

THE FUBON EXPERIENCE

虛擬與實體的完美結合

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

Annual Report 2020 年年報





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富邦金控成員





CORPORATE PROFILE

Fubon Bank (Hong Kong) Limited ("Fubon Bank") is a wholly owned subsidiary of Fubon Financial Holding Co., Ltd. ("Fubon Financial Holdings"), one of the largest financial holding companies in Taiwan. Committed to becoming one of Asia's first-class financial institutions, Fubon Financial Holdings has built a strong lineup of financial service companies. Fubon Bank operates 17 branches and 1 Securities Services Centre in Hong Kong, providing a wide range of financial services encompassing consumer and wholesale banking, wealth management, financial markets, securities brokerage and investment services. Fubon Bank holds an A-2 short-term, BBB+ long-term rating from Standard & Poor's. The rating reflects Fubon Bank's strong capitalization, good liquidity and sound asset quality.

公司簡介

富邦銀行(香港)有限公司(「富邦銀行」)是富邦金融控股股份有限公司(「富邦金控」)的全資附屬公司。富邦金控為台灣最大的金融控股公司之一，以「成為亞洲一流的金融機構」為發展願景，擁有完整多元的金融服務平台。富邦銀行於香港透過 17 間分行及 1 間證券投資服務中心為客戶提供全面的優質銀行服務，包括零售及商業銀行、財富管理、金融市場、證券及投資服務。富邦銀行獲標準普爾授予A-2 短期及BBB+長期信貸評級。該評級反映富邦銀行資本雄厚，流動資金充裕及資產質素優良。

ACCOLADES

Sky Post

Banking & Finance Awards 2020
– Excellence Award for Commercial Finance Solutions

The Hong Kong General Chamber of Small and Medium Business

Best SME's Partner Award

Tiptop Consultants Ltd.

Tiptop Service Award
– Persistently Outstanding Service Company (2019-2020)
– Persistently Outstanding Service Outlet (2019-2020)

LACP

2019 Vision Awards Annual Report Competition – Silver Award
Top 50 Chinese Reports of 2019
Technical Achievement Award

Bank of New York Mellon

Straight Through Processing Award

Employees Retraining Board

ERB Manpower Developer Award Scheme
– Manpower Developer

The Hong Kong Institute of Bankers

HKIB Talent Development Award (I)

Environment Bureau, HKSAR Government

Charter on External Lighting – Platinum Award

Environmental Campaign Committee

Wastewi\$e Certificate
Energywi\$e Certificate
Hong Kong Green Organisation

Hong Kong Council of Social Service

10 Years Plus Caring Company Logo

榮譽

晴報

Banking & Finance Awards 2020
– 傑出商業金融方案大獎

香港中小型企業總商會

中小企業最佳拍檔獎

天高管理發展有限公司

天高服務獎
– 持續超卓表現機構 (2019-2020)
– 持續超卓表現分店 (2019-2020)

LACP

2019 Vision Awards 年報比賽 – 銀獎
2019 年最佳 50 本中文年報
技術成就獎

紐約梅隆銀行

直通式聯繫結算處理獎

僱員再培訓局

ERB 人才企業嘉許計劃
– 人才企業

香港銀行學會

HKIB 人才發展獎 (I)

香港特別行政區政府環境局

戶外燈光約章 – 鉑金獎

環境運動委員會

減廢證書
節能證書
香港綠色機構

香港社會服務聯會

10 年 Plus「商界展關懷」標誌

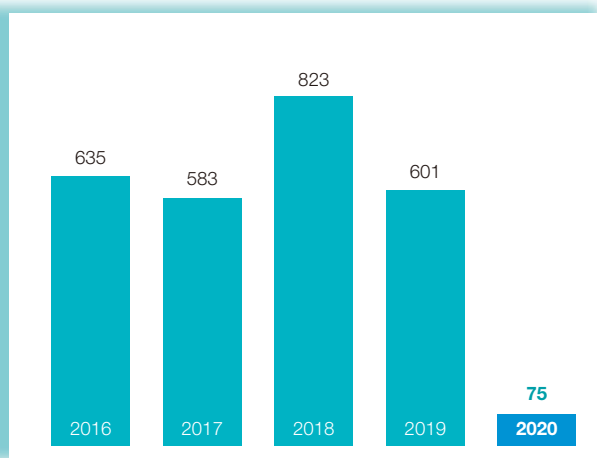
FIVE-YEAR FINANCIAL SUMMARY

五個年度之財務概要

	2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
For the Year (HK\$ Million) 全年(百萬港元)					
Profit before Taxation 除稅前溢利	109	717	924	693	708
Profit for the Year 年度溢利	75	601	823	583	635
At Year End (HK\$ Million) 於年結日(百萬港元)					
Total Equity 權益總額	14,727	14,647	14,024	14,368	11,373
Total Assets 資產總額	112,324	111,407	102,787	98,484	95,648
Advances to Customers less Impairment Allowances 客戶貸款減減值撥備	54,913	52,308	47,699	47,583	43,319
Customer Deposits 客戶存款	76,538	75,043	68,248	62,068	63,564
Financial Ratios (%) 財務比率 (%)					
Return on Average Equity 平均股本回報率	0.51	4.19	5.61	4.81	5.72
Return on Average Assets 平均資產回報率	0.07	0.56	0.82	0.60	0.68
Total Capital Ratio 總資本比率	18.93	19.66	20.60	19.42	17.02
Average Liquidity Maintenance Ratio 平均流動性維持比率	68.53	67.09	54.83	50.52	48.49
Loan-to-deposit Ratio 貸存比率	68.70	65.88	66.73	73.25	64.78

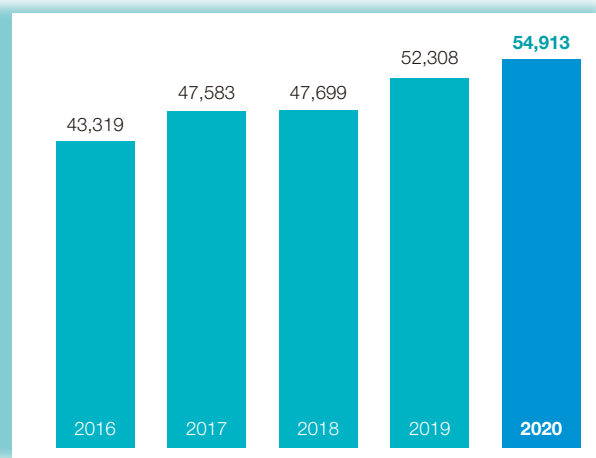
Profit for the Year 年度溢利

HK\$ Million
百萬港元



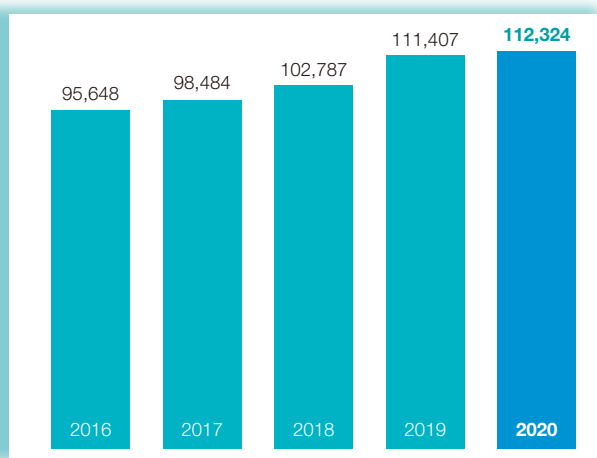
Advances to Customers less Impairment Allowances 客戶貸款減減值撥備

HK\$ Million
百萬港元



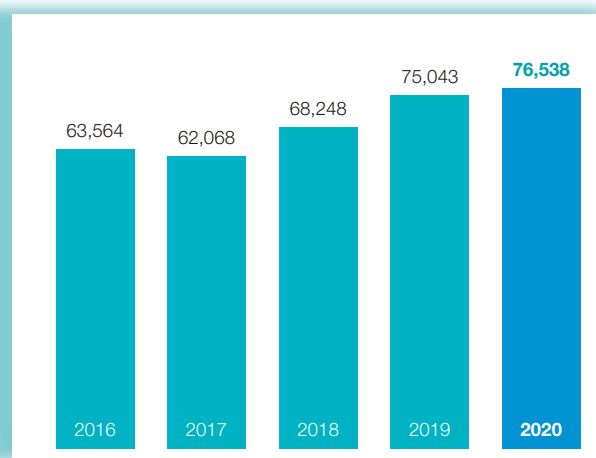
Total Assets 資產總額

HK\$ Million
百萬港元



Customer Deposits 客戶存款

HK\$ Million
百萬港元



CORPORATE INFORMATION

公司資料

SHAREHOLDER

100% – Fubon Financial Holding Co., Ltd.

AUDITORS

KPMG

COMPANY SECRETARY

Juliana CHIU Yuk Ching

REGISTERED OFFICE

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

股東

100% – 富邦金融控股股份有限公司

核數師

畢馬威會計師事務所

公司秘書

趙玉貞

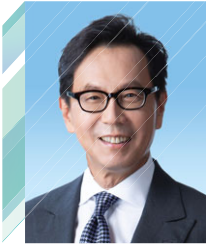
註冊辦事處

香港中環
德輔道中 38 號
富邦銀行大廈



BOARD OF DIRECTORS

董事



Daniel TSAI Ming Chung

Chairman

Aged 64. Mr. Tsai joined Fubon Group in 1981. He is currently the Chairman of the Fubon Group, Taiwan Mobile Co., Ltd. and Taiwan Fixed Network Co., Ltd. Mr. Tsai is also the Standing Director of Taipei Fubon Commercial Bank Co., Ltd. and Director of Fubon Bank (China) Co., Ltd. Mr. Tsai has extensive experience in banking and telecommunication services, as well as land development, construction management and building leasing business. He holds a Master of Law Degree (1979) from Georgetown University and a Bachelor of Law Degree (1978) from National Taiwan University. Mr. Tsai is the elder brother of Mr. Richard Tsai Ming Hsing. He became a Director of the Bank in February 2004.



Richard TSAI Ming Hsing

Vice Chairman

Aged 63. Mr. Tsai joined Fubon Group in 1983. He is the Chairman of Fubon Financial Holding Co., Ltd. and Fubon Life Insurance Co., Ltd. Mr. Tsai is also the Director of Taiwan Mobile Co., Ltd. and Taiwan Fixed Network Co., Ltd. Mr. Tsai has over 30 years of experience in financial and insurance businesses. He holds a Master of Finance Degree (1981) from New York University and a Bachelor of Business Administration Degree (1979) from National Taiwan University. Mr. Tsai is the younger brother of Mr. Daniel Tsai Ming Chung. He became a Director of the Bank in February 2004.



Raymond LEE Wing Hung

Executive Director

Aged 71. Mr. Lee was appointed Chief Executive Officer and Managing Director of the Bank in May 2012. He is the Director of Fubon Life Insurance (Hong Kong) Company Limited. Mr. Lee is a professional accountant and veteran banker with over 40 years of extensive international banking experience acquired both locally and overseas. He was the Executive Director and Chief Financial Officer of the BOC Hong Kong (Holdings) Limited ("BOCHK") from 2004 to 2009. Before joining BOCHK, he was a Director, Alternate Chief Executive and Managing Director of CITIC International Financial Holdings Limited and a Director and Chief Executive of The Hong Kong Chinese Bank. He was seconded by the Bank of New York in 1992 to serve as a Director and Alternate Chief Executive of Wing Hang Bank and had remained in that capacity until 1999. While serving in Wing Hang, Mr. Lee was concurrently a Senior Vice President and Managing Director of the Bank of New York, where he had served in different capacities in New York and Toronto since 1982. Prior to 1982, he had worked for Bank of America for 8 years in various positions in different Asian and North American cities. Mr. Lee is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

蔡明忠

主席

六十四歲。蔡先生於一九八一年加入富邦集團，現時為富邦集團、台灣大哥大股份有限公司及台灣固網股份有限公司之董事長。蔡先生現時亦擔任台北富邦商業銀行股份有限公司的常務董事及富邦華一銀行有限公司之董事。蔡先生於銀行、電訊服務、土地發展、建築管理及樓宇租賃業務方面具有豐富的經驗。他持有喬治城大學法律碩士學位(一九七九年)以及國立臺灣大學法律學士學位(一九七八年)。蔡先生是蔡明興先生之胞兄。他於二零零四年二月出任本行董事。

蔡明興

副主席

六十三歲。蔡先生於一九八三年加入富邦集團，是富邦金融控股股份有限公司及富邦人壽保險股份有限公司的董事長。蔡先生現時亦為台灣大哥大股份有限公司及台灣固網股份有限公司之董事。蔡先生於金融及保險業擁有超過三十年的經驗。他持有紐約大學財務金融碩士學位(一九八一年)及國立臺灣大學工商管理學士學位(一九七九年)。蔡先生是蔡明忠先生的胞弟。他於二零零四年二月出任本行董事。

李永鴻

執行董事

七十一歲。李先生於二零一二年五月獲委任為本行行政總裁兼董事總經理。他現時亦為富邦人壽保險(香港)有限公司之董事。李先生是位專業會計師及資深銀行家，在本地及海外銀行業積逾四十年豐富的國際銀行經驗。李先生於二零零四年至二零零九年期間出任中銀香港(控股)有限公司(「中銀香港」)的執行董事及財務總監。於加入中銀香港之前，李先生曾擔任中信國際金融控股有限公司董事、替代總裁及董事總經理及香港華人銀行董事兼總裁。在一九九二年至一九九九年期間，李先生獲紐約銀行借調出任永亨銀行董事兼替代總裁；在此期間，李先生亦同時擔任紐約銀行高級副總裁及總經理。李先生於一九八二年加入紐約銀行，並曾在紐約及多倫多擔任不同職位。於一九八二年之前，李先生在美國銀行工作了八年，在亞洲及北美洲多個城市擔任不同職位。李先生為英國特許公認會計師公會資深會員及香港會計師公會會員。

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

Aged 59. Mr. Harn joined Fubon Group in 2005, currently serves as President and Director of Fubon Financial Holding Co., Ltd. and Chairman of Fubon Securities Co., Ltd. He has over 30 years of experience in financial business. Prior to this, he was the Executive Vice President of Chinatrust Commercial Bank and Vice President of Citibank Taiwan. Mr. Harn is also the Director of Fubon Bank (China) Co., Ltd. and Taipei Fubon Commercial Bank Co., Ltd. Mr. Harn holds a Master of Business Administration Degree from The Ohio State University. He became a Director of the Bank in January 2014.

韓蔚廷**非執行董事**

五十九歲。韓先生於二零零五年加入富邦集團，現為富邦金融控股股份有限公司總經理兼董事及富邦綜合證券股份有限公司董事長。他於金融業有超過三十年經驗。在此之前，他曾擔任中國信託商業銀行資深副總經理及花旗銀行台北分行副總裁。韓先生亦為富邦華一銀行有限公司及台北富邦商業銀行股份有限公司董事。韓先生持有俄亥俄州立大學工商管理碩士學位。他於二零一四年一月出任本行董事。

**Eric CHEN Sun Te****Non-Executive Director**

Aged 66. Mr. Chen is the Chairman of Taipei Fubon Commercial Bank Co., Ltd. He has over 37 years of experience in the banking and financial industry. Mr. Chen is also a Director of Fubon Financial Holding Co., Ltd., Fubon Bank (China) Co., Ltd. and Fubon Securities Co., Ltd. He is also an Independent Director of Uni-President China Holdings Ltd. and Lion Travel Services Co., Ltd. Prior to joining Fubon Group, Mr. Chen was the President of North Asia and Greater China of Fullerton Financial Holdings, a Temasek wholly owned subsidiary, President of Chinatrust Financial Holding Co., Ltd. (now known as CTBC Financial Holding Co., Ltd.) and Country Corporate Officer for Citigroup, Taiwan. Mr. Chen received a Master Degree in Business Administration from University of Missouri and a Bachelor Degree in Political Science from National Chengchi University. Mr. Chen became a Director of the Bank in June 2016.

陳聖德**非執行董事**

六十六歲。陳先生現為台北富邦商業銀行股份有限公司之董事長。他於銀行及金融業擁有逾三十七年經驗。陳先生現時亦為富邦金融控股股份有限公司、富邦華一銀行有限公司及富邦綜合證券股份有限公司之董事。他同時亦為統一企業中國控股有限公司及雄獅旅行社股份有限公司之獨立董事。在加入富邦集團之前，陳先生曾擔任富登金融控股私人有限公司（新加坡淡馬錫控股之全資子公司）北亞及大中華地區總經理，中國信託金融控股股份有限公司（現為中國信託金融控股（股）公司）總經理及花旗集團台灣區負責人。陳先生持有密蘇里大學工商管理碩士學位及國立政治大學政治學學士學位。他於二零一六年六月出任本行董事。

**Roman CHENG Yao Hui****Non-Executive Director**

Aged 55. Mr. Cheng is President and Standing Director of Taipei Fubon Commercial Bank Co., Ltd. He is also the Chairman of Fubon AMC, Ltd. and Director of Fubon Bank (China) Co., Ltd. Prior to that, Mr. Cheng was the Director and Chairman of Strategy Committee of Haier Consumer Finance Co., Ltd., Senior Vice President of Fullerton Financial Holdings Pte Ltd. (subsidiary of Temasek Holdings (Private) Limited) and Chief Executive Officer and Director of Fullerton Investment & Credit Guarantee Co., Ltd. and Fullerton Commercial Factoring Co., Ltd. Mr. Cheng holds a Master of Business Administration Degree and a Bachelor Degree in Diplomacy from the National Chengchi University. He became a Director of the Bank in March 2018.

程耀輝**非執行董事**

五十五歲。程先生現為台北富邦商業銀行股份有限公司總經理及常務董事。他亦為富邦資產管理股份有限公司董事長及富邦華一銀行有限公司董事。在此之前，程先生曾為海爾消費金融公司董事、戰略委員會主任委員、新加坡淡馬錫集團富登金融控股公司高級副總裁及旗下富登投資信用擔保有限公司及富登商業保理有限公司之首席執行官及董事。程先生持有臺灣國立政治大學外交系學士學位及企業管理研究所碩士學位。他於二零一八年三月出任本行董事。



SHIH Hung

Independent Non-Executive Director

Aged 66. Mr. Shih was the Director of China Renaissance Capital Advisors Limited and Managing Director of China Renaissance Capital Investment Limited. Prior to this, he was also the Managing Director and the China Country Head of UBS AG. Mr. Shih holds both a Master of Business Administration Degree (1982) and a Master of Law Degree (1980) from the University of Michigan, as well as a Bachelor of Law Degree (1976) from National Taiwan University. He became a Director of the Bank in February 2004.



Peter PANG Sing Tong

Independent Non-Executive Director

Aged 65. Mr. Pang joined the Hong Kong Monetary Authority ("HKMA") as Executive Director (Banking Policy) in 1994 and was appointed as Executive Director (Monetary Policy and Markets) in 1996. Mr. Pang was seconded to the Hong Kong Mortgage Corporation and assumed the position of the Chief Executive Officer in 1997 till 2004. He was appointed as Deputy Chief Executive of the HKMA from July 2004 to February 2016. Mr. Pang holds a Bachelor Degree of Social Science from The University of Hong Kong and a Master Degree in Management from the Stanford University. He became a Director of the Bank in April 2018.



John Keith BALL

Independent Non-Executive Director

Aged 66. 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 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.

石宏

獨立非執行董事

六十六歲。石先生曾為崇德投資顧問有限公司之董事及崇德基金投資有限公司董事總經理。在此之前，他亦曾是UBS AG董事總經理兼中國區域主管。石先生持有密歇根大學工商管理碩士學位（一九八二年）及法律碩士學位（一九八零年），以及國立臺灣大學法律學士學位（一九七六年）。他於二零零四年二月出任本行董事。

彭醒棠

獨立非執行董事

六十五歲。彭先生於一九九四年加入香港金融管理局（「金管局」）擔任助理總裁（銀行政策）及於一九九六年被委任為助理總裁（金融政策及市場）。彭先生於一九九七年至二零零四年期間借調至香港按揭證券有限公司出任該公司之總裁，並於二零零四年七月至二零一六年二月期間出任金管局之副總裁。彭先生持有香港大學社會科學學士學位及史丹福大學管理碩士學位。他於二零一八年四月出任本行董事。

卜約翰

獨立非執行董事

六十六歲。卜先生是一位資深銀行家，在金融服務領域擁有40多年的豐富經驗。於二零一一年至二零一四年期間，他曾在倫敦擔任德意志銀行現金管理金融機構的董事總經理兼全球銷售總監。在移居倫敦之前，卜先生於一九九九年至二零一一年期間在香港擔任德意志銀行現金管理金融機構的董事總經理兼亞洲區負責人。卜先生在德意志銀行於一九九九年收購Bankers Trust Company之前曾在倫敦、紐約和香港的Bankers Trust Company工作了二十五年。他於二零二零年七月出任本行董事。

SENIOR MANAGEMENT

高級管理層

Raymond LEE Wing Hung

Chief Executive Officer and Managing Director

(Biographical details are set out on page 7)

Henry WANG Hao Jen

Executive Vice President and Chief Financial Officer

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

Carmen YIP Ka Man

Executive Vice President and Head of Retail Banking Group

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

Henry NG Yuk Hang

Executive Vice President and Head of Institutional Banking Group

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

Liza LEUNG Wan Sheung

Executive Vice President and Head of Operations and Technology Group

Ms. Leung joined the Bank in September 1980 and currently oversees Operations, Information Technology ("IT"), IT Risk Management and Enterprise Project & Process Management functions. Before that, she has been working in various departments including Retail Banking, Training Development and Operations in the Bank. Ms. Leung obtained a Bachelor Degree in Arts and a Master Degree in Business Administration from DePaul University, U.S.A.

李永鴻

行政總裁兼董事總經理

(資料詳情見第 7 頁)

王浩人

執行副總裁兼財務長

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

葉嘉敏

執行副總裁兼零售銀行部主管

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

吳毓鏗

執行副總裁兼企業及機構銀行部主管

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

梁運嫦

執行副總裁兼營運及資訊科技部主管

梁女士於一九八零年九月加盟本行，現專責管理營運、資訊科技、資訊科技風險管理以及企業項目及流程管理等範疇。梁女士曾先後於本行零售銀行部、培訓發展部及營運部工作。梁女士持有美國DePaul University文學士學位及工商管理碩士學位。



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

(左起) 執行副總裁兼財務長王浩人、執行副總裁兼零售銀行部主管葉嘉敏、行政總裁兼董事總經理李永鴻、執行副總裁兼營運及資訊科技部主管梁運嫦、執行副總裁兼企業及機構銀行部主管吳毓經

CHAIRMAN'S STATEMENT 主席匯報



Unquestionably, 2020 took the world by surprise. The magnitude of the impact from COVID-19 was totally unexpected as we witnessed the worst global economy since World War II. With the exception of the Mainland and Taiwan, which saw modest growth, the world's major economies all recorded negative GDP growth. The global spread of COVID-19 and related lockdown measures, lingering conflicts between the U.S. and China, rising protectionism and political uncertainties worldwide severely dampened investment sentiment. For the same reasons, the Hong Kong economy was fraught with uncertainties. Only the stock market remained resilient with the U.S. and a number of other major markets posting record highs. Stringent border control restrictions and social distancing measures created an economic ice age in Hong Kong. Many industries were hard-hit and the unemployment rate continued to rise. The Hong Kong economy shrank 6.1% in 2020, following a 1.2% drop in 2019. Retail sales fell by 24% in value, while tourist arrivals tumbled by more than 90%. Total trade was down for a second consecutive year, falling by 2.5% compared to 2019, although it was an improvement over the 5.4% drop in 2019.

The challenging operating environment in 2020 adversely impacted our financial performance last year. Fubon Bank (Hong Kong) Limited ("the Bank") reported a net profit of HK\$75 million for the year ended 31 December 2020, an 87% decrease year-on-year when compared with 2019. Inevitably, the Bank's operating profit was affected by the low interest rate environment alongside the economic and social impacts of COVID-19. Notwithstanding the prevailing uncertainties and challenges, the Bank spared no effort in safeguarding the health and safety of its customers and staff from the onset of COVID-19 while also providing uninterrupted services to our customers.

The outbreak of COVID-19 changed many aspects of people's lives around the world and accelerated digital transformation among different industries. This has been especially noticeable in the financial industry. Hong Kong has been rapidly developing its Fintech and the government has launched various initiatives to drive innovation in financial services in recent years. For some time, our Bank has anticipated this development and the importance of Fintech. As such, we set in motion a strategic plan in the mid-2010s for the virtualization of our banking services starting with the upgrade of our Core Banking System, which was completed in 2020. This laid the foundation for our current initiatives to expand our mobile and internet banking services. The soft launch of Fubon GO, our online account opening mobile app, should be completed by April 2021 when it will be made available to the general public. Currently, it is undergoing a pilot run under the Fintech Supervisory Sandbox of the Hong Kong Monetary Authority. A majority of the Bank's retail banking products and services will also be made available online by the third quarter of this year. This will be followed by the virtualization of our corporate banking services towards the end of this year. Our virtualization efforts are supported by HKT, with whom we entered into a cooperative partnership agreement in January 2021. This not only underscores our commitment to Fintech innovation but also ensures that the Bank has the access and support of an experienced and well-established IT enabler in Hong Kong. This alliance with HKT will also allow us to stay abreast of the latest Fintech developments in Hong Kong and elsewhere.

2020 年無疑是令人震驚的一年。2019 冠狀病毒病帶來出乎意料的衝擊，全球經濟陷入第二次世界大戰以來最大的衰退。全球主要經濟體系的本地生產總值均錄得負增長，只有內地及台灣的經濟仍維持溫和的增幅。疫情肆虐全球衍生的相關封鎖措施、中美糾紛持續、保護主義崛起以及環球政治前景不明朗，種種因素皆嚴重打擊投資情緒，香港經濟亦因此等原因而增添不確定性，惟股票市場依然活躍，美國及若干主要市場屢創新高。嚴緊的邊境管制以及社交距離措施令香港經濟陷入冰河時期，各行各業遭受重挫，失業率持續上升。繼 2019 年下跌 1.2%，香港經濟於 2020 年收縮 6.1%。隨着訪港旅客暴跌超過 90%，零售業銷售額下跌 24%。同時，貿易總額延續 2019 年跌勢下跌 2.5%，較 2019 年的 5.4% 跌幅略有改善。

充滿挑戰的經營環境為我們去年的財務表現帶來衝擊。富邦銀行(香港)有限公司(「本行」)截至 2020 年 12 月 31 日止錄得全年淨溢利 7,500 萬港元，較 2019 年減少 87%。在低息環境下，加上 2019 冠狀病毒病全球大流行衝擊經濟和社會，無可避免地對本行的經營溢利帶來影響。儘管不明朗因素和挑戰重重，自 2019 冠狀病毒病爆發以來，本行致力為客戶提供無間斷服務的同時，仍不遺餘力地保障客戶及員工的健康和安全。

2019 冠狀病毒病爆發改變了世界各地人民的日常生活，加速各行業的數位化轉型，尤其是金融業。近年，香港迅速邁向金融科技化，政府推出了多項舉措推廣創新金融服務，本行亦早已洞悉金融科技的發展和重要性，自 2010 年代中期已啟動銀行服務虛擬化的策略性發展計劃，並於 2020 年完成了核心銀行系統的更新工程。此舉為我們拓展流動及網上銀行服務的計劃奠定了基礎。本行的手機開戶應用程式 Fubon GO 現正在香港金融管理局的「金融科技監管沙盒」下進行，預期於 2021 年 4 月底完成試行並推出予市民大眾。此外，本行的大部分零售銀行產品和服務將於今年第三季搬到線上，而我們亦將於今年年底虛擬化企業銀行服務。2021 年 1 月，本行與香港電訊達成合作關係，推進我們虛擬銀行服務的發展，這不僅體現我們對創新金融科技的承諾，同時亦確保本行獲得本港經驗豐富且專業的資訊科技支援，令我們緊貼香港以及其他地方金融科技的最新發展。

Amidst a subdued economy and weakening demand for loans, our corporate and commercial banking business was still able to generate modest revenue growth in 2020. The growth was mainly attributed to our new customer acquisition strategy, continued efforts in deepening existing customer relationships and also a marketing strategy that focused on fee income generation. Demand for new loans softened due to the impact of COVID-19. An active bond market provided an alternative to bank financing under the low interest rate environment, and further eroded demands for bank loans. Nevertheless, the Bank has taken measures to expand our customer base to offset the effects of these developments.

The Bank remains committed to the small-and-medium enterprises ("SMEs") sector, which has been hit hard by COVID-19. In view of this, the Bank rolled out relief measures to assist corporate customers in overcoming their cash flow challenges caused by the pandemic. Also, the Bank has participated in various government schemes, including the SME Financing Guarantee Scheme and the Pre-Approved Principal Payment Holiday Scheme, to help customers weather the economic storm. Our commitment to the SME market was recognized by the industry as the Bank was presented with the "Best SME's Partner Award" from The Hong Kong General Chamber of Small and Medium Business and the "Banking & Finance Awards 2020 – Excellence Award for Commercial Finance Solutions" from Sky Post in 2020.

Turning to our retail banking business, our Fintech initiatives to strengthen our retail banking delivery channels continued to enhance customer experience and market awareness. We successfully captured digital consumer trends by partnering with various online merchants to offer benefits and special privileges to Fubon credit card customers. As a result, our online transactions percentage outperformed the market in 2020. Furthermore, the launch of Fubon GO, an online account opening mobile app that allows customers to open bank accounts and apply for credit card and personal loan, paves the way for us to acquire new customers from different market segments and expand our customer base. In recognition of our substantial efforts to deliver high-quality customer experience to our retail customers, the Bank garnered the "Tiptop Service Award" for "Persistently Outstanding Service Company" and "Persistently Outstanding Service Outlet" last year.

Going forward, the Bank will continue to make investments in technology and infrastructure in order to stay in the forefront of the fast-moving markets and to respond to customers' increasing demands for digital banking services. We aim to provide a service environment that allows our customers to move seamlessly between our physical and virtual channels.

縱使經濟低迷和貸款需求疲弱，我們的企業及商業銀行業務於2020年繼續維持溫和增長。此增長主要由於本行吸納新客戶的策略、持續深化與現有客戶關係，以及專注於費用收入的銷售策略取得成效。受2019冠狀病毒病影響，對新貸款的需求有所減少。此外，在低息環境下，活躍的債券市場亦提供了另一具吸引力的融資渠道，進一步削弱對銀行貸款的需求。本行已採取措施擴大我們的客戶基礎，以抵銷這些發展所帶來的影響。

本行一直致力支援中小型企業（「中小企」），而中小企於2019冠狀病毒病疫情中所受的打擊尤為嚴重。有見及此，本行推出了多項紓困措施，協助企業客戶解決因疫情而帶來的現金流壓力。此外，本行亦參與多項政府計劃，包括「中小企融資擔保計劃」及「預先批核還息不還本」計劃，協助客戶渡過經濟難關。本行對中小企市場的貢獻廣獲業界認可，並獲香港中小型企業總商會頒發「中小企業最佳拍檔獎」，以及獲《晴報》頒發「Banking & Finance Awards 2020—傑出商業金融方案大獎」。

在零售銀行業務方面，我們的金融科技項目加強了零售銀行的服務渠道，持續提升客戶體驗和市場知名度。我們成功抓緊數位化消費趨勢，與多家網上商戶合作為富邦信用卡客戶帶來優惠及尊屬禮遇，此舉亦令本行信用卡2020年網上交易的百分比優於市場表現。此外，Fubon GO推出後，客戶可透過此手機開戶應用程式申請開立銀行戶口、信用卡及私人貸款，讓我們可以從不同市場吸納新客戶，擴大客戶基礎。我們致力為零售客戶提供卓越的客戶體驗之努力獲得嘉許，於去年榮獲「天高服務獎」—「持續超卓表現機構」及「持續超卓表現分店」。

展望未來，本行將繼續在科技和基礎設施上作出投資，以期在現今發展迅速的市場環境中維持優勢，迅速應對客戶對數位化銀行服務與日俱增的需求，讓客戶可靈活選擇實體或虛擬的服務渠道辦理銀行事宜。

We have been building deep ties in the communities we proudly serve as we endeavour to promote operational efficiency and environmental sustainability. Our achievements on multiple environmental fronts granted us the title of “Hong Kong Green Organisation” by the Environmental Campaign Committee, and the “Charter on External Lighting – Platinum Award” by the Environment Bureau of the HKSAR Government. With COVID-19 battering people from all walks of life, the Bank channeled its efforts into our communities to fight against the pandemic. From making generous donations to providing food and living necessities for the communities, we have organized various corporate social responsibility programmes to support those in need, especially the underprivileged and the elderly.

At Fubon Bank, we regard our people as our greatest asset. We therefore invest heavily in training, education sponsorship and career development to nurture our talents. The Bank was again recognized as “Manpower Developer” under the Employees Retraining Board’s “ERB Manpower Developer Award Scheme” in 2020.

It is anticipated that the global economic environment will remain uncertain in 2021 as some degree of lockdown measures may still be in place during the year to combat the COVID-19 pandemic. Nevertheless, global financial markets are expected to rally on the roll-out of various governments’ stimulus and vaccination programmes. China is among the first major countries to recover from the pandemic and will likely register a healthy economic growth in 2021. This in turn would also support Hong Kong’s economic growth. In the medium term, Hong Kong is expected to benefit from the unfolding strategic measures introduced by the Chinese government to develop the Guangdong-Hong Kong-Macao Greater Bay Area. Higher external trade and investment flows into the Greater Bay Area are expected to be a major stimulus for the Hong Kong economy in 2021.

The Bank will continue to leverage on the inherent strengths of our parent company, Fubon Financial Holdings, to strengthen our relationships with both retail and corporate customers and to capture business opportunities across the region. Through the seamless integration of our physical banking and virtual banking services, our customers will be able to manage their financial needs more conveniently and efficiently, and to choose the channel that suits them best when conducting their banking business. I wish to express my sincere gratitude to our Board, management team and all staff for their invaluable contributions, especially during these difficult and challenging times. We will strive to maintain good business momentum and to provide our customers with the exceptional “Fubon Experience” as part of our continuing efforts to become and remain as their preferred banking partner.



Daniel M. Tsai

Chairman

April 2021

本行一直與我們所服務的社區建立深厚聯繫，致力提高營運效率及環境可持續性。我們於多個環保項目表現亮麗，並獲環境運動委員會頒發「香港綠色機構」榮銜，以及香港特別行政區政府環境局頒發「戶外燈光約章－鉑金獎」。2019 冠狀病毒病疫情肆虐，對社會各階層的生活造成影響。本行積極投入社區對抗疫情，籌辦多項企業社會責任活動，包括捐贈以及為社區提供食物和日常所需以支援有需要人士，尤其是弱勢社群及長者。

富邦銀行視員工為最寶貴的資產。為此，我們於培訓、進修資助以及職業發展方面投放大量資源以培育人才。2020 年，本行再次榮獲僱員再培訓局嘉許為「ERB 人才企業嘉許計劃」的「人才企業」。

預期 2021 年全球經濟環境仍然不明朗，年內可能仍會採取一定程度的封鎖措施以對抗疫情。然而，環球金融市場有望因各國政府推出的刺激經濟方案和疫苗接種計劃刺激而反彈。作為於全球疫情大流行中最快復甦的主要國家之一，中國有望在 2021 年實現穩健的經濟增長，並為香港經濟復甦注入強心針。中期而言，中國政府推進「粵港澳大灣區」的發展策略亦有望提升大灣區的對外貿易及投資流量，於 2021 年為香港經濟帶來新機遇。

本行將繼續憑藉母公司富邦金控的雄厚實力，深化與零售及企業客戶的關係，抓緊區內業務的發展機會。透過實體銀行與虛擬銀行服務的無縫結合，客戶將可更方便快捷地處理其財務需要，並選擇適合他們的渠道辦理銀行事宜。本人謹此衷心感謝董事會、管理層及全體員工於這艱難及充滿挑戰的時期所作出的寶貴貢獻。我們將保持良好的業務增長動能，繼續為客戶提供卓越的「富邦體驗」，成為他們首選的銀行夥伴。



蔡明忠

主席

2021 年 4 月

CHIEF EXECUTIVE'S REPORT 行政總裁報告



Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries ("the Group") reported a net profit of HK\$75 million for the year ended 31 December 2020, representing a year-on-year decrease of 87% as compared with 2019. Return on average equity and return on average assets were 0.51% and 0.07%, respectively, compared with 4.19% and 0.56% in 2019. The Group's operating profit was affected by the low interest rate environment and the COVID-19 pandemic. The decline in net profit was attributable to a 33% reduction in operating profit, which was further impacted by an increase in impairment allowances for loans and other financial assets. Stages 1 and 2 impairment allowances increased by 74% while stage 3 impairment allowances registered a substantial increase to HK\$253 million.

Net interest income decreased by 16% to HK\$1,183 million and net interest margin narrowed by 28 basis points to 1.21%. Market interest rates decreased at an accelerated pace in the first six months of 2020 and remained at a very low level throughout the second half of the year, resulting in a decrease in overall asset yield. However, customer deposits rates did not decline at the same pace causing a narrowing of margins as well as a decline in net interest income. Average interest-earning assets grew by 3%, contributed by an expanding loan and debt securities investment portfolios.

Net fee and commission income decreased by 16% to HK\$249 million. The drop was mainly attributable to the decrease in insurance services, credit card services and trade finance services income by 32%, 24% and 22%, respectively. Credit related services income also decreased by 21%. The decline in these fee income areas was primarily due to the COVID-19 pandemic. On the other hand, securities brokerage and investment services income rose by 72% benefiting from the increase in stock market turnover. Total non-interest income maintained at the same level of HK\$347 million as compared with 2019 while non-interest income-to-total operating income ratio increased to 22.7%.

Operating expenses increased by 6% to HK\$951 million. The cost-to-income ratio increased to 62.2% as compared with 51.0% in 2019. In 2019, we won an appeal over a High Court judgement against the Bank, resulting in a one-time recovery of HK\$96 million in expenses that was paid out under the High Court Order in 2016. The litigation related to a dispute with a borrowing customer involving a transaction dating back to 1998. If this one-time recovery was excluded from the 2019 operating expenses, then operating expenses would have registered a 4% year-on-year decrease. Amid the challenging operating environment, the Group continued to introduce cost control measures while remaining committed to allocating resources and investment to Fintech initiatives in support of our medium- to long-term business strategies.

富邦銀行(香港)有限公司(「本行」)及其附屬公司(「本集團」)截至2020年12月31日止的全年淨溢利為7,500萬港元，較2019年減少87%。平均股本回報率及平均資產回報率分別為0.51%及0.07%，而2019年則為4.19%及0.56%。低息環境及2019冠狀病毒病全球大流行，對本集團的經營溢利造成影響。淨溢利下跌，主要是由於本集團的經營溢利減少33%，加上貸款及其他金融資產減值撥備上升。第一及第二階段減值撥備上升74%，而第三階段減值撥備亦增加至2.53億港元。

淨利息收入減少16%至11.83億港元，淨息差亦下降28個基點至1.21%。市場利率於2020年首六個月一直急速下調，並於整個下半年維持在極低水平，導致整體資產收益下降。然而，客戶存款利率並未有同步下調，導致息差收窄，淨利息收入亦隨之下降。受貸款及債務證券投資組合增長帶動，生息資產均額上升3%。

2019冠狀病毒病全球大流行導致費用收入下降。保險、信用卡及貿易融資業務收入分別減少32%、24%及22%，信貸業務收入亦錄得21%的跌幅，導致淨費用及佣金收入下跌16%至2.49億港元。另一方面，受惠於股票市場成交活躍，證券經紀及投資服務收入上升72%。總非利息收入為3.47億港元，與2019年相若。非利息收入對總營運收入比率則上升至22.7%。

營運支出增加6%至9.51億港元。成本對收入比率由2019年的51.0%上升至2020年的62.2%。2019年，本行就高等法院的一項判決上訴得直，收回於2016年就原審判決所支付的淨金額合共9,600萬港元，而該訴訟乃由1998年之一項客戶借貸糾紛所引起。若撇除收回該一次性款項，營運支出則按年減少4%。面對充滿挑戰的經營環境，本集團貫徹執行成本控制措施的同時，亦致力在金融科技項目投放資源及作出投資，以支持中長期業務策略。

The Group made a provision of HK\$149 million for loan impairment and HK\$71 million for other financial assets impairment for stages 1 and 2. This reflected an anticipated downturn in the key economic factors in the expected credit loss model which is required by the accounting standards under HKFRS9. Loan impairment losses for stage 3 (net of bad debt recovery) were HK\$253 million. As a result, total impairment losses amounted to HK\$473 million as compared to HK\$142 million in 2019. The impaired loan ratio was 0.87% and the coverage ratio for the Group's non-performing loans was 82.4% as at 31 December 2020.

The Group's total assets rose by HK\$1 billion, or 1%, to HK\$112 billion as at 31 December 2020. Gross advances to customers increased by 6% to HK\$56 billion, mainly attributed to the growth in loans to corporate customers. Customer deposits increased by 2% to HK\$77 billion, helping to maintain a stable deposit base. With the inclusion of trade bills and certificates of deposit issued by the Bank, the loan-to-deposit ratio increased from 65.9% at 31 December 2019 to 68.7% at 31 December 2020.

The Group's capital and liquidity positions remained strong. As at 31 December 2020, the Group's Common Equity Tier 1 ("CET1") Capital Ratio and Tier 1 Capital Ratio were both 16.86%, and its Total Capital Ratio was 18.93%, which were well above the statutory requirements. The Average Liquidity Maintenance Ratio also stood at a comfortable level of 68.53%.

The spread of COVID-19 significantly increased volatility in the financial markets, and continued uncertainty over the U.S.-China disputes severely impacted global economic activities. The depressed global economy resulted in high unemployment rate in most markets and Hong Kong was no exception. While the economy seemed to have bottomed out in the second half of 2020, the new wave of COVID-19 in Europe driven partly by the mutation of the virus will dampen and slow down the recovery. In Hong Kong, the outbreak of COVID-19 has also changed the ways people manage their financial activities. As a result, digitalization in the financial sector has accelerated. In recent years, Hong Kong has fully embraced Fintech and the government has also launched multiple initiatives to promote low cost and easy access electronic banking, including the introduction of the Faster Payment System, Open API, and the licensing of virtual banks.

We have taken note of the Fintech trend over the last decade and have developed a strategic plan that will transform the Bank from a traditional physical bank to a dual-platform financial institution that offers a broad range of banking services through both virtual and physical channels. In January 2021, the Bank established a strategic cooperation with HKT for Fintech innovation. We believe our cooperation with HKT will enable us to establish a solid foundation for the introduction of virtualized services in the future. By integrating the core strengths and expertise of the Bank with HKT, we will be able to stay in the forefront of digital banking and will be well-positioned to capture the opportunities created by the growing awareness of Fintech. With this strategy, we will further deepen our relationships with both retail and corporate customers by providing products and services that best suit their lifestyle and financial needs.

本集團於第一及第二階段就貸款及其他金融資產分別作出 1.49 億港元及 7,100 萬港元撥備。減值撥備增加反映根據香港財務報告準則第 9 號所制定的預期信貸虧損模式下預期的經濟前景轉差。第三階段貸款減值虧損(扣除壞賬收回後)為 2.53 億港元。因此，減值虧損總額為 4.73 億港元，2019 年則為 1.42 億港元。於 2020 年 12 月 31 日，減值貸款比率為 0.87% 及減值貸款覆蓋率為 82.4%。

於 2020 年 12 月 31 日，本集團的總資產為 1,120 億港元，較 2019 年增加 10 億港元或 1%。受惠於企業客戶貸款增長，客戶貸款總額上升 6% 至 560 億港元。客戶存款增加 2% 至 770 億港元，讓本行得以維持穩健的存款基礎。計及商業票據及本行發行之存款證，貸款對存款比率由 2019 年 12 月 31 日的 65.9% 上升至 2020 年 12 月 31 日的 68.7%。

本集團的資本及流動資金狀況仍然雄厚穩健。於 2020 年 12 月 31 日，本集團的普通股權一級資本比率及一級資本比率皆為 16.86%，總資本比率為 18.93%，遠高於相關之法定要求。平均流動性維持比率處於 68.53% 的穩健水平。

2019 冠狀病毒肆虐導致金融市場動盪加劇，加上中美糾紛前景仍然不明朗，種種因素嚴重衝擊全球經濟活動。全球經濟低迷導致大部分市場的失業率高企，香港亦無可避免。儘管經濟於 2020 年下半年看似走出陰霾，但隨著變種病毒出現引發歐洲的新一波疫情，將影響並拖累經濟復甦。在香港，2019 冠狀病毒病的爆發改變了人們管理財務的方式，加速了金融業的數位化轉型。近年，香港迅速邁向金融科技化，政府亦推出了多項舉措推廣低成本、簡便的電子銀行方案，當中包括「轉數快」、開放應用程式介面以及發出虛擬銀行牌照。

本行於過去十年早已洞悉金融科技發展趨勢，制定策略性發展計劃，銳意將本行由傳統實體銀行變革成為一間透過虛擬與實體渠道為客戶提供多元化銀行服務的金融機構。2021 年 1 月，本行與香港電訊就創新金融科技達成策略性合作。我們相信，與香港電訊的合作將為我們未來推出虛擬化銀行服務奠定堅實的基礎。透過結合本行和香港電訊的主要優勢和專長，我們將可在提供數位化銀行服務方面佔有優勢，把握大眾日漸關注金融科技的重要性而帶來的龐大機遇。此策略將進一步深化我們與零售和企業客戶的關係，為他們提供最切合其生活方式及理財需要的產品和服務。

Our continued investment in digital innovations and technology will enable us to react swiftly and cater to the changing needs of our customers while at the same time allow us to develop new customer from different target market segments. To strengthen our brand and further underscore our customer-centric approach, we launched a new branding campaign last year showcasing the seamless integration of our physical banking and virtual banking services that will provide our customers with the best of both worlds. By building a high-quality virtual platform, we will ensure we meet one of our major corporate objectives of financial inclusion.

As part of the Fubon Group, we will continue to collaborate with other affiliates to maximize our business opportunities in the region, particularly in the fast-growing Greater Bay Area and give our customers access to financial services in this market.

On risk management, we always believe in a robust risk management and compliance culture, and we remain vigilant in light of the changing market and credit conditions. We will continue to enhance our operational and market risk management, and maintain a high credit management standard through rigorous review of our risk management framework, policies and processes.

As always, our staff are our most valuable asset and we remain committed to promoting their personal well-being and career advancements, especially under the current challenging market environment. Since the onset of COVID-19, our staff have demonstrated their professionalism and commitment to delivering uninterrupted services to our customers. Meanwhile, we also supported a variety of corporate social responsibility programmes in the community during the year.

Finally, I wish to express my gratitude to our management team and staff for their efforts and contributions to the Bank, especially under such difficult circumstances. I also wish to express my heartfelt thanks to our Chairman, the Chairman of Fubon Financial Holdings and to our Board of Directors for their ongoing support and guidance. Together with our professional and experienced staff, we are poised to capture opportunities when the current pandemic is over and markets resume normality. We will continue to deliver high-quality customer services to ensure that our customers can enjoy the unique "Fubon Experience".



Raymond Lee

Chief Executive Officer and Managing Director

April 2021

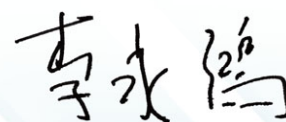
我們持續於創新及數位化科技上作出投資，以迅速回應並滿足客戶不同的需求，並同時於不同目標市場開拓新客戶群。為強化本行的品牌及進一步體現以客為本的理念，我們於去年推出全新的品牌宣傳活動，展示我們實體銀行與虛擬銀行服務無縫結合的全新概念，致力為客戶帶來優質的實體銀行與虛擬銀行服務，讓他們靈活處理財務需要。透過構建高質素的虛擬化銀行服務平台，我們將實現普及金融這重要的企業目標。

作為富邦集團的成員之一，我們將繼續與其他聯屬公司合作，以把握區內的商機，尤其是在發展迅速的大灣區，為客戶提供金融服務。

在風險管理方面，我們一直恪守穩健的風險管理和合規文化，並在市場及信貸情況有所轉變時保持審慎。我們嚴格審查本行的風險管理框架、政策和流程，持續提升我們的營運和市場風險管理，維持高信用管理標準。

一如既往，員工是我們最寶貴的資產。在這充滿挑戰的市場環境下，我們將繼續致力促進員工的個人福祉和職業發展。自 2019 冠狀病毒病爆發以來，我們的員工向客戶展現其專業精神，致力為客戶提供無間斷的銀行服務。年內，我們亦支持了多項社會企業責任計劃，以貢獻社會。

最後，本人衷心感謝管理層和員工在這艱難時期為本行作出的努力和貢獻。同時，我亦感謝本行主席、富邦金控主席及董事會成員一直以來的支持和指導。在本行專業且經驗豐富的員工同心協力下，我們已為抓緊疫情結束和市場回復正常所帶來的機遇作好準備。我們將繼續提供超卓的客戶服務，讓客戶享受獨特的「富邦體驗」。



李永鴻

行政總裁兼董事總經理

2021 年 4 月

BUSINESS & OPERATIONS REVIEW 業務回顧





CORPORATE & INSTITUTIONAL BANKING

企業及機構銀行

CORPORATE BANKING

The major story of 2020 was the devastating global impact of COVID-19. In Hong Kong, business prospects were significantly affected by poor consumer sentiment, social distancing measures, and a free-fall in tourism. In addition, the persistent U.S.-China trade dispute and escalating inter-regional tensions threatened export demand, compounding the domestic headwinds.

Overall lending within the banking industry remained sluggish throughout the year. Notwithstanding these challenges, the Bank continued logging modest business growth as we focused on supporting our customers during the difficult times.

The small-and-medium enterprises (“SMEs”) sector was particularly hard-hit by the economic downturn in 2020, nevertheless our Commercial Banking team continued to support them as well as the middle-market enterprises (“MMEs”) segment. A number of relief measures were rolled out to help customers weather the economic storm and overcome their cash flow challenges. Specifically, the Bank participated in various government schemes, including the SME Financing Guarantee Scheme and the Pre-Approved Principal Payment Holiday Scheme.

Amidst the subdued economy and weakening demand for loans, our Commercial Banking team registered growth in both loans and deposits. The growth was mainly attributed to our strategy for new customer acquisition and deepening the relationships with our existing customers. Furthermore, we continued to leverage our cross-selling mechanisms, including alliances with other Fubon Group members, to enhance our customer penetration and engagement.

Looking at Corporate Banking, we remain committed to providing exceptional service to the first- and second-tier large corporations in Hong Kong. However, the dual impact of COVID-19 and rising inter-regional tensions weighed on the demand for new loans and customers' capacity to service new debt obligations. The appetite for new bank loans was further worsened by the active bond market, which became an attractive alternative financing channel under the historically low interest rate environment. In light of these developments, the Bank took measures to further exploit business with our existing customers and to widen our customer base.

In addition, our active participation in the primary and secondary syndication markets allowed us to quickly respond to both opportunities and risks while maintaining a nimble and well-diversified portfolio. During the year, we continued to maintain a sizable non-bank financial institutions (“NBFIs”) book, which not only contributed to operating results, but also demonstrated our strong product suite and ability to cater to a wide range of clients.

Overall, the revenue from corporate customers registered modest growth in 2020 when compared to 2019. The increase was mainly driven by the impressive performance of our core drivers, including decent growth in loans and strong growth in deposits. Net interest income also registered reasonable growth in 2020. Our marketing strategy, which focused on fee income generation, produced satisfactory results.

企業金融

2019 冠狀病毒病於 2020 年為全球造成破壞性的影響。在香港，商業前景大受消費者悲觀情緒、社交距離措施及旅遊業衰退所影響。此外，中美貿易糾紛持續以及區間政治越趨緊張衝擊出口需求，加劇本地的不利狀況。

去年銀行業的整體貸款業績仍然低迷。儘管面對重重挑戰，本行於這艱難時期專注於與客戶並肩同行，令業務仍維持溫和增長。

中小企業於 2020 年的經濟衰退中蒙受沉重的打擊。儘管如此，我們的商業銀行團隊持續對中小企業及中型企業予以支持。我們推出多項金融服務支援措施，協助客戶應對經濟波動和紓緩現金流壓力。同時，本行亦參與多項政府推出的支援企業方案，包括「中小企融資擔保計劃」及「預先批核還息不還本計劃」。

在經濟低迷及貸款需求疲弱的環境下，本行吸納新客戶以及深化與現有客戶關係的策略令商業銀行的貸款及存款業績穩步增長。我們繼續運用交叉銷售策略，包括與富邦集團其他成員合作，從而提高市場滲透率及與客戶的關係。

企業銀行方面，我們致力為香港一、二線大企業提供卓越服務。然而，2019 冠狀病毒病及區內局勢緊張升溫的雙重影響對新貸款的需求和客戶償還新債務的能力構成了壓力。債券市場於歷史性的低息環境下成為另一個吸引的融資渠道，但活躍的債券市場進一步削弱對新銀行貸款的需求。針對上述市況，本行已進一步開拓與現有客戶的業務，並擴大我們的客戶群。

此外，我們積極參與一級及二級銀團貸款市場，迅速把握市場機遇及應對風險，同時維持靈活及多元化的組合。年內，我們維持具規模的非銀行金融機構客戶群，此舉不僅為業績作出貢獻，亦彰顯了我們卓越的產品以及服務不同客戶的能力。

整體而言，受核心業務的超卓表現所帶動，包括貸款業務溫和增長以及存款業務強勁增長，2020 年來自企業客戶的收入較 2019 年錄得穩健的升幅。2020 年的淨利息收入亦合理地增長，而本行專注於費用收入的營銷策略也取得滿意的成果。

Fubon Business Online, the Bank's corporate e-banking platform, will be further upgraded in 2021 to provide extended services, such as remote corporate account opening, Faster Payment System for corporate customers, and online applications for banking services. Supported by our physical branch network and professional Corporate and Commercial Banking teams, our system enhancement and virtualization of banking services will enable the Bank to be well-positioned to acquire more new corporate customers in the future.

CHINA COVERAGE

Although China's economy outperformed in 2020, it was still impacted by the global spread of COVID-19. Bond defaults by State-Owned Enterprises ("SOEs") during the period began to undermine lenders' confidence in government support for these entities. Furthermore, Hong Kong's syndicated loan market, covering China credits, also shrank significantly.

Nevertheless, it is anticipated that China's economy will likely register a healthy economic growth in 2021. This will be partly driven by China's new economic strategy of "Dual Circulation", which will place greater focus on the domestic market ("internal circulation"), rather than relying on global exports ("external circulation").

Many Chinese onshore companies, especially SOEs focusing on domestic business, were returning to business-as-usual by the end of the year, bringing about stable corporate loan demand. Also, trade financing gradually recovered in the fourth quarter of 2020 after a noticeable slow-down during the first three quarters. Meanwhile, loan demand from Chinese offshore companies remained steady due to a strong appetite for refinancing. All these factors enabled the Bank to achieve near double-digit percentage growth in loans outstanding for our China coverage business in 2020 (including structured finance and syndications).

The Guangdong-Hong Kong-Macau Greater Bay Area is expected to promote financial integration and provide ample business opportunities in the area. Going forward, we will continue to allocate resources and efforts to provide our customers with comprehensive cross-border financial services to support their business development.

FINANCIAL INSTITUTIONS

The Financial Institutions ("FI") team plays an important role as a primary contact point with banks and NBFIs for correspondent banking activities and business referrals. In 2020, the FI team continued to provide credit support to different business units to facilitate the overall lending and investment activities of the Bank. Leveraging the Bank's strong market presence, our FI team reported strong double-digit percentage growth in customer deposits in 2020.

Looking ahead, the severe impact of COVID-19 may moderate a bit due to the roll-out of vaccination programmes worldwide. However, both the fallout from the pandemic and inter-regional trade tensions are likely to endure for most of the year. Despite the persistent economic challenges, we remain confident that the Bank can log modest growth as we continue to focus on serving our customers with strong medium- to long-term business fundamentals.

本行將於 2021 年進一步提升企業電子銀行系統「富邦商務網」，提供遙距企業開戶、企業客戶「轉數快」服務以及網上申請銀行服務等。憑藉我們的實體分行網絡和專業的企業及商業銀行團隊，加上本行提升系統及虛擬化銀行服務的舉措，將為我們未來吸納更多新企業客戶做好準備。

中國業務

儘管中國經濟表現於 2020 年超出預期，但仍然受到 2019 冠狀病毒病於全球蔓延所影響。國有企業在此期間的債券違約開始削弱貸款者對受政府支持之企業的信心。此外，涵蓋中國信貸業務的香港銀團貸款市場亦大幅萎縮。

然而，中國着重國內市場（「內循環」）而非依賴全球出口（「外循環」）的「雙循環」經濟發展新格局將成為經濟復甦的驅動力之一。預期中國經濟有望在 2021 年錄得穩健的增長。

很多中國境內公司，特別是專注國內業務的國有企業已於去年年底恢復正常的業務運作，帶來穩定的企業貸款需求。此外，貿易融資經過 2020 年首三個季度大幅放緩後於第四季逐步回穩。同時，由於再融資需求殷切，中國離岸公司的貸款需求維持穩定。種種因素帶動本行在中國業務於 2020 年的未償還貸款（包括結構性融資和銀團）錄得近雙位數的升幅。

市場憧憬粵港澳大灣區將促進金融一體化，為區內創造大量商機。未來，我們將繼續調配資源，竭力為客戶提供全面的跨境金融服務，協助他們拓展業務。

金融機構業務

金融機構團隊在向其他銀行及非銀行金融機構提供代理銀行業務及業務轉介方面擔當重要的角色。2020 年，金融機構團隊繼續為本行不同業務的貸款及投資活動提供信貸支援。憑藉本行雄厚的市場佔有率，我們的金融機構團隊在 2020 年於客戶存款錄得雙位數的強勁增長。

展望未來，由於疫苗接種計劃於全球各地逐步展開，2019 冠狀病毒病帶來的衝擊可能有所放緩。然而，疫情及區間貿易緊張局勢所衍生的影響很可能於今年大部分時間維持。儘管經濟持續備受衝擊，憑藉本行專注於為客戶提供強勁的中長期業務服務，我們對維持業務的溫和增長仍抱有信心。

RETAIL BANKING

零售銀行

CONSUMER FINANCE

Undeniably 2020 was a challenging year for the banking industry because of the outbreak of COVID-19, but the pandemic also accelerated the progress of digital transformation in the Bank. Due to social distancing measures and hygiene concerns, people shifted to more digital banking services and online shopping last year. By all indications, this trend will continue. In fact, consumers are expected to do 45% of their shopping online post-COVID-19*. Facing this new norm of spending behaviour, the Bank has partnered with various online merchants, in particular those who engage in daily life consumption categories, to enhance the online presence of Fubon credit cards and to offer more benefits and special privileges to Fubon credit card cardholders. Online spending is the top spending category of our credit cards and the percentage of our online transactions outperformed the market in 2020.

Despite the unfavourable market conditions, the Bank still managed to run year-round marketing campaigns to acquire personal loan business via different channels while maintaining our personal loan portfolio with a low bad debt provision. Throughout the year, various digitalization initiatives were launched for our personal loan business, such as engaging a new Open API partner, new digital advertising arrangements, etc., to enhance the customer experience in digitalization and market awareness.

The volume of property transactions reported only a slight decrease in 2020 when compared with 2019 despite the impact of COVID-19, which imposed little impact on the mortgage market for new purchase. However, the weak economic conditions substantially reduced the refinance cases. Therefore, the overall mortgage market was adversely affected with a year-on-year decrease of 18%. The niche market of non-conventional mortgage loans remained as our focus to improve our overall mortgage loan portfolio return, especially during the downtrend for HIBOR in the second half of 2020. Meanwhile, we strengthened and leveraged our electronic channels for mortgage loan applications, such as Open API, to widen our source of mortgage customers.

消費金融

2019 冠狀病毒病爆發無疑令銀行業於 2020 年困難重重，但亦加快了本行的數位化轉型。鑑於社交距離措施及衛生考量，市民去年逐漸傾向使用數位化銀行服務及網上購物，而種種跡象亦顯示這個趨勢會一直持續。事實上，預期消費者於疫情過後仍有 45% 的消費在網上進行*。為配合新消費模式，本行已與多間日常生活消費類的網上商戶合作，以提升富邦信用卡的網上消費佔有率，並為富邦信用卡客戶帶來更多優惠和尊屬禮遇。網上消費成為了我們信用卡業務的最高交易類別，而本行信用卡在 2020 年網上交易的百分比亦優於市場表現。

儘管市況並不明朗，本行仍透過全年營銷活動於不同渠道開拓私人貸款業務，並維持低壞賬撥備的私人貸款組合。年內，我們就私人貸款業務推出多個數位化項目，包括與新的開放應用程式介面夥伴合作以及制定全新的數位化廣告策略等，從而提升客戶數位化體驗及市場知名度。

即使受疫情衝擊，2020 年的房地產交易量只較 2019 年輕微減少，這對新購置的物業按揭市場沒造成太大的影響。然而，疲弱的經濟使轉按揭個案大幅減少，令按揭市場按年下跌 18%。在香港銀行同業拆息於 2020 年下半年持續下調的情況下，本行繼續專注於非傳統按揭貸款市場的業務，以提高整體按揭貸款組合的回報。同時，我們亦加強並提升應用按揭貸款申請的電子渠道，如開放應用程式介面，以擴大本行按揭業務的客源。

Providing our customers with a more friendly and convenient Fintech experience continues to be another area where we strive for greater technological breakthroughs and innovation. With the official launch of Fubon GO in 2021, customers will be able to handle credit card and personal loan applications without leaving their home. We will roll out a series of advertising and promotional campaigns alongside the official launch of the new mobile app.

COVID-19 seriously impacted the retail market for both domestic and cross-border spending. Consumers changed their spending behaviour and habits and were more inclined to shop online. Going forward, we will continue to enhance our merchant online payment platform by introducing a quick and low-cost solution so that our SME merchants can easily begin their online business. In addition, our Merchant Receivables Financing service will continue to provide our merchants with a convenient and easy financing tool for managing their financial needs.

*Source: Visa Consumer Payment Attitudes Study 2.0 (August, 2020)

DIGITAL BANKING & CHANNEL MANAGEMENT

Due to COVID-19, digitalization and innovation sped up around the world. In response to this development, the Bank accelerated its digital capabilities to adapt to the changes in customer behaviour. As a result, the number of Personal Internet Banking and Mobile Banking customers increased by 18% and 55%, respectively, and the number of customers opting for e-Statements and our Faster Payment System Service rose by 44% and 202%, respectively, in 2020 when compared with 2019.

In addition, the Bank formed a strategic cooperation with HKT to drive Fintech innovations, including the development of Fubon GO. With Fubon GO, customers can handle account opening, credit card and personal loan applications, and more, anytime, anywhere. Looking ahead, the Bank will continue to allocate resources to support Fintech development and leverage digital channels to penetrate the younger market segment and also to deliver diversified products and services.

我們致力尋求科技突破與創新，為客戶提供更貼心便捷的金融科技體驗。隨着Fubon GO於2021年正式推出，客戶足不出戶便可辦理信用卡及私人貸款申請。屆時我們將推出一系列推廣活動，以配合全新流動應用程式的推出。

2019冠狀病毒病疫情嚴重影響本地零售市場及跨境消費。消費者的消費模式及習慣亦隨之而改變及傾向至網上消費。我們未來將推出快捷及低成本方案，持續提升商戶網上支付平台，讓我們的中小企客戶可輕鬆開展其網上業務。此外，我們的「先享錢」信用卡商戶貸款將繼續為商戶提供便捷的金融服務，以滿足商戶的財務需要。

*資料來源：《Visa消費者支付取態研究2.0》(2020年8月)

數位化銀行及通路管理

2019冠狀病毒病加速全球數位化與創新。有見及此，本行加快提升數位化功能以配合客戶行為的轉變。本行2020年個人網上及流動理財的客戶數目較2019年分別增加18%及55%，而選用電子月結單及「轉數快」服務的客戶數目亦分別上升44%及202%。

此外，本行與香港電訊就創新金融科技達成策略性合作，當中包括Fubon GO的研發。透過Fubon GO，客戶可隨時隨地辦理開戶、信用卡及私人貸款申請等事宜。展望未來，本行將繼續投放資源推動金融科技發展，並藉着數位化渠道滲透年輕市場，提供多元化的產品和服務。

To achieve seamless integration of our physical banking and virtual banking services, we remain committed to enhancing our physical channels and adopting a hybrid model to improve process efficiency and to ensure error-free workflow. New customer acquisition continued to be the key mission of physical channels, with proven results last year. The Bank successfully launched various marketing programmes targeting different customer segments, especially the programme tailor-made for the government's Cash Payout Scheme. The total number of new customers solicited during the year substantially increased over 60% as compared to 2019. The programme also encouraged customers to enroll in our banking services via digital channels, setting a milestone in the virtualization process of our banking services and signaling that communication with our customers was no longer bound by physical modes.

In August 2020, we implemented a new physical segregation through system enhancement. This safeguards the interest of our customers by providing clear directions for various activities at branches, such as account opening, deposits and wealth management services.

INVESTMENT & INSURANCE

Throughout the year, the investment market was adversely affected by the lengthy COVID-19 pandemic. While the performance of the unit trust business showed slight year-on-year regression in 2020, there was greater impact on the insurance business, especially life insurance, with sustained lockdowns and social distancing measures making it difficult to meet face-to-face with customers. To alleviate the impact, we will continue to develop online application channels for specific insurance products.

Looking forward to 2021, the Bank will continue to deliver investment products and services catered to our customers' risk appetite to maintain a balanced and optimal wealth management portfolio to withstand market volatility. Meanwhile, we anticipate steady growth in our unit trust business.

為實現實體銀行與虛擬銀行服務的無縫結合，我們致力優化實體分行渠道，並採用混合模式提高效率 and 確保工作流程無誤。吸納新客戶仍然是實體分行的主要目標，而我們去年取得的成績亦有目共睹。本行成功推出了多項針對不同客戶群的營銷項目，特別是為配合政府「現金發放計劃」而推出的宣傳計劃。年內，新客戶總數較 2019 年大幅增加逾 60%。該計劃亦鼓勵客戶透過數位化渠道登記我們的銀行服務，成為邁向銀行服務虛擬化的一個里程碑，同時標誌往後與客戶聯繫亦不受實體限制。

2020 年 8 月，我們於分行實施了新的安排並進行系統提升，分隔辦理開戶、存款及財富管理業務，從而保障客戶的利益。

投資及保險

2019 冠狀病毒疫情持續，投資市場於去年受到嚴重影響。儘管基金業務於 2020 年只錄得輕微倒退，但保險業務，尤其是人壽保險業務受到較大的影響。持續的地域封鎖及社交距離措施令到與客戶會面變得困難。為減低影響，我們將繼續開拓網上申請渠道予特定的保險產品。

展望 2021 年，本行將持續提供切合客戶風險屬性的投資產品及服務，協助客戶維持均衡且最佳的理財組合，抵禦市場波動。同時，我們預期信託基金業務將穩步增長。

The dangers of COVID-19 have aroused public awareness of the need for lifelong protection. We expect there will be a demand in the market for long-term protection plans and critical illness plans. Therefore, we will collaborate with our insurance partners to enrich our product offerings and launch a whole life insurance product with short payment terms to cater to our customers' needs.

SECURITIES SERVICES

The global and Hong Kong stock markets encountered unprecedented challenges and uncertainties in 2020. COVID-19 crushed the global economy and caused turbulence in global stock markets. The major stock markets, including the Hang Seng Index, plunged in early 2020, but they were able to rally behind the strong trend of new technology sectors in the second half of the year.

The Bank registered encouraging results on fee income contribution and virtualization of our services in 2020. The commission of securities dealing increased by 72% along with significant growth in the number of transactions and customers via our internet stock trading and mobile stock trading platforms. Both customer acquisition and trading volume reached record-high levels due to the satisfactory performance of overseas stock trading, share margin overdraft facility and IPO financing.

We foresee that Fintech innovation will accelerate the growth of our securities business. With seamless integration of our physical banking and virtual banking services, we will continue to upgrade our securities trading platform to provide our customers with an exceptional "Fubon Experience".

2019 冠狀病毒病的危險性喚起大眾對終身保障需要的關注。我們預期市場對長期保障及危疾保障計劃的需求將有所增加。因此，我們將與保險業務夥伴共同合作充實我們的產品組合，並推出短期的終身壽險產品，以滿足客戶的需求。

證券投資服務

環球及香港股市於 2020 年遇到前所未有的挑戰及不明朗因素。2019 冠狀病毒病衝擊全球經濟，導致環球股市動盪不穩。恒生指數等主要股票市場於 2020 年年初暴跌，幸獲新科技行業帶動，支撐下半年的強勁升勢。

本行 2020 年的費用收入及銀行服務虛擬化的成績令人鼓舞。受惠於網上及流動股票交易平台的交易宗數及客戶數目大幅增加，佣金收入上升 72%。由於海外證券交易、股票抵押透支及新股認購表現理想，新客戶數目及成交量均創新高。

我們預期創新金融科技將加快本行證券投資業務的增長。隨著實體銀行與虛擬銀行服務的無縫結合，我們將繼續提升本行的證券交易平台，讓客戶享受卓越的「富邦體驗」。

FINANCIAL MARKETS

金融市場

The fast-spreading COVID-19 pandemic kept global markets on edge throughout 2020. In March 2020, the U.S. Federal Reserve cut its key interest rate to near zero and announced it would buy USD700 billion in government securities in coordination with efforts to buttress the global economy by the Bank of England and the Bank of Japan. The yield on the benchmark 10-year U.S. Treasury touched a record low of 0.318% and the 30-year U.S. Treasury yield also hit a record low of 0.702% in March 2020. To better prepare for any market downturn, we strengthened the Bank's liquidity and currency positions. We also provided our customers with a variety of treasury products to assist them in mitigating interest rate and currency risks and to further enhance the "Fubon Experience".

INVESTMENT PORTFOLIO

In 2020, we continued to follow a prudent investment strategy to focus on investments with good credit quality while ensuring appropriate diversification across geography, currency and industry. The overall credit rating of our investment portfolio remained at an "A". Furthermore, our investment portfolio sustained a rising trend of net interest income for the year despite the negative impact of the pandemic and unstable political environment.

Uncertainties related to the adverse impact of COVID-19 and the political environment are expected to remain in 2021. The Bank aims to mitigate the impact of the volatile interest rate market environment with effective hedging instruments. Observing global political developments is a key part of portfolio risk management in the coming year. In addition, credit risk exposure will be closely monitored by using various predictive tools and using sensitivity analysis to assist us in taking timely mitigating measures in the event of market turmoil.

FLOW INVESTMENT PRODUCTS AND TREASURY MARKETING

Despite the volatile and challenging situation in the financial markets, our Flow Investment Products team outperformed and exceeded the budget by 10%. The fee income generated from the bonds business excelled beyond the budget by 32%, while our FX business exceeded the budget by 15%. We will strive to continue expanding our product range to satisfy various customers' needs and risk appetites.

2019 冠狀病毒病迅速蔓延令環球市場於 2020 年一直陷入僵局。2020 年 3 月，美國聯邦儲備局將其基準利率下調至接近零的水平，並宣布將購買 7,000 億美元美國國債，與英國及日本央行聯手刺激全球經濟。美國 10 年期國債債券孳息率曾下試 0.318% 的紀錄低位，而美國 30 年期國債債券孳息率亦於 2020 年 3 月創下 0.702% 的歷史新低。為了充分應對市場下調的風險，我們加強了本行的資金流及貨幣持倉。此外，我們為客戶提供多元化的金融產品，協助他們減低利率及匯率風險，進一步提升「富邦體驗」。

投資組合

2020 年，本行維持審慎的投資策略，集中投資具有良好信貸質素的金融產品，確保把投資適當地分配在不同的地域、貨幣及行業。本行投資組合的整體信貸評級維持在 A 級。儘管受疫情衝擊及政局不穩的影響，本行投資組合的年內淨利息收入仍然維持上升趨勢。

預期 2019 冠狀病毒病疫情以及不明朗的政治環境所帶來的影響將於 2021 年延續。本行旨在透過有效的對沖工具減輕利率市場波動的衝擊。我們來年的投資組合風險管理將集中於觀察全球政治形勢的發展。此外，我們將利用各種預測工具和敏感度分析來密切監控信貸風險，這將有助我們在動盪的市況下採取適切的緩解措施。

投資產品及金融行銷

儘管金融市場動盪且充滿挑戰，我們的投資產品團隊表現優異，較預算超出 10%。來自債券業務的費用收入較預算超出 32%，而外匯業務較預算超出 15%。我們將繼續致力拓展產品種類，以滿足客戶的各種需求及風險偏好。

The treasury marketing fee income for 2020 was encouraging amidst volatile market conditions. Corporate customers chose hedging products for their foreign exchange and interest rate exposures along with investment products for yield enhancement in the low interest rate environment. In response to the social distancing constraints, our Treasury Marketing Unit ("TMU") provided timely market information and financial services via various secured digital channels. In 2020, our TMU income exceeded the annual budget by 34%.

Fintech has been changing the landscape of the financial industry and the Bank has been keeping pace. Our digital banking services have been widely used by our retail and corporate customers. The integration of our online services and the professional services offered by our team allows the Bank to create added value for customers who require sophisticated and tailor-made banking services.

FUNDING AND INTEREST INCOME

COVID-19 caused a global economic recession in 2020. Most central banks cut the nominal interest rate close to zero to support the economy. The U.S. Federal Reserve lowered the Federal Funds Rate twice from 1.5% to zero in March 2020 and it remained unchanged throughout the year.

The number of mega-size initial public offerings in Hong Kong increased in 2020. Several Chinese companies listed in the U.S. completed their secondary listing on the Hong Kong Stock Exchange. Chinese and foreign cash inflows made for ample money supply. The USD/HKD exchange rate reached the strong side of its permitted band. The Hong Kong Monetary Authority ("HKMA") aggressively intervened to defend the local currency by buying the Hong Kong Dollar. The HKMA Closing Aggregate Balance increased from HK\$54.3 billion to HK\$457.5 billion by year-end.

The Bank's funding position was strong and our deposits base increased by 2% to HK\$77 billion. The Bank maintained a healthy average liquidity maintenance ratio of 68.53% for the year.

The potential of a negative interest rate is an ongoing issue of debate in the market. It is anticipated that 2021 will be another challenging year with economic and political uncertainties ahead.

2020年，金融行銷費用收入的表現在波動的市況下仍然令人鼓舞。在低息環境下，企業客戶在選擇外匯及利率風險對沖產品的同時，亦選擇投資產品以提高收益。針對社交距離限制，我們的金融行銷團隊透過各種安全的數位化渠道，提供適時的市場資訊及金融服務。2020年，我們的金融行銷業務收入比預算超出34%。

金融科技不斷改變金融業的發展形態，而本行亦一直緊隨此步伐推進。我們的數位化銀行服務獲零售及企業客戶廣泛使用。憑藉本行的網上銀行服務以及專業的營銷團隊，我們定可為需要優質及量身定制銀行服務的客戶增值。

資金及利息收入

2019冠狀病毒病疫情導致2020年全球經濟衰退。大部分央行將名義利率調低至接近零的水平以支撐經濟。美國聯邦儲備局於2020年3月兩度減息，將聯邦基金利率由1.5%下調至零，並全年維持零利率。

香港超大型新股認購的數量於2020年增加，多間於美國上市的中國企業在香港交易所完成第二上市。中國及外國資金流入令貨幣供應充足。美元兌港元匯率於交易區間內走強。香港金融管理局（「金管局」）積極干預匯市，透過買入港元以穩定港元匯率。金管局的收市總結餘由543億港元上升至年底的4,575億港元。

本行的資金狀況穩健，存款基礎增加2%至770億港元，年內亦維持68.53%的平均流動性維持比率。

負利率的可能性一直存在市場爭議，加上經濟及政治前景不明朗，預期2021年將會是另一個充滿挑戰的一年。

RISK MANAGEMENT & COMPLIANCE

風險管理及合規監控

RISK MANAGEMENT

Enterprise Credit Risk Management

Economic activities in Hong Kong were severely disrupted in 2020 by the COVID-19 pandemic and the U.S.-China trade dispute. To cope with the increasingly uncertain credit outlook, the Bank updated its credit guidelines to cope with the market changes and the regulatory requirements. Stress tests and portfolio analyses were performed more frequently to ensure that the Bank could withstand any anticipated financial market turmoil and safeguard against asset quality deterioration.

In all likelihood market conditions will remain challenging and uncertain in 2021 and policy support from governments worldwide will drive economic recovery. The Bank will further enhance its asset quality monitoring measures and prepare for possible negative impact on our loan quality. Also, the Bank will continue to invest in digitalizing its credit applications process as well as the scorecards for the SME market segment to be poised to exploit any opportunities when the market rebounds.

Market Risk Management

The global financial markets experienced a turbulent year in 2020. The eruption of COVID-19, tensions between the U.S. and China on trade as well as negative oil future prices, caused the stock and bond markets to crash in the first quarter of 2020. It is anticipated that the market outlook for 2021 will remain uncertain and that interest rates will be at low levels unless there is significant change in the economic situation. The U.S.-China relationship and equity market growth are other major challenges impacting global economies. The effectiveness of COVID-19 vaccines will provide a key indicator for global economic recovery. The Bank will continue to closely monitor and manage the risks associated with trading and investment activities to ensure that those risks are within the Bank's tolerance level.

Operational Risk Management

In 2020, the Bank actively managed and controlled operational risk within the target levels that were in line with its risk appetite while achieving its business objectives. In response to COVID-19, the Bank executed its business continuity plans and implemented a split operation arrangement, utilizing work-from-home and other measures to maintain its operations and deliver uninterrupted services to our customers. The Bank also reaped benefits deriving from the new operational risk management system recently implemented by its parent company, Fubon Financial Holdings, to enhance its operational efficiency. Additionally, the Bank kept refining the evaluation process of the underlying operational and system controls for new products and services. Going forward, the Bank will continue to promote and maintain a robust internal control environment.

風險管理

企業信貸風險管理

2019 冠狀病毒病全球大流行及中美貿易糾紛，於 2020 年嚴重打擊香港的經濟活動。為應對越來越不明朗的信貸前景，本行已更新信貸指引以緊貼市場變化及監管規定。我們較以往更頻繁地進行壓力測試及組合分析，以確保本行可承受任何突如其來的金融市場動盪，並防止資產質素惡化。

市場大有可能於 2021 年繼續充滿挑戰和不明朗，而全球各國政府的支援政策將推動經濟復甦。本行將進一步加強資產質素監控措施，並準備應對任何對我們貸款質素產生負面影響的可能。此外，本行將繼續投放資源數位化信貸申請流程以及審批中小企業貸款的評分卡，以捉緊市場反彈時帶來的機遇。

市場風險管理

2020 年，全球金融市場經歷了動盪不定的一年。2019 冠狀病毒病爆發、中美貿易的緊張局勢以及期油價格跌至負值，均導致股市和債市於 2020 年第一季暴跌。預期 2021 年市場前景仍然不明朗，除非經濟局勢發生重大變化，否則利率仍將處於低位。中美關係和股票市場增長同樣是影響全球經濟的主要挑戰，而 2019 冠狀病毒病疫苗的有效性亦將成為全球經濟復甦的關鍵指標。我們將繼續密切監察並管理本行的交易及投資活動風險，以確保本行可承受相關風險。

營運風險管理

本行於 2020 年積極管理及控制營運風險，以期在符合我們風險偏好的目標水平的同時，也能達到我們的業務目標。為應對 2019 冠狀病毒病，本行執行了持續業務運作計劃，並透過實施分開辦公、在家工作和其他措施以維持業務正常運作，為客戶提供無間斷的銀行服務。本行母公司富邦金控於近日實施的新營運風險管理系統，亦有助提升我們的營運效率。同時，本行持續優化專為新產品和服務而設的營運及系統監控的評估流程。展望未來，本行將繼續提升並維持一個穩健的內部監控環境。

COMPLIANCE

The Bank has established a robust compliance risk management framework under applicable laws and regulations to ensure adequate corporate oversight and guidance for compliance activities. This framework, which is composed of three lines of defence, is reviewed regularly and reported to our Board for endorsement and approval.

To align with the Bank's strategy of "seamless integration of physical banking and virtual banking services", our Compliance Department will continue to provide assistance, guidance and advice throughout the business development process of virtual banking services, and also provide practical solutions to enable the Bank to meet today's demanding regulatory regime. The fast-moving development in technology and the increasing application of Fintech may trigger more comprehensive rules imposed by regulators. In view of this, the Bank will continue to enhance its compliance framework on a proactive basis to identify and assess the compliance risks associated with the Bank's new business initiatives, aiming to ensure that our customers can fairly and effectively access our state-of-the-art digital banking services while the Bank remains in the good graces of regulators.

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

To cope with the development of Fintech and to ensure our AML risk management systems and controls are sufficiently effective and efficient to implement the latest legal and regulatory requirements for combating Money Laundering and Terrorist Financing, the Bank worked with selected business partners to develop a new customer risk assessment scoring system to further enhance our customer due diligence process. This new customer due diligence system was successfully launched in June 2020. In the second half of the year, we started another project to strengthen the Bank's Transaction and Behavioural Monitoring System to further enhance our competency and effectiveness in undertaking ongoing customer transactions and behavioural monitoring. We target to launch this new system in 2021.

Looking forward, we will continue to strengthen the effectiveness and efficiency of the Bank's compliance function and stay vigilant in ensuring the robustness of our regulatory framework in today's ever-changing technological environment. Timely and proactive management actions will be taken to identify and assess different types of regulatory measures to manage emerging compliance risks and challenges under the new regulatory requirements, as well as to underpin ongoing cooperation with regulatory authorities.

合規監控

本行已根據適用的法律和法規制定了健全的合規風險管理框架，確保對合規活動有充足的企業監控和指引。該框架由三道防線組成，並會作定期檢討，再匯報予董事會審批。

為配合本行「實體銀行與虛擬銀行服務的無縫結合」的策略，合規部將持續在整個虛擬化銀行服務的發展過程中給予協助、指引和建議，並提供切實可行的方案，讓本行應對現時嚴緊的監管制度。科技發展日新月異，加上金融科技的應用日益廣泛，或會驅使監管機構實施更全面的監管規則。有鑑於此，本行將繼續積極完善合規框架，以識別和評估與本行新業務計劃相關的合規風險，從而確保客戶能公平且有效地享用本行最新的數位化銀行服務，並繼續得到監管機構的認可。

本行一直積極參與「銀行專業資歷架構－打擊洗錢及恐怖分子資金籌集」方面的培訓，以維持本行員工的勝任能力。我們從事相關工作之員工均符合該資歷架構的要求，並獲得打擊洗錢的專業認證。相關員工亦致力於持續專業發展，以確保能掌握打擊洗錢/恐怖分子資金籌集、合規監控以及本地及國際監管規定和標準等方面的最新知識。

為應對金融科技的發展並確保本行之打擊洗錢風險管理系統和監控措施能有效地執行最新的法例及監管要求，以打擊洗錢及恐怖分子資金籌集活動，本行與指定的業務夥伴合作，開發新的客戶風險評分系統，進一步優化我們的客戶盡職審查流程。此新客戶盡職審查系統已於2020年6月成功推出。與此同時，我們啟動了另一個旨在加強本行交易和行為監察系統的計劃，以進一步提升本行持續監察客戶交易和行為方面的能力和有效性。我們預期新系統將於2021年推出。

展望未來，我們將繼續加強本行合規職能的效能和效率，並確保在現今瞬息萬變的科技環境中維持穩健的法規框架。本行將適時採取積極主動的管理措施，識別和評估不同類型的監管政策，以應對在新監管要求下衍生的合規風險及挑戰，並持續鞏固我們和監管機構的合作。

INFORMATION TECHNOLOGY & OPERATIONS

資訊科技及營運

INFORMATION TECHNOLOGY

Upon completion of the final phase of our Core Banking System Replacement Project, the Bank is now well-positioned to launch new products more quickly and react to market changes more effectively and in a more timely manner. These benefits are prerequisites for successful customer service and for rolling out virtual banking services in the future.

We fully understand how Fintech has changed the landscape of the financial industry. Consequently, we revised our Strategic Information Technology ("IT") Plan to support the Bank's business development, including the roll-out of eKYC capability and the virtualization of banking services for both retail and corporate banking businesses. We aim to provide our customers with electronic and virtual banking services that will match or exceed those offered by the new virtual banks, and yet our customers will continue to benefit from our highly sophisticated branch banking services.

As Fintech and the 5G network are evolving rapidly, the Bank is going to launch a remote account opening mobile app in 2021 called "Fubon GO". The new mobile app will use the Low-Code Application Platform, offering various advantages over traditional application development, such as facilitating rapidly changing business needs and enabling quicker digital transformation. With Fubon GO, customers will be able to handle account opening, and process credit card and personal loan applications without leaving their home.

The adoption of the latest Low-Code technology will also enable the Bank to revamp its personal and corporate e-banking services. The revamp will speed up the Bank's virtualization of services and provide our customers with a new digital banking experience. Also, the Bank will start its first Artificial Intelligence ("AI") development in 2021 through Banking Chatbot, an AI application that provides opportunities to automate customer services at the Bank.

The revised IT Plan has enhanced user infrastructure through system automation and replacement of the remaining legacy systems. We have identified several business processes that will be deployed with our Enterprise Work Flow ("EWF") management system, such as credit approval, retail loan applications and credit card applications. The use of EWF will enable the Bank to automate the entire process to improve operational efficiency. With our aim to create a paperless and highly automated work environment, EWF will be applied to different business units so that all business processes are automated and fully integrated into the existing document managing system. The new IT Plan has also enhanced the Bank's IT hardware and software infrastructure to provide business analytics that help us to formulate various business initiatives and programmes. We will start the final replacement phase of the remaining legacy systems in 2021 in accordance with our Strategic IT Plan.

資訊科技

核心銀行系統更新工程的最後階段已順利完成，讓本行可更快推出新產品，並能更適時且有效地回應市場變化。這些優勢是成功的客戶服務和日後推出虛擬銀行服務的先決條件。

我們深明金融科技改變了金融業的發展。因此，我們修訂了策略性資訊科技計劃以支援本行的業務發展，包括推出eKYC功能以及虛擬化零售和企業銀行服務。我們旨在提供能夠達到甚至超越新興虛擬銀行所提供的電子及虛擬銀行服務，同時讓客戶可繼續享用我們優質的分行銀行服務。

隨着金融科技及5G網絡正迅速發展，本行將於2021年推出遙距開戶手機應用程式—Fubon GO。全新的手機應用程式將採用低程式碼流動應用程式開發平台，相比傳統開發軟件，低程式碼流動應用程式技術帶來更多優勢，例如可更容易配合瞬息萬變的業務發展需求，以及加速數位化轉型。利用Fubon GO，客戶足不出戶便能辦理開戶、信用卡及私人貸款申請，方便快捷。

此外，最新的低程式碼科技亦將有助本行革新個人及企業電子銀行服務，加快本行推出虛擬化銀行服務的步伐，為客戶帶來嶄新的數位化銀行體驗。同時，本行將於2021年啟動首個人工智能發展計劃，推出人工智能聊天機械人服務，讓客戶享用本行的自動化客戶服務。

經修訂的資訊科技計劃透過系統自動化以及更新舊有系統，加強了用戶基礎設施。我們已識別若干需透過企業工作流程改進的業務程序，如貸款審批、零售客戶貸款申請以及信用卡申請。利用企業工作流程可讓本行把整個流程自動化，提升營運效率。為達致工作環境無紙化及高度自動化，企業工作流程將應用於不同的業務單位，令所有業務流程均可自動化及與現有文件管理系統完全整合。全新的資訊科技計劃亦加強了本行的資訊科技硬件和軟件的基礎設施，令我們獲得有助本行制訂更佳業務計劃的分析。根據本行的策略性資訊科技計劃，我們將於2021年開展更新舊有系統的最後階段。

OPERATIONS

Throughout the world, 2020 was a difficult year for business due to COVID-19. The Bank rose to the challenges of maintaining a stable and optimal workforce to ensure smooth daily operations and safety for all concerned. In this regard, we implemented various precautionary measures, including split-office and work-from-home arrangements bolstered by support from our IT team.

During the pandemic, the Bank's priority was to ensure safe, hygienic and comfortable business and work environments for customers and staff, respectively. We invested as needed to secure sufficient supplies of masks and hand sanitizers for all offices and branches, frequent disinfection of internal and public areas of the Bank's premises, and installation of non-contact infrared thermometers to measure everyone's temperature.

Despite the disruption and stress caused by COVID-19, we were able to maintain business momentum with ongoing system improvements and enhancement plans for straight through processing of outward remittances. We have achieved a straight through processing rate of over 90% since the system was implemented in November 2020. Together with the implementation for inward remittances in previous years, the Bank is now fully automated to handle these transactions. We anticipate that our customers will be able to enjoy a more convenient and speedy way to place remittance instructions via our e-channels.

In 2020, the Bank was ranked as one of the top performing banks among 500 banks in the Asian region and won the Straight Through Processing Award presented by our USD clearing bank, the Bank of New York Mellon, in recognition of our excellent quality fund transfer operations. It was the 14th consecutive year that the Bank garnered the award.

We believe that the Bank's various Fintech initiatives will enhance both the quality and efficiency of our operations. Looking ahead, we will maintain our efforts to provide our customers with high-quality services, reinforcing our commitment to delivering the exceptional "Fubon Experience".

營運

受 2019 冠狀病毒病影響，全球企業於 2020 年均經歷重重困難。縱使面對各項挑戰，我們仍然維持穩定且優秀的員工團隊，確保日常業務能正常運作以及相關人士的安全。我們採取了多項防疫措施，包括在資訊科技團隊的支援下，有效地實施分開辦公和在家工作的安排。

於疫情期間，確保客戶和員工享有安全、衛生且舒適的業務和工作環境是本行的優先考量。我們按需要為所有辦公室及分行提供充足的口罩和淨手消毒器，並經常於銀行內部和公共地方進行深層清潔消毒，以及安裝非接觸式紅外線溫度計為客戶和員工進行體溫檢測。

儘管受到 2019 冠狀病毒病困擾，我們仍能維持業務的發展動能，繼續優化及提升電腦系統，實施直通式聯繫結算處理系統處理匯出匯款。自系統於 2020 年 11 月升級後啟用以來，我們的直通式聯繫結算處理率已達到 90% 以上。計及數年前實施以直通式聯繫結算處理系統處理匯入匯款，本行已全面落實匯款系統自動化。我們預期客戶將可透過本行的電子渠道下達匯款指示，享用更方便快捷的服務。

2020 年，本行連續第 14 年獲本行之美元結算行紐約梅隆銀行評選為亞洲區 500 間銀行中表現最優秀的銀行之一，並獲頒「直通式聯繫結算處理獎」，以表揚我們超卓的資金轉賬服務。

我們相信，本行各項金融科技舉措將有效提升營運質素和效率。未來，我們將繼續維持優質的服務，為客戶帶來卓越的「富邦體驗」。

PEOPLE DEVELOPMENT

人才管理及發展

Due to COVID-19, 2020 was a challenging year for the Bank. We devoted huge resources to combating the pandemic and to make swift, proper changes in response to the government's precautionary measures, as well as to provide transparent, ongoing communication and necessary support to staff and related parties. To protect our staff and customers, the Bank implemented Business Contingency Plans and a number of measures, such as work-from-home, split-office and other flexible work arrangements. In addition, we distributed personal hygiene kits to all staff and set up a special hotline for staff and departments to resolve related issues. Arrangements were also made for concerned staff who had to take COVID-19 tests at designated clinics. Furthermore, the Bank's eLeave and eQuiz systems were enhanced to provide more efficient and user-friendly functions so that staff could save time and effort.

In 2020, the Bank organized 363 training courses offering 405 classes. In order to adhere to strict social distancing measures and adapt to a work-from-home arrangement, all training activities shifted to virtual classes from early-2020, supplemented by tele-conference briefings, e-learning courses and micro self-learning opportunities. During the year, we conducted a bank-wide staff survey tapping into staff opinions about the Bank's wealth management products and services compared with those of peer banks. The results of the survey and staff's suggestions were consolidated for management's consideration to enhance our products and services.

In keeping with the Hong Kong Monetary Authority's ("HKMA") advocacy of green finance in the banking industry, the Bank hosted "Lunch and Learn" sessions and used staff newsletters to educate our staff about Go Green concepts, such as Green Finance, Climate Change and Global Warming and Waste Recycling. We also embedded green concepts into the Continuous Professional Development programmes offered to insurance intermediary licensed holders. The Enhanced Competency Framework on Credit Risk Management ("CRM") championed by the HKMA entered the implementation phase so we submitted grandfathering applications and embarked on the certification process for all relevant staff in the CRM area.

受 2019 冠狀病毒病疫情影響，2020 年對本行而言是充滿挑戰的一年。我們投放了大量資源對抗疫情，並為配合政府的防疫政策採取迅速恰當的應變措施，給予員工和相關人士持續且透明的資訊和必要的支援。為保障員工和客戶的安全，本行已制定持續業務運作計劃，並已實施一系列防疫措施，包括在家工作、分開辦公和其他彈性工作安排。此外，我們向所有員工派發抗疫用品包，並設立輔導及諮詢熱線，為員工和各部門處理相關問題。我們亦安排有需要的員工前往指定診所接受 2019 冠狀病毒病核酸檢測。除上述各項抗疫措施，本行亦已優化網上休假申請系統及 eQuiz 系統，讓員工可更方便快捷地使用各項功能。

2020 年，本行舉辦了 363 項培訓課程，涉及 405 個培訓班。為嚴格執行社交距離措施，以及配合在家工作安排，我們由 2020 年初開始把培訓活動改為以網上學習模式授課，輔以電話會議、電子學習課程及微自學機會。年內，我們進行了員工意見調查，收集員工對本行對比其他銀行財富管理產品和服務的意見。有關調查結果及員工的建議已作整合供管理層參考，從而提升我們的產品和服務。

為配合香港金融管理局（「金管局」）對銀行業綠色金融的倡議，本行透過舉辦午餐時段學習課程及內部員工通訊向員工灌輸綠色金融、氣候變化、全球變暖及廢物回收循環再用等綠色生活概念。此外，我們亦將綠色生活概念納入為持牌保險中介人提供的持續專業發展課程中。由金管局倡議的「專業資歷架構－信用風險管理」已進入實施階段，我們已提交豁免安排的申請，並已為其工作領域涉及信用風險管理的員工申請專業資歷認證。

Facing many challenges of COVID-19 during the year, we continued to provide a 24-hour hotline service under the Employee Assistance Programme offering professional counselling and face-to-face consultation services for all staff and their immediate family members under the age of 18. For the ninth consecutive year, in recognition of outstanding achievement in manpower training and development, the Bank was awarded the “Manpower Developer” by the Employees Retraining Board (“ERB”) under the ERB Manpower Developer Award Scheme.

During the year, we continued to focus on maintaining a stable and competitive workforce for business process development. Due to the pandemic, we used video technology to recruit new staff, which helped to optimize the hiring process by increasing effectiveness. In support of the Bank’s business needs, we endeavored to drive professional growth of all employees by applying HKMA’s Enhanced Competency Framework in various banking practices. Focusing on the next generation, the Bank expanded its commitment to the professional development of fresh graduates in the banking sector by participating in the Banking Talent Programme jointly launched by the HKMA and the banking industry.

面對 2019 冠狀病毒病的各種挑戰，本行繼續就員工援助計劃提供 24 小時熱線電話服務，為所有員工及其 18 歲以下的直系親屬提供專業的諮詢及面談服務。憑藉卓越的人才培訓及發展，本行已連續第九年獲僱員再培訓局嘉許為「ERB 人才企業嘉許計劃」的「人才企業」。

年內，我們繼續維持穩定且具競爭力的員工團隊，促進業務的發展。鑑於疫情關係，我們採用視頻面試招聘員工，提高效率以優化招聘流程。為配合本行的業務需要，我們將金管局的「專業資歷架構」應用於各銀行業務中，致力提升全體員工的持續專業發展。為培育人才，本行透過參與金管局聯同銀行業推出的「銀行業人才起動計劃」，進一步促進應屆畢業生於銀行業的專業發展。

CORPORATE SOCIAL RESPONSIBILITY

企業社會責任

At Fubon Bank, finding ways to benefit the community is an integral part of our corporate culture. More than an obligation, we view it as our duty to generate significant added value to the public while promoting social well-being and environmental sustainability.

In 2020, we continued to champion social and environmental causes while creating many business opportunities. We maintained a continual and proactive dialogue with our stakeholders – our customers, our employees and the public, and we launched various initiatives to benefit the community. The Bank's community-dedicated activities included community engagement, monetary donations, and more.

During the year, the economic and social disruption caused by the COVID-19 pandemic severely impacted the community. As a financial institution with deep economic ties to Hong Kong, we recognized that our commitment to corporate social responsibility was especially vital during this difficult period. Notwithstanding the challenging market environment, we were able to maintain business continuity and robustness while protecting the health and safety of our employees and customers.

The table below summarizes the Bank's activities in 2020, including actions we initiated to support our stakeholders during the COVID-19 pandemic. We arranged donations and distributed food packages in collaboration with non-profit organizations working for the well-being of the most vulnerable to the coronavirus outbreak, including the elderly and families in distress.

致力回饋社會是富邦銀行企業文化中不可或缺的一部分。我們認為，在促進社會福祉和環境可持續發展的同時，為大眾創造價值不僅是一種義務，更是本行的責任。

2020年，我們繼續倡導社區和環保事務，並創造了多項商機。我們持續積極地與持份者包括客戶、員工和社會大眾保持聯繫，並落實各種惠及社區的舉措，包括參與社區活動及捐款等。

年內，2019冠狀病毒病全球大流行對經濟及社會所造成的衝擊嚴重影響社區。作為一間與香港有着深厚經濟聯繫的金融機構，我們深明對企業社會責任的承擔在這艱難時期尤其重要。儘管市場環境充滿挑戰，我們仍能持續維持穩健的業務運作，並同時確保員工及客戶的健康和安全。

下表概述於2020年，包括於2019冠狀病毒病全球大流行期間本行為持份者作出的支援。我們與非牟利機構合作捐贈及派發食物包予最受疫情爆發影響的人士，包括長者及弱勢家庭。

Month 月份	Activity 活動	Beneficiary Organization 受惠機構
March 3月	Skip Lunch Day 公益行善「折」食日	The Community Chest of Hong Kong 香港公益金
March 3月	Earth Hour 地球一小時	World Wide Fund 世界自然基金會
April 4月	Donation to Po Leung Kuk 保良局慈善捐助	Po Leung Kuk 保良局
May 5月	Health Protection Kits to Less Privileged Families 抗疫暖心大行動	Windshield Charitable Foundation 宏施慈善基金
June 6月	Donation to "Together We Care Package" Programme 「抗疫加油包」計劃	Foodlink Foundation Limited 膳心連基金
June 6月	The Community Chest Green Day 綠色低碳日	The Community Chest of Hong Kong 香港公益金

Month 月份	Activity 活動	Beneficiary Organization 受惠機構
September 9月	Kowloon Region Flag Day 九龍區賣旗日	Windshield Charitable Foundation 宏施慈善基金
September 9月	Moon Cake Donation Programme 「月滿愛」月餅收集計劃	Windshield Charitable Foundation 宏施慈善基金
October 10月	Po Leung Kuk Charity Raffle 保良局慈善獎券	Po Leung Kuk 保良局
November 11月	Corporate and Employee Contribution Programme 商業及僱員募捐計劃	The Community Chest of Hong Kong 香港公益金
December 12月	Christmas Gift Packs to the Less Privileged 冬日送暖行動	Windshield Charitable Foundation 宏施慈善基金
December 12月	Donation to Lai See Reuse and Recycle Programme 利是封回收重用大行動	Greeners Action 綠領行動

Fubon Bank sees human capital as a key component of our ability to continue to flourish. As such, we are committed to nurturing and developing our employees on both the professional and personal level, caring for their health and well-being, and providing an appropriate and responsible employment environment.

The Bank provided comprehensive support and assistance for employees throughout the pandemic. We ensured a safe and hygienic work environment to protect the health of our employees, offered flexible work arrangements, adjusted branch service hours, and so on.

The Bank views the protection of the environment as an important social value and manages this issue as an inseparable component of our social responsibility. We always uphold the sustainability principles that represent and reflect environmental and business conduct aimed at preserving and improving existing resources by balancing economic, social and environmental needs for the benefit of future generations.

Our dedication to innovation and digital transformation not only saves time for our customers and the general public but also benefits the environment. We made innovative steps in helping customers practise environmentally-friendly banking habits by reducing the environmental impact and carbon footprint of the Bank.

As always, and all the more critical in this challenging time, we are determined to stand by our customers in every business and financial decision, and to strive to create a robust, sustainable future for the economy, society and the environment. We embrace Fintech innovation and accelerate the application of Fintech solutions in our services, paving the way for enhanced customer experience and environmentally-friendly and sustainable business practices that will benefit future generations.

富邦銀行視人才為能夠令我們持續蓬勃發展的關鍵。因此，我們致力在專業和個人發展方面培育員工，照顧他們的健康和福祉，並給予合適的工作環境。

疫情期間，本行為員工提供全面的支援和協助。為保障員工的健康，我們着重工作環境的安全和衛生，給予員工靈活的工作安排，以及調整分行的服務時間等。

我們深明保護環境有着重要的社會價值，亦是我們社會責任中不可分割的一部分。我們貫徹可持續發展的原則體現環保及商業操守，旨在通過平衡經濟、社會及環保需求，保護和改善現有資源，造福下一代。

我們專注於創新和數位化轉型，不僅讓客戶和大眾節省時間，亦對環境帶來裨益。我們透過創新的措施協助客戶於辦理銀行事宜上建立環保的習慣，減少本行對環境的影響和碳足跡。

一如既往，在這充滿挑戰的時期，我們矢志於每項業務和金融決策中與客戶並肩同行，致力為經濟、社會及環境塑造一個穩健且可持續發展的未來。我們銳意發展創新金融科技，加快金融科技解決方案於服務上的應用，為提升客戶體驗和對環保且可持續發展的業務模式奠定基礎，讓下一代持續受惠。

BANK NETWORK

銀行網絡

Head Office 總辦事處

Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈
Tel 電話 : (852) 2842 6222
Fax 傳真 : (852) 2810 1483
Website 網址 : www.fubonbank.com.hk

Branches 分行

Hong Kong 香港

Central Main Branch 中環總行

Fubon Bank Building, 38 Des Voeux Road Central
德輔道中 38 號富邦銀行大廈

Causeway Bay 銅鑼灣

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

Chai Wan 柴灣

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

North Point 北角

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

Queen's Road East 皇后大道東 *iBranch*

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

Western District 西環 *iBranch*

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

Kowloon 九龍

Hung Hom 紅磡

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

Jordan 佐敦

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

Kwun Tong 觀塘

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

Mei Foo 美孚

G/F, 26B Nassau Street
蘭秀道 26 號 B 地下

Mong Kok 旺角

G/F, President Commercial Centre, 602 Nathan Road
彌敦道 602 號總統商業中心地下

Tsim Sha Tsui 尖沙咀

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

Branches 分行

New Territories 新界

Sha Tin 沙田 *iBranch*

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

Tai Po 大埔

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

Tsuen Wan 荃灣

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

Tuen Mun 屯門

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

Yuen Long 元朗

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

Branches Tel 分行電話 : (852) 2566 8181

Securities Services Centre 證券投資服務中心

Tsuen Wan 荃灣

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

Credit Card Centre 信用卡中心

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

Operations Centre 營運中心

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

Principal Subsidiaries 主要附屬公司

Fubon Credit (Hong Kong) Limited

富邦財務(香港)有限公司

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

FB Securities (Hong Kong) Limited

富銀證券(香港)有限公司

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

Fubon Insurance Brokers Limited

富邦保險顧問有限公司

4/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈 4 樓
Tel 電話: (852) 2842 6528 Fax 傳真: (852) 2526 6010

Fubon Nominees (Hong Kong) Limited

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

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

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

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

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

BOARD OF DIRECTORS

Board Composition

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

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

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

Board Practices

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

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

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

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

企業管治常規

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

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

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

董事會

董事會成員

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

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

本年報「公司資料」一節載列有董事會成員詳情。

董事會會議常規

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

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

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

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

Board Responsibilities

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

The responsibilities of the Board include:

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

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

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

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

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

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

董事會責任

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

董事會之責任包括：

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

主席及行政總裁的角色

本年報「公司資料」一節載有主席蔡明忠與行政總裁李永鴻之詳細資料。

主席與行政總裁並無關連，其職能有明確的分工。

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

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

Appointment and Re-election of Directors

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

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

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

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

BOARD-LEVEL COMMITTEES

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

Nomination and Remuneration Committee

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

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

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

委任及重選董事

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

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

根據本行之組織章程細則，所有董事均須於股東週年常會上輪值告退及膺選連任。

董事會於年度內所委任之董事只任職至下屆股東週年常會，並有資格再度膺選連任。

董事會轄下的委員會

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

提名及薪酬委員會

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

該委員會定期審視現任董事的資格以確定其繼續符合擔任其職務，包括獨立非執行董事之合適性及適當性；亦會就董事會結構、規模及組成向董事會作出適切建議。

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

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

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

Audit Committee

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

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

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

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

The Audit Committee held four meetings during the year.

Risk Committee

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

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

提名及薪酬委員會於年度內舉行了兩次會議。

審核委員會

審核委員會由四名成員組成，包括一名非執行董事及三名獨立非執行董事。審核委員會由擁有豐富銀行經驗之獨立非執行董事擔任主席。該委員會每年最少舉行四次會議，並於有需要時舉行額外會議。

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

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

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

審核委員會於年度內舉行了四次會議。

風險委員會

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

The Risk Committee reviews and endorses the Bank's risk appetite statement and risk management strategies on an annual basis. It oversees the establishment and maintenance by senior management of appropriate infrastructure, resources and systems for risk management, particularly 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 Risk Committee is required to ensure that the staff responsible for implementing risk management systems and controls are sufficiently independent of the risk-taking units in the Bank.

The Risk Committee held four meetings during the year.

Executive Committee

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

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

Executive Credit Committee

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

The Executive Credit Committee held 34 meetings during the year.

KEY MANAGEMENT-LEVEL COMMITTEES

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

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

風險委員會須要確保負責實施風險管理系統及監控的員工充分獨立於本行的風險承擔單位。

風險委員會於年度內舉行了四次會議。

執行委員會

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

執行委員會於年度內處理了六十四份書面決議。

執行信貸委員會

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

執行信貸委員會於年度內舉行了三十四次會議。

主要管理層轄下的委員會

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

Management Steering/Business Committee

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

Asset and Liability Committee

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

Internal Control Committee

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

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

管理督導/業務委員會

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

資產負債委員會

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

內部監控委員會

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

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

Credit Committee

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

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

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

Information Technology Steering Committee

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

Compliance & Anti-Money Laundering Committee

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

信貸委員會

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

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

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

資訊科技督導委員會

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

合規及反洗黑錢委員會

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

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

RISK MANAGEMENT

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

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

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

ANTI-MONEY LAUNDERING AND ANTI-TERRORIST FINANCING

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

INTERNAL CONTROLS

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

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

為保持本行的整體監管合規水平，委員會審閱適用於本行的監管規例的最新進展。

風險管理

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

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

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

反洗黑錢及反恐怖分子資金籌集

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

內部監控

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

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

The internal control framework includes:

1. Establishment of functional committees responsible for monitoring various risks and controls.
2. A clear organization structure with well-defined authorities and responsibilities to enable effective checks and balances.
3. All major Bank policies are approved by the Board. These policies provide specific operational, financial, and compliance controls, which will facilitate segregation of duties, accuracy of reporting, and proper control over assets and risk exposure.
4. Risk management policies and procedures are in place to identify and measure risks associated with the Bank's businesses and operations.
5. A risk management reporting framework to provide regular reports to senior management and/or relevant Board-level committees.
6. A system to monitor changes and developments of relevant laws, regulations and standards applicable to the Bank's activities, and ensures that senior management and relevant units are duly aware of those and are in a position to take appropriate measures to ensure continued compliance.

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

BANK CULTURE

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

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

內部監控架構包括包括：

1. 成立負責各類風險監察和監控的功能委員會。
2. 一個具有妥善界定權限和職責的清晰組織架構，將有利於有效的牽制與平衡。
3. 本行所有主要政策均由董事會批准。該政策和程序包括特定的營運、財務及法規監控，以利分工、準確申報及對資產和風險度的適當監控。
4. 為識別和衡量對本行業務及營運可能面對的風險，本行已制定風險管理政策和程序。
5. 在報告風險管理的框架下，會定期提供報告予高級管理層及/或董事會轄下的委員會。
6. 一個負責監控與本行業務有關的法律、法規及準則變化與發展的系統，以確保高級管理層及有關單位充分知悉該等變化，並能採取適當措施以確保持續合規。

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

企業文化

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

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

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

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

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

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

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

CODE OF CONDUCT

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

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

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

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

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

本行期望員工具備公平對待客戶及保障彼等權益的專業操守。

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

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

本行董事會透過其提名及薪酬委員會負責確保本行的文化項目得到有效實施和維護。

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

操守守則

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

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

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

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

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

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財務報告

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REPORT OF THE DIRECTORS

董事會報告書

The Directors have pleasure in presenting their report together with the audited financial statements of Fubon Bank (Hong Kong) Limited (“the Bank”) and its subsidiaries (collectively “the Group”) for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

SUBSIDIARIES

Particulars of the Bank’s principal subsidiaries at 31 December 2020 are set out in Note 36 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Bank are set out in Note 26 to the financial statements.

PRINCIPAL PLACE OF BUSINESS

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

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2020 is set out in the consolidated statement of comprehensive income on page 69. The state of the Group’s affairs as at 31 December 2020 is set out in the financial statements on pages 69 to 218.

No interim dividend was paid for the year ended 31 December 2020 (2019: Nil).

The Directors do not recommend a payment of final dividend in respect of the year ended 31 December 2020 (2019: Nil).

董事會欣然提呈其報告連同富邦銀行(香港)有限公司(「本行」)及其附屬公司(統稱「本集團」)截至二零二零年十二月三十一日止年度的經審核財務報告。

主要業務及業務回顧

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

附屬公司

本行的主要附屬公司於二零二零年十二月三十一日的詳情載於財務報告附註 36。

股本

本行的股本詳情載於財務報告附註 26。

主要營業地點

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

業績及分派

本集團截至二零二零年十二月三十一日止年度的業績載於第 69 頁綜合全面收益表。有關本集團於二零二零年十二月三十一日的業務狀況載於第 69 至 218 頁的財務報告。

於截至二零二零年十二月三十一日止年度，本行無派付中期股息(二零一九年：無)。

董事並不建議派付截至二零二零年十二月三十一日止年度的末期股息(二零一九年：無)。

DIRECTORS

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

Executive Director

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

Non-Executive Directors

Daniel TSAI Ming Chung (*Chairman*)

Richard TSAI Ming Hsing (*Vice Chairman*)

Jerry HARN Wey Ting

Eric CHEN Sun Te

Roman CHENG Yao Hui

Independent Non-Executive Directors

Hung SHIH

Peter PANG Sing Tong

John Keith BALL (*appointed on 23 July 2020*)

Robert James KENRICK (*resigned on 12 August 2020*)

The names of Directors who have served on the boards of directors of the subsidiaries of the Bank during the year ended 31 December 2020 are set out below:

Henry WANG Hao Jen

Carmen YIP Ka Man

Dennis HA Yiu Fai

Patrick CHAN Tin Ching

Fabian CHEUNG Yue Kiu

Randy CHENG Ying Kwong

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 77 of the Bank's Articles of Association, John Keith BALL retires and, being eligible, offer himself for re-election.

In accordance with Article 81 of the Bank's Articles of Association, Daniel TSAI Ming Chung, Raymond LEE Wing Hung and Peter PANG Sing Tong retire and, being eligible, offer themselves for re-election.

董事

本財政年度及截至本董事會報告發行日期之在任董事為：

執行董事

李永鴻(行政總裁兼董事總經理)

非執行董事

蔡明忠(主席)

蔡明興(副主席)

韓蔚廷

陳聖德

程耀輝

獨立非執行董事

石宏

彭醒棠

卜約翰(於二零二零年七月二十三日獲委任)

甘禮傑(於二零二零年八月十二日辭任)

截至二零二零年十二月三十一日止年度，本行附屬公司董事會的董事載列如下：

王浩人

葉嘉敏

夏耀輝

陳天正

張宇翹

鄭應光

於應屆股東週年大會上的董事輪任

根據本行組織章程細則第七十七條，卜約翰輪值告退，並合資格膺選連任。

根據本行組織章程細則第八十一條，蔡明忠、李永鴻及彭醒棠輪值告退，並合資格膺選連任。

INDEMNITY OF DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS

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

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

董事彌償

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

董事的服務合約

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

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

董事之交易、安排或合約權益

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

The Directors and Chief Executive of the Bank who held office at 31 December 2020 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") and the Bank, at that date as recorded in the register of Directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

董事認購股份及債券之權利

於二零二零年十二月三十一日在任的本行董事及行政總裁於當日在本行最終控股公司富邦金融控股股份有限公司(「富邦金控」)及本行股份中擁有須根據證券及期貨條例(「證券及期貨條例」)第 352 條所存置之董事及行政總裁之權益及淡倉登記冊中所記錄之權益如下：

Ordinary shares in Fubon Financial of NT\$10 each 富邦金控每股面值新台幣 10 元普通股					
Name 姓名	Personal interests 個人權益	Family interests 家族權益	Corporate interests 法團權益	Total number of shares held 所持股份總數	Percentage of total issued shares 佔全部已發行股份百分比
Daniel TSAI Ming Chung 蔡明忠	308,507,129	28,458,053	2,171,083,036 ⁽¹⁾	2,508,048,218	24.51
Richard TSAI Ming Hsing 蔡明興	327,125,694	29,473,565	2,171,083,036 ⁽¹⁾	2,527,682,295	24.70
Jerry HARN Wey Ting 韓蔚廷	2,430,288	—	—	2,430,288	0.02

Note:

附註：

(1) 2,171,083,036 shares were held through corporations in which Daniel TSAI Ming Chung, Richard TSAI Ming Hsing and other TSAI family members have beneficial interest.

(1) 2,171,083,036 股股份透過蔡明忠、蔡明興及其他蔡氏家族成員擁有實益權益之法團持有。

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES (continued)

Options

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

EQUITY-LINKED AGREEMENTS

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

DONATIONS

Donations made by the Group during the year amounted to HK\$220,530 (2019: HK\$74,500).

RETIREMENT SCHEMES

The Group operates a defined benefit retirement scheme which covers 19% (2019:19%) of the Group's employees, and a Mandatory Provident Fund Scheme. Particulars of these retirement schemes are set out in Note 29 to the financial statements.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The financial statements for the year ended 31 December 2020 in conjunction with the unaudited supplementary financial information on pages 219 to 234, together with a separate document – "Regulatory Disclosures Statement" and disclosures made in the Bank's website under the page "Regulatory Disclosures", comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority under section 60A of the Hong Kong Banking Ordinance.

董事認購股份及債券之權利(續)

認股權

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

股權掛鈎協議

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

捐款

本集團於年內捐出 220,530 港元(二零一九年：74,500 港元)。

退休計劃

本集團推行一項定額退休福利計劃(範圍涵蓋本集團 19%(二零一九年：19%)的僱員)及一項強制性公積金計劃。該等退休計劃的詳情載於財務報告附註 29。

遵守《銀行業(披露)規則》

截至二零二零年十二月三十一日止年度之財務報告及列載於第 219 至 234 頁的未經審核補充財務資料以及另一份文件－「監管披露報表」及於本行網頁內的「監管披露」頁面項下所作披露完全遵守香港金融管理局根據香港《銀行業條例》第 60A 節頒佈的《銀行業(披露)規則》之適用披露條文而編製。

AUDITORS

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

On behalf of the Board

Daniel TSAI Ming Chung
Chairman

16 March 2021

核數師

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

承董事會命

蔡明忠
主席

二零二一年三月十六日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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

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 69 to 218, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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)

意見

本核數師(以下簡稱「我們」)已審計載列於第 69 至 218 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二零二零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，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映 貴集團於二零二零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。

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。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of advances to customers

客戶貸款減值

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 89.

茲提述綜合財務報告附註 35 及第 89 頁之會計政策。

The Key Audit Matter

關鍵審計事項

The Group's advances to customers as at 31 December 2020 amounted to HK\$54,913 million, with total expected credit loss ("ECL") amounting to HK\$672 million as at 31 December 2020.

本集團於二零二零年十二月三十一日的客戶貸款為 54,913 百萬港元，於二零二零年十二月三十一日的預期信貸虧損（「預期信貸虧損」）總額為 672 百萬元。

Loss allowances of advances to customers across the banking industry continue to have elevated focus due to the global economic outlook, including the adverse impact from COVID-19.

由於全球經濟前景（包括 2019 冠狀病毒病的不利影響），銀行業客戶貸款的虧損撥備繼續增加。

The Group has continued to apply its ECL model to assess loss allowances of advances to customers. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, unless they experience significant increase in credit risk (stage 2) or they become credit-impaired (stage 3), for which a lifetime ECL provision is recognised.

本集團繼續應用其預期信貸虧損模型評估客戶貸款的虧損撥備。尚未成為不良信貸的貸款於發放時被分類為第一階段，並按照相當於 12 個月的預期信貸虧損的金額確認撥備。在貸款被償還前，貸款會保留於第一階段，除非其信貸風險有顯著增加（第二階段）或已成為不良信貸（第三階段），在這情況下確認為全期信貸虧損。

關鍵審計事項

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

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess the ECL of advances to customers as at 31 December 2020 included the following:

我們於二零二零年十二月三十一日評估客戶貸款的預期信貸虧損的審計程序包括以下各項：

- understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over the approval, recording and monitoring of advances to customers, the credit grading process. For ECL calculation, we obtained an understanding of the ECL model approval, monitoring, governance process and the measurement of ECL;
- 瞭解與評估財務報表關鍵內部控制的設計、實施及運作成效，包括審批、記錄及監控客戶貸款及信貸評級流程。對於預期信貸虧損的計算，我們瞭解了預期信貸虧損模型的審批、監控管理流程以及預期信貸虧損的計量；
- evaluating the accuracy of the classification of advances to customers. We obtained information on how management applied the classification requirements of the financial instruments standard and the classification results. On a sample basis we assessed the contractual cash flow characteristics of advances to customers and relevant documents in relation to the business model;
- 評估客戶貸款分類的準確性。我們已獲得有關管理層如何應用金融工具準則分類的資料及分類結果。我們抽樣評估了客戶貸款的合約現金流特徵以及業務模式相關文件；

KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Impairment of advances to customers (continued)

客戶貸款減值(續)

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 89. (continued)

茲提述綜合財務報告附註 35 及第 89 頁之會計政策。(續)

The Key Audit Matter

關鍵審計事項

The determination of loss allowances using the ECL model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.

使用預期信貸虧損模型釐定虧損撥備受限於若干關鍵參數及假設，包括識別虧損階段、違約概率估計、違約損失率、違約風險承擔及貼現率的估計、前瞻性資料調整及其他調整因素。涉及該等參數的選擇及假設的應用均需要加入管理層的判斷。

In particular, the determination of the loss allowance is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL is derived from estimates whereby management takes into consideration historical losses, internal and external credit grading, historical overdue data and other adjustment factors.

尤其是，釐定虧損撥備在很大程度上取決於外部宏觀環境及貴集團的內部信貸風險管理策略。預期信貸虧損來自估計，而其估算是經管理層考慮歷史虧損、內部及外部信貸評級、歷史逾期數據及其他調整因素後作出。

How the matter was addressed in our audit

我們的審計如何處理該事項

- with the assistance of our internal model specialists, assessing the reliability of the ECL model used by management in determining ECL of advances to customers, including assessing the appropriateness of the key parameters and assumptions in the ECL model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments;
- 在我們的內部模型專家的協助下，評估管理層於釐定客戶貸款的預期信貸虧損時使用的預期信貸虧損模型的可靠性，包括評估預期信貸虧損模型中關鍵參數及假設的適當性，包括識別虧損階段、違約概率估計、違約損失率、違約風險、貼現率、前瞻性資料調整及其他管理層調整；
- assessing the completeness and accuracy of data used for the key parameters in the ECL model, by comparing individual loan information on a sample basis with the underlying agreements and other related documentation to assess the accuracy of the loan information in the ECL model. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing with publicly available sources;
- 通過抽樣比較個別貸款信息與有關協議及其他相關文件，評估貸款信息於預期信貸虧損模型中的準確性，從而評估預期信貸虧損模型中關鍵參數所用數據的完整性及準確性。對於源自外部數據的關鍵參數，我們採用抽樣方式將該等數據與公開資料來源進行比較，以檢查該等數據的準確性；

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Impairment of advances to customers (continued)

客戶貸款減值(續)

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 89. (continued)

茲提述綜合財務報告附註 35 及第 89 頁之會計政策。(續)

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the macroeconomic factors, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers which consider the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of loss allowances as at the end of the reporting period. 管理層亦根據一系列因素對釐定違約損失金額進行判斷，其中包括收回貸款的方式、借款人的財務狀況、抵押品的可收回金額、宏觀經濟因素、索賠受償順序及其他債權人是否存在及其合作意向等。管理層參考合資格第三方估值師出具的估值報告，估值師在評估持有抵押品的物業價值時考慮多種因素的影響，包括市價、地點及用途。抵押品的法律效力、變現時間和方法亦會對抵押品的可收回金額產生影響，因此亦會對報告期末的虧損撥備金額產生影響。 We identified impairment of advances to customers as a key audit matter because of the complexity of the inherent uncertainty and management judgement involved, and because of its significance to the financial results and capital of the Group. 我們將客戶貸款減值認定為一項關鍵審計事項，乃由於所涉及的固有不明朗因素的複雜性及管理層判斷，以及由於其對貴集團的財務業績及資本的重要性。	- for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing it to the Group's internal records. As part of these procedures, we challenged management's revisions to estimates and input parameters and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development; - 就涉及判斷的關鍵參數而言，通過從外部獲得證據並與貴集團的內部記錄比較以批判性地評估輸入參數。作為該等程序的一部分，我們就管理層對估計及輸入參數的修訂提出質詢，並考慮判斷的一致性。我們將模型中所用經濟因素與市場信息比較，以評估彼等是否與市場及經濟發展保持一致； - for key parameters used in the ECL model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved our internal information technology specialists in assessing the information system controls critical to the credit grading process, such as the compilation of the overdue reports for advances to customers. We also assessed the design, implementation and operating effectiveness of relevant automated application controls within these systems, as well as the key information system controls over these underlying systems, including controls over access to these systems and controls over data and change management; - 就預期信貸虧損模型中使用的關鍵參數而言，（該等參數源自系統生成的內部數據），以抽樣方式將輸入數據與原始文件比較以評估輸入數據的準確性。此外，我們的內部信息技術專家參與了對信貸評級流程至關重要的信息系統控制的評估，例如編製客戶貸款逾期報告。我們亦評估該等系統內相關自動化應用控制的設計、實施及運行有效性，以及該等相關系統的關鍵信息系統控制，包括對該等系統的存取控制以及對數據及變更管理的控制；

KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Impairment of advances to customers (continued)

客戶貸款減值(續)

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 89. (continued)

茲提述綜合財務報告附註 35 及第 89 頁之會計政策。(續)

The Key Audit Matter

關鍵審計事項

How the matter was addressed in our audit

我們的審計如何處理該事項

- in respect of identifying exposures with a significant increase in credit risk, evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan was credit-impaired by selecting samples for which we checked the loan overdue information, made enquiries of the credit risk management personnel about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses. Our sample of advances to customers selected for credit review, focused on accounts with higher risk characteristics, including industry, outstanding amount and credit quality of the accounts;
- 就識別信貸風險大幅增加的貸款而言，透過選擇樣本，並檢查其貸款逾期信息，向信用風險管理人員詢問借款人的業務經營情況，檢查借款人的財務信息，及研究借款人業務的市場信息。評價管理層對信用風險是否自初始確認後發生了顯著增加的判斷及貸款是否已發生減值的評估的合理性。我們就信貸審閱選定的客戶貸款樣本集中於風險特徵較高的賬戶，包括賬戶的行業、未償還金額及信貸質素；
- for selected samples of advances to customers that are credit-impaired, evaluating external valuer's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realisation of collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms;
- 就已抽選的不良信貸的客戶貸款樣本而言，根據物業的位置及用途以及鄰近物業的價格，通過與市價比較，評估外部估價師對所持物業抵押品價值的評估。我們亦評估抵押品的變現時間及方法，評估預測現金流，對貴集團回收方案的可行性提出了質詢，並對合同條款中的其他信貸提升進行了評價；

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Impairment of advances to customers (continued)

客戶貸款減值(續)

Refer to Note 35 to the consolidated financial statements and the accounting policies on page 89. (continued)

茲提述綜合財務報告附註 35 及第 89 頁之會計政策。(續)

The Key Audit Matter

關鍵審計事項

How the matter was addressed in our audit

我們的審計如何處理該事項

- in respect of assessing the accuracy of ECL calculation, calculating the amount of credit loss allowance for 12-month and lifetime credit losses using the ECL model based on the above parameters and assumptions for advances to customers where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively and comparing to the results from the Group;
- 就評估預期信貸虧損的準確性而言，使用基於上述參數及假設的預期信貸虧損模型，計算信貸風險自初步確認以來顯著增加及無顯著增加的客戶貸款的 12 個月及全期信貸虧損的信貸虧損撥備金額，並與本集團的結果進行比較；
- evaluating whether the presentation and disclosures on loss allowances of advances to customers measured at amortised cost meet the requirements in HKAS 32 Financial Instruments: Presentation and HKFRS 7 Financial Instruments: Disclosure.
- 評估按攤銷成本計量的客戶貸款虧損撥備的列報及披露是否符合香港會計準則第 32 號金融工具：呈列及香港財務報告準則第 7 號金融工具：披露的規定。

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Assessing the fair value of financial instruments

評估金融工具的公允價值

Refer to Note 32 to the consolidated financial statements and the accounting policies on page 80.

茲提述綜合財務報告附註 32 及第 80 頁之會計政策。

The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
At 31 December 2020, the Group's financial assets measured at fair value includes equity securities designated at fair value through other comprehensive income of HK\$1,316 million, trading assets of HK\$1,948 million, derivative financial assets of HK\$563 million, derivative financial liabilities of HK\$1,081 million and trading liabilities of HK\$1,948 million. 於二零二零年十二月三十一日，貴集團按公允價值計量的金融資產包括指定以公允價值於其他全面收益計量之股本證券共 1,316 百萬港元、持作交易用途資產共 1,948 百萬港元、衍生金融資產共 563 百萬港元、衍生金融負債共 1,081 百萬港元以及持作交易用途負債共 1,948 百萬港元。 The valuation of the Group's financial instruments, which are stated at their fair values, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement. 貴集團以公允價值列示之金融工具的估值乃按照市場數據及經常需要輸入大量數據之估值模型釐定。多數該等輸入數據自流動市場隨時可得的數據獲取。倘該等可觀察數據無法獲取時，即屬於第三級金融工具，管理層需要制定估算，當中可涉及重大管理層判斷。 In addition, the Group has developed its own models to value certain level 2 and 3 financial instruments, which involves significant management judgement. 此外，貴集團已開發其自有模型對若干第二級及第三級金融工具進行估值，當中涉及重大管理層判斷。	Our audit procedures to assess the fair value of financial instruments included the following: • assessing the design, implementation and operating effectiveness of key internal controls over the valuation; • 評估對估值的關鍵內部控制的設計、實施及運行有效性； • evaluating the fair values of financial instruments with quoted price by comparing the fair values applied by the Group with publicly available market data on a sample basis; • 透過抽樣比較 貴集團應用之公允價值與公開可得市場數據，評估有報價的金融工具的公允價值；

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Assessing the fair value of financial instruments (continued)

評估金融工具的公允價值(續)

Refer to Note 32 to the consolidated financial statements and the accounting policies on page 80. (continued)

茲提述綜合財務報告附註 32 及第 80 頁之會計政策。(續)

The Key Audit Matter

關鍵審計事項

How the matter was addressed in our audit

我們的審計如何處理該事項

We identified assessment of the fair value of financial instruments as a key audit matter because of the complexity involved and significant management judgement required in the valuation of some financial instruments, as well as the lower transparency of inputs used in valuation techniques for certain financial instruments which increase the risk of potential error.

由於部分金融工具估值所涉及的複雜性及管理層須作出的重大判斷，以及若干金融工具估值技術所用輸入數據的透明度較低，從而增加潛在錯誤的風險，我們將評估金融工具的公允價值認定為一項關鍵審計事項。

- involving our internal valuation specialists to perform independent valuations of level 2 and level 3 financial instruments on a sample basis and comparing these valuations with the Group's valuations. Our internal valuation specialists performed independent valuations by developing models, obtaining inputs independently and verifying the inputs, evaluating the methodology adopted by management for the valuation of these financial instruments and assessing the inputs and assumptions used in the valuations; and
- 我們的內部估值專家以抽樣方式對第二級及第三級金融工具進行獨立估值，並將該等估值與貴集團的估值進行比較。我們的內部估值專家透過開發模型、獨立獲取輸入數據及核實輸入數據、評估管理層就該等金融工具估值所採納的方法及評估估值所用的輸入數據及假設進行獨立估值；及
- assessing whether the disclosures in the consolidated financial statements appropriately reflect the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.
- 評估結合財務報表披露是否適當地反映貴集團參照現行會計準則的規定承擔的金融工具估值風險。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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。我們預期其他信息將於本核數師報告日期後可供我們查閱。

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

就我們對綜合財務報告的審計，我們的責任乃於其他信息可供查閱時細閱有關資料，在此過程中，考慮其他信息與綜合財務報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。

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 HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報表承擔的責任

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

合理保證為高水平的保證，但不能保證按照《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

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

(continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審計綜合財務報表承擔的責任(續)

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容（包括披露事項），以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了審計的計劃範圍及時間安排以及重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

(continued)

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

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

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

KPMG

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

16 March 2021

核數師就審計綜合財務報表承擔的責任(續)

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

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

出具本獨立核數師報告的審計項目合夥人為黃寶珊。

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

二零二一年三月十六日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Note 附註	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 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)	2,431,425	3,197,574
Other interest income	其他利息收入	4(a)	11,497	24,979
Interest income	利息收入		2,442,922	3,222,553
Interest expense	利息支出	4(b)	(1,260,345)	(1,806,862)
Net interest income	淨利息收入		1,182,577	1,415,691
Fee and commission income	費用及佣金收入	5(a)	328,025	394,919
Fee and commission expense	費用及佣金支出	5(b)	(79,152)	(98,808)
Net fee and commission income	淨費用及佣金收入		248,873	296,111
Other operating income	其他營運收入	6	97,846	50,408
Operating income	營運收入		1,529,296	1,762,210
Operating expenses	營運支出	7	(951,218)	(898,826)
Operating profit before other gains and impairment losses	未計其他收益及減值虧損前經營溢利		578,078	863,384
Impairment losses on advances to customers	客戶貸款減值虧損	9	(402,706)	(105,187)
Impairment losses on other financial assets	其他金融資產減值虧損		(70,656)	(33,500)
Write back of impairment losses on other assets	其他資產減值虧損之回撥		290	449
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥		300	—
Impairment loss on asset held for sale	持作出售資產減值虧損		—	(4,143)
Impairment losses	減值虧損		(472,772)	(142,381)
Gain on disposal of an investment property	出售投資物業收益	10	8,010	—
Net losses on revaluation of investment properties	投資物業重估淨虧損		(4,600)	—
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		258	28
Net losses on disposal of fixed assets	出售固定資產淨虧損		(134)	(4,902)
Gain on disposal of a subsidiary	出售附屬公司收益		—	1,288
Profit before taxation	除稅前溢利		108,840	717,417
Taxation	稅項	11	(33,500)	(116,298)
Profit for the year	本年度溢利		75,340	601,119
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	12	(151,318)	(191,419)
Equity securities designated at fair value through other comprehensive income: net movement in investment revaluation reserve (non-recycling)	指定以公平價值於其他全面收益計量之股本證券: 投資重估儲備淨變動(非循環)	12	203,256	222,910
Remeasurement of net defined benefit liability	重新計量定額福利負債淨額	12	(47,222)	(4,366)
			4,716	27,125
Total comprehensive income for the year	本年度全面收益總額		80,056	628,244

The notes on pages 75 to 218 form part of these financial statements.

載於第 75 至 218 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 2020 於二零二零年十二月三十一日

			31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
ASSETS	資產			
Cash and short-term funds	現金及短期資金	14	4,966,655	5,290,706
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘		458,770	2,862,464
Trading assets	持作交易用途資產	15	1,948,454	1,943,242
Derivative financial instruments	衍生金融工具	16(b)	563,443	543,793
Advances to customers	客戶貸款	17	54,913,063	52,308,452
Trade bills	商業票據		915,668	724,425
Accrued interest and other assets	應計利息及其他資產		2,256,692	2,026,736
Debt securities measured at amortized cost	以攤銷成本計量之債務證券	18	41,185,231	40,516,236
Equity securities designated at fair value through other comprehensive income	指定以公平價值於其他全面收益計量之股本證券	19	1,316,272	1,074,054
Fixed assets	固定資產	20	3,749,930	4,075,218
Investment properties	投資物業	20	49,500	–
Asset held for sale	持作出售之資產		–	41,300
Deferred tax assets	遞延稅項資產	25(b)	6	8
Total assets	資產總額		112,323,684	111,406,634
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	21	10,041,639	9,140,295
Deposits from customers	客戶存款	22	76,538,430	75,043,411
Trading liabilities	交易賬項下之負債	23	1,948,454	948,173
Certificates of deposit issued	已發行存款證		4,167,874	4,730,098
Debt securities issued	已發行債務證券		1,544,626	1,165,268
Derivative financial instruments	衍生金融工具	16(b)	1,080,890	385,348
Other liabilities	其他負債	24	1,670,574	3,138,648
Deferred tax liabilities	遞延稅項負債	25(b)	603,967	652,443
Subordinated notes issued	已發行後償票據		–	1,555,776
Total liabilities	負債總額		97,596,454	96,759,460
EQUITY	權益			
Share capital	股本	26	4,830,448	4,830,448
Reserves	儲備		9,896,782	9,816,726
Total equity	權益總額		14,727,230	14,647,174
Total equity and liabilities	權益及負債總額		112,323,684	111,406,634

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

經董事會於二零二一年三月十六日批准及授權頒佈。

Daniel TSAI Ming Chung

蔡明忠

Director

董事

Hung SHIH

石宏

Director

董事

Raymond LEE Wing Hung

李永鴻

Director

董事

The notes on pages 75 to 218 form part of these financial statements.

載於第 75 至 218 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 2020 截至二零二零年十二月三十一日止年度

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

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

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Share capital	Regulatory reserve	Investment revaluation reserve (non-recycling) 投資重估儲備 (非循環)	Premises revaluation reserve 物業重估儲備	Retained earnings	Total equity
		股本 HK\$'000 千港元	法定儲備 HK\$'000 千港元	投資重估儲備 (非循環) HK\$'000 千港元	物業重估儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	權益總額 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	4,830,448	425,171	781,847	2,426,666	6,183,042	14,647,174
Total comprehensive income for the year	本年度全面收益總額	-	-	203,256	(151,318)	28,118	80,056
- Profit for the year	- 本年度溢利	-	-	-	-	75,340	75,340
- Other comprehensive income, of which:	- 其他全面收益，其中包括：						
- Premises: net movement in premises revaluation reserve	- 物業：物業重估儲備淨變動	-	-	-	(151,318)	-	(151,318)
- Equity securities designated at FVOCI: net movement in investment revaluation reserve	- 指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動	-	-	203,256	-	-	203,256
- Remeasurement of net defined benefit liability	- 重新計量定額福利負債淨額	-	-	-	-	(47,222)	(47,222)
Transfer to retained earnings	轉撥至保留溢利	-	(340,440)	-	(88,042)	428,482	-
At 31 December 2020	於二零二零年十二月三十一日	4,830,448	84,731	985,103	2,187,306	6,639,642	14,727,230

The notes on pages 75 to 218 form part of these financial statements.

載於第 75 至 218 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 2020 截至二零二零年十二月三十一日止年度

	Note 附註	2020 二零二零年		2019 二零一九年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Operating activities					
Profit before taxation		108,840		717,417	
Adjustments for non-cash items:					
Depreciation		182,763		183,092	
Net losses on disposal of fixed assets		134		4,902	
Impairment losses on advances to customers		402,706		105,187	
Impairment losses on other financial assets		70,656		33,500	
Write back of impairment losses on other assets		(290)		(449)	
Write back of impairment losses on assets acquired under lending agreements		(300)		—	
Gain on disposal of an investment property		(8,010)		—	
Net losses on revaluation of investment properties		4,600		—	
Impairment losses on assets held for sale		—		4,143	
Gain on disposal of a subsidiary		—		(1,288)	
Exchange difference and other non-cash items		3,108		(1,691)	
			764,207		1,044,813
Decrease/(increase) in operating assets:					
Treasury bills with original maturity of over three months		4,028,880		(1,747,302)	
Balances with banks and other financial institutions		324,831		1,085,884	
Derivative financial instruments		(19,650)		252,802	
Gross advances to customers		(3,007,317)		(4,714,399)	
Trade bills		(194,681)		181,546	
Accrued interest and other assets		(229,360)		(641,160)	
Certificates of deposit held		356,648		579,803	
Debt securities measured at amortized cost		(2,854,393)		(4,220,899)	
Equity securities designated at fair value through other comprehensive income		1,202		2,234	
			(1,593,840)		(9,221,491)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

	Note 附註	2020 二零二零年		2019 二零一九年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	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	901,344		(327,130)	
Deposits from customers	客戶存款	1,495,019		6,787,065	
Trading liabilities	交易賬項下之負債	1,000,281		(950,199)	
Certificates of deposit issued	已發行存款證	(564,263)		178,825	
Derivative financial instruments	衍生金融工具	695,542		252,001	
Other liabilities	其他負債	(1,473,845)		1,101,042	
			2,054,078		7,041,604
Net cash generated from/(used in) operations	營運之現金收入/(支出)淨額		1,224,445		(1,135,074)
Hong Kong Profits Tax paid	已付香港利得稅		(131,322)		(20,409)
Overseas tax paid	已付海外稅項		-		(167)
Net cash generated from/(used in) operating activities	營運活動之現金收入/(支出)淨額		1,093,123		(1,155,650)
Investing activities	投資活動				
Net proceeds from disposal of investment properties	出售投資物業所得款項淨額	42,510		-	
Payment for purchases of fixed assets	購買固定資產付款	(86,028)		(101,461)	
Proceeds from disposal of fixed assets	出售固定資產所得款項	191		106	
Proceeds from disposal of a subsidiary	出售一間附屬公司所得款項	-		10,000	
Net cash used in investing activities	投資活動之現金支出淨額		(43,327)		(91,355)
Financing activities	融資活動				
Repayment of subordinated notes issued	償還已發行後償票據	(1,555,776)		-	
Net issue of debt securities	發行債務證券淨額	378,823		771,091	
Payment of lease liabilities	租賃負債付款	(26,904)		(28,708)	
Net cash (used in)/generated from financing activities	融資活動之現金(支出)/收入淨額		(1,203,857)		742,383
Net decrease in cash and cash equivalents	現金及等同現金項目之減少淨額		(154,061)		(504,622)
Cash and cash equivalents as at 1 January	於一月一日之現金及等同現金項目		9,211,582		9,716,204
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		9,057,521		9,211,582
Cash flows from operating activities include:	營運活動之現金流量包括：				
Interest received	已收利息	2,526,128		3,181,805	
Interest paid	已付利息	(1,365,869)		(1,678,447)	
Dividends received	已收股息	9,271		10,849	

The notes on pages 75 to 218 form part of these financial statements.

載於第75至218頁之附註為此等財務報告之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報告附註

1. ACTIVITIES

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

The Bank, through its branches and subsidiaries (together referred to as the "Group"), provides a range of banking, financial and related services.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) New and revised HKFRSs

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

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

(c) Basis of preparation of the financial statements

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

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

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

1. 業務

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

本行透過其分行及附屬公司(統稱為「本集團」)提供一系列銀行、金融及相關服務。

2. 主要會計政策

(a) 遵守聲明

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

(b) 新訂及經修訂香港財務報告準則

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

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

(c) 財務報告的編製基準

截至二零二零年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司。

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 40.

(d) Changes in accounting policies

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

2. 主要會計政策(續)

(c) 財務報告的編製基準(續)

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

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

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

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

管理層應用對財務報告及估計不確定因素之主要來源構成重大影響的香港財務報告準則所作出之判斷於附註 40 中詳述。

(d) 會計政策變動

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Changes in accounting policies (continued)

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

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

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

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate certificates of deposit issued and fixed rate debt securities investment, which are measured at amortized cost. The notional amounts of interest rate swaps under these hedging relationship amounted to HKD25.0 billion as of 31 December 2020 and are all linked to USD London Interbank Offered Rates.

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

2. 主要會計政策(續)

(d) 會計政策變動(續)

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

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

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

(f) Interest in an associate

An associate is an entity in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

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

2. 主要會計政策(續)

(e) 附屬公司投資

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

於附屬公司之投資自控制開始日期會併入綜合財務報告內直至控制結束日期。

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

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

(f) 於聯營公司之權益

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments

(i) Initial recognition

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

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

(ii) Categorization

Investments other than equity investments

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

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;
- Fair Value through Other Comprehensive Income ("FVOCI") (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or
- FVPL, if the investment is held for trading or otherwise does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

2. 主要會計政策(續)

(g) 金融工具

(i) 初始確認

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

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

(ii) 分類

股本投資以外的投資

本集團持有的非股本投資分為以下其中一個計量類別：

- 攤銷成本，倘持有該投資目的為收取合約現金流，而該現金流純粹為支付本金和利息。投資的利息收入採用實際利率法計算；
- 以公平價值於其他全面收益計量(循環)，倘投資的合約現金流純粹為支付本金及利息，及投資是在一種目標為通過收取合約現金流及銷售之商業模式中進行。公平價值變動須計入其他全面收益，除確認在損益賬內的預期信貸虧損、利息收入(採用實際利率法計算)及匯兌損益外。當終止確認該投資時，在其他全面收益中累計的金額會從權益循環轉入損益；或
- 通過損益以反映公平價值，倘該投資持作交易用途，或不符合以攤銷成本或以公平價值於其他全面收益計量(循環)的標準。投資的公平價值變動(包括利息)在損益賬內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Categorization (continued)

Equity investments

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

(iii) Fair value measurement principles

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

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

2. 主要會計政策(續)

(g) 金融工具(續)

(ii) 分類(續)

股本投資

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

(iii) 計量公平價值之原則

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(iv) Derecognition

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

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

(v) Offsetting

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

(vi) Modified financial instruments

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

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

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

2. 主要會計政策(續)

(g) 金融工具(續)

(iv) 終止確認

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

當合約的義務期滿或被履行、取消，本集團終止確認該金融負債。

(v) 對銷

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

(vi) 經修改金融工具

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Repurchase and reverse repurchase transactions

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

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

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

(i) Derivative financial instruments

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

(j) Hedging

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

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

2. 主要會計政策(續)

(h) 回購交易和反向回購交易

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

根據轉售協議(反向回購協議)購買之證券乃列作為應收款項，並按攤銷成本列賬。

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

(i) 衍生金融工具

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

(j) 對沖

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Hedging (continued)

(i) Fair value hedge

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

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

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes designation of the hedge relationship any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortized to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(ii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

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

2. 主要會計政策(續)

(j) 對沖(續)

(i) 公平價值對沖

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

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

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

(ii) 對沖有效性測試

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Fixed assets

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

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

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

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

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

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

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

2. 主要會計政策(續)

(k) 固定資產

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

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

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

- 當重估出現虧損時，虧損超出同一資產於緊接重估前之儲備款額會自損益扣除；及
- 當因重估而出現盈餘時，倘同一資產以往曾有重估虧損自損益扣除時，則本次重估盈餘將計入損益，惟上限為以往曾自損益賬內扣除之重估虧損。

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Fixed assets (continued)

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

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

- buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- furniture and equipment is generally depreciated over periods of between three to ten years.
- right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term.

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

(l) Investment properties

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

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

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

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

2. 主要會計政策(續)

(k) 固定資產(續)

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

物業和設備項目於預計可用期限內以直線法攤銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之期間折舊。
- 使用權資產於開始日期起至租期結束時止期間採用直線法折舊。

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

(l) 投資物業

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

投資物業公平值變動或報廢或出售投資物業所產生的任何收益或虧損於損益確認。

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Assets held for sale

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

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

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

(n) Leases and hire purchase contracts

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in HKFRS 16, Lease.

(i) Group acting as a lessee

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

2. 主要會計政策(續)

(m) 持作出售之資產

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

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

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

(n) 租約及租購合約

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

(i) 本集團作為承租人

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases and hire purchase contracts (continued)

(i) Group acting as a lessee (continued)

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

2. 主要會計政策(續)

(n) 租約及租購合約(續)

(i) 本集團作為承租人(續)

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

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

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

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

計量租賃負債時計入的租賃款項包括固定付款額，包括實物固定付款額。

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases and hire purchase contracts (continued)

(i) Group acting as a lessee (continued)

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

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

Short-term leases and leases of low-value assets

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

(ii) Group acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

2. 主要會計政策(續)

(n) 租約及租購合約(續)

(i) 本集團作為承租人(續)

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

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

短期租賃及低價值資產租賃

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

(ii) 本集團作為出租人

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

當本集團作為出租人時，在租賃開始時確定該租賃為融資租賃或經營租賃。

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Repossessed assets

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

Repossessed assets are initially recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortized.

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

(p) Credit losses and impairment of assets

(i) Credit losses from financial instruments

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

Measurement of ECLs

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

2. 主要會計政策(續)

(o) 收回資產

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

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

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

(p) 信貸虧損及資產減值

(i) 金融工具的信貸虧損

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

計量預期信貸虧損

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

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

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

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

計量預期信貸虧損(續)

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

估計預期信貸虧損時考慮的最長期限為本集團面臨信貸風險的最長合約期。

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

預期信貸虧損乃通過以下其一基礎計量：

- 12個月預期信貸虧損：為預計在報告日期後12個月內可能發生違約事件造成的損失；或
- 全期預期信貸虧損：為預計由預期信貸虧損模式適用項目之預計可用年期內可能發生所有違約事件導致之損失。

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk

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

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

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

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

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

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

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

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

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

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

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

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

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸風險顯著增加(續)

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

信貸減值(或違約)金融資產的利息收入之計算基礎

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

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

金融資產出現信貸減值(或違約)的證明包括以下可觀察事件：

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

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

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

Modified financial instruments

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

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

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

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

信貸減值(或違約)金融資產的利息收入之計算基礎(續)

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

經修改金融工具

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Credit losses from financial instruments (continued)

Write-off policy

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

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

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of other assets

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

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

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

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(i) 金融工具的信貸虧損(續)

註銷政策

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

先前已註銷的資產的後續收回於收回發生期間在損益確認為減值虧損撥回。

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

(ii) 其他資產減值

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

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

倘出現任何該等跡象，則估計資產的可收回金額。

計算可收回金額

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(ii) Impairment of other assets (continued)

Recognition of impairment losses

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

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

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

(q) Cash equivalents

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

(r) Employee benefits

(i) Short-term employee benefits

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

2. 主要會計政策(續)

(p) 信貸虧損及資產減值(續)

(ii) 其他資產減值(續)

確認減值虧損

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

減值虧損撥回

倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。

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

(q) 等同現金項目

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

(r) 僱員福利

(i) 短期僱員福利

短期僱員福利包括薪酬、每年花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(ii) Defined benefit retirement scheme

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

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

2. 主要會計政策(續)

(r) 僱員福利(續)

(ii) 定額福利退休計劃

本集團有關其定額福利退休計劃的淨義務乃估計僱員於本期及過往期間的服務所賺取的未來福利金額而計算；該福利已折現以釐定其現值，並扣減相關資產的公平價值。有關計算由合資格精算師使用預計單位信貸方法進行。倘計算結果對本集團有利，則確認的資產僅限以任何未來由計劃退款或未來減少向計劃供款的方式獲得經濟利益的現值。服務成本及定額福利負債(資產)淨值的利息支出(收入)淨額乃於損益賬內確認。本期服務成本乃按本期僱員服務產生的定額福利責任現值的增加而計量。倘計劃的福利出現變動，或計劃縮短，有關僱員過往服務變動福利的比例，或縮短的收益或虧損於計劃修訂或縮短發生及當有關重組成本或終止福利已確認時較早者於損益賬內確認為支出。期內利息支出(收入)淨額乃應用於報告期初用於計量定額福利責任的折現率折現至定額福利淨負債(資產)而釐定。折現率乃高質素企業債券於報告期末的收益率，有關的債券到期日與本集團所承擔責任的條款相若。定額福利退休計劃產生的重新計量乃於其他全面收入中確認且立即於保留溢利中反映。重新計量包括精算收益及虧損，計劃資產之回報(不包括計入定額福利淨負債(資產)的淨利息內的金額)及資產上限影響的任何變動(不包括計入定額福利淨負債(資產)的淨利息內的金額)。

(s) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬內確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認為其他全面收益或權益中。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized.

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

2. 主要會計政策(續)

(s) 所得稅(續)

即期稅項乃預期於本年度就應課稅收入應付之稅項(按於報告期末已頒佈或實質頒佈之稅率計算)，以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅及應課稅暫時性差異，即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干有限例外情況外，所有遞延稅項負債及所有遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。

倘投資物業根據附註 2(l)所載會計政策按公平值列賬，已確認遞延稅項金額按於報告日期按賬面值出售該等資產所適用的稅率計量。在所有其他情況下，遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式，使用於報告期末已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各報告期末，遞延稅項資產之賬面值均進行覆核，對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利，則任何有關扣減均會被撥回。投資物業的租金收入按附註 2(u)所述方式入賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the related current tax assets and settle the related current tax liabilities on a net basis or realize and settle simultaneously.

(t) Provisions and contingent liabilities

Provisions are recognized for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策(續)

(s) 所得稅(續)

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額基準變現即期稅項資產及清償即期稅項負債或兩者同時進行。

(t) 撥備及或然負債

撥備乃本集團因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務並能作出可靠估計時，而未能確定之時間或數額以其他負債確認。倘金錢時間價值屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟利益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就一項或多項未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性極微。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows:

(i) Interest income

Effective interest rate

Interest income and expense for all interest-bearing financial instruments are recognized in the profit or loss on an accruals basis using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

2. 主要會計政策(續)

(u) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收益及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬內確認：

(i) 利息收入

實際利率

所有計息金融工具的利息收入及開支按應計基準採用實際利率法於損益賬內確認。

實際利率是將金融工具在預計年期產生的預計未來現金付款或收入準確折算為金融資產之賬面總值或金融負債之攤銷成本之比率。

當計算信貸減值資產以外的金融工具的實際利率時，本集團在估計現金流時須考慮金融工具的所有合約條款，但不考慮預期信貸虧損。對於初始確認時購買或產生信貸減值的金融資產，信貸調整實際利率使用預計未來現金流(包括預期信貸虧損)計算(即於初始確認時無需考慮信貸虧損撥備)。

計算實際利率時計及屬實際利率重要組成部分的交易成本及費用及已付或已收點數。交易成本為收購或發行金融資產或金融負債直接應佔的增量成本。

攤銷成本及賬面總值

金融資產或金融負債的「攤銷成本」應當以金融資產或金融負債的初始確認金額經下列調整後的結果確定：扣除已償還的本金、加上或減去採用實際利率法將該初始確認金額與到期日金額之間的差額進行攤銷形成的累計攤銷額及，就金融資產而言，扣除任何預期信貸虧損撥備。

「金融資產的賬面總值」指在任何預期信貸虧損撥備調整前金融資產的攤銷成本。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(i) Interest income (continued)

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(p).

(ii) Net income from financial instruments designated at FVPL and net trading income

Net income from financial instruments designated at FVPL and net trading income comprise all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, foreign exchange differences and dividend income attributable to those financial instruments.

(iii) Fee and commission income

Fee and commission income arises on financial services provided by the Group including cash management services, brokerage services, investment banking services, investment management services and project and structured finance transactions services. Fee and commission income is recognized when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer or is interest in nature. In these cases the fee is recognized as income in the accounting period in which the costs or risk is incurred or is accounted for as interest income.

2. 主要會計政策(續)

(u) 收益確認(續)

(i) 利息收入(續)

計算收益利息及開支

於計算收益利息及開支時，資產的賬面總值(當資產為非信貸減值)或負債的攤銷成本採用實際利率。

然而，對於初始確認後出現信貸減值的金融資產，利息收入的計算是將實際利率應用於金融資產的攤銷成本。若資產不再為信貸減值，則利息收入的計算將恢復為總額。

對於初始確認時購買或產生信貸減值的金融資產，利息收入的計算是將信貸調整實際利率應用於資產的攤銷成本。即使資產的信貸風險有所改善，利息收入的計算亦不會恢復為總額。

有關金融資產何時出現信貸減值的資料，請參閱附註 2(p)。

(ii) 指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益

指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

(iii) 費用及佣金收入

費用及佣金收入乃本集團提供金融服務，包括現金管理服務、經紀服務、投資銀行服務、投資管理服務以及項目及結構性融資交易服務之所得收入。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(iii) Fee and commission income (continued)

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognized as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at FVPL. In this case it is immediately recognized in profit or loss. If the commitment expires without the Group making a loan, the fee is recognized as revenue on expiry.

(iv) Finance income from finance lease and hire purchase contracts

Finance income implicit in finance lease and hire purchase payments is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivable are recognized as income in the accounting period in which they are earned.

(v) Rental income from operating lease

Rental income received under operating leases is recognized as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognized as income in the accounting period in which they are earned.

(vi) Dividend income

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is irrevocably established. Dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

2. 主要會計政策(續)

(u) 收益確認(續)

(iii) 費用及佣金收入(續)

本集團已收因建立或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，則該費用於期滿時確認為收益。

(iv) 來自融資租約及租購合約之財務收入

融資租約之隱含財務收入及租購付款於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於所賺取的會計期間確認為收入。

(v) 經營租賃產生之租金收入

根據經營租賃收取之租金收入於租賃期間內以等額方式在其他營運收入中確認，但如有另一基準更能代表租賃資產所產生之利益之模式則除外。已授出之租賃獎勵於損益賬內確認為應收總租賃款項淨額的一部分。應收或然租金於所賺取的會計期間確認為收入。

(vi) 股息收入

非上市投資之股息收入於股東收取款項之權利確立為不可撤回時予以確認。上市投資之股息收入於投資項目之股價除息時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Translation of foreign currencies

The Group and the Bank's functional currency is Hong Kong Dollars. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are dealt with in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong dollars at exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to financial instruments held at FVPL and derivative financial instruments are included in net income from financial instruments designated at FVPL and net gain/(loss) on derivative financial instruments, respectively. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in profit or loss and are reported within "Other operating income". Differences arising on translation of equity securities designated at FVOCI are recognized in other comprehensive income.

2. 主要會計政策(續)

(v) 外幣換算

本集團及本行的記賬單位幣別為港元。本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以報告期末之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

以外幣定值並以歷史成本列賬之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬之非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

通過損益以反映公平價值之金融工具及衍生金融工具的匯兌差額分別包括於指定為通過損益以反映公平價值之金融工具淨收益及衍生金融工具淨溢利／(虧損)。其他有關貨幣性項目的匯兌差額則於損益賬內呈列為外幣買賣淨盈虧，並於「其他營運收入」內呈報。換算指定以公平價值於其他全面收益計量之股本證券之差額於其他全面收益確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (a) a person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) an entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. 主要會計政策(續)

(w) 關連各方

就此等財務報告而言，被視為與本集團有關連的一方是指：

- (a) 個人或該個人之近親家庭成員，該個人在以下情況下被視為與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 是本集團或本集團之母公司的主要管理人員。
- (b) 在以下任何情況下一實體會視為與本集團有關連：
 - (i) 該實體及本集團皆是同一集團成員（即每一間母公司、附屬公司及同系附屬公司互相關連）。
 - (ii) 一實體是另一實體的聯營公司或合營公司（或該聯營公司或合營公司與該另一實體均屬同一集團）。
 - (iii) 兩個實體是同一第三方的合營公司。
 - (iv) 一實體是一第三方的合營公司而另一實體則是該第三方的聯營公司。
 - (v) 該實體是提供予本集團或與本集團有關連之實體的僱員離職後福利計劃。
 - (vi) 該實體受在(a)項中所辨別的個人所控制或共同控制。
 - (vii) 在(a)(i)項中所辨別的個人而該個人對該實體有重大影響力，或該個人是該實體（或是該實體的母公司）的主要管理人員。
 - (viii) 實體或組成集團一部分的任何成員公司向集團或集團母公司提供主要管理人員服務。

個人的近親家庭成員指預料可於彼等與實體交易中影響該個人（或受該個人影響）的家庭成員。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries. For information required to be reported in accordance with the Banking (Disclosures) Rules ("BDR"), the basis of consolidation is set out in Note (A) in the Unaudited Supplementary Financial Information on page 219.

4. INTEREST INCOME AND EXPENSE

(a) Interest income

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

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

2. 主要會計政策(續)

(x) 分部資料

財務報告中的經營分部和每個分部項目的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務和地區進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. 綜合基準

該等綜合財務報告涵蓋本行及本行所有附屬公司的綜合狀況。根據《銀行業(披露)規則》所需呈報的資料，其綜合基準載列於第 219 頁未經審核補充財務資料附註(A)內。

4. 利息收入及支出

(a) 利息收入

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

就非通過損益以反映公平價值計量之金融資產確認之利息收入為 2,431,425,000 港元(二零一九年：3,201,774,000 港元)。

4. INTEREST INCOME AND EXPENSE (continued)

(b) Interest expense

Deposits from customers	客戶存款
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘
Financial assets sold under repurchase agreements	購回協議項下出售之金融資產
Certificates of deposit, debt securities and subordinated debts issued	已發行存款證、債務證券及後償債務
Lease liabilities	合約負債
Others	其他

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

4. 利息收入及支出 (續)

(b) 利息支出

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

就非通過損益以反映公平價值計量之金融負債確認之利息支出為 1,258,608,000 港元(二零一九年：1,797,151,000 港元)。

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

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

Of which:

Fee and commission income arising from:	費用及佣金收入來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債
– Trust and other fiduciary activities	– 信託及其他受託業務

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group holds assets or invests on behalf of customers.

5. 費用及佣金收入及支出

(a) 費用及佣金收入

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
99,891	131,870
71,174	104,481
46,648	58,893
40,768	23,737
28,043	28,674
15,803	20,324
25,698	26,940
328,025	394,919
152,877	199,520
1,872	1,809

來自信託及其他受託業務的費用及佣金收入，與本集團代表客戶持有資產或投資所收取的資產管理業務費用相關。

5. FEE AND COMMISSION INCOME AND EXPENSE

(continued)

(b) Fee and commission expense

Handling fees and commission
Other fees paid

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

手續費及佣金
其他已付費用

其中：
費用及佣金支出來自非通過
損益以反映公平價值之
金融資產或金融負債

5. 費用及佣金收入及支出(續)

(b) 費用及佣金支出

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

6. OTHER OPERATING INCOME

Gains less losses from dealing

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

交易收益減虧損

- 外匯
- 持作交易用途資產
- 其他買賣交易*
- 賣空交易

Net hedging loss from fair value hedges

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

公平價值對沖之淨對沖虧損

與對沖風險相關之被對沖
項目之淨收益
對沖工具之淨虧損

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

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

6. 其他營運收入

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

* Other dealing activities include customer-driven dealing in financial instruments including equity linked notes, options and structured deposit products.

* 其他買賣交易包括客戶買賣金融工具(包括股票掛鈎票據、期權及結構性存款產品)。

7. OPERATING EXPENSES

7. 營運支出

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

* During 2019, the Court of Appeal issued judgment allowing the Bank's appeal and rejecting the Plaintiff's cross-appeal in a lawsuit, where an original judgement was issued against the Bank during 2016. The Bank received HK\$96 million (being the net aggregate amount that the Bank previously paid the Plaintiff under the original judgment) from the Plaintiff and recognized it as a reversal of compensation paid, which was previously recognized under "Operating expenses – Other operating expenses".

* 於2019年，上訴法庭頒下判令，就一宗於二零一六年對本行提出的訴訟的原裁決，宣判本行上訴得直並駁回原告人之交相上訴。本行自原告人收取9,600萬港元(即本行過往就原裁決向原告人支付之總計淨額)並確認為已付代價撥回(過往於「營運支出—其他營運支出」項下確認)。

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the HKCO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

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

8. 董事薪酬

根據公司條例第 383(1)條及《公司(披露董事利益資料)規例》第 2 部披露之董事薪酬如下：

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

9. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

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

9. 客戶貸款減值虧損

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

10. GAIN ON DISPOSAL OF AN INVESTMENT PROPERTY

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

10. 出售投資物業收益

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

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

11. 綜合全面收益表內的所得稅

(a) Taxation in the consolidated statement of comprehensive income represents:

(a) 綜合全面收益表內的稅項指：

Current tax – Hong Kong Profits Tax

Tax for the year
Under/(over)-provision in prior years

即期稅項－香港利得稅

年內稅項
過往年度撥備不足／(超額撥備)

Current tax – Overseas Tax

Tax for the year

即期稅項－海外稅項

年內稅項

Deferred tax

Origination and reversal of temporary differences
(Note 25(b))

遞延稅項

暫時性差異產生及撥回
(附註 25(b))

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
55,392	136,883
10,114	(4,327)
–	167
(32,006)	(16,425)
33,500	116,298

Provision for Hong Kong Profits Tax for 2020 is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the year. Taxation for overseas operations is similarly calculated using the estimated annual effective rates of taxation that are expected to apply in the relevant countries.

二零二零年之香港利得稅撥備乃根據本年度之評估應課稅溢利之 16.5% (二零一九年：16.5%) 計算。海外業務稅項的計算與之類似，為使用評估年度在相關國家預期應用的實際稅率計算。

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬

Profit before taxation	除稅前溢利
Notional tax on profit before taxation, calculated at the rates applicable to profits at 16.5%	除稅前溢利之估計稅項按 16.5% 之應課稅率計算
Tax effect of non-taxable income	非應課稅收入之稅項影響
Tax effect of non-deductible expenses	非可扣減支出之稅項影響
Overseas withholding taxes	海外預扣稅
Under/(over)-provision in prior years	過往年度撥備不足／(超額撥備)
Actual tax expense	實質稅項支出

2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
108,840	717,417
17,959	118,374
(8,571)	(9,738)
13,998	11,822
–	167
10,114	(4,327)
33,500	116,298

12. OTHER COMPREHENSIVE INCOME

Premises:

Deficits on revaluation of premises

Deferred taxation (Note 25(b))

Net movement in the premises revaluation reserve during the year recognized in other comprehensive income

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

Changes in fair value recognized during the year (Note 32(a)(i))

Deferred taxation (Note 25(b))

Net movement in the investment revaluation reserve (non-recycling) during the year recognized in other comprehensive income

Defined benefit liability:

Remeasurement of net defined benefit liability (Note 29(a)(v))

Deferred taxation (Note 25(b))

Net movement in the defined benefit liability during the year recognized in other comprehensive income

物業：

物業重估虧損

遞延稅項(附註 25(b))

本年度於其他全面收益確認之物業重估儲備淨變動

指定以公平價值於其他全面收益計量之股本證券(非循環)：

本年度確認之公平價值變動(附註 32(a)(i))

遞延稅項(附註 25(b))

本年度於其他全面收益確認之投資重估儲備(非循環)淨變動

定額福利負債：

重新計量定額福利負債淨額(附註 29(a)(v))

遞延稅項(附註 25(b))

本年度於其他全面收益確認之定額福利負債淨變動

12. 其他全面收益

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

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer and Managing Director in deciding how to allocate resources and in assessing performance.

Operating segments

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

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

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

Financial Markets mainly engages in the marketing of investment products to non-bank enterprises; managing the Group's investment portfolio and trading in foreign exchange and debt securities. Moreover, it also manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of operating income reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer pricing mechanisms. To reflect the benefit of joint efforts of two operating segments on a third party fee-related transaction, operating income derived from the transaction is split between the relevant operating segments.

Cost allocation is based on the direct costs incurred by the respective operating segments. For consistency with internal management reporting, there is no apportionment of central management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. Rental charges at market rates for usage of premises are reflected in net interest income, operating expenses and inter-segment expenses for the respective operating segments.

Segment assets mainly include advances to customers, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments.

13. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部分，相關之財務資料可被獨立地提供以及行政總裁及董事總經理用作定期評估以決定如何分配資源和評核表現。

經營分部

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報經營分部載列如下。

零售銀行包括消費金融業務及財富管理服務，前者包括信用卡商戶服務、信用卡信貸服務、按揭貸款及其他消費信貸，後者包括向財富管理客戶提供銷售及分銷保險產品、投資產品和證券經紀服務以及向大眾市場分部提供銀行服務。

企業及機構銀行包括企業銀行業務、商業銀行業務及金融機構業務，涵蓋向香港及中國內地之大型企業及中小企業提供企業借貸、銀團貸款、貿易融資及存款服務。

金融市場主要從事向非銀行企業銷售投資產品、本集團的投資組合管理以及外匯及債務證券的交易活動。此外，其亦管理本集團整體資金以及由銀行業務產生之流動性及利率風險部位。

分部業績、資產及負債

按分部分析下之營運收入劃分，反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個經營分部在第三方非利息收入相關交易上共同努力所賺取之回報，從這交易上所賺取之營運收入會在相關之經營分部拆分。

成本分配則以各經營分部之直接成本計算。為與內部管理報告一致，中央管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，在各經營分部扣除。各經營分部使用物業，按市值計算之租金反映於各經營分部之淨利息收入、營運支出及跨分部支出內。

分部資產主要包括各經營分部應佔客戶貸款、證券及金融工具投資、銀行同業放款、流動資產及物業。

13. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

Segment liabilities mainly include deposits from customers, certificates of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue, interest expense, depreciation, amortization, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

13. 分部資料 (續)

分部業績、資產及負債 (續)

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業借款及應計款項。

除了分部資料中的除稅前溢利資料外，管理層亦獲提供分部資料中的有關收入、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

		For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度			
		Retail Banking 零售銀行 HK\$'000 千港元	Institutional Banking 企業及 機構銀行 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	Reportable Segments Total 可申報 分部總額 HK\$'000 千港元
Net interest income	淨利息收入	399,734	626,762	156,181	1,182,677
Other operating income/(loss) from external customers	源自外界客戶其他營運 收入／(虧損)	299,819	76,754	(5,246)	371,327
Fee and commission expense	費用及佣金支出	(61,067)	(181)	(7,522)	(68,770)
Other operating income/(loss)	其他營運收入／(虧損)	238,752	76,573	(12,768)	302,557
Operating income	營運收入	638,486	703,335	143,413	1,485,234
Operating expenses	營運支出	(361,979)	(93,686)	(58,529)	(514,194)
Inter-segment expenses	跨分部支出	(51,144)	(6,608)	(1,925)	(59,677)
Operating profit before other gains and impairment losses	未計其他收益及減值虧損前 經營溢利	225,363	603,041	82,959	911,363
Impairment losses on advances to customers	客戶貸款減值虧損	(33,872)	(368,834)	—	(402,706)
Impairment losses on other financial assets	其他金融資產減值虧損	(6,997)	(20,148)	(43,511)	(70,656)
(Charge for)/write back of impairment losses on other assets	其他資產減值虧損之 (扣除)／回撥	(15)	305	—	290
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	—	—	258	258
Net losses on disposal of fixed assets	出售固定資產淨虧損	(166)	—	—	(166)
Profit before taxation	除稅前溢利	184,313	214,364	39,706	438,383
Operating expenses – depreciation	營運支出 – 折舊	(86,821)	(9,009)	(3,547)	(99,377)
Segment assets	分部資產	20,401,006	38,164,272	49,894,588	108,459,866
Segment liabilities	分部負債	53,818,710	22,705,460	19,635,296	96,159,466

13. SEGMENT REPORTING (continued)
Segment results, assets and liabilities (continued)

13. 分部資料 (續)
分部業績、資產及負債 (續)

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Retail Banking 零售銀行 HK\$'000 千港元	Institutional Banking 企業及 機構銀行 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	Reportable Segments Total 可申報 分部總額 HK\$'000 千港元
Net interest income	淨利息收入	406,628	605,134	400,197	1,411,959
Other operating income/(loss) from external customers	源自外界客戶其他營運 收入／(虧損)	350,226	91,468	(24,199)	417,495
Fee and commission expense	費用及佣金支出	(80,953)	(358)	(7,333)	(88,644)
Other operating income/(loss)	其他營運收入／(虧損)	269,273	91,110	(31,532)	328,851
Operating income	營運收入	675,901	696,244	368,665	1,740,810
Operating expenses	營運支出	(375,881)	(92,360)	(59,879)	(528,120)
Inter-segment expenses	跨分部支出	(61,185)	(7,523)	(2,745)	(71,453)
Operating profit before other gains and impairment losses	未計其他收益及減值虧損前 經營溢利	238,835	596,361	306,041	1,141,237
Impairment losses on advances to customers	客戶貸款減值虧損	(31,261)	(73,926)	–	(105,187)
Impairment losses on other financial assets	其他金融資產減值虧損	(9,783)	(8,505)	(15,212)	(33,500)
Write back of impairment losses on other assets	其他資產減值虧損之 回撥	2	447	–	449
Net gains on disposal of financial assets at amortized cost	出售以攤銷成本計量之 金融資產淨收益	–	–	28	28
Net losses on disposal of fixed assets	出售固定資產淨虧損	(4,920)	–	–	(4,920)
Profit before taxation	除稅前溢利	192,873	514,377	290,857	998,107
Operating expenses – depreciation	營運支出 – 折舊	(100,097)	(9,647)	(5,834)	(115,578)
Segment assets	分部資產	20,600,957	35,796,053	51,700,900	108,097,910
Segment liabilities	分部負債	58,183,701	17,044,308	19,356,403	94,584,412

13. SEGMENT REPORTING (continued)

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

Operating income

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

營運收入

可申報分部營運收入
跨分部營運收入抵銷
未分配營運收入
綜合營運收入

Profit before taxation

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

除稅前溢利

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

13. 分部資料(續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬

For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
1,485,234	1,740,810
(94,437)	(106,896)
138,499	128,296
1,529,296	1,762,210
For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
438,383	998,107
138,499	128,296
(471,784)	(406,149)
300	—
—	(4,143)
8,010	—
(4,600)	—
32	18
—	1,288
108,840	717,417

13. SEGMENT REPORTING (continued)

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

Assets

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

資產

可申報分部資產
未分配固定資產及投資物業
未分配其他資產
綜合資產總額

Liabilities

Reportable segment liabilities
Unallocated other liabilities
Consolidated total liabilities

負債

可申報分部負債
未分配其他負債
綜合負債總額

Geographical information

Geographical segment information is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2020 and 2019, all of the Group's operating income and profit before taxation were generated by assets booked by the branches and subsidiaries of the Bank located in Hong Kong. No single country or geographic segment other than Hong Kong contributed 10% or more of the Group's assets, liabilities, profit or loss before taxation, operating income or contingent liabilities and commitments.

Major customers

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

13. 分部資料 (續)

可申報分部營運收入、除稅前溢利、資產及負債之對賬 (續)

As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元
108,459,866	108,097,910
1,716,984	1,769,750
2,146,834	1,538,974
112,323,684	111,406,634
As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元
96,159,466	94,584,412
1,436,988	2,175,048
97,596,454	96,759,460

區域資料

區域分部資料乃基於附屬公司之主要營運地點或負責申報業績或將資產入賬之本行分行位置、客戶位置及資產位置予以披露。截至二零二零年及二零一九年十二月三十一日止年度，本集團所有營運收入及除稅前溢利均來自位於香港的本行分行及附屬公司入賬之資產所產生。概無香港以外的其他國家或區域分部佔本集團的資產、負債、除稅前溢利或虧損、營運收入或或然負債及承擔10%或以上。

主要客戶

截至二零二零年及二零一九年十二月三十一日止年度，概無單一客戶或共同控制之一組客戶佔本集團營運收入10%或以上。

14. CASH AND SHORT-TERM FUNDS

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

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

14. 現金及短期資金

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

* 通知及短期存款指由報告期末起計最長一個月到期之存款。

15. TRADING ASSETS

Trading assets at fair value	按公平價值列賬之持作 交易用途資產
Treasury bills (including Exchange Fund Bills) – Unlisted	國庫券(包括外匯基金票據) – 非上市

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

15. 持作交易用途資產

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

於二零二零年及二零一九年十二月三十一日，所有由本集團持有之持作交易用途資產由政府及中央銀行發行。

16. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivative positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading or qualifying for hedge accounting.

16. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。衍生工具亦用以管理本集團所承受的市場風險，作為其資產負債管理程序的一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦購買交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途或合資格採用對沖會計法。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the end of the reporting period and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

16. 衍生金融工具(續)

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於報告期末尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

		31 December 2020 二零二零年十二月三十一日		
		Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	Held for trading 持作交易用途 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	– 遠期	–	5,732,908	5,732,908
– Swaps	– 掉期	–	10,308,733	10,308,733
– Options purchased	– 購入期權	–	435,326	435,326
– Options written	– 沽出期權	–	435,326	435,326
		–	16,912,293	16,912,293
Interest rate derivatives	利率衍生工具			
– Swaps	– 掉期	25,607,137	786,300	26,393,437
		25,607,137	786,300	26,393,437
Equity derivatives	股票衍生工具			
– Options purchased	– 購入期權	–	22,294	22,294
– Options written	– 沽出期權	–	22,294	22,294
		–	44,588	44,588
Total	總額	25,607,137	17,743,181	43,350,318

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

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

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

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

16. 衍生金融工具 (續)

(a) 衍生工具之名義金額 (續)

31 December 2019 二零一九年十二月三十一日		
Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	Held for trading 持作交易用途 HK\$'000 千港元	Total 總額 HK\$'000 千港元
–	7,403,947	7,403,947
–	15,376,121	15,376,121
–	271,576	271,576
–	271,576	271,576
–	23,323,220	23,323,220
23,390,741	20,000	23,410,741
23,390,741	20,000	23,410,741
–	–	–
–	–	–
–	–	–
23,390,741	23,343,220	46,733,961

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第 39 號指定作對沖之對沖工具。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives

Credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the HKBO. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100%.

These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements and are as below:

16. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額

信貸風險加權金額指根據香港《銀行業條例》項下之《銀行業(資本)規則》計算之金額。此等金額須視乎交易對手之現況及到期特點而定。所採用之信貸風險加權比率介乎 0% 至 100% 之間。

該等金額並無計及雙邊淨額結算安排之影響以總額顯示如下：

		31 December 2020 二零二零年十二月三十一日			31 December 2019 二零一九年十二月三十一日		
		Fair value assets 公平價值 資產 HK\$'000 千港元	Fair value liabilities 公平價值 負債 HK\$'000 千港元	Credit risk weighted amount 信貸風險 加權金額 HK\$'000 千港元	Fair value assets 公平價值 資產 HK\$'000 千港元	Fair value liabilities 公平價值 負債 HK\$'000 千港元	Credit risk weighted amount 信貸風險 加權金額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具						
– Forwards	– 遠期	471,428	51,246	27,549	443,306	25,573	39,533
– Swaps	– 掉期	35,391	10,239	37,355	41,927	20,106	60,121
– Options purchased	– 購入期權	562	–	10,494	426	–	7,662
– Options written	– 沽出期權	–	564	–	–	429	–
		507,381	62,049	75,398	485,659	46,108	107,316
Interest rate derivatives	利率衍生工具						
– Swaps	– 掉期	55,569	1,018,348	55,050	58,134	339,240	110,286
		55,569	1,018,348	55,050	58,134	339,240	110,286
Equity derivatives	股票衍生工具						
– Options purchased	– 購入期權	493	–	–	–	–	–
– Options written	– 沽出期權	–	493	–	–	–	–
		493	493	–	–	–	–
Total	總額	563,443	1,080,890	130,448	543,793	385,348	217,602

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives (continued)

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

31 December 2020

Exchange rate derivatives

Interest rate derivatives

Equity derivatives

Total

二零二零年十二月三十一日

匯率衍生工具

利率衍生工具

股票衍生工具

總額

31 December 2019

Exchange rate derivatives

Interest rate derivatives

Equity derivatives

Total

二零一九年十二月三十一日

匯率衍生工具

利率衍生工具

股票衍生工具

總額

16. 衍生金融工具 (續)

(b) 衍生工具之公平價值及信貸風險加權金額 (續)

下表為本集團按於報告期末時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

Notional amounts with remaining maturity of 屬以下剩餘年期之名義金額				
Total	1 year or less	Over 1 year to		Over 5 years
		5 years	5 years	
總額	一年或以下	一年以上	至五年	五年以上
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元
16,912,293	16,465,775	446,518	-	-
26,393,437	3,352,498	17,511,922	5,529,017	-
44,588	44,588	-	-	-
43,350,318	19,862,861	17,958,440	5,529,017	-

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

(c) Fair values of derivatives designated as hedging instruments

Fair value hedges

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate certificates of deposit issued and fixed rate debt securities investment. Pay-floating/receive-fixed interest rate swaps are matched to specific issuances of fixed rate certificates of deposit issued or pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment with terms that closely align with the critical terms of the hedged item.

(c) 指定作為對沖工具之衍生工具之公平價值

公平價值對沖

本集團使用利率掉期以對沖其所發行的若干固定利率存款證及固定利率債務證券投資的公平價值變動的風險。支付浮動／收取固定利率掉期與已發行固定利率存款證的特定發行相匹配，或支付固定／收取浮動利率掉期與其條款與對沖項目的關鍵條款緊密一致的固定利率債務證券投資相匹配。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 35(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate certificates of deposit issued and fixed rate debt securities investment, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in the fair value of fixed rate certificates of deposit issued and fixed rate debt securities investment are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties, requiring the counterparties to post collateral and clearing through central counterparties (see Note 35(a)(vi)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks.

The Group establishes a hedge ratio by aligning the par amount of the hedged fixed rate debt securities investment, fixed rate certificates of deposit issued and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group's policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met.

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.96.
- The slope of the regression line is within a range of -0.8 and -1.25.
- Statistical validity of the overall regression model (F-statistic) must be small.

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

本集團管理市場風險(包括利率風險)的方法於附註 35(b)中予以討論。本集團應用對沖會計法的利率風險來自固定利率的存款證及固定利率債務證券投資，其公平價值在基準利率變動時發生波動。由於固定利率債務證券的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。倘經濟對沖關係符合對沖會計準則，則應用對沖會計法。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面臨衍生交易對手的信貸風險。本集團通過訂立與優質交易對手的交易、要求交易對手提供抵押及通過中央交易對手進行清算(見附註 35(a)(vi))，最大程度地減少衍生工具的交易對手信貸風險。

在本集團應用公平價值對沖會計法之前，本集團根據對該等項目的定性特徵的評估及定量分析支持的對沖風險，確定對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮對沖項目及對沖工具的關鍵條款是否緊密一致。本集團評估對沖項目及對沖工具的公平價值是否與類似風險的回應相似。

本集團通過調整對沖固定利率債務證券的面值及指定為對沖工具的利率掉期的名義金額來確定對沖比率。根據本集團的政策，為得出對沖關係有效的結論，應滿足以下所有標準。

- 計量回歸變量之間相關性的回歸系數(R的平方)至少為 0.96。
- 回歸線的斜率介乎-0.8及-1.25之間。
- 整體回歸模型(F統計量)的統計有效性必須很小。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

In these hedge relationships, the main source of ineffectiveness is expected to be the effect of the counterparty's and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate.

The Group holds the following interest rate swaps as hedging instruments in fair value hedges of interest risk.

31 December 2020

Risk category

Interest rate risk

Hedge of debt securities measured
at amortized cost

Nominal amount (HK\$'000)

Average fixed interest rate

Hedge of certificates of deposit issued

Nominal amount (HK\$'000)

Average fixed interest rate

二零二零年十二月三十一日

風險類別

利率風險

對沖按攤銷成本計量的
債務證券

名義金額(千港元)

平均固定利率

對沖已發行存款證

名義金額(千港元)

平均固定利率

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

在該等對沖關係中，無效性的主要來源預計為交易對手及本集團本身的信貸風險對利率掉期的公平價值的影響，這不會反映在利率變動應佔的對沖項目的公平價值上。

本集團持有以下利率掉期作為利息風險公平價值對沖的對沖工具。

	Remaining maturity of 剩餘年期		
	1 year or less 一年或以下	Over 1 year to 5 years 一年以上至 五年	Over 5 years 五年以上
	2,862,498 3.52%	16,745,622 3.87%	5,529,017 3.15%
	470,000 1.01%	— —	— —

		Remaining maturity of 剩餘年期		
		1 year or less	Over 1 year to 5 years	Over 5 years
		一年或以下	一年以上至 五年	五年以上
31 December 2019	二零一九年十二月三十一日			
Risk category	風險類別			
Interest rate risk	利率風險			
<i>Hedge of debt securities measured at amortized cost</i>	<i>對沖按攤銷成本計量的 債務證券</i>			
Nominal amount (HK\$'000)	名義金額(千港元)	2,113,407	15,998,148	4,219,186
Average fixed interest rate	平均固定利率	3.68%	3.92%	3.56%
<i>Hedge of certificates of deposit issued</i>	<i>對沖已發行存款證</i>			
Nominal amount (HK\$'000)	名義金額(千港元)	590,000	470,000	—
Average fixed interest rate	平均固定利率	3.10%	3.06%	—

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of certain of the Group's fixed rate certificates of deposit issued and fixed rate debt securities investment due to movements in market interest rates.

公平價值對沖包括用作保障若干本行已發出存款證及所持定息債務證券因市場利率變動而出現之公平價值變化的利率掉期。

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額及對沖無效性載列如下：

		31 December 2020 二零二零年十二月三十一日			Line item in the consolidated statement of financial position where the hedging instrument is included	Line item in profit or loss that includes hedge ineffectiveness
		Nominal amount 名義金額 HK\$'000 千港元	Carrying amount 賬面值 Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	包含對沖工具 的綜合財務 狀況表中的項目	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 – 對沖按攤銷 成本計量的 債務證券	25,137,137	47,361	(1,012,845)	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
Interest rate swaps – hedge of certificates of deposit issued	利率掉期 – 對沖已發行 存款證	470,000	2,705	–	Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

16. 衍生金融工具 (續)

(c) 指定作為對沖工具之衍生工具之公平價值 (續)

公平價值對沖 (續)

		31 December 2019 二零一九年十二月三十一日				
		Carrying amount 賬面值			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
		Nominal amount 名義金額 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元		
Interest rate risk	利率風險					
Interest rate swaps	利率掉期				Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
– hedge of debt securities measured at amortized cost	– 對沖按攤銷 成本計量的 債務證券	22,330,741	56,868	(338,105)		
Interest rate swaps	利率掉期				Derivative financial instruments 衍生金融工具	Other operating income 其他營運收入
– hedge of certificates of deposit issued	– 對沖已發行 存款證	1,060,000	1,166	(1,035)		

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

The amounts relating to items designated as hedged items were as follows:

16. 衍生金融工具(續)

(c) 指定作為對沖工具之衍生工具之公平價值(續)

公平價值對沖(續)

指定為對沖工具的項目相關金額載列如下：

		31 December 2020 二零二零年十二月三十一日					Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額		Change in value used for measuring hedge ineffectiveness for 2020 二零二零年對沖無效性的公平價值變動	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	26,609,909	-	1,047,991	-	(11,298)	-
Certificates of deposit issued	已發行存款證	-	(472,104)	-	(2,188)	-	-

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

Fair value hedges (continued)

		31 December 2019 二零一九年十二月三十一日		Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 終止就對沖收益及虧損進行調整的任何對沖項目的財務狀況表中剩餘公平價值對沖調整之累計金額	
		Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item 包含於對沖項目賬面值的對沖項目公平價值對沖調整之累計金額	
		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
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	22,973,081	-	281,238	-
Certificates of deposit issued	已發行存款證	-	(1,060,139)	-	(131)

17. ADVANCES TO CUSTOMERS

(a) Advances to customers less impairment allowances

		31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年十二月三十一日 HK\$'000 千港元
Gross advances to customers	客戶貸款總額	55,584,673	52,596,340
Less: Impairment allowances (Note 35(a)(xi))	減：減值撥備(附註 35(a)(xi))	(223,974)	(91,916)
- Stage 1	- 第一階段	(52,597)	(35,177)
- Stage 2	- 第二階段	(395,039)	(160,795)
- Stage 3	- 第三階段	54,913,063	52,308,452

16. 衍生金融工具 (續)

(c) 指定作為對沖工具之衍生工具之公平價值 (續)

公平價值對沖 (續)

		31 December 2019 二零一九年十二月三十一日		Accumulated amount of fair value hedge adjustments 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	
		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
Debt securities measured at amortized cost	按攤銷成本計量之債務證券	22,973,081	-	281,238	-
Certificates of deposit issued	已發行存款證	-	(1,060,139)	-	(131)

17. 客戶貸款

(a) 客戶貸款減減值撥備

31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年十二月三十一日 HK\$'000 千港元
55,584,673	52,596,340
(223,974)	(91,916)
(52,597)	(35,177)
(395,039)	(160,795)
54,913,063	52,308,452

17. ADVANCES TO CUSTOMERS (continued)

(b) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

17. 客戶貸款 (續)

(b) 按行業分析的客戶貸款

以下客戶貸款總額的經濟行業分析乃基於金管局所採用的類別及定義。

		31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額		
Industrial, commercial and financial	工商金融		
– Property development	– 物業發展	3,351,855	4,767,242
– Property investment	– 物業投資	7,867,895	8,710,970
– Financial concerns	– 金融企業	1,935,165	2,243,493
– Stockbrokers	– 股票經紀	2,501,549	1,714,513
– Wholesale and retail trade	– 批發及零售業	1,104,961	778,689
– Manufacturing	– 製造業	2,259,969	2,053,959
– Transport and transport equipment	– 運輸及運輸設備	304,104	282,605
– Information technology	– 資訊科技	533,402	374,438
– Electricity and gas	– 電力及煤氣	341,597	550,212
– Others	– 其他	4,417,395	3,676,258
Individuals	個人		
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	3,627	4,061
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	9,988,744	9,018,440
– Credit card advances	– 信用卡貸款	745,129	819,809
– Others	– 其他	3,686,143	4,051,517
Trade finance	貿易融資	39,041,535	39,046,206
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	4,242,438	4,784,320
Gross advances to customers	客戶貸款總額	12,300,700	8,765,814
		55,584,673	52,596,340

17. ADVANCES TO CUSTOMERS (continued)

(c) Impaired advances to customers

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

Collateral mainly comprises mortgage interests over residential properties with the Group. It does not include any expected recovery from companies in liquidation and government guarantee schemes.

17. 客戶貸款 (續)

(c) 客戶減值貸款

31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元	% of gross advances 佔貸款總額百分比	31 December 2019 二零一九年十二月三十一日 HK\$'000 千港元	% of gross advances 佔貸款總額百分比
482,883	0.87	170,952	0.33
(395,039)		(160,795)	
87,844		10,157	
2,827		8,057	

抵押品主要包括抵押予本集團的住宅物業按揭，當中不包括任何預期自公司清盤及政府擔保計劃之收回款項。

(d) 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 2020 二零二零年十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年十二月三十一日 HK\$'000 千港元
Total minimum lease payments due:	最低租賃還款總金額到期期限為：	
– within 1 year	– 一年以內	88,087
– after 1 year but within 5 years	– 一年以後惟五年以內	116,241
– after 5 years	– 五年以後	77
		204,405
Interest income relating to future periods	與未來期間有關之利息收入	(13,824)
Present value of the minimum lease payments receivable	應收最低租賃還款之現值	190,581
Impairment allowances on Stage 1 financial assets	第一階段金融資產減值撥備	(1,831)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	188,750

17. ADVANCES TO CUSTOMERS (continued)

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

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

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

17. 客戶貸款 (續)

(d) 融資租賃及租購合約之投資淨額 (續)

減值撥備前最低租賃還款現值之期限組別如下：

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

18. DEBT SECURITIES MEASURED AT AMORTIZED COST

Debt securities measured at amortized cost

Treasury bills (including Exchange Fund Bills)

- Listed outside Hong Kong
- Unlisted

Certificates of deposit held

- Unlisted

Debt securities

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

按攤銷成本計量之債務證券

國庫券(包括外匯基金票據)

- 於香港以外上市
- 非上市

所持存款證

- 非上市

債務證券

- 於香港上市
- 於香港以外上市
- 非上市

Debt securities measured at amortized cost are issued by:

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

按攤銷成本計量之債務證券

由以下機構發行：

- 政府及中央銀行
- 公營實體
- 銀行
- 企業實體

18. 按攤銷成本計量之債務證券

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

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

於二零二零年十二月三十一日，銀行發行的債務證券包括由多邊開發銀行發行的公平價值為4,490,000,000港元(二零一九年：3,070,000,000港元)的債務證券。於二零二零年十二月三十一日，政府擔保的債務證券的公平價值為2,830,000,000港元(二零一九年：2,540,000,000港元)。

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

*Financial assets designated at fair value through
other comprehensive income*

Equity securities

- Listed in Hong Kong
- Unlisted

指定以公平價值於其他全面
收益計量的金融資產

股本證券

- 於香港上市
- 非上市

These equity securities are irrevocably designated at FVOCI as the Group intends to hold these securities for long-term investment or strategic purposes. None of these investments was disposed of during the year ended 31 December 2020 (2019: Nil), and there were no transfers of any cumulative gain or loss within equity relating to these investments.

**19. 指定以公平價值於其他全面收益計
量之股本證券**

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

由於本集團擬持有該等證券作長期投資或策略用途，該等股本證券不可撤銷地指定為按公平價值計入其他全面收益。於截至二零二零年十二月三十一日止年度期間概無出售該等投資（二零一九年：無），且並無轉讓與該等投資有關的權益之累積收益或虧損。

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

20. 固定資產及投資物業

(a) 賬面值對賬

Cost or valuation

At 1 January 2020	於二零二零年一月一日
Additions	添置
Transfer from assets held for sale	轉撥自持作出售資產
Surplus on revaluation upon transfer to investment properties	轉撥至投資物業時的重估盈餘
Elimination of accumulated depreciation upon transfer to investment properties	轉撥至投資物業時抵銷累計折舊
Transfer to investment properties	轉撥至投資物業
Disposals	出售
Deficits on revaluation	重估虧損
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊
At 31 December 2020	於二零二零年十二月三十一日

Accumulated depreciation

At 1 January 2020	於二零二零年一月一日
Charge for the year (Note 7)	年內扣除(附註 7)
Released on disposal	出售撥回
Elimination of accumulated depreciation upon transfer to investment properties	轉撥至投資物業時抵銷累計折舊
Elimination of accumulated depreciation on revalued premises	抵銷重估物業之累計折舊
At 31 December 2020	於二零二零年十二月三十一日

Accumulated impairment loss

At 1 January 2020 and 31 December 2020	於二零二零年一月一日及於二零二零年十二月三十一日
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Net book value

At 31 December 2020	於二零二零年十二月三十一日
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Premises	Furniture, fixtures and equipment	Other properties and equipment leased for own use carried at cost	Subtotal	Investment properties	Total
物業	傢俬、裝置及設備	以成本列賬之其他自用租賃物業及設備	小計	投資物業	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
3,667,833	1,013,575	135,629	4,817,037	-	4,817,037
-	86,028	17,691	103,719	-	103,719
41,300	-	-	41,300	-	41,300
4,677	-	-	4,677	-	4,677
(10,677)	-	-	(10,677)	-	(10,677)
(88,600)	-	-	(88,600)	88,600	-
-	(14,633)	(26,962)	(41,595)	(34,500)	(76,095)
(203,296)	-	-	(203,296)	(4,600)	(207,896)
(65,304)	-	-	(65,304)	-	(65,304)
3,345,933	1,084,970	126,358	4,557,261	49,500	4,606,761
-	655,239	70,847	726,086	-	726,086
75,981	79,460	27,322	182,763	-	182,763
-	(14,308)	(26,962)	(41,270)	-	(41,270)
(10,677)	-	-	(10,677)	-	(10,677)
(65,304)	-	-	(65,304)	-	(65,304)
-	720,391	71,207	791,598	-	791,598
15,733	-	-	15,733	-	15,733
3,330,200	364,579	55,151	3,749,930	49,500	3,799,430

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(a) Reconciliation of carrying amount (continued)

Cost or valuation

At 31 December 2018

Impact on initial application of
HKFRS 16

At 1 January 2019

Additions

Disposals

Deficits on revaluation

Elimination of accumulated depreciation
on revalued premises

At 31 December 2019

Accumulated depreciation

At 31 December 2018

Impact on initial application of
HKFRS 16

At 1 January 2019

Charge for the period (Note 7)

Released on disposal

Elimination of accumulated depreciation
on revalued premises

At 31 December 2019

Accumulated impairment loss

At 1 January 2019 and

31 December 2019

Net book value

At 31 December 2019

成本值或估值

於二零一八年十二月三十一日

初次應用香港財務報告準則
第 16 號的影響

於二零一九年一月一日

添置

出售

重估虧損

抵銷重估物業之累計折舊

於二零一九年十二月三十一日

累計折舊

於二零一八年十二月三十一日

初次應用香港財務報告準則
第 16 號的影響

於二零一九年一月一日

年內扣除(附註 7)

出售撥回

抵銷重估物業之累計折舊

於二零一九年十二月三十一日

累計減值虧損

於二零一九年一月一日及

十二月三十一日

賬面淨值

於二零一九年十二月三十一日

20. 固定資產及投資物業(續)

(a) 賬面值對賬(續)

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

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(a) Reconciliation of carrying amount (continued)

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

Net book value 賬面淨值

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

(b) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
Level 2:	Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
Level 3:	Fair value measured using significant unobservable inputs

20. 固定資產及投資物業(續)

(a) 賬面值對賬(續)

倘重估物業按成本減累計折舊入賬，則賬面值應為：

31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
770,650	795,799

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

(b) 物業之公平價值計量

(i) 公平價值等級制度

下表列示本集團於報告期末按經常性基準計量之物業公平價值，並歸類為香港財務報告準則第 13 號公平價值計量所界定之三個公平價值架構級別。公平價值計量所歸類之級別乃參照以下估值技術所用輸入數據之可觀察程度及重要程度而釐定：

第一級：使用第一級輸入數據（即於計量日期相同資產或負債在活躍市場之未經調整報價）計量之公平價值
第二級：使用第二級輸入數據（即未能符合第一級規定之可觀察輸入數據，以及不使用不可觀察重要輸入數據）計量之公平價值。不可觀察輸入數據指未有相關市場數據之輸入數據
第三級：使用不可觀察重要輸入數據計量之公平價值

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

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

All of the Group's premises and investment properties were revalued as at 31 December 2020 and 2019. The 2020 valuations were carried out by an independent firm of surveyors, Knight Frank Petty Limited, (2019: Colliers International (Hong Kong) Limited) who have among their staff fellows of the Royal Institute of Chartered Surveyors with recent experience in the location and category of property being valued.

The revaluation deficits of HK\$165.8 million for premises (2019: surplus of HK\$201.5 million) has been recognized in other comprehensive income and accumulated in the premises revaluation reserve, net of deferred tax.

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

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

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

20. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(i) 公平價值等級制度(續)

於二零二零年及二零一九年十二月三十一日，本集團物業及投資物業的公平價值計量分類為第三級。於截至二零二零年及二零一九年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級。本集團之政策是於轉移發生之相關報告期末確認公平價值等級制度之間的轉移。

本集團所有物業於二零二零年及二零一九年十二月三十一日作出重估。估值由獨立測量師行萊坊測量師行有限公司(2019：高力國際物業顧問(香港)有限公司)進行，其部分員工為英國皇家特許測量師學會資深會員且具有近期評估物業所在地及範疇的經驗。

物業重估虧損 165,800,000 港元(二零一九年：盈餘 201,500,000 港元)經扣除遞延稅項後已於其他全面收益表內確認及在物業重估儲備中累計。

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

(ii) 第三級公平價值計量使用的估值技術及輸入數據

物業及投資物業的公平價值乃使用市場比較方法假定即時交吉出售及參考可資比較銷售證據而釐定。

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

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

The following table provides a reconciliation of the movement between opening and closing balances of Level 3 properties, measured at fair value using a valuation technique with significant unobservable inputs:

Premises

物業

At 1 January	於一月一日
Depreciation for the year	本年度折舊
Transfer from assets held for sale	轉撥自持作出售之資產
Transfer to investment properties	轉撥至投資物業
Deficits on revaluation – debit to premises revaluation reserve	重估虧損 – 計入 物業重估儲備
At 31 December	於十二月三十一日
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period	就於報告期末所持資產計入 其他全面收益表的本年度 收益或虧損總額
– Premises: net movement in premises revaluation reserve	– 物業：物業重估儲備淨 變動
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	就於報告期末所持資產計入 損益賬的本年度收益或 虧損總額
– Operating expenses: Depreciation	– 營運支出：折舊

20. 固定資產及投資物業 (續)

(b) 物業之公平價值計量 (續)

(iii) 公平價值等級制度第三級公平價值計量的對賬

下表載列按公平價值計量使用估值技術連同重大不可觀察輸入數據之第三級物業期初及期末結餘之變動對賬：

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

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

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

Investment properties 投資物業

At 1 January	於一月一日
Transfer from premises	轉撥自物業
Disposal	出售
Deficits on revaluation – debit to profit or loss	重估虧損 — 計入損益
At 31 December	於十二月三十一日
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period	就於報告期末所持資產計入損益賬的本年度收益或虧損總額
– Rental income	– 租金收入
– Operating expenses: Depreciation*	– 營運支出：折舊*
– Net losses on revaluation of investment properties	– 投資物業重估淨虧損

* As Premises before reclassification to investment properties.

(iv) Information about Level 3 fair value measurements

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

20. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(iii) 公平價值等級制度第三級公平價值計量的對賬(續)

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

* 作為重新分類至投資物業前的物業。

(iv) 有關第三級公平價值計量的資料

20. FIXED ASSETS AND INVESTMENT PROPERTIES

(continued)

(b) Fair value measurement of properties (continued)

(iv) Information about Level 3 fair value measurements

(continued)

The fair value of premises held for own use and investment properties are determined using either the Market Approach – Comparable Transactions Method or the Income Approach. The Market Approach – Comparable Transactions Method provides an indication of value by comparing the subject asset with sales of identical or similar assets for which price information is available. In analysing such sales, which qualify as arms-length transactions between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors to assess the value of the subject asset. The fair value under Income Approach is determined by discounting a projected cash flow series associated with the property using risk-adjusted discount rate. The valuation takes into account expected market rental growth and occupancy rate of the respective property. The discount rate used has been adjusted for the quality and location of the buildings and the tenant credit quality.

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

Premises

物業

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

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

Investment properties

投資物業

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

於香港按公平價值持有
– 中期租約(十年至五十年)

20. 固定資產及投資物業(續)

(b) 物業之公平價值計量(續)

(iv) 有關第三級公平價值計量的資料

(續)

持作自用物業及投資物業的公平價值乃使用市場法—可資比較交易法及收入法釐定。可資比較交易法乃透過將目標資產與價格資訊可得的相同或類似資產銷售作比較，以提供價值指標。透過分析自願買方及自願賣方雙方按公平原則進行的出售交易以評估目標資產之價值時，已調整規模、位置、時間、設施及其他相關因素。收入法下的公平價值乃使用經風險調整的折現率對與物業相關的預測現金流量進行折現來釐定。估值已計及物業的預期市場租金增長率和租用率。所使用的折現率根據相關建築物的質量和所在區域以及租戶的信用風險進行了調整。

(c) 物業及投資物業賬面淨值的分析如下：

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

21. DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

Deposits and balances from banks	銀行同業之存款及結餘
Deposits and balances from the HKMA	於金管局之存款及結餘
Amounts due to banks and other financial institutions under repurchase agreements (Note 35(f))	回購協議項下應付銀行同業及其他金融機構之款項(附註 35(f))

21. 銀行同業及其他金融機構之存款及結餘

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

22. DEPOSITS FROM CUSTOMERS

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

22. 客戶存款

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

23. TRADING LIABILITIES

Short positions in Exchange Fund Bills	外匯基金票據之短倉
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23. 交易賬項下之負債

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

24. OTHER LIABILITIES

24. 其他負債

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

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

下表顯示本集團於報告期末之租賃負債的剩餘合約到期日：

		31 December 2020 於二零二零年十二月三十一日 Present value of the minimum lease payments 最低租賃 付款之現值 HK\$'000 千港元		As at 31 December 2019 於二零一九年十二月三十一日 Present value of the minimum lease payments 最低租賃 付款之現值 HK\$'000 千港元	
		Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元		Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元	
Within 1 year	一年以內	22,940	24,357	23,207	25,015
After 1 year but within 2 years	一年以後惟兩年以內	15,686	16,548	15,633	16,833
After 2 year but within 5 years	兩年以後惟五年以內	19,029	19,753	25,318	26,724
After 5 years	五年以後	743	748	3,453	3,524
		58,398	61,406	67,611	72,096
Less: total future interest expenses	減：未來利息開支總額		(3,008)		(4,485)
Present value of lease liabilities	租賃負債之現值		58,398		67,611

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Provision for Hong Kong Profits Tax for the year	年內香港利得稅準備
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅
Balance of Hong Kong Profits Tax payable relating to prior years	承過往年度應付香港利得稅結餘
<i>Representing:</i>	<i>代表：</i>
Hong Kong Profits Tax recoverable*	可收回香港利得稅*
Provision for Hong Kong Profits Tax*	香港利得稅準備*

* The amounts of taxation recoverable and payable are expected to be settled within 1 year and are included in the "Accrued interest and other assets" and "Other liabilities" respectively.

25. 綜合財務狀況表之所得稅

(a) 綜合財務狀況表內之即期稅項準備／(可收回即期稅項)為：

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

* 可收回及應繳稅項金額預計於一年內清償。此等項目分別包括在「應計利息及其他資產」以及「其他負債」內。

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

(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:

25. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債

於綜合財務狀況表內確認之遞延稅項資產/(負債)之各組成部分及年內之變動如下：

		Depreciation allowances in excess of related depreciation	Defined benefit scheme	Impairment allowances	Revaluation of equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券重估	Revaluation of premises	Right-of-use assets	Revaluation of investment properties	Total
		超過有關折舊的折舊免稅額 HK\$'000 千港元	定額福利計劃 HK\$'000 千港元	減值撥備 HK\$'000 千港元	證券重估 HK\$'000 千港元	物業重估 HK\$'000 千港元	使用權資產 HK\$'000 千港元	投資物業重估 HK\$'000 千港元	總額 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	(50,428)	7,968	10,973	(110,448)	(534,610)	-	-	(676,545)
Opening adjustments arising from change in accounting policy	因會計政策變動而對期初結餘作出調整	-	-	-	-	-	924	-	924
At 1 January 2019	於二零一九年一月一日	(50,428)	7,968	10,973	(110,448)	(534,610)	924	-	(675,621)
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)/撥回(附註 11(a))	(1,931)	(2,267)	20,928	-	114	(419)	-	16,425
Credited/(charged) to other comprehensive income (Note 12)	於其他全面收益中撥回/(扣除)(附註 12)	-	863	-	(44,048)	49,946	-	-	6,761
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	(52,359)	6,564	31,901	(154,496)	(484,550)	505	-	(652,435)
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)/撥回(附註 11(a))	(3,672)	(1,012)	36,322	-	114	(505)	759	32,006
Credited/(charged) to other comprehensive income (Note 12)	於其他全面收益中撥回/(扣除)(附註 12)	-	9,331	-	(40,164)	47,301	-	-	16,468
At 31 December 2020	於二零二零年十二月三十一日	(56,031)	14,883	68,223	(194,660)	(437,135)	-	759	(603,961)

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

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

Deferred tax assets and liabilities recognized are summarized as follows:

Net deferred tax assets recognized in the consolidated statement of financial position
Net deferred tax liabilities recognized in the consolidated statement of financial position

綜合財務狀況表確認之遞延稅項資產淨額
綜合財務狀況表確認之遞延稅項負債淨額

25. 綜合財務狀況表之所得稅(續)

(b) 已確認遞延稅項資產及負債(續)

已確認遞延稅項資產及負債概述如下：

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

(c) Deferred tax assets unrecognized

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

(c) 未確認之遞延稅項資產

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

26. SHARE CAPITAL

26. 股本

Issued and fully paid:

已發行及繳足：

Ordinary shares

As at 1 January and 31 December

普通股

於一月一日及
十二月三十一日

2020 二零二零年		2019 二零一九年	
Number of shares 股份數目	Share capital 股本 HK\$'000 千港元	Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
1,641,273,089	4,830,448	1,641,273,089	4,830,448

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

27. RESERVES

(a) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the HKBO for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(b) Investment revaluation reserve (non-recycling)

The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 2(g)).

(c) Premises revaluation reserve

The premises revaluation reserve is dealt with in accordance with the accounting policies adopted for land and buildings in Note 2(k).

28. CASH AND CASH EQUIVALENTS

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

Cash and balances with banks	現金及於銀行同業之結餘
Money at call and short notice with original maturity within three months	原於三個月內到期之通知及短期存款
Treasury bills with original maturity within three months	原於三個月內到期之國庫券
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業放款

27. 儲備

(a) 法定儲備

為根據《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢金管局之意見後直接從保留溢利轉撥。

(b) 投資重估儲備(非循環)

投資重估儲備(非循環)包括於報告期末持有根據香港財務報告準則第9號被指定為按公平價值計入其他全面收益的股本投資的累計公平價值變動淨額(見附註2(g))。

(c) 物業重估儲備

物業重估儲備乃按附註2(k)中就土地及樓宇採納之會計政策所設立及處理。

28. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

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

28. CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation to the consolidated statement of financial position

Cash and short-term funds (Note 14)	現金及短期資金(附註 14)
Treasury bills	國庫券
– Trading assets (Note 15)	– 持作交易用途資產(附註 15)
– Debt securities measured at amortized cost (Note 18)	– 按攤銷成本計量的債務證券(附註 18)
Balances with banks and other financial institutions	銀行及其他金融機構結餘
Amount shown in the consolidated statement of financial position	綜合財務狀況表內所示金額
Less: Amount with an original maturity of over three months	減：原到期日為三個月以上到期的金額
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之現金及等同現金項目

28. 現金及等同現金項目 (續)

(b) 綜合財務狀況表之對賬

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

(c) Total cash outflow for leases

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

(c) 租賃現金流出總額

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

28. CASH AND CASH EQUIVALENTS (continued)

(d) Reconciliation of liabilities arising from financing activities

		Subordinated notes issued 已發行後償票據 HK\$'000 千港元	Debt securities issued 已發行債務證券 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	1,555,776	1,165,268	67,611	2,788,655
Changes from financing cash flows:	融資現金流量變動：				
Repayment of subordinated notes issued	償還已發行後償票據	(1,555,776)	–	–	(1,555,776)
Repayment of debt securities	償還債務證券	–	(1,542,467)	–	(1,542,467)
Proceeds from issuance of debt securities	發行債務證券所得款項	–	1,921,290	–	1,921,290
Payment of lease liabilities	租賃負債的付款	–	–	(26,904)	(26,904)
Total changes from financing cash flows	融資現金流量變動總額	(1,555,776)	378,823	(26,904)	(1,203,857)
Exchange adjustment	匯兌調整	–	535	–	535
Other changes	其他變動				
Increase in lease liabilities from entering into new leases during the year	年內因訂立新租賃而增加的租賃負債	–	–	17,691	17,691
At 31 December 2020	於二零二零年十二月三十一日	–	1,544,626	58,398	1,603,024

		Debt securities issued 已發行債務證券 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	388,774	52,713	441,487
Changes from financing cash flows:	融資現金流量變動：			
Repayment of debt securities	償還債務證券	(1,593,492)	–	(1,593,492)
Proceeds from issuance of debt securities	發行債務證券所得款項	2,364,583	–	2,364,583
Payment of lease liabilities	租賃負債的付款	–	(28,708)	(28,708)
Total changes from financing cash flows	融資現金流量變動總額	771,091	(28,708)	742,383
Exchange adjustment	匯兌調整	5,403	–	5,403
Other changes	其他變動			
Increase in lease liabilities from entering into new leases during the year	年內因訂立新租賃而增加的租賃負債	–	43,606	43,606
At 31 December 2019	於二零一九年十二月三十一日	1,165,268	67,611	1,232,879

29. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme ("the Scheme"), which incorporates a defined benefits plan for 19% (2019: 19%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured Mandatory Provident Fund ("MPF") exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary's recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2020 and was prepared by Joseph Yip, Fellow of the Society of Actuaries, of Mercer (Hong Kong) Limited using the projected unit credit actuarial cost method. The actuarial valuation indicates that the Group's obligations under the Scheme are 75.23% (2019: 86.22%) covered by the plan assets held by the trustee.

The Scheme offers a lump sum at retirement based on final salary and years of service or employee and employer contributions if greater. The contribution based benefit is notionally invested in a "guarantee fund" (for which the Group acts as Guarantor), with no less than a 5% p.a. return.

The Scheme is closed to new entrants except that in exceptional circumstances new individual entrants are allowed to join at the Group's discretion, so that the plan's size is contained. However, the defined benefit element and the 5% p.a. guaranteed return offered on contributions exposes the Group to actuarial risks such as interest rate risk, investment risk and longevity risk.

(i) The amounts recognized in the consolidated statement of financial position are as follows:

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

29. 僱員退休福利

(a) 定額福利退休計劃

本集團推行一項退休計劃，名為富邦銀行(香港)有限公司退休計劃(「該計劃」)，為其19%(二零一九年：19%)全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強制性公積金(「強積金」)的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零二零年十二月三十一日進行，由美世(香港)有限公司之葉廣霖(美國精算師)以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，75.23%(二零一九年：86.22%)可透過受託人所持有的計劃資產獲得保障。

該計劃在退休時基於僱員最終薪金及服務年期及僱主供款之較高者提供一筆金額。基於福利之供款於名義上投資於一項「擔保基金」(本集團作為擔保人)，年回報率不低於5%。

該計劃不向新加入者開放，惟新加入個人由本集團酌情決定允許加入，致使該計劃的規模可受控制。然而，定額福利部分及供款年回報率5%擔保回報使本集團面臨精算風險，例如利率風險、投資風險及長壽風險。

(i) 於綜合財務狀況表確認的金額如下：

31 December 2020 二零二零年 十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元
(374,667)	(304,656)
281,875	262,660
(92,792)	(41,996)

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

(i) The amounts recognized in the consolidated statement of financial position are as follows: (continued)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

The Scheme follows a tri-annual funding valuation schedule when at each funding valuation, the contributions for the following three years are set. The last funding valuation was as of 31 December 2019 and it was assessed at that valuation that the Bank is required to contribute:

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

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

In addition to the above, the Group acts as the Guarantor to meet the 5% p.a. return on the defined contribution benefits. The annual contribution relating to this obligation is determined annually (based on the Scheme's return in the 1 July – 30 June financial year). The Guarantor contribution determined for the 1 July 2020–30 June 2021 financial year is HK\$13,309,000 which will be made in the first half of year 2021.

(ii) Plan assets consist of the following:

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

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

29. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(i) 於綜合財務狀況表確認的金額如下：(續)

上述負債的一部分預期將於超過一年後結算。然而，將該金額從未來十二月應付金額中分離屬不實際，原因為未來供款將亦涉及提供的未來服務及精算假設及市況的未來變動。

該計劃於每三年一次融資估值時設定接下來三年供款。最近一次融資評估為截至二零一九年十二月三十一日，且按該評估估值。本行需繳付的金額為：

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

下一次截至二零二二年十二月三十一日的融資估值將於二零二三年上半年進行。

除上文以外，本集團作為「擔保人」以滿足定額供款福利每年 5% 的回報。有關該責任的供款為每年釐定（基於七月一日至六月三十日財政年度該計劃的回報）。二零二零年七月一日至二零二一年六月三十日財政年度的擔保人供款經釐定為 13,309,000 港元，並將於二零二一年上半年作出。

(ii) 計劃資產包括如下：

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

所有計息證券於活躍市場有報價。

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

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

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

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

(iv) Movements in plan assets

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

29. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(iii) 定額福利責任現值的變動

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

定額福利責任加權平均期限為 8.1 年 (二零一九年：4.6 年)。

(iv) 計劃資產變動

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

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

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

Current service cost (Note 7)	本期服務成本(附註 7)
Net interest on net defined benefit liability	定額福利負債淨額之淨利息
Administrative expenses and taxes	行政支出及稅項
Total amounts recognized in profit or loss	於損益賬內確認之總額
Actuarial losses	精算虧損
Return on plan assets, excluding interest income	計劃資產之回報不包括利息收入
Total amounts recognized in other comprehensive income (Note 12)	於其他全面收益表中確認之總額(附註 12)
Total defined benefit cost	定額福利成本總額

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

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

Discount rate	折現率
Salary increase rate	薪金增加率

29. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(v) 於綜合全面收益表中已確認之金額如下：

For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
9,428	10,954
568	686
2,837	2,460
12,833	14,100
57,889	5,344
(1,336)	(115)
56,553	5,229
69,386	19,329

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

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下：

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

29. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

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

The analysis below shows how the defined benefit obligation would have increased/(decreased) as a result of 50 basis points change in the significant actuarial assumptions:

31 December 2020

Discount rate
Salary increase rate

二零二零年十二月三十一日

折現率
薪金增加率

31 December 2019

Discount rate
Salary increase rate

二零一九年十二月三十一日

折現率
薪金增加率

The sensitivity analysis presented above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant.

(b) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee.

Under the MPF Scheme, the employer and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the scheme vest immediately.

In addition to the mandatory contribution, employees will have a one-off election to make a voluntary contribution of 5% of employee's relevant income. At the same time, the employer will make a matching voluntary contribution accordingly.

29. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

(vi) 重大精算假設(表述為加權平均數)及敏感度分析如下:(續)

以下分析顯示因重大精算假設變動50個基點時定額福利責任增加/(減少):

Increase in 50 basis points 上升 50 個基點 HK\$'000 千港元	Decrease in 50 basis points 下降 50 個基點 HK\$'000 千港元
(14,641)	15,637
7,220	(6,192)

Increase in 50 basis points 上升 50 個基點 HK\$'000 千港元	Decrease in 50 basis points 下降 50 個基點 HK\$'000 千港元
(7,616)	7,007
4,265	(3,656)

以上呈報敏感度分析於釐定時乃基於於報告期末假設的可能合理變動(假定所有其他假設保持不變)。

(b) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出5%之強制性供款，惟須受限於每月相關收入之上限30,000港元。一經對計劃作出供款，供款即予以歸屬。

除強制性供款外，僱員可作出一次一次性選擇，就其相關收入作出5%之自願性供款。同時，僱主將須作出相應的等額自願性供款。

30. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit related commitments and contingencies

Credit related commitments and contingencies include acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

The following is a summary of the contractual and credit risk-weighted amounts of each significant class of credit related commitments and contingencies:

30. 或然負債及承擔

(a) 與信貸有關之承擔及或然項目

與信貸有關之承擔及或然項目包括承兌項目、信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約金額是指當合約被完全提取及客戶違約時所承擔風險之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流。

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		31 December 2020 二零二零年十二月三十一日		31 December 2019 二零一九年十二月三十一日	
		Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK\$'000 千港元	Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK\$'000 千港元
Direct credit substitutes	直接信貸替代項目	113,733	83,936	129,750	101,790
Transaction-related contingencies	與交易有關之或然項目	58,762	29,381	53,061	26,531
Trade-related contingencies	與貿易有關之或然項目	155,214	31,043	220,411	42,503
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 其中可無條件地取消	29,730,064	–	32,654,500	–
– with an original maturity of up to one year	– 原訂到期期限為最多一年	155,773	31,155	397,311	79,462
– with an original maturity of more than one year	– 原訂到期期限為一年以上	2,619,575	1,290,120	2,203,104	1,080,182
		32,833,121	1,465,635	35,658,137	1,330,468

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

用於計算信貸風險加權金額之風險加權比率介乎 0%至 100%之間。

30. CONTINGENT LIABILITIES AND COMMITMENTS

(continued)

(b) Capital commitments

Capital commitments for purchase of equipment and equity securities designated at fair value through other comprehensive income outstanding not provided for in these financial statements were as follows:

Contracted for

已訂合約

31. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and the income arising thereon are excluded from these financial statements, as the Group has no beneficial interest in the assets.

30. 或然負債及承擔(續)

(b) 資本承擔

未於財務報告內提撥之有關購買設備及指定以公平價值於其他全面收益計量之股本證券之未兌現資本承擔如下：

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

31. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並無於該等資產中擁有實益權益，因此該等資產及其所產生之收入不會於等財務報告中列賬。

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

32. 金融工具之公平價值

(a) 以公平價值列賬之金融工具

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

第一級：相同工具於活躍市場之市場報價（未經調整）。

第二級：由第一級所載報價以外的可觀察直接（即價格）或間接（即源自價格）輸入數據。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。

第三級：並非以可觀察市場數據（不可觀察輸入數據）為基礎的資產或負債的輸入數據。該分類包括估值技術並非基於可觀察數據且不可觀察數據對工具之估值有重大影響之所有工具。倘重大不可觀察調整或假設須用以反映工具之間的差額，該分類包括根據類似工具的報價而估值的工具。

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Financial instruments carried at fair value (continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorized:

31 December 2020
二零二零年十二月三十一日

Assets

Trading assets
Derivative financial instruments
Equity securities designated at fair value through other comprehensive income

資產

持作交易用途資產
衍生金融工具
指定以公平價值於其他全面收益計量之股本證券

Liabilities

Trading liabilities
Derivative financial instruments

負債

交易賬項下之負債
衍生金融工具

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
1,948,454	-	-	1,948,454
-	563,443	-	563,443
52	-	1,316,220	1,316,272
1,948,506	563,443	1,316,220	3,828,169
1,948,454	-	-	1,948,454
-	1,080,890	-	1,080,890
1,948,454	1,080,890	-	3,029,344

31 December 2019

Assets

Trading assets
Derivative financial instruments
Equity securities designated at fair value through other comprehensive income

二零一九年十二月三十一日

資產

持作交易用途資產
衍生金融工具
指定以公平價值於其他全面收益計量之股本證券

Liabilities

Trading liabilities
Derivative financial instruments

負債

交易賬項下之負債
衍生金融工具

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
1,943,242	-	-	1,943,242
-	543,793	-	543,793
54	-	1,074,000	1,074,054
1,943,296	543,793	1,074,000	3,561,089
948,173	-	-	948,173
-	385,348	-	385,348
948,173	385,348	-	1,333,521

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

32. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

下表乃以公平價值等級制度(公平價值據此分類)分析於本報告期末以公平價值計量之金融工具：

於截至二零二零年及二零一九年十二月三十一日止年度，第一級及第二級之間並無任何轉移，亦無任何資產轉入或轉出第三級。本集團之政策是於報告期末確認於報告期間發生的公平價值分級轉移。

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

- (1) The fair value of unquoted equity investments is estimated, if possible, using the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues; and
- (2) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Assets

At 1 January
Purchases
Distribution
Changes in fair value recognized in other comprehensive income (Note 12)
At 31 December
Total gains or losses for the year included in other comprehensive income for assets held at the end of the reporting period (Note 12)
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period (Note 6)

資產

於一月一日
購買
分派
在其他全面收益內確認之公平價值變動(附註 12)
於十二月三十一日
於報告期末持有之資產計入其他全面收益之本年度收益或虧損總額(附註 12)
於報告期末持有之資產計入損益賬之本年度收益或虧損總額(附註 6)

32. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值

以下方法已用於釐定屬於公平價值等級制度第三級之金融工具之公平價值：

- (1) 沒有市價之股本投資之公平價值乃於可行情況下使用類似上市公司之市盈率及其他市場數據調整至反映該發行之特定情況進行估計；及
- (2) 非上市投資基金之公平價值是以該等基金之經理申報的資產淨值進行估計。

下表載列公平價值等級制度第三級內公平價值計量之年初餘額與年終餘額之對賬：

Equity securities designated at fair value through other comprehensive income 指定以公平價值於其他全面收益計量之股本證券

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

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(a) Financial instruments carried at fair value (continued)

(ii) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in reasonably possible alternative assumptions would have the following effects:

31 December 2020

Assets

Equity securities designated
at fair value through other
comprehensive income

二零二零年十二月三十一日

資產

指定以公平價值於
其他全面收益計量之
股本證券

31 December 2019

Assets

Equity securities designated
at fair value through other
comprehensive income

二零一九年十二月三十一日

資產

指定以公平價值於
其他全面收益計量之
股本證券

32. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(ii) 重大不可觀察假設出現變動對可行替代合理假設之影響

雖然本集團相信其公平價值估計屬適宜，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度第三級下之公平價值計量而言，合理可能的替代假設向任意方向變動 10% 可能產生下列影響：

Effect on 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
-	-	131,622	(131,622)

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
-	-	107,400	(107,400)

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table below:

- (i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period;
- (ii) the fair value of variable rate financial instruments and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value;
- (iii) the fair value of fixed rate loans and mortgages carried at amortized cost is estimated by comparing current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amount of the impairment allowances from both the carrying amount and fair value; and
- (iv) the fair value of debt securities measured at amortized cost is determined with reference to the available market value. If quoted market prices are not available, then the fair value is estimated on the basis of pricing models (see Note 2(g)(iii)).

32. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

- (i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於報告期末可要求還款之金額；
- (ii) 假設浮息金融工具及貸款之公平價值接近其賬面值。釐定公平價值總額時並不計算該等金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面值及公平價值扣除減值虧損及撥備金額予以確認；
- (iii) 有關定息貸款及按攤餘成本列賬之按揭的公平價值是透過比較相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面值及公平價值扣除減值虧損及撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化；及
- (iv) 按攤銷成本計量之債務證券之公平價值乃經參考可用市值釐定。倘無法獲取市場報價，則公平價值根據計價模式(見附註 2(g)(iii))估計。

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(continued)

(b) Fair values of financial instruments carried at other than fair value (continued)

The carrying amount of the Group's financial instruments carried at cost or amortized cost are not significantly different from their fair values at the end of the reporting period except as follows:

Financial assets

Advances to customers
Debt securities measured at
amortized cost

金融資產

客戶貸款
按攤銷成本計量之
債務證券

Financial liabilities

Deposits from customers

金融負債

客戶存款

32. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值(續)

本集團按成本或攤餘成本列賬之金融工具之賬面值與其於報告期末之公平價值並無重大差異，惟以下所列除外：

31 December 2020					
二零二零年十二月三十一日					
Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	
2,706,369	2,712,068	-	2,712,068	-	
41,185,231	41,300,079	21,046,053	20,252,026	2,000	
55,040,831	55,139,786	-	55,139,786	-	

31 December 2019					
二零一九年十二月三十一日					
Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	
2,100,593	2,091,075	-	2,091,075	-	
40,516,236	40,689,252	7,985,653	32,701,599	2,000	
58,350,496	58,346,690	-	58,346,690	-	

During the year 2020, there were transfers of financial instruments, being debt securities measured at amortized cost from Level 1 to Level 2 of the fair value hierarchy of HK\$653 million (2019: HK\$5,868 million) as active markets cannot be identified for identical instruments, and transfers from Level 2 to Level 1 of HK\$14,526 million (2019: HK\$133 million) as active markets were identified for identical instruments. There were no transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於二零二零年，由於未能就相同工具分辨出活躍市場，價值653,000,000港元(二零一九年：5,868,000,000港元)的金融工具(即按攤銷成本計量之債務證券)由公平價值等級制度第一級轉移至第二級；由於能就相同工具分辨出活躍市場，價值14,526,000,000港元(二零一九年：133,000,000港元)的金融工具由第二級轉移至第一級。第三級概無轉入或轉出。本集團之政策是於報告期末確認於報告期間發生的公平價值分級轉移。

33. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and other related parties. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, correspondent banking transactions and foreign exchange transactions. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the end of the reporting period that are not disclosed in other notes to these financial statements is set out below:

(a) Income/(expenses)

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

33. 重大關連各方交易

年內，本集團與其最終控股公司及其他關連方訂立多項交易。該等交易在本集團銀行業務之日常業務過程中訂立，包括（不限於）借貸、銀行同業拆借與存款、相關銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

有關年內關連各方交易所產生之收支及於報告期末尚未償還的餘額且並未於財務報告其他附註披露之資料載列如下：

(a) 收入／（支出）

For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
12,896	30,749
125	—
13,021	30,749
(3,950)	(3,973)
(2,050)	(1,999)
(6,000)	(5,972)
(3)	(26)

33. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(b) Assets

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

There was no impairment allowance made against the above assets.

(c) Liabilities

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

33. 重大關連各方交易 (續)

(b) 資產

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

上述資產並未有作出減值撥備。

(c) 負債

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

33. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(d) Financial instruments

Fellow subsidiaries

Derivative contracts (notional principal)

同系附屬公司

衍生工具合約(名義本金額)

33. 重大關連各方交易(續)

(d) 金融工具

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

(e) Loans to directors and entities connected with directors

Loans to directors of the Bank and entities connected with directors disclosed pursuant to section 383(1)(d) of the HKCO and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(e) 董事及董事關連實體貸款

根據香港《公司條例》第 383(1)(d)條及《公司(披露董事利益資料)規例》第 3 部披露之本行董事及董事關連實體貸款如下：

Aggregate amount of relevant loans at 31 December by the Bank	本行相關貸款於十二月三十一日的總額
Maximum aggregate amount of relevant loans outstanding during the year by the Bank	本行年內尚未償還相關貸款之最高總額

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

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

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

(f) 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:

(f) 主要管理人員酬金

主要管理人員之酬金(包括附註 8 所披露付予本行董事之款項)如下：

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

For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元
48,682	52,589
3,272	3,301
51,954	55,890

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

酬金總額計入「僱員成本」(見附註 7)。

33. MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(g) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below:

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

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

The Group's policies for lending to related parties take into account the requirements under the HKBO and the guidelines of the HKMA. The Group sets internal limits (individual and aggregate group limits for individual, group, secured and unsecured exposures) and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, the Chief Executive Officer and Managing Director and/or the Executive Credit Committee.

(h) Other transactions with related parties

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

33. 重大關連各方交易 (續)

(g) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關條款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下：

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

並無就年內主要管理人員的未償還餘額作出第三階段的減值撥備。

本行向關連各方貸款的政策已計及香港《銀行業條例》及金管局指引之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督關連各方之風險(個人或企業)及採取各必要措施以控管各關連借貸之風險。信用委員會、行政總裁兼董事總經理及／或執行信用委員會已予批准。

(h) 與關聯方其他交易

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

34. ASSETS PLEDGED AS SECURITY

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

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

The Group maintains the following balances with counterparties for margin deposits of derivatives and is included in "Accrued interest and other assets" at the end of the reporting period:

Margin deposits for derivative contracts	衍生工具合約的保證金存款
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These transactions are conducted under usual and customary terms.

35. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: losses resulting from customer or counterparty default and arising from credit exposures in all forms, including settlement risk.
- Market risk: exposures to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from inadequate or failed internal processes, people and systems or from external events resulting in financial loss.

34. 質押作為抵押品之資產

下列資產已於報告期末作為自身負債抵押品予以質押：

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

本集團就衍生工具向交易對手方存有保證金存款，其於報告期末計入「應計利息及其他資產」：

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

該等交易乃按照一般及慣用條款進行。

35. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：客戶或交易對手拖欠款項而招致損失的風險，以及各類型信貸風險，包括結算風險。
- 市場風險：市場變數風險，例如利率、匯率及股市等。
- 流動性及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續在市場上以無抵押或甚至有抵押的方式按可接受之價格借入資金，藉此為實際或建議之承擔提供所需的資金的風險。
- 營運風險：由於內部程序、人員及制度不足或不作為或外部事件導致財務虧損而引致之風險。

35. FINANCIAL RISK MANAGEMENT (continued)

The Group has established policies and procedures to identify and measure these risks, to set appropriate risk limits as derived from its risk appetite statements and risk appetite indicators and control measures, and to monitor the risks and limits continuously by means of reliable and up-to-date management and information systems. These policies and procedures, including limit excess follow-up procedures, are distributed to the relevant risk taking and risk management units for execution and monitoring. Regular training courses are conducted in order to ensure that all staff are familiar with the key principles of the Group's code of conduct. The Group continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with the Group's policies and procedures.

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

(a) Credit risk management

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

The Group manages credit risk through a framework of controls to ensure credit risk taking activities are based on sound principles and in line with the overall business objectives of the Group. It has established a set of credit policies and procedures which define credit risk taking criteria, credit approval authorities delegated from the Board of Directors ("Board"), credit monitoring processes, credit rating and scoring systems and loan impairment criteria.

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

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

35. 財務風險管理(續)

本集團已設有相關政策及程序以識別及衡量該等風險、制定適當之風險限額(自風險取向聲明及風險取向指標獲取)及控制措施,以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。該等政策和程序(包括超額跟進程序)已分發給相關風險承擔和風險管理單位執行和監督。本集團定期舉辦培訓課程以確保所有員工都熟悉本集團行為守則的關鍵原則。本集團不斷修改及加強其風險管理政策及系統,以反映市場、產品及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合本集團政策及程序。

本集團已建立組織架構,使風險管理職能獨立於風險承擔單位。風險管理職能定期獨立向董事會風險委員會和高級管理層提供關鍵風險信息(包括資產質素、流動資金狀況、資本充足率和風險)以及限額監測結果。

(a) 信貸風險管理

信貸風險指因本集團客戶或交易對手未能履行其對本集團之承諾而遭受財務虧損的風險。其主要源於貸款及放款、所持債務證券及因與客戶或交易對手訂立衍生工具合約產生的交易對手信貸風險,亦可源於交易及財資活動。

本集團透過控制框架管理信貸風險,以確保產生信貸風險之活動基於完善的原則及與本集團整體業務目標一致。其亦設立一系列信貸政策及程序,以界定承擔信貸風險的標準、董事會授權之信貸批准權限、信貸監控過程、信貸評級與評分系統及貸款減值標準。

董事會已向以下委員會依次授權審批信貸權限:執行信貸委員會、信貸委員會及批發信貸委員會。

執行信貸委員會以董事會信貸委員會的身份,審閱及批准需由董事會審批的信貸,同時根據相關法律及規例審批本集團的信貸政策及信貸風險框架。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

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

The credit risk units, Enterprise Credit Risk Management Department, Special Assets Management Department and Retail Credit Risk Oversight & Data Analytics Team, provide centralized management of credit risk for corporate credits and retail credits respectively. They are responsible for:

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

Compliance reviews are conducted by an independent unit on an ongoing basis to ensure compliance with applicable laws and regulations, standards, guidelines and codes of practices. The internal audit function of the Group is an independent appraisal function set up with the primary objective of evaluating the internal control system and compliance with laws, regulatory guidelines and internal control policies.

Credit risk limits are set at different levels, including portfolio and individual customer levels, taking into consideration various factors including market situation, capital requirement and the returns.

35. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸委員會為管理級別之委員會，監督本集團之信貸風險管理，確保本集團擁有有效的信貸風險管理架構且其信貸風險符合董事會或其授權委員會訂明之信貸政策及信貸風險概況。信貸委員會審閱及認可信貸政策及信貸風險狀況以供執行信貸委員會批准及審閱並批准信貸相關指引。信貸委員會亦持續審閱市場環境，並向執行信貸委員會作出必要政策建議，確保本集團之信貸風險狀況符合其風險取向。信貸委員會亦在董事會授出之授權範圍內審閱及批准客戶信貸。

批發信貸委員會在董事會授出之授權範圍內審閱及批准企業信貸。

信貸單位(企業信貸風險管理部門、專項資產管理部門及消費信貸風險監控以及數據分析團隊)對企業信貸及零售信貸進行統一信貸風險管理，負責下列各項職責：

- 獨立審核企業信貸申請；
- 監管貸款組合及進行定期分析；
- 管理問題企業信貸以達到最高收回金額；
- 建議貸款分類、減值及註銷；及
- 定期向信貸委員會及執行信貸委員會匯報貸款組合情況。

合規審閱由獨立單位持續進行，以確保遵守適用的法律和法規、標準、準則和應用守則。本集團內部審計單位為獨立評估單位，並以評估內部控管制度，對法律、監管指引和內部控管政策之遵守為主要目標。

信貸風險限額是根據市場形勢、資本要求和回報等各種因素考慮在不同的層面上，包括組合和個人客戶層面而制定。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

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

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

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

35. 財務風險管理(續)

(a) 信貸風險管理(續)

信貸風險管理程序旨在促進對需要特別監控之客戶、行業或產品風險承擔的早期檢測。整體組合風險受持續監控。常規風險管理報告涵蓋信息包括大型風險承擔、國家風險承擔、行業風險承擔、貸款質量和貸款減值程度，並提交信貸委員會、執行信貸委員會和風險委員會。

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

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

Specific policies and measures to address different kinds of credit related activities are set out below:

(i) Institutional Banking

Credit risk from Institutional Banking is managed by conducting thorough credit evaluation, credit mitigation through collateral and guarantee, internal credit rating system and post-approval monitoring system. Subject to the size of the credit, value of collateral and the internal credit rating of the customer, different levels of credit approval authority are required. Credit decisions take into account facility structure, tenor, repayment ability of the obligor and credit mitigation through collateral and guarantee.

The Group has established limits for credit exposure to individual industry and customer groups, regardless of whether the credit exposure is funded or non-funded. The Group also undertakes ongoing credit review and monitoring at several levels. The relevant policies and procedures take into account the rules under the HKBO, regulatory requirements of the HKMA and best market practices.

(ii) Retail Banking

Credit risk from Retail Banking is product driven, arising from retail loan products such as credit cards, unsecured personal loans, merchant receivable financing, mortgage loans and loans secured by wealth management products. Because of the homogeneous nature of these products, credit risk management is primarily based on statistical analyses of risks with respect to different types of product, collateral and customer. The Group determines product terms and desired customer profiles on a regular basis by developing, validating and fine-tuning internal scorecards and stress testing models.

35. 財務風險管理(續)

(a) 信貸風險管理(續)

針對不同類型信貸相關業務之特定政策及措施載列如下：

(i) 機構銀行

機構銀行產生的信貸風險透過進行全面信貸評估、以抵押品及擔保減低信貸風險、內部信貸評級系統及批准後監管系統來管理。受限於信貸規模、抵押品價值及客戶內部信貸評級，需要不同級別的信貸審批機構。信貸決策考慮融資結構、期限、債務人還款能力以及以抵押品及擔保減低信貸。

無論信貸風險是由於融資與非融資交易而產生，本集團已制定個別行業及客戶組別之信貸風險限額。本集團亦在不同層次持續進行信貸審閱及監控。相關政策及程序亦參考香港《銀行業條例》內之規則、金管局監管規定以及最佳市場慣例。

(ii) 零售銀行

零售銀行信貸風險以產品為導向，源於零售銀行貸款產品，諸如信用卡、無抵押個人貸款、商業應收賬款融資、按揭貸款及以財富管理產品作抵押之貸款。由於該等產品本質相同，信貸風險管理主要基於不同產品、抵押品及客戶類型之風險統計分析結果而釐定。本集團透過發展、確認及調整內部記分卡及壓力測試模型定期釐定產品條款及理想客戶概況。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(iii) Counterparty credit risk

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value of loans or other financial instruments, counterparty credit risk means counterparty default risk, credit valuation adjustment risk and settlement risk. Counterparty credit risk exposure means an exposure to counterparty credit risk, which involves situation in which the Group enters into a derivatives or non-same day spot foreign currency exchange settlement transaction with a counterparty which may subsequently fail to meet its obligations on or before the final settlement of the transactions. These credit exposures are managed as part of the overall credit limits to the counterparties and central clearing counterparty. In evaluating the credit risk associated with counterparty, financial strength is always the primary considerations. The credit risk exposure on derivatives is disclosed in Note 16(b) to these financial statements. The Group uses the current exposure method for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Group has set up policies and procedures to control both general and specific wrong-way risk.

(iv) Credit related commitments

The risks involved in credit related commitments and contingencies are essentially the same as the credit risk involved in extending loans to customers. These transactions are, therefore, subject to the same credit application, portfolio management and collateral requirements as for loan transactions.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of customers or counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's financial risk exposure is diversified by customer group, industry and product, but is concentrated in Hong Kong.

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 14 to 19.

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(iii) 交易對手信貸風險

有別於資產負債內的工具(通常以貸款或其他金融工具之本金值來表示信貸風險)，交易對手信貸風險指交易對手違約風險、信貸估值調整風險及結算風險。交易對手信貸風險指交易對手信貸風險，包括本集團與交易對手進行衍生品交易或非當日即期外匯結算交易，其後可能無法在該等交易最終結算或之前履行其義務的情況。該等信貸風險乃作為有關交易對手及中央結算對手整體信貸限額的一部分進行管理。在評估與交易對手相關的信貸風險時，財務實力始終是首要考慮因素。衍生工具之信貸風險於該等財務報告的附註 16(b)披露。本集團以現行風險承擔法為該等交易對手風險提供資本。

當交易對手遭受的信貸風險與交易對手的信貸質素相互產生不利影響時將產生錯向風險。信貸風險及潛在虧損可能因市況不利變動而增加。本集團已制定政策及程序以控制操作錯向風險。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶延長貸款之信貸風險相同。因此，該等交易須遵守與貸款交易相同之信貸申請、組合管理及抵押品規定。

(v) 信貸風險過分集中

當地域、經濟或行業因素之變動對不同類別之客戶或交易對手產生類似影響，而彼等之信貸風險綜合起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融風險已因客戶組別、行業及產品而分散，但集中於香港。

有關各類金融資產之信貸風險集中情況之分析於附註 14 至 19 內披露。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation

The Group's credit evaluation focuses primarily on the obligor's repayment ability from its cash flow and financial condition. In addition, the Group employs various credit risk mitigation techniques such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. There is immaterial credit and market risk concentration within the credit risk mitigations used by the Group. The most commonly used credit risk mitigation measures are provided below:

Collateral

The Group holds collateral against its credit exposures to customers mainly in the form of cash deposits, marketable securities, mortgage interests over properties and guarantees. The Group also has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of the collateral. Collateral taken to secure credit exposures is revalued periodically ranging from daily to annually depending on the type of collateral. For treasury operations, collateral management is based on daily marked-to-market positions.

Master netting agreements

Collateral generally is not held over credit exposures to banks, except for securities held as part of reverse repurchase and securities borrowing activities. However, where applicable, the Group manages its credit exposures to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivative activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter derivative products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by such agreement if either party defaults or upon the occurrence of other pre-agreed termination events.

It is also common for the Group to execute a Credit Support Annex with counterparties in conjunction with the ISDA Master Agreement to mitigate the market risk inherent in derivative transactions.

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險

本集團的信貸評估主要集中於債務人以其現金流及財務狀況還款的能力。此外，本集團採用如適當信貸結構、給予抵押品及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低措施，以作為其信貸風險管理流程的不可或缺組成部分。本集團所使用的信貸風險減低措施的信貸及市場集中風險甚微。最常用的信貸風險減低措施載列如下：

抵押品

本集團就信貸風險承擔而持有抵押品，主要包括現金存款、可流通證券、物業按揭以及擔保等形式。本集團亦已制定監管抵押品的評估、接納及定時估值的政策及程序。擔保信貸風險的抵押品乃定時被重估，取決於抵押品的類型，週期介乎每日至每年一次不等。就財務業務而言，抵押品管理會以市場情況每日重估。

淨額結算總協議

抵押品一般並非就給予銀行的信貸風險而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算安排導致於違約時結算交易對手之風險會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外衍生工具產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

有關雙方會於簽訂ISDA總協議時亦簽訂信用擔保附件，此乃普遍的做法，以減低衍生工具交易固有的市場風險。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

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

31 December 2020

Financial assets

- Exchange rate derivatives
- Interest rate derivatives
- Equity derivatives

Financial liabilities

- Exchange rate derivatives
- Interest rate derivatives
- Equity derivatives

二零二零年十二月三十一日

金融資產

- 匯率衍生工具
- 利率衍生工具
- 股票衍生工具

金融負債

- 匯率衍生工具
- 利率衍生工具
- 股票衍生工具

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 減低信貸風險 (續)

下表載列受限於上述協議的已確認金融工具的賬面值。

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

31 December 2019

Financial assets

- Exchange rate derivatives
- Interest rate derivatives

Financial liabilities

- Exchange rate derivatives
- Interest rate derivatives

二零一九年十二月三十一日

金融資產

- 匯率衍生工具
- 利率衍生工具

金融負債

- 匯率衍生工具
- 利率衍生工具

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

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vi) Credit risk mitigation (continued)

Central clearing

The Group makes use of central clearing, whenever possible, to mitigate counterparty credit risk. The Group has developed its own credit assessment framework to evaluate the parties involved in the central clearing.

Other credit risk mitigation measures

The Group may also employ other types of credit mitigation, such as guarantees and letters of credit, mainly for corporate exposures. As the value of these types of collateral is conditional upon other credit related factors, their financial effect has not been quantified.

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the end of the reporting period without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. A summary of the maximum exposure to credit risk for the various components of the consolidated statement of financial position, contingencies and commitments is as follows:

<i>Credit risk exposures relating to on-balance sheet assets:</i>	與資產負債表內資產有關之信貸風險：
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Trading assets	持作交易用途資產
Derivative financial instruments	衍生金融工具
Advances to customers	客戶貸款
Trade bills	商業票據
Accrued interest and other assets	應計利息及其他資產
Debt securities measured at amortized cost	按攤銷成本計量的債務證券
<i>Credit risk exposures relating to off-balance sheet items:</i>	與資產負債表外項目有關之信貸風險：
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸相關之或然負債
Loan commitments and other credit related commitments	貸款承擔及其他信貸相關之承擔

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(vi) 減低信貸風險(續)

中央結算

本集團盡可能利用中央結算來減低交易對手信貸風險。本集團已建立自己的信貸評估框架，以評估參與中央結算的各方。

其他減低信貸風險措施

本集團亦使用擔保及信用證等其他類別的信貸減緩方式，主要用於減低企業風險。由於該等類別的抵押品價值取決於其他信貸相關因素，故並無計量其財務影響。

(vii) 最高信貸風險

於報告期末最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為綜合財務狀況表內各項金融資產扣除任何減值撥備後之賬面值。綜合財務狀況表、或然負債及承擔的各部分信貸風險的最高風險概要如下：

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

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses

The Group adopts the approach below in determining ECL on financial assets in accordance with HKFRS 9:

Component 組成部分	Definition 定義
Probability of default ("PD")	The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and Stage 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk, such as property prices indices, unemployment rates and GDP forecasts. The PD is estimated at a point in time which means it will fluctuate in line with the economic cycle. The term structure of the PD is based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
違約或然率	交易對手於某個時間點將違約的概率，校準至自報告日期起最多12個月（第一階段）或產品生命週期（第二階段及第三階段），並納入對信貸風險造成影響的前瞻性經濟假設的影響，如物業價格指數、失業率及國內生產總值預測。 違約或然率乃基於某個時間點估計得出，意即其將隨經濟週期波動。違約或然率的期限結構乃基於統計模型，使用歷史數據校準並調整至包含前瞻性經濟假設。
Loss given default ("LGD")	The percentage loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the proportion of the contractual cash flows due that the Group expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.
違約損失率	於違約時預計造成的損失百分比（經納入相關前瞻性經濟假設的影響），代表本集團預期收取的到期合約現金流部分。 經計及同時考慮相關前瞻性經濟假設，本集團根據回收率的歷史記錄以估計違約損失率，並考慮收回金融資產的任何重要抵押品。
Exposure at default ("EAD")	The expected balance sheet exposure at the time of default, taking into account the expected change in exposure over the lifetime of the exposure. This incorporates the impact of drawdowns of committed facilities, repayments of principal and interest, amortization and prepayments, together with the impact of forward-looking economic assumptions where relevant.
違約風險承擔	於違約時的預期資產負債表風險承擔（經計及風險承擔期間的預期風險承擔變動），其中包括動用信貸承擔、償還本金和利息、攤銷和預付款項的影響，以及相關前瞻性經濟假設的影響。

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定

本集團採納下列方式以按照香港財務報告準則第9號釐定財務資產預期信貸虧損：

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Determination of expected credit losses (continued)

ECLs are measured at the present value of all expected cash shortfalls.

The estimate of expected cash shortfalls is determined by multiplying the PD with LGD and EAD.

Forward looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk, such as property price indices, unemployment rate and GDP amongst others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios, both in respect of determining the PD, LGD and EAD and in determining the overall expected credit loss amounts.

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

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 預期信貸虧損釐定(續)

預期信貸虧損以所有預期現金不足額之現值計量。

預期現金差額的估計乃透過將違約或然率、違約損失率及預期違約風險承擔相乘而釐定。

前瞻性經濟假設會納入違約或然率、違約損失率及違約風險承擔(倘相關及影響信貸風險,如國內生產總值、失業率及樓價指數等)。該等假設使用本集團對一系列宏觀經濟假設的最有可能的預測而納入。該等預測使用所有合理及可證明的資料(包括內部作出的預測及外部提供的預測)而釐定,並與預算、預測及資本計劃所用者一致。

為計及信貸虧損的潛在非線性性質,多個前瞻性情景會納入所有重大組合的合理可能結果範圍內,包括釐定違約或然率、違約損失率及違約風險承擔,以釐定整體預期信貸虧損金額。

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

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of advances to customers

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

Neither past due nor impaired
Past due but not impaired
Impaired

Of which:

Gross advances to customers that are
neither past due nor impaired

– Grade 1: Pass

– Grade 2: Special mention

並無逾期或減值
已逾期但並無減值
已減值

其中：

並無逾期或減值之

客戶貸款總額

– 第一級：通過

– 第二級：關注

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(ix) 客戶貸款之信貸質素

客戶貸款之信貸質素可分析如下：

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

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

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

		31 December 2020 二零二零年十二月三十一日							
		12-month ECL 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	53,041,116	53,399	960,022	590	-	-	54,001,138	53,989
Special mention	關注	-	-	1,100,652	2,753	-	-	1,100,652	2,753
Substandard	次級	-	-	-	-	130,056	-	130,056	-
Doubtful	可疑	-	-	-	-	352,827	-	352,827	-
Loss	損失	-	-	-	-	-	-	-	-
Gross carrying amount	賬面總值	53,041,116	53,399	2,060,674	3,343	482,883	-	55,584,673	56,742
Less: Impairment allowances	減：減值撥備	(223,974)	-	(52,597)	-	(395,039)	-	(671,610)	-
Carrying amount	賬面值	52,817,142	53,399	2,008,077	3,343	87,844	-	54,913,063	56,742

		31 December 2019 二零一九年十二月三十一日							
		12-month ECL 12個月內預期信貸虧損		Lifetime ECL not credit-impaired 非信貸不良的全期預期信貸虧損		Lifetime ECL credit-impaired 信貸不良的全期預期信貸虧損		Total 總額	
		Principal 本金 HK\$'000 千港元	Accrued interest 應計利息 HK\$'000 千港元	Principal 本金 HK\$'000 千港元	Accrued interest 應計利息 HK\$'000 千港元	Principal 本金 HK\$'000 千港元	Accrued interest 應計利息 HK\$'000 千港元	Principal 本金 HK\$'000 千港元	Accrued interest 應計利息 HK\$'000 千港元
Pass	通過	50,397,998	86,509	1,733,909	1,872	-	-	52,131,907	88,381
Special mention	關注	-	-	293,481	1,297	-	-	293,481	1,297
Substandard	次級	-	-	-	-	21,434	-	21,434	-
Doubtful	可疑	-	-	-	-	149,518	-	149,518	-
Loss	損失	-	-	-	-	-	-	-	-
Gross carrying amount	賬面總值	50,397,998	86,509	2,027,390	3,169	170,952	-	52,596,340	89,678
Less: Impairment allowances	減：減值撥備	(91,916)	-	(35,177)	-	(160,795)	-	(287,888)	-
Carrying amount	賬面值	50,306,082	86,509	1,992,213	3,169	10,157	-	52,308,452	89,678

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

本集團根據為向金管局呈報而須採納之貸款分級制度就客戶貸款進行分類。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

The ageing analysis of advances to customers that are past due but not impaired is as follows:

Gross advances to customers that are past due but not impaired	已逾期但並無減值之客戶貸款總額
– Overdue 3 months or less	– 逾期三個月或以下
– Overdue 6 months or less but over 3 months	– 逾期六個月或以下惟三個月以上
– Overdue 1 year or less but over 6 months	– 逾期一年或以下惟六個月以上

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

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

The following tables set out the credit analysis for financial assets, other than advances to customers, measured at amortized cost. The tables below analyse the financial assets by their rating under the Group's loan classification system or credit rating designation based on Standard & Poor's rating or their equivalents, whichever is appropriate. Unless specifically indicated, the amount in the tables represent gross carrying amount.

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(ix) 客戶貸款之信貸質素 (續)

已逾期但並無減值之客戶貸款賬齡分析如下：

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

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

(x) 客戶貸款以外之金融資產之信貸質素

下表載列除客戶貸款以外之按攤銷成本計量金融資產之信貸分析。下表根據本集團借款分類系統項下的評級或以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對金融資產作出分析。除特別訂明外，表中金額指賬面總額。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Cash and short-term funds

AA – to AA+	AA – 至 AA+
A – to A+	A – 至 A+
Lower than A–	A – 以下
Unrated	無評級
Gross carrying amount	賬面總額
Less: Impairment allowances	減：減值撥備
Carrying amount	賬面值

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(x) 客戶貸款以外之金融資產之信貸質素 (續)

現金及短期資金

31 December 2020 二零二零年十二月三十一日							
12-month ECL 12個月內預期信貸虧損		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
570,668	1	-	-	-	-	570,668	1
2,340,070	209	-	-	-	-	2,340,070	209
1,314,748	317	-	-	-	-	1,314,748	317
742,129	-	-	-	-	-	742,129	-
4,967,615	527	-	-	-	-	4,967,615	527
(960)	-	-	-	-	-	(960)	-
4,966,655	527	-	-	-	-	4,966,655	527

AA – to AA+	AA – 至 AA+
A – to A+	A – 至 A+
Lower than A–	A – 以下
Unrated	無評級
Gross carrying amount	賬面總額
Less: Impairment allowances	減：減值撥備
Carrying amount	賬面值

31 December 2019 二零一九年十二月三十一日							
12-month ECL 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
1,076,764	781	-	-	-	-	1,076,764	781
3,612,350	1,581	-	-	-	-	3,612,350	1,581
301,481	18	-	-	-	-	301,481	18
300,635	-	-	-	-	-	300,635	-
5,291,230	2,380	-	-	-	-	5,291,230	2,380
(524)	-	-	-	-	-	(524)	-
5,290,706	2,380	-	-	-	-	5,290,706	2,380

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Balances with banks and other financial institutions

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

A – 至 A+
A – 以下
賬面總額
減：減值撥備
賬面值

31 December 2020 二零二零年十二月三十一日							
12-month ECL		Lifetime ECL		Lifetime ECL		Total	
12個月內預期信貸虧損		非信貸不良的全期預期信貸虧損		信貸不良的全期預期信貸虧損		總額	
Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
458,885	2,998	-	-	-	-	458,885	2,998
-	-	-	-	-	-	-	-
458,885	2,998	-	-	-	-	458,885	2,998
(115)	-	-	-	-	-	(115)	-
458,770	2,998	-	-	-	-	458,770	2,998

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

A – 至 A+
A – 以下
賬面總額
減：減值撥備
賬面值

31 December 2019 二零一九年十二月三十一日							
12-month ECL		Lifetime ECL		Lifetime ECL		Total	
12個月內預期信貸虧損		非信貸不良的全期預期信貸虧損		信貸不良的全期預期信貸虧損		總額	
Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
2,663,425	19,209	-	-	-	-	2,663,425	19,209
200,000	437	-	-	-	-	200,000	437
2,863,425	19,646	-	-	-	-	2,863,425	19,646
(961)	-	-	-	-	-	(961)	-
2,862,464	19,646	-	-	-	-	2,862,464	19,646

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Trade bills

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

31 December 2020 二零二零年十二月三十一日							
12-month ECL 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
921,176	-	-	-	-	-	921,176	-
(5,508)	-	-	-	-	-	(5,508)	-
915,668	-	-	-	-	-	915,668	-

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

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Debt securities measured at amortized cost

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(x) 客戶貸款以外之金融資產之信貸質素 (續)

按攤銷成本計量的債務證券

AAA	AAA
AA – to AA+	AA – 至 AA+
A – to A+	A – 至 A+
Lower than A–	A – 以下
Unrated	無評級
Gross carrying amount	賬面總額
Less: Impairment allowances	減：減值撥備
Carrying amount	賬面值

31 December 2020 二零二零年十二月三十一日							
12-month ECL 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
6,919,044	47,837	-	-	-	-	6,919,044	47,837
7,634,307	42,296	-	-	-	-	7,634,307	42,296
21,082,686	161,725	-	-	-	-	21,082,686	161,725
3,926,596	39,162	-	-	-	-	3,926,596	39,162
1,707,650	11,148	-	-	-	-	1,707,650	11,148
41,270,283	302,168	-	-	-	-	41,270,283	302,168
(85,052)	-	-	-	-	-	(85,052)	-
41,185,231	302,168	-	-	-	-	41,185,231	302,168

AAA	AAA
AA – to AA+	AA – 至 AA+
A – to A+	A – 至 A+
Lower than A–	A – 以下
Unrated	無評級
Gross carrying amount	賬面總額
Less: Impairment allowances	減：減值撥備
Carrying amount	賬面值

31 December 2019 二零一九年十二月三十一日							
12-month ECL 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
5,050,930	52,215	-	-	-	-	5,050,930	52,215
10,290,916	48,069	-	-	-	-	10,290,916	48,069
19,585,678	151,316	-	-	-	-	19,585,678	151,316
3,696,985	36,912	-	-	-	-	3,696,985	36,912
1,932,858	13,832	-	-	-	-	1,932,858	13,832
40,557,367	302,344	-	-	-	-	40,557,367	302,344
(41,131)	-	-	-	-	-	(41,131)	-
40,516,236	302,344	-	-	-	-	40,516,236	302,344

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Credit related commitments and contingencies

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

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 客戶貸款以外之金融資產之信貸質素(續)

與信貸有關之承擔及或然項目

31 December 2020 二零二零年十二月三十一日			
12-month ECL 12個月內 預期信貸虧損 Principal 本金 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 Principal 本金 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 Principal 本金 HK\$'000 千港元	Total 總額 Principal 本金 HK\$'000 千港元
32,503,191	270,922	-	32,774,113
-	59,008	-	59,008
32,503,191	329,930	-	32,833,121
(34,465)	(10,802)	-	(45,267)

31 December 2019 二零一九年十二月三十一日			
12-month ECL 12個月內 預期信貸虧損 Principal 本金 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 Principal 本金 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 Principal 本金 HK\$'000 千港元	Total 總額 Principal 本金 HK\$'000 千港元
35,221,201	434,534	-	35,655,735
-	2,402	-	2,402
35,221,201	436,936	-	35,658,137
(16,297)	(5,263)	-	(21,560)

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

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

Credit related commitments and contingencies (continued)

Credit risk that arises from investments in financial assets is managed in the same way as the Group manages its credit risk under corporate lending, with the exposure to the issuer controlled under the overall lending limit to the customer group. Analysis of investment securities by credit rating designation, that are not disclosed in other notes to these financial statements, based on Standard & Poor's ratings or their equivalents, is as follows:

Trading assets

AA – to AA+

持作交易用途資產

AA – 至 AA+

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

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(x) 客戶貸款以外之金融資產之信貸質素 (續)

與信貸有關之承擔及或然項目 (續)

本集團按管理公司借貸之信貸風險相同之方式，管理其金融資產投資產生之信貸風險，對發行方之承擔受制於客戶組別授出的整體借貸限額。以標準普爾之評級標準或相應之評級標準為基準，按信貸評級對投資證券進行之分析（並無於該等財務報表的其他附註披露）如下：

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

本集團於二零二零年十二月三十一日並未持有已逾期債務證券（二零一九年：無）。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowances by class of financial instruments at transaction level.

Advances to customers

At 1 January	於一月一日
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損
Transfer to 12-month ECL	轉至 12 個月內預期信貸虧損
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款
Repayments	還款
Write-offs	撇銷
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額 (包括匯兌調整)
At 31 December (Note 17(a))	於十二月三十一日(附註 17(a))

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(xi) 減值撥備對賬

下表顯示按金融工具交易級別劃分的減值撥備的期初至期末餘額的對賬。

客戶貸款

2020 二零二零年			
12-month ECL 12 個月內 預期信貸虧損 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
91,916	35,177	160,795	287,888
(3,008)	3,008	-	-
21,314	(21,314)	-	-
(1,081)	-	1,081	-
145,463	21,857	-	167,320
(34,595)	(10,516)	-	(45,111)
-	-	(23,870)	(23,870)
3,965	24,385	257,033	285,383
223,974	52,597	395,039	671,610

At 1 January	於一月一日
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的全期預期信貸虧損
Transfer to 12-month ECL	轉至 12 個月內預期信貸虧損
Transfer to lifetime ECL credit-impaired	轉至信貸不良的全期預期信貸虧損
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款
Changes in model/parameters	模式/參數變動
Repayments	還款
Write-offs	撇銷
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額 (包括匯兌調整)
At 31 December (Note 17(a))	於十二月三十一日(附註 17(a))

2019 二零一九年			
12-month ECL 12 個月內 預期信貸虧損 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
27,026	6,728	196,876	230,630
(1,963)	1,963	-	-
233	(233)	-	-
(3)	-	3	-
14,841	1,778	-	16,619
67,166	19,185	-	86,351
(8,467)	(1,268)	(20,493)	(30,228)
-	-	(54,595)	(54,595)
(6,917)	7,024	39,004	39,111
91,916	35,177	160,795	287,888

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

截至二零二零年十二月三十一日止年度已撇銷但仍進行執行活動之客戶貸款未償還合約金額為 23,900,000 港元(二零一九年：54,600,000 港元)。

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Debt securities measured at amortized cost

At 1 January	於一月一日
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款
Repayment	還款
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額 (包括匯兌調整)
At 31 December	於十二月三十一日

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(xi) 減值撥備對賬 (續)

按攤銷成本計量的債務證券

2020 二零二零年				
12-month ECL 12個月內 預期信貸虧損 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
41,131	-	-	41,131	
22,370	-	-	22,370	
(18,560)	-	-	(18,560)	
40,111	-	-	40,111	
85,052	-	-	85,052	

2019 二零一九年				
12-month ECL 12個月內 預期信貸虧損 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
21,582	1,024	-	22,606	
1,024	(1,024)	-	-	
20,740	-	-	20,740	
7,458	-	-	7,458	
(7,366)	-	-	(7,366)	
(2,307)	-	-	(2,307)	
41,131	-	-	41,131	

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others

At 1 January	於一月一日
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款
Repayments	還款
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額 (包括匯兌調整)
At 31 December	於十二月三十一日
Of which:	其中：
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Trade bills	商業票據
Credit related commitments and contingencies	與信貸有關之承擔及或然項目

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(xi) 減值撥備對賬 (續)

其他

2020 二零二零年			
12-month ECL 12個月內預期 信貸虧損 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
19,852	5,263	-	25,115
6,583	-	-	6,583
(3,555)	-	-	(3,555)
18,168	5,539	-	23,707
41,048	10,802	-	51,850
960	-	-	960
115	-	-	115
5,508	-	-	5,508
34,465	10,802	-	45,267
41,048	10,802	-	51,850

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xi) Impairment allowances reconciliation (continued)

Others (continued)

At 1 January	於一月一日
New financial assets originated or purchased, assets derecognized, repayments and further lending	源生或購入之新金融資產、取消確認之資產、還款及進一步貸款
Changes in model/parameters	模式／參數變動
Repayments	還款
Net remeasurement of impairment allowances (including exchange adjustments)	減值撥備之重新計量淨額 (包括匯兌調整)
At 31 December	於十二月三十一日
Of which:	其中：
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Trade bills	商業票據
Credit related commitments and contingencies	與信貸有關之承擔及或然項目

35. 財務風險管理 (續)

(a) 信貸風險管理 (續)

(xi) 減值撥備對賬 (續)

其他 (續)

2019 二零一九年			
12-month ECL 12個月內預期 信貸虧損 HK\$'000 千港元	Lifetime ECL not credit-impaired 非信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Lifetime ECL credit-impaired 信貸不良的 全期預期信貸虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
9,956	184	–	10,140
1,922	–	–	1,922
7,561	555	–	8,116
(4,875)	–	–	(4,875)
5,288	4,524	–	9,812
19,852	5,263	–	25,115
524	–	–	524
961	–	–	961
2,070	–	–	2,070
16,297	5,263	–	21,560
19,852	5,263	–	25,115

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(xii) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

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

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

就下列金融資產所持有之抵押品及其他信貸提升措施之公平價值：

- 並無逾期或減值
- 已逾期但並無減值
- 已減值

(xiii) Collateral and other credit enhancements obtained

At 31 December 2020, total repossessed assets and assets acquired under lending agreements of the Group amounted to HK\$11,800,000 (2019: HK\$11,500,000) which is included in “Accrued interest and other assets” in the consolidated statement of financial position.

During the year, the Group took possession on properties amounting to HK\$47,600,000 (2019: HK\$23,000,000) of collateral held as security. These properties were held as collateral against impaired advances to customers and are not recognized as assets in the consolidated statement of financial position as the relevant impaired advances to customers have not been written-off at the end of the reporting periods.

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

35. 財務風險管理(續)

(a) 信貸風險管理(續)

(xii) 抵押品及其他信貸提升措施

就金融資產所持有之抵押品及其他信貸提升措施之估計公平價值如下：

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

(xiii) 已取得之抵押品及其他信貸提升措施

於二零二零年十二月三十一日，根據本集團之借貸協議獲得之收回資產及資產總值為 11,800,000 港元(二零一九年：11,500,000 港元)，有關金額計入綜合財務狀況表中的「應計利息及其他資產」。

年內，本集團收回作為擔保持有的抵押品的物業達 47,600,000 港元(二零一九年：23,000,000 港元)。該等物業作為針對客戶減值貸款的抵押品而持有，而相關客戶減值貸款在報告期末尚未撇銷，因此該等物業未有在綜合財務狀況表中確認為資產。

收回物業會儘快予以出售，所得之款項將用以削減未償還之債項。

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from the statement of financial position or structural positions. The Group transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, and market making activities, and offsetting transactions taken in order to hedge the Group's open position. The Group does not engage in significant proprietary trading.

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

The Board reviews and approves policies for the management of market risks including dealing authorities and limits. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee ("ALCO"). This committee articulates the interest rate view of the Group and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policies, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the Board. Market risk is managed within various limits approved by the Board. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, mark to market limits, stop loss limits and risk position limits. These limits are reviewed and endorsed by the ALCO and approved by the Board at least annually. The regular limit monitoring is performed daily and the result is reported to the ALCO members. The risk exposures are also reported to the RC at least monthly.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest rate and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other positions.

35. 財務風險管理(續)

(b) 市場風險管理

市場風險產生於所有對市場風險敏感之金融工具，包括證券、外匯合約、股票及其他衍生工具，以及財務狀況表或結構性倉盤。本集團在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本集團就執行客戶指令、市場莊家活動，以及為對沖本集團之未平倉盤而持有倉盤。本集團並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引伸之風險。

董事會檢討及審批有關市場風險管理之政策包括處理授權及限額事宜。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本集團對利率走勢之預測，而決定有關未來業務策略。該委員會亦審閱及制定融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由董事會定期予以檢討及批准。市場風險乃在經由董事會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、按市場調整之限額、止蝕限額及風險倉盤限額設定之限額。資產負債委員會對這些限制進行審閱和認可，並且至少每年一次由董事會批准。定期監測每天進行，並將結果報告給資產負債委員會成員。風險承擔也至少每月向風險委員會報告。

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項主要業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及匯率相關合約等場外交易衍生工具。本集團亦有參與交易所買賣之衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖此等和其他倉盤而訂立。

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

One of the tools used by the Group to monitor and limit market risk exposure is Value-at-risk ("VAR"). VAR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the historical simulation method as the means to estimate the statistical confidence level.

The VAR technique is only effective for potential loss events which are not correlated. The Group therefore augments its VAR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis and stress testing, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

(i) Sensitivity analysis of market risk exposures

Trading market risk

Currency risk

At 31 December 2020, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$6.49 million lower (2019: HK\$2.3 million higher).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$6.49 million higher (2019: HK\$2.3 million lower).

Interest rate risk

The Group measures trading book interest rate risks through Present Value of Basis Point ("PVBP"). PVBP is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

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

Equity risk

At 31 December 2020 and 2019, the Group has no equity position in its trading portfolio. As such, any movement in the equity price would have no impact on the Group.

35. 財務風險管理(續)

(b) 市場風險管理(續)

風險值(VAR)是本集團為監控及限制市場風險所採用之其中一種工具。風險值是一種按既定信心水平及在特定持盤時間內，就市場利率及價格之變動而對持倉盤之潛在虧損之結算的技術。計算方式乃使用歷史模擬法估計統計數字信心水平。

VAR技術僅對不相關的潛在虧損事項有效。因此，本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別組合及本集團之綜合狀況應用較廣範圍之敏感性分析及壓力測試，以評估市價之極端變動對本集團盈利之潛在影響。

(i) 市場風險敏感度分析

交易市場風險

貨幣風險

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

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

利率風險

本集團透過基點現值法(PVBP)計量交易賬利率風險。PVBP是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

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

股票風險

本集團於二零二零年及二零一九年十二月三十一日並無持有持作交易用途之股本證券，因此，股價之任何變動對本集團並無影響。

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk

Currency risk

All of the Group's foreign currency position arises from the Group's non-trading activities (e.g. investments, lending and deposit taking) are captured and transferred to the Financial Markets Division. The Financial Markets Division monitors these foreign currency exposures and minimizes foreign currency asset and liability mismatch by entering into foreign currency spot and forward transactions. Market Risk Management Department monitors those outstanding foreign currency positions on a daily basis and report to the ALCO regularly.

Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. Interest rate risk is managed by the Financial Markets Division within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the ALCO.

At 31 December 2020, if other market variables including prime rate were held constant, an increase in HKD market interest rates movement would result in a decrease in earnings over the next 12 months of HK\$323 million (2019: HK\$297 million decrease), but increase in economic value of HK\$559 million (2019: HK\$352 million increase); while an increase in USD market interest rates of movement would result in a decrease in earnings over the next 12 months of HK\$146 million (2019: HK\$62 million decrease), or an increase in economic value of HK\$163 million (2019: HK\$162 million increase).

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

35. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險

貨幣風險

本集團所有來自非交易活動(如投資、放款及吸收存款等)的外匯持倉均轉移到金融市場部名下。金融市場部負責管理此等外幣風險，並以外幣現貨交易及遠期交易減少外幣資產及負債錯配。市場風險管理部負責每天監察此等外幣持倉並定期向資產負債委員會匯報。

利率風險

利率風險主要由計息資產、負債及承擔之利率重訂時差引致，利率風險由金融市場部管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(i) Sensitivity analysis of market risk exposures (continued)

Non-trading market risk (continued)

Equity risk

At 31 December 2020 and 2019, the Group holds a small portfolio of non-trading listed equity securities. As such, any movement in the equity price would have insignificant impact on the Group.

The Group holds non-trading unlisted equity investments and uses the applicable price/earnings ratio and other market data for similar listed companies adjusted to reflect specific circumstances of the issues or the net assets value reported by the management of the investee companies to determine the fair value of the investment. A sensitivity analysis on the fair value of these unlisted equity investments is disclosed in Note 32(a)(ii).

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both years 2020 and 2019.

(ii) Analysis of currency risk exposures

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by the Financial Markets Division within limits approved by the Board. The Group has no structural foreign currency positions as at 31 December 2020 and 2019. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

35. 財務風險管理(續)

(b) 市場風險管理(續)

(i) 市場風險敏感度分析(續)

非交易市場風險(續)

股票風險

於二零二零年及二零一九年十二月三十一日，本集團持有少部分非持作交易用途之上市股本證券。因此，股價變動對本集團並無重大影響。

本集團持有非交易非上市股權投資，並使用適用的價格／盈利率及經調整類似上市公司其他市場數據以反映發行的特定條件或被投資公司管理層報告之資產淨值釐定投資之公平價值。該等非上市股權投資公平價值的敏感度分析披露於附註 32(a)(ii)。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零二零年及二零一九年而言所採用者乃屬相同。

(ii) 貨幣風險分析

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由金融市場部管理，並維持在董事會所訂定之限額內。於二零二零年及二零一九年十二月三十一日，本集團並無結構性外幣持倉。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

The following table indicates the concentration of currency risk at the end of the reporting period:

(Equivalent in HK\$'000)

ASSETS

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

Spot assets

LIABILITIES

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

Spot liabilities

Net on-balance sheet position

Off-balance sheet position
Foreign exchange derivative contracts

Net aggregate position

Credit commitments and other contingent liabilities in foreign currencies

(千港元等值)

資產

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

現貨資產

負債

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

現貨負債

資產負債表內持倉淨額

資產負債表外倉盤
外匯衍生合約

總持倉淨額

以外幣結算之信貸承擔及其他或然負債

35. 財務風險管理 (續)

(b) 市場風險管理 (續)

(ii) 貨幣風險分析 (續)

下表列示於報告期末之貨幣風險集中度：

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

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

(Equivalent in HK\$'000)

ASSETS

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

Spot assets

LIABILITIES

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

Spot liabilities

Net on-balance sheet position

Off-balance sheet position
Foreign exchange derivative contracts

Net aggregate position

Credit commitments and other contingent liabilities in foreign currencies

(千港元等值)

資產

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

固定資產

現貨資產

負債

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

現貨負債

資產負債表內持倉淨額

資產負債表外倉盤
外匯衍生合約

總持倉淨額

以外幣結算之信貸承擔及其他或然負債

31 December 2019 二零一九年十二月三十一日	
US Dollars 美元	Other foreign currencies 其他外幣
1,847,707	448,460
833,246	710,178
63,861	27,892
10,061,043	2,223,518
720,656	3,769
1,442,840	53,090
26,445,543	3,782,198
131,111	849,301
–	186
41,546,007	8,098,592
7,024,189	1,873,710
23,894,461	5,474,748
1,191,167	–
768,063	–
342,896	24,061
859,012	46,224
1,555,776	–
35,635,564	7,418,743
5,910,443	679,849
(5,921,661)	(251,211)
(11,218)	428,638
746,251	226,757

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the end of the reporting period. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

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

35. 財務風險管理 (續)

(b) 市場風險管理 (續)

(iii) 利率風險分析

下表列示於報告期末計息資產與負債於相關期間之實際利率及於預期利息重訂價格日期之錯配。實際重訂價格日期可能因預付款及行使期權而不同於合約日期。

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

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

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

		31 December 2019 二零一九年十二月三十一日						
		Average effective interest rate	Total	3 months or less (include overdue) 三個月或以下 (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
		平均 實際利率 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元
ASSETS		資產						
Cash and short-term funds	現金及短期資金	3.01%	5,290,706	4,499,485	-	-	-	791,221
Balances with banks and other financial institutions	銀行同業及其他金融機構 結餘	2.74%	2,862,464	2,574,429	288,035	-	-	-
Trading assets	持作交易用途資產	2.28%	1,943,242	948,174	995,068	-	-	-
Derivative financial instruments	衍生金融工具	N/A 不適用	543,793	-	-	-	-	543,793
Advances to customers	客戶貸款	3.87%	52,308,452	48,709,738	3,197,942	360,888	30,530	9,354
Trade bills	商業票據	2.56%	724,425	655,860	68,565	-	-	-
Debt securities measured at amortized cost	按攤銷成本計量的債務 證券	2.91%	40,516,236	8,832,977	8,090,997	19,223,322	4,366,940	2,000
Other assets	其他資產	4.10%	7,217,316	57,747	2,937	-	-	7,156,632
			111,406,634	66,278,410	12,643,544	19,584,210	4,397,470	8,503,000
LIABILITIES		負債						
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構 之存款及結餘	2.10%	9,140,295	7,497,110	-	1,385,101	-	258,084
Deposits from customers	客戶存款	1.98%	75,043,411	65,402,264	9,112,864	153,877	-	374,406
Trading liabilities	交易賬項下之負債	1.88%	948,173	948,173	-	-	-	-
Certificates of deposit issued	已發行存款證	2.56%	4,730,098	2,864,728	916,024	949,346	-	-
Debt securities issued	已發行債務證券	2.40%	1,165,268	768,063	397,205	-	-	-
Derivative financial instruments	衍生金融工具	N/A 不適用	385,348	-	-	-	-	385,348
Subordinated notes issued	已發行後償票據	6.25%	1,555,776	-	1,555,776	-	-	-
Lease liabilities	租賃負債	3.21%	67,611	6,815	16,392	40,951	3,453	-
Other liabilities	其他負債	N/A 不適用	3,723,480	-	-	-	-	3,723,480
			96,759,460	77,487,153	11,998,261	2,529,275	3,453	4,741,318
Interest rate sensitivity gap				(11,208,743)	645,283	17,054,935	4,394,017	

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management

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

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

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

It is the responsibility of the Group's management to ensure compliance with local regulatory requirements and limits set by the RC. Liquidity is managed on a daily basis by the Group's Funding Desk unit. The Funding Desk unit is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to minimise price and reinvestment rate risk in the case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

35. 財務風險管理(續)

(c) 流動性風險管理

流動性風險管理旨在確保足夠現金流以滿足所有財務承擔之所需及滿足業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時償還貸款、為符合法定流動性維持比率所需及當新貸款及投資機會出現時所需資金的能力。

本集團的流動性風險管理政策涵蓋本集團的流動性風險管理策略，識別、計量、監控及控制流動性風險的機制，以及本集團的應急資金計劃。流動性風險管理指引涵蓋本集團實施流動性管理策略的風險衡量、風險報告及運營要求。該政策及指引均由資產負債委員會審核，並分別由風險委員會及資產負債委員會批准。

風險委員會至少每年審查並批准本集團的風險取向聲明。本集團的流動性風險管理策略則為保持擁有充足的流動資產存量的良好流動性狀況，依賴於廣泛的客戶存款組合及具有審慎的貸存比率與貨幣市場融資比率的良好多元化融資結構，以支持本集團在正常及壓力條件下的流動性需求。

本集團管理層的職責為確保遵守本地監管規定及風險委員會設立的限額。本集團的資金部每日對本集團的流動資金進行管理。資金部負責確保本集團擁有充足流動資金以應付所有營運活動、確保有適當之資金組合以避免期限錯配，並在存在年期差距時降低價格及再投資利率風險並監察相關市場之資金充足性及流動性。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

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

35. 財務風險管理(續)

(c) 流動性風險管理(續)

資金流動性及融資規定之遵守乃由資產負債委員會監管及定期向董事會風險委員會報告。該過程包括：

- 於有關監管規定範圍內維持平衡；
- 預測各種壓力情況下的現金流及考慮與此有關的必要流動資產水平；
- 維持充足當日流動資金狀況及評估當日流動資金狀況在壓力條件下將如何變動；
- 依照內部規定監控資產負債表流動性及貸存比率；
- 借助充足預備融資維持資金來源的分散；
- 管理債務期限集中度及狀況；
- 於管理警告觸發水平範圍內管理客戶借貸承擔；
- 管理債務融資計劃；
- 監管存款人集中度，以避免過度依賴大型個別存款人以及確保令人滿意的全面融資組合；
- 設立應急融資計劃，載明可於系統性或其他危機時識別早期壓力狀況之預警指標並說明將予採取的行動，而降低對業務的不利長期影響；及
- 按法人實體及集團基準管理流動資金。集團內公司間公平進行融資交易，按與非關聯第三方進行交易的相同方式處理並按預定限額管理。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

Primary sources of funding

Customer deposits form a significant part of the Group's overall funding. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail and corporate banking activities and by maintaining depositor confidence in the Group's capital strength. In order to lengthen the duration of the funding, the Group issues certificates of deposit with different maturities from time to time. Interbank markets are also accessed for the purposes of providing additional funding, maintaining a regular presence in local money markets and optimising asset and liability maturities.

The management of funding and liquidity risk

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingency planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudential levels. Debt securities held are marked to the market on daily basis to ensure their market liquidity. The Group also adopts a funding strategy that is to achieve diversification of funding by controlling the concentration of top depositors, wholesale funding and reliance on foreign exchange swap markets. Moreover, adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

In addition to observing the statutory liquidity ratio, the Group has established different liquidity risk metrics, including but not limited to the liquidity maintenance ratio, loan-to-deposit ratio, cumulative cash flow gap and concentration of funding sources to measure and analyze its liquidity risks. Financial Control Division is responsible for measurement and monitoring of these liquidity metrics and reporting to the ALCO regularly.

35. 財務風險管理 (續)

(c) 流動性風險管理 (續)

資金的主要來源

客戶存款構成本集團整體資金的重大部分。本集團相當重視該等存款的穩定性，方式為透過本集團零售及企業銀行業務及維持存款人對本集團資本實力的信心。為延長資金的期限，本集團不時發行不同到期日的存款證，亦有透過銀行同業市場取得額外資金，維持本集團於本地同業市場之參與及優化資產及負債到期狀況。

資金及流動性風險的管理

作為其流動性風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、維持分散的流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產（如現金及短期基金與證券）確保短期資金需求在審慎水平內來管理流動性風險。本集團每日對所持有債務證券進行市場評價以確保其市場流動性。本集團亦透過控制大額存款人集中度、批發融資及對外匯掉期市場的依賴性以達融資多樣性。此外，維持備用融資在充足水平以提供策略性流動資金，從而滿足於日常業務過程中意外及重大現金流出。

除緊守法定的流動性維持比率外，本集團已設立不同的流動性風險標準以衡量及分析流動性風險，包括（但不限於）流動性維持比率、貸存比率、累計現金流缺口及資金來源集中度。財務管理部負責計量及監管該等流動資金標準及定期向資產負債委員會匯報。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

The Group assesses and monitors the structure of balance sheet and also the concentration of funding sources from time to time with use of different risk metrics. During the year 2020:

- Loan-to-deposits ratio was kept below 80% for the aggregate position of all currencies and also not exceeding respective management alert trigger levels for each significant lending currency;
- Core funding ratio was maintained above 125%;
- Undrawn commitments were maintained not exceeding HK\$9.0 billion;
- Single depositor concentration was maintained below 5% of total customer deposits;
- Concentration of the top 10 depositors was maintained below 20% of total customer deposits;
- Swapped fund ratio (measuring reliance on foreign exchange and/or currency swap markets) was maintained below 15%;
- Wholesale funding was kept below 20% of total funding;
- Certificates of deposit and other debt securities issued did not exceed 10% of total customer deposits (including certificates of deposit and other debt securities issued); and
- Intragroup funding was maintained at minimal level not exceeding USD53 million.

Core deposits

The Group monitors the stability of customer deposits by means of the core deposit ratio, which is the ratio of core deposits to total customer deposits. The Group categorizes customer deposits into core deposits after taking into consideration of nature of deposits, relationship history with customers and stability of customer's total balance. An alert trigger level is set on the core deposits ratio which is monitored by the ALCO. Core deposits ratio was maintained above 25% throughout the year 2020.

35. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

本集團於二零二零年全年使用下列不同風險指標不時評估及監察資產負債表結構及資金來源的集中度：

- 所有貨幣加總的貸存比率保持低於 80% 以下，且每個重大貸款貨幣未超過各自的管理警告觸發水平；
- 核心資金比率保持高於 125%；
- 未履行的承諾維持不超過 90 億港元；
- 單一存款人的集中度維持在客戶存款總額的 5% 以下；
- 前 10 名存款人的集中度維持在客戶存款總額的 20% 以下；
- 掉期基金比率(衡量對外匯及／或貨幣掉期市場的依賴度)維持低於 15%；
- 批發資金保持低於資金總額的 20% 以下；
- 存款證及其他已發行債務證券不超過客戶存款總額(包括存款證及其他已發行的債務證券)的 10%；及
- 內部集團資金維持在不超過 53,000,000 美元的低水平。

核心存款

本集團透過核心存款比率(即核心存款對客戶存款總額的比率)監控客戶存款的穩定性。本集團考量存款性質、與客戶的歷史關係及客戶總餘額的穩定性將客戶存款分類為核心存款。本集團亦為核心存款比率設立警告觸發水平，該水平由資產負債委員會監管。核心存款比率於二零二零年全年維持在25%以上。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Loan to deposit ratio

The Group emphasizes the importance of customer deposits as a source of funds to finance lending to customers, and mitigate against reliance on short-term interbank funding. A limit on the loan to deposit ratio is established and approved by the RC and monitored by the ALCO. Management alert triggers are also set on loan to deposit ratio for significant lending currencies and monitored by the ALCO.

Cash flow projection and stress testing

The Group conducts cash flow analysis and cash flow projection arising from on – and off-balance sheet items over a set of time horizons on a regular basis to identify funding needs in specific time buckets. The Group also regularly performs stress tests on its liquidity position to ensure adequate liquidity is maintained at all time. In the stress test, both on – and off-balance sheet items with a cash flow impact are considered, with applicable hypothetical and historical assumptions. Three stressed scenarios, namely an institution-specific crisis scenario, a general market crisis scenario, and a combined scenario are adopted with minimum survival period defined pursuant to HKMA's Supervisory Policy Manual ("SPM") "Sound Systems and Controls for Liquidity Risk Management". Stress testing assumptions are reviewed and approved by the ALCO regularly to ensure their continued appropriateness.

Liquidity Cushion

The Group maintains a stock of high-quality readily liquefiable assets as a liquidity cushion against a range of stressed scenarios. The eligible assets are unencumbered, low credit risk and low market risk. The liquidity cushion is segregated from debt securities held for trading purposes. A certain portion of the liquidity cushion is made up of the most liquid and readily marketable assets (such as debt securities issued by government or multinational development banks) that can be easily liquidated to meet funding needs in the initial phase of liquidity stress.

The size of the liquidity cushion shall be adequate to meet the Group's day-to-day liquidity needs and also emergency funding needs under both normal and stress market conditions. The minimum required size of the liquidity cushion is determined with reference to the funding gap generated from the Group's regular liquidity stress testing results. Management alert triggers are established by the ALCO to ensure sufficient size of liquidity cushion is maintained and appropriate diversification among the liquidity cushion is achieved. The size and mix of the liquidity cushion is reviewed by the ALCO regularly.

35. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

貸存比率

本集團重視客戶存款的重要性，視之為撥付貸款予客戶的資金來源，並減少對短期銀行同業融資的依賴。貸存比率的限制由風險委員會設立並批准，且由資產負債委員會監管。亦就重大貸款貨幣的貸存比率設定管理警告觸發水平，並由資產負債委員會監管。

現金流預測及壓力測試

本集團定期透過對一系列時間內的資產負債表內外項目進行現金流分析及預測以辨認特定時間內的資金需要。本集團亦定期對流動性狀況進行壓力測試以確保一直保持適當的流動性。透過運用適當的理論及歷史假設，本集團的壓力測試均已考慮對現金流會造成影響的資產負債表內外項目。三個壓力情景（即個別銀行危機、整體市場危機及綜合危機）均採用金管局監管政策手冊（「SPM」）「穩健的流動性風險管理系統及管控措施」界定的最短存活期。資產負債委員會定期檢討及審批壓力測試假設，以確保其持續適用。

流動資金緩衝

本集團維持充足的可隨時變現的優質流動資產，作為在一系列壓力情況下的流動資金緩衝。合資格資產不附帶產權負擔、承擔低信貸風險及低市場風險。流動資金緩衝須與持作交易用途的債務證券分開管理。流動資金緩衝的若干部分由最具流動性並可隨時變現的有價資產（例如由政府或跨國發展銀行發行的債務證券）組成。有關資產極易變現，可滿足流動性壓力初始階段的資金需求。

流動資金緩衝規模應足以滿足本集團日常流動資金需求以及正常及壓力市況下之緊急資金需求。最小規模的流動資金緩衝需求乃經參考本集團流動資金定期壓力測試結果產生之資金缺口釐定。資產負債委員會設定管理警告觸發水平，以確保維持足夠規模之流動資金緩衝及達至流動資金緩衝的適當多元化。資產負債委員會定期審查流動資金緩衝規模及組合。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Liquidity Cushion (continued)

Size and mix of liquidity cushion were maintained above all relevant management alert triggers throughout the year 2020:

- net long position of Exchange Fund Bills/Notes held was maintained at not less than HK\$2.0 billion;
- assets eligible for Lenders of Last Resort purpose was maintained at not less than 30% of total customer deposits;
- level 1 high-quality readily liquefiable assets were maintained at not less than 9% of total customer deposits;
- non-financial institution high-quality readily liquefiable assets were maintained at not less than 26% of total customer deposits; and
- total high-quality readily liquefiable assets were maintained at not less than 32% of total customer deposits.

Contingent liquidity risk

The Group provides customers with committed and standby facilities. These facilities increase the funding requirements of the Group when customers drawdown. The liquidity risk associated with the potential drawdown on committed facilities is factored into our stressed scenarios and a management alert trigger is set for these facilities.

35. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

流動資金緩衝(續)

流動資金緩衝規模及組合於二零二零年全年保持在所有相關管理警告觸發水平之上：

- 持有外匯基金票據／票據的長倉淨額維持不少於 20 億港元；
- 符合緊急貸款者用途資格之資產保持不低於客戶存款總額的 30%；
- 第一級優質流動資產保持不低於客戶存款總額的 9%；
- 非金融機構優質流動資產保持不低於客戶存款總額的 26%；及
- 優質流動資產總額保持不低於客戶存款總額的 32%。

或然流動性風險

本集團向客戶提供承諾及備用融資。倘客戶提取資金，該等融資將增加本集團資金需求。與承諾融資可能被提取有關的流動性風險已計作壓力情況的一項因素，且就該等承諾融資設定管理警告觸發水平。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

The management of funding and liquidity risk (continued)

Contingency funding plan

The Group has formulated a Contingency Funding Plan ("CFP") that describes the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations. The CFP is designed to be pro-active and pre-emptive. The Group utilizes early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the management would be informed for their consideration. Once the CFP is triggered, a Crisis Management Team, which is led by senior management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated. The CFP also includes the analysis of cash flow projections to estimate potential liquidity needs under stress scenarios.

The CFP is subject to regular testing to ensure its effectiveness and operational feasibility, particularly in respect of the availability of the contingency sources of funding listed in it. The CFP is also subject to review and update on a regular basis to ensure it remains robust over time. Any changes to the CFP would be approved by the RC.

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

Liquidity exposures

The Group's liquidity exposures are measured on a consolidated basis which comprises the Bank and Fubon Credit (Hong Kong) Limited as designated by the HKMA for regulatory purposes.

Fubon Credit (Hong Kong) Limited maintains a minimal loan portfolio not exceeding HK\$10 million without borrowings and new lending, and maintains liquidity maintenance ratio over 100% throughout the year 2020.

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

35. 財務風險管理(續)

(c) 流動性風險管理(續)

資金及流動性風險的管理(續)

應急融資計劃

本集團已制定應急融資計劃，當中訂明處理流動性問題的策略及於緊急情況下彌補現金流不足的程序。應急融資計劃旨在提供防患未然的積極措施。本集團運用預警指標，當中包括質化及量化指標，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，管理層將獲通知供其考慮。一旦啟動應急融資計劃，將成立由高級管理層領導的危機管理團隊，專責處理危機。應急融資計劃訂明取得應急資金的策略及程序，以及有關各方的職務及職責。應急融資計劃亦包括現金流預測之分析，以估計在壓力情景下潛在流動性所需。

應急融資計劃須定期進行測試，以確保其效益及操作可行性，尤其是列於其中之資金來源之可獲得性。此外，應急融資計劃須定期檢討及更新，以確保其健全性。應急融資計劃之任何變動將由風險委員會批准。

此外，根據金管局監管政策手冊「恢復計劃」，本集團已設立恢復計劃並獲董事會批准。恢復計劃有助本集團迅速自重大壓力期內恢復並保持其流動資金水平。恢復計劃須定期(最少一年)審閱及更新。

流動性風險承擔

本集團的流動性風險按綜合基準計量，包括金管局為監管目的而指定的本行及富邦財務(香港)有限公司。

富邦財務(香港)有限公司在並無借款及新增貸款的情況下維持低限度的貸款組合不超過10,000,000港元，並於二零二零年全年保持100%以上的流動性維持比率。

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

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity

The following maturity profile is prepared based on the remaining period at the end of the reporting period to the contractual maturity date.

35. 財務風險管理(續)

(c) 流動性風險管理(續)

(i) 按剩餘期限分析之資產及負債

下列期限組別乃基於報告期末至合約訂明到期日之剩餘期限編製。

		31 December 2020 二零二零年十二月三十一日						
			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 or overdue
		Total						Undated or overdue
		總額	即時還款	一個月內	三個月以上	一年以上	五年以上	無定期或 逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產							
Cash and short-term funds	現金及短期資金	4,966,655	1,310,913	3,655,742	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	458,770	-	-	458,770	-	-	-
Trading assets	持作交易用途資產	1,948,454	-	813,493	1,134,961	-	-	-
Derivative financial instruments	衍生金融工具	563,443	-	-	-	-	-	563,443
Advances to customers	客戶貸款	54,913,063	-	9,455,572	5,848,190	8,550,044	19,008,508	246,749
Trade bills	商業票據	915,668	-	543,426	236,297	135,945	-	-
Debt securities measured at amortized cost	按攤銷成本計量的債務證券	41,185,231	-	3,208,742	3,065,732	8,972,751	19,979,178	5,956,828
Equity securities designated at fair value through other comprehensive income	指定以公平價值計於其他全面收益計量之股本證券	1,316,272	-	-	-	-	-	1,316,272
Other assets	其他資產	6,056,128	-	1,907,544	171,767	36,053	2	3,940,762
		112,323,684	1,310,913	19,584,519	10,915,717	17,694,793	38,987,688	17,760,828
								6,069,226
LIABILITIES	負債							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘	10,041,639	130,618	2,242,889	6,289,310	1,378,822	-	-
Deposits from customers	客戶存款	76,538,430	21,489,727	19,776,041	25,924,082	9,169,497	179,083	-
Trading liabilities	交易賬項下之負債	1,948,454	-	813,493	1,134,961	-	-	-
Certificates of deposit issued	已發行存款證	4,167,874	-	-	400,756	1,031,200	2,735,918	-
Debt securities issued	已發行債務證券	1,544,626	-	77,506	618,217	848,903	-	-
Derivative financial instruments	衍生金融工具	1,080,890	-	-	-	-	-	1,080,890
Other liabilities	其他負債	2,274,541	-	1,069,449	243,745	269,484	52,837	743
		97,596,454	21,620,345	23,979,378	34,611,071	12,697,906	2,967,838	743
								1,719,173
Net liquidity gap	流動資金缺口淨額		(20,309,432)	(4,394,859)	(23,695,354)	4,996,887	36,019,850	17,760,085

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

Of which:	其中：
Debt securities held*	持有債務證券*
- Included in trading assets	- 納入持作交易用途資產
- Included in debt securities measured at amortized cost	- 納入按攤銷成本計量的債務證券
Certificates of deposit held	持有存款證
- Included in debt securities measured at amortized cost	- 納入按攤銷成本計量的債務證券
Certificates of deposit issued	已發行存款證
- Stated at amortized cost	- 按攤銷成本列賬

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

35. 財務風險管理 (續)

(c) 流動性風險管理 (續)

(i) 按剩餘期限分析之資產及負債 (續)

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

* 所持債務證券的金額已計入所持存款證。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

		31 December 2019 二零一九年十二月三十一日						
		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	Undated or overdue
		總額	即時還款	一個月內	三個月以上	一年以上	五年以上	無定期或 逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產							
Cash and short-term funds	現金及短期資金	5,290,706	917,931	4,372,775	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構 結餘	2,862,464	-	-	2,574,457	288,007	-	-
Trading assets	持作交易用途資產	1,943,242	-	449,950	498,223	995,069	-	-
Derivative financial instruments	衍生金融工具	543,793	-	-	-	-	-	543,793
Advances to customers	客戶貸款	52,308,452	-	9,906,993	4,125,422	7,543,377	19,321,242	11,267,530
Trade bills	商業票據	724,425	-	469,343	186,517	68,565	-	-
Debt securities measured at amortized cost	按攤銷成本計量的債務 證券	40,516,236	-	2,510,470	4,046,763	9,377,411	20,212,652	4,366,940
Equity securities designated at fair value through other comprehensive income	指定以公平價值計於其他全 面收益計量之股本證券	1,074,054	-	-	-	-	-	1,074,054
Other assets	其他資產	6,143,262	-	884,518	1,030,517	44,212	3	-
		111,406,634	917,931	18,594,049	12,461,899	18,316,641	39,533,897	15,634,470
								5,947,747
LIABILITIES	負債							
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構 之存款及結餘	9,140,295	258,084	2,639,079	4,858,031	-	1,385,101	-
Deposits from customers	客戶存款	75,043,411	16,657,382	19,243,147	29,876,142	9,112,864	153,876	-
Trading liabilities	交易賬項下之負債	948,173	-	449,950	498,223	-	-	-
Certificates of deposit issued	已發行存款證	4,730,098	-	490,602	759,087	1,515,909	1,964,500	-
Debt securities issued	已發行債務證券	1,165,268	-	-	768,064	397,204	-	-
Derivative financial instruments	衍生金融工具	385,348	-	-	-	-	-	385,348
Subordinated notes issued	已發行後償票據	1,555,776	-	-	-	1,555,776	-	-
Other liabilities	其他負債	3,791,091	-	2,048,776	566,899	239,090	63,302	3,452
		96,759,460	16,915,466	24,871,554	37,326,446	12,820,843	3,566,779	3,452
								1,254,920
Net liquidity gap	流動資金缺口淨額		(15,997,535)	(6,277,505)	(24,864,547)	5,495,798	35,967,118	15,631,018

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

Of which:

Debt securities held*

- Included in trading assets

- Included in debt securities
measured at amortized cost

Of which:

Certificates of deposit held

- Included in debt securities
measured at amortized cost

Certificates of deposit issued

- Stated at amortized cost

其中：

持有債務證券*

- 納入持作交易用途
資產

- 納入按攤銷成本計量的
債務證券

其中：

持有存款證

- 納入按攤銷成本計量的
債務證券

已發行存款證

- 按攤銷成本列賬

		31 December 2019 二零一九年十二月三十一日						
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years or overdue
		總額	即時還款	一個月內	一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	無定期或 逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		1,943,242	-	449,950	498,223	995,069	-	-
		40,516,236	-	2,510,470	4,046,763	9,377,411	20,212,652	2,000
		42,459,478	-	2,960,420	4,544,986	10,372,480	20,212,652	2,000
		482,873	-	-	76,390	324,700	81,783	-
		4,730,098	-	490,602	759,087	1,515,909	1,964,500	-

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

* 所持債務證券的金額已計入所持存款證。

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

The following table sets out contractual cash flow projections of the Group's financial liabilities and off-balance sheet exposures analysed by the remaining period as at the end of the reporting period to the contractual maturity dates. The balances in the tables below do not agree directly to the balances in the consolidated statement of financial position as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future interest and coupon payments.

35. 財務風險管理(續)

(c) 流動性風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析

下表載列按報告期末至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。下表結餘將不會直接等同於綜合財務狀況表之結餘，因為下表包含與全部未來票息付款之本金及相關款項有關之所有現金流（根據未折現基準）。

Financial liabilities

Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Other liabilities	其他負債

Off-balance sheet exposures

- Contingent liabilities	- 或然負債
- Commitments	- 承擔

金融負債

銀行同業及其他金融機構之存款及結餘
客戶存款
交易賬項下之負債
已發行存款證
已發行債務證券
其他負債

資產負債表外風險

- 或然負債
- 承擔

31 December 2020 二零二零年十二月三十一日						
Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元
10,106,577	130,618	2,244,373	6,295,045	1,436,541	-	-
76,743,443	21,489,728	19,817,427	26,006,198	9,241,012	189,078	-
1,948,454	-	813,492	1,134,962	-	-	-
4,296,779	-	3,591	426,802	1,062,583	2,803,803	-
1,550,410	-	77,521	620,164	852,725	-	-
1,290,109	-	927,103	197,161	115,916	49,186	743
95,935,772	21,620,346	23,883,507	34,680,332	12,708,777	3,042,067	743
155,773	-	155,773	-	-	-	-
32,677,348	32,677,348	-	-	-	-	-
32,833,121	32,677,348	155,773	-	-	-	-

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

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

Financial liabilities

Deposits and balances of banks and other financial institutions

Deposits from customers

Trading liabilities

Certificates of deposit issued

Debt securities issued

Subordinated notes issued

Other liabilities

Off-balance sheet exposures

- Contingent liabilities

- Commitments

金融負債

銀行同業及其他金融機構之存款及結餘

客戶存款

交易賬項下之負債

已發行存款證

已發行債務證券

已發行後償票據

其他負債

資產負債表外風險

- 或然負債

- 承擔

31 December 2019 二零一九年十二月三十一日						
Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元
9,233,933	258,084	2,650,268	4,882,498	-	1,443,083	-
75,597,499	16,657,382	19,347,635	30,147,432	9,283,557	161,493	-
948,173	-	449,950	498,223	-	-	-
4,883,065	-	498,456	775,429	1,585,946	2,023,234	-
1,170,948	-	-	770,948	400,000	-	-
1,654,189	-	-	-	1,654,189	-	-
2,651,908	-	1,979,016	505,187	105,988	58,265	3,452
96,139,715	16,915,466	24,925,325	37,579,717	13,029,680	3,686,075	3,452
403,222	-	403,222	-	-	-	-
35,254,915	35,254,915	-	-	-	-	-
35,658,137	35,254,915	403,222	-	-	-	-

35. 財務風險管理 (續)

(c) 流動性風險管理 (續)

(ii) 按合約到期日作出之非衍生負債分析 (續)

35. FINANCIAL RISK MANAGEMENT (continued)

(d) Operational risk management

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

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

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

Each new product or service introduced or variation of existing products or services is subject to a rigorous review and approval process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Proper and adequate due diligence process is in place to ensure all on-shelf products are reviewed on a continuous basis. In addition, the Group maintains business continuity plans and tests contingency facilities regularly to ensure the ability to continue operating and limit losses in the event of severe business disruptions.

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

35. 財務風險管理(續)

(d) 營運風險管理

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。鑒於所有業務產品、活動、過程及制度均具有內在營運風險，本集團已制定、實施及維持健全的營運風險管理框架，以促進及時識別、有效評估及減少該風險。內部監控作為穩健營運風險管理框架之重要部分，已按照部門營運手冊(載有基本監控之指引，確保一個受控制且穩健的營運環境)而實施。

風險委員會監察本集團的風險管理，定期審閱本集團的營運風險框架及風險狀況，並審批風險管理政策。內部監控及合規委員會亦發揮重要作用，監督營運風險相關事宜及監控已識別風險事項的改善計劃及由營運風險管理工具(包括自我監控評估及主要風險指標)所需的待糾正事項。

業務及支援單位須定期審閱其程序以確保符合內部監控標準及監管規定。彼等亦須就內部監控、監管合規及營運風險管理相關活動及措施與營運風險管理部門，合規及反洗黑錢部門緊密合作。

各新產品或服務的引進或現有產品或服務的更改均須進行嚴格檢閱及審批過程，並由獨立於建議該產品或服務的風險承擔部門之獨立部門識別及評估所有相關風險。本集團已制定適當及充足的盡職審查程序，以確保持續檢討所有現成產品。此外，本集團定期維持業務連續性計劃及測試或然設備，以確保於業務受嚴重干擾下有能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。

35. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

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

The principal forms of capital are included in the following balances in the consolidated statement of financial position: share capital and reserves. Capital for regulatory purposes also includes the impairment allowances made against Stage 1 and Stage 2 financial assets as allowed by the Capital Rules.

The Group adopts the standardised approach for the calculation of risk-weighted assets for credit risk and market risk, and the basis indicator approach for the calculation of operational risk.

Consistent with industry practice, the Group monitors its capital structure on the basis of its capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

35. 財務風險管理(續)

(e) 資本管理

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，從而透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，持續為股東提供回報及向其他權益持有人提供利益。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

本集團的資本管理由資產負債委員會監督，並由董事會定期審查。採納的關鍵工具包括內部資本充足評估程序、資本預算、監管及壓力測試。根據金管局於監管政策手冊中「監管審查程序」的規定，進行年度內部資本充足評估程序以識別及計量面臨的風險，並評估需要多少資金作支援。年度資本預算乃於年度預算過程中編製，經計及預測業務增長及任何新業務活動後，評估本集團之資本充足性，從而支持當期及未來業務活動。年度預算由董事會批准。實際資本充足性乃按定期基準計量及與批准預算進行比較。此外，針對本集團面臨的風險的主要來源進行定期壓力測試及情況分析，以評估對資本充足性比率的影响。本集團的恢復計劃確保本集團於嚴重受壓期間能夠維持或恢復其資金水平。恢復計劃須進行定期(最少每年一次)檢討及更新。

資本的主要形式包括以下於綜合財務狀況表的餘額：股本及儲備。就監管目的而言，資本亦包括資本規則所允許的對第一階段和第二阶段金融資產的減值準備。

本集團採用標準化方法計算信貸風險及市場風險之風險加權資產以及採用基本指標方法計算營運風險。

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，年內本集團之資本管理政策並無重大變動。

35. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management (continued)

The Bank computes its capital adequacy ratios and leverage ratio of the Bank and certain specified subsidiaries in accordance with the Capital Rules of the HKBO. Certain non-banking financial subsidiaries are also subject to the supervision and capital requirements of local regulatory authorities. The Group regularly measures and monitors capital adequacy of these regulated subsidiaries.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2020 and 31 December 2019, and were above the minimum required ratio set by the HKMA and other regulatory authorities.

(f) Transfers of financial assets

At 31 December 2020, the Group had entered into repurchase agreements with certain counterparties to sell debt securities measured at amortized cost with carrying amounts of HK\$7.26 billion (2019: HK\$6.63 billion) which are subject to simultaneous agreements ("repurchase agreements") to repurchase these financial assets at agreed dates and prices. The consideration received under these repurchase agreements at 31 December totalling HK\$6.85 billion (2019: HK\$6.20 billion) is reported as "Deposits and balances of banks and other financial institutions" (Note 21) in the consolidated statement of financial position.

As stipulated in the repurchase agreements, there was no transfer of the legal ownership of these financial assets to the counterparties during the covered period. However, the Group was not allowed to sell or pledge these financial assets during the covered period unless both parties mutually agree with such arrangement. Accordingly, these financial assets were not derecognized from the financial statements but regarded as "collateral" for the secured lending by these counterparties. Normally, the counterparties could only claim from the collateral when there exists an event of default on the secured lending.

At 31 December 2020 and 2019, there were no outstanding transferred financial assets in which the Group had a continuing involvement, that were derecognized in their entirety.

35. 財務風險管理(續)

(e) 資本管理(續)

本行根據香港《銀行業條例》的資本規則計算本行及若干指定附屬公司的資本充足比率及槓桿比率。若干非銀行金融附屬公司亦須遵守當地監管機構的監督及資本規定。本集團定期計量及監管該等受監管附屬公司的資本充足性。

截至二零二零年十二月三十一日及二零一九年十二月三十一日止整個年度，本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局及其他監管機構頒佈之最低比率規定。

(f) 金融資產轉讓

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

如回購協議所規定，於覆蓋期間並無轉讓該等金融資產之法律所有權至對手方。然而，本集團於覆蓋期間並不允許出售或抵押該等金融資產，除非訂約各方相互同意有關安排則另作別論。因此，該等金融資產並無於財務報告終止確認但被視作向該等對手方提供有抵押借貸之「抵押品」。對手方一般只有在有抵押借貸存在違約事件時才會索償抵押品。

於二零二零年及二零一九年十二月三十一日，既有已轉讓金融資產已全部終止確認，且本集團並無持續牽涉其中。

36. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of Company 公司名稱	Particulars of issued and paid up capital 已發行及 繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
Incorporated and operating in Hong Kong 於香港註冊成立及經營			
Fubon Credit (Hong Kong) Limited 富邦財務(香港)有限公司	HK\$65,000,000 65,000,000 港元	100%	Provision of financing services 提供財務服務
FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司	HK\$8,000,000 8,000,000 港元	100%	Securities broking 證券經紀
Fubon Nominees (Hong Kong) Limited	HK\$200 200 港元	100%	Nominee service 代理人服務
Fubon Insurance Brokers Limited 富邦保險顧問有限公司	HK\$500,000 500,000 港元	100%	Insurance broker services 保險經紀服務

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

36. 於附屬公司之投資

以下名單僅包括主要影響本集團業績、資產或負債的附屬公司的詳情。除另有說明者外，所持股份類別均為普通股。

所有上述附屬公司由本行直接擁有。

37. INTEREST IN AN ASSOCIATE

Unlisted shares, at cost	非上市股份，按成本值
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備

37. 於聯營公司之權益

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

37. INTEREST IN AN ASSOCIATE (continued)

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

Name of associate 聯營公司名稱	Form of business structure 業務構成形式	Place of incorporation and operation 註冊成立及營運地點	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
IBA Finance Corporation ("IBAFI")	Incorporated 註冊成立	The Philippines 菲律賓	50,000,000 ordinary shares of PHP1 each 50,000,000股每股面值菲律賓披索1元的普通股	40.00%	Provision of financing and leasing services 提供融資及租賃服務

The Group's effective interest over the associate is held by the Bank directly. The Group has not equity accounted for the investments in IBAFI in view of the immaterial amount involved.

37. 於聯營公司之權益(續)

於二零二零年及二零一九年十二月三十一日，本集團擁有一間聯營公司。該聯營公司為非上市企業實體且無法獲取其市價。聯營公司之資料載列如下：

本集團於聯營公司的實際權益由本行直接持有。由於所涉及之金額微不足道，本集團並無以權益法將於IBAFI之投資列入賬內。

38. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2020, the Directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Co., Ltd., which is incorporated in the Republic of China.

38. 直接母公司及最終控股公司

於二零二零年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司。該公司於中華民國註冊成立。

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

39. 銀行財務狀況表及權益變動表

ASSETS

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

LIABILITIES

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

EQUITY

Share capital
Reserves
Total equity
Total equity and liabilities

資產

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

負債

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

權益

股本
儲備
權益總額
權益及負債總額

31 December 2020 二零二零年十二月三十一日 HK\$'000 千港元	31 December 2019 二零一九年十二月三十一日 HK\$'000 千港元
4,966,634	5,290,683
458,770	2,862,464
1,948,454	1,943,242
563,443	543,793
54,912,205	52,307,177
915,668	724,425
2,221,900	2,003,631
41,185,231	40,516,235
1,316,272	1,074,054
73,562	73,162
147,195	65,633
3,749,930	4,075,218
49,500	—
—	41,300
112,508,764	111,521,017
10,041,639	9,140,295
76,538,430	75,043,411
1,948,454	948,173
4,167,874	4,730,098
1,544,626	1,165,268
1,080,890	385,348
1,649,826	3,115,973
369,541	273,138
602,966	651,442
—	1,555,776
97,944,246	97,008,922
4,830,448	4,830,448
9,734,070	9,681,647
14,564,518	14,512,095
112,508,764	111,521,017

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

經董事會於二零二一年三月十六日批准及授權頒佈。

Daniel TSAI Ming Chung
蔡明忠
Director
董事

Hung SHIH
石宏
Director
董事

Raymond LEE Wing Hung
李永鴻
Director
董事

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

39. 銀行財務狀況表及權益變動表 (續)

		Share capital	Regulatory reserve	Investment revaluation reserve (non-recycling) 投資重估儲備 (非循環)	Premises revaluation reserve 物業重估儲備	Retained earnings	Total equity
		股本 HK\$'000 千港元	法定儲備 HK\$'000 千港元	投資重估儲備 (非循環) HK\$'000 千港元	物業重估儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總額 HK\$'000 千港元
At 31 December 2018	二零一八年十二月三十一日	4,830,448	536,600	558,937	2,674,352	5,299,912	13,900,249
Opening balance adjustments arising from change in accounting policy	因會計政策變動而對期初結餘作出調整	-	-	-	-	(4,677)	(4,677)
At 1 January 2019	二零一九年一月一日	4,830,448	536,600	558,937	2,674,352	5,295,235	13,895,572
Total comprehensive income for the year	本年度全面收益總額	-	-	222,910	(191,419)	585,032	616,523
- Profit for the year	- 本年度溢利	-	-	-	-	589,398	589,398
- Other comprehensive income, of which:	- 其他全面收益，其中：						
- Equity securities designated at FVOCI: net movement in investment revaluation reserve	- 指定以公平價值於其他全面收益計量之股本證券：投資重估儲備淨變動	-	-	222,910	-	-	222,910
- Remeasurement of net defined benefit liability	- 重新計量定額福利負債淨額	-	-	-	-	(4,366)	(4,366)
- Premises: net movement in premises revaluation reserve	- 物業：物業重估儲備淨變動	-	-	-	(191,419)	-	(191,419)
Transfer from/(to) retained earnings	轉撥自/(至)保留溢利	-	(111,434)	-	(61,334)	172,768	-
At 31 December 2019	二零一九年十二月三十一日	4,830,448	425,166	781,847	2,421,599	6,053,035	14,512,095

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

39. 銀行財務狀況表及權益變動表 (續)

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

The information of individual reserves is disclosed in Note 27.

個別儲備的資料於附註 27 披露。

40. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

(A) Key sources of estimation uncertainty

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

(i) Impairment losses

Management exercises judgement in establishing the criteria for determining whether the credit risk of a financial asset has increased significantly since initial recognition and determining inputs into the ECL measurement model, including the incorporation of forward-looking information. For details of the ECL model, please refer to Note 35(a)(viii).

(ii) Fair value determination

The Group determines the fair values of financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, the net assets of the underlying investments, P/E, EV/EBIT and P/AUM multiples of comparable listed companies. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

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

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

(i) Classification of financial assets

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

40. 會計估計及判斷

本集團的管理層於編製此等財務報告時作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

(A) 估計不明朗因素之主要來源

附註 20 及 32 載有與物業及金融工具的公平價值有關的假設及風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(i) 減值虧損

管理層在確定釐定自初始確認後一項金融資產的信貸風險是否顯著增加及釐定預期信貸虧損計量模型的輸入數據（包括納入前瞻性資料）的標準時作出判斷。有關預期信貸虧損模式的詳情，請參閱附註 35(a)(viii)。

(ii) 公平價值釐定

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關工具之價格、相關投資之淨資產、可資比較上市公司的市盈率、企業價值與息稅前盈利比率及市值對管理資產比率倍數等市場參數，以內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

(B) 應用本集團會計政策時所作之重大會計判斷

有關應用本集團會計政策的若干重要會計判斷載述如下：

(i) 金融資產分類

評估持有資產的業務模式及評估金融資產的合約條款是否僅包括支付本金及利息。

40. ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

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

(ii) Measurement of ECL

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

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

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group:

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

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

40. 會計估計及判斷(續)

(B) 應用本集團會計政策時所作之重大會計判斷(續)

(ii) 預期信貸虧損計量

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

41. 已公佈但於截至二零二零年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之可能影響

截至此等財務報告公佈日，香港會計師公會已發布多項修訂及新準則(香港財務報告準則第17號，保險合約)，該等修訂及新準則於截至二零二零年十二月三十一日止年度尚未生效且並無在此等財務報告中採納。此等變動包含以下可能與本集團相關的事項：

Effective for accounting periods beginning on or after 於下列日期或之後開始之 會計期間生效

1 June 2020 二零二零年六月一日
1 January 2022 二零二二年一月一日
1 January 2022 二零二二年一月一日
1 January 2022 二零二二年一月一日
1 January 2022 二零二二年一月一日
1 January 2022 二零二二年一月一日
1 January 2023 二零二三年一月一日

本集團正對此等變動預期於初次應用期間的影響進行評估。就目前得出的結論而言，採納其不太可能對本集團綜合財務報表造成重大影響。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

(A) CONSOLIDATION BASIS FOR REGULATORY DISCLOSURES

The capital ratio is computed on a consolidated basis which combines the position of the Bank and Fubon Credit (Hong Kong) Limited as required by the HKMA for regulatory purposes.

The basis of consolidation for accounting purposes is in accordance with the HKFRSs and is different from the basis and scope of consolidation for the calculation of capital ratios. Subsidiaries that are included in the consolidation for accounting purposes but not included in the consolidation for the calculation of capital ratios are set out below:

(A) 監管披露之綜合基準

資本比率乃按金管局就監管目的要求的綜合本行與富邦財務(香港)有限公司的狀況按綜合基準計算。

作會計目的之綜合基準乃依據香港財務報告準則制定，但有別於計算資本比率之綜合基準及範圍。就會計用途綜合計入而計算資本比率時未綜合計入之附屬公司載於如下：

Name of subsidiaries 附屬公司名稱	Principal activities 主要業務	As at 31 December 2020 於二零二零年十二月三十一日		As at 31 December 2019 於二零一九年十二月三十一日	
		Total assets	Total equity	Total assets	Total equity
		資產總額	權益總額	資產總額	權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司	Securities broking 證券經紀	296,128	142,166	194,286	116,653
Fubon Insurance Brokers Limited 富邦保險顧問有限公司	Insurance broker services 保險經紀服務	5,583	4,237	1,889	1,064
Fubon Nominees (Hong Kong) Limited	Nominee service 代理人服務	7,010	147	4,134	143
Admiralty Finance Company Limited 海富財務有限公司	Dormant 不活躍	63	63	63	63
Aquarius (Nominees) Limited	Dormant 不活躍	6	6	6	6
		308,790	146,619	200,378	117,929

(A) CONSOLIDATION BASIS FOR REGULATORY DISCLOSURES (continued)

No subsidiaries are excluded from both the accounting scope of consolidation and the regulatory scope of consolidation. There are also no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation.

The Bank's shareholdings in the above subsidiaries are deducted from CET1 capital in accordance with the Capital Rules. There is no relevant capital shortfall in any of the Bank's subsidiaries which are not included as part of the consolidation group for the calculation of capital ratio.

The Group maintains a regulatory reserve, as disclosed in Note 27, to satisfy the provisions of the HKBO for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

In accordance with the Capital Rules, the Group has adopted the "standardised approach" for the calculation of risk-weighted assets for credit risk and market risk and the "basic indicator approach" for the calculation of operational risk.

The Group disclosed the full terms and conditions of its capital instruments as of the end of the reporting period in its website (<https://www.fubonbank.com.hk>) under the page "Regulatory Disclosures" in accordance with section 16FE of the BDR.

The leverage ratio, countercyclical capital ratio and liquidity maintenance ratio are computed on the same consolidation basis as the capital ratio.

(A) 監管披露之綜合基準 (續)

概無附屬公司既未被納入會計的綜合基準，亦未被納入監管目的的綜合基準。亦概無附屬公司被納入監管目的的綜合基準但未被納入會計的綜合基準。

本行於上述附屬公司之股權乃根據資本規則自普通股本一級資本中扣除。於計算資本比率時不計作綜合集團一部分之本行附屬公司中，並無有關資本短欠。

本集團已根據香港《銀行業條例》以嚴謹監管的規定維持法定儲備(如附註 27 所披露)。該儲備之變動乃在諮詢金管局之意見後直接透過保留溢利作出。

按照資本規則，本集團已採用「標準化方法」計算信貸風險及市場風險之風險加權資產以及採用「基本指標方法」計算營運風險。

本集團根據《銀行業(披露)規則》第 16FE 條於其網站(<https://www.fubonbank.com.hk>)「監管披露」頁面披露其截至報告期末的資本工具的全部條款及條件。

槓桿比率、逆週期資本比率及流動性維持比率均按與資本比率相同的綜合基準計算。

(B) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR

Advances to customers analysed by industry sector and the coverage of collateral is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

(B) 按行業分類的客戶貸款的進一步分析

按行業及有抵押貸款的客戶貸款分析如下。經濟行業分析乃基於金管局所採用的類別及定義。

		31 December 2020 二零二零年十二月三十一日		31 December 2019 二零一九年十二月三十一日	
		Gross advances to customers 客戶貸款總額 HK\$'000 千港元	% of gross loans covered by collateral 有抵押之貸款佔貸款總額之百分比	Gross advances to customers 客戶貸款總額 HK\$'000 千港元	% of gross loans covered by collateral 有抵押之貸款佔貸款總額之百分比
Gross advances for use in Hong Kong Industrial, commercial and financial	在香港使用的貸款總額 工商金融				
– Property development	– 物業發展	3,351,855	15.97	4,767,242	14.29
– Property investment	– 物業投資	7,867,895	63.80	8,710,970	66.24
– Financial concerns	– 金融企業	1,935,165	0.55	2,243,493	3.56
– Stockbrokers	– 股票經紀	2,501,549	47.65	1,714,513	48.36
– Wholesale and retail trade	– 批發及零售業	1,104,961	17.77	778,689	32.37
– Manufacturing	– 製造業	2,259,969	19.95	2,053,959	19.79
– Transport and transport equipment	– 運輸及運輸設備	304,104	15.20	282,605	52.32
– Information technology	– 資訊科技	533,402	–	374,438	–
– Electricity and gas	– 電力及煤氣	341,597	–	550,212	–
– Others	– 其他	4,417,395	48.19	3,676,258	33.74
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	– 購買「居者有其屋計劃」、 「私人參建居屋計劃」 及「租者置其屋計劃」 或其各自的後繼計劃 的樓宇的貸款	3,627	95.73	4,061	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的 貸款	9,988,744	99.94	9,018,440	100.00
– Credit card advances	– 信用卡貸款	745,129	–	819,809	–
– Others	– 其他	3,686,143	44.83	4,051,517	35.60
Trade finance	貿易融資	39,041,535		39,046,206	
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	4,242,438	21.84	4,784,320	18.53
		12,300,700	0.32	8,765,814	1.46
Gross advances to customers	客戶貸款總額	55,584,673	39.91	52,596,340	39.71

(B) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR

(continued)

Analysis of the Group's impaired advances in respect of industry sectors which account for 10% or more of gross advances to customers:

(B) 按行業分類的客戶貸款的進一步分析 (續)

按行業分析佔客戶貸款總額 10% 或以上的本集團減值貸款如下：

31 December 2020

二零二零年十二月三十一日

- Property investment 物業投資
- Loans for the purchase of other residential properties 購買其他住宅物業的貸款
- Gross advances for use outside Hong Kong 在香港以外使用的貸款總額

Overdue advances	Impaired advances	Individual impairment allowances*	Collective impairment allowance*	Provisions (released back)/ charged to the profit or loss during the year	Loans written off during the year
逾期貸款	減值貸款	個別減值撥備*	綜合減值撥備*	本年度於損益賬內(撥回)/扣除之撥備	年內撇賬之貸款
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
135,788	-	-	10,201	(3,243)	-
94,208	2,827	-	11,012	7,396	-
77,521	-	-	144,217	117,010	-

31 December 2019

二零一九年十二月三十一日

- Property investment 物業投資
- Loans for the purchase of other residential properties 購買其他住宅物業的貸款
- Gross advances for use outside Hong Kong 在香港以外使用的貸款總額

Overdue advances	Impaired advances	Individual impairment allowances*	Collective impairment allowance*	Provisions charged to the profit or loss during the year	Loans written off during the year
逾期貸款	減值貸款	個別減值撥備*	綜合減值撥備*	本年度於損益賬內扣除之撥備	年內撇賬之貸款
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
55,186	3,598	-	13,444	8,810	-
79,403	-	-	3,616	2,990	-
-	-	-	27,207	2,456	23,097

* For the purpose of regulatory disclosures made in the Unaudited Supplementary Financial Information, the term "individual impairment allowances" represents impairment allowances recognized for financial assets categorized as Stage 3 under the Group's accounting policies, while "collective impairment allowance" represents impairment allowances recognized on financial assets categorized as Stage 1 and Stage 2 under the Group's accounting policies.

* 就於未經審核補充財務資料作出的監管披露而言，「個別減值撥備」指本集團會計政策下分類為第三階段之金融資產確認的減值撥備，而「綜合減值撥備」指本集團會計政策下分類為第一階段及第二階段之金融資產確認的減值撥備。

(C) OVERDUE AND RESCHEDULED ASSETS

(i) Overdue advances to customers

Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	客戶貸款總額之本金或利息有逾期：
- 6 months or less but over 3 months	一六個月或以下惟三個月以上
- 1 year or less but over 6 months	一一年或以下惟六個月以上
- Over 1 year	一超過一年
Covered portion of overdue advances to customers	逾期客戶貸款的有抵押部分
Uncovered portion of overdue advances to customers	逾期客戶貸款的無抵押部分
Individual impairment allowances in respect of advances overdue for more than three months	就逾期超過三個月之貸款所作之個別減值撥備

Advances to customers with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

(C) 逾期及經重組資產

(i) 逾期客戶貸款

31 December 2020 二零二零年十二月三十一日		31 December 2019 二零一九年十二月三十一日	
HK\$'000	% of gross advances 佔貸款總額之百分比	HK\$'000	% of gross advances 佔貸款總額之百分比
千港元		千港元	
163,059	0.29	17,934	0.04
15,205	0.03	10,668	0.02
155,075	0.28	147,847	0.28
333,339	0.60	176,449	0.34
9,700		18,725	
323,639		157,724	
333,339		176,449	
306,021		156,179	

有指定還款期的客戶貸款在其本金或利息逾期並於年末仍未支付時被分類為已逾期。分期付款償還的貸款在部分分期貸款已逾期且於年末仍未支付時被視為已逾期。按要求償還的貸款在借款人收到償還要求但並無根據要求通知還款及／或在貸款已持續超出已知會借款人的獲批准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長時分類為已逾期。

(C) OVERDUE AND RESCHEDULED ASSETS (continued)

(ii) Rescheduled advances to customers

Rescheduled advances to customers are those advances to customers which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled advances to customers are stated net of any advances to customers that have subsequently become overdue for over 3 months and can be analysed as follows:

Rescheduled advances to customers

重定還款期的客戶貸款

31 December 2020 二零二零年十二月三十一日		31 December 2019 二零一九年十二月三十一日	
HK\$'000	% of gross advances 佔貸款總額之百分比	HK\$'000	% of gross advances 佔貸款總額之百分比
千港元		千港元	
3,594	0.01	3,264	0.01

(iii) Geographical analysis of overdue advances to customers

Analysis of the Group's overdue advances to customers in respect of geographical segment which account for not less than 10% of gross advances to customers:

Hong Kong
Other

香港
其他地區

31 December 2020 二零二零年十二月三十一日			
Gross advances to customers 客戶貸款總額 HK\$'000 千港元	Overdue advances to customers 已逾期客戶貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款(個別釐定) HK\$'000 千港元	Individual impairment allowances 個別減值撥備 HK\$'000 千港元
46,318,060	259,232	296,276	263,185
9,266,613	74,107	186,607	131,854
55,584,673	333,339	482,883	395,039

(C) 逾期及經重組資產 (續)

(ii) 重定還款期的客戶貸款

重定還款期的客戶貸款是指由於借款人財政狀況轉壞或無法按原定還款期還款，而被重定還款期的或重新議定的客戶貸款，而經修訂的還款計劃對於本集團屬非商業條款。重定還款期的客戶貸款乃扣除已隨後逾期超過三個月的任何客戶貸款列賬，並可分析如下：

(iii) 按地區分析的已逾期客戶貸款

按地區部分分析本集團已逾期客戶貸款(佔客戶貸款總額不足 10%)：

(C) OVERDUE AND RESCHEDULED ASSETS (continued)**(iii) Geographical analysis of overdue advances to customers** (continued)**(C) 逾期及經重組資產** (續)**(iii) 按地區分析的已逾期客戶貸款** (續)

		31 December 2019 二零一九年十二月三十一日			
		Gross advances to customers	Overdue advances to customers	Impaired loans (individually determined) 減值貸款 (個別釐定)	Individual impairment allowances 個別減值撥備
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Hong Kong	香港	43,301,898	103,547	98,050	87,893
China	中國	7,662,895	—	—	—
Other	其他地區	1,631,547	72,902	72,902	72,902
		52,596,340	176,449	170,952	160,795

The above geographical analysis is classified by the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

The collective impairment allowance is not allocated to any geographical segment as at 31 December 2020 and 2019.

以上地區分析按借款人所在地，經計及風險轉移後而劃定。一般而言，若貸款的擔保人所處地區與交易對手不同，則風險轉移至擔保人的所在地區。

於二零二零年及二零一九年十二月三十一日，概無綜合減值撥備分派予任何地區分部。

(D) INTERNATIONAL CLAIMS

The Group's country risk exposures in the tables below are prepared in according to the location and types of the counterparties as defined by the HKMA under the BDR. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies.

International claims attributable to individual countries or areas not less than 10% of the Group's total international claims, after recognized risk transfer, are shown as follows:

(D) 國際債權

下表為本集團對國家的風險分析，乃按照金管局根據《銀行業(披露)規則》所界定的對手方所在地及類別分類。國際債權為對手方在資產負債表內風險承擔，按對手方的所在地作出分類，並已計及風險轉移因素後，其總和包括所有貨幣之跨國債權及本地之外幣債權。

個別國家或地區分部並已計及已確認風險轉移後佔本集團國際債權總額不少於10%之國際債權載列如下：

		31 December 2020 二零二零年十二月三十一日				
Figures in HK\$ million	百萬港元	Banks	Official sector	Non-bank financial institution 非銀行金融機構	Non-financial private sector 非金融私人機構	Total
Counterparty country/jurisdiction	對手方國家／司法權區	銀行	官方機構	金融機構	私人機構	總額
Developed countries	發達國家	5,074	18	666	1,925	7,683
Offshore centres	離岸中心	166	12	2,582	24,607	27,367
– of which: Hong Kong	– 其中：香港	165	12	2,473	20,456	23,106
Developing Asia and Pacific	發展中亞洲及太平洋地區	5,629	347	3,241	14,391	23,608
– of which: China	– 其中：中國	2,073	318	3,241	13,501	19,133

		31 December 2019 二零一九年十二月三十一日				
Figures in HK\$ million	百萬港元	Banks	Official sector	Non-bank financial institution 非銀行金融機構	Non-financial private sector 非金融私人機構	Total
Counterparty country/jurisdiction	對手方國家／司法權區	銀行	官方機構	金融機構	私人機構	總額
Developed countries	發達國家	8,230	18	357	479	9,084
Offshore centres	離岸中心	252	11	2,226	18,112	20,601
– of which: Hong Kong	– 其中：香港	180	11	2,029	17,133	19,353
Developing Asia and Pacific	發展中亞洲及太平洋地區	10,196	329	2,570	14,594	27,689
– of which: China	– 其中：中國	6,013	329	2,570	13,858	22,770

(E) NON-BANK MAINLAND CHINA EXPOSURES

The analysis of non-bank Mainland exposures includes the exposure of the Bank and Fubon Credit (Hong Kong) Limited on the basis agreed with the HKMA.

(E) 中國內地非銀行業之風險

中國內地非銀行業之風險(包括本行及富邦財務(香港)有限公司)按與金管局協議的基準作出分析。

Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	中央政府、中央政府擁有之實體以及其附屬公司及合營公司
Local governments, local government-owned entities and their subsidiaries and JVs	地方政府、地方政府擁有之實體以及其附屬公司及合營公司
Companies incorporated in and PRC nationals residing in Mainland China	於中國內地註冊成立之公司及居住於中國內地之中國公民
Companies incorporated outside and PRC nationals residing outside Mainland China where the credit is granted for use in Mainland China	於授出之信貸用於中國內地之中國內地以外地區註冊成立之公司及居住於有關地區之中國公民
Other counterparties where the exposures are considered by the Bank to be non-bank Mainland China exposures	本行認為其風險為中國內地非銀行業之風險之其他交易對手
Total	總額
Total assets after provision	資產總值(扣除撥備)
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔資產總值之百分比

31 December 2020 二零二零年十二月三十一日		
On-balance sheet exposure 資產負債表內之風險承擔 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外之風險承擔 HK\$'000 千港元	Total 總額 HK\$'000 千港元
16,347,416	62,666	16,410,082
3,368,580	30,905	3,399,485
6,675,006	355,902	7,030,908
3,413,931	238,147	3,652,078
-	-	-
29,804,933	687,620	30,492,553
111,990,147		
26.61%		

(E) NON-BANK MAINLAND CHINA EXPOSURES (continued)

(E) 中國內地非銀行業之風險 (續)

		31 December 2019 二零一九年十二月三十一日		
		On-balance sheet exposure 資產負債表內 之風險承擔 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險承擔 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Central government, central government-owned entities and their subsidiaries and JVs	中央政府、中央政府擁有之實體以及其附屬公司及合營公司	14,334,945	186,896	14,521,841
Local governments, local government-owned entities and their subsidiaries and JVs	地方政府、地方政府擁有之實體以及其附屬公司及合營公司	2,949,321	—	2,949,321
Companies incorporated in and PRC nationals residing in Mainland China	於中國內地註冊成立之公司及居住於中國內地之中國公民	6,106,794	176,201	6,282,995
Companies incorporated outside and PRC nationals residing outside Mainland China where the credit is granted for use in Mainland China	於授出之信貸用於中國內地之中國內地以外地區註冊成立之公司及居住於有關地區之中國公民	3,375,043	135,030	3,510,073
Other counterparties where the exposures are considered by the Bank to be non-bank Mainland China exposures	本行認為其風險為中國內地非銀行業之風險之其他交易對手	—	—	—
Total	總額	26,766,103	498,127	27,264,230
Total assets after provision	資產總值(扣除撥備)	110,987,016		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔資產總值之百分比	24.12%		

(F) CURRENCY CONCENTRATION

The Bank's net positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position in all foreign currencies:

Equivalent in HK\$ Million**百萬港元等值**

Spot assets	現貨資產
Spot liabilities	現貨負債
Forward purchase	遠期買入
Forward sales	遠期賣出
Net option position	期權倉盤淨額
Net long position	長盤淨額

Equivalent in HK\$ Million**百萬港元等值**

Spot assets	現貨資產
Spot liabilities	現貨負債
Forward purchase	遠期買入
Forward sales	遠期賣出
Net option position	期權倉盤淨額
Net (short)/long position	(短)/長盤淨額

The net option position is calculated on the basis of the delta-weighted position of option contracts. The Bank has no structural foreign currency position as of 31 December 2020 and 2019.

(F) 外幣持盤量

本行個別外幣的淨持有額若佔所持有外匯淨盤總額總淨額 10%或以上，則披露如下：

31 December 2020		
二零二零年十二月三十一日		
US dollars	Other foreign currencies	Total foreign currencies
美元	其他外幣	外幣總額
41,754	5,789	47,543
(33,773)	(6,376)	(40,149)
5,809	4,645	10,454
(12,521)	(4,029)	(16,550)
-	-	-
1,269	29	1,298

31 December 2019		
二零一九年十二月三十一日		
US dollars	Other foreign currencies	Total foreign currencies
美元	其他外幣	外幣總額
40,716	7,686	48,402
(35,295)	(7,395)	(42,690)
9,572	4,098	13,670
(15,494)	(4,349)	(19,843)
-	-	-
(501)	40	(461)

期權倉盤淨額乃根據期權合約的「得爾塔加權持倉」為基準計算。截至二零二零年及二零一九年十二月三十一日，本集團並無結構性外幣倉盤。

(G) CORPORATE GOVERNANCE

The Bank belongs to Fubon Financial Holding Co., Ltd, which is highly esteemed for its corporate governance, and regards corporate governance as an essential discipline for its operations and businesses. Thus, the Bank has in place an effective framework which is consistent with the principles and best practices in corporate governance as set forth in the guidelines on “Corporate Governance of Locally Incorporated Authorised Institutions” and “Sound Remuneration System” issued by the HKMA. The Bank has fully complied with those guidelines throughout the year.

(H) KEY COMMITTEES

The Board of Directors (the “Board”) has established five Board committees to assist it in carrying out its responsibilities comprising the Audit Committee, Nomination and Remuneration Committee, Risk Committee, Executive Credit Committee and Executive Committee. In addition, a number of management level committees have been set up by the Board to oversee the effectiveness of the Bank’s daily operations including, the Management Steering/Business Committee, Asset and Liability Committee, Internal Control Committee, Credit Committee, Information Technology Steering Committee and Compliance & Anti-Money Laundering Committee. The composition and function of these committees are set out below:

(i) Audit Committee

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

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

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

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

(G) 企業管治

本集團隸屬於富邦金融控股股份有限公司，一個高度重視企業管治的集團，並視企業管治為其經營及業務的必要原則。因此，本行已制定符合金管局發出之「本地註冊認可機構的企業管治指引」及「穩健的薪酬制度」內所載的企業管治原則及最佳常規的有效架構。本行全年均全面遵守該等指引。

(H) 主要委員會

董事會已成立五個董事委員會以協助董事會行使其職責，該等委員會包括審核委員會、提名及薪酬委員會、風險委員會、執行信貸委員會及執行委員會。此外，董事會亦成立了若干管理級別委員會以監督本行日常運作之有效性，該等委員會包括管理督導／業務委員會、資產負債委員會、內部監控委員會、信貸委員會、資訊科技督導委員會以及合規及反洗黑錢委員會。該等委員會之構成及職能載列如下：

(i) 審核委員會

審核委員會由四名成員組成，包括一名非執行董事及三名獨立非執行董事。審核委員會由擁有豐富銀行業經驗之獨立非執行董事任主席。該委員會每年最少舉行四次會議，並在有需要時舉行額外會議。

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

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

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

(H) KEY COMMITTEES (continued)

(ii) Nomination and Remuneration Committee

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

The committee regularly reviews whether each existing Director continues to remain qualified for his post, including the suitability and appropriateness of the Independent Non-Executive Director. It also reviews the structure, size and composition of the Board and makes recommendations on any proposed change to the Board.

The committee reviews and approves the remuneration of Directors, members of Board committees, Senior Management and Key Personnel (as defined in the Remuneration Policy of the Bank).

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

(iii) Risk Committee

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

(H) 主要委員會 (續)

(ii) 提名及薪酬委員會

提名及薪酬委員會由本行的獨立非執行董事任主席並由本行的非執行主席、非執行副主席及全體獨立非執行董事組成。該委員會按需要定期舉行會議，以及監查本行人力資源管理，包括委任董事（執行及非執行）、高級管理層及管理委員會成員。該委員會亦設立本行的整體人力資源管理框架以確保本行遵守政府相關規定及在任何可能情況下遵循市場最佳常規。該委員會亦負責確保獲委任董事、行政總裁及管理委員會成員擁有必要及適當的資格以履行彼等的職責。

該委員會定期審視每位現任董事的資格以確定其繼續符合擔任其職務，包括獨立非執行董事的合適性及適當性。其亦審視董事會結構、規模及組成並向董事會作出適切建議。

該委員會審閱及批准董事、董事會轄下的委員會成員、高級管理層及主要員工的薪酬（定義見本行薪酬政策）。

委員會獲授權協助董事會制定本行的企業文化和行為準則，以配合本行審慎的風險承擔和公平對待客戶及員工的原則。委員會建議並協助董事會履行對企業文化等相關事宜的責任。

(iii) 風險委員會

風險委員會由五名成員組成，包括一名執行董事、一名非執行董事及三名獨立非執行董事。風險委員會由具豐富銀行經驗之獨立非執行董事擔任主席。委員會每年最少舉行四次會議，並在有需要時舉行額外會議。其職責為建立本行的整體風險承受能力及確保本行已建立一個合適的風險管理框架，以及監管高級管理層實施本行的風險政策。

(H) KEY COMMITTEES (continued)

(iii) Risk Committee (continued)

The Risk Committee reviews and endorses the Bank's risk appetite statement and risk management strategies on an annual basis. It oversees the establishment and maintenance by Senior Management of appropriate infrastructure, resources and systems for risk management, particularly 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 Risk Committee is required to ensure that the staff responsible for implementing risk management systems and controls are sufficiently independent of the risk-taking units in the Bank.

(iv) Executive Committee

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

(v) Executive Credit Committee

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

(vi) Management Steering/Business Committee

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

(H) 主要委員會 (續)

(iii) 風險委員會 (續)

風險委員會將每年審查及確認本行的風險承受能力聲明及風險管理策略。其監察由高級管理層就風險管理所制定及維持的適當基礎設施、資源及系統，尤其是遵守相關法律及監管規定、遵守經批准的風險承受能力及有關政策，並於可行情況下採取最佳常規。

風險委員會須確保負責實施風險管理系統及監控的員工及充分獨立於本行的風險承擔部門。

(iv) 執行委員會

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

(v) 執行信貸委員會

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

(vi) 管理督導／業務委員會

管理督導委員會及管理業務委員會(統稱「該等委員會」)均由本行的行政總裁任主席，並由行政總裁所委任的高級管理人員組成。該等委員會乃本行重要的決策組織，主要在董事會授權下負責銀行的日常運作，以確保切合董事會批核的策略和業務計劃。該等委員會亦負責制定本行的業務策略及主要全行措施以供董事會批核。該等委員會每隔一周舉行一次會議，以評估及批准新業務計劃、在業務策略的推行過程中協調業務及後勤部門的工作，以及監察進度。該等委員會亦監察已批准業務策略的實施進度，檢討本行業務目標的實現狀況、宗旨及財務表現。

(H) KEY COMMITTEES (continued)**(vii) Asset and Liability Committee**

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

(viii) Internal Control Committee

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

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

(ix) Credit Committee

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

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

(H) 主要委員會 (續)**(vii) 資產負債委員會**

資產負債委員會由本行的行政總裁、財務長及行政總裁所委任的高級管理人員組成。該委員會負責監查本行有關利率風險、市場風險及流動資金性風險(統稱為「財務風險」)的業務以及資本管理。資產負債委員會分別啟動、審閱及批准本行財務風險及資本管理政策，以供董事會風險委員會及董事會批准。其批准有關該等政策的指引，審閱及批准所有重大財務風險管理報告。資產負債委員會亦透過在董事會的風險委員會規定的政策範圍內設立投資策略以監督本行的投資活動以及檢討實際表現。

(viii) 內部監控委員會

內部監控委員會由本行的行政總裁、執行副總裁、監控及風險管理部主管以及各控管、業務及後勤部門主管組成。該委員會負責監督本行面臨之營運及法律風險、確保本行備有行之有效內部監控架構、及提供指引為本行建立良好的內部監控及監督系統，以確保本行整體之合規性。

為確保推行有效的內部監控架構，內部監控委員會審閱及批核與內部監控以及管理營運及法律風險有關的政策及指引、省覽及討論各風險管理單位提交的報告以及推動內部監控文化。為了維持充足的內部監控制度，內部監控委員會審視及討論主要營運風險事件，以及源自審計報告及監控自我評估之改善進展。

(ix) 信貸委員會

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

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

(H) KEY COMMITTEES (continued)

(ix) Credit Committee (continued)

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

(x) Information Technology Steering Committee

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

(xi) Compliance & Anti-Money Laundering Committee

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

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

(H) 主要委員會 (續)

(ix) 信貸委員會 (續)

信貸委員會會就市場環境進行持續檢討，並向執行信貸委員會提出所須的政策建議，以確保本行的信貸風險維持於既定風險承受能力之內。就此而言，信貸委員會會定期及適時地向執行信貸委員會提供信貸相關管理及壓力測試報告以供審閱。

(x) 資訊科技督導委員會

資訊科技督導委員會由本行的行政總裁任主席，由行政總裁所委任的高級管理人員組成。該委員會負責監督本行的主要資訊科技管治方針。該委員會會批准銀行的資訊科技相關指引；批准長期及短期資訊科技策略以確保有關策略符合本行業務策略及優先權；批准資金及釐定資訊科技投資項目的優先次序；討論由其下轄委員會上呈的主要項目及風險議題的狀況；以及管理主要資訊科技風險事宜及相應補救方法。該委員會每月召開會議並在委員會主席特別要求時舉行臨時會議。

(xi) 合規及反洗黑錢委員會

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

為保持本行的整體監管合規水平，合規及反洗黑錢委員會審閱本行適用的監管規例的最新進展。

MEMBERS OF FUBON FINANCIAL HOLDINGS

富邦金控成員

Fubon Financial Holding Co., Ltd.

Year of Founding: Dec 2001
Chairman : Richard M. Tsai
President : Jerry Harn
Capital : NT\$115 Billion
237 Section 1 Jianguo S Road,
Taipei, Taiwan
Tel : (8862) 6636 6636
Fax: (8862) 6636 0111
www.fubon.com

Fubon Life Insurance Co., Ltd.

Year of Founding: Jul 1987
Chairman : Richard M. Tsai
President : Benson Chen
Capital : NT\$110.83 Billion
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 8771 6699
Fax: (8862) 8809 8889
www.fubon.com

* Aetna Life Insurance Company of America, Taiwan Branch was established in 1987 and then bought by ING Group in 2000 and renamed ING Life Taiwan. The branch became an ING Life subsidiary in 2006, which was later bought by the Fubon Group. Fubon Life was launched in 1993. The two insurers formally merged in 2009.

Taipei Fubon Commercial Bank Co., Ltd.

Year of Founding: Apr 1969
Chairman : Eric Chen
President : Roman Cheng
Capital : NT\$122.56 Billion
169 Section 4 Ren Ai Road,
Taipei, Taiwan
Tel : (8862) 2771 6699
Fax: (8862) 6638 3812
www.fubon.com

Fubon Bank (Hong Kong) Limited

Year of Founding: Jan 1970
Chairman : Daniel M. Tsai
Chief Executive Officer: Raymond Lee
Capital : HK\$4.83 Billion
38 Des Voeux Road Central,
Hong Kong
Tel : (852) 2842 6222
Fax: (852) 2810 1483
www.fubonbank.com.hk

Fubon Bank (China) Co., Ltd.

Year of Founding: Mar 1997
Chairman : Lixin Ma
President : Feng Chen
Capital : RMB 2.1 Billion
1-3F, 5F, 18-20F, Oriental Financial Plaza,
Tower A, 1168 Century Avenue,
Pudong Shanghai, P.R.C.
Tel : (8621) 2061 9888
Fax: (8621) 5840 9900
www.fubonchina.com

Fubon Insurance Co., Ltd.

Year of Founding: Apr 1961
Chairman : Ben Chen
President : Jason C.M. Lo
Capital : NT\$3.18 Billion
237 Section 1 Jianguo S Road,
Taipei, Taiwan
Tel : (8862) 6636 7890
Fax: (8862) 2325 4723
www.fubon.com

Fubon Securities Co., Ltd.

Year of Founding: Jul 1988
Chairman : Jerry Harn
President : Leo Cheng
Capital : NT\$10.64 Billion
169 Section 4 Ren Ai Road,
Taipei, Taiwan
Tel : (8862) 8771 6888
Fax: (8862) 8771 6636
www.fubon.com

Fubon Securities Investment Services Co., Ltd.

Year of Founding: May 1987
Chairman : Charles Hsiao
President : Peter Cheng
Capital : NT\$90 Million
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 2781 5995
Fax: (8862) 2773 5601
www.fubon.com

Fubon Futures Co., Ltd.

Year of Founding: May 1998
Chairman : Raymond Yang
President : Phoebe Chang
Capital : NT\$1.4 Billion
3F, 9 Xiangyang Road,
Taipei, Taiwan
Tel : (8862) 2388 2626
Fax: (8862) 2370 1110
www.fubon.com

Fubon Asset Management Co., Ltd.

Year of Founding: Sep 1992
Chairman : Gang Shyy
President : Ming M.C. Lee
Capital : NT\$2.5 Billion
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 8771 6688
Fax: (8862) 8771 6788
www.fubon.com

Fubon Direct Marketing Consulting Co., Ltd.

Year of Founding: Aug 1997
Chairman : Fred Juang
President : Alex Yeh
Capital : NT\$145 Million
17F, 9 Xiangyang Road, Taipei, Taiwan
Tel : (8862) 2370 5199
Fax: (8862) 2370 5100
www.fubon.com

Fubon Financial Holding Venture Capital Corp.

Year of Founding: Oct 2003
Chairman : Daniel M. Tsai
President : Chris Tsai
Capital : NT\$5.64 Billion
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 6606 9088
Fax: (8862) 8771 4697
www.fubon.com

Fubon Sports & Entertainment Co., Ltd.

Year of Founding: Sep 2007
Chairman : Chris Tsai
President : Joyce Chen
Capital : NT\$102 Million
108 Section 1 Dunhua S Road,
Taipei, Taiwan
Tel : (8862) 6606 9088
Fax: (8862) 8771 4697
www.fubon.com

* Taiwan Mobile Basketball was founded in September 2007 and renamed Fubon Sports & Entertainment in September 2014.

Fubon AMC, Ltd.

Year of Founding: Aug 2004
Chairman : Roman Cheng
Acting President : Wensheng Hung
Capital : NT\$2.5 Billion
50 Section 2 Zhongshan N Road,
Taipei, Taiwan
Tel : (8862) 6618 0588
Fax: (8862) 6608 0166
www.fubon.com

MEMBERS OF FUBON FINANCIAL HOLDINGS

富邦金控成員

富邦金融控股股份有限公司

2001 年 12 月成立
董事長：蔡明興
總經理：韓蔚廷
資本額：新台幣 1150.03 億元
台灣台北市建國南路一段 237 號
電話：(8862) 6636 6636
傳真：(8862) 6636 0111
www.fubon.com

富邦人壽保險股份有限公司

1987 年 7 月成立
董事長：蔡明興
總經理：陳俊傑
資本額：新台幣 1108.31 億元
台灣台北市敦化南路一段 108 號
電話：(8862) 8771 6699
傳真：(8862) 8809 8889
www.fubon.com

* 原安泰人壽台灣分公司於 1987 年成立（於 2006 年改制為子公司），原富邦人壽於 1993 年成立，富邦人壽與安泰人壽已於 2009 年正式合併。

台北富邦商業銀行股份有限公司

1969 年 4 月成立
董事長：陳聖德
總經理：程耀輝
資本額：新台幣 1225.62 億元
台灣台北市仁愛路四段 169 號
電話：(8862) 2771 6699
傳真：(8862) 6638 3812
www.fubon.com

富邦銀行(香港)有限公司

1970 年 1 月成立
主席：蔡明忠
行政總裁：李永鴻
資本額：港幣 48.3 億元
香港中環德輔道中 38 號
電話：(852) 2842 6222
傳真：(852) 2810 1483
www.fubonbank.com.hk

富邦華一銀行有限公司

1997 年 3 月成立
董事長：馬立新
行長：陳峰
資本額：人民幣 21 億元
中國上海市浦東新區
世紀大道 1168 號東方金融廣場
A座 1-3 樓、5 樓、18-20 樓
電話：(8621) 2061 9888
傳真：(8621) 5840 9900
www.fubonchina.com

富邦產物保險股份有限公司

1961 年 4 月成立
董事長：陳伯耀
總經理：羅建明
資本額：新台幣 31.78 億元
台灣台北市建國南路一段 237 號
電話：(8862) 6636 7890
傳真：(8862) 2325 4723
www.fubon.com

富邦綜合證券股份有限公司

1988 年 7 月成立
董事長：韓蔚廷
總經理：程明乾
資本額：新台幣 106.44 億元
台灣台北市仁愛路四段 169 號
電話：(8862) 8771 6888
傳真：(8862) 8771 6636
www.fubon.com

富邦證券投資顧問股份有限公司

1987 年 5 月成立
董事長：蕭乾祥
總經理：程定國
資本額：新台幣 0.9 億元
台灣台北市敦化南路一段 108 號
電話：(8862) 2781 5995
傳真：(8862) 2773 5601
www.fubon.com

富邦期貨股份有限公司

1998 年 5 月成立
董事長：楊俊宏
總經理：張雅斐
資本額：新台幣 14 億元
台灣台北市襄陽路 9 號 3 樓
電話：(8862) 2388 2626
傳真：(8862) 2370 1110
www.fubon.com

富邦證券投資信託股份有限公司

1992 年 9 月成立
董事長：史綱
總經理：李明州
資本額：新台幣 25.03 億元
台灣台北市敦化南路一段 108 號
電話：(8862) 8771 6688
傳真：(8862) 8771 6788
www.fubon.com

富邦行銷股份有限公司

1997 年 8 月成立
董事長：莊子明
總經理：葉文正
資本額：新台幣 1.45 億元
台灣台北市襄陽路 9 號 17 樓
電話：(8862) 2370 5199
傳真：(8862) 2370 5100
www.fubon.com

富邦金控創業投資股份有限公司

2003 年 10 月成立
董事長：蔡明忠
總經理：蔡承儒
資本額：新台幣 56.4 億元
台灣台北市敦化南路一段 108 號
電話：(8862) 6606 9088
傳真：(8862) 8771 4697
www.fubon.com

富邦育樂股份有限公司

2007 年 9 月成立
董事長：蔡承儒
總經理：陳昭如
資本額：新台幣 1.02 億元
台灣台北市敦化南路一段 108 號
電話：(8862) 6606 9088
傳真：(8862) 8771 4697
www.fubon.com

* 2007 年 9 月成立台灣大籃球股份有限公司，2014 年 9 月核准更名為富邦育樂股份有限公司。

富邦資產管理股份有限公司

2004 年 8 月成立
董事長：程耀輝
總經理：洪文興
資本額：新台幣 25 億元
台灣台北市中山北路二段 50 號
電話：(8862) 6618 0588
傳真：(8862) 6608 0166
www.fubon.com

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

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

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

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

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

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

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

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



Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
香港中環德輔道中38號富邦銀行大廈
www.fubonbank.com.hk