Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. This announcement is not for distribution, directly or indirectly, in or into the United States or to U.S. persons (as defined in the United States Securities Act of 1933, as amended). Moreover, this announcement is not an offer of securities for sale in the United States or to U.S. persons. The Notes (as defined below) may not be offered or sold in the United States or to U.S. persons absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The Issuer (as defined below) does not intend to register any part of the proposed offering in the United States and there will be no public offer of securities in the United States or to U.S. persons. The securities described herein will be sold in accordance with all applicable laws and regulations.

This announcement and the listing documents referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing documents) forms the basis for any contract or commitment whatsoever. *For the avoidance of doubt, the publication of this announcement and the listing documents referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.*

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

PUBLICATION OF OFFERING CIRCULAR ON THE STOCK EXCHANGE OF HONG KONG LIMITED

FUBON BANK (HONG KONG) LIMITED

(the "**Issuer**")

(incorporated with limited liability in Hong Kong)

Issue of:

U.S.$300,000,000 Tier 2 Subordinated Notes due 2036

(Stock Code: 40566)

(the "**Notes**")

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**Listing Rules**).

Please refer to the offering circular dated 7 July 2026 in relation to the Notes appended hereto (the "**Listing Document**"). As disclosed in the Listing Document, the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis.

The Listing Document does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Listing Document should not be regarded as an inducement to subscribe for or purchase any Notes of the Issuer and no such inducement is intended.

15 July 2026

As at the date of this announcement, the Board of Directors of the Issuer comprises of Simon CHUNG Kwok Keung (Managing Director) as Executive Director; Daniel TSAI Ming Chung (Chairman), Richard TSAI Ming Hsing (Vice Chairman), Jerry HARN Wey Ting, Tim KUO Pei Ting, Douglas TSAI Cheng Tao as Non-Executive Directors; and Peter PANG Sing Tong, John Keith BALL, Elizabeth LAM Tyng Yih as Independent Non-Executive Directors.

OFFERING CIRCULAR DATED 7 JULY 2026

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

Important: You must read the following before continuing. The following disclaimer applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN (THE "**NOTES**") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON OR ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Restrictions: The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the Notes.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the Notes, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited and UBS AG Hong Kong Branch (together, the "**Joint Global Coordinators**", the "**Joint Bookrunners**" and the "**Joint Lead Managers**") and the Issuer (as defined in this Offering Circular) that (1) you and any customers you represent are not, and the e-mail address that you gave us and to which this e-mail has been delivered is not, located in the United States, its territories or possessions, and (2) you consent to delivery of this Offering Circular and any amendment or supplements thereto by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the Notes.

The materials relating to the issue and offering of the Notes do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute a general advertisement or general solicitation (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere. If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the issue of the Notes shall be deemed to be made by such Joint Lead Manager or affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer and the Joint Lead Managers nor any person who controls any of them nor any of their respective directors, officers, employees, advisers, representatives, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you upon request.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Actions that you may not take: You should not reply by e-mail to this electronic transmission and you may not purchase any Notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

The Notes are complex financial instruments and of high risks. The Holders (as defined in the Offering Circular) have no right to require redemption of the Notes. Furthermore, in the event of a write-off, reduction or cancellation of the principal amount of the Notes or conversion of the principal amount of the Notes into shares or other securities, an investor may lose the entire value of its investment. A potential investor should not invest in the Notes unless it has the expertise to evaluate how the Notes may perform under changing conditions, the resulting effects on the value of such Notes and the impact the investment and any related losses may have on the potential investor's overall investment portfolio. See "*Risk Factors*" of the Offering Circular beginning on page 19.

FUBON BANK (HONG KONG) LIMITED

(incorporated with limited liability in Hong Kong)

U.S.$300,000,000 Tier 2 Subordinated Notes due 2036

Issue Price: 99.641 per cent.

The tier 2 subordinated notes due 2036 (the "**Notes**") will be issued in an initial aggregate principal amount of U.S.$300,000,000 by Fubon Bank (Hong Kong) Limited (the "**Issuer**" or the "**Bank**"). The Notes bear interest on their outstanding principal amount (subject to adjustments following the occurrence of a Non-Viability Event (as defined herein in accordance with the terms and conditions of the Notes (the "**Conditions**") or the exercise of any Hong Kong Resolution Authority Power (as defined in the Conditions)) from, and including, 14 July 2026 (the "**Issue Date**") at the applicable Interest Rate (as defined in the Conditions), payable semi-annually in arrear on 14 January and 14 July in each year (each an "**Interest Payment Date**") in equal instalments. See "*Risk Factors – Risk Factors relating to the Notes – The interest rate will be reset on the Reset Date which may affect the market value of the Notes*." for a discussion of the relevant risks.

The Notes will mature on 14 July 2036, if not redeemed or purchased and cancelled earlier. Subject to satisfaction of certain regulatory approval requirements (if applicable), the Issuer may, in certain circumstances as described in the Conditions, redeem all but not some only of the Notes then outstanding on the Reset Date (as defined in the Conditions), at their outstanding principal amount together (if appropriate) with interest accrued to (but excluding) the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Event or the exercise of any Hong Kong Resolution Authority Power. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of the Issuer*". If a Non-Viability Event occurs and is continuing, the Issuer shall, upon or prior to the provision by the Issuer of a Non-Viability Event Notice (as defined in the Conditions), irrevocably (without the need for the consent of the Holders) reduce the then outstanding principal amount of, and cancel any accrued but unpaid interest in respect of, each Note (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount (as defined in the Conditions) per Note. Once the outstanding principal amount of, and any accrued but unpaid interest under, the Notes has been Written-off (as defined in the Conditions), the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Event ceases to continue. No Holder may exercise, claim or plead any right to any amount that has been Written-off, and each Holder shall, by virtue of his holding of any Notes, be deemed to have waived all such rights to such amount that has been Written-off. Holders could risk losing up to the full principal amount of the Notes, as well as the cancellation of any accrued (and unpaid) interest, without receiving any compensation for such loss or cancellation. See "*Terms and Conditions of the Notes – Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Non-Viability Loss Absorption*".

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated in the manner described in the Conditions. See "*Terms and Conditions of the Notes – Qualification, Status and Subordination of the Notes*".

The Notes will be issued in registered form in the denomination of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof. For a more detailed description of the Notes, see "*Terms and Conditions of the Notes*" in this Offering Circular.

The Notes are expected to be assigned a rating of "BBB" by Standard & Poor's Ratings Services ("**S&P**"). A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the rating organisation.

Investing in the Notes involves risks. In particular, the Notes are complex and of high risk and are generally not suitable for retail investors. There are risks inherent in the holding of the Notes, including the risks in relation to their subordination, the circumstances in which the Notes may be written down or converted into shares or other securities or other obligations of the Issuer or another person and the implications on holders of the Notes (such as a substantial loss), the circumstances in which such holders may suffer loss as a result of holding the Notes are difficult to predict and the quantum of any loss incurred by investors in the Notes in such circumstances is also highly uncertain. See "*Risk Factors – Risk Factors relating to the Notes – The interest rate will be reset on the Reset Date which may affect the market value of the Notes*." for a discussion of the risk in relation to this feature and "*Risk Factors*" beginning on page 19 for a discussion of certain considerations to be taken into account in connection with an investment in the Notes.

Application will be made to The Stock Exchange of Hong Kong Limited (the "**SEHK**") for the listing of the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the "**Professional Investors**") only.

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the SEHK on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved. This document is for distribution to Professional Investors only.

The SEHK has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Notes on the SEHK is not to be taken as an indication of the commercial merits or credit quality of the Notes or the Issuer or the Group or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States under the Securities Act ("**Regulation S**"). The Notes are being offered and sold only outside the United States in accordance with Regulation S. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see "*Subscription and Sale*".

The Notes will be initially evidenced by a global certificate (the "**Global Certificate**") in registered form, which will be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") on or about the Issue Date. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream. Except in the limited circumstances set out herein, individual certificates for Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "*The Global Certificate*".

INVESTING IN THE NOTES INVOLVES RISKS. SEE "*RISK FACTORS*" IN THIS OFFERING CIRCULAR. INVESTORS SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERTISE TO EVALUATE EFFECT OR THE LIKELIHOOD OF THE OCCURRENCE OF THE NON-VIABILITY EVENT FOR THE NOTES WHICH FEATURE LOSS ABSORPTION.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Crédit Agricole CIB **HSBC** **UBS**

Offering Circular dated 7 July 2026

IMPORTANT NOTICE

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of Notes. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer and the Issuer's subsidiaries (collectively, the "**Group**"), and the issue of the Notes, which is material in the context of the issue and offering of the Notes; (ii) the statements contained herein relating to the Issuer or the Group are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer or the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer or the Group or the Notes, the omission of which would, in the context of the issue and offering of the Notes (the "**Offering**"), make any statement in this Offering Circular misleading in any material respect; and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. In addition, the Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

PRIIPs Regulation – Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

UK CCI Regulations – Prohibition of Sales to UK Retail Investors – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) not a qualified investor as defined in paragraph

15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Notes described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited and UBS AG Hong Kong Branch (together, the "**Joint Global Coordinators**", the "**Joint Bookrunners**" and the "**Joint Lead Managers**") or the Issuer, to subscribe for or purchase any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers, the Trustee and the Agents (each as defined in the Conditions) to inform themselves about and to observe any such restrictions. None of the Issuer, the Joint Lead Managers, the Trustee and the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them represents that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering.

No action is being taken to permit a public offering of the Notes or the possession or distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer, sale and resale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including, without limitation, the United States, the United Kingdom, the European Economic Area, Hong Kong, the PRC, Singapore, Taiwan and Japan and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this Offering Circular, see "*Subscription and Sale*". This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Notes. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group or the Notes other than as contained in this Offering Circular and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers, the Trustee or the Agents (each as defined in the Conditions) or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer or any member of the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them to subscribe for or purchase any of the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them has independently verified the information contained or incorporated by reference in this Offering Circular. No representation or warranty, express or implied, is made or given by any of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained or incorporated by reference in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by any of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them accept any responsibility for the contents of this Offering Circular or for any statement made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or on their behalf in connection with the Issuer, the Group or the issue and offering of the Notes. None of the Joint Lead Managers, the Trustee and the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them accept any responsibility for any acts or omissions of the Issuer or the Group or any other person (other than the relevant Joint Lead Managers) in connection with the issue and offering of the Notes. Each of the Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation with its own tax, legal and business advisors as it deems necessary.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE JOINT LEAD MANAGERS ACTING AS THE STABILISATION MANAGER(S) OR ANY PERSON ACTING ON THEIR BEHALF MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE

DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement (as defined in "*Subscription and Sale*") and the issue of the Notes by the Issuer to the Joint Lead Managers pursuant to the Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes pursuant to this Offering Circular shall (without liability or responsibility on the part of the Issuer or the Joint Lead Managers) lapse and cease to have any effect if (for any reason whatsoever) the Notes are not issued by the Issuer to the Joint Lead Managers pursuant to the Subscription Agreement.

In making an investment decision, investors must rely on their own examination of the Issuer, the Group and the terms of the offering of the Notes, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain considerations to be taken into account in connection with an investment in the Notes.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the SFC Code – Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Joint Lead Managers, are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset

management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINED TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise, references herein to the "Issuer" or the "Bank" are to Fubon Bank (Hong Kong) Limited, and references to the "Group" are to Fubon Bank (Hong Kong) Limited and its subsidiaries.

Unless otherwise specified or the context requires, references herein to "Hong Kong dollars", "HK dollars" and "HK$" are to the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**" or "**HKSAR**"), references herein to "U.S. dollars" or "U.S.$" are to the lawful currency of the United States of America, references herein to "Renminbi" or "RMB" are to the lawful currency of the People's Republic of China, references to "PRC" are to the People's Republic of China and for the purpose of this Offering Circular excluding Hong Kong, the Macau Special Administrative Region and Taiwan, and references to "HKFRS Accounting Standards" include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, governmental authorities, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.

EXCHANGE RATE INFORMATION

This Offering Circular contains translations of certain Hong Kong dollar amounts into U.S. dollars at specified rates solely for the convenience of the readers. Unless otherwise specified, where financial information has been translated into U.S. dollars, it has been so translated, for information purposes only, at the rate of HK$7.8417 equal to U.S.$1.00 (being the HKD/USD exchange rate published by the United States Federal Reserve on 26 June 2026). All such translations in this Offering Circular are provided solely for investors' convenience and no representation is made that the Hong Kong dollar or U.S. dollar amounts referred to in this Offering Circular could have been or could be converted into Hong Kong dollars or U.S. dollars, as the case may be, at any particular rate or at all.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the Group's consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025. The Group's consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025 has been derived from the audited consolidated financial statements of the Group as at and for the years ended 31 December 2024 and 2025, including the comparative information contained therein and the notes thereto ("**Audited Financial Statements**"), included elsewhere in this Offering Circular. The Audited Financial Statements were prepared in accordance with HKFRS Accounting Standards, and were each audited by KPMG ("**KPMG**"). Please refer to note 12 to the Group's audited consolidated financial statements for the year ended 31 December 2025 for further information about the effect of restatement of the Group's prior-year comparative financial information. Unless otherwise specified, the financial information set out in this Offering Circular is presented on a consolidated basis for the Issuer and its subsidiaries.

ROUNDING

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements regarding the intent, belief or current expectations of the Issuer held reasonably with respect to the Issuer's or the Group's financial condition and future results of operations. In many cases, but not all, words such as "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "probability", "project", "risk", "seek", "should", "target" and similar expressions are used in relation to the Issuer or the Group to identify forward-looking statements. Investors can also identify forward-looking statements in discussions of strategies, plans or intentions. These statements reflect the current views of the Issuer with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, the Issuer's or the Group's actual results may vary materially from those it currently anticipates. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as at the date of this Offering Circular. The Issuer disclaims any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in this Offering Circular to reflect future actual events or developments. The information contained in this Offering Circular, including without limitation the information under "*Risk Factors*" and "*Fubon Bank (Hong Kong) Limited*", identifies important factors that might cause the forward-looking statements not to be realised. All subsequent forward-looking statements attributable to the Issuer, the Group or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Offering Circular.

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SUMMARY

The following is qualified in its entirety by, and is subject to, the detailed information contained or referred to elsewhere in this Offering Circular. For a discussion of certain considerations that should be made in connection with an investment in the Notes, see "Risk Factors". Prospective investors should therefore read this Offering Circular in its entirety.

The Bank is a wholly-owned subsidiary of Fubon Financial Holding Co., Ltd. ("**Fubon FHC**", together with its subsidiaries, the "**Parent Group**"), a Taiwan based financial institution engaged in banking, insurance and securities brokerage. The Bank currently holds A-2 short-term and A- long-term ratings from S&P. For the year ended 31 December 2025, the Group reported a net profit after tax of HK$1,376.5 million, compared to HK$906.6 million for the year ended 31 December 2024. As at 31 December 2025, the total assets of the Group were HK$190,721.3 million compared to HK$160,251.8 million as at 31 December 2024.

The Bank and its Subsidiaries are principally engaged in the provision of banking and related financial services in Hong Kong, including consumer and wholesale banking, wealth management, financial markets, securities brokerage[1] and investment services. As at 31 December 2025, the Bank serviced its customers through 15 branches, three small- and medium-sized enterprise ("**SME**") banking services centres, one offshore banking centre and one securities services centre in Hong Kong. The Bank also offers digital banking services, including internet banking at www.fubonbank.com.hk and Fubon+ Mobile Banking ("**Fubon+**"). The Bank's head office, credit card centre and operations centre are all located in Hong Kong.

Fubon FHC, the Bank's sole shareholder, is a financial services group in Taiwan and is listed on the Taiwan Stock Exchange. The Parent Group provides a comprehensive range of financial products and services, including commercial banking, non-life and life insurance, securities brokerage, asset management and investment banking services. Fubon FHC currently holds Baa1 and BBB+ long-term ratings from Moody's and S&P, respectively. For the year ended 31 December 2025, the Parent Group reported a net profit after tax of NT$121.0 billion (approximately HK$30.0 billion), compared to NT$150.9 billion (approximately HK$35.7 billion) in 2024. As at 31 December 2025, the total assets of the Parent Group were NT$12.9 trillion (approximately HK$3.2 trillion), compared to NT$12.1 trillion (approximately HK$2.9 trillion) as at 31 December 2024.[2] The Bank's obligations under the Notes are not and will not have the benefit of any guarantee or other credit support by Fubon FHC.

STRATEGY

- ***Wealth Management***: The Bank intends to comprehensively re-design its wealth management business by adopting a more customer-focused approach, enhancing client service models and product delivery, and improving staff productivity and operational efficiency through digital tools and processes.

- ***Small and Medium-sized Enterprises***: The Bank intends to reinforce its strategic focus on SME banking as a key customer segment providing diversified revenue sources, including SME Financing Guarantee Scheme loans, current and savings accounts services and fee-related income.

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1 The Bank has ceased its securities brokerage business from 1 July 2026.

2 Amounts in New Taiwan dollars have been translated into Hong Kong dollars at an exchange rate of NT$1 = HK$0.2478 for the 31 December 2025 figures and at an exchange rate of NT$1 = HK$0.2369 for the 31 December 2024 figures, as quoted on Bloomberg.

- ***Greater Bay Area***: The Bank intends to leverage its presence in the Greater Bay Area through the proposed Shenzhen Branch (as defined below) to support cross-boundary banking services, broaden its PRC client base and provide onshore and offshore lending and related financial services to customers with cross-boundary business needs.

- ***Data Monetisation***: The Bank intends to use data-driven approaches to support decision-making, improve operational efficiency and internal processes, and enhance the delivery of banking products and the overall customer experience.

STRENGTHS

- Multi-channel approach attracting quality deposits

- Sustained loan growth outperforming industry peers

- Diversified lending and investment portfolio driving resilient credit profile

- Strong profit growth driven by core earnings and lower credit costs

- Sound asset quality and robust capital adequacy

- Seasoned leadership with deep industry expertise

- High strategic importance to Fubon FHC anchoring support to the Bank

THE OFFERING

The following is a brief summary of certain terms of this Offering. For a more detailed description of the terms of the Notes, see "Terms and Conditions of the Notes". Capitalised terms used herein and not defined have the meanings given to them in "Terms and Conditions of the Notes".

The Issuer	Fubon Bank (Hong Kong) Limited, a company incorporated with limited liability in Hong Kong.
Description	U.S.$300,000,000 Tier 2 Subordinated Notes due 2036.
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited and UBS AG Hong Kong Branch.
Issue Price	99.641 per cent.
Issue Date	14 July 2026.
Maturity Date	14 July 2036.
Form and Denomination	The Notes will be issued in registered form in denominations of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof. Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through the records maintained by Euroclear and Clearstream and their respective accountholders. Except as described herein, definitive certificates of Notes will not be issued in exchange for beneficial interest in the Global Certificate. See "*The Global Certificate – Exchange for Individual Certificates*".
Interest Rate	The rate of interest (the "**Interest Rate**") applicable to the Notes shall be: (a) in respect of the period from, and including, the Issue Date to, but excluding 14 July 2031 (the "**Reset Date**"), 5.375 per cent. per annum; and (b) in respect of the period from, and including, the Reset Date to, but excluding 14 July 2036 (the "**Maturity Date**"), the Reset Interest Rate.

Interest	The Notes bear interest on their outstanding principal amount (subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B)) from, and including, the Issue Date at the applicable Interest Rate, payable semi-annually in arrear on 14 January and 14 July in each year (each an "**Interest Payment Date**") in equal instalments, provided that in respect of the first Interest Payment Date on 14 January 2027 and on each Interest Payment Date thereafter up to but excluding the Reset Date, the interest payable shall be equal to U.S.$26.875 per Calculation Amount.
Events of Default and Winding-Up Proceedings	There are limited remedies under the Notes. See "*Terms and Conditions of the Notes – Events of Default and Enforcement – Events of Default and Winding-Up Proceedings*".
Status and Subordination of the Notes	The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The rights and claims of the Holders are subordinated in the manner described below. Subject to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up (as defined below) of the Issuer, the rights and claims against the Issuer of the Holders to payment of principal and interest on the Notes, and any other obligations in respect of the Notes shall rank (i) subordinate and junior in right of payment to, and of all claims of (a) all unsubordinated creditors of the Issuer (including its depositors), and (b) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Notes or rank senior to the Notes by operation of law or contract; (ii) *pari passu* in right of payment with all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of, (a) the holders of Tier 1 Capital Instruments (as defined below) of the Issuer, and (b) the holders of other Junior Obligations, in each case in the manner provided in the Trust Deed. In the event of a Winding-Up that requires the Holders or the Trustee to provide evidence of their claim to principal or interest under the Notes, such claims of the Holders will only be satisfied after all obligations of the Issuer ranking senior to the Notes have been satisfied in whole. "**Authorized Institution**" has the meaning given to that term in the Banking Ordinance (Cap. 155) of Hong Kong as amended or superseded from time to time.

"**Capital Regulations**" means the Banking (Capital) Rules (Cap. 155L) of Hong Kong as amended or superseded from time to time or any other capital rules or regulations from time to time applicable to the regulatory capital of Authorized Institutions incorporated in Hong Kong as implemented by the Monetary Authority.

"**Junior Obligation**" means the Shares, and any other class of the Issuer's share capital and any instrument or other obligation (including without limitation any preference share) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank junior to the Notes by operation of law or contract.

"**Monetary Authority**" means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance (Cap. 66) of Hong Kong, as amended or superseded from time to time, or any successor thereto.

"**Parity Obligation**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as a Tier 2 Capital Instrument or any instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank *pari passu* with the Notes by operation of law or contract, which excludes any Junior Obligations of the Issuer.

"**Permitted Reorganisation**" means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking or assets of the Issuer are transferred to a successor entity which assumes all the obligations of the Issuer under the Notes, and which, where required by applicable law or regulation, has obtained all relevant regulatory approvals or consents.

"**Shares**" means the ordinary share capital of the Issuer.

"**Subordinated Creditors**" means all creditors the indebtedness of which is subordinated, in the event of the Winding-Up of the Issuer, in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer other than those whose claims rank or are expressed to rank by operation of law or contract *pari passu* with, or junior to, the claims of Holders. For this purpose indebtedness shall include all liabilities, whether actual or contingent.

"**Tier 1 Capital Instrument**" means any instrument or other similar obligation issued, entered into or guaranteed by the Issuer that constitutes Tier 1 capital (or its equivalent) of the Issuer pursuant to the Capital Regulations.

	"**Tier 2 Capital Instrument**" means any instrument or other similar obligation issued, entered into or guaranteed by the Issuer that constitutes Tier 2 capital (or its equivalent) of the Issuer pursuant to the Capital Regulations. "**Winding-Up**" means a final and effective order or resolution by a judicial authority in the jurisdiction of incorporation of the Issuer for the liquidation, winding-up or similar proceedings in respect of the Issuer, other than pursuant to a Permitted Reorganisation.
No Set-off	Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, compensation, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each Holder shall, by virtue of being the holder of any Note, be deemed to have waived all such rights of such set-off, netting, compensation, counter-claim or retention to the fullest extent permitted by law.
Non-Viability Loss Absorption	If a Non-Viability Event occurs and is continuing, the Issuer shall, upon or prior to the provision by the Issuer of a Non-Viability Event Notice, irrevocably (without the need for the consent of the Holders) reduce the then outstanding principal amount of, and cancel any accrued but unpaid interest in respect of, each Note (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Note (such reduction and cancellation, and the reduction and cancellation or conversion of any other Subordinated Capital Instruments so reduced and cancelled or converted upon the occurrence of a Non-Viability Event, where applicable, being referred to herein as the "**Write-off**", and "**Written-off**" shall be construed accordingly). Any failure or delay in giving a Non-Viability Event Notice in respect of the Notes or a similar notice in respect of any other Subordinated Capital Instruments will not render the relevant Write-off invalid or affect such Write-off in any respect. "**Hong Kong Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in Hong Kong. "**Loss Absorption Effective Date**" means the date that will be specified as such in the applicable Non-Viability Event Notice as directed or approved by the Monetary Authority.

"**Non-Viability Event**" means the earlier of:

(i) the Monetary Authority notifying the Issuer in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; and

(ii) the Monetary Authority notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

"**Non-Viability Event Notice**" means the notice, which shall be given by the Issuer not more than two Hong Kong Business Days after the occurrence of a Non-Viability Event, to the Holders, in accordance with Condition 12 (*Notices*), and to the Trustee and the Paying Agents in writing, and which shall state:

(i) in reasonable detail, the nature of the relevant Non-Viability Event;

(ii) the Non-Viability Event Write-off Amount for (a) each Note and (b) each other Subordinated Capital Instrument on the Loss Absorption Effective Date in accordance with its terms; and

(iii) specifying the Loss Absorption Effective Date.

"**Non-Viability Event Write-off Amount**" means the amount of interest and/or principal to be Written-off as the Monetary Authority may direct or, in the absence of such a direction, as the Issuer shall (in consultation with the Monetary Authority) determine to be necessary to satisfy the Monetary Authority that the Non-Viability Event will cease to continue. For the avoidance of doubt, (a) the full amount of the Notes will be Written-off in full in the event that the amount Written-off is not sufficient for the Non-Viability Event to cease to continue and (b) in the case of an event falling within paragraph (ii) of the definition of Non-Viability Event, the Write-off will be effected in full before any public sector injection of capital or equivalent support. Further, the Non-Viability Event Write-off Amount in respect of each Note will be calculated based on a percentage of the outstanding principal amount of that Note.

"**Subordinated Capital Instrument**" means any Junior Obligation or Parity Obligation which contains provisions relating to a write-down or conversion into ordinary shares in respect of its outstanding principal amount on the occurrence, or as a result, of a Non-Viability Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

See "*Terms and Conditions of the Notes – Non-Viability Loss Absorption*" for further information.

Consequence of Non-Viability Loss Absorption

Once the outstanding principal amount of, and any accrued but unpaid interest under, the Notes has been Written-off, the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Event ceases to continue. No Holder may exercise, claim or plead any right to any amount that has been Written-off, and each Holder shall, by virtue of his holding of any Notes, be deemed to have waived all such rights to such amount that has been Written-off.

Hong Kong Resolution Authority Power

Notwithstanding any other term of the Notes, including without limitation Condition 5(A) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Non-Viability Loss Absorption*), or any other agreement or arrangement, each Holder and the Trustee shall be subject, and shall be deemed to agree, be bound by and acknowledge that they are each subject, to having the Notes being written off, cancelled, converted or modified, or to having the form of the Notes changed, in the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:

(i) the reduction or cancellation of all or a part of the outstanding principal amount of, or interest on, the Notes;

(ii) the conversion of all or a part of the outstanding principal amount of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes; and

(iii) the amendment or alteration of the maturity of the Notes or amendment or alteration of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period, or any other amendment or alteration of the Conditions.

With respect to (i), (ii) and (iii) above, references to principal and interest shall include payments of principal and interest that have become due and payable (including principal that has become due and payable at the redemption date), but which have not been paid, prior to the exercise of any Hong Kong Resolution Authority Power. The rights of the Holders and the Trustee under the Notes and the Conditions are subject to, and will be amended and varied, if necessary, solely to give effect to, the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority.

No repayment of the outstanding principal amount of the Notes or payment of interest on the Notes shall become due and payable or be paid after the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations applicable to the Issuer and the Group.

Upon the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Notes, the Issuer shall provide a written notice as soon as practicable regarding such exercise of the Hong Kong Resolution Authority Power to the Holders in accordance with Condition 12 (*Notices*) and to the Trustee and the Principal Paying Agent in writing.

Neither the reduction or cancellation, in part or in full, of the outstanding principal amount of, or interest on the Notes, the conversion thereof into another share, security or obligation of the Issuer or another person, or any other amendment or alteration of the Conditions, or any other modification or change in form of the Notes as a result of the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Issuer nor the exercise of the Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Notes shall constitute an Event of Default under Condition 10(A) (*Events of Default and Winding-Up Proceedings*) or give rise to any other claim or remedy of any Holder.

	"**Hong Kong Resolution Authority Power**" means any power which may exist from time to time under the Resolution Ordinance or any other laws, regulations, rules or requirements relating to the resolution of financial institutions, including licensed banks, deposit-taking companies, restricted licence banks, banking group companies, insurance companies and/or investment firms incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the Issuer or other members of the Group (including, for the avoidance of doubt, powers under Part 4 and Part 5 of the Resolution Ordinance or any other laws, regulations, rules or requirements relating thereto, as the same may be amended from time to time (whether pursuant to the Resolution Ordinance or otherwise)), and pursuant to which obligations of a licensed bank, deposit-taking company, restricted licence bank, banking group company, insurance company or investment firm or any of its affiliates can be reduced, cancelled, transferred, modified and/or converted into shares or other securities or obligations of the obligor or any other person. "**relevant Hong Kong Resolution Authority**" means any authority with the ability to exercise a Hong Kong Resolution Authority Power in relation to the Issuer from time to time. "**Resolution Ordinance**" means the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong, as amended or superseded from time to time. "**Subsidiary**" means any company (i) in which the Issuer holds a majority of the voting rights, (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the Directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer. See "*Terms and Conditions of the Notes – Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Hong Kong Resolution Authority Power*" for further information.
Redemption at Maturity	Unless previously redeemed or purchased and cancelled as provided in Condition 7 (Redemption and Purchase), the Issuer will redeem the Notes at their outstanding principal amount on the Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with the Conditions.

Redemption for Tax Reasons	Subject to Condition 7(G) (*Redemption and Purchase – Conditions for Redemption and Purchase in respect of the Notes*), the Notes then outstanding may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing and, in accordance with Condition 12 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), if the Issuer satisfies the Trustee immediately before the giving of such notice that (a) it has or will become obliged to pay additional amounts as described under Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 July 2026 and (b) such obligation will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it; provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or give effect to such treatment, as the case may be, were a payment in respect of the Notes then due. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Tax Reasons*" for further information.
Redemption for Tax Deduction Reasons	Subject to Condition 7(G) (*Redemption and Purchase – Conditions for Redemption and Purchase in respect of the Notes*), the Notes then outstanding may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing, and, in accordance with Condition 12 (*Notices*), the Holders (which notice shall be irrevocable, subject to Condition 5(A) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Non-Viability Loss Absorption*), and shall specify the date fixed for redemption), if the Issuer satisfies the Trustee immediately before the giving of such notice that: (i) in respect of the interest payable on the Notes, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Hong Kong or any political subdivision or any authority thereof or therein having power to tax as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 July 2026; and

(ii) such non-tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it.

See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption of the Notes for Tax Deduction Reasons*" for further information.

Redemption for Regulatory Reasons

Subject to Condition 7(G) (*Redemption and Purchase – Conditions for Redemption and Purchase in respect of the Notes*), the then outstanding Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing and to the Holders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption) following the occurrence of a Capital Event.

A "**Capital Event**" occurs if the Issuer satisfies the Trustee immediately before the giving of the notice of redemption referred to in Condition 7(D) (*Redemption and Purchase – Redemption of the Notes for Regulatory Reasons*) that the Notes, after having qualified as such, will no longer qualify (in whole or in part) as Tier 2 capital (or equivalent) of the Issuer (other than non-qualification solely as a result of any discounting or amortisation requirements as to the eligibility of the Notes for such inclusion pursuant to the relevant legislation and supervisory guidance in force from time to time), as a result of any change or amendment in (or any change in the application or official interpretation of) the relevant provisions of the Banking Ordinance (Cap. 155) of Hong Kong, the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the Monetary Authority in relation thereto, in each case, as amended or superseded from time to time. No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which it is determined that a Capital Event has occurred.

See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption of the Notes for Regulatory Reasons*" for further information.

Redemption at the Option of the Issuer

Subject to Condition 7(G), the Issuer may redeem all but not some only of the Notes then outstanding on the Reset Date, at their outstanding principal amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B).

	See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the Option of the Issuer*".
Conditions for Redemption and Purchase in respect of the Notes	The Issuer shall not redeem any of the Notes (other than pursuant to Condition 10 (*Events of Default and Enforcement*)) and neither the Issuer nor any Restricted Person shall purchase any of the Notes unless the prior written consent of the Monetary Authority thereto shall have been obtained, to the extent such consent is required and as further described in "*Terms and Conditions of the Notes – Redemption and Purchase – Conditions for Redemption and Purchase in respect of the Notes*".
Purchase and Cancellation	Subject to Condition 7(G), the Issuer and any of its Subsidiaries may, at any time, purchase Notes in the open market or otherwise at any price. See "*Terms and Conditions of the Notes – Redemption and Purchase – Purchase and Cancellation*".
Withholding Taxation	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a deduction or withholding by or within Hong Kong, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, subject to customary exceptions, all as described in "*Terms and Conditions of the Notes – Taxation*".
Governing Law	The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the provisions of the Notes and the Trust Deed relating to subordination, and the provisions of the Notes relating to non-viability loss absorption and Hong Kong Resolution Authority Power shall be governed by the laws of Hong Kong.
Jurisdiction	The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes or the Trust Deed or the Agency Agreement.
Capital Treatment	The Notes are intended to qualify as Tier 2 capital under the Capital Regulations.

Trustee	The Bank of New York Mellon, London Branch.
Principal Paying Agent and Calculation Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Trust Deed	The Notes will be constituted by a Trust Deed to be dated 14 July 2026 between the Issuer and the Trustee.
Clearing Systems	The Notes will initially be represented by the Global Certificate, in registered form, deposited on or about the Issue Date with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through the records maintained by Euroclear and Clearstream and their respective accountholders. Except as described herein, definitive certificates of Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "*The Global Certificate – Exchange for Individual Certificates*".
ISIN of the Notes	XS3420731666.
Common Code of the Notes	342073166.
Legal Entity Identifier of the Issuer	RZP0S2BXNUO20ZHKCV45.
Ratings	The Notes are expected to be rated "BBB" by S&P. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Listing	Application will be made for the listing of, and permission to deal in, the Notes on the SEHK by way of debt issues to Professional Investors only. It is expected that dealing will, if permission is granted to deal in and for the listing of the Notes on the SEHK, commence on or about 15 July 2026.
Use of Proceeds	The Issuer intends to use the net proceeds to strengthen the Bank's capital structure, enhance capital position for the Bank's sustainable business growth and development.

Selling Restrictions	There are restrictions on the distribution of this Offering Circular and the making of solicitations pursuant thereto in certain jurisdictions, including, among others, the United States, the United Kingdom, the European Economic Area, Hong Kong, the PRC, Singapore, Taiwan, and Japan. The Notes are being offered outside the United States in reliance on Regulation S (Category 1) under the Securities Act. See "*Subscription and Sale*".

SUMMARY FINANCIAL INFORMATION

The following tables set forth the audited consolidated financial information and other selected financial data relating to the Group as at and for the years ended 31 December 2023, 2024 and 2025, which have been derived from and should be read in conjunction with the Audited Financial Statements, which have been audited by KPMG. The Audited Financial Statements are included elsewhere in this Offering Circular.

The Group has prepared and presented the Audited Financial Statements in accordance with HKFRS Accounting Standards applicable as at 31 December 2023, 2024 and 2025, respectively. Please refer to note 12 to the Group's audited consolidated financial statements for the year ended 31 December 2025 for further information about the effect of restatement of the Group's prior-year comparative financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December		
	2023	2024	2025
		HK$'000	
Interest income	6,452,047	7,734,392	7,546,360
Interest expense	(4,336,731)	(5,152,846)	(4,652,771)
Net interest income	**2,115,316**	**2,581,546**	**2,893,589**
Fee and commission income	416,070	484,139	584,017
Fee and commission expense	(95,587)	(100,139)	(105,159)
Net fee and commission income	**320,483**	**384,000**	**478,858**
Other operating profit/(loss)	34,299	(9,514)	(53,957)
Operating income	2,470,098	2,956,032	3,318,490
Operating expenses	(1,175,144)	(1,285,824)	(1,397,452)
Operating profit before other gains and impairment losses	**1,294,954**	**1,670,208**	**1,921,038**
Impairment losses on advances to customers	(369,555)	(568,745)	(278,780)
Impairment losses on other financial instruments	18,381	(5,067)	(41,751)
Impairment losses on other assets	(15,697)	(1,236)	(476)
Impairment losses on assets acquired under lending agreements	(800)	(1,000)	(300)
Impairment losses	**(367,671)**	**(576,048)**	**(321,307)**
Gain/(loss) on revaluation of investment properties	868	(22,800)	(1,000)
Net (losses)/gains on disposal of financial assets measured at amortised cost	(289)	2,636	9,310
Net (losses)/gains on disposal of fixed assets	(194)	43	(318)
Gain on disposal of assets held for sale	124	–	–
Profit before taxation	**927,792**	**1,074,039**	**1,607,723**
Taxation	(143,526)	(167,461)	(231,266)
Profit for the year	**784,266**	**906,578**	**1,376,457**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December		
	2023	2024	2025
		HK$'000	
ASSETS			
Cash and short-term funds	7,104,004	8,516,072	5,002,214
Balances with banks and other financial institutions	6,059,269	10,685,622	14,425,351
Trading assets	1,696,831	1,436,973	2,460,418
Derivative financial instruments	1,755,620	1,916,183	1,301,021
Advances to customers	64,298,938	62,701,653	71,084,844
Advances to banks	3,291,894	7,168,457	15,137,000
Trade bills	658,615	756,654	664,776
Accrued interest and other assets	2,749,147	2,843,016	3,020,433
Debt securities measured at amortised cost	48,975,907	42,022,873	38,842,869
Debt securities measured at fair value through other comprehensive income	–	19,072,835	35,669,375
Investment funds measured at fair value through profit or loss	–	24,681	21,201
Equity securities designated at fair value through other comprehensive income	963,092	72,221	72,495
Fixed assets	3,342,993	2,972,010	2,957,785
Investment properties	85,300	62,500	61,500
Deferred tax assets	6	–	–
Total assets	**140,981,616**	**160,251,750**	**190,721,282**
LIABILITIES			
Deposits and balances of banks and other financial institutions	7,854,320	3,856,010	4,013,695
Deposits from customers	109,124,496	133,895,361	162,892,400
Trading liabilities	1,696,831	941,735	2,460,418
Certificates of deposit issued	299,942	–	–
Derivative financial instruments	93,194	101,708	304,600
Other liabilities	5,277,772	4,518,782	2,783,639
Current tax liabilities	163,599	72,296	89,577
Deferred tax liabilities	505,846	317,146	330,983
Total liabilities	**125,016,000**	**143,703,038**	**172,875,312**
EQUITY			
Share capital	4,830,448	4,830,448	4,830,448
Reserves	11,135,168	11,718,264	13,015,522
Total equity	**15,965,616**	**16,548,712**	**17,845,970**
Total equity and liabilities	**140,981,616**	**160,251,750**	**190,721,282**

OTHER SELECTED FINANCIAL DATA

	As at/for the year ended 31 December				
	2021	2022	2023	2024	2025
			(unaudited)		
Net interest margin[(1)]	1.28%	1.41%	1.71%	1.84%	1.77%
Cost-to-income ratio[(1)]	58.5%	52.9%	47.6%	43.5%	42.1%
Loan-to-deposit ratio[(1)]	73.1%	67.9%	62.9%	53.1%	53.5%
Impaired loans ratio[(1)]	0.76%	0.46%	0.56%	1.91%	0.90%
Coverage ratio[(1)]	74.6%	95.6%	84.3%	92.0%	81.0%
Return on average equity[(1)]	2.62%	3.62%	5.02%	5.58%	8.00%
Return on average assets[(1)]	0.34%	0.44%	0.58%	0.60%	0.78%
Average liquidity maintenance ratio[(2)]	70.6%	71.9%	86.9%	102.6%	108.3%
Common Equity Tier 1 capital ratio[(3)]	16.0%	16.0%	16.3%	17.4%	17.6%
Tier 1 capital ratio[(3)]	16.0%	16.0%	16.3%	17.4%	17.6%
Total capital ratio[(3)]	17.9%	17.8%	17.9%	18.9%	19.1%

Notes:

(1)

$$\textit{Net interest margin} = \frac{\textit{Net interest income}}{\textit{Average interest – earning assets for the year}}$$

$$\textit{Cost to income ratio} = \frac{\textit{Operating expenses}}{\textit{Operating income}}$$

$$\textit{Loan to deposit ratio} = \frac{\textit{Advance to customers + Advances to banks + Trade bills}}{\textit{Deposits from customers}}$$

$$\textit{Impaired loans ratio} = \frac{\textit{Impaired advances to customers}}{\textit{Gross advances to customers}}$$

$$\textit{Coverage ratio} = \frac{\textit{(Amount of collateral held in respect of impaired loans + Stage 3 impairment allowances made against impaired loans)}}{\textit{Gross impaired advances}}$$

$$\textit{Return on average equity} = \frac{\textit{Profit attributable to shareholders}}{\textit{Average beginning \& ending balances of shareholder's funds}}$$

$$\textit{Return on average assets} = \frac{\textit{Profit attributable to shareholders}}{\textit{Average beginning \& ending balances of total assets}}$$

(2) Liquidity maintenance ratios were calculated based on the Banking (Liquidity) Rules (Cap. 155Q) of Hong Kong ("**BLR**") effective during the relevant reporting periods and on a consolidated basis including the Bank and its subsidiaries as required by the Monetary Authority. Average liquidity maintenance ratio is the arithmetic average of liquidity maintenance ratio as of each month-end date of the reporting year.

(3) The capital adequacy ratios were calculated based on the Banking (Capital) Rules (Cap. 155L) of Hong Kong effective during the relevant reporting periods and on a consolidated basis including the Bank and its subsidiaries as required by the Monetary Authority.

RISK FACTORS

Prospective investors should carefully take into account the considerations described below, in addition to the other information contained herein, before investing in the Notes. The occurrence of one or more of the events described below could have an adverse effect on the Group's business, financial condition or results of operations, and could affect the Bank's ability to make payments of principal and interest under the Notes. Additional considerations and uncertainties not currently known to the Bank, or which the Bank currently deems immaterial, may also have an adverse effect on an investment in the Notes.

RISKS RELATING TO THE GROUP

The Group may be affected by a global economic downturn.

The Group's performance and the quality and growth of its assets are necessarily dependent on global economic conditions. The Group's business is inherently subject to general global macroeconomic conditions, policies and market fluctuations, including financing costs, interest rate volatility, inflation, monetary and fiscal policies and other macroeconomic policies. As a result, any downturn in the global economy may adversely affect the business, financial condition and results of operations of the Group.

Unfavourable financial or economic environment, including continued global financial uncertainty, have had, and may continue to have, an adverse impact on investor confidence, global financial markets and the global economy. In particular:

- The ongoing impact of wars and geopolitical conflicts around the world has led to volatility in economic activity and contributed to higher inflation. In particular, extensive financial, trade, transport and immigration sanctions have been imposed by the UK, the EU and the U.S., among others, against Russian individuals and companies in light of the Russia-Ukraine conflict. Increasing tensions between the U.S. and China may further contribute to the evolution of the sanctions environment. The sanctions regimes put in place since the Russia-Ukraine conflict have led to rising prices for energy, food and other commodities and, consequently, global inflationary pressures. The armed conflict between Israel and Palestine has been evolving since October 2023, and the situation has been further exacerbated by escalating regional tensions, including recent conflicts between the U.S., Israel and Iran and its proxies, leading to further inflationary prices due to rising prices for energy, food and other commodities. As a result, aggravated geopolitical tensions bring uncertainty to the global economy as well as significant volatility in global financial and commodities markets.

- The United States and China continue to experience sustained tensions across trade, regulatory and geopolitical matters, including the imposition of tariffs, export controls, regulatory restrictions and other measures affecting cross-border trade, investment and technology flows. Such developments have contributed to disruption and uncertainty in global trade flows, supply chains and financial markets, and there can be no assurance as to how these relationships will evolve or whether any such measures will be maintained, intensified or relaxed. In addition, relations between China and other major economies, including the European Union, have become more complex, with increasing focus on market access, investment screening and supply chain resilience. Any further escalation or prolonged uncertainty in these areas may adversely affect global economic conditions and, in turn, the Group's business, financial condition and results of operations.

- The ongoing corporate deleveraging efforts by the PRC government, together with tighter regulatory scrutiny have increased refinancing pressure and corporate defaults, particularly in

the real estate sector. Defaults, restructurings, project delays and weakened investor confidence continue to affect credit conditions and market sentiment, with potential contagion risks across related sectors and financial markets. There can be no assurance that government measures will be sufficient or effective, or that further market disruption will not occur. Any continued or worsening conditions may increase global market volatility and adversely affect the Group's business, financial condition and results of operations.

If there is any renewed global economic downturn or slowdown in the pace of global economic recovery, there can be no assurance that the business, financial condition and results of operations of the Group will not be adversely affected. The Group's prospects remain sensitive to developments in major economies, including the United States, the PRC and other developed markets, and there can be no assurance that future global events will not adversely affect the Group.

The Group may be affected by an economic downturn in Hong Kong.

The Group conducts most of its operations and generates most of its revenue in Hong Kong. The Group's performance and the quality and growth of its assets are necessarily dependent on the overall economy in Hong Kong. Any disruption to the Hong Kong economy, such as the outbreak of a highly contagious disease, an increase in unemployment, a reduction in consumer spending, an upsurge in interest rates, persistent volatility in commodity prices, slower economic growth in the PRC or a fall in the number of travellers to Hong Kong, has had, and may in the future have, an adverse impact on the Group's business, financial condition, asset value, results of operations and prospects.

The Hong Kong economy is also affected, to a significant extent, by global economic conditions, such as in the United States, Europe, the PRC or elsewhere. Any sustained volatility or deterioration in economic conditions in these markets may have, and may continue to have, a negative impact on the economy of Hong Kong which may materially and adversely affect the Group's business, financial condition and results of operations and its ability to access the capital markets.

The Group is exposed to the Hong Kong property market.

The Bank has meaningful exposure to property-related lending in Hong Kong, and any material downturn in the Hong Kong property market could adversely affect collateral values, asset quality, impairment charges and the Group's results of operations.

Hong Kong property prices and rents for residential, commercial and industrial properties have shown significant growth since 2000. Since 2010, the Hong Kong government and the Monetary Authority have introduced a series of residential property cooling measures, such as Special Stamp Duty ("**SSD**") for residential property, Buyer's Stamp Duty ("**BSD**") and reduced loan-to-value borrowing limits.

However, as a result of the economic downturn and uncertainties following the COVID-19 pandemic, falling property prices and reduced property transactions, SSD and BSD were abolished in April 2024. There is no assurance that the Hong Kong government will not re-introduce tightening measures in the future when market conditions improve, which may, in turn, have a negative impact on the Group's asset quality or adversely affect its business.

The trend of property prices in the Hong Kong property market depends on various factors beyond the Group's control, including government policy; Hong Kong dollar interest rate movements, which are largely dependent on the timing and pace of United States interest rate changes; capital outflow pressures in relation to global competitive monetary easing and currency depreciation; growth prospects of the Hong

Kong economy; economic, Renminbi and property market developments in the PRC; and changes in the property demand and supply balance in the Hong Kong market. Any substantial decreases in property values or downturn in the property markets in Hong Kong or the PRC could have a negative impact on the Group's asset quality and adversely affect the Group's business, financial condition and/or results of operations.

The Group is operating in a highly regulated industry and bank regulatory restrictions and other laws and regulations could impair its operations.

The Group operates in a highly regulated environment, and its business and operations are subject to extensive laws and regulatory oversight. Banks in Hong Kong are supervised by the Monetary Authority, and the Group is directly affected by changes in regulatory policies of the Monetary Authority, including those relating to specific lending activities, loan provisioning, capital adequacy and liquidity. Certain products and services provided by the Group are also regulated by other authorities, including the Securities and Futures Commission (the "**SFC**"). From time to time, the regulators in Hong Kong may introduce measures intended to provide tighter control and enhance transparency in the Hong Kong banking sector, including in relation to the selling of investment products to retail customers.

Whilst the Group carefully manages legal and compliance risks, including in relation to the sale of financial products and compliance with anti-money laundering and anti-terrorist financing regulations, regulatory and governmental agencies frequently review banking and tax laws, regulations and policies, and any changes, or their interpretation or implementation, may affect the Bank and the Group in significant and unpredictable ways, including requiring higher liquidity or capital levels, or restricting business activities and product offerings of the Group.

Any failure by the Bank or the Group to comply with applicable laws, regulations or policies in Hong Kong could result in regulatory actions, sanctions, penalties and reputational damage, and may adversely affect the Group's operations, profitability and prospects.

Systemic risk resulting from failures of financial institutions in the banking industry could adversely affect the Group.

Within the banking industry, the default of one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults among other institutions because many financial institutions may be interdependent as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Group interacts on a daily basis. Turmoil in the financial markets, including the collapse of Silicon Valley Bank and Signature Bank, the crisis of Credit Suisse and the seizure of First Republic Bank, has increased uncertainty in the financial services industry and raised questions about the viability of other financial services firms and the possibility of broader systemic risk. In addition, the response of government regulators and central banks to recent financial markets turmoil, including the response of the Swiss authorities to the crisis of Credit Suisse and the seizure of First Republic Bank by US regulators, has caused market participants to question how regulators and central banks will use resolution authority powers in respect of financial institutions or otherwise respond in the event of further turbulence or crisis in financial markets. This, in turn, could have an adverse effect on the business, financial condition and results of operations of the Group and on the ability of the Group to raise new funding.

Changes in the credit quality and the recoverability of loans and amounts due from counterparties may have an adverse effect on the financial condition and results of operations of the Group.

From time to time, the Group enters into financial and other arrangements with counterparties. Any lending activity is exposed to credit risk arising from the risk of default by borrowers. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of businesses of the Group. Defaults by, or adverse changes in the credit quality of, the Group's borrowers and counterparties, or adverse changes arising from a general deterioration in global economic conditions or systemic risks in the financial systems could reduce the recoverability and value of the assets of the Group and require an increase in the level of impairment losses on advances to customers of the Group.

In addition, the Bank may decide to restructure certain of its impaired loans. In restructuring certain of the Bank's impaired loans, the Bank usually agrees to set payments of principal and/or interest at a relatively low level for a certain time frame followed by larger payments in later periods to match the Bank's expectation of a borrower's ability to service the debt. The relatively low payments improve the likelihood that a restructured loan will be categorised as performing during the period of such payments. However, future higher payments may cause the loan to become impaired again if the borrower is unable to make such larger payments in the later periods. If a significant number of the Bank's customers are unable to make larger payments for their respective restructured loans, such restructured loans may become impaired, thereby requiring additional provisions, and could have a material adverse effect on the Bank's ability to make payments under the Notes.

Although the Group devotes considerable resources to managing the above risks, if the Bank is not able to control and reduce its impaired loans, or if there is a further significant increase in its restructured loans, the Bank's business and future financial performance could be adversely affected.

The Group's classification of loans and its policy in relation to the adequacy of allowance for loan losses may be different from the standards of other countries.

The Bank rates the risk of every borrowing account based on the Bank's risk rating system, which has grades from 1 (highest) to 10 (lowest), and follows the Monetary Authority's guidelines for determining when interest should be placed in suspense accounts (internal grades 1–9/Pass and Special Mention) or cease to be accrued (internal grade 10/Substandard, Doubtful and Loss). The classification of advances into one of these grades is based on the borrower's repayment ability and the likelihood of individual counterparties defaulting, taking into account the number of months for which payment is in arrears, the type of advance, the tenor of the advance, the type and level of collateral coverage, the likelihood of collection, the sufficiency of the net realisable value of the security to cover the amount of principal and accrued interest, the number of days for which the payment of principal or interest has fallen overdue, and expectations for recovery or performance.

The laws, regulations and guidelines governing the banking industry in Hong Kong differ from those applicable in various other countries in certain respects and may result in particular loans being classified at a different time or being classified in a category reflecting a different degree of risk than would be required in other countries. In addition, the typical procedures for writing off loans in Hong Kong may result in loans being written off at a time different from that which would be required in certain other countries. Banks in Hong Kong may have different sets of criteria for recognition of accrued interest on loans which may be treated differently in certain other countries. While the Bank believes that its credit policies are generally consistent with applicable Hong Kong laws and regulations, the Bank is not required to maintain such policies at levels above those generally applicable to banks in Hong Kong. For a description of the banking regulations that apply to banks in Hong Kong, see "*Regulation and Supervision*".

Changes in interest rates, currency exchange rates, equity prices and other market risks could adversely affect the financial condition and results of operations of the Group.

Market risk arises when changes in market rates, prices and volatilities, such as interest rates, currency exchange rates and credit spreads, lead to a decline in the value of assets and liabilities or affect the profits and losses of the Group. Market risk arises on financial instruments which are valued at current market prices ("**marked to market**"). The Group transacts in the money markets, foreign exchange markets, equity markets and capital markets, giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market-making activities and positions taken in order to hedge the Group's open positions.

The Group may incur losses as a result of a decline in the value of financial instruments entered into by the Bank or any member of the Group as principal with customers, financial exchanges or interbank counterparties. Such financial instruments may decline in value due to changes in, or implied volatility of, among other factors, foreign exchange rates, interest rates and commodity prices.

In particular, changes in interest rates could adversely affect the financial condition and results of operations of the Group. Changes in market interest rates affect the interest received on the Group's interest-earning assets and the interest paid on the Group's interest-bearing liabilities. Differences in the timing and level of changes in interest rates can result in an increase in interest expense relative to interest income, which may lead to a reduction in the Group's net interest income. Moreover, the Group is subject to interest rate risk as a result of mismatches in the pricing and duration of assets and liabilities.

Interest rates in Hong Kong are sensitive to factors over which the Group has no control, including, among other things, interest rates in the United States, liquidity of the domestic interbank market and the international capital markets, domestic and international economic and political conditions and competition for loan demand. While interest rates in Hong Kong have remained relatively low and have fallen steadily in recent years, there can be no assurance that interest rates will not rise or fall or become volatile or that changes in interest rates will not be frequent. An increase in interest rates could lead to a decline in the value of securities in the Bank's portfolio, and could also raise the Bank's funding costs without a proportionate increase in loan demand, if at all. Rising interest rates would therefore require the Bank to re-balance its assets and liabilities in order to minimise the risk of potential mismatches and maintain its profitability. In addition, rising interest rate levels may adversely affect the economy in Hong Kong and the financial condition and repayment ability of its corporate and retail borrowers, including holders of credit cards, which in turn may lead to a deterioration in the Group's credit portfolio. Any significant volatility and abrupt movements in interest rates could adversely affect the Group's business, financial condition and results of operations.

In addition, the majority of the Bank's revenues are generated in Hong Kong dollars. Although the Hong Kong dollar has been linked to the U.S. dollar since 1983, there can be no assurance that such linkage will be maintained in the future. The Bank's business, financial condition and results of operations could be adversely affected by the impact on the Hong Kong economy of the discontinuation of the link between the Hong Kong dollar and the U.S. dollar or any significant change in the exchange rate of the U.S. dollar against the Hong Kong dollar.

Short-term funding may affect the Bank's liquidity.

The Bank relies primarily on short-term funding sources, particularly deposits from customers, and a significant portion of those deposits has remaining maturities of one year or less. As a result, its liabilities are generally of shorter duration than its loan and investment assets, giving rise to potential maturity mismatches.

Historically, customer deposits have been a relatively stable source of funding. However, there can be no assurance that depositors will continue to roll over funds. A significant withdrawal or non-renewal of deposits could adversely affect the Bank's liquidity position and require it to obtain alternative funding, which may be more costly.

The Bank is a member of the Hong Kong Deposit Protection Scheme, pursuant to which eligible deposits are protected up to HK$800,000 per depositor with effect from 1 October 2024. However, there can be no assurance that changes to, or perceptions of, the Hong Kong Deposit Protection Scheme will not affect the level or stability of deposits.

In addition, the statutory liquidity maintenance ratio ("**LMR**") requirement came into effect on 1 January 2015. The Bank holds sufficient liquid assets, which consist of cash, short-term funds, exchange fund bills and notes, to fulfil the LMR. In times of liquidity stress, the stock of liquid assets can be easily and immediately converted into cash to meet unexpected and material cash outflows. Whilst the Bank's average monthly consolidated LMR for the year ended 31 December 2025 was 108.3%, which exceeds the current statutory average monthly LMR requirement of 25 per cent., there can be no assurance that such buffers will be sufficient in all circumstances. In addition, while the Monetary Authority may provide liquidity support to authorized institutions, there is no guarantee that such support would be available to the Bank in the event of liquidity stress.

The Monetary Authority acts as a lender of last resort to all authorized institutions in Hong Kong to provide support for liquidity needs in the banking system generally, as well as to specific institutions. Although the Hong Kong government has in the past taken measures on a case-by-case basis to maintain or restore public confidence in individual banks with isolated liquidity crises, there can be no assurance that the Monetary Authority will provide such assistance in the future or that it would elect to provide such assistance in the event of a liquidity crisis in respect of the Bank.

If the Bank fails to maintain its expected growth rate in deposits or if a substantial portion of the Bank's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, the liquidity position, financial condition and results of operations of the Bank may be materially and adversely affected and the Bank may need to seek more expensive sources of funding to meet its funding requirements.

Failure to manage liquidity risk may affect the Group adversely and may affect the Bank's ability to make payments on its obligations under the Notes.

Liquidity risk is the risk that insufficient cash will be generated from either the Bank's assets or liabilities to meet deposit withdrawals or contractual loan funding and is an inherent risk in all banking operations. The Group relies significantly on customer deposits and other funding sources to meet its funding obligations and support its business, and any disruption to those funding sources could adversely affect the Group's liquidity, financial condition and results of operations.

Financial markets may from time to time experience periods of reduced liquidity, dislocation or volatility, which may affect the availability and cost of funding. In such conditions, or if market confidence in the Bank or any member of the Group were to deteriorate, the Group's ability to access funding sources could become constrained. This may in turn affect the Group's ability to meet its funding obligations, including the Bank's ability to fulfil its obligations under the Notes, or to maintain, develop or expand its business. Any such adverse market conditions could have a material adverse effect on the Group's business, financial condition and results of operations and, consequently, the Bank's ability to fulfil its obligations under the Notes.

The Group's business could be affected if its capital is not managed effectively.

The capital base management of the Group is critical to its ability to operate each of its businesses, to continue to grow organically and to pursue its strategy. Any future change that limits the Bank's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms could have a material adverse effect on the Bank's financial condition and regulatory capital position.

Downgrades to the Bank's credit ratings or outlook could impair the Bank's access to funding and the Bank's competitive position.

The Bank's ability to access the capital and, to a lesser extent, wholesale markets, and the cost of borrowing in these markets, is influenced by the credit ratings assigned to the Bank by the rating agencies. In determining the Bank's credit ratings, rating agencies will take into consideration the Bank's ability in managing its liquidity risk. However, in certain illiquid markets, the valuation of certain financial instruments may be highly subjective, and there can be no assurance that the Bank will not be subject to downgrades to its credit ratings.

In addition, the Bank's credit ratings are linked to the credit ratings of its sole shareholder, Fubon FHC. As a result, any change in Fubon FHC's credit ratings may result in a corresponding change to the credit ratings of the Bank, irrespective of the Bank's own financial condition or business performance.

Any changes in the credit ratings of the Bank could increase its cost of borrowing or limit its ability to obtain funding on favourable terms, or at all. It may also adversely affect investor confidence in the Bank, which could in turn negatively impact its funding profile, earnings and profitability.

Operational risks are inherent in the Group's business.

Operational risk refers to the risk resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risks arise from the Group's daily operations and fiduciary activities. The Group is also exposed to operational failings by third-party providers, including outsourcing, to natural disasters, extreme weather events, political, security and social events, and to failings in the financial services sector. While the Bank's Operational Risk Management team maintains an appropriate operational risk management framework by implementing risk management policies and conducting training on operational risk management procedures for individual representatives from various business divisions, deficiencies in the internal processes and systems within the Group could affect its ability to process, summarise and report financial and other data in a timely and accurate manner. These deficiencies could also increase the potential for financial reporting errors and non-compliance with regulations.

Failures of or inadequacies in information technology ("IT") systems could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business operations depend heavily on its business, accounting and other data processing systems. The failure of any of those systems to operate normally, or any inability to operate them, will expose the Group to financial losses, business disruption, intervention by regulatory authorities or reputational damage.

The proper functioning of the Group's business processing, accounting, financial controls, risk management, customer service and other business functions depends on the Group's IT systems and communication networks with third parties. If the fundamental systems that support the Group's business

suffer malfunction or disruption, including system problems or communication disruption affecting its systems or the systems of any third parties it engages, the Group may be indirectly affected, which would have a material adverse effect on its ongoing business. These failures could be caused by, among other things, hardware failure, software program errors, computer virus attacks, network failure, conversion errors due to system upgrade or system relocation, failure to implement new IT initiatives, human error, natural disasters, war, terrorist attacks, blackouts and unanticipated problems at facilities, many of which are beyond the Group's control. Although the Group maintains business continuity and data backup measures, any prolonged disruption to or malfunction in the operation of its IT systems could have a significant impact on its normal business operations and limit its ability to monitor and manage data, control financial and operational conditions, monitor and manage its risk exposures, keep accurate records, provide high-quality customer service and develop and sell profitable products and services. Recovery from such disasters may be insufficient to mitigate the Group's losses incurred during such malfunction and disruption. In addition, insurance or other precautionary measures may only partly, if at all, indemnify the Group's losses.

The Group updates its IT systems and introduces new IT systems from time to time. This includes the Group's recent and ongoing initiatives relating to artificial intelligence ("**AI**") and generative AI, including Cosie, the Bank's Generative AI Office Toolkit launched to all staff in 2025, and the adoption of Moody's Automated Credit Memo for corporate credit origination designed to expedite data gathering and analysis, facilitate credit quality monitoring and support risk control. However, delays, inaccurate or incomplete outputs, inappropriate reliance on AI-generated outputs, system failures, integration issues, cybersecurity or data privacy incidents, regulatory or governance concerns, or other incidents may occur during such system upgrades, the introduction of new systems or the development or use of AI tools. In addition, upgraded or new IT systems and AI tools may not achieve the anticipated processing capacity, availability, reliability, accuracy, efficiency gains or business benefits, and may not be able to meet the needs of its business growth in the future. The Group's failure to address these problems promptly, including any delay in the implementation of any upgraded or new information systems or AI tools, or any failure to maintain appropriate human oversight, controls and governance over AI-enabled processes, could result in its inability to perform, or delays in performing, critical business operational functions, the loss or misuse of key business data, incorrect or delayed management or credit decisions, a failure to comply with regulatory requirements, regulatory scrutiny or reputational damage, which could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Group provides online financial services through digital and mobile platforms. Security breaches, disruption to or instability of the Group's online services platform could impair its ability to serve its customers and execute trades on their behalf and on its own account, which could materially and adversely affect its results of operations and reputation. The Group's networks may be vulnerable to unauthorised access, computer viruses and other disruptive problems. Costs incurred in rectifying any such disruptive problems may be high and may adversely affect the Group's business, financial condition and results of operations. The Group has implemented security controls designed to reduce these risks. However, there can be no assurance that such measures are effective. Concerns regarding security risks in general may deter the Group's existing and potential customers from using its internet banking products and services, which may, in turn, have a material adverse effect on the Bank's internet banking business and on its financial condition and results of operations.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties in a timely manner.

The Group may encounter fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties, which could result in violations of laws and regulations by the Group and expose it to regulatory sanctions. Even if such instances of misconduct do not result in any legal liabilities on its part, they could cause serious reputational or financial harm to the Group. This misconduct could include, but may not be limited to, fraud.

The Bank has internal control procedures designed to monitor its operations and support overall compliance, including access governance, layered security controls, network-level protections and data loss prevention controls to prevent unauthorised access to data. However, its internal control procedures or other precautions may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner or at all. There can be no assurance that fraud or other misconduct will not occur in the future. The Bank's failure to detect and prevent fraud and other misconduct in a timely manner may have a material and adverse effect on its business reputation, financial condition and results of operations.

The Bank is subject to various regulatory requirements in the Hong Kong banking industry.

Under the Banking Ordinance (Cap. 155) of Hong Kong (the "**Banking Ordinance**"), the Monetary Authority regulates the business activities and operations of commercial banks and has the ability to influence banking and financial markets generally. Potential investors should be aware that regulatory requirements in Hong Kong may differ from those that prevail in other countries. Since the Group operates in the highly regulated banking and securities industries in Hong Kong, potential investors should also be aware that the regulatory authorities have been consistently imposing higher standards and developing new guidelines and regulatory requirements such as the Basel III capital adequacy standards, which have been adopted in Hong Kong.

Basel III, issued by the Basel Committee on Banking Supervision (the "**Basel Committee**"), introduced enhanced capital requirements designed to raise the quality, consistency and transparency of banks' capital base and new global liquidity standards. Among other things, Basel III increases the minimum capital adequacy ratio requirements in relation to risk-weighted assets, with the common equity requirement rising from 2 per cent. to 4.5 per cent. and the Tier 1 capital requirement rising from 4 per cent. to 6 per cent., while the total minimum capital requirement remains unchanged at 8 per cent. Basel III also introduced requirements to ensure loss absorbency at the point of non-viability, pursuant to which non-common Tier 1 and Tier 2 instruments issued by internationally active banks must include contractual provisions providing for write-off or conversion into common equity upon the occurrence of a trigger event. The Basel III final reform package came into effect in Hong Kong in January 2025.

In addition to the minimum capital adequacy ratio requirements, locally incorporated authorized institutions in Hong Kong are required to maintain regulatory capital buffers, including the capital conservation buffer, the countercyclical capital buffer and, where applicable, the higher loss absorbency buffer for systemically important authorized institutions, in order to strengthen the resilience of the banking sector. If an authorized institution's capital buffers fall below the level prescribed under the Banking (Capital) Rules, it will be subject to restrictions to make distributions. As at 31 December 2025, the Bank's capital conservation buffer requirement and countercyclical capital buffer requirement were 2.5 per cent. and 0.454 per cent., respectively. The higher loss absorbency requirement was not applicable to the Bank. The Group may also be subject to the Financial Institutions (Resolution) Ordinance and the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules in Hong Kong, under which authorized institutions and other banking sector entities within scope are required to maintain loss-absorbing capacity resources to recapitalise and preserve critical financial functions in the event of resolution.

These standards require banks to disclose key pieces of information on capital, risk exposures, risk assessment processes and hence capital adequacy. The aim of the new standards is to encourage banks to demonstrate to market participants that their risk management systems are robust and that all relevant risks have been identified and controlled.

The Bank has taken steps to implement the requirements of relevant regulators and to comply with any new or modified regulations. Increased regulation and the requirement for more stringent investor protections have increased its operational and compliance expenses and may affect its capital structure. Any changes in regulation, governmental policies, income tax laws or rules and accounting principles, as well as international conventions and standards relating to commercial banking operations in Hong Kong, could affect the Group's operations. There can be no assurance that the relevant regulatory authorities will not implement further regulations or that any such change will not materially increase the Group's operational, funding, capital or compliance costs or adversely affect its business or operations.

The Group is subject to minimum regulatory capital and liquidity requirements.

The Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet minimum regulatory capital requirements. Capital requirements are sensitive to market movements and will increase if economic conditions or negative trends in the financial markets worsen. Any failure of the Group to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which in turn may have a material adverse impact on the Group's results of operations. A shortage of available capital might restrict the Group's opportunities for expansion.

Under Basel III, capital and liquidity requirements have been raised. On 16 December 2010 and 13 January 2011, the Basel Committee issued its final guidance on Basel III. The Basel Committee's package of reforms includes increasing the minimum common equity, or equivalent, requirement and the total Tier 1 capital requirement. In addition, banks will be required to maintain, in the form of common equity, or equivalent, a capital conservation buffer to withstand future periods of stress. If there is excess credit growth in any given country resulting in a system-wide build-up of risk, a countercyclical buffer of common equity is to be applied as an extension of the conservation buffer. Furthermore, systemically important banks should have loss-absorbing capacity beyond these standards. The Basel III reforms also require Tier 1 and Tier 2 capital instruments to be more loss-absorbing. These reforms therefore increase the minimum quantity and quality of capital which banks are obliged to maintain. There can be no assurance as to the availability or cost of such capital. The capital requirements have been supplemented by a leverage ratio, which has been adopted in Hong Kong. From a liquidity perspective, Basel III also strengthened the requirements and introduced the liquidity coverage ratio and net stable funding ratio, which have been adopted in Hong Kong. The reforms have been adopted in Hong Kong through a series of legislative amendments, with many of the new rules having taken effect from 2013, and the final reform package came into effect in Hong Kong in January 2025.

There can be no assurance that the Monetary Authority will not implement a package of reforms in a manner that is different from that which has previously been envisaged, or will not impose additional capital requirements on authorized institutions. If the regulatory capital requirements, liquidity restrictions or ratios applied to the Group are increased in the future, any failure of the Group to maintain such increased regulatory capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on the Group's results of operations.

The Group is subject to the Financial Institutions (Resolution) Ordinance of Hong Kong.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "**FIRO**") came into operation. FIRO provides for, among other things, the establishment of a resolution regime for authorized institutions and other in-scope financial institutions as designated by the relevant resolution authorities, which includes the Group. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution to stabilise and secure continuity for a failing authorized institution or financial institution in Hong Kong, including powers to affect contractual and property rights as well as payments that creditors would receive in resolution, which include powers to write off or convert all or part of the Notes. Whilst FIRO sets out a framework of the resolution regime in Hong Kong, much of the detail is to be legislated through secondary legislation and supporting rules, and as such the impact of it on the Group cannot currently be fully accurately assessed. See "*Risk Factors – Risk Factors Relating to the Notes – The operation of the resolution regime in Hong Kong may override the contractual terms of the Notes*".

The Bank may be involved in legal, regulatory and other investigation or proceedings arising from its operations from time to time.

Legal risks arise from a variety of sources with the potential to cause harm to the Bank and its ability to operate. These issues require the Bank to deal appropriately with, among other things, potential conflicts of interest, legal and regulatory requirements, ethical issues, anti-money laundering and counter-terrorist financing laws or regulations, economic and trade sanctions, export control and other restrictive measures, privacy laws, information security policies, sales and trading practices, and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to the Bank, which may increase the number of litigation claims, regulatory investigations and proceedings, and the amount of damages asserted against the Bank, or subject the Bank to regulatory enforcement actions, fines, penalties, restrictions on business activities or reputational damage.

In particular, the Group is subject to anti-money laundering, counter-terrorist financing, economic and trade sanctions, export control and other restrictive measures administered by multiple authorities and jurisdictions, including the United Nations, the United States, the European Union, the United Kingdom, Hong Kong, the PRC and other relevant authorities. These regimes are complex, overlapping and frequently changing, and may have extra-territorial effect, including through secondary sanctions. The Group may from time to time have customers, counterparties, transactions or exposures that are directly or indirectly affected by sanctions, trade restrictions, export controls, counter-sanctions or other retaliatory measures. Although the Group maintains policies, procedures and controls designed to detect, prevent and mitigate such risks, there can be no assurance that these measures will identify all prohibited, restricted, suspicious or otherwise improper activities on a complete or timely basis. In 2024, the Monetary Authority imposed a penalty on the Bank for contravention of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance ("**AMLO**") following the Bank's self-report of transaction monitoring failures and the Monetary Authority's subsequent investigation into the Bank's systems and controls for compliance with the AMLO. As at the date of this Offering Circular, the investigation has been completed. The Group may also face heightened compliance risk where activities involve indirect exposures, third-party intermediaries, correspondent banking arrangements, trade finance flows, cross-border payments, dual-use goods, sensitive technologies or sectors subject to rapidly evolving restrictions.

If the Group is found, or alleged, to have breached applicable laws or requirements, or to have facilitated prohibited or restricted activities, it may be subject to investigations, fines, penalties, asset freezes, restrictions on business activities, limitations on access to U.S. dollar clearing or correspondent banking, increased compliance and remediation costs, contractual disputes and reputational damage. Any such

development could materially and adversely affect the Group's business, financial condition, results of operations and ability to make payments under the Notes.

Regulatory investigations and proceedings, litigation and claims will always be a possibility and such regulatory investigations, proceedings, litigation and claims, in aggregate, may become material to the Bank. Similarly, there can be no assurance that relevant government authorities or regulators will not seek to impose fines and/or suspend the Bank's regulated activities as a result of regulatory proceedings. Regulatory pressure to settle claims could also result in material payments by the Bank to disgruntled investors, which often do not reflect the merits of the parties' cases. Any legal or regulatory proceedings, whether substantiated or not, may result in negative publicity and a loss of customer confidence and/or goodwill, which may lead to a loss of business that may adversely affect the Bank's reputation with existing and potential customers, as well as the Bank's business, financial condition or results of operations. Future legislative or regulatory restrictions may also limit the practices and ability of the Bank to sell investment products, which may have an impact on the Bank's business.

If the Bank is unsuccessful in defending any regulatory or legal proceedings, or is unsuccessful in resolving or settling such proceedings on commercially reasonable terms, the Bank may be liable to pay damages or face penalties or sanctions that may have a material adverse effect on the Bank's business, results of operations and financial condition. In addition, whilst the Bank has purchased liability insurance, there is no assurance by the Bank that such insurance coverage is sufficient to eliminate or mitigate potential loss and damage caused by such proceedings.

Competition in the Hong Kong financial industry may adversely affect the Bank's business, financial condition and results of operations.

The Bank is subject to significant competition from many other banks and financial institutions, including competitors which have significantly greater financial and other capital resources, larger market share and greater name recognition than the Bank, as well as existing and/or emerging digital banks. Many of the international and local banks and niche players operating in Hong Kong compete for substantially the same customers as the Bank. Consequently, there is a crowded market, especially for retail banking products such as investment and insurance products, home mortgage loans, credit cards and personal loans. This has been, and may be, further exacerbated by the grant of digital banking licences, the entry and increasing presence of digital banks and the recognition of digital banking companies as financial institutions in the markets in which the Bank operates. The increasing competition in the past few years has had an adverse impact on the Bank's pricing of certain products.

In recent years, competition among banks in Hong Kong for investment and insurance products, home mortgage loans, credit cards and personal loans has become very aggressive. There can be no assurance that the increased competition will not have a material adverse effect on the Bank's business, financial condition or results of operations.

Since 2000, many banks in Hong Kong, including the Bank, have lowered interest rates charged on new home mortgage loans not guaranteed by the Hong Kong government. Despite a slight increase in such interest rates in 2008, competition in the mortgage loans market remains intense. In 2009, with interest rates at an extremely low level, a significant portion of new home mortgage loan rates charged by banks in Hong Kong was based on the Hong Kong Interbank Offered Rate ("**HIBOR**"). Competition among banks in Hong Kong for home mortgage loans may continue to result in pressure on pricing and margins. Competition among banks in Hong Kong for home mortgage loans could result in further reductions in home mortgage interest rates. Such reductions could have an adverse effect on the Bank's business, financial condition or results of operations.

In addition to competition from traditional banks and digital banks, the Group faces increasing competition from financial technology companies, payment service providers, internet-based platforms, digital asset and stablecoin-related service providers and other non-traditional financial institutions. Customer expectations are also changing in favour of digital products and services that provide greater speed, convenience, customisation and integration. These developments may reduce demand for certain of the Group's products and services, compress margins, reduce fee income, increase customer acquisition and retention costs and require the Group to make significant and continuing investments in technology, digital infrastructure, cybersecurity, product development and compliance. There can be no assurance that the Group will be able to compete effectively with such providers or adapt its business model successfully to these market developments.

The Bank's expansion of its business in Hong Kong and the PRC may expose it to additional risks.

The Bank intends to continue growing its business operations in Hong Kong. The Bank may seek to expand its range of products and services and its digital capabilities in order to diversify its business portfolio and remain competitive.

The Bank also plans to expand its operations in the PRC. Any expansion into the PRC would expose the Bank to risks associated with the PRC market, including economic and business conditions, the banking industry, the political and social environment, regulatory developments and the legal system of the PRC, any of which could adversely affect the Bank's business, financial condition and results of operations.

Furthermore, expansion of the Bank's business activities exposes the Bank to certain risks and challenges, including the following:

- the Bank may not have sufficient experience or expertise in certain new products and services and may not be able to compete effectively in these areas;
- the Bank's new products and services may not be well-received by its customers or meet the Bank's expectations for profitability;
- the Bank may face difficulties in recruiting experienced professionals or qualified personnel to offer new products and services due to competition in the labour market;
- the Bank may fail to obtain regulatory approval for its new products or services where necessary; and
- the Bank may not be successful in enhancing its risk management capabilities and information technology systems to support a broader range of products and services.

If the Bank is not able to manage integration and expansion effectively and achieve the intended results, the Bank's business, financial condition and results of operations may be adversely affected.

The Group's operations depend on key management and professional staff, and its business may be materially and adversely affected if it is unable to recruit, train or retain a sufficient number of qualified employees.

The success of the Group's business depends in part on its ability to attract, train and retain experienced management and professional staff, including personnel in front-office, risk, compliance, legal, finance, operations and technology functions. However, the market for quality professionals is highly competitive

and the Group faces increasing competition in recruiting and retaining these individuals, as other banks and financial institutions are vying for the same pool of talent. Loss of members of the Group's management team, or failure to replace them upon their departure in a timely manner, could have an adverse effect on the Group's financial condition and results of operations. In the face of the intense competition for talent, the Group may need to offer better compensation and other benefits to recruit and retain qualified professionals and additional costs may be incurred.

The ability of the sole shareholder and related parties to exercise influence over certain of the Bank's affairs.

Fubon FHC, as the Bank's sole shareholder, is able to influence the Bank's strategy and certain aspects of its affairs, subject to applicable Hong Kong law and regulatory requirements. Although the Bank has internal control policies and procedures intended to manage potential conflicts of interest, conflicts may nonetheless arise between the interests of Fubon FHC, the Bank and investors in the Notes. In addition, the Bank may from time to time enter into transactions with Fubon FHC and other related parties, and there can be no assurance that any such transactions will be beneficial to the Bank and will not create actual or perceived conflicts of interest or otherwise adversely affect the Bank.

The Group is subject to political, social, environmental and other risks.

The Group is subject to potentially unfavourable political, social, environmental and economic developments in the jurisdictions in which it operates. Such developments may include acts of terrorism, political or social instability, geopolitical tensions, epidemics and pandemics, climate change, extreme weather events, natural disasters, transportation disruptions, power failures and other infrastructure failures. Any such events or developments could impair asset values, weaken the creditworthiness of the Group's customers, disrupt the Group's operations and services, damage physical assets, affect the safety of the Group's personnel and customers, and increase the Group's credit, market, operational and liquidity risks. If any of these risks materialise, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The Group is subject to risks arising from changes in accounting standards.

The Group prepares its financial statements in accordance with HKFRS Accounting Standards. The Group expects to adopt HKFRS 18 (*Presentation and disclosure in its financial statements*) when it becomes effective on 1 January 2027, which will require restatement of prior-year comparative financial information. As at 31 December 2025, other than the adoption of HKFRS 18 or as otherwise disclosed in the consolidated financial statements for the year ended 31 December 2025, the Group is not aware of any other changes or planned changes in accounting standards or accounting policies that are expected to have a material effect on the Group's consolidated financial statements. New or revised accounting standards, interpretations or regulatory guidance, including in relation to expected credit losses, fair value measurement, consolidation, impairment, provisioning, hedging and the classification and measurement of financial instruments, may require the Group to change its accounting policies, assumptions, estimates and judgements. Such changes may materially affect how the Group reports its financial condition and results of operations, may increase volatility in reported earnings or capital ratios and may require the restatement of prior-period financial statements. Any such changes could materially and adversely affect the Group's business, financial condition, results of operations and regulatory capital position.

RISK FACTORS RELATING TO THE NOTES

The Notes are complex financial instruments and of high risks and may not be a suitable investment for all investors.

The Notes are complex financial instruments and of high risks. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, including the effects of inflation, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Offering Circular or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks, including the likelihood and effect of the occurrence of a Non-Viability Event (as defined in the Conditions) or the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority (as defined in the Conditions).

Certain considerations relating to enforcement.

To the extent that the Trustee or the holders of the Notes are entitled to any recovery with respect to the Notes in any Hong Kong proceedings, the Trustee and such holders of the Notes might not be entitled in such proceedings to a recovery in U.S. dollars and might be entitled only to a recovery in Hong Kong dollars.

In Hong Kong proceedings, if the Issuer's assets become subject to the control of a court-appointed receiver, interest on the Notes would cease to accrue on the date of the court order and the relevant U.S. dollar amounts would be converted into Hong Kong dollars as at such date for the purpose of claims.

The Notes may be redeemed at the Issuer's option on the Reset Date or on the occurrence of certain other events.

The Notes are redeemable at the option of the Issuer on the Reset Date (as defined in the Conditions). In addition, upon the occurrence of a Withholding Tax Event, a Tax Deduction Event or a Capital Event, the Notes may be redeemed in whole, but not in part, by the Issuer, as more particularly described in the Conditions. However, prior to any early redemption by the Issuer before the Maturity Date, the Issuer must obtain the prior written consent of the Monetary Authority to the extent such consent is then required, as described in the Conditions.

In particular, in relation to a Capital Event, the Monetary Authority from time to time may introduce measures or make proposals to strengthen capital and liquidity regulations with the goal of promoting a more resilient banking sector. It may lead to changes in the requirements for bank capital and certain term subordinated debt may not qualify as regulatory capital beyond a certain time frame. In particular, the Monetary Authority may decide that the Notes do not qualify as Tier 2 capital of the Bank. If the Notes do not qualify, the Issuer may choose to redeem the Notes (subject to the prior consent of the Monetary Authority) prior to the relevant maturity date pursuant to the Capital Event redemption right.

The date on which the Issuer elects to redeem the Notes may not accord with the preference of individual Holders. This may be disadvantageous to the Holders in light of market conditions or the individual circumstances of the Holders. There can be no assurance that Holders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

The interest rate will be reset on the Reset Date which may affect the market value of the Notes.

The interest rate will be reset on the Reset Date which may affect the market value of the Notes. The Notes will have an initial interest rate from, and including, the Issue Date to, but excluding, the Reset Date. Thereafter, from, and including, the Reset Date to, but excluding, the Maturity Date, the interest rate of the Notes will be reset to a rate per annum equal to the then prevailing U.S. Treasury Rate (as defined in the Conditions) plus the Spread (as defined in the Conditions). The interest rate to be reset will ultimately be dependent on the U.S. Treasury Rate then prevailing at the time of the Reset Date, but may be lower than the initial interest rate.

The Issuer's obligations under the Notes are subordinated.

The Issuer's obligations under the Notes will constitute direct, unsecured and subordinated obligations of the Issuer. Subject, inter alia, as discussed under "– *The terms of the Notes contain non-viability loss absorption and bail-in provisions*" below, to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up of the Issuer, the rights and claims against the Issuer of the Holders to payment of principal and interest on the Notes and any other obligations in respect of the Notes, shall rank (x) subordinate and junior in right of payment to, and of all claims of (i) all unsubordinated creditors of the Issuer (including its depositors), and (ii) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Notes or rank senior to the Notes by operation of law or contract; (y) *pari passu* in right of payment with all claims of the holders of Parity Obligations; and (z) senior in right of payment to and of all claims of (i) the holders of Tier 1 Capital Instruments (as defined in the Conditions), and (ii) the holders of other Junior Obligations. In the event of a shortfall of funds on a Winding-Up, there is a risk that an investor in the Notes will lose all or part of its investment and will not receive a full return of the principal amount or any unpaid amounts due under the Notes. The Notes also do not limit the Issuer's ability or the ability of any entity in the Group to incur additional indebtedness, including

indebtedness that ranks senior in priority of payment to the Notes. The Notes and the Trust Deed do not limit the amount of the liabilities ranking senior to the Notes that may be hereafter incurred or assumed by the Issuer. Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent. See Condition 3(C) of "*Terms and Conditions of the Notes*" for a full description of subordination and the payment obligations of the Issuer under the Notes.

It is intended that the Notes should constitute Tier 2 capital of the Issuer and, accordingly, under statutory requirements prevailing at the date of this Offering Circular relating to Tier 2 capital, and by virtue of the above provisions, any redemption of such Notes prior to the stated maturity is subject to the prior approval of the Monetary Authority at the relevant time.

The terms of the Notes contain non-viability loss absorption and bail-in provisions.

Under the Conditions, a Non-Viability Event occurs when the Monetary Authority notifies the Issuer in writing (i) that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; or (ii) that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable (whichever is earlier).

If a Non-Viability Event occurs and is continuing, the Issuer shall, upon or prior to the provision by the Issuer of a Non-Viability Event Notice, irrevocably (without the need for the consent of the Holders) reduce the then outstanding principal amount of, and cancel any accrued but unpaid interest in respect of, each Note (in each case in whole or in part).

If the Hong Kong Resolution Authority Power is exercised by the relevant Hong Kong Resolution Authority, the provisions detailed in the instrument by which the relevant Hong Kong Resolution Authority exercises the Hong Kong Resolution Authority Power (the "**Hong Kong Resolution Authority Power Instrument**") shall apply to the Notes.

The Conditions provide that each Holder and the Trustee shall be subject, and shall be deemed to agree, be bound by and acknowledge that they are each subject, to having the Notes being written off, cancelled, converted or modified, or to having the form of the Notes changed in the exercise of any Hong Kong Resolution Authority Power (as defined in the Conditions) by the relevant Hong Kong Resolution Authority (as defined in the Conditions) without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:

(a) the reduction or cancellation of all or a part of the outstanding principal amount of, or interest on, the Notes;

(b) the conversion of all or a part of the outstanding principal amount of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes; and

(c) the amendment or alteration of the maturity of the Notes or amendment or alteration of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period, or any other amendment or alteration of the Conditions.

Although the Issuer has agreed to notify the clearing systems and the Holders following the occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, there will be a delay between a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power and the time that the clearing systems and the Holders via the clearing systems are notified of the occurrence of the relevant Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power through their clearing systems accounts or otherwise. Such delay may exceed several days during which trading and settlement in the Notes may continue. Any such delay will not change or delay the effect of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power on the obligations of the Issuer under the Notes or on the rights of the Holders. See Condition 5(A) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Non-Viability Loss Absorption*) and Condition 5(B) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Hong Kong Resolution Authority Power*). The notification of a Non-Viability Event is at the discretion of the Monetary Authority and the exercise of the Hong Kong Resolution Authority Power is at the discretion of the relevant Hong Kong Resolution Authority and both beyond the control of the Issuer. The circumstances in which such discretion is exercised are not limited and may include concerns about the Issuer's capital, funding and/or liquidity levels.

Holders should note that any amount that is written off upon the occurrence of a Non-Viability Event in accordance with the Conditions or is subject to the exercise of the Hong Kong Resolution Authority Power is permanent and will not be restored under any circumstances, even if the relevant Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power has ceased. In addition, a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power may occur on more than one occasion and each Note may be written down on more than one occasion. As the Interest Rate is calculated on the basis of the principal amount as adjusted following the occurrence of a Non-Viability Event or as provided for in the relevant Hong Kong Resolution Authority Power Instrument, in the event that such principal amount is permanently reduced by the relevant Write-off or exercise of the Hong Kong Resolution Authority Power, Holders will receive less interest on their Notes. In addition, upon the occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, Holders could risk losing up to the full principal amount of the Notes, as well as the cancellation of any accrued (and unpaid) interest, without receiving any compensation for such loss or cancellation. Potential investors should also consider such risks in the context of financial markets turmoil in early 2023, which has resulted in higher uncertainty in the financial services industry and raised questions about the viability of other financial services firms as well as the possibility of broader systemic risk.

The application of a non-viability loss absorption feature similar to Condition 5(A) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Non-Viability Loss Absorption*) and the exercise of the Hong Kong Resolution Authority Power as set out in Condition 5(B) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Hong Kong Resolution Authority Power*) has not been tested in Hong Kong and some degree of uncertainty may exist in its application.

The occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power may be inherently unpredictable and may depend on a number of factors which may be outside of the Group's control.

The occurrence of a Non-Viability Event is dependent on a determination by the Monetary Authority:

(a) that a Write-off or conversion is necessary, without which the Issuer would become non-viable; or

(b) that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

The exercise of the Hong Kong Resolution Authority Power is dependent on the terms of the Hong Kong Resolution Authority Power Instrument. As a result, the Monetary Authority may require or may cause a Write-off or the relevant Hong Kong Resolution Authority may exercise the Hong Kong Resolution Authority Power in circumstances that are beyond the control of the Issuer and the Group and with which neither the Issuer nor the Group agree. Due to the inherent uncertainty regarding the determination of whether a Non-Viability Event exists or whether the Hong Kong Resolution Authority Power will be exercised, it will be difficult to predict when, if at all, a Write-off or the exercise of the Hong Kong Resolution Authority Power in relation to the Notes will occur.

The response by government regulators and central banks to financial markets turmoil in 2023, including the response by Swiss authorities in connection with the collapse of Credit Suisse and the determination that Credit Suisse's Additional Tier 1 bonds will be written off to zero, has caused market participants to question how regulators and central banks would utilise resolution powers with respect to financial institutions or otherwise respond in the event of further turbulence or crises in financial markets. Accordingly, the trading behaviour in respect of the Notes is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that the Issuer is trending towards a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power could have a material adverse effect on the market price of the Notes.

Potential investors should consider the risk that a holder of Notes may lose all of their investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that a Non-Viability Event occurs or the Hong Kong Resolution Authority Power is exercised. There is no assurance that any contractual provisions with non-viability loss absorption features, to the extent applicable, will be sufficient to satisfy the requirements that the Monetary Authority may implement in the future.

The Notes may be subject to a full or partial Write-off.

Investors may lose all of their investment in any Notes upon the occurrence of a Non-Viability Event, which will lead to a full or partial Write-off. Investors may lose all of their investment in the Notes as a result of the cancellation or modification of the Notes pursuant to the exercise of the Hong Kong Resolution Authority Power. Upon the occurrence of a Write-off or so specified in the Hong Kong Resolution Authority Power Instrument, the principal amount and any accrued but unpaid interest of such Notes will automatically be written off and if there is a full Write-off, the principal amount and any accrued but unpaid interest may be written off completely and such Notes will be automatically cancelled.

In addition, the subordination provisions set out in Condition 3 (*Qualification, Status and Subordination of the Notes*) are effective only upon the occurrence of a Winding-Up of the Issuer. In the event that a Non-Viability Event occurs the rights of the Holders shall be subject to Condition 5(A) (*Non-Viability Loss Absorption and Hong Kong Resolution Authority Power – Non-Viability Loss Absorption*). In the event that the Hong Kong Resolution Authority Power is exercised, the rights of the Holders shall be subject to the provisions in the Hong Kong Resolution Authority Power Instrument. The occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power may not result in the same outcome for Holders as would otherwise occur under Condition 3 (*Qualification, Status and Subordination of the Notes*) upon the occurrence of a Winding-Up of the Issuer.

Furthermore, upon the occurrence of a Write-off of any Notes or if specified in the Hong Kong Resolution Authority Power Instrument, interest will cease to accrue and all interest amounts that were not due and payable prior to the Write-off or as specified in the Hong Kong Resolution Authority Power Instrument shall become null and void. Consequently, Holders will not be entitled to receive any interest that has

accrued on such Notes from (and including) the last Interest Payment Date falling on or prior to the Non-Viability Event Notice or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument. Upon the occurrence of a Write-off or if specified in the Hong Kong Resolution Authority Power Instrument, no Holder may exercise, claim or plead any right to any such amounts written off, and each Holder shall be deemed to have waived all such rights to such amounts.

Any such Write-off or exercise of the Hong Kong Resolution Authority Power will be irrevocable and the Holders will, upon the occurrence of a Write-off or if specified in the Hong Kong Resolution Authority Power Instrument, not receive any shares or other participation rights of the Issuer or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Issuer or any other member of the Group, or be entitled to any subsequent write-up or any other compensation in the event of a potential recovery of the Issuer or the Group. The sequencing or amount of any Write-off among the Bank's capital instruments (including the Notes) following a Non-Viability Event is at all times subject to the direction and discretion of the Monetary Authority.

Transfers scheduled to settle through Euroclear and Clearstream (the "ICSDs") are expected to be rejected if the scheduled settlement is after any suspension by the ICSDs of clearance and settlement of the Notes in connection with a Non-Viability Event Notice or the exercise of the Hong Kong Resolution Authority Power. Furthermore, because of time zone differences and the delay between the time when a Non-Viability Event occurs or the Hong Kong Resolution Authority Power is exercised and when the ICSDs receive and process the Non-Viability Event Notice or the notice that the Hong Kong Resolution Authority Power has been exercised, it is possible that transfers may either (i) fail to settle through the ICSDs even though such transfers were initiated prior to the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument or (ii) are settled through the ICSDs even though such transfers were initiated after the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument.

The ICSDs are expected to suspend all clearance and settlement of transfers of the Notes by Holders after receipt of a Non-Viability Event Notice or a notice that the Hong Kong Resolution Authority Power has been exercised, and any transfer of the Notes that is scheduled to settle after commencement of such suspension is expected to be rejected by the ICSD and will not be settled within the ICSDs.

Although a Non-Viability Event Notice or a notice that the Hong Kong Resolution Authority Power has been exercised is expected to be sent by the Issuer to the ICSDs and the Holders via the ICSDs after the occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, as the case may be, the records of the ICSDs will not be immediately updated to reflect the Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, as the case may be, and a period of time, which may exceed several days, will be required before the clearance and settlement of transfers of the Notes through the ICSDs are suspended. Due to such delay, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date after the ICSDs commence such suspension will fail to settle through the ICSDs even though such transfers were initiated prior to the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument, as the case may be. In such circumstances, transferors of the Notes would not receive any consideration through the ICSDs in respect of such intended transfer because the ICSDs will not settle such transfer after commencement of such suspension. Similarly, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date before the ICSDs commence such suspension will be settled through the ICSDs even though such transfers were initiated after the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument. In such circumstances, transferees of the Notes may be required to pay consideration through the ICSDs even though, upon the occurrence of a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, no

amounts under the Notes will thereafter become due, and such transferees will have no rights whatsoever under the Trust Deed or the Notes to take any action or enforce any rights or instruct the Trustee to take any action or enforce any rights whatsoever against the Issuer, regardless of whether they have received actual or constructive notice of such fact. The settlement of the Notes following a Non-Viability Event or the exercise of the Hong Kong Resolution Authority Power, as the case may be, will be subject to procedures of the ICSDs that are in place at such time.

Regulations on non-viability loss absorption are untested and subject to interpretation and application by regulators in Hong Kong.

The regulations on non-viability loss absorption are untested in Hong Kong, and will be subject to the interpretation and application by the Monetary Authority. It is uncertain how the Monetary Authority would determine the occurrence of a Non-Viability Event, and it is possible that the grounds that constitute Non-Viability Events may change (including that additional grounds are introduced). Accordingly, the operation of any such future legislation may have an adverse effect on the position of holders of the Notes.

In addition, the sequencing or amount of any Write-off among the Bank's capital instruments (including the Notes) following a Non-Viability Event is at all times subject to the direction and discretion of the Monetary Authority.

A potential investor should not invest in the Notes unless it has the knowledge and expertise to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of a Write-off and the value of the Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular.

The operation of the resolution regime in Hong Kong may override the contractual terms of the Notes.

In Hong Kong, the Resolution Ordinance (as defined in the Conditions) became effective on 7 July 2017. The Monetary Authority is the relevant Hong Kong Resolution Authority in relation to banking sector entities in Hong Kong, such as the Issuer. The Monetary Authority's powers under Resolution Ordinance include, but are not limited to, powers to write off or convert all or a part of the principal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes. Whilst the Resolution Ordinance sets out a framework of the resolution regime in Hong Kong, much of the detail is to be legislated through secondary legislation and supporting rules, and as such the impact of it on the Notes cannot currently be fully accurately assessed. See "*Regulation and Supervision – Principal Obligations of Authorized Institutions – The Hong Kong 'Resolution Regime'*".

The operation of the resolution regime in Hong Kong may affect the rights of the Holders and could result in the Holders losing their rights in relation to accrued and future interest on and the principal amount of the Notes without compensation.

Credit ratings of the Notes.

The Notes are expected to be assigned a rating of "BBB" by S&P. These ratings reflect the Issuer's ability to make timely payments of principal and interest on the Notes.

The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer to perform its obligations under the Notes and credit risks in determining the likelihood that payments will

be made when due under the Notes. A rating is not a recommendation to buy, sell or hold any security, does not address the likelihood or timing of payment of the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. There is no assurance that the ratings assigned to the Notes will remain in effect for any given period or that the ratings will not be revised by the assigning rating organisation in the future if, in its judgment, circumstances so warrant, including changes in the credit ratings of Fubon FHC. A downgrade in ratings may affect the secondary market price of the Notes.

Liquidity of the Notes.

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Issuer's operations and the market for similar securities. The Joint Lead Managers are not obliged to make a market for the Notes and any such market-making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers, acting together. No assurance can be given as to the liquidity of, or trading market for, the Notes upon their listing on the SEHK. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a holder's ability to dispose of the Notes.

The Trustee may decline to take actions requested by the Holders.

The Trustee may decline to take action requested by the Holders, notwithstanding the provision of an indemnity or security or pre-funding to it, where it is not satisfied that the action is permitted by applicable law or regulation and, to the extent permitted by the agreements and applicable law, it will be for the Holders to take such actions directly.

The Issuer may raise other capital which affects the price of the Notes.

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Notes, and there is no restriction on the Issuer issuing securities with or without Non-Viability Loss Absorption provisions (whether or not such provisions are similar to those of the Notes). The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a dissolution or winding-up and/or may increase the likelihood of a cancellation of accrued but unpaid interest in respect of the Notes. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Notes and/or the ability of Holders to sell their Notes.

There are limited remedies under the Notes.

Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment of principal or any interest on any of the Notes has become due and such failure continues for a period of 14 days in the case of interest or seven days in the case of principal; or where an order is made or an effective resolution passed for the Winding-Up of the Issuer. The only remedy against the Issuer available to any Holders for recovery of amounts in respect of the Notes following the occurrence of a payment default will be instituting Winding-Up Proceedings and/or proving and/or claiming in Winding-Up in respect of any of the Issuer's payment obligations arising from the Notes. In such a Winding-Up, the claims of the Holders will be subordinated and subject in right of payment to the prior payment in full of all claims of such senior creditors as set out in Condition 3 (*Qualification, Status and Subordination of the Notes*).

The Trustee may request that Holders provide indemnity to its satisfaction.

In certain circumstances (including the giving of notice to the Issuer pursuant to Condition 10(A) (*Events of Default and Enforcement – Events of Default and Winding-Up Proceedings*)), the Trustee may (at its sole discretion) request the Holders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Holders and shall not be obliged to take any such actions until it is indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may have an impact upon when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed or the Conditions.

A change in English law which governs the Notes may adversely affect Holders.

The Conditions (save that the subordination provisions set out in Condition 3(C) and the non-viability loss absorption and Hong Kong Resolution Authority Power provisions set out in Condition 5 are governed by the laws of Hong Kong) are governed by English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Modifications and waivers may be made in respect of the Conditions and the Trust Deed by the Trustee or less than all of the holders of the Notes, and decisions may be made on behalf of all holders of the Notes that may be adverse to the interests of the individual holders of the Notes.

The Conditions contain provisions for calling meetings (including meetings held by way of conference calls using a video conference platform) of the holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including those Holders who did not attend and vote at the relevant meeting and those Holders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual holders of the Notes.

The Conditions also provide that the Trustee may (but shall not be obliged to), without the consent of the holders of the Notes, agree to any modification of the Trust Deed and/or the Conditions (other than in respect of a reserved matter) which, in the sole and absolute opinion of the Trustee, will not be materially prejudicial to the interests of the holders of the Notes and to any modification of the Notes or the Trust Deed which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provision of law.

In addition, the Trustee may (but shall not be obliged to), without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of certain reserved matters) if, in the sole and absolute opinion of the Trustee, the interests of the holders of the Notes will not be materially prejudiced thereby.

THE GLOBAL CERTIFICATE

The Global Certificate will contain provisions which apply to the Notes whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of certain of those provisions.

The Notes will be evidenced by a Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.

PAYMENT

The Issuer will, for value received, promise to pay such principal, interest and such other sums and additional amounts (if any) as may be payable under the Conditions on the Notes to the holder of the Notes on such date or dates as the same may become payable in accordance with the Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

CALCULATION OF INTEREST

So long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer will promise, *inter alia*, to pay interest in respect of such Notes from and including the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by such Global Certificate.

EXCHANGE FOR INDIVIDUAL CERTIFICATES

The Global Certificate will be exchanged in whole (but not in part) for duly authenticated and completed individual definitive certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Paying Agent and the Registrar (an "**Alternative Clearing System**"), through which the Notes are cleared is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or the Trustee gives written notice to the Issuer declaring the Notes to be immediately due and payable following the occurrence of an Event of Default under Condition 10(A) (*Events of Default and Winding-up Proceedings*).

In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Notes. A person with an interest in the Notes in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

CANCELLATION

On cancellation of any Note represented by the Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption), the Issuer acknowledges that details of such cancellation shall be entered in the records of the relevant clearing systems in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System, as the case may be) and, upon any such entry being made, the principal amount of the Notes recorded in the records of the relevant clearing systems and represented by the Global Certificate shall be reduced by the aggregate principal amount of the Notes so cancelled.

MEETINGS

For the purposes of any meeting of Holders, the holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Holders and as being entitled to one vote in respect of each Calculation Amount of the Notes.

NOTICES

Notwithstanding Condition 12 (Notices), so long as all the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream or any Alternative Clearing System, notices to Holders may be given by delivery of the relevant notice to Euroclear and Clearstream or, as the case may be, any such Alternative Clearing System.

ISSUER'S REDEMPTION

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Holders and to Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions.

TRANSFERS

Transfers of beneficial interests in the Notes represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

TRUSTEE'S POWERS

In considering the interests of the Holders while the Global Certificate is registered in the name of a nominee for a clearing system or clearing systems, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Notes; and (b) consider such interests on the basis that such accountholders were the holders of the Notes in respect of which the Global Certificate is issued.

WRITE-OFF

If a Write-off occurs at such time as the Notes are represented by the Global Certificate, such Write-off will be reflected as a reduction in the aggregate principal amount of the Global Certificate and, unless the Issuer determines otherwise (acting in good faith and having regard to the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System, as the case may be), the principal amount standing to the account of each accountholder shall correspondingly be reduced on a *pro rata* basis to the extent practicable. Any excess portion of the principal amount held thereafter by an accountholder that is not wholly divisible into the then adjusted Calculation Amount shall, other than for the purposes of the redemption of the Notes or determining a Holder's rights in a Winding-Up of the Issuer, be disregarded.

USE OF PROCEEDS

The gross proceeds from this Offering, before deducting underwriting commission and estimated offering expenses payable for this Offering, are U.S.$298.923 million. The Issuer intends to use the net proceeds to strengthen the Bank's capital structure, enhance capital position for the Bank's sustainable business growth and development.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes (subject to completion and modification and excluding italicised text) which will be endorsed on each definitive certificate evidencing the Notes.

The U.S.$300,000,000 Tier 2 Subordinated Notes due 2036 (each a "**Note**" and together, the "**Notes**") of Fubon Bank (Hong Kong) Limited (the "**Issuer**") are constituted by, and have the benefit of, a trust deed (such trust deed as amended and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 14 July 2026 (the "**Issue Date**") and made between the Issuer and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include any successor and all other persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for itself and the Holders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. The Holders (as defined below) are entitled to the benefit of, and are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, and are deemed to have notice of those provisions applicable to them of the agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 14 July 2026 and made between the Issuer, The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor thereto) and as calculation agent (the "**Calculation Agent**", which expression shall include any successor thereto), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the "**Registrar**", which expression shall include any successor thereto) and as transfer agent (the "**Transfer Agent**", which expression shall include any successor thereto), the other paying agent and registrar named therein and the Trustee. References to the "**Paying Agents**" include the Principal Paying Agent and references to the "**Transfer Agents**" include the Transfer Agent. References to the "**Principal Paying Agent**", the "**Registrar**", the "**Transfer Agent**", the "**Calculation Agent**" and the "**Agents**" below are to the principal paying agent, the registrar, the transfer agent, the calculation agent and the agents for the time being for the Notes. So long as the Notes are outstanding, copies of the Trust Deed and the Agency Agreement are available to Holders (as defined below) (i) for inspection at all reasonable times during usual business hours (being between 9:00 a.m. (London time) to 3:00 p.m. (London time) from Monday to Friday (other than public holidays)) at the specified office of the Principal Paying Agent (being at the date hereof 160 Queen Victoria Street, London EC4V 4LA) or at such other place as the Issuer may notify to the Holders in accordance with Condition 12 or (ii) electronically to the requesting Holder from the Principal Paying Agent, in each case following prior written request and satisfactory proof of holding and identity to the satisfaction of the Principal Paying Agent.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1. FORM, DENOMINATION AND TITLE

(A) Form and Denomination

The Notes are issued in registered form in the denomination of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "**principal amount**" of a Note). The principal amount of a Note is subject to adjustments following the occurrence of a Non-Viability Event (as defined in Condition 5(A)) in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power (as defined in Condition 5(B)) in accordance with Condition 5(B) and references in these Conditions to the "principal amount" of a Note shall mean the principal amount of a Note as so adjusted. The Notes are represented by registered certificates ("**Certificates**") and each Certificate shall represent the entire holding of Notes by the same holder. Each Certificate will

be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Holders which the Issuer will procure to be kept by the Registrar and at the office of the Issuer.

*Upon issue, the Notes will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). These Conditions are modified by certain provisions contained in the Global Certificate.*

Except in the limited circumstances described in the Global Certificate, owners of interests in Notes represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Notes. The Notes are not issuable in bearer form.

(B) Title

Title to the Notes passes only by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate)) and no person shall be liable for so treating the Holder.

In these Conditions, reference to "**Holders**" or "**holders**" in relation to any Notes shall mean the persons in whose name the Notes are registered in the Register (or, in the case of a joint holding, the first name thereof).

2. TRANSFERS OF THE NOTES

(A) Transfers of Interests in Notes

One or more Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any)), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made subject to Condition 2(D) and the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Holder following prior written request and proof of holding and identity to the satisfaction of the Registrar at all reasonable times during usual business hours (being between 9:00 a.m. (London time) to 3:00 p.m. (London time) from Monday to Friday (other than public holidays)).

Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

(B) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(A) shall be available for delivery within seven business days of receipt of a duly completed form of transfer, surrender of the Certificate for exchange and provision of such evidence as the Registrar or the relevant Transfer Agent may require. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or any Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or, as the case may be, such Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(B), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(C) Transfers Free of Charge

Transfers of Notes and Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the relevant Holder of any tax, duty or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity and/or security and/or pre-funding as the Issuer, the Registrar or the Transfer Agent may require) (ii) the Registrar or the Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the Transfer Agent (as the case may be) being satisfied that the regulations concerning transfers of Notes have been complied with.

(D) Closed Periods

No Holder may require the transfer of a Note to be registered (i) during the period of 15 days prior to (and including) the due date of any payment of principal or interest in respect of the Notes; (ii) during the period commencing on the date of a Non-Viability Event Notice (as defined in Condition 5(A) below) and ending on (and including) the close of business in Hong Kong on the effective date of the related Write-off (as defined below); or (iii) during the period commencing on the date of a notice that the Hong Kong Resolution Authority Power (as defined in Condition 5(B) below) has been exercised and ending on (and including) the close of business in Hong Kong on the effective date of the exercise of the Hong Kong Resolution Authority Power.

(E) Exercise of Options or Partial Write-off in Respect of Notes in Definitive Form

In the case of an exercise of the Issuer's option in respect of, or a partial Write-off of or cancellation, conversion, modification, and/or change in form (as the case may be), Notes, and where a holding of Notes is represented by a single Certificate, a new Certificate shall be issued to the relevant Holder to reflect the exercise of such option, or such partial Write-off, cancellation, conversion, modification and/or change in form, or in respect of the balance of the holding not redeemed or Written-off (as the case may be). New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or the Transfer Agent.

*So long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream or any other clearing system, no holder may require the transfer of a Note to be registered during the period of five Clearing System Business Days (or such other period as the relevant clearing systems shall determine in accordance with their rules and procedures) commencing on the Clearing System Business Day immediately following the date on which the Non-Viability Event Notice or the notice that the Hong Kong Resolution Authority Power has been exercised has been received by the relevant clearing systems (the "**Suspension Period**").*

3. QUALIFICATION, STATUS AND SUBORDINATION OF THE NOTES

(A) Qualification of the Notes

The Notes are intended to qualify as Tier 2 capital under the Capital Regulations (as defined below).

(B) Status of the Notes

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated in the manner described below.

(C) Subordination

Subject to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up (as defined below) of the Issuer, the rights and claims against the Issuer of the Holders to payment of principal and interest on the Notes, and any other obligations in respect of the Notes, shall rank (i) subordinate and junior in right of payment to, and of all claims of, (a) all unsubordinated creditors of the Issuer (including its depositors), and (b) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Notes or rank senior to the Notes by operation of law or contract; (ii) *pari passu* in right of payment with all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of, (a) holders of Tier 1 Capital Instruments (as defined below) of the Issuer, and (b) the holders of other Junior Obligations.

In the event of a Winding-Up that requires the Holders or the Trustee to provide evidence of their claim to principal or interest under the Notes, such claims of the Holders will only be satisfied after all obligations of the Issuer ranking senior to the Notes have been satisfied in whole.

For the purposes of these Conditions:

"**Authorized Institution**" has the meaning given to that term in the Banking Ordinance (Cap. 155) of Hong Kong as amended or superseded from time to time.

"**Authorised Signatory**" means, in relation to the Issuer, any director or any other officer of the Issuer who has been authorised by the Issuer to sign the Certificates as contemplated under these Conditions on behalf of, and so as to bind, the Issuer and which the Issuer has notified in writing to the Trustee and Agents;

"**Capital Regulations**" means the Banking (Capital) Rules (Cap.155L) of Hong Kong as amended or superseded from time to time or any other capital rules or regulations from time to time applicable to the regulatory capital of Authorized Institutions incorporated in Hong Kong as implemented by the Monetary Authority.

"**Directors**" means the directors of the Issuer.

"**Group**" means the Issuer and its Subsidiaries.

"**Junior Obligation**" means the Shares, and any other class of the Issuer's share capital and any instrument or other obligation (including without limitation any preference share) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank junior to the Notes by operation of law or contract.

"**Monetary Authority**" means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance (Cap. 66) of Hong Kong, as amended or superseded from time to time, or any successor thereto.

"**Parity Obligation**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as a Tier 2 Capital Instrument or any instrument or other obligation issued, entered into, or guaranteed by the Issuer that ranks or is expressed to rank *pari passu* with the Notes by operation of law or contract, which excludes any Junior Obligations of the Issuer.

"**Permitted Reorganisation**" means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking or assets of the Issuer are transferred to a successor entity which assumes all the obligations of the Issuer under the Notes, and which, where required by applicable law or regulation, has obtained all relevant regulatory approvals or consents.

"**Shares**" means the ordinary share capital of the Issuer.

"**Subordinated Creditors**" means all creditors the indebtedness of which is subordinated, in the event of the Winding-Up of the Issuer, in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer other than those whose claims rank or are expressed to rank by operation of law or contract *pari passu* with, or junior to, the claims of the Holders. For this purpose, indebtedness shall include all liabilities, whether actual or contingent.

"**Subsidiary**" means any company (i) in which the Issuer holds a majority of the voting rights, (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the Directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

"**Tier 1 Capital Instrument**" means any instrument or other similar obligation issued, entered into or guaranteed by the Issuer that constitutes Tier 1 capital (or its equivalent) of the Issuer pursuant to the Capital Regulations.

"**Tier 2 Capital Instrument**" means any instrument or other similar obligation issued, entered into or guaranteed by the Issuer that constitutes Tier 2 capital (or its equivalent) of the Issuer pursuant to the Capital Regulations.

"**Winding-Up**" means a final and effective order or resolution by a judicial authority in the jurisdiction of incorporation of the Issuer for the liquidation, winding-up or similar proceedings in respect of the Issuer, other than pursuant to a Permitted Reorganisation.

(D) No Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, netting, compensation, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each Holder shall, by virtue of being the holder of any Note, be deemed to have waived all such rights of such set-off, netting, compensation, counter-claim or retention to the fullest extent permitted by law.

Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with, the Notes is discharged by set-off, netting, compensation, counter-claim or retention, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such payment or discharge to the Issuer (or, in the event of its Winding-Up, the liquidator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. INTEREST

(A) Interest

The Notes bear interest on their outstanding principal amount (subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B)) from, and including, the Issue Date at the applicable Interest Rate, payable semi-annually in arrear on 14 January and 14 July in each year (each an "**Interest Payment Date**") in equal instalments, provided that in respect of the first Interest Payment Date on 14 January 2027 and on each Interest Payment Date thereafter up to but excluding the Reset Date, the interest payable shall be equal to U.S.$26.875 per Calculation Amount.

Unless otherwise provided in these Conditions, each Note will cease to confer the right to receive any interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event, interest shall continue to accrue at such rate (both before and after judgment) until whichever is the earlier of (a) the date on which all amounts due in respect of such Note have been paid; and (b) seven days after the date on which the full amount of moneys payable in respect of such Note has been received by the Trustee or Principal Paying Agent and notice to that effect has been given to the Holders in accordance with Condition 12 except to the extent that there is failure in the subsequent payment to the relevant Holder under these Conditions.

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(B) Interest Rate

The rate of interest (the "**Interest Rate**") applicable to the Notes shall be:

(i) in respect of the period from, and including, the Issue Date to, but excluding, 14 July 2031 (the "**Reset Date**"), 5.375 per cent. per annum; and

(ii) in respect of the period from, and including, the Reset Date to, but excluding, 14 July 2036 (the "**Maturity Date**"), the Reset Interest Rate.

For the purposes of these Conditions:

"**Calculation Business Day**" means any day, excluding a Saturday, Sunday and public holiday, on which banks are open for general business (including dealings in foreign currencies) in London, New York City and Hong Kong.

"**Calculation Date**" means the fifth Calculation Business Day immediately preceding the Reset Date.

"**Comparable Treasury Issue**" means the U.S. Treasury security selected by the Issuer in its sole discretion as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years.

"**Comparable Treasury Price**" means, with respect to the Calculation Date, the average of three Reference Treasury Dealer Quotations for the Calculation Date.

"**Reference Treasury Dealer**" means each of the three nationally recognised investment banking firms that are primary U.S. Government securities dealers which shall be selected and appointed by the Issuer in its sole discretion.

"**Reference Treasury Dealer Quotations**" means with respect to each Reference Treasury Dealer and the Calculation Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer and the Calculation Agent by such Reference Treasury Dealer at 5.00 p.m. (New York City time), on the Calculation Date.

"**Reset Interest Rate**" means a fixed rate per annum (expressed as a percentage) equal to the aggregate of (a) the then prevailing U.S. Treasury Rate (as determined as set out below) and (b) the Spread.

"**Spread**" means 1.23 per cent. per annum, which is calculated as (a) 5.458 per cent. per annum (being the yield on the Notes as at 7 July 2026) minus (b) 4.228 per cent.

"**U.S. Treasury Rate**" means the rate in per cent. per annum as notified by the Calculation Agent to the Issuer and the Holders equal to the yield that represents the average of the daily yields on U.S. Treasury securities having a maturity of five years for the week immediately prior to the Calculation Date, as derived from the most recently published statistical release designated "H.15" (currently set out on the website http://www.federalreserve.gov/releases/h15/), any successor source or publication as selected by the Issuer, or any successor publication that is published by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity of five years.

If such page (or any successor release) is not published during the week preceding the Calculation Date or does not contain such yields, "**U.S. Treasury Rate**" means the rate in per cent. per annum, notified by the Issuer to the Calculation Agent, equal to the yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the Calculation Date.

If there is no Comparable Treasury Price for the Calculation Date, "**U.S. Treasury Rate**" means the rate in per cent. per annum as notified by the Calculation Agent to the Issuer and the Holders equal

to the yield that represents the average of the daily yields on U.S. Treasury securities having a maturity of five years for the week that was last available prior to the Calculation Date, as derived from the most recently published statistical release designated "H.15" (currently set out on the website http://www.federalreserve.gov/releases/h15/), any successor source or publication as agreed by the Issuer or any successor publication that is published by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity of five years.

(C) Calculation of Interest and Reset Interest Rate

The Calculation Agent will calculate the amount of interest in respect of any period (other than for a complete Interest Period (as defined above)) by applying the applicable Interest Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where:

(i) "**Calculation Amount**" means U.S.$1,000, subject to adjustments following occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B); and

(ii) "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a 360 day year consisting of 12 months of 30 days each).

So long as the Notes are represented by a Global Certificate, the calculation of the amount of interest shall be made in respect of the total aggregate principal amount of the Notes represented by the Global Certificate.

The Calculation Agent will prior to the Reset Date, calculate the Reset Interest Rate payable in respect of each Note. The Calculation Agent will cause the Reset Interest Rate determined by it to be promptly notified to the Issuer, the Principal Paying Agent and the Trustee.

The Calculation Agent shall cause notice of the Reset Interest Rate to be notified to the Holders as soon as reasonably practicable in accordance with Condition 12 after determination thereof.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent and the Trustee and the Holders and no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes unless caused directly by the fraud, gross negligence or wilful misconduct of the Calculation Agent.

(D) Determination or Calculation by Successor Calculation Agent

If the Calculation Agent does not at any time for any reason so determine the Reset Interest Rate, the Issuer shall as soon as practicable appoint a reputable financial institution of good standing as a successor calculation agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the successor calculation agent shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in the opinion of the successor calculation agent, it can do so and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and, absent manifest error, any such determination shall be final and binding on the Issuer, the Trustee, the Agents and the Holders.

5. NON-VIABILITY LOSS ABSORPTION AND HONG KONG RESOLUTION AUTHORITY POWER

(A) Non-Viability Loss Absorption

The ability to operationally effect any Write-off of any Notes under this Condition 5(A) with respect to the clearing and/or settlement of any Notes in or through the relevant clearing system(s) is subject to the availability of procedures to effect any such Write-off in such clearing system(s). However, any Write-off of any Notes with respect to the Issuer under this Condition 5(A) will be effective upon the date that the Issuer specifies in the Non-Viability Event Notice notwithstanding any inability to operationally effect any such Write-off in the relevant clearing system(s).

If a Non-Viability Event occurs and is continuing, the Issuer shall, upon or prior to the provision by the Issuer of a Non-Viability Event Notice, irrevocably (without the need for the consent of the Holders) reduce the then outstanding principal amount of, and cancel any accrued but unpaid interest in respect of, each Note (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Note (such reduction and cancellation, and the reduction and cancellation or conversion of any other Subordinated Capital Instruments so reduced and cancelled or converted upon the occurrence of a Non-Viability Event, where applicable, being referred to herein as the "**Write-off**", and "**Written-off**" shall be construed accordingly).

Concurrently with the giving of the Non-Viability Event Notice, the Issuer shall procure unless otherwise directed by the Monetary Authority that (i) a similar notice be given in respect of other Subordinated Capital Instruments in accordance with their terms or any applicable laws and regulations and (ii) following such Write-off of the aggregate principal amount of the Subordinated Capital Instruments (other than Parity Capital Instruments) in accordance with their terms or any applicable laws and regulations, the Notes be Written-off concurrently and rateably with other Parity Capital Instruments on a pro rata basis.

Any failure or delay in giving a Non-Viability Event Notice in respect of the Notes or a similar notice in respect of any other Subordinated Capital Instruments will not render the relevant Write-off invalid or affect such Write-off in any respect.

Any Write-off pursuant to this provision will not constitute an Event of Default under the Notes.

Any Note may be subject to one or more Write-offs in part (as the case may be), except where such Note has been Written-off in its entirety. Any references in these Conditions to principal in respect of the Notes shall thereafter refer to the outstanding principal amount of the Notes reduced by any applicable Write-off(s). In the case of a partial Write-off, a new Certificate shall be issued thereafter to each Holder in respect of the balance of the holding of Notes not Written off.

Once the outstanding principal amount of, and any accrued but unpaid interest under, the Notes has been Written-off, the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Event ceases to continue. No Holder may exercise, claim or plead any right to any amount that has been Written-off, and each Holder shall, by virtue of his holding of any Notes, be deemed to have waived all such rights to such amount that has been Written-off.

The Trust Deed and Agency Agreement contain certain protections and disclaimers as applicable to the Trustee and Agents in relation to Condition 5(A). Each Holder shall be deemed to have

authorised, ratified, directed (in the case of the Trustee only) and consented to the Trustee and the Agents to take any and all necessary action to give effect to any Write-off following the occurrence of the Non-Viability Event.

The Trustee and the Agents shall not be: (a) responsible or liable to any Holder for monitoring or determining whether a Non-Viability Event has occurred or not, (b) responsible for verifying or calculating any amount in connection with a Non-Viability Event or for any Write-off made pursuant to the Issuer's directions, (c) responsible for preparing any Non-Viability Event Notice, or (d) liable to the Holders or to any other person or the clearing systems (or their participants, members, broker-dealers or any other third parties) with respect to the notification and/or implementation of any Non-Viability Event by any of them in respect of such Notes.

For the purposes of this Condition 5(A):

"**Additional Tier 1 Capital Instrument**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as additional tier 1 capital (or its equivalent) pursuant to the Capital Regulations.

"**Hong Kong Business Day**" means a day (other than a Saturday, Sunday and public holiday) on which commercial banks and foreign exchange markets are open for general business in Hong Kong.

"**Loss Absorption Effective Date**" means the date that will be specified as such in the applicable Non-Viability Event Notice as directed or approved by the Monetary Authority.

"**Non-Viability Event**" means the earlier of:

(i) the Monetary Authority notifying the Issuer in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; and

(ii) the Monetary Authority notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

"**Non-Viability Event Notice**" means the notice, which shall be given by the Issuer not more than two Hong Kong Business Days after the occurrence of a Non-Viability Event, to the Holders, in accordance with Condition 12, and to the Trustee and the Paying Agents in writing, and which shall state:

(i) in reasonable detail, the nature of the relevant Non-Viability Event;

(ii) the Non-Viability Event Write-off Amount for (i) each Note and (ii) each other Subordinated Capital Instrument on the Loss Absorption Effective Date in accordance with its terms; and

(iii) specifying the Loss Absorption Effective Date.

*Following the receipt of a Non-Viability Event Notice or the notice that the Hong Kong Resolution Authority Power has been exercised by Euroclear and/or Clearstream and the commencement of the Suspension Period, Euroclear and/or Clearstream shall suspend all clearance and settlement of the Notes. As a result, Holders will not be able to settle the transfer of any Notes from the commencement of the Suspension Period, and any sale or other transfer of the Notes that a Holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by Euroclear and/or Clearstream and will not be settled within Euroclear and/or Clearstream. See "Risk Factors – Risk Factors Relating to the Notes – Transfers scheduled to settle through Euroclear and Clearstream (the "**ICSDs**") are expected to be rejected if the scheduled settlement is after any suspension by the ICSDs of clearance and settlement of the Notes in connection with a Non-Viability Event Notice or the exercise of the Hong Kong Resolution Authority Power. Furthermore, because of time zone differences and the delay between the time when a Non-Viability Event occurs or the Hong Kong Resolution Authority Power is exercised and when the ICSDs receive and process the Non-Viability Event Notice or the notice that the Hong Kong Resolution Authority Power has been exercised, it is possible that transfers may either (i) fail to settle through the ICSDs even though such transfers were initiated prior to the Non-Viability Event or the relevant cut-off time specified in any instrument evidencing the exercise of the Hong Kong Resolution Authority Power (the "**Hong Kong Resolution Authority Power Instrument**") or (ii) are settled through the ICSDs even though such transfers were initiated after the Non-Viability Event or the relevant cut-off time specified in the Hong Kong Resolution Authority Power Instrument" in the Offering Circular for further details.*

"**Non-Viability Event Write-off Amount**" means the amount of interest and/or principal to be Written-off as the Monetary Authority may direct or, in the absence of such a direction, as the Issuer shall (in consultation with the Monetary Authority) determine to be necessary to satisfy the Monetary Authority that the Non-Viability Event will cease to continue. For the avoidance of doubt, (a) the full amount of the Notes will be Written-off in full in the event that the amount Written-off is not sufficient for the Non-Viability Event to cease to continue and (b) in the case of an event falling within paragraph (ii) of the definition of Non-Viability Event, the Write-off will be effected in full before any public sector injection of capital or equivalent support. Further, the Non-Viability Event Write-off Amount in respect of each Note will be calculated based on a percentage of the outstanding principal amount of that Note.

"**Parity Capital Instrument**" means any Parity Obligation which contains provisions relating to a write-down or conversion into ordinary shares in respect of its outstanding principal amount on the occurrence, or as a result, of a Non-Viability Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

"**Subordinated Capital Instrument**" means any Junior Obligation or Parity Obligation which contains provisions relating to a write-down or conversion into ordinary shares in respect of its outstanding principal amount on the occurrence, or as a result, of a Non-Viability Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

(B) Hong Kong Resolution Authority Power

Notwithstanding any other term of the Notes, including without limitation Condition 5(A), or any other agreement or arrangement, each Holder and the Trustee shall be subject, and shall be deemed to agree, be bound by and acknowledge that they are each subject, to having the Notes being written off, cancelled, converted or modified, or to having the form of the Notes changed, in the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:

(i) the reduction or cancellation of all or a part of the outstanding principal amount of, or interest on, the Notes;

(ii) the conversion of all or a part of the outstanding principal amount of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes; and

(iii) the amendment or alteration of the maturity of the Notes or amendment or alteration of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period, or any other amendment or alteration of these Conditions.

With respect to (i), (ii) and (iii) above of this Condition 5(B), references to principal and interest shall include payments of principal and interest that have become due and payable (including principal that has become due and payable at the redemption date), but which have not been paid, prior to the exercise of any Hong Kong Resolution Authority Power. The rights of the Holders and the Trustee under the Notes and these Conditions are subject to, and will be amended and varied, if necessary, solely to give effect to, the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority.

No repayment of the outstanding principal amount of the Notes or payment of interest on the Notes shall become due and payable or be paid after the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations applicable to the Issuer and the Group.

Upon the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Notes, the Issuer shall provide a written notice as soon as practicable regarding such exercise of the Hong Kong Resolution Authority Power to the Holders in accordance with Condition 12 and to the Trustee and the Principal Paying Agent in writing.

Neither the reduction or cancellation, in part or in full, of the outstanding principal amount of, or interest on the Notes, the conversion thereof into another share, security or obligation of the Issuer or another person, or any other amendment or alteration of these Conditions, or any other modification or change in form of the Notes as a result of the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Issuer nor the exercise of the Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority with respect to the Notes shall constitute an Event of Default under Condition 10(A) or give rise to any other claim or remedy of any Holder.

For the purposes of this Condition 5(B):

"**Hong Kong Resolution Authority Power**" means any power which may exist from time to time under the Resolution Ordinance or any other laws, regulations, rules or requirements relating to the resolution of financial institutions, including licensed banks, deposit-taking companies, restricted licence banks, banking group companies, insurance companies and/or investment firms incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the Issuer or other members of the Group (including, for the avoidance of doubt, powers under Part 4 and Part 5 of the Resolution Ordinance or any other laws, regulations, rules or requirements relating thereto, as the same may be amended from time to time (whether pursuant to the Resolution Ordinance or otherwise)), and pursuant to which obligations of a licensed bank, deposit-taking company, restricted licence bank, banking group company, insurance company or investment firm or any of its affiliates can be reduced, cancelled, transferred, modified and/or converted into shares or other securities or obligations of the obligor or any other person.

"**relevant Hong Kong Resolution Authority**" means any authority with the ability to exercise a Hong Kong Resolution Authority Power in relation to the Issuer from time to time.

"**Resolution Ordinance**" means the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong, as amended or superseded from time to time.

6. PAYMENTS

(A) Payments in respect of the Notes

(i) Payment of principal and interest will be made by wire transfer in immediately available funds to the registered account of the Holders. Payments of principal and interest due on redemption or otherwise than on an Interest Payment Date will only be made against surrender (or in the case of part payments only, endorsement) of the relevant Certificate at the specified office of any Paying Agent. Interest on Notes due on an Interest Payment Date will be paid on the due date for payment thereof to the Holder shown on the Register on the Record Date (as defined in Condition 6(D)) before the relevant Interest Payment Date without the need for surrender or presentation of the relevant Certificate.

So long as the Global Certificate is held on behalf of Euroclear and Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

(ii) For the purposes of this Condition 6, a Holder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the Record Date (as defined below).

(iii) Payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated on the due date, or, if the due date is not a Payment Business Day, on the next succeeding Payment Business Day. A

holder of the Notes shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day. In this paragraph, "**Payment Business Day**" means any day on which banks are open for general business (including dealings in foreign currencies) in London, New York City and Hong Kong and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

(iv) If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(B) Payments subject to Fiscal Laws

Payments will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto, but without prejudice to the provisions of Condition 8, in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

(C) Appointment of Agents

The Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent appointed under the Agency Agreement act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents or Calculation Agents, in each case in accordance with the Agency Agreement, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s), and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such change, termination or appointment or any change of any specified office shall promptly be given by the Issuer to the Holders in accordance with Condition 12.

(D) Record Date

Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**").

7. REDEMPTION AND PURCHASE

(A) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their outstanding principal amount on the Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with these Conditions.

(B) Redemption for Tax Reasons

Subject to Condition 7(G), the Notes then outstanding may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing and to the Holders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), if the Issuer satisfies the Trustee, in accordance with this Condition 7(B), immediately before the giving of such notice that (a) it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 July 2026 and (b) such obligation will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it (a "**Withholding Tax Event**"); provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or give effect to such treatment, as the case may be, were a payment in respect of the Notes then due.

Prior to giving any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (i) a certificate signed by one Authorised Signatory stating that the requirement referred to in (a) above of this Condition 7(B) will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (ii) a copy of the written consent of the Monetary Authority as referred to in Condition 7(G); and the Trustee shall be entitled (but shall not be obliged) to accept and conclusively rely on the certificate and consent as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders, and the Trustee shall be protected and shall have no liability to any Holders or any person for so accepting and relying on such certificate or consent.

None of the Trustee or the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned in this Condition 7(B) has occurred or for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition 7(B) and none of them shall be liable to the Holders or the Issuer or any other person for not doing so.

Notes redeemed pursuant to this Condition 7(B) will be redeemed at their outstanding principal amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B).

(C) Redemption of the Notes for Tax Deduction Reasons

Subject to Condition 7(G), the Notes then outstanding may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing and to the Holders in accordance with Condition 12 (which notice shall be irrevocable, subject to Condition 5(A), and shall specify the date fixed for redemption), following the occurrence of a Tax Deduction Event.

For the purposes of this Condition 7(C), a "**Tax Deduction Event**" occurs if the Issuer satisfies the Trustee, in accordance with this Condition 7(C), immediately before the giving of such notice that:

(i) in respect of the interest payable on the Notes, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Hong Kong or any political subdivision or any authority thereof or therein having power to tax as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 July 2026; and

(ii) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it,

provided that: (i) the Conditions for redemption set out in Condition 7(G) have been satisfied and (ii) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would cease to be able to claim a tax deduction in respect of the interest payable on the Notes as provided in paragraph (i) above of this Condition 7(C).

Prior to the giving of any notice of redemption pursuant to this Condition 7(C), the Issuer shall deliver to the Trustee (I) a certificate signed by one Authorised Signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that: (1) the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it and (II) a copy of the written consent of the Monetary Authority as referred to in Condition 7(G), and the Trustee shall be entitled (but shall not be obliged) to accept and conclusively rely on the certificate and consent as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

Notes redeemed pursuant to this Condition 7(C) will be redeemed at their outstanding principal amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, subject to adjustment following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B).

(D) Redemption of the Notes for Regulatory Reasons

Subject to Condition 7(G), the then outstanding Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent in writing and to the Holders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption) following the occurrence of a Capital Event.

For the purposes of this Condition 7(D), a "**Capital Event**" occurs if the Issuer satisfies the Trustee, in accordance with this Condition 7(D), immediately before the giving of the notice of redemption referred to in this Condition 7(D), the Notes, after having qualified as such, will no longer qualify (in whole or in part) as Tier 2 Capital (or equivalent) of the Issuer (other than non-qualification solely as a result of any discounting or amortisation requirements as to the eligibility of the Notes for such inclusion pursuant to the relevant legislation and supervisory guidance in force from time to time), as a result of a change or amendment in (or any change in the application or official

interpretation of) the relevant provisions of the Banking Ordinance (Cap. 155) of Hong Kong, the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the Monetary Authority in relation thereto, in each case, as amended or superseded from time to time. No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which it is determined that a Capital Event has occurred.

Prior to giving any notice of redemption pursuant to this Condition 7(D), the Issuer shall deliver to the Trustee (a) a certificate signed by one Authorised Signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to redeem have occurred and (b) a copy of the written consent of the Monetary Authority as referred to in Condition 7(G); and the Trustee shall be entitled (but shall not be obliged) to accept and conclusively rely on the certificate and consent as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Holders.

Notes redeemed pursuant to this Condition 7(D) will be redeemed at their outstanding principal amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B).

(E) Redemption at the Option of the Issuer

Subject to Condition 7(G), the Issuer may, having given:

(i) not less than 15 nor more than 45 days' notice to the Holders in accordance with Condition 12; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above of this Condition 7(E), notice to the Trustee and the Principal Paying Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the Notes then outstanding on the Reset Date, at their outstanding principal amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B).

(F) Purchase and Cancellation

Subject to Condition 7(G), the Issuer and any of its Subsidiaries may, at any time, purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 11(A).

All Certificates representing Notes purchased by or on behalf of the Issuer and any of its Subsidiaries shall be surrendered for cancellation to the Transfer Agent or Registrar and, upon surrender thereof, all such Notes shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(G) Conditions for Redemption and Purchase in Respect of the Notes

Notwithstanding any other provision in these Conditions, the Issuer shall not redeem any of the Notes (other than pursuant to Condition 10) and neither the Issuer nor any Restricted Person shall purchase any of the Notes unless the prior written consent of the Monetary Authority thereto shall have been obtained, to the extent such consent is required under the Banking Ordinance (Cap. 155) of Hong Kong or the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the Monetary Authority in relation thereto, in each case, as amended or superseded from time to time.

This provision shall not apply to the Issuer or any of its Subsidiaries holding the Notes in a purely nominee capacity.

For the purposes of these Conditions, "**Restricted Person**" means any affiliate of the Issuer over which the Issuer exercises control or significant influence (excluding any holding company of the Issuer).

8. TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a deduction or withholding by or within Hong Kong, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

(i) *Other connection:* to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Notes by reason of its having some connection with Hong Kong other than the mere holding of such Notes; or

(ii) *Presentation more than 30 days after the Relevant Date:* presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Holders that, upon further presentation of the Note (or the relevant Certificate) being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to "**principal**" and/or "**interest**" shall be deemed to include any Additional Tax Amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such

amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Holders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Notes in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and will become void unless made within a period of 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date (as defined in Condition 8).

10. EVENTS OF DEFAULT AND ENFORCEMENT

(A) Events of Default and Winding-Up Proceedings

(i) If default is made in the payment of any amount of principal or interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of (I) seven days in the case of principal or (II) 14 days in the case of interest (each, an "***Event of Default***") then in order to enforce the obligations of the Issuer, the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall (subject to the Trustee in any such case having been indemnified and/or provided with security and/or pre-funded to its satisfaction) institute a Winding-Up Proceeding against the Issuer. Neither any Write-off nor any of the Notes being written off, cancelled, converted or modified following the exercise of any Hong Kong Resolution Authority Power pursuant to these Conditions will constitute an Event of Default under the Notes.

(ii) If an order is made or an effective resolution is passed for the Winding-Up of the Issuer (whether or not an Event of Default has occurred and is continuing) then the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee in any such case having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their outstanding principal amount together with interest accrued to (but excluding) the date of actual payment, subject to adjustments following the occurrence of a Non-Viability Event in accordance with Condition 5(A) or the exercise of any Hong Kong Resolution Authority Power in accordance with Condition 5(B), without further action or formality.

In these Conditions,

"**Winding-Up Proceedings**" means, with respect to the Issuer, proceedings in the jurisdiction of incorporation of the Issuer for the liquidation, winding-up, or similar proceedings in respect of the Issuer.

(B) Enforcement

(i) Without prejudice to Condition 10(A), the Trustee may, subject as provided below, at its discretion and without further notice, take such steps and/or actions and/or institute such

proceedings against the Issuer if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Notes binding on it under these Conditions or the Trust Deed (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes), *provided that* the Issuer shall not as a consequence of such steps, actions or proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it.

(ii) The Trustee shall not be bound to take action as referred to in Conditions 10(A) and 10(B)(i) or any other action under these Conditions or the Trust Deed unless (a) it shall have been so requested in writing by Holders holding at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Holders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(iii) No Holder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

(iv) Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in Condition 10(A) and Conditions 10(B)(i) and 10(B)(ii) above or submitting a claim in the Winding-Up of the Issuer will be available to the Trustee or the Holders.

(v) No Holder shall be entitled either to institute any Winding-Up Proceedings against the Issuer or to submit a claim in such Winding-Up, except that if the Trustee, having become bound to institute such proceedings as aforesaid, fails to do so, or, being able and bound to submit a claim in such Winding-Up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such Holder may, on giving an indemnity and/or security and/or pre-funding satisfactory to the Trustee in its discretion, in the name of the Trustee (but not otherwise), himself institute Winding-Up Proceedings and/or submit a claim in the Winding-Up of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled to do.

11. MEETINGS OF HOLDERS, MODIFICATIONS AND SUBSTITUTION

(A) Meetings of Holders

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing to do so by Holders holding not less than 10 per cent. in aggregate principal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons present holding or representing more than 50 per cent. in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons present being or representing Holders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) to reduce

or cancel the principal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any interest in respect of the Notes, (iv) to vary any method of, or basis for, calculating the relevant redemption amount, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to amend the subordination or loss absorption provisions or (vii) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on the Holders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution passed (i) at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than two-thirds of the votes cast on such resolution, (ii) in writing signed by or on behalf of the Holders of not less than 90 per cent. in aggregate principal amount of the Notes for the time being outstanding and who are entitled to receive notice of a meeting of the Holders pursuant to the Trust Deed or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than two-thirds in aggregate principal amount of the Notes for the time being outstanding, in each case, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(B) Modifications and Waivers

The Trustee may (but shall not be obliged to) agree, without the consent of the Holders, to (a) any modification of any of the provisions of the Trust Deed or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Holders. Any such modification, authorisation or waiver shall be binding on the Holders, and unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Holders as soon as practicable in accordance with Condition 12.

(C) Entitlement of the Trustee

In connection with the exercise of its functions, powers, rights and discretions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders and the Trustee, acting for and on behalf of Holders, shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in each case in respect of any tax consequence of any such exercise upon individual Holders.

(D) Substitution

The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such other conditions as specified in the Trust Deed and such other conditions as the Trustee may require,

but without the consent of the Holders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or any holding company of the Issuer or any other subsidiary of any such holding company or their respective successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Agency Agreement and the Notes.

12. NOTICES

Notices to the holders of the Notes shall be mailed to them by uninsured mail (at the cost of the Issuer) at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and, so long as the Notes are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that exchange or that relevant authority so require, notices shall be, published in a daily newspaper having general circulation in the place or places, or in such other manner as required by those rules. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made as provided above.

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream or any other clearing system, notices to the Holders shall be validly given by the delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

13. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking steps, actions or proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee, the Agents and their respective affiliates are entitled (i) to enter into business transactions with the Issuer and/or any related entity and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and any entity related to the Issuer, (ii) to exercise and enforce their rights, comply with their obligations and perform their duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Holders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and the Agents may rely conclusively, and may act or refrain from acting, in each case, without liability to Holders, the Issuer or any other person on any report, confirmation or certificate or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to them and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and the Agents may accept and shall be entitled to conclusively rely on any such report, confirmation, certificate, advice or opinion, in which event such report, confirmation, certificate, advice or opinion shall be binding on the Holders. The Trustee and the Agents shall not be responsible or liable to the Issuer, the Holders or any other person for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

Neither the Trustee nor any of the Agents shall have any duty or obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or to monitor whether an Event of Default, Withholding Tax Event, Tax Deduction Event, Non-Viability Event or Capital Event has occurred, and shall not be responsible or liable to the Issuer, the Holders or any other person for not doing so.

Each Holder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility or liability for the same and each Holder shall not rely on the Trustee in respect thereof.

14. REPLACEMENT OF CERTIFICATES

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent and of the Registrar, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any rights or remedies which exist or are available apart from such Act.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(A) Governing Law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law, save that the subordination provisions set out in Condition 3(C) and the non-viability loss absorption and Hong Kong Resolution Authority Power provisions set out in Condition 5 shall be governed by, and construed in accordance with, the laws of Hong Kong.

(B) Submission to Jurisdiction

(i) Subject to Condition 16(B)(iii) below, the English courts are to have jurisdiction to settle any disputes, claims, differences or controversy that may arise out of, in relation to or in connection with the Trust Deed, the Agency Agreement, the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a "**Dispute**") and each of the Issuer, the Trustee, the Agents and any Holder in relation to any Dispute, submits to the jurisdiction of the English courts.

(ii) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(iii) To the extent allowed by law, the Trustee, the Agents and the Holders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

(C) Appointment of Process Agent

The Issuer has irrevocably appointed Law Debenture Corporate Services Limited at its registered office for the time being in England, currently at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process in any proceedings before the English courts in relation to any Disputes, and agrees that, in the event of such agent being unable or unwilling for any reason so to act, it will forthwith appoint another person as its agent for service of process in England in respect of any Dispute and will notify the Trustee and the Holders in accordance with Condition 12 of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

CAPITALISATION AND INDEBTEDNESS OF THE GROUP

As at the date of this Offering Circular, the Bank had issued and fully paid up share capital of HK$4,830.4 million consisting of 1,641,273,089 ordinary shares.

The following table sets out the Group's consolidated capitalisation and indebtedness as at 31 December 2025, as derived from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2025, and as adjusted to give effect to the issue of the Notes.

This table should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended 31 December 2025, and the related notes thereto, included elsewhere in this Offering Circular.

	As at 31 December 2025	
	Actual	**As adjusted**
	HK$'000	
Indebtedness		
Deposits and balances of banks and other financial institutions	4,013,695	4,013,695
Deposits from customers	162,892,400	162,892,400
Trading liabilities	2,460,418	2,460,418
Derivative financial instruments	304,600	304,600
Other liabilities	2,783,639	2,783,639
Notes to be issued [(1)]	–	2,352,510
Total indebtedness	**172,454,752**	**174,807,262**
Capital resources		
Share capital	4,830,448	4,830,448
Reserves	1,951,076	1,951,076
Retained earnings	11,064,446	11,064,446
Total capital resources	**17,845,970**	**17,845,970**
Total capitalisation and indebtedness [(2)]	**190,300,722**	**192,653,232**

Notes:

(1) Notes to be issued represent the aggregate principal amount of the Notes before deduction of the fees and expenses payable. The aggregate principal amount of the Notes of U.S.$300,000,000 (representing approximately HK$2,352,510,000, translated at the exchange rate of HK$7.8417 to U.S.$1.00, being the HKD/USD exchange rate published by the United States Federal Reserve on 26 June 2026).

(2) Total capitalisation and indebtedness equals the sum of total indebtedness and total capital resources.

Save as disclosed in this Offering Circular, there has been no material change in the Group's total capitalisation and indebtedness since 31 December 2025.

FUBON BANK (HONG KONG) LIMITED

INTRODUCTION

The Bank is a wholly-owned subsidiary of Fubon FHC, a Taiwan based financial institution engaged in banking, insurance and securities brokerage. The Bank currently holds A-2 short-term and A- long-term ratings from S&P. For the year ended 31 December 2025, the Group reported a net profit after tax of HK$1,376.5 million, compared to HK$906.6 million for the year ended 31 December 2024. As at 31 December 2025, the total assets of the Group were HK$190,721.3 million compared to HK$160,251.8 million as at 31 December 2024.

The Bank and its Subsidiaries are principally engaged in the provision of banking and related financial services in Hong Kong, including consumer and wholesale banking, wealth management, financial markets, securities brokerage[3] and investment services. As at 31 December 2025, the Bank serviced its customers through 15 branches, three SME banking services centres, one offshore banking centre and one securities services centre in Hong Kong. The Bank also offers digital banking services, including internet banking at www.fubonbank.com.hk and Fubon+ Mobile Banking. The Bank's head office, credit card centre and operations centre are all located in Hong Kong.

Fubon FHC, the Bank's sole shareholder, is a financial services group in Taiwan and is listed on the Taiwan Stock Exchange. The Parent Group provides a comprehensive range of financial products and services, including commercial banking, non-life and life insurance, securities brokerage, asset management and investment banking services. Fubon FHC currently holds Baa1 and BBB+ long-term ratings from Moody's and S&P respectively. For the year ended 31 December 2025, the Parent Group reported a net profit after tax of NT$121.0 billion (approximately HK$30.0 billion), compared to NT$150.9 billion (approximately HK$35.7 billion) in 2024. As at 31 December 2025, the total assets of the Parent Group were NT$12.9 trillion (approximately HK$3.2 trillion), compared to NT$12.1 trillion (approximately HK$2.9 trillion) as at 31 December 2024.[4] The Bank's obligations under the Notes are not and will not have the benefit of any guarantee or other credit support by Fubon FHC.

HISTORY AND DEVELOPMENT

The Bank was incorporated under the former Companies Ordinance (Cap. 32) of Hong Kong on 27 January 1970 as Sun Hung Kai Finance Company Limited, and was renamed Sun Hung Kai Bank Limited on 23 March 1982 after receiving a multi-branch licence from the Monetary Authority.

On 1 May 1985, Arab Banking Corporation (B.S.C.) ("**ABC**") acquired a 75 per cent. interest in the Bank, with the family of Fung King Hey retaining the remaining 25 per cent. On 18 September 1986, the Bank changed its name to International Bank of Asia Limited ("**IBA**"). On 14 December 1990, ABC purchased the remaining 25 per cent. of the Bank from the family of Fung King Hey. The Bank remained a wholly-owned subsidiary of ABC until 29 October 1993, when China Everbright acquired a 20 per cent. interest and the Bank was publicly listed on the SEHK. On 14 November 1996, the Bank received its first credit rating of BBB/A-3 from S&P.

Fubon FHC acquired a 55 per cent. interest in the Bank from ABC on 16 February 2004 and acquired China Everbright's 20 per cent. interest on 8 March 2004. This was the first non-Taiwanese acquisition for

3 The Bank has ceased its securities brokerage business from 1 July 2026.

4 Amounts in New Taiwan dollars have been translated into Hong Kong dollars at an exchange rate of NT$1 = HK$0.2478 for the 31 December 2025 figures and at an exchange rate of NT$1 = HK$0.2369 for the 31 December 2024 figures, as quoted on Bloomberg.

Fubon FHC and resulted in Fubon FHC becoming a 75 per cent. shareholder of the Bank. On 6 April 2005, the Bank adopted its current name as part of Fubon FHC's process of internationalising its business. In December 2008, the Bank acquired a 19.99 per cent. stake in Xiamen Bank Co., Ltd. ("**Xiamen Bank**"), becoming the first Taiwanese bank to make a direct investment in the PRC banking sector through the Chinese Mainland and Hong Kong Closer Economic Partnership Arrangement scheme, and issued approximately U.S.$120 million preference shares to further strengthen its capital base. On 10 January 2011, the board of directors of Fubon FHC resolved to make a proposal to privatise the ordinary share capital of the Bank. Following the privatisation of the Bank by Fubon FHC, the Bank was officially delisted from the SEHK on 8 June 2011 and became a wholly-owned subsidiary of Fubon FHC. In the same year, the Bank became the first Taiwanese-invested bank approved by the People's Bank of China to participate in the inter-bank bond market of the PRC using Renminbi. In November 2018, Bank transferred all of its shares in Xiamen Bank to Fubon FHC. In December 2022, the Bank launched the revamped Fubon+ Mobile Banking App and the brand new FB Invest+ Securities Trading Mobile App.

In November 2023, S&P revised its outlook on the long-term issuer rating on the Bank from "stable" to "positive". In November 2025, S&P further upgraded the Bank's long-term issuer credit rating from "BBB+" to "A-", reflecting recognition of the Bank's solid capital position and the steady growth of its retail deposit business. In 2025, the Bank received regulatory approvals to establish a branch in Shenzhen (the "**Shenzhen Branch**"), its first branch in the PRC, marking a significant step to deepen its presence in the Greater Bay Area. In April 2026, the Shenzhen Branch was granted a financial permit issued by the National Financial Regulatory Administration and a business licence issued by the State Administration for Market Regulation. The Shenzhen Branch has been injected with initial operating capital of RMB320 million and is expected to commence operations in mid-July 2026.

AWARDS AND RECOGNITIONS

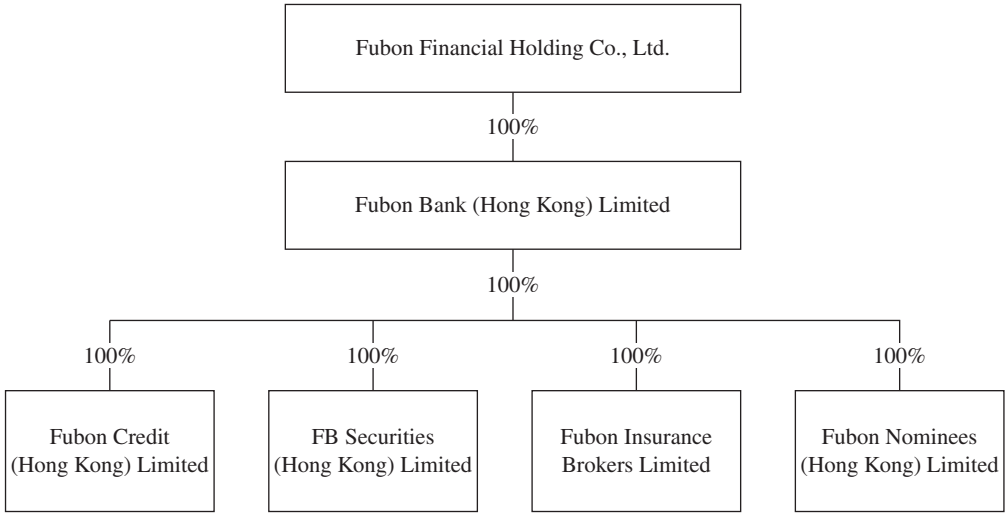
The table below sets forth some of the awards and recognitions received by the Group in the years ended 31 December 2023, 2024 and 2025:

Year	Award/Recognition
2023	• Best SME's Partner Award from The Hong Kong General Chamber of Small and Medium Business
	• Straight Through Processing Award from The Bank of New York Mellon
	• Charter on External Lighting – Diamond Award from the Environment and Ecology Bureau, the HKSAR government
	• Wastewi$e Certificate, Energywi$e Certificate and Hong Kong Green Organisation from the Environmental Campaign Committee
	• Outstanding Award for Green and Sustainable Bond Facilitator (Infrastructure Financing and Securitisation) – Visionary Sustainability Bond Framework at the Hong Kong Green and Sustainable Finance Awards 2023, organized by the Hong Kong Quality Assurance Agency

Year	Award/Recognition
	• ERB Manpower Developer Award Scheme – Manpower Developer from the Employees Retraining Board
	• HKIB Talent Development Award (Category I) from The Hong Kong Institute of Bankers
	• Corporate & Employee Contribution Programme – Bronze Award from The Community Chest of Hong Kong
	• 15 Years Plus Caring Company Logo from The Hong Kong Council of Social Service
	• Gold Award, Top 50 Chinese Reports and Top 80 Reports – Asia-Pacific Region at the LACP 2022 Vision Awards Annual Report Competition
2024	• Asian Banking & Finance Wholesale Banking Awards 2024 – Domestic Data Governance Bank of the Year – Hong Kong from Asian Banking & Finance
	• Asian Banking & Finance Retail Banking Awards 2024 – Data Governance Initiative of the Year – Hong Kong and Digital Transformation of the Year – Hong Kong from Asian Banking & Finance
	• Best SME's Partner Award from The Hong Kong General Chamber of Small and Medium Business
	• Charter on External Lighting – Diamond Award from the Environment and Ecology Bureau, the HKSAR government
	• Wastewi$e Certificate, Energywi$e Certificate and Hong Kong Green Organisation from the Environmental Campaign Committee
	• Outstanding Award for Green and Sustainable Bond Facilitator – (Infrastructure Financing and Securitisation) – Visionary Sustainability Bond Framework, Inaugural Mentor Pioneer Award for ESG Connect and Leadership Award for Green and Sustainable Finance Development at the Hong Kong Green and Sustainable Finance Awards 2024, organized by the Hong Kong Quality Assurance Agency
	• TVB ESG Awards 2024 – ESG Special Recognition Award – with Merit from Television Broadcasts Limited
	• ERB Manpower Developer Award Scheme – Manpower Developer from Employees Retraining Board
	• Best Companies to Work for in Asia 2024 (Hong Kong region) from HR Asia
	• HKIB Talent Development Award (Category I) from The Hong Kong Institute of Bankers
	• Gold Award, Top 50 Chinese Reports and Technical Achievement Award at the LACP 2023 Vision Awards Annual Report Competition

Year	Award/Recognition
2025	• Top Investment House and Most Astute Investor from The Asset
	• Best SME's Partner Award from The Hong Kong General Chamber of Small and Medium Business
	• HKMA Sustainability Award 2025 – Certificate of Excellence (Large Organization Category) from The Hong Kong Management Association
	• The Hong Kong Awards for Environmental Excellence 2024 – Certificate of Merit from the Environmental Campaign Committee
	• Wastewi$e Certificate, Energywi$e Certificate and Hong Kong Green Organisation from the Environmental Campaign Committee
	• TVB ESG Awards 2025 – ESG Special Recognition Award – with Merit from Television Broadcasts Limited
	• Charter on External Lighting – Diamond Award from the Environment and Ecology Bureau, the HKSAR government
	• Best HR Awards 2025 – Best Corporate Wellbeing Programme Award (Grand) from CTgoodjobs
	• HKIB Talent Development Award (Category I) from The Hong Kong Institute of Bankers
	• Decision Analytics Outstanding Award 2025 – Best Practice (Large Enterprise) from The Hang Seng University of Hong Kong School of Decision Sciences
	• 2025 Galaxy Awards – Copywriting: Annual Reports – Overall Annual Report – Silver Award from MerComm, Inc.
	• Gold Award, Top 50 Chinese Reports, Top 100 Reports – Asia-Pacific Region and Technical Achievement Award at the LACP 2024 Vision Awards Annual Report Competition

CORPORATE STRUCTURE



STRATEGY

The Bank has developed a growth strategy intended to support its business development over the medium term and to strengthen its position with the Parent Group. The strategy is structured around refined growth pillars that emphasise core strategic areas beyond its business-as-usual operations, providing a clear forward-looking direction for the next three to five years and guiding effective resource prioritisation.

The Bank has identified four principal areas of focus, as set out below:

Wealth Management: The Bank intends to implement a comprehensive re-design of its wealth management business. In particular, the Bank plans to adopt a more customer-focused approach to its wealth management offering, including enhancements to client service models and product delivery. This will include, *inter alia*, enhancement of product platform and launch of straight-through insurance application process. The Bank also intends to improve staff productivity and operational efficiency within this segment, including through the application of digital tools and processes.

Small and Medium-sized Enterprises: The Bank intends to reinforce its strategic focus on providing banking services for SMEs, which has been identified as the key customer segment providing diversified sources of revenue. The Bank intends to expand its loan portfolio under the SME Financing Guarantee Scheme, grow current and saving accounts services and increase fee-related income.

Greater Bay Area: The Bank intends to leverage its presence in the Greater Bay Area through the proposed Shenzhen Branch to support cross-boundary banking services and broaden its client base in the PRC. This includes the provision of both onshore and offshore lending and related financial services to customers with cross-boundary business needs. Through the proposed Shenzhen Branch, the Bank also plans to explore opportunities to provide IT and operation-related support within the Parent Group in connection with its activities in the region. The Shenzhen Branch has been injected with initial operating capital of RMB320 million and is expected to commence operations in mid-July 2026.

Data Monetisation: The Bank intends to make use of data to support decision-making, improving operational efficiency and internal processes. Data-driven approaches are also expected to drive improvements in the delivery of banking products, enhancing the overall customer experience. The Bank is implementing the Data Warehouse Project in phases with a concrete roadmap to integrate an AI-driven platform, enhancing operational efficiency and supporting future business growth.

The Bank's above strategic approach is supported by an emphasis on organisational capability, including talent development and the promotion of a strong banking culture, which are regarded as key enablers for the implementation of the Bank's business initiatives. This includes measures relating to talent acquisition and retention, staff training and up-skilling, promotion of holistic well-being and promotion of consistent corporate culture within the Bank.

STRENGTHS

Multi-channel approach attracting quality deposits

The Bank has developed a multi-channel distribution strategy to support deposit mobilisation and customer acquisition, including digital platforms such as Fubon+ and the Fubon GO Account Opening app ("**Fubon GO**"). For the year ended 31 December 2025, Fubon+ contributed to 80 per cent. of digital banking service penetration, and approximately 75.6 per cent. of new customer acquisitions were generated through Fubon GO. The Bank also provides round-the-clock foreign exchange and mobile deposit services through Fubon+, enhancing client accessibility and engagement.

The Group has experienced a growing contribution from retail customers to its deposit base. Customer deposits increased progressively from HK$84,421 million as at 31 December 2021 to HK$97,923 million as at 31 December 2022, HK$109,124 million as at 31 December 2023, HK$133,895 million as at 31 December 2024 and HK$162,892 million as at 31 December 2025. Over the same period, the proportion of retail deposits grew from 54 per cent. of the Group's total deposits as at 31 December 2021 to 73 per cent. as at 31 December 2022, 85 per cent. as at 31 December 2023, 90 per cent. as at 31 December 2024 and 90 per cent. as at 31 December 2025, reflecting the sustained growth of the Group's retail deposit business and its effective digital engagement strategies.

As a result of increasing retail deposits, the Group has focused on enhancing conversion to wealth management services which has contributed to a growth in fee income. Moreover, the increasing share of retail depositors has supported a more diversified funding base and reduced overall funding costs.

At the same time, the Group's liquidity position has continued to improve. The Group's loan-to-deposit ratio gradually declined from 73.1 per cent. as at 31 December 2021 to 67.9 per cent. as at 31 December 2022, 62.9 per cent. as at 31 December 2023, 53.1 per cent. as at 31 December 2024 and 53.5 per cent. as at 31 December 2025, while its average monthly liquidity maintenance ratio also improved from 70.6 per cent. in 2021 to 71.9 per cent. in 2022, 86.9 per cent. in 2023, 102.6 per cent. in 2024 and 108.3 per cent. in 2025.

Sustained loan growth outperforming industry peers

The Group has demonstrated resilient loan growth in recent years notwithstanding a competitive and evolving operating environment. As at 31 December 2025, the Group's gross advances to customers amounted to HK$71,402 million, as compared to HK$63,163 million as at 31 December 2024, HK$64,642 million as at 31 December 2023, HK$64,887 million as at 31 December 2022 and HK$60,639 million as at 31 December 2021. This represented a compound annual growth rate of 4.2 per cent. since 2021.

The Group's loan growth performance was driven by a combination of strategic market expansion, digital transformation and enhanced credit discipline. In terms of strategic market expansion, the Group has sought to expand in selected high-growth corridors and key markets by leveraging itself as a strategic hub, thereby broadening its international client base across Australia, Korea and the Middle East. In parallel, the Group has sought to increase credit exposure to sectors that it views as relatively resilient, including shipping, aviation and infrastructure. Taken together, these measures have supported the development of the Group's lending business across a broader range of geographies and sectors, while maintaining a focus on markets and industries that are capable of supporting more resilient credit performance over time.

In terms of digital transformation, the Bank has continued to support SMEs in their transition to sustainable finance while also enhancing the digital banking experience and strengthening online-to-offline integration. The Bank targets to launch Fubon Corp+, a new mobile banking app for corporate clients. The Bank has also continued to invest in digital infrastructure and AI. In particular, Cosie, the Bank's generative AI office toolkit, has been made available to all staff of the Bank since 2025 and has streamlined workflows and boosted productivity through intelligent summarisation and content creation. The Bank also pioneered the adoption of Moody's Automated Credit Memo for corporate credit origination to enhance efficiency and risk control of corporate lending operations. In addition, the Bank has completed its migration to Microsoft 365 Cloud Services, including enhanced Outlook, OneDrive and SharePoint systems, improving collaboration, communication and information management across the organisation.

In terms of enhanced credit discipline, the Group has maintained a prudent approach to new lending through disciplined credit underwriting and enhanced monitoring designed to facilitate early risk

detection. The Group has also continued to strengthen its risk infrastructure through significant upgrades to cybersecurity, cloud governance and operational resilience. These measures have supported the Group's ability to pursue loan growth while maintaining a disciplined approach to risk management, contributing to the quality and resilience of its lending portfolio.

Diversified lending and investment portfolio driving resilient credit profile

The Group maintains a diversified lending portfolio across a range of sectors. As at 31 December 2025, the Group's gross advances to customers amounted to HK$71.4 billion, of which HK$46.0 billion (or 64 per cent.) were for use in Hong Kong and 29 per cent. were for use outside Hong Kong, with trade finance accounted for 7 per cent. While 34 per cent. of the advances for use in Hong Kong were lent to individuals, the remaining 66 per cent. were lent to corporates, which include the following industry sectors: property development (12 per cent.), property investment (20 per cent.), non-bank financial institutions (3 per cent.), wholesale and retail trade (3 per cent.), manufacturing (7 per cent.), information technology (1 per cent.), electricity and gas (3 per cent.) and others (17 per cent.). 89.8 per cent. of gross property investment loans were secured by collateral.

As at 31 December 2025, the Group's debt securities investments portfolio had a market value of HK$75.0 billion and were geographically diversified across Hong Kong (42 per cent.), the PRC (5 per cent.), South Korea (12 per cent.), Singapore (6 per cent.), the United States (3 per cent.), Canada (4 per cent.), Australia (6 per cent.), Japan (3 per cent.), Germany (4 per cent.), other regions (6 per cent.) and supranational entities (9 per cent.). The Group has continued to rebalance credit resources outside Hong Kong and towards higher-quality sovereign and supranational exposures, supporting portfolio geographical resilience against domestic economic cycles.

As at 31 December 2025, by rating, 66.7 per cent. of the Group's debt securities were rated AA- or above, 26.9 per cent. were rated between A- and A+ and 6.4 per cent. were rated below A-. By currency, 58.4 per cent. of the Group's debt securities were denominated in U.S. dollars, 35.5 per cent. in Hong Kong dollars, 5.8 per cent. in Australian dollars and 0.3 per cent. in other currencies. By coupon type, 38.1 per cent. of the Group's debt securities were fixed rate and 61.9 per cent. were floating rate. The Group's diversified exposures reduce concentration risk and contribute to the resilience of its overall credit profile.

Strong profit growth driven by core earnings and lower credit costs

The Group has demonstrated strong profit growth in recent years driven by core earnings expansion and lower credit costs. Profit before tax increased from HK$470 million in 2021 to HK$651 million in 2022, HK$928 million in 2023, HK$1,074 million in 2024 and HK$1,608 million in 2025. Over the same period, impairment losses were HK$262 million in 2021, HK$288 million in 2022, HK$370 million in 2023, HK$569 million in 2024 and HK$279 million in 2025, reflecting an overall improvement in asset quality notwithstanding temporary fluctuations.

The Group's net interest income increased from HK$1,286 million in 2021 to HK$1,607 million in 2022, HK$2,115 million in 2023, HK$2,582 million in 2024 and HK$2,894 million in 2025, representing a compound annual growth rate of 22.5 per cent. Net fee and commission income increased from HK$291 million in 2021 to HK$302 million in 2022, HK$320 million in 2023, HK$384 million in 2024 and HK$479 million in 2025, corresponding to a compound annual growth rate of 13.2 per cent. The combined growth in interest and non-interest income has contributed to the expansion of net operating income. Net operating income increased from HK$691 million in 2021 to HK$930 million in 2022, HK$1,295 million in 2023, HK$1,670 million in 2024 and HK$1,921 million in 2025. Net profit increased from HK$386 million in 2021 to HK$543 million in 2022, HK$784 million in 2023, HK$907 million in 2024 and

HK$1,376 million in 2025. The growth in net operating income and net profit demonstrates the Group's sustained improvement in earnings performance.

In 2025, net interest income grew by 12 per cent., primarily driven by 17 per cent. increase in average interest-earning assets. Over the same period, the Group expanded and diversified its asset portfolio, with its average debt securities investments and loan portfolio increasing by 18 per cent. and 11 per cent., respectively. Despite a decline in interest rates, the Group's net interest margin remained resilient, reflecting its asset mix and funding profile. The Group has also recorded growth in non-interest income streams. Insurance services income, net gains from treasury marketing activities and credit-related fee income increased by 33 per cent., 31 per cent. and 25 per cent., respectively. The Group has continued to focus on cost discipline and operational efficiency, as evidenced by a reduction in its cost-to-income ratio from 58.5 per cent. in 2021 to 52.9 per cent. in 2022, 47.6 per cent. in 2023, 43.5 per cent. in 2024 and 42.1 per cent. in 2025.

The Group remains committed to prudent cost management while investing in its long-term capabilities to support sustainable long-term business growth, including through the acquisition and development of talent and continued investment in IT and AI-driven initiatives. This balanced approach has supported improvements in operating efficiency, as reflected in its improving cost-to-income ratio and widening jaws ratio.

Furthermore, the decline in impairment losses over time reflects improvements in asset quality, supported by the Group's focus on maintaining risk exposures with higher credit quality. The combination of revenue growth, improved cost efficiency and disciplined credit risk management has contributed to the overall resilience and sustainability of its earnings profile.

Sound asset quality and robust capital adequacy

The Group maintains a sound asset quality profile and robust capital position. Over the period from 2021 to 2025, the Group's impaired loan ratio was 0.76 per cent. as at 31 December 2021, 0.46 per cent. as at 31 December 2022, 0.56 per cent. as at 31 December 2023, 1.91 per cent. as at 31 December 2024 and 0.90 per cent. as at 31 December 2025, respectively, which is lower than the industry average. These metrics indicate that the Group's asset quality has remained broadly controlled and, in certain periods, compared favorably with the industry average.

The Group's capital adequacy ratios[5] have remained consistently above regulatory requirements. The Group's total capital ratio was 17.9 per cent. as at 31 December 2021, 17.8 per cent. as at 31 December 2022, 17.9 per cent. as at 31 December 2023, 18.9 per cent. as at 31 December 2024 and 19.1 per cent. as at 31 December 2025. Over the same period, the Common Equity Tier 1 and Tier 1 capital ratios were 16.0 per cent., 16.0 per cent., 16.3 per cent., 17.4 per cent. and 17.6 per cent. respectively. These levels are above the minimum statutory requirement prescribed by the Monetary Authority. The Group's total equity increased from HK$14,752 million as at 31 December 2021 to HK$15,252 million as at 31 December 2022, HK$15,966 million as at 31 December 2023, HK$16,549 million as at 31 December 2024 and HK$17,846 million as at 31 December 2025, supporting the Group's overall capital position and solid equity base.

The Group's risk-weighted assets increased from HK$76,731 million as at 31 December 2021 to HK$80,879 million as at 31 December 2022, HK$84,427 million as at 31 December 2023, HK$83,990

5 The Bank's capital adequacy ratios were calculated based on the Banking (Capital) Rules effective during the relevant reporting periods and on a consolidated basis including the Bank and its subsidiaries as required by the Monetary Authority.

million as at 31 December 2024 and HK$89,708 million as at 31 December 2025, while the Group's total assets increased from HK$118,115 million as at 31 December 2021 to HK$129,598 million as at 31 December 2022, HK$140,982 million as at 31 December 2023, HK$160,252 million as at 31 December 2024 and HK$190,721 million as at 31 December 2025. The increase in the Group's risk-weighted assets was cautiously controlled and managed. Over the same period, the Group's average risk weight (being the ratio of risk-weighted assets to the Group's total assets) was 65 per cent., 62 per cent., 60 per cent., 52 per cent. and 47 per cent. as at 31 December 2021, 2022, 2023, 2024 and 2025 respectively.

The Bank has also experienced an improvement in its external credit profile. In November 2025, the Bank's long-term issuer credit rating was upgraded to "A-" with a stable outlook, and the Bank's stand-alone credit profile rating remained at "a-". The Bank's sound asset quality, prudent risk management and strong capitalisation support its overall creditworthiness and financial stability.

Seasoned leadership with deep industry expertise

The Bank is led by a senior management team, each member of which has at least 20 years of experience across the banking and financial services industry, including roles in retail banking, corporate banking, risk management, treasury and strategy. Their breadth of experience and deep industry expertise underpin the Bank's strong strategic execution. For additional information on the Bank's senior management, see "*Directors and Senior Management – Senior Management*".

High strategic importance to Fubon FHC anchoring support to the Bank

The Bank represents the most significant banking presence of Fubon FHC outside Taiwan, providing Fubon FHC with geographic diversification of revenue and access to offshore financial opportunities. The Bank operates within a broader platform of Parent Group entities in Hong Kong, including life insurance, securities and asset management businesses, with the Parent Group's presence anchored by the Bank.

The Bank acts as a strategic connector for the Parent Group's regional ambitions, facilitating cross-border financing and wealth management activities across Asia. The Bank supports corporate, institutional and high net worth clients with services that may be less accessible in Taiwan and provides a platform for the generation of Hong Kong dollar and U.S. dollar assets, thereby capturing higher-yielding opportunities.

The Bank has demonstrated a track record of support from the Parent Group, including during periods of market stress such as the 2008 global financial crisis, as well as through equity capital injections and subscriptions to the Bank's preference shares. In addition, Taiwanese regulatory authorities require financial holding companies to assist their subsidiaries in the event of a significant deterioration in financial condition.

The Bank serves as an important gateway to the Parent Group's Greater China strategy and Greater Bay Area expansion, including through its presence in Hong Kong and the proposed Shenzhen Branch. It provides the structural, legal and operational platform required to capture cross-border wealth management, trade finance and corporate lending flows. This is evident by the Bank's acquisition of Xiamen Bank in 2008, which enabled it to be the first Taiwanese-owned financial institution to hold a stake in a PRC bank.

The Bank also functions as a critical offshore treasury hub for the Parent Group, providing a direct channel to access international wholesale funding markets and a platform to deploy excess capital into high-quality liquid assets, global debt securities and repurchase transactions. These activities support the optimisation of funding, liquidity and treasury management across the Parent Group.

In addition, the Bank operates as a testing platform for the Parent Group's digital and fintech initiatives, including the optimisation of Fubon+, the rollout of automated SME digital credit approval processes and the deployment of AI solutions, which may subsequently be scaled across the Parent Group more broadly.

The Bank's asset portfolio includes high-quality debt securities and corporate loan exposures across diversified geographies, including Australia, the Middle East and the Association of Southeast Asian Nations ("**ASEAN**") markets. This diversification supports the Parent Group in offsetting volatility in its domestic retail banking operations in Taiwan.

BUSINESS OVERVIEW

The Bank and its Subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are Retail Banking, Institutional Banking, Commercial Banking, Fubon Credit, Markets and Funding Desk.

The profit contribution from the respective reportable segments of the Group for the three years ended 31 December 2023, 2024 and 2025 was as follows:

Operating income/(loss)

	For the year ended 31 December					
	2023		2024		2025	
	HK$'000	%	HK$'000	%	HK$'000	%
Retail Banking	664,732	27.3	832,149	28.4	999,372	30.3
Institutional Banking	814,613	33.5	813,559	27.7	861,240	26.1
Commercial Banking	481,414	19.8	477,022	16.3	501,047	15.2
Fubon Credit	(1,002)	0.0	6,122	0.2	19,738	0.6
Markets[(1)]	–	–	578,740	19.7	770,961	23.4
Funding Desk	471,130	19.4	226,740	7.7	143,763	4.4
Total	**2,430,887**	**100.0**	**2,934,332**	**100.0**	**3,296,121**	**100.0**

Profit/(loss) before taxation

	For the year ended 31 December					
	2023		2024		2025	
	HK$'000	%	HK$'000	%	HK$'000	%
Retail Banking	145,639	11.0	202,034	13.1	364,825	17.8
Institutional Banking	434,349	32.8	588,602	38.1	816,712	39.9
Commercial Banking	302,348	22.9	37,705	2.4	107,802	5.3
Fubon Credit	(22,603)	(1.7)	(30,050)	(1.9)	(40,804)	(2.0)
Markets[(1)]	–	–	532,357	34.5	686,857	33.5
Funding Desk	463,597	35.0	214,361	13.9	112,243	5.5
Total	**1,323,330**	**100.0**	**1,545,009**	**100.0**	**2,047,635**	**100.0**

Note:

(1) In 2025, the Markets segment was spun off from the Institutional Banking segment. The relevant comparative figures for the year ended 31 December 2024 have been restated to conform with the presentation for the year ended 31 December 2025. There was no restatement of the comparative figures for the year ended 31 December 2023.

Retail Banking

Retail Banking comprises consumer finance activities including provision of credit card advances, mortgage lending and other consumer lending and wealth management services such as the sales and distribution of insurance products, investment products and securities brokerage[6] to wealth management clients and provision of banking services to the mass market segment.

In retail banking, the Group's total deposit achieved a 21 per cent. year-on-year increase during 2025, growing from HK$122.7 billion to HK$148.6 billion, reflecting sustained customer confidence and the Group's effective digital engagement strategies. Fubon+ played a pivotal role in this expansion, contributing to 80 per cent. of digital banking service penetration and 75.6 per cent. of new customer acquisitions through Fubon GO Account Opening App in 2025. The continuous enhancement of Fubon+, including 24/7 Online FX, ATM card application and activation, as well as ATM PIN reset, has substantially improved customer engagement.

The Group's wealth management business continued to expand in the financial year ended 31 December 2025, driven by strong performance in unit trusts and insurance. Unit trusts fee income recorded a year-on-year growth of 38 per cent. In addition, the Group's insurance fee income increased by 33 per cent. to HK$279 million, supported by expanded multi-currency wealth management solutions and legacy planning tools. The Bank's wholly-owned subsidiary, Fubon Insurance Brokers, delivered a 351 per cent. year-on-year increase in broker insurance income, highlighting the Group's enhanced client engagement and expanded product portfolio.

Institutional Banking

Institutional Banking comprises the corporate banking business and the financial institutions business, covering the provision of services including corporate lending, syndicated loans, trade financing and deposits to large corporates in Hong Kong and the PRC.

The Group's institutional banking business achieved growth in the financial year ended 31 December 2025, with a 48 per cent. increase in loan portfolio. The Bank was one of the mandated lead arrangers, bookrunners and underwriters in the MTR Corporation's HK$30 billion syndicated loan transaction, recognised as Asia's largest unsecured international syndicated green term loan with a seven-year and above tenor, which reinforced the Group's market leadership in sustainable finance. The Group also expanded its credit exposure into key sectors such as shipping, aviation, and infrastructure, while diversifying its client base in the Middle East, Korea and Australia, building a more diversified and resilient credit portfolio for future growth.

Commercial Banking

Commercial Banking mainly engages in corporate lending, trade financing and commercial mortgage lending to small and medium enterprises in Hong Kong and the PRC as well as the distribution of wealth management products to corporate customers and acquisition of credit card merchants.

Fubon Credit

Fubon Credit is a wholly-owned subsidiary of the Bank and mainly engages in consumer lending to individual customers in Hong Kong.

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6 The Bank has ceased its securities brokerage business from 1 July 2026.

Fubon Credit launched various products to meet the needs of different customer segments, including its personal instalment loans and balance transfer personal loans. These products achieved high levels of exposure and awareness in the market. As a result, loan receivables increased by 57.6 per cent. in 2025.

Fubon Credit also achieved important progress in 2025. Boni, a personal loan mobile app developed using advanced electronic know-your-customer ("**eKYC**") technology, became the first Bank-hosted solution deployed in a cloud environment. Since its launch in late 2024, the Boni App has recorded over 40,000 downloads, marking a key milestone in digital innovation.

Markets

Markets is responsible for the Group's treasury and global financial markets activities, with a primary focus on managing the Group's investment portfolio and executing trading activities in foreign exchange and fixed income securities. It also oversees the structuring, development, and distribution of treasury-related products to serve the needs of retail, institutional, and corporate clients.

Markets is mandated to manage and coordinate the Group's participation across key financial markets and investment products. Its scope encompasses both treasury operations and client-facing product solutions. Core treasury functions include foreign exchange services, centralized liquidity and cash management, interest rate risk management, and the strategic management of the Group's investment portfolio.

In addition, Markets offers a range of investment products and hedging solutions for interest rate and currency risk management. Through close collaboration with the Retail Banking, Institutional Banking, and Commercial Banking divisions, Markets delivers a comprehensive suite of treasury and risk management solutions tailored to meet diverse client needs.

The Group's financial markets business delivered strong performance during the year 2025. Treasury advisory and product fee income increased by 31 per cent., while foreign exchange market-making and proprietary trading income rose by 37 per cent. year-on-year, driven by proactive client engagement and increased transaction volumes. Despite a challenging fixed income environment and interest rate volatility, the Group continued to provide clients with strategic solutions for yield enhancement, capital growth, and risk management.

Markets manages the Group's fixed income portfolio with a disciplined and prudent investment approach, focusing on high-quality investment-grade bonds. Through effective diversification across geographies, industry sectors, and duration profiles, the Group's portfolio as at 31 December 2025 maintained an overall credit rating of "A". The Bank was also recognised by The Asset in 2025 with the awards of "Top Investment House" and "Most Astute Investor", highlighting the Bank's advisory excellence and its ability to deliver superior client outcomes.

Funding Desk

Funding Desk manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

The Bank plays an active role in the Hong Kong dollar debt markets, serving as market maker in Exchange Fund Bills and Notes ("**EFBNs**") and Specified Instruments (as defined by the Monetary Authority). Funding Desk assists the Bank to perform its role as market maker of EFBNs and also manages the Bank's holding of EFBNs.

BUSINESS TECHNOLOGY MANAGEMENT

The Bank continues to invest in IT, digital infrastructure and AI to support the development of a customer-centric, technology-enabled and sustainability-driven banking model. Its strategic focus on

digital transformation is aligned with broader fintech and environmental, social and governance ("**ESG**") trends and is intended to enhance customer experience, improve operational efficiency and support long-term business growth.

The Bank has enhanced its digital banking platforms, including Fubon+ and Fubon GO, which have enabled it to serve a wider and more diverse customer base while improving customer experience and accessibility. The Fubon+ platform provides a range of services, including round-the-clock online foreign exchange services, ATM card application and activation and ATM personal identification number reset. Digital engagement has strengthened customer acquisition. During the financial year ended 31 December 2025, the number of mobile banking customers increased by 17 per cent. while transaction volume rose by 25 per cent. as compared to 2024, with digital banking service penetration reaching approximately 80 per cent. and approximately 75.6 per cent. of new customers being acquired through the Fubon GO mobile account opening app.

In 2025, the Bank also introduced its first virtual credit card, the Fubon iN VISA Platinum Card, and reduced paper-based credit card applications from approximately 70 per cent. to below 15 per cent., demonstrating the Bank's commitment to digital innovation.

The Bank has progressed its digital transformation initiatives across internal operations by investing in AI and data-driven technologies to enhance efficiency and productivity. In 2025, the Bank introduced Cosie, a generative AI office toolkit, which has redesigned workflows, streamlined routine tasks and improved employee productivity. The Bank also pioneered the adoption of Moody's Automated Credit Memo for corporate credit origination to enhance efficiency and risk control of corporate lending operations. The migration to Microsoft 365 cloud services has further enhanced collaboration, communication and information management across the organisation.

The Bank has developed new digital products to expand its customer reach and capabilities. Boni, a personal loan mobile app developed using advanced eKYC technology and deployed on a cloud-based platform, recorded over 40,000 downloads since its launch in late 2024, reflecting customer adoption of digital lending solutions.

The Bank has also participated in fintech initiatives by the Monetary Authority such as the completion of a tokenised deposit transaction in Ensemble^{TX}, reflecting its engagement in digital innovation aligned with the Monetary Authority's current digital currency agenda.

The Bank continues to invest in cybersecurity, cloud governance and operational resilience in line with evolving regulatory expectations and stakeholder requirements. These enhancements support the integrity and security of its digital infrastructure and enable the Bank to deliver reliable and secure digital banking services.

Looking ahead, the Bank intends to continue promoting digital transformation and financial inclusion. It plans to launch Fubon Corp+, a mobile banking app tailored for corporate clients designed to further enhance their digital banking experience and support their transition to sustainable finance, and further integrate its physical and digital channels to provide seamless banking services.

SUSTAINABILITY

The Bank continues to pursue sustainable business practices as a core component of its long-term strategy, with a focus on supporting clients in transitioning to a net zero future. The Bank has established a transition plan aligned with the Glasgow Financial Alliance for Net Zero Transition Plan Framework and has set long-term net-zero ambitions, including net-zero operations by 2030 and a net-zero financial portfolio by 2050.

To achieve its net-zero goals, the Bank has committed to mobilise a HK$68 billion low-carbon fund by 2050 to accelerate sustainable finance initiatives and continues to offer diversified green investment and financing products, supported by ESG advisory services to enhance client engagement. Examples of the Bank's sustainable finance initiatives include a RMB450 million green loan for Xinyi Energy to finance solar projects and a U.S.$40 million sustainability tranche of infrastructure loan-backed securities issued by The Hong Kong Mortgage Corporation Limited. The Bank has also implemented initiatives to enhance building efficiency and accelerate the adoption of renewable energy.

The Bank has made considerable progress in its decarbonisation and sustainable finance efforts. In 2025, the Bank's green-related loan disbursements reached HK$7.7 billion and the Bank invested HK$9.7 billion in green-related bonds, surpassing its previously set targets of HK$5.1 billion and HK$6.7 billion respectively. The capital raised from such green-related financing would be directed toward sustainable infrastructure, SME green financing, and transition finance for high-emission industries. In the same year, the Bank's greenhouse gas emissions amounted to 1,539 tons, representing a 40 per cent. reduction in Scope 1 and Scope 2 emissions (as defined by the Greenhouse Gas Protocol Corporate Standard ("**GHG Protocol**")) compared to the 2020 baseline, exceeding its 2025 target of reducing emissions to 2,025 tons or a 21 per cent. reduction. Furthermore, the Bank remains committed to the Science Based Targets initiative ("**SBTi**"). While the Bank has achieved its 2025 targets for over 31 per cent. of its investment exposure having set SBTi-validated targets, it continues to work towards reducing loan emissions to less than 51 tCO2e per square metre, in line with the global benchmark such as the International Energy Agency World Energy Outlook.

The Bank has established clear ESG targets. The Bank recently scaled up its green and sustainable financing target to HK$19.9 billion by 2030, comprising HK$9.8 billion in green-related corporate loans and HK$10.1 billion in green-related debt investments. It has also set emissions reduction targets, which includes achieving net-zero operations for Scope 1 and Scope 2 greenhouse gas emissions (as defined by the GHG Protocol) and pursuing reductions in interim financed emissions within Scope 3 emissions (as defined by the GHG Protocol).

These initiatives form part of the Bank's broader commitment to integrate sustainability considerations into its business model, support clients in transitioning to a net-zero future and advance its net-zero targets for operations and financed emissions.

PRINCIPAL SUBSIDIARIES

The Bank has four principal subsidiaries, namely Fubon Credit (Hong Kong) Limited ("**Fubon Credit**"), FB Securities (Hong Kong) Limited, Fubon Nominees (Hong Kong) Limited and Fubon Insurance Brokers Limited ("**Fubon Insurance Brokers**"). The table below sets forth a summary of the Bank's principal subsidiaries as at the date of this Offering Circular.

Name of Company	Particulars of issued and paid up capital	Proportion of ownership interest	Principal activities
Incorporated and operating in Hong Kong			
Fubon Credit (Hong Kong) Limited	HK$265,000,000	100%	Provision of financial services
FB Securities (Hong Kong) Limited.	HK$8,000,000	100%	Securities broking
Fubon Nominees (Hong Kong) Limited	HK$200	100%	Nominee service
Fubon Insurance Brokers Limited	HK$500,000	100%	Insurance broker services

COMPETITION

The Hong Kong banking market is very competitive. The market is dominated by a small number of large banking groups. As at 30 June 2026, there were 32 locally incorporated licensed banks operating in Hong Kong. There are also a number of international banks and financial institutions based in Hong Kong. The Bank's main competitors are medium-sized, locally incorporated licensed banks. In addition, the Bank faces competition from local finance companies in certain areas of its business, such as credit cards and personal loans. Furthermore, the Bank may also be subject to increased competition from digital banking companies entering the Hong Kong banking industry as the operations of these digital banking companies may overlap with the Bank's business. See "*Risk Factors – Risks Relating to the Group – Competition in the Hong Kong financial industry may adversely affect the Bank's business, financial condition and results of operations.*".

Given the increasing competition among local banks as well as digital banking companies in Hong Kong, the Bank has decided to focus on diversifying its revenue sources and increasing its fee-based income, particularly from its wealth management, life insurance and retail investment businesses. In addition, like many of the local banks in Hong Kong, the Bank is now expanding its presence in the PRC, in particular the Greater Bay Area. However, in view of the fact that certain restrictions previously imposed on foreign banks in the PRC have recently been lifted, the Bank expects competition to continue to increase in the region.

For a further discussion of the risks of competition faced by the Bank in Hong Kong, see "*Risk Factors – Risks Relating to the Group*".

INSURANCE

The Bank maintains various types of insurance coverage, including property insurance to cover the loss of or damage to building structure and content, electronic equipment and motor vehicles; insurance to cover loss of property due to burglary, theft and robbery; public liability insurance to cover legal liability as a result of physical bodily injury and/or property damage caused to third parties; bankers blanket bonds insurance to cover the loss resulting from fraudulent acts (including computer-related crimes) by employees, loss of money on premises and in transit and forgery of bank instruments; directors' and officers' liability insurance to cover the personal liability of the Bank's officers against any claims resulting from any wrongful act committed in connection with carrying out their duties as officers of the Bank; employees' liability insurance as required by the Employees' Compensation Ordinance (Cap. 282) of Hong Kong; cybersecurity insurance to cover the loss resulting from security breach or system failure and the third party liability arising out of information security and data privacy issue; and group medical insurance for its workforce. The Bank also requires borrowers to obtain appropriate insurance coverage for security provided by them.

MATERIAL TRANSACTIONS WITH RELATED PARTIES

The Bank periodically enters into transactions with Fubon FHC and other related parties. These transactions are entered into in the ordinary course of the Bank's business and include, *inter alia*, lending, placement of interbank deposits, correspondent banking transactions and foreign exchange transactions. The contracts are priced based on relevant market rates at the time of each transaction, and are on the same terms as those available to other counterparties and customers of the Bank. In the opinion of the directors these transactions are conducted on normal commercial terms.

PROPERTY INTERESTS

Most of the Bank's properties are used in its operations and those properties that are not used as bank premises are leased to third parties to generate rental income or are vacant pending sale or lease. As at 31 December 2025, the Bank conducted business from 20 retail distribution outlets in Hong Kong, nine of which were owned by the Bank and 11 of which were leased from third parties. As at 31 December 2025, the Bank owned a total of 16 properties (which includes the nine owned retail distribution outlets) of which five were occupied exclusively by members of the Bank, one was leased exclusively to a third party and one was in vacant possession.

LITIGATION AND CLAIMS

From time to time, the Group may be subject to material litigation or governmental, legal or arbitration proceedings and other contingent liabilities which may adversely affect the Group's financial position, results or prospects of the Group.

For example, the Monetary Authority announced on 8 November 2024 that it had imposed a penalty of HK$4,000,000 against the Bank for breaches of the AMLO following the Bank's self-report of transaction monitoring failures and the Monetary Authority's subsequent investigation into the Bank's systems and controls for compliance with the AMLO. As at the date of this Offering Circular, the investigation has been completed.

Save as disclosed herein, the Group is currently not involved in any litigation, arbitration, or similar proceedings in any material respect and the Group is not aware of any such proceedings pending or threatened against it which are or might be material in the context of the issue of the Notes.

EMPLOYEES

As at 31 December 2025, the Group, on a consolidated basis, had a total of 885 permanent employees as set forth in the following table.

	No. of Employees
Head office and branches in Hong Kong	864
Outside of Hong Kong (including the PRC)[7]	1
Subsidiaries	20
Total	**885**

As at 31 December 2025, approximately 10.9 per cent. of the Group's employees, on a consolidated basis, performed supervisory and management functions, while the remaining 89.1 per cent. performed business and operational support functions.

The Bank views its employees as an asset and believes that investment in human resources is critical to its growth. The Bank has internal and external training programmes aimed at management development and team building. The Bank's training curriculum includes courses on banking operations, product knowledge, marketing, management skills, risk management, financial technology and customer service.

7 Referring to an employee whose employment contract was signed in Hong Kong but who has been seconded to the PRC.

The Bank believes that it enjoys a good relationship with its employees. The Bank provides staff life and medical insurance benefits and operates a defined benefit retirement scheme as well as a Mandatory Provident Fund scheme for its employees.

PROTECTION OF DEPOSITORS

The Bank is a member of the Deposit Protection Scheme, which was launched in September 2006. Accordingly, all eligible depositors of the Bank are automatically protected under the Deposit Protection Scheme. As part of its measures to maintain the liquidity of, and confidence in, the Hong Kong financial markets, the Hong Kong Deposit Protection Board enhanced the Deposit Protection Scheme with an increased protection limit of HK$800,000 which came into effect on 1 October 2024 under the Deposit Protection Scheme (Amendment) Ordinance 2024.

ASSET QUALITY, FUNDING AND RISK MANAGEMENT

The Group attaches a high priority to managing its credit risk and has in place a highly developed credit discipline and structure which are governed by the Group's credit risk management framework.

LOAN PORTFOLIO

The Group concentrates its lending operations on corporates and individuals primarily based in Hong Kong with only 29.0 per cent. of the Group's advances to customers as at 31 December 2025 being advances for use outside Hong Kong (2024: 20.8 per cent.).

As at 31 December 2025, the Group's total outstanding gross advances to customers were HK$71.4 billion, which represented 37.4 per cent. of its total consolidated assets.

The composition of the Group's loan portfolio as at 31 December 2023, 2024 and 2025 was as follows:

	As at 31 December		
	2023	2024	2025
		HK$'000	
Gross advances for use in Hong Kong			
Industrial, commercial and financial			
Property development	7,109,914	5,826,631	5,508,253
Property investment	9,348,315	8,574,869	9,167,483
Financial concerns	2,436,181	1,883,361	1,433,666
Stockbrokers	10,000	196,701	–
Wholesale and retail trade	1,290,380	1,292,059	1,287,152
Manufacturing	2,400,523	2,457,453	3,046,174
Transport and transport equipment	156,755	177,252	69,216
Information technology	816,757	821,043	625,724
Electricity and gas	472,545	1,019,992	1,339,880
Others	5,174,614	6,354,829	7,805,785
Sub-total	29,215,984	28,604,190	30,283,333
Individuals			
Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	1,831	33,233	71,722
Loans for the purchase of other residential properties	13,154,087	12,457,780	11,351,802
Credit card advances	890,443	809,543	755,300
Others	3,368,873	3,370,516	3,522,824
Sub-total	46,631,218	45,275,262	45,984,981
Trade finance	5,285,954	4,726,730	4,742,045
Gross advances for use outside Hong Kong	12,724,605	13,160,650	20,675,297
Gross advances to customers	64,641,777	63,162,642	71,402,323
Allowances for impaired loans			
Stage 1 impairment allowance[(1)]	(165,803)	(137,671)	(100,888)
Stage 2 impairment allowance[(1)]	(72,172)	(60,141)	(60,778)
Stage 3 impairment allowance[(1)]	(104,864)	(263,177)	(155,813)
Total provisions	(342,839)	(460,989)	(317,479)
Net advances to customers	64,298,938	62,701,653	71,084,844

Note:

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

In relation to the maturity profile of the Group's loan portfolio as at 31 December 2025, 35.7 per cent. (HK$25,368,442,000) of the Group's total advances to customers had a remaining maturity of less than one year, 32.1 per cent. (HK$22,789,113,000) had a remaining maturity of one year or more but less than five years and 30.0 per cent. (HK$21,291,516,000) had a remaining maturity of five years or more.

Loans to corporates and institutions were principally made at variable rates of interest based on the Bank's cost of fund or interbank offered rates. Residential mortgage loans to individuals are either based on the Bank's prime rate or interbank offered rates subject to prime rate cap, whilst interest rates on personal loans are normally set at fixed rates.

CREDIT RISK MANAGEMENT POLICIES AND PROCEDURES

Credit risk is the risk of suffering financial loss in the event that the Group's customers or counterparties fail to fulfil their obligations to the Group or their repayment ability deteriorates. It arises mainly from loans and advances to customers and banks, letters of credit and acceptances, financial guarantees, debt securities held and counterparty credit risk arising from derivative contracts entered into with customers or counterparties. It can also arise from trading and treasury activities.

The Group manages credit risk through a framework of controls to ensure credit risk taking activities are based on sound principles and in line with the overall business objectives of the Group. It has established a set of credit policies and procedures which define credit risk taking criteria, credit approval authorities delegated from the Board, credit monitoring processes, credit rating and scoring systems and loan impairment criteria. For instance, the Group has adopted an early warning monitoring process to include sector-specific triggers for commercial real estate, trade-exposed corporates, and Chinese Mainland-linked borrowers. The Group also reviews client exposures to tariff-sensitive sectors and reviews cross-border lending concentrations against its risk appetite periodically.

Credit risk management procedures are designed to promote early detection of customer, industry or product exposures that require special monitoring. Overall portfolio risk is monitored on an on-going basis. Regular risk management reports covering information on large exposures, country exposures, industry exposures, loan quality and loan impairment level are submitted to the Credit Committee ("**CC**"), the Executive Credit Committee ("**ECC**") and the Risk Committee ("**RC**").

LOAN CLASSIFICATION

It is the Bank's policy to rate the risk of every borrowing account based on the Bank's risk rating system, which has grades from 1 (highest) to 10 (lowest), and align with the Monetary Authority's loan classification:

Loan classification	Description
Pass	Meeting commitments and full repayment of interest & principal is not in doubt.
Special Mention	Experiencing difficulties which may threaten the Bank's position. Ultimate loss is not expected at this stage but it could occur should the adverse conditions persist.
Substandard	Displaying a definable weakness that is likely to jeopardize repayment and relying heavily on available security. This would include loans where some loss of principal or interest is possible after taking account of the net reliable value of security, and rescheduled loans where concessions have been made to a customer on interest or principal such as render the loan "non-commercial" to the bank.
Doubtful	Collection in full is improbable and the Bank expects to sustain a loss of principal and/or interest after taking account of net realizable value of the collateral.
Loss	Uncollectible after exhausting all collection efforts such as realization of collateral and instituting legal proceedings.

The Bank follows the Monetary Authority's guidelines for determining when interest should be placed in suspense accounts (internal grade 1-9/Pass and Special Mention) or cease to be accrued (internal grade 10/Substandard, Doubtful and Loss).

The tables below set out summaries of the Group's consolidated impaired advances and overdue advances as at 31 December 2023, 2024 and 2025:

(a) Overdue advances to customers

	As at 31 December					
	2023		2024		2025	
	HK$'000	% of gross advances	HK$'000	% of gross advances	HK$'000	% of gross advances
			(unaudited)			
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:						
6 months or less but over 3 months	158,905	0.25	876,386	1.39	292,533	0.41
1 year or less but over 6 months	927,666	1.43	284,233	0.45	424,094	0.59
Over 1 year	65,950	0.10	231,089	0.37	210,187	0.29
	1,152,521	1.78	1,391,708	2.20	926,814	1.30
Covered portion of overdue advances to customers	1,021,578		1,137,232		781,371	

	As at 31 December					
	2023		2024		2025	
	HK$'000	% of gross advances	HK$'000	% of gross advances	HK$'000	% of gross advances
			(unaudited)			
Uncovered portion of overdue advances to customers	130,943		254,476		145,443	
	1,152,521		1,391,708		926,814	
Individual impairment allowances[1] in respect of advances overdue for more than three months	84,637		172,505		55,766	

Note:

(1) The term "individual impairment allowances" represents impairment allowances recognised for financial instruments classified as Stage 3 under the Group's accounting policies.

(b) Impaired advances to customers

	As at 31 December					
	2023		2024		2025	
	HK$'000	% of Gross Advances	HK$'000	% of Gross Advances	HK$'000	% of Gross Advances
Gross impaired advances	361,211	0.56	1,206,887	1.91	644,163	0.90
Stage 3 impairment allowances made against impaired loans	(104,864)		(263,177)		(155,813)	

Impaired advances are those advances where full repayment of principal and/or interest is considered unlikely and are so classified as soon as such a situation becomes apparent. Impairment allowances are made to write down the carrying value of the advances to the discounted value of future recoverable amounts, including the realisation of collateral.

(c) Rescheduled advances to customers (net of those which have been overdue for over three months and reported in item (a) above)

	As at 31 December					
	2023		2024		2025	
	HK$'000	% of Gross Advances	HK$'000	% of Gross Advances	HK$'000	% of Gross Advances
			(unaudited)			
Rescheduled advances to customers	35,250	0.05	14,474	0.02	15,042	0.02

The following tables show reconciliations from the opening to the closing balance of the impairment allowances by advances to customers at transaction level for the three years ended 31 December 2023, 2024 and 2025:

	As at 31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK$'000			
At 1 January	228,121	66,821	177,669	472,611
Transfer to lifetime ECL not credit-impaired	(4,559)	4,559	–	–
Transfer to 12-month ECL	4,121	(4,121)	–	–
Transfer to lifetime ECL credit-impaired	(575)	(4,296)	4,871	–
New financial assets originated or purchased and further lending	84,181	5,333	–	89,514
Repayments	(114,142)	(10,098)	–	(124,240)
Write-offs	–	–	(514,450)	(514,450)
Net remeasurement of impairment allowances (including exchange adjustments)	(31,344)	13,974	436,774	419,404
At 31 December	165,803	72,172	104,864	342,839

	As at 31 December 2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK$'000			
At 1 January	165,803	72,172	104,864	342,839
Transfer to lifetime ECL not credit-impaired	(5,958)	5,958	–	–
Transfer to 12-month ECL	24,707	(24,707)	–	–
Transfer to lifetime ECL credit-impaired	(1,631)	(8,169)	9,800	–
New financial assets originated or purchased and further lending	57,363	11,640	–	69,003
Repayments	(53,971)	(21,980)	–	(75,951)
Write-offs	–	–	(489,128)	(489,128)
Net remeasurement of impairment allowances (including exchange adjustments)	(48,642)	25,227	637,641	614,226
At 31 December	137,671	60,141	263,177	460,989

	As at 31 December 2025			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK$'000			
At 1 January	137,671	60,141	263,177	460,989
Transfer to lifetime ECL not credit-impaired	(4,675)	4,675	–	–
Transfer to 12-month ECL	4,942	(4,942)	–	–
Transfer to lifetime ECL credit-impaired	(42)	(11,342)	11,384	–
New financial assets originated or purchased and further lending	55,658	26,880	–	82,538
Repayments	(39,669)	(28,134)	–	(67,803)
Write-offs	–	–	(434,262)	(434,262)
Changes in model or parameters	(46,704)	(18,548)	–	(65,252)
Net remeasurement of impairment allowances (including exchange adjustments)	(6,293)	32,048	315,514	341,269
At 31 December	100,888	60,778	155,813	317,479

INVESTMENT IN SECURITIES

The Group's investment in securities includes listed and unlisted treasury bills and debt securities as well as unlisted certificates of deposit and equity securities. The table below summarises the values of the Group's investment securities portfolio as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	2024	2025
	HK$'000		
Trading assets at fair value			
Treasury bills (including Exchange Fund Bills) – Unlisted	1,696,831	1,436,973	2,460,418

	As at 31 December		
	2023	2024	2025
	HK$'000		
Debt securities measured at amortised cost			
Treasury bills (including Exchange Fund Bills)			
– Listed in Hong Kong	34,651	–	–
– Listed outside Hong Kong	94,098	93,340	31,090
– Unlisted	5,774,306	–	–
Certificates of deposit held			
– Unlisted	–	100,000	100,000
Debt securities			
– Listed in Hong Kong	13,389,935	10,781,293	9,515,062
– Listed outside Hong Kong	9,340,077	9,536,002	9,162,351
– Unlisted	20,396,276	21,544,312	20,067,503
Gross carrying amount	49,029,343	42,054,947	38,876,006

	As at 31 December		
	2023	2024	2025
	HK$'000		
Less: Impairment allowances			
– Stage 1	(51,939)	(31,816)	(33,137)
– Stage 2	(1,497)	(258)	–
	48,975,907	42,022,873	38,842,869

	As at 31 December		
	2023	2024	2025
	HK$'000		
Debt securities measured at fair value through other comprehensive income			
Treasury bills (including Exchange Fund Bills)			
– Listed outside Hong Kong	–	147,631	210,927
– Unlisted	–	7,269,913	9,660,030
Certificates of deposit held			
– Unlisted	–	298,893	–
Debt securities			
– Listed in Hong Kong	–	2,352,014	3,271,191
– Listed outside Hong Kong	–	4,820,177	10,674,740
– Unlisted	–	4,184,207	11,852,487
	–	19,072,835	35,669,375
Financial assets designated at fair value through other comprehensive income			
Equity securities			
– Unlisted	963,092	72,221	72,495

Investment in debt securities is a key activity of the Bank's Markets Group. As at 31 December 2025, HK$77,005.8 million, or 99.9 per cent., of the Group's total investment in securities was in debt securities. The two principal investment objectives include (1) maintaining adequate liquidity cushion with a stock of high-quality readily liquefiable assets to provide flexibility and resilience during periods of economic uncertainty or cash flow disruptions, and (2) contributing net interest income with a positive spread over the cost of funds within credit and interest rate risk tolerance limits.

The Group purchased securitization exposures with nominal amount of HK$623 million during the year ended 31 December 2025 (2024: HK$660 million). The outstanding amount of securitization exposures as at 31 December 2025 was HK$1,374.5 million (2024: HK$990.3 million).

As at 31 December 2025, HK$51,533.3 million, or 66.9 per cent., of the Group's aggregate investment in debt and equity securities was invested in securities issued by central governments, central banks, multilateral development banks, public sector entities and banks, compared with HK$39,196.1 million, or 62.6 per cent., as at 31 December 2024, with the remaining investment in debt and equity securities issued by corporate entities.

FUNDING

The Group seeks to maintain stable and low-cost funding primarily from deposits sourced through its branch network, mobile banking apps (i.e. Fubon+) and internet banking platform. The Group's sources of funding comprise deposits from customers, deposits from banks, certificates of deposit issued, and shareholders' funds. Deposits include demand deposits and current accounts and savings, call and time deposits. The Bank is a net lender to the interbank market.

The table below sets forth a summary of the Group's deposits and other borrowed funds by type as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	2024	2025
	HK$'000		
Deposits from customers			
Demand deposits and current accounts	11,153,561	11,417,869	12,534,571
Savings deposits	4,465,341	5,366,684	6,060,206
Time deposits	93,505,594	117,110,808	144,297,623
Total customer deposits	**109,124,496**	**133,895,361**	**162,892,400**
Deposits and balances of banks and other financial institutions	7,854,320	3,856,010	4,013,695
Certificates of deposit issued	299,942	–	–
Total	**117,278,758**	**137,751,371**	**166,906,095**

As at 31 December 2025, the Group had deposits and balances from customers and banks of HK$166.9 billion, representing 87.7 per cent. of the Group's total funding, including total equity. Customer deposits consisted of demand deposits and current accounts, savings deposits and time deposits, which accounted for 7.7 per cent., 3.7 per cent. and 88.6 per cent. of total customer deposits, respectively.

The Group considers certificates of deposit as a source of the Group's funding and maintains a HK$10 billion Certificate of Deposit Programme to facilitate issuance whenever considered appropriate, notwithstanding that no certificates of deposit were outstanding as at 31 December 2024 and 2025.

MATURITY PROFILE OF ASSETS AND LIABILITIES

The table below sets forth the contractual maturity breakdown of major assets and liabilities of the Group as at 31 December 2023, 2024 and 2025.

As at 31 December 2023

	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
	HK$'000							
Assets								
Cash and short-term funds	7,104,004	1,057,842	6,046,162	–	–	–	–	–
Balances with banks and other financial institutions	6,059,269	–	–	2,080,828	3,978,441	–	–	–

	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
				HK$'000				
Trading assets	1,696,831	–	1,547,686	149,145	–	–	–	–
Derivative financial instruments	1,755,620	–	–	–	–	–	–	1,755,620
Advances to customers	64,298,938	–	13,902,501	5,489,031	7,678,404	17,174,807	16,838,114	3,216,081
Advances to banks	3,291,894	–	–	–	1,017,207	2,274,687	–	–
Trade bills	658,615	–	104,859	347,632	205,545	579	–	–
Debt securities measured at amortised cost	48,975,907	–	4,231,169	4,677,364	11,978,504	20,516,712	7,570,158	2,000
Equity securities designated at fair value through other comprehensive income	963,092	–	–	–	–	–	–	963,092
Other assets	6,177,446	–	1,267,010	1,109,153	132,134	3,241	–	3,665,908
Liabilities								
Deposits and balances of banks and other financial institutions	7,854,320	273,390	4,008,759	3,572,171	–	–	–	–
Deposits from customers	109,124,496	15,618,902	25,344,795	35,948,711	32,210,932	1,156	–	–
Trading liabilities	1,696,831	–	1,547,686	149,145	–	–	–	–
Certificates of deposit issued	299,942	–	299,942	–	–	–	–	–
Derivative financial instruments	93,194	–	–	–	–	–	–	93,194
Other liabilities	5,947,217	–	3,235,563	1,331,706	602,320	56,019	21,598	700,011

As at 31 December 2024

	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
				HK$'000				
Assets								
Cash and short-term funds	8,516,072	1,710,981	6,805,091	–	–	–	–	–
Balances with banks and other financial institutions	10,685,622	–	–	3,089,727	7,595,895	–	–	–
Trading assets	1,436,973	–	–	249,025	1,187,948	–	–	–
Derivative financial instruments	1,916,183	–	–	–	–	–	–	1,916,183
Advances to customers	62,701,653	–	12,610,224	4,100,032	7,114,967	18,410,298	18,299,175	2,166,957
Advances to banks	7,168,457	–	–	–	1,810,393	5,358,064	–	–
Trade bills	756,654	–	351,556	147,470	257,628	–	–	–

	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
				HK$'000				
Debt securities measured at amortised cost	42,022,873	–	1,688,498	4,617,022	6,436,585	22,246,839	7,031,929	2,000
Debt securities measured at fair value through other comprehensive income	19,072,835	–	2,497,450	4,888,358	5,538,351	4,807,097	1,341,579	–
Investment funds measured at fair value through profit or loss	24,681	–	–	–	–	–	–	24,681
Equity securities designated at fair value through other comprehensive income	72,221	–	–	–	–	–	–	72,221
Other assets	5,877,526	–	978,494	1,467,587	393,420	7,789	17	3,030,219
Liabilities								
Deposits and balances of banks and other financial institutions	3,856,010	152,834	1,843,070	1,860,106	–	–	–	–
Deposits from customers	133,895,361	16,784,553	36,810,224	48,853,097	31,446,197	1,290	–	–
Trading liabilities	941,735	–	–	249,025	692,710	–	–	–
Derivative financial instruments	101,708	–	–	–	–	–	–	101,708
Other liabilities	4,908,224	–	3,299,115	550,434	594,753	56,036	19,063	388,823

As at 31 December 2025

	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
				HK$'000				
Assets								
Cash and short-term funds	5,002,214	2,133,492	2,868,722	–	–	–	–	–
Balances with banks and other financial institutions	14,425,351	–	–	2,387,682	12,037,669	–	–	–
Trading assets	2,460,418	–	469,251	698,525	1,292,642	–	–	–
Derivative financial instruments	1,301,021	–	–	–	–	–	–	1,301,021
Advances to customers	71,084,844	–	12,515,423	2,742,369	10,110,650	22,789,113	21,291,516	1,635,773
Advances to banks	15,137,000	–	–	778,346	1,831,308	11,005,536	1,521,810	–
Trade bills	664,776	–	66,189	241,983	356,604	–	–	–

	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
				HK$'000				
Debt securities measured at amortised cost	38,842,869	–	919,065	1,740,342	5,363,864	24,701,230	6,116,368	2,000
Debt securities measured at fair value through other comprehensive income	35,669,375	–	5,662,389	8,106,694	7,642,756	12,761,815	1,495,721	–
Investment funds measured at fair value through profit or loss	21,201	–	–	–	–	–	–	21,201
Equity securities designated at fair value through other comprehensive income	72,495	–	–	–	–	–	–	72,495
Other assets	6,039,718	–	1,014,678	1,398,360	458,106	10,941	–	3,157,633
Liabilities								
Deposits and balances of banks and other financial institutions	4,013,695	116,077	2,670,283	1,227,335	–	–	–	–
Deposits from customers	162,892,400	18,594,777	35,290,773	67,765,978	41,240,297	575	–	–
Trading liabilities	2,460,418	–	469,251	698,525	1,292,642	–	–	–
Derivative financial instruments	304,600	–	–	–	–	–	–	304,600
Other liabilities	3,204,199	–	1,619,393	519,543	593,227	58,354	14,203	399,479

CAPITAL ADEQUACY AND LIQUIDITY EXPOSURE

The following table sets out a summary of the Group's consolidated capital adequacy ratios as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	2024	2025
		(unaudited)	
Total capital ratio	17.89%	18.89%	19.10%
Common Equity Tier 1 Capital Ratio	16.28%	17.45%	17.65%
Tier 1 Capital Ratio	16.28%	17.45%	17.65%

The capital ratio is computed on a consolidated basis which combines the position of the Bank and Fubon Credit as required by the Monetary Authority for regulatory purposes. The basis of consolidation for accounting purposes is in accordance with the HKFRS Accounting Standards and is different from the basis and scope of consolidation for the calculation of capital ratios. Fubon Credit is included in the consolidation for accounting purposes. Subsidiaries that are included in the consolidation for accounting purposes but not included in the consolidation for the calculation of capital ratios are FB Securities (Hong

Kong) Limited (whose principal activities are securities broking), Fubon Insurance Brokers (whose principal activities are insurance broker services), Fubon Nominees (Hong Kong) Limited (whose principal activities are nominee service), Admiralty Finance Company Limited (which is dormant) and Aquarius (Nominees) Limited (which is dormant).

The Group's liquidity exposures are measured on a consolidated basis which comprises the Bank and Fubon Credit as designated by the Monetary Authority for regulatory purposes. The Group maintains average liquidity maintenance and core funding ratios well above the statutory minimum ratios of 25 per cent. and 75 per cent. respectively throughout the years ended 31 December 2023, 2024 and 2025. For the year ended 31 December 2025, the Group's Average Liquidity Maintenance Ratio remained at a sound level of 108.28 per cent.

RISK MANAGEMENT

In meeting its overall responsibilities to the shareholders, depositors, creditors, employees and other stakeholders, the Board of Directors (the "**Board**") aims to ensure that there is a competent executive management capable of running the Bank in a sound, efficient and profitable manner. In relation to risk management, the responsibilities of the Board include establishing, approving and reviewing risk management strategies and policies of the Bank to ensure that the various types of risk inherent in the Bank's operations and business (including credit, market, interest rate, liquidity, operational, reputation, legal and strategic) are regularly identified, measured, monitored and controlled.

The Board has established several Board-level committees to assist it in carrying out its risk management responsibilities including the Audit Committee ("**AC**"), the RC and the ECC. In addition, seven management-level committees have been set up by the Board to oversee the effectiveness of the Bank's daily risk management including the Management Committee ("**MC**"), the Asset and Liability Committee ("**ALCO**"), the Internal Control Committee ("**ICC**"), the CC, the Information Technology Steering Committee ("**ITSC**"), the Compliance & Anti-Money Laundering Committee ("**CAMLC**"), and the Environmental, Social & Governance Committee ("**ESGC**").

Membership, roles and responsibilities of these Board-level committees and management-level committees are set out under "*Directors and Senior Management – Board-level Committees*" and "*Directors and Senior Management – Management-level Committees*" below.

The Bank has established policies and procedures to identify and measure various types of risks, including credit, market, interest rate, liquidity, operational, reputational, legal and strategic risk, to set appropriate risk limits as derived from its risk appetite statement and risk appetite indicators and control measures, and to monitor the risks and limits continuously by means of reliable and up-to-date management and information systems. These policies and procedures, including limit excess follow-up procedures, are distributed to the relevant risk taking and risk management units for execution and monitoring. Regular training courses are conducted in order to ensure that all staff are familiar with the key principles of the Bank's code of conduct.

The Bank continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products, regulatory requirements and the best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with the Bank's policies and procedures.

The Bank has established an organisational structure such that risk management functions are independent of risk taking units. The risk management functions independently provide key risk information, including asset quality, liquidity profile, capital adequacy ratio and the risk exposures, and limit monitoring results to the RC and to senior management on a regular basis.

Credit risk management

(a) The Board has delegated credit approval authorities to the following committees in descending order of authority: the ECC, the CC and the Wholesale Credit Committee ("**WCC**"):

(b) The ECC serves as the credit committee of the Board to review and approve credits that require the approval of the Board. In addition, it approves the Group's credit policies and credit risk profile, taking into consideration relevant law and regulations.

(c) The CC is a management level committee that provides management oversight of the Group's credit risk management. It ensures that the Group has in place an effective credit risk management framework and that its credit risks are within the credit policies and credit risk profile as specified by the Board or its delegated committees. The CC reviews and endorses credit policies and credit risk profile for the ECC's approval, and reviews and approves credit related guidelines. It also conducts on-going review of the market environment and makes necessary policy recommendations to the ECC to ensure that the credit risk profile of the Group is within its risk appetite. The CC also reviews and approves credits that are within its authority as delegated by the Board.

(d) The WCC reviews and approves corporate credits that are within its authority as delegated by the Board.

(e) The credit risk units, Enterprise Credit Risk Management Division, SME Credit Risk Management Division, and Control and Risk Management Division provide centralized management of credit risk for corporate and retail customers. They are responsible for:

- independent evaluation of corporate credit and debt investment applications;
- monitoring loan portfolio and conducting regular analysis;
- managing problem corporate credits to achieve the highest recovery;
- recommending loan classification, impairment and charge-off;
- reporting to the CC and ECC regularly on aspects of the loan portfolio.

(f) Credit risk limits are set at different levels, including portfolio and individual customer levels, taking into consideration various factors including the Group's risk appetite, market situation, capital requirement and the returns.

Market risk management

(a) Market risk arises from potential losses in earnings or economic value due to adverse changes in financial markets rates or prices of financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from the statement of financial position or structural positions. The Group transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market making activities, and offsetting transactions taken in order to hedge the Group's open position. The Group does not engage in significant proprietary trading.

(b) The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

(c) The RC reviews and approves policy for market risk management including limits and approved financial instruments. The Board has delegated the responsibility for ongoing general market risk management to the ALCO. This committee articulates the interest rate view of the Group and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

(d) The Group has also established clear market risk policy, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the RC. Market risk is managed within various limits approved by the RC. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, Value-at-risk ("**VaR**") limit, Basis Point Value ("**BPV**") limits, stop loss limits and risk position limits. These limits are reviewed and endorsed by the ALCO and approved by the RC at least annually. The regular limit monitoring is performed daily and the result is reported to the ALCO members. The risk exposures are also reported to the RC and ALCO regularly. The Group adopted the simplified standardized approach for market risk capital calculation.

(e) In addition to VaR, the Group applies a wide range of sensitivity analysis and stress testing, both on individual portfolios and Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

(f) Derivatives are used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest rate and foreign exchange contracts, which are primarily over-the-counter derivatives. The Group also engages exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customers' demands and to hedge these and other positions.

Interest rate risk management

(a) Interest rate risk in banking book ("**IRRBB**") is defined as the risk to the Group's financial condition resulting from adverse movements in interest rates that affect the Group's banking book positions. Primary forms of IRRBB includes gap risk, basis risk and option risk.

(b) Policy and guideline on IRRBB are established by the Group covering the Group's governance management framework, IRRBB management strategy to identify, monitor and control its IRRBB, IRRBB monitoring tools and relevant reporting procedures. The policy and guideline are approved by the RC and the ALCO respectively.

(c) The ALCO oversees the Group's interest rate risk, reviews report on interest rate risk position and reports regularly on interest rate risk management to the RC. The Funding Desk Department is responsible for the day-to-day management of interest rate risk for the Group. The Capital, Asset and Liability Management Division is responsible for interest rate risk for the Group risk measurement and assessment, limits monitoring and risk control, and reporting.

(d) The Group also conducts stress testing on a monthly basis to measure the vulnerability of EVE and earnings in a variety of stressed conditions. Results of stress tests are reviewed by the ALCO and monitored against established risk limits and MATs. The stress test programme is reviewed regularly, at least annually, and approved by the ALCO.

Liquidity risk management

(a) The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity maintenance ratio, and to make new loans and investments as opportunities arise.

(b) The Group has a Liquidity Risk Management Policy which covers the Group's liquidity risk management strategy, a mechanism to identify, measure, monitor and control liquidity risks, and also the Group's contingency funding plan. The Group also has a Liquidity Risk Management Guideline which covers risk measurement, risk reporting and operational requirements in implementing the Group's liquidity management strategy. The policy and guideline are both reviewed by the ALCO. The policy and guideline are approved by the RC and the ALCO respectively.

(c) The RC reviews and approves the Group's risk appetite statement at least annually. The Group's liquidity risk management strategy is to maintain a healthy liquidity position with adequate stock of liquid assets, well-diversified funding structure relying on a broad customer deposit portfolio with prudent loan-to-deposits ratio and money market funding ratio to support the Group's liquidity needs under both normal and stressed conditions.

(d) Liquidity is managed on a daily basis by the Funding Desk Department which is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to minimise price and reinvestment rate risk in the case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

(e) Compliance with liquidity and funding requirements is monitored by the ALCO and is reported to the RC on a regular basis. This process includes:

- maintaining balances within relevant regulatory requirements;
- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;
- maintaining adequate intraday liquidity position and assessing how the intraday liquidity profile will change in conditions of stress;
- monitoring balance sheet liquidity and loan-to-deposits ratios against internal requirements;
- maintaining a diverse range of funding sources with adequate back-up facilities;
- managing the concentration and profile of debt maturities;
- managing lending commitments to customers within predetermined management alert triggers;
- managing debt financing plans;
- monitoring depositor concentration in order to avoid undue reliance on large individual depositors and ensuring a satisfactory overall funding mix;
- maintaining funding contingency plans, which identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systematic or other crises, while minimizing adverse long-term implications for the business; and
- managing liquidity on a legal entity and on a group basis.

(f) The Group conducts cash flow analysis and cash flow projection arising from on- and off-balance sheet items over a set of time horizons on a regular basis to identify funding needs in specific time buckets. The Group also regularly performs stress tests on its liquidity position to ensure adequate liquidity is maintained at all times. Stress testing assumptions are reviewed and approved by the ALCO regularly to ensure their continued appropriateness.

(g) The Group has formulated a Contingency Funding Plan ("**CFP**") that describes the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations. The CFP is designed to be pro-active and pre-emptive. The CFP is subject to regular testing to ensure its effectiveness and operational feasibility, particularly in respect of the availability of the contingency sources of funding listed in it. The CFP is also subject to review and update on a regular basis to ensure it remains robust over time. Any change to the CFP would be approved by the RC.

(h) The Group has established a Recovery Plan, in accordance with the Monetary Authority's SPM "Recovery Planning", which has been approved by the Board. The Recovery Plan helps ensure that the Group is able to recover quickly from period of severe stress and preserve or restore its liquidity level. The Recovery Plan is subject to regular, at least annually, review and update.

Operational risk management

(a) Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Given that operational risk is inherent in all business products, activities, processes and systems, the Group has developed, implemented and maintained a robust operational risk management framework to facilitate the timely identification, effective assessment and mitigation of the risk. Internal controls, an integral part of a sound operational risk management framework, are maintained by the departmental operational manuals which provide guidance on the baseline controls to ensure a sound management of business and operations.

(b) The RC provides oversight of the risk management of the Group, regularly reviews the Group's operational risk framework, risk appetite and risk profiles, and approves the risk management policies. The ICC also plays an active role in overseeing operational risk related issues and monitoring the implementation of improvement plans for risk events identified and rectifications needed in operational risk management tools, including Control Self Assessment and Key Risk Indicator.

(c) Business and support units are required to review their procedures regularly to ensure compliance with internal control standards and regulatory requirements. They are also required to work closely with Operational Risk Management Department and Compliance and Anti-Money Laundering Division on internal control, regulatory compliance and operational risk management related activities and initiatives.

(d) Each new product or service introduced or variation of existing products or services is subject to a rigorous review and approval process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Proper and adequate due diligence process is in place to ensure all on-shelf products are reviewed on a continuous basis. In addition, the Group maintains business continuity and resilience arrangements, including recovery capabilities and alternative facilities, which are regularly tested to support the continuity of critical operations and limit losses in the event of severe business disruptions.

(e) Internal Audit Division plays an essential role in monitoring and limiting operational risk. Their foci include evaluating the adequacy of all internal controls independently, ensuring adherence to operating guidelines and making improvement recommendations pro-active.

Capital management

(a) The Group's capital management is overseen by the ALCO and reviewed regularly by the Board. Key tools adopted include internal capital adequacy assessment process ("**ICAAP**"), capital budgeting, monitoring, and stress testing. An annual ICAAP is conducted to identify and measure the risks it faces and to assess how much regulatory capital is needed to support the Group's risk profile and business activities pursuant to the Monetary Authority's requirements. An annual capital budget is prepared during the annual budgeting process to assess the adequacy of the Group's capital to support current and future business activities taking into account the Group's strategic focus and business plan. The annual budget is approved by the Board. Actual capital adequacy is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed to assess impact on capital adequacy ratios. The Group's recovery plan ensures that the Group is able to preserve or restore its capital level during a severe stress period. The recovery plan is subject to regular, at least annually, review and update.

(b) The Group computes its capital adequacy ratios and leverage ratio for the Bank and certain specified subsidiaries in accordance with the Banking (Capital) Rules (Cap. 155L) of Hong Kong. Certain non-banking financial subsidiaries are also subject to the supervision and capital requirements of local regulatory authorities. The Group regularly measures and monitors capital adequacy of these regulated subsidiaries.

(c) The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2023, 2024 and 2025.

The responsibilities of the Board include establishing the business objectives of the Bank, approving and reviewing corresponding business strategies and plans, ensuring that the operations of the Bank are conducted prudently within applicable laws and regulations, ensuring that the Bank observes a high standard of integrity and complies with applicable regulatory guidelines, establishing, approving and reviewing risk management strategies and policies, and overseeing the business of the Bank through delegation to the Chief Executive Officer or specialised Board committees. All directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Bank, and directors appointed by the Board during the year hold office only until the next annual general meeting and are then eligible for re-election.

BOARD OF DIRECTORS

The current Board comprises nine members, including one Executive Director, five Non-Executive Directors and three Independent Non-Executive Directors, as set out below:

Name	Title
Daniel TSAI Ming Chung	Chairman and Non-Executive Director
Richard TSAI Ming Hsing	Vice Chairman and Non-Executive Director
Simon CHUNG Kwok Keung	Chief Executive Officer, Managing Director and Executive Director
Jerry HARN Wey Ting	Non-Executive Director
Tim KUO Pei Ting	Non-Executive Director
Douglas TSAI Cheng Tao	Non-Executive Director
Peter PANG Sing Tong	Independent Non-Executive Director
John Keith BALL	Independent Non-Executive Director
Elizabeth LAM Tyng Yih	Independent Non-Executive Director

Daniel TSAI Ming Chung, ***Chairman and Non-Executive Director***

Mr Tsai joined the Parent Group in 1981 and is currently the Chairman of the Bank, Taiwan Mobile Co., Ltd., momo.com Inc. and Taiwan Fixed Network Co., Ltd. Mr Tsai is also a Director of Fubon FHC, Fubon Life Insurance Co., Ltd. and Fubon Bank (China) Co., Ltd. He has extensive experience in banking and telecommunication services, as well as land development, construction management and building leasing business. Mr Tsai holds an LL.D. honoris causa from Georgetown University, a J.D. honoris causa from National Taiwan University, a J.D. honoris causa from Fu Jen Catholic University, a D.B.A. honoris causa from Tunghai University, an LL.M. from Georgetown University and an LL.B. from National Taiwan University. Mr Tsai is the elder brother of Mr Richard Tsai Ming Hsing and became a Director of the Bank in February 2004.

Richard TSAI Ming Hsing, ***Vice Chairman and Non-Executive Director***

Mr Tsai joined the Parent Group in 1983 and is the Chairman of Fubon FHC and Taipei Fubon Commercial Bank Co., Ltd. He also serves as a board director of Taiwan Mobile Co., Ltd. and Taiwan Fixed Network Co., Ltd. Mr Tsai has over 40 years of experience in the financial services and insurance industries. In January 2024, he was officially conferred The Pontifical Order of Pope Saint Sylvester by the Holy See. He holds a Ph.D. honoris causa from Taipei Medical University, a Ph.D. honoris causa from National Yang Ming Chiao Tung University, a D.B.A. honoris causa from Fu Jen Catholic University, a Master of Business Administration degree from New York University's Stern School of Business, and a Bachelor's degree in Business Administration from National Taiwan University. Mr Tsai is the younger brother of Mr Daniel Tsai Ming Chung and became a Director of the Bank in February 2004.

Simon CHUNG Kwok Keung, ***Chief Executive Officer, Managing Director and Executive Director***

Mr Chung was appointed Chief Executive Officer and Managing Director of the Bank in July 2021. Mr Chung is also the Chairman of Fubon Credit and a director of Fubon Life Insurance (Hong Kong) Company Limited and Fubon Bank (China) Co., Ltd. He is a veteran banker with over 30 years of experience in the banking industry. Prior to joining the Bank, he was the Head of Banking and Corporate Finance, Asia Pacific of Banco Santander S.A. from October 2014, and before that had a long career with Citi from 1988, including serving as a director of Citibank Taiwan Limited from 2007 to 2014. Mr Chung graduated from The University of Hong Kong with a major in Geography and Geology, has a Master of Business Administration degree from York University, Canada, and was elected an associate of the Chartered Institute of Bankers in England in 1990.

Jerry HARN Wey Ting, ***Non-Executive Director***

Mr Harn joined the Parent Group in 2005 and currently serves as President and Director of Fubon FHC. He is also the Vice Chairman of Taipei Fubon Commercial Bank Co., Ltd. and a Director of Fubon Bank (China) Co., Ltd. Mr Harn has over 30 years of experience in the financial services sector and previously served as Executive Vice President of Chinatrust Commercial Bank and Senior Vice President of Citibank Taiwan. Mr Harn holds a Master of Business Administration degree from Ohio State University and became a Director of the Bank in January 2014.

Tim KUO Pei Ting, ***Non-Executive Director***

Mr Kuo is President and a Standing Director of Taipei Fubon Commercial Bank Co., Ltd. He is also the Chairman of Fubon AMC Co., Ltd. and a Director of Fubon Bank (China) Co., Ltd. Prior to that, Mr Kuo was the Chairman and President of JihSun International Commercial Bank Co., Ltd., Director of Investment Banking at Citigroup Taiwan, Vice President of Investment Banking at Morgan Stanley Taiwan and Deputy Head of Corporate Banking Group at Chinatrust Commercial Bank. Mr Kuo holds a Master of Business Administration degree from the National Sun Yet-sen University and a Bachelor's degree in Business Administration from the Fu Jen Catholic University, and became a Director of the Bank in April 2023.

Douglas TSAI Cheng Tao, ***Non-Executive Director***

Mr Tsai joined the Parent Group in 2020 and currently serves as the Head of Fintech Division of Fubon FHC and Head of Digital Banking Division of Taipei Fubon Commercial Bank Co., Ltd. He is also a Director of Fubon Insurance Co., Ltd., Fubon Securities Co., Ltd., momo.com Inc., Fubon Insurance Agency Co., Ltd. and Chung Fu Co., Ltd. Before joining the Parent Group, Mr Tsai worked in management consulting and Fintech companies in the United States and the PRC. Mr Tsai holds a Master of Business Administration degree from the University of Pennsylvania and a Bachelor's degree in Economics from the University of Southern California. Mr Tsai is the son of Mr Daniel Tsai Ming Chung and became a Director of the Bank in December 2023.

Peter PANG Sing Tong, ***Independent Non-Executive Director***

Mr Pang joined the Monetary Authority as Executive Director (Banking Policy) in 1994 and was appointed as Executive Director (Monetary Policy and Markets) in 1996. Mr Pang was seconded to The Hong Kong Mortgage Corporation Limited and served as Chief Executive Officer from 1997 to 2004, and was appointed Deputy Chief Executive of the Monetary Authority from July 2004 to February 2016. Mr Pang holds a Bachelor of Social Science degree from The University of Hong Kong and a Master's degree in Management from Stanford University. He became a Director of the Bank in April 2018.

John Keith BALL, *Independent Non-Executive Director*

Mr Ball is a career banker with over 40 years of extensive experience in financial services. He was the Managing Director and Global Head of Sales for Cash Management Financial Institutions for Deutsche Bank from 2011 to 2014 based in London. Prior to relocating to London, Mr Ball was Managing Director and Asia Head of Cash Management Financial Institutions for Deutsche Bank from 1999 to 2011 based in Hong Kong. Mr Ball worked for Bankers Trust Company in London, New York and Hong Kong for 25 years before Deutsche Bank acquired Bankers Trust Company in 1999. He became a Director of the Bank in July 2020.

Elizabeth LAM Tyng Yih, *Independent Non-Executive Director*

Ms Lam is an Independent Non-Executive Director of China Pacific Insurance (Group) Co., Ltd., and is a Director and the Honorary Treasurer of Agency for Volunteer Service. Ms Lam was a consultant and a partner of Ernst & Young. She holds a Bachelor of Business Administration degree and a Master of Science degree in Accounting from the University of Massachusetts Amherst, USA, and is a member of the Hong Kong Institute of Certified Public Accountants. She became a Director of the Bank in July 2021.

SENIOR MANAGEMENT

As at the date of this Offering Circular, the senior management of the Bank is comprised of the following individuals:

Name	Title
Simon CHUNG Kwok Keung	Chief Executive Officer and Managing Director
Henry WANG Hao Jen	Executive Vice President and Chief Financial Officer
Carmen YIP Ka Man	Executive Vice President and Head of Retail Banking Group
Rockson HSU	Executive Vice President, Chief Strategy Officer and Chief Risk Officer
Thom CHEUNG Tao Fai	Executive Vice President and Head of Markets Group
William CHU	Executive Vice President and Head of Institutional Banking Group
Gabri SHIU Man Ping	Executive Vice President and Head of Human Resources Management Group

Simon CHUNG Kwok Keung, *Chief Executive Officer and Managing Director*

Mr Chung is the Chief Executive Officer and Managing Director of the Bank, and his biographical details are set out under "*Board of Directors*" above.

Henry WANG Hao Jen, *Executive Vice President and Chief Financial Officer*

Mr Wang joined the Bank in April 2009 and currently oversees the Bank's financial control, legal, corporate communications and general administration functions. He also acts as Alternate Chief Executive of the Bank and Chief Executive Officer of its wholly owned subsidiary Fubon Credit. Mr Wang has over 30 years of work experience in banking and technology fields. Before joining the Bank, he held various senior positions in The Chase Manhattan Bank, N.A., Banque Nationale de Paris, Taiwan Semiconductor Manufacturing Company Limited, Taiwan Mobile Co., Ltd. and Primax Electronics Ltd. Mr Wang obtained a Master of Business Administration degree from Rutgers, The State University of New Jersey, U.S.A. and a Bachelor of Arts degree in Finance from National Taiwan University.

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

Ms Yip joined the Bank in January 2000 and leads the Bank's Retail Banking Group, including Channel and Wealth Management, Consumer Finance and Securities Services. She also acts as Alternate Chief Executive of the Bank. Ms Yip has held management positions in local and foreign banks, gaining expertise in retail banking. She obtained a Bachelor of Social Sciences degree from The University of Hong Kong.

Rockson HSU, Executive Vice President, ***Chief Strategy Officer and Chief Risk Officer***

Mr Hsu joined the Bank in March 2023 as Executive Vice President and Chief Strategy Officer. In addition to his role as Chief Strategy Officer, he was appointed as Chief Risk Officer in February 2024 and oversees the Bank's Group Risk Management. Mr Hsu has over 30 years of banking experience and possesses solid frontline and control experience from local and foreign banks including Citibank, Barclays Bank, Chong Hing Bank, Deutsche Bank and Hang Seng Bank. Prior to joining the Bank, he was CEO of ZA Bank. Mr Hsu graduated from New York University with B.S. Finance & International Business.

Thom CHEUNG Tao Fai, ***Executive Vice President and Head of Markets Group***

Mr Cheung joined the Bank in October 2023 and oversees and operates the Bank's global markets business, including investment product development, treasury marketing, trading and the banking book investment portfolio. Mr Cheung has over 25 years of banking experience and held various managerial positions in The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), Nomura International and DBS Bank. Mr Cheung obtained an Executive Master of Business Administration degree from The Chinese University of Hong Kong and a Bachelor of Finance degree from the City University of Hong Kong. He is a Chartered Financial Analyst and a Certified Financial Planner.

William CHU, ***Executive Vice President and Head of Institutional Banking Group***

Mr Chu joined the Bank in January 2023 and, as Head of Institutional Banking Group, is responsible for relationship coverage of large corporates and financial institutions, as well as loan syndication and ESG Banking. Mr Chu has over 20 years of frontline banking experience spanning client segments including conglomerates, local corporates, public sector entities and financial sponsors. Before joining the Bank, he worked for HSBC, Citibank, Chong Hing Bank and Banco Santander. He graduated from the University of Oxford with an Engineering, Economics and Management degree and obtained his Master of Business Administration degree from INSEAD.

Gabri SHIU Man Ping, ***Executive Vice President and Head of Human Resources Management Group***

Ms Shiu joined the Bank in 2025. Before joining the Bank, she was the Head of People Advisory Hong Kong of HSBC. Ms Shiu has over 30 years of human resources experience in the banking sector in Hong Kong and has held various senior positions in HSBC and Hang Seng Bank. Ms Shiu obtained a Master of Business Administration degree from The Chinese University of Hong Kong and a Bachelor of Social Work degree from The University of Hong Kong.

ORGANISATION

The Board has established five Board-level committees to assist in carrying out its responsibilities, comprising the Nomination and Remuneration Committee, the AC, the RC, the Executive Committee and the ECC.

In addition to the Board-level committees, seven management-level committees have been set up by the Board to oversee the effectiveness of the Bank's daily operations, comprising the MC, the ALCO, the ICC, the CC, the ITSC, the CAMLC and the ESGC.

Board-level Committees

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by an Independent Non-Executive Director and comprises the Non-Executive Chairman, Non-Executive Vice Chairman and all Independent Non-Executive Directors of the Bank; it provides oversight of the Bank's human resources function, including the appointment of Directors, senior management and MC members, approves the Bank's overall human resources management framework, reviews the qualifications and composition of the Board, reviews and approves remuneration for Directors, Board committee members, senior management and key personnel, and assists the Board on culture-related matters.

Audit Committee

The AC comprises four members, including one Non-Executive Director and three Independent Non-Executive Directors, is chaired by an Independent Non-Executive Director with appropriate professional accounting qualifications, meets at least four times a year and oversees matters including the Bank's financial reporting processes, internal control systems, internal audit function, risk management process and appointment of external auditors.

Risk Committee

The RC comprises five members, including one Executive Director, one Non-Executive Director and three Independent Non-Executive Directors, is chaired by an Independent Non-Executive Director with extensive banking experience. The RC establishes the Bank's overall risk appetite, ensures that a proper risk management framework is in place, oversees senior management's implementation of risk policies. The RC reviews and endorses the Bank's risk appetite statement and risk management strategies on an annual basis. It also reviews and approves the Bank's ESG strategy and ESG plan annually, and oversees to ensure that an effective anti-corruption policy, including anti-money laundering issues, is established, maintained, consistently followed and regularly reviewed. It oversees the establishment and maintenance by senior management of appropriate infrastructure, resources and systems for risk management, particularly in relation to compliance with relevant legal and regulatory requirements, adherence to the approved risk appetite and related policies, and the adoption of best practices wherever feasible. The RC also ensures that employees responsible for implementing risk management systems and controls are sufficiently independent of the risk-taking units.

Executive Committee

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

Executive Credit Committee

The ECC comprises the Non-Executive Chairman, one Independent Non-Executive Director and the Executive Director of the Bank, and has delegated authority to approve credit proposals, credit policies and other credit-related matters requiring Board approval.

Management-level Committees

Management Committee

The MC oversees the day-to-day business and affairs of the Bank under authority delegated by the Board, is chaired by the Bank's Chief Executive Officer and comprises senior management appointed by the Chief Executive Officer. The MC is responsible for formulating business strategies, leading major bank-wide initiatives, coordinating implementation between business and support units, monitoring progress toward business objectives and financial performance targets, reviewing risk exposure and integrated stress testing results, addressing significant operational or business issues and deliberating on major human resources matters. The Committee meets bi-weekly or as directed by the Chief Executive Officer, with at least one meeting held each month.

Asset and Liability Committee

The ALCO comprises the Bank's Chief Executive Officer, Chief Financial Officer and senior management appointed by the Chief Executive Officer, and is responsible for oversight of the Bank's asset and liability management, interest rate risk, market risk, liquidity risk and capital management. The ALCO initiates, reviews and endorses for approval by the RC and the Board the Bank's policies on financial risks and capital management respectively, approves guidelines relating to such policies, and reviews and approves all major financial risk management reports. It also oversees the Bank's investment activities by establishing investment strategies within policies laid down by the RC of the Board and reviews actual performance.

Internal Control Committee

The ICC comprises the Bank's Chief Executive Officer, Executive Vice Presidents, Head of Group Risk Management and heads of different control, business and support functions, and is responsible for oversight of operational and legal risk exposure, the Bank's internal control framework, compliance and operational resilience of critical operations. To ensure an effective internal control framework is in place, this committee reviews policies and approves guidelines relating to internal control and the management of operational and legal risks, reviews and discusses risk management reports submitted by various risk management units and promotes internal control culture. To maintain an adequate system of internal control, this committee reviews and discusses major operational risk events, key risk indicators and the progress of rectification of audit findings and control self-assessment results.

Credit Committee

The CC meets weekly, is chaired by the Bank's Chief Executive Officer, consists of senior executives of the Bank and provides oversight of the Bank's credit risk management, including reviewing and endorsing credit policies and credit risk profile for ECC approval and reviewing and approving credit-related guidelines and certain credit facility requests within delegated authority. This committee also conducts ongoing reviews of the market environment and makes necessary policy recommendations to the ECC to ensure the Bank's credit risk profile remains within the established risk appetite, and provides periodic and timely credit-related management and stress testing reports to the ECC for review.

Information Technology Steering Committee

The ITSC is chaired by the Bank's Chief Executive Officer, comprises senior management personnel appointed by the Chief Executive Officer, and oversees the Bank's key information technology governance objectives. This committee supports the Bank's digital transformation, AI adoption and fintech enablement in alignment with the Monetary Authority's fintech and AI strategy; provides management oversight on IT enablement and projects to maximize business benefits, improve customer satisfaction and staff productivity; and ensures IT resources are used responsibly and IT-related risks are appropriately managed. This committee meets on a monthly basis and upon ad hoc call by the committee chairman.

Compliance & Anti-Money Laundering Committee

The CAMLC comprises the Bank's Chief Executive Officer, Group Heads, Chief of Staff and Head of Compliance & Anti-Money Laundering, and oversees compliance risks and compliance activities to ensure compliance with applicable regulatory requirements and anti-money laundering and counter-terrorist financing ("**AML/CFT**") requirements. It provides guidance to the Bank and senior management in establishing a professional compliance control and monitoring system to cultivate a strong compliance culture and ensures the Bank has an effective compliance framework in place to meet regulatory requirements. In addition, this committee reviews and approves guidelines relating to compliance and AML/CFT, reports to the Risk Committee on key issues discussed and approved, and reviews latest developments in regulatory compliance and AML/CFT requirements applicable to the Bank.

Environmental, Social & Governance Committee

The ESGC is chaired by the Bank's Chief Financial Officer, comprises senior management personnel appointed by the Chief Executive Officer, reports to the RC, and is responsible for overseeing ESG-related risks and opportunities, developing and reviewing the Bank's long-term sustainability strategy, targets and roadmap, and formulating the ESG action plan and net-zero transition plan, taking into account evolving regulatory requirements, group-level ambitions and the Bank's material ESG topics. It ensures strategies are aligned with international frameworks such as the Task Force on Climate-related Financial Disclosures and the International Sustainability Standards Board, and fosters integration of ESG principles across business units, including product development, risk management and capital allocation. This committee meets monthly to evaluate ESG governance structure, monitor ESG performance and address ESG-related matters raised by stakeholders, and significant ESG issues and recommendations are reported to the RC for review and approval.

REGULATION AND SUPERVISION

The banking sector in Hong Kong is regulated by and subject to the provisions of the Banking Ordinance and to the powers and functions ascribed by the Banking Ordinance to the Monetary Authority. The Banking Ordinance provides that only authorized institutions (that is, banks which have been granted a banking licence ("**licence**") by the Monetary Authority) may carry on banking business (as defined in the Banking Ordinance) in Hong Kong and contains controls and restrictions on such banks ("**authorized institutions**").

SUPERVISION OF AUTHORIZED INSTITUTIONS IN HONG KONG

The provisions of the Banking Ordinance are implemented by the Monetary Authority, the principal function of which is to promote the general stability and effectiveness of the banking system, especially in the area of supervising compliance with the provisions of the Banking Ordinance. The Monetary Authority supervises authorized institutions through, inter alia, a regular information gathering process, the main features of which are as follows:

(1) each authorized institution must submit a monthly return to the Monetary Authority setting out the assets and liabilities of its operations in Hong Kong and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, although the Monetary Authority has the right to allow returns to be made at less frequent intervals;

(2) the Monetary Authority may order an authorized institution, any of its subsidiaries, its holding company or any subsidiaries of its holding company to provide such further information (either specifically or periodically) as it may reasonably require for the exercise of its functions under the Banking Ordinance or as it may consider necessary to be submitted in the interests of the depositors or potential depositors of the authorized institution concerned. Such information shall be submitted within such period and in such manner as the Monetary Authority may require. The Monetary Authority may in certain circumstances also require such information or any return submitted to it to be accompanied by a certificate of the authorized institution's auditors (approved by the Monetary Authority for the purpose of preparing the report) confirming compliance with the Banking Ordinance and certain matters;

(3) authorized institutions may be required to provide information to the Monetary Authority regarding companies in which they have an aggregate 20 per cent. or more direct or indirect shareholding or with which they have common directors or managers (as defined in the Banking Ordinance), the same controller, a common name or a concert party arrangement to promote the authorized institution's business;

(4) in addition, authorized institutions are obliged to report to the Monetary Authority immediately if they are likely to become unable to meet their obligations and, in the case of authorized institutions incorporated in Hong Kong, the commencement of material civil proceedings;

(5) the Monetary Authority may direct an authorized institution to appoint an auditor to report to the Monetary Authority on the state of affairs and/or profit and loss of the authorized institution or the adequacy of the systems of control of the authorized institution or other matters as the Monetary Authority may reasonably require;

(6) the Monetary Authority may, at any time, with or without prior notice, examine the books, accounts and transactions of any authorized institution, and in the case of an authorized institution incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such institution. Such inspections are carried out by the Monetary Authority on a regular basis; and

(7) authorized institutions are required to give written notice to the Monetary Authority immediately of any proposal to remove an auditor before the expiration of his term of office or replace an auditor at the expiration of his term of office.

EXERCISE OF POWERS OVER AUTHORIZED INSTITUTIONS

The Monetary Authority may, after consultation with the Financial Secretary, exercise certain powers over the conduct of authorized institutions in any of the following circumstances:

(1) when an authorized institution informs the Monetary Authority that it is likely to become unable to meet its obligations, that it is insolvent, or that it is about to suspend payment;

(2) when an authorized institution becomes unable to meet its obligations or suspends payment;

(3) if, after an examination or investigation, the Monetary Authority is of the opinion that an authorized institution:

  (a) is carrying on its business in a manner detrimental to the interests of its depositors or potential depositors or of its creditors or of holders or potential holders of multi-purpose cards issued by it or the issue of which is facilitated by it;

  (b) is insolvent or is likely to become unable to meet its obligations or is about to suspend payment;

  (c) has contravened or failed to comply with any of the provisions of the Hong Kong Banking Ordinance; or

  (d) has contravened or failed to comply with any condition attached to its licence or certain conditions in the Banking Ordinance; and

(4) where the Financial Secretary advises the Monetary Authority that he considers it in the public interest to do so.

In any of the circumstances described above, the Monetary Authority, after consultation with the Financial Secretary, may exercise any of the following powers:

(1) to require the authorized institution, by notice in writing served on it, forthwith to take any action or to do any act or thing whatsoever in relation to its business and property as the Monetary Authority may consider necessary;

(2) to direct the authorized institution to seek advice on the management of its affairs, business and property from an adviser appointed by the Monetary Authority;

(3) to assume control of and carry on the business of the authorized institution, or direct some other person to assume control of and carry on the business of the authorized institution; or

(4) to report to the Chief Executive in Council in certain circumstances (in which case the Chief Executive in Council may exercise a number of powers including directing the Financial Secretary to present a petition to the Court of First Instance for the winding-up of the authorized institution).

REVOCATION AND SUSPENSION OF BANKING LICENCE

The Monetary Authority also has powers to recommend the revocation or suspension of a licence. Both powers are exercisable after consultation with the Financial Secretary and with a right of appeal of the authorized institution concerned except in the event of temporary suspension in urgent cases. The grounds for suspension or revocation include the following:

(1) the authorized institution no longer fulfils the criteria for authorisation and the requirements for registration;

(2) the authorized institution is likely to be unable to meet its obligations or to suspend payment or proposes to make, or has made, any arrangement with its creditors or is insolvent;

(3) the authorized institution has failed to provide material information required under the Banking Ordinance or has provided false information;

(4) the authorized institution has breached a condition attached to its licence;

(5) a person has become or continues to be a controller or chief executive or director of the authorized institution after the Monetary Authority has made an objection;

(6) the interests of the depositors require that the licence be revoked; or

(7) the authorized institution is engaging in practices likely to prejudice Hong Kong as an international financial centre or in practices (specified in the Monetary Authority guidelines) which should not be engaged in.

Revocation or suspension of a licence means that the authorized institution can no longer conduct banking business (for the specified period in the case of a suspension).

PRINCIPAL OBLIGATIONS OF AUTHORIZED INSTITUTIONS

The obligations of an authorized institution under the Banking Ordinance, which are enforced by the Monetary Authority through the system described above, include, but are not limited to, the following:

Capital Adequacy

In December 2010 and January 2011, the Basel Committee issued capital requirements collectively known as Basel III which were designed to raise the quality, consistency and transparency of banks' capital base and new global liquidity standards. Among other things, Basel III (as compared to Basel II) increased the minimum capital adequacy ratio requirements in relation to risk-weighted assets, with the common equity requirement rising from 2 per cent. to 4.5 per cent. and the Tier 1 capital requirements rising from 4 per cent. to 6 per cent. The total minimum capital requirement remains unchanged at 8 per cent. (excluding capital buffers). The Monetary Authority's policy on capital adequacy closely reflects the latest regulatory capital standards published by the Basel Committee on Banking Supervision (BCBS), which are implemented in Hong Kong through the Banking (Capital) Rules, as amended from time to time. It currently gives effect to the Basel III framework.

An authorized institution incorporated in Hong Kong must at all times maintain Common Equity Tier 1 capital ratio, Tier 1 capital ratio and total capital ratio of at least 4.5 per cent., 6.0 per cent. and 8.0 per cent. (excluding capital buffers) respectively, calculated as the ratio (expressed as a percentage) of its capital base to its risk-weighted assets as more fully described below. In relation to an authorized institution with subsidiaries, the Monetary Authority may require the ratio to be calculated on a consolidated basis, or on both a consolidated and an unconsolidated basis, or on a consolidated basis only in respect of such subsidiaries of the authorized institution as may be specified by the Monetary Authority. Depending on the applicable framework and any approval granted by the Monetary Authority, an authorized institution may be required or permitted to use standardised and, where approved, internal ratings-based methodologies to calculate credit risk capital requirements. The Monetary Authority may, after consultation with the authorized institution concerned, increase the ratio for any particular authorized institution. An authorized institution is under a duty to inform the Monetary Authority immediately of a failure to maintain the required capital adequacy ratio and to provide the Monetary Authority with such particulars as it may require. It is an indictable offence not to do so, and the Monetary Authority is entitled to prescribe remedial action.

The capital base of an authorized institution is, broadly speaking but not limited to, all its paid-up capital and reserves, its profit and loss account including its current year's profit or loss, together with perpetual and term subordinated debt meeting prescribed conditions, general provisions against doubtful debts subject to certain limitations and a portion of its latent reserves arising from the revaluation of long-term holdings of specified equity securities or its reserves on the revaluation of real property. An authorized institution calculates each capital ratio as the relevant tier of capital divided by the sum of its risk-weighted assets for credit risk, market risk, credit valuation adjustment ("**CVA**") risk, operational risk and sovereign concentration risk, adjusted for the output floor where applicable.

To implement the final phase of the Basel III reforms, certain amendments in the Banking (Capital) (Amendment) Rules 2023 took effect on 1 January 2025. The amendments in the Banking (Capital) (Amendment) Rules 2023 are included to better address risk exposure of banks, and to introduce the option of a positive neutral countercyclical capital buffer to ensure the banking system has sufficient releasable buffer against possible system-wide shocks.

The amendments made to the Banking (Capital) (Amendment) Rules also focus on the way a bank's risk-weighted amount of exposure ("**RWA**") is determined for its capital requirements:

- *Revised credit risk framework* – the two existing methodologies for calculating risk-based capital requirements for credit risk were substantially revised. The revised standardised approach refines the risk calibration of the existing approach and reduces its reliance on the use of external credit rating for risk-weighting purposes, requiring banks to perform their own due diligence on their exposures. The revised internal ratings-based approach introduces constraints on its scope of application, minimum "floor" value for bank estimates, and greater specification of related estimation practices of banks.

- *Revised market risk and CVA risk framework* – the revised market risk framework involves a comprehensively updated standardised approach, the standardised (market risk) approach. Such approach involves a more extensive use of risk sensitivities as inputs to market risk capital charge calculation and is designed to better reflect the risks of complex trading book exposures. While internal models approaches continue to be an option for banks, their use becomes subject to stricter qualifying criteria. The updates to the market risk framework are complemented with revisions to the framework for CVA risk.

- *Revised operational risk framework* – the existing approaches would be replaced with a single revised standardised approach with enhanced risk-sensitivity.

- *Output floor* – a capital output floor is introduced to ensure that banks' aggregate capital requirement generated by internal models must be no lower than 72.5 per cent. of such requirement calculated by using solely the revised standardised approaches.

Certain amendments in the Banking (Disclosure) (Amendment) Rules 2023 took effect on 1 January 2025 to implement the new and revised disclosure requirements associated with the Basel III revised capital standards, with standardised specifications to ensure that banks make disclosure in a consistent manner to facilitate comparison across banks and jurisdictions.

The Hong Kong "Resolution Regime"

On 7 July 2017, the FIRO came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorized institutions and other within scope financial institutions in Hong Kong as may be designated by the relevant resolution authorities, which includes the Bank as the issuer of the Instruments. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorized institution or within scope financial institution in Hong Kong. In particular, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Instruments or the principal amount of, or interest on, the Instruments, and powers to amend or alter the contractual provisions of the Instruments, all of which may adversely affect the value of the Instruments, and the holders thereof may suffer a loss of some or all of their investment as a result. Holders of Instruments (whether senior or subordinated) may become subject to and bound by the FIRO. Although FIRO has been implemented, aspects of its operation remain relatively untested, and important details relating to FIRO are set out, and may continue to be supplemented, through secondary legislation and supporting rules, such as the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (Cap. 628B) of Hong Kong and the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules (Cap. 628C) of Hong Kong. Therefore, the Issuer is unable to assess the full impact of FIRO on the financial system generally, the Issuer's counterparties, the Issuer, any of its consolidated subsidiaries, its operations and/or its financial position.

Liquidity

Liquidity of an authorized institution is its ability to meet payment obligations as they fall due. Banks must maintain sufficient liquidity to handle daily operational activities such as cash withdrawal from depositors, interbank clearing, repayment of debts, etc. The liquidity requirements applicable to authorized institutions are provided mainly in the BLR issued by the Monetary Authority under section 97H(1) of the Banking Ordinance.

Under the BLR, authorized institutions designated by the Monetary Authority as "category 1 institutions" are required to comply with the requirements relating to the liquidity coverage ratio and the net stable funding ratio. Usually category 1 institutions are either institutions with significant international exposures or institutions that are significant to the general stability of the local banking sector having regard to their size or complexity of business operations. Category 1 institutions are required to maintain a liquidity coverage ratio not less than 100.0 per cent. and a net stable funding ratio not less than 100.0 per cent.

Other authorized institutions are regarded as "category 2 institutions", which must comply with the requirements relating to the local liquidity maintenance ratio. Certain category 2A institutions designated as "category 2 institutions" must also comply with the requirements relating to the local core funding ratio. The designation of category 2A institutions is based on the business size and the liquidity risk associated with the institution. Category 2 institutions are required to maintain a liquidity maintenance ratio not less than 25.0 per cent., whereas category 2A institutions are required to maintain a liquidity maintenance ratio not less than 25.0 per cent. and a local core funding ratio of not less than 75.0 per cent.

Financial Exposure to Any One Customer

The financial exposure of an authorized institution incorporated in Hong Kong to any one person or group of related persons must not (subject to certain exceptions) exceed 25.0 per cent. of its Tier 1 capital. Subject to certain exclusions, the authorized institution's financial exposure to any one person or group of related persons is taken to be the aggregate of:

(1) all advances, loans and credit facilities granted to that person or group;

(2) the value of the authorized institution's holdings of shares, debentures and other debt securities issued by that person or group; and

(3) the principal amount, multiplied by a factor to be specified by the Monetary Authority, for off-balance sheet items resulting from transactions between the authorized institution and that person or group.

For these purposes, persons shall be treated as related if one company is the subsidiary of another, they have a common holding company, they have a common controller (not being a company) or if one (not being a company) is a controller of another (being a company).

The calculation of financial exposure does not include financial exposure to the Hong Kong government, any other government (except those not being accepted by the Monetary Authority), authorized institutions, banks incorporated outside Hong Kong (in the opinion of the Monetary Authority as being adequately supervised) or multilateral development banks; or any financial exposure accepted by the Monetary Authority, either generally or in any particular case to the extent it is secured by a cash deposit, a guarantee, an undertaking, securities or letter of comfort.

An authorized institution's aggregate non-exempted credit exposures that are equal to or greater than 10.0 per cent. of its Tier 1 capital must be within the Monetary Authority's clustering limit approved by its Board of Directors and agreed with the Monetary Authority. Further, the authorized institution must be in compliance with the Monetary Authority's Supervisory Policy Manual with respect to large exposures and risk concentrations.

If a person, company or combination thereof to the definition of related persons to whom an authorized institution is financially exposed is a trustee of more than one trust, the Monetary Authority may, by notice in writing, specify that the authorized institution's financial exposure to that person, company or combination thereof may exceed an amount equivalent to 25 per cent. of the Tier 1 capital of the authorized institution by an amount not more than the amount specified in that notice.

Other Restrictions on Lending

The Banking Ordinance also provides that the amount of the facilities which a Hong Kong incorporated authorized institution may make available on an unsecured basis to its controllers, its directors, their relatives or certain of its employees and persons associated with any of them shall be subject to the restrictions set out therein.

The Banking (Exposure Limits) Rules (Cap. 155S) of Hong Kong (the "**BELR**") also provides that:

(1) authorized institutions may not provide a financial facility against the security of their own shares, capital instruments or non-capital LAC debt instruments (or, except with the approval of the Monetary Authority, that of their respective holding companies, subsidiaries or fellow subsidiaries of such holding companies); and

(2) authorized institutions may not, except with the written consent of the Monetary Authority, provide to any one of their employees any unsecured facility of an amount in excess of that employee's salary for one year.

Restrictions on Investments in Land

Under the BELR, an authorized institution must at all times maintain a land exposure ratio (as defined in the BELR) not exceeding 50.0 per cent. and an adjusted land exposure ratio (as defined in the BELR) not exceeding 25.0 per cent. The Monetary Authority may, by written notice served on an authorized institution, vary any or both of the limits under the BELR for the authorized institution if the Monetary Authority, after taking into account the considerations, including the risks associated with the level or concentration of the authorized institution's holding of interests in land, any risk mitigation measures taken by the authorized institution to manage those risks and any other factors that the Monetary Authority considers relevant, is satisfied on reasonable grounds that it is prudent to make the variation.

Equity Exposures in Other Companies

An authorized institution incorporated in Hong Kong may not acquire or hold the aggregate equity exposures which exceed 25.0 per cent. of the authorized institution's Tier 1 capital base except for shares held by way of security for facilities and by virtue of acquisitions in satisfaction of debts due to it (which must, however, be disposed of at the earliest suitable opportunity and not later than 18 months after their acquisition unless the Monetary Authority agrees to a longer period). Shares held by virtue of underwriting and sub-underwriting commitments are, nevertheless, permitted provided the relevant shares are disposed of within seven working days or such longer period as the Monetary Authority may agree.

There are other exemptions for any holding of equity exposures approved by the Monetary Authority in other banks and companies carrying on nominee, executor, trustee or other functions related to banking business, the business of deposit taking, insurance, investments or other financial services.

Charges

An authorized institution incorporated in Hong Kong is not permitted to create any charges over its assets if either the aggregate value of all charges existing over its total assets is 5.0 per cent. or more of the value of those total assets or creating that charge would cause the aggregate value of all charges over its total assets to be more than 5.0 per cent. of the value of those total assets.

Restrictions on Overseas Activities

An authorized institution which is incorporated in Hong Kong is subject to a condition that it shall not establish or maintain any overseas branch or overseas representative office without the approval of the Monetary Authority. The Monetary Authority is empowered by the Banking Ordinance to require financial and other information regarding any such overseas branch to be supplied to it.

Further, an authorized institution incorporated in Hong Kong or its Hong Kong incorporated holding company may not without the consent of the Monetary Authority own a company incorporated outside of Hong Kong which may (whether or not in or outside of Hong Kong) lawfully take deposits from the public. The Monetary Authority may at any time attach in respect of any such approved overseas companies any conditions as the Monetary Authority may think proper.

SHAREHOLDERS, CHIEF EXECUTIVES AND DIRECTORS

Limitations on Shareholders

The Monetary Authority has the power to object, on certain specified grounds, to persons becoming or being "**controllers**" of authorized institutions incorporated in Hong Kong. "**Controller**" in this context means:

(1) a person who, either alone or with any associate(s), is entitled to exercise, or control the exercise of, 10.0 per cent. or more, but not more than 50.0 per cent., of the voting power at any general meeting of the authorized institution or of another company of which it is a subsidiary; or

(2) a person who, either alone or with any associate(s), is entitled to exercise, or control the exercise of, more than 50.0 per cent. of the voting power at any general meeting of the authorized institution or of another company of which it is a subsidiary; or

(3) a person in accordance with whose directions or instructions the directors of the authorized institution or of another company of which it is a subsidiary are accustomed to act (but does not include any professional advisers or managers appointed by the Monetary Authority to manage the authorized institution).

A person may not become a controller of an authorized institution incorporated in Hong Kong unless he has served a written notice on the Monetary Authority of his proposal to that effect and the Monetary Authority consents to his becoming such a controller or does not object within three months.

Within the three-month period, the Monetary Authority may object to the applicant's proposal, unless it is satisfied that the applicant is a fit and proper person to become a controller; that depositors' or potential depositors' interests will not be threatened by that person being such a controller; and having regard to the applicant's likely influence on that institution as a controller, the authorized institution is likely to continue to conduct its business prudently or that the applicant is likely to undertake adequate remedial action to ensure that the authorized institution will conduct its business prudently. The Monetary Authority may also object to the continuation of a person as a controller on similar grounds as in respect of new controllers.

Where a person becomes a controller (by virtue of being able to exercise or control the exercise of certain voting power in an authorized institution) after a notice of objection has been served on him or otherwise in the contravention of the procedure prescribed by the Banking Ordinance, the Monetary Authority may notify the controller that until further notice any specified shares are subject to one or more of the following restrictions:

(1) any transfer of the shares or, in the case of unissued shares, any transfer of the right to be issued with them, and any issue of such shares, shall be void;

(2) voting rights in respect of those shares shall not be exercisable;

(3) no further shares in right or pursuant to any offer made to the shareholder shall be issued; or

(4) except in a liquidation, no payments of any sums due from the authorized institution on the shares shall be paid.

In addition, the Monetary Authority may apply to court for an order that the shares be sold. Once the shares are sold, the proceeds (less the costs of sale) shall be paid into court and held for the benefit of the persons beneficially interested in them.

In the case of an indirect controller who does not have the approval of the Monetary Authority, the person concerned is prohibited from giving directions or instructions to the directors of the authorized institution or of another company of which it is a subsidiary.

Limitations on Persons Becoming Chief Executives or Directors

All authorized institutions must have a chief executive ordinarily resident in Hong Kong. A person requires the written consent of the Monetary Authority before becoming a chief executive and alternate chief executive.

The consent of the Monetary Authority is also required for a person to become a director of a Hong Kong incorporated authorized institution.

SUPERVISION OF SECURITIES BUSINESS

The SFO, which came into operation in April 2003, introduced a substantial change to the conduct of securities business by banks. Banks are no longer exempted from the relevant regulations when they engage in securities business. Instead they are required to apply for registration with the SFC, which means they will have to meet the Fit and Proper Criteria set by the SFC. Likewise, staff engaged by banks in securities business will have to meet the Fit and Proper Criteria applicable to staff of brokerage firms. It is a statutory condition of registration for banks that each member of staff engaged by them in securities business is a fit and proper person. Banks will also have to comply with the various regulatory requirements set by the SFC in relation to their securities business, including the subsidiary legislation and the business conduct codes. Under the SFO, banks and their securities staff will be subject to the same range of disciplinary actions that are applicable to brokers and their staff in case they are guilty of misconduct or otherwise not fit and proper.

With the introduction of a new licensing regime under the SFO, corresponding changes have been made to the Banking Ordinance by way of the introduction of the Banking (Amendment) Ordinance 2002. Such ordinance came into operation simultaneously with the SFO and has enabled the Monetary Authority to enhance its regulatory functions in relation to the securities businesses of banks and other authorized institutions that are registered under the SFO.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisers concerning the application of tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong; or

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a corporation), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorized institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Based on the definition of "deposit" in the Banking Ordinance (Cap. 155) of Hong Kong and provided no prospectus involving the issue of Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of Notes by the Issuer is likely to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of the Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "**FSIE Amendments**"), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register and the Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Each of Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited and UBS AG Hong Kong Branch (together, the "**Joint Global Coordinators**", the "**Joint Bookrunners**" and the "**Joint Lead Managers**") has, pursuant to a subscription agreement dated 7 July 2026 (the "**Subscription Agreement**"), severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the principal amount of the Notes set out opposite its name below as its underwriting commitment. Each Joint Lead Manager's underwriting commitment may not represent the amount of Notes actually subscribed by each Joint Lead Manager.

Joint Lead Manager	Underwriting Commitment
	(U.S.$)
Crédit Agricole Corporate and Investment Bank	100,000,000
The Hongkong and Shanghai Banking Corporation Limited	100,000,000
UBS AG Hong Kong Branch	100,000,000
Total	**300,000,000**

The Issuer has agreed to pay to the Joint Lead Managers a management and underwriting commission in connection with their underwriting commitments in accordance with the Subscription Agreement. The Issuer has also agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Notes. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate the Subscription Agreement in certain circumstances at any time up to the time when subscription moneys have been received and the Notes issued.

The Issuer has agreed that, from the date of the Subscription Agreement until the date falling 30 calendar days after the Issue Date, it will ensure that no other international offering of foreign currency denominated debt instruments or debt securities (other than certificates of deposit and for the avoidance of doubt, any financial products offered in the ordinary course of its business by the Issuer to its customers) issued or guaranteed by the Issuer are either placed or syndicated, directly or on its behalf, in any manner which might, in the opinion of the Joint Lead Managers (following consultation with the Issuer, if practicable), have a detrimental effect on the successful placement of the Notes.

In connection with the issue of the Notes, any one of the Joint Lead Managers appointed as such (the "**Stabilisation Manager**") or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Joint Lead Managers.

If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the issue of the Notes shall be deemed to be made by such Joint Lead Manager or affiliate on behalf of the Issuer in such jurisdiction.

The Joint Lead Managers and certain of their affiliates, or affiliate of the Issuer may act as investors and place orders, receive allocations and trade the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution, and such orders, allocations or trade of the Notes may be material. The Joint Lead Managers and their respective affiliates may also purchase the Notes for their own accounts in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer to sell the Notes or other securities otherwise than in connection with the offering of the Notes. Accordingly, references herein to the offering of the Notes should be read as including any offering of the Notes to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Notes may be constrained. The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively traded debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, associates or associated companies, including the Notes, may be entered into at the same time in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Notes and could adversely affect the trading price and liquidity of the Notes. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the Issuer.

OTHER RELATIONSHIPS

The Joint Lead Managers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Joint Lead Managers and their affiliates may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associates from time to time. They have received, and may in the future receive, customary fees and commissions for these transactions. In addition to the transactions noted above, the Joint Lead Managers and their affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer or its subsidiaries, jointly controlled entities or associates in the ordinary course of their business. In addition, the Joint Lead Managers and certain of their respective subsidiaries and affiliates may hold shares or other securities in the Issuer as beneficial owners, on behalf of clients or in the capacity of investment advisors.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE SFC CODE – IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected).

Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);

- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and

- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: hkg-syndicate@ca-cib.com, gcdcm.execution@ca-cib.com, hk_syndicate_omnibus@hsbc.com.hk and sh-asia-ccs-dcm-filing@ubs.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or delivered and will not offer, sell or deliver any Notes within the United States, and will only offer or sell any Notes outside of the United States in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

(1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

(1) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or

(2) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision,

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(1) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(2) a customer within the meaning the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(3) not a qualified investor as defined in Regulation (EU) 2017/1129; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

(1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The PRC

Each Joint Lead Manager has represented, warranted and agreed that no Notes will be offered or sold in the PRC (for such purposes, not including Hong Kong, the Macau Special Administrative Region and Taiwan of the People's Republic of China) directly or indirectly, except in compliance with applicable laws and regulations. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Taiwan

Each Joint Lead Manager understands that the Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, the Republic of China ("**Taiwan**") and/or other regulatory authority pursuant to relevant securities laws and regulations and, accordingly, each Joint Lead Manager has represented and undertaken that it will not offer, issue or sell the Notes in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised or will be authorised to offer or sell the Notes in Taiwan.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**") and each Joint Lead Manager has represented, warranted and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

None of the Issuer or the Joint Lead Managers makes any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. The Issuer will not have any responsibility for, and the Joint Lead Managers will obtain any consent, approval or permission required by them for, the acquisition, offer, sale or delivery by them of Notes under the laws and regulations in force in any jurisdiction to which they are subject or in or from which they make any acquisition, offer, sale or delivery. The Joint Lead Managers are not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, the Offering Circular or any amendment or supplement to it.

GENERAL INFORMATION

1. **Clearing Systems:** The Notes have been accepted for clearance through Euroclear and Clearstream with the Common Code of 342073166. The International Securities Identification Number ("**ISIN**") for the Notes is XS3420731666.

2. **Legal Entity Identifier:** The Legal Entity Identifier of the Issuer is RZP0S2BXNUO20ZHKCV45.

3. **Listing of Notes:** Application will be made to the SEHK for the listing of, and permission to deal in, the Notes. It is expected that dealing will, if permission is granted to deal in and for the listing of the Notes on the SEHK, commence on or about 15 July 2026.

4. **Litigation:** Neither the Issuer nor any other member of the Group is involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Notes, nor is the Issuer or any other member of the Group aware that any such proceedings are pending or threatened.

5. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations as may be required in connection with the issue and performance of the Notes, including, but not limited to, approval by the Monetary Authority. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 26 May 2026. Listing of the Notes on the SEHK is conditional upon satisfaction of the requirements of the SEHK, including execution of the Trust Deed and the Agency Agreement relating to the Notes.

6. **No Material Adverse Change:** Except as disclosed in this Offering Circular, there has been no change, or any development or event involving a prospective change, which is materially adverse to the condition (financial or otherwise), business, properties, prospects, results of operations or management of the Issuer or the Group since 31 December 2025.

7. **Available Documents:** For so long as any of the Notes is outstanding, copies of the Trust Deed and the Agency Agreement, each to be dated on or about 14 July 2026, may be made available to Holders following prior written request and satisfactory proof of holding and identity during normal business hours (being between 9:00 a.m. (London time) to 3:00 p.m. (London time) from Monday to Friday (other than public holidays)) by the Holders at the specified office of the Principal Paying Agent at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom), provided the Trustee and/or the Principal Paying Agent has been supplied with the relevant documents by the Issuer.

8. **Auditors:** The audited consolidated financial statements of the Group as at and for the years ended 31 December 2024 and 2025 included in this Offering Circular have been audited by KPMG, as stated in the auditor's reports appearing in this Offering Circular in relation to such consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

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

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

OPINION

We have audited the consolidated financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 48 to 197, which comprise the consolidated statement of financial position as at 31 December 2024, 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 comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

意見

本核數師(以下簡稱「我們」)已審計載列於第48至197頁的富邦銀行(香港)有限公司(「貴行」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二四年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註，包括重大會計政策資料及其他解釋資料。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映　貴集團於二零二四年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

BASIS FOR OPINION

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

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已於本報告「*核數師就審計綜合財務報表承擔的責任*」一節中進一步闡述。根據香港會計師公會頒佈的《*專業會計師道德守則*》(以下簡稱「守則」)，我們獨立於　貴集團，並已根據守則履行其他專業道德責任。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。

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. We obtained director's report and unaudited supplementary financial information prior to the date of this auditor's report and expect the remaining other information to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報告及其核數師報告以外的信息

董事須對其他信息負責。其他信息包括年報內所載綜合財務報告及我們載於其中的核數師報告以外的所有信息。我們於本核數師報告日期前獲得董事會報告及未經審核補充財務資料，且預期餘下其他信息將於該日期後可供我們查閱。

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

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

倘基於我們對於本核數師報告日期前獲得的其他信息所做的工作，我們得出結論認為該其他信息存在重大錯誤陳述，我們需要報告這一事實。就此我們並無任何報告。

董事就綜合財務報告須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對董事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。

在擬備綜合財務報告時，董事負責評估　貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將　貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行監督　貴集團的財務報告過程的責任。

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

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

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

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

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

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

- 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.

核數師就審計綜合財務報表承擔的責任

我們的目標乃對綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告乃按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，本報告不可用作其他用途。我們概不就本報告的內容向任何其他人士負責或承擔任何責任。

合理保證為高水平的保證，但不能保證按照《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。

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

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團不能持續經營業務。

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

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審計綜合財務報表承擔的責任
（續）

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

- 計劃並執行集團審計，以就集團內實體或業務單位的財務信息獲取充足、適當的審計憑證，作為對集團財務報發表意見的基礎。我們負責就集團審計進行的審計工作的方向、監督及檢討。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了審計的計劃範圍及時間安排以及重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

14 March 2025

畢馬威會計師事務所
執業會計師
香港中環
遮打道10號
太子大廈8樓

二零二五年三月十四日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
綜合全面收益表

For the year ended 31 December 2024　截至二零二四年十二月三十一日止年度

		Note 附註	2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Interest income calculated using effective interest method	採用實際利率法計算之利息收入	4(a)	**7,732,185**	6,449,656
Other interest income	其他利息收入	4(a)	**2,207**	2,391
Interest income	利息收入		**7,734,392**	6,452,047
Interest expense	利息支出	4(b)	**(5,152,846)**	(4,336,731)
Net interest income	**淨利息收入**		**2,581,546**	2,115,316
Fee and commission income	費用及佣金收入	5(a)	**484,139**	416,070
Fee and commission expense	費用及佣金支出	5(b)	**(100,139)**	(95,587)
Net fee and commission income	**淨費用及佣金收入**		**384,000**	320,483
Other operating (expense)/income	其他營運(開支)／收入	6	**(9,514)**	34,299
Operating income	營運收入		**2,956,032**	2,470,098
Operating expenses	營運支出	7	**(1,285,824)**	(1,175,144)
Operating profit before other gains and impairment losses	**未計其他收益及減值虧損前經營溢利**		**1,670,208**	1,294,954
Impairment losses on advances to customers	客戶貸款減值虧損	9	**(568,745)**	(369,555)
(Charge for)/write back of impairment losses on other financial instruments	其他金融工具減值虧損之(扣除)／回撥		**(5,067)**	18,381
Impairment losses on other assets	其他資產減值虧損		**(1,236)**	(15,697)
Impairment losses on assets acquired under lending agreements	根據借貸協議所收購資產減值虧損		**(1,000)**	(800)
Impairment losses	**減值虧損**		**(576,048)**	(367,671)
(Loss)/gain on revaluation of investment properties	投資物業重估(虧損)／收益	21(a)	**(22,800)**	868
Net gains/(losses) on disposal of financial assets measured at amortized cost	出售以攤銷成本計量之金融資產淨收益／(虧損)		**2,636**	(289)
Net gains/(losses) on disposal of fixed assets	出售固定資產淨收益／(虧損)		**43**	(194)
Gain on disposal of assets held for sale	出售持作出售資產收益		**–**	124
Profit before taxation	**除稅前溢利**		**1,074,039**	927,792
Taxation	稅項	10	**(167,461)**	(143,526)
Profit for the year	**本年度溢利**		**906,578**	784,266
Other comprehensive income for the year, net of tax:	**本年度其他全面收益(除稅後)：**			
Items that will not be reclassified to profit or loss:	將不會重新分類至損益之項目：			
Premises: net movement in premises revaluation reserve	物業：物業重估儲備淨變動	11	**(269,359)**	(106,473)
Equity securities designated at fair value through other comprehensive income: net movement in investment revaluation reserve (non-recycling)	指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	11	**120,759**	121,716
Defined benefit liability: net movement in the defined benefit liability	定額福利負債：定額福利負債淨變動	11	**(5,116)**	(3,813)
			(153,716)	11,430
Items that will be reclassified to profit or loss:	將重新分類至損益之項目：			
Debt securities measured at fair value through other comprehensive income: net movement in investment revaluation reserve (recycling)	以公平價值於其他全面收益計量的債務證券：投資重估儲備淨變動(非循環)	11	**(12,204)**	–
			(165,920)	11,430
Total comprehensive income for the year	**本年度全面收益總額**		**740,658**	795,696

The notes on pages 54 to 197 form part of these financial statements.　載於第54至197頁之附註為此等財務報告之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2024 於二零二四年十二月三十一日

		Note 附註	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
ASSETS	**資產**			
Cash and short-term funds	現金及短期資金	13	**8,516,072**	7,104,004
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		**10,685,622**	6,059,269
Trading assets	持作交易用途資產	14	**1,436,973**	1,696,831
Derivative financial instruments	衍生金融工具	15(b)	**1,916,183**	1,755,620
Advances to customers	客戶貸款	16(a)	**62,701,653**	64,298,938
Advances to banks	銀行同業貸款	17	**7,168,457**	3,291,894
Trade bills	商業票據		**756,654**	658,615
Accrued interest and other assets	應計利息及其他資產		**2,843,016**	2,749,147
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	18	**42,022,873**	48,975,907
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	19	**19,072,835**	–
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金		**24,681**	–
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	20	**72,221**	963,092
Fixed assets	固定資產	21(a)	**2,972,010**	3,342,993
Investment properties	投資物業	21(a)	**62,500**	85,300
Deferred tax assets	遞延稅項資產	26(b)	**–**	6
Total assets	資產總額		**160,251,750**	140,981,616
LIABILITIES	**負債**			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	22	**3,856,010**	7,854,320
Deposits from customers	客戶存款	23	**133,895,361**	109,124,496
Trading liabilities	交易賬項下之負債	24	**941,735**	1,696,831
Certificates of deposit issued	已發行存款證		**–**	299,942
Derivative financial instruments	衍生金融工具	15(b)	**101,708**	93,194
Other liabilities	其他負債	25	**4,518,782**	5,277,772
Current tax liabilities	即期稅項負債	26(a)	**72,296**	163,599
Deferred tax liabilities	遞延稅項負債	26(b)	**317,146**	505,846
Total liabilities	負債總額		**143,703,038**	125,016,000
EQUITY	**權益**			
Share capital	股本	27	**4,830,448**	4,830,448
Reserves	儲備	28	**11,718,264**	11,135,168
Total equity	權益總額		**16,548,712**	15,965,616
Total equity and liabilities	權益及負債總額		**160,251,750**	140,981,616

Approved and authorized for issue by the Board of Directors on 13 March 2025.

經董事會於二零二五年三月十三日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Elizabeth LAM Tyng Yih
林婷懿
Director
董事

Simon CHUNG Kwok Keung
鍾國強
Director
董事

The notes on pages 54 to 197 form part of these financial statements.

載於第54至197頁之附註為此等財務報告之一部分。

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

For the year ended 31 December 2024　截至二零二四年十二月三十一日止年度

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備（非循環） HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備（循環） HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2024	於二零二四年一月一日	4,830,448	202,889	715,542	–	1,801,835	8,414,902	15,965,616
Total comprehensive income for the year	本年度全面收益總額	–	–	120,759	(12,204)	(269,359)	901,462	740,658
– Profit for the year	－本年度溢利	–	–	–	–	–	906,578	906,578
– Other comprehensive income, of which:	－其他全面收益，其中：							
– Premises: net movement in premises revaluation reserve	－物業：物業重估儲備淨變動	–	–	–	–	(269,359)	–	(269,359)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	－指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動（非循環）	–	–	120,759	–	–	–	120,759
– Defined benefit liability: net movement in the defined benefit liability	－定額福利負債：定額福利負債淨變動	–	–	–	–	–	(5,116)	(5,116)
– Debt securities measured at FVOCI: net movement in investment revaluation reserve (recycling)	－以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動（循環）	–	–	–	(12,204)	–	–	(12,204)
Transfer from premises revaluation reserve to retained earnings	由物業重估儲備轉撥至保留溢利	–	–	–	–	(46,441)	46,441	–
Transfer from retained earnings to regulatory reserve	由保留溢利轉撥至法定儲備	–	45,906	–	–	–	(45,906)	–
Transfer from investment revaluation reserve (non-recycling) to retained earnings	由投資重估儲備（非循環）轉撥至保留溢利	–	–	(792,360)	–	–	792,360	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	–	(157,562)	(157,562)
At 31 December 2024	於二零二四年十二月三十一日	4,830,448	248,795	43,941	(12,204)	1,486,035	9,951,697	16,548,712

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備（非循環） HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2023	於二零二三年一月一日	4,830,448	133,555	593,826	1,958,530	7,735,625	15,251,984
Total comprehensive income for the year	本年度全面收益總額	–	–	121,716	(106,473)	780,453	795,696
– Profit for the year	－本年度溢利	–	–	–	–	784,266	784,266
– Other comprehensive income, of which:	－其他全面收益，其中：						
– Premises: net movement in premises revaluation reserve	－物業：物業重估儲備淨變動	–	–	–	(106,473)	–	(106,473)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	－指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動（非循環）	–	–	121,716	–	–	121,716
– Defined benefit liability: net movement in the defined benefit liability	－定額福利負債：定額福利負債淨變動	–	–	–	–	(3,813)	(3,813)
Transfer from premises revaluation reserve to retained earnings	由物業重估儲備轉撥至保留溢利	–	–	–	(50,222)	50,222	–
Transfer from retained earnings to regulatory reserve	由保留溢利轉撥至法定儲備	–	69,334	–	–	(69,334)	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	(82,064)	(82,064)
At 31 December 2023	於二零二三年十二月三十一日	4,830,448	202,889	715,542	1,801,835	8,414,902	15,965,616

The notes on pages 54 to 197 form part of these financial statements. 載於第54至197頁之附註為此等財務報告之一部分。

CONSOLIDATED CASH FLOW STATEMENT
綜合現金流動表

For the year ended 31 December 2024　截至二零二四年十二月三十一日止年度

		Note 附註	2024 二零二四年 HK$'000 千港元		2023 二零二三年 HK$'000 千港元	
Operating activities	**營運活動**					
Profit before taxation	除税前溢利		**1,074,039**		927,792	
Adjustments for non-cash items:	非現金項目之調整：					
Depreciation	折舊	7	**194,609**		179,162	
Net (gains)/losses on disposal of fixed assets	出售固定資產之淨（收益）／虧損		**(43)**		194	
Impairment losses on advances to customers	客戶貸款減值虧損	9	**568,745**		369,555	
Net (gains)/losses on disposal of financial assets measured at amortized cost	出售以攤銷成本計量之金融資產淨（收益）／虧損		**(2,636)**		289	
Charge for/(write back of) impairment losses on other financial instruments	其他金融工具減值虧損之扣除／（回撥）		**5,067**		(18,381)	
Impairment losses on other assets	其他資產減值虧損		**1,236**		15,697	
Impairment losses on assets acquired under lending agreements	根據借貸協議所收購資產減值虧損		**1,000**		800	
Loss/(gain) on revaluation of investment properties	投資物業重估虧損／（收益）	21(b)	**22,800**		(868)	
Gain on disposal of assets held for sale	出售持作出售資產收益		**–**		(124)	
Loss on revaluation on investment funds measured at FVTPL	通過損益以反映公平價值計量之投資基金重估虧損	33(a)	**3,636**		–	
				1,868,453		1,474,116
(Increase)/decrease in operating assets:	營運資產之（增加）／減少：					
Treasury bills with original maturity of over three months	國庫券（原本期限為三個月以上）		**(2,204,281)**		3,398,982	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		**(4,499,054)**		(5,491,511)	
Derivative financial instruments	衍生金融工具		**(160,563)**		369,719	
Gross advances to customers	客戶貸款總額		**1,028,540**		(253,233)	
Gross advances to banks	銀行同業貸款總額		**(3,886,467)**		(2,198,005)	
Trade bills	商業票據		**(96,975)**		(106,792)	
Accrued interest and other assets	應計利息及其他資產		**(96,105)**		(1,348,795)	
Debt securities measured at amortized cost	以攤銷成本計量之債務證券		**1,154,734**		(4,429,844)	
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券		**850,601**		2,990	
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券		**(11,669,907)**		–	
				(19,579,477)		(10,056,489)

		Note 附註	2024 二零二四年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Increase/(decrease) in operating liabilities:	營運負債之增加／(減少)：					
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘		(3,998,310)		(157,323)	
Deposits from customers	客戶存款		24,770,865		11,201,106	
Trading liabilities	交易賬項下之負債		(755,096)		41,376	
Certificates of deposit issued	已發行存款證		(299,942)		(1,630,253)	
Derivative financial instruments	衍生金融工具		8,514		41,764	
Other liabilities	其他負債		(759,873)		1,153,277	
				18,966,158		10,649,947
Net cash generated from operations	**營運之現金收入淨額**			1,255,134		2,067,574
Hong Kong Profits Tax paid	已付香港利得稅			(248,924)		(87,538)
Overseas tax paid	已付海外稅項			–		(1,537)
Net cash generated from operating activities	**營運活動之現金收入淨額**			1,006,210		1,978,499
Investing activities	**投資活動**					
Payment for purchases of fixed assets	購買固定資產付款		(156,614)		(222,166)	
Proceeds from disposal of assets held for sale	出售持作出售資產所得款項		–		17,992	
Proceeds from disposal of fixed assets	出售固定資產所得款項		1,271		34	
Net cash used in investing activities	**投資活動之現金支出淨額**			(155,343)		(204,140)
Financing activities	**融資活動**					
Payment of lease liabilities	租賃負債付款	29(c)	(3,559)		(31,143)	
Dividends paid	已付股息		(157,562)		(82,064)	
Net cash used in financing activities	**融資活動之現金支出淨額**			(161,121)		(113,207)
Net increase in cash and cash equivalents	**現金及等同現金項目之增加淨額**			689,746		1,661,152
Cash and cash equivalents as at 1 January	**於一月一日之現金及等同現金項目**			13,351,795		11,690,643
Cash and cash equivalents as at 31 December	**於十二月三十一日之現金及等同現金項目**	29(a)		14,041,541		13,351,795
Cash flows from operating activities include:	**營運活動之現金流量包括：**					
Interest received	已收利息			7,409,804		5,992,303
Interest paid	已付利息			(5,214,894)		(3,746,328)
Dividends received	已收股息			7,696		28,929

The notes on pages 54 to 197 form part of these financial statements.

載於第54至197頁之附註為此等財務報告之一部分。

1. ACTIVITIES

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

The Bank, through its branches and subsidiaries (together referred to as "the Group"), provides a range of banking, financial and related services.

1. 業務

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

本行透過其分行及附屬公司(統稱為「本集團」)提供一系列銀行、金融及相關服務。

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

2. 重大會計政策

(a) 遵守聲明

此等財務報告乃根據香港會計師公會頒佈的一切適用《香港財務報告準則》而編製，該統稱包括一切適用的個別香港財務報告準則、《香港會計準則》、詮譯及香港《公司條例》的規定。本集團所採納的重大會計政策載於下文。

(b) New and revised HKFRSs

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

The Group has applied the following amended HKFRSs issued by the HKICPA applicable to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current ("2020 amendments") and amendments to* HKAS1, *Presentation of financial statements – Non-current liabilities with covenants ("2022 amendments")*
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKRFS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干項對香港財務報告準則修訂，於本集團本會計期間首次生效或可供提早採納。

本集團已應用以下由香港會計師公會頒佈之經修訂香港財務報告準則，適用本會計期間的此等財務報表：

- 香港會計準則第1號修訂本，*財務報表之呈列－分類負債為流動或非流動(「二零二零年修訂本」)及香港會計準則第1號修訂本，財務報表之呈列－附帶契諾的非流動負債(「二零二二年修訂本」)*
- 香港務報告準則第16號修訂本，*租賃－銷售及租回的租賃負債*
- 香港會計準則第7號修訂本，*現金流量表及香港財務報告準則第7號，金融工具：披露－供應商融資安排*

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

2. MATERIAL ACCOUNTING POLICIES (continued)

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Bank and its subsidiaries.

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

- equity securities designated at fair value through other comprehensive income (see Note 2(f));
- debt securities measured at fair value through other comprehensive income (see Note 2(f));
- investment funds measured at fair value through profit or loss (see Note 2(f));
- trading assets and liabilities (see Note 2(f));
- derivative financial instruments (see Note 2(h));
- owned properties (see Note 2(j)); and
- investment properties (see Note 2(k)).

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 42.

2. 重大會計政策(續)

(c) 財務報告的編製基準

截至二零二四年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司。

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

- 指定以公平價值於其他全面收益計量之股本證券(見附註2(f))；
- 以公平價值於其他全面收益計量之債務證券(見附註2(f))；
- 通過損益以反映公平價值計量之投資基金(見附註2(f))；
- 持作交易用途資產及負債(見附註2(f))；
- 衍生金融工具(見附註2(h))；
- 本集團擁有之物業(見附註2(j))；及
- 投資物業(見附註2(k))。

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

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

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

管理層應用對財務報告及估計不確定因素之主要來源構成重大影響的香港財務報告準則所作出之判斷於附註42中詳述。

2. MATERIAL ACCOUNTING POLICIES (continued)

(d) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

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

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

(e) Interest in an associate

An associate is an entity in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

(f) Financial instruments

(i) Initial recognition

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

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

2. 重大會計政策(續)

(d) 於附屬公司之投資

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

於附屬公司之投資自控制開始日期會併入綜合財務報告內直至控制結束日期。

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

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

(e) 於聯營公司之權益

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

(f) 金融工具

(i) 初始確認

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(ii) Categorization

Investments other than equity investments

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

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

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

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

Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(t)(vi)).

2. 重大會計政策(續)

(f) 金融工具(續)

(ii) 分類

股本投資以外的投資

本集團持有的非股本投資分為以下其中一個計量類別：

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

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

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

股本投資

股本證券投資會被分類為通過損益以反映公平價值，除非該投資並非以交易為目的持有，且於初步確認投資時，本集團選擇指定投資以公平價值於其他全面收益計量(非循環)，由此，隨後公平價值之變動於其他全面收益內確認。該等選擇以個別工具為基礎作出，但僅於投資滿足以發行人角度下的股本的定義時方可作出。倘就特定投資作出該選擇，於出售時，於投資重估儲備(非循環)內累計之金額會轉入保留溢利，並不會透過損益循環。股本證券投資產生之股息(不論分類為通過損益以反映公平價值或以公平價值於其他全面收益計量)均會於損益內確認為其他收入(見附註2(t)(vi))。

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(iii) Fair value measurement principles

The fair value of financial instruments is ideally based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

(iv) Derecognition

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

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

(v) Offsetting

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

(vi) Modified financial instruments

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

2. 重大會計政策(續)

(f) 金融工具(續)

(iii) 計量公平價值之原則

金融工具的公平價值最理想地是於報告期末根據其市場報價但未減除將來的估計出售成本。

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

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

(iv) 終止確認

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

當合約的義務期滿或被履行、取消，本集團終止確認該金融負債。

(v) 對銷

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

(vi) 經修改金融工具

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(vi) Modified financial instruments (continued)

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

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

(g) Repurchase and reverse repurchase transactions

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

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

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

(h) Derivative financial instruments

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

2. 重大會計政策(續)

(f) 金融工具(續)

(vi) 經修改金融工具(續)

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

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

(g) 回購交易和反向回購交易

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

根據轉售協議(反向回購協議)購買之證券乃列作為應收款項，並按攤銷成本列賬。

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

(h) 衍生金融工具

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(i) Hedging

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

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

(i) Fair value hedge

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

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

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes designation of the hedge relationship any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(ii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

2. 重大會計政策(續)

(i) 對沖

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

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

(i) 公平價值對沖

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

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

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

(ii) 對沖有效性測試

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(i) Hedging (continued)

(ii) Hedge effectiveness testing (continued)

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

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

(j) Fixed assets

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

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

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

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

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

2. 重大會計政策(續)

(i) 對沖(續)

(ii) 對沖有效性測試(續)

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

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

(j) 固定資產

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(j) Fixed assets (continued)

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

- right-of-use assets arising from leases over other properties and equipment for own use where the Group is not the registered owner of the asset (see Note 2(m)); and
- furniture, fixtures and equipment.

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

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

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

- buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- furniture and equipment is generally depreciated over periods of between three to ten years.
- right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term.

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

2. 重大會計政策(續)

(j) 固定資產(續)

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

- 租賃本集團並非資產的註冊擁有人的其他自用的物業及設備而產生的使用權資產(見附註2(m))；及
- 傢俱、固定裝置及設備。

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

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

物業和設備項目於預計可用期限內以直線法攤銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之期間折舊。
- 使用權資產於開始日期起至租期結束時止期間採用直線法折舊。

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(k) Investment properties

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

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

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

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

(l) Assets held for sale

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

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

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

2. 重大會計政策(續)

(k) 投資物業

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

投資物業公平價值變動或報廢或出售投資物業所產生的任何收益或虧損於損益確認。

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

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

(l) 持作出售之資產

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in HKFRS 16, Lease.

(i) Group acting as a lessee

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

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

2. 重大會計政策(續)

(m) 租約及租購合約

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

(i) 本集團作為承租人

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

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

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

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

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

計量租賃負債時計入的租賃款項包括固定付款額，包括實物固定付款額。

2. MATERIAL ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts (continued)

(i) Group acting as a lessee (continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

Short-term leases and leases of low-value assets

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

(ii) Group acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

2. 重大會計政策(續)

(m) 租約及租購合約(續)

(i) 本集團作為承租人(續)

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

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

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

短期租賃及低價值資產租賃

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

(ii) 本集團作為出租人

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

當本集團作為出租人時，在租賃開始時確定該租賃為融資租賃或經營租賃。

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(n) Repossessed assets

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

Repossessed assets are initially recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortized.

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

(o) Credit losses and impairment of assets

(i) Credit losses from financial instruments

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

Measurement of ECLs

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

2. 重大會計政策(續)

(n) 收回資產

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

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

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

(o) 信貸虧損及資產減值

(i) 金融工具的信貸虧損

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

計量預期信貸虧損

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

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

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

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

計量預期信貸虧損(續)

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

估計預期信貸虧損時考慮的最長期限為本集團面臨信貸風險的最長合約期。

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

預期信貸虧損乃通過以下其一基礎計量：

- 12個月預期信貸虧損：為預計在報告日期後12個月內可能發生違約事件造成的損失；或
- 全期預期信貸虧損：為預計由預期信貸虧損模式適用項目之預計可用年期內可能發生所有違約事件導致之損失。

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

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

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

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

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

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

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

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

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

Financial assets are considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. Financial assets that are credit-impaired (or defaulted) include those that are at least 90 days past due in respect of principal and/or interest, except for financial assets that are fully covered by collateral that they are credit-impaired if they are past due date for at least 365 days. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

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

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加(續)

預期信貸虧損在每個報告日被重新計量，以反映自初始確認以來金融工具信貸風險的變化。預期信貸虧損金額的任何變動均於損益賬內確認為減值虧損，或回撥減值虧損。本集團確認所有金融工具的減值虧損或回撥減值虧損，並通過虧損撥備賬對其賬面金額進行相應調整，惟以公平價值於其他全面收益計量之債務證券除外，其相應調整於其他全面收益確認。

信貸減值(或違約)金融資產的利息收入之計算基礎

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

金融資產在債務人於發生一項或多項對金融資產的估計未來現金流產生不利影響的可觀察事件時不太可能付款的情況下被視為信貸減值。信貸減值(或違約)金融資產指本金及／或利息逾期最少90天的金融資產，惟由抵押品完全覆蓋的金融資產除外，當其逾期最少365天時出現信貸減值。單一個別事件可能無法被識別，惟多項事件的共同影響可導致金融資產出現信貸減值。

金融資產出現信貸減值(或違約)的證明包括以下可觀察事件：

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

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

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

Modified financial instruments

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

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

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸減值(或違約)金融資產的利息收入之計算基礎(續)

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

經修改金融工具

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Write-off policy

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

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

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of other assets

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

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

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

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

註銷政策

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

先前已註銷的資產的後續收回於收回發生期間在損益確認為減值虧損撥回。

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

(ii) 其他資產減值

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

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

倘出現任何該等跡象，則估計資產的可收回金額。

計算可收回金額

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(ii) Impairment of other assets (continued)

Recognition of impairment losses

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

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

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

(p) Cash equivalents

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

(q) Employee benefits

(i) Short-term employee benefits

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(ii) 其他資產減值(續)

確認減值虧損

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

減值虧損撥回

倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。

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

(p) 等同現金項目

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

(q) 僱員福利

(i) 短期僱員福利

短期僱員福利包括薪酬、每年花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

2. MATERIAL ACCOUNTING POLICIES (continued)

(q) Employee benefits (continued)

(ii) Defined benefit retirement scheme

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

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

2. 重大會計政策(續)

(q) 僱員福利(續)

(ii) 定額福利退休計劃

本集團有關其定額福利退休計劃的淨義務乃估計僱員就本期及過往期間的服務應享有的未來福利金額而計算；該福利已折現以釐定其義務的現值，並扣減任何計劃資產的公平價值以達致淨義務。有關計算由合資格精算師使用預計單位信貸方法進行。倘計算結果對本集團有利，則確認的資產僅限以任何未來由計劃退款或未來減少向計劃供款的方式獲得經濟利益的現值。服務成本及定額福利負債(資產)淨值的利息支出(收入)淨額乃於損益賬內確認。本期服務成本乃按本期僱員服務產生的定額福利責任現值的增加而計量。倘計劃的福利出現變動，或計劃縮短，有關僱員過往服務變動福利的比例，或縮短的收益或虧損於計劃修訂或縮短發生及當有關重組成本或終止福利已確認時較早者於損益賬內確認為支出。期內利息支出(收入)淨額乃應用於報告期初用於計量定額福利責任的折現率折現至定額福利淨負債(資產)而釐定。折現率乃高質素企業債券於報告期末的收益率，有關的債券到期日與本集團所承擔責任的條款相若。定額福利退休計劃產生的重新計量乃於其他全面收入中確認且立即於保留溢利中反映。重新計量包括精算收益及虧損，計劃資產之回報(不包括計入定額福利淨負債(資產)的淨利息內的金額)及資產上限影響的任何變動(不包括計入定額福利淨負債(資產)的淨利息內的金額)。

(r) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬內確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認於其他全面收益或權益中。

2. MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized.

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. Rental income from investment properties is accounted for as described in Note 2(t).

2. 重大會計政策(續)

(r) 所得稅(續)

即期稅項乃預期於本年度就應課稅收入應付之稅項(按於報告期末已頒佈或實質頒佈之稅率計算),以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅及應課稅暫時性差異,即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干有限例外情況外,所有遞延稅項負債及所有遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式,使用於報告期末已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各報告期末,遞延稅項資產之賬面值均進行覆核,對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利,則任何有關扣減均會被撥回。投資物業的租金收入按附註2(t)所述方式入賬。

2. MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the related current tax assets and settle the related current tax liabilities on a net basis or realize and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 重大會計政策(續)

(r) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額基準變現即期稅項資產及清償即期稅項負債或兩者同時進行。

(s) 撥備及或然負債

撥備乃本集團因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務並能作出可靠估計時，而未能確定之時間或數額以其他負債確認。倘金錢時間價值屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟利益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就一項或多項未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性極微。

2. MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows:

(i) Interest income

Effective interest rate

Interest income and expense for all interest-bearing financial instruments are recognized in profit or loss on an accruals basis using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not ECLs. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECLs.

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 of a financial asset or issue of a financial liability.

Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any ECL allowance.

2. 重大會計政策(續)

(t) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收益及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬內確認：

(i) 利息收入

實際利率

所有計息金融工具的利息收入及開支按應計基準採用實際利率法於損益賬內確認。

實際利率是將金融工具在預計年期產生的預計未來現金付款或收入準確折算為金融資產之賬面總值或金融負債之攤銷成本之比率。

當計算信貸減值資產以外的金融工具的實際利率時，本集團在估計現金流時須考慮金融工具的所有合約條款，但不考慮預期信貸虧損。對於初始確認時購買或產生信貸減值的金融資產，信貸調整實際利率使用預計未來現金流(包括預期信貸虧損)計算。

計算實際利率時計及屬實際利率重要組成部分的交易成本及費用及已付或已收點數。交易成本為收購金融資產或發行金融負債直接應佔的增量成本。

攤銷成本及賬面總值

金融資產或金融負債的「攤銷成本」應當以金融資產或金融負債的初始確認金額經下列調整後的結果確定：扣除已償還的本金、加上或減去採用實際利率法將該初始確認金額與到期日金額之間的差額進行攤銷形成的累計攤銷額及，就金融資產而言，扣除任何預期信貸虧損撥備。

「金融資產的賬面總值」指在任何預期信貸虧損撥備調整前金融資產的攤銷成本。

2. MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(i) Interest income (continued)

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(o).

(ii) Net income from financial instruments measured at FVPL and net trading income

Net income from financial instruments measured at FVPL and net trading income comprise all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, foreign exchange differences and dividend income attributable to those financial instruments.

(iii) Fee and commission income

Fee and commission income arises on financial services provided by the Group including credit related services, insurance services, brokerage services, investment services, unit trust services, credit card services and trade finance services. Fee and commission income is recognized when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer or is interest in nature. In these cases the fee is recognized as income in the accounting period in which the costs or risk is incurred or is accounted for as interest income.

2. 重大會計政策(續)

(t) 收益確認(續)

(i) 利息收入(續)

計算收益利息及開支

於計算收益利息及開支時，資產的賬面總值(當資產為非信貸減值)或負債的攤銷成本採用實際利率。

然而，對於初始確認後出現信貸減值的金融資產，利息收入的計算方法是將實際利率應用於金融資產的攤銷成本。若資產不再為信貸減值，則利息收入的計算將恢復為總額。

對於初始確認時信貸減值的金融資產，利息收入的計算方法是將信貸調整實際利率應用於資產的攤銷成本。即使資產的信貸風險有所改善，利息收入的計算亦不會恢復為總額。

有關金融資產何時出現信貸減值的資料，請參閱附註2(o)。

(ii) 通過損益以反映公平價值之金融工具淨收益以及交易淨收益

通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

(iii) 費用及佣金收入

費用及佣金收入乃本集團提供金融服務，包括信貸業務、保險業務、經紀服務、投資服務、信託基金業務、信用卡業務及貿易融資業務。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

2. MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(iii) Fee and commission income (continued)

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognized as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at FVPL. In this case it is immediately recognized in profit or loss. If the commitment expires without the Group making a loan, the fee is recognized as revenue on expiry.

(iv) Finance income from finance leases and hire purchase contracts

Finance income implicit in finance leases and hire purchase contracts is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivables are recognized as income in the accounting period in which they are earned.

(v) Rental income from operating lease

Rental income received under operating leases is recognized as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable over the lease term. Contingent rentals receivables are recognized as income in the accounting period in which they are earned.

(vi) Dividend income

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is irrevocably established. Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

(u) Translation of foreign currencies

The Group's functional currency is Hong Kong Dollars. Foreign currency transactions during the year are translated into Hong Kong Dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong Dollars at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are dealt with in profit or loss.

2. 重大會計政策(續)

(t) 收益確認(續)

(iii) 費用及佣金收入(續)

本集團已收導致建立或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，則該費用於期滿時確認為收益。

(iv) 來自融資租約及租購合約之財務收入

融資租約之隱含財務收入及租購合約於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於所賺取的會計期間確認為收入。

(v) 經營租賃產生之租金收入

根據經營租賃收取之租金收入於租賃期間內以等額方式在其他營運收入中確認，但如有另一基準更能代表租賃資產所產生之利益之模式則除外。已授出之租賃獎勵於損益賬內確認為租期內的應收總租賃款項淨額的一部分。應收或然租金於所賺取的會計期間確認為收入。

(vi) 股息收入

非上市投資之股息收入於股東收取款項之權利確立為不可撤回時予以確認。上市投資之股息收入於投資項目之股價除息時確認。

(u) 外幣換算

本集團的記賬單位幣別為港元。本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以報告期末之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

2. MATERIAL ACCOUNTING POLICIES (continued)

(u) Translation of foreign currencies (continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong Dollars using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong Dollars at exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to financial instruments held at FVPL and derivative financial instruments are included in gain less loss from dealing in trading assets. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign exchange in profit or loss and are reported within "Other operating income". Differences arising on translation of equity securities designated at FVOCI are recognized in other comprehensive income.

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(a) a person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) an entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. 重大會計政策(續)

(u) 外幣換算(續)

以外幣定值並以歷史成本列賬之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬之非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

通過損益以反映公平價值之金融工具及衍生金融工具的匯兑差額包括持作交易用途資產淨盈虧。其他有關貨幣性項目的匯兑差額則於損益賬內呈列為外匯買賣淨盈虧，並於「其他營運收入」內呈報。換算指定以公平價值於其他全面收益計量之股本證券之差額於其他全面收益確認。

(v) 關聯方

就此等財務報告而言，被視為與本集團有關連的一方是指：

(a) 個人或該個人之近親家庭成員，該個人在以下情況下被視為與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 是本集團或本集團之母公司的主要管理人員。

(b) 在以下任何情況下一實體會視為與本集團有關連：

(i) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司互相關連)。

(ii) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。

(iii) 兩個實體是同一第三方的合營公司。

(iv) 一實體是一第三方的合營公司而另一實體則是該第三方的聯營公司。

2. MATERIAL ACCOUNTING POLICIES (continued)

(v) Related parties (continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries. For information required to be reported in accordance with the Banking (Disclosures) Rules ("BDR"), the basis of consolidation is set out in Note (A) in the Unaudited Supplementary Financial Information on page 198.

2. 重大會計政策(續)

(v) 關聯方(續)

(v) 該實體是提供予本集團或與本集團有關連之實體的僱員離職後福利計劃。

(vi) 該實體受在(a)項中所辨別的個人所控制或共同控制。

(vii) 在(a)(i)項中所辨別的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員。

(viii) 實體或組成集團一部分的任何成員公司向集團或集團母公司提供主要管理人員服務。

個人的近親家庭成員指預料可於彼等與實體交易中影響該個人(或受該個人影響)的家庭成員。

(w) 分部資料

財務報告中的經營分部和每個分部項目的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. 綜合基準

該等綜合財務報告涵蓋本行及本行所有附屬公司的綜合狀況。根據《銀行業(披露)規則》所需呈報的資料，其綜合基準載列於第198頁未經審核補充財務資料附註(A)內。

4. INTEREST INCOME AND EXPENSE

(a) Interest income

4. 利息收入及支出

(a) 利息收入

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Loans and advances	借款及貸款	**3,752,978**	3,594,669
Investment in securities	證券投資	**3,289,471**	2,454,409
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**689,736**	400,578
Interest income calculated using the effective interest method	採用實際利率法計算之利息收入	**7,732,185**	6,449,656
Other interest income	其他利息收入	**2,207**	2,391
Total interest income	利息收入總額	**7,734,392**	6,452,047

Interest income derived from financial assets that are not measured at fair value through profit or loss amounted to HK$7,732,185,000 (2023: HK$6,449,656,000).

非通過損益以反映公平價值計量之金融資產產生之利息收入為7,732,185,000港元(二零二三年：6,449,656,000港元)。

Interest income from finance lease receivables amounted to HK$4,678,000 (2023: HK$8,657,000).

源自融資租賃應收款的利息收入為4,678,000港元(二零二三年：8,657,000港元)。

(b) Interest expense

(b) 利息支出

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Deposits from customers	客戶存款	**4,840,715**	3,872,417
Financial assets sold under repurchase agreements	購回協議項下出售之金融資產	**199,937**	332,579
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**74,586**	68,169
Lease liabilities	租賃負債	**3,559**	2,304
Certificates of deposit and debt securities issued	已發行存款證及債務證券	**738**	16,951
Others	其他	**33,311**	44,311
		5,152,846	4,336,731

Interest expense incurred by financial liabilities that are not measured at fair value through profit or loss amounted to HK$5,152,846,000 (2023: HK$4,336,731,000).

非通過損益以反映公平價值計量之金融負債產生之利息支出為5,152,846,000港元(二零二三年：4,336,731,000港元)。

5. FEE AND COMMISSION INCOME AND EXPENSE
5. 費用及佣金收入及支出

(a) Fee and commission income
(a) 費用及佣金收入

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Fee and commission income arising from:	費用及佣金收入來自：		
Insurance services	保險業務	**209,922**	146,115
Credit card services	信用卡業務	**101,094**	120,084
Credit related services	信貸業務	**67,436**	56,465
Securities brokerage and investment services	證券經紀及投資服務	**22,331**	19,629
Unit trust services	信託基金業務	**17,295**	15,012
Trade finance services	貿易融資業務	**23,490**	23,592
Other fees	其他費用	**42,571**	35,173
		484,139	416,070
Of which:	其中：		
Fee and commission income arising from:	費用及佣金收入來自：		
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	－非通過損益以反映公平價值之金融資產或金融負債	**173,337**	184,298
– Trust and other fiduciary activities	－信託及其他受託業務	**2,153**	2,036

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group holds assets or invests on behalf of customers.

來自信託及其他受託業務的費用及佣金收入與本集團資產或代表客戶進行投資所收取的資產管理業務費用相關。

(b) Fee and commission expense
(b) 費用及佣金支出

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Handling fees and commission	手續費及佣金	**75,938**	74,503
Other fees paid	其他已付費用	**24,201**	21,084
		100,139	95,587
Of which:	其中：		
Fee and commission expense arising from financial assets or financial liabilities which are not measured at fair value through profit or loss	費用及佣金支出來自非通過損益以反映公平價值之金融資產或金融負債	**94,198**	90,122

6. OTHER OPERATING (EXPENSE)/INCOME

6. 其他營運(開支)／收入

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Gains less losses from dealing	**交易收益減虧損**		
– Foreign exchange	－外匯	**79,698**	12,716
– Trading assets	－持作交易用途資產	**35,087**	74,871
– Other dealing activities*	－其他買賣交易*	**18,000**	13,083
– Short selling activities	－賣空交易	**(15,966)**	(16,878)
		116,819	83,792
Net hedging loss from fair value hedges	**公平價值對沖之淨對沖虧損**		
Net (loss)/gain on hedged items attributable to the hedged risk	與對沖風險相關之被對沖項目之淨(虧損)／收益	**(135,094)**	385,506
Net loss on hedging instruments	對沖工具之淨虧損	**(17,647)**	(478,959)
		(152,741)	(93,453)
Dividend income from unlisted equity securities (Note 33(a)(i))	非上市股本證券之股息收入(附註33(a)(i))	**7,696**	28,929
Rental income	租金收入		
– from investment properties (Note 21(b)(ii))	－來自投資物業(附註21(b)(ii))	**386**	511
– others	－其他	**291**	288
Others	其他	**18,035**	14,232
		(9,514)	34,299

* *Other dealing activities include customer-driven dealing in financial instruments including options and structured deposit products.*

* *其他買賣交易包括客戶買賣金融工具(包括期權及結構性存款產品)。*

7. OPERATING EXPENSES

7. 營運支出

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	**24,487**	22,631
Current service cost of defined benefit scheme (Note 30(a)(v))	定額福利計劃現時服務成本（附註30(a)(v)）	**7,460**	8,262
Retirement schemes costs	退休計劃成本	**31,947**	30,893
Salaries and other staff costs	薪金及其他僱員成本	**766,190**	675,520
		798,137	706,413
Premises and other fixed assets	物業及其他固定資產		
Depreciation (Note 21(a))	折舊(附註21(a))	**194,609**	179,162
Government rent and rates and expenses on short-term leases	政府地租及差餉以及短期租賃支出	**4,902**	4,642
Others	其他	**18,274**	20,512
Audit fee	核數費用	**6,346**	5,263
Other operating expenses	其他營運支出		
Business promotion	業務推廣	**39,411**	38,041
Legal and professional fees	法律及顧問費用	**31,067**	50,529
Communication	通訊	**34,102**	34,534
Electronic data processing and computer systems	電子資料處理及電腦系統	**98,994**	86,353
Others	其他	**59,982**	49,695
		1,285,824	1,175,144

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the HKCO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8. 董事薪酬

根據公司條例第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事薪酬如下：

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Basic salaries and other allowances	底薪及其他津貼	**6,935**	6,628
Directors' fee	董事袍金	**6,835**	6,118
Contributions to pension scheme	退休計劃供款	**315**	300
Discretionary bonuses	酌情花紅	**7,500**	7,750
		21,585	20,796

9. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

9. 客戶貸款減值虧損

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Impairment losses on advances to customers:	客戶貸款減值虧損：		
– Stage 1	－第一階段	**(28,132)**	(62,707)
– Stage 2	－第二階段	**(12,031)**	5,351
– Stage 3	－第三階段	**647,441**	441,645
– Bad debt recovery of previously written off	－收回先前已註銷的壞賬	**(38,533)**	(14,734)
		568,745	369,555

10. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

10. 綜合全面收益表內的所得稅

(a) Taxation in the consolidated statement of comprehensive income represents:

(a) 綜合全面收益表內的稅項指：

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Current tax – Hong Kong Profits Tax	**即期稅項－香港利得稅**		
Tax for the year (Note 26(a))	年內稅項（附註26(a)）	**161,978**	120,635
Over-provision in prior years	過往年度超額撥備	**(4,357)**	–
		157,621	120,635
Current tax – Overseas Tax	**即期稅項－海外稅項**		
Tax for the year	年內稅項	**–**	1,537
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences (Note 26(b))	暫時性差異產生及撥回（附註26(b)）	**9,840**	21,354
		167,461	143,526

Provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Taxation for overseas operations is similarly calculated using the estimated annual effective rates of taxation that are expected to apply in the relevant countries.

二零二四年之香港利得稅撥備乃根據本年度之評估應課稅溢利之16.5%（二零二三年：16.5%）計算。海外業務稅項的計算與之類似，為使用評估年度在相關國家預期應用的實際稅率計算。

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Profit before taxation	除稅前溢利	**1,074,039**	927,792
Notional tax on profit before taxation, calculated at the rates applicable to profits at 16.5% (2023: 16.5%)	除稅前溢利之估計稅項按16.5%之應課稅率計算（二零二三年：16.5%）	**177,216**	153,086
Tax effect of non-taxable income	非應課稅收入之稅項影響	**(36,492)**	(30,086)
Tax effect of non-deductible expenses	非可扣減支出之稅項影響	**31,094**	18,989
Overseas withholding taxes	海外預扣稅	**–**	1,537
Over-provision in prior years	過往年度超額撥備	**(4,357)**	–
Actual tax expense	實質稅項支出	**167,461**	143,526

11. OTHER COMPREHENSIVE INCOME

11. 其他全面收益

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Premises:	**物業：**		
Deficits on revaluation of premises	物業重估虧損	**(331,760)**	(137,436)
Deferred taxation arising from:	遞延税項來自：		
– revaluation of premises	－物業重估	**54,740**	22,677
– realisation of premises revaluation reserve	－物業重估儲備變現	**7,661**	8,286
Net movement in the premises revaluation reserve during the year recognized in other comprehensive income	本年度於其他全面收益確認之物業重估儲備淨變動	**(269,359)**	(106,473)
Equity securities designated at fair value through other comprehensive income:	**指定以公平價值於其他全面收益計量之股本證券：**		
Net movement in the investment revaluation reserve (non-recycling) during the year recognized in other comprehensive income	本年度於其他全面收益確認之投資重估儲備(非循環)淨變動	**120,759**	121,716
Defined benefit liability:	**定額福利負債：**		
Remeasurement of net defined benefit liability (Note 30(a)(v))	重新計量定額福利負債淨額（附註30(a)(v)）	**(6,127)**	(4,566)
Deferred taxation	遞延税項	**1,011**	753
Net movement in the defined benefit liability during the year recognized in other comprehensive income	本年度於其他全面收益確認之定額福利負債淨變動	**(5,116)**	(3,813)
Debt securities measured at fair value through other comprehensive income:	**以公平價值於其他全面收益計量之債務證券：**		
Deficits on revaluation of debt securities	債務證券重估虧損	**(29,611)**	–
Expected credit loss on debt securities	債務證券之預期信貸虧損	**14,995**	–
Deferred taxation	遞延税項	**2,412**	–
Net movement in the investment revaluation reserve (recycling) during the year recognized in other comprehensive income	本年度於其他全面收益確認之投資重估儲備(循環)淨變動	**(12,204)**	–

12. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer and Managing Director in deciding how to allocate resources and in assessing performance.

Operating segments

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

Retail Banking comprises consumer finance activities including credit card merchant acquiring, provision of credit card advances, mortgage lending and other consumer lending and wealth management services such as the sales and distribution of insurance products, investment products and securities brokerage to wealth management clients and provision of banking services to the mass market segment.

Institutional Banking comprises the corporate banking business and the financial institutions business, covering the provision of services including corporate lending, syndicated loans, trade financing and deposits to large corporates in Hong Kong and Mainland China. Institutional Banking also comprises the treasury investment business which mainly engages in managing the Group's investment portfolio and trading in foreign exchange and debt securities. Moreover, it is also responsible for the marketing of treasury products to the Group's customers.

Commercial Banking mainly engages in corporate lending, trade financing and commercial mortgage lending to small and medium enterprises in Hong Kong and Mainland China and the distribution of wealth management products to corporate customers.

Fubon Credit (Hong Kong) Limited ("Fubon Credit") is a wholly owned subsidiary of Fubon Bank (Hong Kong) Limited and mainly engages in consumer lending to individual customers in Hong Kong.

Funding Desk manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

12. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部分，相關之財務資料可被獨立地提供以及行政總裁及董事總經理用作定期評估以決定如何分配資源和評核表現。

經營分部

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報經營分部載列如下。

零售銀行包括消費金融業務及財富管理服務，前者包括信用卡商戶服務、信用卡信貸服務、按揭貸款及其他消費信貸，後者包括向財富管理客戶提供銷售和分銷保險產品、投資產品及證券經紀服務以及向大眾市場分部提供銀行服務。

企業及機構銀行包括企業銀行業務及金融機構業務，涵蓋向香港及中國內地之大型企業提供企業借貸、銀團貸款、貿易融資及存款服務。企業及機構銀行亦包括財務投資業務，主要從事本集團的投資組合管理以及外匯及債務證券的交易活動。此外，其亦負責向本集團客戶銷售財務產品。

商業銀行主要向香港及中國內地之中小企業提供企業借貸、貿易融資及商業按揭貸款以及向企業客戶分銷財富管理產品。

富邦財務(香港)有限公司(「富邦財務」)是富邦銀行(香港)有限公司的全資附屬公司，主要在香港從事個人客戶的消費信貸。

資金部管理本集團整體資金以及由銀行業務產生之流動性及利率風險部位。

12. SEGMENT REPORTING (continued)

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of operating income reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer pricing mechanisms. To reflect the benefit of joint efforts of two operating segments on a third party fee-related transaction, operating income derived from the transaction is split between the relevant operating segments.

Cost allocation is based on the direct costs incurred by the respective operating segments. For consistency with internal management reporting, there is no apportionment of central management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. Rental charges at market rates for usage of premises are reflected in net interest income, operating expenses and inter-segment expenses for the respective operating segments.

Segment assets mainly include advances to customers and banks, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments.

Segment liabilities mainly include deposits from customers, certificates of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue, interest expense, depreciation, amortization, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

12. 分部資料(續)

分部業績、資產及負債

按分部分析下之營運收入劃分，反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個經營分部在第三方非利息收入相關交易上共同努力所賺取之回報，從這交易上所賺取之營運收入會在相關之經營分部拆分。

成本分配則以各經營分部之直接成本計算。為與內部管理報告一致，中央管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，在各經營分部扣除。各經營分部使用物業，按市值計算之租金反映於各經營分部之淨利息收入、營運支出及跨分部支出內。

分部資產主要包括各經營分部應佔客戶及銀行同業貸款、證券及金融工具投資、銀行同業放款、流動資產及物業。

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業借款及應計款項。

除了分部資料中的除稅前溢利資料外，管理層亦獲提供分部資料中的有關收入、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

12. SEGMENT REPORTING (continued)
12. 分部資料(續)

Segment results, assets and liabilities (continued)
分部業績、資產及負債(續)

		For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度					
		Retail Banking 零售銀行 HK$'000 千港元	Institutional Banking 企業及機構銀行 HK$'000 千港元	Commercial Banking 商業銀行 HK$'000 千港元	Fubon Credit 富邦財務 HK$'000 千港元	Funding Desk 資金部 HK$'000 千港元	Reportable Segments Total 可申報分部總額 HK$'000 千港元
Interest income from external customers	源自外界客戶利息收入	744,830	5,193,850	818,823	8,643	960,635	7,726,781
Interest expense to external customers	支付予外界客戶的利息支出	(4,477,230)	(363,644)	(192,014)	(27)	(109,987)	(5,142,902)
Inter-segment income/(expenses)	跨分部收入/(支出)	4,233,327	(3,430,655)	(209,301)	–	(594,569)	(1,198)
Net interest income	淨利息收入	500,927	1,399,551	417,508	8,616	256,079	2,582,681
Other operating income/(loss) from external customers	源自外界客戶其他營運收入/(虧損)	414,234	(7,021)	59,613	858	(19,908)	447,776
Fee and commission expense	費用及佣金支出	(83,012)	(231)	(99)	(3,352)	(9,431)	(96,125)
Other operating income/(loss)	其他營運收入/(虧損)	331,222	(7,252)	59,514	(2,494)	(29,339)	351,651
Operating income	營運收入	832,149	1,392,299	477,022	6,122	226,740	2,934,332
Operating expenses	營運支出	(512,702)	(110,493)	(115,856)	(26,610)	(7,094)	(772,755)
Inter-segment expenses	跨分部支出	(33,185)	(3,296)	(4,135)	–	(191)	(40,807)
Operating profit/(loss) before other gains and impairment losses	未計其他收益及減值虧損前經營溢利/(虧損)	286,262	1,278,510	357,031	(20,488)	219,455	2,120,770
Impairment losses on advances to customers	客戶貸款減值虧損	(84,740)	(157,900)	(316,543)	(9,562)	–	(568,745)
Write back of/(charge for) impairment losses on other financial instruments	其他金融工具減值虧損之回撥/(扣除)	1,816	927	(2,716)	–	(5,094)	(5,067)
Write back of/(charge for) impairment losses on other assets	其他資產減值虧損之回撥/(扣除)	(1,767)	–	531	–	–	(1,236)
Net gains/(losses) on disposal of fixed assets	出售固定資產淨收益/(虧損)	463	–	(598)	–	–	(135)
Net losses on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨虧損	–	(578)	–	–	–	(578)
Profit/(loss) before taxation	除稅前溢利/(虧損)	202,034	1,120,959	37,705	(30,050)	214,361	1,545,009
Operating expenses – depreciation	營運支出–折舊	(95,283)	(5,925)	(10,958)	(3,827)	(246)	(116,239)
Segment assets	分部資產	18,983,508	96,122,471	13,132,332	204,178	27,780,584	156,223,073
Segment liabilities	分部負債	124,092,721	6,126,812	7,973,697	92,976	3,676,360	141,962,566

12. SEGMENT REPORTING (continued)
Segment results, assets and liabilities (continued)

12. 分部資料(續)
分部業績、資產及負債(續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

		Retail Banking 零售銀行 HK$'000 千港元	Institutional Banking 企業及機構銀行 HK$'000 千港元	Commercial Banking 商業銀行 HK$'000 千港元	Fubon Credit 富邦財務 HK$'000 千港元	Funding Desk 資金部 HK$'000 千港元	Reportable Segments Total 可申報分部總額 HK$'000 千港元
Interest income from external customers	源自外界客戶利息收入	750,222	4,290,228	808,763	2,149	591,787	6,443,149
Interest expense to external customers	支付予外界客戶的利息支出	(3,189,725)	(843,255)	(180,727)	(188)	(112,603)	(4,326,498)
Inter-segment income/(expenses)	跨分部收入/(支出)	2,837,343	(2,677,361)	(202,464)	–	41,160	(1,322)
Net interest income	淨利息收入	397,840	769,612	425,572	1,961	520,344	2,115,329
Other operating income/(loss) from external customers	源自外界客戶其他營運收入/(虧損)	346,713	45,171	55,972	125	(40,869)	407,112
Fee and commission expense	費用及佣金支出	(79,821)	(170)	(130)	(3,088)	(8,345)	(91,554)
Other operating income/(loss)	其他營運收入/(虧損)	266,892	45,001	55,842	(2,963)	(49,214)	315,558
Operating income/(loss)	營運收入/(虧損)	664,732	814,613	481,414	(1,002)	471,130	2,430,887
Operating expenses	營運支出	(462,186)	(96,559)	(103,698)	(20,938)	(7,235)	(690,616)
Inter-segment expenses	跨分部支出	(41,185)	(4,133)	(4,236)	–	(206)	(49,760)
Operating profit/(loss) before other gains and impairment losses	未計其他收益及減值虧損前經營溢利/(虧損)	161,361	713,921	373,480	(21,940)	463,689	1,690,511
Impairment losses on advances to customers	客戶貸款減值虧損	(19,030)	(291,904)	(57,958)	(663)	–	(369,555)
Write back of/(charge for) impairment losses on other financial instruments	其他金融工具減值虧損之回撥/(扣除)	3,556	12,621	2,296	–	(92)	18,381
Impairment losses on other assets	其他資產減值虧損	(227)	–	(15,470)	–	–	(15,697)
Net losses on disposal of fixed assets	出售固定資產淨虧損	(21)	–	–	–	–	(21)
Net losses on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨虧損	–	(289)	–	–	–	(289)
Profit/(loss) before taxation	除稅前溢利/(虧損)	145,639	434,349	302,348	(22,603)	463,597	1,323,330
Operating expenses – depreciation	營運支出–折舊	(86,562)	(6,458)	(11,580)	(2,796)	(280)	(107,676)
Segment assets	分部資產	20,043,796	81,003,861	13,898,780	101,244	20,522,411	135,570,092
Segment liabilities	分部負債	96,065,228	13,912,768	7,457,839	39,990	4,861,028	122,336,853

12. SEGMENT REPORTING (continued)

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

12. 分部資料(續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬

		For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度 HK$'000 千港元
Operating income	**營運收入**		
Reportable segment operating income	可申報分部營運收入	**2,934,332**	2,430,887
Elimination of inter-segment operating income	跨分部營運收入抵銷	**(76,600)**	(83,228)
Unallocated operating income	未分配營運收入	**98,300**	122,439
Consolidated operating income	綜合營運收入	**2,956,032**	2,470,098

		For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度 HK$'000 千港元
Profit before taxation	**除稅前溢利**		
Reportable segment profit before taxation	可申報分部除稅前溢利	**1,545,009**	1,323,330
Unallocated operating income	未分配營運收入	**98,300**	122,439
Unallocated operating expenses	未分配營運支出	**(548,862)**	(517,996)
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨收益	**3,214**	–
Impairment losses on assets acquired under lending agreements	根據借貸協議所收購資產減值虧損	**(1,000)**	(800)
(Loss)/gain on revaluation of investment properties	投資物業重估(虧損)／收益	**(22,800)**	868
Net gains/(losses) on disposal of fixed assets	出售固定資產淨收益／(虧損)	**178**	(49)
Consolidated profit before taxation	綜合除稅前溢利	**1,074,039**	927,792

12. SEGMENT REPORTING (continued)

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

12. 分部資料(續)

可申報分部營運收入、除税前溢利、資產及負債之對賬(續)

		As at 31 December 2024 於二零二四年十二月三十一日 HK$'000 千港元	As at 31 December 2023 於二零二三年十二月三十一日 HK$'000 千港元
Assets	**資產**		
Reportable segment assets	可申報分部資產	**156,223,073**	135,570,092
Unallocated fixed assets and investment properties	未分配固定資產及投資物業	**2,983,037**	3,379,025
Unallocated other assets	未分配其他資產	**1,045,640**	2,032,499
Consolidated total assets	綜合資產總額	**160,251,750**	140,981,616

		As at 31 December 2024 於二零二四年十二月三十一日 HK$'000 千港元	As at 31 December 2023 於二零二三年十二月三十一日 HK$'000 千港元
Liabilities	**負債**		
Reportable segment liabilities	可申報分部負債	**141,962,566**	122,336,853
Unallocated other liabilities	未分配其他負債	**1,740,472**	2,679,147
Consolidated total liabilities	綜合負債總額	**143,703,038**	125,016,000

Geographical information

Geographical segment information is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Group responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2024 and 2023, all of the Group's operating income and profit before taxation were generated by assets booked by the branches and subsidiaries of the Group located in Hong Kong. No single country or geographic segment other than Hong Kong contributed 10% or more of the Group's assets, liabilities, profit or loss before taxation, operating income or contingent liabilities and commitments.

區域資料

區域分部資料乃基於附屬公司之主要營運地點或負責申報業績或將資產入賬之本集團分行位置、客戶位置及資產位置予以披露。截至二零二四年及二零二三年十二月三十一日止年度，本集團所有營運收入及除税前溢利均來自位於香港的本集團分行及附屬公司入賬之資產所產生。概無香港以外的其他國家或區域分部佔本集團的資產、負債、除税前溢利或虧損、營運收入或或然負債及承擔10%或以上。

Major customers

For the years ended 31 December 2024 and 2023, no single customer or a group of customers under common control contributed 10% or more of the Group's operating income.

主要客戶

截至二零二四年及二零二三年十二月三十一日止年度，概無單一客戶或共同控制之一組客戶佔本集團營運收入10%或以上。

13. CASH AND SHORT-TERM FUNDS

13. 現金及短期資金

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Cash in hand	現金	**139,252**	127,599
Balances with the Hong Kong Monetary Authority ("HKMA")	香港金融管理局(「金管局」)結餘	**700,754**	204,439
Balances with banks	銀行同業之結餘	**870,975**	725,804
Money at call and short notice *	通知及短期存款*	**6,805,091**	6,046,162
		8,516,072	7,104,004

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

* *通知及短期存款指由報告期末起計最長一個月到期之存款。*

14. TRADING ASSETS

14. 持作交易用途資產

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Trading assets at fair value	*按公平價值列賬之持作交易用途資產*		
Treasury bills (including Exchange Fund Bills) – Unlisted	國庫券(包括外匯基金票據) －非上市	**1,436,973**	1,696,831

All trading assets held by the Group are issued by governments and central banks.

所有由本集團持有之持作交易用途資產由政府及中央銀行發行。

15. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivative positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading or qualifying for hedge accounting.

15. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。衍生工具亦用以管理本集團所承受的市場風險，作為其資產負債管理程序的一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦購買交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途或合資格採用對沖會計法。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the end of the reporting period and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

15. 衍生金融工具(續)

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於報告期末尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

		31 December 2024 二零二四年十二月三十一日		
		Qualifying for hedge accounting 合資格採用對沖會計法 HK$'000 千港元	Held for trading 持作交易用途 HK$'000 千港元	Total 總額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	－遠期	–	3,582,330	3,582,330
– Swaps	－掉期	–	11,443,990	11,443,990
– Options purchased	－購入期權	–	2,336,277	2,336,277
– Options written	－沽出期權	–	2,336,277	2,336,277
		–	19,698,874	19,698,874
Interest rate derivatives	利率衍生工具			
– Swaps	－掉期	31,084,067	79,992	31,164,059
		31,084,067	79,992	31,164,059
Equity derivatives	股票衍生工具			
– Options purchased	－購入期權	–	5,235	5,235
– Options written	－沽出期權	–	5,235	5,235
		–	10,470	10,470
Total	總額	31,084,067	19,789,336	50,873,403

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

15. 衍生金融工具(續)

(a) 衍生工具之名義金額(續)

		31 December 2023 二零二三年十二月三十一日		
		Qualifying for hedge accounting 合資格採用對沖會計法 HK$'000 千港元	Held for trading 持作交易用途 HK$'000 千港元	Total 總額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	–遠期	–	540,536	540,536
– Swaps	–掉期	–	12,506,966	12,506,966
– Options purchased	–購入期權	–	1,720,873	1,720,873
– Options written	–沽出期權	–	1,720,873	1,720,873
		–	16,489,248	16,489,248
Interest rate derivatives	利率衍生工具			
– Swaps	–掉期	27,345,659	72,545	27,418,204
		27,345,659	72,545	27,418,204
Equity derivatives	股票衍生工具			
– Options purchased	–購入期權	–	16,855	16,855
– Options written	–沽出期權	–	16,855	16,855
		–	33,710	33,710
Total	總額	27,345,659	16,595,503	43,941,162

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

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

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

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第39號指定作對沖之對沖工具。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives

The following is a summary of the fair value of derivatives of the Group. These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements.

15. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額

以下為本集團衍生工具之公平價值概要。該等金額並無計及雙邊淨額結算安排之影響以總額顯示。

		31 December 2024 二零二四年十二月三十一日		31 December 2023 二零二三年十二月三十一日	
		Fair value assets 公平價值資產 HK$'000 千港元	Fair value liabilities 公平價值負債 HK$'000 千港元	Fair value assets 公平價值資產 HK$'000 千港元	Fair value liabilities 公平價值負債 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具				
– Forwards	–遠期	**12,586**	**56,191**	1,238	974
– Swaps	–掉期	**65,832**	**28,252**	42,228	65,468
– Options purchased	–購入期權	**7,211**	**–**	1,434	–
– Options written	–沽出期權	**–**	**7,207**	–	1,436
		85,629	**91,650**	44,900	67,878
Interest rate derivatives	利率衍生工具				
– Swaps	–掉期	**1,830,532**	**10,036**	1,710,645	25,241
		1,830,532	**10,036**	1,710,645	25,241
Equity derivatives	股票衍生工具				
– Options purchased	–購入期權	**22**	**–**	75	–
– Options written	–沽出期權	**–**	**22**	–	75
		22	**22**	75	75
Total	總額	**1,916,183**	**101,708**	1,755,620	93,194

The credit risk weighted amounts of derivatives of the Group is HK$175.2 million as at 31 December 2024 (2023: HK$136.3 million). Credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance ("HKBO"). The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 2% to 100%.

於二零二四年十二月三十一日，本集團衍生工具之信貸風險加權金額為175,200,000港元(二零二三年：136,300,000港元)。信貸風險加權金額指根據香港《銀行業條例》項下之《銀行業(資本)規則》計算之金額。此等金額須視乎交易對手之現況及到期特點而定。所採用之信貸風險加權比率介乎2%至100%之間。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Remaining maturity of derivatives

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

15. 衍生金融工具(續)

(c) 衍生工具之剩餘期限

下表為本集團按於報告期末時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

		Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額			
		Total 總額 HK$'000 千港元	1 year or less 一年或以下 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
31 December 2024	**二零二四年十二月三十一日**				
Exchange rate derivatives	匯率衍生工具	**19,698,874**	**16,689,896**	**3,008,978**	**–**
Interest rate derivatives	利率衍生工具	**31,164,059**	**3,948,223**	**19,274,748**	**7,941,088**
Equity derivatives	股票衍生工具	**10,470**	**10,470**	**–**	**–**
Total	總額	**50,873,403**	**20,648,589**	**22,283,726**	**7,941,088**

		Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額			
		Total 總額 HK$'000 千港元	1 year or less 一年或以下 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
31 December 2023	二零二三年十二月三十一日				
Exchange rate derivatives	匯率衍生工具	16,489,248	14,156,040	2,333,208	–
Interest rate derivatives	利率衍生工具	27,418,204	4,687,381	14,714,393	8,016,430
Equity derivatives	股票衍生工具	33,710	33,710	–	–
Total	總額	43,941,162	18,877,131	17,047,601	8,016,430

(d) Fair values of derivatives designated as hedging instruments

Fair value hedges

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate debt securities investment. Pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment with terms that closely align with the critical terms of the hedged item.

(d) 指定作為對沖工具之衍生工具之公平價值

公平價值對沖

本集團使用利率掉期以對沖其若干固定利率債務證券投資的公平價值變動的風險。支付固定／收取浮動利率掉期與其條款與對沖項目的關鍵條款緊密一致的固定利率債務證券投資相匹配。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 36(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate debt securities investment, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in the fair value of fixed rate debt securities investment are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties, requiring the counterparties to post collateral and clearing through central counterparties (see Note 36(a)(vi)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks.

The Group establishes a hedge ratio by aligning the par amount of the hedged fixed rate debt securities investment and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group's policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met:

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.96.
- The slope of the regression line is within a range of -0.8 and -1.25.
- Statistical validity of the overall regression model (F-statistic) must be small.

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

本集團管理市場風險(包括利率風險)的方法於附註36(b)中予以討論。本集團應用對沖會計法的利率風險來自固定利率債務證券投資，其公平價值在基準利率變動時發生波動。由於固定利率債務證券的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。倘經濟對沖關係符合對沖會計準則，則應用對沖會計法。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面臨衍生交易對手的信貸風險。本集團通過訂立與優質交易對手的交易、要求交易對手提供抵押及通過中央交易對手進行清算(見附註36(a)(vi))，最大程度地減少衍生工具的交易對手信貸風險。

在本集團應用公平價值對沖會計法之前，本集團根據對該等項目的定性特徵的評估及定量分析支持的對沖風險，確定對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮對沖項目及對沖工具的關鍵條款是否緊密一致。本集團評估對沖項目及對沖工具的公平價值是否與類似風險的回應相似。

本集團通過調整對沖固定利率債務證券的面值及指定為對沖工具的利率掉期的名義金額來確定對沖比率。根據本集團的政策，為得出對沖關係有效的結論，應滿足以下所有標準：

- 計量回歸變量之間相關性的回歸系數(R的平方)至少為0.96。
- 回歸線的斜率介乎－0.8及－1.25之間。
- 整體回歸模型(F統計量)的統計有效性必須很小。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

In these hedge relationships, the main source of ineffectiveness is expected to be the effect of the counterparty's and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate.

The Group holds the following interest rate swaps as hedging instruments in fair value hedges of interest risk.

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

在該等對沖關係中，無效性的主要來源預計為交易對手及本集團本身的信貸風險對利率掉期的公平價值的影響，這不會反映在利率變動應佔的對沖項目的公平價值上。

本集團持有以下利率掉期作為利率風險公平價值對沖的對沖工具。

		Remaining maturity of 剩餘年期		
		1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上
31 December 2024	**二零二四年十二月三十一日**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**
Risk category	**風險類別**			
Interest rate risk	**利率風險**			
Hedge of debt securities measured at amortized cost	*對沖以攤銷成本計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	**3,948,223**	**17,317,823**	**6,822,946**
Average fixed interest rate	平均固定利率	**3.19%**	**3.59%**	**3.22%**
Hedge of debt securities measured at fair value through other comprehensive income	*對沖以公平價值於其他全面收益計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	**–**	**1,956,925**	**1,038,150**
Average fixed interest rate	平均固定利率	**–**	**4.23%**	**3.89%**

		Remaining maturity of 剩餘年期		
		1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
31 December 2023	二零二三年十二月三十一日			
Risk category	風險類別			
Interest rate risk	利率風險			
Hedge of debt securities measured at amortized cost	*對沖以攤銷成本計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	4,687,381	14,714,393	7,943,885
Average fixed interest rate	平均固定利率	3.89%	3.37%	3.13%

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of certain of the Group's fixed rate debt securities investment due to movements in market interest rates.

公平價值對沖包括用作保障若干本集團所持定息債務證券因市場利率變動而出現之公平價值變化的利率掉期。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額及對沖無效性載列如下：

		31 December 2024 二零二四年十二月三十一日					
			Carrying amount 賬面值				
		Nominal amount 名義金額 HK$'000 千港元	Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	Change in value used as the basis for recognising hedge ineffectiveness for the year 用於計量年內經確認對沖無效性的公平價值變動 HK$'000 千港元	Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表中的項目	Line item in profit or loss that includes hedge ineffectiveness 包含對沖無效性的損益賬內項目
Interest rate risk	利率風險						
Interest rate swaps – hedge of debt securities measured at amortized cost	利率掉期 －對沖以攤銷成本計量之債務證券	28,088,992	1,750,602	7,885	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
Interest rate swaps – hedge of debt securities measured at fair value through other comprehensive income	利率掉期 －對沖以公平價值於其他全面收益計量之債務證券	2,995,075	79,266	1,487	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

		31 December 2023 二零二三年十二月三十一日					
		Nominal amount 名義金額 HK$'000 千港元	Carrying amount 賬面值 Assets 資產 HK$'000 千港元	Carrying amount 賬面值 Liabilities 負債 HK$'000 千港元	Change in value used as the basis for recognising hedge ineffectiveness for the year 用於計量年內經確認對沖無效性的公平價值變動 HK$'000 千港元	Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表中的項目	Line item in profit or loss that includes hedge ineffectiveness 包含對沖無效性的損益賬內項目
Interest rate risk	**利率風險**						
Interest rate swaps – hedge of debt securities measured at amortized cost	利率掉期 – 對沖以攤銷成本計量之債務證券	27,345,659	1,710,645	25,241	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The amounts relating to items designated as hedged items were as follows:

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額載列如下：

		31 December 2024 二零二四年十二月三十一日					
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for the year 用於計量年內對沖無效性的公平價值變動	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	26,567,943	-	(1,168,550)	-	-	-
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	2,937,582	-	-	-	-	-

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

		31 December 2023 二零二三年十二月三十一日					
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for the year 用於計量年內對沖無效性的公平價值變動	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	Assets 資產 HK$'000 千港元	Liabilities 負債 HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	25,999,194	–	(1,259,227)	–	–	–

16. ADVANCES TO CUSTOMERS

(a) Advances to customers less impairment allowances

16. 客戶貸款

(a) 客戶貸款減減值撥備

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Gross advances to customers	客戶貸款總額	**63,162,642**	64,641,777
Less: Impairment allowances (Note 36(a)(xi))	減：減值撥備(附註36(a)(xi))		
– Stage 1	– 第一階段	**(137,671)**	(165,803)
– Stage 2	– 第二階段	**(60,141)**	(72,172)
– Stage 3	– 第三階段	**(263,177)**	(104,864)
		62,701,653	64,298,938

16. ADVANCES TO CUSTOMERS (continued)

(b) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

16. 客戶貸款(續)

(b) 按行業分析的客戶貸款

以下客戶貸款總額的經濟行業分析乃基於金管局所採用的類別及定義。

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額		
Industrial, commercial and financial	工商金融		
– Property development	－物業發展	**5,826,631**	7,109,914
– Property investment	－物業投資	**8,574,869**	9,348,315
– Financial concerns	－金融企業	**1,883,361**	2,436,181
– Stockbrokers	－股票經紀	**196,701**	10,000
– Wholesale and retail trade	－批發及零售業	**1,292,059**	1,290,380
– Manufacturing	－製造業	**2,457,453**	2,400,523
– Transport and transport equipment	－運輸及運輸設備	**177,252**	156,755
– Information technology	－資訊科技	**821,043**	816,757
– Electricity and gas	－電力及煤氣	**1,019,992**	472,545
– Others	－其他	**6,354,829**	5,174,614
Individuals	個人		
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	－購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	**33,233**	1,831
– Loans for the purchase of other residential properties	－購買其他住宅物業的貸款	**12,457,780**	13,154,087
– Credit card advances	－信用卡貸款	**809,543**	890,443
– Others	－其他	**3,370,516**	3,368,873
		45,275,262	46,631,218
Trade finance	貿易融資	**4,726,730**	5,285,954
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	**13,160,650**	12,724,605
Gross advances to customers	客戶貸款總額	**63,162,642**	64,641,777

16. ADVANCES TO CUSTOMERS (continued)

(c) Impaired advances to customers

16. 客戶貸款(續)

(c) 客戶減值貸款

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	% of gross advances 佔貸款總額	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元	% of gross advances 佔貸款總額
Gross impaired advances (Note 36(a)(ix))	減值貸款總額(附註36(a)(ix))	**1,206,887**	**1.91**	361,211	0.56
Stage 3 impairment allowances made against impaired loans	就減值貸款作出的第三階段減值撥備	**(263,177)**		(104,864)	
		943,710		256,347	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	**843,730**		198,846	

Collateral mainly comprises mortgage interests over residential properties with the Group. It does not include any expected recovery from companies in liquidation and government guarantee schemes.

抵押品主要包括抵押予本集團的住宅物業按揭，當中不包括任何預期自公司清盤及政府擔保計劃之收回款項。

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

Advances to customers include the net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

(d) 融資租賃及租購合約之投資淨額

客戶貸款中包括根據融資租賃及具融資租賃特性之租購合約租予客戶之汽車及設備的投資淨額。合約一般初步為期三至五年，附帶按名義價值購買所租用資產之選擇權。根據融資租賃及租購合約應收之最低租賃還款總金額及於年結日之現值如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Total minimum lease payments due:	最低租賃還款總金額到期期限為：		
– within 1 year	——一年以內	**36,865**	64,183
– after 1 year but within 5 years	——一年以後惟五年以內	**12,849**	48,312
		49,714	112,495
Interest income relating to future periods	與未來期間有關之利息收入	**(2,131)**	(8,097)
Present value of the minimum lease payments receivable	應收最低租賃還款之現值	**47,583**	104,398
Impairment allowances on:	減值撥備：		
– Stage 1	——第一階段	**(278)**	(630)
– Stage 2	——第二階段	**–**	(794)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	**47,305**	102,974

16. ADVANCES TO CUSTOMERS (continued)

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

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

16. 客戶貸款(續)

(d) 融資租賃及租購合約之投資淨額(續)

減值撥備前最低租賃還款現值之期限組別如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Within 1 year	一年以內	**35,066**	58,599
After 1 year but within 5 years	一年以後惟五年以內	**12,517**	45,799
		47,583	104,398

17. ADVANCES TO BANKS

17. 銀行同業貸款

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Gross advances to banks	銀行同業貸款總額	**7,179,074**	3,292,607
Less: Impairment allowances (Note 36(a)(xi))	減：減值撥備(附註36(a)(xi))		
– Stage 1	－第一階段	**(10,617)**	(713)
		7,168,457	3,291,894

Based on the categories and definitions used by the HKMA, the economic sector analysis of gross advances to banks are all classified as advances for use outside Hong Kong as at 31 December 2024 and 2023. There was no overdue or impaired advances to banks as at 31 December 2024 (2023: Nil). There was no collateral held in respect of these advances to banks as at 31 December 2024 (2023: Nil).

基於金管局所採用的類別及定義，於二零二四年及二零二三年十二月三十一日，銀行同業貸款總額的經濟行業分析均分類為在香港以外使用的貸款。於二零二四年十二月三十一日，並無已逾期或已減值銀行同業貸款(二零二三年：無)。於二零二四年十二月三十一日，並無就銀行同業貸款持有的抵押品(二零二三年：無)。

18. DEBT SECURITIES MEASURED AT AMORTIZED COST

18. 以攤銷成本計量之債務證券

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Debt securities measured at amortized cost	*以攤銷成本計量之債務證券*		
Treasury bills (including Exchange Fund Bills)	國庫券(包括外匯基金票據)		
– Listed in Hong Kong	– 於香港上市	**–**	34,651
– Listed outside Hong Kong	– 於香港以外上市	**93,340**	94,098
– Unlisted	– 非上市	**–**	5,774,306
Certificates of deposit held	所持存款證		
– Unlisted	– 非上市	**100,000**	–
Debt securities	債務證券		
– Listed in Hong Kong	– 於香港上市	**10,781,293**	13,389,935
– Listed outside Hong Kong	– 於香港以外上市	**9,536,002**	9,340,077
– Unlisted	– 非上市	**21,544,312**	20,396,276
Gross carrying amount	賬面總值	**42,054,947**	49,029,343
Less: Impairment allowances (Note 36(a)(xi))	減：減值撥備(附註36(a)(xi))		
– Stage 1	– 第一階段	**(31,816)**	(51,939)
– Stage 2	– 第二階段	**(258)**	(1,497)
		42,022,873	48,975,907
Debt securities measured at amortized cost are issued by:	*以攤銷成本計量之債務證券由以下機構發行：*		
– Governments and central banks	– 政府及中央銀行	**1,425,238**	8,693,310
– Public sector entities	– 公營實體	**8,436,980**	8,372,928
– Banks	– 銀行	**9,476,276**	9,285,718
– Corporate entities	– 企業實體	**22,716,453**	22,677,387
Gross carrying amount	賬面總值	**42,054,947**	49,029,343

At 31 December 2024, debt securities issued by banks include debt securities with fair value of HK$5.34 billion issued by multilateral development banks (2023: HK$6.57 billion). As at 31 December 2024, the fair value of debt securities guaranteed by governments was HK$2.06 billion (2023: HK$1.36 billion).

於二零二四年十二月三十一日，銀行發行的債務證券包括由多邊開發銀行發行的公平價值為5,340,000,000港元(二零二三年：6,570,000,000港元)的債務證券。於二零二四年十二月三十一日，政府擔保的債務證券的公平價值為2,060,000,000港元(二零二三年：1,360,000,000港元)。

The Group purchased securitization exposures with nominal amount of HK$660 million during the year (31 December 2023: HK$391.8 million). The outstanding amount of securitization exposures as of 31 December 2024 was HK$990.3 million (31 December 2023: HK$371.6 million).

年內，本集團購入名義金額為660,000,000港元的證券化風險承擔(二零二三年十二月三十一日：391,800,000港元)。於二零二四年十二月三十一日，證券化風險承擔的帳列金額為990,300,000港元(二零二三年十二月三十一日：371,600,000港元)。

19. DEBT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 以公平價值於其他全面收益計量之債務證券

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Debt securities measured at fair value through other comprehensive income	*以公平價值於其他全面收益計量之債務證券*		
Treasury bills (including Exchange Fund Bills)	國庫券(包括外匯基金票據)		
– Listed outside Hong Kong	–於香港以外上市	**147,631**	–
– Unlisted	–非上市	**7,269,913**	–
Certificates of deposit held	所持存款證		
– Unlisted	–非上市	**298,893**	–
Debt securities	債務證券		
– Listed in Hong Kong	–於香港上市	**2,352,014**	–
– Listed outside Hong Kong	–於香港以外上市	**4,820,177**	–
– Unlisted	–非上市	**4,184,207**	–
		19,072,835	–
Debt securities measured at fair value through other comprehensive income are issued by:	*以公平價值於其他全面收益計量之債務證券由以下機構發行：*		
– Governments and central banks	–政府及中央銀行	**9,124,764**	–
– Public sector entities	–公營實體	**5,272,714**	–
– Banks	–銀行	**4,023,105**	–
– Corporate entities	–企業實體	**652,252**	–
		19,072,835	–

At 31 December 2024, debt securities issued by banks include debt securities with fair value of HK$3.88 billion issued by multilateral development banks (2023: Nil). As of 31 December 2024, the fair value of debt securities guaranteed by governments was HK$1.43 billion (2023: Nil).

於二零二四年十二月三十一日，銀行發行的債務證券包括由多邊開發銀行發行的公平價值為3,880,000,000港元(二零二三年：無)。於二零二四年十二月三十一日，政府擔保的債務證券的公平價值為1,430,000,000港元(二零二三年：無)。

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

20. 指定以公平價值於其他全面收益計量之股本證券

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Financial assets designated at fair value though other comprehensive income	*指定以公平價值於其他全面收益計量的金融資產*		
Equity securities	股本證券		
– Unlisted	–非上市	**72,221**	963,092

20. EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

These equity securities are irrevocably designated at FVOCI as the Group intends to hold these securities for long-term investment or strategic purposes. The Group disposed one of these investments during the year ended 31 December 2024 (2023: Nil). The cumulative gain on this investment was transferred to retained earnings upon disposal.

20. 指定以公平價值於其他全面收益計量之股本證券(續)

由於本集團擬持有該等證券作長期投資或策略用途，該等股本證券已被不可撤銷地指定為按公平價值計入其他全面收益。於截至二零二四年十二月三十一日止年度，本集團出售該等投資中的一項投資(二零二三年：無)。出售後，該項投資的累計收益轉撥至保留溢利。

21. FIXED ASSETS AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

21. 固定資產及投資物業

(a) 賬面值對賬

		Premises	Furniture, fixtures and equipment	Other properties and equipment leased for own use carried at cost	Subtotal	Investment properties	Total
		物業	傢私、裝置及設備	以成本列賬之其他自用租賃物業及設備	小計	投資物業	總額
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Cost or valuation	**成本價或估價**						
At 1 January 2024	於二零二四年一月一日	2,792,970	1,415,080	218,431	4,426,481	85,300	4,511,781
Additions	添置	–	131,369	25,245	156,614	–	156,614
Disposals	出售	–	(11,102)	(2,582)	(13,684)	–	(13,684)
Deficits on revaluation	重估虧損	(331,760)	–	–	(331,760)	(22,800)	(354,560)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(55,940)	–	–	(55,940)	–	(55,940)
At 31 December 2024	於二零二四年十二月三十一日	2,405,270	1,535,347	241,094	4,181,711	62,500	4,244,211
Accumulated depreciation	**累計折舊**						
At 1 January 2024	於二零二四年一月一日	–	938,235	132,283	1,070,518	–	1,070,518
Charge for the year (Note 7)	年內扣除(附註7)	55,940	110,165	28,504	194,609	–	194,609
Released on disposal	出售撥回	–	(9,874)	(2,582)	(12,456)	–	(12,456)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(55,940)	–	–	(55,940)	–	(55,940)
At 31 December 2024	於二零二四年十二月三十一日	–	1,038,526	158,205	1,196,731	–	1,196,731
Accumulated impairment loss	**累計減值虧損**						
At 1 January and 31 December 2024	於二零二四年一月一日及十二月三十一日	12,970	–	–	12,970	–	12,970
Net book value	**賬面淨值**						
At 31 December 2024	於二零二四年十二月三十一日	2,392,300	496,821	82,889	2,972,010	62,500	3,034,510

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

21. 固定資產及投資物業(續)

(a) Reconciliation of carrying amount (continued)

(a) 賬面值對賬(續)

		Premises	Furniture, fixtures and equipment	Other properties and equipment leased for own use carried at cost	Subtotal	Investment properties	Total
		物業	傢私、裝置及設備	以成本列賬之其他自用租賃物業及設備	小計	投資物業	總額
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Cost or valuation	**成本價或估價**						
At 1 January 2023	於二零二三年一月一日	3,078,233	1,245,074	182,514	4,505,821	13,000	4,518,821
Additions	添置	–	178,854	43,312	222,166	–	222,166
Disposals	出售	–	(8,848)	(7,395)	(16,243)	–	(16,243)
Transfer to investment properties	轉撥至投資物業	(89,300)	–	–	(89,300)	89,300	–
Transfer to asset held for sales	轉撥至持作出售資產	–	–	–	–	(17,868)	(17,868)
Elimination of accumulated depreciation upon transfer to investment properties	轉撥至投資物業時抵銷累計折舊	(1,977)	–	–	(1,977)	–	(1,977)
Elimination of impairment loss upon transfer to investment properties	轉撥至投資物業時抵銷減值虧損	(2,763)	–	–	(2,763)	–	(2,763)
Deficits on revaluation upon transfer to investment properties	轉撥至投資物業時重估虧損	(5,223)	–	–	(5,223)	–	(5,223)
(Deficits)/surplus on revaluation	重估(虧損)／盈餘	(132,213)	–	–	(132,213)	868	(131,345)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(53,787)	–	–	(53,787)	–	(53,787)
At 31 December 2023	於二零二三年十二月三十一日	2,792,970	1,415,080	218,431	4,426,481	85,300	4,511,781
Accumulated depreciation	**累計折舊**						
At 1 January 2023	於二零二三年一月一日	–	852,376	110,759	963,135	–	963,135
Charge for the year (Note 7)	年內扣除(附註7)	55,764	94,479	28,919	179,162	–	179,162
Released on disposal	出售撥回	–	(8,620)	(7,395)	(16,015)	–	(16,015)
Elimination of accumulated depreciation upon transfer to investment properties	轉撥至投資物業時抵銷累計折舊	(1,977)	–	–	(1,977)	–	(1,977)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(53,787)	–	–	(53,787)	–	(53,787)
At 31 December 2023	於二零二三年十二月三十一日	–	938,235	132,283	1,070,518	–	1,070,518
Accumulated impairment loss	**累計減值虧損**						
At 1 January 2023	於二零二三年一月一日	15,733	–	–	15,733	–	15,733
Elimination of impairment loss upon transfer to investment properties	轉撥至投資物業時抵銷減值虧損	(2,763)	–	–	(2,763)	–	(2,763)
At 31 December 2023	於二零二三年十二月三十一日	12,970	–	–	12,970	–	12,970
Net book value	**賬面淨值**						
At 31 December 2023	於二零二三年十二月三十一日	2,780,000	476,845	86,148	3,342,993	85,300	3,428,293

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(a) Reconciliation of carrying amount (continued)

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

21. 固定資產及投資物業(續)

(a) 賬面值對賬(續)

倘重估物業按成本減累計折舊入賬，則賬面值應為：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Net book value	賬面淨值	**701,485**	710,861

The Group leases out an investment property under operating lease, which runs for an initial period of 3 years. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

本集團根據經營租約出租投資物業，初始租期為三年。本集團於未來期間應收於報告日期已有的不可取消經營租約下之未折現租賃付款如下：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Within 1 year	一年以內	**600**	131
After 1 year but within 2 years	一年以後惟兩年以內	**600**	–
After 2 years but within 3 years	兩年以後惟三年以內	**300**	–
		1,500	131

The carrying amount of other properties and equipment leased for own use carried at cost by class of underlying asset at the end of the reporting period is as follows.

於報告期末按相關資產級別劃分的以成本列賬之其他自用租賃物業及設備的賬面值如下：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Properties	物業	**77,763**	86,089
Other equipment	其他設備	**5,126**	59
		82,889	86,148

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3: Fair value measured using significant unobservable inputs

The fair value measurement of the Group's premises and investment properties are categorized as Level 3 as at 31 December 2024 and 2023. During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's premises and investment properties were revalued as at 31 December 2024 and 2023. The valuation was carried out by an independent firm of surveyors, Colliers International (Hong Kong) Limited, who have multi-disciplinary team of experts with appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量

(i) 公平價值等級制度

下表列示本集團於報告期末按經常性基準計量之物業公平價值，並歸類為香港財務報告準則第13號公平價值計量所界定之三個公平價值架構級別。公平價值計量所歸類之級別乃參照以下估值技術所用輸入數據之可觀察程度及重要程度而釐定：

第一級： 使用第一級輸入數據(即於計量日期相同資產或負債在活躍市場之未經調整報價)計量之公平價值

第二級： 使用第二級輸入數據(即未能符合第一級規定之可觀察輸入數據，以及不使用不可觀察重要輸入數據)計量之公平價值。不可觀察輸入數據指未有相關市場數據之輸入數據

第三級： 使用不可觀察重要輸入數據計量之公平價值

於二零二四年及二零二三年十二月三十一日，本集團物業及投資物業的公平價值計量分類為第三級。於截至二零二四年及二零二三年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級。本集團之政策是於轉移發生之相關報告期末確認公平價值等級制度之間的轉移。

本集團所有物業及投資物業於二零二四年及二零二三年十二月三十一日作出重估。估值由獨立測量師高力國際物業顧問(香港)有限公司進行，其擁有跨專業的專家團隊，具備適當的公認專業資格，且具有近期評估物業所在地及範疇的經驗。

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

The revaluation deficits of HK$277.0 million on premises (2023: HK$114.8 million) for the year has been recognized in other comprehensive income and accumulated in the premises revaluation reserve, net of deferred tax.

The revaluation deficits of HK$22.8 million on investment properties (2023: surplus of HK$0.9 million) for the year has been recognized in profit or loss.

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

The following table provides a reconciliation of the movement between opening and closing balances of Level 3 properties, measured at fair value using a valuation technique with significant unobservable inputs:

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(i) 公平價值等級制度(續)

本年度物業重估虧損277,000,000港元(二零二三年：114,800,000港元)經扣除遞延稅項後已於其他全面收益表內確認及在物業重估儲備中累計。

本年度投資物業重估虧損22,800,000港元(二零二三年：盈餘900,000港元)已於損益賬內確認。

(ii) 公平價值等級制度第三級公平價值計量的對賬

下表載列按公平價值計量使用估值技術連同重大不可觀察輸入數據之第三級物業期初及期末結餘之變動對賬：

Premises 物業		**2024 二零二四年 HK$'000 千港元**	2023 二零二三年 HK$'000 千港元
At 1 January	於一月一日	**2,780,000**	3,062,500
Depreciation for the year	本年度折舊	**(55,940)**	(55,764)
Transfer to investment properties	轉撥至投資物業	**–**	(89,300)
Deficits on revaluation – debit to premises revaluation reserve	重估虧損－自物業重估儲備扣除	**(331,760)**	(137,436)
At 31 December	於十二月三十一日	**2,392,300**	2,780,000
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period – Premises: net movement in premises revaluation reserve	就於報告期末所持資產計入其他全面收益表的本年度收益或虧損總額－物業：物業重估儲備淨變動	**(277,020)**	(114,759)
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period – Operating expenses: Depreciation	就於報告期末所持資產計入損益賬的本年度收益或虧損總額－營運支出：折舊	**(55,940)**	(53,787)

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

21. 固定資產及投資物業(續)

(b) Fair value measurement of properties (continued)

(b) 物業之公平價值計量(續)

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

(ii) 公平價值等級制度第三級公平價值計量的對賬(續)

Investment properties **投資物業**		**2024** **二零二四年** **HK$'000** **千港元**	2023 二零二三年 HK$'000 千港元
At 1 January	於一月一日	**85,300**	13,000
Transfer from premises	轉撥自物業	**–**	89,300
Transfer to asset held for sale	轉撥至持作出售資產	**–**	(17,868)
(Deficits)/surplus on revaluation	重估(虧損)／盈餘		
– (debit)/credit to profit or loss	－(扣除自)／計入損益賬	**(22,800)**	868
At 31 December	於十二月三十一日	**62,500**	85,300
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	就於報告期末所持資產計入損益賬的本年度收益或虧損總額		
– Rental income (Note 6)	－租金收入(附註6)	**386**	511
– Loss/(gain) on revaluation of investment properties	－投資物業重估虧損／(收益)	**(22,800)**	868
– Depreciation as previously recognized as fixed assets	－先前確認為固定資產的折舊	**–**	1,977

(iii) Information about Level 3 fair value measurements

(iii) 有關第三級公平價值計量的資料

Valuation technique **估值技術**	**Unobservable input** **不可觀察輸入數據**	**Range** **範圍**
Market Approach – Comparable Transactions Method 市場法－可資比較交易法	Premium/(discount) on characteristic of the properties 物業特點的溢價／(折讓)	-31.1% to -2.7% (2023: -11.1% to 3.4%) -31.1%至-2.7% (二零二三年：-11.1%至3.4%)

The fair value of premises held for own use and investment properties are determined using the Market Approach. The Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. In analysing such sales, which qualify as arm's-length transactions between willing buyers and sellers, adjustments are made to reflect differences between the comparable and the subject of this valuation in matters such as transaction dates, size, location, quality, age and amenities and any other relevant factors, to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence is available.

持作自用物業及投資物業的公平價值乃使用市場法釐定。市場法乃透過將目標資產與價格資訊可得的相同或類似資產作比較，以提供價值指標。透過分析自願買方及自願賣方雙方按公平原則進行的出售交易以評估目標資產之價值時，已作出調整以反映可比較資產與該估值目標之間於交易日期、規模、地點、質量、年期及設施以及任何其他相關因素等方面的差異。該方法通常用於評估可取得可靠銷售憑證的資產。

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(iv) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in reasonably possible alternative assumptions would have the following effects:

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(iv) 重大不可觀察假設出現變動對可行替代合理假設之影響

雖然本集團相信其公平價值估計屬適當，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度第三級下之公平價值計量而言，合理可能的替代假設向任意方向變動10%可能產生下列影響：

		Effect on profit or loss 對損益賬內的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
31 December 2024	**二零二四年十二月三十一日**				
Assets	**資產**				
Premises	物業	**–**	**–**	**239,230**	**(239,230)**
Investment properties	投資物業	**6,250**	**(6,250)**	**–**	**–**

		Effect on profit or loss 對損益賬內的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
31 December 2023	二零二三年十二月三十一日				
Assets	資產				
Premises	物業	–	–	278,000	(278,000)
Investment properties	投資物業	8,530	(8,530)	–	–

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

21. 固定資產及投資物業(續)

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

(c) 物業及投資物業賬面淨值的分析如下：

Premises 物業		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Held in Hong Kong at fair value	於香港按公平價值持有		
– Long-term leases (over 50 years)	－長期租約(超過五十年)	**1,592,400**	1,841,000
– Medium-term leases (10–50 years)	－中期租約(十年至五十年)	**799,900**	939,000
		2,392,300	2,780,000

Investment properties 投資物業		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Held in Hong Kong at fair value	於香港按公平價值持有		
– Medium-term leases (10–50 years)	－中期租約(十年至五十年)	**62,500**	85,300

22. DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

22. 銀行同業及其他金融機構之存款及結餘

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Deposits and balances from banks	銀行同業之存款及結餘	**1,967,929**	1,794,387
Amounts due to banks and other financial institutions under repurchase agreements (Note 36(f))	回購協議項下應付銀行同業及其他金融機構之款項(附註36(f))	**1,888,081**	6,059,933
		3,856,010	7,854,320

23. DEPOSITS FROM CUSTOMERS

23. 客戶存款

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Demand deposits and current accounts	活期及往來存款	**11,417,869**	11,153,561
Savings deposits	儲蓄存款	**5,366,684**	4,465,341
Time deposits	定期存款	**117,110,808**	93,505,594
		133,895,361	109,124,496

24. TRADING LIABILITIES

24. 交易賬項下之負債

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Short positions in Exchange Fund Bills	外匯基金票據之短倉	**941,735**	1,696,831

25. OTHER LIABILITIES

25. 其他負債

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Net defined benefit liability (Note 30(a)(i))	定額福利負債淨額(附註30(a)(i))	**10,794**	15,920
Impairment allowances recognized in respect of credit related commitments and contingencies (Note 36(a)(xi))	就與信貸有關之承擔及或然項目確認的減值撥備(附註36(a)(xi))	**23,139**	24,822
Lease liabilities (Note 29(d))	租賃負債(附註29(d))	**86,148**	89,100
Accounts payable and other liabilities	應付賬項及其他負債	**4,398,701**	5,147,930
		4,518,782	5,277,772

25. OTHER LIABILITIES (continued)

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

25. 其他負債(續)

下表顯示本集團於報告期末之租賃負債的剩餘合約到期日：

		31 December 2024 二零二四年十二月三十一日		31 December 2023 二零二三年十二月三十一日	
		Present value of the minimum lease payments 最低租賃付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元	Present value of the minimum lease payments 最低租賃付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元
Within 1 year	一年以內	22,647	25,569	23,665	26,608
After 1 year but within 2 years	一年以後惟兩年以內	18,851	21,046	15,474	17,768
After 2 years but within 5 years	兩年以後惟五年以內	25,587	29,358	28,364	32,709
After 5 years	五年以後	19,063	20,673	21,597	23,922
		86,148	96,646	89,100	101,007
Less: total future interest expenses	減：未來利息開支總額		(10,498)		(11,907)
Present value of lease liabilities	租賃負債之現值		86,148		89,100

26. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

26. 綜合財務狀況表之所得稅

(a) 綜合財務狀況表內之即期稅項準備／(可收回即期稅項)為：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Provision for Hong Kong Profits Tax for the year (Note 10(a))	年內香港利得稅準備(附註10(a))	161,978	120,635
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅	(89,682)	(1,349)
		72,296	119,286
Balance of Hong Kong Profits Tax payable relating to prior years	過往年度應付香港利得稅結餘	–	44,313
		72,296	163,599
Representing:	*代表：*		
Hong Kong Profits Tax recoverable	可收回香港利得稅	–	–
Provision for Hong Kong Profits Tax	香港利得稅準備	72,296	163,599
		72,296	163,599

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

(b) Deferred tax assets and liabilities recognized

The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the year are as follows:

26. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債

於綜合財務狀況表內確認之遞延稅項資產／(負債)之各組成部分及年內之變動如下：

		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK$'000 千港元	Defined benefit scheme 定額福利計劃 HK$'000 千港元	Impairment allowances 減值撥備 HK$'000 千港元	Revaluation of financial instruments measured at FVOCI 以公平價值於其他全面收益計量之金融工具重估 HK$'000 千港元	Revaluation of premises 物業重估 HK$'000 千港元	Revaluation of investment properties 投資物業重估 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January 2023	於二零二三年一月一日	(54,224)	5,008	65,676	(117,342)	(391,698)	429	(492,151)
(Charged)/credited in arriving at the profit for the year (Note 10(a))	於本年度溢利中(扣除)／撥回(附註10(a))	(6,416)	(2,505)	(12,496)	–	112	(49)	(21,354)
Credited/(charged) to other comprehensive income	於其他全面收益中撥回／(扣除)	–	753	–	(24,051)	30,963	–	7,665
At 31 December 2023 and 1 January 2024	**於二零二三年十二月三十一日及二零二四年一月一日**	**(60,640)**	**3,256**	**53,180**	**(141,393)**	**(360,623)**	**380**	**(505,840)**
(Charged)/credited in arriving at the profit for the year (Note 10(a))	**於本年度溢利中(扣除)／撥回(附註10(a))**	**(6,090)**	**(1,800)**	**(5,825)**	**–**	**113**	**3,762**	**(9,840)**
Credited/(charged) to other comprehensive income	**於其他全面收益中撥回／(扣除)**	**–**	**1,011**	**–**	**135,122**	**62,401**	**–**	**198,534**
At 31 December 2024	**於二零二四年十二月三十一日**	**(66,730)**	**2,467**	**47,355**	**(6,271)**	**(298,109)**	**4,142**	**(317,146)**

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

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

Deferred tax assets and liabilities recognized are summarized as follows:

26. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債(續)

已確認遞延稅項資產及負債概述如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Net deferred tax assets recognized in the consolidated statement of financial position	綜合財務狀況表確認之遞延稅項資產淨額	–	6
Net deferred tax liabilities recognized in the consolidated statement of financial position	綜合財務狀況表確認之遞延稅項負債淨額	(317,146)	(505,846)
		(317,146)	(505,840)

(c) Deferred tax assets unrecognized

The Group has no material unrecognized deferred tax asset as at 31 December 2024 (2023: HK$Nil).

(c) 未確認之遞延稅項資產

於二零二四年十二月三十一日，本集團並無重大未確認之遞延稅項資產(二零二三年：零港元)。

27. SHARE CAPITAL

27. 股本

		2024 二零二四年		2023 二零二三年	
		Number of shares 股份數目	Share capital 股本 HK$'000 千港元	Number of shares 股份數目	Share capital 股本 HK$'000 千港元
Issued and fully paid:	*已發行及繳足：*				
Ordinary shares	*普通股*				
As at 1 January and 31 December	於一月一日及十二月三十一日	1,641,273,089	4,830,448	1,641,273,089	4,830,448

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

28. RESERVES AND DIVIDEND

(a) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the HKBO for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(b) Investment revaluation reserve (non-recycling)

The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 2(f)).

(c) Investment revaluation reserve (cycling)

The investment revaluation reserve (cycling) is dealt with in accordance with the accounting policies adopted for non-equity investments measured at FVOCI in Note 2(f)(ii).

(d) Premises revaluation reserve

The premises revaluation reserve is dealt with in accordance with the accounting policies adopted for land and buildings in Note 2(j).

(e) Dividend

Dividends payable to equity shareholders of the Bank attributable to the year

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Final dividend proposed after the end of the year of HK$0.11 per ordinary share (2023: HK$0.096)	年結日後擬派末期股息每股普通股0.11港元（二零二三年：0.096港元）	180,540	157,562

The final dividend proposed after the end of the year has not been recognised as a liability at the end of the year.

28. 儲備及股息

(a) 法定儲備

為根據《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢金管局之意見後直接從保留溢利轉撥。

(b) 投資重估儲備（非循環）

投資重估儲備（非循環）包括於報告期末持有根據香港財務報告準則第9號被指定為按公平價值計入其他全面收益的股本投資的累計公平價值變動淨額（見附註2(f)）。

(c) 投資重估儲備（循環）

投資重估儲備（循環）乃按附註2(f)(ii)中就按公平價值計入其他全面收益計量的非股本投資採納之會計政策處理。

(d) 物業重估儲備

物業重估儲備乃按附註2(j)中就土地及樓宇採納之會計政策所設立及處理。

(e) 股息

年內應付本行股東之股息

於年結日，年結日後擬派末期股息並無確認為負債。

29. CASH AND CASH EQUIVALENTS

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

29. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Cash and balances with banks	現金及於銀行同業之結餘	**1,710,981**	1,057,842
Money at call and short notice with original maturity within three months	原於三個月內到期之通知及短期存款	**6,127,876**	5,746,177
Treasury bills with original maturity within three months	原於三個月內到期之國庫券	**5,126,993**	5,980,890
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業放款	**1,075,691**	566,886
		14,041,541	13,351,795

(b) Reconciliation to the consolidated statement of financial position

(b) 綜合財務狀況表之對賬

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Cash and short-term funds (Note 13)	現金及短期資金(附註13)	**8,516,072**	7,104,004
Treasury bills	國庫券		
– Trading assets (Note 14)	－持作交易用途資產(附註14)	**1,436,973**	1,696,831
– Debt securities measured at amortized cost	－以攤銷成本計量之債務證券	**93,084**	5,900,386
– Debt securities measured at fair value through other comprehensive income (Note 19)	－以公平價值於其他全面收益計量之債務證券(附註19)	**7,417,544**	–
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**10,685,622**	6,059,269
Amount shown in the consolidated statement of financial position	綜合財務狀況表內所示金額	**28,149,295**	20,760,490
Less: Amount with an original maturity of over three months	減：原到期日為三個月以上到期的金額	**(14,107,754)**	(7,408,695)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表之現金及等同現金項目	**14,041,541**	13,351,795

(c) Total cash outflow for leases

(c) 租賃現金流出總額

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Within operating cash flows	於經營現金流之內	**25,245**	43,312
Within financing cash flows	於融資現金流之內	**3,559**	31,143
		28,804	74,455

29. CASH AND CASH EQUIVALENTS (continued)

(d) Reconciliation of liabilities arising from financing activities

29. 現金及等同現金項目(續)

(d) 融資活動所產生的負債之對賬

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
At 1 January	於一月一日	**89,100**	75,214
Changes from financing cash flows:	融資現金流量變動：		
Payment of lease liabilities	租賃負債付款	**(3,559)**	(31,143)
Total changes from financing cash flows	融資現金流量變動總額	**(3,559)**	(31,143)
Other change:	其他變動：		
Increase in lease liabilities from entering into new leases during the year	年內因訂立新租賃而增加的租賃負債	**607**	45,029
At 31 December (Note 25)	於十二月三十一日(附註25)	**86,148**	89,100

30. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme ("the Scheme"), which incorporates a defined benefit plan for 11.3% (2023: 12.6%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured MPF exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary's recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2024 and was prepared by Iris Lee, Associate of the Society of Actuaries, of Mercer (Hong Kong) Limited using the projected unit credit actuarial cost method. The actuarial valuation indicates that the Group's obligations under the Scheme are 96.04% (2023: 94.23%) covered by the plan assets held by the trustee.

The Scheme offers a lump sum at retirement based on final salary and years of service or employee and employer contributions if greater. The contribution based benefit is notionally invested in a "guarantee fund" (for which the Group acts as guarantor), with no less than a 5% p.a. return.

The Scheme is closed to new entrants except that in exceptional circumstances new individual entrants are allowed to join at the Group's discretion, so that the Scheme's size is contained. However, the defined benefit element and the 5% p.a. guaranteed return offered on contributions exposes the Group to actuarial risks such as interest rate risk, investment risk and longevity risk.

30. 僱員退休福利

(a) 定額福利退休計劃

本集團推行一項退休計劃，名為富邦銀行(香港)有限公司退休計劃(「該計劃」)，為其11.3%(二零二三年：12.6%)全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強積金的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零二四年十二月三十一日進行，由美世(香港)有限公司之Iris Lee(美國準精算師)以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，96.04%(二零二三年：94.23%)可透過受託人所持有的計劃資產獲得保障。

該計劃在退休時基於僱員最終薪金及服務年期及僱主供款之較高者提供一筆金額。基於福利之供款於名義上投資於一項「擔保基金」(本集團作為擔保人)，年回報率不低於5%。

該計劃不向新加入者開放，惟新加入個人由本集團酌情決定允許加入，致使該計劃的規模可受控制。然而，定額福利部分及供款年回報率5%擔保回報使本集團面臨精算風險，例如利率風險、投資風險及長壽風險。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(i) The amounts recognized in the consolidated statement of financial position are as follows:

30. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(i) 於綜合財務狀況表確認的金額如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Present value of wholly or partly funded obligations	獲全數或部分資助的承擔現值	(272,917)	(275,941)
Fair value of plan assets	計劃資產的公平價值	262,123	260,021
Net liabilities recognized in the consolidated statement of financial position (Note 25)	於綜合財務狀況表確認之負債淨額(附註25)	(10,794)	(15,920)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

上述負債的一部分預期將於超過一年後結算。然而，將該金額從未來十二月應付金額中分離屬不實際，原因為未來供款將亦涉及提供的未來服務及精算假設及市況的未來變動。

The Scheme follows a tri-annual funding valuation schedule when at each funding valuation, the contributions for the following three years are set. The last funding valuation was as of 31 December 2022 and it was assessed at that valuation that the Group is required to contribute at no less than 5.4% of active members' Scheme Salary from 1 January 2023 to 31 December 2025.

該計劃於每三年一次融資估值時設定接下來三年供款。最近一次融資評估為截至二零二二年十二月三十一日，且按該評估估值，本行需繳付的金額不少於由二零二三年一月一日至二零二五年十二月三十一日在職成員計劃薪金的5.4%。

The next funding valuation will be carried as at 31 December 2025 in the first half of year 2026.

下一次截至二零二五年十二月三十一日的融資估值將於二零二六年上半年進行。

In addition to the above, the Group acts as the guarantor to meet the 5% p.a. return on the defined contribution benefits. The annual contribution relating to this obligation is determined annually (based on the Scheme's return in the 1 July – 30 June financial year). The guarantor contribution determined for the 1 July 2024 – 30 June 2025 financial year is HK$9,822,000 (1 July 2023 – 30 June 2024: HK$22,085,000) which will be made in the first half of year 2025.

除上文以外，本集團作為擔保人以滿足定額供款福利每年5%的回報。有關該責任的供款為每年釐定(基於七月一日至六月三十日財政年度該計劃的回報)。二零二四年七月一日至二零二五年六月三十日財政年度的擔保人供款經釐定為9,822,000港元(二零二三年七月一日至二零二四年六月三十日：22,085,000港元)，並將於二零二五年上半年作出。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(ii) Plan assets consist of the following:

30. 僱員退休計劃(續)

(a) 定額福利退休計劃(續)

(ii) 計劃資產包括如下：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Equities and unit funds	股本及基金單位	**11,409**	4,807
Interest-bearing securities	計息證券	**139,249**	132,336
Bank deposit, cash and other assets	銀行存款、現金及其他資產	**111,465**	122,878
		262,123	260,021

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

所有計息證券於活躍市場有報價。

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

(iii) 定額福利責任現值的變動

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
At 1 January	於一月一日	**275,941**	272,419
Remeasurements:	重新計量：		
– Actuarial losses/(gains) arising from changes in demographic assumptions	－人口統計假設變動產生之精算虧損／(收益)	**88**	(1,465)
– Actuarial losses arising from changes in financial assumptions	－財務假設變動產生之精算虧損	**6,171**	1,178
– Actuarial losses arising from experience adjustments	－過往調整產生之精算虧損	**3,405**	3,993
		285,605	276,125
Benefits paid by the plans	計劃已付福利	**(31,040)**	(20,934)
Current service cost	本期服務成本	**7,460**	8,262
Interest cost	利息成本	**7,957**	9,620
Participants' contributions	參與者供款	**2,935**	2,868
At 31 December	於十二月三十一日	**272,917**	275,941

The weighted average duration of the defined benefit obligation is 4.3 years (2023: 4.4 years).

定額福利責任加權平均期限為4.3年(二零二三年：4.4年)。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(iv) Movements in plan assets

30. 僱員退休計劃(續)

(a) 定額福利退休計劃(續)

(iv) 計劃資產變動

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
At 1 January	於一月一日	**260,021**	242,071
Group's contributions paid to the plans	本集團對計劃的供款	**25,316**	32,260
Benefits paid by the plans	計劃已付福利	**(31,040)**	(20,934)
Interest income	利息收入	**7,599**	9,021
Administrative expenses paid from plan assets	自計劃資產支付的行政開支	**(3,310)**	(1,537)
Return/(loss) on plan assets	計劃資產回報／(虧損)	**3,537**	(860)
At 31 December	於十二月三十一日	**262,123**	260,021

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

(v) 於綜合全面收益表中已確認之金額如下：

		For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度 HK$'000 千港元
Current service cost (Note 7)	本期服務成本(附註7)	**7,460**	8,262
Net interest cost on net defined benefit liability	定額福利負債淨額之淨利息成本	**358**	599
Administrative expenses and taxes	行政支出及税項	**3,310**	1,537
Total amounts recognized in profit or loss	於損益賬內確認之總額	**11,128**	10,398
Actuarial losses	精算虧損	**9,664**	3,706
(Return)/loss on plan assets, excluding interest income	計劃資產之(回報)／虧損，不包括利息收入	**(3,537)**	860
Total amounts recognized in other comprehensive income (Note 11)	於其他全面收益表中確認之總額(附註11)	**6,127**	4,566
Total defined benefit cost	定額福利成本總額	**17,255**	14,964

The actual gains on the Scheme's assets for the year ended 31 December 2024 amounted to approximately HK$7,826,000 (2023: HK$6,624,000).

截至二零二四年十二月三十一日止年度，計劃資產實際收益達約7,826,000港元(二零二三年：6,624,000港元)

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

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

30. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下：

		2024 二零二四年	2023 二零二三年
Discount rate	折現率	**3.1% p.a. 年利率3.1%**	3.6% p.a. 年利率3.6%
Salary increase rate	薪金增加率	**3.0% p.a. 年利率3.0%**	3.0% p.a. 年利率3.0%

The analysis below shows how the defined benefit obligation would have increased/(decreased) as a result of 50 basis points change in the significant actuarial assumptions:

以下分析顯示因重大精算假設變動50個基點時定額福利責任增加／(減少)：

		Increase in 50 basis points 上升50個基點 HK$'000 千港元	Decrease in 50 basis points 下降50個基點 HK$'000 千港元
31 December 2024	**二零二四年十二月三十一日**		
Discount rate	折現率	**(5,540)**	**5,813**
Salary increase rate	薪金增加率	**3,439**	**(2,893)**

		Increase in 50 basis points 上升50個基點 HK$'000 千港元	Decrease in 50 basis points 下降50個基點 HK$'000 千港元
31 December 2023	二零二三年十二月三十一日		
Discount rate	折現率	(5,782)	6,056
Salary increase rate	薪金增加率	3,545	(2,964)

The sensitivity analysis presented above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

以上呈報敏感度分析於釐定時乃基於於報告期末假設的可能合理變動(假定所有其他假設保持不變)。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee.

Under the MPF Scheme, the employer and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the scheme vest immediately.

In addition to the mandatory contribution, employees will have a one-off election to make a voluntary contribution of 5% of employee's relevant income. At the same time, the Group will make a matching voluntary contribution accordingly.

31. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit related commitments and contingencies

Credit related commitments and contingencies include letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

30. 僱員退休福利(續)

(b) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出5%之強制性供款，惟須受限於每月相關收入之上限30,000港元。一經對計劃作出供款，供款即予以歸屬。

除強制性供款外，僱員可作出一次一次性選擇，就其相關收入作出5%之自願性供款。同時，本集團將須作出相應的等額自願性供款。

31. 或然負債及承擔

(a) 與信貸有關之承擔及或然項目

與信貸有關之承擔及或然項目包括信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約金額是指當合約被完全提取及客戶違約時所承擔風險之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流。

31. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

31. 或然負債及承擔(續)

(a) Credit related commitments and contingencies (continued)

(a) 與信貸有關之承擔及或然項目(續)

The following is a summary of the contractual and credit risk weighted amounts of each significant class of credit related commitments and contingencies:

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		31 December 2024 二零二四年十二月三十一日		31 December 2023 二零二三年十二月三十一日	
		Contractual amounts 合約金額 HK$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK$'000 千港元	Contractual amounts 合約金額 HK$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK$'000 千港元
Direct credit substitutes	直接信貸替代項目	**81,110**	**81,110**	84,918	84,918
Transaction-related contingencies	與交易有關之或然項目	**111,029**	**55,515**	120,823	60,412
Trade-related contingencies	與貿易有關之或然項目	**305,683**	**61,137**	394,250	78,850
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	－其中可無條件地取消	**24,744,368**	**–**	24,656,657	–
– with an original maturity of up to one year	－原訂到期期限為最多一年	**236,821**	**47,364**	745,021	66,527
– with an original maturity of more than one year	－原訂到期期限為一年以上	**2,685,000**	**1,214,892**	2,679,467	1,210,348
		28,164,011	**1,460,018**	28,681,136	1,501,055

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

用於計算信貸風險加權金額之風險加權比率介乎0%至100%之間。

(b) Capital commitments

(b) 資本承擔

Capital commitments for purchase of equipment, investment funds measured at fair value through profit or loss and equity securities designated at fair value through other comprehensive income outstanding not provided for in these financial statements were as follows:

未於財務報告內提撥之有關購買設備、通過損益以反映公平價值計量之投資基金及指定以公平價值於其他全面收益計量之股本證券之未兑現資本承擔如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Contracted for	已訂合約	**111,100**	77,015

32. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and the income arising thereon are excluded from these financial statements, as the Group has no beneficial interest in the assets.

32. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並無於該等資產中擁有實益權益，因此該等資產及其所產生之收入不會於財務報告中列賬。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

33. 金融工具之公平價值

(a) 以公平價值列賬之金融工具

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

第一級： 相同工具於活躍市場之市場報價（未經調整）。

第二級： 由第一級所載報價以外的可觀察直接（即價格）或間接（即源自價格）輸入數據。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。

第三級： 並非以可觀察市場數據（不可觀察輸入數據）為基礎的資產或負債的輸入數據。該分類包括估值技術並非基於可觀察數據且不可觀察數據對工具之估值有重大影響之所有工具。倘重大不可觀察調整或假設須用以反映工具之間的差額，該分類包括根據類似工具的報價而估值的工具。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

33. 金融工具之公平價值(續)

(a) Financial instruments carried at fair value

(a) 以公平價值列賬之金融工具

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorized:

下表乃以公平價值等級制度(公平價值據此分類)分析於本報告期末以公平價值計量之金融工具：

31 December 2024 二零二四年十二月三十一日	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元	Total 總額 HK$'000 千港元
Assets 資產				
Trading assets 持作交易用途資產	–	1,436,973	–	1,436,973
Derivative financial instruments 衍生金融工具	–	1,916,183	–	1,916,183
Debt securities measured at fair value through other comprehensive income 以公平價值於其他全面收益計量之債務證券	4,798,936	14,273,899	–	19,072,835
Investment funds measured at fair value through profit or loss 通過損益以反映公平價值計量之投資基金	–	–	24,681	24,681
Equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券	–	–	72,221	72,221
	4,798,936	17,627,055	96,902	22,522,893
Liabilities 負債				
Trading liabilities 交易賬項下之負債	–	941,735	–	941,735
Derivative financial instruments 衍生金融工具	–	101,708	–	101,708
	–	1,043,443	–	1,043,443

31 December 2023 二零二三年十二月三十一日	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元	Total 總額 HK$'000 千港元
Assets 資產				
Trading assets 持作交易用途資產	–	1,696,831	–	1,696,831
Derivative financial instruments 衍生金融工具	–	1,755,620	–	1,755,620
Equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券	–	–	963,092	963,092
	–	3,452,451	963,092	4,415,543
Liabilities 負債				
Trading liabilities 交易賬項下之負債	–	1,696,831	–	1,696,831
Derivative financial instruments 衍生金融工具	–	93,194	–	93,194
	–	1,790,025	–	1,790,025

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零二四年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級(二零二三年：無)。本集團之政策是於轉移發生之相關報告期末確認公平價值等級制度之間的轉移。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

(1) The fair value of unquoted equity investments is estimated, if possible, using the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues; and

(2) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds, which was calculated on a fair value basis.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值

以下方法已用於釐定屬於公平價值等級制度第三級之金融工具之公平價值：

(1) 沒有市價之股本投資之公平價值乃於可行情況下使用類似上市公司之市盈率及其他市場數據調整至反映該發行之特定情況進行估計；及

(2) 非上市投資基金之公平價值是以該等基金之經理申報以公平價值為基礎所計算的資產淨值進行估計。

下表載列公平價值等級制度第三級內公平價值計量之年初餘額與年終餘額之對賬：

		Equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券	
		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Assets	**資產**		
At 1 January	於一月一日	**963,092**	820,254
Purchase	購買	**14,337**	–
Distribution	分派	**(1,287)**	(2,929)
Disposal	出售	**(881,709)**	–
Write-off	撇銷	**(10,261)**	–
(Deficits)/surplus on revaluation recognized in other comprehensive income	於其他全面收益確認之重估（虧損）／盈餘	**(11,951)**	145,767
At 31 December	於十二月三十一日	**72,221**	963,092
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period	就於報告期末所持資產計入其他全面收益表的本年度收益或虧損總額	**(11,951)**	145,767
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period (Note 6)	就於報告期末持有之資產計入損益賬之本年度收益或虧損總額（附註6）	**7,696**	28,929

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

		Investment funds measured at fair value through profit or loss 通過損益以反映公平價值計量之投資基金	
		2024 二零二四年 **HK$'000** 千港元	2023 二零二三年 HK$'000 千港元
Assets	**資產**		
At 1 January	於一月一日	**–**	–
Purchase	購買	**28,317**	–
Deficits on revaluation recognized in profit or loss	於損益賬確認之重估虧損	**(3,636)**	–
At 31 December	於十二月三十一日	**24,681**	–
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	就於報告期末所持資產計入損益賬的本年度收益或虧損總額	**(3,636)**	–

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(ii) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in reasonably possible alternative assumptions would have the following effects:

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(ii) 重大不可觀察假設出現變動對可行替代合理假設之影響

雖然本集團相信其公平價值估計屬適宜，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度第三級下之公平價值計量而言，合理可能的替代假設向任意方向變動10%可能產生下列影響：

		Effect on profit or loss 對損益賬內的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
31 December 2024	**二零二四年十二月三十一日**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**	**HK$'000 千港元**
Assets	**資產**				
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	–	–	7,222	(7,222)
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	2,468	(2,468)	–	–

		Effect on profit or loss 對損益賬內的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
31 December 2023	二零二三年十二月三十一日	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Assets	資產				
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	–	–	96,309	(96,309)

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table below:

(i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period;

(ii) the fair value of variable rate financial instruments and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value;

(iii) the fair value of fixed rate loans and mortgages carried at amortized cost is estimated by comparing current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value; and

(iv) the fair value of debt securities measured at amortized cost is determined with reference to the available market value. If quoted market prices are not available, then the fair value is estimated on the basis of pricing models (see Note 2(f)(iii)).

33. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

(i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於報告期末可要求還款之金額；

(ii) 假設浮息金融工具及貸款之公平價值接近其賬面值。釐定公平價值總額時並不計算該等金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面值及公平價值扣除減值虧損及撥備金額予以確認；

(iii) 有關定息貸款及按攤餘成本列賬之按揭的公平價值是透過比較相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面值及公平價值扣除減值虧損及撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化；及

(iv) 以攤銷成本計量之債務證券之公平價值乃經參考可用市值釐定。倘無法獲取市場報價，則公平價值根據計價模式(見附註2(f)(iii))估計。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments carried at other than fair value (continued)

The carrying amount of the Group's financial instruments carried at cost or amortized cost are not significantly different from their fair values at the end of the reporting period except as follows:

33. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值(續)

本集團按成本或攤餘成本列賬之金融工具之賬面值與其於報告期末之公平價值並無重大差異，惟以下所列除外：

		31 December 2024 二零二四年十二月三十一日				
		Carrying amount 賬面金額 HK$'000 千港元	Fair value 公平價值 HK$'000 千港元	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元
Financial assets	***金融資產***					
Advances to customers	客戶貸款	**4,116,866**	**3,966,949**	**–**	**3,966,949**	**–**
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**42,022,873**	**42,266,225**	**30,554,749**	**11,709,476**	**2,000**
Financial liabilities	***金融負債***					
Deposits from customers	客戶存款	**117,110,808**	**115,409,471**	**–**	**115,409,471**	**–**

		31 December 2023 二零二三年十二月三十一日				
		Carrying amount 賬面金額 HK$'000 千港元	Fair value 公平價值 HK$'000 千港元	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元
Financial assets	*金融資產*					
Advances to customers	客戶貸款	4,577,143	4,460,783	–	4,460,783	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	48,975,907	49,007,758	28,629,515	20,376,243	2,000
Financial liabilities	*金融負債*					
Deposits from customers	客戶存款	93,505,594	91,327,505	–	91,327,505	–

During the year ended 31 December 2024, there were transfers of financial instruments, being debt securities measured at amortized cost from Level 1 to Level 2 of HK$1,361 million (2023: HK$2,303 million) and transfers from Level 2 to Level 1 of HK$9,004 million (2023: HK$2,179 million) due to availability of active markets for identical instruments. There were no transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零二四年十二月三十一日止年度，金融工具(即以攤銷成本計量之債務證券)1,361,000,000港元(二零二三年：2,303,000,000港元)由第一級轉移至第二級及9,004,000,000港元(二零二三年：2,179,000,000港元)由第二級轉移至第一級，乃由於相同工具存在活躍市場。第三級概無轉入或轉出(二零二三年：無)。本集團之政策是於轉移發生之相關報告期末確認公平價值等級制度之間的轉移。

34. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and other related parties. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, correspondent banking transactions and foreign exchange transactions. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the end of the reporting period that are not disclosed in other notes to these financial statements is set out below:

(a) Income/(expenses)

34. 重大關連各方交易

年內，本集團與其最終控股公司及其他關連方訂立多項交易。該等交易在本集團銀行業務之日常業務過程中訂立，包括但不限於借貸、銀行同業拆借與存款、代理銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

有關年內關連各方交易所產生之收支及於報告期末尚未償還的餘額且並未於財務報告其他附註披露之資料載列如下：

(a) 收入／(支出)

		For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Fee and commission income	費用及佣金收入	**115,027**	82,202
Fellow subsidiaries	*同系附屬公司*		
Fee and commission expenses	費用及佣金收入	**(3,970)**	(4,345)
Interest expenses	利息支出	**(10,055)**	(9,550)
		(14,025)	(13,895)
A fellow associate	*一間同系聯營公司*		
Interest expenses	利息支出	**(45)**	(136)

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

34. 重大關連各方交易(續)

(b) Assets

(b) 資產

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Cash and short-term funds	現金及短期資金	**313**	298
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**116,467**	–
Accrued interest and other assets	應計利息及其他資產	**2,541**	11,428
		119,321	11,726

Stage 1 impairment allowances of HK$34,000 was made against balances with banks and other financial institutions with a fellow subsidiary. There is no impairment allowances made against other assets disclosed above.

與一間同系附屬公司就銀行同業及其他金融機構結餘作出第一階段減值撥備34,000港元。以上所披露之其他資產並未有作出減值撥備。

(c) Liabilities

(c) 負債

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**51,130**	56,581
Deposits from customers	客戶存款	**178,708**	306,366
Other liabilities	其他負債	**1,402**	1,410
		231,240	364,357
A fellow associate	*一間同系聯營公司*		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**6,673**	13,142
Other related parties	*其他關連方*		
Deposits from customers	客戶存款	**81,792**	63,782

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Loans to directors and entities connected with directors

Loans to directors of the Bank and entities connected with directors disclosed pursuant to section 383(1)(d) of the HKCO and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

34. 重大關連各方交易(續)

(d) 董事及董事關連實體貸款

根據香港《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規例》第3部披露之本行董事及董事關連實體貸款如下：

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Aggregate amount of relevant loans at 31 December by the Bank	本行相關貸款於十二月三十一日的總額	63	119
Maximum aggregate amount of relevant loans outstanding during the year by the Bank	本行年內尚未償還相關貸款之最高總額	134	395

There was no interest due but unpaid nor any impairment allowances made against these loans at 31 December 2024 (2023: Nil).

於二零二四年十二月三十一日並無到期但未付的利息或就該等資款作出減值撥備(二零二三年：無)。

(e) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Bank's directors as disclosed in Note 8 is as follows:

(e) 主要管理人員酬金

主要管理人員之酬金(包括附註8所披露付予本行董事之款項)如下：

		For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度 HK$'000 千港元
Salaries and short-term employee benefits	薪金及短期僱員福利	121,018	108,660
Post-employment benefits	退休福利	5,422	4,911
		126,440	113,571

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

酬金總額計入「僱員成本」(見附註7)。

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(f) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below:

34. 重大關連各方交易(續)

(f) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關條款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下：

		2024 二零二四年 HK$'000 千港元	2023 二零二三年 HK$'000 千港元
Loans, at 31 December	於十二月三十一日貸款餘額	–	–
Interest income during the year	年內利息收入	–	–
Credit facilities, at 31 December	於十二月三十一日信貸服務	7,510	6,470

No Stage 3 impairment allowances have been made against balances outstanding at the end of the reporting period with key management personnel.

並無就報告期末主要管理人員的未償還餘額作出第三階段的減值撥備。

The Group's policies for lending to related parties take into account the requirements under the HKBO and the guidelines of the HKMA. The Group sets internal limits (individual and aggregate group limits for individual, group, secured and unsecured exposures) and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, the Chief Executive Officer and Managing Director and/or the Executive Credit Committee.

本集團向關連各方貸款的政策已計及香港《銀行業條例》及金管局指引之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督關連各方之風險(個人或企業)及採取各必要措施以控管各關連借貸之風險。信用委員會、行政總裁兼董事總經理及／或執行信用委員會已予批准。

35. ASSETS PLEDGED AS SECURITY

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

35. 質押作為抵押品之資產

下列資產已於報告期末作為自身負債抵押品予以質押：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Secured liabilities	已抵押負債	**2,829,816**	7,756,764
Assets pledged:	*已質押資產：*		
Trading assets	持作交易用途資產	**941,735**	324,640
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**1,915,840**	7,844,873
		2,857,575	8,169,513

The following assets have been pledged as collateral to counterparties for derivatives margining at the end of the reporting period:

下列資產已於報告期末作為衍生工具保證金抵押品質押予交易對手：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Margin deposits for derivative contracts	衍生工具合約的保證金存款	**15,602**	12,966
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**–**	1,999
		15,602	14,965

These transactions are conducted under usual and customary terms.

該等交易乃按照一般及慣用條款進行。

36. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risk, in particular, the primary risk associated with its use of financial instruments:

- Credit risk: losses resulting from deterioration or default of a customer or counterparty and arising from credit exposures in lending activities, including loans and advances, loans commitments, letters of credit and acceptance, financial guarantees, and non-lending activities, including investment in debt securities, exposure arising from trading activities, derivatives and settlement with counterparties.

- Market risk: risk arising from adverse change of market variables such as interest rates, exchange rates and equity markets.

- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.

- Interest rate risk in banking book: risk resulting from adverse movements in interest rates that affect the Group's banking book position.

- Operational risk: risk arising from inadequate or failed internal processes, people and systems or from external events resulting in financial loss.

The Group has established policies and procedures to identify and measure these risks, to set appropriate risk limits as derived from its risk appetite statement and risk appetite indicators and control measures, and to monitor the risks and limits continuously by means of reliable and up-to-date management and information systems. These policies and procedures, including limit excess follow-up procedures, are distributed to the relevant risk taking and risk management units for execution and monitoring. Regular training courses are conducted in order to ensure that all staff are familiar with the key principles of the Group's code of conduct. The Group continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products, regulatory requirements and the best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with the Group's policies and procedures.

The Group has established an organizational structure such that risk management functions are independent of risk taking units. The risk management functions independently provide key risk information, including asset quality, liquidity profile, capital adequacy ratio and the risk exposures, and limit monitoring results to the Risk Committee of the Board ("RC") and to senior management on a regular basis.

36. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：因客戶或交易對手的惡化或違約而導致的虧損，以及因貸款活動的信貸風險而產生的虧損，包括借款及貸款、貸款承擔、信用證及承兑票據、財務擔保及非貸款活動，包括債務證券投資、交易活動、衍生工具及與交易對手的結算產生之風險。

- 市場風險：市場變數逆轉之風險，例如利率、匯率及股市等。

- 流動性及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續在市場上以無抵押或甚至以有抵押的方式按可接受之價格借入資金，藉此為實際或建議之承擔提供所需的資金的風險。

- 銀行賬戶利率風險：利率之不利變動影響本集團銀行賬戶頭寸之風險。

- 營運風險：由於內部程序、人員及制度不足或不作為或外部事件導致財務虧損而引致之風險。

本集團已設有相關政策及程序以識別及衡量該等風險、制定適當之風險限額(自風險偏好聲明及風險偏好指標獲取)及控制措施，以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。該等政策和程序(包括超額跟進程序)已分發給相關風險承擔和風險管理單位執行和監督。本集團定期舉辦培訓課程以確保所有員工都熟悉本集團行為守則的關鍵原則。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品、監管規定及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合本集團政策及程序。

本集團已建立組織架構，使風險管理職能獨立於風險承擔單位。風險管理職能定期獨立向董事會風險委員會和高級管理層提供關鍵風險信息(包括資產質素、流動資金狀況、資本充足率和風險承擔以及限額監測結果)。

36. FINANCIAL RISK MANAGEMENT (continued)

Compliance reviews are conducted by an independent unit on an ongoing basis to ensure compliance with applicable laws and regulations, standards, guidelines and codes of practices. The internal audit function of the Group is an independent appraisal function set up with the primary objective of evaluating the internal control system and compliance with laws, regulatory guidelines and internal control policies.

(a) Credit risk management

Credit risk is the risk of suffering financial loss in the event that the Group's customers or counterparties fail to fulfil their obligations to the Group or their repayment ability deteriorates. It arises mainly from loans and advances to customers and banks, letters of credit and acceptances, financial guarantees, debt securities held and counterparty credit risk arising from derivative contracts entered into with customers or counterparties. It can also arise from trading and treasury activities.

The Group manages credit risk through a framework of controls to ensure credit risk taking activities are based on sound principles and in line with the overall business objectives of the Group. It has established a set of credit policies and procedures which define credit risk taking criteria, credit approval authorities delegated from the Board of Directors ("Board"), credit monitoring processes, credit rating and scoring systems and loan impairment criteria.

The Board has delegated credit approval authorities to the following committees in descending order of authority: the Executive Credit Committee ("ECC"), the Credit Committee ("CC") and the Wholesale Credit Committee ("WCC").

The ECC serves as the credit committee of the Board to review and approve credits that require the approval of the Board. In addition, it approves the Group's credit policies and credit risk profile, taking into consideration relevant law and regulations.

The CC is a management level committee that provides management oversight of the Group's credit risk management. It ensures that the Group has in place an effective credit risk management framework and that its credit risks are within the credit policies and credit risk profile as specified by the Board or its delegated committees. The CC reviews and endorses credit policies and credit risk profile for the ECC's approval, and reviews and approves credit related guidelines. It also conducts on-going review of the market environment and makes necessary policy recommendations to the ECC to ensure that the credit risk profile of the Group is within its risk appetite. The CC also reviews and approves credits that are within its authority as delegated by the Board.

The WCC reviews and approves corporate credits that are within its authority as delegated by the Board.

36. 財務風險管理(續)

合規審閱由獨立單位持續進行，以確保遵守適用的法律和法規、標準、準則和應用守則。本集團內部審計單位為獨立評估單位，並以評估內部控管制度，對法律、監管指引和內部控管政策之遵守為主要目標。

(a) 信貸風險管理

信貸風險指因本集團客戶或交易對手未能履行其對本集團之承諾或其還款能力惡化而遭受財務虧損的風險。其主要源於客戶與銀行借款及貸款、所持信用證及承兌票據、財務擔保、債務證券及因與客戶或交易對手訂立衍生工具合約產生的交易對手信貸風險，亦可源於交易及財資活動。

本集團透過控制框架管理信貸風險，以確保產生信貸風險之活動基於完善的原則及與本集團整體業務目標一致。其亦設立一系列信貸政策及程序，以界定承擔信貸風險的標準、董事會授權之信貸批准權限、信貸監控過程、信貸評級與評分系統及貸款減值標準。

董事會已向以下委員會依次授權審批信貸權限：執行信貸委員會、信貸委員會及批發信貸委員會。

執行信貸委員會以董事會信貸委員會的身份，審閱及批准需由董事會審批的信貸，同時根據相關法律及規例審批本集團的信貸政策及信貸風險框架。

信貸委員會為管理級別之委員會，監督本集團之信貸風險管理，確保本集團擁有有效的信貸風險管理架構且其信貸風險符合董事會或其授權委員會訂明之信貸政策及信貸風險概況。信貸委員會審閱及認可信貸政策及信貸風險狀況以供執行信貸委員會批准及審閱並批准信貸相關指引。信貸委員會亦持續審閱市場環境，並向執行信貸委員會作出必要政策建議，確保本集團之信貸風險狀況符合其風險偏好。信貸委員會亦在董事會授出之授權範圍內審閱及批准客戶信貸。

批發信貸委員會在董事會授出之授權範圍內審閱及批准企業信貸。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

The credit risk units, Enterprise Credit Risk Management Division, SME Credit Risk Management Division, and Control and Risk Management Division provide centralized management of credit risk for corporate and retail customers. They are responsible for:

- independent evaluation of corporate credit and debt investment applications;
- monitoring loan portfolio and conducting regular analysis;
- managing problem corporate credits to achieve the highest recovery;
- recommending loan classification, impairment and charge-off; and
- reporting to the CC and ECC regularly on aspects of the loan portfolio.

Credit risk limits are set at different levels, including portfolio and individual customer levels, taking into consideration various factors including the Group's risk appetite, market situation, capital requirement and the returns.

Credit risk management procedures are designed to promote early detection of customer, industry or product exposures that require special monitoring. Overall portfolio risk is monitored on an on-going basis. Regular risk management reports covering information on large exposures, country exposures, industry exposures, loan quality and loan impairment level are submitted to the CC, ECC and RC.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸單位(企業信貸風險管理部門、中小企信貸風險管理部門以及控制及風險管理部門)對企業及零售客戶進行統一信貸風險管理，負責下列各項職責：

- 獨立審核企業信貸及債務投資申請；
- 監管貸款組合及進行定期分析；
- 管理問題企業信貸以達到最高收回金額；
- 建議貸款分類、減值及註銷；及
- 定期向信貸委員會及執行信貸委員會匯報貸款組合情況。

信貸風險限額是根據本集團風險偏好、市場形勢、資本要求和回報等各種因素考慮在不同的層面上，包括組合和個人客戶層面而制定。

信貸風險管理程序旨在促進對需要特別監控之客戶、行業或產品風險承擔的早期檢測。整體組合風險受持續監控。常規風險管理報告涵蓋信息包括大型風險承擔、國家風險承擔、行業風險承擔、貸款質量和貸款減值程度，並提交信貸委員會、執行信貸委員會和風險委員會。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

Specific policies and measures to address different kinds of credit related activities are set out below:

(i) Institutional Banking and Commercial Banking

Credit risk from Institutional Banking and Commercial Banking is managed by conducting thorough credit evaluation, credit mitigation through collateral and guarantee, and post-approval monitoring system. Subject to the size of the credit, value of collateral and the internal credit rating of the customer, different levels of credit approval authority are required. Credit decisions of the Group consider facility structure, tenor, repayment ability of the obligor and credit mitigation through collateral and guarantees.

The Group has established limits for credit exposure to individual countries, industries and customer groups, regardless of whether the credit exposure is funded or non-funded. The Group also undertakes ongoing credit review and monitoring at several levels. The relevant policies and procedures of the Group have included the statutory requirement of the HKBO, regulatory requirements of the HKMA and the best market practices.

(ii) Retail Banking

Credit risk from Retail Banking is product driven, arising from retail loan products such as credit cards, unsecured personal loans, mortgage loans and loans secured by wealth management products. Because of the homogeneous nature of these products, credit risk management is primarily based on statistical analyses of risks with respect to different types of product, collateral and customer. The Group determines product terms and desired customer profiles on a regular basis by developing, validating and fine-tuning internal acceptance criteria, scorecards and stress testing models.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

針對不同類型信貸相關業務之特定政策及措施載列如下：

(i) 機構銀行及商業銀行

機構銀行及商業銀行產生的信貸風險透過進行全面信貸評估、以抵押品及擔保減低信貸風險及批准後監管系統來管理。受限於信貸規模、抵押品價值及客戶內部信貸評級，需要不同級別的信貸審批機構。本集團的信貸決策考慮融資結構、期限、債務人還款能力以及以抵押品及擔保減低信貸。

無論信貸風險是由於融資與非融資交易而產生，本集團已制定個別國家、行業及客戶組別之信貸風險限額。本集團亦在不同層次持續進行信貸審閱及監控。本集團的相關政策及程序包括香港《銀行業條例》內之法定要求、金管局監管規定以及最佳市場慣例。

(ii) 零售銀行

零售銀行信貸風險以產品為導向，源於零售銀行貸款產品，諸如信用卡、無抵押個人貸款、按揭貸款及以財富管理產品作抵押之貸款。由於該等產品本質相同，信貸風險管理主要基於不同產品、抵押品及客戶類型之風險統計分析結果而釐定。本集團透過發展、確認及調整內部驗收標準、記分卡及壓力測試模型定期釐定產品條款及理想客戶概況。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(iii) Counterparty credit risk

Counterparty credit risk means counterparty default or deterioration risk, credit valuation adjustment risk and settlement risk. Counterparty credit risk exposure means an exposure to counterparty credit risk, which involves situation in which the Group enters into a derivatives or non-same day spot foreign currency exchange settlement transaction with a counterparty which may subsequently fail to meet its obligations on or before the final settlement of the transactions. These credit exposures are managed as part of the overall credit limits to the counterparties and central clearing counterparty. In evaluating the credit risk associated with counterparty, financial strength is always the primary considerations. The credit risk exposure on derivatives is disclosed in Note 15(b) to these financial statements. The Group uses the SA-CCR for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Group has set up policies and procedures to control both general and specific wrong way risk.

(iv) Credit related commitments

The risks involved in credit related commitments and contingencies are essentially the same as the credit risk involved in extending loans and advances to customers and banks. These transactions are, therefore, subject to the same credit application, portfolio management and collateral requirements as for loan transactions.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of customers or counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's financial risk exposure is diversified by country, customer group, industry and product, but is concentrated in Hong Kong.

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 13 to 20.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(iii) 交易對手信貸風險

交易對手信貸風險指交易對手違約或惡化風險、信貸估值調整風險及結算風險。交易對手信貸風險指交易對手信貸風險，包括本集團與交易對手進行衍生品交易或非當日即期外匯結算交易，其後可能無法在該等交易最終結算或之前履行其義務的情況。該等信貸風險乃作為有關交易對手及中央結算對手整體信貸限額的一部分進行管理。在評估與交易對手相關的信貸風險時，財務實力始終是首要考慮因素。衍生工具之信貸風險於該等財務報告的附註15(b)披露。本集團以標準化方法－交易對手信用風險方法為該等交易對手風險提供資本。

當交易對手遭受的信貸風險與交易對手的信貸質素相互產生不利影響時將產生錯向風險。信貸風險及潛在虧損可能因市況不利變動而增加。本集團已制定政策及程序以控制操作錯向風險。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶及銀行提供借款及貸款之信貸風險相同。因此，該等交易須遵守與貸款交易相同之信貸申請、組合管理及抵押品規定。

(v) 信貸風險過分集中

當地域、經濟或行業因素之變動對不同類別之客戶或交易對手產生類似影響，而彼等之信貸風險綜合起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融風險已因國家、客戶組別、行業及產品而分散，但集中於香港。

有關各類金融資產之信貸風險集中情況之分析於附註13至20內披露。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation

The Group's credit evaluation focuses primarily on the obligor's repayment ability from its cash flow and financial condition. In addition, the Group employs various types of credit risk mitigation technique such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. The most commonly used credit risk mitigation measures are provided below:

Collateral

The Group holds collateral against its credit exposures to customers mainly in the form of cash deposits, marketable securities, mortgage interests over properties and guarantees. The Group also has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of the collateral. Collateral taken to secure credit exposures is revalued periodically ranging from daily to annually depending on the type of collateral. For treasury operations, collateral management is based on daily marked-to-market positions.

Master netting agreements

Collateral generally is not held over credit exposures to banks, except for securities held as part of reverse repurchase and securities borrowing activities, and initial margin and variation margin held against derivatives exposures. However, where applicable, the Group manages its credit exposures to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivative activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter derivative products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by such agreement if either party defaults or upon the occurrence of other pre-agreed termination events.

The Group has implemented the regulatory initial margin and variation margin requirements with counterparties in conjunction with the ISDA Master Agreement to mitigate the counterparty credit risk inherent in derivative transactions.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險

本集團的信貸評估主要集中於債務人以其現金流及財務狀況還款的能力。此外，本集團採用如適當信貸結構、給予抵押品及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低措施，以作為其信貸風險管理流程的不可或缺組成部分。最常用的信貸風險減低措施載列如下：

抵押品

本集團就信貸風險承擔而持有抵押品，主要包括現金存款、可流通證券、物業按揭以及擔保等形式。本集團亦已制定監管抵押品的評估、接納及定時估值的政策及程序。擔保信貸風險的抵押品乃定時被重估，取決於抵押品的類型，週期介乎每日至每年一次不等。就財資業務而言，抵押品管理會以市場情況每日重估。

淨額結算總協議

抵押品一般並非就給予銀行的信貸風險而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分以及就衍生工具風險持有的初始保證金及變動保證金時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算安排導致於違約時結算交易對手之風險會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外衍生工具產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

本集團已結合ISDA總協議與交易對手實施監管初始保證金及變動保證金要求，以減低衍生工具交易固有的交易對手信貸風險。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

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

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

下表載列受限於上述協議的已確認金融工具的賬面值。

31 December 2024	二零二四年十二月三十一日	Gross amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Gross amount of recognized financial instruments off-set in the consolidated statement of financial position 已抵銷金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Net amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的淨額 HK$'000 千港元	Related financial instruments that are not offset 未抵銷的有關金融工具		Net amount 淨額 HK$'000 千港元
					Financial instruments 金融工具 HK$'000 千港元	Cash collateral received 已收現金抵押品 HK$'000 千港元	
Financial assets	***金融資產***						
– Exchange rate derivatives	–匯率衍生工具	74,690	–	74,690	31,796	–	42,894
– Interest rate derivatives	–利率衍生工具	1,829,909	–	1,829,909	9,996	–	1,819,913
– Equity derivatives	–股票衍生工具	–	–	–	–	–	–
		1,904,599	–	1,904,599	41,792	–	1,862,807
Financial liabilities	***金融負債***						
– Exchange rate derivatives	–匯率衍生工具	37,531	–	37,531	31,796	–	5,735
– Interest rate derivatives	–利率衍生工具	9,996	–	9,996	9,996	–	–
– Equity derivatives	–股票衍生工具	22	–	22	–	–	22
		47,549	–	47,549	41,792	–	5,757

31 December 2023	二零二三年十二月三十一日	Gross amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Gross amount of recognized financial instruments off-set in the consolidated statement of financial position 已抵銷金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Net amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的淨額 HK$'000 千港元	Related financial instruments that are not offset 未抵銷的有關金融工具		Net amount 淨額 HK$'000 千港元
					Financial instruments 金融工具 HK$'000 千港元	Cash collateral received 已收現金抵押品 HK$'000 千港元	
Financial assets	*金融資產*						
– Exchange rate derivatives	–匯率衍生工具	40,643	–	40,643	25,476	–	15,167
– Interest rate derivatives	–利率衍生工具	1,709,499	–	1,709,499	25,241	–	1,684,258
– Equity derivatives	–股票衍生工具	–	–	–	–	–	–
		1,750,142	–	1,750,142	50,717	–	1,699,425
Financial liabilities	*金融負債*						
– Exchange rate derivatives	–匯率衍生工具	36,986	–	36,986	25,476	–	11,510
– Interest rate derivatives	–利率衍生工具	25,241	–	25,241	25,241	–	–
– Equity derivatives	–股票衍生工具	75	–	75	–	–	75
		62,302	–	62,302	50,717	–	11,585

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

Central clearing

The Group makes use of central clearing, whenever possible, to mitigate counterparty credit risk. The Group has developed its own credit assessment framework to evaluate the parties involved in the central clearing.

Other credit risk mitigation measures

The Group may also employ other types of credit mitigation, such as guarantees and letters of credit, mainly for corporate exposures. As the value of these types of collateral is conditional upon other credit related factors, their financial effect has not been quantified.

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the end of the reporting period without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowances. A summary of the maximum exposure to credit risk for the various components of the consolidated statement of financial position, contingencies and commitments is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

中央結算

本集團盡可能利用中央結算來減低交易對手信貸風險。本集團已建立自己的信貸評估框架，以評估參與中央結算的各方。

其他減低信貸風險措施

本集團亦使用擔保及信用證等其他類別的信貸減緩方式，主要用於減低企業風險。由於該等類別的抵押品價值取決於其他信貸相關因素，故並無計量其財務影響。

(vii) 最高信貸風險

於報告期末最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為綜合財務狀況表內各項金融資產扣除任何減值撥備後之賬面值。綜合財務狀況表、或然負債及承擔的各部分信貸風險的最高風險概要如下：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Credit risk exposures relating to on-balance sheet assets:	*與資產負債表內資產有關之信貸風險：*		
Cash and short-term funds	現金及短期資金	**8,516,072**	7,104,004
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**10,685,622**	6,059,269
Trading assets	持作交易用途資產	**1,436,973**	1,696,831
Derivative financial instruments	衍生金融工具	**1,916,183**	1,755,620
Advances to customers	客戶貸款	**62,701,653**	64,298,938
Advances to banks	銀行同業貸款	**7,168,457**	3,291,894
Trade bills	商業票據	**756,654**	658,615
Accrued interest and other assets	應計利息及其他資產	**2,834,316**	2,739,447
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**42,022,873**	48,975,907
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	**19,072,835**	–
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**24,681**	–
Credit risk exposures relating to off-balance sheet items:	*與資產負債表外項目有關之信貸風險：*		
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸相關之或然負債	**497,822**	599,991
Loan commitments and other credit related commitments	貸款承擔及其他信貸相關之承擔	**27,666,189**	28,081,145
		185,300,330	165,261,661

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses

The Group adopts the approach below in determining ECL on financial instruments in accordance with HKFRS 9:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定

本集團採納下列方式以按照香港財務報告準則第9號釐定金融工具預期信貸虧損：

Component 組成部分	Definition 定義
Probability of default ("PD")	The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and Stage 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk, such as property prices indices, unemployment rates and Gross Domestic Product ("GDP") forecasts. The PD is estimated at a point in time which means it will fluctuate in line with the economic cycle. The term structure of the PD is based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
違約或然率	交易對手於某個時間點將違約的概率，校準至自報告日期起最多12個月(第一階段)或產品生命週期(第二階段及第三階段)，並納入對信貸風險造成影響的前瞻性經濟假設的影響，如物業價格指數、失業率及國內生產總值預測。 違約或然率乃基於某個時間點估計得出，意即其將隨經濟週期波動。違約或然率的期限結構乃基於統計模型，使用歷史數據校準並調整至包含前瞻性經濟假設。
Loss given default ("LGD")	The percentage loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the proportion of the contractual cash flows due that the Group expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial instrument, taking into account forward-looking economic assumptions where relevant.
違約損失率	於違約時預計造成的損失百分比(經納入相關前瞻性經濟假設的影響)，代表本集團預期收取的到期合約現金流部分。 經計及同時考慮相關前瞻性經濟假設，本集團根據回收率的歷史記錄以估計違約損失率，並考慮收回金融工具的任何重要抵押品。
Exposure at default ("EAD")	The expected balance sheet exposure at the time of default, taking into account the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of facilities, repayments of principal and interest, amortization and prepayments.
違約風險承擔	於違約時的預期資產負債表風險承擔(經計及風險承擔期間的預期風險承擔變動)，其中包括動用信貸承擔、償還本金和利息、攤銷和預付款項的影響。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses (continued)

ECLs are measured at the present value of all expected cash shortfalls.

The estimate of expected cash shortfalls is determined by multiplying the PD with LGD and EAD.

Forward looking economic assumptions are incorporated into the PD and LGD where relevant and where they influence credit risk, such as property price indices, unemployment rate and GDP amongst others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios, both in respect of determining the PD and LGD and in determining the overall ECL amounts.

(ix) Credit quality of advances to customers

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

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定(續)

預期信貸虧損以所有預期現金不足額之現值計量。

預期現金差額的估計乃透過將違約或然率、違約損失率及預期違約風險承擔相乘而釐定。

前瞻性經濟假設會納入違約或然率及違約損失率(倘相關及影響信貸風險，如物業價格指數、失業率及國內生產總值等)。該等假設使用本集團對一系列宏觀經濟假設的最有可能的預測而納入。該等預測使用所有合理及可證明的資料(包括內部作出的預測及外部提供的預測)而釐定，並與預算、預測及資本計劃所用者一致。

為計及信貸虧損的潛在非線性性質，多個前瞻性情景會納入所有重大組合的合理可能結果範圍內，包括釐定違約或然率及違約損失率，以釐定整體預期信貸虧損金額。

(ix) 客戶貸款之信貸質素

客戶貸款之信貸質素可分析如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Neither past due nor impaired	並無逾期或減值	**60,127,097**	60,609,184
Past due but not impaired	已逾期但並無減值	**1,828,658**	3,671,382
Impaired (Note 16(c))	已減值(附註16(c))	**1,206,887**	361,211
		63,162,642	64,641,777
Of which:	其中：		
Gross advances to customers that are neither past due nor impaired	並無逾期或減值之客戶貸款總額		
– Grade 1: Pass	－第一級：通過	**59,067,223**	59,770,148
– Grade 2: Special mention	－第二級：關注	**1,059,874**	839,036
		60,127,097	60,609,184

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

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

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 客戶貸款之信貸質素(續)

下表載列客戶貸款之信貸質素有關的資料。除特別訂明外，表中金額指賬面總額。

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL		Lifetime ECL not credit-impaired 非信貸不良的		Lifetime ECL credit-impaired 信貸不良的		Total 總額	
		12個月內預期信貸虧損		全期預期信貸虧損		全期預期信貸虧損			
		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$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Pass	通過	58,648,567	203,981	965,860	589	–	–	59,614,427	204,570
Special mention	關注	–	–	2,341,328	25,282	–	–	2,341,328	25,282
Substandard	次級	–	–	–	–	353,674	–	353,674	–
Doubtful	可疑	–	–	–	–	802,286	–	802,286	–
Loss	損失	–	–	–	–	50,927	–	50,927	–
Gross carrying amount	賬面總值	58,648,567	203,981	3,307,188	25,871	1,206,887	–	63,162,642	229,852
Less: Impairment allowances	減：減值撥備	(137,671)	–	(60,141)	–	(263,177)	–	(460,989)	–
Carrying amount	賬面值	58,510,896	203,981	3,247,047	25,871	943,710	–	62,701,653	229,852

		31 December 2023 二零二三年十二月三十一日							
		12-month ECL		Lifetime ECL not credit-impaired 非信貸不良的		Lifetime ECL credit-impaired 信貸不良的		Total 總額	
		12個月內預期信貸虧損		全期預期信貸虧損		全期預期信貸虧損			
		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$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Pass	通過	60,574,718	207,278	1,301,164	3,983	–	–	61,875,882	211,261
Special mention	關注	–	–	2,404,684	61,491	–	–	2,404,684	61,491
Substandard	次級	–	–	–	–	155,552	–	155,552	–
Doubtful	可疑	–	–	–	–	197,364	–	197,364	–
Loss	損失	–	–	–	–	8,295	–	8,295	–
Gross carrying amount	賬面總值	60,574,718	207,278	3,705,848	65,474	361,211	–	64,641,777	272,752
Less: Impairment allowances	減：減值撥備	(165,803)	–	(72,172)	–	(104,864)	–	(342,839)	–
Carrying amount	賬面值	60,408,915	207,278	3,633,676	65,474	256,347	–	64,298,938	272,752

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

本集團根據為向金管局呈報而須採納之貸款分級制度就客戶貸款進行分類。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

The ageing analysis of advances to customers that are past due but not impaired is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 客戶貸款之信貸質素(續)

已逾期但並無減值之客戶貸款賬齡分析如下：

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Gross advances to customers that are past due but not impaired	已逾期但並無減值之客戶貸款總額		
– Overdue 3 months or less	－逾期三個月或以下	**1,247,098**	2,770,064
– Overdue 6 months or less but over 3 months	－逾期六個月或以下惟三個月以上	**376,660**	70,343
– Overdue 1 year or less but over 6 months	－逾期一年或以下惟六個月以上	**204,900**	825,826
– Overdue over 1 year	－逾期一年以上	**–**	5,149
		1,828,658	3,671,382

Advances to customers that would be past due or impaired had the terms not been modified amounted to HK$6,410,000 as at 31 December 2024 (2023: HK$6,728,000).

於二零二四年十二月三十一日，倘條款不予修訂即為已逾期或已減值之客戶貸款金額為6,410,000港元(二零二三年：6,728,000港元)。

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

The following tables set out the credit analysis for financial instruments other than advances to customers. The tables below analyse the financial instruments by their rating under the Group's loan classification system or credit rating designation based on Standard & Poor's rating or their equivalents, whichever is appropriate. Unless specifically indicated, the amount in the tables represent gross carrying amount.

(x) 客戶貸款以外之金融工具之信貸質素

下表載列除客戶貸款以外之金融工具之信貸分析。下表根據本集團借款分類系統項下的評級或以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對金融工具作出分析。除特別訂明外，表中金額指賬面總額。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Cash and short-term funds

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

現金及短期資金

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	1,309,482	2,583	-	-	-	-	1,309,482	2,583
A- to A+	A-至A+	6,187,185	29,176	-	-	-	-	6,187,185	29,176
Lower than A-	A-以下	180,184	534	-	-	-	-	180,184	534
Unrated	無評級	840,078	-	-	-	-	-	840,078	-
Gross carrying amount	賬面總值	8,516,929	32,293	-	-	-	-	8,516,929	32,293
Less: Impairment allowances	減：減值撥備	(857)	-	-	-	-	-	(857)	-
Carrying amount	賬面值	8,516,072	32,293	-	-	-	-	8,516,072	32,293

		31 December 2023 二零二三年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	1,327,232	637	-	-	-	-	1,327,232	637
A- to A+	A-至A+	4,374,447	12,456	-	-	-	-	4,374,447	12,456
Lower than A-	A-以下	486,423	509	-	-	-	-	486,423	509
Unrated	無評級	916,370	1,675	-	-	-	-	916,370	1,675
Gross carrying amount	賬面總值	7,104,472	15,277	-	-	-	-	7,104,472	15,277
Less: Impairment allowances	減：減值撥備	(468)	-	-	-	-	-	(468)	-
Carrying amount	賬面值	7,104,004	15,277	-	-	-	-	7,104,004	15,277

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Balances with banks and other financial institutions

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

銀行同業及其他金融機構結餘

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	1,855,289	9,711	-	-	-	-	1,855,289	9,711
A- to A+	A-至A+	8,634,235	82,542	-	-	-	-	8,634,235	82,542
Lower than A-	A-以下	201,876	582	-	-	-	-	201,876	582
Gross carrying amount	賬面總值	10,691,400	92,835	-	-	-	-	10,691,400	92,835
Less: Impairment allowances	減：減值撥備	(5,778)	-	-	-	-	-	(5,778)	-
Carrying amount	賬面值	10,685,622	92,835	-	-	-	-	10,685,622	92,835

		31 December 2023 二零二三年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	5,196,299	70,112	–	–	–	–	5,196,299	70,112
A- to A+	A-至A+	786,774	7,827	–	–	–	–	786,774	7,827
Lower than A-	A-以下	78,087	610	–	–	–	–	78,087	610
Gross carrying amount	賬面總值	6,061,160	78,549	–	–	–	–	6,061,160	78,549
Less: Impairment allowances	減：減值撥備	(1,891)	–	–	–	–	–	(1,891)	–
Carrying amount	賬面值	6,059,269	78,549	–	–	–	–	6,059,269	78,549

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Advances to banks

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

銀行同業貸款

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總值	7,179,074	50,407	-	-	-	-	7,179,074	50,407
Less: Impairment allowances	減：減值撥備	(10,617)	-	-	-	-	-	(10,617)	-
Carrying amount	賬面值	7,168,457	50,407	-	-	-	-	7,168,457	50,407

		31 December 2023 二零二三年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總值	3,292,607	24,129	-	-	-	-	3,292,607	24,129
Less: Impairment allowances	減：減值撥備	(713)	-	-	-	-	-	(713)	-
Carrying amount	賬面值	3,291,894	24,129	-	-	-	-	3,291,894	24,129

All advances to banks outstanding as at 31 December 2024 and 2023 are classified as "Pass" under the Group's loan classification system.

於二零二四年及二零二三年十二月三十一日，所有尚未償還銀行同業貸款根據本集團貸款分級制度分為「通過」級。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Trade bills

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總值	758,582	405	-	-	-	-	758,582	405
Less: Impairment allowances	減：減值撥備	(1,928)	-	-	-	-	-	(1,928)	-
Carrying amount	賬面值	756,654	405	-	-	-	-	756,654	405

		31 December 2023 二零二三年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總值	661,607	193	-	-	-	-	661,607	193
Less: Impairment allowances	減：減值撥備	(2,992)	-	-	-	-	-	(2,992)	-
Carrying amount	賬面值	658,615	193	-	-	-	-	658,615	193

All trade bills outstanding as at 31 December 2024 and 2023 are classified as "Pass" under the Group's loan classification system.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

商業票據

於二零二四年及二零二三年十二月三十一日，所有尚未償還商業票據根據本集團貸款分級制度分為「通過」級。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Debt securities measured at amortized cost

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

以攤銷成本計量之債務證券

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AAA	AAA	8,729,968	263,862	–	–	–	–	8,729,968	263,862
AA- to AA+	AA–至AA+	12,034,589	194,063	–	–	–	–	12,034,589	194,063
A- to A+	A–至A+	16,508,429	162,092	–	–	–	–	16,508,429	162,092
Lower than A-	A–以下	4,208,277	39,750	38,950	979	–	–	4,247,227	40,729
Unrated	無評級	534,734	4,897	–	–	–	–	534,734	4,897
Gross carrying amount	賬面總值	42,015,997	664,664	38,950	979	–	–	42,054,947	665,643
Less: Impairment allowances	減：減值撥備	(31,816)	–	(258)	–	–	–	(32,074)	–
Carrying amount	賬面值	41,984,181	664,664	38,692	979	–	–	42,022,873	665,643

		31 December 2023 二零二三年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AAA	AAA	8,778,727	121,898	–	–	–	–	8,778,727	121,898
AA- to AA+	AA–至AA+	18,714,105	169,004	–	–	–	–	18,714,105	169,004
A- to A+	A–至A+	15,489,398	140,008	–	–	–	–	15,489,398	140,008
Lower than A–	A–以下	5,419,125	48,975	38,367	984	–	–	5,457,492	49,959
Unrated	無評級	589,621	5,545	–	–	–	–	589,621	5,545
Gross carrying amount	賬面總值	48,990,976	485,430	38,367	984	–	–	49,029,343	486,414
Less: Impairment allowances	減：減值撥備	(51,939)	–	(1,497)	–	–	–	(53,436)	–
Carrying amount	賬面值	48,939,037	485,430	36,870	984	–	–	48,975,907	486,414

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Credit related commitments and contingencies

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

與信貸有關之承擔及或然項目

		31 December 2024 二零二四年十二月三十一日			
		12-month ECL 12個月內預期信貸虧損	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損	Total 總額
		Principal 本金	Principal 本金	Principal 本金	Principal 本金
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Pass	通過	**27,720,091**	**382,712**	**–**	**28,102,803**
Special mention	關注	**–**	**61,208**	**–**	**61,208**
Gross amount	賬面總額	**27,720,091**	**443,920**	**–**	**28,164,011**
Impairment allowances (Note 25)	減值撥備(附註25)	**(15,349)**	**(7,790)**	**–**	**(23,139)**

		31 December 2023 二零二三年十二月三十一日			
		12-month ECL 12個月內預期信貸虧損	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損	Total 總額
		Principal 本金	Principal 本金	Principal 本金	Principal 本金
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Pass	通過	28,386,098	288,356	–	28,674,454
Special mention	關注	–	6,682	–	6,682
Gross amount	賬面總額	28,386,098	295,038	–	28,681,136
Impairment allowances (Note 25)	減值撥備(附註25)	(18,533)	(6,289)	–	(24,822)

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Credit related commitments and contingencies (continued)

Credit risk that arises from investments securities is managed in the same way as the Group manages its credit risk under corporate lending, with the exposure to the issuer controlled under the overall lending limit to the customer group. Analysis of investment securities by credit rating designation, that are not disclosed in other notes to these financial statements, based on Standard & Poor's ratings or their equivalents, is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

與信貸有關之承擔及或然項目(續)

本集團按管理公司借貸之信貸風險相同之方式，管理其證券投資產生之信貸風險，對發行方之承擔受制於客戶組別授出的整體借貸限額。以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對投資證券進行之分析(並無於該等財務報表的其他附註披露)如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Trading assets	**持作交易用途資產**		
AA- to AA+	AA–至AA+	**1,436,973**	1,696,831
Debt securities measured at FVOCI	**以公平價值於其他全面收益計量之債務證券**		
AAA	AAA	**5,422,304**	–
AA- to AA+	AA–至AA+	**13,499,889**	–
A- to A+	A–至A+	**150,642**	–
		19,072,835	–

There were no overdue debt securities held by the Group as at 31 December 2024 (2023: Nil).

本集團於二零二四年十二月三十一日並未持有已逾期債務證券(二零二三年：無)。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowances by class of financial instruments at transaction level.

Advances to customers

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬

下表顯示按金融工具交易級別劃分的減值撥備的期初至期末餘額的對賬。

客戶貸款

		2024 二零二四年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	165,803	72,172	104,864	342,839
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損	(5,958)	5,958	–	–
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	24,707	(24,707)	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損	(1,631)	(8,169)	9,800	–
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	57,363	11,640	–	69,003
Repayments	還款	(53,971)	(21,980)	–	(75,951)
Write-offs	撇銷	–	–	(489,128)	(489,128)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	(48,642)	25,227	637,641	614,226
At 31 December (Note 16(a))	於十二月三十一日(附註16(a))	137,671	60,141	263,177	460,989

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Advances to customers (continued)

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

客戶貸款(續)

		2023 二零二三年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	228,121	66,821	177,669	472,611
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損	(4,559)	4,559	–	–
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	4,121	(4,121)	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損	(575)	(4,296)	4,871	–
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	84,181	5,333	–	89,514
Repayments	還款	(114,142)	(10,098)	–	(124,240)
Write-offs	撇銷	–	–	(514,450)	(514,450)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	(31,344)	13,974	436,774	419,404
At 31 December (Note 16(a))	於十二月三十一日(附註16(a))	165,803	72,172	104,864	342,839

The contractual amount outstanding on advances to customers that were written off during the year ended 31 December 2024 and that are still subject to enforcement activity is HK$489.1 million (2023: HK$541.4 million).

截至二零二四年十二月三十一日止年度已撇銷但仍進行執行活動之客戶貸款未償還合約金額為489,100,000港元(二零二三年：541,400,000港元)。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Debt securities measured at amortized cost

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

以攤銷成本計量之債務證券

		2024 二零二四年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	**51,939**	**1,497**	**–**	**53,436**
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	**8,494**	**–**	**–**	**8,494**
Repayment	還款	**(13,947)**	**–**	**–**	**(13,947)**
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	**(14,670)**	**(1,239)**	**–**	**(15,909)**
At 31 December (Note 18)	於十二月三十一日(附註18)	**31,816**	**258**	**–**	**32,074**

		2023 二零二三年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	62,958	1,068	–	64,026
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	14,001	–	–	14,001
Repayment	還款	(13,980)	(126)	–	(14,106)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	(11,040)	555	–	(10,485)
At 31 December (Note 18)	於十二月三十一日(附註18)	51,939	1,497	–	53,436

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

其他

		2024 二零二四年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	24,597	6,289	–	30,886
New financial instruments originated or purchased and further lending	源生或購入之新金融工具及進一步貸款	12,018	–	–	12,018
Repayments	還款	(5,496)	–	–	(5,496)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	3,410	1,501	–	4,911
At 31 December	於十二月三十一日	34,529	7,790	–	42,319
Of which:	其中：				
Cash and short-term funds	現金及短期資金	857	–	–	857
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	5,778	–	–	5,778
Advances to banks (Note 17)	銀行同業貸款(附註17)	10,617	–	–	10,617
Trade bills	商業票據	1,928	–	–	1,928
Credit related commitments and contingencies (Note 25)	與信貸有關之承擔及或然項目（附註25）	15,349	7,790	–	23,139
		34,529	7,790	–	42,319

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others (continued)

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

其他(續)

		2023 二零二三年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	31,261	7,804	–	39,065
New financial instruments originated or purchased and further lending	源生或購入之新金融工具及進一步貸款	5,825	–	–	5,825
Repayments	還款	(5,954)	–	–	(5,954)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額（包括匯兑調整）	(6,535)	(1,515)	–	(8,050)
At 31 December	於十二月三十一日	24,597	6,289	–	30,886
Of which:	其中：				
Cash and short-term funds	現金及短期資金	468	–	–	468
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	1,891	–	–	1,891
Advances to banks (Note 17)	銀行同業貸款(附註17)	713	–	–	713
Trade bills	商業票據	2,992	–	–	2,992
Credit related commitments and contingencies (Note 25)	與信貸有關之承擔及或然項目（附註25）	18,533	6,289	–	24,822
		24,597	6,289	–	30,886

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xii) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xii) 抵押品及其他信貸提升措施

就金融資產所持有之抵押品及其他信貸提升措施之估計公平價值如下：

		31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年十二月三十一日 HK$'000 千港元
Fair value of collateral and other credit enhancements held against financial assets that are:	就下列金融資產所持有之抵押品及其他信貸提升措施之公平價值：		
– Neither past due nor impaired	－並無逾期或減值	93,502,807	95,091,951
– Past due but not impaired	－已逾期但並無減值	3,115,126	5,643,020
– Impaired	－已減值	892,311	205,640
		97,510,244	100,940,611

(xiii) Collateral and other credit enhancements obtained

At 31 December 2024, total repossessed assets and assets acquired under lending agreements of the Group amounted to HK$8,700,000 (2023: HK$9,700,000) which is included in "Accrued interest and other assets" in the consolidated statement of financial position.

During the year, the Group also took possession on properties that were held as collateral against impaired advances to customers. As the relevant impaired advances to customers have not been written-off at the end of the reporting periods, these properties are not recognized as assets in the consolidated statement of financial position. The market value of these properties is HK$200,970,000 (2023: HK$79,900,000) as of 31 December 2024.

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

(xiii) 已取得之抵押品及其他信貸提升措施

於二零二四年十二月三十一日，本集團之收回資產及根據貸款協議所得資產總值為8,700,000港元(二零二三年：9,700,000港元)，有關金額計入綜合財務狀況表中的「應計利息及其他資產」。

年內，本集團亦收回作為針對客戶減值貸款的擔保而持有的抵押品。由於相關客戶減值貸款在報告期末尚未撇銷，因此該等物業未有在綜合財務狀況表中確認為資產。截至二零二四年十二月三十一日，該等物業之市值為200,970,000港元(二零二三年：79,900,000港元)。

收回物業會儘快予以出售，所得之款項將用以削減未償還之債項。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management

Market risk arises from potential losses in earnings or economic value due to adverse changes in financial markets rates or prices of financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from the statement of financial position or structural positions. The Group transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market making activities, and offsetting transactions taken in order to hedge the Group's open position. The Group does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The RC reviews and approves policy for market risk management including limits and approved financial instruments. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee ("ALCO"). This committee articulates the interest rate view of the Group and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policy, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the RC. Market risk is managed within various limits approved by the RC. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, Value-at-risk ("VaR") limit, Basis Point Value ("BPV") limits, stop loss limits and risk position limits. These limits are reviewed and endorsed by the ALCO and approved by the RC at least annually. The regular limit monitoring is performed daily and the result is reported to the ALCO members. The risk exposures are also reported to the RC and ALCO regularly. The Group adopted the standardized approach for market risk capital calculation.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest rate and foreign exchange contracts, which are primarily over-the-counter derivatives. The Group also engages exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customers' demands and to hedge these and other positions.

36. 財務風險管理(續)

(b) 市場風險管理

市場風險產生於盈利或經濟價值因金融市場費率或金融工具(包括證券、外匯合約、股票及其他衍生工具)價格以及財務狀況表或結構性倉盤的不利變動而產生的潛在虧損。本集團在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本集團就執行客戶指令、市場莊家活動，以及為對沖本集團之未平倉盤而持有倉盤。本集團並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引申之風險。

風險委員會檢討及審批有關市場風險管理之政策，包括限額及經批准金融工具。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本集團對利率走勢之預測，而決定有關未來業務策略。該委員會亦審閱及制定融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由風險委員會定期予以檢討及批准。市場風險乃在經由風險委員會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、風險值(VaR)、基點價值(BPV)、止蝕限額及風險倉盤限額設定之限額。資產負債委員會對這些限制進行審閱和認可，並且至少每年一次由風險委員會批准。定期監測每天進行，並將結果報告給資產負債委員會成員。風險承擔也至少每月向風險委員會及資產負債委員會報告。本集團採用標準方法計算市場風險資本。

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項主要業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及外匯合約等場外交易衍生工具。本集團亦使用交易所買賣衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖此等和其他倉盤而訂立。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

One of the tools used by the Group to measure, monitor and control market risk exposures is VaR. VaR is a risk measure that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the historical simulation method as the means to estimate the statistical confidence level.

The VaR is only effective for potential loss events which are not correlated. The Group therefore augments its VaR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis and stress testing, both on individual portfolios and Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

(i) Sensitivity analysis of market risk exposures

Trading market risk

Currency risk

As of 31 December 2024, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK$0.69 million higher (2023: HK$0.35 million higher).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK$0.69 million lower (2023: HK$0.35 million lower).

Interest rate risk

The Group measures trading book interest rate risks through BPV. BPV is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group has adopted sensitivity test on interest rate movement based on HKMA instructions. As of 31 December 2024 and 2023, the interest rate upward or downward movement would not result in a material profit movement.

Equity risk

As of 31 December 2024 and 2023, the Group has no equity position in its trading portfolio. As such, any movement in the equity price would have no impact on the Group.

36. 財務風險管理(續)

(b) 市場風險管理(續)

風險值是本集團為計量、監控及限制市場風險所採用之其中一種工具。風險值是一種按既定信心水平及在特定持盤時間內，就市場利率及價格之變動而對持倉盤之潛在虧損之結算的風險度量。計算方式乃使用歷史模擬法估計統計數字信心水平。

風險值僅對不相關的潛在虧損事項有效。因此，本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別組合及本集團之綜合狀況應用較廣範圍之敏感性分析及壓力測試，以評估市價之極端變動對本集團盈利之潛在影響。

(i) 市場風險敏感度分析

交易市場風險

貨幣風險

截至二零二四年十二月三十一日，如港元兑其他貨幣升值0.5%，並假設所有其他變量保持不變，本年度之除税前溢利將增加690,000港元(二零二三年：增加350,000港元)。

反之，如港元兑其他貨幣貶值0.5%，並假設所有其他變量保持不變，本年度之除税前溢利將減少690,000港元(二零二三年：減少350,000港元)。

利率風險

本集團透過基點價值法計量交易賬利率風險。BPV是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團已採用利率變動之敏感度測試。截至二零二四年及二零二三年十二月三十一日，如果上調或下調利率，溢利將不會有重大變動。

股票風險

本集團截至二零二四年及二零二三年十二月三十一日並無持有持作交易用途之股本證券。因此，股價變動對本集團並無影響。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk

Currency risk

All of the Group's foreign currency position arises from the Group's non-trading activities (e.g. investments, lending and deposit taking) are captured and transferred to the Treasury Investment Division. The Treasury Investment Division manages these foreign currency exposures and minimizes foreign currency asset and liability mismatch by entering into foreign currency spot and forward transactions. Market Risk Management Department monitors those outstanding foreign currency positions on a daily basis and report to the ALCO regularly.

Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest rate sensitive assets, liabilities and commitments. Interest rate risk is managed by the Funding Desk Department within limits approved by the RC. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest rate sensitive liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate debt securities, loans and liabilities. Structural interest rate risk is monitored by the ALCO.

As of 31 December 2024, assuming other market variables including prime rate and managed rate remain constant, an increase in Hong Kong Dollars market interest rates movement would result in a decrease on earnings over the next 12 months of HK$334 million (2023: HK$428 million decrease), and a decrease on economic value of HK$153 million (2023: HK$243 million decrease); while an increase in US Dollars market interest rates of movement would result in a decrease on earnings over the next 12 months of HK$146 million (2023: HK$166 million decrease), and a decrease on economic value of HK$84 million (2023: HK$65 million decrease).

36. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險

貨幣風險

本集團所有來自非交易活動(如投資、放款及吸收存款等)的外匯持倉均轉移到財務投資部名下。財務投資部管理此等外幣風險，並以外幣現貨交易及遠期交易減少外幣資產及負債錯配。市場風險管理部負責每天監察此等外幣持倉並定期向資產負債委員會匯報。

利率風險

利率風險主要由利率敏感性資產、負債及承擔之利率重訂時差引致，利率風險由資金部管理，並維持在風險委員會批准之限額之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由非利率敏感性負債(包括股東資金及往來賬戶在內)，以及若干定息債務證券、貸款及負債所產生。結構利率風險由資產負債委員會監控。

截至二零二四年十二月三十一日，假設其他市場變量(包括最優惠利率及在管利率)維持不變，如果港元市場利率變動調升，將導致接下來12個月盈利減少334,000,000港元(二零二三年：減少428,000,000港元)，及經濟值減少153,000,000港元(二零二三年：減少243,000,000港元)；如果美元市場利率變動調升，將導致接下來12個月盈利減少146,000,000港元(二零二三年：減少166,000,000港元)，及經濟值減少84,000,000港元(二零二三年：減少65,000,000港元)。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk (continued)

Interest rate risk *(continued)*

Conversely, assuming other market variables including prime rate and managed rate remain constant, a decrease in Hong Kong Dollars market interest rates movement would result in an increase on earnings over the next 12 months of HK$334 million (2023: HK$428 million increase); while a decrease in US Dollars market interest rates of movement would result in an increase on earnings over the next 12 months of HK$146 million (2023: HK$166 million increase).

Equity risk

As of 31 December 2024 and 2023, the Group does not hold any non-trading listed equity securities, while the Group holds a small portfolio of non-trading unlisted equity securities at 31 December 2024 and 2023. As such, any movement in the equity price would have insignificant impact on the Group.

The Group holds non-trading unlisted equity investments and uses the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues or the net assets value reported by the management of the investee companies to determine the fair value of the investment. A sensitivity analysis on the fair value of these unlisted equity investments is disclosed in Note 33(a)(ii).

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both years 2024 and 2023.

(ii) Analysis of currency risk exposures

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by the Treasury Investment Division within limits approved by the RC. The Group has no structural foreign currency positions as at 31 December 2024 and 2023. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

36. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險(續)

利率風險*(續)*

反之，假設其他市場變量(包括最優惠利率及在管利率)維持不變，如果港元市場利率變動下調，將導致接下來12個月盈利增加334,000,000港元(二零二三年：增加428,000,000港元)；如果美元市場利率變動下調，將導致接下來12個月盈利增加146,000,000港元(二零二三年：增加166,000,000港元)。

股票風險

於二零二四年及二零二三年十二月三十一日，本集團並無持有任何非持作交易用途之上市股本證券，而於二零二四年及二零二三年十二月三十一日本集團持有小部分非持作交易用途之非上市股本證券。因此，股價變動對本集團並無重大影響。

本集團持有非交易非上市股權投資，並使用適用的價格／盈利率及經調整類似上市公司其他市場數據以反映發行的特定條件或被投資公司管理層報告之資產淨值釐定投資之公平價值。該等非上市股權投資公平價值的敏感度分析披露於附註33(a)(ii)。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零二四年及二零二三年而言所採用者乃屬相同。

(ii) 貨幣風險分析

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由財務投資部管理，並維持在風險委員會所訂定之限額內。於二零二四年及二零二三年十二月三十一日，本集團並無結構性外幣持倉。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

The following table indicates the concentration of currency risk at the end of the reporting period:

36. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

下表列示於報告期末之貨幣風險集中度：

		31 December 2024 二零二四年十二月三十一日		
(Equivalent in HK$'000)	**(千港元等值)**	**US Dollars 美元**	**CNY Dollars 人民幣**	**Other foreign currencies 其他外幣**
ASSETS	**資產**			
Cash and short-term funds	現金及短期資金	**3,835,582**	**261,970**	**161,765**
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**2,956,347**	**1,192,580**	**–**
Derivative financial instruments	衍生金融工具	**1,815,614**	**23,471**	**8,669**
Advances to customers	客戶貸款	**8,930,317**	**2,551,877**	**4,032,507**
Advances to banks	銀行同業貸款	**5,444,262**	**–**	**724,343**
Trade bills	商業票據	**357,011**	**399,643**	**–**
Accrued interest and other assets	應計利息及其他資產	**994,389**	**856,422**	**41,104**
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**31,834,538**	**327,306**	**1,693,824**
Debts securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	**4,607,919**	**8,511**	**202,978**
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**24,681**	**–**	**–**
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**19,880**	**–**	**–**
Fixed assets	固定資產	**–**	**7**	**–**
Spot assets	**現貨資產**	**60,820,540**	**5,621,787**	**6,865,190**
LIABILITIES	**負債**			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**1,418,436**	**509,075**	**1,280,045**
Deposits from customers	客戶存款	**49,467,439**	**4,967,998**	**6,101,709**
Derivative financial instruments	衍生金融工具	**29,053**	**21,835**	**12,295**
Other liabilities	其他負債	**2,254,401**	**67,569**	**126,869**
Spot liabilities	**現貨負債**	**53,169,329**	**5,566,477**	**7,520,918**
Net on-balance sheet position	**資產負債表內持倉淨額**	**7,651,211**	**55,310**	**(655,728)**
Off-balance sheet position	資產負債表外倉盤			
Foreign exchange derivative contracts	外匯衍生合約	**(6,092,916)**	**(27,298)**	**655,405**
Net aggregate position	**總持倉淨額**	**1,558,295**	**28,012**	**(323)**
Credit commitments and other contingent liabilities in foreign currencies	**以外幣結算之信貸承擔及其他或然負債**	**749,692**	**51,677**	**154,469**

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

36. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

(Equivalent in HK$'000)	(千港元等值)	31 December 2023 二零二三年十二月三十一日 US Dollars 美元	Other foreign currencies 其他外幣
ASSETS	**資產**		
Cash and short-term funds	現金及短期資金	3,591,117	937,674
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	741,670	970,991
Derivative financial instruments	衍生金融工具	1,704,576	34,934
Advances to customers	客戶貸款	8,325,229	5,573,877
Advances to banks	銀行同業貸款	1,494,836	797,771
Trade bills	商業票據	103,680	554,935
Accrued interest and other assets	應計利息及其他資產	891,078	954,020
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	29,169,543	1,382,105
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	47,504	860,190
Fixed assets	固定資產	–	16
Spot assets	**現貨資產**	46,069,233	12,066,513
LIABILITIES	**負債**		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	6,255,863	1,294,851
Deposits from customers	客戶存款	37,063,263	7,866,721
Derivative financial instruments	衍生金融工具	42,644	46,756
Other liabilities	其他負債	2,319,345	1,242,214
Spot liabilities	**現貨負債**	45,681,115	10,450,542
Net on-balance sheet position	**資產負債表內持倉淨額**	388,118	1,615,971
Off-balance sheet position	資產負債表外倉盤		
Foreign exchange derivative contracts	外匯衍生合約	1,067,302	(1,067,302)
Net aggregate position	**總持倉淨額**	1,455,420	548,669
Credit commitments and other contingent liabilities in foreign currencies	**以外幣結算之信貸承擔及其他或然負債**	869,290	272,113

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the end of the reporting period. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

36. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析

下表列示於報告期末計息資產與負債於相關期間之實際利率及於預期利息重訂價格日期之錯配。實際重訂價格日期可能因預付款及行使期權而不同於合約日期。

		31 December 2024 二零二四年十二月三十一日						
		Average effective interest rate 平均實際利率	Total 總額	3 months or less (include overdue) 三個月或以下(包括逾期部分)	Over 3 months to 1 year 三個月以上至一年	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上	Non-interest bearing 不計息
			HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
ASSETS	**資產**							
Cash and short-term funds	現金及短期資金	4.64%	8,516,072	6,836,659	–	–	–	1,679,413
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	4.20%	10,685,622	3,089,011	7,596,611	–	–	–
Trading assets	持作交易用途資產	3.77%	1,436,973	249,025	1,187,948	–	–	–
Derivative financial instruments	衍生金融工具	N/A不適用	1,916,183	–	–	–	–	1,916,183
Advances to customers	客戶貸款	5.33%	62,701,653	46,445,140	14,054,963	1,212,462	46,331	942,757
Advances to banks	銀行同業貸款	5.15%	7,168,457	7,168,457	–	–	–	–
Trade bills	商業票據	3.73%	756,654	499,855	256,799	–	–	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	4.03%	42,022,873	9,330,138	7,373,592	19,275,315	6,041,828	2,000
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	4.12%	19,072,835	9,013,433	5,538,351	3,511,117	1,009,934	–
Investment fund measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	N/A不適用	24,681	–	–	–	–	24,681
Other assets	其他資產	5.38%	5,949,747	28,522	–	–	–	5,921,225
			160,251,750	82,660,240	36,008,264	23,998,894	7,098,093	10,486,259
LIABILITIES	**負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	3.80%	3,856,010	3,703,176	–	–	–	152,834
Deposits from customers	客戶存款	3.54%	133,895,361	101,857,896	31,446,197	1,290	–	589,978
Trading liabilities	交易賬項下之負債	3.67%	941,735	249,025	692,710	–	–	–
Derivative financial instruments	衍生金融工具	N/A不適用	101,708	–	–	–	–	101,708
Lease liabilities	租賃負債	3.75%	86,148	6,764	15,883	44,438	19,063	–
Other liabilities	其他負債	N/A不適用	4,822,076	–	–	–	–	4,822,076
			143,703,038	105,816,861	32,154,790	45,728	19,063	5,666,596
Interest rate sensitivity gap	**利率敏感度差距**			(23,156,621)	3,853,474	23,953,166	7,079,030	

Derivative financial instruments are carried at fair values. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

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

36. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析(續)

		31 December 2023 二零二三年十二月三十一日						
		Average effective interest rate 平均實際利率	Total 總額	3 months or less (include overdue) 三個月或以下(包括逾期部分)	Over 3 months to 1 year 三個月以上至一年	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上	Non-interest bearing 不計息
			HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
ASSETS	**資產**							
Cash and short-term funds	現金及短期資金	5.24%	7,104,004	6,051,168	–	–	–	1,052,836
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	4.77%	6,059,269	2,080,411	3,978,858	–	–	–
Trading assets	持作交易用途資產	4.80%	1,696,831	1,696,831	–	–	–	–
Derivative financial instruments	衍生金融工具	N/A不適用	1,755,620	–	–	–	–	1,755,620
Advances to customers	客戶貸款	6.06%	64,298,938	60,980,057	2,350,893	617,275	5,178	345,535
Advances to banks	銀行同業貸款	5.77%	3,291,894	3,291,894	–	–	–	–
Trade bills	商業票據	4.32%	658,615	453,070	205,545	–	–	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	3.72%	48,975,907	9,993,123	12,303,163	19,478,994	7,198,627	2,000
Other assets	其他資產	6.53%	7,140,538	157,777	–	–	–	6,982,761
			140,981,616	84,704,331	18,838,459	20,096,269	7,203,805	10,138,752
LIABILITIES	**負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	5.63%	7,854,320	7,580,930	–	–	–	273,390
Deposits from customers	客戶存款	4.24%	109,124,496	76,436,889	32,210,932	1,156	–	475,519
Trading liabilities	交易賬項下之負債	4.79%	1,696,831	1,696,831	–	–	–	–
Certificates of deposit issued	已發行存款證	4.99%	299,942	299,942	–	–	–	–
Derivative financial instruments	衍生金融工具	N/A不適用	93,194	–	–	–	–	93,194
Lease liabilities	租賃負債	3.68%	89,100	6,273	16,788	44,442	21,597	–
Other liabilities	其他負債	N/A不適用	5,858,117	–	–	–	–	5,858,117
			125,016,000	86,020,865	32,227,720	45,598	21,597	6,700,220
Interest rate sensitivity gap	**利率敏感度差距**			(1,316,534)	(13,389,261)	20,050,671	7,182,208	

Derivative financial instruments are carried at fair values. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity maintenance ratio, and to make new loans and investments as opportunities arise.

The Group has a Liquidity Risk Management Policy which covers the Group's liquidity risk management strategy, a mechanism to identify, measure, monitor and control liquidity risks, and also the Group's contingency funding plan. The Group also has a Liquidity Risk Management Guideline which covers risk measurement, risk reporting and operational requirements in implementing the Group's liquidity management strategy. The policy and guideline are both reviewed by the ALCO. The policy and guideline are approved by the RC and the ALCO respectively.

The RC reviews and approves the Group's risk appetite statement at least annually. The Group's liquidity risk management strategy is to maintain a healthy liquidity position with adequate stock of liquid assets, well-diversified funding structure relying on a broad customer deposit portfolio with prudent loan-to-deposits ratio and money market funding ratio to support the Group's liquidity needs under both normal and stressed conditions.

It is the responsibility of the management to ensure compliance with local regulatory requirements and limits set by the RC. Liquidity is managed on a daily basis by the Funding Desk Department. The Funding Desk Department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to minimise price and reinvestment rate risk in the case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

36. 財務風險管理(續)

(c) 流動性風險管理

流動性風險管理旨在確保足夠現金流以滿足所有財務承擔之所需及滿足業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時償還貸款、為符合法定流動性維持比率所需及當新貸款及投資機會出現時所需資金的能力。

本集團的流動性風險管理政策涵蓋本集團的流動性風險管理策略，識別、計量、監控及控制流動性風險的機制，以及本集團的應急資金計劃。本集團亦有流動性風險管理指引，涵蓋本集團實施流動性管理策略的風險衡量、風險報告及運營要求。該政策及指引均由資產負債委員會審核，並分別由風險委員會及資產負債委員會批准。

風險委員會至少每年審查並批准本集團的風險偏好聲明。本集團的流動性風險管理策略則為保持擁有充足的流動資產存量的良好流動性狀況，依賴於廣泛的客戶存款組合及具有審慎的貸存比率與貨幣市場融資比率的良好多元化融資結構，以支持本集團在正常及壓力條件下的流動性需求。

管理層的職責為確保遵守本地監管規定及風險委員會設立的限額。資金部每日對本集團的流動資金進行管理。資金部負責確保本集團擁有充足流動資金以應付所有營運活動、確保有適當之資金組合以避免期限錯配，並在存在年期差距時降低價格及再投資利率風險並監察相關市場之資金充足性及流動性。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

Compliance with liquidity and funding requirements is monitored by the ALCO and is reported to the RC on a regular basis. This process includes:

- maintaining balances within relevant regulatory requirements;
- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;
- maintaining adequate intraday liquidity position and assessing how the intraday liquidity profile will change in conditions of stress;
- monitoring balance sheet liquidity and loan-to-deposits ratios against internal requirements;
- maintaining a diverse range of funding sources with adequate back-up facilities;
- managing the concentration and profile of debt maturities;
- managing lending commitments to customers within pre-determined management alert triggers;
- managing debt financing plans;
- monitoring depositor concentration in order to avoid undue reliance on large individual depositors and ensuring a satisfactory overall funding mix;
- maintaining funding contingency plans, which identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systematic or other crises, while minimizing adverse long-term implications for the business; and
- managing liquidity on a legal entity and on a group basis. Intragroup funding transactions are carried out at arm's length and treated in the same way as transactions with non-related third parties and controlled within pre-determined management alert triggers.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金流動性及融資規定之遵守乃由資產負債委員會監管及定期向風險委員會報告。該過程包括：

- 於有關監管規定範圍內維持平衡；
- 預測各種壓力情況下的現金流及考慮與此有關的必要流動資產水平；
- 維持充足當日流動資金狀況及評估當日流動資金狀況在壓力條件下將如何變動；
- 依照內部規定監控資產負債表流動性及一貸存比率；
- 借助充足預備融資維持多樣化的流動資金來源；
- 管理債務期限集中度及狀況；
- 於管理警告觸發水平範圍內管理客戶借貸承擔；
- 管理債務融資計劃；
- 監管存款人集中度，以避免過度依賴個別大額存款人以及確保令人滿意的全面融資組合；
- 設立應急融資計劃，載明可於系統性或其他危機時識別早期壓力狀況之預警指標並說明將予採取的行動，而降低對業務的不利長期影響；及
- 按法人實體及集團基準管理流動資金。集團內公司間公平進行融資交易，按與非關聯第三方進行交易的相同方式處理並按預定限額管理。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

Primary sources of funding

Customer deposits form a significant part of the Group's overall funding. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail and corporate banking activities and by maintaining depositor confidence in the Group's capital strength. The Group also issues certificates of deposit with different maturities from time to time. Interbank markets are also accessed for the purposes of providing additional funding, maintaining a regular presence in local money markets and optimising asset and liability maturities.

The management of funding and liquidity risk

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingency planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudential levels. Debt securities held are marked to the market on daily basis to ensure their market liquidity. The Group also adopts a funding strategy that is to achieve diversification of funding by controlling the concentration of top depositors, wholesale funding and reliance on foreign exchange swap markets. Moreover, adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

In addition to observing the statutory liquidity ratios, the Group has established different liquidity risk metrics, including but not limited to the liquidity maintenance ratio, loan-to-deposits ratio, cumulative cash flow gap and concentration of funding sources to measure and analyze its liquidity risks. Capital, Asset and Liability Management Division is responsible for measurement and monitoring of these liquidity metrics and reporting to the ALCO regularly.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金的主要來源

客戶存款構成本集團整體資金的重大部分。本集團相當重視該等存款的穩定性，方式為透過本集團零售及企業銀行業務及維持存款人對本集團資本實力的信心。本集團亦不時發行不同到期日的存款證，亦有透過銀行同業市場取得額外資金，維持本集團於本地同業市場之參與及優化資產及負債到期狀況。

資金及流動性風險的管理

作為其流動性風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、維持分散的流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產(如現金及短期基金與證券)確保短期資金需求在審慎水平內來管理流動性風險。本集團每日對所持有債務證券進行市場評價以確保其市場流動性。本集團亦透過控制大額存款人集中度、批發融資及對外匯掉期市場的依賴性以達至融資多樣性。此外，維持備用融資在充足水平以提供策略性流動資金，從而滿足於日常業務過程中意外及重大現金流出。

除緊守法定的流動性維持比率外，本集團已設立不同的流動性風險標準以衡量及分析流動性風險，包括(但不限於)流動性維持比率、貸存比率、累計現金流缺口及資金來源集中度。資本資產及負債管理部負責計量及監管該等流動資金標準及定期向資產負債委員會匯報。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

The Group assesses and monitors the structure of balance sheet and also the concentration of funding sources from time to time with use of different risk metrics. During the year ended 31 December 2024 and 2023:

- Loan-to-deposits ratio was kept below 85% for the aggregate position of all currencies and also not exceeding respective management alert trigger levels for each significant lending currency;
- Core funding ratio was maintained above 125%;
- Irrevocable undrawn lending commitments (for the purpose of Liquidity Maintenance Ratio) were maintained not exceeding HK$9 billion;
- Single depositor concentration was maintained below 5% of total customer deposits;
- Concentration of the top 10 depositors was maintained below 20% of total customer deposits;
- Concentration of financial institution deposits was maintained below 15% of total customer deposits, while concentration of individual deposits was maintained above 50% of total customer deposits;
- Swapped fund ratio (measuring reliance on foreign exchange and/or currency swap markets) was maintained below 15%;
- Wholesale funding (repurchase agreements and interbank taking) was kept below 20% of total funding;
- Certificates of deposit and other debt securities issued did not exceed 10% of total customer deposits (including certificates of deposit and other debt securities issued); and
- Intragroup funding was maintained at minimal level not exceeding USD53 million.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

本集團於截至二零二四年及二零二三年十二月三十一日止年度期間使用下列不同風險指標不時評估及監察資產負債表結構及資金來源的集中度：

- 所有貨幣加總的貸存比率保持低於85%以下，且每個重大貸款貨幣未超過各自的管理警告觸發水平；
- 核心資金比率保持高於125%；
- 不可撤銷未履行借貸承擔(就流動性維持比率而言)維持不超過90億港元；
- 單一存款人的集中度維持在客戶存款總額的5%以下；
- 前10名存款人的集中度維持在客戶存款總額的20%以下；
- 金融機構存款集中度維持在客戶存款總額的15%以下，而個人戶存款集中度維持在客戶存款總額的50%以上；
- 掉期基金比率(衡量對外匯及／或貨幣掉期市場的依賴度)維持低於15%；
- 批發資金(回購協議及銀行同業拆借)保持低於資金總額的20%以下；
- 存款證及其他已發行債務證券不超過客戶存款總額(包括存款證及其他已發行的債務證券)的10%；及
- 內部集團資金維持在不超過53,000,000美元的低水平。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Core deposits

The Group monitors the stability of customer deposits by means of the core deposit ratio, which is the ratio of core deposits to customer deposits. The Group categorizes customer deposits into core deposits after taking into consideration of deposits protection and stability of customer's total balance. An alert trigger level is set on the core deposits ratio which is monitored by the ALCO.

Loan-to-deposits ratio

The Group emphasizes the importance of customer deposits as a source of funds to finance lending to customers, and mitigate against reliance on short-term interbank funding. A limit on the loan-to-deposits ratio is established and approved by the RC and monitored by the ALCO. Management alert triggers are also set on loan-to-deposits ratio for significant lending currencies and monitored by the ALCO.

Cash flow projection and stress testing

The Group conducts cash flow analysis and cash flow projection arising from on- and off-balance sheet items over a set of time horizons on a regular basis to identify funding needs in specific time buckets. The Group also regularly performs stress tests on its liquidity position to ensure adequate liquidity is maintained at all time. In the stress test, both on- and off-balance sheet items with a cash flow impact are considered, with applicable hypothetical and historical assumptions. Three stressed scenarios, namely an institution-specific crisis scenario, a general market crisis scenario, and a combined scenario are adopted with minimum survival period defined pursuant to the HKMA's Supervisory Policy Manual ("SPM") "Sound Systems and Controls for Liquidity Risk Management". Stress testing assumptions are reviewed and approved by the ALCO regularly to ensure their continued appropriateness.

Liquidity Cushion

The Group maintains a stock of high-quality readily liquefiable assets as a liquidity cushion against a range of stressed scenarios. The eligible assets are unencumbered, low credit risk and low market risk. The liquidity cushion is segregated from debt securities held for trading purposes. A certain portion of the liquidity cushion is made up of the most liquid and readily marketable assets (such as debt securities issued by government or multilateral development banks) that can be easily liquidated to meet funding needs in the initial phase of liquidity stress.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

核心存款

本集團透過核心存款比率(即核心存款對客戶存款的比率)監控客戶存款的穩定性。本集團考量存款保障及客戶總餘額的穩定性將客戶存款分類為核心存款。本集團亦為核心存款比率設立警告觸發水平，該水平由資產負債委員會監管。

貸存比率

本集團重視客戶存款的重要性，視之為撥付貸款予客戶的資金來源，並減少對短期銀行同業融資的依賴。貸存比率的限制由風險委員會設立並批准，且由資產負債委員會監管。亦就重大貸款貨幣的貸存比率設定管理警告觸發水平，並由資產負債委員會監管。

現金流預測及壓力測試

本集團定期透過對一系列時間內的資產負債表內外項目進行現金流分析及預測以辨認特定時間內的資金需要。本集團亦定期對流動性狀況進行壓力測試以確保一直保持適當的流動性。透過運用適當的理論及歷史假設，本集團的壓力測試均已考慮對現金流會造成影響的資產負債表內外項目。三個壓力情景(即個別銀行危機、整體市場危機及綜合危機)均採用金管局監管政策手冊「穩健的流動性風險管理系統及管控措施」界定的最短存活期。資產負債委員會定期檢討及審批壓力測試假設，以確保其持續適用。

流動資金緩衝

本集團維持充足的可隨時變現的優質流動資產，作為在一系列壓力情況下的流動資金緩衝。合資格資產不附帶產權負擔、承擔低信貸風險及低市場風險。流動資金緩衝須與持作交易用途的債務證券分開管理。流動資金緩衝的若干部分由最具流動性並可隨時變現的有價資產(例如由政府或多邊開發銀行發行的債務證券)組成。有關資產極易變現，可滿足流動性壓力初始階段的資金需求。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Liquidity Cushion (continued)

The size of the liquidity cushion shall be adequate to meet the Group's day-to-day liquidity needs and also emergency funding needs under both normal and stress market conditions. The minimum required size of the liquidity cushion is determined with reference to the funding gap generated from the Group's regular liquidity stress testing results. Management alert triggers are established by the ALCO to ensure sufficient size of liquidity cushion is maintained and appropriate diversification among the liquidity cushion is achieved. The size and mix of the liquidity cushion is reviewed by the ALCO regularly.

Size and mix of liquidity cushion were maintained above all relevant management alert triggers throughout the year ended 31 December 2024:

- net long position of Exchange Fund Bills/Notes held was maintained at not less than HK$4 billion (2023: HK$3 billion);
- assets eligible for Lenders of Last Resort purpose was maintained at not less than 30% (2023: 30%) of total customer deposits;
- level 1 high-quality readily liquefiable assets were maintained at not less than 13% (2023: 10%) of total customer deposits;
- non-financial institution high-quality readily liquefiable assets were maintained at not less than 30% (2023: 27%) of total customer deposits; and
- total high-quality readily liquefiable assets were maintained at not less than 36% (2023: 33%) of total customer deposits.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

流動資金緩衝(續)

流動資金緩衝規模應足以滿足本集團日常流動資金需求以及正常及壓力市況下之緊急資金需求。最低需求的流動資金緩衝規模乃經參考本集團流動資金定期壓力測試結果產生之資金缺口釐定。資產負債委員會設定管理警告觸發水平，以確保維持足夠規模之流動資金緩衝及達至流動資金緩衝的適當多元化。資產負債委員會定期審查流動資金緩衝規模及組合。

流動資金緩衝規模及組合於截至二零二四年十二月三十一日止整個年度保持在所有相關管理警告觸發水平之上：

- 持有外匯基金票據／票據的長倉淨額維持不少於40億港元(二零二三年：30億港元)。
- 符合緊急貸款者用途資格之資產保持不低於客戶存款總額的30%(二零二三年：30%)；
- 第一級優質流動資產保持不低於客戶存款總額的13%(二零二三年：10%)；
- 非金融機構優質流動資產保持不低於客戶存款總額的30%(二零二三年：27%)；及
- 優質流動資產總額保持不低於客戶存款總額的36%(二零二三年：33%)。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Contingent liquidity risk

The Group provides customers with committed and standby facilities. These facilities increase the funding requirements of the Group when customers drawdown. The liquidity risk associated with the potential drawdown on committed facilities is factored into our stressed scenarios and a management alert trigger is set for these facilities.

Contingency funding plan

The Group has formulated a Contingency Funding Plan ("CFP") that describes the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations. The CFP is designed to be pro-active and pre-emptive. The Group utilizes early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the management would be informed for their consideration. Once the CFP is triggered, a Crisis Management Team, which is led by senior management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated. The CFP also includes the analysis of cash flow projections to estimate potential liquidity needs under stress scenarios.

The CFP is subject to regular testing to ensure its effectiveness and operational feasibility, particularly in respect of the availability of the contingency sources of funding listed in it. The CFP is also subject to review and update on a regular basis to ensure it remains robust over time. Any change to the CFP would be approved by the RC.

Moreover, in accordance with the HKMA's SPM "Recovery Planning", the Group has established a Recovery Plan, which has been approved by the Board. The Recovery Plan helps ensure that the Group is able to recover quickly from period of severe stress and preserve or restore its liquidity level. The Recovery Plan is subject to regular, at least annually, review and update.

Liquidity exposures

The Group's liquidity exposures are measured on a consolidated basis which comprises the Bank and Fubon Credit (Hong Kong) Limited as designated by the HKMA for regulatory purposes.

The Group maintains average liquidity maintenance and core funding ratios well above the statutory minimum ratios of 25% and 75% respectively throughout the years ended 31 December 2024 and 2023.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

或然流動性風險

本集團向客戶提供承諾及備用融資。倘客戶提取資金，該等融資將增加本集團資金需求。與承諾融資可能被提取有關的流動性風險已計作壓力情況的一項因素，且就該等承諾融資設定管理警告觸發水平。

應急融資計劃

本集團已制定應急融資計劃，當中訂明處理流動性問題的策略及於緊急情況下彌補現金流不足的程序。應急融資計劃旨在提供防患未然的積極措施。本集團運用預警指標，當中包括質化及量化指標，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，管理層將獲通知供其考慮。一旦啟動應急融資計劃，將成立由高級管理層領導的危機管理團隊，專責處理危機。應急融資計劃訂明取得應急資金的策略及程序，以及有關各方的職務及職責。應急融資計劃亦包括現金流預測之分析，以估計在壓力情景下潛在流動性所需。

應急融資計劃須定期進行測試，以確保其效益及操作可行性，尤其是列於其中之資金來源之可獲得性。此外，應急融資計劃須定期檢討及更新，以確保其健全性。應急融資計劃之任何變動將由風險委員會批准。

此外，根據金管局監管政策手冊「恢復計劃」，本集團已設立恢復計劃並獲董事會批准。恢復計劃有助本集團迅速自重大壓力期內恢復並保持其流動資金水平。恢復計劃須定期(最少每年一次)審閱及更新。

流動性風險承擔

本集團的流動性風險按綜合基準計量，包括金管局為監管目的而指定的本行及富邦財務(香港)有限公司。

於截至二零二四年及二零二三年十二月三十一日止整個年度，本集團分別保持平均流動性維持比率及核心資金比率遠高於法定最低比率25%及75%。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity

The following maturity profile is prepared based on the remaining period at the end of the reporting period to the contractual maturity date.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債

下列期限組別乃基於報告期末至合約訂明到期日之剩餘期限編製。

		31 December 2024 二零二四年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
ASSETS	**資產**								
Cash and short-term funds	現金及短期資金	8,516,072	1,710,981	6,805,091	–	–	–	–	–
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	10,685,622	–	–	3,089,727	7,595,895	–	–	–
Trading assets	持作交易用途資產	1,436,973	–	–	249,025	1,187,948	–	–	–
Derivative financial instruments	衍生金融工具	1,916,183	–	–	–	–	–	–	1,916,183
Advances to customers	客戶貸款	62,701,653	–	12,610,224	4,100,032	7,114,967	18,410,298	18,299,175	2,166,957
Advances to banks	銀行同業貸款	7,168,457	–	–	–	1,810,393	5,358,064	–	–
Trade bills	商業票據	756,654	–	351,556	147,470	257,628	–	–	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	42,022,873	–	1,688,498	4,617,022	6,436,585	22,246,839	7,031,929	2,000
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	19,072,835	–	2,497,450	4,888,358	5,538,351	4,807,097	1,341,579	–
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	24,681	–	–	–	–	–	–	24,681
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	72,221	–	–	–	–	–	–	72,221
Other assets	其他資產	5,877,526	–	978,494	1,467,587	393,420	7,789	17	3,030,219
		160,251,750	1,710,981	24,931,313	18,559,221	30,335,187	50,830,087	26,672,700	7,212,261
LIABILITIES	**負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	3,856,010	152,834	1,843,070	1,860,106	–	–	–	–
Deposits from customers	客戶存款	133,895,361	16,784,553	36,810,224	48,853,097	31,446,197	1,290	–	–
Trading liabilities	交易賬項下之負債	941,735	–	–	249,025	692,710	–	–	–
Derivative financial instruments	衍生金融工具	101,708	–	–	–	–	–	–	101,708
Other liabilities	其他負債	4,908,224	–	3,299,115	550,434	594,753	56,036	19,063	388,823
		143,703,038	16,937,387	41,952,409	51,512,662	32,733,660	57,326	19,063	490,531
Net liquidity gap	**流動資金缺口淨額**		(15,226,406)	(17,021,096)	(32,953,441)	(2,398,473)	50,772,761	26,653,637	

Derivative financial instruments are carried at fair values which do not present its expected cashflow on contractual maturity date. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		31 December 2023 二零二三年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
ASSETS	**資產**								
Cash and short-term funds	現金及短期資金	7,104,004	1,057,842	6,046,162	–	–	–	–	–
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	6,059,269	–	–	2,080,828	3,978,441	–	–	–
Trading assets	持作交易用途資產	1,696,831	–	1,547,686	149,145	–	–	–	–
Derivative financial instruments	衍生金融工具	1,755,620	–	–	–	–	–	–	1,755,620
Advances to customers	客戶貸款	64,298,938	–	13,902,501	5,489,031	7,678,404	17,174,807	16,838,114	3,216,081
Advances to banks	銀行同業貸款	3,291,894	–	–	–	1,017,207	2,274,687	–	–
Trade bills	商業票據	658,615	–	104,859	347,632	205,545	579	–	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	48,975,907	–	4,231,169	4,677,364	11,978,504	20,516,712	7,570,158	2,000
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	963,092	–	–	–	–	–	–	963,092
Other assets	其他資產	6,177,446	–	1,267,010	1,109,153	132,134	3,241	–	3,665,908
		140,981,616	1,057,842	27,099,387	13,853,153	24,990,235	39,970,026	24,408,272	9,602,701
LIABILITIES	**負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	7,854,320	273,390	4,008,759	3,572,171	–	–	–	–
Deposits from customers	客戶存款	109,124,496	15,618,902	25,344,795	35,948,711	32,210,932	1,156	–	–
Trading liabilities	交易賬項下之負債	1,696,831	–	1,547,686	149,145	–	–	–	–
Certificates of deposit issued	已發行存款證	299,942	–	299,942	–	–	–	–	–
Derivative financial instruments	衍生金融工具	93,194	–	–	–	–	–	–	93,194
Other liabilities	其他負債	5,947,217	–	3,235,563	1,331,706	602,320	56,019	21,598	700,011
		125,016,000	15,892,292	34,436,745	41,001,733	32,813,252	57,175	21,598	793,205
Net liquidity gap	**流動資金缺口淨額**		(14,834,450)	(7,337,358)	(27,148,580)	(7,823,017)	39,912,851	24,386,674	

Derivative financial instruments are carried at fair values which do not present its expected cashflow on contractual maturity date. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值計價列賬。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

The following table sets out contractual cash flow projections of the Group's financial liabilities and off-balance sheet exposures analysed by the remaining period as at the end of the reporting period to the contractual maturity dates.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析

下表載列按報告期末至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。

		31 December 2024 二零二四年十二月三十一日							
		Carrying amount 賬面值 HK$'000 千港元	Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
Financial liabilities	**金融負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	3,856,010	3,856,010	152,834	1,843,070	1,860,106	–	–	–
Deposits from customers	客戶存款	133,895,361	133,895,361	16,784,554	36,810,221	48,853,098	31,446,198	1,290	–
Trading liabilities	交易賬項下之負債	941,735	941,735	–	–	249,025	692,710	–	–
Other liabilities	其他負債	4,518,782	5,464,057	–	3,355,306	837,145	1,196,473	56,070	19,063
		143,211,888	144,157,163	16,937,388	42,008,597	51,799,374	33,335,381	57,360	19,063
Off-balance sheet exposures	**資產負債表外之風險承擔**								
– Contingent liabilities	–或然負債	497,822	497,822	–	497,822	–	–	–	–
– Commitments	–承擔	27,666,189	27,666,189	27,666,189	–	–	–	–	–
		28,164,011	28,164,011	27,666,189	497,822	–	–	–	–

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析(續)

		31 December 2023 (restated) 二零二三年十二月三十一日(重列)							
		Carrying amount 賬面值 HK$'000 千港元	Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
Financial liabilities	**金融負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	7,854,320	7,854,320	273,392	4,008,757	3,572,171	–	–	–
Deposits from customers	客戶存款	109,124,496	109,124,496	15,618,903	25,344,794	35,948,711	32,210,932	1,156	–
Trading liabilities	交易賬項下之負債	1,696,831	1,696,831	–	1,547,686	149,145	–	–	–
Certificates of deposit issued	已發行存款證	299,942	300,000	–	300,000	–	–	–	–
Other liabilities	其他負債	5,277,772	6,444,000	–	3,313,138	1,624,843	1,428,355	56,066	21,598
		124,253,361	125,419,647	15,892,295	34,514,375	41,294,870	33,639,287	57,222	21,598
Off-balance sheet exposures	**資產負債表外之風險承擔**								
– Contingent liabilities	–或然負債	599,991	599,991	–	599,991	–	–	–	–
– Commitments	–承擔	28,081,145	28,081,145	28,081,145	–	–	–	–	–
		28,681,136	28,681,136	28,081,145	599,991	–	–	–	–

Prior year's figures were restated to conform with current year's presentation.

過往年度數字已重列，以符合本年度的呈列。

36. FINANCIAL RISK MANAGEMENT (continued)

(d) Operational risk management

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Given that operational risk is inherent in all business products, activities, processes and systems, the Group has developed, implemented and maintained a robust operational risk management framework to facilitate the timely identification, effective assessment and mitigation of the risk. Internal controls, an integral part of a sound operational risk management framework, are maintained by the departmental operational manuals which provide guidance on the baseline controls to ensure a sound management of business and operations.

The RC provides oversight of the risk management of the Group, regularly reviews the Group's operational risk framework, risk appetite and risk profiles, and approves the risk management policies. The Internal Control Committee also plays an active role in overseeing operational risk related issues and monitoring the implementation of improvement plans for risk events identified and rectifications needed in operational risk management tools, including Control Self Assessment and Key Risk Indicator.

Business and support units are required to review their procedures regularly to ensure compliance with internal control standards and regulatory requirements. They are also required to work closely with Operational Risk Management Department and Compliance and Anti-Money Laundering Division on internal control, regulatory compliance and operational risk management related activities and initiatives.

Each new product or service introduced or variation of existing products or services is subject to a rigorous review and approval process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Proper and adequate due diligence process is in place to ensure all on-shelf products are reviewed on a continuous basis. In addition, the Group maintains business continuity plans and tests contingency facilities regularly to ensure the ability to continue operating and limit losses in the event of severe business disruptions.

Internal Audit Division plays an essential role in monitoring and limiting operational risk. Their foci include evaluating the adequacy of all internal controls independently, ensuring adherence to operating guidelines and making improvement recommendations pro-actively.

36. 財務風險管理(續)

(d) 營運風險管理

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。鑒於所有業務產品、活動、過程及制度均具有內在營運風險，本集團已制定、實施及維持健全的營運風險管理框架，以促進及時識別、有效評估及減少該風險。內部監控作為穩健營運風險管理框架之重要部分，已按照部門營運手冊(載有基本監控之指引，確保一個受控制且穩健的營運環境)而實施。

風險委員會監察本集團的風險管理，定期審閱本集團的營運風險框架、風險偏好及風險狀況，並審批風險管理政策。內部監控及合規委員會亦發揮重要作用，監督營運風險相關事宜及監控已識別風險事項的改善計劃及由營運風險管理工具(包括自我監控評估及主要風險指標)所需的待糾正事項。

業務及支援單位須定期審閱其程序以確保符合內部監控標準及監管規定。彼等亦須就內部監控、監管合規及營運風險管理相關活動及措施與營運風險管理部門，合規及反洗黑錢部門緊密合作。

各新產品或服務的引進或現有產品或服務的更改均須進行嚴格檢閱及審批過程，並由獨立於建議該產品或服務的風險承擔部門之獨立部門識別及評估所有相關風險。本集團已制定適當及充足的盡職審查程序，以確保持續檢討所有現成產品。此外，本集團定期維持持續業務運作應變計劃及測試或然設備，以確保於業務受嚴重干擾下有能力持續經營及限制因此而造成的虧損。

內部審核部在監察及限定營運風險方面發揮關鍵作用。彼等的焦點包括獨立評估所有內部監控的充分性、確保遵守營運指引以及主動提出改善建議。

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's capital management is overseen by the ALCO and reviewed regularly by the Board. Key tools adopted include internal capital adequacy assessment process ("ICAAP"), capital budgeting, monitoring, and stress testing. An annual ICAAP is conducted to identify and measure the risks it faces and to assess how much regulatory capital is needed to support pursuant to HKMA's requirements in the SPM "Supervisory Review Process". An annual capital budget is prepared during the annual budgeting process to assess the adequacy of the Group's capital to support current and future business activities taking into account the Group's strategic focus and business plan. The annual budget is approved by the Board. Actual capital adequacy is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed to assess impact on capital adequacy ratios. The Group's Recovery Plan ensures that the Group is able to preserve or restore its capital level during a severe stress period. The Recovery Plan is subject to regular, at least annually, review and update.

The principal forms of capital are included in the following balances in the consolidated statement of financial position: share capital and reserves. Capital for regulatory purposes also includes the impairment allowances made against Stage 1 and Stage 2 financial instruments as allowed by the Capital Rules.

The Group adopts the standardised approach for the calculation of risk-weighted assets for credit risk and market risk, and the basis indicator approach for the calculation of operational risk.

36. 財務風險管理(續)

(e) 資本管理

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，從而透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，持續為股東提供回報及向其他權益持有人提供利益。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

本集團的資本管理由資產負債委員會監督，並由董事會定期審查。採納的關鍵工具包括內部資本充足評估程序、資本預算、監管及壓力測試。根據金管局於監管政策手冊中「監管審查程序」的規定，進行年度內部資本充足評估程序以識別及計量面臨的風險，並評估需要多少監管資金作支援。年度資本預算乃於年度預算過程中編製，經計及本集團策略重點及業務計劃後，評估本集團之資本充足性，從而支持當期及未來業務活動。年度預算由董事會批准。實際資本充足性乃按定期基準計量及與批准預算進行比較。此外，針對本集團面臨的風險的主要來源進行定期壓力測試及情況分析，以評估對資本充足性比率的影響。本集團的恢復計劃確保本集團於嚴重受壓期間能夠維持或恢復其資金水平。恢復計劃須定期(最少每年一次)審閱及更新。

資本的主要形式包括以下於綜合財務狀況表的餘額：股本及儲備。就監管目的而言，資本亦包括資本規則所允許的對第一階段和第二階段金融工具的減值準備。

本集團採用標準化方法計算信貸風險及市場風險之風險加權資產以及採用基本指標方法計算營運風險。

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management (continued)

Consistent with industry practice, the Group monitors its capital structure on the basis of its capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the years ended 31 December 2024 and 2023.

The Group computes its capital adequacy ratios and leverage ratio of the Bank and certain specified subsidiaries in accordance with the Capital Rules of the HKBO. Certain non-banking financial subsidiaries are also subject to the supervision and capital requirements of local regulatory authorities. The Group regularly measures and monitors capital adequacy of these regulated subsidiaries.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2024 and 2023, and were above the minimum required ratio set by the HKMA and other regulatory authorities. As at 31 December 2024, the Group's consolidated total capital ratio was 18.89% (2023: 17.89%), which was well above the statutory requirements.

(f) Transfers of financial assets

At 31 December 2024, the Group entered into repurchase agreements with certain counterparties to sell debt securities measured at amortized cost with carrying amounts of HK$1.41 billion (2023: HK$6.46 billion) and debt securities measured at fair value through other comprehensive income with carrying amounts of HK$0.5 billion (2023: Nil) which are subject to simultaneous agreements ("repurchase agreements") to repurchase these financial assets at agreed dates and prices. The consideration received under these repurchase agreements at 31 December 2024 totalling HK$1.89 billion (2023: HK$6.06 billion) is reported as "Deposits and balances of banks and other financial institutions" (Note 22) in the consolidated statement of financial position.

As stipulated in the repurchase agreements, there was no transfer of the legal ownership of these financial assets to the counterparties during the covered period. However, the Group was not allowed to sell or pledge these financial assets during the covered period unless both parties mutually agree with such arrangement. Accordingly, these financial assets were not derecognized from the financial statements but regarded as collateral for the secured lending by these counterparties. Normally, the counterparties could only claim from the collateral when there exists an event of default on the secured lending.

At 31 December 2024 and 2023, there were no outstanding transferred financial assets in which the Group had a continuing involvement, that were derecognized in their entirety.

36. 財務風險管理(續)

(e) 資本管理(續)

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，於截至二零二四年及二零二三年十二月三十一日止年度，本集團之資本管理政策並無重大變動。

本集團根據香港《銀行業條例》的資本規則計算本行及若干指定附屬公司的資本充足比率及槓桿比率。若干非銀行金融附屬公司亦須遵守當地監管機構的監督及資本規定。本集團定期計量及監管該等受監管附屬公司的資本充足性。

截至二零二四年及二零二三年十二月三十一日止整個年度，本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局及其他監管機構頒佈之最低比率規定。於二零二四年十二月三十一日，本集團的綜合總資本比率為18.89%(二零二三年：17.89%)，遠高於相關之法定要求。

(f) 金融資產轉讓

於二零二四年十二月三十一日，本集團與若干對手方訂立回購協議，出售賬面值為14.1億港元之以攤銷成本計量之債務證券(二零二三年：64.6億港元)及賬面值為5億港元之以公平價值於其他全面收益計量之債務證券(二零二三年：無)，並受限於在協定日期及以協定價格回購該等金融資產之同步協議(「回購協議」)。二零二四年十二月三十一日，根據該等回購協議收取之代價總額18.9億港元(二零二三年：60.6億港元)於綜合財務狀況表列作「銀行同業及其他金融機構之存款及結餘」(附註22)。

如回購協議所規定，於覆蓋期間並無轉讓該等金融資產之法律所有權至對手方。然而，本集團於覆蓋期間並不允許出售或抵押該等金融資產，除非訂約各方相互同意有關安排則另作別論。因此，該等金融資產並無於財務報告終止確認但被視作向該等對手方提供有抵押借貸之抵押品。對手方一般只有在有抵押借貸存在違約事件時才會索償抵押品。

於二零二四年及二零二三年十二月三十一日，既有已轉讓金融資產已全部終止確認，且本集團並無持續牽涉其中。

37. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

37. 於附屬公司之投資

以下名單僅包括主要影響本集團業績、資產或負債的附屬公司的詳情。除另有說明者外，所持股份類別均為普通股。

Name of Company 公司名稱	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
Incorporated and operating in Hong Kong ***於香港註冊成立及經營***			
Fubon Credit (Hong Kong) Limited 富邦財務(香港)有限公司	HK$145,000,000 145,000,000港元	100%	Provision of financing services 提供財務服務
FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司	HK$8,000,000 8,000,000港元	100%	Securities broking 證券經紀
Fubon Nominees (Hong Kong) Limited	HK$200 200港元	100%	Nominee service 代理人服務
Fubon Insurance Brokers Limited 富邦保險顧問有限公司	HK$500,000 500,000港元	100%	Insurance broker services 保險經紀服務

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

所有上述附屬公司由本行直接擁有。

38. INTEREST IN AN ASSOCIATE

38. 於聯營公司之權益

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	10,394	10,394
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備	(10,394)	(10,394)
		–	–

The Group has an associate as at 31 December 2024 and 2023. The associate is an unlisted corporate entity, whose market price is not available. The information of the associate is as follows:

於二零二四年及二零二三年十二月三十一日，本集團擁有一間聯營公司。該聯營公司為非上市企業實體且無法獲取其市價。聯營公司之資料載列如下：

Name of associate 聯營公司名稱	Form of business structure 業務構成形式	Place of incorporation and operation 註冊成立及營運地點	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
IBA Finance Corporation ("IBAFI")	Incorporated 註冊成立	The Philippines 菲律賓	50,000,000 ordinary shares of PHP1 each 50,000,000股每股面值菲律賓披索1元的普通股	40.00%	Provision of financing and leasing services 提供融資及租賃服務

The Group's effective interest over the associate is held by the Bank directly. The Group has not equity accounted for the investments in IBAFI in view of the immaterial amount involved. It is stated at cost less impairment losses in the Group's and the Bank's statement of financial position. The result of this associated company is included in the Group's and the Bank's profit or loss to the extent of dividends receivable.

本集團於聯營公司的實際權益由本行直接持有。由於所涉及之金額微不足道，本集團並無以權益法將於IBAFI之投資列入賬內。而於本集團及本行之財務狀況表中按成本值扣除減值虧損列賬。該聯營公司之業績以應收股息於本集團及本行的損益賬中列賬。

39. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2024 and 2023, the Directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Co., Ltd., which is incorporated in the Republic of China.

39. 直接母公司及最終控股公司

於二零二四年及二零二三年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司。該公司於中華民國註冊成立。

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

40. 銀行財務狀況表及權益變動表

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
ASSETS	**資產**		
Cash and short-term funds	現金及短期資金	**8,516,048**	7,103,974
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**10,685,563**	6,059,184
Trading assets	持作交易用途資產	**1,436,973**	1,696,831
Derivative financial instruments	衍生金融工具	**1,916,183**	1,755,620
Advances to customers	客戶貸款	**62,557,783**	64,246,721
Advances to banks	銀行同業貸款	**7,168,457**	3,291,894
Trade bills	商業票據	**756,654**	658,615
Accrued interest and other assets	應計利息及其他資產	**2,800,357**	2,728,201
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**42,022,873**	48,975,907
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	**19,072,835**	–
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**24,681**	–
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**72,221**	963,092
Investments in subsidiaries	於附屬公司之投資	**153,562**	73,562
Amounts due from subsidiaries	應收附屬公司款項	**137,794**	63,981
Fixed assets	固定資產	**2,960,261**	3,333,942
Investment properties	投資物業	**62,500**	85,300
Total assets	資產總額	**160,344,745**	141,036,824
LIABILITIES	**負債**		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**3,856,010**	7,854,320
Deposits from customers	客戶存款	**133,895,361**	109,124,496
Trading liabilities	交易賬項下之負債	**941,735**	1,696,831
Certificates of deposit issued	已發行存款證	**–**	299,942
Derivative financial instruments	衍生金融工具	**101,708**	93,194
Other liabilities	其他負債	**4,503,329**	5,263,801
Amounts due to subsidiaries	應付附屬公司款項	**181,257**	228,647
Current tax liabilities	即期稅項負債	**72,118**	163,199
Deferred tax liabilities	遞延稅項負債	**316,146**	504,845
Total liabilities	負債總額	**143,867,664**	125,229,275
EQUITY	**權益**		
Share capital	股本	**4,830,448**	4,830,448
Reserves	儲備	**11,646,633**	10,977,101
Total equity	權益總額	**16,477,081**	15,807,549
Total equity and liabilities	權益及負債總額	**160,344,745**	141,036,824

Approved and authorized for issue by the Board of Directors on 13 March 2025.

經董事會於二零二五年三月十三日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Elizabeth LAM Tyng Yih
林婷懿
Director
董事

Simon CHUNG Kwok Keung
鍾國強
Director
董事

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

40. 銀行財務狀況表及權益變動表(續)

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備(循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2024	於二零二四年一月一日	4,830,448	202,630	715,542	–	1,796,768	8,262,161	15,807,549
Total comprehensive income for the year	本年度全面收益總額	–	–	120,759	(12,204)	(269,359)	987,898	827,094
– Profit for the year	–本年度溢利	–	–	–	–	–	993,014	993,014
– Other comprehensive income, of which:	–其他全面收益，其中：							
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	–	(269,359)	–	(269,359)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	–	–	120,759	–	–	–	120,759
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	–	–	–	–	–	(5,116)	(5,116)
– Debt securities measured at FVOCI: net movement in investment revaluation reserve (recycling)	–以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動(循環)	–	–	–	(12,204)	–	–	(12,204)
Transfer from premises revaluation reserve to retained earnings	自物業重估儲備轉撥至保留溢利	–	–	–	–	(46,441)	46,441	–
Transfer from retained earnings to regulatory reserve	自保留溢利轉撥至法定儲備	–	45,464	–	–	–	(45,464)	–
Transfer from investment revaluation reserve (non-recycling) to retained earnings	自投資重估儲備(非循環)轉撥至保留溢利	–	–	(792,360)	–	–	792,360	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	–	(157,562)	(157,562)
At 31 December 2024	於二零二四年十二月三十一日	4,830,448	248,094	43,941	(12,204)	1,480,968	9,885,834	16,477,081

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

40. 銀行財務狀況表及權益變動表(續)

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2023	於二零二三年一月一日	4,830,448	133,550	593,826	1,953,463	7,561,343	15,072,630
Total comprehensive income for the year	本年度全面收益總額	–	–	121,716	(106,473)	801,740	816,983
– Profit for the year	–本年度溢利	–	–	–	–	805,553	805,553
– Other comprehensive income, of which:	–其他全面收益，其中：						
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	(106,473)	–	(106,473)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	–指定以公平價值於其他全面收益計量之股本券：投資重估儲備淨變動(非循環)	–	–	121,716	–	–	121,716
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	–	–	–	–	(3,813)	(3,813)
Transfer from premises revaluation reserve to retained earnings	自物業重估儲備轉撥至保留溢利	–	–	–	(50,222)	50,222	–
Transfer from retained earnings to regulatory reserve	自保留溢利轉撥至法定儲備	–	69,080	–	–	(69,080)	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	(82,064)	(82,064)
At 31 December 2023	於二零二三年十二月三十一日	4,830,448	202,630	715,542	1,796,768	8,262,161	15,807,549

The information of individual reserves is disclosed in Note 28.

個別儲備的資料於附註28披露。

41. UNCONSOLIDATED STRUCTURED ENTITIES

The Group has been involved in unconsolidated structured entities that consist of investment funds. Pursuant to subscription agreements or equivalents documents, the beneficial interests held by the Group in these structured entities are in the form of participating interests which primarily provide the Group with the share of returns from the structured entities but not any decision-making power nor any voting right to involve in and control the daily operation.

These structured entities are set up and managed by respective investment manager or general partner who has the power and authority to manage and make decisions for the structured entities. The Group does not control these structured entities and therefore, these structured entities are not consolidated.

The information of total size of the unconsolidated structured entities as at 31 December 2024 and 2023 is not readily available from the public domain.

Carrying amount of structured entities

The following table sets out an analysis of the carrying amount of interests held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

41. 非綜合結構實體

本集團已參與由投資基金組成的非綜合結構實體。根據認購協議或等效文件，本集團在該等結構實體中持有的實益權益為參與權益形式，主要使本集團享有結構實體的回報，但並無參與及控制日常營運的任何決策權或投票權。

該等結構實體由相關投資經理或普通合伙人設立及管理，彼等擁有管理結構實體及就其作出決策的權力及授權。本集團並不控制該等結構實體，因此該等結構實體不綜合入賬。

有關非綜合結構實體於二零二四年及二零二三年十二月三十一日的總規模的資料無法自公共領域獲取。

結構實體的賬面值

下表載列本集團於非綜合結構實體持有的權益賬面值的分析。最大虧損風險為所持資產的賬面值。

		31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元	31 December 2023 二零二三年 十二月三十一日 HK$'000 千港元
Investment funds	***投資基金***		
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**24,681**	–
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**–**	48,170
Total	總額	**24,681**	48,170
(Losses)/gains for the year included in other comprehensive income – (deficits)/gains on revaluation	計入其他全面收益之本年度（虧損）／收益－重估（虧損）／收益	**(3,287)**	4,343
Gains for the year included in profit or loss – other operating income	計入損益賬之本年度收益－其他營運收入	**1,619**	7,054

42. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

(A) Key sources of estimation uncertainty

Notes 21 and 33 contain information about the assumptions and risk factors relating to fair value of premises, investment properties and financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Management exercises judgement in establishing the criteria for determining whether the credit risk of a financial asset has increased significantly since initial recognition and determining inputs into the ECL measurement model, including the incorporation of forward-looking information. For details of the ECL model, please refer to Note 36(a)(viii).

(ii) Fair value determination

The Group determines the fair values of financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, the net assets of the underlying investments, P/E, EV/EBIT and P/AUM multiples of comparable listed companies. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

42. 會計估計及判斷

本集團的管理層於編製此等財務報告時作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

(A) 估計不明朗因素之主要來源

附註21及33載有與物業及金融工具的公平價值有關的假設及風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(i) 減值虧損

管理層在確定釐定自初始確認後一項金融資產的信貸風險是否顯著增加及釐定預期信貸虧損計量模型的輸入數據（包括納入前瞻性資料）的標準時作出判斷。有關預期信貸虧損模式的詳情，請參閱附註36(a)(viii)。

(ii) 公平價值釐定

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關工具之價格、相關投資之淨資產、可資比較上市公司的市盈率、企業價值與息稅前盈利比率及市值對管理資產比率倍數等市場參數，以內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

42. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(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:

Classification of financial assets

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

42. 會計估計及判斷(續)

(B) 應用本集團會計政策時所作之重大會計判斷

有關應用本集團會計政策的若干重要會計判斷載述如下：

金融資產分類

評估持有資產的業務模式及評估金融資產的合約條款是否僅包括支付本金及利息。

43. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

43. 已公佈但於截至二零二四年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之可能影響

截至此等財務報告公佈日，香港會計師公會已發佈多項修訂，該等修訂並無在此等財務報告中採納。此等變動包含以下可能與本集團相關的事項。

	Effective for accounting periods beginning on or after 於下列日期或之後開始之會計期間生效
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability* 香港會計準則第21號修訂本，*匯率變動的影響：缺乏可兌換性*	1 January 2025 二零二五年一月一日
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments* 香港財務報告準則第9號修訂本，*金融工具*及香港財務報告準則第7號，*金融工具：披露－對金融工具分類及計量的修訂*	1 January 2026 二零二六年一月一日
Annual improvements to HKFRS Accounting Standards – Volume 11 香港財務報告準則會計準則之年度改進－第11卷	1 January 2026 二零二六年一月一日
HKFRS 18, *Presentation and disclosure in financial statements* 香港財務報告準則第8號修訂本，*財務報表的列報及披露*	1 January 2027 二零二七年一月一日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

本集團正對此等變動預期於初次應用期間的影響進行評估。就目前得出的結論而言，採納其不太可能對本集團綜合財務報表造成重大影響。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

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

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

OPINION

We have audited the consolidated financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 48 to 196, which comprise the consolidated statement of financial position as at 31 December 2025, 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 comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

意見

本核數師(以下簡稱「我們」)已審計載列於第48至196頁的富邦銀行(香港)有限公司(「貴行」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零二五年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合全面收益表、綜合權益變動報告表及綜合現金流動表,以及綜合財務報表的附註,包括重大會計政策資料及其他解釋資料。

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則會計準則真實而中肯地反映 貴集團於二零二五年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as 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") as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已於本報告「核數師就審計綜合財務報表承擔的責任」一節中進一步闡述。根據香港會計師公會適用於公眾利益實體財務報表審計的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於 貴集團。我們亦已根據守則履行其他專業道德責任。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。

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. We obtained director's report and unaudited supplementary financial information prior to the date of this auditor's report and expect the remaining other information to be made available to us after that date.

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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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.

綜合財務報表及其核數師報告以外的信息

董事須對其他信息負責。其他信息包括年報內所載綜合財務報表及我們載於其中的核數師報告以外的所有信息。我們於本核數師報告日期前獲得董事會報告及未經審核補充財務資料，且預期餘下其他信息將於該日期後可供我們查閱。

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

就我們對綜合財務報表的審計，我們的責任乃細閱其他信息，在此過程中，考慮其他信息與綜合財務報表或我們在審計過程中所知悉的情況是否存在重大抵觸或似乎存在重大錯誤陳述。

倘基於我們對於本核數師報告日期前獲得的其他信息所做的工作，我們得出結論認為該其他信息存在重大錯誤陳述，我們需要報告這一事實。就此我們並無任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則會計準則及香港《公司條例》擬備真實而中肯的綜合財務報表，並對董事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。

審核委員會協助董事履行監督　貴集團的財務報告過程的責任。

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

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

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

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

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

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

- 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.

核數師就審計綜合財務報表承擔的責任

我們的目標乃對綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。本報告乃按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，本報告不可用作其他用途。我們概不就本報告的內容向任何其他人士負責或承擔任何責任。

合理保證為高水平的保證，但不能保證按照《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。

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

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團不能持續經營業務。

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

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The engagement partner on the audit resulting in this independent auditor's report is FONG, Hoi Wan (practising certificate number: P05026).

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

9 March 2026

核數師就審計綜合財務報表承擔的責任
(續)

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

- 計劃並執行集團審計,以就集團內實體或業務單位的財務信息獲取充足、適當的審計憑證,作為對綜合財務報發表意見的基礎。我們負責就集團審計進行的審計工作的方向、監督及檢討。我們為審計意見承擔全部責任。

除其他事項外,我們與審核委員會溝通了審計的計劃範圍及時間安排以及重大審計發現等,包括我們在審計中識別出內部控制的任何重大缺陷。

我們亦就已遵守獨立性相關的職業道德要求向審核委員會提交聲明,並與審核委員會溝通可能被合理認為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採取的行動或防範措施(如適用)。

負責審計並出具本獨立核數師報告的項目合夥人是方海雲(執業證書編號:P05026)。

畢馬威會計師事務所
執業會計師
香港中環
遮打道10號
太子大廈8樓

二零二六年三月九日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
綜合全面收益表

For the year ended 31 December 2025　截至二零二五年十二月三十一日止年度

		Note 附註	2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Interest income calculated using effective interest method	採用實際利率法計算之利息收入	4(a)	**7,543,189**	7,732,185
Other interest income	其他利息收入	4(a)	**3,171**	2,207
Interest income	利息收入		**7,546,360**	7,734,392
Interest expense	利息支出	4(b)	**(4,652,771)**	(5,152,846)
Net interest income	**淨利息收入**		**2,893,589**	2,581,546
Fee and commission income	費用及佣金收入	5(a)	**584,017**	484,139
Fee and commission expense	費用及佣金支出	5(b)	**(105,159)**	(100,139)
Net fee and commission income	**淨費用及佣金收入**		**478,858**	384,000
Other operating loss	其他營運虧損	6	**(53,957)**	(9,514)
Operating income	營運收入		**3,318,490**	2,956,032
Operating expenses	營運支出	7	**(1,397,452)**	(1,285,824)
Operating profit before other gains and impairment losses	**未計其他收益及減值虧損前經營溢利**		**1,921,038**	1,670,208
Impairment losses on advances to customers	客戶貸款減值虧損	9	**(278,780)**	(568,745)
Impairment losses on other financial instruments	其他金融工具減值虧損		**(41,751)**	(5,067)
Impairment losses on other assets	其他資產減值虧損		**(476)**	(1,236)
Impairment losses on assets acquired under lending agreements	根據借貸協議所收購資產減值虧損		**(300)**	(1,000)
Impairment losses	**減值虧損**		**(321,307)**	(576,048)
Loss on revaluation of investment properties	投資物業重估虧損	21(b)	**(1,000)**	(22,800)
Net gains on disposal of financial assets measured at amortized cost	出售以攤銷成本計量之金融資產淨收益		**9,310**	2,636
Net (losses)/gains on disposal of fixed assets	出售固定資產淨(虧損)／收益		**(318)**	43
Profit before taxation	**除税前溢利**		**1,607,723**	1,074,039
Taxation	税項	10	**(231,266)**	(167,461)
Profit for the year	**本年度溢利**		**1,376,457**	906,578
Other comprehensive income for the year, net of tax:	**本年度其他全面收益(除税後)：**			
Items that will not be reclassified to profit or loss:	將不會重新分類至損益之項目：			
Premises: net movement in premises revaluation reserve	物業：物業重估儲備淨變動	11	**3,098**	(269,359)
Equity securities designated at fair value through other comprehensive income: net movement in investment revaluation reserve (non-recycling)	指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	11	**200**	120,759
Defined benefit liability: net movement in the defined benefit liability	定額福利負債：定額福利負債淨變動	11	**3,400**	(5,116)
			6,698	(153,716)
Items that will be reclassified to profit or loss:	將重新分類至損益之項目：			
Debt securities measured at fair value through other comprehensive income: net movement in investment revaluation reserve (recycling)	以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動(循環)	11	**94,643**	(12,204)
			101,341	(165,920)
Total comprehensive income for the year	**本年度全面收益總額**		**1,477,798**	740,658

The notes on pages 54 to 196 form part of these financial statements.　載於第54至196頁之附註為此等財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December 2025　於二零二五年十二月三十一日

		Note 附註	31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
ASSETS	**資產**			
Cash and short-term funds	現金及短期資金	13	**5,002,214**	8,516,072
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		**14,425,351**	10,685,622
Trading assets	持作交易用途資產	14	**2,460,418**	1,436,973
Derivative financial instruments	衍生金融工具	15(b)	**1,301,021**	1,916,183
Advances to customers	客戶貸款	16(a)	**71,084,844**	62,701,653
Advances to banks	銀行同業貸款	17	**15,137,000**	7,168,457
Trade bills	商業票據		**664,776**	756,654
Accrued interest and other assets	應計利息及其他資產		**3,020,433**	2,843,016
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	18	**38,842,869**	42,022,873
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	19	**35,669,375**	19,072,835
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金		**21,201**	24,681
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	20	**72,495**	72,221
Fixed assets	固定資產	21(a)	**2,957,785**	2,972,010
Investment properties	投資物業	21(a)	**61,500**	62,500
Total assets	資產總額		**190,721,282**	160,251,750
LIABILITIES	**負債**			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	22	**4,013,695**	3,856,010
Deposits from customers	客戶存款	23	**162,892,400**	133,895,361
Trading liabilities	交易賬項下之負債	24	**2,460,418**	941,735
Derivative financial instruments	衍生金融工具	15(b)	**304,600**	101,708
Other liabilities	其他負債	25	**2,783,639**	4,518,782
Current tax liabilities	即期稅項負債	26(a)	**89,577**	72,296
Deferred tax liabilities	遞延稅項負債	26(b)	**330,983**	317,146
Total liabilities	負債總額		**172,875,312**	143,703,038
EQUITY	**權益**			
Share capital	股本	27	**4,830,448**	4,830,448
Reserves	儲備	28	**13,015,522**	11,718,264
Total equity	權益總額		**17,845,970**	16,548,712
Total equity and liabilities	權益及負債總額		**190,721,282**	160,251,750

Approved and authorized for issue by the Board of Directors on 9 March 2026.

經董事會於二零二六年三月九日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Elizabeth LAM Tyng Yih
林婷懿
Director
董事

Simon CHUNG Kwok Keung
鍾國強
Director
董事

The notes on pages 54 to 196 form part of these financial statements.

載於第54至196頁之附註為此等財務報表之一部分。

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

For the year ended 31 December 2025　截至二零二五年十二月三十一日止年度

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備（非循環） HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備（循環） HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2025	於二零二五年一月一日	4,830,448	248,795	43,941	(12,204)	1,486,035	9,951,697	16,548,712
Total comprehensive income for the year	本年度全面收益總額	–	–	200	94,643	3,098	1,379,857	1,477,798
– Profit for the year	－本年度溢利	–	–	–	–	–	1,376,457	1,376,457
– Other comprehensive income, of which:	－其他全面收益，其中：							
– Premises: net movement in premises revaluation reserve	－物業：物業重估儲備淨變動	–	–	–	–	3,098	–	3,098
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	－指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	–	–	200	–	–	–	200
– Defined benefit liability: net movement in the defined benefit liability	－定額福利負債：定額福利負債淨變動	–	–	–	–	–	3,400	3,400
– Debt securities measured at FVOCI: net movement in investment revaluation reserve (recycling)	－以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動(循環)	–	–	–	94,643	–	–	94,643
Transfer from premises revaluation reserve to retained earnings	由物業重估儲備轉撥至保留溢利	–	–	–	–	(45,764)	45,764	–
Transfer from retained earnings to regulatory reserve	由保留溢利轉撥至法定儲備	–	132,332	–	–	–	(132,332)	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	–	(180,540)	(180,540)
At 31 December 2025	於二零二五年十二月三十一日	4,830,448	381,127	44,141	82,439	1,443,369	11,064,446	17,845,970

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備(循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2024	於二零二四年一月一日	4,830,448	202,889	715,542	–	1,801,835	8,414,902	15,965,616
Total comprehensive income for the year	本年度全面收益總額	–	–	120,759	(12,204)	(269,359)	901,462	740,658
– Profit for the year	–本年度溢利	–	–	–	–	–	906,578	906,578
– Other comprehensive income, of which:	–其他全面收益，其中：							
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	–	(269,359)	–	(269,359)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	–	–	120,759	–	–	–	120,759
– Defined benefit liability: net movement in the defined benefit liability	–定額福利負債：定額福利負債淨變動	–	–	–	–	–	(5,116)	(5,116)
– Debt securities measured at FVOCI: net movement in investment revaluation reserve (recycling)	–以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動(循環)	–	–	–	(12,204)	–	–	(12,204)
Transfer from premises revaluation reserve to retained earnings	由物業重估儲備轉撥至保留溢利	–	–	–	–	(46,441)	46,441	–
Transfer from retained earnings to regulatory reserve	由保留溢利轉撥至法定儲備	–	45,906	–	–	–	(45,906)	–
Transfer from investment revaluation reserve (non-recycling) to retained earnings	由投資重估儲備(非循環)轉撥至保留溢利	–	–	(792,360)	–	–	792,360	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	–	(157,562)	(157,562)
At 31 December 2024	於二零二四年十二月三十一日	4,830,448	248,795	43,941	(12,204)	1,486,035	9,951,697	16,548,712

The notes on pages 54 to 196 form part of these financial statements.

載於第54至196頁之附註為此等財務報表之一部分。

CONSOLIDATED CASH FLOW STATEMENT
綜合現金流動表

For the year ended 31 December 2025　截至二零二五年十二月三十一日止年度

		Note 附註	2025 二零二五年 HK$'000 千港元		2024 二零二四年 HK$'000 千港元	
Operating activities	**營運活動**					
Profit before taxation	除税前溢利		**1,607,723**		1,074,039	
Adjustments for non-cash items:	非現金項目之調整：					
Depreciation	折舊	7	**213,801**		194,609	
Net losses/(gains) on disposal of fixed assets	出售固定資產之淨虧損／(收益)		**318**		(43)	
Impairment losses on advances to customers	客戶貸款減值虧損	9	**278,780**		568,745	
Net gains on disposal of financial assets measured at amortized cost	出售以攤銷成本計量之金融資產淨收益		**(9,310)**		(2,636)	
Charge for impairment losses on other financial instruments	其他金融工具減值虧損之扣除		**41,751**		5,067	
Impairment losses on other assets	其他資產減值虧損		**476**		1,236	
Impairment losses on assets acquired under lending agreements	根據借貸協議所收購資產減值虧損		**300**		1,000	
Loss on revaluation of investment properties	投資物業重估虧損	21(a)	**1,000**		22,800	
Loss on revaluation on investment funds measured at FVTPL	通過損益以反映公平價值計量之投資基金重估虧損	33(a)	**668**		3,636	
				2,135,507		1,868,453
Increase in operating assets:	營運資產之增加：					
Treasury bills with original maturity of over three months	國庫券(原本期限為三個月以上)		**(5,048,320)**		(2,204,281)	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		**(3,692,496)**		(4,499,054)	
Derivative financial instruments	衍生金融工具		**615,162**		(160,563)	
Gross advances to customers	客戶貸款總額		**(8,661,971)**		1,028,540	
Gross advances to banks	銀行同業貸款總額		**(7,977,770)**		(3,886,467)	
Trade bills	商業票據		**93,268**		(96,975)	
Accrued interest and other assets	應計利息及其他資產		**(178,193)**		(96,105)	
Debt securities measured at amortized cost	以攤銷成本計量之債務證券		**3,102,489**		1,154,734	
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金		**2,812**		–	
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券		**(33)**		850,601	
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券		**(14,029,783)**		(11,669,907)	
				(35,774,835)		(19,579,477)

		Note 附註	2025 二零二五年 HK$'000 千港元	2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Increase in operating liabilities:	營運負債之增加：					
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘		157,685		(3,998,310)	
Deposits from customers	客戶存款		28,997,039		24,770,865	
Trading liabilities	交易賬項下之負債		1,518,683		(755,096)	
Certificates of deposit issued	已發行存款證		–		(299,942)	
Derivative financial instruments	衍生金融工具		202,892		8,514	
Other liabilities	其他負債		(1,717,898)		(759,873)	
				29,158,401		18,966,158
Net cash (used in)/generated from operations	**營運之現金(支出)／收入淨額**			(4,480,927)		1,255,134
Hong Kong Profits Tax paid	已付香港利得稅			(211,128)		(248,924)
Net cash (used in)/generated from operating activities	**營運活動之現金(支出)／收入淨額**			(4,692,055)		1,006,210
Investing activities	**投資活動**					
Payment for purchases of fixed assets	購買固定資產付款		(205,954)		(156,614)	
Proceeds from disposal of fixed assets	出售固定資產所得款項		479		1,271	
Net cash used in investing activities	**投資活動之現金支出淨額**			(205,475)		(155,343)
Financing activities	**融資活動**					
Payment of lease liabilities	租賃負債付款	29(c)	(3,707)		(3,559)	
Dividends paid	已付股息		(180,540)		(157,562)	
Net cash used in financing activities	**融資活動之現金支出淨額**			(184,247)		(161,121)
Net (decrease)/increase in cash and cash equivalents	**現金及等同現金項目之(減少)／增加淨額**			(5,081,777)		689,746
Cash and cash equivalents as at 1 January	**於一月一日之現金及等同現金項目**			14,041,541		13,351,795
Cash and cash equivalents as at 31 December	**於十二月三十一日之現金及等同現金項目**	29(a)		8,959,764		14,041,541
Cash flows from operating activities include:	**營運活動之現金流量包括：**					
Interest received	已收利息			7,504,715		7,409,804
Interest paid	已付利息			(4,846,432)		(5,214,894)
Dividends received	已收股息			9,878		7,696

The notes on pages 54 to 196 form part of these financial statements. 載於第54至196頁之附註為此等財務報表之一部分。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

1. ACTIVITIES

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

The Bank, through its branches and subsidiaries (together referred to as "the Group"), provides a range of banking, financial and related services.

1. 業務

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

本行透過其分行及附屬公司(統稱為「本集團」)提供一系列銀行、金融及相關服務。

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) New and revised HKFRSs

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group.

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

2. 重大會計政策

(a) 遵守聲明

此等財務報表乃根據香港財務報告準則會計準則而編製，該統稱包括香港會計師公會頒佈的一切適用的個別香港財務報告準則、《香港會計準則》及詮譯以及香港《公司條例》的規定。本集團所採納的重大會計政策載於下文。

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干項對香港財務報告準則會計準則修訂，於本集團本會計期間首次生效或可供提早採納。

本集團已對香港會計師公會頒佈的香港會計準則第21號外匯匯率變動的影響 — 缺乏可交換性對本會計期間本財務報表作出修訂。修訂對本財務報表並無重大影響，因為本集團並無訂立任何外幣交易，而該外幣不可兑換為另一種貨幣。

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

2. MATERIAL ACCOUNTING POLICIES (continued)

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Bank and its subsidiaries.

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

- equity securities designated at fair value through other comprehensive income (see Note 2(f));
- debt securities measured at fair value through other comprehensive income (see Note 2(f));
- investment funds measured at fair value through profit or loss (see Note 2(f));
- trading assets and liabilities (see Note 2(f));
- derivative financial instruments (see Note 2(h));
- owned properties (see Note 2(j)); and
- investment properties (see Note 2(k)).

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 42.

2. 重大會計政策(續)

(c) 財務報表的編製基準

截至二零二五年十二月三十一日止年度之綜合財務報表，包括本行及其附屬公司。

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

- 指定以公平價值於其他全面收益計量之股本證券(見附註2(f))
- 以公平價值於其他全面收益計量之債務證券(見附註2(f))；
- 通過損益以反映公平價值計量之投資基金(見附註2(f))；
- 持作交易用途資產及負債(見附註2(f))；
- 衍生金融工具(見附註2(h))；
- 本集團擁有之物業(見附註2(j))；及
- 投資物業(見附註2(k))。

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

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

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

管理層應用對財務報表及估計不確定因素之主要來源構成重大影響的香港財務報告準則會計準則所作出之判斷於附註42中詳述。

2. MATERIAL ACCOUNTING POLICIES (continued)

(d) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

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

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

(e) Interest in an associate

An associate is an entity in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

(f) Financial instruments

(i) Initial recognition

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

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

2. 重大會計政策(續)

(d) 於附屬公司之投資

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

於附屬公司之投資自控制開始日期會併入綜合財務報表內直至控制結束日期。

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

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

(e) 於聯營公司之權益

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

(f) 金融工具

(i) 初始確認

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(ii) Categorization

Investments other than equity investments

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

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

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

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

Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income (see note 2(t)(vi)).

2. 重大會計政策(續)

(f) 金融工具(續)

(ii) 分類

股本投資以外的投資

本集團持有的非股本投資分為以下其中一個計量類別：

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

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

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

股本投資

股本證券投資會被分類為通過損益以反映公平價值，除非該投資並非以交易為目的持有，且於初步確認投資時，本集團選擇指定投資以公平價值於其他全面收益計量(非循環)，由此，隨後公平價值之變動於其他全面收益內確認。該等選擇以個別工具為基礎作出，但僅於投資滿足以發行人角度下的股本的定義時方可作出。倘就特定投資作出該選擇，於出售時，於投資重估儲備(非循環)內累計之金額會轉入保留溢利，並不會透過損益循環。股本證券投資產生之股息(不論分類為通過損益以反映公平價值或以公平價值於其他全面收益計量)均會於損益內確認為其他收入(見附註2(t)(vi))。

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(iii) Fair value measurement principles

The fair value of financial instruments is ideally based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

(iv) Derecognition

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

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

(v) Offsetting

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

(vi) Modified financial instruments

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

2. 重大會計政策(續)

(f) 金融工具(續)

(iii) 計量公平價值之原則

金融工具的公平價值最理想地是於報告期末根據其市場報價但未減除將來的估計出售成本。

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

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

(iv) 終止確認

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

當合約的義務期滿或被履行、取消，本集團終止確認該金融負債。

(v) 對銷

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

(vi) 經修改金融工具

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(f) Financial instruments (continued)

(vi) Modified financial instruments (continued)

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

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

(g) Repurchase and reverse repurchase transactions

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

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

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

(h) Derivative financial instruments

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

2. 重大會計政策(續)

(f) 金融工具(續)

(vi) 經修改金融工具(續)

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

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

(g) 回購交易和反向回購交易

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

根據轉售協議(反向回購協議)購買之證券乃列作為應收款項，並按攤銷成本列賬。

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

(h) 衍生金融工具

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(i) Hedging

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

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

(i) Fair value hedge

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

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

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes designation of the hedge relationship any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(ii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

2. 重大會計政策(續)

(i) 對沖

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

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

(i) 公平價值對沖

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

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

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

(ii) 對沖有效性測試

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(i) Hedging (continued)

(ii) Hedge effectiveness testing (continued)

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

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

(j) Fixed assets

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

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

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

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

2. 重大會計政策(續)

(i) 對沖(續)

(ii) 對沖有效性測試(續)

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

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

(j) 固定資產

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

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

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

- 當重估出現虧損時，虧損超出同一資產於緊接重估前之儲備款額會自損益扣除；及
- 當因重估而出現盈餘時，倘同一資產以往曾有重估虧損自損益扣除時，則本次重估盈餘將計入損益，惟上限為以往曾自損益賬內扣除之重估虧損。

2. MATERIAL ACCOUNTING POLICIES (continued)

(j) Fixed assets (continued)

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

- right-of-use assets arising from leases over other properties and equipment for own use where the Group is not the registered owner of the asset (see Note 2(m)); and
- furniture, fixtures and equipment.

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

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

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

- buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- furniture and equipment is generally depreciated over periods of between three to ten years.
- right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term.

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

2. 重大會計政策(續)

(j) 固定資產(續)

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

- 租賃本集團並非資產的註冊擁有人的其他自用的物業及設備而產生的使用權資產(見附註2(m))；及
- 傢俱、固定裝置及設備。

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

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

物業和設備項目於預計可用期限內以直線法攤銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之期間折舊。
- 使用權資產於開始日期起至租期結束時止期間採用直線法折舊。

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(k) Investment properties

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

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

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

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

(l) Assets held for sale

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

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

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

2. 重大會計政策(續)

(k) 投資物業

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

投資物業公平價值變動或報廢或出售投資物業所產生的任何收益或虧損於損益確認。

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

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

(l) 持作出售之資產

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in HKFRS 16, Lease.

(i) Group acting as a lessee

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

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

2. 重大會計政策(續)

(m) 租約及租購合約

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

(i) 本集團作為承租人

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

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

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

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

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

計量租賃負債時計入的租賃款項包括固定付款額，包括實物固定付款額。

2. MATERIAL ACCOUNTING POLICIES (continued)

(m) Leases and hire purchase contracts (continued)

(i) Group acting as a lessee (continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

Short-term leases and leases of low-value assets

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

(ii) Group acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

2. 重大會計政策(續)

(m) 租約及租購合約(續)

(i) 本集團作為承租人(續)

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

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

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

短期租賃及低價值資產租賃

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

(ii) 本集團作為出租人

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

當本集團作為出租人時，在租賃開始時確定該租賃為融資租賃或經營租賃。

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

(n) Repossessed assets

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

Repossessed assets are initially recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortized.

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

(o) Credit losses and impairment of assets

(i) Credit losses from financial instruments

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

Measurement of ECLs

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

2. 重大會計政策(續)

(n) 收回資產

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

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

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

(o) 信貸虧損及資產減值

(i) 金融工具的信貸虧損

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

計量預期信貸虧損

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

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

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

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

計量預期信貸虧損(續)

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

估計預期信貸虧損時考慮的最長期限為本集團面臨信貸風險的最長合約期。

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

預期信貸虧損乃通過以下其一基礎計量：

- 12個月預期信貸虧損：為預計在報告日期後12個月內可能發生違約事件造成的損失；或
- 全期預期信貸虧損：為預計由預期信貸虧損模式適用項目之預計可用年期內可能發生所有違約事件導致之損失。

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

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

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

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

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

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

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

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

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

Financial assets are considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. Financial assets that are credit-impaired (or defaulted) include those that are at least 90 days past due in respect of principal and/or interest, except for financial assets that are fully covered by collateral that they are credit-impaired if they are past due date for at least 365 days. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

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

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加(續)

預期信貸虧損在每個報告日被重新計量，以反映自初始確認以來金融工具信貸風險的變化。預期信貸虧損金額的任何變動均於損益賬內確認為減值虧損，或回撥減值虧損。本集團確認所有金融工具的減值虧損或回撥減值虧損，並通過虧損撥備賬對其賬面值進行相應調整，惟以公平價值於其他全面收益計量之債務證券除外，其相應調整於其他全面收益確認。

信貸減值(或違約)金融資產的利息收入之計算基礎

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

金融資產在債務人於發生一項或多項對金融資產的估計未來現金流產生不利影響的可觀察事件時不太可能付款的情況下被視為信貸減值。信貸減值(或違約)金融資產指本金及／或利息逾期最少90天的金融資產，惟由抵押品完全覆蓋的金融資產除外，當其逾期最少365天時出現信貸減值。單一個別事件可能無法被識別，惟多項事件的共同影響可導致金融資產出現信貸減值。

金融資產出現信貸減值(或違約)的證明包括以下可觀察事件：

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

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

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

Modified financial instruments

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

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

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸減值(或違約)金融資產的利息收入之計算基礎(續)

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

經修改金融工具

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Write-off policy

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

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

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of other assets

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

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

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

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

註銷政策

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

先前已撇銷的資產的後續收回於收回發生期間在損益確認為減值虧損撥回。

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

(ii) 其他資產減值

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

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

倘出現任何該等跡象，則估計資產的可收回金額。

計算可收回金額

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

2. MATERIAL ACCOUNTING POLICIES (continued)

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

(ii) Impairment of other assets (continued)

Recognition of impairment losses

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

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

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

(p) Cash equivalents

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

(q) Employee benefits

(i) Short-term employee benefits

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

2. 重大會計政策(續)

(o) 信貸虧損及資產減值(續)

(ii) 其他資產減值(續)

確認減值虧損

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

減值虧損撥回

倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。

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

(p) 等同現金項目

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

(q) 僱員福利

(i) 短期僱員福利

短期僱員福利包括薪酬、每年花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

2. MATERIAL ACCOUNTING POLICIES (continued)

(q) Employee benefits (continued)

(ii) Defined benefit retirement scheme

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

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

2. 重大會計政策(續)

(q) 僱員福利(續)

(ii) 定額福利退休計劃

本集團有關其定額福利退休計劃的淨義務乃估計僱員就本期及過往期間的服務應享有的未來福利金額而計算；該福利已折現以釐定其義務的現值，並扣減任何計劃資產的公平價值以達致淨義務。有關計算由合資格精算師使用預計單位信貸方法進行。倘計算結果對本集團有利，則確認的資產僅限以任何未來由計劃退款或未來減少向計劃供款的方式獲得經濟利益的現值。服務成本及定額福利負債(資產)淨值的利息支出(收入)淨額乃於損益賬內確認。本期服務成本乃按本期僱員服務產生的定額福利責任現值的增加而計量。倘計劃的福利出現變動，或計劃縮短，有關僱員過往服務變動福利的比例，或縮短的收益或虧損於計劃修訂或縮短發生及當有關重組成本或終止福利已確認時較早者於損益賬內確認為支出。期內利息支出(收入)淨額乃應用於報告期初用於計量定額福利責任的折現率折現至定額福利淨負債(資產)而釐定。折現率乃高質素企業債券於報告期末的收益率，有關的債券到期日與本集團所承擔責任的條款相若。定額福利退休計劃產生的重新計量乃於其他全面收入中確認且立即於保留溢利中反映。重新計量包括精算收益及虧損，計劃資產之回報(不包括計入定額福利淨負債(資產)的淨利息內的金額)及資產上限影響的任何變動(不包括計入定額福利淨負債(資產)的淨利息內的金額)。

(r) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬內確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認於其他全面收益或權益中。

2. MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized.

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. Rental income from investment properties is accounted for as described in Note 2(t).

2. 重大會計政策(續)

(r) 所得稅(續)

即期稅項乃預期於本年度就應課稅收入應付之稅項(按於報告期末已頒佈或實質頒佈之稅率計算),以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅及應課稅暫時性差異,即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干有限例外情況外,所有遞延稅項負債及所有遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式,使用於報告期末已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各報告期末,遞延稅項資產之賬面值均進行覆核,對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利,則任何有關扣減均會被撥回。投資物業的租金收入按附註2(t)所述方式入賬。

2. MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the related current tax assets and settle the related current tax liabilities on a net basis or realize and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 重大會計政策(續)

(r) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額基準變現即期稅項資產及清償即期稅項負債或兩者同時進行。

(s) 撥備及或然負債

撥備乃本集團因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務並能作出可靠估計時，而未能確定之時間或數額以其他負債確認。倘金錢時間價值屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟利益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就一項或多項未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性極微。

2. MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows:

(i) Interest income

Effective interest rate

Interest income and expense for all interest-bearing financial instruments are recognized in profit or loss on an accruals basis using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not ECLs. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECLs.

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 of a financial asset or issue of a financial liability.

Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any ECL allowance.

2. 重大會計政策(續)

(t) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收益及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬內確認：

(i) 利息收入

實際利率

所有計息金融工具的利息收入及開支按應計基準採用實際利率法於損益賬內確認。

實際利率是將金融工具在預計年期產生的預計未來現金付款或收入準確折算為金融資產之賬面總值或金融負債之攤銷成本之比率。

當計算信貸減值資產以外的金融工具的實際利率時，本集團在估計現金流時須考慮金融工具的所有合約條款，但不考慮預期信貸虧損。對於初始確認時購買或產生信貸減值的金融資產，信貸調整實際利率使用預計未來現金流(包括預期信貸虧損)計算。

計算實際利率時計及屬實際利率重要組成部分的交易成本及費用及已付或已收點數。交易成本為收購金融資產或發行金融負債直接應佔的增量成本。

攤銷成本及賬面總值

金融資產或金融負債的「攤銷成本」應當以金融資產或金融負債的初始確認金額經下列調整後的結果確定：扣除已償還的本金、加上或減去採用實際利率法將該初始確認金額與到期日金額之間的差額進行攤銷形成的累計攤銷額及，就金融資產而言，扣除任何預期信貸虧損撥備。

「金融資產的賬面總值」指在任何預期信貸虧損撥備調整前金融資產的攤銷成本。

2. MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(i) Interest income (continued)

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(o).

(ii) Net income from financial instruments measured at FVPL and net trading income

Net income from financial instruments measured at FVPL and net trading income comprise all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, foreign exchange differences and dividend income attributable to those financial instruments.

(iii) Fee and commission income

Fee and commission income arises on financial services provided by the Group including credit related services, insurance services, brokerage services, investment services, unit trust services, credit card services and trade finance services. Fee and commission income is recognized when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer or is interest in nature. In these cases the fee is recognized as income in the accounting period in which the costs or risk is incurred or is accounted for as interest income.

2. 重大會計政策(續)

(t) 收益確認(續)

(i) 利息收入(續)

計算利息收入及開支

於計算利息收入及開支時，資產的賬面總值(當資產為非信貸減值)或負債的攤銷成本採用實際利率。

然而，對於初始確認後出現信貸減值的金融資產，利息收入的計算方法是將實際利率應用於金融資產的攤銷成本。若資產不再為信貸減值，則利息收入的計算將恢復為總額。

對於初始確認時信貸減值的金融資產，利息收入的計算方法是將信貸調整實際利率應用於資產的攤銷成本。即使資產的信貸風險有所改善，利息收入的計算亦不會恢復為總額。

有關金融資產何時出現信貸減值的資料，請參閱附註2(o)。

(ii) 通過損益以反映公平價值之金融工具淨收益以及交易淨收益

通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

(iii) 費用及佣金收入

費用及佣金收入乃本集團提供金融服務，包括信貸業務、保險業務、經紀服務、投資服務、信託基金業務、信用卡業務及貿易融資業務。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

2. MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(iii) Fee and commission income (continued)

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognized as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at FVPL. In this case it is immediately recognized in profit or loss. If the commitment expires without the Group making a loan, the fee is recognized as revenue on expiry.

(iv) Finance income from finance leases and hire purchase contracts

Finance income implicit in finance leases and hire purchase contracts is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivables are recognized as income in the accounting period in which they are earned.

(v) Rental income from operating lease

Rental income received under operating leases is recognized as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable over the lease term. Contingent rentals receivables are recognized as income in the accounting period in which they are earned.

(vi) Dividend income

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is irrevocably established. Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

(u) Translation of foreign currencies

The Group's functional currency is Hong Kong Dollars. Foreign currency transactions during the year are translated into Hong Kong Dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong Dollars at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are dealt with in profit or loss.

2. 重大會計政策(續)

(t) 收益確認(續)

(iii) 費用及佣金收入(續)

本集團已收導致建立或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，則該費用於期滿時確認為收益。

(iv) 來自融資租約及租購合約之財務收入

融資租約之隱含財務收入及租購合約於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於所賺取的會計期間確認為收入。

(v) 經營租賃產生之租金收入

根據經營租賃收取之租金收入於租賃期間內以等額方式在其他營運收入中確認，但如有另一基準更能代表租賃資產所產生之利益之模式則除外。已授出之租賃獎勵於損益賬內確認為租期內的應收總租賃款項淨額的一部分。應收或然租金於所賺取的會計期間確認為收入。

(vi) 股息收入

非上市投資之股息收入於股東收取款項之權利確立為不可撤回時予以確認。上市投資之股息收入於投資項目之股價除息時確認。

(u) 外幣換算

本集團的記賬單位幣別為港元。本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以報告期末之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

2. MATERIAL ACCOUNTING POLICIES (continued)

(u) Translation of foreign currencies (continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong Dollars using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong Dollars at exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to financial instruments held at FVPL and derivative financial instruments are included in gain less loss from dealing in trading assets. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign exchange in profit or loss and are reported within "Other operating income". Differences arising on translation of equity securities designated at FVOCI are recognized in other comprehensive income.

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(a) a person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) an entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. 重大會計政策(續)

(u) 外幣換算(續)

以外幣定值並以歷史成本列賬之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬之非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

通過損益以反映公平價值之金融工具及衍生金融工具的匯兑差額包括持作交易用途資產淨盈虧。其他有關貨幣性項目的匯兑差額則於損益賬內呈列為外匯買賣淨盈虧，並於「其他營運收入」內呈報。換算指定以公平價值於其他全面收益計量之股本證券之差額於其他全面收益確認。

(v) 關聯方

就此等財務報表而言，被視為與本集團有關連的一方是指：

(a) 個人或該個人之近親家庭成員，該個人在以下情況下被視為與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 是本集團或本集團之母公司的主要管理人員。

(b) 在以下任何情況下一實體會視為與本集團有關連：

(i) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司互相關連)。

(ii) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。

(iii) 兩個實體是同一第三方的合營公司。

(iv) 一實體是一第三方實體的合營公司而另一實體則是該第三方實體的聯營公司。

2. MATERIAL ACCOUNTING POLICIES (continued)

(v) Related parties (continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries. For information required to be reported in accordance with the Banking (Disclosures) Rules ("BDR"), the basis of consolidation is set out in Note (A) in the Unaudited Supplementary Financial Information on page 197.

2. 重大會計政策(續)

(v) 關聯方(續)

(v) 該實體是提供予本集團或與本集團有關連之實體的僱員離職後福利計劃。

(vi) 該實體受在(a)項中所辨別的個人所控制或共同控制。

(vii) 在(a)(i)項中所辨別的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員。

(viii) 實體或組成集團一部分的任何成員公司向集團或集團母公司提供主要管理人員服務。

個人的近親家庭成員指預料可於彼等與實體交易中影響該個人(或受該個人影響)的家庭成員。

(w) 分部資料

財務報表中的經營分部和每個分部項目的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. 綜合基準

該等綜合財務報表涵蓋本行及本行所有附屬公司的綜合狀況。根據《銀行業(披露)規則》所需呈報的資料，其綜合基準載列於第197頁未經審核補充財務資料附註(A)內。

4. INTEREST INCOME AND EXPENSE

(a) Interest income

4. 利息收入及支出

(a) 利息收入

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Loans and advances	借款及貸款	**3,456,351**	3,752,978
Investment in securities	證券投資	**3,349,511**	3,289,471
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**737,327**	689,736
Interest income calculated using the effective interest method	採用實際利率法計算之利息收入	**7,543,189**	7,732,185
Other interest income	其他利息收入	**3,171**	2,207
Total interest income	利息收入總額	**7,546,360**	7,734,392

Interest income derived from financial assets that are not measured at fair value through profit or loss amounted to HK$7,543,189,000 (2024: HK$7,732,185,000).

非通過損益以反映公平價值計量之金融資產產生之利息收入為7,543,189,000港元(二零二四年：7,732,185,000港元)。

Interest income from finance lease receivables amounted to HK$1,178,000 (2024: HK$4,678,000).

源自融資租賃應收款的利息收入為1,178,000港元(二零二四年：4,678,000港元)。

(b) Interest expense

(b) 利息支出

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Deposits from customers	客戶存款	**4,523,065**	4,840,715
Financial assets sold under repurchase agreements	購回協議項下出售之金融資產	**38,694**	199,937
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**70,774**	74,586
Lease liabilities	租賃負債	**3,707**	3,559
Certificates of deposit and debt securities issued	已發行存款證及債務證券	**–**	738
Others	其他	**16,531**	33,311
		4,652,771	5,152,846

Interest expense incurred by financial liabilities that are not measured at fair value through profit or loss amounted to HK$4,652,771,000 (2024: HK$5,152,846,000).

非通過損益以反映公平價值計量之金融負債產生之利息支出為4,652,771,000港元(二零二四年：5,152,846,000港元)。

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Fee and commission income arising from:	費用及佣金收入來自：		
Insurance services	保險業務	**278,673**	209,922
Credit card services	信用卡業務	**83,818**	101,094
Credit related services	信貸業務	**84,126**	67,436
Securities brokerage and investment services	證券經紀及投資服務	**40,669**	22,331
Unit trust services	信託基金業務	**23,794**	17,295
Trade finance services	貿易融資業務	**20,091**	23,490
Other fees	其他費用	**52,846**	42,571
		584,017	484,139
Of which:	其中：		
Fee and commission income arising from:	費用及佣金收入來自：		
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	－非通過損益以反映公平價值之金融資產或金融負債	**164,124**	173,337
– Trust and other fiduciary activities	－信託及其他受託業務	**2,422**	2,153

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group holds assets or invests on behalf of customers.

(b) Fee and commission expense

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Handling fees and commission	手續費及佣金	**84,968**	75,938
Other fees paid	其他已付費用	**20,191**	24,201
		105,159	100,139
Of which:	其中：		
Fee and commission expense arising from financial assets or financial liabilities which are not measured at fair value through profit or loss	費用及佣金支出來自非通過損益以反映公平價值之金融資產或金融負債	**91,200**	94,198

5. 費用及佣金收入及支出

(a) 費用及佣金收入

來自信託及其他受託業務的費用及佣金收入與本集團資產或代表客戶進行投資所收取的資產管理業務費用相關。

(b) 費用及佣金支出

6. OTHER OPERATING LOSS

6. 其他營運虧損

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Gains less losses from dealing	**交易收益減虧損**		
– Foreign exchange	－外匯	**52,475**	79,698
– Trading assets	－持作交易用途資產	**51,414**	38,723
– Other dealing activities*	－其他買賣交易*	**35,979**	18,000
– Short selling activities	－賣空交易	**(19,946)**	(15,966)
		119,922	120,455
Net hedging loss from fair value hedges	**公平價值對沖之淨對沖虧損**		
Net gain/(loss) on hedged items attributable to the hedged risk	與對沖風險相關之被對沖項目之淨收益／(虧損)	**833,060**	(135,094)
Net loss on hedging instruments	對沖工具之淨虧損	**(1,030,612)**	(17,647)
		(197,552)	(152,741)
Dividend income from unlisted equity securities (Note 33(a)(i))	非上市股本證券之股息收入(附註33(a)(i))	**9,878**	7,696
Loss on revaluation of investment funds measured at fair value through profit or loss (Note 33(a)(i))	通過損益以反映公平價值計量之投資基金重估虧損(附註33(a)(i))	**(668)**	(3,636)
Rental income	租金收入		
– from investment properties (Note 21(b)(ii))	－來自投資物業(附註21(b)(ii))	**600**	386
– others	－其他	**294**	291
Others	其他	**13,569**	18,035
		(53,957)	(9,514)

* Other dealing activities include customer-driven dealing in financial instruments including options and structured deposit products.

* 其他買賣交易包括客戶買賣金融工具(包括期權及結構性存款產品)。

7. OPERATING EXPENSES

7. 營運支出

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	**24,563**	24,487
Current service cost of defined benefit scheme (Note 30(a)(v))	定額福利計劃現時服務成本（附註30(a)(v)）	**6,528**	7,460
Retirement schemes costs	退休計劃成本	**31,091**	31,947
Salaries and other staff costs	薪金及其他僱員成本	**814,871**	766,190
		845,962	798,137
Premises and other fixed assets	物業及其他固定資產		
Depreciation (Note 21(a))	折舊(附註21(a))	**213,801**	194,609
Government rent and rates and expenses on short-term leases	政府地租及差餉以及短期租賃支出	**4,997**	4,902
Others	其他	**21,149**	18,274
Audit fee	核數費用	**6,179**	6,346
Other operating expenses	其他營運支出		
Business promotion	業務推廣	**35,203**	39,411
Legal and professional fees	法律及顧問費用	**34,377**	31,067
Communication	通訊	**39,977**	34,102
Electronic data processing and computer systems	電子資料處理及電腦系統	**117,027**	98,994
Others	其他	**78,780**	59,982
		1,397,452	1,285,824

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the HKCO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8. 董事薪酬

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事薪酬如下：

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Basic salaries and other allowances	底薪及其他津貼	7,240	6,935
Directors' fee	董事袍金	6,895	6,835
Contributions to pension scheme	退休計劃供款	330	315
Discretionary bonuses	酌情花紅	9,000	7,500
		23,465	21,585

9. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

9. 客戶貸款減值虧損

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Impairment losses on advances to customers:	客戶貸款減值虧損：		
– Stage 1	－第一階段	(36,783)	(28,132)
– Stage 2	－第二階段	636	(12,031)
– Stage 3	－第三階段	326,898	647,441
– Bad debt recovery of previously written off	－收回先前已撇銷的壞賬	(11,971)	(38,533)
		278,780	568,745

10. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

10. 綜合全面收益表內的所得稅

(a) Taxation in the consolidated statement of comprehensive income represents:

(a) 綜合全面收益表內的稅項指：

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Current tax – Hong Kong Profits Tax	**即期稅項—香港利得稅**		
Tax for the year (Note 26(a))	年內稅項(附註26(a))	**239,767**	161,978
Over-provision in prior years	過往年度超額撥備	**(11,358)**	(4,357)
		228,409	157,621
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences (Note 26(b))	暫時性差異產生及撥回(附註26(b))	**2,857**	9,840
		231,266	167,461

Provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year. Taxation for overseas operations is similarly calculated using the estimated annual effective rates of taxation that are expected to apply in the relevant countries.

二零二五年之香港利得稅撥備乃根據本年度之評估應課稅溢利之16.5%(二零二四年：16.5%)計算。海外業務稅項的計算與之類似，為使用評估年度在相關國家預期應用的實際稅率計算。

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Profit before taxation	除稅前溢利	**1,607,723**	1,074,039
Notional tax on profit before taxation, calculated at the rates applicable to profits at 16.5% (2024: 16.5%)	除稅前溢利之名義稅項按16.5%之應課稅率計算(二零二四年：16.5%)	**265,274**	177,216
Tax effect of non-taxable income	非應課稅收入之稅項影響	**(42,910)**	(36,492)
Tax effect of non-deductible expenses	非可扣減支出之稅項影響	**20,260**	31,094
Over-provision in prior years	過往年度超額撥備	**(11,358)**	(4,357)
Actual tax expense	實質稅項支出	**231,266**	167,461

11. OTHER COMPREHENSIVE INCOME

11. 其他全面收益

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Premises:	**物業：**		
Deficits on revaluation of premises (Note 21(b))	物業重估虧損(附註21(b))	**(5,336)**	(331,760)
Deferred taxation arising from:	遞延税項來自：		
– revaluation of premises	－物業重估	**880**	54,740
– realization of premises revaluation reserve	－物業重估儲備變現	**7,554**	7,661
Net movement in the premises revaluation reserve during the year recognized in other comprehensive income	本年度於其他全面收益確認之物業重估儲備淨變動	**3,098**	(269,359)
Equity securities designated at fair value through other comprehensive income:	**指定以公平價值於其他全面收益計量之股本證券：**		
Net movement in the investment revaluation reserve (non-recycling) during the year recognized in other comprehensive income	本年度於其他全面收益確認之投資重估儲備(非循環)淨變動	**200**	120,759
Defined benefit liability:	**定額福利負債：**		
Remeasurement of net defined benefit liability (Note 30(a)(v))	重新計量定額福利負債淨額(附註30(a)(v))	**4,072**	(6,127)
Deferred taxation	遞延税項	**(672)**	1,011
Net movement in the defined benefit liability during the year recognized in other comprehensive income	本年度於其他全面收益確認之定額福利負債淨變動	**3,400**	(5,116)
Debt securities measured at fair value through other comprehensive income:	**以公平價值於其他全面收益計量之債務證券：**		
Surplus/(deficits) on revaluation of debt securities	債務證券重估盈餘／(虧損)	**89,663**	(29,611)
Expected credit loss on debt securities	債務證券之預期信貸虧損	**23,681**	14,995
Deferred taxation	遞延税項	**(18,701)**	2,412
Net movement in the investment revaluation reserve (recycling) during the year recognized in other comprehensive income	本年度於其他全面收益確認之投資重估儲備(循環)淨變動	**94,643**	(12,204)

12. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer and Managing Director in deciding how to allocate resources and in assessing performance.

Operating segments

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

Retail Banking comprises consumer finance activities including provision of credit card advances, mortgage lending and other consumer lending and wealth management services such as the sales and distribution of insurance products, investment products and securities brokerage to wealth management clients and provision of banking services to the mass market segment.

Institutional Banking comprises the corporate banking business and the financial institutions business, covering the provision of services including corporate lending, syndicated loans, trade financing and deposits to large corporates in Hong Kong and Chinese Mainland.

Commercial Banking mainly engages in corporate lending, trade financing and commercial mortgage lending to small and medium enterprises in Hong Kong and Chinese Mainland as well as the distribution of wealth management products to corporate customers and acquisition of credit card merchants.

Fubon Credit (Hong Kong) Limited ("Fubon Credit") is a wholly owned subsidiary of the Bank and mainly engages in consumer lending to individual customers in Hong Kong.

Markets comprises the treasury investment business which mainly engages in managing the Group's investment portfolio and trading in foreign exchange and debt securities. It is also responsible for the marketing of treasury products.

Funding Desk manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

In 2025, Markets was spun off Institutional Banking segment. Comparative figures have been restated to conform with current year presentation.

12. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部分，相關之財務資料可被獨立地提供以及行政總裁及董事總經理用作定期評估以決定如何分配資源和評核表現。

經營分部

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報經營分部載列如下。

零售銀行包括消費金融業務及財富管理服務，前者包括信用卡信貸服務、按揭貸款及其他消費信貸，後者包括向財富管理客戶提供銷售和分銷保險產品、投資產品及證券經紀服務以及向大眾市場分部提供銀行服務。

企業及機構銀行包括企業銀行業務及金融機構業務，涵蓋向香港及中國內地之大型企業提供企業借貸、銀團貸款、貿易融資及存款服務。

商業銀行主要向香港及中國內地之中小企業提供企業借貸、貿易融資及商業按揭貸款以及向企業客戶分銷財富管理產品及信用卡商戶服務。

富邦財務(香港)有限公司(「富邦財務」)是本行的全資附屬公司，主要在香港從事個人客戶的消費信貸。

市場部包括財務投資業務，其主要從事本集團的投資組合管理以及外匯及債務證券的交易活動。其亦負責銷售財務產品。

資金部管理本集團整體資金以及由銀行業務產生之流動性及利率風險狀況。

於二零二五年，市場部自企業及機構銀行中分拆出來。其比較數字已重新列示，以符合本年之呈列方式。

12. SEGMENT REPORTING (continued)

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of operating income reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer pricing mechanisms. To reflect the benefit of joint efforts of two operating segments on a third party fee-related transaction, operating income derived from the transaction is split between the relevant operating segments.

Cost allocation is based on the direct costs incurred by the respective operating segments. For consistency with internal management reporting, there is no apportionment of central management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. Rental charges at market rates for usage of premises are reflected in net interest income, operating expenses and inter-segment expenses for the respective operating segments.

Segment assets mainly include advances to customers and banks, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments.

Segment liabilities mainly include deposits from customers, certificates of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue, interest expense, depreciation, amortization, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

12. 分部資料(續)

分部業績、資產及負債

按分部分析下之營運收入劃分，反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個經營分部在第三方非利息收入相關交易上共同努力所賺取之回報，從這交易上所賺取之營運收入會在相關之經營分部拆分。

成本分配則以各經營分部之直接成本計算。為與內部管理報告一致，中央管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，在各經營分部扣除。各經營分部使用物業，按市值計算之租金反映於各經營分部之淨利息收入、營運支出及跨分部支出內。

分部資產主要包括各經營分部應佔客戶及銀行同業貸款、證券及金融工具投資、銀行同業放款、流動資產及物業。

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業借款及應計款項。

除了分部資料中的除税前溢利資料外，管理層亦獲提供分部資料中的有關收益、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

12. SEGMENT REPORTING (continued)
Segment results, assets and liabilities (continued)

12. 分部資料(續)
分部業績、資產及負債(續)

		For the year ended 31 December 2025 截至二零二五年十二月三十一日止年度						
		Retail Banking 零售銀行 HK$'000 千港元	Institutional Banking 企業及機構銀行 HK$'000 千港元	Commercial Banking 商業銀行 HK$'000 千港元	Fubon Credit 富邦財務 HK$'000 千港元	Markets 市場部 HK$'000 千港元	Funding Desk 資金部 HK$'000 千港元	Reportable Segments Total 可申報分部總額 HK$'000 千港元
Interest income from external customers	源自外界客戶利息收入	636,247	2,264,291	588,162	21,197	3,081,737	939,224	7,530,858
Interest expense to external customers	支付予外界客戶的利息支出	(4,288,085)	(71,506)	(155,337)	(37)	(41,402)	(86,322)	(4,642,689)
Inter-segment income/(expenses)	跨分部收入/(支出)	4,212,464	(1,424,321)	(33,663)	-	(2,132,171)	(623,776)	(1,467)
Net interest income	淨利息收入	560,626	768,464	399,162	21,160	908,164	229,126	2,886,702
Other operating income/(loss) from external customers	源自外界客戶其他營運收入/(虧損)	515,517	92,949	102,187	2,203	(136,930)	(75,116)	500,810
Fee and commission expense	費用及佣金支出	(76,771)	(173)	(302)	(3,625)	(273)	(10,247)	(91,391)
Other operating income/(loss)	其他營運收入/(虧損)	438,746	92,776	101,885	(1,422)	(137,203)	(85,363)	409,419
Operating income	營運收入	999,372	861,240	501,047	19,738	770,961	143,763	3,296,121
Operating expenses	營運支出	(529,195)	(69,442)	(166,435)	(36,802)	(70,684)	(9,825)	(882,383)
Inter-segment expenses	跨分部支出	(41,172)	(2,667)	(5,595)	-	(1,042)	(192)	(50,668)
Operating profit/(loss) before other gains and impairment losses	未計其他收益及減值虧損前經營溢利/(虧損)	429,005	789,131	329,017	(17,064)	699,235	133,746	2,363,070
(Charge for)/write back of impairment losses on advances to customers	客戶貸款減值虧損之(扣除)/回撥	(65,569)	33,174	(226,363)	(23,714)	-	-	(282,472)
(Charge for)/write back of impairment losses on other financial instruments	其他金融工具減值虧損之(扣除)/回撥	1,406	(5,593)	5,627	-	(21,688)	(21,503)	(41,751)
Impairment losses on other assets	其他資產減值虧損	(17)	-	(459)	-	-	-	(476)
Net losses on disposal of fixed assets	出售固定資產淨虧損	-	-	(20)	(26)	-	-	(46)
Net gains on disposal of financial assets measured at amortized cost	出售以攤銷成本計量之金融資產淨收益	-	-	-	-	9,310	-	9,310
Profit/(loss) before taxation	除稅前溢利/(虧損)	364,825	816,712	107,802	(40,804)	686,857	112,243	2,047,635
Operating expenses – depreciation	營運支出－折舊	(102,140)	(4,623)	(16,416)	(4,604)	(2,533)	(217)	(130,533)
		As at 31 December 2025 於二零二五年十二月三十一日						
Segment assets	分部資產	17,686,477	59,175,758	12,063,919	340,736	65,755,289	31,210,078	186,232,257
Segment liabilities	分部負債	149,759,360	4,075,781	10,541,960	270,337	1,656,068	5,673,918	171,977,424

12. SEGMENT REPORTING (continued)
Segment results, assets and liabilities (continued)

12. 分部資料(續)
分部業績、資產及負債(續)

		For the year ended 31 December 2024 (Restated) 截至二零二四年十二月三十一日止年度(重列)						
		Retail Banking 零售銀行 HK$'000 千港元	Institutional Banking 企業及機構銀行 HK$'000 千港元	Commercial Banking 商業銀行 HK$'000 千港元	Fubon Credit 富邦財務 HK$'000 千港元	Markets 市場部 HK$'000 千港元	Funding Desk 資金部 HK$'000 千港元	Reportable Segments Total 可申報分部總額 HK$'000 千港元
Interest income from external customers	源自外界客戶利息收入	744,830	2,213,191	818,823	8,643	2,980,659	960,635	7,726,781
Interest expense to external customers	支付予外界客戶的利息支出	(4,477,230)	(160,762)	(192,014)	(27)	(202,882)	(109,987)	(5,142,902)
Inter-segment income/(expenses)	跨分部收入/(支出)	4,233,327	(1,322,385)	(209,301)	–	(2,108,270)	(594,569)	(1,198)
Net interest income	淨利息收入	500,927	730,044	417,508	8,616	669,507	256,079	2,582,681
Other operating income/(loss) from external customers	源自外界客戶其他營運收入/(虧損)	414,234	83,694	59,613	858	(90,715)	(19,908)	447,776
Fee and commission expense	費用及佣金支出	(83,012)	(179)	(99)	(3,352)	(52)	(9,431)	(96,125)
Other operating income/(loss)	其他營運收入/(虧損)	331,222	83,515	59,514	(2,494)	(90,767)	(29,339)	351,651
Operating income	營運收入	832,149	813,559	477,022	6,122	578,740	226,740	2,934,332
Operating expenses	營運支出	(512,702)	(58,444)	(115,856)	(26,610)	(52,049)	(7,094)	(772,755)
Inter-segment expenses	跨分部支出	(33,185)	(2,166)	(4,135)	–	(1,130)	(191)	(40,807)
Operating profit/(loss) before other gains and impairment losses	未計其他收益及減值虧損前經營溢利/(虧損)	286,262	752,949	357,031	(20,488)	525,561	219,455	2,120,770
Impairment losses on advances to customers	客戶貸款減值虧損	(84,740)	(157,900)	(316,543)	(9,562)	–	–	(568,745)
(Charge for)/write back of impairment losses on other financial instruments	其他金融工具減值虧損之(扣除)/回撥	1,816	(6,447)	(2,716)	–	7,374	(5,094)	(5,067)
(Charge for)/write back of impairment losses on other assets	其他資產減值虧損之(扣除)/回撥	(1,767)	–	531	–	–	–	(1,236)
Net gains/(losses) on disposal of fixed assets	出售固定資產淨收益/(虧損)	463	–	(598)	–	–	–	(135)
Net losses on disposal of financial assets measured at amortized cost	出售以攤銷成本計量之金融資產淨虧損	–	–	–	–	(578)	–	(578)
Profit/(loss) before taxation	除稅前溢利/(虧損)	202,034	588,602	37,705	(30,050)	532,357	214,361	1,545,009
Operating expenses – depreciation	營運支出–折舊	(95,283)	(3,495)	(10,958)	(3,827)	(2,430)	(246)	(116,239)

		As at 31 December 2024 (Restated) 於二零二四年十二月三十一日(重列)						
Segment assets	分部資產	18,983,508	40,228,851	13,132,332	204,178	55,893,620	27,780,584	156,223,073
Segment liabilities	分部負債	124,092,721	3,493,640	7,973,697	92,976	2,633,172	3,676,360	141,962,566

Certain comparative figures have been restated to conform with current year presentation.

若干比較數字已重列，以符合本年度的呈列。

12. SEGMENT REPORTING (continued)

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

12. 分部資料(續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬

		For the year ended 31 December 2025 截至二零二五年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元
Operating income	**營運收入**		
Reportable segment operating income	可申報分部營運收入	**3,296,121**	2,934,332
Elimination of inter-segment operating income	跨分部營運收入抵銷	**(75,489)**	(76,600)
Unallocated operating income	未分配營運收入	**97,858**	98,300
Consolidated operating income	綜合營運收入	**3,318,490**	2,956,032

		For the year ended 31 December 2025 截至二零二五年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元
Profit before taxation	**除稅前溢利**		
Reportable segment profit before taxation	可申報分部除稅前溢利	**2,047,635**	1,545,009
Unallocated operating income	未分配營運收入	**97,858**	98,300
Unallocated operating expenses	未分配營運支出	**(539,890)**	(548,862)
Write back of impairment losses on advances to customers	客戶貸款減值虧損回撥	**3,692**	–
Impairment losses on assets acquired under lending agreements	根據借貸協議所收購資產減值虧損	**(300)**	(1,000)
Loss on revaluation of investment properties	投資物業重估虧損	**(1,000)**	(22,800)
Net (losses)/gains on disposal of fixed assets	出售固定資產淨(虧損)／收益	**(272)**	178
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之金融資產淨收益	**–**	3,214
Consolidated profit before taxation	綜合除稅前溢利	**1,607,723**	1,074,039

12. SEGMENT REPORTING (continued)

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

12. 分部資料(續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬(續)

		As at 31 December 2025 於二零二五年十二月三十一日 HK$'000 千港元	As at 31 December 2024 於二零二四年十二月三十一日 HK$'000 千港元
Assets	**資產**		
Reportable segment assets	可申報分部資產	**186,232,257**	156,223,073
Unallocated fixed assets and investment properties	未分配固定資產及投資物業	**2,965,509**	2,983,037
Unallocated other assets	未分配其他資產	**1,523,516**	1,045,640
Consolidated total assets	綜合資產總額	**190,721,282**	160,251,750

		As at 31 December 2025 於二零二五年十二月三十一日 HK$'000 千港元	As at 31 December 2024 於二零二四年十二月三十一日 HK$'000 千港元
Liabilities	**負債**		
Reportable segment liabilities	可申報分部負債	**171,977,423**	141,962,566
Unallocated other liabilities	未分配其他負債	**897,889**	1,740,472
Consolidated total liabilities	綜合負債總額	**172,875,312**	143,703,038

Geographical information

Geographical segment information is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Group responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2025 and 2024, all of the Group's operating income and profit before taxation were generated by assets booked by the branches and subsidiaries of the Group located in Hong Kong. No single country or geographic segment other than Hong Kong contributed 10% or more of the Group's assets, liabilities, profit or loss before taxation, operating income or contingent liabilities and commitments.

區域資料

區域分部資料乃基於附屬公司之主要營運地點或負責申報業績或將資產入賬之本集團分行位置、客戶位置及資產位置予以披露。截至二零二五年及二零二四年十二月三十一日止年度，本集團所有營運收入及除稅前溢利均來自位於香港的本集團分行及附屬公司入賬之資產所產生。概無香港以外的單一國家或區域分部佔本集團的資產、負債、除稅前溢利或虧損、營運收入或或然負債及承擔10%或以上。

Major customers

For the years ended 31 December 2025 and 2024, no single customer or a group of customers under common control contributed 10% or more of the Group's operating income.

主要客戶

截至二零二五年及二零二四年十二月三十一日止年度，概無單一客戶或共同控制之一組客戶佔本集團營運收入10%或以上。

13. CASH AND SHORT-TERM FUNDS

13. 現金及短期資金

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Cash in hand	現金	**132,326**	139,252
Balances with the Hong Kong Monetary Authority ("HKMA")	香港金融管理局(「金管局」)結餘	**809,219**	700,754
Balances with banks	銀行同業之結餘	**1,191,947**	870,975
Money at call and short notice *	通知及短期存款*	**2,868,722**	6,805,091
		5,002,214	8,516,072

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

* 通知及短期存款指由報告期末起計最長一個月到期之存款。

14. TRADING ASSETS

14. 持作交易用途資產

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Trading assets at fair value	*按公平價值列賬之持作交易用途資產*		
Treasury bills (including Exchange Fund Bills) – Unlisted	國庫券(包括外匯基金票據) – 非上市	**2,460,418**	1,436,973

All trading assets held by the Group are issued by governments and central banks.

所有由本集團持有之持作交易用途資產由政府及中央銀行發行。

15. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivative positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading or qualifying for hedge accounting.

15. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。衍生工具亦用以管理本集團所承受的市場風險，作為其資產負債管理程序的一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦購買交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途或合資格採用對沖會計法。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the end of the reporting period and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

15. 衍生金融工具(續)

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於報告期末尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

		31 December 2025 二零二五年十二月三十一日		
		Qualifying for hedge accounting 合資格採用對沖會計法 HK$'000 千港元	Held for trading 持作交易用途 HK$'000 千港元	Total 總額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	－遠期	–	6,586,990	6,586,990
– Swaps	－掉期	–	17,476,397	17,476,397
– Options purchased	－購入期權	–	2,938,507	2,938,507
– Options written	－沽出期權	–	2,938,507	2,938,507
		–	29,940,401	29,940,401
Interest rate derivatives	利率衍生工具			
– Swaps	－掉期	34,869,210	2,892,522	37,761,732
		34,869,210	2,892,522	37,761,732
Equity derivatives	股票衍生工具			
– Options purchased	－購入期權	–	15,696	15,696
– Options written	－沽出期權	–	15,696	15,696
		–	31,392	31,392
Total	總額	34,869,210	32,864,315	67,733,525

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

15. 衍生金融工具(續)

(a) 衍生工具之名義金額(續)

		31 December 2024 二零二四年十二月三十一日		
		Qualifying for hedge accounting 合資格採用對沖會計法 HK$'000 千港元	Held for trading 持作交易用途 HK$'000 千港元	Total 總額 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	–遠期	–	3,582,330	3,582,330
– Swaps	–掉期	–	11,443,990	11,443,990
– Options purchased	–購入期權	–	2,336,277	2,336,277
– Options written	–沽出期權	–	2,336,277	2,336,277
		–	19,698,874	19,698,874
Interest rate derivatives	利率衍生工具			
– Swaps	–掉期	31,084,067	79,992	31,164,059
		31,084,067	79,992	31,164,059
Equity derivatives	股票衍生工具			
– Options purchased	–購入期權	–	5,235	5,235
– Options written	–沽出期權	–	5,235	5,235
		–	10,470	10,470
Total	總額	31,084,067	19,789,336	50,873,403

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

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

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

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第39號指定作對沖之對沖工具。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives

The following is a summary of the fair value of derivatives of the Group. These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements.

15. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額

以下為本集團衍生工具之公平價值概要。該等金額並無計及雙邊淨額結算安排之影響以總額顯示。

		31 December 2025 二零二五年十二月三十一日		31 December 2024 二零二四年十二月三十一日	
		Fair value assets 公平價值資產 HK$'000 千港元	**Fair value liabilities 公平價值負債 HK$'000 千港元**	Fair value assets 公平價值資產 HK$'000 千港元	Fair value liabilities 公平價值負債 HK$'000 千港元
Exchange rate derivatives	匯率衍生工具				
– Forwards	–遠期	**150,147**	**4,507**	12,586	56,191
– Swaps	–掉期	**18,243**	**155,003**	65,832	28,252
– Options purchased	–購入期權	**8,947**	**–**	7,211	–
– Options written	–沽出期權	**–**	**8,974**	–	7,207
		177,337	**168,484**	85,629	91,650
Interest rate derivatives	利率衍生工具				
– Swaps	–掉期	**1,123,434**	**135,866**	1,830,532	10,036
		1,123,434	**135,866**	1,830,532	10,036
Equity derivatives	股票衍生工具				
– Options purchased	–購入期權	**250**	**–**	22	–
– Options written	–沽出期權	**–**	**250**	–	22
		250	**250**	22	22
Total	總額	**1,301,021**	**304,600**	1,916,183	101,708

The credit risk weighted amounts of derivatives of the Group is HK$472.9 million as at 31 December 2025 (2024: HK$175.2 million). Credit risk weighted amounts as at 31 December 2025 refers to the amount as computed in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance ("HKBO") after the implementation of Basel III reform on 1 January 2025, and hence it is not comparable to the amount as at 31 December 2024. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 2% to 100% (2024: 2% to 100%).

於二零二五年十二月三十一日，本集團衍生工具之信貸風險加權金額為472,900,000港元(二零二四年：175,200,000港元)。於二零二五年十二月三十一日的信貸風險加權金額指於二零二五年一月一日實施《巴塞爾協議III》改革後，根據香港《銀行業條例》項下之《銀行業(資本)規則》計算之金額，因此該金額與二零二四年十二月三十一日的金額不能作比較。此等金額須視乎交易對手之現況及到期特點而定。所採用之風險加權比率介乎2%至100%之間(二零二四年：2%至100%)。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Remaining maturity of derivatives

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

15. 衍生金融工具(續)

(c) 衍生工具之剩餘期限

下表為本集團按於報告期末時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

		Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額			
		Total 總額 HK$'000 千港元	1 year or less 一年或以下 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
31 December 2025	**二零二五年十二月三十一日**				
Exchange rate derivatives	匯率衍生工具	**29,940,401**	**25,621,042**	**4,319,359**	**–**
Interest rate derivatives	利率衍生工具	**37,761,732**	**4,582,832**	**27,032,290**	**6,146,610**
Equity derivatives	股票衍生工具	**31,392**	**31,392**	**–**	**–**
Total	總額	**67,733,525**	**30,235,266**	**31,351,649**	**6,146,610**

		Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額			
		Total 總額 HK$'000 千港元	1 year or less 一年或以下 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
31 December 2024	二零二四年十二月三十一日				
Exchange rate derivatives	匯率衍生工具	19,698,874	16,689,896	3,008,978	–
Interest rate derivatives	利率衍生工具	31,164,059	3,948,223	19,274,748	7,941,088
Equity derivatives	股票衍生工具	10,470	10,470	–	–
Total	總額	50,873,403	20,648,589	22,283,726	7,941,088

(d) Fair values of derivatives designated as hedging instruments

Fair value hedges

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate debt securities investment. Pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment with terms that closely align with the critical terms of the hedged item.

(d) 指定作為對沖工具之衍生工具之公平價值

公平價值對沖

本集團使用利率掉期以對沖其若干固定利率債務證券投資的公平價值變動的風險。支付固定／收取浮動利率掉期與其條款與對沖項目的關鍵條款緊密一致的固定利率債務證券投資相匹配。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 36(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate debt securities investment, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in the fair value of fixed rate debt securities investment are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties, requiring the counterparties to post collateral and clearing through central counterparties (see Note 36(a)(vi)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks.

The Group establishes a hedge ratio by aligning the par amount of the hedged fixed rate debt securities investment and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group's policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met:

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.96.
- The slope of the regression line is within a range of -0.8 and -1.25.
- Statistical validity of the overall regression model (F-statistic) must be small.

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

本集團管理市場風險(包括利率風險)的方法於附註36(b)中予以討論。本集團應用對沖會計法的利率風險來自固定利率債務證券投資，其公平價值在基準利率變動時發生波動。由於固定利率債務證券的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。倘經濟對沖關係符合對沖會計準則，則應用對沖會計法。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面臨衍生交易對手的信貸風險。本集團通過訂立與優質交易對手的交易、要求交易對手提供抵押及通過中央交易對手進行清算(見附註36(a)(vi))，最大程度地減少衍生工具的交易對手信貸風險。

在本集團應用公平價值對沖會計法之前，本集團根據對該等項目的定性特徵的評估及定量分析支持的對沖風險，確定對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮對沖項目及對沖工具的關鍵條款是否緊密一致。本集團評估對沖項目及對沖工具的公平價值是否與類似風險的回應相似。

本集團通過調整對沖固定利率債務證券的面值及指定為對沖工具的利率掉期的名義金額來確定對沖比率。根據本集團的政策，為得出對沖關係有效的結論，應滿足以下所有標準：

- 計量回歸變量之間相關性的回歸系數(R的平方)至少為0.96。
- 回歸線的斜率介乎-0.8及-1.25之間。
- 整體回歸模型(F統計量)的統計有效性必須很小。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

In these hedge relationships, the main source of ineffectiveness is expected to be the effect of the counterparty's and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate.

The Group holds the following interest rate swaps as hedging instruments in fair value hedges of interest risk.

		Remaining maturity of 剩餘年期		
		1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上
31 December 2025	**二零二五年十二月三十一日**			
Risk category	**風險類別**			
Interest rate risk	**利率風險**			
Hedge of debt securities measured at amortized cost	*對沖以攤銷成本計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	**4,499,700**	**18,153,701**	**4,986,044**
Average fixed interest rate	平均固定利率	**2.61%**	**3.77%**	**3.80%**
Hedge of debt securities measured at fair value through other comprehensive income	*對沖以公平價值於其他全面收益計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	**51,999**	**6,088,080**	**1,089,686**
Average fixed interest rate	平均固定利率	**3.43%**	**3.98%**	**4.29%**

		Remaining maturity of 剩餘年期		
		1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上
31 December 2024	二零二四年十二月三十一日			
Risk category	風險類別			
Interest rate risk	利率風險			
Hedge of debt securities measured at amortized cost	*對沖以攤銷成本計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	3,948,223	17,317,823	6,822,946
Average fixed interest rate	平均固定利率	3.19%	3.59%	3.22%
Hedge of debt securities measured at fair value through other comprehensive income	*對沖以公平價值於其他全面收益計量之債務證券*			
Nominal amount (HK$'000)	名義金額(千港元)	–	1,956,925	1,038,150
Average fixed interest rate	平均固定利率	–	4.23%	3.89%

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of certain of the Group's fixed rate debt securities investment due to movements in market interest rates.

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

在該等對沖關係中，無效性的主要來源預計為交易對手及本集團本身的信貸風險對利率掉期的公平價值的影響，這不會反映在利率變動應佔的對沖項目的公平價值上。

本集團持有以下利率掉期作為利率風險公平價值對沖的對沖工具。

公平價值對沖包括用作保障若干本集團所持定息債務證券因市場利率變動而出現之公平價值變化的利率掉期。

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額及對沖無效性載列如下：

		31 December 2025 二零二五年十二月三十一日					
		Nominal amount 名義金額 HK$'000 千港元	Carrying amount 賬面值 Assets 資產 HK$'000 千港元	Carrying amount 賬面值 Liabilities 負債 HK$'000 千港元	Change in value used as the basis for recognising hedge ineffectiveness for the year 用於計量年內經確認對沖無效性的價值變動 HK$'000 千港元	Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表中的項目	Line item in profit or loss that includes hedge ineffectiveness 包含對沖無效性的損益賬內項目
Interest rate risk	利率風險						
Interest rate swaps – hedge of debt securities measured at amortized cost	利率掉期 – 對沖以攤銷成本計量之債務證券	27,639,445	1,014,987	75,779	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
Interest rate swaps – hedge of debt securities measured at fair value through other comprehensive income	利率掉期 – 對沖以公平價值於其他全面收益計量之債務證券	7,229,765	99,096	50,867	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

		31 December 2024 二零二四年十二月三十一日					
		Nominal amount 名義金額 HK$'000 千港元	Carrying amount 賬面值 Assets 資產 HK$'000 千港元	Carrying amount 賬面值 Liabilities 負債 HK$'000 千港元	Change in value used as the basis for recognising hedge ineffectiveness for the year 用於計量年內經確認對沖無效性的價值變動 HK$'000 千港元	Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表中的項目	Line item in profit or loss that includes hedge ineffectiveness 包含對沖無效性的損益賬內項目
Interest rate risk	**利率風險**						
Interest rate swaps – hedge of debt securities measured at amortized cost	利率掉期 – 對沖以攤銷成本計量之債務證券	28,088,992	1,750,602	7,885	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
Interest rate swaps – hedge of debt securities measured at fair value through other comprehensive income	利率掉期 – 對沖以公平價值於其他全面收益計量之債務證券	2,995,075	79,266	1,487	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The amounts relating to items designated as hedged items were as follows:

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖項目的項目相關金額載列如下：

		31 December 2025 二零二五年十二月三十一日					
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for the year 用於計量年內對沖無效性的價值變動	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債		
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	26,862,717	-	(391,653)	-	-	-
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	7,257,830	-	-	-	-	-

15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

15. 衍生金融工具(續)

(d) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

		31 December 2024 二零二四年十二月三十一日					
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for the year 用於計量年內對沖無效性的價值變動	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債		
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	26,567,943	-	(1,168,550)	-	-	-
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	2,937,582	-	-	-	-	-

16. ADVANCES TO CUSTOMERS

(a) Advances to customers less impairment allowances

16. 客戶貸款

(a) 客戶貸款減減值撥備

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Gross advances to customers	客戶貸款總額	**71,402,323**	63,162,642
Less: Impairment allowances (Note 36(a)(xi))	減：減值撥備(附註36(a)(xi))		
– Stage 1	－第一階段	**(100,888)**	(137,671)
– Stage 2	－第二階段	**(60,778)**	(60,141)
– Stage 3	－第三階段	**(155,813)**	(263,177)
		71,084,844	62,701,653

16. ADVANCES TO CUSTOMERS (continued)

(b) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

16. 客戶貸款(續)

(b) 按行業分析的客戶貸款

以下客戶貸款總額的經濟行業分析乃基於金管局所採用的類別及定義。

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額		
Industrial, commercial and financial	工商金融		
– Property development	－物業發展	**5,508,253**	5,826,631
– Property investment	－物業投資	**9,167,483**	8,574,869
– Financial concerns	－金融企業	**1,433,666**	1,883,361
– Stockbrokers	－股票經紀	**–**	196,701
– Wholesale and retail trade	－批發及零售業	**1,287,152**	1,292,059
– Manufacturing	－製造業	**3,046,174**	2,457,453
– Transport and transport equipment	－運輸及運輸設備	**69,216**	177,252
– Information technology	－資訊科技	**625,724**	821,043
– Electricity and gas	－電力及煤氣	**1,339,880**	1,019,992
– Others	－其他	**7,805,785**	6,354,829
Individuals	個人		
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	－購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	**71,722**	33,233
– Loans for the purchase of other residential properties	－購買其他住宅物業的貸款	**11,351,802**	12,457,780
– Credit card advances	－信用卡貸款	**755,300**	809,543
– Others	－其他	**3,522,824**	3,370,516
		45,984,981	45,275,262
Trade finance	貿易融資	**4,742,045**	4,726,730
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	**20,675,297**	13,160,650
Gross advances to customers	客戶貸款總額	**71,402,323**	63,162,642

16. ADVANCES TO CUSTOMERS (continued)

(c) Impaired advances to customers

16. 客戶貸款(續)

(c) 客戶減值貸款

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	% of gross advances 佔貸款總額 %	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元	% of gross advances 佔貸款總額 %
Gross impaired advances (Note 36(a)(ix))	減值貸款總額(附註36(a)(ix))	644,163	0.90	1,206,887	1.91
Stage 3 impairment allowances made against impaired loans	就減值貸款作出的第三階段減值撥備	(155,813)		(263,177)	
		488,350		943,710	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	359,925		843,730	

Collateral mainly comprises mortgage interests over residential properties with the Group. It does not include any expected recovery from companies in liquidation and government guarantee schemes.

抵押品主要包括抵押予本集團的住宅物業按揭，當中不包括任何預期自公司清盤及政府擔保計劃之收回款項。

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

Advances to customers include the net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

(d) 融資租賃及租購合約之投資淨額

客戶貸款中包括根據融資租賃及具融資租賃特性之租購合約租予客戶之汽車及設備的投資淨額。合約一般初步為期三至五年，附帶按名義價值購買所租用資產之選擇權。根據融資租賃及租購合約應收之最低租賃付款總金額及於年結日之現值如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Total minimum lease payments due:	最低租賃付款總金額到期期限為：		
– within 1 year	－一年以內	8,908	36,865
– after 1 year but within 5 years	－一年以後惟五年以內	159	12,849
		9,067	49,714
Interest income relating to future periods	與未來期間有關之利息收入	(175)	(2,131)
Present value of the minimum lease payments receivable	應收最低租賃付款之現值	8,892	47,583
Impairment allowances on:	減值撥備：		
– Stage 1	－第一階段	(14)	(278)
– Stage 2	－第二階段	–	–
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	8,878	47,305

16. ADVANCES TO CUSTOMERS (continued)

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

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

16. 客戶貸款(續)

(d) 融資租賃及租購合約之投資淨額(續)

減值撥備前最低租賃付款現值之期限組別如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Within 1 year	一年以內	**8,892**	35,066
After 1 year but within 5 years	一年以後惟五年以內	**–**	12,517
		8,892	47,583

17. ADVANCES TO BANKS

17. 銀行同業貸款

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Gross advances to banks	銀行同業貸款總額	**15,156,843**	7,179,074
Less: Impairment allowances (Note 36(a)(xi))	減：減值撥備(附註36(a)(xi))		
– Stage 1	－第一階段	**(19,843)**	(10,617)
		15,137,000	7,168,457

Based on the categories and definitions used by the HKMA, the economic sector analysis of gross advances to banks are all classified as advances for use outside Hong Kong as at 31 December 2025 and 2024. There was no overdue or impaired advances to banks as at 31 December 2025 (2024: Nil). There was no collateral held in respect of these advances to banks as at 31 December 2025 (2024: Nil).

基於金管局所採用的類別及定義，於二零二五年及二零二四年十二月三十一日，銀行同業貸款總額的經濟行業分析均分類為在香港以外使用的貸款。於二零二五年十二月三十一日，並無已逾期或已減值銀行同業貸款(二零二四年：無)。於二零二五年十二月三十一日，並無就銀行同業貸款持有抵押品(二零二四年：無)。

18. DEBT SECURITIES MEASURED AT AMORTIZED COST

18. 以攤銷成本計量之債務證券

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Debt securities measured at amortized cost	*以攤銷成本計量之債務證券*		
Treasury bills (including Exchange Fund Bills)	國庫券(包括外匯基金票據)		
– Listed outside Hong Kong	－於香港以外上市	**31,090**	93,340
Certificates of deposit held	所持存款證		
– Unlisted	－非上市	**100,000**	100,000
Debt securities	債務證券		
– Listed in Hong Kong	－於香港上市	**9,515,062**	10,781,293
– Listed outside Hong Kong	－於香港以外上市	**9,162,351**	9,536,002
– Unlisted	－非上市	**20,067,503**	21,544,312
Gross carrying amount	賬面總值	**38,876,006**	42,054,947
Less: Impairment allowances (Note 36(a)(xi))	減：減值撥備(附註36(a)(xi))		
– Stage 1	－第一階段	**(33,137)**	(31,816)
– Stage 2	－第二階段	**–**	(258)
		38,842,869	42,022,873
Debt securities measured at amortized cost are issued by:	*以攤銷成本計量之債務證券由以下機構發行：*		
– Governments and central banks	－政府及中央銀行	**1,147,848**	1,425,238
– Public sector entities	－公營實體	**4,864,316**	8,436,980
– Banks	－銀行	**8,555,475**	9,476,276
– Corporate entities	－企業實體	**24,308,367**	22,716,453
Gross carrying amount	賬面總值	**38,876,006**	42,054,947

At 31 December 2025, debt securities issued by banks include debt securities with fair value of HK$0.26 billion issued by multilateral development banks (2024: HK$5.34 billion). As at 31 December 2025, the fair value of debt securities guaranteed by governments was HK$0.24 billion (2024: HK$2.06 billion).

於二零二五年十二月三十一日，銀行發行的債務證券包括由多邊開發銀行發行的公平價值為260,000,000港元(二零二四年：5,340,000,000港元)的債務證券。於二零二五年十二月三十一日，政府擔保的債務證券的公平價值為240,000,000港元(二零二四年：2,060,000,000港元)。

The Group purchased securitization exposures with nominal amount of HK$623 million during the year ended 31 December 2025 (2024: HK$660 million). The outstanding amount of securitization exposures as of 31 December 2025 was HK$1,374.5 million (2024: HK$990.3 million).

截至二零二五年十二月三十一日止年度，本集團購入名義金額為623,000,000港元的證券化風險承擔(二零二四年：660,000,000港元)。截至二零二五年十二月三十一日，證券化風險承擔的賬列金額為1,374,500,000港元(二零二四年：990,300,000港元)。

19. DEBT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 以公平價值於其他全面收益計量之債務證券

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Debt securities measured at fair value through other comprehensive income	*以公平價值於其他全面收益計量之債務證券*		
Treasury bills (including Exchange Fund Bills)	國庫券(包括外匯基金票據)		
– Listed outside Hong Kong	–於香港以外上市	**210,927**	147,631
– Unlisted	–非上市	**9,660,030**	7,269,913
Certificates of deposit held	所持存款證		
– Unlisted	–非上市	**–**	298,893
Debt securities	債務證券		
– Listed in Hong Kong	–於香港上市	**3,271,191**	2,352,014
– Listed outside Hong Kong	–於香港以外上市	**10,674,740**	4,820,177
– Unlisted	–非上市	**11,852,487**	4,184,207
		35,669,375	19,072,835
Debt securities measured at fair value through other comprehensive income are issued by:	*以公平價值於其他全面收益計量之債務證券由以下機構發行：*		
– Governments and central banks	–政府及中央銀行	**14,193,451**	9,124,764
– Public sector entities	–公營實體	**13,982,836**	5,272,714
– Banks	–銀行	**6,328,929**	4,023,105
– Corporate entities	–企業實體	**1,164,159**	652,252
		35,669,375	19,072,835

At 31 December 2025, debt securities issued by banks include debt securities with fair value of HK$6.12 billion issued by multilateral development banks (2024: HK$3.88 billion). As of 31 December 2025, the fair value of debt securities guaranteed by governments was HK$5.59 billion (2024: HK$1.43 billion).

於二零二五年十二月三十一日，銀行發行的債務證券包括由多邊開發銀行發行的公平價值為6,120,000,000港元(二零二四年：3,880,000,000港元)。截至二零二五年十二月三十一日，政府擔保的債務證券的公平價值為5,590,000,000港元(二零二四年：1,430,000,000港元)。

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

20. 指定以公平價值於其他全面收益計量之股本證券

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Financial assets designated at fair value though other comprehensive income	*指定以公平價值於其他全面收益計量之金融資產*		
Equity securities	股本證券		
– Unlisted	–非上市	**72,495**	72,221

20. EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

These equity securities are irrevocably designated at FVOCI as the Group intends to hold these securities for long-term investment or strategic purposes.

20. 指定以公平價值於其他全面收益計量之股本證券(續)

由於本集團擬持有該等證券作長期投資或策略用途，該等股本證券已被不可撤銷地指定為以公平價值於其他全面收益計量。

21. FIXED ASSETS AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

21. 固定資產及投資物業

(a) 賬面值對賬

		Premises 物業 HK$'000 千港元	Furniture, fixtures and equipment 傢私、裝置及設備 HK$'000 千港元	Other properties and equipment leased for own use carried at cost 以成本列賬之其他自用租賃物業及設備 HK$'000 千港元	Subtotal 小計 HK$'000 千港元	Investment properties 投資物業 HK$'000 千港元	Total 總額 HK$'000 千港元
Cost or valuation	**成本價或估價**						
At 1 January 2025	於二零二五年一月一日	2,405,270	1,535,347	241,094	4,181,711	62,500	4,244,211
Additions	添置	–	167,596	38,358	205,954	–	205,954
Disposals	出售	–	(40,888)	–	(40,888)	–	(40,888)
Deficits on revaluation	重估虧損	(5,336)	–	–	(5,336)	(1,000)	(6,336)
Termination of lease contract	終止租賃合約	–	–	(2,937)	(2,937)	–	(2,937)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(55,264)	–	–	(55,264)	–	(55,264)
At 31 December 2025	於二零二五年十二月三十一日	2,344,670	1,662,055	276,515	4,283,240	61,500	4,344,740
Accumulated depreciation	**累計折舊**						
At 1 January 2025	於二零二五年一月一日	–	1,038,526	158,205	1,196,731	–	1,196,731
Charge for the year (Note 7)	年內扣除(附註7)	55,264	127,223	31,314	213,801	–	213,801
Released on disposal	出售撥回	–	(40,091)	–	(40,091)	–	(40,091)
Termination of lease contract	終止租賃合約	–	–	(2,692)	(2,692)	–	(2,692)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(55,264)	–	–	(55,264)	–	(55,264)
At 31 December 2025	於二零二五年十二月三十一日	–	1,125,658	186,827	1,312,485	–	1,312,485
Accumulated impairment loss	**累計減值虧損**						
At 1 January and 31 December 2025	於二零二五年一月一日及十二月三十一日	12,970	–	–	12,970	–	12,970
Net book value	**賬面淨值**						
At 31 December 2025	於二零二五年十二月三十一日	2,331,700	536,397	89,688	2,957,785	61,500	3,019,285

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

21. 固定資產及投資物業(續)

(a) Reconciliation of carrying amount (continued)

(a) 賬面值對賬(續)

		Premises 物業 HK$'000 千港元	Furniture, fixtures and equipment 傢私、裝置及設備 HK$'000 千港元	Other properties and equipment leased for own use carried at cost 以成本列賬之其他自用租賃物業及設備 HK$'000 千港元	Subtotal 小計 HK$'000 千港元	Investment properties 投資物業 HK$'000 千港元	Total 總額 HK$'000 千港元
Cost or valuation	**成本價或估價**						
At 1 January 2024	於二零二四年一月一日	2,792,970	1,415,080	218,431	4,426,481	85,300	4,511,781
Additions	添置	–	131,369	25,245	156,614	–	156,614
Disposals	出售	–	(11,102)	(2,582)	(13,684)	–	(13,684)
Deficits on revaluation	重估虧損	(331,760)	–	–	(331,760)	(22,800)	(354,560)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(55,940)	–	–	(55,940)	–	(55,940)
At 31 December 2024	於二零二四年十二月三十一日	2,405,270	1,535,347	241,094	4,181,711	62,500	4,244,211
Accumulated depreciation	**累計折舊**						
At 1 January 2024	於二零二四年一月一日	–	938,235	132,283	1,070,518	–	1,070,518
Charge for the year (Note 7)	年內扣除(附註7)	55,940	110,165	28,504	194,609	–	194,609
Released on disposal	出售撥回	–	(9,874)	(2,582)	(12,456)	–	(12,456)
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊	(55,940)	–	–	(55,940)	–	(55,940)
At 31 December 2024	於二零二四年十二月三十一日	–	1,038,526	158,205	1,196,731	–	1,196,731
Accumulated impairment loss	**累計減值虧損**						
At 1 January and 31 December 2024	於二零二四年一月一日及十二月三十一日	12,970	–	–	12,970	–	12,970
Net book value	**賬面淨值**						
At 31 December 2024	於二零二四年十二月三十一日	2,392,300	496,821	82,889	2,972,010	62,500	3,034,510

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(a) Reconciliation of carrying amount (continued)

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

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Net book value	賬面淨值	692,110	701,485

The Group leases out an investment property under operating lease, which runs for an initial period of 3 years. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Within 1 year	一年以內	600	600
After 1 year but within 2 years	一年以後惟兩年以內	300	600
After 2 years but within 3 years	兩年以後惟三年以內	–	300
		900	1,500

The carrying amount of other properties and equipment leased for own use carried at cost by class of underlying asset at the end of the reporting period is as follows.

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Properties	物業	85,848	77,763
Other equipment	其他設備	3,840	5,126
		89,688	82,889

21. 固定資產及投資物業(續)

(a) 賬面值對賬(續)

倘重估物業按成本減累計折舊入賬，則賬面值應為：

本集團根據經營租約出租投資物業，初始租期為三年。本集團於未來期間應收於報告日期已有的不可取消經營租約下之未折現租賃付款如下：

於報告期末按相關資產級別劃分的以成本列賬之其他自用租賃物業及設備的賬面值如下：

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3: Fair value measured using significant unobservable inputs

The fair value measurement of the Group's premises and investment properties are categorized as Level 3 as at 31 December 2025 and 2024. During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's premises and investment properties were revalued as at 31 December 2025 and 2024. The valuation was carried out by an independent firm of surveyors, Colliers International (Hong Kong) Limited, who have multi-disciplinary team of experts with appropriate recognized professional qualifications and recent experience in the location and category of property being valued.

The revaluation deficits of HK$4.5 million on premises (2024: HK$277.0 million) for the year has been recognized in other comprehensive income and accumulated in the premises revaluation reserve, net of deferred tax.

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量

(i) 公平價值等級制度

下表列示本集團於報告期末按經常性基準計量之物業公平價值，並歸類為香港財務報告準則第13號公平價值計量所界定之三個公平價值架構級別。公平價值計量所歸類之級別乃參照以下估值技術所用輸入數據之可觀察程度及重要程度而釐定：

第一級： 使用第一級輸入數據(即於計量日期相同資產或負債在活躍市場之未經調整報價)計量之公平價值

第二級： 使用第二級輸入數據(即未能符合第一級規定之可觀察輸入數據，以及不使用不可觀察重要輸入數據)計量之公平價值。不可觀察輸入數據指未有相關市場數據之輸入數據

第三級： 使用不可觀察重要輸入數據計量之公平價值

於二零二五年及二零二四年十二月三十一日，本集團物業及投資物業的公平價值計量分類為第三級。於截至二零二五年及二零二四年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級。本集團之政策是於轉移發生之相關報告期末確認公平價值等級制度之間的轉移。

本集團所有物業及投資物業於二零二五年及二零二四年十二月三十一日作出重估。估值由獨立測量師高力國際物業顧問(香港)有限公司進行，其擁有跨專業的專家團隊，具備適當的公認專業資格，且具有近期評估物業所在地及範疇的經驗。

本年度物業重估虧損4,500,000港元(二零二四年：277,000,000港元)經扣除遞延稅項後已於其他全面收益內確認及在物業重估儲備中累計。

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

The revaluation deficits of HK$1.0 million on investment properties (2024: HK$22.8 million) for the year has been recognized in profit or loss.

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

The following table provides a reconciliation of the movement between opening and closing balances of Level 3 properties, measured at fair value using a valuation technique with significant unobservable inputs:

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(i) 公平價值等級制度(續)

本年度投資物業重估虧損1,000,000港元(二零二四年：22,800,000港元)已於損益賬內確認。

(ii) 公平價值等級制度第三級公平價值計量的對賬

下表載列按公平價值計量使用估值技術連同重大不可觀察輸入數據之第三級物業年初及年末結餘之變動對賬：

Premises 物業		**2025 二零二五年 HK$'000 千港元**	2024 二零二四年 HK$'000 千港元
At 1 January	於一月一日	**2,392,300**	2,780,000
Depreciation for the year	本年度折舊	**(55,264)**	(55,940)
Deficits on revaluation – debit to premises revaluation reserve (Note 11)	重估虧損—自物業重估儲備扣除(附註11)	**(5,336)**	(331,760)
At 31 December	於十二月三十一日	**2,331,700**	2,392,300
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period – Premises: net movement in premises revaluation reserve	就於報告期末所持資產計入其他全面收益的本年度收益或虧損總額 —物業：物業重估儲備淨變動	**(4,456)**	(277,020)
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period – Operating expenses: Depreciation	就於報告期末所持資產計入損益賬的本年度收益或虧損總額 —營運支出：折舊	**(55,264)**	(55,940)

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

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

Investment properties 投資物業		**2025** 二零二五年 **HK$'000** 千港元	2024 二零二四年 HK$'000 千港元
At 1 January	於一月一日	**62,500**	85,300
Deficits on revaluation – debit to profit or loss	重估虧損—自損益賬扣除	**(1,000)**	(22,800)
At 31 December	於十二月三十一日	**61,500**	62,500
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	就於報告期末所持資產計入損益賬的本年度收益或虧損總額		
– Rental income (Note 6)	—租金收入(附註6)	**600**	386
– Loss on revaluation of investment properties	—投資物業重估虧損	**(1,000)**	(22,800)

(iii) Information about Level 3 fair value measurements

Valuation technique 估值技術	**Unobservable input** 不可觀察輸入數據	**Range** 範圍
Market Approach – Comparable Transactions Method 市場法—可資比較交易法	Premium/(discount) on characteristic of the properties 物業特點的溢價／(折讓)	-14.6% to 0.0% (2024: -31.1% to -2.7%) -14.6%至0.0% (二零二四年：-31.1%至-2.7%)

The fair value of premises held for own use and investment properties are determined using the Market Approach. The Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. In analysing such sales, which qualify as arm's-length transactions between willing buyers and sellers, adjustments are made to reflect differences between the comparable and the subject of this valuation in matters such as transaction dates, size, location, quality, age and amenities and any other relevant factors, to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence is available.

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(ii) 公平價值等級制度第三級公平價值計量的對賬(續)

(iii) 有關第三級公平價值計量的資料

持作自用物業及投資物業的公平價值乃使用市場法釐定。市場法乃透過將目標資產與價格資訊可得的相同或類似資產作比較，以提供價值指標。透過分析自願買方及自願賣方雙方按公平原則進行的出售交易以評估目標資產之價值時，已作出調整以反映可比較資產與該估值目標之間於交易日期、規模、地點、質量、年期及設施以及任何其他相關因素等方面的差異。該方法通常用於評估可取得可靠銷售憑證的資產。

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(iv) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in reasonably possible alternative assumptions would have the following effects:

21. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(iv) 重大不可觀察假設出現變動對可行替代合理假設之影響

雖然本集團相信其公平價值估計屬適當，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度第三級下之公平價值計量而言，合理可能的替代假設向任意方向變動10%可能產生下列影響：

		Effect on profit or loss 對損益賬的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
31 December 2025	**二零二五年十二月三十一日**				
Assets	**資產**				
Premises	物業	**–**	**–**	**233,170**	**(233,170)**
Investment properties	投資物業	**6,150**	**(6,150)**	**–**	**–**

		Effect on profit or loss 對損益賬的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動	Unfavourable 不利變動	Favourable 有利變動	Unfavourable 不利變動
		HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
31 December 2024	二零二四年十二月三十一日				
Assets	資產				
Premises	物業	–	–	239,230	(239,230)
Investment properties	投資物業	6,250	(6,250)	–	–

21. FIXED ASSETS AND INVESTMENT PROPERTIES (continued)

21. 固定資產及投資物業(續)

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

(c) 物業及投資物業賬面淨值的分析如下：

Premises **物業**		**31 December 2025** **二零二五年十二月三十一日** **HK$'000** **千港元**	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Held in Hong Kong at fair value	於香港按公平價值持有		
– Long-term leases (over 50 years)	－長期租約(超過五十年)	**1,560,600**	1,592,400
– Medium-term leases (10-50 years)	－中期租約(十年至五十年)	**771,100**	799,900
		2,331,700	2,392,300

Investment properties **投資物業**		**31 December 2025** **二零二五年十二月三十一日** **HK$'000** **千港元**	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Held in Hong Kong at fair value	於香港按公平價值持有		
– Medium-term leases (10-50 years)	－中期租約(十年至五十年)	**61,500**	62,500

22. DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

22. 銀行同業及其他金融機構之存款及結餘

		31 December 2025 **二零二五年十二月三十一日** **HK$'000** **千港元**	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Deposits and balances from banks	銀行同業之存款及結餘	**2,750,611**	1,967,929
Amounts due to banks and other financial institutions under repurchase agreements (Note 36(f))	回購協議項下應付銀行同業及其他金融機構之款項(附註36(f))	**1,263,084**	1,888,081
		4,013,695	3,856,010

23. DEPOSITS FROM CUSTOMERS

23. 客戶存款

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Demand deposits and current accounts	活期及往來存款	**12,534,571**	11,417,869
Savings deposits	儲蓄存款	**6,060,206**	5,366,684
Time deposits	定期存款	**144,297,623**	117,110,808
		162,892,400	133,895,361

24. TRADING LIABILITIES

24. 交易賬項下之負債

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Short positions in Exchange Fund Bills	外匯基金票據之短倉	**2,460,418**	941,735

25. OTHER LIABILITIES

25. 其他負債

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Net defined benefit liability (Note 30(a)(i))	定額福利負債淨額(附註30(a)(i))	**6,555**	10,794
Impairment allowances recognized in respect of credit related commitments and contingencies (Note 36(a)(xi))	就與信貸有關之承擔及或然項目確認的減值撥備(附註36(a)(xi))	**13,921**	23,139
Lease liabilities (Note 29(d))	租賃負債(附註29(d))	**94,316**	86,148
Accounts payable and other liabilities	應付賬項及其他負債	**2,668,847**	4,398,701
		2,783,639	4,518,782

25. OTHER LIABILITIES (continued)

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

25. 其他負債(續)

下表顯示本集團於報告期末之租賃負債的剩餘合約到期日：

		31 December 2025 二零二五年十二月三十一日		31 December 2024 二零二四年十二月三十一日	
		Present value of the minimum lease payments 最低租賃付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元	Present value of the minimum lease payments 最低租賃付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK$'000 千港元
Within 1 year	一年以內	31,347	34,362	22,647	25,569
After 1 year but within 2 years	一年以後惟兩年以內	23,365	25,384	18,851	21,046
After 2 years but within 5 years	兩年以後惟五年以內	25,400	28,454	25,587	29,358
After 5 years	五年以後	14,204	15,083	19,063	20,673
		94,316	103,283	86,148	96,646
Less: total future interest expenses	減：未來利息開支總額		(8,967)		(10,498)
Present value of lease liabilities	租賃負債之現值		94,316		86,148

26. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current tax liabilities in the consolidated statement of financial position represents:

26. 綜合財務狀況表之所得稅

(a) 綜合財務狀況表內之即期稅項負債為：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Provision for Hong Kong Profits Tax for the year (Note 10(a))	年內香港利得稅準備(附註10(a))	239,767	161,978
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅	(150,190)	(89,682)
		89,577	72,296
Balance of Hong Kong Profits Tax payable relating to prior years	過往年度應付香港利得稅結餘	–	–
		89,577	72,296
Representing:	*代表：*		
Hong Kong Profits Tax recoverable	可收回香港利得稅	–	–
Provision for Hong Kong Profits Tax	香港利得稅準備	89,577	72,296
		89,577	72,296

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

(b) Deferred tax assets and liabilities recognized

The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the year are as follows:

26. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債

於綜合財務狀況表內確認之遞延稅項資產／(負債)之各組成部分及年內之變動如下：

		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK$'000 千港元	Defined benefit scheme 定額福利計劃 HK$'000 千港元	Impairment allowances 減值撥備 HK$'000 千港元	Revaluation of financial instruments measured at FVOCI 以公平價值於其他全面收益計量之金融工具重估 HK$'000 千港元	Revaluation of premises 物業重估 HK$'000 千港元	Revaluation of investment properties 投資物業重估 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January 2024	於二零二四年一月一日	(60,640)	3,256	53,180	(141,393)	(360,623)	380	(505,840)
(Charged)/credited in arriving at the profit for the year (Note 10(a))	於本年度溢利中(扣除)／計入(附註10(a))	(6,090)	(1,800)	(5,825)	–	113	3,762	(9,840)
Credited to other comprehensive income	於其他全面收益中計入	–	1,011	–	135,122	62,401	–	198,534
At 31 December 2024 and 1 January 2025	**於二零二四年十二月三十一日及二零二五年一月一日**	**(66,730)**	**2,467**	**47,355**	**(6,271)**	**(298,109)**	**4,142**	**(317,146)**
(Charged)/credited in arriving at the profit for the year (Note 10(a))	**於本年度溢利中(扣除)／計入(附註10(a))**	**(4,146)**	**9**	**1,002**	**–**	**113**	**165**	**(2,857)**
(Charged)/credited to other comprehensive income	**於其他全面收益中(扣除)／計入**	**–**	**(672)**	**–**	**(18,742)**	**8,434**	**–**	**(10,980)**
At 31 December 2025	**於二零二五年十二月三十一日**	**(70,876)**	**1,804**	**48,357**	**(25,013)**	**(289,562)**	**4,307**	**(330,983)**

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

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

Deferred tax assets and liabilities recognized are summarized as follows:

26. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債(續)

已確認遞延稅項資產及負債概述如下：

		31 December 2025 二零二五年 十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元
Net deferred tax liabilities recognized in the consolidated statement of financial position	綜合財務狀況表確認之遞延稅項負債淨額	**(330,983)**	(317,146)

(c) Deferred tax assets unrecognized

The Group has no material unrecognized deferred tax asset as at 31 December 2025 (2024: Nil).

(c) 未確認之遞延稅項資產

於二零二五年十二月三十一日，本集團並無重大未確認之遞延稅項資產(二零二四年：零)。

27. SHARE CAPITAL

27. 股本

		2025 二零二五年		2024 二零二四年	
		Number of shares 股份數目	Share capital 股本 HK$'000 千港元	Number of shares 股份數目	Share capital 股本 HK$'000 千港元
Issued and fully paid:	*已發行及繳足：*				
Ordinary shares	*普通股*				
As at 1 January and 31 December	於一月一日及十二月三十一日	**1,641,273,089**	**4,830,448**	1,641,273,089	4,830,448

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

28. RESERVES AND DIVIDEND

(a) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the HKBO for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(b) Investment revaluation reserve (non-recycling)

The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 2(f)).

(c) Investment revaluation reserve (cycling)

The investment revaluation reserve (cycling) is dealt with in accordance with the accounting policies adopted for non-equity investments measured at FVOCI in Note 2(f)(ii).

(d) Premises revaluation reserve

The premises revaluation reserve is dealt with in accordance with the accounting policies adopted for land and buildings in Note 2(j).

(e) Dividend

Dividends payable to equity shareholders of the Bank attributable to the year

28. 儲備及股息

(a) 法定儲備

為根據香港《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢金管局之意見後直接從保留溢利轉撥。

(b) 投資重估儲備(非循環)

投資重估儲備(非循環)包括於報告期末持有根據香港財務報告準則第9號被指定為以公平價值於其他全面收益計量的股本投資的累計公平價值變動淨額(見附註2(f))。

(c) 投資重估儲備(循環)

投資重估儲備(循環)乃按附註2(f)(ii)中就以公平價值於其他全面收益計量的非股本投資採納之會計政策處理。

(d) 物業重估儲備

物業重估儲備乃按附註2(j)中就土地及樓宇採納之會計政策處理。

(e) 股息

年內應付本行股東之股息

		31 December 2025 二零二五年 十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元
Final dividend proposed after the end of the year of HK$0.168 per ordinary share (2024: HK$0.11)	年結日後擬派末期股息每股普通股0.168港元(二零二四年：0.11港元)	275,734	180,540

The final dividend proposed after the end of the year has not been recognized as a liability at the end of the year.

於年結日，年結日後擬派末期股息並無確認為負債。

29. CASH AND CASH EQUIVALENTS

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

29. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Cash and balances with banks	現金及於銀行同業之結餘	**2,133,492**	1,710,981
Money at call and short notice with original maturity within three months	原於三個月內到期之通知及短期存款	**2,175,018**	6,127,876
Treasury bills with original maturity within three months	原於三個月內到期之國庫券	**3,493,452**	5,126,993
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業放款	**1,157,802**	1,075,691
		8,959,764	14,041,541

(b) Reconciliation to the consolidated statement of financial position

(b) 綜合財務狀況表之對賬

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Cash and short-term funds (Note 13)	現金及短期資金(附註13)	**5,002,214**	8,516,072
Treasury bills	國庫券		
– Trading assets (Note 14)	－持作交易用途資產(附註14)	**2,460,418**	1,436,973
– Debt securities measured at amortized cost	－以攤銷成本計量之債務證券	**31,005**	93,084
– Debt securities measured at fair value through other comprehensive income (Note 19)	－以公平價值於其他全面收益計量之債務證券(附註19)	**9,870,957**	7,417,544
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**14,425,351**	10,685,622
Amount shown in the consolidated statement of financial position	綜合財務狀況表內所示金額	**31,789,945**	28,149,295
Less: Amount with an original maturity of over three months	減：原到期日為三個月以上到期的金額	**(22,830,181)**	(14,107,754)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表之現金及等同現金項目	**8,959,764**	14,041,541

(c) Total cash outflow for leases

(c) 租賃現金流出總額

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Within operating cash flows	於經營現金流之內	**38,358**	25,245
Within financing cash flows	於融資現金流之內	**3,707**	3,559
		42,065	28,804

29. CASH AND CASH EQUIVALENTS (continued)

(d) Reconciliation of liabilities arising from financing activities

29. 現金及等同現金項目(續)

(d) 融資活動所產生的負債之對賬

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
At 1 January	於一月一日	**86,148**	89,100
Changes from financing cash flows:	融資現金流量變動：		
Payment of lease liabilities	租賃負債付款	**(3,707)**	(3,559)
Total changes from financing cash flows	融資現金流量變動總額	**(3,707)**	(3,559)
Other change:	其他變動：		
Increase in lease liabilities from entering into new leases during the year	年內因訂立新租賃而增加的租賃負債	**11,875**	607
At 31 December (Note 25)	於十二月三十一日(附註25)	**94,316**	86,148

30. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme ("the Scheme"), which incorporates a defined benefit plan for 10.2% (2024: 11.3%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured MPF exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary's recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2025 and was prepared by Iris Lee, Associate of the Society of Actuaries, of Mercer (Hong Kong) Limited using the projected unit credit actuarial cost method. The actuarial valuation indicates that the Group's obligations under the Scheme are 97.45% (2024: 96.04%) covered by the plan assets held by the trustee.

The Scheme offers a lump sum at retirement based on final salary and years of service or employee and employer contributions if greater. The contribution based benefit is notionally invested in a "guarantee fund" (for which the Group acts as guarantor), with no less than a 5% p.a. return.

The Scheme is closed to new entrants except that in exceptional circumstances new individual entrants are allowed to join at the Group's discretion, so that the Scheme's size is contained. However, the defined benefit element and the 5% p.a. guaranteed return offered on contributions exposes the Group to actuarial risks such as interest rate risk, investment risk and longevity risk.

30. 僱員退休福利

(a) 定額福利退休計劃

本集團推行一項退休計劃，名為富邦銀行(香港)有限公司退休計劃(「該計劃」)，為其10.2%(二零二四年：11.3%)全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強積金的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零二五年十二月三十一日進行，由美世(香港)有限公司之Iris Lee(美國準精算師)以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，97.45%(二零二四年：96.04%)可透過受託人所持有的計劃資產獲得保障。

該計劃在退休時基於僱員最終薪金及服務年期及僱主供款之較高者提供一筆金額。基於福利之供款於名義上投資於一項「擔保基金」(本集團作為擔保人)，年回報率不低於5%。

該計劃不向新加入者開放，惟新加入個人由本集團酌情決定允許加入，致使該計劃的規模可受控制。然而，定額福利部分及供款年回報率5%擔保回報使本集團面臨精算風險，例如利率風險、投資風險及長壽風險。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(i) The amounts recognized in the consolidated statement of financial position are as follows:

30. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(i) 於綜合財務狀況表確認的金額如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Present value of wholly or partly funded obligations	獲全數或部分資助的承擔現值	(257,324)	(272,917)
Fair value of plan assets	計劃資產的公平價值	250,769	262,123
Net liabilities recognized in the consolidated statement of financial position (Note 25)	於綜合財務狀況表確認之負債淨額(附註25)	(6,555)	(10,794)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

上述負債的一部分預期將於超過一年後結算。然而，將該金額從未來十二月應付金額中分離屬不實際，原因為未來供款將亦涉及提供的未來服務及精算假設及市況的未來變動。

The Scheme follows a tri-annual funding valuation schedule when at each funding valuation, the contributions for the following three years are set. The last funding valuation was as of 31 December 2022 and it was assessed at that valuation that the Group is required to contribute at no less than 5.4% of active members' Scheme Salary from 1 January 2023 to 31 December 2025.

該計劃於每三年一次融資估值時設定接下來三年供款。最近一次融資評估為截至二零二二年十二月三十一日，且按該評估估值，本集團需繳付的金額不少於由二零二三年一月一日至二零二五年十二月三十一日在職成員計劃薪金的5.4%。

The next funding valuation will be carried as at 31 December 2025 in the first half of year 2026.

下一次於二零二五年十二月三十一日的融資估值將於二零二六年上半年進行。

In addition to the above, the Group acts as the guarantor to meet the 5% p.a. return on the defined contribution benefits. The annual contribution relating to this obligation is determined annually (based on the Scheme's return in the 1 July – 30 June financial year). The guarantor contribution determined for the 1 July 2025 – 30 June 2026 financial year is nil (1 July 2024 – 30 June 2025: HK$9,822,000).

除上文以外，本集團作為擔保人以滿足定額供款福利每年5%的回報。有關該責任的供款為每年釐定(基於七月一日至六月三十日財政年度該計劃的回報)。二零二五年七月一日至二零二六年六月三十日財政年度的擔保人供款經釐定為零(二零二四年七月一日至二零二五年六月三十日：9,822,000港元)。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(ii) Plan assets consist of the following:

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Equities and unit funds	股本及基金單位	**15,531**	11,409
Interest-bearing securities	計息證券	**165,805**	139,249
Bank deposit, cash and other assets	銀行存款、現金及其他資產	**69,433**	111,465
		250,769	262,123

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

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

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
At 1 January	於一月一日	**272,917**	275,941
Remeasurements:	重新計量：		
– Actuarial losses arising from changes in demographic assumptions	－人口統計假設變動產生之精算虧損	**84**	88
– Actuarial losses arising from changes in financial assumptions	－財務假設變動產生之精算虧損	**5,415**	6,171
– Actuarial losses arising from experience adjustments	－過往調整產生之精算虧損	**2,145**	3,405
		280,561	285,605
Benefits paid by the plans	計劃已付福利	**(39,858)**	(31,040)
Current service cost	本期服務成本	**6,528**	7,460
Interest cost	利息成本	**7,781**	7,957
Participants' contributions	參與者供款	**2,312**	2,935
At 31 December	於十二月三十一日	**257,324**	272,917

The weighted average duration of the defined benefit obligation is 4.3 years (2024: 4.3 years).

30. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(ii) 計劃資產包括如下：

所有計息證券於活躍市場有報價。

(iii) 定額福利責任現值的變動

定額福利責任加權平均期限為4.3年(二零二四年：4.3年)。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(iv) Movements in plan assets

30. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(iv) 計劃資產變動

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
At 1 January	於一月一日	**262,123**	260,021
Group's contributions paid to the plans	本集團對計劃的供款	**11,673**	25,316
Benefits paid by the plans	計劃已付福利	**(39,858)**	(31,040)
Interest income	利息收入	**7,558**	7,599
Administrative expenses paid from plan assets	自計劃資產支付的行政開支	**(2,443)**	(3,310)
Return on plan assets	計劃資產回報	**11,716**	3,537
At 31 December	於十二月三十一日	**250,769**	262,123

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

(v) 於綜合全面收益表中已確認之金額如下：

		For the year ended 31 December 2025 截至二零二五年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元
Current service cost (Note 7)	本期服務成本(附註7)	**6,528**	7,460
Net interest cost on net defined benefit liability	定額福利負債淨額之淨利息成本	**223**	358
Administrative expenses and taxes	行政支出及稅項	**2,443**	3,310
Total amounts recognized in profit or loss	於損益賬內確認之總額	**9,194**	11,128
Actuarial losses	精算虧損	**7,644**	9,664
Return on plan assets, excluding interest income	計劃資產之回報，不包括利息收入	**(11,716)**	(3,537)
Total amounts recognized in other comprehensive income (Note 11)	於其他全面收益中確認之總額(附註11)	**(4,072)**	6,127
Total defined benefit cost	定額福利成本總額	**5,122**	17,255

The actual gains on the Scheme's assets for the year ended 31 December 2025 amounted to approximately HK$16,831,000 (2024: HK$7,826,000).

截至二零二五年十二月三十一日止年度，計劃資產實際收益達約16,831,000港元(二零二四年：7,826,000港元)。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

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

		2025 二零二五年	2024 二零二四年
Discount rate	折現率	2.6% p.a. 年利率2.6%	3.1% p.a. 年利率3.1%
Salary increase rate	薪金增加率	3.0% p.a 年利率3.0%.	3.0% p.a. 年利率3.0%

The analysis below shows how the defined benefit obligation would have increased/(decreased) as a result of 50 basis points change in the significant actuarial assumptions:

		Increase in 50 basis points 上升50個基點 HK$'000 千港元	Decrease in 50 basis points 下降50個基點 HK$'000 千港元
31 December 2025	**二零二五年十二月三十一日**		
Discount rate	折現率	(5,224)	5,481
Salary increase rate	薪金增加率	3,242	(2,728)

		Increase in 50 basis points 上升50個基點 HK$'000 千港元	Decrease in 50 basis points 下降50個基點 HK$'000 千港元
31 December 2024	二零二四年十二月三十一日		
Discount rate	折現率	(5,540)	5,813
Salary increase rate	薪金增加率	3,439	(2,893)

The sensitivity analysis presented above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

30. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下：

以下分析顯示因重大精算假設變動50個基點時定額福利責任增加／(減少)：

以上呈報敏感度分析於釐定時乃基於於報告期末假設的可能合理變動(假定所有其他假設保持不變)。

30. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee.

Under the MPF Scheme, the employer and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the scheme vest immediately.

In addition to the mandatory contribution, employees will have a one-off election to make a voluntary contribution of 5% of employee's relevant income. At the same time, the Group will make a matching voluntary contribution accordingly.

31. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit related commitments and contingencies

Credit related commitments and contingencies include letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

30. 僱員退休福利(續)

(b) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出5%之強制性供款，惟須受限於每月相關收入之上限30,000港元。一經對計劃作出供款，供款即予以歸屬。

除強制性供款外，僱員可作出一次性選擇，就其相關收入作出5%之自願性供款。同時，本集團將須作出相應的等額自願性供款。

31. 或然負債及承擔

(a) 與信貸有關之承擔及或然項目

與信貸有關之承擔及或然項目包括信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約金額是指當合約被完全提取及客戶違約時所承擔風險之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流。

31. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(a) Credit related commitments and contingencies (continued)

The following is a summary of the contractual and credit risk weighted amounts of each significant class of credit related commitments and contingencies:

31. 或然負債及承擔(續)

(a) 與信貸有關之承擔及或然項目(續)

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		31 December 2025 二零二五年十二月三十一日		31 December 2024 二零二四年十二月三十一日	
		Contractual amounts 合約金額 HK$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK$'000 千港元	Contractual amounts 合約金額 HK$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK$'000 千港元
Direct credit substitutes	直接信貸替代項目	82,043	81,690	81,110	81,110
Transaction-related contingencies	與交易有關之或然項目	95,959	46,453	111,029	55,515
Trade-related contingencies	與貿易有關之或然項目	276,371	48,460	305,683	61,137
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	－其中可無條件地取消	18,985,233	1,254,994	24,744,368	–
– with an original maturity of up to one year	－原訂到期期限為最多一年	835,309	264,536	236,821	47,364
– with an original maturity of more than one year	－原訂到期期限為一年以上	5,055,707	1,577,654	2,685,000	1,214,892
		25,330,622	3,273,787	28,164,011	1,460,018

The risk weights used in the computation of credit risk weighted amounts range from 0% to 150%.

用於計算信貸風險加權金額之風險加權比率介乎0%至150%之間。

(b) Capital commitments

Capital commitments for purchase of equipment and investment funds measured at fair value through profit or loss outstanding not provided for in these financial statements were as follows:

(b) 資本承擔

未於財務報表內提撥之有關購買設備及通過損益以反映公平價值計量之投資基金之未兌現資本承擔如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Contracted for	已訂合約	127,604	111,100

32. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and the income arising thereon are excluded from these financial statements, as the Group has no beneficial interest in the assets.

32. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並無於該等資產中擁有實益權益，因此該等資產及其所產生之收入不會於財務報表中列賬。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

33. 金融工具之公平價值

(a) 以公平價值列賬之金融工具

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

第一級： 相同工具於活躍市場之市場報價(未經調整)。

第二級： 由第一級所載報價以外的可觀察直接(即價格)或間接(即源自價格)輸入數據。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。

第三級： 並非以可觀察市場數據(不可觀察輸入數據)為基礎的資產或負債的輸入數據。該分類包括估值技術並非基於可觀察數據且不可觀察輸入數據對工具之估值有重大影響之所有工具。倘重大不可觀察調整或假設須用以反映工具之間的差額，該分類包括根據類似工具的報價而估值的工具。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorized:

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

下表乃以公平價值等級制度(公平價值據此分類)分析於報告期末以公平價值計量之金融工具：

31 December 2025	二零二五年十二月三十一日	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元	Total 總額 HK$'000 千港元
Assets	**資產**				
Trading assets	持作交易用途資產	–	2,460,418	–	2,460,418
Derivative financial instruments	衍生金融工具	–	1,301,021	–	1,301,021
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	12,513,585	23,155,790	–	35,669,375
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	–	–	21,201	21,201
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	–	–	72,495	72,495
		12,513,585	26,917,229	93,696	39,524,510
Liabilities	**負債**				
Trading liabilities	交易賬項下之負債	–	2,460,418	–	2,460,418
Derivative financial instruments	衍生金融工具	–	304,600	–	304,600
		–	2,765,018	–	2,765,018

31 December 2024	二零二四年十二月三十一日	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元	Total 總額 HK$'000 千港元
Assets	資產				
Trading assets	持作交易用途資產	–	1,436,973	–	1,436,973
Derivative financial instruments	衍生金融工具	–	1,916,183	–	1,916,183
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	4,798,936	14,273,899	–	19,072,835
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	–	–	24,681	24,681
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	–	–	72,221	72,221
		4,798,936	17,627,055	96,902	22,522,893
Liabilities	負債				
Trading liabilities	交易賬項下之負債	–	941,735	–	941,735
Derivative financial instruments	衍生金融工具	–	101,708	–	101,708
		–	1,043,443	–	1,043,443

During the year ended 31 December 2025, there were transfers of financial instruments, being debt securities measured at fair value through other comprehensive income from Level 1 to Level 2 of HK$303 million (2024: Nil) due to availability of active markets for identical instruments. There were no transfers into or out of Level 3 (2024: Nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零二五年十二月三十一日止年度，金融工具(即以公平價值於其他全面收益計量之債務證券)303,000,000港元(二零二四年：無)由第一級轉移至第二級，乃由於相同工具存在活躍市場。第三級概無轉入或轉出(二零二四年：無)。本集團之政策是於轉移發生之相關報告期末確認公平價值等級之間的轉移。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

(1) The fair value of unquoted equity investments is estimated, if possible, using the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues; and

(2) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds, which was calculated on a fair value basis.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察輸入數據進行之金融工具估值

以下方法已用於釐定屬於公平價值等級制度第三級之金融工具之公平價值：

(1) 沒有市價之股本投資之公平價值乃於可行情況下使用類似上市公司之適用的價格／盈利率及其他市場數據調整至反映該發行之特定情況進行估計；及

(2) 非上市投資基金之公平價值是以該等基金之經理申報以公平價值為基礎所計算的資產淨值進行估計。

下表載列公平價值等級制度第三級內公平價值計量之年初餘額與年末餘額之對賬：

		Equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券	
		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Assets	**資產**		
At 1 January	於一月一日	**72,221**	963,092
Purchase	購買	**–**	14,337
Distribution	分派	**–**	(1,287)
Disposal	出售	**–**	(881,709)
Write-off	撇銷	**–**	(10,261)
Surplus/(deficits) on revaluation recognized in other comprehensive income	於其他全面收益確認之重估盈餘／(虧損)	**274**	(11,951)
At 31 December	於十二月三十一日	**72,495**	72,221
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period	就於報告期末所持資產計入其他全面收益的本年度收益或虧損總額	**274**	(11,951)
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period (Note 6)	就於報告期末所持資產計入損益賬的本年度收益或虧損總額(附註6)	**9,878**	7,696

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察輸入數據進行之金融工具估值(續)

		Investment funds measured at fair value through profit or loss 通過損益以反映公平價值計量之投資基金	
		2025	2024
		二零二五年	二零二四年
		HK$'000	HK$'000
		千港元	千港元
Assets	**資產**		
At 1 January	於一月一日	**24,681**	–
Purchase	購買	**–**	28,317
Disposal	出售	**(2,812)**	–
Deficits on revaluation recognized in profit or loss	於損益賬確認之重估虧損	**(668)**	(3,636)
At 31 December	於十二月三十一日	**21,201**	24,681
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period (Note 6)	就於報告期末所持資產計入損益賬的本年度收益或虧損總額(附註6)	**(668)**	(3,636)

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(ii) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in reasonably possible alternative assumptions would have the following effects:

33. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(ii) 重大不可觀察假設出現變動對可行替代合理假設之影響

雖然本集團相信其公平價值估計屬適宜，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度第三級下之公平價值計量而言，合理可能的替代假設向任意方向變動10%可能產生下列影響：

		Effect on profit or loss 對損益賬的影響		Effect on other comprehensive income 對其他全面收益的影響	
31 December 2025	**二零二五年十二月三十一日**	**Favourable 有利變動 HK$'000 千港元**	**Unfavourable 不利變動 HK$'000 千港元**	**Favourable 有利變動 HK$'000 千港元**	**Unfavourable 不利變動 HK$'000 千港元**
Assets	**資產**				
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**–**	**–**	**7,250**	**(7,250)**
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**2,120**	**(2,120)**	**–**	**–**

		Effect on profit or loss 對損益賬的影響		Effect on other comprehensive income 對其他全面收益的影響	
31 December 2024	二零二四年十二月三十一日	Favourable 有利變動 HK$'000 千港元	Unfavourable 不利變動 HK$'000 千港元	Favourable 有利變動 HK$'000 千港元	Unfavourable 不利變動 HK$'000 千港元
Assets	資產				
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	–	–	7,222	(7,222)
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	2,468	(2,468)	–	–

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table below:

(i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period;

(ii) the fair value of variable rate financial instruments and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value;

(iii) the fair value of fixed rate loans and mortgages carried at amortized cost is estimated by comparing current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value; and

(iv) the fair value of debt securities measured at amortized cost is determined with reference to the available market value. If quoted market prices are not available, then the fair value is estimated on the basis of pricing models (see Note 2(f)(iii)).

33. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

(i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於報告期末可要求還款之金額；

(ii) 假設浮息金融工具及貸款之公平價值接近其賬面值。釐定公平價值總額時並不計算該等金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面值及公平價值扣除減值撥備金額予以單獨確認；

(iii) 有關定息貸款及按攤餘成本列賬之按揭的公平價值是透過比較相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面值及公平價值扣除減值撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化；及

(iv) 以攤銷成本計量之債務證券之公平價值乃經參考可用市值釐定。倘無法獲取市場報價，則公平價值根據計價模式(見附註2(f)(iii))估計。

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments carried at other than fair value (continued)

The carrying amount of the Group's financial instruments carried at cost or amortized cost are not significantly different from their fair values at the end of the reporting period except as follows:

33. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值(續)

本集團按成本或攤餘成本列賬之金融工具之賬面值與其於報告期末之公平價值並無重大差異，惟以下所列除外：

		31 December 2025 二零二五年十二月三十一日				
		Carrying amount 賬面值 HK$'000 千港元	Fair value 公平價值 HK$'000 千港元	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元
Financial assets	***金融資產***					
Advances to customers	客戶貸款	**5,340,983**	**5,186,924**	**–**	**5,186,924**	**–**
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**38,842,869**	**39,219,192**	**32,548,673**	**6,668,519**	**2,000**
Financial liabilities	***金融負債***					
Deposits from customers	客戶存款	**144,297,623**	**141,744,623**	**–**	**141,744,623**	**–**

		31 December 2024 二零二四年十二月三十一日				
		Carrying amount 賬面值 HK$'000 千港元	Fair value 公平價值 HK$'000 千港元	Level 1 第一級 HK$'000 千港元	Level 2 第二級 HK$'000 千港元	Level 3 第三級 HK$'000 千港元
Financial assets	*金融資產*					
Advances to customers	客戶貸款	4,116,866	3,966,949	–	3,966,949	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	42,022,873	42,266,225	30,554,749	11,709,476	2,000
Financial liabilities	*金融負債*					
Deposits from customers	客戶存款	117,110,808	115,409,471	–	115,409,471	–

During the year ended 31 December 2025, there were no transfers of financial instruments, being debt securities measured at amortized cost from Level 1 to Level 2 (2024: HK$1,361 million), but there were transfers from Level 2 to Level 1 of HK$38 million (2024: HK$9,004 million) due to availability of active markets for identical instruments. There were no transfers into or out of Level 3 (2024: Nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零二五年十二月三十一日止年度，金融工具(即以攤銷成本計量之債務證券)第一級及第二級之間並無任何轉移(二零二四年：1,361,000,000港元)，但38,000,000港元(二零二四年：9,004,000,000港元)由第二級轉移至第一級，乃由於相同工具存在活躍市場。第三級概無轉入或轉出(二零二四年：無)。本集團之政策是於轉移發生之相關報告期末確認公平價值等級之間的轉移。

34. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and other related parties. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, correspondent banking transactions and foreign exchange transactions. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the end of the reporting period that are not disclosed in other notes to these financial statements is set out below:

(a) Income/(expenses)

34. 重大關連方交易

年內，本集團與其最終控股公司及其他關連方訂立多項交易。該等交易在本集團銀行業務之日常業務過程中訂立，包括但不限於借貸、銀行同業拆借與存款、代理銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

有關年內關連方交易所產生之收支及於報告期末尚未償還的餘額且並未於財務報表其他附註披露之資料載列如下：

(a) 收入／(支出)

		For the year ended 31 December 2025 截至二零二五年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Fee and commission income	費用及佣金收入	**137,280**	115,027
Fellow subsidiaries	*同系附屬公司*		
Fee and commission expenses	費用及佣金支出	**(3,965)**	(3,970)
Interest expenses	利息支出	**(1,560)**	(10,055)
		(5,525)	(14,025)
A fellow associate	*一間同系聯營公司*		
Interest expenses	利息支出	**–**	(45)

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

34. 重大關連方交易(續)

(b) Assets

(b) 資產

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Cash and short-term funds	現金及短期資金	**374**	313
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**–**	116,467
Accrued interest and other assets	應計利息及其他資產	**5,002**	2,541
		5,376	119,321

No stage 1 impairment allowances (2024: HK$34,000) was made against balances with banks and other financial institutions with a fellow subsidiary. There is no impairment allowances made against other assets disclosed above.

並無與一間同系附屬公司就銀行同業及其他金融機構結餘作出第一階段減值撥備(二零二四年：34,000港元)。以上所披露之其他資產並未有作出減值撥備。

(c) Liabilities

(c) 負債

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Fellow subsidiaries	*同系附屬公司*		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**53,684**	51,130
Deposits from customers	客戶存款	**121,634**	178,708
Other liabilities	其他負債	**1,405**	1,402
		176,723	231,240
A fellow associate	*一間同系聯營公司*		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**5,398**	6,673
Other related parties	*其他關連方*		
Deposits from customers	客戶存款	**44,300**	81,792

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Loans to directors and entities connected with directors

Loans to directors of the Bank and entities connected with directors disclosed pursuant to section 383(1)(d) of the HKCO and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Aggregate amount of relevant loans at 31 December by the Bank	本行相關貸款於十二月三十一日的總額	35	63
Maximum aggregate amount of relevant loans outstanding during the year by the Bank	本行年內尚未償還相關貸款之最高總額	166	134

There was no interest due but unpaid nor any impairment allowances made against these loans at 31 December 2025 (2024: Nil).

(e) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Bank's directors as disclosed in Note 8 is as follows:

		For the year ended 31 December 2025 截至二零二五年十二月三十一日止年度 HK$'000 千港元	For the year ended 31 December 2024 截至二零二四年十二月三十一日止年度 HK$'000 千港元
Salaries and short-term employee benefits	薪金及短期僱員福利	139,725	121,018
Post-employment benefits	退休福利	5,432	5,422
		145,157	126,440

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

34. 重大關連方交易(續)

(d) 董事及董事關連實體貸款

根據香港《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規例》第3部披露之本行董事及董事關連實體貸款如下：

於二零二五年十二月三十一日並無到期但未付的利息或就該等資款作出減值撥備(二零二四年：無)。

(e) 主要管理人員酬金

主要管理人員之酬金(包括附註8所披露付予本行董事之款項)如下：

酬金總額計入「僱員成本」(見附註7)。

34. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(f) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below:

34. 重大關連方交易(續)

(f) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關條款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下：

		2025 二零二五年 HK$'000 千港元	2024 二零二四年 HK$'000 千港元
Loans, at 31 December	於十二月三十一日貸款	–	–
Interest income during the year	年內利息收入	–	–
Credit facilities, at 31 December	於十二月三十一日信貸服務	7,510	7,510

No Stage 3 impairment allowances have been made against balances outstanding at the end of the reporting period with key management personnel.

並無就報告期末主要管理人員的未償還餘額作出第三階段的減值撥備。

The Group's policies for lending to related parties take into account the requirements under the HKBO and the guidelines of the HKMA. The Group sets internal limits (individual and aggregate group limits for individual, group, secured and unsecured exposures) and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, the Chief Executive Officer and Managing Director and/or the Executive Credit Committee.

本集團向關連各方貸款的政策已計及香港《銀行業條例》及金管局指引之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督關連各方之風險(個人或企業)及採取各必要措施以控管各關連借貸之風險。信用委員會、行政總裁兼董事總經理及／或執行信用委員會已予批准。

35. ASSETS PLEDGED AS SECURITY

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

35. 質押作為抵押品之資產

下列資產已於報告期末作為自身負債抵押品予以質押：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Secured liabilities	已抵押負債	**3,723,502**	2,829,816
Assets pledged:	*已質押資產：*		
Trading assets	持作交易用途資產	**1,991,167**	941,735
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**1,285,174**	1,915,840
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	**469,251**	–
		3,745,592	2,857,575

The following assets have been pledged as collateral to counterparties for derivatives margining at the end of the reporting period:

下列資產已於報告期末作為衍生工具保證金抵押品質押予交易對手：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Margin deposits for derivative contracts	衍生工具合約的保證金存款	**147,909**	15,602
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**95,857**	–
		243,766	15,602

These transactions are conducted under usual and customary terms.

該等交易乃按照一般及慣用條款進行。

36. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risk, in particular, the primary risk associated with its use of financial instruments:

- Credit risk: losses resulting from deterioration or default of a customer or counterparty and arising from credit exposures in lending activities, including loans and advances, loans commitments, letters of credit and acceptance, financial guarantees, and non-lending activities, including investment in debt securities, exposure arising from trading activities, derivatives and settlement with counterparties.

- Market risk: risk arising from adverse change of market variables such as interest rates, exchange rates and equity markets.

- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.

- Interest rate risk in banking book: risk resulting from adverse movements in interest rates that affect the Group's banking book position.

- Operational risk: risk arising from inadequate or failed internal processes, people and systems or from external events resulting in financial loss.

The Group has established policies and procedures to identify and measure these risks, to set appropriate risk limits as derived from its risk appetite statement and risk appetite indicators and control measures, and to monitor the risks and limits continuously by means of reliable and up-to-date management and information systems. These policies and procedures, including limit excess follow-up procedures, are distributed to the relevant risk taking and risk management units for execution and monitoring. Regular training courses are conducted in order to ensure that all staff are familiar with the key principles of the Group's code of conduct. The Group continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products, regulatory requirements and the best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with the Group's policies and procedures.

36. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：因客戶或交易對手的惡化或違約而導致的虧損，以及因貸款活動的信貸風險而產生的虧損，包括借款及貸款、貸款承擔、信用證及承兑票據、財務擔保及非貸款活動，包括債務證券投資、交易活動、衍生工具及與交易對手的結算產生之風險。

- 市場風險：市場變數逆轉之風險，例如利率、匯率及股市等。

- 流動性及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續在市場上以無抵押或甚至以有抵押的方式按可接受之價格借入資金，藉此為實際或建議之承擔提供所需的資金的風險。

- 銀行賬戶利率風險：利率之不利變動影響本集團銀行賬戶頭寸之風險。

- 營運風險：由於內部程序、人員及制度不足或不作為或外部事件導致財務虧損而引致之風險。

本集團已設有相關政策及程序以識別及衡量該等風險、制定適當之風險限額(自風險偏好聲明及風險偏好指標獲取)及控制措施，以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。該等政策和程序(包括超額跟進程序)已分發給相關風險承擔和風險管理單位執行和監督。本集團定期舉辦培訓課程以確保所有員工都熟悉本集團行為守則的關鍵原則。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品、監管規定及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合本集團政策及程序。

36. FINANCIAL RISK MANAGEMENT (continued)

The Group has established an organizational structure such that risk management functions are independent of risk taking units. The risk management functions independently provide key risk information, including asset quality, liquidity profile, capital adequacy ratio and the risk exposures, and limit monitoring results to the Risk Committee of the Board ("RC") and to senior management on a regular basis.

Compliance reviews are conducted by an independent unit on an ongoing basis to ensure compliance with applicable laws and regulations, standards, guidelines and codes of practices. The internal audit function of the Group is an independent appraisal function set up with the primary objective of evaluating the internal control system and compliance with laws, regulatory guidelines and internal control policies.

(a) Credit risk management

Credit risk is the risk of suffering financial loss in the event that the Group's customers or counterparties fail to fulfil their obligations to the Group or their repayment ability deteriorates. It arises mainly from loans and advances to customers and banks, letters of credit and acceptances, financial guarantees, debt securities held and counterparty credit risk arising from derivative contracts entered into with customers or counterparties. It can also arise from trading and treasury activities.

The Group manages credit risk through a framework of controls to ensure credit risk taking activities are based on sound principles and in line with the overall business objectives of the Group. It has established a set of credit policies and procedures which define credit risk taking criteria, credit approval authorities delegated from the Board of Directors ("Board"), credit monitoring processes, credit rating and scoring systems and loan impairment criteria.

The Board has delegated credit approval authorities to the following committees in descending order of authority: the Executive Credit Committee ("ECC"), the Credit Committee ("CC") and the Wholesale Credit Committee ("WCC").

The ECC serves as the credit committee of the Board to review and approve credits that require the approval of the Board. In addition, it approves the Group's credit policies and credit risk profile, taking into consideration relevant law and regulations.

36. 財務風險管理(續)

本集團已建立組織架構，使風險管理職能獨立於風險承擔單位。風險管理職能定期獨立向董事會風險委員會和高級管理層提供關鍵風險信息(包括資產質素、流動資金狀況、資本充足率和風險承擔以及限額監測結果)。

合規審閱由獨立單位持續進行，以確保遵守適用的法律和法規、標準、準則和應用守則。本集團內部審計單位為獨立評估單位，並以評估內部控管制度，對法律、監管指引和內部控管政策之遵守為主要目標。

(a) 信貸風險管理

信貸風險指因本集團客戶或交易對手未能履行其對本集團之承諾或其還款能力惡化而遭受財務虧損的風險。其主要源於客戶與銀行借款及貸款、所持信用證及承兑票據、財務擔保、債務證券及因與客戶或交易對手訂立衍生工具合約產生的交易對手信貸風險，亦可源於交易及財資活動。

本集團透過控制框架管理信貸風險，以確保產生信貸風險之活動基於完善的原則及與本集團整體業務目標一致。其亦設立一系列信貸政策及程序，以界定承擔信貸風險的標準、董事會授權之信貸批准權限、信貸監控過程、信貸評級與評分系統及貸款減值標準。

董事會已向以下委員會依次授權審批信貸權限：執行信貸委員會、信貸委員會及批發信貸委員會。

執行信貸委員會以董事會信貸委員會的身份，審閱及批准需由董事會審批的信貸，同時根據相關法律及規例審批本集團的信貸政策及信貸風險狀況。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

The CC is a management level committee that provides management oversight of the Group's credit risk management. It ensures that the Group has in place an effective credit risk management framework and that its credit risks are within the credit policies and credit risk profile as specified by the Board or its delegated committees. The CC reviews and endorses credit policies and credit risk profile for the ECC's approval, and reviews and approves credit related guidelines. It also conducts on-going review of the market environment and makes necessary policy recommendations to the ECC to ensure that the credit risk profile of the Group is within its risk appetite. The CC also reviews and approves credits that are within its authority as delegated by the Board.

The WCC reviews and approves corporate credits that are within its authority as delegated by the Board.

The credit risk units, Enterprise Credit Risk Management Division, SME Credit Risk Management Division, and Control and Risk Management Division provide centralized management of credit risk for corporate and retail customers. They are responsible for:

- independent evaluation of corporate credit and debt investment applications;
- monitoring loan portfolio and conducting regular analysis;
- managing problem corporate credits to achieve the highest recovery;
- recommending loan classification, impairment and charge-off; and
- reporting to the CC and ECC regularly on aspects of the loan portfolio.

Credit risk limits are set at different levels, including portfolio and individual customer levels, taking into consideration various factors including the Group's risk appetite, market situation, capital requirement and the returns.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸委員會為管理級別之委員會，監督本集團之信貸風險管理，確保本集團擁有有效的信貸風險管理架構且其信貸風險符合董事會或其授權委員會訂明之信貸政策及信貸風險狀況。信貸委員會審閱及認可信貸政策及信貸風險狀況以供執行信貸委員會批准及審閱並批准信貸相關指引。信貸委員會亦持續審閱市場環境，並向執行信貸委員會作出必要政策建議，確保本集團之信貸風險狀況符合其風險偏好。信貸委員會亦在董事會授出之授權範圍內審閱及批准客戶信貸。

批發信貸委員會在董事會授出之授權範圍內審閱及批准企業信貸。

信貸單位(企業信貸風險管理部門、中小企信貸風險管理部門以及控制及風險管理部門)對企業及零售客戶進行統一信貸風險管理，負責下列各項職責：

- 獨立評核企業信貸及債務投資申請；
- 監管貸款組合及進行定期分析；
- 管理問題企業信貸以達到最高收回金額；
- 建議貸款分類、減值及註銷；及
- 定期向信貸委員會及執行信貸委員會匯報貸款組合情況。

信貸風險限額是根據本集團風險偏好、市場形勢、資本要求和回報等各種因素考慮在不同的層面上，包括組合和個人客戶層面而制定。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

Credit risk management procedures are designed to promote early detection of customer, industry or product exposures that require special monitoring. Overall portfolio risk is monitored on an on-going basis. Regular risk management reports covering information on large exposures, country exposures, industry exposures, loan quality and loan impairment level are submitted to the CC, ECC and RC.

Specific policies and measures to address different kinds of credit related activities are set out below:

(i) Institutional Banking and Commercial Banking

Credit risk from Institutional Banking and Commercial Banking is managed by conducting thorough credit evaluation, credit mitigation through collateral and guarantee, and post-approval monitoring system. Subject to the size of the credit, value of collateral and the internal credit rating of the customer, different levels of credit approval authority are required. Credit decisions of the Group consider facility structure, tenor, repayment ability of the obligor and credit mitigation through collateral and guarantees.

The Group has established limits for credit exposure to individual countries, industries and customer groups, regardless of whether the credit exposure is funded or non-funded. The Group also undertakes ongoing credit review and monitoring at several levels. The relevant policies and procedures of the Group have included the statutory requirement of the HKBO, regulatory requirements of the HKMA and the best market practices.

(ii) Retail Banking

Credit risk from Retail Banking is product driven, arising from retail loan products such as credit cards, unsecured personal loans, mortgage loans and loans secured by wealth management products. Because of the homogeneous nature of these products, credit risk management is primarily based on statistical analyses of risks with respect to different types of product, collateral and customer. The Group determines product terms and desired customer profiles on a regular basis by developing, validating and fine-tuning internal acceptance criteria, scorecards and stress testing models.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸風險管理程序旨在促進對需要特別監控之客戶、行業或產品風險承擔的早期檢測。整體組合風險受持續監控。常規風險管理報告涵蓋信息包括大型風險承擔、國家風險承擔、行業風險承擔、貸款質量和貸款減值程度，並提交信貸委員會、執行信貸委員會和風險委員會。

針對不同類型信貸相關業務之特定政策及措施載列如下：

(i) 機構銀行及商業銀行

機構銀行及商業銀行產生的信貸風險透過進行全面信貸評估、以抵押品及擔保減低信貸風險及批准後監管系統來管理。受限於信貸規模、抵押品價值及客戶內部信貸評級，需要不同級別的信貸審批機構。本集團的信貸決策考慮融資結構、期限、債務人還款能力以及以抵押品及擔保減低信貸。

無論信貸風險是由於融資與非融資交易而產生，本集團已制定個別國家、行業及客戶組別之信貸風險限額。本集團亦在不同層次持續進行信貸審閱及監控。本集團的相關政策及程序包括香港《銀行業條例》內之法定要求、金管局監管規定以及最佳市場慣例。

(ii) 零售銀行

零售銀行信貸風險以產品為導向，源於零售銀行貸款產品，諸如信用卡、無抵押個人貸款、按揭貸款及以財富管理產品作抵押之貸款。由於該等產品本質相同，信貸風險管理主要基於不同產品、抵押品及客戶類型之風險統計分析結果而釐定。本集團透過發展、確認及調整內部驗收標準、記分卡及壓力測試模型定期釐定產品條款及理想客戶概況。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(iii) Counterparty credit risk

Counterparty credit risk means counterparty default or deterioration risk, credit valuation adjustment risk and settlement risk. Counterparty credit risk exposure means an exposure to counterparty credit risk, which involves situation in which the Group enters into a derivatives or non-same day spot foreign currency exchange settlement transaction with a counterparty which may subsequently fail to meet its obligations on or before the final settlement of the transactions. These credit exposures are managed as part of the overall credit limits to the counterparties and central clearing counterparty. In evaluating the credit risk associated with counterparty, financial strength is always the primary considerations. The credit risk exposure on derivatives is disclosed in Note 15(b) to these financial statements. The Group uses the SA-CCR for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Group has set up policies and procedures to control both general and specific wrong way risk.

(iv) Credit related commitments

The risks involved in credit related commitments and contingencies are essentially the same as the credit risk involved in extending loans and advances to customers and banks. These transactions are, therefore, subject to the same credit application, portfolio management and collateral requirements as for loan transactions.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of customers or counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's financial risk exposure is diversified by country, customer group, industry and product, but is concentrated in Hong Kong.

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 13 to 20.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(iii) 交易對手信貸風險

交易對手信貸風險指交易對手違約或惡化風險、信貸估值調整風險及結算風險。交易對手信貸風險指交易對手信貸風險，包括本集團與交易對手進行衍生品交易或非當日即期外匯結算交易，其後可能無法在該等交易最終結算或之前履行其義務的情況。該等信貸風險乃作為有關交易對手及中央結算對手整體信貸限額的一部分進行管理。在評估與交易對手相關的信貸風險時，財務實力始終是首要考慮因素。衍生工具之信貸風險於該等財務報表的附註15(b)披露。本集團以標準化方法—交易對手信用風險方法為該等交易對手風險提供資本。

當交易對手遭受的信貸風險與交易對手的信貸質素相互產生不利影響時將產生錯向風險。信貸風險及潛在虧損可能因市況不利變動而增加。本集團已制定政策及程序以控制操作錯向風險。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶及銀行提供借款及貸款之信貸風險相同。因此，該等交易須遵守與貸款交易相同之信貸申請、組合管理及抵押品規定。

(v) 信貸風險過分集中

當地域、經濟或行業因素之變動對不同類別之客戶或交易對手產生類似影響，而彼等之信貸風險綜合起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融風險已因國家、客戶組別、行業及產品而分散，但集中於香港。

有關各類金融資產之信貸風險集中情況之分析於附註13至20內披露。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation

The Group's credit evaluation focuses primarily on the obligor's repayment ability from its cash flow and financial condition. In addition, the Group employs various types of credit risk mitigation technique such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. The most commonly used credit risk mitigation measures are provided below:

Collateral

The Group holds collateral against its credit exposures to customers mainly in the form of cash deposits, marketable securities, mortgage interests over properties and guarantees. The Group also has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of the collateral. Collateral taken to secure credit exposures is revalued periodically ranging from daily to annually depending on the type of collateral. For treasury operations, collateral management is based on daily marked-to-market positions.

Master netting agreements

Collateral generally is not held over credit exposures to banks, except for securities held as part of reverse repurchase and securities borrowing activities, and initial margin and variation margin held against derivatives exposures. However, where applicable, the Group manages its credit exposures to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivative activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter derivative products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by such agreement if either party defaults or upon the occurrence of other pre-agreed termination events.

The Group has implemented the regulatory initial margin and variation margin requirements with counterparties in conjunction with the ISDA Master Agreement to mitigate the counterparty credit risk inherent in derivative transactions.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險

本集團的信貸評估主要集中於債務人以其現金流及財務狀況還款的能力。此外，本集團採用如適當信貸結構、給予抵押品及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低措施，以作為其信貸風險管理流程的不可或缺組成部分。最常用的信貸風險減低措施載列如下：

抵押品

本集團就信貸風險承擔而持有抵押品，主要包括現金存款、可流通證券、物業按揭以及擔保等形式。本集團亦已制定監管抵押品的評估、接納及定時估值的政策及程序。擔保信貸風險的抵押品乃定時被重估，取決於抵押品的類型，週期介乎每日至每年一次不等。就財資業務而言，抵押品管理會以市場情況每日重估。

淨額結算總協議

抵押品一般並非就給予銀行的信貸風險而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分以及就衍生工具風險持有的初始保證金及變動保證金時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算安排導致於違約時結算交易對手之風險會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外衍生工具產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

本集團已結合ISDA總協議與交易對手實施監管初始保證金及變動保證金要求，以減低衍生工具交易固有的交易對手信貸風險。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

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

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

下表載列受限於上述協議的已確認金融工具的賬面值。

31 December 2025 二零二五年十二月三十一日	Gross amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的總額 HK$'000 千港元	Gross amount of recognized financial instruments off-set in the consolidated statement of financial position 已抵銷金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Net amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的淨額 HK$'000 千港元	Related financial instruments that are not offset 未抵銷的有關金融工具		Net amount 淨額 HK$'000 千港元
				Financial instruments 金融工具 HK$'000 千港元	Cash collateral received 已收現金抵押品 HK$'000 千港元	
Financial assets ***金融資產***						
– Exchange rate derivatives –匯率衍生工具	18,585	–	18,585	16,675	–	1,910
– Interest rate derivatives –利率衍生工具	1,114,215	–	1,114,215	132,557	–	981,658
– Equity derivatives –股票衍生工具	–	–	–	–	–	–
	1,132,800	–	1,132,800	149,232	–	983,568
Financial liabilities ***金融負債***						
– Exchange rate derivatives –匯率衍生工具	165,896	–	165,896	16,675	–	149,221
– Interest rate derivatives –利率衍生工具	135,866	–	135,866	132,557	–	3,309
– Equity derivatives –股票衍生工具	250	–	250	–	–	250
	302,012	–	302,012	149,232	–	152,780

31 December 2024 二零二四年十二月三十一日	Gross amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的總額 HK$'000 千港元	Gross amount of recognized financial instruments off-set in the consolidated statement of financial position 已抵銷金融工具於綜合財務狀況表確認的總額 HK$'000 千港元	Net amount of financial instruments in the consolidated statement of financial position 金融工具於綜合財務狀況表的淨額 HK$'000 千港元	Related financial instruments that are not offset 未抵銷的有關金融工具		Net amount 淨額 HK$'000 千港元
				Financial instruments 金融工具 HK$'000 千港元	Cash collateral received 已收現金抵押品 HK$'000 千港元	
Financial assets *金融資產*						
– Exchange rate derivatives –匯率衍生工具	74,690	–	74,690	31,796	–	42,894
– Interest rate derivatives –利率衍生工具	1,829,909	–	1,829,909	9,996	–	1,819,913
– Equity derivatives –股票衍生工具	–	–	–	–	–	–
	1,904,599	–	1,904,599	41,792	–	1,862,807
Financial liabilities *金融負債*						
– Exchange rate derivatives –匯率衍生工具	37,531	–	37,531	31,796	–	5,735
– Interest rate derivatives –利率衍生工具	9,996	–	9,996	9,996	–	–
– Equity derivatives –股票衍生工具	22	–	22	–	–	22
	47,549	–	47,549	41,792	–	5,757

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

Central clearing

The Group makes use of central clearing, whenever possible, to mitigate counterparty credit risk. The Group has developed its own credit assessment framework to evaluate the parties involved in the central clearing.

Other credit risk mitigation measures

The Group may also employ other types of credit mitigation, such as guarantees and letters of credit, mainly for corporate exposures. As the value of these types of collateral is conditional upon other credit related factors, their financial effect has not been quantified.

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the end of the reporting period without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowances. A summary of the maximum exposure to credit risk for the various components of the consolidated statement of financial position, contingencies and commitments is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

中央結算

本集團盡可能利用中央結算來減低交易對手信貸風險。本集團已建立自己的信貸評估框架，以評估參與中央結算的各方。

其他減低信貸風險措施

本集團亦使用擔保及信用證等其他類別的信貸減緩方式，主要用於減低企業風險。由於該等類別的抵押品價值取決於其他信貸相關因素，故並無計量其財務影響。

(vii) 最高信貸風險

於報告期末最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為綜合財務狀況表內各項金融資產扣除任何減值撥備後之賬面值。綜合財務狀況表、或然項目及承擔的各部分信貸風險的最高風險概要如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Credit risk exposures relating to on-balance sheet assets:	*與資產負債表內資產有關之信貸風險：*		
Cash and short-term funds	現金及短期資金	**5,002,214**	8,516,072
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**14,425,351**	10,685,622
Trading assets	持作交易用途資產	**2,460,418**	1,436,973
Derivative financial instruments	衍生金融工具	**1,301,021**	1,916,183
Advances to customers	客戶貸款	**71,084,844**	62,701,653
Advances to banks	銀行同業貸款	**15,137,000**	7,168,457
Trade bills	商業票據	**664,776**	756,654
Accrued interest and other assets	應計利息及其他資產	**3,012,033**	2,834,316
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**38,842,869**	42,022,873
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	**35,669,375**	19,072,835
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**21,201**	24,681
Credit risk exposures relating to off-balance sheet items:	*與資產負債表外項目有關之信貸風險：*		
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸相關之或然負債	**454,373**	497,822
Loan commitments and other credit related commitments	貸款承擔及其他信貸相關之承擔	**24,876,249**	27,666,189
		212,951,724	185,300,330

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses

The Group adopts the approach below in determining ECL on financial instruments in accordance with HKFRS 9:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定

本集團採納下列方式以按照香港財務報告準則第9號釐定金融工具預期信貸虧損：

Component 組成部分	Definition 定義
Probability of default ("PD")	The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and Stage 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk, such as property prices indices, unemployment rates, interest rates and Gross Domestic Product ("GDP") forecasts. The PD is estimated at a point in time which means it will fluctuate in line with the economic cycle. The term structure of the PD is based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
違約或然率	交易對手於某個時間點將違約的概率，校準至自報告日期起最多12個月(第一階段)或產品生命週期(第二階段及第三階段)，並納入對信貸風險造成影響的前瞻性經濟假設的影響，如物業價格指數、失業率、利率及國內生產總值預測。 違約或然率乃基於某個時間點估計得出，意即其將隨經濟週期波動。違約或然率的期限結構乃基於統計模型，使用歷史數據校準並調整至包含前瞻性經濟假設。
Loss given default ("LGD")	The percentage loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the proportion of the contractual cash flows due that the Group expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial instrument, taking into account forward-looking economic assumptions where relevant.
違約損失率	於違約時預計造成的損失百分比(經納入相關前瞻性經濟假設的影響)，代表本集團預期收取的到期合約現金流部分。 經計及同時考慮相關前瞻性經濟假設，本集團根據回收率的歷史記錄以估計違約損失率，並考慮收回金融工具的任何重要抵押品。
Exposure at default ("EAD")	The expected balance sheet exposure at the time of default, taking into account the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of facilities, repayments of principal and interest, amortization and prepayments.
違約風險承擔	於違約時的預期資產負債表風險承擔(經計及風險承擔期間的預期風險承擔變動)，其中包括動用信貸承擔、償還本金和利息、攤銷和預付款項的影響。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses (continued)

ECLs are measured at the present value of all expected cash shortfalls.

The estimate of expected cash shortfalls is determined by multiplying the PD with LGD and EAD.

Forward looking economic assumptions are incorporated into the PD and LGD where relevant and where they influence credit risk, such as property price indices, unemployment rates, interest rates and GDP amongst others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios, both in respect of determining the PD and LGD and in determining the overall ECL amounts.

(ix) Credit quality of advances to customers

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

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定(續)

預期信貸虧損以所有預期現金不足額之現值計量。

預期現金差額的估計乃透過將違約或然率、違約損失率及預期違約風險承擔相乘而釐定。

前瞻性經濟假設會納入違約或然率及違約損失率(倘相關及影響信貸風險，如物業價格指數、失業率、利率及國內生產總值等)。該等假設使用本集團對一系列宏觀經濟假設的最有可能的預測而納入。該等預測使用所有合理及可證明的資料(包括內部作出的預測及外部提供的預測)而釐定，並與預算、預測及資本計劃所用者一致。

為計及信貸虧損的潛在非線性性質，多個前瞻性情景會納入所有重大組合的合理可能結果範圍內，包括釐定違約或然率及違約損失率，以釐定整體預期信貸虧損金額。

(ix) 客戶貸款之信貸質素

客戶貸款之信貸質素可分析如下：

		31 December 2025 二零二五年 十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元
Neither past due nor impaired	並無逾期或減值	**68,525,744**	60,127,097
Past due but not impaired	已逾期但並無減值	**2,232,416**	1,828,658
Impaired (Note 16(c))	已減值(附註16(c))	**644,163**	1,206,887
		71,402,323	63,162,642
Of which:	其中：		
Gross advances to customers that are neither past due nor impaired	並無逾期或減值之客戶貸款總額		
– Grade 1: Pass	－第一級：通過	**67,122,620**	59,067,223
– Grade 2: Special mention	－第二級：關注	**1,403,124**	1,059,874
		68,525,744	60,127,097

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

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

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 客戶貸款之信貸質素(續)

下表載列客戶貸款之信貸質素有關的資料。除特別訂明外，表中金額指賬面總值。

		31 December 2025 二零二五年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Pass	通過	67,541,268	389,377	212,353	189	-	-	67,753,621	389,566
Special mention	關注	-	-	3,004,539	36,923			3,004,539	36,923
Substandard	次級	-	-	-	-	252,629	-	252,629	-
Doubtful	可疑	-	-	-	-	175,441	-	175,441	-
Loss	損失	-	-	-	-	216,093	-	216,093	-
Gross carrying amount	賬面總值	67,541,268	389,377	3,216,892	37,112	644,163	-	71,402,323	426,489
Less: Impairment allowances	減：減值撥備	(100,888)	-	(60,778)	-	(155,813)	-	(317,479)	-
Carrying amount	賬面值	67,440,380	389,377	3,156,114	37,112	488,350	-	71,084,844	426,489

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Pass	通過	58,648,567	203,981	965,860	589	-	-	59,614,427	204,570
Special mention	關注	-	-	2,341,328	25,282	-	-	2,341,328	25,282
Substandard	次級	-	-	-	-	353,674	-	353,674	-
Doubtful	可疑	-	-	-	-	802,286	-	802,286	-
Loss	損失	-	-	-	-	50,927	-	50,927	-
Gross carrying amount	賬面總值	58,648,567	203,981	3,307,188	25,871	1,206,887	-	63,162,642	229,852
Less: Impairment allowances	減：減值撥備	(137,671)	-	(60,141)	-	(263,177)	-	(460,989)	-
Carrying amount	賬面值	58,510,896	203,981	3,247,047	25,871	943,710	-	62,701,653	229,852

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

本集團根據為向金管局呈報而須採納之貸款分級制度就客戶貸款進行分類。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

The ageing analysis of advances to customers that are past due but not impaired is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 客戶貸款之信貸質素(續)

已逾期但並無減值之客戶貸款賬齡分析如下：

		31 December 2025 二零二五年 十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年 十二月三十一日 HK$'000 千港元
Gross advances to customers that are past due but not impaired	已逾期但並無減值之客戶貸款總額		
– Overdue 3 months or less	－逾期三個月或以下	1,533,705	1,247,098
– Overdue 6 months or less but over 3 months	－逾期六個月或以下惟三個月以上	280,272	376,660
– Overdue 1 year or less but over 6 months	－逾期一年或以下惟六個月以上	418,439	204,900
		2,232,416	1,828,658

Advances to customers that would be past due or impaired had the terms not been modified amounted to HK$11,726,000 as at 31 December 2025 (2024: HK$6,410,000).

於二零二五年十二月三十一日，倘條款不予修訂即為已逾期或已減值之客戶貸款金額為11,726,000港元(二零二四年：6,410,000港元)。

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

The following tables set out the credit analysis for financial instruments other than advances to customers. The tables below analyse the financial instruments by their rating under the Group's loan classification system or credit rating designation based on Standard & Poor's rating or their equivalents, whichever is appropriate. Unless specifically indicated, the amount in the tables represent gross carrying amount.

(x) 客戶貸款以外之金融工具之信貸質素

下表載列除客戶貸款以外之金融工具之信貸分析。下表根據本集團借款分類系統項下的評級或以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對金融工具作出分析。除特別訂明外，表中金額指賬面總值。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Cash and short-term funds

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

現金及短期資金

		31 December 2025 二零二五年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	970,605	68	-	-	-	-	970,605	68
A- to A+	A-至A+	2,886,641	15,234	-	-	-	-	2,886,641	15,234
Lower than A-	A-以下	204,197	1,527	-	-	-	-	204,197	1,527
Unrated	無評級	941,545	-	-	-	-	-	941,545	-
Gross carrying amount	賬面總值	5,002,988	16,829	-	-	-	-	5,002,988	16,829
Less: Impairment allowances	減：減值撥備	(774)	-	-	-	-	-	(774)	-
Carrying amount	賬面值	5,002,214	16,829	-	-	-	-	5,002,214	16,829

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	1,309,482	2,583	-	-	-	-	1,309,482	2,583
A- to A+	A-至A+	6,187,185	29,176	-	-	-	-	6,187,185	29,176
Lower than A-	A-以下	180,184	534	-	-	-	-	180,184	534
Unrated	無評級	840,078	-	-	-	-	-	840,078	-
Gross carrying amount	賬面總值	8,516,929	32,293	-	-	-	-	8,516,929	32,293
Less: Impairment allowances	減：減值撥備	(857)	-	-	-	-	-	(857)	-
Carrying amount	賬面值	8,516,072	32,293	-	-	-	-	8,516,072	32,293

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Balances with banks and other financial institutions

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

銀行同業及其他金融機構結餘

		31 December 2025 二零二五年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	1,544,590	8,223	-	-	-	-	1,544,590	8,223
A- to A+	A-至A+	12,005,011	113,657	-	-	-	-	12,005,011	113,657
Lower than A-	A-以下	900,000	4,619	-	-	-	-	900,000	4,619
Gross carrying amount	賬面總值	14,449,601	126,499	-	-	-	-	14,449,601	126,499
Less: Impairment allowances	減：減值撥備	(24,250)	-	-	-	-	-	(24,250)	-
Carrying amount	賬面值	14,425,351	126,499	-	-	-	-	14,425,351	126,499

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AA- to AA+	AA-至AA+	1,855,289	9,711	-	-	-	-	1,855,289	9,711
A- to A+	A-至A+	8,634,235	82,542	-	-	-	-	8,634,235	82,542
Lower than A-	A-以下	201,876	582	-	-	-	-	201,876	582
Gross carrying amount	賬面總值	10,691,400	92,835	-	-	-	-	10,691,400	92,835
Less: Impairment allowances	減：減值撥備	(5,778)	-	-	-	-	-	(5,778)	-
Carrying amount	賬面值	10,685,622	92,835	-	-	-	-	10,685,622	92,835

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Advances to banks

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

銀行同業貸款

		31 December 2025 二零二五年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金	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$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Gross carrying amount	賬面總值	15,156,844	94,441	-	-	-	-	15,156,844	94,441
Less: Impairment allowances	減：減值撥備	(19,844)	-	-	-	-	-	(19,844)	-
Carrying amount	賬面值	15,137,000	94,441	-	-	-	-	15,137,000	94,441

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金	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$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Gross carrying amount	賬面總值	7,179,074	50,407	-	-	-	-	7,179,074	50,407
Less: Impairment allowances	減：減值撥備	(10,617)	-	-	-	-	-	(10,617)	-
Carrying amount	賬面值	7,168,457	50,407	-	-	-	-	7,168,457	50,407

All advances to banks outstanding as at 31 December 2025 and 2024 are classified as "Pass" under the Group's loan classification system.

於二零二五年及二零二四年十二月三十一日，所有尚未償還銀行同業貸款根據本集團貸款分級制度分為「通過」級。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Trade bills

		31 December 2025 二零二五年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總值	665,314	4,157	-	-	-	-	665,314	4,157
Less: Impairment allowances	減：減值撥備	(538)	-	-	-	-	-	(538)	-
Carrying amount	賬面值	664,776	4,157	-	-	-	-	664,776	4,157

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
Gross carrying amount	賬面總值	758,582	405	-	-	-	-	758,582	405
Less: Impairment allowances	減：減值撥備	(1,928)	-	-	-	-	-	(1,928)	-
Carrying amount	賬面值	756,654	-	-	-	-	-	756,654	-

All trade bills outstanding as at 31 December 2025 and 2024 are classified as "Pass" under the Group's loan classification system.

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

商業票據

於二零二五年及二零二四年十二月三十一日，所有尚未償還商業票據根據本集團貸款分級制度分為「通過」級。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Debt securities measured at amortized cost

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

以攤銷成本計量之債務證券

		31 December 2025 二零二五年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AAA	AAA	2,513,274	25,161	-	-	-	-	2,513,274	25,161
AA- to AA+	AA-至AA+	11,906,664	161,539	-	-	-	-	11,906,664	161,539
A- to A+	A-至A+	19,659,268	198,711	-	-	-	-	19,659,268	198,711
Lower than A-	A-以下	4,451,580	40,497	-	-	-	-	4,451,580	40,497
Unrated	無評級	345,220	4,429	-	-	-	-	345,220	4,429
Gross carrying amount	賬面總值	38,876,006	430,337	-	-	-	-	38,876,006	430,337
Less: Impairment allowances	減：減值撥備	(33,137)	-	-	-	-	-	(33,137)	-
Carrying amount	賬面值	38,842,869	430,337	-	-	-	-	38,842,869	430,337

		31 December 2024 二零二四年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元	Principal 本金 HK$'000 千港元	Accrued interest 應計利息 HK$'000 千港元
AAA	AAA	8,729,968	263,862	–	–	–	–	8,729,968	263,862
AA- to AA+	AA-至AA+	12,034,589	194,063	–	–	–	–	12,034,589	194,063
A- to A+	A-至A+	16,508,429	162,092	–	–	–	–	16,508,429	162,092
Lower than A-	A-以下	4,208,277	39,750	38,950	979	–	–	4,247,227	40,729
Unrated	無評級	534,734	4,897	–	–	–	–	534,734	4,897
Gross carrying amount	賬面總值	42,015,997	664,664	38,950	979	–	–	42,054,947	665,643
Less: Impairment allowances	減：減值撥備	(31,816)	–	(258)	–	–	–	(32,074)	–
Carrying amount	賬面值	41,984,181	664,664	38,692	979	–	–	42,022,873	665,643

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Credit related commitments and contingencies

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

與信貸有關之承擔及或然項目

		31 December 2025 二零二五年十二月三十一日			
		12-month ECL 12個月內預期信貸虧損	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損	Total 總額
		Principal 本金 HK$'000 千港元	Principal 本金 HK$'000 千港元	Principal 本金 HK$'000 千港元	Principal 本金 HK$'000 千港元
Pass	通過	**25,111,958**	**217,143**	**–**	**25,329,101**
Special mention	關注	**–**	**1,521**	**–**	**1,521**
Gross amount	總額	**25,111,958**	**218,664**	**–**	**25,330,622**
Impairment allowances (Note 25)	減值撥備（附註25）	**(11,346)**	**(2,575)**	**–**	**(13,921)**

		31 December 2024 二零二四年十二月三十一日			
		12-month ECL 12個月內預期信貸虧損	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損	Total 總額
		Principal 本金 HK$'000 千港元	Principal 本金 HK$'000 千港元	Principal 本金 HK$'000 千港元	Principal 本金 HK$'000 千港元
Pass	通過	27,720,091	382,712	–	28,102,803
Special mention	關注	–	61,208	–	61,208
Gross amount	總額	27,720,091	443,920	–	28,164,011
Impairment allowances (Note 25)	減值撥備（附註25）	(15,349)	(7,790)	–	(23,139)

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Credit related commitments and contingencies (continued)

Credit risk that arises from investments securities is managed in the same way as the Group manages its credit risk under corporate lending, with the exposure to the issuer controlled under the overall lending limit to the customer group. Analysis of investment securities by credit rating designation, that are not disclosed in other notes to these financial statements, based on Standard & Poor's ratings or their equivalents, is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融工具之信貸質素(續)

與信貸有關之承擔及或然項目(續)

本集團按管理公司借貸之信貸風險相同之方式，管理其證券投資產生之信貸風險，對發行方之承擔受制於客戶組別授出的整體借貸限額。以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對投資證券進行之分析(並無於該等財務報表的其他附註披露)如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Trading assets	持作交易用途資產		
AA- to AA+	AA-至AA+	**2,460,418**	1,436,973
Debt securities measured at FVOCI	以公平價值於其他全面收益計量之債務證券		
AAA	AAA	**10,994,820**	5,422,304
AA- to AA+	AA-至AA+	**24,410,578**	13,499,889
A- to A+	A-至A+	**263,977**	150,642
		35,669,375	19,072,835

There were no overdue debt securities held by the Group as at 31 December 2025 (2024: Nil).

本集團於二零二五年十二月三十一日並未持有已逾期債務證券(二零二四年：無)。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowances by class of financial instruments at transaction level.

Advances to customers

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬

下表顯示按金融工具交易級別劃分的減值撥備的年初至年末餘額的對賬。

客戶貸款

		2025 二零二五年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	137,671	60,141	263,177	460,989
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損	(4,675)	4,675	–	–
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	4,942	(4,942)	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損	(42)	(11,342)	11,384	–
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	55,658	26,880	–	82,538
Repayments	還款	(39,669)	(28,134)	–	(67,803)
Write-offs	撇銷	–	–	(434,262)	(434,262)
Changes in model or parameters	模型或參數變化	(46,704)	(18,548)	–	(65,252)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(6,293)	32,048	315,514	341,269
At 31 December (Note 16(a))	於十二月三十一日(附註16(a))	100,888	60,778	155,813	317,479

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Advances to customers (continued)

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

客戶貸款(續)

		2024 二零二四年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	165,803	72,172	104,864	342,839
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損	(5,958)	5,958	–	–
Transfer to 12-month ECL	轉至12個月內預期信貸虧損	24,707	(24,707)	–	–
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損	(1,631)	(8,169)	9,800	–
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	57,363	11,640	–	69,003
Repayments	還款	(53,971)	(21,980)	–	(75,951)
Write-offs	撇銷	–	–	(489,128)	(489,128)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(48,642)	25,227	637,641	614,226
At 31 December (Note 16(a))	於十二月三十一日(附註16(a))	137,671	60,141	263,177	460,989

The contractual amount outstanding on advances to customers that were written off during the year ended 31 December 2025 and are still subject to enforcement activity amounted to HK$434.3 million (2024: HK$489.1 million).

截至二零二五年十二月三十一日止年度已撇銷但仍進行執行活動之客戶貸款未償還合約金額為434,300,000港元(二零二四年：489,100,000港元)。

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Debt securities measured at amortized cost

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

以攤銷成本計量之債務證券

		2025 二零二五年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	**31,816**	**258**	**–**	**32,074**
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	**10,006**	**–**	**–**	**10,006**
Repayment	還款	**(4,204)**	**(258)**	**–**	**(4,462)**
Changes in model or parameters	模型或參數變化	**(1,839)**	**–**	**–**	**(1,839)**
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	**(2,642)**	**–**	**–**	**(2,642)**
At 31 December (Note 18)	於十二月三十一日(附註18)	**33,137**	**–**	**–**	**33,137**

		2024 二零二四年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	51,939	1,497	–	53,436
New financial assets originated or purchased and further lending	源生或購入之新金融資產及進一步貸款	8,494	–	–	8,494
Repayment	還款	(13,947)	–	–	(13,947)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(14,670)	(1,239)	–	(15,909)
At 31 December (Note 18)	於十二月三十一日(附註18)	31,816	258	–	32,074

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

其他

		2025 二零二五年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	34,529	7,790	–	42,319
New financial instruments originated or purchased and further lending	源生或購入之新金融工具及進一步貸款	37,137	–	–	37,137
Repayments	還款	(9,169)	–	–	(9,169)
Changes in model or parameters	模型或參數變化	(3,030)	48	–	(2,982)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	(2,716)	(5,263)	–	(7,979)
At 31 December	於十二月三十一日	56,751	2,575	–	59,326
Of which:	其中：				
Cash and short-term funds	現金及短期資金	774	–	–	774
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	24,250	–	–	24,250
Advances to banks (Note 17)	銀行同業貸款(附註17)	19,843	–	–	19,843
Trade bills	商業票據	538	–	–	538
Credit related commitments and contingencies (Note 25)	與信貸有關之承擔及或然項目(附註25)	11,346	2,575	–	13,921
		56,751	2,575	–	59,326

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others (continued)

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬(續)

其他(續)

		2024 二零二四年			
		12-month ECL 12個月內預期信貸虧損 HK$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損 HK$'000 千港元	Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January	於一月一日	24,597	6,289	–	30,886
New financial instruments originated or purchased and further lending	源生或購入之新金融工具及進一步貸款	12,018	–	–	12,018
Repayments	還款	(5,496)	–	–	(5,496)
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額(包括匯兑調整)	3,410	1,501	–	4,911
At 31 December	於十二月三十一日	34,529	7,790	–	42,319
Of which:	其中：				
Cash and short-term funds	現金及短期資金	857	–	–	857
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	5,778	–	–	5,778
Advances to banks (Note 17)	銀行同業貸款(附註17)	10,617	–	–	10,617
Trade bills	商業票據	1,928	–	–	1,928
Credit related commitments and contingencies (Note 25)	與信貸有關之承擔及或然項目(附註25)	15,349	7,790	–	23,139
		34,529	7,790	–	42,319

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xii) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

36. 財務風險管理(續)

(a) 信貸風險管理(續)

(xii) 抵押品及其他信貸提升措施

就金融資產所持有之抵押品及其他信貸提升措施之估計公平價值如下：

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Fair value of collateral and other credit enhancements held against financial assets that are:	就下列金融資產所持有之抵押品及其他信貸提升措施之公平價值：		
– Neither past due nor impaired	－並無逾期或減值	**106,957,525**	93,502,807
– Past due but not impaired	－已逾期但並無減值	**3,924,891**	3,115,126
– Impaired	－已減值	**395,436**	892,311
		111,277,852	97,510,244

(xiii) Collateral and other credit enhancements obtained

At 31 December 2025, total repossessed assets and assets acquired under lending agreements of the Group amounted to HK$8,400,000 (2024: HK$8,700,000) which is included in "Accrued interest and other assets" in the consolidated statement of financial position.

During the year, the Group also took possession on properties that were held as collateral against impaired advances to customers. As the relevant impaired advances to customers have not been written-off at the end of the reporting periods, these properties are not recognized as assets in the consolidated statement of financial position. The market value of these properties is HK$141,230,000 (2024: HK$200,970,000) as of 31 December 2025.

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

(xiii) 已取得之抵押品及其他信貸提升措施

於二零二五年十二月三十一日，本集團之收回資產及根據貸款協議所得資產總值為8,400,000港元(二零二四年：8,700,000港元)，有關金額計入綜合財務狀況表中的「應計利息及其他資產」。

年內，本集團亦收回作為針對客戶減值貸款的擔保而持有的抵押品。由於相關客戶減值貸款在報告期末尚未撇銷，因此該等物業未有在綜合財務狀況表中確認為資產。截至二零二五年十二月三十一日，該等物業之市值為141,230,000港元(二零二四年：200,970,000港元)。

收回物業會儘快予以出售，所得之款項將用以削減未償還之債項。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management

Market risk arises from potential losses in earnings or economic value due to adverse changes in financial markets rates or prices of financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from the statement of financial position or structural positions. The Group transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market making activities, and offsetting transactions taken in order to hedge the Group's open position. The Group does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The RC reviews and approves policy for market risk management including limits and approved financial instruments. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee ("ALCO"). This committee articulates the interest rate view of the Group and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policy, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the RC. Market risk is managed within various limits approved by the RC. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, Value-at-risk ("VaR") limit, Basis Point Value ("BPV") limits, stop loss limits and risk position limits. These limits are reviewed and endorsed by the ALCO and approved by the RC at least annually. The regular limit monitoring is performed daily and the result is reported to the ALCO members. The risk exposures are also reported to the RC and ALCO regularly. The Group adopted the simplified standardized approach for market risk capital calculation.

36. 財務風險管理(續)

(b) 市場風險管理

市場風險產生於盈利或經濟價值因金融市場費率或金融工具(包括證券、外匯合約、股票及其他衍生工具)價格以及財務狀況表或結構性倉盤的不利變動而產生的潛在虧損。本集團在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本集團就執行客戶指令、市場莊家活動，以及為對沖本集團之未平倉盤而持有倉盤。本集團並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引申之風險。

風險委員會檢討及審批有關市場風險管理之政策，包括限額及經批准金融工具。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本集團對利率走勢之預測，而決定有關未來業務策略。該委員會亦審閱及制定融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由風險委員會定期予以檢討及批准。市場風險乃在經由風險委員會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、風險值(VaR)、基點價值(BPV)、止蝕限額及風險倉盤限額設定之限額。資產負債委員會對這些限制進行審閱和認可，並且至少每年一次由風險委員會批准。定期監測每天進行，並將結果報告給資產負債委員會成員。風險承擔也定期向風險委員會及資產負債委員會報告。本集團採用簡化標準計算法計算市場風險資本。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest rate and foreign exchange contracts, which are primarily over-the-counter derivatives. The Group also engages exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customers' demands and to hedge these and other positions.

One of the tools used by the Group to measure, monitor and control market risk exposures is VaR. VaR is a risk measure that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the historical simulation method as the means to estimate the statistical confidence level.

The VaR is only effective for potential loss events which are not correlated. The Group therefore augments its VaR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis and stress testing, both on individual portfolios and Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

(i) Sensitivity analysis of market risk exposures

Trading market risk

Currency risk

As of 31 December 2025, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK$0.73 million lower (2024: HK$0.69 million higher).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK$0.73 million higher (2024: HK$0.69 million lower).

36. 財務風險管理(續)

(b) 市場風險管理(續)

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項主要業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及外匯合約等場外交易衍生工具。本集團亦使用交易所買賣衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖此等和其他倉盤而訂立。

風險值是本集團為計量、監控及限制市場風險所採用之其中一種工具。風險值是一種按既定信心水平及在特定持盤時間內，就市場利率及價格之變動而對持倉盤之潛在虧損之結算的風險度量。計算方式乃使用歷史模擬法估計統計數字信心水平。

風險值僅對不相關的潛在虧損事項有效。因此，本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別組合及本集團之綜合狀況應用較廣範圍之敏感性分析及壓力測試，以評估市價之極端變動對本集團盈利之潛在影響。

(i) 市場風險敏感度分析

交易市場風險

貨幣風險

截至二零二五年十二月三十一日，如港元兑其他貨幣升值0.5%，並假設所有其他變量保持不變，本年度之除税前溢利將減少730,000港元(二零二四年：增加690,000港元)。

反之，如港元兑其他貨幣貶值0.5%，並假設所有其他變量保持不變，本年度之除税前溢利將增加730,000港元(二零二四年：減少690,000港元)。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Trading market risk (continued)

Interest rate risk

The Group measures trading book interest rate risks through BPV. BPV is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group has adopted sensitivity test on interest rate movement based on HKMA instructions. As of 31 December 2025 and 2024, the interest rate upward or downward movement would not result in a material profit movement.

Equity risk

As of 31 December 2025 and 2024, the Group has no equity position in its trading portfolio. As such, any movement in the equity price would have no impact on the Group.

Non-trading market risk

Currency risk

All of the Group's foreign currency position arises from the Group's non-trading activities (e.g. investments, lending and deposit taking) are captured and transferred to the Markets Group. The Markets Group manages these foreign currency exposures and minimizes foreign currency asset and liability mismatch by entering into foreign currency spot and forward transactions. Market Risk Management Department monitors those outstanding foreign currency positions on a daily basis and report to the ALCO regularly.

Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest rate sensitive assets, liabilities and commitments. Interest rate risk is managed by the Funding Desk Department within limits approved by the RC. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest rate sensitive liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate debt securities, loans and liabilities. Structural interest rate risk is monitored by the ALCO.

36. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

交易市場風險(續)

利率風險

本集團透過基點價值法計量交易賬利率風險。BPV是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團已根據金管局指示採用利率變動之敏感度測試。截至二零二五年及二零二四年十二月三十一日，如果上調或下調利率，溢利將不會有重大變動。

股票風險

本集團截至二零二五年及二零二四年十二月三十一日並無持有持作交易用途之股本證券。因此，股價的任何變動對本集團並無影響。

非交易市場風險

貨幣風險

本集團所有來自非交易活動(如投資、放款及吸收存款等)的外匯持倉均轉移到市場部名下。市場部管理此等外幣風險，並以外幣現貨交易及遠期交易減少外幣資產及負債錯配。市場風險管理部負責每天監察此等外幣持倉並定期向資產負債委員會匯報。

利率風險

利率風險主要由利率敏感性資產、負債及承擔之利率重訂時差引致。利率風險由資金部管理，並維持在風險委員會批准之限額之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由非利率敏感性負債(包括股東資金及往來賬戶在內)，以及若干定息債務證券、貸款及負債所產生。結構利率風險由資產負債委員會監控。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk (continued)

Interest rate risk (continued)

As of 31 December 2025, assuming other market variables including prime rate and managed rate remain constant, an increase in Hong Kong Dollars market interest rates movement would result in a decrease on earnings over the next 12 months of HK$421 million (2024: HK$334 million decrease), and a decrease the impacts on economic value of HK$190 million (2024: HK$153 million decrease); while an increase in US Dollars market interest rates of movement would result in a decrease on earnings over the next 12 months of HK$117 million (2024: HK$146 million decrease), and a decrease the impacts on economic value of HK$12 million (2024: HK$84 million decrease).

Conversely, assuming other market variables including prime rate and managed rate remain constant, a decrease in Hong Kong Dollars market interest rates movement would result in an increase on earnings over the next 12 months of HK$421 million (2024: HK$334 million increase); while a decrease in US Dollars market interest rates of movement would result in an increase on earnings over the next 12 months of HK$117 million (2024: HK$146 million increase).

Equity risk

As of 31 December 2025 and 2024, the Group does not hold any non-trading listed equity securities, while the Group holds a small portfolio of non-trading unlisted equity securities at 31 December 2025 and 2024. As such, any movement in the equity price would have insignificant impact on the Group.

The Group holds non-trading unlisted equity investments and uses the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues or the net assets value reported by the management of the investee companies to determine the fair value of the investment. A sensitivity analysis on the fair value of these unlisted equity investments is disclosed in Note 33(a)(ii).

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both years 2025 and 2024.

36. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險(續)

利率風險(續)

截至二零二五年十二月三十一日，假設其他市場變量(包括最優惠利率及在管利率)維持不變，如果港元市場利率變動調升，將導致接下來12個月盈利減少421,000,000港元(二零二四年：減少334,000,000港元)，及對經濟值的影響減少190,000,000港元(二零二四年：減少153,000,000港元)；如果美元市場利率變動調升，將導致接下來12個月盈利減少117,000,000港元(二零二四年：減少146,000,000港元)，及對經濟值的影響減少12,000,000港元(二零二四年：減少84,000,000港元)。

反之，假設其他市場變量(包括最優惠利率及在管利率)維持不變，如果港元市場利率變動下調，將導致接下來12個月盈利增加421,000,000港元(二零二四年：增加334,000,000港元)；如果美元市場利率變動下調，將導致接下來12個月盈利增加117,000,000港元(二零二四年：增加146,000,000港元)。

股票風險

截至二零二五年及二零二四年十二月三十一日，本集團並無持有任何非持作交易用途之上市股本證券，而於二零二五年及二零二四年十二月三十一日本集團持有小部分非持作交易用途之非上市股本證券。因此，股價變動對本集團並無重大影響。

本集團持有非交易非上市股權投資，並使用適用的價格／盈利率及經調整類似上市公司其他市場數據以反映發行的特定條件或被投資公司管理層報告之資產淨值釐定投資之公平價值。該等非上市股權投資公平價值的敏感度分析披露於附註33(a)(ii)。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零二五年及二零二四年而言所採用者乃屬相同。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by the Markets Group within limits approved by the RC. The Group has no structural foreign currency positions as at 31 December 2025 and 2024. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

The following table indicates the concentration of currency risk at the end of the reporting period:

36. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由市場部管理，並維持在風險委員會所訂定之限額內。於二零二五年及二零二四年十二月三十一日，本集團並無結構性外幣持倉。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

下表列示於報告期末之貨幣風險集中度：

		31 December 2025 二零二五年十二月三十一日			
(Equivalent in HK$'000)	(千港元等值)	US Dollars 美元	CNY Dollars 人民幣	AUD Dollars 澳元	Other foreign currencies 其他外幣
ASSETS	**資產**				
Cash and short-term funds	現金及短期資金	2,139,931	589,664	31,406	155,909
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,433,239	1,500,994	–	–
Derivative financial instruments	衍生金融工具	1,102,630	17,549	43,430	5,413
Advances to customers	客戶貸款	13,599,895	2,774,496	6,088,535	3,026,784
Advances to banks	銀行同業貸款	14,737,021	–	–	–
Trade bills	商業票據	245,219	419,557	–	–
Accrued interest and other assets	應計利息及其他資產	1,090,082	908,887	71,175	4,785
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	34,811,245	189,289	3,205,656	–
Debts securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	10,855,183	24,478	1,150,785	–
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	21,201	–	–	–
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	10,441	–	–	–
Fixed assets	固定資產	–	18,245	–	–
Spot assets	**現貨資產**	81,046,087	6,443,159	10,590,987	3,192,891
LIABILITIES	**負債**				
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	1,125,434	445,432	1,837,217	–
Deposits from customers	客戶存款	70,844,489	5,904,361	7,314,042	3,972,406
Derivative financial instruments	衍生金融工具	153,767	15,032	40	4,988
Other liabilities	其他負債	1,169,309	51,342	145,709	37,698
Spot liabilities	**現貨負債**	73,292,999	6,416,167	9,297,008	4,015,092
Net on-balance sheet position	**資產負債表內持倉淨額**	7,753,088	26,992	1,293,979	(822,201)
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(6,804,431)	33,175	(141,543)	(288,300)
Net aggregate position	**總持倉淨額**	948,657	60,167	1,152,436	(1,110,501)
Credit commitments and other contingent liabilities in foreign currencies	**以外幣結算之信貸承擔及其他或然負債**	4,974,495	80,427	3,421	996,975

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

36. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

(Equivalent in HK$'000)	(千港元等值)	31 December 2024 二零二四年十二月三十一日 US Dollars 美元	CNY Dollars 人民幣	Other foreign currencies 其他外幣
ASSETS	**資產**			
Cash and short-term funds	現金及短期資金	3,835,582	261,970	161,765
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,956,347	1,192,580	–
Derivative financial instruments	衍生金融工具	1,815,614	23,471	8,669
Advances to customers	客戶貸款	8,930,317	2,551,877	4,032,507
Advances to banks	銀行同業貸款	5,444,262	–	724,343
Trade bills	商業票據	357,011	399,643	–
Accrued interest and other assets	應計利息及其他資產	994,389	856,422	41,104
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	31,834,538	327,306	1,693,824
Debts securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	4,607,919	8,511	202,978
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	24,681	–	–
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	19,880	–	–
Fixed assets	固定資產	–	7	–
Spot assets	**現貨資產**	60,820,540	5,621,787	6,865,190
LIABILITIES	**負債**			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	1,418,436	509,075	1,280,045
Deposits from customers	客戶存款	49,467,439	4,967,998	6,101,709
Derivative financial instruments	衍生金融工具	29,053	21,835	12,295
Other liabilities	其他負債	2,254,401	67,569	126,869
Spot liabilities	**現貨負債**	53,169,329	5,566,477	7,520,918
Net on-balance sheet position	**資產負債表內持倉淨額**	7,651,211	55,310	(655,728)
Off-balance sheet position	資產負債表外倉盤			
Foreign exchange derivative contracts	外匯衍生合約	(6,092,916)	(27,298)	655,405
Net aggregate position	**總持倉淨額**	1,558,295	28,012	(323)
Credit commitments and other contingent liabilities in foreign currencies	**以外幣結算之信貸承擔及其他或然負債**	749,692	51,677	154,469

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the end of the reporting period. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

36. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析

下表列示於報告期末計息資產與負債於相關期間之實際利率及於預期利息重訂價格日期之錯配。實際重訂價格日期可能因預付款及行使期權而不同於合約日期。

		31 December 2025 二零二五年十二月三十一日						
		Average effective interest rate 平均實際利率	Total 總額	3 months or less (include overdue) 三個月或以下(包括逾期部分)	Over 3 months to 1 year 三個月以上至一年	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上	Non-interest bearing 不計息
			HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
ASSETS	**資產**							
Cash and short-term funds	現金及短期資金	3.92%	5,002,214	2,911,539	-	-	-	2,090,675
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	3.18%	14,425,351	2,384,962	12,040,389	-	-	-
Trading assets	持作交易用途資產	2.75%	2,460,418	1,167,776	1,292,642	-	-	-
Derivative financial instruments	衍生金融工具	N/A不適用	1,301,021	-	-	-	-	1,301,021
Advances to customers	客戶貸款	4.61%	71,084,844	61,475,022	8,038,558	1,094,706	10,585	465,973
Advances to banks	銀行同業貸款	4.49%	15,137,000	12,802,113	2,334,887	-	-	-
Trade bills	商業票據	2.79%	664,776	-	308,174	356,602	-	-
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	4.17%	38,842,869	9,333,812	6,377,323	18,429,362	4,700,372	2,000
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	3.57%	35,669,375	17,228,926	7,498,331	9,838,263	1,103,855	-
Investment fund measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	N/A不適用	21,201	-	-	-	-	21,201
Other assets	其他資產	N/A不適用	6,112,213	-	-	-	-	6,112,213
			190,721,282	107,304,150	37,890,304	29,718,933	5,814,812	9,993,083
LIABILITIES	**負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	2.54%	4,013,695	3,897,618	-	-	-	116,077
Deposits from customers	客戶存款	2.79%	162,892,400	121,177,448	41,240,297	575	-	474,080
Trading liabilities	交易賬項下之負債	2.74%	2,460,418	1,167,776	1,292,642	-	-	-
Derivative financial instruments	衍生金融工具	N/A不適用	304,600	-	-	-	-	304,600
Lease liabilities	租賃負債	3.49%	94,316	-	4,696	53,278	36,342	-
Other liabilities	其他負債	N/A不適用	3,109,883	-	-	-	-	3,109,883
			172,875,312	126,242,842	42,537,635	53,853	36,342	4,004,640
Interest rate sensitivity gap	**利率敏感度差距**			(18,938,692)	(4,647,331)	29,665,080	5,778,470	

Derivative financial instruments are carried at fair values. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值列賬。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

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

36. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析(續)

		31 December 2024 二零二四年十二月三十一日						
		Average effective interest rate 平均實際利率	Total 總額 HK$'000 千港元	3 months or less (include overdue) 三個月或以下(包括逾期部分) HK$'000 千港元	Over 3 months to 1 year 三個月以上至一年 HK$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Non-interest bearing 不計息 HK$'000 千港元
ASSETS	**資產**							
Cash and short-term funds	現金及短期資金	4.64%	8,516,072	6,836,659	–	–	–	1,679,413
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	4.20%	10,685,622	3,089,011	7,596,611	–	–	–
Trading assets	持作交易用途資產	3.77%	1,436,973	249,025	1,187,948	–	–	–
Derivative financial instruments	衍生金融工具	N/A不適用	1,916,183	–	–	–	–	1,916,183
Advances to customers	客戶貸款	5.33%	62,701,653	46,445,140	14,054,963	1,212,462	46,331	942,757
Advances to banks	銀行同業貸款	5.15%	7,168,457	7,168,457	–	–	–	–
Trade bills	商業票據	3.73%	756,654	499,855	256,799	–	–	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	4.03%	42,022,873	9,330,138	7,373,592	19,275,315	6,041,828	2,000
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	4.12%	19,072,835	9,013,433	5,538,351	3,511,117	1,009,934	–
Investment fund measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	N/A不適用	24,681	–	–	–	–	24,681
Other assets	其他資產	5.38%	5,949,747	28,522	–	–	–	5,921,225
			160,251,750	82,660,240	36,008,264	23,998,894	7,098,093	10,486,259
LIABILITIES	**負債**							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	3.80%	3,856,010	3,703,176	–	–	–	152,834
Deposits from customers	客戶存款	3.54%	133,895,361	101,857,896	31,446,197	1,290	–	589,978
Trading liabilities	交易賬項下之負債	3.67%	941,735	249,025	692,710	–	–	–
Derivative financial instruments	衍生金融工具	N/A不適用	101,708	–	–	–	–	101,708
Lease liabilities	租賃負債	3.75%	86,148	6,764	15,883	44,438	19,063	–
Other liabilities	其他負債	N/A不適用	4,822,076	–	–	–	–	4,822,076
			143,703,038	105,816,861	32,154,790	45,728	19,063	5,666,596
Interest rate sensitivity gap	**利率敏感度差距**			(23,156,621)	3,853,474	23,953,166	7,079,030	

Derivative financial instruments are carried at fair values. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值列賬。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity maintenance ratio, and to make new loans and investments as opportunities arise.

The Group has a Liquidity Risk Management Policy which covers the Group's liquidity risk management strategy, a mechanism to identify, measure, monitor and control liquidity risks, and also the Group's contingency funding plan. The Group also has a Liquidity Risk Management Guideline which covers risk measurement, risk reporting and operational requirements in implementing the Group's liquidity management strategy. The policy and guideline are both reviewed by the ALCO. The policy and guideline are approved by the RC and the ALCO respectively.

The RC reviews and approves the Group's risk appetite statement at least annually. The Group's liquidity risk management strategy is to maintain a healthy liquidity position with adequate stock of liquid assets, well-diversified funding structure relying on a broad customer deposit portfolio with prudent loan-to-deposits ratio and money market funding ratio to support the Group's liquidity needs under both normal and stressed conditions.

It is the responsibility of the management to ensure compliance with local regulatory requirements and limits set by the RC. Liquidity is managed on a daily basis by the Funding Desk Department. The Funding Desk Department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to minimise price and reinvestment rate risk in the case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

Compliance with liquidity and funding requirements is monitored by the ALCO and is reported to the RC on a regular basis. This process includes:

- maintaining balances within relevant regulatory requirements;
- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;

36. 財務風險管理(續)

(c) 流動性風險管理

流動性風險管理旨在確保足夠現金流以滿足所有財務承擔之所需及滿足業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時償還貸款、為符合法定流動性維持比率所需及當新貸款及投資機會出現時所需資金的能力。

本集團的流動性風險管理政策涵蓋本集團的流動性風險管理策略，識別、計量、監控及控制流動性風險的機制，以及本集團的應急資金計劃。本集團亦有流動性風險管理指引，涵蓋本集團實施流動性管理策略的風險衡量、風險報告及營運要求。該政策及指引均由資產負債委員會審核，並分別由風險委員會及資產負債委員會批准。

風險委員會至少每年審查並批准本集團的風險偏好聲明。本集團的流動性風險管理策略則為保持擁有充足的流動資產存量的良好流動性狀況，依賴於廣泛的客戶存款組合及具有審慎的貸存比率與貨幣市場融資比率的良好多元化融資結構，以支持本集團在正常及壓力條件下的流動性需求。

管理層的職責為確保遵守本地監管規定及風險委員會設立的限額。資金部每日對本集團的流動資金進行管理。資金部負責確保本集團擁有充足流動資金以應付所有營運活動、確保有適當之資金組合以避免期限錯配，並在存在年期差距時降低價格及再投資利率風險並監察相關市場之資金充足性及流動性。

資金流動性及融資規定之遵守乃由資產負債委員會監管及定期向風險委員會報告。該過程包括：

- 於有關監管規定範圍內維持平衡；
- 預測各種壓力情況下的現金流及考慮與此有關的必要流動資產水平；

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

- maintaining adequate intraday liquidity position and assessing how the intraday liquidity profile will change in conditions of stress;
- monitoring balance sheet liquidity and loan-to-deposits ratios against internal requirements;
- maintaining a diverse range of funding sources with adequate back-up facilities;
- managing the concentration and profile of debt maturities;
- managing lending commitments to customers within pre-determined management alert triggers;
- managing debt financing plans;
- monitoring depositor concentration in order to avoid undue reliance on large individual depositors and ensuring a satisfactory overall funding mix;
- maintaining funding contingency plans, which identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systematic or other crises, while minimizing adverse long-term implications for the business; and
- managing liquidity on a legal entity and on a group basis. Intragroup funding transactions are carried out at arm's length and treated in the same way as transactions with non-related third parties and controlled within pre-determined management alert triggers.

Primary sources of funding

Customer deposits form a significant part of the Group's overall funding. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail and corporate banking activities and by maintaining depositor confidence in the Group's capital strength. The Group also issues certificates of deposit with different maturities from time to time. Interbank markets are also accessed for the purposes of providing additional funding, maintaining a regular presence in local money markets and optimising asset and liability maturities.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

- 維持充足當日流動資金狀況及評估當日流動資金狀況在壓力條件下將如何變動；
- 依照內部規定監控資產負債表流動性及貸存比率；
- 借助充足預備融資維持多樣化的流動資金來源；
- 管理債務期限集中度及狀況；
- 於管理警告觸發水平範圍內管理客戶借貸承擔；
- 管理債務融資計劃；
- 監管存款人集中度，以避免過度依賴個別大額存款人以及確保令人滿意的全面融資組合；
- 設立應急融資計劃，載明可於系統性或其他危機時識別早期壓力狀況之預警指標並說明將予採取的行動，而降低對業務的不利長期影響；及
- 按法人實體及集團基準管理流動資金。集團內公司間公平進行融資交易，按與非關聯第三方進行交易的相同方式處理並按預定限額管理。

資金的主要來源

客戶存款構成本集團整體資金的重大部分。本集團相當重視該等存款的穩定性，方式為透過本集團零售及企業銀行業務及維持存款人對本集團資本實力的信心。本集團亦不時發行不同到期日的存款證，亦有透過銀行同業市場取得額外資金，維持本集團於本地同業市場之參與及優化資產及負債到期狀況。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingency planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudential levels. Debt securities held are marked to the market on daily basis to ensure their market liquidity. The Group also adopts a funding strategy that is to achieve diversification of funding by controlling the concentration of top depositors, wholesale funding and reliance on foreign exchange swap markets. Moreover, adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

In addition to observing the statutory liquidity ratios, the Group has established different liquidity risk metrics, including but not limited to the liquidity maintenance ratio, loan-to-deposits ratio, cumulative cash flow gap and concentration of funding sources to measure and analyze its liquidity risks. Capital, Asset and Liability Management Division is responsible for measurement and monitoring of these liquidity metrics and reporting to the ALCO regularly.

The Group assesses and monitors the structure of balance sheet and also the concentration of funding sources from time to time with use of different risk metrics. During the year ended 31 December 2025 and 2024:

- Loan-to-deposits ratio was kept below 85% for the aggregate position of all currencies and also not exceeding respective management alert trigger levels for each significant lending currency;
- Core funding ratio was maintained above 125%;
- Irrevocable undrawn lending commitments (for the purpose of Liquidity Maintenance Ratio) were maintained not exceeding HK$11 billion;
- Single depositor concentration was maintained below 5% of total customer deposits;

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理

作為其流動性風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、維持分散的流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產(如現金及短期基金與證券)確保短期資金需求在審慎水平內來管理流動性風險。本集團每日對所持有債務證券進行市場評價以確保其市場流動性。本集團亦採納透過控制大額存款人集中度、批發融資及對外匯掉期市場的依賴性以達至融資多樣性的融資策略。此外，維持備用融資在充足水平以提供策略性流動資金，從而滿足於日常業務過程中意外及重大現金流出。

除緊守法定的流動性維持比率外，本集團已設立不同的流動性風險標準以衡量及分析流動性風險，包括(但不限於)流動性維持比率、貸存比率、累計現金流缺口及資金來源集中度。資本資產及負債管理部負責計量及監管該等流動資金標準及定期向資產負債委員會匯報。

本集團使用不同風險指標不時評估及監察資產負債表結構及資金來源的集中度。於截至二零二五年及二零二四年十二月三十一日止年度：

- 所有貨幣加總的貸存比率保持低於85%以下，且每個重大貸款貨幣亦未超過各自的管理警告觸發水平；
- 核心資金比率保持高於125%；
- 不可撤銷未履行借貸承擔(就流動性維持比率而言)維持不超過110億港元；
- 單一存款人的集中度維持在客戶存款總額的5%以下；

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

- Concentration of the top 10 depositors was maintained below 20% of total customer deposits;
- Concentration of financial institution deposits was maintained below 15% of total customer deposits, while concentration of individual deposits was maintained above 50% of total customer deposits;
- Swapped fund ratio (measuring reliance on foreign exchange and/or currency swap markets) was maintained below 15%;
- Wholesale funding (repurchase agreements and interbank taking) was kept below 20% of total funding;
- Certificates of deposit and other debt securities issued did not exceed 10% of total customer deposits (including certificates of deposit and other debt securities issued); and
- Intragroup funding was maintained at minimal level not exceeding USD53 million.

Core deposits

The Group monitors the stability of customer deposits by means of the core deposit ratio, which is the ratio of core deposits to customer deposits. The Group categorizes customer deposits into core deposits after taking into consideration of deposits protection and stability of customer's total balance. An alert trigger level is set on the core deposits ratio which is monitored by the ALCO.

Loan-to-deposits ratio

The Group emphasizes the importance of customer deposits as a source of funds to finance lending to customers, and mitigate against reliance on short-term interbank funding. A limit on the loan-to-deposits ratio is established and approved by the RC and monitored by the ALCO. Management alert triggers are also set on loan-to-deposits ratio for significant lending currencies and monitored by the ALCO.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

- 前10名存款人的集中度維持在客戶存款總額的20%以下；
- 金融機構存款集中度維持在客戶存款總額的15%以下，而個人戶存款集中度維持在客戶存款總額的50%以上；
- 掉期基金比率(衡量對外匯及／或貨幣掉期市場的依賴度)維持低於15%；
- 批發資金(回購協議及銀行同業拆借)保持低於資金總額的20%以下；
- 存款證及其他已發行債務證券不超過客戶存款總額(包括存款證及其他已發行的債務證券)的10%；及
- 內部集團資金維持在不超過53,000,000美元的低水平。

核心存款

本集團透過核心存款比率(即核心存款對客戶存款的比率)監控客戶存款的穩定性。本集團考量存款保障及客戶總餘額的穩定性將客戶存款分類為核心存款。本集團亦為核心存款比率設立警告觸發水平，該水平由資產負債委員會監管。

貸存比率

本集團重視客戶存款的重要性，視之為撥付貸款予客戶的資金來源，並減少對短期銀行同業融資的依賴。貸存比率的限制由風險委員會設立並批准，且由資產負債委員會監管。亦就重大貸款貨幣的貸存比率設定管理警告觸發水平，並由資產負債委員會監管。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Cash flow projection and stress testing

The Group conducts cash flow analysis and cash flow projection arising from on- and off-balance sheet items over a set of time horizons on a regular basis to identify funding needs in specific time buckets. The Group also regularly performs stress tests on its liquidity position to ensure adequate liquidity is maintained at all time. In the stress test, both on- and off-balance sheet items with a cash flow impact are considered, with applicable hypothetical and historical assumptions. Three stressed scenarios, namely an institution-specific crisis scenario, a general market crisis scenario, and a combined scenario are adopted with minimum survival period defined pursuant to the HKMA's Supervisory Policy Manual ("SPM") "Sound Systems and Controls for Liquidity Risk Management". Stress testing assumptions are reviewed and approved by the ALCO regularly to ensure their continued appropriateness.

Liquidity Cushion

The Group maintains a stock of high-quality readily liquefiable assets as a liquidity cushion against a range of stressed scenarios. The eligible assets are unencumbered, low credit risk and low market risk. The liquidity cushion is segregated from debt securities held for trading purposes. A certain portion of the liquidity cushion is made up of the most liquid and readily marketable assets (such as debt securities issued by government or multilateral development banks) that can be easily liquidated to meet funding needs in the initial phase of liquidity stress.

The size of the liquidity cushion shall be adequate to meet the Group's day-to-day liquidity needs and also emergency funding needs under both normal and stress market conditions. The minimum required size of the liquidity cushion is determined with reference to the funding gap generated from the Group's regular liquidity stress testing results. Management alert triggers are established by the ALCO to ensure sufficient size of liquidity cushion is maintained and appropriate diversification among the liquidity cushion is achieved. The size and mix of the liquidity cushion is reviewed by the ALCO regularly.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

現金流預測及壓力測試

本集團定期透過對一系列時間內的資產負債表內外項目進行現金流分析及現金流預測以辨認特定時間內的資金需要。本集團亦定期對流動性狀況進行壓力測試以確保一直保持適當的流動性。透過運用適當的假定及歷史假設，本集團的壓力測試均已考慮對現金流會造成影響的資產負債表內外項目。三個壓力情景(即個別銀行危機、整體市場危機及綜合危機)均採用金管局監管政策手冊「穩健的流動性風險管理系統及管控措施」界定的最短存活期。資產負債委員會定期檢討及審批壓力測試假設，以確保其持續適用。

流動資金緩衝

本集團維持充足的可隨時變現的優質流動資產，作為在一系列壓力情況下的流動資金緩衝。合資格資產不附帶產權負擔、承擔低信貸風險及低市場風險。流動資金緩衝須與持作交易用途的債務證券分開管理。流動資金緩衝的若干部分由最具流動性並可隨時變現的有價資產(例如由政府或多邊開發銀行發行的債務證券)組成。有關資產極易變現，可滿足流動性壓力初始階段的資金需求。

流動資金緩衝規模應足以滿足本集團日常流動資金需求以及正常及壓力市況下之緊急資金需求。最低需求的流動資金緩衝規模乃經參考本集團流動資金定期壓力測試結果產生之資金缺口釐定。資產負債委員會設定管理警告觸發水平，以確保維持足夠規模之流動資金緩衝及達至流動資金緩衝的適當多元化。資產負債委員會定期審查流動資金緩衝規模及組合。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Liquidity Cushion (continued)

Size and mix of liquidity cushion were maintained at adequate level throughout the year ended 31 December 2025 and 2024:

- net long position of Exchange Fund Bills/Notes held was maintained at not less than HK$5 billion (2024: HK$4 billion);
- assets eligible for Lenders of Last Resort purpose was maintained at not less than 30% (2024: 30%) of total customer deposits;
- level 1 high-quality readily liquefiable assets were maintained at not less than 13% (2024: 13%) of total customer deposits;
- non-financial institution high-quality readily liquefiable assets were maintained at not less than 30% (2024: 30%) of total customer deposits; and
- total high-quality readily liquefiable assets were maintained at not less than 36% (2024: 36%) of total customer deposits.

Contingent liquidity risk

The Group provides customers with committed and standby facilities. These facilities increase the funding requirements of the Group when customers drawdown. The liquidity risk associated with the potential drawdown on committed facilities is factored into our stressed scenarios and a management alert trigger is set for these facilities.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

流動資金緩衝(續)

流動資金緩衝規模及組合於截至二零二五年及二零二四年十二月三十一日止整個年度保持充足的水平：

- 持有外匯基金票據／票據的長倉淨額維持不少於50億港元(二零二四年：40億港元)；
- 符合緊急貸款者用途資格之資產保持不低於客戶存款總額的30%(二零二四年：30%)；
- 第一級優質流動資產保持不低於客戶存款總額的13%(二零二四年：13%)；
- 非金融機構優質流動資產保持不低於客戶存款總額的30%(二零二四年：30%)；及
- 優質流動資產總額保持不低於客戶存款總額的36%(二零二四年：36%)。

或然流動性風險

本集團向客戶提供承諾及備用融資。倘客戶提取資金，該等融資將增加本集團資金需求。與承諾融資可能被提取有關的流動性風險已計作壓力情況的一項因素，且就該等承諾融資設定管理警告觸發水平。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Contingency funding plan

The Group has formulated a Contingency Funding Plan ("CFP") that describes the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations. The CFP is designed to be pro-active and pre-emptive. The Group utilizes early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the management would be informed for their consideration. Once the CFP is triggered, a Crisis Management Team, which is led by senior management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated. The CFP also includes the analysis of cash flow projections to estimate potential liquidity needs under stress scenarios.

The CFP is subject to regular testing to ensure its effectiveness and operational feasibility, particularly in respect of the availability of the contingency sources of funding listed in it. The CFP is also subject to review and update on a regular basis to ensure it remains robust over time. Any change to the CFP would be approved by the RC.

Moreover, in accordance with the HKMA's SPM "Recovery Planning", the Group has established a Recovery Plan, which has been approved by the Board. The Recovery Plan helps ensure that the Group is able to recover quickly from period of severe stress and preserve or restore its liquidity level. The Recovery Plan is subject to regular, at least annually, review and update.

Liquidity exposures

The Group's liquidity exposures are measured on a consolidated basis which comprises the Bank and Fubon Credit (Hong Kong) Limited as designated by the HKMA for regulatory purposes.

The Group maintains average liquidity maintenance and core funding ratios well above the statutory minimum ratios of 25% and 75% respectively throughout the years ended 31 December 2025 and 2024.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

應急融資計劃

本集團已制定應急融資計劃，當中訂明處理流動性問題的策略及於緊急情況下彌補現金流不足的程序。應急融資計劃旨在提供防患未然的積極措施。本集團運用預警指標，當中包括質化及量化指標，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，管理層將獲通知供其考慮。一旦啟動應急融資計劃，將成立由高級管理層領導的危機管理團隊，專責處理危機。應急融資計劃訂明取得應急資金的策略及程序，以及有關各方的職務及職責。應急融資計劃亦包括現金流預測之分析，以估計在壓力情景下潛在流動性所需。

應急融資計劃須定期進行測試，以確保其效益及操作可行性，尤其是列於其中之資金來源之可獲得性。此外，應急融資計劃須定期檢討及更新，以確保其健全性。應急融資計劃之任何變動將由風險委員會批准。

此外，根據金管局監管政策手冊「恢復計劃」，本集團已設立恢復計劃並獲董事會批准。恢復計劃有助本集團迅速自重大壓力期內恢復並保持其流動資金水平。恢復計劃須定期(最少每年一次)審閱及更新。

流動性風險承擔

本集團的流動性風險按綜合基準計量，包括金管局為監管目的而指定的本行及富邦財務(香港)有限公司。

於截至二零二五年及二零二四年十二月三十一日止整個年度，本集團分別保持平均流動性維持比率及核心資金比率遠高於法定最低比率25%及75%

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity

The following maturity profile is prepared based on the remaining period at the end of the reporting period to the contractual maturity date.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債

下列期限組別乃基於報告期末至合約訂明到期日之剩餘期限編製。

		31 December 2025 二零二五年十二月三十一日							
		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
ASSETS	**資產**								
Cash and short-term funds	現金及短期資金	5,002,214	2,133,492	2,868,722	-	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	14,425,351	-	-	2,387,682	12,037,669	-	-	-
Trading assets	持作交易用途資產	2,460,418	-	469,251	698,525	1,292,642	-	-	-
Derivative financial instruments	衍生金融工具	1,301,021	-	-	-	-	-	-	1,301,021
Advances to customers	客戶貸款	71,084,844	-	12,515,423	2,742,369	10,110,650	22,789,113	21,291,516	1,635,773
Advances to banks	銀行同業貸款	15,137,000	-	-	778,346	1,831,308	11,005,536	1,521,810	-
Trade bills	商業票據	664,776	-	66,189	241,983	356,604	-	-	-
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	38,842,869	-	919,065	1,740,342	5,363,864	24,701,230	6,116,368	2,000
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	35,669,375	-	5,662,389	8,106,694	7,642,756	12,761,815	1,495,721	-
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	21,201	-	-	-	-	-	-	21,201
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	72,495	-	-	-	-	-	-	72,495
Other assets	其他資產	6,039,718	-	1,014,678	1,398,360	458,106	10,941	-	3,157,633
		190,721,282	2,133,492	23,515,717	18,094,301	39,093,599	71,268,635	30,425,415	6,190,123
LIABILITIES	**負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	4,013,695	116,077	2,670,283	1,227,335	-	-	-	-
Deposits from customers	客戶存款	162,892,400	18,594,777	35,290,773	67,765,978	41,240,297	575	-	-
Trading liabilities	交易賬項下之負債	2,460,418	-	469,251	698,525	1,292,642	-	-	-
Derivative financial instruments	衍生金融工具	304,600	-	-	-	-	-	-	304,600
Other liabilities	其他負債	3,204,199	-	1,619,393	519,543	593,227	58,354	14,203	399,479
		172,875,312	18,710,854	40,049,700	70,211,381	43,126,166	58,929	14,203	704,079
Net liquidity gap	**流動資金缺口淨額**		(16,577,362)	(16,533,983)	(52,117,080)	(4,032,567)	71,209,706	30,411,212	

Derivative financial instruments are carried at fair values which do not present its expected cashflow on contractual maturity date. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值列賬，公平價值並未呈列衍生金融工具於合約到期日的預期現金流。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

31 December 2024
二零二四年十二月三十一日

		Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元	Undated or overdue 無定期或逾期 HK$'000 千港元
ASSETS	**資產**								
Cash and short-term funds	現金及短期資金	8,516,072	1,710,981	6,805,091	–	–	–	–	–
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	10,685,622	–	–	3,089,727	7,595,895	–	–	–
Trading assets	持作交易用途資產	1,436,973	–	–	249,025	1,187,948	–	–	–
Derivative financial instruments	衍生金融工具	1,916,183	–	–	–	–	–	–	1,916,183
Advances to customers	客戶貸款	62,701,653	–	12,610,224	4,100,032	7,114,967	18,410,298	18,299,175	2,166,957
Advances to banks	銀行同業貸款	7,168,457	–	–	–	1,810,393	5,358,064	–	–
Trade bills	商業票據	756,654	–	351,556	147,470	257,628	–	–	–
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	42,022,873	–	1,688,498	4,617,022	6,436,585	22,246,839	7,031,929	2,000
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	19,072,835	–	2,497,450	4,888,358	5,538,351	4,807,097	1,341,579	–
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	24,681	–	–	–	–	–	–	24,681
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	72,221	–	–	–	–	–	–	72,221
Other assets	其他資產	5,877,526	–	978,494	1,467,587	393,420	7,789	17	3,030,219
		160,251,750	1,710,981	24,931,313	18,559,221	30,335,187	50,830,087	26,672,700	7,212,261
LIABILITIES	**負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	3,856,010	152,834	1,843,070	1,860,106	–	–	–	–
Deposits from customers	客戶存款	133,895,361	16,784,553	36,810,224	48,853,097	31,446,197	1,290	–	–
Trading liabilities	交易賬項下之負債	941,735	–	–	249,025	692,710	–	–	–
Derivative financial instruments	衍生金融工具	101,708	–	–	–	–	–	–	101,708
Other liabilities	其他負債	4,908,224	–	3,299,115	550,434	594,753	56,036	19,063	388,823
		143,703,038	16,937,387	41,952,409	51,512,662	32,733,660	57,326	19,063	490,531
Net liquidity gap	**流動資金缺口淨額**		(15,226,406)	(17,021,096)	(32,953,441)	(2,398,473)	50,772,761	26,653,637	

Derivative financial instruments are carried at fair values which do not present its expected cashflow on contractual maturity date. Note 15(c) includes further information on the remaining maturity of derivatives by notional amount.

衍生金融工具按公平價值列賬，公平價值並未呈列衍生金融工具於合約到期日的預期現金流。附註15(c)包括按名義金額分析衍生工具剩餘期限的進一步資料。

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

The following table sets out contractual cash flow projections of the Group's financial liabilities and off-balance sheet exposures analysed by the remaining period as at the end of the reporting period to the contractual maturity dates.

36. 財務風險管理(續)

(c) 流動性風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析

下表載列按報告期末至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。

		31 December 2025 二零二五年十二月三十一日							
		Carrying amount 賬面值 HK$'000 千港元	Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
Financial liabilities	**金融負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	4,013,695	4,013,695	116,077	2,670,283	1,227,335	–	–	–
Deposits from customers	客戶存款	162,892,400	162,892,400	18,594,777	35,290,773	67,765,978	41,240,297	575	–
Trading liabilities	交易賬項下之負債	2,460,418	2,460,418	–	469,251	698,525	1,292,642	–	–
Other liabilities	其他負債	2,783,639	3,692,537	–	1,638,167	883,915	1,097,883	58,369	14,203
		172,150,152	173,059,050	18,710,854	40,068,474	70,575,753	43,630,822	58,944	14,203
Off-balance sheet exposures	**資產負債表外之風險承擔**								
– Contingent liabilities	–或然負債	454,373	454,373	–	454,373	–	–	–	–
– Commitments	–承擔	24,876,249	24,876,249	24,876,249	–	–	–	–	–
		25,330,622	25,330,622	24,876,249	454,373	–	–	–	–

		31 December 2024 二零二四年十二月三十一日							
		Carrying amount 賬面值 HK$'000 千港元	Total 總額 HK$'000 千港元	Repayable on demand 即時還款 HK$'000 千港元	Within 1 month 一個月內 HK$'000 千港元	Over 1 month but within 3 months 一個月以上三個月以內 HK$'000 千港元	Over 3 months but within 1 year 三個月以上一年以內 HK$'000 千港元	Over 1 year but within 5 years 一年以上五年以內 HK$'000 千港元	Over 5 years 五年以上 HK$'000 千港元
Financial liabilities	**金融負債**								
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	3,856,010	3,856,010	152,834	1,843,070	1,860,106	–	–	–
Deposits from customers	客戶存款	133,895,361	133,895,361	16,784,554	36,810,221	48,853,098	31,446,198	1,290	–
Trading liabilities	交易賬項下之負債	941,735	941,735	–	–	249,025	692,710	–	–
Other liabilities	其他負債	4,518,782	5,464,057	–	3,355,306	837,145	1,196,473	56,070	19,063
		143,211,888	144,157,163	16,937,388	42,008,597	51,799,374	33,335,381	57,360	19,063
Off-balance sheet exposures	**資產負債表外之風險承擔**								
– Contingent liabilities	–或然負債	497,822	497,822	–	497,822	–	–	–	–
– Commitments	–承擔	27,666,189	27,666,189	27,666,189	–	–	–	–	–
		28,164,011	28,164,011	27,666,189	497,822	–	–	–	–

36. FINANCIAL RISK MANAGEMENT (continued)

(d) Operational risk management

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Given that operational risk is inherent in all business products, activities, processes and systems, the Group has developed, implemented and maintained a robust operational risk management framework to facilitate the timely identification, effective assessment and mitigation of the risk. Internal controls, an integral part of a sound operational risk management framework, are maintained by the departmental operational manuals which provide guidance on the baseline controls to ensure a sound management of business and operations.

The RC provides oversight of the risk management of the Group, regularly reviews the Group's operational risk framework, risk appetite and risk profiles, and approves the risk management policies. The Internal Control Committee also plays an active role in overseeing operational risk related issues and monitoring the implementation of improvement plans for risk events identified and rectifications needed in operational risk management tools, including Control Self Assessment and Key Risk Indicator.

Business and support units are required to review their procedures regularly to ensure compliance with internal control standards and regulatory requirements. They are also required to work closely with Operational Risk Management Department and Compliance and Anti-Money Laundering Division on internal control, regulatory compliance and operational risk management related activities and initiatives.

Each new product or service introduced or variation of existing products or services is subject to a rigorous review and approval process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Proper and adequate due diligence process is in place to ensure all on-shelf products are reviewed on a continuous basis. In addition, the Group maintains business continuity and resilience arrangements, including recovery capabilities and alternative facilities, which are regularly tested to support the continuity of critical operations and limit losses in the event of severe business disruptions.

Internal Audit Division plays an essential role in monitoring and limiting operational risk. Their foci include evaluating the adequacy of all internal controls independently, ensuring adherence to operating guidelines and making improvement recommendations pro-actively.

36. 財務風險管理(續)

(d) 營運風險管理

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。鑒於所有業務產品、活動、過程及制度均具有內在營運風險，本集團已制定、實施及維持健全的營運風險管理框架，以促進及時識別、有效評估及減少該風險。內部監控作為穩健營運風險管理框架之重要部分，已按照部門營運手冊(載有基本監控之指引，確保一個受控制且穩健的營運環境)而實施。

風險委員會監察本集團的風險管理，定期審閱本集團的營運風險框架、風險偏好及風險狀況，並審批風險管理政策。內部監控委員會亦發揮重要作用，監督營運風險相關事宜及監控已識別風險事項的改善計劃及由營運風險管理工具(包括自我監控評估及主要風險指標)所需的待糾正事項。

業務及支援單位須定期審閱其程序以確保符合內部監控標準及監管規定。彼等亦須就內部監控、監管合規及營運風險管理相關活動及措施與營運風險管理部門，合規及反洗黑錢部門緊密合作。

各新產品或服務的引進或現有產品或服務的更改均須進行嚴格檢閱及審批過程，並由獨立於建議該產品或服務的風險承擔部門之獨立部門識別及評估所有相關風險。本集團已制定適當及充足的盡職審查程序，以確保持續檢討所有現成產品。此外，本集團亦制定持續業務運作及復原力安排，包括恢復能力及備用設施，並定期進行測試，以支持關鍵業務持續運作及限制在發生嚴重業務中斷情況下造成的虧損。

內部審核部在監察及限定營運風險方面發揮關鍵作用。彼等的焦點包括獨立評估所有內部監控的充分性、確保遵守營運指引以及主動提出改善建議。

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to maximise returns for shareholders and optimise benefits for other stakeholders, and to maintain a strong capital base to support the development of the Group's business by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's capital management is overseen by the ALCO and reviewed regularly by the Board. Key tools adopted include internal capital adequacy assessment process ("ICAAP"), capital budgeting, monitoring, and stress testing. An annual ICAAP is conducted to identify and measure the risks it faces and to assess how much regulatory capital is needed to support pursuant to HKMA's requirements in the SPM module CA-G-5 "Supervisory Review Process". An annual capital budget is prepared during the annual budgeting process to assess the adequacy of the Group's capital to support current and future business activities taking into account the Group's strategic focus and business plan. The annual budget is approved by the Board. Actual capital adequacy is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed to assess impact on capital adequacy ratios. The Group's recovery plan ensures that the Group is able to preserve or restore its capital level during a severe stress period. The recovery plan is subject to regular, at least annually, review and update.

The principal forms of capital are included in the following balances in the consolidated statement of financial position: share capital and reserves. Capital for regulatory purposes also includes the impairment allowances made against Stage 1 and Stage 2 financial instruments as allowed by the Banking Capital Rules of the Hong Kong Banking Ordinance ("Capital Rules").

The Group adopts the standardized approach for the calculation of risk-weighted assets for credit risk and operational risk, and the simplified standardized approach for the calculation of market risk.

36. 財務風險管理(續)

(e) 資本管理

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，以便能夠為股東實現最大回報，並為其他權益持有人優化利益，且保持雄厚的資本基礎，以便透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，以支持本集團業務發展。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

本集團的資本管理由資產負債委員會監督，並由董事會定期審查。採納的關鍵工具包括內部資本充足評估程序、資本預算、監管及壓力測試。根據金管局於監管政策手冊中單元CA-G-5「監管審查程序」的規定，進行年度內部資本充足評估程序以識別及計量面臨的風險，並評估需要多少監管資金作支援。年度資本預算乃於年度預算過程中編製，經計及本集團策略重點及業務計劃後，評估本集團之資本充足性，從而支持當期及未來業務活動。年度預算由董事會批准。實際資本充足性乃按定期基準計量及與批准預算進行比較。此外，針對本集團面臨的風險的主要來源進行定期壓力測試及情況分析，以評估對資本充足性比率的影響。本集團的恢復計劃確保本集團於嚴重受壓期間能夠維持或恢復其資金水平。恢復計劃須定期(最少每年一次)審閱及更新。

資本的主要形式包括以下於綜合財務狀況表的餘額：股本及儲備。就監管目的而言，資本亦包括香港《銀行業條例》資本規則(「資本規則」)所允許的對第一階段和第二階段金融工具的減值準備。

本集團採用標準化方法計算信貸風險及營運風險之風險加權資產，而對市場風險則採用簡化標準計算法進行計算。

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management (continued)

Consistent with industry practice, the Group monitors its capital structure on the basis of its capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the years ended 31 December 2025 and 2024.

The Group computes its capital adequacy ratios and leverage ratio of the Bank and certain specified subsidiaries in accordance with the Capital Rules. Certain non-banking financial subsidiaries are also subject to the supervision and capital requirements of local regulatory authorities. The Group regularly measures and monitors capital adequacy of these regulated subsidiaries.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2025 and 2024, and were above the minimum required ratio set by the HKMA and other regulatory authorities. As at 31 December 2025, the Group's consolidated total capital ratio was 19.10% (2024: 18.89%), which was well above the statutory requirements.

(f) Transfers of financial assets

At 31 December 2025, the Group entered into repurchase agreements with certain counterparties to sell debt securities measured at amortized cost with carrying amounts of HK$0.75 billion (2024: HK$1.41 billion) and debt securities measured at fair value through other comprehensive income with carrying amounts of HK$0.53 billion (2024: HK$0.5 billion) which are subject to simultaneous agreements ("repurchase agreements") to repurchase these financial assets at agreed dates and prices. The consideration received under these repurchase agreements at 31 December 2025 totalling HK$1.26 billion (2024: HK$1.89 billion) is reported as "Deposits and balances of banks and other financial institutions" (Note 22) in the consolidated statement of financial position.

As stipulated in the repurchase agreements, there was no transfer of the legal ownership of these financial assets to the counterparties during the covered period. However, the Group was not allowed to sell or pledge these financial assets during the covered period unless both parties mutually agree with such arrangement. Accordingly, these financial assets were not derecognized from the financial statements but regarded as collateral for the secured lending by these counterparties. Normally, the counterparties could only claim from the collateral when there exists an event of default on the secured lending.

At 31 December 2025 and 2024, there were no outstanding transferred financial assets in which the Group had a continuing involvement, that were derecognized in their entirety.

36. 財務風險管理(續)

(e) 資本管理(續)

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，於截至二零二五年及二零二四年十二月三十一日止年度，本集團之資本管理政策並無重大變動。

本集團根據資本規則計算本行及若干指定附屬公司的資本充足比率及槓桿比率。若干非銀行金融附屬公司亦須遵守當地監管機構的監督及資本規定。本集團定期計量及監管該等受監管附屬公司的資本充足性。

截至二零二五年及二零二四年十二月三十一日止整個年度，本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局及其他監管機構頒佈之最低比率規定。於二零二五年十二月三十一日，本集團的綜合總資本比率為19.10%(二零二四年：18.89%)，遠高於相關之法定要求。

(f) 金融資產轉讓

於二零二五年十二月三十一日，本集團與若干對手方訂立回購協議，出售賬面值為7.5億港元之以攤銷成本計量之債務證券(二零二四年：14.1億港元)及賬面值為5.3億港元之以公平價值於其他全面收益計量之債務證券(二零二四年：5億港元)，並受限於在協定日期及以協定價格回購該等金融資產之同步協議(「回購協議」)。二零二五年十二月三十一日，根據該等回購協議收取之代價總額12.6億港元(二零二四年：18.9億港元)於綜合財務狀況表列作「銀行同業及其他金融機構之存款及結餘」(附註22)。

如回購協議所規定，於覆蓋期間並無轉讓該等金融資產之法律所有權至對手方。然而，本集團於覆蓋期間並不允許出售或抵押該等金融資產，除非訂約各方相互同意有關安排則另作別論。因此，該等金融資產並無於財務報表終止確認但被視作向該等對手方提供有抵押借貸之抵押品。對手方一般只有在有抵押借貸存在違約事件時才會索償抵押品。

於二零二五年及二零二四年十二月三十一日，既有已轉讓金融資產已全部終止確認，且本集團並無持續牽涉其中。

37. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

37. 於附屬公司之投資

以下名單僅包括主要影響本集團業績、資產或負債的附屬公司的詳情。除另有說明者外，所持股份類別均為普通股。

Name of Company 公司名稱	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
Incorporated and operating in Hong Kong ***於香港註冊成立及經營***			
Fubon Credit (Hong Kong) Limited 富邦財務(香港)有限公司	HK$145,000,000 145,000,000港元	100%	Provision of financing services 提供財務服務
FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司	HK$8,000,000 8,000,000港元	100%	Securities broking 證券經紀
Fubon Nominees (Hong Kong) Limited	HK$200 200港元	100%	Nominee service 代理人服務
Fubon Insurance Brokers Limited 富邦保險顧問有限公司	HK$500,000 500,000港元	100%	Insurance broker services 保險經紀服務

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

所有上述附屬公司由本行直接擁有。

38. INTEREST IN AN ASSOCIATE

38. 於聯營公司之權益

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	10,394	10,394
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備	(10,394)	(10,394)
		–	–

The Group has an associate as at 31 December 2025 and 2024. The associate is an unlisted corporate entity, whose market price is not available. The information of the associate is as follows:

於二零二五年及二零二四年十二月三十一日，本集團擁有一間聯營公司。該聯營公司為非上市企業實體且無法獲取其市價。該聯營公司之資料載列如下：

Name of associate 聯營公司名稱	Form of business structure 業務構成形式	Place of incorporation and operation 註冊成立及營運地點	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
IBA Finance Corporation ("IBAFI")	Incorporated 註冊成立	The Philippines 菲律賓	50,000,000 ordinary shares of PHP1 each 50,000,000股每股面值菲律賓披索1元的普通股	40.00%	Provision of financing and leasing services 提供融資及租賃服務

The Group's effective interest over the associate is held by the Bank directly. The Group has not equity accounted for the investments in IBAFI in view of the immaterial amount involved. It is stated at cost less impairment losses in the Group's and the Bank's statement of financial position. The result of this associated company is included in the Group's and the Bank's profit or loss to the extent of dividends receivable.

本集團於聯營公司的實際權益由本行直接持有。由於所涉及之金額微不足道，本集團並無以權益法將於IBAFI之投資列入賬內，而於本集團及本行之財務狀況表中按成本值扣除減值虧損列賬。該聯營公司之業績以應收股息於本集團及本行的損益賬中列賬。

39. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2025 and 2024, the Directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Co., Ltd., which is incorporated in the Republic of China.

39. 直接母公司及最終控股方

於二零二五年及二零二四年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司，該公司於中華民國註冊成立。

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

40. 銀行財務狀況表及權益變動表

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
ASSETS	**資產**		
Cash and short-term funds	現金及短期資金	**5,002,190**	8,516,048
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	**14,424,702**	10,685,563
Trading assets	持作交易用途資產	**2,460,418**	1,436,973
Derivative financial instruments	衍生金融工具	**1,301,021**	1,916,183
Advances to customers	客戶貸款	**70,862,752**	62,557,783
Advances to banks	銀行同業貸款	**15,137,000**	7,168,457
Trade bills	商業票據	**664,776**	756,654
Accrued interest and other assets	應計利息及其他資產	**2,953,200**	2,800,357
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	**38,842,869**	42,022,873
Debt securities measured at fair value through other comprehensive income	以公平價值於其他全面收益計量之債務證券	**35,669,375**	19,072,835
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**21,201**	24,681
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	**72,495**	72,221
Investments in subsidiaries	於附屬公司之投資	**153,562**	153,562
Amounts due from subsidiaries	應收附屬公司款項	**331,415**	137,794
Fixed assets	固定資產	**2,948,030**	2,960,261
Investment properties	投資物業	**61,500**	62,500
Total assets	資產總額	**190,906,506**	160,344,745
LIABILITIES	**負債**		
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	**4,013,695**	3,856,010
Deposits from customers	客戶存款	**162,892,400**	133,895,361
Trading liabilities	交易賬項下之負債	**2,460,418**	941,735
Derivative financial instruments	衍生金融工具	**304,600**	101,708
Other liabilities	其他負債	**2,761,292**	4,503,329
Amounts due to subsidiaries	應付附屬公司款項	**278,295**	181,257
Current tax liabilities	即期稅項負債	**83,719**	72,118
Deferred tax liabilities	遞延稅項負債	**329,982**	316,146
Total liabilities	負債總額	**173,124,401**	143,867,664
EQUITY	**權益**		
Share capital	股本	**4,830,448**	4,830,448
Reserves	儲備	**12,951,657**	11,646,633
Total equity	權益總額	**17,782,105**	16,477,081
Total equity and liabilities	權益及負債總額	**190,906,506**	160,344,745

Approved and authorized for issue by the Board of Directors on 9 March 2026.

經董事會於二零二六年三月九日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Elizabeth LAM Tyng Yih
林婷懿
Director
董事

Simon CHUNG Kwok Keung
鍾國強
Director
董事

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

40. 銀行財務狀況表及權益變動表(續)

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備(循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2025	於二零二五年一月一日	4,830,448	248,094	43,941	(12,204)	1,480,968	9,885,834	16,477,081
Total comprehensive income for the year	本年度全面收益總額	-	-	200	94,643	3,098	1,387,623	1,485,564
– Profit for the year	–本年度溢利	-	-	-	-	-	1,384,223	1,384,223
– Other comprehensive income, of which:	–其他全面收益，其中：							
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	-	-	-	-	3,098	-	3,098
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	-	-	200	-	-	-	200
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	-	-	-	-	-	3,400	3,400
– Debt securities measured at FVOCI: net movement in investment revaluation reserve (recycling)	–以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動(循環)	-	-	-	94,643	-	-	94,643
Transfer from premises revaluation reserve to retained earnings	由物業重估儲備轉撥至保留溢利	-	-	-	-	(45,764)	45,764	-
Transfer from retained earnings to regulatory reserve	由保留溢利轉撥至法定儲備	-	131,909	-	-	-	(131,909)	-
Dividend declared and paid during the year	本年度宣派及派付股息	-	-	-	-	-	(180,540)	(180,540)
At 31 December 2025	於二零二五年十二月三十一日	4,830,448	380,003	44,141	82,439	1,438,302	11,006,772	17,782,105

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

40. 銀行財務狀況表及權益變動表(續)

		Share capital 股本 HK$'000 千港元	Regulatory reserve 法定儲備 HK$'000 千港元	Investment revaluation reserve (non-recycling) 投資重估儲備(非循環) HK$'000 千港元	Investment revaluation reserve (recycling) 投資重估儲備(循環) HK$'000 千港元	Premises revaluation reserve 物業重估儲備 HK$'000 千港元	Retained earnings 保留溢利 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2024	於二零二四年一月一日	4,830,448	202,630	715,542	–	1,796,768	8,262,161	15,807,549
Total comprehensive income for the year	本年度全面收益總額	–	–	120,759	(12,204)	(269,359)	987,898	827,094
– Profit for the year	–本年度溢利	–	–	–	–	–	993,014	993,014
– Other comprehensive income, of which:	–其他全面收益，其中：							
– Premises: net movement in premises revaluation reserve	–物業：物業重估儲備淨變動	–	–	–	–	(269,359)	–	(269,359)
– Equity securities designated at FVOCI: net movement in investment revaluation reserve (non-recycling)	–指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動(非循環)	–	–	120,759	–	–	–	120,759
– Remeasurement of net defined benefit liability	–重新計量定額福利負債淨額	–	–	–	–	–	(5,116)	(5,116)
– Debt securities measured at FVOCI: net movement in investment revaluation reserve (recycling)	–以公平價值於其他全面收益計量之債務證券：投資重估儲備淨變動(循環)	–	–	–	(12,204)	–	–	(12,204)
Transfer from premises revaluation reserve to retained earnings	由物業重估儲備轉撥至保留溢利	–	–	–	–	(46,441)	46,441	–
Transfer from retained earnings to regulatory reserve	由保留溢利轉撥至法定儲備	–	45,464	–	–	–	(45,464)	–
Transfer from investment revaluation reserve (non-recycling) to retained earnings	由投資重估儲備(非循環)轉撥至保留溢利	–	–	(792,360)	–	–	792,360	–
Dividend declared and paid during the year	本年度宣派及派付股息	–	–	–	–	–	(157,562)	(157,562)
At 31 December 2024	於二零二四年十二月三十一日	4,830,448	248,094	43,941	(12,204)	1,480,968	9,885,834	16,477,081

The information of individual reserves is disclosed in Note 28.

個別儲備的資料於附註28披露。

41. UNCONSOLIDATED STRUCTURED ENTITIES

The Group has been involved in unconsolidated structured entities that consist of investment funds. Pursuant to subscription agreements or equivalents documents, the beneficial interests held by the Group in these structured entities are in the form of participating interests which primarily provide the Group with the share of returns from the structured entities but not any decision-making power nor any voting right to involve in and control the daily operation.

These structured entities are set up and managed by respective investment manager or general partner who has the power and authority to manage and make decisions for the structured entities. The Group does not control these structured entities and therefore, these structured entities are not consolidated.

The information of total size of the unconsolidated structured entities as at 31 December 2025 and 2024 is not readily available from the public domain.

Carrying amount of structured entities

The following table sets out an analysis of the carrying amount of interests held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

41. 非綜合結構實體

本集團已參與由投資基金組成的非綜合結構實體。根據認購協議或等效文件，本集團在該等結構實體中持有的實益權益為參與權益形式，主要使本集團享有結構實體的回報，但並無參與及控制日常營運的任何決策權或投票權。

該等結構實體由相關投資經理或普通合伙人設立及管理，彼等擁有管理結構實體及就其作出決策的權力及授權。本集團並不控制該等結構實體，因此該等結構實體不綜合入賬。

有關非綜合結構實體於二零二五年及二零二四年十二月三十一日的總規模的資料無法自公共領域獲取。

結構實體的賬面值

下表載列本集團於非綜合結構實體持有的權益賬面值的分析。最大虧損風險為所持資產的賬面值。

		31 December 2025 二零二五年十二月三十一日 HK$'000 千港元	31 December 2024 二零二四年十二月三十一日 HK$'000 千港元
Investment funds	***投資基金***		
Investment funds measured at fair value through profit or loss	通過損益以反映公平價值計量之投資基金	**21,201**	24,681
Total	總計	**21,201**	24,681
Losses for the year included in other comprehensive income – deficits on revaluation	計入其他全面收益之本年度虧損－重估虧損	**–**	(3,287)
(Losses)/gains for the year included in profit or loss – other operating loss	計入損益賬之本年度(虧損)／收益－其他營運虧損	**(668)**	1,619

42. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

(A) Key sources of estimation uncertainty

Notes 21 and 33 contain information about the assumptions and risk factors relating to fair value of premises, investment properties and financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Management exercises judgement in establishing the criteria for determining whether the credit risk of a financial asset has increased significantly since initial recognition and determining inputs into the ECL measurement model, including the incorporation of forward-looking information. For details of the ECL model, please refer to Note 36(a)(viii).

(ii) Fair value determination

The Group determines the fair values of financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, the net assets of the underlying investments, P/E, EV/EBIT and P/AUM multiples of comparable listed companies. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

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

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

Classification of financial assets

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

42. 會計估計及判斷

本集團的管理層於編製此等財務報表作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

(A) 估計不明朗因素之主要來源

附註21及33載有與物業、投資物業及金融工具的公平價值有關的假設及風險因素的資料。不明朗因素估計的其他主要來源載列如下：

(i) 減值虧損

管理層在確定釐定自初始確認後一項金融資產的信貸風險是否顯著增加及釐定預期信貸虧損計量模型的輸入數據(包括納入前瞻性資料)的標準時作出判斷。有關預期信貸虧損模式的詳情，請參閱附註36(a)(viii)。

(ii) 公平價值釐定

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有活躍的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關工具之價格、相關投資之淨資產、可資比較上市公司的市盈率、企業價值與息稅前盈利比率及市值對管理資產比率倍數等市場參數，以內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

(B) 應用本集團會計政策時所作之重大會計判斷

有關應用本集團會計政策的若干重要會計判斷載述如下：

金融資產分類

評估持有資產的業務模式及評估金融資產的合約條款是否僅包括支付本金及利息。

43. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

43. 已頒佈但於截至二零二五年十二月三十一日止年度會計期間尚未生效之修訂、新準則及詮釋之可能影響

截至此等財務報表頒佈日，香港會計師公會已發佈多項修訂，該等修訂並無在此等財務報表中採納。此等變動包含以下可能與本集團相關的事項。

	Effective for accounting periods beginning on or after 於下列日期或之後開始之會計期間生效
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Contracts referencing nature dependent electricity*	1 January 2026
香港財務報告準則第9號修訂本，*金融工具*及香港財務報告準則第7號，*金融工具：披露—依賴自然能源生產電力的合約*	二零二六年一月一日
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
香港財務報告準則第9號修訂本，*金融工具*及香港財務報告準則第7號，*金融工具：披露—對金融工具分類及計量的修訂*	二零二六年一月一日
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
香港財務報告準則會計準則之年度改進—第11卷	二零二六年一月一日
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
香港財務報告準則第18號，*財務報表的列報及披露*	二零二七年一月一日
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
香港財務報告準則第19號，*不具公共問責性的附屬公司：披露*	二零二七年一月一日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

本集團正對此等變動預期於初次應用期間的影響進行評估。就目前得出的結論而言，採納其不太可能對本集團綜合財務報表造成重大影響。

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