



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

A N N U A L R E P O R T 年 報

2015

Core Missions

To promote:

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

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Financial Highlights

	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000
FOR THE YEAR			
Net interest income	590,328	650,955	651,993
Profit attributable to shareholders	725,152	745,973	982,404
Loan purchases	336,520	245,353	3,240,641
Debts issuance ¹	13,961,322	13,919,406	10,248,353
Net premiums written	271,251	281,766	274,639
AT YEAR END			
Loan portfolio, net	11,502,312	15,571,649	22,268,397
Debt securities issued	33,463,211	33,270,129	31,355,185
Mortgage insurance — risk-in-force ²	11,304,749	11,056,805	12,023,831
OTHER STATISTICS			
Net interest margin	1.2%	1.3%	1.4%
Capital adequacy ratio	21.9%	23.5%	21.0%
Cost-to-income ratio	25.7%	24.3%	18.1%
Return on assets	1.4%	1.4%	1.9%
Return on shareholders' equity	8.1%	8.4%	10.4%

¹ For debts with tenor of one year and above.

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

Chairman's Statement

Chairman's Statement

Under an uncertain economic environment in 2015, the Corporation achieved satisfactory financial results and remained resilient in fulfilling its core missions.

John C Tsang
Chairman



In 2015, the major advanced economies continued their divergent trends with the US reporting good domestic growth while recovery in Europe and Japan remained sluggish. The strengthening US economy finally prompted the US Federal Reserve to raise the federal funds target rate for the first time in almost a decade, marking the start of US interest rate normalisation. In contrast, the continued weak recovery and subdued inflation in Europe and Japan signalled likely further monetary easing. Growth in China had been moderating on weakened external demand and subdued private investment. Against this backdrop, the Hong Kong economy grew modestly during the year with moderating domestic demand and lacklustre export performance. At the same time, credit growth decelerated amid softer corporate credit demand, while the residential property market showed signs of consolidation recently.

Enhancing Banking and Financial Stability

Given that one of its core missions is to enhance the stability of the banking sector in Hong Kong by offering a reliable source of liquidity, the Corporation maintained its readiness to purchase mortgage loans and other assets from approved sellers, as and when they have the need to raise funds, during the course of the year. With ample liquidity in the markets, banks generally had little incentive to offload mortgage assets for liquidity purposes. Against this backdrop, the Corporation purchased about HK\$337 million of local assets in 2015.

Benefiting Home Ownership

The Mortgage Insurance Programme plays an important role in the property market in Hong Kong by enabling eligible borrowers to obtain loan financing for home purchases with higher loan-to-value (**LTV**) ratio, thereby reducing their down payment burden. Since 1999, the Corporation has helped more than 117,000 families buy their own homes. A significant majority of borrowers under the Programme bought homes in the secondary property market.

After the introduction of further prudential measures for residential mortgage loans by the Hong Kong Monetary Authority in February 2015, the Corporation, as part of its risk management process, tightened the Programme eligibility criteria by reducing the maximum Programme cover for eligible properties from 90% to 80% LTV ratio, except for first time homebuyers with regular salary and strong repayment ability. The total mortgage loans drawn down under the Programme was HK\$17.2 billion in 2015 (2014: HK\$16 billion).

Promoting Development of the Debt Market

The Corporation has remained a major and active corporate debt issuer in Hong Kong for more than a decade, thereby playing a key role in promoting the development of the local debt market. In 2015, the Corporation issued debt securities in different currencies (with tenor of 1 year or above) totalling around HK\$14 billion to fulfil its refinancing needs and support its business activities. Notably, the Corporation issued 30-year bonds totalling HK\$1 billion for the first time to support potential new fixed-rate businesses. The Corporation also retained its AAA credit rating from Standard & Poor's and Aa1 rating from Moody's.

Providing Elderly Home Owners with More Retirement Planning Choices

The Corporation launched its Reverse Mortgage Programme in 2011 to provide elderly home owners with an additional financial planning option to enhance their quality of life. Under the Programme, they could use their homes as collateral in return for lump-sum payouts and/or a stream of monthly payouts from participating banks. During 2015, with a view to offering greater flexibility to borrowers to increase their payouts, the Corporation introduced four major enhancements to the Programme. These were (a) allowing more than one residential property to be used as security for a reverse mortgage loan; (b) removing the requirement that the property used to secure a reverse mortgage loan must be the principal residence of the borrower(s); (c) increasing the maximum number of joint borrowers from two to three; and (d) accepting life insurance policies as additional security under a reverse mortgage loan. The Corporation received 368 reverse mortgage applications in 2015, 80% more than the previous year, indicating increasing public receptiveness of the Programme.

Assisting Subsidised Housing Owners in Land Premium Settlement

To improve the market supply of subsidised housing properties to the public, the Corporation launched the Premium Loan Insurance Scheme in September 2015. Under the Scheme, the Corporation provides mortgage insurance cover for lump-sum loans advanced by participating banks to owners of subsidised housing properties primarily to settle the land premiums in order to remove alienation restrictions on these properties. When these alienation restrictions are removed, the owners will be free to sell or let their properties in the open market. The loans covered by the Scheme are secured by mortgages on the subsidised housing properties in favour of the participating banks. The Scheme currently covers subsidised housing properties under (a) the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme of the Hong Kong Housing Authority, and (b) the Flat-for-Sale Scheme and Sandwich Class Housing Scheme of the Hong Kong Housing Society.

Promoting Hong Kong's Entrepreneurial Spirit

The Microfinance Scheme was launched in 2012 to promote and support entrepreneurial spirit in Hong Kong through a platform operated by the Corporation comprising a strategic support group of participating non-governmental organisations, banks and a group of public service-minded mentors with business or professional backgrounds. To support these goals and to help aspiring entrepreneurs to secure financing at affordable rates, the Corporation extended the Scheme for another three years ending in June 2018 and raised the aggregate lending amount to HK\$200 million. To market the Scheme, the Corporation organised entrepreneurship talks at tertiary institutions, and helped publicise the experiences of entrepreneurs through press interviews. Also, the products and services of many entrepreneurs under the Scheme were successfully showcased to the public at a trade fair organised by the Corporation at a major shopping mall.

From the inception of the Scheme to the end of 2015, 164 cases with a total loan amount of HK\$41.2 million were approved by the Corporation representing an approval rate of 50%.

Continuing Support for SMEs

Small and medium enterprises (**SMEs**) remain a key driving force of the Hong Kong economy, employing 50% of the private sector workforce. The HKSAR Government remains committed to supporting SMEs, especially in times of economic uncertainty, through the extension of the 80% guarantee product under the SME Financing Guarantee Scheme which the Corporation was entrusted to operate. The Scheme provides a useful platform to help SMEs obtain bank financing in an uncertain environment.

As at end 2015, 30 lending institutions signed up for the 80% guarantee product, and more than 6,700 enterprises with around 173,000 employees had benefited from it. The total approved loan amount under the 80% guarantee product as at the end of 2015 amounted to HK\$43.2 billion. To enhance its support for SMEs and banks, the Corporation streamlined its processes to provide a more efficient and user-friendly service.

Performance in 2015

Taking into account the cyclical nature of the Corporation's business, the Corporation achieved a satisfactory financial result amid volatile financial markets and uncertain economic trends in 2015. Profit attributable to shareholders in 2015 amounted to HK\$725 million (2014: HK\$746 million), and the return on shareholders' equity was 8.1% (2014: 8.4%) with capital adequacy ratio at 21.9% (2014: 23.5%). The Corporation remained highly resilient in fulfilling its policy objectives under an uncertain economic environment.

Outlook for 2016

Looking ahead, further monetary policy divergence in major economies, together with the economic risks of emerging markets, continue to cloud the global economic and financial market outlook. These factors could lead to more volatile international capital flows and global financial conditions, with potential negative spill-over effects on the Hong Kong economy and asset markets. The Corporation will remain vigilant and continue to proactively tackle volatility in the financial and housing markets.

I would like to express my heartfelt thanks to fellow Directors, Management and staff for their steadfast support in working to achieve the Corporation's core missions and social objectives in 2015.



John C Tsang
Chairman

Board of Directors



The Hon. John TSANG Chun-wah, GBM, 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
(appointed as Executive Director
on 26 February 2016)
Senior Executive Director
Hong Kong Monetary Authority



Mr Peter PANG Sing-tong, JP
Executive Director
(resigned on 26 February 2016)
Former Deputy Chief Executive
Hong Kong Monetary Authority



**Professor the Hon. CHAN
Ka-keung**, GBS, JP
Director
Secretary for Financial Services
and the Treasury



**Professor the Hon. Anthony
CHEUNG Bing-leung**, GBS, JP
Director
Secretary for Transport and Housing



The Hon. Starry LEE Wai-king, JP
Director
Member of Executive Council
(resigned on 17 March 2016)
Member of Legislative Council



**The Hon. Abraham SHEK
Lai-him**, GBS, JP
Director
Member of Legislative Council



**The Hon. Andrew LEUNG
Kwan-yuen**, GBS, SBS, JP
Director
Member of Legislative Council
Chairman, Sun Hing Knitting
Factory Limited



The Hon. NG Leung-sing, SBS, JP
Director
Member of Legislative Council
Chairman, Bank of China
(Hong Kong) Trustees Limited
Vice-Chairman, Chiyu Banking
Corporation Limited



Miss Tanya CHAN
Director
Barrister-at-law



Mr Lester Garson HUANG, JP
Director
Partner, Co-Chairman
P. C. Woo & Co.



Mr LEE Huat-oon
Director
General Manager/Chief Executive
Public Finance Limited



Professor WONG Yuk-shan, BBS, JP
Director
Chairman, Consumer Council
President of The Open University
of Hong Kong



Mr T. Brian STEVENSON, SBS, JP
Director
Advisor to BT Asia Pacific



Ms Miranda KWOK Pui-fong
Director
(appointed on 21 April 2015)
President and Executive Director
China Construction Bank (Asia)
Corporation Limited



Mr Lawrence LAM Yuk-kun
Director
(appointed on 21 April 2015)
Senior Advisor, Greater China
National Australia Bank Limited



Mr George LEUNG Siu-kay
Director
(appointed on 21 April 2015)
Advisor, Asia-Pacific
The Hongkong and Shanghai
Banking Corporation Limited



The Hon. CHAN Kin-por, BBS, JP
Director
(retired on 21 April 2015)
Member of Legislative Council
Member of the China Advisory Board
Munich Reinsurance Company
Hong Kong Branch



Mr Andrew FUNG Hau-chung, JP
Director
(retired on 21 April 2015)
Executive Director and Head of
Global Banking and Markets
Hang Seng Bank Limited



Mr Jason YEUNG Chi-wai
Director
(retired on 21 April 2015)
Former Deputy Chief Executive
Bank of China (Hong Kong)
Limited

Management Team



Mr Raymond LI, JP
Executive Director and
Chief Executive Officer



Mr Colin POU
Senior Vice President
(Operations)
(from 9 November 2015)



Mr Raymond LIU
Senior Vice President
(Finance)



Mr Desmond CHENG
Senior Vice President
(Risk)



Ms Feliciana CHEUNG
General Counsel and
Company Secretary
(from 1 January 2016)



Mr Stanley CHAN
Senior Vice President
(Operations)
(until 8 November 2015)



Ms Susie CHEUNG
General Counsel and
Company Secretary
(until 31 December 2015)



Ms Angela LEUNG
Vice President
(Marketing and Business
Development)



Ms Irene MOK
Vice President
(Operations 1)



Mr Joseph SETO
Vice President
(Operations 2)



Mr Maurice YIP
Vice President
(Mortgage Insurance)



Mr Calvin TAM
Vice President
(Treasury)



Mr Zarino TONG
Vice President
(Information Technology)



Mr Tim PANG
Vice President
(Financial Control)
(from 1 July 2015)



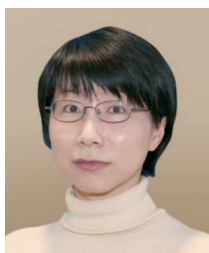
Mr Raymond LUK
Vice President
(Financial Control)
(until 30 June 2015)



Mr Mickey CHAN
Vice President
(Pricing and Quantitative Risk)



Ms Kathleen YEUNG
Vice President
(Risk Management)



Ms Celia CHAU
Counsel



Ms Grace LEE
Counsel



Mr LIM Merng Phang
Chief Compliance Officer
(Counsel)



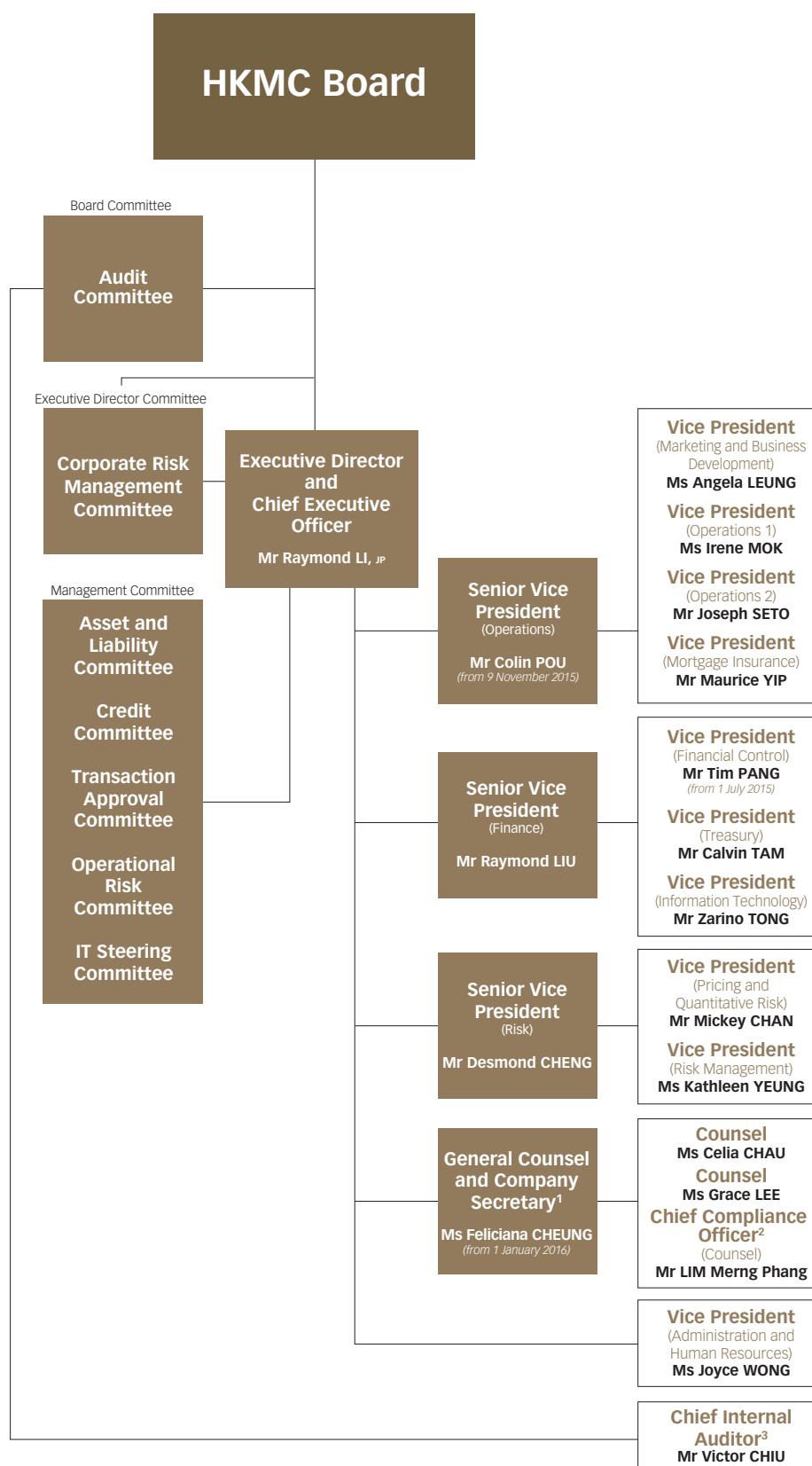
Mr Victor CHIU
Chief Internal Auditor



Ms Joyce WONG
Vice President
(Administration and Human
Resources)

Organisation Structure

Organisation Structure



¹ As Company Secretary, reporting is to the Board

² As Chief Compliance Officer, day-to-day reporting is to the Executive Director and Chief Executive Officer through the General Counsel with periodic reporting to the Board

³ Reporting to the Executive Director and Chief Executive Officer on daily administrative function

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.

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 2016, the Chief Internal Auditor duly conducted an independent review of the Control Self-assessment Forms provided by each department in relation to the compliance with the Code for 2015. 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, insurance sector, relevant industry associations, 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 compromise (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 interest 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 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 2015, there were 18 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 one year, and Non-Executive Directors are typically appointed at an Annual General Meeting. 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 2015, the Hon. John C Tsang 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 and her main duty is to ensure that all company secretarial procedures are followed by the Corporation and the Board. In addition, the Company Secretary also 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 2015 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 interest 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 or is perceived to have a conflict of interest 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 Abraham Shek, Non-Executive Director (Chairman of the Audit Committee)
- Mr Peter Pang, Executive Director
- Mr Eddie Yue, Executive Director
- Mr Andrew Leung, Non-Executive Director
- Mr Ng Leung-sing, Non-Executive Director
- Mr Brian Stevenson, Non-Executive Director.

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 internal controls systems. The Terms of Reference of the Audit Committee are published on the Corporation's website.

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 2015, the Audit Committee held two meetings.



Audit Committee Meeting

Internal Auditor

The Corporation has an Internal Audit Department which operates independently of Management and plays a major role in monitoring the internal controls systems of the Corporation. The Internal Audit Department is led by the Chief Internal Auditor who reports directly to the Chairman of the Audit Committee on all matters relating to the internal controls systems. The Chief Internal Auditor also reports to the Chief Executive Officer on the day-to-day administrative functions of the Internal Audit 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 Plan drawn up by the Chief Internal Auditor based on his independent risk assessment and other risk management issues observed by him at the regular Operational Risk Committee and the Corporate Risk Management Committee meetings. In accordance with the annual Internal Audit Plan, the Internal Audit Department adopts a risk-based audit approach in conducting its independent reviews of the Corporation's internal controls systems. After each review, the Internal Audit Department discusses the audit findings and recommendations with the relevant department heads, Senior Management and Executive Directors. 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 the audit findings and recommendations made by the Chief Internal Auditor and closely monitored their implementation. In 2015, the Internal Audit Department conducted 13 reviews.

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 2015, 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 Auditor's Report on the 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 effectiveness and efficiency 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 which is chaired by an Executive Director to oversee the financial and non-financial risks of the Corporation from an enterprise-wide perspective; and the Operational Risk Committee, the Credit Committee, the Transaction Approval Committee, and the Asset and Liability Committee which are management committees chaired by the Chief Executive Officer. Detailed descriptions of these five committees and the risk management framework of the Corporation are set out in the Business Overview section in the Annual Report.

Each of these committees has clear and well defined terms of reference. The internal controls systems are designed to provide reasonable assurance against material mis-

statement or loss, manage risks of failure in the operational systems 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 applicable legislation and regulations.

Compliance Reporting

The Corporation has established a dedicated Compliance Function as part of the Legal Office for better 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. During 2015, the Compliance Function continued to work with the other departments of the Corporation to review their compliance practices as part of a compliance programme to update the Corporation's internal compliance practices and policies with a focus on conflict of interests, anti-corruption, anti-discrimination, competition, and personal data protection matters. The Compliance Function also prepared new compliance documentation such as the Anti-Fraud and Whistleblowing Policy, and the Compliance Manual to provide further guidance on compliance matters. To provide transactional support, the Compliance Function undertook reviews of and participated in the sign-off of key transactions. It also organised compliance-related training sessions to strengthen staff knowledge on compliance matters. An online compliance knowledge testing system was launched by the Compliance Function at the end of 2015. The test is compulsory for all staff members who will take the test in batches.

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 a code of conduct (**Code of Conduct**) incorporated into the Staff Handbook. The Code of Conduct also sets out, in particular, provisions in regard to potential conflicts of interest which may arise between staff members and the Corporation in respect of which staff members should be aware, and other provisions designed to ensure that they carry out their work 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 2015.

Communication

The Corporation attaches great importance to communications 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 other 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 the Corporation's contribution to the community and its commitment to CSR in the past years, the Corporation has been awarded the Caring Organisation Logo by the Hong Kong Council of Social Service since 2008 and is now in its eighth year of CSR participation. In 2015, the Corporation continued to participate in the Government's Web Accessibility Campaign which aimed at providing access support to the Corporation's website for people with disabilities such as blindness and deafness. In recognition of the Corporation's commendable performance at the campaign in meeting all the web accessibility judging criteria satisfactorily, the Corporation was awarded the Gold Award by the Office of the Government Chief Information Officer in 2015.

Conclusion

The Board was satisfied with the corporate governance practices of the Corporation during 2015. In 2016, 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.

Calendar of Events

9

Feb



Gathering with Microfinance Scheme Borrowers

27

Feb

Extension of the Special Concessionary Measures, i.e. the 80% guarantee product under SME Financing Guarantee Scheme for one year

27

Feb

Revision of Mortgage Insurance Programme, following the introduction of prudential measures for residential mortgage loans by the Hong Kong Monetary Authority

12

Mar



"Sweet Home" Microfilm Premiere

10

Apr



"Active Ageing Week 2015" organised by Institute of Active Ageing

17

Apr



2015

中小企業最佳拍檔獎

Best SME's Partner Award

Award of the Best SME's Partner Award by the Hong Kong General Chamber of Small and Medium Business

15-17

May



Microfinance Scheme Fair

29

June



Launch of Microfinance Scheme Music Video

5

July



"Retiree and Senior Fair 2015" Forum with Wing Lung Bank

1

Aug



Microfilm Screening Event of "Sweet Home" with Bank of China (Hong Kong)

1

Sep



Discussion Panel on Retirement Planning - "The IFPHK Financial Planning Conference 2015"

15

Sep



Launch of Premium Loan Insurance Scheme

Advertising and Promotional Campaign - Premium Loan Insurance Scheme

Sep



Poster and minibus body advertisement

Oct



Roving Exhibitions

Nov



Roving Exhibitions

Dec



Outdoor promotional activities

Business Overview

Business Overview

Performance Highlights

The major achievements of the Corporation for the year included:

- purchasing about HK\$337 million of loan assets
- helping homebuyers borrow a total of HK\$17.2 billion mortgage loans through the Mortgage Insurance Programme (**MIP**)
- approving 1,096 applications since the launch of the Reverse Mortgage Programme (**RMP**), with an average property value of around HK\$5.1 million
- launching the Premium Loan Insurance Scheme (**PLIS**) with positive market response
- approving loans totalling HK\$41.2 million under the Microfinance Scheme (**MFS**) since its inception and up to the end of 2015 to business starters, self-employed persons from different backgrounds and professions and those wanting to achieve self-improvement through education and training
- with the support of the Government, further extending the application period for the 80% guarantee product under the SME Financing Guarantee Scheme (**SFGS**) for one year to 29 February 2016. Since the launch of the SFGS in January 2011, the Corporation had approved over 10,900 applications for a total loan amount of approximately HK\$44.1 billion, of which more than 10,600 applications for a total loan amount of about HK\$43.2 billion were approved with 80% guarantee protection. Over 6,900 local small and medium enterprises (**SMEs**) and nearly 183,000 related employees have benefited under the SFGS
- issuing HK\$14 billion of debt securities (with maturity of 1-year and above) in a cost-effective manner, thus promoting the development of the local debt market and maintaining the HKMC's position as one of the most active issuers in Hong Kong. Among them, the Corporation issued 30-year bonds totalling HK\$1 billion for the first time to support potential new fixed-rate businesses
- safeguarding excellent credit quality, with over 90-day delinquency ratios of 0% for the mortgage insurance portfolio, 6.53% for the SME guarantee portfolio (excluding the 80% product under SFGS), 0.02% for the Hong Kong residential mortgage portfolio (industry average of 0.03%), 1.05% for the microfinance loan portfolio and 0.02% across all asset classes as at 31 December 2015
- maintaining the HKMC's long-term foreign and local currency ratings of AAA by Standard & Poor's (**S&P**) and Aa1 by Moody's Investors Service, Inc. (**Moody's**).

The Corporation maintained a solid financial position for 2015:

- profit attributable to shareholders of HK\$725 million
- net interest margin of 1.2%
- return on assets of 1.4%
- return on shareholders' equity of 8.1%
- cost-to-income ratio of 25.7%
- capital adequacy ratio of 21.9%, well above the minimum requirement of 8% stipulated by the Financial Secretary.

Market Overview

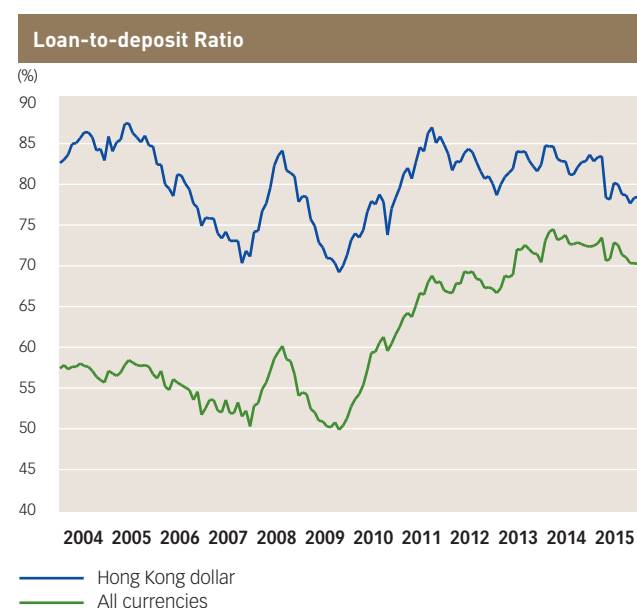
General Economic Conditions

In 2015, major advanced economies continued their divergent trends with the US reporting good domestic growth while the recovery in Europe and Japan remained sluggish. The strengthening US economy finally prompted the US Federal Reserve to raise the federal funds target rate for the first time in almost a decade, marking the start of US interest rate normalisation. In contrast, the continued weakness in recovery and subdued inflation in Europe and Japan signalled the likelihood of further monetary easing. Growth in China slowed on weakened external demand and subdued private investment. Against this backdrop, the Hong Kong economy grew modestly at 2.4% year-on-year in real terms during the year with a moderating domestic demand and a lacklustre export performance.

Liquidity and Interest-Rate Environment

In general, Hong Kong's monetary environment stayed accommodative and the low interest rate environment continued in Hong Kong. The market remained flooded with liquidity. At the end of 2015, the HKD and all currencies loan-to-deposit ratios of all Authorized Institutions (AIs) edged down to 78.2% and 70.1% respectively from 83.3% and 72.2% at the end of 2014 (Figure 1).

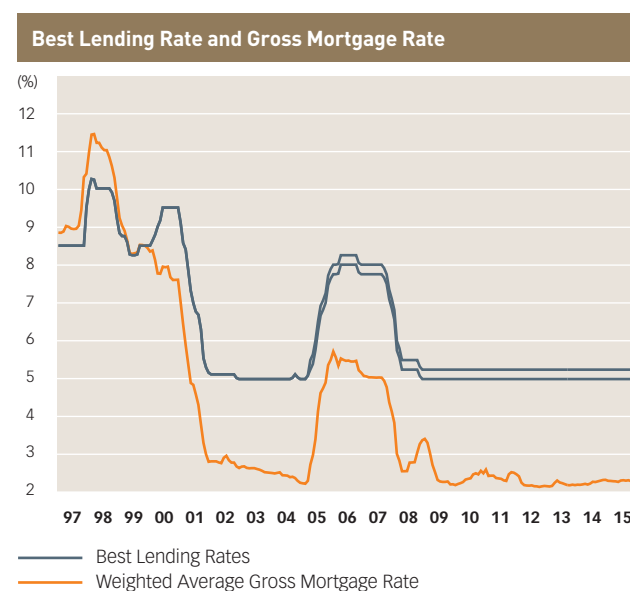
Figure 1



Source: Hong Kong Monetary Authority

Overall, the mortgage rate in Hong Kong stayed low in 2015. The Best Lending Rates (**BLRs**) remained unchanged at 5% and 5.25% throughout the year. The Hong Kong Interbank Offered Rates (**HIBORs**) also remained steady, with the one-month HIBOR floating in the range of 0.20% – 0.24%, in terms of period average¹. As the competition for mortgage business was keen, the mortgage rates remained static. At the end of 2015, the BLR-based mortgage rates were at about BLR-3.1% to BLR-1.95% and HIBOR-based mortgage rates were at HIBOR+1.7% to HIBOR+2.95% (Figure 2).

Figure 2



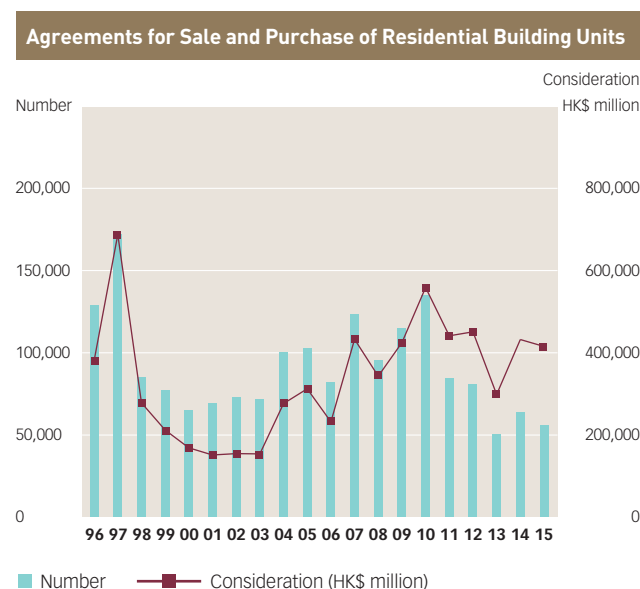
Source: Hong Kong Monetary Authority

Property Market

Amid concerns over an imminent US interest rate lift-off and the slowdown in the Mainland China economy, the residential property market consolidated in the third quarter of the year after the introduction of further prudential measures on residential mortgage loans by the Hong Kong Monetary Authority (**HKMA**) in late February. The number of property transactions in 2015 decreased by about 12% year-on-year to 55,982, while the consideration of transactions dropped by almost 4% year-on-year (Figure 3).

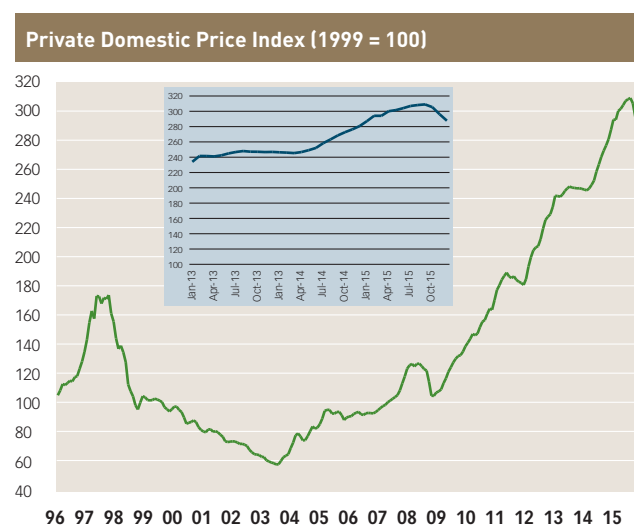
¹ Source: HKMA Monthly Statistical Bulletin

Figure 3



While trading in both the primary and secondary markets fell, the growth of residential property prices decelerated. In general, residential property prices² recorded an about 2.5% cumulative increase in 2015, compared with the 13% increase in 2014. However, with the continued surge in prices in the past few years, residential property prices surpassed the 1997 peak by around 67% as at the end of 2015 (**Figure 4**).

Figure 4

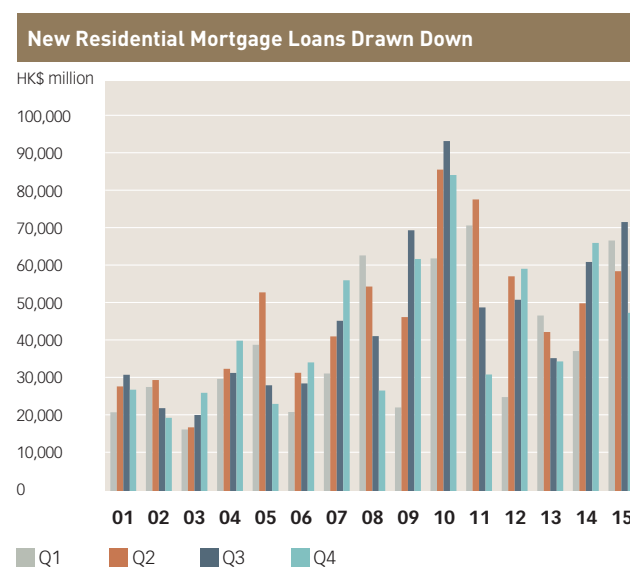


Source: Rating and Valuation Department

Mortgage Market

In tandem with the consolidation in the property market, mortgage lending growth also showed a slowing trend, with the gross value of new loans drawn down³ increasing by 14% year-on-year, compared with the growth rate of 35% in 2014 (**Figure 5**). Despite the slowdown in the growth of new mortgage lending, the total outstanding value of all residential mortgage loans rose moderately by 8.7% to HK\$1,119.3 billion in 2015.

Figure 5



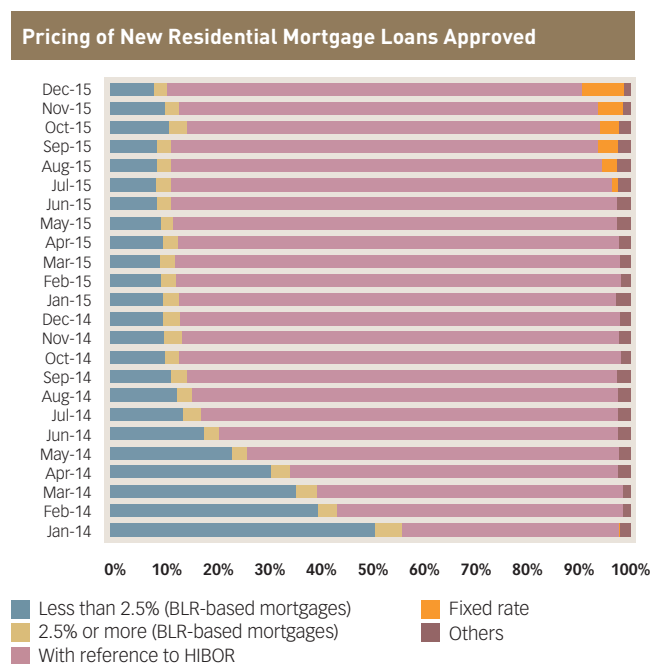
Source: Hong Kong Monetary Authority

With HIBOR remaining at a low level, 79.7% of new mortgage loans were priced with reference to HIBOR in December 2015. The proportion of BLR-based mortgages stayed below 15% throughout the year, with the majority priced within the range of 2% and 2.25% (**Figure 6**). In the second half of the year, the share of fixed-rate mortgage loans increased, from 1.3% in July to 7.9% in December.

² Source: The Private Domestic Price Index published by the Rating and Valuation Department

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

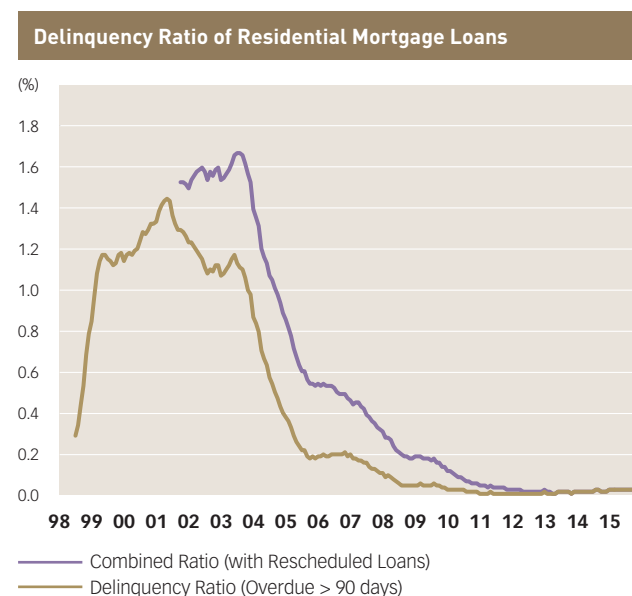
Figure 6



Source: Hong Kong Monetary Authority

With the stable labour market and the prudent supervision of the mortgage lending sector by HKMA, the asset quality of residential mortgage loans remained excellent in 2015. The over-90-day delinquency ratio of mortgage loans⁴ stayed at a low level of 0.03% throughout the year, reflecting the prudent underwriting standards adopted by the banks. The combined ratio, which takes into account both delinquent and rescheduled loans, also remained low at 0.03% during the same period (Figure 7). As residential property prices started to decline after the market consolidation, 95 mortgage loans, with an aggregate value of HK\$480 million, were recorded to be in negative equity at end-December 2015. It was the first time of reported negative equity cases since end-September 2014⁴.

Figure 7



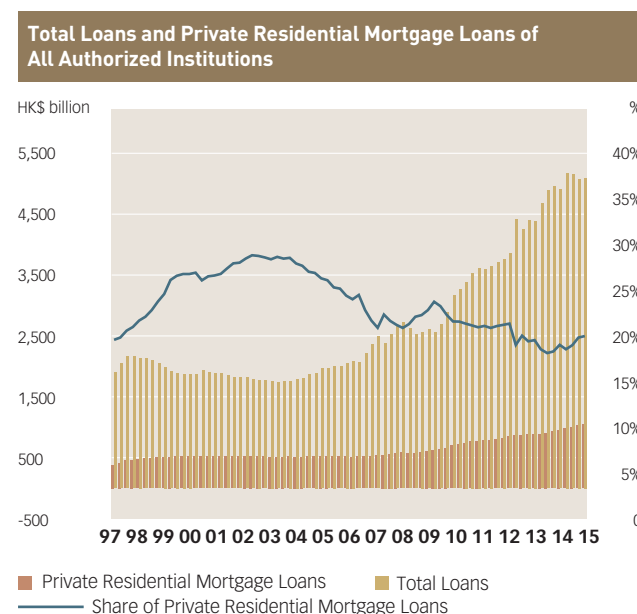
Source: Hong Kong Monetary Authority

Banking-Sector Exposure

The total outstanding value of mortgage loans for private residential properties increased to HK\$1,077.9 billion at the end of 2015 (end-2014: HK\$988.1 billion), accounting for one-fifth of total loans in Hong Kong (Figure 8). Adding to this the lending for building and construction, along with property development and investment, the amount of property-related loans totalled HK\$2,216.5 billion, representing about 42% of the total loan book of banks. The outstanding value of mortgage loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme dropped slightly to HK\$41.4 billion by the end of 2015 (end-2014: HK\$41.7 billion).

⁴ Source: HKMA Survey

Figure 8



Source: Hong Kong Monetary Authority

Asset Acquisition

While the ample liquidity in the market has led to weak incentives for banks to offload their assets, the Corporation is prepared to provide liquidity to the market as and when required. For the year, the Corporation acquired about HK\$337 million of assets, which included residential mortgage loans and other assets.

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

The Financial Secretary in the 2012–2013 Budget Speech announced support measures for SMEs to tide over the uncertain global economic environment and the possible financing difficulties as a result of credit crunch. Being part and parcel of the package of support measures for SMEs, the Corporation promulgated the time-limited 80% SFGS for an application period of nine months up to end-

February 2013 with the Government's total guarantee commitment of up to HK\$100 billion. The 80% SFGS provides 80% loan guarantee on eligible loan facilities approved by participating lenders at a substantially lowered guarantee fee rate, which helps SMEs to obtain loans for general working capital or acquiring equipment or assets to support business operations. In light of the uncertain external economic environment and trade performance, the 80% SFGS was extended for a total of three years to end-February 2016.

The Corporation 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 30 AIs have participated in the SFGS as lenders.

The 80% SFGS has been well received by the market. As at 31 December 2015, the Corporation had approved more than 10,900 applications for a total loan amount of approximately HK\$44.1 billion under the SFGS. More than 10,600 of the applications for loans amounting to about HK\$43.2 billion were approved under the 80% SFGS. Over 6,900 local SMEs employing nearly 183,000 people have benefited under the SFGS.

The Corporation has been maintaining ongoing dialogue with the Hong Kong Government, lending institutions and market participants in order to further improve public awareness and recognition of the SFGS, in particular the 80% SFGS. Moreover, the Corporation has continued to take proactive steps to improve transparency and enhance mutual understanding between the Corporation and the participating lenders.

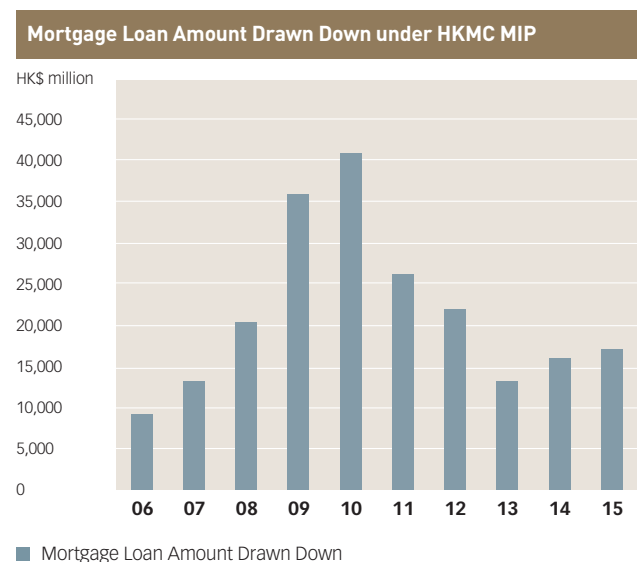
To cope with the development of the SFGS, the Corporation introduced further enhancements in April 2015 to the existing web-based system with an aim to streamline the processing of claim requests. The enhancement enables a paperless submission process and a real-time tracking of the updated status.

Mortgage Insurance Programme

The Mortgage Insurance Programme serves as a useful tool in assisting potential homebuyers 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. All in all, 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 2015, and the volume of loans drawn down under the MIP increased slightly to HK\$17.2 billion in 2015 from HK\$16 billion in 2014 (**Figure 9**). About 88% of the MIP loans drawn (in terms of the loan amount) were secured on properties in the secondary market. This demonstrates the importance of the MIP to homebuyers in secondary market.

Figure 9



Source: HKMC

Since 1999, the MIP has helped more than 117,000 families achieve the dream of home ownership, with an aggregate loan drawdown of HK\$278 billion.

Premium Loan Insurance Scheme

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

Under the PLIS, borrowers will be granted loans by banks against their subsidised housing properties as security primarily for settling premium payments to the HA, HS or the Government. The Corporation will act as an insurer by providing assurance to the participating banks to cover losses arising from the possible shortfall at the time of selling the property when the loan is terminated. By the end of 2015, the Corporation had approved 3 PLIS applications, with an average appraised property value of around HK\$4.8 million and an average lump-sum payout amount of HK\$1.2 million.

To draw attention to the newly launched PLIS, an advertising campaign was launched, including television and radio commercials, newspaper advertisements and minibus body advertisements, following the launch ceremony in mid-September 2015. As the target customers of the PLIS are owners of subsidised housing properties, district-level promotions were held to reach out to this target group, which included roving exhibitions at shopping centres close to subsidised housing estates and seminars in collaboration with the participating banks.

Reverse Mortgage Programme

The Reverse Mortgage Programme was launched with the aim of providing elderly people with an additional financial planning option to enhance their quality of life. By the end of 2015, the Corporation had approved a total of 1,096 RMP applications, with an average property value of around HK\$5.1 million and an average monthly payout amount of HK\$14,800.

For enhancing the RMP to suit the needs of target customers, the Corporation launched a number of enhancements in March, including to accept (1) more than one self-use property as security under a reverse mortgage loan, (2) such properties not to be the borrower's principal residence, (3) joint application by three borrowers and (4) life insurance policy(ies) as additional security. These new initiatives were expected to enhance the flexibility of the product while maintaining a healthy risk position of the Corporation.

To promote public awareness and understanding of the RMP, the Corporation produced a microfilm named "Sweet Home", the theme of which was on how the RMP could help provide a financial solution to modern families and foster family bonding between different generations. The microfilm was a first-ever attempt of the Corporation to promote its business programmes by way of an online movie. To reinforce the messages to the public, an advertising campaign was launched through different kinds of channel during the year. These included TV commercial via online media (e.g. YouTube and Facebook) and at commercial sites (e.g. lobbies of commercial buildings and bank branches), radio commercial, TV and Radio Announcements in the Public Interests, as well as bus body and newspaper advertisements.

To reach out to a wide spectrum of stakeholders, the Corporation continued to undertake joint initiatives with banks, counterparties, professional bodies and non-governmental organisations (**NGOs**), including seminars and talks and/or participating in public conferences/forums to promote the RMP. In December, the Corporation

collaborated with the HS in promoting the RMP as a financing option to the elderly who might become the tenants of The Tanner Hill, a first-of-its-kind non-subsidised quality housing project for citizens aged 60 or above in Hong Kong.

Microfinance Scheme

Under the Microfinance Scheme, the Corporation continued to take up the role of a scheme operator and liaised with participating banks and NGOs to offer loans at an affordable rate and ancillary supporting services to assist people who wish to start their own business, become self-employed or achieve self-enhancement through training, upgrading of skills or obtaining professional certification.

In June, the Corporation extended the scheme for a further term of 3 years to 2018. Alongside the extension of the term of the MFS, a series of enhanced features were introduced, including (1) raising the aggregate lending amount cap of the MFS by HK\$100 million to HK\$200 million; (2) increasing the maximum loan amount of a Self-employment Loan from HK\$200,000 to HK\$300,000; (3) increasing the maximum number of co-borrowers from 2 to 3; and (4) for existing or former borrowers of Micro Business Start-up Loan or Self-employment Loan who have maintained their existing or former loans for at least two years and a satisfactory repayment record under the MFS, allowing them to apply for a new loan with an aggregate loan limit up to HK\$600,000.

The MFS has operated smoothly since its launch in June 2012. By the end of 2015, the MFS had approved a total of 164 loans with a total loan amount of HK\$41.2 million.

The MFS has a good mix of borrowers from different backgrounds and professions, such as young beauticians, makeup artists, a pet grooming award winner, fashion and watch designers, IT graduates, Chinese medicine practitioners, rehabilitated offenders, a clown performance entertainer, native English speaking teachers, desserts and pastry chefs and a testing laboratory specialist.

The Corporation continued its focused strategy in promoting the MFS to the target market segments and community. With a view to reaching a wider range of potential borrowers and further promoting entrepreneurship in the community, the Corporation joined public talks, seminars, exhibitions and/or related activities organised by educational institutions and NGOs. In addition, an MFS Booklet, titled "Tips for Successful Business Start-up", was made available in banks, NGOs, business centres, community organisations, secondary schools, tertiary education institutions and public libraries.

To enhance public receptiveness to the scheme and help MFS borrowers promote their products and services, the Corporation organised the Microfinance Scheme Fair at Olympian City. The Corporation also produced a new television commercial and a music video, and continued to arrange media interviews with MFS borrowers so as to raise the profile of the MFS.

Funding

The global financial markets remained volatile in 2015 and were affected by the uneven economic growth and diverging monetary policy paths in the major economies. Despite the challenging market conditions, the HKMC managed to secure prudent pre-funding for loan purchases and refinancing activities. Given the Corporation's strong background as a wholly government-owned entity and its solid credit rating, the Corporation raised debt totalling HK\$14 billion (with maturity of 1-year and above) in 2015. At the end of the year, the Corporation's total outstanding debt amounted to HK\$33.5 billion.

The Corporation 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 Corporation 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 Corporation'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 Corporation has three debt issuance programmes, which allow the issuance of debt securities in an efficient and effective manner. With its strong credit rating, the Corporation'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 Corporation undertakes proactive investor communications to meet and update investors regularly.

Medium Term Note Programme

The Corporation established the multi-currency Medium Term Note (**MTN**) Programme in June 2007 to broaden its investor base and funding sources in international market. It was set up with an initial size of US\$3 billion, which was subsequently increased to US\$6 billion in July 2011 to meet growing demand from overseas investors. The multi-currency feature of the programme enables the Corporation to issue notes in major currencies, including Hong Kong dollars, US dollars, renminbi, Australian dollars, British pounds, 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 both public issuances and private placements to increase its appeal to investors with different investment horizons and requirements. As at the end of 2015, an extensive dealer group comprising 10 major international and regional financial institutions had been appointed to support future MTN issuance and provide secondary market liquidity.

In 2015, the Corporation launched 21 MTN private debt issues, totalling an equivalent of HK\$14 billion (with maturity of 1-year and above). Among them, the Corporation issued the 30-year bonds totalling HK\$1 billion for the first time to support potential new fixed-rate businesses.

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 subsequently increased to HK\$40 billion in 2003. The DIP has since provided a flexible and efficient platform for the Corporation to issue debt and transferable loan certificates with a tenor of up to 15 years. A total of six Primary Dealers and 16 Selling Group Members had been appointed under the DIP to provide wide distribution channels for both public and private debt issues.

Retail Bond Issuance Programme

The Corporation is dedicated to promoting the local retail bond market with the objective of extending the Corporation's investor base beyond its already strong institutional investor community. In November 2001, the Corporation successfully pioneered a new offering mechanism for the retail bond market in Hong Kong.

To support the development of the retail bond market, the Corporation established the HK\$20 Billion Retail Bond Issuance Programme and made its debut issuance in June 2004. Under this programme, placing banks use their retail branch networks, telephone and electronic banking facilities to place debt securities issued by the Corporation 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 Corporation has issued a total of HK\$13.7 billion retail bonds. Over the years, the Corporation's retail bonds have gained widespread recognition as a safe and simple

investment choice, with reasonably attractive returns, giving retail investors an opportunity to invest in high-grade debt securities issued by a wholly government-owned corporation. When the market environment is conducive, the Corporation 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 Corporation through the HKMA. This Facility enables the Corporation to maintain smooth operation under exceptional circumstances, so that it can better fulfil its mandate to promote banking and financial stability in Hong Kong. While the Corporation obtains long-term funding from local and international debt markets to fund its operations, the Facility also provides a liquidity fallback for the Corporation. In light of the global financial crisis in 2008, the size of the Facility was subsequently increased to HK\$30 billion in December 2008, demonstrating the HKSAR Government's recognition of the importance of, and further support for, the Corporation.

The Corporation 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. At both times, the Revolving Credit Facility was fully repaid with funds raised from the Corporation's cost-effective debt issuance when the markets stabilised. In 2015, there were no drawdowns under the Revolving Credit Facility.

Credit Rating

The Corporation's ability to attract investment in its debt securities is underpinned by its strong credit rating, 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+	AAA (Negative)	P-1	Aa1 (Negative)
Foreign Currency	A-1+	AAA (Negative)	P-1	Aa1 (Negative)

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

The following comments are extracts from the credit rating reports of S&P and Moody's in June and July 2015 respectively:

S&P

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

"In our view, HKMC's very strong market position and its strong management and governance underpin its strong business position. HKMC is the unique entity in Hong Kong addressing local banks' liquidity and balance-sheet management needs through purchases of mortgage and loan portfolios, especially in times of stress... HKMC's business model has been tested during a variety of stressful market conditions. When the global financial market 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. In more recent years, it tightened the eligibility criteria for its mortgage insurance program. The move was part of HKMC's joint effort with the government and to mitigate a possible overheating of property prices in Hong Kong."

"We believe that market risks are managed effectively. The company maintains a simple asset and liability structure, with mainly vanilla products managed within what we regard as sound market risk policies. The corporation's exposure to market risk is principally to interest rate movements, with exposure to interest rate mismatches appearing to be well managed."

"We expect HKMC to continue to prudently manage its funding and liquidity. We assess the company's funding profile as adequate, considering its lack of retail funding... We expect HKMC to maintain a 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, which is equivalent to about three quarters of HKMC's total liabilities at the end of 2014, provides a significant cushion against any unexpected liquidity stress."

Moody's

"HKMC is fully owned by the government, and carries out public policy functions in its daily operations. The company's policy mandates include enhancing financial and banking stability in Hong Kong, promoting home ownership, and facilitating the development of the local debt market. As part of its mandate to promote banking stability, HKMC acts as an alternative 'lender of last resort' by standing ready to purchase residential mortgages from Hong Kong banks during times of stress."

"The government provides the HKMC with a HKD30 billion revolving credit facility and HKD1 billion of equity capital callable when needed. In the event the company's credit profile is weakened in a stress scenario, we expect the government to provide timely extraordinary support."

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

"As a wholesale funded entity with no customer deposits, the HKMC relies on ongoing access to the debt capital markets to fund its operation. Nevertheless, the company has a policy of pre-funding its expected asset purchases and maintains a very strong liquidity profile during normal economic conditions. It has very good access to capital markets due to its strong financial fundamentals and government affiliation... It also has a HKD30 billion revolving credit facility from the government's Exchange Fund. The company has sufficient liquid assets and government revolving credit facility to repay all of its outstanding debts as of end-2014."

Mortgage-Backed Securitisation

The Corporation 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 Corporation 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 Corporation to issue MBS with various product structures, credit enhancements and distribution methods.

Risk Management

The Corporation operates under prudent commercial principles, and the principle of "prudence before profitability" guides the design of the overall risk

management framework and disciplines its uses in its day-to-day business execution. Over the years, the Corporation 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.

Corporate Risk Management Committee

The Board is the highest decision-making authority of the Corporation and holds the ultimate responsibility for risk management. The Board, with the assistance of the Corporate Risk Management Committee (**CRC**), has the primary responsibility for formulating risk management strategies in the risk appetite statement and for ensuring that the Corporation 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 Corporation follows to ensure that the risks are properly managed.

The CRC is responsible for overseeing the Corporation'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 Corporation's financial capability to weather extreme stress scenarios when they arise.

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

The major types of risk the Corporation manages are credit risk, market risk, operational risk, legal and compliance risk, leveraging risk, longevity risk and property risk.

Credit Risk

Credit risk is the Corporation's primary risk exposure. It represents the default risk presented by loan borrowers and counterparties.

(a) *Default risk*

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

- careful selection of Approved Sellers, Servicers, Reinsurers and Lenders
- prudent eligibility criteria for asset purchase, insurance and guarantee application
- effective due diligence process 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 Corporation establishes prudent loan purchasing criteria; and conducts effective due diligence reviews as part of the loan purchase process in order 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 the 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 Corporation in accordance with a set of eligibility criteria, and each claim from a participating bank is reviewed by the Corporation 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 Corporation transfers a portion of the risk-in-force to Approved Reinsurers via reinsurance risk-sharing and excess-of-loss arrangements.

Similarly, losses may arise from 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 Corporation adopts prudent eligibility criteria, conducts administrative vetting and credit reviews to better understand the credit quality of the applications, and carries out due diligence review on each default claim to ensure the loan's compliance with the Corporation's eligibility criteria as well as the lenders' internal credit policies.

In addition, the Corporation adopts a three-pronged approach to manage the default risk under the MFS, which includes: (a) prudent assessment of borrowers' repayment capability; (b) a vetting panel to consider business viability and approval of the loan applications; and (c) 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 updated credit profile to closely monitor the operating environment for any emerging risks to the Corporation, and timely implement risk mitigating measures.

(b) *Seller/Servicer counterparty risk*

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

The Approved Sellers/Servicers are subject to a risk-based eligibility review and ongoing monitoring on 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 Corporation. In order to mitigate reinsurer counterparty risk effectively, the Corporation has established a framework for the assessment of each mortgage reinsurer's financial strength, credit rating and relevant experience in mortgage insurance.

The Corporation performs an annual review of each Approved Reinsurer's financial strength, business appetite and capacity. The review results are used to determine the ongoing business allocation and risk-sharing portions. The Corporation also has collateral arrangements with Approved Reinsurers to reduce counterparty risk exposures.

(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 Corporation. Treasury counterparties are managed by a rating-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 Corporation has set up bilateral collateral arrangements with major swap counterparties to mitigate the counterparty risk.

(e) **Lender risk**

The Corporation is exposed to lender risk in SME lending that arises from: (a) a lender's underwriting being incompliant with its credit policy; (b) a lender's loosely formulated credit policy which 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

Corporation manages lender risk through the review of the lenders' credit policies and the due diligence reviews on claims.

At the heart of the Corporation's credit risk management framework are two committees: the Credit Committee and the Transaction Approval Committee.

Credit Committee

The Credit Committee (**CC**) is responsible for setting the Corporation's overall credit policies and eligibility criteria, particularly for asset acquisition, mortgage insurance, SME guarantee business and MFS. The CC operates under a framework that has been approved by the Board. The CC is the approval authority for accepting applications to become Approved Sellers/ Servicers 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 the counterparties. The CC also closely monitors the operating environment, and puts in place timely risk mitigating measures to manage the credit risk.

Transaction Approval Committee

The Transaction Approval Committee (**TAC**) 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. Major transactions endorsed by the TAC are subject to approval by an Executive Director.

The CC and the TAC are both chaired by the Chief Executive Officer, with members including Senior Vice President (Operations), Senior Vice President (Finance), General Counsel, Senior Vice President (Risk) and senior staff from the relevant functional departments.

Market Risk

Market risk arises when the Corporation'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 Corporation. It represents the excess of interest income (from the Corporation'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 therefore 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 Corporation is two-fold, namely interest rate mismatch risk and basis risk. Interest rate mismatch risk is the most substantial risk affecting the Corporation's net interest income. It arises mainly as a result of the differences in the timing of interest rate re-pricing for the Corporation's interest-earning assets and interest-bearing liabilities. Interest rate mismatch risk is most evident in the loan portfolios where the majority of the loans are floating-rate assets (benchmarked against the Prime Rate or HIBOR Rate), whilst the majority of the Corporation's liabilities are fixed-rate debt securities. The Corporation therefore 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 in order to better match the floating-rate incomes from mortgage assets.

The Corporation 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 that 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 Corporation proactively re-balances the duration gap of its asset-liability portfolio under the guidance and supervision of the Asset and Liability Committee (**ALCO**).

Basis risk represents the difference in the benchmark rates between the Corporation's Prime-based interest-earning assets and its HIBOR-based interest-bearing liabilities. However, there are only limited financial instruments currently 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 Corporation has consciously adopted a strategy that acquires more HIBOR-based assets. As a result, the Prime-HIBOR basis risk for the Corporation has been substantially reduced. In addition, the Corporation had issued Prime-based MBS and used hedging derivatives in the past to mitigate such basis risk.

(b) Asset-liability maturity mismatch risk

The actual average life of a portfolio of mortgage loans, which is usually shorter than their contractual maturity, depends on the speed of scheduled mortgage 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 Corporation 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 Corporation is exposed to refinancing risk (in both 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 new loans 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 assets pool. In addition, the Corporation makes use of the issuance of callable bonds and transferable loan certificates to mitigate reinvestment risk. The call option included in callable bonds and transferable loan certificates allows the Corporation to adjust the average life of its liabilities to match more closely that of the overall pool of assets.

The Corporation manages its refinancing risk through the flexible debt securities issuance with a broad spectrum of maturities. This again 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 mortgage assets through securitisation of mortgage loans into MBS.

The Corporation 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 Corporation's assets and liabilities.

(c) *Liquidity risk*

Liquidity risk represents the risk of the Corporation not being able to repay its obligations, such as the redemption of maturing debt, or to fund the committed purchases of loan portfolios. The Corporation implements its liquidity risk management framework in response to changes in market conditions. The Corporation has continuously monitored the impact of recent market events on its liquidity position, and has pursued a prudent pre-funding strategy which would help to 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 Corporation uses the liquid asset ratio to measure, monitor and manage liquidity risk.

Given its strong background as a wholly government-owned entity and solid credit rating, the Corporation is efficient in raising funds from debt markets with both institutional and retail funding bases. This advantage is supplemented by the Corporation'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 Corporation with a liquidity fallback even if exceptional market strains last for a prolonged period.

The Corporation manages pre-funding prudently through well-diversified funding sources, so that all foreseeable funding commitments are met when they fall due, in order to support the growth of its business and the maintenance of a well-balanced liability portfolio. Such diversification allows the Corporation

to pursue a pre-funding strategy at the lowest possible cost, whilst at the same time offer safeguards against the difficulty to raise funds in distorted market conditions. The current funding sources are illustrated in Table 1 below:

Table 1: Current Funding Sources for the HKMC

Funding Source	Description
US\$6 billion Medium Term Note Programme	There are 10 Dealers who underwrite and distribute local and foreign currency debt to international institutional investors under the programme
HK\$40 billion Debt Issuance Programme	There are 6 Primary Dealers and 16 Selling Group Members who 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	This debt issuance programme has 19 Placing Banks which assist in offering retail bonds to investors
US\$3 billion Bauhinia Mortgage-Backed Securitisation Programme	With a total of 8 Dealers, this multicurrency mortgage-backed securitisation programme permits the Corporation 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 Corporation 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 Corporation with HK\$30 billion in revolving credit

(d) **Currency risk**

Currency risk arises from the impact of foreign exchange rate fluctuations on the Corporation's financial position and foreign currency-denominated cash flows. The Corporation 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 the ALCO. The Risk Management Department, assuming the middle-office role, monitors the 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.

Asset and Liability Committee

The ALCO is responsible for the overall management of market risk of the Corporation. It follows the prudent risk management principles and the 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 of the Corporation. Regular meetings are held to review the latest financial market developments and formulate relevant asset-liability management strategies for the Corporation.

The ALCO is chaired by the Chief Executive Officer, with members including Senior Vice President (Finance), Senior Vice President (Operations), Senior Vice President (Risk) and senior staff from the relevant functional departments.

Operational Risk

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

The Corporation adopts a bottom-up approach in identifying operational risk by carrying out 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 Corporation 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 in order to identify potential operational risks and to ensure adequate segregation of duties.

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

The Corporation's Information Security Manual documents the requirements of security standards and practices relating to information and data security for observance by all staff. The Corporation implements various security measures, such as double firewall protection, intrusion-detection systems, virus alerts, quarantine systems and vulnerability scanning systems to minimise its exposure to external attacks. Internally, the Corporation has also implemented security controls on its Local Area Network to reduce damage in the event of a malicious intrusion. The Corporation engages external consultants when appropriate to conduct intrusion vulnerability tests to enhance system security. To ensure a high degree of compliance, the Corporation's core operating systems and processes are subject to regular review by internal auditors.

Business Continuity Plan

The Corporation's business recovery plan ensures that 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 assesses the impact of disaster scenarios and updates recovery procedures from time to time. To ensure that business recovery procedures are practical, a corporate-wide business recovery drill is conducted annually. Daily back-ups and offsite storage of back-up tapes are in place to protect the Corporation from IT disasters.

Product Sign-off Mechanism

To ensure that all risk factors are considered when designing and implementing a new product, the Corporation has developed a product development management framework, under which 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 to be responsible for instituting the sign-off process. Products can only be launched after all functional departments have signed off and confirmed functional readiness.

Complaint-Handling Mechanism

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

Operational Risk Committee

The Operational Risk Committee (**ORC**) is responsible for ensuring that all business entities and line functions in the Corporation maintain an effective operational risk and internal controls framework. The ORC establishes key risk indicators to track the key operational risk items and monitor the effectiveness of the risk mitigating measures. The ORC is also responsible for providing directions and resolving issues related to policies, controls and 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.

The ORC is chaired by the Chief Executive Officer, with members including Senior Vice President (Operations), Senior Vice President (Finance), General Counsel, Senior Vice President (Risk) and senior staff from the relevant functional departments.

Legal and Compliance Risk

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

The Legal Office, headed by the General Counsel (who is also the Company Secretary), advises the Corporation 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 Corporation. Where appropriate external counsel will be engaged to assist the Legal Office in providing legal support to the Corporation. The Legal Office works closely with the other departments of the Corporation 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

In order to ensure that the Corporation would not incur excessive risk when expanding its business and balance sheet in relation to its own capital base, the Financial Secretary, in his capacity as the Financial Secretary and not the shareholder, acted as the regulator of the Corporation, by issuing a set of guidelines on capital-to-asset ratio for compliance by the Corporation upon the establishment of the Corporation in 1997. The guidelines have since been updated from time to time to take account of new products launched by the Corporation. The Financial Secretary issued in October 2011 a new set of guidelines by reference principally to the Basel II risk-based capital adequacy framework, the Guidelines on Capital Adequacy Ratio (**CAR**), with the minimum CAR set at 8%. As at 31 December 2015, the Corporation's CAR was 21.9%.

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. If the CAR falls to 12% or below, the Board of Directors will be informed and appropriate remedial actions will be taken.

Longevity Risk

Longevity risk refers to the heightening risk of larger payouts under the RMP and PLIS. The longer the payout and loan period is, the larger the loan balance will accrue over time, and the less buffer there 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. The termination rate of the loans depends largely on the mortality rate (i.e. life expectancy) of the borrowers.

Annual risk analysis is conducted in order to assess the potential financial impact of longevity risk, as well as the interaction among the various risk factors under the RMP and PLIS. The mortality assumptions are reviewed on a regular basis by the TAC.

Property Risk

Property risk arises from the fluctuation in the value of property which acts as collateral for the Corporation's loan and guarantee portfolios under the MPP, MIP, RMP and PLIS. The Corporation manages property risk by conducting external property valuation for each loan purchase or application, setting prudent assumption in the recoverable value of the collateralised property, restricting maximum loan-to-value ratios of the loans under the programmes and conducting stress test to examine the impact of adverse market conditions.

Process Management and Information Technology

Since its inception, the Corporation has devoted substantial resources and effort to continuously improve its business operations, to strengthen its internal controls and to enhance its application systems. The past year is no exception.

Our public website has been revamped to improve usability and present a fresh image. The new website is designed with the needs of mobile users in mind. At the same time, it continues to comply with the Web Content Accessibility Guidelines 2.0 to ensure that it is accessible to people from all walks of life.

In response to the launch of Premium Loan Insurance Scheme, a new information system was developed to support the participating banks and the Corporation with the coverage of operational cycle from product application to account administrations under the Scheme. The new system was rolled out along with the product launch in September 2015.

The Corporation continued to improve process automation, data integrity, system resilience and information security through systems development and enhancements to support various corporate and business initiatives, e.g. the SFGS, the RMP, the PLIS, the MFS, the MIP, the treasury operations, and strengthened risk management. Such steps are vital in ensuring efficiency, accuracy and robustness in business operations that translate into better services to the community. In addition, our system enhancements and process re-engineering measures also aim to achieve paperless operations that help contribute to a better and greener environment.

Corporate Social Responsibility

In recognition of the Corporation's contribution to the community and its commitment to corporate social responsibility (CSR) in past years, the Corporation has been awarded the Caring Organisation Logo by the Hong Kong Council of Social Service since 2008 and has now stepped into the eighth year of CSR participation.

As a socially responsible organisation, the Corporation cares for both its employees and the community. The Corporation has underlined 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 Corporation attracts and grooms talent to ensure the efficient performance of its core missions of enhancing stability in the banking sector, promoting wider home ownership and facilitating the development of the debt securities market. Employees are provided with competitive remuneration packages and fringe benefits, a promising career path and development opportunities, and a healthy and safe working environment. The Corporation 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 which cover both employees and their family members.

Through system automation and process re-engineering, the Corporation has maintained a lean and efficient workforce, despite an increase in the scope of operations and the complexity of the products it offers. In 2015, the permanent staff establishment of the Corporation was 201, and the staff turnover rate was 10.17%.

Training and Development

The Corporation recognises the importance of ongoing training and has devoted considerable resources to the continuous enhancement of its employees' professional knowledge and skills. In 2015, the Corporation arranged different 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 problem solving and decision making, team collaboration and occupational safety and health. During the year, seminars on Personal Data (Privacy) Ordinance, Competition Ordinance and Bankruptcy Ordinance were also held.



Training on Problem Solving and Decision Making



Training on Occupational Safety and Health



Team Building Training



Team Building Training

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

In addition, all new employees were provided with an induction session to provide them with a foundation of knowledge about the Corporation's organisation structure, functions and policies.

Employee Relations and Staff Activities

To promote a healthy work-life balance and foster a family-friendly working environment, the HKMC Staff Club regularly organises staff activities to cultivate better relationships and communication among employees. In 2015, these activities included interest classes, Work-Life Balance Week, 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 HKMC staff activities.



Work-life Balance Week



Christmas Party with Children



Seniors Day 2015



Blood Donation

Care for the Community



Visit to elderly living alone before Mid-autumn Festival



Dress Casual Day 2015



Outing with children

To facilitate effective communication within the Corporation, the intranet Staff Homepage is frequently updated so that useful information can be shared among different departments. There is also the Staff Suggestion Scheme, which encourages staff to make suggestions for improvements in work flow and the workplace.

Health and Safety

As a caring organisation, the Corporation is dedicated to looking after both the physical and mental health of its employees. 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.

The Corporation has, from time to time, reviewed and strengthened its contingency plans which aim to minimise any unexpected or sudden disruption to business operations, such as from an outbreak of communicable disease among employees. Periodic drills are organised to make sure employees are conversant with the activation of the back-up facilities, contingency plans and communication arrangements in case of emergency.

Care for the Community

Charities and Social Activities

The Corporation 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 HKMC Volunteers Team, Caring League.

In 2015, the Corporation organised donation campaigns, such as Dress Casual Day 2015 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 participate 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, toys, etc

- care for the elderly — organised by the HOPE Worldwide and Hong Kong Playground Association, involving our volunteers visiting the homes of elderly people living alone and bringing them “lucky bags” with daily necessities to welcome the Chinese New Year and Mid-Autumn Festival

- care for the children — organised by the HOPE Worldwide and Hong Kong Playground Association, involving an outing and a Christmas party with children from low-income families.

Internship and Manager Trainee Programmes

To help nurture talent for the future, the Corporation provides a number of 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 Corporation has continued the Manager Trainee Programme with the objective of identifying high-calibre young executives for grooming to meet the Corporation’s long-term staff development plan. Throughout the three-year programme, the Manager Trainees will go through on-the-job training in different departments, take part in corporate projects and attend structured learning and development programmes.

Environmental Protection

The Corporation 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 Corporation has adopted various measures, including better control of office temperature and the use of LED lighting, in the interest of energy efficiency. The Corporation welcomes suggestions from employees on green office ideas and encourages its suppliers to use and offer more environmentally friendly products whenever possible.

Financial Review

Financial Review

With the monetary policy divergence in major advanced economies and the increased capital outflows of many emerging market economies, which experienced varying degrees of growth slowdown, the global economic and financial market sentiment was clouded in 2015.

In Hong Kong, economic growth was moderate amid a lacklustre global economy. The domestic segment was relatively stable but expanded at a slower pace, and the labour market was still virtually in a state of full employment. Both factors helped to cushion the local economy against weakened export performance. The residential property market showed signs of consolidation from the third quarter of 2015, with downward adjustments in housing prices of secondary market in the last quarter of the year.

Income Statement

Financial Performance

The Corporation continued to deliver a solid financial performance in 2015. The profit attributable to shareholders for 2015 was HK\$725 million (2014: HK\$746 million) (**Table 1**). The reduction in profitability was mainly due to the rundown of loan portfolio, partly offset by cost-effective pre-funding and increase in other income. Accordingly, return on equity was 8.1% (2014: 8.4%). The cost-to-income ratio increased slightly to 25.7% (2014: 24.3%), mainly due to the reduction in operating income coupled with increased resources devoted to support policy initiatives. The capital adequacy ratio remained solid at 21.9% (2014: 23.5%), well above the minimum requirement of 8% stipulated by the Financial Secretary.

Table 1

Summary of financial performance	2015 HK\$ million	2014 HK\$ million
Operating profit before impairment	769	798
Profit before tax	770	797
Profit attributable to shareholders	725	746
Return on shareholders' equity	8.1%	8.4%
Return on assets	1.4%	1.4%
Cost-to-income ratio	25.7%	24.3%
Capital adequacy ratio	21.9%	23.5%

Net Interest Income

The net interest income for the year was HK\$590 million (2014: HK\$651 million). The drop was mainly due to the reduction of average loan portfolio by HK\$5.5 billion as a result of rundown of loan portfolio. The net interest spread reduced to 1.1% from 1.2% in 2014, and the net interest margin dropped to 1.2% from 1.3% (**Table 2**).

Table 2

Net Interest Income	2015 HK\$ million	2014 HK\$ million
Net interest income	590	651
Average interest-earning assets	49,842	50,021
Net interest margin	1.2%	1.3%
Net interest spread on interest-bearing liabilities ¹	1.1%	1.2%

¹ Net interest spread on interest-bearing liabilities = Return on interest-earning assets-Funding cost on interest-bearing liabilities

Net Mortgage Insurance Premium Earned

The residential property market became more active in second quarter of 2015 before quietening down in the third quarter and then showing some consolidation in the last quarter. The total number of sale and purchase agreements for residential property registered at the Land Registry fell by 12% in 2015. However, in tandem with the overall increase in residential property prices, mortgage lending grew in 2015, with new mortgage loans drawn down in the residential property market increasing to HK\$244 billion from HK\$214 billion in 2014.

Against this backdrop, new business underwritten under the MIP increased to HK\$17.2 billion in 2015 from HK\$16 billion in 2014. The net premium earned after commission expenses was HK\$287 million. Taking into account the write-back of provisions for outstanding claims of HK\$2 million (2014: HK\$6 million), the net premium earned was HK\$289 million (2014: HK\$311 million).

Other Income

Other income was HK\$143 million (2014: HK\$89 million). Net gain on disposal of investments, mainly a result of rebalancing the investment portfolio, amounted to HK\$122 million (2014: HK\$59 million). Dividend income was HK\$73 million (2014: HK\$35 million). An exchange loss of HK\$39 million (2014: HK\$13 million) was recorded, primarily due to the effect of renminbi volatility from deposits and high-grade debt investments.

Operating Expenses

The Corporation continued to maintain stringent cost control to contain expenses and improve operating efficiency. Operating expenses moderately rose 4.3% year on year to HK\$267 million, but this was HK\$19 million less than the budget. Staff costs, which were well contained at 62.9% of total operating expenses, amounted to HK\$168 million (2014: HK\$157 million). Premises rentals and related costs were contained at HK\$37 million (2014: HK\$39 million).

Allowance for Loan Impairment

Asset quality remained strong, with the delinquency ratio of the Corporation's mortgage portfolio staying at 0.02%. Taking into account the rundown of loan portfolio and the low average current loan-to-value ratio of retained loan portfolio, a write-back on collective assessment for loan impairment of HK\$0.2 million was recorded in 2015 according to the approved prudent provisioning policy. During the year, loans written off were HK\$2 million (2014: HK\$2 million) with a recovery of HK\$2 million (2014: HK\$1 million).

Financial Position

Loan Portfolio

During the year, the Corporation purchased Hong Kong loan assets of about HK\$0.3 billion (2014: HK\$0.2 billion). After accounting for the prepayments and repayments during the year, the outstanding balance of the loan portfolio recorded a rundown of HK\$4.1 billion, leaving an outstanding balance of HK\$11.5 billion.

Investment Securities

The Corporation adopts a prudent, low-risk approach in managing its surplus funds and investment activities in accordance with the Board's investment guidelines. As at 31 December 2015, the total investment portfolio was HK\$16.9 billion (2014: HK\$14.9 billion), which included HK\$6.6 billion of available-for-sale investments and HK\$10.3 billion of held-to-maturity investments. There was no impairment loss from the investments.

Debt Securities Issued

In 2015, the Corporation issued HK\$23 billion of debt securities under the MTN Programme. All the non-Hong Kong dollar debts issued under the MTN Programme were swapped into Hong Kong dollars or US dollars for hedging purposes. The Corporation continued to adopt a prudent pre-funding strategy, with the total outstanding balance of the debt securities maintained at HK\$33.5 billion as at 31 December 2015 (2014: HK\$33.3 billion).

Key Off-balance Sheet Exposure

Mortgage Insurance

The Corporation operates the MIP on a risk-sharing basis with the approved reinsurers. At the end of 2015, the total risk-in-force was about HK\$13.4 billion (2014: HK\$13.1 billion), of which HK\$2.1 billion (2014: HK\$2.1 billion) was ceded to the approved reinsurers. The off-balance sheet risk-in-force exposure borne by the Corporation increased marginally to HK\$11.3 billion (2014: HK\$11 billion). Of this exposure, the excess loss of HK\$0.3 billion of risk-in-force was hedged through the excess-of-loss reinsurance arrangement to reinsure the middle layer risk exposure, while the Corporation retains a portion of the total risks comprising the first-loss and residual risks.

The provision for outstanding claims remained steady at 0.2% of the retained risk-in-force at year-end. The delinquency ratio remained healthy at 0% (2014: 0%).

Reverse Mortgage

The Corporation 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 undrawn future payout of reverse mortgage loans, the risk-in-force exposure borne by the Corporation increased to HK\$2.9 billion (2014: HK\$2.0 billion) as at 31 December 2015.

Dividend

At the Annual General Meeting held on 25 April 2016, the shareholders, having considered the financial performance and solid capital position for business development, approved an ordinary dividend of HK\$0.3625 (2014: HK\$0.175) per share, representing a dividend payout ratio of about 100% totalling HK\$725 million.



核心使命

促進：

- 銀行業界穩定
- 市民置業安居
- 本地債券市場發展

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財務摘要

	二零一五年 千港元	二零一四年 千港元	二零一三年 千港元
本年度			
淨利息收入	590,328	650,955	651,993
股東應佔溢利	725,152	745,973	982,404
購買貸款	336,520	245,353	3,240,641
債券發行 ¹	13,961,322	13,919,406	10,248,353
保險費淨額	271,251	281,766	274,639
於年終			
貸款組合淨額	11,502,312	15,571,649	22,268,397
已發行債券	33,463,211	33,270,129	31,355,185
按揭保險 — 承擔風險 ²	11,304,749	11,056,805	12,023,831
其他數據			
淨息差	1.2%	1.3%	1.4%
資本充足率	21.9%	23.5%	21.0%
成本對收入比率	25.7%	24.3%	18.1%
資產回報率	1.4%	1.4%	1.9%
股東資金回報率	8.1%	8.4%	10.4%

¹ 年期達一年或以上的債券。

² 承擔風險已撇除已作出再保險安排的風險。

主席報告

主席報告

在二零一五年經濟環境不明朗的情況下，
本公司的財務業績理想，
並一直致力完成其核心使命。



曾俊華
主席

二零一五年，主要先進經濟體系繼續走勢迥異，美國內部呈現良好增長，而歐洲和日本則仍然復甦緩慢。美國經濟復甦，促使美國聯邦儲備局在近十年以來首度上調聯邦基金目標利率，標誌着美國利率正常化的開始。相反，歐洲和日本持續復甦疲弱及通脹低迷，顯示有進一步貨幣寬鬆的可能性。中國方面，基於外需減少和私人投資疲軟，增長步伐一直放緩。在此環境下，年內香港經濟增長溫和，本地需求有放緩跡象，出口表現未如理想。與此同時，信貸增幅隨著企業信貸需求放緩而減少，而住宅物業市場最近則出現整固跡象。

促進銀行及金融穩定

鑒於本公司的核心使命之一是向銀行提供可靠的流動資金來源以促進香港銀行體系的穩定性，年內本公司一直做好準備，以便隨時在核准賣方有需要籌措資金時，購買核准賣方的按揭貸款和其他資產。因應市場資金充裕，銀行出售按揭資產套現的意欲普遍甚低。在此環境下，本公司於二零一五年購入了本地資產約3.37億港元。

協助市民置業安居

按揭保險計劃幫助合資格借款人於自置居所時取得較高按揭成數，從而減輕其首期負擔，在香港物業市場擔當重要角色。自一九九九年，本公司協助了超過117,000個家庭自置居所，其中大部份借款人通過該計劃於二手物業市場自置居所。

香港金融管理局在二零一五年二月就住宅按揭貸款推出了進一步審慎監管措施之後，本公司作為其風險管理的一環，收緊了按揭保險計劃的申請資格，將合資格物業可敘造的最高按揭成數由九成下調至八成，但有固定收入及還款能力較強的首次置業人士除外。二零一五年，該計劃下的新提取按揭貸款總額合共172億港元（二零一四年：160億港元）。

推動債券市場發展

過去十多年，本公司一直是香港主要和活躍的企業發行人，在推動本地債券市場發展方面扮演著重要角色。二零一五年，本公司發行了不同貨幣的債券（年期一年或以上），總值約140億港元，以滿足本公司的再融資需求及支持本公司其他業務活動。值得注意的是本公司首度發行了總值10億港元的30年期債券，為潛在的定息新業務之用。本公司亦持續獲得標準普爾給予「AAA」和穆迪給予「Aa1」的信貸評級。

為年長業主提供更多退休策劃選擇

本公司於二零一一年推出安老按揭計劃，為年長業主提供多一項退休財務策劃選擇，藉此提升年長業主的生活素質。在該計劃下，年長業主可以將其自住居所用作抵押品，從參與銀行換取一筆過款項及/或每月連續收取款項。二零一五年，為向借款人提供更大的靈活性以提高其可換取的款項，本公司為該計劃推出了四項主要優化措施：（一）容許多於一個住宅物業用作安老按揭貸款的抵押品；（二）撤銷要求安老按揭貸款的抵押物業必須是借款人的主要居所；（三）將共同借款人人數上限由二人增至三人；及（四）接受人壽保單用作安老按揭貸款的額外抵押品。二零一五年，本公司收到368宗安老按揭申請，較去年增加了80%，顯示該計劃越見為公眾受落。

幫助資助房屋業主補地價

為了改善資助房屋在公眾市場上的供應，本公司於二零一五年九月推出了補價易貸款保險計劃。在該計劃下，本公司為資助房屋業主從參與銀行所得主要用作補地價以解除這些物業的轉讓限制的一筆過貸款，提供按揭保險。此等轉讓限制解除後，業主可以在公開市場自由出售或出租其物業。該計劃下的貸款是由給予參與銀行的資助房屋物業按揭作為抵押的。該計劃現時覆蓋：（一）香港房屋委員會轄下的居者有其屋計劃、私人機構參建居屋計劃和租者置其屋計劃；以及（二）香港房屋協會轄下的住宅發售計劃和夾心階層住屋計劃下的資助房屋。

推廣香港創業精神

為了推廣及支持香港創業精神，小型貸款計劃通過本公司所營運的平台於二零一二年推出。該平台由參與該計劃並為該計劃提供策略性支援的非政府機構、銀行及具備商業或專業經驗並有志服務社會的導師所組成。為達至此等目的並幫助有意創業人士以可負擔的息率取得融資，本公司將計劃延續了三年至二零一八年六月，並將總貸款金額增至二億港元。為推廣該計劃，本公司於大專院校舉辦創業講座，並透過傳媒訪問分享創業人士的經驗。此外，有多位在該計劃下的創業人士透過本公司於一個大型商場所舉辦的展銷會，成功向公眾推廣其產品和服務。

由該計劃推出至二零一五年底，該計劃已批出合共164宗申請，貸款總額為4,120萬港元。成功批核率為50%。

繼續支援中小企

中、小型企業(「中小企」)聘用五成的私營市場勞動人口，一直是香港經濟的主要動力。香港特區政府繼續致力支持中小企，尤其在經濟環境不明朗時透過延續本公司獲委托營運的「中小企融資擔保計劃」下的八成信貸擔保產品。該計劃提供有效平台，幫助中小企在不明朗的環境下取得銀行貸款。

截至二零一五年底，有30家貸款機構參與提供八成信貸擔保產品，惠及超過6,700家企業及其約173,000名員工。截至二零一五年底，八成信貸擔保產品下獲批出的貸款總額為432億港元。為了加強對中小企和銀行的支援，本公司簡化了其運作流程，以提供更有效率、更方便借款人的服務。

二零一五年表現

儘管二零一五年金融市場波動、經濟走勢不明朗，但基於本公司業務的週期性，本公司的財務業績令人滿意。二零一五年的股東應佔溢利為7.25億港元(二零一四年：7.46億港元)，股東資金回報率為8.1%(二零一四年：8.4%)，資本充足率為21.9%(二零一四年：23.5%)。本公司在瞬息萬變的經濟環境下，一直致力達成其政策目標。

展望二零一六年

展望前景，主要經濟體系貨幣政策的進一步分歧，加上新興市場的經濟隱憂，將繼續令環球經濟及金融市場前景陰霾滿佈。這些因素可能會引致國際資金流向和環球金融狀況更趨波動，因而對香港的經濟和資產市場產生潛在的負面連鎖影響。本公司將保持警覺，繼續主動應對金融和房屋市場的波動。

謹向董事局同寅、管理層成員和所有員工衷心致意，感謝大家在二零一五年鼎力支持，共同達成本公司的核心使命與社會目標。



主席
曾俊華

董事局成員



曾俊華先生 GBM JP
主席兼執行董事
財政司司長



陳德霖先生 GBS JP
副主席兼執行董事
香港金融管理局總裁



余偉文先生 JP
執行董事
香港金融管理局副總裁



李令翔先生 JP
執行董事兼總裁
(於二零一六年二月二十六日
獲委任為執行董事)
香港金融管理局高級助理
總裁



彭醒棠先生 JP
執行董事
(於二零一六年二月二十六日
辭任)
前香港金融管理局副總裁



陳家強教授 GBS JP
董事
財經事務及庫務局局長



張炳良教授 GBS JP
董事
運輸及房屋局局長



李慧琼女士 JP
董事
行政會議成員
(於二零一六年三月十七日
辭任)
立法會議員



石禮謙先生 GBS JP
董事
立法會議員



梁君彥先生 GBS SBS JP
董事
立法會議員
新興織造廠有限公司主席



吳亮星先生 SBS JP
董事
立法會議員
中國銀行(香港)信託有限公司
董事長
集友銀行有限公司副董事長



陳淑莊女士
董事
執業大律師



黃嘉純先生 JP
董事
胡百全律師事務所合夥人、
聯席主席



LEE Huat-oon 先生
董事
大眾財務有限公司
總經理/行政總裁



黃玉山教授 BBS JP
董事
消費者委員會主席
香港公開大學校長



施文信先生 SBS JP
董事
英國電訊亞太
(BT Asia Pacific)顧問



郭珮芳女士
董事
(於二零一五年四月二十一日
獲委任)
中國建設銀行(亞洲)
常務副行長及執行董事



藍玉權先生
董事
(於二零一五年四月二十一日
獲委任)
澳大利亞國民銀行大中華區
高級顧問



梁兆基先生
董事
(於二零一五年四月二十一日
獲委任)
香港上海滙豐銀行有限公司
亞太區顧問



陳健波先生 BBS JP
董事
(於二零一五年四月二十一日
退任)
立法會議員
慕尼黑再保險公司香港分公司
中國事務理事會理事



馮孝忠先生 JP
董事
(於二零一五年四月二十一日
退任)
恒生銀行有限公司
執行董事兼環球銀行及
資本市場業務主管



楊志威先生
董事
(於二零一五年四月二十一日
退任)
前中國銀行(香港)有限公司
副總裁

管理層



李令翔先生 JP
執行董事兼總裁



鮑克運先生
高級副總裁
(業務運作)
(任期由二零一五年
十一月九日起)



廖志強先生
高級副總裁
(財務)



鄭鑒銓先生
高級副總裁
(風險)



張少慧女士
首席法律顧問及公司秘書
(任期由二零一六年
一月一日起)



陳達強先生
高級副總裁
(業務運作)
(任期至二零一五年
十一月八日止)



張秀芬女士
首席法律顧問及公司秘書
(任期至二零一五年
十二月三十一日止)



梁詩韻女士
副總裁
(業務推廣及發展)



莫愛蘭女士
副總裁
(業務運作1)



司徒聖德先生
副總裁
(業務運作2)



葉聖義先生
副總裁
(按揭保險)



譚偉通先生
副總裁
(庫務)



唐偉文先生
副總裁
(資訊科技)



彭潤從先生
副總裁
(財務管理)
(任期由二零一五年
七月一日起)



陸榮營先生
副總裁
(財務管理)
(任期至二零一五年
六月三十日止)



陳澤強先生
副總裁
(精算及定量風險分析)



楊素芬女士
副總裁
(風險管理)



周弘慧女士
法律顧問



李詠賢女士
法律顧問



林孟方先生
合規總監
(法律顧問)



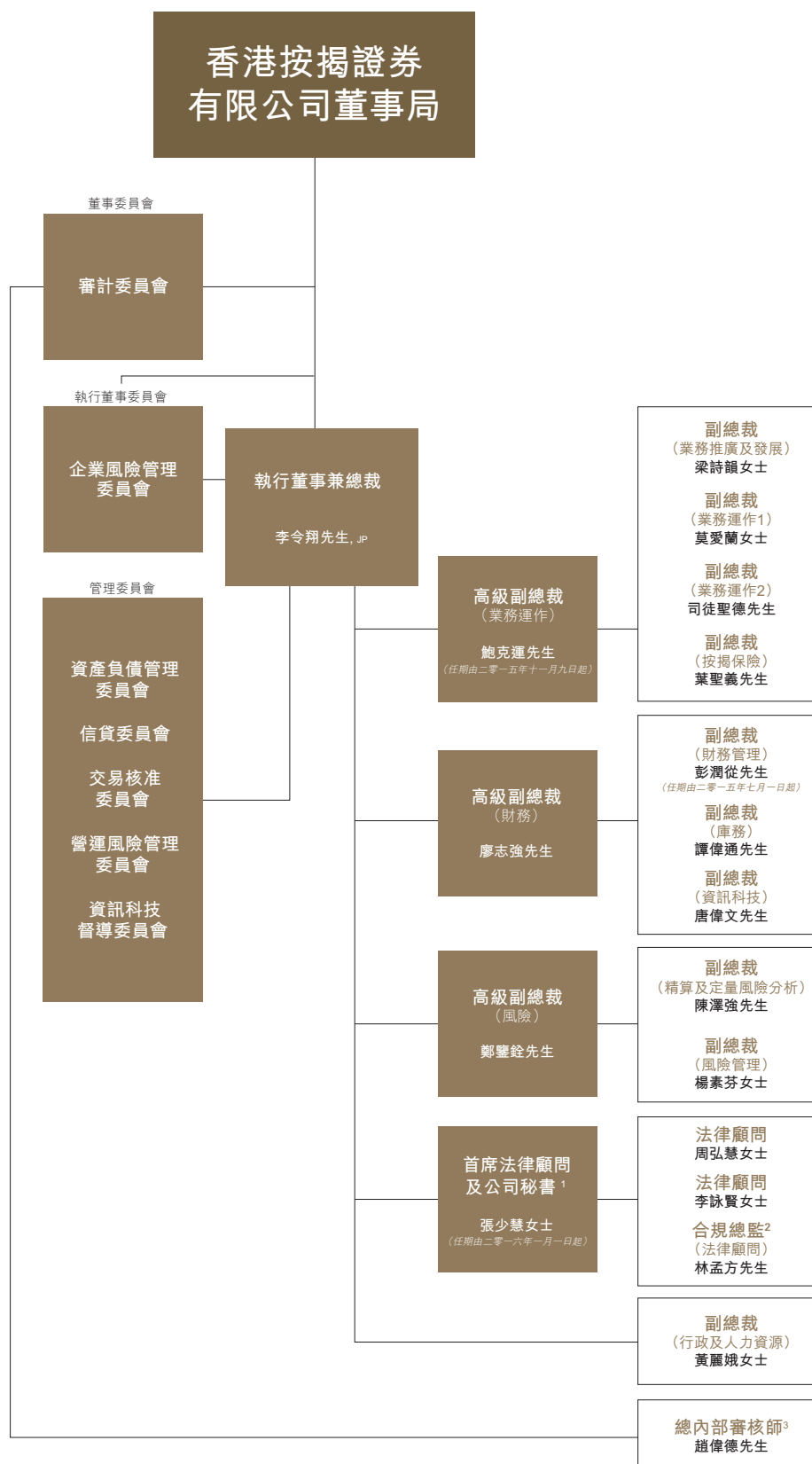
趙偉德先生
總內部審核師



黃麗娥女士
副總裁
(行政及人力資源)

組織架構

組織架構



¹ 作為公司秘書之職務向董事局匯報

² 作為合規總監，日常工作通過首席法律顧問向執行董事兼總裁報告，並定期向董事局匯報

³ 日常行政職務向執行董事兼總裁匯報

企業管治報告

企業管治報告

企業管治常規

本公司的使命是促進：

- 銀行業界穩定
- 市民置業安居
- 本地債券市場發展。

本公司根據審慎的商業原則運作，並致力確保高水平的企業管治，務求提升整體問責性、透明度及長遠的持續營運能力。本公司所採納的企業管治常規，載於董事局所通過的「企業管治守則」（「守則」）內。守則以公平、透明、問責及向所有持份者負責的原則為前提。守則已向股東、董事及員工發出，並載於本公司的網站(www.hkmc.com.hk)。

守則的合規監控方面，每年由各部門進行自我評估開始，然後總內部審核師會獨立審核各部門所填寫的自我評估報表，合規報告之後會呈交董事局審閱。董事局有權要求就任何違規行為採取適當行動。

於二零一六年二月，總內部審核師對各部門就二零一五年度的守則合規情況所提交的自我評估報表，進行了適當的獨立審核。根據年內本公司內部監控制度的審計結果及已填寫的自我評估報表，總內部審核師認為守則在各重大方面已經予以遵守。

提升企業管治守則

保持穩健及合理的企業管治架構，以達至有效和審慎的公司管理，一直是本公司的首要工作。為確保本公司的企業管治常規與最佳標準更趨一致，本公司將不時檢討守則，並採納任何新發展的相關企業管治常規。

股東

本公司的所有股份均由香港財政司司長以外匯基金管理人身份實益擁有。

董事局

董事局負責領導本公司，並以有效及負責任方法推動公司爭取佳績。為了對本公司給予策略性領導及實施有效監控，董事局每年最少召開四次由董事親身出席的董事局會議，以檢視本公司的業務策略與政策、預算與規劃、組織與財務表現、風險管理、人力資源及社區關係。為確保董事局能夠作出持平的決定，董事局成員包括來自政府、政黨、銀行界、保險界、相關業界團體、會計界、法律界與消費者委員會的代表。本公司鼓勵董事出席董事局會議，以確保事項得到充分討論。

守則規定在董事局會議召開前，董事都獲提供適當資料，以便了解公司事務的最新情況，並在會議上作出明智決定。在審查年度內，董事局共舉行了四次會議。

守則亦規定董事在履行本公司的董事職責時，應避免可能損害（或可能被視為損害）其個人判斷或誠信的情況或引起利益衝突的情況。

董事須就董事局會議即將審議的任何事項，申報其本人或其關連實體的重大利害關係。倘若有董事或其關連實體在董事局會議即將審議的事項上有利益衝突，則該名董事須在董事局會議表決該事項時放棄投票，而其出席也不會計算在該事項投票時的法定人數內。就每個財務匯報期，本公司均會要求董事就其本人及其關連實體在涉及本公司或本公司之附屬公司或附屬企業的交易、安排或合約中所存有的重大利害關係進行確認。每年亦會按照香港財務報表準則，識別本公司與其交易對手訂立的有關人士重大交易，並在財務報表的附註內作出披露。

截止二零一五年十二月三十一日，董事局有18名董事，全部均由本公司的股東正式委任。董事資料載於年報內刊載的董事報告，亦可在本公司網站參閱。除了四名執行董事，所有董事均為非執行董事，並無積極參與本公司的日常管理。但非執行董事在董事局審議事項方面扮演着重要角色，包括提供獨立意見、廣博見識及多方面專業知識，有效推動管理層執行本公司的政策。本公司並無向董事支付酬金。

本公司會向新委任的董事提供關於本公司業務活動、策略及目標的簡介。

非執行董事的任期為一年，通常於股東週年大會獲委任。根據本公司的公司章程細則，全體非執行董事須於獲委任後的下一屆股東週年大會退任，惟可獲再委任。

對於董事及管理人員為本公司履行職務時可能引起的法律訴訟及其他索償，本公司一直有作出保險安排。

主席與總裁

二零一五年內，主席一職由曾俊華先生擔任，總裁一職由李令翔先生擔任。主席與總裁職位分別由兩位不同人士擔任，以此明確區分董事局職責與本公司管理層的行政職責。董事局負責制定策略性方向及業務指引，批核財務目標及持續密切監察本公司的表現。總裁向董事局負責，肩負帶領管理層以適當有效方式執行董事局決策的重任。總裁亦會確保定期向董事局呈報有關本公司業務的充足資料。

公司秘書

公司秘書向董事局負責，其主要職責是確保本公司及董事局遵循所有公司秘書程序。此外，公司秘書須確保會議文件於每次董事局會議召開前，及時發放予董事。董事亦可向公司秘書徵詢意見及要求服務，以確保董事局程序符合有關法律、規則和法規。

二零一五年的董事局會議時間表已預先提供予董事，以便董事安排出席會議。守則要求董事局會議文件一般應在相關董事局會議召開前最少七天，發送予各董事，讓董事在董事局會議召開前能充分了解有關事宜。董事局會議文件一般載有會議議題的詳盡背景或說明資料，亦適當包括支持文件、分析、研究結果、計劃書、財政預算及預測。然而，如任何董事被認定與董事局會議的議題存在利益衝突，則該董事便不會獲發相關議題的董事局會議文件。

所有董事局會議與審計委員會會議一般都有詳盡的會議記錄，記錄內容包括會議上曾討論的事項、達成的決定、董事曾提出的問題及曾發表的不同意見。董事局會議記錄與審計委員會會議記錄均由公司秘書保管，可供任何董事查閱。然而，如有董事對任何會議議題存有或被認為有利益衝突，該名董事則不會獲發亦不可查閱相關會議記錄或資料。

審計委員會

在審查年度內，審計委員會成員為：

- 石禮謙先生，非執行董事
(審計委員會主席)
- 彭醒棠先生，執行董事
- 余偉文先生，執行董事
- 梁君彥先生，非執行董事
- 吳亮星先生，非執行董事
- 施文信先生，非執行董事。

審計委員會負責審閱本公司的財務報表、該報表的編製及所採納的會計準則、財務審計結果及本公司的管理程序，以確保內部監控制度充足有效。審計委員會的職權範圍載於本公司網站。

審計委員會定期與管理層、總內部審核師及外聘核數師舉行會議。審計委員會亦會召開臨時會議，審議需要其注意的特別事項。審計委員會主席向董事局提交報告供董事審閱，報告概述審計委員會曾進行的審閱，並重點指出任何重要事項。在二零一五年，審計委員會共舉行了兩次會議。



審計委員會

內部審核師

本公司設有內部審核部，獨立於管理層運作，在監察本公司的內部監控制度上擔當重要角色。總內部審核師領導內部審核部，直接向審計委員會主席匯報與內部監控有關的一切事宜，亦同時向總裁匯報內部審核部的日常行政工作。總內部審核師可以毋須知會管理層，與審計委員會主席直接溝通。

審計委員會每年均會正式審批由總內部審核師根據其獨立風險評估並按照其於定期舉行的營運風險管理委員會與企業風險管理委員會會議獲悉的其他風險管理問題所編製的年度內部審核計劃。內部審核部依照年度內部審核計劃，採用以風險為本的審計方法，獨立審核本公司的內部監控制度。每次審核後，內部審核部會與相關部門主管、高級管理層和執行董事討論審核結果及建議。內部審核報告會呈交審計委員會審閱，然後再呈報董事局。

一直以來，管理層都積極考慮總內部審核師所提出的審計結果及建議，並密切監督有關建議的實施。於二零一五年，內部審核部共進行了13項審閱。

外聘核數師

本公司的外聘核數師是羅兵咸永道會計師事務所。核數師酬金的詳細資料於本公司的財務報表內披露。核數師可隨時與總內部審核師及審計委員會溝通。為確保核數師對本公司的獨立性，核數師會根據香港會計師公會的《國際職業會計師道德守

則》第290節的要求，每年致函審計委員會，確認其身份獨立。為了審核本公司截至二零一五年十二月三十一日年度的財務報表，羅兵咸永道會計師事務所已向審計委員會確認其身份獨立。

財務匯報

本公司致力向持份者與公眾人士，就業績表現、財務狀況和前景提供清晰、持平及全面的評估。董事負責編製財務報表，核數師就其匯報責任於財務報表的核數師報告中作出聲明。董事要確保所編製的財務報表真實及公平地反映本公司的財政狀況。本公司的全年及中期業績會在相關時期結束後及時公佈。

內部監控

董事局對本公司的內部監控制度承擔整體責任，並透過審計委員會對該等制度的成效和效率定期進行檢討。

多個不同委員會經已成立，以確保本公司有營運效率及審慎風險管理。當中包括企業風險管理委員會，由一位執行董事擔任主席，負責從企業整體角度監督本公司的財務及非財務風險；而營運風險管理委員會、信貸委員會、交易核准委員會及資產負債管理委員會皆是管理層委員會，均由總裁擔任主席。有關這五個委員會及本公司的風險管理架構的詳情，均載於年報內「業務回顧」一節。

每個委員會都有清晰明確的職權範圍。內部監控制度旨在提供合理保障，以避免重大的失實陳述

或損失，管理營運系統失效以及追求業務目標帶來的風險，防止未經授權使用資產，妥善保存供內部使用及對外發放的會計記錄，並確保符合相關法例與法規。

合規匯報

為了更有效管理監管及合規風險，本公司於法律顧問部內增設了一個合規專組。

合規專組由合規總監領導，並通過首席法律顧問向總裁匯報。在二零一五年，作為合規計劃的一環，合規專組繼續與其他部門合作，主要針對利益衝突、反貪污、反歧視、競爭法及個人資料保護方面，審視本公司的內部合規操作，以更新本公司的內部合規操作和政策。合規專組亦編製了新的合規文件，例如反詐騙與舉報政策以及合規手冊，以提供進一步合規指引。為支援交易，合規專組負責對關鍵交易進行審查和簽字批核。合規專組亦舉辦了相關合規培訓，以加強員工的合規知識。二零一五年底，合規專組推出了一個網上系統實施合規知識測驗。該測驗對所有員工強制實施，而所有員工將分批參與該測驗。

行為守則

本公司要求員工遵守最高的誠信和行為標準。該等要求與相關法律責任明確載於員工手冊內的行為守則(「行為守則」)。此外，行為守則特別有條文規範員工與公司之間可能產生的潛在利益衝突，而員工對此應有所知悉。行為守則亦載有其他條文，以確保員工妥善地、符合道德地、公正無私地，在沒有受到任何不正當影響下執行其職務。

行為守則載於本公司的內部網站，供全體員工參閱。

員工每年均須書面確認其已經遵守行為守則。根據已收到的員工確認書，管理層認為員工於二零一五年內均已遵守行為守則，表示滿意。

溝通交流

本公司非常重視與公眾的溝通交流。本公司的年報刊載了本公司的業務策略及發展詳情。本公司的網站(www.hkmc.com.hk)適時登載本公司的新聞稿與其他業務資訊。本公司亦設有熱線電話，供公眾人士查詢使用。

企業社會責任

本公司致力履行企業社會責任。自二零零八年起，為了嘉許本公司過去多年對社會的貢獻及一直致力履行社會責任，香港社會服務聯會向本公司頒發「同心展關懷」標誌，而本公司現在已是第八年參與企業社會責任工作。二零一五年，本公司繼續參與由政府舉辦的無障礙網頁運動，其目的是要支援例如有聽覺或視覺障礙等有障礙人士使用本公司的網站。本公司於二零一五年榮獲政府資訊科技總監辦公室頒贈金獎，以嘉許本公司在該運動中符合了無障礙網頁全部評審準則的卓越表現。

結論

董事局對本公司二零一五年內的企業管治操作表示滿意。在二零一六年，本公司將按日後的實踐經驗、監管制度變化、國際市場動向與發展，繼續適當檢討企業管治架構並優化該等操作，務求提升本公司的效率和有效管理以達成使命。

大事紀要

9

二月



與「小型貸款計劃」借款人聚會

27

二月

宣佈將「中小企融資擔保計劃」特別優惠措施(即八成信貸擔保產品)申請期延長一年

27

二月

在香港金融管理局實施對住宅按揭貸款的審慎監管措施之後，修訂「按揭保險計劃」

12

三月



「安老按揭計劃」微電影《家・用》首映禮

10

四月



參與由活齡學院舉辦之「積極活齡週2015」

17

四月



2015

中小企業最佳拍檔獎

Best SME's Partner Award

榮獲香港中小型企業總商會
頒發「中小企業最佳拍檔獎」

15-17

五月



「小型貸款計劃—大夢想由小實踐」展銷會

29

六月



推出「小型貸款計劃」宣傳短片

5

七月



與永隆銀行參加「退休人士及長者博覽2015」座談會

1

八月



參與由中國銀行(香港)舉辦之微電影
《家·用》放映會

1

九月



參與由香港財務策劃師學會「財務策劃會議2015」
之退休策劃論壇

15

九月



推出「補價易貸款保險計劃」

「補價易貸款保險計劃」廣告和宣傳活動

九月



海報和小巴車身廣告



十月



巡迴展覽

十一月



巡迴展覽

十二月



戶外宣傳活動

業務回顧

業務回顧

業績摘要

本年度，本公司的主要業績包括：

- 購入約3.37億港元貸款資產
 - 透過按揭保險計劃，幫助置業人士，借取合共172億港元按揭貸款
 - 自安老按揭計劃推出以來，共批核1,096宗申請；物業平均價值約510萬港元
 - 推出補價易貸款保險計劃，得到市場正面回應
 - 自小型貸款計劃成立至二零一五年底，已批出合共4,120萬港元貸款，協助創業人士、來自不同背景與行業的自僱人士、及有意透過接受培訓或考取專業資格自我提升的人士獲得融資
 - 在政府的支持下，中小企融資擔保計劃下八成信貸擔保產品的申請期進一步延長一年，至二零一六年二月二十九日。自中小企融資擔保計劃於二零一一年一月推出至今，本公司已批出超過10,900宗申請，涉及貸款總額約441億港元；其中在八成信貸擔保產品下，批出超過10,600宗申請，涉及貸款總額約432億港元。逾6,900間本地中小型企業（「中小企」）及其約183,000名相關員工受惠於此計劃
 - 按照成本效益原則，發行總值140億港元的債券（年期為一年及以上），保持香港按揭證券有限公司作為香港最活躍企業發債體之一的地位，並促進本地債券市場發展。當中包括本公司首度發行的30年期債券，總值10億港元，為潛在的定息新業務作準備
 - 維持優良的信貸素質。於二零一五年十二月三十一日計，逾期90日以上的拖欠率，按揭保險組合為0%；中小企融資擔保組合為6.53%（不包括中小企融資擔保計劃下的八成信貸擔保產品）；香港住宅按揭組合為0.02%（業內平均數為0.03%）；小型貸款計劃組合為1.05%；所有資產類別合計為0.02%
 - 公司的長期外幣和本地貨幣信貸評級，維持在標準普爾（「標普」）AAA及穆迪投資者服務公司（「穆迪」）Aa1的卓越級別。
- 二零一五年，本公司維持穩健的財務狀況：
- 股東應佔溢利為7.25億港元
 - 淨息差為1.2%
 - 資產回報率為1.4%
 - 股東資金回報率為8.1%
 - 成本對收入比率為25.7%
 - 資本充足率為21.9%，遠高於財政司司長指定的8%最低要求。

市況概覽

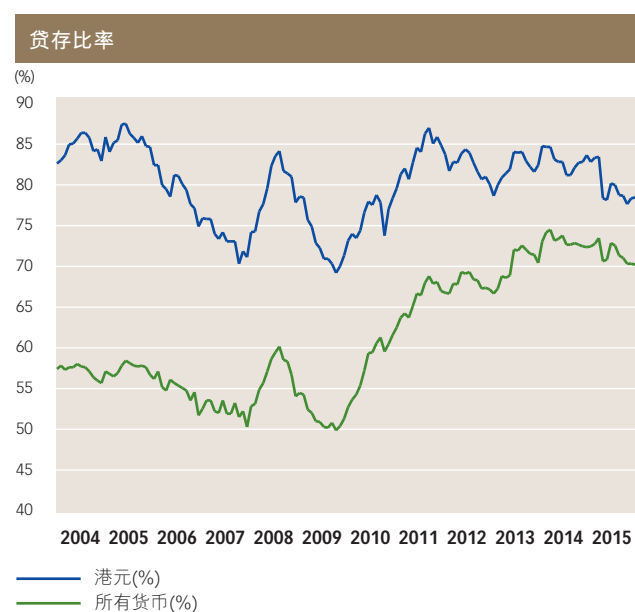
大圖經濟狀況

二零一五年，主要先進經濟體系繼續走勢迥異。美國內部呈現良好增長，歐洲和日本則仍然復甦緩慢。美國經濟復甦，促使美國聯邦儲備局在近十年以來首度上調聯邦基金目標利率，標誌着美國利率正常化的開始。相反，歐洲和日本的復甦持續疲弱、通脹低迷，標誌著新一輪貨幣寬鬆的可能性。中國方面，基於外需減慢和私人投資疲弱，增長步伐放緩。在此情況下，去年內香港經濟增幅溫和，實際本地生產總值按年增加2.4%，本地需求亦有放緩跡象，出口表現也未如理想。

流動資金與利率環境

基本上，香港的貨幣環境保持寬鬆，繼續維持低利率環境。市場仍然有充裕的流動資金。二零一五年底，所有認可機構的港元和以所有貨幣計算的貸存比率，分別從二零一四年底的83.3%和72.2%，下跌至78.2%和70.1%（圖1）。

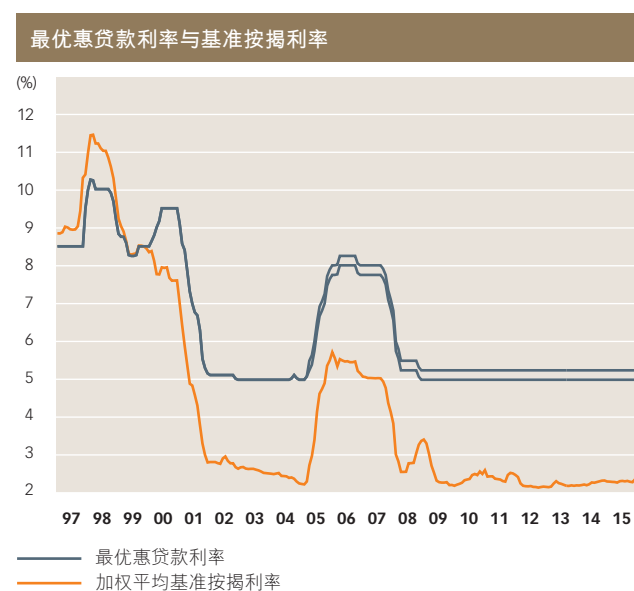
圖1



資料來源：香港金融管理局

整體而言，香港的按揭利率於二零一五年保持在低水平。最優惠貸款利率全年維持不變在5%及5.25%。香港銀行同業拆息利率仍然穩定，一個月香港銀行同業拆息在0.20%至0.24%的範圍內浮動（以期間的平均值計¹）。由於按揭業務競爭激烈，按揭利率亦趨穩定。二零一五年底的按揭利率，大約是最優惠貸款利率減3.1%至減1.95%，而以香港銀行同業拆息利率為基礎的則是有關利率加1.7%至加2.95%（圖2）。

圖2



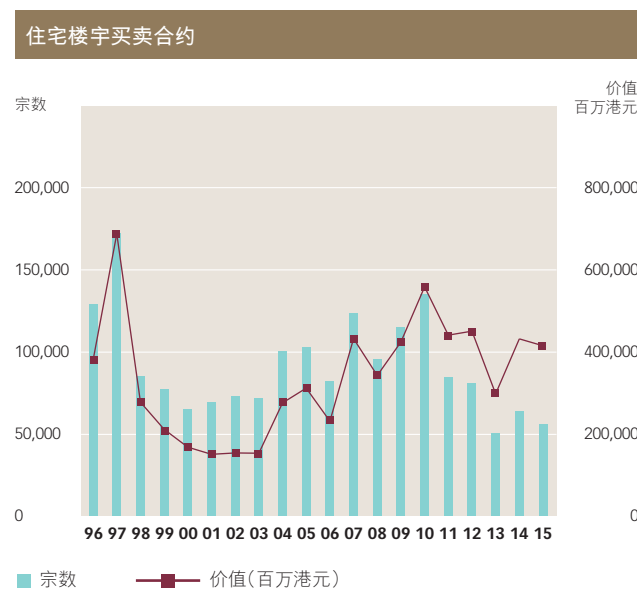
資料來源：香港金融管理局

物業市場

正當市場憂慮美國利率即將上升、中國內地經濟增長放緩，香港金融管理局（「金管局」）於二月下旬就住宅按揭貸款推出進一步的審慎措施，住宅物業市場於今年第三季度出現整固。二零一五年，物業總成交有55,982宗，成交量按年下跌約12%，物業總成交額亦按年下跌近4%（圖3）。

¹ 資料來源：香港金融管理局《金融數據月報》

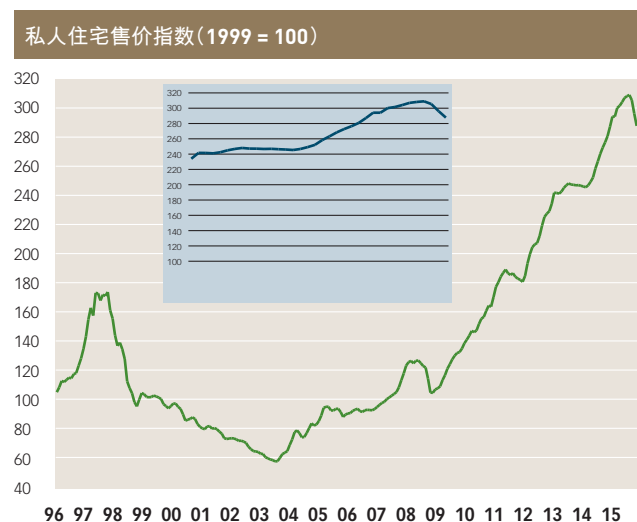
圖3



資料來源：土地註冊處

而在一手和二手市場交易下跌的同時，住宅物業的價格的增幅亦見放緩。整體而言，住宅物業價格²於二零一五年錄得約2.5%累積增幅，而二零一四年則累積上升13%。但是，由於過去數年樓價持續上升，二零一五年底的住宅物業價格，已經超過一九九七年高峰時期約67%（圖4）。

圖4

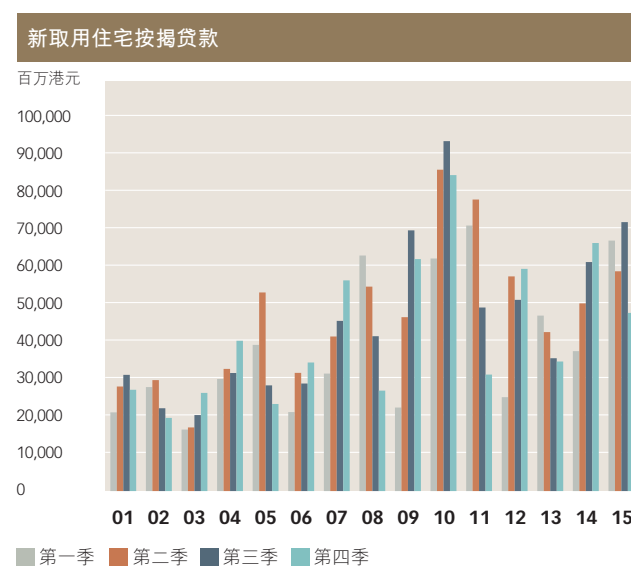


資料來源：差餉物業估價署

按揭市場

隨着物業市場整固，按揭貸款的增長在二零一五年也呈現放緩趨勢。新取用按揭貸款³總額，相較二零一四年的35%增長，只按年上升14%（圖5）。雖然新按揭貸款增長放緩，但未償還住宅按揭貸款總額，於二零一五年仍溫和上升8.7%，至11,193億港元。

圖5



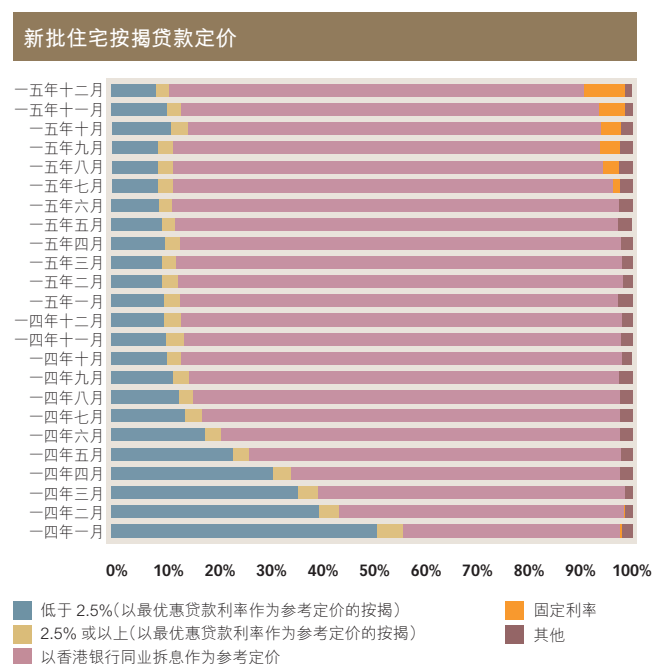
資料來源：香港金融管理局

由於香港銀行同業拆息仍處於低水平，於二零一五年十二月，79.7%的新按揭貸款選擇以香港銀行同業拆息作為參考定價。而以最優惠利率作為參考定價的新按揭貸款的比例，於全年維持在低於15%的水平，當中大部份的按揭貸款利率介乎2%至2.25%之間（圖6）。固定利率的按揭貸款在下半年度有所增長，由七月份只佔1.3%份額，上升至十二月份的7.9%。

² 資料來源：差餉物業估價署編制的私人住宅售價指數

³ 資料來源：香港金融管理局之住宅按揭每月統計調查結果

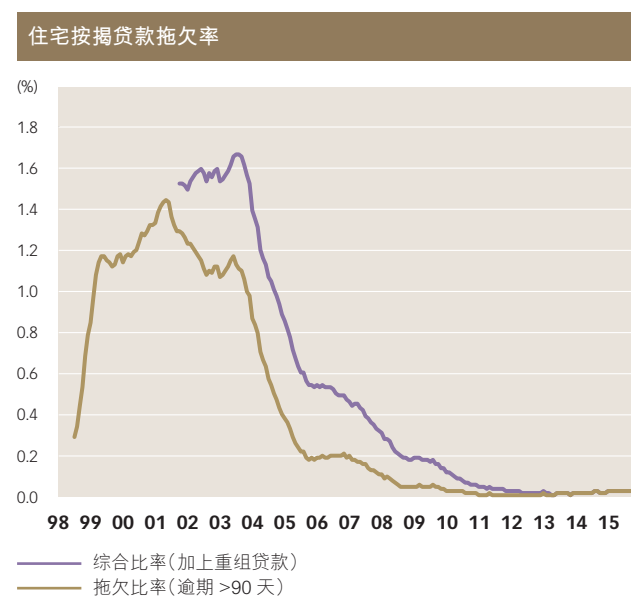
圖 6



資料來源：香港金融管理局

由於勞工市場穩定及金管局審慎監管按揭借貸，二零一五年的住宅物業按揭貸款資產素質依然良好。逾期90日以上的按揭貸款拖欠比率⁴，全年維持在0.03%的低位，反映銀行採取審慎的借貸準則。同一時期，計及拖欠及重組貸款的綜合比率，也維持在0.03%的低水平（圖7）。由於住宅物業價格在市場整固後，開始下調，在二零一五年十二月底，錄得95宗負資產按揭貸款，總值為4.8億港元；也是自二零一四年九月底，首次錄得負資產個案⁴。

圖 7



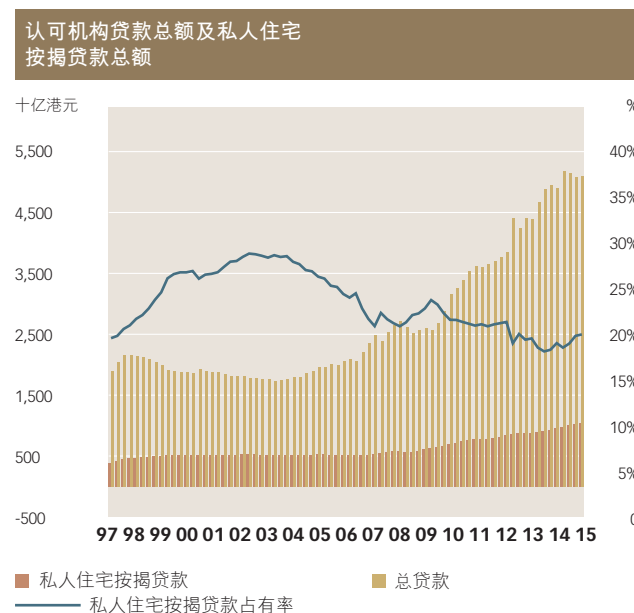
資料來源：香港金融管理局

銀行業貸款

私人住宅物業未償還按揭貸款總額，上升至二零一五年底的10,779億港元（二零一四年底：9,881億港元），佔香港市場總貸款金額五分之一（圖8）。加上建造業、物業發展及投資的貸款一併計算，房地產相關貸款的金額達22,165億港元，佔銀行貸款總額約42%。居者有其屋計劃、私人機構參建計劃及租者置其屋計劃的未償還按揭貸款總額，輕微下調至二零一五年底的414億港元（二零一四年底：417億港元）。

⁴ 資料來源：香港金融管理局之住宅按揭每月統計調查結果

圖 8



購買資產

由於市場上有充裕的流動資金，減低了銀行出售資產的意欲。本公司已做好準備，於有需要時為市場提供流動資金。本公司全年購入總值約3.37億港元資產，其中包括住宅按揭貸款和其他資產。

在中小企融資擔保計劃下延長有時限的八成信貸擔保產品的申請期

財政司司長於二零一二至一三年度財政預算案中，公佈一系列支援中小企措施，協助中小企在全球經濟環境不明朗及因信貸緊縮而可能導致融資困難的情況下，渡過難關。其中包括在本公司的中小企融資擔保計劃下推出有時限的八成信貸擔保產品，申請期原為九個月，至二零一三年二月底為止，政府向此產品提供1,000億港元信貸保證承

擔額。八成信貸擔保產品為參與的貸款機構所批出的合資格貸款，提供八成信貸擔保，而且擔保費用大幅調低，從而協助中小企取得融資作為一般營運資金或添置設備或資產用途以支援業務。面對不明朗的外圍經濟環境和貿易表現，八成信貸擔保產品的申請期已延長合共三年，至二零一六年二月底。

本公司以審慎的商業準則管理八成信貸擔保產品。擔保費將會全數撥作支付參予貸款機構的壞帳索償及相關開支。現時共有30間認可機構參與此計劃。

八成信貸擔保產品深受市場歡迎。截至二零一五年十二月三十一日，本公司在中小企融資擔保計劃下，已經批出超過10,900宗申請，涉及貸款總額約441億港元。當中在八成信貸擔保產品下，批出超過10,600宗申請，涉及貸款總額約432億港元。超過6,900間本地中小企及其約183,000名員工受惠於此計劃。

本公司一直與香港政府、貸款機構和其他市場參與者，持續溝通，從而進一步提高公眾對中小企融資擔保計劃（特別是八成信貸擔保產品）的認識和認受性。此外，本公司也一直主動提高透明度和加強與參與的貸款機構間的相互了解。

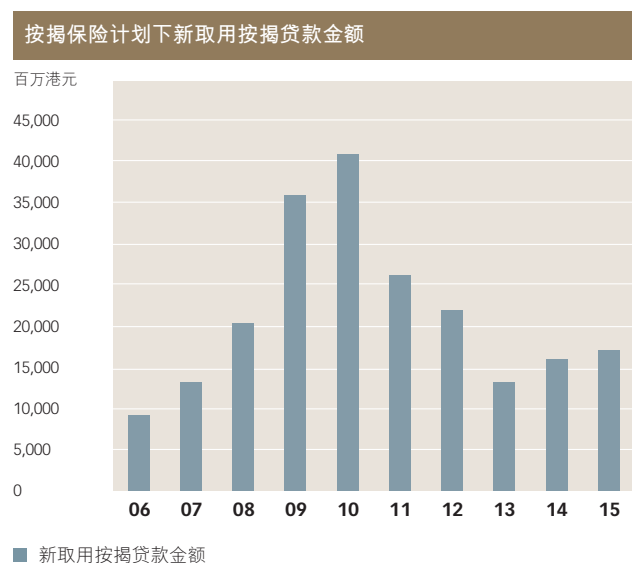
為配合中小企融資擔保計劃的發展，本公司於二零一五年四月進一步優化現有網上系統，旨在簡化處理壞賬索償申請。此項優化措施協助貸款機構透過網上系統進行無紙化的壞賬索償申請程序，及實時跟蹤最新的狀況。

按揭保險計劃

按揭保險計劃有效地幫助有需要籌措大筆資金以支付首期的有意置業人士。從銀行業角度來看，計劃可以讓銀行借出更高成數的按揭貸款而毋須承擔額外的信貸風險，亦無損銀行體系的穩定性。總括來說，該計劃為置業人士和銀行帶來雙贏局面。

多年來，按揭保險計劃已成為香港按揭融資不可或缺的一部份。二零一五年，按揭保險計劃需求保持穩定，新取用的按揭保險貸款總額從二零一四年的160億港元，輕微增加至二零一五年的172億港元(圖9)。而計劃下新取用的按揭貸款，約88%以二手市場物業作抵押(就貸款金額而言)，顯示該計劃對於在二手市場置業的人士相當重要。

圖9



資料來源：香港按揭證券有限公司

自一九九九年以來，按揭保險計劃已協助超過117,000個家庭實現置業夢想，取用貸款總額達2,780億港元。

補價易貸款保險計劃

受財政司司長於二零一五至一六年度財政預算案所委託，本公司於二零一五年九月推出補價易貸款保險計劃(「補價易」)，計劃旨在提供平台，協助50歲或以上的資助房屋業主融資，向香港房屋委員會(「房委會」)、香港房屋協會(「房協」)或政府補地價。

在補價易下，借款人可利用其資助房屋作為抵押品，向銀行申請貸款，主要用於向房委會、房協或政府補地價。本公司作為保險公司，向參與銀行提供保證，以補償在貸款終止時，因出售物業後不足以清還貸款所導致的損失。截至二零一五年底，本公司已經批核三宗補價易貸款申請，平均物業估值約480萬港元，一筆過貸款金額平均為120萬港元。

補價易於二零一五年九月中旬舉行啟動儀式後，為引起大眾對計劃的興趣，本公司推出包括電視、電台、報紙和小巴車身廣告。由於補價易的目標客戶為資助房屋業主，本公司也舉辦地區宣傳活動，接觸目標客戶群，其中包括於鄰近資助房屋的購物商場進行巡迴展覽，並和參與銀行合作舉辦講座。

安老按揭計劃

安老按揭計劃的推出，目的是給予長者多一個財務安排選擇，提升生活素質。截至二零一五年底，本公司已經審批超過1,096宗申請，涉及物業平均價值約510萬港元，平均每月年金金額為14,800港元。

為優化安老按揭計劃，本公司於三月推出一系列優化措施，迎合目標客戶需要。措施包括接受(一)借款人可利用多於一個自用物業作為計劃的抵押品；(二)作為計劃下的抵押物業毋須為借款人的主要居所；(三)共同借款人之數目上限為三人；及(四)借款人可將個人壽險保單作為額外的抵押品。本公司預期新措施可以提高計劃的靈活性，同時本公司的風險狀況仍得以維持穩健。

為了提高大眾對安老按揭計劃的認識和了解，本公司製作了一套名為《家•用》的微電影；電影主題為安老按揭計劃如何協助現代家庭，提供財務方案，促進不同世代家人之間的聯繫。這是本公司首次嘗試透過網上發放微電影，推廣業務計劃。年內，為了加強向大眾的信息傳播，本公司通過不同媒體推出廣告計劃，包括透過網上媒體(例如YouTube和Facebook)和商業場地(例如：商業大廈和銀行分行大堂)播放電視廣告、電台廣告、政府電視宣傳短片和電台宣傳聲帶，以及巴士車身和報紙廣告。

為了接觸不同階層的持份者，本公司繼續與銀行、合作伙伴、專業團體和非政府機構合辦研討會和講座，並參與公眾討論會／論壇，藉以推廣安老按揭計劃。

揭計劃。於十二月時，本公司與房協合作推廣安老按揭計劃，為全港首個專為60歲或以上人士而設的優質生活項目《雋悅》的準租戶，提供一個額外的融資選擇。

小型貸款計劃

在小型貸款計劃下，本公司繼續擔當計劃營運者的角色，聯繫參與的銀行和非政府機構，為有意創業人士、自僱人士或有意透過接受培訓或考取專業資格以達到自我提升的人士，提供可負擔息率的融資和其他支援服務。

在六月，本公司除了延長小型貸款計劃三年至二零一八年外，並同時推出一系列的優化措施，包括(一)將小型貸款計劃的總貸款金額增加一億港元，至二億港元；(二)提高自僱營商貸款的最高貸款金額，由20萬港元增加至30萬港元；(三)共同借款人之數目上限由二人，調升至三人；及(四)小型創業貸款或自僱營商貸款的現有及前借款人，凡持有小型貸款戶口二年或以上及具備良好還款紀錄，可再次申請新貸款，而最高貸款總額上限為60萬港元。

自二零一二年六月展開以來，小型貸款計劃運作暢順。截至二零一五年底，小型貸款計劃批出合共164宗貸款，涉及總貸款額為4,120萬港元。

小型貸款計劃的借款人，來自不同背景和行業，例如年輕美容師、化妝師、寵物美容得獎者、時裝及鐘錶設計師、資訊科技畢業生、中醫師、更生人士、小丑表演藝人、外籍老師、甜品和糕點廚師及化驗所專家。

本公司繼續以聚焦策略，在目標市場和社區，推廣小型貸款計劃。為了更廣泛地接觸潛在的借款人，以及進一步推動企業精神，本公司參加教育機構和非政府機構舉辦的公開講座、研討會、展覽及／或相關活動等。此外，於銀行、非政府機構、商務中心、社區組織、中學、專上學院，放置名為《創業營商錦囊》的小型貸款計劃刊物，以供索閱。

為了提升小型貸款計劃的公眾認受性、並幫助借款人推廣其產品和服務，本公司假奧海城商場舉行「小型貸款計劃-大夢想由小實踐」展銷會。本公司也製作了新的電視廣告和宣傳短片，並繼續為計劃下的借款人安排傳媒採訪，提高計劃的知名度。

融資安排

由於各主要經濟體系的經濟增長不均、貨幣政策方向亦有差異，二零一五年的環球金融市場仍然波動。儘管市況充滿挑戰，本公司堅持審慎的預早融資策略，為購買銀行貸款資產及再融資安排資金。基於本公司擁有強大政府支持和卓越的信貸評級，本公司於二零一五年發行了合共140億港元債券(年期一年及以上)。截至年底，本公司未贖回債券總額為335億港元。

本公司致力定期發行債券和引入嶄新債券產品，發展本地債券市場。作為香港最活躍的公司發債體之一，本公司將繼續在本地機構及零售資本市

場發行債券，並在海外機構市場開拓資金來源及擴大投資者基礎。這不僅有助擴大本公司的資金基礎，更可以為機構投資者及零售投資者提供高素質的債券工具，滿足投資者對投資組合多元化及提高收益的要求。

本公司設有三個債務工具發行計劃，在發行債券方面既有效率，亦有實效。由於本公司的信貸評級卓越，所發行的債券受各界投資者歡迎，包括退休基金、保險公司、投資基金、慈善及政府相關基金與零售投資者等。本公司一直積極與投資者溝通，定期將最新訊息發放給投資者。

中期債券發行計劃

為了在國際市場吸引更多投資者和開拓資金來源，本公司於二零零七年六月設立多種貨幣中期債券發行計劃。初時的發行規模為30億美元，其後為滿足海外投資者更大的需求，於二零一一年七月增加至60億美元。在該計劃下，本公司可發行多種主要貨幣的債券，包括港元、美元、人民幣、澳元、英鎊、歐元及日圓，以滿足本地及海外投資者的需求。所有透過中期債券發行計劃發行的外幣債券，均全數對沖為美元或港元。該項計劃亦兼有靈活的產品特色及發行機制，可進行公開發行或私人配售，更能迎合投資者在不同投資年期等方面的要求。截至二零一五年底，本公司共委任了10家國際及區內主要金融機構組成強大的交易商團隊，支持未來中期債券發行，亦為二手市場提供流通性。

二零一五年，本公司透過中期債券發行計劃，共發行了21批私募債券，金額合共140億港元等值(年期一年及以上)。當中包括本公司首度發行的30年期債券，總值10億港元，為潛在的定息新業務作準備。

債務工具發行計劃

債務工具發行計劃於一九九八年七月設立，發行對象是港元債務市場的機構投資者。計劃設立時的發行額為200億港元，其後於二零零三年增加至400億港元。此計劃至今提供了一個既靈活亦有效率的平台，為本公司發行債券和可轉讓貸款證，最長年期達15年。該計劃合共委任六家主要交易商和16家銷售團成員，為公開發售與私人配售方式發行的債券提供廣泛的分銷渠道。

零售債券發行計劃

本公司致力發展本地零售債券市場，務求在已具規模的機構投資者市場以外，擴展投資者基礎。於二零零一年十一月，本公司為香港零售債券市場成功創立新的發行機制。

為支持零售債券市場的發展，本公司設立了200億港元零售債券發行計劃，於二零零四年六月發行首批債券。在此計劃下，通過配售銀行的分行零售網絡、電話及電子銀行，向零售投資者配售本公司發行的債券。為確保上述零售債券的流通性，配售銀行向本公司承諾在二手市場開出作實買入價。自二零零一年以來，本公司發行的零售債券總額達137億港元。多年來，本公司零售債券獲廣

泛接受為回報合理且簡單安全的投資選擇，提供機會給零售投資者投資於政府全資擁有公司所發行的高素質債券。本公司致力在市況合適時定期發行零售債券，為本港零售投資者提供更多投資工具。

外匯基金提供的備用循環信貸安排

面對亞洲金融危機衝擊，外匯基金於一九九八年一月，透過金管局向本公司提供100億港元循環信貸安排，使本公司可以在異常經濟環境下保持平穩營運，因而可更有效地履行穩定香港銀行及金融系統的使命。雖然本公司可以從本地及國際債券市場獲得長期融資作營運用途，該備用循環信貸亦可作為備用流動資金。由於二零零八年爆發全球金融危機，該信貸額度於二零零八年十二月增加至300億港元，顯示特區政府肯定本公司的重要性，並對本公司給予進一步支持。

本公司曾於一九九八年和二零零八年資本市場受壓及異常波動時，動用備用循環信貸，作為向本地銀行購入香港住宅按揭資產的部份資金。本公司兩度於市場回復穩定後，以具成本效益的發債所得資金，全數償還循環信貸安排的貸款。二零一五年，本公司並沒有向循環信貸安排借入任何貸款。

信貸評級

標普及穆迪給予本公司與特區政府看齊的卓越評級，增強了本公司所發行債券對投資者的吸引力。

本公司的信貸評級

	標普		穆迪	
	短期	長期	短期	長期
本地貨幣	A-1+	AAA (負面)	P-1	Aa1 (負面)
外幣	A-1+	AAA (負面)	P-1	Aa1 (負面)

信貸評級機構對本公司的信用水平給予高度評價。

以下評論摘錄自標普及穆迪分別於二零一五年六月和七月的信貸評級報告：

標普

「我們將香港按揭證券有限公司的評級，與作為其全資擁有人的香港的評級看齊。反映我們認為（雖然並不太可能發生）當該公司有需要時，香港政府「幾乎可以肯定」會及時向公司提供足夠的強力支持...我們認為，該公司在過去數年開展的其他政策業務，強化了公司與香港政府的連繫，鞏固了兩者的整體關係。」

「我們認為，香港按揭證券有限公司擁有非常強大的市場地位，與及超卓的管理和管治，鞏固其超然的商業地位。該公司是唯一一間香港機構，通過購買按揭和貸款組合，滿足本地銀行對流動資金和資產負債表管理的需求，尤其是在市場受壓時...香港按揭證券有限公司的商業模式經歷過各種困難市場環境的試煉。當全球金融市場與本地經濟於二零零八年底和二零零九年初受壓之際，香港按揭證券有限公司因應銀行要求，擴大收購按揭貸款，並優化其按揭保險計劃。近年，該公司又收緊該計劃的資格標準。此舉是該公司與政府合作的其中一環，也藉此冷卻可能過份熾熱的香港樓價。」

「我們相信，市場風險得到有效管理。該公司維持簡單的資產和負債結構，大部份為基本的產品，並得到我們視為健全的市場風險政策所管理。該公司承受的市場風險；主要是利率變動，利率錯配管理情況看似理想。」

「我們預期香港按揭證券有限公司，將繼續審慎管理資本和流動資金。計及公司缺乏零售資金，我們評估公司的資金狀況為充足...我們期望香港按揭證券有限公司維持超過足以應付其短期資金需要的高流動性資產，以作緩衝...此外，300億港元循環信貸安排，大約等於香港按揭證券有限公司於二零一四年底的四分之三總負債額，為任何突如其來的流動資金壓力，提供了重要的緩衝。」

穆迪

「香港按揭證券有限公司是由政府全資擁有，通過日常業務運作，發揮公共政策功能。公司的政策任務，包括加強香港金融和銀行業的穩定，鼓勵自置居所，及促進本地債券市場發展。該公司肩負提高銀行體系穩定性的責任，擔當銀行體系的另一「最後貸款人」，當銀行遇到壓力時，該公司會購買住宅按揭作為支援。」

「政府向香港按揭證券有限公司提供300億港元循環信貸安排及10億港元可按需求發行的股本權益。倘若該公司受壓時信用狀況轉弱，穆迪預期政府將及時提供特別協助。」

「香港按揭證券有限公司自成立以來，經歷多次樓市週期，一直保持優良的資產素質...香港住宅按揭貸款在過往的經濟週期一直表現良好。即使物業價值在一九九七年至二零零三年間下跌了70%，整體按揭貸款的拖欠率從未超過2%。目前，該公司的香港按揭的平均按揭成數低於40%。」

「作為沒有存款業務並依靠批發融資的公司，香港按揭證券有限公司需要不斷從債務資金市場籌集資金以支持運作。然而，該公司奉行預早融資策略以購買預期的資產，而且在正常的經濟環境下也一直保持非常強健的流動資金狀況。由於擁有強健的財務狀況與政府的關係，公司較容易在資本市場籌集資金...公司有源自政府外匯基金的300億港元循環信貸安排。此外，該公司擁有充裕的流動資產和來自政府的備用信貸安排，足以償還二零一四年底的所有債務。」

按揭證券化

本公司致力推動按揭證券市場在香港的發展。按揭證券是一種有效的金融工具，透過運用債券市場的長期資金，滿足按揭貸款對長期融資的資金需求。銀行與金融機構可利用按揭證券，管理按揭貸款面對的信貸、流動資金、利率及資產負債滿期錯配而引起的各類風險。一個交易活躍及流通量高的按揭證券市場，有助促進發展具效率的二手按揭市場，並進一步鞏固香港的國際金融中心地位。

本公司自一九九九年，已發行總值132億港元的按揭證券。在二零零一年設立的30億美元Bauhinia按揭證券化計劃，提供一個既方便又靈活兼具成本效益的平台，使本公司能夠以不同的產品結構、加強信貸措施及分銷方法，發行按揭證券。

風險管理

本公司以審慎的商業原則營運，一切以「審慎為先、利潤為後」的原則，作為整體風險管理架構與

經營日常業務的方針。多年來，本公司不斷優化本已相當完善、穩健及行之有效的風險管理制度，務求配合市場與業務策略的變化。

企業風險管理委員會

董事局擁有本公司最高決策權及對風險管理負上最終責任。董事局在企業風險管理委員會的協助下，首要負責制定風險胃納聲明內的風險管理策略，並確保本公司以有效的風險管理制度去執行該等策略。風險胃納聲明訂定所有風險活動的限制，而這些限制都納入本公司遵循的風險上限、風險政策和監控程序，以確保風險能夠得到妥善管理。

企業風險管理委員會負責監察本公司各類型風險，檢討和批核高層次的風險相關政策，監察執行情況，並且督導有關管治、政策及措施的優化工作。委員會審視定期壓力測試，以評估本公司應對極端嚴峻情況發生時的財務能力。

委員會由一位執行董事擔任主席，成員包括總裁、高級副總裁(業務運作)、高級副總裁(財務)、首席法律顧問、高級副總裁(風險)、及風險管理部的高級職員。

本公司管理的主要風險，包括信貸風險、市場風險、營運風險、法律和合規風險、槓杆風險、長壽風險和物業風險。

信貸風險

信貸風險是本公司承擔的最主要風險，源於借款人或交易對手因拖欠貸款而引起的風險。

(一) 違約風險

為有效控制違約風險，本公司四管齊下，保障和維持本身資產、按揭保險計劃及中小企融資擔保計劃下資產組合的素質：

- 仔細挑選核准賣方、管理供款機構、再保險公司和貸款機構
- 對購買資產、保險和擔保申請制定審慎的資格標準
- 對購買按揭貸款、違約損失、保險及擔保索償進行有效的盡職審查程序
- 提升高風險交易的保障。

若購買按揭貸款計劃的貸款於違約時收回的金額少於貸款餘額，可能引致虧損。為減低違約風險，本公司制定審慎的貸款購買標準，並進行貸款購買過程中必要的有效盡職審查，以維持貸款的信貨素質。此外，本公司會視乎個別相關貸款組合的預計風險，與核准賣方就該組合訂立加強信貸安排，以降低因借款人違約而可能招致的信貸損失。

按揭保險計劃所承保的貸款於違約時亦可能會帶來虧損。每宗按揭保險計劃的申請，均由本公司根據一套審慎的投保標準審批，而參與銀行的每項申索亦會由本公司審查，以確保符合所有按揭保險計劃下的承保條件。

因此，按揭保險計劃貸款的違約風險得以大幅降低。為避免違約風險可能過於集中，本公司以分攤風險和超額損失的再保險安排，將部分風險轉移至核准再保險公司。

同樣地，中小企融資擔保計劃所擔保的貸款，於借款人違約時亦可能會帶來虧損。各擔保申請，均會根據貸款機構的信貨政策，以評估借款人的違約風險。此外，本公司採用審慎的承保條件，進行行政審批和信貸審查，從而更加了解擔保申請的信貨素質；並就每宗壞帳索償進行盡職審查，確保貸款符合本公司的承保條件，以及貸款機構的內部信貸政策。

此外，本公司採用三管齊下的方式，管理小型貸款計劃下的違約風險，包括(1)審慎評估借款人的還款能力；(2)由審批委員會考慮創業計劃的商業可行性以批核貸款申請；及(3)向借款人提供營商培訓和導師支援。

本公司定期編製與匯報貸款和擔保組合的信貨表現，讓管理層知悉最新的信貸狀況，以便密切監察經營環境中出現任何有關本公司的風險，並及時實施減少風險的措施。

(二) 賣方／管理供款機構交易對手風險

倘若所收購組合的賣方／管理供款機構未能適時及準確地匯寄定期款項予本公司，可能會產生交易對手風險。

本公司採用以風險為本的資格審查，不斷監測核准賣方／管理供款機構的貸款服務素質和信貸狀況。

(三) 再保險公司交易對手風險

再保險公司交易對手風險即核准再保險公司無法向本公司支付索償款項。本公司已設立機制，評估各間按揭再保險公司的財務實力、信貸評級及經營按揭保險行業的經驗，以降低交易對手風險。

本公司每年檢討各間核准再保險公司的財務能力、業務胃納與經營能力，並基於檢討結果，決定日後的業務分配及風險分攤比例。本公司亦需要核准再保險公司提供抵押品，以減少交易對手風險。

(四) 庫務交易對手風險

當庫務交易對手拖欠或無法支付本公司有關庫務工具交易的款項時，可能會產生庫務交易對手風險。為管理庫務交易對手，本公司採用以評級為主的交易對手評估框架，及以風險為本的交易對手限額機制。本公司持續監測庫務交易對手，並根據評估結果，調整各庫務交易對手的限額。

此外，本公司已經與主要掉期對手建立了雙邊抵押品安排，以減低交易對手風險。

(五) 貸款機構風險

本公司承受中小企貸款所產生的貸款機構風險：(1) 貸款機構的貸款行為與其信貸政策不符；(2) 貸款機構制定的信貸政策寬鬆、不夠仔細或不夠詳盡以落實審慎批核要求；及(3) 貸款機構因為貸款有擔保保障而在審批時不

夠審慎所引發的道德風險。本公司通過審查貸款機構的信貸政策以及就索償進行的盡職審查，管理貸款機構風險。

本公司信貸風險管理機制的核心為兩個委員會：信貸委員會及交易核准委員會。

信貸委員會

信貸委員會負責制定本公司的整體信貸政策和資格標準，尤其是涉及資產收購、按揭保險、中小企擔保業務與小型貸款計劃。委員會按照董事局已批核的框架運作。委員會審批要求成為購買按揭貸款計劃的核准賣方／放款管理機構、按揭保險計劃的核准再保險公司、與中小企業融資擔保計劃的核准貸款機構及合資格的庫務交易對手的申請。委員會亦制定交易對手的風險承擔限額。委員會也密切注視經營環境，並適時提出緩解風險措施，以管理信貸風險。

交易核准委員會

交易核准委員會負責根據最新市況及董事局批准的業務策略，深入分析業務交易的定價因素及相關信貸風險。委員會核准的主要交易須得一名執行董事的認可。

信貸委員會與交易核准委員會均由總裁擔任主席，成員包括高級副總裁(業務運作)、高級副總裁(財務)、首席法律顧問、高級副總裁(風險)與有關運作部門的高級職員。

市場風險

由於市場價格轉變、使本公司收入或貸款組合價值減少，即屬市場風險。市場風險包括利率風險、資產負債滿期錯配風險、流動資金風險及貨幣風險。

(一) 利率風險

淨利息收入是本公司盈利的主要來源，即本公司的貸款組合、現金及債務投資的利息收入超逾債務發行及其他借款的利息支出的差額。當市場利率的變動影響資產的利息收入及負債相關的利息支出時，可能引致利率風險。

因此，利率風險管理的主要目的，是局限利率變動對利息收入／支出的潛在不利影響，同時取得穩定的盈利增長。本公司面對的利率風險有兩方面，即利率錯配風險和息差風險。利率錯配風險是影響本公司淨利息收入的最大風險，主要源自本公司賺息資產及計息負債的利率重新訂價的時間差異。利率錯配風險常見於貸款組合，有關貸款大部分為浮息資產（以最優惠利率或香港銀行同業拆息率為基準），而本公司的主要負債則為定息債券。因此，本公司小心利用不同類型的金融工具（例如利率掉期、利率期權、息差掉期、遠期利率協議及發行按揭證券），管理利率錯配風險。定息債券的收益一般透過利率掉期，轉變為以香港銀行同業拆息率為基準的資金，使之更能與按揭資產的浮息收入配對。

本公司亦採用期限差距作為監察、衡量及管理利率錯配風險的指標。期限差距衡量資產與負債的利率重新訂價的時差。差距愈大，利率錯配風險愈高。正期限差距指資產期限長於負債期限，即利率上升時風險較大；反之，負期限差距則表明利率下跌時風險較大。

本公司在資產負債管理委員會的指引監督下，視乎利率的未來走勢及市況，會主動對資產負債組合的期限差距作出重新平衡。

息差風險指本公司以最優惠利率計息的賺息資產，及以香港銀行同業拆息率計息的計息負債，兩者的基準利率差距。目前，市場上可用作完全對沖最優惠利率與香港銀行同業拆息率息差風險的金融工具有限。一般而言，資產均按香港銀行同業拆息率而與資金的計息基準配對時，或有關的風險管理工具更普及或更具經濟效益時，方能有效管理息差風險。過往數年，本公司刻意購買較多以香港銀行同業拆息率計息的資產。因此息差風險已大幅減少。此外，本公司以往也發行以最優惠利率計息的按揭證券，及採用對沖衍生工具，以減低在這方面的息差風險。

(二) 資產負債滿期錯配風險

按揭貸款組合的實際平均年期，通常較按揭貸款的合約年期為短，視乎按期還款及提前還款的快慢而定。提前還款率愈高，則按揭貸款組合的平均年期愈短。在香港，提早還

款的兩個主要原因為：(i)換樓 — 借款人出售相關物業時全數償還按揭；及(ii)轉按 — 借款人為取得較低的按揭利率重新安排按揭貸款。

資產負債滿期錯配風險可更具體闡釋為再投資風險與再融資風險。再投資風險指本公司將提前還款及收回的按揭貸款重新投資所得回報較低的風險。再融資風險指以較高利率或價差再融資負債的風險。當以短期負債融資長期浮息的按揭資產時，本公司便會面對再融資風險（包括融資金額及資金成本的風險）。再投資風險可透過不斷購買新貸款補充保留組合流失的貸款，及將剩餘現金投資債券或現金存款以調整整體資產組合的平均年期作有效管理。此外，本公司透過發行可贖回債券及可轉讓貸款證管理再融資風險，讓本公司可以運用可贖回債券及可轉讓貸款證所包含的贖回權，調整負債的平均年期，使負債能更切合整體資產組合。

本公司通過發行不同年期的債券，管理再融資風險，用以靈活調較整體負債組合的平均年期。此外，可以透過調整投資組合的資產到期日，或將按揭貸款證券化成為按揭證券以減少本公司的按揭資產，從而減低再融資風險。

本公司以資產負債期限差距比率評估、監控及管理資產負債滿期錯配風險，以確保本公司的資產與負債的平均年期有適度平衡。

(三) 流動資金風險

流動資金風險指本公司無法償還債務（例如贖回到期債券）或無法為承諾購買的貸款組合提供資金的風險。本公司採用流動資金風險管理機制應對市況的轉變，不斷監控近期市場事件對本公司流動資金狀況的影響，並採取審慎的預早融資策略，控制全球市場波動對本公司流動資金的影響。流動資金風險可透過監控每日資金流，以及預測整個還款期的較長期資金流情況而管理。本公司以流動資產比率衡量、監控及管理流動資金風險狀況。

由於政府全資擁有的強大背景及良好的評級，本公司可以於債券市場有效率地從機構及零售投資者取得融資。除此優勢外，本公司持有高度流動性的投資組合，有助本公司可以迅速順利地應付無法預見的流動資金需求。即使市場持續異常緊縮時，本公司亦可運用外匯基金的300億港元備用循環信貸，作為後備流動資金。

本公司已成功開拓多個融資渠道，確保所有的可預見融資承諾於到期時能夠兌現，以支援業務發展及維持債務組合的平衡。此多元化資金來源，可使本公司以最低成本進行提

早融資的策略，同時亦可在市場不尋常時期保持融資能力。目前的資金來源如下列表1所示：

表1：香港按揭證券有限公司現時的資金來源

資金來源	說明
60億美元中期債券發行計劃	有10家交易商根據此計劃向國際機構投資者包銷及分銷港幣及外幣債券
400億港元債務工具發行計劃	有六家主要交易商及16個銷售團成員根據債務工具發行計劃向機構投資者包銷及分銷債券。此發行計劃下的可轉讓貸款證附屬計劃更進一步擴大原計劃的資金來源及投資者基礎
200億港元的零售債券發行計劃	有19家配售銀行協助本公司向投資者發行零售債券
30億美元Bauhinia按揭證券化計劃	多種貨幣按揭證券發行計劃，共有八家交易商，讓本公司在本地及國際市場推出按揭證券
投資組合	主要包括現金及銀行存款、商業票據、優質存款證及可隨時兌換成現金的票據
貨幣市場短期資金	本公司已從多家本地及國際銀行取得貨幣市場短期資金借貸額度作短期融資
300億港元備用循環信貸安排	外匯基金承諾向本公司提供300億港元備用循環信貸

(四) 貨幣風險

貨幣風險指匯率波動對本公司財政狀況及外幣現金流量的影響。本公司嚴格按照董事局批准的投資指引，在資產負債管理委員會的監督下管理貨幣風險。資產負債管理委員會訂立每日可承受的風險上限。

基於審慎風險管理原則，根據中期債券發行計劃已發行的外幣計值債券，已通過外幣換匯交易悉數對沖。

交易分別經前線、中間及後勤辦公室處理，以確保有充份制衡。庫務部為前線辦公室，負責監察金融市場的變化，並根據資產負債管理委員會制定的策略執行各種現金、衍生工具、債務及證券化市場交易。風險管理部則擔任中間辦事處角色，監察交易是否符合庫務交易對手及交易的風險限額。業務運作部為後勤辦公室，負責核實、確認、結算及付款流程。

資產負債管理委員會

資產負債管理委員會負責全面管理本公司的市場風險。委員會依循審慎風險管理原則及董事局所核准的投資指引，負責審查和管理本公司的市場風險，包括利率風險、資產負債滿期錯配風險、流動資金和融資風險及貨幣風險。委員會亦定期舉行會議，檢討金融市場的最新發展，並制定本公司有關資產負債的管理策略。

資產負債管理委員會由總裁擔任主席，成員包括高級副總裁(財務)、高級副總裁(業務運作)、高級副總裁(風險)以及有關運作部門的高級職員。

營運風險

營運風險指由外界因素導致運作中斷、或內部程序、人為、系統失誤或失靈、或外來事件而導致損失的風險。

本公司採用自下而上的方式，深入分析新產品、業務活動、程序，並將系統升級與盡職審查新業務流程以識別營運風險。採用全面驗證規則、資訊系統管理報告及審核證據，追尋及呈報任何錯誤或不足。

本公司維持全面而完善的內部監控、核證制度及營運流程，積極管理營運風險。本公司已設有各種營運框架，配合不同業務範疇推出的新產品。此外，本公司在執行營運及系統基建設施之前，會嚴格審視，識別任何可能的營運風險及確保權責清楚區分。

在業務活動及流程方面，本公司廣泛利用先進資訊技術、配合有效的營運制度與監控，以確保日常營運的效率及成果。本公司採用有效的措施確保該等系統準確、可用及安全。本公司亦有謹慎措施確保足夠監察和充分制衡，保證營運受到恰當控制。有效的內部監控也有助減低財務風險，同時保障資產免遭挪用或不當的損失，包括阻止及偵測欺詐行為。

本公司的資訊安全手冊，載有所有員工必須遵守的資訊與資料安全的準則及規定。本公司採用雙層防火牆防護、入侵偵測系統、病毒警告及隔離系統與漏洞掃描系統等多項安全措施，減低外界侵襲的風險。本公司內部也實施對區域網路的安全監控以減低成功入侵時的損失。本公司亦於有需要時，聘任外界顧問測試入侵漏洞，提高系統安全。為確保高度合規，內部審核師定期審核本公司的主要營運系統與程序。

業務持續運作規劃

本公司的業務恢復規劃，確保所有業務單位的服務時刻都保持在最高可能的水平，以支持業務的持續運作，將受不同災難事故引起的業務中斷影響減至最低。每個業務單位定期評估不同災難事故的影響，從而更新恢復程序。為確保業務恢復程序切實可行，每年都舉行全公司的業務恢復演習；亦每日備份及在場外儲存備份磁帶，以確保本公司免受任何資訊科技災難影響。

產品批核機制

為了確保新產品在設計和推出時，已經充份考慮所有風險因素，本公司設立新產品發展管理機制。根據機制，在任何新產品推出前，須經過恰當的產品規範批核程序。產品推動人負責啟動整個批核機制。只有得到所有功能部門批核和確認產品實用方面準備就緒後，產品才可以推出。

投訴處理機制

本公司不斷致力改善核心工作流程，以確保產品和服務滿足客人期望。為確保客人的回應適時得到恰當處理，本公司已制定正式的投訴處理機制，以跟進、報告及處理投訴。

營運風險管理委員會

營運風險管理委員會負責確保本公司所有相關運作部門，都採取有效的營運風險及內部監控機制。委員會制定關鍵風險指標，跟蹤主要營運風險的事項和監測減低風險措施的成效。委員會也負責制定方向、解決有關政策、監控和管理營運事宜，並確保倘若審核結果涉及營運風險或內部監控時，可以迅速採取恰當的糾正措施。

營運風險管理委員會主席由總裁擔任，成員包括高級副總裁(業務運作)、高級副總裁(財務)、首席法律顧問、高級副總裁(風險)及有關運作部門的高級職員。

法律與合規風險

法律風險指法律、法規的應用或詮釋不明確或法律文件無法予以執行或未能有效保障本公司利益時所產生的風險。合規風險指違反適用於本公司的法律、法規、行為守則或行業常規所產生的風險。

由首席法律顧問(兼任公司秘書)主管的法律顧問部，負責就法律事務向本公司提供意見，務求控制法律風險。當考慮新產品或業務時，法律顧問

部會就有關法律及監管環境提供意見。法律顧問部亦會對所需的法律文件提供意見及識別潛在的法律問題，務求保障本公司的利益。本公司亦會適時聘請外部法律顧問，協助法律顧問部為本公司提供法律支援。法律顧問部與本公司的其他部門緊密合作，就法律問題及法律文件提供意見。

合規專組是法律顧問部的一部份，由合規總監領導，其通過首席法律顧問向總裁匯報。合規專組會適時聘請外部法律顧問，為合規事宜提供意見。有關合規專組及其工作的詳情，請參閱企業管治報告內「合規匯報」一節。

營運風險管理委員會是負責管理法律與合規風險的委員會。

槓杆風險

為確保本公司在擴展業務以及資產負債表時，對資本基礎不會構成過度的風險，財政司司長(就其財政司司長身份而不是股東身份)作為本公司的監管人，自本公司於一九九七年成立以後，已頒布一套本公司必須遵守的資本對資產比率指引。該指引不時因應本公司推出新產品而作出更新。財政司司長於二零一一年十月頒布一套新的資本充足率指引，新指引主要參照「巴塞爾協定II」的風險資本充足框架為基礎，指引規定最低資本充足率為8%。於二零一五年十二月三十一日，本公司的資本充足率為21.9%。

監管資本按資本指引嚴格監控並審慎運用。總裁每季向董事局匯報資本充足率和當季的最低每日比率。同時也設有預警機制，當資本充足率低於14%的臨界水平時，總裁會通知執行董事。而當資本充足率下跌至12%或以下時，會通報董事局，並會採取適當的補救措施。

長壽風險

長壽風險指安老按揭計劃與補價易貸款保險計劃帶來的大額年金所引致的風險。年金付款期愈長，貸款金額隨着時間亦會累積愈多，而出售物業以償還貸款後的餘額會愈少。當出售物業的款項並不足以償還貸款時，就可能會導致損失。而貸款終止率很大程度上取決於借款人的死亡率(即壽命)。

本公司每年進行風險分析，以評估長壽風險所帶來的潛在財務影響，以及安老按揭計劃與補價易貸款保險計劃下各種風險因素之間的相互影響。交易核准委員會亦定期檢討假設的死亡率。

物業風險

在購買按揭貸款計劃、按揭保險計劃、安老按揭計劃與補價易貸款保險計劃下，作為抵押品的物業在價格方面有所波動時，會令本公司承受物業風險。本公司為每宗購買貸款或貸款申請進行外部物業估值、設定已抵押物業於變現時的保守價值、制定各類計劃的最高按揭成數及進行壓力測試以評估樓市下滑的影響，藉以管理物業風險。

流程管理及資訊科技

本公司自成立以來，大量投放資源，努力不斷改善業務營運、強化內部監控系統及提升應用程式系統。過去一年亦不例外。

本公司的公眾網站已經更新，更加方便使用，並帶來一個新形象。在設計新網站時，本公司已兼顧用戶透過流動裝置瀏覽時的需求。同時，網站繼續符合《無障礙網頁內容指引》2.0版，務求社會各階層人士都可瀏覽本公司的網站。

因應推出補價易貸款保險計劃，本公司已開發新資訊系統，支援參與計劃的銀行和本公司的業務運作。新系統涵蓋從產品申請到帳戶管理的營運週期。新系統已於二零一五年九月與補價易貸款保險計劃同步推出。

本公司繼續通過系統開發與改進，提升自動化流程、數據融合、系統的恢復能力與資訊保安等，以支援本公司及各項業務策略和計劃，包括中小企融資擔保計劃、安老按揭計劃、補價易貸款保險計劃、小型貸款計劃、按揭保險計劃、庫房運作、及加強風險管理等。這些系統提升措施有助業務運作更有效率、更加準確、更加穩健，也因此為社會提供更優質服務。此外，系統提升與流程改革，可以邁向無紙化運作的目標，有助建設綠化和保護環境。

企業社會責任

本公司在致力貢獻社會及履行企業社會責任方面獲得認同；自二零零八年至今，本公司已第八年獲香港社會服務聯會頒發「商界展關懷」計劃下「同心展關懷」標誌。

作為對社會負責任的機構，本公司關懷僱員及社區。本公司重視社會責任、關心僱員福利、參與慈善活動、並推行環保措施。



關懷僱員

員工與薪酬

本公司吸納和栽培人才，確保公司的核心使命有效推行：包括提高銀行業的穩定、協助市民自置居所及推動債務證券市場發展。本公司為僱員提供具競爭力的薪酬福利、事業前景、發展機會，和健康及安全的工作環境。本公司亦實行家庭友善僱傭措施，每周工作五天，讓僱員在工作及生活上取得平衡。本公司亦為僱員及家屬提供全面的醫療及牙科保險。

儘管公司的業務範疇及提供的產品漸趨繁複，但透過自動化系統和程序重組，本公司擁有一隊精簡和有效率的團隊。二零一五年，本公司的常額編制僱員為201名，員工流失率為10.17%。

培訓與發展

本公司深明持續培訓的重要性，因此投放大量資源，不斷提升員工的專業知識和技能。二零一五年，本公司安排不同的課程和工作坊，以增進員工的產品知識，並提升管理、專業技能及軟性技巧。

內部培訓工作坊涵蓋廣泛課題，例如如何解決難題與制定決策、團隊協作和職業安全與健康。年內，本公司還舉辦了有關《個人資料(私隱)條例》、《競爭條例》與《破產條例》的研討會。



如何解決難題與制定決策培訓



職業安全與健康培訓



團隊合作培訓



團隊合作培訓

本公司亦資助員工報讀由其他機構舉辦、並與工作相關的課程。課程範圍甚廣，涵蓋按揭相關事務、風險管理、企業管治、財務及會計、資訊科技與領導技巧等。

此外，本公司亦為新員工安排入職簡介，讓員工了解公司的組織架構、功能與政策。

僱員關係與員工活動

職員聯誼會定期舉辦員工活動，增進員工關係和溝通，推廣工作與生活平衡，促進家庭友善的工作環境。二零一五年，本公司舉辦的員工活動如興趣班、工作與生活平衡周、郊遊以及其他員工聚會等，都深受員工和家屬歡迎。本公司亦設有員工內部刊物《HKMConnection》，輯錄員工活動的剪影。



工作與生活平衡周



為兒童舉行聖誕聯歡會



長者日 2015



捐血日

關懷社會



中秋節前探訪獨居長者



便服日 2015



與兒童郊遊

為促進公司內部有效溝通，本公司定期更新員工內聯網頁，讓各部門分享實用資訊。本公司亦設有員工建議計劃，鼓勵員工提出建議，改善工作流程和工作環境。

健康與安全

作為關懷員工的僱主，本公司一直關心員工的身心健康。本公司設有僱員支援計劃，透過一家外間機構為員工及其家屬提供保密的輔導及諮詢服務；亦以優惠價為員工安排體檢計劃及預防流感疫苗注射。

本公司不時檢討及提升緊急應變計劃，減少因未能預計或突發事件而令業務中斷的情況，例如爆發傳染病。本公司亦定期舉行演習，協助員工熟習在緊急情況下，啟動有關後備設施、執行應變計劃及落實溝通方面的安排。

關懷社會

慈善及社會活動

本公司不時推動各種慈善及社區活動，例如籌款、捐獻活動及義務工作等。本公司鼓勵員工支持慈善活動和參與本公司義工隊「關愛大使」所籌辦的義務工作。

二零一五年，本公司籌辦多項捐獻活動，例如二零一五年公益金便服日及每年一度的香港紅十字會捐血日。

本公司員工積極參與義務工作，獻出時間和精力，對有需要的社群表達關愛。關愛大使與多個社會服務機構合作，參與了下列多項義務工作：

- 保護環境 — 與救世軍合辦回收計劃，收集書籍、文具、玩具等

- 關懷長者 — 關愛大使與寰宇希望和香港遊樂場協會合作，帶同載有日用品的「福袋」，探訪獨居長者，共同迎接農曆新年和中秋節

- 照顧兒童 — 關愛大使與寰宇希望和香港遊樂場協會合作，為低收入家庭的兒童舉辦郊遊與聖誕聯歡會。

學生實習與見習經理計劃

為未來培育人才，本公司提供多個實習職位，讓大學生體驗商業世界的實際運作、為未來就業作好準備。參與計劃的學生，都感謝所獲得的學習經驗和工作機會。

去年內，本公司繼續推行見習經理計劃，物色和栽培有潛質的年輕行政人員，配合公司的長遠人才發展。在計劃的三年期內，見習經理在不同部門接受在職培訓、參與公司項目，並參加有系統的學習及發展課程。

環境保護

本公司一直支持及實施各種綠化措施，務求營造更環保的工作環境，並且加強員工減少廢物和珍惜能源的意識。本公司鼓勵員工多用電子通訊，減少用紙的習慣，並且鼓勵收集廢紙及使用後的打印機碳粉盒循環再造。自二零零六年以來，本公司採用不同措施，包括設定辦公室溫度及使用LED照明，提高能源效益。本公司歡迎員工就如何營造綠色辦公室提供建議，並鼓勵供應商使用和供應更為環保的產品。

財務回顧

財務回顧

隨着主要先進經濟體貨幣政策迴異、以及許多經歷着不同程度增長放緩的新興市場經濟體資本外流增加，令全球經濟和金融市場前景在二零一五年也變得不明朗。

在全球經濟一片低迷中，香港的經濟增長溫和。本地市場增長速度放緩，然而相對穩定，勞動市場處於近乎全民就業狀態。這兩項因素有助抒緩出口表現疲弱對本地經濟的影響。住宅物業市場由二零一五年第三季呈現整固跡象，而二手市場房屋價格在全年的最後一季亦向下調整。

收益表

財務表現

本公司於二零一五年繼續交出穩健的財務業績。二零一五年的股東應佔溢利為7.25億港元(二零一四年：7.46億港元)(表1)。盈利下降主要是由於貸款組合減少，惟部分影響因預先籌措資金的具成本效益和其他收入的增加而得以抵銷。股東資金回報率為8.1%(二零一四年：8.4%)。成本對收入比率輕微增加至25.7%(二零一四年：24.3%)，主要是由於經營收入減少，加上增撥資源以支持政策措施所致。資本充足率仍處於21.9%的穩健水平(二零一四年：23.5%)，遠高於財政司長規定不低於8%的要求。

表1

財務表現概要	二零一五年 百萬港元	二零一四年 百萬港元
未計減值前的經營溢利	769	798
除稅前溢利	770	797
股東應佔溢利	725	746
股東資金回報率	8.1%	8.4%
資產回報率	1.4%	1.4%
成本對收入比率	25.7%	24.3%
資本充足率	21.9%	23.5%

淨利息收入

全年淨利息收入為5.9億港元(二零一四年：6.51億港元)。收入減少的主要原因是平均貸款組合隨著貸款償還而減少55億港元。淨利差從二零一四年的1.2%下降至1.1%；而淨息差從1.3%下降至1.2%(表2)。

表2

淨利息收入	二零一五年 百萬港元	二零一四年 百萬港元
淨利息收入	590	651
平均計息資產	49,842	50,021
淨息差	1.2%	1.3%
計息負債淨利差 ¹	1.1%	1.2%

¹ 計息負債淨利差=計息資產回報率－計息負債資金成本

按揭保險已滿期保費淨額

住宅物業市場於二零一五年第二季轉趨活躍，但第三季又回復淡靜並於最後一季呈現整固。二零一五年於土地註冊處登記的住宅物業買賣合約總數，較去年減少12%。但是，隨著整體住宅物業價格上升，導致按揭貸款於二零一五年呈現增長。新取用的住宅物業市場按揭貸款從二零一四年的2,140億港元，增加至2,440億港元。

在這背景因素下，透過按揭保險計劃新承保的貸款，由二零一四年的160億港元增加至二零一五年的172億港元。扣除淨佣金支出後的已滿期保費淨額為2.87億港元。計及200萬港元的未決申索撥備回撥（二零一四年：600萬港元），已滿期保費淨收入為2.89億港元（二零一四年：3.11億港元）。

其他收入

其他收入為1.43億港元（二零一四年：8,900萬港元）。主要因重新配置投資組合而出售投資的所得收益淨額1.22億港元（二零一四年：5,900萬港元），股息收入則為7,300萬港元（二零一四年：3,500萬港元）。主要受到人民幣匯率波動對相關存款及高素質債券投資的影響，錄得3,900萬港元匯兌虧損（二零一四年：1,300萬港元）。

經營支出

本公司一直致力維持嚴格的成本監控以控制成本和提高營運效率。經營支出按年溫和上升4.3%至2.67億港元，然而較預算少1,900萬港元。僱員成本為1.68億港元（二零一四年：1.57億港元），有效控制於佔總經營支出的62.9%。辦公室租金及相關支出維持在3,700萬港元（二零一四年：3,900萬港元）。

貸款減值撥備

資產素質維持穩健，本公司的按揭貸款組合拖欠比率維持於0.02%。考慮到貸款組合減少及貸款組合現時的低平均按揭成數，按照已批准的審慎撥備政策，在二零一五年錄得20萬港元的組合評估貸款減值回撥。本年度錄得貸款撇銷為200萬港元（二零一四年：200萬港元）；而同期收回已撇銷貸款為200萬港元（二零一四年：100萬港元）。

財務狀況

貸款組合

本公司於本年度購入約三億港元香港貸款資產（二零一四年：二億港元）。計及本年度提早還款和正常還款後，本公司的未償還貸款組合下降41億港元，未償還結餘為115億港元。

證券投資

本公司按照董事局投資指引，採取審慎、低風險的方針管理剩餘資金與投資活動。於二零一五年十二月三十一日，投資組合總額為169億港元（二零一四年：149億港元），包括66億港元可供出售投資和103億港元持有至到期投資。投資組合並無任何減值損失。

債券發行

於二零一五年，本公司透過中期債券發行計劃，發行合共230億港元債券。該計劃發行的所有非港元債務均轉換成為港元或美元，以對沖外匯風險。本公司繼續採納審慎的預先籌措資金策略，於二零一五年十二月三十一日，未贖回債券總額維持於335億港元（二零一四年：333億港元）。

主要資產負債表外風險

按揭保險

本公司以核准再保險公司分擔風險方式經營按揭保險業務。於二零一五年底，風險總額約為134億港元(二零一四年：131億港元)，其中21億港元(二零一四年：21億港元)已向核准再保險公司購買再保險。由本公司承擔的資產負債表外的風險輕微增加至113億港元(二零一四年：110億港元)。在這些風險當中，三億港元的超額損失已透過運用超額損失再保險的安排作為對沖中間層的風險，而本公司保留其餘部分的風險，包括首次損失部分和剩餘風險。

於二零一五年底，未決申索撥備佔所承擔風險維持穩定於0.2%。拖欠比率維持穩健的0%水平(二零一四年：0%)。

安老按揭

本公司以保險公司的身份經營安老按揭計劃，就香港參與銀行貸出的安老按揭貸款收取保費，提供按揭保險保障。計及安老按揭貸款未提取的未來年金，本公司於二零一五年十二月三十一日承擔的風險，增加至29億港元(二零一四年：20億港元)。

股息

於二零一六年四月二十五日舉行的股東週年大會，考慮到本公司的財務表現與穩健的資本狀況以應付業務發展，股東批准派發普通股息每股0.3625港元(二零一四年：0.175港元)，合共7.25億港元，股息支付率約為100%。

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董事報告

Directors' Report

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**」）截至二零一五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

截至二零一五年十二月三十一日止年度內，本集團的主要業務包括：

- （一）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；
- （二）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；
- （三）向投資者發行債券；
- （四）為參與的「**認可機構**」（根據《銀行業條例》的定義）所批出以住宅物業作抵押的按揭貸款，及以住宅物業和其他資產（如適用）作抵押的安老按揭貸款與補地價貸款，提供按揭保險；
- （五）經營一個平台，讓香港政府為參與的認可機構借予本地非上市企業包括中、小型企業（「**中小企**」）的貸款提供財務擔保；及
- （六）經營一個中央小型貸款平台以支援小型貸款。

本集團其他成員截至二零一五年十二月三十一日止年度內的企業資料和主要業務，均載於財務報表附註22。

The Directors of the Company (**Directors**) 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, the **Group**) for the year ended 31 December 2015 (**Financial Statements**).

Principal Activities

The principal activities of the Group in the course of the year ended 31 December 2015 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 provide mortgage insurance cover to participating authorized institutions (**AIs**) (as defined in the Banking Ordinance) in respect of mortgage loans originated by such AIs and secured on residential properties, as well as reverse mortgage loans and loans for premium settlement originated by such AIs and secured on residential properties and, if applicable, other assets;
- (e) to operate a platform for the Hong Kong Government to provide financial guarantee cover to participating AIs in respect of loans advanced to local non-listed enterprises, including small and medium enterprises (**SMEs**); and
- (f) to operate a centralised microfinance platform to support microfinance loans.

The corporate information and principal activities of the other members of the Group in the course of the year ended 31 December 2015 are set out in Note 22 to the Financial Statements.

業務審視

1. 業務板塊

為完成其核心使命和社會目標，本集團年內以審慎的商業原則運作，主要通過成立、擴展和經營下列項目和計劃，從事按揭保險、參與借貸及購買貸款的業務活動。

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，目的是推動在港的自置居所。在該計劃下，本集團扮演保險公司的角色，為參與的認可機構批出的按揭貸款，當中超出香港金融管理局（「金管局」）規定的貸款上限部分，提供按揭保險保障，並收取保費。

二零一五年首季，因應金管局的相關監管措施，本集團將按揭保險保障的門檻，由七成下調至六成，亦將合資格物業於申請時可敘造的最高按揭成數，由物業估值的九成一般下調至八成，從而收緊了按揭保險計劃。

安老按揭計劃

推出安老按揭計劃，旨在給予長者多一項財務安排的選擇，藉此提升其生活素質。透過安老按揭，長者可以利用自住物業作為抵押品，從參與的認可機構換取一筆過款項及／或於一段付款期內每月連續收取款項。

在該計劃下，本集團擔當保險公司的角色，為參與的認可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。

Business Review

1. Business Segments

In the pursuit of its core missions and social objectives, during the year, the Group operated on prudent commercial principles and engaged in business activities of mortgage insurance, loan participation and loan acquisition, mainly through the establishment, extension and operation of the programmes and schemes below.

Mortgage Insurance Programme (MIP)

MIP was launched with the aim of promoting home ownership in Hong Kong by enabling high loan-to-value (**LTV**) 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 (**HKMA**).

In the first quarter of 2015, in response to the HKMA's relevant supervisory measures, the Group tightened the MIP insurance cover by adjusting the coverage threshold downwards to 60% from 70%, and generally reducing the maximum LTV ratio of eligible properties at application to 80% from 90% of the property value.

Reverse Mortgage Programme (RMP)

RMP was launched with the aim of providing elderly people with an additional financial planning option to enhance their quality of life. Through reverse mortgage, elderly people could use their self-use residential properties as collateral in return for lump-sum payouts and/or a stream of monthly payouts from participating AIs over a payment term.

Under the RMP, the Group acts as insurer to provide mortgage insurance cover for a premium on reverse mortgage loans advanced by participating AIs.

年內，為了讓借款人可以更靈活策劃退休財務安排，本集團推出了四項主要優化措施：(一)容許多於一個住宅物業用作安老按揭貸款的抵押品；(二)撤銷要求安老按揭貸款的自用抵押物業必須是借款人的主要居所；(三)將共同借款人人數上限由二人增至三人；及(四)接受人壽保單用作安老按揭貸款的額外抵押品。

補價易貸款保險計劃

補價易貸款保險計劃於二零一五年九月推出，目的是協助資助房屋業主補地價，藉此促進資助房屋的市場流轉。補地價後，轉讓限制得以解除，業主則可以在公開市場出售或出租其單位。

在該計劃下，本集團擔當保險公司的角色，為參與的認可機構所批出主要用於補地價的一筆過貸款，提供按揭保險保障，並收取保費。

補價易貸款保險計劃現時覆蓋香港房屋委員會轄下的居者有其屋計劃、私人機構參建居屋計劃和租者置其屋計劃，以及香港房屋協會轄下的住宅發售計劃和夾心階層住屋計劃下的資助房屋。

小型貸款計劃

推出小型貸款計劃，旨在以可負擔息率提供融資和給予輔助支援服務予有意創業、自僱或希望通過培訓、技能提升和考取專業資格自我增值的合資格人士。

為了配合財政司司長於二零一五至一六年度財政預算案中的公布，本集團延續小型貸款計劃多三年至二零一八年六月，並將總貸款金額上限增加至二億港元。同時，該計劃亦獲優化，當中提高了自僱營商貸款上限及有良好還款紀錄的借款人的貸款上限。

During the year, with a view to offering greater flexibility to borrowers for their retirement financial planning, the Group introduced the following four major enhancements to the RMP: (a) allowing more than one residential property as security under a reverse mortgage loan; (b) allowing the self-use property taken as security under a reverse mortgage loan need not be the borrower's principal residence; (c) increasing the maximum number of joint borrowers from two to three; and (d) accepting life insurance policies as additional security under a reverse mortgage loan.

Premium Loan Insurance Scheme (PLIS)

PLIS was launched in September 2015 with the aim of facilitating owners of subsidised housing properties to settle the land premium, thus promoting market circulation 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 AIs primarily for land premium settlement.

PLIS currently covers subsidised housing properties under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme of the Hong Kong Housing Authority, and the Flat-for-Sale Scheme and Sandwich Class Housing Scheme of the Hong Kong Housing Society.

Microfinance Scheme (MFS)

MFS was 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.

In response to the Financial Secretary's announcement in the 2015-16 Budget, the Group extended the MFS for a further term of three years to June 2018 with an increased lending cap of HK\$200 million; and enhanced the MFS by raising the maximum loan limit of self-employment loan and increasing the maximum loan limit for seasoned borrowers with satisfactory repayment records.

中小企融資擔保計劃

中小企融資擔保計劃是由市場主導的一個貸款擔保平台，為參與的認可機構所批出的貸款，提供五至七成擔保，目的是協助本地企業（包括中小企），應付營運所需的資金及購置設備和資產的融資需要，以支持其業務營運。

此外，政府委託了本集團管理為參與的認可機構所批出的貸款提供八成信貸擔保的政府計劃（「八成信貸擔保產品」）。以政府所提供總額高達1,000億港元的擔保作後盾，本集團按審慎的商業原則管理八成信貸擔保產品，並負責相關開支。

為了配合財政司司長於二零一五年至一六年度財政預算案內的公布，八成信貸擔保產品獲一再延續至二零一六年二月底，以繼續協助本地企業取得融資。

購買按揭貸款計劃

本集團的核心使命之一，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。

因應市場資金充裕，銀行年內出售資產套現的意欲偏低。

2. 市場環境

主要經濟體系貨幣政策的進一步分歧，加上新興市場有資金流出風險及有可能反過來對主要經濟體造成負面影響，繼續令環球經濟與金融市場前景陰霾滿佈。美國經濟復甦，最終促使美國聯邦儲備局近十年以來首度上調聯邦基金目標利率。相反，歐元區和日本的經濟持續低迷，市場仍預期可能有進一步貨幣寬鬆。中國內地方面，基於外需和私人投資疲弱，增長步伐一直放緩。在此環境下，年內香港經濟增長溫和，本地需求放緩，出口表現未如理想。與此同時，信貸增幅隨著企業信貸需求放緩而減少，而住宅物業市場最近則出現整固跡象。

SME Financing Guarantee Scheme (SFGS)

SFGS is a market-based loan guarantee platform providing 50% to 70% guarantee on loans advanced by participating AIs for assisting local 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 scheme of providing guarantee for 80% of loan amount advanced by participating AIs (**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 continue supporting local enterprises to obtain financing, the 80% SFGS was further extended to end-February 2016 in response to the Financial Secretary's announcement in the 2015-16 Budget.

Mortgage Purchase Programme (MPP)

One of the core 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, there was low incentive for AIs to offload their assets during the year.

2. Market Environment

Further monetary policy divergence of major economies together with the risk of outflow of funds and negative feedback loop from emerging markets continue to cloud the global economic and financial market outlook. The strengthening US economy finally prompted the US Federal Reserve to raise the federal funds target rate for the first time in almost a decade. By contrast, the Eurozone and Japanese economies remained subdued with markets still expecting further monetary easing. Growth in Mainland China has been moderating on weakened external demand and subdued private investment. Against this backdrop, Hong Kong economy grew modestly during the year amid moderating domestic demand and lacklustre export performance. At the same time, credit growth decelerated amid softer corporate credit demand, while the residential property market shows signs of consolidation recently.

3. 財務表現

雖然年內金融市場波動及經濟走勢不明朗，但基於本集團業務的週期性，本集團的表現令人滿意。二零一五年的股東應佔溢利為7.25億港元(二零一四年：7.46億港元)，股東資金回報率為8.1%(二零一四年：8.4%)。盈利下降，主要是由於貸款組合減少，惟部份影響因預先籌措的資金具成本效益及其他收入增加而得以抵銷。本集團的財務表現綜合如下：

3. Financial Performance

Taking into account the cyclical nature of its business, the Group attained satisfactory performance amid volatile financial markets and uncertain economic trends in 2015. Profit attributable to shareholders was HK\$725 million (2014: HK\$746 million) and the return on shareholders' equity was 8.1% (2014: 8.4%). The reduction in profitability was mainly due to rundown in the loan portfolio, partly offset by cost-effective pre-funding and increase in other income. A summary of the Group's financial performance is set out below.

		2015 二零一五年	2014 二零一四年
股東應佔溢利(百萬港元)	Profit attributable to shareholders (HK\$ million)	725	746
股東資金回報率 ¹	Return on shareholders' equity ¹	8.1%	8.4%
成本對收入比率 ²	Cost-to-income ratio ²	25.7%	24.3%
資本充足率 ³	Capital adequacy ratio ³	21.9%	23.5%

本集團二零一五年的收益表主要項目摘要如下：

The key items in the Group's income statements for 2015 are highlighted as follows:

- (一) 由於貸款組合減少，導致全年淨利息收入減少6,100萬港元至5.9億港元；
- (二) 按揭保險淨保費收入為2.89億港元(二零一四年：3.11億港元)；
- (三) 其他收入為1.43億港元(二零一四年：8,900萬港元)，主要包括出售投資所得的收益淨額1.22億港元(二零一四年：5,900萬港元)、股息收入7,300萬港元(二零一四年：3,500萬港元)及外幣匯兌虧損3,900萬港元(二零一四年：1,300萬港元)；及
- (四) 經營支出上升4.3%至2.67億港元，較預算少1,900萬港元。

- (a) net interest income for the year decreased by HK\$61 million to HK\$590 million as a result of rundown in the loan portfolio;
- (b) net mortgage insurance premiums earned were HK\$289 million (2014: HK\$311 million);
- (c) other income was HK\$143 million (2014: HK\$89 million), mainly including net gain on disposal of investments of HK\$122 million (2014: HK\$59 million), dividend income of HK\$73 million (2014: HK\$35 million), and foreign exchange loss of HK\$39 million (2014: HK\$13 million); and
- (d) operating expenses rose by 4.3% to HK\$267 million which was HK\$19 million less than that budgeted.

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、申索回撥/(產生)淨額和佣金支出淨額的總和。

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。

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 written back / (incurred) and net commission 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. 財務狀況

於二零一五年十二月三十一日，本集團的資產總值合共505億港元。本集團財務狀況的主要變動如下：

- (一) 現金及短期資金增加26億港元至210億港元，主要是由於審慎的預先籌措資金而增加債券發行；
- (二) 貸款組合下降41億港元至115億港元；
- (三) 投資組合增加20億港元至169億港元，其中包括66億港元的可供出售投資及103億港元的持有至到期投資；
- (四) 未贖回債券總額較一年前增加二億港元至335億港元，主要反映所採納審慎的預先籌備資金策略；
- (五) 權益持有人應佔股本及儲備增加二億港元至91億港元，主要反映年內保留溢利增加了二億港元；及
- (六) 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在轉移風險給核准再保險公司後所承擔的剩餘風險，以及就安老按揭計劃所承擔的風險，分別為113億港元(二零一四年：110億港元)及29億港元(二零一四年：20億港元)。

5. 資本管理

為確保本集團在擴展其業務及資產負債表時，對資本基礎不會產生過度的風險，本集團嚴密監控資本充足程度及資金運用。截至二零一五年十二月三十一日止年度，本集團符合了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。

4. Financial Position

As at 31 December 2015, total assets of the Group amounted to HK\$50.5 billion. Key changes in the Group's financial position are as follows:

- (a) cash and short-term funds increased by HK\$2.6 billion to HK\$21 billion, mainly due to the increase in debt securities issued for prudent pre-funding;
- (b) loan portfolio recorded a rundown of HK\$4.1 billion to HK\$11.5 billion;
- (c) investment portfolio increased by HK\$2 billion to HK\$16.9 billion which included HK\$6.6 billion of available-for-sale investments and HK\$10.3 billion of held-to-maturity investments;
- (d) outstanding balance of debt securities issued increased by HK\$0.2 billion to HK\$33.5 billion from a year earlier, mainly reflecting the adoption of prudent pre-funding strategy;
- (e) capital and reserves attributable to equity holders increased by HK\$0.2 billion to HK\$9.1 billion, mainly reflecting the increase in retained earnings of HK\$0.2 billion for the year; and
- (f) major off-balance sheet exposures were risk-in-force of the MIP and the RMP. The exposures borne by the Group for the MIP after ceding to the approved reinsurers and for the RMP were HK\$11.3 billion (2014: HK\$11 billion) and HK\$2.9 billion (2014: HK\$2 billion) respectively.

5. Capital Management

In order to ensure that the Group would not incur excess risk when expanding its business and balance sheet in relation to its own capital base, capital adequacy and the use of capital were monitored closely by the Group. The Group was in compliance with the Guidelines on Capital Adequacy Ratio (**CAR**) issued by the Financial Secretary with reference to Basel II risk-based capital adequacy framework during the year ended 31 December 2015.

於二零一五年十二月三十一日，本集團的資本充足率為21.9%，遠高於資本充足率指引所要求的8%最低資本充足率。

6. 本集團面對的主要風險及不明朗因素

本集團所面對的主要風險，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。本集團因促進業務營運亦面對市場風險，主要是按揭貸款息差風險所產生的利率風險及資產負債期滿錯配風險。

截至二零一五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。

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. 本集團對其業務有重要影響的相關法律與法規的合規情況

《保險公司條例》

年內，本集團為從事其保險按揭與貸款擔保業務所需，一直保持《保險公司條例》下可經營四項一般保險業務類別的獲授權保險人身份。

《放債人條例》

年內，本集團為了營運安老按揭計劃、補價易貸款保險計劃及小型貸款計劃所需，取得、續領及一直保持《放債人條例》相關條文的豁免。

As at 31 December 2015, the CAR of the Group stood at 21.9%, well above the minimum ratio of 8% stipulated in the Guidelines on CAR.

6. Principal Risks and Uncertainties facing the Group

The Group is primarily 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 assumes market risk, mainly the interest rate risk arising from the basis risk of mortgage loans 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 2015 are set out in Note 3 to the Financial Statements.

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 raise employee's 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 Companies Ordinance

During the year, the Group maintained the status of authorized insurer to operate four classes of general insurance business under the Insurance Companies Ordinance as required for carrying on its mortgage insurance and loan guarantee businesses.

Money Lenders Ordinance

During the year, the Group obtained, renewed and maintained exemptions from the relevant provisions of the Money Lenders Ordinance as required for the operation of the RMP, the PLUS, and the MFS.

9. 二零一五年終結後發生的、對本集團有影響的重要事件詳情

財政司司長於二零一六至一七年度財政預算案中，公布延續八成信貸擔保產品的申請期至二零一七年二月底。與此同時，財政司司長亦公布將八成信貸擔保產品的擔保年費率降低一成，並取消費率為0.5%的相關最低擔保年費。儘管這些優惠措施可能會刺激對八成信貸擔保產品的需求，因而亦可能增加本集團的相關營運成本，但本集團將繼續全力支持政府去營運管理八成信貸擔保產品。

穆迪投資者服務(「穆迪」)和標準普爾評級服務(「標普」)，分別於二零一六年三月十八日和二零一六年四月一日確認本公司的長期評級為Aa1和AAA。但隨着其對政府的評級展望調整，其對本公司的評級展望由「穩定」轉為「負面」。鑒於本公司有穩健的信用水平和雄厚的資本，穆迪和標普是次調整本公司的評級展望預期不會影響本公司的業務營運和融資能力。

10. 本集團業務相當可能有的未來發展揭示

本集團將繼續探索機會優化現行的計劃與項目，務求滿足香港社會的需求，完成其核心使命與社會目標，例如研究擴充安老按揭計劃至未補地價的資助房屋物業的可行性。此外，本集團將繼續維持其審慎的預先籌措資金策略，隨時預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。

9. Particulars of Important Events affecting the Group that have occurred since end 2015

The Financial Secretary announced in the 2016-17 Budget a further extension of the application period of the 80% SFGS until end-February 2017. At the same time, the Financial Secretary also announced a 10% reduction of the annual guarantee fee rates for the 80% SFGS and the removal of the related minimum annual guarantee fee rate of 0.5%. Notwithstanding that these further concessions may stimulate demand for the 80% SFGS and hence 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.

Moody's Investors Service (**Moody's**) and Standard & Poor's Ratings Services (**S&P**) reaffirmed the long-term ratings of the Company at Aa1 and AAA on 18 March 2016 and 1 April 2016 respectively. But they changed the rating outlook to "negative" from "stable", following their revision of the rating outlook of the Government. It is expected that such revision from Moody's and S&P will not affect business operations and funding capacity of the Company given its solid credit standing and strong capitalisation.

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

The Group will continue to explore enhancement opportunities for current programmes and schemes to cater for the needs of the Hong Kong community with a view to attaining its core missions and social objectives such as the feasibility of extending the RMP to cover subsidised housing properties with land premium not yet paid. 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.

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。

截至二零一五年十二月三十一日，本集團的固定僱員編制為201人（二零一四年：179人），員工流失率為10.17%（二零一四年：14.74%）。

交易對手

截至二零一五年十二月三十一日，有關其貸款與保險組合，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，共有七間核准再保險公司；在小型貸款計劃下，共有五間非政府機構。此外，按揭保險計劃下共有22間認可機構作為貸款人，而安老按揭計劃則有七間，補償易貸款保險計劃有八間，小型貸款計劃有五間，中小企融資擔保計劃有30間。

債券

截至二零一五年十二月三十一日止年度內，本公司透過其60億美元中期債券發行計劃，發行了面值總額230億港元的債券，實收款項約230億港元。本年度發行債券所得款項均用作本集團的一般營運資金。債券發行與贖回活動的概要載於財務報表附註28。

股息

考慮到財務表現與業務發展的資金需求，將於隨即舉行的本公司股東週年大會，向股東建議批准，擬派普通股息每股0.3625港元（二零一四年：0.175港元），合共7.25億港元（二零一四年：3.5億港元），股息支付率為100%（二零一四年：47%）。

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 2015, the permanent staff establishment of the Group was 201 (2014: 179) and the staff turnover rate was 10.17% (2014: 14.74%).

Counterparties

With respect to its loan and insurance portfolios, as at 31 December 2015, 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 5 NGOs under the MFS. In addition, there were 22 participating AIs as lenders under the MIP, 7 under the RMP, 8 under the PLIS, 5 for the MFS and 30 for the SFGS.

Debt Securities

The Company issued notes with a total nominal value of HK\$23 billion under its US\$6 Billion Medium Term Note Programme for a consideration of around HK\$23 billion during the year ended 31 December 2015. 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 financial performance, and the capital requirements for business development, a proposed ordinary dividend of HK\$0.3625 (2014: HK\$0.175) per share representing a dividend payout ratio of about 100% (2014: 47%) totalling HK\$725 million (2014: HK\$350 million) is recommended for shareholders' approval at the forthcoming annual general meeting of the Company.

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曾為本公司董事局服務的董事名單如下：

曾俊華先生 GBM JP
主席兼執行董事

陳德霖先生 GBS JP
副主席兼執行董事

余偉文先生 JP
執行董事

李令翔先生 JP
執行董事(於二零一六年二月二十六日獲委任)

陳家強教授 GBS JP
董事

張炳良教授 GBS JP
董事

李慧琼女士 JP
董事

石禮謙先生 GBS JP
董事

梁君彥先生 GBS SBS JP
董事

吳亮星先生 SBS JP
董事

陳淑莊女士
董事

黃嘉純先生 JP
董事

LEE Huat-oon 先生
董事

Directors

The Directors of the Company who served 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 were as follows:

The Hon. John TSANG Chun-wah, GBM, JP
Chairman and Executive Director

Mr Norman T. L. CHAN, GBS, JP
Deputy Chairman and Executive Director

Mr Eddie YUE Wai-man, JP
Executive Director

Mr Raymond LI Ling-cheung, JP
Executive Director (appointed on 26 February 2016)

Professor the Hon. CHAN Ka-keung, GBS, JP
Director

Professor the Hon. Anthony CHEUNG Bing-leung, GBS, JP
Director

The Hon. Starry LEE Wai-king, JP
Director

The Hon. Abraham SHEK Lai-him, GBS, JP
Director

The Hon. Andrew LEUNG Kwan-yuen, GBS, SBS, JP
Director

The Hon. NG Leung-sing, SBS, JP
Director

Miss Tanya CHAN
Director

Mr Lester Garson HUANG, JP
Director

Mr LEE Huat-oon
Director

黃玉山教授 BBS JP
董事

施文信先生 SBS JP
董事

郭珮芳女士
董事(於二零一五年四月二十一日獲委任)

藍玉權先生
董事(於二零一五年四月二十一日獲委任)

梁兆基先生
董事(於二零一五年四月二十一日獲委任)

彭醒棠先生 JP
執行董事(於二零一六年二月二十六日辭任)

陳健波先生 BBS JP
董事(於二零一五年四月二十一日退任)

馮孝忠先生 JP
董事(於二零一五年四月二十一日退任)

楊志威先生
董事(於二零一五年四月二十一日退任)。

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。

除上述董事外，年內或由年終至本報告的日期間，本集團其他成員的董事局成員為：余偉文先生、李令翔先生、廖志強先生、鄭鑒銓先生、鮑克運先生、張少慧女士、陳達強先生、張秀芬女士、周啟和先生、沈施加美女士、盧綺霞女士(周啟和先生及沈施加美女士的候補董事) Rachael Stephanie RANKIN 女士、Tracy-Ann Aretha LAMONT 女士、Murray Butler MCGREGOR 先生、Otelia Maria SCOTT 女士、Intertrust Directors (Cayman) Limited 及金栢利秘書服務有限公司。

Professor WONG Yuk-shan, BBS, JP
Director

Mr T. Brian STEVENSON, SBS, JP
Director

Ms Miranda KWOK Pui-fong
Director (appointed on 21 April 2015)

Mr Lawrence LAM Yuk-kun
Director (appointed on 21 April 2015)

Mr George LEUNG Siu-kay
Director (appointed on 21 April 2015)

Mr Peter PANG Sing-tong, JP
Executive Director (resigned on 26 February 2016)

The Hon. CHAN Kin-por, BBS, JP
Director (retired on 21 April 2015)

Mr Andrew FUNG Hau-chung, JP
Director (retired on 21 April 2015)

Mr Jason YEUNG Chi-wai
Director (retired on 21 April 2015).

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, the persons who have 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 were Mr Eddie YUE Wai-man, Mr Raymond LI Ling-cheung, Mr LIU Chi-keung, Mr Desmond CHENG Kam-chuen, Mr POU Hak-wan, Ms CHEUNG, Felician Siu Wai, Mr CHAN Tat-keung, Ms Susie CHEUNG Sau-fun, Mr CHOW Kai Wo, Ms SENG SZE Ka Mee Natalia, Ms LO Yee Har Susan (Alternate Director to Mr CHOW Kai Wo and Ms SENG SZE Ka Mee Natalia), Ms Rachael Stephanie RANKIN, Ms Tracy-Ann Aretha LAMONT, Mr Murray Butler MCGREGOR, Ms Otelia Maria SCOTT, Intertrust Directors (Cayman) Limited and Company Kit Secretarial Services Limited.

獲准許的彌償條文

惠及本公司董事的獲准許的彌償條文(根據《公司條例》定義)在截至二零一五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

截至二零一五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、且年內曾為本公司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。

遵照《保險公司條例》的規定額外作出的披露

截至二零一五年十二月三十一日止年度內,本公司的「控權人」(根據《保險公司條例》定義)為曾俊華先生(基於其按《外匯基金條例》,透過所控制的外匯基金投資於本公司而作為本公司的主要股東)及李令翔先生(基於其為本公司的總裁)。年內任何時候以及截至年終,不存在有本公司或其任何附屬公司作為一方、對本公司業務屬重大的且與曾俊華先生或李令翔先生在當中有直接或間接重大利害關係的合約。

年內,本公司經營的保險業務並無涉及任何人根據香港任何條例的規定須投保的責任或風險。

Permitted Indemnity

A permitted indemnity provision (as defined in the Companies Ordinance) for the benefit of the Directors of the Company was in force during the year ended 31 December 2015 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 2015, 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 in the year or a connected entity (as defined in the Companies Ordinance) of any such person, directly or indirectly, had a material interest.

Additional Disclosures in Compliance with the Provisions of the Insurance Companies Ordinance

During the year ended 31 December 2015, the "Controllers" (as defined in the Insurance Companies Ordinance) of the Company were The Hon. John Tsang (by virtue of his being the principal shareholder of the Company through the investments made in the Company by the Exchange Fund of which he was the controller under the Exchange Fund Ordinance) and Mr Raymond Li Ling-cheung (by virtue of his being the Chief Executive Officer of the Company). There was no contract of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which The Hon. John Tsang and Mr Raymond Li had a material interest, either directly or indirectly, which subsisted at the end of, or at any time during, the year.

During the year, the Company had not carried on insurance business relating to liabilities or risks in respect of which persons were required by any Ordinance to be insured.

本公司與下列核准再保險公司已訂立再保險安排：亞洲保險有限公司、美國國際集團聯合保險(亞洲)有限公司、中銀集團保險有限公司、中國交銀保險有限公司、中國太平保險(香港)有限公司、昆士蘭保險(香港)有限公司及昆士蘭按揭保險(亞洲)有限公司。年內，本公司以風險分攤方式經營按揭保險業務。除部分按揭沒有再保險安排承保外，本公司一般將其按揭保險業務多達五成的風險分給了其核准再保險公司，而剩餘風險則由本公司承擔。本公司於二零一一年與一家核准再保險公司訂立了雙方「超額損失」再保險安排，而該安排截至二零一五年十二月三十一日止年度內仍然有效。

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參選連任。

承董事局命

曾俊華

主席兼執行董事

香港

二零一六年四月二十五日

There were in existence reinsurance arrangements between the Company and the following approved reinsurers: Asia Insurance Company, Limited, AIG United Guaranty Insurance (Asia) Limited, Bank of China Group Insurance Company Limited, China BOCOM Insurance Company Limited, China Taiping Insurance (HK) Company Limited, QBE General Insurance (Hong Kong) Limited and QBE Mortgage Insurance (Asia) Limited. During the year, the Company operated its mortgage insurance business on a risk-sharing basis. Except for those mortgage insurance covers in respect of which no reinsurance arrangements had been made, the Company generally ceded up to 50% of the risk exposure under its mortgage insurance business to its approved reinsurers, with the remaining risk exposure being retained by the Company. The Company entered into a bilateral "excess of loss" reinsurance arrangement with an approved reinsurer in 2011, which was still subsisting during the year ended 31 December 2015.

Auditor

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

On behalf of the Board of Directors

John C Tsang

Chairman and Executive Director

Hong Kong

25 April 2016

獨立核數師報告

Independent Auditor's Report

致香港按揭證券有限公司成員

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第120至219頁香港按揭證券有限公司(以下簡稱「貴公司」)及其附屬公司的綜合財務報表，此綜合財務報表包括於二零一五年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要與其他附註解釋資料。

董事就綜合財務報表須承擔的責任

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

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表發表意見，並按照香港《公司條例》第405條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒布的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計以對綜合財務報表是否不存在任何重大錯誤陳述獲取合理保證。

To the members of The Hong Kong Mortgage Corporation Limited

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of The Hong Kong Mortgage Corporation Limited (the “Company”) and its subsidiaries set out on pages 120 to 219, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選擇的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司擬備真實而中肯的綜合財務報表相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的恰當性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而中肯地反映貴公司及其附屬公司於二零一五年十二月三十一日的財務狀況及彼等截至該日止年度的財務表現及現金流量，並已遵照香港《公司條例》妥為擬備。

羅兵咸永道會計師事務所
執業會計師

香港，二零一六年四月二十五日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 April 2016

綜合收益表

Consolidated Income Statement

截至二零一五年十二月三十一日止年度
for the year ended 31 December 2015

		附註 Notes	2015 千港元 HK\$'000	2014 千港元 HK\$'000
利息收入	Interest income	6	838,496	902,366
利息支出	Interest expense	7	(248,168)	(251,411)
淨利息收入	Net interest income		590,328	650,955
已滿期保費淨額	Net premiums earned	8	378,613	434,096
其他收入	Other income	9	142,826	89,345
經營收入	Operating income		1,111,767	1,174,396
申索回撥／(產生)淨額	Net claims written back/(incurred)	8	7,583	(10,144)
佣金支出淨額	Net commission expenses	8	(83,368)	(110,809)
經營支出	Operating expenses	10	(266,648)	(255,627)
未計減值前的經營溢利	Operating profit before impairment		769,334	797,816
貸款減值回撥／(撥備)	Write-back/(charge) of loan impairment allowances	14	242	(906)
除稅前溢利	Profit before taxation		769,576	796,910
稅項	Taxation	15(a)	(44,424)	(50,937)
本年度溢利	Profit for the year		725,152	745,973

第126至219頁所載附註為綜合財務報表的一部分。

The notes on pages 126 to 219 are an integral part of these consolidated financial statements.

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至二零一五年十二月三十一日止年度
for the year ended 31 December 2015

	附註 Notes	2015 千港元 HK\$'000	2014 千港元 HK\$'000
本年度溢利	Profit for the year	725,152	745,973
其他全面收益：	Other comprehensive income:		
其後可能重新分類至損益的項目：	Items that are or may be reclassified subsequently to profit or loss:		
可供出售證券：	Available-for-sale securities:		
— 未變現(虧損)/收益淨額	— net unrealised (losses)/gains	30 (111,566)	178,161
— 出售時公平值變動撥入收益表	— fair value changes transferred to income statement on disposal	30 (129,989)	(63,023)
— 攤銷	— amortisation	30 —	13
— 稅項	— tax effect	30 39,927	(19,595)
現金流對沖：	Cash flow hedges:		
— 撥入收益表的公平值變動	— fair value changes transferred to income statement	30 3,242	2,852
— 稅項	— tax effect	30 (535)	(471)
出售分類為待售資產的附屬公司時撥回的匯兌儲備	Release of translation reserve on disposal of a subsidiary classified as assets held for sale	30 —	(13,104)
本年度其他全面(虧損)/收益，已扣除稅項	Other comprehensive (loss)/income for the year, net of tax	(198,921)	84,833
本年度全面收益總額	Total comprehensive income for the year	526,231	830,806

第126至219頁所載附註為綜合財務報表的一部分。

The notes on pages 126 to 219 are an integral part of these consolidated financial statements.

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一五年十二月三十一日
as at 31 December 2015

		附註 Notes	2015 千港元 HK\$'000	2014 千港元 HK\$'000
資產	ASSETS			
現金及短期資金	Cash and short-term funds	17	21,007,367	18,421,490
應收利息及匯款	Interest and remittance receivables	18	326,778	350,851
衍生金融工具	Derivative financial instruments	19	473,403	556,962
貸款組合淨額	Loan portfolio, net	20	11,502,312	15,571,649
證券投資：	Investment securities:			
— 可供出售	— available-for-sale	21(a)	6,638,367	5,734,162
— 持有至到期	— held-to-maturity	21(b)	10,274,001	9,168,795
預付款項、按金及其他資產	Prepayments, deposits and other assets	23	87,239	20,224
固定資產	Fixed assets	24	26,630	35,109
再保險資產	Reinsurance assets	27	128,653	144,179
資產總值	Total assets		50,464,750	50,003,421
負債	LIABILITIES			
應付利息	Interest payable	25	170,853	144,044
應付帳項、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	26	4,795,423	4,799,578
衍生金融工具	Derivative financial instruments	19	1,821,927	1,575,968
當期稅項負債	Current income tax liabilities	15(b)	129,153	133,301
遞延稅項負債	Deferred income tax liabilities	15(b)	37,093	76,298
保險負債	Insurance liabilities	27	978,845	1,112,089
已發行債務證券	Debt securities issued	28	33,463,211	33,270,129
負債總額	Total liabilities		41,396,505	41,111,407
權益	EQUITY			
權益持有人應佔股本 及儲備：	Capital and reserves attributable to the equity holders:			
股本	Share capital	29	2,000,000	2,000,000
保留溢利	Retained profits		5,251,052	5,070,815
風險儲備	Contingency reserve	30	1,632,660	1,437,745
公平值儲備	Fair value reserve	30	184,533	386,161
對沖儲備	Hedging reserve	30	—	(2,707)
權益總額	Total equity		9,068,245	8,892,014
負債及權益總額	Total liabilities and equity		50,464,750	50,003,421

董事局已於二零一六年四月二十五日批准及授權刊行。

陳德霖

Norman T. L. Chan

副主席兼執行董事 Deputy Chairman and Executive Director

Approved and authorised for issue by the Board of Directors on 25 April 2016.

李令翔

Raymond L. C. Li

執行董事兼總裁 Executive Director and Chief Executive Officer

第126至219頁所載附註為綜合財務報表的一部分。

The notes on pages 126 to 219 are an integral part of these consolidated financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一五年十二月三十一日止年度
for the year ended 31 December 2015

		股東應佔 Attributable to equity holders			沒控制權 股東權益 Non- controlling interests	總額 Total
	附註 Notes	股本 Share capital 千港元 HK\$'000	保留溢利 Retained profits 千港元 HK\$'000	其他儲備 Other reserves 千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一四年一月一日結餘	Balance as at 1 January 2014	2,000,000	6,048,760	1,512,448	12,972	9,574,180
本年度溢利	Profit for the year	–	745,973	–	–	745,973
其他全面收益：	Other comprehensive income:					
可供出售證券	Available-for-sale securities	30	–	95,556	–	95,556
現金流對沖	Cash flow hedges	30	–	2,381	–	2,381
出售分類為待售資產的 附屬公司時撥回的 匯兌儲備	Release of translation reserve on disposal of a subsidiary classified as assets held for sale	30	–	(13,104)	–	(13,104)
本年度全面收益總額	Total comprehensive income for the year	–	745,973	84,833	–	830,806
由保留溢利撥入已滿期 風險保費淨額的50%或75% 至風險儲備	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	30	–	242,407	–	–
由風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	30	–	(18,489)	–	–
出售分類為待售資產的 附屬公司時終止確認的 沒控制權股東權益	Derecognition of non-controlling interests on disposal of a subsidiary classified as assets held for sale		–	–	(12,972)	(12,972)
已付二零一三年股息	Dividends paid related to 2013	–	(1,500,000)	–	–	(1,500,000)
於二零一四年十二月三十一日結餘	Balance as at 31 December 2014	2,000,000	5,070,815	1,821,199	–	8,892,014
本年度溢利	Profit for the year	–	725,152	–	–	725,152
其他全面收益：	Other comprehensive income:					
可供出售證券	Available-for-sale securities	30	–	(201,628)	–	(201,628)
現金流對沖	Cash flow hedges	30	–	2,707	–	2,707
本年度全面收益總額	Total comprehensive income for the year	–	725,152	(198,921)	–	526,231
由保留溢利撥入已滿期 風險保費淨額的50%或75% 至風險儲備	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	30	–	221,244	–	–
由風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	30	–	(26,329)	–	–
已付二零一四年股息	Dividends paid related to 2014	–	(350,000)	–	–	(350,000)
於二零一五年十二月三十一日結餘	Balance as at 31 December 2015	2,000,000	5,251,052	1,817,193	–	9,068,245

第126至219頁所載附註為綜合財務報表的一部分。

The notes on pages 126 to 219 are an integral part of these consolidated financial statements.

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一五年十二月三十一日止年度
for the year ended 31 December 2015

	附註 Notes	2015 千港元 HK\$'000	2014 千港元 HK\$'000
經營業務所得現金流量	Cash flows from operating activities		
經營溢利	Operating profit	769,576	796,910
就以下各項作出的調整：	Adjustment for:		
利息收入	Interest income	(846,024)	(910,774)
利息支出	Interest expense	188,653	176,655
股息收入	Dividend income	(72,748)	(34,512)
折舊	Depreciation	17,772	24,841
已發行債務證券折讓攤銷	Amortisation of discount on debt securities issued	59,515	74,756
貸款減值(回撥)/撥備	(Write-back)/charge of loan impairment allowances	(242)	906
可供出售證券轉作持有至到期證券時的未變現虧損攤銷	Amortisation of unrealised loss on available-for-sale securities transferred to held-to-maturity securities		13
證券投資溢價攤銷	Amortisation of premium on investment securities	7,528	8,395
出售投資收益淨額	Net gains on disposal of investments	(122,010)	(58,632)
出售分類為待售資產的附屬公司收益	Gain on disposal of a subsidiary classified as assets held for sale	–	(12,991)
金融工具公平值變動	Change in fair value of financial instruments	(5,037)	2,268
現金流對沖的公平值變動撥入收益表	Fair value changes of cash flow hedges transferred to income statement	3,242	2,852
已收利息	Interest received	851,007	940,255
已付利息	Interest paid	(161,844)	(228,441)
未計經營資產及負債變動的經營業務所得現金流量	Cash flows from operating activities before changes in operating assets and liabilities	689,388	782,501
原到期日超過三個月後到期的定期存款變動	Change in time deposits with original maturity of more than three months	(3,237,239)	(69,270)
應收匯款變動	Change in remittance receivables	19,090	(11,532)
預付款項、按金及其他資產變動	Change in prepayments, deposits and other assets	(65,900)	(3,416)
貸款組合變動	Change in loan portfolio	4,069,579	6,695,842
應付帳項、應付開支及其他負債變動	Change in accounts payable, accrued expenses and other liabilities	(4,155)	179,871
保險負債淨額變動	Change in insurance liabilities, net	(117,718)	(146,060)
外幣匯兌差額	Exchange differences	55,156	71,313
經營所得現金	Cash generated from operation	1,408,201	7,499,249
已付稅項	Taxation paid	(49,500)	(62,003)
經營業務所得現金淨額	Net cash generated from operating activities	1,358,701	7,437,246

		附註 Notes	2015 千港元 HK\$'000	2014 千港元 HK\$'000
投資活動所得現金流量	Cash flows from investing activities			
購買固定資產	Purchase of fixed assets	24	(9,293)	(8,757)
購買可供出售證券	Purchase of available-for-sale securities	21(a)	(4,265,100)	(6,034,625)
購買持有至到期證券	Purchase of held-to-maturity securities	21(b)	(2,112,356)	(2,624,340)
出售及贖回可供出售證券 所得款項	Proceeds from sale and redemption of available-for-sale securities		3,232,635	4,324,683
贖回持有至到期證券 所得款項	Proceeds from redemption of held-to-maturity securities	21(b)	956,997	1,973,405
出售分類為待售資產的 附屬公司，扣除其現金及 等同現金項目	Disposal of a subsidiary classified as assets held for sale, net of cash and cash equivalents disposed of	13	–	(12,705)
已收可供出售證券股息	Dividend received from available-for-sale securities		72,748	34,512
投資活動所用現金淨額	Net cash used in investing activities		(2,124,369)	(2,347,827)
融資前現金(流出)/流入淨額	Net cash (outflows)/inflows before financing		(765,668)	5,089,419
融資活動所得現金流量	Cash flows from financing activities			
發行債務證券所得款項	Proceeds from issue of debt securities	28	22,991,809	30,401,011
贖回已發行債務證券	Redemption of debt securities issued	28	(22,526,495)	(27,524,884)
已付股息	Dividends paid	16	(350,000)	(1,500,000)
融資活動所得現金淨額	Net cash generated from financing activities		115,314	1,376,127
現金及等同現金項目(減少)/ 增加淨額	Net (decrease)/increase in cash and cash equivalents		(650,354)	6,465,546
年初現金及等同現金項目	Beginning cash and cash equivalents		8,413,912	1,948,567
匯率對現金及等同現金項目影響	Effect of exchange rates on cash and cash equivalents		(1,008)	(201)
年終現金及等同現金項目	Ending cash and cash equivalents	17	7,762,550	8,413,912

第126至219頁所載附註為綜合財務報表的一部分。

The notes on pages 126 to 219 are an integral part of these consolidated financial statements.

綜合財務報表附註

Notes to the Consolidated Financial Statements

1. 編製基準

香港按揭證券有限公司(「本公司」)及其附屬公司(統稱「本集團」)的綜合財務報表，是按照由香港會計師公會頒布的香港財務報告準則(包括所有適用的個別香港財務報告準則、香港會計準則及詮釋)、香港公認的會計原則與香港《公司條例》的規定編製。

本綜合財務報表按歷史成本慣例編製，並已就以公平值列帳的可供出售證券投資、金融資產及金融負債(包括衍生金融工具)的重估作出調整。

除另行陳述者外，編製此綜合財務報表所應用的會計政策及計算方法，與以往呈報的所有年度所應用的貫徹一致。

編製符合香港財務報告準則的財務報表時，須採用若干重大會計估算，而管理層應用本集團會計政策時亦須自行作出判斷。需要較多判斷或較複雜的範疇、或假設及估算對綜合財務報表屬重要的範疇，已在附註4披露。

此外，由於香港《公司條例》第9部「帳目及審計」於本財政年度期間生效，因此本集團財務報表內若干資料的呈列和披露，亦作出相應的更改。

1. Basis of preparation

The consolidated financial statements of The Hong Kong Mortgage Corporation Limited (the “**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 available-for-sale investment securities, financial assets and financial liabilities (including derivative financial instruments) carried at fair value.

The accounting policies and 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 4.

In addition, the requirements of Part 9 “Accounts and Audit” of the Hong Kong Companies Ordinance come into operation during the financial year, as a result, there are changes to presentation and the disclosure of certain information in the Group’s financial statements.

2. 主要會計政策

2.1. 採納香港財務報告準則

- (a) 於二零一五年一月一日起生效的新準則及修訂

下列香港財務報告準則修訂於二零一五年生效，並與本集團相關：

- 「二零一零年至二零一二年週期的香港財務報告準則年度改進」和「二零一一年至二零一三年週期的香港財務報告準則年度改進」，包括對若干準則的更改。這些準則修訂對本集團沒有重大影響。

- (b) 已頒布但尚未生效的新準則及修訂

若干新準則及準則修訂於二零一五年一月一日起的年度後才開始生效，故並未在編制綜合財務報表時所採用。除了下列所述外，其餘的新準則及修訂預期不會對本集團之綜合財務報表產生重大的影響：

2. Summary of significant accounting policies

2.1. Adoption of HKFRSs

- (a) New standards and amendments effective on 1 January 2015

The following amendments to HKFRSs effective in 2015 are relevant to the Group:

- “Annual Improvements to HKFRSs 2010–2012 Cycle” and “Annual Improvements to HKFRSs 2011–2013 Cycle” include changes to a number of standards. The amendments have no material impact on the Group.

- (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 2015, 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:

- 香港財務報告準則第9號「金融工具」，針對金融資產和金融負債的分類、計量和確認。完整版本的香港財務報告準則第9號於二零一四年九月頒布，並取代香港會計準則第39號內有關金融工具的分類和計量的指引。香港財務報告準則第9號保留但簡化混合計量的模式，並為金融資產制定三種主要計量類別：攤銷成本、以公平值變化計入其他全面收益和以公平值變化計入損益。分類的基準是按公司的業務模式以及金融資產的合約現金流量特徵而釐定。股權工具的投資須以公平值變化計入損益來計量，但於初始時可作不可撤回選擇將公平值的變化計入其他全面收益中，而不會有可能將變化結果轉出並撥進收益表。現在新的預計信貸虧損模型，取代香港會計準則第39號採用的已產生的虧損減值模型。至於金融負債方面的分類和計量沒有任何改動，除了被界定以公平值變化計入損益的負債因自身信貸風險的變化須於其他全面收益中確認。香港財務報告準則第9號取代明確界定對沖效益測試，放寬有關對沖效益的要求。該準則要求對沖項目及對沖工具須有經濟關係，而對沖比率須與管理層真正使用於風險管理時所用的相同。相關的記錄文件仍是需要的，但是有別於香港會計準則第39號所需的文件。
- HKFRS 9 “Financial Instruments” addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in September 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without the possibility to recycle these results to the income statement. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the hedged ratio to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39.

此項準則於二零一八年一月一日或以後開始之會計年度生效，亦允許提早採用。本集團正在評估此項準則的影響。

- 香港財務報告準則第15號「客戶合約收益」，涉及收益的確認和制定向財務報表使用者匯報有用資料的原則，資料包括有關公司與客戶的合約引起的收益和現金流的性質、金額、時間和涉及的不明朗因素。而當客戶獲得該產品或服務的控制權，並有能力控制運用該產品或服務，並從中得到利益時，收益便會確認。

香港財務報告準則第15號取代了以往的收益準則：香港會計準則第18號「收益」和香港會計準則第11號「建築合約」及其相關詮釋。此項準則於二零一八年一月一日或以後開始之會計年度生效，亦允許提早採用。本集團正在評估此項準則的影響。

- 香港財務報告準則第16號「租賃」，列出租賃的確認、計量、呈列和披露的原則。準則引入單一的承租人會計模式，要求承租人需要為所有租期超過12個月的租賃，確認資產和負債，除非租賃的資產價值很低。承租人必須確認其可使用資產，代表有使用該租賃資產的權利；同時也需確認其租賃負債，代表有責任作出租賃付款。香港財務報告準則第16號，大體上秉承香港會計準則第17號對出租人的會計要求。據此，出租人繼續將其租賃歸類為經營租賃和融資租賃，並以不同的入帳方式處理這兩類租賃。本集團尚未評估此項準則對財務狀況和經營業績的全面影響。此項準則將於二零一九年一月一日或以後開始的年度強制生效。

The standard is effective for accounting periods beginning on or after 1 January 2018 with early adoption permitted. The Group is considering the implications of the standard.

- HKFRS 15 “Revenue from Contracts with Customers” deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

HKFRS 15 replaces the previous revenue standards: HKAS 18 “Revenue” and HKAS 11 “Construction Contracts”, and the related interpretations. The standard is effective for accounting periods beginning on or after 1 January 2018 with early adoption permitted. The Group is considering the implications of the standard.

- 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 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is yet to assess the full impact of the standard on its financial position and results of operations. The standard is mandatorily effective for annual periods beginning on or after 1 January 2019.

- 「二零一二年至二零一四年週期的香港財務報告準則年度改進」，包括對若干準則的更改，這些修訂大部分適用於二零一六年一月一日或以後開始之會計年度。本集團正在評估這些準則的影響。

預計沒有其他尚未生效的香港財務報告準則會對本集團產生重大影響。

2.2. 綜合帳目

綜合財務報表包括本公司及其所有附屬公司截至二零一五年十二月三十一日的財務報表。

(a) 附屬公司

附屬公司指所有本集團有控制權的公司（包括用以發行按揭證券的結構公司香港按揭證券融資（第一）有限公司及Bauhinia MBS Limited）。當本集團透過參與公司運作而獲得或承受不固定回報，並能夠行使其權力影響該等回報，本集團被視為控制該公司。附屬公司自控制權轉移至本集團當日起被全面綜合入帳，並自該控制權終止當日停止綜合入帳。

本集團成員公司間的交易、結餘及未變現交易收益會相互對銷。除非有證據顯示交易所轉讓資產出現減值，否則未變現虧損亦應予以對銷。如有需要，附屬公司的會計政策需作出調整，以確保與本集團的政策一致。

沒控制權股東權益指並非由本公司所擁有在附屬公司的淨資產部分應佔的權益。沒控制權股東權益在綜合財務狀況表及綜合全面收益表，與本公司股東應佔權益分開呈列。

- “Annual Improvements to HKFRSs 2012–2014 Cycle” includes changes to a number of standards. The amendments largely apply to accounting periods beginning on or after 1 January 2016. The Group is considering the implications of the standards.

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

2.2. Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December 2015.

(a) Subsidiaries

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.

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company. They are presented in the consolidated statement of financial position and consolidated statement of comprehensive income, separately from equity attributable to equity holders of the Company.

當本集團失去附屬公司的控制權時，會被視為出售該附屬公司的全部權益處理，而由此產生的收益或虧損會在損益內確認。

在本公司的財務狀況表中，於附屬公司的投資按成本扣減任何減值撥備列帳。附屬公司之業績由本公司按已收及應收股息記入本公司帳目。

(b) 對沒控制權股東權益之交易

本集團對沒控制權股東權益之交易，在控制權並無任何改變時，視為與本集團權益持有人的交易。如向與沒控制權股東購買，任何已付代價與相關應佔附屬公司淨資產的帳面值之間的差異於權益列帳。出售予沒控制權股東權益所產生的收益或虧損亦於權益列帳。

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採用實際利息法於收益表內確認。

實際利息法是一種計算金融資產或金融負債之攤銷成本、以及攤分有關期間之利息收入或支出的方法。實際利率指於金融工具之預計年期或較短時間(如適用)，將估計未來現金支出或收入準確折現至金融資產或金融負債帳面淨值的利率。計算實際利率時，本集團會考慮金融工具的所有合約條款以估計現金流量，但不會計及未來信貸虧損。計算範圍包括訂約雙方已支付或已收取且屬於實際利率不可分割一部分的一切費用，以及交易成本及所有其他溢價或折讓。

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.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests without change of control as transactions with equity owners of the Group. For purchases from the non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

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.

當一項金融資產或一組同類金融資產因出現減值虧損而撇減其價值時，將按計算減值虧損時用以折現未來現金流量的利率確認利息收入。

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. 其他收入(附註2.22所述由保險與擔保合約所產生的除外)

2.4. Other income other than those arising from insurance and guarantee contracts under Note 2.22

(a) 費用及佣金收入

費用及佣金通常於提供服務時以應計基準確認。屬於實際利率不可分割一部分的前期安排手續費作為對釐定貸款利息收入實際利率的調整確認。

(a) Fee and commission income

Fees and commissions 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

股息收入於取得獲派股息權利時確認。

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.5. 金融資產

2.5 Financial assets

本集團將金融資產分為：以公平值變化計入損益的金融資產、貸款及應收款項、持有至到期投資及可供出售投資。分類方式視乎購入金融資產的目的而定。管理層於初始確認時決定金融資產分類。

The Group classifies 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 depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) 以公平值變化計入損益的金融資產

此類別可細分為兩類：持作買賣的金融資產、及於初始分類時指定為以公平值變化計入損益的金融資產。倘金融資產主要為在短期內出售而購入，或該資產為集合管理的可識別金融工具組合之一部分、及有證據顯示近期曾實際短期獲利，則歸類為持作買賣用途。除已指定作對沖用途外，否則衍生工具亦歸類為持作買賣用途。

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated as at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short-term profit-making. Derivatives are also categorised as held for trading unless they are designated as hedges.

符合以下條件之金融資產，一般會初始時被界定為以公平值變化計入損益類別：

- (i) 若該界定能消除或大幅減少因按不同基準計量金融資產或金融負債之價值或確認其盈利或虧損，而出現不一致的計量或確認情況（有時稱為會計錯配）；或
- (ii) 若根據明文規定的風險管理或投資策略，有一組金融資產及／或金融負債需按公平值基準管理及評估表現，而內部亦根據該基準向管理層呈報有關該組金融資產及／或金融負債。
- (iii) 金融資產，例如所持有債務證券含有一項或多項對現金流量有重大影響的嵌入式衍生工具，可以被指定為以公平值變化計入損益。

(b) 貸款及應收款項

貸款及應收款項為有固定或可確定還款額、並無活躍市場報價，且本集團無意即時或於短期內買賣之非衍生工具金融資產。

A financial asset is typically classified as fair value through profit or loss at inception if it meets the following criteria:

- (i) the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring the financial assets or financial liabilities or recognising the gains and losses on them on different bases; or
- (ii) a group of financial assets and/or financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about the financial assets and/or financial liabilities is provided internally to the key management personnel.
- (iii) financial assets, such as debt securities held, containing one or more embedded derivatives which significantly modify the cash flows, can be designated at fair value through profit or loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which the Group has no intention of trading immediately or in the short term.

(c) 持有至到期投資

持有至到期投資為有固定或可確定還款額及固定還款期，且本集團管理層有明確意向及能力持有至到期的非衍生工具金融資產。若本集團出售或將持有至到期投資的資產重新分類，而(i)並非由於超越本集團所能控制的、非經常性的，不能被本集團合理預期的單一個別事件所引起，例如是發行人的信用狀況的顯著惡化，或(ii)倘若非重大數額之持有至到期資產，則整個資產類別將重新分類至可供出售資產。

(d) 可供出售投資

可供出售投資，包括指定為此類別或並無歸入任何其他類別的非衍生工具金融資產。可供出售投資為無限定持有時間的投資，可因應流動資金需要或利率、匯率或市價變動而出售。可供出售投資初步按公平值（包括直接及遞增交易成本）確認，其後按公平值持有。

所有並非以公平值變化計入損益的金融資產初始時按公平值加上交易成本確認。以公平值變化計入損益的金融資產初始時按公平值確認，而交易成本則在收益表列作支出。

(c) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Where the Group sold or reclassified held-to-maturity assets (i) other than due to an isolated event that is beyond the Group's control, is 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) Available-for-sale

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rate, exchange rate or market prices. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value.

Financial assets are 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 are initially recognised at fair value, and transaction costs are expensed in the income statement.

可供出售金融資產及以公平值變化計入損益的金融資產，其後以公平值列帳。貸款及應收款項及持有至到期投資，則採用實際利息法以攤銷成本列帳。「以公平值變化計入損益的金融資產」類別的公平值變動產生的收益及虧損，於產生時計入該期間的收益表。可供出售金融資產公平值變動產生的未變現收益及虧損於其他全面收益確認，並累計於權益中（公平值儲備），直至有關金融資產被註銷或減值時，則將先前已於權益確認之累計盈虧撥轉至收益表。然而，使用實際利息法計算的利息乃於收益表中確認。可供出售股權工具之股息於有關公司取得獲派股息權利時於收益表確認。

如果按公平值計量的資產有一個買入價和賣出價，在這個價格範圍內的買賣差價最能代表公平值的情況下，應該用來計量公平值。倘金融資產的市場並不活躍，本集團會採用估值方法訂出公平值，包括採用近期按公平原則進行的交易、參考其他大致相同的工具、現金流量折現分析及市場參與者廣泛採用的其他估值方法釐定公平值。

倘若本集團有意並有能力在資產重新分類時，持有某些金融資產直至可預見的未來或直至到期日，本集團可以選擇將符合貸款及應收款項定義的金融資產，從可供出售投資類別，重新分類為貸款及應收款項。

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are 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 are 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 are recognised in other comprehensive income and accumulated in equity (fair value reserve), until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously accumulated in equity is reclassified to income statement. However, interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the entity’s right to receive payment is established.

If an asset 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. If there is no active market for a financial asset, the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

重新分類將按重新分類日的公平值計算。公平值會成為新的成本或攤銷成本(如適用)，而在重新分類日期前的公平值收益或虧損不作撥回。對於被重新分類為貸款及應收款項和持有至到期類別的金融資產，其實際利率將在重新分類日確定。

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date.

2.6. 金融資產減值

(a) 以攤銷成本列帳之資產

本集團於各呈報期末，評估有否客觀證據顯示個別金融資產或一組金融資產出現減值。於初始確認資產後發生一個或多個損失事件以致出現減值之客觀證據(「**損失事件**」)，且該宗(或該等)損失事件對有關金融資產或一組金融資產之未來現金流量的影響可準確估計，則該金融資產或該組金融資產將視作減值及出現減值虧損。顯示個別金融資產或一組金融資產減值之客觀證據包括本集團注意到有關可供觀察資料之以下損失事件：

- 發行人或欠債人出現嚴重財政困難；
- 違約，例如延遲支付或拖欠利息或本金還款；
- 因與借款人財政困難有關之經濟或法律理由，本集團給予借款人在一般情況下不予考慮之優惠條件；
- 啟動破產程序或其他財務重組；
- 因財政困難致使金融資產之活躍市場消失；或

2.6. Impairment of financial assets

(a) Assets carried at amortised cost

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

- 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

- 可觀察得到的資料顯示一組金融資產產生的未來預計現金流將較初始確認時有可量度的下降，即使有關下降未能識別為該組合內之個別金融資產。資料包括：

- 該組合的供款人之還款狀況有不利轉變；或
- 與組合內資產違約相關之經濟狀況。

本集團首先評估有否客觀證據，顯示金額重大之個別金融資產出現減值。至於金額非重大之個別金融資產，本集團會個別評估或組合地評估減值。若本集團確定並無客觀證據顯示所評估個別金融資產（不論金額是否屬重大）出現減值，則將該資產包括於信貸風險特徵相若的組合中，以作出組合減值評估。組合減值評估不包括已經個別評估為有減值虧損或將繼續確認減值虧損之資產。

如有客觀證據顯示，以攤銷成本列帳之貸款及應收款項，或持有至到期投資出現減值虧損，則虧損額將以資產帳面值與預計未來現金流量（不包括尚未產生的未來信貸虧損），按該金融資產原有實際利率的折現差額計算。資產的帳面值通過撥備帳目而調減，虧損金額則於收益表確認。倘貸款或持有至到期投資按浮動利率計算，則計量減值虧損的折現率為合約釐定的現行實際利率。

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group; or
- economic conditions that correlate with defaults on the assets in the group.

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

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

不論是否能收回抵押品，對有抵押金融資產預計未來現金流量之現值計算，可反映因收回抵押品後扣除取得及出售抵押品之成本可能產生的現金流量。

整體之組合減值評估而言，金融資產按相若信貸風險特徵歸類，該等特徵與預測該等資產群組之未來現金流量有關，可顯示所評估資產在合約條款下其債務人清還所有到期債務的能力。

一組共同進行減值評估的金融資產的未來現金流量，是按群組內資產的合約現金流量，及與其具相若信貸風險特徵的資產之過往虧損記錄為基準估量。過往虧損記錄會根據現時可觀察資料予以調整，以反映並沒有對過往經驗所依據的該期間產生影響的現有狀況的影響，以及消除於過往期間出現但現時並不存在之條件的影響。

估計一組資產未來現金流量的變動時，須反映各期間的相關可觀察數據（顯示該組資產虧損之可能性及程度的變動），並調整至與其一致。本集團定期檢討估計未來現金流量的方法及假設，以縮減虧損估計與實際虧損的差距。

倘貸款無法收回，則信貸委員會將酌情決定自相關貸款減值虧損撥備撇銷貸款。該等貸款將於完成所有必需程序及確定虧損金額後撇銷。倘日後收回以往已撇銷的款項，將用於減低收益表中之減值虧損。

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

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

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period which are indicative of changes in the probability of losses in the group and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

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

如日後減值虧損撥備減少，且與確認減值後發生的事件有客觀聯繫，則過往確認的減值虧損會透過調整撥備帳目回撥。回撥的金額於收益表內確認。

(b) 被歸類為可供出售投資的資產

本集團在各呈報期末評估有否客觀證據顯示，個別可供出售投資或一組可供出售投資出現減值。對於債務證券，本集團採用以上(a)所提出的標準。至於被分類為可供出售的股權投資，倘若其公平值大幅或長期低於成本，亦為顯示該等資產出現減值的證據。如可供出售金融資產存在該等證據，其累計虧損（即購入成本與現時公平值之差額扣減原先已於收益表確認之金融資產減值虧損）需自權益撥轉至收益表。如日後歸類為可供出售之工具的公平值增加，並與確認減值後發生之事件有客觀聯繫，則有關減值虧損將按變化程度於收益表回撥。

(c) 已重組貸款

須作組合減值評估或屬個別重大的貸款如已重新協商條款，會被視為已重組貸款處理。

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Assets classified as available-for-sale investments

The Group assesses at the end of each reporting period whether there is objective evidence that an available-for-sale investment or a group of available-for-sale investments is impaired. For debt securities, the Group uses 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 is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement — is 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 can 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 is reversed through the income statement.

(c) Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are treated as renegotiated loans.

2.7. 金融負債

金融負債分為兩類：以公平值變化計入損益的金融負債及其他金融負債。所有金融負債於初始時分類，並初步按公平值確認。

財務狀況表所列明的債務證券，包括：(i)根據債務工具發行計劃發行的債券；(ii)透過配售銀行於獨立零售債券發行及根據零售債券發行計劃向零售投資者發售的債券；及(iii)根據中期債券發行計劃發行的債券（**中期債券**）。

該等債券初步指定為金融負債：(i)以公平值變化計入損益或(ii)其他金融負債。

於初始分類時，當債券（包括已發行嵌入式衍生工具的債券）被指定以公平值變化計入損益，則按公平值確認，且公平值變動記錄於收益表。當債券被指定為公平值對沖之對沖項目，均會被對沖風險而引起的公平值變化作出相應調整。

指定為其他金融負債的債券初始時按公平值確認，即所收代價的公平值扣減產生的交易成本。債券其後按攤銷成本列帳，扣除交易成本後的所得款項淨額與贖回價值間的任何差額，於債務證券期間按實際利息法在收益表確認。

凡贖回／回購債券時的損益，即贖回／回購債券的金額與帳面值的差額，於贖回／回購發生期間於收益表入帳確認。

2.7. 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**), (ii) notes offered to retail investors through the placing banks in standalone retail bond issues and under the Retail Bond Issuance Programme (**RBIP**) and (iii) 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.

2.8 確認和終止確認金融工具

以公平值變化計入損益的金融資產、可供出售投資和持有至到期投資於本集團購買或出售的交易日確認。貸款及應收款項於借款人收到現金時確認。當收取金融資產所得現金流量的權利經已屆滿，或當本集團已轉讓擁有該項資產的絕大部分風險及回報的權利，金融資產將終止確認。

以公平值變化計入損益的金融負債，及已發行債務證券於交易日確認。其他負債於債務產生時確認。金融負債僅於合約規定的債務已被清償、已取消或已屆滿時，才於財務狀況表終止確認。

2.9. 衍生金融工具及對沖會計處理

衍生工具最初於訂立衍生工具合約之日按公平值確認，其後按公平值重新計量。公平值乃根據活躍市場價釐定，包括最近市場交易及通過使用估值方法（包括現金流量折現模型及期權定價模型）。當衍生工具的公平值為正數時，均作為資產入帳；而當公平值為負數時，則作為負債入帳。從衍生工具所產生的應收和應付利息會分別呈列於財務狀況表。

於初始確認時，最佳顯示該衍生工具之公平值應為其交易價值（即已付或已收代價之公平值）。

若干嵌入其他金融工具之衍生工具之經濟特徵及風險與所屬主合約並無密切關係，且主合約並非以公平值變化計入損益計量時，該等嵌入式衍生工具會作為獨立衍生工具處理。該等嵌入式衍生工具以公平值計量，而公平值變動則於收益表確認。

2.8. Recognition and de-recognition of financial instruments

Purchases and sales of financial assets at fair value through profit or loss, available-for-sale and held-to-maturity investments are recognised on the trade date, the date on which the Group purchases or sells the assets. Loans 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 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.

2.9. Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently 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).

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.

確認公平值損益的方法取決於衍生工具是否指定為對沖工具，如屬對沖工具則須取決對沖項目性質。本集團指定若干衍生工具為：(i) 對沖已確認資產或負債或確實承擔的公平值（「**公平值對沖**」）；或(ii) 對沖已確認資產或負債或預期交易極有可能產生的未來現金流量（「**現金流對沖**」）。在符合若干條件的情況下，指定的衍生工具採納對沖會計方式處理。

本集團會於交易發生時記錄對沖工具與對沖項目之關係、風險管理目的以及進行各類對沖交易所採取策略。本集團亦會就對沖活動發生時及所涉期間內評估有關衍生工具能否高度有效地抵銷對沖項目之公平值或現金流量變動作出記錄。

(a) 公平值對沖

被指定為且合資格之公平值對沖之衍生工具的公平值變動連同被對沖風險之對沖資產或負債之相關公平值變動，一併於收益表內記錄。

若對沖不再符合對沖會計處理的要求，對沖項目之帳面值調整，將按剩餘年期以實際利息法攤銷至收益表。

(b) 現金流對沖

被指定為且合資格之現金流對沖之衍生工具的公平值變動的有效對沖部分於其他全面收益內確認，並累計於權益中。無效部分的損益即時於收益表確認。

權益的累積數額將於相關對沖項目影響收益表時轉出並撥入至收益表。

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) 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 other comprehensive income 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.

於對沖工具到期或出售，或不再符合對沖會計處理要求時，權益中的任何累計損益仍保留於權益內，直至預期進行的交易最終於收益表確認時始撥入收益表。當預期進行的交易不會落實時，權益所呈報的累計損益隨即撥入收益表。

(c) 不符合採用對沖會計方法的衍生工具

凡不合資格採用對沖會計處理的經濟對沖的衍生工具，以公平值變化計入損益。任何衍生工具的公平值變動，即時於收益表確認。

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.

2.10. 對銷金融工具

如金融資產及負債具有法律上可強制執行的權利可對銷確認金額及有計劃按淨額結算，或同時變賣資產及清償負債，則該金融資產及負債可互相對銷，而兩者之淨額列於財務狀況表內。法律上可強制執行的權利不應取決於未來事件，並且必須是在正常業務過程中，以及在本公司或交易對手違約、無力償付債務或破產的情況下，可強制執行。

2.10. 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.

2.11. 收回資產

收回抵押資產作為待售資產列帳，並於「其他資產」項下呈報，相關貸款則終止確認。收回抵押資產按帳面值與公平值減銷售成本之較低者計量。

2.11. 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.

2.12. 分類報告

經營分類按向首席經營決策者提供的內部報告一致的方式報告。首席經營決策者為分配資源及評估公司經營分類表現的個人或團體。本集團已指定總裁為首席經營決策者。

2.13. 外幣換算

(a) 功能及呈列貨幣

本集團旗下各公司的財務報表中所載項目採用該公司營運所在主要經濟環境所用的貨幣（「**功能貨幣**」）計量。綜合財務報表以千港元為單位呈列，即本公司之功能及本公司和本集團之呈列貨幣。

(b) 交易及結餘

外幣交易按交易當日之匯率換算為功能貨幣。結算該等交易產生之匯兌盈虧以及以期末匯率換算外幣計價的貨幣資產及負債而產生的匯兌盈虧在收益表確認。

2.12. 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.

2.13. 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 (the "**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.

以外幣計價的貨幣項目，按報告日期的收市匯率換算。以歷史成本估值的外幣計價的非貨幣項目，按初始確認日期的匯率換算；以公平值估值的外幣計價的非貨幣項目，會以確定公平值當日的匯率換算。

當歸類為可供出售，並以外幣計價的貨幣項目之公平值變動時，由證券的攤銷成本變動所產生的換算差額，及由證券的帳面值的其他變動所產生的換算差額會區別出來。有關攤銷成本變動的換算差額會在損益內確認；而除減值外，帳面值的其他變動會在其他全面收益內確認。

持有以公平值變化計入損益的非貨幣金融工具的換算差額呈報為公平值損益的一部分。歸類為可供出售金融資產的非貨幣金融工具的換算差額計入權益的公平值儲備。

(c) 集團旗下公司

集團下所有公司的功能貨幣與呈列貨幣有不同的（沒有公司有嚴重通脹經濟之貨幣），其業績及財務狀況按如下方法換算為呈列貨幣：

- 各財務狀況表內所呈報的資產及負債按財務狀況表之報告日的收市匯率換算；

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 available-for-sale, 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 other comprehensive income.

Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- 各收益表內的收支按平均匯率換算(倘此平均值並非該等交易日期當時匯率的累計效果之合理約數,則收支按交易日期的匯率換算);

- 所有由此產生的匯兌差額於其他全面收益內確認;

- 上述方式產生的匯兌差額於股東權益中呈報為匯兌儲備;及

- 綜合帳目時,換算境外公司的投資淨額以及換算借款及其他指定用於對沖該等投資的貨幣工具所產生的匯兌差額計入其他全面收益。當出售全部或部分境外業務時,匯兌差額於綜合收益表確認為出售盈虧的一部分。

(d) 出售境外業務

當出售境外業務時,所有有關此業務而累計於權益並屬於本公司股東應佔的匯兌差額計入收益表內。

2.14. 固定資產

固定資產按歷史成本減累計折舊及減值虧損列帳。歷史成本包括收購該等項目的直接開支。

- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);

- All resulting exchange differences are recognised in other comprehensive income;

- Exchange differences arising from the above process are reported in shareholders' equity as translation reserve; and

- On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(d) Disposal of foreign operation

On disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are taken to the income statement.

2.14. 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.

該項目的後續成本僅在本集團有可能獲得有關項目之未來經濟利益，且能準確計量項目成本時，方可計入資產帳面值或確認為獨立資產（倘適用）。遭替換部分的帳面值被終止確認。所有其他維修及保養開支均於產生之財務期間於收益表確認。

折舊採用直線法按下列估計可使用年期將成本減剩餘價值攤銷：

租賃物業裝修	租約尚未屆滿的期間
傢俬及裝置	租約尚未屆滿的期間
電腦	三年
辦公室設備	三年
汽車	四年

資產的剩餘價值及可使用年期於各呈報期末檢討並於適當時調整。

出售之收益及虧損按所得款項與帳面值的差額於收益表確認。

2.15. 於附屬公司的投資的減值

於附屬公司收取股息後，倘若出現下述情況，需就附屬公司的投資進行減值測試。如在股息宣佈週期，股息超越附屬公司的總全面收益。又或是附屬公司在本公司的財務報表所顯示的帳面值，超越附屬公司在綜合財務狀況表的淨資產值（包括商譽）。

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.

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.

2.15. 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.

2.16. 當期及遞延所得稅項

期內稅項支出包括當期及遞延稅項。稅項會在收益表內確認，除非涉及確認於其他全面收益的項目或直接在權益內確認。在這種情況下，稅項也會在其他全面收益或直接在權益確認。

當期所得稅根據呈報期末已頒布或實際頒布的稅率計算。

遞延所得稅項採用負債法按資產及負債的稅基與綜合財務報表所呈列帳面值之暫時差額作全數撥備。遞延所得稅項採用各呈報期末已頒布或實際頒布並預期在相關遞延稅項資產變現或遞延稅項負債結算時適用之稅率釐定。

倘可能有未來應課稅溢利與可動用暫時差額抵銷，則確認遞延稅項資產。除非暫時差異的撥回由本集團控制，並有可能在可預見將來不會撥回暫時差額，就投資附屬公司而產生的暫時差額需作遞延所得稅撥備。

就可供出售投資及現金流對沖的公平值重新計量並直接在其他全面收益中扣除或計入相關的遞延稅項，亦應直接在其他全面收益中計入或扣除，其後連同遞延盈虧在收益表中確認。

2.16. Current and deferred income 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 other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

Current income tax is calculated on the basis of the tax rates enacted or substantively enacted at the end of the reporting period.

Deferred income 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 income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income 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 fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly to other comprehensive income, is also credited or charged directly to other comprehensive income and is subsequently recognised in the income statement together with the deferred gain or loss.

2.17. 僱員福利

(a) 僱員可享有的假期

僱員所享年假於僱員得到有關假期時確認。按截至各呈報期末就僱員所提供服務而估計享有的年假及長期服務假期的承擔列為應計項目。

僱員可享有的病假、產假及侍產假，於僱員休假時確認。

(b) 花紅計劃

本集團根據一項程式以考慮若干調整後所得溢利確認花紅負債及開支。本集團根據合約責任或過往經驗建立推定責任時，確認有關撥備。

(c) 退休金承擔

本集團設立強制性公積金計劃及界定供款計劃，計劃相關資產通常由獨立信託人所管理之基金持有。該等退休金計劃通常由僱員及本集團供款。

本集團對強制性公積金計劃及界定供款計劃的供款於產生時列作支出。

2.18. 撥備

倘本集團現時因過往事件而涉及法律或推定責任，而履行責任很可能須耗用資源，且可合理估計款項時，則確認撥備。

當金額的時間值影響屬重大的，撥備按預期償付責任所需開支以除稅前比率（反映當前市場對責任特定之時間值及風險之評估）計算之現值計量。

2.17. 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) 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.

2.18. 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.

2.19. 租約

(a) 經營租約

經營租約指由出租人承擔擁有權絕大部分風險及回報之租約。本集團主要以承租人身份訂立經營租約。經營租約租金（扣除出租人給予的任何優惠後）於租期內以直線法自收益表扣除。

倘經營租約於租約期滿前終止，則任何須付予出租人的罰款將於終止發生期間確認為開支。

(b) 融資租約

融資租約指由本集團承擔擁有權的絕大部分風險及回報之資產租約。本集團主要以出租人身份訂立融資租約。融資租約於租賃開始時按租賃物業公平值或最低租金現值之較低者撥作應收款項。應收款項總額與應收款項現值的差額確認為未賺取融資收入。租約收入於租期內按反映固定回報率的淨投資法確認。具有融資租約特性的租購合約按融資租約相同方式列帳。減值撥備按附註2.6所載會計政策列帳。

2.19. 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) 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 set out in Note 2.6.

2.20. 現金及等同現金項目

就現金流量表而言，現金及等同現金項目包括於購入之日起計三個月內到期的結餘，包括現金、銀行的結餘。這些結餘是易於轉換為已知金額的現金，而其價值變動的風險不高。

2.21. 財務擔保合約

財務擔保合約，本集團須向持有人支付定額款項以補償指定欠款人未能按債務工具條款支付到期款項所產生損失。

財務擔保合約，按附註2.22(b)所載會計政策，列帳為保險合約。

2.22. 保險和其他擔保合約

(a) 按揭保險合約

本集團按揭保險計劃下的按揭保險業務，根據年度會計基準入帳。依照年度會計處理法，本集團按未來收支的可靠預測作出撥備，釐定本會計年度的承保業績。承保業績包括更正過往估計而作出的任何修訂。

毛保費指本會計年度透過在《銀行業條例》下定議之認可機構參與直接承保業務的保費。扣除折扣及退款後的毛保費包括向核准再保險公司支付再保險保費、本集團應收風險保費及服務費。保險費淨額於保險生效期間，以時間比例確認為收入。

2.20. 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 which are subject to an insignificant risk of change in value.

2.21. 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 2.22 (b).

2.22. Insurance and other guarantee contracts

(a) Mortgage insurance contracts

The mortgage insurance business under the Mortgage Insurance Programme 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.

未滿期保費為各呈報期末，估計承擔風險及提供服務所需保費淨額部分。

於各呈報期末，就未決申索、已產生但未申報申索及虧損儲備作撥備。至於風險分攤業務方面，根據有關監管指引及在董事認為適當的情況下，取決於相關產品，將年內已滿期風險保費淨額的50%或75%，在一段時間內，預留作為風險儲備。期內可自風險儲備提取以應付超額申索。於各呈報期末，風險儲備的未動用結餘可撥回至保留溢利。

再保險合約指本集團與再保險公司訂立的合約，據此本集團就本集團發出一份或以上保險合約獲賠償損失。本集團根據再保險合約下所獲利益，確認為再保險資產。該等資產包括從再保險公司可收回的申索及應收款項（根據有關再保險合約所預期的申索及利益）。從再保險公司可收回款項或應付再保險公司與再保險合約相關金額的計量，與每份再保險合約的條款一致。再保險資產主要為再保險合約的保費，被確認為開支。

再保險資產初始確認後，倘若有關證據顯示，本集團可能不會收回合約條款內的全數款項，而本集團從再保險公司之收回款項亦能準確計算，就會為該再保險資產減值。

已產生的佣金在收益表內確認。

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.

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 recognised 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) 其他擔保和保險合約

本集團為合資格的中小企業(中小企)和非上市企業取得的貸款提供財務擔保，並收取擔保費；亦為長者的安老按揭貸款，以及為資助房屋計劃業主而設、主要用於補地價的一筆過貸款，提供保險保障，並收取保險保費。

本集團會根據當前合約的未來現金流量估算，在每個呈報期日評估其已確認的負債是否足夠。如果評估顯示其擔保和保險負債的帳面值不足夠應付預計的未來現金流量，不足之數額會在收益表中確認。

根據有關監管指引及在董事認為適當的情況下，年內已滿期的擔保費的50%和保險保費的75%，在一段時間內，預留作為風險儲備。期內可自風險儲備提取款項以應付超額申索。於各呈報期末，風險儲備的未動用結餘可撥回至保留溢利。

2.23. 股息分配

於呈報期末後擬派或宣派的股息，當股東批准該股息時，會作為該時期的負債披露。

(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.

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 guarantee and insurance liabilities are inadequate in the light of the estimated future cash flows, the shortfall shall be recognised in the income statement.

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 by directors to be appropriate. 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.

2.23. 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. 財務風險管理

3.1. 採用金融工具策略

本集團的主要業務為(i)購買按揭或貸款組合；(ii)透過發行債券為購買資產籌集資金；(iii)向認可機構所承造以香港住宅物業作抵押的按揭貸款，提供按揭保險；(iv)向認可機構所承造的香港中小企及非上市公司貸款，提供財務擔保；(v)向認可機構為長者所承造的安老按揭，提供保險保障；及(vi)提供一個中央平台以支援小型貸款的運作。根據其性質，本集團業務主要使用金融工具包括現金、貸款、債務及衍生工具。

本集團的業務面對多種財務風險，該等業務涉及分析、評估、承擔及管理一定程度的風險或風險組合。本集團於維持財務表現過程中審慎管理風險。

企業風險管理委員會乃於企業層面設立監督企業範圍內的風險事項(包括財務及非財務風險)。各類風險的政策及限額由各管理委員會(包括信貸委員會、資產負債管理委員會、交易核准委員會及營運風險管理委員會)監控及定期檢討，並向企業風險管理委員會報告。

3. Financial risk management

3.1. 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; and (vi) to operate a centralised microfinance platform to support microfinance loans. 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 corporate 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, 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.

信貸委員會監察資產收購、按揭保險、中小企擔保業務及小型貸款計劃的信貸政策及標準。資產負債管理委員會監察經董事局批准的市場風險管理及投資指引的執行情況。交易核准委員會負責根據最新市況及董事局批准的業務策略，深入分析業務交易的定價基礎及風險。營運風險管理委員會負責確保所有運作部門，都採取有效的營運風險及內部監控機制。該委員會也會負責就運作部門在政策、監控和管理等運作事宜發生問題時，提供指引和解決方法。倘若有審核結果涉及營運風險和內部監控，該委員會會確保盡快採取恰當的糾正措施。此外，內部審核部負責獨立審查本公司的內部監控系統。最重要的風險類型為信貸風險、流動資金風險及市場風險（包括貨幣風險、利率風險及股票價格風險）。

3.2. 信貸風險

本集團主要金融資產為其貸款組合、證券投資、現金及短期資金。流動資金及證券投資的信貸風險有限，因為交易對手主要是主權國、半主權國機構、銀行及公司，其信貸評級須符合按照董事局批准的投資指引的最低要求。

本集團的信貸風險主要來自其貸款組合，即借款人於款項到期時未能全數償還的風險。本集團就於呈報期末已產生的虧損作出減值撥備。

經濟及本港物業市場出現的重大轉變可能導致的虧損有別於呈報期末之撥備。因此本集團就管理信貸風險訂下審慎政策。

The Credit Committee oversees the credit policies and standards for asset acquisition, mortgage insurance, SME guarantee business 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, Internal Audit is responsible for the independent review of the internal control systems of the Company. The most important types of risks are credit risk, liquidity risk and market risk which includes currency risk, interest rate risk and equity price risk.

3.2. Credit risk

The Group's principal financial assets are its loan portfolio, investment securities, cash and short-term funds. 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 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. Allowance for impairment is provided for losses that have been incurred at the end of the reporting period.

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.

為維持資產組合的素質，本集團採取四項策略：(i) 按既定準則挑選核准賣方；(ii) 採取審慎的資產購買準則；(iii) 進行有效的盡職審查程序；及(iv) 確保較高風險的資產或交易有足夠的保障。

本集團的按揭貸款信貸風險分散於眾多客戶及交易對手，而本集團按揭風險之相關抵押品則坐落於香港。

本集團尤其注重對問題貸款進行持續信貸審查。業務部門將監控該等貸款，並盡力為收回款項採取如與借款人制定寬減計劃從而加強貸款回收力度。根據信貸委員會批准的指引為貸款定期進行減值評估，減值撥備亦於收益表扣除。

抵押品及其他信貸安排加強措施

本集團已實施關於接受用以減低信貸風險的特定類別的抵押品的指引。該等指引定期進行審查。

貸款組合

按揭貸款組合的主要抵押品類型包括物業及遞延代價(附註26)；至於融資租約應收帳款的抵押品類型包括的士和公共小巴牌照。按揭貸款組合和融資租約應收帳款一般有充足的抵押。目前物業抵押品的價值是以公開指數按組合基礎而確定。至於其他非按揭貸款組合，一般並不尋求抵押品。

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.

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.

銀行定期存款和證券投資

銀行定期存款一般不尋求抵押，因為其交易對手的性質，和短期內到期，故被視為低風險。證券投資一般沒有抵押。

衍生金融工具

本集團與所有衍生工具之交易對手簽訂國際掉期及衍生工具協會主協議。按照該協議，倘若其中一方出現違約事件，另一方可以淨額結算所有未平倉的金額。本集團亦跟其主要交易對手，與主協議同時執行信貸支持附件。根據信貸支持附件，雙方可以透過轉移抵押品，減輕未平倉時存在的交易對手風險。

至於金融工具，如衍生工具，本集團按照投資指引及信貸風險政策所制定的交易對手風險限額予以監察。交易對手風險限額由信貸風險委員會每年定期檢討。無論於何時，交易對手風險的上限為對本集團有利的工具（即公平值為正數的資產）的現有公平值，就衍生工具而言，公平值僅佔合約價值或用於反映未平倉工具數量的估算價值的小部分。交易對手風險作為交易對手整體信貸限額的一部分，與市場波動的潛在風險一併管理。

按揭保險合約、其他擔保和保險合約

詳情在附註3.5披露。

結算風險存在於任何以現金、證券或股票支付並期望收取相應現金、證券或股票的情況。為涵蓋本集團於任何單一日期因市場交易產生的所有結算風險的總額，對每名交易對手均設有每日結算限額。

Time deposits with banks and investment securities

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 are generally unsecured.

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 3.5.

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.

- (a) 未計所持有抵押品或其他信貸安排加強措施的最高信貸風險分析如下：

本集團金融資產最高信貸風險與其帳面金額相等。本集團資產負債表外的最高信貸風險分析如下：

- (a) Maximum exposures to credit risk before taking 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 carrying amounts. The maximum exposures to credit risk of the off-balance sheet exposures of the Group are as follows:

		於二零一五年 十二月三十一日 As at 31 December 2015 千港元 HK\$'000	於二零一四年 十二月三十一日 As at 31 December 2014 千港元 HK\$'000
總風險投保	Total risk-in-force		
— 按揭保險業務	— mortgage insurance business	13,408,560	13,117,846
— 其他擔保及保險業務	— other guarantee and insurance business	2,996,377	2,094,200
		16,404,937	15,212,046

(b) 貸款組合的信貨素質分析如下：

(b) Credit quality of the loan portfolio is analysed as follows:

		於二零一五年 十二月三十一日 As at 31 December 2015 千港元 HK\$'000	於二零一四年 十二月三十一日 As at 31 December 2014 千港元 HK\$'000
未逾期亦未減值	Neither past due nor impaired	11,190,707	15,212,222
逾期但未減值	Past due but not impaired	311,439	358,920
已減值	Impaired	983	2,241
貸款組合總額	Gross loan portfolio	11,503,129	15,573,383
貸款減值撥備	Allowance for loan impairment	(817)	(1,734)
		11,502,312	15,571,649

於呈報期末未逾期亦未減值的貸款組合的信貨素質，可參考本集團採納的內部評級系統進行評估。

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.

		於二零一五年 十二月三十一日 As at 31 December 2015 千港元 HK\$'000	於二零一四年 十二月三十一日 As at 31 December 2014 千港元 HK\$'000
級別：	Grades:		
1至3級	1 to 3	11,169,818	15,191,051
4級	4	1,271	—
5級	5	19,618	21,171
		11,190,707	15,212,222

1至3級包括無重大信貸風險或近期無逾期還款記錄的貸款，並持有不同水平的信貸安排加強措施，及持有作為擔保按揭貸款組合和融資租約應收帳款的抵押品。

4級包括近期有逾期還款記錄的貸款，並持有不同水平的信貸安排加強措施，及持有作為擔保按揭貸款組合和融資租約應收帳款的抵押品。

5級包括近期有逾期還款記錄的貸款，並持有作為擔保按揭貸款組合和融資租約應收帳款的抵押品。

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.

(c) 逾期但未減值的貸款

以下為於呈報期末逾期但未減值的貸款總額分析：

(c) 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:

		於二零一五年 十二月三十一日 As at 31 December 2015 千港元 HK\$'000	於二零一四年 十二月三十一日 As at 31 December 2014 千港元 HK\$'000
逾期：	Past due:		
三個月或以下	Three months or less	309,988	358,190
六個月或以下， 但超過三個月	Six months or less but over three months	455	58
六個月以上	Over six months	996	672
總額	Total	311,439	358,920
其中抵押品及其他信貸安排 加強措施的公平值	Of which fair value of collateral and other credit enhancement	3,109,508	2,583,822

(d) 已個別減值的貸款

本集團未計所持有抵押品產生的現金流量的個別減值貸款為983,000港元(二零一四年: 2,241,000港元)。

本集團為個別減值貸款所持相關抵押品的公平值為零(二零一四年: 5,061,000港元)。

(e) 收回物業

本集團收回作為擔保的抵押品的資產。

收回物業將在實際可行情況下盡快出售，所得款項用於減少未償還債項。收回物業於財務狀況表內歸類於「其他資產」項目下。如果在償還債務後尚有剩餘款項，將根據適用的法律，分配給資產的受益人。

(f) 現金及短期資金

根據董事局批准的投資指引，本集團僅可存款於發鈔銀行或達到特定最低信貸評級的銀行。於二零一五年十二月三十一日及二零一四年十二月三十一日，可接受的最低短期信貸評級為A-2(標準普爾)、P-2(穆迪)和F-2(惠譽)。

(d) Individually impaired loans

Individually impaired loans of the Group before taking into account the cash flows from collateral held amounted to HK\$983,000 (2014: HK\$2,241,000).

The fair value of related collateral held for individually impaired loans of the Group was nil (2014: HK\$5,061,000).

(e) Repossessed properties

The Group obtained assets by taking possession of collateral held as security.

Reposessed 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.

(f) Cash and short-term funds

According to the investment guidelines approved by the Board of Directors, the Group can only place deposits with note-issuing banks or banks with a certain minimum credit rating. As at 31 December 2015 and 31 December 2014, the minimum acceptable short-term credit ratings are A-2 (Standard and Poor's), P-2 (Moody's) and F-2 (Fitch).

(g) 證券投資

根據董事局批准的投資指引，本集團僅可投資於達到特定最低信貸評級的債務證券。資產負債管理委員會對按級別劃分的投資比例進行監察及審查。

根據外部信貸機構的評級方法（標準普爾、穆迪及惠譽），下列為呈報期末按評定級別對債務證券所作分析。如證券本身沒有評級，則採用證券發行人的評級呈報。

(g) Investment securities

According to the investment guidelines approved by the Board of Directors, 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 designation 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.

		可供出售證券 Available-for-sale securities	持有至到期證券 Held-to-maturity securities	總額 Total
於二零一五年十二月三十一日 As at 31 December 2015		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
AAA/Aaa	AAA/Aaa	15,537	1,202,859	1,218,396
AA- 至 AA+ /Aa3 至 Aa1	AA- to AA+/Aa3 to Aa1	3,306,845	6,755,670	10,062,515
A- 至 A+ /A3 至 A1	A- to A+/A3 to A1	976,895	2,315,472	3,292,367
總額	Total	4,299,277	10,274,001	14,573,278

		可供出售證券 Available-for-sale securities	持有至到期證券 Held-to-maturity securities	總額 Total
於二零一四年十二月三十一日 As at 31 December 2014		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
AAA /Aaa	AAA/Aaa	500,000	1,205,035	1,705,035
AA- 至 AA+ /Aa3 至 Aa1	AA- to AA+/Aa3 to Aa1	3,051,831	6,348,593	9,400,424
A- 至 A+ /A3 至 A1	A- to A+/A3 to A1	1,198,242	1,615,167	2,813,409
總額	Total	4,750,073	9,168,795	13,918,868

3.3. 市場風險

本集團承擔的市場風險是指金融工具的公平值或未來現金流量因市價變動而波動的風險。市場風險乃因利率、貨幣及股票產品的未平倉合約而產生。所有該等合約均面對一般及特定市場變動及市場比率或市價（如利率、信貸差、匯率及股價）波動水平變動的風險。本集團所面對市場風險主要來自對公司具有不同價格重訂特性的金融工具的利率管理而產生，或者是以外幣定價的金融工具的淨風險。本集團亦採用公平值對沖，透過利率掉期對沖發行定息債券大部分現有利率風險，將浮息資金與浮息資產作出更好配對。本集團亦採用跨貨幣掉期，分別用作公平值對沖和經濟對沖，藉以對沖以外幣定價發行的債券的淨風險。

市場風險主要由庫務部採用董事局批准的風險限額進行管理。關於利率風險管理、融資、對沖、投資的策略由資產負債管理委員會制定。該委員會會定期舉行會議對金融市場及資產負債組合的近期狀況進行檢討。庫務部負責監察金融市場變動以及根據資產負債管理委員會制定的策略在現金、衍生工具、債務和投資市場執行交易。中台部門監察對風險限額的遵守情況及進行壓力測試以評估在極端狀況下可能產生的虧損規模。壓力測試結果由資產負債管理委員會進行檢討。

3.3. 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.

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.

利率風險管理主要指對利息收入淨額對不同利率的敏感度進行監察，並透過對沖措施減低不利影響。利率曲線於二零一五年十二月三十一日平行下移20個基點將使未來12個月的利息收入淨額增加約900萬港元（二零一四年：100萬港元），反之，如類似的平行上移，則將使未來12個月的利息收入淨額減少約900萬港元（二零一四年：100萬港元）。

於二零一五年十二月三十一日，倘該日利率平行下移20個基點，年內溢利將下調約20萬港元（二零一四年：增加少於10萬港元），於二零一五年十二月三十一日的公平值儲備增加約700萬港元（二零一四年：700萬港元）。倘利率平行上移20個基點，年內溢利將增加約10萬港元（二零一四年：下調少於10萬港元），而公平值儲備將下調約700萬港元（二零一四年：700萬港元）。

於二零一五年十二月三十一日，在所有其他可變因素保持不變的情況下，倘港元兌美元匯率下跌100點子，年內溢利將增加約1,500萬港元（二零一四年：1,500萬港元）。反之，倘港元兌美元匯率上升100點子，則年內溢利將減少約1,500萬港元（二零一四年：1,500萬港元）。

於二零一五年十二月三十一日，在所有其他可變因素保持不變的情況下，倘港元兌美元以外的其他外幣匯率下跌100點子，年內溢利將增加約700萬港元（二零一四年：900萬港元）。反之，倘港元兌美元以外的其他外幣匯率上升100點子，年內溢利將減少約700萬港元（二零一四年：900萬港元）。

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 2015 would increase the future net interest income for the next 12 months by around HK\$9 million (2014: HK\$1 million) and decrease by around HK\$9 million (2014: HK\$1 million) for a similar upward parallel shift.

As at 31 December 2015, 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\$0.2 million (2014: higher by less than HK\$0.1 million) and the fair value reserve would have been higher by around HK\$7 million (2014: HK\$7 million) as at 31 December 2015. If interest rates had experienced a 20 basis points parallel shift upwards, profit for the year would have been higher by around HK\$0.1 million (2014: lower by less than HK\$0.1 million) and the fair value reserve would have been lower by around HK\$7 million (2014: HK\$7 million).

As at 31 December 2015, 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\$15 million higher (2014: HK\$15 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\$15 million lower (2014: HK\$15 million).

As at 31 December 2015, 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\$7 million higher (2014: HK\$9 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\$7 million lower (2014: HK\$9 million).

於二零一五年十二月三十一日，在所有其他可變因素保持不變的情況下，倘交易所買賣基金和房地產投資信託基金的價格下跌1%，公平值儲備將減少約2,300萬港元（二零一四年：1,000萬港元）。反之，倘交易所買賣基金和房地產投資信託基金的價格上升1%，公平值儲備將增加約2,300萬港元（二零一四年：1,000萬港元）。

上升或下降反映管理層對利率、匯率及股價在十二個月期間可能的合理變動所作出評估。

(a) 外幣風險

本集團因現行外幣市場匯率波動對其財務狀況及現金流量的影響而承擔風險。董事局設定可准許用於投資目的的外幣。資產負債管理委員會設定可承受外幣風險的限額，並每日進行監察。在融資方面，中期債券發行計劃下多種貨幣的特質，容許本集團發行包括美元、人民幣、新加坡元、英鎊、澳元、歐元及日圓等主要貨幣的債券。所有外幣債券均全數對沖為港元。

As at 31 December 2015, 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\$23 million lower (2014: HK\$10 million). 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\$23 million higher (2014: HK\$10 million).

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 fully hedged into Hong Kong dollars.

下表概列本集團的外幣匯率風險。表內所載為按帳面值列示的資產與負債，並按貨幣種類分類。

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	其他外幣 Other foreign currencies 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一五年十二月三十一日	As at 31 December 2015				
資產	Assets				
現金及短期資金	Cash and short-term funds	18,651,940	2,350,198	5,229	21,007,367
應收利息及匯款	Interest and remittance receivables	203,143	72,462	51,173	326,778
衍生金融工具	Derivative financial instruments	473,079	324	-	473,403
貸款組合淨額	Loan portfolio, net	11,502,312	-	-	11,502,312
證券投資：	Investment securities:				
— 可供出售	— available-for-sale	2,874,408	3,588,811	175,148	6,638,367
— 持有至到期	— held-to-maturity	3,835,900	5,824,429	613,672	10,274,001
預付款項、按金及其他資產	Prepayments, deposits and other assets	41,082	46,059	98	87,239
固定資產	Fixed assets	26,630	-	-	26,630
再保險資產	Reinsurance assets	128,653	-	-	128,653
資產總值	Total assets	37,737,147	11,882,283	845,320	50,464,750
負債	Liabilities				
應付利息	Interest payable	136,257	1,814	32,782	170,853
應付賬項、應付開支及其他負債	Accounts payable, accrued expenses and other liabilities	4,795,051	372	-	4,795,423
衍生金融工具	Derivative financial instruments	1,821,927	-	-	1,821,927
當期稅項負債	Current income tax liabilities	129,153	-	-	129,153
遞延稅項負債	Deferred income tax liabilities	37,093	-	-	37,093
保險負債	Insurance liabilities	978,845	-	-	978,845
已發行債務證券	Debt securities issued	20,704,457	1,387,954*	11,370,800**	33,463,211
負債總額	Total liabilities	28,602,783	1,390,140	11,403,582	41,396,505
持倉淨額	Net position	9,134,364	10,492,143	(10,558,262)	9,068,245
資產負債表外淨名義持倉 [#]	Off-balance sheet net notional position [#]	(14,569,037)	1,387,277	11,306,888	(1,874,872)

[#] 「資產負債表外淨名義持倉」指外幣衍生金融工具（主要用以減低本集團於貨幣波動的風險）的名義金額與其公平值的差額。

* 全數對沖為港元。

** 總額包括51億港元的英鎊債務證券、43億港元的澳元債務證券及20億港元的人民幣債務證券，並全數對沖為港元。

[#] “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\$5.1 billion, Australian dollars of HK\$4.3 billion and renminbi of HK\$2 billion, fully hedged into Hong Kong dollars.

		港元 HKD 千港元 HK\$'000	美元 USD 千港元 HK\$'000	其他外幣 Other foreign currencies 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年十二月三十一日	As at 31 December 2014				
資產	Assets				
現金及短期資金	Cash and short-term funds	14,194,978	4,225,761	751	18,421,490
應收利息及匯款	Interest and remittance receivables	226,300	65,397	59,154	350,851
衍生金融工具	Derivative financial instruments	556,962	–	–	556,962
貸款組合淨額	Loan portfolio, net	14,876,420	695,229	–	15,571,649
證券投資：	Investment securities:				
— 可供出售	— available-for-sale	3,285,364	2,264,151	184,647	5,734,162
— 持有至到期	— held-to-maturity	3,534,737	4,779,118	854,940	9,168,795
預付款項、按金及其他資產	Prepayments, deposits and other assets	20,123	101	–	20,224
固定資產	Fixed assets	35,109	–	–	35,109
再保險資產	Reinsurance assets	144,179	–	–	144,179
資產總值	Total assets	36,874,172	12,029,757	1,099,492	50,003,421
負債	Liabilities				
應付利息	Interest payable	96,275	7,447	40,322	144,044
應付帳項、應付開支及其他負債	Accounts payable, accrued expenses and other liabilities	4,751,861	47,717	–	4,799,578
衍生金融工具	Derivative financial instruments	1,575,968	–	–	1,575,968
當期稅項負債	Current income tax liabilities	133,301	–	–	133,301
遞延稅項負債	Deferred income tax liabilities	76,298	–	–	76,298
保險負債	Insurance liabilities	1,112,089	–	–	1,112,089
已發行債務證券	Debt securities issued	16,273,562	4,221,469*	12,775,098**	33,270,129
負債總額	Total liabilities	24,019,354	4,276,633	12,815,420	41,111,407
持倉淨額	Net position	12,854,818	7,753,124	(11,715,928)	8,892,014
資產負債表外淨名義持倉#	Off-balance sheet net notional position#	(17,838,990)	3,523,133	12,702,881	(1,612,976)

「資產負債表外淨名義持倉」指外幣衍生金融工具(主要用以減低本集團於貨幣波動的風險)的名義金額與其公平值的差額。

* 全數對沖為港元。

** 總額包括48億港元的英鎊債務證券、48億港元的澳元債務證券及17億港元的人民幣債務證券，並全數對沖為港元。

“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\$4.8 billion, Australian dollars of HK\$4.8 billion and renminbi of HK\$1.7 billion, fully hedged into Hong Kong dollars.

(b) 現金流量及公平值利率風險

現金流量利率風險指金融工具的未來現金流量，將隨著市場利率改變而波動的風險。公平值利率風險乃指金融工具的價值將隨著市場利率改變而波動的風險。現行市場利率水平的波動會造成本集團的公平值利率風險及現金流量利率風險。由於利率變動，息差可能會擴大，但倘若發生未能預計的波動，則亦會收窄或引致虧損。資產負債管理委員會設定息率錯配水平的限額，並定期對該限額進行監控。

下表概述本集團所面對的利率風險，並按帳面值列示的資產及負債，而資產及負債則按重新定息日或到期日（以較早者為準）分類。衍生金融工具（主要用於減低本集團於利率波動承擔的風險）的帳面值列於「不計息」項目中。

(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".

		一個月內 Up to 1 month 千港元 HK\$'000	一個月以上 至三個月 Over 1 month to 3 months 千港元 HK\$'000	三個月以上 至一年 Over 3 months to 1 year 千港元 HK\$'000	一年以上 至五年 Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	不計息 Non-interest bearing 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一五年十二月三十一日 As at 31 December 2015								
資產	Assets							
現金及短期資金	Cash and short-term funds	4,362,986	8,265,000	8,300,438	-	-	78,943	21,007,367
應收利息及匯款	Interest and remittance receivables	-	-	-	-	-	326,778	326,778
衍生金融工具	Derivative financial instruments	-	-	-	-	-	473,403	473,403
貸款組合淨額	Loan portfolio, net	11,425,841	36,035	12,784	27,406	246	-	11,502,312
證券投資：	Investment securities:							
— 可供出售	— available-for-sale	601,873	1,365,585	810,218	1,521,601	-	2,339,090	6,638,367
— 持有至到期	— held-to-maturity	176,973	232,505	551,128	5,241,407	4,071,988	-	10,274,001
預付款項、按金及其他資產	Prepayments, deposits and other assets	45,958	-	-	-	-	41,281	87,239
固定資產	Fixed assets	-	-	-	-	-	26,630	26,630
再保險資產	Reinsurance assets	-	-	-	-	-	128,653	128,653
資產總值	Total assets	16,613,631	9,899,125	9,674,568	6,790,414	4,072,234	3,414,778	50,464,750
負債	Liabilities							
應付利息	Interest payable	-	-	-	-	-	170,853	170,853
應付帳項、應付開支及其他負債	Accounts payable, accrued expenses and other liabilities	4,717,601	-	-	-	-	77,822	4,795,423
衍生金融工具	Derivative financial instruments	-	-	-	-	-	1,821,927	1,821,927
當期稅項負債	Current income tax liabilities	-	-	-	-	-	129,153	129,153
遞延稅項負債	Deferred income tax liabilities	-	-	-	-	-	37,093	37,093
保險負債	Insurance liabilities	-	-	-	-	-	978,845	978,845
已發行債務證券	Debt securities issued	7,030,867	9,016,856	6,690,366	7,563,986	3,161,136	-	33,463,211
負債總額	Total liabilities	11,748,468	9,016,856	6,690,366	7,563,986	3,161,136	3,215,693	41,396,505
利息敏感度缺口總額*	Total interest sensitivity gap*	4,865,163	882,269	2,984,202	(773,572)	911,098		
利率衍生工具(持倉淨額的名義金額)	Interest rate derivatives (notional amounts of net position)	(5,080,017)	(12,685,001)	6,668,761	7,172,025	2,049,360		

* 未計入衍生金融工具重定息對已發行債務證券的影響。

* before the repricing effect of derivative financial instruments on the debt securities issued.

		一個月內 Up to 1 month 千港元 HK\$'000	一個月上 至三個月 Over 1 month to 3 months 千港元 HK\$'000	三個月以上 至一年 Over 3 months to 1 year 千港元 HK\$'000	一年以上 至五年 Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	不計息 Non-interest bearing 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年十二月三十一日	As at 31 December 2014							
資產	Assets							
現金及短期資金	Cash and short-term funds	9,113,670	7,239,428	1,543,602	–	–	524,790	18,421,490
應收利息及匯款	Interest and remittance receivables	–	–	–	–	–	350,851	350,851
衍生金融工具	Derivative financial instruments	–	–	–	–	–	556,962	556,962
貸款組合淨額	Loan portfolio, net	14,465,392	1,050,667	19,738	34,286	1,566	–	15,571,649
證券投資：	Investment securities:							
— 可供出售	— available-for-sale	1,348,592	1,134,068	1,072,891	1,194,522	–	984,089	5,734,162
— 持有至到期	— held-to-maturity	11,225	250,103	929,463	4,388,264	3,589,740	–	9,168,795
預付款項、按金及其他資產	Prepayments, deposits and other assets	–	–	–	–	–	20,224	20,224
固定資產	Fixed assets	–	–	–	–	–	35,109	35,109
再保險資產	Reinsurance assets	–	–	–	–	–	144,179	144,179
資產總值	Total assets	24,938,879	9,674,266	3,565,694	5,617,072	3,591,306	2,616,204	50,003,421
負債	Liabilities							
應付利息	Interest payable	–	–	–	–	–	144,044	144,044
應付帳項、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	4,226,599	–	–	–	–	572,979	4,799,578
衍生金融工具	Derivative financial instruments	–	–	–	–	–	1,575,968	1,575,968
當期稅項負債	Current income tax liabilities	–	–	–	–	–	133,301	133,301
遞延稅項負債	Deferred income tax liabilities	–	–	–	–	–	76,298	76,298
保險負債	Insurance liabilities	–	–	–	–	–	1,112,089	1,112,089
已發行債務證券	Debt securities issued	8,167,682	10,009,674	4,002,428	8,040,417	3,049,928	–	33,270,129
負債總額	Total liabilities	12,394,281	10,009,674	4,002,428	8,040,417	3,049,928	3,614,679	41,111,407
利息敏感度缺口總額*	Total interest sensitivity gap*	12,544,598	(335,408)	(436,734)	(2,423,345)	541,378		
利率衍生工具(持倉淨額的 名義金額)	Interest rate derivatives (notional amounts of net position)	(3,960,694)	(12,118,732)	3,976,360	7,800,506	2,689,584		

* 未計入衍生金融工具重定息對
已發行債務證券的影響。

* before the repricing effect of derivative financial instruments
on the debt securities issued.

3.4. 流動資金風險

流動資金風險指本集團未能償還其支付債項或未能為已承諾購買的貸款提供資金的風險。本集團每日監測資金流入及流出，並在所有工具到期期限的基礎上預計遠期資金流入及流出。本集團從不同資金來源支持其業務增長及維持均衡的負債組合。資產負債管理委員會定期對流動資金來源進行審查。

(a) 未折現現金流量分析

下表列示本集團於呈報期末按剩餘合約年期有關非衍生工具金融負債、以淨額基準結算的衍生工具金融負債及以總額基準結算的衍生金融工具的現金流量。表內披露的金額為預測合約未折現的現金流量，包括根據最早的可能合約到期日計算的未來利息支付款項。本集團的衍生工具包括按淨額基準結算的利率掉期以及按總額基準結算的跨貨幣掉期。

3.4. 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; and cross currency swaps that will be settled on gross basis.

(i) 非衍生工具現金流出

(i) Non-derivative cash outflows

		一個月內 Up to 1 month 千港元 HK\$'000	一個月以上 至三個月 Over 1 month to 3 months 千港元 HK\$'000	三個月以上 至一年 Over 3 months to 1 year 千港元 HK\$'000	一年以上 至五年 Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一五年十二月三十一日	As at 31 December 2015						
負債	Liabilities						
已發行債務證券	Debt securities issued	(4,150,451)	(4,266,029)	(9,279,444)	(13,610,074)	(4,078,459)	(35,384,457)

		一個月內 Up to 1 month 千港元 HK\$'000	一個月以上 至三個月 Over 1 month to 3 months 千港元 HK\$'000	三個月以上 至一年 Over 3 months to 1 year 千港元 HK\$'000	一年以上 至五年 Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年十二月三十一日	As at 31 December 2014						
負債	Liabilities						
已發行債務證券	Debt securities issued	(2,331,361)	(3,306,552)	(10,913,624)	(14,974,608)	(3,113,780)	(34,639,925)

(ii) 衍生工具現金流入／(流出)

(ii) Derivative cash inflows/(outflows)

		一個月以上 至三個月	三個月以上 至一年	一年以上 至五年	五年以上	總額	
		一個月內 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	Over 5 years 千港元 HK\$'000	Total 千港元 HK\$'000
於二零一五年十二月三十一日 As at 31 December 2015							
按下列基準結算的衍生金融工具：Derivative financial instrument settled:							
一淨額基準	— on net basis	(1,232)	(60)	10,130	(2,397)	—	6,441
一總額基準	— on gross basis						
流出總額	Total outflow	(2,935,923)	(4,127,509)	(1,893,649)	(5,096,754)	(758,326)	(14,812,161)
流入總額	Total inflow	2,860,597	3,958,892	1,936,884	3,741,106	665,498	13,162,977
		(76,558)	(168,677)	53,365	(1,358,045)	(92,828)	(1,642,743)

		一個月以上 至三個月	三個月以上 至一年	一年以上 至五年	五年以上	總額	
		一個月內 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	Over 5 years 千港元 HK\$'000	Total 千港元 HK\$'000
於二零一四年十二月三十一日 As at 31 December 2014							
按下列基準結算的衍生金融工具：Derivative financial instrument settled:							
一淨額基準	— on net basis	488	(638)	8,833	(10,453)	(1,522)	(3,292)
一總額基準	— on gross basis						
流出總額	Total outflow	(1,862,366)	(3,690,577)	(6,976,967)	(6,705,515)	(873,342)	(20,108,767)
流入總額	Total inflow	1,779,930	3,523,050	6,896,736	5,722,179	878,131	18,800,026
		(81,948)	(168,165)	(71,398)	(993,789)	3,267	(1,312,033)

(b) 到期日分析

下表根據呈報期末至合約到期日剩餘期間，分析有關資產及負債到期組別。

(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.

		即時到期 Repayable on demand 千港元 HK\$'000	一個月內 Up to 1 month 千港元 HK\$'000	一個月以上 至三個月 Over 1 month to 3 months 千港元 HK\$'000	三個月以上 至一年 Over 3 months to 1 year 千港元 HK\$'000	一年以上 至五年 Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	無限期 Undated 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一五年十二月三十一日		As at 31 December 2015							
資產		Assets							
現金及短期資金	Cash and short-term funds	68,535	4,373,395	8,265,000	8,300,437	-	-	-	21,007,367
貸款組合	Loan portfolio	3,425	83,115	177,580	744,518	3,418,852	7,074,094	1,545	11,503,129
證券投資	Investment securities								
— 可供出售	— available-for-sale	-	601,873	477,899	1,697,903	1,521,602	-	2,339,090	6,638,367
— 持有至到期	— held-to-maturity	-	176,973	-	783,633	5,241,407	4,071,988	-	10,274,001
再保險資產	Reinsurance assets	-	-	-	-	-	-	128,653	128,653
		71,960	5,235,356	8,920,479	11,526,491	10,181,861	11,146,082	2,469,288	49,551,517
負債		Liabilities							
保險負債	Insurance liabilities	-	-	-	-	-	-	978,845	978,845
已發行債務證券	Debt securities issued	-	4,106,271	4,137,561	8,915,442	13,142,801	3,161,136	-	33,463,211
		-	4,106,271	4,137,561	8,915,442	13,142,801	3,161,136	978,845	34,442,056

		即時到期 Repayable on demand 千港元 HK\$'000	一個月內 Up to 1 month 千港元 HK\$'000	一個月以上 至三個月 Over 1 month to 3 months 千港元 HK\$'000	三個月以上 至一年 Over 3 months to 1 year 千港元 HK\$'000	一年以上 至五年 Over 1 year to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	無限期 Undated 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年十二月三十一日		As at 31 December 2014							
資產		Assets							
現金及短期資金	Cash and short-term funds	523,620	9,114,840	7,239,428	1,543,602	-	-	-	18,421,490
貸款組合	Loan portfolio	3,202	800,455	216,664	1,871,200	3,965,593	8,713,561	2,708	15,573,383
證券投資	Investment securities								
— 可供出售	— available-for-sale	-	998,080	-	1,669,663	2,082,330	-	984,089	5,734,162
— 持有至到期	— held-to-maturity	-	11,225	17,458	929,462	4,620,910	3,589,740	-	9,168,795
再保險資產	Reinsurance assets	-	-	-	-	-	-	144,179	144,179
		526,822	10,924,600	7,473,550	6,013,927	10,668,833	12,303,301	1,130,976	49,042,009
負債		Liabilities							
保險負債	Insurance liabilities	-	-	-	-	-	-	1,112,089	1,112,089
已發行債務證券	Debt securities issued	-	2,303,861	3,200,296	10,538,022	14,178,022	3,049,928	-	33,270,129
		-	2,303,861	3,200,296	10,538,022	14,178,022	3,049,928	1,112,089	34,382,218

除上述外，應收利息及匯款、預付款項及其他資產、應付利息、應付帳項、應付開支及當期稅項負債，預期將在呈報期日起計的12個月內收回或償還。而在財務狀況表的其他資產和負債，則預期由呈報期日起計需要逾12個月才能收回或償還。

此外，外匯基金承諾透過循環信貸安排向本集團提供300億港元循環信貸。這個安排使本集團可在異常經濟環境下保持平穩營運，因而更有效地履行穩定香港銀行及金融的任務。

3.5. 保險風險

本集團的主要保險業務是按揭保險，為認可機構提供按揭保險，就信貸虧損風險提供的保險額最高可達按揭貸款之香港住宅物業價值的30%，惟批出貸款時貸款額與物業價值比率為90%或以下，或按當時所指定的其他限制。本集團亦就認可機構給予香港的中小企及非上市企業的貸款，提供高達50%–70%的財務擔保保障；以及就認可機構給予以住宅物業作為擔保的安老按揭，和就認可機構給予資助房屋計劃的業主，以其資助物業作為擔保的一筆過、主要用於補地價的貸款，提供保險保障。

任何保險合約的風險為已投保事件發生的可能性及所引致的申索金額的不確定性。根據保險合約本身的特質，此類風險屬隨機，因此不能預計。

Apart from the above, interest and remittance receivables, prepayments and other assets, interest payable, accounts payable, accrued expenses and current income tax liabilities are expected to be recovered or settled within twelve months from the reporting date. Other assets and liabilities included in the 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.

3.5. Insurance risk

The main insurance business of the Group is the mortgage insurance which provides cover to the AIs for first credit losses of up to 30% 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 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.

對一組保險合約而言，按機會率的理論應用予定價及撥備時，本集團保險合約面對的主要風險為實際申索超出保險負債帳面值。當申索的次數及金額超過預計時，上述情況便可能發生。保險事件為隨機，而申索及賠償的實際次數及金額每年有所不同，同時亦可能有異於使用統計方法得出的估計數字。

經驗顯示類似保險合約的組合越大，預期後果的相對可變性則越低。此外，越是多元化的組合，越是不會由於組合內任何一組分組變動而使整體受影響。本集團已制定業務策略，為分散所接納保險風險種類，並在每個主要類別內歸納足夠宗數的風險，從而降低預期後果的可變性。

申索的次數及金額可受多項因素影響。最主要因素為經濟衰退、本港物業市場下滑及借款人死亡率低。經濟衰退可能引致拖欠付款增加，影響申索次數和抵押品價值。物業價格下跌，會使抵押品價值低於按揭貸款未償還餘額，因而增加索償金額。借款人死亡率低意味著更長的年金付款期，貸款金額隨著時間亦愈高。這將影響申索的次數及金額，因為會帶來物業價值在未來並不足以償還貸款的風險。

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 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.

本集團採納一套審慎的保險承保資格準則管理有關風險。為確保預留充足撥備應付未來索償付款，本集團以審慎負債估值假設，按監管指引內規定的方法計算技術儲備。本集團亦向核准再保險公司按比例投保攤分再保險及超額損失再保險安排，致力減少按揭保險所面對的風險。本集團進行綜合評估，包括按信貸委員會制定的核准篩選架構，評估按揭再保險公司的財政實力及信貸評級。本集團會定期檢討核准再保險公司。至於就提供給認可機構的財務擔保保障，本集團依賴貸款人審慎評估借款人的信貸，從而減低拖欠風險；任何貸款安排導致的損失將在平等基礎上由本集團與貸款人按比例攤分，藉以減低道德風險。安老按揭貸款假設的死亡率會定期作出檢討，以評估營運時實際和預期結果的較大偏差所導致的風險。

於二零一五年十二月三十一日，倘綜合比率增加1%，則本年度溢利將減少300萬港元（二零一四年：400萬港元）。倘綜合比率下降1%，則本年度溢利將增加300萬港元（二零一四年：400萬港元）。

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 and excess-of-loss reinsurance arrangement 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 set by the Credit Committee. The approved mortgage reinsurers are subject to periodic reviews. For financial guarantee cover provided to AIs, 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.

As at 31 December 2015, if combined ratio had increased by 1%, profit for the year would have been HK\$3 million (2014: HK\$4 million) lower. If combined ratio had decreased by 1%, profit for the year would have been HK\$3 million (2014: HK\$4 million) higher.

3.6. 金融資產及負債的公平值

(a) 公平值估計

下表列示按公平值(根據估值方法估算)確認的金融工具。公平值架構級別定義如下：

- 於活躍市場中有相同資產或負債之報價(「第一層」)；
- 除第一層所包括之報價外，就資產或負債能直接(如價格)或間接(如從價格推斷)可觀察之數據(「第二層」)；及
- 有關資產或負債並非基於可觀察之市場數據(不可觀察之數據)(「第三層」)。

3.6. 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”).

		於二零一五年十二月三十一日 As at 31 December 2015			於二零一四年十二月三十一日 As at 31 December 2014		
		第一層 Level 1 千港元 HK\$'000	第二層 Level 2 千港元 HK\$'000	總額 Total 千港元 HK\$'000	第一層 Level 1 千港元 HK\$'000	第二層 Level 2 千港元 HK\$'000	總額 Total 千港元 HK\$'000
資產	Assets						
衍生金融工具	Derivative financial instruments	-	473,403	473,403	-	556,962	556,962
可供出售證券	Available-for-sale securities						
— 債務證券	— Debt securities	2,264,054	2,035,223	4,299,277	3,023,999	1,726,074	4,750,073
— 其他證券	— Other securities	2,339,090	-	2,339,090	984,089	-	984,089
		4,603,144	2,508,626	7,111,770	4,008,088	2,283,036	6,291,124
負債	Liabilities						
衍生金融工具	Derivative financial instruments	-	1,821,927	1,821,927	-	1,575,968	1,575,968
於初始確認時指定為以公平值變化計入損益的已發行債務證券	Debt securities issued designated as at fair value through profit or loss upon initial recognition	-	343,398	343,398	-	336,201	336,201
		-	2,165,325	2,165,325	-	1,912,169	1,912,169

於二零一五年十二月三十一日及二零一四年十二月三十一日，按公平值計量的金融工具並沒有使用不可觀察之市場數據為估值方法（第三層）。

於本年度，第一層與第二層的金融工具之間並沒有轉移。

(i) 第一層的金融工具

於活躍市場交易的金融工具，其公平值會根據呈報期日的市場報價。活躍市場是指可以容易地和定期地從交易所、交易員、經紀、行業協會、定價服務機構或監管機構取得報價，而該等價格代表按公平基準、實際和定期在市場的交易。如果按公平值計量的資產或負債有一個買入價和賣出價，在這個買賣差價範圍內的最能代表公平值的價格，應該用來計量公平值。而這類的金融工具就被包括在第一層。

No financial instrument was measured at fair value using a valuation technique not supported by observable market data (Level 3) as at 31 December 2015 and 31 December 2014.

There was no transfer between Levels 1 and 2 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) 第二層的金融工具

並非在活躍市場交易的金融工具的公平價值按估值方法確定。估值方法會盡量利用市場上可取得的及可觀察的數據而盡可能少依賴對公司特定的估算。倘若計量工具的公平值時所需的重要資料是基於可觀察的數據，該工具則被包括在第2層。

倘若其中一個或以上的重要資料並非是基於可觀察的市場數據，該工具則被包括在第3層。

第2層的衍生工具包括利率掉期和貨幣掉期，這些衍生工具會利用可觀察到的收益率曲線，從而得到遠期利率和遠期匯率（如適用），用來計量公平值。

第2層的債務證券使用較不活躍市場上的市場報價，來計量公平值；如果沒有的話，可以使用現金流量折現分析方法，從債務工具的交易對手在市場上可觀察得到的報價，以得出折現率，用以折現合約現金流量。

(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.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Level 2 derivatives comprise interest rate swaps and currency swaps. These derivatives are fair valued using forward interest rates and forward exchange rates, if applicable, from observable yield curves.

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.

(b) 並非以公平值計量的金融資產和負債

於二零一五年十二月三十一日及二零一四年十二月三十一日，本集團並未於財務狀況表按公平值悉數呈列金融工具的帳面值與公平值並沒有重大不同。除其帳面值與公平值相若的金融工具外，下表為非以公平值計量的金融工具之帳面值、公平值及公平值架構級別：

(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 2015 and 31 December 2014 except for the following financial instruments, for which their carrying amounts and fair values and the level of fair value hierarchy are disclosed below:

		於二零一五年十二月三十一日 As at 31 December 2015				於二零一四年十二月三十一日 As at 31 December 2014			
		帳面值 Carrying amount 千港元 HK\$'000	公平值 Fair value 千港元 HK\$'000	第一層 Level 1 千港元 HK\$'000	第二層 Level 2 千港元 HK\$'000	帳面值 Carrying amount 千港元 HK\$'000	公平值 Fair value 千港元 HK\$'000	第一層 Level 1 千港元 HK\$'000	第二層 Level 2 千港元 HK\$'000
金融資產	Financial assets								
證券投資	Investment securities								
— 持有至到期	— held-to-maturity	10,274,001	10,506,512	10,206,401	300,111	9,168,795	9,444,285	7,348,169	2,096,116
金融負債	Financial liabilities								
已發行債務證券	Debt securities issued	33,119,813	33,335,388	—	33,335,388	32,933,928	32,936,482	—	32,936,482

估計金融工具公平值時已使用下列方法及重要假設：

(i) 現金及短期資金

現金及短期資金包括銀行存款。浮息存款的公平值即其帳面值。定息存款(存款期通常少於六個月)的估計公平值乃基於使用同類信貸風險債務的現行貨幣市場利率及剩餘年期計算之折現現金流量。因此，存款的公平值約等於其帳面值。

(ii) 貸款組合淨額

貸款組合於扣除減值撥備後列帳。小部分貸款組合按固定利率計息。因此，貸款組合的帳面值為公平值的合理估計。

(iii) 證券投資 — 持有至到期

持有至到期資產之公平值以市價或經紀／交易商報價為基礎。倘未能取得有關資料，則採用具有同類信貸、到期日及收益率等特點之證券所報的市價估計公平值。

(iv) 已發行債務證券

公平值總額乃基於市場報價計算。至於未有市場報價的債券，會基於到期前剩餘期限的現時收益率曲線並採用現金流量貼現模型計算。

The following methods and significant assumptions have been used to estimate the fair values of financial instruments:

(i) Cash and short-term funds

Cash and short-term funds include bank deposits. 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) 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) Investment securities — held-to-maturity

Fair value for held-to-maturity assets is based on market prices or broker/dealer price quotations. 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) Debt securities issued

The aggregate fair values are calculated based on quoted market 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.

(v) 其他負債

其他負債主要指二零零三年十二月及二零零四年一月自香港特別行政區政府(政府)購買的按揭貸款加強信貸安排的遞延代價，其公平值與帳面值相若。

(v) Other liabilities

These mainly represent the deferred consideration used for credit enhancement on the mortgage loans purchased from the Government of the Hong Kong Special Administrative Region (the **Government**) in December 2003 and January 2004 with the fair value approximating the carrying amount.

3.7. 資本管理

本集團管理資本(其涵蓋範圍較列於財務狀況表帳面的權益為廣)的目的如下：

- 需符合政府財政司司長(財政司司長)制定的資本規定；
- 確保本集團持續營運的能力，以繼續為股東提供回報；
- 維持本集團的穩定及發展；
- 按有效及風險為本的方法分配資本，優化對股東的經風險調節的回報；及
- 維持雄厚的資本基礎支持業務發展。

3.7. 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 (the **Financial Secretary**);
- 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.

本集團管理層根據財政司司長頒布的資本充足率指引(指引)，每日監控資本充足程度及監管資金的用途。指引主要參照巴塞爾協定II以風險為本的資本充足框架，而指引亦規定最低資本充足率為8%。

總裁須根據財政司司長頒布的指引每季度向董事局提交報告。任何違反或可能違反指引的情況均須向財政司司長報告。年內，本集團均遵守財政司司長制定的指引的所有資本規定。

下表概述本集團於呈報期末的資本基礎組成及資本充足率。

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management in accordance with the Guidelines on Capital Adequacy Ratio (the **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%.

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. Any breach or likely breach of the Guidelines must be reported to the Financial Secretary. During the year, the Group complied with all of the capital requirement set out in the Guidelines by the Financial Secretary.

The table below summarises the composition of capital base and the CAR of the Group as at the end of the reporting period.

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
股本	Share capital	2,000,000	2,000,000
保留溢利	Retained profits	5,251,052	5,070,815
擬派股息	Proposed dividends	(725,000)	(350,000)
風險儲備	Contingency reserve	1,632,660	1,437,745
其他儲備	Other reserve	99,788	208,489
以組合形式評估貸款減值所作之撥備	Allowance for loan impairment under collective assessment	817	1,734
扣除	Deductions	(79,742)	(36,118)
資本基礎總額	Total capital base	8,179,575	8,332,665
資本充足率	Capital Adequacy Ratio	21.9%	23.5%

3.8. 金融資產及金融負債之對銷

下表披露涉及在本集團的財務狀況表中並沒有對銷的金融資產和金融負債，但該等資產和負債受強制淨額結算安排或涵蓋類似金融工具的相若協議所約束。披露有助對總額和淨額的了解，及提供減低相關信貸風險的附加資料。

3.8. 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 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.

		於二零一五年十二月三十一日 As at 31 December 2015				於二零一四年十二月三十一日 As at 31 December 2014			
		財務狀況表的 帳面值 Carrying amounts on the statement of financial position 千港元 HK\$'000		相關但並未 在財務狀況表 對銷的金額* Related amount not set off in the statement of financial position* 衍生金融工具 Derivative financial instruments 千港元 HK\$'000		財務狀況表的 帳面值 Carrying amounts on the statement of financial position 千港元 HK\$'000		相關但並未 在財務狀況表 對銷的金額* Related amount not set off in the statement of financial position* 衍生金融工具 Derivative financial instruments 千港元 HK\$'000	
				已付的 現金抵押品 Cash collateral paid 千港元 HK\$'000	淨額* Net amount* 千港元 HK\$'000			已收的 現金抵押品 Cash collateral received 千港元 HK\$'000	淨額* Net amount* 千港元 HK\$'000
金融資產	Financial assets								
正數的衍生金融工具 公平值	Positive fair values for derivative financial instruments	473,403	(344,085)	-	129,318	556,962	(348,281)	(20,750)	187,931
金融負債	Financial liabilities								
負數的衍生金融工具 公平值	Negative fair values for derivative financial instruments	1,821,927	(344,085)	(45,958)	1,431,884	1,575,968	(348,281)	-	1,227,687

「相關但並未」在財務狀況表對銷的金額」指受淨額結算安排或相約協議包括信貸支持附件所約束的金融負債／資產金額。

* 淨額指受淨額結算安排或相約協議所約束的金融資產／負債，但倘若本集團的交易對手違約，其並沒有相等的金融負債／資產可與本集團作對銷。

Amounts under "Related amount not set off in the 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.

4. 關鍵會計估計及假設

本集團採用對下一個財政年度的資產及負債列帳額有影響之估計及假設。本集團會根據過往經驗及其他因素(包括於有關情況下對未來事項作出的合理預期)，持續評估所作估計及判斷。

4.1 貸款組合的減值撥備

本集團定期檢討其貸款組合以評估減值。釐定減值虧損是否應計入收益表時，本集團會判斷有否任何可觀察之數據，在可識別出貸款組合個別貸款的預計未來現金流減少前，反映組合有關下跌的可計量數額。此等證據或會包括有可觀察數據顯示某一組借款人的還款狀況轉差，或出現與個別資產組別拖欠付款相關的經濟狀況。管理層估計未來現金流時，會依據貸款風險特徵及客觀減值證據與有關組合相若的資產過往虧損經驗。估計未來現金流金額及時間的方法及假設會定期檢討，以縮小估計虧損及實際虧損經驗的差異。

貸款組合於二零一五年十二月三十一日的帳面值在附註20內披露。

4.2. 衍生工具的公平值

並無活躍市場報價的金融工具公平值採用估值方法釐定。使用估值方法(如模型)釐定公平值時，該等方法經獨立於建立此等模型相關範疇的合資格人士核實及定期檢討。所有模型於使用前均被核實及調整以確保結果反映實際數據及可比較市價。在可行情況下，此等模型僅使用可觀察之數據。有關市場利率變動的敏感度分析載於附註3.3。

衍生金融工具於二零一五年十二月三十一日的帳面值在附註19內披露。

4. 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.

4.1. Impairment allowances on loan portfolio

The Group reviews its loan portfolio to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group or economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating 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 2015 is disclosed in Note 20.

4.2. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair value, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are validated before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data. Sensitivity analysis for market rate movement is set out in Note 3.3.

The carrying amount of derivative financial instruments as at 31 December 2015 is disclosed in Note 19.

4.3. 可供出售投資減值

若可供出售投資的公平值大幅或持續跌至低於其成本，本集團即判定該等投資已減值。釐定是否大幅或持續需運用判斷。作出判斷時，本集團評估（其中包括）上市價格日常波動。此外，倘若有跡象顯示投資項目的財務穩健程度、行業及分類表現轉差，技術、營運及融資現金流量出現變動，亦顯示可能需要減值。

可供出售投資於二零一五年十二月三十一日的帳面值在附註21(a)內披露。

4.4. 持有至到期投資

本集團依照香港會計準則第39號之指引，運用重大判斷，將具有既定或確定付款額及還款期的若干非衍生工具金融資產分類為持有至到期投資。作出判斷時，本集團評估持有投資之目的及持有該資產至到期之能力。除香港會計準則第39號所指明的特定情況外，例如由於該等投資大幅轉差或於快將到期時賣出，倘本集團未能持有該等投資至到期，則須將全部資產重新分類為可供出售投資並以公平值而非攤銷成本計量。

持有至到期投資於二零一五年十二月三十一日的帳面值在附註21(b)內披露。

4.3. Impairment of available-for-sale investments

The Group determines that available-for-sale investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the normal volatility in listed price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investment, industry and sector performance, changes in technology, and operational and financing cash flows.

The carrying amount of available-for-sale investments as at 31 December 2015 is disclosed in Note 21(a).

4.4. Held-to-maturity investments

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances defined in HKAS 39 such as due to significant deterioration of such investments or selling close to maturity, it will be required to reclassify the entire class as available-for-sale and measured at fair value, not amortised cost.

The carrying amount of held-to-maturity investments as at 31 December 2015 is disclosed in Note 21(b).

5. 分類資料

本集團主要在香港從事按揭相關業務。其他業務，例如為提供資金以購入按揭貸款而發行債務工具，及將按揭貸款收取款項所產生的盈餘資金進行再投資，視為按揭業務的附屬業務。本集團作為一個整體，建基於以按揭相關業務作為單一分類來處理資源分配和績效評估。

5. Segment information

The Group is principally engaged in mortgage related 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. The Group is also organised in such a way that resource allocation and performance measurement are based on the Group as a whole in a single segment for mortgage related businesses.

6. 利息收入

6. Interest income

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
貸款組合	Loan portfolio	240,202	329,292
現金及短期資金	Cash and short-term funds	207,807	230,482
證券投資	Investment securities	390,487	342,592
		838,496	902,366

7. 利息支出

7. Interest expense

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
須於五年內悉數償還的銀行貸款及 已發行債務證券	Bank loans and debt securities issued wholly repayable within 5 years	207,909	236,742
毋須於五年內悉數償還的已發行債 務證券及其他	Debt securities issued and other not wholly repayable within 5 years	40,259	14,669
		248,168	251,411

本年度利息支出包括2.47億港元(二零一四年：2.5億港元)並非以公平值變化計入損益的金融負債。

Included within interest expenses are HK\$247 million (2014: HK\$250 million) for financial liabilities that are not at fair value through profit or loss.

8. 按揭保險及擔保業務的收益帳 8. Revenue account for mortgage insurance and guarantee business

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
毛保費(附註(a)和附註27(a))	Gross premiums written (Note (a) and Note 27(a))	319,137	320,789
再保險保費(附註27(a))	Reinsurance premiums (Note 27(a))	(47,886)	(39,023)
保險費淨額(附註27(a))	Net premiums written (Note 27(a))	271,251	281,766
未滿期保費的減少淨額	Decrease in unearned premiums, net	107,362	152,330
已滿期保費淨額(附註27(a))	Net premiums earned (Note 27(a))	378,613	434,096
申索回撥/(產生)淨額 (附註27(b))	Net claims written back/(incurred) (Note 27(b))	7,583	(10,144)
撥備後已滿期保費淨額	Net premiums earned after provisions	386,196	423,952
佣金支出	Commission expenses	(98,933)	(128,934)
再保險公司承擔的佣金支出	Reinsurers' share of commission expenses	15,565	18,125
佣金支出淨額	Net commission expenses	(83,368)	(110,809)
扣除管理開支前的已滿期保費淨額	Net premiums earned before management expenses	302,828	313,143
管理開支(附註(b))	Management expenses (Note (b))	(71,149)	(57,465)
承保收益	Underwriting gains	231,679	255,678

附註：

(a) 毛保費主要來自按揭保險業務，小部分來自中小企及非上市企業貸款的擔保費，與及來自安老按揭貸款和為資助房屋計劃的業主而設主要用於補地價的一筆過貸款的保費。

(b) 管理開支為附註10經營支出的一部分。

Notes:

(a) Gross premiums were mainly derived from mortgage insurance cover on mortgage loans with a small portion of guarantee fees written from guarantee business on loans to SMEs and non-listed enterprises, premiums written from mortgage insurance cover on reverse mortgage loans and on lump-sum loans to owners of properties of subsidised housing schemes primarily for land premium settlement.

(b) Management expenses formed part of the operating expenses in Note 10.

9. 其他收入

9. Other income

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
提早還款費用及過期罰款	Early prepayment fees and late charges	774	1,233
匯兌差額	Exchange difference	(38,708)	(12,575)
金融工具公平值變動淨額	Net change in fair value of financial instruments	(11,763)	(3,541)
可供出售上市投資的股息收入	Dividend income from available-for-sale listed investments	72,748	34,512
出售投資的收益淨額(附註12)	Net gains on disposal of investments (Note 12)	122,010	58,632
出售被分類為待售資產的附屬公司收益(附註13)	Gain on disposal of a subsidiary classified as assets held for sale (Note 13)	–	12,991
其他	Others	(2,235)	(1,907)
		142,826	89,345

金融工具公平值變動相當於以下各項的總和：(i) 指定為公平值對沖的對沖工具公平值虧損3.32億港元(二零一四年：10.56億港元)及被對沖項目公平值收益3.28億港元(二零一四年：10.60億港元)；及(ii) 不符合採用對沖會計方法的衍生工具公平值虧損1,400萬港元(二零一四年：1,000萬港元)及指定以公平值變化計入損益的已發行債務證券公平值收益600萬港元(二零一四年：200萬港元)。

Change in fair value of financial instruments represented the aggregate of (i) HK\$332 million fair value loss on hedging instruments designated as fair value hedge (2014: HK\$1,056 million) and HK\$328 million fair value gain on the hedged items (2014: HK\$1,060 million); and (ii) HK\$14 million fair value loss on derivatives not qualified as hedges for accounting purposes (2014: HK\$10 million) and HK\$6 million fair value gain on debt securities issued designated as at fair value through profit or loss (2014: HK\$2 million).

10. 經營支出

10. Operating expenses

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
僱員成本	Staff costs		
薪金及福利	Salaries and benefits	158,677	148,618
退休金成本 — 界定供款計劃	Pension costs — defined contribution plans	9,313	8,689
辦公室	Premises		
租金	Rental	30,966	30,497
其他	Others	6,509	8,803
董事酬金	Directors' emoluments	—	—
折舊(附註24)	Depreciation (Note 24)	17,772	24,841
財經資訊服務	Financial information services	6,075	5,726
顧問費	Consultancy fees	11,364	6,749
其他經營支出	Other operating expenses	25,972	21,704
		266,648	255,627

11. 核數師酬金

11. Auditor's remuneration

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
核數師酬金	Auditor's remuneration		
審核服務	Audit services	1,433	1,378
其他服務	Other services	314	308
		1,747	1,686

12. 出售投資的收益淨額

12. Net gains on disposal of investments

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
出售投資的收益淨額：	Net gains on disposal of investments:		
— 變現於一月一日已於儲備內確認的款項(附註30)	— realisation of amounts recognised in reserves up to 1 January (Note 30)	129,989	63,023
— 本年度產生虧損淨額	— net losses arising in current year	(7,979)	(4,391)
		122,010	58,632

13. 出售分類為待售資產的附屬公司

本集團出售深圳經緯盈富融資擔保有限公司的所有權益的安排已於二零一四年一月二十四日完成，其現金代價約為1.17億港元。出售該公司的資產和負債如下：

13. Disposal of a subsidiary classified as assets held for sale

The Group completed the sale of all its equity in Bauhinia HKMC Limited (**BHKMC**) on 24 January 2014, at a cash consideration of approximately HK\$117 million. The following are the assets and liabilities of BHKMC disposed of:

		千港元 HK\$'000
流動資產	Current assets	130,106
流動負債	Current liabilities	(384)
出售的淨資產	Net assets disposed of	129,722
累計匯兌儲備(附註30)	Cumulative translation reserve (Note 30)	(13,104)
沒控制權股東權益	Non-controlling interests	(12,972)
出售收益(附註9)	Gain on disposal (Note 9)	12,991
代價	Consideration	116,637

出售時產生的現金流出淨額：

Net cash outflow arising on disposal:

		千港元 HK\$'000
現金代價	Cash consideration	116,637
出售的現金及短期資金	Cash and short-term funds disposed of	(129,342)
		(12,705)

14. 貸款減值回撥／(撥備)**14. Write-back/(charge) of loan impairment allowances**

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
貸款減值回撥／(撥備) — 組合評估(附註20(b))	Write-back/(charge) of loan impairment allowances — collective assessment (Note 20(b))	242	(906)

15. 稅項

15. Taxation

(a) 於綜合收益表內扣除的稅項為：

(a) Taxation charge in the consolidated income statement represents:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
香港利得稅	Hong Kong profits tax		
— 當期所得稅	— Current income tax	57,427	60,987
— 過往年度調整	— Adjustment in respect of prior years	(13,190)	(10,389)
		44,237	50,598
香港以外稅項	Taxation outside Hong Kong		
— 當期所得稅	— Current income tax	—	1,263
遞延稅項	Deferred taxation		
— 本年度支出／(退回)	— Charge/(credit) for current year	187	(924)
		44,424	50,937

就本年度產生的估計應課稅溢利按16.5% (二零一四年：16.5%) 的稅率計提香港利得稅撥備。對於在香港以外經營的附屬公司，會按所在國家普遍使用的稅率計算。遞延稅項以負債法按16.5% (二零一四年：16.5%) 的主要稅率計算全部的暫時差額。

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. For subsidiary operating outside Hong Kong, tax rate prevailing in the relevant country was used. Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2014: 16.5%).

本集團的除稅前溢利的稅項與採用香港稅率計算的理論金額的差異如下：

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:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
除稅前溢利	Profit before taxation	769,576	796,910
按16.5% (二零一四年：16.5%) 的稅率計算	Calculated at a taxation rate of 16.5% (2014: 16.5%)	126,980	131,490
稅務影響：	Tax effect of:		
— 香港以外的不同稅率	— different tax rate outside Hong Kong	—	(880)
— 毋須繳稅的收入	— income not subject to taxation	(99,817)	(90,015)
— 不可扣稅的開支	— expenses not deductible for taxation purposes	30,451	20,731
— 過往年度調整	— adjustment in respect of prior years	(13,190)	(10,389)
稅項開支	Taxation charge	44,424	50,937

(b) 財務狀況表內的稅項撥備為：

(b) Provision for taxation in the statement of financial position represents:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
當期稅項資產 (包括於「其他資產」內)	Current income tax assets (included in "Other assets")	1,115	—
當期稅項負債	Current income tax liabilities	129,153	133,301
遞延稅項負債	Deferred income tax liabilities	37,093	76,298
		166,246	209,599

於二零一五年十二月三十一日及二零一四年十二月三十一日，並無任何重大未撥備遞延稅項。

There was no significant unprovided deferred taxation as at 31 December 2015 and 31 December 2014.

遞延稅項(資產)/負債的主要組成部分及年內變動如下：

The major components of deferred income tax (assets)/liabilities and the movements during the year are as follows:

		加速稅項折舊 Accelerated tax depreciation 千港元 HK\$'000	減值撥備 Impairment allowances and provisions 千港元 HK\$'000	公平值變動 Fair value changes 千港元 HK\$'000	現金流對沖 Cash flow hedges 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年一月一日	As at 1 January 2014	5,468	(4,857)	57,551	(1,006)	57,156
於收益表內(存入)/扣除	(Credited)/charged to the income statement	(1,961)	1,037	—	—	(924)
於權益內扣除(附註30)	Charged to equity (Note 30)	—	—	19,595	471	20,066
於二零一四年十二月三十一日	As at 31 December 2014	3,507	(3,820)	77,146	(535)	76,298
於收益表內(存入)/扣除	(Credited)/charged to the income statement	(393)	580	—	—	187
於權益內(存入)/扣除 (附註30)	(Credited)/charged to equity (Note 30)	—	—	(39,927)	535	(39,392)
於二零一五年十二月三十一日	As at 31 December 2015	3,114	(3,240)	37,219	—	37,093

於十二個月內，無任何重大遞延稅項資產/負債需要結算。

There is no significant amount of deferred income tax assets/liabilities to be settled within 12 months.

16. 股息

16. Dividends

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
擬派普通股息每股普通股0.3625 港元(二零一四年: 0.175港元)	Proposed ordinary dividend of HK\$0.3625 (2014: HK\$0.175) per ordinary share	725,000	350,000

於二零一五年和二零一四年已付的二零一四年和二零一三年度股息分別為3.5億港元(普通股息每股普通股0.175港元)及15億港元(普通股息每股普通股0.25港元和特別股息每股普通股0.5港元)。於二零一六年四月二十五日,董事建議派發二零一五年普通股息每股普通股0.3625港元。直至獲得股東的通過,擬派股息並不會列為應付股息。

The dividends paid in 2015 and 2014 in respect of 2014 and 2013 were HK\$350 million (ordinary dividend of HK\$0.175 per ordinary share) and HK\$1,500 million (ordinary dividend of HK\$0.25 per ordinary share and special dividend of HK\$0.5 per ordinary share) respectively. The directors proposed, in respect of 2015, an ordinary dividend of HK\$0.3625 per ordinary share on 25 April 2016. The proposed dividend is not reflected as dividend payable until approval by shareholders.

17. 現金及短期資金

17. Cash and short-term funds

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
銀行現金	Cash at banks	68,535	523,620
銀行定期存款	Time deposits with banks	20,938,832	17,897,870
		21,007,367	18,421,490

就現金流量表而言,現金及等同現金項目包括以下自交易日期起計三個月內到期的結餘。

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.

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
銀行現金	Cash at banks	68,535	523,620
銀行定期存款	Time deposits with banks	7,694,015	7,890,292
現金及等同現金項目	Cash and cash equivalents	7,762,550	8,413,912

18. 應收利息及匯款

18. Interest and remittance receivables

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
以下各項的應收利息	Interest receivable from		
— 利率掉期合約	— interest rate swap contracts	140,599	142,224
— 證券投資	— investment securities	110,473	91,625
— 銀行定期存款	— time deposits with banks	35,218	45,531
貸款組合的應收利息及分期付款	Interest receivable and instalments, in transit from loan portfolio	40,488	71,471
		326,778	350,851

19. 衍生金融工具

19. Derivative financial instruments

(a) 衍生工具的應用

本集團應用下列衍生工具對沖本集團的金融風險。

貨幣及利率掉期為以一組現金流量換取另一組現金流量的承諾。掉期導致貨幣或利率或兩者組合的轉換。除若干貨幣掉期外，該等交易不涉及轉換本金。本集團的信貨風險為交易對手未能履行其責任而重置掉期合約的潛在成本。本集團根據審慎的庫務交易對手風險管理機制，持續監測有關風險。

若干種類金融工具的名義金額，為於財務狀況表確認的工具提供一個比較的基準，惟未必反映涉及的未來現金流量的金額或工具當前的公平值，因此，並不能反映本集團面臨的信貨或價格風險。隨著市場利率及匯率相對其條款的波動，衍生工具可能對本集團產生有利(資產)或不利(負債)的影響。衍生金融工具的合約或名義金額總額、上述有利或不利影響幅度，及衍生工具金融資產及負債之公平總值，可能不時大幅波動。所持有的衍生工具公平值載於下文。

(a) Use of derivative

The Group uses the following derivative instruments to hedge the Group's financial risks.

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 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.

		2015			2014		
		合約／ 名義金額 Contract/ notional amounts 千港元 HK\$'000	公平值 Fair values 資產 Assets 千港元 HK\$'000	負債 Liabilities 千港元 HK\$'000	合約／ 名義金額 Contract/ notional amounts 千港元 HK\$'000	公平值 Fair values 資產 Assets 千港元 HK\$'000	負債 Liabilities 千港元 HK\$'000
(i)	不符合採用對沖會計方法的 衍生工具	(i) Derivatives not qualified as hedges for accounting purposes					
	利率掉期	374,895	18,800	(478)	1,259,611	25,130	(494)
	貨幣掉期	-	-	-	699,815	4,568	-
			18,800	(478)		29,698	(494)
(ii)	公平值對沖衍生工具	(ii) Fair value hedge derivatives					
	利率掉期	14,227,500	454,279	(1,811)	10,327,500	511,217	(9,724)
	貨幣掉期	14,569,037	324	(1,819,638)	18,989,855	16,047	(1,565,750)
			454,603	(1,821,449)		527,264	(1,575,474)
	已確認衍生工具資產／(負債) 總額		473,403	(1,821,927)		556,962	(1,575,968)
	Total recognised derivative assets/(liabilities)						

(b) 對沖活動

倘衍生工具作為公平值對沖或現金流對沖，就會計處理而言，衍生工具入帳時符合對沖資格。本集團的公平值對沖主要包括用於保障因已發行債務證券公平值的任何潛在變動所引致的利率風險和外匯風險的利率和貨幣掉期。於二零一五年十二月三十一日及二零一四年十二月三十一日，並無任何指定以現金流對沖衍生工具。

(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 2015 and 31 December 2014.

20. 貸款組合淨額

20. Loan portfolio, net

(a) 貸款組合減撥備

(a) Loan portfolio less allowance

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
按揭貸款組合	Mortgage portfolio		
住宅	Residential		
— 香港	— Hong Kong	10,935,170	13,178,873
— 海外	— Overseas	—	695,229
商業	Commercial	—	1,000,000
非按揭貸款組合	Non-mortgage portfolio	567,959	699,281
		11,503,129	15,573,383
貸款減值撥備	Allowance for loan impairment	(817)	(1,734)
		11,502,312	15,571,649

貸款減值撥備總額佔貸款組合尚未償還本金結餘的百分比如下：

Total allowance for loan impairment as a percentage of the outstanding principal balances of the loan portfolio is as follows:

		2015	2014
貸款減值撥備總額佔貸款組合總額的百分比	Total allowance for loan impairment as a percentage of the gross loan portfolio	0.01%	0.01%

(b) 按揭貸款組合的貸款減值撥備

(b) Allowance for loan impairment on loan portfolio

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
組合評估	Collective assessment		
於一月一日	As at 1 January	1,734	1,825
於收益表內(回撥)/撥備(附註14)	(Released)/charged to income statement (Note 14)	(242)	906
撇銷貸款	Loans written off	(2,202)	(2,457)
收回已撇銷貸款	Recoveries of loans previously written off	1,527	1,460
於十二月三十一日	As at 31 December	817	1,734

作出貸款減值撥備時，已考慮抵押品的目前市值。

Allowance for loan impairment has been made after taking into account the current market value of the collateral.

以組合形式評估的個別已減值貸款分析如下：

Individually impaired loans collectively assessed on a portfolio basis are analysed as follows:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
減值貸款組合總額	Gross impaired loan portfolio	983	2,241
貸款減值撥備	Allowance for loan impairment	(756)	(713)
		227	1,528
貸款減值撥備佔減值貸款組合總額的百分比	Allowance for loan impairment as a percentage of gross impaired loan portfolio	76.9%	31.8%
減值貸款組合總額佔貸款組合總額的百分比	Gross impaired loan portfolio as a percentage of gross loan portfolio	0.01%	0.01%
以組合形式評估不可獨立識別減值的貸款所作貸款減值撥備	Allowance for loan impairment under collective assessment for loans not individually identified as impaired	61	1,021

(c) 貸款組合內的融資租賃投資淨額

(c) Net investments in finance leases included in loan portfolio

		2015		
		最低應收租約 款項現值 Present value of minimum lease payments receivable 千港元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 千港元 HK\$'000	最低應收租約 款項總額 Total minimum lease payments receivable 千港元 HK\$'000
應收款項：	Amounts receivable:			
— 一年內	— within one year	47,001	9,863	56,864
— 一年後至五年內	— after one year but within five years	173,387	30,780	204,167
— 五年後	— after five years	330,027	38,339	368,366
		550,415	78,982	629,397

		2014		
		最低應收租約 款項現值 Present value of minimum lease payments receivable 千港元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 千港元 HK\$'000	最低應收租約 款項總額 Total minimum lease payments receivable 千港元 HK\$'000
應收款項：	Amounts receivable:			
— 一年內	— within one year	60,348	12,052	72,400
— 一年後至五年內	— after one year but within five years	214,767	37,431	252,198
— 五年後	— after five years	403,765	46,377	450,142
		678,880	95,860	774,740

沒有就融資租賃應收款項作出貸款減值撥備。

No allowance for loan impairment has been provided for finance lease receivable.

21. 證券投資

21. Investment securities

(a) 可供出售證券

(a) Available-for-sale securities

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
按公平值列帳的債務證券	Debt securities at fair value		
於香港上市	Listed in Hong Kong	224,082	184,647
於香港境外上市	Listed outside Hong Kong	807,716	117,882
非上市	Unlisted	3,267,479	4,447,544
按公平值列帳的其他證券	Other securities at fair value		
於香港上市	Listed in Hong Kong	2,339,090	984,089
可供出售證券總額	Total available-for-sale securities	6,638,367	5,734,162

其他證券指交易所買賣基金及房地產投資信託基金。

Other securities refer to exchange-traded funds and real estate investment trusts.

按發行機構類別分析可供出售證券如下：

Available-for-sale securities are analysed by categories of issuers as follows:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
銀行及其他金融機構	Banks and other financial institutions	3,453,212	3,652,863
公司企業	Corporate entities	655,380	412,563
中央政府	Central governments	175,148	684,647
公營機構	Public sector entities	15,537	—
其他	Others	2,339,090	984,089
		6,638,367	5,734,162

可供出售證券的變動概述如下：

The movement in available-for-sale securities is summarised as follows:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
於一月一日	As at 1 January	5,734,162	3,860,455
增加	Additions	4,265,100	6,034,625
出售及贖回	Sale and redemption	(3,240,614)	(4,329,074)
攤銷	Amortisation	3,423	1,019
公平值變動	Change in fair value	(111,566)	178,161
外幣匯兌差額	Exchange difference	(12,138)	(11,024)
於十二月三十一日	As at 31 December	6,638,367	5,734,162

(b) 持有至到期證券

(b) Held-to-maturity securities

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
按攤銷成本列帳的債務證券	Debt securities at amortised cost		
於香港上市	Listed in Hong Kong	4,430,543	2,972,947
於香港境外上市	Listed outside Hong Kong	1,685,300	2,190,400
		6,115,843	5,163,347
非上市	Unlisted	4,158,158	4,005,448
持有至到期證券總額	Total held-to-maturity securities	10,274,001	9,168,795

按發行機構類別分析持有至到期證券如下：

Held-to-maturity securities are analysed by categories of issuers as follows:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
銀行及其他金融機構	Banks and other financial institutions	5,569,556	5,341,979
公司企業	Corporate entities	3,954,900	3,047,015
公營機構	Public sector entities	678,756	680,650
中央政府	Central governments	70,789	99,151
		10,274,001	9,168,795

持有至到期證券的變動概述如下：

The movement in held-to-maturity securities is summarised as follows:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
於一月一日	As at 1 January	9,168,795	8,560,595
增加	Additions	2,112,356	2,624,340
贖回	Redemption	(956,997)	(1,973,405)
攤銷	Amortisation	(10,951)	(9,414)
外幣匯兌差額	Exchange difference	(39,202)	(33,321)
於十二月三十一日	As at 31 December	10,274,001	9,168,795

22. 附屬公司投資

於二零一五年十二月三十一日，本公司的附屬公司詳情如下：

22. Interests in subsidiaries

The details of the subsidiaries of the Company as at 31 December 2015 are:

名稱 Name	註冊成立地點 Place of incorporation	主要業務 Principal activities	已發行及繳足股份詳情 (股份的類別) Particulars of issued and fully paid up share capital (Class of Share)	由公司的附屬公司(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)	Percentage of shares held by the Company's subsidiary (or its nominee)
香港按揭管理有限公司	香港	購入及管理按揭貸款和為小型貸款融資	1,000,000 港元 (普通股)	100%	不適用
HKMC Mortgage Management Limited	Hong Kong	Mortgage purchases and servicing, and funding of microfinance loans	HK\$1,000,000 (Ordinary)	100%	N/A
香港按揭證券融資(第一)有限公司*	香港	於二零一五年並無商業活動	1,000 港元 (普通股)	不適用	不適用
HKMC Funding Corporation (1) Limited*	Hong Kong	No business activity in 2015 [#]	HK\$1,000 (Ordinary)	N/A	N/A
Bauhinia MBS Limited*	開曼群島	於二零一五年並無商業活動	1,000 美元 (普通股)	不適用	不適用
Bauhinia MBS Limited*	Cayman Islands	No business activity in 2015 [#]	US\$1,000 (Ordinary)	N/A	N/A
香港按揭信貸保證有限公司	香港	不活動狀態	1 港元 (普通股)	不適用	100%
HKMC Credit & Guarantee Corporation Limited	Hong Kong	Dormant	HK\$1 (Ordinary)	N/A	100%
Hong Kong Mortgage Credit & Guarantee Corporation Limited	香港	不活動狀態	1 港元 (普通股)	不適用	100%
Hong Kong Mortgage Credit & Guarantee Corporation Limited	Hong Kong	Dormant	HK\$1 (Ordinary)	N/A	100%
* 根據香港《公司條例》附表1，這些公司被定義為附屬企業，而本公司並沒有持有這些公司的股份。		* These companies are subsidiary undertakings as defined in Schedule 1 of the Hong Kong Companies Ordinance and the Company does not hold shares in these companies.			
# 這些公司為購入按揭貸款和發行按揭證券而成立。		# These companies were set up for mortgage purchases and mortgage-backed securities issuance.			

23. 預付款項、按金及其他資產

23. Prepayments, deposits and other assets

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
收回資產	Reposessed assets	65	1,151
公司會籍債券	Corporate club debentures	750	750
其他	Others	86,424	18,323
		87,239	20,224

24. 固定資產

24. Fixed assets

		租賃物業裝修 Leasehold improvement 千港元 HK\$'000	辦公室設備、 傢俬及裝備 Office equipment, furniture and fixtures 千港元 HK\$'000	電腦 Computers 千港元 HK\$'000	汽車 Motor vehicle 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年一月一日	Net book amount as at 1 January 2014	14,917	1,894	27,062	212	44,085
添置	Additions	9,403	540	5,922	–	15,865
折舊(附註10)	Depreciation charge (Note 10)	(6,405)	(851)	(17,479)	(106)	(24,841)
於二零一四年十二月三十一日	Net book amount as at 31 December 2014	17,915	1,583	15,505	106	35,109
添置	Additions	142	213	8,588	350	9,293
折舊(附註10)	Depreciation charge (Note 10)	(6,153)	(624)	(10,831)	(164)	(17,772)
於二零一五年十二月三十一日	Net book amount as at 31 December 2015	11,904	1,172	13,262	292	26,630
於二零一五年十二月三十一日	As at 31 December 2015					
成本值	Cost	27,803	7,628	166,746	1,000	203,177
累計折舊	Accumulated depreciation	(15,899)	(6,456)	(153,484)	(708)	(176,547)
帳面淨額	Net book amount	11,904	1,172	13,262	292	26,630
於二零一四年十二月三十一日	As at 31 December 2014					
成本值	Cost	27,661	7,701	161,242	650	197,254
累計折舊	Accumulated depreciation	(9,746)	(6,118)	(145,737)	(544)	(162,145)
帳面淨額	Net book amount	17,915	1,583	15,505	106	35,109

25. 應付利息

25. Interest payable

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
以下各項的應付利息	Interest payable from		
— 已發行債務證券	— debt securities issued	159,643	128,317
— 利率掉期合約	— interest rate swap contracts	10,056	14,494
— 其他負債	— other liabilities	1,154	1,233
		170,853	144,044

26. 應付帳項、應付開支及其他負債

26. Accounts payable, accrued expenses and other liabilities

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
應付帳項及應付開支	Accounts payable and accrued expenses	46,838	112,439
其他負債	Other liabilities	4,717,601	4,658,279
其他撥備	Other provision	30,984	28,860
		4,795,423	4,799,578

其他負債是指中小企融資擔保計劃下的特別優惠措施所收到的擔保費(已扣除申索及相關開支)460,447,000港元(二零一四年: 431,680,000港元)(附註34), 與及指用於二零零三年十二月及二零零四年一月自政府購買的按揭貸款信貸安排加強措施的遞延代價4,257,154,000港元(二零一四年: 4,226,599,000港元)。

Other liabilities represented the guarantee fee received (net of claims and related expenses) of HK\$460,447,000 (2014: HK\$431,680,000) under the special concessionary measures of the SME Financing Guarantee Scheme (Note 34) and the deferred consideration of HK\$4,257,154,000 (2014: HK\$4,226,599,000) used for credit enhancement on the mortgage loans purchased from the Government in December 2003 and January 2004.

27. 保險負債及再保險資產

27. Insurance liabilities and reinsurance assets

		2015			2014		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		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
未滿期保費及擔保費用撥備	Provision for unearned premiums and guarantee fees	943,685	125,243	818,442	1,066,272	140,468	925,804
未決申索撥備	Provision for outstanding claims						
— 已申報/(收回)申索	— claims reported/(recovery)	9,771	(1)	9,772	15,652	(4)	15,656
— 已產生但未申報申索	— claims incurred but not reported	25,389	3,411	21,978	30,165	3,715	26,450
		35,160	3,410	31,750	45,817	3,711	42,106
		978,845	128,653	850,192	1,112,089	144,179	967,910

(a) 未滿期保費及擔保費用撥備變動分析如下

(a) Analysis of movement in provision for unearned premiums and guarantee fees

		2015			2014		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		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
於一月一日	As at 1 January	1,066,272	140,468	925,804	1,253,898	175,764	1,078,134
已收取保費(附註8)	Premiums written (Note 8)	319,137	47,886	271,251	320,789	39,023	281,766
已滿期保費(附註8)	Premiums earned (Note 8)	(441,724)	(63,111)	(378,613)	(508,415)	(74,319)	(434,096)
於十二月三十一日	As at 31 December	943,685	125,243	818,442	1,066,272	140,468	925,804

(b) 未決申索撥備變動分析如下

(b) Analysis of movement in provision for outstanding claims

		2015			2014		
		毛額	再保險	淨額	毛額	再保險	淨額
		Gross	Reinsurance	Net	Gross	Reinsurance	Net
		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
於一月一日	As at 1 January	45,817	3,711	42,106	40,814	4,978	35,836
已付申索	Claims paid	(3,051)	—	(3,051)	(5,143)	(420)	(4,723)
已收回申索	Claims recovery	585	307	278	1,043	194	849
已(回撥)/產生申索(附註8)	Claims (written back)/incurred (Note 8)						
— 已申報申索	— claims reported	(3,415)	(304)	(3,111)	11,596	224	11,372
— 已產生但未申報申索	— claims incurred but not reported	(4,776)	(304)	(4,472)	(2,493)	(1,265)	(1,228)
於十二月三十一日	As at 31 December	35,160	3,410	31,750	45,817	3,711	42,106

(c) 負債充足測試

進行負債充足測試時，考慮全部合約現金流量及申索處理費用等相關現金流量的現時估計，測試顯示於二零一五年十二月三十一日及二零一四年十二月三十一日，本集團的保險負債充足。

(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 2015 and 31 December 2014, the Group's insurance liabilities are adequate.

28. 已發行債務證券

28. Debt securities issued

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
按攤銷成本列帳的債務證券	Debt securities carried at amortised cost		
中期債券	MTN	5,681,736	5,108,688
按攤銷成本列帳的債務證券總額	Total debt securities carried at amortised cost	5,681,736	5,108,688
指定為對沖項目並以公平值對沖的債務證券	Debt securities designated as hedged items under fair value hedge		
債務工具發行計劃債券	DIP notes	4,925,563	5,526,332
中期債券	MTN	22,512,514	22,298,908
指定為對沖項目並以公平值對沖的債務證券總額	Total debt securities designated as hedged items under fair value hedge	27,438,077	27,825,240
於初始確認時指定為以公平值變化計入損益的債務證券	Debt securities designated as at fair value through profit or loss upon initial recognition		
債務工具發行計劃債券	DIP notes	139,083	133,852
零售債券發行計劃及其他債券	RBIP and other notes	204,315	202,349
於初始確認時指定為以公平值變化計入損益的債務證券總額	Total debt securities designated as at fair value through profit or loss upon initial recognition	343,398	336,201
已發行債務證券總額	Total debt securities issued	33,463,211	33,270,129

年內沒有發行(二零一四年：無)於初始確認時指定以公平值變化計入損益的債務證券。該等金融負債之公平值變動源於基準利率的改變。於初始確認時，指定為以公平值變化計入損益的金融負債帳面值，較本集團根據合約規定於到期時須向債券持有人支付的金額少45,802,000港元(二零一四年：52,999,000港元)。

During the year, no debt securities (2014: 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\$45,802,000 (2014: HK\$52,999,000) lower than the amount that the Group would be contractually required to pay at maturity to the note holders.

該等指定為以公平值列帳的金融負債沒有源自本公司之信貸風險變動引起任何重大盈虧。

There were no significant gains or losses attributable to changes in the credit risk of the Company for those financial liabilities designated as at fair value.

已發行債務證券的變動概述如下：

The movement in debt securities issued is summarised as follows:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
於一月一日	As at 1 January	34,414,640	31,444,785
發行	Issuance	23,046,815	30,467,972
減：贖回	Less: Redemption	(22,526,495)	(27,524,884)
外幣匯兌差額	Exchange difference	2,808	26,767
名義價值總額	Total nominal value	34,937,768	34,414,640
未攤銷折讓部分	Unamortised portion of discount	(118,179)	(122,688)
公平值調整	Fair value adjustment	(1,356,378)	(1,021,823)
於十二月三十一日	As at 31 December	33,463,211	33,270,129

本年度發行的債券：

Notes issued during the year comprise:

		中期債券 MTN 千港元 HK\$'000
已發行金額面值	Amount issued at nominal value	23,046,815
已收取款項	Consideration received	22,991,809

所有已發行的債務證券均屬本集團無抵押責任，而發行該等債務證券旨在提供一般營運資金及作再融資用途。

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

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
已發行及繳足： 20億股普通股	Issued and fully paid: 2 billion ordinary shares	2,000,000	2,000,000

30. 其他儲備

30. Other reserves

		風險儲備 Contingency reserve 千港元 HK\$'000	公平值儲備 Fair value reserve 千港元 HK\$'000	對沖儲備 Hedging reserve 千港元 HK\$'000	匯兌儲備 Translation reserve 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年一月一日	As at 1 January 2014	1,213,827	290,605	(5,088) [#]	13,104	1,512,448
可供出售證券的公平值變動：	Change in fair value of available-for-sale securities:					
— 未變現收益淨額	— net unrealised gains	—	178,161	—	—	178,161
— 出售時變現(附註12)	— realisation on disposal (Note 12)	—	(63,023)	—	—	(63,023)
— 攤銷*	— amortisation*	—	13	—	—	13
— 稅項(附註15(b))	— tax effect (Note 15(b))	—	(19,595)	—	—	(19,595)
現金流對沖：	Cash flow hedges:					
— 撥入收益表的公平值變動	— fair value changes transferred to income statement	—	—	2,852	—	2,852
— 稅項(附註15(b))	— tax effect (Note 15(b))	—	—	(471)	—	(471)
出售被分類為待售資產的附屬公司時撥回的匯兌儲備(附註13)	Release of translation reserve on disposal of a subsidiary classified as assets held for sale (Note 13)	—	—	—	(13,104)	(13,104)
其他全面收益／(虧損)	Other comprehensive income/(loss)	—	95,556	2,381	(13,104)	84,833
由保留溢利轉撥已滿期風險保費淨額的50%或75%至風險儲備	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	242,407	—	—	—	242,407
由風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	(18,489)	—	—	—	(18,489)

		風險儲備 Contingency reserve 千港元 HK\$'000	公平值儲備 Fair value reserve 千港元 HK\$'000	對沖儲備 Hedging reserve 千港元 HK\$'000	匯兌儲備 Translation reserve 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年十二月三十一日／ 二零一五年一月一日	As at 31 December 2014/ 1 January 2015	1,437,745	386,161	(2,707)	–	1,821,199
可供出售證券的公平值變動：	Change in fair value of available-for-sale securities:					
— 未變現虧損淨額	— net unrealised losses	–	(111,566)	–	–	(111,566)
— 出售時變現(附註12)	— realisation on disposal (Note 12)	–	(129,989)	–	–	(129,989)
— 稅項(附註15(b))	— tax effect (Note 15(b))	–	39,927	–	–	39,927
現金流對沖	Cash flow hedges					
— 撥入收益表的公平值變動	— fair value changes transferred to income statement	–	–	3,242	–	3,242
— 稅項(附註15(b))	— tax effect (Note 15(b))	–	–	(535)	–	(535)
其他全面(虧損)/收益	Other comprehensive (loss)/income	–	(201,628)	2,707	–	(198,921)
由保留溢利轉撥已滿期風險保費淨額的50%或75%至風險儲備	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	221,244	–	–	–	221,244
由風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	(26,329)	–	–	–	(26,329)
於二零一五年十二月三十一日	As at 31 December 2015	1,632,660	184,533	–	–	1,817,193

- | | |
|--|--|
| <p>* 由可供出售證券轉撥至持有至到期證券時未變現虧損，於收益表攤銷。</p> | <p>* the amortisation of unrealised loss to income statement on available-for-sale securities transferred to held-to-maturity securities.</p> |
| <p># 為二零一零年及二零一一年時不再維持的現金流對沖時所帶來的累計虧損。自此之後，並沒有進行新的現金流對沖。</p> | <p># brought forward from cumulative loss then existing in hedging reserve when cash flow hedges were de-designated in 2010 and 2011. Since then, no new cash flow hedge has been conducted.</p> |

31. 與有關連人士訂立的重大交易

- (a) 本公司由財政司司長以外匯基金管理人身分所擁有。本公司與有關連人士訂立了多項交易。

與政府相關機構香港金融管理局(香港金管局)的交易包括下列各項：

- (i) 本公司使用由香港金管局所營運的債務工具中央結算系統服務所提供託管及結算代理服務，並繳付150萬港元(二零一四年：120萬港元)給香港金管局，作為本年度使用該服務的費用；
- (ii) 本公司於本年度產生1,280萬港元(二零一四年：980萬港元)借調費，作為從香港金管局借調員工的費用；
- (iii) 本公司於本年度繳付60萬港元(二零一四年：60萬港元)予香港金管局，作為後備場所的服務費，而本年度並無搬遷後備場所的費用(二零一四年：80萬港元)；
- (iv) 於二零一五年十二月三十一日，本公司並無投資於香港外匯基金票據(二零一四年：5億港元)；及
- (v) 外匯基金透過香港金管局向本公司提供300億港元的循環信貸，於二零一五年十二月三十一日並無未償還餘額(二零一四年：無)。

31. Material related party transactions

- (a) The Company is owned by the Financial Secretary of Hong Kong as Controller of the Exchange Fund. The Company entered into various transactions with the following related parties.

Transactions with the Hong Kong Monetary Authority (HKMA), a Government-related entity, included the following:

- (i) the Company subscribed to the custodian and clearing agent services provided by the Central Money Markets Unit Service operated by the HKMA and paid HK\$1.5 million (2014: HK\$1.2 million) by way of fees to the HKMA for such services during the year;
- (ii) the Company incurred secondment fee of HK\$12.8 million (2014: HK\$9.8 million) for secondees from the HKMA during the year;
- (iii) the Company paid back-up site service fee of HK\$0.6 million (2014: HK\$0.6 million) to the HKMA during the year, and there was no payment (2014: HK\$0.8 million) for the relocation of back-up site to the HKMA during the year;
- (iv) the Company held no investment (2014: HK\$500 million) in the Hong Kong Exchange Fund Bills as at 31 December 2015; and
- (v) the Exchange Fund through the HKMA had provided the Company with a HK\$30 billion Revolving Credit Facility, and there was no outstanding balance as at 31 December 2015 (2014: nil).

與政府的交易包括下列各項：

- (i) 本公司向財政司司長法團租用辦公室，並按財政司司長法團指示，於二零一四年度繳付60萬港元租金予香港金管局。隨著有關辦公室的租賃期於二零一四年一月屆滿，本公司於本年度再無支付租金予香港金管局；
- (ii) 本公司於本年度向財政司司長法團購買2.09億港元（二零一四年：1.08億港元）按揭貸款；
- (iii) 於二零一五年十二月三十一日，本公司並沒有持有香港政府債券的投資（二零一四年：無），本年度並無獲得利息收入（二零一四年：1,020萬港元）；及
- (iv) 本公司就現有的中小企融資擔保計劃，提供以優惠的擔保費水平及由政府支付的總貸款保證承擔額為1,000億港元的八成擔保障的貸款擔保產品，詳情載列於附註34。

與全資附屬公司香港按揭管理有限公司的交易包括下列各項：

- (i) 本公司就附屬公司於正常營運時購買的按揭貸款提供按揭保險；及
- (ii) 作為小型貸款計劃的營運者，與香港按揭管理有限公司及作為貸款批授人的各參與計劃的銀行，簽訂小型貸款計劃參與貸款協議。按照計劃，香港按揭管理有限公司為本公司的融資工具，為計劃的貸款提供全部或部份的資金。

Transactions with the Government included the following:

- (i) the Company rented office premises from The Financial Secretary Incorporated (**FSI**) and paid rental of HK\$0.6 million to the HKMA under the direction of the FSI in 2014. Following the expiry of the lease for the relevant rented office premises in January 2014, no such rental was paid to the HKMA by the Company during the year;
- (ii) the Company purchased mortgage loans of HK\$209 million (2014: HK\$108 million) from the FSI during the year;
- (iii) the Company held no investment in the Hong Kong Government Bonds as at 31 December 2015 (2014: nil) and the interest income thereon during the year was nil (2014: HK\$10.2 million); and
- (iv) the Company 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 34.

Transactions with HKMC Mortgage Management Limited (**HMML**), a wholly-owned subsidiary of the Company, included the following:

- (i) the Company provided mortgage insurance cover for mortgage loans purchased by such subsidiary in the course of the Company's ordinary business; and
- (ii) the Company as scheme operator, HMML and various participating banks as loan originators entered into loan participation agreements under the Microfinance Scheme pursuant to which HMML would fund all or part of the microfinance loans as funding vehicle for the Company.

於十二月三十一日應付相關連人士的
應付結餘如下：

The balances of the amounts due to the relevant related
parties as at 31 December are as follows:

		政府 The Government	
		2015 千港元 HK\$'000	2014 千港元 HK\$'000
其他負債(附註26)	Other liabilities (Note 26)	4,717,601	4,658,279

(b) 主要管理層人員

主要管理層為直接或間接有權力及負
責策劃、指揮及控制本集團業務的人
士，包括董事及高級管理人員。

本年度主要管理層人員的薪酬包括：

(b) Key management personnel

Key management 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.

Key management personnel compensation for the year
comprised:

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
薪金及其他短期僱員福利	Salaries and other short-term employee benefits	18,859	17,666
離職後福利	Post-employment benefits	1,633	1,500
		20,492	19,166

32. 承擔

32. Commitments

(a) 資本

(a) Capital

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
已批准但未訂約	Authorised but not contracted for	8,172	10,462

(b) 經營租約

於呈報期末，根據不可註銷的經營租約而須作出的未來最低租金付款總額分析如下：

		2015 千港元 HK\$'000	2014 千港元 HK\$'000
辦公室物業	Office premises		
— 不多於一年	— not later than one year	32,458	30,911
— 多於一年至不多於五年	— later than one year and not later than five years	29,753	62,212
		62,211	93,123

(b) Operating lease

Total future minimum lease payments under non-cancellable operating lease at the end of the reporting period are analysed as follows:

33. 按揭保險業務

於二零一五年十二月三十一日，本集團的風險投保總額約為134億港元(二零一四年：131億港元)，其中21億港元(二零一四年：21億港元)已向核准再保險公司購買再保險，而本集團則自行承擔餘下113億港元(二零一四年：110億港元)的風險。

於113億港元(二零一四年：110億港元)由本集團承擔的風險投保額當中，3億港元(二零一四年：7億港元)風險投保額的超額損失已透過運用超額損失再保險的安排將中間層的风险作對沖，而本集團所保留部分的风险，包括首次虧損的风险和可能性極低的风险。

33. Mortgage insurance business

As at 31 December 2015, the total risk-in-force of the Group is approximately HK\$13.4 billion (2014: HK\$13.1 billion) of which HK\$2.1 billion (2014: HK\$2.1 billion) is ceded to the approved reinsurers and the balance of HK\$11.3 billion (2014: HK\$11 billion) is retained by the Group.

Out of the HK\$11.3 billion (2014: HK\$11 billion) of risk-in-force retained by the Group, the excess loss of HK\$0.3 billion (2014: HK\$0.7 billion) of risk-in-force is hedged through the use of excess-of-loss reinsurance arrangement to reinsure the middle layer risk positions, and the Group retains a portion of the total risk comprising the first-loss and remote risk portions.

34. 中小企融資擔保計劃下的特別優惠措施

本公司就現有的中小企融資擔保計劃，提供以優惠的擔保費水平及由政府支付的總貸款保證承擔額為1,000億港元的八成擔保保障的貸款擔保產品。由此項特別信貸擔保產品所收取的擔保費，將首先全數用於支付相關的壞帳償付及相關開支，如有餘款則將撥歸予政府。如所收取的擔保費不足以應付相關款額及費用，政府將會承擔餘額。本公司負責此產品的營運並承擔日常營運開支。

有關這個特別的貸款擔保產品，對本集團的綜合收益表就有關擔保費用的收入、違約索償或其他直接相關開支並沒有影響。基於本公司只是代表政府營運該產品，本集團認為有關此產品的風險和利益均屬於政府。因此，該產品的風險承擔並沒有列於本集團的資產負債表外風險；根據財政司司長批准的資本充足率指引，亦無須任何資本要求。

34. Special concessionary measures under the SME Financing Guarantee Scheme

The Company provided 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 Company is responsible for the operation of the product and the applicable day-to-day operating costs.

Regarding this special loan guarantee product, there is 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 Company operates only 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 has not been included as the Group's off-balance sheet exposures and no capital charge is required under the Guidelines on Capital Adequacy Ratio approved by the Financial Secretary.

35. 本公司的財務狀況表及儲備變動

35.1 本公司於二零一五年十二月三十一日的財務狀況表

35. Statement of financial position and reserve movement of the Company

35.1 Statement of financial position of the Company as at 31 December 2015

	附註 Note	2015 千港元 HK\$'000	2014 千港元 HK\$'000
資產	ASSETS		
現金及短期資金	Cash and short-term funds	20,998,850	18,420,026
應收利息及匯款	Interest and remittance receivables	319,481	341,436
衍生金融工具	Derivative financial instruments	473,403	556,962
貸款組合淨額	Loan portfolio, net	7,635,764	11,033,066
證券投資：	Investment securities:		
— 可供出售	— available-for-sale	6,638,367	5,734,162
— 持有至到期	— held-to-maturity	10,274,001	9,168,795
附屬公司投資	Interests in subsidiaries	3,690,964	4,377,944
預付款項、按金及其他資產	Prepayments, deposits and other assets	86,197	19,168
固定資產	Fixed assets	26,630	35,109
再保險資產	Reinsurance assets	128,740	144,399
資產總值	Total assets	50,272,397	49,831,067
負債	LIABILITIES		
應付利息	Interest payable	170,853	144,044
應付帳項、應付開支及其他負債	Accounts payable, accrued expenses and other liabilities	4,795,133	4,799,400
衍生金融工具	Derivative financial instruments	1,821,927	1,575,968
當期稅項負債	Current income tax liabilities	129,153	133,099
遞延稅項負債	Deferred income tax liabilities	36,992	76,098
保險負債	Insurance liabilities	979,549	1,113,683
已發行債務證券	Debt securities issued	33,463,211	33,270,129
負債總額	Total liabilities	41,396,818	41,112,421
權益	EQUITY		
權益持有人應佔股本及儲備：	Capital and reserves attributable to the equity holders:		
股本	Share capital	2,000,000	2,000,000
保留溢利	Retained profits	5,058,386	4,897,447
風險儲備	Contingency reserve	1,632,660	1,437,745
公平值儲備	Fair value reserve	184,533	386,161
對沖儲備	Hedging reserve	—	(2,707)
權益總額	Total equity	8,875,579	8,718,646
負債及權益總額	Total liabilities and equity	50,272,397	49,831,067

董事局已於二零一六年四月二十五日批准及授權刊行。

Approved and authorised for issue by the Board of Directors on 25 April 2016.

陳德霖
副主席兼執行董事

Norman T. L. Chan
Deputy Chairman and Executive Director

李令翔
執行董事兼總裁

Raymond L. C. Li
Executive Director and Chief Executive Officer

35.2 本公司的儲備

35.2 Reserves of the Company

		保留溢利 Retained profits 千港元 HK\$'000	風險儲備 Contingency reserve 千港元 HK\$'000	公平值儲備 Fair value reserve 千港元 HK\$'000	對沖儲備 Hedging reserve 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年一月一日	As at 1 January 2014	5,898,977	1,213,827	290,605	(5,088) [#]	7,398,321
本年度溢利	Profit for the year	722,388	—	—	—	722,388
其他全面收益：	Other comprehensive income:					
可供出售證券的公平值變動	Change in fair value of available-for-sale securities					
— 未變現收益淨額	— net unrealised gains	—	—	178,161	—	178,161
— 出售時變現	— realisation on disposal	—	—	(63,023)	—	(63,023)
— 攤銷*	— amortisation*	—	—	13	—	13
— 稅項	— tax effect	—	—	(19,595)	—	(19,595)
現金流對沖	Cash flow hedges					
— 撥入收益表的公平值變動	— fair value changes transferred to income statement	—	—	—	2,852	2,852
— 稅項	— tax effect	—	—	—	(471)	(471)
本年度全面收益總額	Total comprehensive income for the year	722,388	—	95,556	2,381	820,325
由保留溢利轉撥已滿期風險保費淨額的50%或75%至風險儲備	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	(242,407)	242,407	—	—	—
由風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	18,489	(18,489)	—	—	—
已付二零一三年股息	Dividends paid related to 2013	(1,500,000)	—	—	—	(1,500,000)

		保留溢利 Retained profits 千港元 HK\$'000	風險儲備 Contingency reserve 千港元 HK\$'000	公平值儲備 Fair value reserve 千港元 HK\$'000	對沖儲備 Hedging reserve 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零一四年十二月三十一日／ 二零一五年一月一日	As at 31 December 2014/ 1 January 2015	4,897,447	1,437,745	386,161	(2,707)	6,718,646
本年度溢利	Profit for the year	705,854	—	—	—	705,854
其他全面收益：	Other comprehensive income:					
可供出售證券的公平值變動	Change in fair value of available-for-sale securities					
— 未變現虧損淨額	— net unrealised losses	—	—	(111,566)	—	(111,566)
— 出售時變現	— realisation on disposal	—	—	(129,989)	—	(129,989)
— 稅項	— tax effect	—	—	39,927	—	39,927
現金流對沖	Cash flow hedges					
— 撥入收益表的公平值變動	— fair value changes transferred to income statement	—	—	—	3,242	3,242
— 稅項	— tax effect	—	—	—	(535)	(535)
本年度全面收益總額	Total comprehensive income for the year	705,854	—	(201,628)	2,707	506,933
由保留溢利轉撥已滿期風險 保費淨額的50%或75%至 風險儲備	Transfer of 50% or 75% of net risk premium earned from retained profits to contingency reserve	(221,244)	221,244	—	—	—
由風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	26,329	(26,329)	—	—	—
已付二零一四年股息	Dividends paid related to 2014	(350,000)	—	—	—	(350,000)
於二零一五年十二月三十一日	As at 31 December 2015	5,058,386	1,632,660	184,533	—	6,875,579

- * 由可供出售證券轉撥至持有至到期證券時未變現虧損，於收益表攤銷。
- * the amortisation of unrealised loss to income statement on available-for-sale securities transferred to held-to-maturity securities.
- # 為二零一零年及二零一一年時不再維持的現金流對沖時所帶來的累計虧損。自此之後，並沒有進行新的現金流對沖。
- # brought forward from cumulative loss then existing in hedging reserve when cash flow hedges were de-designated in 2010 and 2011. Since then, no new cash flow hedge has been conducted.

36. 董事於交易、安排和合約中的重大權益

截至二零一五年十二月三十一日本年度期間，本集團所有成員並沒有與本公司的業務存在或訂立任何重要的交易、安排和合約；當中任何人士為本公司董事或其關連公司（根據《公司條例》的定義）於本年度任何期間，並沒有於交易、安排和合約上直接或間接擁有重大利益。

37. 通過財務報表

董事局於二零一六年四月二十五日通過本財務報表。

36. Directors' material interests in transactions, arrangements and contracts

At no time during the year ended 31 December 2015, 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 in the year or a connected entity (as defined in the Companies Ordinance) of any such person, directly or indirectly, had a material interest.

37. Approval of financial statements

The financial statements were approved by the Board of Directors on 25 April 2016.

附註甲

Annex A

主要業務組合統計數字

Key Portfolio Statistics

		二零一五年 一月 Jan-15	二零一五年 二月 Feb-15	二零一五年 三月 Mar-15
購買資產	Asset Purchase			
核准賣方／管理供款機構數目	Number of Approved Sellers/Serviceers	34/32	34/32	34/32
活躍賣方數目	Number of Active Sellers	27	27	27
住宅按揭貸款數目	Number of Residential Mortgage Loans	19,667	19,249	18,716
未償還本金餘額 (百萬港元)	Outstanding Principal Balance (HK\$ million)	13,069	12,894	12,629
90日以上拖欠率 (%)	>90-Day Delinquency Ratio (%)	0.02	0.02	0.02
每月提前還款 (%)	Monthly Prepayment Rate (%)	0.99	0.71	1.50
加權平均數^{##}	Weighted Average^{##}			
批出貸款時的貸款額與物業價值比率 (%)	Loan-to-Value Ratio at Origination (%)	74.7	74.7	74.7
估計現有貸款額與物業價值比率 (%)	Estimated Current Loan-to-Value Ratio (%)	30.5	29.9	29.0
批出貸款時的債務對收入比率 (%)	Debt-to-Income Ratio at Origination (%)	34.9	34.9	34.9
合約剩餘年期 (月)	Remaining Contractual Term to Maturity (months)	206	204	205
已供款期 (月)	Seasoning (months)	73	74	75
合約年期 (月)	Contractual Life (months)	279	278	279
宗數	Number	518	514	505
未償還本金餘額 (百萬港元)	Outstanding Principal Balance (HK\$ million)	1,696	1,680	1,672
總宗數	Total Number	20,185	19,763	19,221
未償還本金餘額 (百萬港元)	Total Outstanding Principal Balance (HK\$ million)	14,765	14,574	14,301
按揭保險計劃	Mortgage Insurance Programme			
參與銀行數目	Number of Participating Banks	22	22	22
已批准申請	Applications Approved			
已批准申請數目	Number of Applications Approved	1,065	924	847
總金額 (百萬港元)	Total Amount (HK\$ million)	3,720	3,272	2,984
物業交易類型	Types of Property Transaction			
一手 (%)	Primary (%)	11	8	11
二手 (%)	Secondary (%)	89	92	89
已提取貸款	Loans Drawn Down			
已提取貸款數目	Number of Loans Drawn Down	374	309	538
總金額 (百萬港元)	Total Amount (HK\$ million)	1,250	1,055	1,880
物業交易類型	Types of Property Transaction			
一手 (%)	Primary (%)	3	11	7
二手 (%)	Secondary (%)	97	89	93
未到期證券金額 (票面值)	Outstanding Treasury Securities (in nominal value)			
債務工具發行計劃 (百萬港元)	Debt Issuance Programme (HK\$ million)	5,214	5,214	5,214
中期債券發行計劃 (百萬港元)	Medium Term Note Programme (HK\$ million)	30,951	31,910	33,047
零售債券 (百萬港元)	Retail Bonds (HK\$ million)	205	205	205

註：

^{##} 只包括由銀行購入的一按按揭貸款

Note:

^{##} Excluding mortgage loans with co-financing and special arrangements

二零一五年 四月 Apr-15	二零一五年 五月 May-15	二零一五年 六月 Jun-15	二零一五年 七月 Jul-15	二零一五年 八月 Aug-15	二零一五年 九月 Sep-15	二零一五年 十月 Oct-15	二零一五年 十一月 Nov-15	二零一五年 十二月 Dec-15
34/32 27	34/32 27	34/32 27	34/32 27	34/32 27	34/32 27	34/32 27	34/32 27	34/32 27
香港住宅按揭貸款 Hong Kong Residential Mortgage Loans								
18,196 12,391	17,728 12,177	17,260 11,973	16,820 11,746	16,586 11,754	16,212 11,560	15,864 11,355	15,553 11,180	15,260 11,032
0.02	0.05	0.03	0.02	0.02	0.02	0.02	0.01	0.02
1.29	1.07	0.98	1.26	1.07	1.01	1.18	0.86	0.67
74.7 28.8 34.9 204 76 280	74.7 28.7 35.0 203 77 280	74.8 28.3 35.0 202 77 279	74.7 27.5 35.1 202 78 280	74.8 27.5 35.1 201 80 281	74.7 27.3 35.0 200 80 280	74.8 27.9 35.0 200 81 281	74.8 28.2 35.0 200 82 282	74.8 29.2 35.0 199 83 282
香港非住宅按揭貸款和非按揭資產 Hong Kong Non-Residential Mortgage and Non-Mortgage Assets								
494 1,659	483 647	472 639	468 628	460 610	451 591	449 581	443 574	439 568
整體香港資產組合 Overall Hong Kong Portfolio								
18,690 14,050	18,211 12,824	17,732 12,612	17,288 12,374	17,046 12,364	16,663 12,151	16,313 11,936	15,996 11,754	15,699 11,600
二零一五年 四月 Apr-15	二零一五年 五月 May-15	二零一五年 六月 Jun-15	二零一五年 七月 Jul-15	二零一五年 八月 Aug-15	二零一五年 九月 Sep-15	二零一五年 十月 Oct-15	二零一五年 十一月 Nov-15	二零一五年 十二月 Dec-15
22	22	22	22	22	22	22	22	22
780 2,802	983 3,493	1,211 4,273	1,380 4,937	988 3,563	809 2,883	595 2,071	649 2,239	763 2,673
13 87	19 81	15 85	11 89	11 89	12 88	20 80	27 73	29 71
385 1,359	334 1,185	414 1,430	582 2,047	516 1,800	557 1,970	385 1,393	275 948	256 859
11 89	13 87	3 97	28 72	5 95	19 81	8 92	12 88	9 91
二零一五年 四月 Apr-15	二零一五年 五月 May-15	二零一五年 六月 Jun-15	二零一五年 七月 Jul-15	二零一五年 八月 Aug-15	二零一五年 九月 Sep-15	二零一五年 十月 Oct-15	二零一五年 十一月 Nov-15	二零一五年 十二月 Dec-15
5,214 32,400 205	5,214 30,265 205	5,214 30,403 205	5,114 29,157 205	5,114 27,874 205	5,044 27,256 205	4,994 26,945 205	4,994 27,498 205	4,694 28,164 205

Abbreviations used in this Report

80% SFGS	80% guarantee product under the SME Financing Guarantee Scheme
AI	Authorized Institutions
ALCO	Asset and Liability Committee
BHKMC	Bauhinia HKMC Limited 深圳經緯盈富融資擔保有限公司
BLRs	Best Lending Rates
CAR	Capital Adequacy Ratio
CC	Credit Committee
Code	Corporate Governance Code
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 Hong Kong Mortgage Corporation Limited
Financial Secretary	The Financial Secretary of the Government
FSI	The Financial Secretary Incorporated
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
HKMA	Hong Kong Monetary Authority
HKMC/Corporation/Company	The Hong Kong Mortgage Corporation Limited 香港按揭證券有限公司
HK SAR	Hong Kong Special Administrative Region
HMML	HKMC Mortgage Management Limited 香港按揭管理有限公司
HS	Hong Kong Housing Society
ISM	Information Security Manual
LTV	Loan-to-value
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
PLIS	Premium Loan Insurance Scheme
RBIP	Retail Bond Issuance Programme
RMP	Reverse Mortgage Programme
S&P	Standard & Poor's
SFGS	SME Financing Guarantee Scheme
SMEs	Small and medium enterprises
TAC	Transaction Approval Committee