

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

31 March 2024 (Unaudited)





BANK OF COMMUNICATIONS CO., LTD. HONG KONG BRANCH

(A joint stock company incorporated in the People's Republic of China with limited liability)

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REGULATORY DISCLOSURE STATEMENT (UNAUDITED)

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I. Liquidity information

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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

	31 Mar 2024 HK\$'000	31 Dec 2023* HK\$'000
Quarterly average liquidity coverage ratio ("LCR")	165.63%	179.39%
Total available stable funding	182,025,707	183,144,964
Total required stable funding	155,382,016	156,150,336
Net stable funding ratio ("NSFR")	117.15%	117.29%

^{*} Standard disclosure template (LIQ1) of comparative information can be found in the Regulatory Disclosures Section of our website 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 period ended 31 March 2024 was 165.63%.

In the first quarter of year 2024, the Branch's average LCR decreased compared with previous quarter as a result of increase in non-HQLA investments.

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.

I. Liquidity information (Continued)

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

2024 First quarter:

Basis of disclosure: Hong Kong office A. HOLA 1. Total HQLA 3. Cash Outflows 2. Retail deposits and small business funding of which: 4. Less stable retail deposits and stable small business funding 4. Less stable retail deposits and stable small business funding 5. Unsecured wholesale funding (other than small business funding) 6. Operational deposits 7. Unsecured wholesale funding (other than small business funding) 8. Operational deposits 8. Deposits and small business term funding 9. 1,133,941 113,394 114,395 115,005 116,005 117,291 117,005 118,005 119,005 1		over of data points used in calculating the average value of the LCR and related onents set out in this template for the quarter ending on 31 Mar 2024: (73)		
1. Total HOLA 8. Cash Outflows 2. Retail deposits and small business funding, of which: 3. Stable retail deposits and stable small business funding 4. Less stable retail deposits and less stable small business funding 4. Less stable retail deposits and less stable small business funding 4. Less stable retail deposits and less stable small business funding 5. Unsecured wholesale funding tother than small business funding, and debit securities and prescribed instruments issued by the AI, of which: 6. Operational deposits 7. Unsecured wholesale funding (other than small business funding) not covered in row 6 8. Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period 9. Secured funding transactions (including securities swap transactions) 10. Additional requirements, of which: 10. Cash outflows arising from derivative contracts and other transactions, and additional liquicity needls arising from related collateral requirements 11,993,150 5,824,006 12. Cash outflows arising from derivative contracts and other transactions and additional liquicity needls arising from related collateral requirements 12. Cash outflows arising from derivative contracts and other transactions and additional liquicity needls arising from related collateral requirements 13. Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquicity facilities) 14. Contractual cash outflows 15. Other contractual cash outflows 16. Total Cash Outflows 17. Secured lending obligations (whether contractual or non-contractual) 18. Secured lending transactions (including securities swap transactions) 19. Other cash inflows 20. Total Cash Inflows 21. Total HQLA 22. Total Net Cash Outflows 23. Adjusted value	Basis of disclosure: Hong Kong office		value	value
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4a. Retail term deposits and small business term funding 5. Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which: 6. Operational deposits 7. Unsecured wholesale funding (other than small business funding) not covered in row 6 8. Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period 9. Secured funding transactions (including securities swap transactions) 10. Additional requirements, of which: 11. Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements 12. Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions 13. Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities) 14. Contractual lending obligations (whether contractual or non-controctual) 15. Other contingent funding obligations (whether contractual or non-controctual) 16. Total Cash Outflows 17. Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions 18. Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions 19. Other cash inflows 10. Liquidity Coverage Ratio 10. Adjusted value 21. Total HQLA 22. Total Net Cash Outflows 41,119,162	3.	Stable retail deposits and stable small business funding	87,571	4,379
5. Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which: 6. Operational deposits 7. Unsecured wholesale funding (other than small business funding) not covered in row 6 8. Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period 96,064,922 60,173,473 8. Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period 9. Secured funding transactions (including securities swap transactions) 1.729,119 10. Additional requirements, of which: 11. Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements 11.993,150 5,824,006 12. Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions 13. Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities) 14. Contractual lending obligations (not otherwise covered in Section B) and other contractual ending obligations (whether contractual or non-contractual) 15. Other contingent funding obligations (whether contractual or non-contractual) 16. Total Cash Outflows 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 19. Other cash inflows 10. Liquidity Coverage Ratio 10. Adjusted value 21. Total HQLA 22. Total Net Cash Outflows 41,119,162	4.	Less stable retail deposits and less stable small business funding	1,133,941	113,394
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and additional liquidity needs arising from related collateral requirements 11,993,150 5,824,006 12. Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	10.	Additional requirements, of which:	20,351,914	6,931,814
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16. Total Cash Outflows 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 19. Other cash inflows 20. Total Cash Inflows D. Liquidity Coverage Ratio Adjusted value 21. Total HQLA 66,884,345 22. Total Net Cash Outflows	14.		18,396,054	18,396,054
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 19. Other cash inflows 27,686,905 20. Total Cash Inflows D. Liquidity Coverage Ratio Adjusted value 21. Total HQLA 22. Total Net Cash Outflows 41,119,162	15.	Other contingent funding obligations (whether contractual or non-contractual)	46,740,190	310,935
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 27,146,127 42,347,568 19. Other cash inflows 27,686,905 8,134,553 20. Total Cash Inflows 100,833,032 50,482,121 D. Liquidity Coverage Ratio Adjusted value 21. Total HQLA 66,884,345 22. Total Net Cash Outflows 41,119,162	16.	Total Cash Outflows		91,601,283
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21. Total HQLA 66,884,345 22. Total Net Cash Outflows 41,119,162				
22. Total Net Cash Outflows 41,119,162				
	23.	LCR (%)		165.63%