

2018 中期業績報告 Interim Report



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Interim Report 2018



目錄	頁數	CONTENTS	PAGE
管理層討論及分析	1	Management Discussion and Analysis	27
簡要綜合收益表	55	Condensed Consolidated Income Statement	55
簡要綜合全面收益表	57	Condensed Consolidated Statement of Comprehensive Income	57
簡要綜合資產負債表	59	Condensed Consolidated Balance Sheet	59
簡要綜合權益變動表	61	Condensed Consolidated Statement of Changes in Equity	61
簡要綜合現金流量表	63	Condensed Consolidated Cash Flow Statement	63
中期財務資料附註	64	Notes to the Interim Financial Information	64
其他資料	188	Additional Information	188
獨立審閱報告	189	Independent Review Report	190
附錄－本銀行之附屬公司	191	Appendix - Subsidiaries of the Bank	191
釋義	194	Definitions	195

管理層討論及分析

本集團分別於 2017 年 7 月 10 日和 2017 年 11 月 6 日完成收購中國銀行印度尼西亞業務和柬埔寨業務的交割，於 2018 年 1 月 29 日完成收購中國銀行越南業務及菲律賓業務的交割，並就該等受共同控制實體之合併，採用合併會計處理編製財務資料，而 2017 年之比較資料亦相應重新列示。以上交易在本《管理層討論及分析》統稱「收購」。

本集團由 2018 年 1 月 1 日起採納香港財務報告準則第 9 號 (HKFRS 9)「金融工具」。根據此新準則，減值的確認及計量與根據香港會計準則第 39 號 (HKAS 39)「金融工具：確認及計量」並不相同。2017 年比較期內本集團的金融資產減值變動仍根據 HKAS 39 處理，比較資料不予重列。

綜合財務回顧

因應本集團的收購，採用合併會計處理編製財務資料，而 2017 年比較資料亦相應重新列示。

財務要點

港幣百萬元	(重列)		(重列)
	半年結算至 2018 年 6 月 30 日	半年結算至 2017 年 12 月 31 日	半年結算至 2017 年 6 月 30 日
來自持續經營業務			
提取減值準備前之淨經營收入	26,652	24,136	22,891
經營支出	(6,764)	(7,371)	(6,032)
提取減值準備前之經營溢利	19,888	16,765	16,859
提取減值準備後之經營溢利	19,550	16,064	16,505
除稅前溢利	20,533	16,421	17,432
本銀行股東應佔溢利	17,198	13,278	17,163
- 來自持續經營業務	17,198	13,278	14,574
- 來自已終止經營業務	-	-	2,589

2018年上半年，本集團認真貫徹落實中國銀行集團工作部署，以「建設一流的全功能國際化區域性銀行」為目標，主動應對市場環境變化，扎實推進各項重點工作，核心業務表現良好，主要財務指標保持穩健。緊緊把握市場機遇，深耕香港本地市場；持續落實區域化發展戰略，東南亞業務發展理想；以中國銀行集團粵港澳一體化發展為重點，大力拓展跨境業務；注重多元化平台建設，強化全功能服務能力；加快金融科技創新，優化線上平台，推進數字化銀行建設。本集團亦不斷提升各項風險管理能力和內控合規水平，加強資產負債精細化管理，確保集團均衡及可持續高質量發展。

本集團2018年上半年股東應佔溢利為港幣171.98億元，按年增加港幣0.35億元或0.2%，其中持續經營業務股東應佔溢利上升18.0%。提取減值準備前之淨經營收入為港幣266.52億元，按年上升港幣37.61億元或16.4%。受惠於市場利率上升及積極主動管理資產及負債，淨利息收入增長。本集團把握市場投資氣氛暢旺的機遇，積極拓展重點客戶，推出多元化投資服務，優化服務渠道，淨服務費及佣金收入按年增加。外匯交易收入增加，使得淨交易性收益上升。經營支出按年有所增加，用於支持本集團的長遠業務發展。投資物業公平值調整之淨收益上升。

管理層討論及分析（續）

與2017年下半年相比，本集團提取減值準備前之淨經營收入上升港幣25.16億元或10.4%，主要因淨息差上升及平均生息資產增長，帶動淨利息收入增加，以及淨服務費及佣金收入增加。淨交易性收益提升，主要由於外匯交易收入增加。此外，經營支出及減值準備淨撥備減少，投資物業公平值調整之淨收益則上升，股東應佔溢利較去年下半年增加港幣39.20億元或29.5%。

收益表分析

以下收益表分析基於本集團的持續經營業務，比較資料已重新列示，以符合本期之列示形式。

淨利息收入及淨息差

港幣百萬元，百分比除外	（重列）		（重列）
	半年結算至 2018年6月30日	半年結算至 2017年12月31日	半年結算至 2017年6月30日
利息收入	27,062	24,145	22,242
利息支出	(10,044)	(7,851)	(6,374)
淨利息收入	17,018	16,294	15,868
平均生息資產	2,361,079	2,250,162	2,060,906
淨利差	1.32%	1.33%	1.46%
淨息差*	1.45%	1.44%	1.55%

* 淨息差計算是淨利息收入除以平均生息資產。

2018年上半年淨利息收入為港幣170.18億元，同比上升港幣11.50億元或7.2%，主要由平均生息資產上升所帶動。

平均生息資產按年上升港幣3,001.73億元或14.6%。在客戶存款規模上升帶動下，客戶貸款、債務證券投資和同業結餘及存放均上升。

淨息差為1.45%，若計入外匯掉期合約[#]的資金收入或成本，淨息差為1.48%，按年上升10個基點，主要由於市場利率上升，以及積極主動管理資產及負債，擴大貸存利差，及債務證券投資的平均收益率上升，帶動本集團淨息差擴闊。

[#] 本集團通常使用外匯掉期合約進行流動性管理和資金配置。在外匯掉期合約下，本集團將一種貨幣（原貨幣）以即期匯率調換為另一種貨幣（掉期貨幣）（即期交易），同時承諾即期交易中的同一組貨幣在指定到期日，以預先決定的匯率轉換回來（遠期交易）。這使原貨幣的剩餘資金調換為另一種貨幣，達到流動性及資金配備的目的而匯率風險減至最低。即期及遠期合約所產生的匯兌差異（資金收入或成本）列入外匯兌換損益（屬於「淨交易性收益」），而相應的原貨幣剩餘資金及掉期貨幣的利息差異反映在淨利息收入。

管理層討論及分析 (續)

下表為各類資產及負債項目的平均餘額和平均利率：

	半年結算至 2018年6月30日		(重列) 半年結算至 2017年12月31日		(重列) 半年結算至 2017年6月30日	
	平均餘額 港幣百萬元	平均收益率 %	平均餘額 港幣百萬元	平均收益率 %	平均餘額 港幣百萬元	平均收益率 %
資產						
在銀行及其他金融機構之結餘及 定期存放	454,552	1.95	456,345	1.93	426,759	2.44
債務證券投資	683,981	1.94	629,976	1.87	581,410	1.62
客戶貸款	1,205,000	2.67	1,147,883	2.36	1,035,444	2.39
其他生息資產	17,546	1.66	15,958	1.36	17,293	1.22
總生息資產	2,361,079	2.31	2,250,162	2.13	2,060,906	2.18
無息資產 ¹	309,166	-	297,495	-	289,257	-
資產總額	2,670,245	2.04	2,547,657	1.88	2,350,163	1.91
負債						
銀行及其他金融機構之存款及結餘	227,357	1.04	221,173	0.94	229,260	0.89
往來、儲蓄及定期存款	1,727,101	0.90	1,639,553	0.71	1,487,253	0.64
後償負債	20,458	5.46	19,656	5.03	18,963	4.61
其他付息負債	61,039	1.91	57,929	1.58	37,496	1.07
總付息負債	2,035,955	0.99	1,938,311	0.80	1,772,972	0.72
股東資金 ² 及其他無息存款及負債 ¹	634,290	-	609,346	-	577,191	-
負債總額	2,670,245	0.76	2,547,657	0.61	2,350,163	0.55

1. 分別包括待出售資產及待出售資產之相關負債。

2. 股東資金指本銀行股東應佔股本和儲備。

與2017年下半年相比，本集團淨利息收入增加港幣7.24億元或4.4%，由平均生息資產增加及淨息差上升帶動。受客戶存款規模擴大影響，平均生息資產增加港幣1,109.17億元或4.9%。淨息差上升1個基點，若計入外匯掉期合約的資金收入或成本，則上升13個基點，主要由於市場利率上升及本集團有效管理存款定價，貸存利差有所擴闊，加上本集團債務證券投資平均收益率上升，帶動淨息差上升。

管理層討論及分析（續）

淨服務費及佣金收入

港幣百萬元	(重列)		(重列)
	半年結算至 2018年6月30日	半年結算至 2017年12月31日	半年結算至 2017年6月30日
信用卡業務	1,758	1,684	1,553
貸款佣金	1,712	1,522	2,086
證券經紀	1,705	1,571	1,054
保險	948	887	756
基金分銷	520	505	421
匯票佣金	400	423	393
繳款服務	325	326	323
信託及託管服務	317	305	257
買賣貨幣	268	238	195
保管箱	154	144	147
其他	650	456	590
服務費及佣金收入	8,757	8,061	7,775
服務費及佣金支出	(1,983)	(1,869)	(1,711)
淨服務費及佣金收入	6,774	6,192	6,064

2018年上半年，本集團淨服務費及佣金收入為港幣67.74億元，按年上升港幣7.10億元或11.7%。本集團把握市場投資氣氛暢旺的機遇，持續拓展中高端及跨境客戶，優化服務渠道和功能，豐富產品和服務，帶動證券經紀、基金分銷及保險佣金收入按年分別增長61.8%、23.5%及25.4%。本集團亦持續發揮多元化業務平台優勢，推動多項業務良好發展。信用卡佣金收入按年上升13.2%，其中信用卡簽賬及商戶收單業務量分別上升12.5%及19.1%。本集團緊跟客戶旅遊對多種貨幣現鈔的旺盛需求，積極拓展境內、本地及東南亞等市場的現鈔業務規模，帶動買賣貨幣佣金收入按年上升37.4%。本集團信託及託管資產管理規模持續擴大，相關服務費收入按年上升23.3%。貸款佣金收入有所下降。服務費及佣金支出上升，主要因信用卡及證券經紀業務相關支出增加。

與2017年下半年相比，淨服務費及佣金收入上升港幣5.82億元或9.4%，主要由貸款、證券經紀、信用卡、保險、買賣貨幣、信託及託管和保管箱服務佣金收入上升帶動，惟匯票佣金收入下跌。服務費及佣金支出上升，主要因信用卡及證券經紀業務相關支出較高。

管理層討論及分析（續）

淨交易性收益

港幣百萬元	(重列)		(重列)
	半年結算至 2018年6月30日	半年結算至 2017年12月31日	半年結算至 2017年6月30日
外匯交易及外匯交易產品	1,782	254	(256)
利率工具及公平值對沖的項目	178	344	415
股權及信貸衍生工具	114	135	90
商品	61	98	107
淨交易性收益	2,135	831	356

2018年上半年，本集團淨交易性收益為港幣21.35億元，按年上升港幣17.79億元或499.7%。外匯交易及外匯交易產品的淨交易性收益增加港幣20.38億元，主要因2018年上半年外匯掉期合約錄得淨收益而去年同期為淨虧損，以及客戶兌換收入增長。利率工具及公平值對沖的項目淨交易性收益下降港幣2.37億元，主要源自若干債務證券投資及利率工具受市場利率變動引致市場劃價變化。股權及信貸衍生工具淨收益上升，其中股票掛鉤結構性產品收入上升。商品淨交易性收益的減少源於貴金屬交易收益減少。

與2017年下半年相比，淨交易性收益上升港幣13.04億元或156.9%，主要因外匯掉期合約錄得淨收益（2017年下半年則錄得淨虧損），以及客戶兌換收入上升，部分被若干債務證券投資及利率工具受市場利率變動引致市場劃價變化所抵銷。

管理層討論及分析（續）

經營支出

港幣百萬元	（重列）		（重列）
	半年結算至 2018年6月30日	半年結算至 2017年12月31日	半年結算至 2017年6月30日
人事費用	3,892	4,044	3,560
房屋及設備支出（不包括折舊）	826	863	806
折舊	986	1,011	919
其他經營支出	1,060	1,453	747
總經營支出	6,764	7,371	6,032

	（重列）		（重列）
	2018年6月30日	2017年12月31日	2017年6月30日
全職員工數目*	12,942	12,812	12,603

* 截至2017年6月30日及12月31日的全職員工數目的比較資料已予以重列，以便按可比基礎作出分析。

總經營支出按年增加港幣7.32億元或12.1%，主要因為本集團持續投放資源於人力資源、優化系統平台及提升網絡金融服務，提升整體服務能力和支持業務長遠發展。同時，本集團持續加強成本管控，成本收入比率為25.38%，成本效益繼續保持於同業較佳水平。

人事費用按年增長9.3%，主要由於年度調薪、增聘員工，以及與業績掛鈎的酬金增加。

房屋及設備支出上升2.5%，由於優化系統平台相關費用及營業網點租金增加。

折舊增長7.3%，主要是資訊科技基礎設施及房地產折舊支出增加。

其他經營支出上升41.9%，主要因2017年上半年有若干支出錄得撥回，導致比較基數較低。另外，還包括通信及業務推廣費用支出隨業務量增加而上升。

與2017年下半年相比，經營支出減少港幣6.07億元或8.2%，主要由於人事費用、業務推廣及廣告支出等減少。

管理層討論及分析（續）

貸款及其他賬項減值準備淨撥備

港幣百萬元	半年結算至	(重列) 半年結算至	(重列) 半年結算至
	2018年6月30日	2017年12月31日	2017年6月30日
第一階段	462	不適用	不適用
第二階段	(141)	不適用	不適用
第三階段	(585)	不適用	不適用
個別評估	不適用	(80)	151
組合評估	不適用	(616)	(501)
貸款及其他賬項減值準備淨撥備	(264)	(696)	(350)

2018年上半年，本集團貸款及其他賬項減值準備淨撥備為港幣2.64億元。第一階段減值準備為淨撥回港幣4.62億元，主要因為客戶評級有所改善及更新模型參數導致撥回，抵銷了因期內貸款增長令減值準備撥備增加的影響；第二階段減值準備為淨撥備港幣1.41億元，主要反映個別客戶貸款信用風險有所增加。第三階段減值準備淨撥備為港幣5.85億元，主要由於個別公司客戶貸款質量評級被調低，以及來自個人貸款組合。

管理層討論及分析（續）

資產負債表分析

截至 2017 年 12 月 31 日的比較數字已重新列示，以符合本期之列示形式。

資產組成

港幣百萬元，百分比除外	(重列)			
	2018 年 6 月 30 日		2017 年 12 月 31 日	
	餘額	佔比 (%)	餘額	佔比 (%)
庫存現金及在銀行及其他金融機構之結餘及定期存放	374,503	14.2	425,567	16.9
香港特別行政區政府負債證明書	153,370	5.8	146,200	5.8
證券投資 ¹	698,975	26.5	619,781	24.6
貸款及其他賬項	1,268,073	48.0	1,189,932	47.2
固定資產及投資物業	69,080	2.6	66,868	2.7
其他資產 ²	76,306	2.9	71,449	2.8
資產總額	2,640,307	100.0	2,519,797	100.0

1. 證券投資包括證券投資及以公平值變化計入損益之證券。

2. 其他資產包括聯營公司及合資企業權益、遞延稅項資產、衍生金融工具及分類為交易性資產之其他債務工具。

截至 2018 年 6 月 30 日，本集團資產總額達港幣 26,403.07 億元，較 2017 年末增長港幣 1,205.10 億元或 4.8%。本集團持續優化資產負債管理，以達致均衡及可持續的高質量發展。總資產的主要變化包括：

- ◆ 庫存現金及在銀行及其他金融機構之結餘及定期存放下降港幣 510.64 億元或 12.0%，主要由於存放同業的結餘下降；
- ◆ 證券投資增加港幣 791.94 億元或 12.8%，主要由於本集團增持政府相關債券，以及高質素金融機構債券；
- ◆ 貸款及其他賬項上升港幣 781.41 億元或 6.6%，其中客戶貸款增長港幣 848.38 億元或 7.4%。

管理層討論及分析（續）

客戶貸款

港幣百萬元，百分比除外	(重列)			
	2018年6月30日		2017年12月31日	
	餘額	佔比(%)	餘額	佔比(%)
在香港使用之貸款	809,387	65.9	757,416	66.2
工商金融業	476,598	38.8	437,754	38.3
個人	332,789	27.1	319,662	27.9
貿易融資	70,492	5.7	78,196	6.8
在香港以外使用之貸款	349,763	28.4	309,192	27.0
客戶貸款總額	1,229,642	100.0	1,144,804	100.0

2018年上半年，本集團切實貫徹中國銀行集團的發展戰略，抓緊「一帶一路」、粵港澳大灣區及東南亞地區發展機遇，深化與中國銀行集團聯動合作，為內地「走出去」企業及「一帶一路」沿綫國家的企業提供多元化金融服務。同時，不斷加強香港本地市場工商客戶服務，深化與本地家族企業、商會及上市公司的合作關係，提升對中小企業、住宅按揭及零售貸款客戶的服務滲透率，充分發揮網絡和多元化平台優勢。2018年上半年，客戶貸款增長港幣848.38億元或7.4%至港幣12,296.42億元。

在香港使用之貸款上升港幣519.71億元或6.9%。

- 工商金融業貸款增長港幣388.44億元或8.9%，增長源自物業發展、批發及零售、金融業、運輸及運輸設備、製造業及新股融資貸款。
- 個人貸款上升港幣131.27億元或4.1%，住宅按揭貸款（不包括政府資助置屋計劃下的按揭貸款）增長2.8%。其他個人貸款則增長11.6%，主要由物業加按及用作投資用途的個人貸款增長帶動。

貿易融資下跌港幣77.04億元或9.9%。在香港以外使用之貸款增加港幣405.71億元或13.1%，主要是提供予在內地及東南亞地區使用的客戶貸款增長。

管理層討論及分析 (續)

貸款質量

港幣百萬元，百分比除外	(重列)	
	2018年6月30日	2017年12月31日
客戶貸款	1,229,642	1,144,804
特定分類或減值貸款比率	0.22%	0.18%
總減值準備	5,150	4,106
總減值準備佔客戶貸款之比率	0.42%	0.36%
住宅按揭貸款 ¹ — 拖欠及經重組貸款比率 ²	0.01%	0.01%
信用卡貸款 — 拖欠比率 ²	0.22%	0.21%
	半年結算至 2018年6月30日	半年結算至 2017年6月30日
信用卡貸款 — 撇賬比率 ³	1.47%	1.70%

1. 住宅按揭貸款不包括「居者有其屋」計劃及其他政府資助置屋計劃下的按揭貸款。

2. 拖欠比率指逾期超過3個月之貸款佔貸款總餘額的比率。

3. 撇賬比率為期內撇賬總額對期內平均信用卡應收款的比率。

期內，本集團堅持穩健審慎的風險管理原則，整體資產質量保持良好。截至2018年6月30日，特定分類或減值貸款比率為0.22%。特定分類或減值客戶貸款餘額上升港幣5.88億元或28.3%至港幣26.67億元，主要由於個別公司貸款和個人貸款組合質量評級被調低。

本集團住宅按揭貸款及信用卡貸款質量維持穩健，截至2018年6月30日，住宅按揭貸款拖欠及經重組貸款比率為0.01%。2018年上半年，信用卡貸款撇賬比率為1.47%，按年有所下降。

管理層討論及分析 (續)

客戶存款

港幣百萬元，百分比除外	(重列)			
	2018年6月30日		2017年12月31日	
	餘額	佔比 (%)	餘額	佔比 (%)
即期存款及往來存款	216,773	11.6	206,209	11.5
儲蓄存款	851,934	45.7	913,501	51.3
定期、短期及通知存款	793,233	42.6	658,478	37.0
結構性存款	1,861,940	99.9	1,778,188	99.8
客戶存款總額	2,575	0.1	2,784	0.2
	1,864,515	100.0	1,780,972	100.0

* 包括結構性存款。

2018年上半年，本集團持續採取多項吸納客戶措施，包括對重點客群拓展特色存款產品，以發薪戶口服務結合全方位理財服務配套方案，加強與政府機構、大型企業、主要央行、國庫局及主權基金等往來關係，帶動個人及企業銀行存款均錄得良好增長。截至2018年6月30日，客戶存款總額達港幣18,645.15億元，較去年末增加港幣835.43億元或4.7%。其中即期及往來存款增長5.1%，主要由新股認購的存款帶動，儲蓄存款下降6.7%，定期、短期及通知存款上升20.5%。

本銀行股東應佔股本和儲備

港幣百萬元	(重列)	
	2018年6月30日	2017年12月31日
股本	43,043	43,043
房產重估儲備	38,160	36,756
公平值變動儲備／可供出售證券公平值變動儲備	(2,405)	(1,666)
自身信貸風險儲備	7	-
監管儲備	10,746	10,224
換算儲備	(827)	(728)
合併儲備	-	1,062
留存盈利	149,981	142,004
儲備	195,662	187,652
本銀行股東應佔股本和儲備	238,705	230,695

截至2018年6月30日，本銀行股東應佔股本和儲備為港幣2,387.05億元，較2017年末增加港幣80.10億元或3.5%。留存盈利上升5.6%，主要反映2018年上半年在扣除中期股息後的盈利。房產重估儲備上升3.8%，主要反映2018年上半年房產價格上升。公平值變動儲備的虧損有所增加，主要是市場利率變動影響。監管儲備上升5.1%，主要由於客戶貸款增長。合併儲備源自本集團合併中國銀行越南業務及菲律賓業務而採用合併會計處理。

管理層討論及分析（續）

資本比率

港幣百萬元，百分比除外	2018年6月30日	2017年12月31日
扣減後的綜合資本		
普通股權一級資本	176,702	170,012
額外一級資本	-	-
一級資本	176,702	170,012
二級資本	37,137	39,816
總資本	213,839	209,828
風險加權資產總額	1,063,065	1,029,152
普通股權一級資本比率	16.62%	16.52%
一級資本比率	16.62%	16.52%
總資本比率	20.12%	20.39%

本集團在設定各項資本比率的內部目標時，除充分考慮資本監管要求外，亦會透過內部資本充足性評估程序及壓力測試，評估銀行層面的第二支柱資本要求，從而設定集團的最合適資本水平，令本集團具備足夠實力，抵禦未來可能因經濟環境急劇變化而產生各種不可預見的損失。同時，亦會因應集團發展戰略和風險偏好，兼顧短期和長期資本要求，配合適當資本補充方案，確保資本水平長期穩定。本集團重視資本積累需要，致力強化內生動力，確保業務可持續發展。

截至2018年6月30日，普通股權一級資本比率及一級資本比率同為16.62%，較2017年底分別上升0.10個百分點。總資本比率為20.12%。普通股權一級資本增長3.9%，由2018年上半年扣除支付股息後的溢利帶動。風險加權資產總額增加3.3%，主要由於2018年上半年客戶貸款增長引起。

流動性覆蓋比率及穩定資金淨額比率

	2018年	2017年
流動性覆蓋比率的平均值		
第一季度	134.33%	121.41%
第二季度	146.39%	123.88%
	2018年6月30日	2018年3月31日
穩定資金淨額比率	118.82%	118.98%

本集團流動性保持穩健。2018年第一季度及第二季度的流動性覆蓋比率的平均值分別為134.33%及146.39%。截至2018年3月31日及6月30日的穩定資金淨額比率分別為118.98%及118.82%。

管理層討論及分析 (續)

業務回顧

業務分類的表現

業務分類的除稅前溢利

港幣百萬元，百分比除外	半年結算至 2018 年 6 月 30 日		半年結算至 2017 年 6 月 30 日	
	餘額	佔比 (%)	餘額	佔比 (%)
持續經營業務				
個人銀行	5,905	28.8	4,222	24.2
企業銀行	7,982	38.9	7,301	41.9
財資業務	4,963	24.1	4,430	25.4
其他	1,683	8.2	1,479	8.5
除稅前溢利總額	20,533	100.0	17,432	100.0

註：詳細分類資料請見中期財務資料附註 37。

個人銀行

財務業績

2018年上半年，個人銀行除稅前溢利為港幣59.05億元，按年上升16.83億元或39.9%，主要由於淨利息收入和淨服務費及佣金收入提升，以及減值準備淨撥備下跌。

淨利息收入增長18.3%，主要是存款利差改善，以及存款及貸款平均餘額增加帶動。淨服務費及佣金收入增長32.8%，主要是證券經紀、保險及基金分銷業務表現良好，佣金收入錄得較高增長。淨交易性收益上升18.1%，主要因客戶兌換及股票掛鉤結構性產品收入獲得較快增長。經營支出增長10.4%，主要是人事及業務費用上升。

業務經營情況

穩步拓展存貨業務

本集團個人存款業務按客層精細化推動，結合客戶的拓展及晉級，加強產品服務配套；以特色產品吸納重點客群存款。同時，加強公私聯動，通過發薪戶口及理財服務的形式，加強與政府機構、大型企業的合作。截至2018年6月30日，本集團個人客戶存款規模較去年末增長5.8%。貸款業務方面，本集團於香港主要區域設立6間按揭中心，提升按揭業務的專業服務能力；加強與主要地產發展商及地產代理合作，開拓樓宇按揭業務源頭；協助配合香港按揭證券公司推廣「安老按揭計劃」，在安老按揭市場佔比保持第一。

加快中高端客戶服務升級

本集團致力深化客戶關係，不斷提升對中高端客戶的專業化服務水平。上半年，持續優化高端客戶服務模型，加快高端理財服務人員的培養和提升，開設首間高端理財中心「中港城中銀理財中心」，舉辦各種客戶增值活動，進一步提升客戶體驗。截至2018年6月末，中高端客戶數目較去年底增長9.3%。

管理層討論及分析（續）

本集團私人銀行業務保持良好增長，全方位吸納本地、內地及海外高端客群；以人為本，加強私人銀行專才隊伍建設，深化跨境業務拓展；優化私人銀行開放式平台，加強研發私人專屬產品種類如另類投資等；積極參與業界工作，支持香港金融管理局及私人財富管理公會推出向大學生提供「私人財富管理先導人才培訓計劃」，培育未來私人財富管理專才。與去年末比較，私人銀行的客戶數目及管理資產總值均錄得理想增長。

加快民生金融領域創新

本集團把握金融科技發展趨勢，加快民生金融領域創新，發展智能賬戶；增設分行電子自動渠道，加快「至專客服」的配置，為週邊客戶提供全天候遠程視像服務；加速新型智能分行佈局，設立「科學園銀行服務中心」，推出嶄新客戶服務流程；精簡前線操作工序，提升集中運營效率，以打造「綠色銀行」為契機，推動業務流程無紙化和數碼化。

把握市場機遇發展中間收入

本集團推出手機銀行全新股票交易應用，增設股票特快交易設定、到價提示、篩選策略等新功能；支持一站式網上開戶、即時交易、圖表分析、查看持貨等功能。豐富多元化基金產品方案，成為本港首間引入「一帶一路」投資主題基金的零售銀行。配合政府退休金舉措，融合退休規劃和財富傳承兩大主題，推出全方位保障方案，提供45項人壽及個人產險產品。期內，股票、基金、財資產品和保險業務收入均按年錄得理想增長。

推進粵港澳銀行服務一體化建設

本集團加大與中國銀行在粵港澳大灣區的跨境聯動，不斷推進服務模式、品牌推廣、人才交流等方面的一體化建設；加大點對點口岸佈局策略部署，成為香港國際機場一號客運大樓唯一提供分行服務的銀行；完成西九龍總站（廣深港高鐵）自助銀行中心及港珠澳大橋自助銀行網點佈局。截至2018年6月末，跨境客戶數目較去年底增長13.1%。期內，中銀香港在跨境業務的表現得到認同，榮獲《星島日報》頒發的「星鑽服務大獎 - 跨境銀行服務」大獎。

加快東南亞機構整合

本集團加大對東南亞機構個人銀行條線的發展，有序落地區域化產品管治框架，完善中高端客戶服務，強化區域化風險管理；在中銀馬來西亞、雅加達分行推動財富管理服務模型，提供專屬及全方位的理財方案，為發展成為東南亞當地華人華僑的主流銀行奠定基礎。

創新信用卡業務

2018年上半年，承去年底本地零售消費復甦升勢，以及股票市場交投旺盛所帶動的財富效應，加上移動支付及二維碼新技術的應用普及，以及粵港澳大灣區啟動發展，為信用卡業務創造良好機遇，客戶簽賬量持續增長。今年1月，推出「大灣區一卡通」中銀銀聯雙幣信用卡，以大灣區便民功能及移動支付為亮點，結合推廣優惠，滿足往來大灣區客戶的便利支付及生活需求。此外，隨著本地儲值支付工具的發展，積極推動相關網上簽賬業務，2018年上半年業務量較去年同期增長逾60%。期內，本集團保持銀聯卡商戶收單及發卡業務在香港市場的領先地位。

管理層討論及分析（續）

企業銀行

財務業績

2018年上半年，企業銀行除稅前溢利為港幣 79.82 億元，同比增加港幣 6.81 億元或 9.3%，主要由淨利息收入及淨交易性收益增長帶動。

淨利息收入增加 14.6%，主要源自貸款和存款平均餘額增長以及存款利差改善。淨服務費及佣金收入減少 13.4%，其中信託及匯票佣金收入增加，但被貸款佣金減少所抵銷。淨交易性收益上升 33.8%，主要因客戶兌換收入增長。

業務經營情況

持續擴大客戶基礎，提升綜合服務能力

在激烈的市場競爭中，本集團加強與現有客戶業務往來，積極開拓新客戶群，持續鞏固銀團業務優勢，期內獲取多筆市場影響力較大項目，並在2018年上半年保持港澳銀團牽頭行排名首位。同時，積極把握香港打造財資中心、內地企業「走出去」等項目帶來的機遇，加快拓展資金池和財資中心業務，逐步成為客戶在跨境資金池業務方面的首選銀行。此外，本集團擔任主收款行的IPO項目總募資規模達港幣402億元，市場佔比83.8%。取得政府及公營機構多項標書，進一步鞏固與政府部門的業務往來關係。本集團亦與多家主要央行、國庫局及主權基金建立往來關係；機構存款業務增長理想，為集團美元貸款業務的增長帶來穩定的資金供應。

積極發展工商及中小企客戶

本集團持續加強工商客戶服務，深化與本地家族企業、商會和本港上市公司客戶的合作關係，為其搭建高效便利的金融服務平台。積極邀請客戶參與中國銀行境內外分行舉辦的「跨境投資與貿易對接會」，為其引進優質的境內外業務機會。此外，本集團發揮在港分行網絡優勢，持續提高對客戶的服務水平。中銀香港連續11年榮獲由香港中小型企業總商會頒發「中小企業最佳拍檔獎」，並因此獲頒「2018中小企業最佳拍檔金獎」。

扎實推進東南亞及大灣區業務發展

本集團持續深化一體化經營模式，向東南亞機構延伸優勢產品及服務；加強區域管理體系建設，提升東南亞機構管理能力，促進業務健康發展。為把握粵港澳大灣區建設的重大機遇，本集團與中國銀行集團在大灣區內的機構加強溝通及協調，建立了一體化的營銷和服務體系，共同對大灣區基礎設施的互聯互通和科技創新企業的發展壯大提供全方位的金融服務。同時，中銀香港還積極配合廣東省開展的商事制度改革，聯同廣東省工商行政管理局及廣東省分行，推出粵港商事登記銀政通服務並不斷予以優化，進一步促進粵港兩地跨境投資。

管理層討論及分析（續）

持續提升企業銀行產品服務競爭力

本集團積極把握「一帶一路」、粵港澳大灣區建設等重要發展機遇，豐富完善產品體系，加強區域產品條綫建設和產品系統延伸，持續提升綜合化、場景化和全球化能力。以各類交易銀行優勢產品和綜合方案，拓展全球客戶，服務本港機構；以企業財資中心、資金池等重點服務帶動重點客戶和項目，為內地「走出去」企業、本港和東南亞龍頭企業及大型跨國集團等客戶實施區域化、全球化的資金配置管理。產品競爭力持續提升，業務規模效益不斷顯現，獲得市場和業界認可。中銀香港再次榮獲《亞洲銀行家》「香港最佳貿易融資銀行成就大獎」及「香港最佳企業貿易融資交易獎」，並連續五年榮獲《亞洲銀行及財金》頒發「香港最佳本地現金管理銀行」獎項。

託管業務規模持續擴大

2018年上半年投資市場波動，且呈下行趨勢。本集團積極利用互聯互通的機遇，在「債券通」項下對接更多的本地及海外機構，市場佔比持續領先同業，「債券通」資產託管量最高曾突破150億元人民幣。另外，本集團保險及退休金類客戶持續增長；資產監管代理服務需求亦旺盛，加上集團內部多方聯動，託管業務的各類指標均較去年同期實現較大增幅。服務專業水平獲得認同，在2018年度《財資》雜誌“The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards”評選中，分別榮獲「最佳QDII託管行」及「最佳QDII客戶個案」兩個專業獎項。至2018年6月末，本集團整體託管資產總值達港幣11,677億元。

採取積極主動的信貸風險管理

面對經濟環境的不確定性，本集團恪守審慎的授信策略，密切留意各種潛在風險，包括內地企業信用債券市場違約及中美貿易戰等，加強對影響的國家及行業的分析，識別受影響的集團客戶，及時採取預防措施，以控制風險，支持本集團業務健康發展。

管理層討論及分析（續）

財資業務

財務業績

財資業務除稅前溢利為港幣49.63億元，按年上升港幣5.33億元或12.0%，主要由淨交易性收益增長帶動，抵銷了淨利息收入減少的影響。

淨利息收入減少21.7%，主要由於人民幣同業結餘及存放的平均結餘減少，且相關資產的平均收益率因市場利率下跌而有所回落。2018年上半年，財資業務錄得淨交易性收益，而去年同期為淨虧損，主要因2018年上半年外匯掉期合約錄得淨收益而去年同期為淨虧損，以及來自客戶兌換收入增長，部分變化被若干債務證券投資及利率工具受市場利率變動引致市場劃價變化抵銷。

業務經營情況

持續提升交易和服務能力

2018年上半年，本集團積極應對市場變化，努力推動多元發展，嚴格風險管控，不斷提升市場機會把握能力。加強交易系統建設，持續完善電子交易平台功能，穩步提升報價和交易能力。加強創新產品研發，進一步豐富產品系列，滿足客戶需求。發揮專業能力，把握市場機會，提升服務質量，代客業務取得較快增長。積極推動區域化發展，不斷夯實東南亞財資業務發展基礎。財資業務表現獲市場肯定，榮獲中國外匯交易中心頒發「2017年度銀行間外匯市場優秀會員」之最佳境外會員獎、《環球資本》頒發亞洲區「最佳本土貨幣債券獎」及上海黃金交易所頒發「2017年度傑出國際會員獎」，並在第五屆人民幣定息及貨幣論壇上再次獲港交所頒發「固定收益和貨幣市場最佳業務夥伴」獎項。

積極拓展現鈔業務

本集團憑藉現鈔批發專業能力，不斷加強亞太區內現鈔業務發展，並成為本港最主要外幣現鈔供應銀行，進一步鞏固本地現鈔業務市場領先地位。在中國內地市場發揮獨特優勢，構建靈活高效的現鈔運作機制，成功取得多個內地同業外幣現鈔需求投標項目，在內地市場份額不斷增長。準確把握市場變化機遇，積極穩妥推進區域化發展戰略部署，逐步提升東南亞等海外市場業務規模。

鞏固人民幣清算業務優勢

配合中國人民銀行的人民幣跨境支付系統（CIPS）二期建設，中銀香港CIPS二期項目順利投產，實現CIPS渠道運行時間的延長，新增連接定時淨額結算（DNS）機制，進一步提高清算行人民幣跨境資金的清算能力和效率，鞏固中銀香港在人民幣離岸市場的業務領先地位。

積極主動和審慎的投資策略

本集團繼續審慎管理銀行投資盤，同時密切注視市場變化，尋找投資機會提升回報，並對風險保持高度警覺。上半年，本集團調整投資組合，應對利率變化，獲取穩健收益。

管理層討論及分析（續）

信託服務持續增長，依託科技助力升級

本集團透過附屬公司中銀國際英國保誠信託有限公司（「中銀保誠信託」）提供職業退休計劃、強制性公積金計劃的信託及行政服務，以及單位信託基金信託與資產託管業務。中銀保誠信託透過持續深化集團內聯動合作、積極開拓多元銷售渠道、優化轉介機制、推動創意營銷及升級系統應用功能等，為客戶提供全面的退休規劃解決方案，並將配合特區政府中長期工作目標，建立「積金易」或「eMPF」中央電子平台，提升強積金計劃的行政效率。2018年上半年，中銀保誠信託依託科技提升強積金服務，引進業界領先的人力資源及薪酬管理軟件，並採用全新熱線中心系統，優化互動語音系統服務質素，配合業務增長迅速擴張熱線中心客服容量。至2018年6月底，中銀保誠信託強積金資產管理規模較2017年6月底上升13.3%。此外，積極拓展與各大型國際性資產管理公司的合作關係，繼續做好「中港基金互認」項下的北上基金過戶代理人的角色。把握內地與本港的金融融合的契機，配合兩地基金互認北上基金的加快審批，積極在工序及配套上協助基金公司客戶的北上申請。

2018年上半年，中銀保誠信託憑藉出色表現及實力備受各界認同，榮獲多達11個由獨立評級機構、市場、業界及創新科技界頒發的獎項：在積金評級主辦的「2018強積金年獎」中，中銀保誠信託旗下「我的強積金計劃」及「中銀保誠簡易強積金計劃」奪得多項大獎。在新城財經台主辦的「2018香港企業領袖品牌大獎」中榮獲「卓越網上強積金平台品牌」獎項，成為連續三年獲此殊榮的強積金信託公司。在理柏主辦的「2018理柏基金香港年獎」中榮獲最佳團體大獎（整體三年獎）及多個基金獎項。

證券及期貨業務規模持續擴充

本集團透過附屬公司寶生證券及期貨有限公司（「寶生證券及期貨」）提供證券、期貨及期權產品的買賣服務。踏入2018年，寶生證券及期貨深耕本地證券及期貨市場，注重提升營運風險與合規的管治水平，同時，銳意擴充公司的客戶基礎、產品和服務線，包括擴充經紀人團隊規模、加強機構銷售服務。2018年上半年，各項業務發展勢頭良好，其中股票代理買賣業務的總成交量較上年同期增長超過83%。

管理層討論及分析（續）

區域性業務

完善中銀香港東南亞整體發展策略，爭做當地外資主流銀行

東南亞地區是國家「一帶一路」倡議、人民幣國際化戰略推進的重點區域，也是中資企業「走出去」的主要目標地區，具有巨大的發展潛力。中銀香港以推進東南亞資產重組為重要契機，加快自身發展，積極向「建設一流的全功能國際化區域性銀行」邁進。作為東南亞區域總部，本集團發揮資金、產品、人才、管理、服務、技術等方面的優勢，積極探索先進、高效的區域一體化發展和管理模式，加快提升東南亞機構的經營能力、競爭能力和風險管理能力，力求夯實管理基礎，提升發展質量，實現東南亞機構的長期可持續健康發展。東南亞機構以逐步發展成為當地外資主流銀行為目標，重點服務與「一帶一路」相關的「走出去」中資企業、當地大型跨國經營企業和機構、華人華僑、當地高資產淨值人士等客戶。

加快東南亞機構整合，推進區域化經營管理轉型發展

隨著本集團於 2018 年 1 月 29 日順利完成中國銀行菲律賓業務及越南業務的交割，本集團經營版圖已拓展至泰國、馬來西亞、越南、菲律賓、印尼、柬埔寨、文萊等東南亞國家。本集團持續推進東南亞機構邏輯整合，加緊完善當地機構管理制度和機制建設；加快與東南亞機構的全面整合，努力提升區域經營管理的能力和水平，並探索逐步完善區域化管理模式，分別在前、中、後台實施差異化的區域發展和管理策略。本集團前線單位進一步明確差異化的區域業務定位和管理模式，落實一體化經營管理目標；中台單位加強對東南亞機構風險內控合規管控，切實提升風險內控和防洗錢能力；後台單位加強區域管理服務與資源支持，提升東南亞後台營運能力。

管理層討論及分析（續）

加強區域業務一體化發展，拓展當地主流市場

2018年以來，本集團香港團隊鼎力推動東南亞業務發展，通過與東南亞團隊業務合作，取得豐碩成果。企業銀行業務方面，本集團在一體化經營管理理念下，以白名單制度為基礎，積極推進「一帶一路」相關大項目營銷和拓展工作。建立區域主客戶經理制，延伸客戶關係與渠道之間的合作機制，推廣區域產品管理模式，將香港優勢產品服務擴展至東南亞地區，大力開展區域一體化的業務營銷、產品開發和客戶關係管理，加快區域化發展。本集團亦積極拓展機構客戶業務、人民幣產品及財資業務。其中，馬尼拉分行支持菲律賓中央銀行在中國銀行間債券市場成功發行14.6億元人民幣熊貓債；金邊分行加強與政策性銀行協作，為中資企業在柬埔寨發展提供項目融資。個人銀行業務方面，本集團持續加強基礎建設，在東南亞區域構建個人金融產品及服務的能力，並實施差異化管理，配置合適產品及人員，支持東南亞業務發展。加強區域化管理基礎建設，提升風險管理能力。此外，加強客戶定位及客層管理，優化結構。構建產品及服務基礎，努力壯大業務規模並提升業務收益。年內，中銀馬來西亞推出兩款房屋貸款保險產品，並持續加強基金產品銷售，市場反應良好。雅加達分行亦推出「薪必達」跨境人民幣直匯產品，開始建立個人銀行理財中心，為個人銀行業務持續發展夯實基礎。胡志明市分行積極拓展中資企業代發薪業務，挖掘中高端客戶潛力。

2018年上半年，東南亞業務發展取得良好成效，本集團的東南亞機構*提取減值準備前之淨經營收入為港幣10.74億元，按年上升24.4%。截至2018年6月30日，客戶存款餘額為港幣415.81億元，客戶貸款餘額為港幣363.50億元，分別較2017年末增長7.2%和11.3%。

*為7家東南亞機構的合併數據，數據按照香港財務報告準則編製。

堅持三道防線和從嚴管控原則，實現持續健康發展

本集團堅持三道防線和從嚴的管控原則，積極推進東南亞風險管理架構全面落地，推進架構建設與人員配置到位，確保合規和防洗錢工作的高標準。全面加強對東南亞機構的信貸風險、內控合規、防洗錢等管控，切實有效提升東南亞機構的風險內控合規和防洗錢能力，確保其按照本集團的標準運作及遵守香港金管局及當地監管要求。

結合本集團的東南亞機構風險管理綱要的實施，圍繞政策制度、組織架構、專業人員和科技系統等四個方面目標，推進東南亞區域的防洗錢管理，特別是系統應用。採取有效措施逐步改善東南亞機構的信貸政策、信貸模型、貸款審批、貸時發放和貸後管理，持續提升和加強區域化信貸風險管理能力。

管理層討論及分析（續）

科技及營運

本集團積極參與及鼓勵推動創科發展，堅持科技引領，創新驅動，著力提升網絡金融服務競爭力，建設領先的數字化銀行。期內，加強創新科技的應用，推進大數據、內部知識共享等平台的建設，在生物認證、人工智能等領域不斷取得新突破。完成了多項大數據整合項目，全面加強數據質量管理；全線分行及自動櫃員機使用指靜脈認證服務，為客戶提供更便捷的認證選擇。同時，全渠道支持智能網點，以大數據為支持，推進不同智能渠道或產品創新。推出新版手機銀行，引入智能化元素，支援指紋認證及面部辨識，加入流動保安編碼功能，簡化身份認證流程，為客戶帶來嶄新、安全、便捷的流動銀行體驗，服務效率及體驗顯著提升。上述創新應用令使用互聯網和手機銀行等電子渠道的客戶總數持續上升，相關交易筆數亦按年增長。去年推出的中銀香港微信官號於 2018 年上半年發展迅速，綁定客戶數量與活躍客戶數量增幅可觀。同時，積極推動金融科技在香港銀行業的發展及應用，舉辦「中銀香港極客大賽」，以「未來銀行與人工智能」為主題，探索創新解決方案，發掘優秀科技人才。加強與社會各界在創新研發上的合作交流，包括組織專題研討會、創新方案研究、金融科技人才培養計劃等。因應金管局七大措施中的快速支付系統項目，本集團已完成相關的基建配合工作，全力支持香港特區政府為市民提供綠色銀行服務。

本集團積極推進戰略合作，共建數字化金融生態。期內，於科學園開設新型智能分行，引進了科學園公司的技術，亦與數碼港合作，以先進的智能設備取代傳統的櫃檯設置，為客戶提供更方便的 24 小時銀行服務。持續與大型互聯網公司、電訊商等機構在移動支付、精準營銷等方面展開廣泛合作，進一步豐富集團互聯網金融的應用場景。在科技風險及網絡安全控制方面，本集團響應金管局推出的網絡防衛計劃，採用國際最佳做法，持續提升科技風險管理及網絡安保能力。

在加強資訊科技及營運基礎建設方面，期內完成了中國銀行集團的信息系統整合項目，貫徹落實全球一體化的資訊科技戰略部署，為本集團「建設一流的全功能國際化區域性銀行」奠定基礎。集團以客戶為優先考慮，系統提升在預期的時間內完成，提升後運作平穩暢順。配合本集團東南亞發展戰略，推進東南亞營運整合，提升集團整體營運效率，並強化操作風險管控。

本集團的技術創新及科技發展得到市場認同，在新城財經台主辦的「2018 香港企業領袖品牌大獎」中榮獲「卓越金融科技（銀行服務）品牌」獎項，在《亞洲銀行及財金》雜誌主辦的第 13 屆「零售銀行大獎」中首度獲頒「香港區最佳創新服務大獎」，並連續四年榮獲「香港區最佳流動銀行項目大獎」及連續三年獲頒「香港區最佳電子銀行項目大獎」，已推出的「區塊鏈應用 - 按揭估價流程」在香港金管局及深圳市人民政府金融發展服務辦公室合辦的「深港金融科技创新獎」中獲金融科技專項獎。

管理層討論及分析（續）

風險管理

集團銀行業務

總覽

本集團深信良好的風險管理是企業成功的重要元素。在日常經營中，本集團高度重視風險管理，並強調風險控制與業務發展之間必須取得平衡。本集團業務的主要內在風險包括信貸風險、利率風險、市場風險、流動資金風險、操作風險、信譽風險、法律及合規風險及策略風險。本集團的風險管理目標是在提高股東價值的同時，確保風險控制在可接受的水平之內。本集團設有經董事會審批的風險偏好陳述，表達本集團在風險可控的前提下所願意承擔的風險類型與程度，以實現業務發展目標和達到利益相關者的期望。

風險管理管治架構

本集團風險管理管治架構覆蓋業務發展的全部過程，以保證在業務經營中的各類風險都能得到有效管理及控制。本集團擁有完善的風險管理架構，並有一套全面的風險管理政策及程序，用以識別、量度、監察及控制可能出現的各類風險。本集團亦定期重檢及更新風險管理政策及程序，以配合市場及業務策略的轉變。不同層面的風險承擔者分別負責與其相關的風險管理責任。

董事會代表著股東的利益，是本集團風險管理的最高決策機構，並對風險管理負最終責任。董事會在其屬下委員會的協助下，負責確定本集團的風險管理策略，並確保本集團具備有效的風險管理系統以落實執行有關策略。

風險委員會是董事會成立的常設委員會，負責監察本集團的各類風險；審批第一層風險管理政策，並監督其執行；審查重大的或高風險的風險承擔或交易，並對認為不應該進行的交易行使否決權。審計委員會協助董事會履行內部監控系統的監控職責。

總裁負責管理本集團各類風險，在董事會授權範圍內審批重大風險承擔或交易。副總裁負責協助總裁履行日常管理各類風險的職責，在總裁授權範圍內審批重大風險承擔或交易。風險總監負責協助總裁履行對各類風險日常管理的職責，提出新的風險管理策略、項目和措施以配合監管要求的變化，從而更好地監察及管理新業務、產品及營運環境轉變而引致的風險。風險總監還在授權範圍內負責審核重大風險承擔或交易。各高層管理人員在董事會批准的風險管理政策分層原則下，亦需負責審批其主管業務範圍的風險管理辦法。

本集團的不同單位都有其相應的風險管理責任。業務單位是風險管理的第一道防線，而風險管理單位則獨立於業務單位，負責各類風險的日常管理，以及草擬、檢查和更新各類風險管理政策和程序。

本集團的主要附屬銀行亦採用與本集團一致的風險管理政策。中銀香港風險管理單位按照各自分工，監督附屬公司的相關風險管理情況。

信貸風險管理

信貸風險指因客戶或交易對手未能或不願意履行償債責任而造成損失的風險。本集團的交易賬和銀行賬、以及資產負債表內和表外之交易均存在這種風險。信貸風險主要來自借貸、貿易融資及資金業務。信貸風險總監負責主持各類信貸風險管理工作，直接向風險總監匯報，並在與本集團制定的信貸風險管理原則及要求相一致前提下管控附屬機構的信貸風險承擔。

對於貸款，不同客戶、交易對手或交易會根據其風險程度採用不同的信貸審批及監控程序。信貸評審委員會由信貸和其他業務專家組成，負責對副總裁級或以上人員審批的重大信貸申請進行獨立評審。非零售風險承擔信貸申請由風險管理單位進行獨立審核、客觀評估，並確定債務人評級（按照違約概率程度）和授信等級（按照違約損失率程度）以支持信貸審批；零售信貸交易包括零售小企業貸款、住宅按揭貸款、私人貸款及信用卡等採取零售內部評級系統進行信貸風險評估。本集團會應用貸款分類級別、債務人評級、授信等級和損失預測結果（如適用）於支持信貸審批。

本集團亦會應用貸款分類級別、債務人評級和損失預測結果（如適用）於支持信貸監控、信貸風險報告及分析。對於非零售風險承擔，本集團會對較高風險的客戶採取更頻密的評級重檢及更密切的監控；對於零售風險承擔則會在組合層面應用每月更新的內部評級及損失預測結果進行監察，對識別為高風險組別客戶，會進行更全面檢討。本集團參照金管局貸款分類制度的指引，實施信貸資產的五級分類。風險管理部定期提供信貸風險管理報告，並按管理委員會、風險委員會及董事會的特別要求，提供專題報告，以供其持續監控信貸風險。同時，本集團也會按照行業、地區、客戶或交易對手等維度識別信貸風險集中度，並監察每一交易對手信貸風險、信貸資產組合質素、信貸風險集中度的變化，定期向本集團管理層匯報。

本集團使用的內部評級總尺度表能與標準普爾(Standard & Poor's)外部信用評級相對應。該內部評級總尺度表結構符合香港《銀行業條例》項下《銀行業（資本）規則》的要求。

管理層討論及分析（續）

對於債務證券及證券化資產的投資，本集團會應用債務人評級或外部信用評級、通過評估證券相關資產的質素及設定客戶及證券發行人信貸限額，以管理債務證券及證券化資產投資的信貸風險；對於衍生產品，本集團會採用客戶限額及採用與貸款一致的審批及監控程序管理信貸風險，並制定持續監控及止損程序。減值評估中所使用的方法和假設會定期檢討。

市場風險管理

市場風險是指因金融市場價格（匯率、利率、股票價格、商品價格）波動導致銀行外匯、利率、股票和商品持倉值出現變化而可能給本集團帶來的損失。本集團採取適中的市場風險偏好，實現風險與收益的平衡。市場風險管理的目標，是根據本集團的風險偏好和資金業務發展策略，依靠完善的風險管理制度和相關管理手段，有效管理本集團業務中可能產生的市場風險，促進資金業務健康發展。

本集團按照風險管理企業管治原則管理市場風險，董事會及風險委員會、高層管理人員和職能部門／單位，各司其職，各負其責。風險管理部是負責市場風險管理的專責單位，協助高層管理人員履行日常管理職責，獨立監察本集團及中銀香港的市場風險狀況以及管理政策和限額執行情況，並確保整體和個別的市場風險均控制在可接受水平內。

本集團市場風險管理的範圍，包括中銀香港和附屬機構。本集團制訂市場風險管理政策，規範中銀香港及附屬機構的市場風險管理，同時，設置集團風險值及壓力測試限額，並根據業務需求和風險承受能力統一配置和監督使用。在符合集團政策規定的前提下，附屬機構制訂具體的政策及程序，承擔其日常市場風險管理責任。

本集團設有市場風險指標及限額，用於識別、計量、監測和控制市場風險。主要風險指標和限額包括但不限於風險值、止損額、敞口額、壓力測試以及敏感性分析（基點價值、期權敏感度）等。主要風險指標和限額視管理需要劃分為四個層級，分別由風險委員會、管理委員會、風險總監及主管資金業務的副總裁或業務單位主管批准，中銀香港資金業務單位及附屬機構（就集團限額而言）必須在批核的市場風險指標和限額範圍內開展業務。

本集團採用風險值量度一般市場風險，並定期向風險委員會和高層管理人員報告。本集團採用統一的風險值計量模型，運用歷史模擬法，以過去2年歷史市場數據為參照，計算99%置信水平下及1天持有期內集團層面及各附屬機構的風險值，並設定本集團和各附屬機構的風險值限額。

本集團採用回顧測試衡量風險值模型計量結果的準確性。回顧測試是將每一交易日市場風險持倉的風險值數字與下一個交易日從這些持倉得到的實際及假設損益作出比較。一般而言，在99%置信水平下，在連續12個月內的例外情況應該不超過4次。

利率風險管理

利率風險是指因利率水平、資產負債期限結構等要素發生變動而可能導致銀行整體收益和經濟價值承受損失的風險。本集團的利率風險承擔主要來自結構性持倉。結構性持倉的主要利率風險類別為：

- 利率重訂風險：資產與負債的到期日或重訂價格期限可能錯配，進而影響淨利息收入；
- 利率基準風險：不同交易的定價基準不同，令資產的收益率和負債的成本可能會在同一重訂價格期間以不同的幅度變化；
- 收益率曲線風險：由於收益率曲線非平行式移動而對淨利息收入或經濟價值產生負面影響；及
- 客戶擇權風險：由於資產、負債或表外項目附設有期權，當期權行使時會改變相關資產或負債的現金流。

本集團風險管理架構同樣適用於利率風險管理。根據風險委員會批准的《中銀香港集團銀行賬利率風險管理政策》，資產負債管理委員會(ALCO)具體履行管理集團利率風險的職責。風險管理部（利率及流動資金風險管理）主責利率風險管理，在財務管理部之資產負債管理處、司庫、投資管理的配合下，協助資產負債管理委員會開展日常的利率風險管理工作，包括但不限於起草管理政策，選擇管理方法，設立風險指標和限額，評估目標資產負債表，監督利率風險管理政策與限額執行情況，向高層管理人員以及風險委員會提交利率風險管理報告等。

本集團設定利率風險指標及限額，用於識別、計量、監測和控制利率風險。主要風險指標和限額包括但不限於重訂價缺口、利率基準風險、久期、基點現值(PVBP)、期權價格波動(Greeks)、淨利息波動比率(NII)、經濟價值波動比率(EV)等。主要風險指標和限額劃分不同層級，按不同層級分別由財務總監及風險總監、資產負債管理委員會、風險委員會批准。承擔利率風險的各業務單位必須在利率風險指標限額範圍內開展相關業務。本集團推出銀行賬新產品或新業務前，相關單位須先執行風險評估程序，包括評估潛在的利率風險，並考慮現行的風險監控機制是否足夠。如在風險評估程序中發現對銀行利率風險造成重大影響，須上報風險委員會審批。

管理層討論及分析 (續)

淨利息波動比率(NII)和經濟價值波動比率(EV)反映利率變動對集團淨利息收入和資本基礎的影響，是本集團管理利率風險的重要風險指標。前者衡量利率變動導致的淨利息收入變動佔當年預期淨利息收入的比率；後者衡量利率變化對銀行經濟價值（即按市場利率折算的資產、負債及表外業務預測現金流的淨現值）的影響佔最新資本基礎的比率。風險委員會為這兩項指標設定限額，用來監測和控制本集團銀行賬利率風險。

本集團採用情景分析和壓力測試方法，評估不利市況下銀行賬可能承受的利率風險。情景分析和壓力測試同時用於測試儲蓄存款客戶擇權、按揭客戶提早還款、以及內含期權債務證券提前還款對銀行淨利息收入和經濟價值的影響。

流動資金風險管理

流動資金風險是指銀行無法以合理成本及時獲得充足資金，履行到期義務的風險。本集團遵循穩健的流動資金風險偏好，確保在正常情況或壓力情景下均有能力提供穩定、可靠和足夠的現金來源，滿足流動資金需求；在極端情景下無需借助金管局的流動性支持，累積的淨現金流為正值，可以保證基本生存期內的流動資金需要。

本集團管理流動資金風險的目標，是按照流動資金風險偏好，以合理的成本有效管理資產負債表內及表外業務的流動性，實現穩健經營和持續盈利。本集團以客戶存款為主要的資金來源，積極吸納和穩定核心存款，並輔以同業市場拆入款項及在資本市場發行票據，確保穩定和充足的資金來源。本集團根據不同期限及壓力情景下的流動資金需求，調整資產組合的結構（包括貸款、債券投資及拆放同業等），保持充足的流動資產，以便提供足夠的流動資金支持正常業務需要，及在緊急情況下有能力以合理的成本及時籌集到資金，保證對外支付。本集團致力實現融資渠道和資金運用的多樣化，以避免資產負債過於集中，防止因資金來源或運用過於集中在某個方面，當其出現問題時，導致整個資金供應鏈斷裂，觸發流動資金風險。本集團制訂了集團內部流動資金風險管理指引，管理集團內各成員之間的流動資金，避免相互間在資金上過度依賴。本集團亦注重管理表外業務可能產生的流動資金風險，如貸款承諾、衍生工具、期權及其他複雜的結構性產品。本集團的流動資金風險管理策略涵蓋了外幣資產負債流動管理、抵押品、即日流動性、集團內流動性以及其它風險引致的流動資金風險等，並針對流動資金風險制訂了應急計劃。

風險委員會是流動資金風險管理決策機構，並對流動資金風險承擔最終管理責任。風險委員會授權資產負債管理委員會管理日常的流動資金風險，確保本集團的業務經營符合風險委員會設定的流動資金風險偏好和政策規定。風險管理部（利率及流動資金風險管理）主責本集團流動資金風險管理，它與財務管理部之資產負債管理處、司庫、投資管理等合作，根據各自的職責分工協助資產負債管理委員會履行具體的流動資金管理職能。

本集團設定流動資金風險指標和限額，每日用來識別、計量、監測和控制流動資金風險，包括但不限於流動性覆蓋比率、穩定資金淨額比率、貸存比率、最大累計現金流出、以及流動資金緩衝等。本集團採用現金流量分析以評估本集團於正常情況下的流動資金狀況，並最少每月進行流動資金風險壓力測試（包括自身危機、市場危機情況及合併危機）和其他方法，評估本集團抵禦各種嚴峻流動資金危機的能力。本集團亦建立了相關管理資訊系統如資產負債管理系統及巴塞爾流動比率管理系統，提供數據及協助編製常規管理報表，以管理好流動資金風險。

本集團根據金管局頒佈之監管政策手冊LM-2《穩健的流動資金風險管理系統及管控措施》中的要求，落實對現金流分析及壓力測試當中所採用的習性模型及假設，以強化本集團於日常及壓力情景下的現金流分析。在日常情況下的現金流分析，本集團對各項應用於表內項目（如客戶存款）及表外項目（如貸款承諾）作出假設。因應不同資產、負債及表外項目的特性，根據合約到期日、客戶習性假設及資產負債規模變化假設，以預測本集團的未來現金流量狀況。本集團設定「最大累計現金流出」指標，根據以上假設預測在日常情況下的未來30日之最大累計現金流出，以評估本集團的融資能力是否足以應付該現金流缺口，以達到持續經營的目的。

在流動資金風險壓力測試中，本集團設立了自身危機、市場危機及合併危機情景，合併危機情景結合自身危機及市場危機，並採用一套更嚴謹的假設，以評估本集團於更嚴峻的流動資金危機情況下的抵禦能力。壓力測試的假設包括零售存款、批發存款及同業存款之流失率，貸款承諾及與貿易相關的或然負債之提取率，貸款逾期比例及滾動發放比率，同業拆出及有價證券的折扣率等。於2018年6月30日，本集團在以上三種壓力情景下都能維持現金淨流入，表示本集團有能力應付壓力情景下的融資需要。此外，本集團的管理政策要求本集團維持流動資金緩衝，當中包括的高質素或質素相若的有價證券為由官方實體、中央銀行、公營單位或多邊發展銀行發行或擔保，而其風險權重為0%或20%，或由非金融企業發行的有價證券，其外部信用評級相等於A-或以上，以確保在壓力情況下的資金需求。應急計劃明確了需根據壓力測試結果和預警指標結果為啟動方案的條件，並詳述了相關行動計劃、程序以及各相關部門的職責。

流動性覆蓋比率是根據由2015年1月1日起生效的《銀行業（流動性）規則》計算，本集團被金管局指定為第一類認可機構，並需要以綜合基礎計算。於2018年度，本集團須維持流動性覆蓋比率不少於90%。

穩定資金淨額比率是根據由2018年1月1日起生效的《2017年銀行業（流動性）（修訂）規則》計算，本集團被金管局指定為第一類認可機構，並需要以綜合基礎計算及須維持穩定資金淨額比率不少於100%。

管理層討論及分析（續）

在部分衍生工具合約中，交易對手有權基於對本集團的信用狀況的關注而向本集團收取額外的抵押品。

本集團對流動資金風險的管理，同時適用於新產品或新業務。在新產品或業務推出前，相關單位必須先履行風險評估程序，包括評估潛在的流動資金風險，並考慮現行的風險監控機制是否足夠。如在風險評估程序中發現對銀行流動資金風險造成重大影響，須上報風險委員會審批。

本集團制訂統一的流動資金風險管理政策，規範和指導所有集團成員的流動資金風險管理；各附屬機構根據集團的統一政策，結合自身特點制訂具體的管理辦法，並各自承擔管理本機構流動資金風險的責任。各附屬機構須定期向中銀香港報告流動資金風險管理信息，中銀香港風險管理部（利率及流動資金風險管理）匯總各附屬機構的信息，對整個集團的流動資金風險狀況進行評估。

操作風險管理

操作風險是指由不完善或有問題的內部程序、人員、系統，以及外部事件所造成損失的風險。操作風險隱藏於業務操作的各個環節，是本集團在日常操作活動中面對的風險。

本集團實施操作風險管理「三道防線」體系：所有部門或功能單位為第一道防線，是操作風險管理的第一責任人，通過自我評估與自我提升來履行業務經營過程中自我風險控制職能。法律合規與操作風險管理部連同一些與操作風險管理相關的專門職能單位包括人力資源部、資訊科技部、公司服務部、防範金融犯罪部、財務管理部、司庫與會計部（統稱為「專門職能單位」）為第二道防線，負責評估和監控第一道防線操作風險狀況，對其工作提供指導。獨立於業務單位的法律合規與操作風險管理部，負責協助管理層管理本集團的操作風險，包括制定和重檢操作風險管理政策和框架、設計操作風險的管理工具和匯報機制、評估及向管理層和風險委員會匯報總體操作風險狀況；專門職能單位對操作風險的一些特定的範疇或與其相關事項，履行第二道防線的牽頭管理責任，除負責本單位操作風險管理外，亦須就指定的操作風險管理範疇向其他單位提供專業意見／培訓並履行集團整體的操作風險牽頭管理。集團審計為第三道防線，對操作風險管理框架的有效性與充足性作獨立評估，需定期稽查本集團各部門或功能單位操作風險管理工作的合規性和有效性，並提出整改意見。

本集團建立了有效的內部控制程序，對所有重大活動訂下政策及監控措施。設置適當的職責分工和授權乃本集團緊守的基本原則。本集團採用關鍵風險指標、自我評估、操作風險事件匯報及檢查等不同的操作風險管理工具或方法來識別、評估、監察及控制潛在於業務活動及產品內的風險，同時透過購買保險將未能預見的操作風險減低。對支援緊急或災難事件時的業務運作備有持續業務運作計劃，並維持充足的後備設施及定期進行演練。

信譽風險管理

信譽風險是指因與本集團業務經營有關的負面報導（不論是否屬實），可能引致客戶基礎縮小、成本高昂的訴訟或收入減少等風險。信譽風險隱藏於其他風險及各業務運作環節，涉及層面廣泛。

為減低信譽風險，本集團制定並遵循信譽風險管理政策。此政策的目的是當信譽風險事件發生時本集團能夠盡早識別和積極防範。鑒於信譽風險往往是由各種可能令公眾對本集團信任受損的操作及策略失誤所引發，本集團建立關鍵控制自我評估機制包括相關風險評估工具，以評估各主要風險可能對本集團造成的嚴重影響，包括對本集團信譽的損害程度。

此外，本集團建立完善機制持續監測金融界所發生的信譽風險事件，以有效管理、控制及減低信譽風險事件的潛在負面影響。本集團亦借助健全有效機制及時向利益相關者披露信息，由此建立公眾信心及樹立本集團良好公眾形象。

法律及合規風險管理

法律風險是指因不可執行合約、訴訟或不利判決而可能使本集團運作或財務狀況出現混亂或負面影響的風險。合規風險是指因未有遵守適用法例及規則，而可能導致本集團需承受遭法律或監管機構制裁、引致財務損失或信譽損失的風險。法律及合規風險由法律合規與操作風險管理部管理，而關於洗錢、恐怖分子資金籌集及相關的金融犯罪包括貪腐風險則由防範金融犯罪部負責作獨立管理及監控。法律合規與操作風險管理部及防範金融犯罪部均直接向風險總監匯報。法律合規風險管理政策，以及防洗錢、反恐怖分子資金籌集及防範金融犯罪合規風險管理政策是集團公司治理架構的組成部分，由董事會屬下的風險管理委員會審批。

管理層討論及分析（續）

策略風險管理

策略風險指本集團在實施各項策略，包括宏觀戰略與政策，以及為執行戰略與政策而制訂各項具體的計劃、方案和制度時，由於在策略制訂、實施及調整過程中失當，從而使本集團的盈利、資本、信譽和市場地位受到影響的風險。董事會檢討和審批策略風險管理政策。重點戰略事項均得到高層管理人員與董事會的充分評估與適當的審批。

本集團會因應最新市場情況及發展，定期檢討業務策略。

資本管理

本集團資本管理的主要目標是維持與集團整體風險狀況相稱的資本充足水平，同時為股東帶來最大回報。資產負債管理委員會定期檢討本集團資本結構，並在需要時進行調整以保持風險、回報與資本充足性的最佳平衡。

為符合金管局監管政策手冊「監管審查程序」內的要求，本集團採用內部資本充足評估程序並每年作出重檢。按金管局對第二支柱的指引，內部資本充足評估程序主要用以評估在第一支柱下未有涵蓋或充分涵蓋的重大風險所需的額外資本，從而設定本集團最低普通股權一級資本比率、最低一級資本比率及最低總資本比率。同時，本集團亦就前述的資本比率設定了運作區間，以支持業務發展需要及促進資本的有效運用。

壓力測試

本集團以壓力測試輔助各項風險的分析工作。壓力測試是一種風險管理工具，用以評估當市場或宏觀經濟因素急劇變化並產生極端不利的經營環境時銀行風險暴露的情況。本集團內各風險管理單位按金管局監管政策手冊「壓力測試」內的原則，定期進行壓力測試。資產負債管理委員會根據風險委員會批准的主要風險限額，對壓力測試的結果進行監控，財務管理部定期向董事會及風險委員會匯報本集團的綜合測試結果。

Management Discussion and Analysis

Following the completion of the acquisition of the Indonesia Business and Cambodia Business of BOC on 10 July 2017 and 6 November 2017 respectively, and that of the Vietnam Business and Philippines Business of BOC on 29 January 2018, the Group has applied the merger accounting method for the combination of entities under common control in the preparation of its financial statements. The comparative information for 2017 has been restated accordingly. The above transactions are collectively referred as the “acquisitions” in this Management Discussion and Analysis.

From 1 January 2018 onwards, the Group has adopted Hong Kong Financial Reporting Standard 9 (“HKFRS 9”), “Financial Instruments”. Under this new standard, the recognition and measurement of impairment differs from that under Hong Kong Accounting Standard 39 (“HKAS 39”), “Financial Instruments: Recognition and Measurement”. Changes in the impairment of the Group’s financial assets in the comparative periods of 2017 remain in accordance with HKAS 39. Comparative information has not been restated.

CONSOLIDATED FINANCIAL REVIEW

The comparative information for 2017 has been restated following the Group’s application of the merger accounting method in the preparation of its financial statements as a result of its acquisitions.

Financial Highlights

HK\$m	Half-year ended 30 June 2018	(Restated) Half-year ended 31 December 2017	(Restated) Half-year ended 30 June 2017
FROM CONTINUING OPERATIONS			
Net operating income before impairment allowances	26,652	24,136	22,891
Operating expenses	(6,764)	(7,371)	(6,032)
Operating profit before impairment allowances	19,888	16,765	16,859
Operating profit after impairment allowances	19,550	16,064	16,505
Profit before taxation	20,533	16,421	17,432
Profit attributable to equity holders of the Bank	17,198	13,278	17,163
- from continuing operations	17,198	13,278	14,574
- from discontinued operations	-	-	2,589

In the first half of 2018, the Group earnestly carried out BOC Group’s strategic requirements and remained committed to “Building a Top-class, Full-service and Internationalised Regional Bank”. It actively responded to changes in the market environment and steadily pushed forward its key business priorities. Its core businesses realised satisfactory growth with major financial indicators remaining at solid levels. The Group seized market opportunities and developed the local market in Hong Kong. It continued to implement its regional development strategies and made satisfactory progress in its business expansion in Southeast Asia. The Group remained committed to expanding its cross-border business with a focus on integrated collaboration with BOC Group in Guangdong, Hong Kong and Macao. In pursuit of full-service capabilities, the Group focused on the construction of its diversified business platforms. Moreover, it stepped up innovation in financial technology (“Fintech”) and optimised its online platforms so as to push forward its development as a digital bank. To ensure its balanced, sustainable and high-quality development, the Group continued to strengthen its risk management, internal control and compliance management, while enhancing the refined management of its assets and liabilities.

In the first half of 2018, the Group’s profit attributable to equity holders amounted to HK\$17,198 million, an increase of HK\$35 million, or 0.2%, year-on-year. Profit attributable to equity holders from continuing operations increased by 18.0%. Net operating income before impairment allowances was HK\$26,652 million, up HK\$3,761 million, or 16.4%, year-on-year. Net interest income increased, owing to rising market interest rates and the positive results of the Group’s proactive management of its assets and liabilities. The Group captured opportunities arising from improved investor sentiment in the market and focused on expanding its target customer base, while providing diversified investment services and optimising its service channels. As a result, net fee and commission income rose year-on-year. The net trading gain increased, owing to rising foreign exchange income. Operating expenses rose year-on-year, in support of the Group’s long-term business expansion. The net gain from fair value adjustments on investment properties also increased.

Management Discussion and Analysis (continued)

As compared with the second half of 2017, the Group's net operating income before impairment allowances rose by HK\$2,516 million, or 10.4%. This was mainly attributable to an increase in net interest income arising from a rise in net interest margin and growth in average interest-earning assets. Net fee and commission income also increased. The net trading gain increased, owing to rising foreign exchange income. Moreover, both operating expenses and the net charge of impairment allowances fell, while the net gain from fair value adjustments on investment properties rose. As a result, profit attributable to equity holders increased by HK\$3,920 million, or 29.5%, compared to the second half of last year.

INCOME STATEMENT ANALYSIS

The following income statement analysis is based on the Group's continuing operations, and the comparative information has been restated to conform to the current period's presentation.

Net Interest Income and Net Interest Margin

HK\$m, except percentages	Half-year ended	(Restated) Half-year ended	(Restated) Half-year ended
	30 June 2018	31 December 2017	30 June 2017
Interest income	27,062	24,145	22,242
Interest expense	(10,044)	(7,851)	(6,374)
Net interest income	17,018	16,294	15,868
Average interest-earning assets	2,361,079	2,250,162	2,060,906
Net interest spread	1.32%	1.33%	1.46%
Net interest margin*	1.45%	1.44%	1.55%

* Net interest margin is calculated by dividing net interest income by average interest-earning assets.

Net interest income amounted to HK\$17,018 million in the first half of 2018, an increase of HK\$1,150 million, or 7.2%, year-on-year. The increase was driven by growth in average interest-earning assets.

Average interest-earning assets expanded by HK\$300,173 million, or 14.6%, year-on-year. The increase in deposits from customers led to an increase in advances to customers, debt securities investments and balances and placements with banks.

Net interest margin was 1.45%. If the funding income or cost of foreign currency swap contracts[#] were included, net interest margin would have been 1.48%, up 10 basis points year-on-year. This was mainly attributable to a rise in market interest rates. At the same time, the Group continued to proactively manage its assets and liabilities and enhance its loan and deposit spread. This, together with the improved average yield of its debt securities investments, resulted in a widening of the Group's net interest margin.

[#] Foreign exchange swap contracts are normally used for the Group's liquidity management and funding activities. In foreign exchange swap contracts, the Group exchanges one currency (original currency) for another (swapped currency) at the spot exchange rate (spot transaction) and commits to reverse the spot transaction by exchanging the same currency pair at a future maturity date at a predetermined rate (forward transaction). In this way, surplus funds in the original currency are swapped into another currency for liquidity and funding purposes with minimal foreign exchange risk. The exchange difference (funding income or cost) between the spot and forward contracts is recognised as a foreign exchange gain or loss (as included in "net trading gain"), while the corresponding interest differential between the surplus funds in the original currency and swapped currency is reflected in net interest income.

Management Discussion and Analysis (continued)

The table below summarises the average balances and average interest rates of individual categories of assets and liabilities:

	Half-year ended		(Restated) Half-year ended		(Restated) Half-year ended	
	30 June 2018		31 December 2017		30 June 2017	
	Average balance	Average yield	Average balance	Average yield	Average balance	Average yield
	HK\$m	%	HK\$m	%	HK\$m	%
ASSETS						
Balances and placements with banks and other financial institutions	454,552	1.95	456,345	1.93	426,759	2.44
Debt securities investments	683,981	1.94	629,976	1.87	581,410	1.62
Advances to customers	1,205,000	2.67	1,147,883	2.36	1,035,444	2.39
Other interest-earning assets	17,546	1.66	15,958	1.36	17,293	1.22
Total interest-earning assets	2,361,079	2.31	2,250,162	2.13	2,060,906	2.18
Non interest-earning assets ¹	309,166	-	297,495	-	289,257	-
Total assets	2,670,245	2.04	2,547,657	1.88	2,350,163	1.91
LIABILITIES						
	Average balance	Average rate	Average balance	Average rate	Average balance	Average rate
	HK\$m	%	HK\$m	%	HK\$m	%
Deposits and balances from banks and other financial institutions	227,357	1.04	221,173	0.94	229,260	0.89
Current, savings and time deposits	1,727,101	0.90	1,639,553	0.71	1,487,253	0.64
Subordinated liabilities	20,458	5.46	19,656	5.03	18,963	4.61
Other interest-bearing liabilities	61,039	1.91	57,929	1.58	37,496	1.07
Total interest-bearing liabilities	2,035,955	0.99	1,938,311	0.80	1,772,972	0.72
Shareholders' funds ² and other non interest-bearing deposits and liabilities ¹	634,290	-	609,346	-	577,191	-
Total liabilities	2,670,245	0.76	2,547,657	0.61	2,350,163	0.55

1. Including assets held for sale and liabilities associated with assets held for sale respectively.

2. Shareholders' funds represent capital and reserves attributable to the equity holders of the Bank.

Compared with the second half of 2017, the Group's net interest income increased by HK\$724 million, or 4.4%, due to growth in average interest-earning assets and an increase in net interest margin. Average interest-earning assets grew by HK\$110,917 million, or 4.9%, which was driven by an increase in deposits from customers. Net interest margin was up 1 basis point. If the funding income or cost of foreign currency swap contracts were included, net interest margin would have been up 13 basis points, mainly because of the rise in market interest rates and the Group's effective control of deposit pricing, which resulted in a widening of the loan and deposit spread. This, along with the improved average yield of the Group's debt securities investments, resulted in a rise in net interest margin.

Management Discussion and Analysis (continued)

Net Fee and Commission Income

HK\$m	Half-year ended	(Restated)	(Restated)
	30 June 2018	Half-year ended 31 December 2017	Half-year ended 30 June 2017
Credit card business	1,758	1,684	1,553
Loan commissions	1,712	1,522	2,086
Securities brokerage	1,705	1,571	1,054
Insurance	948	887	756
Funds distribution	520	505	421
Bills commissions	400	423	393
Payment services	325	326	323
Trust and custody services	317	305	257
Currency exchange	268	238	195
Safe deposit box	154	144	147
Others	650	456	590
Fee and commission income	8,757	8,061	7,775
Fee and commission expense	(1,983)	(1,869)	(1,711)
Net fee and commission income	6,774	6,192	6,064

In the first half of 2018, the Group's net fee and commission income amounted to HK\$6,774 million, up HK\$710 million or 11.7% year-on-year. The Group captured opportunities arising from improved investor sentiment in the market and focused on the continuous development of mid- to high-end and cross-border customers. It also optimised its service channels and functionalities, and enriched its product and service offerings. As a result, commission income from securities brokerage, funds distribution and insurance grew 61.8%, 23.5% and 25.4% year-on-year, respectively. The Group also leveraged its diversified business platforms to record healthy growth in a number of areas. Income from the credit card business rose by 13.2% year-on-year, with the business volumes of the Group's credit card issuing and merchant acquiring businesses rising 12.5% and 19.1% respectively. Income from currency exchange increased 37.4% year-on-year, as the Group captured opportunities arising from travelling customers' strong demand for banknotes in a range of currencies as well as the proactive expansion of its banknotes business in the Chinese mainland, Hong Kong and Southeast Asia. The Group's trust and custody business continued to expand its assets under management, resulting in a year-on-year increase of 23.3% in related income. However, loan commissions dropped. The increase in fee and commission expenses was mainly due to higher credit card and securities brokerage related expenses.

Compared with the second half of 2017, net fee and commission income increased by HK\$582 million, or 9.4%. The increase mainly resulted from growth in fee and commission income from loans, securities brokerage, credit card business, insurance, currency exchange, and trust and custody services, as well as safe deposit box services. At the same time, bills commissions dropped. Fee and commission expenses increased, owing to higher credit card and securities brokerage related expenses.

Management Discussion and Analysis (continued)

Net Trading Gain

HK\$m	Half-year ended	(Restated) Half-year ended	(Restated) Half-year ended
	30 June 2018	31 December 2017	30 June 2017
Foreign exchange and foreign exchange products	1,782	254	(256)
Interest rate instruments and items under fair value hedge	178	344	415
Equity and credit derivative instruments	114	135	90
Commodities	61	98	107
Net trading gain	2,135	831	356

In the first half of 2018, the Group's net trading gain amounted to HK\$2,135 million, an increase of HK\$1,779 million, or 499.7%, year-on-year. Net trading gain from foreign exchange and foreign exchange products increased by HK\$2,038 million, which was mainly attributable to a net gain from foreign currency swap contracts in the first half of 2018, as compared with a net loss in the same period last year, as well as growth in currency exchange income from customer transactions. Net trading gain from interest rate instruments and items under fair value hedge decreased by HK\$237 million, primarily due to the mark-to-market changes of certain debt securities investments and interest rate instruments caused by interest rate movements. Net trading gain from equity and credit derivative instruments increased, supported by an increase in income from equity-linked products. Net trading gain from commodities declined, due to a decreased gain in bullion transactions.

Compared with the second half of 2017, net trading gain increased by HK\$1,304 million, or 156.9%. This was mainly attributable to a net gain from foreign currency swap contracts as compared to a net loss in the second half of 2017, as well as growth in currency exchange income from customer transactions. This was partially offset by the mark-to-market changes of certain debt securities investments and interest rate instruments caused by interest rate movements.

Management Discussion and Analysis (continued)

Operating Expenses

HK\$m	Half-year ended 30 June 2018	(Restated)	(Restated)
		Half-year ended 31 December 2017	Half-year ended 30 June 2017
Staff costs	3,892	4,044	3,560
Premises and equipment expenses (excluding depreciation)	826	863	806
Depreciation	986	1,011	919
Other operating expenses	1,060	1,453	747
Total operating expenses	6,764	7,371	6,032

	At 30 June 2018	(Restated)	(Restated)
		At 31 December 2017	At 30 June 2017
Staff headcount measured in full-time equivalents*	12,942	12,812	12,603

* The comparative information regarding staff headcounts measured in full-time equivalents at 30 June and 31 December 2017 has been restated to enable analysis on a comparable basis.

Total operating expenses increased by HK\$732 million or 12.1% year-on-year as a result of the Group's ongoing investment in human resources, business systems and platforms, and e-finance services, all of which aim to enhance overall service capabilities and support long-term business growth. The Group remained focused on disciplined cost control. Its cost to income ratio was 25.38%, a solid level of cost efficiency relative to the industry peers.

Staff costs increased by 9.3% year-on-year, mainly due to annual salary increment, increased headcount, and an increase in performance-related remuneration.

Premises and equipment expenses were up 2.5%, reflecting higher expenses related to the enhancement of business systems and platforms, and an increase in rental costs.

Depreciation increased by 7.3%, largely due to larger depreciation charges on information technology infrastructure and premises.

Other operating expenses rose by 41.9%, mainly due to a lower base for comparison resulting from the reversal of certain expenses in the first half of 2017. Meanwhile, communication and promotional expenses rose in line with increased business volume.

Compared with the second half of 2017, total operating expenses decreased by HK\$607 million, or 8.2%. The decrease was due to lower staff costs and promotional and advertising expenses.

Management Discussion and Analysis (continued)

Net Charge of Impairment Allowances on Advances and Other Accounts

HK\$m	Half-year ended	(Restated) Half-year ended	(Restated) Half-year ended
	30 June 2018	31 December 2017	30 June 2017
Stage 1	462	N/A	N/A
Stage 2	(141)	N/A	N/A
Stage 3	(585)	N/A	N/A
Individually assessed	N/A	(80)	151
Collectively assessed	N/A	(616)	(501)
Net charge of impairment allowances on advances and other accounts	(264)	(696)	(350)

In the first half of 2018, the Group's net charge of impairment allowances on advances and other accounts amounted to HK\$264 million. Impairment allowances at Stage 1 recorded a net reversal of HK\$462 million, mainly reflecting the reversal caused by the upgrading of certain customers and the updating of the parameter values in the assessment model, which offset the impact of the net charge of impairment allowances arising from loan growth during the period. Impairment allowances at Stage 2 recorded a net charge of HK\$141 million, as the result of increases in the credit risk of certain advances. The net charge of impairment allowances at Stage 3 amounted to HK\$585 million, mainly relating to the downgrading of certain corporate advances and in the personal loan portfolio.

Management Discussion and Analysis (continued)

BALANCE SHEET ANALYSIS

The comparative figures as of 31 December 2017 have been restated to conform to the current period's presentation.

Asset Composition

HK\$m, except percentages	At 30 June 2018		(Restated) At 31 December 2017	
	Amount	% of total	Amount	% of total
Cash and balances and placements with banks and other financial institutions	374,503	14.2	425,567	16.9
Hong Kong SAR Government certificates of indebtedness	153,370	5.8	146,200	5.8
Securities investments ¹	698,975	26.5	619,781	24.6
Advances and other accounts	1,268,073	48.0	1,189,932	47.2
Fixed assets and investment properties	69,080	2.6	66,868	2.7
Other assets ²	76,306	2.9	71,449	2.8
Total assets	2,640,307	100.0	2,519,797	100.0

1. Securities investments comprise investment in securities and securities at fair value through profit or loss.

2. Interests in associates and joint ventures, deferred tax assets, derivative financial instruments and other debt instruments classified as trading assets are included in other assets.

As at 30 June 2018, the total assets of the Group amounted to HK\$2,640,307 million, an increase of HK\$120,510 million, or 4.8%, from the end of 2017. The Group continued to optimise its management of assets and liabilities so as to achieve balanced, sustainable and high-quality growth. Key changes in the Group's total assets include the following:

- ◆ Cash and balances and placements with banks and other financial institutions decreased by HK\$51,064 million, or 12.0%, mainly due to a decrease in balances with banks;
- ◆ Securities investments increased by HK\$79,194 million, or 12.8%, with increases mainly found in government-related and high-quality financial institutions bonds;
- ◆ Advances and other accounts rose by HK\$78,141 million, or 6.6%, with a growth in advances to customers of HK\$84,838 million, or 7.4%.

Management Discussion and Analysis (continued)

Advances to Customers

HK\$m, except percentages	At 30 June 2018		(Restated) At 31 December 2017	
	Amount	% of total	Amount	% of total
Loans for use in Hong Kong	809,387	65.9	757,416	66.2
Industrial, commercial and financial	476,598	38.8	437,754	38.3
Individuals	332,789	27.1	319,662	27.9
Trade finance	70,492	5.7	78,196	6.8
Loans for use outside Hong Kong	349,763	28.4	309,192	27.0
Total advances to customers	1,229,642	100.0	1,144,804	100.0

In the first half of 2018, the Group continued to implement BOC Group's development strategy and captured opportunities arising from the Belt and Road initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as in Southeast Asia. It strengthened its collaboration with BOC Group in order to provide a diversified range of financial services to mainland "Going Global" enterprises as well as corporates in countries along the Belt and Road. The Group also continued to improve its services to commercial customers in Hong Kong by deepening business relationships with family-owned businesses, chambers of commerce and listed companies. In addition, it enhanced its service penetration to customers in the SME, residential mortgage and other retail loan businesses by leveraging the competitive advantages arising from its branch network and its diversified business platforms. Advances to customers grew by HK\$84,838 million, or 7.4%, to HK\$1,229,642 million in the first half of 2018.

Loans for use in Hong Kong grew by HK\$51,971 million or 6.9%:

- Lending to the industrial, commercial and financial sectors increased by HK\$38,844 million or 8.9%, reflecting growth in property development, wholesale and retail trade, financial concerns, transport and transport equipment, manufacturing and IPO financing;
- Lending to individuals increased by HK\$13,127 million, or 4.1%. Residential mortgage loans (excluding those under government-sponsored home purchasing schemes) grew by 2.8% while other individual loans increased by 11.6%, mainly driven by an increase in property refinancing and personal loans for investment purposes.

Trade finance decreased by HK\$7,704 million or 9.9%. Loans for use outside Hong Kong grew by HK\$40,571 million or 13.1%, mainly driven by growth in loans for use in the Chinese mainland and Southeast Asia.

Management Discussion and Analysis (continued)

Loan Quality

HK\$m, except percentages	(Restated)	
	At 30 June 2018	At 31 December 2017
Advances to customers	1,229,642	1,144,804
Classified or impaired loan ratio	0.22%	0.18%
Total impairment allowances	5,150	4,106
Total impairment allowances as a percentage of advances to customers	0.42%	0.36%
Residential mortgage loans ¹ - delinquency and rescheduled loan ratio ²	0.01%	0.01%
Card advances - delinquency ratio ²	0.22%	0.21%
	Half-year ended	Half-year ended
	30 June 2018	30 June 2017
Card advances - charge-off ratio ³	1.47%	1.70%

1. Residential mortgage loans exclude those under the Home Ownership Scheme and other government-sponsored home purchasing schemes.

2. The delinquency ratio is the ratio of the total amount of overdue advances (more than three months) to total outstanding advances.

3. The charge-off ratio is the ratio of total write-offs made during the period to average card receivables during the period.

The Group adhered to prudent risk management principles and maintained benign asset quality during the reporting period. The classified or impaired loan ratio was 0.22% as at 30 June 2018. Classified or impaired advances to customers increased by HK\$588 million, or 28.3%, to HK\$2,667 million, due to the downgrading of a few corporate advances and a certain personal loan portfolio.

The credit quality of the Group's residential mortgage loans and card advances remained sound. The combined delinquency and rescheduled loan ratio of residential mortgage loans was 0.01% as at 30 June 2018. The charge-off ratio of card advances for the first half of 2018 fell year-on-year to 1.47%.

Management Discussion and Analysis (continued)

Deposits from Customers*

HK\$m, except percentages	At 30 June 2018		(Restated) At 31 December 2017	
	Amount	% of total	Amount	% of total
Demand deposits and current accounts	216,773	11.6	206,209	11.5
Savings deposits	851,934	45.7	913,501	51.3
Time, call and notice deposits	793,233	42.6	658,478	37.0
	1,861,940	99.9	1,778,188	99.8
Structured deposits	2,575	0.1	2,784	0.2
Total deposits from customers	1,864,515	100.0	1,780,972	100.0

* Including structured deposits.

The Group continued to implement a number of strategic customer acquisition initiatives during the first half of 2018, including the launch of featured products to targeted customer groups and the development of employee payroll accounts combined with comprehensive wealth management solutions in order to deepen business relationships with government entities, large corporates, major central banks, national treasuries and sovereign wealth funds. As a result, the Group achieved satisfactory growth in both personal and corporate deposits. As at 30 June 2018, total deposits from customers amounted to HK\$1,864,515 million, up HK\$83,543 million or 4.7% from the end of last year. Demand deposits and current accounts grew by 5.1%, mainly driven by IPO deposits. Saving deposits decreased by 6.7%. Time, call and notice deposits were up 20.5%.

Capital and Reserves Attributable to Equity Holders of the Bank

HK\$m	At 30 June	(Restated) At 31 December
	2018	2017
Share capital	43,043	43,043
Premises revaluation reserve	38,160	36,756
Reserve for fair value changes/Reserve for fair value changes of available-for-sale securities	(2,405)	(1,666)
Reserve for own credit risk	7	-
Regulatory reserve	10,746	10,224
Translation reserve	(827)	(728)
Merger reserve	-	1,062
Retained earnings	149,981	142,004
Reserves	195,662	187,652
Capital and reserves attributable to equity holders of the Bank	238,705	230,695

Capital and reserves attributable to equity holders of the Bank amounted to HK\$238,705 million as at 30 June 2018, an increase of HK\$8,010 million, or 3.5%, from the end of 2017. Retained earnings rose by 5.6%, mainly reflecting the profit for the first half of 2018 following the appropriation of the interim dividends. The premises revaluation reserve increased by 3.8%, which was attributable to an increase in the valuation of premises in the first half of 2018. The deficit in reserve for fair value changes increased, mainly driven by market interest rate movements. The regulatory reserve rose by 5.1%, mainly driven by growth in advances to customers. The merger reserve arose from the Group's application of the merger accounting method in relation to its combination with BOC's Vietnam Business and Philippines Business.

Management Discussion and Analysis (continued)

Capital Ratio

HK\$m, except percentages	At 30 June 2018	At 31 December 2017
Consolidated capital after deductions		
Common Equity Tier 1 capital	176,702	170,012
Additional Tier 1 capital	-	-
Tier 1 capital	176,702	170,012
Tier 2 capital	37,137	39,816
Total capital	213,839	209,828
Total risk-weighted assets	1,063,065	1,029,152
Common Equity Tier 1 capital ratio	16.62%	16.52%
Tier 1 capital ratio	16.62%	16.52%
Total capital ratio	20.12%	20.39%

In the course of formulating its internal capital management targets, the Group not only takes into consideration regulatory requirements, but also adopts the internal capital adequacy assessment process and stress testing necessary to assess the Bank's capital requirement for Pillar II. This allows it to determine the most appropriate capital level to ensure that the Group has adequate capital strength to withstand any future unexpected loss arising from a drastic change in the economic environment. At the same time, the Group will also take into account its development strategy and risk appetite, as well as its short- and long-term capital requirements (including support from capital replenishment solutions) with the ultimate aim of ensuring the long-term stability of its capital level. The Group attaches a high degree of importance to the need for capital accumulation and remains committed to strengthening internal capital generation to ensure its sustainable business development.

As at 30 June 2018, both the common equity tier 1 ("CET1") capital ratio and tier 1 capital ratio were 16.62%, up 0.10 percentage points respectively from the end of 2017. Total capital ratio was 20.12%. Profits net of dividends for the first half of 2018 increased CET1 capital by 3.9%. Total risk-weighted assets ("RWAs") were up 3.3%, driven by the growth in advances to customers in the first half of 2018.

Liquidity Coverage Ratio and Net Stable Funding Ratio

	2018	2017
Average value of liquidity coverage ratio		
First quarter	134.33%	121.41%
Second quarter	146.39%	123.88%
	At 30 June 2018	At 31 March 2018
Net stable funding ratio	118.82%	118.98%

The Group's liquidity position remained sound. The average value of LCR in the first and second quarter of 2018 was 134.33% and 146.39% respectively. Net stable funding ratio at 31 March and 30 June 2018 stood at 118.98% and 118.82% respectively.

Management Discussion and Analysis (continued)

BUSINESS REVIEW

Business Segment Performance

Profit before Taxation by Business Segment

HK\$m, except percentages	Half-year ended 30 June 2018		(Restated) Half-year ended 30 June 2017	
	Amount	% of total	Amount	% of total
FROM CONTINUING OPERATIONS				
Personal Banking	5,905	28.8	4,222	24.2
Corporate Banking	7,982	38.9	7,301	41.9
Treasury	4,963	24.1	4,430	25.4
Others	1,683	8.2	1,479	8.5
Total profit before taxation	20,533	100.0	17,432	100.0

Note: For additional segmental information, see Note 37 to the Interim Financial Information.

PERSONAL BANKING

Financial Results

Personal Banking achieved a profit before tax of HK\$5,905 million in the first half of 2018, an increase of HK\$1,683 million or 39.9% year-on-year, mainly driven by an increase in net interest income and net fee and commission income, and lower net impairment charges.

Net interest income increased by 18.3%. This was mainly driven by an improvement in the deposit spread along with an increase in the average balance of deposits and loans. Net fee and commission income increased by 32.8% as the Group achieved satisfactory performance in its securities brokerage, insurance and funds distribution business, including encouraging year-on-year growth in commission income. Net trading gain rose by 18.1%, owing to relatively strong growth in currency exchange income from customer transactions and income from equity-linked products. Operating expenses were up 10.4%, mainly due to an increase in staff costs and business-related expenses.

Business operations

Steady expansion in deposit and loan business

The Group's personal deposit business pursued a refined strategy for different customer segments, combining customer development and upgrading with enhanced product sales packages. Featured products were launched to targeted customer groups in a bid to grow deposits. At the same time, through collaboration between the personal and corporate banking segments, the Group strengthened its cooperation with government entities and large corporates via employee payroll account services combined with wealth management solutions. As of 30 June 2018, the Group's total personal deposits grew by 5.8% compared to the end of last year. Regarding its loan business, the Group set up six mortgage centres in the main districts of Hong Kong to enhance its professional service capabilities in mortgages. It enhanced partnerships with property developers and property agencies with a view to exploring new sources of mortgage business. The Group also assisted The Hong Kong Mortgage Corporation Limited to promote the Reverse Mortgage Programme, securing the largest share of this market.

Accelerating the upgrade of mid- to high-end customer services

The Group strived to deepen customer relationships and continued to enhance its professional service level so as to serve mid- to high-end customers. In the first half of the year, it continued to refine its business model for high-end customers and stepped up the development and promotion of a dedicated sales force. It opened its first high-end wealth management centre, the China Hong Kong City Wealth Management Centre. The Group also organised different kinds of value-added activities for customers in order to further enhance the customer experience. As at the end of June 2018, the number of mid- to high-end customers grew by 9.3% compared to the end of last year.

Management Discussion and Analysis (continued)

The Group's private banking business maintained satisfactory growth, acquiring high net-worth clients from Hong Kong, the Chinese mainland and overseas. In line with its people-oriented culture, the Group strengthened its private banking team and accelerated development in cross-border business. It optimised its open platform for private banking and enhanced the development of exclusive private banking products such as alternative investments. It also actively participated in the development of the private banking industry by supporting the Pilot Apprenticeship Programme for Private Wealth Management, which is jointly organised by the HKMA and the Private Wealth Management Association, to provide training to wealth management talent. Both the total number of private banking clients and related assets under management grew satisfactorily from the end of last year.

Stepping up general banking service innovations

Capturing opportunities from Fintech development trends, the Group stepped up innovations in its general banking services. It developed "Smart Account", set up electronic self-service channels and enhanced iService by offering an all weather video banking service to customers. The Group also enhanced the development of new smart branch by setting up the Science Park Banking Services Centre and launching a new customer service process. It also streamlined frontline operational procedures, which helped to raise branch effectiveness, and pushed forward the building of a green bank by enhancing paperless and digital business operations.

Capturing market opportunities to increase fee and commission income

The Group launched a brand new mobile banking securities trading application featuring new functions, including express trading settings, price alerts and a stock screener. It continued to support a one-stop service for online account opening, instant trading, chart analysis and portfolio holding enquiries. In addition to providing a diversified fund product range, the Group was the first retail bank to launch funds with an investment theme linked to the Belt and Road initiative. Leveraging the retirement annuities scheme promoted by the HKSAR Government, the Group integrated the concepts of retirement planning and wealth inheritance to launch the All-Round Protection Scheme, offering 45 life insurance and general insurance products. During the reporting period, income generated by securities brokerage, funds distribution, treasury products and insurance business recorded satisfactory year-on-year growth.

Integrated development of banking services in Guangdong, Hong Kong and Macao

The Group strengthened its collaboration with BOC in the Guangdong-Hong Kong-Macao Greater Bay Area and promoted integrated development by continuously reinforcing its servicing model, brand promotion and talent exchange. It implemented its point-to-point port strategy by becoming the only bank to provide branch services in Terminal 1 of Hong Kong International Airport and by formulating a plan to set up a self-service banking centre at Hong Kong West Kowloon Rail Station (the terminus of the Guangzhou-Shenzhen-Hong Kong Express Rail Link) and an automated banking site at the Hong Kong-Zhuhai-Macao Bridge. As at the end of June 2018, the total number of cross-border customers grew by 13.1% compared to the end of last year. During the reporting period, the Group was honoured with the Sing Tao Excellent Services Brand Award - Cross-border Banking Services Award by *Sing Tao Daily* in recognition of its cross-border business.

Advancing the integration of its Southeast Asian institutions

The Group enhanced development of the personal banking businesses of its Southeast Asian institutions. It put its regional product management framework into practice in an orderly manner, refined its mid- to high-end customer service infrastructure and strengthened regional risk management. It set up a wealth management model in BOC Malaysia and the Jakarta Branch so as to offer exclusive and all-round financial service solutions, thus laying a strong foundation for the Group to become a mainstream bank for overseas Chinese in Southeast Asia.

Innovation in credit card business

The Group's credit card business achieved continuous growth in cardholder spending by taking advantages of the ample business opportunities in the market. These included the continued recovery of Hong Kong retail consumption in the first half of 2018 from the end of last year, the positive wealth effect resulting from the high trading turnover of the stock market, and the increasing popularity in mobile payment and QR Code-related techniques, as well as business opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area. The Greater Bay Area BOC UnionPay Dual Currency Card was launched in January 2018, featuring convenient payment and mobile payment functions which, combined with promotional offers, cater for the daily needs of frequent travellers within the Greater Bay Area. In addition, in line with the local development of stored-value facility services, the Group proactively developed its online spending business, with the related business volume recording a year-on-year growth of over 60%. During the reporting period, the Group maintained its market leadership in the UnionPay merchant acquiring and card issuing business in Hong Kong.

Management Discussion and Analysis (continued)

CORPORATE BANKING

Financial Results

In the first half of 2018, Corporate Banking achieved a profit before tax of HK\$7,982 million, an increase of HK\$681 million or 9.3% year-on-year. The growth was mainly driven by an increase in net interest income and net trading gain.

Net interest income increased by 14.6%, owing to an increase in the average balance of loans and deposits, coupled with improvement in the deposit spread. Net fee and commission income decreased by 13.4%, as an increase in commission income from trust and bills services was more than offset by a decrease in loan commissions. Net trading gain increased by 33.8%, owing to the growth of currency exchange income from customer transactions.

Business operations

Continuous expansion of customer base and enhancement of integrated service capabilities

Amid intense market competition, the Group strengthened its business relationships with existing customers while actively acquiring new customers. It reinforced its competitive edge in the syndicated loan business by arranging a number of syndicated loan projects of significant market influence during the reporting period, and remained the top mandated arranger in the Hong Kong and Macao syndicated loan market in the first half of 2018. Meanwhile, the Group grasped opportunities arising from the establishment of treasury centres in Hong Kong and the "Going Global" efforts of mainland enterprises in order to expedite the development of its cash pooling and treasury centre businesses, with the aim of becoming the first-choice bank for cross-border pooling services. Moreover, the total amount of funds raised from IPOs in which the Group served as the main receiving bank reached HK\$40.2 billion, representing a market share of 83.8%. It was awarded a number of tender projects by the HKSAR Government and public sector organisations, further reinforcing its business relationships with government entities. The Group also established business relationships with a number of major central banks, national treasuries and sovereign wealth funds. The satisfactory growth of deposits from institutional clients provided a stable funding source for the Group's USD loan business.

Proactive development of commercial and SME customer base

The Group continued to improve its services to commercial customers by deepening business relationships with family-owned businesses, chambers of commerce and listed companies in Hong Kong, and helping them by establishing a convenient and effective financial service platform. It helped customers to access business opportunities in the Chinese mainland and overseas countries by inviting them to participate in the Cross-border Investment Matching Service organised by BOC branches around the world. In addition, by leveraging the competitive advantages arising from its branch network in Hong Kong, the Group continued to enhance its service capabilities to corporate customers. BOCHK won the Best SME's Partner Gold Award 2018 from the Hong Kong General Chamber of Small and Medium Business, in recognition of its achievement of being awarded the Best SME's Partner Award for eleven consecutive years.

Promoting business development in Southeast Asia and the Greater Bay Area

The Group continued to deepen its integrated business model and equip its Southeast Asian institutions with advanced products and services. It also expedited the establishment of a regional management system to upgrade the management capabilities of its Southeast Asian institutions and facilitate their healthy business development. To capture major business opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Group strengthened its collaboration with BOC Group's entities in the Greater Bay Area and established an integrated system for marketing and services, with a view to providing a full range of financial services to support the mutual access of infrastructures within the Greater Bay Area and to boost the development of corporates within the area's technological innovation industry. At the same time, the Group supported the reform of the commercial registration system in the Guangdong Province by coordinating with the Guangdong Province Administration for Industry and Commerce and the Guangdong Branch of BOC to launch Guangdong-Hong Kong Business Registration and Banking Services Connect, in order to optimise and further promote cross-border investments between Guangdong and Hong Kong.

Management Discussion and Analysis (continued)

Continuously enhancing the competitiveness of corporate banking products and services

The Group continued to enhance its comprehensive, scenario-based and globalised service capabilities, capturing opportunities arising from the Belt and Road initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area by enriching its product offering, refining its regional product line management and enhancing its regional product system coverage. It offered various competitive transaction banking products and comprehensive service solutions so as to develop global client markets while serving local corporates and institutions. It attracted major clients and projects, with focus on building its treasury centre and cash pooling businesses, and supported mainland “Going Global” enterprises, leading enterprises in Hong Kong and Southeast Asia and multinational corporate giants in managing their regional and global funding activities. Its continuous enhancement in product competitiveness and improvement in economies of scale were recognised by the market and the industry. BOCHK again received the Achievement Award for Best Trade Finance Bank in Hong Kong as well as Best Corporate Trade Finance Deal in Hong Kong from *The Asian Banker*. Furthermore, BOCHK was named Hong Kong Domestic Cash Management Bank of the Year for the fifth consecutive year by *Asian Banking & Finance*.

Continuous expansion in custody business

In the first half of 2018, investment markets experienced volatility amid a general downward trend. The Group continued to capture opportunities, arising from various market links, to connect with more local and overseas institutions through Bond Connect. Its market share continued to eclipse its peers, with its value of assets under custody relating to Bond Connect at one point exceeding RMB15 billion. Meanwhile, the Group’s insurance and pension client segments continued to exhibit steady growth, while demand for escrow services on assets was also robust. This, coupled with active business collaboration within the Group, meant that the custody business delivered substantial growth in its key performance indicators compared to those of the same period last year. In recognition of its professional service, BOCHK was awarded Best QDII Custodian and Best QDII Mandate in *The Asset’s Triple A Asset Servicing, Institutional Investor and Insurance Awards*. At the end of June 2018, the Group’s total assets under custody reached HK\$1,167.7 billion.

Proactive credit risk management

In view of the uncertain economic environment, the Group adhered to a prudent credit strategy and closely monitored various potential risks, including rising corporate bond defaults in the Chinese mainland and the China-US trade war. It also enhanced analysis of affected countries and industries, and identified group customers who could be negatively impacted. Moreover, preventive measures were carried out in a timely manner to control risk, so as to support the Group’s healthy business development.

Management Discussion and Analysis (continued)

TREASURY

Financial Results

Treasury recorded a profit before tax of HK\$4,963 million, an increase of HK\$533 million or 12.0% year-on-year. The growth was driven by an increase in net trading gain, which more than offset the impact from the decrease in net interest income.

Net interest income decreased by 21.7%, which was mainly attributable to a decrease in the average balance of RMB balances and placements with banks, as well as a decrease in the average yield of related assets caused by a drop in market interest rates. The treasury business recorded a net trading gain in the first half of 2018, as compared to a net trading loss in the same period last year. This was owing to a net gain from foreign currency swap contracts in the first half of 2018, as compared to a net loss in the same period last year, as well as growth in currency exchange income from customer transactions. This was partially offset by the mark-to-market changes of certain debt securities investments and interest rate instruments caused by interest rate movements.

Business Operations

Continuous enhancement in trading and service capabilities

In the first half of 2018, the Group actively responded to market changes and made its best efforts to promote business diversification, while strictly adhering to its risk management principles, in order to improve its ability to capture market opportunities. It steadily improved its pricing and trading capabilities by strengthening its trading system infrastructure and continuously refining its electronic trading platform. The Group also enhanced the development of innovative products and further enriched product lines to meet clients' needs. By leveraging its expertise, capitalising on market opportunities and elevating service quality, the Group achieved rapid growth in customer trading business. It also actively promoted its regional development, making continuous efforts to enhance the development framework for treasury business in Southeast Asia. In recognition of its treasury business performance, BOCHK was named the Best Overseas Member of the Interbank FX Market in 2017 by the China Foreign Exchange Trade System. It received the Best Local Currency Bond Award from *Global Capital* at the Asia Regional Capital Markets Awards 2017, and the 2017 Outstanding International Member Award from the Shanghai Gold Exchange. BOCHK also won the Key Business Partner in FIC Markets award at the 5th Annual RMB Fixed Income and Currency Conference 2018, organised by HKEX.

Proactive expansion in banknotes business

Drawing on its expertise in the wholesale banknotes business, the Group continued to strengthen the development of its banknotes business in the Asia Pacific region and became a major bank for the provision of foreign currency banknotes in Hong Kong, further reinforcing its market leadership in the local banknotes business. Capitalising on its unique edge in the Chinese mainland market, the Group established a flexible and efficient cash banknote operating mechanism, which enabled it to successfully win bids for a number of foreign currency banknotes tenders from mainland peers. As a result, it maintained a steady growth of market share in the Chinese mainland. In addition, it accurately grasped opportunities arising from market changes while actively and steadily pushing forward its regional development strategy to gradually increase its business scale in overseas markets, including Southeast Asia.

Consolidating competitive advantages in RMB clearing business

In line with the Phase II construction of the Cross-border Interbank Payment system ("CIPS") by the People's Bank of China, BOCHK successfully launched its CIPS Phase II project. This provides a longer operation window through the CIPS channel and connects with the new Deferred Net Settlement ("DNS") mechanism, further enhancing the capability and efficiency of the Clearing Bank in terms of RMB cross-border fund clearing, thus reinforcing BOCHK's leadership in the offshore RMB market.

A proactive but risk-aware investment strategy

The Group continued to take a cautious approach to managing its banking book investments by closely monitoring market changes and seeking investment opportunities to enhance return, while remaining alert to risk. During the first half of the year, the Group adjusted its investment portfolio to respond to changes in interest rates and to achieve solid returns.

Management Discussion and Analysis (continued)

Continuous growth in trustee business and technological upgrades to services

The Group provides trustee and fund administration services for occupational retirement schemes and mandatory provident fund (“MPF”) schemes as well as trustee and custodian services for unit trusts through its subsidiary company BOCI-Prudential Trustee Limited (“BOCI-Prudential Trustee”). BOCI-Prudential Trustee strives to deliver a holistic retirement planning solution by generating corporate synergy, actively broadening diversified distribution channels, optimising referral mechanisms, promoting innovative marketing and pushing forward the technological upgrading of system functions in order to eventually meet the medium- to long-term goal of the HKSAR Government to establish an eMPF centralised electronic platform and enhance the administrative efficiency of MPF schemes. In the first half of 2018, BOCI-Prudential Trustee upgraded its MPF services by introducing leading human resources and payroll management software. It adopted an advanced interactive voice response system (IVRS) in order to enhance the quality of its interactive voice system services, and rapidly expanded its customer service hotline capacity. As at the end of June 2018, the MPF asset size of BOCI-Prudential Trustee increased by 13.3% from the end of June last year. Moreover, BOCI-Prudential Trustee actively explored new business opportunities with large global asset management companies and continued to be a reputable transfer agent for MRF northbound funds by providing quality trustee services. Given the ongoing financial integration between the mainland and Hong Kong and the accelerated approval process for MRF northbound funds, BOCI-Prudential Trustee will actively support fund house clients in their applications for the distribution of MRF northbound funds.

In the first half of 2018, BOCI-Prudential Trustee received a total of 11 awards from independent rating agency, the industry and market as well as the innovation and technology sector in recognition of its outstanding performance and strength. BOCI-Prudential Trustee’s My Choice MPF Scheme and BOC-Prudential Easy-Choice MPF Scheme received multiple accolades at the MPF Awards 2018, organised by MPF Ratings. It was awarded Excellent Brand of MPF Online Platform for the third consecutive year in the Hong Kong Leaders’ Choice Brand Awards 2018, organised by Metro Finance. Furthermore, it was recognised as the Best Group Over 3 Years – Overall and received a number of fund awards at the 2018 Lipper Hong Kong Fund Awards, organised by Lipper.

Continuous growth in securities and futures brokerage services

The Group engages in the provision of brokerage services for securities, futures and options trading through its subsidiary company, Po Sang Securities and Futures Limited (“Po Sang Securities and Futures”). In 2018, Po Sang Securities and Futures deepened its engagement in the Hong Kong securities and futures market and focused on enhancing its level of operational risk management and compliance control. At the same time, it was committed to expanding its client base, product and service lines, including the expansion of its account executive team and institutional sales services. In the first half of 2018, each business line achieved satisfactory growth, with the gross turnover of its securities brokerage business growing by over 83% compared to the same period last year.

Management Discussion and Analysis (continued)

Regional Business

Improving BOCHK's overall development strategy in Southeast Asia with the aim of becoming a mainstream foreign bank in the region

Southeast Asia has remarkable development potential, both as a core focus of China's Belt and Road initiative, as a key market for RMB internationalisation and as a target region for Chinese enterprises' "Going Global" efforts. BOCHK values the important opportunity that lies in pushing forward its asset restructuring in Southeast Asia and accelerating its self-development, and remains committed to building into a top-class, full-service and internationalised regional bank. Acting as the regional hub for Southeast Asia and leveraging its competitive edges in capital funding, products, talent, management, services and technology, the Group actively developed an advanced, efficient and integrated regional development and management model, while accelerating improvements in the operational capacity, competitiveness and risk management capabilities of its Southeast Asian institutions. All of these initiatives were designed to enhance the management framework and enrich the quality of business development in order to realise the long-term, sustainable and healthy growth of its Southeast Asian institutions. These institutions aim to gradually become mainstream foreign banks in their local areas, with a focus on serving clients including Chinese enterprises "Going Global" under the Belt and Road initiative, large-scale multinational enterprises and institutions in local areas, overseas Chinese and local high-net-worth individuals.

Accelerating the integration of the Southeast Asian institutions and promoting the transformation and development of regional management

Following the completion of the acquisition of the Philippines Business and Vietnam Business of BOC on 29 January 2018, the Group's operational network now extends to the Southeast Asian countries of Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia and Brunei. It continued to promote logical integration and stepped up its efforts to improve the management system and mechanism of the Southeast Asian institutions. It also accelerated full integration with the Southeast Asian institutions and strived to enhance the capacity and level of its regional management. Through the implementation of differentiated regional development and management strategies at the front, middle and back offices, the Group gradually improved its regional management model. The Group's frontline units further defined its differentiated regional business positioning and management model, so as to implement integrated operational and management objectives. The middle office units strengthened the internal risk and compliance control of the Southeast Asian institutions in order to effectively improve their overall internal risk control and anti-money laundering capabilities. The back offices enhanced regional management services and resource support in order to enhance the capacity of back office operations across Southeast Asia.

Management Discussion and Analysis (continued)

Strengthening the integrated development of regional business and expanding local mainstream markets

Since the start of 2018, the Group's Hong Kong operations have pushed forward the development of business in Southeast Asia and have achieved fruitful results through cooperation with its Southeast Asian institutions. In the corporate banking business, the Group actively promoted the marketing and expansion of the Belt and Road related projects, following the concept of integrated management and on a whitelist basis. It established a regional main relationship manager system to extend its cooperation mechanism between customer relationships and channels. The Group also promoted a regional product management model to expand its competitive products and services from Hong Kong to Southeast Asia and made a concerted effort to launch regional integrated business marketing, product development, and customer relationships management in order to accelerate its regional development. The Group also actively developed its businesses with institutional clients, promoted RMB products and treasury operations. The Manila Branch supported the Central Bank of the Philippines to issue RMB1.46 billion of Panda Bonds in China's interbank bond market. Meanwhile, the Phnom Penh Branch strengthened its collaboration with policy banks to provide project financing for the development of Chinese enterprises in Cambodia. In the personal banking business, the Group continued to strengthen its infrastructure by building its service capabilities in personal financial products and services in Southeast Asia, implementing differentiated management and deploying the appropriate products and personnel to support business development in the region. It also refined its regional management infrastructure to enhance its risk management capabilities. In addition, it strengthened customer positioning and management to optimise its customer mix. With a solid foundation in products and services, the Group strived to expand its scale of business and increase business revenue. BOC Malaysia launched two housing loan insurance products and continued to strengthen the distribution of fund products, which were well received by the market. The Jakarta Branch launched a cross-border RMB direct remittance product and began to set up a personal banking wealth management centre, laying a solid foundation for the sustainable development of its personal banking business. The Ho Chi Minh City Branch actively expanded the employee payroll account business of Chinese enterprises and managed to attract more potential mid- to high-end customers.

The development of the Group's Southeast Asia business achieved satisfactory results in the first half of 2018. Net operating income before impairment allowances of its Southeast Asian institutions* was HK\$1,074 million, a growth of 24.4% year-on-year. As of 30 June 2018, deposits from customers and advances to customers amounted to HK\$41,581 million and HK\$36,350 million respectively, up 7.2% and 11.3% respectively from the end of 2017.

* Specifically the consolidated data of the seven Southeast Asian institutions, prepared in accordance with Hong Kong Financial Reporting Standards.

Adhering to the Three Lines of Defense and Take-the-Most-Stringent-Approach principles to achieve sustainable and healthy development

Adhering to its Three Lines of Defense and Take-the-Most-Stringent-Approach principles, the Group pushed forward the full implementation of its risk management framework and stepped up the construction of the management structure and staffing of its Southeast Asian institutions, in order to ensure high levels of compliance and anti-money laundering management. Also, it comprehensively enhanced its supervision of the Southeast Asian institutions' management of credit risk, internal control and compliance, as well as anti-money laundering, in order to safeguard these institutions' capabilities in related areas, to operate in accordance with the standards stipulated by the Group and to ensure compliance with the regulatory requirements of the HKMA and local regulators.

In conjunction with the Group's implementation of the Southeast Asian Institutional Risk Management Framework, it promoted anti-money laundering management in Southeast Asia through related policies and systems, organisational structure, professional staffing and technological systems, with a special focus on system application. The Group also adopted effective measures to gradually improve the credit policies, credit models, loan approval processes, loan time and post-lending management of its Southeast Asian institutions, and to continuously improve and strengthen the Group's capabilities in regional credit risk management.

Management Discussion and Analysis (continued)

Technology and operations

The Group actively participated in and encouraged the development of innovation and technology, adhering to the concept of “navigated by technology, driven by innovation”, while striving to enhance the competitiveness of its e-finance services in order to become a leading digital bank. During the reporting period, the Group strengthened the application of innovative technologies, promoted the construction of big data and internal knowledge sharing platforms and achieved breakthroughs in biometrics and artificial intelligence. It completed a number of big data integration projects that comprehensively strengthened data quality management. The introduction of finger vein authentication services on all branches and ATMs provided customers with more convenient identity authentication options. At the same time, with the support of big data, the Group bolstered its omni-channel infrastructure by introducing a smart branch to promote different smart channels and product innovations. The Group launched a new mobile banking platform featuring new intelligent elements, including support for fingerprint and facial recognition authentication and the introduction of mobile token technology to simplify the identity authentication process. This has brought a new, safe and convenient mobile banking experience to customers, while significantly improving service efficiency and customer experience. As a result of the innovative applications mentioned above, the total number of customers using e-channels, including internet and mobile banking services, continued to rise, alongside a year-on-year increase in the total number of related transactions. The BOCHK WeChat official account, launched last year, grew rapidly in the first half of 2018, with satisfactory growth in the number of bundled customers and active users. Meanwhile, the Group actively promoted the development of Fintech applications in the Hong Kong banking industry. It held the “BOCHK Fintech Hackathon” competition with the theme of “Future Bank and Artificial Intelligence” to explore innovative solutions and identify outstanding Fintech talent. Furthermore, the Group strengthened its cooperation and idea exchanges with various parties involved in innovation research and development, including setting up seminars, innovative research programmes and Fintech talent cultivation schemes. In response to the proposed launch of Faster Payment System, one of the seven initiatives unveiled by the HKMA, the Group has completed the necessary infrastructure to fully support the HKSAR Government’s aims of providing green banking services to the market.

In addition, the Group actively promoted strategic cooperation in order to build a digital financial ecosystem. During the reporting period, it opened a new smart branch in Hong Kong Science Park, showcasing the technology innovation of Science Park companies. The Group also worked with Cyberport to replace the traditional counter setting with advanced smart equipment, so as to provide customers with more convenient 24-hour banking services. The Group undertook continuous and extensive cooperation with large internet and telecommunications companies in the field of mobile payment and precision marketing in order to further enrich its e-finance application scenarios. With regard to technology risk and cybersecurity control, the Group responded to the Cybersecurity Fortification Initiative launched by the HKMA by adopting international best practices and continuously improving its technology risk management and cybersecurity capabilities.

With a view to strengthening its IT and operational infrastructure in line with BOC Group’s global IT strategic deployment, the Group completed the system integration project with BOC Group, thus establishing a foundation for the Group’s goal of building a top-class, full-service and internationalised regional bank. Putting customers in first consideration, the Group completed the system upgrade within the expected timeframe, with operations running smoothly afterwards. In support of its Southeast Asia development strategy, the Group pushed forward the integration of its Southeast Asian operations in order to enhance the overall operational efficiency and operational risk control of the Group.

In recognition of its innovation achievements in technology and IT development, BOCHK was recognised as Excellent Brand of FinTech-Banking in the Hong Kong Leaders’ Choice Brand Awards 2018, organised by Metro Finance. In the 13th Retail Banking Awards, organised by *Asian Banking & Finance*, BOCHK received the Service Innovation of the Year – Hong Kong award for the first time, the Mobile Banking Initiative of the Year – Hong Kong award for the fourth consecutive year and the Digital Banking Initiative of the Year – Hong Kong award for the third consecutive year. The Group’s blockchain application for mortgage valuation process won the Fintech Initiatives Award at the Shenzhen-Hong Kong Fintech Awards, jointly organised by the HKMA and the People’s Government of Shenzhen Municipality.

Management Discussion and Analysis (continued)

RISK MANAGEMENT

Banking Group

Overview

The Group believes that sound risk management is crucial to the success of any organisation. In its daily operation, the Group attaches a high degree of importance to risk management and emphasises that a balance must be struck between risk control and business development. The principal types of risk inherent in the Group's businesses are credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, legal and compliance risk, and strategic risk. The Group's risk management objective is to enhance shareholder value by maintaining risk exposures within acceptable limits. The Group has a defined risk appetite statement approved by the Board, which is an expression of the types and level of risk that the Group is willing to take in a controllable way in order to achieve its business goals and to meet the expectations of its stakeholders.

Risk management governance structure

The Group's risk management governance structure is designed to cover all business processes and ensures various risks are properly managed and controlled in the course of conducting business. The Group has a robust risk management organisational structure with a comprehensive set of policies and procedures to identify, measure, monitor and control various risks that may arise. These risk management policies and procedures are regularly reviewed and updated to reflect changes in markets and business strategies. Various groups of risk takers assume their respective responsibilities for risk management.

The Board of Directors, representing the interests of shareholders, is the highest decision-making authority of the Group and has the ultimate responsibility for risk management. The Board, with the assistance of its committees, has the primary responsibility for the formulation of risk management strategies and ensuring that the Group has an effective risk management system to implement these strategies.

The Risk Committee ("RMC"), a standing committee established by the Board of Directors, is responsible for overseeing the Group's various types of risks, approving Level I risk management policies and monitoring their implementation, reviewing significant or high risk exposures or transactions and exercising its power of veto if it considers that any transaction should not proceed. The Audit Committee assists the Board in fulfilling its role in overseeing the internal control system.

The Chief Executive ("CE") is responsible for managing the Group's various types of risks, and approving material risk exposures or transactions within his authority delegated by the Board of Directors. The Deputy Chief Executives ("DCEs") assist the CE in fulfilling his responsibilities on the day-to-day management of various types of risk, and are responsible for approving material risk exposures or transactions within their authorities delegated by the CE. The Chief Risk Officer ("CRO") assists the CE in fulfilling his responsibilities for the day-to-day management of risks. The CRO is responsible for initiating new risk management strategies, projects and measures in response to regulatory changes that will enable the Group to better monitor and manage any risks that may arise from time to time from new businesses, products and changes in the operating environment. The CRO is also responsible for reviewing material risk exposures or transactions within his delegated authority. In accordance with the principle of setting the hierarchy of risk management policies approved by the Board, senior management are also responsible for approving the detailed risk management policies of their responsible areas.

Various units of the Group have their respective risk management responsibilities. Business units act as the first line of defence while risk management units, which are independent from the business units, are responsible for the day-to-day management of different kinds of risks. Risk management units have the primary responsibilities for drafting, reviewing and updating various risk management policies and procedures.

The Group's principal banking subsidiaries are subject to risk management policies that are consistent with those of the Group. Risk management units of BOCHK monitor the risk management status of these subsidiaries.

Management Discussion and Analysis (continued)

Credit risk management

Credit risk is the risk of loss that a customer or counterparty is unable to or unwilling to meet its contractual obligations. Credit risk exists in the trading book and banking book, as well as from on- and off-balance sheet transactions of the Group. It arises principally from lending, trade finance and treasury businesses. The Chief Credit Officer, who reports directly to the CRO, takes charge of credit risk management and is also responsible for the control of credit risk exposures of subsidiaries in line with the credit risk management principles and requirements set by the Group.

For advances, different credit approval and control procedures are adopted according to the level of risk associated with the customer, counterparty or transaction. The Credit Risk Assessment Committee, comprising experts from credit and other functions, is responsible for making an independent assessment of material credit applications which require the approval of DCEs or above. Credit applications for non-retail exposures are independently reviewed and objectively assessed by risk management units. Obligor ratings (in terms of probability of default) and facility ratings (in terms of loss given default) are assigned to these portfolios to support credit approval. Retail internal rating systems are deployed in the risk assessment of retail credit transactions, including small business retail exposures, residential mortgage loans, personal loans and credit cards. Loan grades, obligor and facility ratings as well as loss estimates (if applicable) are used to support credit approval.

The Group also uses loan grades, obligor ratings and loss estimates (if applicable) to support credit monitoring, reporting and analysis of credit risk information. For non-retail exposures, more frequent rating review and closer monitoring are required for higher-risk customers. For retail exposures, monthly updated internal ratings and loss estimates are used for credit monitoring on a portfolio basis. More comprehensive review is required for obligors being identified under high-risk pools. The Group adopts loan grading criteria which divides credit assets into five categories with reference to the HKMA's guidelines. The Risk Management Department ("RMD") provides regular credit management information reports and ad hoc reports to the Management Committee ("MC"), RMC and Board of Directors to facilitate their continuous monitoring of credit risk. In addition, the Group identifies credit concentration risk by industry, geography, customer and counterparty. The Group monitors changes to counterparty credit risk, quality of the credit portfolio and credit risk concentrations, and reports regularly to the Group's Management.

The Group employs an internal master rating scale that can be mapped to Standard & Poor's external credit ratings. The structure of internal master rating scale is in compliance with the requirement of the Banking (Capital) Rules under the Hong Kong Banking Ordinance.

For investments in debt securities and securitisation assets, the obligor ratings or external credit ratings, assessment of the underlying assets and credit limits setting on customer/security issuer basis are used for managing credit risk associated with the investment. For derivatives, the Group sets customer limits to manage the credit risk involved and follows the same approval and control processes as applied for advances. On-going monitoring and stop-loss procedures are established. The methodology and assumptions used for impairment assessments are reviewed regularly.

Market risk management

Market risk refers to the risk of loss arising from movements in the value of foreign exchange, interest rate, equity and commodity positions held by the Group due to the volatility of financial market price (foreign exchange rate, interest rate, equity price, commodity price). The Group adopts a moderate market risk appetite to achieve a balance between risk and return. The Group's objective in managing market risk is to secure healthy growth of the treasury business, by effective management of potential market risk in the Group's business, according to the Group's overall risk appetite and strategy of treasury business on the basis of a well-established risk management regime and related management measures.

In accordance with the Group's corporate governance principles in respect of risk management, the Board and RMC, senior management and functional departments/units perform their duties and responsibilities to manage the Group's market risk. The RMD is mainly responsible for managing market risk, assisting senior management to perform their day-to-day duties, independently monitoring the market risk profile and compliance of management policies and limits of the Group and BOCHK, and ensuring that the aggregate and individual market risks are within acceptable levels.

Management Discussion and Analysis (continued)

The Group's market risk management covers BOCHK and its subsidiaries. The Group establishes market risk management policies to regulate BOCHK's and subsidiaries' market risk management; meanwhile, the Group sets up the Group VAR and stress test limits, which are allocated and monitored across the Group according to the business requirements and risk tolerance levels. In line with the requirements set in the Group policy, the subsidiaries formulate the detailed policies and procedures and are responsible for managing their daily market risk.

The Group sets up market risk indicators and limits to identify, measure, monitor and control market risk. Major risk indicators and limits include but are not limited to VAR, Stop Loss, Open Position, Stress Testing and Sensitivity Analysis (Basis Point Value, Greeks), etc. To meet management requirements, major risk indicators and limits are classified into four levels, and are approved by the RMC, MC, CRO and the DCE in charge of the treasury business or the head of the respective business unit respectively. Treasury business units of BOCHK and subsidiaries (as for Group Limit) are required to conduct their business within approved market risk indicators and limits.

The Group uses the VAR to measure and report general market risks to the RMC and senior management on a periodic basis. The Group adopts a uniformed VAR calculation model, using a historical simulation approach and two years of historical market data, to calculate the VAR of the Group and subsidiaries over a one-day holding period with a 99% confidence level, and sets up the VAR limit of the Group and subsidiaries.

The Group adopts back-testing to measure the accuracy of VAR model results. The back-testing compares the calculated VAR figure of market risk positions of each business day with the actual and hypothetical gains or losses arising from those positions on the next business day. Generally speaking, the number of back-testing exceptions in a rolling 12-month period will not exceed four times, given a 99% confidence level.

Interest rate risk management

Interest rate risk means the risks to a bank's earnings and economic value arising from movements in interest rate and term structures of the bank's asset and liability positions. The Group's interest rate risk exposures are mainly structural. The major types of interest rate risk from structural positions are:

- Repricing risk: mismatches in the maturity or repricing periods of assets and liabilities that may affect net interest income;
- Basis risk: different pricing basis for different transactions resulting that the yield on assets and cost of liabilities may change by different amounts within the same repricing period;
- Yield curve risk: non-parallel shifts in the yield curve that may have an adverse impact on net interest income or economic value; and
- Option risk: exercise of the options embedded in assets, liabilities or off-balance sheet items that can cause a change in the cash flows of assets and liabilities.

The Group's risk management framework applies also to interest rate risk management. The Asset and Liability Management Committee ("ALCO") exercises its oversight of interest rate risk in accordance with the "BOCHK Group Banking Book Interest Rate Risk Management Policy" approved by the RMC. RMD (Interest Rate and Liquidity Risk Management) is responsible for interest rate risk management. With the cooperation of the Asset and Liability Management Division of Financial Management Department, Treasury, and Investment Management, RMD assists the ALCO to perform day-to-day interest rate risk management. Its roles include, but are not limited to, the formulation of management policies, selection of methodologies, setting of risk indicators and limits, assessment of target balance sheet, monitoring of the compliance with policies and limits, and submission of interest rate risk management reports to the senior management and RMC, etc.

The Group sets out interest rate risk indicators and limits to identify, measure, monitor and control interest rate risk. The indicators and limits include, but are not limited to, repricing gap limits, basis risk, duration, price value of a basis point ("PVBP"), Greeks, net interest income sensitivity ratio ("NII"), economic value sensitivity ratio ("EV"), etc. The indicators and limits are classified into different levels, which are approved by the CFO and CRO, ALCO, RMC accordingly. Risk-taking business units are required to conduct their business within the boundary of the interest rate risk limits. Before launching a new product or business in the banking book, the relevant departments are required to go through a risk assessment process, which includes the assessment of underlying interest rate risk and consideration of the adequacy of current risk monitoring mechanism. Any material impact on interest rate risk noted during the risk assessment process will be submitted to the RMC for approval.

Management Discussion and Analysis (continued)

NII and EV assess the impact of interest rate movement on the Group's net interest income and capital base. They are the Group's key interest rate risk indicators. The former assesses the impact of interest rate movement on net interest income as a percentage to the projected net interest income for the year. The latter assesses the impact of interest rate movement on economic value (i.e. the net present value of cash flows of assets, liabilities and off-balance sheet items discounted using market interest rate) as a percentage to the latest capital base. Limits are set by the RMC on these two indicators to monitor and control the Group's banking book interest rate risk.

The Group uses scenario analyses and stress tests to assess the banking book interest rate risk that the Group would face under adverse circumstances. Scenario analyses and stress tests are also used to assess the impact on net interest income and economic value arising from the optionality of savings deposits, the prepayment of mortgage loans and the prepayment of debt securities with embedded options.

Liquidity risk management

Liquidity risk is the risk that banks may not be able to obtain sufficient and timely funding at reasonable cost to meet their obligations as they fall due. The Group maintains sound liquidity risk appetite to provide stable, reliable and adequate sources of cash to meet liquidity needs under normal circumstances or stressed scenarios; and to survive with net positive cumulative cash flow in extreme scenarios, without requesting the HKMA to act as the lender of last resort.

The Group's liquidity risk management objective is to effectively manage the liquidity of on- and off-balance sheet items with reasonable cost based on the liquidity risk appetite to achieve sound operation and sustainable profitability. Deposits from customers are the Group's primary source of funds. To ensure stable and sufficient source of funds are in place, the Group actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market and by issuing bills in the capital market. According to different term maturities and the results of funding needs estimated from stressed scenarios, the Group adjusts its asset structure (including loans, bonds investment, interbank placement, etc.) to maintain sufficient liquid assets which provides adequate funds in support of normal business needs and ensure its ability to raise funds at a reasonable cost to serve external claims in case of emergency. The Group is committed to diversify the source of funds and the use of funds to avoid excessive concentration of assets and liabilities and prevent triggering liquidity risk due to the break of funding strand when problem occurred in one concentrated funding source. The Group has established intra-group liquidity risk management guideline to manage the liquidity funding among different entities within the Group, and to restrict their reliance of funding on each other. The Group also pays attention to manage liquidity risk created by off-balance sheet activities, such as loan commitments, derivatives, options and other complex structured products. The Group has an overall liquidity risk management strategy to cover the liquidity management of foreign currency assets and liabilities, collateral, intra-day liquidity, intra-group liquidity, the liquidity risk arising from other risks, etc., and has formulated corresponding contingency plan.

The RMC is the decision-making authority of liquidity risk management, and assumes the ultimate responsibility of liquidity risk management. As authorised by the RMC, ALCO exercises its oversight of liquidity risk and ensures the daily operations of the Group are in accordance with risk appetite and policies as set by the RMC. RMD (Interest Rate and Liquidity Risk Management) is responsible for overseeing the Group's liquidity risk. It cooperates with the Asset and Liability Management Division of Financial Management Department, Treasury, and Investment Management, etc. to assist the ALCO to perform liquidity management functions according to their specific responsibilities.

The Group established liquidity risk management indicators and limits to identify, measure, monitor and control liquidity risk on daily basis. These indicators and limits include, but are not limited to liquidity coverage ratio ("LCR"), net stable funding ratio ("NSFR"), loan-to-deposit ratio, Maximum Cumulative Cash Outflow ("MCO") and liquidity cushion. The Group applies cash flow analysis to assess the Group's liquidity condition under normal conditions and also performs a liquidity stress test (including institution specific, general market crisis and combined crisis) and other methods at least on monthly basis to assess the Group's capability to withstand various severe liquidity crises. Also, relevant management information systems such as Assets and Liabilities Management System and Basel Liquidity Ratio Management System are developed to provide data and the preparation for regular management reports to facilitate liquidity risk management duties.

Management Discussion and Analysis (continued)

In accordance with the requirements of Supervisory Policy Manual LM-2 “Sound Systems and controls for Liquidity Risk Management” issued by the HKMA, the Group has implemented behaviour model and assumptions of cash flow analysis and stress test to enhance the Group’s cash flow analysis under both normal and stressed conditions. In cash flow analysis under normal circumstances, assumptions have been made relating to on-balance sheet items (such as deposits from customers) and off-balance sheet items (such as loan commitments). According to various characteristics of the assets, liabilities and off-balance sheet items, the Group forecasts the future cash flow based on contractual maturity date and the assumptions of customer behaviour and balance sheet changes. The Group establishes MCO indicator which predicts the future 30 days maximum cumulative net cash outflow in normal situations based on the above assumptions, to assess if the Group has sufficient financing capacity to meet the cash flow gap in order to achieve the objective of continuing operation.

In the liquidity stress test, institution specific, general market crisis and combined crisis scenarios have been set up, combined crisis scenario is a combination of institution specific and general market crisis to assess the Group’s capability to withstand a more severe liquidity crisis, with a more stringent set of assumptions being adopted. Stress test assumptions include the run-off rate of retail, wholesale and interbank deposits; drawdown rate of loan commitments and trade-related contingent liabilities; delinquency ratio and rollover rate of customer loans; and haircut of interbank placement and marketable securities. As at 30 June 2018, the Group was able to maintain a net cash inflow under the three stressed scenarios, indicating the Group has the ability to meet financing needs under stressed conditions. In addition, the Group has a policy in place to maintain a liquidity cushion which includes high quality or comparable quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks with 0% or 20% risk weight or marketable securities issued by non-financial corporate with a corresponding external credit rating of A- or above to ensure funding needs even under stressed scenarios. A contingency plan is being established which details the conditions to trigger the plan based on stress test results and early warning indicators, the action plans and relevant procedures and responsibility of relevant departments.

The LCR is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015, the Group, being classified as category 1 authorised institution by the HKMA, is required to calculate LCR on consolidated basis. During the year of 2018, the Group is required to maintain a LCR not less than 90%.

The NSFR is calculated in accordance with the Banking (Liquidity) (Amendment) Rules 2017 effective from 1 January 2018, the Group, being classified as category 1 authorised institution by the HKMA, is required to calculate NSFR on consolidated basis and maintain a NSFR not less than 100%.

In certain derivative contracts, the counterparties have right to request from the Group additional collateral if they have concerns about the Group’s creditworthiness.

The Group’s liquidity risk management also covers new products or business developments. Before launching a new product or business, the relevant departments are required to go through a risk assessment process, which includes the assessment of underlying liquidity risk and consideration of the adequacy of the current risk management mechanism. Any material impact on liquidity risk noted during the risk assessment process will be reported to the RMC for approval.

The Group has established a set of uniform liquidity risk management policies which serve as standards and guidance to all the Group’s members for liquidity risk management. On the basis of the Group’s uniform policy, each of the subsidiaries develops its own liquidity management policies according to its own characteristics, and assumes its own liquidity risk management responsibility. Subsidiaries are required to report their respective liquidity positions on a regular basis to RMD (Interest Rate and Liquidity Risk Management) of BOCHK, which consolidates this information and evaluates group-wide liquidity risk.

Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and system, or from external events. The risk is inherent in every aspect of business operations and confronted by the Group in its day-to-day operational activities.

Management Discussion and Analysis (continued)

The Group has implemented the “Three Lines of Defence” for its operational risk management. All departments or functional units as the first line of defence are the first parties responsible for operational risk management, and carry out the duties and functions of self risk control in the process of business operation through self assessment and self enhancement. The Legal & Compliance and Operational Risk Management Department (“LCO”), together with certain specialist functional units in relation to operational risk management within the Group, including the Human Resources Department, Information Technology Department, Corporate Services Department, Financial Crime Compliance Department, Financial Management Department, Treasury and General Accounting & Accounting Policy Department (collectively known as “specialist functional units”), are the second line of defence. They are responsible for assessing and monitoring the operational risk conditions in the first line of defence, and providing them with guidance. The LCO, being independent from the business units, is responsible for assisting the Management in managing the Group’s operational risk, including the establishment and review of the operational risk management policy and framework, designing the operational risk management tools and reporting mechanism, and assessing and reporting the overall operational risk position to the Management and RMC. Specialist functional units are required to carry out their managerial duties of the second line of defence with respect to some specific aspects of operational risk and its related issues. Besides taking charge of operational risk management in their own units, these units are also required to provide other units with professional advice/training in respect of certain operational risk categories and to lead the group-wide operational risk management. Group Audit is the third line of defence which provides independent assessment to the effectiveness and adequacy of the operational risk management framework and is required to conduct periodic audit of the operational risk management activities of various departments or functional units within the Group regarding their compliance and effectiveness and to put forward recommendations for remedial actions.

The Group has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Group adheres to the fundamental principle of proper segregation of duties and authorisation. The Group adopts various operational risk management tools or methodologies such as key risk indicators, self-assessment, operational risk events reporting and review to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance to mitigate unforeseeable operational risks. Business continuity plans are established to support business operations in the event of an emergency or disaster. Adequate backup facilities are maintained and periodic drills are conducted.

Reputation risk management

Reputation risk is the risk that negative publicity about the Group’s business practices, whether genuine or not, will cause a potential decline in the customer base, or lead to costly litigation or revenue decrease. Reputation risk is inherent in other types of risk and every aspect of business operation and covers a wide spectrum of issues.

In order to mitigate reputation risk, the Group has formulated and duly followed its Reputation Risk Management Policy. The policy aims to identify and prevent reputation risk proactively at an early stage when an incident occurs. Since reputation risk is often caused by various types of operational and strategic issues that negatively impact the trust and perception of the Group, all operational and key risks identified are assessed through the established Key Control Self-Assessment framework, including risk assessment tools, to evaluate the severity of their impact on the Group, including the damage to reputation.

In addition, the Group has put in place a comprehensive framework to continuously monitor reputation risk incidents in the financial industry. This continuous monitoring enables the Group to effectively manage, control and mitigate any potential adverse impact from an incident. The Group also adopts robust disclosure practices to keep our stakeholders informed at all times, which helps build confidence in the Group and establish a strong public image.

Legal and compliance risk management

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Group. Compliance risk is the risk of legal or regulatory sanctions, financial losses or losses in reputation the Group may suffer as a result of its failure to comply with applicable laws and regulations. Legal and compliance risks are managed by the LCO, while the risks related to money laundering, terrorist financing and relevant financial crime including bribery and corruption are independently managed and controlled by the Financial Crime Compliance Department (“FCC”). Both LCO and FCC report directly to the CRO. As part of the Group’s corporate governance framework, the policies for the management of legal and compliance risks, and money laundering, terrorist financing and financial crime compliance risks are approved by the RMC as delegated by the Board.

Management Discussion and Analysis (continued)

Strategic risk management

Strategic risk generally refers to the risks that may cause current or future negative impacts on the earnings, or capital or reputation or market position of the Group because of poor business decisions, improper implementation of strategies and inadequacies in the response to the changing market condition. The Board reviews and approves the strategic risk management policy. Key strategic issues have to be fully evaluated and properly endorsed by the senior management and the Board.

The Group regularly reviews its business strategies to cope with the latest market situation and developments.

Capital management

The major objective of the Group's capital management is to maximise total shareholders' return while maintaining a capital adequacy position in relation to the Group's overall risk profile. The Asset and Liability Management Committee ("ALCO") periodically reviews the Group's capital structure and adjusts the capital mix where appropriate to maintain an optimal balance among risk, return and capital adequacy.

To comply with the HKMA's requirements as stated in the Supervisory Policy Manual "Supervisory Review Process", the Group adopts the internal capital adequacy assessment process ("ICAAP") and reviews it annually. Based on the HKMA's guidelines on Pillar II, ICAAP has been initiated to assess the extra capital needed to cover the material risks not captured or not adequately captured under Pillar I, and therefore minimum Common Equity Tier 1 capital ratio, minimum Tier 1 capital ratio and minimum Total capital ratio are determined. Meanwhile, operating ranges for the aforementioned capital ratios have also been established which enable the flexibility for future business growth and efficiency of capital utilisation.

Stress testing

The Group supplements the analysis of various types of risks with stress testing. Stress testing is a risk management tool for estimating risk exposures under stressed conditions arising from extreme but plausible market or macroeconomic movements. These tests are conducted on a regular basis by the Group's various risk management units in accordance with the principles stated in the Supervisory Policy Manual "Stress-testing" published by the HKMA. The ALCO monitors the results against the key risk limits approved by the RMC. The Financial Management Department reports the combined stress test results of the Group to the Board and RMC regularly.

簡要綜合收益表

Condensed Consolidated Income Statement

		(重列) (Restated)
	(未經審計) (Unaudited)	(未經審計) (Unaudited)
	半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
	附註 Notes	
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS	
利息收入	Interest income	27,062
利息支出	Interest expense	(10,044)
淨利息收入	Net interest income	15,868
服務費及佣金收入	Fee and commission income	7,775
服務費及佣金支出	Fee and commission expense	(1,711)
淨服務費及佣金收入	Net fee and commission income	6,064
淨交易性收益	Net trading gain	356
其他以公平值變化計入損益之金融工具淨收益	Net gain on other financial instruments at fair value through profit or loss	8
其他金融資產之淨收益	Net gain on other financial assets	232
其他經營收入	Other operating income	363
提取減值準備前之淨經營收入	Net operating income before impairment allowances	22,891
減值準備淨撥備	Net charge of impairment allowances	(354)
淨經營收入	Net operating income	22,537
經營支出	Operating expenses	(6,032)
經營溢利	Operating profit	16,505
投資物業處置/公平值調整之淨收益	Net gain from disposal of/fair value adjustments on investment properties	894
處置/重估物業、器材及設備之淨收益/(虧損)	Net gain/(loss) from disposal/revaluation of properties, plant and equipment	(1)
應佔聯營公司及合資企業之稅後溢利扣減虧損	Share of profits less losses after tax of associates and joint ventures	34
除稅前溢利	Profit before taxation	17,432
稅項	Taxation	(2,791)
持續經營業務溢利	Profit from continuing operations	14,641
已終止經營業務	DISCONTINUED OPERATIONS	
已終止經營業務溢利	Profit from discontinued operations	2,623
期內溢利	Profit for the period	17,264

簡要綜合收益表 (續) Condensed Consolidated Income Statement (continued)

		(重列) (Restated)	
		(未經審計) (Unaudited)	(未經審計) (Unaudited)
		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
		附註 Notes	
應佔溢利：	Profit attributable to:		
本銀行股東	Equity holders of the Bank		
- 來自持續經營業務	- from continuing operations	17,198	14,574
- 來自已終止經營業務	- from discontinued operations	31 -	2,589
		<u>17,198</u>	<u>17,163</u>
非控制權益	Non-controlling interests		
- 來自持續經營業務	- from continuing operations	83	67
- 來自已終止經營業務	- from discontinued operations	31 -	34
		<u>83</u>	<u>101</u>
		<u>17,281</u>	<u>17,264</u>
股息	Dividends	16 <u>5,380</u>	<u>6,715</u>

第 64 至 187 頁之附註屬本中期財務資料之組成部分。

The notes on pages 64 to 187 are an integral part of this interim financial information.

簡要綜合全面收益表

Condensed Consolidated Statement of Comprehensive Income

		(重列) (Restated)
	(未經審計) (Unaudited)	(未經審計) (Unaudited)
	半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
	附註 Note	
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
期內溢利	Profit for the period	17,281
		17,264
其後不可重新分類至收益表內的項目：	Items that will not be reclassified subsequently to income statement:	
房產：	Premises:	
房產重估	Revaluation of premises	1,302
遞延稅項	Deferred tax	(193)
		1,404
以公平值變化計入其他全面收益之股權工具：	Equity instruments at fair value through other comprehensive income:	
公平值變化	Change in fair value	N/A
遞延稅項	Deferred tax	N/A
		60
自身信貸風險：	Own credit risk:	
界定為以公平值變化計入損益之金融負債的自身信貸風險之公平值變化	Change in fair value of own credit risk of financial liabilities designated at fair value through profit or loss	N/A
		7
		1,471
		1,109

簡要綜合全面收益表
(續)

Condensed Consolidated Statement of Comprehensive
Income (continued)

		(未經審計) (Unaudited) 半年結算至 2018年 6月30日 Half-year ended 30 June 2018	(重列) (Restated) (未經審計) (Unaudited) 半年結算至 2017年 6月30日 Half-year ended 30 June 2017
	附註 Note	港幣百萬元 HK\$m	港幣百萬元 HK\$m
其後可重新分類至收益表內的項目：	Items that may be reclassified subsequently to income statement:		
以公平值變化計入其他全面收益之債務工具：	Debt instruments at fair value through other comprehensive income:		
公平值變化	Change in fair value	(1,952)	N/A
減值準備變化借記收益表	Change in impairment allowances charged to income statement	15	N/A
因處置之轉撥重新分類至收益表	Release upon disposal reclassified to income statement	(60)	N/A
遞延稅項	Deferred tax	348	N/A
		<u>(1,649)</u>	<u>N/A</u>
可供出售證券：	Available-for-sale securities:		
公平值變化	Change in fair value	N/A	1,487
因處置之轉撥重新分類至收益表	Release upon disposal reclassified to income statement	N/A	(204)
由可供出售證券轉至持有至到期日證券產生之攤銷重新分類至收益表	Amortisation with respect to available-for-sale securities transferred to held-to-maturity securities reclassified to income statement	N/A	51
遞延稅項	Deferred tax	N/A	(192)
		<u>N/A</u>	<u>1,142</u>
貨幣換算差額	Currency translation difference	(103)	220
因出售已終止經營業務之轉撥重新分類至收益表	Release upon disposal of discontinued operations reclassified to income statement 31	-	48
		<u>(1,752)</u>	<u>1,410</u>
期內除稅後其他全面收益	Other comprehensive income for the period, net of tax	(281)	2,519
期內全面收益總額	Total comprehensive income for the period	<u>17,000</u>	<u>19,783</u>
應佔全面收益總額：	Total comprehensive income attributable to:		
本銀行股東	Equity holders of the Bank	16,917	19,666
非控制權益	Non-controlling interests	83	117
		<u>17,000</u>	<u>19,783</u>

第64至187頁之附註屬本中期財務資料之組成部分。

The notes on pages 64 to 187 are an integral part of this interim financial information.

簡要綜合資產負債表 Condensed Consolidated Balance Sheet

		(重列) (Restated)	
		(未經審計) (Unaudited)	(經審計) (Audited)
		於 2018 年 6 月 30 日	於 2017 年 12 月 31 日
		At 30 June 2018	At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
	附註 Notes		
資產	ASSETS		
庫存現金及在銀行及其他金融機構之結餘及定期存放	Cash and balances and placements with banks and other financial institutions	17 374,503	425,567
以公平值變化計入損益之金融資產	Financial assets at fair value through profit or loss	18 39,359	50,198
衍生金融工具	Derivative financial instruments	19 39,940	33,618
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness	153,370	146,200
貸款及其他賬項	Advances and other accounts	20 1,268,073	1,189,932
證券投資	Investment in securities	21 663,616	576,442
聯營公司及合資企業權益	Interests in associates and joint ventures	455	415
投資物業	Investment properties	22 21,050	19,949
物業、器材及設備	Properties, plant and equipment	23 48,030	46,919
遞延稅項資產	Deferred tax assets	29 107	51
其他資產	Other assets	24 31,804	30,506
資產總額	Total assets	2,640,307	2,519,797
負債	LIABILITIES		
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation	153,370	146,200
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions	237,183	222,540
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	25 15,912	19,720
衍生金融工具	Derivative financial instruments	19 31,535	30,982
客戶存款	Deposits from customers	26 1,861,940	1,778,188
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	27 15,577	21,641
其他賬項及準備	Other accounts and provisions	28 54,083	40,741
應付稅項負債	Current tax liabilities	5,533	4,181
遞延稅項負債	Deferred tax liabilities	29 5,536	5,658
後償負債	Subordinated liabilities	30 20,674	18,980
負債總額	Total liabilities	2,401,343	2,288,831

簡要綜合資產負債表 **Condensed Consolidated Balance Sheet (continued)**
 (續)

			(重列) (Restated)
		(未經審計) (Unaudited)	(經審計) (Audited)
		於 2018 年 6 月 30 日	於 2017 年 12 月 31 日
		At 30 June 2018	At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
	附註 Notes		
資本	EQUITY		
股本	Share capital	32	43,043
儲備	Reserves	<u>195,662</u>	<u>187,652</u>
本銀行股東應佔股本和儲備	Capital and reserves attributable to equity holders of the Bank	238,705	230,695
非控制權益	Non-controlling interests	<u>259</u>	<u>271</u>
資本總額	Total equity	<u>238,964</u>	<u>230,966</u>
負債及資本總額	Total liabilities and equity	<u>2,640,307</u>	<u>2,519,797</u>

第 64 至 187 頁之附註屬本中期財務資料之組成部分。 The notes on pages 64 to 187 are an integral part of this interim financial information.

簡要綜合權益變動表

Condensed Consolidated Statement of Changes in Equity

		(未經審計) (Unaudited)									
		歸屬於本銀行股東 Attributable to equity holders of the Bank									
		儲備 Reserves									
		股本 Share capital	房產 重估儲備 Premises revaluation reserve	可供出售 證券公平值 變動儲備 Reserve for fair value changes of available- for-sale securities	監管儲備* Regulatory reserve*	換算儲備 Translation reserve	合併儲備** Merger reserve**	留存盈利 Retained earnings	總計 Total	非控制權益 Non- controlling interests	資本總額 Total equity
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2017 年 1 月 1 日之 早期列賬	At 1 January 2017, as previously reported	43,043	35,671	(1,795)	9,227	(1,217)	3,455	130,197	218,581	2,280	220,861
合併受共同控制之 實體之影響	Effect of merger of entities under common control	-	-	-	-	(59)	1,062	183	1,186	-	1,186
於 2017 年 1 月 1 日之 重列	At 1 January 2017, as restated	43,043	35,671	(1,795)	9,227	(1,276)	4,517	130,380	219,767	2,280	222,047
期內溢利	Profit for the period	-	-	-	-	-	-	17,163	17,163	101	17,264
其他全面收益：	Other comprehensive income:										
房產	Premises	-	1,109	-	-	-	-	-	1,109	-	1,109
可供出售證券	Available-for-sale securities	-	-	1,132	-	-	-	-	1,132	10	1,142
貨幣換算差額	Currency translation difference	-	1	(32)	-	245	-	-	214	6	220
因出售已終止經營 業務之轉撥重新 分類至收益表	Release upon disposal of discontinued operations reclassified to income statement	-	-	10	-	38	-	-	48	-	48
全面收益總額	Total comprehensive income	-	1,110	1,110	-	283	-	17,163	19,666	117	19,783
收購受共同控制之 實體	Acquisition of entities under common control	-	-	-	-	-	(2,996)	-	(2,996)	-	(2,996)
轉撥自留存盈利	Transfer from retained earnings	-	-	-	1,041	-	612	(1,653)	-	-	-
因出售已終止經營 業務之轉撥	Release upon disposal of discontinued operations	-	(752)	-	(159)	-	-	911	-	(2,078)	(2,078)
股息	Dividends	-	-	-	-	-	-	(8,695)	(8,695)	(75)	(8,770)
於 2017 年 6 月 30 日	At 30 June 2017	43,043	36,029	(685)	10,109	(993)	2,133	138,106	227,742	244	227,986
期內溢利	Profit for the period	-	-	-	-	-	-	13,278	13,278	80	13,358
其他全面收益：	Other comprehensive income:										
房產	Premises	-	726	-	-	-	-	-	726	-	726
可供出售證券	Available-for-sale securities	-	-	(955)	-	-	-	-	(955)	-	(955)
貨幣換算差額	Currency translation difference	-	1	(26)	-	265	-	-	240	(1)	239
全面收益總額	Total comprehensive income	-	727	(981)	-	265	-	13,278	13,289	79	13,368
收購受共同控制之 實體	Acquisition of entities under common control	-	-	-	-	-	(3,622)	-	(3,622)	-	(3,622)
轉撥自留存盈利	Transfer from retained earnings	-	-	-	115	-	2,551	(2,666)	-	-	-
股息	Dividends	-	-	-	-	-	-	(6,714)	(6,714)	(52)	(6,766)
於 2017 年 12 月 31 日	At 31 December 2017	43,043	36,756	(1,666)	10,224	(728)	1,062	142,004	230,695	271	230,966

簡要綜合權益變動表
(續)

Condensed Consolidated Statement of Changes in Equity
(continued)

		(未經審計) (Unaudited)										
		歸屬於本銀行股東 Attributable to equity holders of the Bank										
		儲備 Reserves										
		股本 Share capital	房產 重估儲備 Premises revaluation reserve	公平值 變動儲備/ 可供出售 證券公平值 變動儲備 Reserve for fair value changes/ Reserve for fair value changes of available- for-sale securities	自身信貸 風險儲備 Reserve for own credit risk	監管儲備* Regulatory reserve*	換算儲備 Translation reserve	合併儲備** Merger reserve**	留存盈利 Retained earnings	總計 Total	非控制權益 Non- controlling interests	資本總額 Total equity
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2018 年 1 月 1 日之 早期列賬	At 1 January 2018, as previously reported	43,043	36,756	(1,666)	-	10,224	(669)	-	141,728	229,416	271	229,687
合併受共同控制之 實體之影響	Effect of merger of entities under common control	-	-	-	-	-	(59)	1,062	276	1,279	-	1,279
於 2018 年 1 月 1 日之 重列	At 1 January 2018, as restated	43,043	36,756	(1,666)	-	10,224	(728)	1,062	142,004	230,695	271	230,966
採納香港財務報告準 則第 9 號之影響	Effect of adoption of HKFRS 9	-	-	854	-	(750)	-	-	(2,366)	(2,262)	-	(2,262)
期內溢利 其他全面收益：	Profit for the period Other comprehensive income:	-	-	-	-	-	-	-	17,198	17,198	83	17,281
房產 以公平值變化計入 其他全面收益之 股權工具	Premises Equity instruments at fair value through other comprehensive income	-	1,404	-	-	-	-	-	-	1,404	-	1,404
自身信貸風險 以公平值變化計入 其他全面收益之 債務工具	Own credit risk Debt instruments at fair value through other comprehensive income	-	-	60	7	-	-	-	-	60	-	60
貨幣換算差額	Currency translation difference	-	-	(1,649)	-	-	-	-	-	(1,649)	-	(1,649)
全面收益總額	Total comprehensive income	-	1,404	(1,593)	7	-	(99)	-	17,198	16,917	83	17,000
收購受共同控制之 實體	Acquisition of entities under common control	-	-	-	-	-	-	(2,168)	-	(2,168)	-	(2,168)
轉撥自留存盈利	Transfer from retained earnings	-	-	-	-	1,272	-	1,106	(2,378)	-	-	-
股息	Dividends	-	-	-	-	-	-	-	(4,477)	(4,477)	(95)	(4,572)
於 2018 年 6 月 30 日	At 30 June 2018	43,043	38,160	(2,405)	7	10,746	(827)	-	149,981	238,705	259	238,964

* 除按香港會計準則第 39 號／香港財務報告準則第 9 號對貸款提取減值準備外，按金管局要求撥轉部分留存盈利至監管儲備作銀行一般風險之用（包括未來損失或其他不可預期風險）。

** 合併儲備乃因合併受共同控制之實體而採用合併會計處理而產生。

* In accordance with the requirements of the HKMA, the amounts are set aside for general banking risks, including future losses or other unforeseeable risks, in addition to the loan impairment allowances recognised under HKAS 39/HKFRS 9.

** Merger reserve was arising on the application of merger accounting method in relation to the combination with entities under common control.

第 64 至 187 頁之附註屬本中期財務資料之組成部分。

The notes on pages 64 to 187 are an integral part of this interim financial information.

簡要綜合現金流量表

Condensed Consolidated Cash Flow Statement

		(重列) (Restated)	
		(未經審計) (Unaudited)	(未經審計) (Unaudited)
		半年結算至 2018年 6月30日	半年結算至 2017年 6月30日
		Half-year ended 30 June 2018	Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
		附註 Notes	
經營業務之現金流量	Cash flows from operating activities		
除稅前經營現金之(流出)/流入	Operating cash (outflow)/inflow before taxation	33(a)	(36,020) 242,895
支付香港利得稅	Hong Kong profits tax paid		(1,147) (1,088)
支付海外利得稅	Overseas profits tax paid		(345) (183)
經營業務之現金(流出)/流入淨額	Net cash (outflow)/inflow from operating activities		(37,512) 241,624
投資業務之現金流量	Cash flows from investing activities		
增置物業、器材及設備	Additions of properties, plant and equipment		(628) (810)
處置物業、器材及設備所得款項	Proceeds from disposal of properties, plant and equipment		4 7
增置投資物業	Additions of investment properties		(2) (5)
處置投資物業所得款項	Proceeds from disposal of investment properties		- 2
收取聯營公司及合資企業股息	Dividend received from associates and joint ventures		2 1
收購受共同控制之實體	Acquisition of entities under common control		(2,168) (2,996)
出售已終止經營業務之現金流入淨額	Net cash inflow from disposal of discontinued operations	31	- 810
投資業務之現金流出淨額	Net cash outflow from investing activities		(2,792) (2,991)
融資業務之現金流量	Cash flows from financing activities		
支付本銀行股東股息	Dividend paid to equity holders of the Bank		(4,477) (8,695)
支付非控制權益股息	Dividend paid to non-controlling interests		(95) (75)
支付後償負債利息	Interest paid for subordinated liabilities		(543) (294)
融資業務之現金流出淨額	Net cash outflow from financing activities		(5,115) (9,064)
現金及等同現金項目(減少)/增加	(Decrease)/increase in cash and cash equivalents		(45,419) 229,569
於1月1日之現金及等同現金項目	Cash and cash equivalents at 1 January		379,885 253,997
匯率變動對現金及等同現金項目的影響	Effect of exchange rate changes on cash and cash equivalents		115 11,033
於6月30日之現金及等同現金項目	Cash and cash equivalents at 30 June	33(b)	334,581 494,599

第64至187頁之附註屬本中期財務資料之組成部分。

The notes on pages 64 to 187 are an integral part of this interim financial information.

中期財務資料附註

Notes to the Interim Financial Information

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies

(a) 編製基準

此未經審計之中期財務資料，乃按照香港會計師公會所頒佈之香港會計準則第34號「中期財務報告」而編製。

(b) 主要會計政策

除了初始採用以下所載的準則、修訂及詮釋之外，此未經審計之中期財務資料所採用之主要會計政策及計算辦法，均與截至2017年12月31日止之本集團年度財務報表之編製基礎一致，並需連同本集團2017年之年度報告一併閱覽。

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋

本集團自2018年1月1日起初始採用香港財務報告準則第9號「金融工具」、第15號「源於客戶合同的收入」及其他準則的修訂及詮釋。本集團亦提前採用於2019年1月1日起強制性生效的香港財務報告準則第9號（經修訂）「金融工具：含有反向補償的提前償付特徵」，修訂容許提前採用。除了香港財務報告準則第9號對集團的財務報表帶來重大影響外，採用香港財務報告準則第15號及其他準則修訂及詮釋均未對集團的財務報表帶來重大影響。詳細資料如下：

- 香港財務報告準則第9號「金融工具」。國際財務報告準則第9號「金融工具」的頒佈完成了國際會計準則委員會對2008年金融危機的全面回應。香港財務報告準則第9號(HKFRS 9)，即香港財務報告準則之下對應國際財務報告準則第9號的會計準則，包含具邏輯的分類及計量模型，單一且具前瞻性的「預期損失」減值模型，及與風險管理更緊密連繫的對沖會計方法。以下為對HKFRS 9帶來的詳細轉變：

(a) Basis of preparation

The unaudited interim financial information has been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the HKICPA.

(b) Significant accounting policies

Except for the initial adoption of the below mentioned standards, amendments and interpretation, the significant accounting policies adopted and methods of computation used in the preparation of the unaudited interim financial information are consistent with those adopted and used in the Group's annual financial statements for the year ended 31 December 2017 and shall be read in conjunction with the Group's Annual Report for 2017.

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018

The Group has initially applied HKFRS 9 “Financial instruments”, HKFRS 15 “Revenue from Contracts with Customers” and other amendment and interpretation from 1 January 2018 onward. The Group has also early adopted HKFRS 9 (Amendments) “Financial Instruments: Prepayment Features with Negative Compensation” which is mandatorily effective for reporting periods beginning on or after 1 January 2019 with earlier application permitted. Except for HKFRS 9, of which the impacts to the Group's financial statements being significant, the application of HKFRS 15 and other amendment and interpretation do not have material effects on the Group's financial statements. Details are disclosed as below:

- HKFRS 9, “Financial Instruments”. The issuance of IFRS 9 “Financial Instruments” completes the International Accounting Standards Board's comprehensive response to the 2008 financial crisis. HKFRS 9, the equivalent standard of IFRS 9 under HKFRS, includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a tighter linkage of risk management to hedge accounting. The changes introduced in HKFRS 9 are highlighted as follows:

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量

金融資產被要求分類為以下其中之一種計量類別：(1)以攤餘成本作後續計量，(2)以公平值變化計入其他全面收益作後續計量(除了計提利息、攤銷及減值準備之外，所有公平值變化確認於其他全面收益內)，或(3)以公平值變化計入損益作後續計量。金融資產的分類應在過渡時確定，之後則在初始確認時確定。該分類取決於企業管理金融工具的業務模型，以及該工具的合同現金流特徵，或企業對公平值選擇權的決定。

如以攤餘成本對一項金融工具進行後續計量，其必須是一項債務工具，及企業的業務模型是持有該資產以收取合約現金流為目的，以及該資產的合約現金流特徵只代表沒有槓桿的本金及利息支付。如持有債務工具的業務模型旨在同時收取合約現金流及出售金融資產，而該工具本身符合合約現金流特徵，則該債務工具會以公平值變化計入其他全面收益進行後續計量。所有其他債務工具需以公平值變化計入損益計量。

(i) Classification and measurement

Financial assets are required to be classified into one of the following measurement categories: (1) measured subsequently at amortised cost, (2) measured subsequently at fair value through other comprehensive income (all fair value changes other than interest accrual, amortisation and impairment will be recognised in other comprehensive income), or (3) measured subsequently at fair value through profit or loss. Classification of financial assets is to be made on transition, and subsequently on initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments, or the election of fair value option.

A financial instrument is subsequently measured at amortised cost only if it is a debt instrument, and the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows characteristics represent only unleveraged payments of principal and interest. A debt instrument is subsequently measured at fair value through other comprehensive income if it is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the instrument fulfils the contractual cash flows characteristics. All other debt instruments are to be measured at fair value through profit or loss.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

(b) Significant accounting policies (continued)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

(i) Classification and measurement (continued)

股權工具一般以公平值作後續計量。持有作交易用途之股權工具將以公平值變化計入損益計量。對於所有其他的權益性投資，可於初始確認時作出不可撤回的選擇，將未實現及已實現的公平值收益或虧損確認於其他全面收益。而日後即使出售投資，公平值收益或虧損亦不可轉回收益表內。當收取派息的權利確立，股息將於收益表內確認。

Equity instruments are generally measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition to recognise unrealised and realised fair value gains or losses in other comprehensive income without subsequent reclassification of fair value gains or losses to the income statement even upon disposal. Dividend income is recognised in the income statement when the right to receive payment is established.

金融負債的分類及計量基本上保留了香港會計準則第39號的要求，沒有太多修訂。

The classification and measurement requirements of financial liabilities have been basically carried forward with minimal amendments from HKAS 39.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

(b) Significant accounting policies (continued)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

(i) Classification and measurement (continued)

為應對自有信貸風險，有關金融負債的公平值選擇權的會計處理已被修訂。凡以公平值計量的金融負債因其信貸風險的改變而導致的公平值變動，需列示於其他全面收益。收益或虧損總額的剩餘部分則包括於收益表內。若此要求會產生或擴大損益的會計錯配，則整項公平值變動需列示於收益表內。對釐定有否存在錯配情況，需在初始確認個別金融負債時確定，且不能被重新評估。列示於其他全面收益的金額其後不可重新分類至收益表內，但可於權益內撥轉。此做法可消除經選擇以公平值計量的金融負債因信貸風險變動而產生的損益波動。亦代表因負債的自有信貸風險轉差而引致的收益將不再於損益反映。過渡時，本集團沒有將累計的自有信貸風險的公平值變動由留存盈利重分類至其他全面收益。

The accounting for fair value option of financial liabilities were changed to address own credit risk. The amount of change in fair value attributable to changes in the credit risk of the financial liabilities measured at fair value is presented in other comprehensive income. The remaining amount of the total gain or loss is included in the income statement. If this creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change would be presented in the income statement. The determination of whether there will be a mismatch will need to be made at initial recognition of individual financial liabilities and will not be re-assessed. Amounts presented in other comprehensive income are not subsequently reclassified to the income statement but may be transferred within equity. This removes the volatility in profit or loss that was caused by changes in the credit risk of financial liabilities elected to be measured at fair value. It also means that gains caused by the deterioration of an entity's own credit risk on such liabilities will no longer be recognised in profit or loss. No accumulated fair value change in own credit risk is reclassified by the Group from retained earnings to other comprehensive income upon transition.

該準則亦取消了載於香港會計準則第39號有關與非上市股權工具掛鉤及交收的衍生金融工具可豁免以公平值計量的要求。

The standard also eliminates the exception from fair value measurement contained in HKAS 39 for derivative financial instruments that are linked to and must be settled by delivery of an unquoted equity instrument.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

於2018年1月1日過渡時，本集團已對各金融資產及金融負債進行詳細分析。以下內容註釋了採用香港會計準則第39號及採用HKFRS 9之下原來及新的會計分類的各自情況。

(i) Classification and measurement (continued)

Upon transition, the Group has performed a detailed analysis for each class of the Group's financial assets and financial liabilities on 1 January 2018, and below accompanying notes explaining the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9.

金融資產 Financial assets	附註 Notes	於香港會計準則 第39號下 原有分類 Original classification under HKAS 39	於香港財務 報告準則 第9號下 新分類 New classification under HKFRS 9	於香港會計準 則第39號下 原有賬面總值 Original gross carrying amount under HKAS 39	重新分類 Re- classification	重新計量 Re- measurement	於香港財務 報告準則第 9號下 新賬面總值 New gross carrying amount under HKFRS 9
				港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
庫存現金及在銀行及其他金融機構之結餘及定期存放 Cash and balances and placements with banks and other financial institutions		L&R	AC	425,567	-	-	425,567
以公平值變化計入損益之金融資產 - 債務工具 Financial assets at fair value through profit or loss - debt instruments	(a) (b)	FVPL (T) AFS	FVPL (T) FVPL (M)	49,710 -	- 884	- -	49,710 884
以公平值變化計入損益之金融資產 - 股份證券及基金 Financial assets at fair value through profit or loss - equity securities and fund	(c)	FVPL (T) FVPL (D)	FVPL (T) FVPL (M)	203 285	- -	- -	203 285

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

(i) Classification and measurement (continued)

金融資產 Financial assets	附註 Notes	於香港會計準則 第39號下 原有分類 Original classification under HKAS 39	於香港財務 報告準則 第9號下 新分類 New classification under HKFRS 9	於香港會計準 則第39號下 原有賬面總值 Original gross carrying amount under HKAS 39	重新分類 Re- classification	重新計量 Re- measurement	於香港財務 報告準則第 9號下 新賬面總值 New gross carrying amount under HKFRS 9
				港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
香港特別行政區政府負債證明書 Hong Kong SAR Government certificates of indebtedness		L&R	AC	146,200	-	-	146,200
衍生金融工具 Derivative financial instruments		FVPL (T)	FVPL (T)	33,618	-	-	33,618
貸款及其他賬項 Advances and other accounts		L&R	AC	1,194,038	-	-	1,194,038
證券投資 - 債務工具 Investment in securities - debt instruments	(a)	AFS	FVOCI	515,761	-	-	515,761
	(b)	AFS	FVPL (M)	884	(884)	-	-
	(c)	AFS	FVPL (D)	7,818	(7,818)	-	-
	(d)	AFS	AC	20,931	(20,931)	-	-
	(e)	L&R	FVOCI	-	499	(1)	498
	(f)	HTM	AC	29,648	-	22	29,670
	(d)	AFS	AC	-	20,931	508	21,439
	(e)	L&R	FVOCI	499	(499)	-	-
證券投資 - 股份證券 Investment in securities - equity securities	(g)	AFS	FVOCI	946	-	-	946
其他金融資產 Other financial assets		L&R	AC	23,241	-	-	23,241
金融資產總計 Total financial assets				2,449,349	-	529	2,449,878

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

(i) Classification and measurement (continued)

金融負債 Financial liabilities	附註 Notes	於香港會計準則 第39號下 原有分類 Original classification under HKAS 39	於香港財務 報告準則 第9號下 新分類 New classification under HKFRS 9	於香港會計準 則第39號下 原有賬面總值 Original gross carrying amount under HKAS 39	重新分類 Re- classification	重新計量 Re- measurement	於香港財務 報告準則第 9號下 新賬面總值 New gross carrying amount under HKFRS 9
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
香港特別行政區流通紙幣 Hong Kong SAR currency notes in circulation		AC	AC	146,200	-	-	146,200
銀行及其他金融機構之存款及結 餘 Deposits and balances from banks and other financial institutions		AC	AC	222,540	-	-	222,540
以公平值變化計入損益之金融負 債 Financial liabilities at fair value through profit or loss		FVPL (T) FVPL (D)	FVPL (T) FVPL (D)	16,936 2,784	- -	- -	16,936 2,784
衍生金融工具 Derivative financial instruments		FVPL (T)	FVPL (T)	30,982	-	-	30,982
客戶存款 Deposits from customers		AC	AC	1,778,188	-	-	1,778,188
已發行債務證券及存款證 Debt securities and certificates of deposit in issue		AC	AC	21,641	-	-	21,641
後償負債 Subordinated liabilities	(h)	AC	FVPL (D)	63 18,917	- -	- 2,068	63 20,985
其他金融負債 Other financial liabilities		AC	AC	34,419	-	-	34,419
金融負債總計 Total financial liabilities				2,272,670	-	2,068	2,274,738

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

(i) Classification and measurement (continued)

註解：

Remarks:

FVPL (T)	以公平值變化計入損益之交易性資產／負債	Trading assets/liabilities at fair value through profit or loss
FVPL (M)	其他強制分類為以公平值變化計入損益之金融資產	Other financial assets mandatorily classified at fair value through profit or loss
FVPL (D)	界定為以公平值變化計入損益之金融資產／負債	Financial assets/liabilities designated at fair value through profit or loss
FVOCI	以公平值變化計入其他全面收益	Fair value through other comprehensive income
AC	攤餘成本	Amortised cost
AFS	可供出售	Available-for-sale
HTM	持有至到期日	Held-to-maturity
L&R	貸款及應收款	Loans and receivables

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

附註：

- (a) 部分以可供出售分類的資本票據具有於發行人發生不可持續經營的情況時需減記本金或將票據轉換成股權的特徵，其現金流並非純屬本金及未償付本金餘額之利息的支付，故需重分類為以公平值變化計入損益。
- (b) 部分可供出售證券被指定為以公平值變化計入損益的金融資產，原因為集團持有相關以公平值變化計入損益的衍生工具，指定證券以公平值變化計入損益作計量能消除或顯著地減低將產生的會計錯配。
- (c) 原指定以公平值變化計入損益計量的基金於HKFRS 9將改為強制性以公平值變化計入損益計量，因此不再存在由企業指定的要求。
- (d) 部分原為可供出售的債務證券將重分類為以攤餘成本作計量，旨在反映其業務模型為純屬以收取合約現金流為目的，且能符合現金流特徵測試。

(i) Classification and measurement (continued)

Notes:

- (a) Certain capital instruments classified as AFS with principal written-down features or equity conversion features at the point of non-viability of issuers were reclassified as FVPL because their cash flows are not solely payments of principal and interest on the principal outstanding.
- (b) Certain AFS securities were designated as financial assets at FVPL because the Group holds related derivatives at FVPL and these designations can eliminate or significantly reduce an accounting mismatch that would otherwise arise.
- (c) Fund are mandatorily measured at FVPL under HKFRS 9. As such, these investments are no longer required to be designated at FVPL.
- (d) Certain debt securities investments were reclassified as AC out of AFS because these securities fulfil the cash flow characteristics test and are managed solely for collecting contractual cash flows.

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) 分類及計量 (續)

附註：

- (e) 部分貸款及應收款重分類為以公平值變化計入其他全面收益作計量，此基於投資的合約現金流能反映為純屬本金及未償付本金餘額之利息的支付的性質，且業務模型為同時收取合約現金流及出售投資。
- (f) 部分持有至到期日證券重分類為以攤餘成本作計量的分類。因為該債務證券在香港會計準則第 39 號下曾經由可供出售證券重分類為持有至到期日證券，於過渡時其賬面值改變乃因需從購入時起作重新計量。
- (g) 部分原為可供出售的股權投資，因集團將長期地策略性持有而非以公平值作評估及管理考慮，故選擇以公平值變化計入其他全面收益作計量。

(i) Classification and measurement (continued)

Notes:

- (e) Certain L&R debt securities investments were reclassified as FVOCI because their contractual cash flows demonstrate solely payments of principal and interest on the principal outstanding and are held within a business model of both collecting contractual cash flows and selling investments.
- (f) Certain HTM securities were reclassified as AC. Since these debt securities were AFS securities which had previously been reclassified to HTM securities under HKAS 39, the change in carrying value upon transition is due to the remeasurement from initial recognition of the debt securities.
- (g) The Group elected to present in other comprehensive income the changes in fair value of certain equity investments previously classified as AFS because these investments are held as long-term strategic investments that are not managed and evaluated on a fair value basis.

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(i) 分類及計量 (續)

附註：

- (h) 於香港會計準則第 39 號下，該發行的後償負債原以攤餘成本計量及以公平值對沖會計處理以對沖其利率風險。於過渡當天，對沖會計終止，後償負債被指定以公平值變化計入損益計量，以消除或顯著地減低負債及對沖工具之間有可能產生的會計錯配。

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(i) Classification and measurement (continued)

Notes:

- (h) Under HKAS 39, the subordinated liabilities issued were measured at amortised cost and fair value hedge was applied to hedge the interest rate risk of the liabilities. Upon transition, the hedge accounting ceased and the subordinated liabilities were designated in its entirety as at FVPL to eliminate or significantly reduce an accounting mismatch between the liabilities and the hedging instruments that would otherwise arise.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(ii) 減值

該準則引入需要更為及時確認預期信用損失的嶄新及具前瞻性的「預期損失」減值模型，規範以攤餘成本作後續計量的金融工具、以公平值變化計入其他全面收益的債務工具、不可撤銷的貸款承諾及財務擔保合同的減值準備。具體而言，該準則要求企業以中肯及加權概率的方法評估信貸風險及估算預期信用損失，並且不獨根據過往的事件，亦需考慮所有掌握的資料，包括目前情況及預計未來的經濟狀況，並貼現貨幣的時間價值。本集團將在初始確認金融工具時將其列為第一階段，核算其未來12個月之內的預期信用損失。當金融工具在初始確認後出現信用風險顯著增加的情況，將列為第二階段，並針對金融工具的整體年期確認預期信用損失。若對金融資產的預期未來現金流量產生不利影響的一個或多個事件已經發生，將列為第三階段，亦按整體年期針對信貸減值資產確認預期信用損失，並按扣除減值準備後的相關第三階段金融資產的淨值計提利息收入。

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(ii) Impairment

The standard introduces a new, forward-looking “expected-loss” impairment model that will require more timely recognition of expected credit losses. The impairment allowances for financial instruments that are subsequently measured at amortised cost, fair value through other comprehensive income (debt instruments), irrevocable loan commitments and financial guarantee contracts will be governed by this standard. Specifically, it requires entities to assess credit risk and estimate ECL with an unbiased and probability-weighted approach. Not only information about past events, but all available information including current conditions and forecast of future economic conditions shall be considered with discounting for time value of money. The Group will account for expected credit losses within the next 12 months as Stage 1 when those financial instruments are initially recognised; and to recognise lifetime expected credit losses as Stage 2 when there has been significant increases in credit risk since initial recognition. Lifetime expected credit losses will be recognised for credit-impaired financial instruments as Stage 3 if one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred and interest will then be accrued net of the impairment amount of the respective Stage 3 financial assets.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(ii) 減值 (續)

屬HKFRS 9的減值模型範圍內的資產，其減值結果將因而較香港會計準則第39號下的減值結果更具有前瞻性。該些資產的減值損失預計會增加及較為波動。下表為本集團於2018年1月1日採用HKFRS 9的減值要求後的影響：

(ii) Impairment (continued)

For assets within the scope of the HKFRS 9 impairment model, the resulting impairment under HKFRS 9 will probably be more forward-looking than that under HKAS 39. Their impairment losses are generally expected to increase and more volatile. Following table is the impact of adoption of HKFRS 9's impairment requirements as at 1 January 2018 to the Group.

減值準備	Impairment allowances	於2017年 12月31日的 香港會計準則 第39號下 At 31 December	重新計量 Re- measurement	於2018年 1月1日的香港 財務報告準則 第9號下 At 1 January
		2017 under HKAS 39 港幣百萬元 HK\$m		2018 under HKFRS 9 港幣百萬元 HK\$m
庫存現金及在銀行及其他金融機構之結餘及定期存放	Cash and balances and placements with banks and other financial institutions	-	83	83
貸款及其他賬項 (包括貸款承諾及財務擔保合同)	Advance and other accounts (including loan commitments and financial guarantee contracts)	4,106	1,204	5,310
證券投資 - 債務工具	Investment in securities - debt instruments			
- 可供出售與貸款及應收款重分類至以公平值變化計入其他全面收益	- AFS and L&R reclassified to FVOCI	-	111	111
- 可供出售及持有至到期日重分類至攤餘成本	- AFS and HTM reclassified to AC	45	7	52
其他	Others	5	9	14
總計	Total	4,156	1,414	5,570

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(iii) 對沖會計

有關對沖會計的規定將令會計處理與風險管理活動更趨一致，使企業於財務報表更能反映該等活動的情況。有關規定放寬對沖有效性評估的要求，使更多的風險管理策略適用於對沖會計，並將對沖工具的可使用範圍擴闊至非衍生金融工具，以及提高可被對沖項目的彈性。用家將能從財務報表獲取更多有關風險管理的資訊，及掌握對沖會計對財務報表的影響。

本集團選擇於轉換時前瞻性應用HKFRS 9。由於HKFRS 9沒有改變有效對沖的一般會計核算原則，應用HKFRS 9的對沖會計要求不會對本集團的財務報表產生重大影響。

(iv) 採用HKFRS 9後對權益的整體影響

本集團採用HKFRS 9有關分類及計量的過渡期豁免條款，不重列之前期間的比較數字。本集團於2018年1月1日實施HKFRS 9後，除稅後之淨資產減少約港幣23億元，及集團之總資本比率減少約10點子。下表概述過渡至HKFRS 9對期初儲備餘額及留存盈利的除稅後影響。

(iii) Hedge Accounting

The requirements related to hedge accounting would better align the accounting treatments with risk management activities and enable entities to better reflect these activities in their financial statements. It relaxes the requirements for assessing hedge effectiveness which may enable more risk management strategies to be eligible for hedge accounting. It also relaxes the rules on using non-derivative financial instruments as hedging instruments and allows greater flexibility on hedged items. Users of the financial statements will be provided with more relevant information about risk management and the effect of hedge accounting on the financial statements.

The Group has chosen to prospectively apply HKFRS 9 on transition. As HKFRS 9 does not change the general principles of accounting for effective hedges, applying the hedge accounting requirements of HKFRS 9 will not have a significant impact on the Group's financial statements.

(iv) Overall impact of adoption of HKFRS 9 on equity

The Group has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement in accordance with the transitional provision of HKFRS 9. The adoption of HKFRS 9 reduced net assets after tax at 1 January 2018 by HK\$2.3 billion in aggregate, and the Group's total capital ratio decreased by around 10 basis point. The following table summarises the impact, net of tax, of transition to HKFRS 9 on the opening balances of reserves and retained earnings.

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(iv) 採用 HKFRS 9 後對權益的整體影響 (續)

(iv) Overall impact of adoption of HKFRS 9 on equity (continued)

		其他全面收益 及留存盈利 Other comprehensive income and retained earnings
		港幣百萬元 HK\$m
公平值變動儲備	Reserve for fair value changes	
於 2017 年 12 月 31 日的期末餘額	Closing balance as at 31 December 2017	(1,666)
債務工具由貸款及應收款重分類為以公平值變化計入其他全面收益	Reclassification of debt instruments from L&R to FVOCI	(1)
債務工具由可供出售重分類為攤餘成本	Reclassification of debt instruments from AFS to AC	508
債務工具由可供出售重分類為以公平值變化計入損益(強制性)之轉撥	Release upon reclassification of debt instruments from AFS to FVPL(Mandatory)	4
債務工具由可供出售重分類為以公平值變化計入損益(指定)之轉撥	Release upon reclassification of debt instruments from AFS to FVPL(Designated)	358
若干債務工具由持有至到期日重分類為攤餘成本之轉撥 ^{註1}	Release upon reclassification of certain debt instruments from HTM to AC ^{Note 1}	22
HKFRS 9 下以公平值變化計入其他全面收益的債務證券確認的預期信用損失	Recognition of ECL under HKFRS 9 for debt securities at FVOCI	111
上述項目的遞延稅款	Deferred tax in relation to the above	(148)
		<u>854</u>
於 2018 年 1 月 1 日的期初餘額	Opening balance as at 1 January 2018	<u>(812)</u>
監管儲備	Regulatory reserve	
於 2017 年 12 月 31 日的期末餘額	Closing balance as at 31 December 2017	10,224
採用 HKFRS 9 轉撥至留存盈利的監管儲備	Release to retained earnings upon adoption of HKFRS 9	(750)
於 2018 年 1 月 1 日的期初餘額	Opening balance as at 1 January 2018	<u>9,474</u>

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(b) 主要會計政策 (續)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

(b) Significant accounting policies (continued)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

(iv) 採用 HKFRS 9 後對權益的整體影響 (續)

(iv) Overall impact of adoption of HKFRS 9 on equity (continued)

		其他全面收益及留存盈利 Other comprehensive income and retained earnings
		港幣百萬元 HK\$m
留存盈利	Retained earnings	
於 2017 年 12 月 31 日的期末餘額	Closing balance as at 31 December 2017	142,004
債務工具由持有至到期日重分類為攤餘成本後負債由攤餘成本重分類為以公平值變化計入損益(指定)	Reclassification of debt instruments from HTM to AC Reclassification of subordinated liabilities from AC to FVPL(Designated)	22 (2,068)
債務工具由可供出售重分類為以公平值變化計入損益(強制性)之轉撥	Release upon reclassification of debt instruments from AFS to FVPL(Mandatory)	(4)
債務工具由可供出售重分類為以公平值變化計入損益(指定)之轉撥	Release upon reclassification of debt instruments from AFS to FVPL(Designated)	(358)
若干債務工具由持有至到期日重分類為攤餘成本之轉撥 ^{註1}	Release upon reclassification of certain debt instruments from HTM to AC ^{Note 1}	(22)
HKFRS 9 下確認的預期信用損失	Recognition of ECL under HKFRS 9	(1,414)
之前按香港會計準則第 39 號減記利息之回撥	Reversal of interest previously reduced under HKAS 39	111
上述項目的當期稅款	Current tax in relation to the above	432
上述項目的遞延稅款	Deferred tax in relation to the above	185
採用 HKFRS 9 轉撥自監管儲備	Release from regulatory reserve upon adoption of HKFRS 9	750
		<u>(2,366)</u>
於 2018 年 1 月 1 日的期初餘額	Opening balance as at 1 January 2018	<u>139,638</u>

註：

1. 若干原以可供出售證券為分類的債務證券於以前年度重分類為持有至到期日證券。於 HKFRS 9 準備生效日，原可供出售證券公平值變動儲備攤銷餘額將全數撥轉至留存盈利。

Note:

1. Certain debt securities that were originally AFS securities had been reclassified to HTM securities in prior years. Upon adoption of HKFRS 9, the original AFS reserve that subject to amortisation was reversed to retained earnings directly.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(b) 主要會計政策 (續)

(b) Significant accounting policies (continued)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

- 香港財務報告準則第15號「源於客戶合同的收入」。香港財務報告準則第15號應用單一模型並明確所有源於客戶合同收入的會計處理。該新準則的核心原則乃是當經承諾的商品或服務在控制權轉移至客戶時，會被確認為收入以反映預期取得之作價。其亦適用於確認及計量出售部分非金融資產，例如物業、設備等非經常性活動所產生的盈虧。本集團以經修訂的追溯模式採用香港財務報告準則第15號，應用此準則對本集團的財務報表不會產生重大影響。本集團提供多種的金融服務，以換取服務費或佣金收入。除個別服務(如保管箱服務)為反映提供服務的轉移情況而將收入於一段期間內確認之外，大多數的佣金收入會於金融服務的履約義務完成的單一時點作確認，包括證券經紀費、信用卡交換費及不屬於整體有效利息一部分的服務費等。銀團貸款服務費確認收入的時點則如以往般，為當銀團貸款的安排已完成且本集團未保留任何貸款；或按適用於其他銀團成員的相同實際利率以保留部分貸款之時。

- HKFRS 15, "Revenue from Contracts with Customers". HKFRS 15 applies a single model and specifies the accounting treatment for all revenue arising from contracts with customers. The new standard is based on the core principle that revenue is recognised to reflect the consideration expected to be entitled when control of promised good or service transfers to customer. It is also applicable to the recognition and measurement of gains or losses on the sale of some non-financial assets such as properties or equipment that are not an output of ordinary activities. The Group adopted HKFRS 15 using the modified retrospective method of adoption. The application of this standard does not have a material impact on the Group's financial statements. The Group provides a wide range of financial services in exchange for fee or commission income. Except for a few services, such as safe deposit box service, of which revenue is recognised over time so as to depict the pattern of delivery of services, most of the commission income generated from provision of financial services, such as security brokerage fee, credit card interchange fees and fees which are not an integral part of the effective yield, are recognised on a point-in-time basis, i.e. when the performance obligation is completed. Loan syndication fees are as before recognised as revenue when the related syndication arrangement has been completed and the Group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as applicable to the other participants.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

(b) 主要會計政策 (續)

(b) Significant accounting policies (continued)

已於2018年1月1日起開始的會計年度首次採用之與本集團相關的準則、修訂及詮釋 (續)

Standards, amendments and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2018 (continued)

- 香港會計準則第40號(經修訂)「投資物業的轉移」。該修訂闡明物業須要有用途改變才能轉入或轉出投資物業。用途改變涉及評估該物業符合，或不再符合投資物業的定義；及於用途改變發生時，需有證據支持該改變。該修訂的要求與本集團的現行處理一致，對本集團的財務報表沒有重大影響。
- 香港財務報告準則詮釋第22號「外幣交易及預付對價」。該詮釋列明以付出或收到現金當日的兌換率應用於涉及預付或預收外幣對價的交易。應用該詮釋對本集團的財務報表沒有重大影響。
- HKAS 40 (Amendments), "Transfer of Investment Property". The amendments clarify that there must be a change in use when a property is transferred to or from investment properties. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property; and supporting evidence that a change in use has occurred. The requirements of these amendments are consistent with the Group's current practice and do not have a material impact on the Group's financial statements.
- HK (IFRIC) – Int 22, "Foreign Currency Transactions and Advance Consideration". The interpretation specifies that the exchange rate on the date of cash payment or receipt is used for transactions that involve advance consideration paid or received in a foreign currency. The application of this interpretation does not have a material impact on the Group's financial statements.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 (續) 1. Basis of preparation and significant accounting policies (continued)

- (c) 已頒佈並與本集團相關但尚未強制性生效及沒有被本集團於2018年提前採納之準則、修訂及詮釋 (c) Standards, amendments and interpretation issued that are relevant to the Group but not yet mandatorily effective and have not been early adopted by the Group in 2018

準則/修訂/詮釋 Standards/Amendments/ Interpretation	內容 Content	起始適用之年度 Applicable for financial years beginning on/after
香港會計準則第 19 號(2011) (經修訂) HKAS 19 (2011) (Amendments)	計劃修正、縮減或結算 Plan Amendment, Curtailment or Settlement	2019 年 1 月 1 日 1 January 2019
香港會計準則第 28 號(2011)及 香港財務報告準則第 10 號 (經修訂) HKAS 28 (2011) and HKFRS 10 (Amendments)	投資者與其聯營或合資企業之間的 資產出售或注入 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	待定 To be determined
香港會計準則第 28 號(2011) (經修訂) HKAS 28 (2011) (Amendment)	於聯營及合資企業之投資 Long-term Interests in Associates and Joint Ventures	2019 年 1 月 1 日 1 January 2019
香港財務報告準則第 16 號 HKFRS 16	租賃 Leases	2019 年 1 月 1 日 1 January 2019
香港財務報告準則詮釋第 23 號 HK(IFRIC) – Int 23	所得稅處理之不確定性 Uncertainty over Income Tax Treatments	2019 年 1 月 1 日 1 January 2019

- 香港會計準則第 19 號 (2011) (經修訂) 「計劃修正、縮減或結算」。該項修訂闡明企業若計劃產生變化後，需使用更新的精算假設來確定於報表餘下期間的現有服務成本及淨利息。此項修訂亦闡明計劃修改、縮減或結算影響資產上限於會計方面的要求。該修訂可於2019年1月1日起前瞻性地應用。應用該修訂對本集團的財務報表沒有重大影響。
- HKAS 19 (2011) (Amendments), "Plan Amendment, Curtailment or Settlement". The amendments require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the reporting period after a change is made to a plan. The amendments also clarify how the requirements for accounting for a plan amendment, curtailment or settlement affect the asset ceiling requirements. The amendments shall be applied prospectively for annual periods beginning on or after 1 January 2019. The application of these amendments will not have a material impact on the Group's financial statements.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued)
(續)

(c) 已頒佈並與本集團相關但尚未強制性生效及沒有被本集團於2018年提前採納之準則、修訂及詮釋 (續)

- 香港財務報告準則第16號「租賃」。可參照本集團於2017年之年度報告內財務報表附註2.1(b)項有關於此準則的基本闡述。此準則主要會影響本集團的經營租賃之會計核算。於財務報告日，本集團持有不可撤銷經營租賃承擔約港幣18億元。本集團尚未確定何等程度的租賃承擔會確認為資產及未來需支付的負債，及未能確定對本集團的損益及現金流之影響。當中有部分租賃承擔或被短期或低價值租賃豁免所涵蓋，及當中部分租賃承擔或屬於不符合香港財務報告準則第16號所定義的租務安排。
- 上述其他準則、修訂及詮釋餘下部分的簡介，請參閱本集團2017年之年度報告內財務報表附註2.1(b)項。

(c) Standards, amendments and interpretation issued that are relevant to the Group but not yet mandatorily effective and have not been early adopted by the Group in 2018 (continued)

- HKFRS 16, "Leases". Please refer to Note 2.1(b) of the Group's Annual Report for 2017 for brief explanations of the standard. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK\$1.8 billion. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit or loss and cash flows. Some of the commitments may be covered by the exemption for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.
- Please refer to Note 2.1(b) of the Group's Annual Report for 2017 for brief explanations of the rest of the above-mentioned standards, amendments and interpretation.

中期財務資料附註 Notes to the Interim Financial Information (continued) (續)

1. 編製基準及主要會計政策 1. Basis of preparation and significant accounting policies (continued) (續)

(d) 完善香港財務報告準則

「完善香港財務報告準則」包含多項被香港會計師公會認為對於香港財務報告準則非緊急但有需要的修訂。當中包括對在列示、確認或計量方面出現會計變更之修訂的釐清，對結論基礎的修訂以及多項與個別香港財務報告準則相關之術語或編輯上的修訂。此等修訂對本集團的財務報表沒有重大影響。

(d) Improvements to HKFRSs

“Improvements to HKFRSs” contains numerous amendments to HKFRSs which HKICPA considers not urgent but necessary. The amendments comprise of clarification to changes in presentation, recognition or measurement purpose, amendments to the basis for conclusions as well as terminology or editorial amendments related to each HKFRSs. These improvements do not have a material impact on the Group’s financial statements.

2. 應用會計政策時之重大會計估計及判斷 2. Critical accounting estimates and judgements in applying accounting policies

除了之前有關金融資產減值及持有至到期日證券的內容在HKFRS 9下不再適用外，本集團於本報告期內的會計估計之性質及假設，均與本集團截至2017年12月31日的財務報告內所採用的一致。針對HKFRS 9下的金融資產減值要求，所採用的主要假設或其他不確定性的估量，列示如下：

本集團至少每季對信貸組合的減值損失情況進行一次評估。按HKFRS 9要求，量度不同類別信貸資產的減值損失皆涉及判斷，特別是在估計未來現金流和抵押品價值的金額及時間，以及評估信貸風險顯著上升之情況。這些估計受多項因素影響，此等因素的改變會導致不同水平的準備金。

The nature and assumptions related to the Group’s accounting estimates in this reporting period are consistent with those used in the Group’s financial statements for the year ended 31 December 2017, except for those previously related to impairment of financial assets and held-to-maturity securities which are no longer applicable under HKFRS 9. The key assumptions or other estimation of uncertainties under the impairment requirements of HKFRS 9 are presented as below:

The Group reviews its credit portfolios to assess impairment at least on a quarterly basis. Under HKFRS 9, the measurement of impairment losses across all categories of credit asset requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

2. 應用會計政策時之重大會計估計及判斷 (續) 2. Critical accounting estimates and judgements in applying accounting policies (continued)

本集團的預期信用損失是採用複雜模型計算，選取的變數及其相互依存關係存在一系列的假設。預期信用損失模型的構建是借助已有的內部評級模型及損失估算、行為模型及預測因素。預期信用損失模型考慮之會計判斷及估計包括以下元素：

- 本集團內部信貸評級模型，以定出個別評級對應之違約概率，請參閱本集團2017年之監管披露第8 CRE項對本集團內部模型的描述；
- 在評估是否已出現信貸轉壞導致相關之金融資產需按整個存續期計提預期信用損失準備金時，所採用的集團標準（包括內部評級下降、逾期天數、市場劃價下跌及定性評估）；
- 當採用組合模式評估金融資產之預期信用損失時，根據類似的風險及違約特徵（組合如主權、銀行、企業、零售小企、住宅按揭貸款、信用卡等）對金融資產所進行之組合劃分；
- 預期信用損失模型的構建，包括對宏觀經濟情境的預測（如實質本地生產總值、消費者物價指數、物業價格指數等），以及其對違約概率、違約損失率及違約風險承擔的影響；以及
- 前瞻性宏觀經濟情境（包括良好、基礎及低迷三個獨立情景）的選擇及其加權概率。

本集團政策規定需定期按實際損失經驗重檢有關模型，在需要時進行模型調整。

The Group's ECL calculations are outputs of complex models. The choice of variable inputs and their interdependencies involves a series of assumptions. ECL models are developed by leveraging on existing internal rating models and loss estimates, behavioural models and forecasting factors. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit rating models, which assign Probability of Defaults to the individual ratings. Please refer to CRE of section 8 of the Group's Regulatory Disclosures for 2017 for a description of the Group's internal models;
- The Group's significant credit deterioration criteria (including internal credit rating downgrade, days past due, drop in Mark-to-Market and qualitative assessment) for assessing whether the financial assets' impairment allowances should be measured on a lifetime ECL basis;
- The segmentation of financial assets according to similar risk and default characteristics (portfolios like Sovereign, Bank, Corporates, Retail Small Medium-sized Enterprise, Residential Mortgage Loan, Credit Card etc.) when their ECL is assessed on a collective basis;
- Development of ECL models, including the determination of macroeconomic factor forecasts (e.g. Gross Domestic Product, Consumer Price Index, Property Price Index etc.) and the effect on Probability of Defaults, Loss Given Defaults and Exposure at Defaults; and
- Selection of forward-looking macroeconomic scenarios (including three independent scenarios i.e. good, baseline and downturn) and their probability weightings.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理

3. Financial risk management

本集團因從事各類業務而涉及金融風險。主要金融風險包括信貸風險、市場風險(包括外匯風險及利率風險)及流動資金風險。本附註概述本集團的這些風險承擔。

The Group is exposed to financial risks as a result of engaging in a variety of business activities. The principal financial risks are credit risk, market risk (including currency risk and interest rate risk) and liquidity risk. This note summarises the Group's exposures to these risks.

3.1 信貸風險

3.1 Credit risk

(A) 總貸款及其他賬項

(A) Gross advances and other accounts

(a) 減值貸款

(a) Impaired advances

當發生一項或多項事件對授信的未來現金流產生不利的影響，有關授信將視為信貸減值授信。信貸減值授信被確定為第三階段需按整體年期計提預期信用損失。

Advances are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Credit-impaired advances are classified as Stage 3 and lifetime expected credit losses will be recognised.

本集團將授信確認為減值貸款，如果該風險承擔超過 90 天以上逾期，或借款人可能無法全額支付本集團的債務。

The Group identifies the advances as impaired if the exposure is past due for more than 90 days or the borrower is unlikely to pay in full for the credit obligations to the Group.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

(A) 總貸款及其他賬項 (續)

(a) 減值貸款 (續)

3.1 Credit risk (continued)

(A) Gross advances and other accounts (continued)

(a) Impaired advances (continued)

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
減值之客戶貸款總額	Gross impaired advances to customers	<u>2,667</u>	<u>1,371</u>
就上述貸款作出之減值準備	Impairment allowances made in respect of such advances		
- 第三階段	- Stage 3	<u>1,265</u>	<u>N/A</u>
- 個別評估	- Individually assessed	<u>N/A</u>	<u>491</u>
就上述有抵押品覆蓋之客戶貸款之抵押品市值	Current market value of collateral held against the covered portion of such advances to customers	<u>3,095</u>	<u>1,523</u>
上述有抵押品覆蓋之客戶貸款	Covered portion of such advances to customers	<u>1,606</u>	<u>1,083</u>
上述沒有抵押品覆蓋之客戶貸款	Uncovered portion of such advances to customers	<u>1,061</u>	<u>288</u>

減值準備已考慮上述貸款之抵押品價值。

The impairment allowances were made after taking into account the value of collateral in respect of such advances.

於 2018 年 6 月 30 日，減值之貿易票據總額為港幣 4 百萬元（2017 年 12 月 31 日：無）及沒有減值之銀行及其他金融機構貸款（2017 年 12 月 31 日：無）。

As at 30 June 2018, gross impaired trade bills amounted to HK\$4 million (31 December 2017: Nil), and there was no impaired advances to banks and other financial institutions (31 December 2017: Nil).

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

(A) 總貸款及其他賬項 (續)

(a) 減值貸款 (續)

特定分類或減值之客戶貸款分析如下：

特定分類或減值之客戶貸款總額

特定分類或減值之客戶貸款總額對客戶貸款總額比率

就上述貸款作出之減值準備
- 第一至第三階段
- 組合及個別評估

特定分類或減值之客戶貸款是指按本集團貸款質量分類的「次級」、「呆滯」或「虧損」貸款或分類為第三階段／個別評估為減值的貸款。

3.1 Credit risk (continued)

(A) Gross advances and other accounts (continued)

(a) Impaired advances (continued)

Classified or impaired advances to customers are analysed as follows:

	於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$m
Gross classified or impaired advances to customers	2,667	2,079
Gross classified or impaired advances to customers as a percentage of gross advances to customers	0.22%	0.18%
Impairment allowances made in respect of such advances		
- Stages 1 to 3	1,265	N/A
- Collectively and individually assessed	N/A	540

Classified or impaired advances to customers represent advances which are either classified as “substandard”, “doubtful” or “loss” under the Group’s classification of loan quality, or classified as stage 3/individually assessed to be impaired.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(A) 總貸款及其他賬項
(續)

(A) Gross advances and other accounts (continued)

(b) 逾期超過3個月之
貸款

(b) Advances overdue for more than three months

有明確到期日之貸款，若其本金或利息已逾期及仍未償還，則列作逾期貸款。須定期分期償還之貸款，若其中一次分期還款已逾期及仍未償還，則列作逾期處理。須即期償還之貸款若已向借款人送達還款通知，但借款人未按指示還款，或貸款一直超出借款人獲通知之批准貸款限額，亦列作逾期處理。

Advances with a specific repayment date are classified as overdue when the principal or interest is past due and remains unpaid. Advances repayable by regular instalments are classified as overdue when an instalment payment is past due and remains unpaid. Advances 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 instruction or when the advances have remained continuously exceeded the approved limit that was advised to the borrower.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(A) 總貸款及其他賬項
(續)

(A) Gross advances and other accounts (continued)

(b) 逾期超過3個月之
貸款 (續)

(b) Advances overdue for more than three months (continued)

逾期超過3個月之
貸款總額分析如
下：

The gross amount of advances overdue for more than three months is analysed as follows:

	於2018年6月30日 At 30 June 2018		於2017年12月31日 At 31 December 2017	
	金額 Amount 港幣百萬元 HK\$m	佔客戶貸款總額 百分比 % of gross advances to customers	金額 Amount 港幣百萬元 HK\$m	佔客戶貸款總額 百分比 % of gross advances to customers
客戶貸款總額， 已逾期：				
- 超過3個月但 不超過6個月	225	0.02%	117	0.01%
- 超過6個月但 不超過1年	76	0.01%	123	0.01%
- 超過1年	385	0.03%	313	0.03%
逾期超過3個月之 貸款	686	0.06%	553	0.05%
就上述貸款作出之 減值準備				
- 第三階段	473		N/A	
- 個別評註	N/A		309	

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

3. 金融風險管理 (續) **3. Financial risk management (continued)**

3.1 信貸風險 (續)

**(A) 總貸款及其他賬項
(續)**

**(b) 逾期超過3個月之
貸款 (續)**

3.1 Credit risk (continued)

(A) Gross advances and other accounts (continued)

(b) Advances overdue for more than three months (continued)

	於2018年 6月30日 At 30 June 2018 港幣百萬元 HK\$m	於2017年 12月31日 At 31 December 2017 港幣百萬元 HK\$m
就上述有抵押品覆蓋的客戶貸款之抵押品市值	<u>607</u>	<u>520</u>
上述有抵押品覆蓋之客戶貸款	<u>307</u>	<u>289</u>
上述沒有抵押品覆蓋之客戶貸款	<u>379</u>	<u>264</u>

逾期貸款或減值貸款的抵押品主要包括公司授信戶項下的商用資產如商業、住宅樓宇及船舶、個人授信戶項下的住宅按揭物業。

於2018年6月30日，沒有逾期超過3個月之貿易票據和銀行及其他金融機構貸款(2017年12月31日：無)。

Collateral held against overdue or impaired loans is principally represented by charges over business assets such as commercial, residential premises and vessels for corporate loans and mortgages over residential properties for personal loans.

As at 30 June 2018, there were no trade bills and advances to banks and other financial institutions overdue for more than three months (31 December 2017: Nil).

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(A) 總貸款及其他賬項
(續)

(A) Gross advances and other accounts (continued)

(c) 經重組貸款

(c) Rescheduled advances

	於 2018 年 6 月 30 日 At 30 June 2018		於 2017 年 12 月 31 日 At 31 December 2017	
	金額 Amount	佔客戶貸款總額 百分比 % of gross advances to customers	金額 Amount	佔客戶貸款總額 百分比 % of gross advances to customers
	港幣百萬元 HK\$m		港幣百萬元 HK\$m	
經重組客戶貸款淨額 (已扣減包含於「逾期超過 3 個月之貸款」部分)				
Rescheduled advances to customers net of amounts included in "Advances overdue for more than three months"	186	0.02%	238	0.02%

經重組貸款乃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整還款計劃之貸款。修訂還款計劃後之經重組貸款如仍逾期超過 3 個月，則包括在「逾期超過 3 個月之貸款」內。

Rescheduled advances are those advances that have been restructured or renegotiated because of deterioration in the financial position of the borrower or of the inability of the borrower to meet the original repayment schedule. Rescheduled advances, which have been overdue for more than three months under the revised repayment terms, are included in "Advances overdue for more than three months".

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

(A) 總貸款及其他賬項 (續)

(d) 客戶貸款集中度

(i) 按行業分類之客戶貸款總額

以下關於客戶貸款總額之行業分類分析，其行業分類乃參照有關貸款及墊款之金管局報表的填報指示而編製。

3.1 Credit risk (continued)

(A) Gross advances and other accounts (continued)

(d) Concentration of advances to customers

(i) Sectoral analysis of gross advances to customers

The following analysis of the gross advances to customers by industry sector is based on the categories with reference to the completion instructions for the HKMA return of loans and advances.

		於 2018 年 6 月 30 日 At 30 June 2018					
		客戶貸款總額 Gross advances to customers	抵押品或其他抵押覆蓋之百分比 % covered by collateral or other security	特定分類或減值 Classified or impaired	逾期 Overdue	減值準備 - 第三階段 Impairment allowances - Stage 3	減值準備 - 第一和第二階段 Impairment allowances - Stages 1 and 2
		港幣百萬元 HK\$'m		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
在香港使用之貸款	Loans for use in Hong Kong						
工商金融業	Industrial, commercial and financial						
- 物業發展	- Property development	112,874	22.22%	-	-	-	451
- 物業投資	- Property investment	50,814	83.55%	26	92	-	41
- 金融業	- Financial concerns	19,974	1.34%	-	-	-	38
- 股票經紀	- Stockbrokers	7,483	32.45%	-	-	-	1
- 批發及零售業	- Wholesale and retail trade	41,572	33.30%	25	153	18	101
- 製造業	- Manufacturing	48,086	12.93%	5	25	2	80
- 運輸及運輸設備	- Transport and transport equipment	65,110	25.73%	955	14	2	166
- 休閒活動	- Recreational activities	1,866	1.68%	-	-	-	2
- 資訊科技	- Information technology	20,624	1.21%	-	7	-	97
- 其他	- Others	108,195	41.71%	20	565	8	253
個人	Individuals						
- 購買居者有其屋計劃、私人機構參建居屋計劃及租者置其屋計劃樓宇之貸款	- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	9,992	99.77%	16	131	-	3
- 購買其他住宅物業之貸款	- Loans for purchase of other residential properties	240,914	99.93%	88	1,293	-	51
- 信用卡貸款	- Credit card advances	14,081	-	134	504	118	196
- 其他	- Others	67,802	82.40%	336	808	324	531
在香港使用之貸款總額	Total loans for use in Hong Kong	809,387	56.72%	1,605	3,592	472	2,011
貿易融資	Trade finance	70,492	16.20%	155	85	137	151
在香港以外使用之貸款	Loans for use outside Hong Kong	349,763	8.25%	907	1,157	656	1,723
客戶貸款總額	Gross advances to customers	1,229,642	40.61%	2,667	4,834	1,265	3,885

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

(A) 總貸款及其他賬項 (續)

(d) 客戶貸款集中度 (續)

(i) 按行業分類之客戶貸款總額 (續)

3.1 Credit risk (continued)

(A) Gross advances and other accounts (continued)

(d) Concentration of advances to customers (continued)

(i) Sectoral analysis of gross advances to customers (continued)

於 2017 年 12 月 31 日
At 31 December 2017

		抵押品或其他抵押覆蓋之百分比 % covered by collateral or other security	特定分類或減值 Classified or impaired	逾期 Overdue	個別評估之減值準備 Individually assessed impairment allowances	組合評估之減值準備 Collectively assessed impairment allowances
	客戶貸款總額 Gross advances to customers					
	港幣百萬元 HK\$m		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
在香港使用之貸款	Loans for use in Hong Kong					
工商金融業	Industrial, commercial and financial					
- 物業發展	- Property development	99,987	24.22%	-	5	336
- 物業投資	- Property investment	53,581	78.47%	19	68	180
- 金融業	- Financial concerns	14,461	2.29%	-	-	68
- 股票經紀	- Stockbrokers	1,027	89.86%	-	1	3
- 批發及零售業	- Wholesale and retail trade	34,931	38.23%	26	160	131
- 製造業	- Manufacturing	45,075	13.93%	32	25	159
- 運輸及運輸設備	- Transport and transport equipment	61,786	28.44%	1,062	27	44
- 休閒活動	- Recreational activities	2,040	1.47%	-	-	6
- 資訊科技	- Information technology	23,900	1.07%	-	-	79
- 其他	- Others	100,966	41.99%	18	132	5
個人	Individuals					
- 購買居者有其屋計劃、私人機構參建居屋計劃及租者置其屋計劃樓宇之貸款	- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	9,874	99.75%	12	147	-
- 購買其他住宅物業之貸款	- Loans for purchase of other residential properties	234,434	99.93%	75	1,520	1
- 信用卡貸款	- Credit card advances	14,620	-	39	549	-
- 其他	- Others	60,734	79.73%	53	508	20
在香港使用之貸款總額	Total loans for use in Hong Kong	757,416	58.09%	1,336	3,142	94
貿易融資	Trade finance	78,196	14.13%	55	25	32
在香港以外使用之貸款	Loans for use outside Hong Kong	309,192	9.19%	688	1,003	365
客戶貸款總額	Gross advances to customers	1,144,804	41.88%	2,079	4,170	491

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(A) 總貸款及其他賬項 (續)

(A) Gross advances and other accounts (continued)

(d) 客戶貸款集中度 (續)

(d) Concentration of advances to customers (continued)

(ii) 按地理區域分類之客戶貸款總額

(ii) Geographical analysis of gross advances to customers

下列關於客戶貸款之地理區域分析是根據交易對手之所在地，並已顧及風險轉移因素。若客戶貸款之擔保人所在地與客戶所在地不同，則風險將轉移至擔保人之所在地。

The following geographical analysis of advances to customers is based on the locations of the counterparties, after taking into account the transfer of risk. For an advance to customer guaranteed by a party situated in a location different from the customer, the risk will be transferred to the location of the guarantor.

客戶貸款總額

Gross advances to customers

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
香港	Hong Kong	965,701	910,069
中國內地	Mainland of China	139,302	135,990
其他	Others	124,639	98,745
		1,229,642	1,144,804

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(A) 總貸款及其他賬項
(續)

(A) Gross advances and other accounts (continued)

(d) 客戶貸款集中度
(續)

(d) Concentration of advances to customers (continued)

(ii) 按地理區域分
類之客戶貸款
總額 (續)

(ii) Geographical analysis of gross advances to customers (continued)

客戶貸款總額
(續)

Gross advances to customers (continued)

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$m
就客戶貸款總額作出之減值準備 - 第一和第二階段	Impairment allowances made in respect of the gross advances to customers - Stages 1 and 2		
香港	Hong Kong	2,566	N/A
中國內地	Mainland of China	374	N/A
其他	Others	945	N/A
		3,885	N/A
就客戶貸款總額作出之減值準備 - 組合評估	Impairment allowances made in respect of the gross advances to customers - Collectively assessed		
香港	Hong Kong	N/A	2,741
中國內地	Mainland of China	N/A	453
其他	Others	N/A	421
		N/A	3,615

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

(A) 總貸款及其他賬項
(續)

(d) 客戶貸款集中度
(續)

(ii) 按地理區域分
類之客戶貸款
總額 (續)

逾期貸款

3.1 Credit risk (continued)

(A) Gross advances and other accounts (continued)

(d) Concentration of advances to customers (continued)

(ii) Geographical analysis of gross advances to customers (continued)

Overdue advances

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$'m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$'m
香港	Hong Kong	3,752	3,061
中國內地	Mainland of China	256	181
其他	Others	826	928
		4,834	4,170
就逾期貸款作 出之減值準 備 - 第三 階段	Impairment allowances made in respect of the overdue advances - Stage 3		
香港	Hong Kong	502	N/A
中國內地	Mainland of China	57	N/A
其他	Others	303	N/A
		862	N/A
就逾期貸款作 出之減值準 備 - 個別 評估	Impairment allowances made in respect of the overdue advances - Individually assessed		
香港	Hong Kong	N/A	65
中國內地	Mainland of China	N/A	53
其他	Others	N/A	220
		N/A	338

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

3. 金融風險管理 (續) **3. Financial risk management (continued)**

3.1 信貸風險 (續)

3.1 Credit risk (continued)

**(A) 總貸款及其他賬項
(續)**

(A) Gross advances and other accounts (continued)

**(d) 客戶貸款集中度
(續)**

(d) Concentration of advances to customers (continued)

**(ii) 按地理區域分
類之客戶貸款
總額 (續)**

(ii) Geographical analysis of gross advances to customers (continued)

**特定分類或減
值貸款**

Classified or impaired advances

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
香港	Hong Kong	1,880	1,379
中國內地	Mainland of China	177	111
其他	Others	610	589
		<u>2,667</u>	<u>2,079</u>

**就特定分類或
減值貸款作
出之減值準
備 - 第三
階段**

**Impairment allowances made in
respect of the classified or
impaired advances - Stage 3**

香港	Hong Kong	767	N/A
中國內地	Mainland of China	65	N/A
其他	Others	433	N/A
		<u>1,265</u>	<u>N/A</u>

**就特定分類或
減值貸款作
出之減值準
備 - 個別
評估**

**Impairment allowances made in
respect of the classified or
impaired advances - Individually
assessed**

香港	Hong Kong	N/A	113
中國內地	Mainland of China	N/A	70
其他	Others	N/A	308
		<u>N/A</u>	<u>491</u>

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

3. 金融風險管理 (續) **3. Financial risk management (continued)**

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(B) 收回資產

(B) Repossessed assets

本集團於 2018 年 6 月 30 日持有的收回資產之估值為港幣 0.48 億元 (2017 年 12 月 31 日: 港幣 0.77 億元)。這包括本集團通過對抵押取得處置或控制權的物業 (如通過法律程序或業主自願交出抵押資產方式取得) 而對借款人的債務進行全數或部分減除。

The estimated market value of repossessed assets held by the Group as at 30 June 2018 amounted to HK\$48 million (31 December 2017: HK\$77 million). The repossessed assets comprise properties in respect of which the Group has acquired access or control (e.g. through court proceedings or voluntary actions by the proprietors concerned) for release in full or in part of the obligations of the borrowers.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

(C) 債務證券及存款證

下表為以發行評級分析之債務證券及存款證賬面值。在無發行評級的情況下，則會按發行人的評級報告。

3.1 Credit risk (continued)

(C) Debt securities and certificates of deposit

The following tables present an analysis of the carrying value of debt securities and certificates of deposit by issue rating. In the absence of such issue ratings, the ratings designated for the issuers are reported.

		於 2018 年 6 月 30 日 At 30 June 2018			
		以公平值變化 計入其他全面 收益之證券投資 Investment in securities at fair value through other comprehensive income	以攤餘成本 計量之證券投資 Investment in securities at amortised cost	總計 Total	
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
Aaa	Aaa	7,671	124,558	43,026	175,255
Aa1 至 Aa3	Aa1 to Aa3	17,047	139,848	3,253	160,148
A1 至 A3	A1 to A3	7,484	302,840	11,361	321,685
A3 以下	Lower than A3	2,607	24,572	990	28,169
無評級	Unrated	439	11,949	-	12,388
		35,248	603,767	58,630	697,645
減值準備	Impairment allowances				
- 第一階段	- Stage 1		126	6	
- 第二階段	- Stage 2		-	-	
- 第三階段	- Stage 3		-	43	
			126	49	

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.1 信貸風險 (續)

3.1 Credit risk (continued)

(C) 債務證券及存款證 (續)

(C) Debt securities and certificates of deposit (continued)

於 2017 年 12 月 31 日
At 31 December 2017

		以公平值變化 計入損益之 金融資產 Financial assets at fair value through profit or loss 港幣百萬元 HK\$m	可供出售證券 Available-for- sale securities 港幣百萬元 HK\$m	持有至 到期日證券 Held-to- maturity securities 港幣百萬元 HK\$m	貸款及應收款 Loans and receivables 港幣百萬元 HK\$m	總計 Total 港幣百萬元 HK\$m
Aaa	Aaa	17,507	169,792	16,909	-	204,208
Aa1 至 Aa3	Aa1 to Aa3	10,915	134,786	1,581	-	147,282
A1 至 A3	A1 to A3	13,344	199,760	10,297	499	223,900
A3 以下	Lower than A3	817	28,387	816	-	30,020
無評級	Unrated	268	12,669	-	-	12,937
		42,851	545,394	29,603	499	618,347
減值準備	Impairment allowances		-	45	-	

減值及逾期之債務證券及存款證總額分析如下：

The gross impaired and overdue debt securities and certificates of deposit are analysed as follows:

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$m
逾期超過 1 年	Overdue for more than one year		
- 以攤餘成本計量之證券投資	- Investment in securities at amortised cost	43	N/A
- 持有至到期日證券	- Held-to-maturity securities	N/A	45
		43	45

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.2 市場風險

3.2 Market risk

(A) 風險值

(A) VAR

本集團採用風險值量度一般市場風險，並定期向風險委員會和高層管理人員報告。本集團採用統一的風險值計量模型，運用歷史模擬法，以過去2年歷史市場數據為參照，計算99%置信水平下及1天持有期內集團層面及各附屬機構的風險值，並設定本集團和各附屬機構的風險值限額。

The Group uses the VAR to measure and report general market risks to the RMC and senior management on a periodic basis. The Group adopts a uniformed VAR calculation model, using a historical simulation approach and two years of historical market data, to calculate the VAR of the Group and subsidiaries over a one-day holding period with a 99% confidence level, and sets up the VAR limit of the Group and subsidiaries.

下表詳述本集團一般市場風險持倉的風險值¹。

The following table sets out the VAR for all general market risk exposure¹ of the Group.

	年份 Year	上半年 最低數值 Minimum	上半年 最高數值 Maximum	上半年 平均數值 Average		
		於6月30日 At 30 June	for the first half of year	for the first half of year	for the first half of year	
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m		
全部市場風險之風險值	VAR for all market risk	2018 2017	30.0 46.1	24.1 38.0	45.7 80.9	32.7 57.3
匯率風險之風險值	VAR for foreign exchange risk	2018 2017	18.0 23.6	10.7 23.6	20.2 54.1	15.3 38.4
利率風險之風險值	VAR for interest rate risk	2018 2017	23.6 38.2	18.7 27.6	43.0 82.4	28.7 52.9
股票風險之風險值	VAR for equity risk	2018 2017	1.7 1.4	1.2 0.7	7.0 5.3	2.7 2.6
商品風險之風險值	VAR for commodity risk	2018 2017	3.1 1.6	0.8 1.2	3.4 2.0	1.7 1.6

註：

1. 不包括結構性外匯敞口的風險值。

Note:

1. Structural FX positions have been excluded.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(A) 風險值 (續)

(A) VAR (continued)

雖然風險值是量度市場風險的一項重要指標，但也有其局限性，例如：

Although a valuable guide to market risk, VAR should always be viewed in the context of its limitations. For example:

- 採用歷史市場數據估計未來動態未能顧及所有可能出現的情況，尤其是一些極端情況；

- the use of historical market data as a proxy for estimating future events may not encompass all potential events, particularly those which are extreme in nature;

- 1天持有期的計算方法假設所有頭盤均可以在一日內套現或對沖。這項假設未必能完全反映市場風險，尤其在市場流通度極低時，可能未及在1天持有期內套現或對沖所有頭盤；

- the use of a one-day holding period assumes that all positions can be liquidated or hedged in one day. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to liquidate or hedge all positions fully;

- 根據定義，當採用99%置信水平時，即未有考慮在此置信水平以外或會出現的虧損；以及

- the use of a 99% confidence level, by definition, does not take into account losses that might occur beyond this level of confidence; and

- 風險值是以營業時間結束時的頭盤作計算基準，因此並不一定反映交易時段內的風險。

- VAR is calculated on the basis of exposures outstanding at the close of business and therefore does not necessarily reflect intra-day exposures.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(A) 風險值 (續)

(A) VAR (continued)

本集團充分了解風險值指標的局限性，因此，制定了壓力測試指標及限額以評估和管理風險值不能涵蓋的市場風險。市場風險壓力測試包括按不同風險因素改變的嚴峻程度所作的敏感性測試，以及對歷史事件的情景分析，如1987股災、1994債券市場危機、1997亞洲金融風暴、2001年美國911事件以及2008金融海嘯等。

The Group recognises these limitations by formulating stress test indicators and limits to assess and manage the market risk uncovered by VAR. The stress testing programme of the market risk includes sensitivity testing on changes in risk factors with various degrees of severity, as well as scenario analysis on historical events including the 1987 Equity Market Crash, 1994 Bond Market Crash, 1997 Asian Financial Crisis, 2001 9-11 event and 2008 Financial Tsunami, etc.

(B) 外匯風險

(B) Currency risk

本集團的資產及負債集中在港元、美元及人民幣等主要貨幣。為確保外匯風險承擔保持在可接受水平，本集團利用風險限額（例如頭盤及風險值限額）作為監控工具。此外，本集團致力於減少同一貨幣的資產與負債錯配，並通常利用外匯合約（例如外匯掉期）管理由外幣資產負債所產生的外匯風險。

The Group's assets and liabilities are denominated in major currencies, particularly HK Dollar, US Dollar and Renminbi. To ensure the currency risk exposure of the Group is kept to an acceptable level, risk limits (e.g. Position and VAR limit) are used to serve as a monitoring tool. Moreover, the Group seeks to minimise the gap between assets and liabilities in the same currency. Foreign exchange contracts (e.g. FX swaps) are usually used to manage FX risk associated with foreign currency-denominated assets and liabilities.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.2 市場風險 (續)

(B) 外匯風險 (續)

下表列出本集團因自營交易、非自營交易及結構性倉盤而產生之主要外幣風險額，並參照有關持有外匯情況之金管局報表的填報指示而編製。期權盤淨額乃根據所有外匯期權合約之「得爾塔加權持倉」為基礎計算。

3.2 Market risk (continued)

(B) Currency risk (continued)

The following is a summary of the Group's major foreign currency exposures arising from trading, non-trading and structural positions and is prepared with reference to the completion instructions for the HKMA return of foreign currency position. The net options position is calculated based on the basis of delta-weighted positions of all foreign exchange options contracts.

於 2018 年 6 月 30 日

At 30 June 2018

港幣百萬元等值

Equivalent in million of HK\$

		美元 US Dollars	英鎊 Pound Sterling	日圓 Japanese Yen	歐羅 Euro	人民幣 Renminbi	澳元 Australian Dollars	其他外幣 Other foreign currencies	外幣總額 Total foreign currencies
現貨資產	Spot assets	773,939	24,939	159,510	37,636	262,208	42,749	59,885	1,360,866
現貨負債	Spot liabilities	(715,897)	(16,542)	(11,049)	(20,072)	(284,307)	(23,697)	(60,867)	(1,132,431)
遠期買入	Forward purchases	981,978	20,154	22,959	54,219	433,691	18,302	93,004	1,624,307
遠期賣出	Forward sales	(1,039,499)	(28,594)	(171,267)	(71,566)	(410,282)	(37,309)	(92,362)	(1,850,879)
期權盤淨額	Net options position	1,521	(3)	(14)	(123)	(111)	(19)	(2)	1,249
長 / (短) 盤淨額	Net long/(short) position	2,042	(46)	139	94	1,199	26	(342)	3,112

於 2017 年 12 月 31 日

At 31 December 2017

港幣百萬元等值

Equivalent in million of HK\$

		美元 US Dollars	英鎊 Pound Sterling	日圓 Japanese Yen	歐羅 Euro	人民幣 Renminbi	澳元 Australian Dollars	其他外幣 Other foreign currencies	外幣總額 Total foreign currencies
現貨資產	Spot assets	773,651	23,799	90,147	52,554	332,350	42,746	47,941	1,363,188
現貨負債	Spot liabilities	(715,308)	(15,363)	(11,352)	(25,620)	(256,480)	(19,414)	(50,632)	(1,094,169)
遠期買入	Forward purchases	909,301	16,490	30,145	61,278	356,964	21,391	86,722	1,482,291
遠期賣出	Forward sales	(967,376)	(25,073)	(108,992)	(88,054)	(433,184)	(44,640)	(83,140)	(1,750,459)
期權盤淨額	Net options position	(684)	6	(6)	(48)	44	(14)	10	(692)
(短) / 長盤淨額	Net (short)/long position	(416)	(141)	(58)	110	(306)	69	901	159

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(B) 外匯風險 (續)

(B) Currency risk (continued)

於 2018 年 6 月 30 日

At 30 June 2018

港幣百萬元等值

Equivalent in million of HK\$

	美元 US Dollars	泰銖 Baht	馬來西亞 林吉特 Malaysian Ringgit	菲律賓 披索 Philippine Peso	其他外幣 Other foreign currencies	外幣總額 Total foreign currencies
結構性倉盤淨額 Net structural position	4,491	2,304	2,688	1,567	1,552	12,602

於 2017 年 12 月 31 日

At 31 December 2017

港幣百萬元等值

Equivalent in million of HK\$

	美元 US Dollars	泰銖 Baht	馬來西亞 林吉特 Malaysian Ringgit	菲律賓 披索 Philippine Peso	其他外幣 Other foreign currencies	外幣總額 Total foreign currencies
結構性倉盤淨額 Net structural position	3,531	2,350	2,651	-	1,015	9,547

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(C) 利率風險

(C) Interest rate risk

下表概述了本集團於2018年6月30日及2017年12月31日之資產負債表內的利率風險承擔。表內以賬面值列示資產及負債，並按合約重訂息率日期或到期日（以較早者為準）分類。

The tables below summarise the Group's on-balance sheet exposure to interest rate risk as at 30 June 2018 and 31 December 2017. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing date and maturity date.

		於2018年6月30日						
		At 30 June 2018						
		一個月內 Up to 1 month	一至 三個月 1 to 3 months	三至 十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non- interest bearing	總計 Total
		港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m
資產	Assets							
庫存現金及在銀行及其他金融機構之結餘及定期存放	Cash and balances and placements with banks and other financial institutions	287,407	27,373	32,591	-	-	27,132	374,503
以公平值變化計入損益之金融資產	Financial assets at fair value through profit or loss	7,268	7,006	10,737	9,720	4,517	111	39,359
衍生金融工具	Derivative financial instruments	-	-	-	-	-	39,940	39,940
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness	-	-	-	-	-	153,370	153,370
貸款及其他賬項	Advances and other accounts	963,311	223,090	36,078	32,286	6,109	7,199	1,268,073
證券投資	Investment in securities							
- 以公平值變化計入其他全面收益	- At FVOCI	69,504	172,750	131,565	165,480	64,468	1,219	604,986
- 以攤餘成本計量	- At amortised cost	699	855	5,444	39,831	11,801	-	58,630
聯營公司及合資企業權益	Interests in associates and joint ventures	-	-	-	-	-	455	455
投資物業	Investment properties	-	-	-	-	-	21,050	21,050
物業、器材及設備	Properties, plant and equipment	-	-	-	-	-	48,030	48,030
其他資產（包括遞延稅項資產）	Other assets (including deferred tax assets)	6,238	-	-	-	-	25,673	31,911
資產總額	Total assets	1,334,427	431,074	216,415	247,317	86,895	324,179	2,640,307

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(C) 利率風險 (續)

(C) Interest rate risk (continued)

於 2018 年 6 月 30 日

At 30 June 2018

		一個月內 Up to 1 month	一至 三個月 1 to 3 months	三至 十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non- interest bearing	總計 Total
		港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m
負債	Liabilities							
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation	-	-	-	-	-	153,370	153,370
銀行及其他金融機構之存款及 結餘	Deposits and balances from banks and other financial institutions	210,695	1,681	875	460	-	23,472	237,183
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	5,422	5,875	2,797	1,319	499	-	15,912
衍生金融工具	Derivative financial instruments	-	-	-	-	-	31,535	31,535
客戶存款	Deposits from customers	1,294,853	229,357	161,512	1,133	-	175,085	1,861,940
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	1,390	13,813	374	-	-	-	15,577
其他賬項及準備 (包括應付稅項 及遞延稅項負債)	Other accounts and provisions (including current and deferred tax liabilities)	19,664	-	-	-	-	45,488	65,152
後償負債	Subordinated liabilities	-	63	-	20,611	-	-	20,674
負債總額	Total liabilities	1,532,024	250,789	165,558	23,523	499	428,950	2,401,343
利率敏感度缺口	Interest sensitivity gap	(197,597)	180,285	50,857	223,794	86,396	(104,771)	238,964

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(C) 利率風險 (續)

(C) Interest rate risk (continued)

於 2017 年 12 月 31 日

At 31 December 2017

	一個月內 Up to 1 month	一至 三個月 1 to 3 months	三至 十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non- interest bearing	總計 Total
	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m
資產	Assets						
庫存現金及在銀行及其他金融機構之結餘及定期存放							
以公平值變化計入損益之金融資產							
衍生金融工具							
香港特別行政區政府負債證明書							
貸款及其他賬項							
證券投資							
- 可供出售證券							
- 持有至到期日證券							
- 貸款及應收款							
聯營公司及合資企業權益							
投資物業							
物業、器材及設備							
其他資產 (包括遞延稅項資產)							
資產總額	1,384,481	292,214	217,597	217,302	102,901	305,302	2,519,797

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.2 市場風險 (續)

3.2 Market risk (continued)

(C) 利率風險 (續)

(C) Interest rate risk (continued)

於 2017 年 12 月 31 日

At 31 December 2017

		一個月內 Up to 1 month	一至 三個月 1 to 3 months	三至 十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non- interest bearing	總計 Total
		港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m
負債	Liabilities							
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation	-	-	-	-	-	146,200	146,200
銀行及其他金融機構之存款及 結餘	Deposits and balances from banks and other financial institutions	184,793	6,290	380	825	-	30,252	222,540
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	7,102	4,116	7,068	955	479	-	19,720
衍生金融工具	Derivative financial instruments	-	-	-	-	-	30,982	30,982
客戶存款	Deposits from customers	1,337,309	160,670	140,524	1,263	-	138,422	1,778,188
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	7,091	1,971	12,579	-	-	-	21,641
其他賬項及準備 (包括應付稅項 及遞延稅項負債)	Other accounts and provisions (including current and deferred tax liabilities)	17,534	-	-	-	-	33,046	50,580
後償負債	Subordinated liabilities	-	-	63	18,917	-	-	18,980
負債總額	Total liabilities	1,553,829	173,047	160,614	21,960	479	378,902	2,288,831
利率敏感度缺口	Interest sensitivity gap	(169,348)	119,167	56,983	195,342	102,422	(73,600)	230,966

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.3 流動資金風險

3.3 Liquidity risk

(A) 流動性覆蓋比率及穩定資金淨額比率

(A) Liquidity coverage ratio and net stable funding ratio

		2018	2017
流動性覆蓋比率的平均值	Average value of liquidity coverage ratio		
- 第一季度	- First quarter	134.33%	121.41%
- 第二季度	- Second quarter	<u>146.39%</u>	<u>123.88%</u>

流動性覆蓋比率的平均值是基於該季度的每個工作日終結時的流動性覆蓋比率的算術平均數及有關流動性狀況之金管局報表列明的計算方法及指示計算。

Average value of liquidity coverage ratio is calculated based on the arithmetic mean of the liquidity coverage ratio as at the end of each working day in the quarter and the calculation methodology and instructions set out in the HKMA return of liquidity position.

		2018
穩定資金淨額比率的季度終結值	Quarter-end value of net stable funding ratio	
- 第一季度	- First quarter	118.98%
- 第二季度	- Second quarter	<u>118.82%</u>

穩定資金淨額比率的季度終結值是基於有關穩定資金狀況之金管局報表列明的計算方法及指示計算。

Quarter-end value of net stable funding ratio is calculated based on the calculation methodology and instructions set out in the HKMA return of stable funding position.

流動性覆蓋比率及穩定資金淨額比率是以綜合基礎計算，並根據《銀行業（流動性）規則》由中銀香港及其部分金管局指定之附屬公司組成。

Liquidity coverage ratio and net stable funding ratio are computed on the consolidated basis which comprise the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Liquidity) Rules.

有關流動性覆蓋比率及穩定資金淨額比率披露的補充資料可於中銀香港網頁 www.bochk.com 中「監管披露」一節瀏覽。

The additional information of liquidity coverage ratio and net stable funding ratio disclosures is available under section "Regulatory Disclosures" on BOCHK's website at www.bochk.com.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.3 流動資金風險 (續)

3.3 Liquidity risk (continued)

(B) 到期日分析

(B) Maturity analysis

下表為本集團於2018年6月30日及2017年12月31日之資產及負債的到期日分析，按於結算日時，資產及負債相距合約到期日的剩餘期限分類。

The tables below analyse the Group's assets and liabilities as at 30 June 2018 and 31 December 2017 into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

		於2018年6月30日 At 30 June 2018							
		即期 On demand	一個月內 Up to 1 month	一至 三個月 1 to 3 months	三至 十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不確定 日期 Indefinite	總計 Total
		港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m
資產	Assets								
庫存現金及在銀行及其他金融機構之結餘及定期存放	Cash and balances and placements with banks and other financial institutions	199,819	114,720	27,373	32,591	-	-	-	374,503
以公平值變化計入損益之金融資產	Financial assets at fair value through profit or loss	-	7,066	6,686	10,762	10,249	4,485	111	39,359
衍生金融工具	Derivative financial instruments	11,295	4,344	3,809	7,017	8,247	5,228	-	39,940
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness	153,370	-	-	-	-	-	-	153,370
貸款及其他賬項	Advances and other accounts	149,781	43,438	67,527	187,184	563,142	255,192	1,809	1,268,073
證券投資	Investment in securities	-	-	-	-	-	-	-	-
- 以公平值變化計入其他全面收益	- At FVOCI	-	59,126	142,499	134,901	201,846	65,395	1,219	604,986
- 以攤餘成本計量	- At amortised cost	-	824	855	5,641	39,541	11,769	-	58,630
聯營公司及合資企業權益	Interests in associates and joint ventures	-	-	-	-	-	-	455	455
投資物業	Investment properties	-	-	-	-	-	-	21,050	21,050
物業、器材及設備	Properties, plant and equipment	-	-	-	-	-	-	48,030	48,030
其他資產 (包括遞延稅項資產)	Other assets (including deferred tax assets)	14,678	16,112	105	859	127	-	30	31,911
資產總額	Total assets	528,943	245,630	248,854	378,955	823,152	342,069	72,704	2,640,307

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.3 流動資金風險 (續)

3.3 Liquidity risk (continued)

(B) 到期日分析 (續)

(B) Maturity analysis (continued)

		於 2018 年 6 月 30 日 At 30 June 2018							
		即期	一個月內	一至三個月	三至十二個月	一至五年	五年以上	不確定日期	總計
		On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Total
		港幣 百萬元	港幣 百萬元	港幣 百萬元	港幣 百萬元	港幣 百萬元	港幣 百萬元	港幣 百萬元	港幣 百萬元
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
負債	Liabilities								
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation	153,370	-	-	-	-	-	-	153,370
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions	188,065	46,102	1,681	875	460	-	-	237,183
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	-	5,422	5,879	2,798	1,318	495	-	15,912
衍生金融工具	Derivative financial instruments	6,570	3,719	3,573	7,044	6,701	3,928	-	31,535
客戶存款	Deposits from customers	1,068,904	401,034	229,357	161,512	1,133	-	-	1,861,940
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	-	1,390	13,813	374	-	-	-	15,577
其他賬項及準備 (包括應付稅項及遞延稅項負債)	Other accounts and provisions (including current and deferred tax liabilities)	30,015	21,972	282	5,945	6,931	7	-	65,152
後償負債	Subordinated liabilities	-	-	439	-	20,235	-	-	20,674
負債總額	Total liabilities	1,446,924	479,639	255,024	178,548	36,778	4,430	-	2,401,343
流動資金缺口	Net liquidity gap	(917,981)	(234,009)	(6,170)	200,407	786,374	337,639	72,704	238,964

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.3 流動資金風險 (續) 3.3 Liquidity risk (continued)

(B) 到期日分析 (續) (B) Maturity analysis (continued)

於 2017 年 12 月 31 日
At 31 December 2017

	即期 On demand	一個月內 Up to 1 month	一至 三個月 1 to 3 months	三至 十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不確定 日期 Indefinite	總計 Total
	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m	港幣 百萬元 HK\$m
資產	Assets							
庫存現金及在銀行及其他金融機構之結餘及定期存放	248,691	110,236	37,363	21,864	-	-	7,413	425,567
以公平值變化計入損益之金融資產	-	10,075	8,464	17,516	9,219	4,436	488	50,198
衍生金融工具	10,492	4,148	4,101	6,725	5,521	2,631	-	33,618
香港特別行政區政府負債證明書	146,200	-	-	-	-	-	-	146,200
貸款及其他賬項	128,491	35,145	69,476	184,172	525,761	244,761	2,126	1,189,932
證券投資	-	61,044	72,363	121,314	197,149	93,524	946	546,340
- 可供出售證券	-	1,269	2,439	7,441	17,596	858	-	29,603
- 持有至到期日證券	-	-	499	-	-	-	-	499
- 貸款及應收款	-	-	-	-	-	-	-	-
聯營公司及合資企業權益	-	-	-	-	-	-	415	415
投資物業	-	-	-	-	-	-	19,949	19,949
物業、器材及設備	-	-	-	-	-	-	46,919	46,919
其他資產 (包括遞延稅項資產)	11,677	18,119	185	481	58	-	37	30,557
資產總額	545,551	240,036	194,890	359,513	755,304	346,210	78,293	2,519,797

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.3 流動資金風險 (續) 3.3 Liquidity risk (continued)

(B) 到期日分析 (續) (B) Maturity analysis (continued)

		於 2017 年 12 月 31 日							
		At 31 December 2017							
		即期	一個月內	一至三個月	三至十二個月	一至五年	五年以上	不確定日期	總計
		On demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite	Total
		港幣	港幣	港幣	港幣	港幣	港幣	港幣	港幣
		百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
		HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
負債	Liabilities								
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation	146,200	-	-	-	-	-	-	146,200
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions	173,065	41,044	7,226	380	825	-	-	222,540
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	-	7,102	4,118	7,070	954	476	-	19,720
衍生金融工具	Derivative financial instruments	6,668	5,585	5,024	6,779	4,629	2,297	-	30,982
客戶存款	Deposits from customers	1,119,936	355,795	160,670	140,524	1,263	-	-	1,778,188
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	-	7,091	1,971	12,579	-	-	-	21,641
其他賬項及準備 (包括應付稅項及遞延稅項負債)	Other accounts and provisions (including current and deferred tax liabilities)	23,560	15,303	2,079	2,853	6,777	8	-	50,580
後償負債	Subordinated liabilities	-	-	422	16	18,542	-	-	18,980
負債總額	Total liabilities	1,469,429	431,920	181,510	170,201	32,990	2,781	-	2,288,831
流動資金缺口	Net liquidity gap	(923,878)	(191,884)	13,380	189,312	722,314	343,429	78,293	230,966

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.3 流動資金風險 (續)

3.3 Liquidity risk (continued)

(B) 到期日分析 (續)

(B) Maturity analysis (continued)

上述到期日分類乃按照《銀行業(披露)規則》之相關條文而編製。本集團將逾期不超過 1 個月之資產，例如貸款及債務證券列為「即期」資產。對於按不同款額或分期償還之資產，只有該資產中實際逾期之部分被視作逾期。其他未到期之部分仍繼續根據剩餘期限分類，但假若對該資產之償還存有疑慮，則將該等款項列為「不確定日期」。上述列示之資產已扣除任何相關準備(如有)。

按尚餘到期日對債務證券之分析是根據合約到期日分類。所作披露不代表此等證券將持有至到期日。

The above maturity classifications have been prepared in accordance with relevant provisions under the Banking (Disclosure) Rules. The Group has reported assets such as advances and debt securities which have been overdue for not more than one month as "On demand". In the case of an asset that is repayable by different payments or instalments, only that portion of the asset that is actually overdue is reported as overdue. Any part of the asset that is not due is reported according to the residual maturity unless the repayment of the asset is in doubt in which case the amount is reported as "Indefinite". The above assets are stated after deduction of provisions, if any.

The analysis of debt securities by remaining period to maturity is based on contractual maturity date. The disclosure does not imply that the securities will be held to maturity.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.4 資本管理

3.4 Capital management

本集團已採用基礎內部評級基準計算法計算大部分非證券化類別風險承擔的信貸風險資本要求，並使用內部評級基準（證券化）計算法計算證券化類別風險承擔的信貸風險資本要求。剩餘小部分信貸風險承擔，包括海外子行和分行的信貸風險承擔按標準（信貸風險）計算法計算。本集團採用標準信貸估值調整方法，計算具有信貸估值調整風險的交易對手資本要求。本集團繼續採用內部模式計算法計算外匯及利率的一般市場風險資本要求，並獲金管局批准豁免計算結構性外匯敞口產生的市場風險資本要求。本集團繼續採用標準（市場風險）計算法計算其餘市場風險資本要求。本集團繼續採用標準（業務操作風險）計算法計算操作風險資本要求。

The Group has adopted the foundation internal ratings-based (“FIRB”) approach to calculate the credit risk capital charge for the majority of its non-securitisation exposures and the internal ratings-based (securitisation) approach to calculate the credit risk capital charge for its securitisation exposures. A small residual credit exposures which includes the credit exposures of overseas subsidiaries and branches are remained under the standardised (credit risk) (“STC”) approach. The Group has adopted the standardised credit valuation adjustment (“CVA”) method to calculate the capital charge for the CVA risk of the counterparty. The Group continues to adopt the internal models (“IMM”) approach to calculate the general market risk capital charge for foreign exchange and interest rate exposures and, with the approval from the HKMA, exclude its structural FX positions in the calculation of the market risk capital charge. The Group continues to adopt the standardised (market risk) (“STM”) approach to calculate the market risk capital charge for the remaining exposures. The Group continues to adopt the standardised (operational risk) (“STO”) approach to calculate the operational risk capital charge.

(A) 監管綜合基礎

(A) Basis of regulatory consolidation

監管規定的綜合基礎乃根據《銀行業（資本）規則》由中銀香港及其部分金管局指定之附屬公司組成。在會計處理方面，則按照香港財務報告準則綜合附屬公司，其名單載於「附錄－本銀行之附屬公司」。

The consolidation basis for regulatory purposes comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules. For accounting purposes, subsidiaries are consolidated in accordance with HKFRSs and the list of subsidiaries is set out in “Appendix – Subsidiaries of the Bank”.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.4 資本管理 (續)

3.4 Capital management (continued)

(A) 監管綜合基礎 (續)

(A) Basis of regulatory consolidation (continued)

包括在會計準則綜合範圍，而不包括在監管規定綜合範圍內的附屬公司之詳情如下：

The particulars of subsidiaries which are included within the accounting scope of consolidation but not included within the regulatory scope of consolidation are as follows:

名稱	Name	於 2018 年 6 月 30 日 At 30 June 2018		於 2017 年 12 月 31 日 At 31 December 2017	
		資產總額 Total assets 港幣百萬元 HK\$'m	資本總額 Total equity 港幣百萬元 HK\$'m	資產總額 Total assets 港幣百萬元 HK\$'m	資本總額 Total equity 港幣百萬元 HK\$'m
中銀集團信託人有限公司	BOC Group Trustee Company Limited	200	200	200	200
中銀國際英國保誠信託有限公司	BOCI-Prudential Trustee Limited	516	444	506	464
China Bridge (Malaysia) Sdn. Bhd.	China Bridge (Malaysia) Sdn. Bhd.	20	14	37	31
中國銀行(香港)代理人有限公司	Bank of China (Hong Kong) Nominees Limited	-	-	-	-
中國銀行(香港)信託有限公司	Bank of China (Hong Kong) Trustees Limited	11	11	15	15
中銀信息科技(深圳)有限公司	BOCHK Information Technology (Shenzhen) Co., Ltd.	393	254	355	238
中銀信息技術服務(深圳)有限公司	BOCHK Information Technology Services (Shenzhen) Co., Ltd.	384	348	366	312
浙興(代理人)有限公司	Che Hsing (Nominees) Limited	1	1	1	1
寶生金融投資服務有限公司	Po Sang Financial Investment Services Company Limited	361	346	363	346
寶生證券及期貨有限公司	Po Sang Securities and Futures Limited	843	536	990	511
新僑企業有限公司	Sin Chiao Enterprises Corporation, Limited	7	7	7	7
新華信託有限公司	Sin Hua Trustee Limited	7	6	4	4
Billion Express Development Inc.	Billion Express Development Inc.	-	-	-	-
Billion Orient Holdings Ltd.	Billion Orient Holdings Ltd.	-	-	-	-
Elite Bond Investments Ltd.	Elite Bond Investments Ltd.	-	-	-	-
Express Capital Enterprise Inc.	Express Capital Enterprise Inc.	-	-	-	-

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.4 資本管理 (續)

3.4 Capital management (continued)

(A) 監管綜合基礎 (續)

(A) Basis of regulatory consolidation (continued)

名稱	Name	於 2018 年 6 月 30 日 At 30 June 2018		於 2017 年 12 月 31 日 At 31 December 2017	
		資產總額	資本總額	資產總額	資本總額
		Total assets	Total equity	Total assets	Total equity
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
		HK\$m	HK\$m	HK\$m	HK\$m
Express Charm Holdings Corp.	Express Charm Holdings Corp.	-	-	-	-
Express Shine Assets Holdings Corp.	Express Shine Assets Holdings Corp.	-	-	-	-
Express Talent Investment Ltd.	Express Talent Investment Ltd.	-	-	-	-
Gold Medal Capital Inc.	Gold Medal Capital Inc.	-	-	-	-
Gold Tap Enterprises Inc.	Gold Tap Enterprises Inc.	-	-	-	-
Maxi Success Holdings Ltd.	Maxi Success Holdings Ltd.	-	-	-	-
Smart Linkage Holdings Inc.	Smart Linkage Holdings Inc.	-	-	-	-
Smart Union Capital Investments Ltd.	Smart Union Capital Investments Ltd.	-	-	-	-
Success Trend Development Ltd.	Success Trend Development Ltd.	-	-	-	-
Wise Key Enterprises Corp.	Wise Key Enterprises Corp.	-	-	-	-

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續) 3. Financial risk management (continued)

3.4 資本管理 (續)

3.4 Capital management (continued)

(A) 監管綜合基礎 (續)

(A) Basis of regulatory consolidation (continued)

以上附屬公司的主要業務載於「附錄—本銀行之附屬公司」。

The principal activities of the above subsidiaries are set out in "Appendix – Subsidiaries of the Bank".

於 2018 年 6 月 30 日，並無任何附屬公司只包括在監管規定綜合範圍，而不包括在會計準則綜合範圍（2017 年 12 月 31 日：無）。

There were no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation as at 30 June 2018 (31 December 2017: Nil).

於 2018 年 6 月 30 日，亦無任何附屬公司同時包括在會計準則和監管規定綜合範圍而使用不同綜合方法（2017 年 12 月 31 日：無）。

There were also no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation where the methods of consolidation differ as at 30 June 2018 (31 December 2017: Nil).

本集團在不同國家／地區經營附屬公司，這些公司的資本須受當地規則監管，而本集團成員公司之間相互轉讓資金或監管資本，亦可能受到限制。

The Group operates subsidiaries in different countries/regions where capital is governed by local rules and there may be restrictions on the transfer of funds or regulatory capital between the members of the Group.

(B) 資本比率

(B) Capital ratio

資本比率分析如下：

The capital ratios are analysed as follows:

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
普通股權一級資本比率	CET1 capital ratio	16.62%	16.52%
一級資本比率	Tier 1 capital ratio	16.62%	16.52%
總資本比率	Total capital ratio	20.12%	20.39%

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.4 資本管理 (續)

3.4 Capital management (continued)

(B) 資本比率 (續)

(B) Capital ratio (continued)

用於計算以上資本比率之扣減後的綜合資本基礎分析如下：

The consolidated capital base after deductions used in the calculation of the above capital ratios is analysed as follows:

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$'m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$'m
普通股權一級(CET1)資本：票據及儲備	CET1 capital: instruments and reserves		
直接發行的合資格 CET1 資本票據加任何相關的股份溢價	Directly issued qualifying CET1 capital instruments	43,043	43,043
保留溢利	Retained earnings	150,453	142,208
已披露的儲備	Disclosed reserves	44,667	43,673
由綜合銀行附屬公司發行並由第三方持有的 CET1 資本票據產生的少數股東權益（可計入綜合集團的 CET1 資本的數額）	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	-
監管調整之前的 CET1 資本	CET1 capital before regulatory adjustments	238,163	228,924
CET1 資本：監管扣減	CET1 capital: regulatory deductions		
估值調整	Valuation adjustments	(18)	(12)
遞延稅項資產（已扣除相聯的遞延稅項負債）	Deferred tax assets (net of associated deferred tax liabilities)	(107)	(51)
按公平價值估值的負債因本身的信用風險變動所產生的損益	Gains and losses due to changes in own credit risk on fair valued liabilities	241	(69)
因土地及建築物（自用及投資用途）進行價值重估而產生的累積公平價值收益	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	(50,831)	(48,556)
一般銀行業務風險監管儲備	Regulatory reserve for general banking risks	(10,746)	(10,224)
對 CET1 資本的監管扣減總額	Total regulatory deductions to CET1 capital	(61,461)	(58,912)
CET1 資本	CET1 capital	176,702	170,012

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.4 資本管理 (續)

3.4 Capital management (continued)

(B) 資本比率 (續)

(B) Capital ratio (continued)

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
AT1 資本：票據 由綜合銀行附屬公司發行並由第三方持有的 AT1 資本票據 (可計入綜合集團的 AT1 資本的數額)	AT1 capital: instruments AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	-
AT1 資本	AT1 capital	-	-
一級資本	Tier 1 capital	176,702	170,012
二級資本：票據及準備金 須從二級資本逐步遞減的資本票據 由綜合銀行附屬公司發行並由第三方持有的二級資本票據 (可計入綜合集團的二級資本的數額) 合資格計入二級資本的集體準備金及一般銀行業務風險監管儲備	Tier 2 capital: instruments and provisions Capital instruments subject to phase out arrangements from Tier 2 capital Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group) Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	7,717 - 6,546	11,576 - 6,390
監管扣減之前的二級資本	Tier 2 capital before regulatory deductions	14,263	17,966
二級資本：監管扣減 加回合資格計入二級資本的因土地及建築物 (自用及投資用途) 進行價值重估而產生的累積公平價值收益	Tier 2 capital: regulatory deductions Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	22,874	21,850
對二級資本的監管扣減總額	Total regulatory adjustments to Tier 2 capital	22,874	21,850
二級資本	Tier 2 capital	37,137	39,816
監管資本總額	Total regulatory capital	213,839	209,828

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

3. 金融風險管理 (續)

3. Financial risk management (continued)

3.4 資本管理 (續)

3.4 Capital management (continued)

(B) 資本比率 (續)

(B) Capital ratio (continued)

緩衝資本比率分析如下：

The capital buffer ratios are analysed as follows:

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
防護緩衝資本比率	Capital conservation buffer ratio	<u>1.875%</u>	<u>1.250%</u>
較高吸收虧損能力 比率	Higher loss absorbency ratio	<u>1.125%</u>	<u>0.750%</u>
逆周期緩衝資本比率	Countercyclical capital buffer ratio	<u>1.403%</u>	<u>0.934%</u>

有關資本比率披露的補充資料可於中銀香港網頁 www.bochk.com 中「監管披露」一節瀏覽。

The additional information of capital ratio disclosures is available under section "Regulatory Disclosures" on BOCHK's website at www.bochk.com.

(C) 槓桿比率

(C) Leverage ratio

槓桿比率分析如下：

The leverage ratio is analysed as follows:

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
一級資本	Tier 1 capital	<u>176,702</u>	<u>170,012</u>
槓桿比率風險承擔	Leverage ratio exposure	<u>2,558,199</u>	<u>2,461,068</u>
槓桿比率	Leverage ratio	<u>6.91%</u>	<u>6.91%</u>

有關槓桿比率披露的補充資料可於中銀香港網頁 www.bochk.com 中「監管披露」一節瀏覽。

The additional information of leverage ratio disclosures is available under section "Regulatory Disclosures" on BOCHK's website at www.bochk.com.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平價值 4. Fair values of financial assets and liabilities

所有以公平值計量或在財務報表內披露的金融工具，均按香港財務報告準則第13號「公平值計量」的定義，於公平值層級表內分類。該等分類乃參照估值方法所採用的因素之可觀察性及重大性，並基於對整體公平值計量有重大影響之最低層級因素來釐定：

- 第一層級：相同資產或負債在活躍市場中的報價（未經調整）。此層級包括在交易所上市的股份證券、部分政府發行的債務工具及若干場內交易的衍生合約。
- 第二層級：乃基於估值技術所採用的最低層級因素（同時需對整體公平值計量有重大影響）可被直接或間接地觀察。此層級包括大部分場外交易的衍生合約、從估值服務供應商獲取價格的債務證券及存款證、發行的結構性存款，以及其他債務工具。
- 第三層級：乃基於估值技術所採用的最低層級因素（同時需對整體公平值計量有重大影響）屬不可被觀察。此層級包括有重大不可觀察因素的股份投資、債務工具及若干場外交易的衍生合約。

All financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as defined in HKFRS 13, "Fair value measurement". The categorisation are determined with reference to the observability and significance of the inputs used in the valuation methods and based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes equity securities listed on exchange, debt instruments issued by certain governments and certain exchange-traded derivative contracts.
- Level 2: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly. This category includes majority of the over-the-counter ("OTC") derivative contracts, debt securities and certificates of deposit with quote from pricing services vendors, issued structured deposits and other debt instruments.
- Level 3: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This category includes equity investment, debt instruments and certain OTC derivative contracts with significant unobservable components.

中期財務資料附註 Notes to the Interim Financial Information (continued) (續)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

對於以重複基準確認於財務報表的金融工具，本集團會於每一財務報告週期的結算日重新評估其分類（基於對整體公平值計量有重大影響之最低層級因素），以確定有否在公平值層級之間發生轉移。

For financial instruments that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.1 以公平值計量的金融工具

4.1 Financial instruments measured at fair value

本集團建立了完善的公平值管治及控制架構，公平值數據由獨立於前線的控制單位確定或核實。各控制單位負責獨立核實前線業務之估值結果及重大公平值數據。其他特定控制程序包括核實可觀察的估值參數、審核新的估值模型及任何模型改動、根據可觀察的市場交易價格校準及回顧測試所採用的估值模型、深入分析日常重大估值變動、評估重大不可觀察估值參數及估值調整。重大估值事項將向高層管理人員、風險委員會及審計委員會匯報。

The Group has an established governance structure and controls framework to ensure that fair values are either determined or validated by control units independent of the front offices. Control units have overall responsibility for independent verification of valuation results from front line businesses and all other significant fair value measurements. Specific controls include verification of observable pricing inputs; review and approval for new models and changes to models; calibration and back-testing of models against observed market transactions; analysis and investigation of significant daily valuation movements; review of significant unobservable inputs and valuation adjustments. Significant valuation issues are reported to senior management, Risk Committee and Audit Committee.

一般而言，金融工具以單一工具為計量基礎。香港財務報告準則第 13 號允許在滿足特定條件的前提下，可以選用會計政策以同一投資組合下的金融資產及金融負債的淨敞口作為公平值的計量基礎。本集團的估值調整以單一工具為基礎，與金融工具的計量基礎一致。根據衍生金融工具的風險管理政策及系統，一些滿足特定條件的組合的公平值是按其淨敞口所獲得或支付的價格計量。組合層面的估值調整按照單一工具對於投資組合的相對比重分配到單一資產或負債。

Generally, the unit of account for a financial instrument is the individual instrument. HKFRS 13 permits a portfolio exception, through an accounting policy election, to measure the fair value of a portfolio of financial assets and financial liabilities on the basis of the net open risk position when certain criteria are met. The Group applies valuation adjustments at an individual instrument level, consistent with that unit of account. According to its risk management policies and systems to manage derivative financial instruments, the fair value of certain derivative portfolios that meet those criteria is measured on the basis of the price to be received or paid for net open risk. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative size of each of the individual instruments in the portfolio.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平價值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續)

當無法從公開市場獲取報價時，本集團通過一些估值技術或經紀／交易商之詢價來確定金融工具的公平值。

對於本集團所持有的金融工具，其估值技術使用的主要參數包括債券價格、利率、匯率、權益及股票價格、商品價格、波幅及相關系數、交易對手信貸利差及其他等，主要為可從公開市場觀察及獲取的參數。

用以釐定以下金融工具公平值的估值方法如下：

債務證券及存款證及其他債務工具

此類工具的公平值由交易所、交易商或外間獨立估值服務供應商提供的市場報價或使用貼現現金流模型分析而決定。貼現現金流模型是一個利用預計未來現金流，以一個可反映市場上相類似風險的工具所需信貸息差之貼現率或貼現差額計量而成現值的估值技術。這些參數是市場上可觀察或由可觀察或不可觀察的市場數據證實。

資產抵押債券

這類工具由外間獨立第三者提供報價。有關的估值視乎交易性質以市場標準的現金流模型及估值參數(包括可觀察或由近似發行的價格矩陣編輯而成的貼現率差價、違約及收回率、及提前預付率)估算。

4.1 Financial instruments measured at fair value (continued)

The Group uses valuation techniques or broker/dealer quotations to determine the fair value of financial instruments when unable to obtain the open market quotation in active markets.

The main parameters used in valuation techniques for financial instruments held by the Group include bond prices, interest rates, foreign exchange rates, equity and stock prices, commodity prices, volatilities and correlations, counterparty credit spreads and others, which are mostly observable and obtainable from open market.

The technique used to calculate the fair value of the following financial instruments is as below:

Debt securities and certificates of deposit and other debt instruments

The fair value of these instruments is determined by obtaining quoted market prices from exchange, dealer or independent pricing service vendors or using discounted cash flow technique. Discounted cash flow model is a valuation technique that measures present value using estimated expected future cash flows from the instruments and then discounts these flows using a discount rate or discount margin that reflects the credit spreads required by the market for instruments with similar risk. These inputs are observable or can be corroborated by observable or unobservable market data.

Asset backed securities

For this class of instruments, external prices are obtained from independent third parties. The valuation of these securities, depending on the nature of transaction, is estimated from market standard cash flow models with input parameter which include spreads to discount rates, default and recovery rates and prepayment rates that may be observable or compiled through matrix pricing for similar issues.

中期財務資料附註 Notes to the Interim Financial Information (continued) (續)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續)

衍生工具

場外交易的衍生工具合約包括外匯、利率、股票、商品或信貸的遠期、掉期及期權合約。衍生工具合約的價格主要由貼現現金流模型及期權計價模型等估值技術釐定。所使用的參數為可觀察或不可觀察市場數據。可觀察的參數包括利率、匯率、權益及股票價格、商品價格、信貸違約掉期利差、波幅及相關系數。不可觀察的參數可用於嵌藏於結構性存款中非交易頻繁的期權類產品。對一些複雜的衍生工具合約，公平值將按經紀／交易商之報價為基礎。

本集團對場外交易的衍生工具作出了信貸估值調整及債務估值調整。調整分別反映對市場因素變化、交易對手信譽及本集團自身信貸息差的期望。有關調整主要是按每一交易對手，以未來預期敞口、違約率及收回率釐定。

界定為以公平值變化計入損益之金融負債

這類工具包括若干嵌藏衍生工具的客戶存款。非結構性合約的估值方法與前述債務證券估值方法相近。結構性存款的公平值則由基本存款及嵌藏衍生工具的公平值組合而成。存款的公平值考慮本集團自身的信貸風險並利用貼現現金流分析估算。嵌藏衍生工具的公平值與前述衍生工具的估值方法相近。

4.1 Financial instruments measured at fair value (continued)

Derivatives

OTC derivative contracts include forward, swap and option contracts on foreign exchange, interest rate, equity, commodity or credit. The fair values of these contracts are mainly measured using valuation techniques such as discounted cash flow models and option pricing models. The inputs can be observable or unobservable market data. Observable inputs include interest rate, foreign exchange rates, equity and stock prices, commodity prices, credit default swap spreads, volatilities and correlations. Unobservable inputs may be used for less commonly traded option products which are embedded in structured deposits. For certain complex derivative contracts, the fair values are determined based on broker/dealer price quotations.

Credit valuation adjustments ("CVAs") and debit valuation adjustments ("DVAs") are applied to the Group's OTC derivatives. These adjustments reflect market factors movement, expectations of counterparty creditworthiness and the Group's own credit spread respectively. They are mainly determined for each counterparty and are dependent on expected future values of exposures, default probabilities and recovery rates.

Financial liabilities designated at fair value through profit or loss

This class of instruments includes certain deposits received from customers that are embedded with derivatives. The plain vanilla contracts are valued in the similar way described in previous debt securities section. The fair value of structured deposits is derived from the fair value of the underlying deposit by using discounted cash flow analysis taking the Group's own credit risk into account, and the fair value of the embedded derivatives determined as described in the paragraph above on derivatives.

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續)

4.1 Financial instruments measured at fair value (continued)

後償負債

Subordinated liabilities

後償票據之公平值是按市場價格或經紀/交易商之報價為基礎。

Fair value for subordinated notes is based on market prices or broker/dealer price quotations.

(A) 公平值的等級

(A) Fair value hierarchy

		於 2018 年 6 月 30 日 At 30 June 2018			
		第一層級 Level 1	第二層級 Level 2	第三層級 Level 3	總計 Total
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
金融資產	Financial assets				
交易性資產 (附註 18)	Trading assets (Note 18)				
- 債務證券及存款證	- Debt securities and certificates of deposit	249	31,091	-	31,340
- 股份證券	- Equity securities	111	-	-	111
- 其他債務工具	- Other debt instruments	-	4,000	-	4,000
其他強制分類為以公平值變化計入損益之金融資產 (附註 18)	Other financial assets mandatorily classified at fair value through profit or loss (Note 18)				
- 債務證券及存款證	- Debt securities and certificates of deposit	-	759	-	759
界定為以公平值變化計入損益之金融資產 (附註 18)	Financial assets designated at fair value through profit or loss (Note 18)				
- 債務證券及存款證	- Debt securities and certificates of deposit	685	2,464	-	3,149
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	11,581	28,357	2	39,940
以公平值變化計入其他全面收益之證券投資 (附註 21)	Investment in securities at FVOCI (Note 21)				
- 債務證券及存款證	- Debt securities and certificates of deposit	184,174	419,593	-	603,767
- 股份證券	- Equity securities	-	317	902	1,219

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續) 4.1 Financial instruments measured at fair value (continued)

(A) 公平值的等級 (續)

(A) Fair value hierarchy (continued)

		於 2018 年 6 月 30 日 At 30 June 2018			
		第一層級 Level 1	第二層級 Level 2	第三層級 Level 3	總計 Total
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
金融負債	Financial liabilities				
以公平值變化計入損益之金融負債 (附註 25)	Financial liabilities at fair value through profit or loss (Note 25)				
- 交易性負債	- Trading liabilities	-	13,337	-	13,337
- 界定為以公平值變化計入損益之金融負債	- Financial liabilities designated at fair value through profit or loss	-	2,575	-	2,575
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	6,632	24,903	-	31,535
後償負債 (附註 30)	Subordinated liabilities (Note 30)				
- 後償票據	- Subordinated notes	-	20,611	-	20,611

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續) 4.1 Financial instruments measured at fair value (continued)

(A) 公平值的等級 (續)

(A) Fair value hierarchy (continued)

		於 2017 年 12 月 31 日 At 31 December 2017			
		第一層級 Level 1	第二層級 Level 2	第三層級 Level 3	總計 Total
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
金融資產	Financial assets				
交易性資產 (附註 18)	Trading assets (Note 18)				
- 債務證券及 存款證	- Debt securities and certificates of deposit	1,947	40,904	-	42,851
- 股份證券	- Equity securities	203	-	-	203
- 其他債務工具	- Other debt instruments	-	6,859	-	6,859
界定為以公平值變化計 入損益之金融資產 (附註 18)	Financial assets designated at fair value through profit or loss (Note 18)				
- 基金	- Fund	-	161	124	285
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	10,510	23,108	-	33,618
可供出售證券 (附註 21)	Available-for-sale securities (Note 21)				
- 債務證券及 存款證	- Debt securities and certificates of deposit	111,552	433,842	-	545,394
- 股份證券	- Equity securities	-	134	812	946
金融負債	Financial liabilities				
以公平值變化計入損益 之金融負債 (附註 25)	Financial liabilities at fair value through profit or loss (Note 25)				
- 交易性負債	- Trading liabilities	-	16,936	-	16,936
- 界定為以公平值 變化計入損益 之金融負債	- Financial liabilities designated at fair value through profit or loss	-	2,784	-	2,784
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	6,703	24,279	-	30,982

本集團之金融資產及負債於期內均沒有第一層級及第二層級之間的轉移 (2017 年 12 月 31 日: 無)。

There were no financial asset and liability transfers between level 1 and level 2 for the Group during the period (31 December 2017: Nil).

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續) 4.1 Financial instruments measured at fair value (continued)

(B) 第三層級的项目變動

(B) Reconciliation of level 3 items

		於 2018 年 6 月 30 日 At 30 June 2018		
		金融資產 Financial assets		
		其他強制分類為以公平值變化計入損益之金融資產 Other financial assets mandatorily classified at FVPL	衍生金融工具 Derivative financial instruments	以公平值變化計入其他全面收益之證券投資 Investment in securities at FVOCI
		基金 Fund	基金 Fund	股份證券 Equity securities
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2018 年 1 月 1 日，採納香港財務報告準則第 9 號後	At 1 January 2018, after adoption of HKFRS 9	124	-	812
收益	Gains			
- 收益表	- Income statement			
- 淨交易性收益	- Net trading gain	-	2	-
- 其他全面收益	- Other comprehensive income			
- 公平值變化	- Change in fair value	-	-	90
增置	Additions	-	-	-
處置、贖回及到期	Disposals, redemptions and maturity	(124)	-	-
轉出第三層級	Transfer out of level 3	-	-	-
於 2018 年 6 月 30 日	At 30 June 2018	-	2	902
於 2018 年 6 月 30 日持有的金融資產於期內計入收益表的未實現收益總額	Total unrealised gains for the period included in income statement for financial assets held as at 30 June 2018			
- 淨交易性收益	- Net trading gain	-	2	-

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平價值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續) 4.1 Financial instruments measured at fair value (continued)

(B) 第三層級的項目變動 (續) (B) Reconciliation of level 3 items (continued)

		於 2017 年 12 月 31 日 At 31 December 2017			
		金融資產 Financial assets			
		界定為以公平 值變化計入損 益之金融資產 Financial assets designated at fair value			
		交易性資產 Trading assets	through profit or loss	可供出售證券 Available-for-sale securities	
		債務證券 及存款證 Debt securities and certificates of deposit	基金 Fund	債務證券 及存款證 Debt securities and certificates of deposit	股份證券 Equity securities
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2017 年 1 月 1 日之 早期列賬	At 1 January 2017, as previously reported	162	-	214	718
合併受共同控制之 實體之影響	Effect of merger of entities under common control	-	-	-	1
於 2017 年 1 月 1 日之 重列	At 1 January 2017, as restated	162	-	214	719
收益	Gains				
- 收益表	- Income statement				
- 淨交易性收益	- Net trading gain	-	-	-	-
- 其他全面收益	- Other comprehensive income				
- 公平值變化	- Change in fair value	-	-	24	88
增置	Additions	-	124	-	5
處置、贖回及到期	Disposals, redemptions and maturity	(157)	-	-	-
轉出第三層級	Transfer out of level 3	(5)	-	(238)	-
於 2017 年 12 月 31 日	At 31 December 2017	-	124	-	812
於 2017 年 12 月 31 日 持有的金融資產於 年內計入收益表的 未實現收益總額	Total unrealised gains for the year included in income statement for financial assets held as at 31 December 2017				
- 淨交易性收益	- Net trading gain	-	-	-	-

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.1 以公平值計量的金融工具 (續)

4.1 Financial instruments measured at fair value (continued)

(B) 第三層級的項目變動 (續)

(B) Reconciliation of level 3 items (continued)

於 2018 年 6 月 30 日及 2017 年 12 月 31 日，分類為第三層級的金融工具主要包括債務證券及存款證、基金、非上市股權及若干場外交易的衍生合約。

As at 30 June 2018 and 31 December 2017, financial instruments categorised as level 3 are mainly comprised of debt securities and certificates of deposit, fund, unlisted equity shares and certain OTC derivative contracts.

若干分類為第三層級的債務證券及存款證因估值可觀察性改變於 2017 年轉出第三層級。對於某些低流動性債務證券及存款證及基金，本集團從交易對手處詢價；其公平值的計量可能採用了對估值產生重大影響的不可觀察參數。對於若干場外交易的衍生合約，其交易對手信貸利差為不可觀察參數並對其估值有重大影響。因此本集團將這些金融工具劃分至第三層級。本集團已建立相關內部控制程序監控集團對此類金融工具的敞口。

Certain debt securities and certificates of deposit were transferred out of level 3 during 2017 due to change of valuation observability. For certain illiquid debt securities and certificates of deposit and fund, the Group obtains valuation quotations from counterparties which may be based on unobservable inputs with significant impact on the valuation. For certain OTC derivative contracts, the counterparty credit spreads used in valuation techniques are unobservable inputs with significant impact on valuation. Therefore, these instruments have been classified by the Group as level 3. The Group has established internal control procedures to control the Group's exposure to such financial instruments.

以公平值變化計入其他全面收益／可供出售之非上市股權的公平值乃參考可供比較的上市公司之平均市價／盈利倍數，或若沒有合適可供比較的公司，則按其資產淨值釐定。公平值與適合採用之可比較倍數比率或資產淨值存在正向關係。若股權投資的企業之資產淨值增長／減少 5%，則本集團之其他全面收益將增加／減少港幣 0.45 億元（2017 年 12 月 31 日：港幣 0.41 億元）。

The fair values of unlisted FVOCI/available-for-sale equity shares are determined with reference to multiples of comparable listed companies, such as average of the price/earning ratios of comparables, or net asset value, if appropriate comparables are not available. The fair value is positively correlated to the price/earning ratios of appropriate comparables or net asset values. Had the net asset value of the underlying equity investments increased/decreased by 5%, the Group's other comprehensive income would have increased/decreased by HK\$45 million (31 December 2017: HK\$41 million).

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平價值 (續) 4. Fair values of financial assets and liabilities (continued)

4.2 非以公平值計量的金融工具

公平值是在一特定時點按相關市場資料及不同金融工具之資料來評估。以下之方法及假設已按實際情況應用於評估各類金融工具之公平值。

存放／尚欠銀行及其他金融機構之結餘及貿易票據

大部分之金融資產及負債將於結算日後一年內到期，其賬面值與公平值相若。

客戶貸款及銀行及其他金融機構貸款

大部分之客戶貸款及銀行及其他金融機構貸款是浮動利率，按市場息率計算利息，其賬面值與公平值相若。

以攤餘成本計量之證券投資

以攤餘成本計量之證券之公平值釐定與附註 4.1 內以公平值計量的債務證券及存款證和資產抵押債券採用之方法相同。除此之外，若干以攤餘成本計量之證券採用以現時收益率曲線相對應剩餘限期之利率為基礎的貼現現金流模型計算。

持有至到期日證券

持有至到期日證券之公平值釐定與附註 4.1 內以公平值計量的債務證券及存款證和資產抵押債券採用之方法相同。

貸款及應收款

採用以現時收益率曲線相對應剩餘限期之利率為基礎的貼現現金流模型計算。

客戶存款

大部分之客戶存款將於結算日後一年內到期，其賬面值與公平值相若。

4.2 Financial instruments not measured at fair value

Fair value estimates are made at a specific point in time based on relevant market information and information about various financial instruments. The following methods and assumptions have been used to estimate the fair value of each class of financial instrument as far as practicable.

Balances with/from banks and other financial institutions and trade bills

Substantially all the financial assets and liabilities mature within one year from the balance sheet date and their carrying value approximates fair value.

Advances to customers and banks and other financial institutions

Substantially all the advances to customers and banks and other financial institutions are on floating rate terms, bear interest at prevailing market interest rates and their carrying value approximates fair value.

Investment in securities at amortised cost

The fair value of securities at amortised cost is determined by using the same approach as those debt securities and certificates of deposit and asset backed securities measured at fair value as described in Note 4.1. Besides, a discounted cash flow model is used for certain securities at amortised cost based on a current yield curve appropriate for the remaining term to maturity.

Held-to-maturity securities

The fair value of held-to-maturity securities is determined by using the same approach as those debt securities and certificates of deposit and asset backed securities measured at fair value as described in Note 4.1.

Loans and receivables

A discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

Deposits from customers

Substantially all the deposits from customers mature within one year from the balance sheet date and their carrying value approximates fair value.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

4. 金融資產和負債的公平值 (續) 4. Fair values of financial assets and liabilities (continued)

4.2 非以公平值計量的金融工具 (續)

已發行債務證券及存款證
此類工具之公平值釐定與附註 4.1 內以公平值計量的債務證券及存款證採用之方法相同。

後償負債

後償貸款為浮動利率，按市場息率計算利息，其賬面值與公平值相若。後償票據之公平值是按市場價格或經紀/交易商之報價為基礎。

除以上其賬面值與公平值相若的金融工具外，下表為非以公平值計量的金融工具之賬面值和公平值。

4.2 Financial instruments not measured at fair value (continued)

Debt securities and certificates of deposit in issue

The fair value of these instruments is determined by using the same approach as those debt securities and certificates of deposit measured at fair value as described in Note 4.1.

Subordinated liabilities

The subordinated loan is on floating rate terms, bears interest at prevailing market interest rates and its carrying value approximates fair value. Fair value for subordinated notes is based on market prices or broker/dealer price quotations.

The following tables set out the carrying values and fair values of the financial instruments not measured at fair value, except for the above with their carrying values being approximation of fair values.

	於 2018 年 6 月 30 日 At 30 June 2018		於 2017 年 12 月 31 日 At 31 December 2017	
	賬面值 Carrying value 港幣百萬元 HK\$m	公平值 Fair value 港幣百萬元 HK\$m	賬面值 Carrying value 港幣百萬元 HK\$m	公平值 Fair value 港幣百萬元 HK\$m
金融資產	Financial assets			
以攤餘成本計量之證券投資 (附註 21)	58,630	57,568	N/A	N/A
持有至到期日證券 (附註 21)	N/A	N/A	29,603	29,418
貸款及應收款 (附註 21)	N/A	N/A	499	498
金融負債	Financial liabilities			
已發行債務證券及存款證 (附註 27)	15,577	15,596	21,641	21,578
後償負債 (附註 30)	Subordinated liabilities (Note 30)			
- 後償票據	N/A	N/A	18,917	20,985

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

5. 淨利息收入

5. Net interest income

	半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS	
利息收入	Interest income	
客戶貸款、存放銀行及其他金融機構的款項	Advances to customers, due from banks and other financial institutions	20,325
證券投資及以公平值變化計入損益之金融資產	Investment in securities and financial assets at fair value through profit or loss	4,684
其他	Others	105
	27,062	22,242
利息支出	Interest expense	
客戶存款、銀行及其他金融機構存放的款項	Deposits from customers, due to banks and other financial institutions	(8,911)
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	(41)
後償負債	Subordinated liabilities	(434)
其他	Others	(157)
	(10,044)	(6,374)
淨利息收入	17,018	15,868

非以公平值變化計入損益之金融資產與金融負債所產生的利息收入及利息支出（未計算對沖影響）分別為港幣266.77億元（2017年上半年：港幣224.15億元）及港幣93.83億元（2017年上半年：港幣65.53億元）。

Included within interest income and interest expense are HK\$26,677 million (first half of 2017: HK\$22,415 million) and HK\$9,383 million (first half of 2017: HK\$6,553 million), before hedging effect, for financial assets and financial liabilities that are not recognised at fair value through profit or loss respectively.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

6. 淨服務費及佣金收入 6. Net fee and commission income

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
服務費及佣金收入	Fee and commission income		
信用卡業務	Credit card business	1,758	1,553
貸款佣金	Loan commissions	1,712	2,086
證券經紀	Securities brokerage	1,705	1,054
保險	Insurance	948	756
基金分銷	Funds distribution	520	421
匯票佣金	Bills commissions	400	393
繳款服務	Payment services	325	323
信託及託管服務	Trust and custody services	317	257
買賣貨幣	Currency exchange	268	195
保管箱	Safe deposit box	154	147
其他	Others	650	590
		8,757	7,775
服務費及佣金支出	Fee and commission expense		
信用卡業務	Credit card business	(1,281)	(1,107)
證券經紀	Securities brokerage	(196)	(128)
其他	Others	(506)	(476)
		(1,983)	(1,711)
淨服務費及佣金收入	Net fee and commission income	6,774	6,064
其中源自：	Of which arise from:		
非以公平值變化計入損益 之金融資產或金融負債	Financial assets or financial liabilities not at fair value through profit or loss		
- 服務費及佣金收入	- Fee and commission income	1,953	2,254
- 服務費及佣金支出	- Fee and commission expense	(20)	(24)
		1,933	2,230
信託及其他受託活動	Trust and other fiduciary activities		
- 服務費及佣金收入	- Fee and commission income	410	348
- 服務費及佣金支出	- Fee and commission expense	(14)	(10)
		396	338

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

7. 淨交易性收益

7. Net trading gain

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
淨收益／(虧損)源自：	Net gain/(loss) from:		
外匯交易及外匯交易產品	Foreign exchange and foreign exchange products	1,782	(256)
利率工具及公平值對沖的項目	Interest rate instruments and items under fair value hedge	178	415
商品	Commodities	61	107
股權及信貸衍生工具	Equity and credit derivative instruments	114	90
		2,135	356

8. 其他以公平值變化計入損益之金融工具淨收益

8. Net gain on other financial instruments at fair value through profit or loss

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
其他強制分類為以公平值變化計入損益之金融工具淨虧損	Net loss on other financial instruments mandatorily classified at fair value through profit or loss	(37)	N/A
界定為以公平值變化計入損益之金融工具淨收益	Net gain on financial instruments designated at fair value through profit or loss	356	8
		319	8

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

9. 其他金融資產之淨收益 **9. Net gain on other financial assets**

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
以公平值變化計入其他全面收 益之證券投資之淨收益	Net gain on investment in securities at FVOCI	60	N/A
以攤餘成本計量之證券投資之 淨虧損	Net loss on investment in securities at amortised cost	(17)	N/A
可供出售證券之淨收益	Net gain on available-for-sale securities	N/A	204
持有至到期日證券之淨收益	Net gain on held-to-maturity securities	N/A	13
其他	Others	(2)	15
		<u>41</u>	<u>232</u>

10. 其他經營收入 **10. Other operating income**

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
證券投資股息收入	Dividend income from investment in securities	26	25
投資物業之租金總收入	Gross rental income from investment properties	330	296
減：有關投資物業之支出	Less: Outgoings in respect of investment properties	(33)	(41)
其他	Others	42	83
		<u>365</u>	<u>363</u>

「有關投資物業之支出」包括期內未出租投資物業之直接經營支出港幣1百萬元(2017年上半年：港幣6百萬元)。

Included in the "Outgoings in respect of investment properties" is HK\$1 million (first half of 2017: HK\$6 million) of direct operating expenses related to investment properties that were not let during the period.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

11. 減值準備淨撥備

11. Net charge of impairment allowances

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
貸款及其他賬項	Advances and other accounts		
- 第一階段	- Stage 1	462	N/A
- 第二階段	- Stage 2	(141)	N/A
- 第三階段	- Stage 3	(585)	N/A
- 組合評估	- Collectively assessed	N/A	(501)
- 個別評估	- Individually assessed	N/A	151
		<u>(264)</u>	<u>(350)</u>
證券投資	Investment in securities		
- 以公平值變化計入其他全面收益	- At FVOCI	(15)	N/A
- 以攤餘成本計量	- At amortised cost	1	N/A
- 持有至到期日證券	- Held-to-maturity securities	N/A	-
		<u>(14)</u>	<u>-</u>
其他	Others	<u>(60)</u>	<u>(4)</u>
減值準備淨撥備	Net charge of impairment allowances	<u><u>(338)</u></u>	<u><u>(354)</u></u>

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

12. 經營支出

12. Operating expenses

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
人事費用(包括董事酬金)	Staff costs (including directors' emoluments)		
- 薪酬及其他費用	- Salaries and other costs	3,668	3,346
- 退休成本	- Pension cost	224	214
		3,892	3,560
房產及設備支出(不包括折舊)	Premises and equipment expenses (excluding depreciation)		
- 房產租金	- Rental of premises	341	336
- 資訊科技	- Information technology	283	265
- 其他	- Others	202	205
		826	806
折舊	Depreciation	986	919
核數師酬金	Auditor's remuneration		
- 審計服務	- Audit services	3	3
- 非審計服務	- Non-audit services	6	2
其他經營支出	Other operating expenses	1,051	742
		6,764	6,032

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

13. 投資物業處置／公平 **13. Net gain from disposal of/fair value adjustments on investment**
值調整之淨收益 **properties**

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
投資物業公平值調整之 淨收益	Net gain from fair value adjustments on investment properties	<u>931</u>	<u>894</u>

14. 處置／重估物業、器材 **14. Net gain/(loss) from disposal/revaluation of properties, plant and**
及設備之淨收益／ **equipment**
(虧損)

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
處置設備、固定設施及裝備 之淨虧損	Net loss from disposal of equipment, fixtures and fittings	(2)	(8)
重估房產之淨收益	Net gain from revaluation of premises	<u>12</u>	<u>7</u>
		<u>10</u>	<u>(1)</u>

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

15. 稅項

15. Taxation

收益表內之稅項組成如下：

Taxation in the income statement represents:

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
持續經營業務	CONTINUING OPERATIONS		
本期稅項	Current tax		
香港利得稅	Hong Kong profits tax		
- 期內計入稅項	- Current period taxation	2,920	2,619
海外稅項	Overseas taxation		
- 期內計入稅項	- Current period taxation	376	221
- 往期超額撥備	- Over-provision in prior periods	(20)	-
		3,276	2,840
遞延稅項	Deferred tax		
暫時性差額之產生及撥回 及未使用稅項抵免	Origination and reversal of temporary differences and unused tax credits	(24)	(49)
		3,252	2,791

香港利得稅乃按照截至2018年上半年估計應課稅溢利依稅率16.5% (2017年：16.5%) 提撥。海外溢利之稅款按照2018年上半年估計應課稅溢利依本集團經營業務所在國家/地區之現行稅率計算。

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong for the first half of 2018. Taxation on overseas profits has been calculated on the estimated assessable profits for the first half of 2018 at the rates of taxation prevailing in the countries/regions in which the Group operates.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

15. 稅項 (續)

15. Taxation (continued)

本集團除稅前溢利產生的實際稅項，與根據香港利得稅率計算的稅項差異如下：

The taxation on the Group's profit before taxation that differs from the theoretical amount that would arise using the taxation rate of Hong Kong is as follows:

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
持續經營業務	CONTINUING OPERATIONS		
除稅前溢利	Profit before taxation	20,533	17,432
按稅率 16.5% (2017 年： 16.5%) 計算的稅項	Calculated at a taxation rate of 16.5% (2017: 16.5%)	3,388	2,876
其他國家／地區稅率差異的 影響	Effect of different taxation rates in other countries/regions	43	56
無需課稅之收入	Income not subject to taxation	(376)	(248)
稅務上不可扣減之開支	Expenses not deductible for taxation purposes	118	84
未確認的稅務虧損	Tax losses not recognised	-	2
往期超額撥備	Over-provision in prior periods	(20)	-
海外預提稅	Foreign withholding tax	99	21
計入稅項	Taxation charge	3,252	2,791
實際稅率	Effective tax rate	15.8%	16.0%

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

16. 股息

16. Dividends

	半年結算至 2018年6月30日 Half-year ended 30 June 2018		半年結算至 2017年6月30日 Half-year ended 30 June 2017	
	每股 港元 Per share HK\$	總額 港幣百萬元 Total HK\$m	每股 港元 Per share HK\$	總額 港幣百萬元 Total HK\$m
中期股息	0.125	5,380	0.156	6,715

於2018年8月28日，董事會宣派中期股息每股普通股港幣0.125元，總額約為港幣53.80億元。此宣派中期股息並未於本中期財務資料中列作應付股息，但將於截至2018年12月31日止年度列作留存盈利分配。

On 28 August 2018, the Board declared an interim dividend of HK\$0.125 per ordinary share amounting to approximately HK\$5,380 million. This declared interim dividend is not reflected as a dividend payable in this interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2018.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

17. 庫存現金及在銀行及其他金融機構之結餘及定期存放

17. Cash and balances and placements with banks and other financial institutions

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$m
庫存現金	Cash	15,103	14,243
存放中央銀行之結餘	Balances with central banks	99,781	88,886
在中央銀行一個月內到期之定期存放	Placements with central banks maturing within one month	13,370	9,691
在中央銀行一至十二個月內到期之定期存放	Placements with central banks maturing between one and twelve months	1,632	1,486
		114,783	100,063
存放其他銀行及其他金融機構之結餘	Balances with other banks and other financial institutions	85,006	152,975
在其他銀行及其他金融機構一個月內到期之定期存放	Placements with other banks and other financial institutions maturing within one month	101,347	100,545
在其他銀行及其他金融機構一至十二個月內到期之定期存放	Placements with other banks and other financial institutions maturing between one and twelve months	58,340	57,741
		244,693	311,261
		374,579	425,567
減值準備	Impairment allowances		
- 第一階段	- Stage 1	(76)	N/A
- 第二階段	- Stage 2	-	N/A
- 第三階段	- Stage 3	-	N/A
		374,503	425,567

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

18. 以公平值變化計入損益之金融資產 18. Financial assets at fair value through profit or loss

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$'m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$'m
證券	Securities		
交易性資產	Trading assets		
- 庫券	- Treasury bills	13,577	17,780
- 存款證	- Certificates of deposit	1,731	1,483
- 其他債務證券	- Other debt securities	16,032	23,588
		31,340	42,851
- 股份證券	- Equity securities	111	203
		31,451	43,054
其他強制分類為以公平值 變化計入損益之金融 資產	Other financial assets mandatorily classified at fair value through profit or loss		
- 其他債務證券	- Other debt securities	759	N/A
界定為以公平值變化計入 損益之金融資產	Financial assets designated at fair value through profit or loss		
- 其他債務證券	- Other debt securities	3,149	-
- 基金	- Fund	-	285
		3,149	285
證券總額	Total securities	35,359	43,339
其他債務工具	Other debt instruments		
交易性資產	Trading assets	4,000	6,859
		39,359	50,198

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

18. 以公平值變化計入損益之金融資產 (續) **18. Financial assets at fair value through profit or loss (continued)**

證券總額按上市地之分類如下：

Total securities are analysed by place of listing as follows:

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$m
債務證券及存款證	Debt securities and certificates of deposit		
- 於香港上市	- Listed in Hong Kong	7,634	9,242
- 於香港以外上市	- Listed outside Hong Kong	6,265	3,841
- 非上市	- Unlisted	21,349	29,768
		35,248	42,851
股份證券	Equity securities		
- 於香港上市	- Listed in Hong Kong	111	203
基金	Fund		
- 非上市	- Unlisted	-	285
證券總額	Total securities	35,359	43,339

證券總額按發行機構之分類如下：

Total securities are analysed by type of issuer as follows:

		於 2018 年 6 月 30 日 At 30 June 2018 港幣百萬元 HK\$m	於 2017 年 12 月 31 日 At 31 December 2017 港幣百萬元 HK\$m
官方實體	Sovereigns	21,607	28,714
公營單位	Public sector entities	2,389	703
銀行及其他金融機構	Banks and other financial institutions	9,461	12,336
公司企業	Corporate entities	1,902	1,586
證券總額	Total securities	35,359	43,339

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

19. 衍生金融工具

19. Derivative financial instruments

本集團訂立匯率、利率、商品、股權及信貸相關的衍生金融工具合約作買賣及風險管理之用。

The Group enters into exchange rate, interest rate, commodity, equity and credit related derivative financial instrument contracts for trading and risk management purposes.

貨幣遠期是指於未來某一日期買或賣外幣的承諾。利率期貨是指根據合約按照利率的變化收取或支付一個淨金額的合約，或在交易所管理的金融市場上按約定價格在未來的某一日期買進或賣出利率金融工具的合約。遠期利率協議是經單獨協商而達成的利率期貨合約，要求在未來某一日期根據合約利率與市場利率的差異及名義本金的金額進行計算及現金交割。

Currency forwards represent commitments to purchase and sell foreign currency on a future date. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates or buy or sell interest rate financial instruments on a future date at an agreed price in the financial market under the administration of the stock exchange. Forward rate agreements are individually negotiated interest rate futures that call for a cash settlement at a future date for the difference between a contract rate of interest and the current market rate, based on a notional principal amount.

貨幣、利率及商品掉期是指交換不同現金流或商品的承諾。掉期的結果是交換不同貨幣、利率（如固定利率與浮動利率）或貴金屬（如白銀掉期）或以上的所有組合（如交叉貨幣利率掉期）。除某些貨幣掉期合約外，該等交易無需交換本金。

Currency, interest rate and commodity swaps are commitments to exchange one set of cash flows or commodity for another. Swaps result in an exchange of currencies, interest rates (for example, fixed rate for floating rate), or precious metals (for example, silver swaps) or a combination of all these (for example, cross-currency interest rate swaps). Except for certain currency swap contracts, no exchange of principal takes place.

外匯、利率、貴金屬及股權期權是指期權的賣方（出讓方）為買方（持有方）提供，在未來某一特定日期或未來一定時期內按約定的價格買進（認購期權）或賣出（認沽期權）一定數量的金融工具的權利（而非承諾）的一種協議。考慮到外匯和利率風險，期權的賣方從購買方收取一定的期權費。本集團期權合約是與對手方在場外協商達成或透過交易所進行（如於交易所進行買賣之期權）。

Foreign currency, interest rate, precious metal and equity options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of the financial instrument at a predetermined price. In consideration for the assumption of foreign exchange and interest rate risk, the seller receives a premium from the purchaser. Options are negotiated over-the-counter between the Group and its counterparty or traded through the stock exchange (for example, exchange-traded stock option).

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

19. 衍生金融工具 (續)

19. Derivative financial instruments (continued)

本集團之衍生金融工具合約／名義數額及其公平值詳列於下表。各類型金融工具的合約／名義數額僅顯示於資產負債表日未完成之交易量，而若干金融工具之合約／名義數額則提供了一個與資產負債表內所確認的資產或負債的公平值對比的基礎。但是，這並不反映所涉及的未來的現金流或當前的公平值，因而也不能反映本集團所面臨的信貸風險或市場風險。隨著與衍生金融工具合約條款相關的匯率、市場利率、商品價格或股權價格的波動，衍生金融工具的估值可能產生有利（資產）或不利（負債）的影響，這些影響可能在不同期間有較大的波動。

The contract/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following tables. The contract/notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet dates and certain of them provide a basis for comparison with the fair values of instruments recognised on the balance sheet. However, they do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in foreign exchange rates, market interest rates, commodity prices or equity prices relative to their terms. The aggregate fair values of derivative financial instruments can fluctuate significantly from time to time.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

19. 衍生金融工具 (續) 19. Derivative financial instruments (continued)

下表概述各類衍生金融工具於 2018 年 6 月 30 日及 2017 年 12 月 31 日之合約／名義數額及其公平值：

The following tables summarise the contract/notional amounts and fair values of each class of derivative financial instrument as at 30 June 2018 and 31 December 2017:

		於 2018 年 6 月 30 日 At 30 June 2018		
		合約／ 名義數額 Contract/ notional amounts	公平值 Fair values	
			資產 Assets	負債 Liabilities
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
匯率合約	Exchange rate contracts			
即期、遠期及期貨	Spot, forwards and futures	375,371	12,727	(9,256)
掉期	Swaps	1,555,177	13,030	(12,229)
期權	Options	46,648	127	(64)
		1,977,196	25,884	(21,549)
利率合約	Interest rate contracts			
期貨	Futures	14,792	2	(11)
掉期	Swaps	1,032,117	12,481	(9,503)
期權	Options	1,570	2	(2)
		1,048,479	12,485	(9,516)
商品合約	Commodity contracts	27,943	1,177	(65)
股權合約	Equity contracts	8,110	394	(403)
信貸衍生工具合約	Credit derivative contracts	392	-	(2)
		3,062,120	39,940	(31,535)

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

19. 衍生金融工具 (續) 19. Derivative financial instruments (continued)

		於2017年12月31日 At 31 December 2017		
		合約/ 名義數額 Contract/ notional amounts	公平值 Fair values	
			資產 Assets	負債 Liabilities
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
匯率合約	Exchange rate contracts			
即期、遠期及期貨	Spot, forwards and futures	349,843	12,035	(9,219)
掉期	Swaps	1,465,523	14,006	(15,596)
期權	Options	59,734	138	(107)
		<u>1,875,100</u>	<u>26,179</u>	<u>(24,922)</u>
利率合約	Interest rate contracts			
期貨	Futures	17,306	8	(1)
掉期	Swaps	932,611	6,788	(5,405)
		<u>949,917</u>	<u>6,796</u>	<u>(5,406)</u>
商品合約	Commodity contracts	<u>28,001</u>	<u>559</u>	<u>(570)</u>
股權合約	Equity contracts	<u>6,655</u>	<u>78</u>	<u>(81)</u>
信貸衍生工具合約	Credit derivative contracts	<u>586</u>	<u>6</u>	<u>(3)</u>
		<u>2,860,259</u>	<u>33,618</u>	<u>(30,982)</u>

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

20. 貸款及其他賬項

20. Advances and other accounts

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
個人貸款	Personal loans and advances	338,726	325,205
公司貸款	Corporate loans and advances	890,916	819,599
客戶貸款	Advances to customers	1,229,642	1,144,804
貿易票據	Trade bills	39,232	42,975
銀行及其他金融機構貸款	Advances to banks and other financial institutions	4,357	6,259
		1,273,231	1,194,038
減值準備	Impairment allowances		
- 第一階段	- Stage 1	(3,492)	N/A
- 第二階段	- Stage 2	(397)	N/A
- 第三階段	- Stage 3	(1,269)	N/A
- 組合評估	- Collectively assessed	N/A	(3,615)
- 個別評估	- Individually assessed	N/A	(491)
		1,268,073	1,189,932

於 2018 年 6 月 30 日，客戶貸款包括應計利息港幣 20.77 億元（2017 年 12 月 31 日：港幣 17.32 億元）。

As at 30 June 2018, advances to customers included accrued interest of HK\$ 2,077 million (31 December 2017: HK\$1,732 million).

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

21. 證券投資

21. Investment in securities

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
以公平值變化計入其他全面 收益之證券投資	Investment in securities at fair value through other comprehensive income		
- 庫券	- Treasury bills	250,158	N/A
- 存款證	- Certificates of deposit	33,682	N/A
- 其他債務證券	- Other debt securities	319,927	N/A
		603,767	N/A
- 股份證券	- Equity securities	1,219	N/A
		604,986	N/A
以攤餘成本計量之證券投資	Investment in securities at amortised cost		
- 其他債務證券	- Other debt securities	58,679	N/A
- 減值準備	- Impairment allowances		
第一階段	Stage 1	(6)	N/A
第二階段	Stage 2	-	N/A
第三階段	Stage 3	(43)	N/A
		58,630	N/A
以公平值計量之可供出售證 券	Available-for-sale securities at fair value		
- 庫券	- Treasury bills	N/A	180,160
- 存款證	- Certificates of deposit	N/A	26,542
- 其他債務證券	- Other debt securities	N/A	338,692
		N/A	545,394
- 股份證券	- Equity securities	N/A	946
		N/A	546,340
以攤餘成本計量之持有至到 期日證券	Held-to-maturity securities at amortised cost		
- 其他債務證券	- Other debt securities	N/A	29,648
- 減值準備	- Impairment allowances	N/A	(45)
		N/A	29,603
以攤餘成本計量之貸款及應 收款	Loans and receivables at amortised cost		
- 其他債務證券	- Other debt securities	N/A	499
		663,616	576,442

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

21. 證券投資(續)

21. Investment in securities (continued)

證券投資按上市地之分類如下：

Investment in securities is analysed by place of listing as follows:

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
債務證券及存款證	Debt securities and certificates of deposit		
- 於香港上市	- Listed in Hong Kong	64,423	66,848
- 於香港以外上市	- Listed outside Hong Kong	227,020	197,578
- 非上市	- Unlisted	370,954	311,070
		662,397	575,496
股份證券	Equity securities		
- 於香港以外上市	- Listed outside Hong Kong	317	134
- 非上市	- Unlisted	902	812
		1,219	946
		663,616	576,442

		於 2018 年 6 月 30 日 At 30 June 2018		於 2017 年 12 月 31 日 At 31 December 2017	
		賬面值 Carrying value	市值 Market value	賬面值 Carrying value	市值 Market value
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
以攤餘成本計量之上市證券	Listed securities at amortised cost				
- 於香港上市	- Listed in Hong Kong	1,187	1,198	N/A	N/A
- 於香港以外上市	- Listed outside Hong Kong	29,823	29,533	N/A	N/A
		31,010	30,731	N/A	N/A
持有至到期日之上市證券	Listed held-to-maturity securities				
- 於香港上市	- Listed in Hong Kong	N/A	N/A	-	-
- 於香港以外上市	- Listed outside Hong Kong	N/A	N/A	14,786	14,736
		N/A	N/A	14,786	14,736

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

21. 證券投資 (續)

21. Investment in securities (continued)

證券投資按發行機構之分類如下：

Investment in securities is analysed by type of issuer as follows:

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
官方實體	Sovereigns	311,896	233,492
公營單位	Public sector entities	44,402	45,374
銀行及其他金融機構	Banks and other financial institutions	192,372	193,628
公司企業	Corporate entities	114,946	103,948
		663,616	576,442

22. 投資物業

22. Investment properties

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 1 月 1 日	At 1 January	19,949	18,369
增置	Additions	2	13
處置	Disposals	-	(2)
公平值收益	Fair value gains	931	1,210
重新分類轉自物業、器材 及設備 (附註 23)	Reclassification from properties, plant and equipment (Note 23)	168	359
於期/年末	At period/year end	21,050	19,949

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

23. 物業、器材及設備

23. Properties, plant and equipment

		房產 Premises	設備、固定設施 及裝備 Equipment, fixtures and fittings	總計 Total
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2018 年 1 月 1 日之 賬面淨值之早期列賬	Net book value at 1 January 2018, as previously reported	44,049	2,863	46,912
合併受共同控制之實體之 影響	Effect of merger of entities under common control	-	7	7
於 2018 年 1 月 1 日之 賬面淨值之重列	Net book value at 1 January 2018, as restated	44,049	2,870	46,919
增置	Additions	5	623	628
處置	Disposals	(3)	(3)	(6)
重估	Revaluation	1,643	-	1,643
本期折舊 (附註 12)	Depreciation for the period (Note 12)	(529)	(457)	(986)
重新分類轉至投資物業 (附註 22)	Reclassification to investment properties (Note 22)	(168)	-	(168)
於 2018 年 6 月 30 日之 賬面淨值	Net book value at 30 June 2018	44,997	3,033	48,030
於 2018 年 6 月 30 日 成本值或估值	At 30 June 2018 Cost or valuation	44,997	9,994	54,991
累計折舊及減值	Accumulated depreciation and impairment	-	(6,961)	(6,961)
於 2018 年 6 月 30 日之 賬面淨值	Net book value at 30 June 2018	44,997	3,033	48,030
上述資產之成本值或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:			
於 2018 年 6 月 30 日	At 30 June 2018			
按成本值	At cost	-	9,994	9,994
按估值	At valuation	44,997	-	44,997
		44,997	9,994	54,991

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

23. 物業、器材及設備
(續)

23. Properties, plant and equipment (continued)

		房產 Premises	設備、固定設施 及裝備 Equipment, fixtures and fittings	總計 Total
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
於 2017 年 1 月 1 日之 賬面淨值之早期列賬	Net book value at 1 January 2017, as previously reported	43,215	2,400	45,615
合併受共同控制之實體之 影響	Effect of merger of entities under common control	-	6	6
於 2017 年 1 月 1 日之 賬面淨值之重列	Net book value at 1 January 2017, as restated	43,215	2,406	45,621
增置	Additions	112	1,379	1,491
處置	Disposals	(8)	(20)	(28)
重估	Revaluation	2,103	-	2,103
年度折舊	Depreciation for the year	(1,021)	(909)	(1,930)
重新分類轉至投資物業 (附註 22)	Reclassification to investment properties (Note 22)	(359)	-	(359)
匯兌差額	Exchange difference	7	14	21
於 2017 年 12 月 31 日之 賬面淨值	Net book value at 31 December 2017	<u>44,049</u>	<u>2,870</u>	<u>46,919</u>
於 2017 年 12 月 31 日 成本值或估值	At 31 December 2017 Cost or valuation	44,049	9,479	53,528
累計折舊及減值	Accumulated depreciation and impairment	-	(6,609)	(6,609)
於 2017 年 12 月 31 日之 賬面淨值	Net book value at 31 December 2017	<u>44,049</u>	<u>2,870</u>	<u>46,919</u>
上述資產之成本值或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:			
於 2017 年 12 月 31 日	At 31 December 2017			
按成本值	At cost	-	9,479	9,479
按估值	At valuation	44,049	-	44,049
		<u>44,049</u>	<u>9,479</u>	<u>53,528</u>

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

24. 其他資產

24. Other assets

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
收回資產	Reposessed assets	21	30
貴金屬	Precious metals	8,025	6,291
應收賬項及預付費用	Accounts receivable and prepayments	23,758	24,185
		31,804	30,506

**25. 以公平值變化計入損
益之金融負債**

25. Financial liabilities at fair value through profit or loss

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
交易性負債	Trading liabilities		
- 外匯基金票據及債券 短盤	- Short positions in Exchange Fund Bills and Notes	13,337	16,936
界定為以公平值變化計入 損益之金融負債	Financial liabilities designated at fair value through profit or loss		
- 結構性存款(附註 26)	- Structured deposits (Note 26)	2,575	2,784
		15,912	19,720

2018 年 6 月 30 日界定為以公平值變化計入損益之金融負債的賬面值比本集團於到期日約定支付予持有人之金額少港幣 4 百萬元(2017 年 12 月 31 日: 港幣 3 百萬元)。

The carrying amount of financial liabilities designated at fair value through profit or loss as at 30 June 2018 was less than the amount that the Group would be contractually required to pay at maturity to the holders by HK\$4 million (31 December 2017: HK\$3 million).

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

26. 客戶存款

26. Deposits from customers

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
往來、儲蓄及其他存款 (於資產負債表)	Current, savings and other deposit accounts (per balance sheet)	1,861,940	1,778,188
列為以公平值變化計入損 益之金融負債的結構性 存款 (附註 25)	Structured deposits reported as financial liabilities at fair value through profit or loss (Note 25)	2,575	2,784
		1,864,515	1,780,972
分類：	Analysed by:		
即期存款及往來存款	Demand deposits and current accounts		
- 公司	- Corporate	154,652	147,401
- 個人	- Personal	62,121	58,808
		216,773	206,209
儲蓄存款	Savings deposits		
- 公司	- Corporate	320,493	373,218
- 個人	- Personal	531,441	540,283
		851,934	913,501
定期、短期及通知存款	Time, call and notice deposits		
- 公司	- Corporate	489,588	409,568
- 個人	- Personal	306,220	251,694
		795,808	661,262
		1,864,515	1,780,972

27. 已發行債務證券及存款證 **27. Debt securities and certificates of deposit in issue**

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
債務證券，以攤餘成本計量	Debt securities, at amortised cost	15,577	21,641

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

28. 其他賬項及準備

28. Other accounts and provisions

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
其他應付賬項	Other accounts payable	53,762	40,741
貸款承諾及財務擔保合同 減值準備	Impairment allowances on loan commitments and financial guarantee contracts		
- 第一階段	- Stage 1	308	N/A
- 第二階段	- Stage 2	11	N/A
- 第三階段	- Stage 3	2	N/A
		54,083	40,741

29. 遞延稅項

29. Deferred taxation

遞延稅項是根據香港會計準則第12號「所得稅」計算，就資產負債之稅務基礎與其在本中期財務資料內賬面值兩者之暫時性差額及未使用稅項抵免作提撥。

Deferred tax is recognised in respect of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in this interim financial information and unused tax credits in accordance with HKAS 12 "Income Taxes".

資產負債表內之遞延稅項（資產）／負債主要組合，以及其在2018年上半年及截至2017年12月31日止年度之變動如下：

The major components of deferred tax (assets)/liabilities recorded in the balance sheet, and the movements during the first half of 2018 and the year ended 31 December 2017 are as follows:

		於 2018 年 6 月 30 日 At 30 June 2018				
		加速折舊 免稅額 Accelerated tax depreciation	物業重估 Property revaluation	減值準備 Impairment allowances	其他 Others	總計 Total
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2018 年 1 月 1 日	At 1 January 2018	690	6,603	(549)	(1,137)	5,607
採納香港財務報告準則 第 9 號之影響	Effect of adoption of HKFRS 9	-	-	(185)	148	(37)
借記／(貸記)收益表(附 註 15)	Charged/(credited) to income statement (Note 15)	42	(58)	28	(36)	(24)
借記／(貸記)其他全面 收益	Charged/(credited) to other comprehensive income	-	227	-	(344)	(117)
於 2018 年 6 月 30 日	At 30 June 2018	732	6,772	(706)	(1,369)	5,429

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

29. 遞延稅項 (續)

29. Deferred taxation (continued)

於 2017 年 12 月 31 日

At 31 December 2017

		加速折舊 免稅額 Accelerated tax depreciation	物業重估 Property revaluation	減值準備 Impairment allowances	其他 Others	總計 Total
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2017 年 1 月 1 日	At 1 January 2017	608	6,444	(426)	(1,079)	5,547
借記 / (貸記) 收益表	Charged / (credited) to income statement	82	(118)	(123)	(80)	(239)
借記其他全面收益	Charged to other comprehensive income	-	277	-	22	299
於 2017 年 12 月 31 日	At 31 December 2017	690	6,603	(549)	(1,137)	5,607

當有法定權利可將現有稅項資產與現有稅項負債抵銷，而遞延稅項涉及同一財政機關，則可將個別法人的遞延稅項資產與遞延稅項負債互相抵銷。下列在資產負債表內列賬之金額，已計入適當抵銷：

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legal right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

		於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
遞延稅項資產	Deferred tax assets	(107)	(51)
遞延稅項負債	Deferred tax liabilities	5,536	5,658
		5,429	5,607

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

29. 遞延稅項 (續)

29. Deferred taxation (continued)

	於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
遞延稅項資產 (超過 12 個月後收回)	(90)	(38)
遞延稅項負債 (超過 12 個月後支付)	6,881	6,746
	6,791	6,708

於 2018 年 6 月 30 日，本集團未確認遞延稅項資產之稅務虧損為港幣 0.27 億元 (2017 年 12 月 31 日：港幣 0.25 億元)。按照不同國家／地區的現行稅例，其中本集團無作廢期限的有關金額為港幣 0.09 億元 (2017 年 12 月 31 日：港幣 0.09 億元)，而於 6 年內作廢的有關金額為港幣 0.18 億元 (2017 年 12 月 31 日：港幣 0.16 億元)。

As at 30 June 2018, the Group has not recognised deferred tax assets in respect of tax losses amounting to HK\$27 million (31 December 2017: HK\$25 million). Of the amount, HK\$9 million (31 December 2017: HK\$9 million) for the Group has no expiry date and HK\$18 million (31 December 2017: HK\$16 million) for the Group is scheduled to expire within six years under the current tax legislation in different countries/regions.

30. 後償負債

30. Subordinated liabilities

	於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
後償票據		
- 界定為以公平值變化計入損益	20,611	N/A
- 以攤餘成本計量並計入公平值對沖調整	N/A	18,917
後償貸款		
- 以攤餘成本計量	63	63
	20,674	18,980

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

30. 後償負債 (續)

30. Subordinated liabilities (continued)

於 2010 年，中銀香港發行總值 25.00 億美元上市後償票據，利息每半年支付一次，年利率 5.55%，2020 年 2 月到期。按監管要求可作為二級資本票據之後償負債金額，於附註 3.4(B) 中列示。2018 年 6 月 30 日界定為以公平值變化計入損益之後償票據的賬面值比本集團於到期日約定支付予持有人之金額多港幣 6.05 億元 (2017 年 12 月 31 日：不適用)。

In 2010, BOCHK issued listed subordinated notes with an aggregate amount of USD2,500 million, interest rate at 5.55% per annum payable semi-annually, due February 2020. Amounts qualified as Tier 2 capital instruments for regulatory purposes are shown in Note 3.4(B). The carrying amount of subordinated notes designated at fair value through profit or loss as at 30 June 2018 was more than the amount that the Group would be contractually required to pay at maturity to the holders by HK\$605 million (31 December 2017: N/A).

後償貸款由間接控股公司中國銀行提供，利息每年支付一次，年利率為 12 個月倫敦銀行同業拆息加 1.50%。該等後償貸款於 2017 年 9 月起分五年等額償還，2021 年 9 月到期。

The subordinated loan is from BOC, the intermediate holding company, with interest rate at 12-month LIBOR plus 1.50% per annum payable annually. The subordinated loan is repayable on five equal annual instalments starting September 2017 and matures on September 2021.

31. 已終止經營業務

31. Discontinued operations

於 2016 年 12 月 22 日，中銀香港 (作為賣方) 與廈門國際投資有限公司及福建省廈門市私立集美學校委員會 (分別作為買方) 就出售集友共計 2,114,773 股普通股簽訂股權買賣協議。出售的交割取決於股權買賣協議中列明所有的先決條件獲得滿足。

On 22 December 2016, BOCHK (as seller) entered into a sale and purchase agreement with Xiamen International Investment Limited and the Committee of Jimei Schools (each as a buyer) in relation to the disposal of a total of 2,114,773 ordinary shares of Chiyu. The completion of the disposal was conditional upon the satisfaction of all the conditions precedent set out in the sale and purchase agreement.

股權買賣協議所述的各項先決條件已獲得滿足，而出售的交割已於 2017 年 3 月 27 日根據股權買賣協議的條款及條件完成。交割完成後，集友已不再為中銀香港的附屬公司。

All the conditions precedent set out in the sale and purchase agreement were satisfied, and completion of the disposal took place on 27 March 2017 in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, Chiyu ceased to be a subsidiary of BOCHK.

中期財務資料附註 **Notes to the Interim Financial Information (continued)**
(續)

31. 已終止經營業務 (續) 31. Discontinued operations (continued)

已終止經營業務之期內業績如下：

The results of discontinued operations for the period are as follows:

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
已終止經營業務	DISCONTINUED OPERATIONS		
利息收入	Interest income	-	270
利息支出	Interest expense	-	(77)
淨利息收入	Net interest income	-	193
服務費及佣金收入	Fee and commission income	-	43
服務費及佣金支出	Fee and commission expense	-	(4)
淨服務費及佣金收入	Net fee and commission income	-	39
淨交易性收益	Net trading gain	-	2
其他以公平值變化計入損益之金融工具淨收益	Net gain on other financial instruments at fair value through profit or loss	-	1
提取減值準備前之淨經營收入	Net operating income before impairment allowances	-	235
減值準備淨撥備	Net charge of impairment allowances	-	(7)
淨經營收入	Net operating income	-	228
經營支出	Operating expenses	-	(87)
經營溢利	Operating profit	-	141
稅項	Taxation	-	(22)
除稅後溢利	Profit after taxation	-	119
出售已終止經營業務之收益	Gain on disposal of discontinued operations	-	2,504
已終止經營業務溢利	Profit from discontinued operations	-	2,623
應佔溢利：	Profit attributable to:		
本銀行股東	Equity holders of the Bank	-	2,589
非控制權益	Non-controlling interests	-	34
		-	2,623

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

31. 已終止經營業務 (續) 31. Discontinued operations (continued)

已終止經營業務產生的現金流量淨額如下：

The net cash flows incurred by discontinued operations are as follows:

		半年結算至 2018年 6月30日 Half-year ended 30 June 2018	半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
經營業務	Operating activities	-	2,000
投資業務	Investing activities	-	(3)
融資業務	Financing activities	-	-
		<hr/>	<hr/>
已終止經營業務產生的現金流入淨額	Net cash inflow incurred by discontinued operations	-	1,997

出售已終止經營業務之收益分析如下：

The gain on disposal of discontinued operations is analysed as follows:

		半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$m
交易對價總額	Total consideration	7,685
出售資產淨值	Net assets disposed	(7,044)
非控制權益	Non-controlling interests	2,078
從累計換算儲備及可供出售證券公平值變動儲備重新分類至收益表	Cumulative translation reserve and reserve for fair value changes of available-for-sale securities reclassified to income statement	(48)
就出售產生之交易成本	Transaction costs incurred in connection with the disposal	(167)
		<hr/>
出售已終止經營業務之收益	Gain on disposal of discontinued operations	2,504

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

31. 已終止經營業務 (續) 31. Discontinued operations (continued)

已終止經營業務於出售日的淨資產如下：

The net assets of discontinued operations at the date of disposal are as follows:

		於出售日 At the date of disposal
		港幣百萬元 HK\$m
庫存現金及在銀行及其他金融機構之結餘及定期存放以公平值變化計入損益之金融資產	Cash and balances and placements with banks and other financial institutions Financial assets at fair value through profit or loss	8,244
衍生金融工具	Derivative financial instruments	95
貸款及其他賬項	Advances and other accounts	31,411
證券投資	Investment in securities	14,541
投資物業	Investment properties	204
物業、器材及設備	Properties, plant and equipment	1,537
遞延稅項資產	Deferred tax assets	63
其他資產	Other assets	582
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions	(2,765)
衍生金融工具	Derivative financial instruments	(8)
客戶存款	Deposits from customers	(46,277)
其他賬項及準備	Other accounts and provisions	(725)
應付稅項負債	Current tax liabilities	(45)
遞延稅項負債	Deferred tax liabilities	(164)
出售資產淨值	Net assets disposed	7,044

中期財務資料附註 (續) **Notes to the Interim Financial Information (continued)**

31. 已終止經營業務 (續) 31. Discontinued operations (continued)

出售已終止經營業務之現金流入淨額分析如下：

The net cash inflow from disposal of discontinued operations is analysed as follows:

		半年結算至 2017年 6月30日 Half-year ended 30 June 2017
		港幣百萬元 HK\$'m
收取交易對價總額，以現金方式收取	Total consideration received, satisfied by cash	7,685
就出售產生之交易成本	Transaction costs incurred in connection with the disposal	(167)
被出售之現金及等同現金項目	Cash and cash equivalents disposed	(6,708)
		<hr/>
出售已終止經營業務之現金流入淨額	Net cash inflow from disposal of discontinued operations	810

32. 股本

32. Share capital

		於2018年 6月30日 At 30 June 2018	於2017年 12月31日 At 31 December 2017
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
已發行及繳足： 43,042,840,858 股普通股	Issued and fully paid: 43,042,840,858 ordinary shares	43,043	43,043

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

33. 簡要綜合現金流量表附註 33. Notes to condensed consolidated cash flow statement

(a) 經營溢利與除稅前
經營現金之(流出)
/流入對賬

(a) Reconciliation of operating profit to operating cash (outflow)/inflow
before taxation

	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$'m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$'m
經營溢利	Operating profit	
- 來自持續經營業務	- from continuing operations	19,550
- 來自已終止經營業務	- from discontinued operations	16,505
		141
	19,550	16,646
折舊	Depreciation	986
減值準備淨撥備	Net charge of impairment allowances	338
折現減值準備回撥	Unwind of discount on impairment allowances	-
已撤銷之貸款(扣除收回款額)	Advances written off net of recoveries	(150)
後償負債之變動	Change in subordinated liabilities	176
原到期日超過3個月之在銀行及其他金融機構之結餘及定期存放之變動	Change in balances and placements with banks and other financial institutions with original maturity over three months	(10,277)
以公平值變化計入損益之金融資產之變動	Change in financial assets at fair value through profit or loss	21,192
衍生金融工具之變動	Change in derivative financial instruments	(5,769)
貸款及其他賬項之變動	Change in advances and other accounts	(79,082)
證券投資之變動	Change in investment in securities	(82,989)
其他資產之變動	Change in other assets	(1,311)
銀行及其他金融機構之存款及結餘之變動	Change in deposits and balances from banks and other financial institutions	14,643
以公平值變化計入損益之金融負債之變動	Change in financial liabilities at fair value through profit or loss	(3,808)
客戶存款之變動	Change in deposits from customers	83,752
已發行債務證券及存款證之變動	Change in debt securities and certificates of deposit in issue	(6,064)
其他賬項及準備之變動	Change in other accounts and provisions	13,021
匯率變動之影響	Effect of changes in exchange rates	(228)
除稅前經營現金之(流出)/流入	Operating cash (outflow)/inflow before taxation	(36,020)
經營業務之現金流量中包括	Cash flows from operating activities included	
- 已收利息	- interest received	26,788
- 已付利息	- interest paid	8,377
- 已收股息	- dividend received	26
		21,521
		5,722
		25

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

33. 簡要綜合現金流量表附註 (續) 33. Notes to condensed consolidated cash flow statement (continued)

(b) 現金及等同現金項目
結存分析

(b) Analysis of the balances of cash and cash equivalents

	於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 6 月 30 日 At 30 June 2017	
	港幣百萬元 HK\$m	港幣百萬元 HK\$m	
庫存現金及原到期日 在 3 個月內之在銀行 及其他金融機構 之結餘及定期存放	Cash and balances and placements with banks and other financial institutions with original maturity within three months	304,363	411,564
原到期日在 3 個月內之 庫券、存款證及其他 債務工具	Treasury bills, certificates of deposit and other debt instruments with original maturity within three months	2,651	82,337
- 以公平值變化計 入損益之金融 資產	- financial assets at fair value through profit or loss	27,567	698
- 證券投資	- investment in securities	334,581	494,599

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

34. 或然負債及承擔

34. Contingent liabilities and commitments

或然負債及承擔乃參照有關資本充足比率之金管局報表的填報指示而編製，其每項重要類別之合約數額及總信貸風險加權數額概述如下：

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment and the aggregate credit risk-weighted amount and is prepared with reference to the completion instructions for the HKMA return of capital adequacy ratio.

		於2018年 6月30日 At 30 June 2018	於2017年 12月31日 At 31 December 2017
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
直接信貸替代項目	Direct credit substitutes	5,855	8,414
與交易有關之或然負債	Transaction-related contingencies	23,871	30,092
與貿易有關之或然負債	Trade-related contingencies	32,121	28,294
不需事先通知的無條件 撤銷之承諾	Commitments that are unconditionally cancellable without prior notice	428,899	398,208
其他承擔，原到期日為	Other commitments with an original maturity of		
- 1年或以下	- up to one year	16,206	17,976
- 1年以上	- over one year	144,660	154,582
		651,612	637,566
信貸風險加權數額	Credit risk-weighted amount	72,870	74,844

信貸風險加權數額是根據《銀行業(資本)規則》計算。此數額取決於交易對手之情況及各類合約之期限特性。

The credit risk-weighted amount is calculated in accordance with the Banking (Capital) Rules. The amount is dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

35. 資本承擔

35. Capital commitments

本集團未於本中期財務資料中撥備之資本承擔金額如下：

The Group has the following outstanding capital commitments not provided for in this interim financial information:

	於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
已批准及簽約但未撥備	167	146
已批准但未簽約	75	3
	242	149

以上資本承擔大部分為將購入之電腦硬件及軟件，以及本集團之樓宇裝修工程之承擔。

The above capital commitments mainly relate to commitments to purchase computer equipment and software, and to renovate the Group's premises.

36. 經營租賃承擔

36. Operating lease commitments

(a) 作為承租人

(a) As lessee

根據不可撤銷之經營租賃合約，下列為本集團未來有關租賃承擔所須支付之最低租金：

The Group has commitments to make the following future minimum lease payments under non-cancellable operating leases:

	於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
土地及樓宇		
- 不超過 1 年	680	570
- 1 年以上至 5 年內	1,034	578
- 5 年後	41	14
	1,755	1,162

上列若干不可撤銷之經營租約（如有特別條款定明）可再商議及參照協議日期之市值或按租約內的特別條款說明而作租金調整。

Certain non-cancellable operating leases included in the table above, in the event that there is such special conditions stipulated thereto, were subject to renegotiation and rent adjustment with reference to market rates prevailing at specified agreed dates or according to the special conditions as stipulated in the leases.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

36. 經營租賃承擔 (續) 36. Operating lease commitments (continued)

(b) 作為出租人

根據不可撤銷之經營租賃合約，下列為本集團與租客簽訂合約之未來有關租賃之最低應收租金：

土地及樓宇
- 不超過 1 年
- 1 年以上至 5 年內

本集團以經營租賃形式租出投資物業；租賃年期通常由 1 年至 3 年。租約條款一般要求租客提交保證金。於續租約時，因應租務市場之狀況而調整租金。

(b) As lessor

The Group has contracted with tenants for the following future minimum lease receivables under non-cancellable operating leases:

	於 2018 年 6 月 30 日 At 30 June 2018	於 2017 年 12 月 31 日 At 31 December 2017
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
Land and buildings		
- Not later than one year	565	554
- Later than one year but not later than five years	472	514
	1,037	1,068

The Group leases its investment properties under operating lease arrangements, with leases typically for a period from one to three years. The terms of the leases generally require the tenants to pay security deposits and provide for rent adjustments according to the prevailing market conditions upon the lease renewal.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

37. 分類報告

37. Segmental reporting

本集團主要按業務分類對業務進行管理，而集團的收入、稅前利潤和資產，超過90%來自香港。現時集團業務共分為三個業務分類，它們分別是個人銀行業務、企業銀行業務和財資業務。業務線的分類是基於不同客戶層及產品種類，這與集團推行的RPC（客戶關係、產品及渠道）管理模型是一致的。

個人銀行和企業銀行業務線均會提供全面的銀行服務，包括各類存款、透支、貸款、信用卡、與貿易相關的產品及其他信貸服務、投資及保險產品、外幣業務及衍生產品。個人銀行業務線主要是服務個人及小企客戶，而企業銀行業務線主要是服務公司客戶。至於財資業務線，除了自營買賣外，還負責管理集團的流動資金、利率和外匯敞口。「其他」這一欄，主要包括本集團持有房地產、投資物業、股權投資及若干聯營公司與合資企業權益。

業務線的資產、負債、收入、支出、經營成果及資本性支出是基於集團會計政策進行計量。分類資料包括直接屬於該業務線的績效以及可以合理攤分至該業務線的績效。跨業務線資金的定價，按集團內部資金轉移價格機制釐定，主要是以市場利率為基準，並考慮有關產品的特性。

本集團的主要收入來源為利息收入，並且高層管理人員主要按淨利息收入來管理業務，因此所有業務分類的利息收入及支出以淨額列示。

按本集團的最新管理模式，若干產品／業務已在業務分類中重新分類。比較數字已重新列示，以符合本期之列示形式。

The Group manages the business mainly from a business segment perspective and over 90% of the Group's revenues, profits before tax and assets are derived from Hong Kong. Currently, three operating segments are identified: Personal Banking, Corporate Banking and Treasury. The classification of the Group's operating segments is based on customer segment and product type, which is aligned with the RPC (relationship, product and channel) management model of the Group.

Both Personal Banking and Corporate Banking provide general banking services including various deposit products, overdrafts, loans, credit cards, trade related products and other credit facilities, investment and insurance products, and foreign currency and derivative products. Personal Banking mainly serves retail customers and small enterprises, while Corporate Banking mainly deals with corporate customers. Treasury manages the funding and liquidity, and the interest rate and foreign exchange positions of the Group in addition to proprietary trades. "Others" mainly represents the Group's holdings of premises, investment properties, equity investments and certain interests in associates and joint ventures.

Measurement of segment assets, liabilities, income, expenses, results and capital expenditure is based on the Group's accounting policies. The segment information includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment funding is charged according to the internal funds transfer pricing mechanism of the Group, which is primarily based on market rates with the consideration of specific features of the product.

As the Group derives a majority of revenue from interest and the senior management relies primarily on net interest income in managing the business, interest income and expense for all reportable segments are presented on a net basis.

Several products/businesses have been reclassified among operating segments in accordance with the latest management model of the Group. Comparative amounts have been restated to conform with current period presentation.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

37. 分類報告 (續) 37. Segmental reporting (continued)

		個人銀行 Personal Banking	企業銀行 Corporate Banking	財資業務 Treasury	其他 Others	小計 Subtotal	合併抵銷 Eliminations	綜合 Consolidated
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
半年結算至 2018年6月30日	Half-year ended 30 June 2018							
持續經營業務	CONTINUING OPERATIONS							
淨利息收入/(支出)	Net interest income/(expense)							
- 外來	- External	1,086	7,379	7,315	1,238	17,018	-	17,018
- 跨業務	- Inter-segment	4,554	(853)	(3,209)	(492)	-	-	-
		5,640	6,526	4,106	746	17,018	-	17,018
淨服務費及佣金收入	Net fee and commission income	3,838	2,071	423	564	6,896	(122)	6,774
淨交易性收益	Net trading gain	464	843	687	141	2,135	-	2,135
其他以公平值變化計入損 益之金融工具淨收益	Net gain on other financial instruments at fair value through profit or loss	5	-	314	-	319	-	319
其他金融資產之淨(虧 損)/收益	Net (loss)/gain on other financial assets	-	(2)	43	-	41	-	41
其他經營收入	Other operating income	12	1	2	995	1,010	(645)	365
提取減值準備前之淨經營 收入	Net operating income before impairment allowances	9,959	9,439	5,575	2,446	27,419	(767)	26,652
減值準備淨撥備	Net charge of impairment allowances	(30)	(49)	(1)	(258)	(338)	-	(338)
淨經營收入	Net operating income	9,929	9,390	5,574	2,188	27,081	(767)	26,314
經營支出	Operating expenses	(4,068)	(1,408)	(611)	(1,444)	(7,531)	767	(6,764)
經營溢利	Operating profit	5,861	7,982	4,963	744	19,550	-	19,550
投資物業處置/公平值 調整之淨收益	Net gain from disposal of fair value adjustments on investment properties	-	-	-	931	931	-	931
處置/重估物業、器材及 設備之淨(虧損)/收 益	Net (loss)/gain from disposal/revaluation of properties, plant and equipment	(1)	-	-	11	10	-	10
應佔聯營公司及合資企業 之稅後溢利扣減虧損	Share of profits less losses after tax of associates and joint ventures	45	-	-	(3)	42	-	42
除稅前溢利	Profit before taxation	5,905	7,982	4,963	1,683	20,533	-	20,533
於2018年6月30日	At 30 June 2018							
資產	ASSETS							
分部資產	Segment assets	365,053	895,996	1,265,639	130,122	2,656,810	(16,958)	2,639,852
聯營公司及合資企業 權益	Interests in associates and joint ventures	395	-	-	60	455	-	455
		365,448	895,996	1,265,639	130,182	2,657,265	(16,958)	2,640,307
負債	LIABILITIES							
分部負債	Segment liabilities	1,013,012	844,573	483,127	77,589	2,418,301	(16,958)	2,401,343
半年結算至 2018年6月30日	Half-year ended 30 June 2018							
其他資料	Other information							
資本性支出	Capital expenditure	3	-	-	627	630	-	630
折舊	Depreciation	259	67	57	603	986	-	986
證券攤銷	Amortisation of securities	-	-	386	(6)	380	-	380

中期財務資料附註 Notes to the Interim Financial Information (continued)
(續)

37. 分類報告 (續) 37. Segmental reporting (continued)

		個人銀行 Personal Banking	企業銀行 Corporate Banking	財資業務 Treasury	其他 Others	小計 Subtotal	合併抵銷 Eliminations	綜合 Consolidated
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
半年結算至 2017年6月30日	Half-year ended 30 June 2017							
持續經營業務	CONTINUING OPERATIONS							
淨利息收入/(支出)	Net interest income/(expense)							
- 外來	- External	1,773	5,807	7,716	572	15,868	-	15,868
- 跨業務	- Inter-segment	2,994	(113)	(2,469)	(412)	-	-	-
		4,767	5,694	5,247	160	15,868	-	15,868
淨服務費及佣金收入	Net fee and commission income	2,889	2,392	327	575	6,183	(119)	6,064
淨交易性收益/(虧損)	Net trading gain/(loss)	393	630	(766)	99	356	-	356
其他以公平值變化計入損 益之金融工具淨收益	Net gain on other financial instruments at fair value through profit or loss	6	-	2	-	8	-	8
其他金融資產之淨收益	Net gain on other financial assets	-	15	217	-	232	-	232
其他經營收入	Other operating income	39	5	15	989	1,048	(685)	363
提取減值準備前之淨經營 收入	Net operating income before impairment allowances	8,094	8,736	5,042	1,823	23,695	(804)	22,891
減值準備淨撥備	Net charge of impairment allowances	(214)	(82)	-	(58)	(354)	-	(354)
淨經營收入	Net operating income	7,880	8,654	5,042	1,765	23,341	(804)	22,537
經營支出	Operating expenses	(3,686)	(1,353)	(611)	(1,186)	(6,836)	804	(6,032)
經營溢利	Operating profit	4,194	7,301	4,431	579	16,505	-	16,505
投資物業處置/公平值 調整之淨收益	Net gain from disposal of fair value adjustments on investment properties	-	-	-	894	894	-	894
處置/重估物業、器材及 設備之淨(虧損)/收 益	Net (loss)/gain from disposal/revaluation of properties, plant and equipment	(5)	-	(1)	5	(1)	-	(1)
應佔聯營公司及合資企業 之稅後溢利扣減虧損	Share of profits less losses after tax of associates and joint ventures	33	-	-	1	34	-	34
除稅前溢利	Profit before taxation	4,222	7,301	4,430	1,479	17,432	-	17,432
於2017年12月31日	At 31 December 2017							
資產	ASSETS							
分部資產	Segment assets	355,060	832,946	1,213,131	126,146	2,527,283	(7,901)	2,519,382
聯營公司及合資企業 權益	Interests in associates and joint ventures	350	-	-	65	415	-	415
		355,410	832,946	1,213,131	126,211	2,527,698	(7,901)	2,519,797
負債	LIABILITIES							
分部負債	Segment liabilities	957,439	810,020	457,252	72,021	2,296,732	(7,901)	2,288,831
半年結算至 2017年6月30日	Half-year ended 30 June 2017							
持續經營業務	CONTINUING OPERATIONS							
其他資料	Other information							
資本性支出	Capital expenditure	3	-	1	808	812	-	812
折舊	Depreciation	226	73	45	575	919	-	919
證券攤銷	Amortisation of securities	-	-	16	-	16	-	16

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

38. 已抵押資產

38. Assets pledged as security

於2018年6月30日，本集團之負債港幣149.55億元(2017年12月31日：港幣111.11億元)是以存放於中央保管系統以便利結算之資產作抵押。此外，本集團通過售後回購協議的債務證券抵押之負債為港幣42.48億元(2017年12月31日：港幣144.77億元)。本集團為擔保此等負債而質押之資產金額為港幣194.14億元(2017年12月31日：港幣260.02億元)，並主要於「以公平值變化計入損益之金融資產」及「證券投資」內列賬。

As at 30 June 2018, the liabilities of the Group amounting to HK\$14,955 million (31 December 2017: HK\$11,111 million) were secured by assets deposited with central depositories to facilitate settlement operations. In addition, the liabilities of the Group amounting to HK\$4,248 million (31 December 2017: HK\$14,477 million) were secured by debt securities related to sale and repurchase arrangements. The amount of assets pledged by the Group to secure these liabilities was HK\$19,414 million (31 December 2017: HK\$26,002 million) mainly included in "Financial assets at fair value through profit or loss" and "Investment in securities".

39. 主要之有關連人士交易

39. Significant related party transactions

中華人民共和國國務院通過中國投資有限責任公司(「中投」)、其全資附屬公司中央匯金投資有限責任公司(「匯金」)及匯金擁有控制權益之中國銀行，對本集團實行控制。

The Group is subject to the control of the State Council of the PRC Government through China Investment Corporation ("CIC"), its wholly-owned subsidiary Central Huijin Investment Ltd. ("Central Huijin"), and BOC in which Central Huijin has controlling equity interests.

(a) 與母公司及母公司控制之其他公司進行的交易

(a) Transactions with the parent companies and the other companies controlled by the parent companies

母公司的基本資料：

General information of the parent companies:

本集團受中國銀行控制。匯金是中國銀行之控股公司，亦是中投的全資附屬公司，而中投是從事外匯資金投資管理業務的國有獨資公司。

The Group is controlled by BOC. Central Huijin is the controlling entity of BOC, and it is a wholly-owned subsidiary of CIC which is a wholly state-owned company engaging in foreign currency investment management.

匯金於某些內地實體均擁有控制權益。

Central Huijin has controlling equity interests in certain other entities in the PRC.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

39. 主要之有關連人士交易 (續)

39. Significant related party transactions (continued)

(a) 與母公司及母公司控制之其他公司進行的交易 (續)

(a) Transactions with the parent companies and the other companies controlled by the parent companies (continued)

本集團在正常業務中與此等實體進行銀行業務交易，包括貸款、證券投資及貨幣市場交易。

The Group enters into banking transactions with these entities in the normal course of business which include loans, investment securities and money market transactions.

大部分與中國銀行進行的交易源自貨幣市場活動。於 2018 年 6 月 30 日，本集團相關應收及應付中國銀行款項總額分別為港幣 1,123.17 億元 (2017 年 12 月 31 日：港幣 1,865.48 億元) 及港幣 572.55 億元 (2017 年 12 月 31 日：港幣 603.85 億元)。2018 年上半年與中國銀行敘做此類業務過程中產生的收入及支出總額分別為港幣 18.25 億元 (2017 年上半年：港幣 5.49 億元) 及港幣 2.83 億元 (2017 年上半年：港幣 1.97 億元)。

The majority of transactions with BOC arise from money market activities. As at 30 June 2018, the related aggregate amounts due from and to BOC of the Group were HK\$112,317 million (31 December 2017: HK\$186,548 million) and HK\$57,255 million (31 December 2017: HK\$60,385 million) respectively. The aggregate amounts of income and expenses of the Group arising from these transactions with BOC for the first half of 2018 were HK\$1,825 million (first half of 2017: HK\$549 million) and HK\$283 million (first half of 2017: HK\$197 million) respectively.

與中國銀行控制之其他公司並無重大交易。

Transactions with other companies controlled by BOC are not considered material.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

39. 主要之有關連人士交易 (續)

39. Significant related party transactions (continued)

(b) 與政府機構、代理機構、附屬機構及其他國有控制實體的交易

(b) Transactions with government authorities, agencies, affiliates and other state controlled entities

中華人民共和國國務院通過中投及匯金對本集團實施控制，而中華人民共和國國務院亦通過政府機構、代理機構、附屬機構及其他國有控制實體直接或間接控制大量其他實體。本集團按一般商業條款與政府機構、代理機構、附屬機構及其他國有控制實體進行常規銀行業務交易。

The Group is subject to the control of the State Council of the PRC Government through CIC and Central Huijin, which also directly or indirectly controls a significant number of entities through its government authorities, agencies, affiliates and other state controlled entities. The Group enters into banking transactions with government authorities, agencies, affiliates and other state controlled entities in the normal course of business at commercial terms.

這些交易包括但不局限於下列各項：

These transactions include, but are not limited to, the following:

- 借貸、提供授信及擔保和接受存款；
- 銀行同業之存放及結餘；
- 出售、購買、包銷及贖回由其他國有控制實體所發行之債券；
- 提供外匯、匯款及相關投資服務；
- 提供信託業務；及
- 購買公共事業、交通工具、電信及郵政服務。

- lending, provision of credits and guarantees, and deposit taking;
- inter-bank balance taking and placing;
- sales, purchases, underwriting and redemption of bonds issued by other state controlled entities;
- rendering of foreign exchange, remittance and investment related services;
- provision of fiduciary activities; and
- purchase of utilities, transport, telecommunication and postage services.

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

39. 主要之有關連人士交易 (續) 39. Significant related party transactions (continued)

(c) 與聯營公司、合資企業及其他有關連人士在正常業務範圍內進行之交易摘要

與本集團之聯營公司、合資企業及其他有關連人士達成之有關連人士交易所產生之總收入／支出及結餘概述如下：

(c) Summary of transactions entered into during the ordinary course of business with associates, joint ventures and other related parties

The aggregate income/expenses and balances arising from related party transactions with associates, joint ventures and other related parties of the Group are summarised as follows:

		半年結算至 2018年6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$'m	半年結算至 2017年6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$'m
收益表項目	Income statement items		
聯營公司	Associates		
- 服務費及佣金支出	- Fee and commission expenses	6	20
- 其他經營支出	- Other operating expenses	39	37
其他有關連人士	Other related parties		
- 服務費及佣金收入	- Fee and commission income	5	5
		<u>5</u>	<u>5</u>
		於2018年6月30日 At 30 June 2018 港幣百萬元 HK\$'m	於2017年12月31日 At 31 December 2017 港幣百萬元 HK\$'m
資產負債表項目	Balance sheet item		
聯營公司	Associates		
- 其他賬項及準備	- Other accounts and provisions	17	4
		<u>17</u>	<u>4</u>

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

39. 主要之有關連人士交易 (續) 39. Significant related party transactions (continued)

(d) 主要高層人員

主要高層人員是指某些能直接或間接擁有權力及責任來計劃、指導及掌管集團業務之人士，包括董事及高層管理人員。本集團在正常業務中會接受主要高層人員存款及向其提供貸款及信貸融資。於期內及往期，本集團並沒有與本銀行及其控股公司之主要高層人員或其有關連人士進行重大交易。

主要高層人員之薪酬如下：

薪酬及其他短期員工福利

(d) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and senior management. The Group accepts deposits from and grants loans and credit facilities to key management personnel in the ordinary course of business. During both the current and prior periods, no material transaction was conducted with key management personnel of the Bank and its holding companies, as well as parties related to them.

The compensation of key management personnel is detailed as follows:

半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m	半年結算至 2017年 6月30日 Half-year ended 30 June 2017 港幣百萬元 HK\$m
16	17

Salaries and other short-term employee benefits

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

40. 國際債權

40. International claims

以下分析乃參照有關國際銀行業統計之金管局報表的填報指示而編製。國際債權按照交易對手所在地計入風險轉移後以交易對手之最終風險承擔的地域分佈，其總和包括所有貨幣之跨地域債權及本地之外幣債權。若債權之擔保人所在地與交易對手所在地不同，則風險將轉移至擔保人之所在地。若債權屬銀行之海外分行，其風險將會轉移至該銀行之總行所在地。

The below analysis is prepared with reference to the completion instructions for the HKMA return of international banking statistics. International claims are exposures to counterparties on which the ultimate risk lies based on the locations of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. For a claim guaranteed by a party situated in a location different from the counterparty, the risk will be transferred to the location of the guarantor. For a claim on an overseas branch of a bank whose head office is located in another location, the risk will be transferred to the location where its head office is located.

本集團的個別國家／地區其已計及風險轉移後佔國際債權總額 10%或以上之債權如下：

Claims on individual countries/regions, after risk transfer, amounting to 10% or more of the aggregate international claims of the Group are shown as follows:

		於 2018 年 6 月 30 日 At 30 June 2018				
		非銀行私人機構 Non-bank private sector				總計 Total
		銀行 Banks	官方機構 Official sector	非銀行 金融機構 Non-bank financial institutions	非金融 私人機構 Non-financial private sector	
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
中國內地	Mainland of China	327,018	99,410	22,162	131,241	579,831
香港	Hong Kong	10,237	-	23,314	297,786	331,337
日本	Japan	8,590	143,634	2,673	1,420	156,317
		於 2017 年 12 月 31 日 At 31 December 2017				
		非銀行私人機構 Non-bank private sector				總計 Total
		銀行 Banks	官方機構 Official sector	非銀行 金融機構 Non-bank financial institutions	非金融 私人機構 Non-financial private sector	
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
中國內地	Mainland of China	394,631	94,624	19,517	132,299	641,071
香港	Hong Kong	10,452	-	13,586	300,148	324,186
日本	Japan	12,526	79,727	4,323	993	97,569

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

41. 非銀行的內地風險承擔

41. Non-bank Mainland exposures

對非銀行交易對手的內地相關風險承擔之分析乃參照有關內地業務之金管局報表的填報指示所列之機構類別及直接風險類別分類。此報表僅計及中銀香港的香港辦事處之內地風險承擔。

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the types of direct exposures with reference to the completion instructions for the HKMA return of Mainland activities, which includes the Mainland exposures extended by BOCHK's Hong Kong office only.

		於 2018 年 6 月 30 日 At 30 June 2018			
	金管局 報表項目 Items in the HKMA return	資產負債 表內的 風險承擔 On-balance sheet exposure 港幣百萬元 HK\$m	資產負債 表外的 風險承擔 Off-balance sheet exposure 港幣百萬元 HK\$m	總風險承擔 Total exposure 港幣百萬元 HK\$m	
中央政府、中央政府持有的機構、其附屬公司及合資企業	Central government, central government-owned entities and their subsidiaries and joint ventures	1	282,231	33,284	315,515
地方政府、地方政府持有的機構、其附屬公司及合資企業	Local governments, local government-owned entities and their subsidiaries and joint ventures	2	59,004	12,342	71,346
中國籍境內居民或其他在境內註冊的機構、其附屬公司及合資企業	PRC nationals residing in Mainland or other entities incorporated in Mainland and their subsidiaries and joint ventures	3	70,689	10,467	81,156
不包括在上述第一項中央政府內的其他機構	Other entities of central government not reported in item 1 above	4	29,452	3,423	32,875
不包括在上述第二項地方政府內的其他機構	Other entities of local governments not reported in item 2 above	5	2	1	3
中國籍境外居民或在境外註冊的機構，其用於境內的信貸	PRC nationals residing outside Mainland or entities incorporated outside Mainland where the credit is granted for use in Mainland	6	78,125	8,163	86,288
其他交易對手而其風險承擔被視為非銀行的內地風險承擔	Other counterparties where the exposures are considered to be non-bank Mainland exposures	7	2,775	329	3,104
總計	Total	8	<u>522,278</u>	<u>68,009</u>	<u>590,287</u>
扣減準備金後的資產總額	Total assets after provision	9	<u>2,575,524</u>		
資產負債表內的風險承擔佔資產總額百分比	On-balance sheet exposures as percentage of total assets	10	<u>20.28%</u>		

中期財務資料附註 (續) Notes to the Interim Financial Information (continued)

41. 非銀行的內地風險承擔 (續) 41. Non-bank Mainland exposures (continued)

		於 2017 年 12 月 31 日 At 31 December 2017			
金管局 報表項目 Items in the HKMA return		資產負債 表內的 風險承擔 On-balance sheet exposure	資產負債 表外的 風險承擔 Off-balance sheet exposure	總風險承擔 Total exposure	
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	
中央政府、中央政府持有的 機構、其附屬公司及合資 企業	Central government, central government-owned entities and their subsidiaries and joint ventures	1	277,878	46,003	323,881
地方政府、地方政府持有的 機構、其附屬公司及合資 企業	Local governments, local government-owned entities and their subsidiaries and joint ventures	2	67,154	11,268	78,422
中國籍境內居民或其他在境 內註冊的機構、其附屬公 司及合資企業	PRC nationals residing in Mainland or other entities incorporated in Mainland and their subsidiaries and joint ventures	3	53,490	11,078	64,568
不包括在上述第一項中央政 府內的其他機構	Other entities of central government not reported in item 1 above	4	29,972	1,029	31,001
不包括在上述第二項地方政 府內的其他機構	Other entities of local governments not reported in item 2 above	5	-	-	-
中國籍境外居民或在境外註 冊的機構，其用於境內的 信貸	PRC nationals residing outside Mainland or entities incorporated outside Mainland where the credit is granted for use in Mainland	6	75,825	21,261	97,086
其他交易對手而其風險承擔 被視為非銀行的內地風險 承擔	Other counterparties where the exposures are considered to be non-bank Mainland exposures	7	2,624	828	3,452
總計	Total	8	<u>506,943</u>	<u>91,467</u>	<u>598,410</u>
扣減準備金後的資產總額	Total assets after provision	9	<u>2,445,769</u>		
資產負債表內的風險承擔 佔資產總額百分比	On-balance sheet exposures as percentage of total assets	10	<u>20.73%</u>		

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

42. 合併會計之應用

42. Application of merger accounting

於2018年1月29日，中國銀行分別以港幣8.53億元現金及港幣13.15億元現金之總交易對價轉讓菲律賓業務及越南業務予中銀香港。在此合併前及合併後，菲律賓業務、越南業務與中銀香港均共同受到中國銀行之控制。本集團根據香港會計師公會頒佈的會計指引第5號「共同控制合併之合併會計處理」，採用合併會計處理以編製財務報表。比較數據已相應重新列示，將合併假設菲律賓業務及越南業務乃一直由本集團經營。

On 29 January 2018, the Philippines Business and the Vietnam Business were transferred from BOC to BOCHK for a total consideration of HK\$853 million and HK\$1,315 million in cash respectively. The Philippines Business, the Vietnam Business and BOCHK are all under the common control of BOC before and after the combination. The Group has applied the merger accounting method in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA in the preparation of financial statements. The comparative amounts have been restated accordingly as if the Philippines Business and the Vietnam Business had always been carried out by the Group.

於2018年6月30日及2017年12月31日之綜合資本調整表如下：

The statements of the adjustments to the consolidated equity as at 30 June 2018 and 31 December 2017 are as follows:

		於2018年6月30日 At 30 June 2018			
	合併前 Before combination	受共同控制 之實體 Entities under common control	調整 Adjustment	合併後 After combination	
	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	
股本	Share capital	43,043	1,062	(1,062)	43,043
合併儲備	Merger reserve	-	-	(1,106)	(1,106)
留存盈利及其他 儲備	Retained earnings and other reserves	196,567	201	-	196,768
		239,610	1,263	(2,168)	238,705
非控制權益	Non-controlling interests	259	-	-	259
		239,869	1,263	(2,168)	238,964

		於2017年12月31日 At 31 December 2017			
	合併前 Before combination	受共同控制 之實體 Entities under common control	調整 Adjustment	合併後 After combination	
	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m	
股本	Share capital	43,043	1,062	(1,062)	43,043
合併儲備	Merger reserve	-	-	1,062	1,062
留存盈利及其他 儲備	Retained earnings and other reserves	186,373	217	-	186,590
		229,416	1,279	-	230,695
非控制權益	Non-controlling interests	271	-	-	271
		229,687	1,279	-	230,966

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

43. 比較數據

43. Comparative amounts

就 2017 年 7 月 10 日及 2017 年 11 月 6 日分別向中國銀行收購印度尼西亞業務及柬埔寨業務事，本集團就受共同控制的業務合併採用合併會計處理。簡要綜合收益表及相關附註之比較數據已重新列示，將合併假設印度尼西亞業務及柬埔寨業務乃一直由本集團經營。

In respect of the acquisition of the Indonesia Business and the Cambodia Business from BOC on 10 July 2017 and 6 November 2017 respectively, the Group has applied merger accounting method for the business combination under common control. Comparative amounts in the condensed consolidated income statement and relevant notes have been restated as if the Indonesia Business and the Cambodia Business had always been carried out by the Group.

就 2018 年 1 月 29 日中國銀行轉讓菲律賓業務及越南業務事，如附註 42 所述，本集團就受共同控制的業務合併採用合併會計處理。中期財務資料之比較數據已重新列示，將合併假設菲律賓業務及越南業務乃一直由本集團經營。

In respect of the transfer of the Philippines Business and the Vietnam Business from BOC on 29 January 2018 as explained in Note 42, the Group has applied merger accounting method for the business combination under common control. Comparative amounts in the interim financial information have been restated as if the Philippines Business and the Vietnam Business had always been carried out by the Group.

44. 符合香港會計準則第 34 號

44. Compliance with HKAS 34

截至 2018 年上半年止的未經審計中期財務資料符合香港會計師公會所頒佈之香港會計準則第 34 號「中期財務報告」之要求。

The unaudited interim financial information for the first half of 2018 complies with HKAS 34 "Interim Financial Reporting" issued by the HKICPA.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

45. 法定賬目

45. Statutory accounts

被納入本中期業績報告作為比較信息的截至 2017 年 12 月 31 日止年度有關的財務信息，雖然來源於本銀行的法定年度綜合財務報表，但不構成本銀行的法定年度綜合財務報表。按照香港《公司條例》第 436 條要求需就這些法定財務報表披露更多有關的信息如下：

本銀行已按照香港《公司條例》第 662(3)條及附表 6 第 3 部的要求送呈截至 2017 年 12 月 31 日止年度的財務報表予公司註冊處。

本銀行的核數師已就該財務報表發出核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不發出保留意見的情況下以強調的方式提請使用者注意的任何事項；亦不包含根據香港《公司條例》第 406(2)、407(2)或(3)條作出的聲明。

The financial information relating to the year ended 31 December 2017 that is included in this Interim Report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Bank has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Bank's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

其他資料

1. 符合《銀行業(披露)規則》

本未經審計之中期業績報告符合《銀行業條例》項下《銀行業(披露)規則》之有關要求。

2. 監管披露

監管披露連同本中期業績報告內之披露，已載列金管局頒佈之《銀行業(披露)規則》要求的所有披露。監管披露可於中銀香港網頁 www.bochk.com 中「監管披露」一節瀏覽。

Additional Information

1. Compliance with the Banking (Disclosure) Rules

This unaudited Interim Report complies with the applicable requirements set out in the Banking (Disclosure) Rules under the Banking Ordinance.

2. Regulatory Disclosures

The Regulatory Disclosures, together with the disclosures in this Interim Report, contained all the disclosures required by the Banking (Disclosure) Rules issued by the HKMA. The Regulatory Disclosures is available under section "Regulatory Disclosures" on BOCHK's website at www.bochk.com.

獨立審閱報告



安永會計師事務所
香港中環添美道1號
中信大廈22樓

中期財務資料的審閱報告 致中國銀行(香港)有限公司董事會 (於香港註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第 55 至 187 頁的中期財務資料,此中期財務資料包括中國銀行(香港)有限公司(「貴銀行」)及其子公司(合稱「貴集團」)於 2018 年 6 月 30 日的簡要綜合資產負債表與截至該日止 6 個月期間的相關簡要綜合收益表、簡要綜合全面收益表、簡要綜合權益變動表和簡要綜合現金流量表,以及其他附註解釋。貴銀行董事須負責根據香港會計師公會頒佈的香港會計準則第 34 號「中期財務報告」(「香港會計準則第 34 號」)編製及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論。我們按照委聘之條款僅向整體董事會報告,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。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱準則第 2410 號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢,及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審計的範圍為小,故不能令我們可保證我們將知悉在審計中可能被發現的所有重大事項。因此,我們不會發表審計意見。

結論

按照我們的審閱,我們並無發現任何事項,令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。



安永會計師事務所
執業會計師
香港, 2018 年 8 月 28 日

Independent Review Report



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Report on review of interim financial information **To the board of directors of Bank of China (Hong Kong) Limited** (Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 55 to 187, which comprises the condensed consolidated balance sheet of Bank of China (Hong Kong) Limited (the “Bank”) and its subsidiaries (together, the “Group”) as at 30 June 2018 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and other explanatory notes. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.



Ernst & Young
Certified Public Accountants
Hong Kong, 28 August 2018

附錄

Appendix

本銀行之附屬公司

Subsidiaries of the Bank

附屬公司的具體情況如下：

The particulars of subsidiaries are as follows:

名稱 Name	註冊／營業 地點及日期 Place and date of incorporation/ operation	已發行股本／ 註冊資本 Issued share capital/ registered capital	持有權益 Interest held	主要業務 Principal activities
中銀信用卡（國際）有限公司 BOC Credit Card (International) Limited	香港 1980年9月9日 Hong Kong 9 September 1980	普通股份 480,000,000 港元 Ordinary shares HK\$480,000,000	100.00%	信用卡服務 Credit card services
中銀集團信託人有限公司 BOC Group Trustee Company Limited	香港 1997年12月1日 Hong Kong 1 December 1997	普通股份 200,000,000 港元 Ordinary shares HK\$200,000,000	66.00%	信託服務 Trustee services
中銀國際英國保誠信託有限公司 BOCI-Prudential Trustee Limited	香港 1999年10月11日 Hong Kong 11 October 1999	普通股份 300,000,000 港元 Ordinary shares HK\$300,000,000	42.24%*	信託服務 Trustee services
馬來西亞中國銀行 Bank of China (Malaysia) Berhad	馬來西亞 2000年4月14日 Malaysia 14 April 2000	普通股份 760,518,480 馬來西亞林吉特 Ordinary shares RM760,518,480	100.00%	銀行業務 Banking business
China Bridge (Malaysia) Sdn. Bhd.	馬來西亞 2009年4月24日 Malaysia 24 April 2009	普通股份 1,000,000 馬來西亞林吉特 Ordinary shares RM1,000,000	100.00%	受理中國簽證 China visa application
中國銀行（泰國）股份有限公司 Bank of China (Thai) Public Company Limited	泰國 2014年4月1日 Thailand 1 April 2014	普通股份 10,000,000,000 泰銖 Ordinary shares Baht10,000,000,000	100.00%	銀行業務 Banking business
中國銀行（香港）代理人有限公司 Bank of China (Hong Kong) Nominees Limited	香港 1985年10月1日 Hong Kong 1 October 1985	普通股份 2 港元 Ordinary shares HK\$2	100.00%	代理人服務 Nominee services
中國銀行（香港）信託有限公司 Bank of China (Hong Kong) Trustees Limited	香港 1987年11月6日 Hong Kong 6 November 1987	普通股份 3,000,000 港元 Ordinary shares HK\$3,000,000	100.00%	信託及代理服務 Trustee and agency services
中銀香港金融產品（開曼）有限公司 BOCHK Financial Products (Cayman) Ltd.	開曼群島 2006年11月10日 Cayman Islands 10 November 2006	普通股份 50,000 美元 Ordinary shares US\$50,000	100.00%	發行結構性票據 Issuing structured notes
中銀信息科技（深圳）有限公司 BOCHK Information Technology (Shenzhen) Co., Ltd.	中國 1990年4月16日 PRC 16 April 1990	註冊資本 70,000,000 港元 Registered capital HK\$70,000,000	100.00%	物業持有及 物業投資 Property holding and investment

附錄 (續)

Appendix (continued)

本銀行之附屬公司 (續) Subsidiaries of the Bank (continued)

名稱 Name	註冊/營業 地點及日期 Place and date of incorporation/ operation	已發行股本/ 註冊資本 Issued share capital/ registered capital	持有權益 Interest held	主要業務 Principal activities
中銀信息技術服務(深圳)有限公司 BOCHK Information Technology Services (Shenzhen) Co., Ltd.	中國 1993年5月26日 PRC 26 May 1993	註冊資本 40,000,000 港元 Registered capital HK\$40,000,000	100.00%	信息技術服務 Information technology services
浙興(代理人)有限公司 Che Hsing (Nominees) Limited	香港 1980年4月23日 Hong Kong 23 April 1980	普通股份 10,000 港元 Ordinary shares HK\$10,000	100.00%	代理人服務 Nominee services
寶生金融投資服務有限公司 Po Sang Financial Investment Services Company Limited	香港 1980年9月23日 Hong Kong 23 September 1980	普通股份 335,000,000 港元 Ordinary shares HK\$335,000,000	100.00%	黃金買賣及 投資控股 Gold trading and investment holding
寶生證券及期貨有限公司 Po Sang Securities and Futures Limited	香港 1993年10月19日 Hong Kong 19 October 1993	普通股份 335,000,000 港元 Ordinary shares HK\$335,000,000	100.00%	證券及期貨業務 Securities and futures brokerage
新僑企業有限公司 Sin Chiao Enterprises Corporation, Limited	香港 1961年9月13日 Hong Kong 13 September 1961	普通股份 3,000,000 港元 Ordinary shares HK\$3,000,000	100.00%	物業持有及 物業投資 Property holding and investment
新華信託有限公司 Sin Hua Trustee Limited	香港 1978年10月27日 Hong Kong 27 October 1978	普通股份 3,000,000 港元 Ordinary shares HK\$3,000,000	100.00%	信託服務 Trustee services
Billion Express Development Inc.	英屬維爾京群島 2014年2月7日 British Virgin Islands 7 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Billion Orient Holdings Ltd.	英屬維爾京群島 2014年2月3日 British Virgin Islands 3 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Elite Bond Investments Ltd.	英屬維爾京群島 2014年2月7日 British Virgin Islands 7 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Express Capital Enterprise Inc.	英屬維爾京群島 2014年2月3日 British Virgin Islands 3 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Express Charm Holdings Corp.	英屬維爾京群島 2014年2月7日 British Virgin Islands 7 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding

附錄 (續)

Appendix (continued)

本銀行之附屬公司 (續)

Subsidiaries of the Bank (continued)

名稱 Name	註冊/營業 地點及日期 Place and date of incorporation/ operation	已發行股本/ 註冊資本 Issued share capital/ registered capital	持有權益 Interest held	主要業務 Principal activities
Express Shine Assets Holdings Corp.	英屬維爾京群島 2014年1月3日 British Virgin Islands 3 January 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Express Talent Investment Ltd.	英屬維爾京群島 2014年2月13日 British Virgin Islands 13 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Gold Medal Capital Inc.	英屬維爾京群島 2014年1月3日 British Virgin Islands 3 January 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Gold Tap Enterprises Inc.	英屬維爾京群島 2014年2月13日 British Virgin Islands 13 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Maxi Success Holdings Ltd.	英屬維爾京群島 2014年2月7日 British Virgin Islands 7 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Smart Linkage Holdings Inc.	英屬維爾京群島 2014年2月13日 British Virgin Islands 13 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Smart Union Capital Investments Ltd.	英屬維爾京群島 2014年1月3日 British Virgin Islands 3 January 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Success Trend Development Ltd.	英屬維爾京群島 2014年2月18日 British Virgin Islands 18 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding
Wise Key Enterprises Corp.	英屬維爾京群島 2014年2月18日 British Virgin Islands 18 February 2014	普通股份 1 美元 Ordinary shares US\$1	100.00%	投資控股 Investment holding

* 中銀國際英國保誠信託有限公司為本銀行屬下一家非全資附屬公司的附屬公司，憑藉本銀行對該公司的控制權，該公司被視為本銀行的附屬公司。

* BOCI-Prudential Trustee Limited is a subsidiary of a non-wholly-owned subsidiary of the Bank and, accordingly, is accounted for as a subsidiary by virtue of the Bank's control over it.

釋義

在本中期業績報告中，除非文義另有所指，否則下列詞彙具有以下涵義：

詞彙	涵義
「中國銀行」	中國銀行股份有限公司，一家根據中國法例成立之商業銀行及股份制有限責任公司，其 H 股及 A 股股份分別於香港聯合交易所有限公司及上海證券交易所掛牌上市
「中銀香港」或「本銀行」	中國銀行（香港）有限公司，根據香港法例註冊成立之公司，並為中銀香港（控股）有限公司之全資附屬公司
「中銀馬來西亞」	馬來西亞中國銀行，為中銀香港之全資附屬公司
「董事會」	本銀行的董事會
「中投」	中國投資有限責任公司
「匯金」	中央匯金投資有限責任公司
「集友」	集友銀行有限公司，根據香港法例註冊成立之公司
「金管局」	香港金融管理局
「香港」	中華人民共和國香港特別行政區
「強積金」	強制性公積金
「內地」或「中國內地」	中華人民共和國內地
「中國」	中華人民共和國
「人民幣」	人民幣，中國法定貨幣
「標準普爾」	標準普爾評級服務
「本集團」	本銀行及其附屬公司
「風險值」	風險持倉涉險值

Definitions

In this Interim Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Terms	Meanings
"ALCO"	the Asset and Liability Management Committee
"AT1"	Additional Tier 1
"ATM"	Automated Teller Machine
"BOC"	Bank of China Limited, a joint stock commercial bank with limited liability established under the laws of the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
"BOCHK" or "the Bank"	Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC Hong Kong (Holdings) Limited
"BOCI-Prudential Trustee"	BOCI-Prudential Trustee Limited, a company incorporated under the laws of Hong Kong, in which BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited hold equity interests of 64% and 36% respectively
"BOC Malaysia"	Bank of China (Malaysia) Berhad, a wholly-owned subsidiary of BOCHK
"Board" or "Board of Directors"	the Board of Directors of the Bank
"CE"	Chief Executive
"CET1"	Common Equity Tier 1
"CFO"	Chief Financial Officer
"CIC"	China Investment Corporation
"CRO"	Chief Risk Officer
"CVA"	Credit Valuation Adjustment
"Central Huijin"	Central Huijin Investment Ltd.
"Chiyu"	Chiyu Banking Corporation Limited, a company incorporated under the laws of Hong Kong
"DCE"	Deputy Chief Executive
"DVA"	Debit Valuation Adjustment
"ECL"	Expected Credit Loss
"EV"	Economic Value Sensitivity Ratio
"FCC"	the Financial Crime Compliance Department

Definitions (continued)

Terms	Meanings
"FIRB"	Foundation Internal Ratings-based
"FVOCI"	Fair value through other comprehensive income
"FVPL"	Fair value through profit or loss
"HKAS"	Hong Kong Accounting Standard
"HKFRS"	Hong Kong Financial Reporting Standard
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKMA"	Hong Kong Monetary Authority
"Hong Kong" or "Hong Kong SAR"	Hong Kong Special Administrative Region of the PRC
"ICAAP"	Internal Capital Adequacy Assessment Process
"IFRS"	International Financial Reporting Standard
"IMM"	Internal Models
"IT"	Information Technology
"LCO"	the Legal & Compliance and Operational Risk Management Department
"LCR"	Liquidity Coverage Ratio
"MC"	the Management Committee
"MPF"	Mandatory Provident Fund
"mainland" or "Mainland of China"	the mainland of the PRC
"N/A"	Not applicable
"NII"	Net Interest Income Sensitivity Ratio
"NSFR"	Net Stable Funding Ratio
"OTC"	Over-the-counter

Definitions (continued)

Terms	Meanings
"PRC"	the People's Republic of China
"PVBP"	Price Value of a Basis Point
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RMC"	the Risk Committee
"RMD"	the Risk Management Department
"RWA"	Risk-weighted Assets
"SME"	Small and Medium-sized Enterprise
"STC"	Standardised (Credit Risk)
"STM"	Standardised (Market Risk)
"STO"	Standardised (Operational Risk)
"Standard & Poor's"	Standard & Poor's Ratings Services
"the Group"	the Bank and its subsidiaries collectively referred as the Group
"US"	the United States of America
"VAR"	Value at Risk

