

2019 中期業績報告 Interim Report



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Interim Report 2019



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管理層討論及分析

本集團於 2019 年 1 月 21 日完成收購中國銀行股份有限公司萬象分行（「中銀萬象分行」）的交割，並就該項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 2018 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」。

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 2018 年比較資料亦相應重新列示。

財務要點

港幣百萬元	半年結算至	(重列) 半年結算至	(重列) 半年結算至
	2019 年 6 月 30 日	2018 年 12 月 31 日	2018 年 6 月 30 日
提取減值準備前之淨經營收入	28,264	26,268	26,709
經營支出	(7,277)	(7,946)	(6,776)
提取減值準備前之經營溢利	20,987	18,322	19,933
提取減值準備後之經營溢利	20,196	17,425	19,593
除稅前溢利	20,913	17,451	20,576
本銀行股東應佔溢利	17,610	14,290	17,231

本集團 2019 年上半年股東應佔溢利為港幣 176.10 億元，按年增加港幣 3.79 億元或 2.2%。提取減值準備前之淨經營收入為港幣 282.64 億元，按年上升港幣 15.55 億元或 5.8%，主要受惠於市場利率上升及積極主動管理資產及負債，淨利息收入有所上升。出售若干債務證券亦錄得較高淨收益，惟淨服務費及佣金收入下跌，部分抵銷以上收入升幅。經營支出按年有所增加，反映本集團持續投放資源支持業務發展。減值準備淨撥備按年增加，投資物業公平值調整之淨收益則按年下降。

與 2018 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 19.96 億元或 7.6%，主要因淨服務費及佣金收入增加，以及出售若干債務證券錄得淨收益。然而，部分升幅被淨利息收入回落抵銷。此外，經營支出及減值準備淨撥備回落，投資物業公平值調整錄得淨收益，股東應佔溢利較去年下半年增加港幣 33.20 億元或 23.2%。

管理層討論及分析 (續)

收益表分析

以下收益表分析的比較資料已重新列示，以符合本年之列示形式。

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 2019年6月30日	半年結算至 2018年12月31日	半年結算至 2018年6月30日
利息收入	32,034	31,715	27,120
利息支出	(13,712)	(12,305)	(10,053)
淨利息收入	18,322	19,410	17,067
平均生息資產	2,445,790	2,366,383	2,363,599
淨利差	1.32%	1.45%	1.32%
淨息差	1.51%	1.63%	1.46%
淨息差 (調整後) *	1.61%	1.63%	1.48%

* 計入外匯掉期合約的資金收入或成本。

2019年上半年淨利息收入為港幣 183.22 億元。若計入外匯掉期合約[#]的資金收入或成本，淨利息收入按年上升 12.6%，主要由淨息差擴闊及平均生息資產增長帶動。

平均生息資產按年上升港幣 821.91 億元或 3.5%。在客戶存款規模上升帶動下，客戶貸款和債券投資及其他債務工具均錄得上升。

淨息差為 1.51%，若計入外匯掉期合約的資金收入或成本，淨息差為 1.61%，按年上升 13 個基點，主要由於市場利率按年上升，以及本集團積極主動管理資產及負債，貸存利差擴闊，債券投資及其他債務工具的平均收益率上升，以及淨無息資金貢獻上升。

[#] 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		(重列) 半年結算至		(重列) 半年結算至	
	2019年6月30日		2018年12月31日		2018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	353,634	1.87	376,666	1.84	455,862	1.95
債券投資及其他債務工具	794,849	2.25	740,344	2.46	684,764	1.95
客戶貸款	1,278,833	3.09	1,232,207	3.03	1,205,427	2.67
其他生息資產	18,474	2.80	17,166	2.60	17,546	1.66
總生息資產	2,445,790	2.64	2,366,383	2.66	2,363,599	2.31
無息資產	345,093	-	328,733	-	309,219	-
資產總額	2,790,883	2.31	2,695,116	2.33	2,672,818	2.05
負債						
銀行及其他金融機構之存款及結餘	198,499	1.22	223,907	1.14	227,442	1.04
往來、儲蓄及定期存款	1,840,470	1.29	1,728,614	1.16	1,729,152	0.90
後償負債	13,160	5.51	16,053	5.42	20,458	5.46
其他付息負債	41,753	1.82	49,391	1.98	61,038	1.91
總付息負債	2,093,882	1.32	2,017,965	1.21	2,038,090	0.99
股東資金*及其他無息存款及負債	697,001	-	677,151	-	634,728	-
負債總額	2,790,883	0.99	2,695,116	0.91	2,672,818	0.76

* 股東資金指本銀行股東應佔股本和儲備。

與2018年下半年相比，若計入外匯掉期合約的資金收入或成本，本集團淨利息收入上升0.7%，主要由於平均生息資產增長。淨息差回落2個基點，主要由於存款市場競爭激烈，以及去年下半年上調港元儲蓄存款利率，令存款成本上升，部分被貸款平均收益率上升抵銷。

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 2019年6月30日	半年結算至 2018年12月31日	半年結算至 2018年6月30日
信用卡業務	1,639	1,720	1,758
貸款佣金	1,623	901	1,712
保險	1,295	884	948
證券經紀	1,093	1,064	1,705
基金分銷	420	344	520
匯票佣金	352	338	401
繳款服務	339	355	326
買賣貨幣	323	322	268
信託及託管服務	313	324	317
保管箱	144	131	154
其他	691	673	650
服務費及佣金收入	8,232	7,056	8,759
服務費及佣金支出	(1,765)	(1,865)	(1,983)
淨服務費及佣金收入	6,467	5,191	6,776

2019年上半年，淨服務費及佣金收入為港幣 64.67 億元，較去年同期的高位下降港幣 3.09 億元或 4.6%，主要由於投資市場氣氛轉弱，證券經紀及基金分銷佣金收入分別下跌 35.9%及 19.2%。期內，本集團緊抓市場機遇，持續優化服務渠道和功能，豐富產品和服務，多個領域的業務錄得穩定增長。其中，加強保險產品及服務組合創新，向重點客戶推廣及推動電子化投保流程，促進保險業務量上升，佣金收入隨之增長 36.6%。把握客戶旅遊對多種貨幣現鈔的旺盛需求，並積極拓展本地、內地、東南亞及其他海外市場的現鈔業務，帶動買賣貨幣佣金收入上升 20.5%。加快拓展資金池、現金管理等業務，繳款服務佣金收入增長 4.0%。然而，信用卡佣金收入減少 6.8%，主要受到本地零售消費下降影響。貸款佣金收入減少 5.2%，匯票、信託及託管和保管箱佣金收入亦有所下降。服務費及佣金支出下降，主要因信用卡及證券經紀相關支出減少。

與 2018 年下半年相比，淨服務費及佣金收入上升港幣 12.76 億元或 24.6%，主要由貸款、保險、基金分銷及證券經紀佣金收入上升帶動。此外，匯票及保管箱佣金收入亦有所上升。然而，信用卡、繳款服務和信託及託管服務收入下降。服務費及佣金支出下降，主要因信用卡相關支出減少。

管理層討論及分析（續）

淨交易性收益

港幣百萬元	半年結算至	(重列) 半年結算至	(重列) 半年結算至
	2019年6月30日	2018年12月31日	2018年6月30日
外匯交易及外匯交易產品	2,543	1,108	1,788
利率工具及公平值對沖的項目	(485)	(122)	178
商品	126	123	61
股權及信貸衍生工具	57	26	114
淨交易性收益總額	2,241	1,135	2,141

2019年上半年，本集團淨交易性收益為港幣22.41億元，按年上升港幣1.00億元或4.7%。外匯交易及外匯交易產品的淨交易性收益增加港幣7.55億元，主要因外匯掉期合約淨收益增加，部分增長被客戶兌換收入下降抵銷。利率工具及公平值對沖的項目錄得淨交易性虧損，而去年同期則為淨收益，主要由於本年市場利率變動引致若干債券投資及利率工具組合的市場劃價變化。商品淨交易性收益上升源於貴金屬交易收益增加。股權及信貸衍生工具淨交易性收益下跌，主要因股票掛鉤結構性產品收入下降。若剔除外匯掉期合約的資金收入或成本，淨交易性收益則按年下降44.7%。

與2018年下半年相比，淨交易性收益上升港幣11.06億元或97.4%，主要因外匯掉期合約錄得淨收益而2018年下半年則錄得淨虧損，以及客戶兌換收入回升，部分增長被市場利率變動引致若干債券投資及利率工具組合的市場劃價虧損上升抵銷。若剔除外匯掉期合約的資金收入或成本，淨交易性收益則較2018年下半年下跌9.8%。

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 2019年6月30日	半年結算至 2018年12月31日	半年結算至 2018年6月30日
人事費用	4,086	4,407	3,900
房產及設備支出（不包括折舊）	642	979	827
折舊	1,373	1,057	988
其他經營支出	1,176	1,503	1,061
經營支出總額	7,277	7,946	6,776

全職員工數目*	（重列）		（重列）
	2019年6月30日	2018年12月31日	2018年6月30日
全職員工數目*	13,524	13,645	12,974

* 截至2018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。

經營支出總額按年增加港幣5.01億元或7.4%，主要因為本集團持續投放資源於人力資源、提升金融科技服務能力，以加快數字化銀行轉型及提升整體服務競爭力，支持長遠業務發展。成本對收入比率為25.75%，成本效益持續處於同業較佳水平。

人事費用按年增長4.8%，主要由於年度調薪及增聘員工。

房屋及設備支出下跌22.4%，主要由於本集團自2019年1月1日起採納香港財務報告準則第16號(HKFRS 16)「租賃」，根據此新準則，房產租賃按使用權資產核算，相關租金以使用權資產的折舊費用反映，令房產租金支出下降，部分被資訊科技投入上升抵銷。

折舊增加39.0%，主要因採納HKFRS 16的影響，以及房地產及資訊科技基礎設施折舊支出增加。

其他經營支出上升10.8%，主要是信用卡及支付業務推廣和通訊費用上升。

與2018年下半年相比，經營支出總額減少港幣6.69億元或8.4%，主要由於與業績掛鈎的酬金、業務推廣等支出減少。

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	(重列)		(重列)
	半年結算至 2019年6月30日	半年結算至 2018年12月31日	半年結算至 2018年6月30日
第一階段	(276)	(298)	460
第二階段	12	(195)	(141)
第三階段	(453)	(424)	(585)
貸款及其他賬項減值準備淨撥備	(717)	(917)	(266)

2019年上半年，貸款及其他賬項減值準備淨撥備為港幣7.17億元，較2018年同期增加港幣4.51億元。第一階段減值準備為淨撥備港幣2.76億元，主要是期內貸款增長帶動，而去年同期則為淨撥回。第二階段減值準備為淨撥回港幣0.12億元，而去年同期為淨撥備港幣1.41億元，主要反映若干客戶內部評級變化的影響。第三階段減值準備淨撥備為港幣4.53億元，按年減少港幣1.32億元，主要由於若干個人貸款組合的減值準備淨撥備下降，以及收回已撇銷賬項金額增加。

與2018年下半年相比，貸款及其他賬項減值準備淨撥備減少港幣2.00億元，主要是去年下半年考慮經濟前景因素變化而更新預期信用損失模型參數所致。

管理層討論及分析 (續)

資產負債分析

下表列出本集團的資產組成，截至 2018 年 12 月 31 日的比較數字已重新列示，以符合本年之列示形式。有關衍生金融工具的合約／名義數額及公平值，請見中期財務資料附註 19。有關各項重要類別的或然負債及承擔之合約數額及總信貸風險加權數額，請見中期財務資料附註 34。

資產組成

	(重列)			
	2019 年 6 月 30 日		2018 年 12 月 31 日	
港幣百萬元，百分比除外	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	384,539	13.5	433,068	15.3
香港特別行政區政府負債證明書	163,860	5.8	156,300	5.5
證券投資及其他債務工具 ¹	781,244	27.5	815,012	28.9
貸款及其他賬項	1,369,572	48.1	1,282,286	45.4
固定資產及投資物業	72,292	2.5	69,059	2.5
其他資產 ²	74,174	2.6	68,060	2.4
資產總額	2,845,681	100.0	2,823,785	100.0

1. 證券投資及其他債務工具包括證券投資及以公平值變化計入損益之金融資產。

2. 其他資產包括衍生金融工具、聯營公司及合資企業權益、應收稅項資產及遞延稅項資產。

本集團持續優化資產負債管理，致力於均衡、可持續發展。截至 2019 年 6 月 30 日，本集團資產總額達港幣 28,456.81 億元，較 2018 年末增長港幣 218.96 億元或 0.8%。其中，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 485.29 億元或 11.2%，主要由於存放同業和中央銀行的結餘減少；證券投資及其他債務工具下降港幣 337.68 億元或 4.1%；貸款及其他賬項上升港幣 872.86 億元或 6.8%，其中客戶貸款增長港幣 853.02 億元或 6.7%，貿易票據亦增加港幣 31.73 億元或 18.3%。

管理層討論及分析 (續)

客戶貸款

港幣百萬元，百分比除外	2019年6月30日		(重列) 2018年12月31日	
	餘額	佔比(%)	餘額	佔比(%)
在香港使用之貸款	891,193	65.9	841,012	66.4
工商金融業	523,842	38.7	493,818	39.0
個人	367,351	27.2	347,194	27.4
貿易融資	80,517	6.0	65,437	5.2
在香港以外使用之貸款	380,119	28.1	360,078	28.4
客戶貸款總額	1,351,829	100.0	1,266,527	100.0

2019年上半年，本集團積極拓展本港及跨境業務，瞄準本地大型客戶、優質工商及中小企客戶的貸款需求，優化按揭業務流程電子化及提升按揭中心服務質量；與中國銀行境內各機構聯動，把握國家重大舉措實施帶來的機遇。期內，保持港澳銀團市場最大安排行地位，私人住宅按揭及安老按揭業務位於市場前列。同時，加強東南亞業務營銷，拓展當地具影響力的優質客戶，成功爭取區內大型融資項目。2019年上半年，客戶貸款增長港幣853.02億元或6.7%至港幣13,518.29億元。

在香港使用之貸款上升港幣501.81億元或6.0%。

- 工商金融業貸款增長港幣300.24億元或6.1%，增長源自物業發展、金融業、批發及零售、資訊科技、運輸及運輸設備和股票經紀貸款。
- 個人貸款上升港幣201.57億元或5.8%，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4.8%。其他個人貸款則增長8.3%，主要由物業加按貸款增長帶動。

貿易融資上升港幣150.80億元或23.0%。在香港以外使用之貸款增加港幣200.41億元或5.6%，主要是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)	
	2019年6月30日	2018年12月31日
客戶貸款	1,351,829	1,266,527
特定分類或減值貸款比率	0.20%	0.19%
總減值準備	6,032	5,419
總減值準備佔客戶貸款之比率	0.45%	0.43%
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	0.20%	0.19%
	半年結算至 2019年6月30日	半年結算至 2018年6月30日
信用卡貸款 — 撇賬比率 ³	1.35%	1.47%

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，本集團積極夯實各項風險管理基礎，提升區域化風險管理水平，整體資產質量保持良好。截至2019年6月30日，特定分類或減值貸款比率為0.20%，較上年末上升0.01個百分點，特定分類或減值之客戶貸款餘額上升港幣2.69億元或11.3%至港幣26.52億元。

本集團住宅按揭貸款及信用卡貸款質量維持穩健，截至2019年6月30日，住宅按揭貸款拖欠及經重組貸款比率為0.01%。2019年上半年，信用卡貸款撇賬比率為1.35%，按年下降0.12個百分點。

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)			
	2019年6月30日		2018年12月31日	
	餘額	佔比 (%)	餘額	佔比 (%)
即期存款及往來存款	220,598	10.9	210,258	11.1
儲蓄存款	900,842	44.5	854,272	44.9
定期、短期及通知存款	904,255	44.6	834,572	43.9
	2,025,695	100.0	1,899,102	99.9
結構性存款	13	-	2,199	0.1
客戶存款總額	2,025,708	100.0	1,901,301	100.0

2019年上半年，本集團夯實中高端客戶基礎，並加強與大型企業及機構客戶的業務往來，以擴大存款規模。截至2019年6月30日，客戶存款總額達港幣20,257.08億元，較去年末增加港幣1,244.07億元或6.5%。持續優化存款結構管理，大力推廣發薪、理財、支付綜合服務方案，以及新股上市收票行、現金管理、結算等業務，帶動客戶往來及儲蓄存款沉澱，即期及往來存款增長4.9%，儲蓄存款上升5.5%，定期、短期及通知存款亦增長8.3%。

本銀行股東應佔股本和儲備

港幣百萬元	(重列)	
	2019年6月30日	2018年12月31日
股本	43,043	43,043
房產重估儲備	39,508	38,581
公平值變動儲備	871	(1,870)
自身信貸風險儲備	(36)	5
監管儲備	10,877	10,496
換算儲備	(681)	(832)
合併儲備	-	350
留存盈利	164,598	153,177
儲備	215,137	199,907
本銀行股東應佔股本和儲備總額	258,180	242,950

截至2019年6月30日，本銀行股東應佔股本和儲備總額為港幣2,581.80億元，較2018年末增加港幣152.30億元或6.3%。留存盈利較上年末上升7.5%，主要反映2019年上半年在扣除2018年末期股息後的盈利。房產重估儲備上升2.4%，主要反映2019年上半年房產價格有所上升。公平值變動儲備由虧損轉為盈餘，主要是市場利率變動影響。監管儲備上升3.6%，主要由於客戶貸款增長。截至2018年12月31日的合併儲備源自本集團合併中銀萬象分行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	2019年6月30日	2018年12月31日
扣減後的綜合資本		
普通股權一級資本	193,987	180,202
額外一級資本	23,463	23,476
一級資本	217,450	203,678
二級資本	32,565	34,393
總資本	250,015	238,071
風險加權資產總額	1,086,888	1,030,815
普通股權一級資本比率	17.85%	17.48%
一級資本比率	20.01%	19.76%
總資本比率	23.00%	23.10%

本集團在設定各項資本比率的內部目標時，除充分考慮監管要求外，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。

截至2019年6月30日，普通股權一級資本及一級資本分別增長7.6%及6.8%，由2019年上半年扣除支付股息後的溢利帶動。本集團一直致力平衡風險加權資產的增幅及風險回報的提升，2019年上半年，風險加權資產增長5.4%，主要由客戶貸款增長帶動。普通股權一級資本比率及一級資本比率分別為17.85%及20.01%，較2018年末分別上升0.37個百分點及0.25個百分點。總資本比率為23.00%。本集團已制定長遠資本規劃，持續檢討資本結構，管控風險加權資產增長，保持合理的資本水平，確保業務可持續發展。

流動性覆蓋比率及穩定資金淨額比率

	2019年	2018年
流動性覆蓋比率的平均值		
第一季度	183.00%	134.33%
第二季度	156.57%	146.39%
穩定資金淨額比率的季度終結值		
第一季度	121.36%	118.98%
第二季度	119.15%	118.82%

本集團流動性保持穩健。2019年首2個季度的流動性覆蓋比率的平均值及穩定資金淨額比率的季度終結值均高於監管要求。

管理層討論及分析 (續)

業務回顧

2019年上半年，本集團緊緊圍繞「建設一流的全功能國際化區域性銀行」戰略目標，積極應對市場環境變化，紮實推進各項重點工作，發展質量穩步提高，主要財務指標穩健良好。以客戶為中心，堅持深耕香港本地市場，全面強化可持續發展。積極參與粵港澳大灣區建設，以民生金融建立一體化競爭優勢。推進東南亞地區業務發展，提升協同效益和發展質量。加快數字化銀行轉型，提升科技創新、基建及應用能力。完善多元化平台，打造全功能國際化服務能力。密切關注經濟金融形勢變化，提升各項風險管理能力和內控合規水平。深化銀行文化建設，確保均衡、可持續發展。

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	(重列)			
	半年結算至 2019 年 6 月 30 日		半年結算至 2018 年 6 月 30 日	
	金額	佔比 (%)	金額	佔比 (%)
個人銀行	6,454	30.8	5,911	28.7
企業銀行	8,065	38.6	8,154	39.6
財資業務	5,036	24.1	4,785	23.3
其他	1,358	6.5	1,726	8.4
除稅前溢利總額	20,913	100.0	20,576	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

2019年上半年，個人銀行除稅前溢利為港幣64.54億元，按年增長港幣5.43億元或9.2%，主要由於淨利息收入提升。

淨利息收入增長22.1%，主要是存款平均餘額增長，以及存款利差改善帶動，部分增長被貸款利差收窄抵銷。淨服務費及佣金收入下跌6.5%，主要由於投資市場氣氛轉弱，證券經紀及基金分銷業務佣金收入從去年高位下跌，但保險佣金收入隨業務量增長而上升，抵銷部分降幅。經營支出增長8.2%，主要是人事費用及以租賃使用權資產折舊支出上升。

業務經營情況

堅持以客為本，推動個人客戶結構持續改善

本集團踐行客層引領策略，根據客戶需求偏好與行為習慣，全面推廣財富策劃服務，為中高端客戶提供全面的資產配置分析及產品組合方案。貼合中高端客戶財富傳承、保障、旅行等需求，舉辦高端客戶專屬營銷活動、「財富管理博覽2019」等，為客戶提供多元化投資和財富管理資訊，提升客戶的品牌認同和忠誠度。本集團個人客戶結構進一步優化，截至2019年6月末，中高端客戶數較上年末增長7.8%。

管理層討論及分析 (續)

本集團私人銀行業務發展保持良好勢頭。透過與集團內各單位及中國銀行內地及海外機構的緊密聯動，為本地、內地及海外高端客戶提供專業私人銀行服務；進一步優化私人銀行開放式平台，豐富私行專屬產品種類；加強私人銀行專才建設，提升服務水平，精心打造集團私人銀行的品牌形象。期內，私人銀行客戶數目及資產管理規模均較2018年末錄得理想增長。

緊貼民生金融需求，加快客戶服務升級

積極配合特區政府的民生施政措施，本集團推出線上遙距開立虛擬支付賬戶；豐富BoC Pay應用場景，進一步擴大服務至非集團客戶，讓更多本港個人客戶享受電子支付便利。透過集團內不同業務板塊的聯動，積極走進大專校園，舉辦專題講座，分享理財資訊，介紹貼合大專生需求的銀行服務，提升對年輕客群的服務滲透度。為踐行普及金融，由2019年8月1日起，中銀香港將於香港全面取消個人綜合理財及一般賬戶的服務費。期內，中銀香港第三度榮獲《亞洲銀行家》頒發「卓越零售金融服務大獎」的「香港區最佳零售銀行」，本集團零售銀行業務的表現獲得業界充分肯定。

扶持本地小企發展，持續完善產品配套

響應金管局普及金融倡議，不斷完善對小企的產品配套。配合特區政府鼓勵服務初創企業，推出「初創易」賬戶，簡化開戶資料，實施零月費、免最低存款餘額要求，便利初創企業及來港投資的海外公司開戶。扶助本地小企發展，以中銀「小企錢」無抵押貸款、企業稅貸、一站式商業理財方案等，全方位滿足客戶的金融服務需求。打造專業服務隊伍，已於4家分行成立商業理財中心，提升前線團隊專業性及服務能力。對中小商戶推廣BoC Bill綜合收款服務，涵蓋多種常見的線上線下支付工具，助商戶輕鬆處理日常營運。小企「商業理財賬戶」客戶數目較上年末增長6.9%。

促進大灣區互聯互通，做強跨境特色服務

本集團積極推進粵港澳大灣區互聯互通，滿足粵港澳三地居民開戶、支付、融資等金融服務需求。全港首推「開戶易」服務，滿足香港居民足不出港，見證開立內地銀行賬戶需求，截至2019年6月底總申請人數超過5萬人；配套BoC Pay流動應用程式式跨境功能，便利港人北上大灣區支付消費；打通「大灣區服務通」，促進三地個人客戶理財品牌互認。跨境中高端客戶數量較上年末增長12.8%。期內，榮獲由新城財經台及香港大公文匯傳媒集團聯合頒發「傑出大灣區金融業務-創新跨境金融服務大獎」。

管理層討論及分析 (續)

保持存款業務穩定增長，拓寬中間業務收入來源

緊跟市場息率走勢，本集團保持存款穩定增長，優化權期結構管理，以「發薪+理財+支付」綜合服務方案為抓手，帶動客戶往來及儲蓄等低息存款沉澱，保持個人存款良好增長勢頭。貸款業務方面，透過強化新樓及一手居屋業務拓展，加快按揭業務流程電子化改造，提升按揭中心服務質量和覆蓋區域，鞏固新造按揭市場前列位置，安老按揭市場佔比穩居第一。應對市場波動，豐富投資產品多元化組合，多維度提升投資產品市場競爭力。響應政府延期年金及自願醫保政策，以退休規劃和財富傳承為主題，加強保險產品及服務組合創新，並推出首隻網上儲蓄保險計劃，推動分行全面電子化投保流程落地實施，帶動手續費收入穩步增長。

堅持金融科技創新，加快數碼化流程改造

本集團積極響應香港金管局「智慧銀行新紀元」的倡導，加快金融科技創新，持續推動業務流程數碼化改造。期內，善用開放應用程式介面(Open API)拓展跨平台合作，已推出開發者網站，開放多達63項個人金融產品資訊；與外間財經應用程式合作，推出跨平台股票及外匯投資買賣服務，實現一站式港股、美股、A股開戶及落盤交易功能。積極開展第三方平台互動，與網上地產代理平台合作，運用區塊鏈為客戶提供一站式線上按揭申請及進度查詢服務。貼合客戶線上交易需求快速增長趨勢，按照移動優先的策略方向，持續發展手機銀行，優化設計及風格，強化智能功能，並於本港首推手機基金投資及開戶易匯款，實現電子渠道一站式網上證券開戶。截至2019年6月末，個人手機銀行的登記客戶及活躍客戶比2018年末分別增加17.5%及20.6%，而使用電子銀行的年輕客戶（18-35歲）數量及佔比持續提升。

穩步推進東南亞區域發展

穩步推進東南亞區域個人業務發展，個人銀行服務網絡已擴展覆蓋至泰國、馬來西亞、越南、菲律賓、印度尼西亞、柬埔寨、老撾和文萊，並根據各地實際情況，實施差異化管理，持續完善業務組織架構，有序推進區域化產品管治，不斷優化風險管控。期內，以中銀馬來西亞為試點，正式推出「中銀理財」品牌服務，打通內地、香港及馬來西亞的品牌互認，豐富基金、債券等理財產品，推廣東南亞財富管理品牌形象。

信用卡業務積極推動支付業務發展

2019年上半年，粵港澳大灣區建設加速，香港移動支付市場蓬勃發展，為信用卡及支付業務發展帶來新的動力。本集團信用卡業務持續推出新型支付方式，包括非接觸式及二維碼手機支付等，滲透小額高頻的現金支付場景，零售交易筆數按年增長超過40%。

管理層討論及分析 (續)

企業銀行

財務業績

企業銀行除稅前溢利為港幣 80.65 億元，按年減少港幣 0.89 億元或 1.1%，主要由於淨服務費及佣金收入減少，以及提取減值準備淨撥備增加，抵銷了淨利息收入上升的影響。

淨利息收入增加 12.4%，主要源自存款平均餘額增長及存款利差改善。淨服務費及佣金收入下降 3.5%，其中匯票、貸款及保險佣金收入減少，部分被繳款服務佣金收入增加抵銷。淨交易性收益下降 15.4%，主要是客戶兌換收入減少。提取減值準備淨撥備為港幣 6.75 億元，按年增加港幣 6.26 億元，主要由於去年同期個別公司客戶貸款的內部評級改善，以及更新預期信用損失模型參數導致減值準備撥回，令基數較低。

業務經營情況

持續擴大客戶基礎，提升綜合服務能力

本集團堅持高質量發展，圍繞中國銀行全球戰略客戶、香港本地、東南亞、海外大型客戶的綜合金融服務需求，著力優化業務結構及提升服務水平，持續增強商投行、區域化、綜合化服務能力，推動優質項目順利落地，帶動存貸款業務穩步發展，繼續保持港澳地區銀團貸款市場排名第一，完成多筆具市場影響力的債券發行，並緊跟市場導向遵行產業政策，積極拓展綠色債券等綠色金融業務。同時，推進科技創新，增進工作協同，以提升綜合化服務，加深場景化應用，融入市場生態為目標，持續拓展支付結算項目，助力集團支付品牌效應提升。2019 年上半年，按主板項目或集資額計算，本集團擔任 IPO 主收款行均維持市場最大份額的領先地位。持續與全球主要央行及主權基金保持往來關係。

積極發展工商及中小企客戶

本集團持續加強本地工商客戶服務，透過提供電子收付服務、綜合支付結算方案、財資產品服務等，提升對本地企業客戶的服務水平。積極配合政府推廣「中小企融資擔保計劃」，支持本港中小企業的發展。期內，中銀香港榮獲《信報財經新聞》舉辦「金融服務卓越大獎 2019」的「卓越中小企工商金融服務」獎項及「中小企卓越營商夥伴 2019」的「卓越粵港澳大灣區工商金融服務」獎項。另榮獲香港中小型企業總商會頒發「2019 中小企業最佳拍檔金獎」。

管理層討論及分析 (續)

紮實推進東南亞及大灣區業務發展

企業銀行加快提升區域化管理能力，持續優化相關管理模式及機制，加強與東南亞機構協同營銷，拓展當地具影響力的優質客戶，成功爭取區內重大項目，進一步把香港優勢產品及服務與東南亞機構的在地化優勢有機結合，帶動東南亞機構融入當地主流市場。期內，企業銀行與各東南亞機構積極配合中國銀行響應國家「一帶一路」倡議，參與及籌備中國與東南亞地區政府共同舉辦的多個相關交流及招商活動，包括「一帶一路」國際合作高峰論壇等，加強推廣中銀香港形象及推動東南亞業務發展。為把握粵港澳大灣區建設的重大機遇，本集團與中國銀行在大灣區內的機構加強溝通及協調，圍繞大灣區人流、物流、資金流、信息流四大要素跨境流動，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。

持續提升企業銀行產品服務競爭力

本集團持續提升在本港、大灣區及東南亞區域的綜合服務能力，以客戶為中心、以支付結算為基礎，通過提供各類場景化的綜合服務方案，持續提升客戶體驗、提高客戶滿意度。本集團把握粵港澳大灣區、「一帶一路」等重要發展機遇，進一步加速資金池、財資中心、現金管理、貿易金融等重點業務的區域性拓展，區域一體化的綜合服務能力進一步得到提升。憑藉卓越的專業實力，中銀香港獲《亞洲銀行家》第 5 次頒發「香港區最佳現金管理銀行成就大獎」及第 2 次頒發「香港區最佳交易銀行成就大獎」。

託管業務持續發展

2019 年上半年，投資市場波動加劇，資產服務行業備受影響。託管業務通過集團聯動與境內外協同，勉力應對市場挑戰，託管資產總量及「債券通」規模均創下歷史新高，收入維持良好增長。配合國家各種互聯互通政策、企業「走出去」及大灣區發展的契機，擴大與海內外機構客戶的合作，通過靈活方案為客戶解決場外證券投資的操作難點，並著手搭建嶄新產品平台，致力擴大本集團的服務功能。至 2019 年 6 月末，本集團整體託管資產總值達港幣 12,072 億元。

信託服務依託科技助力升級，持續穩健增長

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，以及單位信託基金與資產託管業務。2019 年 4 月，中銀保誠信託推出「強積金可扣稅自願性供款」計劃。依託科技創新提升強積金服務，首季度推出全新網站設計和人工智能聊天機械人「我的積金寶」提升客戶服務體驗，並逐步在移動應用程式上增添人臉識別及指紋認證等生物認證功能，在計劃申請流程上推出光學字元辨識及電子簽名技術，簡化強積金計劃申請流程，確保網上強積金賬戶安全。強積金資產管理規模保持穩健增長，截至 2019 年 6 月末，強積金資產規模較去年末增加 11.9%。2019 年上半年，中銀保誠信託出色的基金表現和優質的強積金信託管理服務，備受各界認同，在獨立評級機構《積金評級》主辦的「2019 強積金年獎」中，中銀保誠信託旗下「我的強積金計劃」奪得多項大獎；在《信報財經新聞》舉辦的「金融服務卓越大獎 2019」中榮獲「卓越信託管理服務」獎，成為首家獲此殊榮的強積金信託公司；在路孚特 REFINITIV 主辦的「2019 理柏基金香港年獎」中榮獲「最佳團體獎 - 整體 3 年獎」及「最佳團體獎 - 債券 3 年獎」。

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50.36億元，按年上升港幣2.51億元或5.2%，主要由淨交易性收益及其他金融資產之淨收益增長帶動，抵銷了淨利息收入減少的影响。

淨利息收入減少12.1%，主要由於資金成本上升引致。淨交易性收益增長港幣2.93億元或42.6%，主要因外匯掉期合約淨收益增加，部分變化被若干債券投資及利率工具組合受市場利率變動引致市場劃價變化抵銷。其他金融資產之淨收益增長港幣6.86億元，主要因2019年上半年本集團出售若干債務證券而錄得較高淨收益，部分正面因素被其他以公平值變化計入損益之金融工具淨收益減少所抵銷。

業務經營情況

持續提升交易和服務能力

本集團深入研究市場發展，積極應對市場變化，不斷豐富產品系列和優化業務結構。大力拓展交易資源，提升交易能力，交易業務穩健發展。加大系統投入，持續完善系統功能，穩步提升電子化交易能力。不斷加強跨部門跨條線產品、專業能力、業務模式和業務資源的融合，致力提升客戶綜合服務能力和推動代客業務發展。深化條線管理，全力推動區域化發展。同時，完善內控機制，嚴格管控業務風險。本集團財資業務表現得到市場肯定，榮獲中國外匯交易中心頒發「最佳貨幣掉期會員獎」及「對外開放貢獻獎」，上海黃金交易所頒發「優秀國際會員稱號」，並在第六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重要合作夥伴」獎項。

鞏固現鈔業務優勢

本集團積極拓展環球現鈔批發業務，不斷夯實客戶基礎，鞏固業務優勢。進一步加強與東南亞及其他海外金融機構的合作，取得良好成效，客戶基礎和業務規模持續提升。加大內地市場投入，進一步完善內地外幣現鈔業務佈局。同時，持續加強風險防範，完善業務流程，不斷提升整體業務能力。

鞏固人民幣清算業務優勢

為配合「債券通」跨境結算業務不斷創新，香港人民幣清算行於2019年4月優化跨境結算功能，支持「債券通」項下同業存單一級市場的跨境資金結算，擴大跨境債券業務的深度和廣度，鞏固中銀香港在離岸人民幣市場的領先地位。中銀香港榮獲上海清算所頒發的「2018年度創新業務推進獎（債券通業務）」獎項，對「債券通」跨境結算業務作出的貢獻備受肯定。

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，同時密切關注市場變化，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。

夯實東南亞財資業務基礎，持續推動區域業務發展

本集團積極推進財資業務區域發展戰略，持續完善區域條線管理架構。加強東南亞財資業務人才隊伍建設，提升東南亞機構交易、營銷、產品和風控等能力，進一步夯實業務發展基礎。致力加強市場研究及業務發展分析，協助東南亞機構營銷重點客戶，取得多個區內大型項目；積極開拓東南亞投資業務，豐富集團銀行投資盤組合並優化資產配置；完善區域資金池管理，提供充裕資金，支持東南亞業務發展。

管理層討論及分析 (續)

區域性業務

完善東南亞發展策略，做當地主流外資銀行

東南亞地區是國家「一帶一路」倡議、人民幣國際化推進的重點區域，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。本集團落實中國銀行發展戰略，加快建設一流的全功能國際化區域性銀行，持續完善東南亞佈局，明確各東南亞機構發展定位，逐步構建差異化競爭能力，重點服務「走出去」企業、當地大型企業等。作為東南亞區域總部，本集團充分發揮在港百年經營的優勢、市場化管理經驗，把成熟的產品服務、先進的技術和管理、專業的人才隊伍引入東南亞。通過延伸中銀香港在資金、產品、管理、人才等方面的優勢，凝心聚力，提升集團在東南亞區域的競爭能力和發展水平，將各東南亞機構打造成當地主流外資銀行。相關努力已初見成效，經過區域化整合的雅加達分行於 2018 年度在印尼銀行業中綜合經營總排名第五，外資銀行分行排名第一，在 2019 年度最佳「印度尼西亞商業獎」中，獲得年度「最佳外資銀行」稱號。

持續深化東南亞區域管理，穩定推動區域一體化發展

隨著本集團於 2019 年 1 月 21 日順利完成中國銀行老撾業務的交割，中銀香港已在泰國、馬來西亞、越南、菲律賓、印度尼西亞、柬埔寨、老撾和文萊等 8 個東南亞國家擁有經營機構，初步發展成為區域性銀行。本集團持續推進東南亞機構邏輯整合，促進機制、系統、人員、文化等方面融合。針對前中後台及不同業務特點，加快探索區域管理模式，穩步推動區域管理模式落地和實施，推行差異化的發展策略，並在決策授權、資源分配、人事管理、績效管理及日常運營等方面，因地制宜作出相應的安排。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援，提升東南亞後台營運能力。

發揮業務條線的統籌作用，經營業績持續增長

2019 年上半年，東南亞業務發展持續取得良好成果，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 13.89 億元，按年上升 22.8%。截至 2019 年 6 月末，客戶存款餘額為港幣 510.25 億元，客戶貸款餘額為港幣 448.69 億元，分別較 2018 年末增長 6.7% 和 12.9%；不良貸款比率為 1.27%，較 2018 年末上升 0.14 個百分點。

* 指中銀泰國、中銀馬來西亞、胡志明市分行、馬尼拉分行、雅加達分行、金邊分行、萬象分行及文萊分行等 8 家機構，所示提取減值準備前之淨經營收入、客戶存款餘額等數據為 8 家機構的合併數據，數據按照香港財務報告準則編製。不良貸款比率按照當地監管要求統計。

管理層討論及分析（續）

企業銀行業務方面，積極推進「一帶一路」相關大項目，打入當地主流市場，拓展東南亞路橋基建、通訊設備、石油能源、航空港口等項目。建立區域主客戶經理制，以重點客戶為基礎，持續推動客戶拓展和項目營銷一體化管理，密切跟蹤「走出去」企業在東南亞區域的佈局及亞太區域產業轉移趨勢，牢牢把握客戶和重點項目拓展機遇，積極為東南亞本地及家族企業提供服務方案。本集團亦積極拓展機構客戶業務、人民幣產品及財資業務。期內，中銀泰國協助泰國一家資產管理公司申請成為人民幣合格境外機構投資者；胡志明市分行辦理越南首筆非邊境地區跨境貿易人民幣委託結算業務，成為人民幣擴大在越南使用的突破性標誌。

個人銀行業務方面，本集團持續擴大基礎建設，提高在東南亞區域個人金融產品及服務的能力，並實施差異化管理。加強客戶定位及客層管理，配置合適產品及人員，發展業務，提升收益。期內，中銀馬來西亞推出「中銀理財」服務，打通內地、香港及馬來西亞的品牌互認，充分發揮區域品牌優勢。

推進三道防線和從嚴管控相結合的區域風險管理，為健康、持續發展夯實基礎

本集團紮實推進三道防線和從嚴的管控原則相結合的區域風險管理，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。全面加強東南亞機構信貸風險、合規內控管控能力和水平，密切監控東南亞市場和流動性風險，提升突發事件管理能力，在全面提升東南亞機構風險合規和管控能力的前題下，夯實發展基礎，提升發展質量，確保遵守香港金管局及當地監管要求，按照本集團的標準運作，行穩致遠。

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的目標，以最高標準的監管要求，紮實開展東南亞區域的防洗錢工作，嚴格執行防洗錢管理，推動防洗錢系統在東南亞機構落地應用。持續加強風險內控、防洗錢人員隊伍建設。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，推出適用於東南亞區域的客戶信用評級體系並提升審批效率，持續加強區域化信貸風險管理能力。

管理層討論及分析 (續)

金融科技創新

本集團堅持以科技引領，創新驅動，緊貼金融科技發展趨勢，同時加大金融科技的投入，加快數字化銀行轉型。在金融產品、服務流程、運營管理、風險控制等領域應用大數據、人工智能、區塊鏈、生物識別、開放 API 等創新金融科技，提升服務水平，強化客戶黏性。

配合香港金管局推動香港邁向「智慧銀行新紀元」，本集團於 2019 年 1 月推出開放 API 項目，同時繼續依照金管局框架，持續開放 API 接口，讓第三方服務供應商透過使用中銀香港開放的 API 向客戶提供即時銀行資訊。本集團持續加強在生物識別技術方面的應用，指靜脈認證服務已擴展至中銀香港在港所有自動櫃員機。去年成立的創新優化中心於 2019 年上半年建立跨部門敏捷項目團隊，支持創新驅動的策略研究，進一步豐富金融科技的場景應用，加快創新步伐，迎合客戶需要，提升集團整體競爭力。

BoC Pay 是首間銀行提供具備掃碼支付、個人轉賬、繳費等功能的手機應用程式，滿足客戶對簡易便捷支付的需求，並在持續優化後，成功實現支持非中銀香港客戶開立支付賬戶。已開通 BoC Pay 手機應用程式的客戶，現時可在本地多家零售商戶掃碼消費，更可透過「轉數快」進行民生繳費，也可在內地逾 1,100 萬家支持銀聯二維碼的商戶（包括大灣區逾 70 萬家商戶）使用，更可以信用卡積分即時兌換簽賬。期內，客戶量和交易量均錄得快速增長。另一方面，本集團以 BoC Bill 綜合收款服務，向全港各類企業提供包括銀聯二維碼與「轉數快」掃碼等綜合收付款解決方案，現時已覆蓋香港眾多民生零售網點，特別是助力中小企業，引領支付行為新潮流，提升競爭力。

與此同時，本集團持續投入資源，提升科技風險管理水平，提高監控能力及網絡安全威脅處理效率，強化對資料防洩的管控，為客戶提供更安全和穩固的金融服務。

本集團在技術創新及科技發展上得到業界認同，於香港特區政府的政府資訊科技總監辦公室及香港業界組織主辦的「香港資訊及通訊科技獎 2019」中獲得「金融科技（銀行業務、保險及資本市場）銀獎」；於《信報財經新聞》舉辦的「金融服務大獎 2019」中獲得「卓越金融科技銀行獎」；於新城財經台主辦的「香港企業領袖品牌選舉 2019」中獲得「卓越大灣區金融科技服務品牌」獎項。

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；審批重大的或高風險的風險承擔或交易。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風險承擔下的小企業貸款、住宅按揭貸款、私人貸款及信用卡等利用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。

對於減值評估，根據香港財務報告準則第9號引入新的減值模型，其要求在確認金融工具的預期信用損失(ECL)時需按攤餘成本計量及以公平值變化計入其他全面收益。在香港財務報告準則第9號下，預期信用損失分類為三個階段進行評估，而金融資產和貸款承諾需在三個階段中歸類為其中一個階段。

第一階段：如果金融工具不是在初始日起為信貸減值資產，以及在初始確認後沒有出現信用風險顯著增加的情況，減值準備為12個月內的預期信用損失；

第二階段：如果金融工具不是在初始日起為信貸減值資產，但在初始確認後出現信用風險顯著增加的情況，減值準備為整體年期的預期信用損失；

第三階段：如果金融工具為信貸減值資產，且未來現金流量已受到一項或多項事件的不良影響，減值準備為整體年期的預期信用損失。

金融工具是按已建立的重大信貸風險轉差條件框架來判斷其所屬階段，此框架包括定量及定性評估，例如逾期天數、內部評級的變化及階段評估的監察名單。

本集團利用巴塞爾資本協定二的內部評級(IRB)模型及其他可行和可用內部模型的參數來評估預期信用損失。對於沒有模型的組合，本集團則使用所有合理及有理據支持的資料，例如歷史資料、相關損失經驗或代理方法。而預期信用損失的計量是金融工具違約概率(PD)、違約損失率(LGD)和違約風險承擔(EAD)於報告日以實際利率折現後的計算結果。

預期信用損失是透過無偏類及概率加權計算的金額，而此金額是通過評估一系列可能的結果、金額的時間價值，以及過去事件、當前狀況和未來經濟狀況預測的合理及有理據支持的資料來評估。本集團在預期信用損失計量中採用三個經濟情景以滿足香港財務報告準則第9號的要求。「基礎」情景代表最可能的結果，而另外兩個情景，分別為「良好」情景和「低迷」情景，則代表較低可能的結果，與基礎情景相比，此兩個情景的結果較為樂觀或悲觀。

風險委員會負責審批預期信用損失方法論，管理層負責預期信用損失模型的應用。信貸風險管理負責維護預期信用損失方法論，包括常規性的模型重檢及參數更新。獨立模型驗證團隊負責每年的預期信用損失模型驗證。如預期信用損失方法論有任何變更，本集團將按既定的程序進行審批。

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。風險管理部負責本集團市場風險管理，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，包括中銀香港及附屬機構。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，並設定本集團及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。

管理層討論及分析 (續)

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。風險管理部負責本集團利率風險管理，在財務管理部及投資管理等的配合下，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，每日用於識別、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、風險總監、資產負債管理委員會及風險委員會批准。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。

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。

本集團按照風險管理企業管治原則管理流動資金風險，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。風險管理部負責本集團流動資金風險管理，它與財務管理部及投資管理等等合作，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及期限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。為了管理此類風險，集團對抵押品和資金來源設置了管理集中度的限額，如第一類流動資產佔總流動資產比率、首十大存戶比率和十大存戶比率等。必要時，本集團可採取緩釋措施改善流動性狀況，措施包括但不限於通過銀行同業拆借或在貨幣市場進行回購獲得資金，在二手市場出售債券或挽留現有及吸納新的客戶存款。除了增加資金外，集團還將與交易對手、母行和監管機構保持良好溝通，以加強相互信任。

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他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。

管理層討論及分析 (續)

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日之最大累計現金淨流出，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2019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。由2019年起，本集團須維持流動性覆蓋比率不少於100%。

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%。

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，並各自承擔管理本管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及相關流動資金比率，中銀香港風險管理部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，確保滿足相關要求。

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。

管理層討論及分析（續）

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分別直接向副總裁及風險總監匯報。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。

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、信譽或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 Bank of China Limited, Vientiane Branch (“BOC Vientiane Branch”) on 21 January 2019, the Group has applied the merger accounting method for the combination of entity under common control in the preparation of its financial statements. The comparative information for 2018 has been restated accordingly. The above transaction is referred as the “acquisition” in this Management Discussion and Analysis.

CONSOLIDATED FINANCIAL REVIEW

The comparative information for 2018 has been restated following the Group’s application of the merger accounting method in the preparation of its financial statements as a result of the acquisition.

Financial Highlights

HK\$m	Half-year ended 30 June 2019	(Restated) Half-year ended 31 December 2018	(Restated) Half-year ended 30 June 2018
Net operating income before impairment allowances	28,264	26,268	26,709
Operating expenses	(7,277)	(7,946)	(6,776)
Operating profit before impairment allowances	20,987	18,322	19,933
Operating profit after impairment allowances	20,196	17,425	19,593
Profit before taxation	20,913	17,451	20,576
Profit attributable to equity holders of the Bank	17,610	14,290	17,231

In the first half of 2019, the Group’s profit attributable to equity holders amounted to HK\$17,610 million, an increase of HK\$379 million or 2.2% year-on-year. Net operating income before impairment allowances was HK\$28,264 million, up HK\$1,555 million or 5.8% year-on-year. Net interest income rose, mainly as a result of rising market interest rates and the positive impact arising from the Group’s proactive management of its assets and liabilities. A higher net gain was also recorded from the disposal of certain debt securities. Net fee and commission income decreased year-on-year, which partially offset the above-mentioned income growth. Operating expenses increased year-on-year as a result of the Group’s ongoing investment in supporting its business expansion. Net charge of impairment allowances increased year-on-year while the net gain from fair-value adjustments on investment properties decreased on a year-on-year basis.

As compared with the second half of 2018, the Group’s net operating income before impairment allowances rose by HK\$1,996 million or 7.6%. This was mainly attributable to an increase in net fee and commission income and a net gain from the disposal of certain debt securities. However, net interest income decreased, partially offsetting the above-mentioned income growth. Moreover, operating expenses and net charge of impairment allowances fell, while the Group recorded a net gain from fair-value adjustments on investment properties. As a result, profit attributable to equity holders increased by HK\$3,320 million or 23.2% compared to the second half of last year.

Management Discussion and Analysis (continued)

INCOME STATEMENT ANALYSIS

The comparative information of the following income statement analysis has been restated to conform to the current year's presentation.

Net Interest Income and Net Interest Margin

HK\$m, except percentages	Half-year ended 30 June 2019	(Restated) Half-year ended 31 December 2018	(Restated) Half-year ended 30 June 2018
Interest income	32,034	31,715	27,120
Interest expense	(13,712)	(12,305)	(10,053)
Net interest income	18,322	19,410	17,067
Average interest-earning assets	2,445,790	2,366,383	2,363,599
Net interest spread	1.32%	1.45%	1.32%
Net interest margin	1.51%	1.63%	1.46%
Net interest margin (adjusted)*	1.61%	1.63%	1.48%

* Including the funding income or cost of foreign currency swap contracts.

Net interest income amounted to HK\$18,322 million in the first half of 2019. If the funding income or cost of foreign currency swap contracts[#] were included, net interest income would have increased by 12.6% year-on-year. The increase was driven by improvement in net interest margin and growth in average interest-earning assets.

Average interest-earning assets expanded by HK\$82,191 million or 3.5% year-on-year. The increase in deposits from customers led to an increase in advances to customers, debt securities investments and other debt instruments.

Net interest margin was 1.51%. If the funding income or cost of foreign currency swap contracts were included, net interest margin would have been 1.61%, up 13 basis points year-on-year. The Group's loan and deposit spread widened, owing to a year-on-year increase in market interest rates and the proactive management of its assets and liabilities. This, together with the improved average yield of its debt securities investments and other debt instruments and an increase in free fund contribution, 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 30 June 2019		(Restated) Half-year ended 31 December 2018		(Restated) Half-year ended 30 June 2018	
	Average balance HK\$m	Average yield %	Average balance HK\$m	Average yield %	Average balance HK\$m	Average yield %
ASSETS						
Balances and placements with banks and other financial institutions	353,634	1.87	376,666	1.84	455,862	1.95
Debt securities investments and other debt instruments	794,849	2.25	740,344	2.46	684,764	1.95
Advances to customers	1,278,833	3.09	1,232,207	3.03	1,205,427	2.67
Other interest-earning assets	18,474	2.80	17,166	2.60	17,546	1.66
Total interest-earning assets	2,445,790	2.64	2,366,383	2.66	2,363,599	2.31
Non interest-earning assets	345,093	-	328,733	-	309,219	-
Total assets	2,790,883	2.31	2,695,116	2.33	2,672,818	2.05
LIABILITIES						
Deposits and balances from banks and other financial institutions	198,499	1.22	223,907	1.14	227,442	1.04
Current, savings and time deposits	1,840,470	1.29	1,728,614	1.16	1,729,152	0.90
Subordinated liabilities	13,160	5.51	16,053	5.42	20,458	5.46
Other interest-bearing liabilities	41,753	1.82	49,391	1.98	61,038	1.91
Total interest-bearing liabilities	2,093,882	1.32	2,017,965	1.21	2,038,090	0.99
Shareholders' funds* and other non interest-bearing deposits and liabilities	697,001	-	677,151	-	634,728	-
Total liabilities	2,790,883	0.99	2,695,116	0.91	2,672,818	0.76

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

If the funding income or cost of foreign currency swap contracts were included, the Group's net interest income would have increased by 0.7% compared to second half of 2018. This was mainly attributable to growth in average interest-earning assets. Net interest margin would have decreased by 2 basis points, mainly due to an increase in deposit costs arising from intense market competition and the rise in Hong Kong dollar savings deposit rate in the second half of last year, which was partially offset by the increase in the average yield of advances to customers.

Management Discussion and Analysis (continued)

Net Fee and Commission Income

HK\$m	Half-year ended 30 June 2019	(Restated) Half-year ended 31 December 2018	(Restated) Half-year ended 30 June 2018
Credit card business	1,639	1,720	1,758
Loan commissions	1,623	901	1,712
Insurance	1,295	884	948
Securities brokerage	1,093	1,064	1,705
Funds distribution	420	344	520
Bills commissions	352	338	401
Payment services	339	355	326
Currency exchange	323	322	268
Trust and custody services	313	324	317
Safe deposit box	144	131	154
Others	691	673	650
Fee and commission income	8,232	7,056	8,759
Fee and commission expense	(1,765)	(1,865)	(1,983)
Net fee and commission income	6,467	5,191	6,776

In the first half of 2019, net fee and commission income amounted to HK\$6,467 million, down HK\$309 million, or 4.6% from the high levels achieved in the same period last year. This was mainly due to the decreases in commission income from securities brokerage and funds distribution of 35.9% and 19.2% respectively, amid weakening investor sentiment in the market. During the reporting period, the Group captured market opportunities, continued to optimise its service channels and functions and enriched its product and service offerings, recording satisfactory growth in a number of areas. Commission income from insurance increased by 36.6%, driven by a growth in sales volume resulting from the Group's efforts to promote innovation in its insurance products and services, deliver promotional campaigns to its key clients and implement the digitalisation of its insurance application processes. Commission income from currency exchange increased 20.5%, as the Group captured opportunities arising from the strong demand for various foreign currency banknotes from travelling customers, as well as the proactive development of its banknote business in Hong Kong, the Chinese mainland, Southeast Asia and other overseas markets. Fee income from payment services was up 4.0%, as the Group accelerated the development of its cash pooling and cash management businesses. However, fee income from the Group's credit card business decreased by 6.8%, due to a decline in retail sales in Hong Kong. Loan commission income was down 5.2%, while fee and commission income from bills, trust and custody services, and safe deposit box also dropped. Meanwhile, fee and commission expenses fell, mainly due to lower credit card and securities brokerage related expenses.

Compared with the second half of 2018, net fee and commission income increased by HK\$1,276 million or 24.6%. This was attributable to growth in fee and commission income from loans, insurance, funds distribution and securities brokerage. Fee and commission income from bills and safe deposit box also rose. However, fee and commission income from credit card business, payment services, and trust and custody services dropped. Fee and commission expenses decreased, owing to lower credit card-related expenses.

Management Discussion and Analysis (continued)

Net Trading Gain

HK\$m	Half-year ended 30 June 2019	(Restated) Half-year ended 31 December 2018	(Restated) Half-year ended 30 June 2018
Foreign exchange and foreign exchange products	2,543	1,108	1,788
Interest rate instruments and items under fair value hedge	(485)	(122)	178
Commodities	126	123	61
Equity and credit derivative instruments	57	26	114
Total net trading gain	2,241	1,135	2,141

In the first half of 2019, the Group's net trading gain amounted to HK\$2,241 million, an increase of HK\$100 million or 4.7% year-on-year. Net trading gain from foreign exchange and foreign exchange products increased by HK\$755 million, which was mainly attributable to an increase in net gain from foreign currency swap contracts, partially offset by the decrease in currency exchange income from customer transactions. Interest rate instruments and items under fair value hedge recorded a net trading loss, as compared with a net trading gain in the same period last year. This was primarily due to movements in interest rates causing mark-to-market changes to certain debt securities investments and interest rate instruments. Net trading gain from commodities increased, due to an increased gain from bullion transactions. The decrease in net trading gain from equity and credit derivative instruments was due to decreased income from equity-linked products. If the funding income or cost of foreign currency swap contracts were excluded, net trading gain would have decreased by 44.7% year-on-year.

Compared with the second half of 2018, net trading gain increased by HK\$1,106 million or 97.4%. This was mainly attributable to a net gain from foreign currency swap contracts as compared with a net loss in the second half of 2018, coupled with a rebound in currency exchange income from customer transactions. This was partially offset by the higher mark-to-market losses of certain debt securities investments and interest rate instruments caused by interest rate movements. If the funding income or cost of foreign currency swap contracts were excluded, net trading gain would have decreased by 9.8% from the second half of 2018.

Management Discussion and Analysis (continued)

Operating Expenses

HK\$m	Half-year ended 30 June 2019	(Restated) Half-year ended 31 December 2018	(Restated) Half-year ended 30 June 2018
Staff costs	4,086	4,407	3,900
Premises and equipment expenses (excluding depreciation)	642	979	827
Depreciation	1,373	1,057	988
Other operating expenses	1,176	1,503	1,061
Total operating expenses	7,277	7,946	6,776

	At 30 June 2019	(Restated) At 31 December 2018	(Restated) At 30 June 2018
Staff headcount measured in full-time equivalents*	13,524	13,645	12,974

* The comparative information of staff headcounts measured in full-time equivalents as at 30 June and 31 December 2018 has been restated to enable analysis on a comparable basis.

Total operating expenses increased by HK\$501 million, or 7.4% year-on-year, as a result of the Group's ongoing investment in human resources and the enhancement of its fintech service capabilities, undertaken with the aim of expediting the Group's transformation into a digital bank, improving its overall service competitiveness and supporting long-term business growth. The cost to income ratio was 25.75%, with the Group maintaining cost efficiency at a solid level relative to industry peers.

Staff costs increased by 4.8% year-on-year, mainly due to annual salary increment and increased headcount.

Premises and equipment expenses decreased by 22.4%. From 1 January 2019 onwards, the Group has adopted Hong Kong Financial Reporting Standard 16 ("HKFRS 16"), "Leases". Under this new standard, leases for use of premises are accounted for as a right-of-use asset, with related rental expenses recognised as the depreciation of the right-of-use asset. As a result, rental expenses dropped. This decline was partially offset by increased investments in information technology.

Depreciation increased by 39.0%, mainly due to the adoption of HKFRS 16, and increased depreciation charges on premises and information technology infrastructure.

Other operating expenses rose by 10.8%, mainly due to an increase in business promotional expenses related to the credit card and payment businesses as well as a rise in communication expenses.

Compared with the second half of 2018, total operating expenses decreased by HK\$669 million or 8.4%. The decrease was due to lower performance-related remuneration and business promotional expenses.

Management Discussion and Analysis (continued)

Net Charge of Impairment Allowances on Advances and Other Accounts

HK\$m	Half-year ended 30 June 2019	(Restated) Half-year ended 31 December 2018	(Restated) Half-year ended 30 June 2018
Stage 1	(276)	(298)	460
Stage 2	12	(195)	(141)
Stage 3	(453)	(424)	(585)
Total net charge of impairment allowances on advances and other accounts	(717)	(917)	(266)

In the first half of 2019, the Group's net charge of impairment allowances on advances and other accounts amounted to HK\$717 million, an increase of HK\$451 million from the same period of 2018. Impairment allowances at Stage 1 recorded a net charge of HK\$276 million, mainly driven by loan growth during the period, as compared to a net reversal in the same period last year. Impairment allowances at Stage 2 recorded a net reversal of HK\$12 million, as compared to a net charge of HK\$141 million in the same period last year. The change mainly reflected the impact of changes in the internal rating of certain customers. Impairment allowances at Stage 3 amounted to HK\$453 million, a decrease of HK\$132 million year-on-year, mainly attributable to a lower net charge of impairment allowances on certain advances in the personal loan portfolio and a higher recovery.

Compared with the second half of 2018, net charge of impairment allowances on advances and other accounts decreased by HK\$200 million. The change mainly reflected the impact from the updating of parameter values in the expected credit losses assessment model in the second half of last year to take into consideration changes in economic outlook.

Management Discussion and Analysis (continued)

ANALYSIS ON ASSETS AND LIABILITIES

The table below summarises the Group's asset composition. The comparative figures as of 31 December 2018 have been restated to conform to the current year's presentation. Please refer to Note 19 to the Interim Financial Information for the contract/notional amounts and fair values of the Group's derivative financial instruments. Please refer to Note 34 to the Interim Financial Information for the contractual amounts of each significant class of contingent liability and commitment and the aggregate credit risk-weighted amounts of the Group.

Asset Composition

HK\$m, except percentages	(Restated)			
	At 30 June 2019		At 31 December 2018	
	Amount	% of total	Amount	% of total
Cash and balances and placements with banks and other financial institutions	384,539	13.5	433,068	15.3
Hong Kong SAR Government certificates of indebtedness	163,860	5.8	156,300	5.5
Securities investments and other debt instruments ¹	781,244	27.5	815,012	28.9
Advances and other accounts	1,369,572	48.1	1,282,286	45.4
Fixed assets and investment properties	72,292	2.5	69,059	2.5
Other assets ²	74,174	2.6	68,060	2.4
Total assets	2,845,681	100.0	2,823,785	100.0

1. Securities investments and other debt instruments comprise investment in securities and financial assets at fair value through profit or loss.

2. Other assets comprise derivative financial instruments, interests in associates and joint ventures, current tax assets and deferred tax assets.

Adhering to the principle of balanced and sustainable development, the Group continued to optimise the management of its assets and liabilities. As at 30 June 2019, the total assets of the Group amounted to HK\$2,845,681 million, an increase of HK\$21,896 million or 0.8% from the end of 2018. Cash and balances and placements with banks and other financial institutions decreased by HK\$48,529 million or 11.2%, mainly due to a decrease in balances with banks and central banks. Securities investments and other debt instruments decreased by HK\$33,768 million or 4.1%. Advances and other accounts rose by HK\$87,286 million or 6.8%, with advances to customers growing by HK\$85,302 million or 6.7%, and trade bills increasing by HK\$3,173 million or 18.3%.

Management Discussion and Analysis (continued)

Advances to Customers

HK\$m, except percentages	At 30 June 2019		(Restated) At 31 December 2018	
	Amount	% of total	Amount	% of total
Loans for use in Hong Kong	891,193	65.9	841,012	66.4
Industrial, commercial and financial	523,842	38.7	493,818	39.0
Individuals	367,351	27.2	347,194	27.4
Trade financing	80,517	6.0	65,437	5.2
Loans for use outside Hong Kong	380,119	28.1	360,078	28.4
Total advances to customers	1,351,829	100.0	1,266,527	100.0

In the first half of 2019, the Group actively developed its local and cross-border businesses. It seized opportunities arising from the loan demand of large corporates, high-quality commercial and SME customers in Hong Kong. It optimised the digitalisation of the business processes of its mortgage business and enhanced the service quality of its mortgage centres. It strengthened its collaboration with BOC in order to capture opportunities brought about from the implementation of major national strategies. The Group remained the top mandated arranger in the Hong Kong and Macao syndicated loan market. It also maintained its leading position in the residential mortgage and reverse mortgage businesses. At the same time, it enhanced its marketing efforts for Southeast Asia business so as to acquire high-quality and influential local clients, and successfully participated in a number of major financing projects in Southeast Asia. In the first half of 2019, advances to customers grew by HK\$85,302 million, or 6.7%, to HK\$1,351,829 million.

Loans for use in Hong Kong increased by HK\$50,181 million or 6.0%.

- Lending to the industrial, commercial and financial sectors increased by HK\$30,024 million or 6.1%, reflecting growth in property development, financial concerns, wholesale and retail trade, information technology, transport and transport equipment, as well as stockbrokers.
- Lending to individuals increased by HK\$20,157 million or 5.8%. Residential mortgage loans (excluding those under government-sponsored home purchasing schemes) grew by 4.8% while other individual loans increased by 8.3%, mainly driven by the increase in loans for property refinancing.

Trade financing increased by HK\$15,080 million or 23.0%. Loans for use outside Hong Kong grew by HK\$20,041 million or 5.6%, 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	At 30 June 2019	(Restated) At 31 December 2018
Advances to customers	1,351,829	1,266,527
Classified or impaired loan ratio	0.20%	0.19%
Total impairment allowances	6,032	5,419
Total impairment allowances as a percentage of advances to customers	0.45%	0.43%
Residential mortgage loans ¹ - delinquency and rescheduled loan ratio ²	0.01%	0.01%
Card advances - delinquency ratio ²	0.20%	0.19%
	Half-year ended 30 June 2019	Half-year ended 30 June 2018
Card advances - charge-off ratio ³	1.35%	1.47%

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.

During the reporting period, the Group proactively strengthened its management systems for various types of risks and enhanced its regional risk management so as to maintain benign asset quality. The classified or impaired loan ratio was 0.20% as at 30 June 2019, up 0.01 percentage point from the end of last year. Classified or impaired advances to customers increased by HK\$269 million, or 11.3%, to HK\$2,652 million.

The credit quality of the Group's residential mortgage loans and card advances remained stable. The combined delinquency and rescheduled loan ratio of residential mortgage loans was 0.01% as at 30 June 2019. The charge-off ratio of card advances for the first half of 2019 was 1.35%, down 0.12 percentage points year-on-year.

Management Discussion and Analysis (continued)

Deposits from Customers

HK\$m, except percentages	At 30 June 2019		(Restated) At 31 December 2018	
	Amount	% of total	Amount	% of total
Demand deposits and current accounts	220,598	10.9	210,258	11.1
Savings deposits	900,842	44.5	854,272	44.9
Time, call and notice deposits	904,255	44.6	834,572	43.9
	2,025,695	100.0	1,899,102	99.9
Structured deposits	13	-	2,199	0.1
Total deposits from customers	2,025,708	100.0	1,901,301	100.0

In the first half of 2019, the Group stepped up efforts to expand its mid- to high-end customer base and strengthened business relationships with large corporates and institutional customers in a bid to enlarge its deposit scale. As of 30 June 2019, total deposits from customers amounted to HK\$2,025,708 million, an increase of HK\$124,407 million or 6.5% from the end of last year. The Group continued to optimise the management of its deposit structure. With active promotion of its payroll, wealth management and integrated payment service solutions, its role as the main receiving bank for IPOs and its cash management and settlement businesses, the Group was able to support the growth of its current accounts and savings deposits. As a result, demand deposits and current accounts increased by 4.9% and savings deposits rose by 5.5%. Meanwhile, time, call and notice deposits increased by 8.3%.

Capital and Reserves Attributable to Equity Holders of the Bank

HK\$m	At 30 June 2019		(Restated) At 31 December 2018	
	Share capital	43,043		43,043
Premises revaluation reserve	39,508		38,581	
Reserve for fair value changes	871		(1,870)	
Reserve for own credit risk	(36)		5	
Regulatory reserve	10,877		10,496	
Translation reserve	(681)		(832)	
Merger reserve	-		350	
Retained earnings	164,598		153,177	
Reserves	215,137		199,907	
Capital and reserves attributable to equity holders of the Bank	258,180		242,950	

Capital and reserves attributable to equity holders of the Bank amounted to HK\$258,180 million as at 30 June 2019, an increase of HK\$15,230 million or 6.3% from the end of 2018. Retained earnings rose by 7.5% from the end of last year, mainly reflecting the profit achieved in the first half of 2019 after the distribution of final dividends for 2018. The premises revaluation reserve increased by 2.4%, reflecting an increase in the valuation of the Group's premises in the first half of 2019. Reserve for fair value changes turned from a deficit to a surplus, mainly driven by market interest rate movements. The regulatory reserve increased by 3.6%, mainly driven by growth in advances to customers. The merger reserve as at 31 December 2018 arose, owing to the Group's application of the merger accounting method in relation to its combination with BOC Vientiane Branch.

Management Discussion and Analysis (continued)

Capital Ratio

HK\$m, except percentages	At 30 June 2019	At 31 December 2018
Consolidated capital after deductions		
Common Equity Tier 1 capital	193,987	180,202
Additional Tier 1 capital	23,463	23,476
Tier 1 capital	217,450	203,678
Tier 2 capital	32,565	34,393
Total capital	250,015	238,071
Total risk-weighted assets	1,086,888	1,030,815
Common Equity Tier 1 capital ratio	17.85%	17.48%
Tier 1 capital ratio	20.01%	19.76%
Total capital ratio	23.00%	23.10%

In the course of formulating its internal capital ratio 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 the Group to determine the most appropriate capital level to ensure that it has adequate capital strength to withstand any future unexpected losses arising from a drastic change in the economic environment. At the same time, the Group also takes 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.

As at 30 June 2019, the Group's Common Equity Tier 1 ("CET1") capital and Tier 1 capital increased by 7.6% and 6.8% respectively, driven by profits net of dividends for the first half of 2019. The Group remains committed to balancing growth in risk-weighted assets ("RWAs") with enhancement in returns. Total RWAs increased by 5.4%, mainly driven by loan growth in the first half of 2019. The CET1 capital ratio was 17.85% and Tier 1 capital ratio was 20.01%, up 0.37 and 0.25 percentage points respectively from the end of 2018. Total capital ratio was 23.00%. The Group has established a long-term capital plan to continuously review its capital structure and control the growth of its RWAs, so as to maintain an appropriate capital level to support the sustainable business development of the Group.

Liquidity Coverage Ratio and Net Stable Funding Ratio

	2019	2018
Average value of liquidity coverage ratio		
First quarter	183.00%	134.33%
Second quarter	156.57%	146.39%
Quarter-end value of net stable funding ratio		
First quarter	121.36%	118.98%
Second quarter	119.15%	118.82%

The Group's liquidity position remained sound, with the average value of its liquidity coverage ratio and the quarter-end value of its net stable funding ratio exceeding the regulatory requirement for the first two quarters of 2019.

Management Discussion and Analysis (continued)

BUSINESS REVIEW

In the first half of 2019, the Group remained committed to its strategy of building a top-class, full-service and internationalised regional bank. It actively responded to changes in the market environment and steadily pushed forward its business priorities, achieving steady improvement in development quality and maintaining major financial indicators at solid levels. Striving to be customer-centric at all times, it continued to develop the local market in Hong Kong so as to maintain sustainable development. The Group is actively involved in the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and endeavours to build up its integrated competitive advantages by meeting people's livelihood financial needs. It promoted business development in Southeast Asia, enhancing regional synergies and development quality. It expedited its transformation into a digital bank and improved its capabilities in technological innovation, infrastructure and application. It also refined its diversified business platforms in order to develop its full-service and international service capabilities. Moreover, the Group closely monitored changes in the economic and financial environment and enhanced its risk management capabilities and internal compliance levels. It remained dedicated to cultivating its bank culture in order to ensure a balanced and sustainable development.

Business Segment Performance

Profit before Taxation by Business Segment

HK\$m, except percentages	Half-year ended 30 June 2019		Half-year ended 30 June 2018 (Restated)	
	Amount	% of total	Amount	% of total
Personal Banking	6,454	30.8	5,911	28.7
Corporate Banking	8,065	38.6	8,154	39.6
Treasury	5,036	24.1	4,785	23.3
Others	1,358	6.5	1,726	8.4
Total profit before taxation	20,913	100.0	20,576	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\$6,454 million in the first half of 2019, an increase of HK\$543 million or 9.2% year-on-year, mainly driven by an increase in net interest income.

Net interest income increased by 22.1%, mainly driven by the growth in the average balance of deposits along with an improvement in the deposit spread. The increase was, however, partially set off by the narrowing of loan spread. Net fee and commission income decreased by 6.5%, as fee income from securities brokerage and funds distribution decreased from the high level of last year amid the weakening investor sentiment in the market. However, commission income from insurance increased in line with a higher business volume, partially offsetting the above-mentioned income drop. Operating expenses rose by 8.2%, mainly due to an increase in staff costs and depreciation of the right-of-use assets.

Business Operations

Striving to be customer oriented and continuously refining its customer structure

The Group adopted a customer-centric strategy by observing customers' preferences and behaviours. It promoted a holistic wealth planning service and offered an all-round asset allocation analysis and portfolio solution to mid- to high-end customers. In order to meet customers' needs in wealth inheritance, assurance and travelling, the Group hosted exclusive sales events for high-net-worth customers and organised the Worldwide Wealth Management Expo 2019, providing customers with diversified investment and wealth management information and thus enhancing its brand recognition and loyalty. The Group further refined its customer structure. At the end of June 2019, the number of mid- to high-end customers increased by 7.8% from the end of last year.

Management Discussion and Analysis (continued)

The Group's private banking business maintained satisfactory growth. Through closer collaboration with other business units of the Group and BOC's domestic and overseas entities, the Group was able to provide professional private banking services to high-net-worth clients from Hong Kong, the Chinese mainland and overseas. It further optimised its open product platform for private banking and enriched its exclusive private banking products. It strengthened its private banking team and boosted its service levels in order to enhance its brand reputation. During the reporting period, the number of private banking clients and AUM recorded satisfactory growth as compared with the end of 2018.

Addressing people's livelihood banking needs and stepping up customer service enhancements

In line with measures promoted by the HKSAR government to improve people's livelihood, the Group launched an online virtual payment account opening service. It enriched BoC Pay application scenarios and further expanded its service coverage to non-BOCHK customers, thus allowing more customers in Hong Kong to enjoy convenient digital payments. Through collaboration among different business segments within the Group, it hosted wealth management seminars for tertiary students and provided exclusive services to meet their financial needs, thus increasing its service penetration to the younger customer segment. As part of its efforts to promote financial inclusion, BOCHK took the decision to remove service fees for its personal integrated banking services and general banking accounts, effective from 1 August 2019. During the reporting period, BOCHK was awarded the Best Retail Bank in Hong Kong by *The Asian Banker* in its International Excellence in Retail Financial Services Awards for the third time, in recognition of its performance in the retail banking industry.

Supporting the development of local small enterprises and continuously refining product packages

Responding to the HKMA's call to pursue financial inclusion, the Group continued to refine product packages for small enterprises. To support measures promoted by the HKSAR government for serving start-up enterprises, the Group launched the "Business Lite" account service. This simplifies account opening requirements and waives monthly charges and the minimum deposit balance requirement, with the aim of facilitating easier account opening for start-up enterprises and overseas enterprises investing in Hong Kong. The Group continued to support the development of local small enterprises. It provided customers with BOC "Small Business Loan" unsecured loans, corporate tax loans and one-stop business financial solutions, thus fulfilling customers' full range of financial needs. The Group also established Business Banking Centres at 4 branches so as to strengthen the professionalism and service capabilities of its frontline teams. In addition, the Group promoted BoC Bill, an integrated payment collection service for SMEs which offers various types of online and offline payment tools, in order to help merchants cope better in their daily operations. The total number of business integrated accounts for small enterprises increased by 6.9% compared to the end of last year.

Promoting integrated development and collaboration in the Greater Bay Area and expanding featured cross-border services

The Group actively pushed forward integrated development and collaboration in the Guangdong-Hong Kong-Macao Greater Bay Area by addressing the needs of residents in Guangdong, Hong Kong and Macao for financial services, including account opening, payment services and financing. BOCHK is the first bank in Hong Kong to launch a Chinese mainland personal account opening attestation service which allows Hong Kong residents to open Chinese mainland personal accounts without having to travel to the Chinese mainland. At the end of June 2019, there were over 50,000 related applications. The BoC Pay mobile application's cross-border retail payment function also allows Hong Kong people to make payments across the Greater Bay Area. In wealth management, the Group introduced "Greater Bay Area Service Connect" to provide mutual service access to Wealth Management customers in Guangdong, Hong Kong and Macao. The total number of cross-border mid- to high-end customers increased by 12.8% from the end of last year. During the period, BOCHK received the Outstanding GBA Financial Business - Innovative Cross-border Financial Services Award, jointly organised by Metro Finance and Hong Kong Ta Kung Wen Wei Media Group.

Management Discussion and Analysis (continued)

Maintaining steady growth in deposit and loan business with an increase in fee and commission income

In line with market interest rate trends, the Group devoted efforts to maintaining steady deposit growth and optimising deposit tenors. The Group grew its current account and savings deposit businesses via payroll services, wealth management and integrated payment solutions, thus maintaining satisfactory growth in personal deposits. Regarding its loan business, the Group strengthened its mortgage business for new residential properties and Home Ownership Scheme flats in the primary market, accelerated the development of digital mortgage business processes and enhanced the service quality and network coverage of its mortgage centres. As a result of these initiatives, the Group maintained its leading market position in terms of the total number of new residential mortgage loans and captured the largest market share in the reverse mortgage market. In response to market volatility, the Group also enriched its range of investment products so as to enhance their market competitiveness. In addition, to support the deferred annuity policy and Voluntary Health Insurance Scheme promoted by the HKSAR government, the Group enhanced innovation in its insurance product portfolio by integrating the concepts of retirement planning and wealth inheritance. The Group also launched its first online savings insurance plan. These factors, coupled with the full implementation of an electronic insurance application process at all branches, contributed to solid growth in fee and commission income.

Promoting fintech innovation to expedite digital process transformation

Embracing the “New Era of Smart Banking” advocated by the HKMA, the Group stepped up innovation in fintech and committed to pushing forward the digitalisation of its business processes. During the reporting period, the Group utilised open API to extend cross-platform cooperation and launched a developers’ portal, opening up access to 63 items of personal financial product information. In addition, the Group cooperated in the development of economic and financial applications to support the roll out of cross-platform securities and foreign exchange trading services, enabling one-stop securities account opening and trading functions for Hong Kong and US stocks as well as China’s A Shares. The Group actively initiated collaboration with third party platforms. It cooperated with online real estate platforms to apply blockchain technology in providing customers with one-stop online mortgage application and progress enquiry services. To cater for rapid growth in customer demand for online transactions, the Group adopted the concept of “mobile first” and accelerated the development of its digital services, enhancing both the design and functionality of its mobile banking by launching pioneering mobile fund distribution and remittance services as well as one-stop online securities account opening. At the end of June 2019, the number of mobile banking customers and active customers increased by 17.5% and 20.6% respectively from the end of 2018, with a continuous increase in both the number and proportion of the younger customer segment (aged 18-35).

Advancing development in the Southeast Asia region

The Group continued to enhance the development of its personal banking business in the Southeast Asia region, and successfully expanded its personal banking service network to Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos and Brunei. Based on the characteristics of different countries, the Group implemented differentiated management and continued to refine its business organisation structure. It pushed forward its regional product management in an orderly manner and enhanced regional risk management. During the reporting period, the Group officially launched a wealth management service in BOC Malaysia to facilitate mutual brand recognition across the Chinese mainland, Hong Kong and Malaysia and enriched its offering of funds, bonds and other wealth management products, thus promoting the Group’s wealth management brand image in Southeast Asia.

Actively promoting payment business development through credit card business

In the first half of 2019, new impetus for the development of the Group’s credit card and payment businesses emerged from the rapid development of the Greater Bay Area and the booming mobile payment market in Hong Kong. The credit card business continued to introduce new payment methods, including contactless and QR code mobile payment, in order to penetrate the small amount and high frequency cash payment market, resulting in a year-on-year increase of over 40% in the total number of retail transactions.

Management Discussion and Analysis (continued)

CORPORATE BANKING

Financial Results

Corporate Banking achieved a profit before tax of HK\$8,065 million, a decrease of HK\$89 million or 1.1% year-on-year, mainly due to the decrease in net fee and commission income and an increase in the net charge of impairment allowances, which more than offset the impact from the increase in net interest income.

Net interest income increased by 12.4%, mainly attributable to the growth in the average balance of deposits, coupled with improvement in the deposit spread. Net fee and commission income decreased by 3.5%, with lower bills, loans and insurance commissions, which were partially offset by an increase in commission income from payment services. Net trading gain decreased by 15.4%, owing to a drop in currency exchange income from customer transactions. The net charge of impairment allowances amounted to HK\$675 million, an increase of HK\$626 million from a lower base in the same period last year when there was an improvement in the internal rating of certain corporate advances and the updating of the parameter values in the expected credit losses assessment model, resulting in a reversal of impairment allowances.

Business Operations

Continuous expansion of customer base and enhancement of integrated service capabilities

The Group remained committed to achieving high-quality development by meeting the demands of key customer groups for integrated financial solutions, including BOC's global strategic clients and large corporates from Hong Kong, Southeast Asia and other overseas countries. It devoted efforts to optimising its business structure and enhancing its service capabilities. By continuously enhancing its service capacity in commercial and investment banking business and improving its regional and comprehensive services, the Group was able to support a number of high-quality projects, which led to stable growth in deposits and loans. It remained the top mandated arranger in the Hong Kong and Macao syndicated loan market and successfully underwrote a number of bond issues with significant market influence. By keeping up with market changes and industrial policy, the Group actively promoted the advancement of green finance, including the underwriting of green bonds. At the same time, the Group promoted technological innovation so as to generate synergistic effects, improve its integrated services and deepen the use of scenario-based applications. Aligning with market trends, it continued to expand its integrated payment and collection services, thus helping to enhance the Group's brand image in payment services. In the first half of 2019, the Group retained its market leadership as an IPO main receiving bank in terms of the number of main board listing projects and the total amount of funds raised. In addition, it maintained strong business relationships with the world's major central banks and sovereign wealth funds.

Proactive development of commercial and SME customer base

The Group continued to improve its services to local commercial customers in Hong Kong by providing e-payment services, integrated payment and settlement solutions, and treasury products and services. It actively cooperated with the HKSAR government to promote the SME Financing Guarantee Scheme to support the development of Hong Kong's SMEs. During the reporting period, BOCHK received the Financial Services Awards of Excellence 2019 - SME Banking Services and SME Partner Awards of Excellence 2019 - Guangdong-Hong Kong-Macao Greater Bay Area Commercial Banking Services from the *Hong Kong Economic Journal*. BOCHK also won the Best SME's Partner Gold Award 2019 from the Hong Kong General Chamber of Small and Medium Business.

Management Discussion and Analysis (continued)

Promoting business development in Southeast Asia and the Greater Bay Area

The Group accelerated the improvement of its regional management capabilities and continued to optimise its management model and mechanisms. It strengthened collaborative marketing with its Southeast Asian entities in order to acquire high-quality and influential local clients, and successfully participated in a number of major projects in the region. It further integrated competitively proven products and services from Hong Kong into its Southeast Asian entities' local franchises, to help them expand into local mainstream markets. In keeping with BOC's wider support for China's Belt and Road Initiative, the Group actively collaborated with its Southeast Asian entities by participating in and arranging for relevant exchange and investment-related promotional activities including the Belt and Road Forum for International Cooperation, jointly organised by the Chinese government and the governments of Southeast Asian countries. This had the effect of enhancing BOCHK's brand image and business development in Southeast Asia. In order to capture the enormous business opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Group strengthened its collaboration with BOC's entities in the Greater Bay Area across four major aspects of cross-border activities: people flow, commodities flow, fund flow and information flow. It established an integrated marketing and services system 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 boosting the development of corporates within the area's technological innovation sector.

Constantly enhancing the competitiveness of corporate banking products and services

The Group continuously upgraded its integrated service capabilities in Hong Kong, the Greater Bay Area and Southeast Asia. Drawing on its customer-centric philosophy and building on its strong foundations in payment and settlement services, the Group continuously enhanced customers' experience and satisfaction through provision of various scenario-based integrated service solutions. It captured important opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative to accelerate the regional development of its key businesses, including cash pooling, treasury centre, cash management and trade finance, and further uplifted its integrated regional service capabilities. In recognition of its excellent and highly professional services, BOCHK was named Best Cash Management Bank in Hong Kong for the fifth time and Best Transaction Bank in Hong Kong for the second time by *The Asian Banker*.

Continuous expansion in custody business

In the first half of 2019, there was increased volatility in investment markets which adversely affected the asset servicing industry. Through collaboration within the Group and with Chinese mainland and overseas entities, the Group's custody business strived to overcome these market challenges. Both total assets under custody and the asset size of Bond Connect reached new peaks and it delivered satisfactory growth in income during the reporting period. The Group also seized opportunities arising from China's respective mutual connectivity programmes, "Going Global" enterprises and the development of the Greater Bay Area to expand its cooperation with domestic and overseas institutions, while flexible service solutions were offered to help resolve clients' pain points in dealing with over-the-counter securities investments. The Group also embarked on the construction of a new product platform to enrich its overall service capabilities. As at the end of June 2019, the Group's total assets under custody amounted to HK\$1,207.2 billion.

Continuous growth in trustee business with 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 BOCI-Prudential Trustee Limited ("BOCI-Prudential Trustee"). In April 2019, BOCI-Prudential Trustee successfully launched the Tax Deductible Voluntary Contributions scheme. It also made technological improvements and upgrades to its MPF services in the first quarter, launching a brand new website design and AI chatbot service, "My MPF Bot", in an effort to improve customer experience. Its MPF App continued to incorporate new biometric authentication features such as facial and fingerprint recognition, with optical character recognition and e-signatures also set to be gradually implemented within the MPF application process so as to streamline application procedures and safeguard the security of online MPF accounts. The AUM of MPF maintained steady growth. As at the end of June 2019, its MPF asset size recorded a growth of 11.9% from the end of last year. In the first half of 2019, BOCI-Prudential Trustee received numerous accolades in recognition of its outstanding fund performance and high-quality MPF trustee and management services. BOCI-Prudential Trustee's My Choice MPF Scheme received multiple awards at the MPF Awards 2019, organised by independent rating agency, MPF Ratings. It became the first ever MPF trustee to receive the Excellent Trustee & Management Services Award at the Financial Services Awards of Excellence 2019, organised by the *Hong Kong Economic Journal*. It also received the Best Group Over 3 Years - Overall and the Best Group Over 3 Years - Bond awards at the 2019 Lipper Hong Kong Fund Awards, organised by *REFINITIV*.

Management Discussion and Analysis (continued)

TREASURY

Financial Results

Treasury recorded a profit before tax of HK\$5,036 million, an increase of HK\$251 million or 5.2% year-on-year. The growth was driven by an increase in net trading gain and net gain on other financial assets, which more than offset the decrease in net interest income.

Net interest income decreased by 12.1%, which was mainly attributable to the rise in funding costs. Net trading gain grew by HK\$293 million, or 42.6% year-on-year, mainly attributable to an increase in net gain from foreign currency swap contracts, which was partially offset by the mark-to-market changes of certain debt securities investments and interest rate instruments caused by interest rate movements. Net gain on other financial assets increased by HK\$686 million, as the Group disposed of certain debt securities and recorded a higher net gain in the first half of 2019. These positive impacts were, however, partially offset by a lower net gain on other financial instruments at fair value through profit or loss.

Business Operations

Continuous enhancement in trading and service capabilities

The Group deepened its research on market development and actively responded to market changes. It continued to enrich its product range and optimise its business structure. By expanding its trading resources and enhancing its trading capabilities, the Group was able to achieve solid growth in trading business. It increased investment in systems and continued to enhance system functionalities in order to steadily improve its electronic trading capabilities. With the aim of sharpening its comprehensive service capabilities and promoting the development of its customer business, the Group continuously strengthened the integration of cross-departmental and cross-business line products, professional capabilities, business models and business resources. Business unit management capabilities were improved in order to drive regional development. At the same time, the Group optimised internal control and conducted stringent control on business risks. In recognition of its treasury business performance, BOCHK was named the Best Currency Swap Member and received the Opening Contribution Award from the China Foreign Exchange Trade System. It also received the Outstanding International Member Award from Shanghai Gold Exchange, and won the Key Business Partner in FIC Market award at the 6th Annual RMB Fixed Income & Currency Conference, organised by HKEX.

Consolidating advantages in banknotes business

The Group actively expanded its wholesale banknotes business globally and enlarged its client base to consolidate its competitive advantages. It further enhanced cooperation with financial institutions in Southeast Asia and other overseas countries and achieved satisfactory results, with continuous improvements in client base and business scale. By increasing its investments in the Chinese mainland market, the Group further improved the blueprint of its foreign currency banknotes business in the Mainland. Meanwhile, it continued to strengthen risk management and improve business processes leading to continuous improvements in overall business capabilities.

Reinforcing competitive advantages in Renminbi clearing business

In April 2019, in line with the trend of constant innovation in Bond Connect cross-border settlement business, the Hong Kong Renminbi Clearing Bank enhanced its cross-border settlement function to support cross-border fund settlement for the negotiable certificate of deposit primary market via Bond Connect, thus expanding the depth and breadth of the cross-border bond business and reinforcing the leading position of BOCHK in the offshore Renminbi market. Moreover, BOCHK was awarded the Prize for Innovative Business Promotion (Bond Connect Business) 2018 by the Shanghai Clearing House in recognition of its contribution towards the cross-border settlement business of Bond Connect.

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. In 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)

Strengthening the Southeast Asia treasury business and advancing regional development

The Group actively pushed forward its regional development strategy in treasury business and continued to refine the regional business line management structure. With continuous improvement in developing talent in the treasury business, the Group enhanced its Southeast Asian entities' capabilities in dealing, marketing, products and risk management in order to solidify their business foundation. The Group increased its efforts in market research and business development analysis, and fully supported its Southeast Asian entities to acquire target clients. As a result, it successfully participated in a number of key projects in the region. The Group actively developed its investment business in Southeast Asia by enriching its banking book investment portfolio and optimising its asset allocation. By refining its regional funding pool management, the Group provided ample funding support for the development of its Southeast Asia business.

Management Discussion and Analysis (continued)

REGIONAL BUSINESS

Enhancing Southeast Asian development strategy with the aim of building mainstream foreign banks in the region

Southeast Asia has remarkable development potential, as a core focus of China's Belt and Road initiative, as a market for RMB internationalisation and as a target region for Chinese enterprises' "Going Global" efforts. The Group adopted BOC's development strategy and pushed forward its steadfast commitment to building a top-class, full-service and internationalised regional bank. Accelerating its deployment in Southeast Asia, it crafted distinct development strategies for each of its Southeast Asian entities with an aim of gradually establishing differentiated competitive edges, all with a focus on serving "Going Global" enterprises and large corporates in Southeast Asia. The Group has developed a strong franchise and market-oriented management experience through a century of service in Hong Kong. Now acting as the regional hub for Southeast Asia, the Group fully leveraged these advantages and introduced its competitively proven products and services, advanced technology and management, and professional talent teams from Hong Kong to Southeast Asia. By extending BOCHK's competitive advantages in capital funding, products, management and talent, the Group was able to uplift its competitiveness and development quality in the Southeast Asian region, with the aim of building each Southeast Asian entity into the mainstream foreign bank in its local market. As a result of these regional integration efforts, Jakarta Branch was ranked fifth in terms of overall operations in the Indonesian banking industry in 2018 and was ranked first among all foreign banks in Indonesia. Moreover, Jakarta Branch was named the Best Foreign Bank of the year in the Best Indonesian Business Awards in 2019.

Constantly deepening regional management and steadily pushing forward integrated regional development

The Group successfully completed the acquisition of the Laos Business of BOC on 21 January 2019. BOCHK has developed into a regional bank with operating entities in eight Southeast Asian countries, including Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos and Brunei. The Group continued to push forward logical integration of the business mechanisms, systems, personnel and culture of its Southeast Asian entities. It accelerated the development of its regional management model according to the business characteristics of the front, middle and back offices, and steadily pushed forward the model's operation and implementation according to differentiated development strategies. Different arrangements were made regarding approval authorisation, resource allocation, personnel management, performance management and daily operations. The frontline units further refined their differentiated regional business positioning and management models, so as to implement integrated operational and management objectives. The middle office units strengthened the internal risk and compliance control of the Southeast Asian entities, in order to effectively improve their overall internal risk control and anti-money laundering capabilities. The back offices enhanced regional administration and resource support in order to improve the operational capacity of back office operations across Southeast Asia.

Well aligned management by line of business leading to continuous growth in operating results

The Group's Southeast Asia business continued to achieve satisfactory results in the first half of 2019. Net operating income before impairment allowances of its Southeast Asian entities* was HK\$1,389 million, a growth of 22.8% year-on-year. As at the end of June 2019, deposits from customers and advances to customers amounted to HK\$51,025 million and HK\$44,869 million, up 6.7% and 12.9% respectively from the end of 2018. The non-performing loan ratio was 1.27%, up 0.14 percentage points from the end of 2018.

* Referring to the eight Southeast Asian entities, including BOC Thailand, BOC Malaysia, Ho Chi Minh City Branch, Manila Branch, Jakarta Branch, Phnom Penh Branch, Vientiane Branch and Brunei Branch. Net operating income before impairment allowances, the balance of deposits from customers and advances to customers represent the consolidated data which were prepared in accordance with Hong Kong Financial Reporting Standards. Non-performing loan ratio was calculated in accordance with local regulatory requirements.

Management Discussion and Analysis (continued)

In the corporate banking business, the Group actively developed Belt and Road related projects and local mainstream markets, including projects relating to road and bridge infrastructure development, telecommunications equipment, energy and petroleum, and aviation facilities. It also established a regional relationship manager system with a focus on high-value customers, and continued to promote the integrated management of customer development and project marketing by analysing the distribution of “Going Global” enterprises in Southeast Asia alongside industrial transfer trends in the Asia-Pacific region, so as to capture the development opportunities arising from such customers and projects. It actively supported local corporates and family-owned enterprises in Southeast Asia with service solutions. The Group also actively expanded its business with institutional clients, promoting RMB products and treasury operations. BOC Thailand helped a Thai asset management company to become an RMB Qualified Foreign Institutional Investor, while the Ho Chi Minh City Branch handled the first cross-border RMB entrusted settlement business in Vietnam’s non-border area, thus achieving a breakthrough for the expansion of RMB usage in Vietnam.

In the personal banking business, the Group continued to build up its product and service capabilities in Southeast Asia by enhancing its infrastructure and implementing differentiated management approaches. It also strengthened customer positioning and management by allocating suitable products and personnel to support business development and increase revenues. During the reporting period, BOC Malaysia launched its Wealth Management service, offering mutual brand recognition in the Chinese mainland, Hong Kong and Malaysia, and giving full play to regional branding advantages.

Promoting regional risk management using the Three Lines of Defense and Take-the-Most-Stringent-Approach principle to achieve healthy and sustainable development

The Group promoted regional risk management on the basis of the Three Lines of Defense and the Take-the-Most-Stringent-Approach principle, actively pushing forward the full implementation of its risk management framework and stepping up the construction of the management structure and personnel deployment of its Southeast Asian entities. It comprehensively strengthened its Southeast Asian entities’ management of credit risk, internal control and compliance. By closely monitoring market and liquidity risk in the Southeast Asian market, these entities were able to enhance their emergency handling capabilities. By comprehensively enhancing their risk compliance and control capabilities, the Southeast Asian entities will lay a solid foundation for high-quality development, ensure compliance with the regulatory requirements of the HKMA and local regulatory bodies, and operate in accordance with the standards stipulated by the Group.

In conjunction with the Group’s implementation of the Southeast Asian Institutional Risk Management Framework, the Group promoted anti-money laundering management in Southeast Asia through related policies and systems, organisational structures, professional staffing and technological systems. It continued to push forward the implementation of anti-money laundering systems by its Southeast Asian entities, as well as strengthening their internal control and anti-money laundering talent teams, in order to ensure that anti-money laundering measures are conducted according to the most stringent regulatory requirements. 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 entities, including the launch of customer credit rating systems especially tailored to improve approval efficiency in the Southeast Asia region, thus continuously strengthen the Group’s capabilities in regional credit risk management.

Management Discussion and Analysis (continued)

FINTECH AND INNOVATIONS

Adhering to the concept of “technology-based and innovation-driven development”, the Group kept pace with fintech development trends and made increased investments to expedite its transformation into a digital bank. By applying innovative technology such as big data, artificial intelligence (“AI”), blockchain, biometric and open API in financial products, service processes, operations management and risk control, the Group was able to improve its service levels and continuously strengthen customer stickiness.

In line with the HKMA's preparation to bring Hong Kong into a new era of smart banking, the Group took the lead in launching an open API project in January 2019. At the same time, it promoted open API interfaces according to the HKMA's framework and fully deployed and leveraged its resources and advantages, allowing customers to use BOCHK open API through third party service providers in order to obtain real-time banking information. The Group continuously strengthened its biometric applications. Finger vein authentication has now been extended to all of BOCHK's automated teller machines in Hong Kong. The Innovation and Optimisation Centre, established in 2018, is dedicated to promoting the Group's overall competitiveness. The Centre formed various inter-departmental agile project teams in the first half of 2019 to support innovation-driven strategy research, deepen scenario-based applications of fintech, and accelerate the transformation of products and services for customer needs fulfilment in a timely fashion.

To meet customer demand for easy and convenient payments, the Group continuously upgraded the functionalities of BoC Pay, its mobile application. BoC Pay is the first mobile application provided by a bank to offer scan and pay, person to person (P2P) transfer and bill payments, to fully support non-BOCHK customers in opening payment accounts, and to offer real-time redemption of credit card gift points for payment. BoC Pay enables customers to scan and pay at a number of local merchants and to make daily payments through FPS in Hong Kong. It also supports UnionPay QR code payments to more than 11 million merchants in the Chinese mainland, including more than 700,000 merchants in the Greater Bay Area. During the reporting period, both transaction volume and the total number of users grew rapidly. The Group continued to expand the coverage of its integrated collection platform, BoC Bill, by providing comprehensive payment and settlement solutions, including all-in-one UnionPay QR code and FPS scanning code, to different types of enterprises in Hong Kong. Its coverage has been extended to a vast number of retail outlets in Hong Kong, in particular SMEs, with the aim of pioneering a new era in payment behaviour and enhancing competitiveness.

The Group also made continuous investments in enhancing technology risk management, boosting its cybersecurity threat monitoring capability and handling efficiency, and strengthening its preventive controls on information leakage, in order to provide customers with solid and secure financial services.

In recognition of its innovative achievements in technology and IT development, BOCHK received the FinTech (Banking, Insurance and Capital Market) Silver Award in the Hong Kong ICT Awards 2019, organised by the Office of the Government Chief Information Officer of the Hong Kong SAR Government and various Hong Kong trade and industry organisations in Hong Kong, Awards of Excellence – FinTech Banking in the Financial Services Awards of Excellence 2019 organised by the *Hong Kong Economic Journal*, and Excellent Brand of Greater Bay Area FinTech Services in the Hong Kong Leaders' Choice 2019 organised by Metro Finance.

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, and approving significant or high risk exposures or transactions. 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 is 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 responsibility 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 loans under 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 divide 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.

For impairment assessment, a new impairment model is introduced in compliance with HKFRS 9, it requires the recognition of Expected Credit Loss ("ECL") for financial instrument held at amortised cost and fair value through other comprehensive income. Under HKFRS 9, ECL is assessed in three stages and the financial assets and loan commitments are classified in one of the three stages.

Stage 1: if the financial instrument is not credit-impaired upon origination and the credit risk on the financial instrument has not increased significantly since initial recognition, the loss allowance is measured at an amount up to 12-month ECL;

Stage 2: if the financial instrument is not credit-impaired upon origination but the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime ECL;

Stage 3: if the financial instrument is credit-impaired, with one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, the loss allowance is also measured at an amount equal to the lifetime ECL.

The significant credit deterioration criteria framework has been developed to determine the stage of the financial instrument. The framework incorporates quantitative and qualitative assessment such as the number of days past due, change in IRB rating and the stage assessment watchlist.

Management Discussion and Analysis (continued)

The Group leverages the parameters implemented under Basel II Internal Ratings-Based (“IRB”) models and internal models where feasible and available to assess ECL. For the portfolios without models, all other reasonable and supportable information such as historical information, relevant loss experience or proxies are utilised. The measurement of ECL is the product of the financial instrument’s probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”) discounted at the effective interest rate to the reporting date.

ECL is measured at an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Group adopts three economic scenarios in the ECL measurement to meet the requirements of HKFRS 9. The “Baseline” scenario represents a most likely outcome and the other two scenarios, referred to as “Good” scenario and “Bad” scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to Baseline scenario.

RMC is responsible for approving ECL methodology and the Management is responsible for the ECL model implementation. Credit Risk Management is responsible for the maintenance of ECL methodology including models review and parameters update on a regular basis. Independent Model Validation Team is responsible for the annual validation of ECL models. If there is any change in ECL methodology, the Group will follow the proper approval process.

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 the effective management of potential market risk in the Group’s business, according to the Group’s overall risk appetite and strategy of the 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 responsible for the Group’s market risk management, 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.

The Group’s market risk management covers BOCHK and its subsidiaries. The Group establishes market risk management policies to regulate BOCHK’s and its subsidiaries’ market risk management; meanwhile, the Group sets up the Group’s 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’s 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’s 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. The 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 its subsidiaries over a one-day holding period with a 99% confidence level, and sets up the VaR limit of the Group and its 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.

Management Discussion and Analysis (continued)

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. The RMD is responsible for the Group's interest rate risk management. With the cooperation of the Financial Management Department and Investment Management, etc., 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 senior management and the RMC, etc.

The Group sets out interest rate risk indicators and limits to identify, measure, monitor and control interest rate risk on a daily basis. 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, CRO, ALCO and 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.

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 the 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 a reasonable cost to meet their obligations as they fall due. The Group maintains a 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.

In accordance with the Group's corporate governance principles in respect of risk management, the Board and the RMC, senior management and functional departments/units perform their duties and responsibilities to manage the Group's liquidity risk. 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 the risk appetite and policies as set by the RMC. The RMD is responsible for the Group's liquidity risk management. It cooperates with the Financial Management Department and Investment Management, etc. to assist the ALCO to perform liquidity management functions according to their specific responsibilities.

Management Discussion and Analysis (continued)

The Group's liquidity risk management objective is to effectively manage the liquidity of on- and off-balance sheet items with a 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 sources 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 sources, tenors and use of funding to avoid excessive concentration of assets and liabilities; and prevent triggering liquidity risk due to the break of funding strand resulting from over-concentration of sources and use of funding in a particular area where problems occur. In order to manage such risk, the Group sets concentration limits on collateral pools and sources of funding such as Tier 1 high-quality readily liquefiable assets to total high-quality readily liquefiable assets ratio, top ten depositors ratio and large depositors ratio. Whenever necessary, the Group could improve the liquidity position by taking mitigation actions including, but not limited to obtaining funding through interbank borrowings or repos in the money market, selling bonds in the secondary market or retaining existing and attracting new customer deposits. Apart from increasing the funding, the Group would maintain good communication with the counterparties, the parent and the regulators to enhance mutual confidence.

The Group has established intra-group liquidity risk management guidelines 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 Group established liquidity risk management indicators and limits to identify, measure, monitor and control liquidity risk on a 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 a 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 a monthly basis to assess the Group's capability to withstand various severe liquidity crises. Also, relevant management information systems such as the Assets and Liabilities Management System and the Basel Liquidity Ratio Management System are developed to provide data and to prepare for regular management reports to facilitate liquidity risk management duties.

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 a 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 the contractual maturity date and the assumptions of customer behaviour and balance sheet changes. The Group establishes the 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 operations.

In the liquidity stress test, institution specific, general market crisis and combined crisis scenarios have been set up, a 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; the drawdown rate of loan commitments and trade-related contingent liabilities; the delinquency ratio and rollover rate of customer loans; and haircut of interbank placement and marketable securities. As at 30 June 2019, 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.

Management Discussion and Analysis (continued)

The LCR is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015. The Group, being classified as a category 1 authorised institution by the HKMA, is required to calculate the LCR on a consolidated basis. From 2019, the Group is required to maintain a LCR not less than 100%.

The NSFR is calculated in accordance with the Banking (Liquidity) (Amendment) Rules 2017 effective from 1 January 2018. The Group, being classified as a 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 the 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 policies, 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 with relevant liquidity ratios on a regular basis to the RMD of BOCHK, which consolidates this information and evaluates group-wide liquidity risk to ensure relevant requirements are satisfied.

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.

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.

Management Discussion and Analysis (continued)

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 financial crimes including bribery and corruption are independently managed and monitored by the Financial Crime Compliance Department ("FCC"). LCO and FCC report directly to the DCE and CRO respectively. 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.

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. 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 2019年 6月30日	半年結算至 2018年 6月30日
		Half-year ended 30 June 2019	Half-year ended 30 June 2018
	附註 Notes	港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
利息收入	Interest income	32,034	27,120
利息支出	Interest expense	(13,712)	(10,053)
淨利息收入	Net interest income	18,322	17,067
服務費及佣金收入	Fee and commission income	8,232	8,759
服務費及佣金支出	Fee and commission expense	(1,765)	(1,983)
淨服務費及佣金收入	Net fee and commission income	6,467	6,776
淨交易性收益	Net trading gain	2,241	2,141
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	125	319
其他金融資產之淨收益	Net gain on other financial assets	727	41
其他經營收入	Other operating income	382	365
提取減值準備前之淨經營收入	Net operating income before impairment allowances	28,264	26,709
減值準備淨撥備	Net charge of impairment allowances	(791)	(340)
淨經營收入	Net operating income	27,473	26,369
經營支出	Operating expenses	(7,277)	(6,776)
經營溢利	Operating profit	20,196	19,593
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	663	931
處置/重估物業、器材及設備之淨收益	Net gain from disposal/revaluation of properties, plant and equipment	1	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	53	42
除稅前溢利	Profit before taxation	20,913	20,576
稅項	Taxation	(3,221)	(3,262)
期內溢利	Profit for the period	17,692	17,314
應佔溢利：	Profit attributable to:		
本銀行股東	Equity holders of the Bank	17,610	17,231
非控制權益	Non-controlling interests	82	83
		17,692	17,314
股息	Dividends	5,639	5,380

第 64 至 171 頁之附註屬本中期財務資料之組成部分。

The notes on pages 64 to 171 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 2019年 6月30日	半年結算至 2018年 6月30日
		Half-year ended 30 June 2019	Half-year ended 30 June 2018
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
		<u>17,692</u>	<u>17,314</u>
期內溢利	Profit for the period		
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	1,061	1,631
遞延稅項	Deferred tax	<u>(134)</u>	<u>(227)</u>
		927	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	85	64
遞延稅項	Deferred tax	<u>1</u>	<u>(4)</u>
		86	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	(48)	7
遞延稅項	Deferred tax	<u>7</u>	<u>-</u>
		<u>(41)</u>	<u>7</u>
		<u>972</u>	<u>1,471</u>

附註
Notes

簡要綜合全面收益表
(續)

Condensed Consolidated Statement of Comprehensive
Income (continued)

		(重列) (Restated)
	(未經審計) (Unaudited)	(未經審計) (Unaudited)
	半年結算至 2019年 6月30日 Half-year ended 30 June 2019	半年結算至 2018年 6月30日 Half-year ended 30 June 2018
	附註 Notes	
	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	3,845 (1,952)
減值準備變化借記收益表	Change in impairment allowances charged to income statement	11 46 15
因處置／贖回之轉撥重新分類至收益表	Release upon disposal/redemption reclassified to income statement	9 (742) (60)
公平值對沖調整累計金額之攤銷重新分類至收益表	Amortisation of accumulated amount of fair value hedge adjustment reclassified to income statement	7 -
遞延稅項	Deferred tax	(511) 348
		2,645 (1,649)
貨幣換算差額	Currency translation difference	161 (103)
		2,806 (1,752)
期內除稅後其他全面收益	Other comprehensive income for the period, net of tax	3,778 (281)
期內全面收益總額	Total comprehensive income for the period	21,470 17,033
應佔全面收益總額：	Total comprehensive income attributable to:	
本銀行股東	Equity holders of the Bank	21,388 16,950
非控制權益	Non-controlling interests	82 83
		21,470 17,033

第64至171頁之附註屬本中期財務資料之組成部分。

The notes on pages 64 to 171 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 2019 年 6 月 30 日	於 2018 年 12 月 31 日	
	附註 Notes	At 30 June 2019	At 31 December 2018	
		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	17	384,539	433,068
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	44,048	274,157
衍生金融工具	Derivative financial instruments	19	28,954	34,955
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness		163,860	156,300
貸款及其他賬項	Advances and other accounts	20	1,369,572	1,282,286
證券投資	Investment in securities	21	737,196	540,855
聯營公司及合資企業權益	Interests in associates and joint ventures		535	482
投資物業	Investment properties	22	20,943	19,988
物業、器材及設備	Properties, plant and equipment	23	51,349	49,071
應收稅項資產	Current tax assets		43	-
遞延稅項資產	Deferred tax assets	29	63	82
其他資產	Other assets	24	44,579	32,541
資產總額	Total assets		2,845,681	2,823,785
負債	LIABILITIES			
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation		163,860	156,300
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions		242,962	376,521
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	19,075	15,535
衍生金融工具	Derivative financial instruments	19	33,239	30,812
客戶存款	Deposits from customers	26	2,025,695	1,899,102
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	27	792	9,453
其他賬項及準備	Other accounts and provisions	28	53,382	47,960
應付稅項負債	Current tax liabilities		5,354	2,437
遞延稅項負債	Deferred tax liabilities	29	6,240	5,715
後償負債	Subordinated liabilities	30	13,168	13,246
負債總額	Total liabilities		2,563,767	2,557,081

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

			(重列) (Restated)
		(未經審計) (Unaudited)	(經審計) (Audited)
		於 2019 年 6 月 30 日	於 2018 年 12 月 31 日
		附註 Notes	At 31 December 2018
		At 30 June 2019	At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
資本	EQUITY		
股本	Share capital	31	43,043
儲備	Reserves		43,043
			<u>199,907</u>
本銀行股東應佔股本和儲備	Capital and reserves attributable to equity holders of the Bank		242,950
			<u>258,180</u>
本銀行其他股權工具	Other equity instruments of the Bank	32	23,476
非控制權益	Non-controlling interests		278
			<u>258</u>
資本總額	Total equity		<u>266,704</u>
			<u>281,914</u>
負債及資本總額	Total liabilities and equity		<u>2,823,785</u>
			<u>2,845,681</u>

第 64 至 171 頁之附註屬本中期財務資料之組成部分。 The notes on pages 64 to 171 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	公平值 變動儲備 Reserve for fair value changes	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	其他 股權工具 Other equity instruments	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	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	(812)	-	9,474	(728)	1,062	139,638	228,433	-	271	228,704
合併受共同控制之實體之影響	Effect of merger of entity under common control	-	-	-	-	-	21	350	25	396	-	-	396
於 2018 年 1 月 1 日之重列	At 1 January 2018, as restated	43,043	36,756	(812)	-	9,474	(707)	1,412	139,663	228,829	-	271	229,100
期內溢利	Profit for the period	-	-	-	-	-	-	-	17,231	17,231	-	83	17,314
其他全面收益：	Other comprehensive income:												
房產	Premises	-	1,404	-	-	-	-	-	-	1,404	-	-	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	-	-	60	-	-	-	-	-	60	-	-	60
自身信貸風險	Own credit risk	-	-	-	7	-	-	-	-	7	-	-	7
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	-	-	(1,649)	-	-	-	-	-	(1,649)	-	-	(1,649)
貨幣換算差額	Currency translation difference	-	-	(4)	-	-	(99)	-	-	(103)	-	-	(103)
全面收益總額	Total comprehensive income	-	1,404	(1,593)	7	-	(99)	-	17,231	16,950	-	83	17,033
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	(806)	350	150,039	239,134	-	259	239,393
期內溢利	Profit for the period	-	-	-	-	-	-	-	14,290	14,290	-	81	14,371
其他全面收益：	Other comprehensive income:												
房產	Premises	-	421	-	-	-	-	-	-	421	-	-	421
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	-	-	(34)	-	-	-	-	-	(34)	-	-	(34)
自身信貸風險	Own credit risk	-	-	-	18	-	-	-	-	18	-	-	18
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	-	-	525	-	-	-	-	-	525	-	-	525
貨幣換算差額	Currency translation difference	-	-	31	-	-	(26)	-	-	5	-	-	5
全面收益總額	Total comprehensive income	-	421	522	18	-	(26)	-	14,290	15,225	-	81	15,306
因處置以公平值變化計入其他全面收益之股權工具之轉撥：	Release upon disposal of equity instruments at fair value through other comprehensive income:												
轉撥	Transfer	-	-	16	-	-	-	-	(16)	-	-	-	-
遞延稅項	Deferred tax	-	-	(3)	-	-	-	-	-	(3)	-	-	(3)
應付稅項	Current tax	-	-	-	-	-	-	-	3	3	-	-	3
因贖回界定為以公平值變化計入損益之金融負債之轉撥：	Release upon redemption of financial liabilities designated at fair value through profit or loss:												
轉撥	Transfer	-	-	-	(20)	-	-	-	20	-	-	-	-
應付稅項	Current tax	-	-	-	-	-	-	-	(3)	(3)	-	-	(3)
轉撥至留存盈利	Transfer to retained earnings	-	-	-	-	(250)	-	-	250	-	-	-	-
發行其他股權工具	Issue of other equity instruments	-	-	-	-	-	-	-	-	23,476	-	-	23,476
股息	Dividends	-	-	-	-	-	-	-	(11,406)	(11,406)	-	(62)	(11,468)
於 2018 年 12 月 31 日	At 31 December 2018	43,043	38,581	(1,870)	5	10,496	(832)	350	153,177	242,950	23,476	278	266,704

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							留存盈利 Retained earnings	總計 Total	其他 股權工具 Other equity instruments	非控制 權益 Non-controlling interests	資本總額 Total equity
		股本 Share capital	房產 重估儲備 Premises revaluation reserve	公平值 變動儲備 Reserve for fair value changes	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	其他 股權工具 Other equity instruments	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	港幣百萬元 HK\$'m
於 2019 年 1 月 1 日之早期列賬	At 1 January 2019, as previously reported	43,043	38,581	(1,870)	5	10,496	(853)	-	153,082	242,484	23,476	278	266,238
合併受共同控制之實體之影響	Effect of merger of entity under common control	-	-	-	-	-	21	350	95	466	-	-	466
於 2019 年 1 月 1 日之重列	At 1 January 2019, as restated	43,043	38,581	(1,870)	5	10,496	(832)	350	153,177	242,950	23,476	278	266,704
期內溢利	Profit for the period	-	-	-	-	-	-	-	17,610	17,610	-	82	17,692
其他全面收益：	Other comprehensive income:												
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	-	927	-	-	-	-	-	-	927	-	-	927
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	-	-	86	(41)	-	-	-	-	86	(41)	-	86
貨幣換算差額	Currency translation difference	-	-	2,645	-	-	-	-	-	2,645	-	-	2,645
全面收益總額	Total comprehensive income	-	927	2,741	(41)	-	151	-	17,610	21,388	-	82	21,470
收購受共同控制之實體	Acquisition of entity under common control	-	-	-	-	-	-	(728)	-	(728)	-	-	(728)
轉撥自留存盈利	Transfer from retained earnings	-	-	-	-	381	-	378	(759)	-	-	-	-
支付其他股權工具持有者股息	Dividend paid to other equity instrument holders	-	-	-	-	-	-	-	(695)	(695)	-	-	(695)
股息	Dividends	-	-	-	-	-	-	-	(4,735)	(4,735)	-	(102)	(4,837)
於 2019 年 6 月 30 日	At 30 June 2019	43,043	39,508	871	(36)	10,877	(681)	-	164,598	258,180	23,476	258	281,914

* 除按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。

第 64 至 171 頁之附註屬本中期財務資料之組成部分。

* 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 HKFRS 9.

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

The notes on pages 64 to 171 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 2019年 6月30日	半年結算至 2018年 6月30日
	附註 Notes	Half-year ended 30 June 2019	Half-year ended 30 June 2018
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
經營業務之現金流量			
除稅前經營現金之流出		(280,957)	(35,939)
支付香港利得稅		(72)	(1,147)
支付海外利得稅		(368)	(353)
經營業務之現金流出淨額		(281,397)	(37,439)
投資業務之現金流量			
增置物業、器材及設備		(545)	(628)
處置物業、器材及設備所得款項		1	4
增置投資物業		(24)	(2)
收取聯營公司及合資企業股息		-	2
收購受共同控制之實體		(728)	(2,168)
投資業務之現金流出淨額		(1,296)	(2,792)
融資業務之現金流量			
支付本銀行股東股息		(4,735)	(4,477)
支付其他股權工具持有者股息		(695)	-
支付非控制權益股息		(102)	(95)
支付後償負債利息		(353)	(543)
支付租賃負債		(276)	N/A
融資業務之現金流出淨額		(6,161)	(5,115)
現金及等同現金項目減少		(288,854)	(45,346)
於1月1日之現金及等同現金項目		625,895	381,099
匯率變動對現金及等同現金項目的影響		3,781	115
於6月30日之現金及等同現金項目		340,822	335,868
	33(b)		

第 64 至 171 頁之附註屬本中期財務資料之組成部分。 The notes on pages 64 to 171 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2018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2018年之年度報告一併閱覽。

已於2019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2019年1月1日起初始採用香港財務報告準則第16號「租賃」及其他準則的修訂及詮釋。除了香港財務報告準則第16號對集團的財務報表帶來重大影響外，採用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。詳細資料披露如下：

(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 standard, amendment 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 2018 and shall be read in conjunction with the Group's Annual Report for 2018.

Standard, amendment and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2019

The Group has initially applied HKFRS 16 "Leases" and other amendment and interpretation from 1 January 2019 onwards. Except for HKFRS 16, of which the impacts to the Group's financial statements being significant, the application of other amendment and interpretation does not have material effects on the Group's financial statements. Details are disclosed as below:

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2019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)

Standard, amendment and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2019 (continued)

- 香港財務報告準則第16號「租賃」。香港財務報告準則第16號取代現有與租賃相關的會計準則及詮釋。承租人的會計處理引入重大的改變，不再區分經營租賃與融資租賃。承租人以香港會計準則第17號之下與融資租賃會計相似的方式對所有租賃合同進行核算，即承租人在租賃開始日期（即相關資產可供承租人使用的日期）確認相應的「使用權」資產及租賃負債，並按未來租賃付款額的現值作出計量。其後，承租人通過將租賃負債釋出之貼現額確認利息支出；以及確認使用權資產的折舊費用，而非如香港財務報告準則第16號實施之前，將經營租賃產生的支出確認為租賃費用。實務上，承租人可以選擇不將此會計模式應用於為期12個月或以內的短期租賃和低價值資產的租賃，在這種情況下，租賃費用將繼續以有系統的基準在租賃期內確認。出租人的會計處理與香港會計準則第17號下的會計處理基本上沒有重大變化。香港財務報告準則第16號的要求概述如下：

- HKFRS 16, "Leases". HKFRS 16 supersedes the existing standard and interpretations related to leases. Significant changes to lessees' accounting are introduced, with the distinction between operating and finance leases removed. Lessees account for all leases in a similar way as the finance lease accounting under HKAS 17, i.e. the lessees recognise and measure the corresponding "right-of-use" asset and lease liability at the commencement date (the date when the underlying asset is available for use by lessees) of the lease by discounting the total future lease payment. Subsequently, the lessees recognise interest expense through the unwinding of the lease liability, and the expense on the depreciation of the right-of-use asset, instead of recognising as rental expenses under operating leases before the implementation of HKFRS 16. As a practical expedient, the lessees can elect not to apply this accounting model to short-term leases not more than 12 months and leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term. There are no significant changes to the lessors' accounting requirements as compared with HKAS 17. The requirements of HKFRS 16 are summarised 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2019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)

租賃負債為租約內不可取消之租賃付款的未來現金流，以承租人於租賃開始日期的增量借貸利率折現的現值，包含合理確認會被行使的續租權所延展的續租期間的付款。

使用權資產大致上以租賃負債為基礎，並調整加上初始直接費用、估算的清拆或復原費用及已預付的租賃付款來計量。使用權資產後續以成本扣除累計折舊及減值損失計量，並於租賃負債被重新計量時作出調整。

在租賃開始日期後，租賃負債的賬面值會增加以反映通過利息費用釋出之貼現額，及會減少以反映租賃付款。如租約出現任何變更，租賃負債也會被重新計量。使用權資產由租賃開始日期起至租期完結的年期內以直線法折舊。在租賃包含合理確認會行使的認購權時，使用權資產會折舊至該資產可使用年限完結時。

(b) Significant accounting policies (continued)

Standard, amendment and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2019 (continued)

Lease liabilities are the discounted present value of the future cash flows of the non-cancellable lease payments of the lease contracts, after taking into account payments to be made in optional period if the extension option is reasonably certain to be exercised, using the lessees' incremental borrowing rates at the commencement date of leases as discount rate.

Right-of-use assets are generally measured at the amount of the lease liabilities plus initial direct costs, estimated dismantling or restoring cost and adjusted by prepaid lease payments. Right-of-use assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

After the commencement date, the carrying value of lease liability will be increased to reflect the unwinding of discount through interest expense and will be reduced to reflect the lease payments made. The lease liability will also be remeasured if there is any modification to the lease contracts. Right-of-use assets are depreciated by straight-line method from commencement date to the end of lease term. In case there is a purchase option that is expected to be exercised, then the right-of-use asset will be depreciated to the end of the useful life of the underlying asset.

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2019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)

Standard, amendment and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2019 (continued)

本集團採納香港財務報告準則第16號時，選擇採用經修訂追溯法及採用短期租賃和低價值資產租賃的實務豁免來進行轉換，以確認2019年1月1日的使用權資產及租賃負債之期初結餘及首次應用的累積影響，無需重列比較資料。首次實施影響了以往被分類為經營租賃的租約。

The Group has elected to use the modified retrospective approach and the practical expedient on short-term and low-value assets leases for the adoption of HKFRS 16 and recognised the cumulative effect of the initial application by initially recognising the opening balances of the right-of-use assets and lease liabilities at 1 January 2019 with no restatement of the comparative information. The initial application has affected lease contracts that previously classified as operating leases.

初始實施香港財務報告準則第16號時，首次確認的租賃負債及使用權資產分別約為港幣16.84億元(記錄於資產負債表中「其他賬項及準備」項下)及港幣17.00億元(記錄於資產負債表中「物業、器材及設備」項下)，主要為物業租賃。租賃負債及使用權資產之間的差異源於在準則實施日的預付或應計租金的調整。按照準則轉換時的實務豁免，初始直接費用並沒有計算在使用權資產的期初調整內。

The first time application of HKFRS 16 resulted in the initial recognition of lease liabilities (recorded under "Other accounts and provisions" in the balance sheet) of HK\$1,684 million and right-of-use assets (recorded under "Properties, plant and equipment" in the balance sheet) of HK\$1,700 million respectively, mainly related to lease of properties. The difference between lease liabilities and right-of-use assets is related to the adjustment arising from prepaid or accrued rent as at the initial adoption date. Initial direct costs were not included in the opening adjustment of right-of-use assets as permitted by the transition requirements of the standard.

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2019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)

Standard, amendment and interpretation that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2019 (continued)

集團亦持有中國香港及內地的政府土地租賃權益，租賃費用已全數支付，並於採納香港財務報告準則第16號之前被歸類為融資租賃及予以資產化。於香港財務報告準則第16號帶來的影響而言，集團不需要於初始實施香港財務報告準則第16號時，就此等租賃土地及其上蓋物業作出任何調整或重分類，而只需在相應資產的披露附註標示該些物業的餘額，並對權益的期初餘額沒有影響。

The Group also holds interests in government land leases in Hong Kong and Mainland of China of which the lease payments have been paid, and had been classified as finance lease and capitalised before the adoption of HKFRS 16. So far as the impact on the adoption of HKFRS 16 is concerned, the Group is not required to make any adjustments or reclassification at the date of initial application of HKFRS 16 on leasehold lands and the properties located there, other than identifying their carrying amounts in the disclosure notes of the corresponding assets. There is no impact on the opening balance of equity.

- 香港會計準則第28號(2011)(經修訂)「於聯營及合資企業之長期權益」。該修訂闡明凡不採用權益法處理的長期權益(例如優先股或股東貸款等)屬於香港財務報告準則第9號及香港會計準則第28號的範圍，及解釋需先獨立地採用香港財務報告準則第9號的要求，才按權益法分配損失。該修訂被追溯性應用，應用該修訂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23號「所得稅處理之不確定性」。該詮釋列明企業需判斷稅務機關將會接納一項不確定稅務處理的可能性，以反映及計量該不確定性對所得稅核算的影響。該詮釋按修訂追溯性應用，應用該詮釋對本集團的財務報表沒有重大影響。

- HKAS 28 (2011) (Amendments), "Long-term Interests in Associates and Joint Ventures". The amendments clarify that long-term interests such as preference shares or shareholder's loans, to which the equity method shall not be applied, are in the scope of both HKFRS 9 and HKAS 28 and explain that HKFRS 9 is applied independently before the allocation of losses under the equity method. The amendments are applied retrospectively. The application of the amendments does not have a material impact on the Group's financial statements.
- HK(IFRIC) - Int 23, "Uncertainty over Income Tax Treatments". The interpretation specifies how an entity should reflect and measure the effects of uncertainty in accounting for income taxes by determining how probable that a taxation authority will accept an uncertain tax treatment. The interpretation is applied on a modified retrospective basis. 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2019年提前採納之準則及修訂 (c) Standard and amendments issued that are relevant to the Group but not yet mandatorily effective and have not been early adopted by the Group in 2019

準則/修訂 Standard/Amendments	內容 Content	起始適用之年度 Applicable for financial years beginning on/after
香港會計準則第 1 號及香港會計準則第 8 號 (經修訂) HKAS 1 and HKAS 8 (Amendments)	對重大性的定義 Definition of Material	2020 年 1 月 1 日 1 January 2020
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
香港財務報告準則第 3 號 (經修訂) HKFRS 3 (Amendments)	對企業的定義 Definition of a Business	2020 年 1 月 1 日 1 January 2020

- 上述修訂的簡介，請參閱本集團2018年之年度報告內財務報表附註2.1(b)項。

- Please refer to Note 2.1(b) of the Group's Annual Report for 2018 for brief explanations of the above-mentioned amendments.

(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迫切但有需要的修訂。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。此等完善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 HKFRS. 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

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2018年12月31日的財務報告內所採用的一致。

2. Critical accounting estimates and judgements in applying accounting policies

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 2018.

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) 貸款及其他賬項

(A) Advances and other accounts

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 to exceed the approved limit that was advised to the borrower.

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，例如超過 90 天以上逾期，或借款人可能無法全額支付本集團的債務，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 such as past due for more than 90 days or the borrower is unlikely to pay in full for the credit obligations to the Group. Credit-impaired advances are classified as Stage 3 and lifetime expected credit losses will be recognised.

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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

根據以下可觀察證據來決定授信是減值貸款：

- 借款人出現重大的財務困難；
- 出現違約事件，例如不履行或逾期償還本金或利息；
- 當借款人出現財務困難，本集團基於經濟或法律因素考慮而特別給予借款人貸款條件上的優惠；
- 有證據顯示借款人將會破產或進行財務重整；或
- 其他明顯訊息反映有關貸款的未來現金流將會出現明顯下降。

當貸款受全數抵押擔保，即使被界定為第三階段，亦未必導致減值損失。

Evidence that an advance is credit-impaired include observable data about the following events:

- Significant financial difficulty incurred by the borrower;
- A breach of contract, such as a default or delinquency in principal or interest payment;
- For economic or legal reasons related to the borrower's financial difficulty, the Group has granted to the borrower a concession that it would not otherwise consider;
- Probable that the borrower will become bankrupt or undergo other financial reorganisation; or
- Other observable data indicating that there is a measurable decrease in the estimated future cash flows from such advances.

Advances classified as Stage 3 may not necessarily result in impairment loss where the advances are fully collateralised.

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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

提取減值準備前之總貸款及其他賬項按內部信貸評級及階段分析如下：

Gross advances and other accounts before impairment allowances are analysed by internal credit grade and stage classification as follows:

		於 2019 年 6 月 30 日 At 30 June 2019			
		第一階段 Stage 1	第二階段 Stage 2	第三階段 Stage 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
客戶貸款	Advances to customers				
合格	Pass	1,340,043	3,921	-	1,343,964
需要關注	Special mention	2,629	2,584	-	5,213
次級或以下	Substandard or below	-	-	2,652	2,652
		1,342,672	6,505	2,652	1,351,829
貿易票據	Trade bills				
合格	Pass	20,530	-	-	20,530
需要關注	Special mention	-	-	-	-
次級或以下	Substandard or below	-	-	4	4
		20,530	-	4	20,534
銀行及其他金融機構貸款	Advances to banks and other financial institutions				
合格	Pass	3,248	-	-	3,248
需要關注	Special mention	-	-	-	-
次級或以下	Substandard or below	-	-	-	-
		3,248	-	-	3,248
		1,366,450	6,505	2,656	1,375,611
減值準備	Impairment allowances	(4,089)	(313)	(1,637)	(6,039)
		1,362,361	6,192	1,019	1,369,572

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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

		於 2018 年 12 月 31 日 At 31 December 2018			
		第一階段 Stage 1	第二階段 Stage 2	第三階段 Stage 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
客戶貸款	Advances to customers				
合格	Pass	1,254,058	5,019	-	1,259,077
需要關注	Special mention	1,934	3,133	-	5,067
次級或以下	Substandard or below	-	-	2,383	2,383
		<u>1,255,992</u>	<u>8,152</u>	<u>2,383</u>	<u>1,266,527</u>
貿易票據	Trade bills				
合格	Pass	17,357	-	-	17,357
需要關注	Special mention	-	-	-	-
次級或以下	Substandard or below	-	-	4	4
		<u>17,357</u>	<u>-</u>	<u>4</u>	<u>17,361</u>
銀行及其他金融機構 貸款	Advances to banks and other financial institutions				
合格	Pass	3,822	-	-	3,822
需要關注	Special mention	-	-	-	-
次級或以下	Substandard or below	-	-	-	-
		<u>3,822</u>	<u>-</u>	<u>-</u>	<u>3,822</u>
		1,277,171	8,152	2,387	1,287,710
減值準備	Impairment allowances	(3,748)	(546)	(1,130)	(5,424)
		<u>1,273,423</u>	<u>7,606</u>	<u>1,257</u>	<u>1,282,286</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)

(A) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

貸款及其他賬項之減值準備變動情況列示如下：

Reconciliation of impairment allowances for advances and other accounts is as follows:

		於 2019 年 6 月 30 日 At 30 June 2019			
		第一階段 Stage 1	第二階段 Stage 2	第三階段 Stage 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
減值準備	Impairment allowances				
於 2019 年 1 月 1 日之 早期列賬	At 1 January 2019, as previously reported	3,740	546	1,130	5,416
合併受共同控制之實 體之影響	Effect of merger of entity under common control	8	-	-	8
於 2019 年 1 月 1 日之 重列	At 1 January 2019, as restated	3,748	546	1,130	5,424
轉至第一階段	Transfer to Stage 1	102	(91)	(11)	-
轉至第二階段	Transfer to Stage 2	(32)	48	(16)	-
轉至第三階段	Transfer to Stage 3	(3)	(176)	179	-
階段轉撥產生之變動	Changes arising from transfer of stage	(87)	83	494	490
其他變動(包括新增資 產及終止確認之資 產)	Other changes (including new assets and derecognised assets)	363	(95)	(41)	227
撇銷	Write-offs	-	-	(206)	(206)
收回已撇銷賬項	Recoveries	-	-	100	100
折現減值準備回撥	Unwind of discount on impairment allowances	-	-	-	-
匯兌差額	Exchange difference	(2)	(2)	8	4
於 2019 年 6 月 30 日	At 30 June 2019	4,089	313	1,637	6,039
借記收益表(附註 11)	Charged to income statement (Note 11)				717

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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

		於 2018 年 12 月 31 日			
		At 31 December 2018			
		第一階段	第二階段	第三階段	總計
		Stage 1	Stage 2	Stage 3	Total
		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
減值準備	Impairment allowances				
於 2018 年 1 月 1 日之	At 1 January 2018, as				
早期列賬	previously reported	3,689	651	618	4,958
合併受共同控制之實	Effect of merger of entity				
體之影響	under common				
	control	3	-	-	3
於 2018 年 1 月 1 日之	At 1 January 2018, as				
重列	restated	3,692	651	618	4,961
轉至第一階段	Transfer to Stage 1	267	(253)	(14)	-
轉至第二階段	Transfer to Stage 2	(38)	53	(15)	-
轉至第三階段	Transfer to Stage 3	(7)	(240)	247	-
階段轉撥產生之變動	Changes arising from				
	transfer of stage	(241)	293	815	867
其他變動(包括新增資	Other changes				
產及終止確認之資	(including new				
產)	assets and				
	derecognised				
	assets)	79	43	194	316
撇銷	Write-offs	-	-	(834)	(834)
收回已撇銷賬項	Recoveries	-	-	120	120
折現減值準備回撥	Unwind of discount on				
	impairment				
	allowances	-	-	(1)	(1)
匯兌差額	Exchange difference	(4)	(1)	-	(5)
於 2018 年 12 月 31 日	At 31 December 2018	3,748	546	1,130	5,424

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) 貸款及其他賬項 (續)

(a) 減值貸款

減值之客戶貸款
分析如下：

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(a) Impaired advances

Impaired advances to customers are analysed as follows:

	於 2019 年 6 月 30 日		於 2018 年 12 月 31 日	
	At 30 June 2019		At 31 December 2018	
	減值 Impaired	特定分類或 減值 Classified or impaired	減值 Impaired	特定分類或 減值 Classified or impaired
	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
客戶貸款總額		Gross advances to customers		
	2,652	2,652	2,383	2,383
佔客戶貸款總額百分比		Percentage of gross advances to customers		
	0.20%	0.20%	0.19%	0.19%
就上述貸款作出 之減值準備		Impairment allowances made in respect of such advances		
	1,633	1,633	1,126	1,126

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的貸款。

減值準備已考慮各信貸減值貸款之抵押品價值。

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.

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

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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

(a) 減值貸款 (續)

(a) Impaired advances (continued)

		於 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$m	於 2018 年 12 月 31 日 At 31 December 2018 港幣百萬元 HK\$m
就上述有抵押品覆蓋之減值客戶貸款之抵押品市值	Current market value of collateral held against the covered portion of impaired advances to customers	<u>1,636</u>	<u>2,988</u>
上述有抵押品覆蓋之減值客戶貸款	Covered portion of impaired advances to customers	<u>878</u>	<u>1,511</u>
上述沒有抵押品覆蓋之減值客戶貸款	Uncovered portion of impaired advances to customers	<u>1,774</u>	<u>872</u>

於 2019 年 6 月 30 日，減值之貿易票據總額為港幣 4 百萬元（2018 年 12 月 31 日：港幣 4 百萬元）及沒有減值之銀行及其他金融機構貸款（2018 年 12 月 31 日：無）。

As at 30 June 2019, gross impaired trade bills amounted to HK\$4 million (31 December 2018: HK\$4 million), and there were no impaired advances to banks and other financial institutions (31 December 2018: 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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

(b) 逾期超過3個月之貸款

(b) Advances overdue for more than three months

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2019年6月30日		於2018年12月31日	
	At 30 June 2019		At 31 December 2018	
	金額	佔客戶貸款總額百分比	金額	佔客戶貸款總額百分比
	Amount	% of gross advances to customers	Amount	% of gross advances to customers
	港幣百萬元		港幣百萬元	
	HK\$m		HK\$m	
客戶貸款總額，已逾期：				
- 超過3個月但不超過6個月	769	0.06%	443	0.04%
- 超過6個月但不超過1年	438	0.03%	309	0.02%
- 超過1年	594	0.04%	310	0.02%
逾期超過3個月之貸款	<u>1,801</u>	<u>0.13%</u>	<u>1,062</u>	<u>0.08%</u>
就上述貸款作出之減值準備				
- 第三階段	<u>1,334</u>		<u>828</u>	

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) 貸款及其他賬項 (續)

(A) 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)

	於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
	港幣百萬元 HK\$m	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>527</u>	<u>849</u>
上述有抵押品覆蓋之客戶貸款	<u>313</u>	<u>349</u>
上述沒有抵押品覆蓋之客戶貸款	<u>1,488</u>	<u>713</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。

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.

於 2019 年 6 月 30 日，逾期超過 3 個月之貿易票據總額為港幣 4 百萬元（2018 年 12 月 31 日：港幣 4 百萬元）及沒有逾期超過 3 個月之銀行及其他金融機構貸款（2018 年 12 月 31 日：無）。

As at 30 June 2019, gross trade bills overdue for more than three months amounted to HK\$4 million (31 December 2018: HK\$4 million) and there were no advances to banks and other financial institutions overdue for more than three months (31 December 2018: 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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

(c) 經重組貸款

(c) Rescheduled advances

	於 2019 年 6 月 30 日 At 30 June 2019		於 2018 年 12 月 31 日 At 31 December 2018	
	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)	258	0.02%	280	0.02%
Rescheduled advances to customers net of amounts included in "Advances overdue for more than three months"				

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 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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

(d) 客戶貸款集中度

(d) Concentration of advances to customers

(i) 按行業分類之
客戶貸款總額

(i) Sectoral analysis of gross advances to customers

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。

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 2019 年 6 月 30 日 At 30 June 2019				
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	134,293	20.09%	-	610	
- 物業投資	- Property investment	50,528	83.00%	27	52	
- 金融業	- Financial concerns	27,685	0.78%	-	47	
- 股票經紀	- Stockbrokers	2,407	45.95%	-	2	
- 批發及零售業	- Wholesale and retail trade	41,497	35.27%	10	206	
- 製造業	- Manufacturing	48,743	11.79%	129	168	
- 運輸及運輸設備	- Transport and transport equipment	67,935	28.47%	371	145	
- 休閒活動	- Recreational activities	1,750	1.53%	-	2	
- 資訊科技	- Information technology	20,760	0.94%	2	121	
- 其他	- Others	128,244	45.83%	10	284	
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	14,453	99.81%	21	4	
- 購買其他住宅物業之貸款	- Loans for purchase of other residential properties	255,698	99.94%	63	60	
- 信用卡貸款	- Credit card advances	14,362	-	122	147	
- 其他	- Others	82,838	88.77%	67	320	
在香港使用之貸款總額	Total loans for use in Hong Kong	891,193	57.50%	822	2,168	
貿易融資	Trade financing	80,517	15.14%	283	191	
在香港以外使用之貸款	Loans for use outside Hong Kong	380,119	7.95%	1,547	2,040	
客戶貸款總額	Gross advances to customers	1,351,829	41.05%	2,652	4,399	

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) 貸款及其他賬項 (續)

(A) Advances and other accounts (continued)

(d) 客戶貸款集中度
(續)

(d) Concentration of advances to customers (continued)

(i) 按行業分類之
客戶貸款總額
(續)

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

		於 2018 年 12 月 31 日 At 31 December 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	126,328	20.51%	-	-	-	543
- 物業投資	- Property investment	50,223	80.51%	37	117	-	44
- 金融業	- Financial concerns	22,345	0.89%	-	-	-	37
- 股票經紀	- Stockbrokers	1,171	95.73%	-	-	-	1
- 批發及零售業	- Wholesale and retail trade	38,147	34.46%	21	127	3	179
- 製造業	- Manufacturing	51,093	10.57%	136	148	134	87
- 運輸及運輸設備	- Transport and transport equipment	66,256	27.37%	867	17	9	150
- 休閒活動	- Recreational activities	1,675	1.90%	-	-	-	2
- 資訊科技	- Information technology	18,006	1.27%	1	220	1	107
- 其他	- Others	118,574	38.43%	9	166	7	269
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	11,150	99.80%	18	166	-	4
- 購買其他住宅物業之貸款	- Loans for purchase of other residential properties	243,963	99.92%	65	1,534	-	58
- 信用卡貸款	- Credit card advances	15,613	-	135	558	118	150
- 其他	- Others	76,468	86.53%	60	634	52	397
在香港使用之貸款總額	Total loans for use in Hong Kong	841,012	56.03%	1,349	3,687	324	2,028
貿易融資	Trade financing	65,437	19.37%	206	232	194	124
在香港以外使用之貸款	Loans for use outside Hong Kong	360,078	8.80%	828	970	608	2,141
客戶貸款總額	Gross advances to customers	1,266,527	40.71%	2,383	4,889	1,126	4,293

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) 貸款及其他賬項 (續)

(A) 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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
香港	Hong Kong	1,080,851	1,007,394
中國內地	Mainland of China	133,855	127,348
其他	Others	137,123	131,785
		1,351,829	1,266,527

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	2,878	2,798
中國內地	Mainland of China	597	529
其他	Others	924	966
		4,399	4,293

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) 貸款及其他賬項 (續)

(A) 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)

逾期貸款

Overdue advances

		於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
香港	Hong Kong	3,714	3,752
中國內地	Mainland of China	325	257
其他	Others	1,642	880
		5,681	4,889

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	780	407
中國內地	Mainland of China	158	84
其他	Others	502	445
		1,440	936

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) 貸款及其他賬項 (續)

(A) 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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
香港	Hong Kong	1,597	1,485
中國內地	Mainland of China	277	197
其他	Others	778	701
		2,652	2,383

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	849	490
中國內地	Mainland of China	181	107
其他	Others	603	529
		1,633	1,126

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 2019 年 6 月 30 日持有的收回資產之估值為港幣 0.22 億元 (2018 年 12 月 31 日: 港幣 0.23 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 2019 amounted to HK\$22 million (31 December 2018: HK\$23 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)

3.1 Credit risk (continued)

(C) 債務證券及存款證

(C) Debt securities and certificates of deposit

下表為以發行評級及階段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。

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

		於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		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		
- 第一階段	- Stage 1		
Aaa	Aaa	101,374	87,005
Aa1 至 Aa3	Aa1 to Aa3	168,276	147,984
A1 至 A3	A1 to A3	352,339	200,721
A3 以下	Lower than A3	25,764	22,431
無評級	Unrated	16,371	11,626
		664,124	469,767
- 第二階段	- Stage 2	-	-
- 第三階段	- Stage 3	-	-
		664,124	469,767
其中：減值準備	Of which: impairment allowances	(174)	(128)
以攤餘成本計量之證 券投資	Investment in securities at amortised cost		
- 第一階段	- Stage 1		
Aaa	Aaa	59,319	55,589
Aa1 至 Aa3	Aa1 to Aa3	2,791	3,248
A1 至 A3	A1 to A3	7,088	8,980
A3 以下	Lower than A3	1,168	1,161
無評級	Unrated	780	791
		71,146	69,769
- 第二階段	- Stage 2	-	-
- 第三階段	- Stage 3	-	-
		71,146	69,769
減值準備	Impairment allowances	(13)	(10)
		71,133	69,759

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)

(C) 債務證券及存款證
(續)

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

		於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
以公平值變化計入損 益之金融資產	Financial assets at fair value through profit or loss		
Aaa	Aaa	3,229	3,634
Aa1 至 Aa3	Aa1 to Aa3	25,484	23,241
A1 至 A3	A1 to A3	9,165	6,444
A3 以下	Lower than A3	2,145	1,814
無評級	Unrated	1,450	906
		41,473	36,039

於 2019 年 6 月 30 日，沒有減值或逾期之債務證券及存款證（2018 年 12 月 31 日：無）。

As at 30 June 2019, there were no impaired or overdue debt securities and certificates of deposit (31 December 2018: 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)

3.2 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 its subsidiaries over a one-day holding period with a 99% confidence level, and sets up the VaR limit of the Group and its 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 exposures¹ 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	港幣百萬元 HK\$'m		
全部市場風險之風險值	VaR for all market risk	2019	48.1	23.2	48.1	30.5	
		2018	30.0	24.1	45.7	32.7	
匯率風險之風險值	VaR for foreign exchange risk	2019	11.7	7.7	21.1	14.6	
		2018	18.0	10.7	20.2	15.3	
交易賬利率風險之風險值	VaR for interest rate risk in the trading book	2019	20.7	9.8	24.5	17.6	
		2018	23.6	18.7	43.0	28.7	
交易賬股票風險之風險值	VaR for equity risk in the trading book	2019	0.6	0.2	2.5	0.5	
		2018	1.7	1.2	7.0	2.7	
商品風險之風險值	VaR for commodity risk	2019	41.5	10.4	42.1	22.2	
		2018	3.1	0.8	3.4	1.7	

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 there is 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 Notes to the Interim Financial Information (continued)
(續)

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 2019 年 6 月 30 日
At 30 June 2019

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	848,127	26,447	128,045	41,615	282,426	39,121	67,018	1,432,799
現貨負債	Spot liabilities	(808,522)	(16,543)	(11,725)	(23,342)	(274,095)	(25,508)	(66,191)	(1,225,926)
遠期買入	Forward purchases	1,097,698	21,768	42,768	52,129	605,419	18,232	76,713	1,914,727
遠期賣出	Forward sales	(1,139,148)	(31,584)	(158,980)	(70,478)	(611,893)	(31,770)	(77,884)	(2,121,737)
期權盤淨額	Net options position	(439)	-	(30)	(68)	(614)	(25)	135	(1,041)
長 / (短) 盤淨額	Net long/(short) position	(2,284)	88	78	(144)	1,243	50	(209)	(1,178)

於 2018 年 12 月 31 日
At 31 December 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	784,876	26,486	23,821	33,069	527,079	38,679	63,409	1,497,419
現貨負債	Spot liabilities	(851,274)	(16,358)	(7,125)	(17,729)	(287,409)	(23,991)	(63,989)	(1,267,875)
遠期買入	Forward purchases	1,120,568	22,996	54,990	55,338	454,667	14,107	74,958	1,797,624
遠期賣出	Forward sales	(1,055,159)	(33,076)	(71,582)	(70,369)	(693,622)	(28,786)	(73,864)	(2,026,458)
期權盤淨額	Net options position	1,312	(9)	(66)	(217)	(696)	(33)	4	295
長 / (短) 盤淨額	Net long/(short) position	323	39	38	92	19	(24)	518	1,005

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 2019 年 6 月 30 日

At 30 June 2019

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	28,929	2,511	2,839	1,684	2,570	38,533

於 2018 年 12 月 31 日

At 31 December 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	28,122	2,301	2,769	1,608	1,812	36,612

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)

(C) 利率風險

下表概述了本集團於 2019 年 6 月 30 日及 2018 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。

3.2 Market risk (continued)

(C) Interest rate risk

The tables below summarise the Group's on-balance sheet exposure to interest rate risk as at 30 June 2019 and 31 December 2018. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing date and maturity date.

		於 2019 年 6 月 30 日 At 30 June 2019						
		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	250,588	32,053	35,974	-	-	65,924	384,539
以公平值變化計入損益之金融資產	Financial assets at fair value through profit or loss	8,093	12,673	8,755	11,337	3,130	60	44,048
衍生金融工具	Derivative financial instruments	-	-	-	-	-	28,954	28,954
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness	-	-	-	-	-	163,860	163,860
貸款及其他賬項	Advances and other accounts	1,081,864	211,032	31,903	32,731	4,538	7,504	1,369,572
證券投資	Investment in securities							
- 以公平值變化計入其他全面收益	- At FVOCI	78,243	139,563	185,166	174,792	86,360	1,939	666,063
- 以攤餘成本計量	- At amortised cost	1,236	3,434	13,628	38,937	13,898	-	71,133
聯營公司及合資企業權益	Interests in associates and joint ventures	-	-	-	-	-	535	535
投資物業	Investment properties	-	-	-	-	-	20,943	20,943
物業、器材及設備	Properties, plant and equipment	-	-	-	-	-	51,349	51,349
其他資產（包括應收稅項及遞延稅項資產）	Other assets (including current and deferred tax assets)	15,611	-	-	-	-	29,074	44,685
資產總額	Total assets	1,435,635	398,755	275,426	257,797	107,926	370,142	2,845,681

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 2019 年 6 月 30 日

At 30 June 2019

		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	-	-	-	-	-	163,860	163,860
銀行及其他金融機構之存款及 結餘	Deposits and balances from banks and other financial institutions	214,697	1,240	-	694	-	26,331	242,962
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	6,595	6,360	4,642	1,052	426	-	19,075
衍生金融工具	Derivative financial instruments	-	-	-	-	-	33,239	33,239
客戶存款	Deposits from customers	1,417,439	267,704	165,556	3,297	-	171,699	2,025,695
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	20	133	639	-	-	-	792
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)	8,084	-	66	975	856	54,995	64,976
後償負債	Subordinated liabilities	-	-	13,168	-	-	-	13,168
負債總額	Total liabilities	1,646,835	275,437	184,071	6,018	1,282	450,124	2,563,767
利率敏感度缺口	Interest sensitivity gap	(211,200)	123,318	91,355	251,779	106,644	(79,982)	281,914

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 12 月 31 日

At 31 December 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							
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							
- 以公平值變化計入其他全面收益							
- 以攤餘成本計量							
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							
	305,286	36,385	20,853	-	-	70,544	433,068
	243,603	8,839	7,700	10,158	3,850	7	274,157
	-	-	-	-	-	34,955	34,955
	-	-	-	-	-	156,300	156,300
	1,040,004	166,331	27,422	34,612	5,482	8,435	1,282,286
	52,870	81,489	110,282	158,674	66,452	1,329	471,096
	240	1,676	9,957	46,514	11,372	-	69,759
	-	-	-	-	-	482	482
	-	-	-	-	-	19,988	19,988
	-	-	-	-	-	49,071	49,071
	7,491	-	-	-	-	25,132	32,623
	1,649,494	294,720	176,214	249,958	87,156	366,243	2,823,785

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 12 月 31 日

At 31 December 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	-	-	-	-	-	156,300	156,300
銀行及其他金融機構之存款及 結餘	Deposits and balances from banks and other financial institutions	356,095	5,747	118	460	-	14,101	376,521
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	3,274	8,820	1,761	1,160	520	-	15,535
衍生金融工具	Derivative financial instruments	-	-	-	-	-	30,812	30,812
客戶存款	Deposits from customers	1,324,454	235,953	166,630	5,284	-	166,781	1,899,102
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	3,480	4,813	1,160	-	-	-	9,453
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)	15,493	-	-	-	-	40,619	56,112
後償負債	Subordinated liabilities	-	-	-	13,246	-	-	13,246
負債總額	Total liabilities	1,702,796	255,333	169,669	20,150	520	408,613	2,557,081
利率敏感度缺口	Interest sensitivity gap	(53,302)	39,387	6,545	229,808	86,636	(42,370)	266,704

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

		2019	2018
流動性覆蓋比率的平均值	Average value of liquidity coverage ratio		
- 第一季度	- First quarter	183.00%	134.33%
- 第二季度	- Second quarter	156.57%	146.39%

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.

		2019	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	121.36%	118.98%
- 第二季度	- Second quarter	119.15%	118.82%

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 the 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2019年6月30日及2018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 2019 and 31 December 2018 into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

		於2019年6月30日 At 30 June 2019							
		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	262,190	54,322	31,660	35,583	784	-	-	384,539
以公平值變化計入損益之金融資產	Financial assets at fair value through profit or loss	-	7,971	12,482	8,826	11,601	3,108	60	44,048
衍生金融工具	Derivative financial instruments	11,556	2,532	1,729	4,555	5,411	3,171	-	28,954
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness	163,860	-	-	-	-	-	-	163,860
貸款及其他賬項	Advances and other accounts	214,565	55,073	60,793	168,694	594,670	274,642	1,135	1,369,572
證券投資	Investment in securities	-	-	-	-	-	-	-	-
- 以公平值變化計入其他全面收益	- At FVOCI	-	68,775	110,827	195,306	201,290	87,926	1,939	666,063
- 以攤餘成本計量	- At amortised cost	-	1,417	3,524	12,876	39,451	13,865	-	71,133
聯營公司及合資企業權益	Interests in associates and joint ventures	-	-	-	-	-	-	535	535
投資物業	Investment properties	-	-	-	-	-	-	20,943	20,943
物業、器材及設備	Properties, plant and equipment	-	-	-	-	-	-	51,349	51,349
其他資產(包括應收稅項及遞延稅項資產)	Other assets (including current and deferred tax assets)	28,852	14,851	215	659	100	-	8	44,685
資產總額	Total assets	681,023	204,941	221,230	426,499	853,307	382,712	75,969	2,845,681
負債	Liabilities								
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation	163,860	-	-	-	-	-	-	163,860
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions	162,816	78,212	1,240	-	694	-	-	242,962
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss	-	6,595	6,363	4,643	1,051	423	-	19,075
衍生金融工具	Derivative financial instruments	9,776	3,138	2,885	5,096	7,442	4,902	-	33,239
客戶存款	Deposits from customers	1,121,692	467,446	267,704	165,556	3,297	-	-	2,025,695
已發行債務證券及存款證	Debt securities and certificates of deposit in issue	-	20	133	639	-	-	-	792
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)	21,719	28,891	248	5,866	8,054	198	-	64,976
後償負債	Subordinated liabilities	-	-	274	12,894	-	-	-	13,168
負債總額	Total liabilities	1,479,863	584,302	278,847	194,694	20,538	5,523	-	2,563,767
流動資金缺口	Net liquidity gap	(798,840)	(379,361)	(57,617)	231,805	832,769	377,189	75,969	281,914

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 12 月 31 日
At 31 December 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							
以公平值變化計入損益之金融資產	Financial assets at fair value through profit or loss							
衍生金融工具	Derivative financial instruments							
香港特別行政區政府負債證明書	Hong Kong SAR Government certificates of indebtedness							
貸款及其他賬項	Advances and other accounts							
證券投資	Investment in securities							
- 以公平值變化計入其他全面收益	- At FVOCI							
- 以攤餘成本計量	- At amortised cost							
聯營公司及合資企業權益	Interests in associates and joint ventures							
投資物業	Investment properties							
物業、器材及設備	Properties, plant and equipment							
其他資產 (包括遞延稅項資產)	Other assets (including deferred tax assets)							
資產總額	Total assets							
負債	Liabilities							
香港特別行政區流通紙幣	Hong Kong SAR currency notes in circulation							
銀行及其他金融機構之存款及結餘	Deposits and balances from banks and other financial institutions							
以公平值變化計入損益之金融負債	Financial liabilities at fair value through profit or loss							
衍生金融工具	Derivative financial instruments							
客戶存款	Deposits from customers							
已發行債務證券及存款證	Debt securities and certificates of deposit in issue							
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)							
後償負債	Subordinated liabilities							
負債總額	Total liabilities							
流動資金缺口	Net liquidity gap							

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。剩餘小部分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。

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. Small residual credit exposures 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.

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。

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.

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 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「附錄一本銀行之附屬公司」。

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 2019 年 6 月 30 日 At 30 June 2019		於 2018 年 12 月 31 日 At 31 December 2018	
		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
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	534	441	506	464
China Bridge (Malaysia) Sdn. Bhd.	China Bridge (Malaysia) Sdn. Bhd.	29	16	38	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	16	16	15	15
中銀金融服務(南寧)有限公司	BOC Financial Services (Nanning) Company Limited	149	57	N/A	N/A
中銀信息科技(深圳)有限公司	BOCHK Information Technology (Shenzhen) Co., Ltd.	371	251	377	242
中銀信息技術服務(深圳)有限公司	BOCHK Information Technology Services (Shenzhen) Co., Ltd.	414	349	377	336
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	362	346	364	346
寶生證券及期貨有限公司	Po Sang Securities and Futures Limited	821	573	657	553
新僑企業有限公司	Sin Chiao Enterprises Corporation, Limited	6	6	6	6
新華信託有限公司	Sin Hua Trustee Limited	5	5	7	6
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 2019 年 6 月 30 日 At 30 June 2019		於 2018 年 12 月 31 日 At 31 December 2018	
		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 2019 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（2018 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 2019 (31 December 2018: Nil).

於 2019 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（2018 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 2019 (31 December 2018: 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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
普通股權一級資本比率	CET1 capital ratio	17.85%	17.48%
一級資本比率	Tier 1 capital ratio	20.01%	19.76%
總資本比率	Total capital ratio	23.00%	23.10%

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 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$m	於 2018 年 12 月 31 日 At 31 December 2018 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	Directly issued qualifying CET1 capital instruments	43,043	43,043
保留溢利	Retained earnings	165,024	153,501
已披露儲備	Disclosed reserves	49,533	45,367
監管扣減之前的 CET1 資本	CET1 capital before regulatory deductions	257,600	241,911
CET1 資本：監管扣減	CET1 capital: regulatory deductions		
估值調整	Valuation adjustments	(46)	(9)
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)	(63)	(82)
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	214	141
於在監管綜合範圍以外的金融業實體發行的 CET1 資本票據的非重大 LAC 投資（超出 10% 門檻之數）	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	(6)	N/A
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)	(52,835)	(51,263)
一般銀行業務風險監管儲備	Regulatory reserve for general banking risks	(10,877)	(10,496)
對 CET1 資本的監管扣減總額	Total regulatory deductions to CET1 capital	(63,613)	(61,709)
CET1 資本	CET1 capital	193,987	180,202

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
AT1 資本：票據 合資格 AT1 資本票據根據適用會計準則列為股本類別	AT1 capital: instruments Qualifying AT1 capital instruments classified as equity under applicable accounting standards	<u>23,476</u>	<u>23,476</u>
監管扣減之前的 AT1 資本	AT1 capital before regulatory deductions	<u>23,476</u>	<u>23,476</u>
AT1 資本：監管扣減 於在監管綜合範圍以外的金融業實體發行的 AT1 資本票據的非重大 LAC 投資 (超出 10% 門檻之數)	AT1 capital: regulatory deductions Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	<u>(13)</u>	<u>N/A</u>
對 AT1 資本的監管扣減總額	Total regulatory deductions to AT1 capital	<u>(13)</u>	<u>N/A</u>
AT1 資本	AT1 capital	<u>23,463</u>	<u>23,476</u>
一級資本	Tier 1 capital	<u>217,450</u>	<u>203,678</u>
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 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 Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	<u>2,505</u> <u>6,629</u>	<u>5,010</u> <u>6,315</u>
監管扣減之前的二級資本	Tier 2 capital before regulatory deductions	<u>9,134</u>	<u>11,325</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)

3.4 資本管理 (續)

3.4 Capital management (continued)

(B) 資本比率 (續)

(B) Capital ratio (continued)

		於 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$m	於 2018 年 12 月 31 日 At 31 December 2018 港幣百萬元 HK\$m
二級資本：監管扣減	Tier 2 capital: regulatory deductions		
於在監管綜合範圍以外的金融業實體發行的二級資本票據及非資本 LAC 負債的非重大 LAC 投資 (超出 10% 門檻及 (如適用) 5% 門檻之數)	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	(345)	N/A
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	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	23,776	23,068
對二級資本的監管扣減總額	Total regulatory adjustments to Tier 2 capital	23,431	23,068
二級資本	Tier 2 capital	32,565	34,393
監管資本總額	Total regulatory capital	250,015	238,071

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
防護緩衝資本比率	Capital conservation buffer ratio	<u>2.500%</u>	<u>1.875%</u>
較高吸收虧損能力 比率	Higher loss absorbency ratio	<u>1.500%</u>	<u>1.125%</u>
逆周期緩衝資本比率	Countercyclical capital buffer ratio	<u>1.907%</u>	<u>1.418%</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 the 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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
一級資本	Tier 1 capital	<u>217,450</u>	<u>203,678</u>
槓桿比率風險承擔	Leverage ratio exposure	<u>2,756,823</u>	<u>2,733,653</u>
槓桿比率	Leverage ratio	<u>7.89%</u>	<u>7.45%</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 the 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 (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)

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。衍生工具合約的公平值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户存款。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

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。

Subordinated liabilities

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 2019 年 6 月 30 日 At 30 June 2019			
		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	75	37,377	-	37,452
- 股份證券	- Equity securities	54	-	-	54
- 基金	- Fund	3	-	-	3
- 其他債務工具	- Other debt instruments	-	2,515	-	2,515
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	-	736	-	736
- 股份證券	- Equity securities	3	-	-	3
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	708	2,577	-	3,285
- 其他債務工具	- Other debt instruments	-	-	-	-
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	11,547	17,407	-	28,954
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	192,645	471,479	-	664,124
- 股份證券	- Equity securities	-	732	1,207	1,939

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)

(A) 公平值的等級 (續) (A) Fair value hierarchy (continued)

		於 2019 年 6 月 30 日 At 30 June 2019			
		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	-	19,062	-	19,062
- 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	-	13	-	13
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	10,079	23,160	-	33,239
後償負債 (附註 30)	Subordinated liabilities (Note 30)				
- 後償票據	- Subordinated notes	-	13,168	-	13,168

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)**

(A) 公平值的等級 (續) **(A) Fair value hierarchy (continued)**

		於 2018 年 12 月 31 日 At 31 December 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	334	31,783	-	32,117
- 股份證券	- Equity securities	2	-	-	2
- 基金	- Fund	3	-	-	3
- 其他債務工具	- Other debt instruments	-	4,634	-	4,634
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	-	751	-	751
- 股份證券	- Equity securities	2	-	-	2
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	691	2,480	-	3,171
- 其他債務工具	- Other debt instruments	-	233,477	-	233,477
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	11,356	23,592	7	34,955
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	68,013	401,754	-	469,767
- 股份證券	- Equity securities	-	185	1,144	1,329

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)**

(A) 公平值的等級 (續) **(A) Fair value hierarchy (continued)**

		於 2018 年 12 月 31 日 At 31 December 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	-	13,336	-	13,336
- 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	-	2,199	-	2,199
衍生金融工具 (附註 19)	Derivative financial instruments (Note 19)	8,417	22,395	-	30,812
後償負債 (附註 30)	Subordinated liabilities (Note 30)				
- 後償票據	- Subordinated notes	-	13,246	-	13,246

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重大轉移 (2018 年 12 月 31 日：無)。

There were no significant financial asset and liability transfers between level 1 and level 2 for the Group during the period (31 December 2018: 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 (B) Reconciliation of level 3 items

		於 2019 年 6 月 30 日 At 30 June 2019		
		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 股份證券 Equity securities
		基金 Fund		
		港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 2019 年 1 月 1 日	At 1 January 2019	-	7	1,144
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	-	-	63
增置	Additions	-	-	-
處置、贖回及到期	Disposals, redemptions and maturity	-	-	-
轉出第三層級	Transfer out of level 3	-	(7)	-
於 2019 年 6 月 30 日	At 30 June 2019	-	-	1,207
於 2019 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 2019			
- 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 **4. Fair values of financial assets and liabilities (continued)**
值 (續)

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

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

		於 2018 年 12 月 31 日 At 31 December 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 股份證券 Equity securities
		基金 Fund		
		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	124	-	812
收益	Gains			
- 收益表	- Income statement			
- 淨交易性收益	- Net trading gain	-	7	-
- 其他全面收益	- Other comprehensive income			
- 公平值變化	- Change in fair value	-	-	296
增置	Additions	-	-	36
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 12 月 31 日	At 31 December 2018	-	7	1,144
於 2018 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 2018			
- 淨交易性收益	- Net trading gain	-	7	-

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 2019 年 6 月 30 日及 2018 年 12 月 31 日，分類為第三層級的金融工具主要包括非上市股權及若干場外交易的衍生合約。

As at 30 June 2019 and 31 December 2018, financial instruments categorised as level 3 are mainly comprised of unlisted equity shares and certain OTC derivative contracts.

對於某些低流動性基金，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。2019 年上半年轉出第三層級乃因估值可觀察性改變。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。

For certain illiquid 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. Transfers out of level 3 in the first half of 2019 were due to change of valuation observability. 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 0.60 億元 (2018 年 12 月 31 日：港幣 0.57 億元)。

The fair values of unlisted FVOCI 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\$60 million (31 December 2018: HK\$57 million).

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。

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。

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。

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.

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.

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.

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)

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 and 公平值。

4.2 Financial instruments not measured at fair value (continued)

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 2019 年 6 月 30 日 At 30 June 2019		於 2018 年 12 月 31 日 At 31 December 2018	
	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)	Investment in securities at amortised cost (Note 21)			
	71,133	71,513	69,759	69,110
金融負債	Financial liabilities			
已發行債務證券及存款證 (附註 27)	Debt securities and certificates of deposit in issue (Note 27)			
	792	794	9,453	9,454

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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
利息收入	Interest income	
客戶貸款、存放銀行及其他金融機構的款項	22,898	20,359
證券投資及以公平值變化計入損益之金融資產	8,879	6,616
其他	257	145
	32,034	27,120
利息支出	Interest expense	
客戶存款、銀行及其他金融機構存放的款項	(12,975)	(8,920)
已發行債務證券及存款證	(68)	(308)
後償負債	(360)	(554)
租賃負債	(26)	N/A
其他	(283)	(271)
	(13,712)	(10,053)
淨利息收入	18,322	17,067

按攤餘成本及以公平值變化計入其他全面收益作計量之金融資產的利息收入(未計算對沖影響)分別為港幣240.71億元(2018年上半年:港幣216.50億元)及港幣63.64億元(2018年上半年:港幣50.85億元)。

非以公平值變化計入損益之金融負債作計量的利息支出(未計算對沖影響)為港幣131.88億元(2018年上半年:港幣93.92億元)。

Included within interest income are HK\$24,071 million (first half of 2018: HK\$21,650 million) and HK\$6,364 million (first half of 2018: HK\$5,085 million), before hedging effect, for financial assets measured at amortised cost and at fair value through other comprehensive income respectively.

Included within interest expense are HK\$13,188 million (first half of 2018: HK\$9,392 million), before hedging effect, for financial liabilities that are not measured at fair value through profit or loss.

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 2019年 6月30日 Half-year ended 30 June 2019	半年結算至 2018年 6月30日 Half-year ended 30 June 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
服務費及佣金收入	Fee and commission income		
信用卡業務	Credit card business	1,639	1,758
貸款佣金	Loan commissions	1,623	1,712
保險	Insurance	1,295	948
證券經紀	Securities brokerage	1,093	1,705
基金分銷	Funds distribution	420	520
匯票佣金	Bills commissions	352	401
繳款服務	Payment services	339	326
買賣貨幣	Currency exchange	323	268
信託及託管服務	Trust and custody services	313	317
保管箱	Safe deposit box	144	154
其他	Others	691	650
		8,232	8,759
服務費及佣金支出	Fee and commission expense		
信用卡業務	Credit card business	(1,158)	(1,281)
證券經紀	Securities brokerage	(133)	(196)
其他	Others	(474)	(506)
		(1,765)	(1,983)
淨服務費及佣金收入	Net fee and commission income	6,467	6,776
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	1,889	1,954
- 服務費及佣金支出	- Fee and commission expense	(6)	(20)
		1,883	1,934
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	407	410
- 服務費及佣金支出	- Fee and commission expense	(13)	(14)
		394	396

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 2019年 6月30日 Half-year ended 30 June 2019	半年結算至 2018年 6月30日 Half-year ended 30 June 2018
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
淨收益／(虧損)源自：		
外匯交易及外匯交易產品	2,543	1,788
利率工具及公平值對沖的項目	(485)	178
商品	126	61
股權及信貸衍生工具	57	114
	2,241	2,141

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 2019年 6月30日 Half-year ended 30 June 2019	半年結算至 2018年 6月30日 Half-year ended 30 June 2018
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
其他強制分類為以公平值變化計入損益之金融工具淨收益／(虧損)	51	(37)
界定為以公平值變化計入損益之金融工具淨收益	74	356
	125	319

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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
處置/贖回以公平值變化計入 其他全面收益之證券投資 之淨收益	742	60
贖回以攤餘成本計量之證券投 資之淨虧損	(13)	(17)
其他	(2)	(2)
	<u>727</u>	<u>41</u>

10. 其他經營收入 10. Other operating income

	半年結算至 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
股息收入		
- 來自期內被終止確認之以 公平值變化計入其他全 面收益之證券投資	-	-
- 來自期末仍持有之以公平 值變化計入其他全面收 益之證券投資	27	26
投資物業之租金總收入	334	330
減：有關投資物業之支出	(29)	(33)
其他	50	42
	<u>382</u>	<u>365</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(2018
年上半年：港幣1百萬元)。

Included in the "Outgoings in respect of investment properties" is HK\$1 million (first half of 2018: HK\$1 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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
減值準備淨(撥備)／撥回：	Net (charge)/reversal of impairment allowances on:		
貸款及其他賬項	Advances and other accounts	(717)	(266)
證券投資	Investment in securities		
- 以公平值變化計入其他 全面收益	- At FVOCI	(46)	(15)
- 以攤餘成本計量	- At amortised cost	(2)	1
		(48)	(14)
其他	Others	(26)	(60)
減值準備淨撥備	Net charge of impairment allowances	(791)	(340)

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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
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	3,841	3,676
- 退休成本	- Pension cost	245	224
		4,086	3,900
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	N/A	342
- 短期租賃、低價值資產租賃及浮動租金租賃	- Short-term leases, leases of low-value assets and variable lease payments	115	N/A
- 資訊科技	- Information technology	316	283
- 其他	- Others	211	202
		642	827
折舊	Depreciation	1,373	988
核數師酬金	Auditor's remuneration		
- 審計服務	- Audit services	3	3
- 非審計服務	- Non-audit services	4	6
其他經營支出	Other operating expenses	1,169	1,052
		7,277	6,776

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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
投資物業公平值調整之 淨收益	Net gain from fair value adjustments on investment properties	663	931

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

		半年結算至 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
處置設備、固定設施及裝備 之淨虧損	Net loss from disposal of equipment, fixtures and fittings	(1)	(2)
重估房產之淨收益	Net gain from revaluation of premises	2	12
		1	10

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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
本期稅項	Current tax		
香港利得稅	Hong Kong profits tax		
- 期內計入稅項	- Current period taxation	2,979	2,920
海外稅項	Overseas taxation		
- 期內計入稅項	- Current period taxation	360	386
- 往期超額撥備	- Over-provision in prior periods	(25)	(20)
		3,314	3,286
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	(93)	(24)
		3,221	3,262

香港利得稅乃按照截至2019年上半年估計於香港產生的應課稅溢利依稅率16.5% (2018年：16.5%) 提撥。海外溢利之稅款按照2019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% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong for the first half of 2019. Taxation on overseas profits has been calculated on the estimated assessable profits for the first half of 2019 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 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
除稅前溢利	Profit before taxation	20,913	20,576
按稅率 16.5% (2018 年： 16.5%) 計算的稅項	Calculated at a taxation rate of 16.5% (2018: 16.5%)	3,451	3,395
其他國家／地區稅率差異的 影響	Effect of different taxation rates in other countries/regions	132	46
無需課稅之收入	Income not subject to taxation	(745)	(376)
稅務上不可扣減之開支	Expenses not deductible for taxation purposes	324	118
使用往年未確認的稅務虧損	Utilisation of previously unrecognised tax losses	(1)	-
往期超額撥備	Over-provision in prior periods	(25)	(20)
海外預提稅	Foreign withholding tax	85	99
計入稅項	Taxation charge	3,221	3,262
實際稅率	Effective tax rate	15.4%	15.9%

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 2019年6月30日 Half-year ended 30 June 2019		半年結算至 2018年6月30日 Half-year ended 30 June 2018	
	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 Interim dividend	0.131	5,639	0.125	5,380

於 2019 年 8 月 30 日，董事會宣派中期股息每股普通股港幣 0.131 元，總額約為港幣 56.39 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 2019 年 12 月 31 日止年度列作留存盈利分配。

On 30 August 2019, the Board declared an interim dividend of HK\$0.131 per ordinary share amounting to approximately HK\$5,639 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 2019.

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

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 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$'m	於 2018 年 12 月 31 日 At 31 December 2018 港幣百萬元 HK\$'m
庫存現金	Cash	<u>15,936</u>	<u>21,992</u>
存放中央銀行之結餘	Balances with central banks	142,484	158,355
在中央銀行一個月內到期之定期存放	Placements with central banks maturing within one month	8,661	9,572
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	1,054	2,697
在中央銀行超過一年到期之定期存放	Placements with central banks maturing over one year	<u>784</u>	<u>396</u>
		152,983	171,020
存放其他銀行及其他金融機構之結餘	Balances with other banks and other financial institutions	103,770	119,968
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	45,662	65,949
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	<u>66,198</u>	<u>54,154</u>
		215,630	240,071
		384,549	433,083
減值準備	Impairment allowances		
- 第一階段	- Stage 1	(10)	(15)
- 第二階段	- Stage 2	-	-
- 第三階段	- Stage 3	-	-
		<u>384,539</u>	<u>433,068</u>

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 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$m	於 2018 年 12 月 31 日 At 31 December 2018 港幣百萬元 HK\$m
證券	Securities		
交易性資產	Trading assets		
- 庫券	- Treasury bills	19,210	16,301
- 存款證	- Certificates of deposit	1,265	623
- 其他債務證券	- Other debt securities	16,977	15,193
		37,452	32,117
- 股份證券	- Equity securities	54	2
- 基金	- Fund	3	3
		37,509	32,122
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		
- 存款證	- Certificates of deposit	-	-
- 其他債務證券	- Other debt securities	736	751
		736	751
- 股份證券	- Equity securities	3	2
		739	753
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		
- 存款證	- Certificates of deposit	-	-
- 其他債務證券	- Other debt securities	3,285	3,171
		3,285	3,171
證券總額	Total securities	41,533	36,046
其他債務工具	Other debt instruments		
交易性資產	Trading assets	2,515	4,634
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	-	233,477
其他債務工具總額	Total other debt instruments	2,515	238,111
		44,048	274,157

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 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$'m	於 2018 年 12 月 31 日 At 31 December 2018 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	6,745	8,053
- 於香港以外上市	- Listed outside Hong Kong	5,503	6,186
- 非上市	- Unlisted	29,225	21,800
		41,473	36,039
股份證券	Equity securities		
- 於香港上市	- Listed in Hong Kong	54	2
- 於香港以外上市	- Listed outside Hong Kong	3	2
		57	4
基金	Fund		
- 於香港上市	- Listed in Hong Kong	3	3
證券總額	Total securities	41,533	36,046

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 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$'m	於 2018 年 12 月 31 日 At 31 December 2018 港幣百萬元 HK\$'m
官方實體	Sovereigns	29,145	25,930
公營單位	Public sector entities	1,852	1,720
銀行及其他金融機構	Banks and other financial institutions	7,605	6,525
公司企業	Corporate entities	2,931	1,871
證券總額	Total securities	41,533	36,046

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 2019 年 6 月 30 日及 2018 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 2019 and 31 December 2018:

		於 2019 年 6 月 30 日 At 30 June 2019		
		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	366,309	12,354	(8,626)
掉期	Swaps	1,742,412	8,104	(9,895)
期權	Options	55,070	149	(82)
		2,163,791	20,607	(18,603)
利率合約	Interest rate contracts			
期貨	Futures	10,699	3	(5)
掉期	Swaps	1,171,060	7,726	(11,640)
期權	Options	4,223	-	(6)
		1,185,982	7,729	(11,651)
商品合約	Commodity contracts	48,293	524	(2,883)
股權合約	Equity contracts	3,014	94	(95)
信貸衍生工具合約	Credit derivative contracts	390	-	(7)
		3,401,470	28,954	(33,239)

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 2018 年 12 月 31 日 At 31 December 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	347,580	12,706	(8,876)
掉期	Swaps	1,731,486	12,421	(12,100)
期權	Options	29,715	158	(64)
		<u>2,108,781</u>	<u>25,285</u>	<u>(21,040)</u>
利率合約	Interest rate contracts			
期貨	Futures	20,242	1	(39)
掉期	Swaps	1,047,515	9,312	(8,428)
期權	Options	1,566	1	(1)
		<u>1,069,323</u>	<u>9,314</u>	<u>(8,468)</u>
商品合約	Commodity contracts	<u>28,782</u>	<u>239</u>	<u>(1,184)</u>
股權合約	Equity contracts	<u>2,998</u>	<u>117</u>	<u>(119)</u>
信貸衍生工具合約	Credit derivative contracts	<u>392</u>	<u>-</u>	<u>(1)</u>
		<u>3,210,276</u>	<u>34,955</u>	<u>(30,812)</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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
個人貸款	Personal loans and advances	373,426	352,805
公司貸款	Corporate loans and advances	<u>978,403</u>	<u>913,722</u>
客戶貸款	Advances to customers	1,351,829	1,266,527
減：減值準備	Less: Impairment allowances		
- 第一階段	- Stage 1	(4,086)	(3,747)
- 第二階段	- Stage 2	(313)	(546)
- 第三階段	- Stage 3	<u>(1,633)</u>	<u>(1,126)</u>
		<u>1,345,797</u>	<u>1,261,108</u>
貿易票據	Trade bills	20,534	17,361
減：減值準備	Less: Impairment allowances		
- 第一階段	- Stage 1	(3)	(1)
- 第二階段	- Stage 2	-	-
- 第三階段	- Stage 3	<u>(4)</u>	<u>(4)</u>
		<u>20,527</u>	<u>17,356</u>
銀行及其他金融機構貸款	Advances to banks and other financial institutions	<u>3,248</u>	<u>3,822</u>
		<u>1,369,572</u>	<u>1,282,286</u>

於 2019 年 6 月 30 日，客
 戶貸款包括應計利息港幣
 26.40 億元（2018 年 12 月
 31 日：港幣 23.44 億元）。

As at 30 June 2019, advances to customers included accrued interest of HK\$2,640 million
 (31 December 2018: HK\$2,344 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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		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	225,316	122,462
- 存款證	- Certificates of deposit	58,979	34,849
- 其他債務證券	- Other debt securities	379,829	312,456
		664,124	469,767
- 股份證券	- Equity securities	1,939	1,329
		666,063	471,096
以攤餘成本計量之證券投資	Investment in securities at amortised cost		
- 存款證	- Certificates of deposit	-	-
- 其他債務證券	- Other debt securities	71,146	69,769
		71,146	69,769
- 減值準備	- Impairment allowances		
第一階段	Stage 1	(13)	(10)
第二階段	Stage 2	-	-
第三階段	Stage 3	-	-
		71,133	69,759
		737,196	540,855

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		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		
債務證券及存款證	Debt securities and certificates of deposit		
- 於香港上市	- Listed in Hong Kong	70,698	63,791
- 於香港以外上市	- Listed outside Hong Kong	200,539	180,206
		<u>271,237</u>	<u>243,997</u>
- 非上市	- Unlisted	392,887	225,770
		<u>664,124</u>	<u>469,767</u>
股份證券	Equity securities		
- 於香港上市	- Listed in Hong Kong	215	-
- 於香港以外上市	- Listed outside Hong Kong	517	185
- 非上市	- Unlisted	1,207	1,144
		<u>1,939</u>	<u>1,329</u>
		<u>666,063</u>	<u>471,096</u>
以攤餘成本計量之證券投資	Investment in securities at amortised cost		
債務證券及存款證	Debt securities and certificates of deposit		
- 於香港上市	- Listed in Hong Kong	1,229	1,200
- 於香港以外上市	- Listed outside Hong Kong	41,084	42,069
		<u>42,313</u>	<u>43,269</u>
- 非上市	- Unlisted	28,820	26,490
		<u>71,133</u>	<u>69,759</u>
		<u>737,196</u>	<u>540,855</u>
以攤餘成本計量之上市證券 市值	Market value of listed securities at amortised cost	42,813	43,189

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
官方實體	Sovereigns	334,045	184,665
公營單位	Public sector entities	49,729	44,984
銀行及其他金融機構	Banks and other financial institutions	215,772	185,110
公司企業	Corporate entities	137,650	126,096
		737,196	540,855

22. 投資物業

22. Investment properties

		於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
於 1 月 1 日	At 1 January	19,988	19,949
增置	Additions	24	13
公平值收益	Fair value gains	663	921
重新分類轉自 / (轉至) 物業、器材及設備 (附 註 23)	Reclassification from/(to) properties, plant and equipment (Note 23)	268	(895)
於期 / 年末	At period/year end	20,943	19,988

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

		設備、固定設施 及裝備 Equipment, fixtures and fittings	使用權資產 Right-of-use assets	總計 Total	
	房產 Premises	港幣百萬元 HK\$m	港幣百萬元 HK\$m	港幣百萬元 HK\$m	
於 2019 年 1 月 1 日之 賬面淨值之早期列賬	Net book value at 1 January 2019, as previously reported	46,086	2,980	-	49,066
合併受共同控制之實體之 影響	Effect of merger of entity under common control	-	5	-	5
於 2019 年 1 月 1 日之 賬面淨值之重列	Net book value at 1 January 2019, as restated	46,086	2,985	-	49,071
採納香港財務報告準則第 16 號之影響	Effect of adoption of HKFRS 16	-	-	1,700	1,700
於 2019 年 1 月 1 日，採納 香港財務報告準則第 16 號後	At 1 January 2019, after adoption of HKFRS 16	46,086	2,985	1,700	50,771
增置	Additions	31	514	606	1,151
處置	Disposals	-	(2)	-	(2)
重估	Revaluation	1,063	-	-	1,063
本期折舊 (附註 12)	Depreciation for the period (Note 12)	(570)	(488)	(315)	(1,373)
重新分類轉至投資物業 (附註 22)	Reclassification to investment properties (Note 22)	(268)	-	-	(268)
匯兌差額	Exchange difference	-	4	3	7
於 2019 年 6 月 30 日之 賬面淨值	Net book value at 30 June 2019	46,342	3,013	1,994	51,349
於 2019 年 6 月 30 日 成本值或估值	At 30 June 2019 Cost or valuation	46,342	10,759	2,309	59,410
累計折舊及減值	Accumulated depreciation and impairment	-	(7,746)	(315)	(8,061)
於 2019 年 6 月 30 日之 賬面淨值	Net book value at 30 June 2019	46,342	3,013	1,994	51,349
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 2019 年 6 月 30 日	At 30 June 2019				
按成本值	At cost	-	10,759	2,309	13,068
按估值	At valuation	46,342	-	-	46,342
		46,342	10,759	2,309	59,410

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 港幣百萬元 HK\$m	設備、固定設施 及裝備 Equipment, fixtures and fittings 港幣百萬元 HK\$m	總計 Total 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	2,870	46,919
合併受共同控制之實體之 影響	Effect of merger of entity 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	2,877	46,926
增置	Additions	94	1,071	1,165
處置	Disposals	(4)	(7)	(11)
重估	Revaluation	2,142	-	2,142
年度折舊	Depreciation for the year	(1,089)	(956)	(2,045)
重新分類轉自投資物業 (附註 22)	Reclassification from investment properties (Note 22)	895	-	895
匯兌差額	Exchange difference	(1)	-	(1)
於 2018 年 12 月 31 日之 賬面淨值	Net book value at 31 December 2018	46,086	2,985	49,071
於 2018 年 12 月 31 日 成本值或估值	At 31 December 2018 Cost or valuation	46,086	10,367	56,453
累計折舊及減值	Accumulated depreciation and impairment	-	(7,382)	(7,382)
於 2018 年 12 月 31 日之 賬面淨值	Net book value at 31 December 2018	46,086	2,985	49,071
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 12 月 31 日	At 31 December 2018			
按成本值	At cost	-	10,367	10,367
按估值	At valuation	46,086	-	46,086
		46,086	10,367	56,453

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
收回資產	Repossessed assets	4	10
貴金屬	Precious metals	9,253	6,602
應收賬項及預付費用	Accounts receivable and prepayments	35,322	25,929
		44,579	32,541

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		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	19,062	13,336
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)	13	2,199
		19,075	15,535

於 2019 年 6 月 30 日及 2018 年 12 月 31 日，界定為以公平值變化計入損益之金融負債的賬面值與本集團於到期日約定支付予持有人之金額的差異並不重大。

As at 30 June 2019 and 31 December 2018, the carrying amount of financial liabilities designated at fair value through profit or loss was approximately the same as the amount that the Group would be contractually required to pay at maturity to the holders.

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		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)	2,025,695	1,899,102
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)	13	2,199
		2,025,708	1,901,301
分類：	Analysed by:		
即期存款及往來存款	Demand deposits and current accounts		
- 公司	- Corporate	152,631	147,431
- 個人	- Personal	67,967	62,827
		220,598	210,258
儲蓄存款	Savings deposits		
- 公司	- Corporate	376,911	338,087
- 個人	- Personal	523,931	516,185
		900,842	854,272
定期、短期及通知存款	Time, call and notice deposits		
- 公司	- Corporate	541,946	488,639
- 個人	- Personal	362,322	348,132
		904,268	836,771
		2,025,708	1,901,301

**27. 已發行債務證券及存款
證**

27. Debt securities and certificates of deposit in issue

		於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		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	792	9,453

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2019年 6月30日 At 30 June 2019	於2018年 12月31日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
其他應付賬項	Other accounts payable	51,024	47,522
租賃負債	Lease liabilities	1,897	N/A
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	408	375
- 第二階段	- Stage 2	29	20
- 第三階段	- Stage 3	24	43
		53,382	47,960

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2019年上半年及截至2018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 2019 and the year ended 31 December 2018 are as follows:

		於2019年6月30日 At 30 June 2019				
		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2019年1月1日	At 1 January 2019	703	6,940	(723)	(1,287)	5,633
借記/(貸記)收益表 (附註15)	Charged/(credited) to income statement (Note 15)	11	(78)	(50)	24	(93)
借記其他全面收益	Charged to other comprehensive income	-	134	-	503	637
於2019年6月30日	At 30 June 2019	714	6,996	(773)	(760)	6,177

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 12 月 31 日

At 31 December 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	(734)	(989)	5,570
借記收益表	Charged to income statement	13	44	11	11	79
借記 / (貸記) 其他全面 收益	Charged/(credited) to other comprehensive income	-	293	-	(312)	(19)
因處置以公平值變化計入 其他全面收益之股權 工具之轉撥	Release upon disposal of equity instruments at fair value through other comprehensive income	-	-	-	3	3
於 2018 年 12 月 31 日	At 31 December 2018	703	6,940	(723)	(1,287)	5,633

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
遞延稅項資產	Deferred tax assets	(63)	(82)
遞延稅項負債	Deferred tax liabilities	6,240	5,715
		6,177	5,633

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
	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)	(52)	(60)
遞延稅項負債(超過 12 個月後支付)	6,977	6,959
	6,925	6,899

於 2019 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 0.22 億元（2018 年 12 月 31 日：港幣 0.23 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（2018 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 0.13 億元（2018 年 12 月 31 日：港幣 0.14 億元）。

As at 30 June 2019, the Group has not recognised deferred tax assets in respect of tax losses amounting to HK\$22 million (31 December 2018: HK\$23 million). Of the amount, HK\$9 million (31 December 2018: HK\$9 million) for the Group has no expiry date and HK\$13 million (31 December 2018: HK\$14 million) for the Group is scheduled to expire within six years under the current tax legislation in different countries/regions.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

30. 後償負債

30. Subordinated liabilities

	於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
	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	13,168	13,246
Subordinated notes		
- designated at fair value through profit or loss	13,168	13,246

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。於 2018 年 9 月，中銀香港購買及贖回本金 8.77 億美元的票據，並已根據該票據之條款，將該金額的票據註銷。中銀香港尚持有本金總額 16.23 億美元的票據。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。2019 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 2.21 億元 (2018 年 12 月 31 日：港幣 2.60 億元)。

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. In September 2018, USD877 million in principal amount of subordinated notes were purchased and redeemed by BOCHK and cancelled pursuant to the terms and conditions of the notes. USD1,623 million of the aggregate principal amount of subordinated notes remain outstanding. 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 2019 was more than the amount that the Group would be contractually required to pay at maturity to the holders by HK\$221 million (31 December 2018: HK\$260 million).

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

31. 股本

31. Share capital

	於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
	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	43,042,840,858 ordinary shares 43,043	43,043

32. 本銀行其他股權工具

32. Other equity instruments of the Bank

	於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
永續非累積次級額外一級 資本票據	Undated non-cumulative subordinated Additional Tier 1 capital securities 23,476	23,476

於 2018 年 9 月，中銀香港發行 30.00 億美元的永續非累積次級額外一級資本票據。該資本票據為永續票據，不設固定贖回日，在首五年內不可贖回。其初期票息為每年 5.90%，每半年支付一次。2019 年上半年支付其他股權工具持有者股息為港幣 6.95 億元。

In September 2018, BOCHK issued USD3,000 million undated non-cumulative subordinated Additional Tier 1 capital securities. The capital securities are perpetual securities in respect of which there is no fixed redemption date and are not callable within the first 5 years. They have an initial rate of distribution of 5.90% per annum payable semi-annually. Dividend paid to other equity instrument holders in the first half of 2019 amounted to HK\$695 million.

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對賬

(a) Reconciliation of operating profit to operating cash outflow before taxation

		半年結算至 2019年 6月30日 Half-year ended 30 June 2019	半年結算至 2018年 6月30日 Half-year ended 30 June 2018
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
經營溢利	Operating profit	20,196	19,593
折舊	Depreciation	1,373	988
減值準備淨撥備	Net charge of impairment allowances	791	340
已撤銷之貸款(扣除收回款額)	Advances written off net of recoveries	(106)	(150)
租賃負債利息支出	Interest expense on lease liabilities	26	N/A
後償負債之變動	Change in subordinated liabilities	227	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	(11,380)	(10,684)
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	(5,604)	21,192
衍生金融工具之變動	Change in derivative financial instruments	8,428	(5,769)
貸款及其他賬項之變動	Change in advances and other accounts	(87,901)	(79,133)
證券投資之變動	Change in investment in securities	(182,595)	(82,990)
其他資產之變動	Change in other assets	(12,070)	(1,308)
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	(133,559)	14,685
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	3,540	(3,808)
客戶存款之變動	Change in deposits from customers	126,593	84,186
已發行債務證券及存款證之變動	Change in debt securities and certificates of deposit in issue	(8,661)	(6,064)
其他賬項及準備之變動	Change in other accounts and provisions	3,365	13,035
匯率變動之影響	Effect of changes in exchange rates	(3,620)	(228)
除稅前經營現金之流出	Operating cash outflow before taxation	(280,957)	(35,939)
經營業務之現金流量中包括	Cash flows from operating activities included		
- 已收利息	- interest received	32,271	26,841
- 已付利息	- interest paid	12,689	8,380
- 已收股息	- dividend received	27	26

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 6 月 30 日 At 30 June 2018
		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	319,937	305,650
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		
- 以公平值變化計 入損益之金融 資產	- financial assets at fair value through profit or loss	3,307	2,651
- 證券投資	- investment in securities	17,578	27,567
		340,822	335,868

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 2019 年 6 月 30 日 At 30 June 2019 港幣百萬元 HK\$m	於 2018 年 12 月 31 日 At 31 December 2018 港幣百萬元 HK\$m
直接信貸替代項目	Direct credit substitutes	6,989	6,533
與交易有關之或然負債	Transaction-related contingencies	28,318	29,292
與貿易有關之或然負債	Trade-related contingencies	31,316	26,269
不需事先通知的無條件 撤銷之承諾	Commitments that are unconditionally cancellable without prior notice	407,431	406,542
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	17,560	10,189
- 1 年以上	- over one year	141,701	131,268
		633,315	610,093
信貸風險加權數額	Credit risk-weighted amount	71,370	68,508

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 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
	港幣百萬元 HK\$m	港幣百萬元 HK\$m
已批准及簽約但未撥備	302	215
已批准但未簽約	63	35
	365	250

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.

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

36. 經營租賃承擔

36. Operating lease commitments

作為出租人

As lessor

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：

The Group has contracted with tenants for the following future minimum lease receivables under non-cancellable operating leases:

		於 2019 年 6 月 30 日 At 30 June 2019	於 2018 年 12 月 31 日 At 31 December 2018
		港幣百萬元 HK\$m	港幣百萬元 HK\$m
土地及樓宇	Land and buildings		
- 不超過 1 年	- Not later than one year	573	549
- 1 至 2 年	- One to two years	365	304
- 2 至 3 年	- Two to three years	147	114
- 3 至 4 年	- Three to four years	21	1
- 4 至 5 年	- Four to five years	6	-
		1,112	968

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。

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、若干聯營公司與合資企業權益及東南亞機構業務。

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, certain interests in associates and joint ventures and the businesses of the Southeast Asian entities.

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 Notes to the Interim Financial Information (continued)
(續)

37. 分類報告 (續)

37. Segmental reporting (continued)

		個人銀行	企業銀行	財資業務	其他	小計	合併抵銷	綜合
		Personal Banking	Corporate Banking	Treasury	Others	Subtotal	Eliminations	Consolidated
		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
半年結算至	Half-year ended							
2019年6月30日	30 June 2019							
淨利息收入/(支出)	Net interest income/(expense)							
- 外來	- External	4	7,572	9,547	1,199	18,322	-	18,322
- 跨業務	- Inter-segment	6,881	(234)	(5,943)	(704)	-	-	-
		6,885	7,338	3,604	495	18,322	-	18,322
淨服務費及佣金收入	Net fee and commission income	3,620	2,247	157	576	6,600	(133)	6,467
淨交易性收益	Net trading gain	386	713	980	162	2,241	-	2,241
其他以公平值變化計入損益之金融工具淨(虧損)/收益	Net (loss)/gain on other financial instruments at fair value through profit or loss	(1)	-	125	1	125	-	125
其他金融資產之淨(虧損)/收益	Net (loss)/gain on other financial assets	-	(2)	729	-	727	-	727
其他經營收入	Other operating income	28	-	8	1,014	1,050	(668)	382
提取減值準備前之淨經營收入	Net operating income before impairment allowances	10,918	10,296	5,603	2,248	29,065	(801)	28,264
減值準備淨(撥備)/撥回	Net (charge)/reversal of impairment allowances	(88)	(675)	(44)	16	(791)	-	(791)
淨經營收入	Net operating income	10,830	9,621	5,559	2,264	28,274	(801)	27,473
經營支出	Operating expenses	(4,430)	(1,556)	(523)	(1,569)	(8,078)	801	(7,277)
經營溢利	Operating profit	6,400	8,065	5,036	695	20,196	-	20,196
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	-	-	-	663	663	-	663
處置/重估物業、器材及設備之淨收益	Net gain from disposal/ revaluation of properties, plant and equipment	-	-	-	1	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	54	-	-	(1)	53	-	53
除稅前溢利	Profit before taxation	6,454	8,065	5,036	1,358	20,913	-	20,913
於2019年6月30日	At 30 June 2019							
資產	ASSETS							
分部資產	Segment assets	403,026	948,779	1,367,328	147,998	2,867,131	(21,985)	2,845,146
聯營公司及合資企業權益	Interests in associates and joint ventures	475	-	-	60	535	-	535
		403,501	948,779	1,367,328	148,058	2,867,666	(21,985)	2,845,681
負債	LIABILITIES							
分部負債	Segment liabilities	1,070,509	930,364	496,974	87,905	2,585,752	(21,985)	2,563,767
半年結算至	Half-year ended							
2019年6月30日	30 June 2019							
其他資料	Other information							
資本性支出	Capital expenditure	35	1	-	1,139	1,175	-	1,175
折舊	Depreciation	561	110	49	653	1,373	-	1,373
證券攤銷	Amortisation of securities	-	-	925	(34)	891	-	891

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							
淨利息收入/(支出)	Net interest income/(expense)							
- 外來	- External	1,087	7,382	7,311	1,287	17,067	-	17,067
- 跨業務	- Inter-segment	4,554	(853)	(3,209)	(492)	-	-	-
		5,641	6,529	4,102	795	17,067	-	17,067
淨服務費及佣金收入	Net fee and commission income	3,871	2,329	132	566	6,898	(122)	6,776
淨交易性收益	Net trading gain	464	843	687	147	2,141	-	2,141
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	4	-	315	-	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	9,992	9,700	5,281	2,503	27,476	(767)	26,709
減值準備淨發備	Net charge of impairment allowances	(30)	(49)	(1)	(260)	(340)	-	(340)
淨經營收入	Net operating income	9,962	9,651	5,280	2,243	27,136	(767)	26,369
經營支出	Operating expenses	(4,095)	(1,497)	(495)	(1,456)	(7,543)	767	(6,776)
經營溢利	Operating profit	5,867	8,154	4,785	787	19,593	-	19,593
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 之稅後溢利扣減減損	Share of profits less losses after tax of associates and joint ventures	45	-	-	(3)	42	-	42
除稅前溢利	Profit before taxation	5,911	8,154	4,785	1,726	20,576	-	20,576
於2018年12月31日	At 31 December 2018							
資產	ASSETS							
分部資產	Segment assets	379,233	887,900	1,438,029	136,698	2,841,860	(18,557)	2,823,303
聯營公司及合資企業 權益	Interests in associates and joint ventures	422	-	-	60	482	-	482
		379,655	887,900	1,438,029	136,758	2,842,342	(18,557)	2,823,785
負債	LIABILITIES							
分部負債	Segment liabilities	1,038,805	839,505	616,408	80,920	2,575,638	(18,557)	2,557,081
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	260	69	54	605	988	-	988
證券攤銷	Amortisation of securities	-	-	386	(6)	380	-	380

中期財務資料附註
(續)

Notes to the Interim Financial Information (continued)

38. 已抵押資產

於2019年6月30日，本集團之負債港幣173.89億元(2018年12月31日：港幣118.91億元)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612.08億元(2018年12月31日：港幣656.17億元)。本集團為擔保此等負債而質押之資產金額為港幣789.08億元(2018年12月31日：港幣782.30億元)，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。

38. Assets pledged as security

As at 30 June 2019, the liabilities of the Group amounting to HK\$17,389 million (31 December 2018: HK\$11,891 million) were secured by assets deposited with central depositories to facilitate settlement operations. In addition, the liabilities of the Group amounting to HK\$61,208 million (31 December 2018: HK\$65,617 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\$78,908 million (31 December 2018: HK\$78,230 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

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。

39. Significant related party transactions

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

母公司的基本資料：

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。

匯金於某些內地實體均擁有控制權益。

(a) Transactions with the parent companies and the other companies controlled by the parent companies

General information of the parent companies:

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.

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 2019 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 1,180.70 億元 (2018 年 12 月 31 日：港幣 1,588.65 億元) 及港幣 320.32 億元 (2018 年 12 月 31 日：港幣 1,375.62 億元)。2019 年上半年與中國銀行做此類業務過程中產生的收入及支出總額分別為港幣 11.60 億元 (2018 年上半年：港幣 18.25 億元) 及港幣 3.47 億元 (2018 年上半年：港幣 2.83 億元)。

The majority of transactions with BOC arise from money market activities. As at 30 June 2019, the related aggregate amounts due from and to BOC of the Group were HK\$118,070 million (31 December 2018: HK\$158,865 million) and HK\$32,032 million (31 December 2018: HK\$137,562 million) respectively. The aggregate amounts of income and expenses of the Group arising from these transactions with BOC for the first half of 2019 were HK\$1,160 million (first half of 2018: HK\$1,825 million) and HK\$347 million (first half of 2018: HK\$283 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 2019年6月30日 Half-year ended 30 June 2019	半年結算至 2018年6月30日 Half-year ended 30 June 2018
		港幣百萬元 HK\$'m	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	4	6
- 其他經營支出	- Other operating expenses	41	39
合資企業	Joint ventures		
- 利息支出	- Interest expenses	2	-
其他有關連人士	Other related parties		
- 服務費及佣金收入	- Fee and commission income	5	5
		於 2019年6月30日 At 30 June 2019	於 2018年12月31日 At 31 December 2018
		港幣百萬元 HK\$'m	港幣百萬元 HK\$'m
資產負債表項目	Balance sheet items		
聯營公司	Associates		
- 其他賬項及準備	- Other accounts and provisions	47	7
合資企業	Joint ventures		
- 客戶存款	- Deposits from customers	2,486	-

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

(d) Key management personnel

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。

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.

主要高層人員之薪酬如下：

The compensation of key management personnel is detailed as follows:

	半年結算至 2019年 6月30日 Half-year ended 30 June 2019 港幣百萬元 HK\$m	半年結算至 2018年 6月30日 Half-year ended 30 June 2018 港幣百萬元 HK\$m
薪酬及其他短期員工福利	18	16

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。

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：

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.

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 2019 年 6 月 30 日 At 30 June 2019				
		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	321,758	115,418	13,476	144,029	594,681
香港	Hong Kong	10,141	67	36,083	337,152	383,443
美國	United States	14,021	100,481	23,985	16,708	155,195

		於 2018 年 12 月 31 日 At 31 December 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	327,997	361,168	14,350	128,308	831,823
香港	Hong Kong	7,853	-	31,464	304,771	344,088
美國	United States	13,270	79,573	24,936	16,926	134,705

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 2019 年 6 月 30 日 At 30 June 2019			
	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	324,312	39,180	363,492
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	62,884	16,654	79,538
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	104,018	22,220	126,238
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	28,650	1,222	29,872
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	561	-	561
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	74,470	10,089	84,559
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	2,439	287	2,726
總計	Total	8	597,334	89,652	686,986
扣減準備金後的資產總額	Total assets after provision	9	2,779,920		
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	21.49%		

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 2018 年 12 月 31 日 At 31 December 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	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	292,682	37,793	330,475
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	60,506	13,060	73,566
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	93,286	18,961	112,247
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	27,618	630	28,248
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	88	-	88
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	70,926	8,677	79,603
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	2,214	379	2,593
總計	Total	8	<u>547,320</u>	<u>79,500</u>	<u>626,820</u>
扣減準備金後的資產總額	Total assets after provision	9	<u>2,752,643</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>19.88%</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2019年1月21日，中國銀行以港幣7.28億元現金之總交易對價轉讓老撾中國銀行股份有限公司萬象分行擁有權益予中銀香港。在此合併前及合併後，中銀萬象分行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，將合併假設中銀萬象分行之業務乃一直由本集團經營。

On 21 January 2019, the Branch Interests in Bank of China Limited, Vientiane Branch in Laos was transferred from BOC to BOCHK for a total consideration of HK\$728 million in cash. BOC Vientiane Branch and BOCHK are both 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 business of BOC Vientiane Branch had always been carried out by the Group.

於2019年6月30日及2018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 2019 and 31 December 2018 are as follows:

		於2019年6月30日 At 30 June 2019			
		合併前 Before combination	受共同控制 之實體 Entity 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	350	(350)	43,043
合併儲備	Merger reserve	-	-	(378)	(378)
留存盈利及其他 儲備	Retained earnings and other reserves	215,355	160	-	215,515
		258,398	510	(728)	258,180
其他股權工具	Other equity instruments	23,476	-	-	23,476
非控制權益	Non-controlling interests	258	-	-	258
		282,132	510	(728)	281,914
		於2018年12月31日 At 31 December 2018			
		合併前 Before combination	受共同控制 之實體 Entity 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	350	(350)	43,043
合併儲備	Merger reserve	-	-	350	350
留存盈利及其他 儲備	Retained earnings and other reserves	199,441	116	-	199,557
		242,484	466	-	242,950
其他股權工具	Other equity instruments	23,476	-	-	23,476
非控制權益	Non-controlling interests	278	-	-	278
		266,238	466	-	266,704

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 2019 年 1 月 21 日中國銀行轉讓老撾中國銀行股份有限公司萬象分行擁有權權益事，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，將合併假設中銀萬象分行之業務乃一直由本集團經營。

In respect of the transfer of the Branch Interests in Bank of China Limited, Vientiane Branch in Laos from BOC on 21 January 2019 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 business of BOC Vientiane Branch 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 2019 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 2019 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 2018 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 2018 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 2018 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 2018 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

Additional Information

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。

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. 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。

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 the section “Regulatory Disclosures” on BOCHK’s website at www.bochk.com.

獨立審閱報告



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香港中環添美道1號
中信大廈22樓

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 56 至 171 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(「貴集團」)於 2019 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, 2019 年 8 月 30 日

Independent Review Report



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

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 56 to 171, which comprises the condensed consolidated balance sheet of Bank of China (Hong Kong) Limited (the “Bank”) and its subsidiaries (the “Group”) as at 30 June 2019 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 (“HKICPA”). 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 HKICPA. 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, 30 August 2019

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 Issued share 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	480,000,000 港元 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	200,000,000 港元 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	300,000,000 港元 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	760,518,480 馬來西亞林吉特 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	1,000,000 馬來西亞林吉特 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	10,000,000,000 泰銖 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	2 港元 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	3,000,000 港元 HK\$3,000,000	100.00%	信託及代理服務 Trustee and agency services
中銀金融服務(南寧)有限公司 BOC Financial Services (Nanning) Company Limited	中國 2019年2月19日 PRC 19 February 2019	註冊資本 60,000,000 港元 Registered capital HK\$60,000,000	100.00%	金融營運服務 Financial operational 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	50,000 美元 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 Issued share 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	10,000 港元 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	335,000,000 港元 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	335,000,000 港元 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	3,000,000 港元 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	3,000,000 港元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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 Issued share 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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	1 美元 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交所及上海證券交易所掛牌上市
「中銀香港（控股）」	中銀香港（控股）有限公司，根據香港法例註冊成立之公司
「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
「中銀泰國」	中國銀行（泰國）股份有限公司，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
「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
「聯交所」或「香港聯交所」	香港聯合交易所有限公司
「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
"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
"BOC Thailand"	Bank of China (Thai) Public Company Limited, 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.
"DCE"	Deputy Chief Executive
"DVA"	Debit Valuation Adjustment
"ECL"	Expected Credit Loss
"EV"	Economic Value Sensitivity Ratio

Definitions (continued)

Terms	Meanings
"FCC"	the Financial Crime Compliance Department
"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
"IMM"	Internal Models
"IT"	Information Technology
"LCO"	the Legal & Compliance and Operational Risk Management Department
"LCR"	Liquidity Coverage Ratio
"MC"	the Management Committee
"MCO"	Maximum Cumulative Cash Outflow
"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

Definitions (continued)

Terms	Meanings
“OTC”	Over-the-counter
“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
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the Group”	the Bank and its subsidiaries collectively referred as the Group
“US”	the United States of America
“VaR”	Value at Risk

