

Financial Information Disclosure Statement
As at 30 June 2015
(Unaudited)

Section A - Branch Information (Hong Kong Offices only)

I. Profit and loss information	30 Jun 2015 (6 months) HKD'000	30 Jun 2014 (6 months) HKD'000	Variance %
Interest income	8,263,279	6,136,770	+34.65
Interest expense	<u>(5,186,710)</u>	<u>(3,610,137)</u>	-43.67
Net interest income	3,076,569	2,526,633	+21.77
Commission and fees income	828,490	697,769	+18.73
Commission and fees expenses	<u>(52,892)</u>	<u>(40,780)</u>	-29.70
Net commission and fees income	775,598	656,989	+18.05
- Gains less losses arising from trading in foreign currencies	7,252	470,242	-98.46
- Gains less losses on securities held for trading purposes	17,527	(1,919)	+1013.34
- Gains less losses from other trading activities	(55,209)	44,567	-223.88
- Others	<u>(123,014)</u>	<u>(87,119)</u>	-41.20
Other operating gains less losses	<u>(153,444)</u>	<u>425,771</u>	-136.04
	3,698,723	3,609,393	+2.47
Operating expenses			
Staff and rental expenses	(697,957)	(631,835)	-10.47
Other operating expenses	(302,021)	(264,979)	-13.98
Write back/(charge) of impairment losses and allowances for impaired loans and receivables	28,545	(4,717)	+705.15
Write back of impairment allowances for available-for-sale investment securities	-	24,841	-100.00
Gains less losses from revaluation of investment properties	<u>16,731</u>	<u>-</u>	-
Profit before taxation	2,744,021	2,732,703	+0.41
Tax expense	<u>(875,258)</u>	<u>(708,189)</u>	-23.59
Profit after taxation	<u>1,868,763</u>	<u>2,024,514</u>	-7.69
 II. Balance sheet information			
	30 Jun 2015 HKD'000	31 Dec 2014 HKD'000	Variance %
Assets			
Cash and balances with banks	15,985,156	99,161,457	-83.88
Amount due from Exchange Fund repayable or callable within one month	32,954,341	23,973,506	+37.46
Placements with banks with residual maturity between one and twelve months	84,505,267	10,604,548	+696.88
Amount due from overseas offices	99,244,181	64,606,871	+53.61
Trade bills	83,051,991	78,209,612	+6.19
Certificates of deposit held	20,035,838	15,471,670	+29.50
Securities held for trading purposes	20,839,658	13,710,786	+51.99
Loans and receivables	193,278,276	167,343,352	+15.50
Investment securities	67,896,296	52,179,237	+30.12
Other investments	178,700	178,698	+0.00
Property, plant and equipment and investment properties	<u>624,477</u>	<u>615,896</u>	+1.39
Total assets	<u>618,594,181</u>	<u>526,055,633</u>	+17.59
Liabilities			
Amount due to Exchange Fund	-	4,444,110	-100.00
Deposits and balances from banks	68,916,290	90,822,976	-24.12
Deposits from customers - Demand deposits and current accounts	11,204,258	7,975,218	+40.49
- Saving deposits	69,347,263	55,122,743	+25.81
- Time, call and notice deposits	327,488,192	268,875,063	+21.80
Amount due to overseas offices	56,061,242	27,580,235	+103.27
Certificates of deposit issued	37,553,865	34,428,038	+9.08
Debt securities issued	19,314,665	13,273,799	+45.51
Other liabilities	28,660,567	23,474,980	+22.09
Provisions	<u>47,839</u>	<u>58,471</u>	-18.18
Total liabilities	<u>618,594,181</u>	<u>526,055,633</u>	+17.59

III. Additional balance sheet information	30 Jun 2015 HKD'000	31 Dec 2014 HKD'000	Variance %
(i) Loans and receivables			
- Loans and advances to customers	179,538,539	157,305,617	+14.13
- Accrued interest and other accounts	<u>14,453,833</u>	<u>10,734,522</u>	+34.65
	193,992,372	168,040,139	+15.44
Less: Impairment allowances for impaired loans and receivables			
- Collective impairment allowances (for loans and advances to customers)	(501,309)	(485,069)	+3.35
- Individual impairment allowances (for loans and advances to customers)	(144,982)	(144,655)	+0.23
- Individual impairment allowances (for accrued interest)	(59,669)	(57,403)	+3.95
- Individual impairment allowances (for other accounts)	<u>(8,136)</u>	<u>(9,660)</u>	-15.78
	<u>(714,096)</u>	<u>(696,787)</u>	+2.48
	<u>193,278,276</u>	<u>167,343,352</u>	+15.50

No impairment allowance for loans and advances and other accounts is maintained at our head office as at 30 Jun 2015 and 31 Dec 2014.

(ii) (a) Impaired loans and advances			
Gross impaired loans and advances to customers	158,867	160,396	-0.95
As percentage of total loans and advances to customers	0.09	0.10	-0.01
Individual impairment allowances	144,982	144,655	+0.23

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis.

(ii) (b) Impaired loans and advances by geographical area			
Hong Kong	137,821	140,783	-2.10
People's Republic of China	<u>21,046</u>	<u>19,613</u>	+7.31
	<u>158,867</u>	<u>160,396</u>	-0.95

Impaired loans and advances to customers by geographical area are classified according to the location of counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances are guaranteed by a party located in an area that is different from that of the counterparty.

(ii) (c) Market value of collateral related to impaired loans and advances to customers	6,131	7,063	-13.20
(iii) Trade bills			
Gross trade bills	83,290,420	78,499,016	+6.10
Less: Impairment allowances			
- Collective impairment allowances	(233,540)	(249,780)	-6.50
- Individual impairment allowances	<u>(4,889)</u>	<u>(39,624)</u>	-87.66
	<u>(238,429)</u>	<u>(289,404)</u>	-17.61
	<u>83,051,991</u>	<u>78,209,612</u>	+6.19
(iv) Investment securities			
Gross investment securities	68,593,017	52,885,489	+29.70
Less: Individual impairment allowances	<u>(696,721)</u>	<u>(706,252)</u>	-1.35
	<u>67,896,296</u>	<u>52,179,237</u>	+30.12

The amount of impairment allowances for investment securities maintained at our head office as at 30 Jun 2015 was CNY 49 million. (31 Dec 2014: CNY 51 million)

(v)(a) Analysis of gross amount of loans and advances to customers classified into the following industry categories

	30 Jun 2015 HKD'000	% of secured loans and advances	31 Dec 2014 HKD'000	% of secured loans and advances	Variance %
Loans and advances for use in Hong Kong					
Industrial, commercial and financial					
- Property development	6,757,492	16.22	6,942,992	16.61	-2.67
- Property investment	13,462,268	96.15	13,316,173	97.54	+1.10
- Financial concerns	17,871,760	23.63	23,938,616	21.38	-25.34
- Stockbrokers	8,333,412	13.79	4,993,031	2.28	+66.90
- Wholesale and retail trade	12,649,304	63.46	14,364,148	63.17	-11.94
- Manufacturing	5,599,444	66.70	2,234,165	27.51	+150.63
- Transport and transport equipment	7,725,828	90.17	3,304,431	74.28	+133.80
- Recreational activities	24,508	100.00	23,103	99.02	+6.08
- Information technology	14,477	28.25	8,856	48.05	+63.47
- Others	22,850,024	28.90	13,837,398	9.12	+65.13
Individuals					
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchases Scheme	406,979	99.69	448,077	99.79	-9.17
- Loans for the purchase of other residential properties	16,088,479	100.00	15,592,999	100.00	+3.18
- Credit card advances	137,765	-	134,905	-	+2.12
- Others	13,253,001	86.66	7,187,554	80.69	+84.39
Sub-total	125,174,741		106,326,448		+17.73
Trade finance	4,922,048	19.33	5,387,483	15.70	-8.64
Loans and advances for use outside					
Hong Kong	49,441,750	18.02	45,591,686	16.04	+8.44
Total :	179,538,539	46.01	157,305,617	39.92	+14.13

(v)(b) Gross loans and advances to customers by geographical area	30 Jun 2015 HKD'000	31 Dec 2014 HKD'000	Variance %
Hong Kong	97,476,434	80,540,742	+21.03
People's Republic of China	80,828,722	75,546,649	+6.99
Other countries	1,233,383	1,218,226	+1.24
	<u>179,538,539</u>	<u>157,305,617</u>	+14.13

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. Countries or geographical segment, constituting 10% or more of the Branch's total amount of loans and advances to customers after taking into account any recognized risk transfer, are disclosed above.

(vi) International claims

The information on international claims are prepared in accordance to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. Countries or geographical segments, constituting 10% or more of the Branch's total international claims after taking into account any recognized risk transfer, are disclosed below.

There are changes of reporting basis and the categorisation on the types of counterparties as required by the HKMA in 2015, hence the disclosures reported in 2014 are not directly comparable.

Equivalent in millions of HK\$	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Total
<u>As at 30 Jun 2015</u>					
Developing Asia-Pacific	152,724	7,104	11,567	56,369	227,764
of which China	151,967	6,423	11,567	56,023	225,980
Offshore centres	1,713	229	555	27,336	29,833
of which Hong Kong	1,594	229	555	27,101	29,479
Developed countries	31,672	2,263	1,973	145	36,053
		Banks	Public sector entities	Others	Total
<u>As at 31 Dec 2014</u>					
Asia Pacific excluding Hong Kong		184,598	5,347	79,924	269,869
of which China		176,108	4,633	78,602	259,343

(vii)(a) Overdue loans and advances to customers	30 Jun 2015 HKD'000	% of total loans and advances to customers	31 Dec 2014 HKD'000	% of total loans and advances to customers
Gross loans and advances to customers that have been overdue for periods of:-				
More than 3 months but not more than 6 months	726	-	5,370	-
More than 6 months but not more than one year	6,194	-	3,998	-
More than one year	<u>143,872</u>	0.08	<u>143,055</u>	0.09
	<u><u>150,792</u></u>	0.08	<u><u>152,423</u></u>	0.09
		30 Jun 2015 HKD'000	31 Dec 2014 HKD'000	Variance %
Market value of collateral held against the secured overdue loans and advances		213	1,102	-80.67
Secured overdue loans and advances		213	924	-76.95
Unsecured overdue loans and advances		150,579	151,499	-0.61
Individual impairment allowances		143,987	143,739	+0.17
Overdue loans and advances to customers by geographical area				
Hong Kong		129,747	132,811	-2.31
People's Republic of China		<u>21,045</u>	<u>19,612</u>	+7.31
		<u><u>150,792</u></u>	<u><u>152,423</u></u>	-1.07

Overdue loans and advances to customers by geographical area are classified according to the location of counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances are guaranteed by a party located in an area that is different from that of the counterparty.

There are no loans and advances to banks which are overdue for more than 3 months, nor are there any rescheduled loans and advances to banks.

(vii)(b) Overdue assets	30 Jun 2015 HKD'000	% of trade bills	31 Dec 2014 HKD'000	% of trade bills
Gross trade bills that have been overdue for periods of :-				
More than 3 months but not more than 6 months	-	-	-	-
More than 6 months but not more than one year	-	-	-	-
More than one year	<u>4,889</u>	0.01	<u>4,889</u>	0.01
	<u><u>4,889</u></u>	0.01	<u><u>4,889</u></u>	0.01
		% of debt securities		% of debt securities
Gross debt securities that have been overdue for periods of :-				
More than 3 months but not more than 6 months	-	-	-	-
More than 6 months but not more than one year	-	-	-	-
More than one year	<u>612,306</u>	0.56	<u>633,135</u>	0.77
	<u><u>612,306</u></u>	0.56	<u><u>633,135</u></u>	0.77
		30 Jun 2015 HKD'000	31 Dec 2014 HKD'000	Variance %
Secured overdue assets		-	-	-
Unsecured overdue assets		617,195	638,024	-3.26
Individual impairment allowances		701,610	711,598	-1.40
Overdue assets by geographical area				
Iceland		386,530	396,111	-2.42
United States		225,776	237,024	-4.75
Hong Kong		<u>4,889</u>	<u>4,889</u>	-
		<u><u>617,195</u></u>	<u><u>638,024</u></u>	-3.26

(vii)(c) Rescheduled loans	30 Jun 2015 HKD'000	31 Dec 2014 HKD'000	Variance %
Rescheduled loans to customers net of overdue more than three months	1,635	1,687	-3.08
As percentage of total loans and advances to customers	0.01	0.01	-

(vii)(d) Repossessed assets

Repossessed assets are accounted as "Assets held for sale" and reported in "Other assets" and the relevant loans and advances are derecognized. The repossessed assets are measured at lower of carrying amount and net realizable value.

There were no repossessed assets held as at 30 Jun 2015 and 31 Dec 2014.

(viii) Non-bank Mainland exposures

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of Mainland Activities.

	On-balance sheet exposure HKD'000	Off-balance sheet exposure HKD'000	Total exposures HKD'000
<u>As at 30 Jun 2015</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	49,395,820	3,730,539	53,126,359
2. Local governments, local government-owned entities and their subsidiaries and JVs	9,386,568	780,436	10,167,004
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	22,617,593	2,040,803	24,658,396
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	232,351	-	232,351
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	3,221,179	1,392,260	4,613,439
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>84,853,511</u>	<u>7,944,038</u>	<u>92,797,549</u>
Total assets after provisions	618,546,342		
On-balance sheet exposures as percentage of total assets	13.72%		

	On-balance sheet exposure HKD'000	Off-balance sheet exposure HKD'000	Total exposures HKD'000
<u>As at 31 Dec 2014</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	37,076,907	2,347,411	39,424,318
2. Local governments, local government-owned entities and their subsidiaries and JVs	10,801,548	1,055,242	11,856,790
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	17,765,771	1,061,083	18,826,854
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	1,289,994	255,643	1,545,637
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	3,073,497	780,285	3,853,782
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>70,007,717</u>	<u>5,499,664</u>	<u>75,507,381</u>
Total assets after provisions	525,997,162		
On-balance sheet exposures as percentage of total assets	13.31%		

(ix) Foreign currency exposures

The information concerning the foreign currency exposures of the Branch arising from trading and non-trading positions are disclosed below:

Equivalent in millions of HK\$	Chinese Yuan	US Dollars	Total
<u>As at 30 Jun 2015</u>			
Spot assets	226,330	177,289	403,619
Spot liabilities	(183,797)	(171,226)	(355,023)
Forward purchases	322,094	370,710	692,804
Forward sales	(327,412)	(401,971)	(729,383)
Net options position*	63	(55)	8
Net long (short) position	<u>37,278</u>	<u>(25,253)</u>	<u>12,025</u>
<u>As at 31 Dec 2014</u>			
Spot assets	251,832	100,226	352,058
Spot liabilities	(139,185)	(142,367)	(281,552)
Forward purchases	259,196	346,356	605,552
Forward sales	(315,444)	(337,073)	(652,517)
Net options position*	408	(387)	21
Net long (short) position	<u>56,807</u>	<u>(33,245)</u>	<u>23,562</u>

* Delta equivalent approach is adopted.

Except for the above foreign currencies, we do not disclose other foreign currency exposures arising from trading and non-trading positions, which constitutes less than 10% of the total net position in all foreign currencies as above. There is no net structural position in any foreign currencies.

IV. Off-balance sheet exposures

(i)	Contingent liabilities and commitments	30 Jun 2015	31 Dec 2014	Variance %
		HKD'000 Contract amount	HKD'000 Contract amount	
	- Direct credit substitutes	5,508,511	7,033,810	-21.69
	- Trade related contingencies	6,770,480	5,553,315	+21.92
	- Others commitments	19,697,208	21,097,402	-6.64
	- Others	4,772,149	4,900,216	-2.61
		<u>36,748,348</u>	<u>38,584,743</u>	-4.76
(ii)	Derivatives	Contract amount HKD'000	Fair value assets HKD'000	Fair value liabilities HKD'000
	<u>As at 30 Jun 2015</u>			
	Exchange rate and gold contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	793,503,495	3,970,677	4,644,221
	Interest rate contracts	352,550,438	2,093,012	2,433,027
	Others	20,275	454	611
		<u>1,146,074,208</u>	<u>6,064,143</u>	<u>7,077,859</u>
	<u>As at 31 Dec 2014</u>			
	Exchange rate and gold contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	709,052,455	3,706,793	3,001,054
	Interest rate contracts	244,364,021	1,731,452	1,945,032
	Others	9,619	73	125
		<u>953,426,095</u>	<u>5,438,318</u>	<u>4,946,211</u>

None of the above derivatives contracts are subject to the bilateral netting arrangements.

V. Liquidity information

The Banking (Liquidity) Rules, effective on 1 January 2015, signified the implementation of Liquidity Coverage Ratio (LCR) for category 1 Institution under Basel III liquidity standards in Hong Kong. The liquidity information disclosures reported for the quarters ended 30 June and 31 March 2015 under Basel III are therefore not directly comparable with the disclosures reported for the half-year ended 30 June 2014 which was calculated in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

		30 Jun 2015 (6 months)	30 Jun 2014 (6 months)
Average liquidity coverage ratio	- First quarter	154.01%	N.A.
	- Second quarter	115.13%	N.A.
Average liquidity ratio for the period		N.A.	63.96%

The LCR climbed moderately for the majority of the first semester in 2015 as our customer deposit base strengthened, while the Branch stepped up its holding of high quality liquid asset (HQLA). In the first 2 quarters of 2015, change on remaining maturity profile for unsecured wholesale transactions is one of major drivers leading to the fluctuation on LCR level.

The majority of the Branch's HQLA portfolio is Level I HQLA, which includes balance with the HKMA, Exchange Fund Bills/Notes and unencumbered sovereign bonds. LCR net cash outflow arising from off-balance-sheet derivatives and additional collateral provision is not material.

The Branch maintains certain bond holding denominated in major currencies to cover respective LCR net cash outflow in foreign currency. With Hong Kong Dollar as the denominated currency, the foreign currency LCR mismatch is bolstered mainly by our HKD-denominated HQLA.

The Branch has established internal limit and management action trigger level on LCR to ensure our liquidity risk is controlled at a level commensurate with our risk appetite.

Liquidity risk management

Funding liquidity risk relates to the Branch's ability to fulfill its obligations arising from financial liabilities as they fall due, or its ability to fulfill maturing funding needs, which subsequently affects the Branch's capacity to support deposit withdrawal or drawdown on loan commitments. Effective liquidity risk management helps to sustain the expansion of the Branch's business with liquidity cost and risk under control. The Branch has established and implemented its own liquidity risk management policy per the Head Office's related policy and local regulatory requirements in order to fulfill its own duties in groupwide liquidity risk management. The Asset and Liability Management Committee (ALCO) of the Branch is the decision-making body in balance sheet management and is responsible for coordinating and overseeing all related strategies, including risk management framework and risk appetite. Asset and Liability Management Department is responsible for analyzing and monitoring activities related to liquidity risk. Global Markets Department is responsible for managing daily liquidity position and related executions. Internal Audit Department is responsible for conducting periodic review to ensure liquidity risk management framework is effectively implemented.

The cornerstone of the Branch's funding sources is customer deposit. The Branch strives to build up core deposits while diversifying funding sources via various funding channels to enhance financing capacity. The Branch actively participates in the money market, issues certificates of deposit and medium term notes to sustain longer-term funding. Regarding liquidity arrangement with Head Office, the Branch performs regular funding transfer with Head Office to preserve prompt intragroup backup funding supply if necessary. Monitoring and control on intragroup funding transactions are in line with those of third parties. Moreover, Head Office has set up groupwide internal limits to control the Branch's reliance on Head Office's funding.

The majority of the liquidity risk of the Branch arises from maturity mismatch of assets and liabilities. Therefore, regular cash flow analysis and projections on both on- and off-balance sheet items falling within different maturity buckets is performed to ensure funding need. Moreover, the Branch closely monitors our off-balance sheet funding obligations (such as commitments or letters of guarantee) and assesses their impact to our liquidity capacity. Furthermore, the Branch strives to maintain high marketability of the asset portfolio to allow prompt monetization in case of unforeseeable liquidity crunch in the market.

The Branch has in place various metrics and limits, including liquidity coverage ratio, loan-to-deposit ratio, interbank borrowing utilization ratio, etc. for effective identification and control of liquidity risk. The Branch utilizes relevant management information systems to perform daily liquidity risk management functions. Moreover, the Branch performs daily cash flow analysis to assess liquidity in normal circumstances, and performs regular stress test (at least monthly) to evaluate the Branch's resilience under significant stress conditions. The stress test scenarios are designed with reference to the HKMA's Supervisory Policy Manuals, and also historical liquidity stress scenarios. The Branch's stress test takes into account the impact of all assets, liabilities and off-balance sheet positions and estimates possible funding short-fall with historical data and plausible stress conditions. The results will be scrutinized and appropriate measures will be taken if necessary.

The Branch has set up early warning indicator system, and movement of relevant indicators are closely monitored on a regular basis. In case of liquidity crisis emerges, the Branch's Crisis Management Committee will be formed to formulate appropriate contingency funding plan to resolve the crisis. To ensure prompt actions and feasibility of contingency funding plan under crisis, the Branch performs regular drill.

To cope with unpredictable liquidity needs, the Branch has set up liquidity buffer to maintain sufficient highly liquid assets. The buffer portfolio contains cash, Exchange Fund Bills/Notes, unencumbered sovereign bonds and other high quality bonds, which is managed by Asset and Liability Management Department and operated by Global Markets Department on a daily basis.

Liquidity Coverage Ratio Standard Disclosure Template

2015 second quarter:

Number of data points used in calculating the average value of the Liquidity Coverage Ratio (LCR) and related components set out in this Template for the quarter ending on 30 June 2015 : (71)	Currency: (HKD '000)	
	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)
Basis of disclosure: Hong Kong office		
A. HIGH QUALITY LIQUID ASSETS		
1. Total high quality liquid assets (HQLA)		74,028,363
B. CASH OUTFLOWS		
2. Retail deposits and small business funding, of which:	143,665,114	10,684,157
3. <i>Stable retail deposits and stable small business funding</i>	4,349,086	217,454
4. <i>Less stable retail deposits and less stable small business funding</i>	70,018,017	7,001,802
5. <i>Retail term deposits and small business term funding</i>	69,298,011	3,464,901
6. Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	191,785,862	128,995,420
7. <i>Operational deposits</i>	10,552,726	2,578,381
8. <i>Unsecured wholesale funding (other than small business funding) not covered in Row 7</i>	178,476,070	123,659,973
9. <i>Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period</i>	2,757,066	2,757,066
10. Secured funding transactions (including securities swap transactions)		8,818,949
11. Additional requirements, of which:	45,318,837	8,630,969
12. <i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	26,888,255	6,215,100
13. <i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>		
14. <i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	18,430,582	2,415,869
15. Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	4,089,227	4,089,227
16. Other contingent funding obligations (whether contractual or non-contractual)	26,154,828	863,996
17. TOTAL CASH OUTFLOWS		162,082,718
C. CASH INFLOWS		
18. Secured lending transactions (including securities swap transactions)		
19. Secured and unsecured loans (other than secured lending transactions covered in Row 18) and operational deposits placed at other financial institutions	177,387,379	104,547,937
20. Other cash inflows	6,427,760	6,425,905
21. TOTAL CASH INFLOWS	183,815,139	110,973,842
D. LIQUIDITY COVERAGE RATIO		
22. TOTAL HQLA		74,028,363
23. TOTAL NET CASH OUTFLOWS		53,538,791
24. LCR (%)		154.01%

2015 first quarter:

Number of data points used in calculating the average value of the Liquidity Coverage Ratio (LCR) and related components set out in this Template for the quarter ending on 31 March 2015 : (73)	Currency: (HKD '000)	
	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)
Basis of disclosure: Hong Kong office		
A. HIGH QUALITY LIQUID ASSETS		
1. Total high quality liquid assets (HQLA)		66,517,974
B. CASH OUTFLOWS		
2. Retail deposits and small business funding, of which:	142,415,841	10,217,225
3. <i>Stable retail deposits and stable small business funding</i>	4,034,103	201,705
4. <i>Less stable retail deposits and less stable small business funding</i>	61,928,661	6,192,866
5. <i>Retail term deposits and small business term funding</i>	76,453,077	3,822,654
6. Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	147,479,543	97,142,272
7. <i>Operational deposits</i>	9,126,244	2,249,730
8. <i>Unsecured wholesale funding (other than small business funding) not covered in Row 7</i>	136,187,362	92,726,605
9. <i>Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period</i>	2,165,937	2,165,937
10. Secured funding transactions (including securities swap transactions)		9,321,128
11. Additional requirements, of which:	44,377,095	8,095,377
12. <i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	27,351,745	6,377,818
13. <i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>		
14. <i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	17,025,350	1,717,559
15. Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	3,231,108	3,231,108
16. Other contingent funding obligations (whether contractual or non-contractual)	19,558,247	866,885
17. TOTAL CASH OUTFLOWS		128,873,995
C. CASH INFLOWS		
18. Secured lending transactions (including securities swap transactions)		
19. Secured and unsecured loans (other than secured lending transactions covered in Row 18) and operational deposits placed at other financial institutions	133,414,710	61,909,288
20. Other cash inflows	8,032,879	8,029,193
21. TOTAL CASH INFLOWS	141,447,589	69,938,481
D. LIQUIDITY COVERAGE RATIO		
22. TOTAL HQLA		66,517,974
23. TOTAL NET CASH OUTFLOWS		58,935,514
24. LCR (%)		115.13%

Section B - Bank Information (Consolidated basis)

I Consolidated balance sheet items and financial ratios

	30 Jun 2015 CNY million (Unaudited)	31 Dec 2014 CNY million	Variance %
Total loans and advances	3,623,674	3,354,787	+8.02
Total customer deposits	4,514,566	4,029,668	+12.03
Total assets	7,122,155	6,268,299	+13.62
Total liabilities	6,630,355	5,794,694	+14.42
Shareholders' equity	488,779	471,055	+3.76
Capital adequacy ratio	13.12%	14.04%	-0.92

The capital adequacy ratio above is calculated pursuant to the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) issued by the China Banking Regulatory Commission.

	30 Jun 2015 (6 months) CNY million (Unaudited)	30 Jun 2014 (6 months) CNY million (Unaudited)	Variance %
Pre-tax profit	48,289	47,195	+2.32

Shou Fu Gang
Bank of Communications Co., Ltd. Hong Kong Branch
Chief Executive
30 September 2015