交通銀行
BANK OF COMMUNICATIONS

Bank of Communications Co., Ltd. Hong Kong Branch

(A joint stock company incorporated in the People's Republic of China with limited liability)

REGULATORY DISCLOSURE STATEMENT

31 March 2026 (Unaudited)

CREATE SHARED VALUE

Bank of Communications Co., Ltd. Hong Kong Branch

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The following disclosures contained all disclosures required by the Banking (Disclosure) Rules and disclosure templates issued by the Hong Kong Monetary Authority ("HKMA").

I. Liquidity information

	31 Mar 2026 **HK$'000**	31 Dec 2025* HK$'000
Quarterly average liquidity coverage ratio ("LCR")	**220.51%**	225.41%
Total available stable funding	**166,760,060**	160,768,573
Total required stable funding	**139,329,806**	136,744,563
Net stable funding ratio ("NSFR")	**119.69%**	117.57%

* *Standard disclosure template (LIQ1) of comparative information can be found in the Regulatory Disclosures Section of our website www.bankcomm.com.hk.*

LIQ1: Liquidity Coverage Ratio – for category 1 institution

The Branch's LCR and HKD HQLA Level 1 LCR were above the regulatory requirement for the period.

The Branch's average LCR for the period ended 31 March 2026 was 220.51%, slightly decreased compared with last quarter.

Level 1 HQLA is the major component of the Branch's HQLA portfolio, which consists of balance with the HKMA, Exchange Fund Bills / Notes and unencumbered sovereign bonds. The Branch also holds a portion of Level 2 HQLA, which include corporate bonds with high credit rating. The main drivers of net cash outflows are wholesale funding and loans during the quarter. Deposit is the major funding source of the Branch, whereas other funding sources include certificates of deposit and medium term notes etc.

LCR net cash outflow arising from off-balance sheet derivatives and additional collateral provision are not material. The Branch's major liquidity profile is captured in the LCR calculation.

The Branch's HKD HQLA Level 1 LCR was above the regulatory requirement for the period. The Branch holds Level 1 HQLA denominated in foreign currencies (mainly CNY and USD) to cover respective LCR net cash outflow in foreign currency. The foreign currency LCR mismatch is bolstered mainly by our HKD-denominated HQLA through FX contracts. The Branch has established internal monitoring limit on LCR for foreign major currencies according to Supervisory Policy Manual LM-1 issued by the HKMA.

The Branch has established internal limit and management action trigger level on LCR and NSFR to ensure our liquidity risk is controlled at the level commensurate with our risk appetite. The Branch's daily liquidity management is governed by liquidity management requirement of the Head Office and there is considerable level of interaction between members of the parent group. The Branch submits liquidity management reports to the Head Office regularly and participates in the group liquidity stress test.

I. Liquidity information (Continued)

LIQ1: Liquidity Coverage Ratio – for category 1 institution (Continued)

2026 First quarter:

Number of data points used in calculating the average value of the LCR and related components set out in this template for the quarter ending on 31 Mar 2026: (73)		HK$'000	
Basis of disclosure: Hong Kong office		**Unweighted value** (average)	**Weighted value** (average)
A.	**HQLA**		
1.	Total HQLA		100,109,807
B.	**Cash Outflows**		
2.	Retail deposits and small business funding, of which:	1,319,271	116,042
3.	*Stable retail deposits and stable small business funding*	108,382	5,419
4.	*Less stable retail deposits and less stable small business funding*	1,001,566	100,157
4a.	*Retail term deposits and small business term funding*	209,323	10,466
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	103,054,736	69,135,924
6.	*Operational deposits*	3,349,956	803,820
7.	*Unsecured wholesale funding (other than small business funding) not covered in row 6*	93,948,377	62,575,701
8.	*Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period*	5,756,403	5,756,403
9.	Secured funding transactions (including securities swap transactions)		851,631
10.	Additional requirements, of which:	12,025,916	6,579,011
11.	*Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements*	6,394,931	5,321,528
12.	*Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions*	–	–
13.	*Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)*	5,630,985	1,257,483
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	11,017,878	11,017,878
15.	Other contingent funding obligations (whether contractual or non-contractual)	28,913,181	293,329
16.	**Total Cash Outflows**		87,993,815
C.	**Cash Inflows**		
17.	Secured lending transactions (including securities swap transactions)	–	–
18.	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	69,779,787	33,801,097
19.	Other cash inflows	27,300,583	7,763,501
20.	**Total Cash Inflows**	97,080,370	41,564,598
D.	**Liquidity Coverage Ratio**		**Adjusted value**
21.	**Total HQLA**		100,109,807
22.	**Total Net Cash Outflows**		46,429,217
23.	**LCR (%)**		220.51%