收益表的項目：			
Fair value reserve (debt instruments):	公平價值儲備(債務工具)：			
– net change in fair value	– 公平價值變動	42(g)	735	439
– amount transferred to income statement on disposal	– 於出售時轉入收益表的金額	42(g)	(492)	(618)
– on amortisation	– 攤銷	42(g)	–	(1)
– deferred taxes	– 遞延稅項	42(g)	(213)	74
Hedging reserve (cash flow hedges):	對沖儲備(現金流對沖)：			
– effective portion of changes in fair value of hedging instruments	– 對沖工具公平價值變動的有效部分	42(h)	–	2
– fair value change transferred to income statement	– 轉入收益表的公平價值變動	42(h)	–	(3)
Share of changes in equity of associates and joint ventures	應佔聯營公司及合資企業權益的變動	42(j)	(165)	(17)
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries, associates and joint ventures	從海外分行、附屬公司、聯營公司及合資企業的賬項折算／出售所產生的匯兌差額		757	1,931
Other comprehensive income	其他全面收益		49	2,075
Total comprehensive income	全面收益總額		5,362	5,760
Total comprehensive income attributable to:	全面收益總額可歸屬於：			
Owners of the parent	本集團股東		5,319	5,688
Non-controlling interests	非控股權益		43	72
			5,362	5,760

The notes on pages 179 to 363 form part of these financial statements.

第179至363頁之附註屬本財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31st December, 2021 2021 年 12 月 31 日

		Notes 附註	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
ASSETS	資產			
Cash and balances with banks	現金及在銀行的結存	24	55,088	56,377
Placements with and advances to banks	在銀行的存款及墊款	25	74,742	66,849
Trade bills	貿易票據	26	10,772	11,793
Trading assets	交易用途資產	27	2,483	1,190
Derivative assets	衍生工具資產	45(b)(ii)	3,381	8,059
Loans and advances to customers	客戶貸款及墊款	28	544,437	509,070
Investment securities	投資證券	29	147,507	144,171
Investments in associates and joint ventures	聯營公司及合資企業投資	31	8,947	9,182
Fixed assets	固定資產	33	13,844	14,065
– Investment properties	– 投資物業		4,992	4,961
– Other properties and equipment	– 其他物業及設備		8,015	8,208
– Right-of-use assets	– 使用權資產		837	896
Goodwill and intangible assets	商譽及無形資產	32	1,885	1,912
Deferred tax assets	遞延稅項資產	36(b)	1,861	2,022
Other assets	其他資產	34	42,523	59,730
– Assets held for sale	– 持有作出售資產	55	2,264	26,657
– Others	– 其他		40,259	33,073
Total Assets	資產總額		907,470	884,420
EQUITY AND LIABILITIES	股東權益及負債			
Deposits and balances of banks	銀行的存款及結餘		31,766	31,143
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	35	3,639	5,442
– At amortised cost	– 攤銷成本		28,127	25,701
Deposits from customers	客戶存款		633,505	589,202
Trading liabilities	交易用途負債		5	–
Derivative liabilities	衍生工具負債		5,050	13,016
Certificates of deposit issued	已發行存款證		64,327	60,852
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	35	32,618	24,494
– At amortised cost	– 攤銷成本		31,709	36,358
Current taxation	本年稅項	36(a)	958	624
Debt securities issued	已發行債務證券		5,847	5,057
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	35	620	155
– At amortised cost	– 攤銷成本		5,227	4,902
Deferred tax liabilities	遞延稅項負債	36(b)	559	460
Other liabilities	其他負債	37	42,915	59,959
– Liabilities held for sale	– 持有作出售負債	55	1,637	26,864
– Others	– 其他		41,278	33,095
Loan capital – at amortised cost	借貸資本 – 攤銷成本	38	6,488	10,311
Total Liabilities	負債總額		791,420	770,624
Share capital	股本	40	41,645	41,557
Reserves	儲備	42	60,133	57,328
Total equity attributable to owners of the parent	歸屬於本集團股東權益總額		101,778	98,885
Additional equity instruments	額外股本工具	41	13,968	13,968
Non-controlling interests	非控股權益		304	943
Total Equity	股東權益總額		116,050	113,796
Total Equity and Liabilities	股東權益及負債總額		907,470	884,420

Approved and authorised for issue by the Board on 24th February, 2022.

Executive Chairman
Co-Chief Executives

Director

David LI Kwok-po
Adrian David LI Man-kiu
Brian David LI Man-bun
Meocre LI Kwok-wing

董事會於2022年2月24日核准及授權發布。

執行主席
聯席行政總裁

董事

李國寶
李民橋
李民斌
李國榮

The notes on pages 179 to 363 form part of these financial statements.

第179至363頁之附註屬本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st December, 2021 截至2021年12月31日止年度

		Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Hedging reserve	Liability credit reserve	Other reserves ¹	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
		股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備 – 已發行僱員認股權	公平價值儲備	對沖儲備	負債信貸儲備	其他儲備 ¹	留存溢利	總額	額外股本工具	非控股權益	權益總額
		HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2021	於2021年1月1日	41,557	13,657	1,895	895	301	157	2,465	-	(32)	5,138	32,852	98,885	13,968	943	113,796
Changes in equity	權益變動															
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	-	-	5,270	5,270	-	43	5,313
Other comprehensive income	其他全面收益	-	-	11	-	757	-	(540)	-	(14)	(165)	-	49	-	-	49
Total comprehensive income	全面收益總額	-	-	11	-	757	-	(540)	-	(14)	(165)	5,270	5,319	-	43	5,362
Shares issued in lieu of dividend (Note 40)	以股代息發行的股份 (附註40)	88	-	-	-	-	-	-	-	-	-	-	88	-	-	88
Equity settled share-based transaction (Note 42(f))	以股份為基礎作支付之交易 (附註42(f))	-	-	-	-	-	19	-	-	-	-	-	19	-	-	19
Transfer	轉賬	-	1	(1)	-	-	(24)	-	-	-	218	(194)	-	-	-	-
Distribution/Dividends declared or approved during the year	年度內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	-	(2,533)	(2,533)	-	(52)	(2,585)
Change of ownership in subsidiaries	附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	-	(630)	(630)
At 31st December, 2021	於2021年12月31日	41,645	13,658	1,905	895	1,058	152	1,925	-	(46)	5,191	35,395	101,778	13,968	304	116,050

1. Other reserves include statutory reserve and other reserves.

The notes on pages 179 to 363 form part of these financial statements.

1. 其他儲備包括法定儲備及其他儲備。

第179至363頁之附註屬本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表 (續)

For the year ended 31st December, 2020 截至2020年12月31日止年度

		Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Hedging reserve	Liability credit reserve	Other reserves ³	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
		股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備—已發行僱員認股權	公平價值儲備	對沖儲備	負債信貸儲備	其他儲備 ³	留存溢利	總額	額外股本工具	非控股權益	權益總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2020	於2020年1月1日	41,379	13,651	1,848	1,090	(1,629)	163	2,331	1	(7)	5,347	31,133	95,307	13,963	368	109,638
Changes in equity	權益變動															
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	-	-	3,614	3,614	-	71	3,685
Other comprehensive income	其他全面收益	-	-	53	-	1,930	-	134	(1)	(25)	(17)	-	2,074	-	1	2,075
Total comprehensive income	全面收益總額	-	-	53	-	1,930	-	134	(1)	(25)	(17)	3,614	5,688	-	72	5,760
Issue of additional equity instruments ¹	發行額外股本工具 ¹	-	-	-	-	-	-	-	-	-	-	-	-	5,021	-	5,021
Shares issued in lieu of dividend (Note 40)	以股代息發行的股份 (附註40)	178	-	-	-	-	-	-	-	-	-	-	178	-	-	178
Equity settled share-based transaction (Note 42(f))	以股份為基礎作支付之交易 (附註42(f))	-	-	-	-	-	11	-	-	-	-	-	11	-	-	11
Transfer	轉賬	-	6	(6)	(195)	-	(17)	-	-	-	(192)	404	-	-	-	-
Distribution/Dividends declared or approved during the year	年度內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	-	(2,275)	(2,275)	-	(53)	(2,328)
Change of ownership in subsidiaries	附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	-	556	556
Redemption of additional equity instruments ²	贖回額外股本工具 ²	-	-	-	-	-	-	-	-	-	-	(24)	(24)	(5,016)	-	(5,040)
At 31st December, 2020	於2020年12月31日	41,557	13,657	1,895	895	301	157	2,465	-	(32)	5,138	32,852	98,885	13,968	943	113,796

1. In 2020, the Bank issued HK\$5,037 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities. Direct issuance costs of HK\$16 million are accounted for as a deduction from the equity instruments.
2. In 2020, the Bank redeemed HK\$5,016 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities issued in 2015.
3. Other reserves include statutory reserve and other reserves.

The notes on pages 179 to 363 form part of these financial statements.

1. 於2020年，本行發行港幣50.37億元（6.5億美元）無到期日非累積後償額外一級股本工具。直接發行成本港幣1,600萬元經已入賬，並已從股本工具中扣除。
2. 於2020年，本行贖回港幣50.16億元（6.5億美元）於2015年發行的無到期日非累積後償額外一級股本工具。
3. 其他儲備包括法定儲備及其他儲備。

第179至363頁之附註屬本財務報表之一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st December, 2021 截至2021年12月31日止年度

		Notes 附註	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
OPERATING ACTIVITIES	經營業務活動			
Profit for the year before taxation	年度內除稅前溢利		6,136	3,606
Adjustments for:	調整：			
Charge for impairment losses on financial instruments	金融工具減值損失支銷		1,679	4,674
Charge for impairment losses on assets held for sale	持有作出售資產減值損失支銷		–	12
Charge for impairment losses on intangible assets	無形資產減值損失支銷	32(b)	–	2
Charge for impairment losses on associate	聯營公司減值損失支銷		–	402
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損		234	(310)
Net loss on sale of investments measured at amortised cost	出售按攤銷成本計量投資之淨虧損		14	14
Net profit on sale of debt securities measured at FVOCI	出售通過全面收益以反映公平價值債務證券之淨溢利		(95)	(661)
Net profit on disposal of subsidiaries and associates	出售附屬公司及聯營公司之淨溢利		(181)	(341)
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利		(1,042)	(32)
Net loss on disposal of fixed assets	出售固定資產之淨虧損		4	33
Interest expense on debt securities issued	已發行債務證券利息支出		131	122
Interest expense on loan capital issued	已發行借貸資本利息支出		368	449
Interest expense on lease liabilities	租賃負債利息支出		29	35
Depreciation on bank premises, furniture, fixtures and equipment	行址、傢俬、裝修及設備折舊	33	581	556
Depreciation on right-of-use assets	使用權資產折舊	33	374	425
Dividend income from equity securities measured at FVOCI	通過全面收益以反映公平價值股份證券股息收入	10	(22)	(13)
Amortisation of intangible assets	無形資產攤銷	14	14	14
Amortisation of premium/discount on debt securities and loan capital issued	已發行債務證券及借貸資本的溢價／折扣攤銷		11	8
Revaluation (gains)/losses on debt securities and loan capital issued	重估已發行債務證券及借貸資本(盈利)／虧損		(46)	33
Valuation losses on investment properties	重估投資物業虧損	33	132	301
Equity settled share-based payment expenses	以股份為基礎作支付費用	14,42(f)	19	11
			8,340	9,340

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表 (續)

For the year ended 31st December, 2021 截至2021年12月31日止年度

	Notes 附註	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
(Increase)/decrease in operating assets:	經營資產(增)/減額：		
Cash and balances with banks with original maturity beyond three months	原本期限為3個月以上的現金及在銀行存款的結存	1,492	1,775
Placements with and advances to banks with original maturity beyond three months	原本期限為3個月以上在銀行的存款及墊款	378	15,641
Trade bills	貿易票據	1,026	285
Trading assets	交易用途資產	(1,471)	261
Financial assets designated at FVTPL	指定為通過損益以反映公平價值的金融資產	–	446
Derivative assets	衍生工具資產	4,678	(2,366)
Loans and advances to customers	客戶貸款及墊款	(36,838)	(8,468)
Debt investment securities measured at amortised cost	按攤銷成本計量債務投資證券	(1,602)	896
Debt investment securities measured at FVOCI	按通過全面收益以反映公平價值計量債務投資證券	(5,634)	(15,174)
Debt investment securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值計量債務投資證券	180	2,252
Non-trading equity securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值非交易用途股份證券	135	(1,820)
Other assets	其他資產	(10,684)	2,296
Increase/(decrease) in operating liabilities:	經營負債增/(減)額：		
Deposits and balances of banks	銀行的存款及結餘	623	3,228
Deposits from customers	客戶存款	44,303	15,675
Certificates of deposit issued	已發行存款證	3,461	(13,236)
Trading liabilities	交易用途負債	5	–
Derivative liabilities	衍生工具負債	(7,966)	5,362
Other liabilities	其他負債	9,976	4,119
Exchange adjustments	匯兌調整	(383)	(1,095)
NET CASH INFLOW FROM OPERATIONS	經營活動現金流入淨額	10,019	19,417
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(167)	(1,539)
Outside Hong Kong profits tax paid	已付海外利得稅	(176)	(214)
NET CASH GENERATED FROM OPERATING ACTIVITIES	源自經營業務活動之現金淨額	9,676	17,664

The notes on pages 179 to 363 form part of these financial statements.

第179至363頁之附註屬本財務報表之一部分。

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表 (續)

For the year ended 31st December, 2021 截至2021年12月31日止年度

	Notes 附註	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
INVESTING ACTIVITIES	投資活動		
Dividends received from associates and joint ventures	收取聯營公司及合資企業股息	–	61
Dividends received from equity securities measured at FVOCI	收取通過全面收益以反映公平價值股份證券股息	22	13
Purchase of fixed assets	購入固定資產	(605)	(599)
Proceeds from disposal of other properties and equipment	出售其他物業及設備所得款項	113	5
Proceeds from sale of assets held for sale	出售持有作出售資產所得款項	3,135	43
Proceeds from disposal of associates	出售聯營公司所得款項	–	906
Returns of/(additional) investments in associates	聯營公司投資返還/(增加)	7	(61)
NET CASH GENERATED FROM INVESTING ACTIVITIES	源自投資活動之現金淨額	2,672	368
FINANCING ACTIVITIES	融資活動		
Ordinary dividends paid	支付普通股股息	(1,686)	(1,358)
Distribution to Additional Tier 1 issue holders	派發予額外一級資本工具持有人	(811)	(792)
Issue of additional equity instruments	發行額外股本工具	–	5,021
Issue of debt securities	發行債務證券	692	1,867
Issue of loan capital	發行借貸資本	–	4,632
Payment of lease liabilities	支付租賃負債	(388)	(444)
Redemption of debt securities issued	贖回已發行債務證券	(4)	(163)
Redemption of loan capital	贖回已發行借貸資本	(3,898)	(4,651)
Redemption of additional equity instruments	贖回額外股本工具	–	(5,040)
Interest paid on debt securities issued	支付已發行債務證券利息	(125)	(117)
Interest paid on loan capital	支付借貸資本利息	(391)	(560)
NET CASH USED IN FINANCING ACTIVITIES	用於融資活動之現金淨額	(6,611)	(1,605)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目淨增加	5,737	16,427
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	於1月1日之現金及等同現金項目	113,702	94,638
Effect of foreign exchange rate changes	匯率變動的影響	1,207	2,637
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	於12月31日之現金及等同現金項目	120,646	113,702
Cash flows from operating activities included:	源自經營業務活動的現金流量包括：		
Interest received	利息收入	17,894	21,653
Interest paid	利息支出	6,828	11,290
Dividend received	股息收入	44	38

The notes on pages 179 to 363 form part of these financial statements.

第179至363頁之附註屬本財務報表之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. PRINCIPAL ACTIVITIES 主要業務

The Bank and its subsidiaries (the “Group”) are engaged in the provision of banking and related financial services.

本行及其附屬公司（「本集團」）的主要業務為提供銀行及有關的金融服務。

2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

(a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of Preparation of the Financial Statements

The consolidated financial statements for the year ended 31st December, 2021 comprise the Group and the Group's interest in associates and joint ventures.

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

- financial instruments classified as trading, designated or mandatorily measured at fair value through profit or loss and measured at fair value through other comprehensive income (Note 2(h)(ii));
- derivative financial instruments (Notes 2(l) and 2(k)); and
- investment properties (Note 2(o)(ii)).

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

(a) 符合指引聲明

本財務報表乃按照香港會計師公會頒布所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合聯交所《上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會已頒布數項新增及經修訂的《香港財務報告準則》，並於本年度本集團的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而須反映在本期及去年會計期的財務報表。

(b) 財務報表編製基準

截至2021年12月31日止年度的綜合財務報表包括本集團及其應佔聯營公司及合資企業之權益。

除以下資產及負債是以公平價值列賬外，本財務報表是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定或強制通過損益以反映公平價值及按通過全面收益以反映公平價值計量的金融工具（附註2(h)(ii)）；
- 衍生金融工具（附註2(l)及2(k)）；及
- 投資物業（附註2(o)(ii)）。

按《香港財務報告準則》之要求，在編製財務報表時，管理層須作判斷、估計及假設從而影響政策實施及資產及負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計存在差異。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策（續）

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details of judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 52.

(c) Basis of Consolidation

These consolidated financial statements cover the consolidated position of the Bank and all subsidiaries unless otherwise stated and the Group's interest in associates and joint ventures. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in Note 1 in the Unaudited Supplementary Financial Information.

(i) Subsidiaries and Non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

有關估計及假設須持續作檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

在附註52內，管理層已解釋實施對財務報表有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

(c) 綜合基準

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司及本集團所佔聯營公司及合資企業之權益的綜合狀況。根據《銀行業（披露）規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註1列載。

(i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。本集團基於對有關實體之權利、參與度及權力並可運用此等條件以影響其所得回報，則視為本集團對該實體擁有控制權。在評估是否有控制權時，本集團只考慮實質的權力（由本集團及其他人士所擁有）。

附屬公司之投資由控制權生效日起至控制權失效日止在綜合財務報表內計算。在編製綜合財務報表時，集團之間的結餘、交易及現金流及任何因集團之間交易所產生的未實現溢利均被抵銷。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益指無論是直接或間接並不歸屬於本行之附屬公司的權益部分，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

非控股權益在綜合財務狀況表內的股東權益中列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate and joint venture (Note 2(c)(ii)), and is offset against the gain or loss on the loss of control of that subsidiary.

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

(ii) Associates and joint ventures

The consolidated financial statements include the attributable share of the results and reserves of associates and joint ventures based on financial statements prepared at dates not earlier than three months prior to 31st December each year.

An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值，或(如適用)按成本初始確認一聯營公司及合資企業投資(附註2(c)(ii))，及當喪失對該附屬公司控股權時與盈虧沖銷。

在本行的財務狀況表中，附屬公司投資是以成本減除任何減值損失(附註2(r))列賬。

(ii) 聯營公司及合資企業

本綜合財務報表包括根據截至每年的12月31日止之前不超過三個月的財務報表所編製應佔聯營公司及合資企業的業績及儲備。

聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參予其財務及經營政策的決策，但並不控制或共同控制其管理層。

合資企業是指本集團或本行與其他合約方共同擁有該合資企業之控制權，及對淨資產擁有權的安排。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Investments in associates and joint ventures are accounted for in the consolidated financial statements under the equity method, unless they are classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2(ad)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate or joint venture's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (Note 2(q) and 2(r)). Any excess of fair values of the investees' net identifiable assets over the cost of investment upon acquisition, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income. Any dividend income received from associates and joint ventures reduces the carrying values of the investments in associates and joint ventures, respectively.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For these purposes, the Group's interest in the associate or the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except when unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)).

The Bank accounts for the results of associates and joint ventures to the extent of dividends received. Investments in associates and joint ventures are stated in the Bank's statement of financial position at cost less any impairment losses (Note 2(r)).

除分類為持有作出售資產(或包括在分類為持有作出售資產的出售組別內)(附註2(ad))外,聯營公司及合資企業投資是以權益會計法在綜合財務報表內入賬。根據權益會計法,投資的入賬方法是先以成本另調整本集團於購入後應佔該聯營公司及合資企業的可辨識淨資產所超出成本之任何金額。往後,需調整在收購後本集團應佔被投資方淨資產之變動及在(附註2(q)和2(r))所載有關投資的減值損失。任何於收購日應佔被投資方可辨識淨資產的公平價值超出投資成本、本集團應佔被投資方收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認,而本集團應佔被投資方收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。任何由聯營公司及合資企業投資收取的股息收入將分別減低聯營公司及合資企業投資的賬面值。

除本集團對該聯營公司及合資企業所作具法律或推定義務或替該被投資方償付的承擔外,當本集團應佔該聯營公司及合資企業的虧損超出本集團之應佔權益時,超出的虧損將不被確認,而本集團應佔該被投資方之權益將被減值至零。因此,本集團應佔該聯營公司及合資企業權益即按權益會計法計算投資賬面值,及實質上構成本集團應佔該聯營公司及合資企業淨資產的長期權益。

本集團與聯營公司及合資企業交易而產生之未實現溢利及虧損,按本集團應佔該被投資方之權益為限作沖銷。若有證據顯示未實現虧損屬資產轉讓的減值損失,則須立即於損益賬內確認。

當本集團喪失對一聯營公司及合資企業之重大影響力及合資企業之共同控制權,將按出售該被投資方之所有權益入賬,而所產生的盈虧確認為損益。任何在喪失重大影響力或共同控股權日仍保留該前度被投資方之權益按公平價值確認,而此金額被視為初始確認一金融資產(附註2(h))的公平價值。

本行按照已收取股息計算應佔聯營公司及合資企業之業績。在本行的財務狀況表中,聯營公司及合資企業投資是以成本減除任何減值損失(附註2(r))列賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(d) Translation of Foreign Currencies

Foreign currencies transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss (FVTPL) and derivative financial instruments are included in gains less losses from trading securities or financial instruments at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising from translation of equity investments for which an election has been made to present subsequent changes in fair value in other comprehensive income are recognised in other comprehensive income and accumulated separately in equity.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items in the statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(e) Interest**Effective interest rate**

Interest income for financial assets held at either FVOCI or amortised cost, and interest expense on all financial liabilities held at amortised cost is recognised in the income statement using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

(d) 外幣換算

年度內的外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按報告期結束日的匯率折算為港幣。匯兌盈虧則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或指定通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算已選擇將往後公平價值變動在其他全面收益列示的股份證券所產生的差額則於其他全面收益內確認，並在股東權益內分開累計。

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，財務狀況表的項目中，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

(e) 利息**有效利率**

按通過其他全面收益以反映公平價值計量或按攤銷成本計量的金融資產的利息收入及所有按攤銷成本計量的金融負債的利息支出均按有效利率方法於收益表內確認。

有效利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為該金融資產的賬面值或該金融負債的攤銷成本的利率。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated as credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The Group adopts Interest Rate Benchmark Reform – Phase 2 Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (the “Phase 2 amendments”), which allows a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of interest rate benchmark reform and that the transition takes place on an economically equivalent basis (Note 3).

Amortised cost and gross carrying amount

The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated as credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

在計算除信貸不良資產外的金融工具的有效利率時，本集團計及金融工具的所有合約條款，但不計及預期信貸損失，以估計未來現金流。就初始確認時已購入或源生的信貸不良金融資產，使用估計未來現金流（包括預期信貸損失）計算信貸調整有效利率（即在初始確認時無需作出預期信貸損失撥備）。

有效利率的計算包括構成有效利率組成部分的交易成本及費用以及基點支出或收入。交易成本包括金融資產或金融負債的收購或發行直接應佔的增加成本。

本集團採用《香港財務報告準則》第9號、《香港會計準則》第39號、《香港財務報告準則》第7號、《香港財務報告準則》第4號及《香港財務報告準則》第16號有關利率基準改革之第二期修訂（「第二期修訂」），第二期修訂提供了合約現金流之改變可視為浮動利率改變的實務操作方法，若符合某些條件。該等條件包括該變動必須是利率基準改革直接導致的結果；和該變動在經濟上是等同的（附註3）。

攤銷成本及賬面值總額

金融資產或金融負債的「攤銷成本」是金融資產或金融負債於初始確認時計量的金額減本金還款額，加減使用有效利率方法計算的初始確認金額與到期金額之任何差額而計算的累計攤銷，而就金融資產而言，經任何預期信貸損失準備作調整。

「金融資產的賬面值總額」是金融資產就任何預期信貸損失準備作調整前的攤銷成本。

計算利息收入及支出

在計算利息收入及支出時，有效利率應用於資產的賬面值總額（當資產並非信貸不良時）或負債的攤銷成本。

然而，就初始確認後成為信貸不良的金融資產而言，透過將有效利率應用於該金融資產的攤銷成本而計算利息收入。若資產不再屬信貸不良，則恢復使用總額基準計算利息收入。

就初始確認時已購入或源生的信貸不良金融資產而言，透過將經信貸調整的有效利率應用於該資產的攤銷成本計算利息收入。即使該資產的信貸風險有所改善，亦不恢復使用總額基準計算利息收入。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For information on when financial assets are credit-impaired, please refer to Note 2(h)(vii).

(f) Fee and Commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate calculation (Note 2(e)).

Other fee and commission income is recognised in the income statement when the corresponding service is provided. Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If it is uncertain that a loan commitment will result in draw-down of a loan, then the related loan commitment fee is recognised as revenue on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed when the services are received.

(g) Other Revenue Recognition

Other revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

- (i) Net income from financial instruments at fair value through profit or loss and net trading income
Net income from financial instruments designated as at FVTPL, net income from non-trading financial assets mandatorily measured at FVTPL and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to these financial instruments. Coupon interest from these financial assets and financial liabilities measured at FVTPL is accrued and presented as interest income or interest expense.
- (ii) Finance income from finance leases
Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.
- (iii) Rental income from operating leases
Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

有關金融資產屬信貸不良時的資料見附註 2(h)(vii)。

(f) 服務費及佣金

有效利率的計算(附註2(e))包括金融資產及金融負債中構成有效利率組成部分的服務費及佣金收入及支出。

其他服務費及佣金收入在有關服務提供時確認在收益表內。因本集團開展或購入金融資產而產生之開立或承擔服務費收入／支出須遞延及確認為有效利率之調整。如不確定會否借出貸款，該相關承擔服務費按承擔期限以直線法列作收入。

其他服務費及佣金支出主要是交易及服務費，並在獲得服務時支銷。

(g) 其他收入確認

其他收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

- (i) 通過損益以反映公平價值金融工具的淨收入及淨交易收入
指定通過損益以反映公平價值金融工具的淨收入，強制通過損益以反映公平價值之非交易用途金融資產及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的匯兌差額及股息收入。由該等通過損益以反映公平價值金融資產及金融負債產生的應計票面利息列作利息收入或利息支出。
- (ii) 融資租賃收入
融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。
- (iii) 經營租賃租金收入
除非有更具代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以賺取該收入的會計期間列作收入。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策（續）

(iv) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

(v) Net insurance profit

The Group's operating income from its insurance business is presented as net insurance profit in the consolidated income statement. The Group follows the relevant accounting policies for the recognition of such operating income. Gross insurance premium income represents gross premiums received and receivable in respect of long-term and general insurance business, net of discounts and returns. Details of net insurance profit are set out in Note 12.

(h) Financial Instruments

(i) Initial recognition

The Group initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets at FVTPL, investment securities classified as measured at amortised cost or at fair value through other comprehensive income (FVOCI), derivative transactions or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Any gains and losses of the financial assets or financial liabilities measured at fair value are recorded from the date of initial recognition.

Accrued contractual interests from financial assets and liabilities are presented as accrued interest receivables and payables separately in the financial statements.

(iv) 股息收入

非上市投資股息收入在股東收取權被無條件確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

(v) 保險業務淨溢利

本集團的保險業務的經營收入於綜合收益表中列示為保險業務淨溢利。本集團跟隨相關會計政策以確認有關經營收入。保費收入總額指由長期業務及一般保險業務產生的已收取和應收取之保費總額，並已扣除折扣及回報。保險業務淨溢利之詳情列於附註12。

(h) 金融工具

(i) 初始確認

當本集團成為金融工具合約其中一方時初始確認金融資產和金融負債。以正常方式購買或出售按通過損益以反映公平價值的金融資產、按攤銷成本或通過其他全面收益以反映公平價值計量的投資證券、衍生產品交易或已發行債務俱按交易日會計法確認。其他金融資產和金融負債則按結算日會計法確認。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於通過損益以反映公平價值，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

自初始確認日期起，按公平價值計量的金融資產或金融負債產生的任何盈利及虧損均予以記錄。

金融資產及負債的應計合約利息在財務報表中作為應計應收及應付利息分開列示。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(ii) Classification

Financial assets and liabilities*Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income – (Note 2(n)). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) 分類

金融資產及金融負債*金融資產*

於初始確認時，金融資產分類為：按攤銷成本、通過其他全面收益以反映公平價值或通過損益以反映公平價值計量。

一項金融資產按攤銷成本計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以持有該資產以收取合約現金流為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

一項債務工具按通過其他全面收益以反映公平價值計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以收取合約現金流及出售金融資產為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

非交易用途之股份投資初始確認時，本集團可作出不可撤回的選擇，將其後續公平價值變化確認於其他全面收益 – (附註(2(n)))。該選擇是按投資逐項作出。

所有其他金融資產均分類為按通過損益以反映公平價值計量。

此外，於初始確認時，在可消除或明顯減少會計錯配的情況下，本集團可不可撤回地指定在其他情況下符合按攤銷成本或通過其他全面收益以反映公平價值計量條件的金融資產為通過損益以反映公平價值計量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策（續）

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

商業模式評估

本集團評估在組合層面持有資產的商業模式之目標，因為這最能反映業務管理的方法及向管理層提供資料的方式。所考慮的資料包括：

- 組合的既定政策和目標以及該等政策的實際操作。尤其是，管理層的策略專注於賺取合約利息收入、維持特定的利率曲線、將金融資產的期限與為該等資產提供資金的負債或通過出售資產變現現金流的期限相配；
- 如何評估組合的表現並向本集團的管理層報告；
- 影響商業模式（及該商業模式下持有的金融資產）表現的風險以及如何管理該等風險；
- 業務管理人員如何得到補償—例如，補償是否根據所管理資產的公平價值或所收取的合約現金流釐定；及
- 過往期間的出售頻率、銷量和出售時點，出售原因以及其對未來出售活動的預期。然而，銷售活動的資料並非孤立考慮，而是作為關於本集團如何實現既定的金融資產管理目標及如何實現現金流的整體評估的一部分。

持作交易用途或管理或按公平值基準評估其表現的金融資產乃按通過損益以反映公平價值計量，因其既非持作收取合約現金流之用，亦非持作收取合約現金流及出售金融資產之用。

評估合約現金流是否純粹為支付本金及利息

就此項評估而言，「本金」的定義是金融資產在初始確認時的公平價值。「利息」的定義是貨幣的時間價值以及與特定時段內未償還本金有關的信用風險以及其他基本貸款風險和成本（例如流動性風險和管理費用）及利潤率的代價。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. When (and only when) the Group changes its business model for managing financial assets, it reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the 'reclassification date', which is defined as, 'the first day of the first reporting period following the change in business model that results in reclassifying financial assets'. Accordingly, any previously recognised gains, losses or interest will not be restated.

If a financial asset is reclassified out of the amortised cost measurement category and into the FVTPL or FVOCI measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in profit or loss (if reclassification as FVTPL measurement category) or is recognised in other comprehensive income (if reclassification as FVOCI measurement category).

If a financial asset is reclassified out of the FVOCI measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost.

在評估合約現金流是否純粹為支付本金及利息時，本集團考慮工具的合約條款。這包括評估金融資產是否包含可能改變合約現金流的時點或金額，致使其不符合該項條件。在評估時，本集團考慮：

- 將會改變現金流金額及時點的或有事件；
- 槓桿特徵；
- 提前還款和延期條款；
- 限制本集團要求取得指定資產（例如無追索權資產安排）的現金流的條款；及
- 修正金錢時間值代價的特徵（例如定期調整利率）。

重新分類

除於本集團改變管理金融資產的商業模式後期間外，金融資產在初始確認後不會作出重新分類。當（並且僅當）本集團更改其管理金融資產的商業模式時，所有受影響的金融資產會根據新商業模式重新分類。重新分類應由「重分類日」前瞻性地應用。「重分類日」定義為「因商業模式變化而重新分類金融資產後的第一個報告期首天」。因此，任何之前確認的收益、虧損或利息不會重報。

如金融資產從按攤銷成本計量重新分類為通過損益以反映公平價值計量或通過其他全面收益以反映公平價值計量，則其公平價值會在重分類日計量。金融資產的先前攤銷成本與公平價值之間的差額產生的任何收益或損失會在收益表內確認（如重分類為通過損益以反映公平價值計量）或在其他全面收益內確認（如果重新分類為通過其他全面收益以反映公平價值計量）。

如金融資產從通過其他全面收益以反映公平價值計量重新分類為按攤銷成本計量，則金融資產會在重分類日按其公平價值重新分類。然而，先前於其他全面收益確認的累計收益或虧損將從權益中扣除，並於重分類日按金融資產的公平價值調整。因此，金融資產在重分類日進行計量，就好像它一直以攤餘成本計量一樣。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

If a financial asset is reclassified out of the FVOCI measurement category and into the FVTPL measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

If a financial asset is reclassified out of the FVTPL measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount.

If an entity reclassifies a financial asset out of the FVTPL measurement category and into the FVOCI measurement category, the financial asset continues to be measured at fair value and subsequent changes in fair value will be recognised in other comprehensive income.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Group may, at initial recognition, irrevocably designate a financial liability as at FVTPL in either of the following circumstances:

- (i) When doing so results in more relevant information because either:
 - a group of liabilities or a group of financial assets and liabilities is managed and its performance is evaluated and reported internally on a fair value basis; or
 - the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- (ii) If a liability contract contains one or more embedded derivatives unless the embedded derivative(s) does not significantly modify the cash flows that would otherwise be required by the contract or if it is obvious that separation of the embedded derivative(s) is prohibited.

如金融資產從通過其他全面收益以反映公平價值計量重新分類為通過損益以反映公平價值計量，則該金融資產會繼續以公平價值計量。先前於其他全面收益確認的累計收益或虧損於重新分類日重新分類由權益轉入收益表作為重新分類調整。

如金融資產從通過損益以反映公平價值計量重新分類為按攤銷成本計量，則其在重新分類日的公平價值作為新的總賬面值。

如金融資產從通過損益以反映公平價值計量重新分類為通過其他全面收益以反映公平價值計量，則該金融資產會繼續以公平價值計量，而其後的公平價值變動會在其他全面收益中確認。

金融負債

本集團將其金融負債(財務擔保及貸款承擔除外)分類為按攤銷成本或按通過損益以反映公平價值計量類別。

本集團將其金融負債於初始確認時，在以下任一情況下，或分類為不可撤銷形式指定為按通過損益以反映公平價值計量：

- (i) 當指定為按通過損益以反映公平價值計量可提供更相關資訊，因：
 - 該負債組別或金融資產及負債是按公平價值作內部管理、評估及呈報；或
 - 該指定可抵銷或明顯減少因計量資產及負債或按不同基準確認盈利和虧損時可能產生計量或確認的不一致。
- (ii) 如負債合約包含一個或多個嵌入式衍生工具，除非該等嵌入式衍生工具不會顯著改變合約原本要求的現金流量，或分拆該等嵌入式衍生工具是明顯地禁止。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices, where available, at the end of the reporting period without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

(iv) Derecognition

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement. Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in the income statement on derecognition of such securities, as explained in (Note 2(n)).

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

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

(v) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (Note 2(h)(iv)) and a new financial asset is recognised at fair value.

(iii) 計量公平價值之原則

金融工具的公平價值是根據報告期結束日之可得市場報價但未減除將來的估計出售成本。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在報告期結束日適用於相同條款工具的市場利率。當採用其他價格模式時，參數是在報告期結束日的市場價格資料。

(iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

於終止確認金融資產時，資產賬面值（或終止確認部分資產的賬面值）與(i)已收代價（包括任何所得新資產減任何新負債）及(ii)已於其他全面收益確認的任何累計收益或虧損會於收益表內確認。指定為通過其他全面收益以反映公平價值的股份投資證券在其他全面收益中確認的任何累計收益／虧損均不會在終止確認時在收益表中確認（附註2(n)）。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法（如適用）以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

(v) 修改金融資產及金融負債

若金融資產的條款被修改，本集團會評估經修訂資產的現金流量是否重大不同。如現金流量有重大不同，則原金融資產的現金流量的法定權利被視為已過期。在此情況下，原金融資產會被終止確認（附註2(h)(iv)），並按公平價值確認為新金融資產。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the income statement. If such a modification is carried out because of financial difficulties of the borrower (Note 2(h)(vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the income statement.

In the context of interest rate benchmark reform, the Group's assessment of whether a change to an amortised cost financial instrument is substantial is made after applying the practical expedient introduced by the Phase 2 amendments. This requires the transition from an interbank offered rate to a new alternative benchmark rate to be treated as a change to a floating interest rate as described in (Note 2(e)) above.

The Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the interest rate benchmark reform if the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis, i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

(vi) Offsetting

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

如果按攤銷成本計量的已修訂資產之現金流量並無重大差異，則該修訂不會終止確認該金融資產。在這種情況下，本集團會重新計算金融資產的總賬面值，並將調整總賬面值所產生的金額在收益表內確認為修訂損益。如果由於借款人的財務困難而進行此類修改(附註2(h)(vii))，則將損益與減值損失一併列報。在其他情況下，應列示為利息收入。

當合約條款被修改及已修訂之金融負債的現金流量有重大不同，本集團會終止確認其金融負債。在這種情況下，基於修改條款後的新金融負債會按公平價值確認。已終止的金融負債與已修改條款的新金融負債的賬面值差額會在收益表內確認。

根據第二期修訂容許，本集團會應用第二期修訂的實務操作方法後評估攤銷成本計量的金融工具是否有實質變動。基準利率被替代基準利率所取代會被視為浮動利率變動(如以上附註2(e)所述)。

本集團更新金融資產或金融負債的有效利率，以反映因利率基準改革而導致按攤銷成本計量的金融資產或金融負債之合約現金流的基礎變動。因利率基準改革要求而改變釐定合約現金流的基礎必須符合以下條件：

- 該變動必須是利率基準改革直接導致的結果；和
- 用於確定合約現金流的新基礎在經濟上是等同於舊基礎(即變動前的基礎)。

如果金融資產或金融負債合約現金流的基礎發生除利率基準改革要求以外的變動，則本集團首先更新該金融資產或金融負債的有效利率，以反映利率基準改革要求的變動。隨後，本集團應用以上修訂的會計政策於額外變動。

(vi) 抵銷

只有具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，並在財務狀況表內以淨額列示。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(vii) Impairment

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued;
- loan commitments issued; and
- contract assets

No impairment loss is recognised on equity investments.

The Group measures loss allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

Stage 階段	Description 描述	Impairment Loss Allowance Measurement 減值損失準備計量
1	Performing 履行中	12-month ECL 12個月內之預期信貸損失
2	Performing but with a significant increase in credit risk at reporting date compared to initial recognition 履行中但自其初始確認以來於報告日的信用風險大幅增加	Lifetime ECL 合約期內之預期信貸損失
3	Non-performing 不良	Lifetime ECL 合約期內之預期信貸損失

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group's stage allocation can be matched to the HKMA's 5-Grade Asset classification as follows:

HKMA's 5-Grade Asset classification 金管局的5級資產類別		Stage Allocation 階段分配
Pass 合格	General (i.e. do not meet the Bank's criteria of "Significant Increase of Credit Risk") 一般(即不符合本行的「信貸風險顯著增加」的準則)	1
	Meet the Bank's criteria of "Significant Increase of Credit Risk" 符合本行的「信貸風險顯著增加」的準則	2
Special Mention 需要關注		2
Substandard 次級		
Doubtful 呆滯		3
Loss 虧損		

(vii) 減值

本集團就以下非通過損益以反映公平價值計量的金融工具的預期信貸損失確認減值準備：

- 屬債務工具的金融資產；
- 租賃應收賬款；
- 已發出的財務擔保合約；
- 已發出的貸款承擔；及
- 合約資產

無需為股份投資計算減值。

本集團使用3階段法計量12個月或合約期內之預期信貸損失的減值準備如下：

12個月內之預期信貸損失指金融工具在報告日後之12個月內，所有潛在違約事件所導致的信貸損失。

本集團的階段分配符合金管局的5級資產類別，準則如下：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The criteria of “significant increase of credit risk” takes into consideration of three key factors:

1. The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated;
2. Being Special Mention under HKMA classification; and
3. The rating of the exposure falls out of the “Low-Credit Risk Threshold” that is equivalent to the globally understood definition of “investment grade”.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

$$\text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$$

Credit-impaired (non-performing) financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes but not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

「信貸風險顯著增加」的準則已計及三個關鍵因素：

1. 風險的內部或外部評級與風險產生之時的評級相比顯著轉差；
2. 為「需要關注」金管局資產類別；及
3. 風險的評級不再屬於相當於普遍理解的「投資級別」定義的「低信貸風險界限」。

計量預期信貸損失

預期信貸損失是在不同經濟情景中一個信貸損失的概率在加權後的估算值，以如下方法計量：

$$\text{違約風險承擔} \times \text{違約概率} \times \text{違約損失率}$$

信貸不良金融資產

於各報告日，本集團評估按攤銷成本列賬的金融資產及按通過其他全面收益以反映公平價值列賬的債務金融資產是否為信貸不良。當發生一宗或多宗對金融資產的估計未來現金流造成不利影響的事件，則該金融資產屬「信貸不良」。

金融資產出現信貸減值的證據包括但不限於以下可觀察數據：

- 借款人或發行人出現重大財政困難；
- 違反合約，如拖欠或逾期事件；
- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；
- 借款人很可能會破產或進行其他財務重組；或
- 因財政困難而導致某擔保失去活躍市場。

因借款人的財政狀況惡化而重訂條款的貸款，除有證據證明無法收取合約現金流的風險已顯著減低且並無其他減值跡象外，通常被視為信貸不良。此外，逾期90日或以上的貸款被視為已減值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision on the liabilities side; and
- debt instruments measured at FVOCI: no loss allowance is presented in the statement of financial position because the carrying amount of these assets is their fair value, inclusive of any ECL. However, the loss allowance is recognised in the fair value reserve and profit or loss.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(i) Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities which are acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets and liabilities are initially recognised and subsequently measured at FVTPL.

(j) Contract Assets and Liabilities

When revenue is recognised by transferring goods or services to a customer before the consideration is received or before payment is due, the Group presents the amount of revenue as a contract asset, excluding any amounts presented as a receivable. A contract asset is recognised in statement of financial position when there is a right to consideration that is conditional on factors other than the passage of time. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Impairment of a contract asset is measured on the same basis as a financial asset as (Note 2(h)(vii)) above. The Group includes the contract assets in "other accounts" of other assets in the statement of financial position.

A contract liability is recognised when a customer pays non-refundable consideration or when the Group has a right to an amount of non-refundable consideration that is unconditional, before the Group transfers a good or service to the customer. The Group includes the contract liabilities in "other accounts" of other liabilities in the statement of financial position.

在財務狀況表中列示預期信貸損失的準備

預期信貸損失的損失準備在財務狀況表中按以下方式列示：

- 按攤銷成本計量的金融資產：從資產的賬面值總額中扣除；
- 貸款承擔及財務擔保合約：一般作為負債方面的撥備；及
- 按通過其他全面收益以反映公平價值計量的債務工具：在財務狀況表中並不列示損失準備，因該等資產的賬面值為其公平價值，包括任何預期信貸損失。然而，損失準備會在公平價值儲備及收益表內確認。

撤銷

若貸款及債務證券無實際可收回的前景，則予撤銷（部分或全部）。當本集團判斷借款人並無資產或收入來源可產生足夠的現金流以償還應撤銷的金額時，一般會如此處理。然而，已撤銷的金融資產仍可能受到執行活動的影響，以遵守本集團收回應收金額的程序。

(i) 交易用途資產及負債

作交易用途的資產和負債包括主要是作短期出售或購入的金融資產和金融負債，或屬於組合一部分並共同管理的可辨識金融工具，及有證據顯示近期有短期出售以賺取利潤的模式。交易資產和負債於初始確認，及其後以公平價值計量且其變動計入當期損益。

(j) 合約資產及負債

若本集團透過向客戶轉讓貨品或服務履約並於客戶支付代價或款項到期前確認收入，則本集團應將該合約有關收益金額列示為合約資產，惟任何列示為應收賬款的金額除外。若獲取代價的權利以除時間流逝以外的因素為條件，則合約資產於財務狀況表中確認。當獲取代價的權利成為無條件時，合約資產將轉至應收賬款。合約資產減值與金融資產（附註2(h)(vii)）的計算相同。本集團包括合約資產於財務狀況表中其他資產內的其他賬項。

當客戶在本集團已獲取代價或款項到期時（以較早者為準）擁有收取不可退還代價的權利，則確認為合約負債。本集團的合約負債包括在財務狀況表內的「其他負債」項下的「其他賬項」。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

視乎實際情況，若本集團在訂立合約時預期實體向客戶轉讓已承諾的貨品或服務之時起至客戶支付該貨品或服務款項時止的期間為一年或以內，則本集團毋須就重大融資組成部分的影響而調整已承諾的代價金額。若本集團原本會確認的資產攤銷期為一年或以內，則本集團可於產生時將獲得合約的增加成本確認為支出。

(k) Hedging

Hedge accounting recognises the offsetting effects on income statement of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (i) the hedging instrument expires or is sold, terminated or exercised; (ii) the hedge no longer meets the criteria for hedge accounting; or (iii) the Group revokes the designation.

(k) 對沖

對沖會計法是確認因用作對沖工具與被對沖項目因公平價值變動而在收益表內產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間，本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當 (i) 該用作對沖工具到期或已出售、終止或行使；(ii) 該對沖交易不再符合對沖會計法的要求；或 (iii) 本集團取消對沖指定，本集團會停止繼續採用對沖會計法。

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

(i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生的預計交易，或已承諾未來交易之外匯風險，其重新計量衍生金融工具至公平價值有效對沖部分盈利或虧損會在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

如因對沖預計交易而其後須確認為非金融資產或非金融負債，其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而其後須確認為金融資產或金融負債，其相關之盈虧由股東權益轉入收益表並計入相同期間或當購入資產或引起負債而影響該期間之收益表（如當確認為利息收入或支出）。

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售、終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(ii) Fair value hedges

A fair value hedge seeks to offset risks of changes in the fair value of recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

(iii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regression analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

(iv) Specific policies for hedges affected by interest rate benchmark reform

The Group applies Interest Rate Benchmark Reform: Amendments to HKFRS 9, HKAS 39 and HKFRS 7 (the "Phase 1 amendments") reliefs to hedging relationships directly affected by interest rate benchmark reform during the period before the replacement of an existing interest rate benchmark with a new alternative benchmark rate.

(ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

當用作對沖工具到期或已出售，終止或行使，或當對沖不再符合對沖會計法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。

(iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

對於公平價值對沖關係，本集團採用累計價值抵銷法或回歸分析作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。

(iv) 受利率基準改革影響的對沖特定政策

本集團應用《香港財務報告準則》第9號、《香港會計準則》第39號及《香港財務報告準則》第7號之修訂（「第一期修訂」）中有關受利率基準改革直接影響的對沖關係，在現有基準利率被替代基準利率所取代前期間的豁免。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item when the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

The Group also applies the Phase 2 amendments, which provides temporary reliefs that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with a new alternative benchmark rate.

(i) The Phase 1 amendments

The Phase 1 amendments modify specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform so that entities applying those hedge accounting requirements assume that the interest rate benchmark on which the hedged cash flows and cash flows of the hedging instrument are based is not altered as a result of interest rate benchmark reform. These amendments replace the need for specific judgements to determine whether certain hedge accounting relationships that hedge the variability of cash flows or interest rate risk exposures for periods after the interest rate benchmarks are expected to be reformed or replaced continue to qualify for hedge accounting.

(ii) The Phase 2 amendments

The Phase 2 amendments provide a series of temporary exemptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedging relationship to be continued without interruption. The Group applies the following relief as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

While uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies.

當符合某些條件後，該豁免應停止使用。條件包括當利率基準改革對被對沖項目或用作對沖工具以利率為基礎的現金流在時間和金額上於對沖關係終止或金額在現金流對沖儲備轉出不再存在不確定性時。

本集團並採用第二期修訂，對某些對沖會計規定亦提供了臨時豁免，當現有基準利率被替代基準利率所取代時，對沖關係得以繼續。

(i) 第一期修訂

第一期修訂對特定對沖會計的規定作出修改，以減輕因利率基準改革所引起的不確定因素之潛在影響，以使實體採用該等對沖會計規定時，假設被對沖的現金流及用作對沖工具的現金流所依據的利率基準並無因利率基準改革而改變。有關修訂豁免了就利率基準預計被改革或取代後的期間，處理對沖現金流或利率風險承擔變動的若干對沖會計關係時運用特定判斷以釐定該等關係是否仍合資格採用對沖會計法的需要。

(ii) 第二期修訂

第二期修訂對某些對沖會計規定亦提供了一系列的臨時豁免，容許當被對沖項目和／或用作對沖工具發生利率基準改革所要求的變動時，對沖關係得以繼續並不受干擾。當利率基準改革對被對沖項目或用作對沖工具以利率為基礎的現金流在時間和金額上不再存在不確定性時，本集團採用以下操作：

- 本集團修改對沖關係的指定，以反映改革所要求的變動，且不會導致對沖關係終止；和
- 當現金流對沖的被對沖項目被修改以體現改革要求的變動時，現金流對沖儲備中的累計金額將被視為以用於確定未來被對沖現金流的替代基準利率為基礎而確定的金額。

當被對沖項目或用作對沖工具基於利率基準的現金流在時間或金額上仍存在不確定性，本集團則繼續採用現有會計政策。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(l) Derivatives

Derivatives are recognised initially and are subsequently remeasured, at fair value. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative, this includes embedded derivatives which are bifurcated from the host contract, when they meet the definition of a derivative on a standalone basis.

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of HKFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

(m) Loans and Advances

Loans and advances mainly comprise placements with and advances to banks, trade bills and loans and advances to customers:

- loans and advances measured at amortised cost (Note 2(h)(ii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- loans and advances measured at FVOCI (Note 2(h)(ii)); and
- finance lease receivables (Note 2(s)).

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan, and the underlying asset is not recognised in the Group's financial statements.

(l) 衍生工具

衍生工具初始確認及其後按公平價值重新計量。當衍生工具的公平價值為正數時，衍生工具分類為資產；當公平價值為負數時，衍生工具則分類為負債，這包括在獨立基礎上符合衍生工具定義但從主合同分拆的嵌入式衍生工具。

衍生工具可能嵌入另一合同(主合同)。在下列情況下，本集團會分開計算主合同及嵌入的衍生工具：

- 該主合同並非在《香港財務報告準則》第9號所覆蓋的資產；
- 該主合同不是通過損益以反映公平價值計量；
- 嵌入衍生工具的條款如果包含在單獨的合同中，符合衍生工具的定義；及
- 該嵌入衍生工具的經濟特性及風險與主合同並非緊密關連的。

分離的嵌入式衍生工具按公平價值計量，公平價值的所有變動均在收益內確認，除非他們構成合資格現金流量或淨投資對沖關係的一部分。

(m) 貸款及墊款

貸款和墊款主要包括在銀行的存款及墊款、貿易票據和客戶貸款及墊款：

- 按攤銷成本計量的貸款和墊款(附註2(h)(ii))；初始以公平價值加上直接相關的交易所計量，其後以有效利率法按攤銷成本計量；
- 強制性通過損益以反映公平價值計量的貸款及墊款(附註2(h)(ii))；以公平價值計量，其變動立即在收益表內確認；
- 按通過其他全面收益以反映公平價值計量的貸款及墊款(附註2(h)(ii))；及
- 融資租賃應收款項(附註2(s))。

當本集團購買金融資產並同時訂立協議以未來日期的固定價格(反向回購或股票借入)轉售資產(或實質上相似的資產)時，該安排將作為貸款入賬，相關資產不會在本集團財務報表中確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(n) Investment Securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (Note 2(h)(ii)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- debt securities measured at FVOCI (Note 2(h)(ii)); and
- equity investment securities designated as at FVOCI (Note 2(h)(ii)).

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in the income statement in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to the income statement and no impairment is recognised in the income statement. Dividends are recognised in the income statement unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

(n) 投資證券

財務狀況表中的「投資證券」包括：

- 按攤銷成本計量的債務投資證券(附註2(h)(ii))；這些初始按公平價值加上直接相關交易成本計量，其後以有效利率法按攤餘成本計量；
- 債務和股權投資證券強制性通過損益以反映公平價值計量或指定為通過損益以反映公平價值計量(附註2(h)(ii))，其公平價值變動立即在收益表中確認；
- 按通過其他全面收益以反映公平價值計量的債務證券(附註2(h)(ii))；及
- 指定為通過其他全面收益以反映公平價值的股權投資證券(附註2(h)(ii))。

就按通過其他全面收益以反映公平價值計量的債務證券而言，收益及虧損於其他全面收益確認，惟以下各項會於收益表內確認，與按攤銷成本計量的金融資產相同：

- 以有效利率法計算的利息收入；
- 預期信用損失和轉回；及
- 外匯收益和損失。

當按通過其他全面收益以反映公平價值計量的債務證券被終止確認時，以前在其他全面收益中確認的累計收益或虧損將從權益重新分類至收益表內。

本集團選擇在其他全面收益中列示非持作買賣的股份工具投資之公平價值變動。該選擇是按個別工具於初始確認時進行，並不可撤銷的。

此類股份工具的收益和損失不會重新分類至收益表，亦不會在收益表中確認減值。股息在收益表內確認，但若該等股息明確顯示為收回部分投資成本者，會在其他全面收益中確認。其他全面收益中確認的累計收益和損失會於出售投資時轉入留存溢利。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(o) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(r)).

In 1989, any deficit arising from revaluation was charged to the income statement, to the extent that it exceeded the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation. Any surplus arising from revaluation was credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

In preparing these financial statements, advantage of the transitional provisions set out in paragraph 80AA of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA has been taken, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

- (ii) Investment properties are properties which are held either to earn rental income, for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(g)(iii).

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(o)(i).

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

A property interest under a lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under a lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(s).

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve related to the bank premises disposed is transferred to the general reserve.

(o) 物業

- (i) 行址是按成本或於1989年董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(r))後於財務狀況表中列賬。

於1989年，任何重估出現虧損時於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘。任何重估出現盈餘時存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

在編製此等財務報表時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80AA段所載的過渡條款，故行址並未在報告期結束日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是物業。投資物業按公平價值列賬。投資物業由外來獨立估值公司每半年作估值，該公司擁有適當認可專業資格及對估值物業的所在地和類別有近期經驗。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(g)(iii)所載計算。

如附註2(o)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

本集團以租賃方式持有用作租金收入或資本增值或二者皆是物業權益分類為投資物業。此等以租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(s)所載入賬。

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(p) Amortisation and Depreciation

(i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

(ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

(q) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(r)).

On disposal of a cash-generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

(p) 攤銷及折舊

(i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

(ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

(q) 商譽

商譽指

- (i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出

- (ii) 本集團在收購日計量應佔該被購入者之可辨識資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(r))。

當出售單一現金生產單位時，計算出售溢利包括任何可歸屬購入商譽的金額。

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(r) Impairment of Non-Financial Assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that any non-financial assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, if measurable, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(r) 非金融資產減值

在報告期結束日，須檢討對內及對外資料來源以辨識任何非金融資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少。

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

可收回金額之計算

可收回金額是公平價值減出售成本及使用價值二者中之較高者。在評估使用價值時，會採用一項當時市場評估的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合（即單一現金生產單位）。

減值損失之確認

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位（或其單位群組）之賬面值，其後再按比例減低在該單位（或其單位群組）其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本（如可計量的話）或使用值（如可確定的話）。

減值損失之轉回

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限至該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(s) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to directing how and for what purpose the asset is used. In cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1st January, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(i) As a lessee

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

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses (Note 2(r)), and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is initially measured at cost, and subsequently at fair value, in accordance with the accounting policy set out in Note 2(o)(ii).

(s) 租賃

本集團於訂立合約時會評估有關合約是否屬於租賃或包含租賃。倘某項合約為換取代價而給予在某段時間內對可識別資產使用的控制權，則該合約屬於租賃或包含租賃。為評估合約會否給予對可識別資產使用的控制權，本集團會評估：

- 該合約是否涉及使用可識別資產；
- 本集團是否有權於整段使用期間從使用資產獲得絕大部分的經濟利益；及
- 本集團是否有權指示使用資產。當本集團擁有與指示如何及為何使用資產最為相關的決策權時，本集團便擁有此項權利。倘本集團需要預先決定如何及為何使用資產，本集團便可在出現以下其中一種情況時有權指示使用資產：
 - 本集團有權經營該資產；或
 - 本集團以預先決定將會如何及為何使用資產的方式設計資產。

此項政策適用於2019年1月1日或之後訂立或改變的合約。

本集團會在訂立或重新評估包含租賃部分的合約時，根據各租賃部分的相對單獨價格，將合約代價分配予各該等部分。

(i) 作為承租人

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

使用權資產其後按成本減任何累計折舊及減值損失計量(附註2(r))，並對租賃的若干重新計量作出調整。倘使用權資產符合投資物業的定義，根據附註2(o)(ii)本集團之會計政策，該使用權初始按成本計量，其後按公平價值計量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. Lease payment included in the measurement of the lease liability comprises the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes its assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

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

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exception is any rent concession which arose as a direct consequence of the COVID-19 pandemic and satisfied the conditions set out in paragraph 46B of HKFRS 16 Leases. In such case, the Group took advantage of the practical expedient set out in paragraph 46A of HKFRS 16 and recognised the change in consideration as if it were not a lease modification. The rent concessions are recognised as a credit to variable lease expenses in profit or loss.

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

租賃負債其後因租賃負債的利息成本而增加，並因所付租賃款項而減少。計量租賃負債時計入的租賃項包括以下項目：

- 固定款項，包括實質固定款項；
- 基於指數或利率而定且初步採用截至生效日期的指數或利率計量的可變租賃款項；
- 根據剩餘價值擔保預計應付的款項；及
- 本集團所合理肯定行使的購買選擇權行使價、可選續租年期的租賃款項（倘本集團合理肯定行使延長選擇權）以及提早終止租賃的罰款（除非本集團合理肯定不會提早終止租賃）。

租賃負債採用有效利率方法按攤銷成本計量。當未來租賃款項因指數或利率變動而有所改變，根據剩餘價值擔保預計應付的款項之估計出現變動、改變有關會否合理肯定行使購買或延長選擇權或是否合理肯定不會行使終止選擇權的評估時，租賃負債會重新計量。

當租賃負債重新計量時，相應調整會在使用權資產之賬面值上調整，或要是使用權資產的賬面值已減至零時，該金額則記入損益賬內。

當租賃範圍或代價變更時，且該變更不是原租賃合同的一部分（「租賃修改」），租賃負債將重新計量，並且不構成單獨的租賃。在這情況下，租賃負債將根據修訂後的租賃款項及租期，在修改生效日使用修訂後的貼現率重新計量。唯一的例外是因2019冠狀病毒大流行而直接產生，並符合載於《香港財務報告準則》第16號「租賃」第46B段之條件的任何租金寬免。在此情況下，本集團採用《香港財務報告準則》第16號第46A段所載之務實權宜方法，並確認該代價變動並非租賃修改。有關之租金寬免在損益表中確認為可變租賃款項的貸方。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

In the situation that if a lease modification is required by interest rate benchmark reform, the Phase 2 amendments allow the Group to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability.

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

The Group presents right-of-use assets that do not meet the definition of investment property in “fixed assets” (Note 33) and lease liabilities in “other liabilities” (Note 37) in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less (“short-term leases”) and leases of underlying assets with an approximate value of HK\$0.04 million or less (“low-value assets”). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term (Note 14).

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applied HKFRS 15 to allocate the consideration in the contract.

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Notes 2(g)(ii) and 2(e).

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease period as part of ‘other operating income’, as set out in Note 2(g)(iii).

因利率基準改革所要求的租賃修改，在重新計量租賃負債時，第二期修訂容許使用修訂後的貼現率以反映利率變動。

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

本集團呈列並不符合投資物業定義之使用權資產於「固定資產」(附註33)中及將租賃負債列於財務狀況表內的「其他負債」(附註37)。

短期租賃及低價值資產租賃

本集團已選擇不就若干12個月或以下之租賃(「短期租賃」)及相關資產價值約港幣4萬元或以下之租賃(「低價值資產租賃」)確認使用權資產及租賃負債。本集團將此等租賃相關的租賃款項按租期以直線法確認為支出(附註14)。

(ii) 作為出租人

當本集團作為出租人時，其會於租賃生效時釐定各項租賃屬融資租賃或經營租賃。

為劃分各項租賃，本集團會整體評估租賃會否轉移了相關資產擁有權所附帶的絕大部分風險及回報。如屬上述情況，該租賃便為融資租賃；反之則為經營租賃。作為評估的一部分，本集團會考慮若干指標，例如租賃是否佔資產經濟壽命的大部分。

倘某項安排包括租賃及非租賃部分，本集團便按照《香港財務報告準則》第15號分配合約代價。

有關融資租賃的應收承租人款項按淨投資金額(等於融資租賃項下應收租金總額減去未實現收入)以客戶墊款列載於財務狀況表。融資租賃所產生的收益已根據附註2(g)(ii)及2(e)所載的本集團收入確認政策獲確認。

本集團於租賃期內按直線基準確認經營租賃項下已收租賃款項為收入，以作為附註2(g)(iii)所載「其他經營收入」的一部分。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(t) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(h)(vii), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported as assets held for sale under other assets if it is highly probable that the future economic benefits will flow to the Group, their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Reposessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses subsequent to initial classification are recognised in the income statement.

(u) Income Tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

(t) 收回資產

在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(h)(vii)所載的會計政策，計算減值貸款及墊款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款及墊款。如大有可能本集團享有未來經濟收益，其賬面值須透過變賣而不是持續使用該資產，及該資產可在現況下出售，收回資產在其他資產的持有作出售資產項下列賬。有關貸款及墊款隨後撇銷。

收回資產按有關貸款及墊款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須計算折舊或攤銷。

緊隨初始確認後的減值損失於收益表確認。

(u) 所得稅

- (i) 本年度所得稅包括本年及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本年稅項及遞延稅項資產和負債的變動計入收益表內。
- (ii) 本年稅項為年度應課稅收入按報告期結束日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(o)(ii), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債（須不是商業合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，當本集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註 2(o)(ii) 所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據預期變現或償還該資產及負債的賬面值的方式，按在報告日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於每報告期結束日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。可轉回之金額不可超過預期將來出現足夠可供扣減的應課稅溢利。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

- (iv) 本年稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本年稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本年及遞延稅項資產及負債作出抵銷：

- 就本年稅項資產及負債而言，本行或本集團計劃支付淨額或同時收回資產及償還負債；或

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

- 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 realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

- 有關的遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，並預計在未來期間會償還或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本年稅項資產及償還本年稅項負債，或同時變現及償還。

(v) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation based on the Group's estimates of future deaths, investment returns and administration expenses at each valuation date.

Full provision is made for the estimated cost of claims notified but not settled at the end of the reporting period and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the end of the reporting period and to meet expenses on claims incurred but not reported at the end of the reporting period.

These reserves and provisions are classified as other accounts and provisions.

(v) 保險基金及未付索償準備

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是根據本集團之估計未來死亡率、投資回報及於每一估值日之行政費用並按精算估值。

本集團已就在報告期結束日已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在報告期結束日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備分類為其他賬項及準備。

(w) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(w) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(x) Financial Guarantees and Loan Commitments

"Financial guarantees" are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. "Loan commitments" are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortised amount and the amount of loss allowance (Note 2(h)(vii)).

For other loan commitments, the Group recognises impairment loss allowances (Note 2(h)(vii)).

Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

(y) Employee Benefits

(i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

(ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the end of the reporting period, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

(x) 財務擔保和貸款承諾

「財務擔保」是指要求本集團支付特定款項以償還持有人因其特定債務人在債務工具條款到期時未能支付而產生的損失的合同。「貸款承諾」是在預定的條款和條件下提供信貸的承諾。

已發行的財務擔保或以低於市場利率的貸款承諾初始按公平價值計量，初始公平價值在擔保或承諾期內攤銷。往後，該擔保及承諾按該攤銷金額及損失準備(附註2(h)(vii))，二者之較高者，計量。

對於其他貸款承諾，本集團確認減值損失準備(附註2(h)(vii))。

財務擔保和貸款承諾產生的負債包含在其他負債中。

(y) 僱員福利

(i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至報告期結束日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

(ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於報告期結束後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

(iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The cost of all these schemes is charged to the income statement for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

(iv) Share based payments

The Bank adopted equity-settled share based payment arrangement under Staff Share Option Schemes to grant the options to eligible employees of the Group.

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

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

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

上述所有計劃的成本在相關期間的收益表內支銷，而所有此類計劃的資產均與本集團的資產分開處理。在強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。

(iv) 以股份為基礎作支付

據僱員認股計劃，本行採納按股權結算之股份報酬安排向本集團合資格僱員授予購股權。

授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在資本儲備作相應調整）。

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時（轉入股本），或當認股權之有效期屆滿時（轉入留存溢利）。對於未能符合適用的歸屬條件的承授人，其未歸屬的認股權會全部或部分被撤銷。被撤銷的認股權會被註銷。當認股權被行使時，所得款項計入股東權益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(z) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (f) The entity is controlled or jointly controlled by a person identified in (i).
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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.

(z) 關聯人士

在編製本財務報表時，與本集團關聯人士是指：

- (i) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
 - (a) 可控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 是本集團或本集團之母公司的主要管理人員之成員。
- (ii) 在以下任何情況下，一實體會視為與本集團有關聯：
 - (a) 該實體及本集團皆是同一集團成員（即每一間母公司、附屬公司及同系附屬公司與其他有關聯）。
 - (b) 一實體是另一實體的聯營公司或合營公司（或該聯營公司或合營公司與該另一實體均屬同一集團）。
 - (c) 兩個實體是同一第三者的合營公司。
 - (d) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。
 - (e) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。
 - (f) 該實體受在(i)項中所辨識的個人所控制或共同控制。
 - (g) 在(i)(a)項中所辨識的個人而該個人對該實體有重大影響力，或該個人是該實體（或是該實體的母公司）的主要管理人員之成員。
 - (h) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(aa) 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.

(ab) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash and balances with banks, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(ac) Deposits, Debt Securities Issued and Capital Instruments

Deposits, debt securities issued and capital instruments are the Group's sources of funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The substance of a financial instrument, rather than its legal form, governs its classification. A financial instrument is classified as a liability where there is a contractual obligation to deliver either cash or another financial asset to the holder of that instrument, regardless of the manner in which the contractual obligation will be settled.

Subsequent to initial recognition deposits, debt securities issued and capital instruments classified as financial liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

For those capital instruments classified as equity instruments, they are not redeemable by holders and bear an entitlement to coupons at the Bank's sole discretion. Accordingly, they are presented within equity. Distribution thereon are recognised in equity.

(ad) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (a) their carrying amounts will be recovered principally through sale; (b) they are available for sale in their present condition; and (c) their sale is highly probable.

(aa) 分部報告

經營分部，及在財務報表列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各項業務和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

(ab) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括現金及在銀行結餘、國庫債券、及其他受較低風險影響價值及隨時可轉換成預知金額的合格票據及存款證。

(ac) 存款、已發行債務證券及資本工具

存款、已發行債務證券及資本工具是本集團籌募資金的來源。

本集團按工具合約條款的實質分類資本工具為金融負債或股本工具。

金融工具的實質而非其法律形式決定其分類。如有法定義務將現金或另一金融資產交付予該金融工具的持有人，則該金融工具被分類為負債，該法定義務的結算方式不影響其分類。

緊隨初始確認後，本集團為存款、已發行債務證券及分類為股本工具的資本工具，惟通過損益的負債除外，已按有效利率方式計算攤銷成本。

就分類為股本工具的資本工具，該等工具是不可贖回及視乎本行決定是否可享有利息。因此，該等工具在股東權益內列賬。相關分派於股東權益內確認。

(ad) 持有作出售資產

當 (a) 其賬面值將主要需通過出售才可收回；(b) 它們可以在現況下可供出售；(c) 出售的機會率是非常高的，非流動資產及出售組別（包括出售組別的資產和負債）按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策（續）

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRSs. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS 5, Non-current Assets Held for Sale and Discontinued Operations, are measured in accordance with applicable HKFRSs before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

(ae) Interim Financial Reporting and Impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(h)(vii) and Note 2(r)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

在被初始分類為持有作出售之前，資產的賬面值（或出售組別的資產和負債）按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別的公平價值減成本前，非在《香港財務報告準則》第5號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

(ae) 中期財務報告及減值

根據聯交所《上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編制有關年度首6個月的中期財務報告。於中期期末，本集團採用等同年末的減值測試、確認、及轉回標準（附註2(h)(vii)至附註2(r)）。

已確認於中期中間的商譽減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期中間有關之年底作評估而該減值損失是不會發生、或損失之金額會較小，在此情況下亦不可轉回。

3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

The Group has initially adopted the Interest Rate Benchmark Reform – Phase 2 amendments from 1st January, 2021. A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

In respect of the Phase 2 Amendments, the Group applied them retrospectively. In accordance with the options permitted in the Phase 2 amendments, the Group has elected not to restate the prior period to reflect the application of these amendments, including not providing additional disclosures for 2020.

There is no impact on opening equity balances as a result of retrospective application given that the relevant modifications to financial contracts would only be required after 2020.

The Phase 2 amendments provide practical relief from certain requirements in HKFRSs. This relief relates to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

本集團自2021年1月1日起初始採用利率基準改革之第二期修訂。若干新準則已於2021年1月1日起生效並容許提前採納，但本集團於製定綜合財務報表時未有提前採納相關新或經修訂的會計準則。

本集團追溯地採用有關第二期修訂。根據第二期修訂容許，本集團反映該修訂時選擇不重新列示比較數字，包括不提供2020年的額外披露。

由於相關修訂在2020年後才需要對財務合約作出修改，故追溯性採用並不會影響期初權益結餘。

第二期修訂為香港財務報告準則的某些規定提供了實務操作方法。該實務操作與金融工具及租賃合約的修改或由合約中的基準利率被替代基準利率所取代而觸發的對沖關係有關。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the interest rate benchmark reform if the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis, i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

The Phase 2 amendments allow the Group to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

The Phase 2 amendments also provide a series of temporary exemptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedging relationship to be continued without interruption. The Group applies the following relief as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

For details of exposures to Interbank Offered Rates as at 31st December 2021, please refer to Note 56.

本集團更新金融資產或金融負債的有效利率，以反映因利率基準改革而導致以攤銷成本計量的金融資產或金融負債之合約現金流的基礎變動。因利率基準改革要求而改變釐定合約現金流的基礎必須符合以下條件：

- 該變動必須是利率基準改革直接導致的結果；和
- 用於確定合約現金流的新基礎在經濟上是等同於舊基礎(即變動前的基礎)。

如果金融資產或金融負債合約現金流的基礎發生除利率基準改革要求以外的變動，則本集團首先更新該金融資產或金融負債的有效利率，以反映利率基準改革要求的變動。隨後，本集團應用以上修訂的會計政策於額外變動。

因利率基準改革所要求的租賃修改，在重新計量租賃負債時，第二期修訂容許使用修訂後的貼現率以反映利率變動。

當被對沖項目和／或用作對沖工具發生利率基準改革所要求的變動時，第二期修訂對某些對沖會計規定亦提供了一系列的臨時豁免，對沖關係得以繼續並不受干擾。當利率基準改革對被對沖項目或用作對沖工具以利率為基礎的現金流在時間和金額上不再存在不確定性時，本集團採用以下操作：

- 本集團修改對沖關係的指定，以反映改革所要求的變動，且不會導致對沖關係終止；和
- 當現金流對沖的被對沖項目被修改以體現改革要求的變動時，現金流對沖儲備中的累計金額將被視為以用於確定未來被對沖現金流的替代基準利率為基礎而確定的金額。

截至2021年12月31日的銀行同業拆借利率風險詳情參見附註56。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

4. BANK-LEVEL STATEMENT OF FINANCIAL POSITION 銀行層面之財務狀況表

		Note 附註	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
ASSETS	資產			
Cash and balances with banks	現金及在銀行的結存		25,555	25,911
Placements with and advances to banks	在銀行的存款及墊款		63,177	55,929
Trade bills	貿易票據		439	1,012
Trading assets	交易用途資產		851	881
Derivative assets	衍生工具資產		1,635	4,743
Loans and advances to customers	客戶貸款及墊款		395,919	384,200
Investment securities	投資證券		124,628	118,398
Amounts due from subsidiaries	附屬公司欠款		12,077	9,542
Investments in subsidiaries	附屬公司投資		19,497	20,216
Investments in associates and joint ventures	聯營公司及合資企業投資		4,344	4,312
Fixed assets	固定資產		9,902	10,075
– Investment properties	– 投資物業		5,034	4,945
– Other properties and equipment	– 其他物業及設備		4,264	4,484
– Right-of-use assets	– 使用權資產		604	646
Goodwill and intangible assets	商譽及無形資產		1,460	1,460
Deferred tax assets	遞延稅項資產		152	146
Other assets	其他資產		10,273	12,815
– Assets held for sale	– 持有作出售資產		701	521
– Others	– 其他		9,572	12,294
Total Assets	資產總額		669,909	649,640
EQUITY AND LIABILITIES	股東權益及負債			
Deposits and balances of banks	銀行的存款及結餘		29,819	25,682
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		3,639	5,442
– At amortised cost	– 攤銷成本		26,180	20,240
Deposits from customers	客戶存款		463,329	443,131
Trading liabilities	交易用途負債		5	–
Derivative liabilities	衍生工具負債		3,411	6,207
Certificates of deposit issued	已發行存款證		52,381	49,949
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		32,618	24,494
– At amortised cost	– 攤銷成本		19,763	25,455
Amounts due to subsidiaries	欠附屬公司款項		2,012	5,271
Current taxation	本年稅項		934	594
Debt securities issued	已發行債務證券		2,789	2,092
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		620	155
– At amortised cost	– 攤銷成本		2,169	1,937
Deferred tax liabilities	遞延稅項負債		526	375
Other liabilities	其他負債		8,776	10,365
Loan capital – at amortised cost	借貸資本 – 攤銷成本		4,655	8,533
Total Liabilities	負債總額		568,637	552,199
Share capital	股本		41,645	41,557
Reserves	儲備	42(l)	45,659	41,916
Total equity attributable to owners of the Bank	歸屬於本行股東權益總額		87,304	83,473
Additional equity instruments	額外股本工具		13,968	13,968
			101,272	97,441
Total Equity and Liabilities	股東權益及負債總額		669,909	649,640

Approved and authorised for issue by the Board on 24th February, 2022.

董事會於2022年2月24日核准及授權發布。

Executive Chairman
Co-Chief ExecutivesDavid LI Kwok-po
Adrian David LI Man-kiu
Brian David LI Man-bun
Meocre LI Kwok-wing執行主席
聯席行政總裁李國寶
李民橋
李民斌
李國榮

Director

董事

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

5. INTEREST INCOME 利息收入

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Loans, deposits with banks, and trade bills	貸款、在銀行的存款、及貿易票據	15,595	17,966
Investment securities	投資證券		
– measured at amortised cost or FVOCI	– 按攤銷成本或通過其他全面收益以反映公平價值	2,305	2,972
– designated at FVTPL	– 指定為通過損益以反映公平價值	–	2
– mandatory at FVTPL	– 強制按通過損益以反映公平價值	110	144
Trading assets	交易用途資產	45	23
		18,055	21,107

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

The above included interest income of HK\$19,123 million (2020: HK\$21,718 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

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

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣191.23億元（2020年：港幣217.18億元）。

6. INTEREST EXPENSE 利息支出

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Customer deposits and deposits of banks	客戶存款及銀行的存款		
– at amortised cost	– 按攤銷成本	5,655	7,739
– designated at FVTPL	– 指定為通過損益以反映公平價值	9	40
Certificates of deposit and debt securities issued	已發行存款證及債務證券		
– at amortised cost	– 按攤銷成本	617	951
– designated at FVTPL	– 指定為通過損益以反映公平價值	181	332
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	377	455
Lease liabilities	租賃負債	29	35
Other borrowings	其他借款	2	5
		6,870	9,557

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

The above included interest expense of HK\$6,719 million (2020: HK\$9,243 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

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

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣67.19億元（2020年：港幣92.43億元）。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

7. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income is disaggregated by services:

服務費及佣金收入按服務分類如下：

		2021	2020
		HK\$ Mn 港幣百萬元	Restated ^(Note) 重報 ^(註) HK\$ Mn 港幣百萬元
Loans, overdrafts and guarantees	貸款、透支及擔保	947	942
Credit cards	信用卡	801	909
Investment products	投資產品	409	457
Securities brokerage	證券經紀	403	387
Trust and other fiduciary activities	信託及其他代理業務	305	282
Sale of third party insurance policies	銷售第三者發行的保單	296	52
Other retail banking services	其他零售銀行服務	176	165
Trade finance	貿易融資	90	74
Others	其他	489	446
Total fee and commission income	服務費及佣金收入總額	3,916	3,714
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not measured at FVTPL	由非通過損益以反映公平價值列賬之金融資產或負債所產生之淨服務費收入(不包括用作計算有效利率之金額)	3,082	2,935
Fee income	服務費收入	3,916	3,714
Fee expenses	服務費支出	(834)	(779)

Note: Certain fee and commission income in 2020 has been reclassified among the categories of loans, overdrafts and guarantees, securities brokerage, trade finance and others to conform to the current year's presentation.

註：以符合本年的呈報方式，2020年度若干的貸款、透支及擔保、證券經紀、貿易融資及其他類別的服務費及佣金收入已重新分類。

8. NET TRADING PROFIT 交易溢利淨額

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit on dealing in foreign currencies and funding swaps	外幣買賣及外匯掉期溢利	436	130
(Loss)/Profit on trading securities	交易用途證券(虧損)/溢利	(52)	76
Net gain on derivatives	衍生工具淨盈利	475	755
Loss on other dealing activities	其他交易業務虧損	(2)	(2)
Dividend income from trading equity securities	交易用途股份證券的股息收入	22	25
		879	984

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

9. NET RESULT ON FINANCIAL INSTRUMENTS AT FVTPL
通過損益以反映公平價值金融工具的淨表現

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Net gain/(loss) from financial instruments designated at FVTPL	指定為通過損益以反映公平價值金融工具的淨盈利／(虧損)	89	(22)
Net gain from financial instruments mandatorily measured at FVTPL (other than those included in net trading profit)	強制按通過損益以反映公平價值計量金融工具的淨盈利(除已包括在交易溢利淨額內)	145	220
		234	198

10. NET RESULT ON FINANCIAL ASSETS MEASURED AT FVOCI
通過全面收益以反映公平價值金融資產的淨表現

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Net profit on sale of debt securities	出售債務證券之淨溢利	23	140
Dividend income from equity securities	股份證券股息收入	22	13
		45	153

11. NET HEDGING PROFIT 對沖溢利淨額

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Fair value hedges	公平價值對沖		
– Net (loss)/gain on hedged items attributable to the hedged risk	– 可歸屬於被對沖項目之對沖風險產生的淨(虧損)／盈利	(2,941)	2,203
– Net gain/(loss) on hedging instruments	– 用作對沖工具的淨盈利／(虧損)	3,085	(2,141)
		144	62

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the years 2021 and 2020 (see Note 45(b)(iii)(b)).

於2021年及2020年，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的(詳見附註45(b)(iii)(b))。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

12. NET INSURANCE PROFIT 保險業務淨溢利

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
(a) Net insurance profit	(a) 保險業務淨溢利		
Net interest income	淨利息收入	482	666
Net trading profit/(loss)	交易溢利／(虧損)淨額	77	(78)
Net result on financial instruments at FVTPL	通過損益以反映公平價值 金融工具的淨表現	150	292
Net profit on sale of debt investment securities measured at FVOCI	出售通過其他全面收益以反映 公平價值債務投資證券的 淨溢利	72	521
Net insurance premium (b)	淨保費(b)	4,824	6,461
Other operating income	其他經營收入	3	1
		5,608	7,863
Net insurance claims and expenses (c)	保險索償及支出淨額(c)	(5,168)	(7,076)
		440	787
Operating expenses	經營支出	(3)	(4)
Impairment losses on financial instruments	金融工具減值損失	(26)	(12)
		411	771
(b) Net insurance premium	(b) 淨保費		
Gross insurance premium income	保費收入總額	4,894	6,531
Reinsurers' share of gross insurance premium income	保費收入總額之分保份額	(70)	(70)
		4,824	6,461
(c) Net insurance claims and expenses	(c) 保險索償及支出淨額		
Claims, benefits and surrenders paid	已付索償、利益及退保	3,902	2,144
Movement in provisions	準備金變動	1,193	4,830
		5,095	6,974
Reinsurers' share of claim, benefits and surrenders paid	已付索償、利益及退保之 分保份額	(36)	(59)
Reinsurers' share of movement in provisions	準備金變動之分保份額	(9)	21
		(45)	(38)
		5,050	6,936
Net insurance commission expenses	保險佣金支出淨額	118	140
		5,168	7,076

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

13. OTHER OPERATING INCOME 其他經營收入

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Rental from safe deposit boxes	保險箱租金收入	122	121
Rental income on properties (Note 33(ii))	物業租金收入(附註33(ii))	143	154
Government subsidy – Employment Support Scheme	政府補貼 – 「保就業」計劃	–	252
Others	其他	65	157
		330	684

14. OPERATING EXPENSES 經營支出

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*		
– Hong Kong	– 香港	170	188
– Outside Hong Kong	– 香港以外	229	94
Equity settled share-based payment expenses (Note 42(f))	以股份為基礎作支付的費用(附註42(f))	19	11
Salaries and other staff costs	薪金及其他員工成本	5,105	4,778
Total staff costs	員工成本總額	5,523	5,071
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Expenses relating to short-term leases	– 有關短期租賃支出	20	18
– Expenses relating to low value assets	– 有關低價值資產租賃支出	1	1
– Variable lease payments not included in the measurement of lease liabilities**	– 不包括計量租賃負債的可變租賃款項**	(4)	(1)
– Maintenance, repairs and others	– 保養、維修及其他	669	742
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	686	760
Depreciation on (Note 33)	折舊(附註33)		
– Bank premises, furniture, fixtures and equipment	– 行址、傢俬、裝修及設備	581	556
– Right-of-use assets	– 使用權資產	374	425
		955	981
Amortisation of intangible assets (Note 32(b))	無形資產攤銷(附註32(b))	14	14

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

14. OPERATING EXPENSES (CONTINUED) 經營支出(續)

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Other operating expenses	其他經營支出		
– Internet platform charges	– 互聯網平台費用	482	511
– Legal and professional fees	– 法律及專業服務費	399	357
– Communications, stationery and printing	– 通訊、文具及印刷	274	267
– Advertising expenses	– 廣告費	224	251
– Card related expenses	– 有關信用卡支出	119	207
– Insurance expenses	– 保險費	111	108
– Stamp duty, withholding taxes and value added taxes	– 印花稅、預提稅及增值稅	72	77
– Business promotions and business travel	– 業務推廣及商務旅遊	66	64
– Audit fee	– 核數師酬金	21	20
– Others	– 其他	375	275
Total other operating expenses	其他經營支出總額	2,143	2,137
Total operating expenses***	經營支出總額***	9,321	8,963

* Forfeited contributions totalling HK\$35 million (2020: HK\$17 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2020: Nil).

** Included a credit of HK\$5 million (2020: HK\$5 million) of COVID-19-related rent concessions during the year.

*** Included in operating expenses are direct operating expenses of HK\$8 million (2020: HK\$7 million) in respect of investment properties which generated rental income during the year.

* 年度內沒收之供款共港幣3,500萬元(2020年:港幣1,700萬元)已被用作減少本集團的供款。於年末並無任何被沒收而可用作減低將來之供款(2020年:無)。

** 包括年度內港幣500萬元(2020年:港幣500萬元)的2019冠狀病毒病相關租金寬免。

*** 年度內經營支出中包括由有租金收益的投資物業產生的直接經營支出,金額為港幣800萬元(2020年:港幣700萬元)。

15. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS 金融工具減值損失

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Loans and advances to customers	客戶貸款及墊款	1,471	4,734
Others	其他	208	(60)
		1,679	4,674

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

16. NET PROFIT ON SALE OF ASSETS HELD FOR SALE 出售持有作出售資產之淨溢利

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Net profit on sale of properties	出售物業之淨溢利	140	30
Net profit on sale of disposal groups	出售出售組別之淨溢利	902	2
		1,042	32

17. NET LOSS ON DISPOSAL OF FIXED ASSETS 出售固定資產之淨虧損

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Net loss on disposal of bank premises, furniture, fixtures and equipment	出售行址、傢俬、裝修及設備之淨虧損	(5)	(33)
Net profit on termination of lease	終止租賃之淨溢利	1	–
		(4)	(33)

18. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項為：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Current tax – Hong Kong	本年稅項－香港		
Tax for the year	本年度稅項	514	531
Over-provision in respect of prior years	往年度過剩的回撥	(96)	(394)
		418	137
Current tax – outside Hong Kong	本年稅項－香港以外		
Tax for the year	本年度稅項	271	229
Over-provision in respect of prior years	往年度過剩的回撥	(18)	(50)
		253	179
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 36(b))	暫時性差異的源生及轉回 (附註 36(b))	152	(395)
		823	(79)

The provision for Hong Kong profits tax is calculated at 16.5% (2020: 16.5%) of the estimated assessable profits for the year.

香港利得稅稅款是以年度預計應課稅溢利按稅率 16.5% (2020 年：16.5%) 計算。

Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

海外分行及附屬公司的稅款是按其經營所在地現行稅率而計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

18. INCOME TAX (CONTINUED) 所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	6,136	3,606
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	根據相關司法地區適用之利得稅稅率按除稅前溢利計算的名義稅款	1,137	570
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	144	220
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(320)	(393)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	3	30
Write back of over-provision in respect of prior years	往年度過剩的回撥	(114)	(444)
Others	其他	(27)	(62)
Actual tax expense charged/(write-back) to income statement	於收益表支銷/(回撥)的實際稅項	823	(79)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

19. DISTRIBUTION/DIVIDENDS 分派／股息

(a) Dividends attributable to the year

(a) 應屬本年度股息

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.35 per share on 2,919 million shares (2020: HK\$0.16 per share on 2,915 million shares) (Note 42(k))	已宣布派發及支付中期股息予 29.19 億股每股港幣 0.35 元 (2020 年：29.15 億股每股港幣 0.16 元) (附註 42(k))	1,022	466
Second interim dividend of HK\$0.35 per share on 2,923 million shares (2020: HK\$0.24 per share on 2,917 million shares)	第二次中期股息予 29.23 億股每股港幣 0.35 元 (2020 年：29.17 億股每股港幣 0.24 元)	1,023	700
		2,045	1,166

The total dividend attributable to the year is HK\$0.70 per share (2020: HK\$0.40 per share). The second interim dividend has not been recognised as a liability at the end of the reporting period.

應屬本年度股息為每股港幣 0.70 元 (2020 年：每股港幣 0.40 元)。於報告期期末，該第二次中期股息並未確認為負債。

(b) Dividends attributable to the previous financial year, approved and paid during the year

(b) 於年度核准及支付屬上年度股息

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Second interim dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.24 per share on 2,917 million shares (2020: HK\$0.35 per share on 2,907 million shares) (Note 42(k))	年度內核准及支付予 29.17 億股每股港幣 0.24 元 (2020 年：29.07 億股每股港幣 0.35 元) 的上年度第二次中期股息 (附註 42(k))	700	1,017

(c) Distribution to holders of Additional Tier 1 capital instruments

(c) 分派予額外一級資本工具持有人

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Distribution paid on the Additional Tier 1 capital instruments (Note 42(k))	已付額外一級資本工具的分派 (附註 42(k))	811	792

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

20. EARNINGS PER SHARE 每股盈利

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$4,459 million (2020: HK\$2,822 million) after accounting for the distribution of HK\$811 million (2020: HK\$792 million) to Additional Tier 1 issue holders, and on the weighted average of 2,919 million ordinary shares outstanding during the year (2020: 2,913 million), calculated as follows:

Weighted average number of ordinary shares

		2021 Number of shares 股份數目 Million 百萬	2020 Number of shares 股份數目 Million 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	2,917	2,907
Effect of shares issued in lieu of dividends	以股代息發行新股的影響	2	6
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,919	2,913

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$4,459 million (2020: HK\$2,822 million) after accounting for the distribution of HK\$811 million (2020: HK\$792 million) to Additional Tier 1 issue holders, and on the weighted average of 2,919 million ordinary shares outstanding during the year (2020: 2,913 million), adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

		2021 Number of shares 股份數目 Million 百萬	2020 Number of shares 股份數目 Million 百萬
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,919	2,913
Effect of deemed issue of ordinary shares under the Bank's share option schemes for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	—	—
Weighted average number of ordinary shares (diluted) at 31st December	於12月31日普通股份的加權平均數(攤薄)	2,919	2,913

(a) 每股基本盈利

每股基本盈利乃按照已分派予額外一級資本工具持有人港幣8.11億元(2020年:港幣7.92億元)後的可歸屬於本集團股東溢利港幣44.59億元(2020年:港幣28.22億元)及年度內已發行普通股份的加權平均數29.19億股(2020年:29.13億股)計算。

普通股份的加權平均數

(b) 每股攤薄盈利

每股攤薄盈利乃按照已分派予額外一級資本工具持有人港幣8.11億元(2020年:港幣7.92億元)後的可歸屬於本集團股東溢利港幣44.59億元(2020年:港幣28.22億元)及就年度內所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數29.19億股(2020年:29.13億股)計算。

普通股份的加權平均數(攤薄)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

21. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options ^(Note)	Retirement scheme contributions	2021 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權 ^(註)	退休計劃供款	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Executive Chairman	執行主席						
Dr. the Hon. Sir David Li Kwok-po	李國寶爵士	0.6	11.8	4.4	3.0	1.1	20.9
Co-Chief Executives	聯席行政總裁						
Mr. Adrian David Li Man-kiu	李民橋先生	0.5	7.5	7.5	2.9	0.7	19.1
Mr. Brian David Li Man-bun	李民斌先生	0.5	7.5	7.5	2.7	0.7	18.9
Non-executive Directors	非執行董事						
Prof. Arthur Li Kwok-cheung	李國章教授	0.5	—	—	—	—	0.5
Mr. Aubrey Li Kwok-sing	李國星先生	0.5	—	—	—	—	0.5
Mr. Winston LO Yau-lai	羅友禮先生	0.4	—	—	—	—	0.4
Mr. Stephen Charles Li Kwok-sze	李國仕先生	0.4	—	—	—	—	0.4
Dr. Daryl NG Win-kong	黃永光博士	0.5	—	—	—	—	0.5
Mr. Masayuki OKU	奧正之先生	0.5	—	—	—	—	0.5
Dr. Francisco Javier SERRADO TREPAT	Francisco Javier SERRADO TREPAT 博士	0.5	—	—	—	—	0.5
Independent Non-executive Directors	獨立非執行董事						
Dr. Allan WONG Chi-yun	黃子欣博士	0.9	—	—	—	—	0.9
Dr. the Hon. Rita FAN HSU Lai-tai	范徐麗泰博士	0.6	—	—	—	—	0.6
Mr. Meocre Li Kwok-wing	李國榮先生	1.1	—	—	—	—	1.1
Dr. the Hon. Henry TANG Ying-yen	唐英年博士	1.0	—	—	—	—	1.0
Dr. Delman LEE	李國本博士	0.8	—	—	—	—	0.8
Mr. William Junior Guilherme DOO	杜家駒先生	0.8	—	—	—	—	0.8
Dr. David MONG Tak-yeung	蒙德揚博士	0.5	—	—	—	—	0.5
		10.6	26.8	19.4	8.6	2.5	67.9

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2021 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 39.

註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於2021年及往年授予並在歸屬期內攤銷的公平價值，而非屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註39內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

21. DIRECTORS' REMUNERATION (CONTINUED) 董事酬金(續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options ^(Note)	Retirement scheme contributions	2020 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權 ^(註)	退休計劃供款	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Executive Chairman	執行主席						
Dr. the Hon. Sir David Li Kwok-po	李國寶爵士	0.6	11.8	2.8	4.7	1.1	21.0
Co-Chief Executives	聯席行政總裁						
Mr. Adrian David Li Man-kiu	李民橋先生	0.4	7.8	4.8	2.2	0.7	15.9
Mr. Brian David Li Man-bun	李民斌先生	0.4	7.8	4.8	1.5	0.7	15.2
Non-executive Directors	非執行董事						
Prof. Arthur Li Kwok-cheung	李國章教授	0.5	—	—	—	—	0.5
Mr. Aubrey Li Kwok-sing	李國星先生	0.5	—	—	—	—	0.5
Mr. Winston LO Yau-lai	羅友禮先生	0.4	—	—	—	—	0.4
Mr. Stephen Charles Li Kwok-sze	李國仕先生	0.4	—	—	—	—	0.4
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.1	—	—	—	—	0.1
Dr. Daryl NG Win-kong	黃永光博士	0.5	—	—	—	—	0.5
Mr. Masayuki OKU	奧正之先生	0.5	—	—	—	—	0.5
Independent Non-executive Directors	獨立非執行董事						
Dr. Allan WONG Chi-yun	黃子欣博士	0.9	—	—	—	—	0.9
Dr. the Hon. Rita FAN HSU Lai-tai	范徐麗泰博士	0.6	—	—	—	—	0.6
Mr. Meocre Li Kwok-wing	李國榮先生	1.1	—	—	—	—	1.1
Dr. the Hon. Henry TANG Ying-yen	唐英年博士	1.2	—	—	—	—	1.2
Dr. Delman LEE	李國本博士	0.7	—	—	—	—	0.7
Mr. William Junior Guilherme DOO	杜家駒先生	0.9	—	—	—	—	0.9
		9.7	27.4	12.4	8.4	2.5	60.4

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2020 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 39.

註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於2020年及往年授予並在歸屬期內攤銷的公平價值，而並非屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註39內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

22. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Salaries and other emoluments	薪金及其他酬金	38	39
Performance-related bonuses	表現獎勵花紅	28	18
Share options	認股權	12	12
Pension contributions	退休金供款	3	3
		81	72

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

HK\$ 港幣元	2021 Number of Employees 僱員人數	2020 Number of Employees 僱員人數
9,500,001 – 10,500,000	–	2
11,000,001 – 11,500,000	2	–
15,000,001 – 15,500,000	–	1
15,500,001 – 16,000,000	–	1
18,500,001 – 19,000,000	1	–
19,000,001 – 19,500,000	1	–
20,500,001 – 21,000,000	1	1

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2020: 3) Directors and 2 (2020: 2) senior management members. Their director's emoluments have been included in Note 21 above.

5名薪酬最高的僱員中包括3位(2020年：3位)董事及2位(2020年：2位)高層管理人員。他們的董事酬金已包括於上述附註21內。

23. SEGMENT REPORTING 分部報告

(a) Business segments

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's Senior Management for the purposes of resource allocation and performance assessment, the Group has presented the following nine reportable segments.

Hong Kong operations

Hong Kong operations include Hong Kong banking business carrying out by the Bank and other business operations, dividing into the following six reportable segments.

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

(a) 營業分部

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下九個可匯報分部。

香港業務

香港業務包括本行在香港經營的銀行業務及其他業務，分類為以下六個可匯報分部。

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

23. SEGMENT REPORTING (CONTINUED) 分部報告(續)

(a) Business segments (continued)

Corporate Banking includes corporate lending and loan syndication, asset based lending, commercial lending, securities lending and trade financing activities with correspondent banks and corporates in Hong Kong.

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

Wealth management includes private banking business and investment products & advisory in Hong Kong.

Centralised operations include supporting units of banking operations in Hong Kong.

Others mainly include insurance business, trust business, securities & futures broking and corporate financial advisory carried out by subsidiaries operating in Hong Kong and other supporting units of Hong Kong operations located outside Hong Kong.

Mainland operations

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

Overseas operations

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

Corporate management

Corporate management absorbs the regulatory capital cost of loan capital issued by the Bank and receives, from Hong Kong operations, the interest income on business activities funded by capital instruments issued by the Bank.

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

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

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

(a) 營業分部(續)

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款、證券業務貸款及與在香港之全球同業間的銀行代理行及企業的金融貿易業務。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務及投資產品和諮詢業務。

中央營運包括在香港業務之後勤單位。

其他業務主要包括在香港附屬公司經營之保險業務、信託業務、證券及期貨經紀及企業財務諮詢，及在香港以外但支援香港業務之後勤單位。

內地業務

內地業務主要包括在香港支援內地業務之後勤單位、所有在內地經營的附屬公司及聯營公司，但不包括在內地經營資料處理及其他後勤支援香港業務之附屬公司。

國際業務

國際業務包括在香港支援國際銀行業務之後勤單位、所有在海外經營的分行包括澳門及台灣、附屬公司及聯營公司。

企業管理

企業管理承擔本行發行借貸資本的監管資本成本及從香港業務獲得由本行發行資本工具所資助之業務活動的利息收入。

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

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

收入與支出按有關分部所產生的利息及服務費用和佣金收入，及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2021											
		Hong Kong operations 香港業務											
		Hong Kong banking business 香港銀行業務								Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination
		Personal banking	Corporate banking	Treasury markets	Wealth management	Centralised operations	Total	Others	Total				
		個人銀行	企業銀行	財富市場	財富管理	中央營運	總額	其他	總額	內地業務	國際業務	企業管理	分部間之交易抵銷
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Net interest income/(expense)	淨利息收入／(支出)	2,287	2,532	(30)	317	(21)	5,085	87	5,172	3,917	1,775	321	-
Non-interest income	非利息收入	1,104	641	577	442	334	3,098	984	4,082	841	214	-	(39)
Operating income	經營收入	3,391	3,173	547	759	313	8,183	1,071	9,254	4,758	1,989	321	(39)
Operating expenses	經營支出	(1,611)	(367)	(164)	(234)	(2,185)	(4,561)	(504)	(5,065)	(3,542)	(753)	-	39
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利／(虧損)	1,780	2,806	383	525	(1,872)	3,622	567	4,189	1,216	1,236	321	-
(Charge for)/Write back of impairment losses on financial instruments	金融工具的減值(損失)／回撥	(103)	(1,009)	(11)	2	-	(1,121)	(4)	(1,125)	(620)	66	-	-
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利／(虧損)	1,677	1,797	372	527	(1,872)	2,501	563	3,064	596	1,302	321	-
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利	-	-	-	-	133	133	902	1,035	7	-	-	-
Net profit/(loss) on disposal of subsidiaries/associates	出售附屬公司／聯營公司之淨溢利／(虧損)	-	-	-	-	-	-	-	-	182	(1)	-	-
Net profit/(loss) on disposal of fixed assets	出售固定資產之淨溢利／(虧損)	(13)	-	-	-	(3)	(16)	-	(16)	14	(2)	-	-
Valuation losses on investment properties	重估投資物業虧損	-	-	-	-	(110)	(110)	(22)	(132)	-	-	-	-
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損	-	-	-	-	-	-	(10)	(10)	(425)	201	-	-
Profit/(Loss) before taxation	除稅前溢利／(虧損)	1,664	1,797	372	527	(1,852)	2,508	1,433	3,941	374	1,500	321	-
Depreciation for the year	年內折舊	(308)	(8)	(8)	(3)	(226)	(553)	(42)	(595)	(296)	(64)	-	-
Segment assets	分部資產	119,858	169,032	229,919	25,191	11,392	555,392	3,598	558,990	262,576	118,789	-	(44,096)
Investments in associates and joint ventures	聯營公司及合資企業投資	-	-	-	-	-	-	66	66	3,983	4,898	-	-
Other assets – Assets held for sale	其他資產—持有作出售資產	-	-	-	-	15	15	2,232	2,247	17	-	-	-
Total assets	資產總額	119,858	169,032	229,919	25,191	11,407	555,407	5,896	561,303	266,576	123,687	-	(44,096)
Segment liabilities	分部負債	331,601	58,997	65,994	29,595	2,244	488,431	675	489,106	234,937	109,059	-	(43,319)
Other liabilities – Liabilities held for sale	其他負債—持有作出售負債	-	-	-	-	-	-	1,637	1,637	-	-	-	-
Total liabilities	負債總額	331,601	58,997	65,994	29,595	2,244	488,431	2,312	490,743	234,937	109,059	-	(43,319)
Capital expenditure incurred during the year	年度內資本開支	255	11	32	1	245	544	32	576	301	49	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

23. SEGMENT REPORTING (CONTINUED) 分部報告(續)

(a) Business segments (continued)

(a) 營業分部(續)

		2020												
		Hong Kong operations 香港業務												
		Hong Kong banking business 香港銀行業務												
		Personal banking	Corporate banking	Treasury markets	Wealth management	Centralised operations	Total	Others	Total	Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination	Total
		個人銀行	企業銀行	財資市場	財富管理	中央營運	總額	其他	總額	內地業務	國際業務	企業管理	分部間之交易抵銷	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Net interest income(expense)	淨利息收入／(支出)	2,692	2,319	101	327	(76)	5,363	148	5,511	4,117	1,492	426	4	11,550
Non-interest income	非利息收入	1,069	576	477	502	635	3,259	1,273	4,532	955	317	–	(44)	5,760
Operating income	經營收入	3,761	2,895	578	829	559	8,622	1,421	10,043	5,072	1,809	426	(40)	17,310
Operating expenses	經營支出	(1,758)	(321)	(169)	(237)	(2,111)	(4,596)	(461)	(5,057)	(3,264)	(682)	–	40	(8,963)
Operating profit(loss) before impairment losses	未扣除減值損失之經營溢利／(虧損)	2,003	2,574	409	592	(1,552)	4,026	960	4,986	1,808	1,127	426	–	8,347
(Charge for)Write back of impairment losses on financial instruments	金融工具的減值(損失)／回撥	(208)	(1,083)	1	8	1	(1,281)	(1)	(1,282)	(2,954)	(438)	–	–	(4,674)
Impairment losses on assets held for sale	持有作出售資產減值損失	–	–	–	–	–	–	–	–	(12)	–	–	–	(12)
Impairment losses on intangible assets	無形資產減值損失	–	–	–	–	–	–	–	–	(2)	–	–	–	(2)
Impairment losses on associate	聯營公司減值損失	–	–	–	–	–	–	–	–	–	(402)	–	–	(402)
Operating profit(loss) after impairment losses	已扣除減值損失後之經營溢利／(虧損)	1,795	1,491	410	600	(1,551)	2,745	959	3,704	(1,160)	287	426	–	3,257
Net profit on sale of assets held for sale	出售持有作出售資產之淨溢利	–	–	–	–	30	30	–	30	1	1	–	–	32
Net profit on disposal of subsidiaries/associates	出售附屬公司／聯營公司之淨溢利	–	–	–	–	–	–	–	–	–	341	–	–	341
Net profit(loss) on disposal of fixed assets	出售固定資產之淨溢利／(虧損)	(19)	–	–	–	1	(18)	–	(18)	(12)	(3)	–	–	(33)
Valuation losses on investment properties	重估投資物業虧損	–	–	–	–	(248)	(248)	(52)	(300)	–	(1)	–	–	(301)
Share of profits less losses of associates and joint ventures	應佔聯營公司及合資企業溢利減虧損	–	–	–	–	–	–	(3)	(3)	123	190	–	–	310
Profit(Loss) before taxation	除稅前溢利／(虧損)	1,776	1,491	410	600	(1,768)	2,509	904	3,413	(1,048)	815	426	–	3,606
Depreciation for the year	年內折舊	(340)	(6)	(7)	(3)	(216)	(572)	(41)	(613)	(302)	(66)	–	–	(981)
Segment assets	分部資產	115,004	163,163	218,240	31,371	11,406	539,184	9,244	548,428	230,472	113,192	–	(43,511)	848,581
Investments in associates and joint ventures	聯營公司及合資企業投資	–	–	–	–	–	–	76	76	4,121	4,985	–	–	9,182
Other assets – Assets held for sale	其他資產 – 持有作出售資產	–	–	–	–	20	20	26,620	26,640	17	–	–	–	26,657
Total assets	資產總額	115,004	163,163	218,240	31,371	11,426	539,204	35,940	575,144	234,610	118,177	–	(43,511)	884,420
Segment liabilities	分部負債	328,720	46,151	69,730	29,911	1,958	476,470	2,229	478,699	203,868	103,955	–	(42,762)	743,760
Other liabilities – Liabilities held for sale	其他負債 – 持有作出售負債	–	–	–	–	–	–	26,864	26,864	–	–	–	–	26,864
Total liabilities	負債總額	328,720	46,151	69,730	29,911	1,958	476,470	29,093	505,563	203,868	103,955	–	(42,762)	770,624
Capital expenditure incurred during the year	年度內資本開支	197	8	9	5	280	499	42	541	255	40	–	–	836

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the entities and branches of the Bank responsible for reporting the results or booking the assets or, by the location where the subsidiaries or business units with special risks associated with operations originate.

(b) 地區分部

按地區分部之資料是根據負責報告業績或將資產入賬之實體或本行之分行的主要業務所在地點，或按與附屬公司或業務單位之營運有特殊風險關連的所在地點予以劃分。

		2021					
		Hong Kong	Mainland China	Other Asian Countries and Regions	Others	Inter-segment elimination	Total
		香港	內地	其他亞洲國家及地區	其他	分部間之交易抵銷	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Operating income	經營收入	9,955	4,749	607	1,339	(367)	16,283
Profit before taxation	除稅前溢利	4,332	314	506	984	–	6,136
Total assets	資產總額	561,867	265,892	48,636	74,969	(43,894)	907,470
Total liabilities	負債總額	490,974	234,521	41,315	67,727	(43,117)	791,420
Contingent liabilities and commitments	或然負債及承擔	85,900	175,419	9,295	7,596	–	278,210
Capital expenditure during the year	年度內資本開支	577	301	43	5	–	926

		2020					
		Hong Kong	Mainland China	Other Asian Countries and Regions	Others	Inter-segment elimination	Total
		香港	內地	其他亞洲國家及地區	其他	分部間之交易抵銷	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Operating income	經營收入	10,902	5,068	572	1,190	(422)	17,310
Profit/(loss) before taxation	除稅前溢利／(虧損)	3,730	(988)	244	620	–	3,606
Total assets	資產總額	591,381	215,558	49,174	68,444	(40,137)	884,420
Total liabilities	負債總額	502,213	203,870	41,945	61,984	(39,388)	770,624
Contingent liabilities and commitments	或然負債及承擔	87,731	104,440	9,905	7,284	–	209,360
Capital expenditure during the year	年度內資本開支	542	255	32	7	–	836

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

24. CASH AND BALANCES WITH BANKS (Note 47(a))

現金及在銀行的結存(附註47(a))

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Cash in hand	現金	1,016	1,140
Balances with central banks	在中央銀行的結存	37,463	33,506
Balances with other banks	在其他銀行的結存	16,612	21,750
		55,091	56,396
Less: Impairment allowances (Note 43(a)(ix))	減：減值準備(附註43(a)(ix))	(3)	(19)
– Stage 1	– 第一階段	(3)	(19)
– Stage 2	– 第二階段	–	–
– Stage 3	– 第三階段	–	–
		55,088	56,377

25. PLACEMENTS WITH AND ADVANCES TO BANKS (Note 47(a))

在銀行的存款及墊款(附註47(a))

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Placements with and advances to banks	在銀行的存款及墊款		
Maturing	到期期限		
– within one month	– 1個月內	73,104	64,380
– after one month but within one year	– 1個月至1年內	1,639	2,472
– after one year	– 1年後	–	–
		74,743	66,852
Less: Impairment allowances (Note 43(a)(ix))	減：減值準備(附註43(a)(ix))	(1)	(3)
– Stage 1	– 第一階段	(1)	(3)
– Stage 2	– 第二階段	–	–
– Stage 3	– 第三階段	–	–
		74,742	66,849
Of which:	其中：		
Placements with and advances to central banks	在中央銀行的存款及墊款	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

26. TRADE BILLS 貿易票據

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Measured at amortised cost	按攤銷成本計量	560	372
Less: Impairment allowances (Note 43(a)(ix))	減：減值準備(附註43(a)(ix))	-	(3)
– Stage 1	– 第一階段	-	(3)
– Stage 2	– 第二階段	-	-
– Stage 3	– 第三階段	-	-
		560	369
Measured at FVOCI	按通過其他全面收益以反映公平價值計量	10,212	11,424
		10,772	11,793

27. TRADING ASSETS 交易用途資產

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(a))	國庫債券(包括外匯基金票據) (附註47(a))	-	119
Debt securities (Note 47(a))	債務證券(附註47(a))	1,632	190
Equity securities	股份證券	851	881
		2,483	1,190

28. LOANS AND ADVANCES TO CUSTOMERS 客戶貸款及墊款

(a) Loans and advances to customers

(a) 客戶貸款及墊款

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Loans and advances to customers at amortised cost	按攤銷成本計量的客戶貸款及墊款	548,808	513,929
Less: Impairment allowances (Note 43(a)(ix))	減：減值準備(附註43(a)(ix))	(4,371)	(4,859)
– Stage 1	– 第一階段	(667)	(845)
– Stage 2	– 第二階段	(527)	(1,038)
– Stage 3	– 第三階段	(3,177)	(2,976)
		544,437	509,070

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

28. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

(b) Loans and advances to customers – by industry sectors

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

(b) 客戶貸款及墊款－按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

		2021		2020	
		Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
		墊款總額	有抵押墊款的百分比	墊款總額	有抵押墊款的百分比
		HK\$ Mn 港幣百萬元	% 百分率	HK\$ Mn 港幣百萬元	% 百分率
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	34,103	54.12	29,038	59.33
– Property investment	– 物業投資	50,280	91.88	49,544	89.17
– Financial concerns	– 金融企業	15,514	50.18	13,434	55.49
– Stockbrokers	– 股票經紀	1,957	99.99	4,468	94.34
– Wholesale and retail trade	– 批發與零售業	7,742	47.86	6,273	52.78
– Manufacturing	– 製造業	4,810	32.51	4,390	47.24
– Transport and transport equipment	– 運輸與運輸設備	5,531	46.15	5,441	56.21
– Recreational activities	– 娛樂活動	304	87.23	82	70.40
– Information technology	– 資訊科技	1,268	2.13	676	5.20
– Others	– 其他	15,365	58.85	19,151	56.85
– Sub-total	– 小計	136,874	66.89	132,497	69.81
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇貸款	1,337	100.00	1,383	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	91,532	100.00	87,512	100.00
– Credit card advances	– 信用卡墊款	4,284	0.00	4,043	0.00
– Others	– 其他	28,182	63.75	27,730	85.01
– Sub-total	– 小計	125,335	88.43	120,668	93.20
Total loans for use in Hong Kong	在香港使用的貸款總額	262,209	77.18	253,165	80.96
Trade finance	貿易融資	6,088	32.92	4,427	49.24
Loans for use outside Hong Kong (Note)	在香港以外使用的貸款(註)	280,511	36.83	256,337	37.78
Total advances to customers	客戶墊款總額	548,808	56.07	513,929	59.15

Note: Loans for use outside Hong Kong include the following loans for use in Mainland China.

註：在香港以外使用的貸款包括以下在內地使用的貸款。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2021		2020	
		Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
		墊款總額	有抵押墊款的百分比	墊款總額	有抵押墊款的百分比
		HK\$ Mn 港幣百萬元	% 百分率	HK\$ Mn 港幣百萬元	% 百分率
Loans for use in Mainland China	在內地使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	44,747	34.37	41,344	29.81
– Property investment	– 物業投資	14,134	80.56	13,254	81.47
– Financial concerns	– 金融企業	47,765	0.00	41,107	3.84
– Wholesale and retail trade	– 批發與零售業	10,837	13.94	6,644	40.81
– Manufacturing	– 製造業	11,219	5.76	5,870	12.28
– Transport and transport equipment	– 運輸與運輸設備	811	43.46	584	38.04
– Recreational activities	– 娛樂活動	25	100.00	71	58.14
– Information technology	– 資訊科技	1,967	0.43	1,601	0.70
– Others	– 其他	17,618	12.24	13,997	19.62
– Sub-total	– 小計	149,123	21.10	124,472	25.03
Individuals	個人				
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	15,762	100.00	14,180	99.98
– Credit card advances	– 信用卡墊款	6,370	0.00	7,072	0.00
– Others	– 其他	12,724	5.28	14,910	1.84
– Sub-total	– 小計	34,856	47.15	36,162	39.96
Total loans for use in Mainland China	在內地使用的貸款總額	183,979	26.03	160,634	28.39

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

28. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

(b) Loans and advances to customers – by industry sectors (continued)

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

(b) 客戶貸款及墊款－按行業分類(續)

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

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(i) Property development	(i) 物業發展		
a. Individually impaired loans	a. 已個別減值的貸款	1,009	642
b. Specific provisions	b. 特殊準備	326	216
c. Collective provisions	c. 整體準備	206	88
d. New provision charged to income statement	d. 於收益表支銷的準備	607	324
e. Written off	e. 撇銷	87	284
(ii) Property investment	(ii) 物業投資		
a. Individually impaired loans	a. 已個別減值的貸款	2,552	2,298
b. Specific provisions	b. 特殊準備	1,375	702
c. Collective provisions	c. 整體準備	87	319
d. New provision charged to income statement	d. 於收益表支銷的準備	1,644	1,079
e. Written off	e. 撇銷	12	666
(iii) Loans for purchase of residential properties	(iii) 購買其他住宅物業的貸款		
a. Individually impaired loans	a. 已個別減值的貸款	270	273
b. Specific provisions	b. 特殊準備	10	13
c. Collective provisions	c. 整體準備	27	153
d. New provision charged to income statement	d. 於收益表支銷的準備	146	200
e. Written off	e. 撇銷	–	–
(iv) Financial concerns	(iv) 金融企業		
a. Individually impaired loans	a. 已個別減值的貸款	64	–
b. Specific provisions	b. 特殊準備	34	–
c. Collective provisions	c. 整體準備	43	303
d. New provision charged to income statement	d. 於收益表支銷的準備	201	250
e. Written off	e. 撇銷	–	–

The specific provisions represent lifetime expected credit loss provisions for credited impaired (Stage 3) exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired (Stage 1 and Stage 2) exposures.

特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失(第一階段及第二階段)準備。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk in accordance with the requirements of Banking (Disclosure) Rules. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. The location of a party is determined by its residence which is the economic territory under whose laws the party is incorporated or registered. This requirement is different from the allocation under segment reporting in Note 23 which is prepared in a manner consistent with the way in which information is reported internally to the Group's Senior Management. The specific provisions represent lifetime expected credit loss provisions for credit impaired (Stage 3) exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired (Stage 1 and Stage 2) exposures.

(c) 客戶貸款及墊款－按區域分類

根據《銀行業(披露)規則》，客戶墊款總額按國家或區域的分類是根據交易對手的所在地，並考慮轉移風險因素後得出的。一般而言，有關墊款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。一方的所在地由其居住地決定，而該居住地是該締約方註冊或登記的法律所規定的經濟領土。此要求與附註23分部報告的分配不同，後者的編製方法與內部匯報資料予集團高層管理人員的方法是相同的。特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)準備及整體準備指非減值信貸風險12個月及合約期內的預期信貸損失(第一階段及第二階段)準備。

		2021				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
		客戶墊款總額	逾期3個月以上的墊款	減值客戶墊款	特殊準備	整體準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	264,285	409	1,218	254	136
Mainland China	內地	202,365	2,020	4,589	2,822	755
Other Asian Countries and Regions	其他亞洲國家及地區	28,036	22	164	101	62
Others	其他	54,122	–	6	–	241
Total	總額	548,808	2,451	5,977	3,177	1,194
% of total advances to customers	佔客戶墊款總額的百分比			1.09%		
Market value of collateral held against impaired advances to customers	減值客戶墊款抵押品市值			3,656		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

28. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

(c) Loans and advances to customers – by geographical areas (continued) (c) 客戶貸款及墊款 – 按區域分類(續)

		2020				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
		客戶墊款總額	逾期3個月 以上的墊款	減值客戶墊款	特殊準備	整體準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	262,280	863	1,225	447	423
Mainland China	內地	178,085	1,856	4,992	2,353	1,179
Other Asian Countries and Regions	其他亞洲國家及地區	29,483	80	234	174	55
Others	其他	44,081	14	14	2	226
Total	總額	513,929	2,813	6,465	2,976	1,883
% of total advances to customers	佔客戶墊款總額的百分比			1.26%		
Market value of collateral held against impaired advances to customers	減值客戶墊款抵押品市值			4,801		

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

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

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。上述資料按國家或區域分類，是根據交易對手的所在地並已考慮轉移風險因素。

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(d) Loans and advances to customers – net investment in finance leases

Loans and advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

(d) 客戶貸款及墊款－融資租賃的淨投資額

客戶貸款及墊款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		2021			2020		
		Present value of the minimum lease payments 最低租賃 付款現值 HK\$ Mn 港幣百萬元	Interest income relating to future periods 相關未來 利息收入 HK\$ Mn 港幣百萬元	Total minimum lease payments 最低租賃 付款總額 HK\$ Mn 港幣百萬元	Present value of the minimum lease payments 最低租賃 付款現值 HK\$ Mn 港幣百萬元	Interest income relating to future periods 相關未來 利息收入 HK\$ Mn 港幣百萬元	Total minimum lease payments 最低租賃 付款總額 HK\$ Mn 港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	190	53	243	211	60	271
After one year but within two years	1年以後至2年內	156	49	205	174	54	228
After two years but within three years	2年以後至3年內	144	45	189	159	50	209
After three years but within four years	3年以後至4年內	136	42	178	147	47	194
After four years but within five years	4年以後至5年內	127	39	166	146	43	189
After five years	5年以後	1,776	287	2,063	1,955	328	2,283
		2,529	515	3,044	2,792	582	3,374
Less: Impairment allowances	減：減值準備	(11)			(16)		
Net investment in finance leases	融資租賃的淨投資額	2,518			2,776		

The net investment in finance leases is carried on the statement of financial position as loans and advances to customers. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作客戶貸款及墊款在財務狀況表中列賬，未來期間的利息收入並無計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

29. INVESTMENT SECURITIES 投資證券

		2021			
		Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
		按通過 強制按通過 損益以反映 公平價值計量	其他全面 收益以反映 公平價值計量	按攤銷成本 計量	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(a))	國庫債券(包括外匯基金票據) (附註47(a))	–	22,844	2,025	24,869
Certificates of deposits held (Note 47(a))	持有存款證(附註47(a))	–	–	646	646
Debt securities (Note 47(a))	債務證券(附註47(a))	4,365	101,968	13,875	120,208
Equity securities	股份證券	42	712	–	754
Investment funds	投資基金	1,030	–	–	1,030
		5,437	125,524	16,546	147,507

		2020			
		Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
		按通過 強制按通過 損益以反映 公平價值計量	其他全面 收益以反映 公平價值計量	按攤銷成本 計量	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(a))	國庫債券(包括外匯基金票據) (附註47(a))	–	25,828	2,359	28,187
Certificates of deposits held (Note 47(a))	持有存款證(附註47(a))	–	1,175	1,065	2,240
Debt securities (Note 47(a))	債務證券(附註47(a))	4,571	94,325	12,297	111,193
Equity securities	股份證券	482	1,283	–	1,765
Investment funds	投資基金	786	–	–	786
		5,839	122,611	15,721	144,171

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Equity securities designated at FVOCI

指定為通過全面收益以反映公平價值的
股份證券

	2021				2020			
	Fair value		Dividend income recognised		Fair value		Dividend income recognised	
	公平價值		已確認股息收入		公平價值		已確認股息收入	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Equity investments held for long-term strategic purposes								
持有作長期策略用途的股份投資	712		22		1,283		13	

As at 31st December, 2021, equity securities designated at FVOCI amounting to HK\$712 million (2020: HK\$1,283 million) were held for long-term strategic purposes, of which HK\$588 million (2020: HK\$1,156 million) was attributable to the fair value of the Bank's investment in China UnionPay Co., Ltd. None of these strategic investments was disposed of during 2021 and 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

於2021年12月31日，持有作長期策略用途之指定為通過全面收益以反映公平價值的股份證券金額為港幣7.12億元（2020年：港幣12.83億元），其中港幣5.88億元（2020年：港幣11.56億元）為本行於中國銀聯股份有限公司之投資的公平價值。在2021及2020年度內沒有出售該等策略投資，亦沒有將該等投資的累計盈利及虧損於股東權益內轉賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

30. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

Details of these companies are as follows:

此等公司的詳情如下：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK\$港幣 450,000,000 元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣 150,000,000 元	100%		Trustee service 信託服務
BEA Consortium GS Investors L.P.	BVI 英屬處女群島	NIL 無		100%	Acting as a limited partner for the purpose of making investment in private equity fund 出任有限責任合夥人用作投資 私募基金
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK\$港幣 374,580,000 元	51%		Asset management 資產管理
BEA Union Investment Management (Shenzhen) Limited 東亞聯豐投資管理(深圳)有限公司	PRC 中華人民共和國	US\$5,000,000 美元		51%	Asset management/Investment management 資產管理/投資管理
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣 625,000,000 元	100%		Insurance 保險
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK\$港幣 2 元	100%		Property investment 物業投資
Century Able Limited 階潤有限公司	Hong Kong 香港	HK\$港幣 929,752,849 元		100%	Investment holding 投資控股
Corona Light Limited	BVI 英屬處女群島	HK\$港幣 929,752,849 元		100%	Investment holding 投資控股
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK\$港幣 640,000,000 元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK\$港幣 929,752,849 元	100%		Investment holding 投資控股
Dragon Jade Holdings Company Limited 卓領控股有限公司	Hong Kong 香港	HK\$港幣 1,127,510,000 元	100%		Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
East Asia Digital Information Services (Guangdong) Limited <i>(Note 1)</i> 東亞數據信息服務(廣東)有限公司 <i>(附註1)</i>	PRC 中華人民共和國	US\$3,000,000 美元		100%	Servicing 服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$ 港幣 10,000 元		100%	Facility management 設施管理
* East Asia Holding Company, Inc.	U.S.A. 美國	US\$5 美元	100%		Bank holding company 銀行控股公司
East Asia International Trustees Limited	BVI 英屬處女群島	US\$1,301,000 美元		100%	Trustees service 信託服務
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$ 港幣 25,000,000 元	100%		Securities broking 證券買賣
Skyray Holdings Limited	BVI 英屬處女群島	HK\$ 港幣 450,000,000 元	100%		Investment holding 投資控股
Speedfull Limited	BVI 英屬處女群島	HK\$ 港幣 450,000,000 元		100%	Investment holding 投資控股
The Bank of East Asia (China) Limited <i>(Note 1)</i> 東亞銀行(中國)有限公司 <i>(附註1)</i>	PRC 中華人民共和國	CNY 人民幣 14,160,000,000 元	100%		Banking and related financial services 銀行及有關的金融服務
* Companies audited by auditors other than KPMG are with net assets and total income constituting approximately 0.5% and less than 0.1% respectively of the related consolidated totals.			* 非由畢馬威會計師事務所審核的公司，其財務報表之資產淨額及收入總額分別佔相關綜合總額的0.5%及低於0.1%。		
Note:			附註：		
1. Represents a wholly foreign owned enterprise registered under the PRC laws.			1. 指根據中華人民共和國法例註冊由外資全資擁有之企業。		

31. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES 聯營公司及合資企業投資

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Share of net assets	應佔淨資產	9,270	9,504
Goodwill	商譽	476	477
		9,746	9,981
Less: Impairment allowances	減：減值準備	(799)	(799)
		8,947	9,182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

聯營公司及合資企業投資(續)

The following list contains only the particulars of principal associates and joint ventures.

以下列載只包括本集團的主要聯營公司及合資企業。

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary share 普通股 held by		Nature of business 業務性質
		The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Associates 聯營公司				
Listed 上市				
AFFIN Bank Berhad	Malaysia 馬來西亞	23.70%		Banking and related financial business 銀行及有關的金融業務
Unlisted 非上市				
Brilliance-BEA Auto Finance Co., Ltd. 華晨東亞汽車金融有限公司	PRC 中華人民共和國		22.5%	Auto finance and other related financial businesses 汽車貸款及其他有關金融業務
Dolford Property Holdings Limited	BVI 英屬處女群島		30%	Investment holding 投資控股
East Asia Qianhai Securities Company Limited 東亞前海證券有限責任公司	PRC 中華人民共和國	49%		Securities business 證券業務
Guotong Trust Co., Ltd 國通信託有限責任公司	PRC 中華人民共和國	15.38%		Trust and other financial business 信託及其他金融業務
Industrial and Commercial Bank of China (Canada) 中國工商銀行(加拿大)有限公司	Canada 加拿大	20%		Banking services 銀行服務
Industrial and Commercial Bank of China (USA) N.A. 中國工商銀行(美國)	U.S.A. 美國		20%	Banking services 銀行服務
Million Fortune Development (Shenzhen) Co., Ltd. 寰裕置業(深圳)有限公司	PRC 中華人民共和國		25%	Property development 物業發展
Platinum Holdings Company Limited	Cayman Islands 開曼群島	31.94%		Investment holding 投資控股
Shanghai Ctrip Financial Information Services Co., Ltd. 上海攜程金融信息服務有限公司	PRC 中華人民共和國		9.6%	Financial services 金融服務

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

At 31st December, 2021, the fair value of the Group's investment in AFFIN Bank Berhad ("AFFIN") based on the quoted market price had been persistently below the carrying amount for a period of time. As a result, the Group performed an impairment test on the investment using a value-in-use ("VIU") methodology and this demonstrated that the recoverable amount of the investment was HK\$3,975 million. The recoverable amount was higher than the carrying value of HK\$3,504 million and no further impairment charge was recognised (2020: impairment charge of HK\$402 million). The VIU calculation uses discounted cash flow projections based on AFFIN's latest forecast of financial results and estimates made by the Group's management for the next five years and extrapolating in perpetuity using a long-term growth rate of 3% to derive a terminal value. Discount rate of 11.49% (2020: 11.03%), which is based on a Capital Asset Pricing Model calculation for AFFIN, is used in the VIU calculation.

The following table illustrates the impact on VIU of reasonably possible changes to key assumptions. This reflects the sensitivity of the VIU to each key assumption on its own and it is possible that more than one favourable and/or unfavourable change may occur at the same time.

於2021年12月31日，按市場報價的公允價值，本集團對AFFIN Bank Berhad(「AFFIN」)之投資的市值持續低於賬面值一段時間。因此，本集團對此項投資透過使用價值計算方法進行減值測試，測試顯示此項投資的可收回金額為港幣39.75億元。由於可收回金額高於港幣35.04億元之賬面值，年度內並無確認額外減值損失(2020年：港幣4.02億元)。使用價值計算方法採用了集團管理層基於AFFIN最新的財務業績預測以及對未來五年的估計的折現現金流量預測，並使用3%長期增長率永久性推算得出終端價值。在價值計算方法中使用基於AFFIN的資本資產定價模型計算得出的11.49%(2020年：11.03%)折現率。

下表列出主要假設的合理可能變動對使用價值產生的影響。有關資料反映使用價值對各主要假設本身的敏感度。超過一項有利及／或不利變動有可能同時發生。

		Favourable change			Unfavourable change		
		有利變動			不利變動		
		Increase in VIU		VIU	Decrease in VIU		VIU
		使用價值增加		使用價值	使用價值減少		使用價值
		HK\$ Mn		HK\$ Mn	HK\$ Mn		HK\$ Mn
		港幣百萬元		港幣百萬元		港幣百萬元	
At 31st December 2021	於2021年12月31日						
Discount rate	折現率	-50 bps 基點	263	4,238	+50 bps 基點	(234)	3,741
Long-term growth rate	長期增長率	+50 bps 基點	65	4,040	-50 bps 基點	(58)	3,917
Expected cash flows	預計現金流	+10%	397	4,372	-10%	(398)	3,577

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

聯營公司及合資企業投資(續)

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Aggregate information of associates and joint ventures that are not individually material	個別不重大聯營公司及合資企業之總和資料		
Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements	個別不重大聯營公司及合資企業在綜合財務報表之總和賬面值	8,947	9,182
Aggregate amounts of the Group's share of those associates and joint ventures	本集團佔該等聯營公司及合資企業之總和金額		
(Loss)/Profit after tax	源自持續營運(虧損)/溢利	(234)	310
Other comprehensive income	其他全面收益	(186)	288
Total comprehensive income	全面收益總額	(420)	598
Reconciliation of carrying amounts to the Group's total interest in the associates and joint ventures	賬面值與本集團於聯營公司及合資企業的權益對賬		
Carrying amount of material associates and joint ventures	重大聯營公司及合資企業之賬面值	–	–
Carrying amount of individually immaterial associates and joint ventures	個別不重大聯營公司及合資企業之賬面值	8,947	9,182
Interest in associates and joint ventures in the consolidated financial statements	在綜合財務報表中聯營公司及合資企業權益	8,947	9,182

32. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets are amortised over their estimated economic useful life.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產按其估計經濟使用期攤銷。

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Goodwill	商譽	1,460	1,474
Acquired intangible assets	購入無形資產	425	438
		1,885	1,912

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(a) Goodwill

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
At 1st January	於1月1日	1,474	1,474
Transfer to asset classified as assets held for sale (Note 55)	轉至分類為持有作出售資產(附註55)	(14)	—
At 31st December	於12月31日	1,460	1,474

Impairment tests for cash-generating units containing goodwill
Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

包含商譽的現金生產單位之減值測試
本集團按業務分部分配商譽予可辨識的現金生產單位如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Personal banking	個人銀行	849	849
Corporate banking	企業銀行	453	453
Treasury markets	財資市場	158	158
Others	其他	—	14
		1,460	1,474

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

The discount rate used for value-in-use calculations is 9.8% (2020: 9.3%) and the long-term growth rate is 2.8% (2020: 2.5%).

用於計算使用價值的折扣率為9.8% (2020年：9.3%) 及長期增長率為2.8% (2020年：2.5%)。

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

32. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

(b) Intangible assets (other than goodwill)

Intangible assets consist of building naming rights only. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(r)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(b) 無形資產(商譽除外)

無形資產只包括建築物命名權。無形資產按成本減除累計攤銷及減值損失列賬(附註2(r))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

命名權：按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Cost	成本		
At 1st January	於1月1日	1,404	1,402
Exchange adjustments	匯兌調整	–	2
At 31st December	於12月31日	1,404	1,404
Accumulated amortisation	累計攤銷		
At 1st January	於1月1日	(310)	(295)
Amortisation charge for the year (Note 14)	年度內攤銷(附註14)	(14)	(14)
Exchange adjustments	匯兌調整	1	(1)
At 31st December	於12月31日	(323)	(310)
Impairment allowance	減值準備		
At 1st January	於1月1日	(656)	(655)
Charge for the year	年度內支銷	–	(2)
Exchange adjustments	匯兌調整	–	1
As at 31st December	於12月31日	(656)	(656)
Carrying amount at 31st December	於12月31日賬面值	425	438

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. FIXED ASSETS 固定資產

		2021						
		Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Total
		投資物業	行址	傢俬、裝修及設備	小計	使用權資產 – 行址	使用權資產 – 傢俬、裝修及設備	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值							
At 1st January, 2021	於2021年1月1日	4,961	8,595	6,311	14,906	1,549	26	21,442
Additions	增置	-	120	485	605	320	1	926
Revaluation deficit	重估虧損	(132)	-	-	-	-	-	(132)
Disposals	出售	-	(139)	(304)	(443)	-	-	(443)
Revaluation surplus on bank premises upon transfer to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	-	5	-	5	-	-	5
Transfer from bank premises to investment properties	由行址轉入投資物業	163	(163)	-	(163)	-	-	-
Expiry/termination of lease contracts	到期/終止租賃合約	-	-	-	-	(373)	(2)	(375)
Less: Elimination of accumulated depreciation on revalued bank premises	減：抵銷行址重估的累計折舊	-	(4)	-	(4)	-	-	(4)
Transfer to asset classified as assets held for sale	轉至分類為持有待出售資產	-	-	(102)	(102)	(2)	(2)	(106)
Exchange adjustments	匯兌調整	-	115	58	173	13	-	186
At 31st December, 2021	於2021年12月31日	4,992	8,529	6,448	14,977	1,507	23	21,499
Accumulated depreciation and amortisation	累計折舊及攤銷							
At 1st January, 2021	於2021年1月1日	-	2,254	4,444	6,698	670	9	7,377
Charge for the year (Note 14)	年度內支銷(附註14)	-	149	432	581	368	6	955
Expiry/termination of lease contracts	到期/終止租賃合約	-	-	-	-	(361)	(2)	(363)
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	-	(4)	-	(4)	-	-	(4)
Written off on disposal	出售時撇銷	-	(63)	(263)	(326)	-	-	(326)
Transfer to asset classified as assets held for sale	轉至分類為持有待出售資產	-	-	(69)	(69)	(1)	(2)	(72)
Exchange adjustments	匯兌調整	-	42	40	82	6	-	88
At 31st December, 2021	於2021年12月31日	-	2,378	4,584	6,962	682	11	7,655
Net book value at 31st December, 2021	賬面淨值 於2021年12月31日	4,992	6,151	1,864	8,015	825	12	13,844
The gross amounts of the above assets are stated:	上述資產的總額列示如下：							
At cost	按成本	-	7,781	6,448	14,229	1,507	23	15,759
At Directors' valuation – 1989	按董事估值 – 1989年	-	748	-	748	-	-	748
At professional valuation – 2021	按專業估值 – 2021年	4,992	-	-	-	-	-	4,992
		4,992	8,529	6,448	14,977	1,507	23	21,499

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. FIXED ASSETS (CONTINUED) 固定資產(續)

		2020							
		Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	使用權資產 – 行址	使用權資產 – 傢俬、裝修及設備	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值								
At 1st January, 2020	於2020年1月1日	5,333	8,160	5,962	14,122	1,457	23	1,480	20,935
Additions	增置	–	105	494	599	233	4	237	836
Revaluation deficit	重估虧損	(301)	–	–	–	–	–	–	(301)
Disposals	出售	–	–	(247)	(247)	–	–	–	(247)
Revaluation surplus on bank premises upon transfer to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	–	57	–	57	–	–	–	57
Transfer from bank premises to investment properties	由行址轉入投資物業	79	(79)	–	(79)	–	–	–	–
Transfer from investment properties to bank premises	由投資物業轉入行址	(151)	151	–	151	–	–	–	–
Expiry/termination of lease contracts	到期/終止租賃合約	–	–	–	–	(172)	(2)	(174)	(174)
Less: Elimination of accumulated depreciation on revalued bank premises	減: 抵銷行址重估的累計折舊	–	(9)	–	(9)	–	–	–	(9)
Transfer to asset classified as assets held for sale	轉至分類為持有待售資產	–	(34)	(14)	(48)	–	–	–	(48)
Exchange adjustments	匯兌調整	1	244	116	360	31	1	32	393
At 31st December, 2020	於2020年12月31日	4,961	8,595	6,311	14,906	1,549	26	1,575	21,442
Accumulated depreciation and amortisation	累計折舊及攤銷								
At 1st January, 2020	於2020年1月1日	–	2,049	4,166	6,215	388	4	392	6,607
Charge for the year (Note 14)	年度內支銷(附註14)	–	149	407	556	419	6	425	981
Expiry/termination of lease contracts	到期/終止租賃合約	–	–	–	–	(151)	(1)	(152)	(152)
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	–	(9)	–	(9)	–	–	–	(9)
Written off on disposal	出售時撇銷	–	–	(209)	(209)	–	–	–	(209)
Transfer to asset classified as assets held for sale	轉至分類為持有待售資產	–	(13)	(5)	(18)	–	–	–	(18)
Exchange adjustments	匯兌調整	–	78	85	163	14	–	14	177
At 31st December, 2020	於2020年12月31日	–	2,254	4,444	6,698	670	9	679	7,377
Net book value at 31st December, 2020	賬面淨值於2020年12月31日	4,961	6,341	1,867	8,208	879	17	896	14,065
The gross amounts of the above assets are stated:	上述資產的總額列示如下:								
At cost	按成本	–	7,847	6,311	14,158	1,549	26	1,575	15,733
At Directors' valuation – 1989	按董事估值 – 1989年	–	748	–	748	–	–	–	748
At professional valuation – 2020	按專業估值 – 2020年	4,961	–	–	–	–	–	–	4,961
		4,961	8,595	6,311	14,906	1,549	26	1,575	21,442

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

物業公平價值之釐定

(i) 公平價值分級

根據《香港財務報告準則》第十三號「釐定公平價值」三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

第一級估值：	釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。
第二級估值：	釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。
第三級估值：	釐定公平價值採用重要的非可觀察參數。

		Fair value at 31st December, 2021 於2021年12月31日 之公平價值 HK\$ Mn 港幣百萬元	Fair value measurements as at 31st December, 2021 categorised into 於2021年12月31日釐定公平價值之分類		
			Level 1 第一級 HK\$ Mn 港幣百萬元	Level 2 第二級 HK\$ Mn 港幣百萬元	Level 3 第三級 HK\$ Mn 港幣百萬元
Recurring fair value measurement	重覆發生的公平價值釐定				
Investment properties	投資物業				
Commercial – Hong Kong	商業 – 香港	4,978	–	–	4,978
Commercial – Others	商業 – 其他	14	–	–	14
		4,992	–	–	4,992

		Fair value at 31st December, 2020 於2020年12月31日 之公平價值 HK\$ Mn 港幣百萬元	Fair value measurements as at 31st December, 2020 categorised into 於2020年12月31日釐定公平價值之分類		
			Level 1 第一級 HK\$ Mn 港幣百萬元	Level 2 第二級 HK\$ Mn 港幣百萬元	Level 3 第三級 HK\$ Mn 港幣百萬元
Recurring fair value measurement	重覆發生的公平價值釐定				
Investment properties	投資物業				
Commercial – Hong Kong	商業 – 香港	4,947	–	–	4,947
Commercial – Others	商業 – 其他	14	–	–	14
		4,961	–	–	4,961

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. FIXED ASSETS (CONTINUED) 固定資產(續)

Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

During the years ended 31st December, 2021 and 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2021 and 2020.

Investment properties in Hong Kong were valued at HK\$4,978 million (2020: HK\$4,947 million) as at 31st December, 2021 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the financial statements as at 31st December, 2021 and it was performed on an open market value basis. Details of valuation techniques are described below:

(ii) Information about Level 3 fair value measurement of properties

物業公平價值之釐定(續)

(i) 公平價值分級(續)

2021年及2020年12月31日止年度內，沒有第一級和第二級兩者之間的轉移，亦未有第三級的轉入或轉出。本集團的政策是只確認於報告期末公平價值分級之間發生的轉移。

於2021年及2020年12月31日，所有本集團的投資物業均由獨立估值師估價。

於2021年12月31日，香港投資物業的估值為港幣49.78億元(2020年：港幣49.47億元)。該等物業由獨立估值師－特許測量師第一太平戴維斯估價，其僱員具香港測量師學會會士資歷並對估值物業的所在地及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2021年12月31日之賬項內。估值模式詳述如下：

(ii) 有關第三級釐定公平價值的物業

	Valuation techniques 估值模式	Unobservable input 非可觀察輸入參數
Investment properties 投資物業	Income capitalisation approach 收入還原法	Expected market rental 預期市場租金
		Capitalisation rate 還原率
	Direct comparison approach 直接比較法	Premium (discount) on quality of the buildings 樓宇質素溢價(折扣)

Investment properties not under construction

The fair value of investment properties is determined by adoption of the Income Capitalisation Approach whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which in turn capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewals of Government lease upon its expiry. The summation of the capitalised value of the term income for the leased portion, the capitalised value of the reversion income as appropriately deferred for the leased portion and the capitalised value for the vacant portion provides the market value of the property.

非正在建築中的投資物業

投資物業的公平價值是按採納收入還原法計算，其方法是將現時物業已出租單位之租金收入按其分別未到期租約條款還原，而空置單位則假設於估價日每一單位可按市值租金租出，再根據投資者預期每一類別物業之市場回報來還原。其中已顧及並預期政府之租約於期限屆滿後可續約。出租部分期間收入之還原值、已適當遞延出租部分之歸還收入的還原值及空置部分之還原值之總和計算出物業的市場價值。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The market rentals of all lettable units are made (a) by reference to the rentals fetched in the property and/or (b) by reference to the lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the market expectation from property investors. This expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating costs, risk factor and the like.

As a supporting approach to the Income Capitalisation Approach, the Direct Comparison Approach is also adopted as a check for the valuation. Comparable sales transactions of similar properties in the locality are collected and analysed each in terms of a price per square footage. The collected comparables are then adjusted to take account of the discrepancies between the property and comparables in terms of time, location, age, building quality and the like.

The fair value measurement is positively correlated to the market rental and negatively correlated to the capitalisation rate.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

所有已租出單位市場租金之計算是(a)參考由物業賺取的租金及／或(b)參考鄰近所租出之類同物業。採納之還原率是參考分析市場出售交易得出之回報及物業投資者對市場的預期。此預期回報已潛在地反映投資的質素、預期未來租金增長和資本增值的潛力、營運成本、風險因素及其他。

除收入還原法外，亦採納直接比較法以核實估值。在鄰近可比較類同物業之出售交易會被收集及分析，以計算每一平方呎的價值。已收集之比較資料根據物業及可比較資料的差異，並按時間、位置、樓齡、樓宇質素及其他作調整。

釐定公平價值與市場租金有正面相互關聯及與還原率有負面相互關聯。

年內該等第三級公平價值釐定之餘額變動如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Investment properties – Commercial	投資物業—商業—香港		
– Hong Kong	投資物業—商業—香港		
At 1st January	於1月1日	4,947	5,319
Transfer from bank premises to investment properties	由行址轉入投資物業	163	79
Transfer from investment properties to bank premises	由投資物業轉入行址	–	(151)
Revaluation deficit	重估虧損	(132)	(300)
At 31st December	於12月31日	4,978	4,947
Investment properties – Commercial – Others	投資物業—商業—其他		
At 1st January	於1月1日	14	14
Revaluation deficit	重估虧損	–	(1)
Exchange adjustments	匯兌調整	–	1
At 31st December	於12月31日	14	14

Fair value adjustment of investment properties is recognised in the line item “valuation losses on investment properties” on the face of the consolidated income statement.

投資物業的公平價值調整在綜合收益表上之「重估投資物業虧損」項下確認。

All the losses recognised in the income statement for the year arise from the properties held at the end of the reporting period.

所有確認於年度收益表之虧損均源自於報告期期末持有之物業。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. FIXED ASSETS (CONTINUED) 固定資產(續)

Fair value measurement of properties (continued)

(ii) Information about Level 3 fair value measurement of properties (continued)

The net book value of bank premises and investment properties comprises:

物業公平價值之釐定(續)

(ii) 有關第三級釐定公平價值的物業(續)

行址及投資物業的賬面淨值包括：

		2021		2020	
		Investment properties	Bank premises	Investment properties	Bank premises
		投資物業	行址	投資物業	行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	15	607	15	622
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	4,177	1,610	4,166	1,752
On medium-term lease (10 – 50 years)	中期租約(10至50年)	800	1,223	780	1,173
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	–	15	–	14
On medium-term lease (10 – 50 years)	中期租約(10至50年)	–	2,685	–	2,763
On short-term lease (below 10 years)	短期租約(10年以下)	–	11	–	17
		4,992	6,151	4,961	6,341

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 5 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income from investment properties held for use under operating leases amounted to HK\$143 million in 2021 (2020: HK\$154 million). There was no contingent rental recognised during the year 2021 (2020: Nil).

本集團以經營租賃形式租出投資物業。租賃年期通常由1年至5年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

於年內，以經營租賃形式租出的投資物業之租金收入為港幣1.43億元(2020年：港幣1.54億元)。於2021年內未有確認或有租金(2020年：無)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出的行址及投資物業的未來最低應收租賃付款總額如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Within one year	1年以內	108	102
After one year but within two years	1年以後至2年內	55	60
After two years but within three years	2年以後至3年內	16	23
After three years but within four years	3年以後至4年內	5	–
After four years but within five years	4年以後至5年內	3	–
After five years	5年以後	–	–
		187	185

34. OTHER ASSETS 其他資產

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Accrued interest	應計利息	2,649	2,488
Customer liabilities under acceptances	承兌客戶負債	28,674	17,333
Other accounts	其他賬項	9,068	13,437
Less: Impairment allowances (Note 43(a)(ix))	減：減值準備(附註43(a)(ix))	(132)	(185)
– Stage 1	– 第一階段	(8)	(14)
– Stage 2	– 第二階段	(2)	(3)
– Stage 3	– 第三階段	(122)	(168)
		40,259	33,073
Assets held for sale (Note 55)	持有作出售資產(附註55)	2,264	26,657
		42,523	59,730

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

35. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

指定為通過損益以反映公平價值的金融負債

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Deposits and balances of banks	銀行的存款及結餘	3,639	5,442
Certificates of deposits issued	已發行存款證	32,618	24,494
Debt securities issued	已發行債務證券	620	155
		36,877	30,091

Financial liabilities above have been designated as at FVTPL when the Group holds related derivatives at FVTPL, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise.

當本集團持有指定為通過損益以反映公平價值的相關衍生工具，以上金融負債被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

The amount of change, during the year and cumulatively, in the fair value of financial liabilities designated at FVTPL that is attributable to changes in the credit risk of these liabilities and recognised in other comprehensive income is set out below.

年內及累計結餘，下表列示指定為通過損益以反映公平價值的金融負債的公平價值變動及在其他全面收益表內確認的金額，而該變動是歸屬於該等負債的信貨風險。

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Balance at 1st January	於1月1日結餘	(32)	(7)
Recognised in other comprehensive income during the year	年內在其他全面收益表內確認的金額	(18)	(29)
Deferred tax	遞延稅項	4	4
Balance at 31st December	於12月31日結餘	(46)	(32)

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during the year (2020: Nil).

年內(2020年：無)並未有指定為通過損益以反映公平價值的負債被終止確認，亦未有將其累計盈利或虧損在股東權益內轉賬。

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

計算可歸屬於金融負債信貸風險的公平價值變動是根據於報告日該等金融負債的公平價值與經調整資產掉期利差之現值後的差額。

The carrying amount of financial liabilities designated as at FVTPL was HK\$46 million lower than the contractual amount due at maturity (2020: HK\$2 million lower).

於2021年，指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低於港幣4,600萬元(2020年：低於港幣200萬元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

36. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents:

(a) 資產負債表內的本年稅項為：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Provision for Hong Kong profits tax for the year	本年度香港利得稅準備	514	531
Provisional profits tax paid	已付暫繳利得稅	(394)	(661)
		120	(130)
Balance of profits tax provision relating to prior years	以往年度利得稅準備餘額	643	635
Taxation outside Hong Kong	在香港以外稅項	195	119
		958	624

(b) Deferred tax assets and liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

(b) 遞延稅項資產及負債確認

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及年內之變動如下：

		2021						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
遞延稅項源自：		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	通過其他全面收益以反映公平價值金融資產重估	稅損	其他	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January, 2021	於2021年1月1日	345	115	(1,387)	122	(540)	(217)	(1,562)
Charged/(credited) to income statement (Note 18(a))	收益表內支銷/(存入)(附註18(a))	(7)	-	(91)	-	236	14	152
Charged/(credited) to reserves (Notes 42(b), (g) and (i))	儲備內支銷/(存入)(附註42(b)、(g)及(i))	-	(6)	-	212	-	(4)	202
Transfer to assets held for sale (Note 55)	轉至持有作出售資產(附註55)	(5)	-	-	-	-	-	(5)
Reversal due to disposal of subsidiaries	出售附屬公司的轉回	6	-	-	(52)	15	-	(31)
Exchange and other adjustments	匯兌及其他調整	-	-	(37)	-	(14)	(7)	(58)
At 31st December, 2021	於2021年12月31日	339	109	(1,515)	282	(303)	(214)	(1,302)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

36. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

財務狀況表內的所得稅(續)

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

(b) 遞延稅項資產及負債確認(續)

		2020						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
遞延稅項源自：		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	通過其他全面收益以反映公平價值金融資產重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2020	於2020年1月1日	326	111	(1,227)	206	(334)	(61)	(979)
Charged/(credited) to income statement (Note 18(a))	收益表內支銷／(存入) (附註18(a))	20	–	(96)	–	(178)	(141)	(395)
Charged/(credited) to reserves (Notes 42(b), (g) and (i))	儲備內支銷／(存入) (附註42(b)、(g)及(i))	–	4	–	(86)	–	(4)	(86)
Transfer to assets held for sale (Note 55)	轉至持有作出售資產 (附註55)	(1)	–	–	–	–	–	(1)
Exchange and other adjustments	匯兌及其他調整	–	–	(64)	2	(28)	(11)	(101)
At 31st December, 2020	於2020年12月31日	345	115	(1,387)	122	(540)	(217)	(1,562)

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net deferred tax assets recognised on the statement of financial position	確認於財務狀況表的遞延稅項資產淨額	(1,861)	(2,022)
Net deferred tax liabilities recognised on the statement of financial position	確認於財務狀況表的遞延稅項負債淨額	559	460
		(1,302)	(1,562)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$105 million (2020: HK\$118 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Expiring within 5 years	於五年內到期	33	19
No expiry date	無到期日	72	99
		105	118

(c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣1.05億元(2020年：港幣1.18億元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

37. OTHER LIABILITIES 其他負債

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Accrued interest payable	應計應付利息	1,894	1,852
Acceptance draft payable	應付承兌票據	28,674	17,333
Impairment allowances on financial guarantee contracts issued and loan commitments issued (Note 43(a)(ix))	已發行的財務擔保及已發行的貸款承擔之減值準備(附註43(a)(ix))	174	72
– Stage 1	– 第一階段	133	52
– Stage 2	– 第二階段	24	18
– Stage 3	– 第三階段	17	2
Liabilities held for sale (Note 55)	持有作出售負債(附註55)	1,637	26,864
Lease Liabilities	租賃負債	884	936
Other accounts (Note)	其他賬項(註)	9,652	12,902
		42,915	59,959

Note: Include contract liabilities of HK\$2,625 million (2020: HK\$612 million) from contracts with customers under HKFRS 15.

註：包括由《香港財務報告準則》第15號所產生的合約負債港幣26.25億元(2020年：港幣6.12億元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

38. LOAN CAPITAL 借貸資本

				2021	2020
				HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Subordinated notes, at amortised cost with fair value hedge adjustments	按攤銷成本及經公平價值對沖調整後列賬的後償票據				
USD500 million fixed rate subordinated notes due 3rd November, 2026	在2026年11月3日到期的定息5億美元後償票據	(1)	(1)	–	3,911
Subordinated notes at amortised cost without hedging	按攤銷成本列賬及並未對沖的後償票據				
RMB1,500 million fixed rate subordinated notes due 25th April, 2029	在2029年4月25日到期的定息人民幣15億元後償票據	(2)	(2)	1,833	1,778
USD600 million fixed rate subordinated notes due 29th May, 2030	在2030年5月29日到期的定息6億美元後償票據	(3)	(3)	4,655	4,622
				6,488	10,311

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the years ended 31st December, 2021 and 2020.

截至2021及2020年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

(1) Loan capital of face value of HK\$3,876 million (US\$500 million) and carrying amount of HK\$3,911 million as at 31st December, 2020 represents subordinated notes (under the Euro Medium Term Note Programme) carrying a coupon rate of 4% p.a. qualifying as Tier 2 capital issued on 3rd November, 2016 by the Bank. The notes were listed on the Hong Kong Stock Exchange, would mature on 3rd November, 2026 and were callable on 3rd November, 2021. The notes were under fair value hedge accounting and hedge ineffectiveness of HK\$0.2 million loss was recorded in 2021 (2020: HK\$0.1 million profit). The Bank fully redeemed the subordinated notes on 3rd November, 2021.

(1) 於2020年12月31日，票面值港幣38.76億元（5億美元）及賬面值港幣39.11億元的借貸資本，是指由本行於2016年11月3日發行年息4%，並評定為二級資本的後償票據（按歐洲形式中期票據計劃發行）。該等票據於聯交所上市，並將於2026年11月3日到期，可於2021年11月3日贖回。在2021年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣20萬元（2020年：港幣10萬元溢利）。本行於2021年11月3日全數贖回該等後償票據。

(2) Loan capital of face value of HK\$1,835 million (RMB1,500 million) and carrying amount of HK\$1,833 million (2020: HK\$1,778 million) represents subordinated notes carrying a coupon of 4.94% p.a. issued on 25th April, 2019 by the Bank's subsidiary, The Bank of East Asia (China) Limited. The notes will mature on 25th April, 2029 and are callable on 25th April, 2024.

(2) 票面值港幣18.35億元（人民幣15億元）及賬面值港幣18.33億元（2020年：港幣17.78億元）的借貸資本，是指由本行附屬公司東亞中國於2019年4月25日發行年息4.94%的後償票據。該等票據將於2029年4月25日到期，可於2024年4月25日贖回。

(3) Loan capital of face value of HK\$4,678 million (US\$600 million) and carrying amount of HK\$4,655 million (2020: HK\$4,622 million) represents subordinated notes carrying a coupon of 4% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 29th May, 2020 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 29th May, 2030 and are callable on 29th May, 2025.

(3) 票面值港幣46.78億元（6億美元）及賬面值港幣46.55億元（2020年：港幣46.22億元）的借貸資本，是指由本行於2020年5月29日發行年息4%，並評定為二級資本及符合吸收虧損能力規定的後償票據。該等票據於聯交所上市，並將於2030年5月29日到期，可於2025年5月29日贖回。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Director(s) and Co-Chief Executives, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under the 2011 Scheme and 2016 Scheme may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情授出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。除有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

(a) Particulars of share options:

(i) Share options granted in years 2013 to 2020:

(a) 認股權詳情：

(i) 在2013年至2020年所授予的認股權：

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

(ii) Share options granted in year 2021:

(ii) 在2021年所授予的認股權：

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED) 以股份為基礎作支付的交易(續)

(b) The number and weighted average exercise prices of share options are as follows:

(b) 已行使認股權的數目及加權平均行使價如下：

		2021		2020	
		Weighted average exercise price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 Million 百萬	Weighted average exercise price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 Million 百萬
Outstanding at the beginning of the year	年初結餘	28.64	38	30.49	40
Exercised during the year	年內行使	—	—	—	—
Granted during the year	年內授予	17.08	4	16.58	5
Lapsed during the year	年內失效	32.58	(6)	29.93	(7)
Outstanding at the end of the year	年末結餘	26.57	36	28.64	38
Exercisable at the end of the year	年末可供行使	29.68	27	31.41	28

There were no share options exercised during the year 2021 and 2020.

於2021年及2020年並無認股權被行使。

The options outstanding at 31st December, 2021 had an exercise price from HK\$16.58 to HK\$34.15 (2020: from HK\$16.58 to HK\$34.15) and a weighted average remaining contractual life of 3.24 years (2020: 3.28 years).

於2021年12月31日，尚未行使認股權的行使價由港幣16.58元至港幣34.15元(2020年：由港幣16.58元至港幣34.15元)，及剩餘合約年期之加權平均數為3.24年(2020年：3.28年)。

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

(c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的參數。

		2021	2020
Fair value at measurement date	於計量日的公平價值		
– Tranche 1	– 部分1	HK\$ 港幣5.05元	HK\$ 港幣3.08元
– Tranche 2	– 部分2	HK\$ 港幣5.34元	HK\$ 港幣3.03元
– Tranche 3	– 部分3	HK\$ 港幣5.57元	HK\$ 港幣2.87元
Share price at measurement date	於計量日的股價	HK\$ 港幣17.08元	HK\$ 港幣16.58元
Exercise price	行使價	HK\$ 港幣17.08元	HK\$ 港幣16.58元
Expected volatility	預計波幅	36.72%	30.62%
Option life	認股權年期		
– Tranche 1	– 部分1	6 years 年	6 years 年
– Tranche 2	– 部分2	7 years 年	7 years 年
– Tranche 3	– 部分3	8 years 年	8 years 年
Expected dividends	預計股息	3.24%–3.69%	9.40%–11.25%
Risk-free interest rate (based on Hong Kong Government Bonds)	無風險利率(根據香港政府債券)	0.97%–1.29%	0.66%–0.68%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The expected volatility is based on the historic volatility and the expected dividends are based on historical dividends prior to grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

預計波幅是根據過往之波幅及按在發行日前過往股息的預計股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

40. SHARE CAPITAL 股本

		2021		2020	
		No. of shares 股份數目		No. of shares 股份數目	
		Million 百萬	HK\$ Mn 港幣百萬元	Million 百萬	HK\$ Mn 港幣百萬元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1st January	於1月1日	2,917	41,557	2,907	41,379
Shares issued in lieu of dividend	以股代息發行的股份	6	88	10	178
At 31st December	於12月31日	2,923	41,645	2,917	41,557

Pursuant to the approved Staff Share Option Schemes (the “Schemes”), options to purchase ordinary shares in the Bank were granted to eligible employees. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under 2011 and 2016 Scheme will be exercisable during the period beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

Shares issued under Staff Share Option Schemes

There were no options exercised during the year 2021 and 2020.

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。除在有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

根據僱員認股權計劃發行的股份

於2021年及2020年並無認股權被行使。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

41. ADDITIONAL EQUITY INSTRUMENTS 額外股本工具

			2021	2020
			HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Additional Tier 1 Capital Securities	額外一級資本工具			
USD500 million undated non-cumulative subordinated capital securities	(1) 5億美元無到期日非累積後償資本證券 (1)	(1)	3,878	3,878
USD650 million undated non-cumulative subordinated capital securities	(2) 6.5億美元無到期日非累積後償資本證券 (2)	(2)	5,069	5,069
USD650 million undated non-cumulative subordinated capital securities	(3) 6.5億美元無到期日非累積後償資本證券 (3)	(3)	5,021	5,021
			13,968	13,968

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

The first scheduled coupon payment date was 18th November, 2017 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding Additional Tier 1 Capital Securities from 18th May, 2022 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

- (2) On 19th September, 2019, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,069 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.875% per annum coupon until the first call date on 19th September, 2024. The coupon will be reset every five years, if the Additional Tier 1 Capital Securities are not redeemed, to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 4.257% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up, and meet the loss-absorbing capacity requirement.

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

第一次預定利息支付日為2017年11月18日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本工具已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是不能宣布派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2022年5月18日起或以後任何利息支付日，本行可行使認購權以贖回所有現存的額外一級資本工具，但須受已列載之條款及細則所規限。

- (2) 於2019年9月19日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.69億元)無到期日非累積後償資本證券。該額外一級資本證券是無到期日及附帶5.875%年息率，直至2024年9月19日的第一次收回日。如該額外一級資本證券並非按相等於當時五年期美國庫券息率加年息4.257%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本證券將會被撇銷。該額外一級資本證券在發生清盤事件時比普通股有優先權，及符合吸收虧損能力規定。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The first scheduled coupon payment date was 19th March, 2020 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding Additional Tier 1 Capital Securities from 19th September, 2024 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

- (3) On 21st October, 2020, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,021 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.825% per annum coupon until the first call date on 21st October, 2025. The coupon will be reset every five years, if the Additional Tier 1 Capital Securities are not redeemed, to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 5.527% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up, and meet the loss-absorbing capacity requirement.

The first scheduled coupon payment date was 21st April, 2021 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding Additional Tier 1 Capital Securities from 21st October, 2025 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

第一次既定派息日為2020年3月19日，每半年派發一次。本行可自行決定是否取消支付利息(受限於發行額外一級資本證券所載規則及條款的要求)及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2024年9月19日或以後任何利息支付日，本行可行使認購權以贖回所有額外一級資本證券之結餘，但須受已列載之條款及細則所規限。

- (3) 於2020年10月21日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.21億元)無到期日非累積後償資本證券。該額外一級資本證券是無到期日及附帶5.825%年息率，直至2025年10月21日的第一次收回日。如該額外一級資本證券並非按相等於當時五年期美國庫券息率加年息5.527%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本證券將會被撇銷。該額外一級資本證券在發生清盤事件時比普通股有優先權，及符合吸收虧損能力規定。

第一次既定派息日為2021年4月21日，每半年派發一次。本行可自行決定是否取消支付利息(受限於發行額外一級資本證券所載規則及條款的要求)及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2025年10月21日或以後任何利息支付日，本行可行使認購權以贖回所有額外一級資本證券之結餘，但須受已列載之條款及細則所規限。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

42. RESERVES 儲備

		The Group 集團		The Bank 銀行	
		2021	2020	2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) General reserve	(a) 一般儲備				
At 1st January	於1月1日	13,657	13,651	13,471	13,465
Transferred from property revaluation reserve on disposals	出售後轉自物業重估儲備	1	6	1	6
At 31st December	於12月31日	13,658	13,657	13,472	13,471
(b) Revaluation reserve on bank premises	(b) 行址重估儲備				
At 1st January	於1月1日	1,895	1,848	1,891	1,857
Recognition of deferred tax assets/(liabilities) (Note 36(b))	確認遞延稅項資產/(負債) (附註36(b))	6	(4)	6	(4)
Transferred to general reserve on disposals	出售後轉入一般儲備	(1)	(6)	(1)	(6)
Revaluation surplus on bank premises transferred to investment properties (Note 33)	行址重估盈餘轉入投資物業 (附註33)	5	57	3	44
At 31st December	於12月31日	1,905	1,895	1,899	1,891
(c) Statutory reserves	(c) 法定儲備				
At 1st January	於1月1日	5,055	5,247	–	–
Transfer from/(to) retained profits	撥自/(撥入)留存溢利	218	(192)	–	–
At 31st December	於12月31日	5,273	5,055	–	–
(d) Capital reserve	(d) 資本儲備				
At 1st January	於1月1日	895	1,090	–	–
Transfer to retained profits	撥入留存溢利	–	(195)	–	–
At 31st December	於12月31日	895	895	–	–
(e) Exchange revaluation reserve	(e) 匯兌重估儲備				
At 1st January	於1月1日	301	(1,629)	162	43
Exchange adjustments	匯兌調整	757	1,930	(35)	119
At 31st December	於12月31日	1,058	301	127	162
(f) Capital reserve – staff share options issued	(f) 資本儲備—已發行僱員認股權				
At 1st January	於1月1日	157	163	157	163
Forfeited options transferred to retained profits	已註銷認股權轉入留存溢利	(24)	(17)	(24)	(17)
Additions (Note 14)	增加 (附註14)	19	11	19	11
At 31st December	於12月31日	152	157	152	157

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		The Group 集團		The Bank 銀行	
		2021	2020	2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(g) Fair value reserve	(g) 公平價值儲備				
At 1st January	於1月1日	2,465	2,331	1,687	1,600
Changes in fair value of securities	證券的公平價值變動	164	667	221	(20)
Reversal upon disposal	於出售時轉回	(492)	(618)	(18)	67
Recognition of deferred tax assets/ (liabilities) (Note 36(b))	確認遞延稅項資產/(負債) (附註 36(b))	(212)	86	(127)	41
Amortisation	攤銷	-	(1)	-	(1)
At 31st December	於12月31日	1,925	2,465	1,763	1,687
(h) Hedging reserve	(h) 對沖儲備				
At 1st January	於1月1日	-	1	-	-
Changes in fair value of hedging instruments	對沖工具的公平價值變動	-	2	-	-
Fair value change reclassified to income statement	轉入收益表的公平價值變動	-	(3)	-	-
At 31st December	於12月31日	-	-	-	-
(i) Liability credit reserve	(i) 負債信貸儲備				
At 1st January	於1月1日	(32)	(7)	(32)	(7)
Changes in fair value arising from changes in own credit risk	自身信貸變動產生的公平價值 變動	(18)	(29)	(18)	(29)
Recognition of deferred tax assets (Note 36(b))	確認遞延稅項資產 (附註 36(b))	4	4	4	4
At 31st December	於12月31日	(46)	(32)	(46)	(32)
(j) Other reserves	(j) 其他儲備				
At 1st January	於1月1日	83	100	-	-
Share of changes in equity of associates and joint ventures	應佔聯營公司及合資企業權益 的變動	(165)	(17)	-	-
At 31st December	於12月31日	(82)	83	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

42. RESERVES (CONTINUED) 儲備(續)

		The Group 集團		The Bank 銀行	
		2021	2020	2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(k) Retained profits	(k) 留存溢利				
At 1st January	於1月1日	32,852	31,133	24,580	22,346
Net profit for the year	年度內溢利	5,270	3,614	6,221	4,516
Transfer from capital reserve	撥自資本儲備	-	195	-	-
Transfer from capital reserve	撥自資本儲備				
- staff share options issued	- 已發行僱員認股權	24	17	24	17
Transfer (to)/from statutory reserve	(撥入)/撥自法定儲備	(218)	192	-	-
Redemption of Additional Tier 1 capital instruments	贖回額外一級股本工具	-	(24)	-	(24)
Dividends (Note 19)	股息(附註19)				
- Interim dividend	- 中期股息	(1,022)	(466)	(1,022)	(466)
- Second interim dividend in respect of prior years	- 上年度第二次中期股息	(700)	(1,017)	(700)	(1,017)
- Additional Tier 1 capital instruments	- 額外一級資本工具	(811)	(792)	(811)	(792)
At 31st December	於12月31日	35,395	32,852	28,292	24,580
(l) Total reserves	(l) 儲備總額	60,133	57,328	45,659	41,916

General reserve was set up from the transfer of retained earnings and the realised revaluation surplus on disposal of properties.

一般儲備的建立，包括來自留存溢利及出售物業時的已實現重估盈餘。

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to satisfy the statutory requirements of certain overseas subsidiaries and associates mainly for the purpose of covering unidentified potential losses on risk assets in addition to those recognised under the prevailing accounting requirements in their jurisdictions.

法定儲備是用作滿足若干海外附屬公司及聯營公司之法定要求，主要用途為除按當地現行會計要求下已確認而需額外涵蓋風險資產的不可辨別之可能損失。

Capital reserve represents the capitalisation of subsidiaries', associates' and joint ventures' reserves.

資本儲備指附屬公司、聯營公司及合資企業投資儲備資本化。

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(y)(iv).

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(y)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

Fair value reserve comprises the cumulative net change in the fair value of FVOCI securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Note 2(h).

公平價值儲備包括持有通過全面收益以反映公平價值證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(h)。

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

對沖儲備包括用作現金流對沖工具的有關對沖交易之累計公平價值變動淨額的有效部分。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Liability credit reserve includes the cumulative changes in the fair value of the financial liabilities designated as at FVTPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss.

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2021, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$2,658 million (2020: HK\$1,762 million).

At 31st December, 2021 the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$37,330 million (2020: HK\$33,759 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.35 per ordinary share (2020: HK\$0.24 per share), amounting to HK\$1,023 million (2020: HK\$700 million). The dividend has not been recognised as a liability at the end of the reporting period.

負債信貸儲備包括指定通過損益以反映公平價值金融負債的累計公平價值變動，而有關於該等負債引致的信貸風險變動並非在收益表內確認。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款及投資減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2021年12月31日，該要求的影響是要限制本行可派發予本集團股東的儲備，金額為港幣26.58億元（2020年：港幣17.62億元）。

於2021年12月31日，可派發予本行股東的儲備總額為港幣373.3億元（2020年：港幣337.59億元）。在報告期期末後董事宣布派發第二次中期股息每股普通股港幣0.35元（2020年：每股港幣0.24元），總額達港幣10.23億元（2020年：港幣7億元）。於報告期期末並未確認該等股息為負債。

43. PRINCIPAL RISK MANAGEMENT 主要風險管理

This section presents information on the Group's management of principal risks.

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

The RC stands at the highest level of the Group's risk governance structure under the Board. It consists of five INEDs and two NEDs and is chaired by one of the independent non-executive directors. The RC provides direct oversight over the formulation of the Group's risk appetite, and sets the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

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

本部分載述有關本集團主要風險管理的資料。

根據金管局及其他監管機構的規定，本集團已建立風險管治及管理架構。該架構讓董事會及高層管理人員能夠以適當授權和制衡方式履行其與風險管理相關的職責。此等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限額。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括五名獨立非執行董事及兩名非執行董事，並由其中一名獨立非執行董事擔任主席。風險委員會直接監督本集團風險偏好的制定，並因應本集團的財務能力、策略性指引、當前市場情況及監管要求設定可承擔的風險水平。

風險委員會亦確保本集團的風險偏好獲反映於政策及程序上，讓高層管理人員加以採用，以行使其業務職能。透過本集團的各個管理委員會，包括危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會，並在風險管理處的整體協調下，風險委員會定期檢討本集團的風險管理架構，確保所有與風險相關的重要任務是根據現有政策及運用適當資源執行。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

The Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee comprise the Senior Management, the Group Chief Risk Officer and where appropriate senior executives from relevant areas.

The Group has implemented an ERM framework to identify and manage potential risks in a holistic and effective manner. The ERM framework assists the Group to achieve this, and reinforces the “Three Lines of Defence” risk management model.

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

- The first line of defence comprises the Risk Owners, who are heads of business units or supporting units of the Bank Group, together with staff under their management. They are primarily responsible for the day-to-day risk management of their units, including establishing and executing specific risk control mechanisms and detailed procedures.
- The second line of defence consists of the Risk Controllers who are designated staff responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management for the Bank Group.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance as to the effectiveness of the Group’s risk management framework, including risk governance arrangements.

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

The Group faces a variety of risks that could affect its franchise, operations, and financial conditions. Under the ERM framework, the principal risks comprise credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk, and technology risk.

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

危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會由高層管理人員、集團風險總監及(在適當情況下)其他有關方面的高級行政人員組成。

本集團已推行企業風險管理架構，旨在全面有效地識別及管理潛在風險。風險管理架構協助本集團達到這目標，以及鞏固「三道防線」風險管理模式。

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

- 第一道防線為「風險負責人」，由本集團各業務或後勤單位主管，連同其屬下職員組成，主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由指定的職員組成，負責為本集團制定風險管理管治架構、獨立監控風險及輔助各管理委員會對本銀行集團風險管理的監督。
- 第三道防線為稽核處，負責為本集團風險管理架構(包括風險管治安排)的有效性提供保證。

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

本集團面臨可能影響其品牌、營運及財務狀況的各類風險。在企業風險管理架構下，主要風險包括信貸風險、利率風險、市場風險、流動性風險、營運風險、聲譽風險、策略性風險、法律風險、合規風險及科技風險。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並定期予以檢討及改善，以配合市場轉變、法定要求，以及達致風險管理程序的最佳做法。董事會已將持續管理風險的責任授予風險委員會及相關的管理委員會。與重要風險管理相關的事項須經由風險委員會上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督與集團風險管理相關的事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

壓力測試為本集團風險管理的重要部分。本集團在適當情況下定期對相關的主要風險進行壓力測試，評估受壓營商環境（包括中國內地及香港出現嚴重經濟下滑等假設情景）對本集團的財務狀況，尤其是資本充足性、盈利能力及流動性的潛在影響。有需要時，管理層亦會及時制定並執行應對措施以減低潛在影響。

(a) Credit risk management

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

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

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

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

(a) 信貸風險管理

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報信貸風險。在此方面，本集團已將信貸風險管理指引詳列於集團的信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，及達致風險管理程序的最佳做法。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

The Group's credit risk management for the major types of credit risk is depicted as follows:

(i) Corporate and financial institutions credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that incorporated different risk factors (e.g. region of operation, corporate size) and applied to each counterparty. For exposure classified as Specialised Lending in particular, supervisory slotting criteria are adopted. To monitor credit concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are monitored on a regular basis.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of the internal rating system and formulation of credit policies are primarily based on customers' background, credit behaviours and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

(iii) Credit risk of treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate and financial institutions credit risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

(a) 信貸風險管理(續)

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及金融機構信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定不同的內部評級系統(例如經營地區，企業規模)以適用於所有交易對手。專門性借貸的風險承擔則採用監管分類準則。為監控信貸集中的風險，本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

(ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括客戶背景、信貸行為和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

(iii) 財資交易的信貸風險

本集團採用企業及金融機構信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(v) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's credit portfolio is diversified along geographic, industry and product sectors. For analysis of loans and advances to customers by industry sectors and geographical areas, please refer to Notes 28(b) and 28(c) respectively.

The Group monitors its credit concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

(v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。有關按行業分類及區域分類的客戶貸款及墊款，請分別參閱附註28(b)及28(c)。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks	現金及在銀行的結存	54,072	55,237
Placements with and advances to banks	在銀行的存款及墊款	74,742	66,849
Trade bills	貿易票據	10,772	11,793
Trading assets	交易用途資產	1,632	309
Derivative assets	衍生工具資產	3,381	8,059
Loans and advances to customers	客戶貸款及墊款	554,437	509,070
Investment securities	投資證券	145,723	141,620
Other assets	其他資產	42,251	54,754
Financial guarantees contracts	財務擔保合約	24,115	23,531
Loan commitments	貸款承擔	264,767	196,730
		1,175,892	1,067,952

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality analysis

Credit quality of loans and advances

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

(a) 信貸風險管理(續)

(vii) 信貸質素分析

貸款及墊款的信貸質素

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面總額。

		2021							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		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\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Loans and advances to customers at amortised cost	按攤銷成本計量的客戶貸款及墊款								
- Grades 1-15: Pass	- 1-15級：合格	512,975	1,001	23,845	58	-	-	536,820	1,059
- Grades 16-17: Special Mention	- 16-17級：需要關注	-	-	6,011	16	-	-	6,011	16
- Grade 18: Substandard	- 18級：次級	-	-	-	-	4,324	24	4,324	24
- Grade 19: Doubtful	- 19級：呆滯	-	-	-	-	1,563	50	1,563	50
- Grade 20: Loss	- 20級：虧損	-	-	-	-	90	4	90	4
Total gross carrying amount	賬面值總額	512,975	1,001	29,856	74	5,977	78	548,808	1,153
Impairment allowances	減值準備	(667)	(3)	(527)	(1)	(3,177)	(54)	(4,371)	(58)
Carrying amount	賬面值	512,308	998	29,329	73	2,800	24	544,437	1,095

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

		2020							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
		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\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Loans and advances to customers at amortised cost	按攤銷成本計量的客戶 貸款及墊款								
– Grades 1–15: Pass	– 1–15級：合格	482,325	819	17,485	42	–	–	499,810	861
– Grades 16–17: Special Mention	– 16–17級：需要關注	–	–	7,654	23	–	–	7,654	23
– Grade 18: Substandard	– 18級：次級	–	–	–	–	3,953	3	3,953	3
– Grade 19: Doubtful	– 19級：呆滯	–	–	–	–	2,370	96	2,370	96
– Grade 20: Loss	– 20級：虧損	–	–	–	–	142	3	142	3
Total gross carrying amount	賬面值總額	482,325	819	25,139	65	6,465	102	513,929	986
Impairment allowances	減值準備	(845)	(4)	(1,038)	(3)	(2,976)	(49)	(4,859)	(56)
Carrying amount	賬面值	481,480	815	24,101	62	3,489	53	509,070	930

Credit quality of financial assets other than loans and advances

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

除貸款及墊款外的金融資產的信貨質素

下表載列除貸款及墊款外並按攤銷成本及通過其他全面收益以反映公平價值計量的債務工具的信貨分析。除特別指明者外，就金融資產而言，表格內的金額為賬面總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(vii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

		2021							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Trade bills measured at amortised cost	按攤銷成本計量的貿易票據								
– Grades 1–15: Pass	–1–15級：合格	560	–	–	–	–	–	560	–
– Grades 16–17: Special Mention	–16–17級：需要關注	–	–	–	–	–	–	–	–
– Grade 18: Substandard	–18級：次級	–	–	–	–	–	–	–	–
– Grade 19: Doubtful	–19級：呆滯	–	–	–	–	–	–	–	–
– Grade 20: Loss	–20級：虧損	–	–	–	–	–	–	–	–
Total gross carrying amount	賬面總額	560	–	–	–	–	–	560	–
Impairment allowances	減值準備	–	–	–	–	–	–	–	–
Carrying amount	賬面值	560	–	–	–	–	–	560	–

		2020							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Trade bills measured at amortised cost	按攤銷成本計量的貿易票據								
– Grades 1–15: Pass	–1–15級：合格	367	–	–	–	–	–	367	–
– Grades 16–17: Special Mention	–16–17級：需要關注	–	–	5	–	–	–	5	–
– Grade 18: Substandard	–18級：次級	–	–	–	–	–	–	–	–
– Grade 19: Doubtful	–19級：呆滯	–	–	–	–	–	–	–	–
– Grade 20: Loss	–20級：虧損	–	–	–	–	–	–	–	–
Total gross carrying amount	賬面總額	367	–	5	–	–	–	372	–
Impairment allowances	減值準備	(3)	–	–	–	–	–	(3)	–
Carrying amount	賬面值	364	–	5	–	–	–	369	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2021							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元
Trade bills measured at FVOCI	按通過其他全面收益 以反映公平價值計量的 貿易票據								
– Grades 1–15: Pass	– 1–15級：合格	10,212	–	–	–	–	–	10,212	–
– Grade 18: Substandard	– 18級：次級	–	–	–	–	–	–	–	–
Total carrying amount at fair value	賬面值總額—按公平價值	10,212	–	–	–	–	–	10,212	–
Impairment allowances	減值準備	(2)	–	–	–	–	–	(2)	–

		2020							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Principal 本金 HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元
Trade bills measured at FVOCI	按通過其他全面收益 以反映公平價值計量的 貿易票據								
– Grades 1–15: Pass	– 1–15級：合格	11,056	–	361	–	–	–	11,417	–
– Grade 18: Substandard	– 18級：次級	–	–	–	–	7	–	7	–
Total carrying amount at fair value	賬面值總額—按公平價值	11,056	–	361	–	7	–	11,424	–
Impairment allowances	減值準備	(3)	–	(1)	–	–	–	(4)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(vii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

		2021							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Placements with and advances to banks 在銀行的存款及墊款									
– Grades 1–15: Pass –1–15級：合格		74,743	10	–	–	–	–	74,743	10
Total gross carrying amount 賬面值總額		74,743	10	–	–	–	–	74,743	10
Impairment allowances 減值準備		(1)	–	–	–	–	–	(1)	–
Carrying amount 賬面值		74,742	10	–	–	–	–	74,742	10
		2020							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Placements with and advances to banks 在銀行的存款及墊款									
– Grades 1–15: Pass –1–15級：合格		66,852	12	–	–	–	–	66,852	12
Total gross carrying amount 賬面值總額		66,852	12	–	–	–	–	66,852	12
Impairment allowances 減值準備		(3)	–	–	–	–	–	(3)	–
Carrying amount 賬面值		66,849	12	–	–	–	–	66,849	12

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2021			Total 總額 HK\$ Mn 港幣百萬元
		12-month ECL 12個月內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	
Loan commitments	貸款承擔				
– Grades 1–15: Pass	– 1–15級：合格	261,879	2,999	–	264,878
– Grades 16–17: Special Mention	– 16–17級：需要關注	–	31	–	31
– Grade 18: Substandard	– 18級：次級	–	–	1	1
Total	總額	261,879	3,030	1	264,910
Impairment allowances	減值準備	(126)	(17)	–	(143)
Financial guarantee contracts	財務擔保合約				
– Grades 1–15: Pass	– 1–15級：合格	21,433	2,393	–	23,826
– Grades 16–17: Special Mention	– 16–17級：需要關注	–	–	–	–
– Grade 18: Substandard	– 18級：次級	–	–	320	320
Total	總額	21,433	2,393	320	24,146
Impairment allowances	減值準備	(7)	(7)	(17)	(31)
		2020			Total 總額 HK\$ Mn 港幣百萬元
		12-month ECL 12個月內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	
Loan commitments	貸款承擔				
– Grades 1–15: Pass	– 1–15級：合格	187,734	7,621	–	195,355
– Grades 16–17: Special Mention	– 16–17級：需要關注	–	1,431	–	1,431
– Grade 18: Substandard	– 18級：次級	–	–	2	2
Total	總額	187,734	9,052	2	196,788
Impairment allowances	減值準備	(40)	(16)	(2)	(58)
Financial guarantee contracts	財務擔保合約				
– Grades 1–15: Pass	– 1–15級：合格	21,608	1,788	–	23,396
– Grades 16–17: Special Mention	– 16–17級：需要關注	–	148	–	148
– Grade 18: Substandard	– 18級：次級	–	–	1	1
Total	總額	21,608	1,936	1	23,545
Impairment allowances	減值準備	(12)	(2)	–	(14)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality analysis (continued)

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

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate and bank lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the end of the reporting period, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follows:

(a) 信貸風險管理(續)

(vii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

資金交易的信貸風險管理方法，與本集團管理其企業及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

		2021							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities measured at amortised cost	按攤銷成本計量的債務投資證券								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	2,680	-	-	-	-	-	2,680	-
A1 to A3	A1至A3	4,363	80	-	-	-	-	4,363	80
Baa1 to Baa3	Baa1至Baa3	2,464	21	-	-	-	-	2,464	21
Below Baa3	Baa3以下	1,223	17	524	12	-	-	1,747	29
Unrated	無評級	5,433	61	-	-	-	-	5,433	61
Total gross carrying amount	賬面值總額	16,163	179	524	12	-	-	16,687	191
Impairment allowances	減值準備	(97)	(1)	(44)	(1)	-	-	(141)	(2)
Carrying amount	賬面值	16,066	178	480	11	-	-	16,546	189

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
		Principal	Accrued	Principal	Accrued	Principal	Accrued	Principal	Accrued
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities measured at amortised cost	按攤銷成本計量的債務 投資證券								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1 至 Aa3	3,187	-	-	-	-	-	3,187	-
A1 to A3	A1 至 A3	3,938	65	-	-	-	-	3,938	65
Baa1 to Baa3	Baa1 至 Baa3	2,036	16	-	-	-	-	2,036	16
Below Baa3	Baa3 以下	1,193	24	-	-	-	-	1,193	24
Unrated	無評級	5,436	50	-	-	-	-	5,436	50
Total gross carrying amount	賬面值總額	15,790	155	-	-	-	-	15,790	155
Impairment allowances	減值準備	(69)	(1)	-	-	-	-	(69)	(1)
Carrying amount	賬面值	15,721	154	-	-	-	-	15,721	154
Debt investment securities measured at amortised cost classified as assets held for sale	按攤銷成本計量的債務 投資證券分類為持有 作出售資產								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1 至 Aa3	11	-	-	-	-	-	11	-
A1 to A3	A1 至 A3	998	8	-	-	-	-	998	8
Baa1 to Baa3	Baa1 至 Baa3	1,009	12	-	-	-	-	1,009	12
Below Baa3	Baa3 以下	31	1	-	-	-	-	31	1
Unrated	無評級	62	1	-	-	-	-	62	1
Total gross carrying amount	賬面值總額	2,111	22	-	-	-	-	2,111	22
Impairment allowances	減值準備	(7)	-	-	-	-	-	(7)	-
Carrying amount	賬面值	2,104	22	-	-	-	-	2,104	22

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality analysis (continued)

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

(a) 信貸風險管理(續)

(vii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素
(續)

		2021							
		12-month ECL 12個月內之預期信貸損失		Lifetime ECL not credit-impaired 非信貸不良的合約期內 之預期信貸損失		Lifetime ECL credit-impaired 信貸不良的合約期內 之預期信貸損失		Total 總額	
		Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息	Principal 本金	Accrued interest 應計利息
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Debt investment securities measured at FVOCI	按通過其他全面收益 以反映公平價值計量的 債務投資證券								
Aaa	Aaa	7,261	9	-	-	-	-	7,261	9
Aa1 to Aa3	Aa1至Aa3	20,891	6	-	-	-	-	20,891	6
A1 to A3	A1至A3	57,540	830	-	-	-	-	57,540	830
Baa1 to Baa3	Baa1至Baa3	35,530	343	159	2	-	-	35,689	345
Below Baa3	Baa3以下	80	1	15	-	-	-	95	1
Unrated	無評級	3,336	36	-	-	-	-	3,336	36
Total carrying amount at fair value	賬面值總額—按公平價值	124,638	1,225	174	2	-	-	124,812	1,227
where impairment allowances included	包括減值準備	(184)	(2)	(2)	-	-	-	(186)	(2)
Debt investment securities measured at FVOCI classified as assets held for sale	按通過其他全面收益 以反映公平價值計量的 債務投資證券分類為 持有作出售資產								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	19	-	-	-	-	-	19	-
A1 to A3	A1至A3	665	4	-	-	-	-	665	4
Baa1 to Baa3	Baa1至Baa3	628	5	-	-	-	-	628	5
Below Baa3	Baa3以下	-	-	-	-	-	-	-	-
Unrated	無評級	538	3	-	-	-	-	538	3
Total carrying amount at fair value	賬面值總額—按公平價值	1,850	12	-	-	-	-	1,850	12
where impairment allowances included	包括減值準備	(7)	-	-	-	-	-	(7)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020							
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
		Principal	Accrued	Principal	Accrued	Principal	Accrued	Principal	Accrued
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt investment securities measured at FVOCI	按通過其他全面收益 以反映公平價值計量的 債務投資證券								
Aaa	Aaa	8,415	9	-	-	-	-	8,415	9
Aa1 to Aa3	Aa1至Aa3	21,163	7	-	-	-	-	21,163	7
A1 to A3	A1至A3	49,729	744	-	-	-	-	49,729	744
Baa1 to Baa3	Baa1至Baa3	35,515	336	-	-	-	-	35,515	336
Below Baa3	Baa3以下	246	5	-	-	-	-	246	5
Unrated	無評級	6,260	71	-	-	-	-	6,260	71
Total carrying amount at fair value	賬面值總額—按公平價值	121,328	1,172	-	-	-	-	121,328	1,172
where impairment allowances included	包括減值準備	(201)	(2)	-	-	-	-	(201)	(2)
Debt investment securities measured at FVOCI classified as assets held for sale	按通過其他全面收益 以反映公平價值計量的 債務投資證券分類為 持有作出售資產								
Aaa	Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1至Aa3	133	-	-	-	-	-	133	-
A1 to A3	A1至A3	9,187	60	-	-	-	-	9,187	60
Baa1 to Baa3	Baa1至Baa3	9,416	89	-	-	-	-	9,416	89
Below Baa3	Baa3以下	167	4	-	-	-	-	167	4
Unrated	無評級	156	2	29	-	-	-	185	2
Total carrying amount at fair value	賬面值總額—按公平價值	19,059	155	29	-	-	-	19,088	155
where impairment allowances included	包括減值準備	(72)	-	-	-	-	-	(72)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality analysis (continued)

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

The following table sets out the credit analysis for non-trading financial assets measured at FVTPL.

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Debt investment securities	債務投資證券		
Aaa	Aaa	—	—
Aa1 to Aa3	Aa1 至 Aa3	—	—
A1 to A3	A1 至 A3	352	171
Baa1 to Baa3	Baa1 至 Baa3	3,887	4,279
Below Baa3	Baa3 以下	—	—
Unrated	無評級	126	121
Total carrying amount at fair value	賬面值總額—按公平價值	4,365	4,571
Debt investment securities classified as assets held for sale	債務投資證券分類為持有作出售資產		
Aaa	Aaa	—	—
Aa1 to Aa3	Aa1 至 Aa3	—	—
A1 to A3	A1 至 A3	—	77
Baa1 to Baa3	Baa1 至 Baa3	26	976
Below Baa3	Baa3 以下	—	219
Unrated	無評級	—	—
Total carrying amount at fair value	賬面值總額—按公平價值	26	1,272

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

(a) 信貸風險管理(續)

(vii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

下表載列按通過損益以反映公平價值計量的非交易金融資產的信貸分析。

下表載列作交易用途債務投資證券的信貸分析。

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Debt investment securities	債務投資證券		
Aaa	Aaa	—	—
Aa1 to Aa3	Aa1 至 Aa3	—	—
A1 to A3	A1 至 A3	1,632	309
Baa1 to Baa3	Baa1 至 Baa3	—	—
Below Baa3	Baa3 以下	—	—
Unrated	無評級	—	—
Total carrying amount at fair value	賬面值總額—按公平價值	1,632	309

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

下表載列由衍生工具資產交易所產生之對手信貸質素分析如下。

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Derivative assets	衍生工具資產		
Aa1 to Aa3	Aa1 至 Aa3	106	53
A1 to A3	A1 至 A3	700	4,590
Baa1 to Baa3	Baa1 至 Baa3	920	1,259
Below Baa3	Baa3 以下	–	264
Unrated	無評級	1,655	1,893
Total carrying amount at fair value	賬面值總額—按公平價值	3,381	8,059

Cash and balances with banks

At 31st December, 2021, the Group held cash and balances with banks of HK\$55,091 million (2020: HK\$56,396 million), of which 98% (2020: 99%) of cash and balances with banks counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

現金及在銀行的結存

於2021年12月31日，本集團持有現金及在銀行的結存為港幣550.91億元（2020年：港幣563.96億元）。基於穆迪投資服務或相當的評級，其中98%（2020年：99%）的現金及在銀行交易對手的結存評級為投資評級。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Details of key areas in measurement of ECLs

The Group adopts a forward-looking “expected credit loss” model for measuring and recognising impairment loss to meet the requirement of HKFRS 9.

The impairment requirements of HKFRS 9 are complex and require management judgements, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- Assessing whether the credit risk of an asset has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

The key inputs into the measurement of ECL are Probability of default (PD); Loss given default (LGD); and Exposure at default (EAD).

The Group has established a framework to determine whether the credit risk on a particular financial asset has increased significantly since initial recognition (see Note 2(h)(vii)). The framework aligns with the Group's internal credit risk management process.

Credit risk grades

For majority of the Group's portfolios, the Group assigns each exposure to a credit risk grade that is determined according to the predicted level of the risk of default. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The table below provides the 12-month Probability of default (“PD”) range for each credit risk grade of retail and non-retail portfolios. The table also provides an indicative mapping of how the Group's internal credit risk grades relate to PD and, for the non-retail portfolio, to external credit ratings of Standard & Poor's.

Internal Credit risk grade 內部信用風險等級	Remarks on default risk 違約風險的備註	12-month PD range 12個月PD範圍	External Rating Benchmark 外部評級基準
1-3	Minimal to Low risk 極小至低的風險	0.0000% to 0.0857%	AAA to A-
4-8	Moderate risk 適度風險	0.0857% to 0.4290%	BBB+ to BBB-
9-11	Substantial risk 略高風險	0.4290% to 1.6500%	BB+ to BB-
12-15	High risk 高風險	1.6500% to 8.3531%	B+ to B-
16-17	Very High risk 很高風險	8.3531% to 100%	CCC+ to C
18-20	Default 違約	100%	D

For the remaining portfolios without credit risk grade assignment, references of peer bank PD estimates of similar portfolios and the long-run average default rate of the portfolios are used.

(a) 信貸風險管理(續)

(viii) 「預期信貸損失」估算中主要之處的詳述

本集團採納一套具前瞻性的「預期信貸損失」模型以估算和確認《香港財務報告準則》第9號要求的減值。

《香港財務報告準則》第9號的減值規定具複雜性並需要管理層作出判斷、估算及假設，特別是在以下將會詳述之處：

- 評估金融資產的信貸風險會否較初始承擔時明顯增加；及
- 整合前瞻性資料以作估算預期信貸損失。

「預期信貸損失」估算的關鍵輸入是違責或然率(PD)、違責損失率(LGD)及違責風險承擔(EAD)。

本集團已建立機制以確定某一金融資產的信貸風險是否較初始承擔時明顯增加(詳見附註2(h)(vii))。此機制與本集團的內部信貸風險管理程序吻合。

信用風險等級

對於本集團大多數信貸組合，本集團為每一個信貸風險承擔根據違約風險的預測而配定一個信貸風險評級。信用風險等級使用表明違約風險的定性和定量因素來定義。這些因素取決於風險承擔的性質和借款人的類型。

下表提供了零售和非零售投資組合的每個信用風險等級的12個月違責或然率範圍。該表還提供了本集團非零售信貸組合的內部信用風險等級與標準普爾的外部信用評級的指示性參考。

對於餘下沒有信用風險等級分配的信貨組合，我們使用類似信貨組合的同行銀行違責或然率估計的參考或信貨組合的長期平均違責或然率。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group also collects historical performance and default information about portfolios of credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios with no internal data available, information from external data sources is used. In particular,

違責或然率的期限結構

信用風險等級是確定違責或然率的期限結構的主要輸入。本集團亦會按司法管轄區或地區收集有關分析的信貸風險承擔，以及產品及借款人類別以及信貸風險評級的歷史表現及違約信息。對於一些沒有內部數據的投資組合，自外部數據源的信息會被使用。特別是，

Portfolio 組合	External data sources 外部數據源
Debt exposures 債務風險承擔	Moody's: Annual default study corporate default and recovery rates 穆迪：年度違約研究之公司的違約率和恢復率
Bank exposures 銀行風險承擔	
Sovereign exposures 主權風險承擔	Moody's: Sovereign default and recovery rates 穆迪：主權債務的違約率和恢復率

The Group deploys statistical models to analyse the data collected and generate estimates of PD of exposures expected to change as a result of the passage of time. The estimation of PD term structure makes use of the annual credit risk grade transition for the portfolios with credit risk grade assignment. For the portfolios without credit risk grade assignment and no credit risk grade transition information available, the PD term structure estimation is referenced to forecasts of economic index relevant to the portfolio.

本集團採用統計模型分析所收集的數據，並產生預計會因時間推移而發生變化的違責或然率的估計值。具有信用風險等級分配的組合，我們利用信用風險等級的年度轉換以估計對的違責或然率期限結構。對於沒有信用風險等級分配的組合或沒有可用的信用風險等級轉換信息，違責或然率期限結構估計參考了與組合相關的經濟指數預測。

LGD is the magnitude of the likely loss if there is a default. For the retail and corporate portfolio with sufficient historical loss and recovery data, the collateral recovery rates and the LGD estimates can be derived. For portfolios with insufficient historical loss and recovery data, either reference to peer bank LGD estimates of the similar portfolios or external data source are used for deriving the LGD estimates.

如果存在違約，違責損失率是可能損失的幅度。對於具有足夠歷史損失和恢復數據的零售和公司投資組合，可以推導出抵押品回收率和違責損失率估計值。對於歷史損失和恢復數據不足的組合，可以使用同行銀行類似組合的違責損失率估計值或外部數據源來推導違責損失率估計值。

For portfolio with individual assessment of credit risk mitigation measures, collateral values are projected for different economic scenarios so as to reflect the LGD estimates under different economic scenarios. For other portfolios, different scenario portfolio LGDs are derived by benchmarking to corresponding LGDs within a long period of historical LGDs.

對於單獨評估信用風險緩解措施的組合，預測不同經濟情景的抵押品價值，以反映不同經濟情景下的違約損失率估計。對於其他組合，不同情景組合違責損失率通過在長期歷史期間對相應的違責損失率進行基準測試而得出。

EAD represents the expected exposure in the event of a default. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments or undrawn limit of retail revolving products, the EAD is the potential future amounts that may be drawn under the contract. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. The EAD estimates are adopted using the parameters suggested by BASEL or statistical model based on historical data.

違責風險承擔表示發生違約時的預期風險。金融資產的違責風險承擔是其違約時的總賬面金額。對於貸款承諾或零售周轉產品的未提取限額，違責風險承擔是可能根據合同提取的未來潛在金額。對於財務擔保，違責風險承擔表示財務擔保到期時的擔保風險金額。違責風險承擔估計採用BASEL建議的參數或基於歷史數據的統計模型。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Details of key areas in measurement of ECLs (continued)

Significant increase in credit risk

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade when the risk of asset changes. The Group primarily identifies whether a significant increase in credit risk under HKFRS 9 has occurred for an exposure by comparing:

- the credit risk grade at the reporting date; with
- the credit risk grade at the initial recognition of the exposure.

The Group deems the credit risk of a particular exposure to have increased significantly since initial recognition if the current credit risk grade deteriorates by a pre-determined number of notches. The criteria for determining the number of notches may vary by portfolio and include a backstop based on delinquency.

As a backstop, and as required by HKFRS 9, the Group presumptively considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Also, being Special-mention under HKMA classification is also an indicator of significant increase in credit risk.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular review to confirm that:

- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

Incorporating forward-looking information into the measurement of ECLs

The Group has identified key drivers of systematic credit risk for each portfolio of financial assets based on an analysis of historical data in which relationship between macro-economic indicators and the systematic credit risk is exhibited.

The Group formulates economic forward looking scenarios for the view of the future direction of major economic indicators such as GDP, unemployment rate, property price index, interest rate and other economic indicators specific to particular portfolio.

(a) 信貸風險管理(續)

(viii)「預期信貸損失」估算中主要之處的詳述(續)

明顯增加的信貸風險

信貸風險承擔會持續受監控並在其風險程度有所改變時被調配至不同的信貸風險評級。在《香港財務報告準則》第9號下，集團識別一個資產的信貸風險是否明顯增加主要透過比較該資產：

- 於結算日的信貸風險評級；和
- 於初始承擔時的信貸風險評級。

如某一資產的現行信貸風險評級已較本集團初始承擔時的評級轉差了超過一個指定數量的級別，本集團視該資產的信貸風險已有明顯增加。不同的資產組合會以不同的級別數量作為衡量標準，並以逾期情況作為預設的基本標準。

在《香港財務報告準則》第9號下，作為一個基本標準，本集團預設某一已逾期超過30日的資產為信貸風險已經明顯增加。此外，在金管局貸款分類制度下成為需要關注貸款也表明信貸風險顯著增加。

本集團監控識別信貸風險增加的衡量標準的有效性，透過定期檢討以確保：

- 衡量標準能在風險承擔違約前識別信貸風險增加；
- 風險承擔一般不會從12個月內之預期信貸損失直接轉為不良信貸；及
- 不會導致減值撥備因為風險承擔在計算12個月內之預期信貸損失和合約期內之預期信貸損失中的轉變時出現不必要的波動。

整合前瞻性資料以作估算預期信貸損失
本集團根據歷史數據對宏觀經濟指標與系統信用風險之間關係進行分析，確定了各金融資產組合的系統信用風險的關鍵驅動因素。

本集團制定經濟前瞻情景，以了解主要經濟指標的未來方向，例如國內生產總值、失業率、房地產價格指數、利率及特定投資組合的其他經濟指標。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

For each portfolio, the key drivers under forward looking scenarios are applied for estimating the systematic credit risk component of an obligor's Probability of Default ("PD") used in calculating ECLs. In addition to PD, relevant macro-economic indicators are used for projection of the collateral value for recovery rate estimates used in ECL calculation.

The Group adopts the use of three economic scenarios. In each region/country where the Group operates, the Group formulates probability for each scenario and forecast the major macro-economic indicators to reflect the Group's forward-looking view on the future business outcomes in that particular region/country under each scenario.

The forecasts of baseline scenario are based on advice from the in-house economic experts and considerations of a variety of actual and forecast information, such as economic data and forecasts published by governmental bodies and monetary authorities in the regions/countries where the Group operates. The Group also takes reference from forecasts by international agencies and private sector analysts as far as possible to formulate a more objective forecast, while taken into account the current domestic and international economic developments, and changes in local economic policies. Autoregressive econometric model is applied as a tool to forecast the equity and property prices movements in the regions/countries concerned.

The baseline scenario represents the most-likely outcome that the Group expects. The corresponding probability is reflecting the confidence of the future uncertainties are being captured in the baseline scenario forecast.

The other scenarios are an optimistic scenario and a pessimistic scenario, to capture the less likely, yet possible, upside and downside divergence from the baseline forecast. These scenarios and their probabilities represent the Group's view that in case the future outcome is outside the expectation as in the baseline scenario, how likely it would be optimistic (i.e. unexpectedly good) or pessimistic (i.e. unexpectedly bad) and how unexpectedly good or unexpectedly bad outcomes will be, based on current economic outlook, potential domestic and international economic and political risks affecting the regions/countries the Group has business presence, and the strength of a region/country's fundamentals to weather through crises. Forecasts for these two scenarios are mainly derived based on a modification of the Bank of England's fan chart model, where we assume the divergences from the baseline scenario are derived from historical volatility of the data series. The spread for the pessimistic scenario is greater than that of the optimistic scenario to reflect the Group's prudent view against downside risks.

The baseline, optimistic and pessimistic scenarios are updated quarterly to timely reflect a change in the current economic sentiment locally and internationally.

對於每個投資組合，前瞻性情景下的關鍵驅動因素將用於估算債務人的違約概率的系統信用風險部分以用於計算預期信貸損失。除違約概率外，相關的宏觀經濟指標將用於預測抵押品價值以估算回收率並使用作計算預期信貸損失。

本集團會採納使用三個經濟情景。在本集團經營的每個地區／國家，本集團將為每個情景制定情景的可能性並預測主要的宏觀經濟指標，以反映集團在每種情景下，該地區／國家未來業務成果的前瞻性觀點。

基準情景的預測是根據本集團經濟專家的建議和對各種外部實際和預測信息的考慮，例如本集團經營所在地區／國家的政府機構和金融管理局公佈的經濟數據和預測。同時，本集團盡可能參考國際機構及私營機構分析師的預測，以及考慮現時本地及海外經濟發展情況、當地經濟政策的轉變。至於相關地區或國家的股票及樓價指數，則使用自迴歸經濟模型作出估算。

基準情景是代表本集團預期中的最具可能性的結果。其相對應的機會率反映了集團在預測基準情景中對未來不確定性的掌握置信度。

其他情景是一個樂觀情景和一個悲觀情景。在這些情景中，我們對可能性較低、卻可能發生的上行和下行狀況作出預測。這些情景及其機會率代表了集團的觀點，即當未來結果超出基準情景預期時，經濟將傾向樂觀（即出乎意料的好）或悲觀（即出乎意外的差）的可能性有多大，以及出乎意料的好或意外的壞的結果將會是怎樣，基於當前的經濟前景、潛在的國內外經濟及政治風險，及其對本集團有業務之地區／國家的影響，並且這些地區／國家的經濟面、應付危機的能力。這兩種情景的預測主要是以英倫銀行扇形圖模型為基礎再修改而來。我們假設兩種情景與基準情景的差距來自數據列的歷史波動。其中，悲觀情景的差距大於樂觀情景，反映集團對下行風險持謹慎態度。

基準、樂觀及悲觀情景會每季度更新，以及時反映當地及國際經濟情緒的變化。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(viii) Details of key areas in measurement of ECLs (continued)

Baseline Scenario – Hong Kong

Exports remained the main driver of Hong Kong's economic recovery in 2021. Meanwhile, with the epidemic situation generally under control, the general business environment is improving, and the unemployment rate continued to trend lower.

Looking forward, we estimate that real GDP will remain resilient and grow at 3.2% in 2022. Meanwhile, inflation is expected to edge higher at 1.9%, while the unemployment rate is expected to stay at around the present level throughout 2022, especially with the threat of a new Covid-19 variant and with the border remaining closed.

However, the COVID-19 pandemic casts a shadow on the global economic recovery. Meanwhile, supply bottlenecks, soaring shipping costs, and an energy shortage continue to linger and add to the downside risks to economic recovery. The slowing growth of Mainland China is also exerting a downward pressure on Hong Kong's exports market.

On the other hand, while equity markets underperformed, the property market showed resilience. Although the US Federal Reserve hinted at several interest rate hikes in 2022, with abundant liquidity in Hong Kong, the HIBOR is not expected to closely follow the movements of the LIBOR, nor is an increase in the prime rate likely next year. Together with the chronic shortage of land supply, residential property prices shall remain resilient in the foreseeable future.

Baseline Scenario – Mainland China

China's trade continued to register stellar growth, while the domestic front fared less satisfactorily than the external front, against the backdrop of a property market downturn.

Looking ahead, on the external front, the growth of exports shall continue to be robust, but the magnitude is expected to be smaller owing to a higher base of comparison in 2021. On the other hand, domestic consumption will be restrained by sporadic COVID-19 outbreaks, and negative wealth effect stemming from an underperforming property market. For the housing market, prices started to head downward since September 2021, succumbing to intense regulatory pressure. Market downturn is expected to linger in the coming months.

The Chinese government sets "stability" as top economic priority in 2022. It is expected to have more fiscal and monetary policies in the pipeline. Overall, we expect China's economy to grow at 5.3% in 2022, while inflation is forecast to pick up with 2.2% yearly growth.

(a) 信貸風險管理(續)

(viii)「預期信貸損失」估算中主要之處的詳述(續)

基準情景－香港

出口仍然是香港經濟復甦的主要原動力。此外，由於本地疫情基本受控，整體營商環境不斷改善，失業率亦見到進一步回落。

展望未來，我們預測經濟將維持強韌，並在2022年錄得3.2%增長。通脹率則會上升在1.9%的水平；失業率則預期在2022年全年保持在現時的水平附近，尤其新冠病毒的變種威脅不斷，加上邊境仍然封閉。

而新冠疫情為環球經濟復甦蒙上陰影。加上供應鏈瓶頸、運輸成本上升以及能源短缺等問題持續，對經濟復甦構成挑戰。而內地經濟增速放緩，亦會拖累香港出口表現。

另一方面，即使股市表現差強人意，香港住宅市場仍然強韌。雖然美國聯儲局暗示2022年將會有加息，但由於香港市場資金充裕，故此香港同業拆息未必會跟隨LIBOR同步上揚，而香港最優惠利率預計在明年會維持不變。加上土地供應仍然短缺，樓價在可見將來仍會持續表現強韌。

基準情景－內地

中國貿易持續錄得亮麗增長；與外貿相比，在房地產市場下行的背景下，國內市場表現則不太理想。

展望未來，於國外層面，出口增長則將維持穩固，但受制於2021年基數較高，預料出口增幅將會減小。另一方面，受疫情時而爆發和房地產市場下行所產生的負財富效應影響，國內消費將受壓。房地產市場方面，在監管壓力之下，房價自2021年9月份開始下行。預料樓市低迷將會在未來數月持續。

中國政府強調明年經濟工作要「穩字當頭」，預料政府將推出更多財政及貨幣刺激措施。整體來說，我們預計中國的經濟將在2022年增長5.3%，通脹率則會加快至全年平均2.2%。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Forecast of Key Macroeconomic Indicators (3 years average (2022–2024))

主要宏觀經濟指標預測(3年平均
(2022–2024))

Scenario 情景	Macroeconomic Indicator 宏觀經濟指標	Hong Kong 香港	China 中國
Optimistic 樂觀情景	GDP (YoY growth) 國內生產總值增長	5.5%	6.9%
	Property Price Index (Compounded annual growth rate) 房地產價格指數(複合年均增長率)	5.7%	3.9%
	Unemployment Rate 失業率	2.5%	3.6%
	3-month Interest Rate 3個月期利率	1.3%	3.7%
Baseline 基準情景	Real GDP (YoY growth) 國內生產總值增長	3.0%	5.2%
	Property Price Index (Compounded annual growth rate) 房地產價格指數(複合年均增長率)	1.8%	1.7%
	Unemployment Rate 失業率	3.9%	3.8%
	3-month Interest Rate 3個月期利率	1.0%	2.6%
Pessimistic 悲觀情景	GDP (YoY growth) 國內生產總值增長	-0.2%	3.2%
	Property Price Index (Compounded annual growth rate) 房地產價格指數(複合年均增長率)	-7.0%	-4.4%
	Unemployment Rate 失業率	6.6%	4.0%
	3-month Interest Rate 3個月期利率	0.2%	1.8%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(ix) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by type of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 31st December at transaction level. Transfers between different stages of ECL are deemed to occur at the beginning of the year and therefore amounts transferred net to zero. The re-measurement of ECL resulting from a change in ECL stage is reported under the ECL stage in which they are transferred to.

Explanations of 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.

(a) 信貸風險管理(續)

(ix) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至12月31日期間交易層面的狀況。預期信貸損失不同階段之間的轉撥被視為於年初發生，故金額轉撥淨額為零。因預期信貸損失階段轉變而引致的重新計量預期信貸損失會記於其所轉撥的預期信貸損失階段項下。

關於12個月內之預期信貸損失、合約期內之預期信貸損失及信貸不良的解釋見附註2。

		2021			
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired	
		12-month ECL	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	Total
		12個月內之 預期信貸損失	預期信貸損失	預期信貸損失	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loans and advances to customers	客戶貸款及墊款				
Balance at 1st January	於1月1日的結餘	849	1,041	3,025	4,915
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	150	(150)	-	-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(19)	24	(5)	-
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	(10)	(371)	381	-
New financial assets originated or purchased, assets derecognised, repayments and further lending	源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款	(4)	46	(74)	(32)
Write-offs	撤銷	-	-	(2,397)	(2,397)
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	(296)	(62)	2,301	1,943
Balance at 31st December	於12月31日的結餘	670	528	3,231	4,429
Of which:	其中：				
For loans and advances to customers at amortised cost (Note 28(a))	就按攤銷成本的客戶貸款及墊款(附註28(a))	667	527	3,177	4,371
For related accrued interest receivable (Note 34)	就相關應收應計利息(附註34)	3	1	54	58
		670	528	3,231	4,429

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020			
		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
		12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loans and advances to customers 客戶貸款及墊款					
Balance at 1st January	於1月1日的結餘	502	518	2,784	3,804
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	23	(23)	–	–
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之 預期信貸損失	(8)	12	(4)	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之 預期信貸損失	(5)	(68)	73	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	源生或購入之新金融資產、 撤銷確認資產、還款及 進一步貸款	324	344	364	1,032
Write-offs	撤銷	–	–	(4,172)	(4,172)
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額 (包括外匯調整)	13	258	3,980	4,251
Balance at 31st December	於12月31日的結餘	849	1,041	3,025	4,915
Of which:	其中：				
For loans and advances to customers at amortised cost (Note 28(a))	就按攤銷成本的客戶貸款及墊款 (附註28(a))	845	1,038	2,976	4,859
For related accrued interest receivable (Note 34)	就相關應收應計利息 (附註34)	4	3	49	56
		849	1,041	3,025	4,915

The total contractual amounts of loans and advances to customers that were written off during the year ended 31st December, 2021 and 2020 and are still subject to enforcement activity are HK\$2,397 million and HK\$2,032 million respectively.

在截至2021年及2020年12月31日止年度內已撤銷的客戶貸款及墊款的合約餘額中仍在進行追討的貸款分別為港幣23.97億元及港幣20.32億元。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(ix) Impairment allowances reconciliation (continued)

(a) 信貸風險管理(續)

(ix) 減值準備對賬(續)

		2021					
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12-month ECL	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失		總額	
		12個月內之 預期信貸損失	預期信貸損失	預期信貸損失		總額	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Debt investment securities	債務投資證券						
Balance at 1st January	於1月1日的結餘	273	–	–		273	
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	–	–	–		–	
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(6)	6	–		–	
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	–	–	–		–	
New financial assets originated or purchased, assets derecognised, repayments and further investment	源生或購入之新金融資產、撤銷確認資產、還款及進一步投資	(27)	26	–		(1)	
Write-offs	撤銷	–	–	–		–	
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	51	15	–		66	
Transfer to assets held for sale	轉至持有作出售資產	(7)	–	–		(7)	
Balance at 31st December	於12月31日的結餘	284	47	–		331	
Of which:	其中：						
For debt investment securities measured at amortised cost	就按攤銷成本計量的債務投資證券	97	44	–		141	
For related accrued interest receivable (Note 34)	就相關應收應計利息(附註34)	1	1	–		2	
		98	45	–		143	
For debt investment securities measured at FVOCI	就按通過其他全面收益以反映公平價值計量的債務投資證券	184	2	–		186	
For related accrued interest receivable	就相關應收應計利息	2	–	–		2	
		186	2	–		188	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020			
		12-month ECL 12個月內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Debt investment securities	債務投資證券				
Balance at 1st January	於1月1日的結餘	359	4	–	363
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	–	–	–	–
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	–	–	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further investment	源生或購入之新金融資產、撤銷確認資產、還款及進一步投資	12	(4)	–	8
Write-offs	撤銷	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	(19)	–	–	(19)
Transfer to assets held for sale	轉至持有作出售資產	(79)	–	–	(79)
Balance at 31st December	於12月31日的結餘	273	–	–	273
Of which:	其中：				
For debt investment securities measured at amortised cost	就按攤銷成本計量的債務投資證券	69	–	–	69
For related accrued interest receivable (Note 34)	就相關應收應計利息(附註34)	1	–	–	1
		70	–	–	70
For debt investment securities measured at FVOCI	就按通過其他全面收益以反映公平價值計量的債務投資證券	201	–	–	201
For related accrued interest receivable	就相關應收應計利息	2	–	–	2
		203	–	–	203

The impairment allowances of debt investment securities measured at FVOCI are not separately recognised in the statement of financial position because they have been adjusted to the carrying amounts of debt investment securities measured at FVOCI being their fair values.

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

		2021				2020			
		12-month ECL 12個月內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	12-month ECL 12個月內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Others	其他								
Balance at 1st January	於1月1日的結餘	89	19	121	229				
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	2	(2)	-					
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	-	-	-	-				
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	-	-	-	-				
New financial assets originated or purchased, assets derecognised and repayments	源生或購入之新金融資產、撤銷確認資產及還款	(14)	1	(1)	(14)				
Write-offs	撤銷	-	-	(124)	(124)				
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	66	6	89	161				
Balance at 31st December	於12月31日的結餘	143	24	85	252				
Of which:	其中：								
For trade bills measured at FVOCI	就按通過其他全面收益以反映公平價值計量的貿易票據	2	-	-	2				
For related accrued interest receivable	就相關應收應計利息	-	-	-	-				
		2	-	-	2				
For trade bills measured at amortised cost (Note 26)	就按攤銷成本計量的貿易票據(附註26)	-	-	-	-				
For related accrued interest receivable	就相關應收應計利息	-	-	-	-				
		-	-	-	-				
For placements with and advances to banks (Note 25)	就在銀行的存款及墊款(附註25)	1	-	-	1				
For related accrued interest receivable	就相關應收應計利息	-	-	-	-				
		1	-	-	1				
For cash and balances with banks (Note 24)	就現金及在銀行的結存(附註24)	3	-	-	3				
For related accrued interest receivable	就相關應收應計利息	-	-	-	-				
		3	-	-	3				
For loan commitments and financial guarantee contracts (Note 37)	就貸款承擔和財務擔保合約(附註37)	133	24	17	174				
For account receivables and other accounts other than accrued interest receivable (Note 34)	就應收賬款及其他賬項(應收應計利息除外)(附註34)	4	-	68	72				

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020			
		12-month ECL 12個月內之 預期信貸損失	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失	Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Others	其他				
Balance at 1st January	於1月1日的結餘	115	32	112	259
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	2	(2)	–	–
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(1)	1	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	–	–	–	–
New financial assets originated or purchased, assets derecognised and repayments	源生或購入之新金融資產、撤銷確認資產及還款	(23)	(10)	4	(29)
Write-offs	撇銷	–	–	(4)	(4)
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	(4)	(2)	9	3
Balance at 31st December	於12月31日的結餘	89	19	121	229
Of which:	其中：				
For trade bills measured at FVOCI	就按通過其他全面收益以反映公平價值計量的貿易票據	3	1	–	4
For related accrued interest receivable	就相關應收應計利息	–	–	–	–
		3	1	–	4
For trade bills measured at amortised cost (Note 26)	就按攤銷成本計量的貿易票據(附註26)	3	–	–	3
For related accrued interest receivable	就相關應收應計利息	–	–	–	–
		3	–	–	3
For placements with and advances to banks (Note 25)	就在銀行的存款及墊款(附註25)	3	–	–	3
For related accrued interest receivable	就相關應收應計利息	–	–	–	–
		3	–	–	3
For cash and balances with banks (Note 24)	就現金及在銀行的結存(附註24)	19	–	–	19
For related accrued interest receivable	就相關應收應計利息	–	–	–	–
		19	–	–	19
For loan commitments and financial guarantee contracts (Note 37)	就貸款承擔和財務擔保合約(附註37)	52	18	2	72
For account receivables and other accounts other than accrued interest receivable (Note 34)	就應收賬款及其他賬項(應收應計利息除外)(附註34)	9	–	119	128

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(a) Credit risk management (continued)

(x) Collateral and other credit enhancements

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management.

The extent of collateral coverage over the Group's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include residential properties (in the form of mortgages over property), other properties, other registered securities over assets, cash deposits, standby letters of credit and guarantees. Collateral generally is not held over balances and placements with banks, and loans and advances to banks, except when securities are held as part of sale and repurchase and securities borrowing activity. The Group takes possession of collateral through court proceedings or voluntary delivery of possession by the borrowers during the course of the recovery of impaired loans and advances. These repossessed assets are reported in the statement of financial position within "other assets" (Note 2(t)). If the recovery from the repossessed assets exceeds the corresponding gross exposure, the surplus fund is made available either to repay the borrower's other secured loans with lower priority or is returned to the borrower.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. However the credit risk may be implicit in the terms or reflected in the fair value of the corresponding instruments.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

For contingent liabilities and commitments that are unconditionally cancellable (Note 45), the Group will assess the necessity to withdraw the credit line when there is a concern over the credit quality of the customers. Accordingly, the exposure to significant credit risk is considered as minimal. For commitments that are not unconditionally cancellable, the Group assesses the necessity of collateral depending on the type of customer and the product offered.

(a) 信貸風險管理(續)

(x) 抵押品及其他信用提升

本集團已制訂可接受不同類別抵押品的指引，並釐定相關估值參數。本集團會定期檢討指引及抵押品估值參數，以確保信貸風險管理的成效。

本集團客戶貸款及墊款的抵押品範圍視乎客戶類別及所提供產品而定。抵押品類別包括住宅物業(以物業按揭形式)、其他物業、其他登記抵押資產、現金存款、備用信用證及擔保。除持有用作回購及證券借貸活動的抵押品外，在銀行的結存及存款，以及銀行貸款及墊款一般不需要抵押品。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品。該等收回資產於財務狀況表中以「其他資產」列賬(附註2(t))。倘從收回資產所得之追收額超出相關風險承擔時，則會使用盈餘資金償還借款人優先次序較低的已抵押貸款或退回予借款人。

持有用作非貸款及墊款金融資產的抵押品，是按照工具之性質決定。除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。然而，信貸風險可能隱含於相關工具的條款內或於相關工具的公平價值中反映。

ISDA的主合約為本集團處理衍生交易文件的優先合約，當中涵蓋合約框架，而在合約框架之下，本集團可進行一系列的場外產品交易活動，如其中一方違約或發生其他預先協定的終止事件，則按合約約束參與者以淨額結算合約涵蓋的所有未履行交易。本集團亦會在簽訂ISDA的主合約的同時，與交易對手簽訂信貸附約，據此，抵押品可於訂約方之間轉交，以降低出現在未履約情況下的內在市場或然交易對手風險。

對於或然負債及可無條件取消的承擔(附註45)，如本集團對客戶的信貸質素有疑慮，則會評估是否需要撤回信貸額。因此，本集團面臨重大信貸風險機會視為微乎其微。對於不可無條件取消的承擔，本集團會視乎客戶類別及所提供產品評估是否需要進行抵押。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Market risk management

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

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. Market risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk. The Internal Audit Division performs periodic reviews to ensure that the market risk management functions are performed effectively.

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

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

(i) Currency risk

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

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

(b) 市場風險管理

市場風險是指因市場價格，例如利率、匯率、股票價格、債務證券價格及商品價格的不利變動而導致本集團有機會出現虧損的風險。市場風險管理旨在減少市場因素的波動為本集團帶來的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。市場風險由集團的資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。稽核處會進行定期審查，以確保市場風險管理職能得到有效執行。

透過衍生工具進行自營交易及向客戶出售衍生工具以用作風險管理產品，為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團必須管理的主要市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣（包括衍生工具）、商業銀行業務和結構性外匯風險。本集團的非結構性外匯風險以主要貨幣計值，當中以美元及人民幣為主。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利或虧損因為已撥入儲備，所以未計算在風險值內。此等結構性外幣持倉的主要目的，是對沖因匯率變動而對本集團資本充足比率產生的部分或全部不利影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(b) Market risk management (continued)

(i) Currency risk (continued)

The Group had the following net structural positions which were not less than 10% of the total net structural foreign currency position at the end of the reporting period:

		2021			2020		
		RMB	MYR	USD	RMB	MYR	USD
		人民幣	馬幣	美元	人民幣	馬幣	美元
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Net structural position	結構性持倉淨額	17,014	2,335	(12,983)	16,503	2,376	(12,883)

(ii) Interest rate risk in trading book

The Group's trading interest rate positions arise from treasury and dynamic hedging of retail and commercial banking activities. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives. For the interest rate risk management of the Group's banking book positions, please refer to Note 43(e).

(iii) Equity risk

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

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

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

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

(b) 市場風險管理(續)

(i) 貨幣風險(續)

於報告期結束日，本集團的以下結構性持倉淨額不低於結構性外幣淨持倉總額 10%：

(ii) 交易賬冊的利率風險

本集團的交易組合中的利率持倉來自零售及商業銀行業務的動態對沖。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。就管理本集團銀行賬冊持倉的利率風險而言，請參閱附註 43(e)。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團進行風險活動時所產生的相關市場風險，確保其市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度假設於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

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

Value-at-risk statistics

本集團通過歷史模擬法評估本集團交易組合的風險值，其按從歷史觀察期中截獲的每個市場波動情景對有關組合進行重新估值以計算風險值。該方法是依據 1 日持倉期、99% 置信水平以及過往兩年觀察期來推算市場利率與價格的波動。

上市股份的市值、私人股份基金及非上市股份(統稱「非上市證券」)的公平價值均由本集團投資部按限額管理。非上市證券及非交易上市股份是根據特定限額管理，且不包括在交易股份持倉的風險值計算內。資產負債管理委員會須定期檢討該限額。

風險值統計

		2021			
		At 31st December 於 12 月 31 日	Maximum 最高	Minimum 最低	Mean 平均
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險值總額	28	36	26	31
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	10	13	5	9
VaR for interest rate trading positions	利率交易持倉的風險值	2	4	–	1
VaR for equity trading positions	股份交易持倉的風險值	19	26	18	22

		2020			
		At 31st December 於 12 月 31 日	Maximum 最高	Minimum 最低	Mean 平均
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險值總額	30	37	23	30
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	6	12	4	6
VaR for interest rate trading positions	利率交易持倉的風險值	1	4	1	1
VaR for equity trading positions	股份交易持倉的風險值	24	27	18	24

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

* 包括所有外匯持倉但不包括結構性外匯持倉。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(b) Market risk management (continued)

Value-at-risk statistics (continued)

		(b) 市場風險管理(續)							
		風險值統計(續)							
		2021							
		At 31st December		Maximum		Minimum		Mean	
		於 12 月 31 日		最高		最低		平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	57		74		52		64	
		2020							
		At 31st December		Maximum		Minimum		Mean	
		於 12 月 31 日		最高		最低		平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	63		92		53		65	

A stressed VaR measure is intended to replicate a VaR calculation that would be generated on current trading portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值是假設相關市場因素在受壓期間下，模擬計算由現行交易組合產生的風險值。

(c) Operational risk management

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

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

The Operational Risk Management Committee is responsible for overseeing operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group assists the Management in managing the Group's operational risk, including the establishment and review of the operational risk management policy and framework, designing the operational risk management tools and reporting mechanism, assessing, monitoring and reporting the overall operational risk position to the Management and Risk Management Committee. All the heads of business units and support units of the Group are responsible for the day-to-day operational risk management of their units.

The Group has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Group adheres to the fundamental principle of proper segregation of duties and authorisation. The Group adopts various operational risk management tools and methodologies such as key risk indicators, self-assessment, operational risk events reporting and review to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance to mitigate unforeseeable operational risks. Business continuity plans are established to support business operations in the event of an emergency or disaster.

(c) 營運風險管理

營運風險是指由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統及有效地識別、評估、監控及匯報本集團營運風險；減少營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部負責協助管理層管理本集團的營運風險，包括制定和重檢營運風險管理政策和框架、設計營運風險的管理工具和匯報機制、評估、監察及向管理層和風險管理委員會匯報總體營運風險狀況。本集團所有部門或後勤單位主管均負責其單位的日常營運風險管理。

本集團建立了有效的內部控制程序，對所有重大活動訂下政策及監控措施。設置適當的職責分工和授權乃本集團緊守的基本原則。本集團採用關鍵風險指標、自我評估、營運風險事件匯報及檢查等不同的營運風險管理工具及方法以識別、評估、監察及控制潛在於業務活動及產品內的風險，同時透過購買保險，將未能預見的營運風險減低。對支援緊急或災難事件時的業務運作備有持續業務運作計劃。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(d) Liquidity risk management

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

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

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

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

(d) 流動性風險管理

流動性風險是指本集團因未能獲得充足資金投入而可能無法履行到期責任的風險(資金流動性風險);或因市場深度不足或市場失序,本集團非得大幅降低市場價格的情況下無法輕易迅速變現資產的風險(市場流動性風險)。

流動性風險管理是為了確保本集團維持充足的現金流量以履行所有財務承擔,並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足提款要求,在借款期滿時能夠還款,掌握貸款和投資的機會,以及符合所有有關流動性風險管理的法定規定,包括流動性覆蓋比率及穩定資金淨額比率。

本集團通過定期評估定性及定量的風險因素檢討風險狀況,根據董事會每年批准的適用於流動性風險的風險偏好釐定其現行風險承受範圍。資產負債管理委員會獲董事會授權,負責監察本集團的流動性風險管理。資產負債管理委員會由各業務單位、司庫、風險管理及財務的管理層出任以共同制定資金戰略方案。資產負債管理委員會制訂管理流動性風險的策略、政策及限額,以及確保執行有關策略與政策的措施。委員會定期舉行會議,檢討各既有監控架構的合規情況,以及是否需要改變策略及政策。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部負責監察與流動性風險相關的活動。稽核處會定期作出檢討,確保流動性風險管理功能得以有效執行。

流動性覆蓋比率及穩定資金淨額比率的法定要求是本集團對流動性風險管理的嚴格監管制度部份之一。為確保遵守監管要求,本集團考慮過其流動性風險偏好後,為流動性覆蓋比率及穩定資金淨額比率設定的內部目標均高於上述監管規定水平。此外,資產負債管理委員會會定期檢閱流動性覆蓋比率及穩定資金淨額比率的重大變動,並提出建議補救措施,以應對來自(但不限於)存款基礎及其餘下到期期限、不同到期期限的貸款活動以及本集團資產及負債組合策略所產生的不利變動。在規劃資產及負債組合策略時,本集團的相關業務單位就資產增長及資金結構對流動性覆蓋比率及穩定資金淨額比率的影响提交評估,以供資產負債管理委員會檢討和作出決策。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

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

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

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

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

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

(d) 流動性風險管理(續)

為有效地管理流動性覆蓋比率及穩定資金淨額比率，本集團特別著重存留忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業以及批發市場資金之間保持平衡，避免資金集中於任何一種來源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及其他借貸進入專業市場，獲取額外資金，以此維持本行於本地金融市場的地位及優化資產及負債的期限。

除了緊守法定的流動性覆蓋比率及穩定資金淨額比率外，本集團已設立不同的流動性指標，以衡量及分析流動性風險，包括(但不限於)貸存比率、累積到期錯配比例、資金集中比率、集團內公司之間風險限額以及跨貨幣資金比率。本集團維持充足的優質流動資產，作為能夠在資金受壓時取用的流動資金緩衝。為滿足流動性覆蓋比率所需的優質流動資產包括：現金、外匯基金票據和債券、優質的政府債務票據，以及其他同等的可供出售的流動資產，其中大部分優質流動資產以港幣計值。本集團維持應急資金來源，能提供策略性的流動資金，以應付未能預計及大量的資金需求。

內部方面，集團內公司間的融資交易乃按一般正常公平交易原則進行，處理方式與第三方交易一致，並會定期進行監察及適當控制。本集團大部分流動性風險來自資產與負債組合之間的期限錯配差距。本集團會透過使用本行的管理資訊系統，對一系列時間內的資產負債表內、外項目定期進行現金流量分析及預測，以確定不同時段的資金需要，從而管理流動性風險。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過適用的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景－即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機－均採用金管局監管政策手冊LM-2「穩健的流動性風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，訂立內部限額，並制訂應急資金計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

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

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

應急資金計劃旨在提供防患未然的積極措施，並訂明以下3個階段：

1. 本集團運用預早警報指標，當中包括質性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在情況需要時會考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由聯席行政總裁擔任該委員會的主席，該委員會專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急資金。應急資金計劃如有任何重大變動，均須分別取得董事會的批准。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

Analysis of assets and liabilities by remaining maturity:

(d) 流動性風險管理(續)

資產及負債的剩餘期限分析：

		2021						
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue
		即時還款	1個月內	1個月以上至3個月	3個月以上至1年	1年以上至5年	5年以上	無註明日期或逾期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
		Total						
		總額						
		HK\$ Mn						
		港幣百萬元						
Assets	資產							
Cash and balances with banks	現金及在銀行的結存	43,103	-	-	-	-	-	11,985
Placements with and advances to banks	在銀行的存款及墊款	-	73,103	1,639	-	-	-	-
Trade bills	貿易票據	-	2,596	5,553	2,623	-	-	-
Trading assets	交易用途資產	-	122	-	-	1,424	86	851
Derivative assets	衍生工具資產	-	-	-	-	-	-	3,381
Loans and advances to customers	客戶貸款及墊款	2,507	69,226	31,993	119,963	198,315	120,417	2,016
Investment securities	投資證券	-	5,123	3,468	29,833	66,365	40,975	1,743
Investments in associates and joint ventures	聯營公司及合資企業投資	-	-	-	-	-	-	8,947
Fixed assets	固定資產	-	-	-	-	-	-	13,844
Goodwill and intangible assets	商譽及無形資產	-	-	-	-	-	-	1,885
Deferred tax assets	遞延稅項資產	-	-	-	-	-	-	1,861
Other assets	其他資產	49	5,380	6,710	20,765	1,152	1,216	7,251
Total assets	資產總額	45,659	155,550	49,363	173,184	267,256	162,694	53,764
								907,470
Liabilities	負債							
Deposits and balances of banks	銀行的存款及結餘	5,237	7,986	8,540	10,003	-	-	-
Deposits from customers	客戶存款	277,711	95,546	164,176	86,374	9,698	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	79,657	-	-	-	-	-	-
- Savings deposits	- 儲蓄存款	196,662	-	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	1,392	95,546	164,176	86,374	9,698	-	-
Trading liabilities	交易用途負債	-	-	-	-	-	-	5
Derivative liabilities	衍生工具負債	-	-	-	-	-	-	5,050
Certificates of deposit issued	已發行存款證	-	7,565	11,652	35,600	9,510	-	-
Current taxation	本年稅項	-	-	-	958	-	-	-
Debt securities issued	已發行債務證券	-	-	3,058	234	2,555	-	-
Deferred tax liabilities	遞延稅項負債	-	-	-	-	-	-	559
Other liabilities	其他負債	1,007	3,542	7,139	20,929	1,490	2,039	6,769
- Lease liabilities	- 租賃負債	1	29	49	183	434	188	-
- Other accounts	- 其他賬項	1,006	3,513	7,090	20,746	1,056	1,851	6,769
Loan capital	借貸資本	-	-	-	-	6,488	-	-
Total liabilities	負債總額	283,955	114,639	194,565	154,098	29,741	2,039	12,383
								791,420
Net gap	淨差距	(238,296)	40,911	(145,202)	19,086	237,515	160,655	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產								
Cash and balances with banks	現金及在銀行的結存	42,702	20	273	541	–	–	12,841	56,377
Placements with and advances to banks	在銀行的存款及墊款	–	64,378	1,219	1,252	–	–	–	66,849
Trade bills	貿易票據	1	3,250	6,225	2,317	–	–	–	11,793
Trading assets	交易用途資產	–	178	–	–	95	36	881	1,190
Derivative assets	衍生工具資產	–	–	–	–	–	–	8,059	8,059
Loans and advances to customers	客戶貸款及墊款	3,289	70,318	30,773	96,407	190,272	116,354	1,657	509,070
Investment securities	投資證券	–	8,189	9,918	29,335	58,208	35,970	2,551	144,171
Investments in associates and joint ventures	聯營公司及合資企業投資	–	–	–	–	–	–	9,182	9,182
Fixed assets	固定資產	–	–	–	–	–	–	14,065	14,065
Goodwill and intangible assets	商譽及無形資產	–	–	–	–	–	–	1,912	1,912
Deferred tax assets	遞延稅項資產	–	–	–	–	–	–	2,022	2,022
Other assets	其他資產	45	6,598	6,664	9,315	5,529	17,360	14,219	59,730
Total assets	資產總額	46,037	152,931	55,072	139,167	254,104	169,720	67,389	884,420
Liabilities	負債								
Deposits and balances of banks	銀行的存款及結餘	980	12,957	7,732	9,474	–	–	–	31,143
Deposits from customers	客戶存款	259,701	96,354	130,613	89,267	13,267	–	–	589,202
– Demand deposits and current accounts	– 活期存款及往來賬戶	69,835	–	–	–	–	–	–	69,835
– Savings deposits	– 儲蓄存款	187,902	–	–	–	–	–	–	187,902
– Time, call and notice deposits	– 定期及通知存款	1,964	96,354	130,613	89,267	13,267	–	–	331,465
Derivative liabilities	衍生工具負債	–	–	–	–	–	–	13,016	13,016
Certificates of deposit issued	已發行存款證	–	4,783	20,456	28,509	7,104	–	–	60,852
Current taxation	本年稅項	–	–	–	624	–	–	–	624
Debt securities issued	已發行債務證券	–	1	–	–	5,056	–	–	5,057
Deferred tax liabilities	遞延稅項負債	–	–	–	–	–	–	460	460
Other liabilities	其他負債	933	5,910	8,702	11,256	15,544	6,313	11,301	59,959
– Lease liabilities	– 租賃負債	2	34	62	238	399	201	–	936
– Other accounts	– 其他賬項	931	5,876	8,640	11,018	15,145	6,112	11,301	59,023
Loan capital	借貸資本	–	–	–	3,911	6,400	–	–	10,311
Total liabilities	負債總額	261,614	120,005	167,503	143,041	47,371	6,313	24,777	770,624
Net gap	淨差距	(215,577)	32,926	(112,431)	(3,874)	206,733	163,407		

As the trading assets and debt instruments measured at FVOCI may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易資產及反映公平價值之債務工具可能於到期前出售或客戶存款可能在到期前未被提取，合約到期日並非代表未來現金流的預計日期。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

The following tables provide an analysis of the undiscounted cashflow projection of the non-derivative financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

(d) 流動性風險管理(續)

下表展示於報告期結束日集團的未經折扣之非衍生工具金融負債的預計現金流按其合約支付債務之日期分析：

		2021							
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	總額	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks	銀行的存款及結餘	31,766	31,844	5,252	16,553	10,039	-	-	-
Deposits from customers	客戶存款	633,505	636,607	277,785	260,716	87,586	10,520	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	79,657	79,709	79,709	-	-	-	-	-
- Savings deposits	- 儲蓄存款	196,662	196,674	196,674	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	357,186	360,224	1,402	260,716	87,586	10,520	-	-
Trading liabilities	交易用途負債	5	5	-	-	-	-	-	5
Certificates of deposit issued	已發行存款證	64,327	64,864	-	19,354	35,906	9,604	-	-
Current taxation	本年稅項	958	958	-	-	958	-	-	-
Debt securities issued	已發行債務證券	5,847	5,999	-	3,175	252	2,572	-	-
Loan capital	借貸資本	6,488	7,505	-	-	278	7,227	-	-
Other liabilities	其他負債	42,915	41,124	960	9,788	20,326	1,228	2,053	6,769
- Lease liabilities	- 租賃負債	884	987	1	84	200	484	218	-
- Other accounts	- 其他賬項	42,031	40,137	959	9,704	20,126	744	1,835	6,769
Total	總額	785,811	788,906	283,997	309,586	155,345	31,151	2,053	6,774

6,774

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2020						
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years
		賬面值	現金流出總額	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks	銀行的存款及結餘	31,143	31,198	980	20,719	9,499	-	-
Deposits from customers	客戶存款	589,202	592,162	259,781	227,942	90,290	14,149	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	69,835	69,890	69,884	6	-	-	-
- Savings deposits	- 儲蓄存款	187,902	187,914	187,914	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	331,465	334,358	1,983	227,936	90,290	14,149	-
Certificates of deposit issued	已發行存款證	60,852	61,363	-	25,409	28,738	7,216	-
Current taxation	本年稅項	624	624	-	-	624	-	-
Debt securities issued	已發行債務證券	5,057	5,320	-	114	15	5,191	-
Loan capital	借貸資本	10,311	11,655	-	-	4,340	7,315	-
Other liabilities	其他負債	60,419	58,700	872	13,611	10,763	15,374	6,320
- Lease liabilities	- 租賃負債	936	1,069	2	103	256	459	249
- Other accounts	- 其他賬項	59,483	57,631	870	13,508	10,507	14,915	6,071
Total	總額	757,608	761,022	261,633	287,795	144,269	49,245	6,320

11,760

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

The following tables summarise the undiscounted cashflows of the Group by remaining contractual maturity as at 31 December for derivative financial liabilities that will be settled on net and gross basis. The Group's derivative financial liabilities that will be settled on a net basis mainly include interest rate swaps whereas the derivative financial liabilities that will be settled on a gross basis mainly include foreign exchange forwards and futures and foreign exchange swaps.

(d) 流動性風險管理(續)

下表概述了本集團於12月31日以剩餘合約到期日列示之現金流，包括按淨額基準結算及所有按總額基準之衍生金融負債。本集團按淨額基準結算之衍生金融工具主要包括利率掉期，而按總額基準結算之衍生金融工具主要包括外匯遠期及外匯掉期。

		2021						
		Carrying amount	Total cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Derivative financial liabilities	衍生金融負債	5,050	6,492	289	1,086	1,910	2,485	722
Derivative financial liabilities settled on a net basis	按淨額基準結算之衍生金融負債							
Total net cash outflow	總淨現金流出		5,194	100	654	1,433	2,284	723
Derivative financial liabilities settled on a gross basis	按總額基準結算之衍生金融負債							
Total cash inflow	總現金流入		(56,277)	(344)	(28,681)	(24,313)	(2,538)	(401)
Total cash outflow	總現金流出		57,575	533	29,113	24,790	2,739	400

		2020						
		Carrying amount	Total cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Derivative financial liabilities	衍生金融負債	13,016	15,559	3,607	2,298	3,757	4,531	1,366
Derivative financial liabilities settled on a net basis	按淨額基準結算之衍生金融負債							
Total net cash outflow	總淨現金流出		9,435	127	1,350	2,391	4,227	1,340
Derivative financial liabilities settled on a gross basis	按總額基準結算之衍生金融負債							
Total cash inflow	總現金流入		(54,716)	(403)	(31,926)	(17,604)	(3,986)	(797)
Total cash outflow	總現金流出		60,840	3,883	32,874	18,970	4,290	823

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Certificates of Deposit, Debt Securities Issued, and Loan Capital

In 2021, BEA issued floating rate certificates of deposit and debt securities with face values of HK\$230 million and US\$138 million; fixed rate certificates of deposit and debt securities with face values of HK\$900 million and US\$1,843 million; and zero coupon certificates of deposit and debt securities with face values of HK\$1,388 million, US\$4,660 million, CNY20,580 million, GBP103 million, EUR666 million and CHF67 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HK\$82,771 million equivalent upon maturity.

At the end of December 2021, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$70,420 million, with a carrying amount equivalent to HK\$70,174 million.

Maturity Profile of Certificates of Deposit and Debt Securities Issued

As at 31st December, 2021

(All amounts expressed in millions of dollars of respective currencies)

已發行存款證、債務證券及借貸資本

2021年，東亞銀行發行了面值為港幣2.3億元及1.38億美元的浮息存款證及債務證券；面值為港幣9億元及18.43億美元的定息存款證及債務證券；以及面值為港幣13.88億元、46.6億美元、人民幣205.8億元、1.03億英鎊、6.66億歐元及6,700萬瑞士法郎的零息存款證及債務證券。本集團於到期時贖回的全類存款證及債務證券達等值港幣827.71億元。

於2021年12月底，已發行在外的存款證及債務證券面值相等於港幣704.2億元，賬面值則相等於港幣701.74億元。

已發行存款證及債務證券的年期

於2021年12月31日

(金額以各個貨幣的百萬元位列示)

	Total Face Value 總面值	Year of Maturity 到期年份		
		2022	2023	2024
Amount in currencies of issuance 發行金額的貨幣				
Floating Rate 浮息				
HKD 港元	230	230	–	–
USD 美元	888	90	740	58
Fixed Rate (Note) 定息 (註)				
HKD 港元	2,095	1,230	865	–
USD 美元	1,733	1,170	153	410
CNY 人民幣	2,500	2,500	–	–
Zero Coupon 零息				
HKD 港元	1,385	1,385	–	–
USD 美元	3,762	3,712	50	–
CNY 人民幣	9,900	9,900	–	–
EUR 歐元	202	177	25	–
Total Certificates of Deposit and Debt Securities issued in HKD equivalent 所有已發行存款證及債務證券 (港幣等值)				
	70,420	58,333	8,438	3,649

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

註：已就管理已發行長期存款證及債務證券引致的利率風險，安排認為必要的相關利率掉期。

In 2021, the Group redeemed the USD loan capital that was callable on 3rd November, 2021 amounting to HK\$3,891 million equivalent.

2021年，本集團贖回可於2021年11月3日贖回的港元等值38.91億美元的美元借貸資本。

At the end of December 2021, the face value of the outstanding loan capital issued was equivalent to HK\$6,513 million, with a carrying amount equivalent to HK\$6,488 million.

於2021年12月底，已發行的借貸資本面值相等於港幣65.13億元，賬面值則相等於港幣64.88億元。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(d) Liquidity risk management (continued)

Maturity Profile of Loan Capital

As at 31st December, 2021

(All amounts expressed in millions of dollars of respective currencies)

(d) 流動性風險管理(續)

借貸資本的年期

於2021年12月31日

(金額以各個貨幣的百萬元位列示)

	Total Face Value 總面值	Year of Maturity 到期年份	
		2029	2030
Amount in currencies of issuance 發行金額的貨幣			
USD (Note 2) 美元 (註2)	600	–	600
CNY (Note 1) 人民幣 (註1)	1,500	1,500	–
Total Loan Capital issued in HKD equivalent 所有已發行借貸資本(港幣等值)	6,513	1,835	4,678

Notes: 1. The CNY1,500 million loan capital that will mature in 2029 is callable on 25th April, 2024.

2. The US\$600 million loan capital that will mature in 2030 is callable on 29th May, 2025.

註：1. 將於2029年到期的人民幣15億元借貸資本於2024年4月25日可贖回。

2. 將於2030年到期的美元6億元借貸資本於2025年5月29日可贖回。

(e) Interest rate risk management

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

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

(e) 利率風險管理

利率風險是指本集團的銀行帳內的利率風險(簡稱「IRRBB」)受到不利的利率走勢對其盈利及經濟價值造成不利的影響所帶來的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

利率風險主要是由銀行賬冊內利率敏感性資產、負債及資產負債表外項目在再定息時的時差所致。釐定利率風險水平時，對差距風險、息率基準風險及期權風險進行評估。本集團管理銀行賬冊上的利率風險主要集中於重訂息率的錯配。差距分析可讓本集團從靜態角度了解利率敏感性資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距限額，以控制本集團的利率風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Sensitivity analysis in relation to the impact of changes in interest rates on earnings, in terms of net interest income ("NII"), and economic value, in terms of economic value of equity ("EVE") is assessed regularly through a number of hypothetical interest rate shock scenarios prescribed by the HKMA. EVE represents an assessment of the present value of expected net cash flows, discounted to reflect market rates. As fluctuations in interest rates will affect earnings, they will also affect its net worth. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

The following table provides information on the changes on EVE and also the change on NII over next 12 months under each of the prescribed interest rate shock scenarios in respect of the Group's interest rate exposures arising from banking book positions for the current annual reporting date at 31st December, 2021.

Sensitivity analysis on interest rate risk at 31st December, 2021 and 2020:

本集團每月定期進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中包括金管局規定的不同利率衝擊假設情景。股權經濟價值反映對按照市場利率折算其預計淨現金流的現值的評估。由於利率變動會影響本集團的盈利，因此亦會影響本集團的淨值。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果會定期向資產負債管理委員會匯報。

下表展示銀行帳內持倉在2021年12月31日於規定的利率衝擊情境下，引致EVE及NII在未來12個月的改變。

於2021年及2020年12月31日對利率風險的敏感性分析：

(In HK\$ Mn)(港幣百萬元)		Adverse impact on EVE 對股權經濟價值 的不利影響	Adverse impact on NII 對淨利息收入 的不利影響	Adverse impact on EVE 對股權經濟價值 的不利影響	Adverse impact on NII 對淨利息收入 的不利影響
Period 期間		31st December, 2021 2021年12月31日		31st December, 2020 2020年12月31日	
1	Parallel up 平行向上	568	12	497	32
2	Parallel down 平行向下	475	2,777	302	2,636
3	Steeper 較傾斜	544		117	
4	Flatter 較橫向	101		140	
5	Short rate up 短率上升	378		345	
6	Short rate down 短率下降	1,091		977	
7	Maximum 最高	1,091	2,777	977	2,636
Period 期間		31st December, 2021 2021年12月31日		31st December, 2020 2020年12月31日	
8	Tier 1 capital 一級資本	100,455		95,752	

In order to produce quantitative estimation on IRRBB, the Group has assumed shock scenarios to interest rate yield curves which allow changes in economic value and earnings to be computed with consideration of optionality and behavioural assumptions. These scenarios are applied to IRRBB exposures in each currency for which the Group has material positions.

為了對IRRBB進行定量估計，本集團假設利率收益率曲線受到衝擊並考慮了選擇權和習性的設定，從而計算經濟價值和盈利的變化。這些情境適用於本集團持有的IRRBB風險敞口於各種重要貨幣。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(e) Interest rate risk management (continued)

The prescribed interest rate shock scenarios are provided by the HKMA in their Supervisory Policy Manual IR-1, Interest Rate Risk in the Banking Book and generally described as follows:

1. Parallel up: A constant parallel shock up across all time buckets
2. Parallel down: A constant parallel shock down across all time buckets
3. Steepener: Short rates down and long rates up
4. Flattener: Short rates up and long rates down
5. Short rate up: Rates up are greatest at shortest time bucket and diminish towards current rates in longer time buckets
6. Short rate down: Rates down are greatest at shortest time bucket and diminish towards current rates in longer time buckets

(f) Strategic risk management

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

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

The Group establishes comprehensive policies, manuals, profiles and reports to set out the management framework as well as assessment and monitoring tools.

The Group formulates, and adheres to the Strategic Risk Management Manual, which outlines a systematic approach to the management of strategic risk, including a framework for strategic risk identification, assessment, monitoring, mitigation and control, thereby enhancing the level of strategic risk management of the Group.

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

(g) Legal risk management

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

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

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

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

(e) 利率風險管理(續)

規定的利率衝擊情境是由香港金融管理局在其監管政策手冊 IR-1「銀行帳內的利率風險」中提供，其一般描述如下：

1. 平行向上：利率收益率曲線在所有時間段內平行向上移動
2. 平行向下：利率收益率曲線在所有時間段內平行向下移動
3. 較傾斜：短期利率下降而長期利率上升
4. 較橫向：短期利率上升而長期利率下降
5. 短率上升：利率在最短的時間段內上升差距最大，而差距隨著較長時段減少至與當前利率相若
6. 短率下跌：利率在最短的時間段內下降差距最大，而差距隨著較長時段減少至與當前利率相若

(f) 策略性風險管理

策略性風險是指因本集團營運環境變動、不良策略決策、決策實施不當或對工業、經濟或技術變動反應遲緩而對本集團盈利、資本、聲譽或地位造成當前或潛在影響的風險。

策略性風險管理的目的在於識別、評估、監控、匯報及降低策略性風險，以及確保符合相關監管規定的要求。

本集團制定全面的政策、指引、狀況及報告，載列管理架構及評估和監控工具。

本集團制定並遵從策略性風險管理手冊，該手冊載錄對策略性風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制策略性風險的機制，藉此提升本集團的策略性風險管理水平。

風險管理委員會負責監督本集團的策略性風險管理。

(g) 法律風險管理

法律風險是指出現合約未能執行、訴訟或不審判的情況，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

如有需要，本集團會提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並於有需要時向員工發出提示。當處理法律事宜，本集團諮詢合資格內部人員，並於必要及適當的情況下聘請具備相應專業知識的外聘律師（包括大律師及資深大律師）。

營運風險管理委員會負責監督本集團的法律風險管理。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(h) Reputation risk management

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

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

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

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

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

(i) Compliance risk management

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

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

(h) 聲譽風險管理

聲譽風險是指因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團聲譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及／或收入減少。

聲譽風險管理的目的在於識別、評估、監控、匯報及降低聲譽風險，以及確保符合相關監管規定的要求。

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的聲譽。

本集團制定並遵從聲譽風險管理手冊，該手冊載錄對聲譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制聲譽風險的機制，藉此保護及提升本集團的聲譽。本集團已建立事件應對及管理指引，以快速應對並管理未能預期的事件。並已建立媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體。

營運風險管理委員會負責監督本集團的聲譽風險管理。

(i) 合規風險管理

合規風險是指因未能遵守適用於本集團業務活動的法例、規例、規則、相關自我監管機構所定的標準及行為守則而引致的法律及監管制裁、罰金或罰款、財務損失，或令聲譽受損而導致本集團可能損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險。並採用風險為本的方式對本集團主要職能進行獨立合規監察審查。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

(j) Technology risk management

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

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

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

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

(k) Capital management

The Group's primary objectives when managing capital are to meet the regulatory requirements and safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities, impairment allowances and regulatory reserve for general banking risks as allowed under Banking (Capital) Rules.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Steering Group for Capital Management and Recovery and Resolution Planning is responsible for overseeing issues related to the capital positions and monitoring the capital adequacy against all regulatory and internal reference. The capital position is also reviewed regularly by the Risk Management Committee, Risk Committee and the Board.

(j) 科技風險管理

科技風險是指因技術程序、人員及／或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險。

為應對日漸上升的網絡安全威脅，本集團已根據既定風險偏好級別投入充足的網絡安全資源和實施適當的控制措施。本集團已制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全。

本集團亦已為科技風險設立妥善管理框架。處於集團頂層的董事會及其指定委員會負責對本集團科技風險的整體管理，統領各工作小組及「三道防線」解決個別領域的問題。

本集團繼續落實全面的控制政策、標準、指引及程序，確保充分實施與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估、第三方安全性、以及資料保密、完整性及可用性相關的控制措施。

(k) 資本管理

本集團管理資本的主要目的是要符合監管規定及保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益（已扣除商譽和無形資產）。管理資本亦包括無償負債、減值準備及資本規則所容許的一般銀行業風險的規管儲備。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

資本管理、恢復及處置規劃督導組負責監督與資本狀況相關的事項，並根據監管機構及內部指引以監控資本充足度。風險管理委員會、風險委員會及董事會亦會定期檢討資本狀況。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The HKMA supervises the Group on both a consolidated basis and a solo-consolidated basis and, as such, sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual overseas branches and banking subsidiaries are directly regulated by respective domestic banking supervisors, who set and monitor their capital adequacy requirements. In certain jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital requirements of domestic regulatory authorities.

In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group monitors its capital structure on the basis of the capital adequacy ratios and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2021 and 31st December, 2020 as disclosed are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2021 and 31st December, 2020 and the Group's capital ratios are well above the minimum required by the HKMA.

金管局按綜合基準及單獨綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別海外分行及銀行附屬公司分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

在實施現行資本要求金管局要求本集團維持特定的總資本對風險資產總額比率。本集團計算其交易組合的市場風險是按本集團風險值模式及採用內部評級作為信貸風險的加權風險基準。銀行營運分類為交易賬或銀行賬，及風險加權資產視乎可反映與資產及資產負債表以外風險不同層面風險之特定要求。

本集團以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2021年12月31日及2020年12月31日的資本充足比率的披露是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合《銀行業條例》的《資本規則》。

截至2021年12月31日及2020年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

(a) 以公平價值列賬的金融工具

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

第一級－參考同一工具在活躍市場取得的市場報價。

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註（續）

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group ("FIVG") which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

(a) 以公平價值列賬的金融工具(續)

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式：

		2021				2020			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總額	第一級	第二級	第三級	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Recurring fair value measurement Assets	重覆發生的公平價值釐定資產								
Trade Bills – Measured at FVOCI	貿易票據—按通過其他全面收益以反映公平價值計量	–	10,212	–	10,212	–	11,424	–	11,424
Trading assets	交易用途資產	851	1,632	–	2,483	881	309	–	1,190
Derivative assets	衍生工具資產	146	3,235	–	3,381	267	7,792	–	8,059
Investment securities	投資證券								
– Mandatorily measured at FVTPL	—強制按通過損益以反映公平價值計量	2	4,627	808	5,437	2	4,987	850	5,839
– Measured at FVOCI	—按通過其他全面收益以反映公平價值計量	25,083	99,729	712	125,524	26,183	95,145	1,283	122,611
		26,082	119,435	1,520	147,037	27,333	119,657	2,133	149,123
Investment securities classified as assets held for sale	投資證券分類為持有作出售資產								
– Mandatorily measured at FVTPL	—強制按通過損益以反映公平價值計量	50	26	–	76	1,026	3,702	–	4,728
– Measured at FVOCI	—按通過其他全面收益以反映公平價值計量	–	1,850	–	1,850	–	19,088	–	19,088
		50	1,876	–	1,926	1,026	22,790	–	23,816
Liabilities	負債								
Trading liabilities	交易用途負債	5	–	–	5	–	–	–	–
Derivative liabilities	衍生工具負債	98	4,952	–	5,050	104	12,912	–	13,016
Financial liabilities designated at FVTPL	指定為通過損益以反映公平價值的金融負債	–	36,877	–	36,877	–	30,091	–	30,091
		103	41,829	–	41,932	104	43,003	–	43,107
Derivative liabilities classified as liabilities held for sale	衍生工具負債分類為持有作出售負債	–	–	–	–	–	1	–	1

During the years ended 31st December, 2021 and 2020, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2021年及2020年12月31日止之年內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Information about significant unobservable inputs in Level 3 valuations

有關第三級估值的重要非可觀察參數資料

	Valuation technique 估值模式	Significant unobservable input(s) 重要非可觀察參數	Range 幅度
Unlisted debt securities, equity securities and investment funds 非上市債務證券、股份證券及投資基金	Counterparty quote 交易對手報價	N/A 不適用	N/A 不適用
	Net asset value 資產淨值	N/A 不適用	N/A 不適用
	Discounted cash flow model 現金流折扣模式	Discount rate 折扣率	15.3% (2020: 16.4%)
		Marketability discount 市場性折扣	20% (2020: 20%)
	Market-comparable approach 市場可類比法	Earnings multiple 盈利倍數	21.98–36.67 (2020: 43.49–52.88)
		EV/EBIT 企業價值／稅息前利潤	30.18–37.54 (2020: 38.43–42.49)
		Marketability discount 市場性折扣	50% (2020: 50%)

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI are estimated using the discounted cash flow model, on the basis of an analysis of the investee's financial position and results, or with reference to multiples of comparable listed companies, adjusted for a marketability discount to reflect the fact that the shares are not actively traded. An increase in the ratio/investee's financial position and results in isolation will result in favourable movement in the fair values, while an increase in discount rate/marketability discount in isolation will result in unfavourable movement. The fair value of the unlisted investment funds are estimated by using the net asset valuations ("NAV") provided by the managers of the funds.

按強制通過損益以反映公平價值計量或通過其他全面收益以反映公平價值計量的非上市股份工具的公平價值，是採用現金流折扣模式作估算，根據受投資公司的財務狀況及業績之分析，或參考可比較上市公司之倍數，並計入市場性折扣以反映該股份並非有活躍交易之調整。任何因比率／受投資公司的財務狀況及業績之個別增加對公平價值有正面影響，而因折扣率／市場性折扣之個別增加則對公平價值有負面影響。非上市投資基金的公平價值是採用基金經理提供的資產淨值作估算。

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

在第三級之金融工具估值是受以上所述之相同估值監控機制及金融工具估值群組的定期檢視。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

(1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

		2021		2020	
		Investment securities mandatorily measured at FVTPL	Investment securities measured at FVOCI	Investment securities mandatorily measured at FVTPL	Investment securities measured at FVOCI
		強制按通過損益以反映公平價值計量的投資證券	按通過其他全面收益以反映公平價值計量的投資證券	強制按通過損益以反映公平價值計量的投資證券	按通過其他全面收益以反映公平價值計量的投資證券
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Assets	資產				
At 1st January	於1月1日	850	1,283	278	1,055
Additions/Purchases	增加/購入	413	-	510	-
Disposals/Settlements	出售/結算	(484)	-	(9)	-
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	29	-	71	-
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益	-	(571)	-	228
At 31st December	於12月31日年度內	808	712	850	1,283
Total (losses)/gains for the year included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有按通過其他全面收益以反映公平價值資產而已計入其他全面收益的公平價值儲備之年度內(虧損)/收益總額	-	(571)	-	228
Total gains for the year included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL	於報告期結束日持有之資產而已計入期內收益表之通過損益以反映公平價值金融工具的淨表現之年度內收益總額	29	-	71	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2021			
		Effect recorded in profit or loss 直接記錄於損益之影響		Effect recorded directly in equity 直接記錄於股東權益之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial assets	金融資產				
Investment securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值計量的投資證券	67	(67)	-	-
Investment securities measured at FVOCI	按通過其他全面收益以反映公平價值計量的投資證券	-	-	59	(59)
		67	(67)	59	(59)

		2020			
		Effect recorded in profit or loss 直接記錄於損益之影響		Effect recorded directly in equity 直接記錄於股東權益之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial assets	金融資產				
Investment securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值計量的投資證券	71	(71)	-	-
Investment securities measured at FVOCI	按通過其他全面收益以反映公平價值計量的投資證券	-	-	107	(107)
		71	(71)	107	(107)

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

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正負 10% 的價值的並行變動。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2021 and 2020 except as follows:

除下列者外，本集團以成本或攤銷成本入賬的金融工具賬面值，與其於2021年12月31日及2020年同日之公平價值相若。

		2021				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Investment securities measured at amortised cost	投資證券按攤銷成本計量	16,546	16,610	2,025	14,585	–
		2020				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Investment securities measured at amortised cost	投資證券按攤銷成本計量	15,721	15,796	2,020	13,776	–
Investment securities measured at amortised cost classified as assets held for sale	投資證券按攤銷成本計量分類為持有作出售資產	2,104	2,380	–	2,380	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments and the aggregate credit risk-weighted amount and is prepared with reference to the completion instructions for the HKMA return of capital adequacy ratio.

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Contingent liabilities	或然負債		
Direct credit substitutes	直接信貸代替品	4,664	9,065
Transaction-related contingencies	與交易有關的或然項目	4,295	1,325
Trade-related contingencies	與貿易有關的或然項目	5,046	4,303
		14,005	14,693
Commitments	承擔		
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	232,146	159,852
Other commitments with an original maturity	其他承擔的原到期日		
– up to 1 year	– 1年或以下	3,145	7,093
– over 1 year	– 1年以上	28,914	27,722
		264,205	194,667
Total	總額	278,210	209,360
Credit risk weighted amounts	信貸風險加權金額	21,412	22,946

The credit risk-weighted amount is calculated in accordance with the Capital Rules. Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

(a) 或然負債及承擔

參照金管局資本充足比率申報表的填報指示，每項或然負債及承擔及信貸風險加權金額的主要類別摘要如下：

信貸風險加權金額是按《資本規則》計算。或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Derivatives

(i) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative of the Group:

(b) 衍生工具

(i) 衍生工具的名義金額

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團的每項衍生工具主要類別的名義金額摘要如下：

		2021			
		Qualifying for hedge accounting	Managed in conjunction with financial instruments designated at fair value through profit or loss	Others, including held for trading	Total
		符合對沖會計法	金融工具模式管理	其他，包括持有作交易用途	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約	48	5,640	286,033	291,721
Interest rate contracts	利率合約	83,518	28,201	291,839	403,558
Equity contracts	股份合約	-	-	8,370	8,370
Others	其他	-	-	-	-
		83,566	33,841	586,242	703,649

		2020			
		Qualifying for hedge accounting	Managed in conjunction with financial instruments designated at fair value through profit or loss	Others, including held for trading	Total
		符合對沖會計法	金融工具模式管理	其他，包括持有作交易用途	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約	242	6,035	287,496	293,773
Interest rate contracts	利率合約	79,348	22,274	326,832	428,454
Equity contracts	股份合約	-	-	17,522	17,522
Others	其他	-	-	77	77
		79,590	28,309	631,927	739,826

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(i) Notional amount of derivatives (continued)

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

(ii) Fair value of derivatives

		2021 Fair value 公平價值		2020 Fair value 公平價值	
		Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元	Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約	1,207	1,174	2,333	2,827
Interest rate contracts	利率合約	1,764	3,548	2,004	6,450
Equity contracts	股份合約	410	328	3,721	3,740
Others	其他	-	-	1	-
		3,381	5,050	8,059	13,017

(iii) Hedge accounting

(a) Fair value hedges of interest rate risk

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate subordinated notes issued and fixed rate debt investment securities and loans and advances in respect of a benchmark interest rate. Pay-floating/receive-fixed interest rate swaps are matched to specific issuances of fixed rate subordinated notes or pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment and loans and advances with terms that closely align with the critical terms of the hedged item.

(b) 衍生工具(續)

(i) 衍生工具的名義金額(續)

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

(ii) 衍生工具之公平價值

(iii) 對沖會計

(a) 利率風險的公平價值對沖

本集團以利率掉期合約對沖若干其發行的定息後償票據、持有的定息債券投資及貸款和墊款因基準利率而導致的公平價值轉變的風險。對沖以支付浮動／收取固定利率掉期合約與定息後償票據的特定發行配對或以支付固定利率／收取浮動利率掉期合約與定息債券和貸款配對，其條款與被對沖項目的關鍵條款一致。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 43(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate subordinated notes issued and fixed rate debt securities investment and loans and advances, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in fair value of a fixed rate debt security or loan are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties and requiring the counterparties to post collateral (see Note 43(a)(x)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks. The Group further supports this qualitative assessment by using cumulative dollar offset method or regression analysis to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

The Group establishes a hedge ratio by aligning the par amount of the hedged fixed-rate loan or note and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met.

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.8.
- The slope of the regression line is within a 0.8–1.25 range.
- The confidence level of the slope is at least 95%.

本集團管理市場風險的方法，包括利率風險詳述於附註43(b)。本集團採用對沖會計的利率風險來其發行定息後償票據、定息債券投資及貸款和墊款，其公平價值在基準利率變動時波動。因定息債券及貸款和墊款的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。對沖會計適用於符合對沖會計條件的經濟對沖關係。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面對衍生工具交易對手的信貸風險，而該風險並未被被對沖項目抵銷。本集團通過與高質量交易對手進行交易，要求交易對手提供抵押品，減低衍生工具交易對手的信用風險（詳見附註43(a)(x)）。

在採用公平價值對沖會計法前，本集團根據被對沖項目和對沖工具的定性特徵評估和支持對沖風險評估的定量分析，以確定被對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的公平價值是否對類似風險反應相似。本集團採用累計價值抵銷法或回歸分析評估對沖工具是否預期及非常有效地抵銷被對沖項目的公平價值變動以進一步支持定性評估。

本集團通過調整對沖定息貸款或票據的面值與指定為對沖工具的利率掉期合約的名義金額來確定對沖比率。根據本集團政策，有效對沖關係應滿足以下所有條件：

- 測量回歸中變量之間相關性的回歸係數(R平方)至少為0.8。
- 回歸線的斜率在0.8–1.25範圍內。
- 斜率的置信水平至少為95%。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

(a) Fair value hedges of interest rate risk (continued)

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- differences in maturities of the interest rate swap and the loans or the debt securities.

At 31st December, 2021, and 2020, the Group held the following interest rate swaps as hedging instruments in fair value hedges of interest risk:

(b) 衍生工具(續)

(iii) 對沖會計(續)

(a) 利率風險的公平價值對沖(續)

在這些對沖關係中，無效對沖部份的主要來源是：

- 交易對手和本集團自身信用風險對利率掉期合約公平價值的影響未能反映在利率變動導致的被對沖項目的公平價值中；及
- 利率掉期和相關貸款或債券的到期日之差異。

於2021年及2020年12月31日，本集團持有以下利率掉期合約作為利率風險公平價值對沖的對沖工具：

		2021 Maturity 到期日		
		Less than 1 year 少於1年	1-5 years 1-5年	More than 5 years 多於5年
Risk category	風險類別			
Interest rate risk	利率風險			
Hedge of debt securities investment	對沖債務證券投資			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	10,122	37,110	35,351
Average fixed interest rate	平均固定利率	2.31%	1.31%	1.53%
Hedge of loans and advances	對沖貸款及墊款			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	—	863	72
Average fixed interest rate	平均固定利率	—	1.77%	0.51%

		2020 Maturity 到期日		
		Less than 1 year 少於1年	1-5 years 1-5年	More than 5 years 多於5年
Risk category	風險類別			
Interest rate risk	利率風險			
Hedge of subordinated notes issued	對沖已發行的後償債券			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	3,876	—	—
Average fixed interest rate	平均固定利率	4.00%	—	—
Hedge of debt securities investment	對沖債務證券投資			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	8,482	38,021	28,059
Average fixed interest rate	平均固定利率	2.53%	1.58%	1.57%
Hedge of loans and advances	對沖貸款及墊款			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	—	771	139
Average fixed interest rate	平均固定利率	—	1.92%	2.12%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

指定為對沖工具及無效對沖金額如下：

		2021		Line item in the consolidated statement of financial position where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognised in profit or loss	Line item in consolidated income statement that includes hedge ineffectiveness
Nominal amount	Carrying amount	Assets	Liabilities				
名義金額	賬面值	資產	負債	包含對沖工具的綜合財務狀況表的項目	公平價值變動以計算無效對沖部份	於損益表內確認的無效對沖部份	包含無效對沖部份的綜合收益表的項目
HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn		HK\$ Mn	HK\$ Mn	
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元		港幣百萬元	港幣百萬元	
Interest rate risk 利率風險							
Interest rate swaps – hedge of debt securities 利率掉期 – 對沖債務證券投資	82,583	591	(2,265)	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	3,090	143	Net hedging profit/ (loss) 對沖溢利/ (虧損)淨額
Interest rate swaps – hedge of loans and advances 利率掉期 – 對沖貸款及墊款	935	9	(18)	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	33	1	Net hedging profit/ (loss) 對沖溢利/ (虧損)淨額

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

(a) Fair value hedges of interest rate risk (continued)

(b) 衍生工具(續)

(iii) 對沖會計(續)

(a) 利率風險的公平價值對沖(續)

	2020			Change in fair value used for calculating hedge ineffectiveness 公平價值變動 以計算無效 對沖部份	Line item in consolidated income statement that includes hedge ineffectiveness 包含無效對沖 部份的綜合 收益表的項目
	Nominal amount 名義金額 HK\$ Mn 港幣百萬元	Carrying amount 賬面值 Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元		
Interest rate risk 利率風險					
Interest rate swaps – hedge of subordinated notes issued 利率掉期 – 對沖已發行後償票據	3,876	45	–	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	31 (2) Net hedging profit/(loss) 對沖溢利/ (虧損)淨額
Interest rate swaps – hedge of debt securities 利率掉期 – 對沖債務證券投資	74,562	22	(4,380)	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	64 Net hedging profit/(loss) 對沖溢利/ (虧損)淨額
Interest rate swaps – hedge of loans and advances 利率掉期 – 對沖貸款及墊款	910	–	(43)	Derivative assets/ (liabilities) 衍生工具資產/ (負債)	– Net hedging profit/(loss) 對沖溢利/ (虧損)淨額

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The amounts relating to items designated as hedged items were as follows:

指定為被對沖項目金額如下：

	2021							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 包含於財務狀況表的已終止調整對沖盈利及虧損的被對沖項目之累計公平價值對沖調整餘額
	Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item 包含於被對沖項目賬面值的累計公平價值對沖調整		Line item in the consolidated statement of financial position where the hedged item is included 包含被對沖項目的綜合財務狀況表的项目	Change in value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部份		
	Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債				
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元				
Debt securities investment 債務證券投資	85,329	-	432	-	Investment securities 投資證券	(2,947)	-	
Loans and advances 貸款及墊款	1,026	-	6	-	Loans and advances to customers 客戶貸款及墊款	(32)	-	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

(a) Fair value hedges of interest rate risk (continued)

(b) 衍生工具(續)

(iii) 對沖會計(續)

(a) 利率風險的公平價值對沖(續)

	2020									
					Line item in the consolidated statement of financial position where the hedged item is included	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item	Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item	已終止調整對沖盈利及虧損的被對沖項目之累計公平價值對沖調整	已終止調整對沖盈利及虧損的被對沖項目之累計公平價值對沖調整餘額
	Assets	Liabilities	Assets	Liabilities	的綜合財務狀況表的項目	以計算無效對沖部份	包含於被對沖項目賬面值的累計公平價值對沖調整	包含於被對沖項目賬面值的累計公平價值對沖調整	包含於被對沖項目賬面值的累計公平價值對沖調整	包含於被對沖項目賬面值的累計公平價值對沖調整餘額
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn						
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元						
Subordinated notes issued	-	3,911	-	38	Loan capital	(33)				-
已發行後償票據					借貸資本					
Debt securities investment	79,232	-	4,390	-	Investment securities	2,212				-
債務證券投資					投資證券					
Loans and advances	1,050	-	38	-	Loans and advances to customers	24				-
貸款及墊款					客戶貸款及墊款					

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

本集團的公平價值對沖主要包括利率掉期，用於抵禦因市場利率變動而導致的定息長期金融工具公平價值變動。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Cash flow hedges of foreign currency risk

The Group uses exchange rate forward contracts to hedge against the variability in cash flows of certain debt securities investments denominated in US dollar held by the insurance subsidiaries. The Group hedges foreign exchange rate risk to the extent of variability in functional currency equivalent cash flows (i.e. in HK dollar) from principal payment of the debt securities attributable to movements in US dollar/HK dollar. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

The Group determines the amount of the exposure to which it applies hedge accounting by assessing the potential impact of changes in foreign currency exchange rates on the future cash flows from the debt securities investments denominated in US dollar that will result in a reduction of functional currency equivalent cash flow to meet the obligation of insurance policies at maturity. This assessment is performed using analytical techniques, such as cash flow sensitivity analysis.

As noted above for fair value hedges, the Group exposes itself to credit risk of the counterparties to the derivatives, which is not offset by the hedged items. This exposure is managed similarly to that for fair value hedges.

The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument 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 cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the notional amount, maturity and underlying currencies.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The dollar offset ratio, being the periodic change in fair value of the hypothetical exchange rate forward contract attributable to changes in forward rate is calculated to assess whether the hedge can achieve 0.8 – 1.25 cumulative dollar offset on each reporting date.

(b) 外匯風險的現金流對沖

本集團使用匯率遠期合約對沖保險附屬公司持有的若干以美元計值的債券投資的現金流量變動。本集團因應美元／港元變動所導致債務證券本金支付以功能貨幣(即以港元)計算的等值現金流量變動進行外匯風險對沖。對沖會計適用於符合對沖會計條件的經濟對沖關係。

本集團通過評估外匯變動對以美元計值的債券投資的未來現金流量可能導致相應功能貨幣減少的潛在影響，確定其應用對沖會計的風險金額現金流量，以滿足到期保險單的責任。該評估使用分析技術進行，例如現金流敏感度分析。

如上文對於公平價值對沖所述，本集團面對衍生工具交易对手的信用風險，而該風險未有被被對沖項目抵銷。這種風險與公平價值對沖的風險管理類似。

本集團根據對這些項目的定性特徵的評估以及支持的對沖風險的定量分析，以確定被對沖項目的現金流量與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的現金流量是否就對沖風險的反應相似，例如以名義金額，到期日及相關貨幣評估。

本集團採用模擬衍生工具方法評估對沖效用，該方法建立一衍生工具作為對沖交易的代理。模擬衍生工具的條款與被對沖項目的關鍵條款一致，並且在開始時其公平價值為零。價值抵銷比率，即由遠期利率變動引起的模擬匯率遠期合約的公平價值的周期性變化，計算以評估對沖是否可在每個報告日期實現0.8–1.25的累計價值抵銷。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

(b) Cash flow hedges of foreign currency risk (continued)

At 31st December, 2021 and 2020, the Group held the following instruments to hedge exposures to changes in foreign currency:

		2021 Maturity 到期日		
		Less than 1 year 少於1年	1–5 years 1–5年	More than 5 years 多於5年
Foreign currency risk	外匯風險			
Exchange rate forward contracts (HKD: USD)	匯率遠期合約(港幣:美元)			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	48	–	–
Average forward price	平均遠期金額	7.72	–	–

		2020 Maturity 到期日		
		Less than 1 year 少於1年	1–5 years 1–5年	More than 5 years 多於5年
Foreign currency risk	外匯風險			
Exchange rate forward contracts (HKD: USD)	匯率遠期合約(港幣:美元)			
Nominal amount (HK\$ Mn)	名義金額(港幣百萬元)	194	48	–
Average forward price	平均遠期金額	7.70	7.72	–

(b) 衍生工具(續)

(iii) 對沖會計(續)

(b) 外匯風險的現金流對沖(續)

於2021年及2020年12月31日，
本集團持有以下工具對沖外匯變動
風險：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

指定為對沖工具及無效對沖金額如下：

	2021							
				Line item in the consolidated statement of financial position where the hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Line item in consolidated income statement that includes hedge ineffectiveness	Line item in consolidated income statement affected by the reclassification
	Carrying amount 賬面值			包含對沖工具的綜合財務狀況表	公平價值變動以計算無效對沖部份	確認於其他全面收益的對沖工具	Hedge income statement that includes hedge ineffectiveness	Amount reclassified from the hedged reserve to profit or loss
	Nominal amount 名義金額	Assets 資產	Liabilities 負債	綜合財務狀況表 的項目	公平價值變動 對沖部份	確認於其他全面 收益的對沖工具	profit or loss 無效對沖部份 綜合收益表的項目	profit or loss 由對沖儲備計入 收益表金額
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Currency rate risk 外匯風險								
Exchange rate forward contracts (HKD: USD) 匯率遠期合約 (港幣：美元)	48	-	-	Other liabilities – liabilities held for sale 其他負債－持有待 出售負債	-	-	- Net insurance profit 保險業務淨溢利	- Net insurance profit 保險業務淨溢利

	2020							
				Line item in the consolidated statement of financial position where the hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Line item in consolidated income statement that includes hedge ineffectiveness	Line item in consolidated income statement affected by the reclassification
	Carrying amount 賬面值			包含對沖工具的綜合財務狀況表	公平價值變動以計算無效對沖部份	確認於其他全面收益的對沖工具	Hedge income statement that includes hedge ineffectiveness	Amount reclassified from the hedged reserve to profit or loss
	Nominal amount 名義金額	Assets 資產	Liabilities 負債	綜合財務狀況表 的項目	公平價值變動 對沖部份	確認於其他全面 收益的對沖工具	profit or loss 無效對沖部份 綜合收益表的項目	profit or loss 由對沖儲備計入 收益表金額
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Currency rate risk 外匯風險								
Exchange rate forward contracts (HKD: USD) 匯率遠期合約 (港幣：美元)	242	-	(1)	Other liabilities – liabilities held for sale 其他負債－持有待 出售負債	-	2	- Net insurance profit 保險業務淨溢利	3 Net insurance profit 保險業務淨溢利

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Hedge accounting (continued)

(b) Cash flow hedges of foreign currency risk (continued)

The amounts relating to items designated as hedged items were as follows:

(b) 衍生工具(續)

(iii) 對沖會計(續)

(b) 外匯風險的現金流對沖(續)

指定為被對沖項目金額如下：

2021			
Line item in the consolidated statement of financial position where the hedged item is included 包含被對沖項目的綜合財務狀況表的項目	Change in value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部分	Cash flow hedge reserve 現金流對沖儲備	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied 不再應用對沖會計法的現金流對沖儲備餘額
HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Currency rate risk 外匯風險			
Debt securities investment 債務證券投資	Other assets – assets held for sale 其他資產－持有作出售資產	–	–
2020			
Line item in the consolidated statement of financial position where the hedged item is included 包含被對沖項目的綜合財務狀況表的項目	Change in value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部分	Cash flow hedge reserve 現金流對沖儲備	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied 不再應用對沖會計法的現金流對沖儲備餘額
HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Currency rate risk 外匯風險			
Debt securities investment 債務證券投資	Other assets – assets held for sale 其他資產－持有作出售資產	(3)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the financial statements were as follows:

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	285	340
Expenditure authorised but not contracted for	已核准支出但未簽約	171	116
		456	456

(c) 資本承擔

於12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

(d) Leases committed but not yet commenced

At 31st December, 2021 and 2020, the total future cash outflows to which the Group (as a lessee) is exposed that are not reflected in the measurement of lease liabilities are as follows:

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Properties	物業		
Within one year	1年以內	10	3
After one year but within five years	1年至5年內	13	10
After five years	5年以後	—	—
		23	13
Equipment	設備		
Within one year	1年以內	—	—
After one year but within five years	1年至5年內	—	—
		—	—
Total lease committed but not yet commenced	已承擔但仍未開始的租賃總額	23	13

(d) 已承擔但仍未開始的租賃

於2021年及2020年12月31日，本集團作為承租人所承擔但並未反映於租賃負債計量中的未來現金流出總額如下：

(e) Contingencies

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

(e) 或有事項

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES 抵銷金融資產及金融負債

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

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

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

		2021							
		Amounts subject to enforceable netting arrangements							
		涉及具法律效力之淨額結算安排之金額							
		Effects of offsetting in the consolidated statement of financial position			Amounts not set off in the consolidated statement of financial position				
		在綜合財務狀況表抵銷之影響			並無在綜合財務狀況表內抵銷之金額				
		Net amounts presented in the consolidated statement of financial position			Amounts not subject to enforceable netting arrangements				
		不涉及具法律效力之淨額結算安排之金額			不涉及具法律效力之淨額結算安排之金額				
		Gross amounts	Amounts offset	於綜合財務狀況表中列示之淨金額	Financial instruments	Non-cash collateral	Cash collateral	Net amounts	Total amounts
		總額	抵銷之金額	之淨金額	金融工具	非現金抵押品	現金抵押品	淨額	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產								
Derivative assets	衍生工具資產	2,724	-	2,724	(2,193)	-	(28)	503	3,381
Placements with and advances to banks – under reverse repos, securities borrowing and similar agreements with banks	在銀行的存款及墊款—與銀行的反向回購或證券借入及相近協議	2,096	-	2,096	-	(2,096)	-	-	2,096
Other assets	其他資產	633	(554)	79	-	-	-	79	79
Total	總額	5,453	(554)	4,899	(2,193)	(2,096)	(28)	582	5,556

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2021							
		Amounts subject to enforceable netting arrangements							
		涉及具法律效力之淨額結算安排之金額							
		Effects of offsetting in the consolidated statement of financial position			Amounts not set off in the consolidated statement of financial position				
		在綜合財務狀況表抵銷之影響			並無在綜合財務狀況表內抵銷之金額				
		Net amounts presented in the consolidated statement of financial position			Amounts not subject to enforceable netting arrangements				
		不涉及			具法律效力				
		Gross amounts	Amounts offset	於綜合財務狀況表中列示之淨金額	Financial instruments	Non-cash collateral	Cash collateral	Net amounts	Total amounts
		總額	抵銷之金額	之淨金額	金融工具	非現金抵押品	現金抵押品	淨額	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial liabilities	金融負債								
Derivative liabilities	衍生工具負債	4,278	-	4,278	(2,193)	-	(59)	2,026	5,050
Deposits and balances of banks	銀行的存款及結餘								
- under repos, securities lending and similar agreements with banks	- 與銀行的回購或證券借出及相近協議	8,918	-	8,918	-	(8,900)	(18)	-	8,918
Deposits from customers	客戶存款								
- under repos, securities lending and similar agreements with non-banks	- 與非銀行的回購或證券借出及相近協議	612	-	612	-	(612)	-	-	612
Other liabilities	其他負債	586	(554)	32	-	-	-	32	32
Total	總額	14,394	(554)	13,840	(2,193)	(9,512)	(77)	2,058	14,612

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED) 抵銷金融資產及金融負債(續)

		2020 (Restated) (重報)								
		Amounts subject to enforceable netting arrangements 涉及具法律效力之淨額結算安排之金額								
		Effects of offsetting in the consolidated statement of financial position 在綜合財務狀況表抵銷之影響			Amounts not set off in the consolidated statement of financial position 並無在綜合財務狀況表內抵銷之金額					
		Net amounts presented in the consolidated statement of financial position			Amounts not subject to enforceable netting arrangements 不涉及					
		Gross amounts 總額 HK\$ Mn 港幣百萬元	Amounts offset 抵銷之金額 HK\$ Mn 港幣百萬元	於綜合財務 狀況表中列示 之淨金額 HK\$ Mn 港幣百萬元	Financial instruments 金融工具 HK\$ Mn 港幣百萬元	Non-cash collateral 非現金抵押品 HK\$ Mn 港幣百萬元	Cash collateral 現金抵押品 HK\$ Mn 港幣百萬元	Net amounts 淨額 HK\$ Mn 港幣百萬元	具法律效力 之淨額結算 安排之金額 HK\$ Mn 港幣百萬元	Total amounts 總額 HK\$ Mn 港幣百萬元
Financial assets	金融資產									
Derivative assets	衍生工具資產	6,583	–	6,583	(2,691)	–	(10)	3,882	1,476	8,059
Loans and advances to customers	客戶貸款及墊款									
– under reverse repos, securities borrowing and similar agreements with non-banks	– 與客戶反向回購或證券 借入及相近協議	1,290	–	1,290	–	(1,290)	–	–	–	1,290
Other assets	其他資產	1,299	(1,213)	86	–	–	–	86	–	86
Total	總額	9,172	(1,213)	7,959	(2,691)	(1,290)	(10)	3,968	1,476	9,435
Financial liabilities	金融負債									
Derivative liabilities	衍生工具負債	8,108	–	8,108	(2,691)	–	(7)	5,410	4,908	13,016
Deposits and balances of banks	銀行的存款及結餘									
– under repos, securities lending and similar agreements with banks	– 與銀行的回購或證券 借出及相近協議	5,470	–	5,470	–	(5,449)	(21)	–	–	5,470
Deposits from customers	客戶存款									
– under repos, securities lending and similar agreements with non-banks	– 與非銀行回購或證券 借出及相近協議	4,500	–	4,500	–	(4,500)	–	–	–	4,500
Other liabilities	其他負債	1,246	(1,213)	33	–	–	–	33	–	33
Total	總額	19,324	(1,213)	18,111	(2,691)	(9,949)	(28)	5,443	4,908	23,019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

47. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

(a) Cash and cash equivalents

- (i) Components of cash and cash equivalents in the consolidated cash flow statement

(a) 現金及等同現金項目

- (i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Cash and balances with banks with original maturity within three months	原本期限為3個月以內之現金及在銀行的結存	43,211	43,025
Placements with and advances to banks with original maturity within three months	原本期限為3個月以內在銀行的存款及墊款	73,012	64,743
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	3,774	4,807
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	–	237
Debt securities with original maturity within three months	原本期限為3個月以內的債務證券	646	887
Add: Cash and balances with banks included in "Assets held for sale" (Note 55)	加：包括在「持有作出售資產」(附註55)的現金及在銀行的結存	3	3
		120,646	113,702

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

47. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

(a) Cash and cash equivalents (continued)

(ii) Reconciliation with the consolidated statement of financial position

(a) 現金及等同現金項目(續)

(ii) 與綜合財務狀況表的對賬

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks (Note 24)	現金及在銀行的結存(附註24)	55,088	56,377
Placements with and advances to banks (Note 25)	在銀行的存款及墊款(附註25)	74,742	66,849
Treasury bills, certificates of deposit held and debt securities	國庫債券、持有存款證及債務證券		
– trading assets (Note 27)	– 交易用途資產(附註27)	1,632	309
– investment securities (Note 29)	– 投資證券(附註29)	145,723	141,620
		147,355	141,929
Add: Cash and balances with banks included in “Assets held for sale” (Note 55)	加：包括在「持有作出售資產」(附註55)的現金及在銀行的結存	3	3
Certificates of deposit held – investment securities included in “Assets held for sale” (Note 55)	包括在「持有作出售資產」持有存款證–投資證券(附註55)	690	–
Debt securities – investment securities included in “Assets held for sale” (Note 55)	包括在「持有作出售資產」債務證券–投資證券(附註55)	1,186	22,464
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表列示的金額	279,064	287,622
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	(146,538)	(160,549)
Cash balance with central bank subject to regulatory restriction	受規管限制的在中央銀行的現金結存	(11,880)	(13,371)
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	120,646	113,702

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

(b) 源自融資活動產生的負債之對賬

下表列載本集團由融資活動產生的負債之變動，包括現金及非現金之變動。源自融資活動產生的負債指在本集團的綜合現金流量表內分類為由融資活動產生的現金流或未來現金流產生的負債。

		Debt securities issued	Loan capital	Debt securities accrued interest payable	Loan capital accrued interest payable	Interest rate swaps held to hedge borrowings (assets)	Interest rate swaps held to hedge borrowings (liabilities)	Total
		已發行債務證券	借貸資本	已發行債務證券之應計利息	借貸資本之應計利息	持有作對沖借款的利率掉期合約(資產)	持有作對沖借款的利率掉期合約負債	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2021	於2021年1月1日	5,057	10,311	89	102	936	(45)	16,450
Changes from financing cash flows	源自融資現金流的變動							
Issue of debt securities	發行債務證券	692	-	-	-	-	-	692
Issue of loan capital	發行借貸資本	-	-	-	-	-	-	-
Redemption of debt securities issued	贖回已發行債務證券	(4)	-	-	-	-	-	(4)
Redemption of loan capital	贖回已發行借貸資本	-	(3,898)	-	-	-	-	(3,898)
Interest paid on loan capital	支付借貸資本利息	-	-	-	(391)	-	-	(391)
Interest paid on debt securities issued	支付已發行債務證券利息	-	-	(125)	-	-	-	(125)
Payment of lease liabilities	支付租賃負債	-	-	-	-	(388)	-	(388)
Total changes from financing cash flows	源自融資現金流的變動總額	688	(3,898)	(125)	(391)	(388)	-	(4,114)
Exchange adjustments	匯兌調整	104	104	-	-	8	-	216
Changes in fair value	公平價值變動	(4)	-	-	-	-	2	(2)
Revaluation under hedge accounting	對沖會計法之重估	-	(38)	-	-	45	-	7
Interest expenses	利息支出	2	9	131	368	29	-	539
Increase in lease liabilities from entering into new leases during the year	年度內訂立新租賃引致租賃負債增加	-	-	-	-	299	-	299
Total other changes	其他變動總額	102	75	131	368	336	45	1,059
At 31st December, 2021	於2021年12月31日	5,847	6,488	95	79	884	2	13,395

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

47. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

(b) Reconciliation of liabilities arising from financing activities (continued)

(b) 源自融資活動產生的負債之對賬(續)

		Debt securities issued	Loan capital	Debt securities accrued interest payable	Loan capital	Lease liabilities	Interest rate swaps held to hedge borrowings (assets)	Interest rate swaps held to hedge borrowings (liabilities)	Total
		已發行債務證券	借貸資本	已發行債務證券之應計利息	借貸資本之應計利息	租賃負債	對沖借款的利率掉期合約(資產)	對沖借款的利率掉期合約負債	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2020	於2020年1月1日	3,181	10,238	84	213	1,107	(113)	27	14,737
Changes from financing cash flows	源自融資現金流的變動								
Issue of debt securities	發行債務證券	1,867	–	–	–	–	–	–	1,867
Issue of loan capital	發行借貸資本	–	4,632	–	–	–	–	–	4,632
Redemption of debt securities issued	贖回已發行債務證券	(163)	–	–	–	–	–	–	(163)
Redemption of loan capital	贖回已發行借貸資本	–	(4,651)	–	–	–	–	–	(4,651)
Interest paid on loan capital	支付借貸資本利息	–	–	–	(560)	–	–	–	(560)
Interest paid on debt securities issued	支付已發行債務證券利息	–	–	(117)	–	–	–	–	(117)
Payment of lease liabilities	支付租賃負債	–	–	–	–	(444)	–	–	(444)
Total changes from financing cash flows	源自融資現金流的變動總額	1,704	(19)	(117)	(560)	(444)	–	–	564
Exchange adjustments	匯兌調整	170	53	–	–	26	–	–	249
Changes in fair value	公平價值變動	–	–	–	–	–	–	–	–
Revaluation under hedge accounting	對沖會計法的重估	–	33	–	–	–	68	(27)	74
Interest expenses	利息支出	2	6	122	449	35	–	–	614
Increase in lease liabilities from entering into new leases during the year	年度內訂立新租賃引致租賃負債增加	–	–	–	–	212	–	–	212
Total other changes	其他變動總額	172	92	122	449	273	68	(27)	1,149
At 31st December, 2020	於2020年12月31日	5,057	10,311	89	102	936	(45)	–	16,450

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

48. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

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

於報告期末，以下資產經已用作本身負債之抵押品。

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Secured liabilities	有抵押負債	9,530	9,969
Assets pledged:	抵押資產：		
Investment securities	投資證券		
– measured at FVOCI	— 按通過其他全面收益以反映公平價值計量	9,950	10,510
– measured at amortised cost	— 按攤銷成本計量	–	103
		9,950	10,613

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品。

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	3	20
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	3,889	10,025
		3,892	10,045

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

49. LOANS TO DIRECTORS AND ENTITIES CONNECTED WITH DIRECTORS

董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額		
By the Bank	由銀行借出	1,749	698
By subsidiaries	由附屬公司借出	–	–
		1,749	698
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額		
By the Bank	由銀行借出	2,977	3,233
By subsidiaries	由附屬公司借出	–	–
		2,977	3,233

As at 31st December, 2021 and 2020, there was no interest due but unpaid and the impairment allowance made against these loans as required under HKFRS 9 were insignificant.

於2021年12月31日及2020年12月31日，沒有逾期未償付利息，面對該等貸款按《香港財務報告準則》第9號所作出之減值準備是不重大的。

50. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 21 and certain of the highest paid employees as disclosed in Note 22, is as follows:

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註21中所披露支付予本行董事及在附註22中所披露支付予本行若干最高薪酬僱員的金額如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Short-term employee benefits	短期僱員福利	182	152
Post-employment benefits	僱員退休福利	8	8
Equity compensation benefits	股份補償福利	19	11
		209	171

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

- (b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(y)(iii). In 2021, the total amount of contributions the Group made to the schemes was HK\$200 million (2020: HK\$201 million).

- (b) 本集團為其職員提供若干退休保障計劃，並已於附註2(y)(iii)披露。於2021年內，本集團對該等計劃的供款總數為港幣2億元（2020年：港幣2.01億元）。

The Group enters into a number of transactions with the Group's related parties, including its associates, shareholders with significant influence, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

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

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

年度內，本集團從關聯人士所收取與支付的利息，及在年末關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel 主要管理人員		Associates 聯營公司		Shareholders with significant influence 有重大影響力之股東	
		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元	2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Interest income	利息收入	18	48	76	52	–	–
Interest expense	利息支出	45	9	–	2	–	1
Amounts due from	關聯人士的欠款	1,847	2,512	1,767	1,473	4,187	842
Amounts due to	欠關聯人士的款項	2,209	1,242	329	132	44	49
Maximum amounts due from	關聯人士的最高欠款	2,057	4,330	2,517	2,471	8,863	7,434
Maximum amounts due to	欠關聯人士的最高款項	5,234	4,807	487	639	745	200
Committed facilities to	給予信貸承諾	395	974	1,807	1,200	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

51. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees of the Group, including Executive Director and Co-Chief Executives, options to subscribe for ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。所有認股權均以無計價款形式發出。

(a) Particulars of share options

(a) 認股權詳情

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
03/5/2013(T3)	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014(T2)	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014(T3)	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015(T1)	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015(T2)	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015(T3)	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016(T1)	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016(T2)	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016(T3)	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017(T1)	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017(T2)	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017(T3)	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018(T1)	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018(T2)	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018(T3)	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019(T1)	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019(T2)	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019(T3)	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45
07/4/2020(T1)	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020(T2)	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020(T3)	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58
13/4/2021(T1)	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021(T2)	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021(T3)	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Movement of share options during the year

(b) 年內認股權之變動

2021		Exercise price per share	Outstanding at 1/1/2021 於2021年 1月1日 尚未行使	Number of share options 認股權數目			Outstanding at 31/12/2021 於2021年 12月31日 尚未行使
Date of grant	Tranche			Granted	Exercised	Lapsed	
授予日期	部分	每股行使價 HK\$ 港幣元		已授予	已行使	已失效	
03/5/2013	T3	31.40	1,840,000	–	–	1,840,000	–
02/5/2014	T2	32.50	1,942,000	–	–	1,942,000	–
02/5/2014	T3	32.50	1,953,500	–	–	50,000	1,903,500
04/5/2015	T1	34.15	2,030,000	–	–	2,030,000	–
04/5/2015	T2	34.15	2,030,000	–	–	50,000	1,980,000
04/5/2015	T3	34.15	2,005,746	–	–	50,000	1,955,746
08/4/2016	T1	28.45	1,064,000	–	–	–	1,064,000
08/4/2016	T2	28.45	1,996,000	–	–	50,000	1,946,000
08/4/2016	T3	28.45	2,096,500	–	–	50,000	2,046,500
07/4/2017	T1	32.25	2,130,000	–	–	50,000	2,080,000
07/4/2017	T2	32.25	2,130,000	–	–	50,000	2,080,000
07/4/2017	T3	32.25	1,600,500	–	–	37,500	1,563,000
10/4/2018	T1	32.25	2,225,000	–	–	100,000	2,125,000
10/4/2018	T2	32.25	1,663,500	–	–	50,000	1,613,500
10/4/2018	T3	32.25	1,673,000	–	–	–	1,673,000
19/7/2019	T1	22.45	1,543,500	–	–	50,000	1,493,500
19/7/2019	T2	22.45	1,543,500	–	–	–	1,543,500
19/7/2019	T3	22.45	1,550,500	–	–	–	1,550,500
07/4/2020	T1	16.58	1,778,165	–	–	–	1,778,165
07/4/2020	T2	16.58	1,785,328	–	–	–	1,785,328
07/4/2020	T3	16.58	1,818,336	–	–	–	1,818,336
13/4/2021	T1	17.08	–	1,443,797	–	–	1,443,797
13/4/2021	T2	17.08	–	1,443,906	–	–	1,443,906
13/4/2021	T3	17.08	–	1,448,850	–	–	1,448,850
Total 總額			38,399,075	4,336,553	–	6,399,500	36,336,128

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

51. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

(b) Movement of share options during the year (continued)

(b) 年內認股權之變動(續)

2020				Number of share options 認股權數目			
Date of grant	Tranche	Exercise price per share	Outstanding at 1/1/2020	Granted	Exercised	Lapsed/ Cancelled	Outstanding at 31/12/2020
授予日期	部分	每股行使價 HK\$港幣元	於2020年 1月1日 尚未行使	已授予	已行使	已失效/已註銷	於2020年 12月31日 尚未行使
10/5/2012	T3	28.99	1,172,000	–	–	1,172,000	–
03/5/2013	T2	31.40	1,114,000	–	–	1,114,000	–
03/5/2013	T3	31.40	1,840,000	–	–	–	1,840,000
02/5/2014	T1	32.50	1,812,000	–	–	1,812,000	–
02/5/2014	T2	32.50	1,942,000	–	–	–	1,942,000
02/5/2014	T3	32.50	1,953,500	–	–	–	1,953,500
04/5/2015	T1	34.15	2,030,000	–	–	–	2,030,000
04/5/2015	T2	34.15	2,030,000	–	–	–	2,030,000
04/5/2015	T3	34.15	2,005,746	–	–	–	2,005,746
08/4/2016	T1	28.45	1,064,000	–	–	–	1,064,000
08/4/2016	T2	28.45	1,996,000	–	–	–	1,996,000
08/4/2016	T3	28.45	2,096,500	–	–	–	2,096,500
07/4/2017	T1	32.25	2,130,000	–	–	–	2,130,000
07/4/2017	T2	32.25	2,130,000	–	–	–	2,130,000
07/4/2017	T3	32.25	2,140,000	–	–	539,500 [#]	1,600,500
10/4/2018	T1	32.25	2,225,000	–	–	–	2,225,000
10/4/2018	T2	32.25	2,225,000	–	–	50,000	
						511,500 [#]	1,663,500
10/4/2018	T3	32.25	2,237,500	–	–	50,000	
						514,500 [#]	1,673,000
19/7/2019	T1	22.45	1,947,000	–	–	403,500 [#]	1,543,500
19/7/2019	T2	22.45	1,947,000	–	–	403,500 [#]	1,543,500
19/7/2019	T3	22.45	1,956,000	–	–	405,500 [#]	1,550,500
07/4/2020	T1	16.58	–	1,778,165	–	–	1,778,165
07/4/2020	T2	16.58	–	1,785,328	–	–	1,785,328
07/4/2020	T3	16.58	–	1,818,336	–	–	1,818,336
Total 總額			39,993,246	5,381,829	–	6,976,000	38,399,075

Share options were forfeited and cancelled.

被撤銷並註銷的認股權。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(c) There were no share option forfeited and cancelled during the year ended 31st December, 2021. In 2020, the following share options were forfeited and cancelled.

(c) 截至2021年12月31日止年度內並無被撤銷並註銷的認股權。在2020年，被撤銷並註銷的認股權如下：

Date of Grant	Tranche	No. of share options forfeited and cancelled	Exercise price per share
授予日期	部分	被撤銷並註銷的認股權數目	每股行使價 HK\$ 港幣元
07/4/2017	T3	539,500	32.25
10/4/2018	T2	511,500	32.25
10/4/2018	T3	514,500	32.25
19/7/2019	T1	403,500	22.45
19/7/2019	T2	403,500	22.45
19/7/2019	T3	405,500	22.45

52. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

在編製本綜合財務報表時，管理層經已作出若干對應本集團會計政策及所匯報的資產、負債、收入及支出之金額披露有影響的判斷、估計和假定。最終結果與該等估計可能不盡相同。

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

估計及相關假定會定期作檢討。估計之修改不會被追溯確認。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

52. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)

(a) Key sources of estimation uncertainty

Notes 32, 39 and 44 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Note 43(a)(viii): impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information.

Note 31: impairment testing of investments in associates involves significant judgement in determining the value in use, and in particular estimating the present values of cash flows expected to arise from continuing to hold the investment.

(ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised pricing models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management estimation are usually required for selection of the appropriate valuation model, assumptions and inputs to be used.

(iii) Provisions for tax uncertainties

The Group makes provisions for tax uncertainties by either estimating the most likely amount, which is the single most likely amount in a range of possible outcomes, or the expected value in a range of possible outcomes. The estimate could be different from the actual results of resolution. Any increase or decrease in the provision would affect profit or loss in future years.

(a) 估計不穩定因素的主要來源

附註 32、39 和 44 載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

(i) 減值損失

附註 43(a)(viii)：金融工具減值涉及決定預期信貸損失計量模型的計算因素，包括植入具前瞻性的資料。

附註 31：聯營公司投資的減值測試包括估計使用值的重大判斷，及估算因持續持有該投資而產生的預計現金流的現值。

(ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註 2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式，以及其他市場廣泛應用的期權估值模式。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算，或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值。一般而言，管理層亦會對揀選適當的估值模式、假設及參數。

(iii) 稅務不確定性之撥備

本集團對稅務之不確定性會以最大可能，即最具可能性或預期價值的結果範圍內，作出撥備。該估計值可能與實際情況有差異。撥備的任何增加或減少將影響未來年度的損益。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

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

(i) Classification of financial assets

Note 2(h)(ii): assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

(ii) Measurement of ECL

Note 43(a)(viii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

(iii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

(i) 金融資產分類

附註 2(h)(ii)：評估持有資產的商業模型，即金融資產合約期內是否純粹是本金及按本金結餘的利息支付。

(ii) 預期信貸損失計量

附註 43(a)(viii)：訂立標準以決定金融資產的信貸風險是否比初始確認時經已大幅增加及制定方法以植入具前瞻性計量預期信貸損失的資料及選擇模型以計算預期信貸損失。

(iii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

53. COMPARATIVE FIGURES 比較數字

Certain 2020 comparative figures have been restated to conform to current year's presentation. Please refer to Note 7 and Note 46 for the effect of restatement.

若干 2020 年的比較數字經已重報以符合本年度的呈報方式。請參閱附註 7 及附註 46 中所述的重報影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

54. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

毋須調整的報告期結束日後的事件

After the end of the reporting period the directors declared a second interim dividend. Further details are disclosed in Note 19(a).

On 28th January 2022, the Bank announced that it intends to repurchase 8.43% of the Bank's total number of issued shares beneficially owned by Elliott Investment Management's affiliated entities (the "Elliott Parties") (the "Share Buy-back"). The Share Buy-back constitutes an off-market share buy-back by the Bank under the Code on Share Buy-backs issued by the Securities and Futures Commission of Hong Kong. The price for each share to be bought back shall be HK\$11.78 and the total consideration for the Share Buy-back shall be HK\$2,904 million. This transaction will be settled in cash by the Bank from its internal resources, and upon completion, the shares being acquired will be transferred to the Bank and cancelled. The Share Buy-back will result in an increase in the consolidated net asset value per share attributable to the Bank's shareholders of approximately 6% based on the audited consolidated statement of financial position as at 31st December, 2021. A circular for the possible off-market share buy-back will be dispatched on or before 11 March 2022, followed by an extraordinary general meeting ("EGM") to be held in the near future. As at the date of this Annual Report, the Share Buy-back is subject to certain conditions including the approval from at least three-fourths of the votes by independent shareholders present in person or by proxy at the EGM.

董事於報告期結束後擬派發第二次中期股息。詳情已在附註19(a)作披露。

於2022年1月28日，本行公布回購Elliott Investment Management之附屬公司(「Elliott方」)所持有的股份(「股份回購」)，相當於本行已發行股份總數的8.43%。股份回購在香港證券及期貨事務監察委員會頒布的股份回購守則下構成本行的場外股份回購。每股回購價為港幣11.78元，而股份回購的總代價為港幣29.04億元。此次交易將由本行內部資源以現金支付。交易完成後，回購股份將轉讓予本行並予以註銷。根據本集團於2021年12月31日的經審核綜合資產負債表，股份回購將可提升每股股東應佔綜合資產淨值約6%。有關擬於場外進行股份回購的通函將於2022年3月11日或之前寄發，隨後在短期內舉行股東特別大會。於本年報日期，股份回購有待若干條件，包括股東特別大會上獲親身或委任代表出席的獨立股東在投票表決中以至少四分之三票數批准。

55. ASSETS HELD FOR SALE 持有作出售資產

The assets held for sale and liabilities held for sale after elimination of inter-companies balances are summarised below:

持有作出售之資產及負債，並撇銷與本集團屬下業務公司之間的交易摘要如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Assets held for sale (Note 34)	持有作出售資產(附註34)		
Disposal groups held for sale (Note)	持有作出售組別(註)	2,232	26,620
Other properties	其他物業	32	37
		2,264	26,657
Liabilities held for sale (Note 37)	持有作出售負債(附註37)		
Disposal groups held for sale (Note)	持有作出售組別(註)	1,637	26,864

Note:

2021: Include Blue Cross (Asia-Pacific) Insurance Limited

2020: Include BEA Life Limited and legacy life insurance portfolio of Blue Cross (Asia-Pacific) Insurance Limited. The sale of BEA Life Limited was completed on 1st September, 2021. The sale of the legacy life insurance portfolio of Blue Cross (Asia-Pacific) Insurance Limited is still subject to both regulatory approval and consent of the Hong Kong court at 31st December, 2021.

註：

2021：包括藍十字(亞太)保險有限公司

2020：包括東亞人壽保險有限公司及藍十字(亞太)保險有限公司所提供的剩餘人壽保險業務組合。於2021年9月1日，本集團已完成出售東亞人壽保險有限公司。於2021年12月31日，出售藍十字(亞太)保險有限公司的剩餘人壽保險業務組合的交易仍有待監管部門批准及香港法院同意。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

The assets and liabilities of the disposal groups held for sale after elimination of inter-companies balances are summarised below:

持有作出售之出售組合的資產和負債，並撇銷與本集團屬下業務公司之間的交易摘要如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
ASSETS	資產		
Cash and balances with banks	現金及在銀行的結存	3	3
Investment securities	投資證券	1,926	25,920
Fixed assets	固定資產	34	9
– Investment properties	– 投資物業	–	–
– Other properties and equipment	– 其他物業及設備	33	9
– Right-of-use assets	– 使用權資產	1	–
Goodwill	商譽	14	–
Other assets	其他資產	255	688
Assets held for sale	持有作出售資產	2,232	26,620
LIABILITIES	負債		
Derivative liabilities	衍生工具負債	–	1
Current taxation	本年稅項	4	39
Deferred tax liabilities	遞延稅項負債	5	1
Other liabilities	其他負債	1,628	26,823
Liabilities held for sale	持有作出售負債	1,637	26,864

As at 31st December 2021, the total equity of the disposal groups attributable to the Group was HK\$770 million (2020: HK\$2,688 million).

於2021年12月31日，可歸屬於本集團之出售組合的股東權益總額為港幣7.7億元（2020年：港幣26.88億元）。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

55. ASSETS HELD FOR SALE (CONTINUED) 持有作出售資產(續)

Investment Securities

投資證券

		2021			
		Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
		強制按通過損益以 反映公平價值計量	按通過其他全面 收益以反映 公平價值計量	按攤銷 成本計量	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Certificates of deposits held	持有存款證	-	690	-	690
Debt securities	債務證券	26	1,160	-	1,186
Equity securities	股份證券	50	-	-	50
		76	1,850	-	1,926

		2020			
		Mandatorily measured at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
		強制按通過損益以 反映公平價值計量	按通過其他全面 收益以反映 公平價值計量	按攤銷 成本計量	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Debt securities	債務證券	1,272	19,088	2,104	22,464
Equity securities	股份證券	1,026	-	-	1,026
Investment funds	投資基金	2,430	-	-	2,430
		4,728	19,088	2,104	25,920

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

有關持有作出售組別在其他全面收益內確認之累計收入如下：

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Cumulative income recognised in other comprehensive income	確認在其他全面收益內之 累計收入	(36)	707

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

56. EXPOSURES TO INTERBANK OFFERED RATES 銀行同業拆借利率風險

The following table shows outstanding amounts of financial instruments referencing the interest rate benchmarks that have yet to transit to alternative benchmark rates as at 31st December 2021, excluding the financial instruments that will expire before the transition date. The amounts of financial assets and liabilities are shown at gross carrying amounts, and derivatives are shown at notional amounts.

下表載列了截至2021年12月31日參考利率基準而又尚未過渡至替代基準利率的金融工具之餘額，並不包括將在過渡日之前到期的金融工具。金融資產和負債的金額以賬面值總額列示，而衍生工具則以名義金額列示。

		2021							
		Gross Carrying Amount/Notional Amount							
		賬面值總額／名義金額							
		USD LIBOR	EUR LIBOR	GBP LIBOR	HIBOR	SG Swap	Bank Bill	Bank Bill	
		美元倫敦	歐元倫敦	英鎊倫敦	香港	Offer Rate	Swap Rate	Benchmark	Other
		銀行同業	銀行同業	銀行同業	銀行同業	新加坡元	銀行票據	銀行票據	銀行同業
		拆借利率	拆借利率	拆借利率	拆借利率	掉期利率	掉期利率	基準利率	拆借利率
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產								
Loans and advances to customers	客戶貸款及墊款	36,270	1	5,444	209,803	3,840	2,184	-	14,967
Placements with and advances to banks	在銀行的存款及墊款	4,571	-	-	4,860	-	-	-	-
Negotiable debt instruments held, including negotiable certificates of deposit	已持有可轉讓債務工具，包括可轉讓存款證	94	-	-	550	-	2,078	-	-
Total Asset	資產總額	40,935	1	5,444	215,213	3,840	4,262	-	14,967
Liabilities	負債								
Deposits from customers	客戶存款	-	-	-	1,918	-	-	-	-
Certificate of deposit and debt securities issued	已發行存款證及債務證券	2,713	-	-	230	-	-	-	-
Total liabilities	負債總額	2,713	-	-	2,148	-	-	-	-
Derivatives	衍生工具								
Interest rate swaps	利率掉期	60,612	-	-	78,535	173	10,544	599	10,196
Cross currency swaps	交叉貨幣掉期	2,889	-	-	1,458	-	2,406	1,148	2,296
Other derivatives	其他衍生工具	234	-	-	1,317	-	28	-	-
Gross total derivatives	衍生工具總額	63,735	-	-	81,310	173	12,978	1,747	12,492

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

56. EXPOSURES TO INTERBANK OFFERED RATES (CONTINUED) 銀行同業拆借利率風險(續)

The Group has fair value hedge accounting relationships maturing beyond the anticipated cessation date for IBORs. Significant judgement will be required in determining when uncertainty is expected to be resolved and when targeted relief will cease to apply. As at 31st December 2021, the Group believes uncertainty continues to exist as to when and how the replacement may occur with respect to the relevant derivative hedging instruments, and so the targeted reliefs apply to the Group's hedge accounting relationships that reference benchmarks subject to reform or replacement.

As at 31st December 2021, the details of derivative instruments designated in fair value hedge accounting relationships linked to IBORs, excluding the derivative instruments that will expire before the transition date, are as follows:

本集團的公平價值對沖會計關係在銀行同業拆借利率的預期終止日後到期。於釐定何時能解決因銀行同業拆借利率改革所引起的不確定因素，並停止應用有關豁免，須運用重大判斷。於2021年12月31日，本集團認為有關衍生對沖工具何時以及如何進行替代仍存在不確定性，故此，有關豁免適用於本集團所有對沖會計關係，當中的參考基準可予改革或取代。

於2021年12月31日，下表載列了與銀行同業拆借利率相關的按公平價值對沖會計關係指定的衍生工具，但不包括將在過渡日之前到期的衍生工具：

		2021	
		Notional designated 指定名義金額	Weighted average exposure years 加權平均承擔年期
		HK\$ Mn 港幣百萬元	
Interest rate swaps	利率掉期		
USD LIBOR	美元倫敦銀行同業拆借利率	49,680	3.90
Bank Bill Swap Rate	澳元銀行票據掉期利率	10,529	0.96
HIBOR	香港銀行同業拆借利率	2,541	0.16
Bank Bill Benchmark Rate	紐西蘭元銀行票據基準利率	599	0.02
SG Swap Offer Rate	新加坡元掉期利率	173	0.01
Other IBOR	其他銀行同業拆借利率	4,632	0.21
		68,154	5.26

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

57. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2021

在截至2021年12月31日止年度前已公布但尚未生效的修訂、新準則和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments to standards and new standards which are not yet effective for the year ended 31st December, 2021 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至2021年12月31日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

	Effective for accounting periods beginning on or after 由會計期開始或以後起生效
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i> 《香港財務報告準則》第3號之修訂「概念框架之引述」	1st January, 2022 2022年1月1日
Amendments to HKAS 16, <i>Property, Plant and Equipment: Proceeds before Intended Use</i> 《香港會計準則》第16號之修訂「物業、廠房及設備：預定使用前之款項」	1st January, 2022 2022年1月1日
Amendments to HKAS 37, <i>Onerous Contracts – Cost of Fulfilling a Contract</i> 《香港會計準則》第37號之修訂「虧損合約：履行合約的成本」	1st January, 2022 2022年1月1日
Annual Improvements to HKFRSs 2018 – 2020 Cycle 每年對《香港財務報告準則》之提升2018至2020循環	1st January, 2022 2022年1月1日
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-current</i> 《香港會計準則》第1號之修訂「流動及非流動負債的分類」	1st January, 2023 2023年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of accounting policies</i> 《香港會計準則》第1號及《香港財務報告準則實務公告》第2號之修訂「會計政策之披露」	1st January, 2023 2023年1月1日
Amendments to HKAS 8, <i>Definition of accounting estimates</i> 《香港會計準則》第8號之修訂「會計估計之定義」	1st January, 2023 2023年1月1日
Amendments to HKAS 12, <i>Deferred tax related to assets and liabilities arising from a single transaction</i> 《香港會計準則》第12號之修訂「與單一交易所產生之資產及負債有關之遞延稅項」	1st January, 2023 2023年1月1日
HKFRS 17 and amendments to HKFRS 17, <i>Insurance Contracts</i> 《香港財務報告準則》第17號「保險合約」及其修訂	1st January, 2023 2023年1月1日

The Group is in the process of making an assessment of what the impact of these amendments and new standards are expected to be in the period of initial application. So far the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估該等修訂和新準則對首個應用期可能產生的影響。至今所得結論是若採納該等修訂、新準則和詮釋對本集團的綜合財務報表不可能構成重大影響。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the audited financial statements.

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by the HKMA.

編制補充財務資料是根據《銀行業（披露）規則》及金管局核準的綜合監管要求。

(1) CAPITAL ADEQUACY 資本充足

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Capital base	股本基礎		
– Common Equity Tier 1 capital	– 普通股權一級資本	86,487	81,784
– Additional Tier 1 capital	– 額外一級資本	13,968	13,968
– Total Tier 1 capital	– 一級資本總額	100,455	95,752
– Tier 2 capital	– 二級資本	9,262	12,669
– Total capital	– 資本總額	109,717	108,421
Risk weighted assets by risk type	風險加權資產類別		
– Credit risk	– 信貸風險	467,566	453,886
– Market risk	– 市場風險	11,788	11,516
– Operational risk	– 營運風險	31,054	32,285
		510,408	497,687
Less: Deductions	減：扣除	(3,099)	(3,145)
		507,309	494,542
		2021 % 百分率	2020 % 百分率
Common Equity Tier 1 capital ratio	普通股權一級資本比率	17.0	16.5
Tier 1 capital ratio	一級資本比率	19.8	19.4
Total capital ratio	總資本比率	21.6	21.9

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

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

以下附屬公司並未包括在用作監管用途之綜合計算內：

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Ample Delight Limited 承悅有限公司	Investment holding 投資控股	324		324	
BC (BVI) Holdings Limited	Investment holding 投資控股	16		16	
BEA Consortium GS Investors L.P.	Acting as a limited partner for the purpose of making investment in private equity fund 出任有限責任合夥人用作投資予私募基金	21		21	
BEA Insurance Agency Limited 東亞保險代理有限公司	Insurance agency 保險代理	—		—	
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Asset management 資產管理	627		542	
BEA Union Investment Management (Shenzhen) Limited 東亞聯豐投資管理(深圳)有限公司	Asset management/Investment management 資產管理／投資管理	13		10	
Blue Care (BVI) Holdings Limited	Investment holding 投資控股	16		16	
Blue Care JV (BVI) Holdings Limited	Investment holding 投資控股	20		17	
Blue Care Medical Services Limited 寶康醫療服務有限公司	Medical services 醫療服務	53		44	
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Insurance 保險	2,369		741	
Central Town Limited 滙中興業有限公司	Property investment 物業投資	764		639	
Century Able Limited 階潤有限公司	Investment holding 投資控股	88		88	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership 出任普通合夥人及有限責任合夥人	1	1
Corona Light Limited	Investment holding 投資控股	930	930
Crystal Gleaming Limited	Investment holding 投資控股	930	930
Dragon Jade Holdings Company Limited 卓領控股有限公司	Investment holding 投資控股	1,127	1,127
EA Securities Limited	Investment holding 投資控股	–	(63)
East Asia Financial Services (BVI) Ltd.	Investment holding 投資控股	–	–
East Asia Futures Limited 東亞期貨有限公司	Futures and options trading 期貨及期權交易	58	58
East Asia Indonesian Holdings Limited	Investment holding 投資控股	2	1
East Asia International Trustees Holdings (BVI) Limited	Investment holding 投資控股	10	10
East Asia International Trustees Limited	Trustee services 信託服務	42	39
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Investment holding 投資控股	–	(47)
East Asia Property Agency Company Limited 東亞物業代理有限公司	Property agency 物業代理	9	9
East Asia Qianhai Holdings Company Limited 東亞前海控股有限公司	Investment holding 投資控股	224	224
East Asia Secretaries Limited 東亞秘書有限公司	Secretarial services 秘書服務	–	–
East Asia Securities Company Limited 東亞證券有限公司	Securities broking 證券買賣	1,355	1,065
Golden Empire International Inc.	Property investment 物業投資	1	1
Leader One Limited	Investment holding 投資控股	1	1
Manchester Property Holdings Ltd.	Property holding 物業持有	33	18
Quantum Hong Kong Holdings Company Limited 君騰香港控股有限公司	Investment holding 投資控股	77	77
Red Phoenix Limited	Leasing of motor vehicles 汽車租賃	2	2
Shaftesbury Property Holdings Limited	Investment holding 投資控股	56	56

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
Shaftesbury Property Investments Limited	Investment holding 投資控股	38	38
Shanghai Lingxie Business Consulting Co. Ltd. 上海領偕商務諮詢有限公司	Business information consulting, corporate management consulting 商業資訊諮詢、企業管理諮詢	221	221
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership 出任普通合夥人及有限責任合夥人	9	9
Silver Sunlight Limited	Acting as the general partner of a limited partnership 出任普通合夥人	–	–
Skyray Holdings Limited	Investment holding 投資控股	450	450
Speedfull Limited	Investment holding 投資控股	450	450
The Bank of East Asia (Nominees) Limited 東亞銀行受託代管有限公司	Nominee services 受託代管服務	–	–
The Bank of East Asia (Nominees) Private Limited	Trustee, fiduciary and custody services 信託、代理及託管服務	–	–
Travelsafe Limited	Dormant 不活動	–	–
U Care Hong Kong Medical Limited 明康醫療香港有限公司	Medical services 醫療服務	26	(12)
United Chinese (Nominee) Limited	Dormant 不活動	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

There are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but where the method of consolidation differs at 31st December, 2021.

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation at 31st December, 2021.

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2021 (31st December, 2020: Nil) which are not included in the Group's consolidation for regulatory purposes.

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

For the purpose of compliance with the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolutions) (Loss-absorbing Capacity Requirements – Banking Sector) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

並未有已包括在用會計範疇及監管範疇之綜合賬的附屬公司，而於2021年12月31日其綜合計算方法是不相同的。

於2021年12月31日，並未有附屬公司已包括在用會計監管範疇之綜合賬但並未包括在用會計範疇之綜合賬內。

於2021年12月31日(2020年12月31日：無)，本集團之附屬公司並無有關資本不足而未有包括在本集團用作監管用途之綜合賬內。

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

為符合《銀行業(披露)規則》及《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可於本行網站該節內找到，只要瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

(2) LEVERAGE RATIO 槓桿比率

		2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
Total Tier 1 capital	一級資本總額	100,455	95,752
Exposure measure	風險承擔計量	941,722	879,956
		% 百分率	% 百分率
Leverage ratio	槓桿比率	10.7	10.9

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料 (續)

(3) LIQUIDITY POSITION 流動資金狀況

Liquidity coverage ratio

流動性覆蓋比率

Average liquidity coverage ratio	平均流動性覆蓋比率
– First quarter	– 第一季
– Second quarter	– 第二季
– Third quarter	– 第三季
– Fourth quarter	– 第四季

2021 % 百分率	2020 % 百分率
189.4	178.1
177.3	177.7
180.9	175.9
182.4	183.8

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

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

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

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

Net stable funding ratio

穩定資金淨額比率

Total available stable funding	可用穩定資金總額
Total required stable funding	所需穩定資金總額

2021 HK\$ Mn 港幣百萬元	2020 HK\$ Mn 港幣百萬元
562,512	540,767
486,536	455,969

Net stable funding ratio	穩定資金淨額比率
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2021 % 百分率	2020 % 百分率
115.6	118.6

The net stable funding ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2018. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

穩定資金淨額比率是根據由2018年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS

逾期、經重組及收回資產

(a) Overdue and rescheduled advances to customers

(a) 逾期及經重組客戶墊款

		2021		2020	
		HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
		港幣百萬元	佔客戶墊款總額的百分比	港幣百萬元	佔客戶墊款總額的百分比
Advances to customers overdue for	逾期客戶墊款				
– 6 months or less but over 3 months	– 3個月以上至6個月	948	0.2	776	0.2
– 1 year or less but over 6 months	– 6個月以上至1年	1,014	0.2	870	0.2
– Over 1 year	– 1年以上	489	0.1	1,167	0.2
		2,451	0.5	2,813	0.6
Rescheduled advances to customers	經重組客戶墊款	262	0.0	166	0.0
Total overdue and rescheduled advances	逾期及經重組墊款總額	2,713	0.5	2,979	0.6
Covered portion of overdue advances	逾期墊款涵蓋部份	1,932	0.4	1,878	0.4
Uncovered portion of overdue advances	逾期墊款非涵蓋部份	519	0.1	935	0.2
Current market value of collateral held against the covered portion of overdue advances	逾期墊款涵蓋部份之抵押品市值	3,518		5,007	
Specific provisions made on advances overdue for more than 3 months	逾期3個月以上墊款的特殊準備	1,310		1,578	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

An asset considered as an eligible collateral should generally satisfy the following:

- The market value of the asset is readily determinable or can be reasonably established and verified;
- The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- The Bank's right to repossess the asset is legally enforceable and without impediment; and
- The Bank is able to secure control over the asset if necessary.

有明確到期日之貸款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

可視作合格抵押品的資產須符合下列條件：

- 該資產的市值是可即時決定的或是可合理地確定及證實的；
- 該資產是有市價的及有二手市場可即時將該資產出售；
- 本行收回資產的權利是有法律依據及沒有障礙的；及
- 本行在有需要時可對該資產行使控制權。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料 (續)

The two main types of “Eligible Collateral” are as follows:

- (i) “Eligible Financial Collateral” mainly comprises cash deposits and shares.
- (ii) “Eligible Physical Collateral” mainly comprises land and buildings, vehicles and equipment.

When the Bank's clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling / restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

(b) Overdue and rescheduled advances to banks

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表／債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

(b) 逾期及經重組銀行墊款

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Advances to banks overdue for	逾期銀行墊款		
– 6 months or less but over 3 months	– 3個月以上至6個月	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–
– Over 1 year	– 1年以上	–	–
Rescheduled advances to banks	經重組銀行墊款	–	–
Total overdue and rescheduled advances	逾期及經重組墊款總額	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

逾期、經重組及收回資產(續)

(c) Other overdue and rescheduled assets

(c) 其他逾期及經重組資產

		2021		2021	
		Accrued interest	Debt securities	Other assets*	
		應計利息	債務證券	其他資產*	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	13	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	17	–	–	–
– Over 1 year	– 1年以上	36	–	–	–
		66	–	–	–
Rescheduled assets	經重組資產	3	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	69	–	–	–

		2020		2020	
		Accrued interest	Debt securities	Other assets*	
		應計利息	債務證券	其他資產*	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	8	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	20	–	–	–
– Over 1 year	– 1年以上	73	–	–	–
		101	–	–	–
Rescheduled assets	經重組資產	–	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	101	–	–	–

* Other assets refer to trade bills and receivables.

* 其他資產是指貿易票據及應收款項。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料 (續)

(d) Repossessed assets

		2021	2020
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Reposessed land and buildings <i>(Note)</i>	收回土地及建築物 <i>(註)</i>	195	211
Reposessed vehicles and equipment	收回汽車及設備	–	28
Reposessed machines	收回機器	–	–
Total reposessed assets	收回資產總額	195	239

The amount represents the estimated market value of the reposessed assets as at 31st December.

Note: The balance included HK\$14 million (2020: HK\$52 million) relating to properties that were contracted for sale but not yet completed.

此等金額指於12月31日收回資產的估計市值。

註：結餘中並包括港幣1,400萬元(2020年：港幣5,200萬元)已簽約出售但仍未成交的物業。

(5) BANKING DISCLOSURE STATEMENT 銀行業披露報表

Additional information disclosures for this year which are prepared in accordance with the Banking (Disclosure) Rules, the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

本年的額外資料披露是根據《銀行業(披露)規則》、《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

GLOSSARY

詞彙

2021 Scheme 「2021 計劃」	Staff Share Option Scheme approved by the shareholders of the Bank on 6th May, 2021 and adopted on 6th May, 2021 於2021年5月6日經股東批准及於2021年5月6日採納的僱員認股計劃
2021 AGM 「2021 股東周年常會」	An AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Thursday, 6th May, 2021 at 11:30 a.m. 本行於2021年5月6日星期四上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會
2022 AGM 「2022 股東周年常會」	An AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 6th May, 2022 at 11:30 a.m. or any adjournment thereof 本行將於2022年5月6日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會
AC 「審核委員會」	The Audit Committee of the Bank 本行的審核委員會
ACM 「審核委員會會議」	Audit Committee Meeting 審核委員會會議
AGM 「股東周年常會」	An Annual General Meeting of the Bank 本行的股東周年常會
Article of Association 「組織章程細則」	The articles of association of the Bank (as amended, modified or otherwise supplemented from time to time) 本行的組織章程細則，經不時修訂、修改或以其他方式補充
AUM 「管理資產」	Assets under management 管理資產
Bank Culture Reform 「銀行企業文化改革」	The circular in respect of Bank Culture Reform, issued by the HKMA on 2nd March, 2017 金管局於2017年3月2日發出之銀行企業文化改革通告
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 「《銀行業條例》」	The Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BM 「董事會會議」	Board Meeting 董事會會議
Board 「董事會」	Board of Directors of the Bank 本行的董事會
BVI 「英屬處女群島」	British Virgin Islands 英屬處女群島
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業(資本規則)》
CAR 「資本充足率」	Capital Adequacy Ratio 資本充足率
CG Code 「《企業管治守則》」	Corporate Governance Code, Appendix 14 to the Listing Rules 《上市規則》附錄14內所載的《企業管治守則》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》

GLOSSARY (CONTINUED)

詞彙 (續)

CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
China, Mainland, Mainland China or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國
Circular 「通函」	The circular to the Shareholders dated 30th March, 2022 日期為2022年3月30日的致股東通函
CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣
Companies Ordinance 「《公司條例》」	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Director(s) 「董事」	Includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何任職本行董事職位的人士(不論其職銜如何), 或文義另有所指的人士
ED 「執行董事」	Executive Director of the Bank 本行的執行董事
ESG 「環境、社會及管治」	Environmental, social, and governance 環境、社會及管治
ESGC 「環境、社會及管治委員會」	The Environmental, Social, and Governance Committee of the Bank 本行的環境、社會及管治委員會
ESGCM 「環境、社會及管治委員會會議」	ESG Committee Meeting 環境、社會及管治委員會會議
EUR 「歐羅」	Euro, the lawful currency of 19 of the 27 member states of the European Union 歐洲聯盟27個成員國內, 其中19個成員國採納的法定貨幣
GBA 「大灣區」	Guangdong-Hong Kong-Macao Greater Bay Area 「粵港澳大灣區」
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
General Managers 「總經理」	All Division Heads of the Bank and Executive Director & Chief Executive of BEA China 本行所有分處主管及東亞中國的執行董事兼行長
Guidance on Empowerment of INEDs 「提升獨立非執行董事的專業能力指引」	The guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong, issued by the HKMA 金管局頒布之提升香港銀行業獨立非執行董事的專業能力指引
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HK\$ Mn 「港幣百萬元」	HK\$ Million 港幣百萬元
HKEX 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局

GLOSSARY (CONTINUED)

詞彙 (續)

Hong Kong or HK 「香港」	Hong Kong Special Administrative Region of the PRC 中華人民共和國香港特別行政區
IBOR 「銀行同業拆借利率」	Interbank Offered Rate 銀行同業拆借利率
INED(s) 「獨立非執行董事」	Independent Non-executive Director(s) of the Bank 本行的獨立非執行董事
LIBOR 「倫敦銀行同業拆借利率」	London Interbank Offered Rate 倫敦銀行同業拆借利率
Listing Rules 「《上市規則》」	The Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time) 聯交所《證券上市規則》· 經不時修訂、修改或以其他方式補充
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
NC 「提名委員會」	The Nomination Committee of the Bank 本行的提名委員會
NCM 「提名委員會會議」	Nomination Committee Meeting 提名委員會會議
NED 「非執行董事」	Non-executive Director of the Bank 本行的非執行董事
NIM 「淨息差」	Net interest margin 淨息差
RemCo 「薪酬委員會」	The Remuneration Committee of the Bank 本行的薪酬委員會
RemCoM 「薪酬委員會會議」	Remuneration Committee Meeting 薪酬委員會會議
RC 「風險委員會」	The Risk Committee of the Bank 本行的風險委員會
RCM 「風險委員會會議」	Risk Committee Meeting 風險委員會會議
Senior Management 「高層管理人員」	The Co-Chief Executives and Deputy Chief Executives of the Bank 本行的聯席行政總裁及副行政總裁
SFO 「《證券及期貨條例》」	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
Share(s) 「股」或「股份」	Ordinary share(s) of the Bank 本行普通股
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
The Salvation Army 救世軍	The Salvation Army Hong Kong and Macau Command 救世軍港澳軍區
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣

FINANCIAL CALENDAR

2021 full year results announced	24th February, 2022
2021 Second Interim Dividend declared (with scrip option)	24th February, 2022
Ex-all date for 2021 Second Interim Dividend	10th March, 2022
Closure of register of members – 2021 Second Interim Dividend	From 14th March, 2022 to 16th March, 2022 (Both days inclusive)
Record date for 2021 Second Interim Dividend	16th March, 2022
Despatch of Scrip Dividend Circular and Form of Election	16th March, 2022
Despatch of dividend warrants and share certificates for 2021 Second Interim Dividend	(on or about) 7th April, 2022
Closure of register of members – 2022 AGM	From 29th April, 2022 to 6th May, 2022 (Both days inclusive)
2022 AGM	6th May, 2022
2022 interim results to be announced	August, 2022*
* Subject to change	

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財務日誌

公布 2021 年度全年業績	2022 年 2 月 24 日
宣布派發 2021 年度第二次中期股息 (可選擇以股代息)	2022 年 2 月 24 日
2021 年度第二次中期股息除淨日期	2022 年 3 月 10 日
暫停辦理股票過戶登記手續 — 2021 年度第二次中期股息	由 2022 年 3 月 14 日至 2022 年 3 月 16 日 (包括首尾兩天)
2021 年度第二次中期股息記錄日期	2022 年 3 月 16 日
寄發以股代息通函及選擇表格	2022 年 3 月 16 日
寄發 2021 年度第二次中期股息單及股票	(約於) 2022 年 4 月 7 日
暫停辦理股票過戶登記手續 — 2022 股東周年常會	由 2022 年 4 月 29 日至 2022 年 5 月 6 日 (包括首尾兩天)
2022 股東周年常會	2022 年 5 月 6 日
公布 2022 年度中期業績	2022 年 8 月 *
* 可予更改	

股份上市

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