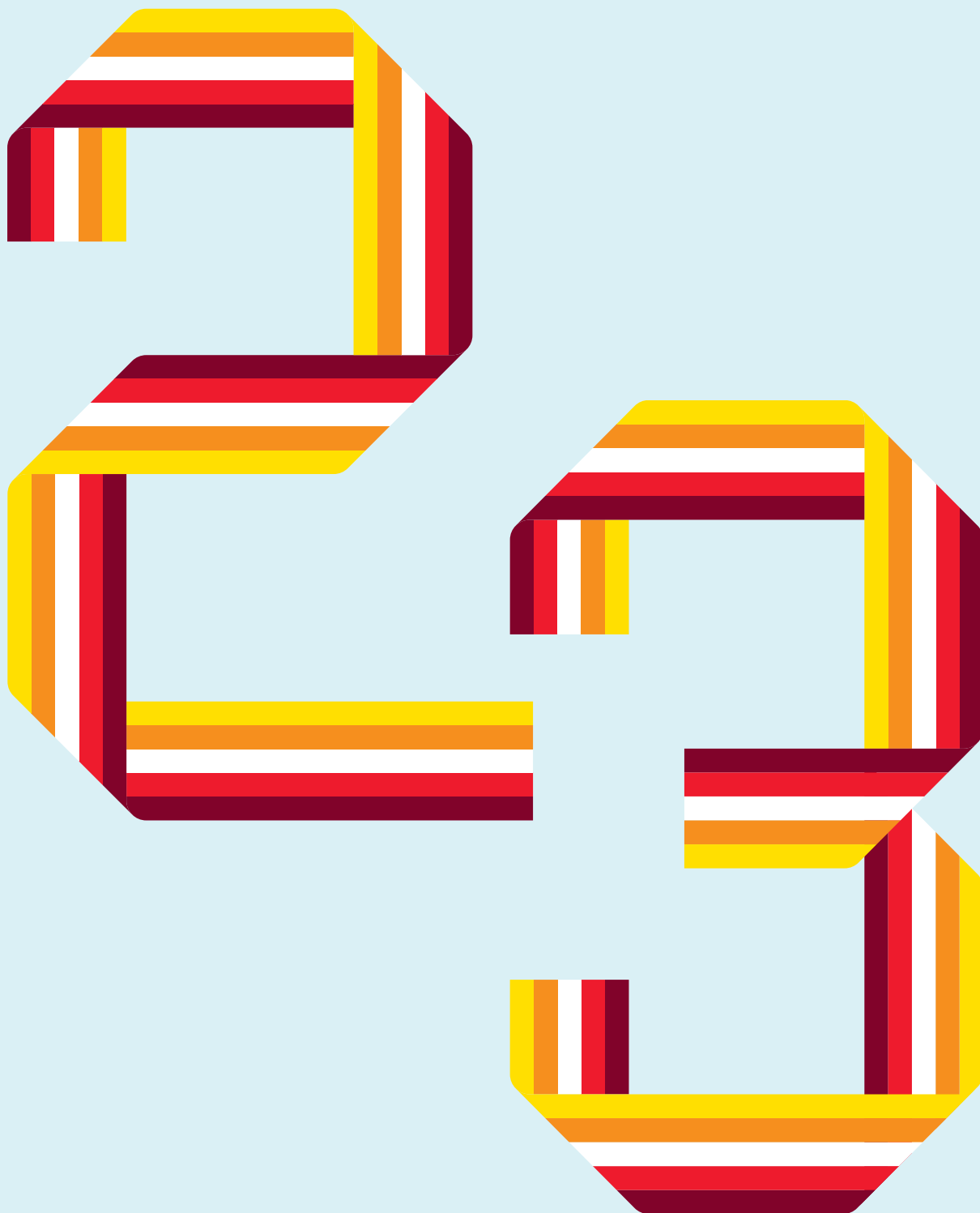




BEA 東亞銀行

(Stock Code 股份代號 : 23)



Interim Report
2023 中期報告

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FINANCIAL HIGHLIGHTS

30 June 2023	30 June 2022	31 December 2022
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For the half year ended

Profitability	HK\$ Mn	HK\$ Mn	HK\$ Mn
Operating profit before impairment losses	5,688	3,712	5,018
Profit attributable to owners of the parent	2,636	1,499	2,860
Earnings Per Share and Dividends Per Share	HK\$	HK\$	HK\$
Basic earnings	0.87	0.39	0.93
Dividends	0.36	0.16	0.65
Key Ratios	%	%	%
Return on average assets (annualised) ¹	0.5	0.2	0.6
Return on average equity (annualised) ²	4.8	2.2	5.3
Cost-to-income ratio ³	44.7	54.3	49.0

At period/year end

Balance Sheet Strength	HK\$ Mn	HK\$ Mn	HK\$ Mn
Total loans and advances to customers and trade bills	533,077	554,443	549,543
Total assets	872,069	908,211	882,825
Total customers' deposits and certificates of deposit issued	662,310	691,221	680,755
Total equity	107,319	106,325	106,346
Key Ratios	%	%	%
Loan to deposit ratio ⁴	80.3	79.8	80.6
Impaired loan ratio ⁵	2.56	1.58	2.39
Common Equity Tier 1 capital ratio ⁶	16.8	15.7	15.8
Tier 1 capital ratio ⁶	18.8	17.7	17.7
Total capital ratio ⁶	21.4	20.2	20.1

Notes:

1. Annualised profits attributable to the owners of the parent for the period after deduction of the distributions to Additional Tier 1 issue holders / Monthly average balance of the total assets for the period including last year-end balance.
2. Annualised profits attributable to the owners of the parent for the period after deduction of the distributions to Additional Tier 1 issue holders / Monthly average balance of the total equity attributable to the owners of the parent for the period including last year-end balance.
3. Operating expenses / Operating income.
4. Total gross loans and advances to customers / Total deposits from customers and certificates of deposit issued.
5. Gross impaired loans and advances to customers / Total gross loans and advances to customers.
6. It is computed on a consolidated basis in accordance with Banking (Capital) Rules.

CORPORATE INFORMATION

SPECIAL ADVISOR TO THE BOARD

Dr. Isidro FAINÉ CASAS

BOARD OF DIRECTORS

Executive Directors

Dr. the Hon. Sir David LI Kwok-po

(Executive Chairman)

Mr. Adrian David LI Man-kiu

(Co-Chief Executive)

Mr. Brian David LI Man-bun

(Co-Chief Executive)

Non-executive Directors

Professor Arthur LI Kwok-cheung

(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

Dr. Francisco Javier SERRADO TREPAT

Independent Non-executive Directors

Dr. Allan WONG Chi-yun

(Deputy Chairman)

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre LI Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

Mr. William Junior Guilherme DOO

Dr. David MONG Tak-yeung

SENIOR ADVISOR

Mr. CHAN Tze-ching

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu

Co-Chief Executive

Mr. Brian David LI Man-bun

Co-Chief Executive

Mr. Samson LI Kai-cheong

Deputy Chief Executive & Chief Investment Officer

Mr. TONG Hon-shing

Deputy Chief Executive & Chief Operating Officer

COMPANY SECRETARY

Mr. Alson LAW Chun-tak

AUDITOR

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered in accordance

with the Accounting and Financial Reporting

Council Ordinance

SHARE LISTING

The Stock Exchange of Hong Kong Limited

SHARE REGISTRAR

Tricor Standard Limited

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BNY Mellon

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REGISTERED OFFICE

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E-mail: info@hkbea.com

INTERIM RESULTS

The Board of Directors of the Bank is pleased to announce the unaudited results (Note 1(a)) of the Group for the six months ended 30th June, 2023. The interim financial report is prepared on a basis consistent with the accounting policies and methods adopted in the 2022 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 audited financial statements. Details of these changes in accounting policies are set out in Note 2. The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA. KPMG's independent review report to the Board is included on page 72.

Consolidated Income Statement

		6 months ended 30/6/2023	6 months ended 30/6/2022
	Notes	HK\$ Mn	HK\$ Mn
Interest income	3	18,856	9,658
Interest income calculated using the effective interest method		17,563	10,154
Related interest income/(expense)		1,293	(496)
Interest expense	4	(10,811)	(3,828)
Net interest income		8,045	5,830
Fee and commission income	5	1,807	1,751
Fee and commission expense		(357)	(311)
Net fee and commission income		1,450	1,440
Net trading profit	6	645	441
Net result on financial instruments at FVTPL	7	(116)	34
Net result on financial assets measured at FVOCI	8	68	(1)
Net loss on sale of financial assets measured at amortised cost		(6)	–
Net hedging profit	9	51	67
Other operating income	10	139	307
Non-interest income		2,231	2,288
Operating income		10,276	8,118
Operating expenses	11	(4,588)	(4,406)
Operating profit before impairment losses		5,688	3,712
Impairment losses on financial instruments	12	(2,492)	(2,136)
Impairment losses on premises	22	(1)	–
Impairment losses on intangible assets		(5)	–
Impairment losses		(2,498)	(2,136)
Operating profit after impairment losses		3,190	1,576
Net profit on sale of assets held for sale		3	–
Net loss on disposal of subsidiaries/associates		(13)	–
Net (loss)/profit on disposal of fixed assets	13	(7)	33
Valuation (losses)/gains on investment properties	22	(22)	3
Share of profits less losses of associates and joint ventures		172	190
Profit for the period before taxation		3,323	1,802
Income tax	14	(685)	(292)
Profit for the period		2,638	1,510

Consolidated Income Statement (Continued)

		6 months ended 30/6/2023	6 months ended 30/6/2022
	Notes	HK\$ Mn	HK\$ Mn
Attributable to:			
Owners of the parent		2,636	1,499
Non-controlling interests		2	11
Profit for the period		<u>2,638</u>	<u>1,510</u>
Profit for the Bank		<u>2,600</u>	<u>1,455</u>
Earnings per share			
Basic	1(b)	HK\$0.87	HK\$0.39
Diluted	1(b)	HK\$0.87	HK\$0.39

Consolidated Statement of Comprehensive Income

		6 months ended 30/6/2023	6 months ended 30/6/2022
	<i>Notes</i>	HK\$ Mn	HK\$ Mn
Net profit		2,638	1,510
Other comprehensive income for the period:			
Items that will not be reclassified to income statement:			
Premises:			
– deferred taxes	29	–	1
Fair value reserve (equity instruments):			
– net change in fair value		53	181
– deferred taxes	29	–	(4)
Liability credit reserve:			
– net change in fair value attributable to Group's own credit risk	24	(5)	82
– deferred taxes	24,29	2	(13)
Items that may be reclassified subsequently to income statement:			
Fair value reserve (debt instruments):			
– net change in fair value		765	(1,807)
– amount transferred to income statement on disposal		(43)	7
– deferred taxes	29	(118)	267
Share of changes in equity of associates and joint ventures		43	45
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries, associates and joint ventures		(1,434)	(1,830)
Other comprehensive income		(737)	(3,071)
Total comprehensive income		1,901	(1,561)
Total comprehensive income attributable to:			
Owners of the parent		1,899	(1,572)
Non-controlling interests		2	11
		1,901	(1,561)

Consolidated Statement of Financial Position

		30/6/2023	31/12/2022
	Notes	HK\$ Mn	HK\$ Mn
ASSETS			
Cash and balances with banks	15	43,444	54,579
Placements with and advances to banks	16	58,308	60,203
Trade bills	17	1,460	529
Trading assets	18	3,840	1,530
Derivative assets	35(b)	12,028	11,092
Loans and advances to customers	19	526,235	542,394
Investment securities	20	157,887	147,007
Investments in associates and joint ventures	21	8,782	9,061
Fixed assets	22	13,320	13,476
– Investment properties		5,144	5,166
– Other properties and equipment		7,382	7,593
– Right-of-use assets		794	717
Goodwill and intangible assets		1,858	1,870
Deferred tax assets	29	1,828	1,849
Other assets	23	43,079	39,235
Total Assets		872,069	882,825
EQUITY AND LIABILITIES			
Deposits and balances of banks		25,975	25,478
– Designated at fair value through profit or loss	24	4,031	4,545
– At amortised cost		21,944	20,933
Deposits from customers		625,722	648,093
– Demand deposits and current accounts		53,380	65,899
– Savings deposits		129,825	145,107
– Time, call and notice deposits		442,517	437,087
Trading liabilities		1	5
Derivative liabilities	35(b)	4,777	4,145
Certificates of deposit issued		36,588	32,662
– Designated at fair value through profit or loss	24	18,127	19,001
– At amortised cost		18,461	13,661
Current taxation		1,586	1,252
Debt securities issued		1,508	2,892
– Designated at fair value through profit or loss	24	825	811
– At amortised cost		683	2,081
Deferred tax liabilities	29	438	226
Other liabilities	25	52,402	49,799
Loan capital – at amortised cost	26	15,753	11,927
Total Liabilities		764,750	776,479
Share capital	1(d)	41,878	41,856
Reserves	30	55,104	54,131
Total equity attributable to owners of the parent		96,982	95,987
Additional equity instruments	31	10,090	10,090
Non-controlling interests		247	269
Total Equity		107,319	106,346
Total Equity and Liabilities		872,069	882,825

Consolidated Statement of Changes in Equity

	Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Liability credit reserve	Other reserves ¹	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1st January, 2023	41,856	13,658	2,255	895	(1,822)	150	510	15	5,105	33,365	95,987	10,090	269	106,346
Changes in equity														
Profit for the period	-	-	-	-	-	-	-	-	-	2,636	2,636	-	2	2,638
Other comprehensive income	-	-	-	-	(1,434)	-	657	(3)	43	-	(737)	-	-	(737)
Total comprehensive income	-	-	-	-	(1,434)	-	657	(3)	43	2,636	1,899	-	2	1,901
Shares issued in lieu of dividend (Note 1(d))	22	-	-	-	-	-	-	-	-	-	22	-	-	22
Equity settled share-based transaction	-	-	-	-	-	12	-	-	-	-	12	-	-	12
Transfer	-	-	-	-	-	-	-	-	81	(81)	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	(754)	(754)	-	(24)	(778)
Share buy-back ²	-	-	-	-	-	-	-	-	-	(184)	(184)	-	-	(184)
At 30th June, 2023	41,878	13,658	2,255	895	(3,256)	162	1,167	12	5,229	34,982	96,982	10,090	247	107,319
At 1st January, 2022	41,645	13,658	1,905	895	1,058	152	1,925	(46)	5,191	35,395	101,778	13,968	304	116,050
Changes in equity														
Profit for the period	-	-	-	-	-	-	-	-	-	1,499	1,499	-	11	1,510
Other comprehensive income	-	-	1	-	(1,830)	-	(1,356)	69	45	-	(3,071)	-	-	(3,071)
Total comprehensive income	-	-	1	-	(1,830)	-	(1,356)	69	45	1,499	(1,572)	-	11	(1,561)
Shares issued in lieu of dividend	146	-	-	-	-	-	-	-	-	-	146	-	-	146
Equity settled share-based transaction	-	-	-	-	-	11	-	-	-	-	11	-	-	11
Transfer	-	-	-	-	-	(24)	-	-	(7)	31	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	(1,432)	(1,432)	-	(48)	(1,480)
Share buy-back ³	-	-	-	-	-	-	-	-	-	(2,916)	(2,916)	-	-	(2,916)
Redemption of additional equity instruments	-	-	-	-	-	-	-	-	-	(47)	(47)	(3,878)	-	(3,925)
At 30th June, 2022	41,791	13,658	1,906	895	(772)	139	569	23	5,229	32,530	95,968	10,090	267	106,325

Notes: 1. Other reserves include statutory reserve and other reserves.

2. In the first half of 2023, the Bank bought back 17,840,200 issued shares on the Stock Exchange at a consideration of HK\$183 million. Together with the direct transaction cost of approximately HK\$1 million, a total amount of HK\$184 million was accounted for as deduction from retained profits.

3. On 28th March, 2022, the Bank executed a share buy-back deed with Elliott Investment Management's affiliate entities to repurchase approximately 247 million shares of the Bank. The share buy-back transaction was completed on 11th April, 2022 at a consideration of HK\$2,904 million. Together with the direct transaction cost of approximately HK\$12 million, a total amount of HK\$2,916 million was accounted for as deduction from retained profits. The shares repurchased were cancelled on 20th April, 2022.

Condensed Consolidated Cash Flow Statement

		6 months ended 30/6/2023	6 months ended 30/6/2022
	Notes	HK\$ Mn	HK\$ Mn
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS		(12,022)	9,305
Income tax paid			
Hong Kong profits tax paid		(67)	(6)
Outside Hong Kong profits tax paid		(243)	(121)
		<u>(12,332)</u>	<u>9,178</u>
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		<u>(12,332)</u>	<u>9,178</u>
INVESTING ACTIVITIES			
Dividends received from associates and joint ventures		–	7
Dividends received from equity securities measured at FVOCI		17	9
Purchase of fixed assets		(221)	(179)
Proceeds from disposal of other properties and equipment		3	103
Proceeds from sale of assets held for sale		9	–
		<u>(192)</u>	<u>(60)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(192)</u>	<u>(60)</u>
FINANCING ACTIVITIES			
Ordinary dividends paid		(457)	(925)
Distribution to Additional Tier 1 issue holders	1(c)	(299)	(409)
Payment for repurchase of shares		(184)	(2,916)
Issue of debt securities		–	390
Issue of loan capital		3,904	3,879
Capital element of lease rentals paid		(122)	(146)
Interest element of lease rentals paid		(13)	(13)
Redemption of debt securities issued		(1,408)	(2,931)
Redemption of additional equity instruments		–	(3,925)
Interest paid on debt securities issued		(40)	(126)
Interest paid on loan capital		(402)	(158)
		<u>979</u>	<u>(7,280)</u>
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		<u>979</u>	<u>(7,280)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,545)	1,838
CASH AND CASH EQUIVALENTS AT 1st JANUARY		112,149	120,646
Effect of foreign exchange rate changes		(1,738)	(2,338)
		<u>(1,738)</u>	<u>(2,338)</u>
CASH AND CASH EQUIVALENTS AT 30th JUNE	32	<u>98,866</u>	<u>120,146</u>
Cash flows from operating activities included:			
Interest received		18,710	9,736
Interest paid		9,545	3,619
Dividend received		22	20
		<u>22</u>	<u>20</u>

Notes to the Interim Financial Statements

Notes:

1. (a) This interim report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of these changes in accounting policies are set out in Note 2 below.

The financial information relating to the financial year ended 31st December, 2022 that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Bank has delivered the financial statements for the year ended 31st December, 2022 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Bank's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

- (b) (i) The calculation of basic earnings per share is based on the consolidated profit for the period attributable to owners of the parent of HK\$2,337 million (six months ended 30th June, 2022: HK\$1,090 million) after accounting for the distribution of HK\$299 million (six months ended 30th June, 2022: HK\$409 million) to Additional Tier 1 issue holders, and on the weighted average of 2,677 million ordinary shares outstanding during the six months ended 30th June, 2023 (six months ended 30th June, 2022: 2,818 million).
- (ii) The calculation of diluted earnings per share is the same as the calculation of basic earnings per share, except that the weighted average of ordinary shares is adjusted for the effects of all dilutive potential shares. For the six months ended 30th June, 2023, the weighted average of ordinary shares adjusted for the effects of all dilutive potential shares was 2,677 million (six months ended 30th June, 2022: 2,818 million).
- (c) Distribution/Dividends
- (i) Dividends payable to equity owners of the parent attributable to the interim period

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Interim dividend declared after the interim period of HK\$0.36 per share on 2,664 million shares (six months ended 30th June, 2022: HK\$0.16 per share on 2,689 million shares)	959	430

The interim dividend has not been recognised as a liability at the end of the reporting period.

Notes to the Interim Financial Statements (Continued)

1. (c) Distribution/Dividends (Continued)

- (ii) Dividends payable to equity owners of the parent attributable to the previous financial year, approved and paid during the interim period

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Second interim dividend of HK\$0.17 per share on 2,677 million shares (2022: HK\$0.35 per share on 2,923 million shares)	455	1,023

- (iii) Distribution to holders of Additional Tier 1 capital instruments

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Distribution paid on the Additional Tier 1 capital instruments	299	409

(d) Share Capital

Movement of the Bank's ordinary shares is set out below:

	At 30th June, 2023		At 31st December, 2022	
	No. of shares		No. of shares	
	Million	HK\$ Mn	Million	HK\$ Mn
Ordinary shares, issued and fully paid:				
At 1st January	2,680	41,856	2,923	41,645
Shares issued in lieu of dividend	2	22	19	211
Share repurchased and cancelled	(18)	–	(262)	–
At 30th June/31st December	2,664	41,878	2,680	41,856

Share buy-back

In the first half of 2023, 17,840,200 shares were repurchased on the Stock Exchange at an aggregate consideration (excluding expenses) of HK\$183 million and 17,838,400 shares were cancelled (including 686,200 shares repurchased in 2022), representing 0.67% and 0.67% of the ordinary shares in issue at the beginning of the period, respectively. The remaining 688,000 shares repurchased in the first half of 2023 were cancelled on 31st July, 2023.

In 2022, the Bank repurchased 246,510,173 shares of the Bank by share buy-back deed with Elliot Investment Management's affiliate entities at a consideration of HK\$2,904 million, and 15,744,800 shares on the Stock Exchange at a consideration of HK\$134 million. As at 31st December, 2022, the total number of shares repurchased and cancelled were 262,254,973 and 261,568,773 respectively, representing 8.97% and 8.95% of the ordinary shares in issue at the beginning of the year.

Notes to the Interim Financial Statements (Continued)

2. Changes in Accounting Policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Interest Income

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Loans, placements with banks, and trade bills	14,889	8,200
Investment securities		
– measured at amortised cost or FVOCI	3,851	1,385
– mandatorily measured at FVTPL	79	53
Trading assets	37	20
	<u>18,856</u>	<u>9,658</u>

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

The above included interest income of HK\$17,563 million (six months ended 30th June, 2022: HK\$10,154 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

4. Interest Expense

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Customer deposits and deposits of banks		
– at amortised cost	9,369	3,274
– designated at FVTPL	90	12
Certificates of deposit and debt securities issued		
– at amortised cost	279	238
– designated at FVTPL	541	118
Subordinated notes carried at amortised cost	436	166
Lease liabilities	14	15
Other borrowings	82	5
	<u>10,811</u>	<u>3,828</u>

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

The above included interest expense of HK\$10,104 million (six months ended 30th June, 2022: HK\$3,711 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

Notes to the Interim Financial Statements (Continued)

5. Fee and Commission Income

Fee and commission income is disaggregated by services:

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Loans, overdrafts and guarantees	518	440
Credit cards	372	331
Sale of third party insurance policies	290	251
Other retail banking services	108	101
Trust and other fiduciary activities	94	112
Investment products	90	118
Securities brokerage	83	124
Trade finance	47	50
Others	205	224
	<u>1,807</u>	<u>1,751</u>
Net fee income on financial assets and financial liabilities that are not measured at FVTPL (other than those included in determining the effective interest rate)	1,454	1,445
Fee income	1,807	1,751
Fee expenses	(353)	(306)

6. Net Trading Profit

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Profit on dealing in foreign currencies and funding swaps	233	275
Profit/(Loss) on trading securities	28	(88)
Net gain on derivatives	379	244
Loss on other dealing activities	–	(1)
Dividend income from trading equity securities	5	11
	<u>645</u>	<u>441</u>

7. Net Result on Financial Instruments at FVTPL

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Net (loss)/gain from financial instruments designated at FVTPL	(137)	289
Net gain/(loss) from financial instruments mandatorily measured at FVTPL (other than those included in net trading profits)	21	(255)
	<u>(116)</u>	<u>34</u>

Notes to the Interim Financial Statements (Continued)

8. Net Result on Financial Assets Measured at FVOCI

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Net profit/(loss) on sale of debt securities	51	(10)
Dividend income from equity securities	17	9
	<u>68</u>	<u>(1)</u>

9. Net Hedging Profit

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Fair value hedges		
– Net loss on hedged items attributable to the hedged risk	(351)	(6,462)
– Net gain on hedging instruments	402	6,529
	<u>51</u>	<u>67</u>

Notes to the Interim Financial Statements (Continued)

10. Other Operating Income

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Net insurance profit (<i>Note</i>)	–	157
Rental from safe deposit boxes	59	61
Rental income on properties	65	66
Government subsidy – Employment Support Scheme	–	4
Others	15	19
	<u>139</u>	<u>307</u>

Note:

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
(a) Net insurance profit		
Net interest income	–	14
Net trading profit	–	5
Net result on financial instruments at FVTPL	–	(12)
Net insurance premium	–	500
	<u>–</u>	<u>507</u>
Net insurance claims and expenses	–	(350)
	<u>–</u>	<u>157</u>
(b) Net insurance premium		
Gross insurance premium income	–	529
Reinsurer's share of gross insurance premium income	–	(29)
	<u>–</u>	<u>500</u>
(c) Net insurance claims and expenses		
Claims, benefits and surrenders paid	–	427
Movement in provisions	–	(124)
	<u>–</u>	<u>303</u>
Reinsurers' share of claim, benefits and surrenders paid	–	(24)
Reinsurers' share of movement in provisions	–	13
	<u>–</u>	<u>(11)</u>
Net insurance commission expenses	–	292
	<u>–</u>	<u>58</u>
	<u>–</u>	<u>350</u>

Notes to the Interim Financial Statements (Continued)

11. Operating Expenses

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Contributions to defined contribution plan		
– Hong Kong	94	81
– Outside Hong Kong	110	114
Equity settled share-based payment expenses	12	11
Salaries and other staff costs	2,479	2,546
	<hr/>	<hr/>
Total staff costs	2,695	2,752
	<hr/>	<hr/>
Premises and equipment expenses excluding depreciation		
– Expenses relating to short-term leases	4	6
– Expenses relating to low value assets	6	–
– Variable lease payments not included in the measurement of lease liabilities (<i>Note</i>)	–	(2)
– Maintenance, repairs and others	390	370
	<hr/>	<hr/>
Total premises and equipment expenses excluding depreciation	400	374
	<hr/>	<hr/>
Depreciation and amortisation	406	457
	<hr/>	<hr/>
Other operating expenses		
– Internet platform charges	265	205
– Legal and professional fees	207	165
– Communications, stationery and printing	137	133
– Advertising and business promotion expenses	116	118
– Others	362	202
	<hr/>	<hr/>
Total other operating expenses	1,087	823
	<hr/>	<hr/>
Total operating expenses	4,588	4,406
	<hr/> <hr/>	<hr/> <hr/>

Note: For the six months ended 30th June, 2022, there were a credit of HK\$2 million of COVID-19-related rental concession and a credit of HK\$1 million of rental concession for the purpose of entering into a new lease. There was no such rental concession for the six months ended 30th June, 2023.

Notes to the Interim Financial Statements (Continued)

12. Impairment Losses on Financial Instruments

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Loans and advances to customers	2,373	1,822
Debt securities	39	155
Others	80	159
	<u>2,492</u>	<u>2,136</u>

13. Net (Loss)/Profit on Disposal of Fixed Assets

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Net (loss)/profit on disposal of bank premises, furniture, fixtures and equipment	<u>(7)</u>	<u>33</u>

14. Income Tax

Taxation in the consolidated income statement represents:

	6 months ended 30/6/2023	6 months ended 30/6/2022
	HK\$ Mn	HK\$ Mn
Current tax – Hong Kong		
Tax for the period	300	208
Over-provision in respect of prior years	(26)	(47)
	<u>274</u>	<u>161</u>
Current tax – outside Hong Kong		
Tax for the period	392	151
(Over)/under-provision in respect of prior years	(17)	1
	<u>375</u>	<u>152</u>
Deferred tax		
Origination and reversal of temporary differences	36	(21)
	<u>685</u>	<u>292</u>

The provision for Hong Kong profits tax is calculated at 16.5% (six months ended 30th June, 2022: 16.5%) of the estimated assessable profits for the six months ended 30th June, 2023.

Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Notes to the Interim Financial Statements (Continued)

15. Cash and Balances with Banks

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Cash in hand	1,014	1,465
Balances with central banks	29,820	34,496
Balances with other banks	12,611	18,620
	<hr/>	<hr/>
Gross carrying amount before impairment allowances	43,445	54,581
Less: Impairment allowances	(1)	(2)
	<hr/>	<hr/>
	43,444	54,579
	<hr/> <hr/>	<hr/> <hr/>

16. Placements with and Advances to Banks

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Placements with and advances to banks		
Maturing		
– within one month	49,280	52,337
– after one month but within one year	9,030	7,867
– after one year	–	–
	<hr/>	<hr/>
Gross carrying amount before impairment allowances	58,310	60,204
Less: Impairment allowances	(2)	(1)
	<hr/>	<hr/>
	58,308	60,203
	<hr/> <hr/>	<hr/> <hr/>
Of which:		
Placements with and advances to central banks	1,058	495
	<hr/> <hr/>	<hr/> <hr/>

17. Trade Bills

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Measured at amortised cost		
Gross carrying amount before impairment allowances	546	41
Less: Impairment allowances	–	–
	<hr/>	<hr/>
	546	41
Measured at FVOCI	914	488
	<hr/>	<hr/>
	1,460	529
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Interim Financial Statements (Continued)

18. Trading Assets

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	292
Debt securities	3,476	983
Equity securities	364	255
	<u>3,840</u>	<u>1,530</u>

19. Loans and Advances to Customers

(a) Loans and advances to customers

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Gross carrying amount before impairment allowances	531,617	549,014
Less: Impairment allowances	(5,382)	(6,620)
	<u>526,235</u>	<u>542,394</u>

Notes to the Interim Financial Statements (Continued)

19. Loans and Advances to Customers (Continued)

(b) Loans and advances to customers – by industry sectors

The analysis of gross advances to customers and the percentage of secured advances by industry sector is based on the categories and definitions used by the HKMA.

	30/6/2023		31/12/2022	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	34,436	57.57	36,872	59.19
– Property investment	51,411	91.75	52,366	92.57
– Financial concerns	14,402	62.49	14,892	67.56
– Stockbrokers	1,045	71.27	708	99.54
– Wholesale and retail trade	6,043	51.67	6,560	56.18
– Manufacturing	3,896	31.98	4,485	29.00
– Transport and transport equipment	5,034	44.87	5,495	42.22
– Recreational activities	287	99.75	347	93.76
– Information technology	1,474	45.11	1,438	34.22
– Others	19,089	54.80	16,262	49.00
Sub-total	137,117	69.12	139,425	69.69
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,131	99.97	1,200	99.97
– Loans for the purchase of other residential properties	93,954	99.97	91,944	99.95
– Credit card advances	4,311	0.00	4,115	0.00
– Others	22,596	59.05	24,367	55.23
Sub-total	121,992	88.86	121,626	87.61
Total loans for use in Hong Kong	259,109	78.41	261,051	78.07
Trade finance	5,107	36.39	5,110	38.56
Loans for use outside Hong Kong (Note)	267,401	34.65	282,853	35.50
Total advances to customers	531,617	56.00	549,014	55.75

Note: Loans for use outside Hong Kong include the following loans for use in Chinese Mainland and loans for use outside Hong Kong and Chinese Mainland.

Notes to the Interim Financial Statements (Continued)

19. Loans and Advances to Customers (Continued)

(b) Loans and advances to customers – by industry sectors (continued)

	30/6/2023		31/12/2022	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in Chinese Mainland				
Industrial, commercial and financial				
– Property development	30,995	37.60	38,339	33.92
– Property investment	8,541	71.98	10,918	76.61
– Financial concerns	41,087	2.25	43,747	0.79
– Stockbrokers	647	100.00	678	100.00
– Wholesale and retail trade	9,454	10.42	9,331	13.91
– Manufacturing	14,856	6.32	13,291	7.76
– Transport and transport equipment	2,274	66.80	2,077	81.44
– Information technology	1,353	0.33	1,994	0.27
– Others	16,765	10.64	18,709	11.63
Sub-total	<u>125,972</u>	19.54	<u>139,084</u>	20.56
Individuals				
– Loans for the purchase of other residential properties	11,245	100.00	13,139	100.00
– Credit card advances	4,222	0.00	4,962	0.00
– Others	16,516	3.65	16,340	3.34
Sub-total	<u>31,983</u>	37.04	<u>34,441</u>	39.73
Total loans for use in Chinese Mainland	<u><u>157,955</u></u>	23.08	<u><u>173,525</u></u>	24.37

Notes to the Interim Financial Statements (Continued)

19. Loans and Advances to Customers (Continued)

(b) Loans and advances to customers – by industry sectors (continued)

	30/6/2023		31/12/2022	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use outside Hong Kong and Chinese Mainland				
Industrial, commercial and financial				
– Property development	9,663	53.64	11,335	56.55
– Property investment	36,370	77.75	40,054	78.58
– Financial concerns	6,271	43.75	3,379	41.54
– Wholesale and retail trade	3,810	17.15	4,184	18.43
– Manufacturing	13,920	4.02	13,440	3.69
– Transport and transport equipment	2,658	48.89	3,069	44.94
– Recreational activities	668	95.96	517	94.78
– Information technology	4,619	12.68	4,063	8.12
– Others	27,909	45.50	25,444	45.35
Sub-total	<u>105,888</u>	49.72	<u>105,485</u>	51.47
Individuals				
– Loans for the purchase of other residential properties	3,487	99.81	3,767	100.00
– Credit card advances	2	0.00	2	0.00
– Others	69	99.04	74	87.24
Sub-total	<u>3,558</u>	99.75	<u>3,843</u>	99.70
Total loans for use outside Hong Kong and Chinese Mainland	<u>109,446</u>	51.34	<u>109,328</u>	53.16
Total loans for use outside Hong Kong	<u>267,401</u>	34.65	<u>282,853</u>	35.50

Notes to the Interim Financial Statements (Continued)

19. Loans and Advances to Customers (Continued)

(b) Loans and advances to customers – by industry sectors (continued)

Individually impaired loans, as well as relevant information, in respect of industry sectors which constitute 10% or more of total advances to customers are as follows:

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
(i) Property development		
a. Individually impaired loans	6,494	8,114
b. Specific provisions	1,653	2,643
c. Collective provisions	300	502
d. New provision charged to income statement	842	2,949
e. Written off	2,733	659
(ii) Property investment		
a. Individually impaired loans	5,214	3,325
b. Specific provisions	1,193	956
c. Collective provisions	103	286
d. New provision charged to income statement	734	589
e. Written off	–	605
(iii) Loans for purchase of residential properties		
a. Individually impaired loans	299	318
b. Specific provisions	9	13
c. Collective provisions	22	40
d. New provision charged to income statement	7	34
e. Written off	–	3
(iv) Financial concerns		
a. Individually impaired loans	240	43
b. Specific provisions	32	27
c. Collective provisions	44	118
d. New provision charged to income statement	26	107
e. Written off	–	–

The specific provisions represent lifetime expected credit loss provisions for credit impaired (Stage 3) exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired (Stage 1 and Stage 2) exposures.

Notes to the Interim Financial Statements (Continued)

20. Investment Securities

	30/6/2023					
	Treasury bills (including Exchange Fund Bills)	Certificates of deposit held	Debt securities	Equity securities	Investment funds	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Investment securities measured at amortised cost						
Gross carrying amount before impairment allowances	2,463	2,022	9,478	–	–	13,963
Less: Impairment allowances	–	–	(556)	–	–	(556)
	2,463	2,022	8,922	–	–	13,407
Investment securities measured at FVOCI	23,375	–	116,795	892	–	141,062
Investment securities mandatorily measured at FVTPL	–	–	2,586	–	832	3,418
	<u>25,838</u>	<u>2,022</u>	<u>128,303</u>	<u>892</u>	<u>832</u>	<u>157,887</u>
	31/12/2022					
	Treasury bills (including Exchange Fund Bills)	Certificates of deposit held	Debt securities	Equity securities	Investment funds	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Investment securities measured at amortised cost						
Gross carrying amount before impairment allowances	2,428	809	11,630	–	–	14,867
Less: Impairment allowances	–	–	(405)	–	–	(405)
	2,428	809	11,225	–	–	14,462
Investment securities measured at FVOCI	22,390	–	105,167	839	–	128,396
Investment securities mandatorily measured at FVTPL	–	–	3,270	37	842	4,149
	<u>24,818</u>	<u>809</u>	<u>119,662</u>	<u>876</u>	<u>842</u>	<u>147,007</u>

Notes to the Interim Financial Statements (Continued)

20. Investment Securities (Continued)

Equity securities designated at FVOCI

	30/6/2023		31/12/2022	
	Fair value	Dividend income recognised	Fair value	Dividend income recognised
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Equity investments held for long-term strategic purposes	892	17	839	16

21. Investments in Associates and Joint Ventures

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Share of net assets	9,146	9,408
Goodwill	435	452
	9,581	9,860
Less: Impairment allowances	(799)	(799)
	8,782	9,061

At 30th June, 2023, the fair value of the Group's investment in AFFIN Bank Berhad ("AFFIN") based on the quoted market price had been persistently below the carrying amount for a period of time. As a result, the Group performed an impairment test on the investment using a value-in-use ("VIU") methodology and this demonstrated that the recoverable amount of the investment was HK\$3,602 million. The recoverable amount was higher than the carrying value of HK\$3,508 million and no further impairment charge was recognised (2022: no impairment charge). The VIU calculation uses discounted cash flow projections based on AFFIN's latest forecast of financial results and estimates made by the Group's management for the next five years and extrapolating in perpetuity using a long-term growth rate of 3% to derive a terminal value. Discount rate of 12.23% (31/12/2022: 11.95%), which is based on a Capital Asset Pricing Model calculation for AFFIN, is used in the VIU calculation.

The following table illustrates the impact on VIU of reasonably possible changes to key assumptions. This reflects the sensitivity of the VIU to each key assumption on its own and it is possible that more than one favourable and/or unfavourable change may occur at the same time.

	Favourable change		Unfavourable change			
	Increase in VIU		Decrease in VIU			
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn		
At 30th June, 2023						
Discount rate	-50 bps	240	3,842	+50 bps	(215)	3,387
Long-term growth rate	+50 bps	28	3,630	-50 bps	(26)	3,576
Expected cash flows	+10%	360	3,962	-10%	(360)	3,242

Notes to the Interim Financial Statements (Continued)

22. Fixed Assets

	30/6/2023							
	Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Cost or valuation								
At 1st January, 2023	5,166	8,064	6,478	14,542	1,304	25	1,329	21,037
Additions	–	2	219	221	210	–	210	431
Revaluation deficit	(22)	–	–	–	–	–	–	(22)
Disposals	–	–	(106)	(106)	–	–	–	(106)
Expiry/termination of lease contracts	–	–	–	–	(62)	–	(62)	(62)
Transfer to asset classified as assets held for sale	–	(21)	–	(21)	–	–	–	(21)
Exchange adjustments	–	(170)	(84)	(254)	(13)	–	(13)	(267)
At 30th June, 2023	5,144	7,875	6,507	14,382	1,439	25	1,464	20,990
Accumulated depreciation and impairment								
At 1st January, 2023	–	2,289	4,660	6,949	598	14	612	7,561
Depreciation for the period	–	68	202	270	126	3	129	399
Impairment for the period	–	1	–	1	–	–	–	1
Expiry/termination of lease contracts	–	–	–	–	(62)	–	(62)	(62)
Written off on disposal	–	–	(96)	(96)	–	–	–	(96)
Transfer to asset classified as assets held for sale	–	(8)	–	(8)	–	–	–	(8)
Exchange adjustments	–	(62)	(54)	(116)	(9)	–	(9)	(125)
At 30th June, 2023	–	2,288	4,712	7,000	653	17	670	7,670
Net book value at 30th June, 2023	5,144	5,587	1,795	7,382	786	8	794	13,320
The gross amounts of the above assets are stated:								
At cost	–	7,127	6,507	13,634	1,439	25	1,464	15,098
At Directors' valuation – 1989	–	748	–	748	–	–	–	748
At professional valuation – 2023	5,144	–	–	–	–	–	–	5,144
	5,144	7,875	6,507	14,382	1,439	25	1,464	20,990

Notes to the Interim Financial Statements (Continued)

22. Fixed Assets (Continued)

	31/12/2022							
	Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Right-of-use assets – Bank premises	Right-of-use assets – Furniture, fixtures and equipment	Sub-total	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Cost or valuation								
At 1st January, 2022	4,992	8,529	6,448	14,977	1,507	23	1,530	21,499
Additions	–	82	473	555	238	4	242	797
Revaluation deficit	(179)	–	–	–	–	–	–	(179)
Disposals	–	(209)	(270)	(479)	–	–	–	(479)
Remeasurement	–	–	–	–	(15)	–	(15)	(15)
Revaluation surplus on bank premises upon transfer to investment properties	–	354	–	354	–	–	–	354
Transfer from bank premises to investment properties	493	(493)	–	(493)	–	–	–	–
Transfer from investment properties to bank premises	(139)	139	–	139	–	–	–	–
Expiry/termination of lease contracts	–	–	–	–	(367)	(2)	(369)	(369)
Less: Elimination of accumulated depreciation on revalued bank premises	–	(35)	–	(35)	–	–	–	(35)
Exchange adjustments	(1)	(303)	(173)	(476)	(59)	–	(59)	(536)
At 31st December, 2022	5,166	8,064	6,478	14,542	1,304	25	1,329	21,037
Accumulated depreciation and impairment								
At 1st January, 2022	–	2,378	4,584	6,962	682	11	693	7,655
Depreciation for the year	–	139	428	567	290	5	295	862
Expiry/termination of lease contracts	–	–	–	–	(350)	(2)	(352)	(352)
Elimination of accumulated depreciation on revalued bank premises	–	(35)	–	(35)	–	–	–	(35)
Written off on disposal	–	(83)	(239)	(322)	–	–	–	(322)
Exchange adjustments	–	(110)	(113)	(223)	(24)	–	(24)	(247)
At 31st December, 2022	–	2,289	4,660	6,949	598	14	612	7,561
Net book value at 31st December, 2022	5,166	5,775	1,818	7,593	706	11	717	13,476
The gross amounts of the above assets are stated:								
At cost	–	7,316	6,478	13,794	1,304	25	1,329	15,123
At Directors' valuation								
– 1989	–	748	–	748	–	–	–	748
At professional valuation								
– 2022	5,166	–	–	–	–	–	–	5,166
	5,166	8,064	6,478	14,542	1,304	25	1,329	21,037

Notes to the Interim Financial Statements (Continued)

23. Other Assets

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Accrued interest	3,683	3,537
Customer liabilities under acceptances	29,259	27,796
Other accounts	10,405	8,094
	<u>43,347</u>	<u>39,427</u>
Less: Impairment allowances	(297)	(219)
	<u>43,050</u>	<u>39,208</u>
Assets held for sale	29	27
	<u>43,079</u>	<u>39,235</u>

24. Financial Liabilities Designated at Fair Value through Profit or Loss

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Deposits and balances of banks	4,031	4,545
Certificates of deposit issued	18,127	19,001
Debt securities issued	825	811
	<u>22,983</u>	<u>24,357</u>

Financial liabilities above have been designated as at FVTPL when the Group holds related derivatives at FVTPL, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The amount of change, during the period and cumulatively, in the fair value of financial liabilities designated at FVTPL that is attributable to changes in the credit risk of these liabilities and recognised in other comprehensive income is set out below.

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Balance at 1st January	15	(46)
Recognised in other comprehensive income during the period	(5)	73
Deferred tax	2	(12)
	<u>12</u>	<u>15</u>

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during first half of 2023 (31/12/2022: Nil).

The change in fair value attributable to changes in credit risk on financial liabilities is calculated using the difference between the fair value of the financial liabilities at the reporting date and the present value computed with adjusted asset swap spread.

The carrying amount of financial liabilities designated as at FVTPL at 30th June, 2023 was HK\$294 million lower than the contractual amount due at maturity (31/12/2022: HK\$428 million lower).

Notes to the Interim Financial Statements (Continued)

25. Other Liabilities

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Accrued interest payable	5,421	4,155
Acceptance draft payable	29,259	27,796
Impairment allowances on financial guarantee contracts issued and loan commitments issued	379	318
Lease liabilities	855	774
Other accounts (<i>Note</i>)	16,488	16,756
	<u>52,402</u>	<u>49,799</u>

Note: Include contract liabilities of HK\$2,321 million (31/12/2022: HK\$2,476 million) from contracts with customers under HKFRS 15.

26. Loan Capital

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Subordinated notes/Loss absorbing notes, at amortised cost with fair value hedge adjustments		
USD500 million fixed rate subordinated notes due 22nd April, 2032	(1) 3,675	3,691
USD250 million fixed rate loss absorbing notes due 7th July, 2028	(2) 1,864	1,876
USD500 million fixed rate loss absorbing notes due 15th March, 2027	(3) 3,910	–
Subordinated notes, at amortised cost without hedging		
RMB1,500 million fixed rate subordinated notes due 25th April, 2029	(4) 1,617	1,695
USD600 million fixed rate subordinated notes due 29th May, 2030	(5) 4,687	4,665
	<u>15,753</u>	<u>11,927</u>

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the period/year ended 30th June, 2023 and 31st December, 2022.

- (1) Loan capital with face value of US\$500 million (equivalent to HK\$3,917 million) and carrying amount of HK\$3,675 million (31/12/2022: HK\$3,691 million) represents subordinated notes carrying a coupon rate of 4.875% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 22nd April, 2022 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 22nd April, 2032 and are callable on 22nd April, 2027. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$0.4 million loss was recorded in first half of 2023.
- (2) Loan capital with face value of US\$250 million (equivalent to HK\$1,958 million) and carrying amount of HK\$1,864 million (31/12/2022: HK\$1,876 million) represents non-preferred loss-absorbing capacity notes carrying a coupon rate of 5.125% p.a. and meeting the loss-absorbing capacity requirements issued on 7th July, 2022 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 7th July, 2028 and are callable on 7th July, 2027. The notes are under fair value hedge accounting and insignificant hedge ineffectiveness was recorded in first half of 2023.

Notes to the Interim Financial Statements (Continued)

26. Loan Capital (Continued)

- (3) Loan capital with face value of US\$500 million (equivalent to HK\$3,917 million) and carrying amount of HK\$3,910 million represents non-preferred loss-absorbing capacity notes carrying a coupon rate of 6.75% p.a. and meeting the loss-absorbing capacity requirements issued on 15th March, 2023 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 15th March, 2027 and are callable on 15th March, 2026. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$5.9 million loss was recorded in first half of 2023.
- (4) Loan capital with face value of RMB1,500 million (equivalent to HK\$1,618 million) and carrying amount of HK\$1,617 million (31/12/2022: HK\$1,695 million) represents subordinated notes carrying a coupon of 4.94% p.a. issued on 25th April, 2019 by the Bank's subsidiary, The Bank of East Asia (China) Limited. The notes will mature on 25th April, 2029 and are callable on 25th April, 2024.
- (5) Loan capital with face value of US\$600 million (equivalent to HK\$4,700 million) and carrying amount of HK\$4,687 million (31/12/2022: HK\$4,665 million) represents subordinated notes carrying a coupon of 4% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 29th May, 2020 by the Bank. The notes are listed on the Hong Kong Stock Exchange, will mature on 29th May, 2030 and are callable on 29th May, 2025.

27. Segment Reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's Senior Management for the purposes of resource allocation and performance assessment, the Group has presented the following eight reportable segments.

Hong Kong operations, divided into the following five reportable segments.

- **Personal banking** includes branch operations, personal internet banking, consumer finance, property loans, MPF business, and credit card business based in Hong Kong.
- **Wholesale banking** includes corporate lending and loan syndication, asset based lending, commercial lending, securities lending and trade financing activities with correspondent banks and corporates based in Hong Kong.
- **Treasury markets** include treasury operations and securities dealing in Hong Kong.
- **Wealth management** includes private banking business, investment products & advisory and securities & futures broking based in Hong Kong.
- **Others** mainly include trust business carried out by subsidiaries operating in Hong Kong and other supporting units of Hong Kong operations.

Chinese Mainland operations mainly include the back office unit for Chinese Mainland operations in Hong Kong, all subsidiaries and associates operating in Chinese Mainland, except those subsidiaries carrying out data processing and other back office operations for Hong Kong operations in Chinese Mainland.

Overseas operations mainly include the back office unit for Overseas operations in Hong Kong, Macau Branch, Taiwan Branch and all branches, subsidiaries and associates operating overseas.

Corporate management absorbs the regulatory capital cost of loan capital issued by the Bank and receives, from Hong Kong operations, the interest income on business activities funded by capital instruments issued by the Bank.

Notes to the Interim Financial Statements (Continued)

27. Segment Reporting (Continued)

For the purposes of assessing segment performance and allocating resources among segments, the Group's Senior Management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of interests in associates and joint ventures and assets held for sale. Segment liabilities include deposits, financial liabilities and other liabilities attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to interest and fee and commission income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

	Hong Kong operations					Total	Chinese Mainland operations	Overseas operations	Corporate management	Inter-segment elimination	Total
	Personal banking	Wholesale banking	Treasury markets	Wealth management	Others						
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
6 months ended 30th June, 2023											
Net interest income/(expense)	2,652	1,420	456	194	(108)	4,614	2,061	1,303	67	-	8,045
Non-interest income	648	379	49	305	173	1,554	587	103	-	(13)	2,231
Operating income	3,300	1,799	505	499	65	6,168	2,648	1,406	67	(13)	10,276
Operating expenses	(862)	(218)	(102)	(183)	(1,171)	(2,536)	(1,672)	(393)	-	13	(4,588)
Operating profit/(loss) before impairment losses	2,438	1,581	403	316	(1,106)	3,632	976	1,013	67	-	5,688
(Charge for)/Write back of impairment losses on financial instruments	(52)	(1,629)	142	(46)	(4)	(1,589)	(833)	(70)	-	-	(2,492)
Other impairment losses	-	-	-	-	-	-	(6)	-	-	-	(6)
Operating profit/(loss) after impairment losses	2,386	(48)	545	270	(1,110)	2,043	137	943	67	-	3,190
Net profit/(loss) on disposal of asset held for sales	-	-	-	-	4	4	(1)	-	-	-	3
Net loss on disposal of subsidiaries/associates	-	-	-	-	-	-	-	(13)	-	-	(13)
Net loss on disposal of fixed assets	(3)	-	-	-	-	(3)	(4)	-	-	-	(7)
Valuation losses on investment properties	-	-	-	-	(21)	(21)	-	(1)	-	-	(22)
Share of profits less losses of associates and joint ventures	-	-	-	-	(4)	(4)	45	131	-	-	172
Profit/(Loss) before taxation	2,383	(48)	545	270	(1,131)	2,019	177	1,060	67	-	3,323
Depreciation for the period	(105)	(8)	(6)	(4)	(103)	(226)	(144)	(29)	-	-	(399)
At 30th June, 2023											
Segment assets	121,932	159,215	233,721	20,135	13,352	548,355	231,804	126,644	-	(43,545)	863,258
Investments in associates and joint ventures	-	-	-	-	52	52	3,762	4,968	-	-	8,782
Other assets – Assets held for sale	-	-	-	-	15	15	14	-	-	-	29
Total assets	121,932	159,215	233,721	20,135	13,419	548,422	235,580	131,612	-	(43,545)	872,069
Total liabilities	361,208	35,618	51,898	33,613	2,593	484,930	207,562	115,339	-	(43,081)	764,750

Notes to the Interim Financial Statements (Continued)

27. Segment Reporting (Continued)

	Hong Kong operations (Restated) ^{Note}					Total	Chinese Mainland operations	Overseas operations	Corporate management	Inter-segment elimination	Total
	Personal banking	Wholesale banking	Treasury markets	Wealth management	Others						
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn						
6 months ended 30th June, 2022											
Net interest income/(expense)	1,221	1,393	(22)	156	(8)	2,740	1,948	993	149	-	5,830
Non-interest income	676	327	31	331	380	1,745	498	59	-	(14)	2,288
Operating income	1,897	1,720	9	487	372	4,485	2,446	1,052	149	(14)	8,118
Operating expenses	(819)	(225)	(98)	(164)	(1,231)	(2,537)	(1,512)	(371)	-	14	(4,406)
Operating profit/(loss) before impairment losses	1,078	1,495	(89)	323	(859)	1,948	934	681	149	-	3,712
(Charge for)/Write back of impairment losses on financial instruments	(45)	(1,116)	(46)	-	-	(1,207)	(990)	61	-	-	(2,136)
Operating profit/(loss) after impairment losses	1,033	379	(135)	323	(859)	741	(56)	742	149	-	1,576
Net (loss)/profit on disposal of fixed assets	(11)	-	-	-	-	(11)	44	-	-	-	33
Valuation gains on investment properties	-	-	-	-	3	3	-	-	-	-	3
Share of profits less losses of associates and joint ventures	-	-	-	-	(5)	(5)	(3)	198	-	-	190
Profit/(Loss) before taxation	1,022	379	(135)	323	(861)	728	(15)	940	149	-	1,802
Depreciation for the period	(131)	(6)	(6)	(3)	(126)	(272)	(149)	(29)	-	-	(450)
At 31st December, 2022											
Segment assets	120,130	163,395	231,299	22,679	11,560	549,063	245,349	126,730	-	(47,405)	873,737
Investments in associates and joint ventures	-	-	-	-	56	56	3,893	5,112	-	-	9,061
Other assets – Assets held for sale	-	-	-	-	15	15	12	-	-	-	27
Total assets	120,130	163,395	231,299	22,679	11,631	549,134	249,254	131,842	-	(47,405)	882,825
Total liabilities	343,092	54,165	51,773	35,141	2,940	487,111	220,008	116,307	-	(46,947)	776,479

Note: The financials of Hong Kong operations have been restated to conform to the current period's presentation that reflected the organisational restructure during the first half of 2023. The restructure includes regrouping MPF business from "Others" segment to "Personal banking" segment, and combining previous "Centralised operations" segment and "Others" segment into one single "Others" segment under Hong Kong operations.

Notes to the Interim Financial Statements (Continued)

28. Analysis of Assets and Liabilities by Remaining Maturity

	30/6/2023							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Assets								
Cash and balances with banks	33,974	–	–	158	–	–	9,312	43,444
Placements with and advances to banks	–	49,278	8,913	117	–	–	–	58,308
Trade bills	3	871	243	343	–	–	–	1,460
Trading assets	–	–	–	2,241	1,235	–	364	3,840
Derivative assets	–	–	–	–	–	–	12,028	12,028
Loans and advances to customers	3,603	58,797	49,186	102,311	188,653	115,537	8,148	526,235
Investment securities	–	4,923	12,806	27,821	61,561	49,052	1,724	157,887
Investments in associates and joint ventures	–	–	–	–	–	–	8,782	8,782
Fixed assets	–	–	–	–	–	–	13,320	13,320
Goodwill and intangible assets	–	–	–	–	–	–	1,858	1,858
Deferred tax assets	–	–	–	–	–	–	1,828	1,828
Other assets	35	9,144	10,150	14,449	732	533	8,036	43,079
Total assets	37,615	123,013	81,298	147,440	252,181	165,122	65,400	872,069
Liabilities								
Deposits and balances of banks	1,562	11,061	7,480	5,872	–	–	–	25,975
Deposits from customers	184,357	103,578	189,924	131,726	16,137	–	–	625,722
– Demand deposits and current accounts	53,380	–	–	–	–	–	–	53,380
– Savings deposits	129,825	–	–	–	–	–	–	129,825
– Time, call and notice deposits	1,152	103,578	189,924	131,726	16,137	–	–	442,517
Trading liabilities	–	–	–	–	–	–	1	1
Derivative liabilities	–	–	–	–	–	–	4,777	4,777
Certificates of deposit issued	–	4,988	13,134	9,852	8,614	–	–	36,588
Current taxation	–	–	–	1,586	–	–	–	1,586
Debt securities issued	–	–	–	981	527	–	–	1,508
Deferred tax liabilities	–	–	–	–	–	–	438	438
Other liabilities	932	8,085	11,420	16,173	1,280	1,405	13,107	52,402
– Lease liabilities	1	20	40	166	384	244	–	855
– Other accounts	931	8,065	11,380	16,007	896	1,161	13,107	51,547
Loan capital	–	–	–	1,617	14,136	–	–	15,753
Total liabilities	186,851	127,712	221,958	167,807	40,694	1,405	18,323	764,750
Net gap	(149,236)	(4,699)	(140,660)	(20,367)	211,487	163,717		

Notes to the Interim Financial Statements (Continued)

28. Analysis of Assets and Liabilities by Remaining Maturity (Continued)

	31/12/2022							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Assets								
Cash and balances with banks	44,156	–	–	96	–	–	10,327	54,579
Placements with and advances to banks	–	52,337	7,866	–	–	–	–	60,203
Trade bills	1	147	148	233	–	–	–	529
Trading assets	–	1,176	99	–	–	–	255	1,530
Derivative assets	–	–	–	–	–	–	11,092	11,092
Loans and advances to customers	2,594	53,685	38,832	116,096	202,555	121,575	7,057	542,394
Investment securities	–	10,446	10,510	19,043	64,709	40,618	1,681	147,007
Investments in associates and joint ventures	–	–	–	–	–	–	9,061	9,061
Fixed assets	–	–	–	–	–	–	13,476	13,476
Goodwill and intangible assets	–	–	–	–	–	–	1,870	1,870
Deferred tax assets	–	–	–	–	–	–	1,849	1,849
Other assets	27	4,845	7,463	18,286	505	437	7,672	39,235
Total assets	46,778	122,636	64,918	153,754	267,769	162,630	64,340	882,825
Liabilities								
Deposits and balances of banks	2,263	8,074	9,255	5,886	–	–	–	25,478
Deposits from customers	212,727	106,604	160,879	151,421	16,462	–	–	648,093
– Demand deposits and current accounts	65,899	–	–	–	–	–	–	65,899
– Savings deposits	145,107	–	–	–	–	–	–	145,107
– Time, call and notice deposits	1,721	106,604	160,879	151,421	16,462	–	–	437,087
Trading liabilities	–	–	–	–	–	–	5	5
Derivative liabilities	–	–	–	–	–	–	4,145	4,145
Certificates of deposit issued	–	3,559	12,971	12,244	3,888	–	–	32,662
Current taxation	–	–	–	1,252	–	–	–	1,252
Debt securities issued	–	–	1,404	672	816	–	–	2,892
Deferred tax liabilities	–	–	–	–	–	–	226	226
Other liabilities	779	5,027	8,261	19,697	1,124	1,541	13,370	49,799
– Lease liabilities	1	24	40	155	347	207	–	774
– Other accounts	778	5,003	8,221	19,542	777	1,334	13,370	49,025
Loan capital	–	–	–	–	11,927	–	–	11,927
Total liabilities	215,769	123,264	192,770	191,172	34,217	1,541	17,746	776,479
Net gap	(168,991)	(628)	(127,852)	(37,418)	233,552	161,089		

Notes to the Interim Financial Statements (Continued)

29. Deferred Tax Assets and Liabilities Recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the period are as follows:

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 31st December, 2022/ 1st January, 2023	(354)	(113)	1,904	15	16	155	1,623
(Charged)/Credited to income statement	(18)	-	31	-	(16)	(33)	(36)
(Charged)/Credited to reserves	-	-	-	(118)	-	2	(116)
Exchange and other adjustments	-	-	(77)	2	-	(6)	(81)
At 30th June, 2023	<u>(372)</u>	<u>(113)</u>	<u>1,858</u>	<u>(101)</u>	<u>-</u>	<u>118</u>	<u>1,390</u>

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Net deferred tax assets recognised on the statement of financial position	1,828	1,849
Net deferred tax liabilities recognised on the statement of financial position	<u>(438)</u>	<u>(226)</u>
	<u>1,390</u>	<u>1,623</u>

30. Reserves

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
General reserve	13,658	13,658
Revaluation reserve on bank premises	2,255	2,255
Capital reserve	895	895
Exchange revaluation reserve	(3,256)	(1,822)
Capital reserve – staff share options issued	162	150
Fair value reserve	1,167	510
Liability credit reserve	12	15
Other reserves	5,229	5,105
Retained profits (<i>Note</i>)	<u>34,982</u>	<u>33,365</u>
	<u>55,104</u>	<u>54,131</u>
Proposed dividends, not provided for	<u>959</u>	<u>456</u>

Notes to the Interim Financial Statements (Continued)

30. Reserves (Continued)

Note: A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 30th June, 2023, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$2,071 million (31/12/2022: HK\$1,742 million).

31. Additional Equity Instruments

		30/6/2023	31/12/2022
		HK\$ Mn	HK\$ Mn
Additional Tier 1 Capital Securities			
USD650 million undated non-cumulative subordinated capital securities	(1)	5,069	5,069
USD650 million undated non-cumulative subordinated capital securities	(2)	5,021	5,021
		<u>10,090</u>	<u>10,090</u>

- (1) On 19th September, 2019, the Bank issued Additional Tier 1 capital securities with a face value of US\$650 million (equivalent to HK\$5,069 million net of related issuance costs). The Additional Tier 1 capital securities are undated non-cumulative subordinated capital securities and bear a 5.875% per annum coupon until the first call date on 19th September, 2024. The coupon will be reset every five years, if the Additional Tier 1 capital securities are not redeemed, to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 4.257% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 capital securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up, and meet the loss-absorbing capacity requirement.
- (2) On 21st October, 2020, the Bank issued Additional Tier 1 capital securities with a face value of US\$650 million (equivalent to HK\$5,021 million net of related issuance costs). The Additional Tier 1 capital securities are undated non-cumulative subordinated capital securities and bear a 5.825% per annum coupon until the first call date on 21st October, 2025. The coupon will be reset every five years, if the Additional Tier 1 capital securities are not redeemed, to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 5.527% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 capital securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up, and meet the loss-absorbing capacity requirement.

Notes to the Interim Financial Statements (Continued)

32. Consolidated Cash Flow Statement

Cash and cash equivalents

	30/6/2023	30/6/2022
	HK\$ Mn	HK\$ Mn
(i) Components of cash and cash equivalents in the consolidated cash flow statement		
Cash and balances with banks with original maturity within three months	33,974	44,365
Placements with and advances to banks with original maturity within three months	57,940	65,084
Treasury bills with original maturity within three months	4,930	10,088
Certificates of deposit held with original maturity within three months	1,444	–
Debt securities with original maturity within three months	578	606
Add: Cash and balances with banks included in “Assets held for sale”	–	3
	<u>98,866</u>	<u>120,146</u>
(ii) Reconciliation with the consolidated statement of financial position		
Cash and balances with banks	43,444	54,817
Placements with and advances to banks	58,308	67,128
Treasury bills, certificates of deposit held and debt securities		
– trading assets	3,476	151
– investment securities	156,163	148,623
	159,639	148,774
Add: Cash and balances with banks included in “Assets held for sale”	–	3
Certificates of deposit held – investment securities included in “Assets held for sale”	–	638
Debt securities – investment securities included in “Assets held for sale”	–	918
	<u>261,391</u>	<u>272,278</u>
Amounts shown in the consolidated statement of financial position	261,391	272,278
Less: Amounts with an original maturity of beyond three months	(153,054)	(141,678)
Cash balance with central bank subject to regulatory restriction	(9,471)	(10,454)
	<u>98,866</u>	<u>120,146</u>
Cash and cash equivalents in the consolidated cash flow statement	<u>98,866</u>	<u>120,146</u>

Notes to the Interim Financial Statements (Continued)

33. Fair Values of Financial Instruments

(a) *Financial instruments carried at fair value*

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for 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 could 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.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. 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, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group ("FIVG"), which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

Notes to the Interim Financial Statements (Continued)

33. Fair Values of Financial Instruments (Continued)

(a) Financial instruments carried at fair value (continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

	30/6/2023				31/12/2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Recurring fair value measurement								
Assets								
Trade Bills – Measured at FVOCI	–	914	–	914	–	488	–	488
Trading assets	364	3,476	–	3,840	354	1,176	–	1,530
Derivative assets	–	12,028	–	12,028	200	10,892	–	11,092
Investment securities								
– Mandatorily measured at FVTPL	–	2,707	711	3,418	–	3,417	732	4,149
– Measured at FVOCI	27,772	112,398	892	141,062	24,654	102,903	839	128,396
	<u>28,136</u>	<u>131,523</u>	<u>1,603</u>	<u>161,262</u>	<u>25,208</u>	<u>118,876</u>	<u>1,571</u>	<u>145,655</u>
Liabilities								
Trading liabilities	1	–	–	1	5	–	–	5
Derivative liabilities	3	4,774	–	4,777	99	4,046	–	4,145
Financial liabilities designated at FVTPL	–	22,983	–	22,983	–	24,357	–	24,357
	<u>4</u>	<u>27,757</u>	<u>–</u>	<u>27,761</u>	<u>104</u>	<u>28,403</u>	<u>–</u>	<u>28,507</u>

During the period ended 30th June, 2023 and year ended 31st December, 2022, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Interim Financial Statements (Continued)

33. Fair Values of Financial Instruments (Continued)

(a) Financial instruments carried at fair value (continued)

Information about significant unobservable inputs in Level 3 valuations:

	<u>Valuation technique</u>	<u>Significant unobservable input(s)</u>	<u>Range</u>
Unlisted debt securities, equity securities and investment funds	Counterparty quote	N/A	N/A
	Net asset value	N/A	N/A
	Discounted cash flow model	Discount rate	30/6/2023: 12.1% (31/12/2022: 12.2%)
		Marketability discount	30/6/2023: 20% (31/12/2022: 20%)
	Market-comparable approach	Earnings multiple	30/6/2023: 15.14 – 29.03 (31/12/2022: 20.51 – 27.66)
		EV/EBIT	30/6/2023: 18.26 – 26.75 (31/12/2022: 21.61 – 27.78)
		Marketability discount	30/6/2023: 50% (31/12/2022: 50%)

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI are estimated using the discounted cash flow model, on the basis of an analysis of the investee's financial position and results, or with reference to multiples of comparable listed companies, adjusted for a marketability discount to reflect the fact that the shares are not actively traded. An increase in the ratio/investee's financial position and results in isolation will result in favourable movement in the fair values, while an increase in discount rate/marketability discount in isolation will result in unfavourable movement. The fair value of the unlisted investment funds are estimated by using the net asset valuations ("NAV") provided by the managers of the funds.

Valuation of financial instruments in Level 3 are subject to the same valuation control framework as described above and reviewed regularly by FIVG.

Notes to the Interim Financial Statements (Continued)

33. Fair Values of Financial Instruments (Continued)

(a) Financial instruments carried at fair value (continued)

- (1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

	30/6/2023		31/12/2022	
	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities measured at FVOCI HK\$ Mn	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities measured at FVOCI HK\$ Mn
Assets				
At 1st January	732	839	808	712
Additions/Purchases	4	–	31	–
Disposals/Settlements	(54)	–	(27)	–
Changes in fair value recognised in the income statement	29	–	(80)	–
Changes in fair value recognised in the other comprehensive income	–	53	–	127
At 30th June/31st December	<u>711</u>	<u>892</u>	<u>732</u>	<u>839</u>
Total gains for the period included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period	<u>–</u>	<u>53</u>	<u>–</u>	<u>127</u>
Total gains/(losses) for the period included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL	<u>31</u>	<u>–</u>	<u>(80)</u>	<u>–</u>

Notes to the Interim Financial Statements (Continued)

33. Fair Values of Financial Instruments (Continued)

(a) Financial instruments carried at fair value (continued)

- (2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

	30/6/2023			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	59	(59)	–	–
Investment securities measured at FVOCI	–	–	74	(74)
	<u>59</u>	<u>(59)</u>	<u>74</u>	<u>(74)</u>
	31/12/2022			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	61	(61)	–	–
Investment securities measured at FVOCI	–	–	70	(70)
	<u>61</u>	<u>(61)</u>	<u>70</u>	<u>(70)</u>

The fair values 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 table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent in reasonably possible alternative assumptions.

Notes to the Interim Financial Statements (Continued)

33. Fair Values of Financial Instruments (Continued)

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th June, 2023 and 31st December, 2022.

34. Credit Risk

The mapping between the Group's Stage Allocation and the HKMA's 5-Grade Asset classification is as follows:

HKMA's 5-Grade Asset Classification		Stage Allocation
Pass	General (i.e. do not meet the Bank's criteria of "Significant Increase of Credit Risk")	1
	Meet the Bank's criteria of "Significant Increase of Credit Risk"	2
Special Mention		2
Substandard		3
Doubtful		
Loss		

The criterion of "significant increase of credit risk" takes into consideration of any one of the following key factors:

1. The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated;
2. The exposure is classified as Special Mention;
3. The rating of the exposure falls out of the "Low-Credit Risk Threshold" that is equivalent to the globally understood definition of "investment grade"; or
4. Other events and indications that the credit risk of the exposure has significantly increased since origination or purchase.

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis

Credit quality of loans and advances

The following tables set out information about the credit quality of loans and advances to customers. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

	30/6/2023							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost								
– Grades 1-15: Pass	497,973	1,583	10,587	34	–	–	508,560	1,617
– Grades 16-17: Special Mention	–	–	9,474	54	–	–	9,474	54
– Grade 18: Substandard	–	–	–	–	5,423	79	5,423	79
– Grade 19: Doubtful	–	–	–	–	5,836	219	5,836	219
– Grade 20: Loss	–	–	–	–	2,324	85	2,324	85
Total gross carrying amount	497,973	1,583	20,061	88	13,583	383	531,617	2,054
Impairment allowances	(1,085)	(6)	(566)	(4)	(3,731)	(183)	(5,382)	(193)
Carrying amount	<u>496,888</u>	<u>1,577</u>	<u>19,495</u>	<u>84</u>	<u>9,852</u>	<u>200</u>	<u>526,235</u>	<u>1,861</u>
Market value of collateral held against impaired loans and advances to customers					<u>6,876</u>			

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Credit quality of loans and advances (Continued)

	31/12/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost								
– Grades 1-15: Pass	508,308	1,534	11,543	51	–	–	519,851	1,585
– Grades 16-17: Special Mention	–	–	16,018	95	–	–	16,018	95
– Grade 18: Substandard	–	–	–	–	9,498	96	9,498	96
– Grade 19: Doubtful	–	–	–	–	2,756	97	2,756	97
– Grade 20: Loss	–	–	–	–	891	30	891	30
Total gross carrying amount	508,308	1,534	27,561	146	13,145	223	549,014	1,903
Impairment allowances	(1,084)	(5)	(1,018)	(8)	(4,518)	(123)	(6,620)	(136)
Carrying amount	<u>507,224</u>	<u>1,529</u>	<u>26,543</u>	<u>138</u>	<u>8,627</u>	<u>100</u>	<u>542,394</u>	<u>1,767</u>
Market value of collateral held against impaired loans and advances to customers					<u>5,901</u>			

Collateral includes any tangible security that carries a fair market value and is readily marketable. This includes (but is not limited to) cash and deposits, stocks and bonds, mortgages over properties and charges over other fixed assets such as plant and equipment. Where collateral values are greater than gross loans and advances to customers, only the amount of collateral up to the gross loans and advances is included.

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Credit quality of financial assets other than loans and advances

The following tables set out the credit analysis for financial assets other than loans and advances to customers, measured at amortised cost and FVOCI. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts/fair value. For loan commitment and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

	30/6/2023							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Trade bills measured at amortised cost								
– Grades 1-15: Pass	546	–	–	–	–	–	546	–
Total gross carrying amount	546	–	–	–	–	–	546	–
Impairment allowances	–	–	–	–	–	–	–	–
Carrying amount	<u>546</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>546</u>	<u>–</u>
	31/12/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Trade bills measured at amortised cost								
– Grades 1-15: Pass	41	–	–	–	–	–	41	–
Total gross carrying amount	41	–	–	–	–	–	41	–
Impairment allowances	–	–	–	–	–	–	–	–
Carrying amount	<u>41</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>41</u>	<u>–</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

	30/6/2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loan commitments				
– Grades 1-15: Pass	339,822	4,215	–	344,037
– Grades 16-17: Special Mention	–	563	–	563
– Grade 18: Substandard	–	–	–	–
Total	339,822	4,778	–	344,600
Impairment allowances	(90)	(16)	–	(106)
Financial guarantee contracts				
– Grades 1-15: Pass	10,839	944	–	11,783
– Grades 16-17: Special Mention	–	13	–	13
– Grade 18: Substandard	–	–	631	631
Total	10,839	957	631	12,427
Impairment allowances	(14)	(26)	(233)	(273)
	31/12/2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loan commitments				
– Grades 1-15: Pass	334,520	3,906	–	338,426
– Grades 16-17: Special Mention	–	373	–	373
– Grade 18: Substandard	–	–	–	–
Total	334,520	4,279	–	338,799
Impairment allowances	(107)	(19)	–	(126)
Financial guarantee contracts				
– Grades 1-15: Pass	12,476	1,058	–	13,534
– Grades 16-17: Special Mention	–	28	–	28
– Grade 18: Substandard	–	–	662	662
Total	12,476	1,086	662	14,224
Impairment allowances	(14)	(4)	(174)	(192)

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate and bank lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the end of the reporting period, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follows:

	30/6/2023							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at amortised cost								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	3,242	1	-	-	-	-	3,242	1
A1 to A3	3,422	35	-	-	-	-	3,422	35
Baa1 to Baa3	2,864	14	-	-	-	-	2,864	14
Below Baa3	441	3	372	3	488	21	1,301	27
Unrated	2,765	41	-	-	369	10	3,134	51
Total gross carrying amount	12,734	94	372	3	857	31	13,963	128
Impairment allowances	(21)	-	(21)	-	(514)	(31)	(556)	(31)
Carrying amount	12,713	94	351	3	343	-	13,407	97
	31/12/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at amortised cost								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	3,210	1	-	-	-	-	3,210	1
A1 to A3	4,068	72	-	-	-	-	4,068	72
Baa1 to Baa3	2,248	18	-	-	-	-	2,248	18
Below Baa3	538	7	405	4	193	2	1,136	13
Unrated	3,584	48	368	8	253	5	4,205	61
Total gross carrying amount	13,648	146	773	12	446	7	14,867	165
Impairment allowances	(66)	(1)	(98)	(2)	(241)	(7)	(405)	(10)
Carrying amount	13,582	145	675	10	205	-	14,462	155

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

	30/6/2023							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at FVOCI								
Aaa	8,748	9	-	-	-	-	8,748	9
Aa1 to Aa3	24,174	91	-	-	-	-	24,174	91
A1 to A3	60,333	761	-	-	-	-	60,333	761
Baa1 to Baa3	43,353	481	333	3	-	-	43,686	484
Below Baa3	447	5	61	1	-	-	508	6
Unrated	2,721	32	-	-	-	-	2,721	32
Total carrying amount at fair value	<u>139,776</u>	<u>1,379</u>	<u>394</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>140,170</u>	<u>1,383</u>
where impairment allowances included	<u>(103)</u>	<u>(1)</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123)</u>	<u>(1)</u>

	31/12/2022							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities measured at FVOCI								
Aaa	7,305	10	-	-	-	-	7,305	10
Aa1 to Aa3	21,855	37	-	-	-	-	21,855	37
A1 to A3	56,412	798	-	-	-	-	56,412	798
Baa1 to Baa3	37,906	419	803	9	-	-	38,709	428
Below Baa3	233	2	228	3	-	-	461	5
Unrated	2,815	37	-	-	-	-	2,815	37
Total carrying amount at fair value	<u>126,526</u>	<u>1,303</u>	<u>1,031</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>127,557</u>	<u>1,315</u>
where impairment allowances included	<u>(214)</u>	<u>(2)</u>	<u>(41)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255)</u>	<u>(2)</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

The following table sets out the credit analysis for non-trading financial assets measured at FVTPL.

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Non-trading debt investment securities measured at FVTPL		
Aaa	–	–
Aa1 to Aa3	–	–
A1 to A3	144	192
Baa1 to Baa3	2,334	2,963
Below Baa3	–	–
Unrated	108	115
	<u>2,586</u>	<u>3,270</u>
Total carrying amount at fair value	<u>2,586</u>	<u>3,270</u>

The following table sets out the credit analysis for trading debt investment securities.

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Trading debt investment securities measured at FVTPL		
Aaa	–	–
Aa1 to Aa3	–	99
A1 to A3	3,476	1,176
Baa1 to Baa3	–	–
Below Baa3	–	–
Unrated	–	–
	<u>3,476</u>	<u>1,275</u>
Total carrying amount at fair value	<u>3,476</u>	<u>1,275</u>

The following table shows the credit quality of the counterparties to which there were exposures arising from derivative asset transactions.

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Derivative assets		
Aa1 to Aa3	9,209	8,317
A1 to A3	558	1,183
Baa1 to Baa3	630	612
Below Baa3	–	–
Unrated	1,631	980
	<u>12,028</u>	<u>11,092</u>
Total carrying amount at fair value	<u>12,028</u>	<u>11,092</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(a) Credit quality analysis (Continued)

Cash and balances with banks

At 30th June, 2023, the Group held cash and balances with banks of HK\$43,445 million (31st December, 2022: HK\$54,581 million), of which 96% (31st December, 2022: 97%) of cash and balances with banks counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

(b) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by type of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 30th June/31st December at transaction level. Transfers between different stages of ECL are deemed to occur at the beginning of the year and therefore amounts transferred net to zero. The re-measurement of ECL resulting from a change in ECL stage is reported under the ECL stage in which they are transferred to.

	30/6/2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers				
Balance at 1st January	1,089	1,026	4,641	6,756
Transfer to 12-month ECL	78	(78)	–	–
Transfer to lifetime ECL not credit-impaired	(24)	24	–	–
Transfer to lifetime ECL credit-impaired	(4)	(469)	473	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	205	(118)	33	120
Write-offs	–	–	(3,541)	(3,541)
Changes in models	(72)	(1)	–	(73)
Net remeasurement of impairment allowances (including exchange adjustments)	(181)	186	2,308	2,313
Balance at 30th June	<u>1,091</u>	<u>570</u>	<u>3,914</u>	<u>5,575</u>
Of which:				
For loans and advances to customers at amortised cost (Note 19(a))	1,085	566	3,731	5,382
For related accrued interest receivable (Note 23)	6	4	183	193
	<u>1,091</u>	<u>570</u>	<u>3,914</u>	<u>5,575</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(b) Impairment allowances reconciliation (Continued)

	31/12/2022			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Loans and advances to customers				
Balance at 1st January	670	528	3,231	4,429
Transfer to 12-month ECL	155	(155)	–	–
Transfer to lifetime ECL not credit-impaired	(27)	54	(27)	–
Transfer to lifetime ECL credit-impaired	(24)	(141)	165	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	350	114	273	737
Write-offs	–	–	(3,095)	(3,095)
Net remeasurement of impairment allowances (including exchange adjustments)	(35)	626	4,094	4,685
Balance at 31st December	<u>1,089</u>	<u>1,026</u>	<u>4,641</u>	<u>6,756</u>
Of which:				
For loans and advances to customers at amortised cost (Note 19(a))	1,084	1,018	4,518	6,620
For related accrued interest receivable (Note 23)	5	8	123	136
	<u>1,089</u>	<u>1,026</u>	<u>4,641</u>	<u>6,756</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(b) Impairment allowances reconciliation (Continued)

	30/6/2023			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities				
Balance at 1st January	283	141	248	672
Transfer to 12-month ECL	24	(24)	–	–
Transfer to lifetime ECL not credit-impaired	(1)	1	–	–
Transfer to lifetime ECL credit-impaired	–	(81)	81	–
New financial assets originated or purchased, assets derecognised, repayments and further investment	1	(4)	–	(3)
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(182)	8	216	42
Balance at 30th June	<u>125</u>	<u>41</u>	<u>545</u>	<u>711</u>
Of which:				
For debt investment securities measured at amortised cost	21	21	514	556
For related accrued interest receivable (Note 23)	–	–	31	31
	<u>21</u>	<u>21</u>	<u>545</u>	<u>587</u>
For debt investment securities measured at FVOCI	103	20	–	123
For related accrued interest receivable	1	–	–	1
	<u>104</u>	<u>20</u>	<u>–</u>	<u>124</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(b) Impairment allowances reconciliation (Continued)

	31/12/2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Debt investment securities				
Balance at 1st January	284	47	–	331
Transfer to 12-month ECL	–	–	–	–
Transfer to lifetime ECL not credit-impaired	(11)	11	–	–
Transfer to lifetime ECL credit-impaired	(5)	(13)	18	–
New financial assets originated or purchased, assets derecognised, repayments and further investment	25	21	–	46
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(10)	75	230	295
Balance at 31st December	<u>283</u>	<u>141</u>	<u>248</u>	<u>672</u>
Of which:				
For debt investment securities measured at amortised cost	66	98	241	405
For related accrued interest receivable (Note 23)	1	2	7	10
	<u>67</u>	<u>100</u>	<u>248</u>	<u>415</u>
For debt investment securities measured at FVOCI	214	41	–	255
For related accrued interest receivable	2	–	–	2
	<u>216</u>	<u>41</u>	<u>–</u>	<u>257</u>

The impairment allowances of debt investment securities measured at FVOCI are not separately recognised in the statement of financial position because they have been adjusted to the carrying amounts of debt investment securities measured at FVOCI as their fair values.

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(b) Impairment allowances reconciliation (Continued)

	30/6/2023			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Others				
Balance at 1st January	133	23	238	394
Transfer to 12-month ECL	2	(2)	–	–
Transfer to lifetime ECL not credit-impaired	(1)	1	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised and repayments	(18)	–	(14)	(32)
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(1)	21	73	93
Balance at 30th June	<u>115</u>	<u>43</u>	<u>297</u>	<u>455</u>
Of which:				
For trade bills measured at FVOCI	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For trade bills measured at amortised cost (Note 17)	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For placements with and advances to banks (Note 16)	2	–	–	2
For related accrued interest receivable	–	–	–	–
	<u>2</u>	<u>–</u>	<u>–</u>	<u>2</u>
For cash and balances with banks (Note 15)	1	–	–	1
For related accrued interest receivable	–	–	–	–
	<u>1</u>	<u>–</u>	<u>–</u>	<u>1</u>
For loan commitments and financial guarantee contracts (Note 25)	<u>104</u>	<u>42</u>	<u>233</u>	<u>379</u>
For account receivables and other accounts other than accrued interest receivable (Note 23)	<u>8</u>	<u>1</u>	<u>64</u>	<u>73</u>

Notes to the Interim Financial Statements (Continued)

34. Credit Risk (Continued)

(b) Impairment allowances reconciliation (Continued)

	31/12/2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Others				
Balance at 1st January	143	24	85	252
Transfer to 12-month ECL	2	(2)	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	(1)	(7)	8	–
New financial assets originated or purchased, assets derecognised and repayments	11	(3)	68	76
Write-offs	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(22)	11	77	66
Balance at 31st December	<u>133</u>	<u>23</u>	<u>238</u>	<u>394</u>
Of which:				
For trade bills measured at FVOCI	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For trade bills measured at amortised cost (Note 17)	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For placements with and advances to banks (Note 16)	1	–	–	1
For related accrued interest receivable	–	–	–	–
	<u>1</u>	<u>–</u>	<u>–</u>	<u>1</u>
For cash and balances with banks (Note 15)	2	–	–	2
For related accrued interest receivable	–	–	–	–
	<u>2</u>	<u>–</u>	<u>–</u>	<u>2</u>
For loan commitments and financial guarantee contracts (Note 25)	<u>121</u>	<u>23</u>	<u>174</u>	<u>318</u>
For account receivables and other accounts other than accrued interest receivable (Note 23)	<u>9</u>	<u>–</u>	<u>64</u>	<u>73</u>

The impairment allowances of trade bills measured at FVOCI are not separately recognised in the statement of financial position because they have been adjusted to the carrying amount of trade bills measured at FVOCI as their fair values.

Notes to the Interim Financial Statements (Continued)

35. Off-balance Sheet Exposures

(a) *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 amount and is prepared with reference to the completion instructions for the HKMA return of capital adequacy ratio.

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Contingent liabilities		
Direct credit substitutes	3,501	4,220
Transaction-related contingencies	3,176	3,846
Trade-related contingencies	5,713	6,143
	<u>12,390</u>	<u>14,209</u>
Commitments		
Commitments that are unconditionally cancellable without prior notice	315,928	303,920
Other commitments with an original maturity		
– up to 1 year	2,151	2,229
– over 1 year	26,103	32,043
	<u>344,182</u>	<u>338,192</u>
Total	<u>356,572</u>	<u>352,401</u>
Credit risk-weighted amounts	<u>18,117</u>	<u>23,651</u>

(b) *Derivatives*

Fair value of derivatives

Assets		
Exchange rate contracts	1,745	1,781
Interest rate contracts	10,143	9,220
Equity contracts	140	91
	<u>12,028</u>	<u>11,092</u>
Liabilities		
Exchange rate contracts	1,939	1,749
Interest rate contracts	2,692	2,297
Equity contracts	146	99
	<u>4,777</u>	<u>4,145</u>
Notional amount of derivatives		
Exchange rate contracts	283,218	292,921
Interest rate contracts	418,215	319,625
Equity contracts	7,954	4,774
	<u>709,387</u>	<u>617,320</u>

Notes to the Interim Financial Statements (Continued)

35. Off-balance Sheet Exposures (Continued)

(c) Capital commitments

Capital commitments outstanding as at 30th June and 31st December and not provided for in the financial statements were as follows:

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Expenditure authorised and contracted for	346	452
Expenditure authorised but not contracted for	66	138
	<u>412</u>	<u>590</u>

(d) Contingencies

The Group receives legal claims against it arising in the normal courses of business. The Group considers none of these matters as material. Where appropriate the Group recognises provisions for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation.

36. Material Related Party Transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors and certain of the highest paid employees, is as follows:

	30/6/2023	30/6/2022
	HK\$ Mn	HK\$ Mn
Short-term employee benefits	80	78
Post-employment benefits	4	4
Equity compensation benefits	11	11
	<u>95</u>	<u>93</u>

- (b) The Group maintains certain retirement benefit schemes for its staff. In the six months ended 30th June, 2023, the total amount of contributions the Group made to the schemes was HK\$108 million (six months ended 30th June, 2022: HK\$99 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, shareholders with significant influence, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

Notes to the Interim Financial Statements (Continued)

36. Material Related Party Transactions (Continued)

The interest received from and interest paid to the Group's related parties for the six months ended 30th June, 2023, outstanding balances of amounts due from and due to them at 30th June, 2023, and maximum outstanding balance of amounts due from and due to them for the six months ended 30th June, 2023 are aggregated as follows:

	Key management personnel		Associates		Shareholders with significant influence	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Interest income	21	10	31	43	5	–
Interest expense	51	6	–	–	–	–
Amounts due from	880	972	1,717	1,665	1,446	2,197
Amounts due to	2,421	2,144	216	183	5	40
Maximum amounts due from	1,623	2,030	1,717	1,792	1,766	8,259
Maximum amounts due to	4,646	3,893	571	390	103	244
Committed facilities to	1,308	548	1,642	1,703	59	–

37. Basis of Consolidation

Unless otherwise stated, all financial information contained in this interim report is prepared according to the consolidation basis for accounting purposes.

The capital adequacy ratio, leverage ratio and liquidity position of the Group are prepared according to the basis of consolidation for regulatory purposes. The main difference between the consolidation bases for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries, associates and joint ventures whereas the latter includes the Bank and only some of the Group's subsidiaries which mainly conduct banking business or other businesses incidental to banking business.

List of subsidiaries for financial reporting consolidation as at reporting date:

Name of company	Nature of business	Total assets	Total equity
		HK\$ Mn	HK\$ Mn
Ample Delight Limited	Investment holding	310	310
* Bank of East Asia (Trustees) Limited	Trustee service	203	189
BC (BVI) Holdings Limited	To be liquidated	–	–
BEA Consortium GS Investors L.P.	Acting as a limited partner for the purpose of making investment in private equity fund	7	7
BEA Insurance Agency Limited	Insurance agency services	–	–
BEA Union Investment Management Limited	Asset management	499	454
BEA Union Investment Management (Shenzhen) Limited	Asset management/ Investment management	4	3
Central Town Limited	Property investment	734	634

Notes to the Interim Financial Statements (Continued)

37. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets	Total equity
		HK\$ Mn	HK\$ Mn
Century Able Limited	Investment holding	79	79
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership	1	1
Corona Light Limited	Investment holding	930	930
* Credit Gain Finance Company Limited	Money lenders	691	690
Crystal Gleaming Limited	Investment holding	930	930
Dragon Jade Holdings Company Limited	Investment holding	1,127	1,127
EA Securities Limited	Investment holding	–	(62)
* East Asia Digital Information Services (Guangdong) Limited	Servicing	237	195
* East Asia Facility Management Limited	Facility management	17	6
East Asia Financial Services (BVI) Ltd.	Investment holding	–	–
East Asia Futures Limited	Futures and options trading	58	57
* East Asia Holding Company, Inc.	Investment holding	632	615
East Asia Indonesian Holdings Limited	Investment holding	2	1
East Asia International Trustees Holdings (BVI) Limited	Investment holding	10	10
East Asia International Trustees Limited	Trustee service	49	45
* East Asia Properties (US), Inc.	Property holding	14	12
East Asia Properties Holding Company Limited	Investment holding	–	(27)
East Asia Property Agency Company Limited	Property agency	7	7
East Asia Qianhai Holdings Company Limited	Investment holding	197	197
East Asia Secretaries Limited	Secretarial services	–	–
East Asia Securities Company Limited	Securities broking	1,189	999

Notes to the Interim Financial Statements (Continued)

37. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
* East Asia Services (Holdings) Limited	Holding company	23	1
Golden Empire International Inc.	Property investment	1	–
Leader One Limited	Investment holding	1	1
Manchester Property Holdings Ltd.	Property holding	26	10
Quantum Hong Kong Holdings Company Limited	Investment holding	48	48
Red Phoenix Limited	Leasing of motor vehicles	4	4
Shaftesbury Property Holdings Limited	Investment holding	52	52
Shaftesbury Property Investments Limited	Investment holding	36	36
Shanghai Lingxie Business Consulting Co., Ltd.	Business information consulting, corporate management consulting	195	194
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership	–	–
Skyray Holdings Limited	Investment holding	450	450
Speedfull Limited	Investment holding	450	450
*/# The Bank of East Asia (China) Limited	Banking and related financial services	230,646	23,451
The Bank of East Asia (Nominees) Limited	Nominee services	–	–
The Bank of East Asia (Nominees) Private Limited	Trustee, fiduciary and custody services	–	–

* "regulated financial entities" as defined by the Banking (Capital) Rules and included in the basis of consolidation for regulatory reporting purpose.

"associated entities" as defined by the Banking (Liquidity) Rules and included in the basis of consolidation for regulatory reporting purpose.

Notes to the Interim Financial Statements (Continued)

38. Exposures to Interbank Offered Rates

Following the decision of global regulators to phase out LIBORs and replace them with risk free rates as alternative reference rates (“ARRs”), LIBORs of CHF, EUR, GBP and JPY ceased after 2021. SG Swap Offer Rate and USD LIBORs also ceased after June 2023.

With the completion of the IBOR Reform Project, the Group has the operational capability to trade in ARR and manage the remaining demising regional rates that have yet to transit to alternative benchmarks.

The following table shows outstanding amounts of financial instruments referencing the interest rate benchmarks that have yet to transit to alternative benchmark rates at the end of the reporting period. They are with adequate fall-back provisions, will transit to ARR upon next repricing date, or will expire before the synthetic LIBOR cessation date. The amounts of financial assets and liabilities are shown at gross carrying amounts, and derivatives are shown at notional amounts.

	30/6/2023			
	Gross Carrying Amount/Notional Amount			
	USD LIBOR	GBP LIBOR	SG Swap Offer Rate	SIBOR
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Assets				
Loans and advances to customers	19,311	95	1,440	2,271
Negotiable debt instruments held, including negotiable certificates of deposit	78	–	–	–
Total Asset	19,389	95	1,440	2,271
Liabilities				
Certificates of deposit and debt securities issued	2,726	–	–	–
Total liabilities	2,726	–	–	–
Derivatives				
Interest rate swaps	47,470	–	–	–
Cross currency swaps	1,596	–	–	–
Other derivatives	157	–	–	–
Gross total derivatives	49,223	–	–	–

39. Comparative Figures

Certain 2022 comparative figures have been restated to conform to current period’s presentation. Please refer to Note 27 for the effect of the restatement.

Notes to the Interim Financial Statements (Continued)

40. Statement of Compliance

The Interim Report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules and in compliance with HKAS 34, "Interim Financial Reporting", issued by the HKICPA. It was authorised for issue on 24th August, 2023.

This Interim Report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The Banking Disclosure Statement (refer to Note E of Supplementary Financial Information), together with the disclosures in the interim financial report, contained all the disclosures required by the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolutions) (Loss-absorbing Capacity Requirements – Banking Sector) Rules issued by the HKMA.

Supplementary Financial Information (unaudited)

A. Capital Adequacy

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Capital base		
– Common Equity Tier 1 capital	82,132	81,282
– Additional Tier 1 capital	10,090	10,090
	<hr/>	<hr/>
– Total Tier 1 capital	92,222	91,372
– Tier 2 capital	12,504	12,048
	<hr/>	<hr/>
– Total capital	104,726	103,420
	<hr/> <hr/>	<hr/> <hr/>
Risk-weighted assets by risk type		
– Credit risk	452,899	483,104
– Market risk	4,540	4,053
– Operational risk	32,483	30,580
– Capital floor adjustment	3,052	–
	<hr/>	<hr/>
	492,974	517,737
Less: Deductions	(2,853)	(2,864)
	<hr/>	<hr/>
	490,121	514,873
	<hr/> <hr/>	<hr/> <hr/>
	30/6/2023	31/12/2022
	%	%
Common Equity Tier 1 capital ratio	16.8	15.8
Tier 1 capital ratio	18.8	17.7
Total capital ratio	21.4	20.1

Capital adequacy ratios are compiled in accordance with the Capital Rules issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Common Equity Tier 1 capital subject to the thresholds as determined in accordance with Part 3 of the Capital Rules.

Supplementary Financial Information (unaudited) (Continued)

A. Capital Adequacy (Continued)

The subsidiaries that are included in consolidation for regulatory purposes are listed in Note 37 of the Interim Report.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

For the purpose of compliance with the Banking (Disclosure) Rules and Part 6 of the Financial Institutions (Resolutions) (Loss-absorbing Capacity Requirements – Banking Sector) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

B. Leverage Ratio

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Total Tier 1 capital	92,222	91,372
Exposure measure	917,707	935,197
	30/6/2023	31/12/2022
	%	%
Leverage ratio	10.0	9.8

The leverage ratio is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

C. Liquidity Position

Liquidity coverage ratio

	30/6/2023	31/12/2022
	%	%
Average liquidity coverage ratio – First quarter	182.9	184.2
– Second quarter	208.9	187.5
– Third quarter	N/A	179.1
– Fourth quarter	N/A	197.7

The liquidity coverage ratio is calculated in accordance with the Banking (Liquidity) Rules. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. There is no significant currency mismatch in the Bank's LCR at respective levels of consolidation.

Supplementary Financial Information (unaudited) (Continued)

C. Liquidity Position (Continued)

Net stable funding ratio

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Total available stable funding	577,415	568,204
Total required stable funding	480,463	489,801
	30/6/2023	31/12/2022
	%	%
Net stable funding ratio	120.2	116.0

The net stable funding ratio is calculated in accordance with the Banking (Liquidity) Rules. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

D. Overdue, Rescheduled and Repossessed Assets

(a) Overdue and rescheduled advances to customers

	30/6/2023		31/12/2022	
	HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
Advances to customers overdue for				
– 6 months or less but over 3 months	1,587	0.3	2,257	0.4
– 1 year or less but over 6 months	3,385	0.6	1,630	0.3
– Over 1 year	984	0.2	1,118	0.2
	5,956	1.1	5,005	0.9
Rescheduled advances to customers	1,319	0.3	1,193	0.2
Total overdue and rescheduled advances	7,275	1.4	6,198	1.1
Covered portion of overdue advances	4,311	0.8	2,745	0.5
Uncovered portion of overdue advances	1,645	0.3	2,261	0.4
Current market value of collateral held against the covered portion of overdue advances	6,467		5,454	
Specific provisions made on advances overdue for more than 3 months	1,378		1,830	

Supplementary Financial Information (unaudited) (Continued)

D. Overdue, Rescheduled and Repossessed Assets (Continued)

(a) Overdue and rescheduled advances to customers (Continued)

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at period-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

An asset considered as an eligible collateral should generally satisfy the following:

- (a) The market value of the asset is readily determinable or can be reasonably established and verified;
- (b) The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- (c) The Bank's right to repossess the asset is legally enforceable and without impediment; and
- (d) The Bank is able to secure control over the asset if necessary.

The two main types of "Eligible Collateral" are as follows:

- (i) "Eligible Financial Collateral" mainly comprises cash deposits and shares.
- (ii) "Eligible Physical Collateral" mainly comprises land and buildings, vehicles and equipment.

When the Bank's clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling/restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

Supplementary Financial Information (unaudited) (Continued)

D. Overdue, Rescheduled and Repossessed Assets (Continued)

(b) Overdue and rescheduled advances to banks

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Advances to banks overdue for		
– 6 months or less but over 3 months	–	–
– 1 year or less but over 6 months	–	–
– Over 1 year	–	–
	–	–
Rescheduled advances to banks	–	–
Total overdue and rescheduled advances	–	–

(c) Other overdue and rescheduled assets

	30/6/2023		
	Accrued interest	Debt securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	28	140	–
– 1 year or less but over 6 months	98	195	–
– Over 1 year	103	116	–
	229	451	–
Rescheduled assets	35	–	–
Total other overdue and rescheduled assets	264	451	–
Specific provisions made on other assets overdue for more than 3 months	112	301	–
	31/12/2022		
	Accrued Interest	Debt Securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	31	124	–
– 1 year or less but over 6 months	48	114	–
– Over 1 year	68	–	–
	147	238	–
Rescheduled assets	23	–	–
Total other overdue and rescheduled assets	170	238	–
Specific provisions made on other assets overdue for more than 3 months	78	166	–

* Other assets refer to trade bills and receivables.

Supplementary Financial Information (unaudited) (Continued)

D. Overdue, Rescheduled and Repossessed Assets (Continued)

(d) Repossessed assets

	30/6/2023	31/12/2022
	HK\$ Mn	HK\$ Mn
Repossessed land and buildings (Note)	2,130	416
Repossessed vehicles and equipment	2	–
Repossessed machines	–	–
	<hr/>	<hr/>
Total repossessed assets	<u>2,132</u>	<u>416</u>

The amount represents the estimated market value of the repossessed assets as at 30th June, 2023 and 31st December, 2022.

Note: The balance included HK\$4 million (31/12/2022: HK\$26 million) relating to properties that were contracted for sale but not yet completed.

E. Banking Disclosure Statement

Additional information disclosures for this period which are prepared in accordance with the Banking (Disclosure) Rules, the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

INDEPENDENT REVIEW REPORT



TO THE BOARD OF DIRECTORS OF THE BANK OF EAST ASIA, LIMITED

INTRODUCTION

We have reviewed the interim financial report set out on pages 3 to 65 which comprises the consolidated statement of financial position of The Bank of East Asia, Limited as of 30th June, 2023 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June, 2023 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting".

KPMG

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

24th August, 2023

INTERIM DIVIDEND

The Board has declared an interim dividend for the six months ended 30th June, 2023 of HK\$0.36 per Share (the “2023 Interim Dividend”) (2022 Interim Dividend: HK\$0.16 per Share). The 2023 Interim Dividend will be paid on or about Thursday, 5th October, 2023 in cash, with an option to receive new, fully paid Shares in lieu of cash (the “Scrip Dividend Scheme”), to shareholders whose names appear on the Register of Members of the Bank at the close of business on Wednesday, 13th September, 2023. For the purpose of calculating the number of new Shares to be allotted under the Scrip Dividend Scheme, the market value of the new Shares means the average closing price of the Shares on the Stock Exchange from Thursday, 7th September, 2023 (being the first day that the Shares will be traded ex-dividend) to Wednesday, 13th September, 2023 (both days inclusive). Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about Wednesday, 13th September, 2023.

The Scrip Dividend Scheme is conditional upon the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the Scrip Dividend Scheme. The dividend warrants and the share certificates for the scrip dividend will be sent to shareholders by ordinary mail on or about Thursday, 5th October, 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who qualify for the 2023 Interim Dividend, the Register of Members of the Bank will be closed from Monday, 11th September, 2023 to Wednesday, 13th September, 2023 (both days inclusive). In order to qualify for the 2023 Interim Dividend, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:00 p.m. on Friday, 8th September, 2023.

FINANCIAL REVIEW

Financial Performance

For the first six months of 2023, the BEA Group earned a profit attributable to owners of the parent of HK\$2,636 million, representing an increase of 75.8% compared with the HK\$1,499 million earned in the same period in 2022.

The Group’s performance benefitted from an improved interest rate environment, as well as a resumption of business activity following the reopening of the Chinese Mainland’s borders. These factors offset continued pressures on asset quality arising from liquidity issues for clients in the Chinese commercial real estate (“CRE”) sector.

Basic earnings per share were HK\$0.87 in the first half of 2023, compared to HK\$0.39 in the corresponding period in 2022.

The annualised return on average assets increased by 30 basis points to 0.5%, while the annualised return on average equity increased by 2.6 percentage points to 4.8%.

Net interest income for the Group increased by HK\$2,215 million, or 38.0%, to HK\$8,045 million. Net interest margin (“NIM”) widened from 1.42% to 2.03% on the back of rising rates.

Net fee and commission income increased by 0.6% to HK\$1,450 million. Net fees and commissions from lending business and sales of third-party insurance policies increased by 17.3% and 15.7%, respectively. However, the increase was offset by the drop in commissions from investment products and securities brokerage. With weak market sentiment, customer investment activity remained slow, although momentum improved compared to the second half of 2022.

Other operating income was impacted by the disposal of Blue Cross (Asia-Pacific) Insurance Limited in August 2022.

Taken together, net trading and hedging results and net results from other financial instruments increased by HK\$101 million, or 18.5%, to HK\$642 million. Non-interest income fell by 2.5% to HK\$2,231 million.

Overall, total operating income increased by 26.6% to HK\$10,276 million.

Total operating expenses rose by HK\$182 million, or 4.1%, to HK\$4,588 million. Efficiency gains helped to moderate the increment from continued investment in the Bank's talent, sales, and digital capabilities. The cost-to-income ratio for the first half of 2023 improved by 9.6 percentage points to 44.7%, compared to 54.3% for the same period in 2022.

Impairment losses on financial instruments were HK\$2,492 million for the first half of 2023, higher year-on-year but lower than the level recorded in the second half of 2022. The Group's impaired loan ratio increased from 2.39% at the end of December 2022 to 2.56% at the end of June 2023. The impaired loan ratio for Hong Kong operations decreased from 2.92% to 2.85%, while that for Chinese Mainland operations rose from 2.75% to 3.15%.

Operating profit after impairment losses amounted to HK\$3,190 million, an increase of HK\$1,614 million, or 102.4%.

The Group's shared after-tax profits less losses from associates and joint ventures decreased by HK\$18 million to a profit of HK\$172 million.

After accounting for income taxes, profit rose to HK\$2,638 million, an increase of 74.7% compared to the HK\$1,510 million recorded in the first half of 2022.

Financial Position

Total consolidated assets of the Group stood at HK\$872,069 million at the end of June 2023, a slight decrease of 1.2% compared to HK\$882,825 million at the end of 2022.

Continued efforts were made to reduce risk-weighted assets ("RWA") and manage down exposure to the CRE sector. As a result, gross advances to customers decreased by 3.2% to HK\$531,617 million.

Total equity attributable to owners of the parent rose by 1.0% to HK\$96,982 million.

Total deposits from customers decreased by 3.5% to HK\$625,722 million. Of the total, demand deposits and current account balances decreased by HK\$12,519 million, or 19.0%; savings deposits decreased by HK\$15,282 million, or 10.5%; and time deposits increased by HK\$5,430 million, or 1.2%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, decreased by 2.7% to HK\$662,310 million.

The loan-to-deposit ratio stood at 80.3% at the end of June 2023, compared to 80.6% at the end of 2022.

With a strong capital position, the Group continued its on-market share buyback programme. During the first half of 2023, 17,840,200 shares were repurchased on the Stock Exchange for a total consideration of HK\$183 million.

As at 30th June, 2023, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio were 21.4%, 18.8%, and 16.8%, respectively. The average liquidity coverage ratio for the quarter ended 30th June, 2023 was 208.9%, well above the statutory minimum of 100%.

BUSINESS REVIEW

Economic Review

The global economy staged a mild recovery in the first half of 2023. Resilient labour market conditions, consumption growth, and a rebound in travel and tourism served as the underlying drivers. However, trade was subdued amid concerns over elevated inflation and tightening monetary policy.

Global headline inflation declined from its recent peak due to lower energy prices and the easing of supply chain bottlenecks. Despite this, core inflation remained stubbornly high due to wage growth and services inflation.

In response, major central banks have raised interest rates. Although monetary tightening has exposed vulnerabilities in the US and European banking sectors, interest rates are likely to remain elevated until there are definite signs that inflation is moving back towards target levels.

For the Chinese Mainland, real GDP increased by 5.5% year-on-year in the first half of 2023. The relaxation of pandemic restrictions has led to a gradual recovery of business activity.

Domestic consumption outperformed, with a notable expansion in consumer-facing services. Investment maintained steady growth with a focus on high-tech, innovation, and infrastructure projects. Industrial production also recovered, supported by the normalisation of manufacturing.

Chinese Mainland authorities have maintained a supportive policy environment to stabilise growth, consumption, and employment via tax incentives, refinancing schemes, and expediting infrastructure projects, amongst others. Notably, new measures were announced in July to ease liquidity problems for property developers. The 2023 Government Work Report set the annual GDP growth target at around 5.0%, the urban job creation target at around 12.0 million, and the inflation target at around 3.0%.

In Hong Kong, real GDP grew by around 2.2% year-on-year in the first half of 2023. The recovery has been supported by domestic demand, inbound travel, a solid labour market, and improved business sentiment. These developments have offset the drag from weakening external demand and global monetary tightening. The HKSAR Government forecasts that the Hong Kong economy will grow by between 4.0% and 5.0% in 2023, with moderate inflation at 2.4%.

Business – Hong Kong

Under the favourable interest rate environment, the Bank's Hong Kong operations saw a strong recovery in the first half of 2023. Profit before tax rose by 177.2%.

The improvement was driven by a 68.4% increase in net interest income. NIM expanded by 76 basis points on the back of a significant rise in interbank interest rates.

With continued uncertainty over the outlook for the investment markets, non-interest income recorded a decline. However, fee income started to recover in the second quarter as business conditions improved following the reopening of the boundary with the Chinese Mainland. Revenues were supported by a strong performance from bancassurance sales.

Operating expenses were held flat as efficiency gains from the Bank's digitalisation and transformation programmes offset investment in frontline staff and digital capabilities. With positive operating jaws, pre-provision operating profit recorded strong growth of 86.4%.

The situation for the Chinese CRE sector remained challenging, resulting in additional provisions being made on certain accounts. Despite this, asset quality is stabilising. Impairment losses for the first half were higher year-on-year but below the peak in the second half of 2022.

Under these conditions, the Bank remained focused on risk management. Customer loans in Hong Kong were largely stable following efforts to reduce high-risk exposure, diversify the portfolio, and optimise the mix of RWA. Deposit balances were carefully managed to contain funding costs.

BEA is digitalising major customer journeys and enhancing its operating model in Hong Kong to drive further productivity gains. Wherever possible, back-office operations are being centralised, automated, or outsourced. Meanwhile, advanced RegTech solutions are being adopted to enhance the rigour and efficiency of risk and compliance functions.

Looking further ahead, the Bank will continue to build its wealth management capabilities to serve the growing needs of customers in Hong Kong, the GBA, and across Greater China.

Retail Banking

Benefitting from rising interest rates and the post-COVID recovery, performance for the Bank's retail operations improved significantly. Net profit more than doubled, led by a 117.1% rise in net interest income.

With deposit spreads benefitting in particular from the significant rise in Hong Kong Interbank Offered Rate, the Bank continued to attract new deposits from individuals and small businesses. The retail deposit balance increased by 5.2% from year-end 2022. Customer loans were also up by 2.0%, driven by higher credit card spending as well as solid growth in mortgages.

Net fee and commission income was flat. Income from retail sales of investment products was affected by weak market sentiment. This was partially offset by strong performance from bancassurance. Annualised new premiums more than doubled in the first half of the year, bringing in substantial fees and commissions. Income from MPF services also increased as assets under management ("AUM") rose, driven by growth in scheme members as well as improved investment returns.

To capture opportunities from the pandemic recovery and Chinese Mainland boundary reopening, BEA has significantly expanded its frontline salesforce in recent years. Additional measures including extended branch service hours and exclusive privileges have been used to drive customer acquisition. These efforts have been successful, with double-digit growth year-on-year across key target segments. Notably, the intake of new-to-bank cross-boundary customers was up by 29% from pre-COVID levels.

The Bank is working to ensure a seamless experience for customers across all channels. With this in mind, a revamped mobile application will be launched in phases starting from the second half of the year, providing a more user-friendly interface that makes it easier for clients to bank and invest with us.

Wholesale Banking

Wholesale banking business faced continued pressure in the first half of 2023. Certain sizeable corporate accounts experienced repayment difficulties due to challenges facing the Chinese CRE sector, as well as the rising interest rate environment in Hong Kong. Appropriate provisions were made to cover the associated risk, and performance was dragged as a result.

In view of these circumstances, the Bank maintained a prudent approach to new business. Priority was given to de-risking the corporate portfolio and improving RWA efficiency. Customer loans were reduced by 3.3% compared to December 2022, and with lower funding requirements, corporate deposits were also managed downwards.

Despite these challenges, pre-provision operating profit increased by 5.8% year-on-year. Net interest income was up by 2.0% on the back of widened margins. Meanwhile, non-interest income rose by 15.7%, driven by credit-related fees from syndicated loans. Offshore revenues also improved as the Bank strengthened its One Bank service proposition.

The Bank is focused on developing business with emerging players in new national strategic sectors with an aim to mitigate concentration risk. To this end, Wholesale Banking is working closely with BEA China to develop seamless onshore/offshore solutions for customers across the value chain in different sectors. Locally, we are refining our product offering and service delivery platform to better serve the needs of SMEs.

Wealth Management

With geopolitical tensions, inflation concerns, and a slower than expected economic recovery, market sentiment remained weak in the first half of the year. Private Banking recorded declines in both investment AUM and loans as customers continued to de-risk their portfolios.

Nevertheless, top-line performance improved for private wealth management. Non-interest income rose steadily on increased customer activity in structured products and foreign exchange trading. High-net-worth clients also showed renewed interest in insurance and succession planning for wealth protection and preservation.

The Bank has further strengthened its Private Banking team to capitalise on the return of business opportunities following the relaxation of COVID restrictions. The number of relationship managers increased by 11.5% compared to December 2022. As a result, we recorded good double-digit growth in customer acquisition, driven by accounts from the Chinese Mainland. Asset inflow from new-to-bank clients helped to mitigate the overall drop in AUM, providing a solid base for future income growth when investment sentiment improves.

We shall continue to build our wealth management offering for both retail and private banking customers. Discretionary portfolio management and advisory capabilities have been enhanced, and significant resources have been dedicated to further improving the Bank's securities trading services. BEA also offers one of the most extensive pools of ESG fund options in Hong Kong, catering to clients who are increasingly interested in sustainable impact investing.

Business – Chinese Mainland

The Chinese Mainland's economy has shown signs of resurgence following the lifting of COVID restrictions. In the first half of 2023, it registered economic growth of 5.5%, boosted by policy support. The improved economic landscape enabled BEA China to grow its net profit to HK\$136 million, up from HK\$2 million in the same period last year.

Net interest income rose by 5.6% year-on-year to HK\$2,057 million, while NIM widened by 28 basis points to 2.07% at the end of June 2023, compared with 1.79% in the same period of 2022. The NIM expansion was largely attributable to the growth of internet lending, which offers relatively higher yields and stable risk performance. Non-interest income surged by 18.5% year-on-year to HK\$590 million, driven by both wholesale banking and personal banking. Operating expenses were HK\$1,625 million, up 9.6% year-on-year mainly due to a rise in platform fees for internet lending and some one-off adjustments. Consequently, BEA China's pre-provision operating profit expanded to HK\$1,022 million, up 6.2% year-on-year.

Total loans and advances of BEA China dropped by 5.4% from the end of 2022 to HK\$139,308 million, primarily due to the depreciation of the Renminbi while the proportion of property-related loans was further managed downwards.

The impaired loan ratio increased slightly to 3.15% at the end of June 2023, compared to 2.75% at the end of 2022, while impairment losses decreased by 15.7% year-on-year. BEA China continued to manage its asset quality through the gradual exit of high-risk accounts and proactive recovery efforts.

On the wholesale banking side, operating income rose by 16.7% year-on-year. BEA China has diversified its loan portfolio towards nationally important strategic industries and trade-related financing with non-property lending now representing 75% of the total wholesale banking portfolio. Such diversification efforts helped drive the share of low-cost deposit balances to 51.7%, the highest level since 2018, and led to higher net interest income. Non-interest income grew by 18.5% year-on-year through a variety of revenue sources such as syndicated loans, treasury sales, trade finance, as well as cross-boundary products and services.

On the personal banking side, operating income rose by 15.5% from a year earlier. As the higher-yield internet lending portfolio expanded to replace the reduction in the mortgage and credit card portfolio, net interest income grew by 15.4%. At the same time, BEA China has strengthened its wealth management focus in Beijing, Shanghai, and the GBA supported by segment-oriented product and service offerings in bancassurance and cross-boundary banking. As a result, non-interest income for the affluent segment grew by 36.9% year-on-year.

Under its Operational Efficiency Transformation project, BEA China has embarked on a three-year journey to further enhance its cost performance through organisational streamlining, process automation, and digitalisation. In particular, BEA China has established a digital lab in Qianhai, Shenzhen as a cradle for digital talent and as a centre to fuel fintech adaptations. The project has so far rationalised the workforce by 3% while continuously improving internal efficiency and the customer journey experience.

As at 30th June, 2023, BEA China operates one of the most extensive networks among foreign banks with 30 branches and 34 sub-branches covering 38 cities in the Chinese Mainland. In the GBA, BEA China leads all foreign banks in city coverage with 20 outlets in all GBA cities.

Business – International, Macau, and Taiwan

In the first half of 2023, the Bank's overseas operations delivered a strong financial performance despite multiple economic headwinds, including recessionary concerns and high inflation.

During the period under review, pre-provision operating profit for our overseas branches soared 48.2% year-on-year to HK\$1,036 million, driven by an improvement in NIM.

Net profit after tax grew by 10.1%, even though branches in the UK and the US made additional Stage 1 provisions. The impaired loan ratio stood at 0.82% at the end of June 2023.

Even with inflationary pressures, the cost-to-income ratio improved to 26.4% compared with 33.6% in the same period last year, as a result of higher revenue.

Amid slower growth prospects and heightened credit risk within the CRE sector in the UK and the US, the operations there have focused on asset quality and proactively managed their portfolios.

Singapore Branch continued to reap the benefits of a previous strategic shift to corporate banking and its continued focus on cost discipline. Macau Branch, meanwhile, is poised to capitalise on growing cross-boundary business opportunities in the GBA. During the first half, Taiwan Branch maintained a vigilant approach given the economic slowdown.

As part of the Bank's digitalisation journey, BEA's overseas operations have been actively investing in technology to streamline their processes. Singapore Branch has expanded the online functionalities of its corporate Cyberbanking platform to enhance digital services for corporate customers. Taiwan Branch has replaced its core banking system to enrich customer experience and improve operational efficiency. Meanwhile, the UK Branch has also been working on digitalising its customer journey and data capabilities with a new customer relationship management system.

Looking ahead, amid the challenging business landscape, our overseas branches will continue to prudently onboard new businesses and optimise the mix of RWA to bolster returns.

BEA Union Investment Management Limited

BEA Union Investment Management Limited ("BEA Union Investment") remains committed to protecting clients' assets by adopting a rigorous risk management process in the face of turbulences in the global market. AUM and advisory as at 30th June, 2023 totalled US\$7.0 billion, down from US\$7.3 billion as at 31st December, 2022 due to reduced business activities and a decline in capital market value.

Investment solutions that incorporate ESG factors are becoming increasingly popular with institutional and retail clients, and in response, BEA Union Investment introduced BU Asia Impact Bond Fund in June. This fund primarily invests in impact bonds, including green, social, and sustainability bonds in Asia.

Looking ahead, BEA Union Investment will continue to enhance its investment process and develop new ESG strategies to support Hong Kong's vision to become a premier centre for green and sustainable finance.

Our People

As at 30th June, 2023, the BEA Group employed 8,261 people:

	As at 30th June, 2023	As at 31st December, 2022	As at 30th June, 2022
Hong Kong	4,726	4,833	4,965
Chinese Mainland	2,980	3,060	3,121
Macau and Taiwan	122	130	129
Overseas	433	430	421
Total	<u>8,261</u>	<u>8,453</u>	<u>8,636</u>

Our people lie at the heart of BEA's transformation strategy, and the Bank is continuously making investments to attract and retain a diverse and digitally adept workforce that is capable of navigating change and meeting customer needs.

To ensure the Bank employs top talents, we have expanded our sourcing strategy to encompass the talent pool in the Chinese Mainland, particularly in digital and other key business areas. We also run trainee programmes such as Group Management Trainees, Wholesale Banking Trainees, and Audit Trainees to develop young talents, while continuing to participate in existing youth-oriented programmes, including the FinTech Career Accelerator Scheme and Corporate Summer Internship in Chinese Mainland. These programmes provide structured training and on-the-job experience for recent graduates and students, equipping them with essential knowledge and skills to become future general bankers, relationship managers, and specialists in fintech, audit, and GBA cross-boundary business.

We are also committed to nurturing our staff with agile and future-proof skills. Through a series of programmes on Design Thinking, we encourage our staff to embrace a culture of innovation and co-create human-centric solutions. We also introduced a mobile micro-learning platform with diversified and timely content to enable our staff to gain new knowledge and skills, anytime, anywhere, and we continue to run a variety of programmes to cultivate our staff's capacity in technology, data application, and culture building.

In another sign of our commitment to building strong leadership and talent pipelines, a new cohort of high-potential executives have embarked on the BEA Future Leader Accelerated Programme. A new Group Management Trainee Programme has kick-started in July to provide exposure across Hong Kong, the Chinese Mainland, and overseas for our young future leaders. BEA also provides ongoing training support and sponsorship for obtaining HKMA's Enhanced Competency Framework ("ECF") certification and, with the launch of the ECF-FinTech certification by the HKMA, BEA is actively supporting relevant staff to complete the required training and obtain the new credential.

Leveraging new technology and data science, centralisation and streamlining continue to be our key focuses in the remaining half of this year. New operating models are being developed in different job areas, fostering greater satisfaction and higher productivity amongst our staff. Our recent employee survey suggests most employees feel proud to work for BEA and are positive about the Bank's commitment to its transformation journey.

Moving forward, we remain devoted to building an inclusive and collaborative workplace where each and every employee can share their views, and to fostering our talents as we continue on our transformation journey.

Outlook

Despite a steady expansion in the first half of 2023, the resilience of the global economy will continue to be tested as the impacts of rapid monetary tightening are felt. A prolonged period of high interest rates will weaken consumer confidence, temper corporate appetite for capital investment, and tighten bank lending standards. Adding to this, geopolitical tensions may put additional pressure on global trade.

The Chinese Mainland's growth trajectory may have slowed, but its GDP is still expanding at a faster rate than advanced economies. The Mainland will continue to pursue high-quality development as the top long-term economic objective. Domestic consumption will remain the primary growth driver. Investment in targeted sectors like advanced technology, modern infrastructure, and green development will accelerate efforts to move up the value chain and achieve the nation's climate goals.

For Hong Kong, the recovery is being dragged by the effects of high interest rates and the global economic slowdown. However, tourism and other service-related industries should see improvement as visitor levels from the Chinese Mainland rise. The local economy is therefore expected to rebound from last year's pandemic lows. Looking further ahead, Hong Kong has an important role to play in developing offshore RMB business and strengthening connectivity with the Mainland capital markets.

The high interest-rate environment shall continue to benefit BEA's performance for the rest of 2023. At the same time, high rates have increased the cost of borrowing and dampened demand for loans. Nevertheless, we are cautiously optimistic on the prospects for certain sectors. The Bank shall maintain a disciplined approach to growth, with continued focus on de-risking our portfolio and driving sustainable fee-generating business.

In the longer term, we are committed to facilitating the development of cross-border financial services between Hong Kong, the Chinese Mainland, and beyond. We are diversifying into strategic sectors with policy support, and strengthening our wealth management capabilities across Greater China. Our international network of branches and strategic partnerships will continue to support clients seeking to invest and do business overseas. We are well-positioned to benefit from the region's long-term prospects.

Major Recognition – Business

- **Best SME's Partner Award**
"Best SME's Partner Gold Award"
Hong Kong General Chamber of Small and Medium Business
- **Global Brand Awards 2023**
"Best Personal Banking Brand"
"Best New Digital Banking Product – "BEA GOAL""
"Best Banking Product – "Virtual Card""
Global Brands Magazine
- **Financial Institution Awards 2023**
"Outstanding Achievement in Retail Bank of the Year"
"Outstanding Achievement in Premium Segment Client Service"
"Excellence Award in Customer Engagement"
Bloomberg Businessweek (Chinese Edition)
- **Asian Private Banker 12th Awards For Distinction 2022**
"Highly Commended Private Bank Hong Kong"
Asian Private Banker
- **Asian Private Banker 5th China Wealth Awards 2022**
"Best Private Bank – GBA (Silver)"
Asian Private Banker
- **Asiamoney Private Banking Awards 2023**
"Best for HNW in Hong Kong"
Asiamoney

- **2023 Lipper Fund Awards**
Best Fund over 10 years, Mixed Asset HKD Balanced
Best Fund over 10 years, Mixed Asset HKD Conservative
Refinitiv Hong Kong
- **2022 Outstanding Work Performance Award**
“Institutional Contribution Award of Shanghai Banking Industry”
“Outstanding Institution of Media Communications in Shanghai Banking Industry”
“Outstanding Financial Services of Green Finance Supporting to Achieve Carbon Peaking and Carbon Neutrality Goals in Shanghai Banking Industry”
Shanghai Banking Association

RISK MANAGEMENT

The Group recognises that a sound risk culture is the foundation of its strength. To this end, the Group maintains a prudent and proactive risk management framework that supports risk awareness, proper behaviour, and sound judgement in relation to risk-taking. All employees are responsible for the management of risk.

Principal Risks

The Group faces a variety of risks that could affect its franchise, operations, and financial health. The principal risks identified by the Group include credit risk, interest-rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk, and technology risk. The description of principal risks, and how they are managed, is set out in the “Risk Management” section of the Bank’s Annual Report 2022.

Key Developments

The business environment of the Group faced multiple headwinds and challenges including troubled property developers amid the struggling real estate sector in the Chinese Mainland, concerns over the US and European bank failures, and global economic uncertainties under hiking interest rates and inflationary pressures.

In response to these challenges, the Group has actively managed the associated risks, with enhanced risk management in the following areas in the first half of 2023:

- Additional resources have been allocated for management of special assets and credit monitoring to proactively identify risk in the loan book and mitigate risks in a timely manner. In addition to enhanced credit control, thematic reviews were regularly conducted on high-risk sectors and loan exposures that are most susceptible to the current challenges.
- The Group continues to constantly review and refine the Operational Risk Management Framework to manage material operational risks and to assure sustainability, as well as proactively enhance incident management and third-party risk management capabilities to meet regulatory expectations. The Group is also committed to further investing and strengthening the Operational Resilience Framework to reinforce the agility of critical operations and safeguard business and services stability.
- The Bank has worked collaboratively with other stakeholders to enhance anti-fraud controls amid the constantly evolving threat landscape, including the implementation of initiatives proposed by the HKMA and the Hong Kong Police Force.
- The risk appetite statement is aligned strategically with the Group’s Sustainability Vision and Mission Statements, and continuous efforts have been put on driving the green and sustainable lending business to support customers to realise their transition plans to a low-carbon economy. Furthermore, under the Group’s Green and Sustainable Finance (“GSF”) Framework, additional sector policies have been developed to establish a consistent Bank-wide stance towards lending to high-carbon emitting sectors.

Principal Uncertainties

During the first half of 2023, the Group identified a number of emerging risks. The key uncertainties currently facing the Group and the mitigating measures implemented are set out below.

Principal Uncertainties

Mitigating Measures

Macro-economy

Global economic recovery remains uneven. Although the impact of the COVID-19 pandemic is abating, the global economy still faces an uncertain outlook arising from US-China tensions, elevated inflation, interest rate hikes, as well as the US and European bank failures; potentially derailing the recovery and offsetting the positive impact from the reopening of the Chinese Mainland border.

In the US, effects from the rapidly tightening monetary policy are expected to gradually surface and could have repercussions on the US asset markets and economy, which are already gloomy due to the recent bank failures.

In the Chinese Mainland, the unwinding of stringent COVID-19 restrictions and the introduction of supportive policy measures were intended to boost domestic consumption. However, in face of unresolved geopolitical tensions, global economic slowdown, and the uneven recovery of the Mainland's property market, full economic recovery still has some way to go.

In Hong Kong, a cautious optimism is expressed on domestic property market and local stock market after a price correction last year. With continued improvement in unemployment rate and private consumption along with the resumption of cross-boundary travel, signs of economic recovery are expected in the coming quarters.

The Group will continue to monitor the market situation and its portfolios closely in order to manage risk exposure.

From a credit risk perspective, the Bank continues to identify potential adverse events and devise ways to mitigate any impact on its capital adequacy and asset quality. Such measures include enhanced credit control on loan exposures most susceptible to the post-pandemic effects, thematic reviews on high-risk sectors, and stress testing on capital adequacy and loan-loss allowances. In response to the uncertainties arising from the liquidity and refinancing risk of the Mainland property sector, the Group is taking a conservative approach, with accounts being monitored closely. Overall credit exposure to the sector is being reduced amid the Group's broader diversification strategy. The Bank remains alert to the development of the Mainland property market, and lending appetite has become highly selective, with prudent and proactive credit risk management adopted to control loan asset quality.

From a market and interest rate risk perspective, the Bank continues to assess trends, manage exposures, perform hedging scenario analysis or stress-testing, review its risk-taking strategy, and formulate mitigating actions as necessary.

From a compliance risk perspective, the Bank continues to track the development of relevant sanction regimes and mitigate risk exposure where appropriate.

Principal Uncertainties

Mitigating Measures

Cybersecurity Risk

Cybersecurity risk is a key focus area for regulators and the banking industry, as these risks evolve rapidly. Attackers are constantly seeking more sophisticated and efficient ways to undermine banks' cyber security and operations.

The Group takes a multi-pronged approach to tackle cybersecurity risk and improve cyber resilience:

- Engage external consultants to assess the Group's cybersecurity controls against relevant information security standards and emerging risks to identify and implement necessary improvements
- Analyse different intelligence sources to monitor the latest worldwide threats and establish industry-wide collaborations on sharing of cyber threat intelligence
- Maintain a proper incident response management process including cybersecurity insurance policy
- Enhance cyber and information security training programmes including periodic phishing e-mail tests to promote security awareness among staff and improve security practices
- Cyber and information security risks and controls are regularly reviewed and reported to Directors in Risk Committee meetings quarterly

ESG Risks

Climate change poses both short and long-term risks to the banking industry. "Physical risk" refers to the impacts of weather and climate-related events, which could lead to disruptions to the business and operations of banks and their clients. "Transition risk" refers to the risk related to the adjustment process towards a low-carbon economy, which can be prompted by policy, legal, technology, and market changes as climate-change mitigation and adaptation measures are adopted.

To manage the potential risks from ESG and cultivate ESG consciousness throughout the Group, BEA has:

- Refined the GSF Framework to manage the Group's risk exposure to the "brown sectors" and to capture GSF business opportunities and support customers' transition to a low-carbon economy
- Incorporated climate risk considerations in the screening and assessment of credit applications
- Disclosed the Bank's ESG/climate risks and opportunities in the Group's 2022 ESG Report
- Introduced quantitative and qualitative risk appetite statements to monitor the Group's performance and risk tolerance on ESG/climate risk
- Integrated ESG/climate risk considerations in deriving the internal Pillar 2 capital requirement
- Incorporated greenness together with ESG/climate risk/greenwashing risk assessment for new green/ESG-themed products and services
- Promoted ESG awareness and capacity building among staff members

SUSTAINABILITY

In the first half of 2023, BEA continued to integrate sustainability principles into its strategy, governance practices, operations, and business activities. Our Bank-wide and divisional goals for the year were made with reference to our ESG strategy framework and its three pillars of responsible business, responsible operations, and responsible citizen, as well as the results of our extensive stakeholder engagement conducted in the second half of 2022. Members of our Department Head-level ESG Work Group are driving goal achievement while our General Manager-level ESG Steering Committee monitors the progress, which is then reported to the Board-level ESG Committee.

The first of two sustainability-related goals on the Bank-wide scorecard for 2023 is driving progress towards net zero financed emissions. Committed to achieving its goal of net zero financed emissions by 2050, BEA has developed a net zero roadmap, which consists of key initiatives and milestones, including target setting for all high-carbon emitting sectors by 2025.

During the period under review, BEA completed the collection of emissions data of five high-carbon emitting sectors, namely construction, energy, metals & mining, power, and transportation, which will be used to determine the financed emissions in the Group's portfolios. In the second half of this year, we plan to develop carbon reduction targets for the Group's energy and power sector portfolios, and to conduct business impact analysis to determine the potential impact on business performance.

As its second sustainability-related goal, BEA is driving GSF development by growing the amount of corporate GSF loans and ESG bond investments held as a percentage of total loan and bond investment assets. Promotion of transition finance solutions remains our strategic priority as we support our customers in improving their energy efficiency, increasing their use of renewable energy, and building more sustainable supply chains.

In April, BEA began extending GSF to the non-bank financial institution segment when it acted as one of the mandated lead arrangers and bookrunners of a USD300 million syndicated loan with a sustainable tranche for China Ping An Insurance Overseas (Holdings) Limited. The relevant proceeds have been used to finance or refinance eligible sustainable projects under the sustainability finance framework developed by the borrower, which complies with the Green Loan Principles and the Social Loan Principles.

In the UK, BEA participated as a lead arranger of a sustainability-linked loan for Cromwell EREIT Lux Finco S.à.r.l., a real estate investment trust company, with exposure totalling €20 million.

Locally, a new GSF advisory section has been set up under the Wholesale Banking Division. Working hand in hand with relationship managers, this specialist team promotes GSF opportunities, provides comprehensive GSF consulting services and collaborates with external reviewers to assist clients in their journey towards net zero.

In June, BEA Union Investment Management Limited received approval from the Securities and Futures Commission to launch the first Hong Kong-domiciled Asia Impact Bond Fund, the BU Asia Impact Bond Fund. The fund primarily invests in green, social, and sustainability bonds, with the proceeds being used to fund projects that address specific social or environmental issues. The fund is available for retail investors as well as investors in the GBA via the Cross-boundary Wealth Management Connect Scheme.

To support BEA's GSF development and enhance its ESG risk-related infrastructure, BEA issued new sector policies for construction, metals & mining, and transportation in addition to the policies for energy, power, and property development that were developed last year. Furthermore, the Bank incorporated climate risk assessment into the new product approval process for green labelled products in alignment with regulatory expectations.

To strengthen staff awareness and capability with respect to the Bank's climate efforts, ESG risk, and GSF, briefing sessions were conducted for the General Managers and Risk Heads of the Bank's overseas branches. GSF training was also organised for frontline and other relevant staff members across the Group, who gained greater understanding about the types of GSF products, BEA's GSF framework, global GSF-related policy developments, and other important topics.

On the operations side, BEA began implementing measures as part of its commitment to achieve net zero operational emissions by 2030. In the first half of 2023, BEA established a dedicated team to manage operational emissions, which drafted the Group's Sustainable Building Policy and guidelines. By the end of the year, we aim to establish deployment plans at the building-level across our markets to facilitate the implementation of carbon reduction initiatives.

BEA has identified financial literacy as a topic in which it has a high potential impact on society. In response, BEA has extended its "Peer Buddy" Programme to all branches in Hong Kong. The Programme aims to increase adoption rates of digital banking services among customers aged between 60 and 70. The Bank also launched the "Golden Afternoon" promotional programme for target customers, which includes a monthly lucky draw to encourage regular usage of Cyberbanking. In addition, senior customers were sent electronic direct mail that promotes the advantages of digital banking, security tips, and more.

In the US, BEA's New York Branch organised two financial education webinars for students of Primary School #2 – The Meyer London at Manhattan and the International High School at Prospect Heights. The webinars introduced students to key banking operations and helped them develop a healthy attitude towards money management through interactive activities.

Throughout the year, BEA organises activities that enable its staff to contribute to the wider community. We continued to encourage all staff members to participate in the Bank-wide "Join Hands, Reach Further" volunteering campaign. Activities included a Lunar New Year food donation, coastal clean-up, a reforestation initiative, and pre-event workshops for our flagship community programmes, BEA Festival and BEA Upcycles, which involved more than 100 staff volunteers who contributed over 800 service hours.

For the eighth consecutive year, BEA served as the title sponsor of The Community Chest BEA Charity Golf Day, which raised over HK\$2.6 million for mental health services.

In Singapore, staff volunteers visited the Society for the Aged Sick. Branch staff interacted with the elderly residents through performances, engaging games, and a sing-a-long.

On the Chinese Mainland, BEA China joined hands with WWF and One Planet Foundation to launch the "Earth Nature School Project", becoming the first strategic partner of the project in China. The project aims to raise environmental awareness among local youths and promote equity and inclusion in education by providing rural schools with biodiversity conservation courses. BEA China also initiated the "One Planet – One Bank" Arbour Day activities in 18 cities through its branch network. Native tree species were planted to restore the woodland ecosystem and preserve biodiversity. Over 500 colleagues and their family members contributed over 2,470 volunteer hours.

For more information on our efforts on the Chinese Mainland, please refer to BEA China's first standalone ESG report for 2022, which can be accessed via BEA China's website (www.hkbea.com.cn/Beainformation/Sustainability/ESGReport/).

Major Recognition – Sustainability

During the six months ended 30th June, 2023, the Bank received a number of awards in recognition of its sustainability-related performance.

These included:

- "HKIB Talent Development Awards 2023 (Category I)" in the HKIB Banking Industry Talent Development Awards Programme by The Hong Kong Institute of Bankers
- "Hong Kong Best Employer Brand" by LinkedIn
- "QF Star Employer" under the Qualification Framework Scheme by the Government of the Hong Kong Special Administrative Region (Education Bureau)
- "Diamond Award" in the Corporate & Employee Contribution Programme 2022/2023 (for the 29th consecutive year) by The Community Chest of Hong Kong

- “Caring Company” (for the 20th consecutive year) by The Hong Kong Council of Social Service
- “Manpower Developer” (received since 2012) under the ERB Manpower Developer Award Scheme by the Employees Retraining Board
- Indoor Air Quality Certificate – Excellent Class for The Bank of East Asia Building and BEA Tower; and Good Class for 33 Des Voeux Road Central by the Environmental Protection Department

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since publication of the Bank’s Annual Report 2022 up to 24th August, 2023 (being the date of approval of the Bank’s Interim Report 2023) are set out below:

Changes in experience including other directorships and major appointments

<u>Name of Directors</u>	<u>Other directorships and appointments</u>
Mr. Adrian David LI Man-kiu	Appointed as Deputy Chairman of The Hong Kong Institute of Bankers’ Executive Committee
	Retired as an Independent Non-executive Director of China State Construction International Holdings Limited (listed in Hong Kong)
	Retired from the Board and Executive Committee of The Community Chest of Hong Kong, and became its Vice Patron
Mr. Brian David LI Man-bun	Awarded the Bronze Bauhinia Star by the HKSAR Government
	Appointed as a Member of the Chief Executive’s Council of Advisers of the HKSAR Government
	Retired as an Independent Non-executive Director of Shenzhen Investment Holdings Bay Area Development Company Limited (listed in Hong Kong)
Dr. Daryl NG Win-kong	Appointed as a Member of the Council for Carbon Neutrality and Sustainable Development of the HKSAR Government, a Member of the Culture Commission of the HKSAR Government, and a Member of the Advisory Council on the Environment of the HKSAR Government
	Appointed as a Member of the Board of Hong Kong Palace Museum Limited
	Retired as a Member of the Board of M Plus Museum Limited
Mr. Masayuki OKU	Retired as an Independent Non-executive Director of Chugai Pharmaceutical Co., Ltd. (listed in Japan)
Dr. the Hon. Rita FAN HSU Lai-tai	Retired as an Independent Non-executive Director of China Overseas Land & Investment Limited (listed in Hong Kong)
Dr. the Hon. Henry TANG Ying-yen	Stepped down as Chairman of Friends of Hong Kong Association
Mr. William Junior Guilherme DOO	Awarded the Bronze Bauhinia Star by the HKSAR Government

Changes in Directors' emoluments

With effect from 1st April, 2023, the annual salary payable to Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun, respectively, as Co-Chief Executives of the Bank, has been increased from HK\$7.7 million to approximately HK\$8 million, in addition to entitlement of discretionary bonuses and share options to be determined with reference to the remuneration policy of the Bank each year.

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CO-CHIEF EXECUTIVES' INTERESTS

As at 30th June, 2023, the interests and short positions of the Directors and Co-Chief Executives of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

I. Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of Shares	Total	% of issued voting Shares ⁹
David LI Kwok-po	Beneficial owner	92,558,139	104,905,723 ¹	3.94
	Interest of spouse	2,281,992		
	Interest of corporation	480,085		
	Executor of estate	9,585,507		
Arthur LI Kwok-cheung	Beneficial owner	13,347,907	40,370,707 ²	1.52
	Interest of corporation	17,437,293		
	Executor of estate	9,585,507		
Allan WONG Chi-yun	Beneficial owner	464,393	25,423,190 ³	0.95
	Interest of spouse	136		
	Interest of corporation	7,543,427		
	Founder and beneficiary of discretionary trust	17,415,234		
Aubrey LI Kwok-sing	Beneficial owner	922,730	19,284,858 ⁴	0.72
	Interest of spouse	27,846		
	Founder/Settlor of trust	18,334,282		
Stephen Charles LI Kwok-sze	Beneficial owner	12,878,472	13,715,538 ⁵	0.51
	Administrator of estates	837,066		
Adrian David LI Man-kiu	Beneficial owner	1,114,017	3,304,364 ⁶	0.12
	Settlor/Founder of discretionary trust	2,190,347		
Brian David LI Man-bun	Beneficial owner	2,724,060	3,557,858 ⁷	0.13
	Interest of corporation	833,798		
David MONG Tak-yeung	Interest of corporations	6,041,926	6,041,926 ⁸	0.23

Notes:

- 1 *David LI Kwok-po was the beneficial owner of 92,558,139 Shares and he was deemed to be interested in 2,281,992 Shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 480,085 Shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 9,585,507 Shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 9,585,507 Shares as one of the executors of the estate (please refer to Note 2 below).*
- 2 *Arthur LI Kwok-cheung was the beneficial owner of 13,347,907 Shares and he was deemed to be interested in 17,437,293 Shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 9,585,507 Shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 9,585,507 Shares as one of the executors of the estate (please refer to Note 1 above).*
- 3 *Allan WONG Chi-yun was the beneficial owner of 464,393 Shares and he was deemed to be interested in 136 Shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 7,543,427 Shares held by Wong Chung Man Limited, which is wholly-owned by him. He was also deemed to be interested in 17,415,234 Shares held by a discretionary trust, The Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 922,730 Shares and he was deemed to be interested in 27,846 Shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 18,334,282 Shares held by LEVA Trust of which he is the founder/settlor.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 12,878,472 Shares. He was also deemed to be interested in 837,066 Shares held by two estates of which he is one of the administrators.*
- 6 *Adrian David LI Man-kiu was the beneficial owner of 1,114,017 Shares. He has made a voluntary disclosure of 2,190,347 Shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.*
- 7 *Brian David LI Man-bun was the beneficial owner of 2,724,060 Shares. He was also deemed to be interested in 833,798 Shares held by Triple Kingdom Limited, which is wholly-owned by him.*
- 8 *David MONG Tak-yeung was deemed to be interested in 6,041,926 Shares held by certain corporations, out of which (i) 5,306,771 Shares were held by Shun Hing Electronic Trading Co., Ltd., and (ii) 735,155 Shares were held by Shun Hing Technology Co. Ltd.. He directly/indirectly controls one-third or more of the voting power at a general meeting of these corporations.*
- 9 *The percentages of shareholding in the table were calculated based on the number of total issued Shares as at 30th June, 2023, being 2,664,365,484 Shares.*

II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the six months ended 30th June, 2023 is shown in the section under "Information on Share Options" of this Report.

III. Interests in debt securities of the Bank:

Name	Capacity and nature	Type of Debt Securities	Amount of Debentures
Allan WONG Chi-yun	Founder and beneficiary of discretionary trust	6.75% Non-Preferred Loss Absorbing Notes with a face value of US\$500 million (the "LAC Notes")	US\$3,000,000 ¹
Francisco Javier SERRADO TREPAT	Beneficial owner	5.875% Additional Tier 1 Undated Capital Securities with a face value of US\$650 million (the "AT1 Notes")	US\$20,500,000 ²

Notes:

- Allan WONG Chi-yun was deemed to be interested in the LAC Notes in an amount of US\$3,000,000, which was held by a discretionary trust, The Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary. The LAC Notes were issued by the Bank under its US\$6,000 million Medium Term Note Programme ("MTN Programme") in 2023 and are listed on the Stock Exchange.*
- Francisco Javier SERRADO TREPAT was the beneficial owner of the AT1 Notes in an amount of US\$20,500,000. The AT1 Notes were issued by the Bank under the MTN Programme in 2019 and are listed on the Stock Exchange.*

Each of the other Directors, namely Winston LO Yau-lai, Daryl NG Win-kong, Masayuki OKU, Rita FAN HSU Lai-tai, Meocre LI Kwok-wing, Henry TANG Ying-yen, Delman LEE and William Junior Guilherme DOO did not have any interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations as at 30th June, 2023.

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register as at 30th June, 2023.

INFORMATION ON SHARE OPTIONS

Information in relation to share options and their movement during the six months ended 30th June, 2023 disclosed in accordance with the Listing Rules is as follows:

Name (Position)/ Description of Grantees	Date of Grant	Number of Share Options ^c				Outstanding at 30/6/2023	
		Outstanding at 01/1/2023	Granted	Exercised	Lapsed		
Directors							
David LI Kwok-po (Executive Chairman)	04/5/2015 ^a	668,000 ^{T3}	–	–	668,000	0	
	08/4/2016 ^a	666,000 ^{T2}	–	–	666,000	0	
	08/4/2016 ^a	668,000 ^{T3}	–	–	–	668,000	
	07/4/2017 ^a	666,000 ^{T1}	–	–	666,000	0	
	07/4/2017 ^a	666,000 ^{T2}	–	–	–	666,000	
	07/4/2017 ^a	501,000 ^{T3}	–	–	–	501,000	
	10/4/2018 ^a	666,000 ^{T1}	–	–	–	666,000	
	10/4/2018 ^a	499,500 ^{T2}	–	–	–	499,500	
	10/4/2018 ^a	501,000 ^{T3}	–	–	–	501,000	
	19/7/2019 ^a	499,500 ^{T1}	–	–	–	499,500	
	19/7/2019 ^a	499,500 ^{T2}	–	–	–	499,500	
	19/7/2019 ^a	501,000 ^{T3}	–	–	–	501,000	
	07/4/2020 ^a	346,115 ^{T1}	–	–	–	346,115	
	07/4/2020 ^a	347,802 ^{T2}	–	–	–	347,802	
	07/4/2020 ^a	354,090 ^{T3}	–	–	–	354,090	
	13/4/2021 ^a	123,586 ^{T1}	–	–	–	123,586	
	13/4/2021 ^a	123,602 ^{T2}	–	–	–	123,602	
	13/4/2021 ^a	123,893 ^{T3}	–	–	–	123,893	
	12/4/2022 ^a	692,152 ^{T1}	–	–	–	692,152	
	12/4/2022 ^a	691,261 ^{T2}	–	–	–	691,261	
	12/4/2022 ^a	701,082 ^{T3}	–	–	–	701,082	
	12/4/2023 ^b	–	–	460,896 ^{T1}	–	–	460,896
	12/4/2023 ^b	–	–	460,896 ^{T2}	–	–	460,896
12/4/2023 ^b	–	–	461,219 ^{T3}	–	–	461,219	
Adrian David LI Man-kiu (Co-Chief Executive)	04/5/2015 ^a	218,000 ^{T3}	–	–	218,000	0	
	08/4/2016 ^a	216,000 ^{T2}	–	–	216,000	0	
	08/4/2016 ^a	218,000 ^{T3}	–	–	–	218,000	
	07/4/2017 ^a	216,000 ^{T1}	–	–	216,000	0	
	07/4/2017 ^a	216,000 ^{T2}	–	–	–	216,000	
	07/4/2017 ^a	163,500 ^{T3}	–	–	–	163,500	
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000	
	10/4/2018 ^a	162,000 ^{T2}	–	–	–	162,000	
	10/4/2018 ^a	163,500 ^{T3}	–	–	–	163,500	
	19/7/2019 ^a	162,000 ^{T1}	–	–	–	162,000	
	19/7/2019 ^a	162,000 ^{T2}	–	–	–	162,000	
	19/7/2019 ^a	163,500 ^{T3}	–	–	–	163,500	
	07/4/2020 ^a	268,360 ^{T1}	–	–	–	268,360	
	07/4/2020 ^a	271,648 ^{T2}	–	–	–	271,648	
	07/4/2020 ^a	282,769 ^{T3}	–	–	–	282,769	
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154	
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186	
	13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759	
	12/4/2022 ^a	1,345,001 ^{T1}	–	–	–	1,345,001	
	12/4/2022 ^a	1,343,274 ^{T2}	–	–	–	1,343,274	
	12/4/2022 ^a	1,362,297 ^{T3}	–	–	–	1,362,297	
	12/4/2023 ^b	–	–	919,712 ^{T1}	–	–	919,712
	12/4/2023 ^b	–	–	919,711 ^{T2}	–	–	919,711
12/4/2023 ^b	–	–	920,333 ^{T3}	–	–	920,333	

Name (Position)/ Description of Grantees	Date of Grant	Number of Share Options ^c				Outstanding at 30/6/2023
		Outstanding at 01/1/2023	Granted	Exercised	Lapsed	
Brian David Li Man-bun (Co-Chief Executive)	04/5/2015 ^a	218,000 ^{T3}	–	–	218,000	0
	08/4/2016 ^a	216,000 ^{T2}	–	–	216,000	0
	08/4/2016 ^a	218,000 ^{T3}	–	–	–	218,000
	07/4/2017 ^a	216,000 ^{T1}	–	–	216,000	0
	07/4/2017 ^a	216,000 ^{T2}	–	–	–	216,000
	07/4/2017 ^a	109,000 ^{T3}	–	–	–	109,000
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000
	10/4/2018 ^a	108,000 ^{T2}	–	–	–	108,000
	10/4/2018 ^a	109,000 ^{T3}	–	–	–	109,000
	07/4/2020 ^a	286,690 ^{T1}	–	–	–	286,690
	07/4/2020 ^a	288,878 ^{T2}	–	–	–	288,878
	07/4/2020 ^a	297,977 ^{T3}	–	–	–	297,977
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186
	13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759
	12/4/2022 ^a	1,345,001 ^{T1}	–	–	–	1,345,001
	12/4/2022 ^a	1,343,274 ^{T2}	–	–	–	1,343,274
	12/4/2022 ^a	1,362,297 ^{T3}	–	–	–	1,362,297
	12/4/2023 ^b	–	919,712 ^{T1}	–	–	919,712
	12/4/2023 ^b	–	919,711 ^{T2}	–	–	919,711
12/4/2023 ^b	–	920,333 ^{T3}	–	–	920,333	
Other Participants/ Employees						
Other Employee Participants*	04/5/2015 ^a	586,000 ^{T3}	–	–	586,000	0
	08/4/2016 ^a	598,000 ^{T2}	–	–	598,000	0
	08/4/2016 ^a	642,500 ^{T3}	–	–	–	642,500
	07/4/2017 ^a	682,000 ^{T1}	–	–	682,000	0
	07/4/2017 ^a	682,000 ^{T2}	–	–	–	682,000
	07/4/2017 ^a	539,500 ^{T3}	–	–	–	539,500
	10/4/2018 ^a	727,000 ^{T1}	–	–	–	727,000
	10/4/2018 ^a	581,500 ^{T2}	–	–	–	581,500
	10/4/2018 ^a	587,000 ^{T3}	–	–	–	587,000
	19/7/2019 ^a	586,500 ^{T1}	–	–	–	586,500
	19/7/2019 ^a	586,500 ^{T2}	–	–	–	586,500
	19/7/2019 ^a	589,500 ^{T3}	–	–	–	589,500
	07/4/2020 ^a	615,000 ^{T1}	–	–	–	615,000
	07/4/2020 ^a	615,000 ^{T2}	–	–	–	615,000
	07/4/2020 ^a	620,000 ^{T3}	–	–	–	620,000
	13/4/2021 ^a	639,903 ^{T1}	–	–	–	639,903
	13/4/2021 ^a	639,932 ^{T2}	–	–	–	639,932
	13/4/2021 ^a	643,439 ^{T3}	–	–	–	643,439
	12/4/2022 ^a	1,921,666 ^{T1}	–	–	–	1,921,666
	12/4/2022 ^a	1,919,844 ^{T2}	–	–	–	1,919,844
12/4/2022 ^a	1,941,441 ^{T3}	–	–	–	1,941,441	
12/4/2023 ^b	–	1,606,559 ^{T1}	–	–	1,606,559	
12/4/2023 ^b	–	1,606,559 ^{T2}	–	–	1,606,559	
12/4/2023 ^b	–	1,609,282 ^{T3}	–	–	1,609,282	

Name (Position)/ Description of Grantees	Date of Grant	Number of Share Options ^c				Outstanding at 30/6/2023
		Outstanding at 01/1/2023	Granted	Exercised	Lapsed	
Former Employees**	04/5/2015 ^a	265,746 ^{T3}	–	–	265,746	0
	08/4/2016 ^a	250,000 ^{T2}	–	–	250,000	0
	08/4/2016 ^a	300,000 ^{T3}	–	–	50,000	250,000
	07/4/2017 ^a	300,000 ^{T1}	–	–	300,000	0
	07/4/2017 ^a	300,000 ^{T2}	–	–	50,000	250,000
	07/4/2017 ^a	250,000 ^{T3}	–	–	50,000	200,000
	10/4/2018 ^a	300,000 ^{T1}	–	–	50,000	250,000
	10/4/2018 ^a	262,500 ^{T2}	–	–	50,000	212,500
	10/4/2018 ^a	262,500 ^{T3}	–	–	50,000	212,500
	19/7/2019 ^a	245,500 ^{T1}	–	–	50,000	195,500
	19/7/2019 ^a	245,500 ^{T2}	–	–	50,000	195,500
	19/7/2019 ^a	296,500 ^{T3}	–	–	–	296,500
	07/4/2020 ^a	212,000 ^{T1}	–	–	50,000	162,000
	07/4/2020 ^a	262,000 ^{T2}	–	–	100,000	162,000
	07/4/2020 ^a	263,500 ^{T3}	–	–	–	263,500
	13/4/2021 ^a	200,000 ^{T1}	–	–	100,000	100,000
	13/4/2021 ^a	200,000 ^{T2}	–	–	–	200,000
	13/4/2021 ^a	200,000 ^{T3}	–	–	–	200,000
	12/4/2022 ^a	50,000 ^{T1}	–	–	–	50,000
	12/4/2022 ^a	50,000 ^{T2}	–	–	–	50,000
12/4/2022 ^a	50,000 ^{T3}	–	–	–	50,000	
Total		<u>47,357,218</u>	<u>11,724,923</u>	<u>–</u>	<u>6,631,746</u>	<u>52,450,395</u>

* Other Employee Participants are "Eligible Persons" as defined in the rules of the 2021 Scheme and relevant expired share option schemes (of which the scheme period had expired) of the Bank, which include any full-time or part-time employee, as the Directors may determine, in the service of the Bank Group.

** The share options were offered/granted to those former employees who were Employee Participants prior to their cessation as employees of the Bank Group.

Notes:

a Particulars of share options granted in years 2015 to 2022:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08
12/4/2022	T1	12/4/2022 – 11/4/2023	12/4/2023 – 12/4/2028	12.17
12/4/2022	T2	12/4/2022 – 11/4/2024	12/4/2024 – 12/4/2029	12.17
12/4/2022	T3	12/4/2022 – 11/4/2025	12/4/2025 – 12/4/2030	12.17

b Share options granted in year 2023:

(i) Particulars:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
12/4/2023	T1	12/4/2023 – 11/4/2024	12/4/2024 – 12/4/2029	10.08
12/4/2023	T2	12/4/2023 – 11/4/2025	12/4/2025 – 12/4/2030	10.08
12/4/2023	T3	12/4/2023 – 11/4/2026	12/4/2026 – 12/4/2031	10.08

(ii) Vesting of the share options of each tranche shall be subject to any one or more of the performance thresholds as adopted by the Bank for the financial year prior to the commencement of the exercise period of that tranche having been met or exceeded.

(iii) The closing price of the Shares on 11th April, 2023 (being the business day immediately preceding 12th April, 2023 on which the options were granted) was HK\$10.04.

(iv) Fair value of the share options at the date of grant and the assumptions are as follows:

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

	Six months ended 30/6/2023
Fair value at measurement date	
– Tranche 1	HK\$1.88
– Tranche 2	HK\$1.88
– Tranche 3	HK\$1.80
Share price at measurement date	HK\$10.08
Exercise price	HK\$10.08
Expected volatility	26.97%
Option life	
– Tranche 1	6 years
– Tranche 2	7 years
– Tranche 3	8 years
Expected dividends	9.64%-12.95%
Risk-free interest rate (based on Hong Kong Government Bonds)	2.88%

The expected volatility is based on the historic volatility and the expected dividends are based on historical dividends prior to grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

(v) The accounting standard and policy adopted for share options are as follows:

The Bank adopted equity-settled share based payment arrangement under Staff Share Option Schemes to grant the options to eligible employees of the Group.

The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

The equity amount is recognised in capital reserve until either the option is exercised and new shares allotted (then it is transferred to share capital) or the option expires (then it is released directly to retained profits). For Grantees who do not meet the applicable vesting conditions, the unvested options are forfeited, either in whole or in part. Forfeited share options are cancelled. When the options are exercised, equity is increased by the amount of the proceeds received.

(vi) The number of Shares that may be issued in respect of share options granted during the period under the 2021 Scheme, i.e. 11,724,923 Shares, represents approximately 0.44% of the weighted average number of Shares in issue during the six months ended 30th June, 2023. Please refer to Note 1(b)(i) to the financial statements for the weighted average number of Shares in issue.

c No share options were exercised or cancelled during the six months ended 30th June, 2023.

d The total number of Shares which may be issued upon exercise of all share options to be granted under the 2021 Scheme and any other schemes of the Bank shall not, in aggregate, exceed 5% of the Shares in issue as at the date of adoption of the 2021 Scheme (i.e. 145,949,434 Shares) (the "Scheme Mandate Limit"). The Scheme Mandate Limit may be refreshed by shareholders of the Bank in general meeting in accordance with the Listing Rules provided always that the Scheme Mandate Limit so refreshed must not exceed 5% of the Shares in issue as at the date of approval of such refreshment by the Bank's shareholders in general meeting.

Other than the 2021 Scheme, the Bank had no other share scheme (as defined under Chapter 17 of the Listing Rules) in force during the six months ended 30th June, 2023 and up to the date of this Report. The number of Shares available for issue in respect of all share options available for grant under the 2021 Scheme and subject to the Scheme Mandate Limit, at the following respective dates, is set out below:

	<u>Number of Shares available for issue</u>	<u>% of total number of issued Shares</u>
At 1st January, 2023	129,830,844	4.84%
At 30th June, 2023	118,105,921	4.43%
At the date of this Report	118,105,921	4.44%

Save as disclosed above, as at 30th June, 2023, none of the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30th June, 2023, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

Long positions in ordinary shares of the Bank:

<u>Name</u>	<u>Capacity and nature</u>	<u>No. of Shares</u>	<u>% of issued voting Shares⁶</u>
Sumitomo Mitsui Banking Corporation	Beneficial owner	574,516,317 ¹	21.56
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	574,516,317 ¹	21.56
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	508,519,684 ²	19.09
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	508,519,684 ²	19.09
Guoco Management Company Limited	Beneficial owner	435,691,137 ^{3,4}	16.35 ⁵
Guoco Group Limited	Interest of corporation	435,691,137 ³	16.35
GuoLine Overseas Limited	Interest of corporation	435,691,137 ³	16.35 ⁵
GuoLine Capital Assets Limited	Interest of corporation	435,691,137 ³	16.35
QUEK Leng Chan	Interest of corporation	435,691,137 ³	16.35
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	435,691,137 ⁴	16.35
Davos Investment Holdings Private Limited	Interest of corporation	435,691,137 ⁴	16.35
KWEK Leng Kee	Interest of corporation	435,691,137 ⁴	16.35

Notes:

- 1 *Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 574,516,317 Shares held by Sumitomo Mitsui Banking Corporation.*
- 2 *Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Critería Caixa, S.A., Sociedad Unipersonal ("Critería Caixa"). "la Caixa" was deemed to be interested in the 508,519,684 Shares held by Critería Caixa.*
- 3 *The references to 435,691,137 Shares in Notes 3 and 4 relate to the same block of Shares. Guoco Management Company Limited was the beneficial owner of 435,691,137 Shares. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited, which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Overseas Limited and Guoco Group Limited were both deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited. GuoLine Capital Assets Limited was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Overseas Limited.*

QUEK Leng Chan was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of his 49.11% interest in GuoLine Capital Assets Limited.
- 4 *The references to 435,691,137 Shares in Notes 3 and 4 relate to the same block of Shares. GuoLine Capital Assets Limited was 34.49% held by Hong Leong Investment Holdings Pte. Ltd., which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of their interests in GuoLine Capital Assets Limited.*

KWEK Leng Kee was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.
- 5 *GuoLine Overseas Limited is a wholly-owned subsidiary of GuoLine Capital Assets Limited and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by GuoLine Capital Assets Limited and Guoco Group Limited, GuoLine Overseas Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.*
- 6 *The percentages of shareholding in the table were calculated based on the number of total issued Shares as at 30th June, 2023, being 2,664,365,484 Shares.*

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register as at 30th June, 2023.

PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES

On-market Share Buy-back

During the six months ended 30th June, 2023, the Bank bought back a total of 17,840,200 Shares on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$183.47 million. Details of the Shares bought back are set out below:

Month (2023)	No. of Shares bought back	Purchase price per Share		Aggregate consideration (excluding expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
February	2,932,400	11.24	10.50	31,847,248
April	3,991,200	10.50	9.88	40,559,740
May	6,884,000	10.72	9.58	70,067,298
June	4,032,600	10.56	9.77	40,994,740
Total	17,840,200			183,469,026

Out of the 17,840,200 Shares bought back:

- 17,152,200 Shares were cancelled on or before 30th June, 2023;
- the remaining 688,000 Shares were cancelled on 31st July, 2023;
- 9,299,400 Shares were bought back pursuant to the general mandate granted by the shareholders at the 2022 Annual General Meeting held on 6th May, 2022 at an aggregate consideration of approximately HK\$97.24 million; and
- the remaining 8,540,800 Shares were bought back pursuant to the general mandate granted by the shareholders at the 2023 Annual General Meeting held on 11th May, 2023 at an aggregate consideration of approximately HK\$86.23 million.

The on-market share buy-backs were conducted in the interest of the Bank and the shareholders as a whole.

Save for the on-market share buy-backs as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of the listed securities of the Bank during the six months ended 30th June, 2023.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance and considers such commitment essential in balancing the interests of shareholders, customers, employees and other relevant stakeholders; and in upholding accountability and transparency.

The Bank has in place a Corporate Governance Framework which identifies all the key participants of the Group and their roles in the application of effective governance policies and processes. A *Corporate Governance Policy* has also been established to direct and guide the business conducts and affairs of the Group. The Framework is reviewed and updated (where appropriate) from time to time to ensure it complies with the evolving regulatory requirements and meets the needs of the Bank Group.

Throughout the six months ended 30th June, 2023, the Bank has complied with all Code Provisions set out in the CG Code.

During the six months ended 30th June, 2023, the Bank has also followed the modules on CG-1, CG-5, Guidance on Empowerment of INEDs, and the circular on Bank Culture Reform issued by the HKMA.

The Bank received confirmations from Directors that they have spent sufficient time performing their responsibilities as Directors of the Bank and have given sufficient time and attention to the Bank Group's affairs. All Directors acknowledged that they have participated, from time to time, in continuous professional development to develop and refresh their knowledge and skills for carrying out their duties and responsibilities as Directors of the Bank.

The Audit Committee of the Bank has reviewed the results of the Bank for the six months ended 30th June, 2023 and the Bank's Interim Report 2023.

COMPLIANCE WITH MODEL CODE

The Bank has adopted its own code of securities transactions to be observed by the Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* (the "Bank's Policy") on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules.

The Bank has also adopted a *Policy on Insider Dealing – Group Personnel* to be observed by the employees of the Bank or directors or employees of the Bank's subsidiaries, in respect of their dealings in the securities of the Bank.

Following specific enquiries by the Bank, all Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable time during the six months ended 30th June, 2023.

PUBLICATION OF INTERIM REPORT

The Interim Report 2023 in both English and Chinese is now available in printed form and on the websites of the Bank (www.hkbea.com) and HKEX (www.hkexnews.hk). Shareholders are encouraged to rely on website version to help reduce the quantity of printed copies of corporate communications of the Bank and hence the impact on the environment. Notwithstanding any choice of means for the receipt of corporate communications (i.e. either receiving a printed copy or by electronic means through the Bank's website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank's Share Registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by fax to (852) 2810 8185 or by email to BEA0023-ecom@hk.tricorglobal.com specifying your request together with your full name and contact telephone number.

By order of the Board

Adrian David LI Man-kiu
Co-Chief Executive

Brian David LI Man-bun
Co-Chief Executive

Hong Kong, 24th August, 2023

As at the date of this report, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po[#] (Executive Chairman), Professor Arthur LI Kwok-cheung (Deputy Chairman), Dr. Allan WONG Chi-yun** (Deputy Chairman), Mr. Aubrey LI Kwok-sing*, Mr. Winston LO Yau-lai*, Mr. Stephen Charles LI Kwok-sze*, Mr. Adrian David LI Man-kiu[#] (Co-Chief Executive), Mr. Brian David LI Man-bun[#] (Co-Chief Executive), Dr. Daryl NG Win-kong*, Mr. Masayuki OKU*, Dr. the Hon. Rita FAN HSU Lai-tai**, Mr. Meocre LI Kwok-wing**, Dr. the Hon. Henry TANG Ying-yen**, Dr. Delman LEE**, Mr. William Junior Guilherme DOO**, Dr. David MONG Tak-yeung** and Dr. Francisco Javier SERRADO TREPAT*.*

[#] Executive Director

* Non-executive Director

** Independent Non-executive Director

財務摘要

	2023年 6月30日	2022年 6月30日	2022年 12月31日
半年期內			
盈利能力	港幣百萬元	港幣百萬元	港幣百萬元
未扣除減值損失之經營溢利	5,688	3,712	5,018
可歸屬於本集團股東溢利	2,636	1,499	2,860
每股盈利及每股股息	港幣元	港幣元	港幣元
基本盈利	0.87	0.39	0.93
股息	0.36	0.16	0.65
主要比率	%	%	%
平均資產回報率(年率) ¹	0.5	0.2	0.6
平均股東權益回報率(年率) ²	4.8	2.2	5.3
成本對收入比率 ³	44.7	54.3	49.0

於期末／年末

	港幣百萬元	港幣百萬元	港幣百萬元
資產負債狀況			
客戶貸款及墊款及貿易票據總額	533,077	554,443	549,543
資產總額	872,069	908,211	882,825
客戶存款及已發行存款證總額	662,310	691,221	680,755
股東權益總額	107,319	106,325	106,346
主要比率	%	%	%
貸款對存款比率 ⁴	80.3	79.8	80.6
減值貸款比率 ⁵	2.56	1.58	2.39
普通股權一級資本比率 ⁶	16.8	15.7	15.8
一級資本比率 ⁶	18.8	17.7	17.7
總資本比率 ⁶	21.4	20.2	20.1

附註：

1. 已減除分派予額外一級資本工具持有人及年度化後可歸屬於本集團股東之期內溢利／期內(包括去年末的結餘)資產總額之每月平均結餘。
2. 已減除分派予額外一級資本工具持有人及年度化後可歸屬於本集團股東之期內溢利／期內(包括去年末的結餘)可歸屬於本集團股東權益總額之每月平均結餘。
3. 經營支出／經營收入。
4. 客戶貸款及墊款總額／客戶存款及已發行存款證總額。
5. 減值貸款及墊款總額／客戶貸款及墊款總額。
6. 根據銀行業(資本)規則的綜合基準計算。

公司資料

董事會特別顧問
范禮賢博士

董事會
執行董事
李國寶爵士
(執行主席)
李民橋先生
(聯席行政總裁)
李民斌先生
(聯席行政總裁)

非執行董事
李國章教授
(副主席)
李國星先生
羅友禮先生
李國仕先生
黃永光博士
奧正之先生
Francisco Javier SERRADO TREPAT博士

獨立非執行董事
黃子欣博士
(副主席)
范徐麗泰博士
李國榮先生
唐英年博士
李國本博士
杜家駒先生
蒙德揚博士

高級顧問
陳子政先生

高層管理人員
李民橋先生
聯席行政總裁

李民斌先生
聯席行政總裁

李繼昌先生
副行政總裁兼投資總監

唐漢城先生
副行政總裁兼營運總監

公司秘書
羅春德先生

核數師
畢馬威會計師事務所
執業會計師
於《會計及財務匯報局條例》下的
註冊公眾利益實體核數師

股份上市
香港聯合交易所有限公司

股份登記處
卓佳標準有限公司
電話：(852) 2980 1333
傳真：(852) 2810 8185

美國預託證券託管銀行
BNY Mellon
電話：1-888-BNY-ADRS
電郵：shrrelations@cpushareownerservices.com

註冊行址
香港德輔道中10號
電話：(852) 3608 3608
傳真：(852) 3608 6000
網站：www.hkbea.com
電郵：info@hkbea.com

中期業績

本行董事會欣然宣布本集團截至2023年6月30日止6個月未經審核的業績(附註1(a))。除預計需要反映在2023年審核賬項內的會計政策變動外，編製此中期財務報表的基礎，跟2022年年度已審核賬項所採納的會計政策及方法是一致的。會計政策變動之詳情已列載於附註2。此中期財務報表是未經審核的，但畢馬威會計師事務所已按照香港會計師公會頒布之《香港審閱工作準則》第2410號「由實體的獨立核數師對中期財務資料的審閱」，審閱此中期財務報表。畢馬威會計師事務所致本行董事會之獨立審閱報告刊載於第170頁。

綜合收益表

		截至30/6/2023止 6個月	截至30/6/2022止 6個月
	附註	港幣百萬元	港幣百萬元
利息收入	3	18,856	9,658
按有效利率方法計算的利息收入		17,563	10,154
相關利息收入／(支出)		1,293	(496)
利息支出	4	(10,811)	(3,828)
淨利息收入		8,045	5,830
服務費及佣金收入	5	1,807	1,751
服務費及佣金支出		(357)	(311)
服務費及佣金收入淨額		1,450	1,440
交易溢利淨額	6	645	441
按通過損益以反映公平價值金融工具的淨表現	7	(116)	34
按通過其他全面收益以反映公平價值金融資產的淨表現	8	68	(1)
出售按攤銷成本計量金融資產之淨虧損		(6)	–
對沖溢利淨額	9	51	67
其他經營收入	10	139	307
非利息收入		2,231	2,288
經營收入		10,276	8,118
經營支出	11	(4,588)	(4,406)
未扣除減值損失之經營溢利		5,688	3,712
金融工具減值損失	12	(2,492)	(2,136)
行址減值損失	22	(1)	–
無形資產減值損失		(5)	–
減值損失		(2,498)	(2,136)
已扣除減值損失後之經營溢利		3,190	1,576
出售持有作出售資產之淨溢利		3	–
出售附屬公司／聯營公司之淨虧損		(13)	–
出售固定資產之淨(虧損)／溢利	13	(7)	33
重估投資物業(虧損)／盈利	22	(22)	3
應佔聯營公司及合資企業溢利減虧損		172	190
期內除稅前溢利		3,323	1,802
所得稅	14	(685)	(292)
期內溢利		2,638	1,510

綜合收益表(續)

		截至30/6/2023止 6個月	截至30/6/2022止 6個月
	附註	港幣百萬元	港幣百萬元
可歸屬於：			
本集團股東		2,636	1,499
非控股權益		2	11
期內溢利		2,638	1,510
本行的溢利		2,600	1,455
每股盈利			
基本	1(b)	港幣0.87元	港幣0.39元
攤薄	1(b)	港幣0.87元	港幣0.39元

綜合全面收益表

		截至30/6/2023止 6個月	截至30/6/2022止 6個月
	附註	港幣百萬元	港幣百萬元
淨溢利		2,638	1,510
期內其他全面收益：			
不可轉回收益表的項目：			
行址：			
— 遞延稅項	29	—	1
公平價值儲備(股本工具)：			
— 公平價值變動		53	181
— 遞延稅項	29	—	(4)
負債信貸儲備：			
— 因集團自身信貸風險而引致的公平價值變動	24	(5)	82
— 遞延稅項	24,29	2	(13)
以後可能轉回收益表的項目：			
公平價值儲備(債務工具)：			
— 公平價值變動		765	(1,807)
— 於出售時轉入收益表的金額		(43)	7
— 遞延稅項	29	(118)	267
應佔聯營公司及合資企業權益的變動		43	45
從海外分行、附屬公司、聯營公司及合資企業的 賬項折算／出售所產生的匯兌差額		(1,434)	(1,830)
其他全面收益		(737)	(3,071)
全面收益總額		1,901	(1,561)
全面收益總額可歸屬於：			
本集團股東		1,899	(1,572)
非控股權益		2	11
		1,901	(1,561)

綜合財務狀況表

		30/6/2023	31/12/2022
	附註	港幣百萬元	港幣百萬元
資產			
現金及在銀行的結存	15	43,444	54,579
在銀行的存款及墊款	16	58,308	60,203
貿易票據	17	1,460	529
交易用途資產	18	3,840	1,530
衍生工具資產	35(b)	12,028	11,092
客戶貸款及墊款	19	526,235	542,394
投資證券	20	157,887	147,007
聯營公司及合資企業投資	21	8,782	9,061
固定資產	22	13,320	13,476
— 投資物業		5,144	5,166
— 其他物業及設備		7,382	7,593
— 使用權資產		794	717
商譽及無形資產		1,858	1,870
遞延稅項資產	29	1,828	1,849
其他資產	23	43,079	39,235
資產總額		872,069	882,825
股東權益及負債			
銀行的存款及結餘		25,975	25,478
— 指定為通過損益以反映公平價值	24	4,031	4,545
— 攤銷成本		21,944	20,933
客戶存款		625,722	648,093
— 活期存款及往來賬戶		53,380	65,899
— 儲蓄存款		129,825	145,107
— 定期及通知存款		442,517	437,087
交易用途負債		1	5
衍生工具負債	35(b)	4,777	4,145
已發行存款證		36,588	32,662
— 指定為通過損益以反映公平價值	24	18,127	19,001
— 攤銷成本		18,461	13,661
本期稅項		1,586	1,252
已發行債務證券		1,508	2,892
— 指定為通過損益以反映公平價值	24	825	811
— 攤銷成本		683	2,081
遞延稅項負債	29	438	226
其他負債	25	52,402	49,799
借貸資本—攤銷成本	26	15,753	11,927
負債總額		764,750	776,479
股本	1(d)	41,878	41,856
儲備	30	55,104	54,131
歸屬於本集團股東權益總額		96,982	95,987
額外股本工具	31	10,090	10,090
非控股權益		247	269
股東權益總額		107,319	106,346
股東權益及負債總額		872,069	882,825

綜合權益變動表

	股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備—已發行權證認股權	公平價值儲備	負債信貸儲備	其他儲備 ¹	留存溢利	總額	額外股本工具	非控股權益	權益總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2023年1月1日	41,856	13,658	2,255	895	(1,822)	150	510	15	5,105	33,365	95,987	10,090	269	106,346
權益變動														
期內溢利	-	-	-	-	-	-	-	-	-	2,636	2,636	-	2	2,638
其他全面收益	-	-	-	-	(1,434)	-	657	(3)	43	-	(737)	-	-	(737)
全面收益總額	-	-	-	-	(1,434)	-	657	(3)	43	2,636	1,899	-	2	1,901
以股代息發行的股份 (附註1(d))	22	-	-	-	-	-	-	-	-	-	22	-	-	22
以股份為基礎作支付之 交易	-	-	-	-	-	12	-	-	-	-	12	-	-	12
轉賬	-	-	-	-	-	-	-	-	81	(81)	-	-	-	-
期內的分派及已宣布或核 准派發股息	-	-	-	-	-	-	-	-	-	(754)	(754)	-	(24)	(778)
股份回購 ²	-	-	-	-	-	-	-	-	-	(184)	(184)	-	-	(184)
於2023年6月30日	41,878	13,658	2,255	895	(3,256)	162	1,167	12	5,229	34,982	96,982	10,090	247	107,319
於2022年1月1日	41,645	13,658	1,905	895	1,058	152	1,925	(46)	5,191	35,395	101,778	13,968	304	116,050
權益變動														
期內溢利	-	-	-	-	-	-	-	-	-	1,499	1,499	-	11	1,510
其他全面收益	-	-	1	-	(1,830)	-	(1,356)	69	45	-	(3,071)	-	-	(3,071)
全面收益總額	-	-	1	-	(1,830)	-	(1,356)	69	45	1,499	(1,572)	-	11	(1,561)
以股代息發行的股份	146	-	-	-	-	-	-	-	-	-	146	-	-	146
以股份為基礎作支付之 交易	-	-	-	-	-	11	-	-	-	-	11	-	-	11
轉賬	-	-	-	-	-	(24)	-	-	(7)	31	-	-	-	-
期內的分派及已宣布或核 准派發股息	-	-	-	-	-	-	-	-	-	(1,432)	(1,432)	-	(48)	(1,480)
股份回購 ²	-	-	-	-	-	-	-	-	-	(2,916)	(2,916)	-	-	(2,916)
贖回額外股本工具	-	-	-	-	-	-	-	-	-	(47)	(47)	(3,878)	-	(3,925)
於2022年6月30日	41,791	13,658	1,906	895	(772)	139	569	23	5,229	32,530	95,968	10,090	267	106,325

註： 1. 其他儲備包括法定儲備及其他儲備。

2. 2023年上半年，本行於香港聯交所以港幣1.83億元回購17,840,200股股份。連同直接交易成本約港幣100萬元，總額為港幣1.84億元已從留存溢利中扣除。

3. 於2022年3月28日，本行與Elliott Investment Management之附屬公司簽署了股份回購協議，回購本行約2.47億股股份。股份回購交易已於2022年4月11日完成，總代價為港幣29.04億元。連同直接交易成本約港幣1,200萬元，總額為港幣29.16億元，已從留存溢利中扣除。回購的股份已於2022年4月20日註銷。

簡略綜合現金流量表

		截至30/6/2023止 6個月	截至30/6/2022止 6個月
	附註	港幣百萬元	港幣百萬元
經營活動現金(流出)／流入淨額		(12,022)	9,305
已付所得稅			
已付香港利得稅		(67)	(6)
已付香港以外利得稅		(243)	(121)
(用於)／源自經營活動之現金淨額		(12,332)	9,178
投資活動			
收取聯營公司及合資企業股息		–	7
收取按通過其他全面收益以反映公平價值股份證券股息		17	9
購入固定資產		(221)	(179)
出售其他物業及設備所得款項		3	103
出售持有作出售資產所得款項		9	–
用於投資活動之現金淨額		(192)	(60)
融資活動			
支付普通股股息		(457)	(925)
派發予額外一級資本工具持有人	1(c)	(299)	(409)
支付股份回購		(184)	(2,916)
發行債務證券		–	390
發行借貸資本		3,904	3,879
支付租賃負債之資本部份		(122)	(146)
支付租賃負債之利息部份		(13)	(13)
贖回已發行債務證券		(1,408)	(2,931)
贖回額外股本工具		–	(3,925)
支付已發行債務證券利息		(40)	(126)
支付已發行借貸資本利息		(402)	(158)
源自／(用於)融資活動之現金淨額		979	(7,280)
現金及等同現金項目淨(減少)／增加		(11,545)	1,838
於1月1日之現金及等同現金項目		112,149	120,646
匯率變動的影響		(1,738)	(2,338)
於6月30日之現金及等同現金項目	32	98,866	120,146
源自經營活動的現金流量包括：			
利息收入		18,710	9,736
利息支出		9,545	3,619
股息收入		22	20

中期財務報表附註

附註：

1. (a) 除預計需要反映在2023年年度財務報表內的會計政策變動外，編製此中期報告的會計政策與編製2022年年度財務報表是一致的。會計政策變動之詳情已列載於附註2。

作為比較信息被納入中期報告的、與截至2022年12月31日止年度有關的財務信息雖然來源於本行的法定年度綜合財務報表，但不構成本行的法定年度綜合財務報表。《公司條例》第436條要求披露的與這些法定財務報表有關的更多信息如下：

按照《公司條例》第662(3)條及附表6第3部的要求，本行已向香港公司註冊處遞交截至2022年12月31日止年度的財務報表。

本行的核數師已就這些財務報表出具核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不出具保留意見的情況下以強調的方式提請使用者注意的任何事項；亦不包含根據《公司條例》第406(2)條及第407(2)或(3)條作出的聲明。

- (b) (i) 每股基本盈利乃按照已分派予額外一級資本工具持有人港幣2.99億元（截至2022年6月30日止6個月：港幣4.09億元）後的可歸屬於本集團股東之期內溢利港幣23.37億元（截至2022年6月30日止6個月：港幣10.90億元）及截至2023年6月30日止6個月內已發行普通股份的加權平均數26.77億股（截至2022年6月30日止6個月：28.18億股）計算。
- (ii) 每股攤薄盈利的計算與每股基本盈利的計算相同，只是普通股份的加權平均數根據所有具備潛在攤薄影響的股份進行調整。截至2023年6月30日止6個月，就所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數為26.77億股（截至2022年6月30日止6個月：28.18億股）。
- (c) 分派／股息
- (i) 可歸屬於本中期而應付予本集團股東的股息

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
在中期後已宣布派發中期股息予26.64億股每股港幣0.36元（截至2022年6月30日止6個月：26.89億股每股港幣0.16元）	959	430

於報告期期末，該中期股息並未確認為負債。

中期財務報表附註(續)

1. (c) 分派／股息(續)

(ii) 已核准及在本期內支付可歸屬於上年度應付予本集團股東的股息

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
第二次中期股息予26.77億股每股港幣0.17元 (2022年：29.23億股每股港幣0.35元)	455	1,023

(iii) 分派予額外一級資本工具持有人

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
已付予額外一級資本工具的分派	299	409

(d) 股本

本行普通股的變動列示如下：

	於30/6/2023		於31/12/2022	
	股份數目 百萬	港幣百萬元	股份數目 百萬	港幣百萬元
已發行及繳足普通股：				
於1月1日	2,680	41,856	2,923	41,645
以股代息發行的股份	2	22	19	211
股份回購和註銷	(18)	-	(262)	-
於6月30日／12月31日	2,664	41,878	2,680	41,856

股份回購

2023年上半年，本行於聯交所以總代價(不包括開支)港幣1.83億元回購17,840,200股股份並註銷17,838,400股股份(其中包括於2022年回購之686,200股股份)，分別佔期初已發行普通股的0.67%和0.67%。2023年上半年回購的剩餘688,000股股份已於2023年7月31日被註銷。

在2022年，本行與Elliot Investment Management之附屬公司通過股份回購協議，回購本行246,510,173股股份，代價為港幣29.04億元，及於聯交所回購15,744,800股股份，代價為港幣1.34億元。截至2022年12月31日，回購及註銷股份總數分別為262,254,973股和261,568,773股，佔該年初已發行普通股的8.97%和8.95%。

中期財務報表附註(續)

2. 會計政策之變動

香港會計師公會已頒布若干對本集團本期會計期可首次生效之修訂的《香港財務報告準則》。

然而，並無任何修訂對本集團在本中期財務報告內當期或前期業績及財務狀況的編製或列報方式產生重大影響。本集團並未採納任何於本期會計期尚未生效的新準則或詮釋。

3. 利息收入

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
貸款、在銀行的存款、及貿易票據	14,889	8,200
投資證券		
– 按攤銷成本或按通過其他全面收益以反映公平價值計量	3,851	1,385
– 強制按通過損益以反映公平價值計量	79	53
交易用途資產	37	20
	<u>18,856</u>	<u>9,658</u>

就已對沖利率風險的交易，賺取利息金融資產的合格對沖工具或可個別地與賺取利息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣175.63億元(截至2022年6月30日止6個月：港幣101.54億元)。

4. 利息支出

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
客戶存款及銀行存款		
– 按攤銷成本計量	9,369	3,274
– 指定為通過損益以反映公平價值計量	90	12
已發行存款證及債務證券		
– 按攤銷成本計量	279	238
– 指定為通過損益以反映公平價值計量	541	118
按攤銷成本計量的後償票據	436	166
租賃負債	14	15
其他借款	82	5
	<u>10,811</u>	<u>3,828</u>

就已對沖利率風險的交易，帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣101.04億元(截至2022年6月30日止6個月：港幣37.11億元)。

中期財務報表附註(續)

5. 服務費及佣金收入

服務費及佣金收入按服務分類如下：

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
貸款、透支及擔保	518	440
信用卡	372	331
銷售第三者發行的保單	290	251
其他零售銀行服務	108	101
信託及其他代理業務	94	112
投資產品	90	118
證券經紀	83	124
貿易融資	47	50
其他	205	224
服務費及佣金收入總額	1,807	1,751
由非按通過損益以反映公平價值計量之金融資產或金融負債 所產生之淨服務費收入(不包括用作計算有效利率之金額)	1,454	1,445
服務費收入	1,807	1,751
服務費支出	(353)	(306)

6. 交易溢利淨額

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
外幣買賣及外匯掉期溢利	233	275
交易用途證券溢利/(虧損)	28	(88)
衍生工具淨盈利	379	244
其他交易業務虧損	-	(1)
交易用途股份證券的股息收入	5	11
	645	441

7. 按通過損益以反映公平價值金融工具的淨表現

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
指定為通過損益以反映公平價值金融工具的淨(虧損)/盈利	(137)	289
強制按通過損益以反映公平價值計量金融工具的 淨盈利/(虧損)(除已包括在交易溢利淨額內)	21	(255)
	(116)	34

中期財務報表附註(續)

8. 按通過其他全面收益以反映公平價值金融資產的淨表現

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
出售債務證券之淨溢利／(虧損)	51	(10)
股份證券的股息收入	17	9
	<u>68</u>	<u>(1)</u>

9. 對沖溢利淨額

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
公平價值對沖		
– 可歸屬於被對沖項目之對沖風險產生的淨虧損	(351)	(6,462)
– 用作對沖工具的淨盈利	402	6,529
	<u>51</u>	<u>67</u>

中期財務報表附註(續)

10. 其他經營收入

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
保險業務淨溢利(註)	–	157
保險箱租金收入	59	61
物業租金收入	65	66
政府補貼 —「保就業」計劃	–	4
其他	15	19
	<u>139</u>	<u>307</u>

註：

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
(a) 保險業務淨溢利		
淨利息收入	–	14
交易溢利淨額	–	5
按通過損益以反映公平價值金融工具的淨表現	–	(12)
淨保費	–	500
	–	507
保險索償及支出淨額	–	(350)
	–	157
(b) 淨保費		
保費收入總額	–	529
保費收入總額之分保份額	–	(29)
	–	500
(c) 保險索償及支出淨額		
已付索償、利益及退保	–	427
準備金變動	–	(124)
	–	303
已付索償、利益及退保之分保份額	–	(24)
準備金變動之分保份額	–	13
	–	(11)
保險佣金支出淨額	–	292
	–	58
	–	350

中期財務報表附註(續)

11. 經營支出

	截至30/6/2023止 6個月 港幣百萬元	截至30/6/2022止 6個月 港幣百萬元
定額供款公積金供款		
— 香港	94	81
— 香港以外	110	114
以股份為基礎作支付的費用	12	11
薪金及其他員工成本	2,479	2,546
員工成本總額	2,695	2,752
不包括折舊的物業及設備支出		
— 有關短期租賃支出	4	6
— 有關低價值資產租賃支出	6	—
— 不包括在計量租賃負債內的可變租賃款項(註)	—	(2)
— 保養、維修及其他	390	370
不包括折舊的物業及設備支出總額	400	374
折舊及攤銷	406	457
其他經營支出		
— 互聯網平台費用	265	205
— 法律及專業服務費	207	165
— 通訊、文具及印刷	137	133
— 廣告費及業務推廣支出	116	118
— 其他	362	202
其他經營支出總額	1,087	823
經營支出總額	4,588	4,406

註：截至2022年6月30日止6個月，2019冠狀病毒病相關租金寬免為港幣200萬元及因訂立新租賃的租金寬免為港幣100萬元。截至2023年6月30日止6個月並無該等租金寬免。

中期財務報表附註(續)

12. 金融工具減值損失

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
客戶貸款及墊款	2,373	1,822
債務證券	39	155
其他	80	159
	<u>2,492</u>	<u>2,136</u>

13. 出售固定資產之淨(虧損)/溢利

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
出售行址、傢俬、裝修及設備之淨(虧損)/溢利	<u>(7)</u>	<u>33</u>

14. 所得稅

綜合收益表內的稅項為：

	截至30/6/2023止 6個月	截至30/6/2022止 6個月
	港幣百萬元	港幣百萬元
本期稅項－香港		
本期稅項	300	208
往年度過剩的回撥	<u>(26)</u>	<u>(47)</u>
	<u>274</u>	<u>161</u>
本期稅項－香港以外		
本期稅項	392	151
往年度(過剩的回撥)/撥備不足	<u>(17)</u>	<u>1</u>
	<u>375</u>	<u>152</u>
遞延稅項		
暫時性差異的產生及轉回	<u>36</u>	<u>(21)</u>
	<u>685</u>	<u>292</u>

香港利得稅稅款是以截至2023年6月30日止6個月預計應課稅溢利按稅率16.5% (截至2022年6月30日止6個月：16.5%)計算。

海外分行及附屬公司的稅款是按其經營所在地現行稅率計算。

中期財務報表附註(續)

15. 現金及在銀行的結存

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
現金	1,014	1,465
在中央銀行的結存	29,820	34,496
在其他銀行的結存	12,611	18,620
	<u>43,445</u>	<u>54,581</u>
未扣除減值準備之賬面值總額	43,445	54,581
減：減值準備	(1)	(2)
	<u>43,444</u>	<u>54,579</u>

16. 在銀行的存款及墊款

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
在銀行的存款及墊款		
到期期限		
– 1個月內	49,280	52,337
– 1個月至1年內	9,030	7,867
– 1年後	–	–
	<u>58,310</u>	<u>60,204</u>
未扣除減值準備之賬面值總額	58,310	60,204
減：減值準備	(2)	(1)
	<u>58,308</u>	<u>60,203</u>
其中：		
在中央銀行的存款及墊款	<u>1,058</u>	<u>495</u>

17. 貿易票據

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
按攤銷成本計量		
未扣除減值準備之賬面值總額	546	41
減：減值準備	–	–
	<u>546</u>	<u>41</u>
按通過其他全面收益以反映公平價值計量	914	488
	<u>1,460</u>	<u>529</u>

中期財務報表附註(續)

18. 交易用途資產

	<u>30/6/2023</u>	<u>31/12/2022</u>
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	–	292
債務證券	3,476	983
股份證券	364	255
	<u>3,840</u>	<u>1,530</u>

19. 客戶貸款及墊款

(a) 客戶貸款及墊款

	<u>30/6/2023</u>	<u>31/12/2022</u>
	港幣百萬元	港幣百萬元
未扣除減值準備之賬面值總額	531,617	549,014
減：減值準備	<u>(5,382)</u>	<u>(6,620)</u>
	<u>526,235</u>	<u>542,394</u>

中期財務報表附註(續)

19. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類

按行業分類的客戶貸款及墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

	30/6/2023		31/12/2022	
	墊款總額	有抵押墊款 的百分比	墊款總額	有抵押墊款 的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在香港使用的貸款				
工商金融				
– 物業發展	34,436	57.57	36,872	59.19
– 物業投資	51,411	91.75	52,366	92.57
– 金融企業	14,402	62.49	14,892	67.56
– 股票經紀	1,045	71.27	708	99.54
– 批發與零售業	6,043	51.67	6,560	56.18
– 製造業	3,896	31.98	4,485	29.00
– 運輸與運輸設備	5,034	44.87	5,495	42.22
– 娛樂活動	287	99.75	347	93.76
– 資訊科技	1,474	45.11	1,438	34.22
– 其他	19,089	54.80	16,262	49.00
小計	137,117	69.12	139,425	69.69
個人				
– 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」 樓宇貸款	1,131	99.97	1,200	99.97
– 購買其他住宅物業的貸款	93,954	99.97	91,944	99.95
– 信用卡墊款	4,311	0.00	4,115	0.00
– 其他	22,596	59.05	24,367	55.23
小計	121,992	88.86	121,626	87.61
在香港使用的貸款總額	259,109	78.41	261,051	78.07
貿易融資	5,107	36.39	5,110	38.56
在香港以外使用的貸款(註)	267,401	34.65	282,853	35.50
客戶墊款總額	531,617	56.00	549,014	55.75

註： 在香港以外使用的貸款包括以下在內地使用的貸款及在內地及香港以外使用的貸款。

中期財務報表附註(續)

19. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

	30/6/2023		31/12/2022	
	墊款總額	有抵押墊款的百分比	墊款總額	有抵押墊款的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在內地使用的貸款				
工商金融				
– 物業發展	30,995	37.60	38,339	33.92
– 物業投資	8,541	71.98	10,918	76.61
– 金融企業	41,087	2.25	43,747	0.79
– 股票經紀	647	100.00	678	100.00
– 批發與零售業	9,454	10.42	9,331	13.91
– 製造業	14,856	6.32	13,291	7.76
– 運輸與運輸設備	2,274	66.80	2,077	81.44
– 資訊科技	1,353	0.33	1,994	0.27
– 其他	16,765	10.64	18,709	11.63
小計	125,972	19.54	139,084	20.56
個人				
– 購買其他住宅物業的貸款	11,245	100.00	13,139	100.00
– 信用卡墊款	4,222	0.00	4,962	0.00
– 其他	16,516	3.65	16,340	3.34
小計	31,983	37.04	34,441	39.73
在內地使用的貸款總額	157,955	23.08	173,525	24.37

中期財務報表附註(續)

19. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

	30/6/2023		31/12/2022	
	墊款總額	有抵押墊款的百分比	墊款總額	有抵押墊款的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在內地及香港以外使用的貸款				
工商金融				
– 物業發展	9,663	53.64	11,335	56.55
– 物業投資	36,370	77.75	40,054	78.58
– 金融企業	6,271	43.75	3,379	41.54
– 批發與零售業	3,810	17.15	4,184	18.43
– 製造業	13,920	4.02	13,440	3.69
– 運輸與運輸設備	2,658	48.89	3,069	44.94
– 娛樂活動	668	95.96	517	94.78
– 資訊科技	4,619	12.68	4,063	8.12
– 其他	27,909	45.50	25,444	45.35
小計	105,888	49.72	105,485	51.47
個人				
– 購買其他住宅物業的貸款	3,487	99.81	3,767	100.00
– 信用卡墊款	2	0.00	2	0.00
– 其他	69	99.04	74	87.24
小計	3,558	99.75	3,843	99.70
在內地及香港以外使用的貸款 總額	109,446	51.34	109,328	53.16
在香港以外使用的貸款總額	267,401	34.65	282,853	35.50

中期財務報表附註(續)

19. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

佔客戶貸款及墊款總額百分之十或以上的行業中已個別減值的貸款以及相關資料如下：

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
(i) 物業發展		
a. 已個別減值的貸款	6,494	8,114
b. 特殊準備	1,653	2,643
c. 整體準備	300	502
d. 於收益表支銷的準備	842	2,949
e. 撇銷	2,733	659
(ii) 物業投資		
a. 已個別減值的貸款	5,214	3,325
b. 特殊準備	1,193	956
c. 整體準備	103	286
d. 於收益表支銷的準備	734	589
e. 撇銷	—	605
(iii) 購買其他住宅物業的貸款		
a. 已個別減值的貸款	299	318
b. 特殊準備	9	13
c. 整體準備	22	40
d. 於收益表支銷的準備	7	34
e. 撇銷	—	3
(iv) 金融企業		
a. 已個別減值的貸款	240	43
b. 特殊準備	32	27
c. 整體準備	44	118
d. 於收益表支銷的準備	26	107
e. 撇銷	—	—

特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失(第一階段及第二階段)準備。

19. 客戶貸款及墊款(續)

(c) 客戶貸款及墊款—按區域分類

根據《銀行業(披露)規則》，客戶貸款及墊款總額按國家或區域的分類是根據交易對手的所在地，並考慮轉移風險因素後得出的。一般而言，有關貸款及墊款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。一方的所在地由其居住地決定，而該居住地是該締約方註冊或登記的法律所規定的經濟領土。此要求與附註27分部報告的分配不同，後者的編製方法與內部匯報資料予集團高層管理人員的方法是一致的。特殊準備指減值信貸風險在合約期內的預期信貸損失(第三階段)準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失(第一階段及第二階段)準備。

	30/6/2023				
	客戶墊款 總額	逾期三個月 以上的 客戶墊款	減值 客戶墊款	特殊準備	整體準備
香港	263,013	2,507	3,863	1,173	302
內地	175,262	3,402	9,260	2,509	774
其他亞洲國家及地區	30,670	47	60	7	96
其他	62,672	—	400	42	479
總額	<u>531,617</u>	<u>5,956</u>	<u>13,583</u>	<u>3,731</u>	<u>1,651</u>
佔客戶墊款總額的百分比			<u>2.56%</u>		
	31/12/2022				
	客戶墊款 總額	逾期三個月 以上的 客戶墊款	減值 客戶墊款	特殊準備	整體準備
香港	270,332	552	1,924	813	450
內地	183,886	4,405	10,824	3,623	1,069
其他亞洲國家及地區	30,227	48	58	8	109
其他	64,569	—	339	74	474
總額	<u>549,014</u>	<u>5,005</u>	<u>13,145</u>	<u>4,518</u>	<u>2,102</u>
佔客戶墊款總額的百分比			<u>2.39%</u>		

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。上述按國家或區域分類的資訊，是根據交易對手的所在地並已考慮轉移風險因素。

中期財務報表附註(續)

20. 投資證券(續)

指定為通過其他全面收益以反映公平價值的股份證券

	30/6/2023		31/12/2022	
	公平價值	已確認 股息收入	公平價值	已確認 股息收入
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
持有作長期策略用途的股份投資	892	17	839	16

21. 聯營公司及合資企業投資

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
應佔淨資產	9,146	9,408
商譽	435	452
減：減值準備	9,581 (799)	9,860 (799)
	8,782	9,061

於2023年6月30日，按市場報價的公平價值，本集團對AFFIN Bank Berhad (「AFFIN」) 之投資的市值持續低於賬面值一段時間。因此，本集團對此項投資透過使用價值計算方法進行減值測試，測試顯示此項投資的可收回金額為港幣36.02億元。由於可回收金額高於港幣35.08億元之賬面值，期內並無確認額外減值損失(2022年沒有減值損失)。使用價值計算方法採用了集團管理層基於AFFIN最新的財務業績的預測以及對未來五年的估計的折現現金流量預測，並使用3%長期增長率永久性推算得出最終價值。在價值計算方法中使用基於AFFIN的資本資產定價模型計算得出的12.23%(2022年12月31日：11.95%)折現率。

下表列出主要假設的合理可能變動對使用價值產生的影響。有關資料反映使用價值對各主要假設本身的敏感度。超過一項有利及/或不利變動有可能同時發生。

	有利變動		不利變動			
	使用價值		使用價值			
	增加	使用價值	減少	使用價值		
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元		
於2023年6月30日						
折現率	-50基點	240	3,842	+50基點	(215)	3,387
長期增長率	+50基點	28	3,630	-50基點	(26)	3,576
預計現金流	+10%	360	3,962	-10%	(360)	3,242

中期財務報表附註(續)

22. 固定資產

30/6/2023

	投資物業	行址	傢俬、裝修 及設備	小計	使用權資產 — 行址	使用權資產 — 傢俬、 裝修及設備	小計	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
成本或估值								
於2023年1月1日	5,166	8,064	6,478	14,542	1,304	25	1,329	21,037
增置	-	2	219	221	210	-	210	431
重估虧損	(22)	-	-	-	-	-	-	(22)
出售	-	-	(106)	(106)	-	-	-	(106)
到期/終止租賃合約	-	-	-	-	(62)	-	(62)	(62)
轉至分類為持有作出售資產	-	(21)	-	(21)	-	-	-	(21)
匯兌調整	-	(170)	(84)	(254)	(13)	-	(13)	(267)
於2023年6月30日	5,144	7,875	6,507	14,382	1,439	25	1,464	20,990
累計折舊及減值								
於2023年1月1日	-	2,289	4,660	6,949	598	14	612	7,561
期內折舊	-	68	202	270	126	3	129	399
期內減值	-	1	-	1	-	-	-	1
到期/終止租賃合約	-	-	-	-	(62)	-	(62)	(62)
出售時撇銷	-	-	(96)	(96)	-	-	-	(96)
轉至分類為持有作出售資產	-	(8)	-	(8)	-	-	-	(8)
匯兌調整	-	(62)	(54)	(116)	(9)	-	(9)	(125)
於2023年6月30日	-	2,288	4,712	7,000	653	17	670	7,670
賬面淨值								
於2023年6月30日	5,144	5,587	1,795	7,382	786	8	794	13,320
上述資產的總額列示如下：								
按成本	-	7,127	6,507	13,634	1,439	25	1,464	15,098
按董事估值-1989	-	748	-	748	-	-	-	748
按專業估值-2023	5,144	-	-	-	-	-	-	5,144
	5,144	7,875	6,507	14,382	1,439	25	1,464	20,990

中期財務報表附註(續)

22. 固定資產(續)

31/12/2022

	投資物業	行址	傢俬、裝修 及設備	小計	使用權資產 - 行址	使用權資產 - 傢俬、 裝修及設備	小計	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
成本或估值								
於2022年1月1日	4,992	8,529	6,448	14,977	1,507	23	1,530	21,499
增置	-	82	473	555	238	4	242	797
重估虧損	(179)	-	-	-	-	-	-	(179)
出售	-	(209)	(270)	(479)	-	-	-	(479)
重新計量	-	-	-	-	(15)	-	(15)	(15)
行址重估盈餘轉入投資物業	-	354	-	354	-	-	-	354
由行址轉入投資物業	493	(493)	-	(493)	-	-	-	-
由投資物業轉入行址	(139)	139	-	139	-	-	-	-
到期/終止租賃合約	-	-	-	-	(367)	(2)	(369)	(369)
減：抵銷行址重估的								
累計折舊	-	(35)	-	(35)	-	-	-	(35)
匯兌調整	(1)	(303)	(173)	(476)	(59)	-	(59)	(536)
於2022年12月31日	5,166	8,064	6,478	14,542	1,304	25	1,329	21,037
累計折舊及減值								
於2022年1月1日	-	2,378	4,584	6,962	682	11	693	7,655
年度內折舊	-	139	428	567	290	5	295	862
到期/終止租賃合約	-	-	-	-	(350)	(2)	(352)	(352)
抵銷行址重估的累計折舊	-	(35)	-	(35)	-	-	-	(35)
出售時撇銷	-	(83)	(239)	(322)	-	-	-	(322)
匯兌調整	-	(110)	(113)	(223)	(24)	-	(24)	(247)
於2022年12月31日	-	2,289	4,660	6,949	598	14	612	7,561
賬面淨值								
於2022年12月31日	5,166	5,775	1,818	7,593	706	11	717	13,476
上述資產的總額列示如下：								
按成本	-	7,316	6,478	13,794	1,304	25	1,329	15,123
按董事估值-1989	-	748	-	748	-	-	-	748
按專業估值-2022	5,166	-	-	-	-	-	-	5,166
	5,166	8,064	6,478	14,542	1,304	25	1,329	21,037

中期財務報表附註(續)

23. 其他資產

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
應計利息	3,683	3,537
承兌客戶負債	29,259	27,796
其他賬項	10,405	8,094
	<u>43,347</u>	<u>39,427</u>
未扣除減值準備之賬面值總額	43,347	39,427
減：減值準備	(297)	(219)
	<u>43,050</u>	<u>39,208</u>
持有作出售資產	29	27
	<u>43,079</u>	<u>39,235</u>

24. 指定為通過損益以反映公平價值的金融負債

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
銀行存款及結餘	4,031	4,545
已發行存款證	18,127	19,001
已發行債務證券	825	811
	<u>22,983</u>	<u>24,357</u>

當本集團持有指定為通過損益以反映公平價值的相關衍生工具，以上金融負債被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

在期內及累計結餘，下表列示指定為通過損益以反映公平價值的金融負債的公平價值變動及在其他全面收益表內確認的金額，而該變動是歸屬於該等負債的信貸風險。

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
於1月1日結餘	15	(46)
期內在其他全面收益表內確認的金額	(5)	73
遞延稅項	2	(12)
	<u>12</u>	<u>15</u>
於6月30日／12月31日結餘	12	15

在2023年上半年期內並未有指定為通過損益以反映公平價值的負債被終止確認，亦未有將其累計盈利或虧損在股東權益內轉賬(2022年12月31日：無)。

計算可歸屬於金融負債信貸風險的公平價值變動是根據於報告日該等金融負債的公平價值與經調整資產掉期利差之現值後的差額。

於2023年6月30日，指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低於港幣2.94億元(2022年12月31日：低於港幣4.28億元)。

中期財務報表附註(續)

25. 其他負債

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
應計應付利息	5,421	4,155
應付承兌票據	29,259	27,796
已發行的財務擔保合約及已發行的貸款承擔之減值準備	379	318
租賃負債	855	774
其他賬項(註)	16,488	16,756
	<u>52,402</u>	<u>49,799</u>

註： 包括由《香港財務報告準則》第15號所產生的合約負債港幣23.21億元(2022年12月31日：港幣24.76億元)。

26. 借貸資本

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
按攤銷成本及經公平價值對沖調整後列賬的		
後償票據／吸收虧損票據		
在2032年4月22日到期的定息5億美元後償票據 (1)	3,675	3,691
在2028年7月7日到期的定息2.5億美元吸收虧損票據 (2)	1,864	1,876
在2027年3月15日到期的定息5億美元吸收虧損票據 (3)	3,910	-
按攤銷成本列賬及並未對沖的後償票據		
在2029年4月25日到期的定息人民幣15億元後償票據 (4)	1,617	1,695
在2030年5月29日到期的定息6億美元後償票據 (5)	4,687	4,665
	<u>15,753</u>	<u>11,927</u>

截至2023年6月30日及2022年12月31日止期內／年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

- (1) 票面值5億美元(相等於港幣39.17億元)及賬面值港幣36.75億元(於2022年12月31日：港幣36.91億元)的借貸資本，是指由本行於2022年4月22日發行年息4.875%，並評定為二級資本及符合吸收虧損能力之要求的後償票據。該等票據於聯交所上市，並將於2032年4月22日到期及可於2027年4月22日贖回。在2023年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣40萬元。
- (2) 票面值2.5億美元(相等於港幣19.58億元)及賬面值港幣18.64億元(於2022年12月31日：港幣18.76億元)的借貸資本，是指由本行於2022年7月7日發行年息5.125%，及符合吸收虧損能力之要求的非優先吸收虧損能力票據。該等票據於聯交所上市，並將於2028年7月7日到期及可於2027年7月7日贖回。在2023年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損並不重大。

中期財務報表附註(續)

26. 借貸資本(續)

- (3) 票面值5億美元(相等於港幣39.17億元)及賬面值港幣39.10億元的借貸資本,是指由本行於2023年3月15日發行年息6.75%,及符合吸收虧損能力之要求的非優先吸收虧損能力票據。該等票據於聯交所上市,並將於2027年3月15日到期及可於2026年3月15日贖回。在2023年上半年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣590萬元。
- (4) 票面值人民幣15億元(相等於港幣16.18億元)及賬面值港幣16.17億元(於2022年12月31日:港幣16.95億元)的借貸資本,是指由本行附屬公司東亞中國於2019年4月25日發行年息4.94%的後償票據。該等票據將於2029年4月25日到期及可於2024年4月25日贖回。
- (5) 票面值6億美元(相等於港幣47.00億元)及賬面值港幣46.87億元(於2022年12月31日:港幣46.65億元)的借貸資本,是指由本行於2020年5月29日發行年息4%,並評定為二級資本及符合吸收虧損能力之要求的後償票據。該等票據於聯交所上市,並將於2030年5月29日到期及可於2025年5月29日贖回。

27. 分部報告

本集團按分處管理其業務,而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下八個可匯報分部。

香港業務,分類為以下五個可匯報分部。

- **個人銀行**包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款、強制性公積金業務及信用卡業務。
- **批發銀行**包括在香港之企業借貸及銀團貸款、資產融資、商業貸款、證券業務貸款及與在香港之全球同業間的銀行代理行及企業的金融貿易業務。
- **財資市場**包括在香港之財資運作及證券買賣。
- **財富管理**包括提供予在香港之私人銀行業務、投資產品和諮詢及證券和期貨經紀業務。
- **其他業務**主要包括由在香港附屬公司經營之信託業務,及其他支援香港業務的後勤單位。

內地業務主要包括在香港支援內地業務的後勤單位、所有在內地經營的附屬公司及聯營公司,但不包括在內地經營資料處理及其他後勤支援香港業務之附屬公司。

國際業務包括在香港支援國際銀行業務的後勤單位、所有在海外經營的分行包括澳門及台灣、附屬公司及聯營公司。

企業管理承擔本行發行借貸資本的監管資本成本及從香港業務獲得由本行發行資本工具所資助之業務活動的利息收入。

中期財務報表附註(續)

27. 分部報告(續)

在評估分部表現及分配分部間的資源時，集團的高層管理人員根據以下基準監控可歸屬於每一可匯報分部之業績、資產及負債：

除聯營公司及合資企業之權益及持有作出售資產外，分部資產包括所有資產。分部負債包括存款、金融負債及可歸屬於個別分部的其他負債。

收入與支出按有關分部所產生的利息及服務費用和佣金收入，及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。

	香港業務										
	個人銀行	批發銀行	財資市場	財富管理	其他	總額	內地業務	國際業務	企業管理	分部間之 交易抵銷	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
截至2023年6月30日止6個月											
淨利息收入/(支出)	2,652	1,420	456	194	(108)	4,614	2,061	1,303	67	-	8,045
非利息收入	648	379	49	305	173	1,554	587	103	-	(13)	2,231
經營收入	3,300	1,799	505	499	65	6,168	2,648	1,406	67	(13)	10,276
經營支出	(862)	(218)	(102)	(183)	(1,171)	(2,536)	(1,672)	(393)	-	13	(4,588)
未扣除減值損失之 經營溢利/(虧損)	2,438	1,581	403	316	(1,106)	3,632	976	1,013	67	-	5,688
金融工具減值(損失)/回撥	(52)	(1,629)	142	(46)	(4)	(1,589)	(833)	(70)	-	-	(2,492)
其他減值損失	-	-	-	-	-	-	(6)	-	-	-	(6)
已扣除減值損失後之 經營溢利/(虧損)	2,386	(48)	545	270	(1,110)	2,043	137	943	67	-	3,190
出售持有作出售資產之 淨溢利/(虧損)	-	-	-	-	4	4	(1)	-	-	-	3
出售附屬公司/聯營公司之 淨虧損	-	-	-	-	-	-	-	(13)	-	-	(13)
出售固定資產之淨虧損	(3)	-	-	-	-	(3)	(4)	-	-	-	(7)
重估投資物業虧損	-	-	-	-	(21)	(21)	-	(1)	-	-	(22)
應佔聯營公司及合資企業 溢利減虧損	-	-	-	-	(4)	(4)	45	131	-	-	172
除稅前溢利/(虧損)	2,383	(48)	545	270	(1,131)	2,019	177	1,060	67	-	3,323
期內折舊	(105)	(8)	(6)	(4)	(103)	(226)	(144)	(29)	-	-	(399)
於2023年6月30日											
分部資產	121,932	159,215	233,721	20,135	13,352	548,355	231,804	126,644	-	(43,545)	863,258
聯營公司及合資企業投資	-	-	-	-	52	52	3,762	4,968	-	-	8,782
其他資產 - 持有作出售資產	-	-	-	-	15	15	14	-	-	-	29
資產總額	121,932	159,215	233,721	20,135	13,419	548,422	235,580	131,612	-	(43,545)	872,069
負債總額	361,208	35,618	51,898	33,613	2,593	484,930	207,562	115,339	-	(43,081)	764,750

中期財務報表附註(續)

27. 分部報告(續)

	香港業務(重報) ^註										
	個人銀行	批發銀行	財資市場	財富管理	其他	總額	內地業務	國際業務	企業管理	分部間之 交易抵銷	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
截至2022年6月30日止6個月											
淨利息收入/(支出)	1,221	1,393	(22)	156	(8)	2,740	1,948	993	149	-	5,830
非利息收入	676	327	31	331	380	1,745	498	59	-	(14)	2,288
經營收入	1,897	1,720	9	487	372	4,485	2,446	1,052	149	(14)	8,118
經營支出	(819)	(225)	(98)	(164)	(1,231)	(2,537)	(1,512)	(371)	-	14	(4,406)
未扣除減值損失之 經營溢利/(虧損)	1,078	1,495	(89)	323	(859)	1,948	934	681	149	-	3,712
金融工具減值(損失)/回撥	(45)	(1,116)	(46)	-	-	(1,207)	(990)	61	-	-	(2,136)
已扣除減值損失後之 經營溢利/(虧損)	1,033	379	(135)	323	(859)	741	(56)	742	149	-	1,576
出售固定資產之 淨(虧損)/溢利	(11)	-	-	-	-	(11)	44	-	-	-	33
重估投資物業盈利	-	-	-	-	3	3	-	-	-	-	3
應佔聯營公司及合資企業 溢利減虧損	-	-	-	-	(5)	(5)	(3)	198	-	-	190
除稅前溢利/(虧損)	1,022	379	(135)	323	(861)	728	(15)	940	149	-	1,802
期內折舊	(131)	(6)	(6)	(3)	(126)	(272)	(149)	(29)	-	-	(450)
於2022年12月31日											
分部資產	120,130	163,395	231,299	22,679	11,560	549,063	245,349	126,730	-	(47,405)	873,737
聯營公司及合資企業投資	-	-	-	-	56	56	3,893	5,112	-	-	9,061
其他資產 - 持有作出售資產	-	-	-	-	15	15	12	-	-	-	27
資產總額	120,130	163,395	231,299	22,679	11,631	549,134	249,254	131,842	-	(47,405)	882,825
負債總額	343,092	54,165	51,773	35,141	2,940	487,111	220,008	116,307	-	(46,947)	776,479

註：香港業務之財務數據已經重新分類，以符合本期的呈報方式及反映2023年上半年的架構重組。重組包括將強制性公積金業務從「其他」業務分部重組為「個人銀行」業務分部，並將原有的「中央營運」和「其他」業務分部合併至香港業務下的單一「其他」業務分部。

中期財務報表附註(續)

28. 資產及負債的剩餘期限分析

	30/6/2023							總額 港幣百萬元
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
資產								
現金及在銀行的結存	33,974	-	-	158	-	-	9,312	43,444
在銀行的存款及墊款	-	49,278	8,913	117	-	-	-	58,308
貿易票據	3	871	243	343	-	-	-	1,460
交易用途資產	-	-	-	2,241	1,235	-	364	3,840
衍生工具資產	-	-	-	-	-	-	12,028	12,028
客戶貸款及墊款	3,603	58,797	49,186	102,311	188,653	115,537	8,148	526,235
投資證券	-	4,923	12,806	27,821	61,561	49,052	1,724	157,887
聯營公司及 合資企業投資	-	-	-	-	-	-	8,782	8,782
固定資產	-	-	-	-	-	-	13,320	13,320
商譽及無形資產	-	-	-	-	-	-	1,858	1,858
遞延稅項資產	-	-	-	-	-	-	1,828	1,828
其他資產	35	9,144	10,150	14,449	732	533	8,036	43,079
資產總額	37,615	123,013	81,298	147,440	252,181	165,122	65,400	872,069
負債								
銀行的存款及結餘	1,562	11,061	7,480	5,872	-	-	-	25,975
客戶存款	184,357	103,578	189,924	131,726	16,137	-	-	625,722
- 活期存款及往來賬戶	53,380	-	-	-	-	-	-	53,380
- 儲蓄存款	129,825	-	-	-	-	-	-	129,825
- 定期及通知存款	1,152	103,578	189,924	131,726	16,137	-	-	442,517
交易用途負債	-	-	-	-	-	-	1	1
衍生工具負債	-	-	-	-	-	-	4,777	4,777
已發行存款證	-	4,988	13,134	9,852	8,614	-	-	36,588
本期稅項	-	-	-	1,586	-	-	-	1,586
已發行債務證券	-	-	-	981	527	-	-	1,508
遞延稅項負債	-	-	-	-	-	-	438	438
其他負債	932	8,085	11,420	16,173	1,280	1,405	13,107	52,402
- 租賃負債	1	20	40	166	384	244	-	855
- 其他賬項	931	8,065	11,380	16,007	896	1,161	13,107	51,547
借貸資本	-	-	-	1,617	14,136	-	-	15,753
負債總額	186,851	127,712	221,958	167,807	40,694	1,405	18,323	764,750
淨差距	(149,236)	(4,699)	(140,660)	(20,367)	211,487	163,717		

中期財務報表附註(續)

28. 資產及負債的剩餘期限分析(續)

	31/12/2022							總額
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
資產								
現金及在銀行的結存	44,156	-	-	96	-	-	10,327	54,579
在銀行的存款及墊款	-	52,337	7,866	-	-	-	-	60,203
貿易票據	1	147	148	233	-	-	-	529
交易用途資產	-	1,176	99	-	-	-	255	1,530
衍生工具資產	-	-	-	-	-	-	11,092	11,092
客戶貸款及墊款	2,594	53,685	38,832	116,096	202,555	121,575	7,057	542,394
投資證券	-	10,446	10,510	19,043	64,709	40,618	1,681	147,007
聯營公司及 合資企業投資	-	-	-	-	-	-	9,061	9,061
固定資產	-	-	-	-	-	-	13,476	13,476
商譽及無形資產	-	-	-	-	-	-	1,870	1,870
遞延稅項資產	-	-	-	-	-	-	1,849	1,849
其他資產	27	4,845	7,463	18,286	505	437	7,672	39,235
資產總額	46,778	122,636	64,918	153,754	267,769	162,630	64,340	882,825
負債								
銀行的存款及結餘	2,263	8,074	9,255	5,886	-	-	-	25,478
客戶存款	212,727	106,604	160,879	151,421	16,462	-	-	648,093
- 活期存款及往來賬戶	65,899	-	-	-	-	-	-	65,899
- 儲蓄存款	145,107	-	-	-	-	-	-	145,107
- 定期及通知存款	1,721	106,604	160,879	151,421	16,462	-	-	437,087
交易用途負債	-	-	-	-	-	-	5	5
衍生工具負債	-	-	-	-	-	-	4,145	4,145
已發行存款證	-	3,559	12,971	12,244	3,888	-	-	32,662
本期稅項	-	-	-	1,252	-	-	-	1,252
已發行債務證券	-	-	1,404	672	816	-	-	2,892
遞延稅項負債	-	-	-	-	-	-	226	226
其他負債	779	5,027	8,261	19,697	1,124	1,541	13,370	49,799
- 租賃負債	1	24	40	155	347	207	-	774
- 其他賬項	778	5,003	8,221	19,542	777	1,334	13,370	49,025
借貸資本	-	-	-	-	11,927	-	-	11,927
負債總額	215,769	123,264	192,770	191,172	34,217	1,541	17,746	776,479
淨差距	(168,991)	(628)	(127,852)	(37,418)	233,552	161,089		

中期財務報表附註(續)

29. 遞延稅項資產及負債確認

確認於綜合財務狀況表中遞延稅項資產／(負債)的組成部分及期內之變動如下：

遞延稅項源自：	超過有關折舊	物業重估	金融資產	按通過其他	稅損	其他	總額
	的折舊免稅額		減值損失	全面收益以			
	港幣百萬元	港幣百萬元	港幣百萬元	金融資產重估	港幣百萬元	港幣百萬元	港幣百萬元
於2022年12月31日／							
2023年1月1日	(354)	(113)	1,904	15	16	155	1,623
收益表內(支銷)／存入	(18)	-	31	-	(16)	(33)	(36)
儲備內(支銷)／存入	-	-	-	(118)	-	2	(116)
匯兌及其他調整	-	-	(77)	2	-	(6)	(81)
於2023年6月30日	<u>(372)</u>	<u>(113)</u>	<u>1,858</u>	<u>(101)</u>	<u>-</u>	<u>118</u>	<u>1,390</u>

當有法定權利可將現有稅項資產與現有稅項負債抵銷，而遞延稅項涉及同一稅務機關，則可將個別實體的遞延稅項資產與遞延稅項負債互相抵銷。下列在綜合財務狀況表內列賬之金額，已計入適當抵銷。

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
於財務狀況表確認的遞延稅項資產淨額	1,828	1,849
於財務狀況表確認的遞延稅項負債淨額	<u>(438)</u>	<u>(226)</u>
	<u>1,390</u>	<u>1,623</u>

30. 儲備

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
一般儲備	13,658	13,658
行址重估儲備	2,255	2,255
資本儲備	895	895
匯兌重估儲備	(3,256)	(1,822)
資本儲備－已發行僱員認股權	162	150
公平價值儲備	1,167	510
負債信貸儲備	12	15
其他儲備	5,229	5,105
留存溢利(註)	<u>34,982</u>	<u>33,365</u>
	<u>55,104</u>	<u>54,131</u>
未入賬擬派股息	<u>959</u>	<u>456</u>

中期財務報表附註(續)

30. 儲備(續)

註：除已確認貸款、墊款和投資的減值損失外，本行還設立監管儲備對貸款、墊款和投資劃定將要或可能發生的損失金額，以滿足香港《銀行業條例》審慎監管目的的規定。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2023年6月30日，該要求的影響是要限制本行可派發予本集團股東的儲備，金額為港幣20.71億元(2022年12月31日：港幣17.42億元)。

31. 額外股本工具

		30/6/2023	31/12/2022
		港幣百萬元	港幣百萬元
額外一級資本工具			
6.5億美元無到期日非累積後償資本證券	(1)	5,069	5,069
6.5億美元無到期日非累積後償資本證券	(2)	5,021	5,021
		<u>10,090</u>	<u>10,090</u>

- (1) 於2019年9月19日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.69億元)額外一級資本工具。該額外一級資本工具是無到期日非累積後償資本工具及附帶5.875%年息率，直至2024年9月19日的第一次贖回日。如該額外一級資本工具未被贖回，息率將會每五年按相等於當時五年期美國庫券息率加年息4.257%之固定利率重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權，及符合吸收虧損能力規定。
- (2) 於2020年10月21日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.21億元)額外一級資本工具。該額外一級資本工具是無到期日非累積後償資本工具及附帶5.825%年息率，直至2025年10月21日的第一次贖回日。如該額外一級資本工具未被贖回，息率將會每五年按相等於當時五年期美國庫券息率加年息5.527%之固定利率重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權，及符合吸收虧損能力規定。

中期財務報表附註(續)

32. 綜合現金流量表

現金及等同現金項目

	30/6/2023	30/6/2022
	港幣百萬元	港幣百萬元
(i) 在綜合現金流量表內現金及等同現金項目的組成部分		
現金及原本期限為3個月以內在銀行的結存	33,974	44,365
原本期限為3個月以內在銀行的存款及墊款	57,940	65,084
原本期限為3個月以內的國庫債券	4,930	10,088
原本期限為3個月以內之持有的存款證	1,444	-
原本期限為3個月以內之債務證券	578	606
加：包括在「持有作出售資產」的現金及在銀行的結存	-	3
	<u>98,866</u>	<u>120,146</u>
(ii) 與綜合財務狀況表的對賬		
現金及在銀行的結存	43,444	54,817
在銀行的存款及墊款	58,308	67,128
國庫債券、持有的存款證及債務證券		
— 交易用途資產	3,476	151
— 投資證券	156,163	148,623
	159,639	148,774
加：包括在「持有作出售資產」的現金及在銀行的結存	-	3
包括在「持有作出售資產」的投資證券—持有存款證	-	638
包括在「持有作出售資產」的投資證券—債務證券	-	918
	<u>261,391</u>	<u>272,278</u>
減：原本期限為3個月以上的金額	(153,054)	(141,678)
受監管限制的在中央銀行之現金結存	(9,471)	(10,454)
	<u>98,866</u>	<u>120,146</u>
在綜合現金流量表內的現金及等同現金項目	<u>98,866</u>	<u>120,146</u>

33. 金融工具的公平價值

(a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第一級 — 參考同一工具在活躍市場取得的市場報價。

第二級 — 根據可觀察的參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就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參數，是直接或間接可從市場觀察所得的數據。

第三級 — 根據不可觀察之重要參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為在正常交易下市場人士當賣出資產時可收取或當轉移負債時須支付之款項。

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格、及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用不可觀察之重要參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手方違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組(「群組」)。價格核賣的程序已經確立。任何將被採用的價格模式必須經過嚴格的檢測及審批程序。

33. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

下表是按公平價值的處理分類，分析於報告期期末金融工具之公平價值分級。

	30/6/2023				31/12/2022			
	第一級	第二級	第三級	總額	第一級	第二級	第三級	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
重覆發生的公平價值計量								
資產								
貿易票據 - 按通過其他								
全面收益以反映公平								
價值計量								
	-	914	-	914	-	488	-	488
交易用途資產	364	3,476	-	3,840	354	1,176	-	1,530
衍生工具資產	-	12,028	-	12,028	200	10,892	-	11,092
投資證券								
- 強制按通過損益以反映								
公平價值計量								
	-	2,707	711	3,418	-	3,417	732	4,149
- 按通過其他全面收益								
以反映公平價值計量								
	27,772	112,398	892	141,062	24,654	102,903	839	128,396
	<u>28,136</u>	<u>131,523</u>	<u>1,603</u>	<u>161,262</u>	<u>25,208</u>	<u>118,876</u>	<u>1,571</u>	<u>145,655</u>
負債								
交易用途負債	1	-	-	1	5	-	-	5
衍生工具負債	3	4,774	-	4,777	99	4,046	-	4,145
指定為通過損益以反映公平價								
值的金融負債								
	-	22,983	-	22,983	-	24,357	-	24,357
	<u>4</u>	<u>27,757</u>	<u>-</u>	<u>27,761</u>	<u>104</u>	<u>28,403</u>	<u>-</u>	<u>28,507</u>

截至2023年6月30日止期內及2022年12月31日止年度內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

中期財務報表附註(續)

33. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

有關第三級估值的不可觀察之重要參數資料：

	估值模式	不可觀察之重要參數	幅度
非上市債務證券、 股份證券及投資基金	交易對手報價	不適用	不適用
	資產淨值	不適用	不適用
	現金流折扣模式	折扣率	30/6/2023：12.1% (31/12/2022：12.2%)
		市場性折扣	30/6/2023：20% (31/12/2022：20%)
	市場可類比法	盈利倍數	30/6/2023：15.14–29.03 (31/12/2022：20.51–27.66)
		企業價值／稅息前利潤	30/6/2023：18.26–26.75 (31/12/2022：21.61–27.78)
		市場性折扣	30/6/2023：50% (31/12/2022：50%)

強制按通過損益以反映公平價值計量或按通過其他全面收益以反映公平價值計量的非上市股本工具的公平價值，是採用現金流折扣模式作估算，根據受投資公司的財務狀況及業績之分析，或參考可比較上市公司之倍數，並計入市場性折扣以反映該股份並非有活躍交易之調整。任何因比率／受投資公司的財務狀況及業績之個別增加對公平價值有正面影響，而因折扣率／市場性折扣之個別增加則對公平價值有負面影響。非上市投資基金的公平價值是採用基金經理提供的資產淨值作估算。

在第三級之金融工具估值是受以上所述之相同估值監控機制及金融工具估值群組的定期檢視。

中期財務報表附註(續)

33. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(1) 使用不可觀察之重要參數的金融工具估值

已列賬並含有不可觀察之重要參數的工具，其公平價值之變動如下：

	30/6/2023		31/12/2022	
	強制按通過損益 以反映公平價值 計量的投資證券	按通過其他全面收益 以反映公平價值 計量的投資證券	強制按通過損益 以反映公平價值 計量的投資證券	按通過其他全面收益 以反映公平價值 計量的投資證券
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
資產				
於1月1日	732	839	808	712
增加/購入	4	-	31	-
出售/結算	(54)	-	(27)	-
公平價值變動確認於收益表	29	-	(80)	-
公平價值變動確認於其他全面收益	-	53	-	127
	<u>711</u>	<u>892</u>	<u>732</u>	<u>839</u>
於6月30日/12月31日				
於報告期結束日持有按通過其他全面 收益以反映公平價值資產而已計入 其他全面收益的公平價值儲備之期內 收益總額	<u>-</u>	<u>53</u>	<u>-</u>	<u>127</u>
於報告期結束日持有之資產而已計入 期內收益表之按通過損益以反映 公平價值金融工具的淨表現之期內 收益/(虧損)總額	<u>31</u>	<u>-</u>	<u>(80)</u>	<u>-</u>

中期財務報表附註(續)

33. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(2) 因不可觀察之重要假設變動至合理可能的替代假設所產生的影響

	30/6/2023			
	直接記錄於損益上之影響		直接記錄於股東權益上之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
強制按通過損益以反映				
公平價值計量的投資證券	59	(59)	-	-
按通過其他全面收益以反映				
公平價值計量的投資證券	-	-	74	(74)
	<u>59</u>	<u>(59)</u>	<u>74</u>	<u>(74)</u>
	31/12/2022			
	直接記錄於損益上之影響		直接記錄於股東權益上之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
強制按通過損益以反映				
公平價值計量的投資證券	61	(61)	-	-
按通過其他全面收益以反映				
公平價值計量的投資證券	-	-	70	(70)
	<u>61</u>	<u>(61)</u>	<u>70</u>	<u>(70)</u>

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可能的替代假設所產生的正、負10%的價值的並行變動。

33. 金融工具的公平價值(續)

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假設，以釐定以下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假設為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假設為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- (iii) 以攤銷成本計量的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 已發行的財務擔保之公平價值，是以參考在相若服務的公平交易中所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

本集團以成本或攤銷成本計量的金融工具賬面值，與其於2023年6月30日及2022年12月31日之公平價值並無重大差異。

34. 信貸風險

本集團的階段分配與金管局的5級資產分類對應關係如下：

金管局的5級資產類別		階段分配
合格	一般(即不符合本行的「信貸風險顯著增加」的準則)	1
	符合本行的「信貸風險顯著增加」的準則	2
需要關注		2
次級		3
呆滯		
虧損		

「信貸風險顯著增加」的準則已計及以下任何一個關鍵因素：

1. 風險的內部或外部評級與風險產生之時的評級相比顯著轉差；
2. 風險被分類為「需要關注」金管局資產類別；
3. 風險的評級不再屬於相當於普遍理解的「投資級別」定義的「低信貸風險界限」；或
4. 其他事件及徵兆顯示其信貸風險自產生或購買後顯著增加。

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析

貸款及墊款的信貸質素

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面值總額。

	30/6/2023							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的客戶貸款及墊款								
- 1-15級：合格	497,973	1,583	10,587	34	-	-	508,560	1,617
- 16-17級：需要關注	-	-	9,474	54	-	-	9,474	54
- 18級：次級	-	-	-	-	5,423	79	5,423	79
- 19級：呆滯	-	-	-	-	5,836	219	5,836	219
- 20級：虧損	-	-	-	-	2,324	85	2,324	85
賬面值總額	497,973	1,583	20,061	88	13,583	383	531,617	2,054
減值準備	(1,085)	(6)	(566)	(4)	(3,731)	(183)	(5,382)	(193)
賬面值	<u>496,888</u>	<u>1,577</u>	<u>19,495</u>	<u>84</u>	<u>9,852</u>	<u>200</u>	<u>526,235</u>	<u>1,861</u>
減值客戶貸款及墊款抵押品市值					<u>6,876</u>			

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

貸款及墊款的信貸質素(續)

	31/12/2022							
	12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的客戶貸款及墊款								
- 1-15級：合格	508,308	1,534	11,543	51	-	-	519,851	1,585
- 16-17級：需要關注	-	-	16,018	95	-	-	16,018	95
- 18級：次級	-	-	-	-	9,498	96	9,498	96
- 19級：呆滯	-	-	-	-	2,756	97	2,756	97
- 20級：虧損	-	-	-	-	891	30	891	30
賬面值總額	508,308	1,534	27,561	146	13,145	223	549,014	1,903
減值準備	(1,084)	(5)	(1,018)	(8)	(4,518)	(123)	(6,620)	(136)
賬面值	<u>507,224</u>	<u>1,529</u>	<u>26,543</u>	<u>138</u>	<u>8,627</u>	<u>100</u>	<u>542,394</u>	<u>1,767</u>
減值客戶貸款及墊款抵押品市值					<u>5,901</u>			

抵押品包括任何具公平價值及可隨時出售的有形抵押品。這些抵押品包括(但不限於)現金及存款、股票及債券、物業按揭及其他固定資產如器材及設備之押記。倘抵押品價值高於客戶貸款及墊款總額，則只計入最高達貸款及墊款總額的抵押品金額。

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素

下表載列除貸款及墊款外並按攤銷成本及按通過其他全面收益以反映公平價值計量的債務工具的信貸分析。除特別指明者外，就金融資產而言，表格內的金額為賬面值總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

	30/6/2023							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的貿易票據								
- 1-15級：合格	546	-	-	-	-	-	546	-
賬面值總額	546	-	-	-	-	-	546	-
減值準備	-	-	-	-	-	-	-	-
賬面值	546	-	-	-	-	-	546	-
	31/12/2022							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的貿易票據								
- 1-15級：合格	41	-	-	-	-	-	41	-
賬面值總額	41	-	-	-	-	-	41	-
減值準備	-	-	-	-	-	-	-	-
賬面值	41	-	-	-	-	-	41	-

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2023							
	12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按通過其他全面收益以反映 公平價值計量的貿易票據 - 1-15級: 合格	914	-	-	-	-	-	914	-
賬面值總額-按公平價值	914	-	-	-	-	-	914	-
減值準備	-	-	-	-	-	-	-	-
	31/12/2022							
	12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
	按通過其他全面收益以反映 公平價值計量的貿易票據 - 1-15級: 合格	480	-	8	-	-	-	488
賬面值總額-按公平價值	480	-	8	-	-	-	488	-
減值準備	-	-	-	-	-	-	-	-

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2023							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
在銀行的存款及墊款								
– 1-15級：合格	58,310	87	-	-	-	-	58,310	87
賬面值總額	58,310	87	-	-	-	-	58,310	87
減值準備	(2)	-	-	-	-	-	(2)	-
賬面值	<u>58,308</u>	<u>87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,308</u>	<u>87</u>
	31/12/2022							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
在銀行的存款及墊款								
– 1-15級：合格	60,204	122	-	-	-	-	60,204	122
賬面值總額	60,204	122	-	-	-	-	60,204	122
減值準備	(1)	-	-	-	-	-	(1)	-
賬面值	<u>60,203</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,203</u>	<u>122</u>

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2023			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
貸款承擔				
- 1-15級：合格	339,822	4,215	-	344,037
- 16-17級：需要關注	-	563	-	563
- 18級：次級	-	-	-	-
總額	339,822	4,778	-	344,600
減值準備	(90)	(16)	-	(106)
財務擔保合約				
- 1-15級：合格	10,839	944	-	11,783
- 16-17級：需要關注	-	13	-	13
- 18級：次級	-	-	631	631
總額	10,839	957	631	12,427
減值準備	(14)	(26)	(233)	(273)
	31/12/2022			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
貸款承擔				
- 1-15級：合格	334,520	3,906	-	338,426
- 16-17級：需要關注	-	373	-	373
- 18級：次級	-	-	-	-
總額	334,520	4,279	-	338,799
減值準備	(107)	(19)	-	(126)
財務擔保合約				
- 1-15級：合格	12,476	1,058	-	13,534
- 16-17級：需要關注	-	28	-	28
- 18級：次級	-	-	662	662
總額	12,476	1,086	662	14,224
減值準備	(14)	(4)	(174)	(192)

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

資金交易的信貸風險管理方法，與本集團管理其企業及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

	30/6/2023							
	12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的債務投資證券								
Aaa	-	-	-	-	-	-	-	-
Aa1至Aa3	3,242	1	-	-	-	-	3,242	1
A1至A3	3,422	35	-	-	-	-	3,422	35
Baa1至Baa3	2,864	14	-	-	-	-	2,864	14
Baa3以下	441	3	372	3	488	21	1,301	27
無評級	2,765	41	-	-	369	10	3,134	51
賬面值總額	12,734	94	372	3	857	31	13,963	128
減值準備	(21)	-	(21)	-	(514)	(31)	(556)	(31)
賬面值	12,713	94	351	3	343	-	13,407	97
	31/12/2022							
	12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按攤銷成本計量的債務投資證券								
Aaa	-	-	-	-	-	-	-	-
Aa1至Aa3	3,210	1	-	-	-	-	3,210	1
A1至A3	4,068	72	-	-	-	-	4,068	72
Baa1至Baa3	2,248	18	-	-	-	-	2,248	18
Baa3以下	538	7	405	4	193	2	1,136	13
無評級	3,584	48	368	8	253	5	4,205	61
賬面值總額	13,648	146	773	12	446	7	14,867	165
減值準備	(66)	(1)	(98)	(2)	(241)	(7)	(405)	(10)
賬面值	13,582	145	675	10	205	-	14,462	155

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

	30/6/2023							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按通過其他全面收益 以反映公平價值 計量的債務投資證券								
Aaa	8,748	9	-	-	-	-	8,748	9
Aa1至Aa3	24,174	91	-	-	-	-	24,174	91
A1至A3	60,333	761	-	-	-	-	60,333	761
Baa1至Baa3	43,353	481	333	3	-	-	43,686	484
Baa3以下	447	5	61	1	-	-	508	6
無評級	2,721	32	-	-	-	-	2,721	32
賬面值總額								
—按公平價值	139,776	1,379	394	4	-	-	140,170	1,383
包括減值準備	(103)	(1)	(20)	-	-	-	(123)	(1)
	31/12/2022							
	12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
按通過其他全面收益 以反映公平價值計量 的債務投資證券								
Aaa	7,305	10	-	-	-	-	7,305	10
Aa1至Aa3	21,855	37	-	-	-	-	21,855	37
A1至A3	56,412	798	-	-	-	-	56,412	798
Baa1至Baa3	37,906	419	803	9	-	-	38,709	428
Baa3以下	233	2	228	3	-	-	461	5
無評級	2,815	37	-	-	-	-	2,815	37
賬面值總額								
—按公平價值	126,526	1,303	1,031	12	-	-	127,557	1,315
包括減值準備	(214)	(2)	(41)	-	-	-	(255)	(2)

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

下表載列按通過損益以反映公平價值計量的非交易金融資產的信貸分析。

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
按通過損益以反映公平價值計量的非交易債務投資證券		
Aaa	—	—
Aa1至Aa3	—	—
A1至A3	144	192
Baa1至Baa3	2,334	2,963
Baa3以下	—	—
無評級	108	115
	<u>2,586</u>	<u>3,270</u>
賬面值總額—按公平價值	<u>2,586</u>	<u>3,270</u>

下表載列作交易用途債務投資證券的信貸分析。

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
按通過損益以反映公平價值計量的交易用途債務投資證券		
Aaa	—	—
Aa1至Aa3	—	99
A1至A3	3,476	1,176
Baa1至Baa3	—	—
Baa3以下	—	—
無評級	—	—
	<u>3,476</u>	<u>1,275</u>
賬面值總額—按公平價值	<u>3,476</u>	<u>1,275</u>

下表載列由衍生工具資產交易所產生之對手信貸質素分析。

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
衍生工具資產		
Aa1至Aa3	9,209	8,317
A1至A3	558	1,183
Baa1至Baa3	630	612
Baa3以下	—	—
無評級	1,631	980
	<u>12,028</u>	<u>11,092</u>
賬面值總額—按公平價值	<u>12,028</u>	<u>11,092</u>

中期財務報表附註(續)

34. 信貸風險(續)

(a) 信貸質素分析(續)

現金及在銀行的結存

於2023年6月30日，本集團持有現金及在銀行的結存為港幣434.45億元(2022年12月31日：港幣545.81億元)。基於穆迪投資服務或相當的評級，其中96%(2022年12月31日：97%)的現金及在銀行交易對手的結存被評級為投資評級。

(b) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至6月30日/12月31日期間交易層面的狀況。預期信貸損失不同階段之間的轉撥被視為於年初發生，故金額轉撥淨額為零。因預期信貸損失階段轉變而引致的重新計量預期信貸損失會記於其所轉撥的預期信貸損失階段項下。

	30/6/2023			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
客戶貸款及墊款				
於1月1日的結餘	1,089	1,026	4,641	6,756
轉至12個月內之預期信貸損失	78	(78)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(24)	24	-	-
轉至信貸不良的合約期內之 預期信貸損失	(4)	(469)	473	-
源生或購入之新金融資產、撤銷 確認資產、還款及進一步貸款	205	(118)	33	120
撤銷	-	-	(3,541)	(3,541)
模型變動	(72)	(1)	-	(73)
減值準備的重新計量淨額 (包括外匯調整)	(181)	186	2,308	2,313
於6月30日的結餘	1,091	570	3,914	5,575
其中：				
就按攤銷成本的客戶貸款及墊款 (附註19(a))	1,085	566	3,731	5,382
就相關應收應計利息(附註(23))	6	4	183	193
	1,091	570	3,914	5,575

中期財務報表附註(續)

34. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2022			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
客戶貸款及墊款				
於1月1日的結餘	670	528	3,231	4,429
轉至12個月內之預期信貸損失	155	(155)	-	-
轉至非信貸不良的合約期內之 預期信貸損失	(27)	54	(27)	-
轉至信貸不良的合約期內之 預期信貸損失	(24)	(141)	165	-
源生或購入之新金融資產、撤銷 確認資產、還款及進一步貸款 撤銷	350	114	273	737
	-	-	(3,095)	(3,095)
減值準備的重新計量淨額 (包括外匯調整)	(35)	626	4,094	4,685
於12月31日的結餘	<u>1,089</u>	<u>1,026</u>	<u>4,641</u>	<u>6,756</u>
其中：				
就按攤銷成本的客戶貸款及墊款 (附註19(a))	1,084	1,018	4,518	6,620
就相關應收應計利息(附註23)	5	8	123	136
	<u>1,089</u>	<u>1,026</u>	<u>4,641</u>	<u>6,756</u>

中期財務報表附註(續)

34. 信貸風險(續)

(b) 減值準備對賬(續)

	30/6/2023			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
債務投資證券				
於1月1日的結餘	283	141	248	672
轉至12個月內之預期信貸損失	24	(24)	–	–
轉至非信貸不良的合約期內之 預期信貸損失	(1)	1	–	–
轉至信貸不良的合約期內之預期 信貸損失	–	(81)	81	–
源生或購入之新金融資產、撤銷 確認資產、還款及進一步投資 撤銷	1	(4)	–	(3)
撤銷	–	–	–	–
減值準備的重新計量淨額 (包括外匯調整)	(182)	8	216	42
於6月30日的結餘	125	41	545	711
其中：				
就按攤銷成本計量的債務投資證券	21	21	514	556
就相關應收應計利息(附註23)	–	–	31	31
	21	21	545	587
就按通過其他全面收益以反映 公平價值計量的債務投資證券	103	20	–	123
就相關應收應計利息	1	–	–	1
	104	20	–	124

中期財務報表附註(續)

34. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2022			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
債務投資證券				
於1月1日的結餘	284	47	–	331
轉至12個月內之預期信貸損失	–	–	–	–
轉至非信貸不良的合約期內之預期 信貸損失	(11)	11	–	–
轉至信貸不良的合約期內之預期信 貸損失	(5)	(13)	18	–
源生或購入之新金融資產、撤銷 確認資產、還款及進一步投資	25	21	–	46
撤銷	–	–	–	–
減值準備的重新計量淨額(包括外匯 調整)	(10)	75	230	295
	<u>283</u>	<u>141</u>	<u>248</u>	<u>672</u>
於12月31日的結餘				
其中：				
就按攤銷成本計量的債務投資證券	66	98	241	405
就相關應收應計利息(附註23)	1	2	7	10
	<u>67</u>	<u>100</u>	<u>248</u>	<u>415</u>
就按通過其他全面收益以反映 公平價值計量的債務投資證券	214	41	–	255
就相關應收應計利息	2	–	–	2
	<u>216</u>	<u>41</u>	<u>–</u>	<u>257</u>

按通過其他全面收益以反映公平價值計量的債務證券的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值計量的債務投資證券的賬面值是其公平價值。

中期財務報表附註(續)

34. 信貸風險(續)

(b) 減值準備對賬(續)

	30/6/2023			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
其他				
於1月1日的結餘	133	23	238	394
轉至12個月內之預期信貸損失	2	(2)	-	-
轉至非信貸不良的合約期內之預期信貸損失	(1)	1	-	-
轉至信貸不良的合約期內之預期信貸損失	-	-	-	-
源生或購入之新金融資產、撤銷確認資產 及還款	(18)	-	(14)	(32)
撤銷	-	-	-	-
減值準備的重新計量淨額(包括外匯調整)	(1)	21	73	93
	<u>115</u>	<u>43</u>	<u>297</u>	<u>455</u>
於6月30日的結餘				
其中：				
就按通過其他全面收益以反映公平價值 計量的貿易票據	-	-	-	-
就相關應收應計利息	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
就按攤銷成本計量的貿易票據(附註17)	-	-	-	-
就相關應收應計利息	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
就在銀行的存款及墊款(附註16)	2	-	-	2
就相關應收應計利息	-	-	-	-
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
就現金及在銀行的結存(附註15)	1	-	-	1
就相關應收應計利息	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
就貸款承擔和財務擔保合約(附註25)	104	42	233	379
就應收賬款及其他賬項(應收應計利息 除外)(附註23)	8	1	64	73

中期財務報表附註(續)

34. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2022			
	12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
其他				
於1月1日的結餘	143	24	85	252
轉至12個月內之預期信貸損失	2	(2)	-	-
轉至非信貸不良的合約期內之預期信貸損失	-	-	-	-
轉至信貸不良的合約期內之預期信貸損失	(1)	(7)	8	-
源生或購入之新金融資產、撤銷確認 資產及還款	11	(3)	68	76
撇銷	-	-	-	-
減值準備的重新計量淨額(包括外匯調整)	(22)	11	77	66
	<u>133</u>	<u>23</u>	<u>238</u>	<u>394</u>
其中：				
就按通過其他全面收益以反映公平價值 計量的貿易票據	-	-	-	-
就相關應收應計利息	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
就按攤銷成本計量的貿易票據(附註17)	-	-	-	-
就相關應收應計利息	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
就在銀行的存款及墊款(附註16)	1	-	-	1
就相關應收應計利息	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
就現金及在銀行的結存(附註15)	2	-	-	2
就相關應收應計利息	-	-	-	-
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
就貸款承擔和財務擔保合約(附註25)	121	23	174	318
就應收賬款及其他賬項(應收應計利息 除外)(附註23)	9	-	64	73

按通過其他全面收益以反映公平價值計量的貿易票據的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值計量的貿易票據的賬面值是其公平價值。

中期財務報表附註(續)

35. 資產負債表以外的風險

(a) 或然負債及承擔

參照金管局資本充足比率申報表的填報指示，各主要類別的或然負債及承擔的合約金額及信貸風險加權金額摘要如下：

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
或然負債		
直接信貸代替品	3,501	4,220
與交易有關的或然項目	3,176	3,846
與貿易有關的或然項目	5,713	6,143
	<u>12,390</u>	<u>14,209</u>
承擔		
可無條件取消而毋須事先通知的承擔	315,928	303,920
其他承擔的原到期日		
- 1年或以下	2,151	2,229
- 1年以上	26,103	32,043
	<u>344,182</u>	<u>338,192</u>
總額	<u>356,572</u>	<u>352,401</u>
信貸風險加權金額	<u>18,117</u>	<u>23,651</u>

(b) 衍生工具

衍生工具之公平價值

資產		
匯率合約	1,745	1,781
利率合約	10,143	9,220
股份合約	140	91
	<u>12,028</u>	<u>11,092</u>
負債		
匯率合約	1,939	1,749
利率合約	2,692	2,297
股份合約	146	99
	<u>4,777</u>	<u>4,145</u>
衍生工具的名義金額		
匯率合約	283,218	292,921
利率合約	418,215	319,625
股份合約	7,954	4,774
	<u>709,387</u>	<u>617,320</u>

中期財務報表附註(續)

35. 資產負債表以外的風險(續)

(c) 資本承擔

於6月30日及12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
已核准支出並已簽約	346	452
已核准支出但未簽約	66	138
	<u>412</u>	<u>590</u>

(d) 或有事項

本集團收到正常業務過程中產生的法律索賠。本集團認為這些事項均不重大。在適當情況下，本集團在很可能需要經濟利益流出並且可以對該責任作出可靠估計時確認負債準備。

36. 關聯人士的重大交易

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，包括支付予本行董事及若干最高薪酬僱員的金額如下：

	30/6/2023	30/6/2022
	港幣百萬元	港幣百萬元
短期僱員福利	80	78
僱員退休福利	4	4
股份補償福利	11	11
	<u>95</u>	<u>93</u>

(b) 本集團為其職員提供若干退休保障計劃。截至2023年6月30日止6個月，本集團對該等計劃的供款總額為港幣1.08億元(截至2022年6月30日止6個月：港幣9,900萬元)。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司，有重大影響力之股東，及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

中期財務報表附註(續)

36. 關聯人士的重大交易(續)

截至2023年6月30日止6個月，本集團從關聯人士所收取與支付予他們的利息，及於2023年6月30日關聯人士的欠款及欠關聯人士的款項，及截至2023年6月30日止6個月關聯人士的最高欠款及欠關聯人士的最高款項總額總結如下：

	主要管理人員		聯營公司		有重大影響力之股東	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
利息收入	21	10	31	43	5	-
利息支出	51	6	-	-	-	-
關聯人士的欠款	880	972	1,717	1,665	1,446	2,197
欠關聯人士的款項	2,421	2,144	216	183	5	40
關聯人士的最高欠款	1,623	2,030	1,717	1,792	1,766	8,259
欠關聯人士的最高款項	4,646	3,893	571	390	103	244
給予信貸承諾	1,308	548	1,642	1,703	59	-

37. 綜合基準

除特別說明外，此中期報告所載的財務資料是按用作會計用途之綜合基準編製。

編製集團的資本充足比率、槓桿比率及流動資金狀況，是按用作監管用途之綜合基準編製。而編製用作會計用途及監管用途之綜合基準之最大分別是前者包括本行及其所有附屬公司、聯營公司及合資企業，而後者只包括本行及本集團部分從事銀行業務或其他與銀行業務有關的附屬公司。

於報告日已包括在綜合財務報表內的附屬公司列示如下：

公司名稱	業務性質	資產總額	股東權益總額
		港幣百萬元	港幣百萬元
承悅有限公司	投資控股	310	310
* 東亞銀行(信託)有限公司	信託服務	203	189
BC (BVI) Holdings Limited	將進行清盤	-	-
BEA Consortium GS Investors L.P.	出任有限責任合夥人用作 投資私募基金	7	7
東亞保險代理有限公司	保險代理服務	-	-
東亞聯豐投資管理有限公司	資產管理	499	454
東亞聯豐投資管理(深圳)有限公司	資產管理/投資管理	4	3
滙中興業有限公司	物業投資	734	634

中期財務報表附註(續)

37. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
階潤有限公司	投資控股	79	79
Citiview Capital Limited	出任普通合夥人及有限責任合夥人	1	1
Corona Light Limited	投資控股	930	930
* 領達財務有限公司	放債人	691	690
Crystal Gleaming Limited	投資控股	930	930
卓領控股有限公司	投資控股	1,127	1,127
EA Securities Limited	投資控股	–	(62)
* 東亞數據信息服務(廣東)有限公司	服務	237	195
* 東亞設施管理有限公司	設施管理	17	6
East Asia Financial Services (BVI) Ltd.	投資控股	–	–
東亞期貨有限公司	期貨及期權交易	58	57
* East Asia Holding Company, Inc.	投資控股	632	615
East Asia Indonesian Holdings Limited	投資控股	2	1
East Asia International Trustees Holdings (BVI) Limited	投資控股	10	10
East Asia International Trustees Limited	信託服務	49	45
* East Asia Properties (US), Inc.	物業持有	14	12
東亞物業控股有限公司	投資控股	–	(27)
東亞物業代理有限公司	物業代理	7	7
東亞前海控股有限公司	投資控股	197	197
東亞秘書有限公司	秘書服務	–	–
東亞證券有限公司	證券買賣	1,189	999

中期財務報表附註(續)

37. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
* 東亞服務(控股)有限公司	控股公司	23	1
Golden Empire International Inc.	物業投資	1	—
Leader One Limited	投資控股	1	1
Manchester Property Holdings Ltd.	物業持有	26	10
君騰香港控股有限公司	投資控股	48	48
Red Phoenix Limited	汽車租賃	4	4
Shaftesbury Property Holdings Limited	投資控股	52	52
Shaftesbury Property Investments Limited	投資控股	36	36
上海領僑商務諮詢有限公司	商業資訊諮詢及企業管理諮詢	195	194
Silver River International Limited	出任普通合夥人及有限責任合夥人	—	—
Skyray Holdings Limited	投資控股	450	450
Speedfull Limited	投資控股	450	450
*# 東亞銀行(中國)有限公司	銀行及有關的金融服務	230,646	23,451
東亞銀行受託代管有限公司	受託代管服務	—	—
The Bank of East Asia (Nominees) Private Limited	信託、代理及託管服務	—	—

* 「規管金融實體」是按照《資本規則》之定義及已包括在用作監管用途之綜合基準內。

「聯營實體」是按照《銀行業(流動性)規則》之定義及已包括在用作監管用途之綜合基準內。

中期財務報表附註(續)

38. 銀行同業拆借利率風險

因應全球監管機構決定逐步停止使用倫敦銀行同業拆借利率(「LIBORs」)，轉用無風險利率作為替代參考利率(「ARRs」)，瑞士法郎、歐元、英鎊及日元的LIBORs已於2021年後停止使用。新加坡元掉期利率及美元LIBORs亦於2023年6月後停止使用。

隨著銀行同業拆借利率改革項目的完成，本集團已具備進行ARRs交易及處理上述LIBORs和其餘即將停止使用的LIBORs掛鈎但尚未過渡至ARRs之能力。

下表載列了截至報告期期末參考利率基準而尚未過渡至替代基準利率的金融工具之餘額。該等金融工具要麼有足夠的後備機制條款，要麼將在下一個重訂息率日過渡至ARRs，或將在以合成計算的LIBORs停止使用日前到期。金融資產和負債的金額以賬面值總額列示，而衍生工具則以名義金額列示。

	30/6/2023			
	賬面值總額／名義金額			
	美元倫敦銀行 同業拆借利率	英鎊倫敦銀行 同業拆借利率	新加坡元 掉期利率	新加坡銀行 同業拆借利率
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
資產				
客戶貸款及墊款	19,311	95	1,440	2,271
已持有可轉讓債務工具，包括可轉讓存款證	78	-	-	-
資產總額	19,389	95	1,440	2,271
負債				
已發行存款證及債務證券	2,726	-	-	-
負債總額	2,726	-	-	-
衍生工具				
利率掉期	47,470	-	-	-
交叉貨幣掉期	1,596	-	-	-
其他衍生工具	157	-	-	-
衍生工具總額	49,223	-	-	-

39. 比較數字

若干2022年的比較數字經已重報以符合本期的呈報方式。請參閱附註27中所述的重報影響。

40. 符合指引

此中期財務報表經已按照有關《上市規則》的披露規定，包括符合香港會計師公會頒布《香港會計準則》第34號「中期財務報告」而編製。此中期財務報表已於2023年8月24日獲授權發布。

本中期財務報告包括簡略綜合財務報表及選定的若干附註。當中包括載有對瞭解本集團自2022年年度財務報表以來的財務狀況及表現的變化具有重要意義的事件及交易的闡釋。此簡略綜合中期財務報表及附註並未包括根據《香港財務報告準則》編製的整套財務報表所需的所有資料。

銀行業披露報表(即補充財務資料的附註E所載)以及此中期財務報表所列載的披露資料，亦已根據金管局所頒布的《銀行業(披露)規則》及《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之要求作披露。

補充財務資料(未經審核)

A. 資本充足

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
資本基礎		
– 普通股權一級資本	82,132	81,282
– 額外一級資本	10,090	10,090
	<hr/>	<hr/>
– 一級資本總額	92,222	91,372
– 二級資本	12,504	12,048
	<hr/>	<hr/>
– 資本總額	<u>104,726</u>	<u>103,420</u>
風險加權資產類別		
– 信貸風險	452,899	483,104
– 市場風險	4,540	4,053
– 營運風險	32,483	30,580
– 資本下限調整	3,052	–
	<hr/>	<hr/>
減：扣除	492,974 (2,853)	517,737 (2,864)
	<hr/>	<hr/>
	<u>490,121</u>	<u>514,873</u>
	<hr/>	<hr/>
	30/6/2023	31/12/2022
	百分率	百分率
普通股權一級資本比率	16.8	15.8
一級資本比率	18.8	17.7
總資本比率	21.4	20.1

資本充足比率乃根據金管局所頒布的《資本規則》計算。根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關維持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定經計算後從一級資本中扣除。

補充財務資料(未經審核)(續)

A. 資本充足(續)

包括在用作監管用途的綜合基礎之主要附屬公司已於中期報告之附註37列示。

本集團之附屬公司在多個國家及地區營運而其資本乃受當地法則約束，可能在轉移受規管資本及在銀行集團成員間的資金調配方面存在某些限制。

為符合《銀行業(披露)規則》及《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

B. 槓桿比率

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
一級資本總額	92,222	91,372
風險承擔計量	917,707	935,197
	30/6/2023	31/12/2022
	百分率	百分率
槓桿比率	10.0	9.8

槓桿比率之計算按金管局《資本規則》第3C條頒布的通知內所指定的綜合基準。有關披露資料可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

C. 流動資金狀況

流動性覆蓋比率

	30/6/2023	31/12/2022
	百分率	百分率
平均流動性覆蓋比率		
– 第一季度	182.9	184.2
– 第二季度	208.9	187.5
– 第三季度	不適用	179.1
– 第四季度	不適用	197.7

流動性覆蓋比率是根據《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

本行持有以港幣計價的一級優質流動資產不少於以港幣計價的淨現金流出總額的20%。按各綜合層級的流動性覆蓋比率並沒有重大的貨幣錯配。

補充財務資料(未經審核)(續)

C. 流動資金狀況(續)

穩定資金淨額比率

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
可用穩定資金總額	577,415	568,204
所需穩定資金總額	480,463	489,801
	30/6/2023	31/12/2022
	百分率	百分率
穩定資金淨額比率	120.2	116.0

穩定資金淨額比率是根據《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 www.hkbea.com 主頁內「監管披露」的連繫或按 www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html 的直接連繫。

D. 逾期、經重組及收回資產

(a) 逾期及經重組客戶墊款

	30/6/2023		31/12/2022	
	港幣百萬元	佔客戶 墊款總額 的百分比	港幣百萬元	佔客戶 墊款總額 的百分比
逾期客戶墊款				
– 3個月以上至6個月	1,587	0.3	2,257	0.4
– 6個月以上至1年	3,385	0.6	1,630	0.3
– 1年以上	984	0.2	1,118	0.2
	5,956	1.1	5,005	0.9
經重組客戶墊款	1,319	0.3	1,193	0.2
逾期及經重組墊款總額	7,275	1.4	6,198	1.1
逾期墊款涵蓋部份	4,311	0.8	2,745	0.5
逾期墊款非涵蓋部份	1,645	0.3	2,261	0.4
逾期墊款涵蓋部份之抵押品市值	6,467		5,454	
逾期3個月以上墊款的特殊準備	1,378		1,830	

補充財務資料(未經審核)(續)

D. 逾期、經重組及收回資產(續)

(a) 逾期及經重組客戶墊款(續)

有明確到期日之貸款及墊款，若其本金或利息已逾期，並於期結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於期結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

可視作合格抵押品的資產須符合下列條件：

- (a) 該資產的市值是可即時決定的或是可合理地確定及證實的；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表／債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

補充財務資料(未經審核)(續)

D. 逾期、經重組及收回資產(續)

(b) 逾期及經重組銀行墊款

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
逾期銀行墊款		
– 3個月以上至6個月	–	–
– 6個月以上至1年	–	–
– 1年以上	–	–
	–	–
經重組銀行墊款	–	–
逾期及經重組墊款總額	–	–

(c) 其他逾期及經重組資產

	30/6/2023		
	應計利息	債務證券	其他資產*
	港幣百萬元	港幣百萬元	港幣百萬元
其他逾期資產			
– 3個月以上至6個月	28	140	–
– 6個月以上至1年	98	195	–
– 1年以上	103	116	–
	229	451	–
經重組資產	35	–	–
其他逾期及經重組資產總額	264	451	–
逾期3個月以上其他資產的特殊準備	112	301	–
	31/12/2022		
	應計利息	債務證券	其他資產*
	港幣百萬元	港幣百萬元	港幣百萬元
其他逾期資產			
– 3個月以上至6個月	31	124	–
– 6個月以上至1年	48	114	–
– 1年以上	68	–	–
	147	238	–
經重組資產	23	–	–
其他逾期及經重組資產總額	170	238	–
逾期3個月以上其他資產的特殊準備	78	166	–

* 其他資產是指貿易票據及應收款項。

補充財務資料(未經審核)(續)

D. 逾期、經重組及收回資產(續)

(d) 收回資產

	30/6/2023	31/12/2022
	港幣百萬元	港幣百萬元
收回土地及建築物(註)	2,130	416
收回汽車及設備	2	-
收回機器	-	-
收回資產總額	<u>2,132</u>	<u>416</u>

此等金額指於2023年6月30日及2022年12月31日收回資產的估計市值。

註：結餘中包括港幣400萬元(2022年12月31日：港幣2,600萬元)已簽約出售但仍未成交的物業。

E. 銀行業披露報表

本期的額外資料披露是根據《銀行業(披露)規則》、《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

獨立審閱報告



致東亞銀行有限公司董事會

引言

我們已審閱 貴集團列載於第101頁至第163頁的中期財務報告，此中期財務報告包括於2023年6月30日的綜合財務狀況表與截至該日止6個月期間有關的綜合收益表、綜合全面收益表、綜合權益變動表和簡略綜合現金流量表以及附註解釋。根據《上市規則》，上市公司必須符合《上市規則》中的相關規定和香港會計師公會頒布的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

我們已根據香港會計師公會所頒布的《香港審閱工作準則》第2410號「由實體的獨立核數師對中期財務信息審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問、並實施分析和其他審閱程序。由於審閱的範圍遠較按照《香港審核準則》進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2023年6月30日的中期財務報告在所有重大方面沒有按照《香港會計準則》第34號「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
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2023年8月24日

中期股息

董事會宣布派發截至2023年6月30日止6個月的中期股息每股港幣0.36元（「2023中期股息」）（2022中期股息：每股港幣0.16元）。此2023中期股息將約於2023年10月5日（星期四）以現金派發予於2023年9月13日（星期三）辦公時間結束時已登記在本行股東名冊上的股東，股東亦可選擇收取已繳足股款的新股以代替現金（「以股代息計劃」）。在計算股東在以股代息計劃下所應獲配發的新股份數目時，新股份的市值將按股份在聯交所由2023年9月7日（星期四）（股份除息後首個交易日）至2023年9月13日（星期三）（包括首尾兩天）的平均收市價計算。以股代息計劃的詳情連同有關選擇表格將約於2023年9月13日（星期三）寄予各股東。

以股代息計劃須待聯交所批准計劃下將予發行的新股上市及買賣方可作實。有關的股息單和以股代息的股票將約於2023年10月5日（星期四）以平郵寄予股東。

暫停辦理股份過戶登記

為確定合資格享有2023中期股息股東之身份，本行將由2023年9月11日（星期一）至2023年9月13日（星期三）（包括首尾兩天）暫停辦理股份過戶登記。如欲享有2023中期股息，股東須於2023年9月8日（星期五）下午4時前，將過戶文件連同有關股票送達卓佳標準有限公司，地址為香港夏慤道16號遠東金融中心17樓辦理登記手續。

財務回顧

財務表現

於2023年首6個月，東亞銀行集團錄得可歸屬於本集團股東溢利港幣26.36億元，較去年同期錄得的港幣14.99億元，上升75.8%。

本集團業績受惠於市場利率上升，以及香港與內地全面通關後，商業活動復常。這些因素抵銷了由內地商業房地產客戶流動性問題對資產質素所帶來的持續壓力。

2023年上半年的每股基本盈利為港幣0.87元，而2022年同期則為港幣0.39元。

年化平均資產回報率上升30個基點，至0.5%，而年化平均股東權益回報率上升2.6個百分點，至4.8%。

本集團的淨利息收入增加港幣22.15億元，或38.0%，至港幣80.45億元。在利率上升的環境下，淨息差由1.42%擴闊至2.03%。

服務費及佣金收入淨額上升0.6%，至港幣14.50億元。來自貸款業務和第三方保單銷售的淨服務費及佣金分別增長17.3%和15.7%。然而，此升幅被投資產品和證券經紀佣金的下降所抵銷。由於市場情緒低迷，客戶的投資活躍度仍然處於低位，但已較2022年下半年有所改善。

由於本集團已於2022年8月出售藍十字（亞太）保險有限公司，其他經營收入因而受到影響。

交易及對沖淨額，以及其他金融工具的淨表現增加港幣1.01億元，或18.5%，至港幣6.42億元。非利息收入減少2.5%，至港幣22.31億元。

整體而言，經營收入總額上升26.6%，至港幣102.76億元。

經營支出總額增加港幣1.82億元，或4.1%，至港幣45.88億元。經營效率提升，有助抵銷本行持續在人才、銷售人員及數碼能力方面的投入。2023年上半年的成本對收入比率為44.7%，與2022年同期的54.3%相比，改善9.6個百分點。

2023年上半年的金融工具之減值損失為港幣24.92億元，雖然錄得按年升幅，但較2022年下半年的水平有所下降。本集團的減值貸款比率由2022年12月底的2.39%，上升至2023年6月底的2.56%。香港業務的減值貸款比率由2.92%下降至2.85%，而中國內地業務的減值貸款比率則由2.75%上升至3.15%。

已扣除減值損失後之經營溢利為港幣31.90億元，上升港幣16.14億元，或102.4%。

本集團應佔聯營公司及合資企業之除稅後溢利減虧損下跌港幣1,800萬元，為溢利港幣1.72億元。

經計及所得稅後，溢利增至港幣26.38億元，較2022年上半年錄得的港幣15.10億元，上升74.7%。

財務狀況

於2023年6月底，本集團綜合資產總額達港幣8,720.69億元，較2022年底的港幣8,828.25億元輕微減少1.2%。

本集團致力降低風險加權資產，並減低對商業房地產行業的風險敞口，令客戶墊款總額減少3.2%，至港幣5,316.17億元。

可歸屬於本集團股東權益總額上升1.0%，至港幣969.82億元。

客戶存款總額減少3.5%，至港幣6,257.22億元。其中，活期存款和往來存款賬戶結餘減少港幣125.19億元，或19.0%；儲蓄存款減少港幣152.82億元，或10.5%；而定期存款則增加港幣54.30億元，或1.2%。包括客戶存款及所有已發行存款證的存款總額減少2.7%，至港幣6,623.10億元。

於2023年6月底，貸款對存款比率為80.3%，而2022年底則為80.6%。

憑藉雄厚的資本基礎，本集團按計劃持續進行場內股份回購。於2023年上半年，本集團以總代價港幣1.83億元，於聯交所回購17,840,200股股份。

於2023年6月30日，總資本比率、一級資本比率及普通股權一級資本比率分別為21.4%、18.8%及16.8%。截至2023年6月30日止季度的平均流動性覆蓋比率為208.9%，遠高於100%的法定下限。

業務回顧

經濟回顧

2023年上半年，全球經濟溫和復甦。勞工市場強勁，消費增長以及旅遊開支回升等利好因素成為推動經濟增長的主要動力。然而，在通脹高企及貨幣政策收緊的影響下，貨物貿易依然低迷。

能源價格下調以及供應鏈瓶頸緩解，帶動全球整體通脹從近期高位回落，不過，工資增長及服務業通脹升溫下，核心通脹維持高企。

對此，主要央行相繼調高利率。儘管貨幣政策緊縮暴露了美國及歐洲銀行業的薄弱環節，但相信利率將持續高企，直至有明確跡象顯示通脹正逐步返回政策目標。

中國內地方面，2023年上半年實質國內生產總值按年增長5.5%，主要受惠於防疫限制措施放寬，推動了商業活動逐步復常。

內部消費表現理想，面向消費者的服務行業明顯擴張。以高科技、創新及基建設施項目為主的固定資產投資亦保持平穩增長。製造業有所改善，亦有助工業生產逐步復甦。

內地當局正加大政策力度，以穩增長、消費和就業，具體措施包括：稅務優惠、再融資計劃及加快基建投資等。值得注意的是，內地在七月宣布緩解房地產開發商流動性問題的新措施。《2023政府工作報告》則提出多項目標，如2023年國內生產總值增長達5.0%左右，城鎮新增就業約1,200萬人，並控制通脹在約3.0%水平。

香港方面，2023年上半年，實質本地生產總值按年增長約2.2%。本地需求、入境旅遊，以至勞工需求強勁及營商氣氛改善，均成為推動經濟復甦的動力。上述利好因素抵銷了外部需求疲弱及全球貨幣政策緊縮的不利影響。據香港特區政府預測，2023年香港經濟增長將介乎4.0%至5.0%，通脹則保持溫和於2.4%。

香港業務

在利率高企的利好環境下，本行香港業務於2023年上半年強勁復甦，除稅前溢利上升177.2%。

淨利息收入增長68.4%，推動整體業績表現。受惠於銀行同業拆息大幅上揚，淨息差擴闊76個基點。

由於投資市場前景持續不明朗，非利息收入有所下降。然而，與內地恢復通關後，經營環境改善，令服務費收入於第二季度開始回升。銀行保險銷售表現強勁，亦帶動收入增加。

數碼化及分行優化計劃提升了經營效益，抵銷了本行在前線員工及數碼能力方面的投入，令經營支出與去年同期相若。由於收入上升而支出持平，撥備前經營溢利錄得86.4%的顯著增長。

內地商業房地產行業的形勢仍然嚴峻，本行須就若干賬戶作出額外撥備。儘管如此，資產質素漸趨穩定。上半年減值損失按年增加，但較2022年下半年的高位有所回落。

在當前環境下，本行繼續專注於風險管理，致力收窄高風險敞口、推動貸款多元化及優化風險加權資產的配置，因此香港客戶貸款大致持平。本行亦謹慎管理存款組合，以控制資金成本。

東亞銀行現正把主要客戶體驗流程數碼化，並優化香港業務的營運模式，務求進一步提升生產力。在可行的情況下，後台工序會盡量透過集中化、自動化或外判方式處理。與此同時，本行採用先進的監管科技解決方案，以提高風險管理及合規職能的準確性和效率。

展望未來，本行將持續提升財富管理能力，以滿足香港、大灣區以至大中華地區客戶日益增長的財務需要。

零售銀行

市場利率上升及疫後復甦，帶動本行零售銀行業績顯著增長。淨利息收入上升117.1%，令淨溢利增加超過一倍。

受惠於香港銀行同業拆息大幅上揚，存款息差擴闊，本行亦繼續致力吸納來自個人及小型企業的存款。零售存款結餘較去年12月底增加5.2%。在信用卡消費增加以及按揭業務穩健增長的帶動下，客戶貸款結餘上升2.0%。

服務費及佣金淨收入持平。零售投資產品銷售收入雖然受到市場情緒低迷影響，但部分跌幅被銀保業務的強勁表現所抵銷。今年上半年新造年度化保費增長超過一倍，帶來可觀的服務費及佣金收入。同時，強積金服務收入增加，主要受惠於計劃成員人數增加，推動管理資產規模有所增長，以及投資回報上升。

為把握疫後復甦及香港與內地全面通關的機遇，東亞銀行近年來不斷增聘前線銷售人員，同時亦透過延長分行服務時間及提供專享禮遇，以吸納新客戶。有關措施卓有成效，主要目標客戶群數目錄得雙位數按年增幅。全新跨境客戶人數亦顯著增加，較疫情前的水平上升29%。

為確保所有服務渠道均能夠為客戶提供流暢的體驗，本行將於下半年開始分階段推出革新的手機流動應用程式。新版本具備更出色的設計和功能，將會為客戶提供更佳的用戶體驗。

批發銀行

批發銀行業務於2023年上半年持續受壓。由於內地房地產行業持續面對困境，加上香港利率上升，若干規模較大的企業客戶出現還款困難的情況。本行已就相關風險作出適當的撥備，因而業績表現受到影響。

在此情況下，本行對新業務持審慎態度，優先考慮降低企業貸款組合風險及提升風險加權資產效益。客戶貸款較2022年年底減少3.3%。由於資金需求下降，本行亦相應地減少吸納企業存款。

儘管面對重重挑戰，撥備前經營溢利仍按年上升5.8%。受惠於息差擴闊，淨利息收入增長2.0%。同時，在銀團貸款等信貸相關費用的帶動下，非利息收入增加15.7%。此外，本行加大力度落實One Bank服務理念，離岸收入因而錄得升幅。

本行積極與國家新興策略行業內的新晉企業開展業務關係，以降低業務過於集中的風險。為此，批發銀行處與東亞中國緊密合作，為多個行業、位處價值鏈不同位置的企業，打造無縫的在岸和離岸理財方案。本地方面，本行正優化為中小企而設的產品和服務平台，以進一步滿足其理財需要。

財富管理

由於地緣政治局勢緊張、通脹憂慮持續，以及經濟復甦步伐較預期緩慢，今年上半年市場氣氛仍然低迷。客戶繼續減低投資組合風險，以致私人銀行的投資資產管理總值及貸款均下跌。

然而，私人銀行的財富管理收入向好。結構性投資產品及外匯交易量上升，帶動非利息收入穩步增長。高淨值客戶重視財富保障及維護，對保險及傳承規劃方面的需求亦告回升。

本行進一步強化私人銀行團隊，以充份把握疫後復常所帶來的機遇。客戶經理人數較2022年底上升11.5%，在內地客戶增長的帶動下，全新私人銀行客戶人數錄得高雙位數增長。新客戶帶來的新資產有助緩和資產管理總值的跌勢，為日後投資氣氛改善時收入增長奠定堅實的基礎。

東亞銀行將不斷為個人和私人銀行客戶提升財富管理服務，目前已加強委託投資組合管理服務和諮詢服務，同時投放大量資源，為證券交易服務升級。本行亦是其中一家提供全港最廣泛環境、社會及管治(「ESG」)相關基金選擇的銀行，以迎合對可持續及影響力投資興趣日增的客戶。

中國內地業務

疫情防控措施解除後，中國內地經濟呈現復甦跡象。有賴於政策支持，中國內地於2023年上半年錄得經濟增長5.5%。隨著經濟狀況好轉，東亞中國淨溢利由去年同期的港幣200萬元增至港幣1.36億元。

2023年上半年，淨利息收入按年上升5.6%至港幣20.57億元，淨息差較2022年同期的1.79%上升28個基點至2.07%。淨息差上升，主要受惠於收益率相對較高，而資產質素相對穩定的互聯網貸款出現增長。受批發銀行和個人銀行業務推動，非利息收入按年上升18.5%至港幣5.90億元。經營支出為港幣16.25億元，按年上升9.6%，主要是基於本行向互聯網合作夥伴支付的平台費增加，以及部分一次性調整項目。東亞中國撥備前經營溢利增至港幣10.22億元，按年上升6.2%。

受人民幣匯率貶值影響，東亞中國貸款總額較2022年底下降5.4%至港幣1,393.08億元，房地產相關貸款的佔比進一步下降。

減值貸款比率於2023年6月底輕微上升至3.15%，而2022年底則為2.75%，減值損失按年下降15.7%。東亞中國繼續加強資產質素管理，逐步退出高風險客戶，並積極追收。

在批發銀行方面，經營收入按年增長16.7%。東亞中國繼續致力貸款組合多元化，增加國家戰略性行業和貿易融資相關的信貸佔比，非房地產貸款佔整體批發銀行組合的75%。上述多元化策略同時推動低成本存款佔比上升至51.7%，為2018年以來的新高，並帶來更高的淨利息收入。受惠於多元化的收入來源，如銀團貸款、金融市場銷售、貿易融資，以及跨境產品和服務，非利息收入按年上升18.5%。

在個人銀行方面，經營收入按年增長15.5%。隨著收益率更高的互聯網貸款組合的擴大，抵銷了樓宇按揭貸款和信用卡組合的縮減，淨利息收入增長15.4%。同時，東亞中國強化財富管理業務，聚焦北京、上海及大灣區，提供銀保、跨境金融等為不同客群度身設計的產品和服務，帶動源自高淨值客戶群的非利息收入按年增長36.9%。

東亞中國推動為期三年的營運效能提升項目，通過組織精簡、流程自動化和數字化轉型，進一步提高成本效益。尤其是東亞中國在深圳前海建立了一所數字化實驗室，作為培養數字化人才的搖籃和推動金融科技轉型的中心。該項目有效優化團隊，到目前為止，人員編制縮減3%，並持續提升內部效率和客戶體驗。

於2023年6月30日，東亞中國在內地設有30間分行和34間支行，業務遍及38個城市，是內地分支行網絡最龐大的外資銀行之一。在大灣區，東亞中國設有20個網點，覆蓋區內的所有城市，在城市覆蓋率方面領先於其他外資銀行。

國際、澳門及台灣業務

於2023年上半年，儘管面對經濟衰退的風險，以及通脹高企等不利的經濟因素，本行海外業務仍取得強勁的財務表現。

回顧期內，淨息差有所改善，推動本行海外分行的撥備前經營溢利按年上升48.2%，達港幣10.36億元。

雖然英國及美國分行增加了第一階段的撥備，海外業務的除稅後淨溢利仍然錄得10.1%的升幅。於2023年6月底，減值貸款比率為0.82%。

儘管面對通脹壓力，隨著收入增加，成本對收入比率由上年度同期的33.6%改善至今年的26.4%。

英國及美國業務方面，鑑於商業房地產行業增長前景放緩及信貸風險上升，當地分行業務聚焦於維持穩健的資產質素，並積極管理資產組合。

新加坡分行繼續受惠於早前轉型至企業銀行業務的策略，以及嚴格的成本控制。澳門分行則因大灣區跨境業務增長而得益。此外，由於經濟持續放緩，台灣分行繼續採取審慎的業務策略。

作為本行數碼化轉型的一部分，東亞銀行的海外業務亦積極在科技方面作出投資，以簡化業務流程。新加坡分行已擴展其企業網上銀行平台的功能，提升對企業客戶的數碼服務。台灣分行亦已更換其核心銀行系統，以優化客戶體驗及改善營運效率。同時，英國分行現正積極籌備，冀能透過全新的客戶關係管理系統，推動客戶流程的數碼化轉型及加強應用數據的能力。

展望未來，面對經營環境的重重挑戰，本行海外分行將繼續審慎開展新業務，同時優化風險加權資產，以進一步提升回報。

東亞聯豐投資管理有限公司

面對環球市場波動，東亞聯豐投資管理有限公司（「東亞聯豐」）繼續透過嚴謹的風險管理流程，致力保障客戶資產。於2023年6月30日，東亞聯豐的管理及諮詢資產規模為70億美元，較2022年12月31日的73億美元有所下降，主要受到投資活動減少，以及資本市場價格下跌的影響。

融合ESG元素的投資策略日漸受到機構及零售客戶的青睞。而東亞聯豐於6月推出東亞聯豐亞洲正向效益債券基金(BU Asia Impact Bond Fund)。該基金主要投資於亞洲影正向效益債券，即包括綠色、社會及可持續發展債券。

展望未來，東亞聯豐將不斷完善投資流程及提供ESG投資策略，以支持香港成為領先綠色及可持續發展金融中心的願景。

人力資源

東亞銀行集團於2023年6月30日的僱員人數為8,261人：

	於2023年 6月30日	於2022年 12月31日	於2022年 6月30日
香港	4,726	4,833	4,965
中國內地	2,980	3,060	3,121
澳門及台灣	122	130	129
海外	433	430	421
總計	8,261	8,453	8,636

人才是東亞銀行轉型策略的核心，本行繼續投放資源，致力吸引和留住人才，令團隊不僅多元化且精通數碼科技，以應對轉變及滿足客戶需要。

為確保能延攬頂尖人才，本行把招聘策略擴大至中國內地，特別是數碼化及其他關鍵業務領域的人才。此外，我們推出東亞見習管理人員、批發銀行見習人員及見習審計人員等計劃，以培育年青人才，並繼續參與現有以年輕人為導向的計劃，包括金融科技人才培育計劃及企業暑期實習計劃。這些計劃為應屆畢業生及學生提供有系統的培訓，讓他們累積工作經驗，掌握基本知識和技能，以成為未來的銀行家、客戶經理，以及金融科技、審計和大灣區跨境業務的專才。

我們亦致力培育員工在靈活應變及面向未來方面的技能。我們推出一系列有關設計思維的培訓，鼓勵員工擁抱創新文化，共同創造以人為本的解決方案。此外，我們亦推出流動微學習平台，提供多元化及與時俱進的內容，讓員工隨時隨地獲取新知識和技能。我們不斷推出各種計劃，以提升員工的科技、數據應用和文化建設能力。

本行致力建立強大的領袖團隊及人才庫，一批新的高潛質行政人員已加入東亞銀行未來領袖培訓計劃。本行於7月推出新一屆集團管理見習人員計劃，為未來的年青領袖提供香港、中國內地及海外的見習機會。此外，東亞銀行亦提供持續培訓支持及資助，協助員工取得金管局「銀行專業資歷架構」(ECF)認證。隨著金管局推出金融科技專業資歷架構(ECF-FinTech)認證，東亞銀行亦積極支持相關員工完成所需培訓及取得最新資格。

今年下半年，我們的工作重點是運用新科技及數據科學，繼續集中和精簡業務流程。目前，我們正在不同的工作領域建立新的工作模式，提高員工的工作滿足感及生產力。我們近期進行的員工意見調查結果顯示，大多數員工對在東亞銀行工作感到自豪，並對本行的轉型策略抱有信心。

未來，我們將繼續致力建立一個包容和具協作氛圍的工作環境，讓每位員工都可以發表意見，同時繼續培育人才，以推進本行的轉型進程。

展望

儘管2023年上半年經濟穩步擴張，但隨著主要央行快速收緊貨幣政策的影響日漸浮現，全球經濟復甦動力勢將受到考驗。利率長期高企，亦將削弱消費者信心，抑制企業的投資意欲，並促使銀行收緊借貸標準。地緣政治局勢緊張，亦可能對全球貿易構成進一步壓力。

中國內地方面，雖然經濟的增長速度或已減慢，但仍較其他先進經濟體的步伐為快。高質量發展將繼續是國家經濟首要的長遠目標。內需仍然為推動經濟增長的主要動力。對先進技術、現代基建以及綠色發展等特定行業的投資，將加快國家沿產業價值鏈向上攀升，並實現國家應對氣候變化的目標。

香港方面，經濟復甦的步伐受到高息環境和全球經濟放緩拖累。然而，隨著內地旅客增加，旅遊業和服務業的前景將有所改善，本地經濟可望從去年的疫情時的低位反彈。展望未來，香港在推動離岸人民幣業務，以及深化香港與內地資本市場互聯互通，擔當重要角色。

2023年下半年，東亞銀行將繼續受惠於高息環境。然而，利率高企將會提高借貸成本，或會影響貸款需求。總括而言，本行對個別行業的發展前景審慎樂觀，將致力尋求穩健增長，進一步降低貸款組合的風險敞口，並推動可持續增長的非利息收入。

長遠而言，東亞銀行將繼續積極推動香港、內地及以外地區之間的跨境金融服務。本行正把業務擴展至獲得政策支持的策略性行業，以及加強大中華區內的財富管理服務。憑藉其國際網絡及策略合作夥伴，本行繼續為有意於海外投資及開拓業務的客戶提供支援，並處於有利位置，抓住區內長遠發展帶來的機遇。

主要榮譽與獎項 – 業務

- **中小企業最佳拍檔獎**
「中小企業最佳拍檔金獎」
香港中小企業總商會
- **全球品牌大獎2023**
「最佳個人銀行品牌」
「最佳創新數碼銀行產品 — 「BEA GOAL」」
「最佳銀行產品 — 「虛擬卡」」
《全球品牌雜誌》
- **金融機構大獎2023**
「年度零售銀行」傑出大獎
「優端客戶級別服務」傑出大獎
「顧客關顧」卓越大獎
《彭博商業周刊／中文版》
- **2022年第12屆亞洲私人銀行家—卓越大獎**
「最佳私人銀行(高度認可) — 香港」
亞洲私人銀行家
- **2022年第5屆亞洲私人銀行家中國財富獎**
「最佳私人銀行 — 大灣區(銀獎)」
亞洲私人銀行家
- **亞洲貨幣私人銀行大獎2023**
「香港最佳高淨值客戶私人銀行」
Asiamoney

- **理柏基金香港年獎2023**
最佳基金十年獎 – 港元平衡混合型
最佳基金十年獎 – 港元保守混合型
Refinitiv Hong Kong
- **2022年度優秀工作成果選樹推廣活動**
「上海銀行同業突出貢獻機構」
「上海銀行業新聞宣傳工作優秀單位」
「上海銀行業綠色金融助力雙碳金融服務優秀案例」
上海市銀行同業公會

風險管理

本集團深明，維持業務穩健之道，在於擁有健全的風險管理文化。為此，本集團致力維持一套審慎且積極主動的風險管理架構，務求令本集團在承擔風險的同時，能提高風險意識，採取適當的行為及作出合理判斷。本集團全體員工均有管理風險的責任。

主要風險

本集團面臨可能影響其品牌、營運及財務健康狀況的各類風險。本集團已識別的主要風險包括信貸風險、利率風險、市場風險、流動性風險、營運風險、聲譽風險、策略風險、法律風險、合規風險及科技風險。有關主要風險的描述及管理方法載於本行2022年報「風險管理」一節。

主要發展

本集團的業務環境面對多重不利因素及挑戰，包括內地房地產行業下行，令房地產發展商陷入困境，市場對歐美銀行業危機的憂慮，以及利率上升及通脹壓力下的全球經濟不明朗因素。

本集團亦已為此積極管理相關風險，於2023年上半年加強了以下方面的風險管理：

- 本集團已就特殊資產管理及信貸監控調撥額外資源，並積極識別貸款業務的風險，和及時採取緩解措施。除了加強信貸控制，本集團亦針對高風險行業及最容易受當前挑戰影響的貸款業務進行定期專項審查。
- 本集團不斷持續審視及調整營運風險管理架構，以管理重要營運風險及確保可持續運作發展；及積極主動優化事故管理及第三方風險管理效能，以符合監管期望。為了加強關鍵營運的靈活性及保障業務及服務的穩定，本集團亦將運作穩健性的要素融入營運風險管理架構中。
- 鑑於詐騙活動情況不斷轉變，本行正與其他持份者緊密合作，加強打擊詐騙活動，當中包括落實金管局和香港警務處提出的各種建議。
- 本集團的風險偏好聲明，在策略上與其可持續發展願景和使命聲明一致。我們不斷致力推動綠色及可持續貸款業務，以支援客戶實現過渡至低碳經濟的計劃。此外，本集團基於綠色及可持續金融框架額外制定行業政策，以確保全行就貸款予高碳排放行業採取一致的態度。

主要不明朗因素

於2023年上半年，本集團識別出數項新出現的風險。本集團現時面對的主要不明朗因素及已採取的緩解措施載列如下。

主要不明朗因素

緩解措施

宏觀經濟

全球經濟復甦情況不一。儘管新冠疫情的影響逐漸減退，但受中美緊張局勢、通脹加劇、加息及歐美銀行業危機等影響，全球經濟前景仍面臨諸多不明朗因素，或會影響經濟復甦步伐並抵銷中國內地通關的正面影響。

美國方面，貨幣政策快速緊縮的影響料將逐漸浮現，或會使因近期銀行業危機而本已低迷的美國資產市場及經濟雪上加霜。

中國內地方面，有關當局解除嚴格的防疫限制，並實施穩消費等政策措施，從而令國內消費得到提振。可是，鑑於地緣政治緊張局勢未見緩和、全球經濟放緩及內地房地產市場復甦步伐不一，內地經濟尚有待實現全面復甦。

香港方面，在去年房地產價格調整後，市場對樓市及股市持審慎樂觀態度。隨著失業率及個人消費持續改善，加上跨境旅遊業恢復，預計未來數季香港經濟將呈現進一步復甦跡象。

本集團將繼續密切監控市況及資產組合，以管理風險承擔情況。

於信貸風險方面，本行繼續識別潛在不利事件，並設法減輕其對資本充足度及資產質素的影響。有關措施包括：針對深受疫情影響的貸款加強信貸管控，對面臨高風險的行業進行專項審查，以及就資本充足度及貸款損失撥備進行壓力測試。因應內地房地產行業的流動性及再融資風險帶來的不明朗因素，本集團採取較為穩健做法，密切監察賬目。得益於本集團廣泛多元化的貸款策略，對相關行業的整體信貸風險敞口有所減低。本行對內地房地產市場的狀態保持警惕，借貸偏好更傾向嚴格挑選，並採納審慎而積極主動的信貸風險管理以控制貸款資產質素。

於市場及利率風險方面，本行繼續評估市場趨勢、管理風險敞口、進行對沖情境分析及壓力測試，以及檢討風險承擔策略，並在有需要時就風險敞口制定緩減措施。

合規風險方面，本行繼續密切關注相關制裁機制的進展，並在適當情況下緩解風險。

網絡安全風險

網絡安全風險發展迅速，已成為監管機構及銀行業關注的重點領域。攻擊者不斷尋找更複雜、更有效的方法損害銀行的網絡安全及運營。

本集團多管齊下，應對網絡安全風險並提高網絡防衛能力：

- 委聘外部顧問，並因應相關信息安全標準及新興風險來評估本集團的網絡安全控制措施，從而識別及實施必要的改進
- 分析各種情報來源，以監察全球面臨的最新網絡威脅，並在分享網絡威脅情報方面支持推動全行業合作
- 制定合適的安全事件應變管理流程，包括投保網絡安全保險
- 加強網絡及信息安全培訓計劃，包括定期進行網絡釣魚測試，以提高員工的安全意識，並加強網絡安全實踐
- 定期檢討網絡及信息安全風險，以及相關的監控措施，並於風險委員會會議上向董事進行季度報告

環境、社會及管治風險

氣候變化為銀行業帶來短期和長期風險。「實體風險」是指天氣和氣候相關事件帶來的影響，這或會導致銀行及其客戶的業務和營運中斷。「轉型風險」是指邁向低碳經濟過程中的相關風險，當中涉及應對緩和氣候變化及相關適應措施的政策、法律、技術和市場變化。

為管理環境、社會及管治風險帶來的潛在風險，以及提升整個集團的環境、社會及管治意識，本行已：

- 完善綠色及可持續金融框架，以管理本集團對「棕色行業」的風險敞口，把握綠色及可持續金融業務機遇，並支援客戶過渡至低碳經濟
- 將氣候風險考量納入信貸申請的篩選及評估
- 於本集團2022年環境、社會及管治報告中披露本行的環境、社會及管治／氣候風險和機遇
- 引入定量及定性風險偏好聲明，以監控本集團在環境、社會及管治／氣候風險方面的表現及風險承受能力
- 在制定內部第二支柱資本要求時納入環境、社會及管治／氣候風險考量
- 在提供以綠色／環境、社會及管治為主題的新產品及服務時，納入綠色元素以及環境、社會及管治／氣候風險／漂綠風險評估
- 提升員工的環境、社會及管治意識及能力

可持續發展

2023年上半年，東亞銀行繼續把可持續發展原則融入其策略、管治常規、營運及業務活動。本行已參照環境、社會及管治策略框架及其三大支柱－負責任的業務、負責任的營運及負責任的公民，以及2022年下半年廣泛開展的持份者參與活動的結果，制定了本年度全行及各分處的工作目標。部門主管層面的環境、社會及管治工作小組成員致力推動實踐目標，而總經理層面的環境、社會及管治督導委員會則負責監督進展，並向董事會層面的環境、社會及管治委員會匯報。

2023年的全行績效評核包括兩個與可持續發展相關的目標。首個目標是推動實現淨零融資碳排放。東亞銀行致力於2050年前實現淨零融資碳排放目標，並已制定淨零路線圖，當中訂明主要措施和里程碑，包括於2025年前為所有高碳排放行業設定目標。

回顧期內，東亞銀行已完成五個高碳排放行業（包括：建造、能源、金屬和礦務、電力及運輸）的排放數據收集，有關數據將用於計算集團貸款和投資組合的融資碳排放。下半年，我們計劃為集團的能源及電力組合制定減碳目標，並開展業務影響分析以確定其對業務表現的潛在影響。

第二個可持續發展相關目標，是提高於貸款及債券投資總額中，企業綠色及可持續金融貸款，以及環境、社會及管治債券投資所佔的比例，藉此推動綠色及可持續金融發展。推廣轉型融資解決方案仍是我們的策略重點，我們支持客戶提高能源效益、提升可再生能源應用及建立更具可持續性的供應鏈。

4月，東亞銀行擔任中國平安保險海外(控股)有限公司一項包含可持續發展用途的3億美元銀團貸款的授權牽頭安排行及賬簿管理人之一，將綠色及可持續金融擴展至非銀行金融機構。根據借款人制定的可持續發展融資框架，相關所得款項已用於為合資格可持續發展項目提供融資或再融資，符合綠色貸款原則及社會責任貸款原則。

在英國，東亞銀行作為牽頭安排行，為房地產投資信託公司Cromwell EREIT Lux Finco S.à.r.l.提供可持續發展表現掛鈎貸款，貸款總額為2,000萬歐元。

本地方面，批發銀行處旗下新成立了綠色及可持續金融諮詢組。該專家團隊與客戶經理攜手合作，推廣綠色及可持續金融機遇，提供全面的綠色及可持續金融顧問服務，並與外部審核機構合作，協助客戶實現淨零目標。

6月，東亞聯豐投資管理有限公司獲證券及期貨事務監察委員會批准，推出首隻於香港註冊的亞洲正向效益債券基金－東亞聯豐亞洲正向效益債券基金。該基金主要投資於綠色、社會責任及可持續發展債券，債券所籌集的款項需為解決所指定的社會或環境問題項目提供資金。該基金可供本港零售投資者認購，大灣區投資者則可透過「粵港澳大灣區跨境理財通」認購。

為支持東亞銀行的綠色及可持續金融發展及加強其環境、社會及管治風險相關的基礎設施，本行已於去年就能源、電力及物業發展業制定行業政策，今年亦進一步就建造、金屬和礦務以及運輸等行業發布新的政策。此外，本行已將氣候風險評估納入綠色標籤產品的新產品審批流程，以符合監管預期。

為加強員工對本行的氣候工作、環境、社會及管治風險，以及綠色及可持續金融的認知，以及提升相關的工作能力，本行為海外分行的總經理及風險主管舉辦簡介會，並為集團內的前線員工及其他相關員工舉辦綠色及可持續金融培訓，幫助他們更深入了解綠色及可持續金融產品的種類、本行的綠色及可持續金融框架、全球綠色及可持續金融相關政策發展，以及其他重要議題。

營運方面，東亞銀行已開始著手推行有關措施，致力於2030年前實現淨零營運碳排放。於2023年上半年，東亞銀行成立專責小組管理營運碳排放，並擬定集團可持續建築政策及指引。我們的目標是在年底前在我們所服務的市場的建築層面制定部署計劃，以促進落實減碳措施。

東亞銀行認為理財教育是一個可以對社會產生重大潛在影響的議題。為此，東亞銀行將「好友同行計劃」擴展至全港分行。該計劃旨在提高60至70歲客戶使用數碼銀行服務的比例。本行亦為目標客戶推出「Golden Afternoon」推廣計劃，內容包括每月抽獎，以鼓勵客戶經常使用網上銀行服務。此外，我們亦向長者客戶發送電子郵件，宣傳數碼銀行的好處，以及提供網絡安全等資訊。

在美國，東亞銀行紐約分行為邁耶倫敦學校曼哈頓第二小學(Primary School #2 – The Meyer London at Manhattan)及展望高地國際高中(International High School at Prospect Heights)的學生舉辦了兩場理財教育網上研討會，向學生介紹銀行的主要業務，並透過互動環節幫助他們培養健康的理財觀念。

東亞銀行每年均會舉辦各種活動，鼓勵員工積極回饋社會。我們繼續鼓勵全體員工參與在全行開展的「Join Hands, Reach Further!」義工計劃，活動包括農曆新年食物捐贈、海岸清潔、植樹造林，以及為東亞銀行社區服務旗艦計劃——「東亞綠色藝術節」及「東亞環保再造之旅」舉辦的工作坊。超過100名員工參與義工活動，貢獻超過800小時的服務。

東亞銀行連續八年成為「公益金東亞慈善高爾夫球賽」的冠名贊助機構，並籌得超過港幣260萬元的款項，以支持精神健康服務。

在新加坡，分行員工探訪安老院舍—安老協會(Society for the Aged Sick)，透過表演、趣味遊戲及合唱與長者進行互動。

在中國內地，東亞中國與世界自然基金會及一個地球自然基金會聯合開展「教室裡的自然課」，成為該計劃在中國的首個戰略合作夥伴。該計劃為農村學校提供生物多樣性保育課程，旨在提高當地青少年的環保意識，促進公平及普惠教育。此外，東亞中國透過各地分支行在18個城市發起「One Planet – One Bank」植樹公益活動，栽植原生樹種，以恢復林地生態系統及保護生物多樣性。超過500位員工及其家屬參與活動，貢獻超過2,470小時義工服務。

如欲了解更多有關我們在中國內地為促進可持續發展所作的努力，請參閱東亞中國首份獨立的2022年環境、社會及管治報告，報告已刊載於東亞中國網站：www.hkbea.com.cn/BeaInformation/Sustainability/ESGReport/。

主要榮譽與獎項—可持續發展

截至2023年6月30日止6個月期間，本行榮獲多個獎項，以表彰其於可持續發展方面的表現。

有關榮譽與獎項包括：

- 香港銀行學會(「HKIB」)香港銀行業人才發展獎勵計劃「HKIB人才發展獎2023(第一組別)」
- LinkedIn「香港最佳僱主品牌」(Hong Kong Best Employer Brand)
- 香港特別行政區政府教育局資歷架構認證計劃「資歷架構星級僱主」
- 香港公益金2022/2023年度商業及僱員募捐計劃「鑽石獎」(連續第29年獲獎)

- 香港社會服務聯會「商界展關懷」機構（連續第20年獲嘉許）
- 僱員再培訓局ERB人才企業嘉許計劃「人才企業」（自2012年獲嘉許）
- 環境保護署室內空氣質素檢定證書－卓越級（東亞銀行大廈、東亞銀行中心）；良好級（德輔道中33號）

董事資料的變動

根據《上市規則》第13.51B(1)條，自刊發本行2022年報起直至2023年8月24日（即通過本行2023中期報告當天）期間，董事按《上市規則》第13.51(2)條第(a)至(e)段及第(g)段須予披露的資料變動如下：

有關擔任其他公司董事職務及主要任命的變動

<u>董事姓名</u>	<u>其他公司董事職務及任命</u>
李民橋先生	獲委任為香港銀行學會理事會副主席 退任為中國建築國際集團有限公司（在香港上市）的獨立非執行董事 退任為香港公益金董事及不再擔任其執行委員會成員；獲委任為香港公益金的名譽副會長
李民斌先生	獲香港特別行政區政府頒授銅紫荊星章 獲委任為香港特別行政區政府特首顧問團成員 退任為深圳投控灣區發展有限公司（在香港上市）的獨立非執行董事
黃永光博士	獲委任為香港特別行政區政府碳中和及可持續發展委員會委員、香港特別行政區政府文化委員會成員及香港特別行政區政府環境諮詢委員會成員 獲委任為香港故宮文化博物館有限公司董事局成員 退任為M Plus Museum Limited的董事局成員
奧正之先生	退任為中外製藥株式會社（Chugai Pharmaceutical Co., Ltd.）（在日本上市）的獨立非執行董事
范徐麗泰博士	退任為中國海外發展有限公司（在香港上市）的獨立非執行董事
唐英年博士	退任為香港友好協進會會長
杜家駒先生	獲香港特別行政區政府頒授銅紫荊星章

有關董事酬金的變動

於2023年4月1日起，本行聯席行政總裁李民橋先生及李民斌先生每年分別收取的薪金由港幣770萬元增加至約港幣800萬元，並可享有每年按本行薪酬政策規定而釐定的酌情賞金和認股權。

除上述所披露外，概無其他資料須根據《上市規則》第13.51B(1)條作出披露。

董事及聯席行政總裁權益

於2023年6月30日，根據《證券及期貨條例》第352條須予備存的登記冊（「該登記冊」）所記錄，本行各董事及聯席行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行普通股股份的好倉：

姓名	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率 ⁹
李國寶	實益擁有人	92,558,139	104,905,723 ¹	3.94
	配偶的權益	2,281,992		
	法團的權益	480,085		
	遺產執行人	9,585,507		
李國章	實益擁有人	13,347,907	40,370,707 ²	1.52
	法團的權益	17,437,293		
	遺產執行人	9,585,507		
黃子欣	實益擁有人	464,393	25,423,190 ³	0.95
	配偶的權益	136		
	法團的權益	7,543,427		
	酌情信託的成立人及受益人	17,415,234		
李國星	實益擁有人	922,730	19,284,858 ⁴	0.72
	配偶的權益	27,846		
	信託的成立人／財產授予人	18,334,282		
李國仕	實益擁有人	12,878,472	13,715,538 ⁵	0.51
	遺產管理人	837,066		
李民橋	實益擁有人	1,114,017	3,304,364 ⁶	0.12
	酌情信託的財產授予人／ 成立人	2,190,347		
李民斌	實益擁有人	2,724,060	3,557,858 ⁷	0.13
	法團的權益	833,798		
蒙德揚	法團的權益	6,041,926	6,041,926 ⁸	0.23

附註：

- 1 李國寶為92,558,139股的實益擁有人。由於其配偶潘金翠擁有2,281,992股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的480,085股，李國寶為該慈善機構的董事兼唯一成員。他作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的9,585,507股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批9,585,507股（請參閱下列附註2）。
- 2 李國章為13,347,907股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的17,437,293股，該公司由他全資擁有。他作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的9,585,507股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批9,585,507股（請參閱上列附註1）。
- 3 黃子欣為464,393股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，他亦被視為擁有該等股份。他亦被視為擁有由Wong Chung Man Limited持有的7,543,427股，該公司由他全資擁有。由於黃子欣為一個酌情信託The Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的17,415,234股。
- 4 李國星為922,730股的實益擁有人。由於其配偶吳伊莉擁有27,846股之權益，他亦被視為擁有該等股份。他亦為一個信託LEVA Trust的成立人／財產授予人，因而被視為擁有該信託所持有的18,334,282股。
- 5 李國仕為12,878,472股的實益擁有人。他作為兩個遺產的其中一位管理人，因而被視為擁有該兩個遺產所持有的837,066股。
- 6 李民橋為1,114,017股的實益擁有人。他自願披露其作為財產授予人／成立人的一個酌情信託間接所持有的2,190,347股，惟他不可以影響受託人如何行使其酌情權。
- 7 李民斌為2,724,060股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的833,798股，該公司由他全資擁有。
- 8 蒙德揚被視為擁有由若干法團所持有的6,041,926股，其中(i)5,306,771股由信興電器貿易有限公司持有；而(ii)735,155股則由信興科技有限公司持有。他直接／間接控制該兩間公司股東大會三分之一或以上的投票權。
- 9 本表所列之持股百分比乃按於2023年6月30日之已發行股份總數（即2,664,365,484股）計算。

II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本行的認可僱員認股權計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的股本衍生工具。有關此等認股權在截至2023年6月30日止6個月內的資料，載於本報告「認股權資料」項下。

III. 本行債務證券的權益：

姓名	身分及性質	債務證券種類	債權證金額
黃子欣	酌情信託的成立人 及受益人	面值為500,000,000美元的 非優先吸收虧損票據(息率為 年利率6.75%)(「LAC票據」)	3,000,000美元 ¹
Francisco Javier SERRADO TREPAT	實益擁有人	面值為650,000,000美元的 無到期日額外一級資本證券 (息率為年利率5.875%) (「AT1票據」)	20,500,000美元 ²

註：

- 1 由於黃子欣為一個酌情信託*The Allan Wong 2011 Trust*的成立人及一位合資格受益人，他被視為擁有該酌情信託所持有金額3,000,000美元的LAC票據。LAC票據為本行根據其6,000,000,000美元中期票據計劃(「MTN計劃」)於2023年發行並在聯交所上市。
- 2 *Francisco Javier SERRADO TREPAT*為金額20,500,000美元的AT1票據的實益擁有人。AT1票據為本行根據MTN計劃於2019年發行並在聯交所上市。

其他董事(包括羅友禮、黃永光、奧正之、范徐麗泰、李國榮、唐英年、李國本和杜家駒)於2023年6月30日均無持有本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉。

除上述所披露外，於2023年6月30日，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

認股權資料

根據《上市規則》所披露有關認股權及其於截至2023年6月30日止6個月內的變動如下：

姓名(職位)／ 承授人概述	授予日期	認股權數目 ^c				於30/6/2023 尚未行使
		於01/1/2023 尚未行使	授出	行使	失效	
董事						
李國寶 (執行主席)	04/5/2015 ^a	668,000 ^{T3}	–	–	668,000	0
	08/4/2016 ^a	666,000 ^{T2}	–	–	666,000	0
	08/4/2016 ^a	668,000 ^{T3}	–	–	–	668,000
	07/4/2017 ^a	666,000 ^{T1}	–	–	666,000	0
	07/4/2017 ^a	666,000 ^{T2}	–	–	–	666,000
	07/4/2017 ^a	501,000 ^{T3}	–	–	–	501,000
	10/4/2018 ^a	666,000 ^{T1}	–	–	–	666,000
	10/4/2018 ^a	499,500 ^{T2}	–	–	–	499,500
	10/4/2018 ^a	501,000 ^{T3}	–	–	–	501,000
	19/7/2019 ^a	499,500 ^{T1}	–	–	–	499,500
	19/7/2019 ^a	499,500 ^{T2}	–	–	–	499,500
	19/7/2019 ^a	501,000 ^{T3}	–	–	–	501,000
	07/4/2020 ^a	346,115 ^{T1}	–	–	–	346,115
	07/4/2020 ^a	347,802 ^{T2}	–	–	–	347,802
	07/4/2020 ^a	354,090 ^{T3}	–	–	–	354,090
	13/4/2021 ^a	123,586 ^{T1}	–	–	–	123,586
	13/4/2021 ^a	123,602 ^{T2}	–	–	–	123,602
	13/4/2021 ^a	123,893 ^{T3}	–	–	–	123,893
	12/4/2022 ^a	692,152 ^{T1}	–	–	–	692,152
	12/4/2022 ^a	691,261 ^{T2}	–	–	–	691,261
12/4/2022 ^a	701,082 ^{T3}	–	–	–	701,082	
12/4/2023 ^b	–	–	460,896 ^{T1}	–	–	460,896
12/4/2023 ^b	–	–	460,896 ^{T2}	–	–	460,896
12/4/2023 ^b	–	–	461,219 ^{T3}	–	–	461,219
李民橋 (聯席行政總裁)	04/5/2015 ^a	218,000 ^{T3}	–	–	218,000	0
	08/4/2016 ^a	216,000 ^{T2}	–	–	216,000	0
	08/4/2016 ^a	218,000 ^{T3}	–	–	–	218,000
	07/4/2017 ^a	216,000 ^{T1}	–	–	216,000	0
	07/4/2017 ^a	216,000 ^{T2}	–	–	–	216,000
	07/4/2017 ^a	163,500 ^{T3}	–	–	–	163,500
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000
	10/4/2018 ^a	162,000 ^{T2}	–	–	–	162,000
	10/4/2018 ^a	163,500 ^{T3}	–	–	–	163,500
	19/7/2019 ^a	162,000 ^{T1}	–	–	–	162,000
	19/7/2019 ^a	162,000 ^{T2}	–	–	–	162,000
	19/7/2019 ^a	163,500 ^{T3}	–	–	–	163,500
	07/4/2020 ^a	268,360 ^{T1}	–	–	–	268,360
	07/4/2020 ^a	271,648 ^{T2}	–	–	–	271,648
	07/4/2020 ^a	282,769 ^{T3}	–	–	–	282,769
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186
	13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759
	12/4/2022 ^a	1,345,001 ^{T1}	–	–	–	1,345,001
	12/4/2022 ^a	1,343,274 ^{T2}	–	–	–	1,343,274
12/4/2022 ^a	1,362,297 ^{T3}	–	–	–	1,362,297	
12/4/2023 ^b	–	–	919,712 ^{T1}	–	–	919,712
12/4/2023 ^b	–	–	919,711 ^{T2}	–	–	919,711
12/4/2023 ^b	–	–	920,333 ^{T3}	–	–	920,333

姓名(職位)／ 承授人概述	授予日期	認股權數目 ^c				於30/6/2023 尚未行使
		於01/1/2023 尚未行使	授出	行使	失效	
李民斌 (聯席行政總裁)	04/5/2015 ^a	218,000 ^{T3}	–	–	218,000	0
	08/4/2016 ^a	216,000 ^{T2}	–	–	216,000	0
	08/4/2016 ^a	218,000 ^{T3}	–	–	–	218,000
	07/4/2017 ^a	216,000 ^{T1}	–	–	216,000	0
	07/4/2017 ^a	216,000 ^{T2}	–	–	–	216,000
	07/4/2017 ^a	109,000 ^{T3}	–	–	–	109,000
	10/4/2018 ^a	216,000 ^{T1}	–	–	–	216,000
	10/4/2018 ^a	108,000 ^{T2}	–	–	–	108,000
	10/4/2018 ^a	109,000 ^{T3}	–	–	–	109,000
	07/4/2020 ^a	286,690 ^{T1}	–	–	–	286,690
	07/4/2020 ^a	288,878 ^{T2}	–	–	–	288,878
	07/4/2020 ^a	297,977 ^{T3}	–	–	–	297,977
	13/4/2021 ^a	240,154 ^{T1}	–	–	–	240,154
	13/4/2021 ^a	240,186 ^{T2}	–	–	–	240,186
	13/4/2021 ^a	240,759 ^{T3}	–	–	–	240,759
	12/4/2022 ^a	1,345,001 ^{T1}	–	–	–	1,345,001
	12/4/2022 ^a	1,343,274 ^{T2}	–	–	–	1,343,274
	12/4/2022 ^a	1,362,297 ^{T3}	–	–	–	1,362,297
	12/4/2023 ^b	–	919,712 ^{T1}	–	–	919,712
	12/4/2023 ^b	–	919,711 ^{T2}	–	–	919,711
12/4/2023 ^b	–	920,333 ^{T3}	–	–	920,333	
其他參與者／僱員						
其他僱員參與者*	04/5/2015 ^a	586,000 ^{T3}	–	–	586,000	0
	08/4/2016 ^a	598,000 ^{T2}	–	–	598,000	0
	08/4/2016 ^a	642,500 ^{T3}	–	–	–	642,500
	07/4/2017 ^a	682,000 ^{T1}	–	–	682,000	0
	07/4/2017 ^a	682,000 ^{T2}	–	–	–	682,000
	07/4/2017 ^a	539,500 ^{T3}	–	–	–	539,500
	10/4/2018 ^a	727,000 ^{T1}	–	–	–	727,000
	10/4/2018 ^a	581,500 ^{T2}	–	–	–	581,500
	10/4/2018 ^a	587,000 ^{T3}	–	–	–	587,000
	19/7/2019 ^a	586,500 ^{T1}	–	–	–	586,500
	19/7/2019 ^a	586,500 ^{T2}	–	–	–	586,500
	19/7/2019 ^a	589,500 ^{T3}	–	–	–	589,500
	07/4/2020 ^a	615,000 ^{T1}	–	–	–	615,000
	07/4/2020 ^a	615,000 ^{T2}	–	–	–	615,000
	07/4/2020 ^a	620,000 ^{T3}	–	–	–	620,000
	13/4/2021 ^a	639,903 ^{T1}	–	–	–	639,903
	13/4/2021 ^a	639,932 ^{T2}	–	–	–	639,932
	13/4/2021 ^a	643,439 ^{T3}	–	–	–	643,439
	12/4/2022 ^a	1,921,666 ^{T1}	–	–	–	1,921,666
	12/4/2022 ^a	1,919,844 ^{T2}	–	–	–	1,919,844
12/4/2022 ^a	1,941,441 ^{T3}	–	–	–	1,941,441	
12/4/2023 ^b	–	1,606,559 ^{T1}	–	–	1,606,559	
12/4/2023 ^b	–	1,606,559 ^{T2}	–	–	1,606,559	
12/4/2023 ^b	–	1,609,282 ^{T3}	–	–	1,609,282	

姓名(職位)／ 承授人概述	授予日期	認股權數目 ^c				於30/6/2023 尚未行使
		於01/1/2023 尚未行使	授出	行使	失效	
前僱員**	04/5/2015 ^a	265,746 ^{T3}	–	–	265,746	0
	08/4/2016 ^a	250,000 ^{T2}	–	–	250,000	0
	08/4/2016 ^a	300,000 ^{T3}	–	–	50,000	250,000
	07/4/2017 ^a	300,000 ^{T1}	–	–	300,000	0
	07/4/2017 ^a	300,000 ^{T2}	–	–	50,000	250,000
	07/4/2017 ^a	250,000 ^{T3}	–	–	50,000	200,000
	10/4/2018 ^a	300,000 ^{T1}	–	–	50,000	250,000
	10/4/2018 ^a	262,500 ^{T2}	–	–	50,000	212,500
	10/4/2018 ^a	262,500 ^{T3}	–	–	50,000	212,500
	19/7/2019 ^a	245,500 ^{T1}	–	–	50,000	195,500
	19/7/2019 ^a	245,500 ^{T2}	–	–	50,000	195,500
	19/7/2019 ^a	296,500 ^{T3}	–	–	–	296,500
	07/4/2020 ^a	212,000 ^{T1}	–	–	50,000	162,000
	07/4/2020 ^a	262,000 ^{T2}	–	–	100,000	162,000
	07/4/2020 ^a	263,500 ^{T3}	–	–	–	263,500
	13/4/2021 ^a	200,000 ^{T1}	–	–	100,000	100,000
	13/4/2021 ^a	200,000 ^{T2}	–	–	–	200,000
	13/4/2021 ^a	200,000 ^{T3}	–	–	–	200,000
	12/4/2022 ^a	50,000 ^{T1}	–	–	–	50,000
	12/4/2022 ^a	50,000 ^{T2}	–	–	–	50,000
	12/4/2022 ^a	50,000 ^{T3}	–	–	–	50,000
總數		47,357,218	11,724,923	–	6,631,746	52,450,395

* 其他僱員參與者為2021計劃及本行相關已無效的認股權計劃(其計劃期間已完結)的規則中所定義的「合資格人士」，其包括由董事確定為於本集團服務的任何全職或兼職僱員。

** 該等認股權乃向於停止擔任本集團僱員前為僱員參與者的該等前僱員要約授予／授予。

附註：

a 於2015年至2022年授予的認股權詳情：

授予日期	部分	歸屬期	行使期	每股行使價 港幣(元)
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25
19/7/2019	T1	19/7/2019 – 18/7/2020	19/7/2020 – 19/7/2025	22.45
19/7/2019	T2	19/7/2019 – 18/7/2021	19/7/2021 – 19/7/2026	22.45
19/7/2019	T3	19/7/2019 – 18/7/2022	19/7/2022 – 19/7/2027	22.45
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58
13/4/2021	T1	13/4/2021 – 12/4/2022	13/4/2022 – 13/4/2027	17.08
13/4/2021	T2	13/4/2021 – 12/4/2023	13/4/2023 – 13/4/2028	17.08
13/4/2021	T3	13/4/2021 – 12/4/2024	13/4/2024 – 13/4/2029	17.08
12/4/2022	T1	12/4/2022 – 11/4/2023	12/4/2023 – 12/4/2028	12.17
12/4/2022	T2	12/4/2022 – 11/4/2024	12/4/2024 – 12/4/2029	12.17
12/4/2022	T3	12/4/2022 – 11/4/2025	12/4/2025 – 12/4/2030	12.17

b 於2023年授予的認股權：

(i) 詳情：

授予日期	部分	歸屬期	行使期	每股行使價 港幣(元)
12/4/2023	T1	12/4/2023 – 11/4/2024	12/4/2024 – 12/4/2029	10.08
12/4/2023	T2	12/4/2023 – 11/4/2025	12/4/2025 – 12/4/2030	10.08
12/4/2023	T3	12/4/2023 – 11/4/2026	12/4/2026 – 12/4/2031	10.08

(ii) 各部分認股權的歸屬須受限於本行就該部分認股權之行使期開始前的財政年度所採納的任何一項或多項表現指標已獲達成或超越。

(iii) 股份在2023年4月11日(即2023年4月12日授出認股權當日之前一個營業日)的收市價為港幣10.04元。

(iv) 有關認股權在授予日期的公平價值及假設如下：

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式計量。認股權的合約年期為該定價模式的參數。

	截至30/6/2023止 6個月
於計量日的公平價值	
— 部分1	港幣1.88元
— 部分2	港幣1.88元
— 部分3	港幣1.80元
於計量日的股價	港幣10.08元
行使價	港幣10.08元
預計波幅	26.97%
認股權年期	
— 部分1	6年
— 部分2	7年
— 部分3	8年
預計股息	9.64%–12.95%
無風險利率(根據香港政府債券)	2.88%

預計波幅是根據過往之波幅及按在發行日前過往股息的預計股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

(v) 有關認股權所採納的會計準則及政策如下：

據僱員認股權計劃，本行採納按股權結算之股份報酬安排向本集團合資格僱員授予購股權。

授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整(並在資本儲備作相應調整)。

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時(轉入股本)，或當認股權之有效期屆滿時(轉入留存溢利)。對於未能符合適用的歸屬條件的承授人，其未歸屬的認股權會全部或部分被撤銷。被撤銷的認股權會被註銷。當認股權被行使時，所得款項計入股東權益。

(vi) 本行根據2021計劃於期內已授出的認股權可能發行的股份數目(即11,724,923股)約佔截至2023年6月30日止6個月內已發行股份的加權平均數的0.44%。有關已發行股份的加權平均數，請參閱財務報表附註1(b)(i)。

c 截至2023年6月30日止6個月內並無認股權被行使或被註銷。

d 根據2021計劃及本行任何其他計劃可授出的所有認股權獲行使時可予發行的股份總數，合計不得超過2021計劃獲採納當日已發行股份的5%（即145,949,434股）（「計劃授權限額」）。計劃授權限額可由本行股東根據《上市規則》在股東大會上更新，惟更新後的計劃授權限額將不得超過本行股東於股東大會批准該更新當日已發行股份的5%。

除2021計劃外，本行於截至2023年6月30日止6個月內及直至本報告日期為止，並無其他股份計劃（定義見《上市規則》第17章）仍生效。於下列各日期就所有根據2021計劃（須受限於計劃授權限額）可供授予的認股權所可供發行的股份數目分別如下：

	可供發行的股份數目	佔已發行股份總數 的百分率
於2023年1月1日	129,830,844	4.84%
於2023年6月30日	118,105,921	4.43%
於本報告日期	118,105,921	4.44%

除上述所披露外，於2023年6月30日，本行的董事或聯席行政總裁或他們的配偶或18歲以下子女概無獲授予或行使任何權利以認購本行或其任何相聯法團的任何股本或債務證券。

主要股東及其他人士的權益

於2023年6月30日，根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）所記錄，主要股東及其他人士擁有本行的股份及相關股份的權益或淡倉如下：

本行普通股股份的好倉：

姓名／名稱	身分及性質	股份數目	佔已發行有投票權 股份的百分率 ⁶
三井住友銀行	實益擁有人	574,516,317 ¹	21.56
三井住友金融集團	法團的權益	574,516,317 ¹	21.56
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	508,519,684 ²	19.09
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	508,519,684 ²	19.09
國浩管理有限公司	實益擁有人	435,691,137 ^{3,4}	16.35 ⁵
國浩集團有限公司	法團的權益	435,691,137 ³	16.35
GuoLine Overseas Limited	法團的權益	435,691,137 ³	16.35 ⁵
GuoLine Capital Assets Limited	法團的權益	435,691,137 ³	16.35
郭令燦	法團的權益	435,691,137 ³	16.35
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	435,691,137 ⁴	16.35
Davos Investment Holdings Private Limited	法團的權益	435,691,137 ⁴	16.35
KWEK Leng Kee	法團的權益	435,691,137 ⁴	16.35

附註：

- 1 三井住友金融集團擁有三井住友銀行的100%權益。三井住友金融集團因而被視為擁有三井住友銀行所持有的574,516,317股的權益。
- 2 *Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (「la Caixa」)* 擁有 *Criteria Caixa, S.A., Sociedad Unipersonal (「Criteria Caixa」)* 的100%權益。“la Caixa”因而被視為擁有Criteria Caixa所持有的508,519,684股的權益。
- 3 附註3及4所指之435,691,137股為同一批股份。國浩管理有限公司為435,691,137股之實益擁有人。GuoLine Overseas Limited擁有國浩集團有限公司的71.88%權益及國浩集團有限公司擁有國浩管理有限公司的100%權益。GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的435,691,137股的權益。由於GuoLine Capital Assets Limited擁有GuoLine Overseas Limited的100%權益，GuoLine Capital Assets Limited被視為擁有國浩管理有限公司所持有的435,691,137股的權益。

郭令燦因持有GuoLine Capital Assets Limited的49.11%權益而被視為擁有國浩管理有限公司持有的435,691,137股的權益。
- 4 附註3及4所指之435,691,137股為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，而Hong Leong Investment Holdings Pte. Ltd.則持有GuoLine Capital Assets Limited的34.49%權益。Hong Leong Investment Holdings Pte. Ltd.和Davos Investment Holdings Private Limited因持有GuoLine Capital Assets Limited的權益而被視為擁有國浩管理有限公司所持有的435,691,137股的權益。

KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司所持有的435,691,137股的權益。
- 5 GuoLine Overseas Limited為GuoLine Capital Assets Limited的全資附屬公司，而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於GuoLine Capital Assets Limited及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。
- 6 本表所列之持股百分比乃按於2023年6月30日之已發行股份總數(即2,664,365,484股)計算。

除上述所披露外，於2023年6月30日，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

購入、出售或贖回本行的上市證券

場內股份回購

截至2023年6月30日止6個月，本行於聯交所回購合共17,840,200股股份，總代價（不包括開支）約為港幣18,347萬元。回購股份詳情如下：

月份(2023)	回購股份數目	每股購買價		總代價 (不包括開支) 港幣(元)
		最高 港幣(元)	最低 港幣(元)	
2月	2,932,400	11.24	10.50	31,847,248
4月	3,991,200	10.50	9.88	40,559,740
5月	6,884,000	10.72	9.58	70,067,298
6月	4,032,600	10.56	9.77	40,994,740
合共	17,840,200			183,469,026

在回購的17,840,200股股份中：

- 17,152,200股股份於2023年6月30日或之前已被註銷；
- 餘下的688,000股股份則於2023年7月31日被註銷；
- 9,299,400股股份是根據股東在2022年5月6日舉行的2022股東周年常會上授予的一般性授權而進行回購，總代價約為港幣9,724萬元；及
- 餘下的8,540,800股股份則根據股東在2023年5月11日舉行的2023股東周年常會上授予的一般性授權而進行回購，總代價約為港幣8,623萬元。

場內回購股份在符合本行和股東整體利益的情況下進行。

除上述所披露場內股份回購外，在截至2023年6月30日止6個月內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

遵守企業管治守則

本集團致力維持良好的企業管治標準，並認為此承諾對於平衡股東、客戶、員工及其他相關持分者的利益，以及保持問責及透明度，至為重要。

本行已制定企業管治架構以確認集團內所有企業管治的主要人士，以及他們在應用有效企業管治政策和程序方面的角色。本行並制定一套企業管治政策為本集團的商業行為及事務提供指引。該架構會不時獲審閱和更新（倘合適），以確保其符合不斷變化的監管要求並滿足本集團的需求。

在截至2023年6月30日止6個月期間內，本行已遵守《企業管治守則》的全部守則條文。

截至2023年6月30日止6個月內，本行亦已遵循金管局發出的CG-1、CG-5、提升獨立非執行董事的專業能力指引及銀行企業文化改革通告內各項要求。

本行已接獲董事確認彼等已付出足夠時間履行其身為本行董事的責任、並已付出足夠時間及精神以處理本集團事務。所有董事確認其不時參與持續專業發展，以發展並更新其知識及技能以履行彼等作為本行董事的職務及責任。

本行審核委員會已審閱本行截至2023年6月30日止6個月之業績及本行2023中期報告。

遵守標準守則

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所訂標準同樣嚴格的董事及行政總裁證券交易政策，即內幕交易政策－董事及行政總裁（「本行政策」）。

本行亦已訂立一份內幕交易政策－集團人士，以供本行僱員或本行附屬公司的董事或僱員遵照規定買賣本行證券。

經本行作出特定查詢後，所有董事已確認於截至2023年6月30日止6個月內之所有適用期間，均已遵守標準守則及本行政策中所要求的標準。

刊發中期報告

2023中期報告備有中文及英文印刷本，以及載於本行網站(www.hkbea.com)及香港交易所網站(www.hkexnews.hk)的網上電子版本。為減少公司通訊印刷本的數量從而減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。無論股東之前曾否就收取公司通訊之方式(即收取印刷本或透過本行網站閱覽電子版本)作出任何選擇並將有關選擇通知本行，股東可隨時向本行股份登記處卓佳標準有限公司(地址為香港夏慤道16號遠東金融中心17樓)發出合理的書面通知，或以傳真((852) 2810 8185)或電郵(BEA0023-ecom@hk.tricorglobal.com)發出上述通知，以更改其選擇，費用全免。該通知須註明閣下更改選擇之要求，並附上閣下之全名及聯絡電話。

承董事會命

聯席行政總裁

李民橋

謹啟

聯席行政總裁

李民斌

香港，2023年8月24日

於本報告日期，本行董事會成員為李國寶爵士[#](執行主席)、李國章教授^{*}(副主席)、黃子欣博士^{**}(副主席)、李國星先生^{*}、羅友禮先生^{*}、李國仕先生^{*}、李民橋先生[#](聯席行政總裁)、李民斌先生[#](聯席行政總裁)、黃永光博士^{*}、奧正之先生^{*}、范徐麗泰博士^{**}、李國榮先生^{**}、唐英年博士^{**}、李國本博士^{**}、杜家駒先生^{**}、蒙德揚博士^{**}及Francisco Javier SERRADO TREPAT博士^{*}。

[#] 執行董事

^{*} 非執行董事

^{**} 獨立非執行董事

GLOSSARY 詞彙

2021 Scheme 「2021計劃」	Staff Share Option Scheme approved by the shareholders of the Bank on 6th May, 2021 and adopted on 6th May, 2021 於2021年5月6日經股東批准及於2021年5月6日採納的僱員認股權計劃
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Bank Culture Reform 「銀行企業文化改革」	The circular in respect of Bank Culture Reform, issued by the HKMA on 2nd March, 2017 金管局於2017年3月2日發出之銀行企業文化改革通告
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Banking Ordinance 「《銀行業條例》」	The Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
Board 「董事會」	Board of Directors of the Bank 本行的董事會
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布之《銀行業(資本)規則》
CG Code 「《企業管治守則》」	Corporate Governance Code, Appendix 14 to the Listing Rules 《上市規則》附錄14內所載的《企業管治守則》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
CHF 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China or PRC 「中國」	People's Republic of China 中華人民共和國
Companies Ordinance 「《公司條例》」	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Director(s) 「董事」	Includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何任職本行董事職位的人士(不論其職銜如何)，或文義另有所指的人士

ECL 「預期信貸損失」	Expected credit loss 預期信貸損失
ESG 「環境、社會及管治」	Environmental, social, and governance 環境、社會及管治
EUR or € 「歐羅」	Euro, the lawful currency of 20 of the 27 member states of the European Union 歐洲聯盟27個成員國內，其中20個成員國採納的法定貨幣
FVOCI 「通過其他全面收益以反映公平價值」	Fair value through other comprehensive income 通過其他全面收益以反映公平價值
FVTPL 「通過損益以反映公平價值」	Fair value through profit or loss 通過損益以反映公平價值
GBA 「大灣區」	Guangdong-Hong Kong-Macao Greater Bay Area 粵港澳大灣區
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
GDP 「國內生產總值」	Gross domestic product 國內生產總值
Guidance on Empowerment of INEDs 「提升獨立非執行董事的專業能力指引」	The guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong, issued by the HKMA 金管局頒布之提升香港銀行業獨立非執行董事的專業能力指引
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HK\$ Mn 「港幣百萬元」	HK\$ Million 港幣百萬元
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKEX 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
Hong Kong or HK or HKSAR 「香港」	Hong Kong Special Administrative Region of the PRC 中華人民共和國香港特別行政區
IBOR 「銀行同業拆借利率」	Interbank Offered Rate 銀行同業拆借利率

JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
LCR 「流動性覆蓋比率」	Liquidity Coverage Ratio 流動性覆蓋比率
LIBOR 「倫敦銀行同業拆借利率」	London Interbank Offered Rate 倫敦銀行同業拆借利率
Listing Rules 「《上市規則》」	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, modified or otherwise supplemented from time to time) 《香港聯合交易所有限公司證券上市規則》，經不時修訂、修改或以其他方式補充
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
RMB 「人民幣」	Renminbi, the lawful currency of the PRC 中國法定貨幣
Senior Management 「高層管理人員」	The Co-Chief Executives and Deputy Chief Executives of the Bank 本行的聯席行政總裁及副行政總裁
SFO 「《證券及期貨條例》」	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
Share(s) 「股」或「股份」	Ordinary share(s) of the Bank 本行普通股
SIBOR 「新加坡銀行同業拆借利率」	Singapore Interbank Offered Rate 新加坡銀行同業拆借利率
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣

