



香港按揭證券有限公司
The Hong Kong Mortgage Corporation Limited

ANNUAL REPORT 年報

2018

Established in March 1997, The Hong Kong Mortgage Corporation Limited is wholly owned by the Hong Kong Special Administrative Region Government through the Exchange Fund. It has three wholly-owned subsidiaries, HKMC Insurance Limited, HKMC Annuity Limited and HKMC Mortgage Management Limited.

Missions

To promote:

- stability of the banking sector
- wider home ownership
- development of the local debt market
- development of retirement planning market

Credit Ratings

	S&P		Moody's	
	Short-term	Long-term	Short-term	Long-term
Local Currency	A-1+	AA+ (Stable)	P-1	Aa2 (Stable)
Foreign Currency	A-1+	AA+ (Stable)	P-1	Aa2 (Stable)

Contents

1	Financial Highlights	48	Financial Review
3	Chairman's Statement	53	Risk Management
7	Organisation Structure	65	Corporate Governance Report
11	Board of Directors	136	Directors' Report
13	Highlights of the Year	152	Independent Auditor's Report
29	Corporate Social Responsibility	160	Consolidated Financial Statements
34	Business Review	283	Abbreviations used in this Report

Financial Highlights

	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
FOR THE YEAR			
Net interest income	536,209	507,578	490,642
Profit attributable to shareholders	126,558⁴	806,395	603,984
Loan purchases	287,705	315,793	205,771
Debts issuance ¹	12,424,465	17,856,470	16,175,123
Net premiums written			
– General insurance businesses	565,739	417,076	367,562
– Annuity business	2,780,240	n.a.	n.a.
AT YEAR END			
Loan portfolio, net	6,442,064	7,829,441	9,533,961
Debt securities issued	37,292,877	34,840,706	34,233,467
Risk-in-force			
– Mortgage insurance ²	19,723,956	17,588,701	14,104,839
– Reverse mortgage insurance ³	9,644,152	6,875,721	4,315,944
OTHER STATISTICS			
Net interest margin	1.1%	1.1%	1.0%
Capital adequacy ratio	26.8%	21.0%	21.3%
Cost-to-income ratio	86.0%⁴	26.8%	30.8%
Return on shareholders' equity	0.9%⁴	8.6%	6.8%

¹ For debts with tenor of one year or above.

² The risk-in-force excludes exposure that has been covered by quota-share reinsurance arrangement.

³ The risk-in-force includes the outstanding balance and undrawn commitment of a reverse mortgage loan. Undrawn commitment refers to the amount of expected future payout to the borrower based on the payment term.

⁴ For comparison purposes, the adjusted attributable profit to shareholders, return on shareholders' equity and cost-to-income ratio for 2018 would be HK\$515 million, 5.1% and 36.7% respectively after excluding an accounting loss made by the HKMC Annuity Limited, a wholly-owned subsidiary of the HKMC, for maintaining prudent statutory reserves based on actuarial assumptions for the annuity business.

Chairman's Statement

Chairman's Statement

Embarking on new businesses in furtherance of core missions and social objectives.

Chan Mo-po, Paul
Chairman



Global economic growth continued into 2018 but started to lose momentum in the second half of the year. The trade conflict between the U.S. and China weighed on economic sentiments around the world, and its impacts on international trade flows and investment activities were increasingly felt. Against this backdrop, global market volatility was heightened along with ongoing monetary policy normalisation in the U.S. as well as across other major economies. Growth momentum in many Asian economies slowed in the second half of the year, as the impact of moderating global economic growth and the U.S.-China trade tension gradually surfaced.

In Hong Kong, despite that our economy decelerated visibly in the second half of the year, we still managed to record another year of above-trend growth for 2018 as a whole. Following a moderate local interest rate hike and the HKSAR Government's announcement of numerous initiatives and policies to increase land and housing supply, the buoyant residential property market in Hong Kong consolidated somewhat towards the year end.

Purchase of Mortgage Assets

The Group purchased mortgage assets of about HK\$287.7 million in 2018 (2017: HK\$316 million) as ample liquidity in the banking system continued to dampen banks' appetite in offloading mortgage assets. In recognition of its pivotal role to reinforce banking and financial stability of Hong Kong, the Group stands ready to purchase mortgage loans from the banking sector should the need arise.

Promoting Development of Debt Market

The Group has been playing a key role in promoting the development of the local debt market. It has remained a major and active corporate debt issuer in Hong Kong for more than a decade. In 2018, the Group issued debt securities in different currencies (with tenor of one year or above) totalling around HK\$12.4 billion to fulfil its refinancing needs and support its business activities. The Group also attained a credit rating of AA+ from Standard & Poor's and Aa2 from Moody's, same as those of the HKSAR Government.

Supporting Home Ownership

The Mortgage Insurance Programme (**MIP**) is an integral part of the property mortgage market in Hong Kong. Since its inception in 1999, the MIP has been fostering wider home ownership in Hong Kong in the pursuit of the Group's core missions by making home purchase more affordable and accessible. The Group has thus far assisted more than 141,600 families to buy their own homes, demonstrating immense popularity of the MIP. In 2018, demand for the MIP remained steady and the total amount of mortgage loans drawn down under the MIP was HK\$32.5 billion (2017: HK\$32.3 billion).

Continuing Support for Small and Medium Enterprises

Hong Kong is home to about 340,000 small and medium enterprises (**SMEs**), constituting almost the entire community of local enterprises. The HKSAR Government remains committed to supporting SMEs by extending the offering period for the 80% guarantee product of the SME Financing Guarantee Scheme (**SFGS**) under the entrusted operation of the Group. The SFGS provides a useful platform to help SMEs obtain bank financing in order to grasp economic opportunities and boost their competitiveness. During the year, the Group maintained close and fruitful communication with participating banks, SME associations as well as commerce and industry chambers to enhance public awareness and understanding of the SFGS. As at the end of 2018, the Group has approved more than 14,500 applications for a total loan amount of about HK\$58.5 billion, and more than 8,500 local SMEs with more than 224,700 employees have benefitted from the SFGS so far.

Providing Homeowners with More Retirement Financing Options

The Group launched its Reverse Mortgage Programme (**RMP**) in 2011 to provide homeowners with a new financial planning option to secure a stream of steady cash flow on retirement. The RMP was extended in October 2016 to cover subsidised sale flats with unpaid land premium under most of the subsidised housing schemes of the Hong Kong Housing Authority and of the Hong Kong Housing Society. With the successful implementation of the Group's ongoing and focused educational initiatives, market receptiveness of the RMP has grown continuously. The business recorded a solid growth in the number of applications received in 2018 by 7.5% as compared to 2017. In the light of stronger public awareness of retirement planning, the Group will continue to deliver on its mission and promote the development of retirement planning market to cater for the needs of retirees and the public.

Facilitating Better Retirement Planning

A better retirement planning is of utmost importance to sustaining the quality of living after retirement. To provide an alternative retirement financial solution, the Group ventured into a new business initiative and launched the HKMC Annuity Plan (**Plan**) in July 2018 with the aim of facilitating retirement planning and promoting the development of the local annuity market. The Plan helps the elderly turn their lump sum cash into a stream of fixed monthly income for life. Stimulated by the inaugural launch of the Plan, the local annuity market saw a rapid growth for the year. In response to market feedback, the second launch took place in December with enhancements to the Plan offering greater financial protection, more flexible product features as well as an open application period to allow policy purchase at any time. By the end of the year, a total of 5,422 policies were issued under the Plan with a total premium receipt of around HK\$2.8 billion and an average premium receipt of around HK\$513,000 for each policy.

Financial Performance for 2018

Profit attributable to shareholders technically dropped to HK\$127 million (2017: HK\$806 million), mainly reflecting the accounting loss due to the Group's new annuity business for maintaining prudent statutory reserves, the absence in 2018 of a non-recurring investment disposal gain for 2017, and resources utilised for supporting certain policy initiatives of the HKSAR Government. Notwithstanding its reported accounting loss, the embedded value of the annuity business was about HK\$5.2 billion, indicating that the business should be profitable in the long term.

The capital adequacy ratio stood solid at 26.8% (2017: 21%) so as to preserve capital for business development. The respective solvency ratios of the Group's two insurance subsidiaries were about 42 times for general insurance business and 34 times for annuity business, each well above the relevant minimum regulatory requirements.

Outlook for 2019

Looking ahead, the global financial markets will be subject to considerable uncertainties arising from moderating global economic growth, the U.S.-China trade conflict and other macroeconomic and geopolitical factors. While the Federal Reserve suggested in March that it would slow down the

pace of interest rate adjustment and end balance sheet run-off in September, the future course of U.S. interest rates would still be data-dependant and remain uncertain. Market expectations may vary with the economic environment, resulting in greater fluctuations in the global financial markets. The uncertain global economic outlook will restrain Hong Kong's economic performance, and the local financial and assets markets will also be subject to risk of fluctuations. The Group will conduct new and existing businesses prudently in furtherance of its core missions and social objectives.

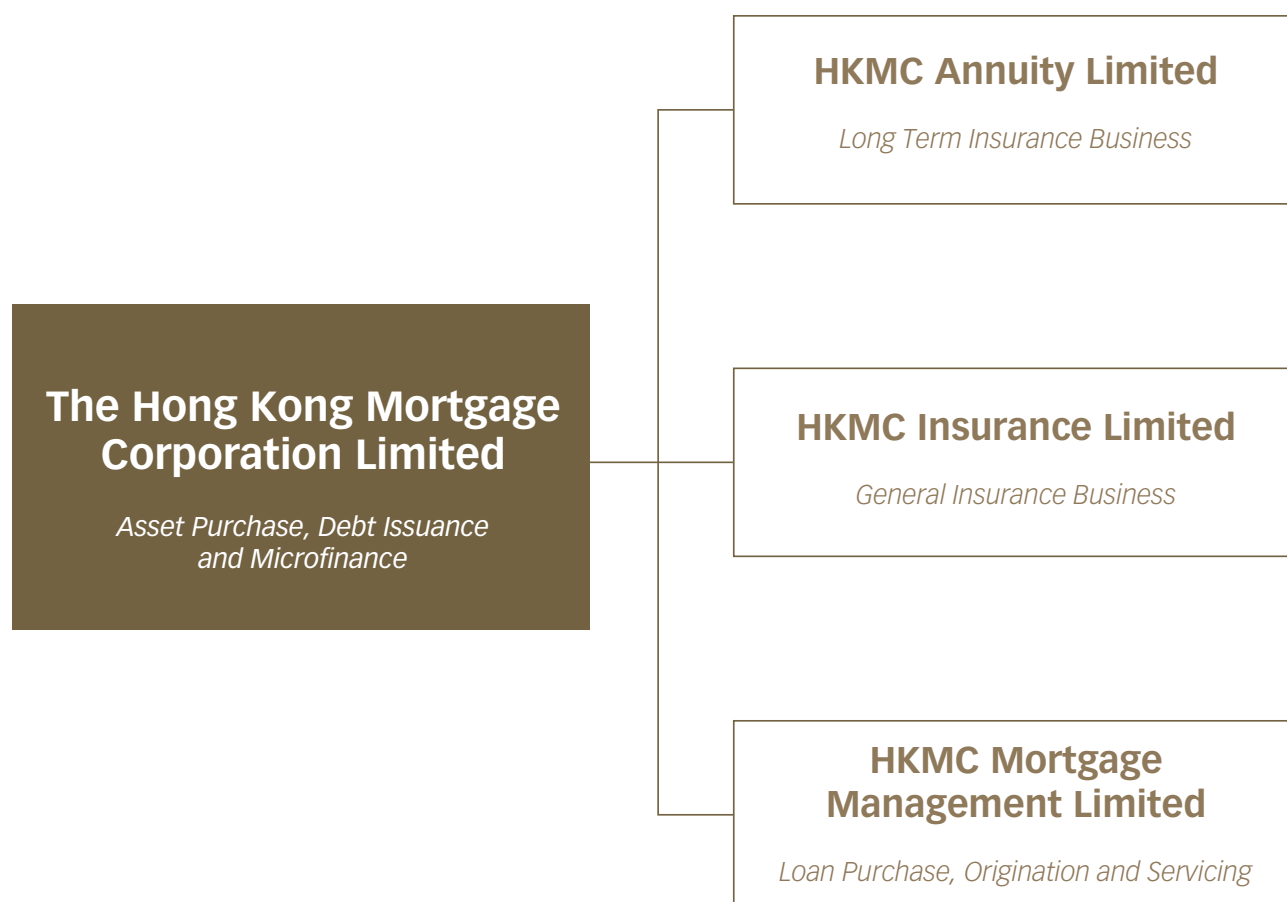
Finally, I would like to express my heartfelt gratitude to fellow Board Directors, the Management and staff for their dedicated work and tremendous support.

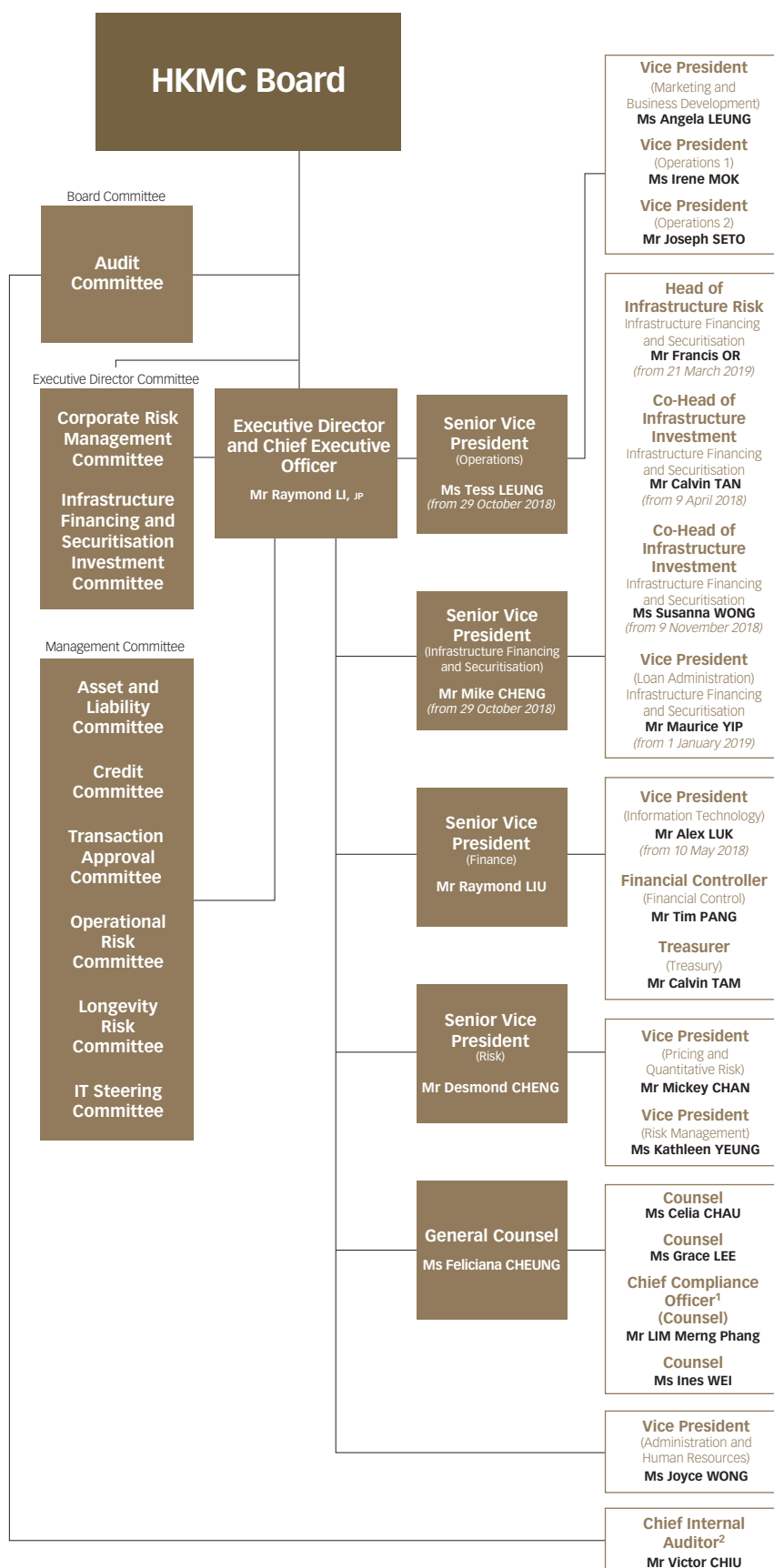


Chan Mo-po, Paul
Chairman

Organisation Structure

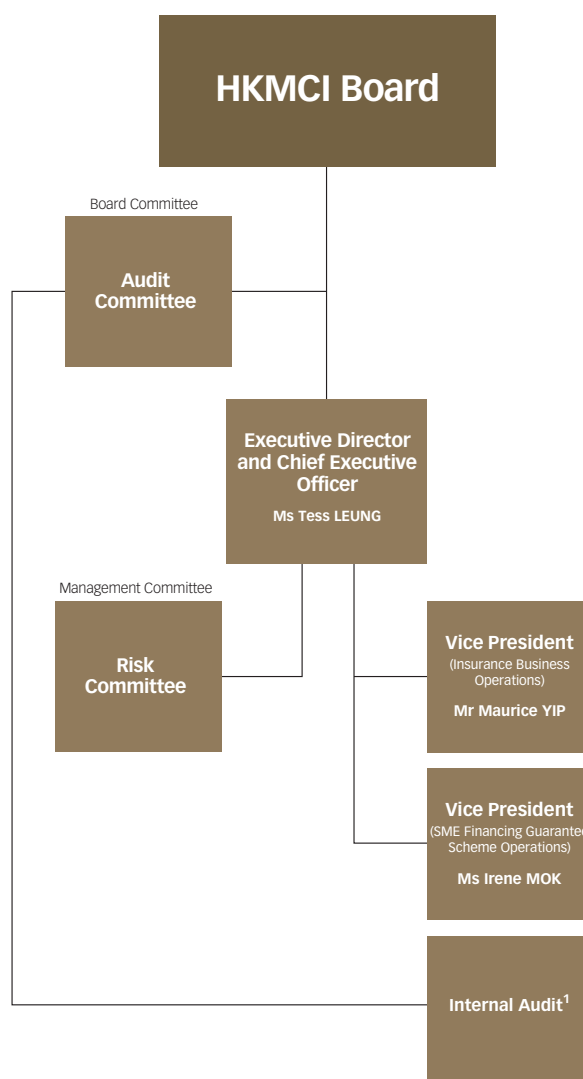
Organisation Structure



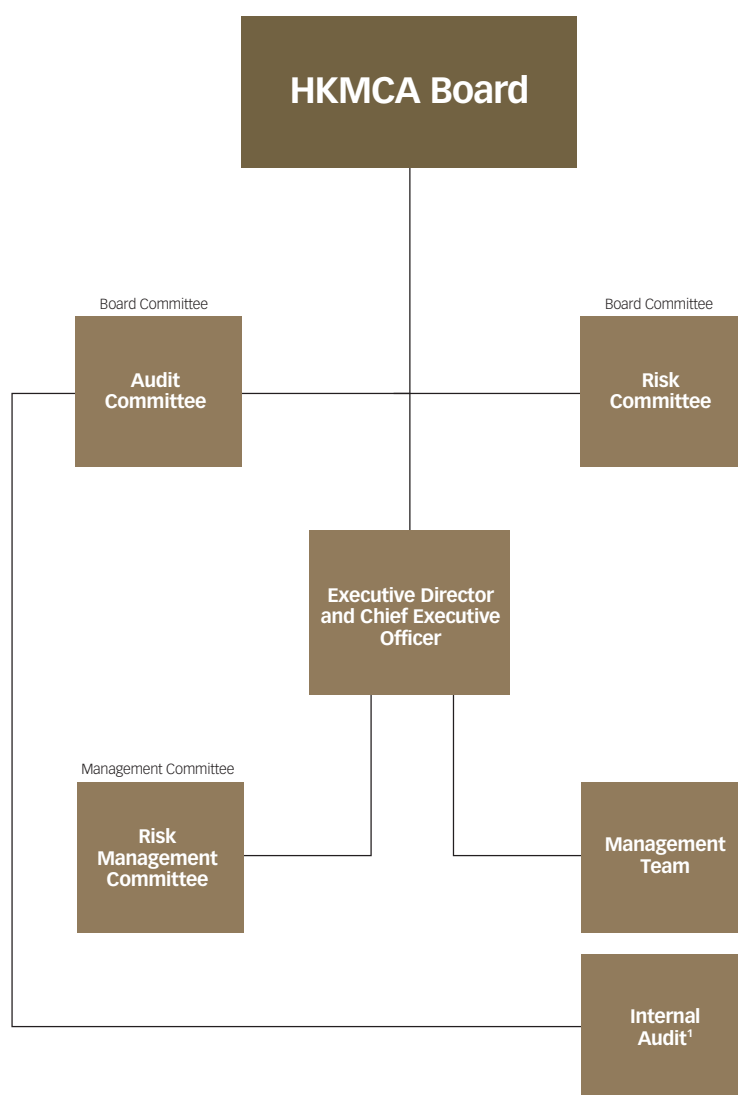


¹ Reporting to the Chief Executive Officer through the General Counsel

² Reporting to the Chief Executive Officer on daily administrative function



¹ Reporting to the Chief Executive Officer on daily administrative function



¹ Reporting to the Chief Executive Officer on daily administrative function

Board of Directors



The Hon. Paul CHAN Mo-po, GBM, GBS, MH, JP
Chairman and Executive Director
Financial Secretary



Mr Norman T. L. CHAN, GBS, JP
Deputy Chairman and Executive Director
*Chief Executive
Hong Kong Monetary Authority*



Mr Eddie YUE Wai-man, JP
Executive Director
*Deputy Chief Executive
Hong Kong Monetary Authority*



Mr Raymond LI Ling-cheung, JP
Executive Director and
Chief Executive Officer
*Senior Executive Director
Hong Kong Monetary Authority*



The Hon. Jeffrey LAM Kin-fung, GBS, JP
Non-Executive Director
*Member of Executive Council
Member of Legislative Council
Managing Director
Forward Winsome Industries Limited*



The Hon. James Henry LAU Jr., JP
Non-Executive Director
*Secretary for Financial Services
and the Treasury
(appointed on 19 April 2018)*



The Hon. Frank CHAN Fan, JP
Non-Executive Director
*Secretary for Transport and Housing
(appointed on 19 April 2018)*



The Hon. Horace CHEUNG Kwok-kwan, JP
Non-Executive Director
*Member of Executive Council
Member of Legislative Council
Member of Central and Western
District Council
Partner, Cheung & Yeung, Solicitors*



The Hon. Dennis KWOK Wing-hang
Non-Executive Director
*Member of Legislative Council
Barrister-at-law*



Professor WONG Yuk-shan, SBS, BBS, JP
Non-Executive Director
*President of The Open University
of Hong Kong*



Professor CHAN Ka-keung, GBS, JP
Non-Executive Director
Adjunct Professor
The Hong Kong University of
Science and Technology



Mr T. Brian STEVENSON, GBS, JP
Non-Executive Director



Mr Huen WONG, BBS, JP
Non-Executive Director
Principal (Hong Kong and
Shanghai Offices)
Fried, Frank, Harris, Shriver &
Jacobson



Ms Anita FUNG Yuen-mei, BBS, JP
Non-Executive Director
Director
Hong Kong Exchanges and Clearing
Limited



Mr Leong CHEUNG
Non-Executive Director
Executive Director
Charities and Community
The Hong Kong Jockey Club



Mrs Estella S. F. CHIU
Non-Executive Director
Non-Executive Director
Singapore Life Pte. Ltd.
(appointed on 23 May 2018)



Mr NG Leung-sing, SBS, JP
Non-Executive Director
(retired on 13 April 2018)



Ms Miranda KWOK Pui-fong
Non-Executive Director
(retired on 13 April 2018)



Mrs Ann KUNG YEUNG Yun-chi
Non-Executive Director
(retired on 13 April 2018)



Mr Lawrence LAM Yuk-kun
Non-Executive Director
(retired on 13 April 2018)



Mr LEE Huat-oon
Non-Executive Director
(retired on 13 April 2018)



Highlights of the Year



**Collaboration with
Business Partners**

**Public
Education**

**Participation in
External Events**

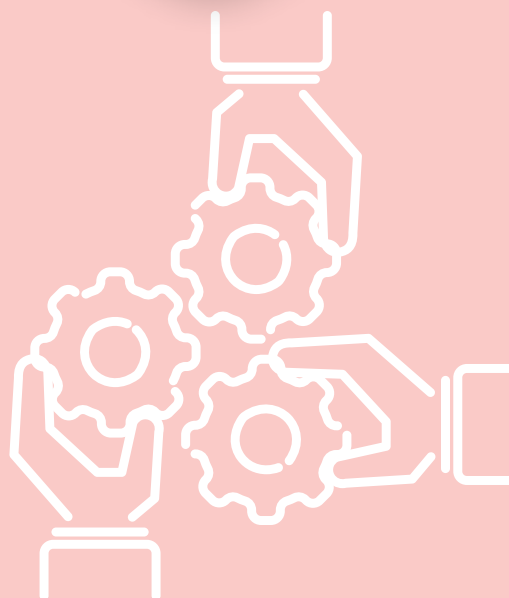
**Corporate Social
Responsibility**

**Major
Event**

**Community
Engagement**

PARTICIPATION IN EXTERNAL EVENTS





COLLABORATION WITH BUSINESS PARTNERS





PUBLIC EDUCATION





COMMUNITY ENGAGEMENT





COMMUNITY ENGAGEMENT



MAJOR EVENT



香港年金計劃啟動禮

退休生活有年金 自製長糧至安心
2018年7月5日



香港年金計劃啟動禮

2018年7月5日



香港年金計劃啟動禮

退休生活有年金 自製長糧至安心
2018年7月5日



CORPORATE SOCIAL RESPONSIBILITY



10 years +
同心展關懷
caringorganisation®
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發



Corporate Social Responsibility

Corporate Social Responsibility

In recognition of the Corporation's contribution to the community and its commitment to corporate social responsibility (**CSR**), the Corporation has been awarded the Caring Organisation Logo by the Hong Kong Council of Social Service since 2008 and has now stepped into its 11th year of CSR participation. Since 2014, the Corporation has also been receiving the Mandatory Provident Fund Schemes Authority's Good MPF Employer Award, which is given in appreciation of employers who place a high value on their employees' retirement needs.

As a socially responsible organisation, the Group cares for its employees and the community. The Group underlines its commitment to CSR by caring for its employees' well-being, participating in charity activities and implementing environmental protection measures.

Care for Employees

Staffing and Remuneration

The Group attracts and grooms talent to ensure the efficient performance of its missions of promoting stability of the banking sector, wider home ownership, development of the local debt market and development of retirement planning market. Employees are provided with competitive remuneration packages and fringe benefits, promising career paths and development opportunities, and a healthy and safe working environment. The Group has also adopted family-friendly practices by offering a five-day week to help employees maintain a good work-life balance, as well as comprehensive medical and dental insurance plans that cover both employees and their family members.

Through system automation and process re-engineering, the Group maintains a lean and efficient workforce despite an increase in the scope of operations and the complexity of the products it offers. In 2018, the permanent staff establishment of the Group was 309 and the staff turnover rate was 8.92%.

Training and Development

The Group recognises the importance of ongoing training and devotes considerable resources to the continuous enhancement of its employees' professional knowledge and skills. In 2018, the Group arranged programmes and workshops to help employees enhance their product knowledge and strengthen their managerial and technical competence and soft skills.

The in-house training workshops covered a wide range of topics, such as English business writing, team collaboration, creative problem solving, strategic thinking, and occupational safety and health. During the year, seminars on the Personal Data (Privacy) Ordinance, anti-bribery laws and cybersecurity were held as well.



Training on Creative Problem Solving



Training on Business English Writing



Training on Strategic Thinking



Dress Causal Day



Squid Fishing Tour

The Group also sponsored employees for external job-related training and development courses covering a wide range of topics, including mortgage-related issues, risk management, corporate governance, finance and accounting, information technology and leadership training.

In addition, all new employees were put through an induction session to provide them with foundational knowledge about the Group's organisational structure, functions and policies.



Team Building Cooking Workshop



Team Building Programme - Pedal for Power

Employee Relations and Staff Activities

To promote a healthy work-life balance and foster a family-friendly working environment, the Group's Staff Club organises activities regularly to cultivate better relationships and communication among employees. In 2018, these activities included health talks, outings and other staff gatherings, all of which were well received by employees and their families. The in-house staff publication, *HKMConnection*, recaps snapshots of the Group's staff activities.

To facilitate effective communication within the Group, the Staff Homepage intranet facility is updated frequently so useful information can be shared among different departments. There is also the Staff Suggestion Scheme, which encourages staff to suggest improvements in workflow and the workplace.



House Competition - Football



House Competition - Table Tennis



Hiking to Wong Nai Tun and Tai Lam Chung Reservoir

Health and Safety

As a caring organisation, the Group is dedicated to looking after employees' physical and mental health. An Employee Support Programme is in place to provide confidential external counselling services to employees and their family members, if needed. A vaccination programme for the prevention of influenza and health-check programmes at privileged rates were also offered to employees in 2018.

From time to time, the Group reviews and strengthens its contingency plans, which aim to minimise any unexpected or sudden disruption to business operations due to, for example, an outbreak of communicable disease among employees. Periodic drills are organised to ensure employees are conversant with the activation of back-up facilities, contingency plans and communication arrangements in case of emergency.



Health Talk on Chinese Medicine Theory

Care for the Community

Charities and Social Activities

The Group promotes various charitable and community functions, such as fundraising events, donation campaigns and voluntary services. Employees are encouraged to support charity activities and join voluntary work organised by the Group's volunteer team, Caring League.

In 2018, the Group organised donation campaigns, such as Dress Casual Day 2018 for the Community Chest, and held its annual Blood Donation Day event for the Hong Kong Red Cross.

Employees have been keen to participate in voluntary services, demonstrating their concern for the needy by dedicating time and effort to various causes. The Caring League has partnered with several social service organisations to take part in a number of voluntary services, including the following:

- care for the environment: a recycling campaign in partnership with The Salvation Army to collect books, stationery and toys
- care for the elderly: organised by HOPE Worldwide and the Hong Kong Playground Association, our volunteers visit elderly people, bring them "lucky bags" with daily necessities to welcome the Chinese New Year and accompany elderly members of low-income families on tours around Tai Kwun.

Internship and Manager Trainee Programmes

To help nurture talent for the future, the Group offers internship programmes for undergraduates to give them a taste of the real business world and help them better prepare for their future careers. The students who joined the programmes appreciated the learning experience and work opportunities they were exposed to.

During the year, the Group continued the Manager Trainee Programme with the objective of identifying high-calibre young executives for grooming to meet the Group's long-term staff development plan. Throughout the three-year programme, the Manager Trainees will undergo on-the-job training in different departments, take part in corporate projects and attend structured learning and development programmes.

Environmental Protection

The Group continuously supports and implements various green measures to create a more environmentally friendly office and raise employees' awareness of methods of waste reduction and energy conservation. Employees are encouraged to adopt paperless working practices by using more electronic communication. They are also encouraged to collect waste paper and used toner cartridges for recycling. Since 2006, the Group has adopted various measures, including better control of office temperature and the use of LED lighting, in the interest of energy efficiency. The Group welcomes suggestions from employees on green office ideas and encourages its suppliers to use and offer more environmentally friendly products whenever possible.

Business Review

Business Review

Performance Highlights

The major achievements of the Group for the year included:

- helping homebuyers borrow a total of HK\$32.5 billion in mortgage loans through the Mortgage Insurance Programme (**MIP**)
- approving 3,064 applications since the launch of the Reverse Mortgage Programme (**RMP**), with an average property value of around HK\$5.3 million
- issuing a total of 5,422 policies, since the launch of the HKMC Annuity Plan in July 2018, with total premiums received at around HK\$2.8 billion and the average premium amount at around HK\$513,000, as at the end of 2018
- to further alleviate the financing burden of local small and medium-sized enterprises (**SMEs**) and assist them in obtaining financing, the application period for the 80% guarantee product under the SME Financing Guarantee Scheme (**SFGS**) extended to end-June 2019, with enhancement measures taking effect from 19 November 2018
- since the launch of the 80% SFGS in May 2012, the Group had approved more than 14,500 applications for loans amounting to HK\$58.5 billion. More than 8,500 local SMEs and more than 224,700 related employees have benefited under the SFGS
- approving loans totalling HK\$53.0 million under the Microfinance Scheme (**MFS**) since its inception to business starters, self-employed people from different backgrounds and professions, and those wanting to achieve self-improvement through education and training
- approving 12 applications since the launch of the Premium Loan Insurance Scheme (**PLIS**), with an average property value of around HK\$4 million
- establishing the Infrastructure Financing and Securitisation (**IFS**) Division to implement the IFS business
- purchasing about HK\$287.7 million of loan assets
- issuing HK\$12.4 billion of debt securities, with a maturity of one year or above, in a cost-effective manner, thus promoting the development of the local debt market and maintaining the Group's position as one of the most active issuers in Hong Kong
- maintaining the Group's long-term foreign and local currency ratings of AA+ by S&P Global Ratings (**S&P**) and Aa2 by Moody's Investors Service, Inc. (**Moody's**)
- safeguarding excellent credit quality, with over-90-day delinquency ratios of 0.002% for the mortgage insurance portfolio, 0.02% for the Hong Kong residential mortgage portfolio (same as the industry average of 0.02%), 1.28% for the microfinance loan portfolio and 0.02% across all asset classes as at 31 December 2018

The Group maintained a solid financial position in 2018:

- profit attributable to shareholders of HK\$127 million
- net interest margin of 1.1%
- return on shareholders' equity of 0.9%
- cost-to-income ratio of 86%
- capital adequacy ratio of 26.8%, which is well above the minimum requirement of 8% stipulated by the Financial Secretary

Market Overview

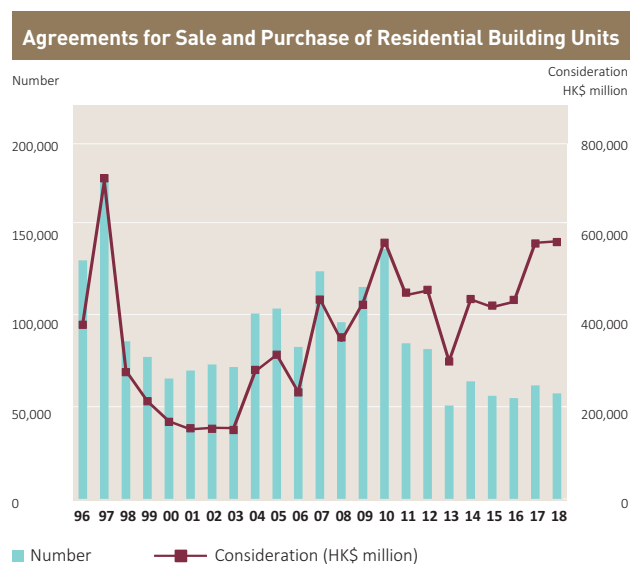
General Economic Conditions

Global economic growth continued at the start of 2018 but started to lose momentum in the second half of the year as the trade conflicts caused by the US-China trade war intensified and weighed on the global economic sentiments with consolidations in major stock markets and slower economic growth in Europe and Asia. As such, global market volatility was heightened alongside the ongoing monetary policy normalisation in the U.S. as well as across other major economies. Moreover, capital outflow and currency depreciation pressures in Asia became significant in the second half of the year. In 2018, the Mainland's economic growth remained largely stable as it continued the structural reform to promote economic upgrading and transformation. Against this backdrop, the Hong Kong economy grew modestly during the year at 3% year-on-year in real terms.

Property Market

Hong Kong's residential property sentiment stayed strong in the first half of 2018. Both the transaction numbers and considerations of transactions rose to interim peaks in June, with increases of 27.4% and 36.6% recorded respectively from January. However, subsequent to the Government's announcement about new initiatives on housing in late June, together with an interest rate hike in September, the property market started to consolidate in the third quarter. Relatively weak performance in the stock market and the uncertainties caused by the US-China trade war in the fourth quarter caused the transactions of residential properties to drop drastically by 69.3% from June to December. Overall, the number of residential property transactions in 2018 decreased by 7.1% year on year to 57,247, while the consideration of transactions recorded a 0.5% year-on-year increase (Figure 1).

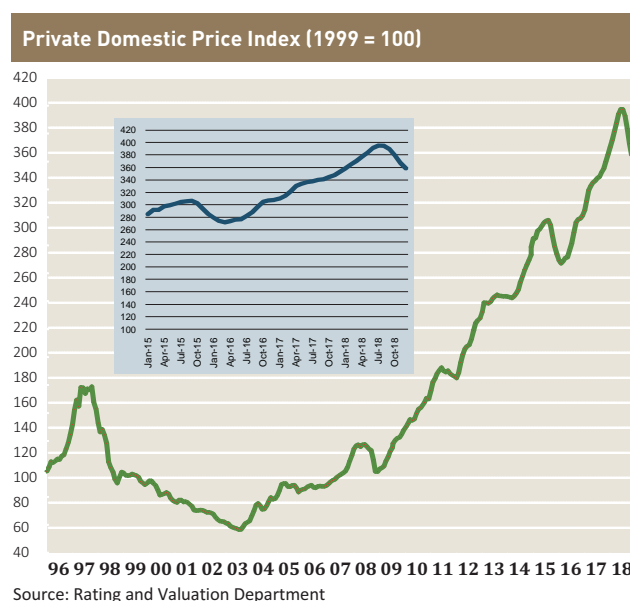
Figure 1



Source: Land Registry

The transaction volume in primary and secondary markets rose continuously from the start of the year until July, after which it showed a downward trend till the year-end. In general, residential property prices¹ recorded a 1.6% cumulative increase in 2018, compared with a 14.8% increase in 2017, and had surpassed the 1997 peak by 107% as at the end of 2018 (Figure 2).

Figure 2



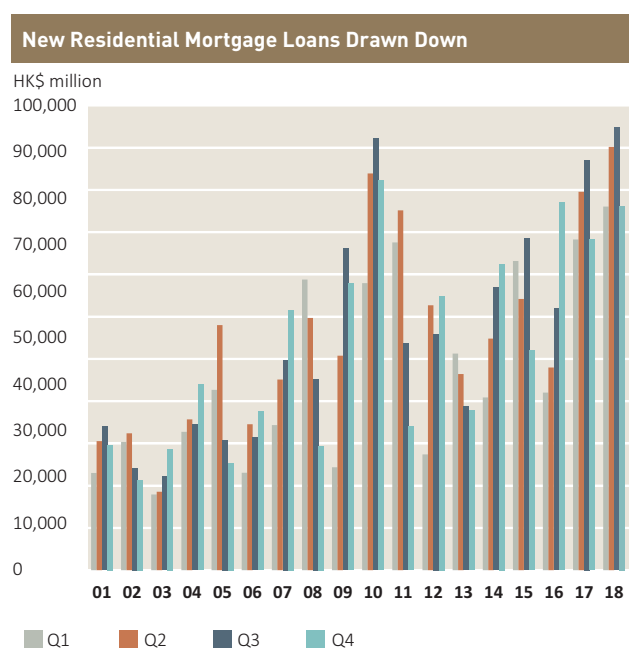
Source: Rating and Valuation Department

¹ Source: The Private Domestic Price Index published by the Rating and Valuation Department

Mortgage Market

Overall, the mortgage rate in Hong Kong stayed low in 2018. For the first time in 12 years, the Best Lending Rates (**BLRs**) increased from 5% and 5.25% to, respectively, 5.125% and 5.5% in September, while the Hong Kong Interbank Offered Rates (**HIBORs**) remained high throughout the year. According to the HKMA Monthly Statistics Bulletin, the one-month HIBOR in terms of period average² fluctuated within a range of 0.78% to 2.21% during the year. Mortgage lending recorded steady growth, with the total outstanding value of all residential mortgage loans rising moderately by 8.9% to HK\$1,372.13 billion. The gross value of new loans drawn down³ increased slightly by 9.9% year on year in 2018, compared with an increase of 43.6% in 2017 (**Figure 3**).

Figure 3

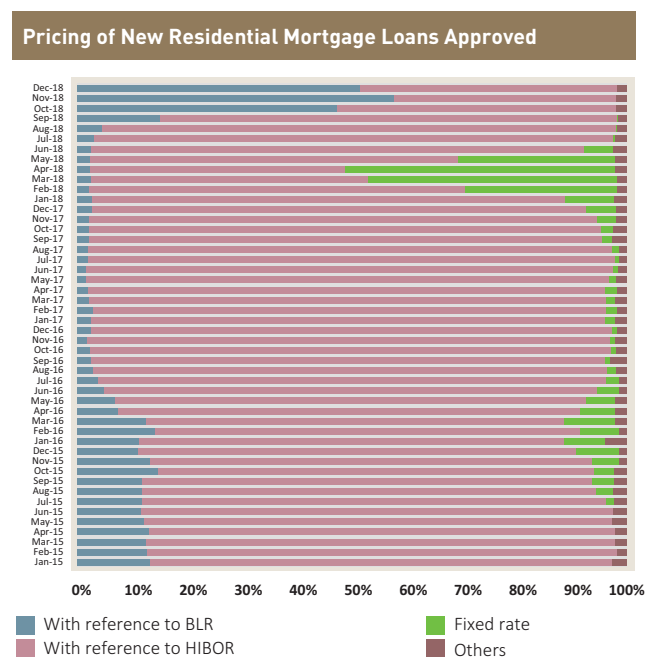


² Source: HKMA Monthly Statistical Bulletin

³ Source: HKMA's Monthly Residential Mortgage Survey (**HKMA Survey**)

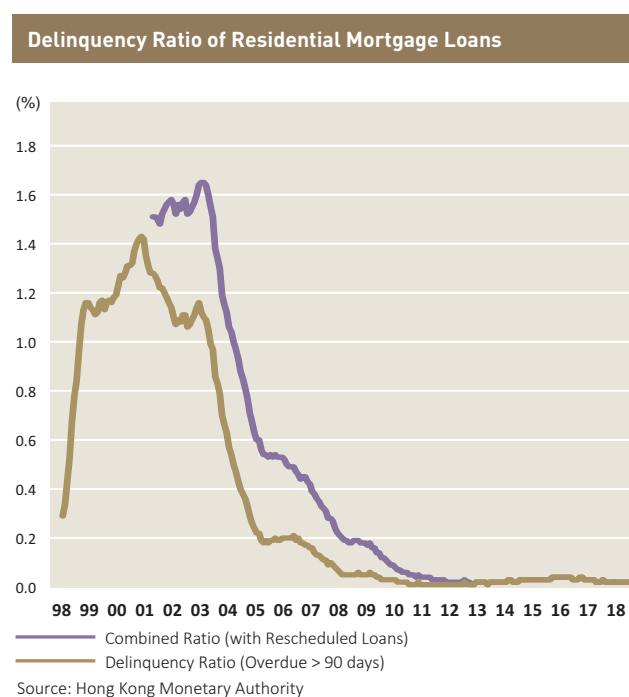
The proportion of new mortgage loans approved that are benchmarked against the HIBOR dropped from 86.2% in January to 46.3% in April due to an increase in the proportion of fixed-rate plans at the start of 2018. Since no banks had been offering fixed-rate plans since the second quarter, the proportion of new mortgage loans using the HIBOR started to rise in April, reaching 93.5% in August, but this began to consolidate in the fourth quarter. By the end of 2018, BLR-based and HIBOR-based mortgages were occupying the majority of the market share, accounting for 46.6% and 51.6% respectively (**Figure 4**).

Figure 4



Under a stable labour market and the HKMA's prudent supervision of the mortgage lending sector, the asset quality of residential mortgage loans remained excellent in 2018. The over-90-day delinquency ratio of mortgage loans stayed at 0.02% throughout the year, reflecting banks' prudent underwriting standards. The combined ratio, which takes into account both delinquent and rescheduled loans, also remained low, staying at 0.02% during the same period (**Figure 5**). The estimated number of residential mortgage loan in negative equity as at end-December 2018 was 262 cases, with an aggregate value of HK\$1,189 million recorded⁴.

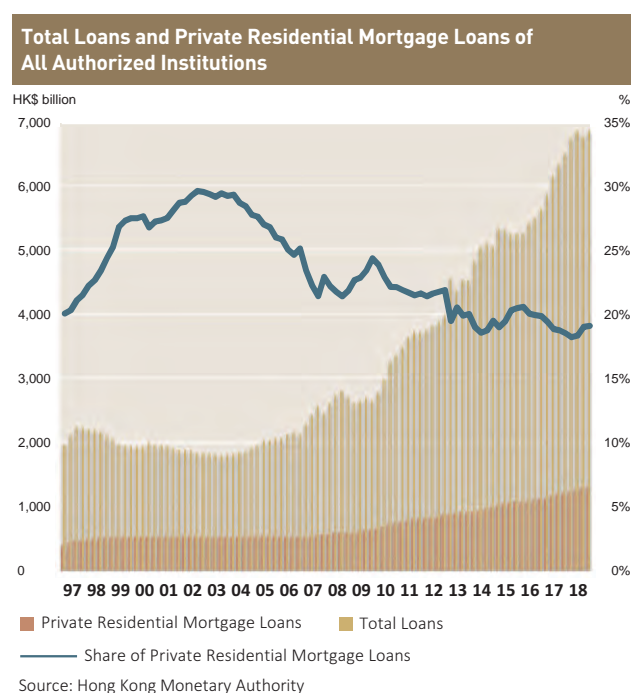
Figure 5



Banking-sector Exposure

The total outstanding value of mortgage loans for private residential properties [increased] to HK\$1,313.8 billion at the end of 2018 (end-2017: HK\$1,208.2 billion), accounting for one-fifth of total loans in Hong Kong (**Figure 6**). Adding to this lending for building and construction, along with property development and investment, the value of property-related loans totalled HK\$3,855.77 billion, representing about 41.6% of banks' total loan books. The outstanding value of mortgage loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme increased to HK\$58.38 billion by the end of 2018 (end-2017: HK\$51.3 billion).

Figure 6



⁴ Source: HKMA Survey

Asset Acquisition

While the ample liquidity in the market has led to weak incentives for banks to offload their assets, the Group is prepared to provide liquidity to the market as and when required. In 2018, the Group acquired about HK\$287.7 million of assets, which included residential mortgage loans.

Funding

Global growth remained moderately strong in 2018 though there is less synchronicity of economic momentum across countries. Nevertheless, rising trade tensions and the continued monetary policy normalisation by the US Federal Reserve led to a reversal in international capital flows and an increase in global financial market volatility. Despite the challenging market conditions, the Group managed to secure prudent pre-funding for loan purchases and refinancing activities. Given the Group's strong background as a wholly government-owned entity and its solid credit rating, the Group raised debt totalling HK\$12.4 billion, with a maturity of one year or above, in 2018. At the end of the year, the Group's total outstanding debt amounted to HK\$37.3 billion.

The Group is committed to developing the local debt market through regular debt issuances and the introduction of new debt products. As one of the most active bond issuers in Hong Kong, the Group will continue to issue debt in both local institutional and retail markets, and diversify its funding sources and investor base to overseas institutional markets. This will not only help broaden the Group's funding base, but also provide institutional and retail investors with high-quality debt instruments to satisfy their need for portfolio diversification and yield enhancement.

The Group has three debt issuance programmes that allow the issuance of debt securities in an efficient and effective manner. With its strong credit rating, the Group's debt issues are well received by the investment community, such as pension funds, insurance companies, investment funds, charities, government-related funds and retail investors. The Group undertakes regular and proactive investor communication to meet and update investors.

Medium Term Note Programme

The Group established the multi-currency Medium Term Note (**MTN**) Programme in June 2007 to broaden its investor base and funding sources in the international market. It was set up with an initial size of US\$3 billion, which was increased to US\$6 billion in July 2011 to meet growing demand from overseas investors. The multi-currency feature of the programme enables the Group to issue notes in major currencies, including the Hong Kong dollar, US dollar, renminbi, Australian dollar, British pound, euro and Japanese yen, to meet demand from both local and overseas investors. All foreign currency-denominated MTN debt is fully hedged into either US dollars or Hong Kong dollars. The programme incorporates flexible product features and offering mechanisms for public issuances and private placements to increase its appeal to investors with different investment horizons and requirements. An extensive dealer group comprising major international and regional financial institutions is appointed to support future MTN issuance and provide secondary market liquidity.

In 2018, the Group launched 29 MTN private debt issues totalling an equivalent of HK\$12.4 billion, with a maturity of one year or above.

Debt Issuance Programme

The Debt Issuance Programme (**DIP**) was established in July 1998 to target institutional investors in the Hong Kong dollar debt market. It was set up with an initial programme size of HK\$20 billion, which was increased to HK\$40 billion in 2003. The DIP has since provided a flexible and efficient platform for the Group to issue debt and transferable loan certificates with a tenor of up to 15 years. Primary dealers and selling group members are appointed under the DIP to provide wide distribution channels for both public and private debt issues.

Retail Bond Issuance Programme

The Group is dedicated to promoting the local retail bond market. The Group pioneered a new offering mechanism for the retail bond market in Hong Kong in November 2001 and established the HK\$20 Billion Retail Bond Issuance Programme in May 2004. Under this programme, placing banks use their retail branch networks and telephone and electronic banking facilities to place debt securities issued by the Group with retail investors. To ensure the liquidity of the aforementioned retail bonds, the placing banks are committed to making firm bid prices for the bonds in the secondary market. Since 2001, the Group has issued retail bonds totalling HK\$13.7 billion. When the market environment is conducive, the Group aims to issue retail bonds regularly to provide an additional investment tool for Hong Kong's retail investors.

Revolving Credit Facility Provided by the Exchange Fund

In January 1998, during the Asian Financial Crisis, the Exchange Fund extended a HK\$10 billion Revolving Credit Facility to the Group. This Facility has enabled the Group to maintain smooth operations under exceptional circumstances so it can better fulfil its mandate to promote banking and financial stability in Hong Kong. While the Group

obtains long-term funding from local and international debt markets to fund its operations, the Facility also gives the Group a liquidity fallback. Following the global financial crisis in 2008, the size of the Facility was increased to HK\$30 billion in December that year, demonstrating the HKSAR Government's recognition of the importance of, and further support for, the Group.

The Group used the Revolving Credit Facility during times of market stress in 1998 and 2008 to partially fund the acquisition of Hong Kong residential mortgage assets from local banks. In both cases, the Revolving Credit Facility was fully repaid with funds raised from the Group's cost-effective debt issuance when the markets stabilised. In 2018, there were no drawdowns under the Revolving Credit Facility.

Credit Rating

The Group's ability to attract investment in its debt securities is underpinned by its strong credit rating, which is equivalent to that of the HKSAR Government, according to S&P and Moody's.

Credit Ratings of the HKMC

	S&P		Moody's	
	Short-term	Long-term	Short-term	Long-term
Local Currency	A-1+	AA+ (Stable)	P-1	Aa2 (Stable)
Foreign Currency	A-1+	AA+ (Stable)	P-1	Aa2 (Stable)

The credit rating agencies have made very positive comments on the Group's credit standing.

The following comments are extracts from the credit rating reports of S&P and Moody's in August 2018 and November 2018 respectively:

S&P

"We equalise our ratings on HKMC with the ratings on Hong Kong, the corporation's sole ultimate owner. This reflects our view of an almost certain likelihood of timely and sufficient extraordinary support from the Hong Kong government in the event that HKMC needs it ... We believe HKMC's undertaking of additional policy initiatives over the past several years has a solidifying effect on its ties with the Hong Kong government, and reinforces the integral link between the two entities."

"HKMC has a well-established market position with a unique role to address local Hong Kong banks' liquidity and balance-sheet management needs by purchasing mortgage and loan portfolios, especially in times of stress ... A variety of stressful market conditions have tested HKMC's business model. For example, when global financial markets and the local economy were under stress in late 2008 and early 2009, HKMC enlarged its mortgage acquisitions in response to banks' requests, and enhanced its mortgage insurance program. However, it has tightened the eligibility criteria for its mortgage insurance program in recent years, in response to elevated property prices."

"We believe that HKMC benefits from the presence and effective oversight of its vastly experienced and competent set of members as directors on its board. The management team is capable, effective, and experienced, in our view. HKMC's strategic positioning is clear and consistent with its capability and market conditions. The company has always operated within its financial and risk management standards, which we consider to be rigorous and clear."

"HKMC manages its funding and liquidity prudently, in our view. It has very strong debt capital market access through its three senior debt programs although it lacks customer deposits ... We expect HKMC to maintain a healthy buffer of highly liquid assets, which is more than sufficient to cover its short-term funding needs ... Further, a HK\$30 billion revolving credit facility more than adequately covers all liabilities of HKMC maturing within the next year and provides a significant cushion against any unexpected liquidity stress."

Moody's

"HKMC is fully owned by the Hong Kong government through the Exchange Fund. The company carries out policy mandates, which include promoting financial and banking stability in Hong Kong, home ownership, the development of the local debt capital market and the development of retirement planning solutions through the purchase of mortgages from commercial banks and the provision of mortgage insurance and reverse mortgages. As part of its mandate to promote banking stability, the company acts as an alternative lender of last resort by standing ready to purchase residential mortgages from banks during times of stress. The new annuities and infrastructure financing businesses are small but will scale up."

"The government provides HKMC with a HK\$30 billion revolving credit facility and additional equity capital when needed. If the company's credit profile is weakened in a stress scenario, we expect the government to provide timely extraordinary support. The company's public policy mandates are closely aligned with the government's objectives, and its close relationship with the government increases the likelihood of future government support. The government has provided the company with \$5 billion capital injection to set up the annuities business and is prepared to provide more if the business continues to expand."

"The company has maintained very sound asset-quality metrics since its establishment to date ... Hong Kong's residential mortgages have historically performed very well through economic cycles. Even when property prices fell by up to 70% between 1997 and 2003, the company's overall mortgage delinquencies never exceeded 2%. The current average LTV ratio on the company's Hong Kong mortgages is below 40%."

"As a wholesale-funded entity with no customer deposits, HKMC relies on ongoing access to the debt capital market to fund its operations. Nevertheless, the company has a policy of pre-funding its expected asset purchases and maintains a very strong liquidity during normal economic conditions. The company has very good access to capital markets because of its strong financial fundamentals and government affiliation ... The company had sufficient liquid assets, including the government revolving credit facility, to repay all of its outstanding debts as of end of June 2018."

Mortgage-backed Securitisation

The Group strives to promote the development of the mortgage-backed securities (**MBS**) market in Hong Kong. MBS is an effective financial instrument that can channel long-term funding from the debt market to supplement the need for long-term financing generated by mortgage loans. Banks and financial institutions can make use of MBS to manage risks inherent in mortgage loans, such as credit risks, liquidity risks, interest rate risks and asset-liability maturity mismatch risks. A deep and liquid MBS market can help enhance the development of an efficient secondary mortgage market and further promote Hong Kong as an international financial centre.

The Group has issued a total of HK\$13.2 billion MBS since 1999. The US\$3 billion Bauhinia Mortgage-Backed Securitisation Programme was established in 2001 to provide a convenient, flexible and cost-efficient platform for the Group to issue MBS with various product structures, credit enhancements and distribution methods.

Infrastructure Financing and Securitisation

With an enormous and widening funding gap in the international infrastructure financing market, the Group started studying Infrastructure Financing and Securitisation (**IFS**) business opportunities in early 2017.

In 2018, the Group obtained the Board's approval of the IFS business plan, set up an IFS Division manned by experienced industry professionals and mobilised internal resources for the IFS business.

Starting in 2019, the Group will participate in a step-by-step manner in the infrastructure financing market on commercially viable and financially sustainable terms, by making use of its comparative advantages in terms of strong credit standing and medium-to-long term funding capability while observing prudent commercial principles and risk management policies.

In the early stage, the Group will purchase and accumulate infrastructure loans from, as well as co-finance infrastructure projects with, multilateral development banks and commercial banks. It will explore securitisation opportunities after building up the infrastructure loan portfolio and necessary experience.

The IFS business will enable the Group to further its mandates of promoting development of the local debt market and stability of the banking sector, while at the same time of filling the infrastructure financing market gaps and fostering market development.

Microfinance Scheme

The Group continued to operate the Microfinance Scheme (**MFS**). It liaised with participating banks and non-governmental organisations (**NGOs**) to offer loans at an affordable rate and support services to people wanting to start their own business, become self-employed or achieve self-enhancement through training, skills upgrading or professional certification.

The MFS has been operating smoothly since its launch in June 2012. By the end of 2018, the MFS had approved a total of 212 loans with a total loan amount of HK\$53.0 million.

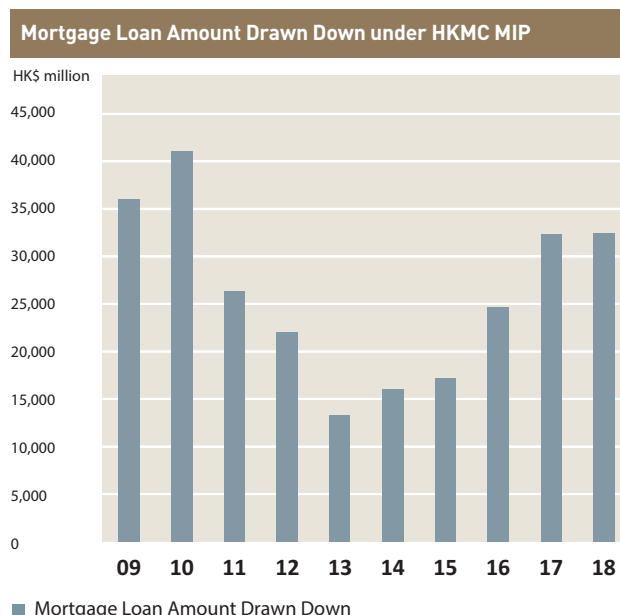
The MFS has a good mix of borrowers from different backgrounds and professions, and serviced young beauticians, make-up artists, interior designer, IT graduates, Chinese medicine practitioners, teachers and chefs etc. To promote the MFS among the youth and entrepreneurial community, the Group took part in a seminar organised by a local university and entrepreneurial training courses organized by a NGO to introduce the MFS to their students.

Mortgage Insurance Programme

The Mortgage Insurance Programme (**MIP**) helps potential homebuyers who are struggling to come up with a substantial down payment for the purchase of a property. From a banking industry perspective, the MIP allows banks to engage in higher loan-to-value lending without incurring additional credit risk and jeopardising the stability of the banking system. The MIP creates a win-win situation for both homebuyers and banks.

Over the years, the MIP has firmly established itself as an integral part of mortgage financing in Hong Kong. Demand for the MIP remained steady in 2018, and the volume of loans drawn down under the MIP increased slightly to HK\$32.5 billion in 2018 from HK\$32.3 billion in 2017 (**Figure 7**). About 88% of the MIP loans drawn (in terms of loan amount) were secured on properties in the secondary market. This demonstrates the importance of the MIP to homebuyers in the secondary market.

Figure 7



Source: The Hong Kong Mortgage Corporation Limited

During the year, the Group joined participating banks to promote the MIP through various promotional channels. Since 1999, the MIP has helped more than 141,600 families achieve the dream of home ownership, with an aggregate loan drawdown of HK\$367 billion.

Since its establishment in 1997, the Group has been committed to promoting wider home ownership as one of its missions. In order to enhance homebuyers' ability to afford down payment, the MIP was extended to cover projects under the Flat-for-Sale Scheme and the Subsidised Sale Flats Project under the Secondary Market Scheme of the Hong Kong Housing Society (**HS**) with effect from late September 2018.

In response to the Government's announcement in June 2018 in respect of the non-joint venture redevelopment project of the Starter Homes Pilot Project of the Urban Renewal Authority (**URA**), the Group announced it would provide mortgage insurance to enable buyers of the units of the URA's Starter Homes Pilot Project at Ma Tau Wai Road, To Kwa Wan to apply for mortgage loans of up to 90% LTV ratio.

Reverse Mortgage Programme

The Reverse Mortgage Programme (**RMP**) aims at providing retirees an additional financial planning option to enhance their quality of life. Under the RMP, borrowers can use their residential properties in Hong Kong as security to borrow from a participating bank. The borrowers will remain as the owner of their properties. They will receive monthly payouts either over a payment term of fixed period or throughout their entire life, and they may also borrow lump-sum payouts for specific purposes.

The Group has been promoting the development of retirement planning market as one of its missions. With its ongoing and focused educational initiatives, the RMP has gained increasing receptiveness in the community and has recorded a steady annual growth of 7.5% in the applications received compared with 2017. In recognition of its efforts devoted to promoting financial education in Hong Kong, the Group was proudly awarded the inaugural Financial Education Champion by the Hong Kong Strategy for Financial Literacy, which recognises organisations that have contributed to the development and improvement of overall financial literacy in Hong Kong. Looking ahead, the Group is prepared to press on with its mission and establish its role in promoting retirement planning market to cater for the needs of retirees and the public.

Understanding that a wide distribution network is crucial to drawing more potential customers, the Group has been working closely with its business partners and trying to extend its distribution network by leveraging banks' local branches. To reach out to the target audience at the district level, a series of roving exhibitions were held in collaboration with banks, during which exhibition panels were displayed highlighting features of the RMP while games booths were set up to deepen visitors' understanding of

the RMP. At the roving exhibitions, staff members of the Group and representatives from banks actively engaged the participants and responded to their enquiries. The roving exhibitions, which lasted for nine consecutive months and covered districts all over Hong Kong Island, Kowloon and the New Territories, were effective in engaging the target audience and educating them on the initiatives of the RMP as an alternative option of retirement planning.

To keep the momentum going, the Group joined forces with banks to organise more than 20 public seminars during the year and participated in an expo on wealth management in August. The responses to these events were positive, with an average attendance of 50 to 100 participants recorded in each seminar. Many in the audience showed keen interest in the RMP and asked sophisticated questions about the product, such as how the RMP could help enhance the quality of their retirement life. Apart from banks, the Group worked closely with other business counterparts, such as NGOs, professional bodies, universities and government departments, in lining up introductory talks on the RMP. In 2018, the Group was invited by different sectors to speak at around 30 public talks to introduce the RMP as a means of achieving quality retirement life.

Alongside local promotions, advertising initiatives were undertaken on multiple fronts to appeal to the mass public. RMP commercials were broadcast on major television and radio channels and online media platforms such as YouTube, and at banks' local branches. On the other hand, the Group strived to foster close relations with the media via regular media interviews and briefings. In the light of the aging population and heightened awareness of retirement planning, the Group will continue to put forward educational initiatives and consolidate concerted efforts of stakeholders to promote the development of retirement planning market to retirees and people of all ages.

Premium Loan Insurance Scheme

As commissioned by the Financial Secretary in the 2015-16 Budget, the Group launched the Premium Loan Insurance Scheme (**PLIS**) in September 2015. The scheme provides a platform for owners of subsidised housing properties who are aged 50 or above to finance their land premium payments to the Hong Kong Housing Authority (**HA**), the HS or the Government.

Under the PLIS, borrowers are granted loans by banks against their subsidised housing properties as security, primarily for settling premium payments to the HA, the HS or the Government. The Group acts as an insurer by assuring participating banks that losses arising from any possible shortfall at the time of selling the property will be covered when the loan is terminated. By the end of 2018, the Group had approved 12 PLIS applications since its inception, with an average appraised property value of around HK\$4 million and an average lump-sum payout amount of HK\$880,000 for the settlement of premium payments.

During the first three quarters of the year, rising property prices and falling rental yields dampened market demand for premium payment by owners of subsidised sale flats. Meanwhile, the enhancement of the RMP in October 2016 to cover subsidised sale flats with unpaid premiums provided a direct channel for subsidised sale flat owners to apply for reverse mortgages without the need to settle premium payment.

In order to achieve synergy with the Group's reverse mortgage business, promotions on the PLIS were carried out jointly with the RMP through public seminars, during which marketing materials were distributed to communicate product features to the potential customers. Besides, television and radio commercials were run on mainstream broadcast channels and at banks' local branches to reach out to target customers.

Extension of 80% guarantee product under the SME Financing Guarantee Scheme (80% SFGS)

As part of the package of support measures announced in the 2012-13 Budget for local SMEs to tide them over in the uncertain global economic environment, the Group promulgated time-limited special concessionary measures under the market-based SFGS, providing 80% guarantee on eligible loan facilities at a substantially lowered guarantee fee rate (**80% SFGS**). Backed by the Government's total guarantee commitment of up to HK\$100 billion, the 80% SFGS helps SMEs obtain loans for general working capital or purchase of equipment or other assets to support business operations. The Group administers the 80% SFGS on prudent commercial principles. The guarantee fees are set aside to pay default claims from participating lenders and out-of-pocket expenses to be incurred under the arrangement. A total of 31 Authorized Institutions (**AIs**) are participating in the SFGS as lenders.

In the light of the uncertain external economic environment and trade performance, the application period of the 80% SFGS was extended seven times to the end of June 2019. In addition, in a bid to alleviate the financing burden of borrowers, the guarantee fee rates for the 80% SFGS were reduced by 10%, and the minimum annual guarantee fee rate of 0.5% was removed with effect from 1 June 2016. To further relieve the financing burden of local SMEs and help them to obtain financing, the Government launched the following enhancement measures with effect from 19 November 2018, and valid until end-June 2019 –

1. halving the annual guarantee fee rate;
2. increasing the maximum facility amount from HK\$12 million to HK\$15 million; and
3. lengthening the maximum guarantee period from five years to seven years.

Further to the SFGS communication campaign started in 2016, the Group continued to communicate closely with participating lenders, SME associations and chambers of commerce and industry. It also shared success stories of SMEs to enhance understanding and promote public awareness of the 80% SFGS.

During the year, the Group arranged regular training and workshops for lenders' staff members and shared business and claim statistics with lenders to enhance transparency and promote more active use of the 80% SFGS. The Group introduced the SFGS in seminars for SMEs and sponsored the World SME Summit organised by The Hong Kong General Chamber of Small and Medium Business in the SmartBiz Expo in December 2018 to increase public awareness of the 80% SFGS.

The 80% SFGS has been well received by the market. As at 31 December 2018, the Group had approved more than 14,500 applications for loans amounting to HK\$58.5 billion. More than 8,500 local SMEs and more than 224,700 related employees have benefited under the SFGS.

HKMC Annuity Plan

Enhancing the quality of living of the elderly after their retirement is one of the key policy focuses of the Government. Following the announcement of a feasibility study of a life annuity scheme in the 2017-18 Budget, HKMC Annuity Limited (**HKMCA**) was established on 29 June 2017 to implement and operate the scheme to address the increasing demand for better retirement financial support and to facilitate better retirement planning.

Subsequently, the HKMCA announced on 5 July 2018 the official launch of a life annuity scheme, HKMC Annuity Plan (**Plan**), with the aim of providing a retirement financing option to the elderly aged 65 or above and to facilitate their retirement planning by helping them to turn cash lump sums into lifelong streams of fixed monthly income so that they can better enjoy the rest of their lives, and to promote the development of the local annuity market.

The Plan is an insurance product. The insured can start receiving a guaranteed stream of fixed income immediately after paying a single premium. The annuity is payable monthly for as long as the insured lives, allowing the elderly to receive a stable monthly income for life and address the longevity risk.

Open registration for the first tranche of sales took place from 19 July to 8 August 2018, during which the applicants could register their intention to subscribe to the Plan, either through 20 retail banks in Hong Kong or via the HKMCA website. For the first tranche of the Plan, the HKMCA recorded a total of 9,410 registrations of subscription intention, with a total subscription amount and average subscription amount at around HK\$4.94 billion and HK\$525,000 respectively. Sales appointments commenced on 24 September 2018, with the licensed banks completing the applications with the applicants at the delegated bank branches while the HKMCA has set up an Application Servicing Centre to conduct sales appointments.

To meet the objectives of public education and promotion, a publicity campaign has been carried out to promote the concept of life annuities and longevity risk since March 2018. Multiple advertising channels, such as TV and radio commercials as well as print and outdoor advertisements, were utilised to convey the message to the target audience. To reach into the community, three sessions of roving exhibitions, 25 seminars and talks and a number of media interviews were conducted to communicate with the public on the concept of life annuities and to answer their enquiries. The achievements of the campaign included encouraging a widespread discussion in the community related to life annuities and other retirement financial planning products, and increasing the public awareness.

The subscription result of the first tranche of the Plan showed that there was a certain demand among retirees for life annuities. In view of this, the HKMCA re-opened distribution of the Plan and introduced three enhancement measures and a year-round continuous sales model on 12 December 2018. The enhancements introduced offer a greater protection and flexibility to the customers, thereby enabling them to apply for the Plan with a greater sense of security. The adoption of the continuous sales model can also enable customers to experience a more convenient and efficient application process and have a clearer understanding of the product features. The HKMCA will continue to strengthen the public awareness on the longevity risk and the utilisation of the Plan as part of their retirement solution.

As at 31 December 2018, a total of 5,422 policies had been issued, with total premiums received at around HK\$2.8 billion and the average premium amount at HK\$513,000 since the launch of the Plan in July 2018. Stimulated by the inaugural launch of the Plan, the local annuity market has undergone a rapid growth as reflected in a responsive size expansion in the year.

Financial Review

Financial Review

The global economy continued its growth in 2018, notwithstanding some momentum appeared to lose in the second half of the year. The trade conflict between the US and China, coupled with the continued normalisation of monetary policy by major advanced economies, clouded the global economic sentiment and led to heightened global financial volatility. In Mainland China, growth momentum showed some moderation but economic restructuring remained on track.

Hong Kong's economic growth moderated from 4.1% in the first half of 2018 to 2.1% in the second half of the year, with an overall 3% in 2018, higher than the trend growth rate of 2.8% over the past decade on the back of solid domestic and external demands. Inflation edged up to a still-moderated level in 2018, with a slight uptick in inflation momentum reflecting both external and domestic price pressures. At the same time, the labour market tightened further along with a decline in the unemployment rate to 2.8%, the lowest in more than 20 years. However, investment and business sentiment worsened. The negative sentiment has taken effect in the financial markets. Downside risk to growth has increased amid stronger external headwinds.

Income Statement

Financial Performance

Profit attributable to shareholders for 2018 was HK\$127 million (2017: HK\$806 million) (**Table 1**). The decrease in profitability mainly reflected the accounting loss due to the annuity business of the HKMCA for maintaining prudent statutory reserves based on actuarial assumptions, the non-recurrence in 2018 of a one-off investment disposal gain in 2017, the decrease in exchange gains mainly arising from the revaluation of US dollar exposures in cash and debt investments, and resources utilised for supporting certain policy initiatives. Accordingly, return on equity reduced to 0.9% (2017: 8.6%) while cost-to-income ratio increased to 86.0% (2017: 26.8%). Notwithstanding the reported loss of the HKMCA, the embedded value (i.e., the sum of the total equity and present value of future profits) of its annuity business at the end of 2018 was about HK\$5.2 billion,

indicating that the business should be profitable in the long term. The capital adequacy ratio (**CAR**) remained solid at 26.8% (2017: 21.0%), which was well above the minimum requirement of 8% stipulated by the Financial Secretary. For the insurance subsidiaries in compliance with the capital requirements stipulated by the Insurance Authority (**IA**), the solvency ratios of the HKMCI and the HKMCA as at the end of 2018 were about 42 times and 34 times respectively.

Table 1

Summary of financial performance	2018 ¹	2017
	HK\$ million	HK\$ million
Operating profit before impairment	67	829
Profit before tax	67	829
Profit attributable to shareholders	127 ¹	806
Return on shareholders' equity	0.9% ¹	8.6%
Cost-to-income ratio	86.0% ¹	26.8%
Capital adequacy ratio	26.8% ¹	21.0%

¹ For comparison purposes, the adjusted profit attributable to shareholders, return on shareholders' equity and cost-to-income ratio for 2018 would be HK\$515 million, 5.1% and 36.7% respectively after excluding the results of the HKMCA.

Net Interest Income

Owing to the increase in average interest-earning assets (mainly from cash and debt investments), partly offset by the tightening of Prime-HIBOR spread on loan portfolio, the HKMC Group earned a net interest income of HK\$536 million, HK\$28 million higher than that for 2017. The net interest margin was maintained at 1.1% (**Table 2**).

Table 2

Net Interest Income	2018	2017
	HK\$ million	HK\$ million
Net interest income	536	508
Average interest-earning assets	50,972	48,027
Net interest margin	1.1%	1.1%

Net Mortgage Insurance Premium Earned

New business underwritten under the MIP increased slightly to HK\$32.5 billion in 2018 from HK\$32.3 billion in 2017. The net premium receipts were amortised and recognised as income in accordance with the unexpired risks. Taking into account upfront incentives to banks, and claims incurred and provision of HK\$3.7 million (2017: HK\$1 million), the net premium earned was HK\$222 million (2017: HK\$196 million).

Net Insurance-related Results for Annuity Business

Net insurance-related results for annuity business (i.e., the sum of net premiums earned, net claims incurred, benefits paid, movement in policyholders' liabilities, and commission and levy expenses) recorded a loss of HK\$550 million (2017: nil) mainly due to the prudent statutory reserving based on actuarial assumptions, whereas the investment returns on capital and premiums placed with the Exchange Fund were grouped under other income.

Other Income

Other income was HK\$250 million (2017: HK\$414 million), mainly including investment income from placements with the Exchange Fund of HK\$185 million (2017: nil) and dividend income from investments of HK\$59 million (2017: HK\$83 million).

Operating Expenses

The Group continues to maintain stringent cost controls to contain expenses and improve operating efficiency. Operating expenses rose 35.5% year-on-year to HK\$412 million, largely attributable to the implementation of the annuity business, which was less than budgeted. Staff costs, which were contained at 62.5% of total operating expenses, amounted to HK\$258 million (2017: HK\$196 million). Premises rentals and related costs were HK\$59 million (2017: HK\$39 million).

Allowance for Loan Impairment

Asset quality remained strong, with the delinquency ratio of the Group's mortgage portfolio staying low at 0.02% (2017: 0.06%). Taking into account the rundown in loan portfolio, and the low average current loan-to-value ratio of retained loan portfolio, a provision on loan impairment allowance of HK\$0.02 million was recorded in 2018 according to the approved prudent provisioning policy. During the year, loans written off amounted to HK\$1 million (2017: HK\$2 million) with a recovery of HK\$1 million (2017: HK\$1 million).

Segmental Analysis

Table 3 below sets out the profit before tax contributed by various business segments for 2018.

Table 3

Year ended 31 December 2018	Asset Purchase and Servicing HK\$ million	General Insurance HK\$ million	Life Insurance HK\$ million	Total
Profit/(Loss) before tax	360	173	(466)	67

In 2018, the Group reviewed and redefined its business segments after the completion of group restructuring and the launch of the annuity business, in order to provide clear and concise information. The asset purchase and servicing segment represents the results of the loan acquisition and servicing business as well as other activities, such as debt issuance. The general insurance segment represents the results of insurance and guarantee businesses under the MIP, the RMP, the PLIS and the SFGS. The life insurance segment represents the results of the annuity business, i.e., the HKMC Annuity Plan.

The profit before tax in 2018 for asset purchase and servicing was HK\$360 million, mainly arising from net interest income of the loan and investment portfolios. General insurance's profit before tax in 2018 was HK\$173 million, mainly attributable to net premiums earned from MIP and RMP. Life insurance recorded a loss before tax of HK\$466 million in 2018, mainly due to the prudent statutory reserves based on actuarial assumptions provided for the annuity business of the HKMCA, partially offset by the investment returns from capital and premium placements with the Exchange Fund. Notwithstanding the reported loss of the HKMCA, the embedded value¹ of its annuity business at the end of 2018 was about HK\$5.2 billion indicating that the business should be profitable in the long term.

Financial Position

Loan Portfolio

During the year, the Group purchased Hong Kong loan assets of about HK\$0.3 billion (2017: HK\$0.3 billion). After accounting for prepayments and repayments during the year, the outstanding balance of the loan portfolio recorded a rundown of HK\$1.4 billion, leaving an outstanding balance of HK\$6.4 billion.

Investment Securities

The Group adopts a prudent, low-risk approach in managing its surplus funds and investment activities in accordance with the investment guidelines approved by the Board. As at 31 December 2018, the total investment portfolio was HK\$17.2 billion (2017: HK\$17.4 billion), which included debt investments of HK\$16.6 billion and exchange-traded bond funds and real estate investment trusts of HK\$0.6 billion. There was no default loss from debt investments.

Placements with the Exchange Fund

As at 31 December 2018, the placements with the Exchange Fund arising from the capital and premium investments of the HKMCA amounted to HK\$7.7 billion (2017: nil).

Debt Securities Issued

In 2018, the Group issued HK\$34.1 billion of debt securities under the MTN Programme. All the non-Hong Kong dollar debts issued under the MTN Programme were hedged into Hong Kong dollars or US dollars. The Group continued to adopt a prudent pre-funding strategy, with the total outstanding balance of the debt securities maintained at HK\$37.3 billion as at 31 December 2018 (2017: HK\$34.8 billion).

Key Off-balance Sheet Exposure

Mortgage Insurance Programme

The Group operates the MIP on a risk-sharing basis with approved reinsurers. At the end of 2018, the total risk-in-force was about HK\$23.7 billion (2017: HK\$21.1 billion), of which HK\$4.0 billion (2017: HK\$3.5 billion) was ceded to approved reinsurers. The off-balance sheet risk-in-force exposure borne by the Group increased to HK\$19.7 billion (2017: HK\$17.6 billion).

The provision for outstanding claims remained steady at 0.1% of the retained risk-in-force at year-end. The delinquency ratio remained healthy at 0.002% (2017: 0.003%).

Reverse Mortgage Programme

The Group operates the RMP as an insurer to provide mortgage insurance cover for a premium on reverse mortgage loans advanced by participating banks in Hong Kong. After taking into account the undrawn future payout of reverse mortgage loans, the risk-in-force exposure borne by the Group increased to HK\$9.6 billion (2017: HK\$6.9 billion), with the corresponding outstanding loan balance totalling HK\$1.6 billion as at 31 December 2018.

¹ The embedded value is the sum of the total equity and the present value of future profits. The total equity includes HK\$5 billion of capital injected to the HKMCA in April 2018.

Capital Management

In order to ensure that the Group would not incur excess risk when expanding its business and balance sheet in proportion to its capital base, capital adequacy and the use of capital were monitored closely by the Group. During the year, the Group was in compliance with the Guidelines on Capital Adequacy Ratio (**Guidelines**) issued by the Financial Secretary with reference to the Basel II risk-based capital adequacy framework.

In accordance with the Guidelines, the calculation of the CAR follows the basis of consolidation for financial reporting with the exclusion of regulated subsidiaries which are subject to separate requirements on the maintenance of adequate capital (i.e., the HKMCI and the HKMCA, as regulated by the IA). After excluding the investment cost of these unconsolidated regulated subsidiaries, the CAR remained solid at 26.8% as at 31 December 2018, well above the minimum ratio of 8% stipulated in the Guidelines on CAR.

The solvency ratios of the HKMCI and the HKMCA as at 31 December 2018 were about 42 times and 34 times respectively, well above the respective 200% and 150% minimum regulatory requirements stipulated by the IA.

Dividend

Having considered the capital requirements for business development, no dividend was declared for 2018 (2017: Nil).

Risk Management

Risk Management

The Group operates on prudent commercial principles. The principle of “prudence before profitability” guides the design of the overall risk management framework and disciplines its uses in day-to-day business execution. Over the years, the Group has continuously made refinements to its well-established, robust and time-tested risk management framework to reflect changes in the markets and its business strategies.

The Board is the highest decision-making authority of the Group and holds the ultimate responsibility for risk management. The Board, with the assistance of the Corporate Risk Management Committee (**CRC**), has the primary responsibility of formulating risk management strategies in the risk appetite statement and of ensuring that the Group has an effective risk management system to implement these strategies. The risk appetite statement defines the constraints for all risk-taking activities and these constraints are incorporated into risk limits, risk policies and control procedures that the Group follows to ensure risks are managed properly.

The CRC is responsible for overseeing the Group’s various types of risks, reviewing and approving high-level risk-related policies, overseeing their implementation, and monitoring improvement efforts in governance, policies and tools. Regular stress tests are reviewed by the CRC to evaluate the Group’s financial capability to weather extreme stress scenarios.

The CRC is chaired by an Executive Director, with members including the Chief Executive Officer, Senior Vice Presidents, General Counsel and senior staff from the Risk Management Department.

The Group manages primarily credit risk, market risk, longevity risk, property risk, operational risk, legal and compliance risk, and leveraging risk arising from its loan assets, guarantee portfolio, infrastructure loans, annuity business and investment portfolio.

In addition to the CRC, the HKMC manages different risks through different management committees such as Infrastructure Financing and Securitisation Investment Committee (**IFSIC**), Credit Committee (**CC**), Transaction Approval Committee (**TAC**), Asset and Liability Committee (**ALCO**), Operational Risk Committee (**ORC**) and Longevity Risk Committee (**LRC**). Other than IFSIC which is chaired by Executive Director, all of these management committees are chaired by Chief Executive Officer with members including the relevant Senior Vice Presidents, General Counsel, and senior staff from the relevant functional departments.

The insurance subsidiaries also have their own Risk Committee (**RC**) to monitor the insurance risk and other relevant risk. The RC is chaired by an Executive Director of the insurance subsidiaries with members including the Chief Executive Officer, the relevant Senior Vice Presidents and senior staff from the relevant functional departments of the insurance subsidiaries. The RC of the HKMCA includes independent and non-executive directors to provide independent risk oversight on its operation.

Credit Risk

Loan Assets and Guarantee Portfolio

The Group maintains loan and guarantee portfolios of retail and commercial loan assets, which primarily comprise mortgage loans. Credit risk is the Group’s primary risk exposure. It represents the default risk presented by loan borrowers and counterparties.

(a) Default risk

To effectively address default risk, the Group adopts a four-pronged approach to safeguard and maintain the quality of its assets, MIP and SME guarantee portfolios:

- careful selection of counterparties, including Approved Sellers, Servicers, Reinsurers and Lenders
- prudent eligibility criteria for asset purchase, insurance and guarantee application
- effective due diligence processes for mortgage purchase, default loss, insurance and guarantee claims
- enhanced protection for higher-risk transactions.

Losses may arise if there are shortfalls in the recovery amount received for defaulted loans that fall under the Mortgage Purchase Programme (**MPP**). To mitigate this default risk, the Group establishes prudent loan purchasing criteria and conducts effective due diligence reviews as part of the loan purchase process to maintain the credit quality of loans. In addition, depending on the projected risk exposure of each underlying loan portfolio, credit enhancement arrangements are agreed upon with Approved Sellers on a deal-by-deal basis to reduce credit losses that could arise from the borrower’s default.

Losses may also arise from default on loans under the MIP's insurance coverage. Each MIP application is underwritten by the Group in accordance with a set of eligibility criteria and each claim from a participating bank is reviewed by the Group to ensure the fulfilment of all MIP coverage conditions. As a result, the default risk for loans with MIP coverage has been greatly reduced. To reduce the risk of possible concentration of this default risk, the Group transfers a portion of the risk-in-force to Approved Reinsurers through reinsurance arrangements.

Similarly, losses may arise from a borrower's default on loans in the SME guarantee portfolio. The borrower's default risk of each guarantee application is assessed by the lender in accordance with their credit policies. In addition, the Group adopts prudent eligibility criteria, conducts administrative vetting and credit reviews to better understand the credit quality of the applications, and carries out a due diligence review on each default claim to ensure the loan's compliance with the Group's eligibility criteria and the lenders' internal credit policies.

In addition, the Group adopts a three-pronged approach to manage the default risk under the MFS, comprising: (a) prudent assessment of borrowers' repayment capability; (b) a vetting panel to consider business viability and approval of the loan applications; and (c) the provision of training and mentoring support to borrowers.

Credit performances of the loan and guarantee portfolios are tracked and reported on a regular basis to provide management with an updated credit profile to monitor the operating environment closely for any emerging risks to the Group, and to implement risk-mitigating measures in a timely way.

(b) *Seller/Service counterparty risk*

Counterparty risks may arise from the failure of a Seller/Service of an acquired portfolio to remit scheduled payments to the Group in a timely and accurate manner.

The Approved Sellers/Service are subject to a risk-based eligibility review and ongoing monitoring of their loan servicing quality and credit standing.

(c) *Reinsurer counterparty risk*

Reinsurer counterparty risk refers to the failure of an Approved Reinsurer to make claim payments to the Group. To mitigate reinsurer counterparty risk effectively, the Group has established a framework for the assessment of mortgage reinsurers' eligibility and requested collateral on the risk exposures.

The Group performs annual and ad-hoc reviews of each Approved Reinsurer to determine the eligibility for ongoing business allocation and risk-sharing portions.

(d) *Treasury counterparty risk*

Treasury counterparty risk arises when there is a delay or failure from treasury counterparties to make payments with respect to treasury instruments transacted with the Group. Treasury counterparties are managed by a ratings-based counterparty assessment framework and a risk-based counterparty limit mechanism. The treasury counterparties are continually monitored and the counterparty limits are adjusted based on the assessment results.

Furthermore, the Group has set up bilateral collateral arrangements with major swap counterparties to mitigate treasury counterparty risk.

(e) Lender risk

The Group is exposed to lender risk in SME lending that arises from: (a) a lender's underwriting being non-compliant with its credit policy; (b) a lender's loosely formulated credit policy that is not specific enough or sufficiently defined for compliance; and (c) the moral hazard of a lender being less prudent in underwriting a guarantee-protected application. The Group manages lender risk through the review of the lenders' credit policies and the due diligence reviews on claims.

At the heart of the credit risk management framework are the CC, TAC or the RC as in the case of the insurance subsidiaries.

The CC or RC as appropriate is responsible for setting the credit policies and eligibility criteria. The CC or RC as appropriate is the approval authority for accepting applications to become Approved Sellers/Service providers under the MPP, Approved Reinsurers under the MIP, Approved Lenders under the SFGS and eligible treasury counterparties. It is also responsible for setting risk exposure limits for counterparties. The CC and RC monitor the operating environment closely and put in place timely risk mitigating measures to manage the credit risk.

TAC or the RC as appropriate conducts an in-depth analysis of pricing economics and associated credit risks for business transactions, while taking into consideration the latest market conditions and business strategies approved by the Board.

Infrastructure Loans

The Group acquires infrastructure loans and intends to establish an infrastructure securitisation platform to offload those loans in the form of securitised debt securities.

Infrastructure financing risk mainly arises when the borrower of an infrastructure project fails to meet its repayment obligations. This may typically arise from construction risk, demand risk, political risk and counterparty risk.

Construction risk arises when a project fails to be completed within specifications and schedule; demand risk is the risk that revenue derived from a project falls below expectation; political risk arises when the project is adversely impacted by political actions; counterparty risk arises when key counterparties fail to meet their contractual obligations.

In addition, environmental and social risk arises when a project fails to observe the environmental, social and governance standards which gives rise to adverse financial or reputational issues with the project financier.

Legal and compliance risks arise from uncertainty in the applicability or interpretation of contracts, laws and regulations, and failure to comply with legal, statutory and regulatory obligations when borrowers of the project fail to maintain a robust corporate governance and compliance framework.

The infrastructure financing risk is managed through prudent underwriting criteria, in-depth due diligence reviews conducted by in-house expertise and independent consultants, strong project structures and robust financing documentation, and an ongoing monitoring and review mechanism. A dedicated division, inclusive of an independent risk control unit, is established to perform the day-to-day risk management for infrastructure investments.

IFSIC is the governing forum to manage the infrastructure investments. The IFSIC is responsible for overseeing compliance with rules, guidelines and policies in relation to infrastructure finance, and for approving and monitoring the infrastructure investments.

Market Risk

Market risk arises when the Group's income or the value of its portfolios decreases due to adverse movements in market prices. Market risk consists of interest rate risk, asset-liability maturity mismatch risk, liquidity risk and currency risk.

(a) *Interest rate risk*

Net interest income is the predominant source of earnings for the Group. It represents the excess of interest income (from the Group's loan portfolio, cash and debt investments) over interest expenses (from debt issuance and other borrowings). Interest rate risk arises when changes in market interest rates affect the interest income associated with the assets and/or interest expenses associated with the liabilities.

The primary objective of interest rate risk management is to limit the potential adverse effects of interest rate movements on interest income/expense while maintaining stable earnings growth. The interest rate risk faced by the Group is two-fold, namely interest rate mismatch risk and basis risk. Interest rate mismatch risk is the most substantial risk affecting the Group's net interest income. It arises mainly as a result of the differences in the timing of interest rate re-pricing for the Group's interest-earning assets and interest-bearing liabilities. Interest rate mismatch risk is most evident in those loan portfolios where the majority of the loans are floating-rate assets (benchmarked against the Prime Rate or HIBOR Rate), while the majority of the Group's liabilities are fixed-rate debt securities. The Group makes prudent use of a range of financial instruments, such as interest rate swaps, interest rate swaptions, basis swaps, forward rate agreements and issuances of MBS, to manage interest rate mismatch risk. The proceeds of the fixed-rate debt securities are generally swapped into HIBOR-based funds via interest rate swaps to better match the floating-rate incomes from mortgage assets.

The Group also uses duration gap as an indicator to monitor, measure and manage interest rate mismatch risk. Duration gap measures the difference in interest rate re-pricing intervals between assets and liabilities. The wider the duration gap, the higher the interest rate mismatch risk. A positive duration gap means the duration of assets is longer than that of the liabilities and, therefore, represents greater risk exposure to rising interest rates. A negative duration gap, in contrast, indicates greater risk exposure to declining interest rates.

Depending on the prevailing interest rate outlook and market conditions, the Group proactively re-balances the duration gap of its asset-liability portfolio under the guidance and supervision of ALCO.

Basis risk represents the difference in benchmark rates between the Group's Prime-based interest-earning assets and its HIBOR-based interest-bearing liabilities. However, there are only limited financial instruments available in the market to fully hedge the Prime-HIBOR basis risk. In general, basis risk can be effectively addressed only when assets are based on HIBOR to match the funding base, or when related risk management instruments become more prevalent or economical. Over the past few years, the Group has consciously adopted a strategy that acquires more HIBOR-based assets. As a result, the Prime-HIBOR basis risk for the Group has been substantially reduced. In addition, the Group has issued Prime-based MBS and used hedging derivatives to mitigate such basis risk.

(b) *Asset-liability maturity mismatch risk*

The actual average life of a portfolio of mortgage loans and infrastructure loans, which is usually shorter than their contractual maturity, depends on the speed of scheduled repayments and unscheduled prepayments. Higher prepayment rates shorten the average life of a portfolio of mortgage loans. In Hong Kong, prepayment occurs for two main reasons: (i) housing turnover: borrowers repaying their mortgage loans upon the sales of the underlying properties, and (ii) refinancing: borrowers refinancing their mortgage loans to obtain lower mortgage rates.

Asset-liability maturity mismatch risk can be more specifically characterised as reinvestment risk and refinancing risk. Reinvestment risk refers to the risk of a lower return from the reinvestment of proceeds that the Group receives from prepayments and repayments of its loan portfolio. Refinancing risk is the risk of refinancing liabilities at a higher level of interest rate or credit spread. The Group is exposed to refinancing risk (in funding amount and cost of funds) when it uses short-term liabilities to finance long-term, floating-rate loan portfolios. Reinvestment risk is managed through the ongoing purchase of loan assets to replenish the rundown in the retained portfolios and through the investment of surplus cash in debt securities or cash deposits to fine-tune the average life of the overall asset pool. In addition, the Group uses the issuance of callable bonds and transferable loan certificates to mitigate reinvestment risk. The call option embedded in callable bonds and transferable loan certificates allows the Group to adjust the average life of its liabilities to match more closely with that of the overall pool of assets.

The Group manages its refinancing risk through flexible debt securities issuance with a broad spectrum of maturities. This serves to adjust the average life of the overall liability portfolio in a dynamic fashion. In addition, refinancing risk can be mitigated by adjusting the maturities of assets in the investment portfolio, or off-loading loan assets through the securitisation of loans into MBS and securitised debt securities. The Group uses the asset-liability maturity gap ratio to measure, monitor and manage asset-liability maturity mismatch risk to ensure a proper balance between the average life of the Group's assets and liabilities.

(c) *Liquidity risk*

Liquidity risk represents the risk of the Group not being able to repay its obligations, such as the redemption of maturing debt, or to fund the committed purchases of loan portfolios. The Group implements its liquidity risk management framework in response to changes in market conditions. The Group continuously monitors the impact of market events on its liquidity position, and pursues a prudent pre-funding strategy to help contain the impact of any global financial turmoil on its liquidity. Liquidity risk is managed by monitoring the daily inflow and outflow of funds, and by projecting the longer-term inflows and outflows of funds across the full maturity spectrum. The Group uses the liquid asset ratio to measure, monitor and manage liquidity risk.

Given its strong background as a wholly government-owned entity and its solid credit rating, the Group is efficient in raising funds from debt markets with both institutional and retail funding bases. This advantage is supplemented by the Group's portfolio of highly liquid investments, which is held to enable a swift and smooth response to unforeseen liquidity requirements. The HK\$30 billion Revolving Credit Facility from the Exchange Fund further provides the Group with a liquidity fallback even if exceptional market strains last for a prolonged period.

The Group manages pre-funding prudently through well-diversified funding sources, so all foreseeable funding commitments are met when they fall due. This supports the growth of its business and the maintenance of a well-balanced liability portfolio. Such diversification allows the Group to pursue a pre-funding strategy at the lowest possible cost, while offering safeguards against the difficulty of raising funds in distorted market conditions. The current funding sources are illustrated in **Table 1** below:

Table 1: Current Funding Sources for the Group

Funding Source	Description
US\$6 billion Medium Term Note Programme	An extensive dealer group is appointed to underwrite and distribute local and foreign currency debt to international institutional investors under the programme
HK\$40 billion Debt Issuance Programme	Primary Dealers and Selling Group Members underwrite and distribute debt to institutional investors under the DIP. The Transferable Loan Certificate Sub-Programme under the DIP provides further diversification of its funding sources and broadening of its investor base
HK\$20 billion Retail Bond Issuance Programme	Placing Banks use their branch networks and telephone and electronic banking facilities to assist the Group in offering retail bonds to investors
US\$3 billion Bauhinia Mortgage-Backed Securitisation Programme	This multicurrency, mortgage-backed securitisation programme permits the Group to originate MBS in both the local and international markets
Investment Portfolio	This portfolio comprises mainly cash and bank deposits, commercial paper, high-quality certificates of deposit, and notes that are readily convertible into cash
Money Market Lines	The Group has procured money market lines from a large number of local and international banks for short-term financing
HK\$30 billion Revolving Credit Facility	The Exchange Fund commits to providing the Group with HK\$30 billion in revolving credit

(d) *Currency risk*

Currency risk arises from the impact of foreign exchange rate fluctuations on the Group's financial position and foreign currency-denominated cash flows. The Group manages its currency risk strictly in accordance with the investment guidelines approved by the Board and under the supervision of the ALCO, which sets daily monitoring limits on currency exposure.

In accordance with this prudent risk-management principle, the net exposure of the foreign currency-denominated debts issued under the MTN Programme is fully hedged by the use of cross-currency swaps.

Transaction execution is segregated among the front, middle and back offices to ensure adequate checks and balances. The Treasury Department, acting as the front office, is responsible for monitoring financial market movements and executing transactions in the cash, derivatives, debt and securitisation markets in accordance with the strategies laid down by ALCO. The Risk Management Department, assuming the middle-office role, monitors compliance with treasury counterparty and market risk limits. The Operations Department, acting as the back office, is responsible for deal verification, confirmation, settlement and the payment process.

ALCO is responsible for the overall management of market risk. It follows the prudent risk management principles and investment guidelines approved by the Board. It is responsible for reviewing and managing the market risk, including interest rate risk, asset-liability maturity mismatch risk, liquidity and funding risk, and currency risk. Regular meetings are held to review the latest financial market developments and formulate relevant asset-liability management strategies.

Longevity Risk

Longevity risk under the RMP and PLIS refers to the heightening risk of longer and larger payouts. The longer the payout and loan period, the larger the loan balance will accrue over time, and the lesser the buffer will be from the sale of the property to cover the outstanding loan balance. A loss may arise if there is a shortfall in the recovery amount after the disposal of the property.

Longevity risk under the HKMC Annuity Plan (**Plan**) is the risk that the actual life expectancies of annuitants are longer than expected, resulting in a longer stream of monthly payouts, which in turn could materially impact the long-term sustainability of the Plan.

The termination rate of the loans under the RMP and PLIS and the annuity policies under the Plan depend largely on the mortality rate (that is, life expectancy) of the borrowers and the annuitants respectively. The Group takes on longevity risk through setting prudent actuarial assumptions in mortality rates as well as future improvement in life expectancy. Annual risk analysis is conducted to assess the potential financial impact of longevity risk, as well as the interaction among the various risk factors under the RMP and PLIS and the Plan. The mortality assumptions are reviewed on a regular basis.

The LRC is the governing forum that manages the longevity risk of the Group. Its duties include approving longevity risk management policies, hedging transactions and reviewing longevity experiences and exposures of the Group. It also monitors and analyses the general trend, technological changes and their implications for human longevity.

Property Risk

Property risk arises from fluctuation in the value of property that acts as collateral for the Group's loan and guarantee portfolios under the MPP, MIP, RMP and PLIS. The Group manages property risk by soliciting valuation from professional surveyor for each property securing a loan purchase or application, setting prudent assumptions in the recoverable value of the collateralised property, restricting maximum loan-to-value ratios of the loans under the relevant programmes and conducting stress tests to examine the impact of adverse market conditions.

The CC and RC are the governing forums that manage the property risk of the Group.

Placements with Exchange Fund

The HKMCA places its annuity premium receipts in the Investment Portfolio (**IP**) and Long Term Growth Portfolio (**LTGP**) of the Exchange Fund to earn interest. Furthermore, the HKMCA places its paid-up capital and retained earnings to the IP to manage the return on capital. The Group is exposed to market risk when the investment return falls short of the expected level. The risk of loss could result from adverse movements in interest rates, equity prices, property prices and foreign exchange rates. The Group actively monitors and reviews the investment portfolio to determine the strategic asset allocation between IP and LTGP.

The RC of the HKMCA is the governing forum for managing all the risks arising from the premium and capital placements.

Operational Risk

Operational risk represents the risk of losses arising from inadequacies, or the failure of internal processes, people or systems, or external interruptions.

The Group adopts a bottom-up approach to identify operational risk by conducting in-depth analyses of new products, business activities, processes, system enhancements and due diligence reviews of new operational flows. Comprehensive validation rules, management information system reports and audit trails are in place to track and report any errors or deficiencies.

The Group actively manages operational risk with its comprehensive system of well-established internal controls, authentication structures and operational procedures. The operational infrastructure is well designed to support the launch of new products in different business areas. Rigorous reviews are conducted before the implementation of operational or system infrastructure to ensure adequate internal controls are in place to mitigate operational risks.

To ensure an efficient and effective discharge of daily operations, the Group pursues advanced technological solutions alongside robust business logistics and controls to carry out its operational activities and business processes. Steps are taken to ensure the accuracy, availability and security of these systems. The Group also takes cautious steps to institute adequate checks and balances to ensure its operations are controlled properly. Effective internal controls help minimise financial risk and safeguard assets against inappropriate use or loss, including the prevention and detection of fraud.

Information Risk Management

The Group has set up the Information System Security Policy to govern the requirements of security standards and establishes controls over the confidentiality, integrity and availability of information assets for observance by all staff. The Group implements various information security measures to minimise its exposure to external attacks. Internally, the Group also implements security controls on its local area network to reduce damage in the event of a malicious intrusion. The Group engages external consultants when appropriate to conduct intrusion vulnerability tests to enhance system security. To ensure a high degree of compliance, the Group's mission-critical systems and processes are subject to regular review by internal auditors.

Furthermore, the Group has stepped up its supervisory efforts to enhance cyber resilience in two areas. First, a designated Information Risk Management Department (**IRM**) has been set up to define and implement the information risk management framework and governance of IT controls. Second, the IRM helps to ensure the Group has adequate awareness of, and compliance with, the information security policies, and to provide support for the investigation of any technology-related fraud and incidents.

Business Continuity Plan

The Group's business recovery plan ensures the maximum possible service levels are maintained at all units to support business continuity and minimise the impact of business disruption from different disaster scenarios. Each business unit regularly assesses the impact of disaster scenarios and updates recovery procedures. To ensure business recovery procedures are practical, an annual corporate-wide business continuity drill is conducted. Daily back-ups and offsite storage of back-up tapes are in place to protect the Group from IT disasters.

Product Sign-off Mechanism

To ensure all risk factors are considered when designing and implementing a new product, the Group has developed a product development management framework, under which a proper sign-off of product specification is conducted prior to the launch of any new product. The product driver is clearly assigned at the start of the product development process and is responsible for instituting the sign-off process. Products can be launched only after all functional departments have signed off and confirmed functional readiness.

Complaint-handling Mechanism

The Group makes a continuous effort to improve its core processes to ensure its products and services meet customers' expectations. To make sure customers' feedback is timely and properly attended to, the Group has a formal complaint-handling mechanism to track, report and handle complaints.

The ORC is responsible for ensuring all line functions in the Group maintain an effective operational risk and internal control framework. The ORC establishes key risk indicators to track the key operational risk items and monitor the effectiveness of the risk mitigating measures. Operational risk incidents that may potentially indicate a control weakness, a failure or non-compliance in internal processes are logged, reported and handled for operational risk management. The ORC is also responsible for providing directions and resolving issues related to policies, controls and the management of operational issues as well as

ensuring prompt and appropriate corrective actions in response to audit findings related to operational risks or internal controls.

Legal and Compliance Risk

Legal risk arises from uncertainty in the application or interpretation of laws and regulations, and any unenforceability or ineffectiveness of legal documents in safeguarding the interests of the Group. Compliance risk arises from the failure to comply with laws, regulations, codes of practice and industry practices applicable to the Group.

The Legal Office, headed by the General Counsel, advises the Group on legal matters with a view to controlling legal risk. When new products or business activities are considered, the Legal Office will advise on the relevant laws and the regulatory environment. It will also advise on the necessary legal documentation, and identify possible legal pitfalls with a view to protecting the interests of the Group. Where appropriate, external counsel will be engaged to assist the Legal Office in providing legal support to the Group. The Legal Office works closely with other departments in the Group to advise on legal issues and documentation.

The Compliance Function is part of the Legal Office and is led by the Chief Compliance Officer, who reports to the Chief Executive Officer through the General Counsel. Where appropriate, the Compliance Function will engage external counsel to advise on compliance matters. For a more detailed description of the Compliance Function and its work, please refer to the Compliance Reporting Section of the Corporate Governance Report.

The ORC is the governance committee for legal and compliance risks.

Leveraging Risk

To ensure the Group would not incur excessive risk when expanding its business and balance sheet in proportion to its capital base, the Financial Secretary, in his capacity as the Financial Secretary and not the shareholder, acted as the regulator of the Group, issued the Guidelines on Capital Adequacy Ratio (**CAR**) with reference principally to the Basel II risk-based capital adequacy framework. The minimum CAR is set at 8%. As at 31 December 2018, the Group's CAR was 26.8%.

The prudent use of regulatory capital is monitored closely in accordance with the capital guidelines. The Chief Executive Officer reports the CAR and the daily minimum ratio to the Board of Directors on a quarterly basis. An early warning system is also in place. If the CAR drops to the threshold level of 14%, the Chief Executive Officer will alert the Executive Directors and consider appropriate remedial actions. If the CAR falls to 12% or below, the Board of Directors will be informed and appropriate remedial actions will be taken.

Corporate Governance Report

Corporate Governance Report

Corporate Governance Practices

The missions of the Corporation are to promote:

- stability of the banking sector
- wider home ownership
- development of the local debt market
- development of retirement planning market.

The Corporation operates on prudent commercial principles and is committed to ensuring a high standard of corporate governance to improve the overall accountability, transparency and long-term sustainability of its operations. The Corporation's corporate governance practices are set out in its "Corporate Governance Code" (**Code**) approved by the Board. The Code is premised on the principles of fairness, transparency, accountability and responsibility to all stakeholders and has been issued to the shareholders, Directors and staff members. The Code is also available on the Corporation's website (www.hkmc.com.hk).

Monitoring of compliance with the Code starts with self-assessment by each department each year, which is to be followed by an independent review by the Chief Internal Auditor of the Control Self-assessment Forms completed by each department. A compliance report will then be submitted to the Board for review. The Board is empowered to require that appropriate action be taken in relation to any non-compliance.

In February 2019, the Chief Internal Auditor conducted an independent review of the Control Self-assessment Forms provided by each department in relation to the compliance with the Code for 2018. Based on the audit findings on the Corporation's internal controls systems and the completed Control Self-assessment Forms for the year, the Chief Internal Auditor was of the opinion that the Code had been complied with in all material respects.

Enhancements to the Corporate Governance Code

Maintaining a robust and sensible framework of corporate governance for the effective and prudent management of the Corporation is always a top corporate priority. To ensure that the Corporation's corporate governance practices are commensurate with the best standards, the Corporation will review the Code from time to time and will adopt any relevant development in corporate governance practices.

Shareholders

All the shares of the Corporation are beneficially owned by the Financial Secretary of Hong Kong as Controller of the Exchange Fund.

The Board

The Board is responsible for leading the Corporation and promoting its success in an accountable and effective manner. To provide strategic leadership and effective control of the Corporation, the Board meets in person at least four times a year to oversee the Corporation's business strategy and policies, budgeting and planning, organisational and financial performance, risk management, human resources as well as community relations. In order to ensure that well-balanced decisions are made by the Board, the composition of the Board includes officials from the Government, representatives from political parties, banking sector, the accounting and legal professions, and also the Consumer Council. Directors are encouraged to attend Board meetings to ensure that issues are properly discussed.

The Code requires that Directors are provided with appropriate information before Board meetings to enable them to be updated on the affairs of the Corporation, and make informed decisions at the meetings. During the year under review, four Board meetings were held.

The Code also requires Directors to avoid situations which may, or may be seen to, compromise their personal judgement or integrity in the performance of their duties as Directors of the Corporation or lead to conflict of interests.

Directors are requested to declare their or their respective connected entities' material interests in any matter to be considered by the Board. If a Director or any of his or her connected entities has a conflict of interests in a matter to be considered by the Board, such Director will abstain from, and not be counted in the quorum in respect of, voting on such matter at the Board meeting. In respect of each financial reporting period, the Corporation will seek confirmation from Directors in respect of their and their respective connected entities' material interests in significant transactions, arrangements or contracts involving the Corporation or its subsidiaries or subsidiary

undertakings. Material related-party transactions between the Corporation and its counterparties will be identified and disclosed in the notes to the financial statements each year in accordance with the Hong Kong Financial Reporting Standards.

As at 31 December 2018, there were 16 Directors all of whom were duly appointed by the shareholders of the Corporation. Information about Directors is set out in the Directors' Report published in the Annual Report and also available on the Corporation's website. All Directors, other than the four Executive Directors, are non-executive and are not actively involved in the day-to-day management of the Corporation. Non-Executive Directors, however, do play an important role in bringing their independent judgement, considerable knowledge and diverse expertise to the Board's deliberations which in turn provide effective steer to Management in pursuit of the Corporation's policies. The Corporation does not remunerate its Directors.

For newly appointed Directors, the Corporation will provide an induction briefing on the business activities, strategies and objectives of the Corporation.

The term of a Non-Executive Director is generally one year. Under the Articles of Association of the Corporation, all Non-Executive Directors will retire at the next Annual General Meeting following their appointment but are eligible for re-election.

The Corporation maintains a directors' and officers' liability insurance policy for its Directors and officers against legal proceedings and other claims arising in the course of discharge of their duties in respect of the Corporation.

Chairman and Chief Executive Officer

During 2018, the Hon. Paul Chan Mo-po was the Chairman and Mr Raymond Li Ling-cheung was the Chief Executive Officer. The roles of Chairman and Chief Executive Officer

were separate and not performed by the same individual, which ensured a clear division of responsibilities between the Board and the executive functions of the Corporation's Management. The Board is responsible for laying down strategic direction and business guidelines, approving financial objectives and closely monitoring the Corporation's performance on an ongoing basis. The Chief Executive Officer, who is accountable to the Board, is responsible for leading Management in implementing the Board's decisions in a proper and efficient manner. The Chief Executive Officer also ensures that adequate information relating to the Corporation's business is reported to the Board on a regular basis.

Company Secretary

The Company Secretary is accountable to the Board whose main duty is to ensure that all company secretarial procedures are followed by the Corporation and the Board. In addition, the Company Secretary ensures that Board Papers are provided to Directors in a timely manner prior to each Board meeting. Directors have access to the advice and services of the Company Secretary with a view to ensuring that applicable laws, rules and regulations are complied with in respect of Board proceedings.

The schedule for 2018 Board meetings was provided to Directors in advance to facilitate Directors' attendance at Board meetings. The Code requires that Board Papers should generally be sent to Directors at least seven days before the relevant Board meeting so that Directors could be properly briefed before the Board meeting. Board Papers typically contain comprehensive background or explanatory information about the agenda items and include supporting documents, analyses, research findings, projections, budgets and forecasts, where appropriate. However, any Director adjudged to have a conflict of interests in an agenda item for the Board meeting will not be provided with the relevant Board Paper.

All the minutes of Board meetings and Audit Committee meetings are generally taken in sufficient detail, including the matters considered, decisions reached, concerns raised by Directors and dissenting views expressed at the meetings. All minutes of Board meetings and Audit Committee meetings are kept by the Company Secretary and made available for inspection by any Director, except where a Director has a conflict of interests in any matter discussed under an agenda item, the relevant minutes or materials would be withheld from such Director.

Audit Committee

During the year under review, the Audit Committee comprised the following members:

- Mr Brian Stevenson, Non-Executive Director (Chairman of the Audit Committee)
- Mr Eddie Yue, Executive Director
- Prof. Chan Ka-keung, Non-Executive Director (appointed on 13 July 2018)
- Ms Anita Fung, Non-Executive Director (appointed on 13 July 2018)
- Mr Ng Leung-sing, Non-Executive Director (membership ceased upon retirement as Non-Executive Director on 13 April 2018)
- Ms Miranda Kwok, Non-Executive Director (membership ceased upon retirement as Non-Executive Director on 13 April 2018).

The Audit Committee is responsible for reviewing the Corporation's financial statements, the composition and accounting principles adopted in such statements, the results of the financial audits, and the Corporation's management procedures to ensure the adequacy and effectiveness of its internal controls systems.

The Audit Committee holds regular meetings with Management, the Chief Internal Auditor and external auditor. The Audit Committee also meets on an ad hoc basis to consider special issues requiring its attention. The Chairman of the Audit Committee summarises the reviews conducted by the Audit Committee, and highlights any major issues in a report for submission to the Board for Directors' consideration. In 2018, the Audit Committee held two meetings.

Internal Auditor

The Group Internal Audit (**GIA**) Department operates independently of Management and plays a major role in assessing the internal controls systems of the Corporation. The GIA Department is led by the Chief Internal Auditor who reports directly to the Chairman of the Audit Committee on all matters relating to the Corporation's internal controls. The Chief Internal Auditor also reports to the Chief Executive Officer on day-to-day administrative matters of the GIA Department, and has authority to communicate directly with the Chairman of the Audit Committee without reference to Management.

Each year, the Audit Committee formally approves the annual Internal Audit Work Plan drawn up by the Chief Internal Auditor based on his independent risk assessment and observations of relevant risk management topics discussed at meetings of the Operational Risk Committee and the Corporate Risk Management Committee. In accordance with the annual Internal Audit Work Plan, the GIA Department adopts a risk-based audit approach in conducting its independent reviews of the Corporation's internal controls systems. After each review, the GIA Department discusses the audit findings and recommendations with the relevant department heads,



Audit Committee Meeting

Senior Management and Executive Director. Internal audit reports are submitted to the Audit Committee for review and, thereafter, to the Board for information.

Over the years, Management has adopted an active approach in considering audit findings and recommendations made by the Chief Internal Auditor and closely monitored their implementation.

External Auditor

The Corporation's external auditor is PricewaterhouseCoopers. Detailed information in respect of the auditor's remuneration is disclosed in the Corporation's financial statements. The auditor is allowed to communicate freely with the Chief Internal Auditor and the Audit Committee. To ensure its independence with respect to the Corporation, the auditor would issue a letter, on an annual basis, to the Audit Committee to confirm its independence based on the requirements under section 290 of the Code of Ethics for Professional Accountants of the Hong Kong Institute of Certified Public Accountants. For the purpose of the audit of the Corporation's financial statements for the year ended 31 December 2018, PricewaterhouseCoopers has confirmed its independence to the Audit Committee.

Financial Reporting

The Corporation aims to present a clear, balanced and comprehensible assessment of its performance, financial position and prospects to its stakeholders and the general public. Directors are responsible for the preparation of the financial statements, and there is a statement by the auditor regarding its reporting responsibilities in the Independent Auditor's Report on such financial statements. Directors are to ensure that financial statements are prepared so

as to give a true and fair view of the financial status of the Corporation. The annual and interim results of the Corporation are announced in a timely manner after the end of each relevant period.

Internal Controls

The Board has the overall responsibility for the Corporation's internal controls systems and, through the Audit Committee, conducts periodic reviews on the adequacy and effectiveness of the systems.

Various committees have been established to ensure the efficient operation and prudent risk management of the Corporation. These include the Corporate Risk Management Committee and Infrastructure Financing and Securitisation Investment Committee which are both chaired by an Executive Director to oversee the risks of the Corporation from an enterprise-wide perspective, and the Operational Risk Committee, the Credit Committee, the Transaction Approval Committee, the Asset and Liability Committee and Longevity Risk Committee, each chaired by the Chief Executive Officer. Each of these committees has clear and well-defined terms of reference. Detailed descriptions of these committees and the risk management framework of the Corporation are set out in the Risk Management section of the Annual Report.

The internal controls systems are designed to provide reasonable assurance against material misstatement or loss, manage risks of failure in the operational processes and the attainment of business objectives, safeguard assets against unauthorised use, ensure the maintenance of proper accounting records for internal use and publication, and ensure compliance with policies and applicable legislation and regulations.

Compliance Reporting

The Compliance Function is part of the Legal Office and is established for focused management of regulatory and compliance risks.

The Compliance Function is led by the Chief Compliance Officer who reports to the Chief Executive Officer through the General Counsel. In accordance with the Compliance Policy and the Compliance Manual of the Corporation, the Compliance Function monitors and advises departments of the Corporation on their compliance practices with a focus on conflict of interests, anti-corruption, anti-discrimination, competition, privacy and personal data protection, anti-money laundering and counter-terrorist financing matters for 2018. The Compliance Function conducted compliance audits in 2018 to help ensure that departments of the Corporation maintain robust compliance practices.

To provide transactional support, the Compliance Function undertook reviews of and participated in the sign-off of key transactions during the year. It also organised training to strengthen staff knowledge on compliance matters. To enhance staff knowledge on compliance matters, Compliance Function implements an annual compliance test with different modules for relevant staff from different departments and subsidiaries of the Corporation.

Code of Conduct

The Corporation requires the highest standards of integrity and conduct from its staff members. The requirements and the relevant legal obligations are clearly set out in the Corporation's Code of Conduct (**Code of Conduct**) which forms part of the Staff Handbook. The Code of Conduct sets out, in particular, provisions in regard to potential conflict of interests that may arise between personal interests of staff members and the interests of the Corporation, and other provisions designed to ensure that staff carry out their job duties properly, ethically, impartially and free from any suggestion of improper influence.

A copy of the Code of Conduct is available on the Corporation's intranet to all staff members.

Staff members are required to give written confirmation of their compliance with the Code of Conduct on an annual basis. Based on the confirmation received from the staff members, Management was satisfied that staff members had complied with the Code of Conduct in 2018.

Communication

The Corporation attaches great importance to communication with the public. The Annual Report of the Corporation contains comprehensive information on its business strategies and developments. The Corporation's website (www.hkmc.com.hk) offers timely access to the Corporation's press releases and its business information. The Corporation also maintains a telephone hotline to service enquiries from the public.

Corporate Social Responsibility

The Corporation is committed to fulfilling its corporate social responsibility (**CSR**). In recognition of its contribution to the community and commitment to CSR, the Corporation has been awarded the Caring Organisation Logo by the Hong Kong Council of Social Service each year since 2008 and is now in its eleventh year of CSR participation. In appreciation of employers who place high value on their employees' retirement needs, the Corporation has received the Good MPF Employer Award from the Mandatory Provident Fund Schemes Authority each year since 2014.

In addition, the Corporation continues to maintain the Corporation's website accessible for everyone, including persons with disabilities such as blindness and deafness.

HKMC Insurance Limited (HKMCI) and HKMC Annuity Limited (HKMCA)

The Corporate Governance Codes of the HKMCI and the HKMCA (wholly-owned subsidiaries of the Corporation and authorized insurers under the Insurance Ordinance to carry on general insurance business and long term insurance business in or from Hong Kong respectively) closely follow the Corporation's Code, incorporating best corporate governance practices. During the year, the Board of either subsidiary comprises members from the Board of the Corporation and from the Senior Management of the subsidiary. Directors of the HKMCI and the HKMCA were appointed by the Financial Secretary as ultimate owner of both subsidiaries. The Audit Committee of either subsidiary provides regular reporting to the Corporation's Audit Committee.

In February 2019, the Chief Internal Auditor of the Corporation and the Head of Internal Audit of the HKMCA conducted independent reviews of the Control Self-assessment Forms provided by each department or function of the HKMCI and the HKMCA in relation to the compliance with the Corporate Governance Codes of the HKMCI and the HKMCA for 2018 respectively. Based on the audit findings on both subsidiaries' internal controls systems and completed Control Self-assessment Forms for the year, the Chief Internal Auditor of the Corporation and the Head of Internal Audit of the HKMCA were of the opinion that the Corporate Governance Codes of the HKMCI and the HKMCA had been complied with in all material respects respectively.

Conclusion

The Board was satisfied with the corporate governance practices of the Corporation during 2018. In 2019, the Corporation will continue to review its corporate governance framework and improve those practices as appropriate in the light of ongoing experience, regulatory changes, international trends and developments in order to enhance the Corporation's efficiency and effective management in pursuit of its missions.

香港按揭证券有限公司于一九九七年三月成立，由香港特别行政区政府通过外汇基金全资拥有。香港按揭证券有限公司拥有三间全资附属公司，分别为香港按证保险有限公司、香港年金有限公司及香港按揭管理有限公司。

使命

促进：

- 银行业界稳定
- 市民置业安居
- 本地债券市场发展
- 退休规划市场发展

信贷评级

	标普		穆迪	
	短期	长期	短期	长期
本地货币	A-1+	AA+ (稳定)	P-1	Aa2 (稳定)
外币	A-1+	AA+ (稳定)	P-1	Aa2 (稳定)

目录

71	财务摘要	117	财务回顾
73	主席报告	121	风险管理
77	组织架构	130	企业管治报告
81	董事局成员	136	董事报告
83	大事纪要	152	独立核数师报告
99	企业社会责任	160	财务报表
104	业务回顾		

财务摘要

	二零一八年 千港元	二零一七年 千港元	二零一六年 千港元
本年度			
净利息收入	536,209	507,578	490,642
股东应占溢利	126,558 ⁴	806,395	603,984
购买贷款	287,705	315,793	205,771
债券发行 ¹	12,424,465	17,856,470	16,175,123
保险费净额			
– 一般保险业务	565,739	417,076	367,562
– 年金业务	2,780,240	不适用	不适用
于年终			
贷款组合净额	6,442,064	7,829,441	9,533,961
已发行债券	37,292,877	34,840,706	34,233,467
承担风险			
– 按揭保险 ²	19,723,956	17,588,701	14,104,839
– 安老按揭保险 ³	9,644,152	6,875,721	4,315,944
其他数据			
净息差	1.1%	1.1%	1.0%
资本充足率	26.8%	21.0%	21.3%
成本对收入比率	86.0% ⁴	26.8%	30.8%
股东资金回报率	0.9% ⁴	8.6%	6.8%

¹ 年期达一年或以上的债券。

² 承担风险已撇除已作出再保险安排的风险。

³ 承担的风险包括安老按揭贷款的未偿还结余及已承诺但未提取的未来年金。已承诺但未提取的未来年金，指根据年金年期，预计于未来需向贷款人支付的金额。

⁴ 为方便比较，在扣除按揭证券公司全资附属公司—香港年金有限公司基于精算假设对其年金业务因需要维持审慎的法定储备而引起的会计亏损后，二零一八年经调整的股东应占溢利、股东资金回报率和成本对收入比率分别为5.15亿港元、5.1%及36.7%。

主席報告

主席报告

开拓新业务促成核心使命及社会目标。

陈茂波
主席



全球经济于二零一八年继续增长，但至下半年增长动力开始减弱。中美两国的贸易摩擦令全球经济氛围受压，对国际贸易活动的流向及投资活动的影响日益增加。在此背景下，加上美国及其他主要经济体的货币政策正常化持续推进，令全球市场波动加剧。随着全球经济增长减速及中美贸易紧张局势的影响逐渐浮现，许多亚洲经济体的增长动力在下半年放慢。

香港方面，我们的经济于下半年虽然显着放缓，但在二零一八年整体仍能再一年录得高于趋势的增长。经本地息口略为调高，加上香港特区政府宣布多项措施及政策增加土地及楼宇供应，畅旺的香港住宅物业市场近年尾时有所整固。

购买按揭资产

因应银行体系资金充裕继续削弱银行出售按揭资产的意欲，本集团于二零一八年购入约2.877亿港元（二零一七年：3.16亿港元）的按揭资产。本集团肩负着维持香港银行及金融稳定性的重要角色，一直作好准备，在有需要时从银行购买按揭贷款。

推动债券市场发展

本集团在推动本地债券市场发展方面，一直扮演重要角色，过去十多年来持续是香港主要和活跃的企业发债人。二零一八年，本集团发行了不同货币的债券（年期一年或以上），总额约124亿港元，以满足本集团的再融资需求及支持公司业务。本集团亦获得标普全球评级给予「AA+」和穆迪给予「Aa2」的信贷评级，与香港特区政府的信贷评级相同。

协助市民置业安居

按揭保险计划是香港物业按揭市场主要部分之一。自一九九九年推出以来，按揭保险计划一直促使自置居所更易于负担及达成，藉此促进香港有更多自置居所，从而履行本集团的核心使命。本集团至今已协助超过141,600个家庭自置居所，可见该计划深受欢迎。二零一八年，该计划的需求保持稳定，所批核的新提取按揭贷款总额为325亿港元（二零一七年：323亿港元）。

继续支援中小型企业

香港约有340,000间中、小型企业（「中小企」），构成差不多整体本地企业。香港特区政府延长本集团获委托营运的中小企融资担保计划下八成信贷担保产品的申请期，藉此继续致力支援中小企。该计划提供有效平台，帮助中小企取得银行贷款，令他们能把握经济机遇及提升竞争力。年内，本集团继续与参与该计划的银行、中小企协会及工商总会进行密切有效的沟通，以加强公众对该计划的认识和了解。截至二零一八年底，本集团已批出超过14,500宗申请，涉及贷款总额约585亿港元，该计划自推出以来已惠及超过8,500间本地中小企及逾224,700名员工。

为自置居所业主提供更多退休融资选择

本集团于二零一一年推出安老按揭计划，为自置居所业主提供新的财务策划选择，藉此于退休生活期间安享稳定现金流。本集团于二零一六年十月将该计划扩展至香港房屋委员会及香港房屋协会辖下大部分资助房屋计划中未补地价的资助出售房屋。本集团成功持续实施重点教育活动，令安老按揭计划的市场认受程度不断提升。该业务录得申请宗数在二零一八年稳步增长，较二零一七年增加7.5%。有见公众对退休规划的认识提高，本集团将继续履行使命，促进退休规划市场发展，以满足退休人士及公众的需求。

促进完善退休规划

完善的退休规划对维持退休生活素质极为重要。本集团开拓新业务，于二零一八年七月推出香港年金计划（「**年金计划**」），提供另一退休理财方案，以便市民规划退休，并促进本地年金市场发展。年金计划替长者将一笔过现金转化为终身每月定额收入。受年金计划首次推出所带动，本地年金市场年内快速增长。回应市场意见，年金计划于十二月再次推售，并同步推出优化措施，加强财务保障，产品特性更灵活，不设申请期限，可随时投保。截至年底，年金计划共批出5,422份保单，所收保费总额约28亿港元，平均每份保单收得保费金额约513,000港元。

二零一八年财务表现

股东应占溢利跌至1.27亿港元(二零一七年：8.06亿港元)，主要反映本集团的新设年金业务为维持审慎法定的储备而产生会计亏损，二零一八年再无二零一七年所录得的非经常性出售投资所得，以及支持香港特区政府若干政策而投放业务资源。尽管年金业务录得会计亏损，其内含价值约为52亿港元，显示该业务长远而言应有盈利。

资本充足率处于26.8%的稳健水平(二零一七年：21%)，以预留资金作业务发展之用。本集团辖下从事一般保险业务的附属公司的偿付能力充足率约为42倍，从事年金业务的另一附属公司则约为34倍，两者均远高于相关最低监管要求。

展望二零一九年

展望前景，全球经济增长放缓、中美贸易摩擦以及其他宏观经济及地缘政治影响均为环球金融市场带来众多不明朗因素。联储局虽于三月提出将放慢加息步伐，并将于九月结束资产负债表缩减计划，但美国利率的未来走势仍然会视乎数据而定，维持不明确。市场预期或会随经济状况变化，导致全球金融市场波动更大。环球经济前景不明朗将窒碍香港的经济表现，本地金融及资产市场亦会面临波动风险。本集团将审慎经营新设及现有业务，促成核心使命和社会目标。

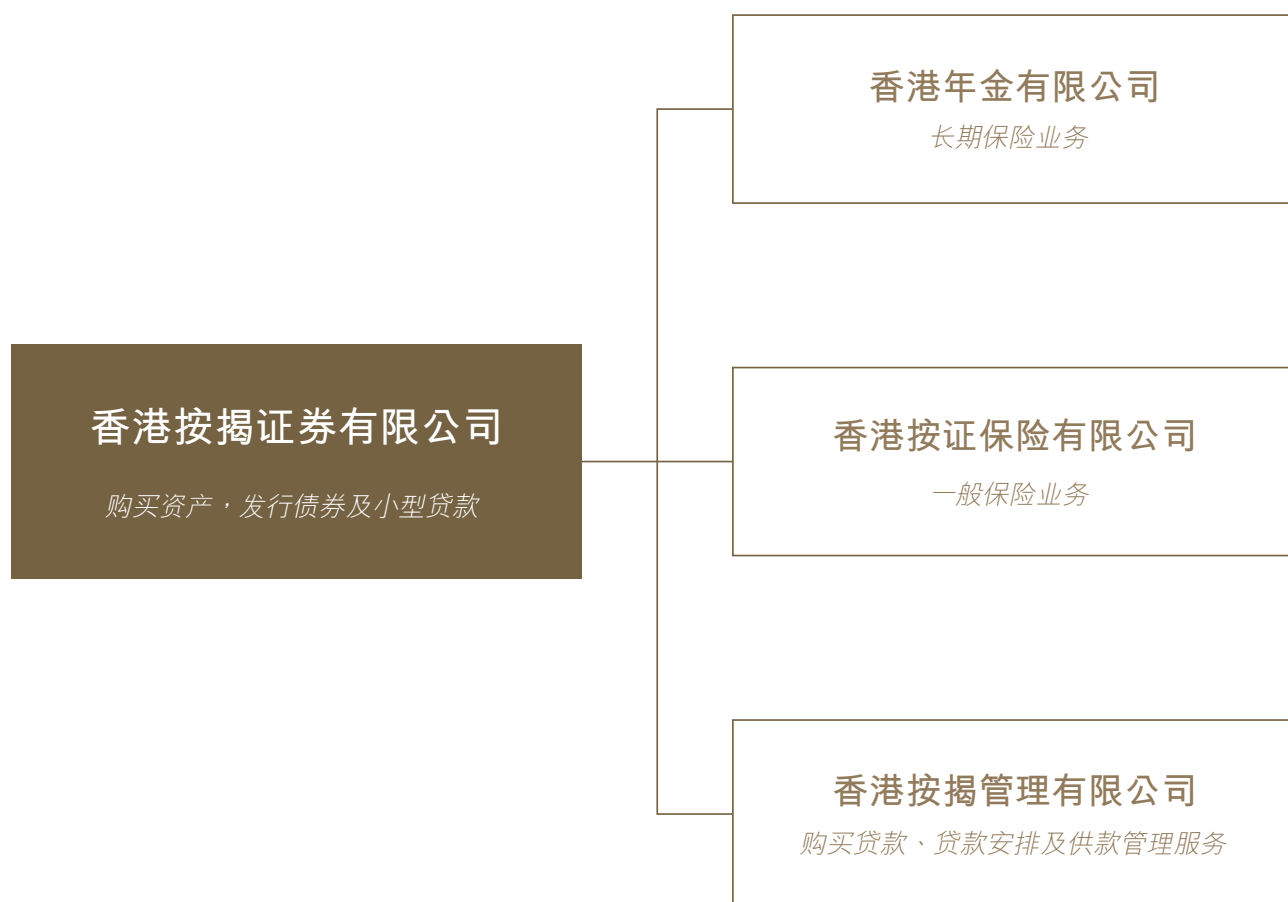
最后，谨向董事局同寅、管理层成员和所有员工衷心致意，感谢他们竭诚工作及鼎力支持。

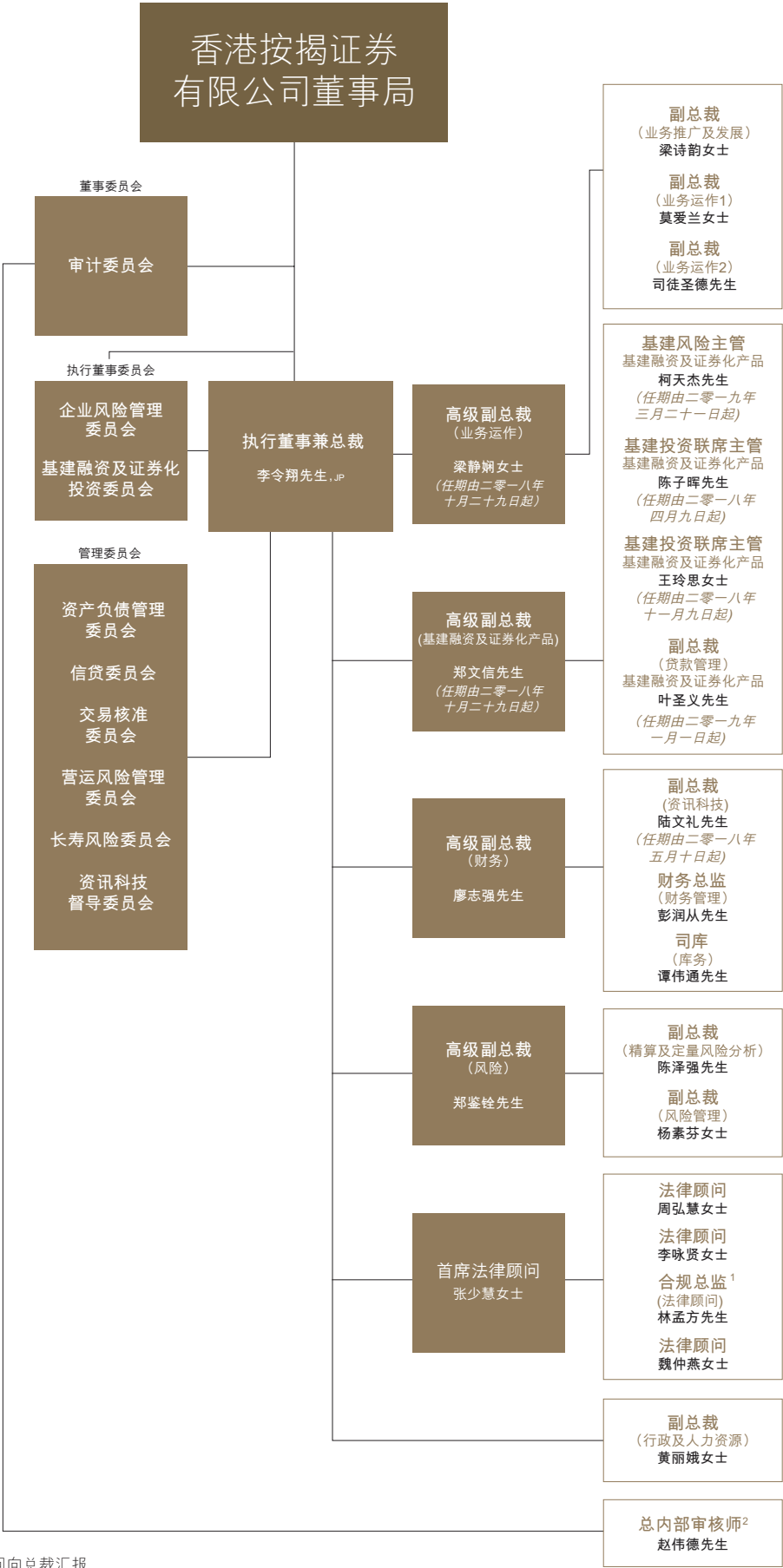


陈茂波
主席

组织架构

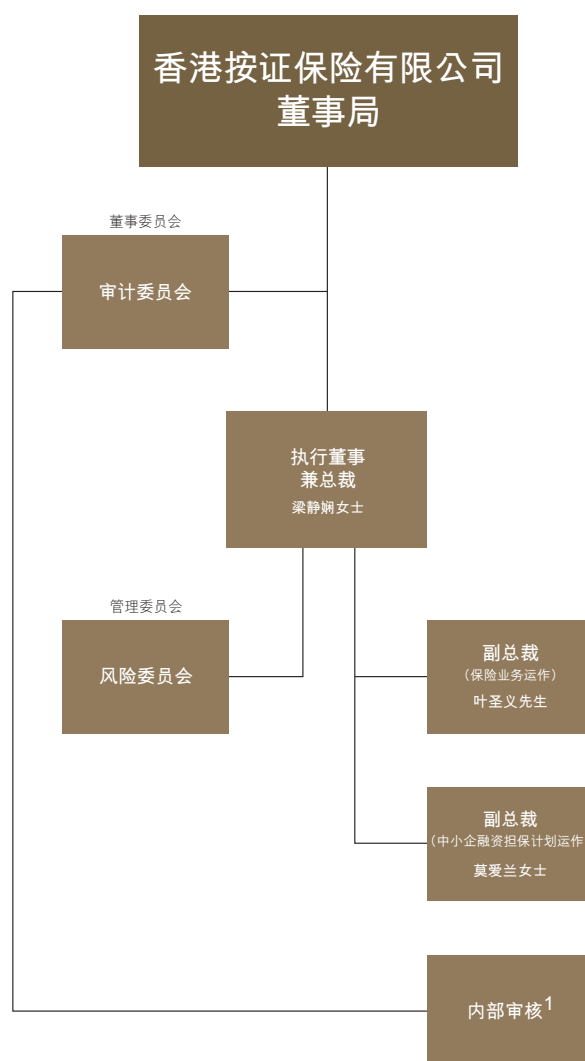
组织架构



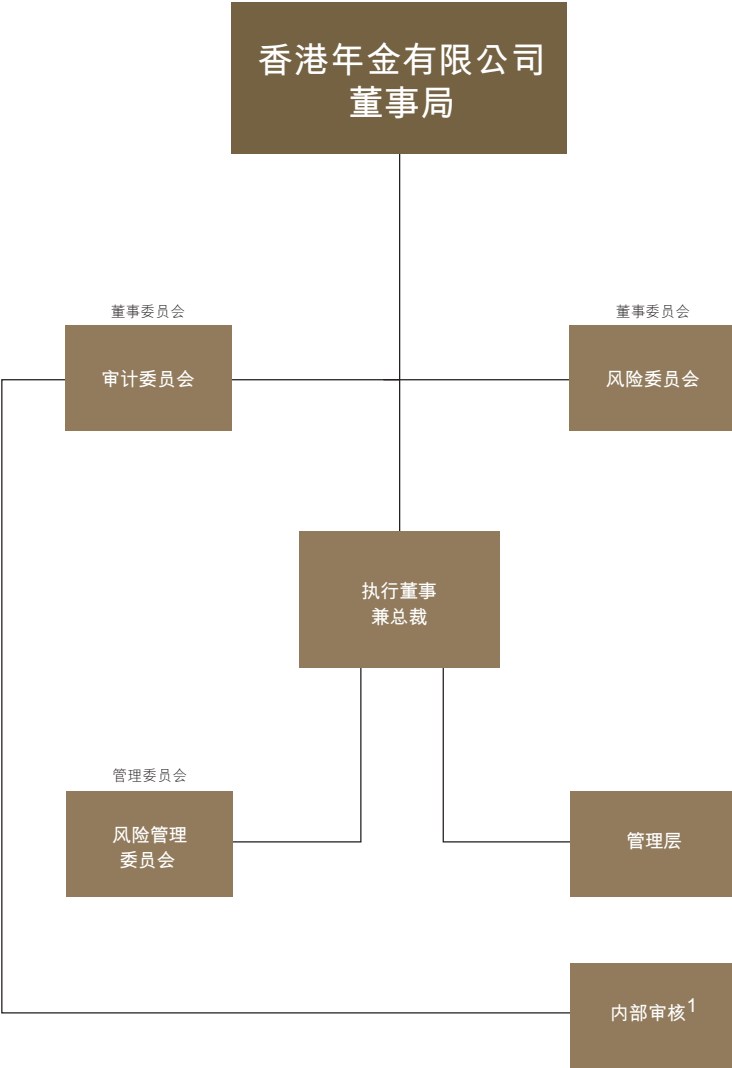


¹ 经过首席法律顾问向总裁汇报

² 日常行政职务向总裁汇报



¹ 日常行政职务向总裁汇报



¹ 日常行政职务向总裁汇报

董事局成员



陈茂波先生 大紫荆勋贤 GBS MH JP
主席兼执行董事
财政司司长



陈德霖先生 GBS JP
副主席兼执行董事
香港金融管理局总裁



余伟文先生 JP
执行董事
香港金融管理局副总裁



李令翔先生 JP
执行董事兼总裁
香港金融管理局高级助理总裁



林健锋先生 GBS JP
非执行董事
行政会议成员
立法会议员
永和实业有限公司董事长



刘怡翔先生 JP
非执行董事
财经事务及库务局局长
(于二零一八年四月十九日获委任)



陈帆先生 JP
非执行董事
运输及房屋局局长
(于二零一八年四月十九日获委任)



张国钧先生 JP
非执行董事
行政会议成员
立法会议员
中西区区议会议员
张国钧杨炜凯律师事务所合伙人



郭荣铿先生
非执行董事
立法会议员
执业大律师



黄玉山教授 SBS BBS JP
非执行董事
香港公开大学校长



陈家强教授 GBS JP
非执行董事
香港科技大学兼任教授



施文信先生 GBS JP
非执行董事



王桂埙先生 BBS JP
非执行董事
法朗克律师行
(香港及上海办事处)主理人



冯婉眉女士 BBS JP
非执行董事
香港交易及结算所有限公司董事



张亮先生
非执行董事
香港赛马会慈善及社区事务执行总监



赵黄舜芬女士
非执行董事
Singapore Life Pte. Ltd. 非执行董事
(于二零一八年五月二十三日获委任)



吴亮星先生 SBS JP
非执行董事
(于二零一八年四月十三日退任)



郭珮芳女士
非执行董事
(于二零一八年四月十三日退任)



龚杨恩慈女士
非执行董事
(于二零一八年四月十三日退任)



蓝玉权先生
非执行董事
(于二零一八年四月十三日退任)



LEE Huat-oon 先生
非执行董事
(于二零一八年四月十三日退任)

大事 纪要





与商业
伙伴合作

公众教育

参与
外界活动

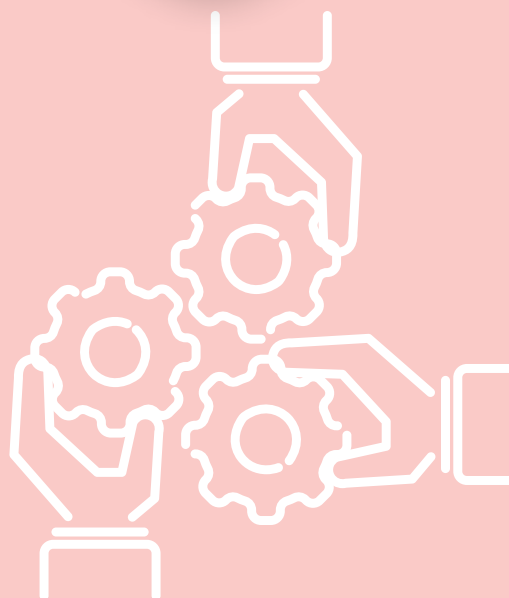
企业
社会责任

重要事件

社区参与

参与 外界活动





与商业 伙伴合作





公众教育





社区参与





社区参与



重要事件



香港年金計劃啟動禮

退休生活有年金 自製長糧至安心
2018年7月5日



香港年金計劃啟動禮

2018年7月5日



香港年金計劃啟動禮

退休生活有年金 自製長糧至安心
2018年7月5日



企业 社会责任



10 years +
同心展關懷[®]
caring organisation
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發



企业社会责任

企业社会责任

本公司致力贡献社会及履行企业社会责任，获得认同；自二零零八年起，获香港社会服务联会颁发「商界展关怀」计划下「同心展关怀」标志，现已踏入第十一年。为嘉许重视员工退休保障的雇主，强制性公积金计划管理局亦自二零一四年起向本公司颁发「积金好雇主」奖项。

作为对社会负责任的机构，本集团关怀雇员及社区。本集团重视社会责任、关心雇员福利、积极参与慈善活动及推行环保措施。

关怀雇员

员工与薪酬

本集团吸纳和栽培人才，确保公司使命有效推行：包括促进银行业的稳定、协助市民自置居所、推动本地债券市场及促进退休规划市场发展。本集团为雇员提供具竞争力的薪酬福利、广阔的事业前景与发展机会，和健康及安全的工作环境。本集团亦实行家庭友善雇佣措施，如每星期五天工作，让雇员在工作及生活上取得平衡。本集团亦为雇员及家属提供全面的医疗及牙科保险。

尽管本集团的业务范畴及提供的产品渐趋繁复，但透过自动化系统和程序重组，本集团能维持一队精简和有效率的团队。二零一八年，本集团的常设雇员编制为 309 人，员工流失率 8.92%。

培训与发展

本集团深明持续培训的重要性，因此投放大量资源，不断提升员工的专业知识和技能。二零一八年，本集团安排课程和工作坊，以增进员工的产品知识，并提升管理、专业技能及软性技巧。

内部培训工作坊涵盖广泛课题，例如商务英语写作、团队合作、以创意解决难题、策略性思维及职业安全与健康。年内，本集团还举办了有关《个人资料(私隐)条例》、防止贿赂条例及网络保安的研讨会。



以创意解决难题培训



商务英语写作培训



策略性思维培训



便服日



钓鱿鱼日

本集团亦资助员工报读由其他机构举办、并与工作相关的课程。课程范围甚广，涵盖按揭相关事务、风险管理、企业管治、财务及会计、资讯科技与领导技巧等。

此外，本集团亦为新员工安排入职培训，让员工了解集团的组织架构、功能与政策等基本资料。



团队合作烹饪工作坊



团队合作课程一踩单车发电

雇员关系与员工活动

本集团的职员联谊会定期举办活动，增进员工关系和沟通、推广工作与生活平衡及促进家庭友善的工作环境。二零一八年，本集团举办的员工活动如健康讲座、郊游以及其他员工聚会等，都深受员工和家属欢迎。本集团亦设有员工内部刊物《HKMConnection》，辑录员工活动的精彩照片。

为促进公司内部有效沟通，本集团定期更新员工内联网，让各部门分享实用资讯。本集团亦设有员工意见计划，鼓励员工提出建议，改善工作流程和工作环境。



黄泥墩、大榄涌水塘远足



社际足球赛



社际乒乓球赛

健康与安全

作为关怀员工的雇主，本集团一向关心员工的身心健康。本集团设有雇员支援计划，透过一家外间机构为有需要的员工及其家属提供保密的辅导服务。二零一八年，本集团亦以优惠价为员工安排预防流感疫苗注射及体检计划。

本集团不时检讨及提升紧急应变计划，减少因未能预计或突发事件而令业务中断的情况，例如员工之间爆发传染病。本集团亦定期举行演习，协助员工熟习在紧急情况下，启动有关后备设施、执行应变计划及落实沟通方面的安排。



中医理论健康讲座

关怀社会

慈善及社会活动

本集团不时推动各种慈善及社区活动，例如筹款、捐献活动及义务工作等。本集团鼓励员工支持慈善活动和参与本集团义工队「关爱大使」所筹办的义务工作。

二零一八年，本集团筹办多项捐献活动，例如二零一八年公益金便服日及每年一度的香港红十字会捐血日。

本集团员工积极参与义务工作，献出时间和精力，对有需要的社群表达关爱。关爱大使与多个社会服务机构合作，参与了下列多项义务工作：

- 保护环境：与救世军合办回收计划，收集书籍、文具、玩具。
- 关怀长者：与寰宇希望及香港游乐场协会合作，带同载有日用品的「福袋」探访独居长者，共同迎接农历新年，并陪同低收入家庭的长者到大馆游览。

学生实习与见习经理计划

为未来培育人才，本集团提供实习职位，让大学生体验商业世界的实际运作、为未来就业作好准备。参与计划的学生，都感谢所获得的学习体验和工作机会。

年内，本集团继续推行见习经理计划，物色和栽培有潜质的年轻行政人员，配合本集团的长远人才发展。在计划的三年期内，见习经理在不同部门接受在职培训、参与公司项目，并参加有系统的学习及发展课程。

环境保护

本集团一直支持及推行各种绿化措施，务求营造更环保的工作环境，并且加强员工减少废物和珍惜能源的意识。本集团鼓励员工多用电子通讯，减少使用纸张，并且鼓励收集废纸及使用后的打印机碳粉盒循环再造。自二零零六年以来，本集团采用不同措施，包括设定办公室温度及使用LED照明，提高能源效益。本集团欢迎员工就如何营造绿色办公室提供建议，并鼓励供应商使用和供应更为环保的产品。

业务回顾

业务回顾

业绩摘要

本年度，本集团的主要业绩包括：

- 透过按揭保险计划，帮助置业人士，借取合共325亿港元按揭贷款
- 自安老按揭计划推出以来，共批核3,064宗申请；物业平均价值约530万港元
- 香港年金计划自二零一八年七月推出至二零一八年年底，共批出5,422份保单，保费总额约28亿港元，平均保费金额约513,000港元
- 为进一步减轻本地中小型企业（「**中小企**」）的融资负担及协助中小企取得贷款，中小企融资担保计划下八成信贷担保产品的申请期延长至二零一九年六月底，优化措施于二零一八年十一月十九日起生效
- 自八成信贷担保产品于二零一二年五月推出以来，本集团共批出超过14,500宗贷款申请，涉及贷款额585亿港元。逾8,500间中小企及超过224,700名相关员工受惠于此计划
- 小型贷款计划由开展以来，向创业人士、来自不同背景和行业的自雇人士，以及希望透过接受教育或培训自我增值的人士，批核共5,300万港元的贷款
- 自补价易贷款保险计划开展以来，共批核12宗申请，物业平均价值约400万港元
- 成立基建融资及证券化产品部以推行基建融资及证券化业务
- 购入约2.877亿港元贷款资产
- 按照成本效益原则，发行总值124亿港元年期为一年或以上的债券，促进本地债券市场发展，并保持本集团作为香港最活跃企业发债体之一的地位
- 本集团的长期外币和本地货币信贷评级，维持在标普全球评级（「**标普**」）AA+ 及穆迪投资者服务公司（「**穆迪**」）Aa2的卓越级别
- 维持优良的信贷素质。于二零一八年十二月三十一日计，逾期90日以上的拖欠率，按揭保险组合为0.002%；香港住宅按揭组合为0.02%（与业内平均数0.02%相同）；小型贷款计划组合为1.28%；所有资产类别合计为0.02%。

二零一八年，本集团维持稳健的财务状况：

- 股东应占溢利为1.27亿港元
- 净息差为1.1%
- 股东资金回报率为0.9%
- 成本对收入比率为86%
- 资本充足率为26.8%，远高于财政司司长指定的8%最低要求。

市况概览

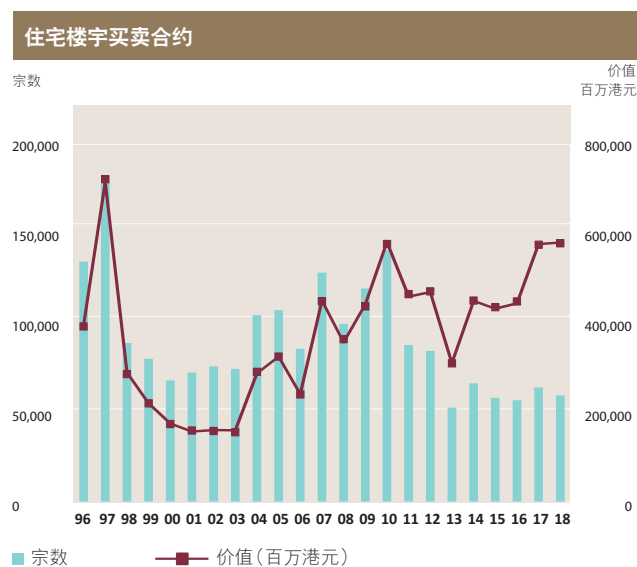
整体经济状况

全球经济于二零一八年初继续增长，但下半年经济动力减弱：中美贸易战加剧引起贸易冲突，令全球经济气氛受压，造成主要股市调整，欧洲、亚洲经济增长放缓。因此，在美国乃至其他多个主要经济体货币政策步向正常化的同时，全球市场波动加剧。此外，亚洲于下半年亦面临沉重资金外流及货币贬值压力。于二零一八年，中国继续推行结构性改革，以促进经济升级转型，经济增长大致维持稳定。在此形势下，年内香港经济增长温和，实际本地生产总值按年增加3%。

物业市场

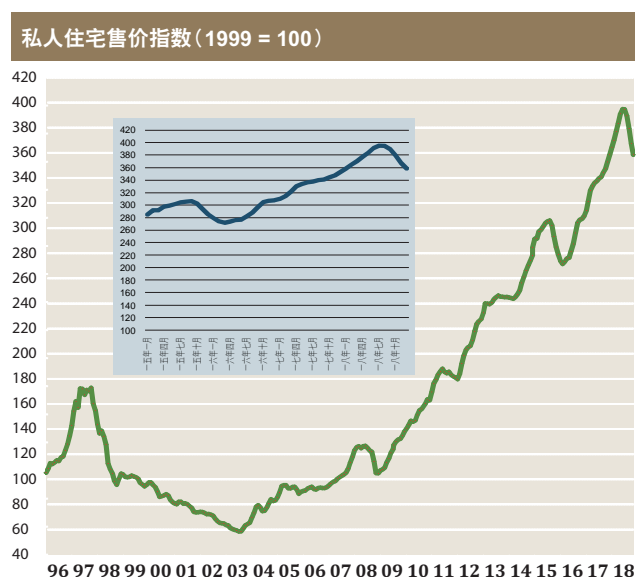
香港住宅市场气氛于二零一八年上半年维持畅旺。成交量及成交额于六月升至年内高位，首六个月的累积升幅分别为27.4%及36.6%。然而，政府于六月底宣布房屋政策新措施，加上利率于九月上调，楼市于第三季开始调整。至第四季，股市表现转逊，加上中美贸易战前景不明朗，触发住宅物业成交量大跌，自六月至十二月跌幅达69.3%。整体而言，二零一八年住宅物业总成交量按年跌7.1%至57,247宗，成交额则按年升0.5%（图1）。

图1



一手及二手市场的成交量自年初至七月一直上升，其后至年底呈现跌势。整体而言，住宅物业价格¹于二零一八年录得约1.6%的累积增幅，而二零一七年的增幅为14.8%。截至二零一八年底，住宅物业价格已超过一九九七年的高位约107%（图2）。

图2

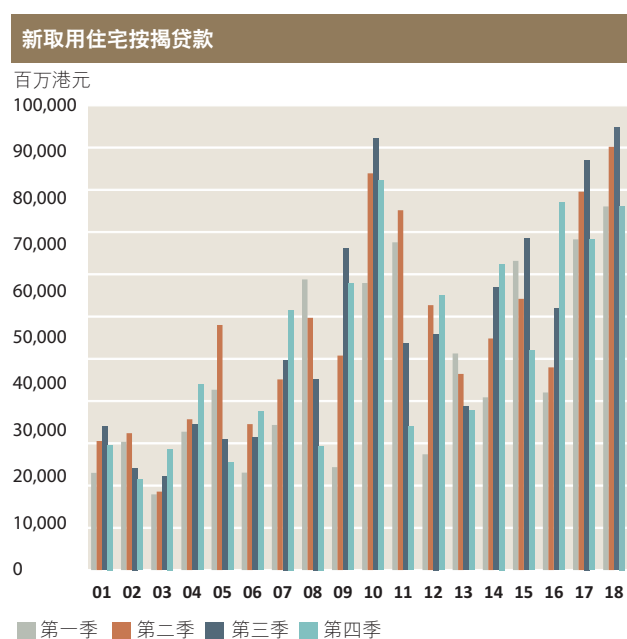


¹ 资料来源：由差餉物业估价署出版的私人住宅售价指数

按揭市场

整体而言，香港的按揭利率于二零一八年处于低位。最优惠利率由介乎5%及5.25%于9月升至5.125%至5.5%之间，是12年以来首次，而香港银行同业拆息则全年续处高位。根据香港金融管理局金融数据月报，以期内平均数计算的一个月香港银行同业拆息²于年内徘徊于0.78%与2.21%之间。按揭贷款录得稳定增长，当中所有住宅按揭贷款的未偿还金额温和地上升8.9%至13,721.3亿港元。二零一八年的新取用按揭贷款总额³按年微增9.9%，对比二零一七年的增幅为43.6%（图3）。

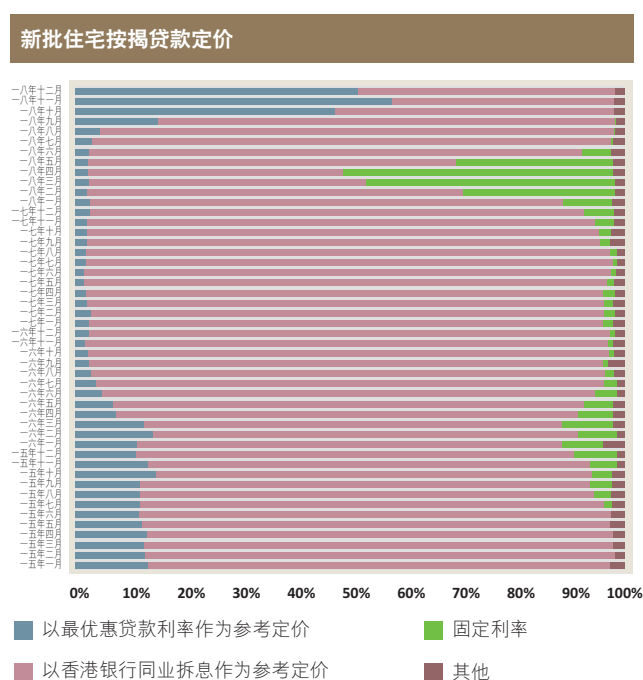
图3



资料来源：香港金融管理局

由于二零一八年初定息贷款计划所占比例上升，令以香港银行同业拆息为参考定价的新叙造按揭贷款比例下降，由一月的86.2%降至四月的46.3%。自第二季起，由于银行不再提供定息贷款计划，因此以香港银行同业拆息作为参考定价的新叙造按揭贷款比例于四月开始上升，至八月达93.5%，但升势于第四季开始调整。截至二零一八年底，以最优惠利率和香港银行同业拆息为参考定价的按揭占新叙造按揭贷款的大部分市场，比率分别为46.6%及51.6%（图4）。

图4

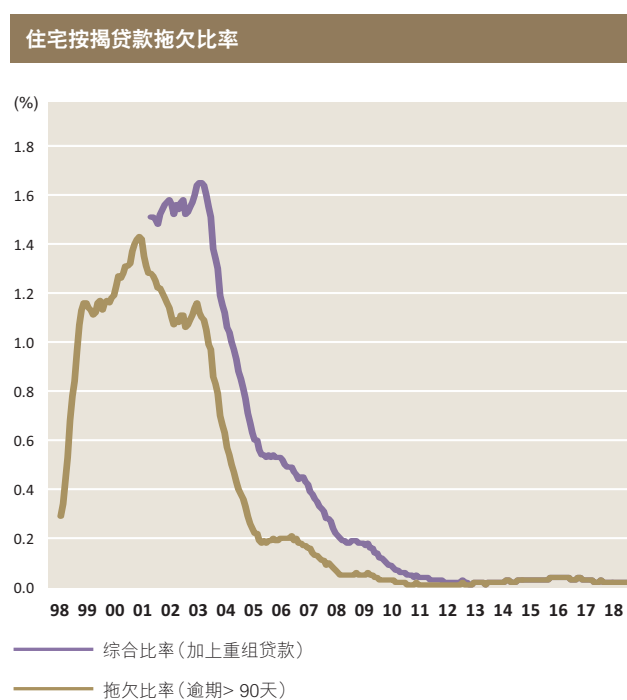


² 资料来源：香港金融管理局《金融数据月报》

³ 资料来源：香港金融管理局每月住宅按揭调查

在稳定的劳工市场及香港金融管理局对按揭借贷的审慎监管下，住宅按揭贷款的资产素质于二零一八年维持优良。按揭贷款超过90日的拖欠比率，于年内保持在0.02%的水平，反映银行采取审慎的借贷准则。拖欠和经重组的贷款比率总和，亦于同期维持在0.02%的低位（图5）。截至二零一八年十二月底，负资产个案估计为262宗，录得总额为11.89亿港元⁴。

图5

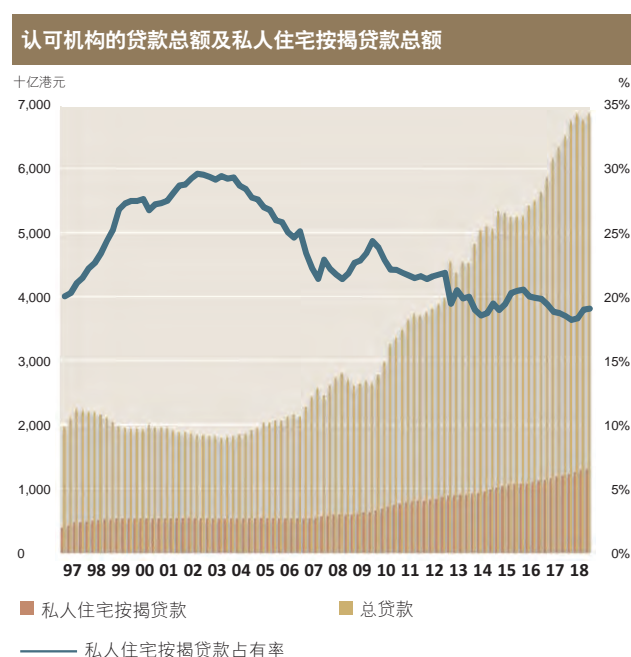


⁴ 资料来源：香港金融管理局每月住宅按揭调查

银行业贷款

私人住宅物业按揭贷款的未偿还总金额，于二零一八年底增加至13,138亿港元（二零一七年底：12,082亿港元），占全港总贷款额五分之一（图6），加上建造业、物业发展及投资的借贷，与房地产相关贷款的总额为38,557.7亿港元，占银行贷款总额约41.6%。截至二零一八年底，居者有其屋计划、私人机构参建居屋计划及租者置其屋计划的未偿还按揭贷款总额增至583.8亿港元（二零一七年底：513亿港元）。

图6



资料来源：香港金融管理局

资产收购

尽管市场资金充裕令银行出售其资产的意欲减弱，本集团已做好准备，于有需要时为市场提供流动资金。二零一八年，本集团收购价值约2.877亿港元的资产，当中包括住宅按揭贷款及其他资产。

融资安排

于二零一八年，虽然各国经济动力未能同步向上，但全球增长维持不俗。然而，贸易摩擦加剧，而且美国联储局持续实施货币政策正常化，令国际资金流向逆转，增加全球金融市场波动。尽管市况充满挑战，本集团坚持审慎的预早融资策略，为购买银行贷款资产及再融资安排资金。基于本集团拥有强大政府支持和卓越的信贷评级，本集团于二零一八年发行了合共124亿港元债券，年期一年或以上。截至年底，本集团未赎回债券总额为373亿港元。

本集团致力定期发行债券和引入崭新债券产品，发展本地债券市场。作为香港最活跃的企业发债体之一，本集团将继续在本地机构及零售资本市场发行债券，并在海外机构市场开拓资金来源及扩大投资者基础。这不仅有助扩大本集团的资金基础，更可以为机构投资者及零售投资者提供高素质的债券工具，满足投资者对投资组合多元化及提高收益的要求。

本集团设有三个债务工具发行计划，在发行债券方面既有效率，亦有实效。由于本集团的信贷评级卓越，所发行的债券受各界投资者欢迎，包括退休基金、保险公司、投资基金、慈善及政府相关基金与

零售投资者等。本集团一直积极与投资者沟通，定期将最新讯息发放给投资者。

中期债券发行计划

为了在国际市场吸引更多投资者和开拓资金来源，本集团于二零零七年六月设立多种货币中期债券发行计划。初时的发行规模为30亿美元，于二零一一年七月增加至60亿美元以满足海外投资者更大的需求。在该计划下，本集团可发行多种主要货币的债券，包括港元、美元、人民币、澳元、英镑、欧元及日圆，以满足本地及海外投资者的需求。所有透过中期债券发行计划发行的外币债券，均全数对冲为美元或港元。该项计划亦兼有灵活的产品特色及发行机制，可进行公开发售或私人配售，更能迎合投资者在不同投资年期等方面的要求。本集团委任国际及区内主要金融机构组成强大的交易商团队，支持未来中期债券发行，亦为二级市场提供流通性。

二零一八年，本集团透过中期债券发行计划，共发行了29批私募债券，金额合共124亿港元等值，年期一年或以上。

债务工具发行计划

债务工具发行计划于一九九八年七月设立，发行对象是港元债务市场的机构投资者。计划设立时的发行额为200亿港元，于二零零三年增加至400亿港元。此计划至今提供了一个既灵活亦有效率的平台，供本集团发行债券和可转让贷款证，最长年期达15年。该计划委任主要交易商和销售团成员，为公开发售与私人配售方式发行的债券提供广泛的分销渠道。

零售债券发行计划

本集团致力推广本地零售债券市场。本集团作为先驱，于二零零一年十一月为本地零售债券市场开拓一个新的发行机制，及于二零零四年五月成立200亿港元的零售债券发行计划。在此计划下，配售银行通过零售分行网络、电话及电子银行设施，向零售投资者配售本集团发行的债券。为确保上述的零售债券的流动性，配售银行向本集团承诺在二手市场开出作实买入价。自二零零一年起，本集团已发行零售债券合共137亿港元。本集团致力在市况合适时定期发行零售债券，为香港的零售投资者提供额外的投资工具。

外汇基金提供的备用循环信贷安排

面对亚洲金融危机冲击，外汇基金于一九九八年一月，向本集团提供100亿港元循环信贷安排，使本集团可以在异常经济环境下保持平稳营运，因而可更有效地履行稳定香港银行及金融系统的使命。虽然本集团可以从本地及国际债券市场获得长期融资作营运用途，该备用循环信贷亦可作为备用流动资金。由于二零零八年爆发全球金融危机，该信贷额度于当年十二月增加至300亿港元，显示特区政府肯定本集团的重要性，并对本集团给予进一步支持。

本集团曾于一九九八年和二零零八年资本市场受压及异常波动时，动用备用循环信贷，作为向本地银行购入香港住宅按揭资产的部分资金。本集团两度于市场回复稳定后，以具成本效益的发债所得资金，全数偿还循环信贷安排的贷款。二零一八年，本集团并没有向循环信贷安排借入任何贷款。

信贷评级

标普及穆迪给予本集团与特区政府看齐的卓越评级，增强了本集团所发行债券对投资者的吸引力。

香港按揭证券有限公司信贷评级

	标普		穆迪	
	短期	长期	短期	长期
本地货币	A-1+	AA+(稳定)	P-1	Aa2(稳定)
外币	A-1+	AA+(稳定)	P-1	Aa2(稳定)

信贷评级机构对本集团的信用水平给予高度评价。以下评论摘录自标普及穆迪分别于二零一八年八月和二零一八年十一月的信贷评级报告：

标普

「我们将香港按揭证券有限公司的评级，与作为其全资最终拥有人的香港的评级看齐，反映我们认为当该公司有需要时，几乎可以肯定香港政府会及时向公司提供足够的强力支持。...我们认为，该公司在过去数年开展的其他政策业务，强化了公司与香港政府的连系，巩固了两者的整体关系。」

「香港按揭证券有限公司拥有稳固的市场地位及独特作用，通过购买按揭和贷款组合，满足本地银行对流动资金和资产负债表管理的需求，尤其是在市场受压时。...香港按揭证券有限公司的商业模式经历过各种困难市场环境的试炼。例如当全球金融市场与本地经济于二零零八年底和二零零九年初受压之际，香港按揭证券有限公司因应银行要求，扩大收购按揭贷款，并优化其按揭保险计划。然而，近年该公司收紧按揭保险计划的资格标准，以应对楼价上升。」

「我们相信，香港按揭证券有限公司董事局各成员经验丰富，能力优秀，加上对公司监督卓有成效，有利公司业务。我们认为管理层能力、效率及经验兼具。香港按揭证券有限公司的定位清晰，与其能力及市况相符。该公司一直按其财务及风险管理准则经营，我们认为该等准则严谨明确。」

「我们认为，香港按揭证券有限公司审慎管理融资安排及流动资金，虽然并无存款业务，但藉三个优先债券计划，能深入利用债券资本市场。..我们期望香港按揭证券有限公司维持超过足以应付其短期资金需要的高流动性资产，以作充分缓冲。...此外，300亿港元循环信贷安排让香港按揭证券有限公司应付来年到期的总负债额卓有余裕，为任何突如其来流动资金压力，提供了重要的缓冲。」

穆迪

「香港按揭证券有限公司是由香港政府透过外汇基金全资拥有。该公司执行政策任务，包括促进香港金融和银行业的稳定、自置居所、本地债券资本市场发展及退休规划选择发展，方法为向商业银行购买按揭及提供按揭保险及安老按揭。该公司肩负提高银行体系稳定性的责任，担当银行体系的另一最后贷款人，当银行遇到压力时，该公司会购买住宅按揭作为支援。新的年金及基建融资业务规模尚小，但将逐步壮大。」

「政府向香港按揭证券有限公司提供300亿港元循环信贷安排及可按需求发行的额外股本权益。倘若该公司受压时信用状况转弱，穆迪预期政府将及时提供特别协助。该公司的公共政策任务与政府目标紧密配合，而与政府关系密切亦提高日后获得政府支持的可能。政府已向公司注资50亿元，用以建立年金业务，并准备好随业务持续增长而提供更多资金。」

「香港按揭证券有限公司自成立至今，一直保持优良的资产素质。...香港住宅按揭贷款在过往的经济周期一直表现良好。即使物业价值在一九九七年至二零零三年间下跌了70%，该公司的整体按揭贷款的拖欠率从未超过2%。目前，该公司的香港按揭平均按揭成数低于40%。」

「作为没有存款业务并依靠批发融资的公司，香港按揭证券有限公司需要不断从债务资金市场筹集资金以支持运作。然而，该公司奉行预早融资策略以购买预期的资产，而且在正常的经济环境下也一直保持非常强健的流动资金。由于拥有强健的财务状况与政府的关系，该公司较容易在资本市场筹集资金。...该公司拥有充裕的流动资产，包括来自政府的备用信贷安排，足以偿还二零一八年六月底的所有债务。」

按揭证券化

本集团致力推动按揭证券市场在香港的发展。按揭证券是一种有效的金融工具，透过运用债券市场的长期资金，满足按揭贷款对长期融资的资金需求。银行与金融机构可利用按揭证券，管理按揭贷款面对的信贷、流动资金、利率及资产负债满期错配而引起的各类风险。一个交易活跃及流通量高的按揭证券市场，有助促进发展具效率的二手按揭市场，并进一步巩固香港的国际金融中心地位。

本集团自一九九九年，已发行总值132亿港元的按揭证券。在二零零一年设立的30亿美元Bauhinia按揭证券化计划，提供一个既方便又灵活兼具成本效益的平台，使本集团能够以不同的产品结构、加强信贷措施及分销方法，发行按揭证券。

基建融资及证券化

面对环球基建融资市场庞大并正逐渐扩阔的资金缺口，本集团于二零一七年初就基建融资及证券化业务机遇展开研究。

二零一八年，本集团获董事局通过基建融资及证券化业务计划，成立基建融资及证券化产品部，由富相关经验的行内人士营运，并调拨内部资源予该业务。

自二零一九年起，本集团将善用其卓越的信贷评级、发行中长期债券融资的优势，以商业上可行、财务上可持续的方式，循序渐进地参与基建融资市场，同时恪守审慎商业原则及风险管理政策。

初期，本集团将向多边开发银行及商业银行购入基建贷款，并共同融资基建项目，待累积基建贷款资产组合及所需经验后，开拓证券化机会。

本集团可藉基建融资及证券化业务，进一步履行促进本地债券市场发展、银行业界稳定的公司使命，同时填补基建融资市场缺口，促进基建投融资活动。

小型贷款计划

本集团继续担当小型贷款计划营运者的角色，联系参与的银行和非政府机构，为有意创业人士、自雇

人士或有意透过接受培训或考取专业资格以达到自我提升的人士，提供可负担息率的融资和其他支援服务。

自二零一二年六月开展以来，小型贷款计划运作畅顺。截至二零一八年底，小型贷款计划批出合共212宗贷款，涉及总贷款额为5,300万港元。

小型贷款计划的借款人，来自不同背景和行业，例如年轻美容师、化妆师、室内设计师、资讯科技毕业生、中医师、教师、厨师等。为向年轻人及创业家社群推广小型贷款计划，本集团参与了由本地大学举办的讲座和非政府机构举办的创业培训课程，向学生介绍小型贷款计划。

按揭保险计划

按揭保险计划帮助有需要筹措大笔资金以支付首期的有意置业人士。从银行业角度来看，计划可以让银行借出更高成数的按揭贷款而毋须承担额外的信贷风险，亦无损银行体系的稳定性。该计划为置业人士和银行带来双赢局面。

多年来，按揭保险计划已成为香港按揭融资不可或缺的一部分。二零一八年，对按揭保险计划的需求维持稳健，而在按揭保险计划下的贷款总额，由二零一七年的323亿港元增加至二零一八年的325亿港元(图7)。而计划下新取用的按揭贷款，约88%以二级市场物业作抵押(就贷款金额而言)，显示该计划对于在二级市场置业的人士相当重要。

图 7



资料来源：香港按揭证券有限公司

年内，本集团与参与银行透过不同的宣传渠道，推广按揭保险计划。自一九九九年，按揭保险计划协助超过141,600个家庭实现置业梦想，取用贷款总额达3,670亿港元。

本集团自一九九七年成立以来，一直以协助市民置业安居为使命。为加强置业人士支付首期的负担能力，自二零一八年九月底起，按揭保险计划扩展至涵盖香港房屋协会（「房协」）住宅发售计划下的项目及第二市场计划下的资助出售房屋项目。

为回应政府于二零一八年六月有关市区重建局（「市建局」）「港人首次置业」非合作发展重建先导项目的公布，本集团宣布将向市建局土瓜湾马头围道「港

人首次置业」先导项目单位买家提供按揭保险，使有关买家可申请叙造最高九成按揭贷款。

安老按揭计划

安老按揭计划旨在给予退休人士多一个财务规划选择，提升生活素质。在安老按揭计划下，借款人可以利用在香港的住宅物业作为抵押品，向参与银行提取安老按揭贷款。借款人仍然是物业的业主，并可于固定年金年期内或终身每月收取年金，亦可提取一笔过贷款，以应付特别情况。

本集团其中一项使命，是促进退休规划市场发展。随着本集团多年来集中的宣传教育，大众对安老按揭计划的认识加深，申请宗数亦按年稳步上升，相比二零一七年增长7.5%。本集团在推广理财教育的努力获得嘉许，荣获首届举办的「香港金融理财知识和能力策略」颁发理财教育奖；该奖旨在表扬为香港整体理财教育的发展及改进作出贡献的机构。展望未来，本集团将继续达成使命，致力推广退休规划市场的发展，以迎合退休人士及公众的需要。

本集团明白，广泛的网络是吸纳更多准客户的关键，因此一直与业务伙伴紧密合作，利用银行地区分行扩展推广网络。为接触各区目标客户，本集团与银行一同举办多场巡回展览，设有展览区展示安老按揭计划的特点，并提供摊位游戏，让大众进一步了解安老按揭计划。巡回展览场内，本集团职员和银行代表积极向市民讲解计划并解答查询。巡回展览为期九个月，涵盖港岛、九龙、新界各区，于吸纳和教育目标客户方面取得成效，使客户明白安老按揭计划可作为退休理财规划的另一选项。

为延续巡回展览的效益，本集团年内与多间银行合作举办逾20场公开讲座，并于八月参与财富管理博览。各项活动反应积极，各场讲座出席人数平均介乎50至100人，当中许多参与者都对计划深感兴趣，而且想进一步作深入了解，例如计划如何有助提升退休生活素质。除银行外，本集团亦与非政府机构、专业团体、大学、政府部门等其他机构合作，开办连串简介讲座推广本计划。于二零一八年，本集团获各界邀请一共参与了逾30场公开讲座讲解安老按揭计划如何提升退休生活素质。

除到各区推广外，本集团亦透过多个渠道提升大众关注，如在主要电视及电台频道、YouTube等网上媒体、银行地区分行播放安老按揭计划广告。另一方面，本集团定期与传媒会面、举办简介会，致力促进与传媒的紧密联系。鉴于人口老化及公众对退休规划的认识加深，本集团将继续推广教育，联合各方持份者的努力，为退休人士以至各年龄层的公众促进退休规划市场发展。

补价易贷款保险计划

受财政司司长于二零一五至一六年度财政预算案所委托，本集团于二零一五年九月推出补价易贷款保险计划。计划旨在提供平台，协助50岁或以上的资助房屋业主融资，向香港房屋委员会（「房委会」）、房协或政府补地价。

在补价易下，借款人可利用其资助房屋作为抵押品，向银行申请贷款，主要用于向房委会、房协或政府补地价。本集团作为保险公司，向参与银行保证在贷款终止时，因出售物业后不足以清还贷款所

导致的任何损失将获补偿。自推出至二零一八年底，本集团已经批核12宗补价易贷款申请，平均物业估值约400万港元，一笔过贷款金额平均为88万港元。

于本年首三季，楼价上升加上租金收益下跌，令资助出售房屋业主补地价的市场需求减弱。此外，安老按揭计划经二零一六年十月优化，涵盖未补地价的资助出售房屋，为资助出售房屋业主提供无须补地价、直接申请安老按揭的途径。

为取得协同效益，本集团举办补价易和安老按揭计划的联合讲座，派发宣传资料，向准客户讲解计划特点。另外，本集团在各大主要广播频道及银行地区分行播放电视及电台广告，接触目标客户。

延长中小企融资担保计划下八成信贷担保产品（八成信贷担保产品）

面对外围经济环境波动，二零一二至一三年度财政预算案公布一系列支援本地中小企的措施，其中包括本集团根据市场为本的信贷担保产品推出有时限的特别优惠措施，为合资格贷款提供八成信贷担保，而且担保费用大幅调低（八成信贷担保产品）。由政府提供1,000亿港元的信贷保证承担额支持下，八成信贷担保产品协助中小企取得融资作一般营运资金、添置设备或其他资产，以支援业务运作。本集团以审慎的商业原则营运八成信贷担保产品，收取的担保费会拨作支付参与贷款机构的坏账索偿及计划下的相关开支。现时共有31间认可机构参与此计划成为贷款机构。

基于不明朗的外围经济环境及外贸表现，八成信贷担保产品的申请期获延长合共七次至二零一九年六月底。此外，为减轻借贷企业的经济负担，自二零一六年六月一日起将八成信贷担保产品的担保费率降低一成，同时取消担保费最低0.5厘的要求。为进一步减轻本地中小企的融资负担及协助中小企取得贷款，政府于二零一八年十一月十九日推出以下优化措施，有效期至二零一九年六月底－

1. 降低担保费五成；
2. 增加最高贷款额，由1,200万港元增加至1,500万港元；以及
3. 延长贷款担保期，由最多5年增加至7年。

继于二零一六年开始的中小企融资担保计划宣传活动，本集团与参与计划的贷款机构、中小企业商会、工商业商会及业界持续紧密沟通，并分享中小企的成功个案，以增强公众对八成信贷担保产品的了解及认识。于本年度，本集团为贷款机构的员工举办定期培训及工作坊，并分享业务和有关索偿的统计数据，以提升本计划的透明度及使用率。本集团于中小企研讨会上介绍中小企融资担保计划，并赞助于二零一八年十二月由香港中小型企业总商会在创智营商博览举办的国际中小企高峰论坛，以提高公众对八成信贷担保产品的认识。八成信贷担保产品深受市场欢迎。截至二零一八年十二月三十一日，本集团共批出超过14,500宗申请，涉及贷款总额585亿港元。逾8,500间本地中小企及超过224,700名相关员工受惠于此计划。

香港年金计划

改善长者的退休生活是政府的施政重点之一。政府在二零一七至一八年财政预算案中宣布就终身年金计划展开可行性研究，随后香港年金有限公司（「香港年金公司」）于二零一七年六月二十九日成立，推行并营运终身年金计划，以应对与日俱增的退休理财需要及使退休理财规划更为完善。

其后，香港年金公司于二零一八年七月五日宣布正式推出终身年金计划－香港年金计划，为65岁或以上长者提供一个退休理财选择及将一笔过现金转化成有生之年每月都可以收取的固定收入，有助长者安享晚年，同时促进本地年金市场发展。

香港年金计划是一个保险产品。投保人缴付一笔过保费后，可即时享有保证定额收入，每月支付，直至终身，使长者可终身每月收取稳定入息，应对长寿风险。

首批推出的香港年金计划于二零一八年七月十九日至八月八日接受公众登记，期间申请人可于本港20间零售银行或经香港年金公司网站登记认购香港年金计划的意向。首批香港年金计划共接获9,410宗认购意向登记，总认购额约49.4亿港元，平均认购额约52.5万港元。销售会面于二零一八年九月二十四日开始，持牌银行可于指定银行分行与申请人办理投保申请，而香港年金公司亦已设立申请服务中心以进行销售会面。

为达致公众教育及推广的目标，香港年金公司自二零一八年三月起进行宣传活动，经电视、电台、报章及户外广告等多个宣传渠道向目标客户传达讯息，以宣传终身年金及长寿风险的概念。香港年金公司为接触社群，举办了三次巡回展览、25场讲座及座谈会、接受多家传媒访问，向公众传达终身年金的概念并解答查询。活动取得不少成效，包括鼓励社会就终身年金及其他退休理财产品展开广泛讨论，并提高公众认知。

香港年金计划首次认购结果显示，退休人士对终身年金有一定需求。有鉴于此，香港年金公司重启香港年金计划的销售，并于二零一八年十二月十二日推出三项优化措施及全年持续销售模式。优化措施的推出可为客户带来更大的保障和灵活性，令客户更安心投保，而采用持续销售模式则可使客户的投保过程更便利快捷和加深了解产品的特点。香港年金公司将持续提高公众对长寿风险，及香港年金计划作为退休理财方案的认识。

香港年金计划自二零一八年七月成立以来，至二零一八年十二月三十一日共批出5,422份保单，总保费金额约28亿港元，平均保费金额为513,000港元。受香港年金计划的推出所带动，今年本地年金市场快速增长，规模显著扩大。

财务回顾

财务回顾

尽管二零一八年下半年经济增长动力似乎有所减弱，全球经济于二零一八年仍能保持增长。中美两国的贸易冲突加上主要先进经济体继续推行货币政策正常化，影响全球经济氛围，令全球金融市场波动加剧。中国内地方面，虽然增长动力略有放缓，但经济结构调整仍然持续。

香港经济增长率由二零一八年上半年的4.1%下降至下半年的2.1%，但由于本地及外部需求稳健，全年增幅仍达3%，高于过去十年2.8%的趋势增长率。二零一八年的通胀微升，惟仍属温和水平，主要因外部及本地物价压力令通胀动力略有提升。此外，劳工市场继续紧张，失业率跌至2.8%，是逾20年来最低。然而，投资及营商气氛转差，影响金融市场。鉴于外围不利因素增多，经济增长下行的风险亦随之增加。

收益表

财务表现

二零一八年的股东应占溢利为1.27亿港元(二零一七年：8.06亿港元)(表1)。盈利下跌主要由于香港年金公司基于精算假设下，年金业务因需要维持审慎的法定储备而引起会计亏损、于二零一八年无法再录得二零一七年的一次性出售投资所得、主要因重估美元存款和债券投资所得的汇兑收益减少以及为支持政策业务所需投放的资源。因此，股东资金回报率下降至0.9%(二零一七年：8.6%)，而成本对收入比率则上升至86.0%(二零一七年：26.8%)。尽管香港年金公司录得亏损，年金业务于二零一八年年底的内含价值(即权益总额与预期将来利润现值总和)约为52亿港元，显示业务长远而言应能获得盈利。资本充足率仍处于26.8%的稳健水平(二零一七年：21.0%)，远高于财政司司长规定不低于8%的要求。而保险附属公司则须遵守保险业监管局定下的资本要求，于二零一八年底，按证保险公司和香港年金公司的偿付能力充足率分别约为42倍及34倍。

表 1

财务表现概要	二零一八年 ¹	二零一七年
	百万港元	百万港元
未计减值前的经营溢利	67	829
除税前溢利	67	829
股东应占溢利	127 ¹	806
股东资金回报率	0.9% ¹	8.6%
成本对收入比率	86.0% ¹	26.8%
资本充足率	26.8% ¹	21.0%

¹ 为方便比较，在扣除香港年金公司业绩后，二零一八年经调整的股东应占溢利、股东资金回报率和成本对收入比率分别为5.15亿港元、5.1%及36.7%。

净利息收入

由于香港按揭证券公司集团的平均计息资产(主要来自现金及债务投资)增加，纵然部分被贷款组合的最优惠利率与香港银行同业拆息率息差收窄所抵销，本集团仍录得净利息收入5.36亿港元，较二零一七年增加2,800万港元。净息差维持1.1%(表2)。

表 2

净利息收入	二零一八年	二零一七年
	百万港元	百万港元
净利息收入	536	508
平均计息资产	50,972	48,027
净息差	1.1%	1.1%

按揭保险已满期保费净额

透过按揭保险计划新承保的贷款，由二零一七年的323亿港元微升至二零一八年的325亿港元。已收保费净额按未满期风险摊销及确认为收入。计及给予银行整笔鼓励性佣金支出、申索及拨备370万港元(二零一七年：100万港元)，已满期保费净收入为2.22亿港元(二零一七年：1.96亿港元)。

年金业务之净保险相关业绩

年金业务保险之净相关业绩(即已满期保费净额、申索产生净额、已付利益、保单持有人负债变动以及佣金和征费支出总和)录得5.50亿港元亏损(二零一七年：无)，主要由于按精算假设下需要维持审慎的法定储备，而香港年金公司的资本及已收保费存放于外汇基金的投资回报则归于其他收入项下。

其他收入

其他收入为2.50亿港元(二零一七年：4.14亿港元)，主要包括来自存放于外汇基金的投资收益1.85亿港元(二零一七年：无)及来自投资的股息收入5,900万港元(二零一七年：8,300万港元)。

经营支出

本集团一直致力维持严格的成本监控以控制开支及提高营运效率。经营支出按年上升35.5%至4.12亿港元，主要由于推出年金业务，惟支出金额较预算为少。雇员成本为2.58亿港元(二零一七年：1.96亿港元)，有效控制于占总经营支出的62.5%。办公室租金及相关支出为5,900万港元(二零一七年：3,900万港元)。

贷款减值拨备

资产素质维持稳健，本集团的按揭贷款组合拖欠比率处于0.02%的低水平(二零一七年：0.06%)。考虑到贷款组合减少及贷款组合现时的低平均按揭成数，按照已批准的审慎拨备政策，在二零一八年录得2万港元的贷款减值拨备。本年度录得贷款撤销为100万港元(二零一七年：200万港元)；而同期收回已撤销贷款为100万港元(二零一七年：100万港元)。

按类分析

以下表3载列于二零一八年按不同业务分类的税前溢利。

表3

截至二零一八年 十二月三十一日止年度	购买资产及 供款管理服务	一般保险	人寿保险	总额
	百万港元	百万港元	百万港元	
税前溢利/(亏损)	360	173	(466)	67

于二零一八年，本集团继完成集团重组及推出年金业务后，检讨并重定业务分类，藉以提供清晰及准确业务资讯。购买资产及供款管理服务分类呈示购买贷款及供款管理服务业务，以及其他相关业务的业绩例如债券发行。一般保险分类呈示按揭保险计划、安老按揭计划、补价易贷款保险计划及中小企业融资担保计划下的保险及担保业务业绩。人寿保险分类呈示年金业务(即香港年金计划)业绩。

二零一八年购买资产及供款管理服务税前溢利为3.60亿港元，主要来自贷款及投资组合的净利息收入。二零一八年一般保险税前溢利为1.73亿港元，主要为按揭保险计划和安老按揭计划已满期保费净额。二零一八年人寿保险税前亏损为4.66亿港元，主要由于香港年金公司基于精算假设对其年金业务因需要维持审慎的法定储备，部分由资本及已收保费存放于外汇基金的投资回报抵销。尽管香港年金公司录得亏损，但截至二零一八年年底，年金业务内含价值¹约为52亿港元，显示业务长远而言应能获得盈利。

财务状况

贷款组合

本集团于本年度购入约3亿港元香港贷款资产(二零一七年：3亿港元)。计及本年度提早还款和正常还款后，贷款组合未偿还结余下降14亿港元至64亿港元。

¹ 内含价值为权益总额与未来溢利现值总和。权益总额包括香港年金公司于二零一八年四月所得注资50亿港元。

证券投资

本集团按照董事局批准的投资指引，采取审慎、低风险的方针管理剩余资金与投资活动。于二零一八年十二月三十一日，投资组合总结余为172亿港元(二零一七年：174亿港元)，包括166亿港元债务投资及6亿港元交易所买卖债券基金及房地产信托投资基金。债务投资并无任何违约损失。

外汇基金存款

于二零一八年十二月三十一日，香港年金公司资本及已收保费存放于外汇基金为77亿港元(二零一七年：无)。

债券发行

于二零一八年，本集团透过中期债券发行计划，发行合共341亿港元债券。该计划发行的所有非港元债务均以港元或美元对冲外汇风险。本集团继续采纳审慎的预先筹措资金策略，于二零一八年十二月三十一日，未赎回债券总结余维持于373亿港元(二零一七年：348亿港元)。

主要资产负债表外风险

按揭保险计划

本集团以核准再保险公司分担风险方式经营按揭保险业务。于二零一八年底，风险总额约为237亿港元(二零一七年：211亿港元)，其中40亿港元(二零一七年：35亿港元)已向核准再保险公司购买再保险。由本集团承担的资产负债表外风险增加至197亿港元(二零一七年：176亿港元)。

于二零一八年底，未决申索拨备占所承担风险维持稳定于0.1%。拖欠比率维持稳健的0.002%水平(二零一七年：0.003%)。

安老按揭计划

本集团以保险公司的身份经营安老按揭计划，就香港参与银行贷出的安老按揭贷款收取保费，提供按揭保险保障。计及安老按揭贷款未提取的未来年金，本集团于二零一八年十二月三十一日承担的风险，增加至96亿港元(二零一七年：69亿港元)，相关未偿还贷款总结余为16亿港元。

资本管理

为确保本集团按资本金的比例扩展其业务及资产负债表时不会产生过度风险，本集团严密监控资本充足程度及资金运用。年内，本集团遵守财政司司长参照巴塞尔协定II以风险为本的资本充足框架下所发出的资本充足率指引(「指引」)。

根据指引，计算资本充足率乃跟随财务报告的综合基准，但撇除须遵守其他维持充足资本要求的受规管附属公司(即受保险业监管局规管的按证保险公司和香港年金公司)。撇除未予综合的受规管附属公司的投资成本后，于二零一八年十二月三十一日资本充足率仍处于26.8%的稳健水平，远高于资本充足率指引规定的8%最低比率。

于二零一八年十二月三十一日，按证保险公司和香港年金公司的偿付能力充足率分别约为42倍及34倍，远高于保险业监管局分别规定不低于200%和150%的法定最低要求。

股息

考虑到业务发展的资金需求，二零一八年不会宣派股息(二零一七年：无)。

风险管理

风险管理

本集团以审慎的商业原则营运。一切以「审慎为先、利润为后」的原则，作为整体风险管理架构与经营日常业务的方针。多年来，本集团不断优化已相当完善、稳健及行之有效的风险管理制度，务求配合市场与业务策略的变化。

董事局拥有本集团最高决策权及对风险管理负上最终责任。董事局在企业风险管理委员会的协助下，首要责任是制定风险胃纳声明内的风险管理策略，并确保本集团以有效的风险管理制度执行该等策略。风险胃纳声明订定所有风险活动的限制，并将这些限制纳入本集团遵循的风险上限、风险政策和监控程序中，以确保风险得到妥善管理。

企业风险管理委员会负责监察本集团各类型风险，检讨和批核高层次的风险相关政策，监察执行情况，并且督导有关管治、政策及措施的优化工作。委员会审视定期压力测试，以评估本集团应对极端严峻情况的财务能力。

委员会由一位执行董事担任主席，成员包括总裁、高级副总裁、首席法律顾问及风险管理部的高级职员。

本集团主要管理因贷款资产、担保组合、基建贷款、年金业务及投资组合而产生的信贷风险、市场风险、长寿风险、物业风险、营运风险、法律和合规风险及杠杆风险。

除企业风险管理委员会外，香港按揭证券有限公司亦藉不同的管理委员会管理风险，如基建融资及证券化投资委员会、信贷委员会、交易核准委员会、资产负债管理委员会、营运风险管理委员会及长寿风险委员会。除基建融资及证券化投资委员会由一位执行董事担任主席外，上述管理委员会均由总裁担任主席，成员包括相关高级副总裁、首席法律顾问及有关运作部门的高级职员。

保险附属公司亦自设风险管理委员会，以监察保险风险及其他有关风险。风险管理委员会由保险附属公司一位执行董事担任主席，成员包括总裁、相关高级副总裁及保险附属公司有关运作部门的高级职员。香港年金有限公司的风险管理委员会成员包括独立及非执行董事，为其营运提供独立的风险监察。

信贷风险 贷款资产及担保组合

本集团置有由零售及商业贷款资产组成的贷款及担保组合，当中主要为按揭贷款。信贷风险是本集团承担的最主要风险，源于借款人或交易对手因拖欠贷款而引起的风险。

(一) 违约风险

为有效控制违约风险，本集团四管齐下，保障和维持本身资产、按揭保险计划及中小企融资担保计划下资产组合的素质：

- 仔细挑选交易对手，包括核准卖方、管理供款机构、再保险公司和贷款机构
- 对购买资产、保险和担保申请制定审慎的资格标准
- 对购买按揭贷款、违约损失、保险及担保索偿进行有效的尽职审查程序
- 提升高风险交易的保障。

若购买按揭贷款计划的贷款于违约时收回的金额少于贷款余额，可能引致亏损。为减低违约风险，本集团制定审慎的贷款购买标准，并于购买贷款过程中进行有效的尽职审查，以维持贷款的信贷素质。此外，本集团会视乎个别相关贷款组合的预计风险，与核准卖方就该组合订立加强信贷安排，以降低因借款人违约而可能招致的信贷损失。

按揭保险计划所承保的贷款于违约时亦可能会带来亏损。每宗按揭保险计划的申请，均由本集团根据一套审慎的投保标准审批，而参与银行的每项申索亦会由本集团审查，以确保符合所有按揭保险计划下的承保条件。因此，按揭保险计划贷款的违约风险得以大幅降低。为避免违约风险可能过于集中，本集团以再保险安排，将部分风险转移至核准再保险公司。

同样地，中小企融资担保计划所担保的贷款，于借款人违约时亦可能会带来亏损。各担保申请均会经贷款机构根据本身的信贷政策评估借款人的违约风险。此外，本集团采用审慎的承保条件，进行行政审批和信贷审查，从而更加了解担保申请的信贷素质；并就每宗坏账索偿进行尽职审查，确保贷款符合本集团的承保条件以及贷款机构的内部信贷政策。

此外，本集团采用三管齐下的方式，管理小型贷款计划下的违约风险，包括(1)审慎评估借款人的还款能力；(2)由审批委员会考虑创业计划的商业可行性以批核贷款申请；及(3)向借款人提供营商培训和导师支援。

本集团定期追踪与汇报贷款和担保组合的信贷表现，让管理层知悉最新的信贷状况，以便密切监察经营环境中出现任何与本集团有关的风险，并及时实施减少风险的措施。

(二) 卖方/管理供款机构交易对手风险

倘若所收购组合的卖方/管理供款机构未能适时及准确地汇寄定期款项予本集团，可能会产生交易对手风险。

本集团采用以风险为本的资格审查，持续监测核准卖方/管理供款机构的贷款管理素质和信贷状况。

(三) 再保险公司交易对手风险

再保险公司交易对手风险指核准再保险公司无法向本集团支付索偿款项的风险。本集团已设立机制，评估按揭再保险公司的资格，并就所承受风险索取抵押品，以有效降低交易对手风险。

本集团每年及于需要时检讨各核准再保险公司的资格，以决定日后的业务分配及风险分摊比例。

(四) 库务交易对手风险

当库务交易对手拖欠或无法支付本集团有关库务工具交易的款项时，可能会产生库务交易对手风险。为管理库务交易对手，本集团采用以评级为主的交易对手评估框架，及以风险为本的交易对手限额机制。本集团持续监测库务交易对手，并根据评估结果，调整各库务交易对手的限额。

此外，本集团已经与主要掉期交易对手建立了双边抵押品安排，以减低库务交易对手风险。

(五) 贷款机构风险

本集团承受中小企贷款所产生的贷款机构风险：(1)贷款机构的贷款行为与其信贷政策不符；(2)贷款机构制定的信贷政策宽松、不够仔细或不够详尽以落实审慎批核要求；及(3)贷款机构因为贷款有担保保障而在审批时不够审慎所引发的道德风险。本集团通过审查贷款机构的信贷政策以及就索偿进行的尽职审查，管理贷款机构风险。

本集团信贷风险管理机制以信贷委员会及交易核准委员会为核心，而在保险附属公司则为其风险管理委员会。

信贷委员会及保险附属公司风险管理委员会负责制定信贷政策和资格标准。上述委员会审批要求成为购买按揭贷款计划的核准卖方/管理供款机构、按揭保险计划的核准再保险公司、中小企融资担保计划的核准贷款机构及合格的库务交易对手的申请。委员会亦负责制定交易对手的风险承担限额。委员会密切注视经营环境，并适时提出缓解风险措施，以管理信贷风险。

交易核准委员会及保险附属公司的风险管理委员会负责根据最新市况及董事局批准的业务策略，深入分析业务交易的定价因素及相关信贷风险。

基建贷款

本集团收购基建贷款，并计划成立基建证券化平台，以将相关贷款转为证券化债券出售。

基建融资风险主要源于基建项目借款人未有履行还款责任。此情况一般由建造风险、需求风险、政治风险及交易对手风险所引起。

建造风险指项目无法按既定规格及时间竣工；需求风险指从项目所得收益低于预期；政治风险指政治事件为项目带来不利影响；交易对手风险则因主要交易对手未有履行合约责任而产生。

此外，项目若未有遵守环境、社会及管治准则，而造成环境及社会风险，会令项目贷款机构出现财务或声誉影响。

合约、法律及法规的应用或诠释存在的不确定性，以及项目借款人因缺乏稳健企业管治及合规机制而未有遵守法律、法规及监管责任，均会产生法律与合规风险。

本集团多管齐下管理基建融资风险，包括采用审慎贷款准则、内部专才及独立顾问进行深入的尽职调查、强健项目架构、严谨融资合约及持续监察及审查制度，并已成功成立包括独立风险控制小组的专责产品部履行基建投资的日常风险管理。

基建融资及证券化投资委员会负责管理基建投资，包括监督基建融资对相关规则、指引及政策的遵守，以及批核、监察基建融资。

市场风险

由于市场价格转变，使本集团收入或贷款组合价值减少，即属市场风险。市场风险包括利率风险、资产负债满期错配风险、流动资金风险及货币风险。

(一) 利率风险

净利息收入是本集团盈利的主要来源，即本集团的贷款组合、现金及债务投资的利息收入超过债务发行及其他借款的利息支出的差额。当市场利率的变动影响资产的利息收入及/或负债相关的利息支出时，即引致利率风险。

利率风险管理的主要目的，是局限利率变动对利息收入/支出的潜在不利影响，同时取得稳定的盈利增长。本集团面对的利率风险有两方面，即利率错配风险和息差风险。利率错配风险是影响本集团净利息收入的最大风险，主要源自本集团赚息资产及计息负债的利率重新订价的时间差异。利率错配风险常见于贷款中大部分为浮息资产(以最优惠利率或香港银行同业拆息率为基准)的贷款组合，而本集团的主要负债则为定息债券。本集团审慎运用不同类型的金融工具(例如利率掉期、利率期权、息差掉期、远期利率协议及发行按揭证券)管理利率错配风险。定息债券的收益一般透过利率掉期，转变为以香港银行同业拆息率为基准的资金，使之更能与按揭资产的浮息收入配对。

本集团亦采用期限差距作为监察、衡量及管理利率错配风险的指标。期限差距衡量资产与负债的利率重新订价的时差。差距愈大，利率错配风险愈高。正期限差距指资产期限长于负债期限，即利率上升时风险较大；反之，负期限差距则表示利率下跌时风险较大。

本集团在资产负债管理委员会的指引监督下，视乎利率的未来走势及市况，会主动对资产负债组合的期限差距作出重新平衡。

息差风险指本集团以最优惠利率计息的赚息资产，及以香港银行同业拆息率计息的计息负债两者的基准利率差距。市场上可用作完全对冲最优惠利率与香港银行同业拆息率息差风险的金融工具有限。一般而言，资产均按香港银行同业拆息率以与资金的计息基准配对时，或有关的风险管理工具更普及或更具经济效益时，方能有效管理息差风险。过往数年，本集团刻意购买较多以香港银行同业拆息率计息的资产，因此息差风险已大幅减少。此外，本集团以往也发行以最优惠利率计息的按揭证券，及采用对冲衍生工具，以减低在这方面的息差风险。

(二) 资产负债满期错配风险

按揭贷款及基建贷款组合的实际平均年期，通常较按揭贷款的合约年期为短，视乎按期还款及提前还款的快慢而定。提前还款率愈高，则按揭贷款组合的平均年期愈短。在香港，提早还款有两个主要原因：(i) 换楼—借款人出售相关物业时全数偿还按揭；及(ii) 转按—借款人为取得较低的按揭利率重新安排按揭贷款。

资产负债满期错配风险可更具体阐释为再投资风险与再融资风险。再投资风险指本集团将提前还款及收回的按揭贷款重新投资所得回报较低的风险。再融资风险指以较高利率或价差再融资负债的风险。当以短期负债融资长期的浮息按揭资产时，本集团便会面对再融资风险(包括融资金额及资金成本的风险)。再投资风险可透过不断购买贷款资产补充保留组合流失的贷款，及将剩余现金投资债券或现金存款以调整整体资产组合的平均年期作有效管理。此外，本集团透过发行可赎回债券及可转让贷款证减轻再投资风险，让本集团得以运用可赎回债券及可转让贷款证所包含的赎回权，调整负债的平均年期，使负债能更切合整体资产组合。

本集团通过发行不同年期的债券，管理再融资风险，用以灵活调校整体负债组合的平均年期。此外，可以透过调整投资组合的资产到期日，或将贷款证券化成为按揭证券及债券以减少本集团的贷款资产，从而减低再融资风险。本集团以资产负债期限差距比率评估、监控及管理资产负债满期错配风险，以确保本集团资产与负债的平均年期有适度平衡。

(三) 流动资金风险

流动资金风险指本集团无法偿还债务(例如赎回到期债券)或无法为承诺购买的贷款组合提供资金的风险。本集团采用流动资金风险管理机制应对市况的转变，不断监控市场事件对本集团流动资金状况的影响，并采取审慎的预早融资策略，控制全球市场波动对本集团流动资金的影响。流动资金风险可透过监控每日资金流，以及预测整个还款期的较长期资金流情况加以管理。本集团以流动资产比率衡量、监控及管理流动资金风险状况。

鉴于本集团由政府全资拥有的强大背景及良好的评级，本集团可以于债券市场有效率地从机构及零售投资者取得融资。除此优势外，本集团持有高流动性的投资组合，有助本集团迅速和顺利地应付无法预见的流动资金需求。即使市场资金持续异常紧缩时，本集团亦可运用外汇基金的300亿港元备用循环信贷，作为后备流动资金。

本集团已成功开拓多个融资渠道，审慎管理提早融资，确保所有的可预见融资承诺于到期时能够兑现，以支援业务发展及维持债务组合的平衡。此多元化资金来源，可使本集团以最低成本进行提早融资的策略，同时亦可在市场不寻常时期保持融资能力。目前的资金来源如下**表1**所示：

表1：本集团现时的资金来源

资金来源	说明
60亿美元中期债券发行计划	已委任强大的交易商团队根据此计划向国际机构投资者包销及分销港币及外币债券
400亿港元债务工具发行计划	主要交易商及销售团成员根据债务工具发行计划向机构投资者包销及分销债券。此发行计划下的可转让贷款证附属计划更进一步扩大原计划的资金来源及投资者基础
200亿港元的零售债券发行计划	配售银行以分行网络、电话及电子银行服务设施协助本集团向投资者发行零售债券
30亿美元Bauhinia按揭证券化计划	多种货币按揭证券发行计划，让本集团在本地及国际市场推出按揭证券
投资组合	主要包括现金及银行存款、商业票据、优质存款证及可随时兑换成现金的票据
货币市场短期资金	本集团已从多家本地及国际银行取得货币市场短期资金借贷额度作短期融资
300亿港元备用循环信贷安排	外汇基金承诺向本集团提供300亿港元备用循环信贷

(四) 货币风险

货币风险指汇率波动对本集团财政状况及外币现金流量的影响。本集团严格按照董事局批准的投资指引，在资产负债管理委员会的监督下管理货币风险。资产负债管理委员会订立每日可承受的风险上限。

基于审慎风险管理原则，根据中期债券发行计划已发行的外币计值债券，已通过外币换汇交易悉数对冲。

交易分别经前线、中间及后勤办公室处理，以确保有充分制衡。库务部为前线办公室，负责监察金融市场的变化，并根据资产负债管理委员会制定的策略执行各种现金、衍生工具、债务及证券化市场交易。风险管理部则担任中间办事处角色，监察交易是否符合库务交易对手及市场风险限额。业务运作部为后勤办公室，负责交易的核实、确认、结算及付款流程。

资产负债管理委员会负责全面管理市场风险。委员会依循审慎风险管理原则及董事局所核准的投资指引，负责审查和管理市场风险，包括利率风险、资产负债满期错配风险、流动资金和融资风险及货币风险。委员会定期举行会议，检讨金融市场的最新发展，并制定有关资产负债的管理策略。

长寿风险

安老按揭计划与补价易贷款保险计划下的长寿风险指较预期长及支付较大额的年金所引致的风险。年金付款期及贷款期愈长，贷款金额随着时间亦会累积愈多，而出售物业以偿还贷款后的余额会愈少。当出售物业的款项并不足以偿还贷款时，就可能会导致损失。

香港年金计划下的长寿风险指年金受益人的实际寿命比预期长，令发放年金的年期变长，从而严重影响该计划的长期可持续性。

安老按揭计划和补价易贷款保险计划的贷款终止率和年金计划的保单终止率很大程度上取决于借款人和年金受益人的死亡率(即寿命)。本集团对死亡率及日后预期寿命的延长作审慎的精算假设，藉以应对长寿风险。本集团每年进行风险分析，以评估长寿风险所带来的潜在财务影响，以及安老按揭计划、补价易贷款保险计划和年金计划下各种风险因素之间的相互影响，并定期检讨假设的死亡率。

长寿风险委员会负责管理本集团的长寿风险，其职责包括批核长寿风险管理政策、对冲交易，并检视本集团的长寿经验及风险。委员会亦会密切注视并分析人类寿命的趋势、相关科技的变革及对人类寿命的影响。

物业风险

在购买按揭贷款计划、按揭保险计划、安老按揭计划与补价易贷款保险计划时，作为贷款及担保组合抵押品的物业如在价格方面有所波动，便会令本集团承受物业风险。本集团就购买贷款或贷款申请聘用测量师为每项物业估值、设定已抵押物业于变现时的保守价值、制定各类相关计划的最高按揭成数及进行压力测试以评估楼市下滑的影响，藉以管理物业风险。

信贷委员会和保险附属公司的风险管理委员会负责管理本集团的物业风险。

外汇基金存款

香港年金公司将所得年金供款存于外汇基金的「投资组合」和「长期增长组合」，以赚取利息。此外，该公司将缴足资本及保留溢利存于「投资组合」，以管理资本回报率。若投资回报低于预期水平，本集团会承受市场风险。利率、股价、楼价及汇率不利变动亦可能造成亏损风险。本集团积极监察并检讨投资组合，以厘定「投资组合」与「长期增长组合」之间的策略资产配置。

香港年金公司因供款及资本存放所引致的一切风险，均由其风险管理委员会管理。

营运风险

营运风险指由内部程序、人为、系统失误或失灵、或外界因素引致运作中断而导致损失的风险。

本集团采用自下而上的方式，深入分析新产品、业务活动、程序，并将系统升级与尽职审查新业务流程，以识别营运风险，另外亦采用全面验证规则、资讯系统管理报告及审核证据，以追踪及呈报任何错误或不足。

本集团维持全面且完善的内部监控、核证制度及营运流程，积极管理营运风险。本集团设有营运框架，配合不同业务范畴推出的新产品。此外，本集团在执行营运及系统基建设施之前，会作出严格审视，确保有足够的内部监控，从而纾缓营运风险。

在业务活动及流程方面，本集团广泛利用先进资讯技术、配合有效的营运制度与监控，以确保日常营运的效率及成果。本集团采用有效的措施确保该系统准确、可用及安全。本集团亦有谨慎措施确保足够监察和充分制衡，保证营运受到恰当控制。有效的内部监控有助减低财务风险，同时保障资产免遭挪用或不当的损失，包括预防及侦测欺诈行为。

资讯风险管理

本集团的资讯系统保安政策载有员工必须遵从的资讯保安要求，并制订措施确保资讯资产的机密性、完整性及可用性。本集团实施各种资讯保安措施，以减低外界入侵的风险。本集团内部也实施对区域网络的保安监控以减低恶意入侵的风险。于有需要时，本集团亦聘任外界顾问测试保安漏洞，以提高系统安全。为确保高度合规，内部审计师定期审核本集团的主要营运系统与程序。

此外，本集团已加强监管措施，从两个范畴提升对网络攻击的抵御能力，其一是设立专责资讯风险管理部，制订并执行资讯风险管理框架及控制措施的管治。其二，资讯风险管理部协助本集团充分认识并遵守资讯保安政策，并就调查任何有关科技欺诈及事故提供支援。

业务持续运作规划

本集团的业务恢复规划，确保所有业务单位的服务时刻都能够保持在最高水平，以支持业务的持续运作，将受不同灾难事故引起的业务中断影响减至最低。每个业务单位定期评估不同灾难事故的影响，从而更新恢复程序。为确保业务恢复程序切实可行，每年都举行全公司的业务恢复演习；亦每日备份及在场外储存备份磁带，以确保本集团免受任何资讯科技灾难影响。

产品批核机制

为了确保新产品在设计和推出时，已经充分考虑所有风险因素，本集团设立新产品发展管理机制。根据该机制，任何新产品在推出前，须经过恰当的产品规范批核程序。于产品研发过程开始前将明确指定产品推动人，负责启动整个批核机制。只有得到所有功能部门批核和确认产品在实用性方面准备就绪后，产品才可以推出。

投诉处理机制

本集团不断致力改善核心工作流程，以确保产品和服务满足客户期望。为确保客户的回应适时得到恰当处理，本集团已制定正式的投诉处理机制，以跟进、报告及处理投诉。

营运风险管理委员会负责确保本集团所有相关运作部门都采取有效的营运风险及内部监控机制。委员会制定关键风险指标，监察主要营运风险的事项和减低风险措施的成效。于内部程序如有控制上的弱点、失效或不合规的情况，会作为营运风险事件纪录、汇报及处理，以作为营运风险管理。委员会也负责制定方向、解决有关政策、监控和管理营运事宜，并确保倘若审核结果涉及营运风险或内部监控时，可以迅速采取恰当的纠正措施。

法律与合规风险

法律风险指法律及法规的应用或诠释不明确或法律文件无法予以执行或未能有效保障本集团利益时所产生的风险。合规风险指违反适用于本集团的法律、法规、行为守则或行业常规所产生的风险。

由首席法律顾问主管的法律顾问部，负责就法律事务向本集团提供意见，务求控制法律风险。当考虑新产品或业务时，法律顾问部会就有关法律及监管环境提供意见。法律顾问部亦会对所需的法律文件提供意见及识别潜在的法律问题，务求保障本集团的利益。本集团亦会适时聘请外部法律顾问，协助法律顾问部为本集团提供法律支援。法律顾问部与本集团的其他部门紧密合作，就法律问题及法律文件提供意见。

合规专组是法律顾问部的一部分，由合规总监领导，其通过首席法律顾问向总裁汇报。合规专组会适时聘请外部法律顾问，为合规事宜提供意见。有关合规专组及其工作的详情，请参阅企业管治报告内「合规汇报」一节。

营运风险管理委员会是负责管理法律与合规风险的委员会。

杠杆风险

为确保本集团在扩展业务以及资产负债表时，对资本基础不会构成过度的风险，财政司司长(就其财政司司长身份而非股东身份)作为本集团的监管人，已颁布资本充足率指引。该指引主要参考「巴塞尔协定II」的风险资本充足框架，而当中最低的资本充足率定为8%。于二零一八年十二月三十一日，本集团的资本充足率为26.8%。

监管资本按资本指引严格监控并审慎运用。总裁每季向董事局汇报资本充足率和当季的最低每日比率。本集团同时也设有预警机制，当资本充足率低于14%的临界水平时，总裁会通知执行董事及考虑作出补救措施。而当资本充足率下跌至12%或以下时，会通报董事局，并采取适当的补救措施。

企业管治报告

企业管治报告

企业管治常规

本公司的使命是促进：

- 银行业界稳定
- 市民置业安居
- 本地债券市场发展
- 退休规划市场发展

本公司根据审慎商业原则运作，并致力确保高水平的企业管治，务求提升整体问责性、透明度及长远的持续营运能力。本公司所采纳的企业管治常规，载于董事局所通过的「企业管治守则」(「守则」)内。守则以公平、透明、问责及向所有持份者负责的原则为前提。守则已向股东、董事及员工派发，并载于本公司的网站(www.hkmc.com.hk)。

守则的合规监控方面，每年由各部门进行自我评估开始，然后总内部审核师会独立审核各部门所填写的自我评估报表，合规报告之后会呈交董事局审阅。董事局有权要求就任何违规行为采取适当行动。

二零一九年二月，总内部审核师对各部门就二零一八年度的守则合规情况所提交的自我评估报表，进行了独立审核。根据年内本公司内部监控制度的审计结果及已填写的自我评估报表，总内部审核师认为守则在各重大方面已经予以遵守。

提升企业管治守则

保持稳健及合理的企业管治架构，以达至有效和审慎的公司管理，一直是本公司的首要工作。为确保本公司的企业管治常规与最佳标准更趋一致，本公司将不时检讨守则，并采纳任何新发展的相关企业管治常规。

股东

本公司的所有股份均由香港财政司司长以外汇基金管理人身份实益拥有。

董事局

董事局负责领导本公司，并以有效及负责任方式推动公司争取佳绩。为对本公司作出策略性领导及实施有效监控，董事局每年最少会面四次，以检视本公司的业务策略与政策、预算与规划、组织与财务表现、风险管理、人力资源及社区关系。为确保董事局能够作出持平的决定，董事局成员包括来自政府、政党、银行界、会计界、法律界与消费者委员会的代表。本公司鼓励董事出席董事局会议，以确保事项得到充分讨论。

守则规定在董事局会议召开前，董事都获提供适当资料，以便了解公司事务的最新情况，并在会议上作出明智决定。在审查年度内，董事局共举行了四次会议。

守则亦规定董事在履行本公司的董事职责时，应避免可能或可能被视为损害其个人判断或诚信的情况或引起利益冲突的情况。

董事须就董事局会议即将审议的任何事项，申报其本人或其关连实体的重大利害关系。倘若有董事或其关连实体在董事局会议即将审议的事项中有利益冲突，则该名董事须在董事局会议表决该事项时放弃投票，而其出席也不会计算在该事项投票时的法定人数内。就每个财务汇报期，本公司均会要求董事就其本人及其关连实体在涉及本公司或本公司之附属公司或附属企业的重要交易、安排或合约中所存有的重大利害关系进行确认。每年亦会按照香港

财务报表准则，识别本公司与其交易对手订立的有关人士重大交易，并在财务报表的附注内作出披露。

截至二零一八年十二月三十一日，董事局有16名董事，全部均由本公司的股东正式委任。董事资料载于年报内刊载的董事报告，亦可在本公司网站参阅。除了四名执行董事，所有董事均为非执行董事，并无积极参与本公司的日常管理。但非执行董事在董事局审议事项方面扮演着重要角色，包括提供独立意见、广博见识及多方面专业知识，有效推动管理层执行本公司的政策。本公司并无向董事支付酬金。

本公司会向新委任的董事提供关于本公司业务活动、策略及目标的简介。

非执行董事的任期一般为一年。根据本公司的公司章程细则，全体非执行董事须于获委任后的下一届股东周年大会退任，惟可获再委任。

对于董事及管理人员为本公司履行职务时可能引起的法律诉讼及其他索偿，本公司备有保险安排。

主席与总裁

二零一八年内，主席一职由陈茂波先生担任，总裁一职由李令翔先生担任。主席与总裁职位分别由两

位人士担任，以此明确区分董事局职责与本公司管理层的行政职责。董事局负责制定策略性方向及业务指引，批核财务目标及持续密切监察本公司的表现。总裁向董事局负责，肩负带领管理层以适当有效方式执行董事局决策的重任。总裁亦会确保定期向董事局呈报有关本公司业务的充足资料。

公司秘书

公司秘书向董事局负责，其主要职责是确保本公司及董事局遵循所有公司秘书程序。此外，公司秘书须确保会议文件于每次董事局会议召开前，及时发放予董事。董事亦可向公司秘书征询意见及有关服务，以确保董事局程序符合有关法律、规则和法规。

二零一八年的董事局会议时间表已预先提供予董事，以便董事安排出席会议。守则要求董事局会议文件一般应在相关董事局会议召开前最少七天，发送予各董事，让董事在董事局会议召开前能充分了解有关事宜。董事局会议文件一般载有会议议题的详尽背景或说明资料，亦适当包括支持文件、分析、研究结果、计划书、财政预算及预测。然而，如任何董事被认定与董事局会议的议题存在利益冲突，则该董事便不会获发相关议题的董事局会议文件。

所有董事局会议与审计委员会会议一般都有详尽的会议记录，记录内容包括会议上曾讨论的事项、达成的决定、董事曾提出的问题及曾发表的不同意见。董事局会议记录与审计委员会会议记录均由公司秘书保管，可供任何董事查阅。然而，如有董事对任何会议议题存有利益冲突，该名董事则不会获发亦不可查阅相关会议记录或资料。

审计委员会

在审查年度内，审计委员会成员为：

- 施文信先生，非执行董事（审计委员会主席）
- 余伟文先生，执行董事
- 陈家强教授，非执行董事
（于二零一八年七月十三日获委任）
- 冯婉眉女士，非执行董事
（于二零一八年七月十三日获委任）
- 吴亮星先生，非执行董事
（于二零一八年四月十三日退任非执行董事后不再为成员）
- 郭珮芳女士，非执行董事
（于二零一八年四月十三日退任非执行董事后不再为成员）。

审计委员会负责审阅本公司的财务报表、该等报表的编制及所采纳的会计准则、财务审计结果及本公司的管理程序，以确保其内部监控制度充足有效。

审计委员会定期与管理层、总内部审计师及外聘核数师举行会议。审计委员会亦会召开临时会议，审议需要其注意的特别事项。审计委员会主席向董事局提交报告供董事审阅，报告概述审计委员会曾进行的审阅，并重点指出任何重要事项。在二零一八年，审计委员会共举行了两次会议。

内部审计师

集团内部审计部独立于管理层运作，在评核本公司的内部监控制度上担当重要角色。总内部审计师领导集团内部审计部，直接向审计委员会主席汇报与本公司内部监控有关的一切事宜，亦同时向总裁汇报集团内部审计部的日常行政事宜。总内部审计师可以毋须知会管理层，与审计委员会主席直接沟通。

审计委员会每年均会正式审批由总内部审计师根据其独立风险评估并按照其对营运风险管理委员会与企业风险管理委员会会议曾讨论的相关风险管理议题的观察结果所编制的年度内部审计工作计划。集团内部审计部依照年度内部审计工作计划，采用以风险为本的审计方法，独立审核本公司的内部监控制度。每次审核后，集团内部审计部会与相关部门主管、高级管理层和执行董事讨论审核结果及建议。内部审计报告会呈交审计委员会审阅，然后再呈报董事局。



一直以来，管理层都积极考虑总内部审计师所提出的审计结果及建议，并密切监督有关建议的实施。

外聘核数师

本公司的外聘核数师是罗兵咸永道会计师事务所。核数师酬金的详细资料于本公司的财务报表内披露。核数师可随时与总内部审计师及审计委员会沟通。为确保核数师对本公司的独立性，核数师会根据香港会计师公会的《国际职业会计师道德守则》第290节的要求，每年致函审计委员会，确认其身份独立。为审核本公司截至二零一八年十二月三十一日年度的财务报表，罗兵咸永道会计师事务所已向审计委员会确认其身份独立。

财务汇报

本公司致力向持份者与公众人士，就业绩表现、财务状况和前景提供清晰、持平及全面的评估。董事负责编制财务报表，核数师就其汇报责任于该等财务报表的独立核数师报告中作出声明。董事要确保所编制的财务报表真实及公平地反映本公司的财政

状况。本公司的全年及中期业绩会在相关时期结束后及时公布。

内部监控

董事局对本公司的内部监控制度承担整体责任，并透过审计委员会对该等制度是否足够和有效作出定期检讨。

透过成立多个不同委员会，以确保本公司有营运效率及审慎风险管理。当中包括企业风险管理委员会及基建融资及证券化投资委员会，均由一位执行董事担任主席，负责从企业整体角度监督本公司的风险；而营运风险管理委员会、信贷委员会、交易核准委员会、资产负债管理委员会及长寿风险委员会均由总裁担任主席。每个委员会都有清晰明确的职权范围。有关该等委员会及本公司的风险管理架构的详情，均载于年报内「风险管理」一节。

内部监控制度旨在提供合理保障，以避免重大的失实陈述或损失，管理营运过程失效以及追求业务目标带来的风险，防止未经授权使用资产，妥善保存供内部使用及对外发放的会计记录，并确保符合政策及相关法律例与法规。

合规汇报

合规专组是法律顾问部的一部分，其设立是为了更集中管理监管及合规风险。

合规专组由合规总监领导，并通过首席法律顾问向总裁汇报。根据本公司的合规政策和合规手册，合规专组主要就利益冲突、反贪污、反歧视、竞争法、私隐和个人资料保护、打击清洗黑钱及反恐融资方面，对本公司各部门二零一八年的合规操作进行监控并提供意见。合规专组于二零一八年进行合规审核，以确保本公司各部门维持稳健的合规操作。

为支援交易，合规专组于年内负责对主要交易进行审查和签字批核。合规专组亦举办培训提高员工的合规知识。为加强员工的合规知识，合规专组为本公司不同部门及附属公司的相关员工安排不同范畴的年度合规测验。

行为守则

本公司要求员工遵守最高的诚信和行为标准。该等要求与相关法律责任明确载于本公司员工手册内的行为守则(「**行为守则**」)。行为守则有条文特别规范员工个人利益与公司利益之间可能产生的潜在利益冲突。行为守则亦载有其他条文，以确保员工妥善地、符合道德地、公正无私地，在没有受到任何不正当影响下执行其职务。

行为守则载于本公司的内部网站，供全体员工参阅。

员工每年均须书面确认其已经遵守行为守则。根据已收到的员工确认书，管理层认为员工于二零一八年内均已遵守行为守则，表示满意。

沟通交流

本公司非常重视与公众的沟通交流。本公司的年报刊载了本公司的业务策略及发展详情。本公司的网站(www.hkmc.com.hk)适时登载本公司的新闻稿与其业务资讯。本公司亦设有热线电话，供公众人士查询使用。

企业社会责任

本公司致力履行企业社会责任。自二零零八年起，为了表扬本公司对社会的贡献及一直致力履行企业社会责任，香港社会服务联会向本公司每年颁发「同心展关怀」标志，而本公司现在已是第十一年参与企业社会责任工作。为嘉许关顾及重视雇员退休保障的雇主，本公司自二零一四年起每年均获强制性公积金计划管理局颁发「积金好雇主」奖项。

此外，本公司继续确保所有人都能使用本公司的网站，包括有视觉或听觉障碍等有障碍人士。

香港按证保险有限公司(「按证保险公司」)及香港年金有限公司(「香港年金公司」)

按证保险公司及香港年金公司(本公司的全资附属公司，为根据《保险业条例》在或从香港分别经营一般保险业务及长期保险业务的获授权保险人)的企业管治守则紧贴本公司的守则，皆载纳最佳企业管治常规。年内，各附属公司的董事局由本公司的董事局成员及该附属公司的高级管理层成员组成。按证保险公司及香港年金公司的董事由财政司司长作为两间附属公司的最终拥有人委任。各附属公司的审计委员会向本公司的审计委员会作定期汇报。

二零一九年二月，本公司的总内部审计师与香港年金公司的内部审计部主管对按证保险公司及香港年金公司各部门及专组各自就按证保险公司及香港年金公司二零一八年度的企业管治守则合规情况所提交的自我评估报表，进行了独立审核。根据年内两间附属公司内部监控制度的审计结果及已填写的自我评估报表，本公司总内部审计师与香港年金公司的内部审计部主管分别认为按证保险公司及香港年金公司的企业管治守则在各重大方面已经予以遵守。

结语

董事局对本公司二零一八年内的企业管治操作表示满意。在二零一九年，本公司将按不断的实践经验、监管制度变化、国际市场动向与发展，继续检讨企业管治架构并恰当地优化该等操作，务求提升本公司的效率和有效管理以达成其使命。

董事报告

Directors' Report

香港按揭证券有限公司(「本公司」)的董事局欣然提呈其报告及本公司(就本报告而言,连同其附属公司及附属企业,统称「本集团」)截至二零一八年十二月三十一日止年度经审核的综合财务报表(「财务报表」)。

主要业务

截至二零一八年十二月三十一日止年度内,本集团的主要业务包括:

- (a) 从有关批授人、发行人、拥有人或卖方,购买以位于香港的物业或其他抵押品作抵押的按揭或贷款组合,收购任何类别的债权证、应收款项、金融资产及据法权产;
- (b) 透过购买或其他方式,从政府部门和机构及相关组织、法定团体以及公营机构收购任何资产,并持有、出售、转让、处置及处理任何该等所收购的资产;
- (c) 向投资者发行债券;
- (d) 经营中央小型贷款平台以支援小型贷款;
- (e) 发展新设立的基建融资及证券化业务;
- (f) 受政府委托管理一个为参与的「认可机构」(根据《银行业条例》的定义)借予本地非上市企业包括中、小型企业(「中小企」)的贷款提供融资担保的计划;
- (g) 为参与的贷款机构所批出以住宅物业和其他资产(如适用)作抵押的按揭贷款、安老按揭贷款及补地价贷款提供按揭保险;及
- (h) 在或从香港提供终身年金产品。

本集团其他成员截至二零一八年十二月三十一日止年度内的企业资料 and 主要业务,均载于财务报表附注22。

The Directors (**Directors**) of The Hong Kong Mortgage Corporation Limited (**Company**) have pleasure in presenting their report together with the audited consolidated financial statements of the Company (for the purpose of this report, together with its subsidiaries and subsidiary undertakings, **Group**) for the year ended 31 December 2018 (**Financial Statements**).

Principal Activities

The principal activities of the Group in the course of the year ended 31 December 2018 were:

- (a) to purchase portfolios of mortgages or loans secured on properties or other collateral situated in Hong Kong and to acquire debentures, receivables, financial assets and choses in action of all kinds from their originators, issuers, owners or vendors;
- (b) to acquire, by purchase or otherwise, any assets from government bodies and agencies and related organisations, statutory bodies and public bodies and to hold, sell, transfer, dispose of and deal in any such assets so acquired;
- (c) to issue debt securities to investors;
- (d) to operate a centralised microfinance platform to support microfinance loans;
- (e) to develop new business initiative on infrastructure financing and securitisation;
- (f) to operate a scheme for the Government providing guarantee on loans advanced by participating authorized institutions (**AIs**) (as defined in the Banking Ordinance) for local non-listed enterprises, including small and medium enterprises (**SMES**);
- (g) to provide mortgage insurance cover in respect of mortgage loans, reverse mortgage loans and loans for premium settlement originated by participating lenders and secured on residential properties and, if applicable, other assets; and
- (h) to offer life annuity products in or from Hong Kong.

The corporate information and principal activities of the other members of the Group in the course of the year ended 31 December 2018 are set out in Note 22 to the Financial Statements.

业务审视

1. 业务板块

为完成其使命和社会目标，本集团年内以审慎商业原则运作，主要通过发展、实施并经营下列项目、计划和业务，从事参与、安排及购买贷款、按揭保险和终身年金的业务活动。

购买按揭贷款计划

本集团的使命之一，是透过提供可靠的流动资金来源，加强香港银行业的稳定性。为完成此使命，本集团一直做好准备，以便随时于核准卖方有需要减持资产套现时，从核准卖方买入按揭贷款和其他资产。年内，市场资金充裕，银行出售资产套现的意欲偏低。

小型贷款计划

推出小型贷款计划，旨在以可负担的息率提供贷款及给予辅助支援服务予有意创业、自雇或希望通过培训、技能提升或考取专业资格自我增值的合资格人士。除非获政府继续委托及经董事局批准延续，该计划将于二零一九年十二月期满，其现有总贷款金额上限为2亿港元。

Business Review

1. Business Segments

In the pursuit of its missions and social objectives, during the year, the Group operated on prudent commercial principles and engaged in business activities of loan participation, origination and acquisition, mortgage insurance and life annuity mainly through the development, implementation and operation of the programmes, schemes and business initiatives below.

Mortgage Purchase Programme (MPP)

One of the missions of the Group is to enhance the stability of the banking sector in Hong Kong by offering a reliable source of liquidity. To achieve this mission, the Group stands ready to purchase mortgage loans and other assets from approved sellers as and when they have the need to offload. With ample liquidity in the market during the year, there was low incentive for AIs to offload their assets.

Microfinance Scheme (MFS)

MFS is launched with the aim of offering loans at affordable rates and ancillary supporting services to eligible persons who wish to start their own businesses, become self-employed or achieve self-enhancement through training, upgrading of skills or obtaining professional certification. Subject to any extension as may be commissioned by the Government and approved by the Board of Directors, the MFS will expire in December 2019 and its current lending cap is HK\$200 million.

基建融资及证券化

年内，董事局批准了基建融资及证券化业务计划，本集团亦成立了新设立的基建融资及证券化产品部，由富相关经验的行内人士营运，专责发展此新业务。本集团自二零一九年起，依业务计划按照审慎商业原则及在稳健的风险管理框架下营运此新业务。

环球基建融资市场资金缺口庞大并正逐渐扩阔，本集团可透过新设立的基建融资及证券化业务，善用其卓越的信贷评级、发行中长期债券融资的优势，促进基建投融资活动，进一步履行促进银行业稳定和本地债券市场发展的公司使命。

中小企融资担保计划

中小企融资担保计划是一个由市场主导的贷款担保计划，通过为参与的贷款机构所批出的企业贷款提供五至七成担保，协助本地非上市企业（包括中小企）应付经营业务及购置设备和资产的融资需求。此外，政府委托了本集团管理政府的特别优惠措施，旨在为参与的贷款机构向本地非上市企业所批出的贷款提供八成信贷担保（「八成信贷担保产品」）。以政府所提供总额高达1,000亿港元的信贷担保作后盾，本集团按审慎商业原则管理八成信贷担保产品，并负责相关营运开支。

为进一步减轻本地中小企的财务负担、协助中小企取得融资，尤其是外围经济环境及贸易表现于年内及可见将来并不明朗的情况下，政府于二零一八年十月宣布，连续第七次延长八成信贷担保产品的申请期，至二零一九年六月底，并就八成信贷担保产品推出三项优化措施，由二零一八年十一月一日起生效。该三项优化措施为：(a) 借款企业须付的担保费率减半；(b) 借

Infrastructure Financing and Securitisation (IFS)

During the year, the Board of Directors approved an IFS business plan, and a newly established IFS Division of the Group, manned with experienced industry professionals, was formed to develop this new business. The Group has started the new business since 2019 in accordance with the business plan based on prudent commercial principles and under a robust risk management framework.

The new IFS business will enable the Group to leverage its strong credit standing and medium-to-long term funding capability to further its mandates of promoting stability of banking sector and development of debt market in Hong Kong by facilitating infrastructure investment and financing flows against the enormous and widening funding gap in the international infrastructure financing market.

SME Financing Guarantee Scheme (SFGS)

SFGS is a market-based loan guarantee scheme providing 50% to 70% guarantee on loans advanced by participating lenders for assisting local non-listed enterprises (including SMEs) to meet their funding needs for working capital or acquisition of equipment and assets in support of their business operations. In addition, the Government has commissioned the Group to administer the Government's special concessionary measures which aim at providing 80% guarantee for loans advanced by participating lenders for local non-listed enterprises (**80% SFGS**). Backed by the Government's total guarantee commitment of up to HK\$100 billion, the Group administers the 80% SFGS on prudent commercial principles at its own cost.

To further relieve the financial burden of local SMEs and assist them to obtain financing, in particular, under the uncertain external economic environment and trade performance during the year and in the foreseeable future, the Government announced in October 2018 to extend the application period of the 80% SFGS for the seventh time consecutively to the end of June 2019, and to introduce three enhancements to the 80% SFGS with effect from mid November 2018. The three enhancements are: (a) reducing by half the annual guarantee fee rate payable by borrowers, (b)

款企业可得最高贷款额由1,200万港元增加至1,500万港元；及(c)贷款担保期最长由五年延长至七年。年内，本集团向参与计划贷款机构的营运团队提供定期培训课程，于中小企讲座讲解中小企融资担保计划，赞助香港中小型企业总商会举办国际中小企高峰论坛，以提高八成信贷担保产品的使用率，令大众对产品加深了解。

按揭保险计划

推出按揭保险计划，容许自置居所人士取得较高按揭成数，从而减轻其支付首期的负担，目的是促进香港有更多自置居所。在该计划下，本集团扮演保险公司的角色，为参与的认可机构批出的按揭贷款，当中超出香港金融管理局规定的贷款上限部分，提供按揭保险保障，并收取保费。自一九九九年三月推出以来，该计划的公众认受性日益提升。二零一八年，该计划所批核的新提取按揭贷款总额为325亿港元。

安老按揭计划

推出安老按揭计划，旨在给予自置居所业主新的财务安排选择，藉此提升其退休生活素质。透过安老按揭，自置居所业主可以利用自住物业作为抵押品，从参与的贷款机构换取一笔过款项及/或于一段付款期内持续每月收取款项。在该计划下，本集团主要担当保险公司的角色，为参与的贷款机构所批出的安老按揭贷款，提供按揭保险保障，并收取保费。

本集团一直就安老按揭计划推行重点教育活动，令该计划的市场认受程度不断提升。该业务录得申请宗数于二零一八年稳步增长，较二零一七年增加7.5%。

raising the maximum facility amount available to borrowers from HK\$12 million to HK\$15 million, and (c) lengthening the maximum guarantee period from five years to seven years. During the year, the Group promoted more active use and public awareness of the 80% SFGS by providing regular training sessions to the operational teams of participating lenders, introducing the SFGS in SMEs seminars and sponsoring the World SME Summit organised by The Hong Kong General Chamber of Small and Medium Business.

Mortgage Insurance Programme (MIP)

MIP is launched with the aim of promoting home ownership in Hong Kong by enabling high loan-to-value financing for homebuyers to reduce their down payment burden. Under the MIP, the Group acts as insurer to provide mortgage insurance cover for a premium on mortgage loans advanced by participating AIs in excess of the lending limits imposed by the Hong Kong Monetary Authority. Since the inception in March 1999, the MIP has gained increasing public receptiveness. In 2018, the total amount of mortgage loans drawn down under the MIP was HK\$32.5 billion.

Reverse Mortgage Programme (RMP)

RMP is launched with the aim of providing homeowners with a new financial planning option to enhance their quality of life on retirement. Through reverse mortgage, homeowners could use their self-use residential properties as collateral in return for lump-sum payouts and/or a stream of monthly payouts from participating lenders over a payment term. Under the RMP, the Group mainly acts as insurer to provide mortgage insurance cover for a premium on reverse mortgage loans advanced by participating lenders.

With the Group's ongoing and focused educational initiatives on the RMP, market receptiveness of the RMP has grown continuously. The business recorded a steady growth in the number of RMP applications received in 2018 by 7.5% as compared to 2017.

补价易贷款保险计划

推出补价易贷款保险计划，旨在协助资助出售房屋业主补地价，藉此促进资助房屋租售市场的发展。物业补地价后，其转让限制得以解除，业主可以在公开市场出售或出租其单位。在该计划下，本集团担当保险公司的角色，为参与的贷款机构所批出主要用于补地价的一笔过贷款，提供按揭保险保障，并收取保费。该计划现时余盖香港房屋委员会辖下的居者有其屋计划、私人机构参建屋计划和租者置其屋计划及香港房屋协会辖下的住宅发售计划和夹心阶层住屋计划中的资助出售房屋。

香港年金计划

推出香港年金计划（「年金计划」），旨在帮助市民进行退休理财规划，并促进本地年金市场发展。年金计划提供另一退休理财方案，替长者将一笔过现金转化为终身每月定额收入。在年金计划下，本集团担当保险公司的角色，销售及批出年金保单并收取保费。

年金计划于二零一八年七月首次推行，并接获9,410宗认购意向登记，意向认购总额约49.4亿港元。回应市场意见，年金计划于二零一八年十二月再次推售，并同步推出优化措施，加强财务保障，产品特性更灵活，不设申请期限，可随时投保。于二零一八年，年金计划共批出5,422份保单，所收保费总额约28亿港元，平均每份保单收得保费金额约513,000港元。

Premium Loan Insurance Scheme (PLIS)

PLIS is launched with the aim of facilitating owners of subsidised sale flats to settle the land premium, thus promoting the for-rent or sale market of subsidised housing. After settling the land premium, the alienation restriction is removed and the owners may sell or let their flats in the open market. Under the PLIS, the Group acts as insurer to provide mortgage insurance cover for a premium on lump-sum loans advanced by participating lenders primarily for land premium settlement. PLIS currently covers subsidised sale flats under the Home Ownership Scheme, the Private Sector Participation Scheme and the Tenants Purchase Scheme of the Hong Kong Housing Authority, as well as the Flat-for-Sale Scheme and the Sandwich Class Housing Scheme of the Hong Kong Housing Society.

HKMC Annuity Plan (Plan)

The Plan is launched with the aim of facilitating retirement planning and promoting the development of the local annuity market. The Plan provides an alternative retirement financial solution, and helps the elderly turn their lump sum cash into a stream of fixed monthly income for life. The Group acts as insurer to offer and issue annuity policies for a premium under the Plan.

The inaugural launch of the Plan took place in July 2018, and recorded 9,410 registrations of subscription intention for a total subscription amount of around HK\$4.94 billion. In response to market feedback, the second launch took place in December 2018 with enhancements to the Plan offering greater financial protection, more flexible product features and an open application period to allow policy purchase at any time. In 2018, a total of 5,422 policies were issued under the Plan with a total premium receipt of around HK\$2.8 billion and an average premium receipt of around HK\$513,000 for each policy.

2. 市场环境

全球经济于二零一八年继续增长，但至下半年增长动力开始减弱。中美两国的贸易摩擦令全球经济氛围受压，对国际贸易活动的流向及投资活动的影响日益增加。在此背景下，加上美国及其他主要经济体的货币政策正常化持续推进，令全球市场波动加剧。随着全球经济增长减速及中美贸易紧张局势的影响逐渐浮现，许多亚洲经济体的增长在下半年放慢。

香港方面，本地经济于下半年虽然显著放缓，但在二零一八年整体仍能再一年录得高于趋势的增长。经本地息口略为调高，加上政府宣布多项措施及政策增加土地及楼宇供应，畅旺的香港住宅物业市场近年尾时有所整固。

2. Market Environment

Global economic growth continued into 2018 but started to lose momentum in the second half of the year. The trade conflict between the US and China weighed on economic sentiments around the world, and its impacts on international trade flows and investment activities were increasingly felt. Against this backdrop, global market volatility was heightened along with ongoing monetary policy normalisation in the US as well as across other major economies. Growth momentum in many Asian economies slowed in the second half of the year, as the impact of moderating global economic growth and the US-China trade tension gradually surfaced.

In Hong Kong, despite that the local economy decelerated visibly in the second half of the year, we still managed to record another year of above-trend growth for 2018 as a whole. Following a moderate local interest rate hike and the Government's announcement of numerous initiatives and policies to increase land and housing supply, the buoyant residential property market in Hong Kong consolidated somewhat towards the year end.

3. 财务表现

股东应占溢利为1.27亿港元(二零一七年: 8.06亿港元), 股东资金回报率为0.9%(二零一七年: 8.6%)。盈利下跌主要反映本公司的全资附属公司香港年金有限公司(「香港年金公司」)的年金业务, 基于精算假设而为维持审慎的法定储备产生会计亏损, 于二零一八年再无二零一七年所录得的一次性出售投资所得, 主要因重估美元现金及债券投资所得的汇兑收益减少, 以及支持政策而投放业务资源。尽管香港年金公司录得亏损, 但其年金业务于二零一八年年底的内含价值(即权益总额与预期将来利润现值总和)约为52亿港元, 显示该业务长远而言应有盈利。本集团的财务表现综合如下:

3. Financial Performance

Profit attributable to shareholders was HK\$127 million (2017: HK\$806 million) and the return on shareholders' equity was 0.9% (2017: 8.6%). The decrease in profitability mainly reflected the accounting loss due to the annuity business of HKMC Annuity Limited (**HKMCA**), a wholly-owned subsidiary of the Company, for maintaining prudent statutory reserves based on actuarial assumptions, the non-recurrence in 2018 of a one-off investment disposal gain in 2017, the decrease in exchange gains mainly arising from the revaluation of US dollar exposures in cash and debt investments, and resources utilised for supporting certain policy initiatives. Notwithstanding the reported loss on the HKMCA, the embedded value (i.e. the sum of total equity and the present value of future profits) of the HKMCA's annuity business at the end of 2018 was about HK\$5.2 billion, indicating that the business should be profitable in the long term. A summary of the Group's financial performance is set out below.

		二零一八年 ⁴ 2018 ⁴	二零一七年 2017
股东应占溢利(百万港元)	Profit attributable to shareholders (HK\$ million)	127	806
股东资金回报率 ¹	Return on shareholders' equity ¹	0.9%	8.6%
成本对收入比率 ²	Cost-to-income ratio ²	86.0%	26.8%
资本充足率 ³	Capital adequacy ratio ³	26.8%	21.0%

1 股东资金回报率的计算方法, 为股东应占溢利除以权益持有人应占股本及储备的十二个月的月底平均结余额。

2 成本对收入比率的计算方法, 为经营支出除以经营收入、申索产生净额、已付利益、保单持有人负责变动、佣金支出净额及征费支出的总和。

3 资本充足率的计算方法, 为资本基础对信贷风险、市场风险和营运风险的加权风险总和的比率。

4 为方便与二零一七年的数字比较, 股东应占溢利作出调整以扣除香港年金公司的业绩。因此, 经调整的股东应占溢利、经调整的股东资金回报率和经调整的成本对收入比率依次为5.15亿港元、5.1%及36.7%。

1 Return on shareholders' equity is calculated by dividing profit attributable to shareholders with the average of twelve month-end balances of capital and reserves attributable to equity holders.

2 Cost-to-income ratio is calculated by dividing operating expenses with the sum of operating income, net claims incurred, benefits paid, movement in policyholders' liabilities, and net commission and levy expenses.

3 Capital adequacy ratio is calculated as the ratio of the capital base to the sum of the risk-weighted amount for credit risk, market risk and operational risk exposures.

4 For better comparison with the figures for 2017, profit attributable to shareholders would be adjusted to exclude the results of the HKMCA. Accordingly, the adjusted profit attributable to shareholders, the adjusted return on shareholders' equity and the adjusted cost-to-income ratio would be HK\$515 million, 5.1% and 36.7% respectively.

本集团二零一八年的收益表主要项目摘要如下：

- (a) 全年净利息收入增加2,800万港元至5.36亿港元，主要由于预先筹措具成本效益的资金，惟有部分因到期及提早偿还贷款使平均贷款组合减少而予以抵销；
- (b) 按揭保险净保费收入为2.22亿港元（二零一七年：1.96亿港元）；
- (c) 年金业务的保险相关业绩净额（即已满期保费净额、申索产生净额、已付利益、保单持有人负债变动及佣金和征费支出的总和）录得5.50亿港元亏损（二零一七年：无），主要是因为基于精算假设所需而维持审慎的法定储备，而资本及已收保费存放于外汇基金所得的投资回报则归于其他收入项下；
- (d) 其他收入为2.50亿港元（二零一七年：4.14亿港元），主要是来自存放于外汇基金所得的投资收益1.85亿港元（二零一七年：无）及股息收入5,900万港元（二零一七年：8,300万港元）；及
- (e) 经营支出上升35.5%至4.12亿港元，升幅较预算为少，主要是由于推出年金业务。

Key items in the Group's income statement for 2018 are highlighted as follows:

- (a) net interest income for the year increased by HK\$28 million to HK\$536 million, mainly due to cost-effective pre-funding, partially set off by the reduction of average loan portfolio as a result of loan repayment and prepayment;
- (b) net mortgage insurance premiums earned were HK\$222 million (2017: HK\$196 million);
- (c) net insurance-related results for annuity business (i.e. the sum of net premiums earned, net claims incurred, benefits paid, movement in policyholders' liabilities, and commission and levy expenses) recorded a loss of HK\$550 million (2017: nil), mainly attributable to the prudent statutory reserves based on actuarial assumptions, whereas investment returns on capital and premiums placed with the Exchange Fund were booked to other income;
- (d) other income was HK\$250 million (2017: HK\$414 million), mainly representing investment income of HK\$185 million (2017: nil) from placements with the Exchange Fund, and dividend income of HK\$59 million (2017: HK\$83 million); and
- (e) operating expenses rose by 35.5% to HK\$412 million, less than budget, largely attributable to the implementation of annuity business.

4. 财务状况

于二零一八年十二月三十一日，本集团的资产总值合共625亿港元。本集团财务状况的主要变动如下：

- (a) 现金及短期资金增加41亿港元至294亿港元，主要是由于审慎预先筹措资金及贷款组合减少；
- (b) 投资组合微降2亿港元至172亿港元，当中5亿港元投资于分类为以公允价值变化计入损益投资的交易所买卖债券基金及房地产信托投资基金，分类为按摊销成本投资的债务投资有115亿港元，而分类为以公允价值变化计入其他全面收益投资的债务投资有51亿港元；
- (c) 外汇基金存款为77亿港元，为香港年金公司的资本及已收保费投资；
- (d) 贷款组合下降14亿港元至64亿港元；
- (e) 未赎回债券总额增加25亿港元至373亿港元；
- (f) 保险负债为46亿港元（二零一七年：11亿港元），主因是增加了由年金业务所引起的保险负债；
- (g) 权益持有人应占股本及储备增加51亿港元至149亿港元，主要反映外汇基金于二零一八年四月为营运年金业务注资50亿港元；及
- (h) 资产负债表外的主要风险，为按揭保险计划和安老按揭计划所承担的风险。本集团就按揭保险计划在转移风险给核准再保险公司后所承担的剩余风险，以及就安老按揭计划所承担的风险，分别为197亿港元（二零一七年：176亿港元）及96亿港元（二零一七年：69亿港元）。

4. Financial Position

As at 31 December 2018, total assets of the Group amounted to HK\$62.5 billion. Key changes in the Group's financial position are as follows:

- (a) cash and short-term funds increased by HK\$4.1 billion to HK\$29.4 billion, mainly due to prudent pre-funding and rundown in loan portfolio;
- (b) investment portfolio slightly reduced by HK\$0.2 billion to HK\$17.2 billion, representing a total investment of HK\$0.5 billion in exchange-traded bond funds and in real estate investment trusts classified as investments at fair value through profit or loss, and debt investments of HK\$11.5 billion classified as amortised cost investments and of HK\$5.1 billion classified as investments at fair value through other comprehensive income;
- (c) placements with the Exchange Fund was HK\$7.7 billion as capital and premium investments of the HKMCA;
- (d) loan portfolio recorded a rundown of HK\$1.4 billion to HK\$6.4 billion;
- (e) outstanding balance of debt securities issued increased by HK\$2.5 billion to HK\$37.3 billion;
- (f) insurance liabilities were HK\$4.6 billion (2017: HK\$1.1 billion), primarily due to the increase in insurance liabilities for annuity business;
- (g) capital and reserves attributable to equity holders increased by HK\$5.1 billion to HK\$14.9 billion, mainly reflecting the share capital injection of HK\$5 billion by the Exchange Fund in April 2018 for the operation of annuity business; and
- (h) major off-balance sheet exposures were risk-in-force of the MIP and of the RMP. Exposures borne by the Group for the MIP after ceding to the approved reinsurers and for the RMP were respectively HK\$19.7 billion (2017: HK\$17.6 billion) and HK\$9.6 billion (2017: HK\$6.9 billion).

5. 资本管理

年内，为确保本集团按资本金的比例扩展其业务及资产负债表时不会产生过度风险，本集团严密监控资本充足程度及资金运用，并遵守财政司司长参照巴塞尔协定II以风险为本的资本充足框架下所发出的资本充足率指引（「指引」）。

根据指引，资本充足率的计算乃跟随财务汇报的综合基准，但扣除本公司受规管的附属公司（即香港按证保险有限公司（「按证保险公司」）和香港年金公司，两者均受保险业监管局规管的获授权保险人，须遵守各自有关维持充足资本的法定要求）。

撇除两间不予综合的受规管附属公司的投资成本后，本集团于二零一八年十二月三十一日的资本充足率保持26.8%的稳健水平，远高于指引规定的8%最低比率。于二零一八年十二月三十一日，按证保险公司和香港年金公司各自的偿付能力充足率依次约为42倍及34倍，远高于保险业监管局分别规定不低于200%和150%的法定要求。

6. 本集团面对的主要风险及不明朗因素

本集团所面对的风险，为透过购买按揭贷款、按揭保险、商业贷款担保、零售贷款融资与资本投资所得的贷款和投资组合产生的信贷风险。本集团亦于安老按揭及相关业务中面对利率、楼价及长寿风险。自二零一八年推出新设立的年金业务以来，本集团亦另外承受长寿、市场及流动资金风险。此外，本集团因促进业务营运亦面对市场风险，主要是利率风险及资产负债期限错配风险。

截至二零一八年十二月三十一日止年度内，所面对的风险与财务风险管理载列于财务报表附注4。

5. Capital Management

During the year, to ensure that the Group would not incur excess risk when expanding its business and balance sheet in proportion to its capital base, the Group closely monitored capital adequacy and use of capital, and complied with the Guidelines on Capital Adequacy Ratio (**Guidelines**) issued by the Financial Secretary with reference to Basel II risk-based capital adequacy framework.

In accordance with the Guidelines, the calculation of capital adequacy ratio (**CAR**) follows the basis of consolidation for financial reporting with the exclusion of regulated subsidiaries of the Company (i.e. HKMC Insurance Limited (**HKMCI**) and the HKMCA, both being authorized insurers regulated by the Insurance Authority and subject to respective statutory requirements for maintaining adequate capital).

After excluding the investment cost of these two unconsolidated regulated subsidiaries, the CAR of the Group remained solid at 26.8% as at 31 December 2018, well above the minimum ratio of 8% stipulated in the Guidelines. The respective solvency ratios of the HKMCI and the HKMCA as at 31 December 2018 were about 42 times and 34 times, well above the respective 200% and 150% minimum statutory requirements stipulated by the Insurance Authority.

6. Principal Risks and Uncertainties facing the Group

The Group is exposed to the credit risk of its loan and investment portfolios through mortgage purchase, mortgage insurance, commercial loan guarantee, funding of retail loans and capital investment. The Group is also exposed to interest rate, property price and longevity risks under the reverse mortgage and related business. Additional exposures in longevity, market and liquidity risks have been put on since the Group's launch of its new annuity business in 2018. Furthermore, the Group assumes market risk, mainly the interest rate risk and the asset-liability maturity mismatch risk, for facilitating the business operation.

The risk exposures and the financial risk management during the year ended 31 December 2018 are set out in Note 4 to the Financial Statements.

7. 本集团的环境政策与表现

年内，本集团继续支持及实施种种环保措施，务求缔造一个更环保的办公室，并且在减少废弃与珍惜能源方面加强员工意识。

8. 本集团对其业务有重要影响的相关法律与法规的合规情况

《保险业条例》

年内，本集团一直保持《保险业条例》下可经营保险业务的获授权保险人身份。

《放债人条例》

年内，本集团按其营运所需，一直保持《放债人条例》相关条文的豁免。

9. 二零一八年终结后发生的、对本集团有影响的重要事件详情

财政司司长于二零一九至二零二零年度财政预算案中公布，延续八成信贷担保产品的申请期至二零二零年六月底，同时为八成信贷担保产品增设本业务审视上文第1分节所述的三项优化措施。尽管延续、优化八成信贷担保产品及发展新业务或会增加本集团的相关营运成本，本集团将在八成信贷担保产品营运上继续全力支持政府，并发展新业务，以促成其核心使命和社会目标。有关任何其他相关重要事件，请亦参阅财务报表附注34。

7. The Group's Environmental Policies and Performance

During the year, the Group continued to support and implement various green measures to create a more environmentally friendly office and to raise employees' awareness of methods of waste reduction and energy conservation.

8. The Group's Compliance with Relevant Laws and Regulations that have a Significant Impact on the Group

Insurance Ordinance

During the year, the Group maintained the status of authorized insurer to operate insurance business under the Insurance Ordinance.

Money Lenders Ordinance

During the year, the Group maintained exemptions from the relevant provisions of the Money Lenders Ordinance as required for the Group's operations.

9. Particulars of Important Events affecting the Group that have occurred since end 2018

The Financial Secretary announced in the 2019-20 Budget that the application period of the 80% SFGS would be extended to the end of June 2020 together with the three enhancements to the 80% SFGS as mentioned in sub-section 1 above of this Business Review. Notwithstanding the extension and enhancement of the 80% SFGS and the development of the new businesses may increase the related operating costs of the Group, the Group will continue to render full support to the Government in administering the 80% SFGS and to develop the new businesses in the pursuit of its core missions and social objectives. Please also refer to Note 34 to the Financial Statements for any other relevant important events.

10. 本集团业务相当可能有的未来发展的揭示

本集团将继续探索现行项目与计划的优化机会及任何新业务计划的可行性，并继续执行基建融资及证券化业务计划，务求满足香港社会的需要，完成其核心使命。此外，本集团将继续维持其审慎的预先筹措资金策略，随时准备为有需要的本地银行业提供流动资金。

11. 本集团与其雇员及对本集团有重要影响且本集团赖以成功的交易对手的重要关系

雇员

年内，本集团一直为雇员提供具竞争力的薪酬福利、事业前景、发展机会以及健康安全的工作环境。尽管本集团的营运范围扩大且所提供的产品渐趋繁复，但透过系统自动化和流程改革，本集团坚守着精简、有效率的人力运用。

本集团重视员工职训，为不断提升员工的专业知识与技能而投放了大量资源。所有新入职员工均获提供引导课程，协助其掌握本集团的组织架构、使命、功能与政策等基础知识。

截至二零一八年十二月三十一日，本集团的固定雇员编制为309人(二零一七年：261人)，员工流失率为8.92%(二零一七年：8.85%)。

交易对手

截至二零一八年十二月三十一日，就其贷款与保险组合，本集团在购买按揭贷款计划下，共有34间核准卖方与32间核准管理供款机构；在按揭保险计划下，共有7间核准再保险公司；在小型贷款计划下，共有4间非政府机构。此外，按揭保险计划下共有23间参与的贷款机构，而安老按揭计划则有9间，补价易贷款保险计划有8间，小型贷款计划有5间，中小企融资担保计划有31间。年金业务方面，截至年底，年金计划有20间代理银行。

10. Indication of Likely Future Developments in the Group's Business

The Group will continue to explore enhancement opportunities for current programmes and schemes, and the feasibility of any new business initiatives, and to carry out the IFS business plan, to cater for the needs of the Hong Kong community with a view to attaining its core missions. In addition, the Group will continue to maintain its prudent pre-funding strategy to stand ready to provide liquidity to the local banking sector when needed.

11. The Group's Key Relationships with Its Employees and Counterparties that have a Significant Impact on the Group and on which the Group's Success Depends

Employees

During the year, the Group continued to provide employees with competitive remuneration packages and fringe benefits, a promising career path and development opportunities, and a healthy and safe working environment. Through system automation and process re-engineering, the Group maintained a lean and efficient workforce, despite an increase in the scope of operations and the complexity of the products it offered.

The Group recognised the importance of ongoing staff training and had devoted considerable resources to the continuing enhancement of its employees' professional knowledge and skills. All new employees were provided with an induction session to provide them with a foundation of knowledge about the Group's organisational structure, missions, functions and policies.

As at 31 December 2018, the permanent staff establishment of the Group was 309 (2017: 261) and the staff turnover rate was 8.92% (2017: 8.85%).

Counterparties

With respect to its loan and insurance portfolios, as at 31 December 2018, the Group maintained a panel of 34 approved sellers and 32 approved servicers under the MPP, 7 approved reinsurers under the MIP as well as 4 non-governmental organisations under the MFS. In addition, there were 23 participating lenders under the MIP, 9 under the RMP, 8 under the PLIS, 5 under the MFS and 31 under the SFGS. In relation to the annuity business, there were 20 agent banks for the Plan at the end of the year.

债券

截至二零一八年十二月三十一日止年度内，本公司透过其60亿美元多种货币中期债券发行计划，发行了面值总额341亿港元的债券，实收款项约340亿港元。本年度发行债券所得款项均用作本集团的一般营运资金。本集团债券发行与赎回活动的概要载于财务报表附注28。

股息

考虑到业务发展的资金需求，董事局建议二零一八年不宣派股息（二零一七年：无）。

董事

年内或由年终至本报告の日期间且在即将举行的本公司股东周年大会前的董事名单如下：

陈茂波先生 大紫荆勋贤 GBS MH JP
主席兼执行董事

陈德霖先生 GBS JP
副主席兼执行董事

余伟文先生 JP
执行董事

李令翔先生 JP
执行董事兼总裁

林健锋先生 GBS JP
非执行董事

刘怡翔先生 JP
非执行董事（于二零一八年四月十九日获委任）

陈帆先生 JP
非执行董事（于二零一八年四月十九日获委任）

DEBT SECURITIES

The Company issued notes with a total nominal value of HK\$34.1 billion under its multi-currency US\$6 Billion Medium Term Note Programme for a consideration of around HK\$34 billion during the year ended 31 December 2018. The proceeds of the notes issued during the year were used for the purpose of providing general working capital for the Group. A summary of the debt securities issuance and redemption activities of the Group is set out in Note 28 to the Financial Statements.

DIVIDEND

Having considered the capital requirements for the business development, Directors recommended that no dividend be declared for 2018 (2017: Nil).

DIRECTORS

Persons who served as Directors during the year or during the period beginning with the end of the year and ending on the date of this report, but preceding the forthcoming annual general meeting of the Company, are as follows:

The Hon. Paul CHAN Mo-po, GBM, GBS, MH, JP
Chairman and Executive Director

Mr Norman CHAN Tak-lam, GBS, JP
Deputy Chairman and Executive Director

Mr Eddie YUE Wai-man, JP
Executive Director

Mr Raymond LI Ling-cheung, JP
Executive Director and Chief Executive Officer

The Hon. Jeffrey LAM Kin-fung, GBS, JP
Non-Executive Director

The Hon. James Henry LAU Jr., JP
Non-Executive Director (appointed on 19 April 2018)

The Hon. Frank CHAN Fan, JP
Non-Executive Director (appointed on 19 April 2018)

张国钧先生 JP
非执行董事

郭荣铿先生
非执行董事

黄玉山教授 SBS BBS JP
非执行董事

陈家强教授 GBS JP
非执行董事

施文信先生 GBS JP
非执行董事

王桂埙先生 BBS JP
非执行董事

冯婉眉女士 BBS JP
非执行董事

张亮先生
非执行董事

黄舜芬女士 (又名赵黄舜芬女士)
非执行董事 (于二零一八年五月二十三日获委任)

吴亮星先生 SBS JP
非执行董事 (于二零一八年四月十三日退任)

郭珮芳女士
非执行董事 (于二零一八年四月十三日退任)

龚杨恩慈女士
非执行董事 (于二零一八年四月十三日退任)

蓝玉权先生
非执行董事 (于二零一八年四月十三日退任)

LEE Huat-oon 先生
非执行董事 (于二零一八年四月十三日退任)

The Hon. Horace CHEUNG Kwok-kwan, JP
Non-Executive Director

The Hon. Dennis KWOK Wing-hang
Non-Executive Director

Professor WONG Yuk-shan, SBS, BBS, JP
Non-Executive Director

Professor CHAN Ka-keung Ceajer, GBS, JP
Non-Executive Director

Mr Thomas Brian STEVENSON, GBS, JP
Non-Executive Director

Mr Albert WONG Kwai Huen, BBS, JP
Non-Executive Director

Ms Anita FUNG Yuen-mei, BBS, JP
Non-Executive Director

Mr Leong CHEUNG
Non-Executive Director

Ms Estella WONG Sheun-fun (alias Mrs CHIU, Estella Sheun-fun)
Non-Executive Director (appointed on 23 May 2018)

Mr NG Leung-sing, SBS, JP
Non-Executive Director (retired on 13 April 2018)

Ms Miranda KWOK Pui-fong
Non-Executive Director (retired on 13 April 2018)

Mrs Ann KUNG YEUNG Yun-chi
Non-Executive Director (retired on 13 April 2018)

Mr Lawrence LAM Yuk-kun
Non-Executive Director (retired on 13 April 2018)

Mr LEE Huat-oon
Non-Executive Director (retired on 13 April 2018).

根据本公司的公司章程细则第109条，所有非执行董事应于即将举行的股东周年大会上退任，惟可参选连任。

除上述董事外，年内或由年终至本报告日期间，本集团其他成员的董事局成员为：陈德霖先生、余伟文先生、李令翔先生、张亮先生、黄舜芬女士（又名赵黄舜芬女士）、刘应彬先生、梁静娴女士、鲍克运先生（已辞任）、郑文信先生、廖志强先生、郑鉴铨先生、张少慧女士、沈施加美女士（亦为卢绮霞女士的候补董事）、卢绮霞女士（亦为沈施加美女士的候补董事）、Intertrust Directors (Cayman) Limited 及金柏利秘书服务有限公司。

获准许的弥偿条文

惠及董事的获准许的弥偿条文（根据《公司条例》定义）在截至二零一八年十二月三十一日止年度内有效，且截至本报告的日期亦仍然有效。

董事于交易、安排或合约中的重大利害关系

截至二零一八年十二月三十一日止年度内，不存在亦不曾订立本集团任何成员作为一方、对本公司业务属重要的、且年内曾为董事的人士或其有关连实体（根据《公司条例》定义）在当中有直接或间接重大利害关系的任何交易、安排和合约。

In accordance with Article 109 of the Company's Articles of Association, all those Directors who are not Executive Directors shall retire but shall be eligible for re-election at the forthcoming annual general meeting.

Other than the Directors named above, persons who served on the boards of the other members of the Group during the year or during the period beginning with the end of the year and ending on the date of this report are Mr Norman CHAN Tak-lam, Mr Eddie YUE Wai-man, Mr Raymond LI Ling-cheung, Mr Leong CHEUNG, Ms Estella WONG Sheun-fun (alias Mrs CHIU, Estella Sheun-fun), Mr LAU Ying-pan, Ms LEUNG Ching-han, Mr POU Hak-wan (resigned), Mr Mansion CHENG Man-shun, Mr LIU Chi-keung, Mr Desmond CHENG Kam-chuen, Ms CHEUNG, Feliciana Siu Wai, Mrs SENG SZE Ka Mee Natalia (and also served as Alternate Director to Ms LO Yee Har Susan), Ms LO Yee Har Susan (and also served as Alternate Director to Mrs SENG SZE Ka Mee Natalia), Intertrust Directors (Cayman) Limited and Company Kit Secretarial Services Limited.

PERMITTED INDEMNITY

A permitted indemnity provision (as defined in the Companies Ordinance) for the benefit of the Directors was in force during the year ended 31 December 2018 and is in force as at the date of this report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

At no time during the year ended 31 December 2018, there subsisted or entered into any transaction, arrangement or contract of significance in relation to the Company's business, to which any member of the Group was a party, and in which any person who was a Director at any time during the year or a connected entity (as defined in the Companies Ordinance) of any such person had, directly or indirectly, a material interest.

核数师

财务报表已由罗兵咸永道会计师事务所审核。罗兵咸永道会计师事务所将于本公司即将举行的股东周年大会上退任，并在符合资格的情况下将参选连任。

AUDITOR

The Financial Statements have been audited by PricewaterhouseCoopers who will retire, and, being eligible, will offer themselves for reappointment, at the forthcoming annual general meeting of the Company.

承董事局命

陈茂波

主席兼执行董事

On behalf of the Board of Directors

Chan Mo-po, Paul

Chairman and Executive Director

香港

二零一九年四月三十日

Hong Kong

30 April 2019

独立核数师报告

Independent Auditor's Report

致香港按揭证券有限公司成员

(于香港注册成立的有限公司)

意见

我们已审计的内容

香港按揭证券有限公司(以下简称「**贵公司**」)及其附属公司(以下统称「**贵集团**」)刊载于第160至282页的综合财务报表,包括:

- 于二零一八年十二月三十一日的综合财务状况表;
- 截至该日止年度的综合收益表;
- 截至该日止年度的综合全面收益表;
- 截至该日止年度的综合权益变动表;
- 截至该日止年度的综合现金流量表;及
- 综合财务报表附注,包括主要会计政策概要。

我们的意见

我们认为,该等综合财务报表已根据香港会计师公会颁布的《香港财务报告准则》真实而中肯地反映了贵集团于二零一八年十二月三十一日的综合财务状况及其截至该日止年度的综合财务表现及综合现金流量,并已遵照香港《公司条例》妥为预备。

意见的基础

我们已根据香港会计师公会颁布的《香港审计准则》进行审计。我们在该等准则下承担的责任已在本报告「核数师就审计综合财务报表承担的责任」部分中作进一步阐述。

To the Members of The Hong Kong Mortgage Corporation Limited

(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of The Hong Kong Mortgage Corporation Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 160 to 282, which comprise:

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

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

我们相信，我们所获得的审计凭证能充足及适当地为我们的审计意见提供基础。

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

独立性

根据香港会计师公会颁布的《专业会计师道德守则》（以下简称「守则」），我们独立于 贵集团，并已履行守则中的其他专业道德责任。

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

关键审计事项

关键审计事项是根据我们的专业判断，认为对本期综合财务报表的审计最为重要的事项。这些事项是在我们审计整体综合财务报表及出具意见时进行处理的。我们不会对这些事项提供单独的意见。

Key Audit Matters

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

我们在审计中识别的关键审计事项概述如下：

Key audit matters identified in our audit are summarised as follows:

- 贷款组合的减值拨备
- 保险合同负债的计量

- Impairment allowances on loan portfolios
- Measurement of insurance contract liabilities

关键审计事项 Key Audit Matter

我们的审计如何处理关键审计事项 How our audit addressed the Key Audit Matter

贷款组合的减值拨备 Impairment allowances on loan portfolios

于二零一八年十二月三十一日，本集团就6,179,353,000港元的按揭贷款组合及263,377,000港元的非按揭贷款组合，录得666,000港元的贷款减值拨备。

As at 31 December 2018, the Group recorded loan impairment allowances of HK\$666,000 relating to the gross mortgage loan portfolio of HK\$6,179,353,000 and the gross non-mortgage loan portfolio of HK\$263,377,000.

我们就管理层对于贷款组合的预期信贷亏损评估所作出的审计程序包括下列项目：

Our audit procedures in relation to management's expected credit losses (**ECL**) assessment on the loan portfolios included the following:

- 了解及评估与计量贷款组合的预期信贷亏损有关的内部监控；
- 对管理层就抵押品估值建立的控制之测试；

Understanding and evaluating the internal controls relating to the measurement of ECL for loan portfolios;

Testing of the controls that management has established over the valuation of collateral;

关键审计事项

Key Audit Matter

香港财务报告准则第9号「金融工具」是自二零一八年一月一日起生效的新会计准则。贵集团建立新的预期信贷亏损模型，以估计其贷款组合的减值拨备。贵集团亦已就贷款组合的减值拨备的计量建立管治程序及监控。

HKFRS 9 "Financial Instruments" is a new accounting standard effective from 1 January 2018. The Group built a new ECL model for estimating impairment allowances on its loan portfolio. The Group also established governance process and controls for the measurement of impairment allowances of the loan portfolio.

贷款组合的减值拨备是指管理层在结算日对贷款组合内预期亏损的最佳估计。贵集团就自初始确认后信贷风险大幅增加的贷款以及不良信贷的贷款乃参考合约期内之预期信贷损失计提减值拨备。良好贷款乃参考12个月的预期信贷损失计提减值拨备。该等拨备乃基于过去事件、当前状况以及于报告日对未来事件及经济状况预测的合理及可证实的资料。

Impairment allowances on the loan portfolios represent management's best estimate of the expected losses within the loan portfolios as at the balance sheet date. Allowances for impairment are made for loans with significant increase in credit risk since initial recognition and for loans that are credit impaired with reference to the life time ECL. Allowances for impairment are made for performing loans with reference to the 12-month ECL. These allowances are based on reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions at the reporting date.

我们的审计如何处理关键审计事项

How our audit addressed the Key Audit Matter

- 通过与各个外部独立估值报价的比较，对抵押品估值进行独立的样本检查；

Performing independent sample checking of the collateral's value to various external independent valuation quotes;

- 对于自初始确认后信贷风险大幅增加的贷款及不良信贷的贷款，通过抽取贷款样本，藉以评估该等贷款是否得以适时确认及测试相应的减值计算；

For loans with significant increase in credit risk since initial recognition and for loans that are credit impaired, assessing a sample of these loans for timely identification and for testing the corresponding impairment calculation;

- 对于良好贷款，评估所使用的模型，包括如亏损严重程度估计及违约概率等主要参数；

For performing loans, assessing the models used, including key parameters such as the estimation of loss severity rates and the probability of default;

- 透过查核数据来源，测试用于计算减值拨备中所输入的数据之准确性及完整性；及

Testing the accuracy and completeness of the inputs in the calculation of the impairment allowances by checking to source data; and

- 透过重新计算测试减值拨备的自动计算。

Testing the automatic calculation of the impairment allowances through re-performance.

我们就管理层用于计算预期减值的管理层判断，获取得相关凭证支持。

We found that management's judgements used in calculating the expected impairment were supported by the evidence obtained.

关键审计事项 Key Audit Matter

此审计重点集中于贷款减值拨备，因为决定预期减值及其相关拨备的估算，本质上涉及管理层的重大判断。

The audit focused on loan impairment allowances because both the determination of the expected impairment and the underlying calculations are inherently subject to significant judgement by management.

相关参考载于综合财务报表内附注 19。

The relevant reference in the consolidated financial statements is note 19.

我们的审计如何处理关键审计事项 How our audit addressed the Key Audit Matter

我们亦就管理层用以计算不同系列的贷款减值拨备的模型及假设，获取得相关凭证支持。

We also found that the models and assumptions used in calculating the impairment allowances on the loan portfolios were supported by the available evidence.

保险合同负债的计量 Measurement of insurance contract liabilities

香港年金有限公司（贵公司之全资附属公司）已于二零一八年七月推出香港年金计划，于截至二零一八年十二月三十一日止年度已签发的保险合同之保费为 27.80 亿港元。根据香港财务报告准则第 4 号「保险合同」及香港保险监管要求，签发香港年金计划下保单导致 贵集团于综合财务状况表内确认保险合同负债。已确认负债为 32.84 亿港元，约占 贵集团于二零一八年十二月三十一日综合负债总额的 7%。

HKMC Annuity Limited (a wholly-owned subsidiary of the Company) has launched the HKMC Annuity Plan (the "Plan") in July 2018 and it has issued insurance contracts with premiums amounting to HK\$2,780 million for the year ended 31 December 2018. The issuance of the policies under the Plan has given rise to the recognition of insurance contract liabilities on the consolidated statement of financial position of the Group based on HKFRS 4 "Insurance Contracts" and the Hong Kong insurance regulatory requirements. The liabilities recognised amounted to HK\$3,284 million, being approximately 7% of the total consolidated liabilities of the Group as at 31 December 2018.

我们就保险合同负债的计量所作出的审计程序包括下列项目：

Our audit procedures in relation to the measurement of insurance contract liabilities included the following:

- 评估人寿保险合同负债估值精算过程的内部控制。

Evaluating the internal controls over the actuarial process of the valuation of life insurance contract liabilities.

在罗兵咸永道会计师事务所精算专家的参与下，我们对保险合同负债进行了以下程序：

With the involvement of our PwC actuarial experts, we have carried out the following procedures in relation to the insurance contract liabilities:

- 评估所采用的方法是否符合香港保险监管要求；

Assessing the appropriateness of the methodologies adopted against the Hong Kong insurance regulatory requirements;

关键审计事项

Key Audit Matter

保险合同负债的估值需要使用适当的精算方法、各种投资回报及操作假设，以上这些因素均涉及管理层的高程度判断。因此，我们认为此属关键审计事项。于资产负债表日，保单持有人未来给付的估计存在根本不确定性。用于计量与香港年金计划相关的保险合同负债的主要假设包括估值利率及死亡率。

The valuation of insurance contract liabilities requires the use of appropriate actuarial methodologies, and also various investments return and operational assumptions that are subject to a high degree of management's judgement. Therefore, this is identified as a key audit matter in our audit. There are inherent uncertainties in the estimation of future policyholder benefits as at the balance sheet date. The key assumptions used in measuring the insurance contract liabilities related to the Plan include valuation interest rates and mortality rates.

相关参考载于综合财务报表内附注27。

The relevant reference in the consolidated financial statements is note 27.

我们的审计如何处理关键审计事项

How our audit addressed the Key Audit Matter

- 评估所使用的主要假设(包括估值利率及死亡率)的合理性，以及管理层所作判断的根据；及

Assessing the reasonableness of the key assumptions used including the valuation interest rate and mortality rates, and management's rationale for the judgment applied; and

- 评估保险合同负债整体的合理性。

Evaluating the overall reasonableness of the insurance contract liabilities.

根据已完成的工作，我们认为保险合同负债估值所用的主要假设及方法均属恰当。

Based on the work performed, we considered the key assumptions and methodologies appropriate for the valuation of the insurance contract liabilities.

其他信息

贵公司董事须对其他信息负责。其他信息包括年报内的所有信息，但不包括综合财务报表及我们的核数师报告。

我们对综合财务报表的意见并不涵盖其他信息，我们亦不对该等其他信息发表任何形式的鉴证结论。

结合我们对综合财务报表的审计，我们的责任是阅读其他信息，在此过程中，考虑其他信息是否与综合财务报表或我们在审计过程中所了解的情况存在重大抵触或者似乎存在重大错误陈述的情况。

基于我们已执行的工作，如果我们认为其他信息存在重大错误陈述，我们需要报告该事实。在这方面，我们没有任何报告。

董事及审计委员会就综合财务报表须承担的责任

贵公司董事须负责根据香港会计师公会颁布的《香港财务报告准则》及香港《公司条例》拟备真实而中肯的综合财务报表，并对其认为为使综合财务报表的拟备不存在由于欺诈或错误而导致的重大错误陈述所需的内部控制负责。

在拟备综合财务报表时，董事负责评估 贵集团持续经营的能力，并在适用情况下披露与持续经营有关的事项，以及使用持续经营为会计基础，除非董事有意将 贵集团清盘或停止经营，或别无其他实际的替代方案。

审计委员会须负责监督 贵集团的财务报告过程。

Other Information

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

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

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

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

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

核数师就审计综合财务报表承担的责任

我们的目标，是对综合财务报表整体是否不存在由于欺诈或错误而导致的重大错误陈述取得合理保证，并出具包括我们意见的核数师报告。我们仅按照香港《公司条例》第405条向 阁下（作为整体）报告我们的意见，除此之外本报告别无其他目的。我们不会就本报告的内容向任何其他人士负上或承担任何责任。合理保证是高水平的保证，但不能保证按照《香港审计准则》进行的审计，在某一重大错误陈述存在时总能发现。错误陈述可以由欺诈或错误引起，如果合理预期它们单独或汇总起来可能影响综合财务报表使用者依赖综合财务报表所作出的经济决定，则有关的错误陈述可被视作重大。

在根据《香港审计准则》进行审计的过程中，我们运用了专业判断，保持了专业怀疑态度。我们亦：

- 识别和评估由于欺诈或错误而导致综合财务报表存在重大错误陈述的风险，设计及执行审计程序以应对这些风险，以及获取充足和适当的审计凭证，作为我们意见的基础。由于欺诈可能涉及串谋、伪造、蓄意遗漏、虚假陈述，或凌驾于内部控制之上，因此未能发现因欺诈而导致的重大错误陈述的风险高于未能发现因错误而导致的重大错误陈述的风险。
- 了解与审计相关的内部控制，以设计适当的审计程序，但目的并非对 贵集团内部控制的有效性发表意见。
- 评价董事所采用会计政策的恰当性及作出会计估计和相关披露的合理性。

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 对董事采用持续经营会计基础的恰当性作出结论。根据所获取的审计凭证，确定是否存在与事项或情况有关的重大不确定性，从而可能导致对 贵集团的持续经营能力产生重大疑虑。如果我们认为存在重大不确定性，则有必要在核数师报告中提醒使用者注意综合财务报表中的相关披露。假若有关的披露不足，则我们应当发表非无保留意见。我们的结论是基于核数师报告日止所取得的审计凭证。然而，未来事项或情况可能导致 贵集团不能持续经营。
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 评价综合财务报表的整体列报方式、结构和内容，包括披露，以及综合财务报表是否中肯反映交易和事项。
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 就 贵集团内实体或业务活动的财务信息获取充足、适当的审计凭证，以便对综合财务报表发表意见。我们负责 贵集团审计的方向、监督和执行。我们为审计意见承担全部责任。
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

除其他事项外，我们与审计委员会沟通了计划的审计范围、时间安排、重大审计发现等，包括我们在审计中识别出内部控制的任何重大缺陷。

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

从与审计委员会沟通的事项中，我们确定哪些事项对本期综合财务报表的审计最为重要，因而构成关键审计事项。我们在核数师报告中描述这些事项，除非法律法规不允许公开披露这些事项，或在极端罕见的情况下，如果合理预期在我们报告中沟通某事项造成的负面后果超过产生的公众利益，我们决定不应在报告中沟通该事项。

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

罗兵咸永道会计师事务所
执业会计师

PricewaterhouseCoopers
Certified Public Accountants

香港，二零一九年四月三十日

Hong Kong, 30 April 2019

综合收益表

Consolidated Income Statement

截至二零一八年十二月三十一日止年度
for the year ended 31 December 2018

		附注 Notes	2018 千港元 HK\$'000	2017 千港元 HK\$'000
利息收入	Interest income	7	1,229,710	902,333
利息支出	Interest expense	8	(693,501)	(394,755)
净利息收入	Net interest income		536,209	507,578
已满期保费净额	Net premiums earned	9	3,157,652	352,414
其他收入	Other income	10	249,633	414,484
经营收入	Operating income		3,943,494	1,274,476
申索产生净额、已付利益及 保单持有人负债变动	Net claims incurred, benefits paid and movement in policyholders' liabilities	9	(3,321,037)	(641)
佣金支出净额及征费支出	Net commission and levy expenses	9	(142,991)	(140,454)
经营支出	Operating expenses	11	(412,388)	(304,196)
未计减值前的经营溢利	Operating profit before impairment		67,078	829,185
减值拨备	Charge of impairment allowances	14	(134)	(453)
除税前溢利	Profit before taxation		66,944	828,732
税项	Taxation	15(a)	59,614	(22,337)
本年度溢利	Profit for the year		126,558	806,395

第166至282页所载附注为综合财务报表的一部分。

The notes on pages 166 to 282 are an integral part of these consolidated financial statements.

综合全面收益表

Consolidated Statement of Comprehensive Income

截至二零一八年十二月三十一日止年度
for the year ended 31 December 2018

	附注 Notes	2018 千港元 HK\$'000	2017 千港元 HK\$'000
本年度溢利	Profit for the year	126,558	806,395
其他全面收益：	Other comprehensive income:		
其后可能重新分类至损益的项目：	Items that are or may be reclassified subsequently to profit or loss:		
可供出售证券：	Available-for-sale securities:		
— 未变现收益净额	— net unrealised gains	—	191,162
— 出售时公平值变动拨入收益表	— fair value changes transferred to income statement on disposal	13	(83,161)
— 税项	— tax effect	15(b)	17,195
以公平值变化计入其他全面收益的债务证券：	Debt securities at fair value through other comprehensive income:		
— 公平值变动	— change in the fair value	(7,182)	—
— 亏损拨备变动	— change in the loss allowance	14	—
本年度其他全面(亏损)/收益，已扣除税项	Other comprehensive (loss)/income for the year, net of tax	(7,168)	125,196
本年度全面收益总额	Total comprehensive income for the year	119,390	931,591

第166至282页所载附注为综合财务报表的一部分

The notes on pages 166 to 282 are an integral part of these consolidated financial statements.

综合财务状况表

Consolidated Statement of Financial Position

于二零一八年十二月三十一日
as at 31 December 2018

		附注 Notes	2018 千港元 HK\$'000	2017 千港元 HK\$'000
资产	ASSETS			
现金及短期资金	Cash and short-term funds	16	29,390,855	25,278,190
应收利息及汇款	Interest and remittance receivables	17	437,919	343,978
衍生金融工具	Derivative financial instruments	18	161,047	333,727
贷款组合净额	Loan portfolio, net	19	6,442,064	7,829,441
证券投资：	Investment securities：			
— 以公允价值变化计入其他全面收益	— fair value through other comprehensive income	20(a)	5,091,664	—
— 以公允价值变化计入损益	— fair value through profit or loss	20(b)	543,612	—
— 按摊销成本列账	— amortised cost	20(c)	11,546,833	—
— 可供出售	— available-for-sale	20(d)	—	7,138,662
— 持有至到期	— held-to-maturity	20(e)	—	10,347,834
外汇基金存款	Placements with the Exchange Fund	21	7,734,934	—
预付款项、按金及其他资产	Prepayments, deposits and other assets	23	829,491	67,154
固定资产	Fixed assets	24	53,766	34,329
递延税项资产	Deferred tax assets	15(b)	77,866	295
再保险资产	Reinsurance assets	27	171,518	164,601
资产总额	Total assets		62,481,569	51,538,211
负债	LIABILITIES			
应付利息	Interest payable	25	257,468	192,133
应付账款、应付开支及其他负债	Accounts payable, accrued expenses and other liabilities	26	5,061,679	5,363,263
衍生金融工具	Derivative financial instruments	18	264,386	119,064
当期税项负债	Current tax liabilities	15(b)	104,077	116,288
保险负债	Insurance liabilities	27	4,607,373	1,130,150
已发行债务证券	Debt securities issued	28	37,292,877	34,840,706
负债总额	Total liabilities		47,587,860	41,761,604
权益	EQUITY			
权益持有人应占股本及储备：	Capital and reserves attributable to the equity holders：			
股本	Share capital	29	7,000,000	2,000,000
保留溢利	Retained profits		6,263,342	5,889,254
风险储备	Contingency reserve		1,632,818	1,679,837
公允价值储备	Fair value reserve		(2,451)	207,516
权益总额	Total equity		14,893,709	9,776,607
负债及权益总额	Total liabilities and equity		62,481,569	51,538,211

董事局已于二零一九年四月三十日批准及授权刊行。

Approved and authorised for issue by the Board of Directors on 30 April 2019.

陈德霖

Norman T. L. Chan

李令翔

Raymond L. C. Li

副主席兼执行董事 Deputy Chairman and Executive Director

执行董事兼总裁

Executive Director and Chief Executive Officer

第166至282页所载附注为综合财务报表的一部分。

The notes on pages 166 to 282 are an integral part of these consolidated financial statements.

综合权益变动表

Consolidated Statement of Changes in Equity

截至二零一八年十二月三十一日止年度
for the year ended 31 December 2018

		股本 Share capital 千港元 HK\$'000	保留溢利 Retained profits 千港元 HK\$'000	风险储备 Contingency reserve 千港元 HK\$'000	公平值储备 Fair value reserve 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一七年一月一日结余	Balance as at 1 January 2017	2,000,000	5,023,307	1,739,389	82,320	8,845,016
本年度溢利	Profit for the year	–	806,395	–	–	806,395
其他全面收益	Other comprehensive income	–	–	–	125,196	125,196
本年度全面收益总额	Total comprehensive income for the year	–	806,395	–	125,196	931,591
由保留溢利拨入已到期风险保费 净额的50%或75%至风险储备	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	–	(200,730)	200,730	–	–
由风险储备拨回至保留溢利	Release of contingency reserve to retained profits	–	260,282	(260,282)	–	–
于二零一七年十二月三十一日结余	Balance as at 31 December 2017	2,000,000	5,889,254	1,679,837	207,516	9,776,607
采纳香港财务报告准则第9号 的变动(附注3.1)	Changes on adoption of HKFRS 9 (Note 3.1)	–	200,511	–	(202,799)	(2,288)
于二零一八年一月一日经重列结余	Restated balance as at 1 January 2018	2,000,000	6,089,765	1,679,837	4,717	9,774,319
本年度溢利	Profit for the year	–	126,558	–	–	126,558
其他全面收益	Other comprehensive income	–	–	–	(7,168)	(7,168)
本年度全面收益总额	Total comprehensive income for the year	–	126,558	–	(7,168)	119,390
注资(附注29)	Capital injection (Note 29)	5,000,000	–	–	–	5,000,000
由保留溢利拨入已到期风险保费 净额的50%或75%至风险储备	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	–	(209,261)	209,261	–	–
由风险储备拨回至保留溢利	Release of contingency reserve to retained profits	–	256,280	(256,280)	–	–
于二零一八年十二月三十一日结余	Balance as at 31 December 2018	7,000,000	6,263,342	1,632,818	(2,451)	14,893,709

第166至282页所载附注为综合财务报表的一部分。

The notes on pages 166 to 282 are an integral part of these consolidated financial statements.

综合现金流量表

Consolidated Statement of Cash Flows

截至二零一八年十二月三十一日止年度
for the year ended 31 December 2018

	附注 Notes	2018 千港元 HK\$'000	2017 千港元 HK\$'000
经营业务之现金流量	Cash flows from operating activities		
经营溢利	Operating profit	66,944	828,732
就以下各项作出的调整：	Adjustment for:		
利息收入	Interest income	(1,243,385)	(924,105)
利息支出	Interest expense	632,864	355,859
股息收入	Dividend income	(58,626)	(82,878)
来自外汇基金存款的收益	Income from placements with the Exchange Fund	(184,934)	—
折旧	Depreciation	19,371	14,415
已发行债务证券折让摊销	Amortisation of discount on debt securities issued	60,637	38,896
减值拨备	Charge of impairment allowances	134	453
证券投资溢价摊销	Amortisation of premium on investment securities	13,675	21,772
以公允价值变化计入损益的 投资亏损净额	Net loss on investments at fair value through profit or loss	13,500	—
金融工具公允价值变动	Change in fair value of financial instruments	(10,947)	2,661
出售按摊销成本列账的投资 收益净额	Net gains on disposal of investments at amortised cost	(192)	—
出售可供出售投资的 收益净额	Net gains on disposal of available-for-sale investments	—	(163,538)
出售固定资产的收益	Gain on disposal of fixed assets	—	(1)
已收利息	Interest received	1,148,331	949,834
已付利息	Interest paid	(567,529)	(381,879)
未计经营资产及负债变动前 经营业务所得现金流量	Cash flows from operating activities before changes in operating assets and liabilities	(110,157)	660,221
原到期日超过三个月的定期 存款变动	Change in time deposits with original maturity of more than three months	(4,422,000)	7,520,837
应收汇款变动	Change in remittance receivables	1,113	(10,298)
预付款项、按金及其他 资产变动	Change in prepayments, deposits and other assets	(762,688)	290,684
贷款组合变动	Change in loan portfolio	1,387,357	1,704,067
应付账款、应付开支及其他 负债变动	Change in accounts payable, accrued expenses and other liabilities	(301,584)	134,870
保险负债净额变动	Change in insurance liabilities, net	3,470,306	63,026
汇兑差额	Exchange differences	(11,553)	(122,758)
经营业务(使用)/产生之现金 (已付)/已退还税项	Cash (used in)/generated from operation Taxation (paid)/refund	(749,206) (29,817)	10,240,649 1,417
经营业务(使用)/产生之 现金净额	Net cash (used in)/generated from operating activities	(779,023)	10,242,066

	附注 Notes	2018 千港元 HK\$'000	2017 千港元 HK\$'000
投资活动之现金流量	Cash flows from investing activities		
购买固定资产	Purchase of fixed assets 24	(38,808)	(30,217)
购买以公允价值变化计入其他全面收益的证券投资	Purchase of investment securities at fair value through other comprehensive income 20(a)	(1,307,246)	—
购买以公允价值变化计入损益的证券投资	Purchase of investment securities at fair value through profit or loss 20(b)	(16,644)	—
购买按摊销成本列账的证券投资	Purchase of investment securities at amortised cost 20(c)	(1,855,361)	—
购买可供出售证券投资	Purchase of available-for-sale investment securities 20(d)	—	(3,144,426)
购买持有至到期证券投资	Purchase of held-to-maturity investment securities 20(e)	—	(3,112,996)
出售及赎回证券投资所得款项	Proceeds from sale and redemption of investment securities	3,465,235	6,039,777
外汇基金存款	Placements with the Exchange Fund 21	(7,550,000)	—
出售固定资产所得款项	Proceeds from disposal of fixed assets	—	1
已收上市投资股息	Dividend received from listed investments	58,626	82,878
投资活动使用之现金净额	Net cash used in investing activities	(7,244,198)	(164,983)
融资活动前现金(流出)/流入净额	Net cash (outflows)/inflows before financing	(8,023,221)	10,077,083
融资活动之现金流量	Cash flows from financing activities		
银行借款所得款项	Proceeds from bank borrowings	27,467,772	43,250,917
偿还银行借款	Repayment of bank borrowings	(27,467,772)	(43,250,917)
发行债务证券所得款项	Proceeds from issue of debt securities 28	34,006,865	28,397,542
赎回已发行债务证券	Redemption of debt securities issued 28	(31,289,536)	(29,509,026)
注资所得款项	Proceeds from capital injection 29	5,000,000	—
融资活动产生/(使用)之现金净额	Net cash generated from/(used in) financing activities	7,717,329	(1,111,484)
现金及等同现金项目(减少)/增加净额	Net (decrease)/increase in cash and cash equivalents	(305,892)	8,965,599
年初现金及等同现金项目	Beginning cash and cash equivalents	15,086,190	6,102,834
汇率对现金及等同现金项目影响	Effect of exchange rates on cash and cash equivalents	(2,497)	17,757
年终现金及等同现金项目	Ending cash and cash equivalents 16	14,777,801	15,086,190

第166至282页所载附注为综合财务报表的一部分。

The notes on pages 166 to 282 are an integral part of these consolidated financial statements.

综合财务报表附注

Notes to the Consolidated Financial Statements

1. 编制基准

香港按揭证券有限公司(本公司)及其附属公司(统称**本集团**)的综合财务报表,是按照由香港会计师公会颁布的香港财务报告准则(包括所有适用的个别香港财务报告准则、香港会计准则及诠释)、香港公认的会计原则与香港《公司条例》的规定编制。

本综合财务报表按历史成本惯例编制,并已就以公允价值列账的金融资产及金融负债(包括衍生金融工具)的重估作出调整。

除另行陈述外,编制此综合财务报表所应用的会计政策及计算方法,与以往呈报的所有年度所应用的贯彻一致。

编制符合香港财务报告准则的财务报表时,须采用若干关键会计估计,而管理层应用本集团会计政策时亦须自行作出判断。涉及大量判断或较复杂的范畴、或假设及估计对综合财务报表属重要的范畴,已在附注5披露。

1. Basis of preparation

The consolidated financial statements of The Hong Kong Mortgage Corporation Limited (**Company**) and its subsidiaries (collectively the **Group**) have been prepared in accordance with Hong Kong Financial Reporting Standards ((HKFRSs) which is a collective term and includes all applicable individual Hong Kong Financial Reporting Standards (HKFRS), Hong Kong Accounting Standards (HKASs) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) carried at fair value.

The accounting policies and the methods of computation used in the preparation of these consolidated financial statements are consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

2. 主要会计政策

2.1. 采纳香港财务报告准则

(a) 于二零一八年一月一日起生效的新准则及修订

- 香港财务报告准则第9号「金融工具」

本集团已采纳香港财务报告准则第9号，过渡日期为二零一八年一月一日。根据香港财务报告准则第9号的过渡性条文，比较数字并无重列。有关会计政策变动影响的详情于附注3披露。

- 香港财务报告准则第15号「与客户订约带来之收入」

香港财务报告准则第15号自二零一八年一月一日起生效，取代香港会计准则第18号「收入」。香港财务报告准则第15号在概念上与香港会计准则第18号类似，但包括有关如何确认及计量收入的更精细指引，并引入额外的披露要求。本集团对新准则进行了评估，并认为毋须更改现行会计政策藉以附合新准则，并且对保留溢利无过渡性的影响。

于二零一八年生效的其他准则对本集团并无重大影响。

2. Summary of significant accounting policies

2.1. Adoption of HKFRSs

(a) New and amended standards effective on 1 January 2018

- HKFRS 9 “Financial Instruments”

The Group has adopted HKFRS 9 with a date of transition of 1 January 2018. In accordance with the transitional provisions of HKFRS 9, comparative figures have not been restated. The details on the impact of the change in accounting policies are disclosed in Note 3.

- HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 is effective from 1 January 2018 and replaces HKAS 18 “Revenue”. HKFRS 15 is conceptually similar to HKAS 18, but includes more granular guidance on how to recognise and measure revenue, and also introduces additional disclosures requirements. The Group performed an assessment of the new standard and concluded that changes to current accounting policies were not required in order to comply with the new standard, and there is no transitional impact to retained profits.

The other standards effective in 2018 have no material impact on the Group.

(b) 已颁布但尚未生效的新准则及修订

若干新准则及修订于二零一八年一月一日起的年度后才开始生效，故并未在编制综合财务报表时所采用。除了下列所述外，其余的新准则及修订预期不会对本集团之综合财务报表产生重大的影响：

- 香港财务报告准则第16号「租赁」，列出租赁的确认、计量、呈列和披露的原则。准则引入单一的承租人会计模式，要求承租人需要为所有租期超过12个月的租赁，确认资产和负债，除非租赁的资产价值很低。承租人必须确认其可使用资产，代表有使用该租赁资产的权利；同时也需确认其租赁负债，代表有责任作出租赁付款。随着经营及融资租赁的区别被除去，香港财务报告准则第16号，将引致近乎所有租约于财务状况报表被确认。香港财务报告准则第16号，大体上秉承香港会计准则第17号「租赁」对出租人的会计要求。据此，出租人继续将其租赁归类为经营租赁和融资租赁，并以不同的入账方式处理这两类租赁。

(b) New standards and amendments issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- HKFRS 16 "Leases" sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. HKFRS 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 "Leases". Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

此项准则将主要影响本集团经营租约的会计。于报告日，本集团拥有不可注销的经营租约承诺为103,510,000港元(附注31)。于首次采纳香港财务报告准则第16号时，本集团预期于二零一九年一月一日确认使用权资产约为1.06亿港元及相应的租赁负债9,700万港元(已计及折现的影响)。准则于二零一九年一月一日或以后开始的会计期间生效。本集团将于二零一九年该准则生效时应用该准则，而不会重列比较资料。本集团将对二零一九年一月一日的保留溢利期初余额确认任何过渡调整。

- 香港财务报告准则第17号「保险合同」确立一套全面的环球保险准则，其就保险合同的确认、计量、呈列及披露提供指引。该准则要求实体按现行实现价值计量保险合同负债。本集团尚未评估此项准则对其财务状况及经营结果的全面影响。此项准则由二零二一年一月一日或以后开始的年度生效，除非实际不可行，需追溯应用及重列比较数字。在此阶段，本集团于生效日期前不计划采纳此准则。

预计没有其他尚未生效的香港财务报告准则会对本集团产生重大影响。

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$103,510,000 (Note 31). Upon the initial adoption of HKFRS 16, the Group expects to recognise approximately right-of-use assets of around HK\$106 million and the corresponding lease liabilities of HK\$97 million, taking into account the effects of discounting, on 1 January 2019. The standard is effective for accounting periods beginning on or after 1 January 2019. The Group will apply the standard when it becomes effective in 2019 without restating comparative information. The Group will recognise any transition adjustments against the opening balance of retained profits at 1 January 2019.

- HKFRS 17 "Insurance Contracts" establishes a comprehensive global insurance standard which provides guidance on the recognition, measurement, presentation and disclosures of insurance contracts. The standard requires entities to measure insurance contract liabilities at their current fulfilment values. The Group is yet to assess the full impact of the standard on its financial position and results of operations. The new standard is effective for annual periods beginning on or after 1 January 2021 and will be applied retrospectively with restatement of comparatives unless impracticable. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other HKFRSs that are not yet effective that would be expected to have a material impact on the Group.

2.2. 综合账目

综合财务报表包括本公司及其所有附属公司截至二零一八年十二月三十一日的财务报表。

附属公司指所有本集团有控制权的公司(包括用以发行按揭证券的结构公司香港按揭证券融资(第一)有限公司及Bauhinia MBS Limited)。当本集团透过参与公司运作而获得或承受不固定回报,并能够行使其权力影响该等回报,本集团被视为控制该公司。附属公司自控制权转移至本集团当日起被全面综合入账,并自该控制权终止当日停止综合入账。

本集团成员公司间的交易、结余及未变现交易收益会相互对销。除非有证据显示交易中所转让资产出现减值,否则未变现亏损亦应予以对销。如有需要,附属公司的会计政策需作出调整,以确保与本集团所采用的政策一致。

当本集团失去附属公司的控制权时,会被视为出售该附属公司的全部权益处理,而由此产生的收益或亏损会在损益内确认。

在本公司的财务状况表中,于附属公司的投资按成本扣减任何减值拨备列账。附属公司之业绩由本公司按已收及应收股息记入本公司账目。

2.2. Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2018.

Subsidiaries are all entities (including structured entities used for issuing mortgage-backed securities, namely HKMC Funding Corporation (1) Limited and Bauhinia MBS Limited) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interests in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, the investment in the subsidiaries is stated at cost less provision for impairment allowances. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2.3. 利息收入及支出

所有付息金融工具之利息收入及支出均采用实际利息法于收益表内确认。

实际利息法是一种计算金融资产或金融负债之摊销成本、以及摊分有关期间之利息收入或利息支出的方法。实际利率指于金融工具之预计年期或较短时间(如适用)，将估计未来现金支出或收入准确折现至金融资产或金融负债账面净值的利率。计算实际利率时，本集团会考虑金融工具的所有合约条款以估计现金流量，但不会计及未来信贷亏损。计算范围包括订约双方已支付或已收取且属于实际利率不可分割一部分的一切费用，以及交易成本及所有其他溢价或折让。

当一项金融资产或一组同类金融资产因出现减值亏损而撇减其价值时，将按计算减值亏损时用以折现未来现金流量的利率确认利息收入。

2.4. 其他收入(附注2.21所述由保险与担保合约所产生的除外)**(a) 费用收入**

费用通常于提供服务时以应计基准确认。属于实际利率不可分割一部分的前期安排手续费作为对厘定贷款利息收入实际利率的调整确认。

2.3. Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing financial instruments using the effective interest method.

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

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.4. Other income other than those arising from insurance and guarantee contracts under Note 2.21**(a) Fee income**

Fees are generally recognised on an accrual basis when the service has been provided. Upfront arrangement fees that are an integral part of the effective interest rate are recognised as an adjustment to the effective interest rate in determining interest income on the loans.

(b) 股息收入

股息收入于取得获派股息权利时确认。

(c) 来自外汇基金存款的收益

外汇基金存款分类为「以公允价值变化计入损益的金融资产」，其公允价值变动于所产生年度确认为收入。

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Income from placements with the Exchange Fund

Changes in fair value of the placements with the Exchange Fund classified as “financial assets at fair value through profit or loss” is recognised as income in the year in which they arise.

2.5. 金融资产**(a) 分类**

自二零一八年一月一日起，本集团将其金融资产分类为以下计量类别：

- 以公允价值作后续计量（计入其他全面收益或计入损益）；及
- 按摊销成本计量。

分类取决于公司管理金融资产业务模式及其合约条款内的现金流量。

对于按公允价值计量的资产，收益及亏损将记入损益或其他全面收益。对于债务工具的投资，则取决于持有投资的业务模式。

本集团已将外汇基金存款分类为以公允价值变化计入损益的金融资产。

2.5. Financial assets**(a) Classification**

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Group has classified the placements with the Exchange Fund as financial asset at fair value through profit or loss.

仅当其管理该等资产的业务模式发生变动时，本集团方会对证券投资进行重新分类。

(b) 计量

于初始确认时，本集团按其公允价值计量金融资产，如金融资产并非以公允价值变化计入损益，则加上收购该金融资产的直接所引起的交易成本。以公允价值变化计入损益的金融资产的交易成本于损益列作支出。

在确定含有嵌入式衍生工具的金融资产的现金流量是否仅为支付本金及利息时，将会视作整体考虑。

金融资产的后续计量取决于本集团管理资产的业务模式及资产的现金流量特征。本集团将其金融资产分类为三个计量类别：

- 摊销成本：为收取合约现金流量而持有的资产，而该等现金流量仅代表支付本金及利息，则按摊销成本计量。当债务投资于后续计量为按摊销成本计量，且并非为对冲关系的一部分，该资产于终止确认或减值时所产生的收益或亏损于损益中确认。

The Group reclassifies investment securities when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

- 以公允价值变化计入其他全面收益：为收取合约现金流量及出售金融资产而持有的资产，而该的现金流量仅代表支付本金及利息，则按以公允价值变化计入其他全面收益计量。账面值之变动乃透过其他全面收益确认，惟确认减值收益或亏损、利息收入及汇兑收益及亏损则于损益确认。当金融资产终止确认时，先前在其他全面收益中确认的累计收益或亏损将从权益重新分类至损益，并在其他收益或亏损中确认。
- 以公允价值变化计入损益：不符合按摊销成本或以公允价值变化计入其他全面收益标准的资产，按以公允价值变化计入损益计量。当投资后续计量为以公允价值变化计入损益，且并非为对冲关系的一部分，其收益或亏损的产生于期间收益表中的其他收益或亏损内呈列。
- Fair value through other comprehensive income (**FVOCI**): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains or losses.
- Fair value through profit or loss (**FVPL**): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the income statement within other gains or losses in the period in which it arises.

(c) 减值

自二零一八年一月一日起，本集团以前瞻性基准评估按摊销成本及以公允价值变化计入其他全面收益列账的资产相关的预期信贷亏损。所采用的减值方法取决于信贷风险是否显著增加。附注4.2载列有关如何计量预期信贷亏损的更多详情。

(c) Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses (**ECLs**) associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 4.2 provides more details of how the ECLs is measured.

2.6. 金融负债

金融负债分为两类：以公允价值变化计入损益的金融负债及其他金融负债。所有金融负债于初始时分类，并初步按公允价值确认。

财务状况表所列明的已发行债务证券，包括：(i) 根据债务工具发行计划发行的债券，及(ii) 根据中期债券发行计划发行的债券（**中期债券**）。

该等债券初步指定为：(i) 以公允价值变化计入损益的金融负债或(ii) 其他金融负债。

于初始分类时，当债券（包括已发行嵌入式衍生工具的债券）被指定以公允价值变化计入损益，则按公允价值确认，且公允价值变动记录于收益表。当债券被指定为公允价值对冲之对冲项目，均会就被对冲风险而引起的公允价值变化作出相应调整。

指定为其他金融负债的债券初始时按公允价值确认，即所收代价的公允价值扣减产生的交易成本。债券其后按摊销成本列账，扣除交易成本后的所得款项净额与赎回价值间的任何差额，于债务证券期间按实际利息法在收益表确认。

凡赎回/回购债券时的损益，即赎回/回购债券的金额与账面值的差额，于赎回/回购发生期间于收益表入账确认。

2.6. Financial liabilities

Financial liabilities are classified into two categories: financial liabilities at fair value through profit or loss and other financial liabilities. All the financial liabilities are classified at inception and recognised initially at fair value.

Debt securities issued in the statement of financial position include (i) notes issued under the Debt Issuance Programme (**DIP**), and (ii) notes issued under the Medium Term Note (**MTN**) Programme.

These notes are initially designated as either (i) financial liabilities at fair value through profit or loss or (ii) other financial liabilities.

The notes (including those issued with embedded derivative instruments) designated as at fair value through profit or loss upon initial recognition are carried at fair value, with changes in fair value being recorded in the income statement. Those notes which are designated as hedged items under a fair value hedge are adjusted for the fair value changes subject to the risk being hedged.

The notes designated as other financial liabilities are initially recognised at fair value, which is the fair value of the consideration received, net of transaction costs incurred. The notes are subsequently stated at amortised costs; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the debt securities using the effective interest method.

On redemption/repurchase of the notes, the resulting gains or losses, being the difference between the redemption/repurchase amount and the carrying amount, are recognised in the income statement in the period in which the redemption/repurchase takes place.

2.7. 确认和终止确认金融工具

证券投资于本集团购买或出售的交易日确认。贷款组合及应收款项于借款人收到现金时确认。当收取金融资产所得现金流量的权利经已届满，或当本集团已转让拥有该项资产的绝大部分风险及回报的权利，金融资产将终止确认。

以公允价值变化计入损益的金融负债，及已发行债务证券于交易日确认。其他金融负债于债务产生时确认。金融负债仅于合约规定的债务已被清偿、已取消或已届满时，才于财务状况表终止确认。

2.8. 衍生金融工具及对冲会计处理

衍生工具最初于订立衍生工具合约之日按公允价值确认，其后按公允价值重新计量。公允价值乃根据活跃市场价厘定，包括最近市场交易及通过使用估值方法（包括现金流量折现模型及期权定价模型）。当衍生工具的公允价值为正数时，均作为资产入账；而当公允价值为负数时，则作为负债入账。从衍生工具所产生的应收和应付利息会分别呈列于财务状况表。

于初始确认时，最佳显示该衍生工具之公允价值应为其交易价值（即已付或已收代价之公允价值）。

2.7. Recognition and de-recognition of financial instruments

Purchases and sales of investment securities are recognised on the trade date, the date on which the Group purchases or sells the assets. Loan portfolio and receivables are recognised when cash is advanced to the borrowers. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss and debt securities issued are recognised on the trade date. Other financial liabilities are recognised when such obligations arise. Financial liabilities are derecognised from the statement of financial position when and only when the obligation specified in the contract is discharged, cancelled or expired.

2.8. Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Interest receivables and payables arising from derivatives are separately presented in the statement of financial position.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received).

若干嵌入其他金融工具之衍生工具之经济特征及风险与所属主合约并无密切关系，且主合约并非以公平值变化计入损益计量时，该等嵌入式衍生工具会作为独立衍生工具处理。该等嵌入式衍生工具以公平值计量，而公平值变动则于收益表确认。

确认公平值损益的方法取决于衍生工具是否指定为对冲工具，如属对冲工具则须决定对冲项目性质。本集团指定若干衍生工具为：(i) 对冲已确认资产或负债或确实承担的公平值（**公平值对冲**）；或(ii) 对冲已确认资产或负债或预期交易极有可能产生的未来现金流量（**现金流对冲**）。在符合若干条件的情况下，指定的衍生工具采纳对冲会计方式处理。

本集团会于交易发生时记录对冲工具与对冲项目之关系、风险管理目的以及进行各类对冲交易所采取策略。本集团亦会就对冲活动发生时及所涉期间内评估有关衍生工具能否高度有效地抵销对冲项目之公平值或现金流量变动作出记录。

(a) 公平值对冲

被指定为且合资格之公平值对冲之衍生工具的公平值变动连同被对冲风险之对冲资产或负债之相关公平值变动，一并于收益表内记录。

若对冲不再符合对冲会计处理的要求，对冲项目之账面值调整，将按剩余年期以实际利息法摊销至收益表。

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement.

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

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

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to income statement over the period to maturity.

(b) 现金流对冲

被指定为且合格之现金流对冲之衍生工具的公平值变动的有效对冲部分于其他全面收益内确认，并累计于权益中。无效部分的损益即时于收益表确认。

权益的累积数额将于相关对冲项目影响收益表时转出并拨入至收益表。

于对冲工具到期或出售，或不再符合对冲会计处理要求时，权益中的任何累计损益仍保留于权益内，直至预期进行的交易最终于收益表确认时始拨入收益表。当预期进行的交易不会落实时，权益所呈报的累计损益随即拨入收益表。

(c) 不符合采用对冲会计方法的衍生工具

凡不合格采用对冲会计处理的经济对冲的衍生工具，以公平值变化计入损益。任何衍生工具的公平值变动，即时于收益表确认。

2.9. 对销金融工具

如金融资产及负债具有法律上可强制执行的权利可对销确认金额及有计划按净额结算，或同时变卖资产及清偿负债，则该金融资产及负债可互相对销，而两者之净额列于财务状况表内。法律上可强制执行的权利不应取决于未来事件，并且必须是在正常业务过程中，以及在本公司或交易对手违约、无力偿付债务或破产的情况下，可强制执行。

(b) Cash flow hedge

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

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

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

(c) Derivatives not qualified as hedges for accounting purposes

Derivative instruments entered into as economic hedges that do not qualify for hedge accounting are held at fair value through profit or loss. Changes in the fair value of any derivative instrument are recognised immediately in the income statement.

2.9. Offsetting financial instruments

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

2.10. 收回资产

收回抵押资产作为待售资产列账，并于「其他资产」项下呈报，相关贷款则终止确认。收回抵押资产按账面值与公平值减销售成本之较低者计量。

2.11. 分类报告

经营分类按向首席经营决策者提供的内部报告一致的方式报告。首席经营决策者为分配资源及评估公司经营分类表现的个人或团体。本集团已指定总裁为首席经营决策者。

2.12. 外币换算**(a) 功能及呈列货币**

本集团旗下各公司的财务报表中所载项目采用该公司营运所在主要经济环境所用的货币(功能货币)计量。综合财务报表以千港元为单位呈列，即本公司之功能及本公司和本集团之呈列货币。

(b) 交易及结余

外币交易按交易当日之汇率换算为功能货币。结算该等交易产生之汇兑盈亏以及以期末汇率换算外币计价的货币资产及负债而产生的汇兑盈亏在收益表确认。

2.10. Repossessed assets

Reposessed collateral assets are accounted as assets held for sale and reported in "Other assets" and the relevant loans are derecognised. The reposessed collateral assets are measured at lower of carrying amount and fair value less costs to sell.

2.11. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Chief Executive Officer as its chief operating decision maker.

2.12. Foreign currency translation**(a) Functional and presentation currency**

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

(b) Transactions and balances

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

以外币计价的货币项目，按报告日期的收市汇率换算。以历史成本估值的外币计价的非货币项目，按初始确认日期的汇率换算；以公允价值估值的外币计价的非货币项目，会以确定公平值当日的汇率换算。

当归类为以公平值变化计入其他全面收益，并以外币计价的货币项目之公平值变动时，由证券的摊销成本变动所产生的换算差额，及由证券的账面值的其他变动所产生的换算差额会区别出来。有关摊销成本变动的换算差额会在损益内确认；而除减值外，账面值的其他变动会在其他全面收益内确认。

持有以公平值变化计入损益的非货币金融工具的换算差额呈报为公平值损益的一部分。归类为以公平值变化计入其他全面收益的非货币金融工具的换算差额计入权益内的公平值储备。

2.13. 固定资产

固定资产按历史成本减累计折旧及减值亏损列账。历史成本包括收购该等项目的直接开支。

该项目的后续成本仅在本集团有可能获得有关项目之未来经济利益，且能准确计量项目成本时，方可计入资产账面值或确认为独立资产（倘适用）。遭替换部分的账面值被终止确认。所有其他维修及保养开支均于产生之财务期间于收益表确认。

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as FVOCI, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in OCI.

Translation differences on non-monetary financial instruments held at FVPL are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments classified as FVOCI, are included in the fair value reserve in equity.

2.13. Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

折旧采用直线法按下列估计可使用年期将成本减剩余价值摊销：

租赁物业装修	租约尚未届满的期间
傢俬及装置	租约尚未届满的期间
电脑	三年
办公室设备	三年
汽车	四年

资产的剩余价值及可使用年期于各呈报期末检讨并于适当时调整。

出售之收益及亏损按所得款项与账面值的差额于收益表确认。

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Leasehold improvements	over the unexpired period of the lease
Furniture and fixtures	over the unexpired period of the lease
Computer	3 years
Office equipment	3 years
Motor vehicle	4 years

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

Gain and loss on disposal is determined by comparing proceeds with carrying amount. It is included in the income statement.

2.14. 于附属公司的投资的减值

于附属公司收取股息后，倘若出现下述情况，需就附属公司的投资进行减值测试。如在股息宣布周期，股息超越附属公司的总全面收益。又或是附属公司在本公司的财务状况表所显示的账面值，超越附属公司在综合财务状况表的净资产值（包括商誉）。

2.14. Impairment of investment in subsidiaries

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from that subsidiary if the dividend exceeds the total comprehensive income of the subsidiary concerned in the period the dividend is declared or if the carrying amount of the subsidiary in the Company's statement of financial position exceeds the carrying amount of the subsidiary's net assets including goodwill in the consolidated statement of financial position.

2.15. 当期及递延税项

期内税项支出包括当期及递延税项。税项会在收益表内确认，除非涉及确认于其他全面收益的项目或直接在权益内确认。在这种情况下，税项也会在其他全面收益或直接在权益确认。

当期税项根据呈报期末已颁布或实际颁布的税率计算。

2.15. Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity.

Current tax is calculated on the basis of the tax rates enacted or substantively enacted at the end of the reporting period.

递延税项采用负债法按资产及负债的税基与综合财务报表所呈列账面值之暂时差额作全数拨备。递延税项采用各呈报期末已颁布或实际颁布并预期在相关递延税项资产变现或递延税项负债结算时适用之税率厘定。

倘可能有未来应课税溢利与可动用暂时差额抵销，则确认递延税项资产。除非暂时差异的拨回由本集团控制，并有可能在可预见将来不会拨回暂时差额，就投资附属公司而产生的暂时差额需作递延税项拨备。

直接在其他全面收益中扣除或计入与现金流对冲相关的递延税项，亦应直接在其他全面收益中计入或扣除，其后连同递延盈亏在收益表中确认。

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising from investment in the subsidiary, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not be reversed in the foreseeable future.

Deferred tax related to cash flow hedges, which are charged or credited directly to OCI, is also credited or charged directly to OCI and is subsequently recognised in the income statement together with the deferred gain or loss.

2.16. 雇员福利

(a) 雇员可享有的假期

雇员所享年假于雇员得到有关假期时确认。按截至各呈报期末就雇员所提供服务的估计享有的年假及长期服务假期的承担列为应计项目。

雇员可享有的病假、产假及待产假，于雇员休假时确认。

(b) 花红计划

本集团根据一项程式以考虑若干调整后所得溢利确认花红负债及开支。本集团根据合约责任或过往经验建立推定责任时，确认有关拨备。

2.16. Employee benefits

(a) Employee leave entitlements

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

Employee entitlements to sick leave, maternity or paternity leave are recognised when the absence occurs.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created constructive obligations.

(c) 退休金承担

本集团设立强制性公积金计划及界定供款计划，计划相关资产通常由独立信托人所管理之基金持有。该等退休金计划通常由雇员及本集团供款。

本集团对强制性公积金计划及界定供款计划的供款于产生时列作支出。

(c) Pension obligations

The Group offers a mandatory provident fund scheme and a defined contribution scheme, the assets of which are generally held in separate trustee – administered funds. These pension plans are generally funded by payments from employees and by the Group.

The Group's contributions to the mandatory provident fund scheme and defined contribution scheme are expensed as incurred.

2.17. 拨备

倘本集团现时因过往事件而涉及法律或推定责任，而履行责任很可能须耗用资源，且可合理估计款项时，则确认拨备。

当金额的时间值影响属重大的，拨备按预期偿付责任所需开支以除税前比率（反映当前市场对责任特定之时间值及风险之评估）计算之现值计量。

2.17. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.18. 租约**(a) 经营租约**

经营租约指由出租人承担拥有权绝大部分风险及回报之租约。本集团主要以承租人身份订立经营租约。经营租约租金（扣除出租人给予的任何优惠后）于租期内以直线法自收益表扣除。

倘经营租约于租约期满前终止，则任何须付予出租人的罚款将于终止发生期间确认为开支。

2.18. Leases**(a) Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group entered into operating leases primarily as lessee. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) 融资租约

融资租约指由本集团承担拥有权的绝大部分风险及回报之资产租约。本集团主要以出租人身份订立融资租约。融资租约于租赁开始时按租赁物业公允价值或最低租金现值之较低者拨作应收款项。应收款项总额与应收款项现值的差额确认为未赚取融资收入。租约收入于租期内按反映固定回报率之净投资法确认。具有融资租约特性的租购合约按融资租约相同方式列账。减值拨备按附注4.2所载贷款组合的会计政策列账。

(b) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The Group entered into finance leases primarily as lessor. Finance leases are capitalised as receivables at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Hire purchase contracts having the characteristics of a finance lease are accounted for in the same manner as finance leases. Impairment allowances are accounted for in accordance with the accounting policies for loan portfolio as set out in Note 4.2.

2.19. 现金及等同现金项目

就现金流量表而言，现金及等同现金项目包括于获取之日起计三个月内到期的结余，包括现金和银行结余。这些结余是易于转换为已知金额的现金，而其价值变动的风险不高。

2.19. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and balances with banks that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

2.20. 财务担保合约

财务担保合约，本集团须根据债务工具的条款向持有人支付定额款项以补偿指定欠款人未能支付到期款项所产生损失。

财务担保合约，按附注2.21(b)所载会计政策，列账为保险合约。

2.20. Financial guarantee contracts

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are accounted for as insurance contracts in accordance with the accounting policies set out in Note 2.21(b).

2.21. 保险和其他担保合约

(a) 按揭保险合同

本集团按揭保险计划下的按揭保险业务，根据年度会计基准入账。依照年度会计处理法，本集团按未来收支的可靠预测作出拨备，厘定本会计年度的承保业绩。承保业绩包括更正过往估计而作出的任何修订。

毛保费指本会计年度透过在《银行业条例》下定义之认可机构参与直接承保业务的保费。扣除折扣及退款后的毛保费包括向核准再保险公司支付再保险保费、本集团应收风险保费及服务费。保险费净额于保险生效期间，以时间比例确认为收入。

未到期保费为各呈报期末，估计承担风险及服务所需保费净额部分。

于各呈报期末，就未决申索、已产生但未申报申索及亏损储备作拨备。至于风险分摊业务方面，根据有关监管指引及在董事认为适当的情况下，取决于相关产品，将年内已到期风险保费净额的50%或75%，在一段时间内，预留作为风险储备。期内可自风险储备提取以应付超额申索。于各呈报期末，风险储备的未动用结余可拨回至保留溢利。

2.21. Insurance and other guarantee contracts

(a) Mortgage insurance contracts

The mortgage insurance business under the Mortgage Insurance Programme (**MIP**) of the Group is accounted for on the annual accounting basis. Under the annual accounting approach, the Group makes provisions based on credible estimates of future income and outgoings to determine the underwriting result for the current accounting period. The underwriting result includes any adjustments arising from the correction of the previous estimates.

Gross premiums represent direct business written through Authorized Institutions (**AIS**) as defined in accordance with the Banking Ordinance during an accounting period. The gross premiums after deduction of discounts and refunds, include the reinsurance premiums to be paid to the approved reinsurers, the risk premiums and servicing fees earned by the Group. The net premiums are recognised as income on a time-apportioned basis during the time the insurance coverage is effective.

Unearned premiums represent that portion of net premiums written which are estimated to relate to risks and services subsequent to the end of each reporting period.

Provisions are made for outstanding claims, claims incurred but not reported and loss reserve at the end of each reporting period. For risk-sharing business, 50% or 75% of the net risk premiums earned in a year depending on the respective product is set aside as a Contingency Reserve for a period of time in accordance with relevant regulatory guidelines and as considered appropriate by the directors. Withdrawals from the Contingency Reserve can be made to meet excess claims at any time during the period. At the end of the reporting period, the unutilised balance of the Contingency Reserve can be released to retained profits.

再保险合同指本集团与再保险公司订立的合约，据此本集团就本集团发出的一份或以上保险合同获赔偿损失。本集团根据再保险合同下所获利益，确认为再保险资产。该等资产包括从再保险公司可收回的申索及应收款项(根据有关再保险合同所预期的申索及利息)。从再保险公司可收回款项或应付再保险公司金额的计量均与再保险合同相关金额及每份再保险合同的条款一致。再保险资产主要为再保险合同的保费，并摊销作开支。

再保险资产初始确认后，倘若有关客观证据显示，本集团可能不会收回合约条款内的全数款项，而本集团从再保险公司之收回款项亦能准确计量，则会对该再保险资产减值。

已产生的佣金在收益表内确认。

(b) 其他担保和保险合同

本集团为合资格的中小企业(中小企)和非上市企业取得的贷款提供财务担保，并收取担保费；亦为长者的安老按揭贷款，以及为资助房屋计划业主而设、主要用于补地价的一笔过贷款，提供保险保障，并收取保险保费。

Reinsurance contracts refer to contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more insurance contracts issued by the Group. Benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of claims recoverable from reinsurers and receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance assets are primarily premiums for reinsurance contracts and are amortised as an expense.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Group may not receive all amounts due to it under the terms of the contract, and the impact on the amounts that the Group will receive from the reinsurer can be reliably measured.

Commissions are recognised in the income statement as incurred.

(b) Other guarantee and insurance contracts

The Group provides financial guarantees for loan facilities provided to eligible small and medium enterprises (**SMEs**) and non-listed enterprises, in return for a guarantee fee, insurance coverage on reverse mortgage loans provided to elderly people and on lump-sum loans provided to owners of properties of subsidised housing schemes primarily for land premium settlement, in return for an insurance premium.

根据有关监管指引及在董事认为适当的情况下，年内已满期的担保费的50%和保险保费的75%，在一段时间内，预留作为风险储备。期内可自风险储备提取款项以应付超额申索。于各呈报期末，风险储备的未动用结余可拨回至保留溢利。

(c) 人寿保险合同

保费于从年金受益人收到现金以及保单于所有承保程序完成后签发并生效时被确认为收入。

保险合同负债于订立合约及确认保费时确认。该等负债乃根据《保险业(长期负债厘定)规则》的规定为长期业务使用经修订净额保费估值法计算。于各报告日，负债的变动记入收益表。

保险索赔反映年内产生的所有年金付款、退保、提取现金及身故赔偿等成本。退保、提取现金及身故赔偿按所收到的通知记录。年金付款于到期时记录。

本集团会根据当前合约的未来现金流量估算，在每个呈报期日评估其已确认的负债是否足够。如果评估显示其保险负债的账面值不足够应付预计的未来现金流量，不足之数额在收益表中确认。

2.22.股息分配

于呈报期末后拟派或宣派的股息，当股东批准该股息时，会作为该时期的负债披露。

50% of the guarantee fee earned and 75% of the insurance premium earned in a year is set aside as a Contingency Reserve for a period of time in accordance with relevant regulatory guidelines and as considered appropriate by the directors. Withdrawals from the Contingency Reserve can be made to meet excess claims at any time during the period. At the end of the reporting period, the unutilised balance of the Contingency Reserve can be released to retained profits.

(c) Life insurance contracts

Premiums are recognised as income when the cash is received from the annuitant, and the policy is issued and becomes effective after the completion of all the underwriting procedures.

Insurance contract liabilities are recognised when contracts are entered into and premiums are recognised. These liabilities are measured by using the Modified Net Level Premium Valuation method for long term business in accordance with the provision of the Insurance (Determination of Long Term Liabilities) Rules. The movements in liabilities at each reporting date are recorded in the income statement.

Insurance claims reflect the cost of all annuity payments, surrenders, withdrawals and death claims arising during the year. Surrenders, withdrawals and death claims are recorded on the basis of notifications received. Annuity payments are recorded when due.

The Group will assess if its recognised liabilities are adequate on each reporting date, using the current estimates of future cash flows under these contracts. If the assessment shows that the carrying amount of its insurance liabilities are inadequate in the light of the estimated future cash flows, the shortfall shall be recognised in the income statement.

2.22.Dividend distribution

Dividend proposed or declared after the end of each reporting period is disclosed as a liability in the period in which the dividends are approved by shareholders.

3. 会计政策变动

采纳香港财务报告准则第9号导致会计政策出现变动及对先前于财务报表确认的金额作出调整。

在香港财务报告准则第9号的过渡性条文容许下，本集团追溯采纳香港财务报告准则第9号，但已选择不重列比较资料。因此，所提供的比较资料继续根据本集团之前根据香港会计准则第39号的会计政策入账。采纳香港财务报告准则第9号产生的差异已直接于二零一八年一月一日的保留溢利、减值拨备及其他相关财务状况表项目确认。

二零一八年一月一日前所应用的会计政策

金融资产

直至二零一七年十二月三十一日，本集团将金融资产分为：以公允价值变化计入损益的金融资产、贷款及应收款项、持有至到期投资及可供出售投资。分类方式视乎购入金融资产的目的而定。管理层于初始确认时决定金融资产分类。

(a) 以公允价值变化计入损益的金融资产

此类别可细分为两类：持作买卖的金融资产、及于初始分类时指定为以公允价值变化计入损益的金融资产。倘金融资产主要为在短期内出售而购入，或该资产为集合管理的可识别金融工具组合之一部分、及有证据显示近期曾实际短期获利，则归类为持作买卖用途。除已指定作对冲用途外，否则衍生工具亦归类为持作买卖用途。

3. Changes in accounting policies

The adoption of HKFRS 9 resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements.

As permitted by the transitional provisions of HKFRS 9, the Group has adopted HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy under HKAS 39. Differences arising from the adoption of HKFRS 9 have been recognised directly in retained profits, impairment allowances and other relevant statement of financial position items as at 1 January 2018.

Accounting policies applied prior to 1 January 2018

Financial assets

Until 31 December 2017, the Group classified its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale investments. The classification depended on the purpose for which the financial assets were acquired. Management determined the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category had two sub-categories: financial assets held for trading, and those designated as at fair value through profit or loss at inception. A financial asset was classified as held for trading if acquired principally for the purpose of selling in the short term or if it was part of a portfolio of identified financial instruments that were managed together and for which there was evidence of recent actual pattern of short-term profit-making. Derivatives were also categorised as held for trading unless they were designated as hedges.

符合以下条件之金融资产，一般会初始时被界定为以公允价值变化计入损益类别：

- (i) 若该界定能消除或大幅减少因按不同基准计量金融资产或金融负债之价值或确认其盈利或亏损，而出现不一致的计量或确认情况（有时称为会计错配）；或
- (ii) 若根据明文规定的风险管理或投资策略，有一组金融资产及/或金融负债需按公允价值基准管理及评估表现，而内部亦根据该基准向管理层呈报有关该组金融资产及/或金融负债；或
- (iii) 金融资产，例如所持有债务证券含有一项或多项对现金流量有重大影响的嵌入式衍生工具，可以被指定为以公允价值变化计入损益。

(b) 贷款及应收款项

贷款及应收款项为有固定或可确定还款额、并无活跃市场报价，且本集团无意即时或于短期内买卖之非衍生工具金融资产。

(c) 持有至到期投资

持有至到期投资为有固定或可确定还款额及固定还款期，且本集团管理层有明确意向及能力持有至到期的非衍生工具金融资产。若本集团出售或将持有至到期资产重新分类，而(i)并非由于超越本集团所能控制的、非经常性的，不能被本集团合理预期的单一事件所引起，例如是发行人的信用状况的显著恶化，或(ii)倘若并非微不足道数额之持有至到期资产，则整个资产类别将重新分类至可供出售。

A financial asset was typically classified as fair value through profit or loss at inception if it meets the following criteria:

- (i) the designation eliminated or significantly reduced a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring the financial assets or financial liabilities or recognising the gains and losses on them on different bases; or
- (ii) a group of financial assets and/or financial liabilities was managed and its performance was evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this was the basis on which information about the financial assets and/or financial liabilities was provided internally to the key management personnel; or
- (iii) financial assets, such as debt securities held, containing one or more embedded derivatives which significantly modified the cash flows, could be designated at fair value through profit or loss.

(b) Loans and receivables

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and for which the Group had no intention of trading immediately or in the short term.

(c) Held-to-maturity

Held-to-maturity investments were non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management had the positive intention and ability to hold to maturity. Where the Group sold or reclassified held-to-maturity assets (i) other than due to an isolated event that was beyond the Group's control, was non-recurring and could not have been reasonably anticipated by the Group, such as a significant deterioration in the issuer's creditworthiness; or (ii) other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available-for-sale.

(d) 可供出售投资

可供出售投资，包括指定为此类别或并无归入任何其他类别的非衍生工具金融资产。可供出售投资为无限定持有时间的投资，可因应流动资金需要或利率、汇率或市价变动而出售。可供出售投资初步按公平值（包括直接及递增交易成本）确认，其后按公平值持有。

所有并非以公平值变化计入损益的金融资产初始时按公平值加上交易成本确认。以公平值变化计入损益的金融资产初始时按公平值确认，而交易成本则在收益表列作支出。

可供出售金融资产及以公平值变化计入损益的金融资产，其后以公平值列账。贷款及应收款项及持有至到期投资，则采用实际利息法以摊销成本列账。「以公平值变化计入损益的金融资产」类别的公平值变动产生的收益及亏损，于产生时计入该期间的收益表。可供出售金融资产公平值变动产生的未变现收益及亏损于其他全面收益确认，并累计于权益中（公平值储备），直至有关金融资产被注销或减值时，则将先前已于权益确认之累计盈亏拨转至收益表。然而，使用实际利息法计算的利息乃于收益表中确认。可供出售股权工具之股息于有关公司取得获派股息权利时于收益表确认。

(d) Available-for-sale

Available-for-sale investments were non-derivative financial assets that were either designated in this category or not classified in any of the other categories. Available-for-sale investments were those intended to be held for an indefinite period of time, which might be sold in response to needs for liquidity or changes in interest rate, exchange rate or market prices. They were initially recognised at fair value including direct and incremental transaction costs. They were subsequently held at fair value.

Financial assets were initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss were initially recognised at fair value, and transaction costs were expensed in the income statement.

Available-for-sale financial assets and financial assets at fair value through profit or loss were subsequently carried at fair value. Loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category were included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets were recognised in OCI and accumulated in equity (fair value reserve), until the financial asset was derecognised or impaired at which time the cumulative gain or loss previously accumulated in equity was reclassified to income statement. However, interest calculated using the effective interest method was recognised in the income statement. Dividends on available-for-sale equity instruments were recognised in the income statement when the entity’s right to receive payment was established.

如果按公允价值计量的资产有一个买入价和卖出价，在这个价格范围内的买卖差价最能代表公平值的情况下，应该用来计量公平值。倘金融资产的市场并不活跃，本集团会采用估值方法订出公平值，包括采用近期按公平原则进行的交易、参考其他大致相同的工具、现金流量折现分析及市场参与者广泛采用的其他估值方法厘定公平值。

倘若本集团有意并有能力在资产重新分类时，持有某些金融资产直至可预见的未来或直至到期日，本集团可以选择将符合贷款及应收款项定义的金融资产，从可供出售类别，重新分类为贷款及应收款项。

重新分类将按重新分类日的公平值计算。公平值会成为新的成本或摊销成本（如适用），而在重新分类日期前的公平值收益或亏损不作拨回。对于被重新分类为贷款及应收款项和持有至到期类别的金融资产，其实际利率将在重新分类日确定。

金融资产减值

(a) 以摊销成本列账之资产

本集团于各呈报期末，评估有否客观证据显示个别金融资产或一组金融资产出现减值。于初始确认资产后发生一个或多个损失事件以致出现减值之客观证据（**损失事件**），且该宗（或该等）损失事件对有关金融资产或一组金融资产之未来现金流量的影响可准确估计，则该金融资产或该组金融资产将视作减值及出现减值亏损。显示个别金融资产或一组资产减值之客观证据包括本集团注意到有关可供观察资料之以下损失事件：

If an asset measured at fair value had a bid price and an ask price, the price within the bid-ask spread that was most representative of fair value in the circumstances should be used to measure fair value. If there was no active market for a financial asset, the Group established fair value by using valuation techniques. These included the use of recent arm's length transactions, reference to other instruments that were substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The Group might choose to reclassify financial assets that would meet the definition of loans and receivables out of the available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date.

Impairment of financial assets

(a) Assets carried at amortised cost

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

- | | |
|--|---|
| <ul style="list-style-type: none"> • 发行人或欠债人出现严重财政困难； • 违约，例如没有支付或拖欠利息或本金还款； • 借款人因经济或法律原因出现财政困难，本集团给予借款人在一般情况下不予考虑之优惠条件； • 启动破产程序或其他财务重组； • 因财政困难至使金融资产之活跃市场消失；或 • 可观察得到的资料显示一组金融资产产生的未来预计现金流将较初始确认时有可量度的下降，即使有关下降未能识别为该组合内之个别金融资产。资料包括： <ul style="list-style-type: none"> — 该组合的借款人之还款状况有不利转变；或 — 与组合内资产违约相关之经济状况。 | <ul style="list-style-type: none"> • significant financial difficulty of the issuer or obligor; • a breach of contract, such as a default or delinquency in interest or principal payments; • the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the Group would not otherwise consider; • initiation of bankruptcy proceedings or other financial reorganisation; • the disappearance of an active market for that financial asset because of financial difficulties; or • observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including: <ul style="list-style-type: none"> — adverse changes in the payment status of borrowers in the group; or — economic conditions that correlate with defaults on the assets in the group. |
|--|---|

本集团首先评估有否客观证据显示金额重大之个别金融资产出现减值。至于金额非重大之个别金融资产，本集团会个别评估或组合评估减值。若本集团确定并无客观证据显示所评估个别金融资产（不论金额是否重大）出现减值，则将该资产包括于信贷风险特征相若的组合中，以作出组合减值评估。组合减值评估不包括已经个别评估为有减值亏损或将继续确认减值亏损之资产。

The Group first assessed whether objective evidence of impairment exists individually for financial assets that were individually significant. For exposures which were not individually significant, the Group would assess impairment either individually or collectively. If the Group determined that no objective evidence of impairment existed for an individually assessed financial asset, whether significant or not, it included the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that were individually assessed for impairment and for which an impairment loss was or continues to be recognised were not included in a collective assessment of impairment.

如有客观证据显示，以摊销成本列账之贷款及应收款项，或持有至到期投资出现减值亏损，则亏损额将以资产账面值与预计未来现金流量（不包括未来信贷亏损），按该金融资产原有实际利率的折现差额计算。资产的账面值通过拨备账目而调减，亏损金额则于收益表确认。倘贷款或持有至到期投资按浮动利率计算，则计量减值亏损的折现率为合约厘定的现行实际利率。

不论是否能收回抵押品，对有抵押金融资产预计未来现金流量之现值计算，可反映因收回抵押品后扣除取得及出售抵押品之成本可能产生的现金流量。

整体之组合减值评估而言，金融资产按相若信贷风险特征归类，该等特征与预测该等资产群组之未来现金流量有关，可显示所评估资产在合约条款下其债务人清还所有到期债务的能力。

一组共同进行减值评估的金融资产的未来现金流量，是按群组内资产的合约现金流量，及与其具相若信贷风险特征的资产之过往亏损记录为基准估量。过往亏损记录会根据现时可观察资料予以调整，以反映并没有对过往亏损记录所依据的该期间现有状况的影响，以及消除于过往期间出现但现时并不存在之条件的影响。

估计一组资产未来现金流量的变动时，须反映各期间的相关可观察数据（显示该组资产亏损之可能性及程度的变动），并调整至与其一致。本集团定期检讨估计未来现金流量的方法及假设，以缩减亏损估计与实际亏损的差距。

If there was objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost had been incurred, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced through the use of an allowance account and the amount of the loss was recognised in the income statement. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract.

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

For the purposes of a collective evaluation of impairment, financial assets were grouped on the basis of similar credit risk characteristics which were relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

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

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period which were indicative of changes in the probability of losses in the group and their magnitude. The methodology and assumptions used for estimating future cash flows were reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

倘贷款无法收回，则信贷委员会将酌情决定自相关贷款减值亏损拨备撤销贷款。该等贷款将于完成所有必需程序及确定亏损金额后撤销。倘日后收回以往已撤销的款项，将用于减低收益表中之减值亏损。

如日后减值亏损拨备减少，且与确认减值后发生的事件有客观联系，则过往确认的减值亏损会透过调整拨备账目回拨。回拨的金额于收益表内确认。

(b) 被归类为可供出售投资的资产

本集团在各呈报期末评估有否客观证据显示，个别可供出售投资或一组可供出售投资出现减值。对于债务证券，本集团采用以上(a)所提出的标准。至于被分类为可供出售的股权投资，倘若其公允价值大幅或长期低于成本，亦为显示该等资产出现减值的证据。如可供出售金融资产存在该等证据，其累计亏损(即购入成本与现时公允价值之差额扣减原先已于收益表确认之金融资产减值亏损)需自权益拨转至收益表。如日后归类为可供出售之工具的公允价值增加，并与确认减值后发生之事件有客观联系，则有关减值亏损将按变化程度于收益表回拨。

(c) 已重组贷款

须作组合减值评估或属个别重大的贷款如已重新协商条款，会被视为已重组贷款处理。

When a loan was uncollectable, it was written off against the related allowance for loan impairment at the discretion of the Credit Committee. Such loans were written off after all the necessary procedures had been completed and the amount of the loss had been determined. Subsequent recoveries of amounts previously written off decreased the amount of the allowance for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss was reversed by adjusting the allowance account. The amount of the reversal was recognised in the income statement.

(b) Assets classified as available-for-sale investments

The Group assessed at the end of each reporting period whether there was objective evidence that an available-for-sale investment or a group of available-for-sale investments was impaired. For debt securities, the Group used the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was also evidence that the assets were impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement – was removed from equity and recognised in the income statement. If, in a subsequent period, the fair value of the instrument classified as available-for-sale increases and the increase could be objectively related to an event occurring after the impairment loss was recognised in income statement, the impairment loss to the extent of such change was reversed through the income statement.

(c) Renegotiated loans

Loans that were either subject to collective impairment assessment or individually significant and whose terms had been renegotiated were treated as renegotiated loans.

采纳香港财务报告准则第9号导致确认、分类及计量金融资产以及金融资产减值的会计政策出现变动。香港财务报告准则第9号亦大幅修订其他有关金融工具的标准，例如香港财务报告准则第7号「金融工具：披露」。

The adoption of HKFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and impairment of financial assets. HKFRS 9 also significantly amends other standards dealing with financial instruments such as HKFRS 7 “Financial Instruments: Disclosures”.

下文披露有关采纳香港财务报告准则第9号对本集团的影响。

Set out below are disclosures relating to the impact of the adoption of HKFRS 9 on the Group.

3.1. 金融工具的分类和计量

3.1. Classification and measurement of financial instruments

于二零一八年一月一日，因金融工具分类及计量而对本集团保留溢利的影响总额如下：

The total impact on the Group's retained profits due to classification and measurement of financial instruments as at 1 January 2018 is as follows:

		附注 Notes	千港元 HK\$'000
期初保留溢利－香港会计准则第39号	Opening retained profits – HKAS 39		5,889,254
将证券投资从可供出售重新分类至以公允价值变化计入损益所引致由公允价值储备转拨到保留溢利	Transfer from fair value reserve arising from reclassification of investment securities from available-for-sale to FVPL	3.1(a)	203,305
贷款组合减值拨备增加	Increase in impairment allowance on loan portfolio	3.2(a), 4.2(a)	(2)
增加减值拨备于	Increase in impairment allowance on		
— 现金及短期资金	— cash and short-term funds	3.2(b), 4.2(b)	(1,041)
— 按摊销成本列账的证券投资	— investment securities at amortised cost	3.2(c), 4.2(c)(i)	(1,245)
— 以公允价值变化计入其他全面收益的证券投资	— investment securities at FVOCI	3.2(c), 4.2(c)(ii)	(506)
采纳香港财务报告准则第9号而对保留溢利调整	Adjustment to retained profits from adoption of HKFRS 9		200,511
期初保留溢利－香港财务报告准则第9号	Opening retained profits – HKFRS 9		6,089,765

下表分析过渡至香港财务报告准则第9号对本集团于二零一八年一月一日的综合财务状况表的影响。金融负债的分类及计量并无变动。

The following table analyses the impact of transition to HKFRS 9 on the consolidated statement of financial position of the Group as at 1 January 2018. There were no changes to the classification and measurement of financial liabilities.

		香港会计准则 第39号 于二零一七年 十二月三十一日 已审计 HKAS 39 Audited as at 31 December 2017			重新分类 Reclassification		减值拨备 Impairment allowances	香港财务报告 准则第9号 于二零一八年 一月一日 HKFRS 9 as at 1 January 2018
		附注 Notes	千港元 HK\$'000		千港元 HK\$'000		千港元 HK\$'000	千港元 HK\$'000
资产	ASSETS							
现金及短期资金	Cash and short-term funds	3.2(b)	25,278,190	-		(1,041)		25,277,149
应收利息及汇款	Interest and remittance receivables		343,978	-		-		343,978
衍生金融工具	Derivative financial instruments		333,727	-		-		333,727
贷款组合净额	Loan portfolio, net	3.2(a)	7,829,441	-		(2)		7,829,439
证券投资：	Investment securities:							
— 以公允价值变化计入 其他全面收益	— fair value through other comprehensive income	3.1(c)	-	5,480,912		-		5,480,912
— 以公允价值变化计入损益	— fair value through profit or loss	3.1(a)	-	1,657,750		-		1,657,750
— 按摊销成本列账	— amortised cost	3.1(b), 3.2(c)	-	10,347,834		(1,245)		10,346,589
— 可供出售	— available-for-sale	3.1(a), (c)	7,138,662	(7,138,662)		-		-
— 持有至到期	— held-to-maturity	3.1(b)	10,347,834	(10,347,834)		-		-
预付款项、按金 及其他资产	Prepayments, deposits and other assets		67,154	-		-		67,154
固定资产	Fixed assets		34,329	-		-		34,329
递延税项资产	Deferred tax assets		295	-		-		295
再保险资产	Reinsurance assets		164,601	-		-		164,601
资产总额	Total assets		51,538,211	-		(2,288)		51,535,923
负债	LIABILITIES							
应付利息	Interest payable		192,133	-		-		192,133
应付账款、应付开支 及其他负债	Accounts payable, accrued expenses and other liabilities		5,363,263	-		-		5,363,263
衍生金融工具	Derivative financial instruments		119,064	-		-		119,064
当期税项负债	Current tax liabilities		116,288	-		-		116,288
保险负债	Insurance liabilities		1,130,150	-		-		1,130,150
已发行债务证券	Debt securities issued		34,840,706	-		-		34,840,706
负债总额	Total liabilities		41,761,604	-		-		41,761,604
权益	EQUITY							
权益持有人应占股本 及储备：	Capital and reserves attributable to the equity holders:							
股本	Share capital		2,000,000	-		-		2,000,000
保留溢利	Retained profits	3.1 (a), 3.2	5,889,254	203,305		(2,794)		6,089,765
风险储备	Contingency reserve		1,679,837	-		-		1,679,837
公平值储备	Fair value reserve	3.1(a), 3.2(c)	207,516	(203,305)		506		4,717
权益总额	Total equity		9,776,607	-		(2,288)		9,774,319
负债及权益总额	Total liabilities and equity		51,538,211	-		(2,288)		51,535,923

下表载列因采纳香港财务报告准则第9号而导致证券投资重新分类对本集团公平值储备及保留溢利的影响。

The following table shows the impact on fair value reserve and retained profits of the Group due to the reclassification of investment securities on the adoption of HKFRS9.

		对公平值储备 的影响 (可供出售) Effect on fair value reserve (available-for- sale) 千港元 HK'000	对公平值储备 的影响(以公平值 变化计入其他 全面收益) [#] Effect on fair value reserve (FVOCI) [#] 千港元 HK'000	对保留溢利 的影响 [#] Effect on retained profits [#] 千港元 HK'000
	附注 Notes			
期初余额 – 香港会计准则第39号	Opening balance – HKAS 39	207,516	–	5,889,254
投资由可供出售重新分类为以 公平值变化计入损益	Reclassify investments from available-for-sale to FVPL 3.1(a)	(203,305)	–	203,305
债务证券由可供出售重新分类为 以公平值变化计入其他全面收益	Reclassify debt securities from available-for-sale to FVOCI 3.1(c)	(4,211)	4,211	–
影响总额	Total impact	(207,516)	4,211	203,305
期初余额 – 香港财务报告准则 第9号	Opening balance – HKFRS 9	–	4,211	6,092,559

[#] 未经减值调整。请参阅下文附注3.2。

[#] before adjustment for impairment. See note 3.2 below.

(a) 由可供出售重新分类为以公平
值变化计入损益

于二零一八年一月一日，本集团于交易所买卖基金及房地产投资信托基金的证券投资总额1,657,750,000港元已从可供出售金融资产重新分类为以公平值变化计入损益(附注20(b))。根据香港财务报告准则第9号，该等投资不符合分类为摊销成本及以公平值变化计入其他全面收益的标准，因为其现金流量并不代表支付本金及利息，及该等证券投资无法从发行人的角度满足纯股权定义，藉以于初始确认时作出不可撤销的选择以公平值变化计入其他全面收益。有关累计公平值收益203,305,000港元已于二零一八年一月一日从可供出售投资的公平值储备转拨至保留溢利。截至二零一八年十二月三十一日止年度，与该等投资有关的净亏损为13,500,000港元，已在损益中确认(附注10)。

(a) Reclassification from available-for-sale to FVPL

The Group's investment securities in exchange-traded funds and real estate investment trusts were reclassified from available-for-sale to financial assets at FVPL amounting to HK\$ 1,657,750,000 as at 1 January 2018 (Note 20(b)). They do not meet the criteria to be classified as amortised cost and FVOCI in accordance with HKFRS 9, because their cash flows do not represent solely payments of principal and interest and these investment securities cannot fulfil the pure equity definition from the issuer's perspective in order to make an irrevocable election on initial recognition at FVOCI. Related accumulated fair value gain of HK\$203,305,000 were transferred from the fair value reserve for available-for-sale investments to retained profits on 1 January 2018. For the year ended 31 December 2018, net loss related to these investments amounting to HK\$13,500,000 were recognised in profit or loss (Note 10).

(b) 由持有至到期重新分类为摊销成本

先前被分类为持有至到期的债务投资现分类为摊销成本。本集团拟持有该资产以收取合约现金流量，而该等现金流量仅包括本金及未偿还本金额的利息。于二零一八年一月一日，该等金融资产的先前账面值与经修订账面值之间并无差异，所以于期初保留溢利中并无确认任何调整。

(c) 可供出售债务投资为分类为以公允价值变化计入其他全面收益

债务投资从可供出售重新分类为以公允价值变化计入其他全面收益，因为本集团乃透过收取合约现金流量及出售该等资产实现其业务模式。该等投资的合约现金流量仅为本金和利息。因此，公平值为5,480,912,000港元的上市及非上市债务投资已从可供出售金融资产重新分类至以公允价值变化计入其他全面收益的金融资产(附注20(a))，而累计公允价值收益4,211,000港元于二零一八年一月一日从可供出售投资公允价值储备重新分类为以公允价值变化计入其他全面收益投资的公允价值储备。

(b) Reclassification from held-to-maturity to amortised cost

Debt investments that would have previously been classified as held-to maturity are now classified as amortised cost. The Group intends to hold the assets to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these financial assets at 1 January 2018 to be recognised in opening retained profits.

(c) Available-for-sale debt investments classified as FVOCI

Debt investments were reclassified from available-for-sale to FVOCI, as the Group's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest. As a result, listed and unlisted debt investments with a fair value of HK\$5,480,912,000 were reclassified from available-for-sale financial assets to financial assets at FVOCI (Note 20(a)) and accumulated fair value gains of HK\$4,211,000 were reclassified from the fair value reserve for available-for-sale investments to fair value reserve for FVOCI investments on 1 January 2018.

3.2. 金融资产减值

根据香港财务报告准则第9号，本集团有四种受预期信贷亏损模式影响的金融资产：

- 贷款组合；
- 现金及短期资金；
- 以公允价值变化计入其他全面收益的证券投资；及
- 按摊销成本列账的证券投资。

3.2. Impairment of financial assets

The Group has four types of financial assets subject to expected credit loss (ECL) model under HKFRS 9:

- loan portfolio;
- cash and short-term funds;
- investments securities at FVOCI; and
- investments securities at amortised cost.

本集团须就每类资产按照香港财务报告准则第9号修订其减值方法。

减值方法变动对本集团权益的影响披露如下。

(a) 贷款组合

对于二零一八年一月一日已存在的贷款组合，本集团认为于初始确认每项贷款或应收款项时作可靠地评估其违约概率将会过度耗用成本及工作量。按香港财务报告准则第9号准许，减值拨备一般根据具有类似信贷风险特征的贷款组合及逾期日数而厘定。贷款减值拨备2,000港元已于二零一八年一月一日的保留溢利中确认，并已采用附注4.2(a)所述的减值方法。附注4.2(a)将二零一八年一月一日的减值拨备与报告期末的减值拨备作对账。

(b) 现金及短期资金

现金及短期资金被视为低风险，因此减值拨备被确定为12个月的预期信贷亏损。减值拨备1,041,000港元已于二零一八年一月一日的保留溢利中确认，并已采用附注4.2(b)所述的减值方法。

(c) 债务证券投资

按摊销成本和以公允价值变化计入其他全面收益的债务证券投资被视为低风险，因此减值拨备被确定为12个月的预期信贷亏损。按摊销成本及以公允价值变化计入其他全面收益投资的减值拨备分别为1,245,000港元及506,000港元，已于二零一八年一月一日的保留溢利中确认，并已采用附注4.2(c)所述的减值方法。

The Group was required to revise its impairment methodology in compliance with HKFRS 9 for each of these classes of assets.

The impact of the change in impairment methodology on the Group's equity is disclosed below.

(a) Loan portfolio

For loan portfolio already in place at 1 January 2018, the Group has determined that reliably assessing the probability of default at the initial recognition of each loan or receivable would result in undue cost and effort. As permitted by HKFRS 9, the impairment allowance is determined in general based on loan portfolio with similar credit risk characteristics and the days past due. Charge of loan impairment allowances of HK\$2,000 was recognised in retained profits as at 1 January 2018 for which the impairment methodology described in Note 4.2(a) has been applied. Note 4.2(a) reconciles the impairment allowance as at 1 January 2018 to that at the end of the reporting period.

(b) Cash and short-term funds

Cash and short-term funds are considered to be low risk, and thus the impairment allowance is determined as 12-month ECLs. Charge of impairment allowances of HK\$1,041,000 was recognised in retained profits as at 1 January 2018 for which the impairment methodology described in Note 4.2(b) has been applied.

(c) Investments in debt securities

Investments in debt securities at amortised cost and those at FVOCI are considered to be low risk, and thus the impairment allowance is determined as 12-month ECLs. Charge of impairment allowances of HK\$1,245,000 and HK\$506,000 for investments at amortised cost and for investments at FVOCI respectively were recognised in retained profits as at 1 January 2018 for which the impairment methodology described in Note 4.2(c) has been applied.

4. 财务风险管理

4.1. 采用金融工具策略

本集团的主要业务为 (i) 购买按揭或贷款组合；(ii) 透过发行债券为购买资产筹集资金；(iii) 向认可机构所承造以香港住宅物业作抵押的按揭贷款，提供按揭保险；(iv) 向认可机构所承造的香港中小企及非上市公司贷款，提供财务担保；(v) 向认可机构为长者所承造的安老按揭，提供保险保障；(vi) 向认可机构为资助房屋计划业主用于补地价的一笔过贷款，提供保险保障；(vii) 提供一个中央平台以支援小型贷款的运作；及 (viii) 于或自香港提供终身年金产品。根据其性质，本集团业务主要使用金融工具包括现金、贷款、债务及衍生工具。

本集团的业务面对多种财务风险，该等业务涉及分析、评估、承担及管理一定程度的风险或风险组合。本集团于维持财务表现过程中审慎管理风险。

企业风险管理委员会乃于集团层面设立监督企业范围内的风险事项（包括财务及非财务风险）。各类风险的政策及限额由本公司各管理委员会（包括信贷委员会、资产负债管理委员会、交易核准委员会及营运风险管理委员会）监控及定期检讨，并向企业风险管理委员会报告。

4. Financial risk management

4.1. Strategy in using financial instruments

The major activities of the Group are (i) to purchase portfolios of mortgages or loans; (ii) to raise financing for its purchase of assets through issuance of debt securities; (iii) to provide mortgage insurance cover to AIs in respect of mortgage loans originated by such AIs and secured on residential properties in Hong Kong; (iv) to provide financial guarantee cover to AIs in respect of loans originated by such AIs to SMEs and non-listed enterprises in Hong Kong; (v) to provide insurance cover to AIs in respect of reverse mortgage loans originated by such AIs to elderly people; (vi) to provide insurance cover to AIs in respect of lump-sum loans to owners of properties of subsidised housing schemes for land premium settlement; (vii) to operate a centralised microfinance platform to support microfinance loans; and (viii) to offer life annuity products in or from Hong Kong. By their nature, the Group's activities are principally related to the use of financial instruments including cash, loans, debts and derivatives.

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group manages the risks in a prudent manner in sustaining the Group's financial performance.

The Corporate Risk Management Committee is set up at group level to provide oversight of the enterprise-wide risk matters including financial and non-financial risks. The policies and limits for various risks are monitored and reviewed regularly by various management committees of the Company, including the Credit Committee, Asset and Liability Committee (**ALCO**), Transaction Approval Committee (**TAC**) and Operational Risk Committee (**ORC**) which report to the Corporate Risk Management Committee.

信贷委员会监察资产收购及小型贷款计划的信贷政策及标准。资产负债管理委员会监察经董事局批准的市场风险管理及投资指引的执行情况。交易核准委员会负责根据最新市况及董事局批准的业务策略，深入分析业务交易的定价基础及风险。营运风险管理委员会负责确保所有运作部门，都采取有效的营运风险及内部监控机制。该委员会也会负责就运作部门在政策、监控和管理等运作事宜发生问题时，提供指引和解决方法。倘若有审核结果涉及营运风险和内部监控，该委员会会确保尽快采取恰当的纠正措施。此外，集团内部审核部负责独立审查本集团的内部监控系统。

就一般保险业务而言，香港按揭保险有限公司（**按揭保险公司**）已成立风险委员会，其作为独立监督委员会，负责协助其董事会监督风险管理架构的实施及管理按揭保险公司所面临的所有风险。至于香港年金有限公司（**香港年金公司**），则成立风险委员会以管理全企业的风险事宜，包括财务及非财务风险。

最重要的风险类型为信贷风险、市场风险（包括货币风险、利率风险及股票价格风险）、流动资金风险及保险风险。

The Credit Committee oversees the credit policies and standards for asset acquisition and Microfinance Scheme. The ALCO oversees the implementation of market risk management and investment guidelines approved by the Board of Directors. The TAC conducts an in-depth analysis of pricing economics and associated risks for business transactions, whilst taking into consideration the latest market conditions and business strategies approved by the Board. The ORC is responsible for ensuring that all business entities and line functions maintain an effective operational risk and internal control framework. The ORC is also responsible for providing directions and resolving issues related to policies, controls and management of operational issues referred to by line functions, as well as ensuring prompt and appropriate corrective action in response to audit findings related to operational risks or internal controls. In addition, Group Internal Audit Department is responsible for the independent review of the internal control systems of the Group.

In respect of general insurance business, a Risk Committee is established by HKMC Insurance Limited (**HKMCI**) as an independent oversight committee to assist its Board to oversee implementation of risk management framework and manage all risks faced by the HKMCI. For HKMC Annuity Limited (**HKMCA**), a Risk Committee is established to manage the enterprise-wide risk matters, including financial and non-financial risks.

The most important types of risks are credit risk, market risk which includes currency risk, interest rate risk and equity price risk, liquidity risk and insurance risk.

4.2. 信贷风险

本集团主要金融资产为其贷款组合、证券投资、现金及短期资金及外汇基金存款。流动资金及证券投资的信贷风险有限，因为交易对手主要是主权国、半主权国机构、银行及公司，其信贷评级须符合按照董事局批准的投资指引的最低要求。香港年金公司的资本及保费收入存放于香港金融管理局（香港金管局）管理的外汇基金。由于交易对手为香港特别行政区政府（政府），故外汇基金存款的信贷风险非常有限。

本集团的信贷风险主要来自其贷款组合，即借款人于款项到期时未能全数偿还的风险。

经济及本地物业市场出现的重大转变可能导致的亏损有别于呈报期末之拨备。因此本集团就管理信贷风险订下审慎政策。

为维持资产组合的素质，本集团采取四项策略：(i) 按既定准则挑选核准卖方，(ii) 采取审慎的资产购买准则，(iii) 进行有效的尽职审查程序及(iv) 确保较高风险的资产或交易有足够的保障。

本集团的按揭贷款信贷风险分散于众多客户及交易对手，而本集团按揭风险之相关抵押品则坐落于香港。

4.2. Credit risk

The Group's principal financial assets are its loan portfolio, investment securities, cash and short-term funds and placements with the Exchange Fund. The credit risk on liquid funds and investment securities is limited because the credit ratings of the counterparties, mainly sovereigns, quasi-sovereign agencies, banks and companies, should meet the minimum requirement in accordance with the investment guidelines approved by the Board of Directors. The capital and premium receipts of the HKMCA are placed with the Exchange Fund managed by the Hong Kong Monetary Authority (HKMA). The credit risk on the placements with the Exchange Fund is very limited as it is exposure to the Government of the Hong Kong Special Administrative Region (Government).

The Group's credit risk is primarily attributable to its loan portfolio, which is the risk that a loan borrower will be unable to pay amounts in full when due.

Significant changes in the economy and local property market could result in losses that are different from those provided for at the end of the reporting period. The Group therefore has a prudent policy for managing its exposure to credit risk.

To maintain the quality of the asset portfolios, the Group adheres to a four-pronged approach to (i) select Approved Sellers with established criteria, (ii) adopt prudent asset purchasing criteria, (iii) conduct effective due diligence reviews and (iv) ensure adequate protection for higher-risk assets or transactions.

Credit risk exposures on mortgage loans of the Group are spread over a large number of customers and counterparties. The underlying collaterals on the Group's mortgage exposures are located in Hong Kong.

本集团尤其注重对问题贷款进行持续信贷审查。业务部门将监控该等贷款，并尽力为收回款项采取如与借款人制定宽减计划从而加强贷款回收力度。根据信贷委员会批准的指引为贷款定期进行减值评估，减值拨备亦于收益表扣除。

抵押品及其他信贷安排加强措施

本集团已实施关于接受用以减低信贷风险的特定类别的抵押品的指引。该等指引定期进行检讨。

贷款组合

按揭贷款组合的主要抵押品类型包括物业及递延代价(附注26)。至于融资租约应收账款的抵押品类型包括的士和公共小巴牌照。按揭贷款组合和融资租约应收账款一般有充足的抵押。目前物业抵押品的价值是以公开指数按组合基础而确定。至于其他非按揭贷款组合，一般并不寻求抵押品。

银行定期存款、证券投资及外汇基金存款

银行定期存款一般不寻求抵押，因为其交易对手的性质，和短期内到期，故被视为低风险。证券投资及外汇基金存款一般没有抵押。

The Group undertakes ongoing credit review with special attention paid to problem loans. Operation units will monitor these loans and take recovery action such as establishing relief plan with borrowers in order to maximise recoveries. Loan impairment assessment is performed regularly and impairment allowance is charged to income statement in accordance with the guidelines approved by the Credit Committee.

Collateral and other credit enhancements

The Group has implemented guidelines on the acceptability of specific classes of collateral on credit risk mitigation, which are subject to regular review.

Loan portfolio

The principal collateral types for mortgage portfolio mainly consist of properties and the deferred consideration (Note 26). For finance lease receivable, the collateral types include taxi and public light bus licenses. Mortgage portfolio and finance lease receivable are generally fully secured by collateral. The current collateral value of properties is determined with the use of public indices on a portfolio basis. For other non-mortgage portfolio, no collateral is generally sought.

Time deposits with banks, investment securities and placements with the Exchange Fund

Collaterals are generally not sought for time deposits with banks as the exposures are considered to be low risk due to the nature of the counterparties and short term maturity. Investment securities and placements with the Exchange Fund are generally unsecured.

衍生金融工具

本集团与所有衍生工具之交易对手签订国际掉期及衍生工具协会主协议。按照该协议，倘若其中一方出现违约事件，另一方可以净额结算所有未平仓的金额。本集团亦跟其主要交易对手，与主协议同时执行信贷支持附件。根据信贷支持附件，双方可以透过转移抵押品，减轻未平仓时存在的交易对手风险。

至于金融工具，如衍生工具，本集团按照投资指引及信贷风险政策所制定的交易对手风险限额予以监察。交易对手风险限额由信贷风险委员会每年定期检讨。无论于何时，交易对手风险的上限为对本集团有利的工具（即公平值为正数的资产）的现有公平值，就衍生工具而言，公平值仅占合约价值或用于反映未平仓工具数量的估算价值的小部分。交易对手风险作为交易对手整体信贷限额的一部分，与市场波动的潜在风险一并管理。

按揭保险合同、其他担保和保险合同

详情在附注 4.5 披露。

结算风险存在于任何以现金、证券或股票支付并期望收取相应现金、证券或股票的情况。为涵盖本集团于任何单一日期因市场交易产生的所有结算风险的总额，对每名交易对手均设有每日结算限额。

Derivative financial instruments

The Group enters into International Swaps and Derivatives Association master agreement with all counterparties for derivative transactions where each party will be able to settle all outstanding amounts on a net basis in the event of default of the other party. The Group also executed Credit Support Annex (**CSA**) with its major counterparties in conjunction with the master agreement. Under CSA, collateral is passed between the parties to mitigate the counterparty risk inherent in outstanding positions.

For financial instruments such as derivatives, exposures are monitored against counterparty risk limits established in accordance with the investment guidelines and credit risk policy of the Group. These counterparty risk limits are subject to regular review by the Credit Committee on an annual basis. At any one time, the amount subject to counterparty risk is limited to the current fair value of instruments favourable to the Group (i.e. assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This counterparty risk exposure is managed as part of the overall credit limits with counterparties, together with potential exposures from market movements.

Mortgage insurance contracts, other guarantee and insurance contracts

The details are disclosed in Note 4.5.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

预期信贷亏损计量

就金融资产而言，将应用下述信贷风险模型：

本集团于初始确认资产时，评估其违约率，以及于各报告期持续评估信贷风险及信贷减值是否有明显增加。为评估信贷风险有否明显增加，本集团将资产于报告日的违约风险与资产于初始确认时的违约风险进行比较。评估考虑可用合理及辅助性前瞻资料，并特别纳入下述指标：

- 外部信贷评级(尽可能取得)；
- 业务、财务或经济状况的实际或预期重大不利变动，而预期对借款人履行责任的能力构成重大改变；
- 借款人财务状况的实际或预期重大变动；
- 相同借款人的其他金融工具的信贷风险明显增加；
- 支持其责任的抵押品价值或第三方担保或信贷安排加强措施的质素发生重大变动；及
- 借款人预期表现及行为的重大变动，包括该组合内借款人付款状况变动及借款人财务状况变动。

本集团采用三阶段方法计量贷款组合、现金及短期资金以及按摊销成本入账及以公允价值变化计入其他全面收益的债务工具的预期信贷亏损，金融资产自初始确认后根据信贷质素的变化按以下三个阶段进行转移：

ECL measurement

For financial assets, the following credit risk modelling applies:

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk and credit impaired on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the financial conditions of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the financial conditions of the borrower.

A three-stage approach to measuring ECLs is applied on loan portfolio, cash and short-term funds and debt instruments accounted for at amortised cost and FVOCI. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

第一阶段：12个月预期信贷亏损

对于初始确认后信贷风险未显著增加及于产生时未出现信贷减值的其预期年限信贷亏损中与未来12个月内发生的违约率相关的亏损部分被确认。

第二阶段：预期年限信贷亏损－未发生信贷减值

对于信贷风险，自初始确认后信贷风险显著增加但未发生信贷减值，则确认预期年限信贷亏损。

第三阶段：预期年限信贷亏损－信贷减值

当一项或多项事件对金融资产的估计未来现金流量产生不利影响时，该资产即评估为发生信贷减值。对于发生信贷减值的金融资产，确认预期年限信贷亏损，其利息收入的计算按应用实际利率于摊销成本（扣除减值拨备）而非账面总值来计算。

预期信贷亏损源自不偏不倚和概率加权估计的预期亏损。预期信贷亏损的金额使用减值拨备账确认，此账户中的变动计入损益表。

于初始确认时，需要为未来12个月内可能发生的违约事件导致的预期信贷亏损计提减值拨备。于各报告日，本集团通过比较报告日与初始确认日之间预期年期发生的违约风险，评估自初始确认后金融资产的信贷风险是否显著增加。倘信贷风险大幅增加，则需要为金融资产的预期年期内所有可能发生的违约事件均计提减值拨备。如在随后的一段时间内，信贷质量得到改善并扭转自初始确认以来任何先前评估的信贷风险显著增加，减值拨备则将从预期年限信贷亏损恢复为12个月预期信贷亏损。

Stage 1: 12-month ECLs

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECLs associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECLs – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Stage 3: Lifetime ECLs – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest income is calculated by applying the effective interest rate to the amortised cost (net of impairment provision) rather than the gross carrying amount.

ECLs are derived from unbiased and probability-weighted estimates of expected loss. The amount of the ECLs is recognised using an impairment allowance account with the movement in this account charged to income statement.

At initial recognition, impairment allowance is required for ECLs resulting from default events that are possible within the next 12 months. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. In the event of a significant increase in credit risk, impairment allowance is required from all possible default events over the expected life of the financial assets. If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the impairment allowance reverts from lifetime ECLs to 12-month ECLs.

倘并无合理预期可收回，例如债务人未能与本集团订立还款计划，该金融资产将予以注销。在所有必要程序基本完成并且已确定亏损金额后，贷款将予以注销。在注销贷款的情况下，本集团继续进行强制执行活动以尝试收回到期应收款项。倘收回有关款项，则在损益中确认。

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Loans are written off after all the necessary procedures have substantially been completed and the amount of the loss has been determined. Where loans have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(a) 贷款组合

本集团将贷款按其信贷风险分为三类，以及如何确定各类别的贷款亏损拨备。

本集团预期信贷亏损贷款模型的假设概述如下：

(a) Loan portfolio

The Group uses three categories for loans which reflect their credit risk and how the loan loss provision is determined for each of those categories.

A summary of the assumptions underpinning the Group's ECL model on loans is as follows:

类别 Category	类别的定义 Definition of category	确认预期信贷亏损拨备的基础 Basis for recognition of ECL provision
第一阶段 Stage 1	借款人违约风险较低，并有足够能力履行合约现金流量。 Borrowers have a low risk of default and a strong capacity to meet contractual cash flows.	12个月预期信贷亏损（如资产的预期年期少于12个月，则预期亏损按其预期年期计量。） 12-month ECLs (Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.)
第二阶段 Stage 2	贷款的信贷风险大幅增加；如利息及/或本金还款逾期超过30天，则假定为信贷风险显著增加。 Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are more than 30 days past due.	预期年限信贷亏损—未发生信贷减值 Lifetime ECLs – not credit impaired
第三阶段 Stage 3	利息及/或本金还款逾期90天。 Interest and/or principal repayments are 90 days past due.	预期年限信贷亏损—信贷减值 Lifetime ECLs – credit impaired
注销 Write-off	并无合理预期可收回逾期利息及/或本金还款。 There is no reasonable expectation of recovery on the delinquent interest and/or principal repayments.	注销资产 Asset is written off

然而，在若干情况下，本集团对所持有的任何信贷安排加强措施前，内部或外部资料显示本集团不可能全数收取未偿还合约金额时，本集团将贷款视作违约。

在贷款期限内，本集团及时为预期信贷亏损作适当拨备，以应对其信贷风险。在计算预期信贷亏损率时，本集团考虑每类贷款组合的历史亏损率，并以前瞻性宏观经济数据作出调整。

下表载有已确认减值拨备的贷款组合的信贷风险分析。

However, in certain cases, the Group will also consider a loan to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any enhancements held by the Group.

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for ECLs on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of loan portfolio, and adjusts for forward-looking macroeconomic data.

The following table contains an analysis of the credit risk exposure of loan portfolio for which impairment allowance is recognised.

		于二零一八年十二月三十一日 As at 31 December 2018			
		第一阶段 Stage 1 千港元 HK\$'000	第二阶段 Stage 2 千港元 HK\$'000	第三阶段 Stage 3 千港元 HK\$'000	总额 Total 千港元 HK\$'000
账面总值	Gross carrying amount	6,435,587	1,615	5,528	6,442,730
减值拨备	Impairment allowance	(47)	(151)	(468)	(666)
账面值	Carrying amount	6,435,540	1,464	5,060	6,442,064

于二零一八年十二月三十一日
的贷款组合减值拨备与期初减
值拨备之对账如下：

The impairment allowance for loan portfolio as at 31
December 2018 reconciles to the opening impairment
allowance as follows:

		第一阶段 Stage 1 千港元 HK\$'000	第二阶段 Stage 2 千港元 HK\$'000	第三阶段 Stage 3 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一七年十二月三十一日 根据香港会计准则第39号 的减值拨备	Impairment allowance as at 31 December 2017 under HKAS 39	3	–	383	386
根据香港财务报告准则第9号 透过期初保留溢利重列的 金额(附注3.1)	Amounts restated through opening retained profits under HKFRS 9 (Note 3.1)	2	–	–	2
于二零一八年一月一日根据 香港财务报告准则第9号的 经重列减值拨备	Restated impairment allowance as at 1 January 2018 under HKFRS 9	5	–	383	388
阶段转移所产生的 减值计量净额	Net measurement of impairment arising from transfer of stage	–	485	516	1,001
因信贷风险变动而产生的变动	Movement due to changes in credit risk	42	–	–	42
收回未撇销贷款	Recoveries of loans not written-off	–	(8)	(135)	(143)
		42	477	381	900
转移至第三阶段	Transfer to stage 3	–	(326)	326	–
注销	Write-offs	–	–	(622)	(622)
于二零一八年十二月三十一日 的减值拨备(附注19)	Impairment allowance as at 31 December 2018 (Note 19)	47	151	468	666
贷款减值拨备	Charge of loan impairment allowance	42	477	381	900
收回及拨回已注销贷款	Recoveries and release of loans previously written-off	–	–	(882)	(882)
减值拨备/(回拨)总额 (附注14)	Total charge/(write-back) of impairment allowance (Note 14)	42	477	(501)	18

(b) 现金及短期资金

于二零一八年十二月三十一日的现金及短期资金减值拨备与期初减值拨备对账如下：

(b) Cash and short-term funds

The impairment allowance for cash and short-term funds as at 31 December 2018 reconciles to the opening impairment allowance as follows:

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000
于二零一七年十二月三十一日根据香港会计准则第39号的减值拨备	Impairment allowance as at 31 December 2017 under HKAS 39	—
根据香港财务报告准则第9号透过期初保留溢利重列的金额(附注3.1)	Amounts restated through opening retained profits under HKFRS 9 (Note 3.1)	1,041
于二零一八年一月一日根据香港财务报告准则第9号的经重列减值拨备	Restated impairment allowance as at 1 January 2018 under HKFRS 9	1,041
期内于损益确认的减值拨备变动(附注14)	Change in the impairment allowance recognised in profit or loss during the period (Note 14)	(95)
于二零一八年十二月三十一日的减值拨备(附注16)	Impairment allowance as at 31 December 2018 (Note 16)	946

根据经批准的投资指引，本集团仅可存款于发钞银行或达到特定最低信贷评级的银行。

According to the approved investment guidelines, the Group can only place deposits with note-issuing banks or banks with a certain minimum credit rating.

本集团已建立一个拨备矩阵，该矩阵基于每个交易对手的外部信用评级及相应的过往信贷亏损纪录，并根据前瞻性宏观经济数据进行调整，以确定减值拨备的预期信贷亏损。

The Group has established a provision matrix that is based on the external credit rating of each counterparty and the corresponding historical credit loss experience, adjusted for forward-looking macroeconomic data to determine the ECLs for impairment allowance.

鉴于所有存款银行均获评级机构评为投资级别，所有该等金融资产均被视为低风险，因此期内确认的减值拨备仅限于12个月预期信贷亏损。

于二零一八年十二月三十一日及二零一七年十二月三十一日，可接受的最低短期信贷评级为A-2(标准普尔)、P-2(穆迪)和F-2(惠誉)。

All of these financial assets are considered to be low risk in view of all deposit banks are rated at investment grade by rating agencies, and thus the impairment allowance recognised during the period was limited to 12-month ECLs.

As at 31 December 2018 and 31 December 2017, the minimum acceptable short-term credit ratings are A-2 (Standard and Poor's), P-2 (Moody's) and F-2 (Fitch).

(c) 证券投资

根据经批准的投资指引，本集团仅可投资于达到特定最低信贷评级的债务证券。资产负债管理委员会对按评级划分的投资进行监察及检讨。

根据外部信贷机构的评级(标准普尔、穆迪及惠誉)，下列为呈报期末债务证券按评定级别的分析。如证券本身没有特定的发行评级，则采用证券发行人的评级呈报。

(c) Investment securities

According to the approved investment guidelines, the Group can only invest in debt securities with a certain minimum credit rating. The proportion of investments according to rating categories is monitored and reviewed by ALCO.

The table below presents an analysis of debt securities by rating classification as at the end of the reporting period, based on external credit agency's ratings (Standard and Poor's, Moody's and Fitch). In the absence of issue-specific ratings, the ratings for the issuers are reported.

		以公允价值计入 其他全面收益的 证券投资 Investment securities at FVOCI	按摊销成本 列账的证券投资 Investment securities at amortised cost	总额 Total
于二零一八年十二月三十一日 As at 31 December 2018		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
AAA/Aaa	AAA/Aaa	30,105	711,904	742,009
AA-至AA+/Aa3至Aa1	AA- to AA+/Aa3 to Aa1	3,069,211	2,826,744	5,895,955
A-至A+/A3至A1	A- to A+/A3 to A1	1,992,348	8,009,627	10,001,975
总额	Total	5,091,664	11,548,275	16,639,939

		可供出售证券 Available-for-sale securities 千港元 HK\$'000	持有至到期证券 Held-to-maturity securities 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一七年十二月三十一日 As at 31 December 2017				
AAA/Aaa	AAA/Aaa	56,861	858,547	915,408
AA-至AA+/Aa3至Aa1	AA- to AA+/Aa3 to Aa1	3,468,224	3,147,190	6,615,414
A-至A+/A3至A1	A- to A+/A3 to A1	1,955,827	6,342,097	8,297,924
总额	Total	5,480,912	10,347,834	15,828,746

- (i) 按摊销成本列账(先前为持有至到期)的证券投资

按摊销成本列账的证券投资包括上市及非上市债务证券。于二零一八年十二月三十一日的按摊销成本列账的证券投资减值拨备与期初减值拨备对账如下：

- (i) Investment securities at amortised cost (previously held-to-maturity)

Investment securities at amortised cost include listed and unlisted debt securities. The impairment allowance on investment securities at amortised cost as at 31 December 2018 reconciles to the opening impairment allowance as follows:

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000
于二零一七年十二月三十一日根据香港会计准则第39号的减值拨备	Impairment allowance as at 31 December 2017 under HKAS 39	—
根据香港财务报告准则第9号透过期初保留溢利重列的金额(附注3.1)	Amounts restated through opening retained profits under HKFRS 9 (Note 3.1)	1,245
于二零一八年一月一日根据香港财务报告准则第9号的经重列减值拨备	Restated impairment allowance as at 1 January 2018 under HKFRS 9	1,245
期内于损益确认的减值拨备变动(附注14)	Change in the impairment allowance recognised in profit or loss during the period (Note 14)	197
于二零一八年十二月三十一日的减值拨备(附注20(c))	Impairment allowance as at 31 December 2018 (Note 20(c))	1,442

本集团已建立一个拨备矩阵，该矩阵基于每个交易对手的外部信用评级及相应的过往信贷亏损纪录，并根据前瞻性宏观经济数据进行调整，以确定减值拨备的预期信贷亏损。

The Group has established a provision matrix that is based on the external credit rating of each counterparty and the corresponding historical credit loss experience, adjusted for forward-looking macroeconomic data to determine the ECLs for impairment allowance.

鉴于所有按摊销成本列账的证券投资均获评级机构评为投资级别，所有该等金融资产均被视为低风险，因此期内确认的减值拨备仅限于12个月的预期信贷亏损。

All of these financial assets are considered to be low risk in view of all investment securities at amortised cost are rated at investment grade by rating agencies, and thus the impairment allowance recognised during the period was limited to 12-month ECLs.

- (ii) 以公允价值变化计入其他全面收益(先前为可供出售)的证券投资

- (ii) Investment securities at FVOCI (previously available-for-sale)

以公允价值变化计入其他全面收益的证券投资包括上市及非上市债务证券。于二零一八年十二月三十一日的以公允价值变化计入其他全面收益的证券投资减值拨备与期初减值拨备对账如下：

Investment securities at FVOCI include listed and unlisted debt securities. The impairment allowance for investment securities at FVOCI as at 31 December 2018 reconciles to the opening impairment allowance as follows:

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000
于二零一七年十二月三十一日根据香港会计准则第39号的减值拨备根据香港财务报告准则第9号透过期初保留溢利重列的金额(附注3.1)	Impairment allowance as at 31 December 2017 under HKAS 39 Amounts restated through opening retained profits under HKFRS 9 (Note 3.1)	— 506
于二零一八年一月一日根据香港财务报告准则第9号的经重列减值拨备期内于损益确认的减值拨备变动(附注14)	Restated impairment allowance as at 1 January 2018 under HKFRS 9 Change in the impairment allowance recognised in profit or loss during the period (Note 14)	506 14
于二零一八年十二月三十一日于其他全面收益确认的减值拨备	Impairment allowance recognised in OCI as at 31 December 2018	520

本集团已建立一个拨备矩阵，该矩阵基于每个交易对手的外部信用评级及相应的过往信贷亏损纪录，并根据前瞻性宏观经济数据进行调整，以确定减值拨备的预期信贷亏损。

鉴于所有以公允价值变化计入其他全面收益的证券投资均获评级机构评为投资级别，所有该等金融资产均被视为低风险，因此期内确认的减值拨备仅限于12个月的预期信贷亏损。

The Group has established a provision matrix that is based on the external credit rating of each counterparty and the corresponding historical credit loss experience, adjusted for forward-looking macroeconomic data to determine the ECLs for impairment allowance.

All of these financial assets are considered to be low risk in view of all investment securities at FVOCI are rated at investment grade by rating agencies, and thus the impairment allowance recognised during the period was limited to 12-month ECLs.

- (d) 未计所持有抵押品或其他信贷安排加强措施的最高信贷风险分析如下：

本集团金融资产最高信贷风险与其账面总额相等。在未计再保险安排下，本集团资产负债表外的最高信贷风险分析如下：

- (d) Maximum exposures to credit risk before taking into account of collateral held or other credit enhancements are analysed as follows:

The maximum exposures to credit risk of the financial assets of the Group are equal to their gross carrying amounts. The maximum exposures to credit risk of the off-balance sheet exposures of the Group before taking into account of reinsurance arrangements are as follows:

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000	于二零一七年 十二月三十一日 As at 31 December 2017 千港元 HK\$'000
风险投保总额	Total risk-in-force		
—按揭保险业务	— mortgage insurance business	23,736,830	21,100,756
—其他担保及保险业务	— other guarantee and insurance business	9,644,703	6,876,730
		33,381,533	27,977,486

(e) 贷款组合的信贷素质分析如下：

(e) Credit quality of the loan portfolio is analysed as follows:

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000	于二零一七年 十二月三十一日 As at 31 December 2017 千港元 HK\$'000
未逾期亦未减值	Neither past due nor impaired	6,307,759	7,652,233
逾期但未减值	Past due but not impaired	134,503	177,213
已减值	Impaired	468	381
贷款组合总额	Gross loan portfolio	6,442,730	7,829,827
贷款减值拨备	Allowance for loan impairment	(666)	(386)
		6,442,064	7,829,441

于呈报期末未逾期亦未减值的贷款组合的信贷素质，可参考本集团采纳的内部评级系统进行评估。

The credit quality of loans that were neither past due nor impaired as at the end of the reporting period can be assessed by reference to the internal rating system adopted by the Group.

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000	于二零一七年 十二月三十一日 As at 31 December 2017 千港元 HK\$'000
级别：	Grades:		
1至3	1 to 3	6,296,101	7,648,227
4	4	—	—
5	5	11,658	4,006
		6,307,759	7,652,233

1至3级包括无重大信贷风险或近期无逾期还款记录的贷款，并持有不同水平的信贷安排加强措施，及持有作为担保按揭贷款组合和融资租约应收账款的抵押品。

4级包括近期有逾期还款记录的贷款，并持有不同水平的信贷安排加强措施，及持有作为担保按揭贷款组合和融资租约应收账款的抵押品。

5级包括近期有逾期还款记录的贷款，并持有作为担保按揭贷款组合和融资租约应收账款的抵押品。

Grades 1 to 3 include loans with either insignificant credit risk or no recent past due history; and with different levels of credit enhancements in addition to the collateral held as security for mortgage portfolio and finance lease receivable.

Grade 4 includes loans with recent past due history and with different levels of credit enhancement in addition to the collateral held as security for mortgage portfolio and finance lease receivable.

Grade 5 includes loans with recent past due history and with collateral held as security for mortgage portfolio and finance lease receivable.

(f) 逾期但未减值的贷款

以下为于呈报期末逾期但未减值的贷款总额分析：

(f) Loans past due but not impaired

The analysis below shows the gross amount of loans that were past due but not impaired at the end of the reporting period:

		于二零一八年 十二月三十一日 As at 31 December 2018 千港元 HK\$'000	于二零一七年 十二月三十一日 As at 31 December 2017 千港元 HK\$'000
逾期：	Past due:		
三个月或以下	Three months or less	133,090	176,723
六个月或以下， 但超过三个月	Six months or less but over three months	1,209	77
六个月以上	Over six months	204	413
总额	Total	134,503	177,213
其中抵押品的公平值	Of which fair value of collateral	2,644,395	2,409,667

(g) 个别减值的贷款

本集团未计所持有抵押品产生的现金流量的个别减值贷款为468,000港元(二零一七年: 381,000港元)。

本集团为个别减值贷款所持相关抵押品的公平值为零(二零一七年: 零)。

(g) Individually impaired loans

Individually impaired loans of the Group before taking into account the cash flows from collateral held amounted to HK\$468,000 (2017: HK\$381,000).

The fair value of related collateral held for individually impaired loans of the Group was nil (2017: nil).

(h) 收回物业

本集团收回作为担保的抵押品的资产。收回物业将在实际可行情况下尽快出售, 所得款项用于减少未偿还债项。收回物业于财务状况表内归类于「其他资产」项目下。如果在偿还债务后尚有剩余款项, 将根据适用的法律, 分配给资产的受益人。

(h) Repossessed properties

The Group obtained assets by taking possession of collateral held as security. Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness and are classified in the statement of financial position within "Other assets". If excess funds arise after repayment of the outstanding indebtedness, they are distributed to the beneficiaries of the assets under the applicable laws.

4.3. 市场风险

本集团承担的市场风险是指金融工具的公平值或未来现金流量因市价变动而波动的风险。市场风险乃因利率、货币及股票产品的未平仓合约而产生。所有该等合约均面对一般及特定市场变动及市场比率或市价(如利率、信贷差、汇率及股价)波动水平变动的风险。本集团所面对市场风险主要来自对公司具有不同价格重订特性的金融工具的利率管理而产生, 或者是以外币定价的金融工具的净风险。本集团亦采用公平值对冲, 透过利率掉期对冲发行定息债券大部分现有利率风险, 将浮息资金与浮息资产作出更好配对。本集团亦采用跨货币掉期, 分别用作公平值对冲和经济对冲, 藉以对冲以外币定价发行的债券的净风险。

4.3. Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group's exposures to market risk primarily arise from the interest rate management of the entity's financial instruments of different repricing characteristics, or from the net exposure of the foreign currency denominated financial instruments. The Group hedges a major proportion of its existing interest rate risk of the fixed-rate bond issuance using fair value hedges in the form of interest rate swaps by swapping into floating-rate funding to better match the floating-rate assets. The Group also hedges the net exposure of the foreign-currency denominated debts issued by the use of cross-currency swaps as fair value hedges and economic hedges respectively.

市场风险主要由库务部采用董事局批准的风险限额进行管理。关于利率风险管理、融资、对冲、投资的策略由资产负债管理委员会制定。该委员会定期举行会议对金融市场及资产负债组合的近期状况进行检讨。库务部负责监察金融市场变动以及根据资产负债管理委员会制定的策略在现金、衍生工具、债务和投资市场执行交易。中台部门监察对风险限额的遵守情况及进行压力测试以评估在极端状况下可能产生的亏损规模。压力测试结果由资产负债管理委员会进行检讨。

利率风险管理主要指对利息收入净额对不同利率的敏感度进行监察，并透过对冲措施减低不利影响。利率曲线于二零一八年十二月三十一日平行下移20个基点，将使未来12个月的利息收入净额减少约100万港元(二零一七年：增加200万港元)。类似的平行上移，将使未来12个月的利息收入净额增加约100万港元(二零一七年：减少200万港元)。

于二零一八年十二月三十一日，如该日利率平行下移20个基点，年内溢利将减少约100万港元(二零一七年：增加20万港元)，于二零一八年十二月三十一日的公平值储备增加约400万港元(二零一七年：300万港元)。如利率平行上移20个基点，年内溢利将增加100万港元(二零一七年：减少30万港元)，而公平值储备将下调约400万港元(二零一七年：300万港元)。

于二零一八年十二月三十一日，在所有其他可变因素保持不变的情况下，如港元兑美元汇率下跌100点子，年内溢利将增加约2,000万港元(二零一七年：1,700万港元)。反之，如港元兑美元汇率上升100点子，则年内溢利将减少约2,000万港元(二零一七年：1,700万港元)。

The management of market risk is principally undertaken by the Treasury Department using risk limits approved by the Board of Directors. Strategies on interest rate risk management, financing, hedging, investments are formulated by ALCO. Regular meetings are held to review the latest conditions in the financial markets and the asset-liability portfolio mix. The Treasury Department is responsible for monitoring financial market movements and executing transactions in the cash, derivatives, debt and investment markets in accordance with the strategies laid down by ALCO. The middle office monitors the compliance of risk limits and performs stress tests to assess the potential size of losses that could arise in extreme conditions. The results of the stress tests are reviewed by ALCO.

A principal part of the interest rate risk management is to monitor the sensitivity of projected net interest income under different interest rate scenarios and to mitigate the negative impact through hedging operations. A 20 basis points parallel downward shift of the interest rate curve as at 31 December 2018 would decrease the future net interest income for the next twelve months by around HK\$1 million (2017: HK\$2 million increase) and increase by around HK\$1 million (2017: HK\$2 million decrease) for a similar upward parallel shift.

As at 31 December 2018, if interest rates at that date had experienced a 20 basis points parallel shift downwards, profit for the year would have been lower by around HK\$1 million (2017: HK\$0.2 million higher) and the fair value reserve would have been higher by around HK\$4 million (2017: HK\$3 million) as at 31 December 2018. If interest rates had experienced a 20 basis points parallel shift upwards, profit for the year would have been higher by HK\$1 million (2017: HK\$0.3 million lower) and the fair value reserve would have been lower by around HK\$4 million (2017: HK\$3 million).

As at 31 December 2018, with all other variables held constant, if the Hong Kong dollars had weakened by 100 price interest points against the US dollars, profit for the year would have been around HK\$20 million higher (2017: HK\$17 million). Conversely, if the Hong Kong dollars had strengthened by 100 price interest points against the US dollars, profit for the year would have been around HK\$20 million lower (2017: HK\$17 million).

于二零一八年十二月三十一日，在所有其他可变因素保持不变的情况下，如港元兑美元以外的其他外币汇率下跌100点，年内溢利将增加约100万港元（二零一七年：200万港元）。反之，如港元兑美元以外的其他外币汇率上升100点，年内溢利将减少约100万港元（二零一七年：200万港元）。

于二零一八年十二月三十一日，在所有其他可变因素保持不变的情况下，如交易所买卖基金及房地产投资信托基金的价格下跌1%，年内溢利将减少约500万港元。反之，如交易所买卖基金和房地产投资信托基金的价格上升1%，年内溢利将增加约500万港元。

于二零一七年十二月三十一日，在所有其他可变因素保持不变的情况下，如交易所买卖基金及房地产投资信托基金的价格下跌1%，公平值储备将减少约1,700万港元。反之，如交易所买卖基金和房地产投资信托基金的价格上升1%，公平值储备将增加约1,700万港元。

上升或下降反映管理层对利率、汇率及股价在十二个月期间可能的合理变动所作出评估。

(a) 外币风险

本集团因现行外币市场汇率波动对其财务状况及现金流量的影响而承担风险。董事局设定可准许用于投资目的的外币。资产负债管理委员会设定可承受外币风险的限额，并每日进行监察。在融资方面，中期债券发行计划下多种货币的特质，容许本集团发行包括美元、人民币、新加坡元、英镑、澳元、欧元及日圆等主要货币的债券。所有外币债券均对冲为港元。

As at 31 December 2018, with all other variables held constant, if the Hong Kong dollars had weakened by 100 price interest points against foreign currencies other than US dollars, profit for the year would have been around HK\$1 million higher (2017: HK\$2 million). Conversely, if the Hong Kong dollars had strengthened by 100 price interest points against foreign currencies other than US dollars, profit for the year would have been around HK\$1 million lower (2017: HK\$2 million).

As at 31 December 2018, with all other variables held constant, if the price of exchange-traded funds and real estate investment trusts had decreased by 1%, profit for the year would have been around HK\$5 million lower. Conversely, if the price of exchange-traded funds and real estate investment trusts had increased by 1%, profit for the year would have been around HK\$5 million higher.

As at 31 December 2017, with all other variables held constant, if the price of exchange-traded funds and real estate investment trusts had decreased by 1%, the fair value reserve would have been around HK\$17 million lower. Conversely, if the price of exchange-traded funds and real estate investment trusts had increased by 1%, the fair value reserve would have been around HK\$17 million higher.

The increase or decrease represents management's assessment of a reasonably possible change in interest rates, exchange rates and equity prices for a 12-month period.

(a) Foreign currency exposure

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rate on its financial position and cash flows. The Board sets allowable currencies for investment purposes. The ALCO sets limits on the currency exposure that may be undertaken, which is monitored daily. At funding side, the multi-currency feature of the MTN programme enables the Group to issue notes in major currencies, including US dollars, renminbi, Singapore dollars, British pounds, Australian dollars, euro and Japanese yen. All foreign currency-denominated debts are hedged into Hong Kong dollars.

下表概列本集团的外币汇率风险。表内所载为按账面值列示的资产与负债，并按货币种类分类。

The tables below summarise the Group's exposure to foreign currency exchange rate risk. Included in the tables are the assets and liabilities at carrying amounts, categorised by currency.

		港元 HKD 千港元 HK\$'000	美元 USD 千港元 HK\$'000	其他外币 Other foreign currencies 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一八年十二月三十一日	As at 31 December 2018				
资产	Assets				
现金及短期资金	Cash and short-term funds	28,807,046	510,753	73,056	29,390,855
应收利息及汇款	Interest and remittance receivables	281,881	111,117	44,921	437,919
衍生金融工具	Derivative financial instruments	140,193	4,348	16,506	161,047
贷款组合净额	Loan portfolio, net	6,442,064	—	—	6,442,064
证券投资：	Investment securities:				
— 以公允价值变化计入	— FVOCI				
其他全面收益		1,253,359	3,838,305	—	5,091,664
— 以公允价值变化计入损益	— FVPL	534,843	8,769	—	543,612
— 按摊销成本列账	— amortised cost	2,808,433	8,738,400	—	11,546,833
外汇基金存款	Placements with the Exchange Fund	7,734,934	—	—	7,734,934
预付款项、按金及	Prepayments, deposits and				
其他资产	other assets	689,045	140,351	95	829,491
固定资产	Fixed assets	53,766	—	—	53,766
递延税项资产	Deferred tax assets	77,866	—	—	77,866
再保险资产	Reinsurance assets	171,518	—	—	171,518
资产总额	Total assets	48,994,948	13,352,043	134,578	62,481,569
负债	Liabilities				
应付利息	Interest payable	217,962	10,744	28,762	257,468
应付账款、应付开支及	Accounts payable, accrued				
其他负债	expenses and other liabilities	4,918,523	143,156	—	5,061,679
衍生金融工具	Derivative financial instruments	78,739	2,791	182,856	264,386
当期税项负债	Current tax liabilities	104,077	—	—	104,077
保险负债	Insurance liabilities	4,607,373	—	—	4,607,373
已发行债务证券	Debt securities issued	28,199,186	5,996,683*	3,097,008**	37,292,877
负债总额	Total liabilities	38,125,860	6,153,374	3,308,626	47,587,860
持仓净额	Net position	10,869,088	7,198,669	(3,174,048)	14,893,709
资产负债表外净名义持仓 [#]	Off-balance sheet net notional position [#]	(11,770,471)	8,532,367	2,982,048	(256,056)

[#] 「资产负债表外净名义持仓」指外币衍生金融工具（主要用以减低本集团于货币波动的风险）的名义金额与其公平值的差额。

* 全数对冲为港元。

** 总额包括15亿港元的澳元债务证券及15亿港元的人民币债务证券，并全数对冲为港元。

[#] “Off-balance sheet net notional position” represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements and their fair values.

* Fully hedged into Hong Kong dollars.

** Amounts included debt securities issued in Australian dollars of HK\$1.5 billion and renminbi of HK\$1.5 billion, fully hedged into Hong Kong dollars.

		港元 HKD 千港元 HK\$'000	美元 USD 千港元 HK\$'000	其他外币 Other foreign currencies 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一七年十二月三十一日	As at 31 December 2017				
资产	Assets				
现金及短期资金	Cash and short-term funds	23,703,585	1,371,906	202,699	25,278,190
应收利息及汇款	Interest and remittance receivables	215,386	85,954	42,638	343,978
衍生金融工具	Derivative financial instruments	182,820	4,617	146,290	333,727
贷款组合净额	Loan portfolio, net	7,829,441	—	—	7,829,441
证券投资：	Investment securities：				
— 可供出售	— available-for-sale	2,859,419	4,279,243	—	7,138,662
— 持有至到期	— held-to-maturity	2,487,871	7,775,932	84,031	10,347,834
预付款项、按金及其他资产	Prepayments, deposits and other assets	37,000	30,054	100	67,154
固定资产	Fixed assets	34,329	—	—	34,329
递延税项资产	Deferred tax assets	295	—	—	295
再保险资产	Reinsurance assets	164,601	—	—	164,601
资产总额	Total assets	37,514,747	13,547,706	475,758	51,538,211
负债	Liabilities				
应付利息	Interest payable	162,124	3,592	26,417	192,133
应付账款、应付开支及 其他负债	Accounts payable, accrued expenses and other liabilities	5,098,896	264,367	—	5,363,263
衍生金融工具	Derivative financial instruments	68,163	—	50,901	119,064
当期税项负债	Current tax liabilities	116,288	—	—	116,288
保险负债	Insurance liabilities	1,130,150	—	—	1,130,150
已发行债务证券	Debt securities issued	27,424,606	2,048,751*	5,367,349**	34,840,706
负债总额	Total liabilities	34,000,227	2,316,710	5,444,667	41,761,604
持仓净额	Net position	3,514,520	11,230,996	(4,968,909)	9,776,607
资产负债表外净名义持仓 [#]	Off-balance sheet net notional position [#]	(7,302,494)	2,046,666	5,281,689	25,861

[#] 「资产负债表外净名义持仓」指外币衍生金融工具（主要用以减低本集团于货币波动的风险）的名义金额与其公平值的差额。

* 全数对冲为港元。

** 总额包括26亿港元的英镑债务证券、17亿港元的澳元债务证券及10亿港元的人民币债务证券，并全数对冲为港元。

[#] “Off-balance sheet net notional position” represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group’s exposure to currency movements and their fair values.

* Fully hedged into Hong Kong dollars.

** Amounts included debt securities issued in British pounds of HK\$2.6 billion, Australian dollars of HK\$1.7 billion and renminbi of HK\$1 billion, fully hedged into Hong Kong dollars.

(b) 现金流量及公平值利率风险

现金流量利率风险指金融工具的未来现金流量，将随着市场利率改变而波动的风险。公平值利率风险乃指金融工具的价值将随着市场利率改变而波动的风险。现行市场利率水平的波动会造成本集团的公平值利率风险及现金流量利率风险。由于利率变动，息差可能会扩大，但若发生未能预计的波动，则亦会收窄或引致亏损。资产负债管理委员会设定息率错配水平的限额，并定期对该限额进行监控。

下表概述本集团所面对的利率风险，并按账面值列示的资产及负债，而资产及负债则按重新定息日或到期日（以较早者为准）分类。衍生金融工具（主要用于减低本集团于利率波动承担的风险）的账面值列于「不计息」项目中。

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The ALCO sets limits on the level of interest rate mismatch that may be undertaken, which is monitored regularly.

The tables below summarise the Group's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The carrying amounts of derivative financial instruments, which are principally used to reduce the Group's exposure to interest rate movements, are included under the heading "Non-interest bearing".

		一个月以上 至三个月	三个月以上 至一年	一年以上 至五年				
		一个月内 Up to 1 month 千港元 HK\$'000	Over 1 month to 3 months 千港元 HK\$'000	Over 3 months to 1 year 千港元 HK\$'000	Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	不计息 Non-interest bearing 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一八年十二月三十一日	As at 31 December 2018							
资产	Assets							
现金及短期资金	Cash and short-term funds	9,187,118	18,714,302	1,279,899	-	-	209,536	29,390,855
应收利息及汇款	Interest and remittance receivables	-	-	-	-	-	437,919	437,919
衍生金融工具	Derivative financial instruments	-	-	-	-	-	161,047	161,047
贷款组合净额	Loan portfolio, net	6,400,321	22,248	7,012	10,934	1,549	-	6,442,064
证券投资：	Investment securities:							
— 以公允价值变化计入	— FVOCI							
其他全面收益		851,591	3,239,436	497,458	503,179	-	-	5,091,664
— 以公允价值变化计入损益	— FVPL	-	-	-	-	-	543,612	543,612
— 按摊销成本列账	— amortised cost	-	1,309,923	1,335,738	4,317,726	4,583,446	-	11,546,833
外汇基金存款	Placements with the Exchange Fund	-	-	-	-	-	7,734,934	7,734,934
预付款项、按金及其他	Prepayments, deposits							
资产	and other assets	137,483	-	-	-	-	692,008	829,491
固定资产	Fixed assets	-	-	-	-	-	53,766	53,766
递延税项资产	Deferred tax assets	-	-	-	-	-	77,866	77,866
再保险资产	Reinsurance assets	-	-	-	-	-	171,518	171,518
资产总额	Total assets	16,576,513	23,285,909	3,120,107	4,831,839	4,584,995	10,082,206	62,481,569
负债	Liabilities							
应付利息	Interest payable	-	-	-	-	-	257,468	257,468
应付账款、应付开支	Accounts payable, accrued							
及其他负债	expenses and other liabilities	4,902,866	-	-	-	-	158,813	5,061,679
衍生金融工具	Derivative financial instruments	-	-	-	-	-	264,386	264,386
当期税项负债	Current tax liabilities	-	-	-	-	-	104,077	104,077
保险负债	Insurance liabilities	-	-	-	-	-	4,607,373	4,607,373
已发行债务证券	Debt securities issued	5,631,318	11,495,125	8,082,087	8,468,836	3,615,511	-	37,292,877
负债总额	Total liabilities	10,534,184	11,495,125	8,082,087	8,468,836	3,615,511	5,392,117	47,587,860
利息敏感度缺口总额*	Total interest sensitivity gap*	6,042,329	11,790,784	(4,961,980)	(3,636,997)	969,484		
利率衍生工具	Interest rate derivatives							
(持仓净额的名义金额)	(notional amounts of net position)	(567,144)	(6,033,612)	3,810,990	1,293,541	1,240,169		

* 未计入衍生金融工具对已发行
债务证券重定息的影响。

* before the repricing effect of derivative financial instruments on
the debt securities issued.

		一个月内	一个月以上 至三个月	三个月以上 至一年	一年以上 至五年	五年以上	不计息	总额
		Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于二零一七年十二月三十一日	As at 31 December 2017							
资产	Assets							
现金及短期资金	Cash and short-term funds	10,914,798	10,289,000	3,968,000	—	—	106,392	25,278,190
应收利息及汇款	Interest and remittance receivables	—	—	—	—	—	343,978	343,978
衍生金融工具	Derivative financial instruments	—	—	—	—	—	333,727	333,727
贷款组合净额	Loan portfolio, net	7,777,557	26,167	10,666	14,835	216	—	7,829,441
证券投资：	Investment securities:							
— 可供出售	— available-for-sale	1,137,784	3,044,884	715,015	583,229	—	1,657,750	7,138,662
— 持有至到期	— held-to-maturity	117,253	1,008,538	464,018	4,802,050	3,955,975	—	10,347,834
预付款项、按金及其他 资产	Prepayments, deposits and other assets	29,315	—	—	—	—	37,839	67,154
固定资产	Fixed assets	—	—	—	—	—	34,329	34,329
递延税项资产	Deferred tax assets	—	—	—	—	—	295	295
再保险资产	Reinsurance assets	—	—	—	—	—	164,601	164,601
资产总额	Total assets	19,976,707	14,368,589	5,157,699	5,400,114	3,956,191	2,678,911	51,538,211
负债	Liabilities							
应付利息	Interest payable	—	—	—	—	—	192,133	192,133
应付账款、应付开支 及其他负债	Accounts payable, accrued expenses and other liabilities	5,208,780	—	—	—	—	154,483	5,363,263
衍生金融工具	Derivative financial instruments	—	—	—	—	—	119,064	119,064
当期税项负债	Current tax liabilities	—	—	—	—	—	116,288	116,288
保险负债	Insurance liabilities	—	—	—	—	—	1,130,150	1,130,150
已发行债务证券	Debt securities issued	9,410,453	9,501,755	4,750,551	7,564,434	3,613,513	—	34,840,706
负债总额	Total liabilities	14,619,233	9,501,755	4,750,551	7,564,434	3,613,513	1,712,118	41,761,604
利息敏感度缺口总额 *	Total interest sensitivity gap*	5,357,474	4,866,834	407,148	(2,164,320)	342,678		
利率衍生工具 (持仓净额的名义金额)	Interest rate derivatives (notional amounts of net position)	(345,007)	(2,155,968)	360,132	790,986	1,375,718		

* 未计入衍生金融工具对已发行
债务证券重定价的影响。

* before the repricing effect of derivative financial instruments on
the debt securities issued.

4.4. 流动资金风险

流动资金风险指本集团未能偿还其债项或未能为己承诺购买的贷款提供资金的风险。本集团每日监测资金流入及流出，并按所有到期期限列序预计远期资金流入及流出。本集团建立多样化的资金来源支持其业务增长及维持均衡的负债组合。资产负债管理委员会定期对流动资金来源进行检讨。

(a) 未折现现金流量分析

下表列示本集团于呈报期末按剩余合约年期有关非衍生工具金融负债、以净额基准结算的衍生工具金融负债及以总额基准结算的衍生金融工具的应付现金流量。表内披露的金额为预测合约未折现的现金流量，包括根据最早的可能合约到期日计算的将来利息支付款项。本集团的衍生工具包括按净额基准结算的利率掉期、按总额基准结算的跨货币掉期及货币远期合约。

4.4. Liquidity risk

Liquidity risk represents the risk of the Group not being able to repay its payment obligations or to fund committed purchases of loans. Liquidity risk is managed by monitoring the actual inflows and outflows of funds on a daily basis and projecting longer-term inflows and outflows of funds across a full maturity spectrum. The Group has established diversified funding sources to support the growth of its business and the maintenance of a balanced portfolio of liabilities. Sources of liquidity are regularly reviewed by ALCO.

(a) Undiscounted cash flows analysis

The tables below present cash flows payable by the Group under non-derivative financial liabilities, derivative financial liabilities that will be settled on a net basis and derivative financial instruments that will be settled on gross basis by remaining contractual maturities as at the end of the reporting period. The amounts disclosed in the tables are the projected contractual undiscounted cash flows including future interest payments on the basis of their earliest possible contractual maturity. The Group's derivatives include interest rate swaps that will be settled on net basis; cross currency swaps and currency forwards that will be settled on gross basis.

(i) 非衍生工具现金流出

(i) Non-derivative cash outflows

		一个月以上 至三个月	三个月以上 至一年	一年以上 至五年	五年以上	总额 Total
		Over	Over	Over	Over	
		Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	
		千港元	千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于二零一八年十二月三十一日	As at 31 December 2018					
负债	Liabilities					
已发行债务证券	Debt securities issued	(2,179,266)	(6,272,341)	(11,778,059)	(14,558,938)	(4,517,697)
		(39,306,301)				

		一个月以上 至三个月	三个月以上 至一年	一年以上 至五年	五年以上	总额 Total
		Over	Over	Over	Over	
		Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	
		千港元	千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于二零一七年十二月三十一日	As at 31 December 2017					
负债	Liabilities					
已发行债务证券	Debt securities issued	(4,926,521)	(2,155,632)	(12,005,961)	(13,525,066)	(4,532,062)
		(37,145,242)				

(ii) 衍生工具现金流入/(流出)

(ii) Derivative cash inflows/(outflows)

		一个月以上 至三个月	三个月以上 至一年	一年以上 至五年	五年以上	总额
		Over	Over	Over	Over	Total
		1 month to	3 months	1 year to	5 years	Total
		3 months	to 1 year	5 years	5 years	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于二零一八年十二月三十一日	As at 31 December 2018					
按下列基准结算的	Derivative financial					
衍生金融工具：	instrument settled:					
— 净额基准	— on net basis	(6,129)	17,655	29	14,587	(29,246)
— 总额基准	— on gross basis					
流出总额	Total outflow	(785,440)	(1,808,855)	(6,528,845)	(1,512,233)	(12,138,483)
流入总额	Total inflow	782,570	1,801,737	6,574,167	1,571,487	12,058,598
		(8,999)	10,537	45,351	73,841	(203,719)

		一个月以上 至三个月	三个月以上 至一年	一年以上 至五年	五年以上	总额
		Over	Over	Over	Over	Total
		1 month to	3 months	1 year to	5 years	Total
		3 months	to 1 year	5 years	5 years	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于二零一七年十二月三十一日	As at 31 December 2017					
按下列基准结算的	Derivative financial					
衍生金融工具：	instrument settled:					
— 净额基准	— on net basis	985	(11,490)	31,536	(13,181)	(22,708)
— 总额基准	— on gross basis					
流出总额	Total outflow	(172,843)	(1,304,591)	(3,649,074)	(993,568)	(7,660,261)
流入总额	Total inflow	172,508	1,323,759	3,790,465	1,102,945	7,922,137
		650	7,678	172,927	96,196	(38,283)

(b) 到期日分析

下表根据呈报期末至合约到期日剩余期间，分析有关资产及负债到期组别。

(b) Maturity analysis

The table below analyses the assets and liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

		一个月以上至 三个月	三个月以上至 一年	一年以上 至五年					
	即时到期	一个月内	Over	Over	Over	五年以上			
	Repayable on demand	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	无限期	总额	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
于二零一八年十二月三十一日	As at 31 December 2018								
资产	Assets								
现金及短期资金(总额)	Cash and short-term funds (gross)	196,590	9,200,211	18,715,000	1,280,000	-	-	29,391,801	
贷款组合	Loan portfolio	2,195	44,596	123,539	460,888	2,109,440	3,694,490	7,582	6,442,730
证券投资	Investment securities								
— 以公允价值变化计入其他全面收益	— FVOCI	-	27,780	191,143	1,627,876	3,244,865	-	-	5,091,664
— 以公允价值变化计入损益	— FVPL	-	-	-	-	-	-	543,612	543,612
— 按摊销成本列账(总额)	— amortised cost (gross)	-	-	300,000	1,335,810	5,328,313	4,584,152	-	11,548,275
外汇基金存款	Placements with the Exchange Fund	-	-	-	-	-	7,734,934	-	7,734,934
再保险资产	Reinsurance assets	-	-	-	-	-	-	171,518	171,518
		198,785	9,272,587	19,329,682	4,704,574	10,682,618	16,013,576	722,712	60,924,534
负债	Liabilities								
保险负债	Insurance liabilities	-	20,357	40,386	176,995	824,770	2,222,021	1,322,844	4,607,373
已发行债务证券	Debt securities issued	-	2,592,186	6,110,063	11,307,930	13,667,187	3,615,511	-	37,292,877
		-	2,612,543	6,150,449	11,484,925	14,491,957	5,837,532	1,322,844	41,900,250

		即时到期	一个月内	一个月以上 至三个月	三个月以上 至一年	一年以上 至五年	五年以上	无限期	总额
		Repayable on demand	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Undated	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于二零一七年十二月三十一日	As at 31 December 2017								
资产	Assets								
现金及短期资金	Cash and short-term funds	93,799	10,927,391	10,289,000	3,968,000	-	-	-	25,278,190
贷款组合	Loan portfolio	3,426	61,580	132,817	543,114	2,466,304	4,621,873	713	7,829,827
证券投资	Investment securities								
— 可供出售	— available-for-sale	-	551,833	291,063	819,816	3,818,200	-	1,657,750	7,138,662
— 持有至到期	— held-to-maturity	-	117,253	-	464,018	5,810,588	3,955,975	-	10,347,834
再保险资产	Reinsurance assets	-	-	-	-	-	-	164,601	164,601
		97,225	11,658,057	10,712,880	5,794,948	12,095,092	8,577,848	1,823,064	50,759,114
负债	Liabilities								
保险负债	Insurance liabilities	-	-	-	-	-	-	1,130,150	1,130,150
已发行债务证券	Debt securities issued	-	4,871,829	2,060,057	11,647,747	12,647,560	3,613,513	-	34,840,706
		-	4,871,829	2,060,057	11,647,747	12,647,560	3,613,513	1,130,150	35,970,856

除上述外，应收利息及汇款、预付款项及其他资产、应付利息、应付账项、应付开支及当期税项负债，预期将在呈报期日起计的十二个月内收回或偿还。而在综合财务状况表的其他资产和负债，则预期由呈报期日起计需要逾十二个月才能收回或偿还。

此外，外汇基金承诺透过循环信贷安排向本集团提供300亿港元循环信贷。这个安排使本集团可在异常经济环境下保持平稳营运，因而更有效地履行促进香港银行及金融稳定的任务。

Apart from the above, interest and remittance receivables, prepayments and other assets, interest payable, accounts payable, accrued expenses and current tax liabilities are expected to be recovered or settled within twelve months from the reporting date. Other assets and liabilities included in the consolidated statement of financial position are expected to be recovered or settled in a period more than twelve months after the reporting date.

In addition, the Exchange Fund has committed to providing the Group with a HK\$30 billion revolving credit under the Revolving Credit Facility, which enables the Group to maintain smooth operation under exceptional circumstances, so that it can better fulfil its mandate to promote banking and financial stability in Hong Kong.

4.5. 保险风险

本集团透过其一般保险业务附属公司提供按揭保险，为认可机构就所承造香港住宅物业贷款之信贷亏损风险提供最高可达40%的保险额，惟批出贷款时贷款额与物业价值比率为90%或以下，或按当时所指定的其他限制。本集团亦就认可机构给予香港的中小企及非上市企业的贷款，提供高达50%-70%的财务担保保障；以及就认可机构给予以住宅物业及其他资产（如适用）作为担保的安老按揭，和就认可机构给予资助房屋计划的业主，以其资助物业作为担保的一笔过、主要用于补地价的贷款，提供保险保障。

任何保险合同的风险为已投保事件发生的可能性及所引致的申索金额的不确定性。根据保险合同本身的特质，此类风险属随机，因此不能预计。

4.5. Insurance risk

Through its general insurance subsidiary, the Group provides the mortgage insurance cover to the AIs for first credit losses of up to 40% of the property value of a residential mortgage loan in Hong Kong with loan-to-value ratio 90% or below at origination, or other thresholds as specified from time to time. The Group also provides financial guarantee cover to AIs up to 50%-70% of the banking facilities granted to SMEs and non-listed enterprises in Hong Kong, insurance cover to AIs in respect of reverse mortgage loans originated by such AIs and secured on residential properties and, if applicable, other assets, and in respect of lump-sum loans advanced by such AIs to owners of properties of subsidised housing schemes primarily for land premium settlement and secured on these properties.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

对一组保险合同而言，按机会率的理论应用予定价及拨备时，本集团保险合同面对的主要风险为实际申索超出保险负债账面值。当申索的次数及金额超过预计时，上述情况便可能发生。保险事件为随机，而申索及赔偿的实际次数及金额每年有所不同，同时亦可能有异于使用统计方法得出的估计数字。

经验显示类似保险合同的组合越大，预期后果的相对可变性则越低。此外，越是多元化的组合，越是不会由于组合内任何一组合变动而使整体受影响。本集团已制定业务策略，以分散所接纳保险风险种类，并在每个主要类别内归纳足够宗数，从而降低预期后果的可变性。

申索的次数及金额可受多项因素影响。最主要因素为经济衰退、本港物业市场下滑及借款人死亡率低。经济衰退可能引致拖欠付款增加，影响申索次数和抵押品价值。物业价格下跌，会使抵押品价值低于按揭贷款未偿还余额，因而增加索偿金额。安老按揭借款人死亡率低意味着更长的年金付款期，贷款金额随着时间亦愈高。这将影响申索的次数及金额，因为会带来物业价值在未来并不足以偿还贷款的风险。

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed a business strategy to diversify the type of insurance risks accepted and within each of the key categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The frequency and severity of claims can be affected by several factors. The most significant are a downturn of the economy, a slump in the local property market and a low mortality rate of borrowers. Economic downturn, which may cause a rise in defaulted payment, affects the frequency of claims and collateral value. A drop in property prices, where the collateral value falls below the outstanding balance of the mortgage loan, will increase the severity of claims. Low mortality rate of reverse mortgage borrowers means longer payout period and larger loan balance will be over time. This will affect the frequency and severity of claims as there is a risk of the property value insufficient to cover the outstanding loan balance in the future.

本集团采纳一套审慎的保险承保资格准则管理有关风险。为确保预留充足拨备应付未来索偿付款，本集团以审慎负债估值假设及按监管指引内规定的方法计算技术储备。本集团亦向核准再保险公司按比例投保摊分再保险，致力减少按揭保险所面对的风险。本集团进行综合评估，包括按核准筛选架构，评估按揭再保险公司的财政实力及信贷评级。本集团会定期检讨核准再保险公司。至于就本集团透过其一般保险业务附属公司提供给认可机构的财务担保保障，本集团依赖贷款人审慎评估借款人的信贷，从而减低拖欠风险；任何贷款安排导致的损失将在平等基础上由本集团与贷款人按比例摊分，藉以减低道德风险。安老按揭贷款假设的死亡率会定期作出检讨，以评估营运时实际和预期结果的较大偏差所导致的风险。

本集团透过其人寿保险附属公司向个人客户提供年金产品。保险风险源于对承保保单及定价所产生的风险的不准确评估。主要的保险风险为长寿风险，此乃因年金受益人的实际寿命超过预期寿命的可能性而产生。本集团透过采用一系列的审慎假设及定期进行经验研究以管理保险风险。年金产品固有的资产负债错配风险是由于资产波动、不确定的年金负债、现金流量错配以及资产与负债之间的货币错配。为减轻此类风险，本集团积极监控表现，并致力维持对资产配置的控制。

本集团已成立长寿风险委员会以管理本集团所承担的长寿风险。其职责包括批准长寿风险管理政策和对冲交易，以及检讨本集团所取得的长寿经验及其承担的风险。其亦监测及分析整体趋势、科技变化及其对人类寿命的影响。

The Group manages these risks by adopting a set of prudent insurance underwriting eligibility criteria. To ensure sufficient provision is set aside for meeting future claim payments, the Group calculates technical reserves on prudent liability valuation assumptions and the method prescribed in the regulatory guidelines. The Group also takes out quota-share reinsurance from its approved mortgage reinsurers in an effort to limit its risk exposure under the mortgage insurance business. The Group conducts comprehensive assessment including the financial strength and credit ratings of the mortgage reinsurers in accordance with the approved selection framework. The approved mortgage reinsurers are subject to periodic reviews. For financial guarantee cover provided to AIs via its general insurance subsidiary, the Group relies on the lenders' prudent credit assessment on the borrowers to mitigate default risk and any loss in the loan facility will be shared proportionately between the Group and the lender on a pari passu basis to minimise moral hazards. The mortality assumptions of reverse mortgages are also reviewed on a regular basis, to assess the risk of larger deviation between the actual and expected operating results.

Through its life insurance subsidiary, the Group offers annuity product to personal customers. Insurance risk arises from an inaccurate assessment of the risks entailed in writing and pricing an insurance policy. The major insurance risk is the longevity risk which arises from the possibility that actual life expectancy of annuitants being longer than expected. Insurance risk is managed by adopting a prudent set of assumptions and conducting regular experience studies. Asset-liability mismatch risk inherent to the annuity product is due to asset volatility, uncertain annuity liabilities, cash flow mismatch and currency mismatch between assets and liabilities. To mitigate such risk, the Group actively monitor the performance and steadfastly maintains control over asset allocation.

The Group established Longevity Risk Committee to manage longevity risk of the Group. Its duties include approving longevity risk management policies and hedging transactions and reviewing longevity experiences and exposures of the Group. It also monitors and analyses the general trend, technological changes and their implications for human longevity.

一般保险附属公司及人寿保险附属公司均须受保险业监管局监管，并须遵守保险业监管局所订明的有关合规要求。

于二零一八年十二月三十一日，如一般保险业务的综合比率增加1%，则年内溢利将减少300万港元（二零一七年：300万港元）。如综合比率下降1%，则年内溢利将增加300万港元（二零一七年：300万港元）。

下表显示于二零一八年十二月三十一日人寿保险业务的保险负债对死亡率及估值利率的潜在变化的敏感度（二零一七年：无）。

The general insurance subsidiary and life insurance subsidiary are subject to the supervision of the Insurance Authority and are required to observe the relevant compliance requirements stipulated by the Insurance Authority.

As at 31 December 2018, if the combined ratio of general insurance business had increased by 1%, profit for the year would have been HK\$3 million (2017: HK\$3 million) lower. If the combined ratio had decreased by 1%, profit for the year would have been HK\$3 million (2017: HK\$3 million) higher.

The following table shows the sensitivity of insurance liabilities on the life insurance business to potential changes in mortality and valuation interest rate as at 31 December 2018 (2017: nil).

		保险负债 金额变动 Amount change from insurance liabilities 千港元 HK\$'000	保险负债 百分比变动 Percentage change from insurance liabilities %
于二零一八年十二月三十一日 As at 31 December 2018		增加 / (减少) Increase/ (decrease)	增加 / (减少) Increase/ (decrease)
死亡率	Mortality		
+ 10%	+ 10%	(45,692)	(1.4)
- 10%	- 10%	51,432	1.6
估值利率	Valuation interest rate		
+ 0.5%	+ 0.5%	(132,321)	(4.0)
- 0.5%	- 0.5%	143,042	4.4

4.6. 金融资产及负债的公平值

(a) 公平值估计

下表列示按公平值(根据估值方法估算)确认的金融工具。公平值架构级别定义如下：

- 于活跃市场中有相同资产或负债之报价(第一层)；
- 除第一层所包括之报价外，就资产或负债能直接(如价格)或间接(如从价格推断)可观察之数据(第二层)；及
- 有关资产或负债并非基于可观察之市场数据(不可观察之数据)(第三层)。

4.6. Fair values of financial assets and liabilities

(a) Fair value estimation

The following table shows financial instruments recognised at fair value, by valuation method. The different levels of fair value hierarchy have been defined as follows:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

		于二零一八年十二月三十一日 As at 31 December 2018				于二零一七年十二月三十一日 As at 31 December 2017		
		第一层 Level 1 千港元 HK\$'000	第二层 Level 2 千港元 HK\$'000	第三层 Level 3 千港元 HK\$'000	总额 Total 千港元 HK\$'000	第一层 Level 1 千港元 HK\$'000	第二层 Level 2 千港元 HK\$'000	总额 Total 千港元 HK\$'000
资产	Assets							
衍生金融工具	Derivative financial instruments	-	161,047	-	161,047	-	333,727	333,727
证券投资	Investment securities							
— 以公允价值变化计入其他全面收益	— FVOCI	5,091,664	-	-	5,091,664	-	-	-
— 以公允价值变化计入损益	— FVPL	543,612	-	-	543,612	-	-	-
可供出售证券	Available-for-sale securities							
— 债务证券	— Debt securities	-	-	-	-	5,480,912	-	5,480,912
— 其他证券	— Other securities	-	-	-	-	1,657,750	-	1,657,750
外汇基金存款	Placements with the Exchange Fund	-	-	7,734,934	7,734,934	-	-	-
		5,635,276	161,047	7,734,934	13,531,257	7,138,662	333,727	7,472,389
负债	Liabilities							
衍生金融工具	Derivative financial instruments	-	264,386	-	264,386	-	119,064	119,064
于初始确认时指定为以公允价值变化计入损益的已发行债务证券	Debt securities issued designated as at fair value through profit or loss upon initial recognition	-	143,981	-	143,981	-	141,946	141,946
		-	408,367	-	408,367	-	261,010	261,010

于二零一七年十二月三十一日，按公允价值计量的金融工具并没有使用不可观察之市场数据为估值方法（第三层）。

于本年度，第一层与第二层的金融工具之间并没有转移，亦无转入或转出第三层。

(i) 第一层的金融工具

于活跃市场交易的金融工具，其公允价值会根据呈报期日的市场报价。活跃市场是指可以容易地和定期地从交易所、交易员、经纪、行业协会、定价服务机构或监管机构取得报价，而该等价格代表按公平基准、实际和定期在市场的交易。如果按公允价值计量的资产或负债有一个买入价和卖出价，在这个买卖差价范围内的最能代表公平值的价格，应该用来计量公平值。而这类工具就被包括在第一层。

(ii) 第二层的金融工具

并非在活跃市场交易的金融工具的公允价值按估值方法确定。估值方法会尽量利用市场上可取得的及可观察的数据而尽可能少依赖对公司特定的估算。倘若计量工具的公平值时所需的重要资料是基于可观察的数据，该工具则被包括在第2层。

第2层的衍生工具包括利率掉期、货币掉期及货币远期合约。这些衍生工具会利用可观察到的收益率曲线，从而得到远期利率和远期汇率（如适用），用来计量公平值。

No financial instrument was measured at fair value using a valuation technique not supported by observable market data (Level 3) as at 31 December 2017.

There was no transfer between Level 1 and Level 2 nor transfers into or out of Level 3 during the year.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value. These instruments are included in Level 1.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 derivatives comprise interest rate swaps, currency swaps and currency forwards. These derivatives are fair valued using forward interest rates and forward exchange rates, if applicable, from observable yield curves.

第2层的债务证券使用较不活跃市场上的市场报价，来计量公平值；如果没有的话，可以使用现金流量折现分析方法，从债务工具的交易对手在市场上可观察得到的报价，以得出折现率，用以折现合约现金流量。

Level 2 debt securities are fair valued using quoted market prices in less active markets, or if not available, a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

(iii) 第三层的金融工具

倘若其中一个或以上的重要资料并非是基于可观察的市场数据，该工具则被包括在第3层。外汇基金存款计入第三级，其公平值乃参考未来年度的估计投资回报率厘定。

(iii) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The placements with the Exchange Fund are included in Level 3 with its fair value determined by reference to the estimated rates of investment return for future years.

第三层金融工具的公平值计量变动如下：

Movement in Level 3 fair value measurement as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
于一月一日	As at 1 January	—	—
外汇基金存款	Placements with the Exchange Fund	7,550,000	—
于损益中确认的 外汇基金存款收益	Income from placements with the Exchange Fund recognised in profit or loss	184,934	—
于十二月三十一日	As at 31 December	7,734,934	—

(b) 并非以公平值计量的金融资产和负债

于二零一八年十二月三十一日及二零一七年十二月三十一日，本集团并未于财务状况表按公平值悉数呈列金融工具的账面值与公平值并没有重大不同。除其账面值与公平值相若的金融工具外，下表为非以公平值计量的金融工具之账面值、公平值及公平值架构级别：

(b) Fair values of financial assets and liabilities not measured at fair value

The carrying amounts of the Group's financial instruments not presented on the Group's statement of financial position at their fair values are not materially different from their fair values as at 31 December 2018 and 31 December 2017 except for the following financial instruments, for which their carrying amounts and fair values and the level of fair value hierarchy are disclosed below:

		于二零一八年十二月三十一日 As at 31 December 2018				于二零一七年十二月三十一日 As at 31 December 2017			
		账面值 Carrying amount 千港元 HK\$'000	公平值 Fair value 千港元 HK\$'000	第一层 Level 1 千港元 HK\$'000	第二层 Level 2 千港元 HK\$'000	账面值 Carrying amount 千港元 HK\$'000	公平值 Fair value 千港元 HK\$'000	第一层 Level 1 千港元 HK\$'000	第二层 Level 2 千港元 HK\$'000
金融资产	Financial assets								
证券投资	Investment securities								
— 按摊销成本列账	— amortised cost	11,546,833	11,530,161	11,530,161	-	-	-	-	-
— 持有至到期	— held-to-maturity	-	-	-	-	10,347,834	10,561,660	10,263,983	297,677
金融负债	Financial liabilities								
已发行债务证券	Debt securities issued	37,148,896	36,588,554	-	36,588,554	34,698,760	34,830,933	-	34,830,933

估计金融工具公平值时已使用
下列方法及重要假设：

The following methods and significant assumptions
have been used to estimate the fair values of financial
instruments:

(i) 现金及短期资金

现金及短期资金包括银行存款，并于扣除减值拨备后列账。浮息存款的公平值即其账面值。定息存款（存款期通常少于六个月）的估计公平值乃基于使用同类信贷风险债务的现行货币市场利率及剩余年期计算之折现现金流量。因此，存款的公平值约等于其账面值。

(i) Cash and short-term funds

Cash and short-term funds include bank deposits and are stated net of impairment allowance. The fair value of floating-rate deposits is the carrying amount. The estimated fair value of fixed-rate deposits, which are normally less than 6 months, is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Therefore, the fair value of the deposits is approximately equal to their carrying value.

(ii) 贷款组合净额

贷款组合于扣除减值拨备后列账。小部分贷款组合按固定利率计息。因此，贷款组合的账面值为公平值的合理估计。

(ii) Loan portfolio, net

Loan portfolio is stated net of impairment allowance. An insignificant portion of loan portfolio bears interest at fixed rate. Therefore, the carrying value of loan portfolio is a reasonable estimate of the fair value.

- (iii) 按摊销成本列账(先前为持有至到期)的证券投资

证券投资于扣除减值拨备后列账。按摊销成本列账的证券投资之公平值以市价或经纪/交易商报价的净价为基础。倘未能取得有关资料,则采用具有同类信贷、到期日及收益率等特点之证券所报的市价估计公平值。

- (iv) 外汇基金存款

外汇基金存款的公平值乃参考未来年度的估计投资回报率厘定,其公平值与账面值相若。

- (v) 其他资产

这些主要是指在呈报期日后执行结算的债务证券的应收款项,其公平值与账面值相若。

- (vi) 已发行债务证券

公平值总额乃基于市场报价的净价计算。至于未有市场报价的债券,会基于到期前剩余期限的现时收益率曲线并采用现金流量折现模型计算。

- (vii) 其他负债

其他负债主要指二零零三年十二月及二零零四年一月自政府购买的按揭贷款加强信贷安排的递延代价,其公平值与账面值相若。

- (iii) Investment securities at amortised cost (previously held-to-maturity)

Investment securities are stated net of impairment allowance. Fair value for investment securities at amortised cost is based on market prices or broker/dealer price quotations, which are the clean prices. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

- (iv) Placements with the Exchange Fund

The fair value of the placements with the Exchange Fund is determined with reference to the estimated rates of investment return for future years, approximating its carrying values.

- (v) Other assets

These mainly represent receivables from debt securities executed for settlement after the reporting date with the fair value approximating the carrying amount.

- (vi) Debt securities issued

The aggregate fair values are calculated based on quoted market prices, which are the clean prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

- (vii) Other liabilities

These mainly represent the deferred consideration used for credit enhancement on the mortgage loans purchased from the Government in December 2003 and January 2004 with the fair value approximating the carrying amount.

(viii) 应收利息及汇款及应付利息

应计利息被独立确认，由于预期将在呈报期日起计的十二个月内收回或偿还，其公平值与账面值相若。汇款预期将在呈报期日起计一个月内收回，其公平值与账面值相若。

(viii) Interest and remittance receivables and interest payable

Accrued interest is recognised separately with the fair value approximating the carrying amount as it is expected to be recovered or settled within twelve months from the reporting date. Remittance receivables are expected to be recovered within one month from the reporting date with the fair value approximating the carrying amount.

4.7. 资本管理

本集团管理资本(其涵盖范围较列于财务状况表账面的权益为广)的目的如下：

- 本公司及其保险附属公司分别需符合政府财政司司长(财政司司长)及保险业监管局制定的资本规定；
- 确保本集团持续营运的能力，以继续为股东提供回报；
- 维持本集团的稳定及发展；
- 按有效及风险为本的方法分配资本，优化对股东的经风险调节的回报；及
- 维持雄厚的资本基础支持业务发展。

管理层根据财政司司长颁布的资本充足率指引(指引)，每日监控资本充足程度及监管资金的用途。指引主要参照巴塞尔协定II以风险为本的资本充足框架，而指引亦规定最低资本充足率为8%。

4.7. Capital management

The Group's objectives when managing capital, which is a broader concept than the equity on the face of the statement of financial position, are:

- To comply with the capital requirements set by the Financial Secretary of the Government (**Financial Secretary**) and the Insurance Authority for the Company and its insurance subsidiaries respectively;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders;
- To support the Group's stability and growth;
- To allocate capital in an efficient and risk based approach to optimise risk adjusted return to the shareholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the management in accordance with the Guidelines on Capital Adequacy Ratio (**Guidelines**) issued by the Financial Secretary, by reference largely to Basel II risk-based capital adequacy framework. The minimum Capital Adequacy Ratio (**CAR**) stipulated in the Guidelines is 8%.

总裁须根据财政司司长颁布的指引每季度向董事局提交报告。如资本充足率下跌至14%的临界水平，总裁会通知执行董事。如资本充足率下跌至12%或以下，董事局将获通知，并会采取适当的补救措施。年内，本集团均遵守财政司司长制定的指引的所有资本规定。

根据参考《银行业(资本)规则》制定的资本充足率指引，《银行业(资本)规则》下的资本比率计算基础跟随财务报告的综合基础，但不包括属于「受规管金融机构」(例如保险公司)的附属公司。此乃由于该等机构受监管机构所监督，并须维持足以维持业务活动的资本(例如偿付能力充足率)，与《银行业(资本)规则》对银行所规定者相若。该等未予综合的受规管金融机构的投资成本从资本基础中扣除，而相应的相关的风险资产亦不会计入加权资产的计算中。

下表概述于呈报期末的资本基础组成及资本充足率。

The Chief Executive Officer is required to submit a report to the Board of Directors on a quarterly basis by reference to the Guidelines issued by the Financial Secretary. If the CAR drops to the threshold level of 14%, the Chief Executive Officer will alert the Executive Directors. If the CAR falls to 12% or below, the Board of Directors will be informed and appropriate remedial actions will be taken. During the year, the Group complied with all of the capital requirement set out in the Guidelines by the Financial Secretary.

Pursuant to the Guidelines on the CAR, which is made by reference to the Banking (Capital) Rules (BCR), the calculation basis of capital ratio under the BCR follows the basis of consolidation for financial reporting with the exclusion of subsidiaries which are “regulated financial entities” (e.g. insurance companies). It is because these entities are supervised by a regulator and are subject to the maintenance of adequate capital (e.g. solvency ratio) to support business activities comparable to those prescribed for banks under the BCR. The investment cost of these unconsolidated regulated financial entities is deducted from the capital base whilst the corresponding related exposures are also excluded from the calculation of risk-weighted assets.

The table below summarises the composition of capital base and the CAR as at the end of the reporting period.

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
股本	Share capital	7,000,000	2,000,000
储备	Reserves	8,150,766	7,662,473
减值拨备	Impairment allowance	3,290	386
扣除：	Deductions:		
— 于受监管附属公司的投资	— Investment in regulated subsidiaries	(8,000,000)	—
— 其他扣除额	— Other deductions	(2,971)	(183,796)
资本基础总额	Total capital base	7,151,085	9,479,063
资本充足率	Capital Adequacy Ratio	26.8%	21.0%

4.8. 金融资产及金融负债之对销

下表披露涉及在本集团的综合财务状况表中并没有对销的金融资产和金融负债，但该等资产和负债受强制净额结算安排或涵盖类似金融工具的相若协议所约束。披露有助对总额和净额的了解，及提供减低相关信贷风险的附加资料。

4.8. Offsetting financial assets and financial liabilities

The disclosures set out in the tables below pertain to financial assets and financial liabilities that are not offset in the Group's consolidated statement of financial position but are subject to enforceable master netting arrangements or similar agreements that cover similar financial instruments. The disclosures enable the understanding of both the gross and net amounts, as well as provide additional information on how such credit risk is mitigated.

		于二零一八年十二月三十一日 As at 31 December 2018				于二零一七年十二月三十一日 As at 31 December 2017							
		相关但并未在综合财务状况表				相关但并未在综合财务状况表							
综合财务状况表的 账面价值 Carrying amounts on the consolidated statement of financial position	对销的金额 [#] Related amount not set off in the consolidated statement of financial position [#]	衍生金融工具		净额 [*] Net amount [*]	千港元 HK\$'000	衍生金融工具		净额 [*] Net amount [*]	千港元 HK\$'000				
		Derivative financial instruments	Cash collateral			Derivative financial instruments	Cash collateral						
		千港元	千港元			千港元	千港元						
		HK\$'000	HK\$'000			HK\$'000	HK\$'000						
金融资产	Financial assets												
正数的衍生金融工具公平值	Positive fair values for derivative financial instruments	161,047	(98,859)	(58,154)	4,034	333,727	(79,634)	(207,029)	47,064				
金融负债	Financial liabilities												
负数的衍生金融工具公平值	Negative fair values for derivative financial instruments	264,386	(98,859)	(137,483)	28,044	119,064	(79,634)	(29,315)	10,115				

[#] 「相关但并未在综合财务状况表对销的金额」指受净额结算安排或相若协议包括信贷支持附件所约束的金融负债/资产金额。

^{*} 净额指受净额结算安排或相若协议所约束的金融资产/负债，但倘若本集团的交易对手违约，其并没有相等的金融负债/资产可与本集团作对销。

[#] Amounts under "Related amount not set off in the consolidated statement of financial position" represent the amounts of financial liabilities/assets position that are subject to netting arrangements or similar agreements including CSA.

^{*} Net amount represents financial assets/liabilities that are subject to netting arrangements or similar agreements but the Group's counterparty does not have equivalent financial liabilities/assets position with the Group to offset upon default.

5. 关键会计估计及假设

本集团采用对下一个财政年度的资产及负债列账额有影响之估计及假设。本集团会根据过往经验及其他因素(包括于有关情况下对未来事项作出的合理预期)，持续评估所作估计及判断。

5.1 贷款组合的减值拨备

本集团会检讨其贷款组合，以定期评估预期信贷亏损。在厘定预期信贷亏损时，本集团对自初始确认后信贷风险是否有任何重大增加作出判断。就假设及估计，本集团需纳入有关过去事件、当前状况及经济状况预测的相关资料作出判断。估计未来现金流金额及时间的方法及假设会定期检讨，以减小估计亏损及实际亏损经验的差异。

贷款组合于二零一八年十二月三十一日的账面值在附注 19 内披露。

5.2 一般保险业务的保险及担保组合的未决申索拨备

本集团检讨其保险及担保组合，以评估未决申索拨备，包括数额未经确定的申索及来自未通知承保者的事件的申索，即已产生但未申报及相关的索偿付款开支。在决定未决申索拨备时，本集团在保险及担保合约下履行其责任中需支付作出判断及假设，包括但不限于应用的损失严重率、经济气候及本地物业市场。估算最终申索数额的方法及假设会作定期检讨。

5. Critical accounting estimates and assumptions

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1. Impairment allowances on loan portfolio

The Group reviews its loan portfolio to assess ECLs on a regular basis. In determining ECLs, the Group makes judgements as to whether there is any significant increase in credit risk since initial recognition. It is required to exercise judgements in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecast of economic conditions. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The carrying amount of loan portfolio as at 31 December 2018 is disclosed in Note 19.

5.2. Provision for outstanding claims on insurance and guarantee portfolios of general insurance business

The Group reviews its insurance and guarantee portfolios to assess provision for outstanding claims, including claims of which the amounts have not been determined and claims arising out of incidents that have not been notified to the insurer, known as "Incurred But Not Reported" and related expenses for settling such claims. In determining the provision for outstanding claims, the Group makes judgement and assumptions including but not limited to the loss severity rate applied, the economic climate and the local property market in making estimation of the payments which the Group is required to make in fulfilling its obligations under the insurance and guarantee contracts. The methodology and assumptions used for estimating the ultimate claim amount are reviewed regularly.

保险负债于二零一八年十二月三十一日的账面值在附注 27 内披露。

5.3. 人寿保险业务的保险合同负债

保险合同负债乃基于当前假设，并考虑风险因素及假设上的偏差。所用的主要假设涉及死亡率、长寿、费用及折现率，并定期进行检讨。

保险负债于二零一八年十二月三十一日的账面值在附注 27 内披露。

The carrying amount of insurance liabilities as at 31 December 2018 is disclosed in Note 27.

5.3. Insurance contract liabilities of life insurance business

The liability for insurance contracts is based on current assumptions with a margin for risk and adverse deviation. The main assumptions used relate to mortality, longevity, expenses and discount rates, which are reviewed regularly.

The carrying amount of insurance liabilities as at 31 December 2018 is disclosed in Note 27.

6. 分类资料

本集团主要在香港从事购买资产及供款管理服务、一般保险及人寿保险业务。其他业务，例如为提供资金以购入按揭贷款而发行的债务工具，及将按揭贷款收取款项所产生的盈余资金进行再投资，被视为按揭业务的附属业务。于二零一七年，本集团作为一个整体，建基于以按揭相关业务作为单一分类来处理资源分配和绩效评估。随着于二零一八年完成企业重组及开展年金业务，已识别以下三个经营分类。

一般保险主要包括按揭保险、安老按揭及中小企融资担保业务。人寿保险包括年金业务。购买资产及供款管理服务包括贷款收购业务及债务发行等其他业务。

6. Segment information

The Group is principally engaged in asset purchase and servicing, general insurance and life insurance businesses in Hong Kong. Other activities such as debt issuance to fund the mortgage purchase and investment to reinvest the surplus funds from mortgage receipt are considered ancillary to mortgage business. In 2017, the Group was organised in such a way that resource allocation and performance measurement were based on the Group as a whole in a single segment for mortgage related businesses. With the completion of corporate restructuring and the launch of annuity business in 2018, the following three operating segments are identified.

General insurance includes mainly mortgage insurance, reverse mortgage and SME financing guarantee businesses. Life insurance includes annuity business. Asset purchase and servicing include loan acquisition business and other activities such as debt issuance.

下表列示本集团截至二零一八年十二月三十一日止年度经营分部的收入、溢利及其他资料。

The following tables represent revenue, profit and other information for operating segments of the Group for the year ended 31 December 2018.

		购买资产及 供款管理服务			分部间对销	
		Asset purchase and servicing	一般保险 General insurance	人寿保险 Life insurance	Inter- segment elimination	总计 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
截至二零一八年十二月三十一日止年度	Year ended 31 December 2018					
净利息收入	Net interest income	438,904	95,264	2,041	–	536,209
净保险业务业绩	Net insurance business results	–	243,509	(549,885)	–	(306,376)
其他收入	Other income	162,269	34	184,952	(97,622)	249,633
经营收入	Operating income	601,173	338,807	(362,892)	(97,622)	479,466
经营支出	Operating expenses	(240,840)	(166,087)	(103,083)	97,622	(412,388)
未计减值前的经营溢利	Operating profit before impairment	360,333	172,720	(465,975)	–	67,078
减值回拨/(拨备)	Write back/(charge) of impairment allowances	153	(280)	(7)	–	(134)
除税前溢利	Profit before taxation	360,486	172,440	(465,982)	–	66,944
税项	Taxation					59,614
本年度溢利	Profit for the year					126,558
于二零一八年十二月三十一日	As at 31 December 2018					
分部资产	Segment assets	49,699,136	5,008,698	8,008,883	(235,148)	62,481,569
分部负债	Segment liabilities	42,550,765	1,863,272	3,408,971	(235,148)	47,587,860

7. 利息收入

7. Interest income

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
贷款组合	Loan portfolio	162,583	165,467
现金及短期资金	Cash and short-term funds	557,744	320,395
证券投资	Investment securities	509,383	416,471
		1,229,710	902,333

8. 利息支出

8. Interest expense

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
银行借款及已发行债务证券	Bank loans and debt securities issued	607,367	349,328
其他	Others	86,134	45,427
		693,501	394,755

9. 保险业务的收益账

9. Revenue account for insurance business

		2018		
		一般保险 General insurance 千港元 HK\$'000	人寿保险 Life insurance 千港元 HK\$'000	总计 Total 千港元 HK\$'000
毛保费 (附注 (a) 及附注 27(a)(i))	Gross premiums written (Note (a) and Note 27(a)(i))	634,757	2,780,240	3,414,997
再保险保费 (附注 27(a)(i))	Reinsurance premiums (Note 27(a)(i))	(69,018)	–	(69,018)
保险费净额 (附注 27(a)(i))	Net premiums written (Note 27(a)(i))	565,739	2,780,240	3,345,979
未到期保费的变动净额	Movement in unearned premiums, net	(188,327)	–	(188,327)
已满期保费净额 (附注 27(a)(i))	Net premiums earned (Note 27(a)(i))	377,412	2,780,240	3,157,652
申索产生净额、已付利益及 保单持有人负债变动 (附注 27(a)(ii) 及附注 27(b)(i))	Net claims incurred, benefits paid and movement in policyholders' liabilities (Note 27(a)(ii) and Note 27(b)(i))	(3,392)	(3,317,645)	(3,321,037)
拨备后已满期保费净额	Net premiums earned after provisions	374,020	(537,405)	(163,385)
佣金支出	Commission expenses	(154,121)	(12,268)	(166,389)
征费支出	Levy expenses	–	(212)	(212)
再保险公司承担的佣金支出	Reinsurers' share of commission expenses	23,610	–	23,610
佣金支出净额及征费支出	Net commission and levy expenses	(130,511)	(12,480)	(142,991)
扣除佣金及征费支出后 已满期保费净额	Net premiums earned after commission and levy expenses	243,509	(549,885)	(306,376)

		2017 一般保險 2017 General insurance 千港元 HK\$'000
毛保费(附注(a)及附注27(a)(i))	Gross premiums written (Note (a) and Note 27(a)(i))	493,459
再保险保费(附注27(a)(ii))	Reinsurance premiums (Note 27(a)(ii))	(76,383)
保险费净额(附注27(a)(ii))	Net premiums written (Note 27(a)(ii))	417,076
未到期保费的变动净额	Movement in unearned premiums, net	(64,662)
已到期保费净额(附注27(a)(ii))	Net premiums earned (Note 27(a)(ii))	352,414
申索产生净额(附注27(a)(ii))	Net claims incurred (Note 27(a)(ii))	(641)
拨备后已到期保费净额	Net premiums earned after provisions	351,773
佣金支出	Commission expenses	(166,252)
再保险公司承担的佣金支出	Reinsurers' share of commission expenses	25,798
佣金支出净额	Net commission expenses	(140,454)
扣除佣金后已到期保费净额	Net premiums earned after commission	211,319

附注：

- (a) 就一般保险业务而言，毛保费主要来自按揭及安老按揭贷款保险业务，小部分来自为资助房屋计划的业主而设主要用于补地价的一笔过贷款的按揭保险。

Note:

- (a) For general insurance business, gross premiums were mainly derived from mortgage insurance cover on mortgage loans and on reverse mortgage loans with a small portion from mortgage insurance cover on lump-sum loans to owners of properties of subsidised housing schemes primarily for land premium settlement.

10. 其他收入

10. Other income

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
来自外汇基金存款的收益	Income from placements with the Exchange Fund	184,934	—
提早还款费用及过期罚款	Early prepayment fees and late charges	384	466
汇兑差额	Exchange difference	12,335	171,147
金融工具公平值变动净额	Net change in fair value of financial instruments	11,840	(1,057)
以公平值变化计入损益的投资亏损净额	Net loss on investments at fair value through profit or loss	(13,500)	—
上市投资的股息收入	Dividend income from listed investments	58,626	82,878
出售按摊销成本列账的投资收益净额	Net gains on disposal of investments at amortised cost	192	—
出售可供出售投资的收益净额(附注13)	Net gains on disposal of available-for-sale investments (Note 13)	—	163,538
其他	Others	(5,178)	(2,488)
		249,633	414,484

金融工具公平值变动相当于以下各项的总和：(i)指定为公平值对冲的对冲工具公平值亏损3.24亿港元(二零一七年：16.76亿港元收益)及对冲项目公平值收益3.25亿港元(二零一七年：16.76亿港元亏损)；及(ii)不符合采用对冲会计方法的衍生工具公平值收益700万港元(二零一七年：200万港元亏损)及指定为以公平值变化计入损益的已发行债务证券公平值收益400万港元(二零一七年：100万港元)。

Change in fair value of financial instruments represented the aggregate of (i) HK\$324 million fair value loss on hedging instruments designated as fair value hedge (2017: HK\$1,676 million gain) and HK\$325 million fair value gain on the hedged items (2017: HK\$1,676 million loss); and (ii) HK\$7 million fair value gain on derivatives not qualified as hedges for accounting purposes (2017: HK\$2 million loss) and HK\$4 million fair value gain on debt securities issued designated as at fair value through profit or loss (2017: HK\$1 million).

11. 经营支出

11. Operating expenses

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
雇员成本：	Staff costs:		
— 薪金及福利	— Salaries and benefits	237,081	176,713
— 退休金成本—界定供款计划	— Pension costs-defined contribution plans	13,576	12,060
办公室：	Premises:		
— 租金	— Rental	49,845	32,420
— 其他	— Others	9,123	6,589
董事袍金	Directors' fees	—	—
就董事参与公司管理事务的其他服务而付予之酬金：	Emoluments in respect of directors' other services in connection with the management of the affairs of the Company:		
— 薪金、津贴及花红	— Salaries, allowances and bonus	6,367	6,184
— 为退休计划所作之供款	— Retirement scheme contributions	633	616
折旧(附注24)	Depreciation (Note 24)	19,371	14,415
财经资讯服务	Financial information services	8,259	6,015
顾问费	Consultancy fees	17,248	16,526
市场推广及广告支出	Marketing and advertising expenses	21,294	15,559
其他经营支出	Other operating expenses	29,591	17,099
		412,388	304,196

12. 核数师酬金

12. Auditor's remuneration

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
核数师酬金：	Auditor's remuneration:		
— 审核服务	— Audit services	3,215	1,735
— 其他服务	— Other services	1,349	2,151
		4,564	3,886

13. 出售可供出售投资的收益净额 13. Net gains on disposal of available-for-sale investments

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
出售可供出售投资的 收益净额：	Net gains on disposal of available-for-sale investments:		
— 变现于一月一日已于储备 内确认的款项	— Realisation of amounts recognised in reserves up to 1 January	—	83,161
— 本年度产生收益净额	— Net gains arising in current year	—	80,377
		—	163,538

14. 减值拨备 14. Charge of impairment allowances

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
减值拨备/(回拨)：	Charge/(write-back) of impairment allowances:		
— 现金及短期资金(附注4.2(b))	— Cash and short-term funds (Note 4.2(b))	(95)	—
— 证券投资	— Investment securities		
— 按摊销成本列账 (附注4.2(c)(i))	— amortised cost (Note 4.2(c)(i))	197	—
— 以公允价值变化计入其他 全面收益(附注4.2(c)(ii))	— FVOCI (Note 4.2(c)(ii))	14	—
— 贷款组合(附注4.2(a))	— Loan portfolio (Note 4.2(a))	18	453
		134	453

15. 税项

(a) 综合收益表内的税项为：

15. Taxation

(a) Taxation in the consolidated income statement represents:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
香港利得税	Hong Kong profits tax		
— 当期税项	— Current tax	17,987	21,676
— 过往年度调整	— Adjustment in respect of prior years	(30)	421
		17,957	22,097
递延税项	Deferred taxation		
— 本年度(退回)/支出	— (Credit)/charge for current year	(77,571)	240
		(59,614)	22,337

就本期间产生的估计应课税溢利按16.5%(二零一七年:16.5%)的税率计提香港利得税拨备。递延税项以负债法按16.5%(二零一七年:16.5%)的主要税率计算全部的暂时差额。

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the period. Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2017: 16.5%).

本集团的除税前溢利的税项与采用香港税率计算的理论金额的差异如下：

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

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
除税前溢利	Profit before taxation	66,944	828,732
按16.5%(二零一七年:16.5%)的税率计算	Calculated at a taxation rate of 16.5% (2017: 16.5%)	11,046	136,741
税务影响：	Tax effect of:		
— 毋须缴税的收入	— income not subject to taxation	(157,438)	(158,786)
— 不可扣税的开支	— expenses not deductible for taxation purposes	86,808	43,961
— 过往年度调整	— adjustment in respect of prior years	(30)	421
税项(退回)/支出	Taxation (credit)/charge	(59,614)	22,337

(b) 财务状况表内的税项拨备为：

(b) Provision for taxation in the statement of financial position represents:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
当期税项资产	Current tax assets (included in		
(包括于「其他资产」内)	“Other assets”)	–	351
递延税项资产	Deferred tax assets	77,866	295
		77,866	646
当期税项负债	Current tax liabilities	104,077	116,288

于二零一八年十二月三十一日及二零一七年十二月三十一日，并无任何重大未拨备递延税项。

There was no significant unprovided deferred taxation as at 31 December 2018 and 31 December 2017.

递延税项(资产)/负债的主要组成部分及年内变动如下：

The major components of deferred tax (assets)/liabilities and the movements during the year are as follows:

		加速税项折旧 Accelerated tax depreciation 千港元 HK\$'000	减值拨备 Impairment allowances and provisions 千港元 HK\$'000	公平值变动 Fair value changes 千港元 HK\$'000	税务亏损 Tax losses 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一七年一月一日	As at 1 January 2017	2,811	(3,346)	17,195	–	16,660
于收益表内扣除/(存入)	Charged/(credited) to income statement	555	(315)	–	–	240
于权益内存入	Credited to equity	–	–	(17,195)	–	(17,195)
于二零一七年十二月三十一日	As at 31 December 2017	3,366	(3,661)	–	–	(295)
于收益表内扣除/(存入)	Charged/(credited) to income statement	603	(964)	–	(77,210)	(77,571)
于二零一八年十二月三十一日	As at 31 December 2018	3,969	(4,625)	–	(77,210)	(77,866)

递延税项资产只限于有足够未来应课税溢利可供变现的情况下才会确认。未动用税务亏损可无限期结转。

Deferred tax assets are recognised to the extent that sufficient future taxable profits will be available for realisation. The unused tax losses can be carried forward indefinitely.

于十二个月内，无任何重大递延税项资产/负债需要结算。

There is no significant amount of deferred tax assets/liabilities to be settled within twelve months.

16. 现金及短期资金

16. Cash and short-term funds

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
银行现金	Cash at banks	196,590	93,799
银行定期存款	Time deposits with banks	29,195,211	25,184,391
现金及短期资金总额	Gross cash and short-term funds	29,391,801	25,278,190
现金及短期资金的减值拨备 (附注 4.2(b))	Impairment allowance on cash and short-term funds (Note 4.2 (b))	(946)	—
		29,390,855	25,278,190

就现金流量表而言，现金及等同现金项目包括以下自交易日期起计三个月内到期的结余。

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of transaction.

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
银行现金	Cash at banks	196,590	93,799
银行定期存款	Time deposits with banks	14,581,211	14,992,391
现金及等同现金项目	Cash and cash equivalents	14,777,801	15,086,190

17. 应收利息及汇款

17. Interest and remittance receivables

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
以下各项的应收利息：	Interest receivable from:		
— 利率掉期合约	— interest rate swap contracts	161,582	143,319
— 证券投资	— investment securities	135,392	109,921
— 银行定期存款	— time deposits with banks	99,291	47,075
贷款组合的应收利息及分期付款	Interest receivable and instalments, in transit from loan portfolio	41,654	43,663
		437,919	343,978

18. 衍生金融工具

(a) 衍生工具的应用

本集团应用下列衍生工具对冲本集团的金融风险。

货币远期合约为在未来日期以预先指定的汇率购买或出售外币的承诺。货币及利率掉期为以一组现金流量换取另一组现金流量的承诺。掉期导致货币或利率或两者组合的转换。除若干货币掉期外，该等交易不涉及转换本金。本集团的信贷风险为交易对手未能履行其责任而重置掉期合约的潜在成本。本集团根据审慎的库务交易对手风险管理机制，持续监测有关风险。

若干种类金融工具的名义金额，为于综合财务状况表确认的工具提供一个比较的基准，惟未必反映涉及的未来现金流量的金额或工具当前的公允价值，因此，并不能反映本集团面临的信贷或价格风险。随着市场利率及汇率相对其条款的波动，衍生工具可能对本集团产生有利（资产）或不利（负债）的影响。衍生金融工具的合约或名义金额总额、上述有利或不利影响幅度，及衍生工具金融资产及负债之公平总值，可能不时大幅波动。所持有的衍生工具公平值载于下文。

18. Derivative financial instruments

(a) Use of derivatives

The Group uses the following derivative instruments to hedge the Group's financial risks.

Currency forwards are commitment to purchase or sell foreign currency at a pre-specified exchange rate on a future date. Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an exchange of currencies or interest rates or a combination of all these. No exchange of principal takes place except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligations. This risk is monitored on an ongoing basis under a prudent treasury counterparty risk management framework.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amounts of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time. The fair values of derivative instruments held are set out below.

			2018			2017			
			合约 / 名义金额		公平值	合约 / 名义金额		公平值	
			Contract/ notional		Fair values	Contract/ notional		Fair values	
					资产 负债	资产 负债			
			amounts		Assets Liabilities	amounts		Assets Liabilities	
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(i)	不符合采用对冲会计方法的 衍生工具	(i)	Derivatives not qualified as hedges for accounting purposes						
	利率掉期		Interest rate swaps	3,023,290	11,041	(77)	3,017,791	6,235	(2,188)
	货币远期合约		Currency forwards	3,315,395	700	(565)	–	–	–
					11,741	(642)		6,235	(2,188)
(ii)	公平值对冲衍生工具	(ii)	Fair value hedge derivatives						
	利率掉期		Interest rate swaps	14,246,974	129,153	(78,663)	13,908,877	176,586	(65,975)
	货币掉期		Currency swaps	8,455,076	20,153	(185,081)	7,302,494	150,906	(50,901)
					149,306	(263,744)		327,492	(116,876)
已确认衍生工具资产 / (负债) 总额			Total recognised derivative assets/(liabilities)		161,047	(264,386)		333,727	(119,064)

(b) 对冲活动

倘衍生工具作为公平值对冲或现金流对冲，就会计处理而言，衍生工具入账时符合对冲资格。本集团的公平值对冲主要包括用于保障因已发行债务证券公平值的任何潜在变动所引致的利率风险和外汇风险的利率和货币掉期。于二零一八年十二月三十一日及二零一七年十二月三十一日，并无任何指定以现金流对冲衍生工具。

(b) Hedging activities

Derivatives may qualify as hedges for accounting purposes if they are fair value hedges or cash flow hedges. The Group's fair value hedge principally consists of interest rate and currency swaps that are used to protect interest rate risk and foreign currency risk resulting from any potential change in fair value of underlying debt securities issued. There were no derivatives designated as cash flow hedges as at 31 December 2018 and 31 December 2017.

19. 贷款组合净额

(a) 贷款组合减拨备

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
住宅按揭贷款组合	Residential mortgage portfolio	6,179,353	7,484,605
非按揭贷款组合	Non-mortgage portfolio	263,377	345,222
		6,442,730	7,829,827
贷款减值拨备(附注4.2(a))	Allowance for loan impairment (Note 4.2(a))	(666)	(386)
		6,442,064	7,829,441

贷款减值拨备总额占贷款组合尚未偿还本金结余的百分比如下：

Total allowance for loan impairment as a percentage of the outstanding principal balances of the loan portfolio is as follows:

		2018	2017
贷款减值拨备总额占贷款组合总额的百分比	Total allowance for loan impairment as a percentage of the gross loan portfolio	0.010%	0.005%

作出贷款减值拨备时，已考虑抵押品的目前市值。

Allowance for loan impairment has been made after taking into account the current market value of the collateral.

		2018	2017
减值贷款组合总额占贷款组合总额的百分比	Gross impaired loan portfolio as a percentage of gross loan portfolio	0.007%	0.005%

(b) 贷款组合内的融资租赁投资净额

(b) Net investments in finance leases included in loan portfolio

		2018		
		最低应收租约 款项现值 Present value of minimum lease payments receivable 千港元 HK\$'000	未来期间的 利息收入 Interest income relating to future periods 千港元 HK\$'000	最低应收租约 款项总额 Total minimum lease payments receivable 千港元 HK\$'000
应收款项：	Amounts receivable:			
— 一年内	— within one year	25,533	5,341	30,874
— 一年后至五年内	— after one year but within five years	85,546	16,329	101,875
— 五年后	— after five years	142,565	17,318	159,883
		253,644	38,988	292,632

		2017		
		最低应收租约 款项现值 Present value of minimum lease payments receivable 千港元 HK\$'000	未来期间的 利息收入 Interest income relating to future periods 千港元 HK\$'000	最低应收租约 款项总额 Total minimum lease payments receivable 千港元 HK\$'000
应收款项：	Amounts receivable:			
— 一年内	— within one year	30,678	6,618	37,296
— 一年后至五年内	— after one year but within five years	109,174	20,535	129,709
— 五年后	— after five years	193,169	23,879	217,048
		333,021	51,032	384,053

没有就融资租赁约应收账款作出贷款减值拨备。

No allowance for loan impairment has been provided for finance lease receivable.

20. 证券投资

20. Investment securities

(a) 以公允价值变化计入其他全面收益的证券投资

(a) Investment securities at FVOCI

		2018 千港元	2017* 千港元
按公允价值列账的债务证券	Debt securities at fair value		
于香港上市	Listed in Hong Kong	587,702	—
于香港境外上市	Listed outside Hong Kong	2,128,745	—
非上市	Unlisted	2,375,217	—
以公允价值变化计入其他全面收益的证券总额	Total FVOCI securities	5,091,664	—

以公允价值变化计入其他全面收益的证券包括债务证券，其中合约现金流量仅为本金及利息，而本集团持有此类债务证券之业务模式的目标则通过收取合约现金流量及出售金融资产而实现。

FVOCI securities comprise debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

按发行机构类别分析以公允价值变化计入其他全面收益的证券如下：

FVOCI securities are analysed by categories of issuers as follows:

		2018 千港元 HK\$'000	2017* 千港元 HK\$'000
银行及其他金融机构	Banks and other financial institutions	4,266,072	—
公司企业	Corporate entities	795,487	—
公营机构	Public sector entities	30,105	—
		5,091,664	—

以公允价值变化计入其他全面收益的证券的变动概述如下：

The movement in FVOCI securities is summarised as follows:

		2018 千港元 HK\$'000	2017* 千港元 HK\$'000
于一月一日(附注 3.1(c))	As at 1 January (Note 3.1(c))	5,480,912	—
增加	Additions	1,307,246	—
赎回	Redemption	(1,693,196)	—
摊销	Amortisation	(2,534)	—
公允价值变动	Change in fair value	(7,182)	—
外币汇兑差额	Exchange difference	6,418	—
于十二月三十一日	As at 31 December	5,091,664	—

* 根据附注 20(d) 所披露，该等投资于二零一七年分类为可供出售。

* These investments were classified as available-for-sale in 2017 as disclosed in Note 20(d).

有关减值、信贷质素及本集团信贷风险的资料于附注 4.2(c) 披露。

Information on the impairment, credit quality and the Group's exposure to credit risk are disclosed in Note 4.2(c).

(b) 以公允价值变化计入损益的证券投资

(b) Investment securities at FVPL

		2018 千港元 HK\$'000	2017* 千港元 HK\$'000
按公允价值列账的交易所买卖基金及房地产投资信托基金于香港上市	Exchange-traded funds and real estate investment funds at fair value Listed in Hong Kong	543,612	—
以公允价值变化计入损益的证券总额	Total FVPL securities	543,612	—

本集团将不符合按摊销成本计量或以公允价值变化计入其他全面收益标准的交易所买卖基金及房地产投资信托基金等其他证券投资分类为以公允价值变化计入损益。

The Group classifies other investment securities in exchange-traded funds and real estate investments trusts at FVPL, which do not qualify for measurement at either amortised cost or FVOCI.

以公允价值变化计入损益的证券的变动
概述如下：

The movement in FVPL securities is summarised as follows:

		2018 千港元 HK\$'000	2017* 千港元 HK\$'000
于一月一日(附注3.1(a))	As at 1 January (Note 3.1(a))	1,657,750	—
增加	Additions	16,644	—
出售	Sale	(1,096,226)	—
公允价值变动	Change in fair value	(35,278)	—
外币汇兑差额	Exchange difference	722	—
于十二月三十一日	As at 31 December	543,612	—

* 根据附注20(d)所披露，该等投资于二零一七年分类为可供出售。

* These investments were classified as available-for-sale in 2017 as disclosed in Note 20(d).

(c) 按摊销成本列账的证券投资

(c) Investment securities at amortised cost

		2018 千港元 HK\$'000	2017# 千港元 HK\$'000
按摊销成本列账的债务证券	Debt securities at amortised cost		
于香港上市	Listed in Hong Kong	6,317,348	—
于香港境外上市	Listed outside Hong Kong	2,106,090	—
		8,423,438	—
非上市	Unlisted	3,124,837	—
按摊销成本列账的证券投资总额	Gross investment securities at amortised cost	11,548,275	—
按摊销成本列账的证券投资的减值拨备(附注4.2(c)(i))	Impairment allowance on investment securities at amortised cost (Note 4.2(c)(i))	(1,442)	—
按摊销成本列账的证券总额	Total amortised costs securities	11,546,833	—

本集团仅于同时符合以下标准之情况时，方会将证券投资分类为按摊销成本列账：

- 业务模式的目标为持有资产以收取合约现金流量；及
- 根据合约条款在指定日期的现金流量乃全数用于支付本金和未偿还本金的利息。

The Group classifies investment securities as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

按发行机构类别分析按摊销成本列账的证券如下：

Amortised cost securities are analysed by categories of issuers as follows:

		2018 千港元 HK\$'000	2017 [#] 千港元 HK\$'000
银行及其他金融机构	Banks and other financial institutions	5,075,984	—
公司企业	Corporate entities	4,904,367	—
公营机构	Public sector entities	540,768	—
中央政府	Central governments	1,027,156	—
		11,548,275	—

按摊销成本列账的证券的变动概述如下：

The movement in amortised cost securities is summarised as follows:

		2018 千港元 HK\$'000	2017 [#] 千港元 HK\$'000
于一月一日(附注3.1(b))	As at 1 January (Note 3.1(b))	10,347,834	—
增加	Additions	1,855,361	—
出售及赎回	Sale and redemption	(653,843)	—
摊销	Amortisation	(11,141)	—
外币汇兑差额	Exchange difference	10,064	—
于十二月三十一日	As at 31 December	11,548,275	—

[#] 根据附注20(e)所披露，该等投资于二零一七年分类为持有至到期。

[#] These investments were classified as held-to-maturity in 2017 as disclosed in Note 20(e).

有关减值、信贷质素及本集团信贷风险的资料于附注4.2(c)披露。

Information on the impairment, credit quality and the Group's exposure to credit risk are disclosed in Note 4.2(c).

(d) 可供出售证券

(d) Available-for-sale securities

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
按公允价值列账的债务证券	Debt securities at fair value		
于香港上市	Listed in Hong Kong	—	279,317
于香港境外上市	Listed outside Hong Kong	—	2,315,572
非上市	Unlisted	—	2,886,023
按公允价值列账的其他证券	Other securities at fair value		
于香港上市	Listed in Hong Kong	—	1,657,750
可供出售证券总额	Total available-for-sale securities	—	7,138,662

其他证券指交易所买卖基金及房地产投资信托基金。

Other securities refer to exchange-traded funds and real estate investment trusts.

按发行机构类别分析可供出售证券如下：

Available-for-sale securities are analysed by categories of issuers as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
银行及其他金融机构	Banks and other financial institutions	—	4,040,368
公司企业	Corporate entities	—	909,924
公营机构	Public sector entities	—	30,740
其他	Others	—	2,157,630
		—	7,138,662

可供出售证券的变动概述如下：

The movement in available-for-sale securities is summarised as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
于一月一日	As at 1 January	—	6,977,677
增加	Additions	—	3,144,426
出售及赎回	Sale and redemption	—	(3,212,744)
摊销	Amortisation	—	(4,493)
公平值变动	Change in fair value	—	191,162
外币汇兑差额	Exchange difference	—	42,634
于十二月三十一日	As at 31 December	—	7,138,662

(e) 持有至到期证券

(e) Held-to-maturity securities

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
按摊销成本列账的债务证券	Debt securities at amortised cost		
于香港上市	Listed in Hong Kong	—	5,501,627
于香港境外上市	Listed outside Hong Kong	—	1,959,044
		—	7,460,671
非上市	Unlisted	—	2,887,163
持有至到期证券总额	Total held-to-maturity securities	—	10,347,834

按发行机构类别分析持有至到期证券如下：

Held-to-maturity securities are analysed by categories of issuers as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
银行及其他金融机构	Banks and other financial institutions	—	4,955,910
公司企业	Corporate entities	—	4,299,090
公营机构	Public sector entities	—	471,079
中央政府	Central governments	—	621,755
		—	10,347,834

持有至到期证券的变动概述如下：

The movement in held-to-maturity securities is summarised as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
于一月一日	As at 1 January	—	9,931,665
增加	Additions	—	3,112,996
赎回	Redemption	—	(2,746,656)
摊销	Amortisation	—	(17,279)
外币汇兑差额	Exchange difference	—	67,108
于十二月三十一日	As at 31 December	—	10,347,834

21. 外汇基金存款

本集团已将香港年金公司的外汇基金存款分类为以公允价值变化计入损益的金融资产。于二零一八年十二月三十一日，外汇基金存款结余为77亿港元（二零一七年：无），包括本金总额为76亿港元（二零一七年：无）加上于呈报日已赚取及已累计但尚未提取的收入。

外汇基金存款投资于外汇基金的投资组合及长期增长组合，并受锁定投资期限限制。外汇基金存款回报率按年厘定。就投资组合而言，回报率乃根据投资组合过去六年的年均回报率或上年度三年期政府债券的年均收益率（下限为0%）计算，以较高者为准。就长期增长组合而言，回报率乃根据本年度时间加权回报率厘定。

21. Placements with the Exchange Fund

The Group has classified the placements of HKMCA with the Exchange Fund as financial assets at fair value through profit or loss. As at 31 December 2018, the balance of the placements with the Exchange Fund amounted to HK\$7.7 billion (2017: nil), comprising a total principal sum of HK\$7.6 billion (2017: nil) plus income earned and accrued but not yet withdrawn as at the reporting date.

The placements with the Exchange Fund are invested in the Investment Portfolio and Long-Term Growth Portfolio of the Exchange Fund, subject to a lock-up period. The rate of return on the placements with the Exchange Fund is determined annually. For Investment Portfolio, the rate of return is calculated on the basis of the average annual rate of return on the portfolio over the past six years or the average annual yield of three-year Government Bond in the previous year (subject to a minimum of zero percent), whichever is the higher. With respect to the Long-Term Growth Portfolio, the rate of return is determined based on the current year time-weighted rate of return.

22. 附属公司投资

于二零一八年十二月三十一日，本公司的附属公司详情如下：

22. Interests in subsidiaries

Details of the subsidiaries of the Company as at 31 December 2018 are as follows:

名称 Name	注册成立地点 Place of incorporation	主要业务 Principal activities	已发行及缴足股份详情 (股份类别) Particulars of issued and fully paid up share capital (Class of shares)	由公司 (或其代名人) 所持的股份 Percentage of shares held by the Company (or its nominee)	由公司的 附属公司 (或其代名人) 所持股份的 百分率 Percentage of shares held by the Company's subsidiary (or its nominee)
香港按揭管理有限公司 HKMC Mortgage Management Limited	香港 Hong Kong	购入及管理按揭贷款、为小型贷款融资、及由银行转介安老按揭贷款及有关资助房屋计划补地价贷款的贷款安排 Mortgage purchases and servicing, funding of microfinance loans, and origination of reverse mortgage loans and loans for land premium settlement in relation to subsidised sale flats referred by banks	1,000,000 港元 (普通股) HK\$1,000,000 (Ordinary)	100%	不适用 N/A
香港按证保险有限公司 [#] HKMC Insurance Limited [#]	香港 Hong Kong	一般保险业务 General insurance business	3,000,000,000 港元 (普通股) HK\$3,000,000,000 (Ordinary)	100%	不适用 N/A
香港年金有限公司 [^] HKMC Annuity Limited [^]	香港 Hong Kong	长期保险业务 Long term insurance business	5,000,000,000 港元 (普通股) HK\$5,000,000,000 (Ordinary)	100%	不适用 N/A
香港按揭证券融资(第一)有限公司* HKMC Funding Corporation (1) Limited*	香港 Hong Kong	于二零一八年并无商业活动 No business activity in 2018	1,000 港元 (普通股) HK\$1,000 (Ordinary)	不适用 N/A	不适用 N/A
Bauhinia MBS Limited*	开曼群岛 Cayman Islands	于二零一八年并无商业活动 No business activity in 2018	1,000 美元 (普通股) US\$1,000 (Ordinary)	不适用 N/A	不适用 N/A
香港按揭信贷保证有限公司 HKMC Credit & Guarantee Corporation Limited	香港 Hong Kong	不活动状态 Dormant	1 港元 (普通股) HK\$1 (Ordinary)	不适用 N/A	100%
Hong Kong Mortgage Credit & Guarantee Corporation Limited	香港 Hong Kong	不活动状态 Dormant	1 港元 (普通股) HK\$1 (Ordinary)	不适用 N/A	100%

* 根据香港《公司条例》附表1，这些公司被定义为附属企业。这些公司为购入按揭贷款和发行按揭证券而成立，而本公司并没有持有这些公司的股份。

于二零一八年二月，本公司注资2,999,999,900港元，以补足按证保险公司的已发行及缴足资本30亿港元，但不配发及发行新股份，而于二零一八年五月，按证保险公司获保险业监管局正式授权，可进行从本公司转移的一般保险业务。在上述转移后，本公司已撤销其于或自香港经营一般保证业务的授权。

^ 于二零一八年四月，政府透过外汇基金向本公司提供额外50亿港元的股本。同日，本公司向香港年金公司注资4,999,999,900港元，作为香港年金公司经营年金业务的股本。于二零一八年五月，香港年金公司获保险业监管局授权，可于或自香港经营长期保险业务。

* These companies are subsidiary undertakings as defined in Schedule 1 to the Hong Kong Companies Ordinance and the Company does not hold shares in these companies which are set up for mortgage purchases and mortgage-backed securities issuance.

In February 2018, the Company injected HK\$2,999,999,900 to make up issued and paid-up capital of HK\$3 billion of the HKMCI without allotting and issuing new shares and the HKMCI was granted formal authorisation from the Insurance Authority to carry on general insurance business which was transferred from the Company in May 2018. Subsequent to the said transfer, the Company withdrew its authorisation to carry on general insurance business in or from Hong Kong.

^ In April 2018, the Government through the Exchange Fund provided additional share capital of HK\$5 billion into the Company. HK\$4,999,999,900 was injected by the Company into the HKMCA on the same day as share capital for the latter to operate the annuity business. The HKMCA was granted authorisation by the Insurance Authority to carry on long term insurance business in or from Hong Kong in May 2018.

23. 预付款项、按金及其他资产

23. Prepayments, deposits and other assets

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
公司会籍债券	Corporate club debentures	750	750
信贷支持附件应收款项	CSA receivable	137,483	29,315
在报告日后执行结算的债务证券的应收款项	Receivables from debt securities executed for settlement after the reporting date	488,021	—
其他应收款项	Other receivable	172,306	3,279
收回资产	Reposessed assets	—	4,324
其他资产	Other assets	30,931	29,486
		829,491	67,154

24. 固定资产

24. Fixed assets

		办公设备、 家俬及装备 Office equipment, furniture and fixtures	电脑 Computers	汽车 Motor vehicle	总额 Total	
		租赁物业装修 Leasehold improvement	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
于二零一七年一月一日	Net book amount as at					
账面净额	1 January 2017	5,805	669	11,848	205	18,527
添置	Additions	11,879	812	17,526	–	30,217
折旧(附注 11)	Depreciation charge (Note 11)	(6,131)	(599)	(7,598)	(87)	(14,415)
于二零一七年十二月三十一日	Net book amount as at					
账面净额	31 December 2017	11,553	882	21,776	118	34,329
添置	Additions	7,961	4,228	26,619	–	38,808
折旧(附注 11)	Depreciation charge (Note 11)	(5,579)	(1,074)	(12,630)	(88)	(19,371)
于二零一八年十二月三十一日	Net book amount as at					
账面净额	31 December 2018	13,935	4,036	35,765	30	53,766
于二零一八年十二月三十一日	As at 31 December 2018					
成本值	Cost	47,755	12,759	218,355	775	279,644
累计折旧	Accumulated depreciation	(33,820)	(8,723)	(182,590)	(745)	(225,878)
账面净额	Net book amount	13,935	4,036	35,765	30	53,766
于二零一七年十二月三十一日	As at 31 December 2017					
成本值	Cost	39,794	8,576	191,736	775	240,881
累计折旧	Accumulated depreciation	(28,241)	(7,694)	(169,960)	(657)	(206,552)
账面净额	Net book amount	11,553	882	21,776	118	34,329

25. 应付利息

25. Interest payable

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
以下各项的应付利息：	Interest payable from:		
— 已发行债务证券	— debt securities issued	229,577	181,799
— 利率掉期合约	— interest rate swap contracts	20,088	5,927
— 其他负债	— other liabilities	7,803	4,407
		257,468	192,133

26. 应付账项、应付开支及其他负债

26. Accounts payable, accrued expenses and other liabilities

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
应付账项及应付开支	Accounts payable and accrued expenses	248,121	374,373
其他负债	Other liabilities	4,762,799	4,945,650
其他拨备	Other provision	50,759	43,240
		5,061,679	5,363,263

其他负债是指中小企融资担保计划下的特别优惠措施所收到的担保费及拨款(已扣除申索及相关开支)370,511,000港元(二零一七年:626,271,000港元)(附注33),与及指用于二零零三年十二月及二零零四年一月自政府购买的按揭贷款信贷安排加强措施的递延代价4,392,288,000港元(二零一七年:4,319,379,000港元)。

Other liabilities represented the guarantee fee and fund received (net of claims and related expenses) of HK\$370,511,000 (2017: HK\$626,271,000) under the special concessionary measures of the SME Financing Guarantee Scheme (Note 33) and the deferred consideration of HK\$4,392,288,000 (2017: HK\$4,319,379,000) used for credit enhancement on the mortgage loans purchased from the Government in December 2003 and January 2004.

27. 保险负债及再保险资产

27. Insurance liabilities and reinsurance assets

		2018			2017		
		毛额	再保险	净额	毛额	再保险	净额
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
一般保险业务：	General insurance:						
未到期保费及担保费用拨备	Provision for unearned premiums and guarantee fees	1,290,372	166,383	1,123,989	1,095,805	160,143	935,662
未决申索拨备：	Provision for outstanding claims:						
— 已申报/(已收回) 申索	— claims reported/(recovery)	2,236	(1)	2,237	7,135	193	6,942
— 已产生但未申报申索	— claims incurred but not reported	30,236	5,136	25,100	27,210	4,265	22,945
		32,472	5,135	27,337	34,345	4,458	29,887
		1,322,844	171,518	1,151,326	1,130,150	164,601	965,549
人寿保险：	Life insurance:						
保单持有人负债	Policyholders' liabilities	3,284,529	—	3,284,529	—	—	—
		4,607,373	171,518	4,435,855	1,130,150	164,601	965,549

(a) 一般保险业务

(a) General insurance

- (i) 未到期保费及担保费用拨备变动分析如下

- (i) Analysis of movement in provision for unearned premiums and guarantee fees

		2018			2017		
		毛额	再保险	净额	毛额	再保险	净额
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于一月一日	As at 1 January	1,095,805	160,143	935,662	1,013,155	142,155	871,000
已收取保费(附注9)	Premiums written (Note 9)	634,757	69,018	565,739	493,459	76,383	417,076
已到期保费(附注9)	Premiums earned (Note 9)	(440,190)	(62,778)	(377,412)	(410,809)	(58,395)	(352,414)
于十二月三十一日	As at 31 December	1,290,372	166,383	1,123,989	1,095,805	160,143	935,662

(ii) 未决申索拨备变动分析如下

(ii) Analysis of movement in provision for outstanding claims

		2018			2017		
		毛额	再保险	净额	毛额	再保险	净额
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于一月一日	As at 1 January	34,345	4,458	29,887	35,395	3,872	31,523
已付申索	Claims paid	(7,556)	-	(7,556)	(4,978)	(510)	(4,468)
已收回申索	Claims recovery	1,908	294	1,614	2,448	257	2,191
已产生/(回拨)申索	Claims incurred/(written back)						
(附注9):	(Note 9):						
— 已申报申索	— claims reported	749	(488)	1,237	(1,316)	211	(1,527)
— 已产生但未申报申索	— claims incurred but not reported	3,026	871	2,155	2,796	628	2,168
		3,775	383	3,392	1,480	839	641
于十二月三十一日	As at 31 December	32,472	5,135	27,337	34,345	4,458	29,887

(b) 人寿保险

(b) Life insurance

(i) 保单持有人负债变动分析

(i) Analysis of movement in policyholders' liabilities

		2018			2017		
		毛额	再保险	净额	毛额	再保险	净额
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
于一月一日	As at 1 January	-	-	-	-	-	-
已付申索及已付利益	Claims and benefits paid	(33,116)	-	(33,116)	-	-	-
已产生申索及保单持有人负债变动(附注9)	Claims incurred and movement in policyholders' liabilities (Note 9)	3,317,645	-	3,317,645	-	-	-
于十二月三十一日	As at 31 December	3,284,529	-	3,284,529	-	-	-

(ii) 主要假设及负债预订的方法

对于长期保险合同，经济假设会持续检讨及更新。非经济假设亦至少每年检讨一次。

根据公认精算原则及《保险业条例》内香港《保险业(长期负债厘定)规则》的规例，就个人寿保险责任采用经修订定额净保费估值法进行估值，下限为退保现金价值。

(ii) Key assumptions and reserving approach

For long term insurance contracts, economic assumptions are continually reviewed and updated. Non-economic assumptions are reviewed at least annually.

Based on generally accepted actuarial principles and in accordance with Hong Kong Insurance Companies (Determination of Long Term Liabilities) Regulation of the Insurance Ordinance, the valuation of individual life liabilities was carried out using the Modified Net Level Premium Valuation method, subject to a minimum of the surrender value.

(c) 负债充足测试

进行负债充足测试时，考虑全部合约现金流量及申索处理费用等相关现金流量的现时估计，测试显示于二零一八年十二月三十一日及二零一七年十二月三十一日，本集团的保险负债充足。

(c) Liability adequacy test

The liability adequacy test considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, the test shows that, as at 31 December 2018 and 31 December 2017, the Group's insurance liabilities are adequate.

28. 已发行债务证券

28. Debt securities issued

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
按摊销成本列账的债务证券	Debt securities carried at amortised cost		
中期债券	MTN	14,540,716	13,260,416
按摊销成本列账的债务证券总额	Total debt securities carried at amortised cost	14,540,716	13,260,416
指定为对冲项目并以公平值对冲的债务证券	Debt securities designated as hedged items under fair value hedge		
债务工具发行计划债券	DIP notes	1,808,922	2,948,131
中期债券	MTN	20,799,258	18,490,213
指定为对冲项目并以公平值对冲的债务证券总额	Total debt securities designated as hedged items under fair value hedge	22,608,180	21,438,344
于初始确认时指定为以公平值变化计入损益的债务证券	Debt securities designated as at fair value through profit or loss upon initial recognition		
债务工具发行计划债券	DIP notes	143,981	141,946
于初始确认时指定为以公平值变化计入损益的债务证券总额	Total debt securities designated as at fair value through profit or loss upon initial recognition	143,981	141,946
已发行债务证券总额	Total debt securities issued	37,292,877	34,840,706

年内没有发行(二零一七年:无)于初始确认时指定以公平值变化计入损益的债务证券。该等债务证券之公平值变动源于基准利率的改变。于初始确认时,指定为以公平值变化计入损益的金融负债账面值,较本集团根据合约规定于到期时须向债券持有人支付的金额少40,019,000港元(二零一七年:42,054,000港元)。

该等指定为以公平值列账的金融负债没有源自本集团之信贷风险变动引起任何重大盈亏。

During the year, no debt securities (2017: nil) were designated on initial recognition as at fair value through profit or loss. The fair value changes are attributable to changes in benchmark interest rates for the debt securities designated as at fair value through profit or loss. The carrying amount of the financial liabilities designated as at fair value through profit or loss upon initial recognition is HK\$40,019,000 (2017: HK\$42,054,000) lower than the amount that the Group would be contractually required to pay at maturity to the note holders.

There were no significant gains or losses attributable to changes in the credit risk of the Group for those financial liabilities designated as at fair value.

已发行债务证券的变动概述如下：

The movement in debt securities issued is summarised as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
于一月一日	As at 1 January	34,706,897	35,782,600
发行	Issuance	34,074,308	28,428,582
减：赎回	Less: Redemption	(31,289,536)	(29,509,026)
外币汇兑差额	Exchange difference	3,154	4,741
名义价值总额	Total nominal value	37,494,823	34,706,897
未摊销折让部分	Unamortised portion of discount	(92,638)	(85,832)
公平值调整	Fair value adjustment	(109,308)	219,641
于十二月三十一日	As at 31 December	37,292,877	34,840,706

本年度发行的债券：

Notes issued during the year comprise:

		中期债券 MTN 千港元 HK\$'000
已发行金额面值	Amount issued at nominal value	34,074,308
已收取款项	Consideration received	34,006,865

所有已发行的债务证券均属本集团无抵押责任，而发行该等债务证券旨在提供一般营运资金及作再融资用途。

All the debt securities issued are unsecured obligations of the Group, and are issued for the purposes of providing general working capital and refinancing.

29. 股本

29. Share capital

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
已发行及缴足： 20亿股普通股	Issued and fully paid: 2 billion ordinary shares	7,000,000	2,000,000

股本变动概述如下：

The movement in share capital is summarised as follows:

		千港元 HK\$'000
于二零一七年十二月三十一日	As at 31 December 2017	2,000,000
注资	Capital injection	5,000,000
于二零一八年十二月三十一日	As at 31 December 2018	7,000,000

30. 与有关连人士订立的重大交易

30. Material related party transactions

- (a) 本公司及其全资附属公司由财政司司长以外汇基金管理人身份所拥有。本集团于本年度内与下列有关连人士订立以下重大交易：

与政府相关机构香港金管局交易如下：

- (i) 本集团使用由香港金管局所营运的债务工具中央结算系统服务所提供托管及结算代理服务，并缴付费用总额180万港元（二零一七年：160万港元）给香港金管局，作为本年度使用该服务的费用；
- (ii) 本公司于本年度产生1,780万港元（二零一七年：1,660万港元）借调费，作为从香港金管局借调员工的费用；

- (a) The Company and its wholly-owned subsidiaries are owned by the Financial Secretary of Hong Kong as Controller of the Exchange Fund. The Group entered into the following material transactions with the following related parties during the year:

Transactions with the HKMA, a Government-related entity, are as follows:

- (i) the Group subscribed to the custodian and clearing agent services provided by the Central Money Markets Unit Service operated by the HKMA and paid a total fee amount of HK\$1.8 million (2017: HK\$1.6 million) to the HKMA for such services during the year;
- (ii) the Company incurred a secondment fee of HK\$17.8 million (2017: HK\$16.6 million) for secondees from the HKMA during the year;

(iii) 本公司于本年度缴付60万港元(二零一七年: 60万港元)予香港金管局, 作为后备场所的服务费;

(iv) 金融管理专员透过外汇基金向本公司提供300亿港元的循环信贷, 于二零一八年十二月三十一日并无未偿还余额(二零一七年: 无); 及

(v) 金融管理专员透过外汇基金承诺向本公司注入额外资金高达200亿港元作为股本, 以资助本公司向香港年金公司的额外注资, 而本公司已承诺向香港年金公司注入相应额外资金作为其股本, 以保持香港年金公司的偿债能力超过一定水平。

与政府的交易如下:

(i) 本公司于本年度向财政司司长法团购买2.81亿港元(二零一七年: 2.93亿港元)按揭贷款; 及

(ii) 本集团就现有的中小企融资担保计划, 提供以优惠的担保费水平及由政府支付的总贷款保证承担额为1,000亿港元的八成担保保障的贷款担保产品, 详情载列于附注33。

(iii) the Company paid a back-up site service fee of HK\$0.6 million (2017: HK\$0.6 million) to the HKMA during the year;

(iv) the Monetary Authority through the Exchange Fund has provided the Company with a HK\$30 billion Revolving Credit Facility and there was no outstanding balance as at 31 December 2018 (2017: nil); and

(v) the Monetary Authority through the Exchange Fund has committed to inject additional funds up to HK\$20 billion into the Company as equity for the purpose of financing the Company's additional capital injection into the HKMCA, and the Company has committed to inject such additional funds into the HKMCA as equity to maintain the HKMCA's margin of solvency above a certain level.

Transactions with the Government are as follows:

(i) the Company purchased mortgage loans of HK\$281 million (2017: HK\$293 million) from The Financial Secretary Incorporated during the year; and

(ii) the Group provided a loan guarantee product with 80% guarantee coverage under the existing SME Financing Guarantee Scheme (**SFGS**) at a concessionary guarantee fee rate and up to a total loan guarantee commitment of HK\$100 billion reimbursable by the Government with details set out in Note 33.

与香港按揭管理有限公司(本公司的全资附属公司)的交易包括下列各项：

- (i) 本公司为取得及批出本公司不同项目及计划下附有一般保险保障的贷款提供资金。自二零一八年五月一日起，一般保险业务由本公司转移至按证保险公司后，按证保险公司为香港按揭管理有限公司在正常业务过程中根据按揭保险计划及安老按揭计划下的安老按揭贷款及补价易贷款保险计划下的补地价贷款所购买的按揭贷款提供保险保障；及
- (ii) 本公司(作为计划营运者)、香港按揭管理有限公司及各参与银行(作为贷款人)订立小型贷款计划项下的贷款参与协议，据此香港按揭管理有限公司将为全部或部分小型贷款提供资金。

与香港年金公司或按证保险公司(均为本公司的全资附属公司)的交易如下：

- (i) 本公司提供最高达100亿港元的信贷以协助香港年金公司为其年金业务提供资金，于二零一八年十二月三十一日的结余为3,510万港元(二零一七年：无)；
- (ii) 本公司提供最高达20亿港元的信贷以协助按证保险公司为其业务提供资金，于二零一八年十二月三十一日并无结余(二零一七年：无)；

Transactions with HKMC Mortgage Management Limited (**HMML**), a wholly-owned subsidiary of the Company, included the following:

- (i) the Company provided funding for acquisition and origination of loans with general insurance cover under different programmes and schemes of the Company. Following the transfer of general insurance business from the Company to the HKMCI effective from 1 May 2018, the HKMCI provided insurance cover for mortgage loans purchased by the HMML under the MIP, and reverse mortgage loans under the Reverse Mortgage Programme (**RMP**) and loans for premium settlement under the Premium Loan Insurance Scheme originated by the HMML in the course of the ordinary business; and
- (ii) the Company as scheme operator, the HMML and various participating banks as loan originators entered into loan participation agreements under the Microfinance Scheme pursuant to which the HMML would fund all or part of the microfinance loans.

Transactions with the HKMCA or the HKMCI, both being wholly-owned subsidiaries of the Company, are as follows:

- (i) the Company provided a facility up to HK\$10 billion to assist the HKMCA in funding its operations in relation to the annuity business and there was an outstanding balance of HK\$35.1 million as at 31 December 2018 (2017: nil);
- (ii) the Company provided a facility up to HK\$2 billion to assist the HKMCI in funding its operations and there was no outstanding balance as at 31 December 2018 (2017: nil);

- | | |
|--|--|
| <p>(iii) 本公司与按证保险公司订立现金存款安排，以管理按证保险公司初始资本及正常业务营运过程中所产生的盈余资金。年内的利息开支为1,360万港元，而于二零一八年十二月三十一日，按证保险公司的现金存款并无结余；</p> | <p>(iii) the Company entered into a cash placement arrangement with the HKMCI for managing the initial capital and surplus funds generated in the normal course of business operations of the HKMCI. The interest expense thereon was HK\$13.6 million during the year and there was no outstanding balance for the cash placement from the HKMCI as at 31 December 2018;</p> |
| <p>(iv) 本公司与香港年金公司订立现金存款安排，以管理在香港年金公司初始资本及正常业务营运过程中所产生的盈余资金。年内的利息开支为210万港元，而于二零一八年十二月三十一日，香港年金公司的现金存款结余为4,400万港元；</p> | <p>(iv) the Company entered into a cash placement arrangement with the HKMCA for managing the initial capital and surplus funds generated in the normal course of business operations of the HKMCA. The interest expense thereon was HK\$2.1 million during the year and there was an outstanding balance of HK\$44 million for the cash placement from the HKMCA as at 31 December 2018;</p> |
| <p>(v) 本公司的一般保险业务自二零一八年五月一日起转移至按证保险公司。于转移后，本公司已撤销其于或自香港经营一般保证业务的授权。本公司就按证保险公司妥善履行其现有一般保险业务及计划所产生的责任向参与贷款人发出母公司担保保证；及</p> | <p>(v) the Company's general insurance business was transferred to the HKMCI with effect from 1 May 2018. Subsequent to the transfer, the Company withdrew its authorisation to carry on general insurance business in or from Hong Kong. The Company issued a parental guarantee in favour of the participating lenders for the HKMCI's due performance of its obligations arising from its existing general insurance business programmes and schemes; and</p> |
| <p>(vi) 本公司与香港年金公司就向香港年金公司更替650万港元的年金系统订立约务更替协议。</p> | <p>(vi) the Company entered into a novation agreement with the HKMCA regarding the novation of an annuity system of HK\$6.5 million to the HKMCA.</p> |

本公司向其附属公司提供总部企业支援服务及资金筹措安排。该等交易的费用按公平基准厘定。

There were arrangements whereby the Company provided headoffice corporate support services and funding arrangements to its subsidiaries. Fees on these transactions are determined on an arm's length basis.

于十二月三十一日应付相关连人士的应收/付结余如下：

The balances of the amounts due from/to the relevant related parties as at 31 December are as follows:

		外汇基金 The Exchange Fund		政府 The Government	
		2018 千港元 HK\$'000	2017 千港元 HK\$'000	2018 千港元 HK\$'000	2017 千港元 HK\$'000
外汇基金存款(附注21)	Placements with the Exchange Fund (Note 21)	7,734,934	—	—	—
其他负债(附注26及33)	Other liabilities (Notes 26 and 33)	—	—	4,762,799	4,945,650

(b) 主要管理层人员

主要管理层人员为直接或间接有权力及负责策划、指挥及控制本集团业务的人士，包括董事及高级管理人员。

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and senior officers.

本年度主要管理层人员的薪酬如下：

Key management personnel's compensation for the year is as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
薪金及其他短期雇员福利	Salaries and other short-term employee benefits	23,270	21,426
离职后福利	Post-employment benefits	2,274	2,088
		25,544	23,514

31. 承担

31. Commitments

(a) 资本

(a) Capital

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
已批准及订约	Authorised and contracted for	803	4,176
已批准但未订约	Authorised but not contracted for	42,269	41,784
		43,072	45,960

(b) 经营租约

(b) Operating lease

于呈报期末，根据不可注销的经营租约而须作出的未来最低租金付款总额分析如下：

Total future minimum lease payments under non-cancellable operating lease at the end of the reporting period are analysed as follows:

		2018 千港元 HK\$'000	2017 千港元 HK\$'000
办公室物业：	Office premises:		
— 不多于一年	— not later than one year	53,197	49,179
— 多于一年至不多于五年	— later than one year and not later than five years	50,313	94,993
		103,510	144,172

32. 按揭保险计划及安老按揭计划

32. Mortgage Insurance Programme and Reverse Mortgage Programme

于二零一八年十二月三十一日，本集团按揭保险计划的风险投保总额约为237亿港元（二零一七年：211亿港元），其中40亿港元（二零一七年：35亿港元）已向核准再保险公司购买再保险，而本集团则自行承担余下197亿港元（二零一七年：176亿港元）的风险。

As at 31 December 2018, the total risk-in-force of the Group under the MIP is approximately HK\$23.7 billion (2017: HK\$21.1 billion) of which HK\$4 billion (2017: HK\$3.5 billion) was ceded to the approved reinsurers and the balance of HK\$19.7 billion (2017: HK\$17.6 billion) was retained by the Group.

于二零一八年十二月三十一日，由本集团承担的安老按揭计划风险投保总额约为96亿港元（二零一七年：69亿港元）。

As at 31 December 2018, the total risk-in-force of the Group under the RMP borne by the Group was approximately HK\$9.6 billion (2017: HK\$6.9 billion).

33. 中小企融资担保计划下的特别优惠措施

本集团就现有的中小企融资担保计划，提供以优惠的担保费水平及由政府支付总贷款保证承担额为1,000亿港元的八成担保保障的贷款担保产品。由此项特别信贷担保产品所收取的担保费，将首先全数用于支付相关的坏账偿付及相关开支，如有余款则将拨归予政府。如所收取的担保费不足以应付相关款额及费用，政府将会承担余额。本集团负责此产品的营运并承担日常营运开支。

有关这个特别的贷款担保产品，对本集团的综合收益表就有关担保费用的收入、违约索偿或其他直接相关开支并没有影响。基于本集团只是代表政府营运该产品，本集团认为有关此产品的风险和利益均属于政府。因此，该产品的风险承担并没有列于本集团的资产负债表外风险。

33. Special concessionary measures under the SME Financing Guarantee Scheme

The Group provides a loan guarantee product with 80% guarantee coverage under the existing SFGS at a concessionary guarantee fee rate and up to a total loan guarantee commitment of HK\$100 billion reimbursable by the Government. All guarantee fees collected under this special loan guarantee product are set aside to meet the relevant default claims and related out-of-pocket expenses. The remaining balance of the guarantee fees, if any, will be returned to, and any shortfall will be borne by, the Government. The Group is responsible for the operation of the product and the applicable day-to-day operating costs.

Regarding this special loan guarantee product, there was no impact on the consolidated income statement of the Group in respect of guarantee fee revenue, default claims or any direct expenses involved. Given that the Group only operates this product for the Government, the Group considers the risk and rewards associated with this product rest with the Government. Hence, the risk-in-force for this product is not included as the Group's off-balance sheet exposures.

34. 报告期后发生事项

于二零一九年，本集团透过其全资附属公司按证保险公司与外汇基金订立资本金存款协议，据此，于二零一九年四月三十日，按证保险公司将30亿港元存入外汇基金，而该笔存款投资于外汇基金的投资组合，回报率乃根据投资组合过去六年的年均回报率或上年度三年期政府债券的年均收益率（下限为0%）计算，以较高者为准。

34. Events occurring after the reporting period

The Group through its wholly-owned subsidiary, the HKMCI, entered into a capital placement agreement with the Exchange Fund in 2019, pursuant to which, on 30 April 2019, the HKMCI placed HK\$3 billion with the Exchange Fund, and such placements were invested in the Investment Portfolio of the Exchange Fund with a rate of return calculated on the basis of the average annual rate of return on the portfolio over the past six years or the average annual yield of three-year Government Bond in the previous year (subject to a minimum of zero percent), whichever is the higher.

35. 本公司的财务状况表及储备变动

35. Statement of financial position and reserve movement of the Company

35.1 本公司于二零一八年十二月三十一日的财务状况表

35.1 Statement of financial position of the Company as at 31 December 2018

	附注 Note	2018 千港元 HK\$'000	2017 千港元 HK\$'000
资产	ASSETS		
现金及短期资金	Cash and short-term funds	27,251,724	25,273,955
应收利息及汇款	Interest and remittance receivables	392,545	337,353
衍生金融工具	Derivative financial instruments	161,047	333,727
贷款组合净额	Loan portfolio, net	4,219,189	5,110,754
证券投资：	Investment securities：		
— 以公允价值变化计入其他全面收益	— at fair value through other comprehensive income	5,091,664	—
— 以公允价值变化计入损益	— at fair value through profit or loss	543,612	—
— 按摊销成本列账	— at amortised cost	8,938,368	—
— 可供出售	— available-for-sale	—	7,138,662
— 持有至到期	— held-to-maturity	—	10,347,834
附属公司投资	Interests in subsidiaries	10,211,083	2,533,099
预付款项、按金及其他资产	Prepayments, deposits and other assets	648,467	67,224
固定资产	Fixed assets	30,935	34,329
递延税项资产	Deferred tax assets	—	319
再保险资产	Reinsurance assets	—	164,616
资产总额	Total assets	57,488,634	51,341,872
负债	LIABILITIES		
应付利息	Interest payable	257,499	192,133
附属公司存款	Placements by subsidiary	44,000	—
应付账款、应付开支及其他负债	Accounts payable, accrued expenses and other liabilities	4,604,471	5,362,257
衍生金融工具	Derivative financial instruments	264,386	119,064
当期税项负债	Current tax liabilities	87,226	116,288
递延税项负债	Deferred tax liabilities	3,528	—
保险负债	Insurance liabilities	—	1,130,309
已发行债务证券	Debt securities issued	37,292,877	34,840,706
负债总额	Total liabilities	42,553,987	41,760,757
权益	EQUITY		
权益持有人应占股本及储备：	Capital and reserves attributable to the equity holders：		
股本	Share capital	7,000,000	2,000,000
保留溢利	Retained profits	7,937,098	5,693,762
风险储备	Contingency reserve	—	1,679,837
公允价值储备	Fair value reserve	(2,451)	207,516
权益总额	Total equity	14,934,647	9,581,115
负债及权益总额	Total liabilities and equity	57,488,634	51,341,872

董事局已于二零一九年四月三十日批准及授权刊行。

Approved and authorised for issue by the Board of Directors on 30 April 2019.

陈德霖

副主席兼执行董事

Norman T. L. Chan

Deputy Chairman and Executive Director

李令翔

执行董事兼总裁

Raymond L. C. Li

Executive Director and Chief Executive Officer

35.2 本公司的储备

35.2 Reserves of the Company

		保留溢利 Retained profits 千港元 HK\$'000	风险储备 Contingency reserve 千港元 HK\$'000	公平值储备 Fair value reserve 千港元 HK\$'000	总额 Total 千港元 HK\$'000
于二零一七年一月一日	As at 1 January 2017	4,822,686	1,739,389	82,320	6,644,395
本年度溢利	Profit for the year	811,524	—	—	811,524
其他全面收益：	Other comprehensive income:				
可供出售证券的公平值变动	Change in fair value of available-for-sale securities				
— 未变现收益净额	— net unrealised gains	—	—	191,162	191,162
— 出售时变现	— realisation on disposal	—	—	(83,161)	(83,161)
— 税项	— tax effect	—	—	17,195	17,195
本年度全面收益总额	Total comprehensive income for the year	811,524	—	125,196	936,720
由保留溢利转拨已满期 风险保费净额的50%或75% 至风险储备	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	(200,730)	200,730	—	—
由风险储备拨回至保留溢利	Release of contingency reserve to retained profits	260,282	(260,282)	—	—
于二零一七年十二月三十一日	As at 31 December 2017	5,693,762	1,679,837	207,516	7,581,115
采纳香港财务报告准则第9号 的变动	Changes on adoption of HKFRS 9	200,511	—	(202,799)	(2,288)
于二零一八年一月一日 经重列结余	Restated balance as at 1 January 2018	5,894,273	1,679,837	4,717	7,578,827
本年度溢利	Profit for the year	362,988	—	—	362,988
其他全面收益：	Other comprehensive income:				
以公平值变化计入其他全面收益 的债务证券公平值变动	Change in the fair value of debt securities at FVOCI	—	—	(7,182)	(7,182)
以公平值变化计入其他全面收益 的债务证券亏损拨备变动	Change in the loss allowance of debt securities at FVOCI	—	—	14	14
本年度全面收益总额	Total comprehensive income for the year	362,988	—	(7,168)	355,820
由保留溢利转拨已满期 风险保费净额的50%或75% 至风险储备	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	(63,784)	63,784	—	—
转移风险储备	Transfer of contingency reserve	1,743,621	(1,743,621)	—	—
于二零一八年十二月三十一日	As at 31 December 2018	7,937,098	—	(2,451)	7,934,647

36. 董事于交易、安排和合约中的重大利害关系

截至二零一八年十二月三十一日止年度内，不存在亦不曾订立本集团任何成员作为一方，对本公司业务属重要的，且年内曾为本公司董事的人士或其有关连实体（根据《公司条例》定义）在当中有直接或间接重大利害关系的任何交易、安排和合约。

36. Directors' material interests in transactions, arrangements and contracts

At no time during the year ended 31 December 2018, there subsisted or entered into any transaction, arrangement or contract of significance in relation to the Company's business, to which any member of the Group was a party, and in which any person who was a director of the Company at any time during the year or a connected entity (as defined in the Companies Ordinance) of any such person had, directly or indirectly, a material interest.

37. 通过财务报表

董事局于二零一九年四月三十日通过本财务报表。

37. Approval of financial statements

The financial statements were approved by the Board of Directors on 30 April 2019.

Abbreviations used in this Report

80% SFGS	80% guarantee product under the SME Financing Guarantee Scheme
Als	Authorized Institutions
ALCO	Asset and Liability Committee
BLRs	Best Lending Rates
CAR	Capital Adequacy Ratio
CC	Credit Committee
Code	Corporate Governance Code of the HKMC
Code of Conduct	Code of Conduct for the HKMC's staff
CRC	Corporate Risk Management Committee
CSA	Credit Support Annex
CSR	Corporate Social Responsibility
DIP	Debt Issuance Programme
Directors	Directors of the Corporation
ECL	Expected credit losses
Financial Secretary	The Financial Secretary of the Government
Financial Statements	Audited consolidated financial statements of the Company for the year ended 31 December 2018
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
Government	The Government of the Hong Kong Special Administrative Region
Group	The Company and its subsidiaries and subsidiary undertakings
Guidelines	Guidelines on Capital Adequacy Ratio
HA	Hong Kong Housing Authority
HIBORs	Hong Kong Interbank Offered Rates
HKASs	Hong Kong Accounting Standards
HKFRSs	Hong Kong Financial Reporting Standards
HKICPA	Hong Kong Institute of Certified Public Accountants
HKMA	Hong Kong Monetary Authority
HKMC/Corporation/Company	The Hong Kong Mortgage Corporation Limited 香港按揭證券有限公司
HKMCA	HKMC Annuity Limited 香港年金有限公司
HKMCI	HKMC Insurance Limited 香港按揭保險有限公司
HKSAR	Hong Kong Special Administrative Region
HKSAs	Hong Kong Standards on Auditing
HMML	HKMC Mortgage Management Limited 香港按揭管理有限公司
HS	Hong Kong Housing Society
IA	Insurance Authority
IFS	Infrastructure Financing and Securitisation
IFSIC	Infrastructure Financing and Securitisation Investment Committee
IP	Investment Portfolio of the Exchange Fund
IRM	Information Risk Management Department
LRC	Longevity Risk Committee
LTGP	Long Term Growth Portfolio of the Exchange Fund
MBS	Mortgage-backed securities
MFS	Microfinance Scheme
MIP	Mortgage Insurance Programme
Moody's	Moody's Investors Service, Inc.
MPP	Mortgage Purchase Programme
MTN	Medium Term Note
NGOs	Non-governmental organisations
ORC	Operational Risk Committee
Plan	HKMC Annuity Plan
PLIS	Premium Loan Insurance Scheme
RC	Risk Committees
RMP	Reverse Mortgage Programme
S&P	S&P Global Ratings
SFGS	SME Financing Guarantee Scheme
SMEs	Small and medium-sized enterprises
TAC	Transaction Approval Committee