



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

30 September 2025 (Unaudited)



CREATE SHARED VALUE

Bank of Communications Co., Ltd. Hong Kong Branch

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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

	30 Sep 2025 HK\$'000	30 Jun 2025* HK\$'000
Quarterly average liquidity coverage ratio ("LCR")	186.06%	238.06%
Total available stable funding	156,924,242	157,474,489
Total required stable funding	135,835,880	136,050,518
Net stable funding ratio ("NSFR")	115.52%	115.75%

* 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 30 September 2025 was 222.43%.

In the third quarter of year 2025, the Branch's LCR decreased as a result of increase in money market taking maturing within 30 days.

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)

2025 Third 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 30 Sep 2025: (76)		HK\$'000	
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1.	Total HQLA		100,863,538
B. Cash Outflows			
2.	Retail deposits and small business funding, of which:	1,223,403	105,779
3.	<i>Stable retail deposits and stable small business funding</i>	112,153	5,608
4.	<i>Less stable retail deposits and less stable small business funding</i>	892,183	89,218
4a.	<i>Retail term deposits and small business term funding</i>	219,067	10,953
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	113,305,114	79,401,941
6.	<i>Operational deposits</i>	3,584,946	855,633
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	102,315,948	71,142,088
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	7,404,220	7,404,220
9.	Secured funding transactions (including securities swap transactions)		884,683
10.	Additional requirements, of which:	9,807,832	5,973,313
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	5,908,284	5,093,211
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>	3,899,548	880,102
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	11,387,630	11,387,630
15.	Other contingent funding obligations (whether contractual or non-contractual)	29,233,304	234,098
16.	Total Cash Outflows		97,987,444
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	65,308,073	35,323,380
19.	Other cash inflows	26,182,985	6,627,097
20.	Total Cash Inflows	91,491,058	41,950,477
D. Liquidity Coverage Ratio		Adjusted value	
21.	Total HQLA		100,863,538
22.	Total Net Cash Outflows		56,036,967
23.	LCR (%)		186.06%