



永隆銀行
WING LUNG BANK

85th Anniversary
共進同行 八十五載

招商銀行集團成員
Member CMB Group

Annual Report 2017 年報

基業常青 永遠興隆



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里程 Milestones

1930s – 1970s

勵精圖治 自置物業

Vision built for governing,
Strategy for self-owned property



1933年

在香港上環文咸東街37號開業，定名永隆銀號。

Opened for business at 37 Bonham Strand East in Sheung Wan of Hong Kong, named 永隆銀號 (Wing Lung Bank).

1937年

永隆銀號搬遷至皇后大道中112號舖擴充營業。

The Bank moved to 112 Queen's Road Central for business expansion.



1960年

「永隆銀號有限公司」之中文名稱，正式更名為「永隆銀行有限公司」。

The Chinese name of the Bank was changed to "永隆銀行有限公司".



1973年

本行成立40周年，同年位於德輔道中連貫干諾道中之總行新大廈落成。

A joint celebration of the Bank's 40th Anniversary and the opening of the new head office building situated between Des Voeux Road Central and Connaught Road Central.



1975年

位於旺角之永隆銀行中心落成。

Wing Lung Bank Centre situated in Mongkok was completed.

1980s

股份上市 開拓市場

Listed in Hong Kong,
Exploring new markets

1980年

本行的股份在香港證券交易所掛牌上市。
The Bank was listed on the Stock Exchange of
Hong Kong Limited.



1982年

與另外 4 家華資銀行組成銀聯通寶有限公司，向
客戶提供自動櫃員機服務。

Joined forces with other four local Chinese banks to
establish a cooperative network, JETCO, to provide
Automatic Teller Machine Services to customers.

1984年

在美國南加州
洛杉磯開設首
家海外分行。

Establishment of
the first overseas
branch in Los
Angeles, Southern
California, USA.



1986年

本行全資附屬公司－永隆保險有限公司獲政府
授權經營保險業務。

Wing Lung Insurance Company Limited, wholly-
owned subsidiary of the Bank, was authorized by the
Government to engage in insurance business.

1987年

開始向客戶提供證券服務。

Started providing Securities Services to customers.



1990s

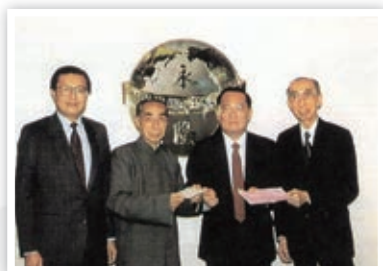
與時並進 高速發展

Progressing with times,
Full speed development
ahead

1992年

新加坡發展銀行從伍氏家族手中承讓本行百分之十股權，加入成為本行股東之一。

The Development Bank of Singapore acquired 10% of the Bank's share capital from the Wu's Family and participated as one of shareholders.



1994年

在廣州市設立代表處，為本行在中國內地首個業務據點。

The Bank set up the Guangzhou Representative Office, its first presence in Mainland China.



1995年

開始經營信用卡業務。

Started engaging in
Credit Card business operation.



1998年

推出永隆網上銀行服務，讓客戶隨時隨地享用銀行服務。

Wing Lung NET Banking Services made its first debut, enabling customers to conduct banking transactions anytime and anywhere.

1999年

與同業組成銀聯信託有限公司，開拓強制性公積金服務。

Formed a strategic alliance with other banks to establish the Bank Consortium Trust Company Limited for offering MPF Services.



2000-2008

拓展內地 聯姻招行

Expansion in China,
Acquired by China
Merchants Bank

2000年

與同業組成銀和再保險有限公司及香港人壽保險有限公司，進一步拓展保險業務。

Partnered with other banks to set up BC Reinsurance Limited and Hong Kong Life Insurance Limited to further expand insurance business.

2004年

深圳分行成立，成為首家在CEPA協議下於中國內地建立據點的香港銀行。

Shenzhen Branch was set up and became the first bank in Hong Kong to establish a stronghold in Mainland China under the CEPA.



2008年

上海代表處升格為上海分行。

Shanghai Representative Office upgraded to Shanghai Branch.



2005年

深圳前海支行（前稱「深圳南山支行」）成立。

Set up Shenzhen Qianhai Sub-branch (formerly known as Shenzhen Nanshan Sub-branch).



2008年

招商銀行成功併購本行。

China Merchants Bank successfully acquired the Bank.

2009至今Till Now

跨境金融 永隆旗艦

An Integrated Cross-Border Financial Services Platform



2009年
推出全球首張
鑲鑽石的信用
卡「永隆Luxe

Visa Infinite」及發行首張大中華區「World MasterCard for Business」。

Launching of the first diamond credit card "Wing Lung Luxe Visa Infinite" in the world and the first "World MasterCard for Business" in the Greater China.

2010年
設立澳門分行。

Set up Macau Branch.



2012年
推出永隆「私人財富管理」服務。

Introduction of Wing Lung Private Wealth Management Service.



2009年

招商銀行攜手打造一體化跨境金融服務平台，推出一系列特色服務，如匯款快線、跨境貿易人民幣結算、IPO收款、人民幣NDF等。

Joined forces with China Merchants Bank to build an integrated cross-border financial services platform, providing a wide range of services, including China-Hong Kong Express Link, Cross-Border Renminbi trade settlement service, receiving bank service for IPO and Renminbi non-deliverable forward contracts, etc.

2011年

首創永隆紅酒貸款服務。

Introduction of the first-in-town Wing Lung Red Wine Financing Services.

2011年

推出「小微企全方位銀行服務」。

Launch of Micro Enterprise Banking Services.



2014年

成立舊金山分行。

Set up San Francisco Branch.





2014年
推出永隆「私人銀行」服務。
Introduction of Wing Lung
Private Banking Service.



2015年
廣州代表處升格為廣州分行。
Guangzhou Representative Office upgraded to
Guangzhou Branch.



2016年
推出永隆個人視頻
銀行服務。
Launch of ITs YOUR
PERSONAL TELLER
- VTM Services.

2017年
聯手招商銀行成為香港首家基於區塊鏈技術實現
跨境人民幣同業清算的銀行。

Joined forces with China
Merchants Bank to become
the first bank in town
to offer Cross-Border
Interbank RMB Clearing
Services by applying
Blockchain Technology.



2017年
推出「永隆銀行一點通」手機銀行服務。
Launch of WLB Wintech mobile banking services.

新里程 與香港同行
Start a new milestone with Hong Kong

簡介 Profile

永隆銀行創立於一九三三年，是香港具悠久歷史華資銀行之一，素持「進展不忘穩健、服務必盡忠誠」之旨向社會提供服務。

本行中文名字「永隆」寓意永遠興隆，成立初期規模只屬銀號，隨著戰後香港經濟環境的演變，本行亦日趨成長，逐步拓展現代化銀行業務，為工商業的發展和社會繁榮獻出一分力量。

二〇〇八年招商銀行成功併購本行，永隆銀行正式成為招商銀行集團之一員。

招商銀行於一九八七年在深圳成立，是中國第一家完全由企業法人持股的股份制商業銀行，經過多年的努力，截至二〇一七年十二月底招商銀行已是一家擁有資產總額逾人民幣6.29萬億元、機構網點1,800多家，股份在中國上海和香港兩地均有上市的全國性優秀商業銀行。

招商銀行與永隆銀行今後將進一步深化協同聯動，積極構建跨境金融服務平台，向客戶提供更優質完善的產品和服務。

Wing Lung Bank, founded in 1933, is among the oldest local Chinese banks in Hong Kong. The Bank has at all times followed its motto of “Progress with prudence, service with sincerity” in providing personalised and sincere service to customers.

The Chinese name of the Bank means “Perpetual Prosperity”. Originally established as an indigenous Chinese bank, Wing Lung Bank developed and expanded as Hong Kong underwent a remarkable economic transformation after the War. The Bank has since established itself as one with contemporary outlook and comprehensive services, catering to the needs of the business community and playing a part in the generally vibrant economy of Hong Kong.

China Merchants Bank successfully took over Wing Lung Bank in 2008. Wing Lung Bank has since become a member of China Merchants Bank Group.

China Merchants Bank was incorporated in Shenzhen in 1987 as the first share-holding commercial bank wholly owned by corporate legal entities in China. After years of effort, China Merchants Bank, now listed in Shanghai, China and Hong Kong, has transitioned itself into a leading national commercial bank with total assets over RMB6,290 billion and operating over 1,800 banking business outlets by the end of December 2017.

China Merchants Bank and Wing Lung Bank will further strengthen the collaboration and foster the establishment of a cross-border financial service platform so as to offer a wider range of quality products and services to customers.

組織摘要 Corporate Information

董事會

董事長
田惠宇

副董事長
李浩

董事
朱琦
許世清
劉鈞
張誠
朱江濤
*周光暉
*劉二飛
*郭琳廣
*王啟新
*張仁良

*獨立非執行董事

秘書
朱侃儀

管理委員會
朱琦
許世清
劉鈞
馮學鋒

戰略委員會
田惠宇 (主席)
朱琦
劉二飛
郭琳廣
王啟新

薪酬與考核委員會
郭琳廣 (主席)
李浩
張誠
周光暉
王啟新
張仁良

提名委員會
郭琳廣 (主席)
李浩
周光暉
王啟新
張仁良

BOARD OF DIRECTORS

Chairman
TIAN Huiyu, *MPA*

Vice-Chairman
LI Hao, *MBA*

Director
ZHU Qi, *MSc*
XU Shiqing, *PhD*
LIU Jun, *MBA*
ZHANG Cheng, *MBA*
ZHU Jiangtao, *MSc*
*CHOW Kwong Fai Edward, *JP, BA, FCA, FCPA, FHKIoD*
*LIU Erh Fei, *MBA*
*KWOK Lam Kwong Larry, *SBS, JP, LLM, FCPA*
*WANG Qixin, *MBA*
*CHEUNG Yan Leung Stephen, *BBS, JP*

*Independent Non-executive Director

Secretary
CHU Hon Yee Iva, *BA(Hons), MCG, ACIS, ACS*

Management Committee
ZHU Qi, *MSc*
XU Shiqing, *PhD*
LIU Jun, *MBA*
FENG Xuefeng, *PhD*

Strategy Committee
TIAN Huiyu (Chairman), *MPA*
ZHU Qi, *MSc*
LIU Erh Fei, *MBA*
KWOK Lam Kwong Larry, *SBS, JP, LLM, FCPA*
WANG Qixin, *MBA*

Remuneration and Appraisal Committee
KWOK Lam Kwong Larry (Chairman), *SBS, JP, LLM, FCPA*
LI Hao, *MBA*
ZHANG Cheng, *MBA*
CHOW Kwong Fai Edward, *JP, BA, FCA, FCPA, FHKIoD*
WANG Qixin, *MBA*
CHEUNG Yan Leung Stephen, *BBS, JP*

Nomination Committee
KWOK Lam Kwong Larry (Chairman), *SBS, JP, LLM, FCPA*
LI Hao, *MBA*
CHOW Kwong Fai Edward, *JP, BA, FCA, FCPA, FHKIoD*
WANG Qixin, *MBA*
CHEUNG Yan Leung Stephen, *BBS, JP*

審計委員會

周光暉 (主席)
朱江濤
劉二飛
郭琳廣
張仁良

風險委員會

張仁良 (主席)
朱江濤
周光暉
郭琳廣
劉二飛

行政人員

執行董事兼行政總裁

朱琦

執行董事兼總經理及風險總監

許世清

執行董事兼總經理

劉鈞

總經理

馮學鋒

財務總監

張頌強

資訊科技總監兼營運總監

王志強

助理總經理

陳健卿
宋麗華
鍾少權
和心

註冊行址

香港德輔道中45號

核數師

德勤•關黃陳方會計師事務所
執業會計師

Audit Committee

CHOW Kwong Fai Edward, *JP, BA, FCA, FCPA, FHKIoD*
ZHU Jiangtao, *MSc*
LIU Erh Fei, *MBA*
KWOK Lam Kwong Larry, *SBS, JP, LLM, FCPA*
CHEUNG Yan Leung Stephen, *BBS, JP*

Risk Committee

CHEUNG Yan Leung Stephen (Chairman), *BBS, JP*
ZHU Jiangtao, *MSc*
CHOW Kwong Fai Edward, *JP, BA, FCA, FCPA, FHKIoD*
KWOK Lam Kwong Larry, *SBS, JP, LLM, FCPA*
LIU Erh Fei, *MBA*

EXECUTIVES

Executive Director & Chief Executive Officer

ZHU Qi, *MSc*

Executive Director, General Manager & Chief Risk Officer

XU Shiqing, *PhD*

Executive Director & General Manager

LIU Jun, *MBA*

General Manager

FENG Xuefeng, *PhD*

Chief Financial Officer

CHEUNG Chung Keung, *MSc, MBA, FCCA, CPA, FRM*

Chief Information Officer & Chief Operating Officer

WANG Zhiqiang, *MSc*

Assistant General Manager

CHAN Kin Hing, *MBA, LL.B. (Hons), ACIS, ACS*
SONG Lihua, *MSc*
CHUNG Siu Kuen, *BBA (Hons), MBA, LL.B. (Hons), RSSC*
HE Xin, *MBA*

REGISTERED OFFICE

45 Des Voeux Road Central, Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

董事及行政人員個人資料 Biographical Details of Directors and Executives

董事會

田惠宇先生

董事長

二〇一五年五月起為本行董事長。招商銀行執行董事、行長兼首席執行官。上海財經大學基建財務與信用專業大學本科畢業，哥倫比亞大學公共管理專業碩士學位，高級經濟師。二〇一一年三月至二〇一三年五月任中國建設銀行零售業務總監兼北京市分行主要負責人、行長；二〇〇六年十二月至二〇一一年三月歷任中國建設銀行上海市分行副行長、深圳市分行主要負責人、行長；二〇〇三年七月至二〇〇六年十二月任上海銀行副行長；一九九八年七月至二〇〇三年七月任中國信達資產管理公司信託投資公司副總裁。現任招銀國際金融控股有限公司董事長、招銀國際金融有限公司董事長、招聯消費金融有限公司副董事長以及中國銀行間市場交易商協會監事長。

李浩先生

副董事長

二〇〇八年十月起為本行董事，二〇一五年七月起獲委任為本行副董事長。一九九七年五月加入招商銀行任總行行長助理，二〇〇〇年四月至二〇〇二年三月兼任招商銀行上海分行行長，二〇〇一年十二月起擔任招商銀行副行長，二〇〇七年三月起兼任財務負責人，二〇〇七年六月起擔任招商銀行執行董事，二〇一三年五月起擔任招商銀行常務副行長。工商管理碩士學位，高級會計師。現任招商基金管理有限公司董事長、深圳市招銀前海金融資產交易中心有限公司副董事長、招銀國際金融控股有限公司董事、招聯消費金融有限公司董事、中國支付清算協會副會長、中國證券投資基金業協會會員理事及兼職副會長及中國互聯網金融協會理事。

Board of Directors

Mr TIAN Huiyu, MPA

Chairman

Mr Tian has been the Chairman of the Bank since May 2015. He is the Executive Director, President and Chief Executive Officer of China Merchants Bank Co., Ltd. ("CMB"). He obtained his bachelor's degree in infrastructure finance and credit from Shanghai University of Finance and Economics and his master's degree in public administration from Columbia University. He is a senior economist. He has been the Business Executive of retail banking at the Head Office and General Manager of Beijing Branch of China Construction Bank Corporation ("CCB") from March 2011 to May 2013. He served consecutively as Deputy General Manager of Shanghai Branch of CCB, Head and General Manager of Shenzhen Branch of CCB from December 2006 to March 2011, Executive Vice President of Bank of Shanghai from July 2003 to December 2006 and Vice President of Trust Investment Branch of China Cinda Asset Management Co., Ltd from July 1998 to July 2003. He is also the Chairman of CMB International Capital Holdings Corporation Limited and CMB International Capital Corporation Limited, the Vice-Chairman of Merchants Union Consumer Finance Company Limited and the Chairman of Board of Supervisors of National Association of Financial Market Institutional Investors.

Mr LI Hao, MBA

Vice-Chairman

Mr Li has been a Director and the Vice-Chairman of the Bank since October 2008 and July 2015 respectively. He joined CMB as Executive Assistant President in May 1997. He was the President of the Shanghai Branch of CMB from April 2000 to March 2002. He has been an Executive Vice President of CMB since December 2001, and the Chief Financial Officer since March 2007. He has served as an Executive Director of CMB since June 2007, and the First Executive Vice President of CMB since May 2013. He obtained a master's degree in Business Administration and is a senior accountant. He is also the Chairman of China Merchants Fund Management Co. Ltd., the Vice-Chairman of Shenzhen CMB Qianhai Financial Asset Exchange Co. Ltd, a Director of CMB International Capital Holdings Corporation Limited and Merchants Union Consumer Finance Company Limited, the Vice President of Payment & Clearing Association of China, Director and Vice President of Asset Management Association of China, and a Director of National Internet Finance Association of China.

朱琦先生

執行董事兼行政總裁

二〇〇八年九月及十月分別獲委任為本行行政總裁及執行董事，現亦為本行主要附屬公司董事。二〇〇八年八月加入招商銀行，二〇〇八年十二月起任招商銀行副行長。現任招銀國際金融有限公司及香港中資企業慈善基金有限公司董事。曾於一九八六年至二〇〇八年在中國工商銀行工作，歷任中國工商銀行香港分行副總經理、總經理，中國工商銀行（亞洲）有限公司董事、董事總經理兼行政總裁，華商銀行董事長。經濟學碩士。

許世清博士

執行董事兼總經理及風險總監、替任行政總裁

二〇一六年十月加入本行為本行總經理及風險總監，同年十一月起獲委任為本行執行董事，並為本行各主要附屬公司董事。美國南加州大學工商管理博士研究生，高級經濟師。一九九三年加入招商銀行，歷任總行辦公室主任助理、總行國際業務部總經理助理、總行國際業務部副總經理、總行離岸業務部副總經理、福州分行行長助理、總行計劃資金部副總經理、總行基金托管部負責人、總行計劃資金部兼基金托管部總經理、總行計劃財務部總經理、總行戰略發展部兼海外發展部總經理、香港分行行長、董事會秘書、聯席公司秘書。

Mr ZHU Qi, MSc

Executive Director & Chief Executive Officer

Mr Zhu has been appointed as the Chief Executive Officer and Executive Director of the Bank since September 2008 and October 2008 respectively. He also sits on the board of principal subsidiary companies of the Bank. He joined CMB in August 2008 and has been appointed an Executive Vice President of CMB since December 2008. He is also a Director of CMB International Capital Corporation Limited and The Hong Kong Chinese Enterprises Charitable Foundation Limited. He worked in the Industrial and Commercial Bank of China from 1986 to 2008, and was the Deputy General Manager and General Manager of Industrial and Commercial Bank of China, Hong Kong Branch, the Director and Managing Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited, and the Chairman of Chinese Mercantile Bank. He obtained a master degree in Economics.

Dr XU Shiqing, PhD

Executive Director, General Manager & Chief Risk Officer, Alternate Chief Executive Officer

Dr Xu joined the Bank as the General Manager and Chief Risk Officer in October 2016, and has been appointed as an Executive Director of the Bank and a Director of all principal subsidiary companies of the Bank. He was a doctor of philosophy in Business Administration of the Southern California University and a senior economist. He joined CMB in 1993. He held various positions such as the Executive Assistant in the General Office of the Head Office, Assistant General Manager of International Business Department of Head Office, Deputy General Manager of International Business Department of the Head Office, Deputy General Manager of Offshore Business Department of the Head Office, Assistant General Manager of Fuzhou Branch, Deputy General Manager of Planning and Treasury Department of Head Office, Person-in-charge of Custodian Department of the Head Office, General Manager of Planning and Financial Department and Treasury Department of the Head Office, General Manager of Planning and Financial Department of the Head Office, General Manager of Strategic Development Department and Overseas Department of the Head Office, President & Chief Executive of Hong Kong Branch, the Secretary of the Board of Directors and one of the joint company secretaries of CMB.

董事及行政人員個人資料 Biographical Details of Directors and Executives

劉鈞先生

執行董事兼總經理、替任行政總裁
二〇一三年一月加入本行獲委任為本行總經理兼風險總監，同年四月起獲委任為本行執行董事，現亦為本行各主要附屬公司董事。二〇一六年十月不再兼任風險總監。工商管理碩士學位。加入本行前，任職招商銀行總行運營管理部總經理、會計部總經理、招商銀行香港分行副行長等多個重要職位。

張誠先生

非執行董事
二〇一七年九月獲委任為本行董事。中國人民大學本科畢業，中國人民大學工商管理碩士。一九九三年八月至二〇一四年二月，在建設銀行深圳市分行、北京市分行等工作，歷任分行部門副總經理、總經理。二〇一四年四月加入招商銀行，歷任招商銀行總行人力資源部副總經理、總經理。

朱江濤先生

非執行董事
二〇一六年七月獲委任為本行董事。經濟學碩士。二〇〇三年一月加入招商銀行。二〇〇三年一月至二〇一六年二月期間，先後歷任招商銀行南昌分行青山湖支行行長、廣州分行風險控制部總經理、廣州分行授信審批部總經理、廣州分行行長助理、廣州分行副行長、重慶分行行長及總行信用風險管理部總經理。二〇一六年三月任招商銀行總行風險管理部總經理。

Mr LIU Jun, MBA

Executive Director, General Manager, Alternate Chief Executive Officer
Mr Liu joined the Bank as the General Manager and Chief Risk Officer in January 2013, and has been appointed as an Executive Director of the Bank since April 2013. He is also a Director of all principal subsidiary companies of the Bank. He ceased to act as Chief Risk Officer in October 2016. He obtained a master's degree in Business Administration. Prior to joining the Bank, he held various senior executive roles including General Manager of Operations Management Department of the Head Office, General Manager of Accounting Department of the Head Office and Vice President of Hong Kong Branch of CMB.

Mr ZHANG Cheng, MBA

Non-executive Director
Mr Zhang has been appointed as a Director of the Bank since September 2017. He graduated and obtained a master's degree in business administration from the Renmin University of China. From August 1993 to February 2014, he worked in Shenzhen Branch and Beijing Branch of China Construction Bank Corporation and served as Deputy General Manager and General Manager of the departments of the branches. In April 2014, he joined CMB and served as Deputy General Manager and General Manager of Human Resources Department of the Head Office of CMB.

Mr ZHU Jiangtao, MSc

Non-executive Director
Mr Zhu has been appointed as a Director of the Bank since July 2016. He obtained a master's degree in Economics. He joined CMB in January 2003. He served as the President of Qingshanhu Sub-branch of Nanchang Branch, General Manager of Risk Management Department of Guangzhou Branch, General Manager of Credit Department of Guangzhou Branch, Assistant President of Guangzhou Branch, Vice President of Guangzhou Branch, President of Chongqing Branch and General Manager of Credit Risk Management Department of the Head Office of CMB from January 2003 to February 2016. He has been the General Manager of Risk Management Department of the Head Office of CMB since March 2016.

周光暉太平紳士

獨立非執行董事

二〇一四年六月起獲委任為本行董事。為英格蘭及威爾斯特許會計師公會資深會員、其香港分會主席，及曾任其理事及商務委員會主席及香港會計師公會前會長。在當選香港會計師公會會長前，為該會企業管治委員會及商界會計師委員會的主席。自二〇〇一年至二〇〇八年為香港董事學會副主席，於二〇〇六年至二〇〇八年為國際會計師協會的商界會計師委員會主席。現任經濟合作組織／世界銀行之企業管治亞洲圓桌會議核心成員、市區重建局非執行董事、香港大學校務委員會及校董會委員、新濠國際發展有限公司、力高地產集團有限公司及中國飛機租賃集團控股有限公司獨立非執行董事、香港工商專業聯會顧問，並曾任中國人民政治協商會議浙江省常務委員會委員及召集人、香港特別行政區選舉委員會委員及中國財政部會計準則委員會會計準則諮詢專家。在投身商界之前，分別在當時倫敦的德勤會計師事務所及香港的羅兵咸會計師事務所任職11年。於二〇〇八年七月獲香港特別行政區行政長官委任為太平紳士。周先生被香港董事學會選為「2010年度傑出董事獎－恒生指數成份股類別」非執行董事得獎者。

Mr CHOW Kwong Fai Edward, JP, BA, FCA, FCPA, FHKIoD

Independent Non-executive Director

Mr Chow has been appointed as a Director of the Bank since June 2014. He is a fellow member of The Institute of Chartered Accountants in England and Wales, Chairman of its Hong Kong Chapter and a former council member and chairman of its Commercial Board. He is a past president of the Hong Kong Institute of Certified Public Accountants (HKICPA) and chaired the HKICPA's Corporate Governance Committee and Professional Accountants in Business (PAIB) Committee before elected president. He had been a Deputy Chairman of The Hong Kong Institute of Directors from 2001 to 2008 and the Chairman of the PAIB Committee of the International Federation of Accountants (IFAC) from 2006 to 2008. He is currently a core member of the OECD/World Bank Asian Corporate Governance Roundtable, a Non-executive director of the Urban Renewal Authority, a member of Council and of the Court of The University of Hong Kong, an Independent Non-executive Director of Melco International Development Limited, Redco Properties Group Limited and China Aircraft Leasing Group Holdings Limited, an advisor of the Business and Professionals Federation of Hong Kong, and was a Standing Committee member and convenor of The Chinese People's Political Consultative Conference – Zhejiang Province, a member of the Election Committee of the Hong Kong Special Administrative Region and an expert advisor of the Accounting Standards Committee of the Ministry of Finance, the People's Republic of China. Prior to entering the commercial sector, he spent 11 years working for two major accounting firms, Deloitte Haskins & Sells and Price Waterhouse (as they were then known), respectively in London and Hong Kong. He was appointed a Justice of Peace by the Chief Executive of the Hong Kong Special Administrative Region in July 2008. He was also an awardee of the Directors of the Year Award 2010 in the non-executive director of listed companies (SEHK – Hang Seng Index Constituents) category, awarded by the Hong Kong Institute of Directors.

董事及行政人員個人資料 Biographical Details of Directors and Executives

劉二飛先生

獨立非執行董事

二〇一三年十月起被委任為本行董事。現為亞投基金管理創始合伙人兼CEO，信泰資本管理有限公司董事，同時為世紀互聯數據中心有限公司、華寶金融（寶鋼金融板塊）、江西銅業股份有限公司、慶鈴汽車股份有限公司及大華銀行（中國）有限公司獨立非執行董事。由一九九九年至二〇一二年，曾在美林（後來的美國美林銀行）工作，歷任中國區主席、亞洲投資銀行主席及大中華地區私募股權主管。於二〇〇六年，獲《銀行家雜誌》選為亞洲年度投資銀行家。由一九八七年至一九九九年期間，曾於數家投資銀行和商業銀行工作，包括高盛、摩根士丹利、美邦和東方匯理銀行。於一九八七年獲得哈佛商學院工商管理碩士學位；於一九八四年獲得布蘭代斯大學經濟學士學位；於一九八一年獲得北京外國語大學英語文憑。

郭琳廣 銀紫荊星章 太平紳士

獨立非執行董事

二〇一五年五月起被委任為本行董事。現為郭葉陳律師事務所合夥人。畢業於澳洲悉尼大學並先後取得經濟學學士、法學學士及法學碩士學位，其後亦取得哈佛商學院的高級管理課程(Advanced Management Program)文憑。為香港執業律師，同時亦具有澳洲、英格蘭和威爾斯及新加坡的執業律師資格。另具有英格蘭和威爾斯的特許會計師資格及澳洲和香港的認可會計師資格。任職多個政府諮詢機構及委員會的委員，現為監警會主席及交通諮詢委員會主席，亦是證監會房地產投資信託基金委員會委員。

Mr LIU Erh Fei, MBA

Independent Non-executive Director

Mr Liu has been appointed as a Director of the Bank since October 2013. He is a founding partner and CEO of Asia Investment Fund Management Ltd as well as a Director of Cindat Capital Management Limited. He is also an Independent Non-executive Director of 21Vianet Group, Inc., Huabao Finance (Finance Section of Baosteel), Jiangxi Copper Company Limited, Qingling Motors Co., Ltd and United Overseas Bank (China) Limited. From 1999 to 2012, he worked at Merrill Lynch (later Bank of America Merrill Lynch) in various capacities including Chairman of the China Region, Chairman of Investment Banking for Asia and Head of Private Equity for Greater China. In 2006, he received the Investment Banker of the Year in Asia award from “Banker” magazine. From 1987 to 1999, he worked in a number of investment and commercial banks including Goldman Sachs, Morgan Stanley, Smith Barney and Credit Agricole Indosuez. He graduated from Harvard Business School in 1987 with a master’s degree in Business Administration, from Brandeis University with a bachelor of arts degree in Economics in 1984 and from Beijing Foreign Languages University with a diploma in English in 1981.

Mr Kwok Lam Kwong Larry, SBS, JP, LLM, FCPA

Independent Non-executive Director

Mr Kwok has been appointed as a Director of the Bank since May 2015. He is a partner of Kwok Yih & Chan. He graduated from the University of Sydney, Australia with double bachelor’s degrees in accounting/economics and laws respectively as well as a master’s degree in laws. He also obtained the Advanced Management Program diploma from the Harvard Business School. He is qualified to practise as a solicitor in Hong Kong, Australia, England and Wales and Singapore. He is also qualified as a Chartered Accountant in England and Wales and a CPA in Hong Kong and Australia. He has served regularly on Government boards and committees. He is currently Chairman of the Independent Police Complaints Council and the Transport Advisory Committee. He is also a member of the Committee on Real Estate Investment Trusts of the Securities and Futures Commission.

王啟新先生

獨立非執行董事

二〇一七年一月獲委任為本行董事。新加坡國立大學工商管理碩士。一九八三年八月至二〇一五年四月期間，於中國建設銀行歷任總行辦公室值班室秘書、總行國際業務部副處長、處長、東京代表處副首席代表、新加坡代表處首席代表、新加坡分行副總經理、總行國際業務部副總經理、悉尼代表處首席代表、悉尼分行總經理。二〇一四年十一月至二〇一六年八月任中國建設銀行（新西蘭）有限公司非執行董事。

張仁良教授 銅紫荊星章 太平紳士

獨立非執行董事

二〇一七年九月獲委任為本行董事。現任香港教育大學校長，並兼任公共政策講座教授。加入香港教育大學前，曾任香港浸會大學工商管理學院院長及金融學講座教授。同時亦為復旦大學顧問教授和上海交通大學兼任教授。著名金融學學者，積極從事學術研究，集中於探討企業管治、企業社會責任及金融市場發展，其研究著作廣泛刊載於經審閱的國際學術期刊。積極參與多項公共服務，出任多個委員會的工作，現為香港金融管理局ABF香港創富債券指數基金監督委員會主席及社會創新及創業發展基金專責小組主席。同時為外匯基金諮詢委員會委員、扶貧委員會成員，以及中國第十三屆全國政協委員。另亦為長盛基金管理有限公司獨立非執行董事。過去多年來，曾出任多項公職，包括太平洋經濟合作香港委員會主席、西九文化區管理局諮詢會主席，醫護人力規劃及專業發展策略檢討督導委員會轄下的護士及助產士小組主席，以及中央政策組非全職顧問。於二〇〇九年獲香港特區政府頒發銅紫荊星章，於二〇〇七年獲委任為太平紳士，並於二〇一七年獲法國政府頒發棕櫚教育軍官榮譽勳章。

Mr WANG Qixin, MBA

Independent Non-executive Director

Mr Wang has been appointed as a Director of the Bank since January 2017. He obtained a master's degree in Business Administration from National University of Singapore. He worked in China Construction Bank Corporation from August 1983 to April 2015 and served as the Secretary of Duty Room of the Head Office, Deputy Head and Head of International Business Department of the Head Office, Deputy Chief Representative of Tokyo Representative Office, Chief Representative of Singapore Representative Office, Deputy General Manager of Singapore Branch, Deputy General Manager of International Business Department of the Head Office, Chief Representative of Sydney Representative Office and General Manager of Sydney Branch of China Construction Bank Corporation. He had been the Non-executive Director of China Construction Bank (New Zealand) Limited from November 2014 to August 2016.

Professor CHEUNG Yan Leung Stephen, BBS, JP

Independent Non-executive Director

Professor Cheung has been appointed as a Director of the Bank since September 2017. He is President of The Education University of Hong Kong (EdUHK), holding the concurrent title of Chair Professor of Public Policy. Prior to joining the EdUHK, he was Dean and Chair Professor of Finance, School of Business at the Hong Kong Baptist University. He also holds Advisory and Adjunct Professorships at Fudan University and Shanghai Jiao Tong University respectively. He is highly active in academic research, focusing on corporate governance, corporate social responsibility and financial market development, and publishes widely in international refereed journals. He has actively participated in a wide range of community services. He is Chairman of the Supervisory Committee of the Asian Bond Fund (ABF) Hong Kong Bond Index Fund of the Hong Kong Monetary Authority and the Social Innovation and Entrepreneurship Development Fund Task Force. He serves as a member on the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority, the Commission on Poverty and the 13th Chinese People's Political Consultative Conference. He is also an Independent Non-executive Director of the Changsheng Fund Management Co., Ltd. In past years, he held a number of other public offices. He was the Chairman of the Hong Kong Committee for Pacific Economic Cooperation, the Consultation Panel of the West Kowloon Cultural District Authority and the Nursing and Midwifery Sub-Group of the Steering Committee on Strategic Review on Healthcare Manpower Planning and Professional Development, as well as Part-time Member of the Central Policy Unit. He was awarded the Bronze Bauhinia Star in 2009 and was appointed as Justice of the Peace in 2007 by the HKSAR Government. He was also bestowed the Distinction of "Officier dans l'Ordre des Palmes Academiques" by the French Government in 2017.

董事及行政人員個人資料 Biographical Details of Directors and Executives

行政人員

馮學鋒博士

總經理及替任行政總裁

二〇一七年十二月加入本行為總經理。南開大學金融學博士。一九九七年加入招商銀行，歷任西安分行信貸業務部、國際業務部總經理、總行國際業務部單證中心副主任、深圳分行國際業務部總經理、深圳分行蛇口支行行長、深圳分行前海分行籌備組組長、香港分行行長助理、副行長。

張頌強先生

財務總監

一九九一年加入本行，二〇〇七年任助理總經理。會計師。二〇一〇年任財務總監。現亦為時永投資有限公司及永隆銀行受託代管有限公司董事。

王志強先生

資訊科技總監兼營運總監

二〇〇九年加入本行任助理總經理，二〇一〇年任資訊科技總監，二〇一五年任資訊科技總監兼營運總監。現亦為康令有限公司董事。

陳健卿女士

助理總經理

一九八一年加入本行，二〇一〇年任助理總經理，主要負責本行的信貸風險管理事務及信貸資產組合的監控。

宋麗華女士

助理總經理

二〇一一年加入本行任助理總經理，主要負責本行的金融機構業務、現金管理業務、企業傳訊和戰略發展及海外業務管理。

鍾少權先生

助理總經理

二〇一三年加入本行出任助理總經理，主要負責管理本行之零售銀行部、信用卡及無抵押貸款部、按揭及抵押貸款部，以及客戶服務中心。

和心先生

助理總經理

二〇一四年加入本行，二〇一六年任助理總經理，主要負責本行的公司銀行及環球金融業務。現亦為永隆融資有限公司董事及永隆股權管理(深圳)有限公司董事。

Executives

Dr FENG Xuefeng, PhD

General Manager & Alternate Chief Executive Officer

Dr Feng joined the Bank as General Manager in December 2017. He obtained a doctorate's degree in Finance from Nan Kai University. He joined CMB in 1997. He held various positions such as the General Manager of Credit Business Department and International Business Department of Xian Branch, Deputy Director of Document Center of International Business Department of the Head Office, General Manager of International Business Department of Shenzhen Branch, President of Shekou Sub-branch of Shenzhen Branch, Qianhai Branch preparation Chief Team Leader of Shenzhen Branch, Senior Vice President and Assistant to the President of Hong Kong Branch of CMB.

Mr CHEUNG Chung Keung, MSc, MBA, FCCA, CPA, FRM

Chief Financial Officer

Mr Cheung joined the Bank in 1991 and was appointed as an Assistant General Manager in 2007. He is a Certified Public Accountant. He has been appointed as the Chief Financial Officer since 2010. He is also a member of the board of Sea Wing Investments Limited and Wing Lung Bank (Nominees) Limited.

Mr WANG Zhiqiang, MSc

Chief Information Officer & Chief Operating Officer

Mr Wang joined the Bank in 2009 as Assistant General Manager. He has been appointed as the Chief Information Officer since 2010 and Chief Operating Officer since 2015. He is also a member of the board of Hongnet Limited.

Ms CHAN Kin Hing, MBA, LL.B. (Hons), ACIS, ACS

Assistant General Manager

Ms Chan joined the Bank in 1981 and has been appointed as an Assistant General Manager since 2010. She is primarily responsible for the Bank's credit risk management affairs and loan asset portfolio monitoring.

Ms SONG Lihua, MSc

Assistant General Manager

Ms Song joined the Bank as Assistant General Manager in 2011. She is primarily responsible for the Bank's financial institutions business, cash management business, corporate communications and strategic development & overseas business management.

Mr CHUNG Siu Kuen, BBA (Hons), MBA, LL.B. (Hons), RSSC

Assistant General Manager

Mr Chung joined the Bank as Assistant General Manager in 2013. His primary responsibility is to supervise the Bank's Retail Banking Department, Credit Card & Unsecured Loans Department, Mortgage & Secured Loans Department and Customer Contact Centre.

Mr HE Xin, MBA

Assistant General Manager

Mr He joined the Bank in 2014 and has been appointed as an Assistant General Manager since 2016. He is primarily responsible for the Bank's corporate banking and global financing businesses. Member of the board of Wing Lung Capital Limited and Wing Lung Equity Investment Management (Shenzhen) Limited.

董事長致辭 Chairman's Statement



田惠宇 董事長
TIAN Huiyu Chairman

二〇一七年是永隆銀行成為招商銀行全資子公司的第九個完整年度。一年來，面對充滿挑戰的外部環境，永隆銀行認真落實監管機構和董事會的要求，致力克服各種不利因素，積極推進與招商銀行的協同聯動，加快經營轉型，著力加強核心能力建設，保持了良好的經營發展態勢。

一是盈利水平保持平穩增長。全年實現股東應佔綜合溢利港幣38.58億元，同比增長10.3%；平均總資產收益率為1.36%，較二〇一六年微升0.02個百分點；平均淨資產收益率為12.36%，較二〇一六年下降0.19個百分點。二是風險抵禦能力持續增強。資產質素保持良好，不良貸款率（包括商業票據）為0.54%。年末總資本比率為18.2%，一級資本比率為14.4%，普通股權一級資本比率為12.2%，第四季平均流動性覆蓋率為150.2%，均符合監管要求。三是業務結構繼續優化。財富管理、金融市場等戰略性業務平穩發展，全年實現非利息淨收入港幣22.22億元，佔營業淨收入37.9%。

2017 was the ninth full year for Wing Lung Bank (the “Bank”) after becoming a wholly owned subsidiary of China Merchants Bank (“CMB”). During the year, amidst a challenging external environment, the Bank fulfilled the requirements of regulatory authorities and the Board of Directors, overcame numerous adverse factors, actively put forward the collaboration with CMB, forged ahead reforms on business strategies and enhanced key competencies, thereby maintaining an excellent development trend.

Firstly, the Bank's profitability maintained steady. During the year, the Bank achieved a consolidated profit attributable to shareholders of HK\$3,858 million, representing an increase of 10.3% as compared with the previous year. Return on average assets increased slightly by 0.02 percentage point to 1.36% compared to that for the year of 2016. Return on average equity decreased by 0.19 percentage point to 12.36% compared to that for the year of 2016. **Secondly, the Bank's risk resistance capability strengthened persistently.** The non-performing loan ratio, including trade bills, was 0.54%, reflecting a sound asset quality. As at the year end of 2017, total capital ratio, tier 1 capital ratio and common equity tier 1 capital ratio were 18.2%, 14.4% and 12.2% respectively, and the average liquidity coverage ratio for the fourth quarter was 150.2%, all above statutory requirements. **Thirdly, the Bank's business structure optimised continuously.** Strategic businesses such as wealth management and financial market grew steadily. Net non-interest income amounted to HK\$2,222 million for the year, contributing 37.9% of the net operating income.

董事長致辭 Chairman's Statement

二〇一七年，董事會認真履行職責，進一步提高議事決策能力，推動了一系列卓有成效的工作。在完善公司治理、推進協同聯動、推動業務創新、提升管理水平等方面做了大量卓有成效的工作，為本行的發展堅定了方向，為管理層提供了有力的支持。

在完善公司治理方面，調整了專業委員會及其職權範圍，分拆了審計與風險管理委員會為審計委員會和風險委員會，成立了提名委員會，委任了專業委員會成員，並委任了獨立非執行董事為薪酬與考核委員會、審計委員會、風險委員會、提名委員會的主席；修訂董事會工作制度；制定了企業管治政策；組織做好信息披露與投資者關係管理；補充非執行董事及獨立非執行董事，在主要條線配置並健全了管理團隊；同時推動經營班子梳理並完善了永隆銀行內部組織架構和報告路線。

在推動協同聯動方面，以客戶需求為導向，加強招商銀行和永隆銀行兩行的客戶轉介、交叉銷售及資源共享，境內外聯動優勢與協同效應得到進一步發揮。

在推動業務創新方面，把握跨境金融需求日益增長的機遇，以全面提升跨境金融服務能力為目標，豐富和完善涵蓋跨境結算、跨境融資、資產經營及結構性理財等在內的一系列跨境公司金融產品體系，致力於打造中小銀行跨境金融服務平台。針對內地與香港兩地高端客戶對跨境財富保障與傳承需求增加，以全球化的視野，本土化的智略，致力為高淨值客戶提供豐富的個人化投資理財服務及專屬增值服務，實現財富「世代傳承 永遠興隆」。為迎合與時並進的理財所需，跨進金融服務新領域，推出創新的「永隆銀行一點通」手機銀行服務，為客戶提供多項優質及便捷的銀行服務。本行連手招商銀行，成為香港首家基於區塊鏈技術實現跨境人民幣同業清算的銀行，為客戶帶來安全、高效、快速的區塊鏈技術，達至「三贏」。

In 2017, the Board of Directors properly performed its duties, further enhanced its decision making capability and put forward a series of fruitful works. The Board achieved remarkable results in strengthening corporate governance, fostering collaboration with CMB, accelerating business innovation and enhancing management capability. These efforts established the development direction of the Bank and supported the operations of the management.

To strengthen corporate governance, the Board restructured the specialised committees and revised the relevant terms of reference. The Audit and Risk Management Committee was separated into Audit Committee and Risk Committee. The Nomination Committee was set up. Members of the specialised committees were appointed, and independent non-executive directors were appointed as Chairman of the Remuneration and Appraisal Committee, Audit Committee, Risk Committee and Nomination Committee. The Board revised the procedural rules for the Board of Directors and established corporate governance policy. Moreover, the information disclosure and management of investor relations were strengthened. The Board appointed new non-executive director and independent non-executive director as well as deployed comprehensive management teams in major business lines. In addition, the Board also further advanced the optimisation of the internal structure and reporting line of the Bank by the management.

To foster collaboration with CMB, the Board focused on customer demand as well as strengthened business referral, cross-selling and resources sharing between CMB and the Bank, so as to further capitalise on the advantages of cross-border coordination and synergy effect.

To accelerate business innovation, the Board grasped the opportunities arising from the increase in demand for cross-border financial service and focused on its objective of enhancing the Bank's cross-border financial service capability. The Board also strived to enhance and optimise the cross-border financial product system including cross-border settlement, cross-border financing, asset management and structured wealth management. Great emphasis was placed on building cross-border financial service platform for small and medium banks. To meet the increasing demands for wealth preservation and inheritance from high-end customers in Hong Kong and the Mainland, the Bank, leveraging on its globalised vision and local knowledge, strived to provide comprehensive tailored wealth management and exclusive value-added services to high-net-worth customers so as to enable them to achieve "Prosperity Across Generations". To cater for ever-changing financial needs and move forward into the new era of financial services, the Bank launched the brand new mobile application "WLB Wintech", providing customers with quality, convenient and efficient banking services. To provide customers with a safe, efficient and rapid block chain technology, the Bank, joined with CMB, became the first bank in Hong Kong applying block chain in cross-border Renminbi interbank clearing, thus achieving a "win-win-win situation".

在提升管理水平方面，持續完善全面風險管理體系，繼續推動與招商銀行的併表管理及新資本協議統一實工作；加強IT系統、管道建設、績效考核、客戶服務等核心能力建設，致力營造開拓進取、和諧向上的文化氛圍，進一步提升永隆銀行品牌形象。

上述成績的取得，是與廣大客戶的支持，全行員工的辛勤努力，同業機構及社會各界的大力支持分不開的。在此，我謹代表永隆銀行，向所有關心和支持永隆銀行發展的社會各界朋友，表示最誠摯的感謝！

二〇一八年，環球經濟可望持續向好，惟仍有不確定因素。美國經濟前景雖較為樂觀，惟仍取決稅改方案的影響及聯邦儲備局利率正常化的步調。歐元區經濟預期保持溫和增長，惟英國與歐盟之間的「脫歐」談判過程料會延續，帶來不少變數。地緣政治問題及貿易保護主義持續困擾環球金融市場。中國內地方面，經濟保持穩中求進的總基調，進一步深化供給側結構性改革，追求高質量發展，繼續推行積極的財政政策及穩健的貨幣政策。總體而言，外圍經濟充斥著不明朗因素，永隆銀行面臨充滿考驗的經營環境。與此同時，隨著內地經濟增長動力加快切換、結構日趨優化，金融改革扎實推進，加上跨境金融需求快速增長及與招商銀行業務聯動的日益深入，永隆銀行亦獲得新的機遇。

在新形勢下，永隆銀行將進一步深化與招商銀行的協同聯動，積極構建跨境金融服務平台；同時致力推動管理變革，切實推進戰略轉型，全面提升經營和管理效能；繼續加強關鍵能力建設，以更加優質的服務和良好的業績，真誠回饋社會各界的支持與關愛。

衷心期盼社會各界一如既往地關心、支持永隆銀行的發展。

田惠宇
董事長

二〇一八年三月二十日

To enhance management capability, the Board continued to strengthen its comprehensive risk management system, and put forward the consolidated reporting management and joint implementation of the new capital accord requirements with CMB. Great emphasis was placed on strengthening the core capabilities of IT system, channel building, performance appraisal system and customer service. The Bank also strived to build a proactive, harmonious and progressive culture in order to enhance its brand image.

The above achievements were attributable to the valuable support from our customers, fellow bankers and the public as well as the dedicated service of all our staff. On behalf of the Bank, I would like to express my sincere gratitude to all of our friends for their dedication and continued support.

Looking forward into 2018, the global economy will stay on an upward trend but still fill with uncertainties. Although the US economic outlook is more promising, it will hinge on the effects of the tax reform and the pace of interest rate normalisation adopted by the Federal Reserve. The European economy is expected to sustain moderate growth. However, the ongoing Brexit-related negotiation between the UK and the European Union will bring about uncertainties. The geopolitical issues and the trade protectionism will continue to affect the global financial markets. The Mainland will maintain the basic tone of seeking progress while maintaining stability through deepening the supply-side structural reform, achieving high quality development as well as implementing a proactive fiscal policy and prudent monetary policy. Amid uncertain global economic conditions, the operating environment will be challenging for the Bank. Nevertheless, the acceleration in the shift of driver of economic growth, optimisation of the structure and the continuous financial reform in the Mainland as well as the increase in demand for cross-border financial services and further business collaboration with CMB will bring new opportunities to the Bank for its future development.

Under the new situation, the Bank will continue to strengthen its collaboration with CMB and foster the establishment of a cross-border financial service platform. Meanwhile, the Bank will strive to put forward the reform in management, accelerate strategic transformation, enhance overall operational and management efficiency as well as strengthen core competencies. Moreover, the Bank will offer quality services and achieve better results to reward the public for their valuable support.

We sincerely look forward to the continuous support from the public in the years ahead.

TIAN Huiyu
Chairman

20 March 2018

行政總裁致辭 Chief Executive Officer's Statement



朱琦 行政總裁
ZHU Qi Chief Executive Officer

二〇一七年，香港經濟顯著擴張，全年本地生產總值實質增長3.8%。鑑於環球需求增加，帶動亞洲區內生產及貿易活動頻仍，本港整體貨物出口錄得可觀增長。受惠於就業及收入情況理想，加上正面財富效應，私人消費開支持續增強，內部需求保持堅挺。勞工市場維持全民就業，並進一步趨緊，工資及收入續見增長。環球經濟前景改善，外圍風險減少，投資氣氛趨樂觀，本地股票市場大幅上揚。由於政府於五月推出第八輪物業按揭貸款宏觀審慎監管措施，住宅物業市場約於年中時曾出現短暫放緩，其餘時間大致暢旺。本地成本壓力受控，加上輸入通脹低企，通脹保持溫和。

外圍環境方面，環球經濟持續改善。美國經濟轉強的勢頭持續，聯邦儲備局推進貨幣政策正常化，並展開縮減資產負債表計劃。歐元區經濟表現優於預期，歐洲央行二〇一八年初開始撤回部分貨幣刺激措施。隨著商品價格回升，新興經濟體整體表現有所改善。由於環球需求上升，亞洲區內貿易往來蓬勃，亞洲整體經濟體增長強勁。至於內地，經濟保持穩中求進的總基調，貫徹新發展理念，以供給側結構改革為主線，推進結構優化、動力轉換及質量提升，全年經濟增長為6.9%，實現經濟穩中向好、優於預期。香港屬開放型經濟體，經濟表現受外來因素影響，銀行的經營環境充滿挑戰。

In 2017, Hong Kong economy expanded notably, with real Gross Domestic Product increased by 3.8%. In view of the vibrant regional production and trading activities in Asia, driven by persistent expansion in global demand, Hong Kong's total export of goods recorded a significant growth. Thanks to favourable job and income situations as well as the wealth effects, private consumption expenditure continued to display strength and domestic demand stayed strong. The labour market remained in a state of full employment and tightened further. Wages and earnings sustained improvement. Amid the improved global economic outlook, along with receding external risks and bullish investor sentiment, the local stock market saw a strong rally. Despite a brief period of slowdown around mid-year after the introduction of the eighth round of macro-prudential measures for property mortgage loans in May, the residential property market was generally buoyant. As the local cost pressure was largely contained and imported inflation stayed low, inflation remained moderate.

Externally the global economy continued to improve. With sustaining strong growth momentum in US, the Federal Reserve put forward its monetary policy normalisation and commenced the plan of scaling back its balance sheet. The European economy achieved better-than-expected performance, paving the way for the European Central Bank to begin to withdraw some of its monetary stimulus measures in early 2018. Emerging market economies generally improved given rebound in commodity prices. Amid increasing global demand and the vibrant trade flows, the Asian economies saw robust growth. The Mainland maintained the basic tone of seeking progress while maintaining stability, adopted the new development philosophy, focused on the the supply-side structural reform as well as fostered structure optimisation, driving force transformation and quality improvement. The Mainland economy grew by 6.9% in 2017, achieving stable and sound development and exceeded expectations. Given its open economy, Hong Kong is inevitably affected by the external factors. The operating environment was challenging for the banking sector.

二〇一七年，本行與招商銀行（「招行」）繼續深化協同聯動，致力推動各項聯動業務，積極提升關鍵能力，充份展現協同效應，達到理想的業績，為建立跨境金融服務平台打造良好的基礎。

財務概況

截至二〇一七年十二月三十一日止年度，本集團股東應佔溢利為港幣38.58億元，較二〇一六年增長10.3%，主要由淨利息收入及應佔共同控制實體之淨溢利所帶動。平均資產回報率及平均股東權益回報率分別為1.36%及12.36%。

二〇一七年，本集團實現淨利息收入港幣36.38億元，較二〇一六年增加5.5%，主要由於貸款及債券投資均有所增加，惟整體息差收窄抵銷了部份淨利息收入增加。淨利息收益率較二〇一六年下降10個基點至1.40%。

非利息淨收入為港幣22.22億元，較二〇一六年減少11.9%，其中保險營業淨收入較二〇一六年減少69.1%至港幣2.10億元；淨交易收益較二〇一六年減少6.1%至港幣5.61億元；惟出售可供出售證券則錄得淨收益港幣3.00億元，較二〇一六年大幅增加135.2%。

營業支出為港幣19.53億元，較二〇一六年減少1.2%。二〇一七年的成本收入比率為33.3%，較二〇一六年上升0.2個百分點。

二〇一七年，貸款及應計利息之減值損失為港幣1.91億元，較二〇一六年減少23.8%。

截至二〇一七年十二月三十一日，本集團客戶總貸款（包括商業票據）餘額為港幣1,562億元，較二〇一六年底上升8.3%；不良貸款比率（包括商業票據）為0.54%，二〇一六年底則為0.11%，整體貸款質量維持良好。

In 2017, the Bank realised synergy effects through strengthening collaboration with China Merchants Bank (“CMB”), promoting coordinated business and enhancing key competencies. Consequently, the Bank achieved remarkable results and established a solid foundation for building a cross-border financial service platform.

Financial Review

For the year ended 31 December 2017, the profit attributable to the shareholders of the Group was HK\$3,858 million, representing a year-on-year increase of 10.3%, which was mainly driven by the increase in net interest income and share of net profits of jointly controlled entities. Return on average assets and return on average equity were 1.36% and 12.36% respectively.

In 2017, the Group recorded a net interest income of HK\$3,638 million, representing an increase of 5.5% as compared with that of 2016, which was mainly attributable to the increase in loans and bond investment. However, the increase in net interest income was partly offset by the decrease in overall interest margin. The net interest margin for the year was 1.40%, down by 10 basis points as compared with that for the year of 2016.

Net non-interest income was HK\$2,222 million, representing a decrease of 11.9% as compared with that of 2016. Insurance business posted net operating income of HK\$210 million, representing a decrease of 69.1% as compared with that of 2016. Net trading gain decreased by 6.1% to HK\$561 million. However, the Bank recorded a net gain on disposal of available-for-sale securities amounting to HK\$300 million, representing a substantial increase of 135.2% as compared with that of 2016.

Operating expenses amounted to HK\$1,953 million, representing a decrease of 1.2% as compared with that of 2016. The cost-to-income ratio for 2017 was 33.3%, representing an increase of 0.2 percentage point as compared with that in 2016.

In 2017, impairment losses on loans and accrued interest amounted to HK\$191 million, representing a decrease of 23.8% as compared with that of 2016.

As at 31 December 2017, the balance of total advances to customers, including trade bills, of the Group increased by 8.3% to HK\$156.2 billion as compared with that at the end of 2016. The non-performing loan ratio, including that of trade bills, was 0.54%, while that at the end of 2016 was 0.11%, which implied a sound loan quality on the whole.

行政總裁致辭 Chief Executive Officer's Statement

截至二〇一七年十二月三十一日，本集團客戶存款總額為港幣2,110億元，較二〇一六年底上升14.5%。各類存款中，與二〇一六年底比較，港幣存款增加209億元，上升21.3%；美元存款折合港幣後減少17.61億元，下降3.6%；人民幣存款折合港幣增加74.02億元，上升33.1%；其他幣種存款折算港幣後增加1.54億元，上升1.1%。

截至二〇一七年十二月三十一日，本集團總資產為港幣2,988億元，較二〇一六年底增長11.6%；股東應佔權益為港幣331億元，較二〇一六年底增長13.1%；貸存比率為69.7%，較二〇一六年底下降3.3個百分點。

本集團於二〇一七年底的普通股權一級資本比率為12.2%，一級資本比率為14.4%，總資本比率為18.2%，第四季平均流動性覆蓋比率為150.2%，均高於監管要求。

零售銀行

截至二〇一七年十二月三十一日，零售存款餘額為港幣1,529億元，較二〇一六年底上升14.3%。本行致力為客戶提供方便、安全、快捷的流動理財服務，於二〇一七年一月成功推出全新手機應用程式「永隆銀行一點通」，客戶經此途徑敘造定期更可享優惠利率。而實體渠道方面，本行優化開戶流程，提供無紙化開戶、「我要開戶」預約及電子表格開戶服務，成功於全線分行上線，大幅提升開戶效率和客戶體驗。

截至二〇一七年十二月三十一日，按揭及私人貸款餘額為港幣315億元，較二〇一六年底上升3.5%；其中住宅物業按揭分期餘額為港幣82.24億元，較二〇一六年底上升4.3%。二〇一七年本行以按揭及其他抵押貸款業務為渠道，吸納及維護優質高端客戶群，聚焦力度提升財富管理產品融資業務；以「存按揭」按揭計劃，吸納帶來新資金優質客戶，作交叉銷售財富管理產品，增加綜合收益。

The Group's total deposits from customers increased by 14.5% to HK\$211.0 billion as compared with that at the end of 2016. Among various kinds of deposits, Hong Kong Dollar deposits increased by HK\$20.9 billion or 21.3%; US Dollar deposits after translation decreased by HK\$1,761 million or 3.6%; RMB deposits after translation increased by HK\$7,402 million or 33.1%; and deposits in other foreign currencies after translation increased by HK\$154 million or 1.1%, as compared with that at the end of 2016.

As at 31 December 2017, total assets of the Group amounted to HK\$298.8 billion, representing an increase of 11.6% as compared with that at the end of 2016. Equity attributable to shareholders amounted to HK\$33.1 billion, representing an increase of 13.1% as compared with that at the end of 2016. Loan-to-deposit ratio was 69.7%, down by 3.3 percentage points as compared with that at the end of 2016.

As at 31 December 2017, common equity tier 1 capital ratio, tier 1 capital ratio and total capital ratio of the Group were 12.2%, 14.4% and 18.2% respectively, and the average liquidity coverage ratio for the fourth quarter was 150.2%, all above statutory requirements.

Retail banking

As at 31 December 2017, the balance of retail deposits amounted to HK\$152.9 billion, representing an increase of 14.3% over that at the end of 2016. To provide customers with convenient, secured and efficient mobile banking service, the Bank launched "WLB Wintech", the brand new mobile application in January 2017. Preferential interest rate would be offered to customers who opened fixed deposit accounts via WLB Wintech. As for physical channels, the Bank optimised the account opening procedure through providing paperless account opening, account opening appointment and electronic form account opening service at all branches so as to enhance the efficiency of account opening and customer experience.

As at 31 December 2017, the balance of mortgage and personal loans amounted to HK\$31.5 billion, representing an increase of 3.5% over that at the end of 2016. Of the total loans, the balance of residential mortgage loans amounted to HK\$8,224 million, representing an increase of 4.3% as compared with that at the end of 2016. In 2017, the Bank utilised the mortgage loan and other secured loan businesses as its channels to expand and maintain high-end customer base. Great emphasis was placed on the enhancement of wealth management products financing business. The Bank launched "Mortgage Deposit Link" programme to attract new funds from valued customers, aiming at cross-selling wealth management product as well as boosting comprehensive income.

信用卡應收賬款較二〇一六年底下跌。由於保險類交易量大減，商戶收單款項較二〇一六年減少；惟本行就著龐大的跨境客戶和電子商務商機，會繼續致力計劃發展相關收單業務，以提升業務收益。



The credit card receivables decreased as compared to the end of 2016. The merchant business turnover recorded a decrease as compared with that of 2016, due to the substantial decrease in insurance related transactions. To grasp the enormous opportunities brought about by the cross-border customers and e-commerce, the Bank will continue to plan for the development of the relevant merchant acquiring business, thus increasing its operating income.

私人銀行及財富管理業務方面，二〇一七年全球經濟整體向好，投資需求旺盛，主要股票市場的指數走勢呈強勁上升。儘管面臨外管力度加大，內地資金海外財富管理需求依然強烈，客戶增長、資產增量仍持續強勁，本行致力打造「跨境財富管理平台」，在客戶經理團隊的深度經營下，為高端客戶提供專業資產配置方案，帶動理財產品收入增長。針對客戶不同需求，通過產品創建，不斷豐富產品種類，建立能全面滿足客戶需求的產品體系。二〇一七年年高客戶較二〇一六年增長23%，新增資產同比增長30%。同時，在全行大力發展FinTech的基礎上，不斷瞭解跨境客戶的線上理財服務需求，持續優化現有手機平台，開拓了全港銀行獨有的基金分享功能，增加基金收入。

As regards private banking and wealth management business, the global economy as a whole stayed on an upward trend and investment demand remained strong in 2017. The major stock market indices indicated a strong uptrend. Despite tightening control from the external regulators, demand for overseas wealth management for mainland capital funds continued to display strength. Total number of customers and total assets under management sustained strong growth momentum. The Bank strived to establish “cross-border wealth management platform”. Under the in-depth management of the customer service team, the Bank provided professional asset allocation solutions for high-end customers, and drove the growth of wealth management product revenue. Focusing on different needs of customers, the Bank strived to innovate and enrich products aiming at establishing a product system satisfying customer needs. In 2017, total number of high-end customers and total assets under management increased by 23% and 30% respectively as compared with that of 2016. With the effort in Fintech development, the Bank continued to understand the online financial service needs of the cross-border customers and optimise mobile banking platform. Moreover, the Bank established fund trading services on the mobile application platform so as to increase fund income.

受惠美股再創新高、大量資金持續通過港股通流入港股，市場交投急增，恆生指數曾升破30,000點，創十年新高，證券佣金收入錄得強勁增長。二〇一七年，本行證券業務實現證券經紀佣金收入港幣2.26億元，較二〇一六年上升36.7%。本行不斷優化產品及流程，推出網上即時買賣美股及新加坡證券、一點通手機App新股認購及融資；二〇一八年一月更提升一點通手機證券交易服務，配合本行多元化的證券買賣優惠，包括iTrade證券帳戶及新客戶首三個月買賣「0」佣金優惠，為客戶帶來先進及更方便之手機服務體驗，打造本行Fintech及「移動金融」的形象。

The Hang Seng Index reached above 30,000 points and hit 10-year high on the back of the US stock market's record-breaking ascent, the continuously inflow of substantial funds into the Hong Kong Stock market through Stock Connect and surging market turnover. Against this backdrop, the Bank's brokerage income recorded strong growth. In 2017, the Bank realised securities brokerage commission income of HK\$226 million, representing an increase of 36.7% as compared with that of 2016. The Bank continued to optimise its products and procedures. Followed by the launch of instant online trading of US stocks and Singapore securities as well as IPO subscription and financing via WLB Wintech mobile application, the Bank has enhanced the securities trading function of WLB Wintech in January 2018 so as to provide various securities trading offers including iTrade securities accounts and first 3-month \$0 brokerage benefits for new customers. The Bank strived to provide customers with advanced and convenient mobile phone service, building the Bank's Fintech and “Mobile Finance” image.

行政總裁致辭 Chief Executive Officer's Statement

分行網絡方面，經過合併及強化分行組織，目前本行在香港設有總分行共34間。同時，為加強在偏遠地區網絡及配合普及金融發展，本行已於二〇一七年四月在天水圍開設首間自助銀行服務網點。

As for branch network, after consolidation and strengthening of branch organisation, at present, the Bank has a total of 34 banking offices in Hong Kong. To strengthen the network in the remote areas and to be in line with financial inclusion, the Bank established the first automated banking services business outlet at Tin Shui Wai in April 2017.



公司及商業銀行

公司銀行業務方面，截至二〇一七年十二月三十一日，企業貸款總額為港幣600億元，較二〇一六年底上升5.9%。報告期內，本行充分發揮全牌照優勢，繼續推動「跨境公司金融服務平台」建設，以跨境經營企業為目標，提供發債、併購、上市、退市等資本市場服務，為跨境企業客戶提供本外幣一體化、境內外一體化、投商行一體化的綜合金融服務，打造業內領先的跨境公司金融優勢。本行銀團業務再創佳績，按路透排名，在香港銀行貸款市場的簿記行排名第四位，較二〇一六年再前進一位。本行於今年相繼推出「全球現金管理」及「企業一網通」等新型網銀產品，助企業進行跨境現金管理。在存款業務方面，公司銀行存款餘額為港幣279億元，較二〇一六年底上升5.4%。本行將繼續加強與招行聯動，利用本港金融市場優勢，通過「資本通」、「商貿通」及「財富通」等基於「跨境公司金融服務平台」的一系列資產及現金管理產品，滿足客戶多樣化的金融服務需求。

商業銀行業務方面，由於第四季到期還款較多，截至二〇一七年十二月三十一日，貸款餘額（包括商業票據）為港幣76.56億元，較二〇一六年底有所下跌，貸款質素仍維持良好。本行將繼續以中小企及貿易融資為業務重心，提供全方位金融服務。

Corporate and commercial banking

With respect to corporate banking business, total corporate loans amounted to HK\$60.0 billion as at 31 December 2017, representing an increase of 5.9% as compared with that at the end of 2016. During the reporting period, the Bank made every effort to foster the establishment of the “financial service platform for cross-border enterprises” by capitalizing its advantages of full license. The Bank targeted the cross-border corporations and provided them with capital market services including bond issuance, mergers and acquisitions as well as listings and delistings. The Bank strived to develop leading-edge cross-border financial service through providing integrated financial services including integrated local and foreign currency, integrated local and overseas as well as integrated investment and commercial banking services. Syndicated loan business achieved remarkable results. According to Reuters ranking, the Bank ranked fourth among the syndicated loans bookrunners in Hong Kong, moving up 1 place from 2016. To facilitate cross-border cash management by corporate customers, the Bank launched innovative online banking products including “Global Cash Management” and “U-BANK@WLB services”. As for deposits business, total corporate deposits amounted to HK\$27.9 billion as at 31 December 2017, representing an increase of 5.4% as compared with that at the end of 2016. The Bank will continue to strengthen the collaboration with CMB and capitalise the advantages of Hong Kong financial market. To cater for different needs of customers, the Bank provides a series of asset and cash management products including “Capital Link”, “Trade Link” and “Wealth Link” through the “financial service platform for cross-border enterprises”.

As to commercial banking business, the balance of loans, including trade bills, amounted to HK\$7,656 million as at 31 December 2017, lower than that at the end of 2016, which was attributable to the relatively large repayment amount in the fourth quarter. The quality of loans remained sound. The Bank will continue to focus on small and medium enterprises and trade finance business as well as providing comprehensive financial services.

財資

二〇一七年，外匯交易買賣收益(包括外幣找換)較二〇一六年下跌，主要因為人民幣今年進入雙向波動，投資者信心還未回復，加上外匯管制還未放開及外幣找換業務因監管嚴格而進一步下跌所致；惟同年因離岸人民幣利率大幅波動而令貨幣掉期收益大幅上升，從而令整體外匯買賣淨收益僅減少1.8%至港幣5.30億元。

截至二〇一七年底，本集團債券投資餘額為港幣524億元，較二〇一六年底上升3.9%。超過八成的債券信用等級都在A3或以上，風險較低。

本行會進一步提升金融市場的專業分析能力，務求能看準市場變動，抓緊機會營銷各類產品。全力打造全能高效的財資產品中心，構建及形成具市場競爭力的永隆銀行特色財資產品。並以債券產品鏈、人民幣業務專家為突破口，支持離岸人民幣財富管理中心的建設，支持中間業務增長。

金融機構業務

銀行金融機構業務方面，本行積極關注市場環境變化，重點拓展境內中小銀行、中資行境外分支機構以及外資銀行等客群，持續建設「中小銀行跨境服務平台」，深化與境內中小銀行的跨境業務關係。本行以實現「清算、交易、投融资」三大服務功能為目標，按客戶業務需要，向金融機構客戶推介本行產品，例如清算、債券投資及發行、境外資產配置、上市收款及派息行、貿易融資、同業借款、銀團貸款、外匯交易、風險管理等多元化產品鏈，務求增加協同效益。本行會積極回應「輕型銀行」的發展策略，進一步拓展中收來源，打造資產經營平台；繼續與一帶一路地區的優質銀行合作；推動與內地及海外分行的業務聯動。

Treasury business

In 2017, revenue from foreign exchange trading business, including money exchange business, decreased as compared to 2016, which was mainly attributable to the two-way volatility of Renminbi, weak investor confidence and foreign exchange control. In addition, the trading volume of money exchange business further shrank due to strict control. With the increase in revenue from currency swaps due to significant fluctuations in offshore Renminbi interest rate, net gain from foreign exchange trading decreased by 1.8% to HK\$530 million as compared with that in 2016.

At the end of 2017, the Group's balance of debt securities investment amounted to HK\$52.4 billion, representing an increase of 3.9% as compared with that at the end of 2016. More than

80% of the debt securities were rated A3 or above and were exposed to comparatively low risks.

To capture market changes, the Bank will further enhance its professional financial market analysis capabilities. The Bank will also seize opportunities for selling various products. Great emphasis was placed on establishing a comprehensive and efficient treasury product center as well as building and forming competitive and unique treasury products of the Bank. Leverage on its bond related product chain and specialists in Renminbi business, the Bank strived to build an offshore Renminbi wealth management center, hence increasing fee income.

Financial institution business

With respect to bank financial institution business, the Bank kept pace with the market trend and focused on expanding the customer base of domestic small and medium-sized banks, overseas branches of Chinese banks and foreign banks. Great emphasis was placed on the development of "cross-border financial service platform for medium and small-sized financial institutions" and further deepening of the cross-border business relationship with domestic medium and small-sized financial institutions. The Bank strived to realise three main functions, namely "Clearing and Settlement, Dealing and Trading as well as Investment and Financing". To cater for the business needs of the customers, the Bank provided financial institution customers with diversified product chain including clearing and settlement, bond investment and issuance, overseas asset allocation, initial public offer receiving bank service and dividend payment service, trade financing, interbank loans, syndicated loans, forex trading and risk management, thus enhancing synergy effects. In adherence to the "asset-light bank" business strategy, the Bank will further broaden fee income avenues, build asset management platforms, cooperate with high-quality banks in the Belt and Road Region as well as foster business coordination with branches in the Mainland and overseas.



行政總裁致辭 Chief Executive Officer's Statement

非銀行金融機構業務方面，積極拓展「投商行結合」類業務，做新股融資、基石投資融資、併購融資、債券、基金、股票抵押融資等，截至二〇一七年十二月三十一日，客戶貸款為港幣177億元，較二〇一六年底上升42.3%；同時提供首次公開招股收款行、派息行等服務，除增加非利息收入外，為本行帶來流動性；設計「財富通」系列產品，從帳戶、託管到投資產品的選擇和槓桿融資，實現非銀行金融機構客戶於集資及交易市場資產配置；並逐步拓展融資租賃、資產管理、基金公司等子行業客戶。同時，積極發展低風險項下融資業務，探索更多樣化融資模式，深化資本市場優勢項目，增強本行在同業市場影響力。

中國及海外業務

中國及海外分行業務方面，積極發力，尋求發展機會，力保資產業務維持正向增長，保持了批發業務貸款資產穩健增長和盈利收入的相對穩定。截至二〇一七年十二月三十一日，客戶貸款為港幣334億元，較二〇一六年底增長28.3%。中國及海外分行將繼續以「內外聯動、交叉銷售」的經營理念，加強資產負債結構調整、開拓存款、增加中間收入，從而提高盈利水平，及為客戶提供差異化、有特色的跨境金融服務。

在中國境內共設4間分支行，在澳門設有一間分行，另在美國洛杉磯、舊金山及開曼群島各設有海外分行一間。

As regards non-bank financial institution business, the Bank proactively expanded investment and commercial banking businesses through participating in initial public offer financing, cornerstone investment financing, mergers and acquisitions financing, bonds, funds and stock collateral loans. As at 31 December 2017, advances to customers amounted to HK\$17.7 billion, representing an increase of 42.3% over that at the end of 2016. In addition, the Bank also provided initial public offer receiving bank service and dividend payment service so as to increase non-interest income and liquidity. To facilitate fundraising and asset allocation in trading markets by non-bank financial institution customers, the Bank designed series of "Wealth Link" products, from account and custodian to investment product selection and leverage financing. Besides, the Bank gradually acquired customers from other sub-sectors such as financial leasing, asset management and fund companies. Meanwhile, the Bank strived to develop low-risk financing business, explore diversified financing models, intensify the advantages of capital market and enhance the Bank's market influence.

China and overseas business

With respect to China and overseas business, the Bank made every effort to grasp the development opportunities and ensure positive growth in the asset business, maintaining steady increase in wholesale lending and relatively stable revenues. As at 31 December 2017, loans to customers amounted to HK\$33.4 billion, representing an increase of 28.3% as compared with that at the end of 2016. In adherence to the "cross-border coordination and cross-selling" business strategy, the Mainland branches and overseas branches will strengthen the adjustment of asset and liability structures, source deposits and increase fee income, thereby enhancing profitability as well as providing differentiated and unique cross-border financial services to customers.

The Bank has 4 branches and sub-branch in Mainland China, a branch in Macau and 3 overseas branches, located respectively in Los Angeles and San Francisco in the United States, and the Cayman Islands.

保險

二〇一七年，由於香港產險市場保費增長乏力，永隆保險有限公司（「永隆保險」）實現保險費淨收入港幣4.50億元，較二〇一六年減少11.4%；同時，總索償額減少6.0%至港幣2.69億元，總體承保盈餘較二〇一六年呈現下跌；惟投資收益有所增加。永隆保險將繼續按照平衡發展及創新發展的業務策略，充分利用銀行資源發展銀行保險業務，積極拓展新業務渠道如網上保險、手機保險業務。同時，亦致力提高投資收益，增強保險公司整體盈利水平和資本實力。

人力資源

截至二〇一七年十二月三十一日，本行僱員總人數為1,836人（二〇一六年十二月三十一日：1,887人），其中香港1,581人，中國境內183人，澳門39人，海外33人。

Insurance

In 2017, Wing Lung Insurance Company Limited (“Wing Lung Insurance”) realised a net earned premium income of HK\$450 million, representing a decrease of 11.4% as compared with that in 2016, which was attributable to the weak insurance premium growth in the market. Meanwhile, total insurance claims decreased by 6.0% to HK\$269 million. Underwriting business recorded a decrease of profit when compared to 2016. However, the investment income increased. Wing Lung Insurance will continue to adhere to the business strategy of prudent operation and innovative development. By fully utilizing the Bank’s resources, Wing Lung Insurance will develop bancassurance business and new business channels including online insurance and mobile phone insurance businesses. Meanwhile, Wing Lung Insurance will devote efforts to enhance overall profitability and capital strength through boosting investment income.



Human resources

As at 31 December 2017, the total number of employees of the Group is 1,836 (31 December 2016: 1,887), of which 1,581 are in Hong Kong, 183 are in the PRC, 39 are in Macau and 33 are overseas.

行政總裁致辭 Chief Executive Officer's Statement

展望二〇一八年，環球經濟前景整體樂觀，惟仍有不確定性。美國經濟預料會加速增長，惟美國去年底落實稅改方案的影響及聯儲局貨幣正常化的步伐，仍有待觀察。歐元區經濟預期會溫和增長。歐洲央行年初縮減每月購買資產規模後的舉措及英國「脫歐」的談判進展，值得關注。亞洲新興市場經濟體基調較為穩健，料會續見顯著增長。貿易保護主義情緒升溫及各地區的地緣政局緊張，帶來不少變數。內地方面，進一步深化供給側結構性改革，繼續著重高質量發展，推行積極財政政策及穩健貨幣政策，致力防範金融風險，預料經濟將保持中高速發展，繼續為推動環球經濟增長的主要動力。本地方面，香港經濟審慎樂觀，貨物出口可望穩步增長，就業及收入情況維持良好，內需料保持堅挺，私人消費及投資開支將持續增長，通脹有所上升，惟仍存在不明朗因素。由於外圍環境複雜多變，銀行依然面對充滿挑戰的經營環境。本行定當保持高度警覺，加強風險管控能力；嚴格控制成本，有效善用資源；優化工作流程，提升工作效益。成為招行集團成員後，本行實力上得到強大支援，業務領域亦不斷擴展。本行會進一步深化與招行協同聯動，充分體現協同效應；同時力爭與招行合力構建境內外一體化跨境金融服務平台，以提升競爭力，並增強盈利能力。

Looking ahead 2018, the global economy is generally optimistic but still clouds with uncertainties. The US economy will see a further pickup in growth. However, the impact of the US tax reform implemented at the end of 2017 and the pace of monetary policy normalisation of the Federal Reserve are yet to be seen. The European economy is expected to maintain moderate growth. The policy adopted by the European Central Bank following its tapering of asset purchases in early 2018 and the progress of Brexit negotiation warrant attention. Asian emerging market economies are expected to grow further given relative sound economic fundamentals. Rising protection and elevated geopolitical tension will bring about uncertainties. The Mainland will further deepen its supply-side structural reform and continue to focus on quality development, implement proactive fiscal policy and prudent monetary policy as well as monitor financial risks. The Mainland economy is expected to maintain a medium-high rate of growth and remain the main driver of global economic growth. The Hong Kong economic outlook is cautiously optimistic, underpinned by steady growth in goods exports, favourable employment and income conditions, strong domestic demand, further increase in private consumption and investment spending as well as rise in inflation rate, but uncertainties prevail. Confronted by complicated and ever changing economic outlook, Hong Kong banking sector will see greater challenges ahead. The Bank will continue to maintain vigilance and strengthen its risk management. Great emphasis will be placed on tightening cost control measure, improving resources allocation, fine-tuning operation procedures and enhancing efficiency. Being a member of the CMB group, the Bank is privileged to have strong parental support and much room for further development. The Bank will strive to realise synergy effects through further strengthening collaboration with CMB. Meanwhile, the Bank will also cooperate with CMB to build a cross-border financial service platform, so as to strengthen competitive edge and enhance its profitability.

朱琦
常務董事兼行政總裁

二〇一八年三月二十日

ZHU Qi
Executive Director and Chief Executive Officer

20 March 2018

董事會報告書 Report of the Directors

董事會同人現謹發表截至二〇一七年十二月三十一日止年度之報告書及已審核之綜合財務報表。

主要營業地點

本行是於香港註冊成立及營業之持牌銀行，其註冊辦事處及主要營業地點位於香港中環德輔道中45號。

主要業務

本行及其附屬公司（合稱「本集團」）之主要業務為銀行及有關之金融服務。主要附屬公司之業務見財務報表註釋26。

本集團是年度按業務及地域劃分之表現分析詳載於財務報表註釋39。

業績及分配

本集團截至二〇一七年十二月三十一日止年度之業績列於本年財務報表第50頁之綜合收益表內。

董事會並無建議派發截至二〇一七年十二月三十一日止年度之股息（二〇一六年：無）。

儲備

本集團儲備之變動詳載於財務報表註釋38。

捐款

是年度本集團之慈善捐款共為港幣21,000元（二〇一六年：港幣20,000元）。

其他物業及設備

本集團其他物業及設備之變動詳載於財務報表註釋31。

股本

本行之股本詳載於財務報表註釋37，是年度並無變動。

The directors have pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31 December 2017.

Principal place of business

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 45 Des Voeux Road Central, Hong Kong.

Principal activities

The Bank and its subsidiaries (the “Group”) are engaged in the provision of banking and related financial services. The principal activities of the principal subsidiaries are set out in note 26 to the financial statements.

An analysis of the Group’s performance for the year by business and geographical segment is set out in note 39 to the financial statements.

Results and appropriations

The profits of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on page 50.

The directors do not recommend the payment of any dividend (2016: Nil) in respect of the year ended 31 December 2017.

Reserves

Details of the movements in the Group’s reserves are set out in note 38 to the financial statements.

Donations

Charitable and other donations made by the Group during the year amounted to HK\$21,000 (2016: HK\$20,000).

Other properties and equipment

Details of the movements in the Group’s other properties and equipment are set out in note 31 to the financial statements.

Share capital

Details of share capital of the Bank are set out in note 37 to the financial statements. There were no movements during the year.

董事會報告書 Report of the Directors

資本工具

本行於是年度發行分別被界定為本行的二級資本及額外一級資本的後償票據及資本證券共為美元400,000,000元及美元170,000,000元。本行發行之後償債項及額外權益工具詳載於財務報表註釋33。

董事

本年度內及截至本報告書日期止之董事芳名如下：

田惠宇 (董事長)
李浩 (副董事長)
朱琦[#] (行政總裁)
許世清[#]
劉鈞[#]
張誠 (二〇一七年九月十九日委任為非執行董事)
朱江濤
周光暉¹
劉二飛¹
郭琳廣¹
王啟新¹ (二〇一七年一月十一日委任為獨立非執行董事)
張仁良¹ (二〇一七年九月十九日委任為獨立非執行董事)
劉輝 (二〇一七年九月十九日委任為非執行董事及二〇一八年三月九日辭任)
徐子穎 (二〇一七年三月十七日辭任)
鄭先炳 (二〇一七年三月十七日辭任)
徐志宏[#] (二〇一七年六月八日退任)
陳智思¹ (二〇一七年九月十九日辭任)

[#] 執行董事
¹ 獨立非執行董事

Capital instruments

During the year, the Bank issued subordinated notes and capital securities which qualified as Tier 2 and additional Tier 1 capital of the Bank of US\$400,000,000 and US\$170,000,000 respectively. Details of the Bank's subordinated debts issued and additional equity instruments are set out in note 33 to the financial statements.

Directors

The directors during the year and up to the date of this report are as follows:

Mr TIAN Huiyu (Chairman)
Mr LI Hao (Vice-Chairman)
Mr ZHU Qi[#] (Chief Executive Officer)
Dr XU Shiqing[#]
Mr LIU Jun[#]
Mr ZHANG Cheng (appointed as Non-executive Director on 19 September 2017)
Mr ZHU Jiangtao
Mr CHOW Kwong Fai Edward¹
Mr LIU Erh Fei¹
Mr KWOK Lam Kwong Larry¹
Mr WANG Qixin¹ (appointed as Independent Non-executive Director on 11 January 2017)
Mr CHEUNG Yan Leung Stephen¹ (appointed as Independent Non-executive Director on 19 September 2017)
Ms LIU Hui (appointed as Non-executive Director on 19 September 2017 and resigned on 9 March 2018)
Ms XU Ziyang (resigned on 17 March 2017)
Dr ZHENG Xianbing (resigned on 17 March 2017)
Dr XU Zhihong[#] (retired on 8 June 2017)
Mr CHAN Charnwut Bernard¹ (resigned on 19 September 2017)

[#] Executive Director
¹ Independent Non-executive Director

附屬公司董事

於本年度內及截至本財務報表日期止出任本行附屬公司董事之名單如下：

陳照男、張頌強、德衛有限公司、億聯有限公司、方貫威、高宏、關浣非、和心、金路、劉慧敏、劉力、柳汝強、李芷君、梁朝盛、廖小居、劉鈞、馬建、潘克原、施佩瑛、王志強、永隆銀行信託有限公司、胡立愷、許世清、徐志宏*及朱琦。

* 他已經辭任／退任本行有關附屬公司董事職務。

董事之股本權益

並無任何董事獲授予認購本行股份之權利，亦無任何董事行使該等權利。

是財務年度內本行或其任何附屬公司、母公司集團之附屬公司或其控股公司概無參與任何安排，致令本行董事持有本行或其他個體公司之任何股本權益，或持有其債券而獲得利益。

獲准許的彌償條文

符合《香港公司條例》第469(2)條要求並惠及本行董事之獲准許的彌償條文，於本年度內及截至本報告書日期止有效。

董事之交易、安排或合約權益

是年度內及至是年終結日止，本行或其任何附屬公司、母公司集團之附屬公司或其控股公司並無訂立任何與本行業務有關而董事直接或間接享有重大權益或與董事有關連的實體之其他重要交易、安排或合約。

Directors of subsidiaries

The names of directors who have served on the boards of the Bank's subsidiaries during the year and up to the date of the financial statements are as follows:

CHEN Zhaonan, CHEUNG Chung Keung, DEERIGHT LIMITED, EAGLEARN LIMITED, FONG Kwun Wai Matthew, GAO Hong, GUAN Huanfei, HE Xin, JIN Lu, LAU Wai Man Katherine, LAU Lik Alaric, LAU Yu Keung, LEE Tsz Kwan Peggie, LEONG Chou Sern, LIAO Xiaoju, LIU Jun, MA Jack Jian, PUN Kei Yuen Henry, SHIH Pui Ying, WANG Zhiqiang, Wing Lung Bank (Trustee) Limited, WOO Lap Hoi, XU Shiqing, XU Zhihong* and ZHU Qi.

* He has resigned/retired as a Director of the relevant subsidiary of the Bank.

Directors' interests in shares

None of the directors have been granted, or have exercised, any rights to subscribe for shares of the Bank.

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

Permitted indemnity provision

During the year and up to the date of this report, a permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance for the benefit of Directors of the Bank is in force.

Directors' interests in transactions, arrangement or contracts

No transactions, arrangement or contracts of significance in relation to the Bank's business to which the Bank, or any of its subsidiaries, fellow subsidiaries or its holding company was a party and in which a director of the Bank or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事會報告書 Report of the Directors

管理合約

是年度內，本行並無就全盤或其中重大部份業務簽訂或存有任何管理合約。

遵從《銀行業（披露）規則》

本行須遵從《銀行業（披露）規則》，該規則對認可機構之公開披露如收益表、事務狀況及資本充足訂下最低標準。截至二〇一七年十二月三十一日止之財政年度之綜合財務報表已全面遵從《銀行業（披露）規則》所適用之披露規定。

退休計劃

本集團為其職員設有退休計劃。該等退休計劃之詳情載於財務報表註釋14。

核數師

德勤•關黃陳方會計師事務所照章告退，但願意應聘續任。在即將召開的股東周年大會中，將提請通過續聘德勤•關黃陳方會計師事務所為本行核數師的議案。

承董事會命
田惠宇 謹啟
董事長

二〇一八年三月二十日

Management contracts

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

Compliance with the Banking (Disclosure) Rules

The Bank is required to comply with the Banking (Disclosure) Rules which set out the minimum standards for public disclosure which authorised institutions must make in respect of the income statement, state of affairs and capital adequacy. The consolidated financial statements for the year ended 31 December 2017 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

Retirement schemes

The Group operates retirement schemes for its employees. Details of the Group's retirement schemes are set out in note 14 to the financial statements.

Auditors

Deloitte Touche Tohmatsu retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board
TIAN Huiyu
Chairman

20 March 2018

企業管治報告 Corporate Governance Report

本行竭力維持高水平企業管治，為提升銀行整體的管理質素，董事會已推行企業管治措施，且特別重視一個有效的董事會，去領導和監控銀行，確保所有業務活動合乎誠信及優良商業道德操守。截至二〇一七年十二月三十一日止之年度內，本行已致力依循香港金融管理局發出的「本地註冊認可機構的企業管治」指引。

董事會

董事會以盡責的態度和有效的方式領導銀行，所有董事會成員共同分擔為銀行制訂正確方針和作適當管理的責任。董事會在最高管理層須為銀行制訂經營方針，及對銀行的運作與財務全負責。其主要職責包括而不限於：

- 核准及監察銀行經營目標、策略、業務計劃與關鍵性政策文件；
- 確保銀行設立有效的風險管治制度；
- 委任及監察行政人員，確保具備適當的能力；
- 確立企業價值觀及標準；
- 確保銀行設立有效的審計職能；
- 確保銀行在法律容許及既定政策之內審慎經營；
- 確保及監察銀行以高度的誠信經營；及
- 承擔銀行集團風險管理和內部控制的責任。

二〇一七年董事會召開了4次會議。董事會現時由十二位成員組成，三位為執行董事，九位為非執行董事，而當中五位為獨立非執行董事。成員部分來自銀行業，部分來自其他行業，各有不同背景和豐富經驗。獨立非執行董事均具備適當的專業資格。董事的姓名及個人資料詳見本年報第12至17頁。

The Bank is devoted to maintaining high standards of corporate governance. To enhance the overall management quality of the Bank, the Board of Directors (the “Board”) has put in place governance practices with special emphasis on an effective Board for leadership and control, sound business ethics and integrity in all business activities. Throughout the year ended 31 December 2017, the Bank is committed to the guidelines set out in the “Corporate Governance of Locally Incorporated Authorised Institutions” issued by the Hong Kong Monetary Authority.

Board of Directors

The Board is charged with leading the Bank in a responsible and effective manner. Directors, as members of the Board, jointly share responsibility for the proper direction and management of the Bank. The Board is responsible for providing direction at the top of the organization and for the operations and financial soundness of the Bank. Its main responsibilities include, but not limited to, the following:

- Approving and monitoring the Bank’s objectives, strategies, business plans and key policies;
- Ensuring the establishment of effective risk management polices;
- Appointing and overseeing the Executives as well as ensuring competent management;
- Setting corporate values and standards;
- Ensuring effective audit functions;
- Ensuring prudent conduct of operations within laws and approved policies;
- Ensuring and monitoring integrity in the Bank’s conduct of affairs; and
- Responsible for the risk management and internal control of the Group.

The Board has convened four meetings in 2017. The Board currently comprises twelve members, three executive directors and nine non-executive directors, of whom five are independent non-executive directors. The individuals who make up the Board draw on a rich and diverse background of experience from both within and outside of the banking community. The independent non-executive directors possess appropriate professional qualifications. The names and brief biographical details of the directors are shown on pages 12 to 17 of this Annual Report.

企業管治報告 Corporate Governance Report

自永隆銀行成為招商銀行的全資附屬公司後，董事會為提升銀行整體的管理素質，持續改進企業管治，確保所有銀行業務合規經營。現時本行設立戰略委員會、薪酬與考核委員會、提名委員會、審計委員會及風險委員會，藉此監察銀行有關方面的事務。每個委員會有特定職權範圍，訂明其職責、權力及功能。委員會向董事會匯報，在適當時候就所討論事項提出建議。董事會除負起全面監督的角色外，同時會執行一些指定職務，如核准聘任特定行政人員、審閱財務賬目、建議派發股息及核准有關董事會合規的政策等。

董事長與行政總裁

董事長與行政總裁的職位由不同人擔任。

董事長田惠宇先生為董事會之領導人，負責確保董事會有效地運作，適時及建設性地處理所有重要和合適的事項。

行政總裁朱琦先生聯同管理委員會，獲授予權力和責任管理本行業務運作及推行業務發展策略。

管理委員會

管理委員會成員由董事會委任，現時由四成員組成，分別為朱琦先生、許世清博士、劉鈞先生及馮學鋒博士。根據其職權範圍及董事會不時訂下的方針，就本行的管理和日常營運，行使董事會授予的權力和酌情權。管理委員會的主要責任包括：

- 執行經董事會同意和核准的政策及業務計劃；
- 獲董事會授權重檢及審批政策文件，並針對關鍵性的政策文件向董事會提出建議；
- 協助董事會規劃銀行之可接受風險程度及策略以管理其業務所承受之各類風險；以及執行和維持銀行業務的整體風險管理架構；

Since the Bank has become a wholly-owned subsidiary of China Merchants Bank Co., Ltd., the Board strives to improve its corporate governance and ensure operational compliance so as to enhance management quality. The Bank currently establishes Strategy Committee, Remuneration and Appraisal Committee, Nomination Committee, Audit Committee and Risk Committee, to oversee particular aspects of the Bank's affairs. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report to the Board and, where appropriate, make recommendations on matters discussed. The Board, in addition to its overall supervisory role, retains specific responsibilities such as approving specific executive appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc.

Chairman and Chief Executive Officer

The positions of chairman of the Board and chief executive officer are separate.

The Chairman, Mr TIAN Huiyu, provides leadership for the Board. He is responsible for ensuring that the Board works effectively and that all key and appropriate issues are discussed by the Board in a timely and constructive manner.

The Chief Executive Officer, Mr ZHU Qi, in conjunction with the Management Committee, is delegated with the authority and responsibility for running the Bank's operation and implementing the Bank's business strategies.

Management Committee

The Management Committee consists of four members, all appointed by the Board. The current members are Mr ZHU Qi, Dr XU Shiqing, Mr LIU Jun and Dr FENG Xuefeng. The Management Committee exercises the powers, authorities and discretions of the Board relating to the management and day-to-day running of the Bank in accordance with its terms of reference and directions as the Board may determine from time to time. Its main responsibilities include the following:

- To implement agreed policies and to execute business plans approved by the Board;
- To review and approve the policies with the authority granted by the Board as well as make recommendations to the Board with respect to the key policies;
- To assist the Board to formulate the Bank's risk appetite and strategies for managing various types of risk to which the Bank's business are exposed; and the implementation and maintenance of the overall risk management framework across the Bank's business;

- 確保銀行於日常業務在依循有關法律及董事會核准的政策暢順運作；
 - 監督銀行各特定委員會，並如認為適合隨時授權予各特定委員會執行日常監察；
 - 蒐集市場資料並向董事會建議政策及方略；
 - 穩健經營銀行業務；
 - 適時向董事會其他成員提供資料，讓其知悉銀行最新動向以執行其職務；及
 - 隨時執行董事會指派的其他事務。
- To ensure smooth day-to-day operations of the Bank within applicable laws and policies approved by the Board;
 - To oversee the specific committees of the Bank, and delegate authority and power to these committees for daily monitoring as the Committee thinks fit from time to time;
 - To collect market information and to recommend policy and strategy to the Board;
 - To manage the Bank's business in a prudent manner;
 - To provide timely information to other members of the Board and keep them apprised of the latest development of the Bank so as to enable them to discharge their duties; and
 - To carry out any other matters as the Board thinks fit from time to time.

管理委員會定期向董事會呈送詳盡業務報告，內容包括管理層的業務策略和目標、各項業務的發展及行動計劃等，以便在董事會議上討論。管理委員會適時提供適當和足夠的資料予董事會其他成員，讓其知悉銀行最新動向，以執行其職務。

The Management Committee presents to the Board regularly by way of detailed business reports on management's business strategies and objectives, updates on different lines of business, action plans, etc for discussion at each Board meeting. The Committee also provides appropriate and sufficient information to the other members of the Board in a timely manner to keep them apprised of the latest development of the Bank so as to enable them to discharge their duties.

戰略委員會

戰略委員會的成員由董事會委任，現時由五位董事組成，分別為田惠宇先生（主席）、朱琦先生、劉二飛先生、郭琳廣先生及王啟新先生。該委員會的職責包括：

Strategy Committee

The Strategy Committee consists of five members, all appointed by the Board. The current members are Mr TIAN Huiyu (Chairman), Mr ZHU Qi, Mr LIU Erh Fei, Mr KWOK Lam Kwong Larry and Mr WANG Qixin. The duties of the Strategy Committee include the following:

- 負責確定銀行的戰略發展方向，組織制定中長期發展戰略；
 - 負責銀行的戰略實施與檢討，加強戰略實施的協調性與穩定性；
 - 負責核准重大投資及資本開支事項；
 - 評估銀行與外部機構、團體的重要合作關係；
 - 評估和批准銀行的慈善捐獻活動；及
 - 提出需經董事會討論決定的重大問題的建議和方案。
- To establish strategic development goals, and to formulate medium to long term development strategies of the Bank;
 - To implement and review the strategies of the Bank as well as strengthen the consistency and stability of the implementation of the strategies of the Bank;
 - To approve significant investment and capital expenditure plan;
 - To evaluate the Bank's key partnership with external organizations;
 - To evaluate and approve the donations made to charitable organizations; and
 - To put forward proposals and plans for important issues to be discussed and decided by the Board.

企業管治報告 Corporate Governance Report

薪酬與考核委員會

薪酬與考核委員會成員由董事會委任，現時由六位董事組成，分別為郭琳廣先生（主席）、李浩先生、張誠先生、周光暉先生、王啟新先生及張仁良教授。該委員會的職責由董事會不時界定，除特別指定者外，其職責包括：

- 監督、檢查本行的年度經營計劃及董事會決議的執行情況；
- 負責研究董事和行政人員的考核標準，按年度進行考核並提出建議；
- 研究、審查和批准本行薪酬政策與董事、高級管理人員及其主要人員的薪酬方案；
- 評估和批准本行董事、行政人員的僱傭協議或服務協議；
- 評估和批准本行員工的薪酬戰略、年度薪酬調整計劃、福利計劃等；
- 確保薪酬相稱，並與本行的文化、長期業務戰略、風險偏好、業績表現、監控環境及法例和監管要求配合一致；
- 與其他相關委員會包括風險委員會及審計委員會和本行法律及合規部保持緊密合作，以評估薪酬制度的激勵措施；
- 帶領本行建立可促進審慎風險承擔及公平待客的文化及行為標準；及
- 董事會授權的其他事宜。

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of six members, all appointed by the Board. The current members are Mr KWOK Lam Kwong Larry (Chairman), Mr LI Hao, Mr ZHANG Cheng, Mr CHOW Kwong Fai Edward, Mr WANG Qixin and Prof CHEUNG Yan Leung Stephen. The Committee shall exercise such functions as shall be determined from time to time by the Board and unless otherwise determined shall include the following:

- To oversee, examine and evaluate the execution of the Bank's annual business plans and the Board's resolutions;
- To study the performance appraisal standards for the Directors and Executives, and to conduct appraisals and make recommendations annually;
- To study, review and approve the Bank's remuneration policy and packages for the Directors, Senior Management, and Key Personnel as specified therein;
- To evaluate and approve the employment or service agreements of the Bank's Directors and Executives;
- To evaluate and approve the Bank's remuneration strategies, the annual pay adjustment and benefits schemes for the staff of the Bank;
- To ensure that remuneration is appropriate and consistent with the Bank's culture, long-term business and risk appetite, performance and control environment as well as with any legal or regulatory requirements;
- To work closely with other relevant committees of the Bank's board, such as the Risk Committee and the Audit Committee, and consult with the Bank's Legal and Compliance Department in evaluating incentives created by the remuneration system;
- To play a leading role in establishing the Bank's culture and behavioural standards that promote prudent risk-taking and fair treatment of customers; and
- To execute other duties as may be delegated by the Board.

提名委員會

提名委員會成員由董事會委任，現時由五位董事組成，分別為郭琳廣先生（主席）、李浩先生、周光暉先生、王啟新先生及張仁良教授。該委員會的職責由董事會不時界定，除特別指定者外，其職責包括：

- 物色具備合適條件的人選成為董事會成員、董事會轄下委員會成員或高級管理人員，並向董事建議甄選提名擔任董事會成員、董事會轄下委員會成員及高級管理職位的人士（按有關職能的角色、職能、職責、知識、經驗及能力之需要）；
- 向董事會建議委任或重新委任董事和其轄下委員會成員及董事（尤其是主席和行政總裁）的繼任計劃；
- 每年評估董事會及其轄下委員會之運作效率及成效；
- 確保董事會成員和其轄下委員會成員及高級管理人員甄選過程客觀和獨立；
- 確保董事會不會由個人或小組主導，以維護本行整體利益；
- 評估本行獨立非執行董事的獨立性；及
- 董事會授權的其他事宜。

Nomination Committee

The Nomination Committee consists of five members, all appointed by the Board. The current members are Mr KWOK Lam Kwong Larry (Chairman), Mr LI Hao, Mr CHOW Kwong Fai Edward, Mr WANG Qixin and Prof CHEUNG Yan Leung Stephen. The Committee shall exercise such functions as shall be determined from time to time by the Board and unless otherwise determined shall include the following:

- To identify individuals suitably qualified to become members of the Board and its committees or senior management, and selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships and senior management positions (based on the role and its responsibilities and the knowledge, experience and competence which the role requires);
- To make recommendations to the Board on the appointment or re-appointment of directors and its committees as well as succession planning for directors, in particular the chairperson and the chief executive.
- To evaluate the efficiency and effectiveness of the functioning of the Board and its committees on an annual basis;
- To ensure objectivity and independence in the selection process for Board members and its committees as well as senior management;
- To ensure that the Board is not dominated by one individual or small group of individuals in a manner so as to protect the interests of the Bank as a whole;
- To assess the independence of the non-executive of directors; and
- To execute other duties as may be delegated by the Board.

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審計委員會

審計委員會成員由董事會委任，現時由五位董事組成，分別為周光暉先生（主席）、朱江濤先生、劉二飛先生、郭琳廣先生及張仁良教授，他們均具備合適的學歷和專業資格或相關的財務管理才能，並獲提供充足資源履行其職務。該委員會之主要責任包括：

- 定期制定、檢討和更新及建議董事會通過審計委員會職權範圍，述明審計委員會的組成、權力、職責及向董事會匯報方式；
- 監督本行的財務報告流程和相關事項，當中包括提出關於財務報告可能不恰當的事項的安排；
- 監督本行會計政策和實務（包括會計估計和披露的質量）的建立，並檢討本行財務報表中有關財務報告的重大判斷；
- 審閱並建議董事會通過經審計年度財務報表連同獨立核數師報告書及中期財務資料披露報表；
- 向董事會建議委任本行總稽核；
- 向董事會建議通過由本行稽核部制定及定期更新之內部審計章程。
- 定期通過本行內審計劃及識別本行業務範圍內的風險領域後所需之相關的人力及財務資源；
- 檢討本行總稽核的表現及稽核部的有效性；
- 檢討稽核部的稽核報告及重要建議和管理計劃的實施；
- 向董事會建議聘請或更換外部審計師及相關事宜（包括任期及薪酬），並監督外部審計師的工作（例如審議其審計計劃及檢討其審計結論和建議）；

Audit Committee

The Audit Committee consists of five members, all appointed by the Board. The current members are Mr CHOW Kwong Fai Edward (Chairman), Mr ZHU Jiangtao, Mr LIU Erh Fei, Mr KWOK Lam Kwong Larry and Prof CHEUNG Yan Leung Stephen. They possess appropriate academic and professional qualifications or related financial management expertise, and are provided with sufficient resources to discharge their duties. The principal duties of the Audit Committee include the following:

- To draw up, review and update periodically the terms of reference for the Board's approval indicating the Committee's composition, authority and duties, as well as the manner of reporting to the Board;
- To monitor the Bank's financial reporting process and relevant output, including arrangements through which concerns about possible improprieties in matters of financial reporting can be raised;
- To oversee the establishment of the Bank's accounting policies and practices (including quality of accounting estimates and disclosures) and review significant judgements made in financial reporting within the Bank's financial statements;
- To review and recommend for the Board's approval of the audited annual financial statements together with the independent auditor's report and the interim financial disclosure statement;
- To recommend the Board's approval of the appointment of the Chief Auditor of the Bank;
- To recommend the Board's approval of the audit charter drawn up and updated periodically by the Internal Audit Department;
- To approve, periodically, the audit plan as well as the related manpower and financial resources required after identifying the areas of risk within the Bank's operations to be covered;
- To review the performance of the Chief Auditor and the effectiveness of the Internal Audit Department;
- To review reports and significant recommendations provided by Internal Audit Department and management plans for their implementation;
- To make recommendations to the Board with regard to the appointment of the Bank's external auditors and related matters (including terms of engagement and remuneration) and oversee the work of the external auditors (such as considering their audit work plan and reviewing their audit conclusions and recommendations);

- 定期向董事會報告委員會的工作和重要發現及就本行內部監控系統(包括內部審計、外部審計、委員會或香港金融管理局所發現)發現不足之處而執行補救措施所取得的進展;
- 向外部和內部審計人員提供會面機會,以討論各自的調查結果;
- 檢討/提議/建議通過重大政策文件;及
- 董事會授權的其他事宜。
- To report to the Board regularly on the work performed by the Committee and its significant findings, and the progress in implementing any remedial actions to address deficiencies identified in the Bank's internal control systems (including those identified by internal and external auditors, the Committee or the Hong Kong Monetary Authority);
- To provide opportunities for external and internal auditors to meet and discuss their respective findings;
- To review/propose/recommend the approval of significant policies; and
- To execute other duties as may be delegated by the Board.

風險委員會

風險委員會成員由董事會委任,現時由五位董事組成,分別為張仁良教授(主席)、朱江濤先生、周光暉先生、劉二飛先生及郭琳廣先生,委員會成員整體上具備風險範疇的相關專門技術、知識及經驗,使其能夠有效履行其職責。該委員會之主要責任包括:

- 至少每年檢討及建議董事會通過風險管理策略、主要風險政策及風險偏好;
- 檢討及建議董事會通過指定類型的風險管理政策和程序;
- 檢討及評估本行風險管理框架及有關識別、衡量、監測和控制風險的政策及其有效性;
- 監控、檢討及進行常規評估銀行的內部控制制度,對銀行行政人員在信貸、市場、營運、利率、戰略、法律、聲譽及流動資金方面的風險控制情況進行監督;
- 監督高級管理層所建立和維護的風險管理基礎設施、資源及系統,尤其是有關本行對於經審批風險偏好和相關政策的遵行;
- 監督及研討資本和流動性管理策略及本行所有相關風險(整體風險及按風險類型)的策略,以確保其符合既定的風險偏好;
- To review and recommend for the Board's approval of the Bank's risk management strategies, key risk policies and risk appetite, at least annually;
- To review and recommend for the Board's approval of specified types of risk management policies and procedures;
- To review and assess the adequacy of the Bank's risk management framework and policies in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively;
- To monitor, review and conduct regular assessment of the internal control system of the Bank and to monitor the risk management of the Bank's exposures to credit risk, market risk, operational risk, interest rate risk, strategic risk, legal risk, reputation risk and liquidity risk by the Executives.
- To oversee the establishment and maintenance by senior management of appropriate infrastructure, resources and systems for risk management, particularly in relation to the Bank's adherence to the approved risk appetite and related policies;
- To oversee and discuss the strategies for capital and liquidity management, and those for all relevant risks (on both an aggregated basis and by type of risk) of the Bank, to ensure they are consistent with the stated risk appetite;

Risk Committee

The Risk Committee consists of five members, all appointed by the Board. The current members are Prof CHEUNG Yan Leung Stephen (Chairman), Mr ZHU Jiangtao, Mr CHOW Kwong Fai Edward, Mr LIU Erh Fei and Mr KWOK Lam Kwong Larry. The members of the Committee collectively possess relevant technical expertise and experience in risk disciplines that are adequate to enable them to discharge their responsibilities effectively. The principal duties of the Risk Committee include the following:

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- 監督及評估本行的壓力測試和情景分析的設計和執行；
- 審閱高級管理層（包括風險總監）提供關於本行風險文化、風險敞口及有關風險管理事宜的定期報告；
- 確保本行負責實施風險管理系統及監控的人員獨立於本行相關風險承擔活動；
- 在不影響薪酬與考核委員會工作的前提下，檢討本行薪酬制度的激勵措施與本行的風險文化和風險偏好的一致性，並確保薪酬報酬已適當反映風險承擔和風險結果；及
- 董事會授權的其他事宜。
- To oversee and evaluate the design and execution of stress testing and scenario analyses;
- To review periodic reports provided by the senior management (including the Chief Risk Officer) on the state of the Bank's risk culture, risk exposure and risk management activities;
- To ensure that the staff members of the Bank responsible for implementing risk management systems and controls are sufficiently independent of the Bank's relevant risk-taking activities;
- To examine, without prejudice to the tasks of the Remuneration and Appraisal Committee, the incentives created by the remuneration system are aligned with the Bank's risk culture and risk appetite, and ensure remuneration awards appropriately reflect risk-taking and risk outcomes; and
- To execute other duties as may be delegated by the Board.

內部監控

董事會及行政人員負責設立、維持及執行一有效的內部監控系統。本集團的內部監控系統包括一個完善的組織架構和全面的政策及準則。董事會之下已設立審計委員會、風險委員會及各特定委員會，以協助管理和監察各種風險。董事會對各部門的職務、責任和誠信的期望，已清晰地列載於各政策文件內，包括行為守則、內部監控政策及合規政策聲明等。董事會並已清楚界定各業務及營運部門的權責，以確保有效之制衡。

本集團之內部監控系統涵蓋每一個業務及營運部門，以保障本集團資產免受損失或被盜取；妥善保存會計紀錄以提供可靠的財務資料；合理地對欺詐及重大錯誤作出防範，惟難以確保其絕對不會發生。本集團已訂立政策和程序，確保遵照有關法律、規例和行業標準。為了應付監管機構日益嚴謹的法例要求以及瞬息萬變的營商環境，董事會已投放更多資源及努力進一步強化本集團之管理層架構及監察。

Internal Control

The Board and Executives are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Group comprises a well-established organizational structure and comprehensive policies and standards. The Audit Committee, Risk Committee and other designated committees have been established with the objective of assisting the Board to manage and monitor various risks. The Board's expectations regarding duty, responsibility and integrity of each department are clearly spelled out in formal policy statements, which include Code of Conduct, Internal Control Policy and Compliance Policy Statement, etc. The Board has clearly defined the lines of authority and responsibilities of each business and operational unit to ensure adequate checks and balances.

The Group's internal control system covers every business and operational function so as to safeguard its assets against loss and misappropriation; to maintain proper accounting records for producing reliable financial information; to provide reasonable, but not absolute, assurance against material fraud and errors. Policies and procedures are established to ensure compliance with applicable laws, regulations and industry standards. To cope with the increasingly stringent requirements from relevant regulatory authorities together with ever-changing business environment, the Board has dedicated more resources and efforts to further strengthen the Group's management structure and oversight.

本集團已訂定不同的風險管理政策和程序，並由特定的委員會及單位負責識別、評估、監察及管理本集團所面對的各種風險。風險管理政策及藉以控制主要風險的規限由董事會或管理委員會擬定及批准。有關管理主要風險（包括信貸、市場、流動資金及營運風險）的政策及程序，詳列在財務報表註釋3「金融風險管理」一欄。

董事會負責本集團之內部監控系統，並對有關系統之有效性作出檢討。內部稽核為本集團內部監控架構重要的一環，向董事會提供客觀保證，透過對所有業務及營運部門的定期全面審查以確保完善的內部監控系統得以維持及依循既定的程序和標準。審計委員會會審閱內部稽核報告的重要事項。外聘核數師致管理層函件及監管機構報告內的重要事項均提呈審計委員會審閱，確保能及時採取補救行動，並跟進所有建議，確保能在合理時間內執行。稽核部每年根據風險為本之原則，將稽核資源重點擺放於較高風險之範疇上，以制訂其年度內部審計計劃。該計劃會提交管理委員會審閱，並由審計委員會核准。為確保稽核之獨立性，董事會已訂立內部審計章程，制訂內部稽核之職權及責任，本行總稽核直接向管理委員會及審計委員會報告，並最終向董事會報告。

問責及稽核

董事負責監督編製每個財政時段的財務報表，使賬目能真實和公平地反映集團在該時段的業務狀況、業績及現金流量表現。於編製截至二〇一七年十二月三十一日止年度之財務報表時，董事已採用適當之會計政策並貫徹應用，已批准採納符合國際財務報告準則的全部香港財務報告準則，及作出審慎合理的判斷及估計，並按持續經營之基準編製財務報表。

本行在有關期間完結後的四個月及三個月限期內，分別適時地發表全年業績公佈及中期業績公佈。

The Group has had in place various risk management policies and procedures. There are specific committees and units that are responsible for identifying, assessing, monitoring and managing the risks that the Group faces. Risk management policies and major risk control limits are established and approved by the Board or the Management Committee. A more detailed discussion of the policies and procedures for managing each of the major types of risk the Group is facing, including credit, market, liquidity and operational risk, is included in note 3 to the financial statements “Financial Risk Management” section.

The Board is responsible for the Group’s internal control system and for reviewing its effectiveness. The Group’s internal audit function plays an important role in the Group’s internal control framework. It provides objective assurance to the Board that a sound internal control system is maintained and operated in compliance with the established processes and standards through regular and comprehensive audits on all business and operational functions. The Audit Committee reviews the significant issues raised in the internal audit reports. Significant issues raised in the management letters from external auditors and reports from regulatory authorities will be brought to the attention of the Audit Committee to ensure that prompt remedial action is taken. All recommendations will be properly followed up to ensure they are implemented within a reasonable period of time. Pursuant to a risk based methodology, the Internal Audit Department plans its internal audit schedules annually with audit resources prioritised towards higher risk areas. The Internal Audit Plan is submitted to the Management Committee for review and the Audit Committee for approval. To preserve the audit independence, the Board has established the Audit Charter to set out the authorities and responsibilities of internal audit function. The Group Chief Auditor reports directly to the Management Committee and Audit Committee, and ultimately reports to the Board.

Accountability and Audit

The directors are responsible for overseeing the preparation of financial statements of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2017, the directors have applied suitable accounting policies consistently, approved adoption of all Hong Kong Financial Reporting Standards which are in conformity with the International Financial Reporting Standards, and made prudent judgments and estimates, and prepared the financial statements on a going concern basis.

The Bank has announced its annual and interim results in a timely manner within the limits of 4 months and 3 months respectively after the end of the relevant period.

獨立核數師報告書 Independent Auditor's Report

致永隆銀行有限公司成員
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於50至194頁的永隆銀行有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二〇一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表及綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表註釋,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二〇一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

TO THE MEMBERS OF WING LUNG BANK LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Wing Lung Bank Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 50 to 194 which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

客戶貸款總額之減值

由於 貴集團在釐定是否存在減值事項以及貸款減值撥備的錄入金額時行使了重大判斷，我們將客戶貸款及墊款總額減值識別為一項關鍵審計事項。

截至二〇一七年十二月三十一日止，如註釋24(a)所述，客戶墊款及貸款總額主要包括公司及個人貸款共計港幣150,839百萬元，其中分別錄入了「減值準備-綜合評估」港幣296百萬元，以及「減值準備-個別評估」港幣332百萬元。

管理層採用信貸評級系統以釐定企業貸款是否存在客觀證據表明發生減值。判定交易對手的信貸級別（包括借貸者及擔保方之財務能力，抵押品以及特定交易之風險）時須涉及到重大判斷。

個別減值乃根據個別戶口是否出現損失之評估而判定，包括對抵押品之價值，按照相關的折現率折現。

綜合減值乃根據過往損失經驗進行計算，並根據就觀察所得之經濟及信貸環境資料數據及判斷作調整和補充。

管理層關於相關重大會計政策的披露載列於註釋1.7(a)，金融風險管理載列於註釋3.1，相關主要會計估計及判斷載列於註釋4(a)。

我們的審計如何處理該等關鍵審計事項

我們對客戶貸款總額減值實施了如下程式：

- 評估及評價 貴集團對於信貸批核、審閱及監控程序，以及內部信貸評級系統及減值評估程序之控制設計。
- 測試 貴集團在信貸批核、審閱及監控程序以及內部信貸評級制度及減值評估程序的控制，包括識別不良貸款、監測預警監控客戶名單以及測量減值撥備。
- 以抽樣形式檢閱管理層認為「無減值」的信貸文檔並檢查其貸款評級。

Impairment on gross loans and advances to customers

We identified the impairment on gross loans and advances to customers as a key audit matter due to the significant judgment in determining whether an impairment event has occurred exists and how much to record as loan impairment allowances.

As at 31 December 2017, as set out in note 24(a), gross loans and advances to customers comprising mainly corporate and individual loans amounting to HK\$ 150,839 million against which “Impairment allowances – Collectively assessed” of HK\$ 296 million and “Impairment allowances – Individually assessed” of HK\$ 332 million were recorded.

The management adopts a credit grading system for corporate loans to determine whether objective evidence of impairment exists. Significant judgment is required to determine the credit worthiness of the counterparties, including the financial strength of the borrowers and guarantors, collateral pledged and the risk of specific transactions.

Individual impairment is determined by an evaluation of the incurred loss on a case-by-case basis, which includes the assessment of the collateral value adjusted at the relevant discount rates.

Collective impairment is calculated based on historical loss experience and adjusted for current observable data on economic and credit environment supplemented by judgment.

Management’s disclosures with regards to the relevant significant accounting policies are contained in note 1.7(a), whilst the related financial risk management are contained in note 3.1 and the relevant critical accounting estimates and judgments are contained in note 4(a).

How our audit addressed the key audit matter

Our procedures in relation to impairment on gross loans and advances to customers included:

- Assessing and evaluating the design of controls with respect to the Group’s credit approval, review and monitoring processes, the internal credit rating system and impairment assessment processes.
- Testing of controls over the Group’s credit approval, review and monitoring processes and impairment assessment processes, including the identification of non-performing loans, monitoring of credit watch list and measurement of the impairment allowance.
- Checking the loan grading for a sample of loans that are considered to be “not impaired” by management by examining the credit review files.

獨立核數師報告書 Independent Auditor's Report

個別評估

關於管理層認為已經發生減值的貸款樣本：

- 我們評價了管理層對於是否發生減值事項的判斷；
- 我們檢驗了抵押品估值報告及由管理層提呈的其他證據，並檢查了抵押品的價值以及採用的折現率；
- 我們評價了管理層在預計現金流量及折扣率內所採用關鍵假設和估計；及
- 我們重新計算了 貴集團的個別減值準備。

組合評估

- 我們評價了管理層採用釐定綜合減值準備的方法；
- 我們抽樣檢查了管理層在計算中所採用之資料，包括歷史損失率及追回之資料；
- 我們評價了管理層所採用的關鍵假設和估計包括經濟數據及損失識別期之適當性；
- 我們重新計算了 貴集團的綜合減值準備。

其他信息

董事需對其他信息負責。其他信息包括載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

Individual assessment

For a sample of loans which are considered by management to be impaired:

- We evaluated management's judgment on whether an impairment event has occurred;
- We examined collateral valuation reports and other evidence provided by management and checked the collateral value and the liquidity discount applied;
- We evaluated the key assumptions and estimations of anticipated cash flows and the discount rates applied by the management; and
- We recalculated the Group's individual impairment allowances.

Collective assessment

- We evaluated the methodology for determining the collective impairment allowances adopted by the management;
- We sample checked the data used by management in the computations including historical loss rates and recovery information;
- We evaluated the appropriateness of key judgments and assumptions adopted by the management including economic factors and loss identification periods; and
- We recalculated the Group's collective impairment allowance.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層需負責監管貴集團財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照香港《公司條例》第405條的規定僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何人士承擔任何責任或接受任何義務。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或並集合起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

獨立核數師報告書 Independent Auditor's Report

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏，虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的適當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性做出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留的意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是唐業銓。

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Eric Tong.

德勤•關黃陳方會計師行
執業會計師
香港

二〇一八年三月二十日

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

20 March 2018

綜合收益表

Consolidated Income Statement

截至二〇一七年十二月三十一日止之年度 For the year ended 31 December 2017

		註釋 Note	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
利息收入	Interest income	5	7,443,887	6,383,127
利息支出	Interest expense	6	(3,805,721)	(2,934,501)
淨利息收入	Net interest income		3,638,166	3,448,626
服務費及佣金收入	Fees and commission income		1,023,264	1,153,614
服務費及佣金支出	Fees and commission expense		(214,935)	(332,847)
服務費及佣金淨收入	Net fees and commission income	7	808,329	820,767
保險營業收入	Insurance operating income	8	478,675	965,622
淨交易收益	Net trading gain	9	561,329	597,828
出售可供出售證券之 淨收益	Net gain on disposal of available-for-sale securities		300,144	127,616
其他營業收入	Other operating income	10	342,509	296,817
營業收入	Operating income		6,129,152	6,257,276
保險申索準備	Charge for insurance claims	8	(268,569)	(285,592)
提取保險申索後之營業收入	Operating income net of insurance claims		5,860,583	5,971,684
營業支出	Operating expenses	11	(1,953,394)	(1,977,049)
提取減值準備前之營業溢利	Operating profit before impairment charge		3,907,189	3,994,635
金融資產之減值損失	Impairment losses on financial assets	12	(190,708)	(251,838)
營業溢利	Operating profit		3,716,481	3,742,797
投資物業之公平價值收益	Fair value gains on investment properties	29	41,747	44,256
出售其他物業及設備之 淨收益／(虧損)	Net gain/(loss) on disposal of other properties and equipment		97,198	(7,428)
出售附屬公司之淨收益	Net gain on disposal of subsidiaries		–	188,446
應佔共同控制實體之 淨溢利	Share of net profit of jointly controlled entities		642,300	218,886
應佔聯營公司之淨溢利	Share of net profit of an associate		1,342	786
除稅前溢利	Profit before taxation		4,499,068	4,187,743
所得稅	Income tax	15	(638,403)	(682,697)
本年度溢利	Profit for the year		3,860,665	3,505,046
歸屬於：	Attributable to:			
本行股東	Equity shareholders of the Bank		3,858,019	3,496,541
非控制的股東權益	Non-controlling interests		2,646	8,505

載於第55頁至第194頁之註釋為此等綜合財務報表之一部份。

The notes on pages 55 to 194 form part of these consolidated financial statements.

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至二〇一七年十二月三十一日止之年度 For the year ended 31 December 2017

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
本年度溢利	Profit for the year	3,860,665	3,505,046
本年度其他全面收益	Other comprehensive income for the year		
其後可能重新分類至 收益表之項目：	Items that may be reclassified subsequently to the income statement:		
可供出售證券之 公平價值改變	Changes in fair value of available-for-sale securities	206,393	(86,124)
可供出售證券之公平價值因 出售附屬公司而減少	Decrease in fair value of available-for-sale securities due to disposal of subsidiaries	-	(188,446)
於出售可供出售證券時 轉入收益表	Transfer to income statement on disposal of available-for-sale securities	(300,144)	(127,616)
於可供出售證券減值時 轉入收益表	Transfer to income statement on impairment of available-for-sale securities	-	4,761
應佔聯營公司之儲備	Share of an associate's reserves	102	80
應佔共同控制實體之儲備	Share of jointly controlled entities' reserves	11,140	1,338
因折算海外分行及附屬公司 的財務報表產生的 匯兌變動	Exchange difference on translation of financial statements of overseas branches and subsidiaries	318,853	(214,893)
其他全面收益之遞延稅項之 影響	Effect of deferred taxation on other comprehensive income items	(9,300)	26,773
其後不會重新分類至 收益表之項目：	Items that will not be reclassified subsequently to the income statement:		
重估房產之盈餘	Surplus on revaluation of bank premises	-	32,135
界定福利計劃之精算收益	Actuarial gains on defined benefit schemes	83,576	40,751
其他全面收益之遞延稅項之 影響	Effect of deferred taxation on other comprehensive income items	(13,790)	(6,724)
本年度其他全面收益／ (支出)	Other comprehensive income/(expense) for the year	296,830	(517,965)
本年度全面收益總額	Total comprehensive income for the year	4,157,495	2,987,081
歸屬於：	Attributable to:		
本行股東	Equity shareholders of the Bank	4,154,849	2,978,576
非控制的股東權益	Non-controlling interests	2,646	8,505

綜合財務狀況表

Consolidated Statement of Financial Position

二〇一七年十二月三十一日 As at 31 December 2017

		註釋 Note	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
資產	Assets			
庫存現金及短期資金	Cash and short-term funds	17	49,344,947	35,315,244
同業定期存放及貸款	Placements with and loans and advances to banks	18	28,139,871	26,070,918
持作買賣用途之證券	Trading securities	19	1,074,095	1,328,530
衍生金融工具	Derivative financial instruments	20	1,408,541	697,578
以公平價值誌入損益賬之 金融資產	Financial assets designated at fair value through profit or loss	21	5,943,598	4,865,980
可供出售之證券	Available-for-sale securities	22	46,390,389	45,561,712
持至到期證券	Held-to-maturity securities	23	331,356	883,823
貸款及其他賬項	Advances and other accounts	24	159,017,509	146,445,745
共同控制實體權益	Interests in jointly controlled entities	27	2,159,614	1,678,416
聯營公司權益	Interest in an associate	28	3,592	3,363
投資物業	Investment properties	29	3,225,920	3,191,670
租賃土地權益	Interests in leasehold land	30	167,366	180,569
其他物業及設備	Other properties and equipment	31	1,370,474	1,382,159
可回收稅項	Tax recoverable		2,681	3,204
遞延稅項資產	Deferred tax assets	34	37,841	49,415
列作出售資產	Assets classified as held for sale	36	149,021	–
總資產	Total assets		298,766,815	267,658,326
負債	Liabilities			
同業存款	Deposits and balances from banks		33,134,691	39,307,661
交易賬項下之負債	Trading liabilities		77,380	–
衍生金融工具	Derivative financial instruments	20	794,593	901,847
客戶存款	Deposits from customers	32	210,963,646	184,251,154
發行之存款證	Certificates of deposit issued		4,582,410	3,589,223
發行之後償債項	Subordinated debts issued	33	4,675,302	1,541,841
當期稅項	Current taxation		174,624	257,514
遞延稅項負債	Deferred tax liabilities	34	67,826	38,698
其他賬項及預提	Other accounts and accruals	35	6,536,172	5,152,943
總負債	Total liabilities		261,006,644	235,040,881
權益	Equity			
股本	Share capital	37	1,160,951	1,160,951
儲備	Reserves	38	31,972,180	28,131,090
歸屬於本行股東權益合計	Total equity attributable to shareholders of the Bank		33,133,131	29,292,041
額外權益工具	Additional equity instruments	33	4,573,230	3,251,990
非控制的股東權益	Non-controlling interests		53,810	73,414
權益總額	Total equity		37,760,171	32,617,445
權益及負債總額	Total equity and liabilities		298,766,815	267,658,326

經已於二〇一八年三月二十日由董事會
通過及授權發佈。

田惠宇
朱琦

董事長
董事兼行政總裁

Approved and authorised for issue by the Board of Directors on 20
March 2018.

TIAN Huiyu
ZHU Qi

Chairman
Director and Chief Executive Officer

載於第55頁至第194頁之註釋為此等綜
合財務報表之一部份。

The notes on pages 55 to 194 form part of these consolidated financial
statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二〇一七年十二月三十一日止之年度 For the year ended 31 December 2017

		股本	資本儲備	重估 房產儲備 Bank premiaes	重估 投資儲備 Investment revaluation reserve	其他儲備 Other reserves	保留溢利 Retained earnings	小計	額外權益 工具 Additional equity instruments	非控制的 股東權益 Non- controlling interests	合計
		Share capital	Capital reserve	revaluation reserve	revaluation reserve	Other reserves	Retained earnings	Sub-total	equity instruments	controlling interests	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二〇一六年一月一日	At 1 January 2016	1,160,951	57,500	523,171	441,422	823,035	23,426,477	26,432,556	3,251,990	248,288	29,932,834
二〇一六年權益總額的改變：	Changes in equity for 2016:										
本年度溢利	Net profit for the year	-	-	-	-	-	3,496,541	3,496,541	-	8,505	3,505,046
本年度其他全面收益／ (支出)	Other comprehensive income/ (expense) for the year	-	-	32,975	(370,074)	(200,742)	19,876	(517,965)	-	-	(517,965)
本年度全面收益／(支出) 總額	Total comprehensive income/ (expense) for the year	-	-	32,975	(370,074)	(200,742)	3,516,417	2,978,576	-	8,505	2,987,081
轉出或然儲備	Transfer from contingency reserve	-	-	-	-	(46)	46	-	-	-	-
非控制的股東權益 的減少	Amount decrease in non-controlling interests	-	-	-	-	-	-	-	-	(183,379)	(183,379)
權益工具分配	Distribution for equity instruments	-	-	-	-	-	(119,091)	(119,091)	-	-	(119,091)
於二〇一六年十二月三十一日 及二〇一七年一月一日	At 31 December 2016 and 1 January 2017	1,160,951	57,500	556,146	71,348	622,247	26,823,849	29,292,041	3,251,990	73,414	32,617,445
二〇一七年權益總額的改變：	Changes in equity for 2017:										
本年度溢利	Net profit for the year	-	-	-	-	-	3,858,019	3,858,019	-	2,646	3,860,665
本年度其他全面收益／ (支出)	Other comprehensive income/ (expense) for the year	-	-	6,770	(98,590)	318,989	69,661	296,830	-	-	296,830
本年度全面收益／ (支出)總額	Total comprehensive income/ (expense) for the year	-	-	6,770	(98,590)	318,989	3,927,680	4,154,849	-	2,646	4,157,495
發行額外權益工具	Issue of additional equity instruments	-	-	-	-	-	-	-	1,321,240	-	1,321,240
非控制的股東權益 的減少	Amount decrease in non-controlling interests	-	-	-	-	-	-	-	-	(22,250)	(22,250)
權益工具分配	Distribution for equity instruments	-	-	-	-	-	(313,759)	(313,759)	-	-	(313,759)
於二〇一七年十二月三十一日	At 31 December 2017	1,160,951	57,500	562,916	(27,242)	941,236	30,437,770	33,133,131	4,573,230	53,810	37,760,171

載於第55頁至第194頁之註釋為此等綜合財務報表之一部份。

The notes on pages 55 to 194 form part of these consolidated financial statements.

綜合現金流量表

Consolidated Cash Flow Statement

截至二〇一七年十二月三十一日止之年度 For the year ended 31 December 2017

	註釋 Note	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000	
營業活動之現金流入淨額	Cash generated from operations	42(a)	22,943,113	11,787,456
支付香港利得稅	Hong Kong profits tax paid		(567,288)	(368,761)
支付海外稅項	Overseas tax paid		(139,058)	(215,382)
營業活動之現金流入淨額	Net cash generated from operating activities		22,236,767	11,203,313
投資活動	Investing activities			
購入可供出售之證券及 持至到期證券	Purchase of available-for-sale securities and held-to-maturity securities		(52,075,157)	(40,419,379)
獲取共同控制實體 之清算款項	Proceeds from liquidation of a jointly controlled entity		2,632	–
共同控制實體之貸款償還	Loans repaid from jointly controlled entities		–	5,835
收取共同控制實體及 聯營公司之股息	Dividends received from jointly controlled entities and an associate		21,804	19,527
出售及贖回可供出售之 證券及持至到期證券 所得之款項	Proceeds from sale and redemption of available-for-sale securities and held-to-maturity securities		50,006,640	23,134,330
增置其他物業及設備	Payment for additions of other properties and equipment		(152,381)	(210,634)
出售其他物業及設備所得之 款項	Proceeds from disposal of other properties and equipment		109,290	140
投資活動之現金流出淨額	Net cash used in investing activities		(2,087,172)	(17,470,181)
融資活動	Financing activities			
額外權益工具分配	Distribution for additional equity instruments		(313,759)	(119,091)
發行額外權益工具	Issue of additional equity instruments		1,321,240	–
發行之後償債項	Subordinated debts issued		3,117,906	–
償還已發行之後償債券	Repayment of subordinated debts issued		–	(1,500,000)
非控制的股東權益的減少	Amount decrease in non-controlling interests		(22,250)	(183,379)
融資活動之現金流入／ (流出)淨額	Net cash generated from/(used in) financing activities		4,103,137	(1,802,470)
現金及等同現金項目之 淨增加／(減少)	Net increase/(decrease) in cash and cash equivalents		24,252,732	(8,069,338)
於一月一日現金及等同 現金項目	Cash and cash equivalents at 1 January		17,436,188	25,727,130
外幣匯率變動之影響	Effects of foreign exchange rate changes		(78,735)	(221,604)
於十二月三十一日現金及 等同現金項目	Cash and cash equivalents at 31 December	42(b)	41,610,185	17,436,188
營業活動之現金流量包括：	Cash flows from operating activities include:			
利息收入	Interest received		7,226,879	6,443,411
利息支出	Interest paid		3,032,935	2,918,192
股息收入	Dividends received		75,507	21,089

載於第55頁至第194頁之註釋為此等綜合財務報表之一部份。

The notes on pages 55 to 194 form part of these consolidated financial statements.

財務報表註釋 Notes to the Financial Statements

1 主要會計政策

1.1 編製基礎

本綜合財務報表乃根據適用之香港財務報告準則，即所有由香港會計師公會頒佈並且適用之個別香港財務報告準則、香港會計準則及詮釋、香港普遍採納之會計準則。本綜合財務報表同時符合香港《公司條例》之要求。

本綜合財務報表以歷史成本常規法編製，並就可供出售之金融資產、持作買賣用途之金融資產及負債（包括衍生金融工具），以公平價值誌入損益賬之金融資產及負債及投資物業之重估作出修訂。

編製符合香港財務報告準則之財務報表須使用多項重要之會計估計，亦須管理層在應用本集團會計政策之過程中作出判斷。涉及較大幅度之判斷及較高複雜性、或其假設及估計對本綜合財務報表有重大影響之範疇，已詳列於註釋4。

香港會計師公會已頒佈多項香港財務報告準則之修訂，並於二〇一七年一月一日或之後之會計年度開始生效。本年度採納之香港財務報告準則修訂對本集團的財務報表並無重大影響。下列為與本集團業務相關之香港財務報告準則修訂：

— 香港會計準則第7號之修訂—披露倡議。本集團於本年度首次應用此修訂要求。此修訂要求機構披露，使財務報表使用者能評估融資活動，包括現金和非現金變化引起的負債改變。此外，如金融資產的現金流量或未來的現金流量將會包括來自融資活動的流量，此修訂也要求披露金融資產的變化。採納該修訂已反映於「綜合現金流量表」。

1 Summary of significant accounting policies

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities held for trading (including derivative financial instruments), financial assets and financial liabilities designated at fair value through profit or loss and investment properties.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The HKICPA has issued a number of amendments to HKFRSs, which are effective for accounting periods beginning on or after 1 January 2017. The adoption of the amendments to HKFRSs in the current year has no material impact on the Group's consolidated financial statements. The following revised HKFRSs are relevant to the Group's operations:

— Amendments to HKAS 7, Disclosure Initiative. The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. The adoption of these amendments have reflected in the consolidated cash flow statement.

財務報表註釋

Notes to the Financial Statements

1 主要會計政策 (續)

1.1 編製基礎 (續)

- 香港會計準則第12號之修訂-確認未實現虧損之遞延稅項資產。有關修訂指引機構應根據香港會計準則第12號計量收益就特定事項下以公允值計量的債務工具的未變現虧損確定是否確認相關的遞延稅項資產。採納此修訂對本集團確認未變現虧損所產生的遞延稅項資產並無影響。

截至本綜合財務報表發佈日止，香港會計師公會公佈了若干新增／經修訂之香港財務報告準則，該等準則尚未於二〇一七年一月一日開始之會計年度生效，本集團並未有提早採納此等準則。本集團正評估此等新增／經修訂之香港財務報告準則在首個應用期產生的影響。下列新增／經修訂之香港財務報告準則與本集團業務相關：

- 香港財務報告準則第9號「金融工具」，於二〇一八年一月一日或之後之會計年度開始生效。
- 香港財務報告準則第15號「與客戶訂約帶來之收入」，於二〇一八年一月一日或之後之會計年度開始生效。
- 香港財務報告準則第16號「租賃」，於二〇一九年一月一日或之後之會計年度開始生效。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入金融工具的分類與計量、金融資產的預期減值損失及一般對沖會計之新要求。

1 Summary of significant accounting policies (Continued)

1.1 Basis of preparation (Continued)

- Amendments to HKAS 12, Recognition of Deferred Tax Assets for Unrealised Losses. The amendments provide guidance on how an entity determines, in accordance with HKAS 12 Income Taxes, whether to recognise a deferred tax asset in relation to unrealised losses of a debt instrument that is measured at fair value under certain specific facts and circumstances. The adoption of these amendments have no impacts on the Group's recognition of deferred tax assets for unrealised losses.

Up to the date of issue of these consolidated financial statements, the HKICPA has also issued certain new/revised HKFRSs which are not yet effective for accounting period beginning on 1 January 2017 and have not been early adopted by the Group. The Group is in the process of making an assessment of what the impact of these new/revised HKFRSs is expected to be in the period of initial application. The following new/revised HKFRSs are relevant to the Group's operations:

- HKFRS 9, Financial instruments, which is effective for annual periods beginning on or after 1 January 2018.
- HKFRS 15, Revenue from contracts with customers, which is effective for annual periods beginning on or after 1 January 2018.
- HKFRS 16, Leases, which is effective for annual periods beginning on or after 1 January 2019.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial instruments, recognition of expected credit loss on financial assets, and revised requirements for general hedge accounting.

1 主要會計政策 (續)

1.1 編製基礎 (續)

分類與計量

所有已確認並納入於香港財務報告準則第9號適用範圍內之金融資產，需於往後以攤銷成本或公平價值計量。以收取合約現金流為目標的商業模式中持有之債務金融資產，並其現金流僅為本金與利息款項，於往後的會計期末一般均以攤銷成本計量。以收取合約現金流及出售為目標的商業模式中持有之債務金融資產，並且在合約條款已定明於指定日期僅為本金與利息款項之現金流，一般均以公平價值計入其他全面收益計量。其他所有金融資產以公平價值計量。再者，於香港財務報告準則第9號下，機構可不容撤回地選擇以公平價值計入其他全面收益計量非交易性的股權投資，一般只確認其股息收入為損益。

分類與計量的過渡影響預計為增加本集團之權益總額約港幣2,272,000元。該影響主要源於為收取合約現金流而持有之可供出售之證券重分類為攤銷成本。

減值

相對於香港會計準則第39號下之已發生信貸損失模型，香港財務報告準則第9號之要求為預期減值損失模型。預期減值損失模型要求機構在計算預期減值損失及其變動時，需反映由初始確認起之信貸風險變化。換言之，確認信貸損失前毋須出現信貸事件。

應用香港財務報告準則第9號之預期減值損失模型將導致金融資產的三階段分級：

- 若金融資產由初始確認起並無減值及重大的信貸風險變化，將分類為第一階段並需確認12個月之預期減值損失。
- 若金融資產由初始確認起並無減值，但已出現重大的信貸風險變化，將分類為第二階段並需確認全期之預期減值損失。
- 若金融資產存在客觀違約證據而已減值，將分類為第三階段。該資產之全期預期減值損失按個別評估釐定。

1 Summary of significant accounting policies (Continued)

1.1 Basis of preparation (Continued)

Classification and measurement

All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The estimated transition impact from classification and measurement will increase total equity of the Group by approximately HK\$2,272,000. Such impact arises mainly from the reclassification of available-for-sale securities to amortised cost as they are held for collecting contractual cash flows.

Impairment

HKFRS 9 requires an expected credit loss (“ECL”) model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The application of the ECL model of HKFRS 9 will result in three stages of financial assets:

- A financial asset is classified under Stage 1 if it was not credit-impaired upon origination and there has not been a significant increase in its credit risk since inception. Recognition for 12 month ECL is required.
- A financial asset is classified under Stage 2 if it was not credit-impaired upon origination but has since suffered a significant increase in credit risk. Recognition for life-time ECL is required.
- A financial asset which has been credit-impaired with objective evidence of default is classified under Stage 3. Such asset is individually assessed for life-time ECL.

財務報表註釋 Notes to the Financial Statements

1 主要會計政策 (續)

1.1 編製基礎 (續)

減值的過渡影響預計為減少本集團之權益總額約港幣156,747,000元。

對沖會計

一般對沖會計的新要求保留現行香港會計準則第39號下可用之三種對沖機制。香港財務報告準則第9號下，認可作對沖會計的交易種類更具彈性，擴闊了可認作對沖工具的交易及非金融項目風險元素種類。另外，除移除了追溯性的定量有效性測試，亦引入經改良的機構相關風險管理行動披露要求。

經修訂的一般對沖會計要求預期對本集團之財務報表並無影響。

香港財務報告準則第15號提供按原則確認收入的方法，並引入於履行責任後確認收入的概念。該準則應予追溯應用，並備有若干權宜措施。其對本集團的收入確認方法並無重大影響。

香港財務報告準則第16號取消目前對承租人區分資產負債表內融資租賃和資產負債表外經營租賃的要求，並以單一的資產負債表內會計模型取代。本集團對租賃的確認及計量可能受影響。

1.2 綜合財務報表

截至二〇一七年十二月三十一日止之綜合財務報表包含本行、其子公司及本集團的共同控制實體權益及聯營公司權益。

附屬公司為本集團所控制之實體。當本集團承擔或有權從參與該實體的活動而獲取可變的回報，並有能力行使權力影響該回報，控制權則被確認。附屬公司包括本行直接或間接地控制其董事會之組成、控制其多於半數投票權或擁有多於半數其已發行股本之公司。

附屬公司權益自控制權轉移予本集團當日起於財務報表作綜合計算，並自該控制權終止之日起不再綜合計算。

1 Summary of significant accounting policies (Continued)

1.1 Basis of preparation (Continued)

The estimated transition impact from impairment will decrease total equity of the Group by approximately HK\$156,747,000.

Hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

No impact from the revised requirements for general hedge accounting on the Group's financial statements is expected.

HKFRS 15 provides a principles-based approach for revenue recognition, and introduces the concept of recognising revenue for obligations as they are satisfied. The standard should be applied retrospectively, with certain practical expedients available. They have no significant impact on the Group's revenue recognition.

HKFRS 16 eliminates the current requirements for lessees to distinguish between on-balance sheet finance leases and off-balance sheet operating leases. They are to be replaced by a single, on-balance sheet accounting model instead. They may have an impact on the Group's recognition and measurement of leases.

1.2 Consolidation

The consolidated financial statements for the year ended 31 December 2017 comprise the Bank and its subsidiaries and the Group's interests in an associate and jointly controlled entities.

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. They include entities in which the Bank, directly or indirectly, controls the composition of the Board of Directors, controls more than half of the voting power or holds more than half of the issued share capital.

Interests in subsidiaries are consolidated into the financial statements from the date on which control commences until the date that control ceases.

1 主要會計政策 (續)

1.2 綜合財務報表 (續)

集團內公司間之交易、結餘及未變現交易收益已於綜合財務報表內完全抵銷。集團內公司間之交易產生之未變現虧損也同時會被抵銷，除非有證據顯示該等資產出現減值。

本集團於若干未作綜合計算的結構性實體的權益包括(i)由本集團設立及管理的投資基金，為投資者管理資產以賺取費用；及(ii)本集團購入由第三方管理的投資基金。

本集團未作綜合計算的結構性實體權益的最高風險承擔為所持資產的賬面值，並見於註釋22。於二〇一七年十二月三十一日，無對未作綜合計算的結構性實體作財務支持(二〇一六年：無)。

1.3 共同控制實體

共同控制實體指本集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單獨控制權。

共同控制實體是指本集團與其他人士以合約協議方式共同控制該公司並擁有其淨資產的權利。

本集團之共同控制實體權益是以權益法在綜合財務報表內記賬，記賬方法是先以成本另按本集團於購入後應佔該共同控制實體淨資產及任何相關投資減值損失的轉變而調整。本集團應佔年內共同控制實體的購入後、除稅後業績及任何減值損失在綜合收益表內確認，而本集團應佔共同控制實體之其他全面收益的購入後、除稅後項目亦在綜合全面收益表內確認。

1 Summary of significant accounting policies (Continued)

1.2 Consolidation (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from inter-company transactions are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group has interests in certain unconsolidated structured entities which include (i) investment funds established and managed by the Group to generate fees from managing assets on behalf of investors; and (ii) third-party managed investment funds purchased by the Group.

The maximum exposure to loss from the Group's interests in unconsolidated structured entities is the carrying amount of the assets held and is included in note 22. As at 31 December 2017, no financial support was given to the unconsolidated structured entities (2016: Nil).

1.3 Jointly controlled entities

A jointly controlled entity is an entity which operates under a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

A jointly controlled entity is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements under the equity method and are initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the jointly controlled entities' net assets and any impairment losses relating to the investment. The Group's share of the post-acquisition, post-tax results of the jointly controlled entities and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the jointly controlled entities' other comprehensive income is recognised in the consolidated statement of comprehensive income.

財務報表註釋

Notes to the Financial Statements

1 主要會計政策 (續)

1.4 聯營公司

聯營公司是指本集團可對其管理發揮重大影響力，包括制定其財務及經營政策，但不能控制或共同控制其管理層之公司，一般是指持有20%－50%股本投票權者。

本集團之聯營公司權益是以權益法在綜合財務報表內記賬，記賬方法是先以成本另按本集團於購入後應佔該聯營公司淨資產及任何相關投資減值損失的轉變而調整。本集團應佔年內聯營公司的購入後、除稅後業績及任何減值損失在綜合收益表內確認，而本集團應佔聯營公司之其他全面收益的購入後、除稅後項目亦在綜合全面收益表內確認。

1.5 收入認算

收入是按已收或應收報酬的公平價值計算。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，收入在綜合收益表內確認如下：

(a) 利息收入及支出

所有金融工具之利息收入及支出乃採用實際利息方法於綜合收益表內以應計基準確認。

實際利息方法乃是一種用以計算金融資產或金融負債之攤銷成本及於其相關期內攤分利息收入或利息支出之方法。實際利率指能將預計未來之現金付賬或收入，從相關金融工具之預計年期(或較短之年期，如適用)折算至與金融資產或金融負債之賬面值之利率。在計算實際利率時，本集團乃按金融工具之所有合約條款(如提早清還之行使權)而估計其現金流量，但不考慮未發生之信貸損失。此計算包括所有合約內交易雙方所收取或支付之金額；包括能構成整體實際利息之住宅按揭貸款之現金回贈、交易成本及所有其他溢價或折讓。

1 Summary of significant accounting policies (Continued)

1.4 Associate

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decision. This is generally accompanied by a shareholding of between 20% and 50% of the voting rights.

The Group's interest in an associate is accounted for in the consolidated financial statements under the equity method and are initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets and any impairment losses relating to the investment. The Group's share of the post-acquisition, post-tax results of the associate and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

1.5 Revenue recognition

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

(a) Interest income and expense

Interest income and expense for all financial instruments are recognised in the consolidated income statement on an accruals basis using the effective interest method.

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

1 主要會計政策 (續)

1.5 收入認算 (續)

(a) 利息收入及支出 (續)

若金融資產價值因減值虧損被調低，其利息收入則以計算有關減值虧損時所採用來折算未來現金流量之利率來確認。因時間推移以致減值資產的現值增加，將確認為利息收入。

(b) 服務費及佣金收入

由金融服務而產生之服務費及佣金收入，在有關服務提供時確認，但如服務費是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在這些情況下，服務費在成本發生或承受風險的會計期確認或視作利息收入。

(c) 融資租賃及租購合約之利息收入

融資租賃及租購合約隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。或有租金以該收入產生的會計期間列作收入。收購融資租賃或租購合約之經紀佣金包括於該等資產之賬面值內並根據其可使用年期於綜合損益賬內攤銷作為利息收入調整。

(d) 經營租賃之租金收入

除非有更具代表性的基準衡量從使用租賃資產獲取利益的模式，經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在綜合收益表中確認為租賃淨收款總額的組成部分。或有租金以該收入產生的會計期間列作收入。

1 Summary of significant accounting policies (Continued)

1.5 Revenue recognition (Continued)

(a) Interest income and expense (Continued)

Once a financial asset has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Subsequent increase of such net present value of impaired assets due to the passage of time is recognised as interest income.

(b) Fee and commission income

Fee and commission income arises on financial services provided by the Group and is recognised when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the cost or risk is incurred and is accounted for as interest income.

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

Finance income implicit in finance lease and hire purchase payments is recognised as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals are recognised as income in the accounting period in which they are earned. Commission paid to dealers for acquisition of finance lease loans or hire purchase contracts is included in the carrying value of the assets and amortised to the consolidated income statement over the expected life of the lease as an adjustment to interest income.

(d) Rental income for operating lease

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

財務報表註釋 Notes to the Financial Statements

1 主要會計政策 (續)

1.5 收入認算 (續)

(e) 股息收入

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

1.6 金融資產

本集團之金融資產分為以下類別：貸款及應收賬項、持作買賣用途之證券、以公平價值誌入損益賬之金融資產、持至到期證券及可供出售證券。此等分類乃按購入投資時之目的而歸類，並由管理層在最初確認投資時決定。

(a) 貸款及應收賬項

貸款及應收賬項包括庫存現金及短期資金、同業定期存放及貸款、商業票據及客戶貸款，此等項目為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產。此乃本集團直接為債務人提供金錢、貨品或服務並在無意把其應收賬項用作買賣用途之情況下產生。

貸款及應收賬項採用實際利息方法計算攤銷成本減除減值虧損列賬。

(b) 持作買賣用途之證券

擬在短期內出售而購入之金融資產被分類為持作買賣用途。除被指定作為對沖用途外，衍生工具亦分類為持作買賣用途。

本集團並無符合於註釋1.9所列作對沖條件之衍生金融工具。

持作買賣用途之證券按其公平價值列賬而交易成本直接於綜合收益表內反映。其公平價值之變動，將於綜合收益表內確認為「持作買賣用途之證券淨收益／虧損」。

1 Summary of significant accounting policies (Continued)

1.5 Revenue recognition (Continued)

(e) Dividend income

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

1.6 Financial assets

The Group classifies its financial assets under the following categories: loans and receivables, trading securities, financial assets designated at fair value through profit or loss, held-to-maturity securities, and available-for-sale securities. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables, including cash and short term funds, placements with and loans and advances to banks, trade bills and loans and advances to customers, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are carried at amortised cost using the effective interest method less impairment losses.

(b) Trading securities

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

The Group does not have derivative financial instruments which meet the criteria for hedge accounting as described in note 1.9.

Trading securities are stated at fair value, and transaction costs taken directly to the consolidated income statement. Changes in fair value are recognised as "Net gain/loss from trading securities" in the consolidated income statement as they arise.

1 主要會計政策 (續)

1.6 金融資產 (續)

(c) 以公平價值誌入損益賬之金融資產

以公平價值誌入損益賬之金融資產乃不擬於短期內出售而購入之證券，但在符合下列條件下由管理層在起初所指定列入此類別：

- 該指定能消除或主要地減低以不同基礎上計量金融資產或確認其損益而出現不一致之計量或確認之情況 (或稱為「會計錯配」)；
- 根據列明之風險管理或投資策略管理的一組金融資產，並以公平價值為基礎評估其表現，及按相同基準向管理層提供有關資產的內部資訊；或
- 一些包含固有衍生工具之金融工具，因其衍生工具可重大調整由金融工具於合約上產生之現金流量及將包含之衍生工具從金融工具內分開是不被禁止的。

此等金融資產首先以公平價值確認，其交易成本直接列入綜合收益表內。公平價值變動均在其產生之期間列入綜合收益表作為「以公平價值誌入損益賬之金融工具淨收益／虧損」。

(d) 持至到期證券

持至到期證券乃本集團之管理層有肯定意向及能力持至期滿之固定或可確定付款金額及有固定年期之非衍生金融資產。若本集團出售或重新分類持至到期資產，除不屬重大數額外，整個類別均受影響並須重新分類為可供出售用途。

持至到期證券以實際利息方法計算其攤銷成本減除減值虧損列賬。

若對持至到期證券的投資意向及能力有所改變，則不應把金融資產繼續歸入持至到期證券，而應歸入於可供出售證券並重新以公平價值計量。

1 Summary of significant accounting policies (Continued)

1.6 Financial assets (Continued)

(c) *Financial assets designated at fair value through profit or loss*

Financial assets designated at fair value through profit or loss are not those financial assets acquired principally for the purpose of selling in the short term but designated by management as such at inception if they meet the following criteria:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring the financial assets or recognising the gains and losses on them on different bases;
- A group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about these assets is provided internally to the management; or
- It relates to those financial instruments embedded with derivatives which significantly modify the cash flows that would otherwise be required under the contract and the separation of the embedded derivative(s) from the financial instrument is not prohibited.

These financial assets are recognised initially at fair value and transaction costs taken directly to the consolidated income statement. Changes in fair value are recognised as “Net gain/loss arising from financial instruments designated at fair value through profit or loss” in the consolidated income statement in the period in which they arise.

(d) *Held-to-maturity securities*

Held-to-maturity securities are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity. If the Group were to sell or reclassify other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

Held-to-maturity securities are carried at amortised cost using the effective interest method less impairment losses.

If, as a result of a change in intention or ability, it is no longer appropriate to classify a financial asset as held-to-maturity, it shall be reclassified as available-for-sale and remeasured at fair value.

財務報表註釋 Notes to the Financial Statements

1 主要會計政策 (續)

1.6 金融資產 (續)

(e) 可供出售證券

可供出售證券乃被指定列入此類別或並無歸入其他類別之非衍生金融資產。可供出售證券是指有意作無期限持有但可因應流動資金所需或利率、匯率或股票價格變動而可供出售之證券。

可供出售證券以公平價值列示。公平價值變動所產生之未變現損益會在其他全面收益確認並獨立地累計於權益內，直至金融資產在賬項中沖銷或減值，於其時過往已在其他全面收益確認之累計損益將由權益轉到綜合收益表內確認。

在活躍市場中沒有市場報價而其公平價值是不能夠可靠計量的股權證券投資，根據註釋1.7(a)按成本減除任何減值損失列賬。

持作買賣用途之證券、以公平價值誌入損益賬之金融資產、持至到期及可供出售證券之購入與出售，按其交易日期，即本集團成為金融工具合約其中一方時列賬。貸款或應收款則在有關現金貸予借款人時列賬。

1.7 金融資產減值

(a) 以攤銷成本列賬之金融資產

本集團會於各個結算日評估是否存在客觀證據證明某項金融資產或某一組合金融資產出現減值情況。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該一組合金融資產於估計未來現金流量構成可合理估計的影響，有關金融資產才算出現減值及產生減值損失。證明某項或某一組合金融資產已出現減值的客觀證據包括集團察覺到以下虧損事件的明顯證據：

- (i) 發行人或承擔人出現重大財政困難；

1 Summary of significant accounting policies (Continued)

1.6 Financial assets (Continued)

(e) Available-for-sale securities

Available-for-sale securities are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale securities are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale securities are stated at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income and accumulated separately in equity until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to the consolidated income statement.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are carried at cost less impairment losses, if any, in accordance with note 1.7(a).

Purchases and sales of trading securities, financial assets designated at fair value through profit or loss, held-to-maturity and available-for-sale securities are recognised on trade-date – the date on which the Group becomes a party to the contractual provision of the instrument. Loans and receivables are recognised when cash is advanced to the borrowers.

1.7 Impairment of financial assets

(a) Financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- (i) significant financial difficulty of the issuer or obligor;

1 主要會計政策 (續)

1.7 金融資產減值 (續)

(a) 以攤銷成本列賬之金融資產 (續)

- (ii) 違反合約如逾期交付或拖欠利息或本金；
- (iii) 本集團就借款人因經濟或法律理由而出現的財政困難給予借款人在一般情況下放款人不予考慮的優惠條件；
- (iv) 借款人有可能破產或進行其他財務重組；
- (v) 因財政困難而導致某項金融資產失去活躍市場；或
- (vi) 可觀察的資料顯示某一組合金融資產自首次確認入賬後，其估計之未來現金流量出現重大跌幅，儘管未能認定有關跌幅是來自組別內哪項個別金融資產。資料包括：
 - 組別內借款人的付款狀況出現逆轉；或
 - 組別內資產拖欠情況與有關的國家或當地經濟狀況配合。

本集團首先評估是否有客觀證據證明個別重大的金融資產出現減值，或非個別重大的金融資產個別或整體出現減值。若本集團確定不存在任何客觀證據證明個別評估的金融資產（不論是否屬重大）出現減值，有關資產將撥入具類同信貸風險特質的金融資產組合內，以作綜合評估。綜合評估並不包括已被個別評估為需減值或需繼續減值的資產。

1 Summary of significant accounting policies (Continued)

1.7 Impairment of financial assets (Continued)

(a) Financial assets carried at amortised cost (Continued)

- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- (iv) it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- (v) the disappearance of an active market for that financial asset because of financial difficulties; or
- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - adverse changes in the payment status of borrowers in the group; or
 - national or local economic conditions that correlate with defaults on the assets in the group.

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

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Notes to the Financial Statements

1 主要會計政策 (續)

1.7 金融資產減值 (續)

(a) 以攤銷成本列賬之金融資產 (續)

若有客觀證據證明按攤銷成本列賬的金融資產出現減值損失，則以資產的賬面值與按金融資產原來的實際利率折算估計之未來現金流量（不包括日後未產生的信貸損失）所得的現值差額計算減值損失。此損失會透過減值準備賬在資產之賬面值內扣除並於綜合收益表內確認。倘金融資產按浮動利率計息，用於計算任何減值損失之折現率則為合約下釐定的即期實際利率。在實際運作上，本集團可採用可觀察之市場價值為公平價值來計算其減值。

計算有抵押之金融資產的預計未來現金流量的現值反映因收回抵押品後扣除取得及出售抵押品（不論抵押品是否可能被收回）之成本所可能產生的現金流量。

在進行綜合減值評估時，未進行個別減值的金融資產是按類同信貸風險特質作出分類。這些特質與預測該等組別資產之未來現金流量有關，可顯示所評估資產在合約條款下其債務人償還所有到期債務的能力。

同一類別之金融資產，其未來現金流量乃根據該類別資產之合約現金流量及相同信貸特質資產之過往損失經驗作出評估。過往損失經驗會因應就觀察所得之經濟及信貸環境資料數據而作調整，以反映未有影響過往損失經驗之近期市況及除去該等現時不存在但令致過往損失之因素。

估計某些資產之未來現金流量的改變，需反映並應與期間相關可觀察數據（如失業率、物業價格、付款情況，或其他可顯示該組別損失機會及損失程度的改變）的改變趨勢一致。本集團會定期檢討用作估計未來現金流量的方法及假設，以減少預計損失及實際損失的差異。

1 Summary of significant accounting policies (Continued)

1.7 Impairment of financial assets (Continued)

(a) Financial assets carried at amortised cost (Continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets that have not been individually assessed as impaired are grouped on the basis of similar credit risk characteristics. Those characteristics relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets are considered.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data on economic and credit environment to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, change in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

1 主要會計政策 (續)

1.7 金融資產減值 (續)

(a) 以攤銷成本列賬之金融資產 (續)

當貸款無法收回時，將與其相關之貸款減值準備撇除。該等貸款會在完成所有必須程序及能在確定損失金額後才撇除。如日後收回過往已撇除之款項，將會用作減低綜合收益表內的貸款減值撥備。

如日後減值損失金額減少，而該減少可客觀地與減值獲確認後發生的事項相關（例如債務人信貸評級改善），以往確認的減值損失透過調整撥備賬目撥回，撥回的金額於綜合收益表中確認。減值損失的回撥只限於假設該金融資產於過往從來未有確認減值損失的賬面值。

(b) 以公平價值列賬之資產

本集團會於各結算日評估是否存在客觀證據證明某項金融資產或某一組合金融資產出現減值情況。對被歸類為可供出售之股權投資，本集團會考慮其公平價值是否重大或持續下跌至低於其成本值來釐定該資產有否出現減值。倘存在證據顯示可供出售金融資產出現減值，其累計損失（購入成本與現時公平價值之差額）減除該金融資產以往於綜合收益表內確認之任何減值會於其他全面收益內撇除，並於綜合收益表內確認。於綜合收益表內確認的股權工具減值損失不會透過綜合收益表撥回。如日後被分類為可供出售的債務工具的公平價值增加，而該增值可客觀地與減值損失於綜合收益表確認後出現的事件有關，則減值損失將於綜合收益表中撥回。

1 Summary of significant accounting policies (Continued)

1.7 Impairment of financial assets (Continued)

(a) Financial assets carried at amortised cost (Continued)

When a loan is uncollectible, it is written off against the related allowances for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowances for loan impairment in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the consolidated income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that would have been determined had no impairment loss be recognised in prior years.

(b) Financial assets carried at fair value

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement is removed from the other comprehensive income and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement, the impairment loss is reversed through the consolidated income statement.

財務報表註釋

Notes to the Financial Statements

1 主要會計政策 (續)

1.8 金融負債及權益工具

本集團之金融負債分為以下類別：交易賬項下之負債、以公平價值誌入損益賬之金融負債、存款、發行之存款證、發行之後償債項及其他負債。所有金融負債均於開始時歸類，並初步以公平價值確認。

(a) 交易賬項下之負債

若金融負債主要為短期持有作購回用途，則歸類為交易賬項下之負債。此分類之負債按公平價值列示，而任何因公平價值變動而產生之收益或虧損均於綜合收益表內確認。

(b) 以公平價值誌入損益賬之金融負債

金融負債可於交易時被指定歸類為以公平價值誌入損益賬之金融負債。以公平價值誌入損益賬之金融負債，包括若干已發行之存款證及包含衍生工具的客戶存款。符合下列條件之金融負債一般在產生時歸類為以公平價值誌入損益賬之類別入賬：

- 該指定能消除或主要地減低以不同基礎上計量金融負債或確認其損益而出現不一致之計量或確認之情況（或稱為「會計錯配」）；
- 根據列明之風險管理或投資策略管理一組金融負債，並以公平價值為基礎評估其表現，及按相同基準向管理層提供有關負債的內部資訊；或
- 一些包含固有衍生工具之金融工具，因其衍生工具可重大調整由金融工具於合約上產生之現金流量及將包含之衍生工具從金融工具內分開是不被禁止的。

此等金融負債以公平價值列賬。任何因公平價值變動而產生之收益或虧損會列入綜合收益表作為「以公平價值誌入損益賬之金融工具淨收益／虧損」。

1 Summary of significant accounting policies (Continued)

1.8 Financial liabilities and equity instruments

The Group classifies its financial liabilities under the following categories: trading liabilities, financial liabilities designated at fair value through profit or loss, deposits, certificates of deposit issued, subordinated debts issued and other liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

(a) Trading liabilities

A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing in the short term. It is carried at fair value and any gains and losses arising from changes in fair value are recognised in the consolidated income statement.

(b) Financial liabilities designated at fair value through profit or loss

A financial liability is designated as fair value through profit or loss if it is so designated at inception. Financial liabilities so designated include certain certificates of deposit issued and certain deposits received from customers that are embedded with derivatives. A financial liability is typically so designated if it meets the following criteria:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring the financial liabilities or recognising the gains and losses on them on different bases;
- A group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about these liabilities is provided internally to the management; or
- It relates to those financial instruments embedded with derivatives which significantly modify the cash flows that would otherwise be required under the contract and the separation of the embedded derivative(s) from the financial instrument is not prohibited.

Financial liabilities designated at fair value through profit or loss are carried at fair value and any gains and losses arising from changes in fair value are recognised as “Net gain/loss arising from financial instruments designated at fair value through profit or loss” in the consolidated income statement.

1 主要會計政策 (續)

1.8 金融負債及權益工具 (續)

(c) 存款、發行之存款證、發行之後償債項及其他負債

除該等交易賬項下之負債或指定為以公平價值列賬之負債外，存款、發行之存款證及發行之後償債項，及其他負債均以經攤銷成本列賬。扣除交易費用後所得款項與贖回價值兩者之差額，均按實際利息方法於其他負債年內於綜合收益表確認。

權益工具為以合約訂明於扣除機構所有負債後之剩餘資產權益。本集團所發行的權益工具是以發行所得款項扣除直接發行成本予以確認。

1.9 衍生金融工具及對沖會計處理方法

衍生工具先按其合約生效日期之公平價值確認，其後以公平價值重新計算。隱含於其他金融工具內之固有衍生工具，如其經濟特質及風險與主合約工具之特質及風險並非密切連繫，而主合約工具亦非以公平價值誌入損益賬，此等衍生工具則會與主合約分開列賬。若衍生工具之公平價值為正數值，均以資產列賬，若為負數值，則確認為負債。其後公平價值之變動，將視乎該衍生工具之目的而確認。

所產生的公平價值收益或虧損之確認方法，將視乎該衍生工具是否被指定為對沖工具及所要對沖之項目的性質。本集團指定若干衍生工具為(i)以對沖資產、負債或確實承擔之公平價值(公平價值對沖)；或(ii)以對沖確認資產、負債或預測交易相關之現金流量(現金流量對沖)。若符合某些特定條件，將應用對沖會計處理方法入賬。

於交易開始時，本集團記錄對沖工具及被對沖之項目兩者間之關係，其風險管理目的及進行各項對沖交易之策略。本集團同時於對沖交易開始及往後持續地記錄其對用於對沖交易之衍生工具是否能有效地抵銷被對沖項目所產生之公平價值或現金流量變動而作出之評估。

1 Summary of significant accounting policies (Continued)

1.8 Financial liabilities and equity instruments (Continued)

(c) Deposits, certificates of deposit issued, subordinated debts issued and other liabilities

Deposits, certificates of deposit issued and subordinated debts issued, other than those classified as trading liabilities or designated at fair value through profit or loss, together with other financial liabilities are carried at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the consolidated income statement over the period of the other financial liabilities using the effective interest method.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received from issuance, net of direct issue costs.

1.9 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Subsequent changes in fair value are recognised depending on the purpose of the derivatives.

The method of recognising the resulting fair value gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or, (ii) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

財務報表註釋

Notes to the Financial Statements

1 主要會計政策 (續)

1.9 衍生金融工具及對沖會計處理方法 (續)

(a) 公平價值對沖

被指定及符合條件作為公平價值對沖的衍生工具之公平價值變動，將連同對沖風險相關之對沖資產或負債之公平價值變動一起列入綜合收益表內。

若對沖交易一旦未能符合對沖會計處理方法之要求，按實際利息方法入賬之所對沖項目的賬面值須作出調整，其改變乃按照計算至到期日之年期，於綜合收益表內攤銷。就被對沖股權證券之賬面值而作出之調整將保留於保留溢利內，直至出售該股權證券。

(b) 現金流量對沖

當衍生金融工具被指定及符合條件作為現金流量對沖，其有對沖果效部份之公平價值變動在其他全面收益確認並獨立地累計於權益內的對沖儲備。而其無對沖果效部份之收益及虧損將直接於綜合收益表內確認。

累計於權益內之公平價值變動，將於相關之對沖項目對損益產生影響時撥入綜合收益表內。

若對沖工具到期或已出售，或對沖交易一旦未能符合對沖會計處理方法之要求，於屆時累計於權益賬內收益或虧損將仍保留於權益內的對沖儲備，直至所預期之交易最終於綜合收益表確認時予以確認。若所預期之交易不再發生，已列入權益賬內之累計收益或虧損將即時轉撥於綜合收益表內。

本集團現時並沒有採用對沖會計處理方法。

1 Summary of significant accounting policies (Continued)

1.9 Derivative financial instruments and hedge accounting (Continued)

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated income statement, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the consolidated income statement over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

(b) Cash flow hedge

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

Amounts accumulated in equity are recycled to the consolidated income statement in the periods in which the hedged item will affect profit or loss.

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

The Group currently does not use hedge accounting.

1 主要會計政策 (續)

1.9 衍生金融工具及對沖會計處理方法 (續)

持作買賣用途之衍生金融工具及該等不符合對沖會計處理方法之對沖工具，以公平價值誌賬及其公平價值變動在綜合收益表內列示。

若本集團擁有具法律約束力之行使權去抵銷已確認之金額，及有意向就該等交易作淨額結算，或本集團能同時變現資產及償付負債，衍生工具交易將互相抵銷並以淨額列於綜合財務狀況表內。

1.10 證券及衍生工具之估值

金融工具之公平價值乃根據於估值日之市場價格並未計及扣除將來估計之銷售成本計算。金融資產以當時之買盤價釐定，而金融負債則以當時之賣盤價釐定。若是非上市證券或金融工具於市場內不活躍，本集團會以估值方法釐定公平價值，包括運用當時之公平市場交易、參考其他類似之金融工具當時之公平價值、折算現金流量分析及期權定價模式並作適當調整以反映發行者之特定情況。

1.11 投資物業

投資物業乃指在租賃權益下擁有及／或持有作長期租金收益及／或作資本升值用途之土地及／或房屋，而該等土地及／或房屋並非由本集團之公司所佔用。本集團以營業租約形式而持有用作租金收益及／或資本增值的物業權益乃按個別物業基準分類為投資物業。此等投資物業以融資租賃方式列賬，相同之會計政策亦適用於融資租賃下之其他投資物業。

投資物業最先以成本價包括交易費用列賬。經初步確認後，投資物業以公平價值列賬。任何因公平價值之變更或出售投資物業而產生之收益或虧損會於綜合收益表內確認。

1 Summary of significant accounting policies (Continued)

1.9 Derivative financial instruments and hedge accounting (Continued)

Derivative financial instruments held for trading and those that do not qualify for hedge accounting will be accounted for with changes in fair value reported through the consolidated income statement.

Derivative transactions are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.10 Valuation of securities and derivatives

The fair value of financial instruments is based on their quoted market prices at the valuation date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices while financial liabilities are priced at current ask prices. For unlisted securities and where the market for a financial instrument is not active, the Group estimates fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

1.11 Investment properties

Land and/or buildings which are owned and/or held under a leasehold interest for long-term rental yields and/or for capital appreciation, and that are not occupied by the companies in the Group, are classified as investment property. When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease, and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the consolidated income statement.

財務報表註釋

Notes to the Financial Statements

1 主要會計政策 (續)

1.11 投資物業 (續)

當物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額會根據香港會計準則第16條《物業、廠房及設備》在其他全面收益確認並獨立地累計於權益內之重估房產儲備。若重估增值用作抵銷同一資產因過去重估減值而被確認為支出的數額，則會被列作收入。減值則由先前同一資產的估值盈餘首先抵銷，尚餘部份則於綜合收益表內扣除。在出售房產時，有關物業之重估儲備會由重估房產儲備撥入保留溢利內。

若投資物業被轉作自用，該物業須重新歸類為房產，以重新歸類日的公平價值作為成本值。

1.12 其他物業及設備

(a) 房產

房產乃指持有之自用物業，按成本值減除累積折舊及減值虧損後列示。以租賃持有之自用物業，若能可靠地以其租約開始當日分攤土地及房屋之價值，而該租賃向承租人轉讓等同擁有權的絕大部份風險及回報，則土地部份視作融資租約，所攤分之租賃地價或其他租賃費用，將按其租約年期以直線法從綜合收益表內扣除。若物業出現減值，此減值亦會在綜合收益表內扣除。任何位於此租賃土地上之房屋均被視為房產的一部份。若未能可靠地以其租約開始當日分攤土地及房屋之價值，則整體將繼續視為融資租賃並以房產列賬。

房產折舊乃按照資產之估計可用年期以直線折舊法計算如下：

- 租約土地按租約尚餘年期予以折舊。
- 樓宇及其改良部份乃按40年或估計尚餘可用年期之較短者予以折舊。

1 Summary of significant accounting policies (Continued)

1.11 Investment properties (Continued)

When a property is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to the transfer and its fair value is recognised in other comprehensive income and accumulated separately in equity in the bank premises revaluation reserve in accordance with HKAS 16 "Property, plant and equipment". However, a revaluation increase is recognised as income only to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense. Decreases are first set off against increases on previous valuations of the same asset and thereafter are debited to the consolidated income statement. Upon disposal of the property, the relevant portion of the bank premises revaluation reserve is released and transferred from the bank premises revaluation reserve to retained earnings.

When an investment property becomes owner-occupied, it is reclassified as premises and its fair value at the date of reclassification becomes its cost.

1.12 Other properties and equipment

(a) Premises

Premises represent those properties held for own use and are stated at cost less accumulated depreciation and impairment losses. Where the land and building elements of the leasehold properties held for own use can be allocated reliably at the inception of the lease, the land element is accounted for as finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the lessee. As such, any leasehold land premiums for acquiring the land leases, or other lease payments, are charged to the consolidated income statement on a straight line basis over the period of the lease or where there is impairment, the impairment is charged to the consolidated income statement. Any buildings which are situated on such land leases are presented as part of premises. Where the land and building elements of the leasehold properties cannot be allocated reliably at the inception of the lease, the land and building elements are treated as a finance lease and classified as premises.

Depreciation of premises is calculated on a straight line basis to write off the assets over their estimated useful lives as follows:

- Leasehold land is depreciated over the unexpired terms of the leases.
- Building and improvements thereto are depreciated over the lesser of 40 years or the remaining estimated useful life.

1 主要會計政策 (續)

1.12 其他物業及設備 (續)

(b) 傢俬及設備

傢俬及設備均按照成本值減除折舊及減值虧損後列示，計算方法乃按照其估計可用年期，以餘額遞減法用年率10%至30%計算。

資產之剩餘價值及使用年期均會在每年結算日被評估，並在合適之情況下作出調整。

如資產之賬面值超過其估計可收回價值時，其賬面值將即時被減值至其可收回價值。

1.13 其他資產的減值

未能確定可使用年期的資產將不會予以攤銷，而於每年檢視其減值，如因某些事故或情況改變而顯示該等資產之賬面值未能收回，須評估其減值。如因某些事故或情況改變而顯示賬面值未能收回，予以攤銷之資產亦須評估其減值。若資產之賬面值超過其可收回價值，其部份將被確認為減值損失。可收回價值指該資產之公平價值減去變賣成本及其使用價值之較高者。

1.14 收回資產

收回抵押品之資產被列於「貸款及其他賬項」內之「其他賬項」，而相關之貸款已被終止確認。已收回抵押資產按有關貸款的金額、賬面值及可變現淨值最低者列賬。

1.15 外幣換算

本集團旗下各機構之財務報表中所載項目乃採用該機構營運之主要經濟環境所使用之貨幣（「運作貨幣」）計量。綜合財務報表乃以港幣呈列。港幣乃本行之運作及呈列貨幣。

外幣交易按交易日現行之匯率換算為運作貨幣。該等交易結算及以外幣結算之貨幣性資產或負債按年結日之匯率換算所產生之匯兌收益及虧損，乃於綜合收益表內確認。

1 Summary of significant accounting policies (Continued)

1.12 Other properties and equipment (Continued)

(b) Furniture and equipment

Furniture and equipment is stated at cost less depreciation and impairment losses. Depreciation is calculated on a reducing balance basis to write off the assets over their estimated useful lives, at annual rates ranging from 10% to 30%.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.13 Impairment of other assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.14 Repossessed assets

Reposessed collateral assets are reported as "Other accounts" under "Advances and other accounts" and the relevant loans are derecognised. The reposessed assets are measured at the minimum of the amount of the related loans and advances, carrying amount and net realisable value.

1.15 Foreign currency translation

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

財務報表註釋 Notes to the Financial Statements

1 主要會計政策 (續)

1.15 外幣換算 (續)

以原值成本值列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

非貨幣性項目，如歸類為買賣用途之股權證券，其換算差額將作為公平價值收益或虧損之一部分於綜合收益表內確認。非貨幣性項目，如歸類為可供出售之權益證券，其換算差額則於其他全面收益確認並獨立地累計於權益內。

海外業務之業績按交易日相約的匯率折算為港幣。資產及負債按報告期末的匯率折算為港幣。收入和支出按期內平均匯率折算。產生的匯兌差額於其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。

1.16 所得稅

本年度所得稅包括本期及遞延稅項資產和負債的變動。除該等應在其他全面收益或直接於權益中確認入賬而分別列入其他全面收益或直接為權益的數額外，本期稅項及遞延稅項資產和負債的變動於綜合收益表內確認。

本期稅項為是年度對應課稅收入按結算日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。

遞延稅項資產及負債是因財務報表之資產及負債之賬面值與其納稅基礎值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅項虧損及稅項抵免。

1 Summary of significant accounting policies (Continued)

1.15 Foreign currency translation (Continued)

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

Translation differences on non-monetary items such as equities held for trading are recognised in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary items such as equities classified as available-for-sale securities are included in other comprehensive income and accumulated separately in equity.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Assets and liabilities are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

1.16 Income tax

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

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

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

1 主要會計政策 (續)

1.16 所得稅 (續)

所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。可支持由可扣稅之暫時性差異引致遞延稅項資產之確認的未來應課稅溢利，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在該可扣稅之暫時性差異之同期內轉回或在由該遞延稅項資產產生的稅項虧損可以收回或留存之期限內轉回。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅項虧損或稅項抵免所產生的遞延稅項資產之確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅項虧損或稅項抵免可使用而轉回時，會計入該等差異。

確認遞延稅項的金額是根據該資產及負債的賬面值之預期收回及結算的方式，按在結算日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於結算日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。被扣減的遞延稅項資產若於預期將來出現足夠的應課稅溢利時，應予轉回。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

本期稅項與遞延稅項結餘及其變動之數額會分別列示而不會相互抵銷。本集團只在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：

— 就本期稅項資產及負債而言，本集團計劃支付淨額或同時收回資產及償還負債；或

1 Summary of significant accounting policies (Continued)

1.16 Income tax (Continued)

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

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

— in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

財務報表註釋

Notes to the Financial Statements

1 主要會計政策 (續)

1.16 所得稅 (續)

- 有關的遞延稅項資產及負債為同一稅務機關對以下機構徵收所得稅所產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體：在未來每一個預計實現重大遞延稅項的期間，該實體計劃以淨額形式結算本期稅項資產及負債或兩者同時收回及償還。

1.17 保險合約

本集團發行轉移保險風險之合約。保險合約乃指轉移重大保險風險之合約。作為一般指引，本集團界定重大保險風險為有可能須於受保事件發生時支付的賠償，較並無發生受保事件時須支付的賠償高最少10%。

(a) 認算及量度

本集團發行不同種類之保險合約，包括意外及健康、汽車、輪船、貨物交收、樓宇損毀、僱員賠償、一般責任及金錢損失等。此等保險單之風險覆蓋一般為一年。

此等合約之保費(期滿保費)根據其承保期間按比例確認為收入。於結算日已收到的有效保單保費，其未到期風險相關的保費收入部分則被列為遞延保費負債。保費以扣除佣金前及徵收稅項後之保費列示。

當索償及損失支出調整產生時將直接支取綜合收益賬。此支出包括截至結算日已發生但未呈報之直接及非直接索償。未索償之負債以業務種類分開分析。該負債以已呈報本集團之個別事件評估及以統計技巧估計已發生但未呈報之索償。

1 Summary of significant accounting policies (Continued)

1.16 Income tax (Continued)

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

1.17 Insurance contracts

The Group issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

(a) Recognition and measurement

The Group issues various classes of insurance contract including accident and health, motor vehicles, ships, goods in transit, property damage, employees' compensation, general liability and pecuniary loss. Risks under these insurance policies usually cover one year duration.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the end of the reporting period is reported as the unearned premium liability. Premiums are shown before deduction of commission and are net of duties levied on premiums.

Claims and loss adjustment expenses are charged to the consolidated income statement as incurred. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. Liabilities for unpaid claims are separately analysed by class of business. They are estimated using the input of assessments for individual cases reported to the Group and statistical techniques for the claims incurred but not reported.

1 主要會計政策 (續)

1.17 保險合約 (續)

(b) 未決索償

未決索償是根據個別索償審查及包括於報告期末已發生但未呈報的索償預計而評估。雖然此索償準備不可以精確地評估，但此索償準備已考慮現有資料及同時考慮直接索償處理支出及從其他人士之收回。有關索償的一般行政間接支出不包括在未決索償內。

於報告期末已發生但未呈報的索償準備是根據過往經驗而作出準備。

收回再投保之索償於報告期末時作為資產反映。

(c) 遞延收購成本

有關保障新合約及為現有合約續期而產生及變更的佣金及折扣資本化作為遞延收購成本。其他所有成本於產生時以支出入賬。遞延收購成本其後隨著保險單的年期當保費賺取時予以攤銷。

(d) 負債充足性測試

於各結算日，本集團均會進行負債充足性測試，以確保具備充足的能力以履行保險合約負債（除去遞延收購成本資產）。在進行此測試時，會採用對未來合約現金流量、索償的處理及行政費用，以及支持該等負債的相關資產所產生投資收益的最佳預測來進行。任何不足之金額須即時計入綜合收益表，並將負債充足性測試中產生之損失提撥準備金（未到期風險準備）。

(e) 持有再投保合約

持有再投保合約乃指本集團與再投保人訂下之合約，而本集團所發行之符合分類要求的保險合約之損失將會得到補償。本集團與另一投保人訂下之保險合約（向內再投保）會包括在保險合約內。

1 Summary of significant accounting policies (Continued)

1.17 Insurance contracts (Continued)

(b) Outstanding claims

Outstanding claims are assessed by reviewing individual claims and include an estimate for claims incurred but not reported at the end of reporting date. This provision, although not capable of precise assessment, has been made in the light of available information and after taking into account direct claims handling expenses and possible recoveries from other parties. Indirect expenses relating to the general administration of claims are not included as part of outstanding claims.

The provision for claims incurred but not reported at the end of reporting date is made based on historical experience.

Claims recoverable from reinsurers are included as an asset at the end of reporting date.

(c) Deferred acquisition costs ("DAC")

Commissions and discounts that vary with and are related to securing new contracts and renewing existing contracts are capitalised as DAC. All other costs are recognised as expenses when insured. The DAC is subsequently amortised over the terms of the insurance policies as premium is earned.

(d) Liability adequacy test

At the end of each reporting period, liability adequacy test is performed to ensure the unearned premium reserves net of related DAC assets are sufficient to cover the contract liabilities. In performing this test, current best estimates of future contractual cash flows and claims handling and maintenance (administration) expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to the consolidated income statement and a provision for losses arising from liability adequacy tests (the unexpired risk provision) is established.

(e) Reinsurance contracts held

Contracts held by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

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1 主要會計政策 (續)

1.17 保險合約 (續)

(e) 持有再投保合約 (續)

本集團持有再投保合約之得益被列為再投保人應佔保險合約。該資產包括與再投保人之短期結存，以及再投保合約所產生的較長期應收預期申索及得益。與再投保人之結存金額，會與再投保合約相關之金額一致地衡量以及按照再投保合約之條款量度。轉予再投保人之保費及由再投保人收回之索償以總額形式列示。

本集團每年評估再投保人應佔保險合約之減值。如有客觀證據證明再投保人應佔保險合約已減值，本集團會減低保險合約的賬面值至其可收回金額，並將減值損失列入綜合收益表內。

(f) 保險合約相關之應收及應付款

應收及應付款於到期時確認，包括對代理、經紀及保險合約持有人之應收及應付金額。

若出現保險合約已減值的客觀證據，本集團相應扣除保險合約之賬面值，並於綜合收益表內確認減值損失。

1.18 撥備

倘本集團因過往事件而產生現時法律或推定責任，可能須就解除責任而導致經濟資源流失之可能性高於不會導致資源流失之可能性；及可就責任之款額作出可靠估計時，則須確認責任索償之撥備。對於將來的營運損失，則不會確認為撥備。

如有多項同類責任時，其需要在償付中流出資源的可能性，乃根據責任的類別作整體釐定。即使在同一責任類別內所包含的任何一個項目相關的資源流出的可能性很低，仍須就此確認撥備。

1 Summary of significant accounting policies (Continued)

1.17 Insurance contracts (Continued)

(e) Reinsurance contracts held (Continued)

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurers' share of insurance contracts. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

The Group assesses the reinsurers' share of insurance contracts for impairment on an annual basis. If there is objective evidence that the reinsurers' share of insurance contracts is impaired, the Group reduces the carrying amount of the insurance contracts to its recoverable amount and recognises that impairment loss in the consolidated income statement.

(f) Receivables and payables related insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the consolidated income statement.

1.18 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1 主要會計政策 (續)

1.18 撥備 (續)

撥備乃按履行責任所需開支之現值計算，該現值是以能反映市場對時間價值之評估及該責任之特定風險之稅前利率折算。因時間推移而增加之撥備，則確認為利息支出。

1.19 金融擔保合約

金融擔保合約是指擔保合約受益人（合約持有人）可因某特定債務人未能根據債務工具條款在到期日作出支付產生損失而可向合約發行人要求作出補償之合約。

擔保之公平價值（即擔保費用收入）於最初在擔保給予當日在綜合財務報表內確認為遞延收入。其後，本集團對此等擔保之負債是根據註釋1.18所確定之價值及已確認之擔保額減除已確認之累計攤銷，兩者較高者計算。金融擔保負債之變動於綜合收益表內確認。

1.20 僱員福利

僱員福利包括以下短期僱員應享假期及長期僱員退休福利：

(a) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(b) 退休福利

本集團設有六項職員退休福利計劃，其資產均與本集團之資產分開，由獨立信託基金管理。

本集團含有界定供款安排之退休福利計劃及強制性公積金（簡稱「強積金」）計劃之供款作為費用支銷。

1 Summary of significant accounting policies (Continued)

1.18 Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.19 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the beneficiary of the guarantee (“the holder”) for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

The fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income in the consolidated financial statements on the date that the guarantee was given. Subsequent to initial recognition, the Group’s liabilities under such guarantees are measured at the higher of the amount determined in accordance with note 1.18 and the amount initially recognised less cumulative amortisation recognised. Any changes in the liability relating to financial guarantees are recognised in the consolidated income statement.

1.20 Employee benefits

Employee benefits include short-term leave entitlements and long-term staff retirement benefits as follows:

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

(b) Retirement benefits

The Group operates six staff retirement schemes. The assets of these schemes are all held separately from those of the Group in independently administered funds.

The Group’s contributions to schemes with defined contribution arrangements and the mandatory provident fund (“MPF”) schemes are expensed as incurred.

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Notes to the Financial Statements

1 主要會計政策 (續)

1.20 僱員福利 (續)

(b) 退休福利 (續)

含有界定福利安排之退休福利計劃每年之供款，是由精算師定期評估該等計劃之資產負債而釐定。含有界定福利安排之退休福利計劃是採用預計單位貸記法評估。根據精算師的建議，將有關退休福利成本在綜合收益表扣除，令定期成本分攤至僱員服務年期。退休界定福利責任為估計未來現金流出量之現值，利用到期日與相關條款類似之政府債券之息率計算。

界定福利計劃的精算盈虧於其他綜合收益內確認，並立即在保留溢利中反映。

1.21 營業租約

任何租約，如因其擁有權之絕大部份風險及回報仍保留在出租人內，該等租約以營業租約列賬。該等營業租約租金(扣除從出租人所收取之優惠)，按租約年期以直線法從綜合收益表內扣除。

若本集團為營業租約之出租人，有關出租資產主要包括物業及設備，除投資物業外，其他資產乃根據本集團之折舊政策予以折舊。租金收入(扣除向承租人支付之任何優惠)以直線法在租期內入賬。或有租金以該收入產生的會計期間列作收入。

1.22 租購合約及融資租賃

任何租約，如將其擁有權之絕大部份風險及回報轉移至承租人，該等租約均列為融資租約。

凡本集團根據融資租約為出租人時，相當於租約中投資淨額之款項列入綜合財務狀況表內之「貸款及其他賬項」內。該投資淨額包括租購合約及融資租賃之應收租金總額減去未賺取之財務收入。減值虧損根據註釋1.7所載之會計政策列賬。應收租金隱含之財務收入於租賃期間列入綜合收益表內，使每個會計期間為投資結欠淨額取得近乎穩定之收益率。

1 Summary of significant accounting policies (Continued)

1.20 Employee benefits (Continued)

(b) Retirement benefits (Continued)

Annual contributions to the retirement benefit schemes with defined benefit arrangements are determined based on periodic valuations of the assets and liabilities of such schemes by qualified actuaries using the projected unit credit method. Under this method, the cost of providing retirement benefits is charged to the consolidated income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries. The defined benefit obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liabilities.

Actuarial gains and losses on defined benefit schemes are recognised in other comprehensive income and reflected immediately in retained earnings.

1.21 Operating leases

Leases where substantially all of the risks and rewards of ownership of the asset remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight line basis over the lease term.

Where the Group is a lessor under operating leases, assets leased out mainly include properties and equipment and are depreciated in accordance with the Group's depreciation policies except where the asset is classified as investment property. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

1.22 Hire purchase contracts and finance leases

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases.

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the consolidated statement of financial position as "Advances and other accounts". The net investment represents the total rentals receivable under hire purchase contracts and finance leases less unearned finance income. Impairment losses are accounted for in accordance with the accounting policy as set out in note 1.7. Finance income implicit in the rental receivable is credited to the consolidated income statement over the lease period or hire period so as to produce an approximately constant periodic rate of return on the net investment outstanding for each accounting period.

1 主要會計政策 (續)

1.23 分部報告

營運分部 (以及在綜合財務報表內所列報的每一分部項目金額)，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層用作對本集團各業務條線和區域所在地的資源分配以及評核其表現。有關提供予本集團之最高行政管理層用作決定營運分部內的資源分配及評核其表現的資料，乃根據香港財務報告準則的基礎計量。

除非分部有類似經濟特性及在產品和服務之性質、生產程序之性質、客戶類別或等級、用作銷售產品和提供服務之方法、及監管環境之性質是類似的，個別重大的營運分部不會在財務報表內合計。如分部擁有以上大部份的標準，而且並非個別重大的營運分部可作合計。

1.24 現金及等同現金項目

就編製綜合現金流量表而言，現金及等同現金項目包括由購入日起計，其原到期日在三個月內的結餘包括庫存現金、存放同業及其他受較低風險影響及隨時可轉換成預知金額的國庫券及存款證。同業存款作為本集團現金管理一部份亦包括於現金及等同現金項目。

1.25 關連人士

就本綜合財務報表而言，關連人士為與本集團有關連之人士或實體。

- (a) 該人士或其近親家庭成員與本集團有關連，如該人士：
- (i) 能控制或共同控制本集團；
 - (ii) 能發揮重大影響力影響本集團；或
 - (iii) 屬本集團或本集團之母公司之主要行政人員的成員。

1 Summary of significant accounting policies (Continued)

1.23 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations. Information provided to the Group's most senior executive management to make decisions about allocating resources and assessing performance of operating segments is measured in accordance with HKFRSs.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

1.24 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise balances with original maturity within three months from the date of acquisition including cash, balances with banks, treasury bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Balances from banks, which form an integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

1.25 Related parties

For the purposes of these consolidated financial statements, a related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

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Notes to the Financial Statements

1 主要會計政策 (續)

1.25 關連人士 (續)

(b) 該實體為與本集團有關連，倘符合下列任何條件：

- (i) 該實體及本集團為同一集團之成員 (即母公司，子公司及同一集團的子公司是彼此關連)。
- (ii) 其一實體屬另一實體的聯營公司或共同控制實體 (或另一實體的集團成員的聯營公司或共同控制實體)。
- (iii) 該實體及本集團均為同一第三者的共同控制實體。
- (iv) 其一實體為第三者實體的共同控制實體，而另一實體為該第三者實體的聯營公司。
- (v) 該實體屬提供福利予本集團或與本集團關連的實體的僱員的離職後福利計劃。
- (vi) 該實體由(a)所指人士控制或共同控制。
- (vii) 於(a)(i)所指人士可對該實體發揮重大影響力或是該實體 (或該實體之母公司) 之主要行政人員的成員。
- (viii) 該實體或其歸屬集團內任何成員，向本集團或本集團之母公司提供主要行政人員服務。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

1 Summary of significant accounting policies (Continued)

1.25 Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both the entity and the Group are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1 主要會計政策 (續)

1.26 列作出售資產及負債

如果一項非流動資產(或處置組合)的賬面值很可能通過出售交易而不是持續使用下收回,並且可以在現狀下出售,該非流動資產(或處置組合)便會分類為列作出售。處置組合是指在一項單一交易中一併處置的一組資產,以及直接與將在交易中轉移的該等資產相關的負債。

在緊接其分類為列作出售類別前,非流動資產(和處置組合中所有個別資產與負債)的計量按照分類前的會計政策作出更新。其後,由初始分類為列作出售至處置為止,非流動資產(下文所述的若干資產除外)或處置組合按其賬面值及其公平價值減去出售成本後所得數額兩者中的較低者予以確認。該計量政策原則上並非適用於本集團的綜合財務報表中的遞延稅項資產、僱員福利所產生的資產、金融資產(除了於附屬公司、聯營公司及共同控制實體的權益)及投資物業。該資產(雖然列作出售資產)仍按照註釋1所列明的政策計量。

初始分類為列作出售和其後在列作出售時重新計量而產生的減值虧損均在綜合收益表內確認。只要非流動資產一直分類為列作出售或包括在已分類為列作出售的處置組合中,該非流動資產便不會計提折舊或攤銷。

1 Summary of significant accounting policies (Continued)

1.26 Assets and liabilities classified as held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the consolidated financial statements of the Group are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than interests in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

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

財務報表註釋

Notes to the Financial Statements

2 銀行層面之財務狀況表

2 Bank Level Statement of Financial Position

	註釋 Note	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
資產			
庫存現金及短期資金		49,008,846	35,205,887
同業定期存放及貸款		28,139,871	25,995,125
持作買賣用途之證券		1,040,934	534,347
衍生金融工具		1,408,541	697,578
以公平價值誌入損益賬之 金融資產		5,646,902	4,865,980
可供出售之證券		45,012,059	44,291,434
持至到期證券		331,356	883,823
貸款及其他賬項		158,333,202	146,433,360
附屬公司權益	26	823,147	579,203
共同控制實體權益		1,258,600	1,261,218
投資物業		3,261,765	3,191,053
租賃土地權益		133,516	140,369
其他物業及設備		1,293,736	1,303,559
可回收稅項		2,681	3,204
遞延稅項資產		37,721	49,304
總資產		295,732,877	265,435,444
負債			
同業存款		33,134,691	39,307,661
交易賬項下之金融負債		77,380	—
衍生金融工具		794,593	901,847
客戶存款		211,919,279	185,264,394
發行之存款證		4,582,410	3,589,223
發行之後償債項		4,675,302	1,541,841
當期稅項		157,674	178,344
遞延稅項負債		63,767	35,168
其他賬項及預提		4,392,279	3,490,914
總負債		259,797,375	234,309,392
權益			
股本		1,160,951	1,160,951
儲備	38	30,201,321	26,713,111
歸屬於本行股東權益合計		31,362,272	27,874,062
額外權益工具		4,573,230	3,251,990
權益總額		35,935,502	31,126,052
權益及負債總額		295,732,877	265,435,444

經已於二〇一八年三月二十日由董事會
通過及授權發佈。

Approved and authorised for issue by the Board of Directors on 20
March 2018.

田惠宇 董事長
朱琦 董事兼行政總裁

TIAN Huiyu
ZHU Qi

Chairman
Director and Chief Executive Officer

3 金融風險管理

本集團的經營活動面對着各類金融風險，這些活動亦包括分析、評估、採納及管理各類風險的部份或風險之組合。本集團了解承擔風險乃金融業務的核心部份，而營運風險乃從業務不可避免的後果。因此本集團之目標是將風險與回報達至適當的平衡及將其對本集團財務表現的可能影響減至最低。

本集團已制定政策及程序，用以識別、量度、控制及監管營運的內在風險。這些風險主要包括信貸風險、市場風險、流動資金風險及營運風險。市場風險包括外匯、利率及其他價格風險。管理委員會就此等風險管理政策及程序之充分性及果效而作定期檢視；而稽核部門亦會進行定期稽核及檢查，以確保該等政策及程序得以落實及被遵從。

3.1 信貸風險

本集團承擔著信貸風險，該風險乃指債務人（包括擔保人）或交易對手未能履行責任而引致本集團財務上之損失。信貸風險主要從本集團資產組合內之貸款、債務證券、衍生金融工具、國庫券及資產負債表內給予交易對手的信貸金額而產生。此外，資產負債表外的財務安排（如貸款承諾）亦會帶來信貸風險。經濟上有重大轉變或個別行業呈現衰退，可導致損失與結算日已提之減值準備產生偏差。

本集團已制定信貸政策確定授出信貸之標準、信貸批核、審閱及監控程序，以及內部信貸評級系統及減值準備之評估程序。本集團信貸風險管理及控制集中於信貸管理部，並定時向授信審核委員會及管理委員會匯報。董事會對信貸風險管理程序的有效性負有最終責任。

(a) 信貸風險量度

(i) 貸款

在評估客戶、同業及其他交易對手貸款之信貸風險時，會採用有效之系統來量度及監控信貸風險作為信貸評估程序的一部份。本集團之信貸評級系統會考慮交易對手之信譽，包括保證人（如適用）之財政能力，抵押品及特別交易的風險，並就相關業務單位的資產組合之信貸風險作出區分及管理。

3 Financial risk management

The Group's activities expose it to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group recognises that taking risk is core to its financial business and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group has established policies and procedures for the identification, measurement, control and monitoring of the inherent risk of the operations. The most important risks are credit risk, market risk, liquidity risk and operational risk. Market risk includes currency risk, interest rate risk and other price risks. The adequacy and effectiveness of risk management policies and procedures are regularly reviewed by the Management Committee of the Board of Directors (the "Management Committee"). The Internal Audit Department also performs regular audits to ensure compliance with policies and procedures.

3.1 Credit risk

The Group takes on exposure to credit risk, which is the risk that an obligor (including guarantor) or a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit exposures arise principally from loans and advances, debt securities, derivative financial instruments, treasury bills, and other on-balance sheet exposures to counterparties in the Group's asset portfolio. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the end of the reporting period.

The Group has established credit policies that govern credit extension criteria, credit approval, review and monitoring processes, the internal credit rating system and impairment assessment processes. The Group's credit risk management and control are centralised in Credit Management Department which reports to the Credit Committee and Management Committee regularly. The Board of Directors has ultimate responsibility for the effectiveness of credit risk management processes.

(a) Credit risk measurement

(i) Loans and advances

In assessing credit risk of loans and advances to customers and to banks and other counterparties, effective systems are adopted for measurement and monitoring of the credit risk as part of the credit assessment process. The Group's credit grading system, which in general, takes into account the underlying credit-worthiness of the counterparties, including the financial strengths of the guarantors (as the case may be), collateral pledged and the risk of specific transactions, allows differentiation and management of credit risk for asset portfolios of respective business units.

財務報表註釋 Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(a) 信貸風險量度 (續)

(ii) 債務證券及國庫券

於評估債務證券之風險時，主要採用認可的外部信貸評級機構之評級來評估及管理信貸風險。投資於此等證券使本集團於相關的風險下達到合理回報水平，並同時保持有效的資金來源。

(b) 信貸限額控制及緩和政策

當本集團發現信貸風險，特別是過分集中於個別交易對手、集團、行業或國家時，便會作出管理及控制。

為避免過於集中而引致風險，各個客戶、交易對手及行業之信貸風險均按規定限額小心管理及監控。所有信貸風險之限額由管理委員會核准，該會同時負責檢討及批核最大額度之授信及管理較高之集中風險。信貸批核授權授信審核委員會及其他信貸業務管理人員負責。信貸管理部存有以每一相關集團的中央負債記錄，對實際信貸風險（包括資產負債表以內及以外之風險）、限額及資產質素均作出定期監管及控制，並受內部稽核之審查。

任何單一借款人（包括銀行）之信貸風險，已制定分級限額以限制資產負債表以內及以外之風險，及制定每日交易風險限額以限制持作買賣用途之項目如遠期外匯合約。而每日會將實際授信與限額對照，藉以監察風險水平。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(a) Credit risk measurement (Continued)

(ii) Debt securities and treasury bills

For debt securities, external ratings from recognised external credit assessment institutions are used for assessing and managing credit risk exposures. The investments in these securities allow the Group to achieve an appropriate level of returns commensurate with the risks and to maintain a readily available source of funding at the same time.

(b) Risk limit control and mitigation policies

The Group manages and controls concentrations of credit risk wherever they are identified, in particular, to individual counterparties and groups, and to industries and countries.

To avoid concentration risk, credit exposures to individual customers, counterparties and industry sectors are carefully managed and monitored by the use of limits. All credit risk limits are approved by the Management Committee. The Management Committee is also responsible for the review and approval of the largest credit exposures and portfolio management of risk concentrations. Approval authorities are delegated to the Group's Credit Committee and other lending officers. Actual credit exposures, including on- and off-balance sheet exposures, limits and asset quality are regularly monitored and controlled by the Credit Management Department by keeping a central liability record for each group of related counterparties and are subject to checks by the internal audit function.

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

3 金融風險管理 (續)

3.1 信貸風險 (續)

(b) 信貸限額控制及緩和政策 (續)

一些特定控制及風險緩和措施概述如下：

(i) 抵押品

本集團會嘗試取得抵押品以將信貸風險減低至可接受水平。對於所有信貸的批核，無論是否有抵押保證，均基於交易對手之償還能力而決定。本集團履行既有之指引以區分不同類別抵押品之可接受性及信貸風險轉移能力。主要抵押品分類為：

- 住宅物業及其他物業之按揭；
- 商業資產之抵押，如現金存款、物業、機器、存貨及應收賬款；及
- 金融工具之抵押，如股權證券及債務證券。

於二〇一七年十二月三十一日，貸款總額與就金融資產而持有的抵押品及其他改善信貸條件的估計公允價值兩者較低金額為港幣64,589,045,000元（二〇一六年：港幣63,166,003,000元）

本集團訂有政策以管理確定合格資產作為抵押品以減低信貸風險。資產的市場價值須要能夠確定或合理地建立，才能考慮為有效的風險轉移。該資產還須要有市場銷路並有既存的二手市場作出售。此外，於有需要時，本集團能取得該資產的控制權。根據抵押品的類別，其價值將會作每日至每年不等的定時重估。已逾期貸款所持抵押品主要類別為現金存款及物業。

(ii) 總淨額結算安排

本集團會與進行大量交易的對手訂立總淨額結算安排，藉以進一步限制信貸風險。總淨額結算安排不一定會導致財務狀況表上資產及債務的對銷，原因是交易通常按總額結算。然而，關於有利合約之信貸風險會在出現不能償還情況時藉著總淨額結算安排而減少，所有與該交易對手之款項會終止及以淨額結算。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(b) Risk limit control and mitigation policies (Continued)

Some specific control and risk mitigation measures are outlined below:

(i) Collateral

The Group seeks to obtain collateral to mitigate credit risk to an acceptable level. All credit decisions, whether or not secured by collateral, are based on counterparties' repayment capacity. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal types of collateral in credit risk mitigation include:

- Mortgages over residential properties and other properties;
- Charges over business assets such as cash deposits, premises, machineries, inventory and accounts receivable; and
- Charges over financial instruments such as equities and debt securities.

At 31 December 2017, the lower of gross loan amount and the estimated fair value of the collateral and other credit enhancements held against financial assets amounted to HK\$64,589,045,000 (2016: HK\$63,166,003,000).

The Group has established policies to govern the determination of eligibility of assets taken as collateral for credit risk mitigation. In order for an asset to be considered as effective risk mitigation, the market value of the asset should be readily determinable or can be reasonably established. The asset is marketable and there exists a readily available secondary market for disposal of the asset. In addition, the Group is able to secure control over the asset if necessary. The collateral is revalued periodically ranging from daily to annually, depending on the type of collateral. As for those past due exposures, the main types of collateral held are cash deposits and properties.

(ii) Master netting agreements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of the assets and liabilities in the statement of financial position, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(b) 信貸限額控制及緩和政策 (續)

(iii) 衍生工具

本集團所採用的衍生工具主要為利率及外幣匯率相關之合約，大部份為通過櫃台交易之衍生工具。而本集團之衍生工具持倉盤，大部份是為應客戶需求並作為對沖該等客戶盤及其他買賣持倉盤而持有。管理委員會制定交易限額包括隔夜及即日市場限額。除指定對沖安排外，有關外匯及利率風險之衍生工具乃用作日常業務上對沖持倉盤，藉此控制流動資金水平以應付市場需求。基於此等衍生工具交易的性質，除本集團要求交易對手繳付保證金存款外，抵押品及其他抵押品並不常用於此等信貸風險。

根據衍生工具合約下現有抵押品債務的條款，估計按照二〇一七年十二月三十一日的持倉，倘本集團的信貸評級被下調一級或兩級，本集團不需要提供額外的抵押品 (二〇一六年：無)。

(iv) 與信貸相關的承諾

本集團提供信貸承諾，包括發出擔保書及信用證。該等工具之主要目的是確保在有需要時有資金供應給客戶。該等工具乃不可撤銷的保證，表示本集團將會在客戶未能向第三者履行責任時作出償付。該等工具帶有與貸款相同之信貸風險。

作出信貸承諾乃代表以放款、擔保書及信用證等形式授權未使用部份的信貸額度。有關作出信貸承諾之信貸風險，本集團等同擁有一項與未使用承擔相同的潛在損失。由於大部份作出信貸承諾乃客戶擬維持其特定信貸水平，是或然的，因此，此等可能出現的虧損應少於未使用之承擔總額。本集團會控制信貸承擔之期限，因長期承擔一般會比短期承擔存在較大程度的信貸風險。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(b) Risk limit control and mitigation policies (Continued)

(iii) Derivatives

The principal derivatives used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. Most of the Group's derivative positions have been entered into to meet customer demand and to hedge these and other trading positions. The Management Committee places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions. With the exception of specific hedging arrangements, foreign exchange and interest rate exposures associated with these derivatives are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions. Given the purpose for entering into such derivative transaction, collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

Under the terms of the Group's current collateral obligations under derivative contracts, it is estimated the Group would not be required to post additional collateral in the event of one or two notch downgrade in the Group's credit rating based on the positions as at 31 December 2017 (2016: Nil).

(iv) Credit related commitments

The Group has issued credit related commitments including guarantees and letters of credit. The primary purpose of these instruments is to ensure that funds are available to a customer as required. These instruments represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. These instruments carry similar level of the same credit risk as loans.

Commitments to extend credit represent unused portions of authorised facility limits in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3 金融風險管理 (續)

3.1 信貸風險 (續)

(c) 減值準備政策

本集團會持續地進行信貸組合之信用分析及監控，以及最少每年對個別超過已定金額之金融資產進行評估，或對於個別情況增加定期審核的次數。減值準備於結算日被確認為損失乃基於如註釋1.7所述之減值客觀證據而作出。本集團之內部信貸評級系統幫助管理層判定該等減值客觀證據之存在性。

對個別評估賬戶之減值準備乃根據於結算日就個別戶口是否出現損失之評估而判定，並應用於所有重大賬戶。個別評估通常會考慮所持有之抵押品及該賬戶預期將來可能收回之現金流，按照相關的折現率折現。

綜合評估減值準備乃對(i)個別低於已定金額而又性質相似的資產；及(ii)已產生損失而未被個別確認而提供，會依據過往損失經驗之數據，經濟狀況，統計分析並以經驗判斷作補充。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(c) Impairment allowance policies

The Group undertakes ongoing credit analysis and monitoring of its credit portfolios, and requires the review of individual financial assets that are above preset thresholds at least annually or more regularly when individual circumstances require. Impairment allowances are recognised for losses that have been incurred at the end of the reporting period based on objective evidence of impairment as described in note 1.7. The Group's internal credit rating system assists management to determine whether objective evidence of impairment exists.

Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the end of the reporting period on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses commitment of collateral held and the anticipated cash flows for that individual account adjusted at the relevant discount rates.

Collectively assessed impairment allowances are provided for (i) portfolios of homogenous assets that are individually below preset thresholds; and (ii) losses that have been incurred but have not yet been individually identified, using available data on historical loss experience, and economic conditions, statistical analysis and supplemented by experienced judgment.

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(d) 考慮抵押品及其他信貸風險管理前
之最高信貸風險

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(d) *Maximum exposure to credit risk before collateral held or other
credit enhancements*

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
短期資金	Short term funds	48,440,363	34,440,206
同業定期存放及貸款	Placements with and loans and advances to banks	28,139,871	26,070,918
持作買賣用途之證券	Trading securities	1,040,934	611,581
衍生金融工具	Derivative financial instruments	1,408,541	697,578
以公平價值誌入損益賬之 金融資產	Financial assets designated at fair value through profit or loss	5,943,598	4,865,980
可供出售之證券	Available-for-sale securities	45,053,898	44,041,485
持至到期證券	Held-to-maturity securities	331,356	883,823
貸款及其他賬項	Advances and other accounts	159,017,509	146,445,745
信貸承擔	Credit commitments	64,000,245	54,396,336
		353,376,315	312,453,652

(e) 客戶貸款總額

(e) *Gross loans and advances to customers*

(i) 客戶貸款總額信貸質素

(i) *Gross loans and advances to customers by credit quality*

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
未逾期及無減值	Neither past due nor impaired	147,092,821	136,738,687
逾期但無減值	Past due but not impaired	2,910,984	709,069
已減值	Impaired	834,695	147,258
		150,838,500	137,595,014

3 金融風險管理 (續)**3.1 信貸風險 (續)**

(e) 客戶貸款總額 (續)

(ii) 未逾期及無減值之客戶貸款總額

3 Financial risk management (Continued)**3.1 Credit risk (Continued)**(e) *Gross loans and advances to customers (Continued)*

(ii) Gross loans and advances to customers that are neither past due nor impaired

		物業抵押 Real estate mortgage 港幣千元 HK\$'000	其他 Others		合計 Total 港幣千元 HK\$'000
			企業 Corporate 港幣千元 HK\$'000	個人 Individual 港幣千元 HK\$'000	
於二〇一七年 十二月三十一日	At 31 December 2017				
級別一	Grade 1	15,157,895	117,517,499	14,010,655	146,686,049
級別二	Grade 2	73,088	300,274	33,410	406,772
		15,230,983	117,817,773	14,044,065	147,092,821

		物業抵押 Real estate mortgage 港幣千元 HK\$'000	其他 Others		合計 Total 港幣千元 HK\$'000
			企業 Corporate 港幣千元 HK\$'000	個人 Individual 港幣千元 HK\$'000	
於二〇一六年 十二月三十一日	At 31 December 2016				
級別一	Grade 1	18,334,067	106,543,078	11,302,740	136,179,885
級別二	Grade 2	56,319	280,938	216,529	553,786
級別三	Grade 3	–	–	5,016	5,016
		18,390,386	106,824,016	11,524,285	136,738,687

財務報表註釋 Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(e) 客戶貸款總額 (續)

(ii) 未逾期及無減值之客戶貸款總額 (續)

下列為上述級別分析之界定：

級別一為「滿意」，代表借款人能承擔債務，本金及利息能全數償還。

級別二為「特別監控」，代表借款人經歷困難，可能影響本集團的利益。

級別三為「未達標準」，代表借款人表露出疲態而很可能危及其還款能力；或如不將抵押品變賣，則不能將貸款全數收回。

如貸款具足夠抵押品，當該等貸款出現虧損事件時，不一定引致該貸款出現減值虧損。雖該等貸款被列作為「未達標準」之級別，但該等貸款並不屬於已減值貸款而包括於上述表格內。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(e) *Gross loans and advances to customers (Continued)*

(ii) Gross loans and advances to customers that are neither past due nor impaired (Continued)

The following definitions have been adopted for the purpose of the above analysis:

Grade 1 “satisfactory” represents loans for which borrowers are currently meeting commitments and for which full repayment of interest and principal is not in doubt.

Grade 2 “special monitoring” represents loans with which borrowers are experiencing difficulties and which may threaten the Group’s position.

Grade 3 “substandard” represents loans in which borrowers are displaying a definable weakness that is likely to jeopardise repayment; or collection in full is improbable without realisation of available collateral.

The occurrence of loss event(s) may not necessarily result in impairment loss where the loans are fully collateralised. While such loans are of “substandard” grades, they are regarded as not being impaired and have been included in the above table.

3 金融風險管理 (續)**3.1 信貸風險 (續)**

(e) 客戶貸款總額 (續)

(iii) 逾期但無減值之客戶貸款總額

3 Financial risk management (Continued)**3.1 Credit risk (Continued)**(e) *Gross loans and advances to customers (Continued)*

(iii) Gross loans and advances to customers which were past due but not impaired

		物業抵押 Real estate mortgage 港幣千元 HK\$'000	其他 Others		合計 Total 港幣千元 HK\$'000
			企業 Corporate 港幣千元 HK\$'000	個人 Individual 港幣千元 HK\$'000	
於二〇一七年 十二月三十一日	At 31 December 2017				
三個月或以下	Three months or less	752,389	1,543,657	592,683	2,888,729
三個月以上 至六個月	Six months or less but over three months	9,287	1,114	3,185	13,586
六個月以上	Over six months	4,920	–	3,749	8,669
		766,596	1,544,771	599,617	2,910,984

		物業抵押 Real estate mortgage 港幣千元 HK\$'000	其他 Others		合計 Total 港幣千元 HK\$'000
			企業 Corporate 港幣千元 HK\$'000	個人 Individual 港幣千元 HK\$'000	
於二〇一六年 十二月三十一日	At 31 December 2016				
三個月或以下	Three months or less	344,921	121,952	226,497	693,370
三個月以上 至六個月	Six months or less but over three months	2,937	–	2,542	5,479
六個月以上	Over six months	6,790	1,152	2,278	10,220
		354,648	123,104	231,317	709,069

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(e) 客戶貸款總額 (續)

(iv) 個別已減值之客戶貸款總額

已減值之客戶貸款總額是該等個別貸款於首次入賬後，因發生損失事項並存在減值之客觀證據，而該損失事項對貸款的預計未來現金流量造成影響。其分析如下：

		物業抵押 Real estate mortgage 港幣千元 HK\$'000	其他 Others		合計 Total 港幣千元 HK\$'000
			企業 Corporate 港幣千元 HK\$'000	個人 Individual 港幣千元 HK\$'000	
二〇一七年	2017	1,007	832,961	727	834,695
二〇一六年	2016	1,883	140,745	4,630	147,258
				二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
已減值貸款	Impaired loans			834,695	147,258
佔客戶貸款總額之百分比	Percentage of total advances to customers			0.55%	0.11%
對上述貸款提撥之個別減值準備 (註釋24(a))	Individual impairment allowances made in respect of such advances (note 24(a))			331,624	99,599
評估上述個別減值準備已考慮之抵押品之總額	Total value of collateral taken into account in respect of the assessment of individual impairment allowances			443,972	80,421

上述個別減值準備已考慮有關貸款之抵押品價值。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(e) Gross loans and advances to customers (Continued)

(iv) Gross loans and advances to customers individually impaired

The gross amount of impaired loans, which represents those individual advances where there is objective evidence of impairment resulting from loss events occurring after the initial recognition of the advances and where these loss events have an impact on the estimated future cash flows of the advances, is analysed as follows:

		Real estate mortgage 港幣千元 HK\$'000	Others		Total 港幣千元 HK\$'000
			Corporate 港幣千元 HK\$'000	Individual 港幣千元 HK\$'000	
2017		1,007	832,961	727	834,695
2016		1,883	140,745	4,630	147,258
				2017 港幣千元 HK\$'000	2016 港幣千元 HK\$'000
Impaired loans				834,695	147,258
Percentage of total advances to customers				0.55%	0.11%
Individual impairment allowances made in respect of such advances (note 24(a))				331,624	99,599
Total value of collateral taken into account in respect of the assessment of individual impairment allowances				443,972	80,421

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

3 金融風險管理 (續)**3.1 信貸風險 (續)**

(f) 同業貸款信貸質素

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
同業貸款總額	Gross balance with banks		
– 未逾期及無減值 (級別一)	– Neither past due nor impaired (Grade 1)	76,580,234	60,511,124

級別一為「滿意」，代表借款人能承擔債務，本金及利息能全數償還。

於二〇一七年十二月三十一日，同業貸款總額中並無逾期或已減值貸款 (二〇一六年：無)。

3 Financial risk management (Continued)**3.1 Credit risk (Continued)**

(f) Gross balance with banks by credit quality

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
Gross balance with banks			
– Neither past due nor impaired (Grade 1)		76,580,234	60,511,124

Grade 1 “satisfactory” represents loans for which borrowers are currently meeting commitments and for which full repayment of interest and principal is not in doubt.

At 31 December 2017, there were no overdue or impaired balances with banks (2016: Nil).

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Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(g) 收回資產

是年度本集團收回屬擔保之抵押品如下：

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
住宅物業	Residential properties	2,735	–
工商物業	Commercial and industrial properties	–	6,740
其他	Others	1,200	186
		3,935	6,926

於二〇一七年十二月三十一日，本集團並無收回資產 (二〇一六年：無)。

收回物業會在可行的情況下盡快出售，所收款項將用以減低債務結欠。

(h) 債務證券

(i) 未逾期及無減值之債務證券及國庫券

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(g) Repossessed assets

During the year, the Group obtained assets by taking possession of collateral held as security, as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
		2,735	–
		–	6,740
		1,200	186
		3,935	6,926

There were no repossessed assets of the Group as at 31 December 2017 (2016: Nil).

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

(h) Debt securities

(i) Debt securities and treasury bills that are neither past due nor impaired

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
債務證券及國庫券 – 未逾期及無減值	Debt securities and treasury bills – Neither past due nor impaired	52,369,786	50,402,869

於二〇一七年十二月三十一日，本集團並無已減值之可供出售之債務證券 (二〇一六年：無)。

There were no impaired available-for-sale debt securities of the Group as at 31 December 2017 (2016: Nil).

3 金融風險管理 (續)**3.1 信貸風險 (續)***(h) 債務證券 (續)**(ii) 債務證券及國庫券之信貸質素*

下列表格乃根據外在信貸評級機構之評級分析本集團債務證券及國庫券之信貸風險：

3 Financial risk management (Continued)**3.1 Credit risk (Continued)***(h) Debt securities (Continued)**(ii) Debt securities and treasury bills by credit quality*

The tables below present an analysis of debt securities and treasury bills by rating agency designation based on the external credit assessment institutions' ratings that the Group has used in relation to credit risk exposures:

		國庫券 Treasury bills 港幣千元 HK\$'000	債務證券 Debt securities 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017			
AA-至AAA	AA- to AAA	14,257,725	11,199,030	25,456,755
A-至A+	A- to A+	–	17,705,837	17,705,837
BBB-至BBB+	BBB- to BBB+	–	4,269,714	4,269,714
低於BBB-	Lower than BBB-	–	619,698	619,698
無評級	Unrated	–	4,317,782	4,317,782
		14,257,725	38,112,061	52,369,786
其發行人為：	of which issued by:			
– 中央政府及中央銀行	– central governments and central banks	14,257,725	3,860,528	18,118,253
– 銀行及其他金融機構	– banks and other financial institutions	–	17,689,414	17,689,414
– 企業	– corporate entities	–	16,562,119	16,562,119
		14,257,725	38,112,061	52,369,786
其分類為：	of which classified by:			
– 持作買賣用途之證券	– trading securities	–	1,040,934	1,040,934
– 以公平價值誌入損益賬 之金融資產	– financial assets designated at fair value through profit or loss	–	5,943,598	5,943,598
– 可供出售之證券	– available-for-sale securities	14,257,725	30,796,173	45,053,898
– 持至到期證券	– held-to-maturity securities	–	331,356	331,356
		14,257,725	38,112,061	52,369,786

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(h) 債務證券 (續)

(ii) 債務證券及國庫券之信貸質素 (續)

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(h) Debt securities (Continued)

(ii) Debt securities and treasury bills by credit quality (Continued)

		國庫券 Treasury bills 港幣千元 HK\$'000	債務證券 Debt securities 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016			
AA-至AAA	AA- to AAA	8,152,868	17,423,601	25,576,469
A-至A+	A- to A+	–	15,788,742	15,788,742
BBB-至BBB+	BBB- to BBB+	–	4,000,903	4,000,903
低於BBB-	Lower than BBB-	–	698,127	698,127
無評級	Unrated	–	4,338,628	4,338,628
		8,152,868	42,250,001	50,402,869
其發行人為：	of which issued by:			
– 中央政府及中央銀行	– central governments and central banks	8,152,868	3,827,615	11,980,483
– 銀行及其他金融機構	– banks and other financial institutions	–	25,726,026	25,726,026
– 企業	– corporate entities	–	12,696,360	12,696,360
		8,152,868	42,250,001	50,402,869
其分類為：	of which classified by:			
– 持作買賣用途之證券	– trading securities	–	611,581	611,581
– 以公平價值誌入損益賬 之金融資產	– financial assets designated at fair value through profit or loss	–	4,865,980	4,865,980
– 可供出售之證券	– available-for-sale securities	8,152,868	35,888,617	44,041,485
– 持至到期證券	– held-to-maturity securities	–	883,823	883,823
		8,152,868	42,250,001	50,402,869

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)**(i) 資產、負債及資產負債表外項目的
地區分佈(i) *Geographical concentrations of assets, liabilities and off-balance
sheet items*

		總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	信貸承擔 Credit commitments 港幣千元 HK\$'000
於二〇一七年 十二月三十一日		At 31 December 2017		
香港	Hong Kong	264,886,149	233,374,601	57,861,866
美國	United States of America	4,974,130	4,238,341	647,010
中華人民共和國	People's Republic of China	64,020,745	59,106,349	3,763,277
澳門	Macau	13,447,954	12,868,732	1,728,092
開曼群島	Cayman Islands	19,216	–	–
分部互相抵銷	Inter-segment elimination	(48,581,379)	(48,581,379)	–
		298,766,815	261,006,644	64,000,245
		總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	信貸承擔 Credit commitments 港幣千元 HK\$'000
於二〇一六年 十二月三十一日		At 31 December 2016		
香港	Hong Kong	237,977,950	210,854,300	45,093,633
美國	United States of America	6,787,433	6,130,481	1,466,988
中華人民共和國	People's Republic of China	44,616,289	40,282,988	5,995,444
澳門	Macau	13,586,076	13,102,306	1,840,271
開曼群島	Cayman Islands	19,772	–	–
分部互相抵銷	Inter-segment elimination	(35,329,194)	(35,329,194)	–
		267,658,326	235,040,881	54,396,336

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.1 信貸風險 (續)

(i) 資產、負債及資產負債表外項目的地區分佈 (續)

風險集中之客戶貸款按地區分佈如下：

		二〇一七 2017 港幣千元 HK\$'000	二〇一七 2017 %	二〇一六 2016 港幣千元 HK\$'000	二〇一六 2016 %
香港	Hong Kong	117,428,308	77.9	111,544,849	81.1
美國	United States of America	4,724,999	3.1	6,515,965	4.7
中華人民共和國	People's Republic of China	23,030,949	15.3	14,830,071	10.8
澳門	Macau	5,654,244	3.7	4,704,129	3.4
		150,838,500	100.0	137,595,014	100.0

3.2 市場風險

本集團所承擔之市場風險，乃指由於市場價格變動而引致金融工具之公平價值或未來現金流量改變的風險。市場風險主要源自其對息率、外幣及股權產品等的持倉淨盤，全部都面對一般及特定之市場變更及市場息率或價格如利率、匯率及股票價格等波幅的改變而影響。本集團之市場風險主要源自其持作買賣用途及在銀行賬內之外匯持倉、證券及衍生工具。

(a) 市場風險量度

管理委員會透過制定各項交易限額以管理本集團從不同活動而面對之市場風險。風險乃以合約或名義數值及未償還結餘之基準衡量及監察。該等限額由組合、產品及風險種類，以綜合風險衡量法，包括持倉限額、敏感度限額、風險價值限額及止蝕限額而製定。財資部監察及管理所有與市場風險有關之交易持倉。獨立監察、檢查、每日按市價估值及確認交易均由其他獨立部門進行。而本集團之稽核部門亦會定時進行審核及檢查，以確保能遵照既定之風險限額進行交易。所有超越限額之項目須由相關之管理階層及管理委員會審核及批准。定期報告由風險管理委員會審核。

本集團亦運用廣泛之壓力測試以極端化之事件來評估市場風險對本集團財務狀況之影響。壓力測試之結果由風險管理委員會審核。

3 Financial risk management (Continued)

3.1 Credit risk (Continued)

(i) Geographical concentrations of assets, liabilities and off-balance sheet items (Continued)

Geographical sector risk concentrations within the customer loan portfolio are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一七 2017 %	二〇一六 2016 港幣千元 HK\$'000	二〇一六 2016 %
Hong Kong		117,428,308	77.9	111,544,849	81.1
United States of America		4,724,999	3.1	6,515,965	4.7
People's Republic of China		23,030,949	15.3	14,830,071	10.8
Macau		5,654,244	3.7	4,704,129	3.4
		150,838,500	100.0	137,595,014	100.0

3.2 Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Group's market risk primarily arises from its positions in foreign exchange, securities and derivatives in its trading and banking books.

(a) Market risk measurement

The Group's market risk exposures in different activities are managed by way of limits established by the Management Committee. Exposures are measured and monitored on the basis of contractual or notional amount and outstanding balances. Limits are set by portfolio, product and risk type, using a combination of risk measurement techniques, including position limits, sensitivity limits, VaR limits as well as stop loss limits. All market risk trading positions are monitored and managed by the Treasury Department. Independent monitoring, checking, daily mark-to-market valuation and trade confirmation are undertaken by departments independent of the Treasury Department. Regular checking and reviews are also conducted by the Group's internal audit function to ensure compliance with risk limits. All exceptions are reviewed and approved by the appropriate level of management and the Management Committee. Regular reports are reviewed by the Risk Management Committee.

The Group also applies a wide range of stress testing to assess the financial impact of more extreme events on the market risk exposure of the Group. The results of the stress testing are reviewed by the Risk Management Committee.

3 金融風險管理 (續)

3.2 市場風險 (續)

(b) 市場風險敏感度分析

(i) 貨幣風險

本集團之貨幣風險主要源自外匯買賣、商業銀行運作及結構性外匯持倉。

於二〇一七年十二月三十一日，如港元兌美元在固定聯繫匯率範圍內下跌／上升0.64% (二〇一六年：0.64%)，在其他因素不變下，本集團之除稅後溢利將相對地增加／減少港幣19,117,000元 (二〇一六年：港幣26,118,000元)。與二〇一六年比較，本集團二〇一七年除稅後溢利之影響有所減少，主要原因是美元持倉淨額有所減少。

如港元兌美元以外的其他貨幣下跌／上升1% (二〇一六年：1%)，在其他因素不變下，本集團之除稅後溢利將相對地增加／減少港幣53,425,000元 (二〇一六年：港幣44,120,000元)。與二〇一六年比較，本集團二〇一七年除稅後溢利之影響有所增加，主要原因是外幣 (除美元外) 持倉淨額有所增加。

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(b) Market risk sensitivity analysis

(i) Currency risk

The Group's currency risk positions mainly arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures.

At 31 December 2017, if HKD had weakened/strengthened within the pegged range of 0.64% (2016: 0.64%) against USD with all other variables held constant, the Group's profit after taxation for the year would have been HK\$19,117,000 (2016: HK\$26,118,000) higher/lower. The impact on the Group's profit after taxation in 2017 was lower than that in 2016 due to the decrease of net USD positions.

If HKD had weakened/strengthened 1% (2016: 1%) against other currencies except USD with all other variables held constant, the Group's profit after taxation for the year would have been HK\$53,425,000 (2016: HK\$44,120,000) higher/lower. The impact on the Group's profit after taxation in 2017 was higher than that in 2016 due to the increase of net foreign currencies (excluding USD) positions.

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.2 市場風險 (續)

(b) 市場風險敏感度分析 (續)

(ii) 利率風險

本集團之利率風險主要源自因持有附息資產、負債及資產負債表以外項目在重訂息率時有時間差異而引起。任何利率改變會影響以公平價值誌入損益賬之金融資產及金融負債之價值。本集團使用利率掉期合約以減低定息金融資產及金融負債之利率風險。

於二〇一七年十二月三十一日，如利率於當日上升100點子（二〇一六年：100點子），在其他因素不變下，本集團之除稅後溢利將相對地減少港幣25,385,000元（二〇一六年：港幣9,136,000元），主要由持作買賣用途之證券，以公平價值誌入損益賬之金融資產及利率合約之公平價值重估所引致。本集團於其他全面收益將相對地減少港幣389,651,000元（二〇一六年：港幣397,681,000元），主要由重估可供出售之證券引致。

於二〇一七年十二月三十一日，如利率於當日下跌100點子（二〇一六年：100點子）在其他因素不變下，本集團之除稅後溢利將相對地增加港幣26,480,000元（二〇一六年：港幣8,604,000元），主要由持作買賣用途之證券，以公平價值誌入損益賬之金融資產及利率合約之公平價值重估所引致。本集團於其他全面收益將相對地增加港幣396,331,000元（二〇一六年：港幣401,715,000元），主要由重估可供出售之證券引致。

本集團就浮息、金融資產及金融負債之現金流量利率風險承擔並不重大。

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(b) Market risk sensitivity analysis (Continued)

(ii) Interest rate risk

The Group's interest rate risk mainly arises from the timing differences in the repricing of interest bearing assets, liabilities and off-balance sheet positions. Any changes in interest rates would affect the value of those financial assets and liabilities carried at fair value. The Group enters into interest rate swaps to mitigate the interest rate risk associated with the fixed-rate financial assets and financial liabilities.

At 31 December 2017, if interest rates at that date had been 100 basis points (2016: 100 basis points) higher with all other variables held constant, the Group's profit after taxation for the year would have been HK\$25,385,000 (2016: HK\$9,136,000) lower, mainly as a result of revaluation of trading securities, financial assets designated at fair value through profit or loss and interest rate contracts. The Group's other comprehensive income would have been HK\$389,651,000 (2016: HK\$397,681,000) lower due to the revaluation of those available-for-sale securities.

At 31 December 2017, if interest rates at that date had been 100 basis points (2016: 100 basis points) lower with all other variables held constant, the Group's profit after taxation for the year would have been HK\$26,480,000 (2016: HK\$8,604,000) higher, mainly as a result of revaluation of trading securities, financial assets designated at fair value through profit or loss and interest rate contracts. The Group's other comprehensive income would have been HK\$396,331,000 (2016: HK\$401,715,000) higher due to the revaluation of those available-for-sale securities.

The Group's exposures to cash flow interest rate risk arising from variable-rate financial assets and liabilities is insignificant.

3 金融風險管理 (續)

3.2 市場風險 (續)

(b) 市場風險敏感度分析 (續)

(iii) 股權風險

本集團之股權風險主要源自持有若干本港上市之股權證券。其主要部份乃持作長期投資用途。

於二〇一七年十二月三十一日，如環球股票指數於當日下跌／上升10% (二〇一六年：10%)，在其他因素不變及所有股本工具根據與指數之歷史掛鉤關係變動下，本集團之除稅後溢利將減少／增加港幣2,088,000元 (二〇一六年：港幣70,018,000元)。本集團之其他全面收益將減少／增加港幣13,059,000元 (二〇一六年：港幣19,120,000元)。與二〇一六年比較，上述變動對本集團二〇一七年除稅後溢利及其他全面收益的影響有所減少，主要由於所持作買賣用途之股權證券及可供出售之股權證券分別減少。

(iv) 市場風險收入每日分佈情況

本集團及圍內數間附屬公司於二〇一七年内，從事與市場風險有關活動所賺取之每日平均收入 (包括與買賣有關之淨利息收入或其他收入) 為港幣2,306,000元 (二〇一六年：港幣1,720,000元)。該等每日平均收入之標準差為港幣29,221,000元 (二〇一六年：港幣14,687,000元)。

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(b) Market risk sensitivity analysis (Continued)

(iii) Equity risk

The Group's equity risk position mainly arises from the holdings of certain equity securities listed in Hong Kong. The majority of this position is held for long term investment purposes.

At 31 December 2017, if the Global equity index at that date had been 10% (2016:10%) lower/higher with all other variables held constant and all the equity instruments had moved according to their historical correlation with the index, the Group's profit after taxation for the year would have been HK\$2,088,000 (2016: HK\$70,018,000) lower/higher, and the Group's other comprehensive income would have been HK\$13,059,000 (2016: HK\$ 19,120,000) lower/higher. The lower impact on the Group's profit after tax and other comprehensive income in 2017 compared with 2016 was mainly attributable to the decrease in holdings of trading portfolios and available-for-sale portfolios respectively.

(iv) Daily distribution of market risk revenue

The average daily revenue in 2017 earned from market risk-related activities by the Bank and certain subsidiaries, including trading-related net interest income and other revenue was HK\$2,306,000 (2016: HK\$1,720,000). The standard deviation of this daily revenue was HK\$29,221,000 (2016: HK\$14,687,000).

財務報表註釋 Notes to the Financial Statements

3 金融風險管理 (續)

3.2 市場風險 (續)

(b) 市場風險敏感度分析 (續)

(iv) 市場風險收入每日分佈情況 (續)

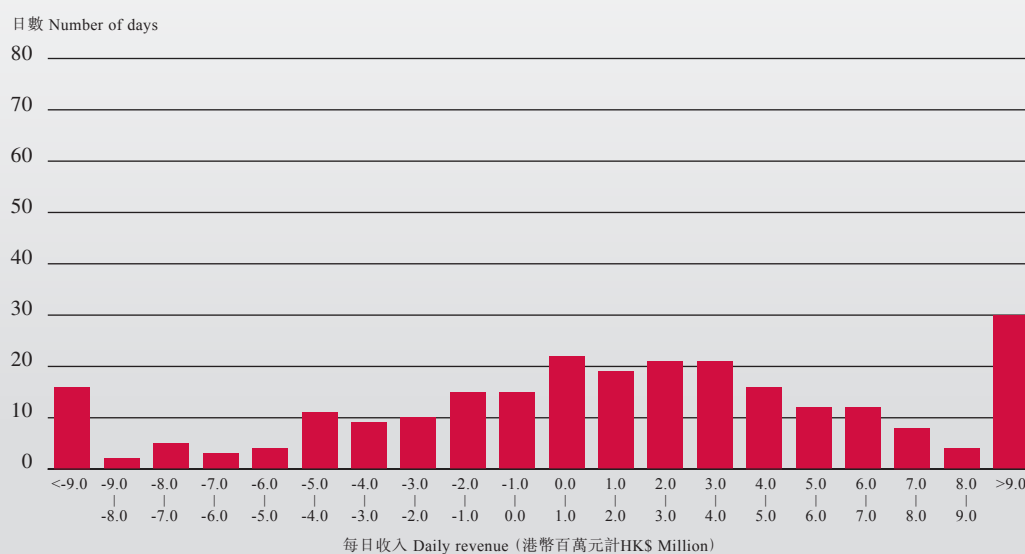
3 Financial risk management (Continued)

3.2 Market risk (Continued)

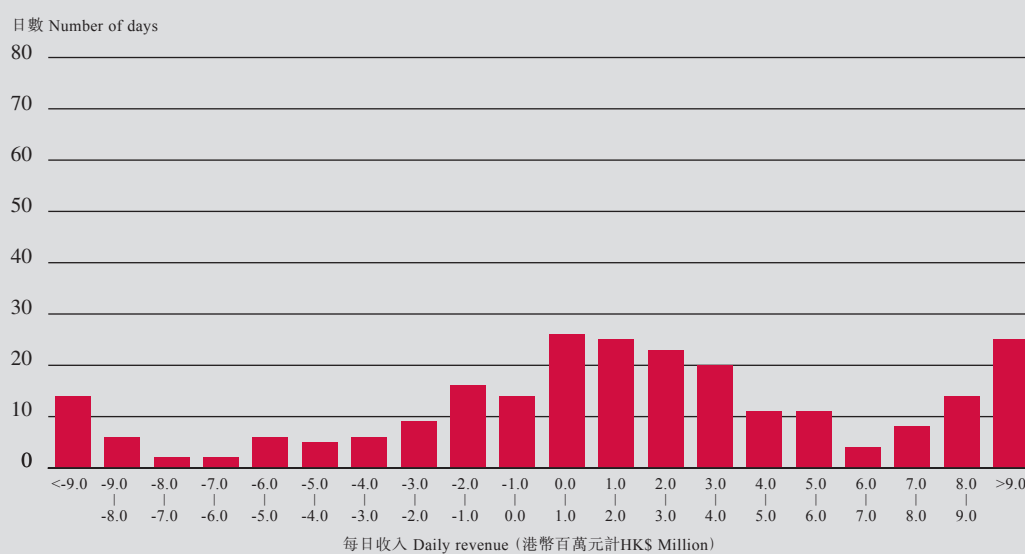
(b) Market risk sensitivity analysis (Continued)

(iv) Daily distribution of market risk revenue (Continued)

二〇一七年
市場風險收入
每日分佈情況
Daily
distribution
of market risk
revenue for 2017



二〇一六年
市場風險收入
每日分佈情況
Daily
distribution
of market risk
revenue for 2016



3 金融風險管理 (續)

3.2 市場風險 (續)

(c) 貨幣風險

現行市場外幣匯率的波動會影響本集團的財務狀況和現金流量。本集團之外匯風險主要包括財資部之外匯買賣及源自商業銀行業務之外幣持倉風險。

管理委員會以貨幣及總額為基礎，制定隔夜及即日之持倉限額。此等風險每日均由財資部按管理委員會核定之外匯持倉限額集中管理，並由另一部門獨立監察。

由客戶交易而產生之外匯風險 (包括附設在某些客戶存款內之貨幣期權)，一般會與其他客戶交易或市場交易對銷。用以購買港元資產之外匯資金均會採用掉期或遠期貨幣兌換合約對沖外匯風險。

下頁表格概述本集團於十二月三十一日之外幣匯率風險。本集團的資產及負債以貨幣作分類並按其賬面值呈列。資產負債表外之差距乃主要用作管理本集團因市場變動的貨幣風險之外幣衍生金融工具的名義金額淨額。

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(c) Currency risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group's exposures mainly comprise foreign exchange dealing by the Treasury Department and currency exposures originated by its commercial banking businesses.

The Management Committee sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. All exposures are centrally managed by the Treasury Department and independently monitored by a separate department on a daily basis.

Foreign currency exposures arising from customer transactions, including currency options embedded in certain customer deposits, are normally offset against other customer transactions or transactions with the market. Foreign currency funding used to fund Hong Kong dollar assets is hedged using currency swaps or forward exchange contracts to mitigate the foreign exchange risk.

The tables on the following pages summarise the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by currency. The off-balance sheet gap represents the net notional amounts of foreign currency derivative financial instruments, which are principally used to manage the Group's exposure to currency movements.

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.2 市場風險 (續)

(c) 貨幣風險 (續)

資產、負債及資產負債表外項目的分佈

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(c) Currency risk (Continued)

Concentration of assets, liabilities and off-balance sheet items

		港元 HKD 港幣千元 HK\$'000	美元 USD 港幣千元 HK\$'000	澳元 AUD 港幣千元 HK\$'000	人民幣 RMB 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017						
資產	Assets						
庫存現金及短期資金	Cash and short-term funds	22,276,585	9,876,811	52,914	16,140,926	997,711	49,344,947
同業定期存放 及貸款	Placements with and loans and advances to banks	5,283,470	13,319,936	-	9,519,423	17,042	28,139,871
持作買賣用途之證券	Trading securities	10	492,293	91,270	396,753	93,769	1,074,095
衍生金融工具	Derivative financial instruments	1,408,541	-	-	-	-	1,408,541
以公平價值誌入損益賬之 金融資產	Financial assets designated at fair value through profit or loss	-	4,871,565	121,686	-	950,347	5,943,598
可供出售之證券	Available-for-sale securities	20,706,283	18,203,833	4,589,153	1,730,480	1,160,640	46,390,389
持至到期證券	Held-to-maturity securities	-	219,812	-	111,544	-	331,356
貸款及其他賬項	Advances and other accounts	95,357,565	37,263,232	22,540	25,186,072	1,188,100	159,017,509
列作出售資產	Assets classified as held for sale	149,021	-	-	-	-	149,021
其他資產	Other assets	4,911,829	63,443	-	1,991,644	572	6,967,488
總資產	Total assets	150,093,304	84,310,925	4,877,563	55,076,842	4,408,181	298,766,815
負債	Liabilities						
同業存款	Deposits and balances from banks	2,639,859	6,595,171	-	23,790,576	109,085	33,134,691
交易賬項下之負債	Trading liabilities	-	77,380	-	-	-	77,380
衍生金融工具	Derivative financial instruments	794,593	-	-	-	-	794,593
客戶存款	Deposits from customers	119,271,962	47,229,678	7,893,106	29,782,927	6,785,973	210,963,646
發行之存款證	Certificates of deposit issued	1,812,088	2,770,322	-	-	-	4,582,410
發行之後償債項	Subordinated debts issued	-	4,675,302	-	-	-	4,675,302
其他負債	Other liabilities	4,763,987	1,021,748	37,688	936,236	18,963	6,778,622
總負債	Total liabilities	129,282,489	62,369,601	7,930,794	54,509,739	6,914,021	261,006,644
資產負債表內持倉淨額	Net on-balance sheet position	20,810,815	21,941,324	(3,053,231)	567,103	(2,505,840)	37,760,171
資產負債表外名義持倉 淨額	Off-balance sheet net notional position	7,581,791	(18,364,127)	2,982,102	5,559,169	2,848,850	607,785
信貸承擔	Credit commitments	40,643,957	12,082,999	-	11,137,367	135,922	64,000,245

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) 貨幣風險 (續)**(c) Currency risk (Continued)*資產、負債及資產負債表外項目的分佈
(續)Concentration of assets, liabilities and off-balance sheet items
(Continued)

		港元 HKD 港幣千元 HK\$'000	美元 USD 港幣千元 HK\$'000	澳元 AUD 港幣千元 HK\$'000	人民幣 RMB 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016						
資產	Assets						
庫存現金及短期資金	Cash and short-term funds	21,110,908	3,896,208	1,003,389	8,266,513	1,038,226	35,315,244
同業定期存放 及貸款	Placements with and loans and advances to banks	923,441	16,781,232	–	8,347,182	19,063	26,070,918
持作買賣用途之證券	Trading securities	10	1,328,520	–	–	–	1,328,530
衍生金融工具	Derivative financial instruments	697,578	–	–	–	–	697,578
以公平價值誌入損益賬之 金融資產	Financial assets designated at fair value through profit or loss	–	4,589,219	110,658	–	166,103	4,865,980
可供出售之證券	Available-for-sale securities	19,194,970	20,051,637	3,668,022	1,750,522	896,561	45,561,712
持至到期證券	Held-to-maturity securities	–	250,062	–	633,761	–	883,823
貸款及其他賬項	Advances and other accounts	78,778,258	42,968,080	383,817	23,394,976	920,614	146,445,745
其他資產	Other assets	5,004,736	77,460	–	1,406,251	349	6,488,796
總資產	Total assets	125,709,901	89,942,418	5,165,886	43,799,205	3,040,916	267,658,326
負債	Liabilities						
同業存款	Deposits and balances from banks	8,938,259	6,684,583	–	23,587,741	97,078	39,307,661
衍生金融工具	Derivative financial instruments	901,847	–	–	–	–	901,847
客戶存款	Deposits from customers	98,353,860	48,990,849	8,161,089	22,381,233	6,364,123	184,251,154
發行之存款證	Certificates of deposit issued	2,009,144	1,246,671	–	333,408	–	3,589,223
發行之後償債項	Subordinated debts issued	–	1,541,841	–	–	–	1,541,841
其他負債	Other liabilities	4,370,976	453,230	42,480	402,738	179,731	5,449,155
總負債	Total liabilities	114,574,086	58,917,174	8,203,569	46,705,120	6,640,932	235,040,881
資產負債表內持倉淨額	Net on-balance sheet position	11,135,815	31,025,244	(3,037,683)	(2,905,915)	(3,600,016)	32,617,445
資產負債表外名義 持倉淨額	Off-balance sheet net notional position	11,170,770	(26,137,954)	3,084,344	8,043,400	3,699,673	(139,767)
信貸承擔	Credit commitments	36,346,216	9,693,764	279,780	7,973,087	103,489	54,396,336

財務報表註釋

Notes to the Financial Statements

3 金融風險管理 (續)

3.2 市場風險 (續)

(d) 利率風險

現行市場利率的波動會影響本集團的公平價值利率風險及現金流量利率風險。公平價值利率風險乃指金融工具之價值將隨著市場利率改變而波動的風險。現金流量利率風險乃指金融工具之將來現金流量將隨著市場利率改變而波動的風險。

由於利率變動，息差可能會增加，但若利率出現不可預計的波動，則息差可能會減少或引致虧損。本集團已制定政策及制度以監察其較易受利率影響之倉盤及重定息率淨差距，以確保其在管理委員會所核定之限額以內獲妥善管理。實際持倉額會按月與核定限額作比較並由另一風險管理部門獨立監察。

儘管利率風險管理之主要目的在於限制利率變動對淨利息收入之潛在不利影響，亦可在風險限額內增持利率倉盤以提高收益。

下頁表格概述了本集團的利率風險，並按賬面值列示了本集團的資產及負債，而資產及負債則按重定息日或到期日(以較早者為準)分類。

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(d) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates in respect of its fair value and cash flow interest rate risks. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest margin may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Group has established policies and systems to monitor its interest-sensitive positions and net repricing gap to ensure that they are all properly managed under the limits approved by the Management Committee. Actual positions are compared with the approved limits and independently monitored by a risk management department.

While the primary objective of interest rate risk management is to limit potential adverse effects of interest rate movements on net interest income, interest rate positions may be taken for yield enhancement within the risk limits.

The tables on the following pages summarise the Group's exposure to interest rate risks. Included in the tables are the Group's assets and liabilities at carrying amount categorised by the earlier of contractual repricing or maturity dates.

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)***(d) 利率風險 (續)**(d) Interest rate risk (Continued)*

資產及負債之利率敏感度－重定息率分析

Interest sensitivity of assets and liabilities - repricing analysis

		一個月 或以下 Up to 1 month 港幣千元 HK\$'000	一個月以上 至三個月 1-3 months 港幣千元 HK\$'000	三個月以上 至一年 3-12 months 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	不計息 Non-interest bearing 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	28,765,633	-	-	-	-	20,579,314	49,344,947
同業定期存放及貸款	Placements with and loans and advances to banks	1,039,562	7,764,469	18,327,983	1,007,857	-	-	28,139,871
持作買賣用途之證券	Trading securities	75,025	199,671	-	766,238	-	33,161	1,074,095
衍生金融工具	Derivative financial instruments	-	-	-	-	-	1,408,541	1,408,541
以公平價值誌入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	-	-	1,593,115	4,350,483	-	-	5,943,598
可供出售之證券	Available-for-sale securities	3,795,413	19,805,386	11,124,048	10,329,051	-	1,336,491	46,390,389
持至到期證券	Held-to-maturity securities	19,532	-	200,280	111,544	-	-	331,356
貸款及其他賬項	Advances and other accounts	106,545,753	36,469,116	11,084,415	989,969	438,197	3,490,059	159,017,509
列作出售資產	Assets classified as held for sale	-	-	-	-	-	149,021	149,021
其他資產	Other assets	-	-	-	-	-	6,967,488	6,967,488
總資產	Total assets	140,240,918	64,238,642	42,329,841	17,555,142	438,197	33,964,075	298,766,815
負債	Liabilities							
同業存款	Deposits and balances from banks	3,391,852	7,075,071	18,511,053	-	-	4,156,715	33,134,691
交易賬項下之負債	Trading liabilities	-	-	-	77,380	-	-	77,380
衍生金融工具	Derivative financial instruments	-	-	-	-	-	794,593	794,593
客戶存款	Deposits from customers	120,649,757	41,261,693	32,169,821	4,949,023	-	11,933,352	210,963,646
發行之存款證	Certificates of deposit issued	551,564	3,560,910	469,936	-	-	-	4,582,410
發行之後償債項	Subordinated debts issued	-	-	-	4,675,302	-	-	4,675,302
其他負債	Other liabilities	82,738	-	-	-	-	6,695,884	6,778,622
總負債	Total liabilities	124,675,911	51,897,674	51,150,810	9,701,705	-	23,580,544	261,006,644
利息敏感度差距總額 (未經調整)	Total interest sensitivity gap (unadjusted)	15,565,007	12,340,968	(8,820,969)	7,853,437	438,197		
利率衍生工具合約之 影響	Effect of interest rate derivatives	4,359,852	7,280,685	(3,318,853)	(5,719,687)	(269,344)		
利息敏感度差距總額 (經調整)	Total interest sensitivity gap (adjusted)	19,924,859	19,621,653	(12,139,822)	2,133,750	168,853		

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3 金融風險管理 (續)

3.2 市場風險 (續)

(d) 利率風險 (續)

資產及負債之利率敏感度－重定息率分析 (續)

3 Financial risk management (Continued)

3.2 Market risk (Continued)

(d) Interest rate risk (Continued)

Interest sensitivity of assets and liabilities - repricing analysis (Continued)

		一個月 或以下 Up to 1 month 港幣千元 HK\$'000	一個月以上 至三個月 1-3 months 港幣千元 HK\$'000	三個月以上 至一年 3-12 months 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	不計息 Non-interest bearing 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	13,361,300	-	-	-	-	21,953,944	35,315,244
同業定期存放及貸款	Placements with and loans and advances to banks	2,085,084	7,685,599	16,067,600	232,635	-	-	26,070,918
持作買賣用途之證券	Trading securities	-	10	-	611,571	-	716,949	1,328,530
衍生金融工具	Derivative financial instruments	-	-	-	-	-	697,578	697,578
以公平價值計入損益賬之 金融資產	Financial assets designated at fair value through profit or loss	-	-	365,625	4,500,355	-	-	4,865,980
可供出售之證券	Available-for-sale securities	6,126,324	14,631,290	14,163,218	9,120,653	-	1,520,227	45,561,712
持至到期證券	Held-to-maturity securities	19,386	7,729	554,840	301,868	-	-	883,823
貸款及其他賬項	Advances and other accounts	88,034,656	42,884,623	9,588,550	2,803,428	456,526	2,677,962	146,445,745
其他資產	Other assets	-	-	-	-	-	6,488,796	6,488,796
總資產	Total assets	109,626,750	65,209,251	40,739,833	17,570,510	456,526	34,055,456	267,658,326
負債	Liabilities							
同業存款	Deposits and balances from banks	6,159,266	16,723,942	13,237,809	-	-	3,186,644	39,307,661
衍生金融工具	Derivative financial instruments	-	-	-	-	-	901,847	901,847
客戶存款	Deposits from customers	94,706,500	37,654,640	36,784,808	3,053,145	-	12,052,061	184,251,154
發行之存款證	Certificates of deposit issued	1,339,318	1,657,622	592,283	-	-	-	3,589,223
發行之後償債項	Subordinated debts issued	-	-	1,541,841	-	-	-	1,541,841
其他負債	Other liabilities	13,031	-	-	-	-	5,436,124	5,449,155
總負債	Total liabilities	102,218,115	56,036,204	52,156,741	3,053,145	-	21,576,676	235,040,881
利息敏感度差距總額 (未經調整)	Total interest sensitivity gap (unadjusted)	7,408,635	9,173,047	(11,416,908)	14,517,365	456,526		
利率衍生工具合約 之影響	Effect of interest rate derivatives	752,123	3,915,708	(339,435)	(5,103,027)	88,651		
利息敏感度差距總額 (經調整)	Total interest sensitivity gap (adjusted)	8,160,758	13,088,755	(11,756,343)	9,414,338	545,177		

3 金融風險管理 (續)**3.2 市場風險 (續)***(d) 利率風險 (續)*

下表概述貨幣金融工具中(不以公平價值誌入損益賬內)幾種主要貨幣的實際利率:

3 Financial risk management (Continued)**3.2 Market risk (Continued)***(d) Interest rate risk (Continued)*

The table below summarises the effective interest rate by major currencies of monetary financial instruments not carried at fair value through profit or loss:

		港元 HKD %	美元 USD %	澳元 AUD %	人民幣 RMB %	其他 Others %	合計 Total %
於二〇一七年 十二月三十一日	At 31 December 2017						
資產	Assets						
庫存現金及短期資金	Cash and short-term funds	0.18	1.62	1.00	4.62	–	1.91
同業定期存放及貸款	Placements with and loans and advances to banks	1.52	2.24	–	5.19	0.75	3.10
可供出售之證券	Available-for-sale securities	0.60	2.70	2.66	3.00	2.54	1.77
持至到期證券	Held-to-maturity securities	–	4.91	–	3.00	–	4.27
客戶貸款	Advances to customers	2.84	3.54	–	5.15	2.13	3.37
負債	Liabilities						
同業存款	Deposits and balances from banks	1.26	0.93	–	4.36	0.55	3.41
客戶存款	Deposits from customers	0.68	1.07	1.62	3.25	0.81	1.17
發行之存款證	Certificates of deposit issued	1.30	1.95	–	–	–	1.70
發行之後償債項	Subordinated debts issued	–	3.76	–	–	–	3.76
於二〇一六年 十二月三十一日	At 31 December 2016						
資產	Assets						
庫存現金及短期資金	Cash and short-term funds	0.03	1.03	2.15	3.46	0.01	0.99
同業定期存放及貸款	Placements with and loans and advances to banks	0.76	1.04	–	3.81	0.27	1.91
可供出售之證券	Available-for-sale securities	0.88	1.98	2.77	3.16	3.03	1.65
持至到期證券	Held-to-maturity securities	–	4.88	–	3.91	–	4.18
客戶貸款	Advances to customers	2.60	2.82	3.75	4.34	2.58	2.95
負債	Liabilities						
同業存款	Deposits and balances from banks	0.88	0.93	–	1.03	0.25	0.98
客戶存款	Deposits from customers	0.59	0.78	1.46	3.07	0.50	0.97
發行之存款證	Certificates of deposit issued	1.09	1.55	–	4.05	–	1.53
發行之後償債項	Subordinated debts issued	–	3.61	–	–	–	3.61

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3 金融風險管理 (續)

3.3 流動資金風險

流動資金風險乃指本集團未能於金融負債到期日履行其償還責任，或是客戶提取資金後未能補充資金。此可能會引致資金未能應付存戶提取的需求或貸款未能按承諾發放。本集團每天運用可動用的現金資源，以應付來自隔夜存款、活期賬戶、到期存款、貸款支付、與保證書的需求，以及來自保證金及其他現金結算衍生工具的需求。

(a) 流動資金風險管理程序

本集團的流動資金風險管理受經董事會批准的流動資金風險管理政策及原則監管。資產負債管理委員會獲代表董事會的管理委員會授權，負責監察本集團整體的流動資金風險管理。資產負債管理委員會制訂管理流動資金風險的策略、政策及限額予董事會或管理委員會審批，以及確保有效執行有關策略與政策的措施。資產負債管理委員會定期舉行會議，檢討各方面是否符合所設立的監管架構，以及是否有需要改變策略及政策。財資部負責日常流動資金管理。財務會計部定期監察限額或警報及定期向資產負債管理委員會報告。稽核部會定期作出檢查，確保流動資金風險管理功能得以有效執行。

國內及海外分行在集團的流動資金風險管理原則及風險承受能力範圍內，負責管理當地的流動資金風險，並由集團的資產負債管理委員會監察。至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監督及適當控制。

流動資金管理之目標為履行於正常及緊急情況下到期之債務，提供資金以應付資產增長與及符合法定之流動性覆蓋比率。為此，本集團有以下之流動資金管理程序：

3 Financial risk management (Continued)

3.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, matured deposits, loan drawdowns and guarantees, and from margin and other calls on cash-settled derivatives.

(a) Liquidity risk management process

The management of the Group's liquidity risk is governed by the liquidity risk management policies and principles as approved by the Board of Directors. The Asset and Liability Management Committee, which is delegated by the Management Committee on behalf of the Board of Directors, is responsible to monitor the Group's overall liquidity management. The Asset and Liability Management Committee sets the strategy, policy and limits for managing liquidity risk for approval by the Board of Directors or the Management Committee, and the means for ensuring that such strategy and policy are implemented effectively. Regular meeting is held to review the compliance status of the monitoring matrix established and the needs of change in strategy and policy. Daily liquidity management is managed by the Treasury Department. The limits, triggers or alerts are monitored by the Financial Accounting Department and reported to the Asset and Liability Management Committee on a regular basis. The Internal Audit Department performs periodic reviews to make sure that the liquidity risk management functions are carried out effectively.

The primary responsibility for managing liquidity and funding within the Group's framework and risk appetite resides with the mainland and overseas branches, which is monitored by the Asset and Liability Management Committee. Internally, intra-group funding transactions are transacted at arm's length and treated in a manner in line with other third party transactions, with regular monitoring and appropriate control.

The objective of liquidity management is to meet the obligations payable under normal and emergency circumstances, to fund asset growth and to comply with the statutory liquidity coverage ratio. To achieve this, the following liquidity management processes are in place:

3 金融風險管理 (續)

3.3 流動資金風險 (續)

(a) 流動資金風險管理程序 (續)

- (i) 定期在正常及壓力情景下估算現金流，利用資產負債錯配淨缺口評估資金需求及作出相應措施。

監控及呈報按不同時限之現金流計量及推測方式實行，時限按流動性管理之主要區間包括翌日、七日及一個月來區分。此等推測首先分析該等金融資產及負債和資產負債表外項目之合約到期日，並且依據過往觀察和利用現金流模型推測預計該等項目預期到期日。

流動性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但合理的變化所產生的流動性壓力情況下，銀行可能出現風險暴露的情況。

本行定期計算進行的壓力測試情景(包括個別銀行危機、整體市場危機及綜合危機)均按照監管政策手冊「穩健的流動資金風險管理系統及管控措施」(LM-2)內的原則建構。

流動性壓力測試結果亦是應變融資計劃其中一個重要的預早警報指標，本集團會參照流動性壓力測試結果，確認其流動資金狀況在受壓之市場情況下的潛在影響，如觸發計劃的預警機制，將按制定計劃詳列處理流動資金問題的補救行動；

- (ii) 按照內部及／或監管機構的規定，監控流動性覆蓋比率、貸存比率及期限錯配；
- (iii) 藉監控存款組合之結構、穩定性及核心水平，以確保穩健及多元化之資金來源；
- (iv) 於每年預算過程中，預測資金需求及資金結構，以確保充足資金及適當資金組合；
- (v) 在新產品業務推出前，須先進行潛在的流動資金風險評估程序；

3 Financial risk management (Continued)

3.3 Liquidity risk (Continued)

(a) Liquidity risk management process (Continued)

- (i) Projecting cash flows under normal and various stress scenarios regularly, using the net mismatch gap between assets and liabilities to estimate the prospective net funding requirement and formulate the corresponding actions.

The monitoring and reporting take the forms of cash flow measurements and projections for different time horizons, including next day, seven days and one month, which are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial assets and liabilities and off-balance sheet items as well as the expected maturity of these items based on historical observations and cash flow models.

Liquidity stress testing is a risk management tool for estimating risk exposure under stressed conditions arising from extreme but plausible market or macroeconomic movements.

Different stress testing scenarios, namely an institution specific crisis, a general market crisis and combined crisis, are performed on a regular basis in accordance with the principles stated in Supervisory Policy Manual “Sound Systems and Controls for Liquidity Risk Management” (LM-2).

The stress testing result is also one of the most important early warning indicators under contingency funding plan. With reference to the stress testing results, the Group identifies potential vulnerabilities on its liquidity position under stressed market conditions. If the impact is severe enough and triggers the plan, the Bank will deal with such liquidity problems in accordance with the formulated contingency funding plan that sets out remedial actions;

- (ii) Monitoring the liquidity coverage ratio, loan to deposit ratio and maturity mismatch ratio against internal and/or regulatory requirements;
- (iii) Ensuring a sound and diversified range of funding sources, through monitoring the structure, the stability and the core level of the deposit portfolio;
- (iv) Projecting a high-level funding requirement and funding structure during the annual budget process to ensure sufficient funding and an appropriate funding mix;
- (v) Conducting liquidity risk assessment before launching a new product;

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3 金融風險管理 (續)

3.3 流動資金風險 (續)

(a) 流動資金風險管理程序 (續)

- (vi) 為應付無法預測之資金需求，本集團持有即使在受壓期間仍可以隨時出售或作抵押的優質流動資產。該等投資信貸質素良好，具備足夠市場深度及高流動性，以確保能在經審慎釐定的限額內符合短期資金需要。第一級優質流動資產包括現金、存放於中央銀行及高質素中央政府及中央銀行之債務證券，第二級優質流動資產則包括其他具投資評級之公司債務證券。

下表列出本集團的優質流動資產 (未經扣減前) 金額：

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
第一級	Level 1	38,085,694	32,629,272
第二級	Level 2	10,238,570	5,403,775
		48,324,264	38,033,047

優質流動資產組合中所持有的全部資產均無產權負擔；

- (vii) 持續使用同業拆借市場；

- (viii) 維持應變融資計劃。集團運用預早警報指標 (包括內部及市場指標)，配合壓力測試的情景和假設的結果，以監督內部及外部因素。假如有任何跡象顯示本集團流動資金狀況出現重大影響，由集團行政總裁主持的危機管理委員會將負責處理危機。按政策描述採取相應行動，盡量將業務受到的不利影響減至最低。本集團亦會定期檢討及更新該計劃內容。

3 Financial risk management (Continued)

3.3 Liquidity risk (Continued)

(a) Liquidity risk management process (Continued)

- (vi) Maintaining high-quality liquid assets (“HQLA”) which can be sold or pledged as collateral to provide liquidity even under periods of stress. The Group invests in good credit quality investments with deep and liquid market to ensure short term funding requirements are covered within prudent limits. Level 1 assets comprise cash, balances with central bank and high quality central government and central bank securities, while Level 2 assets comprise corporate securities of investment grade.

The table below shows the balances (before assumed haircuts) of HQLA of the Group:

	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
第一級	38,085,694	32,629,272
第二級	10,238,570	5,403,775
	48,324,264	38,033,047

All assets held as HQLA are unencumbered;

- (vii) Maintaining access to the interbank money market to activate facilities;

- (viii) Maintaining a contingency funding plan. The Group will utilise early warning indicators (including both internal and market indicators), and integrate with the results of the scenarios and assumptions used in the stress test to monitor both internal and external factors. Should there be any signs of significant impact on the Group’s liquidity position, the Crisis Management Team, which is chaired by the Group’s Chief Executive Officer, will take charge to handle the crisis. Corresponding actions as laid down in the policy will be taken in the event of a stress crisis, so as to minimise adverse long-term implications for business. The plan is also subject to review and update on a regular basis.

3 金融風險管理 (續)**3.3 流動資金風險 (續)***(b) 到期分析*

下頁表格按結算日至合約到期日餘下期間分析本集團之資產與負債。分析內之保險負債乃根據於結算日已確認之保險負債估計淨現金流出日分類。

3 Financial risk management (Continued)**3.3 Liquidity risk (Continued)***(b) Maturity analysis*

The tables on the following pages analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The analysis in respect of insurance liabilities is based on the estimated timing of net cash outflows resulting from recognised insurance liabilities at the end of the reporting period.

		即時償還 Repayable on demand 港幣千元 HK\$'000	一個月 或以下 Up to 1 month 港幣千元 HK\$'000	一個月以上 至三個月 1-3 months 港幣千元 HK\$'000	三個月以上 至一年 3-12 months 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	無註明日期 Undated 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017								
資產	Assets								
庫存現金及短期資金	Cash and short-term funds	22,474,870	25,757,120	-	-	-	-	1,112,957	49,344,947
同業定期存放及貸款	Placements with and loans and advances to banks	-	1,039,562	7,764,469	18,327,983	1,007,857	-	-	28,139,871
持作買賣用途之證券	Trading securities	-	-	-	10	1,040,924	-	33,161	1,074,095
衍生金融工具	Derivative financial instruments	-	-	-	-	-	-	1,408,541	1,408,541
以公平價值計入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	-	-	-	1,593,115	4,350,483	-	-	5,943,598
可供出售之證券	Available-for-sale securities	-	1,450,152	10,290,182	10,605,475	22,708,089	-	1,336,491	46,390,389
持至到期證券	Held-to-maturity securities	-	19,532	-	200,280	111,544	-	-	331,356
貸款及其他賬項	Advances and other accounts	963,598	12,107,957	13,668,501	39,964,622	72,744,519	18,998,696	569,616	159,017,509
列作出售資產	Assets classified as held for sale	-	-	-	-	-	-	149,021	149,021
其他資產	Other assets	-	-	-	2,681	-	37,840	6,926,967	6,967,488
總資產	Total assets	23,438,468	40,374,323	31,723,152	70,694,166	101,963,416	19,036,536	11,536,754	298,766,815
負債	Liabilities								
同業存款	Deposits and balances from banks	4,366,312	3,182,255	6,533,666	19,052,458	-	-	-	33,134,691
交易賬項下之負債	Trading liabilities	-	-	-	-	77,380	-	-	77,380
衍生金融工具	Derivative financial instruments	-	-	-	-	-	-	794,593	794,593
客戶存款	Deposits from customers	85,399,350	47,161,206	41,261,693	32,169,827	4,949,030	-	22,540	210,963,646
發行之存款證	Certificates of deposit issued	-	551,564	3,560,910	469,936	-	-	-	4,582,410
發行之後償債項	Subordinated debts issued	-	-	-	-	1,554,865	3,120,437	-	4,675,302
其他負債	Other liabilities	2,018,194	481,573	383,085	2,222,736	1,176,630	67,826	428,578	6,778,622
總負債	Total liabilities	91,783,856	51,376,598	51,739,354	53,914,957	7,757,905	3,188,263	1,245,711	261,006,644
流動資金差距淨額	Net liquidity gap	(68,345,388)	(11,002,275)	(20,016,202)	16,779,209	94,205,511	15,848,273	10,291,043	37,760,171

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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) 到期分析 (續)

(b) Maturity analysis (Continued)

		即時償還 Repayable on demand 港幣千元 HK\$'000	一個月 或以下 Up to 1 month 港幣千元 HK\$'000	一個月以上 至三個月 1-3 months 港幣千元 HK\$'000	三個月以上 至一年 3-12 months 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	無註明日期 Undated 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016								
資產	Assets								
庫存現金及短期資金	Cash and short-term funds	23,171,232	10,937,924	-	-	-	-	1,206,088	35,315,244
	Placements with and loans and								
同業定期存放及貸款	advances to banks	-	1,255,352	7,522,755	16,067,600	1,225,211	-	-	26,070,918
持作買賣用途之證券	Trading securities	-	-	-	-	534,347	-	794,183	1,328,530
衍生金融工具	Derivative financial instruments	-	-	-	-	-	-	697,578	697,578
以公平價值誌入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	-	-	-	365,625	4,500,355	-	-	4,865,980
可供出售之證券	Available-for-sale securities	-	3,809,254	10,625,035	14,358,284	15,248,912	-	1,520,227	45,561,712
持至到期證券	Held-to-maturity securities	-	19,386	7,729	554,841	301,867	-	-	883,823
貸款及其他賬項	Advances and other accounts	1,909,070	7,693,802	12,775,490	36,311,830	70,861,592	16,471,271	422,690	146,445,745
其他資產	Other assets	-	-	-	3,204	-	49,415	6,436,177	6,488,796
總資產	Total assets	25,080,302	23,715,718	30,931,009	67,661,384	92,672,284	16,520,686	11,076,943	267,658,326
負債	Liabilities								
同業存款	Deposits and balances from banks	3,585,022	5,062,155	17,576,109	13,084,375	-	-	-	39,307,661
衍生金融工具	Derivative financial instruments	-	-	-	-	-	-	901,847	901,847
客戶存款	Deposits from customers	74,179,982	32,577,106	37,656,114	36,784,808	3,053,144	-	-	184,251,154
發行之存款證	Certificates of deposit issued	-	1,339,318	1,657,622	592,283	-	-	-	3,589,223
發行之後償債項	Subordinated debts issued	-	-	-	-	-	1,541,841	-	1,541,841
其他負債	Other liabilities	1,160,157	513,044	466,281	1,737,775	1,159,783	38,698	373,417	5,449,155
總負債	Total liabilities	78,925,161	39,491,623	57,356,126	52,199,241	4,212,927	1,580,539	1,275,264	235,040,881
流動資金差距淨額	Net liquidity gap	(53,844,859)	(15,775,905)	(26,425,117)	15,462,143	88,459,357	14,940,147	9,801,679	32,617,445

3 金融風險管理 (續)

3.3 流動資金風險 (續)

(b) 到期分析 (續)

資產與負債的到期日和利率的相配和受控下的錯配對本集團的管理層至關重要。由於所紮做的業務期限經常不確定，且類型也不盡相同，因此要做到完全相配情況並不普遍。不相配的情況既可能提高盈利能力，也可能增加虧損風險。

資產與負債的到期日相配和以可接受的成本取代到期計息負債的能力，是評估本集團流動資金狀況及其利率和外匯變動風險的重要因素。

應付保證書和信用證項下所需款項的流動資金需求遠少於承諾的金額，因為本集團一般不預期第三者會根據該等協議動用有關資金。由於很多信貸承諾在毋須動用資金下已告屆滿或終止，因此提供信貸承擔的尚未償付合同總金額未必等同日後的現金需求。

(c) 合約到期日之未折現現金流量

下頁表格分析本集團於結算日至合約到期日的非衍生金融負債和衍生金融負債按剩餘到期日的現金流出金額，而保險負債則按淨現金流出的估計日期分類。鑑於本集團乃根據預測的未經折現現金流量來管理內在流動資金風險，在表格內所披露之數據為協定之未經折現的現金流量。

3 Financial risk management (Continued)

3.3 Liquidity risk (Continued)

(b) Maturity analysis (Continued)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and currency risks.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

(c) Undiscounted cash flows by contractual maturities

The tables on the following pages analyse the cash flow payable by the Group in respect of non-derivative financial liabilities and derivative financial instruments by remaining contractual maturities, and by estimated timing of net cash outflow for insurance liabilities at the end of the reporting period. The amounts disclosed in the tables are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash flows.

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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)

(c) 合約到期日之未折現現金流量 (續)

(c) Undiscounted cash flows by contractual maturities (Continued)

		即時償還	一個月 或以下	一個月以上 至三個月	三個月以上 至一年	一年以上 至五年	五年以上	無註明日期	合計
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017								
非衍生現金流量負債	Non-derivative cash flow liabilities								
客戶存款	Deposits from customers	85,400,698	47,385,143	41,576,475	32,954,346	5,294,279	-	22,545	212,633,486
同業存款	Deposits and balances from banks	4,366,315	3,253,505	6,706,510	19,927,478	-	-	-	34,253,808
交易賬項下之負債	Trading liabilities	-	-	-	1,563	84,379	-	-	85,942
發行之存款證	Certificates of deposit issued	-	555,057	3,571,463	475,541	-	-	-	4,602,061
發行之後償債項	Subordinated debts issued	-	-	-	192,087	2,330,917	3,711,104	-	6,234,108
其他負債	Other liabilities	2,018,194	481,573	383,085	2,222,736	1,176,630	67,826	428,578	6,778,622
衍生現金流量	Derivative cash flow								
衍生金融工具	Derivative financial instruments	-	41,553,791	18,856,785	21,706,460	1,996,622	43,658	-	84,157,316
		91,785,207	93,229,069	71,094,318	77,480,211	10,882,827	3,822,588	451,123	348,745,343

		即時償還	一個月 或以下	一個月以上 至三個月	三個月以上 至一年	一年以上 至五年	五年以上	無註明日期	合計
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016								
非衍生現金流量負債	Non-derivative cash flow liabilities								
客戶存款	Deposits from customers	74,180,849	32,684,984	37,875,949	37,355,067	3,300,652	-	-	185,397,501
同業存款	Deposits and balances from banks	3,585,098	5,155,318	17,708,065	13,408,071	-	-	-	39,856,552
發行之存款證	Certificates of deposit issued	-	1,340,000	1,667,023	605,294	-	-	-	3,612,317
發行之後償債項	Subordinated debts issued	-	-	-	54,282	217,126	1,605,181	-	1,876,589
其他負債	Other liabilities	1,160,157	513,044	466,281	1,480,261	1,159,783	28,444	373,417	5,181,387
衍生現金流量	Derivative cash flow								
衍生金融工具	Derivative financial instruments	-	54,042,270	28,978,605	37,473,761	3,538,727	5,545	-	124,038,908
		78,926,104	93,735,616	86,695,923	90,376,736	8,216,288	1,639,170	373,417	359,963,254

3 金融風險管理 (續)**3.3 流動資金風險 (續)****(d) 資產負債表以外項目**

		一年或以下 Not later than 1 year 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017				
放款承擔	Loan commitments	56,764,000	–	–	56,764,000
遠期預約放款	Forward forward deposit placed	1,015,671	–	–	1,015,671
擔保書及其他金融額度	Guarantees and other financial facilities				
– 擔保書及備用 信用狀	– Guarantees and standby letters of credit	5,635,011	–	–	5,635,011
– 跟單及商業 信用狀	– Documentary and commercial letters of credit	585,563	–	–	585,563
營業租約承擔	Operating lease commitments	93,788	165,877	–	259,665
資本承擔	Capital commitments	68,458	–	–	68,458
		64,162,491	165,877	–	64,328,368

		一年或以下 Not later than 1 year 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016				
放款承擔	Loan commitments	50,266,818	–	–	50,266,818
遠期預約放款	Forward forward deposit placed	279,780	–	–	279,780
擔保書及其他金融額度	Guarantees and other financial facilities				
– 擔保書及備用 信用狀	– Guarantees and standby letters of credit	3,276,751	–	–	3,276,751
– 跟單及商業 信用狀	– Documentary and commercial letters of credit	572,987	–	–	572,987
營業租約承擔	Operating lease commitments	81,232	164,847	–	246,079
資本承擔	Capital commitments	118,069	–	–	118,069
		54,595,637	164,847	–	54,760,484

3 Financial risk management (Continued)**3.3 Liquidity risk (Continued)****(d) Off-balance sheet items**

		一年或以下 Not later than 1 year 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017				
放款承擔	Loan commitments	56,764,000	–	–	56,764,000
遠期預約放款	Forward forward deposit placed	1,015,671	–	–	1,015,671
擔保書及其他金融額度	Guarantees and other financial facilities				
– 擔保書及備用 信用狀	– Guarantees and standby letters of credit	5,635,011	–	–	5,635,011
– 跟單及商業 信用狀	– Documentary and commercial letters of credit	585,563	–	–	585,563
營業租約承擔	Operating lease commitments	93,788	165,877	–	259,665
資本承擔	Capital commitments	68,458	–	–	68,458
		64,162,491	165,877	–	64,328,368

		一年或以下 Not later than 1 year 港幣千元 HK\$'000	一年以上 至五年 1-5 years 港幣千元 HK\$'000	五年以上 Over 5 years 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日	At 31 December 2016				
放款承擔	Loan commitments	50,266,818	–	–	50,266,818
遠期預約放款	Forward forward deposit placed	279,780	–	–	279,780
擔保書及其他金融額度	Guarantees and other financial facilities				
– 擔保書及備用 信用狀	– Guarantees and standby letters of credit	3,276,751	–	–	3,276,751
– 跟單及商業 信用狀	– Documentary and commercial letters of credit	572,987	–	–	572,987
營業租約承擔	Operating lease commitments	81,232	164,847	–	246,079
資本承擔	Capital commitments	118,069	–	–	118,069
		54,595,637	164,847	–	54,760,484

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3 金融風險管理 (續)

3.4 營運風險管理

營運風險指因內部程序不完善或失效、人為過失、系統故障或由外來事故引致損失的風險。

本集團訂立營運風險管理架構以識別、量度、監控及控制營運風險。由管理委員會核准之營運風險管理政策，已界定各委員會、業務單位及支援部門的職責，以多樣工具包括自我控制評估、危機事項管理及以主要風險指標來促進對營運風險的量度及評估。本集團亦依靠各營業單位的內部監控機制，加上內部審核環節管理及控制營運風險。

本集團之內部監控系統乃由建立完善之組織架構、詳盡的政策及標準所組成。董事會所期望之職能、責任及誠信已清楚地列明於政策文件上。每個業務及操作單位的權限及責任亦清楚列明，確保有足夠之查核及平衡。內部監控機制程序包括風險評估、職能分工、使用權限、培訓及定期核實以及核對交易及賬戶之資料。

風險評估範圍亦包括外判、新產品及新系統之履行。持續業務計劃之訂立，減低系統故障或自然災害對業務運作之影響及干擾。此外，本集團已購有足夠的保險以覆蓋合理程度的營運風險。

風險管理委員會負責定期對營運風險情況進行檢討，本集團之內部稽核功能在營運風險架構裏亦十分重要。透過對所有業務及操作功能的定期及深入的審核，為董事會提供客觀證據，確保穩健內部監控系統的維持及操作已依從既定的程序及準則。

3 Financial risk management (Continued)

3.4 Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The Group has established an operational risk management framework to identify, measure, monitor and control operational risk. The Policy on Operational Risk Management, approved by the Management Committee, defines responsibilities of various committees, business units and supporting departments and encompasses various tools including control self-assessment, risk event management and key risk indicators to facilitate measurement and assessment of operational risk. The Group also relies on internal control mechanisms within the business lines, supplemented by the internal audit function to manage and control operational risk.

The internal control system of the Group comprises a well-established organisational structure and comprehensive policies and standards. The Board's expectations regarding duty, responsibility and integrity are clearly spelled out in formal policy statements. The lines of authority and responsibilities of each business and operational unit have been clearly defined to ensure adequate checks and balances. Procedures including risk assessments, segregation of duties, use of limits, training and regular verification and reconciliation of transactions and accounts are used in the internal control mechanism.

Risk assessment will be conducted on the outsourcing services, new products and new systems implementation. Business continuity plans are in place to mitigate the impact and interruptions to business activities caused by system failure or natural disaster. Adequate insurance is taken out to cover a reasonable extent of operational risk.

The Risk Management Committee is responsible for regular review of the operational risk profile and the Group's internal audit function plays an important role in the Group's operational risk framework. It provides an objective assurance to the Board that a sound internal control system is maintained and operated in compliance with the established processes and standards through regular and comprehensive audits on all business and operational functions.

3 金融風險管理 (續)

3.5 資本管理

本集團對資本管理之目的如下：

- 遵從《銀行業(資本)規則》的資本要求；
- 保證本集團之持續營運能力可以持續提供股東之回報及其他外在關係者之利益；
- 維持本集團之穩定及發展；及
- 維持強大資本基礎以支持業務發展。

香港《銀行業條例》要求各銀行或銀行集團維持法定資本對風險比重資產的比率在一定的水平。本集團之附屬公司亦需符合其他法定機構包括證券及期貨事務監察委員會和保險業監理處之法定資本要求。

風險比重資產乃根據《銀行業(資本)規則》所規定的風險比重等級制度而計算，是根據每一資產及交易對手之性質及其聯繫着的估計信貸、市場及其他風險，並已考慮合格的抵押品及擔保在內。資產負債表以外之風險計算類同，再加上一些調整以反映其為或然之損失。

本集團之管理層須定期監控資本足夠與否及資本的用途。本集團引用內部訂立的資本充足觸發比率作為資本充足管理之指標，該比率較最低法定資本充足比率為高。除此之外，本集團亦會對新產品、新投資及其他重要交易評估其對資本充足比率之影響。

截至二〇一七年及二〇一六年十二月三十一日之年度內，本集團及其個別受其他法定機構監管之附屬公司已符合所有外界資本要求及較香港金融管理局所訂定之最低資本要求比率為高。

3 Financial risk management (Continued)

3.5 Capital management

The Group's objectives when managing capital are as follows:

- To comply with the capital requirements under the Banking (Capital) Rules;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To maintain a strong capital base to support the development of its business.

The Hong Kong Banking Ordinance requires each bank or banking group to maintain a prescribed ratio of regulatory capital to total risk-weighted assets. Subsidiaries of the Group are also subject to statutory capital requirements from other regulatory authorities, including the Securities and Futures Commission and Office of the Commissioner of Insurance.

The risk-weighted assets are measured by means of a hierarchy of risk weights as defined in the Banking (Capital) Rules according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect the more contingent nature of the potential losses.

Capital adequacy and the use of capital are monitored on a regular basis by the Group's management. The Group applies an internal trigger capital adequacy ratio which is well above the minimum statutory requirement as an indicator for managing the capital adequacy. In addition, the Group will assess the impact on its capital adequacy ratio when there are new products, new investments or any significant transactions.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2017 and 2016 and are well above the minimum required ratios set by the Hong Kong Monetary Authority.

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3 金融風險管理 (續)

3.6 金融資產及負債之公平價值

在市場上交易活躍的金融工具，其公平價值乃根據結算當日市場價格而計算。本集團持有之金融資產以市場買價為市值報價；而金融負債則以市場賣價作為合適之市值報價。

未有在活躍市場上交易的金融工具，其公平價值乃透過運用估值方法來決定。該等方法包括淨現值及折算現金流量模型、對比類似工具的市場價值、Black-Scholes期權定價模型及其他估值模型。估值方法運用的投入數據包括無風險及參照利率、信用利差及其他用以估算折現率的風險差價、外幣匯率、債券及股票價格、價格波幅及相互關係。

對缺乏活躍市場的債券及衍生工具進行估值時，本集團僅運用可觀察的市場數據。上市的債券、交易所買賣衍生工具及場外衍生工具的可觀察價格及投入數據通常可在市場獲取，但其可用程度受金融市場的特定事件及整體情況導致的變化所影響。

當未能獲取可觀察價格或投入數據，本集團運用未可觀察但以市場價格、利率或假設推導的數據進行估值。涉及以重大無法觀察數據估值的金融工具包括非上市的股權證券及股權投資基金。選用適當的估值模型、預期金融工具帶來的未來現金流量及決定適用的折現率均須管理層的判斷及估計。

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities

The fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. They include net present value and discounted cash flow models, comparison to similar instruments for which market prices exist, Black-Scholes option pricing models and other valuation models. Inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other risk premiums used in estimating discount rates, foreign currency exchange rates, bond and equity prices, price volatilities and correlations.

The Group uses valuation models that use only observable market data for determining the fair value of debt securities and derivatives for which there is no active market. Observable prices and model inputs are usually available in the market for listed debt securities, exchange traded derivatives and over-the-counter derivatives. Availability of observable prices and model inputs is prone to changes as a result of specific events and general conditions in the financial markets.

When observable prices and model inputs are not available, the Group uses valuation models of which the inputs may not be observable in the market but are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include unlisted equity securities and investment fund for which there is no active market. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

3 金融風險管理 (續)

3.6 金融資產及負債之公平價值 (續)

未於本集團財務狀況表內按公平價值呈列之金融資產及負債之公平價值估計如下：

(a) 同業存放及貸款

存放同業的浮息存款和隔夜錢存款的公平價值即其賬面值。固定利率存款(存款期通常少於一年)的估計公平價值，是基於貼現現金流量按具同類信貸風險和剩餘到期日債務的通行貨幣市場利率計算。因此，公平價值約等於其賬面值。

(b) 貸款及其他賬項

貸款及其他賬項在扣除減值撥備後列賬。除小部份外，絕大部份客戶貸款均以浮動利率計息。本集團計算客戶貸款及商業票據之公平價值時已考慮相關之市場利率，並注意到公平價值總額與賬面值總額並無重大差別。

(c) 同業存款及客戶存款

同業存款及客戶存款(未註明到期日，包括不帶利息之存款)的估計公平價值為即時償還的金額。該等浮息結餘的公平價值即其賬面值。

定息同業存款及客戶存款而無市場報價，其估計公平價值是基於貼現現金流量按具同類剩餘到期日的新債務利率計算。由於該等結餘期限通常少於一年，其公平價值約等於其賬面值。

(d) 發行之存款證及資本工具

發行之存款證及資本工具公平價值乃根據市場上公開報價。若未能得到公開報價，以類似其尚餘年期之近期交易所用的息率以貼現現金模式計算其公平價值。本集團計算發行之存款證及資本工具之公平價值時已考慮相關之市場利率，並注意到公平價值總額與賬面值總額並無重大差別。

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities (Continued)

The fair values of financial assets and liabilities not presented at fair value in the Group's statement of financial position are estimated as follows:

(a) Balances, placement with and loans and advances to banks

The fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest bearing deposits, which is normally less than one year, is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Therefore the fair value is approximately equal to its carrying value.

(b) Advances and other accounts

Advances and other accounts are net of allowances for impairment. All except a very insignificant portion of loans and advances to customers bear interest at a floating rate. The Group has assessed the fair value of advances to customers and trade bills, after taking into account the relevant market interest rates and noted that the total fair value is not materially different from the total carrying value.

(c) Deposits and balances from banks and customers

The estimated fair value of deposits and balances with no stated maturity, which include non-interest bearing deposits, is the amount repayable on demand. The fair value of those balances bearing interest at a floating rate is their carrying value.

The estimated fair value of fixed interest-bearing deposits from banks and deposits from customers without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As they are normally less than one year, their fair values are approximately equal to their carrying values.

(d) Certificates of deposit and capital instruments

The fair value of certificates of deposit and capital instruments issued is based on quoted market prices. For those where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity. The Group has assessed the fair value of certificates of deposit and capital instruments issued after taking into account the relevant yield curve and noted that the total fair value is not materially different from the total carrying value.

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3 金融風險管理 (續)

3.6 金融資產及負債之公平價值 (續)

(e) 其他賬項及預提

其他賬項及預提一般為不帶有利息之結餘。因此，其公平價值為其賬面值。

除上述綜合財務狀況表項目外，下表概述未於本集團綜合財務狀況表內按公平價值呈列的有關金融資產和負債的賬面值和概約公平價值。

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities (Continued)

(e) Other accounts and accruals

The estimated fair value of other accounts and accruals, which are normally non-interest bearing balances, is their carrying value.

Except for the above consolidated statement of financial position items, the following table summarises the carrying amounts and fair values of other financial assets and liabilities not presented on the Group's consolidated statement of financial position at their fair value.

		賬面值		公平價值	
		Carrying value		Fair value	
		二〇一七	二〇一六	二〇一七	二〇一六
		2017	2016	2017	2016
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
金融資產	Financial assets				
持至到期證券	Held-to-maturity securities	331,356	883,823	326,782	875,217

3 金融風險管理 (續)

3.6 金融資產及負債之公平價值 (續)

香港財務報告準則第13號規定了估值方法的層級制度是根據估價方法之投入數據是可觀察到或無法觀察到。可觀察的投入數據反映市場資訊從獨立的來源獲得；不可觀察的投入數據反映了本集團對市場的預期。這兩種投入數據產生了下列公平價值的層級：

- 第1層 – 參考同一工具於活躍市場取得的市場報價 (未經調整)。
- 第2層 – 根據可觀察的直接 (如報價) 或間接 (如由報價所推算) 投入數據之估值模式。此層次估值的工具包括以下方式：就相若工具在活躍市場所取得的市場報價；就同一或相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的投入數據，是可直接或間接從市場觀察所得的數據。
- 第3層 – 根據重要但非可觀察得到的投入數據之估值模式。此層次估值的工具，其估值模式所投入之數據並非根據可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。此層次估值的工具，也包括在活躍市場所取得的相若金融工具之市場報價，惟當中需要作出重要的非可觀察之調整或假設，以反映不同金融工具之間的差別。

這層次制度須應用到可觀察的市場數據。本集團在許可的情況下考慮有關及可觀察的市場價格用於估值上。

截至二〇一七年十二月三十一日及二〇一六年十二月三十一日止之財政年度，並無公平價值層級內第一層與第二層間之轉移，亦無轉入或從第三層轉出。本集團於公平價值層級間之轉移發生的報告期末予以確認。

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities (Continued)

HKFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

During the years ended 31 December 2017 and 31 December 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 within the fair value hierarchy. The Group recognises transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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3 金融風險管理 (續)

3.6 金融資產及負債之公平價值 (續)

下列表格對期末以公平價值進行經常性計量的金融工具，按其身處公平價值的層次作出分析：

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities (Continued)

The tables below analyse financial instruments, measured at fair value on a recurring basis at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

		第一層 Level 1 港幣千元 HK\$'000	第二層 Level 2 港幣千元 HK\$'000	第三層 Level 3 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年 十二月三十一日	At 31 December 2017				
資產	Assets				
持作買賣用途之 證券：	Trading securities:				
– 債務證券	– Debt securities	1,040,934	–	–	1,040,934
– 股權證券及 投資基金	– Equity securities and investment fund	33,161	–	–	33,161
衍生金融工具	Derivative financial instruments	–	1,408,541	–	1,408,541
以公平價值誌入 損益賬之 金融資產：	Financial assets designated at fair value through profit or loss:				
– 債務證券	– Debt securities	5,494,269	449,329	–	5,943,598
可供出售之證券：	Available-for-sale securities:				
– 債務證券	– Debt securities	40,766,450	4,287,448	–	45,053,898
– 股權證券及 投資基金	– Equity securities and investment fund	128,235	76,684	1,131,572	1,336,491
		47,463,049	6,222,002	1,131,572	54,816,623
負債	Liabilities				
交易賬項下之負債	Trading liabilities	77,380	–	–	77,380
衍生金融工具	Derivative financial instruments	–	794,593	–	794,593
		77,380	794,593	–	871,973

3 金融風險管理 (續)**3 Financial risk management (Continued)****3.6 金融資產及負債之公平價值 (續)****3.6 Fair value of financial assets and liabilities (Continued)**

		第一層 Level 1 港幣千元 HK\$'000	第二層 Level 2 港幣千元 HK\$'000	第三層 Level 3 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年 十二月三十一日		At 31 December 2016			
資產		Assets			
持作買賣用途之 證券：	Trading securities:				
– 債務證券	– Debt securities	611,581	–	–	611,581
– 股權證券及 投資基金	– Equity securities and investment fund	716,949	–	–	716,949
衍生金融工具	Derivative financial instruments	–	697,578	–	697,578
以公平價值誌入 損益賬之 金融資產：	Financial assets designated at fair value through profit or loss:				
– 債務證券	– Debt securities	4,718,047	147,933	–	4,865,980
可供出售之證券：	Available-for-sale securities:				
– 債務證券	– Debt securities	43,984,283	57,202	–	44,041,485
– 股權證券及 投資基金	– Equity securities and investment fund	309,860	106,753	393,482	810,095
		50,340,720	1,009,466	393,482	51,743,668
負債		Liabilities			
衍生金融工具	Derivative financial instruments	–	901,847	–	901,847
		–	901,847	–	901,847

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3 金融風險管理 (續)

3.6 金融資產及負債之公平價值 (續)

下列表格對期末非以公平價值列賬的金融工具，按其身處公平價值的層次作出分析：

		資產 Assets	
		持至到期之證券 Held-to-maturity securities	
		二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
第一層	Level 1	233,774	765,368
第二層	Level 2	97,582	118,455
		331,356	883,823

第三層公平價值計量的結餘於年內之變動如下：

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities (Continued)

The tables below analyse financial instruments not carried at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value treatment is categorised:

		資產 Assets	
		可供出售之證券 – 股權證券及投資基金 Available-for-sale securities – Equity securities and investment fund	
		二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
於一月一日	At 1 January	393,482	388,627
收益／(虧損) 總額確認於 – 其他全面收益 增置	Total gains/(losses) recognised in – Other comprehensive income Additions	27,957 710,133	(9,149) 14,004
於十二月三十一日	At 31 December	1,131,572	393,482
於十二月三十一日所持有的資產， 其包括在是年度其他全面收益內 之收益／(虧損) 總額	Total gains/(losses) for the year included in other comprehensive income for assets held at 31 December	27,957	(9,149)

The movement during the year in the balance of Level 3 fair value measurements is as follows:

3 金融風險管理 (續)**3 Financial risk management (Continued)****3.6 金融資產及負債之公平價值 (續)****3.6 Fair value of financial assets and liabilities (Continued)**

以下表格列出於年末時用以計量被分類為公平價值層級第3層的財務工具之重大不可觀察的投入數據資料。

The table below sets out information about significant unobservable inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

		估值技巧 Valuation techniques	重大不可觀察的投入數據 Significant unobservable inputs	範圍 Range	加權平均 Weighted average	不可觀察的投入數據對公平價值計量的敏感度 Fair value measurement sensitivity to unobservable inputs
可供出售之證券： 股權證券及投資基金	Available-for-sale securities: Equity securities and investment fund	折算現金流量 Discounted cash flow	風險調整折現率 Risk-adjusted discount rate	8.74%-11.10% (2016: 7.54%-12.04%)	10.39% (2016: 9.18%)	風險調整折現率的重大上升將引致公平價值的下跌 Significant increase in risk-adjusted discount rate would result in a lower fair value
		市場可類比方法 Market comparable approach	市賬率倍數 P/B ratio	0.85-1.21 (2016: Nil)	1.13 (2016: Nil)	市賬率的重大上升將引致公平價值的上升 Significant increase in P/B ratio would result in a higher fair value
		資產淨值 Net asset value	不適用 n.a.	不適用 n.a.	不適用 n.a.	不適用 n.a.

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Notes to the Financial Statements

3 金融風險管理 (續)

3.6 金融資產及負債之公平價值 (續)

重大不可觀察假設出現變動對合理可行替代假設的影響

金融工具的公平價值於若干情況下採用估值模型計量，該等模型依據的假設，並無相同工具的可觀察現行市場交易價格支持，亦不是以可觀察市場數據為基礎。下表列示在公平價值上下波幅10%下，公平價值對於合理可行替代假設的敏感度分析。

3 Financial risk management (Continued)

3.6 Fair value of financial assets and liabilities (Continued)

Effect of changes in significant non-observable assumptions to reasonably possibly alternatives

The fair value of financial instruments are, in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the sensitivity of fair values to reasonable possible alternative assumptions due to parallel movement of plus or minus 10% of the fair value.

	其他全面收益的影響		其他全面收益的影響			
	Effect on other comprehensive income		Effect on other comprehensive income			
	有利變動	不利變動	有利變動	不利變動		
	Favourable	Unfavourable	Favourable	Unfavourable		
	二〇一七	二〇一七	二〇一六	二〇一六		
	2017	2017	2016	2016		
	港幣千元	港幣千元	港幣千元	港幣千元		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
資產						
可供出售之證券	Assets	Available-for-sale securities	113,157	(113,157)	39,348	(39,348)

3 金融風險管理 (續)**3.7 抵銷金融資產及金融負債**

下列金融資產受抵銷、可執行主淨額結算安排或類似協議的規限。

3 Financial risk management (Continued)**3.7 Offsetting financial assets and liabilities**

The following financial assets are subject to offsetting, enforceable master netting arrangements or similar agreements.

		在財務狀況表 抵銷的已確認 金融負債總額 Gross amounts of recognised financial liabilities set off in the statement of financial position			不在財務狀況表中抵銷的相關數額 Related amounts not set off in the statement of financial position		淨額 Net amount
		已確認 金融資產總額 Gross amounts of recognised financial assets 港幣千元 HK\$'000	港幣千元 HK\$'000	在財務狀況表呈報 的金融資產淨額 Net amounts of financial assets presented in the statement of financial position 港幣千元 HK\$'000	金融工具 Financial instruments 港幣千元 HK\$'000	收取的 現金抵押品 Cash collateral received 港幣千元 HK\$'000	港幣千元 HK\$'000
二〇一七年	2017						
	Derivative financial assets						
衍生金融資產		1,082,715	-	1,082,715	(368,608)	(262,540)	451,567
		在財務狀況表 抵銷的已確認 金融負債總額 Gross amounts of recognised financial liabilities set off in the statement of financial position			不在財務狀況表中抵銷的相關數額 Related amounts not set off in the statement of financial position		淨額 Net amount
		已確認金融 資產總額 Gross amounts of recognised financial assets 港幣千元 HK\$'000	港幣千元 HK\$'000	在財務狀況表 呈報的金融 資產淨額 Net amounts of financial assets presented in the statement of financial position 港幣千元 HK\$'000	金融工具 Financial instruments 港幣千元 HK\$'000	收取的現金 抵押品 Cash collateral received 港幣千元 HK\$'000	港幣千元 HK\$'000
二〇一六年	2016						
	Derivative financial assets						
衍生金融資產		396,369	-	396,369	(269,728)	(8,664)	117,977

4 主要會計估計及判斷

本集團作出估計及假設，會於下一財政年度內影響資產及負債已列報之金額。本集團會根據過往經驗及其他因素，包括在此等情況下，對未來事項作出相信是合理的預期，持續地評估所作出之估計及判斷。

(a) 貸款減值準備

本集團至少每季檢視其貸款組合以評估其減值。對於減值虧損應否記錄於收益表上，本集團需判斷有無顯著數據指出貸款組合之預計之現金流量，在能確認該減少到個別貸款前，有可量化之減少。這顯示可能包括有可觀察數據指示出於某組別內之借款人之還款能力有不良改變，或全國性或地區性經濟情況與集團之資產拖欠相關。當估計將來現金流量時，管理層會基於過往有相關貸款風險特性的資產損失經驗，及與類似貸款組合作客觀評估。這個用以預算未來現金流量的總額及時間的方法及假設將被定期重新檢視，以減少預計及實際損失之差別。改變所採用的假設會影響已列報的貸款減值準備。

(b) 金融工具之公平價值

在活躍市場沒有報價的金融工具以估值方法去評定其公平價值。當採用估值方法（例如模型）去評定公平價值時，該等方法須由獨立於交易部門並具有相關資格的人去確認及定期檢視，使能反映出真實數據及相對市場價格。在可行之範圍內，模型只會採用可觀察之數據，但某些範疇如信貸風險（包括自己及交易對手），波幅及相互關係，管理層必須作出一些估計。改變關於這些因素之假設會影響所列報的金融工具之公平價值。

4 Critical accounting estimates and judgments in applying accounting policy

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment allowances on loans and advances

The Group reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Changes in the assumptions used would affect the reported impairment allowances on loans and advances.

(b) Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the department that created them to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors would affect the reported fair value of financial instruments.

財務報表註釋

Notes to the Financial Statements

4 主要會計估計及判斷 (續)

(c) 可供出售證券及持至到期證券之減值

本集團遵從香港會計準則第39號指引以決定可供出售證券及持至到期證券減值的發生，此決定須要判斷。在作出該等判斷時，本集團評估(但不限於)該投資的公平價值下降的持久性及幅度；以及被投資者或發行人的信貸質素及短期營業前景，包括其行業及區域表現，科技、營業活動及融資活動之現金流量的改變。

(d) 持至到期證券

本集團遵從香港會計準則第39號指引，將有固定或確定付款金額及有固定期限的非衍生金融資產分類為持至到期證券。此分類方法需要作出重大判斷。在作出該等判斷時，本集團評估其持有該等投資至到期日的意向及能力。除在特殊情況下(如出售快將到期而投資金額並不重大的投資)，如本集團不能將該等投資持至到期，則須將整項持至到期投資重新分類為可供出售證券，因此分類已被認為已受影響。因此，該等投資將按公平價值而非攤銷成本列賬。

(e) 投資物業公平價值之估計

投資物業之公平價值乃根據獨立專業估值師按公開市場情況作基準而估計。該估值已考慮一個市場參與者從使用該資產或將該資產售予另一市場參與者，而該市場參與者將以最高及最好地使用此資產而產生的經濟效益。此公平價值之估計乃採用投資估值方法，將物業之淨收入資本化而計算。合約租金及預計未來的市場租金收入，扣除開支及維修成本後，均以就觀察所得之市場回報率予以資本化。估計市值時所採用之主要假設包括：所收到的合約租金、對未來市值租金之預測、空置期、維修保養需要、及就觀察所得之市場回報率。

此外，估值師亦會以相關市場上相若地區之類似市場實際交易報告作參考，並就該等物業相關的因素，如地點的差別、樓齡、交易的時間、商舖的座向及人流等作出適當的調整。

任何用於估值上的假設如有所改變均會影響投資物業的公平價值。

4 Critical accounting estimates and judgments in applying accounting policy (Continued)

(c) Impairment of available-for-sale securities and held-to-maturity securities

The Group follows the guidance of HKAS 39 to determine when available-for-sale securities and held-to-maturity securities are impaired. This determination requires judgment. In making this judgment, the Group evaluates among other factors, the duration and extent to which the fair value of an investment has declined; and the credit quality of and near-term business outlook for the investee or issuer, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

(d) Held-to-maturity securities

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale as such class is deemed to have been tainted. The investments would therefore be measured at fair value instead of at amortised cost.

(e) Estimate of fair value of investment properties

The fair values of investment properties are estimated based on the valuation made by an independent professional valuer on an open market basis. The valuation has considered a market participant's ability to generate economic benefit by using the asset or by selling it to another market participant who will use the asset in its highest and best use. The fair values are assessed based on the capitalisation of the net income for the properties using Investment Method of Valuation. The contractual rental income and the expected future market rental income after allowing for outgoings and maintenance requirements are capitalised at observed market yields. The principal assumptions underlying the estimation of market value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and observed market yields.

In addition, the valuations are also assessed by reference to comparable market transactions as reported in the relevant market at similar locations. Appropriate adjustments have been made on the values of the subject properties for relevant factors, such as location difference, building age, time of transaction, shop frontage and pedestrian flow, etc.

Changes in the assumptions used in the valuation would affect the fair value of investment properties.

4 主要會計估計及判斷 (續)

(f) 所得稅

日常業務過程中若干交易及業務的最終稅項釐定並不確定。倘有關事項的最終稅項結果有別於初始估計的金額，則該等差異會影響釐定期間的當期所得稅及遞延所得稅。

遞延稅項資產能否變現主要取決於未來是否有充足的利潤或應課稅暫時性差異。

倘預期產生充足利潤或應課稅暫時性差異，則期內於損益確認遞延稅項資產。反之，若預期不會產生充足利潤或應課稅暫時性差異，則期內於損益轉回遞延稅項資產。

(g) 保險合約申索之最終負債

就保險合約下索償所產生最終負債的估計，是本集團其中一項關鍵會計估計。估計和判斷是根據過往經驗和其他因素持續評估，包括對在結算日已發生但未向本集團呈報（「已發生但未呈報」）的虧損事件的預計。對已發生但未呈報索償的估計，在一般情況下比已向本集團呈報的索償賠付成本的估計（有關索償事項的資料可與取得）受較大不明朗因素所影響。受保人可能會不察覺已發生但未呈報的索償，直至多年後引致索償的事件發生後才得知。

對某些索償負債的最終成本進行估計，是一項十分複雜的過程。在估計本集團最終需要支付有關索償的負債時，須要考慮眾多的不確定因素。僱員賠償和其他負債保單所引起的索償或會比較漫長和難以估計。本集團已聘請獨立精算師，利用既定的精算方法估計索償負債。有關方法屬於統計性質，並可能會受多項不同因素所影響。可能會影響負債估計準確性的較重要因素包括法理上可擴寬本集團發出的保險合約所提供保障的意向和保障範圍，實際索償結果與過往經驗的分歧程度，以及事件的出現與向本集團呈報索償兩者的時差。

(h) 職員退休福利計劃

本集團於註釋14中所述之退休計劃之責任在估值時需作出精算假設。此等假設於未來是否適用是存在不確定性的，該等假設需要作定期審查，如有需要會作出更新。

4 Critical accounting estimates and judgments in applying accounting policy (Continued)

(f) Income tax

There are certain transactions and activities for which the ultimate tax destination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such difference will impact the current income tax and deferred income tax in the period during which such a determination is made.

The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future.

In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(g) Ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's critical accounting estimates. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of loss events that have been incurred but not reported ("IBNR") to the Group at the end of the reporting period. The estimation of IBNR claims is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim events is available. IBNR claims may not be apparent to the insured until many years after the event that gives rise to the claim has happened.

Estimation of the ultimate cost of certain liability claims can be a complex process. There are several sources of uncertainty that need to be considered in the estimating of the liability that the Group will ultimately pay for such claims. In particular, the claims arising from the employees' compensation and other liability policies can be longer in tail and difficult to estimate. The Group has appointed an independent actuary to estimate the claim liabilities using established actuarial methodologies. The methodologies are statistical in nature and can be affected by various factors. The more significant factors that can affect the reliability of the liability estimation include jurisprudence that can broaden the intent and scope coverage of the protections offered in the insurance contracts issued by the Group, the extent to which actual claim results differ from historical experience and the time lag between the occurrence of the event and the report of such claim to the Group.

(h) Staff retirement scheme

Actuarial assumptions are made in valuing future pension obligations as set out in note 14. There is uncertainty that these assumptions will hold true in the future. They are reviewed periodically and are updated where necessary.

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5 利息收入

5 Interest income

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
庫存現金及存放同業	Cash and balances with banks	1,516,672	1,122,193
證券投資	Investments in securities		
– 上市公司	– listed	605,772	525,095
– 非上市公司	– unlisted	477,666	334,806
客戶貸款	Advances to customers	4,584,437	4,198,779
其他	Others	259,340	202,254
		7,443,887	6,383,127

利息收入按金融資產類別分析如下：

Interest income is analysed by types of financial assets as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
未以公平價值誌入	Financial assets that are not at fair value through		
損益賬之金融資產	profit or loss	6,968,505	6,015,002
持作買賣用途之證券	Trading securities	52,609	54,112
以公平價值誌入	Financial assets designated at fair value		
損益賬之金融資產	through profit or loss	181,469	142,717
利率掉期合約	Interest rate swaps	241,304	171,296
		7,443,887	6,383,127

包括在利息收入內計有減值資產折扣轉回利息收入港幣1,633,000元（二〇一六年：港幣2,780,000元）。

Included in interest income is unwinding of discount on impaired assets of HK\$1,633,000 (2016: HK\$2,780,000).

6 利息支出

6 Interest expense

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
同業存款及客戶存款	Deposits and balances from banks and deposits from customers	3,353,283	2,424,719
發行之存款證	Certificates of deposit issued	93,758	87,112
發行之後償債項	Subordinated debts issued	69,005	140,482
其他	Others	289,675	282,188
		3,805,721	2,934,501

利息支出按金融負債類別分析如下：

Interest expense is analysed by types of financial liabilities as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
未以公平價值誌入 損益賬之金融負債	Financial liabilities that are not at fair value through profit or loss	3,543,265	2,727,024
交易賬項下之負債	Trading liabilities	155	-
以公平價值誌入 損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	-	5,237
利率掉期合約	Interest rate swaps	262,301	202,240
		3,805,721	2,934,501

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7 服務費及佣金淨收入

7 Net fees and commission income

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
服務費及佣金收入	Fees and commission income		
證券經紀及投資服務	Securities brokerage and investment services	447,047	366,917
信用卡業務	Credit cards	136,635	346,343
有關信貸業務之服務費及佣金	Credit related fees and commission	266,740	274,488
貿易融資	Trade finance	85,326	77,795
其他零售銀行業務	Other retail banking services	14,333	11,786
其他服務費收入	Other fee income	73,183	76,285
		1,023,264	1,153,614
服務費及佣金支出	Fees and commission expenses		
信用卡業務	Credit cards	(119,109)	(264,455)
證券經紀及投資服務	Securities brokerage and investment services	(54,376)	(27,889)
其他服務費支出	Other fee expenses	(41,450)	(40,503)
		(214,935)	(332,847)
服務費及佣金淨收入	Net fees and commission income	808,329	820,767
其中：	Of which:		
由非持作買賣用途或指定以公平價值誌入損益賬之金融資產或負債所產生之服務費及佣金淨收入（不包括用作計算實際利率之金額）	Net fees and commission income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value through profit or loss		
－ 服務費及佣金收入	－ fees and commission income	376,202	378,110
－ 服務費及佣金支出	－ fees and commission expenses	(112,042)	(250,268)
本集團代表客戶持有或投資之託管或其他受託業務所產生之服務費及佣金淨收入	Net fees and commission income on trust and other fiduciary activities where the Group holds or invests on behalf of its customers		
－ 服務費及佣金收入	－ fees and commission income	16,035	18,026
－ 服務費及佣金支出	－ fees and commission expenses	(2,251)	(1,871)

8 保險營業收入及保險申索準備

8 Insurance operating income and charge for insurance claims

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
保險營業收入	Insurance operating income		
總額	Gross		
承保費總額	Gross insurance premium written	537,295	542,612
未期滿保費準備之改變	Change in unearned premium provision	8,155	73,096
已發行之保險合約所產生之保費收入	Premium revenue arising from insurance contracts issued	545,450	615,708
再投保	Reinsurance		
分出之再投保費	Reinsurance premium outward	(89,953)	(91,043)
未期滿保費準備之改變	Change in unearned premium provision	(5,082)	(16,415)
已發行之保險合約之保費收入轉予再投保人	Premium revenue ceded to reinsurers arising from insurance contracts issued	(95,035)	(107,458)
保險費淨收入	Net earned premium income	450,415	508,250
佣金收入	Commission income	109,011	542,009
其他收入	Other income	708	739
佣金支出	Commission expenses	(81,459)	(85,376)
		478,675	965,622
保險申索準備 (註釋)	Charge for insurance claims (note)		
總額	Gross		
已承付索償	Gross claims paid	(331,043)	(324,508)
已呈報之索償、已發生但未呈報之索償及其他保險準備之改變	Change in reported claims, IBNR and other insurance provision	31,209	25,480
		(299,834)	(299,028)
再投保	Reinsurance		
收回再投保之索償	Claims recovered from reinsurers	24,631	25,469
已呈報之索償、已發生但未呈報之索償及其他保險準備之改變	Change in reported claims, IBNR and other insurance provision	6,634	(12,033)
		31,265	13,436
總索償金額	Total claims incurred	(268,569)	(285,592)
保險營業淨收入	Net insurance operating income	210,106	680,030

註釋：保險申索準備乃本集團之保險業務所承擔之賠償淨額及其有關之了結申索的開支。

Note: Charge for insurance claims represents net claims incurred on the Group's insurance business and the related claims settlement expenses.

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9 淨交易收益

9 Net trading gain

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
持作買賣用途之證券 淨收益／(虧損)	Net gain/(loss) from trading securities	9,203	(10,609)
以公平價值誌入損益賬之 金融工具淨虧損	Net loss arising from financial instruments designated at fair value through profit or loss	(470)	(341)
衍生金融工具買賣淨收益	Net gain arising from derivative financial instruments	22,876	69,122
外匯買賣淨收益	Net gain from foreign exchange trading	529,720	539,656
		561,329	597,828

10 其他營業收入

10 Other operating income

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
股息收入	Dividend income		
– 上市股權證券	– Listed equity securities	11,653	13,214
– 非上市股權證券	– Unlisted equity securities	63,854	7,875
投資物業之租金收入 減除直接開支	Rental income from investment properties less direct outgoings of HK\$26,916,000 (2016: HK\$26,729,000)	167,226	179,482
保管箱租金淨收益	Net rental income on safe deposit boxes	30,652	31,280
出售其他金融工具之淨收益	Net gain on disposal of other financial instruments	30,053	37,065
其他	Others	39,071	27,901
		342,509	296,817

11 營業支出

11 Operating expenses

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
人事費用	Staff costs		
– 薪金及其他人事費用	– Salaries and other costs	1,052,096	1,077,181
– 退休福利支出	– Retirement benefit costs	57,820	65,640
房產及設備支出， 不包括折舊	Premises and equipment expenses, excluding depreciation		
– 物業租金	– Rental of premises	103,856	93,248
– 其他	– Others	107,636	80,547
折舊	Depreciation		
– 其他物業及設備 (註釋31)	– Other properties and equipment (note 31)	170,613	160,333
– 租賃土地(註釋30)	– Leasehold land (note 30)	4,104	4,059
廣告及業務推廣	Advertising and business promotion	15,274	26,201
電子數據處理	Electronic data processing	76,715	95,884
郵遞及通訊	Postage and communications	59,289	59,967
文具及印刷	Printing and stationery	12,474	15,778
核數師酬金	Auditors' remuneration	4,348	4,143
水電費	Water and electricity	19,265	20,742
法律及專業費用	Legal and professional fee	141,606	124,677
營業、代繳稅金及附加費	Business, withholding tax and surcharges	27,534	28,686
保險費	Insurance	21,398	21,063
證券相關費用	Securities related expenses	7,339	8,685
其他	Others	72,027	90,215
		1,953,394	1,977,049

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12 金融資產之減值損失

12 Impairment losses on financial assets

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
減值損失	Impairment losses on		
– 貸款及應計利息	– loans and advances and accrued interest	190,708	250,358
– 可供出售之證券	– available-for-sale securities	–	4,761
– 持至到期證券	– held-to-maturity securities	–	(3,281)
		190,708	251,838

(a) 貸款及應計利息減值損失

(a) Impairment losses on loans and advances and accrued interest

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
個別評估	Individually assessed		
– 新增	– new allowances	280,092	250,818
– 撥回	– releases	(34,554)	(14,898)
– 收回	– recoveries	(1,387)	(2,534)
		244,151	233,386
綜合評估	Collectively assessed		
– 新增	– new allowances	10,364	71,054
– 撥回	– releases	(62,160)	(52,832)
– 收回	– recoveries	(1,647)	(1,250)
		(53,443)	16,972
在收益表淨扣除	Net charge to the income statement	190,708	250,358

12 金融資產之減值損失 (續)**(b) 可供出售證券之減值損失**

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
個別評估 – 新增	Individually assessed – new allowances	–	4,761

(c) 持至到期證券之減值回撥

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
個別評估 – 收回	Individually assessed – recoveries	–	(3,281)

13 董事酬金

按照香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部規定所披露之董事酬金如下：

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
袍金	Directors' fees	2,198	1,210
薪金、花紅、津貼及 實然福利	Salaries, bonus, allowances and benefits in kind	17,787	26,258
退休計劃供款	Retirement scheme contributions	1,307	1,205
		21,292	28,673

是年度內，本行並無向本行的任何董事支付解僱補償。是年度內，本行並無就獲取董事的服務向第三方支付任何款項。

是年度內及至是年終結日止，本行或其任何附屬公司、母公司集團之附屬公司或其控股公司並無訂立任何與本行業務有關而董事直接或間接享有重大權益或與董事有關連的實體之其他重要交易、安排或合約。

12 Impairment losses on financial assets (Continued)**(b) Impairment loss on available-for-sale securities**

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
Individually assessed – new allowances		–	4,761

(c) Impairment written back on held-to-maturity securities

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
Individually assessed – recoveries		–	(3,281)

13 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
Directors' fees		2,198	1,210
Salaries, bonus, allowances and benefits in kind		17,787	26,258
Retirement scheme contributions		1,307	1,205
		21,292	28,673

During the year, no termination benefits were paid by the Bank to any of the Bank's directors. During the year, the Bank did not incur any payment to third parties for making available directors' services.

No transactions, arrangement or contracts of significance in relation to the Bank's business to which the Bank, or any of its subsidiaries, fellow subsidiaries or its holding company was a party and in which a director of the Bank or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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14 職員退休福利計劃

本集團為本行之職員設有五項職員退休福利計劃，另為本行一間附屬公司之職員設有一項強積金計劃。該五項職員退休福利計劃，其中主要的計劃（簡稱為「該計劃」）包括一個界定福利計劃部份及一個界定供款計劃部份，其他計有一項為界定福利退休計劃、兩項為海外僱員而設之界定供款計劃及一項為強積金計劃。凡新入職之在港受聘成員均可作一次性的選擇，參加該計劃的界定供款部份或參加強積金計劃。

在該計劃的界定供款部份中，本集團每月需按選擇此計劃之成員的月薪10%作出供款。本集團對該計劃界定供款部份之供款額可能因員工於獲得全數供款前離開該計劃而放棄其既有利益而減少。本年度已使用之放棄供款總額為港幣14,231,000元（二〇一六年：港幣9,311,000元）。於年結日，未使用之放棄供款可作為減低將來之供款總額為港幣1,880,000元（二〇一六年：港幣2,274,000元）。於年結日，並無應付供款（二〇一六年：無）。

本集團對強積金計劃之供款乃按照香港《強制性公積金計劃條例》，根據每位成員每月之有關入息之5%計算，而有關入息則以港幣30,000元為上限。

於年內對該等有界定供款成份之計劃及強積金計劃之供款共為港幣46,568,000元（二〇一六年：港幣51,322,000元）。

該計劃的界定福利部份及另一界定福利退休計劃（共同參照為「該等退休計劃」）之供款，是由獨立合資格精算師定期評估該等退休計劃之資產負債而釐定。該等退休計劃根據成員之最後薪金作為計算福利之基準，由本集團承擔所有成本。

14 Staff retirement schemes

The Group operates five staff retirement schemes for the staff of the Bank and an MPF scheme for the staff of a subsidiary of the Bank. The five staff retirement schemes comprise a principal scheme (the "Scheme") which includes a defined benefit ("DB") section and a defined contribution ("DC") section, a defined benefit pension scheme, two defined contribution schemes for overseas employees and an MPF scheme. All new Hong Kong employed staff members who join the Bank are offered a one-off choice between the DC section of the Scheme and the MPF scheme.

Under the DC section of the Scheme, the Group is required to contribute 10% of the monthly salary of the members who opted for the DC arrangement. The Group's contributions to the DC section of this Scheme may be reduced by contributions forfeited by those employees who leave the Scheme prior to vesting fully in the contributions. Forfeited contributions totaling HK\$14,231,000 (2016: HK\$9,311,000) were utilised during the year. The unutilised forfeited contributions at the year end amounted to HK\$1,880,000 (2016: HK\$2,274,000) which are available to reduce future contributions. No contributions were payable at the year end (2016: Nil).

The Group's contributions to the MPF schemes are based on 5% of the monthly relevant income of each employee up to a maximum monthly relevant income of HK\$30,000 in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance.

The contributions to schemes with defined contribution arrangements and the MPF schemes during the year amounted to HK\$46,568,000 (2016: HK\$51,322,000) in aggregate.

For the DB section of the Scheme and the defined benefit pension scheme (collectively referred to as the "Plan"), the contributions are determined based on periodic valuations by independent qualified actuaries of the assets and liabilities of the Plan. The Plan provides benefits based on members' final salary. The costs are solely funded by the Group.

14 職員退休福利計劃 (續)

該等退休計劃按照《職業退休計劃條例》進行登記，並已獲強制性公積金計劃管理局之強積金豁免。本集團對該等退休計劃的盈餘具有無條件的擁有權，資產上限及最低注資要求不適用於該等退休計劃。

該等退休計劃以信託安排成立。信託人的主要責任為確保該等退休計劃按照信託契約管理，並以公正、審慎和真誠為全體成員代行。

本集團為該等退休計劃承擔以下主要風險：

投資風險

正投資回報增加該等退休計劃資產的公平價值，改善該等退休計劃的財務狀況，負投資回報則減弱狀況。

該等退休計劃投資於多元化的資產組合，包括股權證券、債務證券及現金，分佈於世界主要地區。資產類別和地域多元化降低了該計劃投資的風險集中度。

利率風險

界定福利義務應用到參照市場債券收益率的折現率計算。債券收益率下降將增加義務金額。

薪酬風險

較估值假設為高的薪酬升幅將增加界定福利義務。

通脹風險

界定福利退休計劃下之退休金付款可因應本港的生活水平並按本集團意願上調。較假設為高的退休金將增加界定福利義務。

14 Staff retirement schemes (Continued)

The Plan is registered under the Occupational Retirement Schemes Ordinance, and has been granted with MPF Exemption by the Mandatory Provident Fund Schemes Authority. The Group has an unconditional right to the surplus of the Plan. Asset ceiling and minimum funding requirements do not apply to the Plan.

The Plan was established under a trust arrangement. The key responsibilities of the trustees are to ensure that the Plan is administered in accordance with the trust deed and to act on behalf of all members impartially, prudently and in good faith.

The Plan exposes the Group to the following key risks:

Investment risk

Positive investment returns tend to increase the fair value of the Plan assets and therefore improve the Plan's financial position, whilst negative investment returns tend to weaken the position.

The assets of the Plan are invested in a diversified portfolio of equities, bonds and cash, covering major geographical locations around the world. The diversification of asset classes and geographical location reduces the concentration of risk associated with the Plan's investments.

Interest rate risk

The defined benefit obligation is calculated using a discount rate based on market bond yields. A decrease in the bond yields will increase the amount of obligation.

Salary risk

Salary increases that are higher than assumed at the valuation will increase the defined benefit obligation.

Inflation risk

Pension in payment under the defined benefit pension scheme may be increased, at the discretion of the Group, to reflect all or part of the cost-of-living increase in Hong Kong. The higher-than-assumed increases in pensions will increase the defined benefit obligation.

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14 職員退休福利計劃 (續)

身故風險

因較長的預期壽命而致的延長退休金發放期間將增加界定福利義務。

該等退休計劃最近期一次之精算估值於二〇一七年十二月三十一日，由獨立專業精算師韜睿惠悅香港有限公司，其僱員具香港精算學會之會士資歷，根據香港會計師公會所頒佈之香港會計準則第19號(2011)作評估，該等退休計劃之界定福利義務的現值及服務成本均以預計單位貸記法計算。於估值日，該等退休計劃之注資水平達138% (二〇一六年：116%)。

於二〇一七年十二月三十一日止之年度綜合財務狀況表內確認之金額分析如下：

14 Staff retirement schemes (Continued)

Mortality risk

A prolonged pension in payment due to longer life expectancy of the pensioners will increase the defined benefit obligation.

The latest actuarial valuation of the Plan was performed in accordance with HKAS 19 (2011) issued by the HKICPA at 31 December 2017 by Towers Watson Hong Kong Limited, an independent professional actuarial firm, who have among their staff Fellows of the Actuarial Society of Hong Kong. The present values of the defined benefit obligation and current service cost of the Plan are calculated based on the projected unit credit method. At the valuation date, the Plan had a funding level of 138% (2016: 116%).

The amounts recognised in the consolidated statement of financial position as at 31 December 2017 are analysed as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
該等退休計劃資產之 公平價值	Fair value of the Plan assets	473,178	415,908
已累積界定福利義務之現值	Present value of the funded defined benefit obligation	(342,308)	(357,362)
於綜合財務狀況表內確認 之資產淨額	Net asset recognised in the consolidated statement of financial position	130,870	58,546

以上部份之資產預期在多於一年後才收回。此項金額亦不適宜與未來十二個月內應收賬款之金額分隔開，原因是未來之供款涉及到未來的服務提供以及未來的精算估計和市場變化。預期於二〇一八年不會為界定退休福利計劃作出供款。

截至二〇一七年及二〇一六年十二月三十一日止之年度，退休計劃並無受調整、削減或結算之影響。

A portion of the above asset is expected to be recovered after more than one year. However, it is not practicable to segregate this amount from the amounts receivable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. No contribution to the Plan is expected to be paid in 2018.

There was no plan amendment, curtailment or settlement impact for the years ended 31 December 2017 and 2016.

14 職員退休福利計劃 (續)**14 Staff retirement schemes (Continued)**

於綜合收益表內確認之金額如下：

The amounts recognised in the consolidated income statement are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
服務成本	Current service cost	(12,232)	(14,685)
淨利息收入	Net interest income	980	367
包括在年內退休福利成本 之支出淨額	Net expense for the year included in retirement benefit costs	(11,252)	(14,318)

截至二〇一七年十二月三十一日止年度，該等退休計劃資產之實際回報為港幣90,079,000元（二〇一六年：港幣11,484,000元）。

The actual return on Plan assets for the year ended 31 December 2017 was HK\$90,079,000 (2016: HK\$11,484,000).

年內界定福利義務之變動如下：

The movements in the defined benefit obligation during the year are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
於一月一日之界定福利 義務現值	Present value of obligation at 1 January	357,362	405,698
服務成本	Current service cost	12,232	14,685
利息成本	Interest cost	6,041	5,488
實際福利支出	Actual benefits paid	(32,809)	(33,387)
負債經驗所致的精算 虧損／(盈利)	Actuarial losses/(gains) due to liability experience	2,597	(883)
財務假設變動所致的精算 盈利	Actuarial gains due to financial assumption changes	(3,136)	(24,688)
人口假設變動所致的精算 虧損／(盈利)	Actuarial losses/(gains) due to demographic assumption changes	21	(9,551)
於十二月三十一日之 實際界定福利義務	Actual obligation at 31 December	342,308	357,362

於二〇一七年十二月三十一日，該計劃之界定福利部份及界定福利退休計劃的界定福利義務之加權平均存續期間分別為5.6年（二〇一六年：6.9年）及1.9年（二〇一六年：2.1年）。

The weighted average duration of the defined benefit obligation as at 31 December 2017 is 5.6 years (2016: 6.9 years) and 1.9 years (2016: 2.1 years) for the DB section of the Scheme and the defined benefit pension scheme respectively.

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14 職員退休福利計劃 (續)

年內該等退休計劃資產公平價值之變動如下：

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
於一月一日該等退休計劃資產之公平價值	Fair value of the Plan assets at 1 January	415,908	437,811
利息收入	Interest income	7,021	5,855
預期該等退休計劃資產利息收入以外之回報	Return on the Plan assets other than interest income	83,058	5,629
實際福利支出	Actual benefits paid	(32,809)	(33,387)
於十二月三十一日該等退休計劃資產之公平價值	Fair value of the Plan assets at 31 December	473,178	415,908

該等退休計劃資產主要分類如下：

The major categories of the Plan assets are as follows:

		二〇一七 2017 港幣千元 HK\$'000		二〇一六 2016 港幣千元 HK\$'000	
		%	%	HK\$'000	%
股權證券	Equities	320,456	67.7	254,839	61.3
債券證券	Bonds	77,318	16.4	74,271	17.8
現金	Cash	75,404	15.9	86,798	20.9
總額	Total	473,178	100.0	415,908	100.0

於二〇一七年十二月三十一日，該等退休計劃之資產包括存放在本行之存款總值港幣63,391,000元（二〇一六年：港幣63,276,000元）。

At 31 December 2017, the amount of the Plan assets includes deposits with the Bank of HK\$63,391,000 (2016: HK\$63,276,000).

在評估時所採用之主要精算假設如下：

The principal actuarial assumptions adopted in the valuation are as follows:

		二〇一七 2017 %	二〇一六 2016 %
折算率	Discount rate		
– 該計劃之界定福利部份	– DB section of the Scheme	1.7	1.8
– 界定福利退休計劃	– Defined benefit pension scheme	1.3	1.1
該計劃之界定福利部份之長期平均薪酬升幅	Long-term average rate of salary increase for the DB section of the Scheme	4.3	4.5
界定福利退休計劃之長期退休金增長幅度	Long-term pension increase rate for the defined benefit pension scheme	–	2.0

14 職員退休福利計劃 (續)

以下為主要精算假設的合理可能變動對於十二月三十一日的界定福利義務的影響分析：

14 Staff retirement schemes (Continued)

The below analysis shows the effect on the defined benefit obligation as at 31 December as a result of reasonably possible changes in the significant actuarial assumptions:

		增加25個基點 Increase of 25 basis points		減少25個基點 Decrease of 25 basis points	
		二〇一七 2017	二〇一六 2016	二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
折算率	Discount rate				
– 該計劃之界定福利部份	– DB section of the Scheme	(4,865)	(5,304)	4,998	5,456
– 界定福利退休計劃	– Defined benefit pension scheme	(10)	(13)	10	14
該計劃之界定福利部份之長期平均薪酬升幅	Long-term average rate of salary increase for the DB section of the Scheme	5,071	5,504	(4,962)	(5,379)
界定福利退休計劃之長期退休金增長幅度	Long-term pension increase rate for the defined benefit pension scheme	8	12	–	(11)

上述的敏感度分析假定精算假設的變動無掛鉤關係，亦不考慮該變動掛鉤關係。

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

下表列出該等退休計劃以已採用的精算假設計算的預計福利支付金額 (包括估計未來員工服務及薪酬歸屬之福利)：

The following table sets out the expected benefit payments (including benefits attributable to estimated future employee service and salary) from the Plan based on the adopted actuarial assumptions:

		預計福利支付金額 Expected benefit payments	
		二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
估值日後的年數	Number of years after valuation date		
1年	1 year	40,789	42,099
2年	2 years	39,427	45,102
3年	3 years	43,808	37,284
4年	4 years	42,273	39,580
5年	5 years	37,621	38,313
6至10年	6 to 10 years	122,003	132,096
超過10年	Over 10 years	147,370	173,714

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15 所得稅

15 Income tax

(a) 於綜合收益表支銷之稅項如下：

(a) Taxation charged in the consolidated income statement represents:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
本期稅項：	Current taxation:		
– 香港利得稅	– Hong Kong profits tax	517,498	517,069
– 往年度準備剩餘	– Over-provision of taxation in respect of prior years	(2,044)	(19,022)
		515,454	498,047
– 海外稅項	– Overseas taxation	105,337	179,436
遞延稅項：	Deferred taxation:		
– 有關短暫差額之產生及轉回	– Relating to the origination and reversal of temporary differences	17,612	5,214
		638,403	682,697

香港利得稅已按本年度估計應評稅溢利以稅率16.5% (二〇一六年：16.5%) 計算。海外稅項已按本年度估計應評稅溢利以本集團業務所在地現行適用之稅率計算。

The provision for Hong Kong profits tax for the year is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

(b) 本集團有關除稅前溢利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

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

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
除稅前溢利	Profit before taxation	4,499,068	4,187,743
以稅率16.5% (二〇一六年：16.5%) 計算	Calculated at a taxation rate of 16.5% (2016: 16.5%)	742,346	690,978
不可扣稅之支出對稅項之影響	Tax effect of expenses not deductible for taxation purposes	51,834	7,372
無需課稅之收入對稅項之影響	Tax effect of income not subject to taxation	(175,852)	(88,617)
與其他國家不同稅率之影響	Effect of different taxation rates in other tax jurisdictions	24,189	96,050
往年度準備剩餘	Over-provision of taxation in respect of prior years	(2,044)	(19,022)
未確認稅項虧損之影響	Effect of unrecognised tax losses	(462)	(4,652)
其他	Others	(1,608)	588
所得稅	Income tax	638,403	682,697

15 所得稅 (續)

15 Income tax (Continued)

(c) 其他全面收益的各組成部份的所得稅影響：

(c) The income tax effects relating to components of other comprehensive income are as follows:

		二〇一七 2017			二〇一六 2016		
		稅前金額 Before-tax amount 港幣千元 HK\$'000	所得稅 Income tax 港幣千元 HK\$'000	稅後金額 Net-of- tax amount 港幣千元 HK\$'000	稅前金額 Before- tax amount 港幣千元 HK\$'000	所得稅 Income tax 港幣千元 HK\$'000	稅後金額 Net-of- tax amount 港幣千元 HK\$'000
重估房產之盈餘	Surplus on revaluation of bank premises	-	-	-	32,135	-	32,135
可供出售證券之公平價值改變	Changes in fair value of available-for-sale securities	206,393	(9,300)	197,093	(81,363)	26,773	(54,590)
可供出售證券之公平價值因出售附屬公司而減少	Decrease in fair value of available-for-sale securities due to disposal of subsidiaries	-	-	-	(188,446)	-	(188,446)
於出售可供出售證券時轉入收益表	Transfer to income statement on disposal of available-for-sale securities	(300,144)	-	(300,144)	(127,616)	-	(127,616)
應佔聯營公司之儲備	Share of an associate's reserves	102	-	102	80	-	80
應佔共同控制實體之儲備	Share of jointly controlled entities' reserves	11,140	-	11,140	1,338	-	1,338
因折算海外分行及附屬公司的財務報表產生的匯兌變動	Exchange difference on translation of financial statements of overseas branches and subsidiaries	318,853	-	318,853	(214,893)	-	(214,893)
界定福利計劃之精算收益	Actuarial gains on defined benefit scheme	83,576	(13,790)	69,786	40,751	(6,724)	34,027
年內其他全面收益／(支出)	Other comprehensive income/ (expense) for the year	319,920	(23,090)	296,830	(538,014)	20,049	(517,965)

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16 股東應佔溢利

股東應佔溢利中計有港幣3,522,207,000元乃列於本行收益表內(二〇一六年:港幣3,206,739,000元)。

17 庫存現金及短期資金

庫存現金及存放同業	Cash and balances with banks
存放中央銀行	Balances with central banks
短期存放同業	Money at call and short notice

二〇一七	二〇一六
2017	2016
港幣千元	港幣千元
HK\$'000	HK\$'000

4,007,914	3,309,835
19,579,954	21,034,165
25,757,079	10,971,244
49,344,947	35,315,244

於二〇一七年十二月三十一日,本集團受外匯監管及法定限制的存放中央銀行結存為港幣1,112,957,000元(二〇一六年:港幣1,206,088,000元)。

18 同業定期存放及貸款

同業定期存款	Placements with banks
同業貸款	Gross loans and advances to banks

二〇一七	二〇一六
2017	2016
港幣千元	港幣千元
HK\$'000	HK\$'000

22,058,011	13,275,193
6,081,860	12,795,725
28,139,871	26,070,918

16 Profit attributable to shareholders

The profit attributable to shareholders is dealt with in the financial statements of the Bank to the extent of HK\$3,522,207,000 (2016: HK\$3,206,739,000).

17 Cash and short-term funds

The Group's balances with central banks that are subject to exchange control and regulatory restrictions amounted to HK\$1,112,957,000 at 31 December 2017 (2016: HK\$1,206,088,000).

18 Placements with and loans and advances to banks

19 持作買賣用途之證券

19 Trading securities

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
債務證券	Debt securities		
– 香港上市	– Listed in Hong Kong	447,445	152,939
– 海外上市	– Listed outside Hong Kong	490,522	381,408
– 非上市	– Unlisted	102,967	77,234
		1,040,934	611,581
股權證券	Equity securities		
– 香港上市	– Listed in Hong Kong	33,161	716,949
		1,074,095	1,328,530

持作買賣用途之證券，其發行人為：

Trading securities are analysed by issuer as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
中央政府及中央銀行	Central governments and central banks	10	10
銀行和其他金融機構	Banks and other financial institutions	704,600	724,547
企業	Corporate entities	369,485	603,973
		1,074,095	1,328,530

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20 衍生金融工具

下列為各項重大衍生金融工具之未經雙邊淨額結算安排之名義或合約金額、公平價值及信貸風險比重金額：

20 Derivative financial instruments

The following is a summary of the notional or contractual amounts, fair values and credit risk weighted amounts of each significant type of derivatives, without taking into account the effects of bilateral netting arrangements:

		公平價值 Fair values			公平價值 Fair values		
		名義/ 合約金額 Notional/ contractual amount	資產 Assets	負債 Liabilities	名義/ 合約金額 Notional/ contractual amount	資產 Assets	負債 Liabilities
		二〇一七 2017 港幣千元 HK\$'000	二〇一七 2017 港幣千元 HK\$'000	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
持作買賣用途之 衍生工具	Derivatives held for trading						
外匯合約	Exchange rate contracts						
遠期合約	Forward contracts	10,445,963	335,642	332,080	22,133,906	316,633	294,667
貨幣掉期	Currency swaps	70,530,456	903,702	373,385	90,517,129	254,083	545,848
貨幣利率掉期	Cross currency interest rate swaps	405,386	33,586	33,505	363,291	26,606	26,829
沽出期權	Options written	432,935	-	841	31,858	-	764
購入期權	Options purchased	458,672	738	-	186,211	2,616	-
		82,273,412	1,273,668	739,811	113,232,395	599,938	868,108
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	17,937,223	74,290	52,876	6,931,930	57,158	27,964
股權合約	Equity contracts						
沽出期權	Options written	-	-	-	1,007	-	2
購入期權	Options purchased	-	-	-	1,007	2	-
		-	-	-	2,014	2	2
連接以公平價值 誌入損益賬之 金融工具之 衍生工具	Derivatives managed in conjunction with financial instruments designated at fair value through profit or loss						
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	5,664,977	60,583	1,906	4,900,563	40,480	5,773
		105,875,612	1,408,541	794,593	125,066,902	697,578	901,847

20 衍生金融工具 (續)

買賣交易主要為執行客戶買賣指令或對沖該等持倉量而持有的金融工具盤。而其他買賣交易乃用以對沖本集團之市場風險，為其資產及負債管理之一部份。

此等工具之合約金額只顯示於結算日未完成之交易量，並不代表風險大小。由於市場利率、匯率或股權價格波動，衍生工具可能形成有利(資產)或不利(負債)。衍生金融資產及負債之公平價值總額可隨時有重大的波動。

20 Derivative financial instruments (Continued)

The trading transactions are mainly positions arising from the execution of trade orders from customers or transactions taken to hedge these positions. The other trading transactions are used to hedge the Group's own exposure to market risks as part of its asset and liability management.

The contractual amounts of these instruments indicate the volume of transactions outstanding as at the end of the reporting period and they do not represent amounts at risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or equity prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
信貸風險比重金額	Credit risk weighted amount		
外匯合約	Exchange rate contracts	943,264	798,589
利率合約	Interest rate contracts	80,893	58,702
股權合約	Equity contracts	-	47
		1,024,157	857,338

信貸風險比重金額是根據香港《銀行業(資本)規則》而計算，此等金額亦須視乎交易對手之現況及該等金融工具之到期特點而計算。所採用之風險比重為0%至150%。

Credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules. The amount depends on the status of the counterparties and the maturity characteristics of the instruments. The risk weights used range from 0% to 150%.

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21 以公平價值誌入損益賬之金融資產

21 Financial assets designated at fair value through profit or loss

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
債務證券	Debt securities		
– 香港上市	– Listed in Hong Kong	3,856,752	3,973,299
– 海外上市	– Listed outside Hong Kong	1,330,402	744,748
– 非上市	– Unlisted	756,444	147,933
		5,943,598	4,865,980
以公平價值誌入損益賬 之金融資產，其發行人為：	Financial assets designated at fair value through profit or loss are analysed by issuer as follows:		
		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
銀行和其他金融機構	Banks and other financial institutions	380,056	500,891
企業	Corporate entities	5,563,542	4,365,089
		5,943,598	4,865,980

22 可供出售之證券

22 Available-for-sale securities

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
債務證券	Debt securities		
– 香港上市	– Listed in Hong Kong	10,416,793	5,970,343
– 海外上市	– Listed outside Hong Kong	10,478,624	7,869,426
– 非上市	– Unlisted	24,158,481	30,201,716
		45,053,898	44,041,485
股權證券	Equity securities		
– 香港上市	– Listed in Hong Kong	128,133	145,888
– 非上市	– Unlisted	938,815	1,075,913
		1,066,948	1,221,801
股權投資基金	Equity investment fund		
– 香港上市	– Listed in Hong Kong	–	44,521
– 非上市	– Unlisted	269,543	253,905
		269,543	298,426
		46,390,389	45,561,712
		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
債務證券包括：	Included within debt securities are:		
持有之存款證剩餘	Certificates of deposit held		
到期日：	with remaining maturity of:		
– 一個月以下	– up to 1 month	950,485	2,641,898
– 一個月以上至三個月	– 1-3 months	3,336,963	6,561,457
– 三個月以上至一年	– 3-12 months	1,009,065	9,835,217
– 一年以上至五年	– 1-5 years	849,044	391,621
		6,145,557	19,430,193
國庫券（包括外匯基金票據）	Treasury bills (including Exchange Fund Bills)	14,257,725	8,152,868
其他債券	Other debt securities	24,650,616	16,458,424
		45,053,898	44,041,485

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22 可供出售之證券 (續)

可供出售之證券，其發行人為：

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
中央政府及中央銀行	Central governments and central banks	18,006,699	11,543,457
銀行及其他金融機構	Banks and other financial institutions	16,849,503	25,442,537
企業	Corporate entities	11,534,187	8,575,718
		46,390,389	45,561,712

22 Available-for-sale securities (Continued)

Available-for-sale securities are analysed by issuer as follows:

23 持至到期證券

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
上市債務證券之攤銷成本：	Listed debt securities, at amortised cost:		
— 香港上市	— Listed in Hong Kong	233,774	786,032
— 海外上市	— Listed outside Hong Kong	—	1,160
		233,774	787,192
非上市債務證券之攤銷成本	Unlisted debt securities, at amortised cost	97,582	96,631
		331,356	883,823
上市債務證券之公平價值	Fair value of listed debt securities	230,933	781,864
		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
債務證券包括：	Included within debt securities are:		
持有之存款證剩餘	Certificates of deposit held		
到期日：	with remaining maturity of:		
— 一個月以下	— up to 1 month	19,532	19,386
其他債務證券	Other debt securities	311,824	864,437
		331,356	883,823

23 持至到期證券 (續)

持至到期證券，其發行人為：

23 Held-to-maturity securities (Continued)

Held-to-maturity securities are analysed by issuer as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
中央政府及中央銀行	Central governments and central banks	111,544	437,016
銀行及其他金融機構	Banks and other financial institutions	19,532	19,386
企業	Corporate entities	200,280	427,421
		331,356	883,823

24 貸款及其他賬項**(a) 貸款及其他賬項****24 Advances and other accounts****(a) Advances and other accounts**

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
客戶貸款	Advances to customers	150,838,500	137,595,014
減值準備 (註釋25)	Impairment allowances (note 25)		
— 綜合評估	— Collectively assessed	(295,670)	(347,938)
— 個別評估	— Individually assessed	(331,624)	(99,599)
		150,211,206	137,147,477
商業票據	Trade bills	5,409,111	6,656,765
減值準備 (註釋25)	Impairment allowances (note 25)		
— 綜合評估	— Collectively assessed	(4)	(1,379)
		5,409,107	6,655,386
應計利息	Accrued interest	940,816	778,658
減值準備 (註釋25)	Impairment allowances (note 25)		
— 個別評估	— Individually assessed	(4,638)	(2,585)
		936,178	776,073
其他賬項	Other accounts		
— 應收保費	— Insurance premium receivable	106,198	111,478
— 於再投保人收回 (註釋35)	— Recoverable from reinsurers (note 35)	246,430	244,879
— 應收及其他賬項	— Accounts and other receivables	2,108,390	1,510,452
		2,461,018	1,866,809
		159,017,509	146,445,745

財務報表註釋 Notes to the Financial Statements

24 貸款及其他賬項 (續)

(b) 融資租賃及租購合約

客戶貸款內包括融資租賃及租購合約之投資，其分析如下：

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
應收投資總額	Gross investment, receivable		
– 一年內	– Within one year	54,735	76,948
– 一年以上至五年	– After one year but within five years	50,341	71,716
– 五年以上	– After five years	2,647	6,813
		107,723	155,477
未賺取之財務收入	Unearned finance income	(5,245)	(7,589)
投資淨額	Net investment	102,478	147,888

融資租賃及租購合約之投資淨額分析如下：

The net investment in finance lease receivables and hire purchase contracts is analysed as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
一年內	Within one year	51,491	72,327
一年以上至五年	After one year but within five years	48,340	68,748
五年以上	After five years	2,647	6,813
		102,478	147,888

本集團之融資租賃及租購合約之投資總額並無包括不受保證之剩餘價值 (二〇一六年：無)。

No unguaranteed residual values were included in the gross investment in finance lease receivables and hire purchase contracts of the Group (2016: Nil).

本集團之不可收回融資租賃及租購合約之綜合減值準備金總額為港幣2,296,000元 (二〇一六年：港幣4,015,000元)。

The collective impairment allowances for uncollectible finance lease receivables and hire purchase contracts of the Group included in the impairment allowances for the receivables amounted to HK\$2,296,000 (2016: HK\$4,015,000).

本集團之不可收回融資租賃及租購合約之個別減值準備金總額為港幣57,000元 (二〇一六年：港幣194,000元)。

The individual impairment allowances for uncollectible finance lease receivables and hire purchase contracts of the Group included in the impairment allowances for the receivables amounted to HK\$57,000 (2016: HK\$194,000).

25 貸款及其他賬項減值準備

25 Impairment allowances on loans and advances and other accounts

		個別評估 Individual assessment 港幣千元 HK\$'000	綜合評估 Collective assessment 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年一月一日	At 1 January 2017	102,184	349,317	451,501
匯率調整	Exchange adjustments	–	3,271	3,271
年內撇除	Amounts written off	(9,827)	(5,118)	(14,945)
收回往年已撇除之貸款 (註釋12)	Recoveries of advances written off in previous years (note 12)	1,387	1,647	3,034
在收益表淨扣除 (註釋12)	Net charge to income statement (note 12)	244,151	(53,443)	190,708
準備的折現值撥回 (註釋5)	Unwind of discount on allowance (note 5)	(1,633)	–	(1,633)
於二〇一七年十二月三十一日	At 31 December 2017	336,262	295,674	631,936
於下列賬項內扣除：	Deducted from:			
商業票據 (註釋24 (a))	Trade bills (note 24 (a))	–	4	4
客戶貸款及應計利息 (註釋24 (a))	Advances to customers and accrued interest (note 24 (a))	336,262	295,670	631,932
		336,262	295,674	631,936
		個別評估 Individual assessment 港幣千元 HK\$'000	綜合評估 Collective assessment 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年一月一日	At 1 January 2016	21,229	337,072	358,301
匯率調整	Exchange adjustments	3	28	31
年內撇除	Amounts written off	(152,188)	(6,005)	(158,193)
收回往年已撇除之貸款 (註釋12)	Recoveries of advances written off in previous years (note 12)	2,534	1,250	3,784
在收益表淨扣除 (註釋12)	Net charge to income statement (note 12)	233,386	16,972	250,358
準備的折現值撥回 (註釋5)	Unwind of discount on allowance (note 5)	(2,780)	–	(2,780)
於二〇一六年十二月三十一日	At 31 December 2016	102,184	349,317	451,501
於下列賬項內扣除：	Deducted from:			
商業票據 (註釋24 (a))	Trade bills (note 24 (a))	–	1,379	1,379
客戶貸款及應計利息 (註釋24 (a))	Advances to customers and accrued interest (note 24 (a))	102,184	347,938	450,122
		102,184	349,317	451,501

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26 附屬公司權益

下列為本行於二〇一七年十二月三十一日，擁有之附屬公司：

26 Interests in subsidiaries

The following is a list of the subsidiaries owned by the Bank at 31 December 2017:

名稱	Name	註冊及營業地點	Place of incorporation and operation	已發行及已繳足之股本 Issued and paid up share capital		主要業務	Principal activities
				股數 Number of shares	每股面值 Nominal value per share		
永隆保險有限公司 [#]	Wing Lung Insurance Company Limited [#]	香港	Hong Kong	29,000,000	不適用/ n.a.	保險業務	Insurance underwriting
永隆融資有限公司 [#]	Wing Lung Capital Limited [#]	香港	Hong Kong	7,000,000	不適用/ n.a.	財務諮詢服務	Financial consultancy services
永隆財務有限公司 [#]	Wing Lung Finance Limited [#]	香港	Hong Kong	2,500,000	不適用/ n.a.	提供財務服務	Provision of financial services
永隆資產管理有限公司 [#]	Wing Lung Asset Management Limited [#]	香港	Hong Kong	2,565,450	不適用/ n.a.	資產管理	Asset management
永隆銀行信託有限公司 [#]	Wing Lung Bank (Trustee) Limited [#]	香港	Hong Kong	300,000	不適用/ n.a.	信託業務	Trustee services
永隆保險顧問有限公司 [#]	Wing Lung Insurance Brokers Limited [#]	香港	Hong Kong	250,000	不適用/ n.a.	保險顧問	Insurance broking
永隆代理有限公司 [#]	Wing Lung Agency Limited [#]	香港	Hong Kong	50,000	不適用/ n.a.	保險代理	Insurance agency
永隆銀行受託代管有限公司 [#]	Wing Lung Bank (Nominees) Limited [#]	香港	Hong Kong	1,000	不適用/ n.a.	受託代管服務	Nominee services
永隆管業有限公司 [#]	Wing Lung Property Management Limited [#]	香港	Hong Kong	1,000	不適用/ n.a.	物業管理	Property management
康令有限公司 [#]	Hongnet Limited [#]	香港	Hong Kong	1,000	不適用/ n.a.	投資業務	Investment holding
Wingspan Incorporated [#]	Wingspan Incorporated [#]	美國	U.S.A.	1,500,000	US\$1	物業持有	Property holding

26 附屬公司權益 (續)

26 Interests in subsidiaries (Continued)

名稱	Name	註冊及營業地點	Place of incorporation and operation	已發行及已繳足之股本 Issued and paid up share capital		主要業務	Principal activities
				股數 Number of shares	每股面值 Nominal value per share		
Wing Lung Opportunities Fund Limited [@]	Wing Lung Opportunities Fund Limited [@]	開曼群島	Cayman Islands	41,582	US\$1,000	投資業務	Investment holding
Wing Lung Opportunities Master Fund Limited [@]	Wing Lung Opportunities Master Fund Limited [@]	開曼群島	Cayman Islands	33,692	US\$1,000	投資業務	Investment holding
Wing Lung Growth Fund III Segregated Portfolio [#]	Wing Lung Growth Fund III Segregated Portfolio [#]	開曼群島	Cayman Islands	433,200	HK\$1,000	投資業務	Investment holding
時永投資有限公司 [^]	Sea Wing Investments Limited [^]	香港	Hong Kong	1,000	不適用/ n.a.	物業持有	Property holding
永隆股權投資管理(深圳)有限公司 [^]	Wing Lung Equity Investment Management (Shenzhen) Limited [^]	中華人民共和國	People's Republic of China	(註釋a) (note a)	(註釋a) (note a)	股權投資管理	Equity investment management
安碧有限公司 [^]	Antopex Limited [^]	英屬處女島	British Virgin Islands	1	US\$1	信託業務	Trustee services
保亞有限公司 [^]	Bulleria Limited [^]	英屬處女島	British Virgin Islands	1	US\$1	信託業務	Trustee services
錦嶺有限公司 [^]	Cameland Limited [^]	英屬處女島	British Virgin Islands	1	US\$1	信託業務	Trustee services
德衛有限公司 [^]	Deeright Limited [^]	英屬處女島	British Virgin Islands	1	US\$1	信託業務	Trustee services
億聯有限公司 [^]	Eaglearn Limited [^]	英屬處女島	British Virgin Islands	1	US\$1	信託業務	Trustee services

由本行全資直接持有之附屬公司。

Wholly and directly held by the Bank.

^ 由本行全資間接持有之附屬公司。

^ Wholly and indirectly held by the Bank.

[@] 於二〇一七年十二月三十一日，本行持有Wing Lung Opportunities Fund Limited (「該基金」) 發行股數之85.29% (二〇一六年：65.2%)，本行其中一間子公司並無持有該基金的股份 (二〇一六年：18.1%)，本集團合共持有該基金發行股數之85.29% (二〇一六年：83.3%)。Wing Lung Opportunities Master Fund Limited由該基金全資直接持有。

[@] At 31 December 2017, the Bank directly holds 85.29% (2016: 65.2%) of the shares issued by Wing Lung Opportunities Fund Limited (the "Fund"). There were no shares held by one of the Bank's subsidiaries (2016: 18.1%), the Group holds 85.29 % (2016: 83.3%) of the shares issued by the Fund. Wing Lung Opportunities Master Fund Limited is wholly and directly held by the Fund.

註釋：(a)註冊資本為人民幣13,000,000元。

Note: (a) Registered capital was RMB13,000,000.

財務報表註釋

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27 共同控制實體權益

27 Interests in jointly controlled entities

	二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
應佔資產淨額	2,159,614	1,678,416

於二〇一七年十二月三十一日及二〇一六年十二月三十一日之主要共同控制實體如下：

The following is a list of the principal jointly controlled entities at 31 December 2017 and 31 December 2016:

名稱	Name	註冊及營業地點	Place of incorporation and operation	擁有權益	Ownership interest	投票權之百分比	Proportion of voting power	主要業務	Principal activities
銀聯控股有限公司*	Bank Consortium Holding Limited*	香港	Hong Kong	13.33%	14.29%	提供退休計劃之信託、行政及保管服務	Provision of trustee, administration and custodian services for retirement schemes		
銀聯通寶有限公司*	Joint Electronic Teller Services Limited*	香港	Hong Kong	(註釋a) (note a)	(註釋a) (note a)	提供自動櫃員機之網絡服務	Provision of ATM network services		
香港人壽保險有限公司^	Hong Kong Life Insurance Limited^	香港	Hong Kong	不適用/n.a. (2016:16.67%)	不適用/n.a. (2016:16.67%)	人壽保險業務	Life insurance business		
銀和再保險有限公司	BC Reinsurance Limited	香港	Hong Kong	21.00%	21.00%	再保險業務	Reinsurance business		
i-Tech Solutions Limited*®	i-Tech Solutions Limited*®	香港	Hong Kong	不適用/n.a. (2016:50%)	不適用/n.a. (2016:50%)	電子文件處理	Electronic document processing		
招聯消費金融有限公司*#	Merchants Union Consumer Finance Company Limited*#	中華人民共和國	People's Republic of China	34.97% (2016:50%)	34.97% (2016:50%)	消費金融服務	Consumer finance service		

以上共同控制實體是本集團的策略伙伴，以拓闊本集團提供予客戶的服務種類。

The above jointly controlled entities are strategic partners for the Group to widen the service types to be provided to the Group's customers.

* 由本行直接持有之共同控制實體

* Directly held by the Bank

^ 於二〇一七年三月二十日，本集團與第三方訂立出售本集團所持有的香港人壽保險有限公司的股份。因此，於香港人壽保險有限公司之權益分類為「列作出售資產」。

^ On 20 March 2017, the Group agreed with an independent third party to dispose of its held shares of Hong Kong Life Insurance Limited. Accordingly, interests in Hong Kong Life Insurance Limited was classified as "Assets classified as held for sale".

於二〇一七年增資後，本集團之持股權益由50%減少至34.97%。

There was a capital injection in 2017 which caused the Group's ownership interest decreased from 50% to 34.97%.

@ 於二〇一七年七月完成清算過程

@ Liquidation process was completed in July 2017.

註釋：(a) 本集團乃五位創辦成員之一，並共同擁有該公司之控制權益。本集團持有該公司發行予其創辦成員普通股「A」股之20%。該公司有其他普通股級別。在公司清盤時，「A」股擁有分配公司資產的投票權。於二〇一七年十二月三十一日，本集團擁有該公司宣派股息之2.67% (二〇一六年：2.73%) 權益。

Note: (a) The Group is one of the five founding members which together have a controlling interest in the company. The Group holds 20% of the 'A' ordinary shares issued by the company to its founding members. The company also has other class of ordinary shares. Class A ordinary shares have the right to vote on the allocation of the company's asset upon the winding up of the company. As at 31 December 2017, the Group is entitled to 2.67% (2016: 2.73%) of dividends declared by the company.

27 共同控制實體權益 (續)

共同控制實體按權益會計法計算。

對本集團有重大影響的共同控制實體之財務資料概括如下：

以下的財務資料乃按照《香港財務報告準則》編制的共同控制實體財務報表所顯示的金額。

招聯消費金融有限公司：

27 Interests in jointly controlled entities (Continued)

The jointly controlled entities are accounted for using equity method.

Summarised financial information in respect of the Group's material jointly controlled entity is set out below:

The summarised financial information below represents amounts shown in the jointly controlled entity's financial statements prepared in accordance with HKFRSs.

Merchants Union Consumer Finance Company Limited:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
共同控制實體的總額	Gross amounts of jointly controlled entity		
資產	Assets	56,394,256	20,869,331
負債	Liabilities	50,781,451	18,121,886
權益	Equity	5,612,805	2,747,445
總收益	Gross income	7,135,382	1,767,418
淨溢利	Net profit	1,426,080	374,060
全面收益總額	Total comprehensive income	1,426,080	374,060
與本集團共同控制實體 權益的對賬	Reconciled to the Group's interest in jointly controlled entity		
共同控制實體淨資產總額	Gross amounts of net assets of jointly controlled entity	5,612,805	2,747,445
本集團對共同控制實體淨資產之實際權益	Group's share of net assets of jointly controlled entity	1,962,986	1,373,722
個別不重大共同控制實體之總和資料：	Aggregate information of jointly controlled entities that are not individually material:		
		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
本集團佔該等共同控制實體 的總額	Aggregate amounts of the Group's share of those jointly controlled entities		
源自持續營運溢利	Profit from continuing operations	43,857	32,160
源自自己停止營業之除稅後 溢利／(虧損)	Post-tax profit/(loss) from discontinued operations	15	(304)
其他全面收益	Other comprehensive income	205	1,488
全面收益總額	Total comprehensive income	44,077	33,344

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28 聯營公司權益

28 Interest in an associate

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
應佔資產淨額	Share of net assets	3,592	3,363

於二〇一七年十二月三十一日及二〇一六年十二月三十一日，由本行一間附屬公司所持有之聯營公司非上市證券之成本值為港幣810,000元。

The cost of the unlisted shares in the associate at 31 December 2017 and 31 December 2016 held by a subsidiary of the Bank amounted to HK\$810,000.

於二〇一七年十二月三十一日及二〇一六年十二月三十一日，本集團所持之聯營公司之資料如下：

The particulars of the Group's interest in an associate as at 31 December 2017 and 31 December 2016 are as follows:

名稱	Name	註冊及 營業地點	Place of incorporation and operation	主要業務	Principal activities	持有之已發 行股份詳情	Particulars of issued shares held	間接 持有權益	Interest held indirectly
專業責任保險 代理有限公司	Professional Liability Underwriting Services Limited	香港	Hong Kong	保險代理	Insurance agency	非上市之普 通股	Unlisted ordinary shares	27%	27%

以上聯營公司是本集團的策略伙伴，以提供保險代理服務予本集團的客戶。

The above associate is a strategic partner for the Group to provide insurance agency services to the Group's customers.

個別不重大聯營公司之總和資料：

Aggregate information of associates that are not individually material:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
本集團佔該等聯營公司的總額	Aggregate amounts of the Group's share of associate		
源自持續營運溢利	Profit from continuing operations	1,342	786
其他全面收益	Other comprehensive income	102	80
全面收益總額	Total comprehensive income	1,444	866

29 投資物業

29 Investment properties

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
於一月一日	At 1 January	3,191,670	3,130,050
房產與投資物業重分類	Net reclassification between premises and investment properties	(7,497)	17,364
重估公平價值收益	Fair value gains on revaluation	41,747	44,256
於十二月三十一日 (經專業估值列賬)	At 31 December (professional valuation)	3,225,920	3,191,670
		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
位於香港之租約物業：	Leasehold properties in Hong Kong:		
– 長期租約 (五十年以上)	– Long-term leases (over 50 years)	449,040	453,040
– 中期租約 (十至五十年)	– Medium-term leases (between 10 to 50 years)	2,776,880	2,738,630
		3,225,920	3,191,670

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29 投資物業 (續)

所有投資物業於二〇一七年十二月三十一日之估值，以投資估值方法將淨租金收入資本化釐定。是次重估經由獨立測量公司韋堅信產業測量師行有限公司進行，其僱員具香港測量師學會會士資歷及對估值物業的所在地點及類別有近期估值經驗。

下表呈列本集團以經常性計量的投資物業公平價值，並按香港財務報告準則第13號定義的公平價值層級分類。公平價值以估值所用的投入數據可觀察性劃分層級。可觀察的投入數據反映市場資訊從獨立的來源獲得；不可觀察的投入數據反映了本集團對市場的預期。這兩種投入數據產生了下列公平價值的層級：

- 第1層 – 參考同一工具於活躍市場取得的市場報價 (未經調整)。
- 第2層 – 根據可觀察的直接 (如報價) 或間接 (如由報價所推算) 投入數據之估值模式。
- 第3層 – 根據重要但不可觀察得到的投入數據之估值模式。

29 Investment properties (Continued)

All investment properties were revalued as at 31 December 2017 by capitalising the net rental income using the Investment Method of Valuation. The valuations were carried out by an independent firm of surveyors, A.G. Wilkinson & Associates (Surveyors) Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The table below presents the fair value of the Group's investment properties measured on a recurring basis, categorised into the fair value hierarchy as defined in HKFRS 13. The level into which a fair value measurement is classified is based on whether the inputs used in the valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Valuation techniques using significant unobservable inputs.

		第三層 Level 3	
		二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
經常性公平價值計量： 位於香港之租約物業	Recurring fair value measurement: Leasehold properties in Hong Kong	3,225,920	3,191,670

29 投資物業 (續)

截至二〇一七年十二月三十一日及二〇一六年十二月三十一日止之財政年度，並無公平價值層級內第一層與第二層間之轉移，亦無轉入或從第三層轉出。本集團於公平價值層級間的轉移發生的報告期末予以確認。

以下表格列出於年末時用以計量被分類為公平價值層級第3層的投资物業之重大不可觀察的投入數據資料。

29 Investment properties (Continued)

During the years ended 31 December 2017 and 31 December 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 within the fair value hierarchy. The Group recognises transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The table below sets out information about significant unobservable inputs used at year end in measuring investment properties categorised as level 3 in the fair value hierarchy.

估值技巧		Valuation techniques		賬面值	
				Carrying value	
		2017	2016		
		二〇一七	二〇一六		
		港幣千元	港幣千元		
		HK\$'000	HK\$'000		
投資估值方法	Investment method	3,225,920	3,191,670		
估值技巧	重大不可觀察的投入數據	範圍		不可觀察的投入數據對公平價值計量的敏感度	
Valuation techniques	Significant unobservable inputs	二〇一七	二〇一六	Fair value measurement sensitivity to unobservable inputs	
		2017	2016		
投資估值方法	市場收益率	2.75% – 8.7%	2.75% – 8.7%	市場收益率的重大上升將引致公平價值的下跌 Significant increase in market yield would result in a lower fair value	
Investment method	Market yield				
	市場租金	每平方尺 港幣15元至 港幣1,336元 HK\$15 to HK\$1,336 per square feet	每平方尺 港幣13元至 港幣1,341元 HK\$13 to HK\$1,341 per square feet	市場租金的重大上升將引致公平價值的上升 Significant increase in market rent would result in a higher fair value	
	Market rent				

註釋：因可供比較的交易數量有限，所有投資物業於二〇一七年十二月三十一日及二〇一六年十二月三十一日均以投資估值方法計量。

Note: Due to the limited number of comparable transactions, all investment properties are measured using investment method as at 31 December 2017 and 31 December 2016.

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29 投資物業 (續)

本集團以經營租賃形式租出投資物業。租賃年期通常不長於四年。截至二〇一七年十二月三十一日止年度，包括在租約內之或有租金為港幣21,000元 (二〇一六年：港幣58,000元)。

於十二月三十一日，不可撤銷之營業租賃之未來最低應收租賃款項總額如下：

29 Investment properties (Continued)

The Group leases out investment properties under operating leases. The leases typically run for an initial period of up to 4 years. Contingent rentals included in leases for the year ended 31 December 2017 amounted to HK\$21,000 (2016: HK\$58,000).

At 31 December, the total future minimum lease payments receivable under non-cancellable operating leases are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
土地及樓宇	Land and buildings		
– 一年以內	– Within one year	102,435	163,356
– 一年以後至五年內	– After one year but within five years	40,112	70,426
		142,547	233,782

30 租賃土地權益

本集團之租賃土地權益為預繳土地溢價，其賬面淨值分析如下：

30 Interests in leasehold land

The Group's interests in leasehold land represent prepaid land lease premium and their net book values are analysed as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
於一月一日	At 1 January	180,569	189,302
出售	Disposals	(9,099)	–
	Net reclassification between premises and investment properties	–	(4,674)
房產與投資物業重分類			
租賃土地折舊 (註釋11)	Depreciation of leasehold land (note 11)	(4,104)	(4,059)
於十二月三十一日	At 31 December	167,366	180,569
在香港持有：	In Hong Kong held on:		
– 長期租約 (五十年以上)	– Long-term leases (over 50 years)	65,965	72,586
– 中期租約 (十至五十年)	– Medium-term leases (between 10 to 50 years)	99,216	107,983
– 短期租約 (少於十年)	– Short-term leases (below 10 years)	2,185	–
		167,366	180,569

31 其他物業及設備

31 Other properties and equipment

		房產 Premises 港幣千元 HK\$'000	傢俬及設備 Furniture and equipment 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
成本	Cost			
於二〇一七年一月一日	At 1 January 2017	891,709	1,659,372	2,551,081
匯率調整	Exchange adjustments	256	4,861	5,117
增置	Additions	–	152,381	152,381
出售	Disposals	(3,124)	(29,745)	(32,869)
	Net reclassification between premises and investment properties	7,497	–	7,497
房產與投資物業重分類				
於二〇一七年十二月三十一日	At 31 December 2017	896,338	1,786,869	2,683,207
累積折舊	Accumulated depreciation			
於二〇一七年一月一日	At 1 January 2017	213,423	955,499	1,168,922
匯率調整	Exchange adjustments	69	3,005	3,074
本年度折舊(註釋11)	Charge for the year (note 11)	16,522	154,091	170,613
出售回撥	Written back on disposal	(1,797)	(28,079)	(29,876)
於二〇一七年十二月三十一日	At 31 December 2017	228,217	1,084,516	1,312,733
賬面淨值	Net book value			
於二〇一七年十二月三十一日	At 31 December 2017	668,121	702,353	1,370,474

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31 其他物業及設備 (續)

31 Other properties and equipment (Continued)

		房產 Premises 港幣千元 HK\$'000	傢俬及設備 Furniture and equipment 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
成本	Cost			
於二〇一六年一月一日	At 1 January 2016	876,704	1,506,085	2,382,789
匯率調整	Exchange adjustments	18	(3,086)	(3,068)
增置	Additions	–	210,634	210,634
出售	Disposals	–	(54,261)	(54,261)
	Net reclassification between premises and investment properties	(12,690)	–	(12,690)
房產與投資物業重分類				
	Revaluation surplus on premises transferred to investment properties	32,135	–	32,135
房產重估盈餘轉入投資物業				
	Less: elimination of accumulated depreciation on revaluation	(4,458)	–	(4,458)
減：累積折舊抵銷重估值				
於二〇一六年十二月三十一日	At 31 December 2016	891,709	1,659,372	2,551,081
累積折舊	Accumulated depreciation			
於二〇一六年一月一日	At 1 January 2016	202,831	861,579	1,064,410
匯率調整	Exchange adjustments	3	(1,933)	(1,930)
本年度折舊 (註釋11)	Charge for the year (note 11)	15,047	145,286	160,333
出售回撥	Written back on disposal	–	(49,433)	(49,433)
重估後撇除	Elimination on revaluation	(4,458)	–	(4,458)
於二〇一六年十二月三十一日	At 31 December 2016	213,423	955,499	1,168,922
賬面淨值	Net book value			
於二〇一六年十二月三十一日	At 31 December 2016	678,286	703,873	1,382,159

31 其他物業及設備 (續)

房產之賬面淨值包括：

31 Other properties and equipment (Continued)

The net book value of premises comprises:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
位於香港之租約物業：	Leasehold properties in Hong Kong:		
– 長期租約 (五十年以上)	– Long-term leases (over 50 years)	356,142	361,413
– 中期租約 (十至五十年)	– Medium-term leases (between 10 to 50 years)	282,620	286,715
– 短期租約 (十年以下)	– Short-term leases (under 10 years)	78	–
		638,840	648,128
位於海外之租約物業：	Leasehold properties outside Hong Kong:		
– 永久	– Freehold	24,299	24,988
– 中期租約 (十至五十年)	– Medium-term leases (between 10 to 50 years)	4,982	5,170
		29,281	30,158
		668,121	678,286

32 客戶存款**32 Deposits from customers**

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
活期存款及往來賬戶	Demand deposits and current accounts	17,594,473	14,587,451
儲蓄存款	Savings deposits	67,367,747	58,955,968
定期存款及通知存款	Time, call and notice deposits	126,001,426	110,707,735
		210,963,646	184,251,154

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33 資本工具

33 Capital instruments

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
發行之後償債項	Subordinated debts issued		
美元200,000,000元按攤銷成本 列賬的定息後償票據 (註釋a)	US\$200,000,000 subordinated fixed rate notes, measured at amortised cost (note a)	1,554,865	1,541,841
美元400,000,000元按攤銷成本 列賬的定息後償票據 (註釋b)	US\$400,000,000 subordinated fixed rate notes, measured at amortised cost (note b)	3,120,437	–
		4,675,302	1,541,841
額外權益工具	Additional equity instruments		
美元130,000,000元永續型非累積 後償資本證券 (註釋c)	US\$130,000,000 undated non-cumulative subordinated capital securities (note c)	1,008,020	1,008,020
美元130,000,000元永續型非累積 後償資本證券 (註釋d)	US\$130,000,000 undated non-cumulative subordinated capital securities (note d)	1,007,370	1,007,370
人民幣1,000,000,000元永續型非 累積後償資本證券 (註釋e)	RMB1,000,000,000 undated non-cumulative subordinated capital securities (note e)	1,236,600	1,236,600
美元170,000,000元永續型非累積 後償資本證券 (註釋f)	US\$170,000,000 undated non-cumulative subordinated capital securities (note f)	1,321,240	–
		4,573,230	3,251,990

註釋：(a) 此美元200,000,000元定息後償票據於二〇一二年十一月六日發行，並被界定為本集團之附加資本。此票據將於二〇二二年十一月七日期滿。選擇性贖還日為二〇一八年五月七日或之後的每個利息支付日。此票據的利息按年利率4.79% (由二〇一二年十一月六日至二〇一七年十一月七日：3.50%) 計算，按半年度支付。

(b) 此美元400,000,000元定息後償票據於二〇一七年十一月二十二日發行，並被界定為本集團之附加資本。此票據將於二〇二七年十一月二十二日期滿。選擇性贖還日為二〇二二年十一月二十二日。由發行日至選擇性贖還日之首五年，此票據的利息按年利率3.75%計算，按半年度支付。其後，倘票據未在選擇性贖還日贖回，往後的利息會重訂為當日的美國五年期國庫債券息率加175點子。此票據之本金將於導致無法繼續經營事件發生時撇銷。

Note: (a) These represent US\$200,000,000 subordinated fixed rate notes qualifying as supplementary capital of the Group issued on 6 November 2012. The notes will mature on 7 November 2022 with an optional redemption date falling on 7 May 2018 or any interest payment date thereafter. Interest at 4.79% (from 6 November 2012 to 7 November 2017: 3.50%) per annum is payable on a semi-annually basis.

(b) These represent US\$400,000,000 subordinated fixed rate notes qualifying as supplementary capital of the Group issued on 22 November 2017. The notes will mature on 22 November 2027 with an optional redemption date falling on 22 November 2022. Interest at 3.75% per annum is payable on a semi-annually basis for the first 5 years from the date of issue to the optional redemption date. Thereafter, if the notes are not redeemed, the interest rate will reset and the notes will bear interest at 5 year US Treasury Rate on that date plus 175 basis points. The principal of the notes will be written down if a non-viability event occurs.

33 資本工具 (續)

- (c) 此美元130,000,000元永續型非累積後償資本證券被界定為本集團之額外一級資本。此證券於二〇一四年九月三十日發行予本行之控股公司，首個提前回購日為二〇一九年十月一日。由發行日至首個提前回購日之首五年，此證券的年息率為6.00%。其後，若屆時未行使回購權，息率將每5年按當時美國五年期國庫債券息率加4.13%重新釐訂。
- (d) 此美元130,000,000元永續型非累積後償資本證券被界定為本集團之額外一級資本。此證券於二〇一四年十二月二十九日發行予本行之控股公司，首個提前回購日為二〇一九年十二月三十日。由發行日至首個提前回購日之首五年，此證券的年息率為5.80%。其後，若屆時未行使回購權，息率將每5年按當時美國五年期國庫債券息率加4.13%重新釐訂。
- (e) 此人民幣1,000,000,000元永續型非累積後償資本證券被界定為本集團之額外一級資本。此證券於二〇一五年二月三日發行予本行之控股公司，首個提前回購日為二〇二〇年二月四日。此證券的年息率為5.50%。
- (f) 此美元170,000,000元永續型非累積後償資本證券被界定為本集團之額外一級資本。此證券於二〇一七年四月二十七日發行，首個提前回購日為二〇二二年四月二十八日。由發行日至首個提前回購日之首五年，此證券的年息率為5.20%。其後，若屆時未行使回購權，息率將每5年按當時美國五年期國庫債券息率加3.13%重新釐訂。

額外權益工具之本金將於導致無法繼續經營事件發生時撇銷。票息每半年支付，而本行有權自行決定取消票息支付。已取消之票息不會累積。

33 Capital instruments (Continued)

- (c) This represents US\$130,000,000 undated non-cumulative subordinated capital securities qualifying as additional Tier 1 capital of the Group. The securities were issued to the Bank's holding company on 30 September 2014 with the first call date falling on 1 October 2019. Distribution rate for the securities is set at 6.00% per annum for the first 5 years from the date of issue to the first call date. Distribution rate will be reset thereafter every 5 years at the then prevailing 5 year U.S. Treasury Rate plus 4.13% per annum if the capital securities are not called.
- (d) This represents US\$130,000,000 undated non-cumulative subordinated capital securities qualifying as additional Tier 1 capital of the Group. The securities were issued to the Bank's holding company on 29 December 2014 with the first call date falling on 30 December 2019. Distribution rate for the securities is set at 5.80% per annum for the first 5 years from the date of issue to the first call date. Distribution rate will be reset thereafter every 5 years at the then prevailing 5 year U.S. Treasury Rate plus 4.13% per annum if the capital securities are not called.
- (e) This represents RMB1,000,000,000 undated non-cumulative subordinated capital securities qualifying as additional Tier 1 capital of the Group. The securities were issued to the Bank's holding company on 3 February 2015 with the first call date falling on 4 February 2020. Distribution rate for the securities is set at 5.50% per annum.
- (f) This represents US\$170,000,000 undated non-cumulative subordinated capital securities qualifying as additional Tier 1 capital of the Group. The securities were issued on 27 April 2017 with the first call date falling on 28 April 2022. Distribution rate for the securities is set at 5.20% per annum for the first 5 years from the date of issue to the first call date. Distribution rate will be reset thereafter every 5 years at the then prevailing 5 year U.S. Treasury Rate plus 3.13% per annum if the capital securities are not called.

The principal of the additional equity instruments will be written down if a non-viability event occurs. Distribution is payable semi-annually, and may be cancelled at the sole discretion of the Bank. Cancelled distribution is not cumulative.

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34 遞延稅項

已於綜合財務狀況表內確認之遞延稅項資產／(負債)之組成部份，及年內之變動如下：

34 Deferred taxation

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

		加速 稅項折舊 Accelerated tax depreciation 港幣千元 HK\$'000	退休 福利義務 Retirement benefit obligation 港幣千元 HK\$'000	貸款 減值準備 Impairment allowances on loans and advances 港幣千元 HK\$'000	稅項虧損 Tax loss 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年一月一日	At 1 January 2017	(94,521)	(9,526)	87,116	-	27,648	10,717
在收益表(扣除)／ 記賬	(Charged)/credited to income statement	(3,078)	1,722	(16,168)	-	(88)	(17,612)
在其他全面收益(扣除)／ 記賬(註釋38)	(Charged)/credited to other comprehensive income (note 38)	-	(13,790)	-	-	(9,300)	(23,090)
於二〇一七年 十二月三十一日	At 31 December 2017	(97,599)	(21,594)	70,948	-	18,260	(29,985)
		加速 稅項折舊 Accelerated tax depreciation 港幣千元 HK\$'000	退休 福利義務 Retirement benefit obligation 港幣千元 HK\$'000	貸款 減值準備 Impairment allowances on loans and advances 港幣千元 HK\$'000	稅項虧損 Tax loss 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年一月一日	At 1 January 2016	(88,712)	(5,174)	82,981	4,951	1,836	(4,118)
在收益表(扣除)／ 記賬	(Charged)/credited to income statement	(5,809)	2,372	4,135	(4,951)	(961)	(5,214)
在其他全面收益(扣除)／ 記賬(註釋38)	(Charged)/credited to other comprehensive income (note 38)	-	(6,724)	-	-	26,773	20,049
於二〇一六年 十二月三十一日	At 31 December 2016	(94,521)	(9,526)	87,116	-	27,648	10,717

34 遞延稅項 (續)

34 Deferred taxation (Continued)

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
於綜合財務狀況表內確認之 遞延稅項資產淨額	Net deferred tax assets recognised in the consolidated statement of financial position	37,841	49,415
於綜合財務狀況表內確認之 遞延稅項負債淨額	Net deferred tax liabilities recognised in the consolidated statement of financial position	(67,826)	(38,698)
		(29,985)	10,717

遞延稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損予以確認。於二〇一七年十二月三十一日，本集團並無未確認之稅項虧損（二〇一六年：無），可結轉以抵銷未來應課稅收入。

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the deferred tax benefit through future profits is probable. At 31 December 2017, the Group had no unrecognised tax losses (2016: HK\$Nil) to be carried forward to set off against future taxable profits.

35 其他賬項及預提

35 Other accounts and accruals

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
應付利息	Interest payable	1,557,130	824,115
保費負債	Insurance liabilities	2,051,411	2,104,214
應付及其他賬項	Accounts and other payable	2,927,631	2,224,614
		6,536,172	5,152,943

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35 其他賬項及預提 (續)

保費負債分析如下：

35 Other accounts and accruals (Continued)

Insurance liabilities are analysed as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
總額	Gross		
已呈報之索償及 損失支出調整	Claims reported and loss adjustment expenses	706,023	719,504
已發生但未呈報之索償	Claims incurred but not reported	821,797	850,818
未期滿保費	Unearned premiums	273,191	281,346
未到期風險準備	Provision for unexpired risk	36,785	25,492
其他	Others	213,615	227,054
保險負債總額	Total insurance liabilities, gross	2,051,411	2,104,214
於再投保人收回	Recoverable from reinsurers		
已呈報之索償及 損失支出調整	Claims reported and loss adjustment expenses	107,462	98,601
已發生但未呈報之索償	Claims incurred but not reported	101,055	103,282
未期滿保費	Unearned premiums	37,913	42,996
再投保人佔保險負債總額 (註釋24(a))	Total reinsurers' share of insurance liabilities (note 24(a))	246,430	244,879
淨額	Net		
已呈報之索償及 損失支出調整	Claims reported and loss adjustment expenses	598,561	620,903
已發生但未呈報之索償	Claims incurred but not reported	720,742	747,536
未期滿保費	Unearned premiums	235,278	238,350
未到期風險準備	Provision for unexpired risk	36,785	25,492
其他	Others	213,615	227,054
保險負債淨額	Total insurance liabilities, net	1,804,981	1,859,335

已呈報之索償總額、調整損失支出負債及已承付索償但未呈報之負債為除去預期於可挽救及轉移中收回之淨額。於二〇一七年十二月三十一日及二〇一六年十二月三十一日之可挽救及轉移之金額並不重大，因此無獨立披露。

The gross claims reported, the loss adjustment expenses liabilities and the liability for claims incurred but not reported are net of expected recoveries from salvage and subrogation. The amounts for salvage and subrogation at 31 December 2017 and 31 December 2016 are not separately disclosed as they are not material.

36 列作出售資產

於二〇一七年三月二十日，本集團與一獨立第三方訂立一份售股協議，以現金代價約港幣1,183,333,000元（未扣除相關之交易費用）出售其於香港人壽保險有限公司所持有的16.67%之已發行股份。本銀行已收取相等於代價10%的訂金，金額約港幣118,333,000元。

有關交易須待若干條件達成後方告完成，包括獲得有關監管機構之所需批准。因此，於香港人壽保險有限公司之權益分類為「列作出售資產」。

於二〇一七年十二月三十一日，本集團被列作出售資產之應佔共同控制實體權益為港幣149,021,000元（二〇一六年：無）。

於二〇一七年十二月三十一日，與列作出售資產的出售項目組別相關的累計金額港幣43,633,000元（二〇一六年：無）已在其他全面收益及權益內確認。

37 股本

已發行及已繳足股本： Issued and fully paid:

普通股 Ordinary shares

36 Assets classified as held for sale

On 20 March 2017, the Group entered into a share sale agreement with an independent third party to dispose of 16.67% of the issued share capital of Hong Kong Life Insurance Limited for a cash consideration of approximately HK\$1,183,333,000 before transaction related expenses. The Bank has received a deposit of amount equal to approximately HK\$118,333,000 being 10% of the consideration.

Completion of the transaction is subject to certain conditions including obtaining the necessary approvals from the relevant authorities. Accordingly, interests in Hong Kong Life Insurance Limited was classified as “Assets classified as held for sale”.

The Group’s share of interest in jointly controlled entity classified as held for sale at 31 December 2017 is HK\$149,021,000 (2016: Nil).

At 31 December 2017, cumulative amount of HK\$43,633,000 (2016: Nil) relating to the disposal group classified as held for sale has been recognised in other comprehensive income and included in equity.

37 Share capital

		二〇一七 2017		二〇一六 2016	
		股數 No. of shares	港幣千元 HK\$'000	股數 No. of shares	港幣千元 HK\$'000

已發行及已繳足股本： Issued and fully paid:

普通股 Ordinary shares

232,190,115	1,160,951	232,190,115	1,160,951
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普通股持有人有權收取不時宣派之股息，亦有權於本行之會議上以每股一票的方式投票。所有普通股對本行之剩餘淨資產享有同等地位。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All ordinary shares rank equally with regard to the Bank’s residual net assets.

財務報表註釋

Notes to the Financial Statements

38 儲備

本集團

38 Reserves

The Group

		資本儲備 Capital reserve 港幣千元 HK\$'000	重估 房產儲備 Bank premises revaluation reserve 港幣千元 HK\$'000	重估 投資儲備 Investment revaluation reserve 港幣千元 HK\$'000	其他儲備 Other reserves 港幣千元 HK\$'000	保留溢利 Retained earnings 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年一月一日	At 1 January 2017	57,500	556,146	71,348	622,247	26,823,849	28,131,090
可供出售之證券	Available-for-sale securities						
– 公平價值改變	– Changes in fair value	–	–	206,393	–	–	206,393
– 於出售時轉入收益表	– Transfer to income statement on disposal	–	–	(300,144)	–	–	(300,144)
應佔聯營公司儲備	Share of an associate's reserves	–	–	102	–	–	102
應佔共同控制實體儲備	Share of jointly controlled entities' reserves	–	6,770	4,359	136	(125)	11,140
是年度溢利	Profit for the year	–	–	–	–	3,858,019	3,858,019
匯率變動	Exchange difference	–	–	–	318,853	–	318,853
界定福利計劃之精算收益	Actuarial gains on defined benefit scheme	–	–	–	–	83,576	83,576
其他全面收益對遞延稅項之 影響 (註釋34)	Effect of deferred taxation on other comprehensive income (note 34)	–	–	(9,300)	–	(13,790)	(23,090)
額外權益工具分配	Distribution for additional equity instruments	–	–	–	–	(313,759)	(313,759)
於二〇一七年十二月三十一日	At 31 December 2017	57,500	562,916	(27,242)	941,236	30,437,770	31,972,180

本行

The Bank

		重估 房產儲備 Bank premises revaluation reserve 港幣千元 HK\$'000	重估 投資儲備 Investment revaluation reserve 港幣千元 HK\$'000	其他儲備 Other reserves 港幣千元 HK\$'000	保留溢利 Retained earnings 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一七年一月一日	At 1 January 2017	388,970	50,982	608,514	25,664,645	26,713,111
可供出售之證券	Available-for-sale securities					
– 公平價值改變	– Changes in fair value	–	160,289	–	–	160,289
– 於出售時轉入收益表	– Transfer to income statement on disposal	–	(258,703)	–	–	(258,703)
是年度溢利	Profit for the year	–	–	–	3,522,207	3,522,207
匯率變動	Exchange difference	–	–	317,292	–	317,292
界定福利計劃之精算收益	Actuarial gains on defined benefit scheme	–	–	–	83,576	83,576
其他全面收益對遞延稅項 之影響	Effect of deferred taxation on other comprehensive income	–	(8,902)	–	(13,790)	(22,692)
額外權益工具分配	Distribution for additional equity instruments	–	–	–	(313,759)	(313,759)
於二〇一七年十二月三十一日	At 31 December 2017	388,970	(56,334)	925,806	28,942,879	30,201,321

38 儲備 (續)

38 Reserves (Continued)

本集團

The Group

		資本儲備 Capital reserve 港幣千元 HK\$'000	重估 房產儲備 Bank premises revaluation reserve 港幣千元 HK\$'000	重估 投資儲備 Investment revaluation reserve 港幣千元 HK\$'000	其他儲備 Other reserves 港幣千元 HK\$'000	保留溢利 Retained earnings 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年一月一日	At 1 January 2016	57,500	523,171	441,422	823,035	23,426,477	25,271,605
可供出售之證券	Available-for-sale securities						
– 公平價值改變	– Changes in fair value	–	–	(86,124)	–	–	(86,124)
– 因出售附屬公司而減少	– Decrease due to disposal of subsidiaries	–	–	(188,446)	–	–	(188,446)
– 於出售時轉入收益表	– Transfer to income statement on disposal	–	–	(127,616)	–	–	(127,616)
– 於減值時轉入收益表	– Transfer to income statement on impairment	–	–	4,761	–	–	4,761
重估房產之盈餘	Surplus on revaluation of bank premises	–	32,135	–	–	–	32,135
應佔聯營公司儲備	Share of an associate's reserves	–	–	80	–	–	80
應佔共同控制實體儲備	Share of jointly controlled entities' reserves	–	840	498	14,151	(14,151)	1,338
是年度溢利	Profit for the year	–	–	–	–	3,496,541	3,496,541
轉出或然儲備	Transfer from contingency reserve	–	–	–	(46)	46	–
匯率變動	Exchange difference	–	–	–	(214,893)	–	(214,893)
界定福利計劃之精算收益	Actuarial gains on defined benefit scheme	–	–	–	–	40,751	40,751
其他全面收益對遞延稅項之影響 (註釋34)	Effect of deferred taxation on other comprehensive income (note 34)	–	–	26,773	–	(6,724)	20,049
額外權益工具分配	Distribution for additional equity instruments	–	–	–	–	(119,091)	(119,091)
於二〇一六年十二月三十一日	At 31 December 2016	57,500	556,146	71,348	622,247	26,823,849	28,131,090

本行

The Bank

		重估 房產儲備 Bank premises revaluation reserve 港幣千元 HK\$'000	重估 投資儲備 Investment revaluation reserve 港幣千元 HK\$'000	其他儲備 Other reserves 港幣千元 HK\$'000	保留溢利 Retained earnings 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
於二〇一六年一月一日	At 1 January 2016	356,835	234,474	822,472	22,542,970	23,956,751
可供出售之證券	Available-for-sale securities					
– 公平價值改變	– Changes in fair value	–	(92,202)	–	–	(92,202)
– 於出售時轉入收益表	– Transfer to income statement on disposal	–	(119,910)	–	–	(119,910)
重估房產之盈餘	Surplus on revaluation of bank premises	32,135	–	–	–	32,135
是年度溢利	Profit for the year	–	–	–	3,206,739	3,206,739
匯率變動	Exchange difference	–	–	(213,958)	–	(213,958)
界定福利計劃之精算收益	Actuarial gains on defined benefit scheme	–	–	–	40,751	40,751
其他全面收益對遞延稅項之影響	Effect of deferred taxation on other comprehensive income	–	28,620	–	(6,724)	21,896
額外權益工具分配	Distribution for additional equity instruments	–	–	–	(119,091)	(119,091)
於二〇一六年十二月三十一日	At 31 December 2016	388,970	50,982	608,514	25,664,645	26,713,111

財務報表註釋

Notes to the Financial Statements

38 儲備 (續)

- (a) 本集團之資本儲備是由若干附屬公司將其保留溢利資本化並發行新股予本行時所成立。
- (b) 重估房產儲備乃根據載於註釋1.11的會計政策而成立。
- (c) 重估投資儲備乃可供出售證券在出售或減值前之公平價值變動之累計淨差額並根據載於註釋1.6及1.7的會計政策確認。
- (d) 本集團的其他儲備包括普通儲備、匯兌儲備、或然儲備及法定儲備。本行的其他儲備包括普通儲備及匯兌儲備。

普通儲備是往年度從保留溢利轉撥之金額。

匯兌儲備是因折算海外分行及附屬公司的財務報表產生的匯兌變動。

或然儲備代表按照由保險業監理處頒佈之按揭擔保保險業務儲備金指引以應付經濟嚴重逆轉時累積的風險而建立之儲備。

法定盈餘儲備的款項是以本行於中華人民共和國成立之共同控制實體公司之經審計後淨利潤的10%列賬，直至盈餘儲備之累計額相等於其註冊股本的50%。盈餘儲備經股東批准後可用於彌補累計虧損或轉化為實收股本。

- (e) 本集團已於二〇一七年十二月三十一日之保留溢利中保留港幣1,423,049,000元(二〇一六年：港幣1,237,453,000元)作為法定儲備。法定儲備乃為審慎監督目的按照香港《銀行業條例》之條款保留，而是項儲備之變動直接記於保留溢利內，並須諮詢香港金融管理局。
- (f) 董事會並無擬派末期股息(二〇一六年：無)。

38 Reserves (Continued)

- (a) The Group's capital reserve was set up in relation to the capitalisation by certain subsidiaries of their retained earnings for the issue of new shares to the Bank.
- (b) Bank premises revaluation reserve has been set up and is dealt with in accordance with the accounting policies set out in note 1.11.
- (c) Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities until the securities are derecognised or impaired and is dealt with in accordance with the accounting policies set out in notes 1.6 and 1.7.
- (d) The Group's other reserves comprise general reserve, exchange reserve, contingency reserve and statutory surplus reserve. The Bank's other reserves comprise general reserve and exchange reserve.

General reserve comprises previous years' transfers from retained earnings.

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas branches and subsidiaries.

Contingency reserve represents a reserve established for contingency of accumulation of risks in times of severe economic downturn in accordance with Guidance Note on Reserving for Mortgage Guarantee Business issued by the Office of the Commissioner of Insurance.

Statutory surplus reserve is provided at 10% of the audited profit after tax of a jointly controlled entity of the Bank which is incorporated in the People's Republic of China, until the reserve balance is equal to 50% of its registered share capital. Surplus reserve can be used to offset accumulated losses or capitalised as paid-up capital with the approval of shareholders.

- (e) At 31 December 2017, included in retained earnings is an amount of HK\$1,423,049,000 (2016: HK\$1,237,453,000) which was earmarked as regulatory reserve. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority.
- (f) The directors did not propose any final dividend (2016: Nil) after the year end.

39 分部報告

(a) 按業務劃分

本集團主要從事商業銀行業務，其中可分為四類。零售銀行業務包括提供接受零售存款、按揭及私人貸款、理財、證券經紀、人壽保險代理及顧問服務。公司及商業銀行業務包括提供接受企業存款、工商業貸款、貿易融資、租購及租賃。財資及金融機構業務包括外匯、金融市場、同業市場及資本市場等活動，同時亦包括接受非銀行金融機構之存款及對該等機構之貸款。中國及海外業務包括中國及海外分行業務。其他業務主要包括一般保險承保及物業投資。適用於可匯報分部之會計政策與註釋1所述適用於本集團之會計政策相同。

未分類項目主要包括中央管理層及其他共同分享服務之資產及負債、稅項、以及其他未能合理分配予特定業務分部的項目。

是年度內，本集團在製作匯報予最高管理層作為表現評核的資料中更改了一些資金轉移定價機制內納入流動性成本和收益的方法以分配予不同的營業單位及將一些營業單位重新調配在不同的業務條線。若干比較數字已作出修改，以符合本年度之呈報方式。

39 Segment reporting

(a) Business segments

The Group operates predominantly in commercial banking which comprises four business segments. Retail banking includes acceptance of retail deposits, mortgage and personal lending, wealth management, securities brokerage, life insurance agency and brokerage services. Corporate and commercial banking includes acceptance of corporate deposits, advance of commercial and industrial loans, trade financing, hire purchase and leasing. Treasury and financial institution activities include foreign exchange, money market, interbank market and capital market activities as well as acceptance of deposits from and lending to non-bank financial institutions. China and overseas operations activities include China and overseas branches operations. Other activities mainly comprise general insurance underwriting and investment properties holding. The accounting policies applicable to the reportable segments are the same as those applicable to the Group as stated in note 1.

Unallocated items mainly comprise assets and liabilities of the central management unit and other shared services, taxation and any items which cannot be reasonably allocated to specific business segments.

During the year, the Group has revised certain allocation method of liquidity costs and benefits in the fund transfer pricing mechanism among different operation units and reorganise certain operation units among different business segments in preparing the information reported to the Group's most senior executive management for the purposes of performance assessment. Certain comparative amounts have been revised to conform with the current year's presentation.

財務報表註釋

Notes to the Financial Statements

39 分部報告 (續)

(b) 按地域劃分

39 Segment reporting (Continued)

(b) Geographical area

		營業收入 Operating income 港幣千元 HK\$'000	除稅前溢利 Profit before taxation 港幣千元 HK\$'000	年度資本 開支 Capital expenditure during the year 港幣千元 HK\$'000
二〇一七年	2017			
香港	Hong Kong	5,123,587	3,986,804	146,887
中華人民共和國	People's Republic of China	547,356	303,933	4,666
其他	Others	306,594	208,331	828
分部互相抵銷	Inter-segment elimination	(116,954)	–	–
綜合總額	Consolidated	5,860,583	4,499,068	152,381
重列 二〇一六年	Restated 2016			
香港	Hong Kong	5,161,090	3,718,583	194,501
中華人民共和國	People's Republic of China	594,126	227,447	12,648
其他	Others	326,002	241,713	3,485
分部互相抵銷	Inter-segment elimination	(109,534)	–	–
綜合總額	Consolidated	5,971,684	4,187,743	210,634

40 或有債務及承擔

下列為或有債務及承擔之每個主要類別之合約金額，及信貸風險比重金額總計：

40 Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments, and the aggregate credit risk weighted amounts:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
直接信貸替代品	Direct credit substitutes	3,669,890	3,076,001
交易項目有關之或有債務	Transaction-related contingencies	1,965,121	200,750
商業項目有關之或有債務	Trade-related contingencies	585,563	572,987
遠期預約放款	Forward forward deposits placed	1,015,671	279,780
可以無條件取消 之其他承擔	Other commitments which are unconditionally cancellable	40,094,059	34,957,689
原本年期為一年或以下 之其他承擔	Other commitments with an original maturity of one year or less	1,689,342	4,562,461
原本年期為一年以上 之其他承擔	Other commitments with an original maturity of over one year	14,980,599	10,746,668
		64,000,245	54,396,336
信貸風險比重金額	Credit risk weighted amount	11,752,928	9,224,844

用以計算信貸風險比重金額之風險比重為0%至150%。

The risk weights used in the computation of credit risk weighted amounts range from 0% to 150%.

財務報表註釋

Notes to the Financial Statements

41 資本及租約承擔

41 Capital and lease commitments

(a) 於十二月三十一日，不包括於財務報表內之資本承擔如下：

(a) Capital commitments outstanding at 31 December not provided for in the financial statements are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
已簽約但未作準備	Contracted but not provided for	68,458	117,823
已授權但未簽約	Authorised but not contracted for	–	246

(b) 於十二月三十一日，不可撤銷之營業租賃之未來最低應付租賃款項總額如下：

(b) At 31 December, the total future minimum lease payments payable under non-cancellable operating leases are as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
土地及樓宇	Land and buildings		
– 第一年內	– Within one year	93,788	81,232
– 第二至第五年內	– After one year but within five years	165,877	164,847
		259,665	246,079

本集團以營業租賃租用一些物業。租約基本年期為一至六年。此等租約並不包括或有租金收入。

The Group leases certain properties under operating leases. The leases typically run for an initial period of 1 to 6 years. None of the leases include contingent rentals.

42 綜合現金流量表註釋

42 Notes to consolidated cash flow statement

(a) 除稅前溢利與營業活動之現金流入淨額對賬表

(a) Reconciliation of profit before taxation to cash generated from operations

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
除稅前溢利	Profit before taxation	4,499,068	4,187,743
調整項目：	Adjustments for:		
應佔共同控制實體淨溢利	Share of net profit of jointly controlled entities	(642,300)	(218,886)
應佔聯營公司淨溢利	Share of net profit of an associate	(1,342)	(786)
出售可供出售證券之淨收益	Net gain on disposal of available-for-sale securities	(300,144)	(127,616)
出售其他物業及設備之淨(收益)/虧損	Net (gain)/loss on disposal of other properties and equipment	(97,198)	7,428
出售附屬公司之淨收益	Net gain on disposal of subsidiaries	-	(188,446)
投資物業之公平價值收益	Fair value gains on investment properties	(41,747)	(44,256)
金融資產之減值損失	Impairment losses on financial assets	190,708	251,838
折舊	Depreciation	174,717	164,392
攤銷可供出售證券及持至到期證券之折讓	Amortisation of discount on available-for-sale securities and held-to-maturity securities	(53,216)	33,284
攤銷發行之存款證之折讓	Amortisation of discount on certificates of deposit issued	38,399	14,946
攤銷發行之後償債項之折讓	Amortisation of discount on subordinated debts issued	1,373	1,363
營運資金變動前之營業溢利	Operating profit before changes in working capital	3,768,318	4,081,004
營運資產減少/(增加)：	Decrease/(increase) in operating assets:		
短期資金	Short-term funds	229,602	(2,386,696)
同業定期存放及貸款(三個月以後到期)	Placements with and loans and advances to banks maturing beyond three months	239,742	(2,828,043)
持作買賣用途證券	Trading securities	254,435	(375,564)
以公平價值誌入損益賬之金融資產	Financial assets designated at fair value through profit or loss	(1,077,618)	(941,653)
貸款及其他賬項	Advances and other accounts	(12,678,898)	1,561,428
衍生金融工具資產	Derivative financial assets	(710,963)	139,593
營運負債(減少)/增加：	(Decrease)/increase in operating liabilities:		
衍生金融工具負債	Derivative financial liabilities	(107,254)	168,692
同業存款(三個月以後到期)	Deposits and balances from banks maturing beyond three months	3,946,394	12,585,702
客戶存款	Deposits from customers	26,712,492	4,038,296
發行之存款證	Certificates of deposit issued	906,254	(3,695,392)
以公平價值誌入損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	-	(503,961)
交易賬項下之負債	Trading liabilities	77,380	-
其他賬項及預提	Other accounts and accruals	1,383,229	(55,950)
營業活動之現金流入淨額	Cash generated from operations	22,943,113	11,787,456

財務報表註釋

Notes to the Financial Statements

42 綜合現金流量表註釋 (續)

42 Notes to consolidated cash flow statement (Continued)

(b) 現金及等同現金項目之結餘分析

(b) Analysis of the balance of cash and cash equivalents

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
庫存現金及存放同業	Cash and balances with banks	22,474,911	23,137,912
短期存放同業	Money at call and short notice	22,596,175	7,350,215
同業定期存放及貸款 (原到期日在三個月內)	Placements with and loans and advances to banks with original maturity within three months	5,568,515	3,249,797
國庫券 (原到期日在三個月內)	Treasury bills with original maturity within three months	–	2,765,381
持有之存款證 (原到期日在三個月內)	Certificates of deposit held with original maturity within three months	19,532	–
同業存款 (原到期日在三個月內)	Deposits and balances from banks with original maturity within three months	(9,048,948)	(19,067,117)
		41,610,185	17,436,188

(c) 融資活動產生的負債對賬表

(c) Reconciliation of liabilities arising from financing activities

下表詳述本集團來自融資活動的負債變動，包括現金及非現金變動。融資活動產生的負債是現金流量或未來現金流量的負債，將在本集團綜合現金流量表中分類為融資活動的現金流量。

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

		發行之後 償債項 Subordinated debts issued	
		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
於一月一日	At 1 January	1,541,841	3,039,595
發行之後償債項	Subordinated debts issued	3,117,906	–
償還已發行之後償債項	Repayment of subordinated debts issued	–	(1,500,000)
攤銷發行之後償債項之折讓	Amortisation of discount on subordinated debts issued	1,373	1,363
匯率換算	Foreign exchange translation	14,182	883
於十二月三十一日	At 31 December	4,675,302	1,541,841

43 已作抵押品之資產

於二〇一七年十二月三十一日，一筆為數值美元20,000,000元(等同港幣156,257,000元)(二〇一六年：美元20,000,000元(等同港幣155,090,000元))之貨幣市場存款含於「庫存現金及短期資金」內，及另一筆為數值美元2,500,000元(等同港幣19,532,000元)(二〇一六年：美元2,500,000(等同港幣19,386,000元))之存款證含於「持至到期證券」內，已抵押予美國貨幣審計部，分別作為本行洛杉磯分行及三藩市分行之法定存款。

於二〇一七年十二月三十一日，兩筆總額合共美元124,428,000元(等同港幣972,140,000元；二〇一六年：無)之證券含於「可供出售之證券」內，已為本行之美元100,000,000元(等同港幣781,285,000元；二〇一六年：無)借貸活動作抵押，此交易乃按市場之正常商業條款進行。

44 高級人員貸款

按照香港《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規例》第3部規定所披露之貸款予董事及其關連實體總額如下：

	於十二月三十一日之結欠額		全年最高結欠額	
	Balance outstanding at 31 December		Maximum balance during the year	
	二〇一七 2017	二〇一六 2016	二〇一七 2017	二〇一六 2016
	港幣千元	港幣千元	港幣千元	港幣千元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本金及利息之結欠總額	26	3,209	3,828	6,335

45 重大有關連人士之交易

是年度內，本集團在正常商業活動下與有關連人士進行之銀行交易，包括放款、存款、保險及其他金融相關交易。該等有關連人士為可控制本集團的公司、本行之主要行政人員及其近親家庭成員，並包括受本集團及該等人士所控制或可對其行使重大影響力之公司。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。除在本財務報表其他地方所披露之交易及結餘外，本集團所參與的一切其他重大有關連人士之交易詳列於下頁。

43 Assets pledged as security

At 31 December 2017, a money market deposit of US\$20,000,000 (equivalent to HK\$156,257,000)(2016: US\$20,000,000 (equivalent to HK\$155,090,000)) included in “Cash and short-term funds” and a certificate of deposit of US\$2,500,000 (equivalent to HK\$19,532,000) (2016: US\$2,500,000 (equivalent to HK\$19,386,000)) included in “Held-to-maturity securities” have been pledged to the Office of the Comptroller of Currency of the United States of America as statutory deposits for the Bank’s branch in Los Angeles and San Francisco.

At 31 December 2017, 2 securities totaling US\$124,428,000 (equivalent to HK\$972,140,000; 2016: Nil) which are included in “Available-for-sale securities” have been pledged to secure the Bank’s borrowing activity of US\$100,000,000 (equivalent to HK\$781,285,000; 2016: Nil) and the transaction is entered into by the Bank in the normal course of its business.

44 Loans to officers

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	於十二月三十一日之結欠額		全年最高結欠額	
	Balance outstanding at 31 December		Maximum balance during the year	
	二〇一七 2017	二〇一六 2016	二〇一七 2017	二〇一六 2016
	港幣千元	港幣千元	港幣千元	港幣千元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本金及利息之結欠總額	26	3,209	3,828	6,335

45 Material related party transactions

During the year, the Group entered into certain banking transactions with related parties in the normal course of business, which include loans, deposits, insurance and other financial related transactions. These related parties are those companies which have control over the Group, key management personnel of the Bank, close members of their families and companies controlled or significantly influenced by the Group or by them. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms. In addition to the transactions and balances disclosed elsewhere in the financial statements, other material related party transactions entered into by the Group are set out on the following pages.

財務報表註釋 Notes to the Financial Statements

45 重大有關連人士之交易 (續)

45 Material related party transactions (Continued)

		控股公司 Holding company 港幣千元 HK\$'000	共同 控制實體 Jointly controlled entities 港幣千元 HK\$'000	聯營公司 Associate 港幣千元 HK\$'000	主要 行政人員 Key management personnel 港幣千元 HK\$'000	其他 有關連人士 Other related parties 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
二〇一七年	2017						
於年結日結餘總額	Aggregate amounts outstanding at the year end						
– 貸款及其他應收賬項	– Loans and other receivables	37,685	81	6,080	10,568	12	54,426
– 拆放存款	– Placement of deposits	1,486,327	–	–	–	–	1,486,327
– 客戶存款	– Deposits from customers	2,819,962	773,784	2,558	38,958	407,842	4,043,104
– 其他賬項及預提	– Other accounts and accruals	–	–	–	6	–	6
資產負債表外結餘	Off-balance sheet outstanding						
– 外匯合約 (名義金額)	– Exchange rate contracts (notional amounts)	63,811	–	–	–	–	63,811
– 其他承擔	– Other commitments	–	1,629	–	2,432	148	4,209
– 收取擔保	– Guarantee received	5,264,135	–	–	–	–	5,264,135
是年度收取有關連 人士之收入	Income for the year received from related parties						
– 利息收入	– Interest income	179,792	–	–	139	12	179,943
– 其他營業收入	– Other operating income	76	7,870	1	52	16	8,015
– 保險營業淨收入	– Net insurance operating income	–	9,424	–	–	–	9,424
		179,868	17,294	1	191	28	197,382
是年度支付予有關連 人士之費用	Expenses for the year paid to related parties						
– 利息支出	– Interest expenses	90,487	9,055	–	521	2,965	103,028
– 服務費及佣金支出	– Fees and commission expenses	9	1	–	8	49,566	49,584
– 營業支出	– Operating expenses	–	32	–	–	–	32
– 保險營業淨支出	– Net insurance operating expenses	–	3,154	1,358	–	1,060	5,572
		90,496	12,242	1,358	529	53,591	158,216

45 重大有關連人士之交易 (續)

45 Material related party transactions (Continued)

		控股公司 Holding company 港幣千元 HK\$'000	共同 控制實體 Jointly controlled entities 港幣千元 HK\$'000	聯營公司 Associate 港幣千元 HK\$'000	主要 行政人員 Key management personnel 港幣千元 HK\$'000	其他 有關連人士 Other related parties 港幣千元 HK\$'000	合計 Total 港幣千元 HK\$'000
二〇一六年	2016						
於年結日結餘總額	Aggregate amounts outstanding at the year end						
– 貸款及其他應收賬項	– Loans and other receivables	107,398	94	6,195	4,181	5,704	123,572
– 拆放存款	– Placement of deposits	8,104	–	–	–	–	8,104
– 客戶存款	– Deposits from customers	6,895,587	918,447	2,156	38,337	253,220	8,107,747
– 其他賬項及預提	– Other accounts and accruals	–	–	–	6	1	7
資產負債表外結餘	Off-balance sheet outstanding						
– 其他承擔	– Other commitments	–	1,616	–	3,462	8,385	13,463
– 收取擔保	– Guarantee received	7,243,105	–	–	–	–	7,243,105
是年度收取有關連 人士之收入	Income for the year received from related parties						
– 利息收入	– Interest income	227,742	27	–	82	32	227,883
– 其他營業收入	– Other operating income	1,349	11,346	1	22	8	12,726
– 保險營業淨收入	– Net insurance operating income	–	67,481	–	9	3	67,493
		229,091	78,854	1	113	43	308,102
是年度支付予有關連 人士之費用	Expenses for the year paid to related parties						
– 利息支出	– Interest expenses	85,937	6,542	–	336	48	92,863
– 服務費及佣金支出	– Fees and commission expenses	–	–	–	–	22,530	22,530
– 營業支出	– Operating expenses	35	1,411	–	1	1	1,448
– 保險營業淨支出	– Net insurance operating expenses	–	4,383	741	–	2,995	8,119
		85,972	12,336	741	337	25,574	124,960

財務報表註釋

Notes to the Financial Statements

45 重大有關連人士之交易 (續)

於二〇一七年十二月三十一日，本行在日常業務過程中按一般商業條款進行交易產生的應收及應付附屬公司款項總額分別為港幣81,610,000元(二〇一六年：港幣470,585,000元)及港幣1,012,410,000元(二〇一六年：港幣1,474,204,000元)。

本集團並無為上述授予有關連人士之貸款確認任何減值準備(二〇一六年：無)。

二〇一六年間，本行完成出售兩家附屬公司(永隆證券有限公司及永隆期貨有限公司)的全部權益予本行母公司之附屬公司招銀國際金融有限公司。出售代價以收購方發行及配售股份方式結付。

主要行政人員報酬

本集團內主要行政人員，包括支付予本行董事或其應收之報酬分析如下：

45 Material related party transactions (Continued)

As at 31 December 2017, the aggregate sums of amounts due from subsidiaries and amounts due to subsidiaries of the Bank arising from transactions entered into during the normal course of business at commercial terms are HK\$81,610,000 (2016: HK\$470,585,000) and HK\$1,012,410,000 (2016: HK\$1,474,204,000) respectively.

No impairment allowances have been recognised in respect of loans granted to related parties (2016: Nil).

During 2016, the Bank completed the sale of its entire interests in two subsidiaries, Wing Lung Securities Limited and Wing Lung Futures Limited, to CMB International Capital Corporation Limited, a fellow subsidiary of the Bank. The sale consideration was settled by issuance and allotment of new shares to the Bank.

Key management personnel remuneration

Remuneration for key management personnel of the Group including amounts paid to or receivable by the Bank's directors is as follows:

		二〇一七 2017 港幣千元 HK\$'000	二〇一六 2016 港幣千元 HK\$'000
薪酬、花紅及其他短期福利	Salaries, bonus and other short-term benefits	41,730	44,941
退休福利	Retirement benefits	2,700	3,052
		44,430	47,993

46 母公司及最終控股公司

本集團之母公司及最終控股公司為於中華人民共和國註冊之招商銀行股份有限公司。

46 Immediate and ultimate holding company

The directors consider that the immediate and ultimate holding company of the Group to be China Merchants Bank Co., Ltd., which is incorporated in the People's Republic of China.

補充財務資料 (未經審核) Supplementary Financial Information (Unaudited)

以下公佈之資料為綜合財務報表補充資料，此等資料並不屬於經審核綜合財務報表之一部份。

The following information is disclosed as part of the accompanying information to the consolidated financial statements and does not form part of the audited consolidated financial statements.

1 資本充足比率

1 Capital adequacy ratio

		二〇一七 2017	二〇一六 2016
資本比率	Capital ratios		
– 普通股權一級資本比率	– Common equity tier 1 capital ratio	12.2%	11.8%
– 一級資本比率	– Tier 1 capital ratio	14.4%	13.5%
– 總資本比率	– Total capital ratio	18.2%	16.1%

於二〇一七年十二月三十一日及二〇一六年十二月三十一日之資本比率乃根據香港金融管理局所發出的《銀行業(資本)規則》計算。

The capital ratios at 31 December 2017 and 31 December 2016 were compiled in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority (“HKMA”).

根據《銀行業(資本)規則》，本集團選擇採納「標準方法」計算信貸風險及市場風險之風險比重資產，以及採用「基本指標方法」計算營運風險。

In accordance with the Banking (Capital) Rules, the Group has adopted the “standardised approach” for the calculation of the risk-weighted assets for credit risk and market risk, and the “basic indicator approach” for the calculation of operational risk.

		二〇一七 2017	二〇一六 2016
資本緩衝	Capital buffers		
– 防護緩衝資本比率	– Capital conservation buffer ratio	1.25%	0.63%
– 逆周期緩衝資本比率	– Countercyclical capital buffer ratio	0.71%	0.38%

根據《銀行業(披露)規則》第24B條的相關披露將於二〇一八年三月三十一日前上載至本集團網頁(<http://www.winglungbank.com>)。

The relevant disclosures pursuant to the Banking (Disclosure) Rules Section 24B will be published before 31 March 2018 on the Bank’s website at <http://www.winglungbank.com>.

於二〇一七年十二月三十一日及二〇一六年十二月三十一日，所計算資本比率之綜合基礎乃跟隨財務報表之綜合基礎，但撇除列於下頁表格的若干附屬公司。

The basis of consolidation for calculation of the capital ratios at 31 December 2017 and 31 December 2016 follows the basis of consolidation for financial reporting but excludes certain subsidiaries as set out in the table on the following page.

補充財務資料 (未經審核) Supplementary Financial Information (Unaudited)

1 資本充足比率 (續)

附屬公司的總資產及權益總額如下：

1 Capital adequacy ratio (Continued)

The total assets and total equity of the subsidiaries are as follows:

名稱	Name	主要業務	Principal activities	二〇一七		二〇一六	
				2017	2017	2016	2016
				總資產	權益總額	總資產	權益總額
				Total assets	Total equity	Total assets	Total equity
				港幣千元	港幣千元	港幣千元	港幣千元
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
永隆保險有限公司®	Wing Lung Insurance Company Limited®	保險業務	Insurance underwriting	3,398,668	1,232,957	3,279,067	1,083,598
永隆融資有限公司®	Wing Lung Capital Limited®	財務諮詢服務	Financial consultancy services	17,286	15,696	17,061	15,498
永隆財務有限公司	Wing Lung Finance Limited	提供財務服務	Provision of financial services	31,000	30,880	30,487	30,406
永隆資產管理有限公司®	Wing Lung Asset Management Limited®	資產管理	Asset management	165,372	163,813	142,886	142,440
永隆銀行信託有限公司®	Wing Lung Bank (Trustee) Limited®	信託業務	Trustee services	17,713	15,980	12,988	11,636
永隆保險顧問有限公司	Wing Lung Insurance Brokers Limited	保險顧問	Insurance broking	43,009	76,603	490,020	444,597
永隆代理有限公司	Wing Lung Agency Limited	保險代理	Insurance agency	137,199	17,190	129,390	127,750
永隆銀行受託代管有限公司®	Wing Lung Bank (Nominees) Limited®	受託代管服務	Nominee services	10	10	10	10
永隆管業有限公司®	Wing Lung Property Management Limited®	物業管理	Property management	-	(159)	-	(145)
康令有限公司®	Hongnet Limited®	投資業務	Investment holding	3,908	3,886	3,910	3,899
Wingspan Incorporated	Wingspan Incorporated	物業持有	Property holding	30,322	11,553	30,844	11,622
Wing Lung Opportunities Fund Limited®	Wing Lung Opportunities Fund Limited®	投資業務	Investment holding	347,065	340,214	830,455	440,142
Wing Lung Opportunities Master Fund Limited®	Wing Lung Opportunities Master Fund Limited®	投資業務	Investment holding	347,724	347,018	831,260	441,932
Wing Lung Growth Fund III Segregated Portfolio®	Wing Lung Growth Fund III Segregated Portfolio®	投資業務	Investment holding	329,088	314,933	不適用/ n.a.	不適用/ n.a.
時永投資有限公司	Sea Wing Investments Limited	物業持有	Property holding	5,010	(5,202)	5,198	(4,924)

1 資本充足比率 (續)

1 Capital adequacy ratio (Continued)

名稱	Name	主要業務	Principal activities	二〇一七		二〇一六	
				2017	2016	2016	2016
				總資產	權益總額	總資產	權益總額
				Total assets	Total equity	Total assets	Total equity
				港幣千元	港幣千元	港幣千元	港幣千元
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
永隆股權投資管理 (深圳) 有限公司	Wing Lung Equity Investment Management (Shenzhen) Limited	股權投資管理	Equity investment management	19,409	19,165	18,961	18,742
安碧有限公司 ^⑥	Antopex Limited ^⑥	信託業務	Trustee services	-	-	-	-
保亞有限公司 ^⑥	Bulleria Limited ^⑥	信託業務	Trustee services	-	-	-	-
錦嶺有限公司 ^⑥	Cameland Limited ^⑥	信託業務	Trustee services	-	-	-	-
德衛有限公司 ^⑥	Deeright Limited ^⑥	信託業務	Trustee services	-	-	-	-
億聯有限公司 ^⑥	Eaglearn Limited ^⑥	信託業務	Trustee services	-	-	-	-

^⑥ 為法定報表二〇一七年十二月三十一日及二〇一六年十二月三十一日之綜合資本比率，並不包括此等公司。

^⑥ Companies excluded in the computation of the consolidated capital ratios at 31 December 2017 and 31 December 2016 for regulatory reporting purposes.

根據《銀行業(披露)規則》第24(3)(b)條，香港金融管理局指定之標準披露報表及本行發行之資本工具的主要條款及詳細條文將於二〇一八年三月三十一日前上載至本集團網頁 (<http://www.winglungbank.com>)。

In accordance with the Banking (Disclosure) Rules Section 24(3)(b), the standard disclosure templates specified by the HKMA and the main features and full terms and conditions of the Bank's capital instruments will be published before 31 March 2018 on the Bank's website at <http://www.winglungbank.com>.

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2 槓桿比率

於二〇一七年十二月三十一日及二〇一六年十二月三十一日的槓桿比率乃按照香港金融管理局頒佈之《槓桿比率框架》計算。

2 Leverage ratio

The leverage ratio as at 31 December 2017 and 31 December 2016 were compiled in accordance with the Leverage Ratio Framework issued by the HKMA.

		二〇一七 2017	二〇一六 2016
槓桿比率	Leverage ratio	9.74%	9.34%

根據《銀行業(披露)規則》第24A條的槓桿比率披露將於二〇一八年三月三十一日前上載至本集團網頁(<http://www.winglungbank.com>)。

Leverage ratio disclosures as required by section 24A of the Banking (Disclosure) Rules will be published before 31 March 2018 on the Bank's website at <http://www.winglungbank.com>.

3 流動資金狀況

3 Liquidity position

		二〇一七 2017	二〇一六 2016
流動性維持比率	Liquidity maintenance ratio	46.2%	39.8%

流動性維持比率乃根據《銀行業(流動性)規則》第10(1)(b)條以非綜合基礎及以截至二〇一六年十二月三十一日止之年度及由二〇一七年一月一日至二〇一七年九月三十日期內每個曆月之平均值計算之簡單平均數。

The liquidity maintenance ratio is calculated as the arithmetic mean of each calendar month's average value for the reporting year ended 31 December 2016 and for the period from 1 January 2017 to 30 September 2017 on an unconsolidated basis in accordance with rule 10(1)(b) of the Banking (Liquidity) Rules.

		二〇一七 2017	二〇一六 2016
平均流動性覆蓋比率 – 第四季	Average liquidity coverage ratio – Fourth quarter	150.2%	不適用 / n.a.

流動性覆蓋比率是由二〇一七年十月一日起根據《銀行業(流動性)規則》第10(1)(b)條計算。香港金融管理局指定之標準披露報表將於二〇一八年三月三十一日前上載至本集團網頁(<http://www.winglungbank.com>)

The liquidity coverage ratio is calculated on an unconsolidated basis in accordance with rule 10(1)(b) of the Banking (Liquidity) Rules with effect from 1 October 2017. The standard disclosure template specified by the HKMA will be published before 31 March 2018 on the Bank's website at <http://www.winglungbank.com>.

本集團已為管治、計量、監控流動資金風險制定目標、架構和程序。本集團之流動資金風險管理策略詳載於財務報表註釋3.3內。

Objective, framework and process are in place for governance, measurement and monitoring of the Group's liquidity risk. Details of the Group's liquidity risk management approach are set out in note 3.3 to the financial statements.

4 貨幣集中

本集團所有外幣持倉盤中，美元及人民幣貨幣持倉佔淨盤總額的10%或以上，現以港幣等值列報如下：

4 Currency concentration

The US dollar and RMB net positions constitute 10% or more of the total net position in all foreign currencies of the Group and are reported in Hong Kong dollar equivalent as follows:

		美元 US dollar		人民幣 RMB	
		二〇一七 2017	二〇一六 2016	二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
現貨資產	Spot assets	83,620,179	89,251,671	53,070,713	41,800,539
現貨負債	Spot liabilities	(62,369,602)	(58,917,174)	(54,509,739)	(46,705,120)
遠期買入	Forward purchases	31,493,978	46,169,508	21,112,117	23,248,106
遠期賣出	Forward sales	(49,759,023)	(73,474,191)	(15,584,346)	(15,134,056)
期權淨額	Net option position	(4,208)	23,785	5,138	(21,475)
長盤淨額	Net long position	2,981,324	3,053,599	4,093,883	3,187,994

期權持倉淨額是根據香港金融管理局於「外幣持倉」申報表所載之「得爾塔加權持倉」方式計算。

The net option position is calculated based on the delta-weighted position approach set out in the prudential return “Foreign Currency Position” issued by the HKMA.

本集團所有外幣結構性倉盤中，美元及人民幣貨幣結構性倉盤佔淨結構性倉盤總額的10%或以上，現以港幣等值列報如下：

The US dollar and RMB net structural positions constitute 10% or more of the total net structural position in all foreign currencies of the Group and are reported in Hong Kong dollar equivalent as follows:

		二〇一七 2017	二〇一六 2016
		港幣千元 HK\$'000	港幣千元 HK\$'000
結構性倉盤淨額	Net structural position		
美元	US dollar	690,747	690,747
人民幣	RMB	2,006,129	1,998,667
		2,696,876	2,689,414

補充財務資料 (未經審核) Supplementary Financial Information (Unaudited)

5 分類資料

5 Segmental information

(a) 按行業分類之客戶貸款總額

(a) Gross advances to customers by industry sectors

		二〇一七 2017		二〇一六 2016	
		港幣千元 HK\$'000	抵押品佔 客戶貸款 之百分比 % of gross advances covered by collateral	港幣千元 HK\$'000	抵押品佔 客戶貸款 之百分比 % of gross advances covered by collateral
在香港使用之貸款	Loans for use in Hong Kong				
工商金融	Industrial, commercial and financial				
物業發展	Property development	5,942,656	72.7	5,789,728	64.5
物業投資	Property investment	9,739,970	94.9	11,727,375	94.8
金融企業	Financial concerns	24,942,502	27.9	14,452,777	28.6
股票經紀	Stockbrokers	5,041,477	7.4	6,926,897	1.4
批發及零售業	Wholesale and retail trade	970,855	46.2	1,333,064	85.3
製造業	Manufacturing	361,210	52.2	234,812	87.8
運輸及運輸 設備	Transport and transport equipment	3,656,432	0.9	5,196,641	16.3
娛樂活動	Recreational activities	2,378	100.0	2,940	94.0
資訊科技	Information technology	299,038	20.7	585,791	98.8
其他	Others	13,448,747	37.6	16,032,690	37.3
個人	Individuals				
購買「居者有其屋計 劃」、「私人參建居 屋計劃」與「租者置 其屋計劃」或其各自 的後繼計劃樓宇之 貸款	Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	450,711	100.0	518,740	100.0
購買其他住宅 物業的貸款	Loans for the purchase of other residential properties	8,224,073	100.0	7,886,091	100.0
信用卡貸款	Credit card advances	243,942	–	275,122	–
其他	Others	12,948,858	86.5	10,176,709	78.9
貿易融資	Trade finance	615,114	56.0	1,314,680	37.4
		86,887,963	54.0	82,454,057	54.3
在香港以外使用 之貸款	Loans for use outside Hong Kong	63,950,537	27.7	55,140,957	33.4
		150,838,500	42.8	137,595,014	45.9

5 分類資料 (續)

(a) 按行業分類之客戶貸款總額 (續)

按行業分類之客戶貸款不少於客戶貸款總額10%的類別，其已減值貸款、減值準備、新增減值準備調撥至收益表及已減值貸款撇除之總額分析如下：

5 Segmental information (Continued)

(a) Gross advances to customers by industry sectors (Continued)

The gross amount of impaired loans, impairment allowances, amount of new impairment allowances charged to income statement and the amount of impaired loans written off for those industry sectors which constitute not less than 10% of gross advances to customers is analysed as follows:

		已減值 貸款 Impaired loans 港幣千元 HK\$'000	個別 減值準備 Individual impairment allowance 港幣千元 HK\$'000	綜合 減值準備 Collective impairment allowance 港幣千元 HK\$'000	新增減值 準備調撥 至收益表 New impairment allowances charged to income statement 港幣千元 HK\$'000	撇除已 減值貸款 之金額 Amount of impaired loans written off 港幣千元 HK\$'000
二〇一七年	2017					
在香港使用之貸款	Loans for use in Hong Kong					
工商金融	Industrial, commercial					
— 金融企業	and financial					
— 金融企業	– Financial concerns	–	–	42,062	12,371	–
在香港以外使用 之貸款	Loans for use outside Hong Kong	709,469	270,620	137,834	281,339	–
		709,469	270,620	179,896	293,710	–
二〇一六年	2016					
在香港使用之貸款	Loans for use in Hong Kong					
工商金融	Industrial, commercial					
— 物業投資	and financial					
— 其他	– Property investment	–	–	29,691	8,829	–
— 其他	– Others	49,963	49,789	34,951	52,208	3,269
在香港以外使用 之貸款	Loans for use outside Hong Kong	265	194	155,620	157,941	116,091
		50,228	49,983	220,262	218,978	119,360

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5 分類資料 (續)

(b) 按區域分類之客戶貸款、逾期貸款、已減值貸款及減值準備

以下按區域分類之客戶貸款、逾期貸款、已減值貸款及減值準備是根據交易對手之所在地作分析，並已適當考慮有關貸款之風險轉移。

5 Segmental information (Continued)

(b) Geographical analysis of gross advances to customers, overdue advances, impaired loans and impairment allowances

The following geographical analysis of gross advances to customers, overdue advances, impaired loans and impairment allowances is based on the location of the counterparty, after taking into account the transfer of risk in respect of such advances where appropriate.

		貸款總額 Gross advances to customers 港幣千元 HK\$'000	逾期三個月 以上的貸款 Overdue advances for over three months 港幣千元 HK\$'000	已減值貸款 Impaired loans 港幣千元 HK\$'000	個別減值準備 Individual impairment allowance		綜合 減值準備 Collective impairment allowance 港幣千元 HK\$'000
					逾期三個月 以上的貸款 Overdue advances for over three months 港幣千元 HK\$'000	已減值貸款 Impaired loans 港幣千元 HK\$'000	
二〇一七年	2017						
香港	Hong Kong	85,226,345	71,264	214,638	11,603	26,927	145,779
中華人民共和國	People's Republic of China	45,679,364	67,982	542,980	48,942	297,293	120,551
其他	Others	19,932,791	6,905	77,077	-	7,404	29,340
		150,838,500	146,151	834,695	60,545	331,624	295,670
二〇一六年	2016						
香港	Hong Kong	80,816,453	25,243	21,149	7,687	17,969	181,382
中華人民共和國	People's Republic of China	36,377,016	48,238	126,109	48,238	81,630	112,535
其他	Others	20,401,545	-	-	-	-	54,021
		137,595,014	73,481	147,258	55,925	99,599	347,938

5 分類資料 (續)

(c) 國際債權

本集團以外地交易對手最終承擔風險之所在地，及根據交易對手經風險轉移後衍生出之區域，作為國際債權之分析。若一個交易對手之申索是由另一個在不同國家的人士作出保證或申索是對於一間銀行之外地分行，而其總公司是位於一個不同的國家，風險便確認為由一個國家轉移到另一個國家。該等區域佔國際債權總額的10%或以上者，列報如下：

5 Segmental information (Continued)

(c) International claims

The Group analyses international claims by exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. The transfer of risk from one country to another is recognised if the claims against a counterparty are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country. Those areas which contribute 10% or more of the aggregate international claims are as follows:

		非銀行私營機構 Non-bank private sector				
		銀行 Banks	官方機構 Official sector	非銀行 金融機構 Non-bank financial institutions	非金融 私營機構 Non- financial private sector	合計 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二〇一七年 十二月三十一日		At 31 December 2017				
發達國家	Developed Countries	12,293,815	1,463,737	1,464,950	3,535,276	18,757,778
離岸中心	Offshore Centers	5,895,898	17,028	14,109,367	32,800,790	52,823,083
— 其中：香港	— of which: Hong Kong	5,659,162	6,852	11,681,246	18,387,102	35,734,362
發展中拉丁美洲和 加勒比地區	Developing Latin America and Caribbean	—	—	—	196,431	196,431
發展中非洲和中東地區	Developing Africa and Middle East	392,670	34	—	57,023	449,727
發展中亞太地區	Developing Asia Pacific	38,648,016	333,824	13,243,129	20,731,936	72,956,905
— 其中：中華人民共和國	— of which: People's Republic of China	36,942,720	323,132	13,243,129	20,452,132	70,961,113
		57,230,399	1,814,623	28,817,446	57,321,456	145,183,924
於二〇一六年 十二月三十一日		At 31 December 2016				
發達國家	Developed Countries	12,219,744	1,317,653	1,446,874	2,275,232	17,259,503
離岸中心	Offshore Centers	6,933,422	10,068	9,217,729	37,458,450	53,619,669
— 其中：香港	— of which: Hong Kong	6,741,737	3,172	8,133,138	23,777,311	38,655,358
發展中拉丁美洲和 加勒比地區	Developing Latin America and Caribbean	—	—	—	839	839
發展中非洲和中東地區	Developing Africa and Middle East	1,465,399	27	—	67,371	1,532,797
發展中亞太地區	Developing Asia Pacific	30,123,592	586,072	11,244,578	20,660,123	62,614,365
— 其中：中華人民共和國	— of which: People's Republic of China	27,826,245	578,697	11,244,578	20,361,553	60,011,073
		50,742,157	1,913,820	21,909,181	60,462,015	135,027,173

補充財務資料 (未經審核) Supplementary Financial Information (Unaudited)

6 逾期及經重組資產

(a) 逾期貸款

本集團之客戶逾期貸款分析如下：

6 Overdue and rescheduled assets

(a) Overdue advances

The Group's overdue advances to customers are analysed as follows:

		二〇一七 2017		二〇一六 2016	
		港幣千元 HK\$'000	估客戶 貸款總額 之百分比 % of total advances to customers	港幣千元 HK\$'000	估客戶 貸款總額 之百分比 % of total advances to customers
貸款總額，其逾期：	Gross amount of advances which have been overdue for:				
— 三個月以上至 六個月	— Six months or less, but over three months	13,946	0.01	7,709	0.01
— 六個月以上至 一年	— One year or less, but over six months	47,430	0.03	60,231	0.04
— 一年以上	— Over one year	84,775	0.06	5,541	—
		146,151	0.10	73,481	0.05
有抵押之逾期貸款	Secured overdue advances	83,650		15,094	
無抵押之逾期貸款	Unsecured overdue advances	62,501		58,387	
		146,151		73,481	
有抵押之逾期貸款 所持之抵押品 市值	Market value of collateral held against the secured overdue advances	124,349		41,409	
已撥個別減值 準備	Individual impairment allowances made	60,545		55,925	

於二〇一七年十二月三十一日，同業貸款中並無逾期三個月以上（二〇一六年：無）。

At 31 December 2017, there were no advances to banks which were overdue for over three months (2016: Nil).

就逾期貸款而持有之抵押品主要為住宅物業。

Collateral held with respect to overdue advances are mainly residential properties.

6 逾期及經重組資產 (續)**(b) 其他逾期資產**

本集團之其他逾期資產分析如下：

		二〇一七 2017 應計利息 Accrued interest 港幣千元 HK\$'000	二〇一六 2016 應計利息 Accrued interest 港幣千元 HK\$'000
其他資產總額，其逾期：	Gross amount of other assets which have been overdue for:		
– 三個月以上至六個月	– Six months or less, but over three months	105	151
– 六個月以上至一年	– One year or less, but over six months	357	3,397
– 一年以上	– Over one year	7,582	427
		8,044	3,975

(c) 經重組貸款

本集團之經重組貸款 (已減除逾期超過三個月並在上述(a)項內列明之貸款) 分析如下：

6 Overdue and rescheduled assets (Continued)**(b) Other overdue assets**

The Group's other overdue assets are analysed as follows:

(c) Rescheduled advances

The Group's rescheduled advances (net of those which have been overdue for over three months and reported in item (a) above) are as follows:

		二〇一七 2017	二〇一六 2016
		估客戶 貸款總額 之百分比 % of total advances to customers 港幣千元 HK\$'000	估客戶 貸款總額 之百分比 % of total advances to customers 港幣千元 HK\$'000
經重組客戶貸款	Rescheduled advances to customers	736,416	29,642
		0.49	0.02

於二〇一七年十二月三十一日，同業貸款中並無經重組之貸款 (二〇一六年：無)。

At 31 December 2017, there were no rescheduled advances to banks (2016: Nil).

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7 國內非銀行風險

根據《銀行業(披露)規則》，以下對非銀行交易對手的內地相關授信風險額之分析乃參照香港金融管理局的內地業務申報表所列之機構類別及直接風險之類別以分類。此報表僅計及本行及其內地分行所貸出之授信風險額。

7 Non-bank Mainland exposures

The following analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA return of Mainland activities. This analysis includes exposures extended by the Bank and its Mainland branches only.

		資產負債表 以內之風險額 On-balance sheet exposure 港幣千元 HK\$'000	資產負債表 以外之風險額 Off-balance sheet exposure 港幣千元 HK\$'000	總風險額 Total 港幣千元 HK\$'000
二〇一七年	2017			
一 中央政府、中央政府持有的機構及其子公司和合資企業	1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	37,846,723	5,562,534	43,409,257
二 地方政府、地方政府持有的機構及其子公司和合資企業	2 Local governments, local government-owned entities and their subsidiaries and JVs	9,105,932	424,781	9,530,713
三 居住中國內地的中國公民及在中國內地成立的其他機構及其子公司和合資企業	3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	43,097,904	6,603,880	49,701,784
四 其他未包括在第一項中的由中央政府參與的機構	4 Other entities of central government not reported in item 1 above	2,702,663	369,211	3,071,874
五 其他未包括在第二項中的由地方政府參與的機構	5 Other entities of local governments not reported in item 2 above	1,078,146	–	1,078,146
六 對居住中國境外的中國公民及中國內地以外成立的機構所批出之貸款，其貸款於國內使用	6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,127,496	2,787,772	6,915,268
七 其他被視為國內非銀行風險承擔	7 Other counterparties where the exposures are considered by the Bank to be non-bank Mainland China exposures	7,046,457	203,242	7,249,699
		105,005,321	15,951,420	120,956,741
減值準備後的資產總額	Total assets after provision	300,266,309		
資產負債表內之風險額佔資產總額之百分比	On-balance sheet exposures as percentage of total assets	34.97%		

7 國內非銀行風險 (續)

7 Non-bank Mainland exposures (Continued)

		資產負債表 以內之風險額 On-balance sheet exposure 港幣千元 HK\$'000	資產負債表 以外之風險額 Off-balance sheet exposure 港幣千元 HK\$'000	總風險額 Total 港幣千元 HK\$'000
重列 二〇一六年	Restated 2016			
一 中央政府、中央政府持有的 機構及其子公司和合資企 業	1 Central government, central government- owned entities and their subsidiaries and joint ventures (JVs)	30,825,692	2,072,683	32,898,375
二 地方政府、地方政府持有的 機構及其子公司和合資企 業	2 Local governments, local government- owned entities and their subsidiaries and JVs	10,414,450	946,603	11,361,053
三 居住中國內地的中國公民及 在中國內地成立的其他機 構及其子公司和合資企業	3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	31,495,314	2,972,712	34,468,026
四 其他未包括在第一項中的由 中央政府參與的機構	4 Other entities of central government not reported in item 1 above	1,804,172	449,787	2,253,959
五 其他未包括在第二項中的由 地方政府參與的機構	5 Other entities of local governments not reported in item 2 above	4,466,124	–	4,466,124
六 對居住中國境外的中國公民 及中國內地以外成立的機 構所批出之貸款，其貸款 於國內使用	6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,551,855	3,042,832	9,594,687
七 其他被視為國內非銀行風險 承擔	7 Other counterparties where the exposures are considered by the Bank to be non- bank Mainland China exposures	10,749,789	386,287	11,136,076
		96,307,396	9,870,904	106,178,300
減值準備後的資產總額	Total assets after provision	271,567,269		
資產負債表內之風險額佔 資產總額之百分比	On-balance sheet exposures as percentage of total assets	35.46%		

若干比較數字已作出修改，以符合本年
度之呈報方式。

Certain comparative amounts have been revised to conform with the
current year's presentation.

補充財務資料 (未經審核) Supplementary Financial Information (Unaudited)

8 於銀行賬目內的利率風險承擔

本集團按月評估孳息曲線上每二百點子之向上波幅所帶來對銀行收益所造成之影響。

計算對本集團收益所造成之影響是假設利率變動維持十二個月和利率重置在每個時段之中間點位置。

二〇一七年

8 Interest rate exposures in banking book

The Group monitors the interest rate risk exposures on a monthly basis by assessing the impact on earnings in banking book due to parallel movements of 200 basis points upward in all yield curves.

The impact on earnings of the Group is calculated by assuming that the changes in interest rates last for a period of 12 months and all positions are repriced at the mid-point of each time band.

2017

		貨幣 Currency					合計 Total
		港元 HKD 港幣千元 HK\$'000	美元 USD 港幣千元 HK\$'000	澳元 AUD 港幣千元 HK\$'000	人民幣 RMB 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	港幣千元 HK\$'000
利率風險 (上升200點子) - 收益增加/(減少)	Interest rate risk (200 basis points upward) - Increase/(decrease) in earnings	217,975	123,198	(3,370)	180,105	(25,523)	492,385

二〇一六年

2016

		貨幣 Currency					合計 Total
		港元 HKD 港幣千元 HK\$'000	美元 USD 港幣千元 HK\$'000	澳元 AUD 港幣千元 HK\$'000	人民幣 RMB 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	港幣千元 HK\$'000
利率風險 (上升200點子) - 收益增加/(減少)	Interest rate risk (200 basis points upward) - Increase/(decrease) in earnings	234,359	(102,187)	(10,314)	57,032	(51,373)	127,517

總分行及附屬公司 Bank Offices and Subsidiaries

總行

香港德輔道中45號
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HEAD OFFICE

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本地分行

LOCAL BRANCHES

港島

Hong Kong Island

北角 英皇道361號
中區 德輔道中189號
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跑馬地 景光街44號
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鰂魚涌 華蘭路1號A
香港仔 香港仔大道201號
莊士敦道 莊士敦道118號
堅尼地城 吉席街28號
西灣河 筲箕灣道123號
炮台山 英皇道101號

North Point 361 King's Road
Central District 189 Des Voeux Road Central
Western District 262 Queen's Road West
Happy Valley 44 King Kwong Street
Causeway Bay 262 Gloucester Road
Quarry Bay 1A Westlands Road
Aberdeen 201 Aberdeen Main Road
Johnston Road 118 Johnston Road
Kennedy Town 28 Catchick Street
Sai Wan Ho 123 Shaukeiwan Road
Fortress Hill 101 King's Road

九龍

Kowloon

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深水埗 大埔道111號
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旺角 彌敦道636號永隆銀行中心
觀塘 牛頭角道339號
尖沙咀 加拿分道4號
土瓜灣 土瓜灣道64號
慈雲山 鳳德道25號
佐敦 吳淞街123號
九龍灣 臨樂街19號
紅磡 蕪湖街28號
藍田匯景廣場 匯景廣場第三層59號舖
美孚新邨 萬事達廣場1樓N94號舖
觀塘成業街 寧晉中心東廣場1樓149號舖

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Sham Shui Po 111 Tai Po Road
San Po Kong 8 Shung Ling Street
Mongkok Wing Lung Bank Centre, 636 Nathan Road
Kwun Tong 339 Ngau Tau Kok Road
Tsim Sha Tsui 4 Carnarvon Road
To Kwa Wan 64 To Kwa Wan Road
Tsz Wan Shan 25 Fung Tak Road
Jordan 123 Woo Sung Street
Kowloon Bay 19 Lam Lok Street
Hung Hom 28 Wuhu Street
Lam Tin Sceneway Plaza Shop 59, 3/F, Sceneway Plaza
Mei Foo Sun Chuen Shop N94, 1/F, Mount Sterling Mall
Kwun Tong Shing Yip Street Shop 149, 1/F, E Plaza, Legend Tower

總分行及附屬公司 Bank Offices and Subsidiaries

本地分行

新界

荃灣	沙咀道251號
大圍	大圍道8號
元朗	安寧路37號
屯門	屯門鄉事會路42號
上水	新豐路128號
大埔	安慈路1號
沙田廣場	沙田廣場L1樓2號舖
將軍澳新都城	新都城中心一期商場238號舖

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深圳分行

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中國澳門分行

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澳門財富中心地下A座

LOCAL BRANCHES

New Territories

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Tai Wai	8 Tai Wai Road
Yuen Long	37 On Ning Road
Tuen Mun	42 Tuen Mun Heung Sze Wui Road
Sheung Shui	128 San Fung Avenue
Tai Po	1 On Chee Road
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Tseung Kwan O Metro City	Shop 238, Metro City Phase 1

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開曼群島分行

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附屬公司

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永隆融資有限公司
永隆財務有限公司
永隆資產管理有限公司
永隆銀行信託有限公司
永隆保險顧問有限公司
永隆代理有限公司
永隆銀行受託代管有限公司
永隆管業有限公司
康令有限公司

Wingspan Incorporated
Wing Lung Opportunities Fund Limited
Wing Lung Opportunities
Master Fund Limited

時永投資有限公司
安碧有限公司
保亞有限公司
錦嶺有限公司
德衛有限公司
億聯有限公司
永隆股權投資管理(深圳)有限公司

Wing Lung Growth Fund SPC Limited
– Wing Lung Growth Fund III
Segregated Portfolio

SUBSIDIARIES

Wing Lung Insurance Company Limited
Wing Lung Capital Limited
Wing Lung Finance Limited
Wing Lung Asset Management Limited
Wing Lung Bank (Trustee) Limited
Wing Lung Insurance Brokers Limited
Wing Lung Agency Limited
Wing Lung Bank (Nominees) Limited
Wing Lung Property Management Limited
Hongnet Limited
Wingspan Incorporated
Wing Lung Opportunities Fund Limited
Wing Lung Opportunities
Master Fund Limited
Sea Wing Investments Limited
Antopex Limited
Bulleria Limited
Cameland Limited
Deeright Limited
Eaglearn Limited
Wing Lung Equity Investment Management (Shenzhen)
Limited
Wing Lung Growth Fund SPC Limited
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