

China Development Bank– Hong Kong Branch

2021 Annual Results Disclosure Statement

This is the Annual Results Disclosure Statement issued by the Bank for the year ended 31 December 2021. The information stated is not audited. It contains all the disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual:- Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority. This statement is readily accessible at our office located at 32/F, One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong and our Head Office website (www.cdb.com.cn/xwzx/xxgg/qtgg/).

China Development Bank - Hong Kong Branch
Annual Report for the year ended 31 December 2021

Amount expressed in thousand HKD, unless otherwise stated

I. Income Statement

| | For period 1 January 2021 - 31 December 2021 | For period 1 January 2020 - 31 December 2020 |
|---|--|--|
| Interest income | 3,526,026 | 7,889,505 |
| Interest expense | (2,401,076) | (6,258,315) |
| Other operating income | | |
| - Gains less losses arising from trading in foreign currencies | 28,213 | 75,631 |
| - Gains less losses on securities measured at fair value through profit or loss | - | - |
| - Net fees and commission income | 77,340 | 116,746 |
| - <i>Fees and commission income</i> | 86,298 | 134,025 |
| - <i>Fees and commission expenses</i> | (8,958) | (17,279) |
| - Others | (57,808) | 154,352 |
| Total operating income | <u>1,172,695</u> | <u>1,977,919</u> |
| Operating expenses | | |
| - Rental expenses | (76,678) | (69,690) |
| - Staff expenses | (153,237) | (166,314) |
| - Net reversal for debt provision | 1,351,444 | 586,711 |
| - Other operating expenses | (43,548) | (60,039) |
| Total operating expenses | <u>1,077,981</u> | <u>290,668</u> |
| Profit before taxation | 2,250,676 | 2,268,587 |
| Taxation | (4,171) | 229,650 |
| Profit after taxation | <u>2,246,505</u> | <u>2,498,237</u> |
| Other comprehensive expenses | | |
| - Debt instruments at fair value through other comprehensive income reserve | (55,714) | (21,859) |
| Total comprehensive income for the year | <u>2,190,791</u> | <u>2,476,378</u> |

China Development Bank - Hong Kong Branch

Amount expressed in thousand HKD, unless otherwise stated

II. Balance Sheet

| | As at 31 December 2021 | As at 30 June 2021 |
|---|---------------------------|-----------------------|
| Assets | | |
| Cash and balances with banks | 58,515,873 | 44,587,519 |
| Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months | 882,983 | 6,335,724 |
| Due from Exchange Fund | 6,058 | 10,006,318 |
| Amount due from overseas offices | 37,340 | 38,161 |
| Loans and receivables and other accounts | 183,534,651 | 194,056,729 |
| Derivative financial instruments | 1,618,738 | 1,833,908 |
| Certificates of deposit held | 30,094,026 | 50,921,424 |
| Investment securities | 9,802,705 | 10,708,678 |
| Property, plant and equipment and investment properties | 312,737 | 344,961 |
| Total assets | <u>284,805,111</u> | <u>318,833,422</u> |
| Equity and liabilities | | |
| Deposits and balances from banks | 32,440,856 | 55,691,231 |
| Deposits from customers | 39,332,233 | 32,195,714 |
| - Demand deposits and current accounts | - | - |
| - Savings deposits | 22,768,727 | 18,278,031 |
| - Time, call and notice deposits | 16,563,506 | 13,917,683 |
| Amount due to overseas offices | 10,301,473 | 21,794,630 |
| Certificates of deposit issued | 124,510,983 | 120,568,097 |
| Issued debt securities | 75,269,965 | 86,531,446 |
| Derivative financial instruments | 259,814 | 275,950 |
| Other liabilities | 412,507 | 440,946 |
| Total liabilities | <u>282,527,831</u> | <u>317,498,014</u> |
| Reserves | 2,277,280 | 1,335,408 |
| Total Equity and Liabilities | <u>284,805,111</u> | <u>318,833,422</u> |

Amount expressed in thousand HKD, unless otherwise stated

III. Remuneration of Senior Management and Key Personnel

The remuneration policy and package are approved by Headquarter. They are applicable to China Development Bank Hong Kong Branch.

In determining remuneration policy, the Human Resources Department of the Headquarter will take into account the business objective, people strategy, short-term and long-term performance, business and economic environment conditions, market practices and risk management needs, in order to ensure the remuneration aligns with business and individual performances, promotes effective risk management, facilitates retention of quality personnel and is competitive in the market.

The following factors are considered when determining the remuneration packages of Senior Management and Key Personnel:

- business needs;
- general economic situation;
- market compensation competitiveness;
- individual contribution to the business;
- retention consideration and individual potential.

In this financial year of 2021, the Human Resources Department of the Headquarter has discussed and reviewed the Bank remuneration periodically. The remuneration policy has been reviewed and there is no change made to the policy.

Aggregate quantitative information on the remuneration for the Branch's senior management and key personnel is set out below:

(i) Amount of remuneration for the financial year 2021 and 2020, split into fixed and variable remuneration, and number of beneficiaries:

As at 31 December 2021

| | Senior Management | Key Personnel |
|-----------------------------|-------------------|---------------|
| Number of beneficiaries | 5 | 26 |
| Total fixed remuneration | 4,550 | 24,088 |
| Total variable remuneration | 2,638 | 6,828 |
| Of which: Deferred | 789 | 2,025 |
| Of which: Non-Deferred | 1,849 | 4,803 |

As at 31 December 2020

| | Senior Management | Key Personnel |
|-----------------------------|-------------------|---------------|
| Number of beneficiaries | 5 | 19 |
| Total fixed remuneration | 4,556 | 18,103 |
| Total variable remuneration | 3,899 | 6,798 |
| Of which: Deferred | 887 | 1,775 |
| Of which: Non-Deferred | 3,013 | 5,023 |

Senior management: The senior executives, including the Branch Chief Executive, the Branch Alternate Chief Executives, who are designated by the Bank and responsible for oversight the branch-wide business and strategy.

Key personnel: The employees, including heads of functional departments and risk control, whose individual business activities involve the assumption of material risk which may be significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the profit.

(ii) Deferred remuneration

| | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Vested | 2,814 | 2,662 |
| Unvested | - | - |
| | <u>2,814</u> | <u>2,662</u> |
| As at 1 January | 2,662 | - |
| Awarded | 2,814 | 2,662 |
| Paid out | (1,698) | - |
| Reduced through performance adjustments | - | - |
| As at the end of reporting period total outstanding deferred remuneration | <u>3,778</u> | <u>2,662</u> |

(iii) According to the existing remuneration policy, both fixed and variable remuneration are paid in cash.

(iv) According to the existing remuneration policy, the Branch has implemented a deferral mechanism on performance bonus with a vesting period of three years. Apart from considering the Branch's business performance, if a staff is found to have committed significant operational incidents, non-compliance, or other serious incidents, the Branch may recalculate the variable remuneration and / or adjust the deferred variable remuneration of the staff.

(v) In relation to the risk management area, we have effective individual performance management system and all staff are required to complete the annual performance review. The assessment factors are not only based on the contribution to business results but also other management factors of the staff.

(vi) No senior management or key personnel has been awarded with new sign-on or severance payment during the financial year 2021.

Amount expressed in thousand HKD, unless otherwise stated

IV. Additional Balance Sheet Information

| | As at 31 December 2021 | As at 30 June 2021 |
|---|---------------------------|-----------------------|
| (i) Loans and receivables and other accounts | | |
| - loans and advances to customers | 173,493,176 | 179,790,354 |
| - loans and advances to banks | 21,528,427 | 24,815,123 |
| - accrued interest and other accounts | 405,618 | 1,900,213 |
| Less: Impairment allowances | | |
| - stage 1 | (4,037,647) | (4,159,003) |
| - stage 2 | (413,954) | (1,130,314) |
| - stage 3 | (7,440,969) | (7,159,644) |
| | <u>183,534,651</u> | <u>194,056,729</u> |
| (ii) Impaired loans and advances to customers: | | |
| - Loans and advances | 5,311,213 | 5,287,872 |
| - Impairment allowances | (4,176,248) | (3,951,736) |
| - Collateral value | 46,174 | 45,302 |
| - Percentage to total loans and advances to customers | 3.06% | 2.94% |
| (iii) Impaired loans and advances to banks: | | |
| - Loans and advances | 13,058,884 | 12,831,631 |
| - Impairment allowances | (3,264,721) | (3,207,908) |
| - Collateral value | - | - |
| - Percentage to total loans and advances to banks | 60.66% | 51.71% |
| (iv) Analysis of gross amount of loans and advances to customers: | | |

| By industry categories: | As at 31 December 2021 | | As at 30 June 2021 | |
|--|---------------------------|--------------------------|------------------------|--------------------------|
| | Outstanding Balance | Covered by Collateral | Outstanding Balance | Covered by Collateral |
| <i>Loans and advances for use in Hong Kong</i> | | | | |
| <i>Industrial, commercial and financial sectors:</i> | | | | |
| - Property development | 4,952,039 | - | 5,167,278 | - |
| - Property investment | - | - | - | - |
| - Financial concerns | 58,924,886 | - | 53,715,286 | 4,887,711 |
| - Wholesale and retail trade | 6,373,199 | 68,791 | 4,890,129 | 67,884 |
| - Manufacturing | 5,810 | - | - | - |
| - Transport and transport equipment | 17,367,048 | 5,360,763 | 19,119,139 | 8,444,349 |
| - Stockbrokers | 66,679 | - | 782,101 | - |
| - Information technology | 1,404,193 | - | 1,397,971 | - |
| - Others | 14,299,275 | 124,283 | 16,762,524 | 424,283 |
| <i>Trade finance</i> | - | - | - | - |
| <i>Loans and advances for use outside Hong Kong</i> | 70,100,047 | 11,178,346 | 77,955,926 | 13,106,315 |
| Total | <u>173,493,176</u> | <u>16,732,183</u> | <u>179,790,354</u> | <u>26,930,542</u> |

By geographical areas:

The gross amount of loans and advances to customers by countries or geographical segment is 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. A country or geographical segment, to which not less than 10% of the Branch's total amount of loans and advances to customers are attributable after taking into account any recognised risk transfer, is disclosed at below:

| | As at 31 December 2021 | As at 30 June 2021 |
|-----------------|---------------------------|-----------------------|
| China | 75,728,510 | 92,957,408 |
| Hong Kong | 95,333,090 | 85,620,617 |
| Other countries | 2,431,576 | 1,212,329 |
| | <u>173,493,176</u> | <u>179,790,354</u> |

Amount expressed in thousand HKD, unless otherwise stated

IV. Additional Balance Sheet Information (cont'd)

(v) Impaired loans by geographical areas

| | As at 31 December 2021 | | As at 30 June 2021 | |
|----------------------------------|------------------------|-----------------------|--------------------|-----------------------|
| | Gross amount | Impairment allowances | Gross amount | Impairment allowances |
| Loans and advances to customers: | | | | |
| China | 3,326,605 | (2,225,865) | 3,311,985 | (2,052,158) |
| Hong Kong | 1,984,608 | (1,950,383) | 1,975,887 | (1,899,578) |
| | <u>5,311,213</u> | <u>(4,176,248)</u> | <u>5,287,872</u> | <u>(3,951,736)</u> |
| Loans and advances to banks: | | | | |
| Venezuela | 13,058,884 | (3,264,721) | 12,831,631 | (3,207,908) |

(vi) Overdue or rescheduled assets

| | As at 31 December 2021 | | As at 30 June 2021 | |
|--|------------------------|--|--------------------|--|
| | Gross amount | % to total loans and advances to customers | Gross amount | % to total loans and advances to customers |
| (a) Loans and advances to customers: | | | | |
| Overdue more than 1 month but not more than 3 months | - | - | 528,306 | 0.29% |
| Overdue more than 3 months but not more than 6 months | - | - | - | - |
| Overdue more than 6 months but not more than 1 year | - | - | - | - |
| Overdue more than 1 year | 5,311,213 | 3.06% | 5,287,872 | 2.94% |
| Total | <u>5,311,213</u> | <u>3.06%</u> | <u>5,816,178</u> | <u>3.23%</u> |
| Collateral value: | | | | |
| Market value of collateral held against overdue loans and advances | 46,174 | | 1,078,626 | |
| Secured portion of overdue loans and advances | 46,174 | | 573,608 | |
| Unsecured portion of overdue loans and advances | 5,265,039 | | 5,242,570 | |
| By geographical areas: | | | | |
| China | 3,326,605 | | 3,840,291 | |
| Hong Kong | 1,984,608 | | 1,975,887 | |
| | <u>5,311,213</u> | | <u>5,816,178</u> | |
| Impairment allowances | <u>(4,176,248)</u> | | <u>(4,024,299)</u> | |

| | As at 31 December 2021 | | As at 30 June 2021 | |
|--|------------------------|--|--------------------|--|
| | Gross amount | % to total loans and advances to banks | Gross amount | % to total loans and advances to banks |
| (b) Loans and advances to banks: | | | | |
| Overdue more than 1 month but not more than 3 months | - | - | - | - |
| Overdue more than 3 months but not more than 6 months | - | - | - | - |
| Overdue more than 6 months but not more than 1 year | - | - | 12,831,631 | 51.71% |
| Overdue more than 1 year | 13,058,884 | 60.66% | - | - |
| Total | <u>13,058,884</u> | <u>60.66%</u> | <u>12,831,631</u> | <u>51.71%</u> |
| Collateral value: | | | | |
| Market value of collateral held against overdue loans and advances | - | | - | |
| Secured portion of overdue loans and advances | - | | - | |
| Unsecured portion of overdue loans and advances | 13,058,884 | | 12,831,631 | |
| By geographical areas: | | | | |
| Venezuela | <u>13,058,884</u> | | <u>12,831,631</u> | |
| Impairment allowances | <u>(3,264,721)</u> | | <u>(3,207,908)</u> | |

(vii) Rescheduled assets

As at 31 December 2021 and 30 June 2021, there were no rescheduled assets.

Amount expressed in thousand HKD, unless otherwise stated

V. International Claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognised risk transfer. In general, such transfer of risk takes place 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. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

| | Banks | Official Sector | Non-bank private sector | | Others | Total |
|--|---------|-----------------|-------------------------|------------------------------|--------|---------|
| | | | financial institutions | Non-financial private sector | | |
| HK\$ million eqvi. | | | | | | |
| As at 31 December 2021 | | | | | | |
| Developed countries | 12 | - | - | - | - | 12 |
| Offshore centres | 36,526 | - | 9,772 | 63,123 | - | 109,421 |
| - of which: Hong Kong | 36,329 | - | 8,368 | 62,408 | - | 107,105 |
| Developing Latin America and Caribbean | 13,485 | - | - | - | - | 13,485 |
| Developing Africa and Middle East | 2,772 | 313 | - | - | - | 3,085 |
| Developing Asia and Pacific | 60,964 | - | 1,565 | 74,177 | - | 136,706 |
| - of which: China | 56,668 | - | 1,565 | 74,177 | - | 132,410 |
| Total | 113,759 | 313 | 11,337 | 137,300 | - | 262,709 |
| As at 30 June 2021 | | | | | | |
| Developed countries | 7 | - | - | - | - | 7 |
| Offshore centres | 4,154 | - | 7,922 | 52,107 | - | 64,183 |
| - of which: Hong Kong | 3,569 | - | 7,922 | 51,874 | - | 63,365 |
| Developing Latin America and Caribbean | 13,257 | - | - | - | - | 13,257 |
| Developing Africa and Middle East | 4,914 | 933 | - | - | - | 5,847 |
| Developing Asia and Pacific | 112,913 | - | 3,755 | 89,248 | - | 205,916 |
| - of which: China | 107,632 | - | 3,755 | 89,202 | - | 200,589 |
| Total | 135,245 | 933 | 11,677 | 141,355 | - | 289,210 |

VI. Currency Risk

Foreign currency exposures other than reporting currency

| | As at 31 December 2021 | | | | | |
|-------------------------------|------------------------|---------|----------|----------|--------|-----------|
| | USD | GBP | EUR | CNY | Others | Total |
| | HK\$ million eqvi. | | | | | |
| Spot assets | 211,871 | 2,073 | 14,514 | 19,031 | 17 | 247,506 |
| Spot liabilities | (197,101) | (1,830) | (13,916) | (19,409) | - | (232,256) |
| Forward purchases | 6,703 | - | - | 820 | - | 7,523 |
| Forward sales | (12,295) | - | - | (3,386) | - | (15,681) |
| Net option position | - | - | - | - | - | - |
| Net long (net short) position | 9,178 | 243 | 598 | (2,944) | 17 | 7,092 |
| Net structural position | - | - | - | - | - | - |
| | As at 30 June 2021 | | | | | |
| | USD | GBP | EUR | CNY | Others | Total |
| | HK\$ million eqvi. | | | | | |
| Spot assets | 237,307 | 2,198 | 12,792 | 21,010 | 21 | 273,328 |
| Spot liabilities | (216,975) | (1,852) | (17,912) | (22,005) | - | (258,744) |
| Forward purchases | 9,331 | - | 5,720 | 1,647 | - | 16,698 |
| Forward sales | (20,762) | (107) | - | (3,327) | - | (24,196) |
| Net option position | - | - | - | - | - | - |
| Net long (net short) position | 8,901 | 239 | 600 | (2,675) | 21 | 7,086 |
| Net structural position | - | - | - | - | - | - |

Amount expressed in thousand HKD, unless otherwise stated

VII. Non-Bank Mainland Exposures

| | On-balance sheet exposure | Off-balance sheet exposure | Total |
|---|---------------------------|----------------------------|----------------|
| | HK\$ million eqvi. | | |
| As at 31 December 2021 | | | |
| (a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 124,142 | 21,817 | 145,959 |
| (b) Local governments, local government-owned entities and their subsidiaries and JVs | 17,903 | 1,506 | 19,409 |
| (c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 11,880 | 2,323 | 14,203 |
| (d) Other entities of central government not reported in item (a) | 2,795 | - | 2,795 |
| (e) Other entities of local governments not reported in item (b) | - | - | - |
| (f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 297 | - | 297 |
| (g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | - | - | - |
| Total | 157,017 | 25,646 | 182,663 |
| Total assets after provision | 284,928 | | |
| On-balance sheet exposures as percentage of total assets | 55.11% | | |
| | On-balance sheet exposure | Off-balance sheet exposure | Total |
| | HK\$ million eqvi. | | |
| As at 30 June 2021 | | | |
| (a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 115,339 | 15,800 | 131,139 |
| (b) Local governments, local government-owned entities and their subsidiaries and JVs | 21,054 | 817 | 21,871 |
| (c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 16,608 | 2,009 | 18,617 |
| (d) Other entities of central government not reported in item (a) | 2,408 | - | 2,408 |
| (e) Other entities of local governments not reported in item (b) | 700 | - | 700 |
| (f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 1,935 | - | 1,935 |
| (g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | - | - | - |
| Total | 158,044 | 18,626 | 176,670 |
| Total assets after provision | 318,923 | | |
| On-balance sheet exposures as percentage of total assets | 49.56% | | |

Amount expressed in thousand HKD, unless otherwise stated

VIII. Off-balance Sheet Exposures (other than derivative transactions)

| | As at 31 December 2021 | As at 30 June 2021 |
|--|---------------------------|--------------------------|
| Contractual or notional amounts of other commitments | | |
| Direct credit substitutes | 7,798,068 | 7,763,797 |
| Trade-related contingencies | - | - |
| Other commitments | <u>31,807,242</u> | <u>26,383,398</u> |
| | <u><u>39,605,310</u></u> | <u><u>34,147,195</u></u> |

IX. Derivative Transactions

| | As at 31 December 2021 | As at 30 June 2021 |
|--|---------------------------|--------------------------|
| <i>Total contractual or notional amounts</i> | | |
| Exchange rate-related derivative contracts | 18,788,394 | 29,933,508 |
| Interest rate derivative contracts | <u>11,855,529</u> | <u>12,238,812</u> |
| | <u><u>30,643,923</u></u> | <u><u>42,172,320</u></u> |
| <i>Total fair value asset</i> | | |
| Exchange rate-related derivative contracts | 28,760 | 12,856 |
| Interest rate derivative contracts | <u>1,589,978</u> | <u>1,821,052</u> |
| | <u><u>1,618,738</u></u> | <u><u>1,833,908</u></u> |
| <i>Total fair value liability</i> | | |
| Exchange rate-related derivative contracts | (257,238) | (274,812) |
| Interest rate derivative contracts | <u>(2,576)</u> | <u>(1,138)</u> |
| | <u><u>(259,814)</u></u> | <u><u>(275,950)</u></u> |

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

X. Liquidity Risk Management

The Bank has many policies in place to manage its liquidity risk. The senior management and the functional departments perform their responsibilities to ensure the policies are effectively implemented in daily operation. The bank uses various tools for measurement of liquidity risk including liquidity ratio, stress testing, liquidity gap analysis, dynamic liquidity cashflow model and maturity ladder to monitor the risk.

The Bank maintains diverse sources of liquidity to facilitate flexibility in meeting funding requirements. It is primarily funded by debt capital market issuances, interbank borrowings and borrowing from the head office.

The Bank has implemented a forecast model and assumptions to perform cash flow analysis under normal and stressed scenarios. A contingency plan is established to assign procedures and responsibility of relevant departments to take appropriate actions based on stress test results. The Bank has also obtained consent to get ultimate fundings from the head office under severe liquidity crisis.

Amount expressed in thousand HKD, unless otherwise stated

X. Liquidity Risk Management (cont'd)**(i) Liquidity maintenance ratio and the core funding ratio**

| | Year ended 31 December 2021 | Year ended 31 December 2020 | Quarter ended 31 December 2021 | Quarter ended 30 September 2021 |
|-------------------------------------|--------------------------------|--------------------------------|-----------------------------------|------------------------------------|
| Average liquidity maintenance ratio | 92.36% | 99.36% | 93.68% | 85.33% |
| Average core funding ratio | 98.94% | 94.29% | 104.77% | 104.82% |

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average value of its liquidity maintenance ratio as reported in Part I(2) of the "Return of Liquidity Position of an Authorized Institution". The average core funding ratio is the arithmetic mean of each calendar month's average value of its core funding ratio as reported in Part I of the "Stable Funding Position of an Authorized Institution".

The liquidity information can also be accessed at our website (www.cdb.com.cn/xwzx/xxgg/qtgg/).

(ii) Maturity Analysis

| | Next day | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Indefinite | Total |
|---|---------------|------------------|------------------|-------------------|-----------------|-----------------|---------------|----------------|
| HK\$ million eqvi. | | | | | | | | |
| As at 31 December 2021 | | | | | | | | |
| Amount receivable arising from derivative contracts | - | 3,389 | 112 | 14,981 | 2,894 | 2,746 | - | 24,122 |
| Due from MA for a/c of Exchange Fund | 6,064 | - | - | - | - | - | - | 6,064 |
| Due from banks | 37,718 | 14,779 | 890 | 3,704 | 4,757 | - | 13,059 | 74,907 |
| Debt securities held | 39,897 | - | - | - | - | - | - | 39,897 |
| Loans and advances to non-bank customers | - | 26,251 | 5,906 | 54,990 | 79,260 | 1,774 | 5,311 | 173,492 |
| Other assets | - | - | - | 153 | - | - | 688 | 841 |
| Total assets | 83,679 | 44,419 | 6,908 | 73,828 | 86,911 | 4,520 | 19,058 | 319,323 |
| Off-balance sheet claims | 11,697 | 11,697 | - | - | - | - | - | 23,394 |
| Deposit from non-bank customers | 22,889 | 5,849 | 908 | 9,687 | - | - | - | 39,333 |
| Amount payable arising from derivative contracts | - | 3,391 | 43 | 15,016 | 2,099 | 1,738 | - | 22,287 |
| Due to banks | 638 | 1,512 | 27,838 | 6,863 | 2,586 | 2,916 | 390 | 42,743 |
| Debt securities issued and outstanding | - | 18,920 | 42,006 | 85,677 | 44,643 | 7,381 | - | 198,627 |
| Other liabilities | - | - | - | - | - | - | 1,690 | 1,690 |
| Capital and reserves | - | - | - | - | - | - | 2,277 | 2,277 |
| Total liabilities | 23,527 | 29,672 | 70,795 | 117,243 | 49,328 | 12,035 | 4,357 | 306,957 |
| Off-balance sheet obligations | - | - | 1,787 | 8,932 | 21,087 | - | 7,798 | 39,604 |
| Net liquidity gap | 71,849 | 26,444 | (65,674) | (52,347) | 16,496 | (7,515) | 6,903 | (3,844) |

Amount expressed in thousand HKD, unless otherwise stated

(ii) Maturity Analysis (cont'd)

| | Next day | Up to 1 month | 1 to 3 months | 3 to 12 months | 1 to 5 years | Over 5 years | Indefinite | Total |
|---|---------------|------------------|------------------|-------------------|-----------------|-----------------|---------------|-----------------|
| HK\$ million equi. | | | | | | | | |
| As at 31 December 2020 | | | | | | | | |
| Amount receivable arising from derivative contracts | - | 3,800 | 3,419 | 16,796 | 6,072 | 3,221 | - | 33,308 |
| Due from MA for a/c of Exchange Fund | 6,134 | - | - | - | - | - | - | 6,134 |
| Due from banks | 19,949 | 18,097 | 12,445 | 13,718 | 8,175 | - | 12,686 | 85,070 |
| Debt securities held | 68,814 | - | - | - | - | - | - | 68,814 |
| Loans and advances to non-bank customers | - | 20,147 | 8,278 | 60,526 | 101,112 | 12,740 | 7,573 | 210,376 |
| Other assets | - | - | - | 153 | - | - | 903 | 1,056 |
| Total assets | 94,897 | 42,044 | 24,142 | 91,193 | 115,359 | 15,961 | 21,162 | 404,758 |
| Off-balance sheet claims | - | 11,629 | - | - | - | - | - | 11,629 |
| Deposits from non-bank customers | 17,839 | 1,646 | 5,266 | 8,020 | 8 | - | - | 32,779 |
| Amount payable arising from derivative contracts | - | 3,806 | 3,294 | 16,571 | 4,996 | 1,936 | - | 30,603 |
| Due to banks | 1,040 | 17,774 | 27,694 | 7,543 | 19,234 | 2,832 | 388 | 76,505 |
| Debt securities issued and outstanding | - | 13,344 | 44,147 | 114,662 | 65,410 | 8,573 | - | 246,136 |
| Other liabilities | 1 | - | - | - | - | - | 2,540 | 2,541 |
| Capital and reserves | - | - | - | 2,498 | - | - | 86 | 2,584 |
| Total liabilities | 18,880 | 36,570 | 80,401 | 149,294 | 89,648 | 13,341 | 3,014 | 391,148 |
| Off-balance sheet obligations | 38 | 147 | 400 | 26,121 | 26,016 | 206 | 7,753 | 60,681 |
| Net liquidity gap | 75,979 | 16,956 | (56,659) | (84,222) | (305) | 2,414 | 10,395 | (35,442) |

XI. Consolidated Bank InformationAs at
31 December 2020¹As at
31 December 2019²

(i) Capital and Capital adequacy

| | RMB million | RMB million |
|--|-------------|-------------|
| Consolidated Amount of Shareholders' funds | 1,455,769 | 1,370,177 |
| Consolidated Capital Adequacy Ratio * | 12.03% | 11.71% |

(ii) Other Financial Information

| | As at 31 December 2020 ¹ | As at 31 December 2019 ² |
|---------------------------------|--|--|
| Total assets | 17,103,575 | 16,504,575 |
| Total liabilities | 15,622,983 | 15,110,840 |
| Total loans and advances, gross | 13,049,924 | 12,200,508 |
| Total customer deposits | 1,167,538 | 1,371,396 |
| Pre-tax Profit | 142,047 | 145,552 |

¹ The figures for year ended 31 December 2020 are extracted from the audited Consolidated Financial Statements of Head Office.² The figures for year ended 31 December 2019 are extracted from the audited Consolidated Financial Statements of Head Office.

* The consolidated capital adequacy ratio is calculated in accordance with relevant regulations including the Provisional Rule on Capital Management of Commercial Banks issued by the China Banking and Insurance Regulatory Commission. All figures relating to capital adequacy ratios are presented on a consolidated basis.

Amount expressed in thousand HKD, unless otherwise stated

XII. Statement of Compliance

This 2021 Annual Financial Disclosure Statement contains all disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual:- Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

The information contained in the disclosure statement is not false or misleading in any respect, and that the operations of the Bank are clearly explained.



Li Xi Guang

Chief Executive

China Development Bank - Hong Kong Branch