



Bank of Communications (Hong Kong) Limited  
(Incorporated in Hong Kong with limited liability)

# REGULATORY DISCLOSURE STATEMENT

31 March 2025 (Unaudited)



CREATE SHARED VALUE

Bank of Communications (Hong Kong) Limited

Unit B B/F & G/F, Unit C G/F, 1-3/F, 16/F Rm01 & 18/F Wheelock House, 20 Pedder Street, Central, Hong Kong  
[www.hk.bankcomm.com](http://www.hk.bankcomm.com)

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## **Introduction**

The information contained in this document is prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

## **The Regulatory Disclosure Statement**

The Regulatory Disclosure Statement comprises Pillar 3 Disclosure Requirements under the framework of the Basel Committee on Banking Supervision. These disclosures are supplemented by specific additional requirements of the HKMA set out in the BDR.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures can be found in the Regulatory Disclosures section of our website [www.hk.commcom.com](http://www.hk.commcom.com).

## Key prudential ratios and overview of RWA

### KM1: Key prudential ratios

		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<b>Regulatory capital (amount)</b>					
1 & 1a.	Common Equity Tier 1 (CET1)	56,845,879	55,177,830	54,096,557	52,567,136	50,926,369
2 & 2a.	Tier 1	56,845,879	59,049,280	57,968,007	56,438,586	54,797,819
3 & 3a.	Total capital	66,650,883	68,759,460	67,756,142	66,206,642	66,237,654
	<b>RWA (amount)</b>					
4.	Total RWA	266,062,391	290,900,268	301,376,165	302,537,806	307,593,819
4a.	Total RWA (pre-floor)	266,062,391	290,900,268	301,376,165	302,537,806	307,593,819
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5 & 5a.	CET1 ratio (%)	21.37%	18.97%	17.95%	17.38%	16.56%
5b.	CET1 ratio (%) (pre-floor ratio)	21.37%	18.97%	17.95%	17.38%	16.56%
6 & 6a.	Tier 1 ratio (%)	21.37%	20.30%	19.23%	18.66%	17.82%
6b.	Tier 1 ratio (%) (pre-floor ratio)	21.37%	20.30%	19.23%	18.66%	17.82%
7 & 7a.	Total capital ratio (%)	25.05%	23.64%	22.48%	21.88%	21.53%
7b.	Total capital ratio (%) (pre-floor ratio)	25.05%	23.64%	22.48%	21.88%	21.53%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8.	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9.	Countercyclical capital buffer requirement (%)	0.417%	0.412%	0.766%	0.773%	0.770%
10.	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.000%	0.000%	0.000%	0.000%	0.000%
11.	Total AI-specific CET1 buffer requirements (%)	2.917%	2.912%	3.266%	3.273%	3.270%
12.	CET1 available after meeting the AI's minimum capital requirements (%)	15.37%	14.30%	13.23%	12.66%	11.82%
	<b>Basel III leverage ratio</b>					
13.	Total leverage ratio (LR) exposure measure	458,386,720	447,356,478	463,317,172	453,834,919	455,548,605
13a.	LR exposure measure based on mean values of gross assets of SFTs	460,495,356	N/A	N/A	N/A	N/A
14, 14a & 14b.	LR (%)	12.40%	13.20%	12.51%	12.44%	12.03%
14c & 14d.	LR (%) based on mean values of gross assets of SFTs	12.34%	N/A	N/A	N/A	N/A
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institution only:					
15.	Total high quality liquid assets (HQLA)	64,881,050	62,542,159	55,245,979	46,986,217	47,812,032
16.	Total net cash outflows	39,989,677	37,779,897	34,572,475	28,603,431	28,769,627
17.	LCR (%)	165.51%	167.03%	161.62%	165.64%	170.50%
	Applicable to category 2 institution only:					
17a.	LMR (%)	N/A	N/A	N/A	N/A	N/A
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:					
18.	Total available stable funding	340,148,392	336,770,774	337,636,419	340,685,574	344,011,177
19.	Total required stable funding	267,963,330	260,200,350	267,608,341	263,827,753	269,814,606
20.	NSFR (%)	126.94%	129.43%	126.17%	129.13%	127.50%
	Applicable to category 2A institution only:					
20a.	CFR (%)	N/A	N/A	N/A	N/A	N/A

## Key prudential ratios and overview of RWA (Continued)

### OV1: Overview of RWA

		RWA		Minimum capital requirements
		As at 31 Mar 2025	As at 31 Dec 2024	As at 31 Mar 2025
		HK\$'000	HK\$'000	HK\$'000
1.	Credit risk for non-securitization exposures	240,943,221	259,722,767	19,275,458
2.	Of which STC approach	240,943,221	259,722,767	19,275,458
2a.	Of which BSC approach	–	–	–
3.	Of which foundation IRB approach	–	–	–
4.	Of which supervisory slotting criteria approach	–	–	–
5.	Of which advanced IRB approach	–	–	–
5a.	Of which retail IRB approach	–	–	–
5b.	Of which specific risk-weight approach	–	–	–
6.	Counterparty credit risk and default fund contributions	4,403,595	7,319,763	352,287
7.	Of which SA-CCR approach	4,183,241	7,080,175	334,659
7a.	Of which CEM	–	–	–
8.	Of which IMM(CCR) approach	–	–	–
9.	Of which others	220,354	239,588	17,628
10.	CVA risk	4,931,175	4,697,425	394,494
11.	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable*	Not applicable*	Not applicable*
12.	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	–	–	–
13.	CIS exposures – mandate-based approach	–	–	–
14.	CIS exposures – fall-back approach	–	–	–
14a.	CIS exposures – combination of approaches	–	–	–
15.	Settlement risk	–	–	–
16.	Securitization exposures in banking book	–	–	–
17.	Of which SEC-IRBA	–	–	–
18.	Of which SEC-ERBA (including IAA)	–	–	–
19.	Of which SEC-SA	–	–	–
19a.	Of which SEC-FBA	–	–	–
20.	Market risk	938,375	3,505,588	75,070
21.	Of which STM approach	938,375	3,505,588	75,070
22.	Of which IMA	–	–	–
22a.	Of which SSTM approach	–	–	–
23.	Capital charge for moving exposures between trading book and banking book	–	–	–
24.	Operational risk	14,846,025	15,654,725	1,187,682
24a.	Sovereign concentration risk	–	–	–
25.	Amounts below the thresholds for deduction (subject to 250% RW)	–	–	–
26.	Output floor level applied	–	–	–
27.	Floor adjustment (before application of transitional cap)	–	–	–
28.	Floor adjustment (after application of transitional cap)	Not applicable*	Not applicable*	Not applicable*
28a.	Deduction to RWA	–	–	–
28b.	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	–	–	–
28c.	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	–	–	–
29.	Total	266,062,391	290,900,268	21,284,991

\* Not applicable in the case of Hong Kong

## Key prudential ratios and overview of RWA (Continued)

### OV1: Overview of RWA (Continued)

The total RWA in 2025 Q1 decreased by HK\$24,838 million compared to last quarter. The key contributor was the credit risk for non-securitization exposures RWA which decreased by HK\$18,780 million.

### Leverage ratio

#### LR2: Leverage ratio

		31 Mar 2025	31 Dec 2024
		HK\$'000	HK\$'000
<b>On-balance sheet exposures</b>			
1.	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	432,495,905	415,747,443
2.	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	–	–
3.	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(241,825)	(400,888)
4.	Less: Adjustment for securities received under SFTs that are recognised as an asset	–	–
5.	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(5,189,653)	(5,244,863)
6.	Less: Asset amounts deducted in determining Tier 1 capital	(1,173,162)	(1,068,468)
7.	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)</b>	<b>425,891,265</b>	<b>409,033,224</b>
<b>Exposures arising from derivative contracts</b>			
8.	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and / or with bilateral netting)	7,424,704	9,700,429
9.	Add-on amounts for PFE associated with all derivative contracts	5,192,475	4,922,783
10.	Less: Exempted CCP leg of client-cleared trade exposures	–	–
11.	Adjusted effective notional amount of written credit-related derivative contracts	–	–
12.	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	–	–
13.	<b>Total exposures arising from derivative contracts (sum of rows 8 to 12)</b>	<b>12,617,179</b>	<b>14,623,212</b>
<b>Exposures arising from SFTs</b>			
14.	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	13,145,182	14,255,204
15.	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16.	CCR exposure for SFT assets	820,817	662,113
17.	Agent transaction exposures	–	–
18.	<b>Total exposures arising from SFTs (sum of rows 14 to 17)</b>	<b>13,965,999</b>	<b>14,917,317</b>
<b>Other off-balance sheet exposures</b>			
19.	Off-balance sheet exposure at gross notional amount	18,697,101	30,849,565
20.	Less: Adjustments for conversion to credit equivalent amounts	(12,777,859)	(22,057,130)
21.	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(6,965)	(9,710)
22.	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>5,912,277</b>	<b>8,782,725</b>

## Leverage ratio (Continued)

### LR2: Leverage ratio (Continued)

		31 Mar 2025	31 Dec 2024
		HK\$'000	HK\$'000
<b>Capital and total exposures</b>			
23.	<b>Tier 1 capital</b>	56,845,879	59,049,280
24.	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	458,386,720	447,356,478
<b>Leverage ratio</b>			
25 & 25a.	<b>Leverage ratio</b>	12.40%	13.20%
26.	<b>Minimum leverage ratio requirement</b>	3%	3%
27.	<b>Applicable leverage buffers</b>	Not applicable*	Not applicable*
<b>Disclosure of mean values</b>			
28.	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	15,253,818	N/A
29.	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	13,145,182	N/A
30 & 30a.	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	460,495,356	N/A
31 & 31a.	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	12.34%	N/A

\* Not applicable in the case of Hong Kong



## Liquidity

### LIQ1: Liquidity Coverage Ratio – for category 1 institution

31 Mar 2025

Average liquidity coverage ratio ("LCR")

– First quarter

165.51%

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

The Bank's average LCR for the period ended 31 March 2025 was 165.51%, which was similar to previous quarter.

Level 1 HQLA is the major component of the Bank's HQLA portfolio, which consists of balance with the HKMA, Exchange Fund Bills / Notes and unencumbered sovereign bonds. The Bank also holds a portion of Level 2 HQLA, which include corporate bonds with high credit rating. The main drivers of net cash outflows are retail deposits and small business funding, wholesale funding and loans during the quarter. Deposit is the major funding source of the Bank.

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

The Bank's HKD HQLA Level 1 LCR was above the regulatory requirement for the period. The Bank 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 Bank has established internal monitoring limit on LCR for foreign major currencies according to Supervisory Policy Manual LM-1 issued by the HKMA.

The Bank 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 Bank's daily liquidity management is governed by the liquidity management requirement of parent bank and there is considerable level of interaction between members of the parent group. The Bank submits liquidity management reports to parent bank regularly and participates in the group liquidity stress test.

## Liquidity (Continued)

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

2025 First quarter:

Number of data points used in calculating the average value of the LCR and related components set out in this template for the quarter ending on 31 Mar 2025: (74)		HK\$'000	
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
<b>A. HQLA</b>			
1.	Total HQLA		64,881,050
<b>B. Cash Outflows</b>			
2.	Retail deposits and small business funding, of which:	254,903,298	18,118,147
3.	<i>Stable retail deposits and stable small business funding</i>	10,244,721	512,236
4.	<i>Less stable retail deposits and less stable small business funding</i>	107,459,643	10,745,964
4a.	<i>Retail term deposits and small business term funding</i>	137,198,934	6,859,947
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	56,296,800	29,572,263
6.	<i>Operational deposits</i>	2,872,716	670,344
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	52,062,683	27,540,518
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	1,361,401	1,361,401
9.	Secured funding transactions (including securities swap transactions)		3,483,375
10.	Additional requirements, of which:	35,691,841	6,772,827
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	17,775,871	5,131,020
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>	17,915,970	1,641,807
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	5,240,667	5,240,667
15.	Other contingent funding obligations (whether contractual or non-contractual)	11,850,312	29,632
16.	<b>Total Cash Outflows</b>		63,216,911
<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	56,861,090	16,575,032
19.	Other cash inflows	6,660,948	6,652,202
20.	<b>Total Cash Inflows</b>	63,522,038	23,227,234
<b>D. Liquidity Coverage Ratio</b>			<b>Adjusted value</b>
21.	<b>Total HQLA</b>		64,881,050
22.	<b>Total Net Cash Outflows</b>		39,989,677
23.	<b>LCR (%)</b>		165.51%