



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

30 June 2024 (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”). Within this document, Mainland China excludes Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), Macau Special Administrative Region of the People’s Republic of China and Taiwan.

SECTION A – BRANCH INFORMATION (HONG KONG OFFICES ONLY)

I. Profit and loss information

	30 Jun 2024 (6 months) HK\$'000	30 Jun 2023 (6 months) HK\$'000
Interest income	9,521,184	7,853,642
Interest expense	(6,353,881)	(5,550,165)
Net interest income	3,167,303	2,303,477
Commission and fees income	420,671	471,896
Commission and fees expenses	(18,825)	(15,547)
Net commission and fees income	401,846	456,349
Gains less losses arising from trading in foreign currencies	(658,076)	(24,078)
Gains less losses on securities held for trading purposes	10,804	(2,116)
Gains less losses from other trading activities	(263,181)	(221,617)
Others	73,249	21,116
Other operating gains less losses	(837,204)	(226,695)
	2,731,945	2,533,131
Operating expenses		
Staff and rental expenses	(617,721)	(711,355)
Other operating expenses	(281,991)	(272,613)
Write back of impairment allowances for loans and receivables	24,657	4,157
Write back / (charge) of other impairment allowances	24,346	(2,515)
Gains less losses from disposal of tangible fixed assets	(145)	(1)
Gains less losses from revaluation of investment properties	(1,300)	(120)
Profit before taxation	1,879,791	1,550,684
Income tax expense	(306,372)	(288,700)
Profit after taxation	1,573,419	1,261,984

II. Balance sheet information

	30 Jun 2024 HK\$'000	31 Dec 2023 HK\$'000
Assets		
Cash and balances with banks	21,274,749	14,359,470
Amount due from Exchange Fund repayable or callable within one month	1,611,511	471,411
Placements with banks with residual maturity between one and twelve months	20,000,556	11,032,720
Amount due from overseas offices	110,880,436	107,951,636
Trade bills	2,237,189	1,565,409
Certificates of deposit held	2,396,521	426,744
Securities held for trading purposes	6,278,575	4,336,617
Loans and receivables	127,531,088	144,672,501
Investment securities	103,335,030	99,461,224
Other investments	1,309,614	1,299,749
Property, plant and equipment and investment properties	681,220	713,594
Total assets	397,536,489	386,291,075
Liabilities		
Amount due to Exchange Fund	55,000	55,000
Deposits and balances from banks	31,409,456	48,004,389
Deposits from customers		
– Demand deposits and current accounts	4,315,339	4,348,681
– Saving deposits	33,058,182	25,640,727
– Time, call and notice deposits	69,159,706	71,654,213
Amount due to overseas offices	96,603,706	71,911,829
Certificates of deposit issued	44,526,116	39,335,570
Debt securities issued	34,457,237	42,415,678
Other liabilities	83,839,607	82,768,772
Provisions	112,140	156,216
Total liabilities	397,536,489	386,291,075

III. Additional balance sheet information

(i) Loans and receivables

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Loans and receivables		
Loans and advances to customers	85,083,258	100,372,697
Loans and advances to banks	–	–
Accrued interest and other accounts	44,606,473	46,498,000
	129,689,731	146,870,697
Less: Impairment allowances for impaired loans and receivables		
Stage 1 and Stage 2 provision for Expected Credit Loss (“ECL”)		
– for loans and advances to customers	(128,605)	(171,649)
– for loans and advances to banks	–	–
– for accrued interest and other accounts	(10,986)	(7,683)
Stage 3 provision for ECL		
– for loans and advances to customers	(2,005,589)	(2,005,479)
– for accrued interest and other accounts	(13,463)	(13,385)
	(2,158,643)	(2,198,196)
	127,531,088	144,672,501

No impairment allowance for loans and advances and other accounts was maintained at the Head Office as at 30 Jun 2024 and 31 Dec 2023.

(ii)(a) Impaired loans and advances

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Gross impaired loans and advances to customers	2,384,305	2,384,280
As percentage of total loans and advances to customers (%)	2.80	2.38
Stage 3 provision for ECL	2,005,589	2,005,479

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis.

III. Additional balance sheet information (Continued)

(ii)(b) Impaired loans and advances by geographical area

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Hong Kong	2,384,305	2,384,280

Impaired loans and advances to customers by geographical area are classified according to the location of counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances of a counterparty are guaranteed by a party located in an area that is different from that of the counterparty.

(ii)(c) Market value of collateral related to impaired loans and advances to customers

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Market value of collateral related to impaired loans and advances to customers	1,016,333	1,187,839

(iii) Trade bills

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Gross trade bills	2,258,693	1,583,760
Less: Impairment allowances		
Stage 1 and Stage 2 provision for ECL	(21,504)	(18,351)
Stage 3 provision for ECL	–	–
	(21,504)	(18,351)
	2,237,189	1,565,409

(iv) Investment securities

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Gross investment securities	103,335,527	99,461,719
Less: Impairment allowances		
Stage 1 and Stage 2 provision for ECL	(497)	(495)
Stage 3 provision for ECL	–	–
	103,335,030	99,461,224

No impairment allowances for investment securities were maintained at the Head Office as at 30 Jun 2024 and 31 Dec 2023.

III. Additional balance sheet information (Continued)

(v)(a) Analysis of gross amount of loans and advances to customers classified into the following industry categories

	30 Jun 2024 HK\$'000	% of secured loans and advances	31 Dec 2023 HK\$'000	% of secured loans and advances
Loans and advances for use in Hong Kong				
Industrial, commercial and financial:				
– Property development	11,608,120	24.26	11,569,212	39.15
– Property investment	2,781,932	100.00	1,923,636	47.08
– Financial concerns	23,744,359	–	28,218,368	–
– Stockbrokers	2,127,936	–	1,924,046	–
– Wholesale and retail trade	509,869	39.78	757,639	24.49
– Manufacturing	3,002,998	7.62	3,414,779	3.38
– Transport and transport equipment	5,447,080	78.88	6,838,521	44.56
– Recreational activities	–	–	–	–
– Information technology	–	–	–	–
– Others	15,859,794	5.53	15,515,976	5.57
Individuals:				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchases Scheme	–	–	–	–
– Loans for the purchase of other residential properties	–	–	–	–
– Credit card advances	–	–	–	–
– Others	–	–	–	–
Sub-total	65,082,088		70,162,177	
Trade finance	1,074,100	42.92	755,395	44.14
Loans and advances for use outside Hong Kong	18,927,070	15.21	29,455,125	14.37
Total	85,083,258	17.09	100,372,697	14.16

III. Additional balance sheet information (Continued)

(v)(b) Gross loans and advances to customers by geographical area

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
Hong Kong	74,739,961	81,761,052
Mainland China	6,776,654	7,686,823
Others	3,566,643	10,924,822
	85,083,258	100,372,697

The gross amount of loans and advances to customers by geographical segment is classified in accordance with the location of the counterparties after taking into account the transfer of risk. In general, a transfer of risk arises if the loans or advances of a customer are guaranteed by a party in a country which is different from that of the customer. Geographical segment, constituting 10% or more of the Branch's total amount of loans and advances to customers after taking into account any recognized risk transfer, are disclosed above.

(vi) International claims

The information on international claims are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. Geographical segments, constituting 10% or more of the Branch's total international claims after taking into account any recognized risk transfer, are disclosed below.

Equivalent in millions of HK\$	Bank	Official Sector	Non-bank financial institutions	Non-financial private sector	Total
As at 30 Jun 2024					
Developing Asia-Pacific	157,210	12,845	1,944	6,913	178,912
of which: Mainland China	154,967	10,547	1,944	6,913	174,371
Developed countries	18,707	7,478	13,772	6,538	46,495
Offshore centres	3,135	16,068	37,561	16,014	72,778
of which: Hong Kong	3,115	16,067	35,466	15,537	70,185
As at 31 Dec 2023					
Developing Asia-Pacific	147,983	11,109	2,199	7,279	168,570
of which: Mainland China	146,015	8,881	2,199	7,279	164,374
Developed countries	18,174	7,161	18,575	7,156	51,066
Offshore centres	270	17,354	37,118	19,590	74,332
of which: Hong Kong	256	17,354	34,371	19,224	71,205

III. Additional balance sheet information (Continued)

(vii)(a) Overdue loans and advances to customers

	30 Jun 2024	% of total loans and advances to customers	31 Dec 2023	% of total loans and advances to customers
	HK\$'000		HK\$'000	
Gross loans and advances to customers that have been overdue for periods of:				
More than 3 months but not more than 6 months	–	–	4,491	–
More than 6 months but not more than 1 year	4,518	0.01	–	–
More than 1 year	2,379,787	2.80	2,379,789	2.37
	2,384,305	2.81	2,384,280	2.37
			30 Jun 2024	31 Dec 2023
			HK\$'000	HK\$'000
Market value of collateral held against the secured overdue loans and advances			1,069,824	1,250,357
Secured overdue loans and advances			1,016,333	1,187,839
Unsecured overdue loans and advances			1,367,972	1,196,441
Stage 3 provision for ECL			2,005,589	2,005,479
Overdue loans and advances to customers by geographical area				
Hong Kong			2,384,305	2,384,280
			2,384,305	2,384,280

Collateral held with respect to overdue loans and advances to customers is mainly properties.

Overdue loans and advances to customers by geographical area are classified in according to the location of counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances of a counterparty are guaranteed by a party located in an area that is different from that of the counterparty.

There are no loans and advances to banks which are overdue for more than 3 months, nor are there any rescheduled loans and advances to banks.

(vii)(b) Overdue assets

There were no other overdue assets as at 30 Jun 2024 and 31 Dec 2023.

(vii)(c) Rescheduled loans

There were no rescheduled loans to customers net of overdue more than 3 months as at 30 Jun 2024 and 31 Dec 2023.

(vii)(d) Repossessed assets

There were no repossessed assets held as at 30 Jun 2024 and 31 Dec 2023.

III. Additional balance sheet information (Continued)

(viii) Non-bank Mainland exposures

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of Mainland Activities.

	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposures HK\$'000
As at 30 Jun 2024			
1. Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	50,552,986	2,594,306	53,147,292
2. Local governments, local government-owned entities and their subsidiaries and JVs	849,763	85,874	935,637
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,799,401	669,897	6,469,298
4. Other entities of central government not reported in item 1 above	110,154	216,455	326,609
5. Other entities of local governments not reported in item 2 above	–	–	–
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	738,536	–	738,536
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	–	–	–
Total	58,050,840	3,566,532	61,617,372
Total assets after provisions	397,424,349		
On-balance sheet exposures as percentage of total assets	14.61%		

III. Additional balance sheet information (Continued)

(viii) Non-bank Mainland exposures (Continued)

	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposures HK\$'000
As at 31 Dec 2023			
1. Central government, central government-owned entities and their subsidiaries and JVs	52,880,792	859,119	53,739,911
2. Local governments, local government-owned entities and their subsidiaries and JVs	1,174,317	2,909	1,177,226
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,826,701	592,937	8,419,638
4. Other entities of central government not reported in item 1 above	145,778	155,386	301,164
5. Other entities of local governments not reported in item 2 above	–	54,626	54,626
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	360,999	–	360,999
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	–	–	–
Total	<u>62,388,587</u>	<u>1,664,977</u>	<u>64,053,564</u>
Total assets after provisions	386,134,859		
On-balance sheet exposures as percentage of total assets	<u>16.16%</u>		

III. Additional balance sheet information (Continued)

(ix) Foreign currency exposures

The information concerning the foreign currency exposures of the Branch arising from trading and non-trading positions are disclosed below:

Equivalent in millions of HK\$	CNY	GOL	USD	Total
As at 30 Jun 2024				
Spot assets	25,521	–	256,688	282,209
Spot liabilities	(104,486)	–	(190,061)	(294,547)
Forward purchases	211,246	–	249,075	460,321
Forward sales	(133,232)	–	(312,208)	(445,440)
Net options position*	–	–	–	–
Net long (short) position	(951)	–	3,494	2,543
Net structural position	–	–	–	–
As at 31 Dec 2023				
Spot assets	27,955	–	–	27,955
Spot liabilities	(93,035)	–	–	(93,035)
Forward purchases	214,020	4,790	–	218,810
Forward sales	(147,636)	(4,479)	–	(152,115)
Net options position*	142	–	–	142
Net long (short) position	1,446	311	–	1,757
Net structural position	–	–	–	–

* Net options position is calculated based on the basis of the delta-weighted position of the options contracts.

Except for the above foreign currencies, we do not disclose other foreign currency exposures arising from trading and non-trading positions, which constitutes less than 10% of the total net position in all foreign currencies as above. There is no net structural position in any foreign currencies.

IV. Off-balance sheet exposures

(i) Contingent liabilities and commitments

	30 Jun 2024	31 Dec 2023
	HK\$'000	HK\$'000
	Contract	Contract
	amount	amount
Direct credit substitutes	1,590,903	1,562,101
Trade related contingencies	4,889,885	5,865,957
Others commitments	34,093,967	39,843,790
Others	–	780,985
	40,574,755	48,052,833

(ii) Derivatives

	Contract	Fair value	Fair value
	amount	assets	liabilities
	HK\$'000	HK\$'000	HK\$'000
As at 30 Jun 2024			
Exchange rate contracts			
(excluding forward foreign exchange contracts arising			
from swap deposit arrangements)	584,350,943	3,731,569	5,798,907
Interest rate contracts	589,958,471	24,882,868	22,537,124
Others	9,594,197	524,970	459,857
	1,183,903,611	29,139,407	28,795,888
As at 31 Dec 2023			
Exchange rate contracts			
(excluding forward foreign exchange contracts arising			
from swap deposit arrangements)	530,762,481	5,592,206	6,614,189
Interest rate contracts	619,669,991	24,789,523	23,625,957
Others	9,225,145	125,814	155,286
	1,159,657,617	30,507,543	30,395,432

The fair values of the derivatives do not take into account the effect of bilateral netting arrangements.

V. Liquidity information

	30 Jun 2024	30 Jun 2023*
Average liquidity coverage ratio ("LCR")		
– Second quarter	183.54%	156.89%
Average liquidity coverage ratio for the period	174.65%	158.63%
Net stable funding ratio ("NSFR")		
– First quarter end	117.15%	117.33%
– Second quarter end	117.33%	113.13%

* Standard disclosure templates (LIQ1 & LIQ2) of comparative information can be found in the Regulatory Disclosures Section of our website www.bankcomm.com.hk.

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 30 June 2024 was 174.65%. The Branch's NSFR for the first quarter and second quarter of year 2024 were 117.15% and 117.33% respectively.

In the second quarter of year 2024, the Branch's LCR increased as a result of decrease in loan.

In the second quarter end of year 2024, the Branch's NSFR increased as a result of decrease in loan.

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.

V. Liquidity information (Continued)

LIQ1: Liquidity Coverage Ratio – for category 1 institution

2024 Second 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 30 Jun 2024: (74)		HK\$'000	
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1.	Total HQLA		62,920,949
B. Cash Outflows			
2.	Retail deposits and small business funding, of which:	1,419,493	126,879
3.	<i>Stable retail deposits and stable small business funding</i>	85,321	4,266
4.	<i>Less stable retail deposits and less stable small business funding</i>	1,118,088	111,809
4a.	<i>Retail term deposits and small business term funding</i>	216,084	10,804
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	91,289,764	52,756,358
6.	<i>Operational deposits</i>	3,752,596	913,384
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	85,643,398	49,949,204
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	1,893,770	1,893,770
9.	Secured funding transactions (including securities swap transactions)		2,351,398
10.	Additional requirements, of which:	22,248,001	8,016,252
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	15,845,682	7,229,224
12.	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	–	–
13.	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	6,402,319	787,028
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	18,687,676	18,687,676
15.	Other contingent funding obligations (whether contractual or non-contractual)	38,831,128	301,989
16.	Total Cash Outflows		82,240,552
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	67,963,561	38,763,677
19.	Other cash inflows	27,388,095	7,843,515
20.	Total Cash Inflows	95,351,656	46,607,192
D. Liquidity Coverage Ratio		Adjusted value	
21.	Total HQLA		62,920,949
22.	Total Net Cash Outflows		35,685,343
23.	LCR (%)		183.54%

V. Liquidity information (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution

2024 Second quarter end:

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
A. Available stable funding (“ASF”) item						
1.	Capital:	–	–	–	–	–
2.	<i>Regulatory capital</i>	–	–	–	–	–
2a.	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3.	<i>Other capital instruments</i>	–	–	–	–	–
4.	Retail deposits and small business funding:	–	1,327,431	5,286	–	1,203,714
5.	<i>Stable deposits</i>	–	85,370	–	–	81,102
6.	<i>Less stable deposits</i>	–	1,242,061	5,286	–	1,122,612
7.	Wholesale funding:	–	179,183,211	45,441,320	10,610,522	81,238,681
8.	<i>Operational deposits</i>	–	3,967,767	–	–	1,983,884
9.	<i>Other wholesale funding</i>	–	175,215,444	45,441,320	10,610,522	79,254,797
10.	Liabilities with matching interdependent assets	–	–	–	–	–
11.	Other liabilities:	12,473,463	17,447,770	18,887,259	82,483,778	91,927,408
12.	<i>Net derivative liabilities</i>	10,090,680	–	–	–	–
13.	<i>All other funding and liabilities not included in the above categories</i>	2,382,783	17,447,770	18,887,259	82,483,778	91,927,408
14.	Total ASF	–	–	–	–	174,369,803
B. Required stable funding (“RSF”) item						
15.	Total HQLA for NSFR purposes	–	17,381,345	6,077,027	46,926,914	8,126,546
16.	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17.	Performing loans and securities:	27,327,906	156,612,722	10,759,863	88,930,763	130,462,322
18.	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	–	–	–	–
19.	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	10,870,650	145,472,544	5,560,620	27,899,839	63,371,681

V. Liquidity information (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2024 Second quarter end (Continued):

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
20.	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	16,457,256	7,495,317	3,726,584	21,872,960	38,191,634
21.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22.	<i>Performing residential mortgages, of which:</i>	–	43	–	11,624	9,902
23.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24.	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	3,644,818	1,472,659	39,146,340	28,889,105
25.	<i>Assets with matching interdependent liabilities</i>	–	–	–	–	–
26.	<i>Other assets:</i>	23,949,840	2,483,647	–	–	9,841,587
27.	<i>Physical traded commodities, including gold</i>	–	–	–	–	–
28.	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	8,073,299	–	–	–	6,862,304
29.	<i>Net derivative assets</i>	–	–	–	–	–
30.	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	14,139,484	–	–	–	706,974
31.	<i>All other assets not included in the above categories</i>	1,737,057	2,483,647	–	–	2,272,309
32.	<i>Off-balance sheet items</i>	–	2,170	–	40,572,585	185,971
33.	Total RSF					148,616,426
34.	Net Stable Funding Ratio (%)					117.33%

V. Liquidity information (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2024 First quarter end:

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
A. Available stable funding ("ASF") item						
1.	Capital:	–	–	–	–	–
2.	<i>Regulatory capital</i>	–	–	–	–	–
2a.	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3.	<i>Other capital instruments</i>	–	–	–	–	–
4.	Retail deposits and small business funding:	–	1,461,247	10,242	–	1,328,770
5.	<i>Stable deposits</i>	–	88,584	–	–	84,155
6.	<i>Less stable deposits</i>	–	1,372,663	10,242	–	1,244,615
7.	Wholesale funding:	–	161,539,984	51,470,626	10,604,944	89,687,642
8.	<i>Operational deposits</i>	–	3,101,377	–	–	1,550,689
9.	<i>Other wholesale funding</i>	–	158,438,607	51,470,626	10,604,944	88,136,953
10.	Liabilities with matching interdependent assets	–	–	–	–	–
11.	Other liabilities:	14,339,181	12,892,297	19,158,539	81,430,025	91,009,295
12.	<i>Net derivative liabilities</i>	12,836,563	–	–	–	–
13.	<i>All other funding and liabilities not included in the above categories</i>	1,502,618	12,892,297	19,158,539	81,430,025	91,009,295
14.	Total ASF	–	–	–	–	182,025,707
B. Required stable funding ("RSF") item						
15.	Total HQLA for NSFR purposes	–	13,083,503	5,171,528	47,133,720	8,911,162
16.	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17.	Performing loans and securities:	32,358,002	132,912,491	22,785,826	86,263,969	136,855,147
18.	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	–	–	–	–
19.	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	10,687,046	123,445,696	13,798,297	26,480,170	62,583,219

V. Liquidity information (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2024 First quarter end (Continued):

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
20.	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	21,670,956	7,056,179	6,648,617	24,061,720	45,725,173
21.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22.	<i>Performing residential mortgages, of which:</i>	–	44	–	11,880	10,120
23.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24.	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	2,410,572	2,338,912	35,710,199	28,536,635
25.	<i>Assets with matching interdependent liabilities</i>	–	–	–	–	–
26.	<i>Other assets:</i>	25,999,897	1,445,480	–	–	9,382,542
27.	<i>Physical traded commodities, including gold</i>	–	–	–	–	–
28.	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	7,952,265	–	–	–	6,759,425
29.	<i>Net derivative assets</i>	–	–	–	–	–
30.	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	16,241,827	–	–	–	812,091
31.	<i>All other assets not included in the above categories</i>	1,805,805	1,445,480	–	–	1,811,026
32.	<i>Off-balance sheet items</i>	–	6,963	16,818	45,372,890	233,165
33.	Total RSF	–	–	–	–	155,382,016
34.	Net Stable Funding Ratio (%)	–	–	–	–	117.15%

SECTION B – BANK INFORMATION (CONSOLIDATED BASIS)

I. Consolidated balance sheet items and financial ratios

	30 Jun 2024 CNY million (Unaudited)	31 Dec 2023 CNY million
Total loans and advances	8,066,326	7,772,060
Total customer deposits	8,650,116	8,551,215
Total assets	14,177,914	14,060,472
Total liabilities	13,058,623	12,961,022
Shareholders' equity	1,107,374	1,088,030
Capital adequacy ratio	16.34%	15.27%

The capital adequacy ratio above is calculated pursuant to the Administrative Measures for the Capital Management of Commercial Banks and relevant regulations by the National Financial Regulatory Administration, including all of the Group's domestic and overseas branches and subsidiaries of those financial institutions (excluding insurance companies).

	30 Jun 2024 (6 months) CNY million (Unaudited)	30 Jun 2023 (6 months) CNY million (Unaudited)
Pre-tax profit	47,678	49,674