

# REGULATORY DISCLOSURE STATEMENT

30 September 2022 (Unaudited)



CREATE SHARED VALUE  
創造共同價值



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

	<b>30 Sep 2022</b>	30 Jun 2022*
	<b>HK\$'000</b>	HK\$'000
Quarterly average liquidity coverage ratio (“LCR”)	<b>163.62%</b>	162.61%
Total available stable funding	<b>162,548,568</b>	180,371,190
Total required stable funding	<b>141,424,658</b>	155,993,602
Net stable funding ratio (“NSFR”)	<b>114.94%</b>	115.63%

\*Standard disclosure template (LIQ1) of comparative information can be found in the Regulatory Disclosures Section of our website [www.bankcomm.com.hk](http://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 first three quarters of year 2022 was 157.59%.

In the third quarter of year 2022, the Branch’s LCR increased compared with previous quarter as a result of decrease in customer loans and increase in certificate of deposits.

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 head office and there is considerable level of interaction between members of the parent group. The Branch submits liquidity management reports to head office regularly and participates in the group liquidity stress test.

## I. Liquidity information (Continued)

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

2022 Third 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 Sep 2022: (77)		HK\$'000	
		Unweighted value (average)	Weighted value (average)
Basis of disclosure: Hong Kong office			
<b>A. HQLA</b>			
1.	Total HQLA		63,306,231
<b>B. Cash Outflows</b>			
2.	Retail deposits and small business funding, of which:	1,858,459	169,742
3.	<i>Stable retail deposits and stable small business funding</i>	123,882	6,194
4.	<i>Less stable retail deposits and less stable small business funding</i>	1,536,376	153,638
4a.	<i>Retail term deposits and small business term funding</i>	198,201	9,910
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	125,742,850	74,233,843
6.	<i>Operational deposits</i>	6,677,564	1,634,970
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	116,499,723	70,033,310
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	2,565,563	2,565,563
9.	Secured funding transactions (including securities swap transactions)		2,256,036
10.	Additional requirements, of which:	24,870,679	6,973,818
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	9,505,064	4,592,686
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>	15,365,615	2,381,132
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	17,506,735	17,506,735
15.	Other contingent funding obligations (whether contractual or non-contractual)	61,203,576	837,002
16.	<b>Total Cash Outflows</b>		101,977,176
<b>C. Cash Inflows</b>			
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	91,189,308	54,377,635
19.	Other cash inflows	27,283,730	7,661,453
20.	<b>Total Cash Inflows</b>	118,473,038	62,039,088
<b>D. Liquidity Coverage Ratio</b>			<b>Adjusted value</b>
21.	<b>Total HQLA</b>		63,306,231
22.	<b>Total Net Cash Outflows</b>		40,158,936
23.	<b>LCR (%)</b>		163.62%