

董事報告

Directors' Report

香港按揭證券有限公司(「本公司」)的董事局欣然提呈其報告及本公司(就本報告而言，連同其附屬公司及附屬企業，統稱「本集團」)截至二零一九年十二月三十一日止年度經審核的綜合財務報表(「財務報表」)。

主要業務

截至二零一九年十二月三十一日止年度內，本集團的主要業務包括：

- (a) 從有關批授人、發行人、擁有人或賣方，購買以位於香港的物業或其他抵押品作抵押的按揭或貸款組合，收購任何類別的債權證、應收款項、金融資產及據法權產；
- (b) 透過購買或其他方式，從政府部門和機構及相關組織、法定團體以及公營機構收購任何資產，並持有、出售、轉讓、處置及處理任何該等所收購的資產；
- (c) 向投資者發行債券；
- (d) 經營中央小型貸款平台以支援小型貸款；
- (e) 經營基建融資及證券化業務；
- (f) 受政府委託管理一個為參與的貸款機構借予本地非上市企業包括中、小型企業(「中小企」)及經營經驗尚淺的企業的貸款提供融資擔保的計劃；
- (g) 為參與的貸款機構所批出以住宅物業、壽險保單和其他資產(如適用)作抵押的按揭貸款、安老按揭貸款及保單逆按揭貸款提供按揭保險；及
- (h) 在或從香港提供終身年金產品。

本公司截止二零一九年十二月三十一日的附屬公司詳情載於財務報表附註20。

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 2019 (**Financial Statements**).

Principal Activities

The principal activities of the Group in the course of the year ended 31 December 2019 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 carry on the infrastructure financing and securitisation business;
- (f) to operate a scheme for the Government providing guarantee on loans advanced by participating lenders for local non-listed enterprises, including small and medium enterprises (**SMES**) and businesses with less operating history;
- (g) to provide mortgage insurance cover in respect of mortgage loans, reverse mortgage loans and policy reverse mortgage loans originated by participating lenders and secured on residential properties, life insurance policies and, if applicable, other assets; and
- (h) to offer life annuity products in or from Hong Kong.

Details of subsidiaries of the Company as at 31 December 2019 are set out in Note 20 to the Financial Statements.

業務審視

1. 業務板塊

為完成其使命和社會目標，本集團年內以審慎商業原則運作，主要通過實施並經營下列項目、計劃和業務，從事擔保、參與、安排及購買貸款、按揭保險和終身年金的業務活動。

購買按揭貸款計劃

本集團的使命之一，是透過提供可靠的流動資金來源，加強香港銀行業的穩定性。為完成此使命，本集團一直做好準備，以便隨時於核准賣方有需要減持資產套現時，從核准賣方買入按揭貸款和其他資產。年內，市場資金充裕，銀行出售資產套現的意欲偏低。

按揭保險計劃

推出按揭保險計劃，容許自置居所人士取得較高按揭成數，從而減輕其支付首期的負擔，目的是促進香港有更多自置居所。在該計劃下，本集團扮演保險公司的角色，為參與的貸款機構批出的按揭貸款，當中超出香港金融管理局規定的貸款上限部分，提供按揭保險保障，並收取保費。自一九九九年三月推出以來，該計劃的公眾認受性日益提升。二零一九年，該計劃所批核的新提取按揭貸款總額為333億港元（二零一八年：325億港元）。

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 guarantee, participation, origination and acquisition, mortgage insurance and life annuity mainly through the implementation and operation of the programmes, schemes and businesses 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 banks to offload their assets.

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 lenders 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 2019, the total amount of mortgage loans drawn down under the MIP was HK\$33.3 billion (2018: HK\$32.5 billion).

安老按揭計劃

推出安老按揭計劃，旨在給予自置居所業主新的退休規劃選擇，藉此提升其退休生活素質。透過安老按揭，自置居所業主可以利用自住物業作為抵押品，從參與的貸款機構換取一筆過款項及／或於一段付款期內持續每月收取款項。在該計劃下，本集團主要擔當保險公司的角色，為參與的貸款機構所批出的安老按揭貸款，提供按揭保險保障，並收取保費。本集團一直推行重點教育活動，令安老按揭計劃的市場認受程度不斷提升。

保單逆按計劃

推出保單逆按計劃，旨在給予退休人士新的退休規劃選擇，藉此提升其退休生活質素。保單逆按計劃參考安老按揭計劃的業務模式，令借款人可動用壽險保單的身故賠償作為抵押品，從參與的貸款機構換取一筆過款項及／或於一段付款期內持續每月收取款項。在該計劃下，本集團主要擔當保險公司的角色，為參與的貸款機構所批出的保單逆按貸款，提供按揭保險保障，並收取保費。年內，本集團於各區推廣保單逆按計劃，以吸引廣大社會階層。

中小企融資擔保計劃

中小企融資擔保計劃是一個由市場主導的貸款擔保計劃，透過為參與的貸款機構所批出的企業貸款提供五至七成擔保，協助本地非上市企業（包括中小企）應付經營業務及購置設備和資產的融資需求。以政府提供信貸擔保總額最多為1,000億港元作後盾。本集團在中小企融資擔保計劃下繼續營運八成信貸擔保產品，令中小企能改善資金周轉、把握經濟機遇及提升競爭力，作為政府對中小企銀行貸款的持續支援。

Reverse Mortgage Programme (RMP)

RMP is launched with the aim of providing homeowners with a new retirement 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, market receptiveness to the RMP has been growing progressively.

Policy Reverse Mortgage Programme (PRMP)

PRMP is launched with the aim of providing retirees with a new retirement planning option to enhance their quality of life on retirement. Replicating the business model of the RMP, policy reverse mortgage enables borrowers to use the death benefits of their life policies as collateral in return for lump-sum payouts and/or a stream of monthly payouts from participating lenders over a payment term. Under the PRMP, the Group mainly acts as insurer to provide mortgage insurance cover for a premium on policy reverse mortgage loans advanced by participating lenders. Community-based promotions on the PRMP were staged during the year to engage broader segments of the society.

SME Financing Guarantee Scheme (SFSGS)

SFSGS 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. As the Government's continued support for SME bank financing, the Group continues to operate the 80% guarantee product under the SFSGS (80% SFSGS) on the backing of the Government's total guarantee commitment up to HK\$100 billion to enable SMEs to improve liquidity, grasp economic opportunities and boost competitiveness.

於二零一九年，作為政府為協助中小企渡過經濟不景而實施的部份連串紓困措施，八成信貸擔保產品的申請期及三項於二零一八年推出的優化措施(即擔保費年率減半、調升最高貸款額及延長貸款擔保期)進一步延長至二零二二年中甸。於九月，八成信貸擔保產品推出為期一年的新優化措施，提供可續期的延遲償還本金安排，全期最長為12個月。本集團亦及時在中小企融資擔保計劃下新推出九成信貸擔保產品，協助規模較小、經營經驗尚淺的企業取得融資，申請期直至二零二二年中甸，政府為此提供信貸擔保總額最多為330億港元。

年內，本集團與參與的銀行、中小企商會及工商業商會保持密切溝通，為貸款機構員工舉辦定期和專題培訓，推廣更多積極使用中小企融資擔保計劃。

香港年金計劃

推出香港年金計劃(「**年金計劃**」)，旨在幫助市民進行退休理財規劃，並促進本地年金市場發展。年金計劃提供另一退休理財方案，替長者將一筆過現金轉化為終身每月定額收入。在年金計劃下，本集團擔當保險公司的角色，銷售及批出年金保單並收取保費。

年內，本集團繼續在促進發展本地年金市場方面擔當重要角色。本集團加大宣傳教育力度，成功提高長壽風險管理及退休理財規劃重要性的公眾意識，促進本地年金市場的快速發展。該計劃不斷進行優化，包括提高個人保費最高上限及推行為期六個月的保費折扣推廣，更好地滿足老齡人口的需要。在二零一九年，本集團年金業務所收保費顯著增長16億港元，自二零一八年年中推出以來所收保費累計達44億港元。

In 2019, as part of the Government's successive relief packages for SMEs to tide over the economic downturn, the offer period and the three 2018 enhancements (namely, annual guarantee rate halved, maximum facility amount raised and maximum guarantee period extended) of the 80% SFGS were further extended to mid-2022; a new enhancement for the 80% SFGS was launched in September to offer, with a one-year offer period, a renewable principal moratorium up to twelve months for the whole of the initial and renewed periods; and the Group timely rolled out, with the offer period to end in mid-2022, a new 90% guarantee product under the SFGS on the backing of the Government's total guarantee commitment up to HK\$33 billion to help smaller-sized enterprises and businesses with relatively less operating experience to obtain financing.

During the year, the Group maintained close communication with participating banks, SME associations as well as commerce and industry chambers and provided regular and tailor-made training for lenders' staff members to promote the more active use of the SFGS.

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.

During the year, the Group continued to play an important role in fostering the development of the local annuity market. The Group stepped up its promotional and educational efforts which had successfully raised the public awareness of longevity risk management and the importance of retirement financial planning, thereby contributing to the rapid development of the local annuity market. The Plan underwent ongoing enhancements (including increase of maximum premium amount and a six-month premium discount campaign) to better serve the needs of the aging population. The annuity business of the Group recorded a noticeable growth of HK\$1.6 billion in premium receipts, reaching an accumulated premium receipt amount of HK\$4.4 billion in 2019 since its launch in mid-2018.

基建融資及證券化

環球基建融資市場資金缺口龐大並逐漸擴闊下，本集團在新設立的基建融資及證券化業務中，憑藉其卓越信貸評級和中長期資金融資能力，透過促進基建投融資活動，將能進一步履行其促進銀行業界長期穩定和本地債券市場發展的使命。

年內，本集團按照審慎商業原則在穩健的風險管理框架下營運基建融資及證券化新業務。

小型貸款計劃

推出小型貸款計劃，旨在以可負擔的息率提供貸款及給予輔助支援服務予有意創業、自僱或希望通過培訓、技能提升或考取專業資格自我增值的合資格人士。經董事批准，該計劃於二零一九年年底期滿並停止接受申請。

2. 市場環境

受中美貿易摩擦升溫、英國硬脫歐風險及中東地緣政局緊張等眾多因素帶來的巨大下行壓力困擾，全球經濟於二零一九年經歷同步放緩。美國經濟增長減慢，歐元區經濟輕微增長。中國內地經濟增長勢頭雖減速，但仍達增長目標。

面對多項嚴重不利外圍因素，香港經濟在二零一九年上半年已相當疲弱。受本地社會事件的嚴重打擊加重影響，經濟於下半年急劇轉差，錄得自二零零九年以來首次年度收縮。住宅物業市場在二零一九年首五個月普遍維持活躍之後自六月起一直進行整固。然而，樓價下調幅度溫和，仍與經濟基調及大眾負擔能力脫節。

Infrastructure Financing and Securitisation (IFS)

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 the long-term 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.

During the year, the Group started the new IFS business and carried out the approved business plan based on prudent commercial principles and under a robust risk management framework.

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. As approved by the Directors, the MFS expired and ceased to accept application at the end of 2019.

2. Market Environment

The global economy experienced a synchronised slowdown in 2019, beset with considerable downward pressures from an array of factors including the escalation of US-China trade tensions, risk of a hard Brexit and heightened geopolitical tensions in the Middle East. Economic growth in the US eased and that in the euro area was modest. The Mainland economy attained its growth target, although with a decelerated growth momentum.

Faced with significant external headwinds, the Hong Kong economy was already quite weak in the first half of 2019. Aggravated by the severe blow from the local social incidents, the economy deteriorated abruptly in the second half of the year and recorded its first annual contraction since 2009. The residential property market has been consolidating since June after staying generally active during the first five months of 2019. Yet, the downward adjustment had been moderate and property prices were still out of line with economic fundamentals and affordability of the general public.

3. 財務表現

股東應佔溢利上升至3.17億港元(二零一八年：1.27億港元)。盈利上升，主要由於本集團的年金業務基於精算假設下需要維持審慎的法定儲備因新增業務減少而下降，以及外匯基金存款投資回報增加，令會計虧損減少。然而，因為支持本集團的使命和政府的部分政策目標而需要增加投放資源，抵銷了部分盈利的增幅。因此，股東資金回報率為2.1%(二零一八年：0.9%)，而成本對收入比率則下降至58.7%(二零一八年：86%)。儘管年金業務錄得會計虧損，其內含價值約為53億港元，顯示業務長遠而言應能獲得盈利。本集團的財務表現綜合如下：

3. Financial Performance

Profit attributable to shareholder increased to HK\$317 million (2018: HK\$127 million). The increase in profitability was primarily attributable to the decrease in the accounting loss as a result of the decrease in provisions for maintaining prudent statutory reserves based on actuarial assumptions for the Group's annuity business along with lower business intake during the year and the increase in investment return on the placements with the Exchange Fund. Notwithstanding that, the increase in profit was partly offset by additional resources utilised for the Group's missions and certain policy initiatives of the Government. Accordingly, return on equity was 2.1% (2018: 0.9%) while cost-to-income ratio decreased to 58.7% (2018: 86%). Despite the reported accounting loss on annuity business, the embedded value of the annuity business was about HK\$5.3 billion, indicating that the business should be profitable in the long term. A summary of the Group's financial performance is set out below.

| | 二零一九年 ⁴ 2019 ⁴ | 二零一八年 2018 |
|----------------------|---|---------------|
| 股東應佔溢利(百萬港元) | 317 | 127 |
| 股東資金回報率 ¹ | 2.1% | 0.9% |
| 成本對收入比率 ² | 58.7% | 86.0% |
| 資本充足率 ³ | 30.2% | 26.8% |

¹ 股東資金回報率的計算方法，為股東應佔溢利除以權益持有人應佔股本及儲備的十二個月的月底平均結餘額。

² 成本對收入比率的計算方法，為經營支出除以經營收入、申索產生淨額、已付利益、保單持有人負責變動、佣金支出淨額及徵費支出的總和。

³ 資本充足率的計算方法，為資本基礎對信貸風險、市場風險和營運風險的加權風險總和的比率。

⁴ 扣除香港年金有限公司《本公司全資附屬公司》，基於精算假設為其年金業務維持審慎法定儲備而產生的會計虧損後，二零一九年經調整的股東應佔溢利、股東資金回報率和成本對收入比率分別為4.43億港元、4.2%及41.8%(二零一八年：分別為5.15億港元、5.1%及36.7%)。

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

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 After excluding the accounting loss as a result of maintaining prudent statutory reserves based on actuarial assumptions for annuity business by the HKMC Annuity Limited, a wholly-owned subsidiary of the Company, the adjusted profit attributable to shareholder, return on shareholder's equity and cost-to-income ratio for 2019 would be HK\$443 million, 4.2% and 41.8% respectively (2018: HK\$515 million, 5.1% and 36.7% respectively).

本集團二零一九年的收益表主要項目摘要如下：

- (a) 全年淨利息收入減少1,200萬港元至5.24億港元，主要由於到期及提早償還貸款使平均按揭貸款組合減少，惟有部分被年內購入的基建貸款及其他平均計息資產增加(即現金及債務投資)所抵銷；
- (b) 按揭保險淨保費收入為1.96億港元(二零一八年：2.22億港元)；
- (c) 年金業務的保險相關業績淨額(即已滿期保費淨額、申索產生淨額、已付利益、保單持有人負債變動及佣金和徵費支出的總和)錄得3.87億港元虧損(二零一八年：5.50億港元)，主要是因為基於精算假設所需而維持審慎的法定儲備，而資本及已收保費存放於外匯基金所得的投資回報則歸於其他收入項下；
- (d) 其他收入為4.65億港元(二零一八年：2.50億港元)，主要包括存放於外匯基金所得的投資收益4.65億港元(二零一八年：1.85億港元)、以公平值變動計入損益的投資收益淨額3,300萬港元(二零一八年：虧損淨額1,400萬港元)、投資股息收入2,000萬港元(二零一八年：5,900萬港元)及匯兌虧損3,800萬港元(二零一八年：1,200萬港元)；及
- (e) 經營支出為4.8億港元，較預算為少，用作支援本集團的使命及政府的若干政策。

Key items in the Group's income statement for 2019 are highlighted as follows:

- (a) net interest income for the year decreased by HK\$12 million to HK\$524 million, mainly due to the reduction of average mortgage loan portfolio as a result of loan repayment and prepayment, partially cushioned by the purchase of infrastructure loans during the year and increase in other average interest-earning assets (i.e. cash and debt investments);
- (b) net mortgage insurance premiums earned were HK\$196 million (2018: HK\$222 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\$387 million (2018: HK\$550 million), 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\$465 million (2018: HK\$250 million), mainly representing investment income of HK\$465 million (2018: HK\$185 million) from placements with the Exchange Fund, net gain of HK\$33 million (2018: net loss of HK\$14 million) on investments at fair value through profit or loss, dividend income of HK\$20 million (2018: HK\$59 million) from investments, and exchange loss of HK\$38 million (2018: gain of HK\$12 million); and
- (e) operating expenses were HK\$480 million, less than budget, to support the Group's missions and the Government's certain policy initiatives.

4. 財務狀況

於二零一九年十二月三十一日，本集團的資產總值合共675億港元。本集團財務狀況的主要變動如下：

- (a) 現金及短期資金微降15億港元至279億港元；
- (b) 投資組合微升1億港元至173億港元，當中4億港元投資於分類為以公平值變化計入損益投資的交易所買賣債券基金及房地產信託投資基金、120億港元於分類為按攤銷成本投資的債務投資及49億港元於分類為以公平值變化計入其他全面收益投資的債務投資；
- (c) 外匯基金存款為129億港元，為香港按證保險有限公司（「按證保險公司」）及香港年金有限公司（「年金公司」）的資本投資及年金公司的已收保費投資；
- (d) 貸款組合錄得增加5億港元至69億港元，主要是因為購入基建貸款，惟有部分被到期及提早償還按揭貸款組合所抵銷；
- (e) 未贖回債券總額增加24億港元至397億港元；
- (f) 保險負債為65億港元（二零一八年：46億港元），主因是由年金業務所引起的保險負債增加；
- (g) 權益持有人應佔股本及儲備增加3億港元至152億港元；及
- (h) 資產負債表外的主要風險，為按揭保險計劃和安老按揭計劃所承擔的風險。本集團就按揭保險計劃及安老按揭計劃在轉移風險給核准再保險公司後所承擔的剩餘風險，分別為231億港元（二零一八年：197億港元）及112億港元（二零一八年：96億港元）。安老按揭計劃的再保險安排始於二零一九年。

4. Financial Position

As at 31 December 2019, total assets of the Group amounted to HK\$67.5 billion. Key changes in the Group's financial position are as follows:

- (a) cash and short-term funds slightly decreased by HK\$1.5 billion to HK\$27.9 billion;
- (b) investment portfolio slightly increased by HK\$0.1 billion to HK\$17.3 billion, representing a total investment of HK\$0.4 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\$12.0 billion classified as amortised cost investments and of HK\$4.9 billion classified as investments at fair value through other comprehensive income;
- (c) placements with the Exchange Fund amounted to HK\$12.9 billion as capital investments of HKMC Insurance Limited (**HKMCI**) and HKMC Annuity Limited (**HKMCA**) and premium investments of the HKMCA;
- (d) loan portfolio recorded an increment of HK\$0.5 billion to HK\$6.9 billion, mainly attributable to purchase of infrastructure loans, partially offset by the repayment and prepayment of mortgage loan portfolio;
- (e) outstanding balance of debt securities issued increased by HK\$2.4 billion to HK\$39.7 billion;
- (f) insurance liabilities were HK\$6.5 billion (2018: HK\$4.6 billion), primarily due to the increase in insurance liabilities for annuity business;
- (g) capital and reserves attributable to equity holder increased by HK\$0.3 billion to HK\$15.2 billion; and
- (h) major off-balance sheet exposures were risk-in-force of the MIP and of the RMP. Exposures borne by the Group after ceding to the approved reinsurers for the MIP and the RMP were respectively HK\$23.1 billion (2018: HK\$19.7 billion) and HK\$11.2 billion (2018: HK\$9.6 billion). The RMP reinsurance arrangement started in 2019.

5. 資本管理

年內，為確保本集團按資本金的比例擴展其業務及資產負債表時不會產生過度風險，本集團嚴密監控資本充足程度及資金運用，並遵守財政司司長參照巴塞爾協定II以風險為本的資本充足框架下所發出的資本充足率指引（「指引」）。

根據指引，資本充足率的計算乃跟隨財務滙報的綜合基準，但扣除本公司受規管的附屬公司（即按證保險公司和年金公司，兩者均受保險業監管局規管的獲授權保險人，須遵守各自有關維持充足資本的法定要求）。

撇除兩間不予綜合的受規管附屬公司的投資成本後，本集團於二零一九年十二月三十一日的資本充足率保持30.2%（二零一八年十二月三十一日：26.8%）的穩健水平，遠高於指引規定的8%最低比率。於二零一九年十二月三十一日，按證保險公司和年金公司各自的償付能力充足率依次約為39倍（二零一八年十二月三十一日：42倍）及22倍（二零一八年十二月三十一日：34倍），遠高於保險業監管局分別規定不低於200%和150%的法定要求。

6. 本集團面對的主要風險及不明朗因素

本集團所面對的風險，為透過購買按揭貸款、按揭保險、商業貸款擔保、零售貸款融資與資本投資所得的貸款和投資組合產生的信貸風險。本集團亦於安老按揭及相關業務中面對利率、樓價及長壽風險，亦於年金業務中承受長壽、市場及流動資金風險。於二零一九年，本集團開始購入基建貸款，為其承受項目融資信貸風險。此外，本集團因促進業務營運亦面對市場風險，主要是利率風險及資產負債期滿錯配風險。

截至二零一九年十二月三十一日止年度內，所面對的風險與財務風險管理載列於財務報表附註3。

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. the HKMCI and the HKMCA, both being authorized insurers regulated by the Insurance Authority and subject to respective statutory requirements of maintaining adequate capital).

Excluding the investment cost of these two unconsolidated regulated subsidiaries, the CAR of the Group remained solid at 30.2% as at 31 December 2019 (31 December 2018: 26.8%), 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 2019 were about 39 times (31 December 2018: 42 times) and 22 times (31 December 2018: 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, and takes on longevity, market and liquidity risks under its annuity business. In 2019, the Group started to take on infrastructure loans which are exposed to project financing credit risk. 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 2019 are set out in Note 3 to the Financial Statements.

7. 本集團的環境政策與表現

年內，本集團繼續支持及實施種種環保措施，務求締造一個更環保的辦公室，並且在減少廢棄與珍惜能源方面加強員工意識。

8. 本集團對其有重要影響的相關法律與法規的合規情況

年內，概無與環境有關且對本集團造成重要影響的相關法律及法規。

9. 二零一九年終結後發生的、對本集團有影響的重要事件詳情

誠如二零二零至二一年度財政預算案及二零二零年四月初所公佈，作為部份逆週期措施，政府委託本集團：(a)在中小企融資擔保計劃下新推出百分百擔保特惠貸款產品，由政府提供總額最多為500億港元的信貸擔保；(b)就中小企融資擔保計劃下的八成及九成信貸擔保產品推出進一步優化措施；及(c)推出先導計劃以貸款總額最多10億港元購入定息香港住宅按揭。儘管推出中小企融資擔保計劃的新產品和優化措施及先導計劃或會增加本集團的相關營運成本，本集團在營運八成信貸擔保產品和中小企融資擔保計劃的其他新產品以及購買定息按揭先導計劃中將繼續全力支持政府。有關任何其他相關重要事件，請亦參閱財務報表附註32。

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

During the year, there were no relevant laws and regulations relating to the environment that have a significant impact on the Group.

9. Particulars of Important Events affecting the Group that have occurred since end 2019

As announced in the 2020-21 Budget and in early April 2020, as part of its counter-cyclical measures, the Government commissioned the Group to launch: (a) a new 100% guarantee product under the SFGS with a twelve-month offer period to support SME bank financing on the backing of the Government's total guarantee commitment up to HK\$50 billion, (b) further enhancements to the 80% and 90% guarantee products under the SFGS, and (c) a pilot scheme to purchase fixed-rate residential mortgages in Hong Kong in an aggregate loan amount up to HK\$1 billion. Notwithstanding the launch of such new SFGS product and enhancements and pilot scheme 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 the other new SFGS products as well as the pilot scheme for fixed-rate mortgage purchase. Please also refer to Note 32 to the Financial Statements for any other relevant important events.

10. 本集團業務相當可能有的未來發展的揭示

本集團將繼續從事現有多元業務，並按政府委託制定新優化措施、產品及計劃，以達成其核心使命及社會目標。此外，本集團將繼續維持其審慎的預先籌措資金策略，隨時準備為有需要的本地銀行業界提供流動資金。

11. 本集團與其僱員及對本集團有重要影響且本集團賴以成功的交易對手的重要關係

僱員

年內，本集團一直為僱員提供具競爭力的薪酬福利、事業前景、發展機會以及健康安全的工作環境。儘管本集團的營運範圍擴大且所提供的產品漸趨繁複，但透過系統自動化和流程改革，本集團堅守着精簡、有效率的人力運用。

本集團重視員工職訓，為不斷提升員工的專業知識與技能而投放了大量資源。所有新入職員工均獲提供導引課程，協助其掌握本集團的組織架構、使命、功能與政策等基礎知識。

截至二零一九年十二月三十一日，本集團的固定僱員編制為327人(二零一八年：309人)，員工流失率為9.37%(二零一八年：8.92%)。

交易對手

截至二零一九年十二月三十一日，就其貸款與保險組合，本集團在購買按揭貸款計劃下，共有34間核准賣方與32間核准管理供款機構；在按揭保險計劃下，共有7間核准再保險公司；在小型貸款計劃下，共有4間非政府機構。此外，按揭保險計劃下共有20間參與的貸款機構，而安老按揭計劃則有10間，保單逆按計劃有6間，小型貸款計劃有5間，中小企融資擔保計劃有31間。年金業務方面，截至年底，年金計劃有20間代理銀行及3間轉介銀行。

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

The Group will continue with its existing multi-faceted businesses and develop new enhancements, products and schemes as commissioned by the Government to attain its core missions and social objectives. 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 2019, the permanent staff establishment of the Group was 327 (2018: 309) and the staff turnover rate was 9.37% (2018: 8.92%).

Counterparties

With respect to its loan and insurance portfolios, as at 31 December 2019, 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 20 participating lenders under the MIP, 10 under the RMP, 6 under the PRMP, 5 under the MFS and 31 under the SFGS. In relation to the annuity business, there were 20 agent banks and 3 referral banks for the Plan at the end of the year.

債券

截至二零一九年十二月三十一日止年度內，本公司透過其60億美元多種貨幣中期債券發行計劃，發行了面值總額319億港元的債券，實收款項約318億港元。本年度發行債券所得款項均用作本集團的一般營運資金。本集團債券發行與贖回活動的概要載於財務報表附註26。

股息

考慮到業務發展的資金需求，董事局建議二零一九年不宣派股息（二零一八年：無）。

董事

年內或由年終至本報告的日期間且在即將舉行的本公司股東週年大會前的董事名單如下：

陳茂波先生 大紫荊勳賢 GBS MH JP
主席兼執行董事

余偉文先生 JP
副主席兼執行董事
(於二零一九年十月一日任命為副主席)

李達志先生 JP
執行董事 (於二零一九年十月一日獲委任)

李令翔先生 JP
執行董事兼總裁

劉怡翔先生 JP
非執行董事

陳帆先生 JP
非執行董事

林健鋒先生 GBS JP
非執行董事

Debt Securities

The Company issued notes with a total nominal value of HK\$31.9 billion under its multi-currency US\$6 Billion Medium Term Note Programme for a consideration of around HK\$31.8 billion during the year ended 31 December 2019. 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 26 to the Financial Statements.

Dividend

Having considered the capital requirements for the business development, Directors recommended that no dividend be declared for 2019 (2018: 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 Eddie YUE Wai-man, JP
Deputy Chairman and Executive Director
(designated as Deputy Chairman on 1 October 2019)

Mr Howard LEE Tat-chi, JP
Executive Director (appointed on 1 October 2019)

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

The Hon. James Henry LAU Jr., JP
Non-Executive Director

The Hon. Frank CHAN Fan, JP
Non-Executive Director

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

張國鈞先生 JP
非執行董事

郭榮鏗先生
非執行董事

陳家強教授 GBS JP
非執行董事

馮婉眉女士 BBS JP
非執行董事

王桂壠先生 BBS JP
非執行董事

陳錦榮先生
非執行董事 (於二零一九年五月十七日獲委任)

張亮先生
非執行董事

陳德霖先生 GBS JP
副主席兼執行董事 (於二零一九年十月一日辭任)

黃玉山教授 SBS BBS JP
非執行董事 (於二零一九年五月十七日退任)

施文信先生 GBS JP
非執行董事 (於二零一九年五月十七日退任)

黃舜芬女士 (又名趙黃舜芬女士)
非執行董事 (於二零一九年五月十七日退任)

根據本公司的公司章程細則第109條，所有非執行董事應於即將舉行的股東週年大會上退任，惟可參選連任。

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

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

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

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

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

Mr Clement CHAN Kam-wing
Non-Executive Director (appointed on 17 May 2019)

Mr Leong CHEUNG
Non-Executive Director

Mr Norman CHAN Tak-lam, GBS, JP
Deputy Chairman and Executive Director (resigned on 1 October 2019)

Professor WONG Yuk-shan, SBS, BBS, JP
Non-Executive Director (retired on 17 May 2019)

Mr Thomas Brian STEVENSON, GBS, JP
Non-Executive Director (retired on 17 May 2019)

Ms Estella WONG Sheun-fun (alias Mrs CHIU, Estella Sheun-fun)
Non-Executive Director (retired on 17 May 2019)

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.

除上述董事外，年內及由年終至本報告的日期間，本集團其他成員的董事局成員（或視情況而定，唯一董事）為：陳德霖先生（已辭任）、余偉文先生、李達志先生、李令翔先生、容渭樂先生、張亮先生、黃舜芬女士（又名趙黃舜芬女士）、林智遠先生、羅康平先生、林麗霞女士、劉應彬先生（已辭任）、管胡金愛女士、曹妙如女士、余煜榮先生、梁靜嫻女士、鄭文信先生、廖志強先生、鄭鑾銓先生、張少慧女士、沈施加美女士（已辭任）、盧綺霞女士（已辭任）、蔡綺文女士（亦為何小碧女士的候補董事）、何小碧女士（亦為蔡綺文女士的候補董事）、Intertrust Directors (Cayman) Limited 及金栢利秘書服務有限公司。

獲准許的彌償條文

惠及董事的獲准許的彌償條文（根據《公司條例》定義）在截至二零一九年十二月三十一日止年度內有效，且截至本報告的日期亦仍然有效。

董事於交易、安排或合約中的重大利害關係

截至二零一九年十二月三十一日止年度內，不存在亦不曾訂立本集團任何成員作為一方、對本公司業務屬重要的、且年內曾為董事的人士或其有關連實體（根據《公司條例》定義）在當中有直接或間接重大利害關係的任何交易、安排和合約。

Other than the Directors named above, persons who (or as the case may be, entities which) served on the boards (or as the case may be, the sole director) of the other members of the Group during the year and during the period beginning with the end of the year and ending on the date of this report are Mr Norman CHAN Tak-lam (resigned), Mr Eddie YUE Wai-man, Mr Howard LEE Tat-chi, Mr Raymond LI Ling-cheung, Mr YUNG Wai-sun, Mr Leong CHEUNG, Ms Estella WONG Sheun-fun (alias Mrs CHIU, Estella Sheun-fun), Mr Nelson LAM Chi-yuen, Mr Lawrence LAW Hong-ping, Ms Juliana LAM Lai-ha, Mr LAU Ying-pan (resigned), Mrs Agnes KOON WOO Kam-oi, Ms Agnes TSO Miu-yue, Mr Kenneth YU Yuk-wing, Ms LEUNG Ching-han, 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 (resigned), Ms LO Yee Har Susan (resigned), Ms CHOY Yee Man (also served as Alternate Director to Ms HO Siu Pik), Ms HO Siu Pik (also served as Alternate Director to Ms CHOY Yee Man), 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 2019 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 2019, 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.

核數師

財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將於本公司即將舉行的股東週年大會上退任，並在符合資格的情況下將參選連任。

承董事局命

陳茂波
主席兼執行董事

香港
二零二零年四月二十七日

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.

On behalf of the Board of Directors

Chan Mo-po, Paul
Chairman and Executive Director

Hong Kong
27 April 2020