



二零一八年報
ANNUAL REPORT 2018

2018

2018年報內容

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中信銀行(國際)有限公司 China CITIC Bank International Limited

中信銀行(國際)有限公司(「信銀國際」)由中信國際金融控股有限公司(「中信國金」)持有其75%的股份，中信國金為中信銀行股份有限公司(「中信銀行」)的全資附屬公司。天元貿易有限公司、香港冠盛投資有限公司、安信信託股份有限公司、至選有限公司和雅選有限公司合計持有信銀國際餘下的25%股份。

信銀國際期望透過為大中華及海外客戶提供金融方案，創造價值，將財富管理和國際商業銀行服務提升到超越客戶期望的嶄新水平，成為擁有最高國際水平及實力的「最佳海外綜合金融服務企業」。

信銀國際網絡遍佈大中華，包括香港的30家分行以及北京、上海、深圳及澳門的網點。此外，信銀國際於紐約、洛杉磯及新加坡設有海外分行。

China CITIC Bank International Limited ("CNCBI") is 75%-owned by CITIC International Financial Holdings Limited ("CIFH"), which in turn is a wholly-owned subsidiary of China CITIC Bank Corporation Limited ("CNCB"). The remaining 25% of CNCBI are owned by Tian Yuan Trading Limited, Hong Kong Guansheng Investment Co., Limited, Anxin Trust Co., Limited, Clear Option Limited and Elegant Prime Limited.

By providing value-creating financial solutions to define and exceed both wealth management and international business objectives of Greater China and overseas customers, CNCBI aspires to be "the best overseas integrated financial services institution", with the best international standards and capabilities.

CNCBI's footprint in Greater China includes 30 branches in Hong Kong, as well as branches and presence in Beijing, Shanghai, Shenzhen and Macau. CNCBI also has overseas branches in New York, Los Angeles and Singapore.



使命

我們旨在大中華及亞洲快速增長的過程中，成為機構及個人客戶推崇的中資金融方案供應商。

憑藉我們對中國市場的深切瞭解、內地的廣闊人脈網絡及以客戶為主導的原則，務實高效地為股東、客戶和員工創富增值。

我們的主要競爭優勢，在於人才培育、團體精神、權責分擔及成果共享。

Our Mission

To be the China Financial Solutions Provider highly regarded by institutional and personal customers who aspire to realise the growth potential in Asia.

We focus on value creation for our stakeholders. Core to our offering is our intimate knowledge of and our network capability in China, coupled with our customer-centric execution of world-class quality.

Nurturing of talent, team spirit and sharing of ownership and success are a key competitive advantage of ours.

核心價值 Our Core Values

恪守誠信 **Integrity**

以客為尊 **Customer-centric**

創富增值 **Value Creating**

銳意進取 **Progressive**

務實高效 **Execution**

集賢樹人 **Building People, Building Team**

財務概況

Financial Performance

2018年財務摘要

2018 Financial Highlights

全年（百萬港元）	For the year (HK\$ million)	2018	2017	%變動 % change
淨利息收入	Net interest income	6,400	5,395	+18.6
非利息收入	Non-interest income	2,010	2,478	-18.9
經營支出	Operating expenses	(3,385)	(3,174)	+6.7
金融資產及其他賬項 預期信貸損失／減值損失	Expected credit losses/impairment losses on financial assets and other accounts	(1,403)	(1,422)	-1.3
稅前溢利	Profit before taxation	3,624	3,287	+10.2
所得稅	Income tax	(616)	(479)	+28.6
股東應佔溢利	Profit attributable to shareholders	3,008	2,808	+7.1

於年結日（百萬港元）	At year end (HK\$ million)	2018	2017	%變動 % change
貸款及墊款	Loans and advances	201,820	196,287	+2.8
資產總額	Total assets	362,945	344,309	+5.4
存款總額	Total deposits	288,626	274,894	+5.0
股東權益	Shareholders' equity	35,900	37,384	-4.0

財務比率	Financial ratios	2018	2017
資本充足比率	Capital adequacy	19.3%	20.3%
平均流動性覆蓋比率*	Average liquidity coverage ratio*	258.5%	177.6%
貸存比率	Loans to deposits	69.9%	71.4%
成本對收入比率	Cost to income	40.2%	40.3%

* 加權數額(平均值)於12月31日季度末

* Weighted amount (average value) at quarter ended 31 December

股東應佔溢利 (百萬港元) Profit attributable to shareholders (HK\$ million)		資產總值 (百萬港元) Total assets (HK\$ million)		股東權益 (百萬港元) Shareholders' equity (HK\$ million)	
18	3,008	18	362,945	18	35,900
17	2,808	17	344,309	17	37,384
16	2,548	16	306,417	16	25,781
15	2,168	15	282,535	15	21,744
14	2,801	14	249,141	14	19,941

5年財務概況

5 Year Financial Summary

全年結算 (百萬港元)	For the year (HK\$ million)	2018	2017	2016	2015	2014
淨利息收入	Net interest income	6,400	5,395	4,129	3,420	4,157
非利息收入	Non-interest income	2,010	2,478	2,284	2,411	1,849
經營支出	Operating expenses	(3,385)	(3,174)	(2,816)	(2,564)	(2,453)
金融資產及其他賬項 預期信貸損失／減值損失	Expected credit losses/impairment losses on financial assets and other accounts	(1,403)	(1,422)	(553)	(668)	(181)
稅前溢利	Profit before taxation	3,624	3,287	3,053	2,601	3,374
所得稅	Income tax	(616)	(479)	(505)	(433)	(573)
股東應佔溢利	Profit attributable to shareholders	3,008	2,808	2,548	2,168	2,801

於年結日 (百萬港元)	At year end (HK\$ million)	2018	2017	2016	2015	2014
貸款及墊款	Loans and advances	201,820	196,287	183,764	169,870	150,720
預期信貸損失／ 減值準備	Expected credit losses/ impairment allowances	2,659	1,523	950	696	538
資產總額	Total assets	362,945	344,309	306,417	282,535	249,141
平均利息收益資產總值	Average interest earnings assets	350,917	320,779	278,223	248,689	225,872
存款總額	Total deposits	288,626	274,894	246,168	231,072	203,087
股東權益	Shareholders' equity	35,900	37,384	25,781	21,744	19,941

財務比率	Financial ratios	2018	2017	2016	2015	2014
資本充足比率	Capital adequacy	19.3%	20.3%	17.8%	16.5%	17.3%
平均流動性覆蓋比率*	Average liquidity coverage ratio*	258.5%	177.6%	n/a	n/a	n/a
平均流動性維持比率	Average liquidity maintenance ratio	n/a	59.6%#	60.8%	61.8%	n/a
全年平均流動資金比率	Average liquidity	n/a	n/a	n/a	n/a	64.9%
貸存比率	Loans to deposits	69.9%	71.4%	74.7%	73.5%	74.2%
貸款對資產總額比率	Loans to total assets	55.6%	57.0%	60.0%	60.1%	60.5%
綜合評估覆蓋比率	Collective assessment coverage	n/a	0.2%	0.2%	0.2%	0.3%
預期信貸損失覆蓋比率	ECL allowance coverage	1.3%	n/a	n/a	n/a	n/a
成本對收入比率	Cost to income	40.2%	40.3%	43.9%	44.0%	40.9%
平均資產回報率	Return on average total assets	0.8%	0.9%	0.9%	0.8%	1.2%
平均股東權益回報率	Return on average shareholders' equity	8.4%	10.1%	10.3%	10.2%	14.9%

* 加權數額(平均值)於12月31日季度末

* Weight amount (average value) at quarter ended 31 December

截至2017年9月30日

As of 30 September 2017

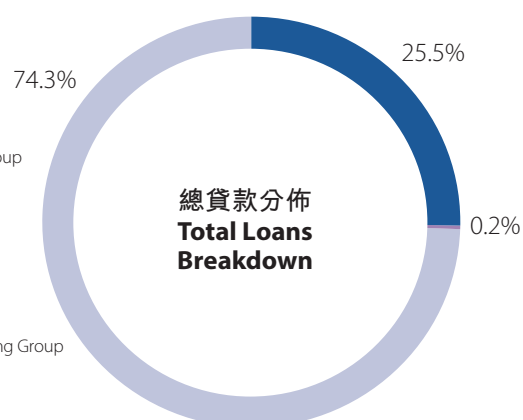
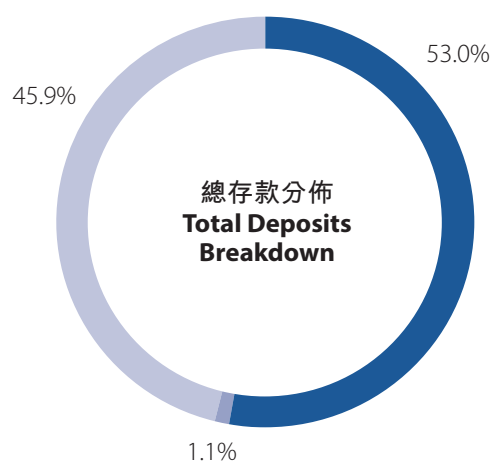
存款*

Deposits*

1. 按類別劃分	By type	2018	2017
往來	Current	9.8%	14.0%
儲蓄	Savings	16.0%	22.2%
定期	Fixed	74.2%	63.8%
合計	Total	100.0%	100.0%
2. 按到期日劃分	By maturity	2018	2017
即時償還	On demand	25.8%	36.2%
少於3個月	Less than 3 months	49.9%	53.9%
超過3個月但不足1年	Over 3 months but less than 1 year	24.2%	9.8%
超過1年但不足5年	Over 1 year but less than 5 years	0.1%	0.1%
合計	Total	100.0%	100.0%
3. 按貨幣劃分	By currency	2018	2017
港元	HKD	53.2%	53.1%
美元	USD	34.0%	31.9%
其他	Others	12.8%	15.0%
合計	Total	100.0%	100.0%
4. 存款賬目數目	Number of deposit accounts	2018	2017
		543,380	434,143

* 以客戶存款為基礎

* Based on customer deposits only



貸款		Loan Portfolio	
1. 按行業劃分	By industry sectors	2018	2017 Restate
用於香港的貸款	Loans and advances for use in Hong Kong		
工商及金融界：	Industrial, commercial and financial:		
物業發展	Property development	2.3%	1.3%
物業投資	Property investment	8.6%	8.0%
金融界	Financial concerns	9.0%	8.3%
股票經紀	Stockbrokers	1.6%	3.3%
批發及零售貿易	Wholesale and retail trade	4.5%	7.2%
製造業	Manufacturing	6.0%	8.7%
運輸業及運輸設備	Transport and transport equipment	0.8%	1.2%
娛樂活動	Recreational activities	1.7%	0.4%
資訊科技	Information technology	3.3%	0.1%
其他	Others	4.6%	5.1%
個人：	Individuals:		
購買「居者有其屋計劃」、 「私人發展商參建居屋 計劃」及「租者置其屋 計劃樓宇」的貸款	Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0.0%	0.0%
購買其他住宅物業的貸款	Loans for the purchase of other residential properties	7.7%	7.4%
信用卡借貸	Credit card advances	0.3%	0.3%
其他	Others	5.4%	4.6%
貿易融資	Trade finance	2.1%	3.3%
用於香港以外地方的貸款及墊款	Loans and advances for use outside Hong Kong	42.1%	40.8%
合計	Total	100.0%	100.0%
2. 按地區分佈劃分	By geographical spread	2018	2017
香港	Hong Kong	56.7%	54.7%
中國內地	Mainland China	27.3%	36.2%
美國	United States	3.6%	3.4%
新加坡	Singapore	2.8%	1.9%
其他	Others	9.6%	3.8%
合計	Total	100.0%	100.0%
3. 按年期劃分	By maturity	2018	2017
即時償還	Repayable on demand	0.8%	3.0%
少於1年	Less than 1 year	50.4%	46.9%
超過1年但少於5年	Over 1 year but less than 5 years	35.9%	36.5%
超過5年	Over 5 years	12.0%	11.8%
無訂日期	Undated	0.9%	1.8%
合計	Total	100.0%	100.0%
4. 按貨幣劃分	By currency	2018	2017
港元	HKD	53.8%	53.9%
美元	USD	38.4%	36.8%
其他	Others	7.8%	9.3%
合計	Total	100.0%	100.0%
5. 貸款賬目數目	Number of loan accounts	2018	2017
		610,656	527,434



中信銀行(國際)
CHINA CITIC BANK INTERNATIONAL

孫德順
董事長
Sun Deshun
Chairman

香港，2019年3月25日
Hong Kong, 25 March 2019

董事長報告

2018年，全球經濟雖然全年保持可觀增長，但下半年同步放緩，市場並大幅動盪。儘管如此，本人謹代表董事會欣然宣佈，**中信銀行（國際）有限公司**（「信銀國際」或「本行」）**暨各附屬公司**（統稱「本集團」）仍取得了令人滿意的業績。

本集團2018年全年股東應佔溢利錄得30.1億港元的新高，按年增加7.1%。總資產繼續穩步增長5.4%至3,629.5億港元，總存款和客戶貸款分別上升5.0%和2.8%至2,886.3億港元和2,018.2億港元。

2018年中，美國發動對華貿易戰並挑起與多國的貿易衝突，導致市場恐慌，投資與消費者信心下挫，中國內地經濟增長隨之放緩。第四季度美聯儲又發出貨幣政策調整信號，引發市場對美國及全球經濟增長前景的擔憂，並造成金融市場的新輪波動。

面對充滿挑戰的環境，信銀國際繼續深化與中信集團和母行中信銀行股份有限公司（「中信銀行」）的聯動以增強其跨境業務。此外，令人欣喜的是，本行於去年三月成功推出inMotion動感銀行手機應用程式，為香港身份證持有人提供真正的遙距開戶服務，成為香港銀行市場上首家提供此服務的銀行。該手機應用程式獲得了熱烈關注並以超預期的速度吸納新客戶。

展望2019年，美國與中國的經濟增長都將放緩，全球經濟增長速度將明顯低於去年；美聯儲加息與縮表的步伐減慢，一方面繼續困擾市場，另一方面緩解新興市場資金流出的威脅；中美貿易戰緩和和有望減輕中國內地經濟下行壓力，但中美經貿衝突仍將持續，壓力仍在而且不確定性很高。為了克服重重挑戰，信銀國際重視建設健全的文化，恪守誠信，以客為尊，加強風險意識。本行亦將堅持通過善用金融科技為客戶提供創新的產品和服務，適應快速變化的競爭環境。

Report of the Chairman

Global economic growth remained respectable in 2018. However, since the second half of the year, there has been a slowdown across most economies while market volatility increased sharply. Despite such a backdrop, on behalf of the Board of Directors, I am pleased to announce that **China CITIC Bank International Limited** ("CNCBI" or the "Bank") **and its subsidiaries** (together the "Group") delivered another year of satisfactory performance.

For the twelve months ended 31 December 2018, the Group's profit attributable to shareholders achieved a new record of HK\$3.01 billion, up 7.1% year on year. Total assets continued to show a steady increase of 5.4% to HK\$362.95 billion, with total deposits up 5.0% to HK\$288.63 billion and customer loans up 2.8% to HK\$201.82 billion.

In the middle of 2018, the US fired the opening salvo in a trade war with China as well as provoking trade disputes with several countries, causing nervousness in the market and sapping business and consumer confidence. As a result, there was a slowdown in China's economy. In the fourth quarter of the year, the US Federal Reserve ("Fed") signalled that it was likely to shift its policy stance, resulting in market worries about the growth prospects of the US and the global economy, and producing another round of fluctuations in financial markets.

In the face of a challenging environment, CNCBI continued to forge strong collaboration with the CITIC Group and parent bank China CITIC Bank Corporation Limited ("CNCB") to reinforce the Bank's cross-border business. Moreover, encouragingly, in March last year the Bank launched the inMotion mobile app, which offers truly remote account opening service to Hong Kong identity card holders, representing a major breakthrough in the Hong Kong banking market. The app has since gained much traction and attracted new customers at a faster-than-expected pace.

Looking ahead into 2019, both the US and China's economies will grow more slowly, while the expansion of the global economy is expected to be much weaker than in 2018. The Fed's slackening pace of raising interest rates and shrinking its balance sheet may continue to unsettle the market, but may also alleviate the threat of capital outflows from emerging markets. It is hoped that a ceasefire in the trade war between China and the US can ease the downward pressure on the Chinese economy. However, the economic and trade conflicts between the two countries are likely to persist, with lingering pressure and mounting uncertainty. To overcome multiple challenges, CNCBI emphasizes the development of a sound culture which fosters integrity, a customer-centric mindset and risk awareness. The Bank will also continue to leverage Fintech to provide innovative products and services to its customers, adapting to a rapidly evolving competitive landscape.

為進一步增強本行的資本實力及保持業務增長，信銀國際於去年11月完成發行5億美元永續型非累積次級《巴塞爾協定三》額外一級資本證券。雖然當時市場十分波動，但該項發行仍獲得良好反響。

在服務信銀國際6年後，張小衛先生於2018年9月從行長任上退休並獲委任為本行非執行董事兼副董事長，與此同時，畢明強先生獲委任為本行執行董事、行長兼行政總裁。本人向張先生致以由衷的謝意，感謝他在過去幾年對本行的發展貢獻良多，同時希望本行在畢先生的帶領下，能夠繼續創造佳績。

最後，本人希望借此機會向本行客戶一直以來的支持表示衷心感謝，本人亦十分感謝本行各位董事會成員、管理層及全體員工不斷努力，令本行能夠屢創佳績。

With a view to strengthening the Bank's capital position and sustaining its business growth ahead, CNCBI issued US\$500 million Basel III Compliant Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities in November last year. The issuance was well received notwithstanding marked volatility in the market.

Meanwhile, after six years in CNCBI, in September 2018, Mr. Zhang Xiaowei stepped down as Chief Executive Officer and was appointed as Non-Executive Director and Vice Chairman of the Bank, while Mr. Bi Mingqiang was appointed as Executive Director, President and Chief Executive Officer of the Bank. I sincerely appreciate Mr. Zhang for his contribution to the Bank's development over the past years and hope that under the leadership of Mr. Bi, the Bank will continue to achieve good results.

I also wish to take this opportunity to express my heartfelt gratitude to the Bank's customers for their loyal support, and I am very thankful to my fellow directors, the Bank's management team and all of its staff for their hard work and contribution to the Bank's continued success.

畢明強先生
行長兼行政總裁

Mr. Bi Mingqiang
President &
Chief Executive Officer



信銀國際2018年股東應佔溢利增加7.1%，達到30.1億港元，總資產則增長5.4%至3,629.5億港元。inMotion手機應用程式於去年三月推出，讓我們引以為傲，成為本港首家允許香港身份證持有人進行遙距開戶的銀行，此服務並已擴展至投資戶口，代表我們在擴大移動銀行業務方面邁出重要的一步。

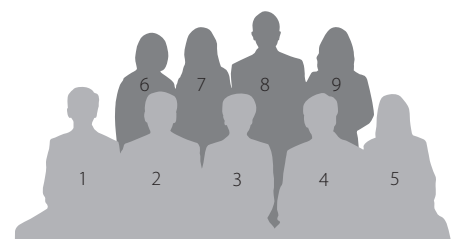
In 2018, China CITIC Bank International registered a 7.1% increase in profit attributable to shareholders, reaching a record high of HK\$3.01 billion, while total assets rose 5.4% to HK\$362.95 billion. We are proud to be the first bank in Hong Kong to offer truly remote account opening services to Hong Kong identity card holders via the mobile app inMotion since March last year and this service has been extended to investment accounts, representing a remarkable step in expanding our mobile banking business.

本人於2018年9月獲委任為**中信銀行（國際）有限公司**（「信銀國際」或「本行」）行長兼行政總裁，對此深感榮幸，亦深感責任重大。感謝股東及董事會的信任；感謝前任行政總裁暨現任副董事長張小衛先生給予的支持；還要感謝信銀國際的管理團隊和全球逾2,000名同事，他們專業、敬業、充滿活力，相信今後我們必可戮力同心，續寫信銀國際輝煌篇章。

I was appointed as President and Chief Executive Officer of **China CITIC Bank International Limited** ("CNCBI" or the "Bank") in September 2018, feeling greatly honoured, yet also a great responsibility. I am grateful for the trust of the Bank's shareholders and Board of Directors, for the support of Mr. Zhang Xiaowei, my predecessor and currently Vice Chairman, and to CNCBI's management team and over 2,000 colleagues around the world, who are professional, dedicated and dynamic. I believe that going forward, we will work as one, continuing to create a splendid chapter in the history of CNCBI.



- | | | | | |
|--|---|--|---|---|
| <p>1. 關建輝先生
風險管理總監
Mr. David Kwan
Chief Risk Officer</p> | <p>2. 柏立軍先生
執行董事、
替任行政總裁兼司庫
Mr. Bai Lijun
Executive Director &
Alternate Chief Executive Officer
Treasurer</p> | <p>3. 簡吳秋玉女士
執行董事、替任行政總裁兼
個人及商務銀行業務總監
Mrs. Helen Kan
Executive Director &
Alternate Chief Executive Officer
Group Head of Personal &
Business Banking</p> | <p>4. 譚日恭先生
財務總監
Mr. Elton Tam
Chief Financial Officer</p> | <p>5. 蔡玉玲女士
人力資源總監
Ms. Sylvia Choi
Chief Human
Resources Officer</p> |
| <p>6. 龐春美女士
資訊科技及營運總監
Ms. Christina Pong
Chief Information and
Operations Officer</p> | <p>7. 邱慧敏女士
監控及合規總監
Ms. Christine Yau
Chief Controls and
Compliance Officer</p> | <p>8. 陳耀強先生
審計總監
Mr. Telly Chan
Chief Auditor</p> | <p>9. 劉月屏女士
行政總裁辦公室總監
Ms. Zoe Lau
Director of CEO Office</p> | |



經營環境

2018年上半年，全球經濟表現強勁，市場也相對穩定。但從年中開始，美國發動對華貿易戰，與其他國家的貿易衝突也加劇，造成全球金融市場動盪，各國經濟增長同步放緩。中國內地受影響最大，出口前景大幅轉淡，投資與消費者信心下挫，致使全年經濟增長速度從2017年的6.8%進一步減慢至6.6%。

外部環境的惡化，使得香港經濟增長也明顯下行。信貸需求隨之疲軟，貸款和墊款總額，繼上半年錄得5.3%的增長後，下半年下降0.9%。據香港金融管理局（「金管局」）最新統計資料，同期內地相關貸款降幅更大，達3.8%。

同時，銀行監管要求日益提升，風險管理與內部監管均要求更高的資本充足水平及更多的資源投入。監管機構也引入了更強的市場競爭，如金管局開放虛擬銀行牌照申請，申請者包括傳統銀行和有志於通過金融科技搶佔市場一席之地的新競爭對手。

財務表現

信銀國際暨各附屬公司（「本集團」）2018年全年經營收入84.1億港元，按年增長6.8%。撥備後溢利增長10.5%至36.2億港元，股東應佔溢利增加7.1%至30.1億港元。平均資產回報率微跌1個基點至0.84%，平均股東權益回報率為8.37%，前一年則為10.11%。

經營收入的增加主要受惠於淨利息收入按年增長18.6%至64.0億港元。資產收益上升帶動淨息差擴大14個基點至1.82%。全年非利息收入則下降18.9%至20.1億港元。

儘管本集團對科技與人力資源持續進行投資，整體上仍然保持審慎的成本管理。總經營支出按年上升6.7%，成本對收入比40.2%，與前一年基本持平。

Operating Environment

The global economy performed strongly in the first half of 2018, while markets were relatively stable. Nevertheless, since the middle of the year, the US has waged a trade war against China, and its trade disputes with other countries have also been escalating, resulting in fluctuations in global financial markets and synchronized deceleration in the economic growth momentum of various countries. China was by far the hardest hit, as export prospects were blighted and business and consumer confidence was weakened. As such, the full-year growth rate of China's real GDP softened further from 6.8% in 2017 to 6.6% in 2018.

Deterioration in external conditions also caused the Hong Kong economy to trend notably lower, precipitating weaker credit demand, with total loans and advances dipping by 0.9% in the second half of 2018 after registering a 5.3% increase in the first half of the year. Statistics of the Hong Kong Monetary Authority ("HKMA") show that the drop in mainland-related lending in the same period was bigger at 3.8%.

Meanwhile, banks continued to face tighter regulatory requirements. Risk management and internal controls would require stronger capital buffers and more resources support. Regulators have also introduced more competition into the market. As a case in point, the HKMA invited applications for virtual banking licences, and applicants included both traditional banks and some new entrants aiming to carve out a niche by cutting-edge Fintech.

Financial Performance

CNCBI together with its subsidiaries ("the Group")'s operating income for the year 2018 registered a 6.8% year-on-year growth to HK\$8.41 billion. Profit after impairment increased by 10.5% to HK\$3.62 billion while profit attributable to shareholders was up 7.1% to HK\$3.01 billion. Return on average assets at 0.84% was marginally lower by 1 basis point and return on average shareholders' equity was 8.37%, compared with 10.11% for the previous year.

The growth in operating income was primarily underpinned by an 18.6% increase in net interest income to HK\$6.40 billion. As a result of higher asset yields, net interest margin ("NIM") improved by 14 basis points to 1.82%. However, non-interest income for the year decreased by 18.9% to HK\$2.01 billion.

The Group remained disciplined in cost management despite continued investments in technology and human resources. Total operating expenses were up by 6.7%, and cost to income ratio at 40.2% was similar to the level of the preceding year.

財務狀況

截至2018年12月31日，本集團總資產3,629.5億港元，較前一年上升5.4%。總存款2,886.3億港元，客戶貸款（包括貿易票據）2,018.2億港元，分別按年增加5.0%和2.8%，貸存比率為69.9%。其中零售存款與零售貸款均取得雙位數增長，佔總存款與總貸款的比例分別超過了50%和25%。

為保持良好的資產質量，本集團繼續審慎管理貸款組合。截至2018年12月31日，不良貸款比率由2017年末的1.26%降至0.85%。不良貸款撥備覆蓋率154.9%，而一年前則為61.8%。

2018年11月，信銀國際成功發行一筆5億美元的額外一級資本證券，進一步鞏固資本基礎。截至2018年末，本集團的總資本充足比率為19.3%，一級資本比率及普通股權一級資本比率分別為16.7%和12.8%，符合監管要求。與此同時，2018第四季度平均流動性覆蓋比率處於258.5%的穩健水平。

業務回顧

公司業務部

過去一年，公司業務部堅持採用「積極營銷、謹慎承貸」的業務戰略，積極優化客戶結構，大力發展有直接抵押的房地產貸款，置換風險相對較高的貸款，控制組合風險。同時，依託中信集團及母行中信銀行強大的客戶基礎，2018年聯動收入達23.0億港元，同比增長8.4%，佔公司業務收入的比重亦按年上升2.8個百分點至45.8%，成為了公司業務的重要一環。此外，香港地區去年全年的新增存款客戶857戶，新增存款金額達106.3億港元。

2018年公司業務部經營收入在貸款規模持平的情況下按年增長1.7%，淨息差也較前一年為高。年內，信銀國際在中國跨境併購融資市場繼續保持領先地位，根據湯森路透社Loan Connector排名榜資料顯示，截至2018年末，本行在亞太地區簿記管理人中居於首位；母行中信銀行與本行並共同獲得2018年《國際金融評論》中國最佳貸款行的殊榮，進一步增添本行在國際資本市場上的聲譽。

Financial Position

The Group's total assets stood at HK\$362.95 billion as at 31 December 2018, up 5.4% from a year earlier. Total deposits amounted to HK\$288.63 billion while customer loans including trade bills totalled HK\$201.82 billion, representing 5.0% and 2.8% year-on-year increases respectively. Loans-to-deposits ratio was 69.9%. As both retail deposits and retail lending achieved double-digit growth rates, their shares of the total have risen to more than 50% and 25% respectively.

To maintain healthy asset quality, the Group continued to manage its loan portfolio prudently. As at 31 December 2018, impaired loan ratio was reduced to 0.85% from 1.26% as at end-2017, while non-performing loan coverage ratio was 154.9%, compared with 61.8% twelve months ago.

In November 2018, CNCBI successfully issued US\$500 million of additional tier 1 capital securities, thereby sustaining its capital strength. As at the year-end, the Group's total capital adequacy ratio was 19.3%, while tier 1 and common equity tier 1 capital ratios were 16.7% and 12.8% respectively, meeting regulatory requirements. Meanwhile, average liquidity coverage ratio stayed at a healthy level of 258.5% for the quarter ended 31 December 2018.

Business Review

Wholesale Banking Group

Over the last year, Wholesale Banking Group ("WBG") maintained the "Active Marketing, Conservative Underwriting" strategy to optimize its customer structure and replace relatively higher risk loans with secured real estate loans backed by direct mortgages to contain portfolio risk. Meanwhile, leveraging the strong customer base of the CITIC Group and parent bank China CITIC Bank Corporation Limited ("CNCB"), WBG's collaboration revenue for 2018 reached HK\$2.30 billion, an increase of 8.4% year on year, and the share of WBG's operating income grew by 2.8 percentage points to 45.8%, constituting a significant part of WBG's business. Moreover, last year WBG Hong Kong absorbed HK\$10.63 billion of new deposits from 857 new customers.

For 2018 WBG's operating income grew by 1.7% year on year despite a steady loan portfolio size, as NIM was higher than the previous year. During the year, CNCBI maintained a leading position in China's cross-border mergers and acquisitions financing, being the top bookrunner in Asia Pacific according to the Loan Connector league table of Thomson Reuters as at year-end. Together with parent bank CNCB, the Bank won the prestigious 2018 IFR China Loan House Award, further building up its reputation in global capital markets.

個人及商務銀行部

個人及商務銀行部實現經營收入以及存款和貸款規模的歷史新高。2018年經營收入達25.0億港元，比前一年增長5.4%。截至2018年末，客戶存款和貸款分別按年上升16.9%和12.3%至1,529.2億港元和515.2億港元。受惠於不斷提高的成本效益和審慎的資產質量管理，2018年稅前溢利刷新紀錄，達到10.3億港元，比前一年增長8.2%。

年內，信銀國際推出inMotion動感銀行，是本港首個允許香港身份證持有人在無需前往分行的前提下與本行建立銀行業務關係的移動銀行平台，且此服務已擴展至投資戶口。信銀國際的客戶群穩步增長，特別是跨境和本地的高端客戶。本行在金融科技領域的持續發展和成就深受市場認同，信銀國際在香港金融管理局和深圳市人民政府金融發展辦公室首次聯合舉辦的「深港金融科技創新獎」中榮獲二等獎。

財資及環球市場部

財資及環球市場部2018年的經營收入錄得16.9%的升幅至8.5億港元，年內已入帳的債務資本市場業務費用收入為2.3億港元。企業營銷團隊與債務資本市場團隊在轉介有發債需求的企業、出售債券給企業投資者和挖掘財資業務的潛在商機等方面緊密合作，在多種資金產品上（包括外匯和利率產品）錄得良好的流量。金融機構營銷團隊在債券二級市場創造的交易量也明顯增加。同時，交易團隊正在轉型成為做市商，日均交易量維持在高水平，與營銷團隊的協作在年內亦取得成果。

此外，債務資本市場團隊去年共為69家中資企業發行了104筆債券，發行金額合計439.3億美元。截至年末，按彭博中國離岸債券承銷量計算，信銀國際市場排名第8位，位居在港中資金融機構第5位。2018年，資金營運中心為了緩解美元和港元利率上升的影響，謹慎管理本行的流動性期限錯配，從而在增加投放收益的同時減少了內部資金池的損失。

Personal and Business Banking Group

Personal and Business Banking Group (“PBG”) achieved historical highs in operating income as well as deposits and loans. For 2018 operating income reached HK\$2.50 billion, up 5.4% year on year, while as at end-2018, customer deposits and loans increased by 16.9% and 12.3% respectively to HK\$152.92 billion and HK\$51.52 billion. Benefiting from continued efforts to improve cost efficiency and maintain prudent asset quality management, profit before taxation for 2018 posted a new record of HK\$1.03 billion, up 8.2% year on year.

During the year, CNCBI became Hong Kong's first bank to launch a mobile app called inMotion which enabled Hong Kong identity card holders to establish banking relationships with the Bank without visiting a physical branch. This service has also been extended to investment accounts. CNCBI's customer base grew steadily especially of both cross-border and local high net worth customers. In recognition of the Bank's continued Fintech development and achievements, CNCBI was awarded a Second Prize in the first Shenzhen-Hong Kong Fintech Award jointly organized by the HKMA and the Shenzhen Office of Financial Development Service.

Treasury and Markets Group

The year 2018 saw a 16.9% year-on-year increase in the operating income of Treasury and Markets Group (“TMG”) to HK\$851.16 million, with fee income of HK\$234.46 million recognized in the year for the Debt Capital Markets (“DCM”) business. The Corporate Marketing team had good flows in various products (including FX and interest rate products) as it was working closely with the DCM team on corporate issuer referrals, selling bonds to corporate investors, and capitalizing on potential treasury business opportunities. For the Financial Institutions Marketing team, there was a marked increase in bond trading volume in the secondary market. The Trading team was in the process of transforming itself into a market maker, maintaining an average daily trading volume at a high level, and the collaboration with the marketing teams bore fruit in the year.

Moreover, the DCM team completed 104 deals for 69 Chinese issuers with an aggregate issuance size of US\$43.93 billion. As at the end of the year, according to Bloomberg Offshore China Bonds issuance volume, CNCBI ranked eighth among all managers and fifth among all Chinese financial institutions. The Central Treasury Unit (“CTU”) carefully managed the mismatch in the Bank's liquidity positions to lessen the impact of rising USD and HKD interest rates, thus achieving higher returns on deployment and lower losses on the internal funding pool.

風險管理及內部監控

本集團高度重視健全的風險管治，維持穩健的風險管理與內部監控，遵守所有相關法律、法規及監管規定。為積極加強風險基礎設施及應對持續增加和複雜的監管要求，本集團在去年實施了多項風險管理優化措施，並啟動了多個監管類項目。

風險管理優化措施

新產品審批管治

成立了新產品委員會對新產品及服務相關的風險進行全面監督。在新修訂的管治框架下，新產品審批流程得到進一步強化，由一個專責新產品管治團隊提供支援。該團隊主要負責落實經優化的監控措施，加強監督，並呈請新產品委員會關注異常個案。

香港財務報告準則第9號(HKFRS 9)

本集團已於2018年1月1日開始實行香港財務報告準則第9號減值準備準則，採用對風險更加敏感的預期信貸虧損計量方法。本集團持續加強自身的管治以及監控程序，調整預期信貸虧損的計算方法。同時，通過採用不同的風險管理工具，將預期信貸虧損計量納入到本集團的決策過程中。

監管類項目

為符合巴塞爾銀行監督委員會訂立的標準，金管局對銀行的監管要求持續增加。主要的項目如下：

- 銀行業（風險承擔限額）規則(BELR)內有關大額風險的監督及報告－於2019年7月起生效（有六個月寬限期至2019年12月）
- 新的銀行帳冊利率風險(IRRBB)準則－於2019年7月起生效
- 非中央結算場外衍生工具的開倉保證金－於2019年9月起生效
- 交易對手信用風險的標準計算法－於2020年1月起生效（最終限期以金管局的確定為準）

Risk Management and Internal Control

The Group attaches great importance to ensuring rigorous risk governance and maintaining robust risk management, internal control and compliance to all relevant laws, rules and regulations. To proactively strengthen its risk infrastructure and cope with ever-increasing and complex regulatory requirements, the Group implemented a number of risk management enhancement initiatives and launched several regulatory projects during the year as follows.

Enhancement Initiatives

New Product Approval (“NPA”) Governance

A New Product Committee (“NPC”) has been established to promote holistic oversight of the risks associated with new products and services. The NPA process has become more robust under this revised governance framework which is strongly supported by a dedicated New Product Governance team charged with the responsibilities of implementing enhanced control measures, strengthening monitoring and escalating exceptions to the NPC.

HKFRS 9

Impairment provision in accordance with HKFRS 9 has been effective since 1 January 2018 whereby the Expected Credit Losses (ECL) methodology, which is more risk-sensitive, has been adopted. The Group has continued to further strengthen its governance and control processes, and fine-tune the ECL calculation. Concurrently, the ECL methodology is being embedded into the Group’s decision-making process through the adoption of various risk management tools.

Regulatory Projects

The HKMA has been imposing new requirements on banks, many of which are in accordance with the standards set by the Basel Committee on Banking Supervision. The major projects are as follows:

- Banking (Exposure Limits) Rules (“BELR”) Large Exposure Limits Monitoring and Reporting – effective from July 2019 (with a six-month grace period to December 2019)
- New Standards of Interest Rate Risk in the Banking Book (“IRRBB”) – effective from July 2019
- Initial Margining (“IM”) for Non-Centrally Cleared OTC Derivatives – effective from September 2019
- Standardized Approach to Counterparty Credit Risk (“SA-CCR”) – effective from January 2020 (subject to the HKMA’s finalized timeline)

本集團致力遵守各項監管規定，通過內部的努力及聘任外部顧問進行大量準備工作，務求依時完成各個項目。

人力資源發展

過去一年，本集團推出多個人力資源流程改進項目，包括新設提供線上學習之用的自動化工具、人力資源儀表板及360績效評估。

為支持業務持續發展，本集團於主要部門任命副主管。去年中及年末分別有一名替任行政總裁及兩名管理委員會成員退休，其繼任人選均已及時獲得提名和委任。

360評估方法原先已經應用於考核領導才能。2018年，該方法進一步延伸至用於評估一批高級管理人員的行為表現，包括新獲任命的主要部門的副主管以及分行的總經理等。

報告期內，本集團嚴格控制各個部門的員工人數，但同時為額外的業務發展和合規工作提供所需的人力資源。另一方面，本集團實行提升生產力的措施，例如及時主動地更換表現不理想的員工，全年的員工流失率與行業平均水平相若。

本集團在預算的員工人數和成本內實現了良好的整體士氣及團隊建設。除了提供適時的轉換工作崗位和晉升的機會以及實質的獎勵以滿足員工的期望外，本集團也舉辦了多項加強員工歸屬感的活動，例如Team Power和Fun-Plus-Point，有助提升全體員工的積極性及合作精神。

此外，本集團實施了一系列舉措以持續加強員工操守風險意識，包括進行與銀行文化調查相關的後續工作，要求在考核業績時對評估行為表現提供在案實例，以及加強對學習本集團員工行為規範的輔助。

企業社會責任

促進業務穩健發展之同時，本集團認真履行企業社會責任，秉持知識改變未來，今日教育造就明日社會的理念，重點關注基層學童的教育，協助社會可持續發展。通過由各部門管理層組成的企業社會責任委員會，持續提升有關工作的管治水平，務求將回饋社會的精神滲透至每個角落。

The Group is committed to complying with all regulatory requirements, and has undertaken elaborate preparations both internally and by engaging external consultants to ensure timely completion of the various projects.

Human Resources Development

Throughout the year, a number of HR process redesign initiatives were introduced, including new tools for automated eLearning, Human Resources dashboard and 360 performance appraisal.

To support business continuity, a number of Deputy Heads for key functions were appointed. With the retirement of an Alternate Chief Executive Officer in the middle of the year and two Management Committee members towards end of the year, their successors were named and appointed for timely implementation.

The 360 methodology has been adopted as a leadership assessment tool. In 2018, the method was extended to provide behavioral assessment for a critical group of senior staff including the newly appointed deputies of key functions and branch general managers.

During the year, the headcount for each function was vigorously controlled while some ad hoc business and compliance requirements were met. Productivity drives, such as the timely and proactive managing out of underperformers, were attempted, resulting in turnover rates largely in line with the industry average.

Yet good overall morale and teamwork were achieved within the budgeted headcount and staff costs. In addition to timely job rotation, promotions, and reward management to meet the expectations of staff, several employee engagement programmes such as “Team Power” and “Fun-Plus-Point” contributed to overall motivation and collaboration.

Moreover, a number of initiatives were introduced to continuously deepen the awareness of conduct risk, with follow-up activities on the Bank's Culture Survey, requirements on documented evidence of behavioral assessment in performance assessment, and enhanced learning aid of the Group's Code of Conduct.

Corporate Social Responsibility

Convinced that knowledge changes the future and that today's education shapes tomorrow's society, the Group not only puts considerable effort into facilitating steady business development but also ploughs back resources into society with a keen focus on the education of underprivileged children as a means to contributing to social sustainability. The Group's dedicated Corporate Social Responsibility Committee (“CSRC”), which comprises management-level staff from various departments, helps to enhance the governance of related initiatives and spread the spirit of philanthropy to every corner of the Group.

去年本集團繼續把在金融科技上的創新精神延伸至企業社會責任，支援香港中文大學推出全港首個具規模的網上語言發展平台及訓練計劃「樂語路」，期望3年內惠及全港一半有語言發展問題的學前兒童及小學生。此外，本集團亦與香港青年藝術協會合作，啟動「畫出香港」社區藝術計畫，透過一系列藝術家駐場計劃、展覽及大型公眾活動日，支持基層學生發掘藝術潛能，提升創意及自信，並將藝術推廣至香港各階層。

展望

2019年，受美國與中國內地經濟轉弱的影響，全球經濟同步放緩，大多數經濟體的增长速度都將低於2018年。美聯儲及其他中央銀行的貨幣政策走向將繼續困擾市場，但隨著美國加息與縮表步伐減慢，新興市場資本流出壓力有所減少。中國內地經濟下行壓力持續，但中美貿易戰緩和，壓力的程度減輕。當然，緩和並不意味結束，中美經貿關係將持續緊張與動盪。總體而言，市場不確定性仍然高企。

本集團面臨的經營環境嚴峻，內外部挑戰巨大。然而，如果我們把目光放遠，超越經濟週期，投向更遠的將來，那麼看到的更多是機遇、是信心。當然，我們也深知，機遇只會垂青有準備的人。為此，我們將在努力實現各項經營目標的同時，抱持戰略定力，固本培元，全面提升本行的長期競爭力。

我們推動文化建設。我們深信人才是最寶貴的財富，是優秀的企業文化的依託。我們重視人才培養，崇揚有操守、有擔當、恪守誠信的員工行為；我們持續提升全體員工的風險與合規意識，追求在風險與業務之間取得理想的平衡；我們審慎管理風險加權資產的增長，並將風險調整後的回報水平作為重要的業務決策依據。我們深信，唯有優秀的文化，可以令本行基業長青。

During the period, the Group extended its spirit of innovation for Fintech to the realm of CSR with support to the development of Hong Kong's first comprehensive online platform and training programme for language development "Speak Along" in partnership with The Chinese University of Hong Kong, aiming to benefit half of the preschool and primary-school children in need over a three-year span. Aside from this, the Group also joined forces with Hong Kong Youth Arts Foundation and kicked off a community art programme "Draw HK" to support underprivileged students to explore their untapped artistic talents, unleash their creativity and raise their self-confidence while promoting art to various layers of Hong Kong society.

Outlook

In 2019, given expected decreasing growth momentum in the US and China, the economies around the world look set to slow down in tandem, with most of them showing lower growth rates than in 2018. The market will remain bewildered by monetary policy uncertainty of the US Federal Reserve ("Fed") and other central banks. Nevertheless, as the Fed slackens the pace of raising interest rates and shrinking its balance sheet, the threat of capital outflows to emerging markets can be eased. China's economy continues to face downward pressure, which may be alleviated by a truce in the Sino-US trade war. Admittedly a truce does not imply an end. The economic and trade relations between China and the US will likely stay strained and unsettled. All in all, there will continue to be considerable market uncertainties.

The Group is faced with a tough operating environment, with significant internal and external challenges. Nonetheless, if we look beyond the economic cycle and focus on the future instead, what can be seen are more opportunities and confidence. Needless to say, we are well aware that chance favours the prepared mind. Therefore, while we strive to achieve various business objectives, we will remain strategically tenacious and reinforce our fundamentals, enhancing the Bank's long-term competitiveness thoroughly.

We promote culture development. We firmly believe that talent is the most valuable asset and the pillar of a sound corporate culture. We care deeply about cultivating talents and advocate ethical, responsible and honest behavior, and we will continue to raise the risk and compliance awareness of all staff, striving to strike a fine balance between risk and business. The growth in risk-weighted assets will be carefully managed, while risk-adjusted returns will be an important basis for making business decisions. We are fully convinced that only an excellent culture can sustain the Bank's business ahead.

我們踐行以客為尊的理念。我們通過培訓、研討會等各種方式提升客戶經理的服務水平；通過更準確的產品定位和更簡便的服務流程提升客戶的滿意度；通過資本和資源在公司銀行、零售銀行以及財資業務三大板塊的合理分配，推動公司銀行業務不斷提升資本回報水平，加快零售銀行與財資業務的發展速度，使收入來源更多元化，資本使用效率得到全面提升，以此提高可持續發展能力。

我們強調合作共贏。我們將加強各業務部門的合作以創造交叉銷售機會，同時強化業務部門和中後台部門之間的紐帶。此外，本集團將繼續與中信集團及母行中信銀行緊密合作，捕捉有利的政府政策帶來的跨境業務機會，例如大灣區的發展及「一帶一路」戰略等。依託各海外分行以及中國子行構建的良好網絡，本集團可為客戶提供全球資產配置服務。

我們致力於科技引領，以金融科技推動戰略轉型。我們將繼續通過引進先進的技術，開發創新產品和服務以及提升營運效率和服務能力。具體而言，inMotion動感銀行將作為本集團零售銀行業務提升競爭優勢的主要平台，為客戶提供更加豐富的產品和服務，提升客戶體驗和滿意度。本集團亦致力於增加投資以提升自身的資訊科技實力，確保能夠主動預測及適應客戶不斷變化的需求及偏好，並能夠持續提升風險監控和合規管理能力。

本人堅信，通過培養良好的企業文化，堅持以客戶利益為出發點，通過加強內外部聯動合作的成效並充分發揮科技優勢，全體同仁定能夯實本集團的根基，將未來的發展推向新的高度。

畢明強
行長兼行政總裁

香港，2019年3月25日

We put into practice our core value of “customer-centric”. We will enhance the service quality of account managers by means of training, seminars and other tools; we will enhance customer satisfaction by more precise product positioning and simpler service process. In addition, through an informed allocation of capital and resources to the three business units, we will drive a continued increase in the return on capital for the corporate banking business and faster expansion of the personal banking and treasury businesses, which can diversify our income sources and raise overall capital efficiency, thus increasing our capabilities for sustainable development.

We stress win-win collaboration. We will strengthen the collaboration between the business units to create cross-selling opportunities, and forge stronger ties between business units and support units. Moreover, the Group will continue to work closely with the CITIC Group and parent bank CNCB to capture the cross-border business opportunities arising from favourable government policy initiatives, such as the development of the Greater Bay Area and the “Belt and Road” strategy. Leveraging a good network formed by the overseas branches and the wholly-owned subsidiary in China, the Group can service customers who are in need of offshore asset allocation.

We are committed to technology-led development, applying Fintech to drive strategic transformation. We will continue to introduce advanced technologies to help develop innovative products and services as well as improving operational efficiencies and providing more and better services. Specifically, inMotion will serve as the key platform for sharpening the competitive edge of the Group’s retail banking business through the availability of a wider array of products and services and enhancement of customer experience and satisfaction. The Group will also step up investments to strengthen IT capabilities, ensuring that it can proactively anticipate and adapt to the changing needs and preferences of customers, and continue to perform well in monitoring risks and managing compliance work.

I am confident that by fostering a sound culture and focusing on the interests of customers, together with effective internal and external collaboration as well as fruitful application of technologies, the staff will succeed in enhancing the Group’s foundation to scale new heights ahead.

Bi Mingqiang
President & Chief Executive Officer

Hong Kong, 25 March 2019

公司業務部

Wholesale Banking Group

彭建寅先生

替任行政總裁
公司業務總監

Mr. Jianyin Peng

Alternate Chief Executive Officer
Head of Wholesale
Banking Group



- 優化客戶結構，以更多有直接抵押品的較低風險貸款及大型國企貸款，置換較高風險的貸款，提升貸款組合的質量及回報
- 與中信集團及母行中信銀行的聯動協作不斷加強，去年貢獻公司業務約46%的經營收入
- 成功完成數宗大型併購融資項目，鞏固在中國企業跨境併購融資領域的領跑者地位
- **Credit quality and returns earned were enhanced by adjustment to the customer structure and replacement of relatively higher risk loans with more secured loans backed by direct mortgages and large SOE loans**
- **Collaboration with the CITIC Group and CNCB continued to be strengthened, contributing about 46% of WBG's operating income last year**
- **Leading position in cross-border mergers and acquisitions ("M&A") financing market has been consolidated with the successful completion of several major deals**

2018年，在環球經濟波動的大環境下，公司業務部堅持實施「積極營銷、謹慎承貸」的發展戰略，主動調整客戶結構，優化貸款組合。全年公司業務部的經營收入在貸款規模與去年基本持平的情況下增長1.7%，主要由於淨息差較2017年擴大，高於各競爭對手。與此同時，部門於2018年不斷吸納新客戶存款，強化存款結構。雖然過去一年的市場環境充滿挑戰，但公司業務部依然取得了穩健的發展，主要有賴改變客戶結構、加強與中信集團及母行的協同合作，以及擁有堅實的併購融資業務能力。

優化公司貸款客戶結構

公司業務部在2018年積極調整貸款組合，提高貸款組合的質量，以更多有直接抵押品的較低風險貸款，置換風險較高的貸款，並與中信銀行的各分支機構聯動，服務大型國有企業客戶，進一步提高較低風險貸款的比重。於2018年的新增房地產貸款組合中，有直接抵押品的貸款佔比高達63%，剩餘份額中亦有超過六成由國有企業或大型金融機構提供擔保。

強化與中信集團及母行的協作

依託中信集團及母行龐大的客戶網絡和廣泛的業務聯繫，公司業務部挖掘了更多商機，與中信集團及母行一起為大客戶提供一站式的金融服務。2018年中信集團及母行轉介予

In 2018, amid volatile global economic conditions, WBG adhered to the development strategy of "Active Marketing, Conservative Underwriting", proactively adjusting the customer structure and loan portfolio. For 2018, operating income of WBG increased by 1.7% year on year with basically the same loan size as the previous year, as NIM was enhanced compared with 2017 and was ahead of many competitors. Meanwhile, the deposit structure was bolstered by continuous absorption of new customer deposits. Over the past year, WBG has achieved steady development despite a challenging market environment, primarily attributable to changes of the customer structure, strengthened collaboration with the CITIC Group and CNCB and strong M&A financing capability.

Enhanced Loan Customer Structure

WBG proactively managed its loan portfolio and improved credit quality in 2018 by replacing relatively higher risk loans with more secured loans which were backed by direct mortgages. Meanwhile, we collaborated with various branches of CNCB to serve large state-owned enterprises ("SOEs"), further increasing the proportion of relatively lower risk loans. Approximately 63% of new real estate finance ("REF") approvals in 2018 were backed by better credit quality direct mortgages, and more than 60% of the remaining unpledged portion was guaranteed by either SOEs or large financial institutions.

Strengthened Collaboration with CITIC Group and CNCB

Leveraging the CITIC Group and CNCB's vast client networks and extensive business connections, WBG managed to open up more new business opportunities by providing one-stop financial services to major clients in collaboration with the CITIC Group and parent bank. For 2018, the CITIC

Together with CNCB, CNCBI was awarded the 2018 IFR China Loan House Award
 中信銀行與信銀國際共同獲得2018年《國際金融評論》中國最佳貸款行的殊榮



公司業務部的客戶數量近1,300戶，較前一年同期增長3.6%。全年累計創造協同收入達23.0億港元，同比增加8.4%，在公司業務部經營收入中的佔比上升至45.8%。

保持在併購融資市場的領先地位

憑藉順利完成如中國化工集團等大型融資項目的往績，近年來信銀國際已經成為中國企業跨境併購融資領域內的領跑者。2018年公司業務部乘勢而上，在維護存量客戶的同時，積極開拓新的業務機會，先後替多家大型企業成功完成了一系列在市場上舉足輕重的融資項目，併購貸款總金額達91.6億美元，為公司業務部提供了重要的貢獻。中信銀行與本行共同獲得2018年《國際金融評論》中國最佳貸款行的殊榮(2018 IFR China Loan House Award)，進一步提升本行在國際資本市場上的聲譽。

2019年業務重點

2019年，市場上的不確定性和激烈競爭依舊存在，但公司業務部將貫徹「積極營銷、謹慎承貸」的戰略，在嚴守合規及監管要求的前提下，積極拓展業務，審慎控制風險，進一步優化存貸結構，提升資本使用效率，努力保持本行在結構性融資業務的優勢，同時利用海外分行網路，為貿易融資和房地產貸款等產品創造協同效應。在與中信集團和母行的持續密切合作下，公司業務部有信心可以繼續穩健發展。

Group and parent bank referred almost 1,300 new customers to WBG, an increase of 3.6% over the previous year, bringing HK\$2.30 billion of collaboration operating income, representing an 8.4% growth year on year, and contributing 45.8% of the operating income of WBG.

Maintained Leading Position in M&A Financing Market

With the successful completion of large-scale financing deals in the past such as the ChemChina project, CNCBI has become the leader in the Chinese cross-border M&A financing market in recent years. In 2018, while continuing to cement its relationship with existing clients, WBG actively explored new M&A financing business opportunities. As a case in point, CNCBI led a total of US\$9.16 billion M&A financing, with successful arrangement of transactions for large companies with high market impact, making a major contribution to the performance of WBG. Together with CNCB, CNCBI won the prestigious 2018 IFR China Loan House Award, further promoting the Bank's reputation in the international capital market.

Focus of Business Strategy for 2019

In view of continuous uncertainties and intense market competition in 2019, WBG will keep pursuing the "Active Marketing, Conservative Underwriting" strategy. While maintaining full compliance with both internal compliance and external regulatory requirements, WBG will continue to expand its business actively and manage risks prudently. We will further enhance the loans and deposits structure, emphasizing efficient use of capital. We aim to sustain the Bank's strength in structured finance business, while capitalizing on the overseas branch network to create synergies for other products such as trade finance and REF. Coupled with continued close collaboration with the CITIC Group and parent bank, we are confident that WBG can sustain steady growth ahead.

個人及商務銀行部

Personal and Business Banking Group

簡吳秋玉女士

執行董事、替任行政總裁
個人及商務銀行業務總監

Mrs. Helen Kan

Executive Director
Alternate Chief Executive Officer
Group Head of Personal &
Business Banking



- 客戶存款錄得1,529.2億港元的新高，上升16.9%
- 客戶貸款同樣創歷史新高，達515.2億港元，增加12.3%
- 高端客戶群增長31.8%
- **Customer deposits recorded a new high of HK\$152.92 billion, up 16.9%**
- **Customer loans also hit another record high of HK\$51.52 billion, up 12.3%**
- **High net worth customer base grew 31.8%**

個人及商務銀行部以客戶為中心的戰略於2018年繼續取得進展。依託提供更便捷和多元的服務，部門強化了與現有客戶的關係，並在關鍵領域內獲得新的商機。截至2018年末，客戶存款及貸款錄得新高，分別為1,529.2億港元及515.2億港元，較2017年末各增加16.9%及12.3%。去年經營收入創下新高，達25.0億港元，較2017年增長5.4%。與2017年相比，經營支出增加6.8%，歸因於個人及商務銀行部致力投資，增強部門的基礎設施系統和電子渠道能力。得益於嚴格的信貸風險管理，貸款減值虧損進一步減少，2018年錄得34.3百萬港元回撥。因此，稅前溢利首次突破10億港元，達到創紀錄的10.3億港元，按年增長8.2%。

Personal and Business Banking Group ("PBG") continued to make progress with its customer-centric strategy in 2018. Initiatives to enhance service convenience, access and choice deepened existing customer relationships and provided us with new business opportunities in key segments. As at end-2018, customer deposits and loans reported new highs at HK\$152.92 billion and HK\$51.52 billion, representing increases of 16.9% and 12.3% versus end-2017 respectively. Operating income for the year hit a record high at HK\$2.50 billion, up 5.4% over 2017. Operating expenses increased by 6.8% versus 2017, which was a result of PBG's commitment to invest to enhance its infrastructure systems and e-channel capabilities. Loan impairment losses were further reduced, with a HK\$34.3 million write-back in 2018 on the back of rigorous credit risk management. Thus, profit before taxation reached \$1.0 billion for the first time to a record of HK\$1.03 billion, up 8.2% year on year.

inMotion remote account opening ceremony in March
inMotion遙距開戶發佈會於3月舉行



擴大高端客戶群

個人及商務銀行部持續聚焦於發展高端客戶，投資手續費收入於2018年創下歷史新高，主要由外匯、結構性存款產品、單位信託和證券買賣的手續費收入帶動。此外，高端客戶數量及所管理的客戶資產規模分別比2017年增長31.8%和21.5%。

持續的電子化及科技突破

個人及商務銀行部通過金融科技應用程式不斷創新並提供新穎的技術解決方案，增強客戶體驗。信銀國際於3月成為香港第一家推出inMotion手機應用程式的銀行，該應用程式可讓香港身份證持有人在無須前往分行的情況下開設銀行賬戶。此遙距開戶服務已經擴展至投資戶口的開立。inMotion是本行的零售業務戰略平台，提供以客戶為中心且隨手可得的銀行產品和服務。此外，本行的財富管理系統於年內升級，加強了財富管理服務方面的競爭優勢。

與母行更緊密的跨境合作

個人及商務銀行部持續專注於發展跨境業務，並加深與母行中信銀行的合作，促進了跨境轉介客戶群和管理客戶資產的良好增長。跨境轉介客戶群按年增長超過60%，而管理的客戶資產亦較2017年增長35.6%。

Broadened High Net Worth Customer Base

PBG continued its strategy of focusing on high net worth customers. PBG's investment fee income registered a new high in 2018, mainly contributed by higher fee income from foreign exchange, structured deposit products, unit trust and securities brokerage. Also, the number of high net worth customers and customer assets under management grew 31.8% and 21.5% over 2017 respectively.

Continuous Digital and Technological Breakthroughs

PBG continued to innovate and deliver new technology solutions through Fintech applications to enhance customer experience. In March, CNCBI became the first bank in Hong Kong to launch the inMotion mobile app which enables Hong Kong identity card holders to open bank accounts without physical presence in branches. This remote account opening service has already been extended to investment account opening. inMotion is the Bank's retail business strategic platform to provide customer-centric and easy to access banking products and services. In addition, the Bank's wealth management system was upgraded during the year to strengthen its competitive advantages in wealth management services.

Closer Cross-Border Collaboration with CNCB

PBG's continued focus on growing cross-border businesses and deepened collaboration with parent bank CNCB led to a good growth in cross-border referral customer base and customer assets under management. Cross-border referral customer base increased by over 60% year on year while customer assets under management reported a 35.6% growth from 2017.



inMotion X'mas event at Lan Kwai Fong in December
inMotion聖誕活動於12月在蘭桂坊舉行

強化商務銀行服務

個人及商務銀行部於2018年2月初在九龍開設第二家商務理財中心，繼續加強對商務銀行客戶的支持，為其提供全面的金融及財富管理方案。2018年，我行兩家商務銀行中心繼續在貸款、存款和客戶吸納方面獲得令人鼓舞的增長。

審慎管理資產質量

由於實行嚴格的信用風險管理和有效的清收管理，資產質量維持良好。受益於較高的中小企呆壞賬回撥，2018年的貸款減值錄得3,430萬港元的回撥。此外，住房按揭貸款拖欠比率仍低於香港金融管理局的行業指標。



Faster Payment System Activation Ceremony at HKMA in September
在香港金管局舉行的快速支付系統開通儀式於9月舉行

Boosting Business Banking Services

PBG kept strengthening support for business banking customers by opening a second Business Banking Centre located in Kowloon in early February 2018 to offer comprehensive financial and wealth management solutions to business banking customers. Our total of two Business Banking Centres continued to achieve encouraging growth in loans, deposits and customer acquisition in 2018.

Prudent Asset Quality Management

Asset quality remained good as a result of stringent credit risk management as well as effective collection management. Loan impairment losses in 2018 recorded a write-back of HK\$34.3 million, attributable to higher SME write-backs. In addition, residential mortgage delinquency ratio stayed below the industry benchmark gauged by the Hong Kong Monetary Authority.

創新贏得讚譽

信銀國際不斷努力發展和加強財富管理和私人銀行產品和服務，加上通過應用金融科技在移動銀行方面取得突破，個人及商務銀行部在2018年獲得多項殊榮，包括由香港金融管理局和深圳市人民政府金融發展辦公室合辦的「深港金融科技創新獎」二等獎，華富財經頒發的兩項獎項，即「2017年度華富財經傑出企業大獎－傑出私人銀行服務及傑出財富管理銀行」，由新城財經台頒發的三項榮譽，即「香港企業領袖品牌2018－卓越私人銀行服務品牌，卓越手機銀行品牌和卓越財富管理銀行品牌」，以及由資本一周頒發的「第18屆資本傑出企業成就獎－私人銀行」。

2019年業務重點

本行致力投資於和發展個人及商務銀行部的業務，通過重點投資於inMotion，相關的金融科技應用程式和基礎設施，提供安全、快捷和便利的端到端數碼化銀行體驗。此外，我們將主動尋求捕捉與大灣區發展相關的新商機。

Reputation Gained for Innovation

CNCBI has made sustained efforts to develop and enhance wealth management and private banking products and services. Also, given breakthroughs made in mobile banking through application of Fintech, PBG was awarded several accolades in 2018, including a Second Prize in the “Shenzhen-Hong Kong Fintech Award” jointly organized by the HKMA and the Shenzhen Office of Financial Development Service, two awards by Quamnet, namely “Quamnet Outstanding Enterprise Awards 2017 – Outstanding Private Banking Services and Outstanding Wealth Management Bank”, three honors organized by Metro Finance, namely “Hong Kong Leaders’ Choice Awards 2018 – Excellent Brand of Private Banking Service, Excellent Brand of Mobile Banking and Excellent Brand of Wealth Management Banking”, and “The 18th Capital Outstanding Enterprise Awards – Private Bank” organized by Capital Weekly.

Focus of Business Strategy for 2019

The Bank is committed to invest and develop PBG business. This will be achieved through focused investment in inMotion, associated Fintech applications and infrastructure to deliver a safe, fast and convenient end-to-end digital banking experience. Furthermore, we will proactively seek to capitalize on new business opportunities relating to Greater Bay Area developments.

財資及環球市場部

Treasury and Markets Group

柏立軍先生

執行董事
替任行政總裁
司庫

Mr. Bai Lijun

Executive Director
Alternate Chief
Executive Officer
Treasurer



- 受惠於多個環球市場團隊的貢獻以及資金營運中心的投放收益增加，財資及環球市場部的經營收入錄得16.9%的增長
- 2018年信銀國際持續在離岸債券市場獲得認可，按中國離岸債券承銷量計，於所有中資金融機構中排名第5位
- Treasury and Markets Group posted a 16.9% increase in operating income, underwritten by contributions from different Global Markets teams and higher deployment returns from Central Treasury Unit ("CTU")
- CNCBI continued to gain recognition in the offshore bond market in 2018, being ranked fifth among all Chinese financial institutions for offshore China bonds issuance

2018年財資及環球市場部的經營收入由前一年的7.28億港元增加至8.51億港元。企業營銷團隊在外匯和利率等多項產品上創造了良好的流量；同時，債務資本市場團隊、其他營銷團隊以及各團隊之間的通力合作也對收入的增長作出貢獻。金融機構營銷團隊繼續聚焦於增加新的客戶，以及擴大客戶在二級債券市場的交易量。2018年共開立57個主帳戶，客戶二級債券市場交易量50.25億美元，較2017年增長67.5%。交易團隊方面，外匯交易尤其活躍，2018年的交易收入為1.15億港元，按年增長45.3%，其中人民幣交易團隊的表現突出，在實現龐大交易量的同時，持續維持日均交易量處於高位水平。以路透社平台的港元及人民幣交易量計，信銀國際在香港市場所有中資銀行中排名第2位。湯森路透授予信銀國際「最佳電子外匯交易行（中資）」和「最佳外匯資料提供行」獎項，以表彰其在這兩個領域的努力和貢獻。

2018年8月，香港交易所的場外交易結算公司批准信銀國際成為其直接成員，可以參與場外中央結算。該公司是香港場外衍生產品唯一認可的中央結算所，重點開發適合中資銀行的產品。信銀國際獲批准成為其成員，戰略意義重大，有助其應對監管機構對中央結算日益增加的要求，以及促進未來的業務增長。

For 2018 Treasury and Markets Group ("TMG")'s operating income increased to HK\$851.16 million from HK\$728.35 million in the previous year. Corporate marketing had good flows from different products including FX and interest rates, while debt capital markets ("DCM") and other marketing teams, as well as cross-team collaboration, also contributed to the income growth. The Financial Institutions ("FIs") marketing team continued to focus on the onboarding of new FI customers as well as building out the volume of bond trading by clients in the secondary market. There were in total 57 master accounts opened in 2018 and secondary market bond trading volume by clients reached US\$5.02 billion, a 67.5% increase from 2017. For the trading team, FX trading was especially active, with trading revenue in 2018 amounting to HK\$114.56 million, up 45.3% year on year. The performance of the Renminbi ("RMB") trading team stood out. While building up a substantial trading volume, the average daily volume was consistently maintained at a high level. According to the Reuters platform for both HKD and RMB trading volume in Hong Kong, CNCBI was ranked No. 2 among all Chinese Banks. Thomson Reuters has awarded CNCBI "Best e-FX execution Chinese Bank" and "Best FX Data Contribution Bank" in recognition of its effort and contribution in the two areas respectively.

In August 2018, HKEX OTC Clearing HK Ltd. ("OTC Clear") approved CNCBI's application as a direct member for OTC central clearing. Given OTC Clear's position as the only recognized clearing house for OTC derivative products in Hong Kong and that its focus is on developing products tailor-made to Chinese banks, the approval is strategically important for CNCBI to support the increasing regulatory demand for central clearing and the Bank's future business growth.

CNCBI was awarded the “Best e-FX Execution Chinese Bank” and “Best FX Data Contribution Bank” by Thomson Reuters 湯森路透授予信銀國際「最佳電子外匯交易行（中資）」和「最佳外匯資料提供行」獎項



債務資本市場業務發展成為穩定的費用收入來源

2018年，財資及環球市場部的債務資本市場團隊擔任聯席簿記管理人、聯席主承銷商或聯席全球協調人，為69家中國發行商完成合計104宗交易，總發行規模達439.3億美元，期內入帳的費用收入為2.34億港元。當中有50宗交易由信銀國際擔任全球協調人。截至2018年末，根據彭博的統計資料，信銀國際在中國離岸債券市場按承銷量計排名第8位，在所有中資金融機構中排名第5位。

債務資本市場團隊為中國化工集團發行65億美元的債，成為2018年所有中資發行人最大規模的債券發行之。其他比較重大的交易的發行機構包括中國恒大集團，中國宏橋集團，北京首創集團，鄭州地鐵集團，國家開發銀行租賃和中國民生銀行。

資金營運中心貢獻良多

去年資金營運中心管理好流動性期限錯配，緩解美元和港元利率上升的影響，既增加投放收益，又減少內部資金池的損失。

與此同時，團隊適時調整內部轉移定價，實現理想的貸存比率，審慎地維護本行的流動性，並鑒於港元和離岸人民幣市場的潛在波動性，謹慎地管理外匯掉期。此外，投資團隊積極地降低債券投資組合的風險，尤其是管控交易對手的信貸風險。

DCM Business Developed into a Stable Source of Fee Income

In 2018, TMG's DCM team completed 104 deals for 69 Chinese issuers as Joint Lead Manager ("JLM"), Joint Book Runner ("JBR") or Joint Global Coordinator ("JGC"), with an aggregate issuance size of US\$43.93 billion and fee income of HK\$234.46 million recognized. There were 50 transactions where CNCBI acted as Global Coordinator. As at the end of the year, according to Bloomberg Offshore China Bonds issuance volume, CNCBI ranked eighth among all managers and fifth among all Chinese financial institutions.

The DCM team completed one of 2018's biggest bond issuances for Chinese issuers, namely ChemChina's US\$6.5 billion issuance. Other significant bond issuances completed by the DCM team included China Evergrande Group, China Hongqiao Group, Beijing Capital Group, Zhengzhou Metro Group, China Development Bank Leasing and China Minsheng Bank.

CTU Made Multiple Contributions

Last year, CTU prepositioned the bank's gapping position to lessen the impact of a rising interest rate cycle of the USD and HKD and achieved higher deployment returns and lower internal funding pool losses.

In the meantime, the team adjusted the FTP curve in a timely manner, which helped steer a desirable loans-to-deposits ratio and protected the bank's liquidity in a prudent manner. The team continued to carefully manage the FX swap position given the potential volatility in both the HKD and CNH markets. Moreover, the investment team actively reduced the risks in the bond investment portfolio, especially controlling counterparty credit risk.

2019年業務重點

財資及環球市場部專注於強化所有產品的交易和銷售能力，同時建立財資業務自身的特色。隨著2018年加入了數位專業高級管理人員，以及進行內部架構重組，部門加強了業務能力和前線風險管理。財資及環球市場部一直視維持強有力的合規和風險管理文化為首要任務。2019年在交易方面的另一個重點是投資發展財資電子平台，此舉不僅有助內部交易工作流程的自動化，也有利於提升外部客戶交易能力。財資及環球市場部正計劃擴大和豐富固定收益產品的覆蓋面，增加在二級市場上固定收益產品交易和銷售的市場份額。

2018年10月，信銀國際資產管理公司獲香港證監會頒發4號及9號牌照。資產管理團隊正在籌備開展業務，預料在2019年內開始營業，目標是建立一個可持續的商業模式，為本行帶來穩定的收入。財資及環球市場部也計劃於2019年為客戶提供全面的託管服務，正在建立業務團隊，進行前期準備工作。

此外，財資及環球市場部的營銷隊伍會繼續與公司業務部和個人及商務銀行部緊密合作，交叉銷售財資產品，為客戶提供增值方案以對沖風險和提高收益。隨著人民幣和美元/港元利率市場波動加劇，客戶的對沖需求將會上升。財資及環球市場部將致力先透視客戶現有的投資組合及瞭解其需要，才提供合適的產品和服務。另一個成功的關鍵是為資金產品尋找合適的客戶並擴大客戶群。財資及環球市場部將與公司業務部的客戶經理攜手拓展客戶的覆蓋面，製造更多交叉銷售機會，特別專注於房地產和國有企業板塊。財資及環球市場部將建立一套分享利潤的制度，鼓勵部門內各個團隊交叉銷售；又將善用本行中國子行和海外分行的網絡，協調推進銷售和交易業務。實現本地和全球專業知識的有效協作，將有望推動財資及環球市場部在2019年取得成功。

Focus of Business Strategy for 2019

TMG will focus on strengthening trading and sales capabilities across all products while it establishes the treasury business franchise. Having had some new professional senior managers joining in 2018, along with the internal reorganization, TMG has strengthened its business capabilities as well as front-line risk management. Upholding a strong compliance and risk management culture has always been the top priority for TMG. Another key focus for trading in 2019 is to invest in the development of the treasury e-platform, which is necessary to facilitate not only the automation of internal trading work flow but also the trading capabilities with external clients. TMG is planning to expand and diversify its coverage of fixed income products and to increase the market share in fixed income trading and sales in the secondary market.

In October 2018, the Securities and Futures Commission ("SFC") granted the Type 4 and Type 9 licenses to CNCBI Asset Management Ltd. The asset management team is currently preparing for business launch and is expected to commence business operations in 2019. The target is to build up a sustainable business model in order to provide a stable income base for the Bank. Another service TMG intends to expand in 2019 is the provision of full custodian services to its clients. The custodian services team is being set up and is currently going through business preparation stage.

Moreover, TMG's marketing teams will continue to work closely with WBG and PBG in cross-selling treasury products, presenting clients with value-added solutions to hedge against various risks and improve returns. With the increasing volatility of the RMB and USD/HKD interest rate market, there will be increasing hedging demands from clients. TMG will strive to penetrate existing clients' portfolios and to understand their needs before providing suitable products and services. Targeting the right clientele and the expansion of the client base for Global Markets products has also been the key to success. TMG will be working closely with WBG's relationship managers to expand on the coverage of clientele in order to create more cross-selling opportunities, especially focusing on real estate and SOE sectors. TMG will also be developing a profit-sharing model to encourage cross-selling between teams internally as well as a functional sales and trading business model to leverage the network in the Bank's subsidiary in China and overseas offices. The efficient collaboration of our expertise both locally and globally is expected to drive the success for TMG in 2019.



- 全港首個具規模網上語言發展平台及訓練計劃「樂語路」正式啟動
- 「畫出香港」啟發基層學生創意，並將藝術推廣至香港各階層
- “Speak Along”, Hong Kong’s first comprehensive online platform and training programme for speech development launched officially
- “Draw HK” ignites creativity in underprivileged students and promotes art across social strata

中信銀行（國際）有限公司（「信銀國際」）暨各附屬公司（統稱「本集團」）心繫社會，一直致力履行良好企業公民責任，在用心經營銀行業務，提供領先業界的創新優質服務之餘，同時積極回饋香港，關懷弱勢社群，為社區創造價值。

信銀國際設有企業社會責任委員會，成員來自不同部門的管理層，年內持續審批、監察及考核各項企業社會責任工作，以提升有關管治水平，確保各項目合乎本集團的核心價值及發展方向，同時持續加強企業社會責任的績效及管理，並鼓勵各部門員工積極參與公益活動，冀將回饋社會的精神滲透至每個角落。

China CITIC Bank International Limited (“CNCBI”) and its subsidiaries (together the “Group”) care for Hong Kong society with a commitment to honouring the responsibility of a corporate citizen. While considerable effort has gone into conducting banking business and pioneering quality services, the Group has also been keen to plough back resources into Hong Kong, caring for the underprivileged community while creating value to society.

CNCBI’s dedicated Corporate Social Responsibility Committee (“CSRC”), which comprises management-level staff from various departments, approved, monitored and assessed the Group’s CSR initiatives continuously during the year, enhancing the level of governance with a view to optimising the effectiveness and appropriateness of CSR resources utilisation and ensuring that all CSR initiatives comply with the Group’s core values and development. The Group also endeavoured to spread the spirit of philanthropy to every corner of the Group by encouraging staff from various departments to play an active role in worthy causes.

Hong Kong's first comprehensive online platform and training programme for language development "Speak Along" attracted about 6,000 registrations for gamified mobile app, seminars and workshops

全港首個具規模的網上語言發展平台及訓練計劃「樂語路」，吸引近 6,000 人次登記使用語言遊戲應用程式或參與講座及工作坊



「樂語路」將惠及逾萬名學童

知識改變未來，今日教育造就明日社會，這個理念驅動本集團一直致力支援基層學童的教育及全人發展。過去逾10年間，本集團推出多項學習計劃，協助近15,000名基層學童提升學術水平及多元智能，近年更將在金融科技上的創新精神，延伸至企業社會責任，推動基層學童電子學習，成效令人鼓舞。

在過去的成功基礎上，本集團進一步將創科領先優勢引進不同領域，計劃投放約1,000萬港元，與中文大學攜手推出全港首個具規模的網上語言發展平台及訓練計劃「樂語路」，期望首三年惠及全港約10,000名學前兒童及小學生，覆蓋半數有相關需要的小朋友。

目前全港有不同程度語言發展問題的學前兒童及小學生估計超過20,000名，惟社會的言語治療服務資源有限，評估後有需要的學前兒童平均需要輪候超過一年才可接受政府提供的學前康復服務，私營服務方面又收費昂貴令大多數家長卻步，加上家長甚至老師普遍沒有相關知識及訓練工具，以致不少兒童錯失語言發展的關鍵期，延誤了語言、社交及認知發展。

"Speak Along" to Benefit More Than 10,000 Students

Convinced that knowledge changes the future and that today's education shapes tomorrow's society, the Group has always focused its CSR focus on supporting the education and all-round development of underprivileged students. Over the last 10 years, the Group has launched a number of education programmes which have helped about 15,000 underprivileged students to seek academic and multiple intelligences improvement. In recent years, the Group also extended its spirit of innovation for Fintech to the realm of CSR in a move to promote e-learning among students. The results have been encouraging.

On this foundation, the Group has brought its leading advantage in innovative technology into other areas and earmarked about HK\$10 million for the development of Hong Kong's first comprehensive online platform and training programme for language development "Speak Along" in partnership with The Chinese University of Hong Kong with an aim to benefit about 10,000 pre- and primary-school children over the first three-year span, which represent half of the children in need.

At present, it is estimated that the number of Hong Kong pre- and primary-school children with speech impediments exceeds 20,000. Due to limited speech therapy services available in society, diagnosed children on average need to wait more than a year for government-funded pre-school rehabilitation services while costly private treatments are holding back parents. The parents and teachers are in general unskilled and unequipped for the children who would therefore miss the golden time for speech development and lag behind in speech, interpersonal and cognitive development.

「樂語路」涵蓋網上資訊平台、語言遊戲應用程式、家長講座及工作坊、直接言語治療和義工服務五大範疇，是全港首個具規模的網上語言發展平台及訓練計劃，主要針對語言發展遲緩的學前兒童及小學生，特別是資源較為缺乏的基層家庭兒童，讓他們可及早接受基本但有效的訓練。

2018年7月「樂語路」正式推出後廣受歡迎，至年底已有約3,000人登記使用語言遊戲應用程式，講座及工作坊參與人次亦接近3,000人，成效較預期更佳。未來本集團會繼續支持「樂語路」優化平台，長遠目標是讓所有需要言語治療的兒童都能夠及時獲得幫助。

「畫出香港」冀成香港年度盛事

除了「樂語路」以外，本集團去年啟動了另一大型企業社會責任計劃「畫出香港」，與香港青年藝術協會合作，支持基層學生發掘藝術潛能，提升創意和自信，並將藝術推廣至香港各階層。計劃主要包括藝術家駐校計劃及工作坊、展覽和公眾活動日三大層面。

2018年9月至2019年2月，「畫出香港」藉一系列藝術家駐校計劃及工作坊，以別開生面的繪畫活動、練習、集體創作等，讓700位中小學生尤其是基層學生接觸到嶄新的藝術創作模式，並與藝術家及教師共同創作出13組作品，包括「創意禪繞」、「瘋狂頭像」、「城市故事」、「環遊華富」等。

“Speak Along” has five distinctive pillars, including an online knowledge platform, a gamified mobile app, seminars and workshops, direct speech therapies and volunteer service. It is Hong Kong’s first comprehensive online platform and training programme for language development with an aim to provide timely, fundamental and effective training chiefly for pre- and primary-school children in need especially those from an underprivileged background.

“Speak Along” was met with widespread enthusiasm since its official launch in July 2018, logging about 3,000 registrations for the gamified mobile app by the end of the year and a seminar and workshop participation figure of about 3,000. The result was better than expected. In future, the Group will continue to provide support for the “Speak Along” platform’s enhancement, allowing all the children that require the much needed speech therapies to get timely support in the long run.

“Draw HK” Expected to Become Hong Kong’s Annual Main Event

Aside from the rollout of “Speak Along”, the Group last year also kicked off another large-scale CSR programme “Draw HK” in collaboration with Hong Kong Youth Arts Foundation in an effort to support underprivileged students to discover their artistic talents, raise their creativity and self-confidence, and help promote art to various layers of Hong Kong society. The programme comprised a series of artist-in-residence programmes and workshops, an exhibition and an event day.

A series of artist-in-residence programmes and workshops from September 2018 to February 2019 put around 700 primary and secondary school students especially those from an underprivileged background in touch with a colour array of innovative approaches to creativity through special drawing activities, exercises and group creation processes. The students were also engaged in creating 13 groups of drawings including “Creative Zentangles”, “Crazy Hair Portraits”, “Infographics x City” and “Travels Around Wah Fu” together with the artists and teachers.



Large-scale community arts project “Draw HK” supports students to discover their artistic talents and helps promote art to various layers of Hong Kong society
大型社區藝術計劃「畫出香港」支持學生發掘藝術潛能，並將藝術推廣至香港各階層

2019年3月，「畫出香港」假中環元創方展出學生和藝術家創作，並舉行公眾活動日，期望能成為香港的年度盛事。

身體力行貢獻社會

本集團亦鼓勵員工參與公益活動，於2018年連續第九年支持由環保團體綠色力量舉辦的「環島行慈善行山比賽」，贊助近50名員工組成14支企業隊伍參加10公里及25公里賽事，以協助綠色力量推行本地環保教育工作。

此外，員工繼續支持「公益綠識日」，為香港公益金資助的醫療及保健服務籌款，同時積極在「樂語路」工作坊及「畫出香港」活動日中擔任義工，身體力行貢獻社會。

公益事業備受肯定

本集團上下一心履行企業社會責任，榮獲香港社會服務聯會頒發15年Plus「商界展關懷」標誌，肯定了本集團對弱勢社群的持續貢獻和承擔。

In March 2019, an exhibition was held at PMQ in Central to showcase the students and artists' drawings. An event day was also organised for the public and is expected to become an annual main event in Hong Kong.

Sustained Contribution to Community Well-being

The Group also encourages its staff to take part in good causes. For the ninth consecutive year, the Group has supported environmental group Green Power's annual Green Power Hike by sponsoring about 50 staff to form 14 corporate teams for the 10km and 25km hikes in 2018 with all proceeds going to the organisation's local environmental education programmes.

Meanwhile, the Group's staff also contributed to the medical and health services supported by The Community Chest by participating in the organisation's Green Day donation drive, and registered for volunteering for the “Speak Along” workshops and the Draw HK event day.

Token of Acknowledgement

A CSR spirit permeates the Group and led the Group to The Hong Kong Council of Social Service's 15 Years Plus “Caring Company Logo” in recognition of the Group's continuous contribution and sense of responsibility for the underprivileged.

董事簡介

孫德順先生

(董事長、提名委員會和薪酬委員會委員)

於2013年3月15日獲委任為本行董事，並於2015年5月15日被推選為本行董事長，現為中信國際金融控股有限公司非執行董事。孫先生曾任中信銀行股份有限公司執行董事兼行長，至2019年2月26日離任。彼擁有超過30年的中國銀行業經驗，於2011年加入中信銀行股份有限公司前，曾任交通銀行北京管理部副總裁及其北京市分行行長，此前，孫先生在中國工商銀行海淀區辦事處、海淀區支行、北京分行及總行數據中心(北京)等單位擔任多個職位，包括北京分行行長助理、副行長以及總行數據中心(北京)總經理，孫先生亦曾任職於中國人民銀行。孫先生畢業於東北財經大學，獲經濟學碩士學位。孫先生曾獲中國工商銀行頒授『高級經濟師』之名銜。

張小衛先生

(副董事長、非執行董事、信貸及風險管理委員會委員)

於2012年10月22日獲委任為本行董事，至2018年9月28日退任本行行長兼行政總裁職務後為本行副董事長和非執行董事。張先生現為本行多家子公司的董事長或董事，包括：中信銀行國際(中國)有限公司、中信保險服務有限公司、啓福國際有限公司、CKWB-SN Limited、CKWH-UT2 Limited、嘉華國際財務有限公司、Security Nominees Limited、中華聯合發展有限公司、香港華人銀行(代理人)有限公司、嘉華銀行(代理)有限公司及恒康香港有限公司。張先生乃資深銀行家，於中國內地及香港銀行業擁有34年豐富經驗，曾出任中信銀行股份有限公司非執行董事、中國農業銀行及交通銀行多個重要職位，以及交通銀行香港分行副行長及招商銀行香港分行行長。加入本行前，張先生為永隆銀行常務董事兼總經理及替任行政總裁。張先生持有北京經濟學院經濟學學士學位及中國人民銀行研究生部貨幣銀行學碩士學位。於2013年8月，彼獲香港銀行學會委任為副總裁。

Biographies of Directors

Mr. SUN Deshun

(Chairman, Member of the Nomination Committee and the Remuneration Committee)

Appointed Director of the Bank on 15 March 2013 and further elected Chairman on 15 May 2015. Mr. Sun is currently a Non-executive Director of CITIC International Financial Holdings Limited. He was an Executive Director and President of China CITIC Bank Corporation Limited till his resignation on 26 February 2019. Mr. Sun has more than 30 years of experience in the banking industry in China. Before joining China CITIC Bank Corporation Limited in 2011, he had served in Bank of Communications as Vice President of its Beijing Management Department and President of the Beijing Branch. Prior to that, he had worked in the Haidian Office, Haidian Sub-branch, Beijing Branch and Head Office Data Centre (Beijing) of The Industrial and Commercial Bank of China in various positions including Assistant President and Vice President of its Beijing Branch and General Manager of the Head Office Data Centre (Beijing). He had also worked in The People's Bank of China. Mr. Sun graduated from Dongbei University of Finance and Economics with a Master's Degree in Economics. He was named a "Senior Economist" by The Industrial and Commercial Bank of China.

Mr. ZHANG Xiaowei

(Vice Chairman, Non-executive Director, Member of the Credit & Risk Management Committee)

Appointed Director of the Bank on 22 October 2012 and became the Vice Chairman of the Bank on 28 September 2018 when he retired from the role of President and Chief Executive Officer of the Bank. He is also Chairman or Director of various subsidiaries of the Bank, including CITIC Bank International (China) Limited, CITIC Insurance Brokers Limited, Carford International Limited, CKWB-SN Limited, CKWH-UT2 Limited, Ka Wah International Merchant Finance Limited, Security Nominees Limited, Sino-Allied Development Limited, The Hongkong Chinese Bank (Nominees) Limited, The Ka Wah Bank (Nominees) Limited and Viewcon Hong Kong Limited. A veteran banker with 34 years of experience in the banking industries in Mainland China and Hong Kong, Mr. Zhang was formerly a Non-executive Director of China CITIC Bank Corporation Limited and had held various senior positions at Agricultural Bank of China and Bank of Communications. He was also Vice President of the Hong Kong Branch of Bank of Communications and President of the Hong Kong Branch of China Merchants Bank. Prior to joining the Bank, Mr. Zhang was an Executive Director, General Manager and Alternate Chief Executive Officer of Wing Lung Bank. Mr. Zhang holds a Bachelor's Degree in Economics from the Beijing Economics Institute and a Master's Degree in Monetary and Banking from the Graduate School of The People's Bank of China. He was appointed Vice President of The Hong Kong Institute of Bankers in August 2013.

畢明強先生

(執行董事、行長兼行政總裁、信貸及風險管理委員會委員)

於2018年9月28日獲委任為本行董事及行政總裁。畢先生擁有超過20年的金融業從業經驗，近一半時間在加拿大、美國和英國出任管理職位，涉獵多個銀行業務範疇，對行業具深厚認識。他的銀行專業始於中國工商銀行，在項目融資、企業貸款、信用風險管理、銷售管理、環球市場、併購以及策略發展等不同領域閱歷豐富，同時在成立並管理海外機構、業務拓展、商業銀行管理、跨文化管理、增強團隊效益和企業管治方面亦擁有豐富經驗。畢先生曾出任多家內地和海外機構的重要職位，包括業務總監、行政總裁和董事長，曾擔任工商銀行總行信貸管理部總經理、中國工商銀行美國區域管理委員會主席、工銀加拿大行長，以及總部位於倫敦的工銀標準銀行有限公司董事長等職務。赴港前，他為中國國際金融有限公司董事總經理。畢先生持有清華大學的本科及研究生學位，以及中國人民大學經濟學博士學位。

簡吳秋玉女士

(執行董事、替任行政總裁兼個人及商務銀行業務總監)

於2013年3月15日獲委任為本行董事兼替任行政總裁。簡太現亦為本行個人及商務銀行業務總監，以及本行多家子公司董事，包括：中信銀行國際(中國)有限公司、中信保險服務有限公司、CKWB-SN Limited及恒康香港有限公司，彼亦為諾華誠信有限公司董事。簡太擁有32年銀行及金融業經驗，曾出任多個高級職位，涵蓋香港、中國內地、英國以及環球市場，橫跨多個銀行及金融業務範疇。簡太豐富的經驗涵蓋策略變革、業務開拓及發展、多領域個人銀行業務、全球及跨文化管理、人力發展、品質管理及內審。加入本行前，簡太為渣打銀行環球營銷網絡主管。簡太持有香港大學管理及經濟學榮譽學士學位，以及法學碩士學位。於2017年8月，彼獲香港科技大學委任為校董會成員。

Mr. Bi Mingqiang

(Executive Director, President & Chief Executive Officer, Member of the Credit & Risk Management Committee)

Appointed Director and Chief Executive Officer of the Bank on 28 September 2018. Mr. Bi has more than 20 years of multifaceted expertise in the finance industry with about half of that gained while serving various management positions in Canada, the US, and the UK, covering a wide range of banking businesses. He started his banking career with The Industrial and Commercial Bank of China ("ICBC") and progressed through different assignments in project financing, corporate lending, credit risk management, sales management, global markets, mergers and acquisitions, and strategic planning. Mr. Bi has extensive experience in overseas operations setup and management, new business development, commercial banking management, cross-cultural people engagement, team effectiveness building, and corporate governance. Over the years, he has held various important positions including business heads, CEO, and chairmanship of several Mainland and overseas organizations including Head of Credit Management of ICBC group, Country Head of ICBC's US operations, CEO and President of ICBC Canada and Chairman of ICBC Standard Bank Plc headquartered in London. Prior to coming to Hong Kong, he was Managing Director of CICC Capital Management Co Ltd, a subsidiary of China International Capital Corporation Limited. Mr. Bi obtained his undergraduate and postgraduate degrees from Tsinghua University and subsequently a PhD in Finance from Renmin University of China.

Mrs. KAN NG Chau Yuk Helen

(Executive Director, Alternate Chief Executive Officer and Group Head of Personal & Business Banking)

Appointed Director and Alternate Chief Executive Officer of the Bank on 15 March 2013. Mrs. Kan is also Group Head of Personal & Business Banking of the Bank, and Director of various subsidiaries of the Bank, including CITIC Bank International (China) Limited, CITIC Insurance Brokers Limited, CKWB-SN Limited and Viewcon Hong Kong Limited. She is also a Director of Nova Credit Limited. Mrs. Kan has 32 years of experience in the banking and finance industry. Over the years, Mrs. Kan had held various senior positions across a broad spectrum of banking and finance exposures in Hong Kong, Mainland China, U.K. and other global markets. Mrs. Kan's rich experience covers strategic transformation, new business set up and expansion, diversified consumer banking businesses, global and multi-cultural management, people development, quality management and internal audit. Prior to joining the Bank, she was Standard Chartered Bank's Global Head of Distribution in charge of the strategic development and performance of distribution channels. Mrs. Kan holds an Honours Degree in Management and Economics, and a Master's Degree in Laws from The University of Hong Kong. She was appointed Council Member of The Hong Kong University of Science and Technology in August 2017.

柏立軍先生*(執行董事、替任行政總裁兼司庫)*

於2018年8月20日獲委任為本行董事，柏先生現為本行執行董事、替任行政總裁兼司庫，負責本行財資及環球市場部的工作，加強資金及流動性管理，積極推動本行與中信銀行及中信集團的聯動合作，壯大業務發展。柏先生亦為本行多家子公司的董事長或董事，包括：信銀國際投資控股有限公司、信銀國際資產管理有限公司和信銀國際財務顧問有限公司。2006年，他由北京銀行轉投中信銀行總行金融市場部工作。2009年，兼任中信集團董事長助理職務，協助集團董事長處理公司治理、集團項目推動及日常事務。加入本行前，柏先生為中信銀行董事及監事會辦公室副總經理。柏先生持有天津南開大學經濟學院經濟學學士學位及北京中國人民大學財政金融學院金融學碩士學位。

方合英先生*(非執行董事、審核委員會委員)*

於2016年3月24日獲委任為本行董事。方先生現為中信銀行股份有限公司執行董事兼行長，亦為中信國際金融控股有限公司非執行董事及信銀(香港)投資有限公司董事長。方先生於1996年加入中信銀行股份有限公司，曾任蘇州分行行長、杭州分行行長以及金融市場業務總監，並於2014年11月起擔任副行長職務，至2019年3月獲聘任為行長。方先生為『高級經濟師』，於湖南財經學院畢業，獲金融學學士學位，並於北京大學考獲高級管理人員工商管理專業碩士學位。

Mr. BAI Lijun*(Executive Director, Alternate Chief Executive Officer and Treasurer)*

Appointed Director of the Bank on 20 August 2018. Mr. Bai is currently Executive Director, Alternate Chief Executive Officer and Treasurer of the Bank and is responsible for the Bank's Treasury & Markets Group with a view to strengthen funding and liquidity management, in addition to a focus on driving CNCB- and CITIC Group-related collaboration for enhanced business development for the Bank. He is also Chairman or Director of various subsidiaries of the Bank, including CNCBI Investment Holdings Limited, CNCBI Asset Management Limited and CNCBI Financial Consultant Limited. Mr. Bai joined China CITIC Bank Corporation Limited's Financial Markets Department from Bank of Beijing in 2006. In 2009, he took up an additional role at the Chairman Office of CITIC Group, assisting the Group's Chairman with corporate governance, group projects and business affairs. Prior to joining the Bank, Mr. Bai was CNCB's Deputy General Manager of the Office of the Board of Directors and Supervisors. Mr. Bai holds a Bachelor of Economics Degree from the School of Economics at Nankai University in Tianjin, and a Master of Finance Degree from the School of Finance at Renmin University of China in Beijing.

Mr. FANG Heying*(Non-executive Director, Member of the Audit Committee)*

Appointed Director of the Bank on 24 March 2016. Mr. Fang is currently an Executive Director and President of China CITIC Bank Corporation Limited. He is also a Non-executive Director of CITIC International Financial Holdings Limited and Chairman of CNCB (Hong Kong) Investment Limited. Mr. Fang joined China CITIC Bank Corporation Limited in 1996 and was formerly the President of Suzhou Branch, President of Hangzhou Branch and Business Director of Financial Markets. He served as a Vice President of China CITIC Bank Corporation Limited since November 2014 and was further appointed as its President in March 2019. Mr. Fang was a "Senior Economist". He graduated from Hunan College of Finance and Economics with a Bachelor's Degree in Finance and obtained an Executive Master's Degree in Business Administration from Peking University.

李淑賢女士*(獨立非執行董事、審核委員會委員)*

於2018年9月28日獲委任為本行獨立非執行董事。李女士為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。李女士自1994年起任職於畢馬威會計師事務所，直至2018年3月榮休前為畢馬威中國金融服務業審計主管合夥人。李女士擁有豐富的香港和中國會計、資本市場、市場開拓、監管合規相關的內部控制和風險管理經驗。加入畢馬威之前，李女士在英國倫敦一家四大會計師事務所任職並成為特許會計師，以及先後在一家房地產和金融服務集團擔任財務負責人。李女士於英國埃克塞特大學考獲榮譽會計學學位。彼亦為Elite Beam Limited董事。

湯世生先生*(獨立非執行董事、信貸及風險管理委員會、提名委員會和薪酬委員會委員)*

於2013年11月13日獲委任為本行獨立非執行董事。湯先生亦為洲際油氣股份有限公司、惠生工程技術服務有限公司和重慶三峽銀行股份有限公司獨立董事，擁有豐富金融業及證券業經驗。湯先生畢業於湖南財經學院，獲金融學專業(本科)學士學位，並考獲中國人民銀行總行研究生院經濟學碩士學位和中國社會科學院研究生院經濟學博士學位。湯先生於1993年獲中國人民建設銀行頒授「高級經濟師」之名銜。

曾環璇女士*(獨立非執行董事、信貸及風險管理委員會主席、提名委員會和薪酬委員會委員)*

於2016年12月1日獲委任為本行獨立非執行董事和信貸及風險管理委員會主席。曾女士是亞洲金融界與工商界受認可的一員。於2012年更被《財富》雜誌評選為「中國最具影響力的25位商界女性」的第6位，而2010年至2013年均被列入首25位的榜內。曾女士現為巨溢資本創始人，巨溢是一家專注於大中華市場的資產管理公司，亦為Genesis Emerging Markets Fund Limited非執行董事、恒振有限公司及啟能有限公司董事，以及倫敦金融城中國諮詢委員會和上海交通大學校董會成員。曾女士曾於渣打銀行任職逾二十年，她於2014年8月退休前的最後職位是大中華區主席。曾女士於加拿大亞伯達大學考獲商學士學位。

Ms. LI Shuk Yin*(Independent Non-executive Director, Member of the Audit Committee)*

Appointed Independent Non-executive Director of the Bank on 28 September 2018. Ms. Li is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. She was formerly with KPMG from 1994 with her last role as the partner in charge of KPMG China's Financial Services Assurance team until her retirement in March 2018. Ms. Li has significant experience in accounting, capital market, market entrance, regulatory compliance related internal control and risk management in Hong Kong and China. Prior to joining KPMG, Ms. Li qualified as a Chartered Accountant with one of the Big Four firms and as controller with a real estate company and a financial services group in London. She graduated from University of Exeter, England with a Honours degree in Accountancy. She is also a Director of Elite Beam Limited.

Mr. TANG Shisheng*(Independent Non-executive Director, Member of the Credit & Risk Management Committee, the Nomination Committee and the Remuneration Committee)*

Appointed Independent Non-executive Director of the Bank on 13 November 2013. Mr. Tang is also an Independent Director of Geo Jade Petroleum Corporation, Wison Engineering Services Co. Ltd. and Chongqing Three Gorges Bank Co., Ltd. He has extensive experience in finance and securities industries. Mr. Tang graduated from Hunan College of Finance and Economics with a Bachelor's Degree in Finance. He received his Master's Degree in Economics and Doctor's Degree in Economics respectively from the Graduate School of The People's Bank of China and the Graduate School of Chinese Academy of Social Sciences. Mr. Tang was granted the title of "Senior Economist" by The People's Construction Bank of China in 1993.

Ms. TSANG King Suen Katherine*(Independent Non-executive Director, Chairman of the Credit & Risk Management Committee, Member of the Nomination Committee and the Remuneration Committee)*

Appointed Independent Non-executive Director and Chairman of the Credit & Risk Management Committee of the Bank on 1 December 2016. Ms. Tsang is a well-recognised member of the Asian financial and business community. Fortune Magazine (China) named her as No. 6 China's Most Influential Businesswomen in 2012 and she was on the top 25 list from 2010 to 2013. Ms. Tsang is the founder of Max Giant, a group of asset management companies with a focus on China. She is also a Non-executive Director of Genesis Emerging Markets Fund Limited, Director of Ever Ascent Corporation Limited and Try Door Limited, member of the Advisory Council for China of the City of London, and an honorary board member of Shanghai Jiao Tong University. Ms. Tsang was formerly with Standard Chartered Bank for over 20 years with her last role as Chairperson of Greater China before she retired in August 2014. She attained her Bachelor of Commerce Degree from University of Alberta, Canada.

王國樑先生

(獨立非執行董事、審核委員會主席、信貸及風險管理委員會委員)

於2016年8月12日獲委任為本行獨立非執行董事，並於2016年11月2日獲委任為審核委員會主席。王先生為教授級高級會計師，現為中國太平保險集團有限責任公司及中遠海運集裝箱運輸有限公司獨立董事。王先生亦曾任中國石油天然氣集團公司總會計師及崑崙銀行董事長，擁有豐富金融及會計經驗。王先生畢業於哈爾濱商業大學，獲經濟學學士學位，並於河北大學考獲世界經濟專業碩士研究生資格。

武捷思先生

(獨立非執行董事、薪酬委員會和提名委員會主席、審核委員會委員)

於2013年8月5日獲委任為本行獨立非執行董事，並分別於2016年7月20日和2017年5月25日獲委任為薪酬委員會和提名委員會主席。武先生為深圳市富海銀濤資產管理股份有限公司董事長，亦為北京控股有限公司、中國太平保險控股有限公司、中國工商銀行(亞洲)有限公司以及深圳前海微眾銀行股份有限公司的獨立非執行董事，以及深圳控股有限公司及銀基集團控股有限公司之非執行董事。武先生擁有豐富企業管理、投資及金融業經驗。武先生於中國人民銀行金融研究中心考獲經濟學博士學位，並於中國南開大學完成理論經濟學博士後研究，於2001年獲中國南開大學頒授教授資格。

Mr. WANG Guoliang

(Independent Non-executive Director, Chairman of the Audit Committee, Member of the Credit & Risk Management Committee)

Appointed Independent Non-executive Director of the Bank on 12 August 2016 and elected Chairman of Audit Committee on 2 November 2016. Mr. Wang is a professor-level senior accountant and is currently Independent Director of China Taiping Insurance Group Limited and COSCO Shipping Lines Co., Limited. Mr. Wang worked as Chief Accountant of China National Petroleum Corporation and was Chairman of Bank of Kunlun. He has extensive experience in finance and accounting. Mr. Wang graduated from Harbin University of Commerce with a Bachelor's Degree in Economics. He received his Master's Degree in International Economics from Hebei University.

Mr. WU Jiesi

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

Appointed Independent Non-executive Director of the Bank on 5 August 2013 and elected Chairman of the Remuneration Committee and the Nomination Committee on 20 July 2016 and 25 May 2017 respectively. Mr. Wu is Chairman of Shenzhen Fuhaiyintao Asset Management Co., Ltd. He is also an Independent Non-executive Director of Beijing Enterprises Holdings Limited, China Taiping Insurance Holdings Company Limited, The Industrial and Commercial Bank of China (Asia) Limited and WeBank, and Non-executive Director of Shenzhen Investment Limited and Silver Base Group Holdings Limited. Mr. Wu has extensive experience in corporate management, investment and finance. He holds a Doctor's Degree in Economics from The Research Institution of The People's Bank of China. Mr. Wu conducted post-doctorate research work in theoretical economics at Nankai University and was conferred a professorship qualification by Nankai University in 2001.

高級行政人員簡介

彭建寅先生

(替任行政總裁)

於2017年1月加入本行，現為本行替任行政總裁。彭先生從事銀行業逾20年，在公司金融、信用卡、結構性融資、分行管理及其他核心銀行業務上擁有豐富經驗，足跡遍及中國內地和美國。加入本行前，彭先生為永隆銀行執行副總裁兼美國地區總經理。彭先生持有中國人民大學經濟學博士學位。

譚日恭先生

(財務總監)

於2014年12月加入本行為財務總監，同時兼任中信國際金融控股有限公司集團財務總監。譚先生擁有超過30年會計及財務管理經驗，加入本行前，為大新銀行有限公司總經理及集團財務總監。他亦曾於渣打銀行集團香港、中國大陸及台灣地區出任多個高級財務職位，橫跨零售銀行、財資及批發銀行等不同業務範疇。譚先生獲香港大學社會科學學士學位、香港中文大學金融學理學碩士學位、香港城市大學工商管理學博士學位及上海財經大學經濟學博士學位。他為香港會計師公會、英國特許公認會計師公會和英格蘭及威爾斯特許會計師協會資深會員，以及中國註冊會計師協會、美國註冊會計師協會及加拿大特許專業會計師協會會員。

Biographies of Senior Executives

Mr. PENG Jianyin

(Alternate Chief Executive Officer)

Joined the Bank in January 2017. Mr. Peng is currently the Alternate Chief Executive Officer of the Bank. Mr. Peng has more than 20 years of banking experience in areas including corporate banking, credit card, structured finance, branch management, and other core banking businesses in Mainland China and the United States. Prior to joining the Bank, he was Executive Vice President and Head of US Operations of Wing Lung Bank Limited. Mr. Peng holds a Ph.D. in Economics from The People's University of China.

Mr. Elton TAM

(Chief Financial Officer)

Joined the Bank in December 2014 as Chief Financial Officer. Mr. Tam also serves as Group Chief Financial Officer of CITIC International Financial Holdings Limited. Mr. Tam has more than 30 years of experience in accounting and financial management. Prior to joining the Bank, Mr. Tam was General Manager and Group Financial Controller of Dah Sing Bank, Limited. Before that, he had held various senior finance positions at Standard Chartered Bank Group across different business areas such as consumer banking, treasury and wholesale banking in Hong Kong, Mainland China and Taiwan. Mr. Tam graduated from The University of Hong Kong with a Bachelor of Social Science Degree, The Chinese University of Hong Kong with a Master of Science Degree in Finance, City University of Hong Kong with a Doctor of Business Administration Degree and Shanghai University of Finance and Economics with a Doctorate Degree in Economics. He is a Fellow Member of Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants of the UK and The Institute of Chartered Accountants of England and Wales. He is also a qualified member of The Chinese Institute of Certified Public Accountants of China, The American Institute of Certified Public Accountants and Chartered Professional Accountants of Canada.

關建輝先生*(風險管理總監)*

於2009年加入本行為信貸風險管理部主管，並於2013年兼任副風險管理總監。關先生現為本行風險管理總監，負責監控各項主要風險。關先生擁有超過30年銀行業經驗。加入本行之前，關先生為荷蘭銀行香港分行亞洲區域風險辦公室企業信貸風險主管。他亦曾任職於法國巴黎銀行香港分行、香港滙豐銀行和荷蘭合作銀行香港分行，於銀行界閱歷豐富。關先生在加拿大接受教育，持有愛德華王子島大學文學學士學位、達爾豪斯大學工商管理碩士學位、西蒙菲沙大學計算科學深造文憑，及後更獲英國曼徹斯特都市大學法律學士學位。

蔡玉玲女士*(人力資源總監)*

於2014年6月加入本行為政策及薪酬主管，現任人力資源總監，亦為中信國際金融控股有限公司集團人力資源總監。蔡女士從事人力資源管理逾20年，職業生涯始於香港鐵路有限公司見習管理人員計劃，歷年來在多家大型及國際金融服務公司中擔任人力資源管理職務，包括花旗集團、美林證券、麥格理銀行及畢馬威會計師事務所。加入本行前，蔡女士為威富公司亞太區薪酬及福利總監。蔡女士持有香港中文大學工商管理學士學位，以及香港科技大學工商管理碩士學位。

龐春美女士*(資訊科技及營運總監)*

於2013年9月加入本行為操作風險管理總經理，現為資訊科技及營運總監，負責全面管理本行的資訊科技及營運，促進服務質素及營運效益。龐女士擁有超過30年資訊科技及營運管理經驗，曾任職於多家國際機構，包括渣打銀行、加拿大帝國商業銀行，並曾參與籌劃中國渤海銀行的成立。加入本行前，龐女士於渣打銀行擔任新項目籌劃及系統投放主管。龐女士持有加拿大滑鐵盧大學數學學士學位。

Mr. David KWAN*(Chief Risk Officer)*

Joined the Bank in 2009 as Head of Credit Risk Management and was appointed Deputy Chief Risk Officer in 2013. Mr. Kwan is currently the Bank's Chief Risk Officer responsible for managing all key risks of the Bank. Mr. Kwan has more than 30 years of banking experience. Prior to joining the Bank, he was Head of Corporate Credit Risk, Regional Risk Office (Asia) of ABN-AMRO Bank NV (Hong Kong Office). Over the years, he had accumulated a wealth of experience in risk management from a fruitful career at banking institutions including BNP Paribas Hong Kong, HSBC and Rabobank Hong Kong Branch. Mr. Kwan received his education in Canada. He holds a Bachelor of Arts Degree from University of Prince Edward Island, Master of Business Administration Degree from Dalhousie University and Post-baccalaureate Diploma in Computing Science from Simon Fraser University. He subsequently obtained a Bachelor of Laws (LLB) Degree from Manchester Metropolitan University, United Kingdom.

Ms. Sylvia CHOI*(Chief Human Resources Officer)*

Joined the Bank in June 2014 as Head of Policy and Compensation. Ms. Choi is currently Chief Human Resources Officer of the Bank and Head of Group Human Resources of CITIC International Financial Holdings Limited. Ms. Choi has over 20 years of experience in human resources management. She started her career with the graduate trainee programme at MTR Corporation Limited and subsequently held a number of HR positions at several large and international financial services organisations including Citigroup, Merrill Lynch, Macquarie Bank and KPMG. Prior to joining the Bank, she was Regional Compensation and Benefits Director of VF Corporation Limited. Ms. Choi holds a Bachelor's Degree in Business Administration from The Chinese University of Hong Kong, and a Master's Degree in Business Administration from The Hong Kong University of Science and Technology.

Ms. Christina PONG*(Chief Information and Operations Officer)*

Joined the Bank in September 2013 as General Manager, Operational Risk Management and is currently Chief Information and Operations Officer responsible for managing the Bank's information technology and operations towards enhanced service quality and operational efficiency. Ms. Pong has over 30 years of experience in technology and operations management from various international organisations including Standard Chartered Bank, Canadian Imperial Bank of Commerce, and has participated in the formation of China Bohai Bank. Before joining the Bank, Ms. Pong was Head of New Initiatives and System Delivery, Standard Chartered Bank. Ms. Pong holds a Bachelor's Degree in Mathematics from the University of Waterloo, Canada.

劉月屏女士*(行政總裁辦公室總監)*

於2007年8月加入本行為高級副總裁兼財富管理及策略規劃部主管。劉女士現為本行行政總裁辦公室總監，負責協調企業項目和行政總裁相關事務，並掌管本行之品牌管理、企業傳訊、研究及投資者關係。劉女士於主要跨國銀行的信用卡、支付服務、財富管理業務及策略規劃方面擁有超過30年的資歷，亦曾在加拿大及香港的廣告及市場推廣領域上累積了多年工作經驗。加入本行之前，劉女士為香港美國運通銀行大中華地區業務推廣部主管。劉女士持有香港大學社會科學學士學位。

邱慧敏女士*(監控及合規總監)*

於2019年1月加入本行出任監控及合規總監，負責全面管理一般合規、反洗錢和法律事宜。邱女士同時擔任中信國際金融控股有限公司集團監控及合規總監。邱女士從事亞洲金融服務行業超過20年，在內部監控、內部審計、風險管理及管治方面擁有豐富經驗，曾任職多間國際機構，包括美銀美林集團、澳洲國民銀行(香港)、恒生銀行、畢馬威會計師事務所及安永會計師事務所。加入本行前，邱女士為美銀美林集團亞太區操作風險董事總經理。邱女士持有香港理工大學會計學學士學位，並為特許公認會計師公會資深會員及香港會計師公會會員。

陳耀強先生*(審計總監)*

於2017年10月加入本行，現為本行審計總監和中信國際金融控股有限公司集團審計部主管。陳先生從事銀行業約31年，在內部稽核、財資和環球市場方面擁有豐富經驗。加入本行前，陳先生為渣打銀行(香港)有限公司金融犯罪風險緩釋項目總監；此外，他曾出任渣打銀行多個高級管理職位，包括在香港和中國等地區擔任審計總監及區域審計總監。陳先生持有索爾福德大學科學碩士學位、麥覺理大學會計學深造文憑和澳洲新英格蘭大學工商管理碩士學位。陳先生亦是香港會計師公會和澳洲會計師公會的資深會員。

Ms. Zoe LAU*(Director of CEO Office)*

Joined the Bank in August 2007 as Senior Vice President and Head of Wealth Management & Strategic Planning. Ms. Lau is currently Director of CEO Office of the Bank and is responsible for coordinating various corporate initiatives and activities for the Chief Executive Officer, as well as overseeing the Bank's brand management, corporate communications, research and investor relations. Ms. Lau has over 30 years of experience in the areas of cards, payment services, wealth management and strategic planning with major multinational banks in Hong Kong. Ms. Lau had also worked extensively in the advertising and marketing industry in Canada and Hong Kong. Before joining the Bank, Ms. Lau was Head of Marketing, Greater China, American Express Hong Kong. Ms. Lau holds a Bachelor's Degree in Social Sciences from The University of Hong Kong.

Ms. Christine YAU*(Chief Controls & Compliance Officer)*

Joined the Bank in January 2019 as Chief Controls & Compliance Officer. Ms. Yau is responsible for managing the Bank's general compliance, anti-money laundering and legal functions. She also serves as Group Chief Controls & Compliance Officer of CITIC International Financial Holdings Limited. Ms. Yau has over 20 years of experience in internal control, internal audit, risk management and governance in the financial services industry across Asia. She has worked in various banks and professional firms including Bank of America Merrill Lynch, National Australia Bank (Hong Kong), Hang Seng Bank Limited, KPMG and Ernst & Young. Prior to joining the Bank, Ms. Yau was Managing Director & Head of Operational Risk, Bank of America Merrill Lynch Asia Pacific. Ms. Yau holds a Bachelor's Degree in Accountancy from The Hong Kong Polytechnic University. She is a Fellow Member of the Association of Chartered Certified Accountants and a Member of the Hong Kong Institute of Certified Public Accountants.

Mr. Telly CHAN*(Chief Auditor)*

Joined the Bank in October 2017 and is currently Chief Auditor of the Bank and Head of Group Audit of CITIC International Financial Holdings Limited. Mr. Chan has about 31 years of experience in the banking industry specialising in internal audit, treasury and global markets. Before joining the Bank, he was Programme Director, Financial Crime Risk Mitigation Programme of Standard Chartered Bank (Hong Kong) Limited. Prior to that, he had held various senior management positions in Standard Chartered including Head of Audit and Regional Head of Audit in different geographic locations including Hong Kong and Mainland China. Mr. Chan holds a Master of Science Degree from the University of Salford, a Graduate Diploma in Accounting from Macquarie University, and a Master of Business Administration Degree from the University of New England in Australia. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.

董事會

董事長

孫德順先生

副董事長

張小衛先生

執行董事

畢明強先生(行長兼行政總裁)

簡吳秋玉女士(替任行政總裁)

柏立軍先生(替任行政總裁)

非執行董事

方合英先生

獨立非執行董事

李淑賢女士

湯世生先生

曾璟璇女士

王國樑先生

武捷思先生

董事會轄下委員會

審核委員會

王國樑先生(主席)

方合英先生

李淑賢女士

武捷思先生

信貸及風險管理委員會

曾璟璇女士(主席)

畢明強先生

湯世生先生

王國樑先生

張小衛先生

提名委員會

武捷思先生(主席)

孫德順先生

湯世生先生

曾璟璇女士

薪酬委員會

武捷思先生(主席)

孫德順先生

湯世生先生

曾璟璇女士

註冊辦事處

香港德輔道中61至65號

電話：(852) 3603 6633

傳真：(852) 3603 4000

www.cncbinternational.com

核數師

羅兵咸永道會計師事務所

Board of Directors

Chairman

Mr. SUN Deshun

Vice Chairman

Mr. ZHANG Xiaowei

Executive Directors

Mr. BI Mingqiang (President & Chief Executive Officer)

Mrs. KAN NG Chau Yuk Helen (Alternate Chief Executive Officer)

Mr. BAI Lijun (Alternate Chief Executive Officer)

Non-executive Director

Mr. FANG Heying

Independent Non-executive Directors

Ms. LI Shuk Yin

Mr. TANG Shisheng

Ms. TSANG King Suen Katherine

Mr. WANG Guoliang

Mr. WU Jiesi

Board Committees

Audit Committee

Mr. WANG Guoliang (Chairman)

Mr. FANG Heying

Ms. LI Shuk Yin

Mr. WU Jiesi

Credit & Risk Management Committee

Ms. TSANG King Suen Katherine (Chairman)

Mr. BI Mingqiang

Mr. TANG Shisheng

Mr. WANG Guoliang

Mr. ZHANG Xiaowei

Nomination Committee

Mr. WU Jiesi (Chairman)

Mr. SUN Deshun

Mr. TANG Shisheng

Ms. TSANG King Suen Katherine

Remuneration Committee

Mr. WU Jiesi (Chairman)

Mr. SUN Deshun

Mr. TANG Shisheng

Ms. TSANG King Suen Katherine

Registered Office

61-65 Des Voeux Road Central, Hong Kong

Tel: (852) 3603 6633

Fax: (852) 3603 4000

www.cncbinternational.com

Auditor

PricewaterhouseCoopers

董事會報告書

董事會謹將截至2018年12月31日止年度的報告書及經審核財務報表呈覽。

主要營業地址

中信銀行(國際)有限公司(「本行」)為於香港註冊成立的持牌銀行，並以香港為辦事處所在地，其註冊辦事處位於香港德輔道中61至65號。除了香港，本行在澳門、新加坡、紐約及洛杉磯均設有分行。

主要業務

本行和各附屬公司(「本集團」)的主要業務是在香港提供一般銀行及相關金融服務。本行各主要附屬公司於2018年12月31日的詳情載於財務報表附註23內。

業務審視

有關對本集團業務的中肯審視(包括運用財務關鍵主要指標進行的分析)、對本集團面對的主要風險及不明朗因素的描述、在2018年財政年度終結後發生並對本集團有影響的重大事件的詳情、本集團業務相當可能有的未來發展的揭示、對本集團的環境政策和表現及遵守對本集團有重大影響的有關法律和規例的討論，以及本集團與其僱員、顧客、供應商及其他人士的重要關係(此等關係對本集團有重大影響)的說明，已載於本年報的「財務概況」、「董事長報告」、「行政總裁報告」、「2018業務回顧」、「財務報表附註」和「企業管治及其他資料」幾節中。上述幾節乃本報告書的一部分。

財務報表

本集團截至2018年12月31日止年度的溢利和本行及附屬公司於該日的綜合收益表載於第56頁的財務報表內。

股息

董事會不建議派發截至2018年12月31日止年度任何股息(2017年：於2018年5月28日派發截至2017年12月31日止年度末期股息港幣2,808,437,143.79元)。

Report of the Directors

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2018.

Principal Place of Business

China CITIC Bank International Limited (the “Bank”) is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 61-65 Des Voeux Road Central, Hong Kong. The Bank has branches outside Hong Kong and operating in Macau, Singapore, New York and Los Angeles.

Principal Activities

The principal activities of the Bank and its subsidiaries (the “Group”) are the provision of general banking and related financial services, primarily in Hong Kong. Particulars of the Bank's principal subsidiaries as at 31 December 2018 are set out in note 23 to the financial statements.

Business Review

A fair review of the Group's business (including an analysis using financial key performance indicators), a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of 2018, an indication of likely future development in the Group's business, a discussion on the Group's environmental policies and performance as well as its compliance with the relevant laws and regulations that have a significant impact on it, and an account of the Group's key relationships with its employees, customers, suppliers and others that have a significant impact on it can be found in “Financial Performance”, “Report of the Chairman”, “Report of the Chief Executive Officer”, “2018 Review of Operations”, “Notes to the Financial Statements” and “Corporate Governance and Other Information” sections. The above sections form part of this report.

Financial Statements

The consolidated profit of the Bank and its subsidiaries for the year ended 31 December 2018 is set out under the consolidated income statement on page 56.

Dividend

The Directors do not recommend the payment of any dividend for the year ended 31 December 2018 (2017: A final dividend of HK\$2,808,437,143.79 for the year ended 31 December 2017 was paid on 28 May 2018).

股本

本行於本年度內未有發行任何股份(2017年：為進一步提升本行未來發展的資本實力，本行於2017年12月15日以每股港幣2.99元向五名新投資股東發行合共3,027,780,392股普通股)。有關本行的股本詳情可參閱財務報表附註34。

債權證

本行於2018年11月，為資金及一般公司業務目的，發行年利率為7.1%的500,000,000美元永續型非累積後償額外一級資本證券(2017年：本行於2017年5月在中國內地的銀行同業債券市場發行30億元人民幣債券(「熊貓債券」)，為本行作人民幣資金的融資，配合本行在中國內地的業務發展。熊貓債券年期為三年，年利率為4.4%)。有關本行發行的債券詳情載於財務報表附註33和35。

股票掛鈎協議

本行於截至2018年12月31日止年度，並無訂立任何股票掛鈎協議(2017年：無)。

董事

(a) 本行董事

截至本報告書日期止，本行董事會成員如下：

董事長

孫德順先生

副董事長

張小衛先生(於2018年9月28日起，為非執行董事和副董事長，不再擔任執行董事、行長兼行政總裁職務)

執行董事

畢明強先生(行長兼行政總裁)(於2018年9月28日獲委任)

簡吳秋玉女士(替任行政總裁)

柏立軍先生(替任行政總裁)(於2018年8月20日獲委任)

Share Capital

The Bank did not issue any shares during the year ended 31 December 2018 (2017: In order to further enhance the Bank's capital strength for future development, the Bank issued a total of 3,027,780,392 ordinary shares at HK\$2.99 each to five new investors on 15 December 2017). Details of the share capital of the Bank are set out in note 34 to the financial statements.

Debentures Issued

The Bank issued USD500,000,000 7.1% Undated Non-cumulative Subordinated Additional Tier 1 Capital Securities for its funding and general corporate purposes in November 2018 (2017: The Bank issued Renminbi-denominated bonds (the "Panda Bonds") of RMB3 billion in Mainland China interbank bond market in May 2017 for its Renminbi funding and to keep pace with its development of business in Mainland China. The Panda Bonds were issued with a maturity of three years and a coupon rate of 4.4% per annum payable annually). Details of the debentures issued by the Bank are set out in notes 33 and 35 of the financial statements.

Equity-Linked Agreements

The Bank did not enter into any equity-linked agreement during the year ended 31 December 2018 (2017: Nil).

Directors

(a) Directors of the Bank

As at the date of this report, the Board of Directors of the Bank comprises:

Chairman

Mr. SUN Deshun

Vice Chairman

Mr. ZHANG Xiaowei (ceased to be the President & Chief Executive Officer and re-designated from Executive Director to Non-executive Director and Vice Chairman on 28 September 2018)

Executive Directors

Mr. BI Mingqiang (President & Chief Executive Officer) (appointed on 28 September 2018)

Mrs. KAN NG Chau Yuk Helen (Alternate Chief Executive Officer)

Mr. BAI Lijun (Alternate Chief Executive Officer) (appointed on 20 August 2018)

非執行董事

方合英先生

獨立非執行董事

李淑賢女士(於2018年9月28日獲委任)

湯世生先生

曾璟璇女士

王國樑先生

武捷思先生

根據本行的公司組織章程細則第105條，所有現任董事須在下屆股東週年大會上依章告退，並可膺選連任。

截至2018年12月31日止年度內及截至本報告書日期止，本行董事的變動情況如下：

萬紅女士於2018年1月1日離任執行董事兼副行政總裁。

張強先生於2018年3月23日離任非執行董事。

本行兩名離任董事，並沒有與董事會存在任何意見分歧，亦沒有與本行事務相關的事宜需要提呈本行股東注意。

(b) 本行附屬公司董事

截至2018年12月31日止年度內及截至本報告書日期止，本行董事柏立軍先生、簡吳秋玉女士和張小衛先生，亦擔任本行若干附屬公司的董事，而本行已離任董事萬紅女士亦擔任本行若干附屬公司的董事職務。

截至2018年12月31日止年度內及截至本報告書日期止，本行附屬公司的其他董事包括：蔡玉玲女士、姚文松先生、簡應添先生、關建輝先生、鄺寶賢先生、李錫生先生、凌濤濤女士、呂向榮先生、索緒權先生、譚日恭先生、黃文健先生、邱慧敏女士和張納新先生。而本行附屬公司已離任董事包括高宗澤先生、徐賢浩先生、黃致遠先生、黎沛琪女士、梁建文先生、彭建寅先生及蘇友金先生。

Non-executive Director

Mr. FANG Heying

Independent Non-executive Directors

Ms. LI Shuk Yin (appointed on 28 September 2018)

Mr. TANG Shisheng

Ms. TSANG King Suen Katherine

Mr. WANG Guoliang

Mr. WU Jiesi

In accordance with Article 105 of the Bank's Articles of Association, all present Directors shall retire from office by rotation at the next Annual General Meeting and, being eligible, offer themselves for re-election.

During the year ended 31 December 2018 and up to the date of this report, there are movements in the Directors of the Bank as follows:

Ms. Margaret MAN resigned as an Executive Director and Deputy Chief Executive Officer on 1 January 2018.

Mr. ZHANG Qiang resigned as a Non-executive Director on 23 March 2018.

Both resigned Directors of the Bank have no disagreement with the Board and nothing relating to the affairs of the Bank needed to be brought to the attention of the shareholders of the Bank.

(b) Directors of the Bank's subsidiaries

During the year ended 31 December 2018 and up to the date of this report, Mr. BAI Lijun, Mrs. KAN NG Chau Yuk Helen and Mr. ZHANG Xiaowei, who are Directors of the Bank, are also directors of certain subsidiaries of the Bank. Ms. Margaret MAN, ex-Director of the Bank, was also ex-director of certain subsidiaries of the Bank.

Other directors of the Bank's subsidiaries during the year ended 31 December 2018 and up to the date of this report include Ms. CHOI Yuk Ling, Mr. IU Man Chung Ronald, Mr. KAN Ying Tim, Mr. KWAN Kin Fai David, Mr. KWONG Po Yin Patrick, Mr. LEE Sik Sang John, Ms. LING Taotao, Mr. LYU Xiangrong, Mr. SUO Xuquan, Mr. TAM Yat Kung, Mr. WONG Man Kin Jack, Ms. YAU Wai Man Christine and Mr. ZHANG Naxin. Mr. GAO Zongze, Mr. HSU Hsien Hao Fred, Mr. Roy HUANG, Ms. LAI Pui Ki, Mr. LEUNG Kin Man Michael, Mr. PENG Jianyin and Mr. SU Youjin were ex-directors of the Bank's subsidiaries.

董事權益

本行、其任何控股公司、附屬公司或同系附屬公司於年終時或本年度內任何時間，概無訂立任何就本行的業務而言屬重大，而本行董事及其關連方亦直接或間接享有重大權益的交易、安排或合約。

本行、其任何控股公司、附屬公司或同系附屬公司均沒有在本年度內任何時間或年終時訂立任何安排，致使本行董事可透過收購本行或任何其他法人公司的股份或債券而獲益。

管理合約

於本年度內，並無訂立與本行全部或任何重大部分業務的管理及行政相關的合約。

獲准許的彌償條文

截至2018年12月31日止年度內及截至本報告書日期止，獲准許的彌償條文維持有效並惠及本行董事。

遵守銀行業(披露)規則

截至2018年12月31日止年度的財務報表，已符合《銀行業(披露)規則》內有關的披露條例。

核數師

本行截至2018年12月31日止年度之財務報表由羅兵咸永道會計師事務所審核，其任期於即將舉行的股東週年大會結束時屆滿，但已表示願意留任。

承董事會命
畢明強
董事

香港，2019年3月25日

Directors' Interests

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

At no time during the year or at the end of the year was the Bank, or any of its holding companies, 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.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Bank were entered into or existed during the year.

Permitted Indemnity Provision

During the year ended 31 December 2018 and up to the date of this report, a permitted indemnity provision for the benefit of the Directors of the Bank is in force.

Compliance with the Banking (Disclosure) Rules

The financial statements for the year ended 31 December 2018 have complied with the applicable disclosure requirements of the Banking (Disclosure) Rules.

Auditor

The financial statements for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment as auditor of the Bank upon expiration of its current term of office at the close of the forthcoming annual general meeting.

On behalf of the Board
BI Mingqiang
Director

Hong Kong, 25 March 2019

Independent Auditor's Report

To the Members of China CITIC Bank International Limited

(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

We have audited the consolidated financial statements of China CITIC Bank International Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 56 to 221, which comprise the:

- consolidated statement of financial position as at 31 December 2018;
- consolidated income statement for the year then ended;
- consolidated statement of comprehensive income for the year then ended;
- consolidated statement of changes in equity for the year then ended;
- consolidated cash flow statement for the year then ended; and
- notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 2018, and of its consolidated financial performance and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

The key audit matter identified in our audit was:

- Expected credit losses on loans and advances to customers

獨立核數師報告

致中信銀行(國際)有限公司股東
(於香港註冊成立的有限公司)

意見

我們已審計的內容

中信銀行(國際)有限公司(以下簡稱「貴行」)及其附屬公司(以下簡稱「貴集團」)列載於第56至221頁的綜合財務報表，包括：

- 於2018年12月31日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表之附註，包括主要會計政策概要。

我們的意見

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》真實而中肯地反映了 貴集團於2018年12月31日的綜合財務狀況及其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在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。

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。

獨立性

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，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項的應對是以對整體綜合財務報表進行審計並形成審計意見為背景。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 客戶貸款及墊款的預期信用損失的計量

Key Audit Matters *(continued)*

Nature of the Key Audit Matter

The calculation of expected credit loss ("ECL") requires considerable judgements and interpretation. As this is the first year of adoption of HKFRS 9, there is limited experience available to back-test the ECL charge and allowance against actual results. Besides, the Group has established governance process and controls for the calculation of ECL.

The Group assesses whether its loans and advances fall into Stage 1, 2 or 3 in accordance with HKFRS 9 and estimates the ECL for loans and advances in each stage. The Group assesses whether the credit risk of loans and advances to customers has increased significantly since their initial recognition which would require those loans and advances to be moved from Stage 1 to Stage 2. Stage 1 loans require an ECL of expected losses within 12 months whereas Stage 2 loans require an ECL for the remaining lifetime of the loans or advances.

For loans and advances classified into Stages 1 and 2, the Group assesses ECL using the risk parameter modelling approach that incorporates key parameters, including probability of default, loss given default and exposure at default. The Group is also required to incorporate in the ECL models the forward-looking information, where it identifies the key macroeconomic variables impacting credit risk and ECL. For corporate loans and advances in Stage 3, which are regarded as impaired, the Group assesses the ECL by estimating cash flows from the loans and advances.

As at 31 December 2018, the Group recorded ECL on loans and advances to customers of HK\$2,659 million, of which HK\$632 million, HK\$1,628 million and HK\$399 million as Stages 1, 2 and 3 allowances respectively. Refer to notes 21(a) and (c), and 40(a) to the consolidated financial statements for details.

How our audit addressed the Key Audit Matter

Our audit focused on the measurement of ECL of loans and advances to customers due to significant judgements applied by management and the significant amounts of loans and advances to customers. Specifically we focused on the following:

- (1) Segmentation of business operations sharing similar credit risk characteristics, selection of appropriate models and determination of relevant key measurement parameters;
- (2) Criteria for determining whether or not there was a significant increase in credit risk, or a default or impairment loss had occurred;
- (3) Selection of economic indicators for forward-looking measurement, and the application of economic scenarios and weightings; and
- (4) The estimated future cash flows for corporate loans and advances in Stage 3.

We obtained an understanding and evaluated the controls that management have established to support their calculation of ECL, including:

- Governance over ECL models approval;
- Review and approval of significant management's judgements, including portfolio segmentation, significant increase in credit risk, default or credit-impaired, forward looking measurement;
- Regular post draw-down monitoring of the appropriateness of credit quality grading by monitoring units which are independent from the loan initiation units;
- IT general control over the information systems for model based measurement and relevant application controls, including interface controls with upstream and downstream systems.

關鍵審計事項(續)

關鍵審計事項的性質

預期信用損失的計算需要大量的判斷和詮釋。鑒於今年首次實施《香港財務報告準則》第9號，貴集團缺少將預期信用損失和損失準備對比實際結果進行再次檢查的經驗。除此之外，關於預期信用損失的計量，貴集團已建立相應的治理流程和控制措施。

貴集團根據《香港財務報告準則》第9號，評估屬於第一階段、第二階段和第三階段的貸款和墊款的情況，並對每個階段貸款和墊款的預期信用損失進行評估。貴集團評估客戶的貸款和墊款的信用風險自初次評估之後是否顯著增加，若有增加，則需從第一階段移至第二階段。第一階段的貸款需要考慮12個月內的預期信用損失，而第二階段的貸款需要考慮該貸款剩餘存續期內的預期信用損失。

對於分類為第一階段和第二階段的貸款和墊款，管理層使用風險參數模型計算預期信用損失。該模型關鍵參數包括：違約率、違約損失及違約風險敞口。同時，貴集團已按要求在預期信貸損失模型中考慮前瞻性影響，其中包括會影響信用風險和預期信用損失的關鍵宏觀經濟指標。對於屬於第三階段的公司貸款及墊款，管理層通過預測貸款及墊款現金流來評估減值準備。

截至2018年12月31日，客戶貸款及墊款的預期信貸損失共計港幣26.59億元。其中第一階段，第二階段及第三階段貸款及墊款的預期信用損失準備分別為港幣6.32億元，16.28億元及3.99億元，詳情請見綜合財務報表附註21(a), 21(c)及40(a)。

我們的審計如何處理關鍵審計事項

由於涉及管理層的重大判斷且金額重大，我們在審計中關注客戶貸款及墊款的預期信用損失的計量，並特別關注以下內容：

- (1) 對不同業務類型按相似的信用風險特徵進行細分，並選擇恰當的模型和確定相關的關鍵計量參數；
- (2) 信用風險是否已顯著增加、違約和已發生信用減值的劃分條件；
- (3) 前瞻性計量的經濟指標，經濟情景與相應權重的選擇；及
- (4) 第三階段企業貸款及墊款的未來現金流量預測。

我們瞭解並測試管理層對於協助他們計算預期信貸損失的相關控制，其中包括：

- 針對預期信用損失模型整體審批流程的管理；
- 針對重大管理層判斷，包括信用風險組合的劃分、信用風險顯著增加，違約和已發生信用減值的識別及前瞻性預測的覆核及審批流程；
- 針對貸款後定期檢查，包括由獨立於發放貸款單位的監察部門所作的信貸品質評級的適當性；
- 對於模型所在資訊系統相關的一般控制和應用控制，包括其與前、後端系統的介面控制。

Key Audit Matters *(continued)*

How our audit addressed the Key Audit Matter *(continued)*

We assessed major model methodologies and assumptions used for Stage 1 and 2 ECL calculation, including reasonableness of the portfolio segmentation and key parameter estimation, with the support of our modelling specialists.

We selected samples, in consideration of the financial information and non-financial information of the borrowers, relevant external evidence and other factors, to assess the appropriateness of the management's identification of significant increase in credit risk, defaults, credit-impaired loans and credit quality grading.

For forward-looking measurement, we reviewed management's analysis of their selection of economic indicators and economic scenarios, and assessed the reasonableness of the prediction of economic indicators.

We traced a sample population of key data, including historical data and data at the measurement date, from calculation engine to their source documents or data records maintained in various upstream systems to assess their accuracy and completeness.

For corporate loans and advances in Stage 3, we examined, on a sample basis, forecasted future cash flows prepared by the Group based on financial information of borrowers, latest collateral valuations and other available information in supporting the computation of the expected loss allowance.

We have discussed the reasonableness of the ECL results with management and Audit Committee.

Other Information

The directors of the Bank are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon, and the Regulatory Disclosures Statements for the year ended 31 December 2018.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

關鍵審計事項(續)

我們的審計如何處理關鍵審計事項(續)

對於分類為第一階段和第二階段的貸款及墊款，我們在模型專家的協助下，評估管理層所使用模型的方法論和假設，其中包含組合劃分和關鍵預測參數的合理性。

我們根據借款人的財務及非財務資訊及其他外部證據和考慮因素選擇樣本，評估管理層識別信用風險顯著增加、違約和已發生減值貸款的恰當性。

對於前瞻性計量，我們覆核管理層對於經濟指標的選擇，經濟情景選取的分析，評估其經濟指標預測的合理性。

我們通過抽樣追溯信用損失模型中的關鍵資料，包括歷史資料及評估日資料，從其資料應用系統核對至其原始檔案和各種前端系統中儲存的數據記錄，以評估預期信貸模型關鍵數據輸入的準確性及完整性。

對於屬於第三階段的企業貸款及墊款，我們通過抽樣方式對貴集團基於借款人的財務狀況，抵押品最新估值及其他證據和資訊預測的未來現金流量估計所確定的預期損失準備的合理性。

我們與管理層和審計委員會已就預期信用損失計量結果的合理性進行討論。

其他資訊

貴行董事須對其他資訊負責。其他資訊包括截至2018年12月31日的年報內的所有資訊及監管披露報告，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors of the Bank 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 Audit Committee of the Group assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion 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.
- 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.

董事及審核委員會就綜合財務報表須承擔的責任

貴行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，並對其認為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的代替方案。

貴集團的審核委員會協助董事履行監督貴集團財務報告過程的職責。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或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。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Ng Wai Ying.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25 March 2019

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計畫的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計專案合夥人是吳慧瑩女士。

羅兵咸永道會計師事務所

執業會計師

香港，2019年3月25日

綜合收益表

截至2018年12月31日止年度
(以港幣為單位)

Consolidated Income Statement

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

		附註 Note	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
利息收入	Interest income	4(a)	11,460,798	8,838,949
利息支出	Interest expense	4(b)	(5,060,442)	(3,443,959)
淨利息收入	Net interest income		6,400,356	5,394,990
費用及佣金收入	Fee and commission income		1,566,356	1,685,994
費用及佣金支出	Fee and commission expense		(107,943)	(73,248)
淨費用及佣金收入	Net fee and commission income	5	1,458,413	1,612,746
淨交易收入	Net trading income	6	588,969	695,361
淨對沖(損失)/收益	Net hedging (loss)/gain	7	(1,562)	976
出售以公允價值計入其他全面 收益的金融資產淨損失	Net loss on disposal of financial assets at fair value through other comprehensive income	8	(70,419)	–
出售可供出售證券淨收益	Net gain on disposal of available-for-sale securities	8	–	126,794
其他經營收入	Other operating income	9	34,317	42,077
經營收入	Operating income		8,410,074	7,872,944
經營支出	Operating expenses	10	(3,385,067)	(3,173,699)
扣除減值準備前的經營溢利	Operating profit before impairment		5,025,007	4,699,245
金融資產預期信貸損失	Expected credit losses on financial assets	12	(1,316,500)	–
貸款及墊款及其他賬項減值損失	Impairment losses on loans and advances and other accounts	12	–	(1,391,065)
可供出售證券減值損失	Impairment losses on available-for-sale securities		–	(31,204)
其他資產減值損失	Impairment losses on other assets		(86,155)	–
減值損失	Impairment losses		(1,402,655)	(1,422,269)
經營溢利	Operating profit		3,622,352	3,276,976
出售物業及設備淨損失	Net loss on disposal of property and equipment		(793)	(4,055)
投資物業重估收益	Revaluation gain on investment properties	25	190	14,290
應佔聯營企業收益	Share of profit of associates	24	2,151	–
稅前溢利	Profit before taxation		3,623,900	3,287,211
所得稅	Income tax	13	(615,542)	(478,774)
本年度溢利	Profit for the year		3,008,358	2,808,437
歸屬於股東的溢利	Profit attributable to shareholders		3,008,358	2,808,437

第61頁到第221頁的附註屬本財務報表一部份。

The notes on pages 61 to 221 form part of these financial statements.

綜合全面收益表

截至2018年12月31日止年度
(以港幣為單位)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

	附註 Note	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
本年度溢利		3,008,358	2,808,437
本年度其他全面(損失)/收益	14		
當滿足特定條件時，其後可能重新分類至綜合收益表的項目：	Items that will be reclassified subsequently to consolidated income statement when specific conditions are met		
換算海外企業財務報表的匯兌差額	Exchange differences on translation of financial statements of foreign operations	(88,425)	119,152
現金流量對沖	Cash flow hedges		
— 出售時轉至收益表	– transfer to income statement on disposal	–	(1,279)
— 與上述有關的遞延稅項	– deferred tax related to the above	–	211
		–	(1,068)
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income		
— 債務工具的公允價值變動	– change in the fair value of debt instruments	(320,754)	–
— 出售時轉至收益表	– transfer to income statement on disposal	(65,884)	–
— 減值準備時轉至收益表	– transfer to income statement on impairment	127,858	–
— 與上述有關的遞延稅項	– deferred tax related to the above	49,254	–
		(209,526)	–
可供出售證券	Available-for-sale securities		
— 公允價值的變動	– change in fair value	–	62,269
— 出售時轉至收益表	– transfer to income statement on disposal	–	(122,929)
— 減值準備時轉至收益表	– transfer to income statement on impairment	–	26,851
— 與上述有關的遞延稅項	– deferred tax related to the above	–	7,648
		–	(26,161)
其後不會重新分類至綜合收益表的項目：	Items that will not be reclassified subsequently to consolidated income statement		
其他物業重估儲備	Other property revaluation reserve		
— 其他物業重新分類至投資物業時產生的重估盈餘	– surplus on revaluation of other premises upon reclassification to investment properties	76,245	–
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income		
— 股權工具的公允價值變動	– change in the fair value of equity instruments	3,625	–
— 與上述有關的遞延稅項	– deferred tax related to the above	(598)	–
		3,027	–
本年度其他全面(損失)/收益	Other comprehensive (loss)/income for the year	(218,679)	91,923
本年度全面收益總額	Total comprehensive income for the year	2,789,679	2,900,360
歸屬於股東的全面收益總額	Total comprehensive income attributable to shareholders	2,789,679	2,900,360

第61頁到第221頁的附註屬本財務報表一部份。

The notes on pages 61 to 221 form part of these financial statements.

綜合財務狀況表

於2018年12月31日
(以港幣為單位)

Consolidated Statement of Financial Position

At 31 December 2018
(Expressed in Hong Kong dollars)

		附註 Note	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
資產	ASSETS			
現金及在銀行、中央銀行及 其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	17	29,622,486	31,657,854
在銀行、中央銀行及其他金融機構 的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	18	52,886,380	47,402,438
以公允價值計入損益的金融資產	Financial assets at fair value through profit or loss	19	1,440,532	1,029,044
衍生金融工具	Derivative financial instruments	20	6,027,833	4,770,495
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	21	203,829,256	198,986,939
以公允價值計入其他全面收益 的金融資產	Financial assets at fair value through other comprehensive income	22	66,977,407	–
可供出售證券	Available-for-sale securities	22	–	59,346,677
聯營企業	Interest in associates	24	352,151	–
物業及設備	Property and equipment	25		
– 投資物業	– Investment properties		241,970	132,780
– 其他物業和設備	– Other premises and equipment		492,854	887,569
無形資產	Intangible assets	26	652,210	–
可收回稅項	Tax recoverable	31(a)	8,353	29,047
遞延稅項資產	Deferred tax assets	31(b)	413,359	65,841
資產總額	Total Assets		362,944,791	344,308,684
負債及權益	LIABILITIES AND EQUITY			
負債	Liabilities			
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	27	2,849,375	5,187,319
客戶存款	Deposits from customers	28	285,492,851	271,471,865
衍生金融工具	Derivative financial instruments	20	6,543,351	4,824,483
已發行存款證	Certificates of deposit issued	29	3,133,151	3,421,769
已發行債務證券	Debt securities issued	30	3,408,077	3,584,064
本期稅項	Current tax liabilities	31(a)	600,053	497,575
遞延稅項負債	Deferred tax liabilities	31(b)	7,940	1,631
其他負債	Other liabilities	32	8,645,374	5,422,626
債務資本	Loan capital	33	6,283,542	6,340,192
負債總額	Total Liabilities		316,963,714	300,751,524
權益	Equity			
股本	Share capital	34(a)	18,404,013	18,404,013
儲備	Reserves		17,496,484	18,979,895
股東權益總額	Total shareholders' equity		35,900,497	37,383,908
額外權益工具	Additional equity instruments	35	10,080,580	6,173,252
權益總額	Total Equity		45,981,077	43,557,160
權益及負債總額	Total Equity and Liabilities		362,944,791	344,308,684

董事會於2019年3月25日核准並授權發佈。
Approved and authorised for issue by the Board of Directors on 25 March 2019.

畢明強

BI Mingqiang

執行董事、行長兼行政總裁
Executive Director, President and
Chief Executive Officer

簡吳秋玉

KAN NG Chau Yuk Helen

執行董事兼替任行政總裁
Executive Director and
Alternate Chief Executive Officer

第61頁到第221頁的附註屬本財務報表一部份。

The notes on pages 61 to 221 form part of these financial statements.

綜合權益變動表

截至2018年12月31日止年度
(以港幣為單位)

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

		股本	資本儲備	一般儲備	匯兌差額儲備	物業重估儲備	現金流量對沖儲備	投資重估儲備	法定盈餘公積	法定一般儲備	保留溢利	儲備總額 (附註34(b))	額外權益工具 (附註35) Additional equity instruments	權益總額
		Share capital	Capital reserve	General reserve	Exchange differences reserve	Property revaluation reserve	Cash flow hedging reserve	Investment revaluation reserve	Statutory reserve	Regulatory general reserve	Retained profits	Total reserves (note 34(b))	Total equity (note 35)	Total equity
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2018年1月1日	At 1 January 2018	18,404,013	6,589	100,000	24,940	55	-	(88,136)	58,073	149,500	18,728,874	18,979,895	6,173,252	43,557,160
首次採納(香港財務報告準則)第9號之變動	Changes on initial adoption of HKFRS 9	-	-	-	-	-	-	69,369	-	-	(1,196,730)	(1,127,361)	-	(1,127,361)
在財政年度開始時重列的權益總額	Restated total equity at the beginning of the financial year	18,404,013	6,589	100,000	24,940	55	-	(18,767)	58,073	149,500	17,532,144	17,852,534	6,173,252	42,429,799
截至2018年的權益變動：	Changes in equity for 2018:													
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	3,008,358	3,008,358	-	3,008,358
本年度其他全面損失	Other comprehensive loss for the year	-	-	-	(88,425)	76,245	-	(206,499)	-	-	-	(218,679)	-	(218,679)
本年度全面收益總額	Total comprehensive income for the year	-	-	-	(88,425)	76,245	-	(206,499)	-	-	3,008,358	2,789,679	-	2,789,679
股息支付	Dividend paid	-	-	-	-	-	-	-	-	-	(2,808,437)	(2,808,437)	-	(2,808,437)
發行額外一級資本證券	Issue of AT1 Capital Securities	-	-	-	-	-	-	-	-	-	-	-	3,907,328	3,907,328
轉自保留溢利	Transfer from retained profits	-	-	-	-	-	-	-	-	-	(337,292)	(337,292)	337,292	-
支付額外一級資本證券票息	Distribution payment for Additional Tier 1 Capital Securities ("AT1 Capital Securities")	-	-	-	-	-	-	-	-	-	-	-	(337,292)	(337,292)
於2018年12月31日	At 31 December 2018	18,404,013	6,589	100,000	(63,485)	76,300	-	(225,266)	58,073	149,500	17,394,773	17,496,484	10,080,580	45,981,077
於2017年1月1日	At 1 January 2017	9,366,271	6,589	100,000	(94,212)	55	1,068	(61,975)	53,845	149,500	16,259,623	16,414,493	6,173,252	31,954,016
截至2017年的權益變動：	Changes in equity for 2017:													
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	2,808,437	2,808,437	-	2,808,437
本年度其他全面收益	Other comprehensive income for the year	-	-	-	119,152	-	(1,068)	(26,161)	-	-	-	91,923	-	91,923
本年度全面收益總額	Total comprehensive income for the year	-	-	-	119,152	-	(1,068)	(26,161)	-	-	2,808,437	2,900,360	-	2,900,360
發行及配發股份，扣除交易成本	Issue and allotment of shares, net of transaction costs	9,037,742	-	-	-	-	-	-	-	-	-	-	-	9,037,742
轉自保留溢利	Transfer from retained profits	-	-	-	-	-	-	-	4,228	-	(339,186)	(334,958)	334,958	-
支付額外一級資本證券票息	Distribution payment for AT1 Capital Securities	-	-	-	-	-	-	-	-	-	-	-	(334,958)	(334,958)
於2017年12月31日	At 31 December 2017	18,404,013	6,589	100,000	24,940	55	-	(88,136)	58,073	149,500	18,728,874	18,979,895	6,173,252	43,557,160

綜合現金流量表

截至2018年12月31日止年度
(以港幣為單位)

Consolidated Cash Flow Statement

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

		附註 Note	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
來自經營業務的現金淨額	Net cash flow generated from operating activities	36(a)	3,529,837	25,917,083
來自／(用於)投資業務的現金額	Cash flow generated from/(used in) investing activities			
已收權益證券股息	Dividends received from equity securities		6,221	6,390
購入物業及設備及無形資產	Purchase of property and equipment and intangible assets		(516,868)	(314,150)
出售物業及設備所得款項	Proceeds from disposal of property and equipment		–	52
購入聯營企業	Proceeds from purchase of associates		(350,000)	–
用於投資業務的現金淨額	Net cash used in investing activities		(860,647)	(307,708)
來自／(用於)融資業務的現金額	Cash flow generated from/(used in) financing activities			
股息支付	Dividend paid		(2,808,437)	–
發行債務證券所得款項	Proceeds from debt securities issued		–	3,397,843
發行股票所得款項	Proceeds from shares issued		–	9,037,742
發行額外一級資本證券所得款項	Proceeds from Additional Tier 1 Capital Securities issued		3,907,328	–
支付額外一級資本證券票息	Distribution paid on Additional Tier 1 Capital Securities		(337,292)	(334,958)
償還債務資本	Proceeds from redemption of loan capital		–	(2,342,981)
支付已發行債務證券利息	Interest paid on debt securities issued		(162,523)	–
支付債務資本利息	Interest paid on loan capital		(424,775)	(499,180)
來自融資業務的現金淨額	Net cash generated from financing activities		174,301	9,258,466
現金及現金等值增加淨額	Net increase in cash and cash equivalents		2,843,491	34,867,841
於1月1日的現金及現金等值項目	Cash and cash equivalents at 1 January		89,385,112	54,517,271
於12月31日的現金及現金等值項目	Cash and cash equivalents at 31 December	36(b)	92,228,603	89,385,112

第61頁到第221頁的附註屬本財務報表一部份。

The notes on pages 61 to 221 form part of these financial statements.

財務報表附註

(除特別列明外，均以港幣為單位)

1 編製基礎

中信銀行（國際）有限公司（「本行」）及其附屬公司（以下統稱「本集團」）的主要業務是提供銀行及相關金融服務。這些業務對本集團的業績或資產及負債具有重大影響。

中信銀行（國際）有限公司為於香港註冊成立的持牌銀行，並以香港為辦事處所在地，其註冊辦事處位於香港德輔道中61-65號。

(a) 合規聲明

本綜合財務報表是根據香港會計師公會頒佈，所有適用的《香港財務報告準則》（包括所有適用的個別香港財務報告準則、《香港會計準則》及詮釋）、香港一般採用的會計原則編製而成。本集團採納的主要會計政策簡列如下。

香港會計師公會頒佈數項新增及經修訂的香港財務報告準則，並可於本年度本集團及本行的會計期首次生效或被提早採納。在與本集團有關的範圍內初次應用這些新訂的準則所引致當前和以往會計期間的會計政策變更，已於本財務報表內反映，有關資料載列於附註2.1。

(b) 財務報表編製基礎

除了以下資產與負債項目以公允價值列賬外，編製財務報表時是以歷史成本作為計量基礎。有關詳情已載列於下列會計政策：

- 劃歸為以公允價值計入損益的金融資產、以公允價值計入其他全面收益的金融資產（參閱附註2.2(d)(iv)及(v)）或衍生金融工具（參閱附註2.2(k)）
- 投資物業（參閱附註2.2(l)）。

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Basis of preparation

The principal activities of China CITIC Bank International Limited ("the Bank") and its subsidiaries (together referred to as "the Group"), which materially affect the results or comprise the assets and liabilities of the Group, are the provision of banking and related financial services.

China CITIC Bank International Limited is a licensed bank incorporated and domiciled in Hong Kong, and has its registered office at 61-65 Des Voeux Road Central, Hong Kong.

(a) Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Group is set out below.

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 and the Bank. Note 2.1 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the consolidated 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:

- financial instruments classified as at fair value through profit or loss, at fair value through other comprehensive income (see note 2.2(d)(iv) and (v)) or derivatives (see note 2.2(k))
- investment property (see note 2.2(l)).

1 編製基礎 (續)

(b) 財務報表編製基礎 (續)

管理層在按照香港財務報告準則編製財務報表時，需要對會計政策的應用和資產及負債、收入及支出的匯報數額等作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

估計及相關假設會持續作出檢討。如果修訂僅影響該修訂期，會計估計的修訂於該修訂期內確認；或如果修訂影響當前和未來會計期間，則會計估計的修訂在修訂期及未來會計期確認。

管理層在應用香港財務報告準則時作出對財務報表有重大影響的判斷，以及估計的主要來源的不確定性之討論請參閱附註3。

(c) 本集團已採納的新訂及修訂準則

以下新訂及修訂準則於本報告期內生效，以及本集團需要修改本集團的會計政策，並由於採納以下準則因而作出追溯調整：

- 《香港財務報告準則》第9號「金融工具」，及
- 《香港財務報告準則》第15號「與客戶之間的合同產生的收入」。

1 Basis of preparation (continued)

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

The preparation of financial statements in conformity with HKFRSs requires that management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 3.

(c) New and amended standards adopted by the Group

The following new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- HKFRS 9 “Financial Instruments”, and
- HKFRS 15 “Revenue from Contracts with Customers”.

1 編製基礎 (續)

(c) 本集團已採納的新訂及修訂準則 (續)

採納《香港財務報告準則》第9號及有關新訂會計政策之影響於以下附註2.1, 2.2(d)及(e)披露。《香港財務報告準則》第15號於2018年1月1日生效，並取代《香港會計準則》第18號「收入」。《香港財務報告準則》第15號在概念上與《香港會計準則》第18號相似，但對有關確認及計量收入提供更詳細的指引。本集團對新準則進行評估，結論認為採納《香港財務報告準則》第15號對本集團的會計政策並無重大影響，以及無需要作出追溯調整。

(d) 已頒佈但本集團未採納的準則的影響

香港會計師公會已頒佈若干非於2018年12月31日報告期間強制執行且本集團尚未在本綜合財務報表內提早採納的新準則和詮釋。與本集團相關的修訂和準則如下：

1 Basis of preparation (continued)

(c) New and amended standards adopted by the Group (continued)

The impact of the adoption of HKFRS 9 and the related new accounting policies are disclosed in note 2.1, 2.2(d) and (e) below. HKFRS 15 is effective from 1 January 2018 and replaces HKAS 18 "Revenue". HKFRS 15 is conceptually similar to HKAS 18, but includes more granular guidance on recognition and measurement of revenue. The Group has performed an assessment and concluded that the adoption of HKFRS 15 does not have significant impact on the Group's accounting policies and does not require retrospective adjustments.

(d) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. These include the following which may be relevant to the Group.

	由會計期開始 或以後起生效		Effective for accounting periods beginning on or after
— 《香港財務報告準則》第16號「租賃」	2019年1月1日	— HKFRS 16, <i>Leases</i>	1 January 2019
— 《香港財務報告詮釋委員會》詮釋第23號「所得稅會計處理的不確定性」	2019年1月1日	— HK(IFRIC) 23, <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
— 香港財務報告準則2015-2017週期的年度改進	2019年1月1日	— Annual Improvements to HKFRSs 2015-2017 Cycle	1 January 2019

1 編製基礎 (續)

(d) 已頒佈但本集團未採納的準則的影響 (續)

本集團正在評估這些修訂，新標準及詮釋在初次應用期間的影響。截至目前，本集團已確定《香港財務報告準則》第16號的若干方面可能會對綜合財務報表產生重大影響。本集團已大致完成香港財務報告準則第16號的影響評估，但由於截至目前已完成的評估乃基於本集團目前可獲得的資料故可能與初步採納該準則的實際影響有所不同，在準則最初應用於本集團截至2019年6月30日止六個月的中期財務報告之前，可能會發現進一步影響。本集團對香港財務報告準則第16號的評估載列如下。

《香港財務報告準則》第16號「租賃」將導致差不多所有租賃在資產負債表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的金融負債均被確認。唯一例外者為短期租賃和低價值資產租賃。對出租人的會計處理將不會有重大改變。該準則將主要影響本集團經營租賃的會計處理。

於2018年12月31日，本集團有不可撤銷經營租賃承擔，本集團預期確認使用權資產及租賃負債（於2018年12月31日確認預付款及應計租賃付款調整後）將增加本集團的資產總額和負債總額。此外，本集團預期，由於採用該新準則，2019年的稅後淨利潤將略有下降。

《香港財務報告準則》第16號於2019年1月1日或之後開始的年度期間生效。本集團擬採用簡化過渡方法，並不會重述首次採納前一年的比較金額。本集團物業租賃的使用權資產將於轉換時計量，猶如新標準一直適用。所有其他使用權資產將按採用時的租賃負債金額計量（已根據任何預付或應計租賃費用進行調整）。

在本年終報告時期，並沒有其他未生效的準則預計會在當前或未來報告期間以及可預見的未來交易中對本集團產生重大影響。

1 Basis of preparation (continued)

(d) New standards and interpretations not yet adopted (continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. The Group has substantially completed the impact assessment for HKFRS 16, and the actual impact upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied on the Group's interim financial report for the six months ending 30 June 2019. The Group's assessment of HKFRS 16 is set out below.

HKFRS 16 will result in almost all lease being recognised on the balance sheet, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short-term and low-value leases and the accounting for lessors will not significantly change. The standard will affect primarily the accounting for the Group's operating leases.

As at 31 December 2018, the Group has non-cancellable operating lease commitments, and the Group expects to recognise right-of-use assets and lease liabilities (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018), which will increase both the total assets and total liabilities of the Group. Moreover, the Group expects that net profit after tax for 2019 will be decreased slightly as a result of adopting this new standard.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for the Group's property leases will be measured on transition as if the new standard had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策

這些綜合財務報表編製採用的主要會計政策載列如下。除非另有說明，這些政策適用於所有的年份。

2.1(a) 採納《香港財務報告準則》第9號引致會計政策的修訂

本集團已採納《香港財務報告準則》第9號，並以2018年1月1日作為過渡日，因而導致會計政策的修訂及對在財務報表中已確認的數值作出調整。本集團於過往期內並沒有提早採納《香港財務報告準則》第9號的任何部份。

在《香港財務報告準則》第9號的過度條款所准許下，本集團選擇不重列比較數字。任何在過渡日對金融資產及負債的賬面值的調整於本期內的期初保留溢利及其他儲備中反映。同時，本集團選擇繼續採納《香港財務報告準則》第9號內有關《香港會計準則》第39號的對沖會計法。

在附註披露上，有關修訂對《香港財務報告準則》第7號「金融工具：披露」的披露僅適用於本報告期內。比較報告期的附註以往年度之披露列示。

採納《香港財務報告準則》第9號導致本集團有關確認、分類及計量金融資產及負債，以及金融資產減值的會計政策修訂。《香港財務報告準則》第9號同時導致重大修訂其他有關金融工具的準則，例如《香港財務報告準則》第7號要求的披露。

2 Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been continuously applied to all the years presented, unless otherwise stated.

2.1(a) Changes in accounting policies on adoption of HKFRS 9

The Group has adopted HKFRS 9 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Group did not early adopt any part of HKFRS 9 in previous periods.

As permitted by the transitional provisions of HKFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period. The Group has also elected to continue to apply the hedge accounting requirements of HKAS 39 on adoption of HKFRS 9.

Consequently, for notes disclosures, the consequential amendments to HKFRS 7 'Financial Instruments: Disclosures' disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior years.

The adoption of HKFRS 9 has resulted in changes in the Group's accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. HKFRS 9 also significantly amends other standards dealing with financial instruments such as HKFRS 7 disclosures.

2 主要會計政策 (續)

2.1(a) 採納《香港財務報告準則》第9號引致會計政策的修訂 (續)

金融負債的分類及計量與《香港會計準則》第39號大致相同，惟以公允價值計入損益的金融負債的公允價值變動除外，該金融負債可歸因於工具的信用風險變動，現時已計入其他全面收益。

2.1(b) 分類及其後計量

由2018年1月1日起，本集團已將金融資產分類為以下計量類別：

- 按攤餘成本
- 其後以公允價值計量（計入其他全面收益或計入損益）

金融資產分類取決於本集團管理財務資產的業務模式和現金流的合同條款。本集團僅當其管理這些資產的業務模式發生變化時才會對這些資產進行重新分類。

2.1(c) 對沖會計

新金融工具準則下的新對沖會計規則要求本集團對對沖工具的會計處理需要緊貼其風險管理實務。整體而言，由於新金融工具準則採用了強調原則為基礎的方法，更多的對沖關係可以滿足運用對沖會計的條件。《香港財務報告準則》第9號提供會計政策的選擇保留了《香港會計準則》第39號對沖會計的處理。

2 Significant accounting policies (continued)

2.1(a) Changes in accounting policies on adoption of HKFRS 9 (continued)

The classification and measurement of financial liabilities remains largely the same as it was under HKAS 39, except for the changes in the fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes in the instrument's credit risk, which are now presented in other comprehensive income.

2.1(b) Classification and subsequent measurement

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.1(c) Hedge accounting

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. HKFRS 9 provides a choice of accounting policy to be remained with HKAS 39 hedge accounting.

2 主要會計政策 (續)

2.1(d) 按攤餘成本及以公允價值計入其他全面收益的金融資產的減值

自2018年1月1日起，本集團以前瞻性方式評估按攤餘成本及以公允價值計入其他全面收益列賬的債務工具相關的預期信貸損失。所採用的減值方法取決於信貸風險是否顯著增加。(見附註2.2(e)(i))。

2.1(e) 主要會計估計及判斷

預期信貸損失準備的計量

按攤餘成本及以公允價值計入其他全面收益的金融資產的預期信貸損失準備的計量是需要使用複雜模型及有關未來經濟情況及信貸行為(例如客戶違約的可能性及帶來的損失)的主要假設。關於計量預期信貸損失時使用的數據、假設及估計模式在信貸風險管理披露資料中有更詳細披露。

在採納預期信貸損失的會計需求時，要求多項主要判斷，例如：

- 信貸風險主要上升的考慮因素；
- 在計量預期信貸損失時選擇合適的模型及假設；
- 為每種產品／市場建立前瞻性情景的數值及相關比重，及相關預期信貸損失；和
- 建立類同金融資產組合用以計算預期信貸損失。

2 Significant accounting policies (continued)

2.1(d) Impairment of amortised cost and financial assets through other comprehensive income

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and at fair value through other comprehensive income ("FVOCI"). The impairment methodology applied depends on whether there has been a significant increase in credit risk. (see note 2.2(e)(i)).

2.1(e) Critical accounting estimates and judgements

Measurement of the expected credit losses allowances

The measurement of the expected credit losses allowances for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in the disclosure information under credit risk management.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

2 主要會計政策 (續)

2.1(f) 採納《香港財務報告準則》第9號的影響概要

下表概述於2018年1月1日分類及計量的影響。由於本集團的會計政策修訂，一般情況下採納《香港財務報告準則》第9號並沒有重列比較數字。由採納《香港財務報告準則》第9號的計量修訂引致的金融資產及負債的賬面值披露如下：

2017年12月31日 At 31 December 2017		採納《香港財務報告 準則》第9號的 額外減值準備(*) Additional impairment allowances on adoption of HKFRS 9 (*)	2018年1月1日 At 1 January 2018		
《香港會計準則》第39號 HKAS 39			《香港財務報告準則》第9號 HKFRS 9		
計量類別 Measurement category	賬面金額 Carrying amount		賬面金額 Carrying amount	計量類別 Measurement category	分類 Classification
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000		
資產					
Assets					
現金及在銀行、中央銀行及其他金融機構的結存	攤銷成本		攤銷成本	現金及在銀行、中央銀行及其他金融機構的結存	
Cash and balances with banks, central banks and other financial institutions	Amortised cost	31,657,854	(16,876)	31,640,978	Cash and balances with banks, central banks and other financial institutions
在銀行、中央銀行及其他金融機構的存款及墊款	攤銷成本				在銀行、中央銀行及其他金融機構的存款及墊款
Placements with and advances to banks, and other financial institutions	Amortised cost	47,402,438	(10,171)	47,392,267	Placements with and advances to banks, and other financial institutions
以公允價值計入損益的金融資產					以公允價值計入損益的金融資產
Financial assets at fair value through profit or loss					Financial assets at fair value through profit or loss ("FVPL")
– 存款證	以公允價值計入損益 FVPL	213,103	–	213,103	– 存款證
– Certificate of deposits					– Certificate of deposits
– 債務證券	以公允價值計入損益 FVPL	815,137	–	815,137	– 債務證券
– Debt securities					– Debt securities
– 投資基金	以公允價值計入損益 FVPL	804	–	804	– 投資基金
– Investment funds					– Investment funds
		1,029,044	–	1,029,044	
衍生金融工具	以公允價值計入損益 FVPL	4,770,495	–	4,770,495	衍生金融工具
Derivative financial instruments					Derivative financial instruments
客戶貸款及墊款及其他賬項	攤銷成本				客戶貸款及墊款及其他賬項
Loans and advances to customers and other accounts	Amortised cost	197,590,633	(1,269,164)	196,321,469	Loans and advances to customers and other accounts
其他資產	攤銷成本				其他資產
Other assets	Amortised cost	1,396,306	(2,406)	1,393,846	Other assets
可供出售證券					以公允價值計入全面收益的金融資產
Available-for-sale securities ("AFS")					Financial assets at fair value through other comprehensive income ("FVOCI")
– 可供出售證券 – 債務證券	以公允價值計入其他全面收益 FVOCI	59,254,976	–	59,254,976	– 以公允價值計入全面收益的金融資產-債務證券
– AFS- Debt securities					– FVOCI- Debt securities
– 可供出售證券 – 權益證券	以公允價值計入其他全面收益 FVOCI	91,701	–	91,701	– 以公允價值計入全面收益的金融資產 – 權益證券
– AFS- Equity securities					– FVOCI- Equity securities
		59,346,677	–	59,346,677	
金融資產總額					
Total financial assets		343,193,447	(1,298,671)	341,894,776	
遞延稅項資產		65,841	225,052	290,893	
Deferred tax assets					
非金融資產		1,049,396	–	1,049,396	
Non-financial assets					
資產總額					
Total Assets		344,308,684	(1,073,619)	343,235,065	

2 Significant accounting policies (continued)

2.1(f) Summary of impact upon adoption of HKFRS 9

The following table summarises the classification and measurement impact at 1 January 2018. As a result of the changes in the Group's accounting policies, HKFRS 9 was generally adopted without restating comparative information. The carrying amount of the financial assets and financial liabilities due to changes in their measurements under HKFRS 9 are disclosed as follows:

2 主要會計政策 (續)

2.1(f) 採納《香港財務報告準則》第9號的影響概要
(續)

2017年12月31日 At 31 December 2017		採納《香港財務報告 準則》第9號的 額外減值準備(*) Additional impairment allowances on adoption of HKFRS 9 (*)	2018年1月1日 At 1 January 2018		《香港財務報告準則》第9號 HKFRS 9
《香港會計準則》第39號 HKAS 39			《香港財務報告準則》第9號 HKFRS 9		
計量類別 Measurement category	賬面金額 Carrying amount		計量類別 Measurement category	分類 Classification	
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000		
負債					
Liabilities					
銀行及其他金融機構的存款及結存 Deposits and balances of banks and other financial institutions	攤銷成本 Amortised cost		攤銷成本 Amortised cost	銀行及其他金融機構的存款及結存 Deposits and balances of banks and other financial institutions	
	5,187,319	-	5,187,319		
客戶存款 Deposits from customers	攤銷成本 Amortised cost		攤銷成本 Amortised cost	客戶存款 Deposits from customers	
	271,471,865	-	271,471,865		
衍生金融工具 Derivative financial instruments	以公允價值計入損益 FVPL		以公允價值計入損益 FVPL	衍生金融工具 Derivative financial instruments	
	4,824,483	-	4,824,483		
已發行存款證 Certificates of deposit issued	攤銷成本 Amortised cost		攤銷成本 Amortised cost	已發行存款證 Certificates of deposit issued	
	3,421,769	-	3,421,769		
已發行債務證券 Debt securities issued	攤銷成本 Amortised cost		攤銷成本 Amortised cost	已發行債務證券 Debt securities issued	
	3,584,064	-	3,584,064		
債務資本 Loan capital	攤銷成本 Amortised cost		攤銷成本 Amortised cost	債務資本 Loan capital	
	6,340,192	-	6,340,192		
其他金融負債 Other financial liabilities	攤銷成本 Amortised cost		攤銷成本 Amortised cost	其他金融負債 Other financial liabilities	
	5,422,626	53,742	5,476,368		
金融負債總額 Total financial liabilities	300,252,318	53,742	300,306,060		
非金融負債 Non-financial liabilities	499,206	-	499,206		
負債總額 Total Liabilities	300,751,524	53,742	300,805,266		
權益					
Equity					
股本 Share capital	18,404,013	-	18,404,013		
儲備 Reserves	18,979,895	(1,127,361)	17,852,534		
股東權益總額 Total shareholders' equity	37,383,908	(1,127,361)	36,256,547		
額外權益工具 Additional equity instruments	6,173,252	-	6,173,252		
權益總額 Total Equity	43,557,160	(1,127,361)	42,429,799		
權益及負債總額 Total Equity and Liabilities	344,308,684	(1,073,619)	343,235,065		

(*) 《香港財務報告準則》第9號之預期信貸損失減少淨資產(稅前)港幣1,352,413,000元，主要包括「客戶貸款及墊款及其他賬項」賬面值減少港幣1,271,624,000元及有關貸款承擔及財務擔保合約的預期信貸損失在「其他金融負債」下「準備」增加港幣53,742,000元。

(*) HKFRS 9 expected credit losses have decreased net assets (pre-tax) by HK\$1,352,413,000, which mainly included HK\$1,271,624,000 reduction in the carrying value of "loans and advances to customers and other accounts", and HK\$53,742,000 increase in "provisions" under "other financial liabilities" relating to expected credit losses on loan commitments and financial guarantee contracts.

2 主要會計政策 (續)

2.1(g) 採納《香港財務報告準則》第9號的影響概要 — 儲備

由2017年12月31日至2018年1月1日對本集團儲備的總影響如下：

2 Significant accounting policies (continued)

2.1(g) Summary of impact upon adoption of HKFRS 9 – Reserves

The total impact on the Group's reserves at 1 January 2018 from 31 December 2017 is as follows:

		總額 Total 港幣千元 HK\$'000
於2017年12月31日之儲備	Reserves at 31 December 2017	18,979,895
首次採納《香港財務報告準則》第9號之變動：	Changes on initial adoption of HKFRS 9:	
— 在銀行及其他金融機構的結存的 預期信貸損失準備增加	– Increase in ECL allowances for balances with banks and other financial institutions	(16,876)
— 在銀行及其他金融機構的存款及 墊款的預期信貸損失準備增加	– Increase in ECL allowances for placements with and advances to banks and financial institutions	(10,171)
— 客戶貸款及墊款及其他賬項的 預期信貸損失準備增加	– Increase in ECL allowances for loans and advances to customers and other accounts	(1,271,624)
— 貸款承擔和財務擔保合同的 預期信貸損失準備增加	– Increase in ECL provisions for loan commitments and financial guarantee contracts	(53,742)
		(1,352,413)
— 與預期信貸損失準備相關的 遞延稅項資產增加	– Increase in deferred tax assets relating to ECL allowances	225,052
於2018年1月1日調整儲備	Adjustment to reserves at	
— 《香港財務報告準則》第9號	1 January 2018 – HKFRS 9	(1,127,361)
重述2018年1月1日期初儲備	Restated opening reserves	
— 《香港財務報告準則》第9號	1 January 2018 – HKFRS 9	17,852,534

2 主要會計政策 (續)

2.1(h) 採納《香港財務報告準則》第9號的影響摘要 – 《香港會計準則》第39號下的減值撥備與《香港財務報告準則》第9號下的預期信貸損失對賬

2 Significant accounting policies (continued)

2.1(h) Summary of impact upon adoption of HKFRS 9 – reconciliation of impairment allowance under HKAS 39 to expected credit losses under HKFRS 9

	於2017年12月31日 香港會計準則 第39號減值準備 HKAS 39 impairment allowances at 31 December 2017 港幣千元 HK\$'000	採納香港財務報告 準則第9號的 額外減值準備 Additional impairment allowances on adoption of HKFRS 9 港幣千元 HK\$'000	於2018年1月1日 香港財務報告準則 第9號減值準備 HKFRS 9 impairment allowances at 1 January 2018 港幣千元 HK\$'000
按攤銷成本計算的金融資產	Financial assets at amortised costs		
現金及在銀行、中央銀行 及其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	–	16,876
在銀行、中央銀行及 其他金融機構的存款及墊款	Placements with and advances to banks, and other financial institutions	–	10,171
客戶貸款及墊款及 其他賬項	Loans and advances to customers and other accounts	1,522,857	1,269,164
其他資產	Other assets	101,710	2,460
以公允價值計入損益的 金融資產／可供出售證券	Financial assets at fair value through profit or loss/Available-for-sale securities ("AFS")	1,624,567	1,298,671
		31,204	53,800
貸款承諾和財務擔保合同	Loan commitments and financial guarantee contracts	–	53,742
		1,655,771	1,406,213
			3,061,984

2 主要會計政策 (續)

2.2 主要會計政策概要

(a) 收入確認

收入按已收或應收價款的公允價值釐定。收入是在經濟效益很可能會流入本集團，以及能夠可靠地計量收入和成本（如適用）時，根據下列方法在收益表內確認：

(i) 利息收入

所有計息金融工具的利息收入均使用實際利率法以應計基礎在收益表內確認。

實際利率法是計算金融資產的攤銷成本及分配有關期間的利息收入的方法。按照金融資產的賬面淨值折讓未來於金融工具預計有效年期或（如適用）較短期間內估計付出或取得的現金值時，所用比率即為實際利率。本集團在計算實際利率時對現金流量作出估計，並且已考慮金融工具的所有合約條款（如提前還款、認購及類似期權），惟並無考慮未來信貸損失。合約訂約方付出或收取的所有費用（為實際利率的一部份）、交易成本及所有其他溢價或折讓，均在計算之列。因住宅物業按揭貸款所支出的現金回贈會被資本化及按其估計期限於損益表內攤銷。

減值貸款的利息是用以折算未來現金流之利率來確認，以達致計量減值損失。

(ii) 費用及佣金收入

費用及佣金收入在提供相應服務時確認，但如費用是為彌補持續為客戶提供服務或承受風險的成本而收取，或費用屬於利息性質則除外。在這些情況下，費用在產生成本或承受風險的會計期間確認為收入，或視作利息收入。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies

(a) 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 recognised in the income statement as follows:

(i) Interest income

Interest income for all interest-bearing financial instruments is recognised in the income statement on an accruals basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to the income statement over their expected life.

Interest on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fee and commission income

Fee and commission income is recognised 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 recognised as income in the accounting period in which the cost or risk is incurred and is accounted for as interest income.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(a) 收入確認 (續)

(ii) 費用及佣金收入 (續)

因本集團創造或購入金融資產而產生之始創或承擔服務費的收入／支出須根據有效利率遞延及確認。如預計承擔不會引致提取貸款，該服務費需按承擔期限以直線法確認為收入。

(iii) 融資租賃及分期付款合約的財務收入

融資租賃及分期付款的隱含財務收入按租賃年期確認為利息收入，以令每個會計期間剩餘的淨投資回報率大致上相同。因購併融資租賃及分期付款合約而付交易商之佣金，已包含於資產的賬面值及於租賃期內攤銷併入收益表，作為對利息收入的調整。

(iv) 經營租賃的租金收入

經營租賃的租金收入會按租賃年期，以等額分期確認為收益表內。經營租賃協議所涉及的激勵措施均在收益表內確認為租賃淨收款總額的組成部份。

(v) 股息收入

非上市投資股息收入在股東收取權被確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(a) Revenue recognition (continued)

(ii) Fee and commission income (continued)

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

(iii) Finance income from finance lease and hire purchase contract

Finance income implicit in the finance lease and hire purchase payments is recognised 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. Commission paid to dealers for the acquisition of finance lease loans or hire purchase contracts is included in the carrying value of the assets and amortised to the income statement over the expected life of the lease as an adjustment to interest income.

(iv) Rental income from operating lease

Rental income received under operating leases is recognised in the income statement in equal instalments over the periods covered by the lease term. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable.

(v) Dividend income

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

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(b) 附屬公司

附屬公司是指受本集團控制的實體。當本集團控制實體時，本集團因參與實體、披露及有權利取得實體的浮動回報，並且有能力行使權力以影響實體的回報。在評估本集團是否具有權力時，只有基本權利（由本集團及其他人士持有）會被考慮。

於附屬公司的投資由控制權開始生效當日起在綜合財務報表中綜合計算，直至控制權終止期間為止。集團內部的結餘、交易及現金流量，及任何集團內部交易所產生的未實現溢利均於編製綜合財務報表時悉數抵銷。除有證據顯示已出現減值的部份外，集團內部交易產生的未實現損失的攤銷方法與未實現收益相同。

集團的權益變化均列作股權交易，不會導致失去附屬公司的控制權，據此在合併資產控制和非控制權益的金額作出調整，以反映變化的相對利益，但不調整商譽及確認收益或損失。

倘本集團失去附屬公司之控制權，有關交易將會當作出售有關附屬公司之全部權益入賬，而所得盈虧將於損益表中確認入賬。於失去控制權當日該前附屬公司仍然保留之任何權益將以公允值確認入賬，而此金額將被視為聯營，合資，金融資產首次確認之公允值。此外，在其他綜合收益就實體以前確認的金額將重新分配當作本集團出售有關的資產或負債。這種方式意味著，以前在其他綜合收益確認金額重新分配至當期損益。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(b) 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, transactions and cash flows, and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in the income statement. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of the entity are allocated for as if the group had directly disposed of related assets or liabilities. This way means that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(b) 附屬公司 (續)

在本行的財務狀況表中，其於附屬公司的投資是按成本減去減值損失（如有）（參閱附註2.2(e)(ii)）後入賬，除非該投資已分類為持有待出售（或已包含在分類為待出售的處置單位內）（參閱附註2.2(w)）。

(c) 聯營公司

聯營公司是指本集團或本公司具有重大影響力但無法控制或共同控制其管理包括參與財務和經營政策決策的實體。

對聯營公司的投資按權益法在綜合財務報表中入賬，除非其被分類為持作出售（或包括在分類為持作出售的出售組）（見附註2.2(w)）。根據權益法，投資初步按成本入賬，並就本集團於被收購方可識別淨資產公允價值的任何超出部份超出投資成本（如有）進行調整。其後，投資將根據本集團於聯營公司淨資產中所佔份額的收購後變動及與投資有關的任何減值損失作出調整（見附註2.2(e)(ii)）。任何超過成本的收購日期，本集團收購後的股份，聯營公司的稅後業績以及年度的任何減值損失均於綜合收益表確認，而本集團於收購後分享聯營公司的稅後其他全面收益項目於綜合全面收益表內確認。

當本集團承擔聯營公司的損失份額超過其於聯營公司的權益時，本集團的權益減少至零，並終止確認進一步損失，惟本集團已產生法律或推定責任或代表聯營公司支付款項則除外。就此而言，本集團於聯營公司的權益為根據權益法計算的投資賬面值連同本集團的長期權益，實質上構成本集團於聯營公司的淨投資的一部份。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(b) Subsidiaries (continued)

In the Bank's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, if any (see note 2.2(e)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2.2(w)).

(c) Associates

An associate is an entity in which the Group or the Company has significant influence, but neither control nor joint control over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2.2(w)). Under the equity method, the investment is initially recorded at cost, and adjusted for any excess of the group's share of the acquisition date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the associate's net assets and any impairment losses relating to the investment (see notes 2.2(e)(ii)). Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the associates, and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that, in substance, form part of the Group's net investment in the associate.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(c) 聯營公司 (續)

本集團與其聯營公司之間交易產生的未實現溢利和損失按本集團於聯營公司的權益予以抵銷，除非未實現的損失提供了轉移資產減值的證據，在這種情況下，它們立即在收益表中確認。

當本集團不再對聯營公司具有重大影響力時，將被視為出售該被投資方的全部權益，並在損益表中確認所產生的利益或損失。在重大影響力或共同控制權喪失之前已保留被投資公司的任何權益按公允價值確認，該金額被視為初始確認金融資產時的公允價值（參見附註2.2(d)），或當適當時，初始確認對聯營公司投資的成本（見附註2.2(c)）。

在本公司的財務狀況表中，其對聯營公司的投資除非歸類為持作出售（或包括在處置組中被歸類為持有待售）（見註2.2(w)）否則按成本減去減值損失列示（見附註2.2e(ii)）。

(d) 金融工具（會計政策自2018年1月1日起適用）

(i) 分類

由2018年1月1日起，本集團已採納《香港財務報告準則》第9號及將金融資產分類為以下計量類別：

- 按攤餘成本
- 以公允價值計入其他全面收益；或
- 以公允價值計入損益

分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(c) Associates (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the income statement.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the income statement. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2.2(d)), or when appropriate, the cost on initial recognition of an investment in an associate (see note 2.2(c)).

In the Company's statement of financial position, its investments in associates are stated at cost less impairment losses, if any (see note 2.2(e)(ii)), unless classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2.2(w)).

(d) Financial instruments (accounting policies applied from 1 January 2018)

(i) Classification

From 1 January 2018, the Group has applied HKFRS 9 and classifies its financial assets in the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income ("FVOCI"); or
- Fair value through profit or loss ("FVPL")

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(d) 金融工具 (會計政策自2018年1月1日起適用) (續)

(ii) 確認和終止確認

常規方式購買及出售金融資產於交易日即本集團承諾購買或出售資產的日期進行確認。當從金融資產收取現金流量的合同權利到期，或者金融資產連同所有權的絕大部份風險和報酬已經轉移時，金融資產終止確認。當合同中規定的義務解除，取消或到期時，金融負債將被終止確認。

(iii) 計量

於初步確認時，本集團按公允價值計量金融資產，如果金融資產不以公允價值計量且其變動計入損益，則需加上直接歸屬於收購金融資產的交易費用，如費用和佣金。以公允價值計量且其變動計入當期損益的金融資產的交易費用計入當期損益。內含衍生工具的金融資產在介定現金流是否僅為本金及利息款項時以整體考慮。

(iv) 債務工具

債務工具的後續計量取決於本集團管理金融資產的業務模式及該金融資產的現金流量特徵。本集團對其債務工具進行分類有三種計量類別：

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(d) Financial instruments (accounting policies applied from 1 January 2018) (continued)

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to receive the cash flows from the financial asset expire, or when the financial asset together with substantially all the risks and rewards of ownership, have been transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(iii) Measurement

At initial recognition, the Group measures financial assets at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets, such as fees and commissions. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

(iv) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Group classifies its debt instruments:

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(d) 金融工具 (會計政策自2018年1月1日起適用) (續)

(iv) 債務工具 (續)

按攤餘成本

為收取合同現金流而持有的資產，如果這些現金流純粹代表支付本金及利息，並且不是指定為以公允價值計入損益，則按攤餘成本計量。該等資產的賬面值乃按本年度財務報告的信貸風險管理部份所述已確認及計量的任何預期信貸損失撥備進行調整。這些金融資產的利息收入採用實際利率法計入「利息收入」。貸款發放費用和成本被視為對貸款收益率的調整，並在承諾期內在信貸費用中確認，而不大可能要求承諾，否則，它們在貸款期限內確認為利息收入。

以公允價值計入其他全面收益

為收取合同現金流量和出售資產而持有的金融資產，如果資產的現金流量僅代表本金和利息的支付，並且不是指定為以公允價值計入損益，則以公允價值計量其他綜合收益。賬面值變動計入其他綜合收益，惟確認減值，利息收入及匯兌損益除外，該等損益，利息收入及匯兌損益以與按攤銷成本計量的金融資產相同的方式確認於損益。於終止確認時，先前於其他全面收益確認的累計收益及損失將從其他全面收益重新分類至損益。以公允價值計入其他全面收益的債務工具之利息收入採用實際利率法計入「利息收入」。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(d) Financial instruments (accounting policies applied from 1 January 2018) (continued)

(iv) Debt instruments (continued)

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in the credit risk management section of this annual financial report. Interest income from these financial assets is included in 'interest income' using the effective interest rate method. Loan origination fees and costs are considered to be adjustments to the loan yield and are recognised in credit fees over the commitment period which it is unlikely that the commitment will be called upon, otherwise, they are recognised in interest income over the term of the resulting loan.

Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment, interest revenue and foreign exchange gains and losses which are recognised in profit or loss in the same manner as financial assets measured at amortised cost. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit or loss. Interest income from debt instruments at FVOCI is included in 'interest income' using the effective interest rate method.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(d) 金融工具 (會計政策自2018年1月1日起適用) (續)

(iv) 債務工具 (續)

以公允價值計入損益

不符合攤銷成本或以公允價值計入其他全面收益標準的金融資產以公允價值計量且其變動計入當期損益。以公允價值計入損益計量的債務工具的收益或損失在損益中確認，併計入其產生期間的「淨交易收入」。

(v) 金融負債

如果金融負債主要是為了近期回購而發生，或者是一起管理的已識別金融工具組合的一部份，並且有證據證明最近的實際交易模式為短期獲利模式則該金融負債是在交易組合中持有。交易組合負債按交易日確認，並按公允價值入賬，公允價值變動以及任何收益或損失在交易收入中確認。交易成本於產生時支銷。利息按權責發生製確認並計入利息支出。

(vi) 權益工具

權益工具是從發行人的角度滿足股權定義的工具。即不包含合同支付義務且具證明發行人淨資產剩餘權益的工具。

除非本集團管理層在初始確認時選擇不可撤銷指定以公允價值計入其他全面收益的股權投資，否則本集團隨後計量所有股權投資按公允價值計量且其變動計入損益。本集團的政策是將股權投資指定為以公允價值計入其他全面收益，而這些投資的目的不是為了產生投資回報。使用該選擇時，公允價值損益在其他綜合收益中確認，隨後包括出售時也不會重新分類至損益。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(d) Financial instruments (accounting policies applied from 1 January 2018) (continued)

(iv) Debt instruments (continued)

Fair value through profit or loss ("FVPL")

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss and included in 'net trading income' in the period in which it arises.

(v) Financial liabilities

Financial liabilities are held within a trading portfolio if they have been incurred principally for the purpose of repurchasing in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading portfolio liabilities are recognised on a trade date basis and are accounted for at fair value, with changes in fair value and any gains or losses recognised in trading income. Transaction costs are expensed as incurred. Interest is recognised on an accrual basis and included in interest expense.

(vi) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(e) 資產減值

- (i) 按攤餘成本及以公允價值計入其他全面收益的金融資產的減值 (會計政策自2018年1月1日起適用)

本集團以前瞻性方式評估按攤餘成本及以公允價值計入其他全面收益的債務工具資產相關的預期信貸損失，以及貸款承擔及財務擔保合約產生的風險。本集團於每個報告結算日為該損失確認損失準備。預期信貸損失的計量反映：

- (i) 透過評估一系列合理可能結果而釐定的公正及概率加權金額；
- (ii) 貨幣的時間價值；及
- (iii) 於報告日期有關過往事件、現時情況及未來經濟狀況預測的合理及可證明的資料。

違約風險承擔代表違約的預期餘額，經計及償還結算日至違約事件期間的本金及利息，以及信貸承諾的任何預期提取金額。違約損失率指在發生違約時的違約風險承擔，經考慮（包括其他特性）預期變現抵押品價值時的緩和影響及金錢的時間價值，違約風險承擔的預期損失。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(e) Impairment of assets

- (i) *Impairment of amortised cost and financial assets through other comprehensive income (accounting policies applied from 1 January 2018)*

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposures arising from loan commitment and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The exposure of default ("EAD") represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The loss given default ("LGD") represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(e) 資產減值 (續)

- (i) 按攤餘成本及以公允價值計入其他全面收益的金融資產的減值 (會計政策自2018年1月1日起適用) (續)

對於源生或在購買日期執行的金融資產的3階段減值方法總結如下：

- 第1階段：本集團確認相等於12個月預期信貸損失的信貨損失準備。這代表在假設自初始確認後信貸風險未有重大上升下，預期在報告結算日12個月內的違約事件的預期年限信貨損失部份。
- 第2階段：本集團對自初始確認後信貸風險已有重大上升的金融資產確認相等於預期年限信貨損失的信貨損失準備。在此階段的信貨損失準備會較高是因為信貸風險增加及與第1階段中12個月比較較長時段的影響。
- 第3階段：本集團確認相等於預期年限信貨損失的信貨損失準備，反映該金融資產已信貨減值且違約或然率為100%。本集團的違約定義與監管定義一致。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(e) Impairment of assets (continued)

- (i) Impairment of amortised cost and financial assets through other comprehensive income (accounting policies applied from 1 January 2018) (continued)

A 3-Stages approach to impairment for financial assets that are performing at the date of origination or purchase. This approach is summarised as follows:

- Stage 1: The Group recognises a credit loss allowance at an amount equal to 12-month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after initial recognition.
- Stage 2: The Group recognises a credit loss allowance at an amount equal to lifetime expected credit losses for those financial assets which are considered to have experienced a significant increase in credit risk since initial recognition. Allowances for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.
- Stage 3: The Group recognises a credit loss allowance at an amount equal to lifetime expected credit losses, reflecting that financial assets are credit impaired with 100% probability of default. The Group's definition of default is aligned with the regulatory definition.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(e) 資產減值 (續)

(ii) 非金融資產的減值

在每個結算日審查內部和外部信息來源，以確定以下資產可能發生減值或以前確認的減值損失不再存在或可能減少的跡象：

- 物業及設備（除了按重估價值列賬的物業）
- 無形資產
- 對子公司和聯營公司的投資。

如果存在任何此類跡象，則估計資產的可收回金額。

- 可收回金額的計算
資產的可收回金額是其公允價值減去處置費用和使用價值兩者中的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映當前市場對貨幣時間價值的評估以及資產特有的風險。如果資產不產生大量獨立於其他資產的現金流入，則可收回金額根據獨立產生現金流入的最小資產組合（即現金產生單位）確定。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(e) Impairment of assets (continued)

(ii) Impairment of non-financial assets

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

- property and equipment (other than properties carried at revalued amounts)
- intangible assets
- 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 of disposal 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 time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(e) 資產減值 (續)

(ii) 非金融資產的減值 (續)

- 確認減值損失
每當資產 (或其所屬的現金生產單位) 的賬面值高於其可收回數額時, 便會在收益表內確認減值損失。就現金生產單位確認的減值損失先分配以減少任何分配至現金生產單位 (或單位組別) 的商譽的賬面值, 然後按比例減少單位 (或單位組別) 內其他資產的賬面值, 惟資產賬面值不會減少至低於其個別公允價值減出售成本 (如可計量) 或使用值 (如可釐定) 所得數額。

- 減值損失回撥
就資產而言, 倘用以釐定可收回金額的估計出現有利變動, 則會回撥減值損失 (商譽減值除外)。

減值損失的回撥僅限於在以前年度未確認減值損失時已確定的資產賬面金額。減值損失的回撥在確認回撥的年度計入收益表。

(iii) 中期財務報告和減值

本集團為年度首6個月編製符合《香港會計準則》第34號「中期財務報告」規定的中期財務報告。本集團在中期期末採用了在本年度終結時會採用的相同減值測試、確認和回撥準則 (參閱附註2.2(e)(i)至(ii))。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(e) Impairment of assets (continued)

(ii) Impairment of non-financial assets (continued)

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

- Reversal of impairment losses
In respect of assets, an impairment loss (except for impairment on goodwill) is reversed if there has been a favourable 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 recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

The Group prepares an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the year (see notes 2.2(e)(i) to (ii)).

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(f) 金融工具 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g))

(i) 首次確認

本集團在首次確認金融工具時，是按照購入資產或產生負債的目的而將金融工具分為不同類別。分類為：通過損益以反映公允價值、貸款及應收賬項、可供出售證券及其他金融負債。

金融工具先以公允價值計量，通常與交易價相同。如果金融資產或金融負債不屬於通過損益以反映公允價值，便需加上直接歸屬於購入金融資產或發行金融負債的交易成本。通過損益以反映公允價值的金融資產及金融負債的交易成本將立即支銷。

本集團會在成為金融工具合約其中一方當日確認金融資產及金融負債。以有規律方式買賣通過損益以反映公允價值的金融資產及負債按交易日會計法予以確認。其他金融資產及負債按結算日會計法予以確認。通過損益以反映公允價值的金融資產或金融負債的公允價值變動產生的任何盈虧由該日起記錄。

(ii) 分類

通過損益以反映公允價值

該類別包括持作交易用途的金融資產及金融負債，以及於初始確認時指定為通過損益以反映公允價值的金融資產及金融負債，惟不包括沒有市場報價及不能可靠計量公允價值的股本工具投資。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Financial instruments (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g))

(i) Initial recognition

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: fair value through profit or loss, loans and receivables, available-for-sale securities and other financial liabilities.

Financial instruments are initially measured at fair value, which will normally be equal to the transaction price plus, in the case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets and financial liabilities at fair value through profit or loss is recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting. From these dates, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

(ii) Categorisation

Fair value through profit or loss

This category comprises financial assets and liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(f) 金融工具 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g)) (續)

(ii) 分類 (續)

通過損益以反映公允價值 (續)

交易用途金融工具為主要就交易用途而購入或招致的金融資產或金融負債，或屬可辨別金融工具組合的一部份，並有證據顯示該組合最近有可短期獲利的模式。不合資格採用對沖會計法 (附註2.2(k)) 的衍生工具則計入交易用途工具。

如屬以下情況，本集團可以選擇在初始確認時將金融工具指定為通過損益以反映公允價值：

- 本集團內部是按公允價值基準管理、衡量和匯報有關的資產或負債；
- 作出指定後，原應出現的會計錯配情況可予消除或明顯減少；
- 有關的資產或負債包括內含衍生工具，而這些衍生工具令原來按合約所需的現金流量出現明顯的變化；或
- 本集團沒有被禁止將嵌入衍生工具從金融工具內分開。

該類別下的金融資產及金融負債是按公允價值列賬。公允價值的變動在有關變動產生的期間計入收益表。在出售或購回時，淨銷售所得款項或淨付款與賬面值之間的差額會計入收益表內。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Financial instruments (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g)) (continued)

(ii) Categorisation (continued)

Fair value through profit or loss (continued)

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting (note 2.2(k)) are accounted for as trading instruments.

The Group has the option of designating its financial instruments at fair value through profit or loss upon initial recognition when:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset or liability contains embedded derivatives that significantly modify the cash flows that would otherwise be required under the contract; or
- the separation of the embedded derivatives from the financial instrument is not prohibited.

Financial assets and liabilities under this category are carried at fair value. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

- (f) 金融工具 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g)) (續)
- (ii) 分類 (續)
- 貸款及應收賬項

貸款及應收賬項為具有固定或可確定付款且在活躍市場沒有報價的非衍生金融資產，惟除了(a)本集團擬即時或於短期內出售而劃歸為持作交易用途；(b)本集團於初始確認時已指定為通過損益以反映公允價值或可供出售者；或(c)本集團可能無法收回其絕大部份初始投資 (因信貸表現惡化而無法收回者除外) 則分類為可供出售。貸款及應收賬項主要包括客戶貸款及墊款和在銀行、中央銀行及其他金融機構的存款及墊款。

貸款及應收賬採用實際利率法，按攤銷成本減去減值損失 (如有) (參閱附註2.2(g)) 後列賬。

可供出售證券

可供出售證券是指定為可供出售或並無劃歸上述二個中任何一個類別的非衍生金融資產，包括計劃作不定期限持有的金融資產，惟可能因應流動資金需求或市場環境變動而出售。

可供出售證券是按公允價值列賬。除如債務證券的貨幣性項目所引致的減值損失及外匯盈虧須在收益表確認外，因公允價值變動而產生之未實現收益及損失於其他全面收益內確認，並在權益內分開累計。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

- (f) Financial instruments (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g)) (continued)
- (ii) Categorisation (continued)
- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which are classified as held for trading; (b) those that the Group, upon initial recognition, designates as being at fair value through profit or loss or as available-for-sale; or (c) those for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale. Loans and receivables mainly comprise loans and advances to customers and placements with and advances to banks, central banks and other financial institutions.

Loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (see note 2.2(g)).

Available-for-sale securities

Available-for-sale securities are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other two categories above. They include financial assets intended to be held for an indefinite period of time but which may be sold in response to needs for liquidity or changes in the market environment.

Available-for-sale securities are carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income and accumulated separately in equity, except for impairment losses and foreign exchange gains and losses on monetary items such as debt securities which are recognised in the income statement.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

- (f) 金融工具 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g)) (續)
- (ii) 分類 (續)
- 可供出售證券 (續)

權益證券投資並沒有活躍市場的報價，而其公允價值並不能可靠計量，與之有所聯繫的衍生工具須透過交付該權益證券而清償，該類權益證券投資按成本減去減值損失 (如有) (參閱附註2.2(g)) 後列賬。

倘出售可供出售證券，出售收益或損失包括淨銷售所得款項與賬面值之間的差額，以及曾經確認為其他全面收益之累計公允價值調整須由權益重新分類而轉入收益表。

其他金融負債

除交易用途負債及該等指定為通過損益以反映公允價值的金融負債外，金融負債是採用實際利率法按攤銷成本計量。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

- (f) Financial instruments (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g)) (continued)
- (ii) Categorisation (continued)
- Available-for-sale securities (continued)

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be measured reliably, and derivatives that are linked to and must be settled by delivery of such unquoted equity securities, are carried at cost less impairment losses, if any (see note 2.2(g)).

When the available-for-sale securities are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments which are previously recognised in other comprehensive income are reclassified from equity to the income statement.

Other financial liabilities

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortised cost using the effective interest method.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(g) 資產減值 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g))

本集團在每個結算日審閱資產的賬面金額，以確定是否出現客觀的減值跡象。金融資產減值的客觀跡象包括本集團注意到有關以下任何一宗或多宗損失事件的可觀察數據，並對能夠可靠地估計的資產的未來現金流量構成影響：

- 發行人或借款人出現重大的財務困難
- 違反合約，如拖欠利息或本金付款
- 借款人很可能面臨破產或其他財務重組
- 技術、市場、經濟或法律環境出現對借款人構成負面影響的重大變動
- 金融資產因財務困難而失去活躍市場
- 於權益工具的投資顯著或長期跌至低於成本。

如果出現任何這類跡象，賬面金額便會透過在收益表內列支而減少至估計可收回金額。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(g) Impairment of assets (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g))

The carrying amount of the Group's assets is reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Group about one or more of the following loss events which has an impact on the future cash flows of the assets that can be estimated reliably:

- significant financial difficulty of the issuer or borrower
- a breach of contract, such as a default or delinquency in interest or principal payments
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower
- the disappearance of an active market for financial assets because of financial difficulties
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to the income statement.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(g) 資產減值 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g)) (續)

減值損失會直接沖銷相應的資產，但就以攤銷成本計量的貸款及應收賬項確認的減值損失而言，其可收回性被視為可疑，但不是可能性極低則除外。在這種情況下，減值損失會採用準備賬來記錄。當本集團認為收回的可能性極低時，被視為不可收回的數額便會直接沖銷貸款及應收賬項，與該借款人／投資有關而在準備賬內持有的任何數額也會轉回。其後收回早前計入準備賬的數額會在準備賬轉回，準備賬的其他變動和其後收回早前直接沖銷的數額均在收益表內確認。

(i) 貸款及應收賬項

貸款及應收賬項的減值損失是以資產賬面值，以及就資產以其原本的實際利率（即於首次確認這些資產時計算的實際利率）用折現方式計算預計的未來現金流量的現值差額計量。如果折現影響並不重大，則短年期應收賬項不予折現。

信貸損失準備總額包括兩個組成部份：個別減值準備及綜合減值準備。

本集團首先評估客觀減值證據是否個別存在於個別上重大的金融資產，及個別或整體存在於非個別上重大的金融資產。如果本集團確定個別評估金融資產（不論是否重大）並無存在減值的客觀證據，則本集團將有相同信貸風險特質的金融資產歸類，並作綜合減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於綜合減值評估內。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(g) Impairment of assets (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g)) (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of loans and receivables whose recovery is considered doubtful but not remote, which are measured at amortised cost. In this case, the impairment losses are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against loans and receivables directly and any amounts held in the allowance account relating to that borrower/investment are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

(i) Loans and receivables

Impairment losses on loans and receivables are measured as the difference between an asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for credit losses consists of two components: individual impairment allowances and collective impairment allowances.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(g) 資產減值 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g)) (續)

(i) 貸款及應收賬項 (續)

個別減值準備是根據管理層的最佳估計，以原本的實際利率折現預計收取的現金流量的現值。在估計這些現金流量時，管理層須判斷有關借款人的財政狀況及任何向本集團提供的相關抵押品或擔保的可變現淨值，並須評估每宗減值資產的真正價值。

在評估綜合減值準備的需要時，管理層採用統計模式及考慮過往趨勢的因素包括信貸素質、組合規模、集中度及經濟因素。為了估計所需準備，本集團根據過往的經驗和現時的經濟情況去釐定潛在損失及輸入變數。

減值準備的準確性須視乎本集團能否在個別評估減值準備時準確估計未來現金流量及在釐定綜合減值準備時所採用的推測模式及變數。雖然視乎判斷而定，本集團相信客戶貸款及墊款減值準備是合理和足夠的。

任何因估計未來現金流量的金額及時間上與先前估計的其後轉變，而該轉變是可客觀地與減值後發生的事件有關連，從而導致貸款及墊款減值準備亦需改變，該轉變會支銷或存入收益表。所回撥的減值損失以在以往年度沒有確認任何減值損失而應已釐定的貸款及應收款賬面金額為限。

當再無實際機會收回貸款時，則貸款及相關應收利息將會沖銷。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(g) Impairment of assets (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g)) (continued)

(i) Loans and receivables (continued)

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its own merits.

In assessing the need for collective impairment allowances, management uses statistical modelling and considers historical trends of factors such as credit quality, portfolio size, concentrations and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances, and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgement, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

When there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(g) 資產減值 (會計政策適用至2017年12月31日) (適用於附註2.2(f)至2.2(g)) (續)

(i) 貸款及應收賬項 (續)

附有可再議條款的貸款及應收賬項是指由於借款人的財務狀況轉差而獲重新議定比一般情況寬鬆的還款條件的貸款及應收賬項。有關部門會對重新議訂條例之貸款及應收賬項作出持續監察，以決定是否仍存有減值需要或逾期的狀況。

(ii) 可供出售證券

當可供出售證券出現客觀證據顯示已減值時，已直接在投資重估儲備內確認的累計損失會被轉入收益表內。在收益表內確認的累計損失金額是購入成本（扣除任何本金還款及攤銷後）與現時公允價值之間的差額，再減該資產以往在收益表內確認的任何減值損失。

如果其後的公允價值增加是可客觀地與確認減值損失後發生的事件有關連，則有關可供出售債務證券的減值損失會轉回。在這些情況下的減值損失轉回會在收益表內確認。

就可供出售股份證券而言，當出現客觀證據顯示有減值時，減值損失是以股份證券的成本及減值資產的公允價值差額計量。這些減值資產其後的所有公允價值增加列作重估及在其他全面收益內確認，並分別累計於股東權益內。此減值損失將不能在收益表內轉回。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(g) Impairment of assets (accounting policies applied until 31 December 2017) (applied to note 2.2(f) to 2.2(g)) (continued)

(i) Loans and receivables (continued)

Loans and receivables with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Renegotiated loans and receivables are subject to ongoing monitoring to determine whether they remain impaired or past due.

(ii) Available-for-sale securities

When there is objective evidence that an available-for-sale security is impaired, the cumulative loss that had been recognised in the investment revaluation reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income statement.

For available-for-sale equity securities, when there is objective evidence be observed for an impairment, the impairment loss is measured as the difference between the cost of the equity securities and the fair value of the impaired asset. All subsequent increases in the fair value of the impaired asset are treated as a revaluation and recognised in other comprehensive income and accumulated separately in equity, such impairment losses are not reversed through the income statement.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(h) 抵銷

倘若存在可依法強制執行的權利可抵銷已確認數額，且有計劃按淨額基準結算或同時變現資產及償付負債，則金融資產及金融負債可予抵銷，淨額在財務狀況表內匯報。依法強制執行的權利必須不能是或有的未來事件，必須是在正常業務過程中，而且發生銀行或對手違約或破產等事件。

(i) 公允價值計量原則

金融工具的公允價值是於結算日根據其市場報價但未扣除將來估計出售的成本計算。金融資產以當時買入價作價，而金融負債則以當時賣出價作價。

如並無最新公開成交價，或未能從認可證券交易所獲得市場報價或從經紀／交易商獲得屬於非通過交易所買賣的金融工具價格，或如市場交投不活躍，則此工具的公允價值以估值模式估值，而該估值模式可根據市場實際交易提供可靠的估計價格。

當採用現金流量折讓價格模式，估計將來現金流量按管理層的最佳估計及採用的折現率是在結算日適用於相近工具條款及條件的市場利率計算。當採用其他定價模式，輸入項目是依據結算日的市場價格資料。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(h) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Bank or the counterpart.

(i) Fair value measurement principles

The fair value of financial instruments is 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 recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for them is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

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

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(j) 購回及反向購回交易

出售的證券如同時附有在某一較後日期以固定價格購回這些證券的協議(購回協議)，會在財務報表內保留，並根據其原有計量原則計量。出售所得款項匯報為負債，並以攤銷成本列賬。

根據轉售協議(反向購回協議)購買的證券不列作購買證券，且不會在財務報表中確認，但該支付的價款則被列作應收賬項，並以攤銷成本在財務狀況表內列賬。

反向購回協議賺取的利息及購回協議產生的利息採用實際利率法，在各協議的有效期內分別確認為利息收入及利息支出。

(k) 衍生及對沖活動

內含衍生工具是一個包括衍生工具及主合約的混合(合併)工具的一部份，這一部份以獨立衍生工具類似的方式改變該合併工具的部份現金流量。當(a)內含衍生工具的經濟特質及風險與主合約並無密切關係；及(b)混合(合併)工具並非以公允價值計量而公允價值變動在收益表內確認，則內含衍生工具從主合約分開，併入賬列作衍生工具。

當內含衍生工具分開，則主合約根據金融工具的會計政策入賬(參閱附註2.2(d)(ii))。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(j) 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 agreements) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale received are reported as liabilities and are carried at amortised cost.

Securities purchased under agreements to resell (reverse repurchase agreements) are reported not as purchases of the securities and not recognised on the statement of financial position, but the consideration paid is recorded as receivables, and are carried in the statement of financial position at amortised cost.

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

(k) Derivatives and hedging activities

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value, with changes in fair value recognised in the income statement.

When the embedded derivative is separated, the host contract is accounted for in accordance with the accounting policies of financial instruments (see note 2.2(d)(ii)).

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(k) 衍生及對沖活動 (續)

對沖會計法確認對沖工具與被對沖項目的公允價值變動對損益構成的抵銷影響。本集團於開始進行對沖及持續進行對沖時，評估用於對沖交易的金融工具在抵銷與被對沖風險相關的被對沖項目的公允價值或現金流量變動上是否極具效用，並就此制定文件記錄。當(a)對沖工具到期或售出、終止或行使；或(b)對沖不再符合對沖會計法的使用條件；或(c)本集團撤銷對沖關係的指定，本集團將終止在往後採用對沖會計法。

(i) 公允價值對沖

公允價值對沖尋求抵銷已確認資產或負債的公允價值變動的風險，該等風險將導致損益在收益表內確認。

對沖工具以公允價值計量，公允價值變動在收益表內確認。被對沖項目的賬面值按與被對沖風險相關的對沖工具公允價值變動的數額作出調整。此調整在收益表內確認，以抵銷損益對對沖工具構成的影響。

當對沖工具到期或被出售、終止或行使、對沖不再符合對沖會計法的使用條件或本集團撤銷指定的對沖關係時，截至當時為止對採用實際利率法計量的被對沖項目作出的任何調整，均在收益表中攤銷（作為該項目在尚餘期限內重新計算的實際利率一部份）。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(k) Derivatives and hedging activities (continued)

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues hedge accounting prospectively when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

(i) Fair value hedge

A fair value hedge seeks to offset the risks of changes in the fair value of a recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of the hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

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

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(k) 衍生及對沖活動 (續)

(ii) 現金流量對沖

被指定及符合條件可列為現金流量對沖的衍生工具，其公平價值出現變動的有效對沖部份，將於其他全面收益表確認及分別累計於股東權益中列賬。任何公平價值損益而屬對沖無效部份即時在收益表中列賬。

當對沖金融工具到期或售出時，或對沖工具不再符合採用對沖會計法的條件時，股東權益中的任何累積損益仍會繼續保留在股東權益內，直至預計進行的交易最終於收益表確認時，始撥入收益表內。如預計進行的交易預期不會落實進行，其他全面收益內所列的累積損益將立即撥入收益表內。

(iii) 對沖效用測試

為符合資格實施對沖會計法，在開始對沖時及預計對沖期內，本集團須進行效用測試以顯示預期對沖成效極具效用（預計效用）。在對沖期內，並必須持續顯示有實際效用（追溯效用）。

有關各種對沖關係的文件載有如何評估對沖的效用。本集團採納的對沖效用評估方法將視乎其風險管理策略而定。

就公允價值對沖關係而言，本集團採用累計價值抵銷法或進取式分析作為測試效用的方法。

就預計效用而言，對沖工具必須被預期為在指定對沖期間內，能高度有效地抵銷被對沖風險的公允價值或現金流量變動。就實際效用而言，公允價值或現金流量變動抵銷額須介乎80%至125%之間才被視為有效。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(k) Derivatives and hedging activities (continued)

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income and accumulated separately in equity. Any gain or loss in fair value relating to an ineffective portion is recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss at that time remains in equity until the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately reclassified to the income statement.

(iii) Hedge effectiveness testing

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

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

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regressive analysis as effectiveness testing methodologies.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80% to 125% for the hedge to be deemed effective.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(I) 投資物業

集團若擁有或以租約業權 (參閱附註 2.2(o)) 持有的土地及／或樓宇，以賺取租金收入及／或作資本增值的目的，列為投資物業。投資物業包括目前未確定將來用途的土地和樓宇。

投資物業按公允價值記入財務狀況表中。投資物業公允價值的變動，或報廢或出售投資物業所產生的任何收益或損失均在收益表中確認。投資物業的租金收入是按照會計政策第 2.2(a)(iv) 項所述方式入賬。

如果本集團以經營租賃持有物業權益以賺取租金收入及／或為資本增值，有關的權益會按每項物業的基準劃歸為投資物業。劃歸為投資物業的任何物業權益的入賬方式與以融資租賃 (參閱附註 2.2(o)(ii)) 持有的權益一樣，而其適用的會計政策也跟以融資租賃出租的其他投資物業相同。租賃付款的入賬方式載列於附註 2.2(a)(iii)。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(I) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2.2(o)) to earn rental income and/or for capital appreciation. These include land and buildings held for a currently undetermined future use.

Investment properties are stated in the statement of financial position at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the income statement. Rental income from investment properties is accounted for as described in note 2.2(a)(iv).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2.2(o)(ii)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2.2(a)(iii).

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(m) 其他物業及設備

這些財務報表是按照香港會計師公會頒佈的《香港會計準則》第16號「物業、廠房及設備」第80A段所載的過渡性條文編製，故並無在結算日重估在截至1995年9月30日期間的財務報表內以重估數額列賬的其他物業的公允價值。

下列物業及設備項目以成本減累計折舊及減值損失(如有)(參閱附註2.2(e)(ii)列賬：

- 於租賃土地中持作自用的樓宇被列作持作經營租賃(參閱附註2.2(o)(iii))
- 其他設備項目

持有自用物業的重估變動一般計入其他全面收益內，並在權益中的物業重估儲備內分開累計。

報廢或出售物業及設備項目所產生的損益以出售所得淨額與項目的賬面值之間的差額釐定，並於報廢或出售當日在收益表內確認。任何相關的重估盈餘將由重估儲備轉入保留溢利，而非重新分類至收益表內。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(m) Other premises and equipment

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS 16, *Property, Plant and Equipment*, issued by the HKICPA, with the effect that other premises which are carried at revalued amounts in financial statements relating to periods ended before 30 September 1995 have not been revalued to fair value at the end of the reporting period.

The following items of property and equipment are stated at cost less accumulated depreciation and impairment losses, if any (see note 2.2(e)(ii)):

- buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 2.2(o)(iii))
- other items of equipment

Changes arising in the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve.

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in the income statement on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to the income statement.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(m) 其他物業及設備 (續)

物業及設備項目按以下方式在估計可用年期內以直線法計算折舊以沖銷其成本或估值(已扣除估計殘值(如有))：

- 永久業權土地不予折舊。
- 租賃物業列作融資租賃持有按照租約剩餘年折舊攤銷。
- 樓宇 — 以30年以上或土地租賃剩餘年期兩者中的較短者計算折舊。
- 傢俬、固定裝置及設備 — 3至10年。

倘若物業及設備項目部份的可用年期不同，則項目成本或估值在各部份作出合理分配，而各部份分開計算折舊。資產的可用年期及其餘值(如有)每年作出檢討。

(n) 無形資產

無形資產包括所購買的軟件許可證和計算機軟件程序的資本化開發成本。與維護軟件程序相關的成本在發生時確認為費用。開發成本直接歸因於內部使用的可識別和軟件產品的設計和測試，作為軟件的一部份進行資本化，包括員工成本和相關部份的相關管理費用。

具有有限估計可使用年期的軟件的無形資產按成本減攤銷及累計減值損失列賬，並按其估計可使用年期(5年)按直線法攤銷。倘有任何減值跡象顯示賬面值可能無法收回，則無形資產須每年進行減值檢討。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(m) Other premises and equipment (continued)

Depreciation is calculated to write off the cost or valuation of items of property and equipment, less their estimated residual value, if any, using the straight line method over the estimated useful lives as follows:

- Freehold land is not depreciated.
- Leasehold land classified as held under finance leases is depreciated over the unexpired term of lease.
- Buildings are depreciated over 30 years or the unexpired terms of the land leases, whichever is shorter.
- Furniture, fixtures and equipment are depreciated over a term of 3 to 10 years.

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.

(n) Intangible assets

Intangible assets include the acquired software licenses and capitalised development costs of computer software programmes. Cost associated with maintaining software programme are recognised as an expense as incurred. Development costs, which directly attributable to the design and testing of identifiable and software products for internal use, are capitalised as part of the software and included employee costs and an appropriate portion of relevant overheads.

Intangible assets for software that have a finite estimated useful life are stated at cost less amortisation and accumulated impairment losses, and are amortised over their estimated useful lives (5 years) on a straight-line basis. Intangible assets are subject to impairment review on an annual basis if there are any impairment indicators present that the carrying amount may not be recoverable.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(o) 租賃及分期付款合約

如果本集團把一項安排 (包括一項交易或一系列交易) 確定為在一段商定期間轉讓一項或一些特定資產的使用權，以換取一筆或多筆付款，則這項安排便包含租賃。確定時是以對有關安排的實質所作評估為準，而不管這項安排是否涉及租賃的法律形式。

(i) 租賃資產分類

本集團承受擁有權帶來的絕大部份風險及回報的資產租賃列為融資租賃。出租人沒有轉移擁有權帶來的絕大部份風險及報酬的租賃列為經營租賃。

(ii) 融資租賃

在本集團是融資租賃的出租人情況下，對在租賃中租出的資產的投資淨額視作客戶貸款及墊款，在財務狀況表列賬。有融資租賃特徵的分期付款合約以同樣方式列作融資租賃。減值損失根據附註2(e)(i)所載的會計政策入賬。

(iii) 經營租賃

倘若本集團根據經營租賃租出資產，則資產根據其性質計入財務狀況表，而在適用的情況下，折舊會根據附註2.2(m)所載的本集團折舊政策計算。減值損失根據附註2.2(e)(ii)所載的會計政策入賬。經營租賃的收入會根據附註2.2(a)(iv)所載的本集團收入確認政策確認。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(o) Leases and hire purchase contracts

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and applies regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of leased assets

Assets that are held by the Group under leases and which transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the statement of financial position as loans and advances to customers. Hire purchase contracts which have the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(e)(i).

(iii) Operating leases

Where the Group leases out assets under operating leases, the assets are included in the statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 2.2(m). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2.2(e)(ii). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 2.2(a)(iv).

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(o) 租賃及分期付款合約 (續)

(iii) 經營租賃 (續)

如本集團使用根據經營租賃持有的資產，除非有其他基準更能表示從該等經營租賃資產獲得利益的模式，否則其租賃支出按該租賃年期相關的會計期間以等額分期記入收益表。租賃回贈收入視為淨租賃支出總額的一部份，在收益表內確認。

(p) 取回抵押資產

在收回減值貸款及墊款時，本集團可透過法律程序或借款人自願交付而取回持作抵押品的資產。當本集團再不向借款人追索還款，並欲轉為透過有秩序的減值資產變現時，則取回抵押資產會在「其他資產」下匯報。本集團沒有持有取回抵押資產作自用用途。

取回資產在交易日以有關貸款及墊款的賬面值及公允價值減出售成本確認（以較低者為準），不予折舊或攤銷。

初次分類及其後重新計量引致的減值損失在收益表內確認。

(q) 現金等值項目

現金等值項目包括短期以及流動性極高的投資，可隨時兌換為已知的現金數額，而價值變動風險並不重大，並在購入後3個月內到期。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(o) Leases and hire purchase contracts (continued)

(iii) Operating leases (continued)

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting 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 received are recognised in the income statement as an integral part of the aggregate net lease payments made.

(p) Repossessed assets

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

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

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

(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.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(r) 僱員福利

- (i) 僱員福利及界定供款退休計劃供款
薪金、年度花紅、有薪年假、界定供款計劃供款及非貨幣性福利成本均列入僱員提供相關服務的年度。如果有關付款或結算受到遞延，而其影響將十分重大，則這些金額將以現值列賬。

- (ii) 員工退休計劃
本集團設有一項界定供款公積金計劃及一項強制性公積金計劃。有關供款在供款到期時計入收益表內。

(s) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動在收益表內確認，除非與其他全面收益或權益項目有關之遞延稅項變動，則分別在其他全面收益或權益項內確認。

本期稅項為本年度應課稅收入按結算日已頒佈或基本上已頒佈的稅率計算的預計應付稅項，並已包括往年應付稅項的任何調整。

遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括尚未使用的稅項損失及尚未使用的稅項抵免。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(r) Employee benefits

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

- (ii) Staff retirement scheme
The Group operates a defined contribution provident fund and a Mandatory Provident Fund scheme. Contributions are charged to the income statement as and when the contributions fall due.

(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 recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

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.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(s) 所得稅 (續)

除了某些有限的例外情況外，所有遞延稅項負債和所有遞延稅項資產（只限於可用來抵銷日後應課稅溢利的部份）均予確認。可支持確認可扣稅暫時性差異所產生的遞延稅項資產的日後應課稅溢利包括因回撥現有應課稅暫時性差異所產生者，惟該等差異必須與同一稅務機關及同一應課稅實體有關，並預期會在預期回撥可扣稅暫時性差異的同一期間或遞延稅項資產所產生的稅務損失可向後期或前期結轉的期間內回撥。在釐定現有應課稅暫時性差異是否支持確認未使用稅務損失及抵免所產生的遞延稅項資產時，會採用同一準則，即如果差異與同一稅務機關及同一應課稅實體有關，便會計算在內，並預期會在可動用稅務損失或抵免的期間內回撥。

根據會計政策附註2.2(l)，按公允價值列賬的投資物業於報告期內出售，遞延稅項會被確認及按照稅率計算該等投資物業的賬面值，除非該投資物業是可供折舊和其商業模式目的是消耗幾乎所有投資物業的經濟利益，而不是出售財產。在所有其他情況下，另遞延稅項是以有關資產及負債賬面值的預期實現或結算金額，按結算日已頒佈或基本上已頒佈的稅率確認。遞延稅項資產及負債不予折現。

於每一結算日，本行將檢討有關的遞延稅項資產的賬面值，對不再有足夠的應課稅溢利以實現相關稅務利益的部份予以扣減。被扣減的遞延稅項資產若於將來出現足夠的應課稅溢利時，應予回撥。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits; that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2.2(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 unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the 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 utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(s) 所得稅 (續)

除非集團有權力回撥遞延稅項負債之臨時差額及有很大可能有關臨時差額會於可預期之未來回撥，否則源於投資附屬公司的應課稅臨時差額需確認為遞延稅項負債。因源於投資於附屬公司所產生的可扣稅之臨時差額則只有很大可能在未來回撥有關臨時差額及有足夠應課稅溢利可用作抵銷臨時差額的情況下確認遞延稅項資產。

因派發股息而產生的額外所得稅在確認支付有關股息的責任時確認。

本期稅項及遞延稅項結餘和其變動會分開列示，而且不予抵銷。當本集團有合法權利並符合以下附帶條件的情況下，本期和遞延稅項資產才可分別抵銷本期和遞延稅項負債：

- 本期稅項資產和負債：本集團計劃按淨額基準結算，或在實現資產的同時清償負債；或
- 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
- 同一應課稅實體；或
- 不同的應課稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每一未來期間，按淨額基準實現本期稅項資產和清償本期稅項負債，或在實現資產的同時清償負債。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(s) Income tax (continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investment in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised on the deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Additional income tax that arises from the distribution of dividends is recognised when the liability to pay the related dividends is recognised.

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, and only 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 realise 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 realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(t) 外幣換算

(i) 運作貨幣及呈列貨幣

包括在每一個集團個體的財務報表的項目，都以該個營運地區主要經濟體系所採用之貨幣來計量（「運作貨幣」）。本綜合財務報表乃以港幣千元呈列，而港幣乃本銀行之運作貨幣及本集團之呈列貨幣。

(ii) 交易及結餘

本年度內的外幣交易按交易日的匯率換算為港幣。以外幣計算的貨幣資產與負債則按結算日的匯率換算為港幣。匯兌盈虧均在收益表確認。

以歷史成本計量的外幣非貨幣資產與負債是按交易日的匯率換算為港幣。以外幣為單位並以公允價值列賬的非貨幣資產與負債按計量公允價值當日的外幣匯率換算。

有關通過損益以反映公允價值的投資及衍生金融工具的匯兌差額，計入指定為通過損益以反映公允價值的交易用途證券或金融工具的收益減損失中。所有其他有關貨幣項目的匯兌差額在收益表外幣買賣淨盈虧項下列示。因折算可供出售權益工具而產生的差額則於其他全面收益內確認，並分別累計在權益之投資重估儲備內。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(t) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in thousands of units of Hong Kong Dollars (HK\$'000), which is the Bank's functional currency and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions during the year are translated into functional currency 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 recognised in the income statement.

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

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains less losses from trading securities or financial instruments designated at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on the translation of available-for-sale equity instruments are recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(t) 外幣換算 (續)

(ii) 交易及結餘 (續)

海外企業的業績按交易日的匯率換算為港幣。財務狀況表項目則按結算日的匯率換算。所產生的匯兌差額在其他全面收益內確認，並分別累計在權益之匯兌儲備內。

當出售海外企業的出售收益或損失確認時，與該海外業務相關的累計匯兌差額由權益重新分類而轉入收益表。

(u) 財務擔保簽發、準備及或有負債

(i) 財務擔保簽發

財務擔保合約是指當某一指定債務人不能根據債務工具的條款支付到期債務，發行人（即擔保人）須向擔保受益人（持保人）償付有關款項。

本集團簽發給客戶之財務擔保，初始時按擔保之公允價值確認為遞延收入，列入「其他負債」項下。已簽發的財務擔保在簽發時之公允價值，如可獲取有關資料，則參照類同服務在正常交易中所收取的服務費以釐定；否則，則參照貸方提供擔保時的實際利率與未提供擔保時貸方估計的利率相比較所得的利率差以作出估計，而在該情況下對此資料作出合理估計。本行簽發給子公司之財務擔保，則估計其擔保之公允價值，分別資本化於附屬公司投資成本，及「其他負債」項下之遞延收入內。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(t) Translation of foreign currencies (continued)

(ii) Transactions and balances (continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statements of financial position items are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee to customers, the fair value of the guarantee is initially recognised as deferred income within other liabilities. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services when such information is obtainable, or is otherwise estimated by reference to interest rate differentials by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged had the guarantees not been available, where reliable estimates of such information can be made. Where the Bank issues a financial guarantee to its subsidiaries, the fair value of the guarantee is estimated and capitalised as the cost of investment in subsidiaries and deferred income within other liabilities.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(u) 財務擔保簽發、準備及或有負債 (續)

- (i) 財務擔保簽發 (續)
遞延收入按擔保期限於收益表內攤銷，確認為財務擔保簽發收入。此外，如當(a)擔保持保人很可能就擔保合約向本集團追索；及(b)向本集團追索的金額預計超過現行就該擔保列入「其他負債」的金額，即初始確認金額減累計攤銷，會根據附註2.2(u)(ii)確認準備。

- (ii) 其他準備及或有負債
倘若本集團或本行須就已發生的事件承擔法律或推定義務，而履行該義務預期很可能會導致經濟效益外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務支出的現值計列準備。

倘若經濟效益外流的可能性不大，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但倘若經濟效益外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生而確定存在與否的潛在義務，亦會披露為或有負債；但倘若經濟效益外流的可能性極低則除外。

(v) 關聯方

- (a) 個人，或與該個人關係密切的家庭成員與本集團相關聯，如果該個人：
- (i) 控制或共同控制本集團
 - (ii) 對本集團具有重大影響；或
 - (iii) 是本集團或本集團母公司管理人員的成員。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(u) Financial guarantees issued, provisions and contingent liabilities (continued)

- (i) Financial guarantees issued (continued)
The deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2.2(u)(ii) if and when (a) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (b) the amount of that claim on the Group is expected to exceed the amount currently carried in other liabilities in respect of that guarantee, i.e. the amount initially recognised, less accumulated amortisation.

- (ii) Other provisions and contingent liabilities
Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event. 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 expenditure 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.

(v) Related parties

- (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.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(v) 關聯方 (續)

(b) 如果符合以下條件，則某實體與本集團相關聯：

- (i) 該實體與本集團受同一母公司控制（這意味著任何一方的母公司、附屬公司以及同級附屬公司都與另一方相關聯）
- (ii) 某一實體是另一實體的聯營公司或共同控制公司（或是另一實體所屬集團的一個成員的聯營公司或共同控制公司）
- (iii) 兩家實體都是相同第三方的共同控制公司
- (iv) 某一實體是第三方的共同控制公司並且另一實體是該第三方的聯營公司
- (v) 該實體是為本集團或與本集團關聯的實體的僱員福利而設的離職後福利計劃
- (vi) 該實體受(a)項所述個人的控制或共同控制
- (vii) (a)(i)項所述的個人對該實體實施重大影響或是該實體（或其母公司）的關鍵管理人員的成員
- (viii) 該實體或是其集團中一部份之任何成員而提供主要管理人員服務予本集團或本集團之母公司。

與個人關係密切的家庭成員是指在他們與實體交易中可影響，或受該個人影響的家庭成員。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(v) Related parties (continued)

(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)

2.2 主要會計政策概要 (續)

(w) 持有作出售的非流動資產

如一項非流動資產(或出售組合)的賬面值很有可能透過出售交易而非透過持續使用收回,並且該非流動資產(或出售組合)能按現況出售,則可被分類為持有作出售。出售組合是指一組資產於單一交易中一併售出,而直接與該等資產相關的負債將於交易中轉移。

當本集團進行一項出售計劃而該計劃牽涉失去一間附屬公司之控制權時,當附合上述可被分類為持有作出售條件,該附屬公司之所有資產與負債應分類為持作出售,而不論本集團於出售後是否保留附屬公司之非控股權益。

在分類為持有作出售類別前,非流動資產(及在出售組合中所有個別的資產及負債)的計量按重新分類前適用的會計政策作出更新。非流動資產(以下所述之若干資產除外)或出售組合在初始分類為持有作出售類別至售出期間,會以其賬面值及公允價值減銷售成本的較低者列賬。在本集團及本行財務報表中沒有使用此計量政策的主要項目包括遞延稅項資產、因僱員福利所產生的金融資產(於附屬公司、聯營公司及共同控制公司的投資除外)及投資物業。這些資產即使持有作出售,亦會繼續按附註2.2其他部份所載的政策計量。

持有作出售資產因初始分類或以後的重新計量而產生的減值損失於收益表內確認。只要分類為持有作出售或包括於出售組合的非流動資產則不會計算折舊或攤銷。

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(w) Non-current assets held for sale

A non-current asset (or disposal group) 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 (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sales plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) 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 non-current assets (except for certain assets as explained below) or disposal groups are recognised 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 and the Bank are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.2.

Impairment losses on initial classification as held for sale and on subsequent remeasurement while held for sale, are recognised in the income statement. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2 主要會計政策 (續)

2.2 主要會計政策概要 (續)

(x) 分部報告

於財務報表中呈列的經營分部及各分部項目金額，是根據定期提供予本集團管理委員會用於資源分配，以及評核本集團各業務部份及區域所在地表現的財務資料辨識出來。

除非分部的經濟特性、在產品和服務性質、生產程序性質、客戶類別和等級、銷售產品和提供服務的方法、及監管環境的性質相近，個別重大的經營分部不會在財務報表內合計。如它們擁有以上大部份的標準，並且個別上不重大，則可能會被合計。

3 關鍵性評估，判斷和錯誤

編製財務報表要求管理層對影響報告的資產和負債金額；披露截至本財務報表日的或有資產和負債；以及所報告的收入和支出金額作出估計和假設。管理層還需要在應用集團的會計政策時作出判斷。本集團已製定程式以確保應用會計政策的一致性，並以適當及合理的方式持續評估變更方法，釐定估計及採用新會計準則的程式。

(a) 金融資產的關鍵性評估，判斷和錯誤 (《香港財務報告準則》第9號由2018年1月1日起適用)

(i) 金融資產的分類和計量

業務模式評估

業務模式反映了集團如何管理資產以產生現金流量；也就是說，本集團的目標是否僅僅是從資產中收取合同現金流量，還是收取合同現金流量同時收集出售資產所產生的現金流。如果這些都不適用且為交易目的而持有，則金融資產按以公允價值計入損益進行分類和計量。

2 Significant accounting policies (continued)

2.2 Summary of 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 management committee members 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 Critical estimates, judgements and errors

The preparation of financial statements requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosures of contingent assets and liabilities at the date of these financial statements; and the reported amounts of revenues and expenses for the years presented. Management also needs to exercise judgement in applying the Group's accounting policies. The Group has established procedures to ensure that accounting policies are applied consistently and that the processes for changing methodologies, determining estimates, and adopting new accounting standards are continually evaluated and in proper and reasonable manner.

(a) Critical estimates, judgements and errors for financial assets (from 1 January 2018 under HKFRS 9)

(i) Classification and measurement of financial assets

Business model assessment

The business model reflects how the Group manages the assets in order to generate cash flows; that is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable and they are held for trading purposes, the financial assets are classified and measured at FVPL.

3 關鍵性評估，判斷和錯誤 (續)

(a) 金融資產的關鍵性評估，判斷和錯誤 (《香港財務報告準則》第9號由2018年1月1日起適用) (續)

(i) 金融資產的分類和計量 (續)

業務模式評估 (續)

本集團在確定一組資產業務模式時考慮的因素包括過去收集這些資產的現金流量的經驗，如何評估資產的績效並向主要管理人員報告，如何評估和管理風險以及如何獲得補償。

僅為本金及利息款項測試

如果業務模式是持有資產以收取合約現金流量或同時收取合約現金流量及出售，則本集團會評估金融工具的現金流量是否純粹為本金及利息的支付 (「純粹支付本金及利息規定測試」)。在進行評估時，本集團考慮合約現金流量是否與基本貸款安排一致，即利息僅包括考慮對金錢的時間值，信貸風險，其他基本貸款風險及與基本貸款安排一致的利潤率的考慮。

(ii) 金融資產減值

金融資產的損失準備基於對違約風險和預期損失率的假設。本集團根據本集團過往的歷史，現有市場狀況以及各報告期末的前瞻性估計，使用判斷作出該等假設及選擇減值計算的輸入數據。有關主要假設及輸入的詳情，例如信貸風險大幅增加，預期信貸損失計量，前瞻性資料，已於附註40的信貸風險管理部份作出披露。

(iii) 金融工具的公允價值

公允價值估計通常是主觀的，並且是根據金融工具和相關市場信息的特徵在特定時間點進行的。在可能的情況下，使用市場報價。但如果報價不是來自認可的證券交易所，經紀或非交易所交易的金融工具之經銷商及一個隨時可用的最新交易價格，則使用現值估算第3級金融工具的公允價值或使用當前市場參數的其他估值方法。

3 Critical estimates, judgements and errors (continued)

(a) Critical estimates, judgements and errors for financial assets (from 1 January 2018 under HKFRS 9) (continued)

(i) Classification and measurement of financial assets (continued)

Business model assessment (continued)

Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets are collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely payments of principal and interest test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

(ii) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of key assumptions and inputs such as significant increase in credit risk, measurement of expected credit loss, forward-looking information are disclosed in the credit risk management section of note 40.

(iii) Fair value of financial instruments

Fair value estimates are generally subjective in nature, and are made at a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, quoted market prices are used. If a quoted price is not available on a recognised stock exchange, is not from a broker or dealer for non-exchange traded financial instruments or from a readily available latest trading price, the fair value on level 3 financial instruments is estimated using the present value or other valuation techniques using current market parameters.

3 關鍵性評估，判斷和錯誤 (續)

(a) 金融資產的關鍵性評估，判斷和錯誤 (《香港財務報告準則》第9號由2018年1月1日起適用) (續)

(iii) 金融工具的公允價值 (續)

所有估值模型在用作財務報告的基礎之前都需要經過驗證。在可能的情況下，本集團將模型得出的估值與類似金融工具的報價進行比較，並與實現時的實際值進行比較，以進一步驗證和校準模型。

這些技術涉及不確定性，並受到所使用的假設以及對各種金融工具的風險特徵、貼現率、未來現金流量估計、未來預期損失經驗和其他因素的判斷的重大影響。而且當假設出現變動亦可能會對這些估計以及由此產生的公允價值產生重大影響。與獨立市場相比，衍生的公允價值估計不一定能夠得到證實，並且在許多情況下，可以通過立即出售這些工具來實現。

(b) 香港會計準則第39號的金融資產減值適用至2017年12月31日

(i) 貸款及墊款

本集團定期審閱貸款組合以評估是否存在減值損失並就是否有任何客觀證據顯示貸款組合已減值例如估計未來現金流量是否減少作出判斷。會計政策附註2.2(g)描述了減值的客觀證據。倘管理層根據其判斷確定存在減值的客觀證據時，則根據具有與本集團類似的信貸風險特徵的資產的過往損失經驗估計預期未來現金流量。並按當前可觀察數據調整歷史損失經驗。管理層定期檢討估計未來現金流量時所採用的方法及假設，以減少損失估計與實際損失經驗之間的差異。

(ii) 可供出售證券

當公允價值大幅或長期下跌至低於成本時，本集團確定可供出售權益證券已減值。確定何時是公允價值低於成本且在合理的時間內無法收回的時間是基於判斷，因此該判斷的差異可能會影響損益。

3 Critical estimates, judgements and errors (continued)

(a) Critical estimates, judgements and errors for financial assets (from 1 January 2018 under HKFRS 9) (continued)

(iii) Fair value of financial instruments (continued)

All valuation models are validated before they are used as a basis for financial reporting. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realised, in order to further validate and calibrate the models.

These techniques involve uncertainties and are materially affected by the assumptions used and judgements made regarding the risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could materially affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could be realised in an immediate sale of the instruments.

(b) Impairment of financial assets until 31 December 2017 under HKAS 39

(i) Loans and advances

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment is described in the accounting policy note 2.2(g). If management determines, based on their judgement, that objective evidence of impairment exists, expected future cash flows are estimated based on historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of the current observable data. Management regularly reviews the methodology and assumptions used in estimating future cash flows to reduce any difference between loss estimates and actual loss experience.

(ii) Available-for-sale securities

The Group determines that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of when a decline in fair value below cost is not recoverable within a reasonable time period is judgement-based by nature, so profit and loss could be affected by differences in this judgement.

4 利息收入及利息支出

4 Interest income and interest expense

(a) 利息收入

(a) Interest income

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
上市證券	Listed securities	1,078,719	707,649
非上市證券	Unlisted securities	642,316	391,798
在銀行及其他金融機構的 結存及存款	Balances and placements with banks and other financial institutions	1,394,388	737,085
墊款及其他賬項(註)	Advances and other accounts (Note)	8,345,375	7,002,417
非按公允價值計入損益的 金融資產的利息收入	Interest income on financial assets that are not at fair value through profit or loss	11,460,798	8,838,949

(b) 利息支出

(b) Interest expense

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
客戶、銀行及其他金融機構的 存款及其他	Deposits from customers, banks and other financial institutions and others	4,409,280	2,706,510
已發行存款證	Certificates of deposit issued	75,220	157,358
已發行債務證券	Debt securities issued	161,091	96,666
已發行債務資本	Loan capital issued	414,851	483,425
非按公允價值計入損益的 金融負債的利息支出	Interest expense on financial liabilities that are not at fair value through profit or loss	5,060,442	3,443,959

註：

Note:

截至2018年12月31日止年度，利息收入包括減值金融資產的應計利息收入港幣66,339,000元（2017年：港幣47,682,000元），其中已包括貸款減值損失折現撥回的利息收入港幣43,366,000元（2017年：港幣36,872,000元）（附註21(c)）。

Included in the above is interest income accrued on impaired financial assets of HK\$66,339,000 (2017: HK\$47,682,000), which includes interest income of HK\$43,366,000 for the year ended 31 December 2018 (2017: HK\$36,872,000) (note 21(c)) on unwinding of the discount on loan impairment losses.

5 淨費用及佣金收入

5 Net fee and commission income

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
費用及佣金收入：	Fee and commission income:		
票據業務佣金	Bills commission	82,849	113,555
信用卡相關收入	Card-related income	38,634	33,597
銀行服務	Banking services	372,842	426,751
保險	Insurance	349,931	361,689
投資及結構性投資產品	Investment and structured investment products	164,042	159,099
貸款、透支及融資費用	Loans, overdrafts and facilities fees	557,441	590,713
其他	Others	617	590
		1,566,356	1,685,994
費用及佣金支出	Fee and commission expense	(107,943)	(73,248)
		1,458,413	1,612,746
其中：	Of which:		
淨費用及佣金收入(不包括 用作計算實際利率的金額)， 關於並非按公允價值計入 損益賬的金融資產及負債：	Net fee and commission income (other than the amounts included in determining the effective interest rate) relating to financial assets and liabilities not at fair value through profit or loss:		
－費用及佣金收入	－ Fee and commission income	678,924	737,865
－費用及佣金支出	－ Fee and commission expense	(35,660)	(20,905)
		643,264	716,960

6 淨交易收入

6 Net trading income

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
買賣外幣收益減損失	Gains less losses from dealing in foreign currencies	604,449	482,673
買賣以公允價值計入損益的金融資產的收益減損失	Gains less losses from financial assets at fair value through profit or loss	(27,480)	(4,579)
買賣衍生工具收益減損失	Gains less losses from derivatives	(72,158)	112,362
交易用途資產利息收入	Interest income on trading activities		
— 上市	— Listed	41,163	26,778
— 非上市	— Unlisted	42,995	78,127
		588,969	695,361

7 淨對沖（損失）／收益

7 Net hedging (loss)/gain

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
公允價值對沖淨（損失）／收益	Net hedging (loss)/gain on fair value hedges		
— 歸屬對沖風險的對沖項目淨收益	— Net gain on hedged items attributable to the hedged risk	23,735	73,167
— 對沖工具淨損失	— Net loss on hedging instruments	(25,297)	(72,037)
		(1,562)	1,130
現金流量對沖淨損失	Net hedging loss on cash flow hedges	—	(154)
		(1,562)	976

8 出售以公允價值計入其他全面收益的金融資產淨(損失)/出售可供出售證券的淨收益

8 Net (loss)/gain on disposal of financial assets at fair value through other comprehensive income/available-for-sale securities

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
出售以公允價值計入其他全面收益的金融資產淨損失	Net loss on disposal of financial assets at fair value through other comprehensive income		
由儲備轉撥的淨重估損失	Net revaluation loss transferred from reserves	(65,884)	—
本年內產生的淨損失	Net loss arising in current year	(4,535)	—
		(70,419)	—
出售可供出售證券淨收益	Net gain on disposal of available-for-sale securities		
由儲備轉撥的淨重估收益	Net revaluation gain transferred from reserves	—	122,929
本年內產生的淨收益	Net gain arising in current year	—	3,865
		—	126,794

9 其他經營收入

9 Other operating income

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
股息收入	Dividend income		
— 上市	— Listed investments	201	430
— 非上市	— Unlisted investments	6,020	5,960
		6,221	6,390
投資物業租金收入	Rental income from investment properties		
減直接支出：港幣1,095,000元 (2017年：港幣302,000元)	less direct outgoings of HK\$1,095,000 (2017: HK\$302,000)	4,553	5,293
其他	Others	23,543	30,394
		34,317	42,077

10 經營支出

10 Operating expenses

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
(a) 員工成本	(a) Staff costs		
薪金及其他員工成本	Salaries and other staff costs	1,992,597	1,892,625
退休金成本(附註37)	Retirement costs (note 37)	107,132	101,689
		2,099,729	1,994,314
(b) 折舊及攤銷	(b) Depreciation and amortisation		
物業及設備折舊(附註25)	Depreciation – property and equipment (note 25)		
– 根據經營租賃持有的資產	– Assets held for use under operating leases	19,331	19,737
– 其他資產	– Other assets	165,221	180,929
		184,552	200,666
無形資產攤銷(附註26)	Amortisation – intangible assets (note 26)	42,299	–
		226,851	200,666
(c) 其他經營支出	(c) Other operating expenses		
物業及設備支出 (不包括折舊)(附註)	Property and equipment expenses (excluding depreciation) (Note)		
– 物業租金	– Rental of properties	312,105	277,326
– 其他	– Others	290,081	260,057
核數師酬金	Auditor's remuneration	8,718	7,062
廣告費	Advertising	80,740	44,854
通訊費、印刷及文儀用品	Communication, printing and stationery	119,801	105,262
法律及專業費用	Legal and professional fees	56,260	81,242
其他	Others	190,782	202,916
		1,058,487	978,719
經營支出總額	Total operating expenses	3,385,067	3,173,699

附註：

其他經營支出包括根據經營租賃支付的最低應付租賃支出，分別為設備租賃支出港幣5,869,000元(2017年：港幣5,724,000元)及其他資產租賃支出(包括物業租金)港幣298,129,000元(2017年：港幣264,639,000元)。

Note:

Included in other operating expenses are minimum lease payments under operating leases of HK\$5,869,000 (2017: HK\$5,724,000) for the hire of equipment, and HK\$298,129,000 (2017: HK\$264,639,000) for the hire of other assets (including property rentals).

11 董事酬金

根據香港《公司條例》(第622章)第383條及公司「披露董事利益資料」法規而披露的董事酬金如下：

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
董事袍金	Directors' fees	4,427	4,640
薪金、津貼及實物利益 (附註(i)至(ii))	Salaries, allowances and benefits in kind (notes (i) to (ii))	22,557	20,366
酌情花紅	Discretionary bonuses	18,676	15,678
退休計劃供款	Retirement scheme contributions	1,391	1,318
		47,051	42,002

附註：

- (i) 實物利益包括房屋津貼及保險費用。
- (ii) 根據長期獎勵計劃(「計劃」)，合資格人士將獲得一定數量的增值權。增值權的支付取決於計算超過3年本集團淨資產的賬面價值升值。根據管理層的最佳估計，於2018年為數港幣38,000,000元(2017年：港幣38,000,000元)已計提在員工成本，並包括向董事發放的數額。

Note:

- (i) Benefits in kind mainly include housing allowance and insurance premium.
- (ii) Under the long-term incentive scheme ("LTI"), eligible persons are granted a number of Appreciation Rights. Payment for each Appreciation Right is determined by the appreciation in the Group's net asset value over a three-year performance period. In 2018, HK\$38,000,000 (2017: HK\$38,000,000) was accrued in the staff costs, including the amount payable to the Directors based on management's best estimation.

12 金融資產預期信貸損失／貸款及墊款及其他賬項減值損失

(a) 金融資產預期信貸損失提撥／(回撥)

12 Expected credit losses on financial assets/Impairment losses on loans and advances and other accounts

(a) Expected credit losses charged/(written back) on financial assets

		2018			
		第1階段 Stage 1 港幣千元 HK\$'000	第2階段 Stage 2 港幣千元 HK\$'000	第3階段 Stage 3 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
在銀行、中央銀行及其他金融機構的結存	Balances with banks, central banks and other financial institutions	5,738	–	–	5,738
在銀行、中央銀行及其他金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	(3,345)	–	–	(3,345)
客戶貸款及墊款	Loans and advances to customers	(243,739)	889,282	622,674	1,268,217
其他賬項	Other accounts	(563)	(452)	–	(1,015)
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income	(44,784)	(11,667)	184,883	128,432
貸款承擔及擔保(包括或有負債及承擔)	Loan commitments and guarantees (included in contingent liabilities and commitments)	(13,593)	–	–	(13,593)
		(300,286)	877,163	807,557	1,384,434
收回金額	Recoveries				(67,934)
					1,316,500

(b) 貸款及墊款及其他賬項減值損失

(b) Impairment losses on loans and advances and other accounts

		2017 港幣千元 HK\$'000
減值損失	Impairment losses charged	
– 貸款及墊款	– Loans and advances	1,361,872
– 其他賬項	– Other accounts	29,193
		1,391,065
貸款及墊款及其他賬項減值損失	Impairment losses on loans and advances and other accounts	
– 個別評估	– Individual assessment	1,302,847
– 綜合評估	– Collective assessment	88,218
		1,391,065
其中：	of which:	
– 提撥	– Additions	1,593,856
– 回撥	– Releases	(178,400)
– 收回金額	– Recoveries	(24,391)
		1,391,065

13 綜合收益表所示的所得稅

13 Income tax in the consolidated income statement

(a) 綜合收益表所示的所得稅

(a) Income tax in the consolidated income statement

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
本期稅項 – 香港利得稅	Current tax – Hong Kong Profits Tax		
年內準備	Provision for the year	616,263	408,864
過往年度稅項準備補提／(回撥)	Under/(over)-provision in respect of prior years	359	(14,081)
		616,622	394,783
本期稅項 – 海外稅項	Current tax – Overseas		
年內準備	Provision for the year	79,927	109,494
過往年度稅項準備(回撥)／補提	(Over)/under-provision in respect of prior years	(13,510)	14,133
		66,417	123,627
遞延稅項	Deferred tax		
暫時性差額轉回(附註31(b))	Reversal of temporary differences (note 31(b))	(67,497)	(39,636)
		615,542	478,774

2018年度香港利得稅稅項是以年度估計應課稅溢利按稅率16.5% (2017年：16.5%) 計算。海外分行及附屬公司的稅項則按照相關國家的適當現行稅率提撥準備。

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year. Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) 稅項支出與會計溢利按適用稅率計算稅款的對賬表

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
稅前溢利	Profit before tax	3,623,900	3,287,211
按以有關國家適用 利得稅稅率計算	Notional tax on profit before tax, calculated at the rates		
稅前溢利的名義稅項	applicable to profits in the countries concerned	629,592	553,126
不可扣減支出的稅項影響	Tax effect of non-deductible expenses	85,397	13,177
非應課稅收入的稅項影響	Tax effect of non-taxable revenue	(35,170)	(29,373)
支付額外一級資本證券 票息的稅項影響	Tax effect of distribution payment of AT1 Capital Securities	(55,653)	(55,268)
過往年度稅項準備(回撥)／補提	(Over)/under-provision in prior years	(13,151)	52
其他	Others	4,527	(2,940)
實際稅項支出	Actual tax expense	615,542	478,774

14 其他全面收益

關於其他全面收益各組成部份的稅項影響

14 Other comprehensive income

Tax effects relating to each component of other comprehensive income

		2018			2017		
		稅前數額	稅項支出	除稅後淨額	稅前數額	稅項支出	除稅後淨額
		Before tax	Tax	Net-of-tax	Before tax	Tax	Net-of-tax
		amount	expense	amount	amount	expense	amount
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
換算海外附屬公司的	Exchange differences on translation						
財務報表的匯兌差額	of financial statements of foreign operations	(88,425)	–	(88,425)	119,152	–	119,152
現金流量對沖	Cash flow hedges						
– 現金流量對沖公允	– net movement in cash flow						
價值儲備淨變動	hedging reserve fair value reserve	–	–	–	(1,279)	211	(1,068)
以公允價值計入其他	Financial assets at fair value						
全面收益的金融	through other comprehensive						
資產 – 債務證券	income – debt securities						
– 以公允價值計入	– net movements in fair value						
其他全面收益的	reserve of financial assets at						
金融資產公允價值	fair value through other						
儲備淨變動	comprehensive income	(386,638)	49,254	(337,384)	–	–	–
– 減值準備	– impairment loss	127,858	–	127,858	–	–	–
可供出售證券	Available-for-sale securities						
– 可供出售證券公允	– net movements in fair value						
價值儲備淨變動	reserve of available-for-sale						
	securities	–	–	–	(60,660)	7,648	(53,012)
– 減值準備	– impairment loss	–	–	–	26,851	–	26,851
其他物業重估儲備	Other property revaluation reserve						
– 物業重估儲備淨	– net movement in property						
變動	revaluation reserve	76,245	–	76,245	–	–	–
以公允價值計入其他	Financial assets at fair value						
全面收益的金融	through other comprehensive						
資產 – 權益工具	income – equity instruments						
– 以公允價值計入	– net movements in fair value						
其他全面收益的	reserve of financial assets at						
金融資產公允	fair value through other						
價值儲備淨變動	comprehensive income	3,625	(598)	3,027	–	–	–
其他全面收益	Other comprehensive income	(267,335)	48,656	(218,679)	84,064	7,859	91,923

15 支付股息

2017年 末期股息 港幣2,808,437,000元 (2017年：無) 已於2018年12月31日年內批准及分派。

15 Dividend paid

The final dividend of HK\$2,808,437,000 in respect of 2017 was approved and paid during the year ended 31 December 2018 (2017: Nil).

16 分部資料

分部資料的呈報形式與可報告分部一致，分部資料定期向包括管理委員會成員在內的主要營運決策人報告，以便為各分部分配資源和評估其績效。本集團確認了以下四大主要呈報分部：

公司業務包括香港及海外分行的企業銀行業務和中國銀行業務。企業銀行業務主要包括公司借貸及銀團貸款、貿易融資及現金管理。海外分行包括於香港的管理辦公室及於海外營運的分行。於中國的銀行業務主要包括一間附屬銀行。

個人及商務銀行業務主要包括存款戶口服務、住宅物業按揭、其他消費借貸、信用卡服務及中小企業貸款、財富管理服務及私人銀行。

財資及環球市場業務包括提供外匯交易服務、資金市場活動、管理投資證券及中央現金管理。

其他業務主要包括未能直接歸類任何現有呈報分部的收入及支出，總行及企業支出。

就分部報告而言，經營收入的分配是根據內部轉讓價格機制反映資金的利益分配到業務分部上。成本的分配是根據各業務分部的直接成本及合理基準分配經常費用予各業務分部。使用銀行物業產生的市值租金會反映於「其他」業務下的分部間經營收入及各業務分部的分部間經營支出中。

於截至2018年12月31日止年度，本集團已按修訂的若干收入及支出在不同經營單位之間的分配方法編製資料上報本集團高級行政管理層以達至對業務績效評估的目的並根據與經修訂的分部資料一致的基礎提供相對應的數額。

16 Segment reporting

Segment information is prepared consistently with reportable segments. Information is regularly reported to the chief operating decision-maker, including management committee members, to allocate resources to the segments and to assess their performance. The Group has identified the following four main reportable segments:

Wholesale banking business includes wholesale banking business in Hong Kong and overseas branches, and China banking. Wholesale banking mainly comprises corporate lending and syndicated loans, trade financing deposit account services and cash management. Overseas branches include the management office unit in Hong Kong and the branches operated overseas. China banking mainly includes a subsidiary bank in China.

Personal and business banking mainly comprises deposit account services, residential mortgages, other consumer lending, credit card services, and Small and Medium Enterprises ("SMEs") banking business, wealth management services and private banking.

Treasury and markets covers the provision of foreign exchange services, money market activities, the management of investment securities and central cash management.

Others mainly comprises unallocated revenue and expenses, head office, and corporate expenses.

For the purpose of segment reporting, the allocation of operating income reflects the benefits of funding resources allocated to the business segments based on the internal funds transfer pricing mechanism. Cost allocation is based on the direct costs incurred by the respective business segments and the apportionment of overheads on a reasonable basis to the business segments. Rental charges at the market rate for the use of bank premises are reflected as inter-segment income for the 'Others' segment and inter-segment expenses for the respective business segments.

During the year ended 31 December 2018, the Group has revised certain allocation methods of some income and expenses among different operating units in preparing the information reported to the Group's senior executive management for the purposes of performance assessment. Corresponding amounts have been provided on a basis consistent with the revised segment information.

16 分部資料 (續)

16 Segment reporting (continued)

(a) 可呈報分部

(a) Reportable segments

		2018				
		公司業務 Wholesale banking 港幣千元 HK\$'000	個人及 商務銀行 Personal and business banking 港幣千元 HK\$'000	財資及 環球市場 Treasury and markets 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
淨利息收入	Net interest income	3,962,053	1,765,429	375,189	297,685	6,400,356
其他經營收入／(支出)	Other operating income/(expenses)	1,054,902	733,436	557,391	(265,592)	2,080,137
出售以公允價值計入其 他全面收益的金融資 產淨收益／(損失)	Net gain/(loss) on disposal of financial assets at fair value through other comprehensive income	10,999	–	(81,418)	–	(70,419)
經營收入	Operating income	5,027,954	2,498,865	851,162	32,093	8,410,074
經營支出	Operating expenses	(554,359)	(787,290)	(150,091)	(1,893,327)	(3,385,067)
分部間之經營(支出)／收入	Inter-segment (expenses)/income	(506,605)	(715,649)	(170,179)	1,392,433	–
扣除減值準備前之經營 溢利／(損失)	Operating profit/(loss) before impairment	3,966,990	995,926	530,892	(468,801)	5,025,007
金融資產預期信貸減值損失	Expected credit losses on financial assets	(1,207,825)	34,297	(148,345)	5,373	(1,316,500)
其他資產減值損失	Impairment losses on other assets	(78,200)	–	–	(7,955)	(86,155)
經營溢利／(損失)	Operating profit/(loss)	2,680,965	1,030,223	382,547	(471,383)	3,622,352
出售物業及設備淨損失	Net loss on disposal of property and equipment	(7)	(531)	–	(255)	(793)
投資物業重估收益	Revaluation gain on investment properties	–	–	–	190	190
應佔聯營企業收益	Share of profit of associates	–	–	–	2,151	2,151
稅前溢利／(損失)	Profit/(loss) before taxation	2,680,958	1,029,692	382,547	(469,297)	3,623,900
所得稅	Income tax	–	–	–	(615,542)	(615,542)
本年度溢利／(損失)	Profit/(loss) for the year	2,680,958	1,029,692	382,547	(1,084,839)	3,008,358
其他分部項目：	Other segment items:					
折舊及攤銷	Depreciation and amortisation	15,050	17,069	582	194,150	226,851
分部資產	Segment assets	163,587,847	52,226,341	176,523,533	(29,392,930)	362,944,791
分部負債	Segment liabilities	163,196,201	159,124,190	19,289,708	(24,646,385)	316,963,714
本年度產生的資本開支	Capital expenditure incurred during the year	18,179	62,209	3,960	432,520	516,868

16 分部資料 (續)

(a) 可呈報分部 (續)

16 Segment reporting (continued)

(a) Reportable segments (continued)

2017年(重述)
2017 (Restated)

		公司業務 Wholesale banking 港幣千元 HK\$'000	個人及 商務銀行 Personal and business banking 港幣千元 HK\$'000	財資及 環球市場 Treasury and markets 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
淨利息收入/(支出)	Net interest income/(expense)	3,790,970	1,652,016	17,058	(65,054)	5,394,990
其他經營收入/(支出)	Other operating income/(expenses)	1,153,257	718,453	679,676	(200,226)	2,351,160
出售可供出售證券淨收益	Net gain on disposal of available-for-sale securities	1,211	–	31,612	93,971	126,794
經營收入/(支出)	Operating income/(expense)	4,945,438	2,370,469	728,346	(171,309)	7,872,944
經營支出	Operating expenses	(554,674)	(703,878)	(112,965)	(1,802,182)	(3,173,699)
分部間之經營(支出)/收入	Inter-segment (expenses)/income	(466,661)	(703,078)	(195,291)	1,365,030	–
扣除減值準備前之經營溢利/(損失)	Operating profit/(loss) before impairment	3,924,103	963,513	420,090	(608,461)	4,699,245
貸款及墊款及其他賬項減值(損失)/回撥	Impairment losses (charged)/written back on loans and advances and other accounts	(1,380,829)	(10,962)	(29,094)	29,820	(1,391,065)
可供出售證券減值損失	Impairment losses on available-for-sale securities	–	–	(31,204)	–	(31,204)
經營溢利/(損失)	Operating profit/(loss)	2,543,274	952,551	359,792	(578,641)	3,276,976
出售物業及設備淨損失	Net loss on disposal of property and equipment	(22)	(798)	–	(3,235)	(4,055)
投資物業重估收益	Revaluation gain on investment properties	–	–	–	14,290	14,290
稅前溢利/(損失)	Profit/(loss) before taxation	2,543,252	951,753	359,792	(567,586)	3,287,211
所得稅	Income tax	–	–	–	(478,774)	(478,774)
本年度溢利/(損失)	Profit/(loss) for the year	2,543,252	951,753	359,792	(1,046,360)	2,808,437
其他分部項目：	Other segment items:					
折舊	Depreciation	12,825	17,116	1,012	169,713	200,666
分部資產	Segment assets	169,309,209	46,734,253	154,580,920	(26,315,698)	344,308,684
分部負債	Segment liabilities	169,622,631	136,958,804	15,683,640	(21,513,551)	300,751,524
本年度產生的資本開支	Capital expenditure incurred during the year	38,265	10,698	9,050	256,137	314,150

16 分部資料 (續)

(b) 區域資料

區域資料的分析是根據附屬公司的主要業務所在地點，或按負責報告業績或將資產及負債入賬的本行及其分行位置予以披露。

16 Segment reporting (continued)

(b) Geographical information

The geographical information analysis is based on the location of the principal operations of the subsidiaries, or in the case of the Bank itself, of the location of the branches responsible for reporting the results or booking the assets and liabilities.

		2018				
		稅前溢利／ (損失) Profit/(Loss) before taxation 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	經營收入／ (支出) Operating income/ (expenses) 港幣千元 HK\$'000	或有負債 及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	3,448,531	350,012,740	304,619,968	7,622,889	68,026,229
中國內地	Mainland China	(76,244)	8,964,339	7,477,234	263,027	418,104
美國	United States	197,890	13,509,382	13,276,532	248,720	1,984,408
新加坡	Singapore	18,163	12,425,457	12,402,980	203,834	18,306,578
其他	Others	35,706	2,790,436	2,749,565	72,266	710,447
分部間項目	Inter-segment items	(146)	(24,757,563)	(23,562,565)	(662)	–
		3,623,900	362,944,791	316,963,714	8,410,074	89,445,766
		2017				
		稅前溢利／ (損失) Profit/(Loss) before taxation 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	經營收入／ (支出) Operating income/ (expenses) 港幣千元 HK\$'000	或有負債 及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	2,928,158	323,505,089	280,773,786	7,099,804	74,249,031
中國內地	Mainland China	(22,897)	17,592,204	15,909,898	219,926	2,934,196
美國	United States	150,985	11,781,864	11,593,690	236,070	1,888,554
新加坡	Singapore	190,098	14,074,332	13,840,590	273,261	24,802,931
其他	Others	40,721	2,863,100	2,824,018	44,252	1,646,739
分部間項目	Inter-segment items	146	(25,507,905)	(24,190,458)	(369)	–
		3,287,211	344,308,684	300,751,524	7,872,944	105,521,451

17 現金及在銀行、中央銀行及其他金融機構的結存

17 Cash and balances with banks, central banks and other financial institutions

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
現金	Cash in hand	224,723	294,775
在中央銀行的結存	Balances with central banks	5,673,768	4,626,082
在銀行的結存	Balances with banks	21,908,657	18,674,413
在其他金融機構的結存	Balances with other financial institutions	1,837,951	8,062,584
		29,645,099	31,657,854
預期信貸損失準備 – 第1階段	Expected credit losses allowances – Stage 1	(22,613)	–
		29,622,486	31,657,854

截至2018年12月31日包括在中央銀行受到外匯管制和監管限制的餘額是港幣457,560,000元（2017年：港幣956,962,000元）。

Included in the balances with central banks are balances subject to exchange control or regulatory restrictions, amounting to HK\$457,560,000 at 31 December 2018 (2017: HK\$956,962,000).

截至2018年及2017年12月31日，本集團在銀行及其他金融機構的結存並無減值結存。

There were no impaired balances with banks and other financial institutions at 31 December 2018 and 2017.

18 在銀行、中央銀行及其他金融機構的存款及墊款

18 Placements with and advances to banks, central banks and other financial institutions

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
在銀行的存款	Placements with banks	50,781,855	46,898,050
在銀行的墊款	Advances to banks	2,111,352	504,388
		52,893,207	47,402,438
預期信貸損失準備 – 第1階段	Expected credit losses allowances – Stage 1	(6,827)	–
		52,886,380	47,402,438
到期日：	Maturing:		
– 1個月內	– within 1 month	36,216,347	34,613,848
– 1個月至1年內	– between 1 month and 1 year	16,670,033	12,788,590
		52,886,380	47,402,438

截至2018年及2017年12月31日，本集團在銀行及其他金融機構的墊款中並無減值墊款。

There were no impaired advances to banks and other financial institutions at 31 December 2018 and 2017.

19 以公允價值計入損益的金融資產

19 Financial assets at fair value through profit or loss

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
存款證證券	Certificate of deposits	–	213,103
債務證券	Debt securities	944,630	815,137
國庫券	Treasury bills	495,389	–
投資基金	Investment funds	513	804
		1,440,532	1,029,044
以上項目的發行機構如下：			
政府機關	Sovereigns	495,953	572
銀行及其他金融機構	Banks and other financial institutions	642,997	829,164
企業	Corporate entities	301,582	199,308
		1,440,532	1,029,044
上市	Listed	931,441	1,020,468
非上市	Unlisted	509,091	8,576
		1,440,532	1,029,044

20 衍生金融工具

20 Derivative financial instruments

使用衍生工具作自營買賣和出售予客戶作為風險管理產品是本集團經營業務的一個重要部份。作為資產與負債管理流程的一環，這些工具也會用作管理本集團本身所承擔的市場風險。本集團所用的主要衍生工具為與利率和匯率相關的合約，主要為場外交易的衍生工具。本集團也會簽訂場內買賣的衍生工具合約。本集團大多為符合客戶的要求和作對沖及買賣用途而持有衍生工具倉盤。就會計目的而言，衍生工具均劃歸為持作買賣或持作對沖。

The use of derivatives for proprietary trading and sales to customers as risk management products is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposure 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 OTC derivatives. The Group also participates in 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. For accounting purposes, derivatives are classified as either held for trading or held for hedging.

20 衍生金融工具 (續)

(a) 衍生工具的名義金額

衍生工具是指根據一項或多項相關資產或指數的價值來釐定其價值的財務合約。這些工具的名義數額代表未完成的交易額，並不代表風險數額。

以下是本集團各種主要衍生工具的名義金額概要：

20 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 investments indicate the volume of outstanding transactions and do not represent amounts at risk.

The following is a summary of the notional amounts of each significant type of derivative entered into by the Group:

		2018			2017		
		為對沖持有	其他(包括 持作買賣)	總額	為對沖持有	其他(包括 持作買賣)	總額
		Held for hedging	(including held for trading)	Total	Held for hedging	(including held for trading)	Total
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
匯率衍生工具	Currency derivatives						
遠期交易	Forwards	-	95,174,835	95,174,835	-	64,036,378	64,036,378
掉期交易	Swaps	-	790,579,491	790,579,491	-	455,766,010	455,766,010
買入期權	Options purchased	-	15,197,059	15,197,059	-	17,431,861	17,431,861
賣出期權	Options written	-	14,869,761	14,869,761	-	17,000,340	17,000,340
利率衍生工具	Interest rate derivatives						
遠期及期貨交易	Forwards/Futures	-	23,169,653	23,169,653	-	6,490,462	6,490,462
掉期交易	Swaps	9,545,458	255,835,562	265,381,020	11,767,566	63,403,485	75,171,051
買入期權	Options purchased	-	-	-	-	1,000,000	1,000,000
賣出期權	Options written	-	-	-	-	1,078,151	1,078,151
		9,545,458	1,194,826,361	1,204,371,819	11,767,566	626,206,687	637,974,253

交易包括本集團的金融工具自營買賣倉盤、由執行客戶的交易指令或從事莊家活動而產生的倉盤，以及為對沖其他交易元素而持有的倉盤。

Trading includes the Group's proprietary positions in financial instruments, positions which arise from the execution of trade orders from customers and market making, and positions taken in order to hedge other elements of the trading book.

20 衍生金融工具 (續)

20 Derivative financial instruments (continued)

(b) 衍生工具的公允價值及信貸風險加權數額

(b) Fair value and credit risk-weighted amounts of derivatives

		2018			2017		
		公允價值 資產 Fair value assets 港幣千元 HK\$'000	公允價值 負債 Fair value liabilities 港幣千元 HK\$'000	信貸風險 加權數額 Credit risk- weighted amount 港幣千元 HK\$'000	公允價值 資產 Fair value assets 港幣千元 HK\$'000	公允價值 負債 Fair value liabilities 港幣千元 HK\$'000	信貸風險 加權數額 Credit risk- weighted amount 港幣千元 HK\$'000
匯率衍生工具	Currency derivatives	5,453,679	6,066,637	7,492,494	4,511,710	4,705,217	5,405,671
利率衍生工具	Interest rate derivatives	574,154	476,714	358,462	258,785	119,266	152,750
		6,027,833	6,543,351	7,850,956	4,770,495	4,824,483	5,558,421

信貸風險加權數額是指按照《銀行業（資本）規則》有關資本充足的要求，並取決於交易對手的財政狀況及到期的情況下計算。用於計算匯率、利率和其他衍生工具合約的信貸風險加權數額的風險加權由0%至150%不等（2017年12月31日：0%至150%）。

The credit risk-weighted amount is the amount which has been calculated in accordance with the Banking (Capital) Rules on capital adequacy, and depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 150% (2017: 0% to 150%) for exchange rate, interest rate and other derivatives contracts.

本集團沒有在年內訂立任何雙邊淨額結算安排，因此，上述數額是以總額列示。

The Group did not enter into any bilateral netting arrangements during the year, and accordingly, these amounts are shown on a gross basis.

(c) 指定為對沖工具的衍生工具的公允價值

(c) Fair value of derivatives designated as hedging instruments

以下是本集團持作對沖用途的衍生工具按產品類別劃分的公允價值概要：

The following is a summary of the fair value of derivatives held for hedging purposes by product type entered into by the Group:

		2018		2017	
		公允價值資產 Fair value assets 港幣千元 HK\$'000	公允價值負債 Fair value liabilities 港幣千元 HK\$'000	公允價值資產 Fair value assets 港幣千元 HK\$'000	公允價值負債 Fair value liabilities 港幣千元 HK\$'000
利率合約	Interest rate contracts				
一公允價值對沖	– Fair value hedge	109,770	8,944	147,493	21,811

公允價值對沖主要包括用作保障若干固定利率資產或負債的公允價值因市場利率變動而出現變化的利率掉期。

Fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of certain fixed rate assets or liabilities due to movements in the market interest rates.

20 衍生金融工具 (續)**(d) 衍生工具的餘下年期**

下表提供本集團根據有關到期類別（按於結算日的餘下結算期間計算）劃分的衍生工具名義金額分析：

20 Derivative financial instruments (continued)**(d) Remaining life of derivatives**

The following tables provide 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:

		2018年 餘下年期的名義金額 Notional amounts with remaining life of			
		總額 Total 港幣千元 HK\$'000	1年或以下 1 year or less 港幣千元 HK\$'000	1年以上至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000
匯率衍生工具	Currency derivatives	915,821,146	885,809,533	30,011,613	–
利率衍生工具	Interest rate derivatives	288,550,673	201,443,738	84,152,843	2,954,092
		1,204,371,819	1,087,253,271	114,164,456	2,954,092

		2017年 餘下年期的名義金額 Notional amounts with remaining life of			
		總額 Total 港幣千元 HK\$'000	1年或以下 1 year or less 港幣千元 HK\$'000	1年以上至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000
匯率衍生工具	Currency derivatives	554,234,589	531,212,264	22,835,977	186,348
利率衍生工具	Interest rate derivatives	83,739,664	44,272,259	36,619,831	2,847,574
		637,974,253	575,484,523	59,455,808	3,033,922

21 客戶貸款及墊款及其他賬項

(a) 客戶貸款及墊款及其他賬項減預期信貸損失／減值準備

21 Loans and advances to customers and other accounts

(a) Loans and advances to customers and other accounts less expected credit losses/impairment allowances

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
客戶貸款及墊款總額	Gross loans and advances to customers	201,819,882	196,286,922
－預期信貸損失準備	－ Expected credit losses allowances	(2,658,898)	－
－個別評估減值準備	－ Individually assessed impairment allowances	－	(1,127,014)
－綜合評估減值準備	－ Collectively assessed impairment allowances	－	(395,843)
		199,160,984	194,764,065
其他賬項	Other accounts	4,785,508	4,325,352
－預期信貸損失準備	－ Expected credit losses allowances	(39,036)	－
－個別評估減值準備	－ Impairment allowances for other assets	(78,200)	(102,478)
		4,668,272	4,222,874
		203,829,256	198,986,939

21 客戶貸款及墊款及其他賬項 (續)**(b) 按行業分析的客戶貸款及墊款**

以下按經濟行業進行的分析是根據香港金融管理局(「金管局」)所採用的分類及定義作出。

21 Loans and advances to customers and other accounts (continued)**(b) Loans and advances to customers analysed by industry sectors**

The following economic sector analysis is based on categories and definitions used by the Hong Kong Monetary Authority ("HKMA").

		2018		2017	
		客戶貸款及 墊款總額 Gross loans and advances to customers 港幣千元 HK\$'000	減值客戶 貸款及墊款 Impaired loans and advances to customers 港幣千元 HK\$'000	客戶貸款及 墊款總額 Gross loans and advances to customers 港幣千元 HK\$'000	減值客戶 貸款及墊款 Impaired loans and advances to customers 港幣千元 HK\$'000
工商金融	Industrial, commercial and financial				
— 物業發展	– Property development	4,584,774	–	2,442,975	–
— 物業投資	– Property investment	17,289,899	24,079	15,737,774	23,111
— 金融企業	– Financial concerns	18,058,392	–	16,250,264	–
— 股票經紀	– Stockbrokers	3,131,658	–	6,564,251	–
— 批發及零售業	– Wholesale and retail trade	9,156,964	18,162	14,236,238	59,677
— 製造業	– Manufacturing	12,099,051	36,071	17,020,091	771,306
— 運輸及運輸設備	– Transport and transport equipment	1,537,234	–	2,356,396	–
— 娛樂活動	– Recreational activities	3,471,434	–	813,764	–
— 資訊科技	– Information technology	6,674,493	–	221,297	–
— 其他	– Others	9,364,279	584,073	10,047,897	3,317
個人	Individuals				
— 購買「居者有其屋計劃」、 「私人發展商參建居屋 計劃」及「租者置其屋 計劃」的樓宇貸款	– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	22,413	468	24,255	–
— 購買其他住宅物業的貸款	– Loans for the purchase of other residential properties	15,560,640	19,833	14,439,796	20,950
— 信用卡墊款	– Credit card advances	506,195	2,806	503,789	812
— 其他	– Others	10,983,726	11,961	8,950,693	7,623
在香港使用的貸款及 墊款總額	Gross loans and advances for use in Hong Kong	112,441,152	697,453	109,609,480	886,796
貿易融資	Trade finance	4,325,261	171,706	6,564,657	222,000
在香港以外使用的 貸款及墊款總額	Gross loans and advances for use outside Hong Kong	85,053,469	846,979	80,112,785	1,355,216
客戶貸款及墊款總額	Gross loans and advances to customers	201,819,882	1,716,138	196,286,922	2,464,012

附註：

本集團已於年內重新審視客戶貸款及墊款的分類，而若干比較數字已重新分類以與本年度的呈列相配合。

Note:

The Group has revisited the classification of loans and advances to customers during the year and certain comparative figures have been reclassified to conform with the current year's presentation.

21 客戶貸款及墊款及其他賬項 (續)

21 Loans and advances to customers and other accounts
(continued)(c) 貸款和墊款的賬面總值和預期信貸損失準備
的對賬(c) Reconciliation of gross carrying amount and ECL allowances for
loans and advances to customers

		2018							
		第1階段 Stage 1		第2階段 Stage 2		第3階段 Stage 3		總額 Total	
		賬面總值 Gross carrying amount 港幣千元 HK\$'000	預期信貸 損失準備 ECL allowances 港幣千元 HK\$'000	賬面總值 Gross carrying amount 港幣千元 HK\$'000	預期信貸 損失準備 ECL allowances 港幣千元 HK\$'000	賬面總值 Gross carrying amount 港幣千元 HK\$'000	預期信貸 損失準備 ECL allowances 港幣千元 HK\$'000	賬面總值 Gross carrying amount 港幣千元 HK\$'000	預期信貸 損失準備 ECL allowances 港幣千元 HK\$'000
2018年1月1日	At 1 January 2018	186,086,640	875,989	7,736,270	739,345	2,464,012	1,176,687	196,286,922	2,792,021
收益表變動的影響	Movements with income statement impact								
轉移：	Transfer:								
— 轉入第1階段	— Transfer to Stage 1	221,118	26,257	(221,118)	(26,257)	—	—	—	—
— 轉入第2階段	— Transfer to Stage 2	(9,257,475)	(86,059)	9,257,712	86,296	(237)	(237)	—	—
— 轉入第3階段	— Transfer to Stage 3	(284,177)	(2,591)	(1,627,211)	(223,318)	1,911,388	225,909	—	—
階段轉移產生之預期信 貸損失準備重新計量 淨額	Net remeasurement of ECL allowances arising from transfer between stage	—	(24,599)	—	1,328,039	—	144,954	—	1,448,394
金融資產產生／ (終止確認或還款)淨額	Net financial assets originated/ (derecognised or repaid)	8,088,469	15,225	104,796	(98,691)	(1,302,331)	(166,089)	6,890,934	(249,555)
風險參數變動 (模型數據)	Changes in risk parameters (model inputs)	—	(171,972)	—	(176,788)	—	418,138	—	69,378
貸款減值損失折現回撥 (附註4(a))	Unwinding of discount on loan impairment losses (Note 4(a))	—	—	—	—	—	(43,366)	—	(43,366)
沖銷數額	Amounts written-off	(880)	(880)	(400)	(400)	(1,356,694)	(1,356,694)	(1,357,974)	(1,357,974)
2018年12月31日	At 31 December 2018	184,853,695	631,370	15,250,049	1,628,226	1,716,138	399,302	201,819,882	2,658,898

有關客戶貸款及墊款的以下減值變動已包括在2017年年度報告中，且並未反映《香港財務報告準則》第9號的採納。因此，該等變動轉移概要不能與上述2018年《香港財務報告準則》第9號的當前披露直接比較。

The following impairment movement disclosures on loans and advances to customers were included in the 2017 annual reports and do not reflect the adoption of HKFRS 9. Therefore, these impairment movements summary cannot directly comparable to the above 2018 current disclosures on an HKFRS 9 basis.

21 客戶貸款及墊款及其他賬項 (續)**(c) 貸款和墊款的賬面總值和預期信貸損失準備的對賬 (續)**

		2017年12月31日 At 31 December 2017		
		個別評估 Individually assessed 港幣千元 HK\$'000	綜合評估 Collectively assessed 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
2017年1月1日的減值準備	Impairment allowances at 1 January 2017	627,498	322,864	950,362
在收益表列支的減值損失	Impairment losses charged to the income statement	1,472,375	92,284	1,564,659
在收益表回撥的減值損失	Impairment losses released to the income statement	(198,721)	(4,066)	(202,787)
沖銷數額	Amounts written off	(757,591)	(19,305)	(776,896)
收回以往年度已沖銷的貸款及墊款	Recoveries of loans and advances written off in previous year	20,325	4,066	24,391
貸款減值損失折現回撥 (附註4(a))	Unwinding of discount on loan impairment losses (Note 4(a))	(36,872)	–	(36,872)
2017年12月31日的減值準備	Impairment allowances at 31 December 2017	1,127,014	395,843	1,522,857

(d) 減值客戶貸款及墊款**(d) Impaired loans and advances to customers**

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
減值客戶貸款及墊款總額	Gross impaired loans and advances to customers	1,716,138	2,464,012
預期信貸損失準備 – 第3階段	Expected credit losses allowances – Stage 3	(399,302)	–
個別評估減值準備	Impairment allowances – Individually assessed	–	(1,127,014)
		1,316,836	1,336,998
減值貸款及墊款總額佔客戶貸款及墊款總額的百分率	Gross impaired loans and advances as a % of total loans and advances to customers	0.85%	1.26%

經減值客戶貸款及墊款的預期信貸損失準備 (2017年：個別評估減值準備) 評估已計算所持抵押品的可變現價值為港幣1,587,943,000元 (2017年：港幣812,652,000元)。所持抵押品主要包括住宅及商業物業按揭權益及存放於本集團的現金。

Collateral amounts of HK\$1,587,943,000 (2017: HK\$812,652,000) have been taken into account in respect of the assessment of the expected credit losses allowances (2017: individually assessed allowances) on impaired loans and advances to customers. Collateral mainly comprises mortgages on residential or commercial properties and cash placed with the Group.

21 客戶貸款及墊款及其他賬項 (續)**(e) 融資租賃和租購合同的淨投資**

客戶貸款和墊款包括汽車淨投資，根據融資租賃租賃給客戶的設備和租賃具有融資租賃特徵的購買合同。這些合同通常具20年或以上的初始期，並可選擇以名義價值收購租賃資產。融資租賃及租購合約應收的最低租賃付款總額及年末現值如下：

21 Loans and advances to customers and other accounts (continued)**(e) Net investment in finance leases and hire purchase contracts**

Loans and advances to customers include net investment in motor vehicles, and equipment leased to customers under finance leases and hire purchase contracts which have the characteristics of finance leases. These contracts usually run for an initial period of 20 years or above, with an option of 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:

		2018		2017	
		最低租賃 付款的現值 Present value of the minimum lease payments 港幣千元 HK\$'000	最低租賃 付款總額 Total minimum lease payments 港幣千元 HK\$'000	最低租賃 付款的現值 Present value of the minimum lease payments 港幣千元 HK\$'000	最低租賃 付款總額 Total minimum lease payments 港幣千元 HK\$'000
1個月內	Within 1 year	11,393	15,157	18,378	23,093
1年以上至5年	After 1 year but within 5 years	44,324	57,285	55,998	71,552
5年以上	After 5 years	112,186	127,423	148,240	168,125
		167,903	199,865	222,616	262,770
— 預期信貸損失準備	– Expected credit losses allowances	(111)		–	
— 個別評估減值準備	– Individually assessed impairment allowances	–		(1,186)	
— 綜合評估減值準備	– Collectively assessed impairment allowances	–		(108)	
融資租賃和租購 合同的淨投資額	Net investment in finance leases and hire purchase contracts	167,792		221,322	

22 以公允價值計入其他全面收益的金融資產／可供出售證券

22 Financial assets at fair value through other comprehensive income/Available-for-sale securities

		以公允價值計入 其他全面收益的 金融資產	
		Financial assets at fair value through other comprehensive income	可供出售證券 Available-for- sale securities
		2018	2017
		港幣千元 HK\$'000	港幣千元 HK\$'000
債務證券	Debt securities		
持有的存款證	– Certificates of deposit held	14,394,029	10,622,679
國庫券	– Treasury bills	15,975,480	11,681,635
其他債務證券	– Other debt securities	36,512,097	36,950,662
		66,881,606	59,254,976
權益證券	Equity securities	95,801	91,701
		66,977,407	59,346,677
以上項目的發行機構如下：	Issued by:		
政府機關	Sovereigns	16,277,569	12,796,288
銀行及其他金融機構	Banks and other financial institutions	41,427,485	36,553,639
企業	Corporate entities	7,175,580	8,614,579
公共機構	Public entities	2,096,773	1,382,171
		66,977,407	59,346,677
上市	Listed	31,181,259	32,193,830
非上市	Unlisted	35,796,148	27,152,847
		66,977,407	59,346,677

附註：

截至2018年12月31日，個別已減值債務證券的公允價值為港幣123,489,000元（2017年：港幣125,042,000元）。

Note:

At 31 December 2018, the fair value of individually impaired debt securities was HK\$123,489,000 (2017: HK\$125,042,000).

22 以公允價值計入其他全面收益的金融資產／可供出售證券 (續)

通過其他全面收益以公允價值計量金融資產的賬面金額和預期信貸損失準備金的對賬

就本披露而言，總賬面值是指以公允價值計量的債務證券。賬面值的變動計入其他全面收益，但確認預期信貸損失準備，利息收入以及在損益中確認的匯兌損益除外。

22 Financial assets at fair value through other comprehensive income/Available-for-sale securities (continued)

Reconciliation of gross carrying amount and ECL allowances for financial assets at fair value through other comprehensive income

For the purposes of this disclosure, the gross carrying amounts refer to the fair values of the debt securities measured at FVOCI. Movements in the gross carrying amount are taken through other comprehensive income, except for the recognition of ECL allowances, interest revenue and foreign exchange gains and losses which are recognised in profit and loss.

		2018							
		第1階段 Stage 1		第2階段 Stage 2		第3階段 Stage 3		總額 Total	
		賬面總值 Gross carrying amount	預期信貸 損失準備 ECL allowances	賬面總值 Gross carrying amount	預期信貸 損失準備 ECL allowances	賬面總值 Gross carrying amount	預期信貸 損失準備 ECL allowances	賬面總值 Gross carrying amount	預期信貸 損失準備 ECL allowances
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
2018年1月1日	At 1 January 2018	59,129,934	73,336	125,042	11,668	-	-	59,254,976	85,004
收益表變動的影響	Movements with income statement impact								
轉移：	Transfer:								
— 轉入第1階段	— Transfer to Stage 1	-	-	-	-	-	-	-	-
— 轉入第2階段	— Transfer to Stage 2	-	-	-	-	-	-	-	-
— 轉入第3階段	— Transfer to Stage 3	(205,093)	(3,285)	(125,042)	(11,668)	330,135	14,953	-	-
階段轉撥產生之預期信貸 損失準備重新計量淨額	Net remeasurement of ECL allowances arising from transfer between stage	-	-	-	-	-	169,930	-	169,930
金融資產源生／ (終止確認或還款)淨額	Net financial assets originated/ (derecognised or repaid)	8,265,324	(9,938)	-	-	-	-	8,265,324	(9,938)
風險參數變動(模型數據)	Changes to risk parameters (model inputs)	-	(31,561)	-	-	-	-	-	(31,561)
其他模型數據之變動	Changes in fair values, foreign translation and others	(432,048)	-	-	-	(206,646)	(574)	(638,694)	(574)
2018年12月31日	At 31 December 2018	66,758,117	28,552	-	-	123,489	184,309	66,881,606	212,861

23 附屬公司

下文列出於2018年12月31日對本集團的業績、資產或負債有重大影響的主要附屬公司詳情。除非另有註明，否則所持股份類別均為普通股。

23 Subsidiaries

The following list contains the particulars of the principal subsidiaries at 31 December 2018 which materially affect the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

公司名稱 Name of company	註冊成立／經營地區 Place of incorporation/ operation	法律實體種類 Kind of legal entity	主要業務 Principal activities	已發行及繳足股本 Particulars of issued share capital	本行直接持有 股份百分率 Proportion of shares directly held by the Bank	本行間接持有 股份百分率 Proportion of shares indirectly held by the Bank
啓福國際有限公司 Carford International Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	物業持有 Property holding	港幣2元 HK\$2	100%	—
中信銀行國際(中國)有限公司 (「中信銀行國際(中國)」) CITIC Bank International (China) Limited ("CBI (China)")	中華人民共和國 (「中國」) People's Republic of China ("Mainland China")	有限責任公司 Limited Liability Company	銀行 Banking	人民幣1,000,000,000元 RMB1,000,000,000	100%	—
中信保險服務有限公司 CITIC Insurance Brokers Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	保險經紀 Insurance broker	港幣5,000,000元 HK\$5,000,000	100%	—
CKWB-SN Limited	開曼群島／香港 Cayman Islands/ Hong Kong	有限責任公司 Limited Liability Company	發行結構票據和投資 Issue of structured notes and investments	美金1元 US\$1	100%	—
CKWH-UT2 Limited	開曼群島／香港 Cayman Islands/ Hong Kong	有限責任公司 Limited Liability Company	發行後償票據 Issue of subordinated notes	美金1元 US\$1	100%	—
信銀國際投資控股有限公司 CNCBI Investment Holdings Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	投資控股 Investment holding	港幣511,000,000元 HK\$511,000,000	100%	—
香港華人財務有限公司 HKCB Finance Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	消費借貸 Consumer financing	港幣200,000,000元 HK\$200,000,000	100%	—
香港華人銀行(代理人)有限公司 The Hongkong Chinese Bank (Nominees) Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	代理人服務 Nominee services	港幣5,000元 HK\$5,000	100%	—
嘉華銀行(信託)有限公司 The Ka Wah Bank (Trustee) Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	信託服務 Trustee services	港幣3,000,000元 HK\$3,000,000	100%	—
恒康香港有限公司 Viewcon Hong Kong Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	按揭融資 Mortgage financing	港幣2元 HK\$2	100%	—
信銀國際資產管理有限公司 CNCBI Asset Management Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	資產管理 Asset management	港幣15,000,000元 HK\$15,000,000	—	100%
信銀國際財務顧問有限公司 CNCBI Financial Consultant Limited	香港 Hong Kong	有限責任公司 Limited Liability Company	尚未開業 Not yet commenced business	港幣1元 HK\$1	—	100%

24 聯營企業

24 Interest in associates

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
應佔聯營企業淨資產	Share of net assets	352,151	–

(a) 於2018年12月31日，聯營企業詳情如下：

(a) Details of the principal associate at 31 December 2018 are as follows:

公司名稱 Name of company	業務結構形成 Form of business structure	註冊成立／ 經營地區 Place of incorporation/ operation	集團佔股本 之權益 Group's effective interest	由本銀行持有 Held by the Bank	主要業務 Principal activities	股本 Share capital
眾安金融服務有限公司 ZhongAn Financial Services Limited	法人公司 Incorporated	香港 Hong Kong	35.00%	35.00%	投資控股 Investment holding	港幣1,000,000,000元 HK\$1,000,000,000

於2018年12月31日，於聯營公司之權益並無減值準備。

There is no impairment loss of the investment in associate for the years ended 31 December 2018.

(b) 聯營企業的財務信息摘要：
聯營企業財務狀況簡述如下：

(b) Summary of financial information on associate:
Summarised financial information of the material associate, is disclosed below:

		2018 港幣千元 HK\$'000
聯營企業的總金額：	Gross amounts of the associate:	
資產	Assets	1,006,145
淨資產	Net assets	1,006,145
收入	Revenue	6,145
本年度溢利	Profit for the year	6,145
集團佔聯營企業權益之對賬	Reconciled to the Group's interests in the associate	
聯營企業的淨資產總額	Gross amounts of net assets of the associate	1,006,145
集團佔聯營企業的權益	Group's share of interest in the associate	35.00%
集團佔聯營企業的淨資產	Group's share of net assets of the associate	352,151

上述聯營企業採用權益法於綜合財務報表入賬。

The above associate is accounted for using the equity method in the consolidated financial statements.

上述聯營企業於2018年12月31日的財務資料是從其管理賬目中提取。

The above financial information of associate was extracted from its management account at 31 December 2018.

25 物業及設備

25 Property and equipment

		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、固定 裝置及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本或估值：	Cost or valuation:				
於2018年1月1日	At 1 January 2018	132,780	709,009	1,776,876	2,618,665
增加	Additions	–	–	463,323	463,323
重新分類	Reclassification	109,000	(109,000)	–	–
重新分類至無形資產	Reclassification to intangible assets	–	–	(1,216,852)	(1,216,852)
出售	Disposals	–	–	(73,403)	(73,403)
重估盈餘	Surplus on revaluation	190	76,245	–	76,435
累計折舊沖銷	Elimination of accumulated depreciation on revaluation	–	(10,246)	–	(10,246)
匯兌調整	Exchange adjustments	–	–	(3,236)	(3,236)
於2018年12月31日	At 31 December 2018	241,970	666,008	946,708	1,854,686
於2017年1月1日	At 1 January 2017	138,490	689,009	1,489,083	2,316,582
增加	Additions	–	–	314,150	314,150
重新分類	Reclassification	(20,000)	20,000	–	–
出售	Disposals	–	–	(35,333)	(35,333)
重估盈餘	Surplus on revaluation	14,290	–	–	14,290
匯兌調整	Exchange adjustments	–	–	8,976	8,976
於2017年12月31日	At 31 December 2017	132,780	709,009	1,776,876	2,618,665
累計折舊：	Accumulated depreciation:				
於2018年1月1日	At 1 January 2018	–	335,909	1,262,407	1,598,316
本年度折舊(附註10(b))	Charge for the year (note 10(b))	–	16,635	167,917	184,552
累計折舊沖銷	Elimination of accumulated depreciation on revaluation	–	(10,246)	–	(10,246)
重新分類至無形資產	Reclassification to intangible assets	–	–	(574,751)	(574,751)
因出售而回撥	Written back on disposals	–	–	(72,610)	(72,610)
匯兌調整	Exchange adjustments	–	–	(5,399)	(5,399)
於2018年12月31日	At 31 December 2018	–	342,298	777,564	1,119,862
於2017年1月1日	At 1 January 2017	–	319,530	1,101,176	1,420,706
本年度折舊(附註10(b))	Charge for the year (note 10(b))	–	16,379	184,287	200,666
因出售而回撥	Written back on disposals	–	–	(31,221)	(31,221)
匯兌調整	Exchange adjustments	–	–	8,165	8,165
於2017年12月31日	At 31 December 2017	–	335,909	1,262,407	1,598,316
賬面淨值：	Net book value:				
於2018年12月31日	At 31 December 2018	241,970	323,710	169,144	734,824
於2017年12月31日	At 31 December 2017	132,780	373,100	514,469	1,020,349

25 物業及設備 (續)

(a) 投資物業公允價值計量

(i) 公允價值層級

下表顯示於結算日，本集團按經常性基準以公允價值計量的投資物業，根據《香港財務報告準則》第13號「公允價值計量」分類為三級公允價值層級。公允價值計量的層級分類是根據用於估值模式的輸入數據的可觀察性和重要性來決定：

第1級－參考同一資產於計量日在活躍市場取得的市場報價（未經調整）。

第2級－根據可觀察的輸入數據之估值模式（未能符合第1級），及不採用主要而非可觀察的數據。若沒有市場數據提供，便利用非可觀察的數據。

第3級－公允價值以主要而非可觀察的數據來計量。

25 Property and equipment (continued)

(a) Fair value measurement of investment properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, 'Fair Value Measurement'. The level into which a fair value measurement classified is determined with reference to the observability and significance of the input used in the valuation technique as follows:

Level 1 – Quoted (unadjusted) market price in active markets for identical assets at the measurement date.

Level 2 – Valuation techniques based on 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.

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
第3級	Level 3		
經常性公允價值以主要而非可觀察計量	Recurring fair value measurement using significant unobservable input		
投資物業	Investment properties		
－香港	－ Held in Hong Kong	201,001	90,001
－香港以外地區	－ Held outside Hong Kong	40,969	42,779
		241,970	132,780

25 物業及設備 (續)

(a) 投資物業公允價值計量 (續)

(i) 公允價值層級 (續)

截至2018年和2017年12月31日，在第1級和第2級之間並無轉移及沒有從第3級轉入或轉出。本集團政策是要於報告期末確認公允價值層級間轉移的發生。

於2018年12月31日，參照獨立測量師行重估本集團的投資物業重估報告。物業估值是以公開市場價值為基準及符合《香港財務報告準則》第13號「公允價值計量」對公允價值的定義。有關本集團的重估盈餘為港幣190,000元(2017年：港幣14,290,000元)並已計入本集團的收益表中。

(ii) 公允價值層級第3層級的公允價值對賬

第3層級的公允價值計量餘額於年度內的變動如下：

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
於1月1日	At 1 January	132,780	138,490
重新分類自／(至)其他物業及設備	Reclassification from/(to) other property and equipment	109,000	(20,000)
公允價值調整	Fair value adjustment	190	14,290
於12月31日	At 31 December	241,970	132,780

(iii) 第3層級的公允價值計量資料

	估值模式 Valuation technique	非可觀察的數據 Unobservable input	範圍 Range
投資物業 Investment properties	市場比較法 Market comparison approach	物業質量的溢價(折讓) Premium (discount) on quality of properties	-15% to 15%

在香港或香港以外地區的投資物業的公允價值是採用市場比較法釐定，以參考最近相關物業的每平方呎銷售價格為基準，比較近期的銷售價格，從而調整本集團物業質量的溢價或折讓。投資性房地產的賬面價值將按每平方呎價格同比例的增加而增加，反之亦然。

25 Property and equipment (continued)

(a) Fair value measurement of investment properties (continued)

(i) Fair value hierarchy (continued)

During the years ended 31 December 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All investment properties of the Group were revalued and assessed by the management of the Group at 31 December 2018 with reference to the property valuation report conducted by an independent firm of surveyors. The basis of the property valuation was market value, which is consistent with the definition of fair value under HKFRS 13, 'Fair Value Measurement'. The revaluation surplus of HK\$190,000 (2017: HK\$14,290,000) was recognised by the Group and has been credited to the income statement.

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

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

(iii) Information about Level 3 fair value measurements

The fair value of investment properties located in or outside Hong Kong is determined by using the market comparison approach by reference to the recent sales price of comparable properties on a price per-square-foot basis, adjusted for a premium or a discount specific to the quality of the Group's or the Bank's properties compared to the recent sales. The carrying amount of the investment properties would be increased by the same percentage increase in the price per-square-foot and vice versa.

25 物業及設備 (續)**(b) 投資物業及其他物業的賬面淨值分析如下：**

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
租賃	Leasehold		
香港	Held in Hong Kong		
— 長期租賃(超過50年未屆滿)	— Long-term leases (over 50 years unexpired)	131,097	60,645
— 中期租賃(10年至50年未屆滿)	— Medium-term leases (10 to 50 years unexpired)	393,614	402,456
香港以外地區	Held outside Hong Kong		
— 中期租賃(10年至50年未屆滿)	— Medium-term leases (10 to 50 years unexpired)	40,969	42,779
		565,680	505,880

投資物業產生的租金收入總額為港幣5,648,000元(2017年：港幣5,595,000元)。

The gross rental income arising from investment properties is HK\$5,648,000 (2017: HK\$5,595,000).

於2018年及2017年沒有投資物業出售損失。

During the year ended 31 December 2018 and 2017, no loss on disposal of investment properties.

本集團若干其他物業曾於過往年度進行重估。如果這些物業是以成本減累計折舊入賬，本集團於2018年12月31日的其他物業賬面淨值應為港幣4,787,000元(2017年：港幣4,851,000元)。

Some of the other premises of the Group were revalued in previous years. The net book value of such other premises of the Group at 31 December 2018 would have been HK\$4,787,000 (2017: HK\$4,851,000) had they been carried at cost less accumulated depreciation.

(c) 通過經營租賃租出的物業及設備

本集團通過經營租賃的方式租出投資物業。有關物業的最初租賃期一般為2至3年，其後可重新商定後續期及所有條款。

(c) Property and equipment leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the leases after that date, at which time all terms are renegotiated.

本集團按不可解除的投資及分租物業的經營租賃應收的未來最低租金總額如下：

The Group's total future minimum lease payments under non-cancellable operating leases for investment and subletting properties are receivable as follows:

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
1年內	Within 1 year	3,198	5,664
1年以上至5年	After 1 year but within 5 years	2,884	2,046
		6,082	7,710

26 無形資產

26 Intangible assets

電腦軟件
Software
港幣千元
HK\$'000

成本：	Cost:	
於2018年1月1日	At 1 January 2018	—
由2018年10月1日起自傢俬、固定裝置 及設備重新分類	Reclassification from furniture, fixtures and equipments since 1 October 2018	1,216,852
增加	Additions	53,545
匯兌調整	Exchange adjustments	196
於2018年12月31日	At 31 December 2018	1,270,593
累計折舊：	Accumulated depreciation:	
於2018年1月1日	At 1 January 2018	—
由2018年10月1日起自傢俬、固定裝置 及設備重新分類	Reclassification from furniture, fixtures and equipments since 1 October 2018	574,751
本年度折舊(附註10(b))	Charge for the year (note 10(b))	42,299
匯兌調整	Exchange adjustments	1,333
於2018年12月31日	At 31 December 2018	618,383
賬面淨值：	Net book value:	
於2018年12月31日	At 31 December 2018	652,210
於2017年12月31日	At 31 December 2017	—

27 銀行及其他金融機構的存款及結存

27 Deposits and balances of banks and other financial institutions

		2018	2017
		港幣千元	港幣千元
		HK\$'000	HK\$'000
銀行的存款及結存	Deposits and balances from banks	2,849,375	5,187,319

28 客戶存款

28 Deposits from customers

		2018	2017
		港幣千元	港幣千元
		HK\$'000	HK\$'000
活期及往來賬戶存款	Demand deposits and current deposits	28,122,134	37,989,050
儲蓄存款	Savings deposits	45,642,418	60,305,655
定期、即期及短期通知存款	Time, call and notice deposits	211,728,299	173,177,160
		285,492,851	271,471,865

29 已發行存款證

29 Certificates of deposit issued

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
按攤銷成本計算	At amortised cost	3,133,151	3,421,769

30 已發行債務證券

30 Debt securities issued

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
按攤銷成本計算	At amortised cost	3,408,077	3,584,064

債務證券於2017年由本行發行，票息利率為年息率4.4%，並將於2020年到期。

The debt securities were issued by the Bank in 2017, bear a coupon interest rate at 4.4% per annum and will mature in 2020.

31 綜合財務狀況表所示的所得稅

31 Income tax in the consolidated statement of financial position

(a) 財務狀況表所示的本期稅項為：

(a) Current taxation in the statement of financial position represents:

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
香港利得稅	Hong Kong Profits Tax	574,204	461,736
海外稅項	Overseas Taxation	17,496	6,792
		591,700	468,528
其中：	Of which:		
可收回稅項	Tax recoverable	(8,353)	(29,047)
本期稅項	Current taxation	600,053	497,575
		591,700	468,528

31 綜合財務狀況表所示的所得稅 (續)

31 Income tax in the consolidated statement of financial position (continued)

(b) 已確認的遞延稅項資產及負債

(b) Deferred tax assets and liabilities recognised

已於財務狀況表確認的遞延稅項 (資產) / 負債的組合及本年度內的變動如下：

The components of deferred tax (assets)/liabilities recognised in the statement of financial position and the movements during the year are as follows:

		折舊免稅額 超過有關 折舊 Depreciation allowances in excess of related depreciation 港幣千元 HK\$'000	貸款及墊款 減值準備 Impairment allowances for loans and advances 港幣千元 HK\$'000	物業重估 調整 Revaluation adjustments for properties 港幣千元 HK\$'000	以公允價值計入 其他全面收益的 金融資產/ 可供出售證券 減值準備和 重估調整 Impairment allowances and revaluation adjustments for FVOCI/ available-for sale securities 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
遞延稅項源自：	Deferred tax arising from:						
於2018年1月1日	At 1 January 2018	65,786	(99,394)	1,639	(20,463)	(11,778)	(64,210)
首次採納《香港財務報告 準則》第9號之變動	Changes on initial adoption of HKFRS 9	-	(209,483)	-	(15,569)	-	(225,052)
在財政年度開始時重新 計算的遞延稅項	Restated deferred tax at the beginning of the financial year	65,786	(308,877)	1,639	(36,032)	(11,778)	(289,262)
綜合收益表內撇銷/ (回撥)(附註13(a))	Charged/(credited) to income statement (note 13(a))	52,510	(129,159)	6,312	-	2,840	(67,497)
儲備內回撥	Credited to reserves	-	-	-	(48,656)	-	(48,656)
匯兌及其他調整	Exchange and other adjustments	61	(199)	-	-	134	(4)
於2018年12月31日	At 31 December 2018	118,357	(438,235)	7,951	(84,688)	(8,804)	(405,419)
於2017年1月1日	At 1 January 2017	45,017	(51,568)	1,525	(12,815)	1,144	(16,697)
綜合收益表內撇銷/ (回撥)(附註13(a))	Charged/(credited) to income statement (note 13(a))	20,819	(47,878)	114	-	(12,691)	(39,636)
儲備內回撥	Credited to reserves	-	-	-	(7,648)	(211)	(7,859)
匯兌及其他調整	Exchange and other adjustments	(50)	52	-	-	(20)	(18)
於2017年12月31日	At 31 December 2017	65,786	(99,394)	1,639	(20,463)	(11,778)	(64,210)

31 綜合財務狀況表所示的所得稅 (續)**(c) 未確認的遞延稅項資產**

由於未來可能沒有適用於有關稅務機關的應課稅溢利以彌補有關損失，本集團並未確認累計稅項損失的遞延稅項資產為港幣706,000元（2017年：港幣686,000元）。根據現時稅務條例，這些稅項損失沒有到期日。

32 其他負債**31 Income tax in the consolidated statement of financial position (continued)****(c) Deferred tax assets not recognised**

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$706,000 (2017: HK\$686,000), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

32 Other liabilities

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
應計及其他應付賬項及準備	Accruals and other payables and provisions	8,645,374	5,422,626

於2018年12月31日，以上賬項包含對貸款承擔及擔保的第1階段預期信貸損失準備合計港幣40,151,000元。

At 31 December 2018, included above is the provision for expected credit losses (Stage 1) on loan commitments and guarantees amounted to HK\$40,151,000.

33 債務資本**33 Loan capital**

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
後償票據，以攤銷成本進行 公允價值套期調整：	Subordinated notes, at amortised cost with fair value hedge adjustments:		
於2020年到期年息率為6.875%， 面值500,000,000美元的後償票據*	US\$500 million Subordinated Fixed Rate Notes at 6.875%, due 2020*	3,943,791	4,009,985
於2024年到期年息率為6.000%， 面值300,000,000美元的後償票據**	US\$300 million Subordinated Fixed Rate Notes at 6.000%, due 2024**	2,339,751	2,330,207
		6,283,542	6,340,192

* 根據於2007年12月發行的中期票據計劃（「中期票據計劃」）及於2010年6月頒佈的發售通函，本行於2010年6月24日發行每半年派息年息率為6.875%及面值500,000,000美元（等值港幣3,888,900,000元）的後償票據。這些票據在新加坡交易所有限公司上市，並將於2020年6月24日到期。

** 本行根據以上的中期票據計劃及於2013年10月發出的發售通函，於2013年11月7日發行面值300,000,000美元（等值港幣2,325,800,000元）的後償票據，該後償票據符合《巴塞爾協定三》的二級資本要求。後償票據的票面利率定於6.000%，每半年派息至2019年5月7日止，若屆時未有行使贖回權，票據的票面利率將根據當時5年期美國國庫債券孳息率加4.718%年利率重新釐訂。這些票據在香港聯合交易所有限公司上市，並於2024年5月7日到期，及於2019年5月7日可選擇提前贖回。

* Under the Medium Term Note Programme ("the Programme") issued in December 2007 and the new Offering Circular issued in June 2010, the Bank issued subordinated notes on 24 June 2010 with a face value of US\$500 million (equivalent to HK\$3,888.9 million). The notes bear an interest rate of 6.875% per annum, payable semi-annually. The notes are listed on the Singapore Exchange Securities Trading Limited and mature on 24 June 2020.

** Under the Programme and the new Offering Circular issued in October 2013, the Bank issued subordinated notes on 7 November 2013 with a face value of US\$300 million (equivalent to HK\$2,325.8 million) and which qualified as Basel III-compliant Tier-2 capital. The notes bear interest at a fixed rate of 6.000% per annum, payable semi-annually until 7 May 2019, and thereafter fixed at the interest rate of the prevailing five-year US Treasury bonds yield plus 4.718% per annum if the notes are not redeemed on the call date. The notes are listed on The Stock Exchange of Hong Kong Limited and mature on 7 May 2024 with an optional redemption date falling on 7 May 2019.

34 資本及儲備

(a) 股本

(i) 已發行及繳足普通股：

2018				2017	
		股本數目 Number of shares	股本 Share capital 港幣千元 HK\$'000	股本數目 Number of shares	股本 Share capital 港幣千元 HK\$'000
於1月1日	At 1 January	12,111,121,568	18,404,013	9,083,341,176	9,366,271
年內發行的股份 (附註(a)(ii))	Shares issued during the year (Note (a)(ii))	–	–	3,027,780,392	9,053,063
		12,111,121,568	18,404,013	12,111,121,568	18,419,334
減：發行股份產生的 交易成本	Less: Transaction costs arising on shares issued	–	–	–	(15,321)
於12月31日	At 31 December	12,111,121,568	18,404,013	12,111,121,568	18,404,013

(ii) 年內發行的股份

截至2018年12月31日止年度，本行並無發行任何股份（2017年：本行於2017年12月15日以每股港幣2.99元向五名新股東合共發行3,027,780,392股普通股）。

(ii) Shares issued during the year

The Bank did not issue any shares during the year ended 31 December 2018 (2017: The Bank issued a total of 3,027,780,392 ordinary shares at HK\$2.99 each to five new shareholders on 15 December 2017).

(b) 股息

普通股持有人有權收取不時宣派的股息，亦有權於本行的股東大會上按每股一票的方式投票。所有普通股均有同等地位享有本行的剩餘資產。

(b) Dividend

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

(c) 儲備性質及目的

(i) 資本儲備

資本儲備乃不可分派予股東。

(i) Capital reserve

The capital reserve is not available for distribution to shareholders.

(ii) 一般儲備

一般儲備是從保留溢利轉出一部份來設立，並且可分派予股東。

(ii) General reserve

The general reserve was set up from the transfer of retained earnings, and is available for distribution to shareholders.

(iii) 匯兌差額儲備

匯兌差額儲備包括所有因換算海外業務的財務報表而產生的匯兌差額，並根據附註2.2(t)所載的會計政策處理。

(iii) Exchange differences reserve

The exchange differences reserve comprises all foreign exchange differences arising from the translation of the financial statement of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.2(t).

34 資本及儲備 (續)**(c) 儲備性質及目的 (續)****(iv) 物業重估儲備**

物業重估儲備是根據附註2.2(l)所載的會計政策處理，並且不可分派予股東，因為根據新的香港《公司條例》(第622章)第6部的定義，這些儲備不屬於已實現溢利。

(v) 現金流量對沖儲備

現金流量對沖儲備包括與對沖交易相關的現金流量對沖工具的累計公允價值淨變動的有效部份。

(vi) 投資重估儲備

投資重估儲備包括於結算日持有的以公允價值計入其他全面收益的金融資產／可供出售證券的累計淨公允價值變動，並根據附註2.2(d)(iv)所載的會計政策處理。

(vii) 法定盈餘公積

根據中國相關法例規定，中信銀行國際(中國)需要從其每年的稅後溢利中轉撥10%作為不能分派予股東的法定盈餘公積，直至法定盈餘公積達至法定股本之50%的水平。

(viii) 法定一般儲備

根據中國銀行法規，中信銀行國際(中國)需設立法定一般儲備，透過從當年度的利潤分配，直接轉撥提取一般準備以彌補未被認定的潛在損失風險，提取的考慮是基於風險資產在結算日的總賬面值的1%計算。法定一般準備是組成本集團權益的其中一部份。

(ix) 保留溢利

為符合香港《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已經確認減值損失的將會或可能產生的貸款及墊款的減值損失金額。經諮詢金管局後，儲備的變動已直接在保留溢利內劃定。於2018年12月31日，保留溢利中包括與此有關並屬可派發予本行股東的金額為港幣855,457,000元(2017年：港幣2,814,520,000元)。但於派發前本行須諮詢金管局。

34 Capital and reserves (continued)**(c) Nature and purpose of components of reserves (continued)****(iv) Property revaluation reserve**

The property revaluation reserve is dealt with in accordance with the accounting policies set out in note 2.2(l) and is not available for distribution to shareholders because it does not constitute realised profits within the meaning of Part 6 of the new Hong Kong Companies Ordinance (Cap. 622).

(v) Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

(vi) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income/available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2.2(d)(iv).

(vii) Statutory reserve

Under the relevant legislation of Mainland China, the Bank's wholly-owned PRC subsidiary, CBI (China) is required to transfer 10% of its profit after taxation to a non-distributable statutory reserve until such reserve has reached 50% of its registered share capital.

(viii) Regulatory general reserve

Pursuant to the banking regulations of Mainland China, CBI (China) is required to set up a regulatory general reserve through a direct transfer from the current year's profit appropriation, as determined based on the 1% of the total risk assets at the end of the reporting period to cover its unidentified potential loss exposures. The regulatory general reserve forms part of the equity of the Group.

(ix) Retained profits

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of impairment losses recognised which the Bank will or may incur on loans and advances. Movements in the reserve are earmarked directly through retained profits and in consultation with the HKMA. At 31 December 2018, HK\$855,457,000 (2017: HK\$2,814,520,000) was included in the retained profits in this respect, which is distributable to equity holders of the Bank subject to consultation with the HKMA.

34 資本及儲備 (續)**(d) 儲備的可分派性**

於2018年12月31日，根據新的香港《公司條例》(第622章)第6部的規定作為計算，可供分派予本行股東的儲備總額為港幣15,678,163,000元(2017年：港幣15,014,858,000元)。以上可供分派的儲備港幣15,678,163,000元(2017年：港幣15,014,858,000元)與根據附註46(b)所報告本行的保留溢利港幣16,621,868,000元(2017年：港幣17,915,869,000元)之間的差額主要是包含一般儲備及剔除投資物業的未實現重估收益及上述的本行監管儲備。可分配儲備總額包括監管儲備港幣855,457,000元(2017年：港幣2,814,520,000元)，該金額於派發前本行須諮詢金管局。

35 額外權益工具**34 Capital and reserves (continued)****(d) Distributability of reserve**

At 31 December 2018, the aggregate amount of reserves available for distribution to equity shareholders of the Bank, as calculated under the provision of Part 6 of the new Hong Kong Companies Ordinance (Cap. 622), was HK\$15,678,163,000 (2017: HK\$15,014,858,000). The difference between the aggregate distributable reserves of HK\$15,678,163,000 (2017: HK\$15,014,858,000) and the Bank's retained profits of HK\$16,621,868,000 (2017: HK\$17,915,869,000) as reported in note 46(b) mainly represents the inclusion of general reserves and the exclusion of unrealised revaluation gains on investment properties and the above regulatory reserve of the Bank. Included in the Bank's retained profits was an amount of HK\$855,457,000 (2017: HK\$2,814,520,000), which was regulatory reserve and the distribution was subject to consultation with the HKMA.

35 Additional equity instruments

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
面值300,000,000美元的永續型 非累積後償資本證券*	Undated non-cumulative subordinated capital securities with US\$300 million*	2,310,168	2,310,168
面值500,000,000美元的永續型 非累積後償資本證券**	Undated non-cumulative subordinated capital securities with US\$500 million**	3,863,084	3,863,084
面值500,000,000美元的永續型 非累積後償資本證券***	Undated non-cumulative subordinated capital securities with US\$500 million***	3,907,328	—
		10,080,580	6,173,252

* 根據於2007年12月發行的中期票據計劃(「該計劃」)和於2014年4月頒佈的新發售通函，本行於2014年4月22日發行符合《巴塞爾協定三》面值300,000,000美元(等值港幣2,313,470,000元)的永續型非累積後償額外一級資本證券(「額外一級資本證券」)並在香港聯合交易所有限公司上市。此額外一級資本證券並無固定到期日及於2019年4月22日首個提前贖回日期前，票面年利率為7.250%。若屆時未有行使贖回權，票面年利率將按當時5年期美國國庫債券息率加年利率5.627%每五年一次重新釐訂。

根據條款及條件，額外一級資本賦予持有人按本金收取非累計分派的權利(受已既定的非可行性情況出現時須作調整)，包括自發行日的適用分派率，及於每年的4月22日和10月22日派半年息一次。本行可以自行決定，選擇取消分派付款或贖回額外一級資本，但需得到金管局的事先書面同意。截至2018年12月31日年內的分派付款的支付為21,750,000美元(等值港幣170,607,000元)(2017年：21,750,000美元(等值港幣169,426,000元))。

* Under the Medium Term Note Programme ("the Programme") issued in December 2007 and the new Offering Circular release in April 2014, the Bank issued Basel III compliant Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities (the "AT1 Capital Securities") on 22 April 2014 with a face value of US\$300 million (equivalent to HK\$2,313.47 million). The AT1 Capital Securities are perpetual and listed on The Stock Exchange of Hong Kong Limited, and bear a coupon of 7.250% per annum for the first 5 years from the date of issue to the optional redemption date falling on 22 April 2019. The coupon will be reset every five years, if the AT1 Capital Securities are not redeemed, at a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 5.627% per annum.

According to the terms and conditions, the AT1 Capital Securities confer a right to receive non-cumulative distributions (each a Distribution) on the principal amount (subject to adjustments following the occurrence of a non-viability event as defined) from, and including, the issue date at the applicable distribution rate, payable semi-annually in arrears on 22 April and 22 October each year. The Bank may, at its sole discretion, elect to cancel the distribution payment or redeem the AT1 Capital Securities, which are subject to prior written consent of the HKMA. A distribution payment of US\$21,750,000 (equivalent to HK\$170,607,000) was paid during the year ended 31 December 2018 (2017: US\$21,750,000, equivalent to HK\$169,426,000).

35 額外權益工具 (續)

** 根據於2007年12月發行的中期票據計劃和於2016年8月及9月各自頒佈的新發售通函和補充通函，本行於2016年9月29日為符合《巴塞爾協定三》價值500,000,000美元的永續型非累積後償額外一級資本證券（「額外一級資本證券」）進行定價，並簽署具有法律約束力的認購協議。此面值及本金500,000,000美元（等值港幣3,877,860,000元）額外一級資本證券於香港聯合交易所有限公司上市及無固定到期日，於2021年10月11日首個提前贖回日期前的分派息率為年利率4.25%。若屆時未有行使贖回權，此分派息率的年利率將按當時5年期美國國庫債券息率加年利率3.107%每五年一次重新釐訂。

根據條款及條件，額外一級資本賦予持有人按本金收取非累計分派（每次分派）的權利，包括自發行日的適用分派率，及於每年的4月11日和10月11日派半年息一次。本行可以自行決定，選擇取消分派付款或贖回額外一級資本，但需得到金管局的事先書面同意。本行可根據既定的非可行性情況出現時及所載條款及條件減值未償還額外一級資本證券的總額。根據香港《金融機構（處置機制）條例》（第628章）中賦予自救權力，當非可行性事件發生時，香港處置機制當局可行使相關香港處置機制當局權決定調整未償還額外一級資本證券總額。截至2018年12月31日年內的分派付款的支付為21,250,000美元（等值港幣166,685,000元）（2017年：21,250,000美元（等值港幣165,532,000元））。

*** 根據2018年10月發佈的計劃和補充發行通函，本行於2018年11月6日為符合《巴塞爾協定三》發行了定價為500,000,000美元的永續型非累積後償額外一級資本證券。此面值及本金500,000,000美元（等值港幣3,916,900,000元）額外一級資本證券於香港聯合交易所有限公司上市及無固定到期日，於2023年11月6日首個提前贖回日期前的分派息率為年利率7.10%。若屆時未有行使贖回權，此分派息率的年利率將按當時5年期美國國庫債券息率加年利率4.151%每五年一次重新釐訂。

根據條款及條件，額外一級資本證券賦予持有人按本金收取非累計分派（每次分派）的權利，包括自發行日的適用分派率，及於每年的5月6日和11月6日派半年息一次。本行可以自行決定，選擇取消分派付款或贖回額外一級資本，但需得到金管局的事先書面同意。本行可根據既定的非可行性情況出現時及所載條款及條件減值未償還額外一級資本證券的總額。根據香港《金融機構（處置機制）條例》（第628章）中賦予自救權力，當非可行性事件發生時，香港處置機制當局可行使相關香港處置機制當局權決定調整未償還額外一級資本證券總額。

35 Additional equity instruments (continued)

** Under the Programme and the new and supplemental offering circulars release in August and September 2016, respectively, the Bank priced its US\$500 million Basel III compliant Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities with the legal binding subscription agreements signed on 29 September 2016. The AT1 Capital Securities with a face value and principal amount of US\$500 million (equivalent to HK\$3,877.86 million) are perpetual and listed on The Stock Exchange of Hong Kong Limited, and bear a coupon of 4.25% per annum for the first 5 years from the date of issue to the optional redemption date falling on 11 October 2021. The distribution rate will be reset every five years if the AT1 Capital Securities are not called by the Bank at a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.107% per annum.

According to the terms and conditions, the AT1 Capital Securities confer a right to the holders to receive non-cumulative distributions on the principal amount from, and including, the issue date at the applicable distribution rate, payable semi-annually in arrears on 11 April and 11 October in each year. The Bank may, at its sole discretion, elect to cancel the distribution payment or redeem the AT1 Capital Securities subject to prior written consent of the HKMA. The outstanding amount of AT1 Capital Securities can be written down by the Bank following the occurrence of a non-viability event as defined and set out in the terms and conditions. At the sole discretion of the relevant Hong Kong Resolution Authority following a non-viability event, the outstanding amount of AT1 Capital Securities can be adjusted upon the exercise of Hong Kong Resolution Authority Power in accordance with the Hong Kong Financial Institutions (Resolution) Ordinance (Cap.628). A distribution payment of US\$21,250,000 (equivalent to HK\$166,685,000) was paid during the year ended 31 December 2018. (2017: US\$21,250,000, equivalent to HK\$165,532,000).

*** Under the Programme and supplemental offering circulars released in October 2018, the Bank issued the US\$500 million Basel III compliant Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities on 6 November 2018. The AT1 Capital Securities with a face value and principal amount of US\$500 million (equivalent to HK\$3,916.90 million) are perpetual and listed on the Stock Exchange of Hong Kong Limited, and bear a coupon of 7.10% per annum distribution rate until the first call date on 6 November 2023. The distribution rate will be reset every five years if the AT1 Capital Securities are not called by the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 4.151% per annum.

According to the terms and conditions, the AT1 Capital Securities confer a right to the holders to receive non-cumulative distributions on the principal amount from, and including, the issue date at the applicable distribution rate, payable semi-annually in arrear on 6 May and 6 November in each year. The Bank may, at its sole discretion, elect to cancel the distribution payment or redeem the AT1 Capital Securities subject to prior written consent of the HKMA. The outstanding amount of AT1 Capital Securities can be written down by the Bank following the occurrence of a non-viability event as defined and set out in the terms and conditions. At the sole discretion of the relevant Hong Kong Resolution Authority following a non-viability event, the outstanding amount of AT1 Capital Securities can be adjusted upon the exercise of Hong Kong Resolution Authority Power in accordance with the Hong Kong Financial Institutions (Resolution) Ordinance (Cap.628).

36 綜合現金流量表附註

36 Notes to consolidated cash flow statement

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
(a) 經營溢利與經營業務之現金淨額的對賬	(a) Reconciliation of operating profit to net cash flow from operating activities		
經營業務	Operating activities		
稅前溢利	Profit before taxation	3,623,900	3,287,211
非現金項目調整：	Adjustments for non-cash items:		
金融資產預期信貸損失	Expected credit losses of financial assets	1,316,500	—
其他資產減值損失	Impairment losses on other assets	86,155	—
客戶貸款及墊款及其他賬項減值損失	Impairment losses on loans and advances and other accounts	—	1,391,065
可供出售證券減值損失	Impairment losses on available-for-sale securities	—	31,204
出售以公允價值計入其他全面收益的金融資產淨損失	Net loss on disposal of financial assets at fair value through other comprehensive income	70,419	—
出售可供出售證券淨收益	Net gain on disposal of available-for-sale securities	—	(126,794)
出售物業及設備淨損失	Net loss on disposal of property and equipment	793	4,055
投資物業重估收益	Revaluation gain on investment properties	(190)	(14,290)
應佔聯營企業收益	Share of profit of associates	(2,151)	—
遞延支出攤銷	Amortisation of deferred expenses	39,780	29,010
無形資產攤銷	Amortisation of intangible assets	42,299	—
物業及設備折舊	Depreciation on property and equipment	184,552	200,666
權益證券股息收入	Dividend income from equity securities	(6,221)	(6,390)
債務資本及已發行債務證券利息支出	Interest expense on loan capital and debt securities issued	575,942	580,091
匯兌差額	Foreign exchange differences	(247,721)	368,291
營運資金變動前的經營溢利	Operating profit before changes in working capital	5,684,057	5,744,119
經營資產(增加)/減少	(Increase)/decrease in operating assets		
原到期日超過3個月的在銀行、中央銀行及其他金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions with original maturity beyond 3 months	733,226	3,907,003
原到期日超過3個月的國庫券	Treasury bills with original maturity beyond 3 months	(5,484,589)	3,440,148
原到期日超過3個月的持有存款證	Certificates of deposit held with original maturity beyond 3 months	(3,948,355)	5,620,195
以公允價值計入損益的金融資產	Financial assets at fair value through profit or loss	(411,488)	293,785
衍生金融工具	Derivative financial instruments	(1,257,338)	(511,604)
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	(7,438,155)	(9,121,405)
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income	(18,967)	—
可供出售證券	Available-for-sale securities	—	(7,811,555)
		(17,825,666)	(4,183,433)

36 綜合現金流量表附註 (續)

36 Notes to consolidated cash flow statement (continued)

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
(a) 經營溢利與經營業務之現金淨額的對賬(續)	(a) Reconciliation of operating profit to net cash flow from operating activities (continued)		
經營負債增加/(減少)	Increase/(decrease) in operating liabilities		
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	(2,337,944)	(69,341)
客戶存款	Deposits from customers	14,020,795	35,896,468
衍生金融工具	Derivative financial instruments	1,718,868	828,039
已發行存款證	Certificates of deposit issued	(370,894)	(7,260,490)
其他負債	Other liabilities	3,191,783	(4,797,264)
		16,222,608	24,597,412
來自經營業務的現金金額	Cash generated from operating activities	4,080,999	26,158,098
已付所得稅	Income tax paid		
已付香港利得稅	Hong Kong Profits Tax paid	(496,288)	(101,049)
已付海外稅項	Overseas tax paid	(54,874)	(139,966)
來自經營業務的現金淨額	Net cash flow generated from operating activities	3,529,837	25,917,083
經營業務產生的現金包括：	Cash flows from operating activities included:		
已收利息	Interest received	11,082,654	8,670,430
已付利息	Interest paid	(3,713,760)	(2,916,111)
(b) 現金及現金等值項目的結存分析	(b) Analysis of the balances of cash and cash equivalents		
現金及在銀行、中央銀行及其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	29,187,539	30,700,892
在銀行、中央銀行及其他金融機構的存款及墊款(原於3個月內到期)	Placements with and advances to banks, central banks and other financial institutions with original maturity within 3 months	52,324,189	46,599,596
國庫券及持有的存款證(原於3個月內到期)	Treasury bills and certificates of deposit held with original maturity within 3 months:		
— 以公允價值計入其他全面收益的金融資產	– Financial assets at fair value through other comprehensive income	10,716,875	–
— 可供出售證券	– Available-for-sale securities	–	12,084,624
		92,228,603	89,385,112

36 綜合現金流量表附註 (續)

(c) 融資業務產生的負債變化

36 Notes to consolidated cash flow statement (continued)

(c) Changes in liabilities arising from financing activities

		融資業務的負債 Liabilities from financing activities			
		2018		2017	
		已發行 債務證券 Debt securities issued 港幣千元 HK\$'000	債務資本 Loan capital 港幣千元 HK\$'000	已發行 債務證券 Debt securities issued 港幣千元 HK\$'000	債務資本 Loan capital 港幣千元 HK\$'000
於1月1日	At 1 January	3,584,064	6,340,192	–	8,705,837
於本年度內新發行	New issue during the year	–	–	3,397,843	–
贖回	Redemption	–	–	–	(2,342,981)
匯兌差額	Foreign exchange differences	(180,709)	14,398	196,973	65,980
其他非現金調整	Other non-cash adjustments	4,722	(71,048)	(10,752)	(88,644)
於12月31日	At 31 December	3,408,077	6,283,542	3,584,064	6,340,192

37 僱員退休計劃

本集團設有一項界定供款公積金計劃(「該退休計劃」)；據此，本集團須作出相當於僱員基本薪金10%的供款。該退休計劃是一個強積金豁免計劃，涵蓋範圍遍及本集團的所有全職僱員。僱員毋須作出任何供款。如果僱員在獲得全數供款前離職，本集團不得將僱員所放棄的供款用作減少現時的供款額，而需將有關供款撥入一個獨立的福利基金，作為該退休計劃成員的福利金。

除了該退休計劃外，本集團自2000年12月1日起，也參與一項認可強積金計劃，為現有及新聘的僱員提供計劃選擇。本集團已根據強積金計劃提供等同強制部份的福利。

本年度內，本集團就這些計劃作出的供款約為港幣107,132,000元(2017年：港幣101,689,000元)(附註10(a))。

37 Staff retirement scheme

The Group has a defined contribution provident fund scheme ("the Retirement Scheme") under which it contributes 10% of the employees' basic salaries. The Retirement Scheme is a Mandatory Provident Fund ("MPF") exempted scheme and covers all permanent full-time employees of the Group. No employee contributions are required. Contributions forfeited by leavers prior to vesting fully may not be used by the Group to reduce the existing level of contribution, but are transferred to a separate welfare fund which shall be applied for the welfare of the Retirement Scheme's members.

In addition to the Retirement Scheme, the Group has also participated in an approved MPF scheme effective from 1 December 2000 to provide a choice of schemes to both existing and new employees. Mandatory benefits are provided under the MPF Scheme.

During the year, the Group contributed approximately HK\$107,132,000 (2017: HK\$101,689,000) (note 10(a)) to these schemes.

38 用作抵押的資產

38 Assets pledged as security

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
用作抵押的資產	Assets pledged as security		
現金及在銀行、中央銀行及其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	4	13
用作抵押承諾擔保法定存款的以公允價值計入其他全面收益的金融資產(附註)	Financial assets at fair value through other comprehensive income pledged as statutory deposits (Note)	195,795	–
用作抵押承諾擔保法定存款的可供出售證券(附註)	Available-for-sale securities pledged for statutory deposit (Note)	–	140,660
		195,799	140,673

附註：

用作抵押的資產是指本行的海外分行抵押予美國貨幣監理處的法定存款。

Note:

The assets pledged represented statutory deposits pledged by the overseas branches of the Bank to the Office of the Comptroller of the Currency in the United States.

39 重大關聯方交易

39 Material related party transactions

除在本財務報表其他部份披露的交易及結餘外，本集團進行了以下重大關聯方交易。

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) 與集團公司的交易

本年度內，本集團在其日常銀行業務過程中與關聯方進行了多項交易，其中特別包括借貸、承兌匯票及存放同業存款、參與銀團貸款、往來銀行交易和外匯交易。這些交易的合約定價是按照每次進行交易時的相關市場利率而定，並與提供給本集團其他交易方及客戶的條款相同。董事會認為，這些交易是按正常商業條款進行。

(a) Transactions with group companies

During the year, the Group entered into a number of transactions with related parties in the normal course of its banking business; including, inter alia, lending, acceptance and placement of interbank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The transactions were priced based on relevant market rates at the time of each transaction, and were under 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.

39 重大關聯方交易 (續)

(a) 與集團公司的交易 (續)

本年度內，關聯方交易的數額及於結算日的結欠如下：

39 Material related party transactions (continued)

(a) Transactions with group companies (continued)

The amount of related party transactions during the year and outstanding balances at the end of the year are set out below:

		最終控股及 中間控股母公司 Ultimate holding and intermediate parents		直接控股母公司 Immediate parent		同系附屬公司 Fellow subsidiaries		聯營公司 (附註(i)) Associates (note (i))		關聯公司 (附註(ii)) Related companies (note (ii))	
		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
利息收入	Interest income	70,942	61,032	-	-	21,875	79,834	41,796	22,435	84,832	5,379
利息支出	Interest expense	(130,427)	(193,162)	(8,565)	(3,907)	(76,984)	(51,557)	(29,489)	(24,345)	(10,874)	(1,428)
費用及佣金收入／ (支出)	Fee and commission income/ (expenses)	(1,854)	(3,165)	-	-	-	-	10	4,624	-	-
經營支出	Operating expenses	-	-	-	-	(17,938)	(9,048)	-	-	-	-
交易用途衍生收益／ (損失)	Trading gain/(loss) on derivatives	(4,367)	(426,079)	-	-	(12,837)	(2,988)	1,609	12,344	561	-
資產		Assets									
以公允價值計入其他全面 收益的金融資產	Financial assets at fair value through other comprehensive income	-	-	-	-	116,472	-	172,030	-	-	-
可供出售證券	Available-for-sale securities	-	-	-	-	-	-	-	173,064	-	-
以公允價值計入損益的 金融資產	Financial assets at fair value through profit or loss	-	54,127	-	-	-	-	-	-	-	-
衍生金融工具	Derivative financial instruments	44,166	29,223	-	-	457	-	16,089	10,185	-	-
其他應收賬項	Other receivables	19,935	2,896	-	-	5,261	3,667	3,417	3,231	286	-
負債		Liabilities									
衍生金融工具	Derivative financial instruments	99,174	351,294	-	-	2,192	18,455	-	-	-	-
其他應付賬項	Other payables	28,142	13,625	1,556	900	16,954	11,748	6,539	4,647	1,078	-
貸款活動：		Lending activities									
於12月31日	At 31 December	2,117,136	2,432,965	-	-	406,322	1,178,127	698,432	1,095,420	2,200,000	-
本年度平均金額	Average for the year	2,287,736	1,733,455	-	-	407,017	2,278,078	1,090,609	858,770	2,200,000	-
接受存款：		Acceptance of deposits									
於12月31日	At 31 December	5,343,632	10,667,653	640,805	243,710	5,018,275	9,465,073	3,906,657	5,532,947	805,082	39,988
本年度平均金額	Average for the year	6,647,241	12,442,225	544,538	372,866	6,028,214	6,334,452	5,283,659	4,587,592	819,537	10,034
財務狀況表外項目		Off-statement of financial position items									
承兌匯票、擔保及信用證 －應付合約金額	Acceptances, guarantees and letters of credit － contract amounts payable	-	-	-	-	(3,000)	(115,158)	-	-	-	-
租賃承擔	Lease commitments	-	-	-	-	3,997	15,401	-	-	-	-
其他承擔	Other commitments	-	-	-	-	156,661	1,442,054	1,596,552	896,764	-	-
衍生金融工具 －名義金額	Derivative financial instruments － notional amounts	19,771,836	23,846,041	-	-	727,497	922,185	191,097	186,863	-	-

39 重大關聯方交易 (續)**(a) 與集團公司的交易 (續)**

並無就上述關聯方貸款及存款作出減值準備。

附註：

- (i) 本集團的聯營公司包括屬於最終控股公司及直接控股母公司的聯營公司。
- (ii) 關聯公司是指與中間控股母公司擁有共同股東。以及中間控股母公司股東的子公司。

(b) 與主要管理人員的交易

本集團主要管理人員酬金總額包括附註11所披露已付予本行董事的款項，詳情如下：

39 Material related party transactions (continued)**(a) Transactions with group companies (continued)**

No impairment allowances were made in respect of the above loans to and placements with related parties.

Note:

- (i) Associates of the Group include the associates of the ultimate controlling party and immediate parent respectively.
- (ii) Related companies refers to companies which are common shareholder, and subsidiaries of shareholders of the intermediate parent.

(b) Transactions with key management personnel

The aggregate amount of remuneration of key management personnel of the Group, including the amount paid to the Bank's Directors as disclosed in note 11, are as follows:

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
短期僱員福利	Short-term employee benefits	87,904	92,996
離職後福利	Post-employment benefits	3,666	3,419
		91,570	96,415

酬金總額已計入「員工成本」(附註10(a))。

Total remuneration is included in 'staff costs' (note 10(a)).

本年度內，本行向本行內部及其控股公司的主要管理人員和他們的近親及由他們控制或受他們重大影響的公司提供信貸融資。信貸融資是在日常業務過程中提供，並與身分類似人士或(如適用)與其他僱員進行可比較交易的條款大致相同。

During the year, the Bank provided credit facilities to key management personnel of the Bank and its holding companies and their close family members, as well as to 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 persons of a similar standing, or where applicable, with other employees.

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
於1月1日的結餘	At 1 January	17,444	21,404
於12月31日的結餘	At 31 December	16,247	17,444
年內最高結欠總額	Maximum amount during the year	28,203	23,559

39 重大關聯方交易 (續)**(b) 與主要管理人員的交易 (續)**

本集團沒有就主要管理人員於年內的結欠額確認任何減值損失，也沒有就主要管理人員和他們的近親於年末的結欠額提撥個別評估的減值準備。

(c) 董事貸款

根據《公司「披露董事利益資料」規例》(第622G章)第17條，如下為截至2018和2017年12月31日有關董事的貸款資料。

39 Material related party transactions (continued)**(b) Transactions with key management personnel (continued)**

No impairment losses were recorded against outstanding balances with key management personnel during the year, and no individually assessed impairment allowance was made on balances with key management personnel and their immediate relatives at the year end.

(c) Loans to directors

Particulars of loans to directors disclosed pursuant to Section 17 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) for the year ended 31 December 2018 and 2017 are shown as below.

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
於12月31日本行提供的有關 貸款結欠總額	Aggregate amount of relevant loans made by the Bank at 31 December		
— 發放貸款及墊款	– Loans and advances	11,232	10,787
— 承諾信貸額	– Committed facility	26,745	21,398
本年度內本行提供的有關貸款 最高結欠總額	Maximum aggregate amount of relevant loans made by the Bank during the year		
— 發放貸款及墊款	– Loans and advances	12,432	14,920

於2018年及2017年12月31日，本集團沒有為這些貸款提撥減值準備。

There were no impairment allowances made against these loans at 31 December 2018 and 2017.

40 金融風險管理

本集團透過董事會及其授權的委員會密切監督以管理各類型的風險。本集團的風險管理部獲授權擔當持續的管理職責，推動和執行集團的風險管理框架和管治，包括識別、量化、監測、報告和緩解風險。

40 Financial risk management

The Group manages its risks under the oversight of the Board of Directors and its delegated committees. The Risk Management Group has been entrusted with the ongoing responsibilities of driving and implementing the Group's risk management framework and governance encompassing the identification, quantification, monitoring, reporting, and mitigation of the risks to which the Group is exposed.

40 金融風險管理 (續)

本集團採用「標準方法」計算信貸及市場風險，而業務操作風險則採用「基本指標法」。本集團已制定了政策、程序和流程以識別和建立適當的風險限額來分析、控制和監測這些風險。本集團不斷提升其風險管理框架和基礎設施，以緊貼市場、產品提供和國際最佳風險管理程序。本集團的內部審計亦會定期進行獨立審核，以確保遵守內部政策和監管要求。

本集團管理的風險主要包括以下各類：

(a) 信貸風險管理

信貸風險是客戶或交易對手不能履行其合約責任所招致財務損失的風險。信貸風險主要來自貸款及墊款、債務證券、國庫券、交易衍生產品及資產負債表外業務，如貸款承諾。本集團已建立一系列標準、政策及程序以量度、監控及減低借貸業務的風險。本集團會按要求而評估有關政策及程序，以便能夠在急速轉變的市場環境下作快速的回應和更有效反映本集團在信貸考慮中的風險因素。

為積極加強風險基礎設施及應對持續增加和複雜的監管要求，本集團在去年實施了多項風險管理優化措施，並啟動了多個監管類項目。自2018年以來，本集團啟動了各種監管專案以全面符合新規則和監管標準，包括《銀行業（風險承擔限度）規則》、初始保證金標準和交易對手信用風險的標準化方法。此外，本集團繼續加強對預期信貸損失計算的管治、控制流程、報告、披露和差異分析。

信貸風險管理及監控集中於信貸委員會轄下之風險管理部，並每季在董事會向信貸及風險管理委員會匯報。該委員會對本集團的風險管理程序提供合適的監察，確定集團的政策及風險取態，並為風險管理部提供方法以執行措施來減低因集團已採納的策略而產生的信貸風險。

40 Financial risk management (continued)

The Group adopts the Standardised Approach for credit and market risk measurement, and the Basic Indicator Approach for operational risk measurement. The Group has established policies, procedures and processes to identify and set appropriate risk limits, as well as to analyse, control and monitor these risks. The Group continually strives to enhance its risk management framework and infrastructure in keeping with the market, product offerings and international best practices. The Group's internal auditor performs regular independent audits to ensure due compliance with internal policies and regulatory requirements.

The Group manages the following main types of risk:

(a) Credit risk management

Credit risk is the risk of financial loss due to the failure of a customer or counterparty to fulfill its contractual obligations. Credit exposure principally arises in loans and advances, debt securities, treasury bills and trading derivatives, as well as in the credit risk from financial arrangements in off-balance sheet financial positions such as loan commitments. The Group has developed standards, policies and procedures to measure, monitor and mitigate the risk of its lending business. The policies and procedures are reviewed as required, to respond quickly to the changing market environment and to better reflect the risk factors for the Group's credit considerations.

To proactively strengthening the risk infrastructure and combat the ever-increasing and complex regulatory environment, the Group has implemented a number of risk management projects and initiatives. Since 2018, the Group has kick started various regulatory projects to achieve full compliance with the new rules and regulatory standards, including Banking (Exposure Limits) Rules, Initial Margin Standard, and Standardized Approach to Counterparty Credit Risk. Furthermore, the Group continues to enhance the governance, control process, reporting, disclosure and variance analysis for expected credit losses (ECL) calculation.

Credit risk is controlled and managed by the Risk Management Group ("RMG") under the oversight of the Credit Committee, and is reported to the Credit & Risk Management Committee ("CRMC") at the board level on a quarterly basis. These committees provide appropriate oversight of the Group's risk management practices by defining the Group's policies and risk appetite, and providing the RMG with the means to implement measures to mitigate credit risk arising from the Group's adopted strategy.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

產品的信貸風險會在產品計劃中識別及計量。各交易對手的信貸風險由信貸人員根據本集團內部之風險評級模型以識別及計量。信貸申請之批核會因情況而定，並由指定職權的信貸人員或信貸委員會負責。

本集團通過取得抵押品和與借款人或交易對手訂立可依法執行的可抵銷或按淨額基準結算的協議，以減低信貸風險。

當地理、經濟或行業因素的變動對各交易對手團體產生類似影響，而這些團體的信貸風險合計起來對本集團的總體風險而言屬重大時，便會產生信貸風險集中的問題。本集團的金融工具組合分散在不同的地區、行業和產品類別。

財資交易信貸風險的管理方式，與本集團管理企業借貸風險的方式相同，並根據各債券發行人的風險評級，設定個別風險額度。

於2018年成立了新產品委員會，以加強新產品審批的風險控制和管理框架，並確保在新產品和服務推出之前對其相關風險進行適當評估及檢討。

有關國家及金融機構的信貸及交易對手風險會根據本集團的國家風險及金融機構風險政策作出評估及定期監察。這些政策的共同實施對處於同一國家風險額度涵蓋底下的各國相關金融機構能作出有效的評估及控制信貸額度和期限。

本集團對或有負債採用與財務狀況報表內記錄的金融工具相同的信貸政策，根據貸款審批程序，使用限額以減低風險及進行監察。信貸風險亦因透過向借款人及第三者取得以抵押資產形式的抵押品及擔保而減低。

40 Financial risk management (continued)

(a) Credit risk management (continued)

Credit risk embedded in products is identified and measured in product programmes. Credit risk pertaining to individual customers is identified and measured by credit officers utilising internal risk rating models. Credit applications are approved by credit officers under delegated authorities or by the Credit Committee.

The Group mitigates credit risk by taking collateral and entering into offsetting or netting agreements with borrowers and counterparties, as the case may be, should such clauses and agreements be legally established and enforceable.

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified among geographic, industry and product sectors.

Credit risk for treasury transactions is managed in the same way as the Group manages its corporate lending risk. Risk grading is applied to the debt issuers, with individual credit limits set.

In 2018, the New Product Committee ("NPC") has been established to reinforce the New Product Approval ("NPA") risk control and governance framework and ensure that the risks associated with new products and services are properly assessed prior to its launch and upon review.

Credit and counterparty risks related to countries and financial institutions are assessed and monitored regularly according to the Group's Country Risks and Financial Institution Risks policies. The policies are implemented together to effectively assess and control credit limits and tenors made available to the respective financial institutions under an umbrella country risk limit for each country.

The Group applies the same credit policy in respect of contingent liabilities as in respect of financial instruments recorded on the statement of financial position, based on loan approval procedures, use of limits to reduce risk and monitoring. Credit risk is also mitigated by obtaining collateral in the form of pledged assets and guarantees from borrowers and third parties.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(i) 信貸質素

本集團已採用一套對應外部信貸評級機構評級基準的24級內部風險評級系統(其中G01至G21級為正常金融資產，G22至G24級為不良金融資產)。這系統與本集團匯報架構的整合能確保信貸風險報告更為細化，從而提升本行的內部管理水平。風險評級工具均按照不同客戶行業(製造業、貿易業、物業發展／投資等)作分配，確保本集團能為每位客戶的信貸素質評級，並決定本行對個別客戶或交易對手的信貸敞口。

每位客戶的風險評級均會作定期檢討，並按需要作及時修改，尤其在波動的市場情況下，本集團亦有委員會負責定期監察較弱的信貸(即風險評級為G19至G21級)以鞏固本集團貸款組合的質素。下表列示本集團的評級基準相對應的外部信貸機構評級：

40 Financial risk management (continued)

(a) Credit risk management (continued)

(i) Credit quality

The Group has adopted a granular 24-grade internal risk rating system (Grades G01-G21 for performing financial assets and Grades G22-G24 for non-performing financial assets) that maps to external credit rating agencies' rating scales. The integration of this framework into the Group's reporting structure has enabled more granular credit risk reporting, thus enhancing the internal management. The risk rating are assigned according to differing customer segments (manufacturing, trading, property development/investment, etc.) which enables the ranking of the credit quality of each customer and the governing of the credit exposure for individual customers or counterparties.

Customers' risk ratings are reviewed regularly and amendments, where necessary, are implemented promptly, particularly in times of fluctuating market conditions. The Group also maintains a committee to regularly oversee weaker credits (which have lower risk ratings of G19-G21) to preserve the Group's quality portfolio. The table below outlines the Group's rating scale benchmarked against external credit agencies:

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(i) 信貸質素 (續)

債務人級別 Obligor Grade	參考ECAI評級 Reference ECAI Rating			評級說明 Rating Description
	穆迪 Moody's	標準普爾 S&P	惠譽國際 Fitch	
G01	Aaa	AAA	AAA	債務被認為本身具有最高的獨立財務實力，即使可能在沒有任何關聯機構或政府的特殊支持的情況下，所承受的信用風險水平為最低。 Obligations are judged to have the highest intrinsic, or standalone, financial strength, and thus subject to the lowest level of credit risk absent any possibility of extraordinary support from an affiliate or government.
G02 – G04	Aa1/Aa2/Aa3	AA+/AA/AA-	AA+/AA/AA-	債務被認為本身具有較高的獨立財務實力，即使可能沒有任何關聯公司或政府提供特別支持的情況下，所承受的信用風險非常低。 Obligations are judged to have high intrinsic, or standalone, financial strength, and thus subject to very low credit risk absent any possibility of extraordinary support from an affiliate or government.
G05 – G07	A1/A2/A3	A+/A/A-	A+/A/A-	債務被認為本身具有中高等級別的獨立財務實力，即使可能沒有任何關聯公司或政府的特別支持的情況下，所承受的信用風險為低風險。 Obligations are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or government.
G08 – G10	Baa1/Baa2/Baa3	BBB+/BBB/BBB-	BBB+/BBB/BBB-	債務被認為本身具有中等或獨立的財務實力，即使可能擁有某些投機性信貸因素，而沒有任何關聯機構或政府提供特別支持的情況下所承受的信用風險為適度。 Obligations are judged to have medium-grade intrinsic, or standalone, financial strength, and thus subject to moderate credit risk and, as such, may possess certain speculative credit elements absent any possibility of extraordinary support from an affiliate or government.
G11 – G13	Ba1/Ba2/Ba3	BB+/BB/BB-	BB+/BB/BB-	債務被認為本身具有投機性或獨立的財務實力，即使可能沒有任何關聯機構或政府提供特別支持的情況下，將會面臨較大的信用風險。 Obligations are judged to have speculative intrinsic, or standalone, financial strength, and are subject to substantial credit risk absent any possibility of extraordinary support from an affiliate or government.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(i) 信貸質素 (續)

債務人級別 Obligor Grade	參考ECAI評級 Reference ECAI Rating			評級說明 Rating Description
	穆迪 Moody's	標準普爾 S&P	惠譽國際 Fitch	
G14 – G16	B1/B2/B3	B+/B/B-	B+/B/B-	債務被認為本身具有投機性或獨立的財務實力，但可能在沒有任何關聯機構或政府提供特別支持的情況下，會承受高信用風險。 Obligations are judged to have speculative intrinsic, or standalone, financial strength, and are subject to high credit risk absent any possibility of extraordinary support from an affiliate or government.
G17 – G18	Caa1/Caa2	CCC+/CCC	CCC+/CCC	債務被認為本身具有投機性或獨立的財務實力，但可能沒有來自關聯公司或政府的任何特別支持的情況下，會承受非常高的信用風險。 Obligations are judged to have speculative intrinsic, or standalone, financial strength, and are subject to very high credit risk absent any possibility of extraordinary support from an affiliate or government.
G19 需要關注 G19 Special Mention	Caa3	CCC-	CCC-	債務被認為本身具有高度的投機性，並且很可能處於或接近違約，但仍有一定的本金和利息回收的前景。 Obligations are judged to have highly speculative intrinsic, and are likely in, or near, default, with some prospect of recovery of principal and interest.
G20 需要關注 G20 Special Mention	Ca	CC	CC	債務被認為本身具有高度投機性，並且很可能處於違約或非常接近違約的狀態，但仍有一定的本金和利息回收的前景。 Obligations are judged to have highly speculative intrinsic, and are likely in, or very near, default, with some prospect of recovery of principal and interest.
G21 需要關注 G21 Special Mention	C	C	C	債務評級為最低，通常達致違約，回收本金或利息的可能性很小。 Obligations are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.
G22 次級 G22 Substandard	D	D	D	次級。根據資產分類政策。 Substandard. In accordance with the Asset Classification Policy.
G23呆滯 G23 Doubtful	D	D	D	呆滯。根據資產分類政策。 Doubtful. In accordance with the Asset Classification Policy.
G24損失 G24 Loss	D	D	D	損失。根據資產分類政策。 Loss. In accordance with the Asset Classification Policy.

40 Financial risk management (continued)

(a) Credit risk management (continued)

(i) Credit quality (continued)

40 金融風險管理 (續)**(a) 信貸風險管理 (續)****(ii) 信貸風險上限**

於結算日承受的信貸風險上限，未計及任何持有的抵押品或其他信用提升，為財務狀況表中每項金融資產於扣除任何減值準備後的賬面金額。信貸風險上限概述如下：

		2018	2017
		港幣千元	港幣千元
		HK\$'000	HK\$'000
現金及在銀行、中央銀行及其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	29,622,486	31,657,854
在銀行、中央銀行及其他金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	52,886,380	47,402,438
以公允價值計入損益的金融資產	Financial assets at fair value through profit or loss	1,440,019	1,028,240
衍生金融工具	Derivative financial instruments	6,027,833	4,770,495
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	203,501,746	198,539,113
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income	66,881,606	—
可供出售證券	Available-for-sale securities	—	59,254,976
財務擔保及其他與信貸有關的或有負債	Financial guarantees and other credit-related contingent liabilities	7,721,683	6,221,870
貸款承擔及其他與信貸有關的承擔	Loan commitments and other credit-related commitments	81,724,083	99,299,581
		449,805,836	448,174,567

按信貸質素及階段分佈的金融資產的進一步分析呈列於財務報表附註40(a)(vii)。

40 Financial risk management (continued)**(a) Credit risk management (continued)****(ii) Exposure of credit risk**

The maximum exposure to credit risk at the end of the reporting period, without considering any collateral held or other credit enhancements, is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowances. A summary of the maximum exposure is as follows:

Further detailed analyses of the credit quality of financial assets by credit quality and stage distribution are provided in the note 40(a)(vii) of the financial statements.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(iii) 主要淨額結算協議

本集團與其他交易方訂下主要淨額結算協議。假如發生違約，所有與其他交易方未完成的交易將被終止及所有未償還款項將以按淨額基準結算。除了違約情況，所有與其他交易方未完成的交易是按總額結算，及一般不會在財務狀況表的資產和負債抵銷。本集團披露信息是為了讓財務報告使用者評估淨額結算協議於本集團的財務狀況的潛在影響，其中包括抵銷本集團已確認金融資產和金融負債的相關權利。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(iii) Master netting arrangement

The Group enters into enforceable master netting arrangements with counterparties. If an event of default occurs, all outstanding transactions with the counterparty are terminated and all amounts outstanding are settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position. The Group discloses information for financial statement users to evaluate the effect or potential effect of netting arrangements, including the rights of set-off associated with the Group's recognised financial assets and recognised financial liabilities, on the Group's financial position.

		2018			
		在財務狀況表內 沒有抵銷的相關數額			
		Related amounts that are not offset in the statement of financial position			
		在財務狀況表 內匯報的衍生 金融工具淨額	持有 現金抵押		淨額
		Derivative financial instruments presented in the statement of financial position	金融工具 Financial instruments	Cash collateral received	Net amount
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
金融資產	Financial assets				
— 衍生金融工具(附註20)	– Derivative financial instruments (note 20)	6,027,833	(3,046,261)	(1,828,798)	1,152,774
金融負債	Financial liabilities				
— 衍生金融工具(附註20)	– Derivative financial instruments (note 20)	6,543,351	(3,046,261)	–	3,497,090

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(iii) 主要淨額結算協議 (續)

40 Financial risk management (continued)

(a) Credit risk management (continued)

(iii) Master netting arrangement (continued)

		2017			
		在財務狀況表內 沒有抵銷的相關數額			
		Related amounts that are not offset in the statement of financial position			
		Derivative financial instruments presented in the statement of financial position 港幣千元 HK\$'000	金融工具 Financial instruments 港幣千元 HK\$'000	持有 現金抵押 Cash collateral received 港幣千元 HK\$'000	淨額 Net amount 港幣千元 HK\$'000
金融資產	Financial assets				
－衍生金融工具(附註20)	－ Derivative financial instruments (note 20)	4,770,495	(3,087,306)	(466,466)	1,216,723
金融負債	Financial liabilities				
－衍生金融工具(附註20)	－ Derivative financial instruments (note 20)	4,824,483	(3,087,306)	－	1,737,177

(iv) 緩減信貸風險－抵押品及其他信用提升

本集團致力投放資源以不同方式減緩信貸風險。一般而言，本集團以抵押品及其它信用提升以減緩最終信貸敞口的風險。本集團將繼續提升減緩信貸風險的水平。

本集團用作貸款及墊款而持有的抵押品主要包括按揭、現金抵押、於主要指數或認可的交易所上市的股權、應收賬款賦值、備用信用證及上市的債務證券。在一些情況下，本集團將視乎客戶的狀況和申請的信貸產品類別，批核由企業或個人作擔保的無抵押貸款。

(iv) Mitigation of credit risk – Collateral and other credit enhancements

The Group is dedicated to mitigating credit risk, and this takes many forms. In general, risk to the Group's ultimate credit exposure is mitigated by recognised collateral and credit risk enhancement. The Group continuously seeks to enhance its level of credit risk mitigation.

The principal collateral received to secure loans and advances includes mortgages, cash collateral, equities listed on a main index/recognised exchanges, accounts receivable assignments, standby letters of credit and listed debt securities acceptable to the Group. In some cases, depending on the customer's position and the types of credit products, some loans may be granted and backed by corporate or personal guarantees only.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(iv) 緩減信貸風險－抵押品及其他信用提升 (續)

本集團有一套特定的準則以評核特定級別的抵押品及信用提升的可接受度及其估值參數。該估值參數傾向保守並會作定期檢討。本集團對結構性證券及契約（財務及非財務）作定期檢討以確保它們均能符合有關協定情況。儘管抵押品在減緩信貸風險上十分重要，本集團政策以評估個人客戶或交易對手的還款能力為本而並非單純依靠抵押品。

本集團於2018年及2017年12月31日含抵押品的信貸風險分佈（扣除減值的風險承擔後）如下：

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
貸款及墊款總額及持有作抵押金融資產之抵押品及其他信用提升的公允價值兩者之較低者為：	Lower of gross loans and advances and fair value of collateral and other credit enhancements held against financial assets that are:		
－ 沒有逾期或減值	－ neither past due nor impaired	85,998,378	89,089,655
－ 逾期但沒有減值	－ past due but not impaired	1,472,429	1,498,422
		87,470,807	90,588,077

(v) 貸款組合管理及風險集中度 貸款組合管理

本集團採用以風險為本的定價制度模型作為貸款組合管理的其中一組措施。而該措施已計及客戶信用額的風險及用來支持貸款敞口及其它成本所需資本，務求改善銀行的整體回報。本集團定期進行風險壓力測試。結果由相關委員會批准，並由董事會於信貸及風險管理委員會通過。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(iv) Mitigation of credit risk – Collateral and other credit enhancements (continued)

The Group has guidelines on the acceptability of specific classes of collateral or credit risk enhancements accompanied by the determination of valuation parameters. Such parameters are expected to be conservative and reviewed regularly. Security structures and covenants (financial and non-financial) are subject to regular review to ensure they comply with the stipulated conditions. The collateral is important to mitigate credit risk, but it is the Group's policy to assess the repayment ability of individual customers or counterparties rather than just solely relying on securities.

The Group's collateralised credit risk at 31 December 2018 and 31 December 2017, excluding impaired exposure, is broken down as follows:

(v) Portfolio management and risk concentration Portfolio management

As part of the Group's portfolio management practices, a Risk-based Pricing Model has been adopted with the aim of improving the overall return for the Group, after taking into account the risks of the customers and facilities, and thus the capital required to support the loan exposure and other costs. Stress tests on the Group's credit risk are conducted regularly. The result is approved by the relevant committees and is endorsed by the Board through the CRMC.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(v) 貸款組合管理及風險集中度 (續)

風險集中度

本集團已推行風險集中度管理政策並經常檢視貸款敞口以監控客戶、國家、市場分佈及產品上有關信貸集中的風險。

當一組交易對手同時受相同地區、經濟或行業因素影響，而該組別之信貸風險承擔對本集團的總體風險承擔至關重要時，便會產生信貸風險集中的問題。本集團的金融工具組合分散在不同的地區、行業和產品類別。

(vi) 預期信貸損失計量

在《香港財務報告準則》第9號下，所有分類為按攤餘成本或以公允價值計入其他全面收益的債務工具金融資產及不以公允價值計入損益的貸款承擔及財務擔保都需要確認預期信貸損失。預期信貸損失模型的應用對於從前《香港會計準則》第39號的已產生損失模型是一個重大的變動。預期信貸損失準備的計算已考慮一系列可能結果、時間值及有關聯的過往事件、現時狀況及預測未來經濟狀況的合理預測。前瞻性資料和其相關的專業判斷是預期信貸損失準備模型的一個重要因素。相反，已產生損失模型只考慮包括宏觀經濟因素及事件的過往及現時狀況。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(v) Portfolio management and risk concentration (continued)

Risk concentration

A Credit Risk Concentration Policy is in place and the Group constantly reviews its loan exposure to monitor the concentration of credit risk relating to customers, countries, market segments and products.

Concentration of credit risk exists when changes in geographic, economic or industry factors affect groups of linked counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instrument is diversified along geographical, industry and product sectors.

(vi) Expected credit losses measurement

Under HKFRS 9, expected credit losses allowances are recognised on all financial assets that are debt instruments classified either as amortised or fair value through other comprehensive income and for loan commitments and financial guarantees that are not measured at fair value through profit and loss. The application of an ECL model represents a significant change from the incurred loss model under HKAS 39. The ECL allowances represents an unbiased scenario that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecast future economic conditions. Forward-looking information is explicitly incorporated into the estimation of ECL allowances and expert judgement on economic forecasts becomes one of the important factors to the ECL. In contrast, the incurred loss model incorporated factors, including macroeconomic factors and information about past events and current conditions.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

預期信貸損失計量

預期信貸損失準備的計量是：(i) 12個月預期信貸損失；或(ii) 自初始確認後經歷信貸風險大幅上升的金融工具以預期年限信貸損失計算。預期信貸損失準備的計算是基於上行、基礎及下行情景的概率加權情景的預期數值以計量預期現金短缺，並以實際利率折現。現金短缺是到期的合約現金流及本集團預期收到的現金流間的差異。第3階段的預期信貸損失準備之計算是基於已減值金融資產產生的概率加權回收金額，該金額並已通過評估一系列可能結果及金錢時間值得以確定。

計量第1階段及第2階段的預期信貸損失準備的主要數據如下：

- 違約或然率是於特定時間範圍內預期違約之可能性；
- 違約損失率是於特定時間內如發生違約的預期損失；及
- 違約風險承擔是於未來違約日的預期風險承擔。

階段轉移

第1階段包括所有自初始確認後沒有觸發信貸風險大幅上升的非已減值金融資產。通過於報告結算日金融工具發生違約的風險及於初始確認時金融工具發生違約的風險作出比較，本集團持續監察此等資產的信貸風險及評估信貸風險是否有重大上升。

第2階段包括所有自初始確認後已發生信貸風險大幅上升的非已減值金融資產。本集團為第2階段金融資產確認預算期限信貸損失。在其後的報告期內，如金融資產的信貸風險改善並不再是自初始確認後發生信貸風險重大上升，由於金融資產已轉回第1階段，本集團返回確認12個月預期信貸損失。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

Measurement of ECL

ECL allowances are measured at amounts equal to either: (i) 12-month ECL; or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk ('SIC') since initial recognition. The calculation of ECL allowances is based on the expected value of probability-weighted scenarios with a combination of upside, base and downside scenario(s) to measure the expected cash shortfalls, discounted at the effective interest rate. A cash shortfall is the difference between the contractual cash flows that are due and the cash flows that the Group expects to receive. The calculation of ECL allowances for Stage 3 is based on probability-weighted recovery amount from an impaired financial asset that is determined by evaluating a range of possible outcomes and time value of money.

The key inputs in the measurement of ECL allowances for Stage 1 and Stage 2 are as follows:

- The probability of default ('PD') is an estimate of the likelihood of default over a given time horizon;
- The loss given default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time; and
- The exposure at default ('EAD') is an estimate of the exposure at a future default date.

Stage transfer

Stage 1 is comprised of all non-impaired financial assets which have not triggered a SIC since initial recognition. Their credit risk continuously monitored by the Group and in assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instruments as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of its initial recognition.

Stage 2 is comprised of all non-impaired financial assets which have triggered a SIC since initial recognition. The Group recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial assets improves such that there is no longer a SIC since initial recognition, then the Group reverts to recognising 12 months of ECL as the financial assets have transferred back stage 1.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

階段轉移 (續)

第3階段金融資產是本集團已分類為信貸減值的資產。本集團為所有第3階段金融資產確認預期年限貸款損失。自金融資產初始確認後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事件時，本集團將金融資產分類為已減值。減值的證據包括借款人發生重大財務困難，或已發生違約或拖欠。

如以上披露，除了在對信用風險沒有大幅增加的金融資產運用最高（即12個月）的違約或然率的情況外，從風險管理角度，本集團有權考慮於計算預期信貸損失時，應用比剩餘合約時間更長時間的信貸風險。

預期信貸損失對賬摘要分析了在報告期內推動預期信貸損失和相關損益表變動的關鍵因素。關鍵要素包括如下：

對賬摘要中列示的金融資產包括與銀行，中央銀行和其他金融機構的結存，銀行，中央銀行和其他金融機構的存款和墊款，客戶貸款及墊款，攤銷成本的其他資產，以公允價值計入其他全面收益的金融資產－債務證券。就本披露而言，總賬面值是指以公允價值計入其他全面收益的金融資產－債務證券的公允價值。總賬面值的變動是通過其他綜合收益進行，但確認預期信貸損失準備，利息收入以及匯兌損益則在損益中確認。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

Stage transfer (continued)

Stage 3 financial assets are those that the Group has classified as credit-impaired. The Group recognises lifetime ECL for all stage 3 financial assets. The Group classifies financial assets as impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred after its initial recognition. Evidence of impairment includes indications that the borrower is experiencing significant financial difficulties, or a default or delinquency has occurred.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the remaining life of the financial instrument, even if, for risk management purposes, the Group has the right to consider a longer period.

The ECL reconciliation summary analyse the key elements that drive the movement of ECL and related income statement over the reporting period. The key elements included below are:

Financial assets presented in the reconciliation summary comprise balances with banks, central banks and other financial institutions, placement with and advances to banks, central banks and other financial institutions, loan and advances to customers, other assets at amortised cost, FVOCI – debt securities. For the purposes of this disclosure, the gross carrying amounts refer to the fair values of the FVOCI – debt securities. Movements in the gross carrying amount are taken through other comprehensive income, except for the recognition of ECL allowances, interest revenue and foreign exchange gains and losses which are recognised in profit and loss.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

		2018							
		第1階段 Stage 1		第2階段 Stage 2		第3階段 Stage 3		總額 Total	
		金融資產 Financial assets	預期信貸 損失準備 ECL allowances	金融資產 Financial assets	預期信貸 損失準備 ECL allowances	金融資產 Financial assets	預期信貸 損失準備 ECL allowances	金融資產 Financial assets	預期信貸 損失準備 ECL allowances
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
2018年1月1日	At 1 January 2018	325,278,868	978,091	7,923,449	751,464	2,501,404	1,278,687	335,703,721	3,008,242
收益表變動的影響	Movements with income statement impact								
轉移：	Transfer:								
—轉入第1階段	— Transfer to Stage 1	221,118	26,257	(221,118)	(26,257)	-	-	-	-
—轉入第2階段	— Transfer to Stage 2	(9,257,474)	(86,061)	9,257,711	86,298	(237)	(237)	-	-
—轉入第3階段	— Transfer to Stage 3	(489,269)	(5,877)	(1,752,253)	(234,684)	2,241,522	240,561	-	-
階段轉撥產生之預期 信貸損失準備重新 計量淨額	Net remeasurement of ECL allowances arising from transfer between stage	-	(24,598)	-	1,327,738	-	314,311	-	1,617,451
新金融資產源生/ (終止確認或還款)淨額	Net new financial assets originated/ (derecognised or repaid)	23,196,317	2,734	44,174	(99,144)	(1,225,751)	(165,910)	22,014,740	(262,320)
風險參數變動 (模型數據)	Changes to risk parameters (model inputs)	-	(199,148)	-	(176,789)	-	426,966	-	51,029
貸款減值損失折現回撥 (附註4(a))	Unwinding of discount on loan impairment losses (Note 4(a))	-	-	-	-	-	(43,941)	-	(43,941)
沖銷數額	Amounts written-off	(880)	(880)	(400)	(400)	(1,428,946)	(1,428,946)	(1,430,226)	(1,430,226)
公允價值、外幣轉換及 其他數據之變動	Changes in fair values, foreign translation and others	(432,048)	-	-	-	(206,646)	-	(638,694)	-
2018年12月31日	At 31 December 2018	338,516,632	690,518	15,251,563	1,628,226	1,881,346	621,491	355,649,541	2,940,235

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

信貸風險重大上升

在每個財務報告期間，通過考慮在金融工具剩餘合約期間發生的違約風險的變化來評估自初始確認以來金融工具是否經歷了信貸風險大幅上升。該評估是建基於規範化的、無偏頗的和前瞻性的基礎，並考慮到所有合理和可支援的資訊，包括關於過去發生的事件、現況和未來經濟狀況。

在以下情況下，金融工具將被視為信用風險重大增加：

- (a) 票據的合同付款逾期30天以上；或
- (b) 自最初確認以來，金融工具的信用評級下降5個級別；或
- (c) 金融工具被列為關注。

在預期信貸損失計算所用到的前瞻性資料

評估信貸風險大幅上升及預期信貸損失計算都有用到前瞻性資料。本集團已就各組合作出歷史分析並識別影響信貸風險及預期信貸損失的重要經濟變數。

此等經濟變數及其對違約或然率，違約風險承擔及違約損失率的相關影響因應金融工具而改變。在此過程中需要應用專業判斷。至於此等經濟變數（基準經濟情景）的預測則由本集團經濟專家提供並已包括外部實際及預測資料的考慮。此外，本集團制定了一個對有關經濟變數未來方向的基準情景觀點以及具代表性的可能預測情景（包括1個上行及3個下行預測情景）。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

Significant increase in credit risk (SICR)

An assessment of whether the financial instruments have experienced SICR since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. The assessment is rule-based, unbiased and forward-looking, and considers all reasonable and supportable information, including information about past events, current conditions and future economic conditions.

The financial instruments will be considered to have significant increase in credit risk when:

- a) The contractual payments of the instruments are with more than 30 days past due; or
- b) The credit rating of the financial instrument has been went down by 5 notches since initial recognition; or
- c) The financial instruments have been classified as special mention.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the 'base economic scenario') are provided by the Group's economic experts and include consideration of a variety of external actual and forecast information. The Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios such as 1 upside and 3 downside forecast scenarios.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

在預期信貸損失計算所用到的前瞻性資料 (續)

基準情景的比重為65%，代表最有可能的情景，亦即持續現時經濟狀況；上行情景的比重為7%，代表進一步改善現時經濟環境的可能性；以及輕微、中等及嚴重3個下行情景比重合計為28%，代表在不同程度下經濟下行的可能情況。以下經濟數據反映了上行、基準及下行情景：

2019年第1季至2023年 第2季平均	Average Q1 2019 – Q2 2023	香港 Hong Kong			中國內地 Mainland China		
		上行 Upside	基準 Base	下行 Downside	上行 Upside	基準 Base	下行 Downside
生產總值增長率(%)	GDP growth rate (%)	3.1	2.9	0.8	6.7	6.4	4.9
通脹率(%)	Inflation (%)	2.7	2.6	0.9	1.6	1.5	-0.4
失業率(%)	Unemployment (%)	3.0	3.2	4.3	3.8	4.0	4.8
物業價格指數	Property price index	327.4	311.8	255.9			
真實匯率	Real exchange rate	121.1	115.3	98.5			
6個月之結算率(%)	Settlement rate in 6 months (%)	1.4	1.4	0.9			
12個月之結算率(%)	Settlement rate in 12 months (%)	2.0	1.9	1.3			

於財務報表確認的預期信貸損失反映按以上一系列可能情景出現的或然率加權結果及管理層在需要時作出的加疊判斷。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

Forward-looking information incorporated in the ECL models (continued)

In particular, the base scenario carrying weighting of 65% represents the most likely scenario of continuing the current economic situation; the one upside scenario, carrying 7% weighting, represents likelihood of further improving the current economic prospect; and the three downside scenarios, namely, mild, medium and severe, carrying weighting of 28% in total, represents the likelihood of economic downturn of different severities. The following economic figures characterise the upside, base and downside scenarios:

The ECL recognised in the financial statements reflect the probability weighted outcomes of a range of possible scenarios above and the management overlay where required.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

基準情景

本集團的基準情景是預期在2019至2024年期間世界經濟大致溫和緩慢增長。預計在此期間全球國內生產總值年均增長3.3%，其中，2019至2021年增長3.4%至3.6%，2021至2024年增長3.0%至3.3%。增長放緩反映全球經濟復甦將會在此期間完結。

預計中國國內生產總值增長速度在預測期間將進一步放緩至6.0%至6.5%，這是在發展階段的持續經濟再平衡和改革的背景下，經濟持續但逐步放緩，以及中美貿易戰的負面因素影響的共同結果。

預計同期香港經濟增長亦會放緩至2.5%至3.0%。

預計主要經濟體的通脹將會低幅增長，偏離在預測期內以不同速度邁向各央行的2%目標。因此，預計美國和歐元區央行貨幣政策正常化的步伐將放緩。

發達經濟體失業率顯著降低，中國內地和香港失業率更接近歷史低點。預計發達經濟體以及中國內地和香港的失業率在預測期內將會企穩而帶上行風險。

危機情景

在危機情景下，受中美及全球貿易戰，美國和中國經濟週期性快速下滑，主要經濟體政策失誤，或地緣政治衝突升級的打擊，全球經濟陷入衰退。預計大多數發達經濟體增長轉負，中國內地經濟增長顯著放緩。其結果，房地產市場大幅下跌，股市大幅度調整，大宗商品價格顯著回落，通貨膨脹率快速下滑，以及失業率大幅上升。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

The Base scenario

The Group's Base Scenario is characterised by a moderately slower growth over the forecast period 2019-2024. Global GDP growth is forecast to average 3.3% over the period, with 3.4%-3.6% during 2019-2021 and 3.0%-3.3% in 2021-2024. The slower growth reflects that global economic recovery will end over the period.

Mainland China GDP growth is forecast to slow further to 6.0%-6.5% over the forecast period, as a joint result of a continued while gradual slowdown amid sustained economic rebalancing and reforms from a development stage point of view, and the negative impacts of the China-US trade war.

Hong Kong growth is also expected to weaken, to 2.5%-3.0% during the period.

Inflation is expected to edge lower in major economies, moving away from the central banks' target of 2% at different paces over the forecast period. As a result, the pace of central bank's monetary policy normalization in US and Eurozone is projected to moderate.

Unemployment rates have experienced significant improvements in advanced economies and been near historical lows in Mainland China and Hong Kong. The unemployment rates are expected to stabilize with an upside risk over the forecast period, in both advanced economies and Mainland China and Hong Kong.

The Severe Scenario

Under the Severe Scenario, the global economy falls into recession hit by China-US and global trade wars, a fast cyclical downturn in the US and China economies, policy failures by governments in major economies, or geopolitical tensions. GDP growth is forecast to become negative in most of the advanced economies and see a significant slowdown in Mainland China. Consequently, property markets see significant falls, equity markets experience sharp corrections, commodity prices and hence inflation witness deep declines, and unemployment rates show considerable rises.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

較好、較差和中性情景

較好情景從基準情景略向正面方向偏離，全球經濟以略快於基準預期的速度擴張，其他主要經濟指標表現略好於基準預期。

較差情景從基準情景略向負面方向偏離，全球經濟以略低於基準預期的速度擴張，其他主要經濟指標表現略差於預期。

中性情景處於基準情景和危機情景之間，全球經濟增長速度和其他主要經濟指標均處於兩種情景之間的中間點。

預期信用損失計算的敏感性分析

本集團為(1)經濟情景及(2)評級下調對預期信貸損失的影響進行了一系列敏感性分析。

(1)(i) 將2018年底基準情景下的預期信用損失與5個情景的概率加權結果的差異進行比較，基準情景下的預期信用損失約為12% (3.1億港元) 低於目前在綜合財務報告中報告的5個經濟情景的加權結果。

(ii) 通過假設於2018年底從基準情景向上下方向偏離10%，其預期信貸損失將減少約1億港元或增加約1.4億港元。

(2) 通過假設2018年底前10名履行風險敞口的評級下調兩級，其預期信貸損失將增加8億港元。預期信貸損失的增加與違約概率水平和階段影響的增加一致。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

The Benign, Mild and Medium Scenarios

The Benign Scenario is a slight deviation from the Base Scenario in the positive direction, with the global economy expanding at a slightly faster than-expected pace and other key economic indicators displaying slightly better-than-expected improvements.

The Mild Scenario is a slight deviation from the Base Scenario in the negative direction, with the global economy expanding at a slightly slower-than-expected pace and other key economic indicators displaying slightly worse-than-expected improvements.

The Medium Scenario is in the middle position between the Base Scenario and the Severe Scenario, with the global GDP growth rate and other key economic indicators standing at the medium points between those of the two scenarios.

Sensitivity analyses of expected credit loss calculation

The Group has conducted a series of sensitivity analyses for the impacts of (1) economic scenarios, (2) rating downgrade on expected credit loss:

(1)(i) Comparing the difference of expected credit loss under the Base Scenario against the probability weighted outcomes of 5 scenarios at the year ended of 2018, the expected credit loss under the base scenario would be approximately 12% (HKD310 million) lower than the weighted outcomes of the 5 economic scenarios currently reported in the consolidated financial statements.

(ii) By assuming 10% scenario weight shift from Base scenario to upside or to downside scenarios at the year end of 2018, there would be a decrease in credit loss by approximately HKD100 million or an increase in credit loss by approximately HKD140 million, respectively.

(2) By assuming two rating down grade for the top 10 performing exposures at the year end of 2018, there would be an increase in credit loss by approximately HKD800 million. The increment in expected credit loss is a result of the increase in level of probability of default and staging effect.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vi) 預期信貸損失計量 (續)

違約及信貸減值資產定義

本集團對違約金融資產的定義與《香港財務報告準則》第9號中信貸減值的定義一致。

在評估借款人是否違約時，本集團考慮的因素包括：(i)定性方面－例如違反財務限制條款、身故、破產或長期暫緩還款；(ii)定量方面－例如逾期情況及同一發行人未能向本集團償還其他債務。此等條件已應用到所有本集團持有的金融資產及與內部信貸風險管理中的違約定義一致。此違約定義已應用於本集團計算預期損失中使用的違約或然率、違約風險承擔及違約損失率。當本金或利息的合約還款出現逾期超過90天時，本集團認為該金融資產出現違約。

當所有包括利息的逾期數額已收回，其本金及利息已根據原有或已修訂合約條款被確定應可全數收回，或所有分類為已減值的條件已糾正時，該資產不再是違約。

沖銷

當未能合理預期收回全部或部份金融資產，本集團將全數或部份金融資產沖銷。未能合理預期收回的指標包括：(i)終止執法行動及(ii)本集團的收回方法是在抵押品上強制執行及未能合理預期從抵押品的價值全數收回。

(vii) 金融資產的信貸質量

本集團致力管理及監控其風險並已推行資產質量分類政策及減值評估政策為這範疇作有效管治。本集團擁有專業團隊處理追收不良貸款的工作，包括貸款重組，採取法律行動，收回資產及出售抵押品等。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vi) Expected credit losses measurement (continued)

Definition of default and credit-impaired assets

The Group defines a financial asset as in default, which is fully aligned with the definition of credit-impaired under HKFRS 9.

In assessing whether a borrower is in default, the Group considers indicators that are: (i) qualitative – e.g. in breach of financial covenant(s), deceased, insolvent or in long-term forbearance; (ii) quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group. These criteria have been applied to all financial assets held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations. The Group considers a financial asset to be in default when contractual repayment of principal or payment of interest is past due more than 90 days.

A financial asset is no longer considered in default when all past due amounts, including interest, have been recovered, and it is determined that the principal and interest are fully collectible in accordance with the original or revised contractual terms of the financial assets with all criteria for the impaired classification having been remedied.

Write-off

The Group writes off a financial asset in whole or in part, when it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. Indicators that there is no reasonable expectation of recovery include: (i) ceasing enforcement activity and (ii) where the Group's recovery method is enforcing collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(vii) Credit quality of financial assets

The Group manages and monitors its risks, and has an Asset Quality Classification Policy and Impairment Assessment Policy in place to govern this aspect. The Group has a professional team dedicated to handling recovery of non-performing loans, which include loan restructuring, taking legal action, repossession and disposal of collateral, etc.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(vii) 金融資產的信貸質量 (續)

按信貸質量及階段分佈列示已應用《香港財務報告準則》第9號減值規定的金融工具分佈。

40 Financial risk management (continued)

(a) Credit risk management (continued)

(vii) Credit quality of financial assets (continued)

Distribution of financial instruments to which the impairment requirements in HKFRS 9 are applied, by credit quality and stage distribution.

		賬面/名義金額 Gross carrying/ notional amount					預期信貸 損失準備 ECL	賬面淨額 Net carrying amount
		優質 Strong 港幣千元 HK\$'000	滿意 Satisfactory 港幣千元 HK\$'000	較高風險 Higher risk 港幣千元 HK\$'000	已減值 Credit impaired 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
在銀行、中央銀行及其他金融機構 的結存按攤餘成本	Balances with banks, central banks and other financial institutions at amortised cost	29,420,376	-	-	-	29,420,376	(22,613)	29,397,763
- 第1階段	- Stage 1	29,420,376	-	-	-	29,420,376	(22,613)	29,397,763
- 第2階段	- Stage 2	-	-	-	-	-	-	-
- 第3階段	- Stage 3	-	-	-	-	-	-	-
在銀行、中央銀行及其他金融機構 的存款及墊款按攤餘成本	Placements with and advances to banks, central banks and other financial institutions at amortised cost	52,666,841	226,366	-	-	52,893,207	(6,827)	52,886,380
- 第1階段	- Stage 1	52,666,841	226,366	-	-	52,893,207	(6,827)	52,886,380
- 第2階段	- Stage 2	-	-	-	-	-	-	-
- 第3階段	- Stage 3	-	-	-	-	-	-	-
客戶貸款及墊款按攤餘成本	Loans and advances to customers at amortised cost	118,834,507	63,654,648	17,614,589	1,716,138	201,819,882	(2,658,898)	199,160,984
- 第1階段	- Stage 1	118,453,578	62,904,179	3,495,938	-	184,853,695	(631,370)	184,222,325
- 第2階段	- Stage 2	380,929	750,469	14,118,651	-	15,250,049	(1,628,226)	13,621,823
- 第3階段	- Stage 3	-	-	-	1,716,138	1,716,138	(399,302)	1,316,836
其他金融資產按攤餘成本	Other financial assets at amortised cost	4,148,532	444,219	-	41,719	4,634,470	(39,036)	4,595,434
- 第1階段	- Stage 1	4,148,532	442,705	-	-	4,591,237	(1,156)	4,590,081
- 第2階段	- Stage 2	-	1,514	-	-	1,514	-	1,514
- 第3階段	- Stage 3	-	-	-	41,719	41,719	(37,880)	3,839
貸款承擔和財務擔保合約(附註(i))	Loan commitments and financial guarantee contracts (Note (i))	4,094,819	4,147,434	312,374	-	8,554,627	(40,151)	8,514,476
- 第1階段	- Stage 1	4,094,819	4,147,434	312,374	-	8,554,627	(40,151)	8,514,476
- 第2階段	- Stage 2	-	-	-	-	-	-	-
- 第3階段	- Stage 3	-	-	-	-	-	-	-
於2018年12月31日	At 31 December 2018	209,165,075	68,472,667	17,926,963	1,757,857	297,322,562	(2,767,525)	294,555,037
以公允價值計入其他全面收益的 金融資產—債務證券(附註(ii))	Financial assets at fair value through other comprehensive income — Debt securities (Note (ii))	65,603,773	1,154,344	-	123,489	66,881,606	(212,861)	
- 第1階段	- Stage 1	65,603,773	1,154,344	-	-	66,758,117	(28,552)	
- 第2階段	- Stage 2	-	-	-	-	-	-	
- 第3階段	- Stage 3	-	-	-	123,489	123,489	(184,309)	
於2018年12月31日	At 31 December 2018	65,603,773	1,154,344	-	123,489	66,881,606	(212,861)	

40 金融風險管理 (續)**(a) 信貸風險管理 (續)****(vii) 金融資產的信貸質量 (續)**

附註：

(i) 承擔和財務擔保合約的名義金額是指需應用《香港財務報告準則》第9號減值規定的承擔和財務擔保合約。因此以上列示的數字與財務報告附註42(a)有所不同。

(ii) 於2018年12月31日，以公允價值計入其他全面收益的債務證券以公允價值列示。以公允價值計入其他全面收益的債務證券的預期信貸損失準備於儲備中反映。

(iii) 信貸質量分類

本集團採用以下內部風險評級以決定金融資產的信貸質量。

信貸質量說明	Credit quality description	內部評級 Internal ratings
優質	Strong	G01-G12
滿意	Satisfactory	G13-G16
較高風險	Higher risk	G17-G21
已減值	Credit impaired	G22-G24

(viii) 以公允價值計入損益和以公允價值計入其他全面收益的債務證券金融資產的信貸質量

在使用債務證券的信貸評級時，如外部評級機構對該等發行具有指定評級，該等指定發行評級將作為信貸風險評級分配的參考。如該等發行並沒有指定發行評級，但具有發行人評級，該等發行人評級將作為信貸風險評級分配的參考。下表呈列在結算日債務證券的投資之信貸質量分析。

40 Financial risk management (continued)**(a) Credit risk management (continued)****(vii) Credit quality of financial assets (continued)**

Note:

(i) The notional amount of commitments and financial guarantee contracts refer to those commitments and financial guarantees which subject to impairment requirements under HKFRS 9. Figures disclosed in the above do not agree with the figures disclosed in note 42(a) of the annual financial statements.

(ii) Debt securities measured at financial assets at fair value through other comprehensive income are held at fair value at 31 December 2018. The expected credit losses allowances in respect of debt securities measured at FVOCI are held within reserves.

(iii) Classification of credit quality

The Group adopts the following internal risk ratings to determine the credit quality for financial assets.

(viii) Credit quality of financial assets at debt securities measured at FVPL and FVOCI

For the usage of credit rating to debt securities, where issue specific rating from external credit agencies is available, the issue specific rating would be taken as reference for credit risk rating assignment. If issue specific rating is not available but issuer rating is available, issuer rating would be taken as reference for credit risk rating assignment. The following table presents an analysis of the credit quality of investments in debt securities at the end of the reporting period.

40 金融風險管理 (續)

(a) 信貸風險管理 (續)

(viii) 以公允價值計入損益和以公允價值計入其他全面收益的債務證券金融資產的信貸質量 (續)

40 Financial risk management (continued)

(a) Credit risk management (continued)

(viii) Credit quality of financial assets at debt securities measured at FVPL and FVOCI (continued)

		2018		
		以公允價值計入 損益的金融資產 — 債務證券 Debt securities measured at FVPL 港幣千元 HK\$'000	以公允價值計入 其他全面收益 的金融資產 — 債務證券 Debt securities measured at FVOCI 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
Aaa	Aaa	—	2,704,655	2,704,655
Aa3至Aa1	Aa3 to Aa1	495,953	16,731,740	17,227,693
A3至A1	A3 to A1	115,544	35,774,385	35,889,929
低於A3	Lower than A3	785,625	9,400,360	10,185,985
		1,397,122	64,611,140	66,008,262
未評級	Unrated	42,897	2,270,466	2,313,363
總額	Total	1,440,019	66,881,606	68,321,625

		2017		
		以公允價值計入 損益的金融資產 — 債務證券 Debt securities measured at FVPL 港幣千元 HK\$'000	可供出售證券 — 債務證券 Available-for-sale securities – debt securities 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
Aaa	Aaa	—	2,490,087	2,490,087
Aa3至Aa1	Aa3 to Aa1	36,473	13,423,924	13,460,397
A3至A1	A3 to A1	59,980	30,084,326	30,144,306
低於A3	Lower than A3	739,541	10,977,542	11,717,083
		835,994	56,975,879	57,811,873
未評級	Unrated	192,246	2,279,097	2,471,343
總額	Total	1,028,240	59,254,976	60,283,216

40 金融風險管理 (續)

(b) 市場風險管理

市場風險是指持有的好倉或淡倉因不利的估值變動所造成的損失風險。風險的成因源自從事利率、外匯、股權、信貸和商品市場及其相關衍生工具的莊家、包銷、自營持倉和資產／負債管理的活動。本集團主要通過其交易和資金業務管理其市場風險敞口。交易業務是為了促進客戶的活動，但亦導致自營持倉。財資業務執行資產／負債管理職能，包括流動性風險管理，並特意透過非交易組合（以公允價值計入其他全面收益的債務證券）進行流動性資金管理和投資的目的。

市場風險管理的目標是要及時，公正並貫徹地衡量和監測市場風險，以便更好地管理投資組合，從而優化其財務業績。業務部是負責管理市場風險，並在市場風險限額參數內達致公司業績目標。風險管理部負責獨立監測和報告所有市場風險。

市場風險的框架

本集團董事會通過限額審批流程分配資金或風險偏好。董事會授權信貸風險管理委員會建立不同業務的限額。信貸風險管理委員會進一步將市場風險限額委託給市場風險委員會，市場風險委員會再委託給風險管理部落實。風險管理部負責設計和起草市場風險限額和框架，並定期進行審查和更新限額。市場風險限額須經市場風險委員會批准並獲得信貸風險管理委員會認可。此外，董事會還根據風險偏好聲明書建立了一系列風險指標以計量不同類型的風險，包括市場風險。

40 Financial risk management (continued)

(b) Market risk management

Market risk is the risk of loss caused by an adverse change in valuation associated with holding either long or short market positions. The risk arises as a result of market making, underwriting, principal position taking and asset/liability management in interest rate, foreign exchange, equity, credit and commodity markets and their associated derivatives instruments. The Group manages its market risk exposures mainly through its trading and treasury business. The trading business is to facilitate customer activities, but as a result, takes on principal positions. The treasury business performs asset/liability management function including liquidity risk management, with securities positions intended for liquidity management and investment purposes under non-trading portfolio (debt securities measured at fair value through other comprehensive income).

The objective of market risk management is to consistently measure and monitor market risk on a timely and unbiased basis in order to better manage the portfolios and, by doing so, optimise financial performance. The business is responsible for managing market risks to meet corporate performance objectives within the market risk limit parameters. The Risk Management Group ("RMG") is responsible to independently monitor and report all market risks.

Market risk framework

The Board of the Group allocates capital or risk appetite through the limit process. The Board delegates Credit & Risk Management Committee ("CRMC") to establish limits for the different businesses. CRMC further delegates market risk limit establishment to the Market Risk Committee ("MRC") and then to RMG. RMG is responsible for designing and drafting the market risk limits and framework and reviewing and updating the limits on a regular basis. The market risk limits are to be approved by MRC and endorsed by CRMC. In addition, the Board also establishes a set of risk indicators under the risk appetite statement ("RAS") in measuring different types of risks including market risk.

40 金融風險管理 (續)

(b) 市場風險管理 (續)

市場風險的框架 (續)

風險管理部是一個獨立職能部門並向風險管理總監進行匯報。風險管理部同時採用定量和定性措施分析市場風險。分析包括但不限於風險值、壓力測試、風險敏感度、市場事件、產品流動性和波動性、質素、對沖策略、績效包括損益、估值的準確性和資產負債表以及資本消耗等。這些分析結果需定期向高級管理層、風險管理總監、市場風險委員會和信貸風險管理委員作出匯報。

所有新產品在解決涉及新引入的風險時均受到董事會設定的「新產品評估及批核政策」所約束。在執行新產品發佈前，每種新產品必須經新產品委員會審批和獲得各部門的高級管理層和各種風險管理功能組別的認可。

市場風險模型的方法和特點

風險值

風險值是一種用於估計因市場利率和價格在特定時段內所引致的波動及其產生的潛在損失的技巧。設計該模型是為了涵蓋不同的風險類型，包括利率風險，外匯風險，信貸利差風險，股權風險，商品風險和波動風險。

本集團所用的風險值模型是根據歷史模擬方法。該方法是通過模擬或建立持倉回報隨著時間推移因利率、外匯、股票、信貸和商品市場的利率和價格的歷史變化來預測風險值。

40 Financial risk management (continued)

(b) Market risk management (continued)

Market risk framework (continued)

RMG is an independent function reporting to the Chief Risk Officer ("CRO"). RMG uses both quantitative and qualitative measures in analysing market risk. The analysis includes, but not limited to, Value-at-Risk ("VaR"), stress testing, risk sensitivities, market events, product liquidity and volatility, underlying quality, hedging strategy, performance including profit and loss, accuracy of valuations and balance sheet and capital consumptions. The results are regularly reported to senior management and CRO and to MRC and CRMC.

In addressing newly introduced risks, all new products are governed by the "New Product Approval Policy" approved by the board of directors. Prior to execution, each of the new products through the New Product Committee are reviewed and concurred by various functions including some of the senior management and heads of various risk functions.

Methodology and characteristics of market risk model

Value-at-risk ("VaR")

VaR is a technique in estimating the potential losses that could occur on market risk-taking positions due to market rates and prices movement under normal market conditions over a specified time horizon. The model is designed to capture different types of risk including interest rate risk, foreign exchange risk, credit spread risk, equity risk, commodity risk and volatility risk.

The VaR model used by the Group is based on the historical simulation technique. The technique predicts the value at risk by simulating or constructing position returns over time arise from the historical changes in rates and prices in the interest rate, foreign exchange, equity, credit and commodity markets.

40 金融風險管理 (續)

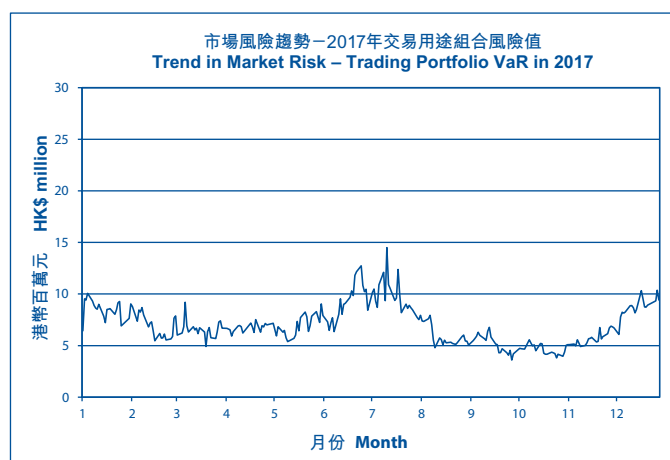
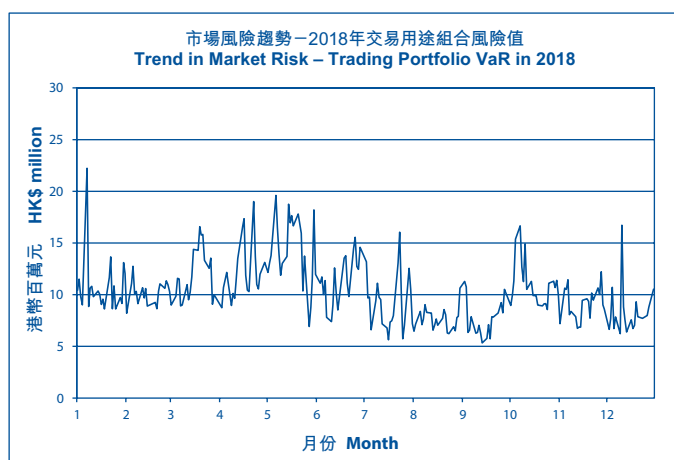
(b) 市場風險管理 (續)

市場風險模型的方法和特點 (續)

風險值 (續)

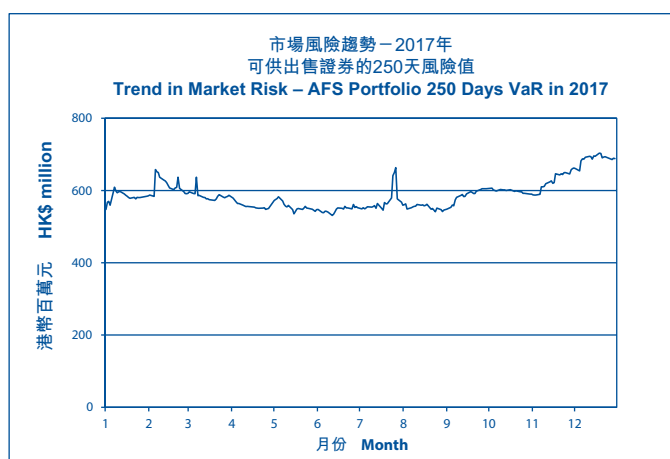
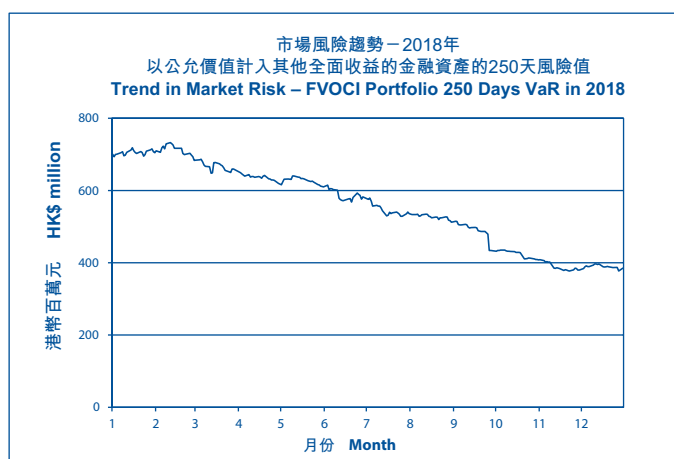
對於風險值的計算，本集團使用最近兩年的歷史市場利率，價格和相關的波幅作基礎。

- 對交易盤持倉，風險值是以1天持有期來計算。



- 對以公允價值計入其他全面收益的金融資產／可供出售債務證券有關的持倉，風險值以250天的持有期來計算。

- For the FVOCI/available-for-sale debt securities and related positions, VaR is calculated for 250-day holding period.



40 金融風險管理 (續)

(b) 市場風險管理 (續)

市場風險模型的方法和特點 (續)

風險值 (續)

- 本集團比較實際和假設每日損益結果及調整項目包括服務費和佣金，對照相應的風險值的數字，用以驗證風險值模型的準確性。於2018年1月1日至2018年12月31日期間，回顧測試有一次例外發生（2017年1月1日至2017年12月31日：有一次例外發生），它相當於由香港金融管理局和國際巴塞爾原則所指定的綠色區域內。

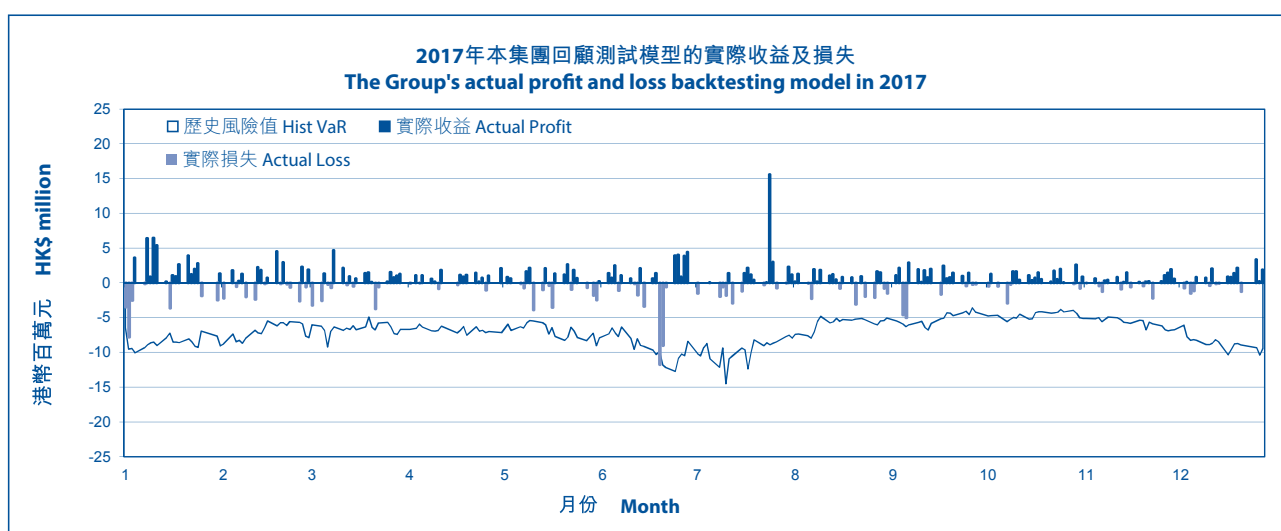
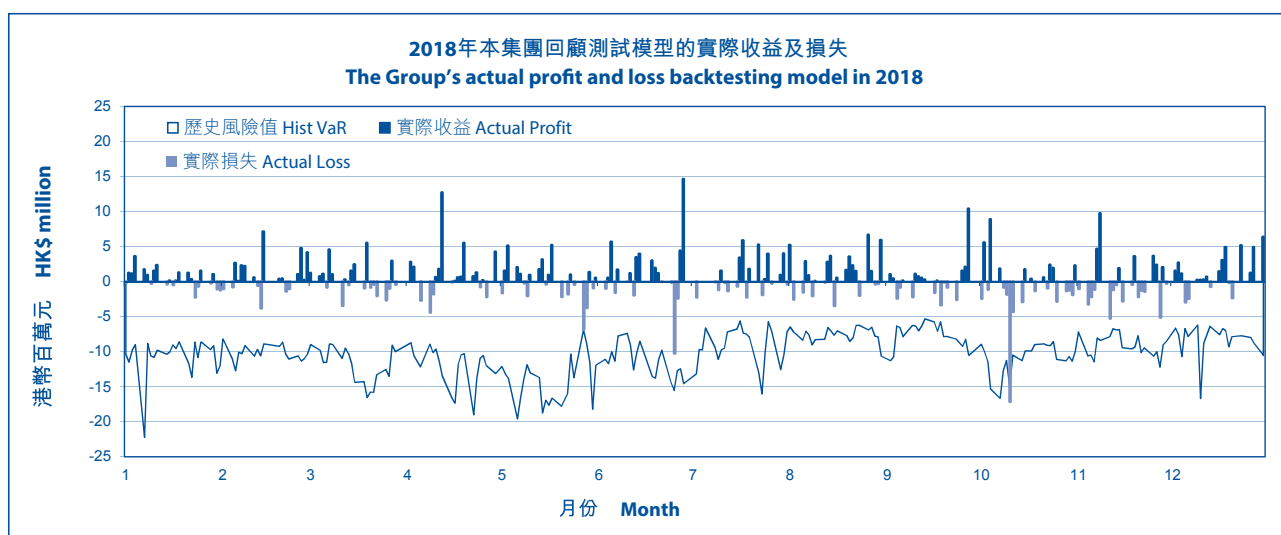
40 Financial risk management (continued)

(b) Market risk management (continued)

Methodology and characteristics of market risk model (continued)

Value-at-risk ("VaR") (continued)

- The Group back-tests the accuracy of its VaR model by comparing the actual and hypothetical daily profit and loss, adjusted for items including fees and commissions, against the corresponding VaR figures. For the period from 1 January 2018 to 31 December 2018, there was 1 exception in the back-testing results (for the period of 1 January 2017 to 31 December 2017, there was 1 exception), which corresponds to the green zone specified by the HKMA and the international Basel principles.



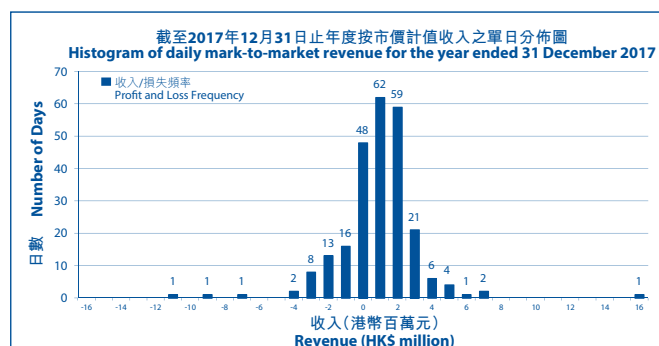
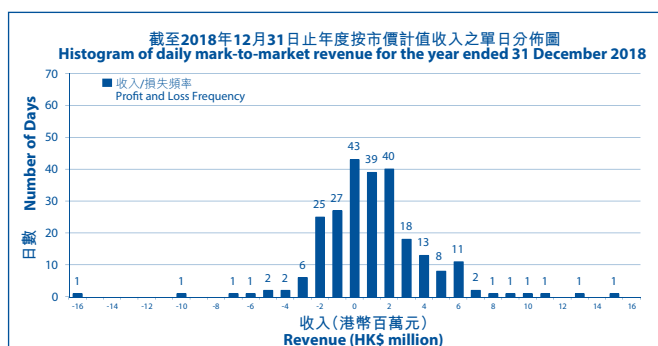
40 金融風險管理 (續)

(b) 市場風險管理 (續)

市場風險模型的方法和特點 (續)

風險值 (續)

截至2018年12月31日止年度，本集團持倉交易盤之單日平均收益為港幣566,000元(2017年：收益為港幣389,000元)，單日平均收入標準誤差為港幣3,173,000元(2017年：港幣2,300,000元)。下圖顯示截至2018年及2017年12月31日止年度本集團按市價計值收入之單日分佈圖。



40 金融風險管理 (續)

(b) 市場風險管理 (續)

市場風險模型的方法和特點 (續)

風險值 (續)

下表顯示了交易盤持倉和與以公允價值計入其他全面收益的金融資產／可供出售債務證券有關的持倉之風險值統計數字：

40 Financial risk management (continued)

(b) Market risk management (continued)

Methodology and characteristics of market risk model (continued)

Value-at-risk ("VaR") (continued)

The tables below decomposes VaR by risk factors for the trading positions and the debt securities measured at FVOCI/available-for-sale related positions.

交易盤持倉－1天風險值

1-day VaR for the trading positions

		2018				2017			
		約計 Approximate			截至12月31日 At 31 December	約計 Approximate			截至12月31日 At 31 December
		最高 Maximum	最低 Minimum	平均 Mean		最高 Maximum	最低 Minimum	平均 Mean	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
外匯風險	Foreign exchange risk	21,153	1,949	5,379	7,168	11,517	1,633	4,212	6,541
利率風險及 信貸利差風險	Interest rate risk and credit spread risk	19,368	4,545	9,278	7,895	11,402	3,043	5,284	8,560
風險值總額	Total VaR	22,224	5,335	10,320	10,541	14,497	3,600	7,064	9,419

以公允價值計入其他全面收益的金融資產／可供出售債務證券有關的持倉－250天風險值

250-day VaR for the debt securities measured at FVOCI/available-for-sale related positions

		2018				2017			
		約計 Approximate			截至12月31日 At 31 December	約計 Approximate			截至12月31日 At 31 December
		最高 Maximum	最低 Minimum	平均 Mean		最高 Maximum	最低 Minimum	平均 Mean	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
利率風險	Interest rate risk	760,890	412,656	604,445	412,656	699,840	489,706	581,892	633,987
信貸利差風險	Credit spread risk	703,407	424,226	579,548	424,226	760,070	521,472	674,459	698,877
250天風險值總額	Total 250-day VaR	732,689	377,298	557,739	385,343	703,373	530,965	588,403	688,443

壓力測試

壓力測試的實施是作為對風險值模型的補充，目的在於涵蓋遙遠但可能發生的事件。本集團同時基於敏感度和歷史情景進行市場風險壓力測試。測試結果需向高級管理層、市場風險委員會和信貸及風險管理委員會作出匯報。

Stress testing

Stress testing is implemented as a compliment of the VaR model in order to capture remote, but plausible events. The Group uses both sensitivity-based and historical-based scenarios for market risk stress testing. The results are reported to senior management, MRC and CRMC.

40 金融風險管理 (續)

(b) 市場風險管理 (續)

外匯風險

本集團的外匯風險源自本集團及海外分行和附屬公司的商業交易、外匯證券投資及營運的外匯買賣盤。本集團的外匯買賣盤限額均須經由市場風險委員會核准。用以量度外匯風險的指標包括個別貨幣和整體持倉金額以及敏感度如希臘指標（適用於外匯期權）。截至2018年12月31日止年度，本集團的外匯買賣盤的平均單日損益為溢利港幣869,000元（2017年：損失港幣170,000元）及其標準誤差為港幣7,395,000元（2017年：港幣3,319,000元）。

於結算日的重大外匯風險如下：

相等於 港幣千元	Equivalent in HK\$'000	2018				2017			
		美金 USD	人民幣 RMB	其他貨幣 Others	總額 Total	美金 USD	人民幣 RMB	其他貨幣 Others	總額 Total
現貨資產	Spot assets	163,317,203	18,729,493	24,865,103	206,911,799	141,268,736	37,959,720	15,988,499	195,216,955
現貨負債	Spot liabilities	(125,601,331)	(23,488,739)	(16,142,278)	(165,232,348)	(109,407,468)	(31,800,014)	(15,182,196)	(156,389,678)
遠期買入	Forward purchases	427,931,000	208,884,284	44,451,537	681,266,821	242,910,664	118,395,468	26,779,741	388,085,873
遠期賣出	Forward sales	(462,883,922)	(203,302,636)	(53,567,017)	(719,753,575)	(275,877,590)	(123,928,048)	(25,342,446)	(425,148,084)
期權盤淨額	Net options position	(1,177,930)	793,289	382,033	(2,608)	1,835,468	685,596	(2,379,021)	142,043
長／(短)盤淨額	Net long/(short) position	1,585,020	1,615,691	(10,622)	3,190,089	729,810	1,312,722	(135,423)	1,907,109
結構盤淨額	Net structural position	-	675,965	48,549	724,514	-	718,963	48,676	767,639

期權盤淨額是按照金管局所核准的模式使用者法計算。

40 Financial risk management (continued)

(b) Market risk management (continued)

Currency risk

The Group's foreign exchange risk stems from taking foreign exchange positions from commercial dealings, investments in foreign currency securities, and operations of the Group and its overseas branches and subsidiaries. The Group's foreign exchange positions are subject to exposure limits approved by the MRC. Methods adopted to measure foreign currency risk exposure against corresponding limits include individual currency positions, overall foreign exchange positions and sensitivities such as Greeks (for foreign exchange options). For the year ended 31 December 2018, the Group's average daily trading profit and loss from foreign exchange positions was a profit of HK\$869,000 (2017: a loss of HK\$170,000) with a standard deviation of HK\$7,395,000 (2017: HK\$3,319,000).

Significant foreign currency exposures at the end of the reporting period were as follows:

The net option position is calculated using the Model User Approach, which has been approved by the HKMA.

40 金融風險管理 (續)**(b) 市場風險管理 (續)**

外匯風險敏感度分析

- (i) 於2018年12月31日，如港幣兌美元以外的其他貨幣貶值10%並假設其他所有參數不變，本年度本集團之除稅後溢利將增加港幣134,023,000元（2017年：增加港幣98,305,000元），主要由於非港幣計值的金融資產之匯兌溢利補償了非港幣計值的金融負債之匯兌損失。

相反地，如港幣兌美元以外的其他貨幣升值10%並假設所有其他參數不變，本年度本集團之除稅後溢利將減少港幣134,023,000元（2017年：減少港幣98,305,000元）。

- (ii) 本集團所承受之貨幣風險主要源自以美元計值的財務工具（不包括人民幣600,000,000元及澳門幣50,000,000元的結構性外匯持倉）。由於美元與港幣掛鉤，本集團認為美元與港幣匯率變動而引致的貨幣風險對本集團沒有重大的影響。

利率風險

本集團的利率風險承擔主要來自銀行賬冊及交易賬冊。對於銀行賬冊，資產負債管理委員會和風險管理委員會負責監督來自資產及負債管理所產生的利率風險。而財資部的職能負責利用不同的金融產品包括利率衍生工具配合對沖會計準則來管理利率風險。利率風險包括重新定價風險，基礎風險，收益率曲線風險和潛在期權風險，並受銀行賬冊的利率風險管理政策所約束。

對於交易賬冊，市場風險委員會和風險管理委員會負責監督其交易組合的利率風險。環球市場部負責使用不同金融產品包括衍生工具來管理利率風險，這些衍生工具的價值基於市值來估算。利率風險包括基礎風險，收益率曲線風險和潛在期權風險，並受市場風險政策所約束。

40 Financial risk management (continued)**(b) Market risk management (continued)**

Sensitivity analysis on foreign exchange exposures

- (i) At 31 December 2018, if the HKD had weakened by 10% against other currencies (other than the USD) with all other variables held constant, the Group's profit after tax for the year would have been higher by HK\$134,023,000 (2017: higher by HK\$98,305,000), mainly as a result of foreign exchange gains on the translation of non-HKD denominated financial assets compensated by foreign exchange losses on the translation of non-HKD denominated financial liabilities.

Conversely, if the HKD had strengthened by 10% against other currencies (other than the USD) with all other variables held constant, the Group's profit after tax for the year would have been lower by HK\$134,023,000 (2017: lower by HK\$98,305,000).

- (ii) The Group is exposed to currency risks arising from financial instruments that are denominated in USD, excluding structural foreign exchange positions of RMB600,000,000 and MOP 50,000,000. As the USD is pegged to the HKD, the Group considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

Interest rate risk

The Group's interest rate risk arise from its banking and trading book. For the banking book, ALCO and RMG are responsible in overseeing the interest rate exposure arising from its assets and liabilities management. The function of central treasury units is responsible in managing the interest rate risk using different financial products including interest rate derivatives, under which hedge accounting treatment is adopted. The interest rate risk includes repricing risks, basis risks, yield curve risks and embedded option risks, and are governed by the Interest Rate Risk Management Policy for the Banking Book.

For the trading book, MRC and RMG are responsible in overseeing the interest rate exposure from its trading portfolio. Global Markets is responsible in managing the interest rate risk using different financial products including derivatives, under which mark-to-market treatment is adopted. The interest rate risk includes basis risks, yield curve risks and embedded option risks, and are governed by the Market Risk Policy.

40 金融風險管理 (續)**(b) 市場風險管理 (續)****利率風險 (續)**

截至2018年12月31日止年度，本集團與利率及固定收益交易策略相關的平均單日交易損益為損失港幣303,000元（2017年：溢利港幣559,000元）及其標準誤差為港幣6,409,000元（2017年：港幣2,703,000元）。

利率風險敏感度分析

本集團每季均採用利率風險承擔敏感度分析來量度銀行賬冊之利率風險。在這敏感度分析中，利率變動對本集團盈利之潛在影響將作出以下假設：對於所有資產和負債，三種主要貨幣（港幣、人民幣及美元）之利率將於下次利率重訂日（相對應時間的中間點）上調200個基點。因應現時利率處於低水平，本集團因而並不預期該三種貨幣將會於利率重訂日下調200個基點。此評估已包括資產負債表內與表外項目的影響。

40 Financial risk management (continued)**(b) Market risk management (continued)****Interest rate risk (continued)**

For the year ended 31 December 2018, the Group's average daily trading profit and loss related to interest rate and fixed income trading strategy was a loss of HK\$303,000 (31 December 2017: a profit of HK\$559,000), with a standard deviation of HK\$6,409,000 (31 December 2017: HK\$2,703,000).

Sensitivity analysis on interest rate exposures

The Group measures the interest rate risk of the banking book by conducting a sensitivity analysis of the interest rate exposure on a quarterly basis. In the sensitivity analysis, the potential impacts of movements in interest rates on the Group's earnings are assessed assuming that the interest rates of three major currencies (HKD, RMB and USD) will rise by 200 basis points on the repricing dates (the midpoint of the corresponding time bands) of each asset and liability. Nevertheless, the Group does not expect the interest rates of these three major currencies to decrease by 200 basis points on the repricing dates because of the current low level of interest rates. The impacts on both the on- and off-statement of the financial position items are included in the assessment.

		2018			2017		
		港元 HKD	人民幣 RMB	美元 USD	港元 HKD	人民幣 RMB	美元 USD
相等於港幣千元	Equivalent in HK\$'000						
倘利率上調200個基點	Impact on earnings over the next						
對未來12個月的	12 months if interest rates rise						
盈利影響	by 200 basis points	1,045,918	57,297	(79,167)	745,744	44,480	(316,985)
倘利率上調200個基點	Impact on economic value if interest						
對經濟價值的影響	rates rise by 200 basis points	(237,676)	(104,608)	472,060	6,938	(95,328)	913,199

40 金融風險管理 (續)**(b) 市場風險管理 (續)****利率風險 (續)****利率風險敏感度分析 (續)**

這利率敏感度是依據資產及負債的利率風險的特性而計算，有關分析乃根據以下假設進行：

- (i) 收益率曲線及利率出現平行移動。
- (ii) 組合不變。
- (iii) 因大部份貸款屬於浮息貸款假設沒有提早償還貸款。
- (iv) 沒有固定到期日的存款假設於翌日再定息。

利率上調而導致本集團淨利息收入及經濟價值的實際變動與該敏感度分析的結果可能有所不同。

40 Financial risk management (continued)**(b) Market risk management (continued)****Interest rate risk (continued)****Sensitivity analysis on interest rate exposures (continued)**

This sensitivity analysis, which is based on an interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- (i) There is a parallel shift in the yield curve and in interest rates.
- (ii) There are no other changes to the portfolio.
- (iii) No loan prepayment is assumed as the majority of loans are on a floating rate base.
- (iv) Deposits without fixed maturity dates are assumed to be repriced the next day.

Actual changes in the Group's net interest income and the economic value resulting from the increase in interest rates may differ from the results of this sensitivity analysis.

40 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

利率風險敏感度分析 (續)

下表顯示於結算日的計息資產及負債的預期下個重訂息率日期 (或到期日，以較早者為準) 之錯配。

40 Financial risk management (continued)

(b) Market risk management (continued)

Interest rate risk (continued)

Sensitivity analysis on interest rate exposures (continued)

The following tables indicate the mismatches of the expected next repricing dates (or maturity dates, whichever are earlier) for the interest bearing assets and liabilities at the end of the reporting period.

		2018				
		3個月內 (包括逾期) 3 months or less 總額 Total 港幣千元 HK\$'000	3個月以上 至1年 Over 3 months to 1 year 港幣千元 HK\$'000	1年以上 至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000	非計息 Non- interest bearing 港幣千元 HK\$'000
資產	Assets					
現金及在銀行、中央銀行及 其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	29,622,486	29,397,763	-	-	224,723
在銀行、中央銀行及其他 金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	52,886,380	52,317,362	569,018	-	-
以公允價值計入損益的 金融資產	Financial assets at fair value through profit or loss	1,440,532	92,659	569,052	778,308	513
衍生金融工具	Derivative financial instruments	6,027,833	-	-	-	6,027,833
客戶貸款及墊款及 其他賬項	Loans and advances to customers and other accounts	203,829,256	186,483,752	10,478,492	747,357	7,390
以公允價值計入其他全面 收益的金融資產	Financial assets at fair value through other comprehensive income	66,977,407	28,756,314	17,917,785	17,714,512	2,488,995
非計息資產	Non-interest bearing assets	2,160,897	-	-	-	2,160,897
資產總額	Total assets	362,944,791	297,047,850	29,534,347	19,240,177	2,496,385
負債	Liabilities					
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	2,849,375	2,418,567	430,808	-	-
客戶存款	Deposits from customers	285,492,851	201,846,517	68,784,638	256,446	4,400
衍生金融工具	Derivative financial instruments	6,543,351	-	-	-	6,543,351
已發行存款證	Certificates of deposit issued	3,133,151	3,133,151	-	-	-
已發行債務證券	Debt securities issued	3,408,077	-	-	3,408,077	-
債務資本	Loan capital	6,283,542	-	2,339,751	3,943,791	-
其他負債	Other liabilities	8,645,374	174,250	-	-	8,471,124
非計息負債	Non-interest bearing liabilities	607,993	-	-	-	607,993
負債總額	Total liabilities	316,963,714	207,572,485	71,555,197	7,608,314	4,400
利率敏感度差距	Interest rate sensitivity gap		89,475,365	(42,020,850)	11,631,863	2,491,985

40 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

利率風險敏感度分析 (續)

40 Financial risk management (continued)

(b) Market risk management (continued)

Interest rate risk (continued)

Sensitivity analysis on interest rate exposures (continued)

		2017					
		3個月內 (包括逾期) 3 months or less 總額 Total 港幣千元 HK\$'000	3個月以上 至1年 Over 3 months to 1 year 港幣千元 HK\$'000	1年以上 至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000	非計息 Non- interest bearing 港幣千元 HK\$'000	
資產	Assets						
現金及在銀行、中央銀行及 其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	31,657,854	31,363,079	—	—	294,775	
在銀行、中央銀行及其他 金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	47,402,438	46,983,043	419,395	—	—	
以公允價值計入損益的 金融資產	Financial assets at fair value through profit or loss	1,029,044	213,287	103,983	630,309	804	
衍生金融工具	Derivative financial instruments	4,770,495	—	—	—	4,770,495	
客戶貸款及墊款及 其他賬項	Loans and advances to customers and other accounts	198,986,939	182,506,189	10,182,511	1,218,377	4,859	
可供出售證券	Available-for-sale securities	59,346,677	23,336,436	8,359,325	24,579,792	2,975,423	
非計息資產	Non-interest bearing assets	1,115,237	—	—	—	1,115,237	
資產總額	Total assets	344,308,684	284,402,034	19,065,214	26,428,478	3,060,943	
負債	Liabilities						
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	5,187,319	2,347,302	—	—	2,840,017	
客戶存款	Deposits from customers	271,471,865	233,956,908	26,491,435	373,932	8,300	
衍生金融工具	Derivative financial instruments	4,824,483	—	—	—	4,824,483	
已發行存款證	Certificates of deposit issued	3,421,769	3,421,769	—	—	—	
已發行債務證券	Debt securities issued	3,584,064	—	—	3,584,064	—	
債務資本	Loan capital	6,340,192	—	—	6,340,192	—	
其他負債	Other liabilities	5,422,626	221,161	—	—	5,201,465	
非計息負債	Non-interest bearing liabilities	499,206	—	—	—	499,206	
負債總額	Total liabilities	300,751,524	239,947,140	26,491,435	10,298,188	8,300	
利率敏感度差距	Interest rate sensitivity gap		44,454,894	(7,426,221)	16,130,290	3,052,643	

40 金融風險管理 (續)

(c) 流動資金風險管理

流動性風險乃指本集團不可能在提供資金以應付資產增加或履行到期債務時而不須承受不可接受之損失的風險。流動資金的融資風險是由於本集團管理的資產和負債的期限出現錯配。市場流動性風險是指於異常或受壓的市場情況下出售持倉而產生額外費用的風險。在這條件下，其買入及賣出價範圍比在正常的市場條件下相差甚遠和極端地缺乏買家，本行將需支付額外費用以出售持倉。

流動資金風險管理框架包括：

- 本集團的流動資金風險管理，乃受資產負債委員會及信貸及風險管理委員會認可，並經董事會批准的流動資金風險管理政策監管。
- 信貸及風險管理委員會獲董事會授權，負責監察本集團的流動資金風險管理，其主要責任在於檢討及批核政策、制定策略、界定風險取向及可接受的風險水平限額。
- 資產負債委員會由行政總裁成立並獲信貸及風險管理委員會授權，負責制定及執行政策、策略、指引及限額架構。此外，亦負責識別、計量及監管流動性風險狀況，以確保能應付現在及將來之資金需求。資產負債委員會監控一套風險指標以管理流動性風險。風險管理部會每日進行流動性壓力測試，其中包括整體市場、銀行特定組合和合併（整體市場和銀行特定）壓力情景，並由資產負債委員會審閱，以評估風險承受能力水平和流動性緩衝水平。此外，建立了一項資金應變計劃，為此列明解決流動性風險情況下的策略。該計劃包括一系列的政策，程序及行動計劃，以及明確責任分工，調用和升級程序。該計劃並由資產負債委員會定期審閱及批核。

40 Financial risk management (continued)

(c) Liquidity risk management

Liquidity risk is the risk that the Group may not be able to fund an increase in assets or meet obligations as they fall due without incurring unacceptable losses. Such funding liquidity risk arises from the maturity mismatch of the assets and liabilities that the Group manages. Market liquidity risk is a risk that occurs when additional costs are involved in disposing of a position in the market under abnormal or stressed market conditions. Under these conditions, the bid-ask spreads for the position are much wider than usual or there could even be an extreme lack of buyers. As a result, the Bank will incur extra costs to dispose of the position.

The liquidity risk management framework is as follows:

- The management of the Group's liquidity risk is governed by the Liquidity Management Policy, concurred by the Asset and Liability Committee ("ALCO") and the CRMC, and approved by the Board of Directors.
- The CRMC is delegated by the Board of Directors to oversee the Group's liquidity risk management. Its main responsibilities are to review and approve policies, set strategies, and define risk appetite and tolerance limits.
- The ALCO is established by the Chief Executive Officer and ratified by the CRMC as the governing body responsible for formulating and implementing policies, strategies, guidelines and limit structures. It also identifies, measures and monitors the Group's liquidity risk profile to ensure current and future funding requirements are met. In addition, the ALCO monitors a set of risk indicators for liquidity risk. Daily liquidity stress testing, which includes market general, bank-specific and combined (market general and bank-specific) stress scenarios, is conducted by the Risk Management Group, and the stress results are regularly reviewed by the ALCO to assess the current risk tolerance level and the level of the liquidity cushion. A Contingency Funding Plan is established which sets out the strategies for addressing liquidity stress situations. The plan contains a set of policies, procedures and action plans, with clearly established lines of responsibility, as well as invocation and escalation procedures. This plan is reviewed and approved by the ALCO on a regular basis.

40 金融風險管理 (續)

(c) 流動資金風險管理 (續)

- 日常流動性管理由資金營運中心負責，監控資金需求，並由包括財務管理部和風險管理部在內的其他相關部門協助監管流動性風險和定期向管理層，委員會和地方監管機構提供報告。在壓力情景下的不同時段設置現金流量淨額限制，以確保有足夠資金和流動資產能滿足資金流動性需求。此外，其他流動性風險指標亦設有限制、觸發水平或警報，例如法定流動性比率、貸存比率、貨幣錯配比率和期限錯配比率。數量化和素質化計算方式均被採用以衡量和確定市場流動性風險。財務管理部或風險管理部負責監察及定期報告相關於市場和資金流動風險的限制和警報水平，並由資產負債委員會作出審查和批准。內部審計部門會定期作出檢討，確保流動性風險管理功能得以有效執行。

流動性管理於本集團及銀行層面、各海外分行及附屬公司進行。財務附屬公司及海外分行會按照資產負債委員會已考慮各不同流動資金風險特性後訂立之框架及當地監管機構之要求，執行其流動性管理政策。資產負債委員會亦會一併監控其流動性情況。對於提供資金予海外分行及附屬公司，本集團亦設立政策和交易對手限額。本集團期望各部門透過與存款人、客戶、銀行同業、關聯公司及金管局建立並維持良好的關係，為銀行無論在正常和緊急情況下均能夠成功、有效地管理流動資金而作出貢獻。

40 Financial risk management (continued)

(c) Liquidity risk management (continued)

- Daily liquidity management is managed by the Central Treasury Unit to monitor funding requirements. This unit is supported by other functional departments including the Financial Management Group and Risk Management Group, which monitor the liquidity risk and provide regular reports to the management, committees and local regulatory bodies. Limits for net cash flow per different time bucket under stress scenarios have been set to ensure that adequate funding and liquid assets are available to meet liquidity needs. Moreover, limits, triggers or alerts are set for other liquidity risk indicators such as the statutory liquidity ratios, the loan-to-deposit ratio, the currency mismatch ratio and the maturity mismatch ratio. Both quantitative and qualitative measures are employed to identify and measure market liquidity risk. Limits and alert levels related to market and funding liquidity risk are monitored and reported by the Financial Management Group or Risk Management Group to the ALCO to review and approve on a regular basis. The Audit Department performs periodic reviews to ensure liquidity risk management functions are carried out effectively.

Liquidity management is conducted at the Group and the Bank levels, and at individual overseas branches and subsidiaries. Financial subsidiaries and overseas branches are responsible for implementing their own liquidity management policies under the framework established by the ALCO and local regulatory requirements, taking into account their different liquidity risk characteristics. The liquidity situation of overseas branches and subsidiaries falls under the overall supervision of the ALCO. Policy and respective counterparty limits are set for overseas branches and subsidiaries in respect of the funding support extended from the head office. The Group expects all business units to contribute to the success of managing liquidity under normal and contingency situations by maintaining a rapport with depositors, customers, interbank counterparties, related companies and the HKMA.

40 金融風險管理 (續)**(c) 流動資金風險管理 (續)**

流動資金管理之目標為履行於正常及緊急情況下到期之債務，提供資金以應付資產增長與及符合法定之流動性要求。為此，本集團有以下之流動資金管理程序：

- 在正常及壓力情景下估算現金流量，利用資產負債錯配淨缺口評估預期資金需求；
- 在正常及壓力情景下計入潛在不可撤銷的信貸承諾提取，以應付或有流動性風險；
- 按照內部及／或監管機構的規定，監控法定流動性比率、貸存比率、貨幣及期限錯配比率；
- 藉監控存款組合之結構及穩定性，以確保穩健及多元化之資金來源；
- 定期預測短期至中期之法定流動性比率，以至能及早察覺流動性問題，並確保比率在法定要求及內部預警之內；
- 於每年預算過程中，預測資金需求及資金結構，以確保充足資金及適當資金組合；
- 在新產品業務推出前，須先進行潛在的流動性風險評估程序；
- 為應付無法預測之資金需求，本集團持有優質流動資產，包括現金及具投資評級之證券。另外，本集團參照法定要求和流動性壓力測試結果，而決定持有優質流動資產的數量；
- 持續使用同業拆借市場；
- 定期維持各項融資計劃以支持債務融資；

40 Financial risk management (continued)**(c) Liquidity risk management (continued)**

The objective of liquidity management is to meet obligations payable under normal and emergency circumstances, to fund asset growth and to comply with the statutory liquidity requirements. To achieve this, the following liquidity management processes are in place:

- Projecting cash flows in normal and various stress scenarios, using the net mismatch gap between assets and liabilities to estimate the prospective net funding requirement;
- Factoring potential drawdown on irrevocable committed facilities into our normal and stress scenarios to cater for contingent liquidity risk;
- Monitoring the statutory liquidity ratios, the loan-to-deposit ratio, the currency mismatch ratio and the maturity mismatch ratio against internal and/or regulatory requirements;
- Ensuring a sound and diversified range of funding sources, through monitoring the structure and the stability of the deposit portfolio;
- Projecting the statutory liquidity ratios regularly for the short to medium term to permit early detection of liquidity issues and to ensure the ratios are within statutory requirements and internal triggers;
- Projecting a high-level funding requirement and funding structure during the annual budget process to ensure sufficient funding and an appropriate funding mix;
- Conducting liquidity risk assessment before launching a new product;
- Maintaining High Quality Liquid Assets ("HQLA") comprising cash and investment grade securities as a cushion against unexpected funding needs. The amount of HQLA that the Group maintains is determined with reference to the statutory requirement and the results of the liquidity stress tests;
- Maintaining access to the interbank money market;
- Maintaining a funding programme to tap debt funding on a regular basis;

40 金融風險管理 (續)

(c) 流動資金風險管理 (續)

- 維持本集團的抵押品要求。定期評估和審查於衍生工具合約及信用降級時所需的額外抵押品。按2018年12月31日的狀況，在評級遭降2個級別的情況下，對本集團需要額外抵押品要求的影響輕微；及
- 維持應變融資計劃，其中集合壓力測試的情景和假設的結果，包括設定預警指標（包括內部及市場指標），並且描述若出現危機時應採取之相應行動，以將業務所受的任何長遠負面影響減至最低。

集團業務所需的資金來自多元化資金來源，主要來自其零售及企業客戶的存款。與此同時，本集團亦積極從事批發融資業務，透過發行存款證來取得另一個資金來源及確保資金來源的多元化。本集團並定期監察存款之期限組合及債務到期日，以確保一個適當之資金到期組合。

自2017年10月1日起本集團被金管局指定為第一類機構。根據銀行業（流動性）規則，本集團作為第一類機構須維持流動性覆蓋比率及穩定資金淨額比率高於法定最低要求。

本集團維持適當的優質流動資產水平及其貨幣組合，以確保本集團於金管局監管框架下有能力應付不利或無法預計的經濟事故所引致突然性市場流動資金流失。除此之外，本集團同時監察及定期向資產負債管理委員會報告各個別主要幣種的流動性覆蓋比率以控制貨幣錯配。2018年平均流動性覆蓋比率上升主要是由於一級優質流動資產上升及現金流出下跌。

40 Financial risk management (continued)

(c) Liquidity risk management (continued)

- Monitoring the Group's collateral requirement. Periodically assess and review the additional collateral required under derivative contracts and credit downgrade events. Based on the positions at 31 December 2018, in the event of a 2-notch downgrade, the impact on the Group's additional collateral requirement is minimal; and
- Maintaining a Contingency Funding Plan, which integrates with the results of the scenarios and assumptions used in the stress test, including setting early warning indicators (including internal and market indicators), and describing actions to be taken in the event of a stress crisis, so as to minimise adverse long-term implications for business.

The Group funds its operations through a diversified funding source, primarily from the retail and corporate customer deposits. At the same time, it also participates in the wholesale funding market through the issuance of certificates of deposit ("CDs") to secure another source of term funding and to enable diversification of funding sources. Deposit tenor mix and debt maturities are regularly monitored to ensure there is an appropriate funding maturity mix.

The Group was designated by the HKMA as Category 1 institution with effect from 1 October 2017. Under the Banking (Liquidity) Rules, the Group being a Category 1 institution is required to maintain a Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") above the statutory minimum requirements.

An appropriate level and currency mix of HQLA has been maintained to ensure that the Group could handle sudden drains in market liquidity due to adverse or unexpected economic events under the HKMA's regulatory framework. Besides, the Group also monitors and reports the LCR for each individual significant currency to ALCO regularly to control the currency mismatch in the LCR. The increase in average LCR in 2018 was mainly driven by the increase in the Level 1 HQLA and the decrease in cash outflow.

40 金融風險管理 (續)

40 Financial risk management (continued)

(c) 流動資金風險管理 (續)

(c) Liquidity risk management (continued)

		加權數額 (平均值) Weighted amount (average value)				
		2018年 12月31日 止之季度 For quarter ended 31 December 2018	2018年 9月30日 止之季度 For quarter ended 30 September 2018	2018年 6月30日 止之季度 For quarter ended 30 June 2018	2018年 3月31日 止之季度 For quarter ended 31 March 2018	2017年 12月31日 止之季度 For quarter ended 31 December 2017
平均流動性覆蓋比率	Average LCR	258.5%	213.5%	213.1%	228.2%	177.6%

本集團經常持有充足現金和流動資金及優質流動資產作為於緊急情景下可獲得之緩衝資金。流動性覆蓋比率中所包含的優質流動資產佔大多數為根據銀行（流動性）規則定義之一級資產。下表載列流動性覆蓋比率框架中本集團優質流動資產的組成。

The Group always maintains sufficient cash and liquid positions as well as a pool of HQLA as a liquidity cushion that can be liquidated in stress scenarios. The majority of HQLA included in the LCR is Level 1 assets as defined in Banking (Liquidity) Rules. The below table shows the composition of the Group's HQLA in the LCR framework:

		加權數額 (平均值) Weighted amount (average value)				
		2018年 12月31日 止之季度 For quarter ended 31 December 2018 港幣千元 HK\$'000	2018年 9月30日 止之季度 For quarter ended 30 September 2018 港幣千元 HK\$'000	2018年 6月30日 止之季度 For quarter ended 30 June 2018 港幣千元 HK\$'000	2018年 3月31日 止之季度 For quarter ended 31 March 2018 港幣千元 HK\$'000	2017年 12月31日 止之季度 For quarter ended 31 December 2017 港幣千元 HK\$'000
一級資產	Level 1 assets	37,966,142	29,850,675	32,666,235	38,172,653	28,917,610
二級資產	Level 2 assets	7,504,428	7,870,732	7,489,966	7,421,968	7,142,153
總額	Total	45,470,570	37,721,407	40,156,201	45,594,621	36,059,763

40 金融風險管理 (續)**(c) 流動資金風險管理 (續)**

本集團同時維持足夠可用的穩定資金以支持其長期資產以滿足穩定資金淨額比率法定要求。該要求已於2018年報告期間生效。穩定資金淨額比率在第2季度下跌主要由於在該季度進行股息分派。穩定資金淨額比率在第4季度上升主要是由於2018年11月發行了額外一級資本證券。本集團並無根據銀行業（流動性）規則定義為互有關連的資產及負債。

於2018年季度末的穩定資金淨額比率如下：

	2018年 12月31日 止之季度 Quarter ended 31 December 2018	2018年 9月30日 止之季度 Quarter ended 30 September 2018	2018年 6月30日 止之季度 Quarter ended 30 June 2018	2018年 3月31日 止之季度 Quarter ended 31 March 2018	2017年 12月31日 止之季度 Quarter ended 31 December 2017
穩定資金淨額比率 NSFR	141.5%	136.7%	132.5%	134.9%	N/A

根據《銀行業（披露）規則》，本集團採用金管局指定的標準披露模板披露有關本集團流動資金的資料，並可在本行的網站www.cncbinternational.com內「監管披露」部份進行查閱。

40 Financial risk management (continued)**(c) Liquidity risk management (continued)**

The Group also maintains sufficient available stable funding in support of its longer-term assets to meet the statutory NSFR requirements, which have been implemented with effect from 2018 reporting periods. The decrease in the NSFR in the second quarter was mainly driven by the dividend payment made in that quarter. The increase in the NSFR in the fourth quarter was mainly due to the issuance of the additional tier 1 capital securities in November 2018. There is no interdependent asset and liability as defined in the Banking (Liquidity) Rules in the Group.

The NSFRs as at the quarter-end in 2018 are as follows:

For the purposes of compliance with Banking (Disclosure) Rules, information relating to the Group's liquidity are published by using standard disclosure templates as specified by the HKMA and they can be viewed in the Regulatory Disclosures section of our Bank's corporate website at www.cncbinternational.com.

40 金融風險管理 (續)

(c) 流動資金風險管理 (續)

- (i) 根據餘下期間作出的資產及負債分析
以下到期日分析是以結算日至合約到期日的餘下期間為準。

由於交易用途資產組合可能在到期前出售，而客戶存款則可能在沒有提取的情況下到期，因此，合約到期日並不代表預計獲得未來現金流量的日期。

40 Financial risk management (continued)

(c) Liquidity risk management (continued)

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

The following maturity profile is based on the remaining period at the end of the reporting period date to the contractual maturity date.

As the trading portfolios may be sold before maturity, or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent the expected dates of future cash flows.

		2018							
					1個月以上 至3個月 3 months	3個月以上 至1年 1 year	1年以上 至5年 5 years		
		總額 Total	即時償還 Repayable on demand	1個月內 Within 1 month	or less but over 1 month	or less but over 3 months	or less but over 1 year	5年以上 Over 5 years	無註明 日期 Undated
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets								
現金及在銀行、中央銀行及其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	29,622,486	29,164,926	-	-	-	-	-	457,560
在銀行、中央銀行及其他金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	52,886,380	-	36,216,347	16,101,015	569,018	-	-	-
以公允價值計入損益的金融資產	Financial assets at fair value through profit or loss	1,440,532	-	-	53,027	569,052	814,809	3,131	513
衍生金融工具	Derivative financial instruments	6,027,833	6,027,833	-	-	-	-	-	-
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	203,829,256	1,524,727	17,187,388	15,055,351	71,058,803	72,548,029	24,170,062	2,284,896
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income	66,977,407	-	11,542,067	13,074,111	18,896,350	20,880,083	2,488,995	95,801
可回收稅項	Tax recoverable	8,353	-	-	-	8,353	-	-	-
無註明日期資產	Undated assets	2,152,544	-	-	-	-	-	-	2,152,544
資產總額	Total assets	362,944,791	36,717,486	64,945,802	44,283,504	91,101,576	94,242,921	26,662,188	4,991,314
負債	Liabilities								
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	2,849,375	530,155	793,990	1,068,975	456,255	-	-	-
客戶存款	Deposits from customers	285,492,851	73,764,552	72,486,427	69,864,368	69,116,658	256,446	4,400	-
衍生金融工具	Derivative financial instruments	6,543,351	6,543,351	-	-	-	-	-	-
已發行存款證	Certificates of deposit issued	3,133,151	-	3,133,151	-	-	-	-	-
已發行債務證券	Debt securities issued	3,408,077	-	-	-	-	3,408,077	-	-
本期稅項	Current taxation	600,053	-	-	-	600,053	-	-	-
其他負債	Other liabilities	8,645,374	-	1,027,306	339,775	855,185	-	-	6,423,108
債務資本	Loan capital	6,283,542	-	-	-	2,339,751	3,943,791	-	-
無註明日期負債	Undated liabilities	7,940	-	-	-	-	-	-	7,940
負債總額	Total liabilities	316,963,714	80,838,058	77,440,874	71,273,118	73,367,902	7,608,314	4,400	6,431,048
資產－負債差距	Asset-liability gap		(44,120,572)	(12,495,072)	(26,989,614)	17,733,674	86,634,607	26,657,788	

40 金融風險管理 (續)

(c) 流動資金風險管理 (續)

(i) 根據餘下期間作出的資產及負債分析 (續)

40 Financial risk management (continued)

(c) Liquidity risk management (continued)

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

		2018						
		總額	即時償還	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上
		Total	Repayable	Within	or less	or less	or less	Over
		港幣千元	港幣千元	1 month	1 month	3 months	1 year	5 years
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
其中：	Of which:							
持有的存款證	Certificates of deposit held							
—已計入以公允價值計入 其他全面收益的 金融資產	— included in financial assets at fair value through other comprehensive income	14,394,029	-	2,531,852	3,972,997	7,577,146	312,034	-
持有的債務證券	Debt securities held							
—已計入以公允價值計入 損益的金融資產	— included in financial assets at fair value through profit or loss	944,630	-	-	53,027	73,663	814,809	3,131
—已計入以公允價值計入 其他全面收益的 金融資產	— included in financial assets at fair value through other comprehensive income	36,512,097	-	1,296,798	839,051	11,319,204	20,568,049	2,488,995
		37,456,727	-	1,296,798	892,078	11,392,867	21,382,858	2,492,126
已發行存款證	Certificates of deposit issued	3,133,151	-	3,133,151	-	-	-	-

40 金融風險管理 (續)

40 Financial risk management (continued)

(c) 流動資金風險管理 (續)

(c) Liquidity risk management (continued)

(i) 根據餘下期間作出的資產及負債分析 (續)

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

		2017							
		總額	即時償還	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明 日期
		Total	Repayable on demand	Within 1 month	but over 1 month	but over 3 months	but over 1 year	Over 5 years	Undated
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets								
現金及在銀行、中央銀行 及其他金融機構的結存	Cash and balances with banks, central banks and other financial institutions	31,657,854	30,700,892	-	-	-	-	-	956,962
在銀行、中央銀行及其他 金融機構的存款及墊款	Placements with and advances to banks, central banks and other financial institutions	47,402,438	-	34,613,848	12,369,195	419,395	-	-	-
以公允價值計入損益的 金融資產	Financial assets at fair value through profit or loss	1,029,044	-	213,103	-	103,779	630,698	80,660	804
衍生金融工具	Derivative financial instruments	4,770,495	4,770,495	-	-	-	-	-	-
客戶貸款及墊款及 其他賬項	Loans and advances to customers and other accounts	198,986,939	1,469,859	19,219,060	18,686,528	61,334,208	71,589,261	23,104,398	3,583,625
可供出售證券	Available-for-sale securities	59,346,677	-	7,105,308	15,018,183	8,689,867	25,466,195	2,975,423	91,701
可回收稅項	Tax recoverable	29,047	-	-	-	29,047	-	-	-
無註明日期資產	Undated assets	1,086,190	-	-	-	-	-	-	1,086,190
資產總額	Total assets	344,308,684	36,941,246	61,151,319	46,073,906	70,576,296	97,686,154	26,160,481	5,719,282
負債	Liabilities								
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	5,187,319	2,931,754	693,491	1,535,988	26,086	-	-	-
客戶存款	Deposits from customers	271,471,865	98,294,705	76,423,268	69,880,222	26,491,435	373,935	8,300	-
衍生金融工具	Derivative financial instruments	4,824,483	4,824,483	-	-	-	-	-	-
已發行存款證	Certificates of deposit issued	3,421,769	-	1,406,774	2,014,995	-	-	-	-
已發行債務證券	Debt securities issued	3,584,064	-	-	-	-	3,584,064	-	-
本期稅項	Current taxation	497,575	-	-	-	497,575	-	-	-
其他負債	Other liabilities	5,422,626	-	417,561	747,577	117,846	-	-	4,139,642
債務資本	Loan capital	6,340,192	-	-	-	-	6,340,192	-	-
無註明日期負債	Undated liabilities	1,631	-	-	-	-	-	-	1,631
負債總額	Total liabilities	300,751,524	106,050,942	78,941,094	74,178,782	27,132,942	10,298,191	8,300	4,141,273
資產－負債差距	Asset-liability gap		(69,109,696)	(17,789,775)	(28,104,876)	43,443,354	87,387,963	26,152,181	

40 金融風險管理 (續)

(c) 流動資金風險管理 (續)

(i) 根據餘下期間作出的資產及負債分析 (續)

40 Financial risk management (continued)

(c) Liquidity risk management (continued)

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

		2017						
		總額	即時償還	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上
		Total	Repayable	Within	or less	or less	or less	Over
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
其中：	Of which:							
持有的存款證	Certificates of deposit held							
— 已計入交易用途資產	— included in trading assets	213,103	—	213,103	—	—	—	—
— 已計入可供出售證券	— included in available-for-sale securities	10,622,679	—	1,924,650	6,853,106	1,750,317	94,606	—
		10,835,782	—	2,137,753	6,853,106	1,750,317	94,606	—
持有的債務證券	Debt securities held							
— 已計入交易用途資產	— included in trading assets	815,137	—	—	—	103,779	630,698	80,660
— 已計入可供出售證券	— included in available-for-sale securities	36,950,662	—	608,831	1,055,269	6,939,549	25,371,590	2,975,423
		37,765,799	—	608,831	1,055,269	7,043,328	26,002,288	3,056,083
已發行存款證	Certificates of deposit issued	3,421,769	—	1,406,774	2,014,995	—	—	—

40 金融風險管理 (續)

(c) 流動資金風險管理 (續)

(ii) 金融負債剩餘合約到期日分析

以下的剩餘期限分析顯示本集團的金融負債的最早可能合約到期日之餘下期間為準的未折現現金流量。

40 Financial risk management (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of the residual contractual maturities of financial liabilities

The following maturity profile shows the undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity.

		2018						
		現金流量總額	即時償還	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上
		Gross	Repayable	Within	3 months	1 year	5 years	Over
		cash flows	on demand	1 month	or less but over 1 month	or less but over 3 months	or less but over 1 year	5 years
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
銀行及其他金融機構的	Deposits and balances of banks and							
存款及結存	other financial institutions	2,872,125	530,155	797,012	1,075,486	469,472	-	-
客戶存款	Deposits from customers	287,847,873	73,764,552	72,943,185	70,361,059	70,500,069	273,775	5,233
已發行存款證	Certificates of deposit issued	3,203,960	-	3,203,960	-	-	-	-
已發行債務證券	Debt securities issued	3,714,549	-	-	-	150,221	3,564,328	-
債務資本	Loan capital	6,740,681	-	-	-	2,689,614	4,051,067	-
衍生金融工具	Derivative financial instruments	2,522,492	-	90,011	315,863	760,442	1,234,814	121,362
		306,901,680	74,294,707	77,034,168	71,752,408	74,569,818	9,123,984	126,595
		2017						
		現金流量總額	即時償還	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上
		Gross	Repayable	Within	3 months	1 year	5 years	Over
		cash flows	on demand	1 month	or less but over 1 month	or less but over 3 months	or less but over 1 year	5 years
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
銀行及其他金融機構的	Deposits and balances of banks and							
存款及結存	other financial institutions	5,197,200	2,931,754	695,349	1,543,800	26,297	-	-
客戶存款	Deposits from customers	272,486,804	98,294,705	76,596,642	70,218,250	26,972,929	394,609	9,669
已發行存款證	Certificates of deposit issued	3,438,116	-	1,414,119	2,023,997	-	-	-
已發行債務證券	Debt securities issued	4,069,332	-	-	-	158,172	3,911,160	-
債務資本	Loan capital	7,134,721	-	-	-	409,317	6,725,404	-
衍生金融工具	Derivative financial instruments	1,686,747	-	42,081	183,451	499,816	814,513	146,886
		294,012,920	101,226,459	78,748,191	73,969,498	28,066,531	11,845,686	156,555

40 金融風險管理 (續)

(d) 資本管理

本集團管理資本有以下主要目的：

- 於本集團有營運業務之所在國家中，符合有關銀行監管機構的資本監管要求；
- 維持雄厚的資本基礎以支持其業務發展；及
- 維護本集團持續經營的能力，以持續為股東提供回報及為其他相關持份者提供效益。

金管局設定及監控本集團整體的資本要求，而各經營銀行業務的子公司則直接受其當地銀行監管機構所監管。金管局要求本集團須維持三個最低風險加權資本比率，包括普通股權一級資本比率、一級資本比率及總資本比率。《2014年銀行業（資本）（修訂）規則》於2015年1月1日開始實施《巴塞爾協定三》下的緩衝資本要求，包括防護緩衝資本（「CCB」）其目的是確保銀行於受壓期以外建立風險加權數額的2.5%之資本，以及逆周期緩衝資本（「CCyB」）由個別司法管轄區設置，其目的用以在信貸過度增長時期積存資本。此兩項要求於2016年1月1日至2019年1月1日內分階段實施。金管局並已宣佈香港地區適用的CCyB，由2016年1月1日、2017年1月1日、2018年1月1日及2019年1月1日起分別為風險加權數額的0.625%、1.25%、1.875%及2.5%。《巴塞爾協定三》框架下還引入了槓桿比率作為非以風險為基礎的後備限額，以補充以風險為基礎的資本要求。《2017年銀行業（資本）（修訂）規則》於2018年1月1日正式實施並立法規定最低槓桿比率為3%。

本集團採用標準計算法以計算其在持倉交易盤的市場風險及信貸風險的風險權重，並採用基本指標計算法以計算業務操作風險。銀行業務以交易賬或銀行賬區分，而風險加權數額則按各資產及表外資產風險承擔所反映的不同程度風險之相關要求來釐定。

40 Financial risk management (continued)

(d) Capital management

The Group's primary objectives when managing capital are:

- to comply with the capital requirements set by the banking regulators in the markets where the entities within the Group operate;
- to maintain a strong capital base to support the development of its business; and
- 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.

The HKMA sets and monitors capital requirements for the Group as a whole. An individual banking subsidiary is directly regulated by its local banking supervisor. The HKMA requires that the Group maintain three prescribed minimum risk-weighted capital ratios: Common Equity Tier 1 ("CET1") capital ratio, Tier 1 capital ratio and total capital ratio. In accordance with the Banking (Capital) (Amendment) Rules 2014 which came into effect on 1 January 2015, the Basel III capital buffers, namely capital conservation buffer ("CCB") which is designed to ensure that banks build up capital outside periods of stress of 2.5% of risk-weighted amounts and countercyclical capital buffer ("CCyB") which is set on an individual country basis and is built up during periods of excessive credit growth, came into operation. Both would be gradually phased in from 1 January 2016 to 1 January 2019. The HKMA announced a CCyB ratio for Hong Kong of 0.625%, 1.25%, 1.875% and 2.5% of risk-weighted amounts from 1 January 2016, 1 January 2017, 1 January 2018 and 1 January 2019 respectively. Basel III framework also introduced a leverage ratio as a non-risk-based backstop limit, to supplement risk-based capital requirements. On 1 January 2018, the Banking (Capital) (Amendment) Rules 2017 came into operation and prescribed the statutory minimum leverage ratio of 3%.

The Group adopts the standardised approach of calculating market risk in its trading portfolios and risk weightings for credit risk, and the basic indicator approach for operational risk. Banking operations are categorised as either trading or banking book, and risk-weighted amounts are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

40 金融風險管理 (續)

(d) 資本管理 (續)

本集團積極及定期檢討和管理其資本結構，以在較高槓桿效益可能為股東帶來可觀回報與穩健的資本狀況所帶來的優點和安穩兩者之間取得平衡，並因應不同的經濟狀況調整資本結構。為符合金管局規定以風險為基礎的資本充足要求，本集團進行內部資本充足評估程序以評估第二支柱風險的資本需求，因而計算於第一支柱及第二支柱下的資本要求。此外，作為資本管理政策其中的一部份以及確保本集團有充足資本基礎，本集團每年均進行資本規劃，當中考慮銀行整體策略重點、未來業務增長、風險偏好及監管要求。資本規劃亦包括按需要發行之資本工具，以確保本集團的資本充足比率遠高於內部的監控水平及監管要求。本集團並定期進行壓力測試，以確保在極端但有可能出現的壓力情景下，對風險和資本狀況的影響已被考慮。壓力測試同時為本集團提供了重大不利事件的潛在影響之見解，以及所需之相關補救措施。

按照行業慣常做法，本集團以資本充足比率監控其資本結構。於年內，本集團的資本管理政策並無重大變動。

於2018年12月31日的資本充足比率乃是本集團根據金管局監管規定須包括若干附屬公司於綜合基準上所計算，並符合香港《銀行業條例》下《銀行業（資本）規則》的規定。

截至2018年及2017年12月31日止年度，本集團及其個別受監管的業務均一直遵守所有外部施加的資本要求，且有關資本比率遠高於金管局要求的最低比率水平。

40 Financial risk management (continued)

(d) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing, and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to comply with the risk-based supervisory framework of capital adequacy stipulated by the HKMA, the Group conducts the Internal Capital Adequacy Assessment Process, which assesses the capital requirement for Pillar 2 risks and hence the capital requirement for Pillar 1 and 2 is derived. Moreover, as part of the capital management policy and to ensure capital adequacy, the Group conducts capital planning annually, which takes into account the strategic focus, future business growth, risk appetite and regulatory requirement. The plan covers the issuance of capital instruments, if required, to ensure the Group's capital ratios are well above their respective internal monitoring levels and regulatory requirement. Regular stress testing is performed to ensure that the impact of extreme but plausible scenarios on the risk profile and capital position is considered. Stress testing also gives an insight into the potential impact of significant adverse events and how these could be mitigated.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio. There have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios at 31 December 2018 were computed on the consolidated basis of the Group and some subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31 December 2018 and 31 December 2017, and the Group's capital ratios are well above the minimum required ratios set by the HKMA.

40 金融風險管理 (續)

(e) 操作風險管理

操作風險管理的定義

操作風險是因內部流程、人員、系統的不足或失誤，或其他外部事件，所造成損失的風險。

管治架構

本集團已建立操作風險管理架構以識辨、評估、緩減、控制、監測及報告操作風險。操作風險管理架構涵蓋本集團中的所有成員，並透過政策及指引規定最低要求，以確保操作風險管理方式的一致性。操作風險管理相關事項由董事會附屬的信貸及風險管理委員會和由管理層領導的操作風險管理委員會和欺詐風險管理委員會監督，而後者側重於與欺詐有關的業務風險問題。操作風險管理計劃及工具的實施由集團層面的操作風險管理團隊推動，並得到操作風險管理的其他主要參與者支援，當中包括擁有具體相關營運風險領域的專家，包括法律部、合規部、財務管理部、資訊技術部、人力資源部、欺詐風險管理團隊和技術風險管理團隊。

操作風險的管理

日常操作風險相關事項由各業務部門、支援部門及其操作風險及控制管理主管協助部門主管執行。

操作風險管理小組協助管理層理解及管理操作風險，並確保本集團的操作風險政策、流程及程序能一致地應用於集團各部門。各業務部門及支援部門根據其所屬範圍負責識別、評估、管理及監察相關的操作風險及主要風險指標。操作風險管理小組監察本集團的整體操作風險水平及確保所有重大風險都能及時並準確地向操作風險管理委員會、信貸及風險管理委員會及集團的高級管理層匯報，提請作出關注。

內部審計部定期對操作風險管理架構作出審查以確保管理架構持續恰當有效。

40 Financial risk management (continued)

(e) Operational risk management

Definition of operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Governance framework

The Group has established an Operational Risk Governance Framework ("ORGF") to identify, assess, mitigate, control, monitor and report operational risk. The ORGF encompasses every member within the Group and is governed by policies and guidelines which define the minimum requirements to ensure a consistent approach to manage operational risks. Operational Risk Management ("ORM") relevant matters are under the oversight of the Credit & Risk Management Committee ("CRMC"), a subcommittee of the Board of Directors, the Operational Risk Management Committee ("ORMC") and the Fraud Risk Management Committee ("FRMC"), both committees led by management and the latter one focuses on fraud-related operational risk matters. Implementation of ORM plans and tools is driven by a Group-level ORM team with the support from other key participants in ORM including subject matter experts on specific operational risk areas including Legal Department, Compliance Group, Financial Management Group, Information Technology Department, Human Resources Department, Fraud Risk Management Team and Technology Risk Management Team.

Management of operational risk

Day-to-day operational risk management lies with our business units, support units and the Operational Risk and Control Head ("ORCH") of each unit assists the respective unit heads in this regard.

ORM team assists management in meeting their responsibility of understanding and managing operational risk and ensures the development and consistent application of operational risk policies, processes and procedures throughout the Group. Business and support units are responsible for identifying, assessing, managing and monitoring operational risks and tracking Key Risk Indicators in their areas. The ORM team monitors the Group's overall operational risk exposures and ensures that all material risks are promptly and appropriately escalated to the ORMC, CRMC and senior management of the Group for their attention.

The Internal Audit Group examines and evaluates the adequacy and control effectiveness of the ORGF on an ongoing basis.

40 金融風險管理 (續)

(e) 操作風險管理 (續)

操作風險的管理 (續)

所有新入職員工必須完成操作風險網上培訓課程，在職員工亦必須進行年度的操作風險架構重溫。操作風險管理小組亦為各業務部門及支援部門舉辦培訓班，以提高各員工對操作風險的防範意識及熟習風險管理工具的運用，使在職員工更了解操作風險管理架構及其角色和責任。管理層的支持進一步加強了操作風險的認受性和推動員工達致卓越的營運水平。

所有外判活動、新產品及大型項目均需進行風險評估。

工具及方法

本集團透過以下的操作風險管理工具和系統作識辨、評估、監察及報告操作風險：

- 操作風險自我評估是用作識辨及評估各風險級別、及其控制措施有效性的一種工具。按操作風險管理小組的指引，該工具已於所有業務及支援部門推行。各部門的管理層委任負責人需從日常業務運作中識辨主要的風險因素。各風險因素須按估計損失及發生頻率進行分析，從而量化該因素帶來的財務影響。除財務影響的評估外，亦需考慮其他非財務影響，包括受影響客戶的數量、監管及聲譽影響等的可能性及嚴重性。
- 主要風險指標是一項透過分析不同的風險因素，提供風險警報訊號予管理層作監察及行動的統計性測量工具。透過定期的主要風險指標監察，本集團能及早識辨及應對潛在的業務監控弱點。主要風險指標分為兩個層面，即集團層面及部門層面。部門層面的主要風險指標由各部門制定，以持續監測相關改善計劃的進度及完成情況。各業務部門及支援部門層面的主要風險指標門檻值是參照本集團的風險偏好或各部門可承受的風險程度而設定。

40 Financial risk management (continued)

(e) Operational risk management (continued)

Management of operational risk (continued)

A web-based learning programme on operational risks is required for all new joiners and an annual refresher training on ORGF is compulsory for all staff. Training workshops led by the ORM team are offered to business and support units with the objectives to raise operational risk awareness among staff, familiarize them with the ORM tools and enhance understanding of the ORGF along with their roles, responsibilities and accountabilities. This is further reinforced by strong management support which encourages staff to embrace and pursue operational excellence.

Risk assessments are conducted on all outsourced activities, new products and large projects.

Tools and methodologies

The Group identifies, assesses, monitors and reports on operational risk through the ORM tools and systems as set out below:

- Operational Risk & Control Self-Assessment ("RCSA") is a tool to identify and assess the level of operational risk and effectiveness of control. RCSA has been rolled out across the business and support units under the guidance of the ORM team. RCSA leaders are nominated by the management of each business and support unit to conduct self-assessments and identify key risk factors in their daily business and support functions. Each key risk factor is assessed and quantified for financial impact, in terms of the estimated loss impact of each occurrence and estimated number of occurrences. In addition to the financial impact assessment, non-financial impacts including customer, regulatory and reputation impacts are also assessed taking into considerations of both likelihood of risk materializing and severity of impact.
- Key Risk Indicators ("KRIs") are statistical metrics that take various risk factors into consideration and serve to provide early warning signals for management's monitoring and action. Through regular monitoring of these KRIs, areas of potential operational control weaknesses can be identified at an early stage and addressed promptly. KRIs are developed at two levels, namely the group and the unit level. Unit level KRIs are developed by the respective units, and are monitored and tracked for progress towards completion of applicable mitigation plans. Thresholds are established for each business unit and support unit with reference to the risk appetite of the Group or the acceptable risk level for the unit under each risk factor.

40 金融風險管理 (續)

(e) 操作風險管理 (續)

工具及方法 (續)

- 所有操作風險事件均記錄於操作風險損失數據資料庫內。操作風險管理小組確保所有重要事件均已記載於該數據資料庫及作出合理調查，並確保相關的糾正及預防措施已按照既定時間表執行。作為一個中央數據資料庫，事故數據會用於編製定期報告，報告須向高級管理層、操作風險管理委員會、信貸及風險管理委員會就重大的操作風險事件，及監察操作風險損失趨勢作匯報。匯報機制的設立確保相關的內部部門能及時得悉操作風險重大事故，並能按需要迅速提交報告予監管機構。影響較小的操作風險事件也進行收集以協助趨勢分析和提供更具前瞻性的視野以保證對潛在的風險問題進行密切關注。
- 操作風險管理儀表板為管理層就主要操作風險事項其中包括但不限於操作風險自我評估進度及主要風險指標提供概覽。此儀表板每月呈交操作風險管理委員會，並每季呈交信貸及風險管理委員會，作為集團風險管理報告的一部份。集團風險管理報告亦反映操作風險措施的執行情況，描述操作風險事件及損失的走勢分析，扼要論述對本集團影響重大的事故。

本集團會不斷優化及提升操作風險管理架構以配合市場發展。

本集團的長遠目標為推動一個具前瞻性、有承擔和負責任的操作風險管理文化，持續穩健地管理業務操作風險，以達致卓越營運的目的。

40 Financial risk management (continued)

(e) Operational risk management (continued)

Tools and methodologies (continued)

- Operational risk incidents are reported into a centralized operational loss database. The ORM team ensures all material operational risk incidents are registered in the database, and are properly investigated, with corrective and preventive actions promptly executed according to agreed timelines. The loss data serves as a centralized database to produce regular reports for senior management, ORMC and CRMC review on the impact of significant incidents and monitoring of the operational risk loss trends. An escalation protocol is in place to ensure that operational risk incidents with significant impact are reported to the regulatory authorities, if deemed necessary. Lower impact operational risk events are also collected to assist trend analysis and provide a more forward looking perspective of potential risk issues that warrant for closer attention.
- Operational Risk Dashboard (“ORD”) provides management with an overview of the key operational risk issues including but not limited to the progress of the RCSA reviews and KRI evaluation results. This information is submitted to the ORMC monthly and relevant summarized information is submitted to the CRMC quarterly as part of the Group-wide Risk Status Update Report. The Group-wide Risk Status Update Report captures the implementation status of ORM initiatives, contains analyses on the trend of operational losses, highlights operational risk incidents that have a material impact on the Group.

The Group will continuously fine-tune and enhance its operational risk management framework to progress with industrial developments.

The Group’s long-term goal is to cultivate a proactive, responsible and accountable culture on ORM, and achieve operational excellence through robust and continuous operational risk management.

40 金融風險管理 (續)

(f) 法律風險管理

本集團緊貼所有適用於其管治及營運的最新法律和監管規定，不斷致力培育員工，提升系統和程序，按需要推行必要的變動及建立對這些要求的警覺意識。本集團定時進行檢討，以確保本集團的政策和程序符合相關最新的法律和監管的規定。若發佈新的或大幅修改政策和程序，相關培訓通常會隨之進行。本集團亦設立了一項有力的程序以確保有效地認定，監測及緩解法律風險。如有發生任何重大而相關於風險的未合規事件，法律或合規部門會匯報予本集團的信貸及風險管理委員會及高級管理層。

本集團的法律部及合規部在本集團的運作中扮演著極為重要的角色，並為各部門提供法律與合規的意見及支援，並支援單位的合作，以確保維持相關的控制措施。在2018年，法律部及合規部積極參與新產品的推出及新業務的創立，重要的策略性交易及商業合約、外判合約，以及為本集團處理其遍及不同地域及範疇商業活動的日常事務。與此同時，法律部及合規部亦積極參與監察和確保符合急速變化的監管規定對本集團各方面的影響。而且將繼續就本集團的需要提供意見及支援以盡力克服現時環境轉變所帶來的挑戰。

(g) 策略性及聲譽風險管理

策略性風險管理是源自本集團為建立、支持及推行有關長期增長及發展的策略性決定所付出的努力。聲譽風險管理則源自本集團致力保護其品牌及業務經營權免除由有關本集團經營慣例、行為或財務狀況的負面公眾消息所導致的潛在損害。

本集團的信貸及風險管理委員會定期開會，監察和管理本集團的策略性及聲譽風險。本集團高級管理層認為當前要務是確保能妥善制定及執行業務和營運策略，並以專業手法及按合適時機進行。此等策略會定時作出檢討以使本集團能與不斷變化的營運及監管環境同步並進。本集團以銀行整體基礎為業務重點，連同一些能清楚配合支持本集團策略的個別業務及支援部門，可計量的目標會分配到不同單位以確保能完善執行。本集團亦非常關注保護本集團的聲譽及加強其品牌效應達至最大效益，此需要持續致力監管及確保客戶的滿意度、營運的效率、法律與監管的合規性、與公眾的溝通及發佈的管理等方面能維持高水平。

40 Financial risk management (continued)

(f) Legal risk management

The Group remains abreast of all legal and regulatory requirements applicable to its governance and operations, and continuously seeks to develop its people, enhance its systems and processes, and implement changes as necessary to meet the demands and create awareness of such requirements. Regular reviews are conducted with respect to the Group's policies and procedures to ensure the same reflect the latest legal and regulatory requirements. Issuance of new or substantially revised policies and procedures are often accompanied by relevant training. There is a strong process in place to ensure legal and regulatory risks are identified, monitored and mitigated. Any significant matters that arise relating to such risks are reported as appropriate by either the Legal or Compliance function to the Group's CRMC or senior management.

The Legal Department ("Legal") and Compliance Group ("Compliance") have been key partners in the business, providing legal and compliance advice and support to all parts of the Group and working with business and support units to ensure relevant controls are in place. In 2018, Legal and Compliance were actively involved in new product launches and new business initiatives, strategically important transactions and commercial agreements, outsourcing arrangements as well as day-to-day matters arising from the Group's business. Legal and Compliance will remain heavily involved in monitoring and ensuring compliance with changing regulatory requirements in various areas impacting the Group, and will continue to advise and support the Group in meeting the legal and regulatory challenges that lay ahead.

(g) Strategic and reputation risk management

Strategic risk management refers to the Group's efforts to develop, uphold and implement strategic decisions related to its long-term growth and development. Reputation risk management refers to the Group's efforts to protect its brand name and business franchise from any potential damages arising from negative publicity and information about its business practices, conduct or financial condition.

The CRMC of the Group meets regularly to monitor and oversee the Group's strategic and reputation risks. Senior management places high priority on ensuring that the Group's business and operational strategies are appropriately defined and are executed professionally and promptly. Such strategies are reviewed regularly to enable the Group to respond efficiently to changes in its operating and regulatory environment. Business priorities, set on a bank-wide basis, as well as for individual business and functional units, are aligned to support the Group's strategies, and measurable targets are assigned to ensure execution excellence. Great care is also taken to protect the Group's reputation and to maximise its brand equity. This includes ongoing efforts to monitor and ensure high standards of customer satisfaction, operational efficiency, legal and regulatory compliance, public communication and issues management.

41 公允價值計量的金融工具

(a) 以公允價值計量的金融工具

(i) 層級計算公允價值

公允價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。公允價值根據下列公允價值層級釐定：

41 Fair value measurement of financial instruments

(a) Financial instruments measured at fair value

(i) Fair value hierarchy

Fair value estimates are generally subjective in nature, and are made at a specific point in time based on the characteristics of the financial instruments and relevant market information. Fair value is determined according to the following fair value hierarchy:

		於2018年12月31日的公允價值計量 Fair value measurements at 31 December 2018 using			
		截至12月31日 公允價值 (總額) Fair value at 31 December (Total) 港幣千元	相同資產在 活躍市場報價 (第1層級) Quoted prices in active market for identical assets (Level 1) 港幣千元	其他主要 可觀察的數據 (第2層級) Significant other observable input (Level 2) 港幣千元	主要而 非可觀察的數據 (第3層級) Significant unobservable input (Level 3) 港幣千元
經常性公允價值計量	Recurring fair value measurements	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產	Assets				
以公允價值計入損益的金融資產	Financial assets at fair value through profit or loss				
— 債務證券	– Debt securities	944,630	734,674	209,956	–
— 國庫券	– Treasury bills	495,389	495,389	–	–
— 投資基金	– Investment funds	513	–	–	513
		1,440,532	1,230,063	209,956	513
衍生金融工具	Derivative financial instruments				
— 衍生工具的正公允價值	– Positive fair value of derivatives	6,027,833	9,292	6,018,541	–
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income				
— 持有的存款證	– Certificates of deposit held	14,394,029	754,018	13,640,011	–
— 國庫券	– Treasury bills	15,975,480	15,975,480	–	–
— 債務證券	– Debt securities	36,512,097	32,967,393	3,530,867	13,837
— 權益證券	– Equity securities	95,801	–	–	95,801
		66,977,407	49,696,891	17,170,878	109,638
		74,445,772	50,936,246	23,399,375	110,151
負債	Liabilities				
衍生金融工具	Derivative financial instruments				
— 衍生工具的負公允價值	– Negative fair value of derivatives	6,543,351	14,040	6,529,311	–

41 公允價值計量的金融工具 (續)

(a) 以公允價值計量的金融工具 (續)

(i) 層級計算公允價值 (續)

41 Fair value measurement of financial instruments (continued)

(a) Financial instruments measured at fair value (continued)

(i) Fair value hierarchy (continued)

於2017年12月31日的公允價值計量
Fair value measurements at 31 December 2017 using

		截至12月31日 公允價值 (總額) Fair value at 31 December (Total) 港幣千元 HK\$'000	相同資產在 活躍市場報價 (第1層級) Quoted prices in active market for identical assets (Level 1) 港幣千元 HK\$'000	其他主要 可觀察的數據 (第2層級) Significant other observable input (Level 2) 港幣千元 HK\$'000	主要而 非可觀察的數據 (第3層級) Significant unobservable input (Level 3) 港幣千元 HK\$'000
經常性公允價值計量	Recurring fair value measurements				
資產	Assets				
以公允價值計入損益的金融資產	Financial assets at fair value through profit or loss				
— 持有的存款證	— Certificate of deposits held	213,103	213,103	—	—
— 債務證券	— Debt securities	815,137	785,249	29,888	—
— 投資基金	— Investment funds	804	—	—	804
		1,029,044	998,352	29,888	804
衍生金融工具	Derivative financial instruments				
— 衍生工具的正公允價值	— Positive fair value of derivatives	4,770,495	1,743	4,768,752	—
可供出售證券	Available-for-sale securities				
— 持有的存款證	— Certificates of deposit held	10,622,679	125,199	10,497,480	—
— 國庫券	— Treasury bills	11,681,635	11,681,635	—	—
— 債務證券	— Debt securities	36,950,662	34,344,626	2,602,036	4,000
— 權益證券	— Equity securities	91,701	—	—	91,701
		59,346,677	46,151,460	13,099,516	95,701
		65,146,216	47,151,555	17,898,156	96,505
負債	Liabilities				
衍生金融工具	Derivative financial instruments				
— 衍生工具的負公允價值	— Negative fair value of derivatives	4,824,483	478	4,824,005	—

截至2018年及2017年12月31日期間，公允價值層級第1級和第2級之間並沒有重大的金融工具轉移。以第3層級計量的轉入及轉出於以下附註41(a)(iii)中披露。

For the years ended 31 December 2018 and 2017, there were no significant transfers of financial instruments between level 1 and level 2 of the fair value hierarchy. For transfer in and out of Level 3 measurements see the note 41(a)(iii) below.

41 公允價值計量的金融工具 (續)**(a) 以公允價值計量的金融工具 (續)****(ii) 公允價值的釐定**

本集團以下列的層級計算公允價值以反映輸入的數據對量度公允價值的重要性：

第1層級－參考同一工具於計量日在活躍市場取得的市場報價(未經調整)。

第2層級－

- (i) 參考同一或類似不活躍工具的市場報價；
- (ii) 根據可觀察的數據之估值模式。輸入的數據是直接或間接可從市場觀察所得的數據。此層級估值的工具，包括金融工具：就相若工具在活躍市場取得的市場報價或就相同或相若工具在非活躍市場取得的市場報價。

第3層級－根據重要而非可觀察得到的輸入數據之估值模式。其估值模式包括一個或多個重要的輸入數據是非可觀察的數據。此層級包括金融工具其估值按相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場上進行交易的金融資產及金融負債根據市場報價或經銷商報價以釐定其公允價值。而對於所有其他金融工具的公允價值本集團則採用估值模式。估值模式包括淨現值和現金流量折現模型和其他估價模型。用於估值模式的假設和輸入數據包括無風險利率及基準利率，信用差價和其他變數用以估計折現率，債券價格和外匯匯率。

41 Fair value measurement of financial instruments (continued)**(a) Financial instruments measured at fair value (continued)****(ii) Determination of fair value**

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 – Quoted (unadjusted) market price in active markets for identical instruments at the measurement date.

Level 2 –

- (i) Quoted market price for identical or similar instruments that are not active;
- (ii) Valuation techniques based on observable inputs, either directly or indirectly, where all significant inputs are observable from market data. This category includes financial instruments with quoted prices in active markets for similar instruments; or quoted prices in markets that are considered less than active for identical or similar instruments.

Level 3 – Valuation techniques using significant unobservable inputs where the valuation techniques include one or more significant inputs that are unobservable. This category includes financial instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect the differences between the instruments.

Fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair value using valuation techniques. Valuation techniques include net present value, discounted cash flow models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other parameters used in estimating discount rates, bond price and foreign currency exchange rates.

41 公允價值計量的金融工具 (續)

(a) 以公允價值計量的金融工具 (續)

(ii) 公允價值的釐定 (續)

本集團就釐定金融工具的公允價值採用最常見的估值方法如利率和貨幣掉期，這是可靠性高的可觀察市場數據，並不需要管理層耗時判斷與估計。觀察價格和模型的輸入數據通常可見於市場內上市的債券及股份證券，外匯買賣的衍生工具和簡單的場外交易衍生工具如利率掉期。然而，可否取得可觀察市場價格和輸入數據取決於不同的產品和市場，並會因金融市場個別事件和一般情況而有不同變化。

某些金融工具的估價模式需要一個或多個非可觀察的主要輸入數據，這些金融工具包括結構性投資，例如場外交易結構性衍生工具，及一些沒有活躍市場的證券。該等需利用主要而非可觀察的數據的估值模式，需要管理層深入判斷或估計始能揀選適當的估值模式，並為估值的金融工具決定其預期的未來現金流量，交易對手違約和還款的或然率，以及選擇適當的折現率等。

(iii) 第3層級的公允價值計量資料

	估值模式 Valuation techniques	主要而非可觀察的數據 Significant unobservable inputs	非可觀察的數據的 公允價值計量之敏感度 Fair value measurement sensitivity to unobservable inputs
投資基金 Investment funds	經紀報價 Broker quote	不適用 Not applicable	不適用 Not applicable
債務證券 Debt securities	現金流量折現模型 Discounted cash flow model	預計現金流及估計無風險利率 Forecasted cash flows and estimated risk-free rate	無風險利率顯著上升 引致較低的公允價值 Significant increase in the estimated risk-free rate would result in a lower fair value
權益證券 Equity securities	(註) See note below	(註) See note below	不適用 Not applicable

註：

於第3層級公允價值計量的權益證券一般歸類為以公允價值計入其他全面收益的金融資產，且並非於活躍市場進行買賣。由於缺乏交投活躍的市場，其公允價值的估算是參考活躍市場所報類似實體的市場估值而估計。因此，要列報主要而非可觀察的數據是並不實際的。

41 Fair value measurement of financial instruments (continued)

(a) Financial instruments measured at fair value (continued)

(ii) Determination of fair value (continued)

The most common valuation techniques applied by the Group to determine the fair value of financial instruments are from interest rates and currency swaps, which are observable market data with high reliability, and do not require the significant involvement of management's judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter ("OTC") derivatives like interest rate swaps. However, the availability of observable market prices and inputs varies depending on the products and markets, and is prone to changes based on specific events and general conditions in the financial markets.

Certain financial instruments need to be employed with valuation techniques where one or more significant market inputs involved are not observable. Examples of these financial instruments are structured investments, OTC structured derivatives and certain securities for which there is no active market. For valuation models involving significant unobservable inputs, a high degree of management judgement or estimation is required to select the appropriate valuation model, determine the expected future cash flows on the financial instruments being valued, determine the probability of counterparty default and prepayments, and select the appropriate discount rates.

(iii) Information about Level 3 fair value measurements

	估值模式 Valuation techniques	主要而非可觀察的數據 Significant unobservable inputs	非可觀察的數據的 公允價值計量之敏感度 Fair value measurement sensitivity to unobservable inputs
投資基金 Investment funds	經紀報價 Broker quote	不適用 Not applicable	不適用 Not applicable
債務證券 Debt securities	現金流量折現模型 Discounted cash flow model	預計現金流及估計無風險利率 Forecasted cash flows and estimated risk-free rate	無風險利率顯著上升 引致較低的公允價值 Significant increase in the estimated risk-free rate would result in a lower fair value
權益證券 Equity securities	(註) See note below	(註) See note below	不適用 Not applicable

Note:

Equity securities under level 3 fair value measurements are generally classified as financial assets at fair value through other comprehensive income and are not traded in the active market, accordingly, the fair value is estimated by reference to market valuations for similar entities quoted in an active market. It is not practical to quote significant unobservable inputs.

41 公允價值計量的金融工具 (續)

(a) 以公允價值計量的金融工具 (續)

(iii) 第3層級的公允價值計量資料 (續)

下表顯示第3層級的公允價值層級期初及期末餘額的變動情況：

41 Fair value measurement of financial instruments (continued)

(a) Financial instruments measured at fair value (continued)

(iii) Information about Level 3 fair value measurements (continued)

The following table shows a reconciliation between the opening and the closing balance of fair value measurements in Level 3 of the fair value hierarchy:

資產	Assets	以公允價值計入 損益的金融資產	以公允價值計入 其他全面收益的金融資產		總額 Total
		Financial assets at fair value through	Financial assets at fair value		
		profit or loss	through other comprehensive income		
			投資基金	債務證券	權益證券
		Investment funds	Debt securities	Equity securities	
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2018年1月1日	At 1 January 2018	804	4,000	91,701	96,505
買入	Purchases	-	-	500	500
賣出	Sales	(38)	-	-	(38)
由第2層級轉入	Transfer from level 2	-	44,851	-	44,851
結算	Repayment	-	(35,018)	-	(35,018)
於損益表確認的損益	Gains or losses recognised in the income statement	(253)	4	(25)	(274)
於其他綜合收益中確認的 公允價值變動	Change in fair value recognised in other comprehensive income	-	-	3,625	3,625
於2018年12月31日	At 31 December 2018	513	13,837	95,801	110,151
於結算日仍持有的資產於年內的 損益表中確認的損益總額：	Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in:				
－買賣外幣收益減損失	－Gains less losses from dealing in foreign currencies	-	4	(25)	(21)
－買賣以公允價值計入損益的 金融資產收益減損失	－Gains less losses from financial assets at fair value through profit or loss	(253)	-	-	(253)
於其他綜合收益中確認的 公允價值變動總額	Total change in fair value recognised in other comprehensive income	-	-	3,625	3,625

41 公允價值計量的金融工具 (續)

(a) 以公允價值計量的金融工具 (續)

(iii) 第3層級的公允價值計量資料 (續)

資產	Assets	以公允價值計入 損益的金融資產	可供出售證券		總額
		Financial assets at fair value through profit or loss	Available-for-sale securities		Total
		投資基金	債務證券	權益證券	
		Investment funds	Debt securities	Equity securities	
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2017年1月1日	At 1 January 2017	1,078	4,000	23,496	28,574
買入	Purchases	–	–	18,500	18,500
賣出	Sales	(172)	–	–	(172)
於損益表確認的損益	Gains or losses recognised in the income statement	(102)	–	72	(30)
於其他綜合收益中確認 的公允價值變動	Change in fair value recognised in other comprehensive income	–	–	49,633	49,633
於2017年12月31日	At 31 December 2017	804	4,000	91,701	96,505
於結算日仍持有的資產於年內的 損益表中確認的損益總額：	Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in:				
– 買賣外幣收益減損失	– Gains less losses from dealing in foreign currencies	–	–	72	72
– 買賣以公允價值計入損益的 金融資產收益減損失	– Gains less losses from financial assets at fair value through profit or loss	(102)	–	–	(102)
於其他綜合收益中確認的 公允價值變動總額	Total change in fair value recognised in other comprehensive income	–	–	49,633	49,633

41 Fair value measurement of financial instruments
(continued)

(a) Financial instruments measured at fair value (continued)

(iii) Information about Level 3 fair value measurements (continued)

41 公允價值計量的金融工具 (續)

(a) 以公允價值計量的金融工具 (續)

(iv) 公允價值敏感度的合理可行另類假設

對於以公允價值計入其他全面收益的第3層級的金融資產(權益證券)其公允價值所使用的估值模式中包含假設,並非依據可觀察的市場數據。下表顯示出第3層級權益證券的公允價值計入其他全面收益的敏感度因轉用至合理可行替代假設所產生的公允價值正、負10%的並行變動。

41 Fair value measurement of financial instruments (continued)

(a) Financial instruments measured at fair value (continued)

(iv) Sensitivity of fair values to reasonably possible alternative assumptions

For the level 3 financial assets at fair value through other comprehensive income (equity securities), its fair value is measured by using a valuation model to incorporate assumptions that are not based on observable market data. The following table shows the sensitivity of level 3 fair value measurements on the equity securities measured at fair value through other comprehensive income. The favourable and unfavourable changes are determined on the basis of 10% change in fair value to reasonably possible alternative assumptions.

		2018年12月31日 31 December 2018			
		於收益表中反映 Effect on income statement		於其他全面收益反映 Effect on other comprehensive income	
		有利 Favourable 港幣千元 HK\$'000	(不利) (Unfavourable) 港幣千元 HK\$'000	有利 Favourable 港幣千元 HK\$'000	(不利) (Unfavourable) 港幣千元 HK\$'000
資產	Assets				
以公允價值計入其他全面收益的金融資產	Financial assets at fair value through other comprehensive income				
— 權益證券	— Equity securities	-	-	9,053	(7,654)

		2017年12月31日 31 December 2017			
		於收益表中反映 Effect on income statement		於其他全面收益反映 Effect on other comprehensive income	
		有利 Favourable 港幣千元 HK\$'000	(不利) (Unfavourable) 港幣千元 HK\$'000	有利 Favourable 港幣千元 HK\$'000	(不利) (Unfavourable) 港幣千元 HK\$'000
資產	Assets				
可供出售證券	Available-for-sale securities				
— 權益證券	— Equity securities	-	-	9,170	(9,170)

41 公允價值計量的金融工具 (續)**(b) 以公允價值以外計量的金融工具的公允價值**

除另有說明外，所有金融工具均以公允價值列賬，或以與截至2018年及2017年12月31日的公允價值差別不大的賬面值列賬。

(i) 金融資產

本集團的金融資產主要包括現金、銀行、中央銀行及其他金融機構存款、客戶貸款及墊款、投資及金融衍生工具。

銀行、中央銀行及其他金融機構存款的公允價值主要按照市場利率定價，並於1年內到期。因此，賬面值與公允價值相若。

客戶貸款及墊款的公允價值已經考慮有關市場利率及按照接近市場利率的浮動利率定價，並經常於3個月內重新定價，故相等於其賬面值。

以公允價值計入損益及以公允價值計入其他全面收益的金融資產（2017年：可供出售證券）在財務報表內以公允價值列賬。

41 Fair value measurement of financial instruments (continued)**(b) Fair values of financial instruments measured at other than fair value**

All financial instruments are stated at fair value or carried at amounts not materially different from their fair value at 31 December 2018 and 2017 unless otherwise stated.

(i) Financial assets

The Group's financial assets mainly include cash; placements with banks, central banks and other financial institutions; loans and advances to customers; investments; and financial derivative instruments.

The fair values of placements with banks, central banks and other financial institutions are mainly priced at market interest rates, and mature within one year. Accordingly, the carrying values approximate the fair value.

The fair values of loans and advances to customers, taking into account the relevant market interest rates and being mostly priced at floating rates close to the market interest rate which are mainly repriced within 3 months, approximately equals their carrying amount.

Financial assets at fair value through profit or loss and at fair value through other comprehensive income (2017: available-for-sale securities) are stated at fair value in the financial statements.

41 公允價值計量的金融工具 (續)

(b) 以公允價值以外計量的金融工具的公允價值 (續)

(ii) 金融負債

除下述者外，所有金融負債均以公允價值呈列或按照與其截至2018年及2017年12月31日的公允價值分別不大的賬面值入賬：

41 Fair value measurement of financial instruments (continued)

(b) Fair values of financial instruments measured at other than fair value (continued)

(ii) Financial liabilities

All financial liabilities are stated at fair value or carried at amounts not materially different from their fair value at 31 December 2018 and 2017, except as follows:

		2018				
		賬面金額	公允價值	第1層級	第2層級	第3層級
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
金融負債	Financial liabilities					
已發行存款証	Certificates of deposit issued	3,133,151	3,133,245	–	3,133,245	–
已發行債務證券	Debt securities issued	3,408,077	3,416,698	–	3,416,698	–
債務資本	Loan capital	6,283,542	6,442,439	6,442,439	–	–
		12,824,770	12,992,382	6,442,439	6,549,943	–
		2017				
		賬面金額	公允價值	第1層級	第2層級	第3層級
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
金融負債	Financial liabilities					
已發行存款証	Certificates of deposit issued	3,421,769	3,421,510	–	3,421,510	–
已發行債務證券	Debt securities issued	3,584,064	3,531,079	–	3,531,079	–
債務資本	Loan capital	6,340,192	6,642,421	6,642,421	–	–
		13,346,025	13,595,010	6,642,421	6,952,589	–

42 或有資產、負債及承擔

(a) 提供信貸的或有負債及承擔

以下是每類主要或有負債及承擔的合約金額概要：

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
直接信貸代替品	Direct credit substitutes	2,196,356	3,869,439
與交易有關的或有項目	Transaction-related contingencies	253,309	365,203
與貿易有關的或有項目	Trade-related contingencies	1,215,101	1,987,228
遠期有期存款	Forward forward deposits placed	4,056,917	–
其他承擔：	Other commitments:		
– 銀行可無條件取消或 在借款人的信貸狀況 轉壞時可自動取消	– which are unconditionally cancellable or automatically cancellable due to deterioration in the creditworthiness of the borrower	76,834,222	92,291,172
– 原到期日在1年或以下	– with an original maturity of not more than 1 year	1,100,493	3,021,463
– 原到期日在1年以上	– with an original maturity of more than 1 year	3,789,368	3,986,946
		89,445,766	105,521,451
信貸風險加權數額	Credit risk-weighted amounts	5,036,814	5,445,027

或有負債及承擔是與信貸相關的工具，包括遠期有期存款、信用證和提供信貸的擔保及承擔。涉及的風險基本上與向客戶提供貸款融資額涉及的信貸風險相同。合約金額是指在合約全數提取後發生客戶拖欠而需承擔風險的金額。由於融資額可能在到期時仍未動用，故合約金額並非預期未來現金流量。

用於計算信貸風險加權數額的風險加權由0%至150%（2017年：0%至150%）不等。

42 Contingent assets, liabilities and commitments

(a) Contingent liabilities and commitments to extend credit

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

Contingent liabilities and commitments are credit-related instruments which include forward forward deposits placed, 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 client default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

The risk weights used in the computation of credit risk-weighted amounts range from 0% to 150% (2017: 0% to 150%).

42 或有資產、負債及承擔 (續)**(b) 資本承擔**

於2018年12月31日，主要因用於項目及購入設備未償付而又未在財務報表內提撥準備的資本承擔如下：

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
已授權及訂約	Authorised and contracted for	97,498	170,569

(c) 租賃承擔

於2018年12月31日，根據不可解除經營租賃應付的未來最低租金總額如下：

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
物業租賃於以下期間期滿：	Property leases expiring:		
1年內	Within 1 year	314,380	289,265
1年以上至5年	After 1 year but within 5 years	778,003	682,739
5年後	After 5 years	–	20,108
		1,092,383	992,112
設備租賃於以下期間期滿：	Equipment leases expiring:		
1年內	Within 1 year	5,628	5,594
1年以上至5年	After 1 year but within 5 years	3,878	8,704
		9,506	14,298
		1,101,889	1,006,410

本集團通過經營租賃的方式租借多項物業及設備。有關物業及設備的最初租賃期一般為1至9年，可於續期時重新商定所有條款。以上租賃均不涉及或有租金。

The Group leases a number of properties and items of equipment under operating leases. The leases typically run for an initial period of one to nine years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

(d) 有關法律申索的或有負債

於2018及2017年12月31日，本集團並沒有牽涉任何可能對其財政狀況構成重大影響的法律行動。

42 Contingent assets, liabilities and commitments (continued)**(b) Capital commitments**

Capital commitments mainly for projects and the purchase of equipment outstanding at 31 December 2018 not provided for in the financial statements are as follows:

(c) Lease commitments

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(d) Contingent liability in respect of legal claim

The Group is not involved in any legal action that would be significant to the financial position of the Group at 31 December 2018 and 2017.

43 信託活動

本集團通常擔任受託人及以其他受信人身份，代表個別人士、信託、退休福利計劃及其他機構持有或存放資產。由於這些資產並非本集團的資產，故這些資產及其產生的收入不包括在本財務報表內。

44 直接母公司及最終控權方

董事會認為，本集團於2018年12月31日的直接母公司為在香港註冊成立的中信國際金融控股有限公司，而本集團最終控權方為在中華人民共和國註冊成立的中國中信集團有限公司。

45 比較數字

合併財務報表和相關披露附註中的某些比較數字已重新分類，以符合本年度的列報方式。

43 Trust activities

The Group commonly acts as a trustee 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 income arising therefrom are excluded from these financial statements as they are not assets of the Group.

44 Immediate parent and ultimate controlling party

At 31 December 2018, the Directors considered the immediate parent of the Group to be CITIC International Financial Holdings Limited, which is incorporated in Hong Kong, and the ultimate controlling party of the Group to be CITIC Group Corporation, which is incorporated in Mainland China.

45 Comparative figures

Certain comparative figures in the consolidation financial statements and related disclosure notes have been reclassified to conform with current year's presentation.

46 本行之財務狀況表及儲備變動

(a) 本行財務狀況表
於2018年12月31日
(以港幣為單位)

46 Statement of financial position and reserve movement of the Bank

(a) Statement of financial position of the Bank
At 31 December 2018
(Expressed in Hong Kong dollars)

	附註 Note	2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
資產			
現金及在銀行、中央銀行及 其他金融機構的結存		28,986,911	27,982,125
在銀行、中央銀行及 其他金融機構的存款及墊款		52,658,850	45,906,979
以公允價值計入損益的金融資產		1,440,531	1,029,045
衍生金融工具		6,027,254	4,770,288
客戶貸款及墊款及其他賬項		191,757,579	182,125,244
以公允價值計入其他全面收益的 金融資產		65,054,467	–
可供出售證券		–	57,571,177
應收附屬公司款項		10,719,036	11,914,437
附屬公司投資		1,756,418	1,245,418
聯營企業		350,000	–
物業及設備			
– 投資物業		212,380	101,624
– 其他物業及設備		473,842	859,665
無形資產		645,734	–
可收回稅項		–	25,117
遞延稅項資產		389,862	50,744
資產總額		360,472,864	333,581,863
負債及權益			
負債			
銀行及其他金融機構的存款及結存		2,735,572	5,187,319
客戶存款		283,639,584	262,179,037
衍生金融工具		6,537,220	4,817,633
已發行存款證		3,133,151	3,421,769
已發行債務證券		3,408,077	3,584,064
本期稅項		581,153	499,934
其他負債		8,314,516	4,845,153
應付附屬公司款項		793,917	174,803
債務資本		6,283,542	6,340,192
負債總額		315,426,732	291,049,904
權益			
股本	34(a)	18,404,013	18,404,013
儲備	46(b)	16,561,539	17,954,694
股東權益總額		34,965,552	36,358,707
額外權益工具	35	10,080,580	6,173,252
權益總額		45,046,132	42,531,959
權益及負債總額		360,472,864	333,581,863

董事會於2019年3月25日核准並授權發佈。

Approved and authorised for issue by the Board of Director on 25 March 2019.

畢明強

BI Mingqiang

執行董事、行長兼行政總裁

Executive Director, President and
Chief Executive Officer

簡吳秋玉

KAN NG Chau Yuk Helen

執行董事兼替任行政總裁

Executive Director and
Alternate Chief Executive Officer

46 本行之財務狀況表及儲備變動 (續)

46 Statement of financial position and reserve movement of the Bank (continued)

(b) 本行權益各組成部份的變動

本行的個別權益組成部份於年初及年終結餘變動詳列如下：

(b) Movement in components of equity of the Bank

Details of the changes in the Bank's individual components of equity between the beginning and the end of the year are set out below:

		本行 The Bank								額外權益 工具 Additional equity instruments (附註/note 35)	權益總額 Total equity
		股本 Share capital 港幣千元 HK\$'000	資本儲備 Capital reserve 港幣千元 HK\$'000	一般儲備 General reserve 港幣千元 HK\$'000	物業 重估儲備 Property revaluation reserve 港幣千元 HK\$'000	現金流量 對沖儲備 Cash flow hedging reserve 港幣千元 HK\$'000	投資 重估儲備 Investment revaluation reserve 港幣千元 HK\$'000	保留溢利 Retained profits 港幣千元 HK\$'000	儲備總額 Total reserves 港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於2018年1月1日	At 1 January 2018	18,404,013	2,903	100,000	55	-	(64,133)	17,915,869	17,954,694	6,173,252	42,531,959
首次採納《香港財務報告 準則》第9號之變動	Changes on initial adoption of HKFRS 9	-	-	-	-	-	45,571	(1,133,910)	(1,088,339)	-	(1,088,339)
在財政年度開始時重列 的權益總額	Restated total equity at the beginning of the financial year	18,404,013	2,903	100,000	55	-	(18,562)	16,781,959	16,866,355	6,173,252	41,443,620
截至2018年的權益變動：	Changes in equity for 2018:										
本年度溢利	Profit for the year	-	-	-	-	-	-	2,985,638	2,985,638	-	2,985,638
本年度其他全面損失	Other comprehensive loss for the year	-	-	-	76,245	-	(220,970)	-	(144,725)	-	(144,725)
本年度全面收益總額	Total comprehensive income for the year	-	-	-	76,245	-	(220,970)	2,985,638	2,840,913	-	2,840,913
支付股息	Dividend paid	-	-	-	-	-	-	(2,808,437)	(2,808,437)	-	(2,808,437)
發行額外一級資本證券	Issue of AT1 Capital Securities	-	-	-	-	-	-	-	-	3,907,328	3,907,328
轉自保留溢利	Transfer from retained profits	-	-	-	-	-	-	(337,292)	(337,292)	337,292	-
支付額外一級資本證券 票息	Distribution payment for AT1 Capital Securities	-	-	-	-	-	-	-	-	(337,292)	(337,292)
於2018年12月31日	At 31 December 2018	18,404,013	2,903	100,000	76,300	-	(239,532)	16,621,868	16,561,539	10,080,580	45,046,132
於2017年1月1日	At 1 January 2017	9,366,271	2,903	100,000	55	1,068	(54,617)	15,414,382	15,463,791	6,173,252	31,003,314
截至2017年的權益變動：	Changes in equity for 2017:										
本年度溢利	Profit for the year	-	-	-	-	-	-	2,836,445	2,836,445	-	2,836,445
本年度其他全面損失	Other comprehensive loss for the year	-	-	-	-	(1,068)	(9,516)	-	(10,584)	-	(10,584)
本年度全面收益總額	Total comprehensive income for the year	-	-	-	-	(1,068)	(9,516)	2,836,445	2,825,861	-	2,825,861
發行及配發股份	Issue and allotment of shares	9,037,742	-	-	-	-	-	-	-	-	9,037,742
轉自保留溢利	Transfer from retained profits	-	-	-	-	-	-	(334,958)	(334,958)	334,958	-
支付額外一級資本證券 票息	Distribution payment for AT1 Capital Securities	-	-	-	-	-	-	-	-	(334,958)	(334,958)
於2017年12月31日	At 31 December 2017	18,404,013	2,903	100,000	55	-	(64,133)	17,915,869	17,954,694	6,173,252	42,531,959

47 財務報表核准

47 Approval of financial statements

本財務報表已於2019年3月25日獲董事會核准並授權發佈。

The financial statements were approved and authorised for issue by the Board of Directors on 25 March 2019.

未經審核補充財務資料

(除特別列明外，均以港幣為單位)

(A) 銀行網站提供的監管披露報表

為符合銀行業（披露）規則，本集團已採用金管局要求的標準模板披露一切關於本集團的監管披露信息。相關披露可以通過本行的網站www.cncbinternational.com內「監管披露」一節中查看。

Unaudited Supplementary Financial Information

(Expressed in Hong Kong dollars unless otherwise indicated)

(A) Regulatory disclosure statements available on the Bank's corporate website

For the purposes of compliance with Banking (Disclosure) Rules, information relating to the Group's regulatory disclosure information are published by using standard disclosure templates as specified by the HKMA and they can be viewed in the Regulatory Disclosures section of our Bank's corporate website www.cncbinternational.com.

(B) 資本充足**(i) 資本基礎**

資本充足比率是根據金管局發出的《銀行業（資本）規則》而定。資本充足比率是根據金管局的規定，按本行及其若干附屬公司的綜合基準計算。本行採用「標準方法」計算信貸風險及市場風險的風險加權數額，而業務操作風險則採用「基本指標法」。

(B) Capital adequacy**(i) Capital base**

Capital adequacy ratios ("CARs") are complied in accordance with the Banking (Capital) Rules issued by the HKMA. The CARs are computed on a consolidated basis covering the Bank and some of its subsidiaries as required by the HKMA. The Bank has adopted the "standardised approach" for calculating the risk-weighted amount for credit risk and market risk and the "basic indicator approach" for calculating operational risk.

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
普通股權一級資本工具及儲備	Common Equity Tier 1 ("CET1") capital instruments and reserves		
直接發行合資格的普通股權	Directly issued qualifying CET1 capital instruments		
一級資本工具及相關股份溢價	plus any related share premium	17,931,698	18,404,013
保留溢利	Retained earnings	17,411,498	18,728,874
披露儲備	Disclosed reserves	101,710	251,021
扣除法定減項前普通股權一級資本	CET1 capital before regulatory deductions	35,444,906	37,383,908
普通股權一級資本：法定減項	CET1 capital: regulatory deductions		
遞延稅項資產減遞延稅項負債淨額	Deferred tax assets net of deferred tax liabilities	413,359	65,841
其他無形資產（相關遞延稅項負債淨額）	Other intangible assets (net of related deferred tax liability)	652,210	—
因價值重估土地及建築物而產生的累計公允價值溢利（涵蓋自用及投資物業）	Cumulative fair value gains arising from the revaluation of land and buildings (own use and investment properties)	160,768	84,333
一般銀行風險監管儲備	Regulatory reserve for general banking risks	855,457	2,814,520
估值調整	Valuation adjustments	6,602	7,138
有關衍生工具合約的債務證券估值調整	Debt valuation adjustments in respect of derivative contracts	1,884	1,285
普通股權一級資本法定減項後總額	Total regulatory deductions to CET1 capital	2,090,280	2,973,117
普通股權一級資本	CET1 capital	33,354,626	34,410,791
額外一級資本	Additional Tier 1 ("AT1") capital		
額外一級資本	AT1 capital	10,085,527	6,177,015
一級資本	Tier 1 capital	43,440,153	40,587,806
二級資本工具及撥備	Tier 2 capital instruments and provisions		
合資格二級資本及相關股份溢價	Qualifying Tier 2 capital instruments plus any related share premium	3,915,898	4,687,678
持有的土地及建築物因價值重估而產生的公允價值溢利的重估儲備	Reserve attributable to fair value gains on revaluation of holdings of land and buildings	72,346	37,950
包括於二級資本一般銀行風險綜合減值準備及監管儲備	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	2,957,962	2,732,777
扣除減項前的二級資本	Tier 2 capital base before deductions	6,946,206	7,458,405
二級資本：法定減項	Tier 2 capital: regulatory deductions		
二級資本的法定減項	Regulatory deductions to Tier 2 capital	—	—
二級資本	Tier 2 capital	6,946,206	7,458,405
資本總額	Total capital	50,386,359	48,046,211

(B) 資本充足 (續)**(B) Capital adequacy (continued)****(ii) 風險加權數額****(ii) Risk-weighted assets**

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
— 信貸風險	– Credit risk	239,247,171	219,918,986
— 市場風險	– Market risk	7,337,525	4,425,300
— 營運風險	– Operational risk	14,184,325	12,572,238
		260,769,021	236,916,524

(iii) 資本充足比率**(iii) Capital adequacy ratios**

		2018	2017
— 普通股權一級資本比率	– CET1 capital ratio	12.8%	14.5%
— 一級資本比率	– Tier 1 capital ratio	16.7%	17.1%
— 總資本比率	– Total capital ratio	19.3%	20.3%

(iv) 防護緩衝資本比率以及逆周期緩衝資本比率**(iv) Capital conservation buffer ratio and countercyclical capital buffer ratio**

緩衝資本比率應用於本集團並按綜合基準計算如下：

The capital buffer ratios are applicable to the Group on a consolidated basis are as follows:

		2018	2017
防護緩衝資本比率	Capital conservation buffer ratio	1.875%	1.250%
逆周期緩衝資本比率	Countercyclical capital buffer ("CCyB") ratio	1.071%	0.707%
		2.946%	1.957%

本集團採用金管局要求之標準範本披露有關按地域分類之私人機構信用風險承擔的風險加權數額及其個別司法管轄區所適用的逆周期緩衝資本比率，並可通過本行網站內「監管披露」一節中查看。

The detail relevant disclosure of the CCyB ratio for each jurisdiction and the geographical breakdown of risk-weighted assets in relation to private sector credit exposures using the standard templates as specified by the HKMA can be viewed in the Regulatory Disclosure section of our Bank's website.

(B) 資本充足 (續)**(v) 資本工具**

本集團的普通股權一級資本、額外一級資本證券及二級資本工具總結如下：

(B) Capital adequacy (continued)**(v) Capital instruments**

The following is a summary of the Group's CET1, Additional Tier 1 Capital Securities and Tier 2 capital instruments.

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
本行發行的普通股權一級資本工具	CET 1 capital instruments issued by the Bank		
普通股：	Ordinary shares:		
已發行及繳足	12,111,121,568 issued and fully paid		
普通股12,111,121,568股	ordinary shares	18,404,013	18,404,013
		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
額外一級資本證券	Additional Tier 1 Capital Securities		
面值300,000,000美元的	Undated non-cumulative subordinated		
永續型非累積後償資本證券	capital securities with US\$300 million	2,310,168	2,310,168
面值500,000,000美元的	Undated non-cumulative subordinated		
永續型非累積後償資本證券	capital securities with US\$500 million	3,863,084	3,863,084
面值500,000,000美元的	Undated non-cumulative subordinated		
永續型非累積後償資本證券	capital securities with US\$500 million	3,907,328	–
		10,080,580	6,173,252
		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
二級資本工具	Tier 2 capital instruments		
本行發行	Issued by the Bank		
– 於2020年到期後償票據	– Subordinated note due 2020 (nominal value:		
(賬面值：500,000,000美元)	US\$500 million)	3,943,791	4,009,985
– 於2024年到期後償票據	– Subordinated note due 2024 (nominal value:		
(賬面值：300,000,000美元)	US\$300 million)	2,339,751	2,330,207
		6,283,542	6,340,192

(B) 資本充足 (續)**(vi) 槓桿比率**

槓桿比率的披露是根據金管局規定按本行及本行若干附屬公司的綜合基礎計算。

		2018	2017
槓桿比率	Leverage ratio	11.4%	11.3%

採用金管局規定的標準模板披露有關槓桿比率的細節可在本行網站內「監管披露」部份進行查閱。

(B) Capital adequacy (continued)**(vi) Leverage ratio**

The Bank is required to disclose its leverage ratio calculated on a consolidated basis covering the Bank and some of its subsidiaries.

The detail relevant disclosure of the leverage exposure using the standard templates as specified by the HKMA can be viewed in the Regulatory Disclosure section of our Bank's website.

(vii) 綜合基礎

除特別列明外，本年度財務報告的所有財務資料均以就會計而言的綜合基礎編製。綜合基礎就會計而言與就監管而言的主要分別在於前者包括本行及本行所有附屬公司，而後者則只包括本行及本行若干附屬公司，詳情如下：

金管局已批准本行根據《銀行業（資本）規則》第28(2)(a)條，就下列附屬公司以單一綜合基礎計算本行的資本充足比率，以取代按單一基礎計算：

(vii) Basis of consolidation

Unless otherwise stated, all financial information contained in the annual financial report is prepared according to the consolidation basis for accounting purposes. The main difference between the consolidation basis for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries whereas the latter includes the Bank and only some of the Group's subsidiaries, which are discussed as follows:

The HKMA has granted approval under section 28(2)(a) of the Banking (Capital) Rules for the Bank to calculate its CAR on a solo consolidated basis instead of on a solo basis in respect of the following subsidiary:

				2018年12月31日 At 31 December 2018	
				資產總額 Total assets	權益總額 Total equity
				港幣千元 HK\$'000	港幣千元 HK\$'000
附屬公司名稱	Names of subsidiary	主要業務	Principal activities	HK\$'000	HK\$'000
恒康香港有限公司	Viewcon Hong Kong Limited	—按揭融資	– Mortgage financing	1,333	1,321

(B) 資本充足 (續)**(vii) 綜合基礎 (續)**

另一方面，本行須根據《銀行業（資本）條例》第3C(1)條，就下列附屬公司以綜合基礎計算其總資本：

(B) Capital adequacy (continued)**(vii) Basis of consolidation (continued)**

On the other hand, the Bank is required under section 3C(1) of the Banking (Capital) Rules to calculate its total capital on a consolidated basis in respect of the following subsidiaries:

				2018年12月31日 At 31 December 2018	
				資產總額 Total assets	權益總額 Total equity
				港幣千元 HK\$'000	港幣千元 HK\$'000
附屬公司名稱	Names of subsidiaries	主要業務	Principal activities		
啟福國際有限公司	Carford International Limited	— 物業持有	– Property holding	37,201	8,203
中信銀行國際(中國)有限公司	CITIC Bank International (China) Limited	— 銀行	– Banking	8,978,078	1,501,934
中信保險服務有限公司	CITIC Insurance Brokers Limited	— 保險經紀	– Insurance broker	273,750	160,823
CKWB-SN Limited	CKWB-SN Limited	— 發行結構 票據和投資	– Issue of structured notes and investments	–	–
CKWH-UT2 Limited	CKWH-UT2 Limited	— 發行後償票據	– Issue of subordinated notes	–	–
香港華人財務有限公司	HKCB Finance Limited	— 消費借貸	– Consumer financing	5,971,040	530,313
嘉華國際財務有限公司	Ka Wah International Merchant Finance Limited	— 沒有業務	– Inactive	3,904	3,857
嘉華銀行(信託)有限公司	The Ka Wah Bank (Trustee) Limited	— 信託服務	– Trustee services	5,465	5,450
恒康香港有限公司	Viewcon Hong Kong Limited	— 按揭融資	– Mortgage financing	1,333	1,321

從事代理人服務的附屬公司均由自身行業的監管機構批准及監管，而該等監管安排與《銀行業（資本）規則》及香港《銀行業條例》闡述有關維持充足資本以支持業務活動之條例相近，故此，根據《銀行業（資本）規則》第3部份，本行以綜合基礎計算其總資本時並不包括以下附屬公司：

Subsidiaries not included in consolidation for regulatory purposes are mainly nominee services companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Banking (Capital) Rules and the Banking Ordinance. The following subsidiaries are deducted from the Bank's capital base under Part 3 of the Banking (Capital) Rules:

				2018年12月31日 At 31 December 2018	
				資產總額 Total assets	權益總額 Total equity
				港幣千元 HK\$'000	港幣千元 HK\$'000
附屬公司名稱	Names of subsidiaries	主要業務	Principal activities		
香港華人銀行(代理人)有限公司	The Hongkong Chinese Bank (Nominees) Limited	— 代理人服務	– Nominee services	4	–
嘉華銀行(代理)有限公司	The Ka Wah Bank (Nominees) Limited	— 代理人服務	– Nominee services	3,491	–
Security Nominees Limited	Security Nominees Limited	— 代理人服務	– Nominee services	–	–
中華聯合發展有限公司	Sino-Allied Development Limited	— 沒有業務	– Inactive	10	10
信銀國際投資控股有限公司	CNCBI Investment Holdings Limited	— 投資控股	– Investment holding	507,098	502,089
信銀國際資產管理有限公司	CNCBI Asset Management Limited	— 資產管理	– Asset management	11,019	7,884
信銀國際財務顧問有限公司	CNCBI Financial Consultant Limited	— 未開始營業	– Not yet commenced business	–	(691)

(B) 資本充足 (續)**(vii) 綜合基礎 (續)**

於2018年12月31日，本集團並沒有附屬公司在會計及監管而言均被包含在綜合範圍內，但兩者的綜合方法有所差別。

此外，本集團沒有任何附屬公司只包含在就監管而言的綜合範圍內，而不包括在會計而言的綜合範圍內。

(C) 業務操作風險的資本要求

於結算日本集團就使用基本指標計算法計算業務操作風險的資本要求為：

業務操作風險的資本要求

(B) Capital adequacy (continued)**(vii) Basis of consolidation (continued)**

At 31 December 2018, no subsidiaries were included within both the accounting scope of consolidation and the regulatory scope of consolidation but for which the method of consolidation differs.

There are also no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation.

(C) Capital charge for operational risk

The capital charge for operational risk of the Group calculated in accordance with the basic indicator approach at the end of the reporting period is:

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
業務操作風險的資本要求	Capital charge for operational risk	1,134,746	1,005,779

(D) 平均流動性覆蓋比率

截至12月31日止季度平均
流動性覆蓋比率

(D) Average liquidity coverage ratio

		2018	2017
截至12月31日止季度平均 流動性覆蓋比率	Average LCR for the quarter ended 31 December	258.5%	177.6%

自2017年10月1日起本集團被金管局指定為第1類機構，因此，根據銀行（流動資金）規則，本集團為第1類機構須維持流動資金覆蓋率高於法定最低要求，並取代了流動性維護比率的監管要求。

根據《銀行業（披露）規則》，本集團採用金管局指定的標準披露模板披露有關本集團流動資金的資料，並可在本行網站內「監管資本披露」部份進行查看。

The Group was designated by the HKMA as Category 1 institution with effect from 1 October 2017. As a result, under the Banking (Liquidity) Rules, the Group being a Category 1 institution is required to maintain a Liquidity Coverage Ratio ("LCR") above the statutory minimum requirement, which superseded the regulatory requirements on the Liquidity Maintenance Ratio.

For the purposes of compliance with Banking (Disclosure) Rules, information relating to the Group's liquidity are published by using standard disclosure templates as specified by the HKMA and they can be viewed in the Regulatory Disclosures section of our Bank's website.

(E) 進一步分析客戶貸款及墊款

客戶貸款及墊款是按抵押品、逾期金額及減值準備的覆蓋面作出分析。按經濟行業進行的分析是以金管局所採用的分類及定義為準。

(E) Further analysis on loans and advances to customers

Loans and advances to customers analysed by the coverage of collateral, overdue amount and the impairment allowance is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

		2018		2017	
		客戶貸款及 墊款總額 Gross loans and advances to customers 港幣千元 HK\$'000	佔有抵押的 客戶貸款及 墊款總額 % of gross loans and advances to customers covered by collateral	客戶貸款及 墊款總額 Gross loans and advances to customers 港幣千元 HK\$'000	佔有抵押的 客戶貸款及 墊款總額 % of gross loans and advances to customers covered by collateral
工商金融	Industrial, commercial and financial				
— 物業發展	– Property development	4,584,774	44	2,442,975	89
— 物業投資	– Property investment	17,289,899	91	15,737,774	88
— 金融企業	– Financial concerns	18,058,392	24	16,250,264	26
— 股票經紀	– Stockbrokers	3,131,658	9	6,564,251	20
— 批發及零售業	– Wholesale and retail trade	9,156,964	77	14,236,238	80
— 製造業	– Manufacturing	12,099,051	22	17,020,091	24
— 運輸及運輸設備	– Transport and transport equipment	1,537,234	28	2,356,396	23
— 娛樂活動	– Recreational activities	3,471,434	11	813,764	61
— 資訊科技	– Information technology	6,674,493	5	221,297	100
— 其他	– Others	9,364,279	79	10,047,897	75
個人	Individuals				
— 購買「居者有其屋計劃」、 「私人發展商參建居屋 計劃」及「租者置其屋 計劃」的樓宇貸款	– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	22,413	100	24,255	100
— 購買其他住宅物業的貸款	– Loans for the purchase of other residential properties	15,560,640	100	14,439,796	100
— 信用咭墊款	– Credit card advances	506,195	–	503,789	–
— 其他	– Others	10,983,726	91	8,950,693	88
在香港使用的貸款及 墊款總額	Gross loans and advances for use in Hong Kong	112,441,152	59	109,609,480	62
貿易融資	Trade finance	4,325,261	37	6,564,657	32
在香港以外使用的貸款及 墊款總額	Gross loans and advances for use outside Hong Kong	85,053,469	25	80,112,785	26
客戶貸款及墊款總額	Gross loans and advances to customers	201,819,882	44	196,286,922	47

附註:

本集團於本年期間重新審查向客戶提供的貸款和預付款的分類，並對某些比較數位進行了重新分類，以符合本年度的列報方式。

Note:

The Group has revisited the classification of loans and advances to customers during the year and certain comparative figures have been reclassified to conform with the current year's presentation.

(E) 進一步分析客戶貸款及墊款 (續)

佔客戶貸款及墊款總額10%或以上，並按個別貸款用途分類的減值客戶貸款及墊款分析如下：

(E) Further analysis on loans and advances to customers (continued)

The analysis of impaired loans and advances to customers of the individual loan usage category, which accounted for 10% or more of the gross loans and advances to customers, is as follows:

		2018					年內在收益表撥備的預期信貸損失準備
		逾期客戶貸款及墊款	減值客戶貸款及墊款	第1階段預期信貸損失準備	第2階段預期信貸損失準備	第3階段預期信貸損失準備	Expected credit losses on income statement during the year
		Overdue loans and advances to customers	Impaired loans and advances to customers	Stage 1 ECL allowances	Stage 2 ECL allowances	Stage 3 ECL allowances	Expected credit losses on income statement during the year
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
在香港以外使用的貸款及墊款總額	Gross loans and advances for use outside Hong Kong	381,594	846,979	292,892	837,706	317,605	822,556
		2017					年內在收益表撥備/(回撥)的減值損失
		逾期客戶貸款及墊款	減值客戶貸款及墊款	綜合減值準備	個別減值準備		Impairment loss charged to/(written back) on income statement during the year
		Overdue loans and advances to customers	Impaired loans and advances to customers	Collective impairment allowances	Individual impairment allowances		Impairment loss charged to/(written back) on income statement during the year
		港幣千元	港幣千元	港幣千元	港幣千元		港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000
物業投資	Property investment	18,841	23,111	720	9		(1,569)
在香港以外使用的貸款及墊款總額	Gross loans and advances for use outside Hong Kong	821,042	1,355,216	106,013	729,479		792,521
		839,883	1,378,327	106,733	729,488		790,952

(E) 進一步分析客戶貸款及墊款 (續)

(E) Further analysis on loans and advances to customers
(continued)

按地區分析

By geographical areas

		2018					
		客戶貸款 及墊款 Loans and advances to customers 港幣千元 HK\$'000	逾期客戶 貸款及墊款 and advances to customers 港幣千元 HK\$'000	減值客戶 貸款及墊款 and advances to customers 港幣千元 HK\$'000	第1階段 預期信貸 損失準備 Stage 1 ECL allowance 港幣千元 HK\$'000	第2階段 預期信貸 損失準備 Stage 2 ECL allowance 港幣千元 HK\$'000	第3階段 預期信貸 損失準備 Stage 3 ECL allowances 港幣千元 HK\$'000
香港	Hong Kong	114,341,202	123,082	753,215	282,575	776,875	216,898
中國內地	Mainland China	55,148,825	1,035	648,527	209,139	817,621	56,697
美國	United States	7,303,786	19,345	19,345	27,470	25,753	12,363
新加坡	Singapore	5,625,789	256,362	256,362	6,040	-	88,618
其他	Others	19,400,280	38,689	38,689	106,146	7,977	24,726
		201,819,882	438,513	1,716,138	631,370	1,628,226	399,302

		2017				
		客戶貸款 及墊款 Loans and advances to customers 港幣千元 HK\$'000	逾期客戶 貸款及墊款 and advances to customers 港幣千元 HK\$'000	減值客戶 貸款及墊款 and advances to customers 港幣千元 HK\$'000	綜合 減值準備 Collective impairment allowances 港幣千元 HK\$'000	個別 減值準備 Individual impairment allowances 港幣千元 HK\$'000
香港	Hong Kong	107,422,724	874,934	1,230,989	189,954	611,854
中國內地	Mainland China	71,077,957	931,923	965,597	143,775	404,880
美國	United States	6,672,615	6,995	6,996	14,889	-
新加坡	Singapore	3,705,562	-	-	2,201	-
其他	Others	7,408,064	93,597	260,430	45,024	110,280
		196,286,922	1,907,449	2,464,012	395,843	1,127,014

上述地區分析已按交易對手的所在地劃分，並已考慮風險轉移。由與交易對手處於不同國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。

逾期貸款及墊款是指逾期超過3個月的貸款。

減值貸款及墊款是指按個別基準出現客觀減值證據而需個別評估的貸款。

The above geographical analysis is classified by the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Overdue loans and advances are loans that have been overdue for more than three months.

Impaired loans and advances are individually assessed loans which exhibit objective evidence of impairment on an individual basis.

(F) 逾期資產

(F) Overdue assets

逾期客戶貸款及墊款

Overdue loans and advances to customers

		2018		2017	
		佔客戶貸款及墊款總額 百分率 % of total loans and advances to customers		佔客戶貸款及墊款總額 百分率 % of total loans and advances to customers	
		港幣千元 HK\$'000		港幣千元 HK\$'000	
貸款及墊款總額	The gross amount of loans and advances				
已逾期達：	has been overdue for periods of:				
– 3個月以上至6個月	– 6 months or less but over 3 months	92,265	0.05	822,734	0.42
– 6個月以上至1年	– 1 year or less but over 6 months	174	0.00	471,579	0.24
– 1年以上	– over 1 year	346,074	0.17	613,136	0.31
		438,513	0.22	1,907,449	0.97
有抵押逾期貸款及墊款	Secured overdue loans and advances	257,944		293,785	
無抵押逾期貸款及墊款	Unsecured overdue loans and advances	180,569		1,613,664	
		438,513		1,907,449	
持有有抵押逾期貸款及墊款之抵押品市值	Market value of collateral held against the secured overdue loans and advances	341,501		375,391	
預期信貸損失準備／ 個別減值準備	Expected credit losses allowances/ Individual impairment allowances made	160,224		1,068,504	

有明確還款日之貸款及墊款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人仍未按指示還款，及／或貸款已超出借款人獲通知的批准限額，而此情況持續超過上述逾期期限，亦列作逾期處理。

Loans and advances with specific repayment dates are classified as overdue when the principal or interest is overdue and remains unpaid at the 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.

(F) 逾期資產 (續)**逾期客戶貸款及墊款 (續)**

對於逾期貸款及墊款，本行持有的合格實質抵押品主要包括房地產物業。合格抵押品須符合下列條件：

- (a) 該資產的市值是可即時決定或可合理地確定及證實。
- (b) 該資產可於市場出售及有二手市場可即時將該資產出售。
- (c) 本行擁有可在沒有障礙的情況下按法律行使收回資產的權利。
- (d) 本行在有需要時可對該資產行使控制權。

於2018年及2017年12月31日，本集團並無逾期超過3個月的銀行及其他金融機構墊款。

(F) Overdue assets (continued)**Overdue loans and advances to customers (continued)**

Eligible collateral, which is held in respect of the overdue loans and advances, is 'Eligible Physical Collateral' which mainly comprises real estate properties. The eligible collateral should generally satisfy the following:

- (a) The market value of the asset is readily determinable or can be reasonably established and verified.
- (b) The asset is marketable and there exists a readily available secondary market for disposal of the asset.
- (c) The Bank's right to repossess the asset is legally enforceable and without impediment.
- (d) The Bank is able to secure control over the asset if necessary.

There were no advances to banks and other financial institutions which were overdue for over three months at 31 December 2018 and 2017.

(G) 經重組貸款**(G) Rescheduled loans**

		2018		2017	
		佔客戶貸款 及墊款總額 百分率 % of total loans and advances to customers		佔客戶貸款 及墊款總額 百分率 % of total loans and advances to customers	
		港幣千元 HK\$'000		港幣千元 HK\$'000	
經重組貸款	Rescheduled loans	5,588	0.003	537,979	0.274

經重組貸款是指借款人因為財政困難或無能力如期還款而經雙方同意達成重組還款計劃的墊款，這些經修訂的還款條件對本集團而言並非一般商業條款。客戶重組貸款已扣除其後逾期超過3個月並已於附註(F)匯報的逾期墊款。

Rescheduled loans are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or 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 loans to customers are stated net of any advances that have subsequently become overdue for over three months and are reported as overdue advances in note (F).

於2018年及2017年12月31日，本集團並無已重組的銀行及其他金融機構墊款。

There were no advances to banks and other financial institutions which were rescheduled at 31 December 2018 and 2017.

(H) 取回資產**(H) Repossessed assets**

		2018 港幣千元 HK\$'000	2017 港幣千元 HK\$'000
已計入客戶貸款及墊款及其他賬項中	Included in loans and advances to customers and other accounts	166,617	184,411

以上數額為2018年及2017年12月31日取回資產的估計市場價值。

The amount represents the estimated market value of the repossessed assets at 31 December 2018 and 2017.

(I) 國際債權

國際債權指所有貨幣之跨境債權和本地之外幣債權的總和並參照香港金融管理局有關國際銀行業務統計報表指定的方法計算。國際債權包含資產負債表內呈示的按交易對手所在國家或地區分部的風險承擔轉移後佔國際債權總額不少於10%的國家或地區分部如下：

(I) International claims

International claim refers to the sum of cross-border claims in all currencies and local claims in foreign currencies determined as based on the calculation methodology specified in the HKMA's Return of International Banking Statistics. International claims are on-balance sheet exposures of counterparties which attributable to the country or segment, after taking into account risk recognised transfer, constitute to not less than 10% of the aggregate claims are disclosed as follows.

		2018				
		非銀行私人機構				
		Non-bank private sector				
		非銀行		非金融		總額
		金融機構	Non-bank	私人機構	Non-financial	
		Banks	Official Sector	financial institutions	private sector	Total
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
已發展國家	Developed countries	22,881,847	30,452	1,787,729	5,265,326	29,965,354
離岸中心	Offshore centres	14,938,225	792	17,107,420	46,162,347	78,208,784
其中香港	of which Hong Kong	11,879,024	116	10,418,174	32,477,257	54,774,571
發展中亞太區	Developing Asia-Pacific	65,752,116	512,056	6,628,107	47,932,710	120,824,989
其中中國內地	of which Mainland China	65,577,390	511,443	6,628,107	47,021,182	119,738,122

		2017				
		非銀行私人機構				
		Non-bank private sector				
		非銀行		非金融		總額
		金融機構	Non-bank	私人機構	Non-financial	
		Banks	Official Sector	financial institutions	private sector	Total
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
離岸中心	Offshore centres	7,120,802	869	13,827,960	37,914,745	58,864,376
其中香港	of which Hong Kong	6,489,207	282	13,081,673	29,814,181	49,385,343
發展中亞太區	Developing Asia-Pacific	66,646,716	83,611	5,916,565	60,216,815	132,863,707
其中中國內地	of which Mainland China	66,309,598	83,040	5,916,565	58,878,966	131,188,169

(J) 內地業務

內地業務是指本集團對非銀行交易對手的中國內地風險承擔。此乃根據金管局《內地業務報表》所列示之機構類別及直接風險之類別作分類。

(J) Mainland Activities

Mainland Activities are Mainland China exposures to non-bank counterparties and their categories and the type of direct exposures defined by the HKMA's Return of Mainland Activities.

		2018		
		財務狀況表內的風險承擔 On-statement of financial position exposure 港幣千元 HK\$'000	財務狀況表外的風險承擔 Off-statement of financial position exposure 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
(1) 中央政府、中央政府控股的機構及其附屬公司和合資企業	(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	31,479,387	472,197	31,951,584
(2) 地方政府、地方政府控股的機構及其附屬公司和合資企業	(2) Local governments, local government-owned entities and their subsidiaries and JVs	12,284,640	549,357	12,833,997
(3) 境內中國公民或在中國內地成立的其他機構及其附屬公司和合資企業	(3) PRC national residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	67,756,250	3,906,080	71,662,330
(4) 不包括上述第 1 項的其他中央政府機構	(4) Other entities of central government not reported in item 1 above	15,222,043	162,342	15,384,385
(5) 不包括上述第 2 項的其他地方政府機構	(5) Other entities of local governments not reported in item 2 above	756,526	137,980	894,506
(6) 信貸額用於中國內地的境外中國公民或對中國境外成立的機構	(6) PRC national residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	17,432,219	2,365,071	19,797,290
(7) 其他被申報機構視為中國內地非銀行交易對手之風險承擔	(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	13,992,493	57,433	14,049,926
總額	Total	158,923,558	7,650,460	166,574,018
已扣減準備金的資產總額	Total assets after provision	362,944,791		
資產負債表內風險承擔佔總資產百分率	On-balance sheet exposures as percentage of total assets	43.8%		

(J) 內地業務 (續)

(J) Mainland Activities (continued)

		2017		
		財務狀況表內的風險承擔 On-statement of financial position exposure 港幣千元 HK\$'000	財務狀況表外的風險承擔 Off-statement of financial position exposure 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
(1) 中央政府、中央政府控股的機構及其附屬公司和合資企業	(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	28,973,542	986,287	29,959,829
(2) 地方政府、地方政府控股的機構及其附屬公司和合資企業	(2) Local governments, local government-owned entities and their subsidiaries and JVs	15,138,695	745,750	15,884,445
(3) 境內中國公民或在中國內地成立的其他機構及其附屬公司和合資企業	(3) PRC national residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	62,576,230	4,079,754	66,655,984
(4) 不包括上述第 1 項的其他中央政府機構	(4) Other entities of central government not reported in item 1 above	6,796,166	297,253	7,093,419
(5) 不包括上述第 2 項的其他地方政府機構	(5) Other entities of local governments not reported in item 2 above	188,578	206,342	394,920
(6) 信貸額用於中國內地的境外中國公民或對中國境外成立的機構	(6) PRC national residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	9,682,747	3,309,615	12,992,362
(7) 其他被申報機構視為中國內地非銀行交易對手之風險承擔	(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	26,655,744	786,898	27,442,642
總額	Total	150,011,702	10,411,899	160,423,601
已扣減準備金的資產總額	Total assets after provision	344,308,684		
資產負債表內風險承擔佔總資產百分率	On-balance sheet exposures as percentage of total assets	43.6%		

(K) 企業管治

(K) Corporate governance

本集團致力於保持高企業管治水平，在本年度內及在所有重要的事項上均符合金管局頒佈的監管政策手冊內「本地註冊認可機構的企業管治」及「穩健薪酬制度指引」所載的規定。本行董事會已設立以下委員會包括審核委員會、信貸及風險管理委員會、提名委員會及薪酬委員會。該等委員會的構成和職能將會詳載於「企業管治及其他資料」並包括在本集團之印刷本報告內。

The Group is committed to high standards of corporate governance and has complied, in all material respects, throughout the year with the modules on 'Corporate Governance of Locally Incorporated Authorised Institutions' and 'Guideline on a Sound Remuneration System' issued by the HKMA. The Board of Directors of the Bank has established a number of committees including the Audit Committee, the Credit & Risk Management Committee, the Nomination Committee and the Remuneration Committee. Their composition and functions are explained in detail in "Corporate Information" and "Corporate Governance and Other Information", which will be included in the printed version of the Group's annual report.

企業管治及其他資料

本集團致力於保持高企業管治水平，在本年度內及在所有重要的事項上均符合金管局頒佈的監管政策手冊內「本地註冊認可機構的企業管治」及「穩健的薪酬制度指引」所載的規定。

董事委員會

本行董事會已設立以下委員會：

(i) 審核委員會

審核委員會為獨立機構，協助董事會獨立檢討及監察本行的財務匯報流程及內部控制制度的有效性。

該委員會由四名委員組成，當中大部份委員（包括委員會主席）為獨立非執行董事。委員名單和簡介載於「企業資料」和「董事簡介」章節內。

審核委員會於每季度最少召開一次會議，外聘核數師、本行的行政總裁、財務總監、審計總監、風險管理總監和行政總裁辦公室總監，會獲邀請出席該等會議。截至2018年12月31日止年度，審核委員會共召開四次會議。

Corporate Governance and Other Information

The Group is committed to high standards of corporate governance and has complied, in all material respects, throughout the year with the modules on “Corporate Governance of Locally Incorporated Authorized Institutions” and “Guideline on a Sound Remuneration System” issued by the HKMA.

Board Committees

The Board of Directors of the Bank has established the following committees:

(i) Audit Committee

The Audit Committee, being an independent body, assists the Board of Directors of the Bank in providing independent review of, and monitoring, the effectiveness of the Bank’s financial reporting process and internal control systems.

It comprises four members, majority of whom (including the chairman) are Independent Non-executive Directors. Their names and biographies are set out in the sections of “Corporate Information” and “Biographies of Directors”.

Meetings of the Audit Committee shall be held not less than once in each quarter. Representatives of the external auditor and, the Chief Executive Officer, Chief Financial Officer, Chief Auditor, Chief Risk Officer and Director of CEO Office of the Bank are invited to attend these meetings. During the year ended 31 December 2018, a total of four meetings of the Audit Committee were held.

董事委員會(續)**(ii) 信貸及風險管理委員會**

信貸及風險管理委員會監察及管理本行的風險相關事宜，包括但不限於風險戰略、偏好／承受能力、狀況、政策(包括主要風險程序)、公允價值實踐、資本充足和風險文化、系統及各項風險相關項目，並確保本行的風險管理職能和合規職能可在充足權限、規範、獨立性、管理層支持和資源下履行。有關的風險主要包括信貸風險、市場風險、利率風險、流動性風險、操作風險(包括欺詐風險)、信譽風險、法律風險、合規風險、戰略風險和有關進入新市場、新業務範疇和經營新產品或服務所涉及的風險。該委員會亦負責審批與內部資本充足評估程序有關事宜、反向壓力測試方法，以及審議每年度需提呈董事會審批的恢復規劃文件。信貸及風險管理委員會通過本行管理層面的多個委員會監督本行的風險管理工作，包括信貸委員會、不良貸款委員會、投資審議委員會、市場風險委員會、資產及負債委員會、操作風險管理委員會、欺詐風險管理委員會、合規委員會、新產品委員會以及管理委員會。

該委員會由五名委員組成，當中大部份委員(包括委員會主席)為獨立非執行董事。委員名單和簡介載於「企業資料」和「董事簡介」章節內。

信貸及風險管理委員會於每季度最少召開一次會議，本行的風險管理總監、首席法律顧問、資訊科技及營運總監、財務總監、行政總裁辦公室總監、監控及合規總監、審計總監、個人及商務銀行業務總監和公司業務總監，會獲邀請出席該等會議。截至2018年12月31日止年度，信貸及風險管理委員會共召開四次會議。

Board Committees (continued)**(ii) Credit & Risk Management Committee**

The Credit & Risk Management Committee oversees and manages the Bank's risk related matters, including but not limited to the risk strategy, appetite/tolerance, profile, policies (including key risk procedures), fair value practices, capital adequacy and risk cultural, systems and various risk-related initiatives and projects. It has to ensure that the risk management function and the compliance function of the Bank have adequate authority, stature, independence, management support and resources to perform its duties. The risks concerned primarily include credit risk, market risk, interest rate risk, liquidity risk, operational risk (including fraud risk), reputation risk, legal risk, compliance risk, strategic risk and any risks associated with entering new markets, new areas of business, or dealing in new products or services. It is also responsible for approving matters relating to Internal Capital Adequacy Assessment Process (ICAAP), the Reverse Stress Testing (RST) methodology, and endorsing the recovery planning document before reporting to the Board for approval on an annual basis. The committee carries out its oversight function on the Bank's risk management through various committees at the Bank's management level, including the Credit Committee, the Non-Performing Loans Committee, the Investment Review Committee, the Market Risk Committee, the Asset and Liability Committee, the Operational Risk Management Committee, the Fraud Risk Management Committee, the Compliance Committee, the New Product Committee and the Management Committee.

It comprises five members, majority of whom (including the chairman) are Independent Non-executive Directors. Their names and biographies are set out in the sections of "Corporate Information" and "Biographies of Directors".

Meetings of the Credit & Risk Management Committee shall be held not less than once in each quarter. The Chief Risk Officer, General Counsel, Chief Information and Operations Officer, Chief Financial Officer, Director of CEO Office, Chief Controls & Compliance Officer, Chief Auditor, Group Head of Personal & Business Banking and Group Head of Wholesale Banking of the Bank are invited to attend these meetings. During the year ended 31 December 2018, a total of four meetings of the Credit & Risk Management Committee were held.

董事委員會(續)**(iii) 提名委員會**

提名委員會協助本行董事會評估董事會和董事會層面的多個委員會的架構、規模和組成，並在需要作出修訂時提出意見。該委員會亦協助董事會物色合適人選出任董事、行政總裁、副行政總裁及替任行政總裁，並就本行董事、董事長和行政總裁的繼任計劃向董事會提出意見。

該委員會由四名委員組成，當中大部份委員(包括委員會主席)為獨立非執行董事。委員名單和簡介載於「企業資料」和「董事簡介」章節內。

提名委員會於每年度最少召開一次會議，本行的人力資源總監會獲邀請出席該等會議。截至2018年12月31日止年度，提名委員會共召開四次會議。

(iv) 薪酬委員會

薪酬委員會負責審批本行薪酬相關的制度和架構，以及按照現行浮動薪酬計劃而釐定花紅資金池。該委員會亦負責董事長和按照總薪酬制度所指的高級管理人員及關鍵員工的具體薪酬安排和被解僱及免職的董事的賠償安排。該委員會亦需確保對本行薪酬制度及其運作進行年度獨立審閱，包括合法合規。

該委員會由四名委員組成，當中大部份委員(包括委員會主席)為獨立非執行董事。委員名單和簡介載於「企業資料」和「董事簡介」章節內。

薪酬委員會於每年度最少召開一次會議，本行的人力資源總監會獲邀請出席該等會議。截至2018年12月31日止年度，薪酬委員會共召開四次會議。

Board Committees (continued)**(iii) Nomination Committee**

The Nomination Committee assists the Board of Directors of the Bank to review the structure, size and composition of the Board and of the committees at the Board's level, and to make recommendations on any proposed changes if necessary. It also assists in identifying suitable candidates qualified to become Directors, Chief Executive Officer, Deputy Chief Executive Officer and Alternate Chief Executive Officer, and making recommendations to the Board on succession planning for Directors, Chairman of the Board and the Chief Executive Officer of the Bank.

It comprises four members, majority of whom (including the chairman) are Independent Non-executive Directors. Their names and biographies are set out in the sections of "Corporate Information" and "Biographies of Directors".

Meetings of the Nomination Committee shall be held not less than once in each year. Chief Human Resources Officer of the Bank is invited to attend these meetings. During the year ended 31 December 2018, a total of four meetings of the Nomination Committee were held.

(iv) Remuneration Committee

The Remuneration Committee is responsible for reviewing and approving the remuneration-related policies and structure of the Bank, and also the bonus pool proposed pursuant to the prevailing variable compensation schemes. It is also responsible for approving the remuneration packages of the Chairman of the Board, senior management and key personnel as defined in the Master Remuneration Policy, and compensation arrangements relating to the dismissal or removal of Directors. The committee has to ensure that an annual review of the Bank's remuneration system and its operations, which includes an assessment of consistency with the relevant regulatory rules or guidelines, is conducted independently of management.

It comprises four members, majority of whom (including the chairman) are Independent Non-executive Directors. Their names and biographies are set out in the sections of "Corporate Information" and "Biographies of Directors".

Meetings of the Remuneration Committee shall be held not less than once in each year. Chief Human Resources Officer of the Bank is invited to attend these meetings. During the year ended 31 December 2018, a total of four meetings of the Remuneration Committee were held.

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