

JPMORGAN CHASE BANK, N.A.

HONG KONG BRANCH

**Key Financial Disclosure Statements
for the six months ended June 30, 2016**

JPMorgan Chase Bank, N.A., Hong Kong Branch

SECTION A: BRANCH INFORMATION

I. Unaudited Income Statement

(in millions of Hong Kong Dollars)

| | Period ended | | Period ended | |
|--|----------------|-------------|----------------|-------------|
| | Jun 30, 2016 | | Jun 30, 2015 | |
| Interest income | | 350 | | 450 |
| Interest expense | | (132) | | (136) |
| Other operating income | | | | |
| Gains less losses arising from trading in foreign currencies | | (121) | | 74 |
| Gains less losses on securities held for trading purposes | | 10 | | (21) |
| Gains less losses from other trading activities | | 203 | | 262 |
| Net fees and commission income | | | | |
| Gross fees and commission income | 3,167 | | 3,121 | |
| Gross fees and commission expenses | <u>(25)</u> | 3,142 | <u>(27)</u> | 3,094 |
| Others | | <u>-</u> | | <u>1</u> |
| Operating income | | 3,452 | | 3,724 |
| Operating expenses | | | | |
| Staff costs | (2,001) | | (1,999) | |
| Premises expenses | (285) | | (273) | |
| Equipment expenses | (203) | | (187) | |
| Travel & entertainment expenses | (59) | | (71) | |
| Others | <u>(1,021)</u> | (3,569) | <u>(1,005)</u> | (3,535) |
| Impairment allowances written back on loans and receivable | | - | | 5 |
| Gains less losses from disposal of fixed assets | | <u>15</u> | | <u>277</u> |
| (Loss)/profit before taxation | | (102) | | 471 |
| Taxation | | <u>9</u> | | <u>(75)</u> |
| (Loss)/profit after taxation | | <u>(93)</u> | | <u>396</u> |

JPMorgan Chase Bank, N.A., Hong Kong Branch

II. Unaudited Balance Sheet Information

(in millions of Hong Kong Dollars)

| Assets | As at Jun 30, 2016 | As at Dec 31, 2015 |
|---|---------------------------|---------------------------|
| Due from Exchange Fund | 2,790 | 4,166 |
| Cash and balances with banks | 7,061 | 4,161 |
| Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months | 1,447 | 1,629 |
| Amount due from overseas offices of the institution | 34,690 | 54,054 |
| Trade bills | 660 | 957 |
| Certificates of deposit held | 400 | 400 |
| Securities held for trading purposes | 3,816 | 776 |
| Loans and receivables | 53,506 | 80,082 |
| Investment securities | 6,201 | 6,131 |
| Other investments | 118 | 118 |
| Fixed assets | <u>728</u> | <u>743</u> |
| Total assets | <u>111,417</u> | <u>153,217</u> |
| Liabilities | | |
| Deposits and balances from banks | 9,980 | 8,877 |
| Deposits from customers | | |
| Demand deposits and current accounts | 33,309 | 33,943 |
| Time, call and notice deposits | 2,117 | 4,902 |
| Amount due to overseas offices of the institution | 20,708 | 36,001 |
| Other liabilities | <u>45,303</u> | <u>69,494</u> |
| Total liabilities | <u>111,417</u> | <u>153,217</u> |

JPMorgan Chase Bank, N.A., Hong Kong Branch

III. Additional Balance Sheet Information

(in millions of Hong Kong Dollar, except ratios)

(i) Loans and receivables

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|---|--------------------|--------------------|
| Loans and advances to customers | 8,682 | 10,454 |
| Loans and advances to banks | 481 | 868 |
| Accrued interest and other accounts | 1,634 | 1,944 |
| Derivatives receivables | 42,709 | 66,816 |
| Impairment allowances on loans and receivables (Note 1) | | |
| - Collectively assessed | - | - |
| - Individually assessed | - | - |
| | <u>53,506</u> | <u>80,082</u> |

Note 1: The impairment allowances on loans are made centrally in New York Head Office in accordance with the group policy and the portion related to loan exposures in JPMorgan Chase Bank, N.A., Hong Kong Branch ("the Branch") were HK\$287,082,000 as at June 30, 2016 (December 31, 2015: HK\$83,089,000).

Impairment Allowance Policy

JPMorgan Chase & Co.'s allowance for credit losses covers the wholesale and consumer loan portfolios and represents management's estimate of probable credit losses inherent in the JPMorgan Chase & Co's loan portfolio as of disclosure date. Management also computes an allowance for wholesale lending-related commitments using a methodology similar to that used for the wholesale loans.

(ii) Impaired loans and advances to customers

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|--|--------------------|--------------------|
| Gross impaired loans and advances to customers (Note 2) | | |
| Hong Kong | - | - |
| Total | <u>-</u> | <u>-</u> |
| Market value of collateral held against impaired loans and advances to customers | - | - |
| Percentage of such loans and advances to the total loans and advances to customers | 0.00% | 0.00% |

Note 2: Impaired loans and advances are individually assessed loans which exhibit objective evidence of impairment on an individual basis. There were no impaired loans and advances to banks and other financial institutions as at June 30, 2016 (December 31, 2015: Nil).

JPMorgan Chase Bank, N.A., Hong Kong Branch

III. Additional Balance Sheet Information (continued)

(in millions of Hong Kong Dollars, except ratios)

(iii) The breakdown of gross amount of loans and advances to customers by industry sectors

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|--|--------------------|--------------------|
| Loans and advances for use in Hong Kong | | |
| Industrial, commercial and financial | | |
| Manufacturing | 679 | 770 |
| Electricity and gas | - | 860 |
| Information technology | 1,293 | 296 |
| Wholesale and retail trade | 1,489 | 1,373 |
| Others | 5 | 7 |
| Trade finance | 2,660 | 2,956 |
| Loans and advances for use outside Hong Kong | <u>2,556</u> | <u>4,192</u> |
| | <u>8,682</u> | <u>10,454</u> |

Balance of loans and advances covered by collateral or other security as of June 30, 2016 was HK\$1,107,813,000 (December 31, 2015 was HK\$1,211,926,000).

(iv) Overdue loans and advances to customers, banks and other financial institutions

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|--|--------------------|--------------------|
| Overdue loans and advances to customer which have been overdue for: | | |
| Six months or less but over three months | - | - |
| One year or less but over six months | - | - |
| Over one year | - | - |
| Percentage of such loans and advances to the total loans and advances to customers | 0.00% | 0.00% |

There were no overdue loans to banks and other financial institutions as at June 30, 2016 (December 31, 2015: Nil).

There was no collateral held against overdue loans as at June 30, 2016 (December 31, 2015: Nil).

There were no overdue trade bills and debt securities at the Branch as at June 30, 2016 (December 31, 2015: Nil).

(v) There were no rescheduled loans and advances to customers, banks and financial institutions as at June 30, 2016 (December 31, 2015: Nil).

(vi) There were no repossessed assets held at the Branch as at June 30, 2016 (December 31, 2015: Nil).

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III. Additional Balance Sheet Information (continued)

(in millions of Hong Kong Dollars)

(vii) Gross amount of loans and advances to customers by country or geographical area

As at Jun 30, 2016

The following countries or areas have constituted 10% or more of the aggregate gross amount of loans and advances to customers:

| | |
|---------------|-------|
| Hong Kong | 3,895 |
| United States | 1,585 |
| Macau | 1,319 |
| China | 881 |

As at Dec 31, 2015

The following countries or areas have constituted 10% or more of the aggregate gross amount of loans and advances to customers:

| | |
|---------------|-------|
| Hong Kong | 5,872 |
| United States | 1,503 |
| Macau | 1,237 |

(viii) Other liabilities

As at Jun 30, 2016

As at Dec 31, 2015

| | | |
|-------------------------------------|---------------|---------------|
| Accrued expenses and other accounts | 2,863 | 3,204 |
| Derivatives payables | <u>42,440</u> | <u>66,290</u> |
| | <u>45,303</u> | <u>69,494</u> |

JPMorgan Chase Bank, N.A., Hong Kong Branch

IV. International claims

(in millions of Hong Kong Dollars)

| | Banks | Official sector | Non-bank private sector | | Others | Total |
|-----------------------------|--------|-----------------|---------------------------------|------------------------------|--------|--------|
| | | | Non-bank financial institutions | Non-financial private sector | | |
| As at Jun 30, 2016 | | | | | | |
| Developed countries | 35,492 | - | 8 | 2,422 | - | 37,922 |
| Developing Asia and Pacific | 3,155 | 4,032 | 116 | 1,780 | - | 9,083 |
| Offshore centers | 4,092 | 2 | 62 | 4,332 | 260 | 8,748 |
| As at Dec 31, 2015 | | | | | | |
| Developed countries | 54,437 | - | 6 | 1,725 | - | 56,168 |
| Offshore centers | 1,826 | 2 | 123 | 7,412 | 328 | 9,691 |

International claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account any risk transfer. The risk transfers have been made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. At geographical areas level, developed countries, developing Asia and Pacific and offshore centers (December 31, 2015: developed countries and offshore centers) constituted 10% or more of the international claims as at June 30, 2016.

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V. Non-Bank Mainland Exposures

(in millions of Hong Kong Dollars)

As at Jun 30, 2016

| Types of counterparties | On-balance sheet exposure | Off-balance sheet exposure | Total |
|---|------------------------------|-------------------------------|---------------|
| Central government, central government-owned entities and their subsidiaries and JVs | 5,356 | 12,516 | 17,872 |
| Local governments, local government-owned entities and their subsidiaries and JVs | 44 | 299 | 343 |
| PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 530 | 559 | 1,089 |
| Other entities of central governments | 111 | 466 | 577 |
| PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 1,196 | 878 | 2,074 |
| Other counterparties where the exposures are considered to be non-bank Mainland China exposures | 1,030 | 4,102 | 5,132 |
| Total | <u>8,267</u> | <u>18,820</u> | <u>27,087</u> |

As at Dec 31, 2015

| Types of counterparties | On-balance sheet exposure | Off-balance sheet exposure | Total |
|---|------------------------------|-------------------------------|---------------|
| Central government, central government-owned entities and their subsidiaries and JVs | 4,231 | 12,413 | 16,644 |
| Local governments, local government-owned entities and their subsidiaries and JVs | 25 | 377 | 402 |
| PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 782 | 151 | 933 |
| Other entities of central governments | 118 | 514 | 632 |
| Other entities of local governments | 357 | 167 | 524 |
| PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 1,418 | 1,050 | 2,468 |
| Other counterparties where the exposures are considered to be non-bank Mainland China exposures | 132 | 3,123 | 3,255 |
| Total | <u>7,063</u> | <u>17,795</u> | <u>24,858</u> |

There were no specific provisions as at June 30, 2016 (December 31, 2015: Nil).

The exposures to companies outside Mainland where the funds are for use in Mainland were mainly trade finance facilities and commercial loans.

Figures in the prior period have been updated to be in line with the latest return submission.

JPMorgan Chase Bank, N.A., Hong Kong Branch

VI. Currency Risk

(in millions of Hong Kong Dollars)

| As at Jun 30, 2016 | CNY | USD | THB | PHP | |
|---------------------------|--------------|--------------|----------------|----------------|--------------|
| Currency positions | | | | | |
| Spot assets | 30,877 | 38,436 | 313 | 53 | |
| Spot liabilities | (25,765) | (48,992) | (655) | (44) | |
| Forward purchases | 917,626 | 1,273,608 | 419 | 2,474 | |
| Forward sales | (918,538) | (1,262,404) | (2,251) | (3,158) | |
| Net options position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| Net long/(short) position | <u>4,200</u> | <u>648</u> | <u>(2,174)</u> | <u>(675)</u> | |
| | | | | | |
| As at Dec 31, 2015 | CNY | KRW | USD | THB | PHP |
| Currency positions | | | | | |
| Spot assets | 49,731 | 1,131 | 61,372 | 692 | 42 |
| Spot liabilities | (47,428) | (901) | (69,856) | (1,146) | (42) |
| Forward purchases | 974,145 | 9,473 | 1,306,255 | 1,073 | 2,003 |
| Forward sales | (973,271) | (8,330) | (1,300,166) | (2,704) | (2,686) |
| Net options position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net long/(short) position | <u>3,177</u> | <u>1,373</u> | <u>(2,395)</u> | <u>(2,085)</u> | <u>(683)</u> |

As at June 30, 2016, CNY, USD, THB and PHP (December 31, 2015: CNY, KRW, USD, THB and PHP) constitute 10% or more of the total net position in all foreign currencies. There were no foreign currency net structural positions as at June 30, 2016 (December 31, 2015: Nil).

Net options position is calculated on the basis of delta-weighted positions of all foreign exchange options contracts.

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VII. Off-Balance Sheet Exposures

(in millions of Hong Kong Dollars)

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|--|--------------------|--------------------|
| Contingent Liabilities and Commitments | | |
| Direct Credit Substitutes | 290 | 388 |
| Trade-related contingencies | 5,173 | 5,290 |
| Other commitments | 35,402 | 27,321 |
| Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward forward deposits placed, asset sales or other transactions with recourse) | 13,844 | 4,796 |
| Derivatives | | |
| Exchange rate contracts | 2,616,736 | 2,647,899 |
| Interest rate contracts | 1,890,079 | 1,825,052 |
| Others | 1,353 | 1,359 |

For contingent liabilities and commitments, the contract amounts represent the amount at risk should the contract be fully drawn upon and the client default.

The majority of residual maturity of forward forward deposit placed as at June 30, 2016 and December 31, 2015 was less than one year. For derivatives, the contract amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|--|--------------------|--------------------|
| Aggregate credit risk weighted amount of the off-balance sheet instruments | | |
| Exchange rate contracts | 31,784 | 40,747 |
| Interest rate contracts | 12,261 | 10,846 |
| Others | 17 | 31 |
| Fair value of the off-balance sheet instruments | | |
| Exchange rate contracts | 26,267 | 36,234 |
| Interest rate contracts | 16,433 | 30,576 |
| Others | 9 | 6 |

The contract amounts, fair values, and credit risk weighted amounts of the above derivatives are shown on a gross basis with no offsetting presentation due to bilateral netting agreements.

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VIII. Liquidity

| | Period ended Jun 30, 2016 | Period ended Jun 30, 2015 |
|-------------------------------------|--|--|
| Average liquidity maintenance ratio | 61.45% | 92.13% |

The Liquidity Maintenance Ratio (“LMR”) is computed in accordance with Section 97H of the Banking Ordinance. The average LMR is the six-month’s arithmetic mean of the Branch’s average LMR of each calendar month in accordance with the Banking (Liquidity) Rules.

IX. Disclosure on remuneration

(in thousands of US Dollars)

The Branch has complied with Part 3 (disclosure on remuneration) of CG-5 guideline issued by the Hong Kong Monetary Authority, below are the disclosures made pursuant to the requirements set out:

- (i) The design and implementation of the remuneration system

Please refer to the JPMorgan Chase proxy statement dated April 7, 2016 for details on the remuneration policy, including the Compensation Discussion and Analysis and the JPMorgan Chase Compensation practice and principles. The proxy statement is available from JPMorgan Chase public website.

- (ii) The quantitative information on remuneration for senior management and key personnel for the year ended December 31, 2015 and 2014 are as follows:

| | Senior Management | | Key Personnel | |
|--|--------------------------|---------------|----------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Fixed remuneration | | | | |
| Cash-based (non-deferred) | 2,998 | 3,615 | 4,035 | 4,599 |
| Variable remuneration | | | | |
| Cash-based (non-deferred) | 3,882 | 7,184 | 2,723 | 4,505 |
| Shares and share-linked instruments (deferred) | 2,156 | 7,088 | 1,466 | 2,962 |
| Outstanding Deferred Remuneration (Share-linked) | | | | |
| Vested | 2,912 | 2,979 | 4,829 | 2,583 |
| Unvested | <u>7,349</u> | <u>13,109</u> | <u>7,406</u> | <u>6,422</u> |
| Total | 10,261 | 16,088 | 12,235 | 9,005 |
| Deferred Remuneration (Share-linked) | | | | |
| Awarded | 2,586 | 6,769 | 1,935 | 2,223 |
| Paid out | 3,273 | 8,645 | 6,706 | 10,737 |
| Deferred remuneration and retained remuneration (Share-linked) | | | | |
| Total amount of outstanding exposed to ex post explicit and/or implicit adjustments | 10,261 | 16,088 | 12,235 | 9,004 |
| Total amount of reductions during the financial year due to ex post explicit adjustments | - | - | - | - |
| Total amount of reductions during the financial year due to ex post implicit adjustments | - | - | - | - |
| Number of beneficiaries | | | | |
| Fixed remuneration | 9 | 9 | 20 | 20 |
| Variable remuneration | 9 | 9 | 20 | 21 |

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IX. Disclosure on remuneration (continued)

(in thousands of US Dollars)

| | Senior Management and Key Personnel (Note 3) | |
|--|---|-------------|
| | 2015 | 2014 |
| Guaranteed bonus awarded | | |
| Number of guaranteed bonuses awarded | - | - |
| Total amount of guaranteed bonuses awarded | - | - |
| Number of beneficiaries of such payments | - | - |
| Sign-on awards made | | |
| Number of sign-on awards made | - | - |
| Total amount of sign-on awards made | - | - |
| Number of beneficiaries of such payments | - | - |
| Severance payments awarded and/or made | | |
| Number of severance payments awarded and/or made | 3 | - |
| Total amount of severance payments awarded and/or made | 377 | - |
| Number of beneficiaries of such payments/awards | 3 | - |
| Highest such award/payment to a single person | 143 | - |

Note 3: The categories of “severance payments made” and “severance payments awarded” during the financial year have been combined into one category and the disclosure for this category includes data for senior management and key personnel. The number of severance payments awarded and made and number of beneficiaries of such payments have not been disclosed as a precaution to avoid disclosing the identity of the individuals concerned.

JPMorgan Chase Bank, N.A., Hong Kong Branch

SECTION B: BANK INFORMATION (Consolidated Basis)

(in millions of US Dollars, except ratios)

The information set out below was based on the consolidated accounts of JPMorgan Chase & Co.

I. Capital and Capital Adequacy

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|---------------------------------|---------------------------|---------------------------|
| Capital adequacy ratio (Note 4) | 15.2% | 15.0% |
| Shareholders' funds | 252,423 | 245,617 |

Note 4: The capital adequacy ratio of JPMorgan Chase & Co. is calculated based on the US Federal Reserve Board Risk-Based Capital guidelines, which comply with the Capital Accord of the Basel Committee on Banking Supervision ("Basel").

II. Other financial information

| | As at Jun 30, 2016 | As at Dec 31, 2015 |
|---|---------------------------|---------------------------|
| Total assets | 2,466,096 | 2,351,698 |
| Total liabilities | 2,213,673 | 2,104,125 |
| Total loans and advances (net of allowance for loan losses) | 858,577 | 823,744 |
| Total customer deposits | 1,330,958 | 1,279,715 |

| | Six months ended | Six months ended |
|----------------|-------------------------|-------------------------|
| | Jun 30, 2016 | Jun 30, 2015 |
| Pre-tax profit | 16,918 | 16,601 |

Remarks: The press release results of JPMorgan Chase & Co. on July 14, 2016 have been used for disclosure purpose in this Section.

SECTION C: LIQUIDITY RISK

Liquidity risk

Liquidity risk is the risk that JPMorgan Chase & Co (“Firm”), including the JPMCB, N.A., Hong Kong Branch (“the Branch”), will be unable to meet its contractual and contingent obligations or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets.

Liquidity Risk Oversight

The Firm has a liquidity risk oversight function whose primary objective is to provide assessment, measurement, monitoring, and control of liquidity risk across the Firm including the Branch. Liquidity risk oversight is managed through a dedicated firmwide Liquidity Risk Oversight group. The Chief Investment Office, Treasury and Corporate Chief Risk Officer (“CTC CRO”), as part of the independent risk management function, has responsibility for firmwide Liquidity Risk Oversight. Liquidity Risk Oversight’s responsibilities include but are not limited to:

- Establishing and monitoring limits, indicators, and thresholds, including liquidity appetite tolerances;
- Defining, monitoring, and reporting internal firmwide and legal entity stress tests, and monitoring and reporting regulatory defined stress testing;
- Monitoring and reporting liquidity positions, balance sheet variances and funding activities;
- Conducting ad hoc analysis to identify potential emerging liquidity risks.

Risk Governance and Measurement

Specific committees responsible for liquidity governance include firmwide Asset-Liability Committee (“ALCO”) as well as lines of business and regional ALCOs, and the Chief Investment Office, Treasury and Corporate (“CTC”) Risk Committee.

The Firmwide ALCO, chaired by the Corporate Treasurer under the direction of the Chief Operating Officer, monitors the Firm’s balance sheet, liquidity risk and structural interest rate risk. ALCO is responsible for reviewing and approving the Firm’s Funds Transfer Pricing Policy (through which lines of business “transfer” interest rate risk to Treasury). ALCO is also responsible for reviewing the Firm’s Liquidity Risk Oversight Policy and Contingency Funding Plan.

Risk oversight is managed through a dedicated Risk group reporting into the CTC CRO. The CTC Risk Committee (“CTC RC”) is the governing committee for Liquidity Risk Oversight.

The Hong Kong Risk, Asset & Liability Committee (“HK RALCO”) is the Branch’s governance committee with oversight over liquidity risk management for the Branch. The HK RALCO is co-chaired by the Hong Kong Legal Entity Chief Risk Officer and the Hong Kong Senior Financial Officer with representatives from Treasury, Finance, Legal, Compliance and other risk management functions including Liquidity Risk Oversight, as well as from all lines of business. The HK RALCO is responsible for reviewing the firmwide Liquidity Risk Oversight Policy (“Liquidity Policy”) and the country addendum to the firmwide Contingency Funding Plan (“CFP”) on an annual basis.

SECTION C: LIQUIDITY RISK (Continued)

Internal Stress Testing

Liquidity stress tests are intended to ensure sufficient liquidity for the Branch under a variety of adverse scenarios. Results of stress tests are therefore considered in the formulation of the Branch's funding plan and assessment of its liquidity position. Liquidity outflow assumptions are modeled across a range of time horizons and contemplate both market and idiosyncratic stress. Standard stress tests are performed on a regular basis and ad hoc stress tests are performed in response to specific market events or concerns.

Liquidity stress tests assume the Branch's contractual obligations are met and then take into consideration varying levels of access to unsecured and secured funding markets. Additionally, assumptions with respect to potential non-contractual and contingent outflows are contemplated.

Liquidity management

Treasury is responsible for liquidity management. The primary objectives of effective liquidity management are to ensure that the Firm's core businesses are able to operate in support of client needs, meet contractual and contingent obligations through normal economic cycles as well as during stress events, and to manage optimal funding mix and availability of liquidity sources. The Firm manages liquidity and funding using a centralized, global approach in order to optimize liquidity sources and uses.

Treasury is responsible for day to day liquidity management of the Branch and for ensuring compliance with Hong Kong Monetary Authority regulations. The team is responsible for, but not limited to;

- Analyzing and understanding the liquidity characteristics of the lines of business and the Branch's assets and liabilities, taking into account legal, regulatory and operational restrictions;
- Defining and monitoring the Branch's liquidity strategies, policies, guidelines, and country addendum to firmwide CFP;
- Managing liquidity within regulatory requirements and internal limits and indicators;
- Setting transfer pricing in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

Contingency Funding Plan

The Firm's CFP, which is reviewed by firmwide ALCO and approved by the Directors Risk Policy Committee ("DRPC"), is a compilation of procedures and action plans for managing liquidity through stress events (including the Branch). The Branch is an integral part of the Firmwide CFP framework. The Firmwide CFP incorporates the limits and indicators set by the Liquidity Risk Oversight group. These limits and indicators are reviewed regularly to identify the emergence of risks or vulnerabilities in the Firm's liquidity positions. The CFP identifies the alternative contingent liquidity resources available to the Firm (including the Branch) in a stress event.

Treasury maintains a country addendum to the Firmwide CFP, which is reviewed and approved by the HK RALCO. As part of the CFP process, a list of country limits and indicators (both market and internal) set by the Liquidity Risk Oversight group are reviewed regularly, to identify the emergence of increased risks or vulnerabilities in the Branch's liquidity position.