



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 December 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”). Within this document, Mainland China excludes Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), Macau Special Administrative Region of the People’s Republic of China and Taiwan.

## SECTION A – BRANCH INFORMATION (HONG KONG OFFICES ONLY)

### I. Profit and loss information

	<b>31 Dec 2025 (12 months) HK\$’000</b>	31 Dec 2024 (12 months) HK\$’000
Interest income	<b>14,209,921</b>	18,232,562
Interest expense	<b>(9,608,523)</b>	(12,198,656)
Net interest income	<b>4,601,398</b>	6,033,906
Commission and fees income	<b>806,155</b>	772,788
Commission and fees expenses	<b>(41,608)</b>	(37,630)
Net commission and fees income	<b>764,547</b>	735,158
Gains less losses arising from trading in foreign currencies	<b>(421,952)</b>	(1,809,504)
Gains less losses on securities held for trading purposes	<b>45,470</b>	31,660
Gains less losses from other trading activities	<b>(38,085)</b>	(179,706)
Others	<b>(199,197)</b>	(288,798)
Other operating gains less losses	<b>(613,764)</b>	(2,246,348)
	<b>4,752,181</b>	4,522,716
Operating expenses		
Staff and rental expenses	<b>(1,282,624)</b>	(1,198,873)
Other operating expenses	<b>(387,347)</b>	(393,681)
Charge of impairment allowances for loans and receivables	<b>(135,473)</b>	(156,885)
(Charge) / write back of other impairment allowances	<b>(54,211)</b>	26,942
Gains less losses from disposal of tangible fixed assets	<b>(8)</b>	(153)
Gains less losses from revaluation of investment properties	<b>(14,222)</b>	(7,800)
<b>Profit before taxation</b>	<b>2,878,296</b>	2,792,266
Income tax expense	<b>(410,802)</b>	(409,573)
<b>Profit after taxation</b>	<b>2,467,494</b>	2,382,693

## II. Balance sheet information

	31 Dec 2025 HK\$'000	30 Jun 2025 HK\$'000
<b>Assets</b>		
Cash and balances with banks	24,929,286	26,306,281
Amount due from Exchange Fund repayable or callable within one month	388,993	933,913
Placements with banks with residual maturity between one and twelve months	28,088,972	8,437,328
Amount due from overseas offices	39,370,289	62,527,774
Trade bills	3,815,002	5,565,852
Certificates of deposit held	2,186,031	1,890,829
Securities held for trading purposes	1,564,634	2,924,539
Loans and receivables	114,325,524	119,999,109
Investment securities	135,823,831	134,445,042
Other investments	1,320,598	1,317,195
Property, plant and equipment and investment properties	589,258	619,744
<b>Total assets</b>	<b>352,402,418</b>	<b>364,967,606</b>
<b>Liabilities</b>		
Amount due to Exchange Fund	78,449	237,564
Deposits and balances from banks	64,371,954	48,545,928
Deposits from customers		
– Demand deposits and current accounts	3,523,473	2,893,824
– Saving deposits	25,932,539	28,256,806
– Time, call and notice deposits	93,579,064	83,407,953
Amount due to overseas offices	26,223,039	51,625,088
Certificates of deposit issued	44,372,723	39,367,771
Debt securities issued	29,514,848	40,435,235
Other liabilities	64,739,504	70,125,978
Provisions	66,825	71,459
<b>Total liabilities</b>	<b>352,402,418</b>	<b>364,967,606</b>

### III. Additional balance sheet information

#### (i) Loans and receivables

	<b>31 Dec 2025</b> HK\$'000	30 Jun 2025 HK\$'000
Loans and receivables		
Loans and advances to customers	<b>89,124,522</b>	88,036,858
Loans and advances to banks	<b>622,728</b>	628,224
Accrued interest and other accounts	<b>27,035,136</b>	33,754,161
	<b>116,782,386</b>	122,419,243
Less: Impairment allowances for impaired loans and receivables		
Stage 1 and Stage 2 provision for Expected Credit Loss ("ECL")		
– for loans and advances to customers	<b>(220,026)</b>	(215,921)
– for loans and advances to banks	<b>(144)</b>	(524)
– for accrued interest and other accounts	<b>(6,499)</b>	(13,768)
Stage 3 provision for ECL		
– for loans and advances to customers	<b>(2,100,611)</b>	(2,051,740)
– for accrued interest and other accounts	<b>(129,582)</b>	(138,181)
	<b>(2,456,862)</b>	(2,420,134)
	<b>114,325,524</b>	119,999,109

No impairment allowance for loans and advances and other accounts was maintained at the Head Office as at 31 Dec 2025 and 30 Jun 2025.

#### (ii)(a) Impaired loans and advances

	<b>31 Dec 2025</b> HK\$'000	30 Jun 2025 HK\$'000
Gross impaired loans and advances to customers	<b>2,172,861</b>	2,067,970
As percentage of total loans and advances to customers (%)	<b>2.44</b>	2.35
Stage 3 provision for ECL	<b>2,100,611</b>	2,051,740

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

### III. Additional balance sheet information (Continued)

#### (ii)(b) Impaired loans and advances by geographical area

	31 Dec 2025 HK\$'000	30 Jun 2025 HK\$'000
Hong Kong	2,172,861	2,067,970

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 of a counterparty 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

	31 Dec 2025 HK\$'000	30 Jun 2025 HK\$'000
Market value of collateral related to impaired loans and advances to customers	51,870	15,130

#### (iii) Trade bills

	31 Dec 2025 HK\$'000	30 Jun 2025 HK\$'000
Gross trade bills	3,828,274	5,577,518
Less: Impairment allowances		
Stage 1 and Stage 2 provision for ECL	(13,272)	(11,666)
Stage 3 provision for ECL	–	–
	<b>(13,272)</b>	<b>(11,666)</b>
	<b>3,815,002</b>	<b>5,565,852</b>

#### (iv) Investment securities

	31 Dec 2025 HK\$'000	30 Jun 2025 HK\$'000
Gross investment securities	135,824,370	134,446,166
Less: Impairment allowances		
Stage 1 and Stage 2 provision for ECL	(539)	(1,124)
Stage 3 provision for ECL	–	–
	<b>(539)</b>	<b>(1,124)</b>
	<b>135,823,831</b>	<b>134,445,042</b>

No impairment allowances for investment securities were maintained at the Head Office as at 31 Dec 2025 and 30 Jun 2025.

### III. Additional balance sheet information (Continued)

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

	31 Dec 2025 HK\$'000	% of total secured loans and advances	30 Jun 2025 HK\$'000	% of total secured loans and advances
Loans and advances for use in Hong Kong				
Industrial, commercial and financial:				
– Property development	15,652,752	12.57	13,355,328	20.24
– Property investment	2,780,261	76.62	2,916,995	77.72
– Financial concerns	21,019,896	–	23,061,839	–
– Stockbrokers	2,134,284	–	2,511,241	–
– Wholesale and retail trade	1,845,072	9.30	1,053,879	19.20
– Manufacturing	1,291,145	12.37	1,352,106	13.45
– Transport and transport equipment	5,446,515	57.58	5,046,256	77.79
– Recreational activities	1,487,622	–	657,413	–
– Information technology	–	–	–	–
– Others	11,871,582	6.36	12,880,901	5.88
Individuals:				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchases Scheme	–	–	–	–
– Loans for the purchase of other residential properties	–	–	–	–
– Credit card advances	–	–	–	–
– Others	–	–	–	–
Sub-total	<b>63,529,129</b>		62,835,958	
Trade finance	<b>2,208,797</b>	<b>16.47</b>	739,713	23.44
Loans and advances for use outside Hong Kong	<b>23,386,596</b>	<b>14.70</b>	24,461,187	5.32
Total	<b>89,124,522</b>	<b>13.60</b>	88,036,858	13.08

### III. Additional balance sheet information (Continued)

#### (v)(b) Gross loans and advances to customers by geographical area

	31 Dec 2025 HK\$'000	30 Jun 2025 HK\$'000
Hong Kong	<b>75,840,290</b>	75,279,784
Mainland China	<b>5,388,717</b>	4,722,874
Others	<b>7,895,515</b>	8,034,200
	<b>89,124,522</b>	88,036,858

The gross amount of loans and advances to customers by geographical segment is classified 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. 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 according 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. Geographical segments, constituting 10% or more of the Branch's total international claims after taking into account any recognized risk transfer, are disclosed below.

Equivalent in millions of HK\$	Bank	Official Sector	Non-bank financial institutions	Non-financial private sector	Total
As at 31 Dec 2025					
Developing Asia-Pacific	<b>93,128</b>	<b>12,495</b>	<b>4,262</b>	<b>5,651</b>	<b>115,536</b>
of which: Mainland China	<b>90,724</b>	<b>7,940</b>	<b>4,262</b>	<b>5,651</b>	<b>108,577</b>
Developed economies	<b>19,762</b>	<b>5,330</b>	<b>6,934</b>	<b>11,208</b>	<b>43,234</b>
Offshore centres	<b>6,127</b>	<b>23,024</b>	<b>35,352</b>	<b>24,783</b>	<b>89,286</b>
of which: Hong Kong	<b>5,024</b>	<b>23,024</b>	<b>33,150</b>	<b>24,399</b>	<b>85,597</b>
As at 30 Jun 2025					
Developing Asia-Pacific	100,225	13,162	2,289	4,349	120,025
of which: Mainland China	97,966	9,566	2,289	4,349	114,170
Developed economies	22,269	5,330	8,137	11,452	47,188
Offshore centres	2,976	22,811	37,168	25,526	88,481
of which: Hong Kong	2,218	22,811	35,203	24,896	85,128

### III. Additional balance sheet information (Continued)

#### (vii)(a) Overdue loans and advances to customers

	31 Dec 2025 HK\$'000	% of total loans and advances to customers	30 Jun 2025 HK\$'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	125,510	0.14	–	–
More than 6 months but not more than 1 year	761	–	1,711	–
More than 1 year	2,046,591	2.30	2,051,129	2.33
	<b>2,172,862</b>	<b>2.44</b>	2,052,840	2.33
			<b>31 Dec 2025 HK\$'000</b>	30 Jun 2025 HK\$'000
Market value of collateral held against the secured overdue loans and advances			54,600	–
Secured overdue loans and advances			51,870	–
Unsecured overdue loans and advances			2,120,992	2,052,840
Stage 3 provision for ECL			2,100,611	2,048,984
Overdue loans and advances to customers by geographical area				
Hong Kong			2,172,862	2,052,840
			<b>2,172,862</b>	2,052,840

Collateral held with respect to overdue loans and advances to customers is mainly properties.

Overdue loans and advances to customers by geographical area are classified in according to the location of counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances of a counterparty 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

There were no other overdue assets as at 31 Dec 2025 and 30 Jun 2025.

#### (vii)(c) Rescheduled loans

There were no rescheduled loans to customers net of overdue more than 3 months as at 31 Dec 2025 and 30 Jun 2025.

#### (vii)(d) Repossessed assets

There were no repossessed assets held as at 31 Dec 2025 and 30 Jun 2025.

### III. Additional balance sheet information (Continued)

#### (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 exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposures HK\$'000
As at 31 Dec 2025			
1. Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	45,787,984	2,221,902	48,009,886
2. Local governments, local government-owned entities and their subsidiaries and JVs	944,436	405,916	1,350,352
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,190,242	402	3,190,644
4. Other entities of central government not reported in item 1 above	134,582	67,225	201,807
5. Other entities of local governments not reported in item 2 above	–	–	–
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	369,391	–	369,391
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	–	–	–
<b>Total</b>	<b>50,426,635</b>	<b>2,695,445</b>	<b>53,122,080</b>
Total assets after provisions	<b>352,335,593</b>		
On-balance sheet exposures as percentage of total assets	<b>14.31%</b>		

### III. Additional balance sheet information (Continued)

#### (viii) Non-bank Mainland exposures (Continued)

	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposures HK\$'000
As at 30 Jun 2025			
1. Central government, central government-owned entities and their subsidiaries and JVs	47,350,619	920,189	48,270,808
2. Local governments, local government-owned entities and their subsidiaries and JVs	435,006	642,680	1,077,686
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,574,296	3,178	3,577,474
4. Other entities of central government not reported in item 1 above	213,358	110,067	323,425
5. Other entities of local governments not reported in item 2 above	–	–	–
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	230,793	–	230,793
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	–	–	–
<b>Total</b>	<b>51,804,072</b>	<b>1,676,114</b>	<b>53,480,186</b>
Total assets after provisions	364,896,147		
On-balance sheet exposures as percentage of total assets	14.20%		

### III. Additional balance sheet information (Continued)

#### (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\$	CNY	USD	Total
As at 31 Dec 2025			
Spot assets	44,135	201,789	245,924
Spot liabilities	(62,759)	(175,779)	(238,538)
Forward purchases	131,867	145,606	277,473
Forward sales	(110,061)	(174,212)	(284,273)
Net options position*	–	–	–
Net long (short) position	3,182	(2,596)	586
Net structural position	–	–	–
As at 30 Jun 2025			
Spot assets	35,775	235,658	271,433
Spot liabilities	(78,399)	(167,503)	(245,902)
Forward purchases	170,974	178,218	349,192
Forward sales	(126,921)	(238,732)	(365,653)
Net options position*	–	–	–
Net long (short) position	1,429	7,641	9,070
Net structural position	–	–	–

\* Net options position is calculated based on the basis of the delta-weighted position of the options contracts.

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

	<b>31 Dec 2025</b>	30 Jun 2025
	<b>HK\$'000</b>	HK\$'000
	<b>Contract</b>	Contract
	<b>amount</b>	amount
Direct credit substitutes	<b>1,401,348</b>	1,441,837
Trade related contingencies	<b>4,884,372</b>	3,653,298
Others commitments	<b>24,488,646</b>	24,557,430
	<b>30,774,366</b>	29,652,565

### (ii) Derivatives

	<b>Contract</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>amount</b>	<b>assets</b>	<b>liabilities</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
As at 31 Dec 2025			
Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	<b>357,084,799</b>	<b>3,782,370</b>	<b>3,058,897</b>
Interest rate contracts	<b>607,610,143</b>	<b>13,012,342</b>	<b>13,036,183</b>
Others	<b>639,298</b>	<b>798</b>	<b>10,274</b>
	<b>965,334,240</b>	<b>16,795,510</b>	<b>16,105,354</b>
As at 30 Jun 2025			
Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	446,636,511	3,656,979	3,879,761
Interest rate contracts	611,499,302	15,501,879	15,290,818
Others	1,219,663	11,442	14,736
	1,059,355,476	19,170,300	19,185,315

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

## V. Liquidity information

	31 Dec 2025	31 Dec 2024*
Average liquidity coverage ratio ("LCR")		
– Fourth quarter	<b>225.41%</b>	245.57%
Average liquidity coverage ratio for the period	<b>223.18%</b>	205.46%
Net stable funding ratio ("NSFR")		
– Third quarter end	<b>115.52%</b>	116.17%
– Fourth quarter end	<b>117.57%</b>	121.69%

\* Standard disclosure templates (LIQ1 & LIQ2) of comparative information can be found in the Regulatory Disclosures Section of our website [www.bankcomm.com.hk](http://www.bankcomm.com.hk).

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

The Branch's average LCR in year 2025 was 223.18%. The Branch's NSFR for the quarter ends of year 2025 were 115.69%, 115.75%, 115.52% and 117.57% respectively.

In the fourth quarter of year 2025, the Branch's LCR increased as a result of increase in deposits from corporate customers and increase in self-issued certificate of deposits.

In the fourth quarter end of year 2025, the Branch's NSFR increased as a result of increase in deposits from corporate customers.

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 source 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.

## V. Liquidity information (Continued)

### LIQA: 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 local regulatory requirements in order to fulfill its liquidity risk management. The Asset and Liability Management Committee 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. Financial 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 deposits. In order to strengthen its financing capabilities, the Branch focuses on building up core deposits while diversifying its funding sources via various channels. Additionally, the Branch maintains a liquidity arrangement with its Head Office, engaging in regular funding transfers to ensure a reliable supply of intragroup backup funding, should the need arise. Monitoring and control of intragroup funding transactions are in line with the same standard as those applied to transactions with third parties. Moreover, the Head Office has implemented internal limits across the group to regulate the extent to which the Branch relies on funding from the Head Office.

The majority of the liquidity risk associated with the Branch arises from the mismatch in maturity between its assets and liabilities. To address this, the Branch conducts regular cash flow analysis and projections for both on- and off-balance sheet items, categorizing them according to different maturity buckets to make sure the Branch can meet its funding requirements. Moreover, the Branch closely monitors off-balance sheet funding obligations (such as commitments or letters of guarantee) and assesses their impact on its liquidity capacity. Furthermore, the Branch strives to maintain a high level of marketability within its asset portfolio, enabling swift monetization in the event of an unforeseen liquidity crunch in the market.

The Branch has implemented a range of limits and indicators to effectively identify and manage liquidity risk. These include liquidity coverage ratio, loan-to-deposit ratio, concentration limits on customer deposits, interbank borrowing utilization ratio, etc. Relevant management information systems are employed to manage liquidity risk on a daily basis to assess liquidity under normal circumstance; and regular stress tests are carried out at least on a monthly basis to evaluate the Branch's ability to withstand significant stress conditions. These stress test scenarios are designed with reference to the HKMA's Supervisory Policy Manuals as well as the historical liquidity stress scenarios. Taking into account historical data and plausible stress conditions, the Branch's stress test assesses the potential impact on all assets, liabilities and off-balance sheet positions, and allows for the estimation of potential funding short-falls. The results of these stress tests will be scrutinized, and appropriate measures will be taken if necessary.

The Branch has set up an early warning indicator system for closely monitoring the movement of relevant indicators on a regular basis. In case of a liquidity crisis, a Crisis Management Committee will be formed promptly to devise an appropriate contingency funding plan aimed at resolving the crisis. Moreover, drills are conducted on a regular basis to ensure readiness and feasibility of contingency funding plan in times of crisis.

To address unforeseen liquidity requirements, the Branch has set up a liquidity buffer consisting of a robust portfolio of highly liquid assets, such as cash, Exchange Fund Bills / Notes, unencumbered sovereign bonds and other high quality bonds. The liquidity buffer is managed by the Financial Management Department and operated by the Global Markets Department on a daily basis.

## V. Liquidity information (Continued)

### LIQA: Liquidity risk management (Continued)

The on- and off-balance sheet items, broken down into maturity buckets and the resultant liquidity gaps are disclosed as below:

Equivalent in millions of HK\$	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
As at 31 Dec 2025							
Total on-balance sheet asset	190,924	41,629	53,184	41,126	6,740	18,799	352,402
Total on-balance sheet liabilities	127,567	80,294	46,784	43,005	5,491	49,261	352,402
Net amount on liquidity gap	63,357	(38,665)	6,400	(1,879)	1,249	(30,462)	–
Net amount on liquidity gap of irrevocable loan commitments	(4,830)	–	–	–	–	19,460	14,630
As at 31 Dec 2024							
Total on-balance sheet assets	192,445	51,448	63,809	44,577	3,196	26,140	381,615
Total on-balance sheet liabilities	113,202	69,082	97,032	45,052	5,480	51,767	381,615
Net amount on liquidity gap	79,243	(17,634)	(33,223)	(475)	(2,284)	(25,627)	–
Net amount on liquidity gap of irrevocable loan commitments	(4,100)	–	–	–	–	19,411	15,311

## V. Liquidity information (Continued)

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

2025 Fourth 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 Dec 2025: (75)		HK\$'000	
		Unweighted value (average)	Weighted value (average)
Basis of disclosure: Hong Kong office			
<b>A. HQLA</b>			
1.	Total HQLA		95,507,307
<b>B. Cash Outflows</b>			
2.	Retail deposits and small business funding, of which:	1,221,518	106,928
3.	<i>Stable retail deposits and stable small business funding</i>	107,703	5,385
4.	<i>Less stable retail deposits and less stable small business funding</i>	917,051	91,705
4a.	<i>Retail term deposits and small business term funding</i>	196,764	9,838
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	106,987,333	71,296,317
6.	<i>Operational deposits</i>	3,265,475	779,316
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	102,349,116	69,144,259
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	1,372,742	1,372,742
9.	Secured funding transactions (including securities swap transactions)		-
10.	Additional requirements, of which:	9,083,981	5,911,655
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	5,216,628	4,877,274
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>	3,867,353	1,034,381
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	10,421,392	10,421,392
15.	Other contingent funding obligations (whether contractual or non-contractual)	28,990,936	282,136
16.	<b>Total Cash Outflows</b>		88,018,428
<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	72,655,658	39,317,442
19.	Other cash inflows	25,421,686	5,974,933
20.	<b>Total Cash Inflows</b>	98,077,344	45,292,375
<b>D. Liquidity Coverage Ratio</b>		<b>Adjusted value</b>	
21.	<b>Total HQLA</b>		95,507,307
22.	<b>Total Net Cash Outflows</b>		42,726,053
23.	<b>LCR (%)</b>		225.41%

## V. Liquidity information (Continued)

### LIQ2: Net Stable Funding Ratio – for category 1 institution

2025 Fourth quarter end:

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>A. Available stable funding ("ASF") item</b>						
1.	Capital:	–	–	–	–	–
2.	<i>Regulatory capital</i>	–	–	–	–	–
2a.	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3.	<i>Other capital instruments</i>	–	–	–	–	–
4.	Retail deposits and small business funding:	–	1,308,578	14,445	–	1,196,430
5.	<i>Stable deposits</i>	–	114,178	–	–	108,469
6.	<i>Less stable deposits</i>	–	1,194,400	14,445	–	1,087,961
7.	Wholesale funding:	–	188,259,193	19,362,019	5,490,780	71,167,705
8.	<i>Operational deposits</i>	–	3,112,871	–	–	1,556,436
9.	<i>Other wholesale funding</i>	–	185,146,322	19,362,019	5,490,780	69,611,269
10.	Liabilities with matching interdependent assets	–	–	–	–	–
11.	Other liabilities:	5,741,801	20,840,641	11,235,570	82,786,653	88,404,438
12.	<i>Net derivative liabilities</i>	4,535,035	–	–	–	–
13.	<i>All other funding and liabilities not included in the above categories</i>	1,206,766	20,840,641	11,235,570	82,786,653	88,404,438
14.	<b>Total ASF</b>	–	–	–	–	160,768,573
<b>B. Required stable funding ("RSF") item</b>						
15.	Total HQLA for NSFR purposes	–	9,106,752	2,147,102	86,824,803	14,136,477
16.	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17.	Performing loans and securities:	34,204,339	97,471,776	11,396,890	84,396,110	113,983,768
18.	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	–	–	–	–
19.	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	16,367,931	91,239,063	9,532,445	15,148,688	49,968,701

## V. Liquidity information (Continued)

### LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2025 Fourth quarter end (Continued):

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
20.	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	17,836,408	3,579,268	1,091,732	26,691,850	40,184,519
21.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22.	<i>Performing residential mortgages, of which:</i>	–	12	356	15,067	12,991
23.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24.	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	2,653,433	772,357	42,540,505	23,817,557
25.	<i>Assets with matching interdependent liabilities</i>	–	–	–	–	–
26.	<i>Other assets:</i>	16,076,208	587,260	–	–	8,382,799
27.	<i>Physical traded commodities, including gold</i>	–	–	–	–	–
28.	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	7,509,811	–	–	–	6,383,339
29.	<i>Net derivative assets</i>	–	–	–	–	–
30.	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	7,138,451	–	–	–	356,923
31.	<i>All other assets not included in the above categories</i>	1,427,946	587,260	–	–	1,642,537
32.	<i>Off-balance sheet items</i>	–	27,292	–	30,747,074	241,519
33.	<b>Total RSF</b>	–	–	–	–	136,744,563
34.	<b>Net Stable Funding Ratio (%)</b>	–	–	–	–	117.57%

## V. Liquidity information (Continued)

### LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2025 Third quarter end:

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>A. Available stable funding ("ASF") item</b>						
1.	Capital:	–	–	–	–	–
2.	<i>Regulatory capital</i>	–	–	–	–	–
2a.	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3.	<i>Other capital instruments</i>	–	–	–	–	–
4.	Retail deposits and small business funding:	–	1,278,738	11,740	–	1,166,948
5.	<i>Stable deposits</i>	–	110,349	–	–	104,832
6.	<i>Less stable deposits</i>	–	1,168,389	11,740	–	1,062,116
7.	Wholesale funding:	–	179,345,925	18,332,202	5,488,348	68,571,387
8.	<i>Operational deposits</i>	–	2,994,873	–	–	1,497,437
9.	<i>Other wholesale funding</i>	–	176,351,052	18,332,202	5,488,348	67,073,950
10.	Liabilities with matching interdependent assets	–	–	–	–	–
11.	Other liabilities:	7,853,431	12,755,938	11,899,338	81,236,238	87,185,907
12.	<i>Net derivative liabilities</i>	4,981,597	–	–	–	–
13.	<i>All other funding and liabilities not included in the above categories</i>	2,871,834	12,755,938	11,899,338	81,236,238	87,185,907
14.	<b>Total ASF</b>	–	–	–	–	156,924,242
<b>B. Required stable funding ("RSF") item</b>						
15.	Total HQLA for NSFR purposes	–	6,751,783	2,983,149	99,845,700	14,964,223
16.	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17.	Performing loans and securities:	32,864,338	75,244,033	16,368,173	72,916,192	111,622,580
18.	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	–	–	–	–
19.	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	14,981,552	68,843,495	12,249,892	15,229,957	46,662,979

## V. Liquidity information (Continued)

### LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2025 Third quarter end (Continued):

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
20.	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	17,882,786	4,516,593	1,472,969	26,670,390	40,864,981
21.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22.	<i>Performing residential mortgages, of which:</i>	–	13	488	15,296	13,252
23.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24.	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	1,883,932	2,644,824	31,000,549	24,081,368
25.	<i>Assets with matching interdependent liabilities</i>	–	–	–	–	–
26.	<i>Other assets:</i>	17,067,153	1,400,385	–	–	9,083,462
27.	<i>Physical traded commodities, including gold</i>	–	–	–	–	–
28.	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	8,156,786	–	–	–	6,933,268
29.	<i>Net derivative assets</i>	–	–	–	–	–
30.	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	7,341,208	–	–	–	367,060
31.	<i>All other assets not included in the above categories</i>	1,569,159	1,400,385	–	–	1,783,134
32.	<i>Off-balance sheet items</i>	–	27,339	–	29,252,247	165,615
33.	<b>Total RSF</b>	–	–	–	–	135,835,880
34.	<b>Net Stable Funding Ratio (%)</b>	–	–	–	–	115.52%

## VI. Disclosure of remuneration policy

In accordance with the disclosure requirement of the Supervisory Policy Manual “CG-5 Guideline on a Sound Remuneration System” issued by the HKMA, the following disclosures are made:

### (i) Governance structure of the remuneration system

Established under the Board of Directors of the Head Office, the Personnel & Remuneration Committee is primarily responsible for making recommendations to the Board of Directors on its scale and structure according to the Group’s operating results, the scale of assets and the structure of shareholding, approving and amending the policies on diversification of members of the Board of Directors, evaluating the performance of the Group’s directors and senior management and supporting the Group in assessing the performance of the Board of Directors, making recommendations to the Board of Directors on formulating the selection procedures and assessment criteria for the Group’s directors and senior management personnel, reviewing the basic systems and policies of the Group’s remuneration management and putting forward suggestions on the salary distribution plan of the Group’s directors and senior managers and then submitting it to the Board of Directors for deliberation. The Personnel & Remuneration Committee performed the functions both as a Nomination Committee and a Remuneration Committee. Relevant policies are applicable to the staff of its overseas institutions including the Branch (please refer to the Annual Report (H Share) of Bank of Communications Co., Ltd. for details on the Personnel & Remuneration Committee and related information on the meetings held).

“Senior Management” refers to the senior executives who are responsible for oversight of the Branch’s firm-wide strategy or activities or those of the Branch’s material business lines. “Key Personnel” refers to the individual staff whose duties or activities in the course of their employment involve the assumption of material risk or the taking on of material exposures on behalf of the Branch. To ensure the suitability of the remuneration system, the Branch will seek advice from external consultants if necessary.

### (ii) Remuneration policy

The remuneration policy is applicable to all staff employed by the Branch. The remuneration policy supports the Branch’s overall approach to risk management so as to ensure it is not undermined and to encourage staff to support the Branch’s overall risk management, including but not limited to credit risk, market risk, interest rate risk, liquidity risk, operational risk, reputation risk, legal and compliance risk, strategic risk and consistent with the Branch’s climate risk management strategy.

Staff remuneration is composed of “fixed remuneration” and “variable remuneration”. Both are paid by cash. The proportion of fixed and variable remuneration is determined by the factors such as staff seniority, job responsibilities and the need to encourage staff to support the Branch’s overall risk management, corporate values and long-term financial soundness. Generally, the proportion of variable remuneration would be expected to increase in line with the staff seniority and responsibility. For risk control personnel, their remuneration is determined independent of the performance of the business units they oversee.

Variable remuneration is discretionary and should be granted subject to the budget which is determined based on the factors including (1) the cost and quantity of capital required to support the risks taken; (2) the cost and quantity of the liquidity risk assumed in the conduct of business; and (3) the timing and likelihood of potential future revenues incorporated into current earnings, together with the Branch’s overall performance assessment by Head Office, the Branch’s profit of the year, asset and liability, future development, etc.

The award of variable remuneration to the staff is determined by individual fulfilment of both financial and non-financial factors (including but not limited to the adherence to the risk management policies, compliance with legal, regulatory and ethical standards, bank culture, etc.). Under such arrangement, staff performance shall be assessed comprehensively and appropriately reflected in their variable remuneration after taken into account of other factors such as the Branch’s financial performance and future development.

The Branch has established relevant guidelines, stipulating the consequences of staff misconduct (e.g. cases in which a staff / staff’s supervisor is accountable for misconduct that leads to significant losses for the Branch, or cases in which there is fraud or a serious breach of internal rules) on remuneration (including adjustment to the amount of variable remuneration, reduction of unvested variable remuneration or clawback of variable remuneration paid in the past or which has already vested to the staff, etc). Under such circumstances, the application of the variable remuneration adjustment should be proportionate with the misconduct outcome.

## **VI. Disclosure of remuneration policy (Continued)**

### **(ii) Remuneration policy (Continued)**

To improve and enhance the remuneration system and to strike a balance between staff current earnings and the delayed risk that might bring to the Branch as well as to support the Branch's stability and sustainable development, the Branch has implemented a deferral mechanism on variable remuneration (such as performance bonus) with a vesting period of three years. Generally, the proportion of variable remuneration made subject to deferment would be expected to increase in line with staff seniority, responsibility, risk taken, amount of variable remuneration, etc. Apart from considering the Branch's business performance, if a staff is found to have committed significant operational incidents, non-compliance, identified accountability incidents or other serious incidents, the Branch may recalculate the variable remuneration and / or adjust the deferred variable remuneration of the staff. The Branch has established relevant policies that in case the staff committed the above incidents or events, the Branch should be able to apply clawback of variable remuneration paid in the past or which has already vested to the staff.

The Branch conducts regular internal monitoring to ensure compliance in the implementation of its remuneration policy. Such monitoring is conducted by relevant independent departments responsible for compliance monitoring in accordance with the Branch's organization structure. The remuneration policy is subject to review periodically and when necessary.

In 2025, the Branch has reviewed and enhanced the remuneration policy. Major changes included updating the name of relevant departments.

## VI. Disclosure of remuneration policy (Continued)

### (iii)(a) Aggregate amount of remuneration for Senior Management and Key Personnel

Remuneration amount and quantitative information <sup>Note 1 – 3</sup>		31 Dec 2025	31 Dec 2024
	Number of employees		
	No. of Senior Management:	23	19
	No. of Key Personnel:	14	11
		<b>HK\$'000</b>	HK\$'000
Fixed remuneration	Total fixed remuneration	46,848	51,470
	Of which: cash-based	46,848	51,470
	Of which: deferred	–	–
	Of which: shares or other share-linked instruments	–	–
	Of which: deferred	–	–
	Of which: other forms	–	–
	Of which: deferred	–	–
	Number of employees		
	No. of Senior Management:	23	19
	No. of Key Personnel:	14	11
		<b>HK\$'000</b>	HK\$'000
Variable remuneration	Total variable remuneration	25,028	28,061
	Of which: cash-based	25,028	28,061
	Of which: deferred	10,412	10,901
	Of which: shares or other share-linked instruments	–	–
	Of which: deferred	–	–
	Of which: other forms	–	–
	Of which: deferred	–	–
<b>Total remuneration</b>		<b>71,876</b>	79,531

Note:

1. Given the sensitive nature of related information, aggregate figures instead of separate figures will be disclosed in this part.
2. The remuneration of some Senior Management was paid by Bank of Communications (Hong Kong) Limited and disclosed in its Disclosure of Remuneration Policy.
3. Included staff newly joined or left the Branch during the financial year.

## VI. Disclosure of remuneration policy (Continued)

### (iii)(b) Special payments

Special payments	Guaranteed bonuses		Sign-on awards		Severance payments	
	Number of employees	Total amount HK\$'000	Number of employees	Total amount HK\$'000	Number of employees	Total amount HK\$'000
As at 31 Dec 2025						
Senior Management & Key Personnel	–	–	–	–	–	–
As at 31 Dec 2024						
Senior Management & Key Personnel	–	–	–	–	–	–

### (iii)(c) Deferred remuneration

Deferred and retained remuneration	Total amount of outstanding deferred remuneration HK\$'000	Of which:		Total amount of deferred remuneration paid out in the financial year HK\$'000
		Total amount of outstanding deferred remuneration exposed to explicit and / or implicit adjustment HK\$'000	Total amount of amendment during the year due to explicit adjustments HK\$'000	
As at 31 Dec 2025				
Senior Management & Key Personnel				
Cash	20,897	20,897	–	356
Shares	–	–	–	–
Cash-linked instruments	–	–	–	–
Other	–	–	–	–
<b>Total</b>	<b>20,897</b>	<b>20,897</b>	<b>–</b>	<b>356<sup>Note 1</sup></b>
As at 31 Dec 2024				
Senior Management & Key Personnel				
Cash	20,199	20,199	–	–
Shares	–	–	–	–
Cash-linked instruments	–	–	–	–
Other	–	–	–	–
<b>Total</b>	<b>20,199</b>	<b>20,199</b>	<b>–</b>	<b>7,686</b>

Note:

1. Adjustment was made in accordance with the deferral mechanism on variable remuneration.

## SECTION B – BANK INFORMATION (CONSOLIDATED BASIS)

### I. Consolidated balance sheet items and financial ratios

	<b>31 Dec 2025</b> <b>CNY million</b>	30 Jun 2025 CNY million (Unaudited)
Total loans and advances	<b>8,898,768</b>	8,777,937
Total customer deposits	<b>9,307,815</b>	9,171,358
Total assets	<b>15,548,388</b>	15,435,405
Total liabilities	<b>14,268,106</b>	14,130,635
Shareholders' equity	<b>1,269,232</b>	1,293,989
Capital adequacy ratio	<b>15.96%</b>	16.59%

The capital adequacy ratio above is calculated pursuant to the Administrative Measures for the Capital Management of Commercial Banks and relevant regulations by the National Financial Regulatory Administration, including all of the Group's domestic and overseas branches and subsidiaries of those financial institutions (excluding insurance companies).

	<b>31 Dec 2025</b> <b>(12 months)</b> <b>CNY million</b>	31 Dec 2024 (12 months) CNY million
Pre-tax profit	<b>103,763</b>	103,475