

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**  
**REVIEW REPORT ON DISCLOSURE OF ANNUAL FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

**INDEPENDENT PRACTITIONER’S REVIEW REPORT  
TO MANAGEMENT OF CHINA CITIC BANK INTERNATIONAL LIMITED MACAU  
BRANCH**

We have reviewed the disclosure of annual financial information of China CITIC Bank International Limited Macau Branch (the “Branch”) for the year ended 31 December 2021 set out on pages iv to lvi, which comprises Summary Financial Statements, Business Summary Report, Report of the Branch Management and Financial Statements, Unaudited Disclosure of Financial Information, and the note to disclosure of annual financial information (collectively referred as the “Annual Financial Information”)

*Responsibility of the Branch’s management for the Annual Financial Information*

The Branch’s management is responsible for the preparation and presentation of the Annual Financial Information in accordance with the relevant requirements of the Guideline on the Disclosure of Financial Information and Annex 3 under the Circular No.026/B/2012-DSB/AMCM on 16 November 2012 (the “Circular”) issued by the Monetary Authority of Macau (“AMCM”) as set out in Note 1 of the Annual Financial Information, and for such internal control as management determines is necessary to enable the preparation of Annual Financial Information that is free from material misstatement, whether due to fraud or error.

*Practitioner’s responsibility*

Our responsibility is to express a conclusion on the Annual Financial Information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our review in accordance with International Standard on Review Engagements (“ISRE”) 2400 (Revised), “Engagements to Review Historical Financial Statements”. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Annual Financial Information, taken as a whole, is not prepared in all material respects in accordance with Circular issued by the AMCM as set out in Note 1 of the Annual Financial Information. This Standard also requires us to comply with relevant ethical requirements.

A review of Annual Financial Information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this Annual Financial Information.

**INDEPENDENT PRACTITIONER'S REVIEW REPORT (CONTINUED)**  
**TO MANAGEMENT OF CHINA CITIC BANK INTERNATIONAL LIMITED MACAU**  
**BRANCH**

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the Annual Financial Information is not prepared, in all material respects, in accordance with the Circular issued by the AMCM as set out in Note 1 of the Annual Financial Information.

*Restriction on distribution and use*

The Annual Financial Information is prepared and presented in connection with the Circular issued by AMCM as set out in Note 1 of the Annual Financial Information. As a result, the Annual Financial Information may not be suitable for another purpose. Our report is intended solely for management of the Branch and should not be distributed to or used by any other parties for any purpose.

**PricewaterhouseCoopers**  
Certified Public Accountants

Macao, 29 April 2022

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**  
**DISCLOSURE OF ANNUAL FINANCIAL INFORMATION**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

## **CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

### **NOTE TO DISCLOSURE OF ANNUAL FINANCIAL INFORMATION**

#### **1 Basis of preparation**

The Disclosure of Annual Financial Information of China CITIC Bank International Limited Macau Branch for the year ended 31 December 2021 has been prepared in accordance with the relevant requirements of the Guideline on Disclosure of Financial Information and Annex 3 under the Circular No.026/B/2012-DSB/AMCM on 16 November 2012 issued by the Autoridade Monetaria de Macao (“AMCM”).

The accounting policies used in the preparation of the Disclosure of Annual Financial Information for the year ended 31 December 2021 are consistent with those used in the preparation of the Disclosure of Annual Financial Information for the year ended 31 December 2020.

The Disclosure of Annual Financial Information consists of the following:

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Summary Financial Statements	vi - ix
Business Summary Report	x
Report of the Branch Management and Financial Statements	xi - xl
Unaudited Disclosure of Financial Information	xli - lvi

**China CITIC Bank International Limited Macau Branch**

**Summary Financial Statements**

(In accordance with the requirements set out in Article 76 of Macau Financial System Act approved by Decree-Law No. 32/93/M of 5 July 1993)

Balance Sheet as at 31 December 2021

MOP			
Assets	Total Amount	Provision, Accumulated Depreciation and Impairment	Net Amount
Cash	-	-	-
Deposits with AMCM	141,792,909.94	-	141,792,909.94
Account Receivable	-	-	-
Due from other local credit institutions	1,575,305.32	-	1,575,305.32
Due from other foreign credit institutions	520,319,157.40	-	520,319,157.40
Gold and Silver	-	-	-
Other Current Assets	-	-	-
Loans and advances to customers	1,723,743,302.13	-	1,723,743,302.13
Placements with local credit institutions	55,000,000.00	-	55,000,000.00
Placements with foreign credit institutions	-	-	-
Shares, Bonds and Equity	-	-	-
Debtors	-	-	-
Other Investments	-	-	-
Financial Investments	-	-	-
Real Estate	-	-	-
Equipment	12,166,504.94	8,540,743.64	3,625,761.30
Deferred Expenses	-	-	-
Pre-opening Expenses	-	-	-
Fixed assets in progress	-	-	-
Other Fixed Assets	10,109,216.44	2,780,035.50	7,329,180.94
Internal and Adjustment accounts	3,126,914.71	-	3,126,914.71
<b>TOTAL</b>	<b>2,467,833,310.88</b>	<b>11,320,779.14</b>	<b>2,456,512,531.74</b>

**China CITIC Bank International Limited Macau Branch**

**Summary Financial Statements**

Balance Sheet as at 31 December 2021

MOP

Liabilities	Sub-total	Total
Saving Deposits	216,138,837.92	
Deposits at short notice	-	
Time Deposits	1,415,391,082.29	1,631,529,920.21
Public sector deposits	-	
Due to local credit institutions	55,000,000.00	
Due to other local credit institutions	-	
Foreign currency takings	574,506,719.34	
Cheques and orders payable	257,185.42	
Creditors	506,846.49	
Other Liabilities	30,899,691.00	661,170,442.25
Internal and Adjustment accounts	28,695,916.11	
Provisions	17,774,995.00	
Capital	50,000,000.00	
Legal Reserve	-	
Voluntary Reserve	-	
Other Reserves	-	96,470,911.11
Profit and loss accumulated balance	-	
Profit & Loss for the year	67,341,258.17	67,341,258.17
TOTAL		2,456,512,531.74

**China CITIC Bank International Limited Macau Branch**

**Summary Financial Statements**

Operating Result for the year ended 31 December 2021

		MOP	
<b>Debit</b>	<b>Amount</b>	<b>Credit</b>	<b>Amount</b>
Costs of credit operations	9,155,958.87	Income from credit operations	73,365,695.86
Personnel costs	-	Income from banking services	21,606,721.50
Directors and Supervisory Council Expenses	-	Income from other banking services	219,883.15
Staff Expenses	16,639,967.00	Income from securities and equity investments	-
Fixed Staff Benefits	1,097,180.84	Other banking income	-
Other personnel costs	949,370.67	Income from non-banking operations	-
Third party supply	188,440.70	Operating Loss	-
Third party services	10,422,371.28		
Other banking costs	99,703.89		
Taxation	27.01		
Costs of non-banking operations	-		
Depreciation allowances	2,501,116.55		
Provision allowances	-		
Operating Profit	54,138,163.70		
TOTAL	95,192,300.51	TOTAL	95,192,300.51

Profit and Loss Account for the year ended 31 December 2021

		MOP	
<b>Debit</b>	<b>Amount</b>	<b>Credit</b>	<b>Amount</b>
Operating Loss	-	Operating Profit	54,138,163.70
Losses related to previous years	-	Profit related to previous years	-
Exceptional Losses	-	Exceptional Profits	-
Profit tax provision	8,149,956.49	Provisions charged back	21,353,050.96
Operating Result (Profit)	67,341,258.17	Operating Result (Loss)	-
TOTAL	75,491,214.66	TOTAL	75,491,214.66

Branch Manager  
Felix Xia

Finance Manager  
Emily Sio



**China CITIC Bank International Limited Macau Branch**

**Summary Financial Statements**

MOP

Memorandum items	Amount
Values received for safe keeping	-
Bills for collection	-
Collateral	557,432,485.46
Guarantees on account of customers	52,035,600.00
Letters of credit outstanding	-
Bills and acceptance available for discount	-
Deposit paid on behalf of customers	-
Forward exchange contracts - purchases	-
Forward exchange contracts - sales	-
Other memorandum items	341,788,617.12

## **China CITIC Bank International Limited Macau Branch**

### **Business Summary Report**

The local economic environment of 2021 remained challenging. Although our total assets have been impacted by the early repayment of some syndicated loans, our outstanding deposits increased significantly. At the same time, our operating income for the year increased, contributed by the handling fees from syndicated loans and other non-interest income. As a result, profit before impairment was approximately MOP54 million which was a growth of about 17% as compared with last year.

In 2021, our Branch leaded and launched 2 syndicated loans which were actively participated by the peer banks in Macau. Besides, we have enhanced our business contacts with local peers and have proactively taken part in the collaborative businesses and development projects in the local market. Going forward, we will also continue to co-operate with our parent bank and customers in Mainland China, with particular focus on the Guangdong-Hong Kong-Macau Greater Bay Area to explore potential opportunities of cross-border banking businesses.

Here, management would like to give our sincere gratitude to all sectors of Macau society, peers and our customers for their continuous great support to us.

Felix Xia  
Branch Manager

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**  
**REPORT OF THE BRANCH MANAGEMENT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

## **CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

### **REPORT OF THE BRANCH MANAGEMENT**

The Branch management have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2021.

#### **Principal place of business**

China CITIC Bank International Limited Macau Branch (“the Branch”), is a branch of China CITIC Bank International Limited (“Head Office” or “the Bank”). It is domiciled in Macao and has its registered office and principal place of business at 22 andar B, Finance and IT Center of Macau, No. 300-322 Avenida Doutor Mario Soares, Macao.

#### **Principal activities**

The principal activities of the Branch are the provision of commercial banking and related financial services.

#### **Financial statements**

The profit of the Branch for the financial year ended 31 December 2021 and the state of the Branch’s affairs at that date are set out in the financial statements on pages 3 to 28.

#### **Property, plant and equipment**

Movements in Property, plant and equipment are set out in Note 14 to the financial statements.

#### **Head Office account**

Profit for the year of MOP67,341,258 (2020: MOP19,753,152) will be transferred to Head Office account. Other movements in the Head Office account are set out in the statement of changes in Head Office account.

On behalf of the Branch management

Felix Xia

Branch Manager

Macao, 29 April 2022

**INDEPENDENT AUDITOR'S REPORT  
TO THE MANAGEMENT OF CHINA CITIC BANK INTERNATIONAL LIMITED  
MACAU BRANCH**

We have audited the financial statements of China CITIC Bank International Limited Macau Branch ("the Branch") set out on pages 3 to 28, which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in head office account, and cash flow statement for the year then ended, and a summary of significant accounting policies and explanatory notes.

**Management's responsibility for the financial statements**

The management is responsible for the preparation and the true and fair presentation of the financial statements in accordance with Financial Reporting Standards issued by the Government of the Macao Special Administrative Region. This responsibility includes designing, implementing and maintaining appropriate internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable; and keeping proper and accurate accounting records.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on the audit work we have performed and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted the audit in accordance with General Auditing Standards issued by the Government of the Macao Special Administrative Region. Those standards require that the auditor complies with relevant ethical requirements and plans and performs the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit includes performing appropriate audit procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures are selected according to the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Branch's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch's management, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MANAGEMENT OF CHINA CITIC BANK INTERNATIONAL LIMITED  
MACAU BRANCH (CONTINUED)**

**Auditor's responsibility (Continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Audit Opinion**

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Branch as at 31 December 2021 and of its operating results and cash flows for the year then ended in accordance with Financial Reporting Standards issued by the Government of the Macao Special Administrative Region. The accounting policies used in the preparation of the financial statements for the year ended 31 December 2021 are consistent with those used in the preceding year.

Ng Wai Ying  
Certified Public Accountant  
**PricewaterhouseCoopers**

Macao, 29 April 2022

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (Expressed in Macao Patacas)

	Note	2021 MOP	2020 MOP
Interest income	4	73,365,696	89,257,263
Interest expense	4	(9,155,959)	(15,586,321)
<b>Net interest income</b>		<u>64,209,737</u>	<u>73,670,942</u>
Fee and commission income	5	21,392,647	1,963,167
Other operating income		433,958	1,914,783
<b>Operating income</b>		<u>86,036,342</u>	<u>77,548,892</u>
Operating expenses	6	(31,898,152)	(31,177,296)
<b>Operating profit before impairment</b>		<u>54,138,190</u>	<u>46,371,596</u>
Impairment losses written-back/(charged) on loans and advances to customers	7	21,353,052	(20,201,525)
<b>Profit before taxation</b>		<u>75,491,242</u>	<u>26,170,071</u>
Income tax charged	8(a)	(8,149,984)	(2,448,419)
<b>Profit for the year</b>		<u><u>67,341,258</u></u>	<u><u>23,721,652</u></u>

Approved by the Branch management on 29 April 2022 and signed on behalf by:

\_\_\_\_\_  
 Felix Xia, Branch Manager

\_\_\_\_\_  
 Emily Sio, Finance Manager

The notes on pages 8 to 28 form part of these financial statements.

# CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

## BALANCE SHEET

AT 31 DECEMBER 2021

(Expressed in Macao Patacas)

	Note	2021 MOP	2020 MOP
<b>Assets</b>			
Cash and balances with banks	9	521,894,463	836,302,013
Deposits with Autoridade Monetaria de Macau ("AMCM")	10	141,792,910	126,183,369
AMCM Monetary bills	11	54,982,088	49,980,927
Loans and advances to customers	12(a)	1,705,968,307	3,815,349,970
Other assets	13	3,126,915	11,623,089
Property, plant and equipment	14	10,954,942	13,323,821
<b>Total Assets</b>		<u>2,438,719,625</u>	<u>4,852,763,189</u>
<b>Liabilities</b>			
Deposits from customers and banks	15	1,686,529,920	1,444,291,465
Deposits and balances from Head Office	16	574,506,719	3,327,047,127
Current income tax	8(c)	9,286,469	3,089,156
Other liabilities	17	51,055,259	8,582,289
		<u>2,321,378,367</u>	<u>4,783,010,037</u>
<b>Head Office Account</b>			
Establishment fund	18	50,000,000	50,000,000
Retained profits		67,341,258	19,753,152
		<u>117,341,258</u>	<u>69,753,152</u>
<b>Total Head Office Account and Liabilities</b>		<u>2,438,719,625</u>	<u>4,852,763,189</u>

Approved by the Branch management on 29 April 2022 and signed on behalf by:

\_\_\_\_\_  
Felix Xia, Branch Manager

\_\_\_\_\_  
Emily Sio, Finance Manager

The notes on pages 8 to 28 form part of these financial statements.



**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**STATEMENT OF CHANGES IN HEAD OFFICE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in Macao Patacas)

	Establishment fund MOP	Retained profits MOP (Adjusted)	Total MOP
<b>Head Office account at 1 January 2020</b>	50,000,000	32,367,209	82,367,209
Transfer to Head Office	-	(36,335,709)	(36,335,709)
Profit for the year	-	23,721,652	23,721,652
<b>Head Office account at 31 December 2020</b>	50,000,000	19,753,152	69,753,152
Transfer to Head Office	-	(19,753,152)	(19,753,152)
Profit for the year	-	67,341,258	67,341,258
<b>Head Office account at 31 December 2021</b>	<u>50,000,000</u>	<u>67,341,258</u>	<u>117,341,258</u>

The notes on pages 8 to 28 form part of these financial statements.

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in Macao Patacas)

	Note	2021 MOP	2020 MOP
<b>Operating activities</b>			
Profit before income tax		75,491,242	26,170,071
Adjustments for:			
Depreciation expense	6	2,501,117	2,005,858
Impairment losses (written-back)/charged on loans and advances to customers	7	(21,353,052)	20,201,525
		<u>56,639,307</u>	<u>48,377,454</u>
Changes in operating assets:			
AMCM Monetary bills with original maturity of more than three months		-	64,895,597
Minimum statutory deposits with AMCM (Note)	10	(3,689,000)	5,680,000
Loans and advances to customers		2,130,734,715	(2,100,477,962)
Other assets		8,496,174	1,927,518
		<u>2,135,541,889</u>	<u>(2,027,974,847)</u>
Changes in operating liabilities:			
Deposits from customers and banks		242,238,455	58,152,055
Deposits and balances from Head Office		(2,752,540,408)	2,356,114,441
Other liabilities		42,472,970	(5,638,154)
		<u>(2,467,828,983)</u>	<u>2,408,628,342</u>

The notes on pages 8 to 28 form part of these financial statements.

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**CASH FLOW STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (Expressed in Macao Patacas)

	Note	2021 MOP	2020 MOP
<b>Cash used in operations</b>		(275,647,787)	429,030,949
Income tax paid		(1,952,671)	(4,232,185)
<b>Net cash (used in)/generated from operating activities</b>		(277,600,458)	424,798,764
<b>Investing activity</b>			
Purchases of Property, plant and equipment	14	(132,238)	(3,175,217)
<b>Net cash used in investing activity</b>		(132,238)	(3,175,217)
<b>Financing activity</b>			
Retained profits transferred to Head Office		(19,753,152)	(36,335,709)
<b>Net cash used in financing activity</b>		(19,753,152)	(36,335,709)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(297,485,848)	385,287,838
<b>Cash and cash equivalents at 1 January</b>		996,213,309	610,925,471
<b>Cash and cash equivalents at 31 December</b>	19	698,727,461	996,213,309
<b>Cash flows from operating activities include:</b>			
Interest received		81,356,931	90,330,606
Interest paid		(9,243,414)	(15,397,729)

Note: The comparative figure has been reclassified to conform with current year's presentation.

The notes on pages 8 to 28 form part of these financial statements.

## **CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

### **NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

#### **1 General**

China CITIC Bank International Limited Macau Branch (“the Branch”) is a branch of China CITIC Bank International Limited (“Head Office” or “the Bank”). The Branch is engaged in commercial banking business and provision of related financial services.

The Branch is registered as a licensed bank under the Macao Financial System Act on 3 October 2005. The Branch domiciled in Macao. The address of its registered office and principal place of business is 22 andar B, Finance and IT Center of Macao, No. 300-322 Avenida Doutor Mario Soares, Macao.

The financial statements have been approved for issue by the management of the Branch on 29 April 2022, it was resolved that Mr Felix Xia and Ms Emily Sio be authorised to sign the financial statements.

#### **2 Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements.

##### **(a) Basis of preparation**

The financial statements of the Branch have been prepared in accordance with Financial Reporting Standards issued by the Government of Macao Special Administrative Region under Administrative Regulation No. 25/2005 on 9 December 2005 (“MFRS”).

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements have been prepared under the historical cost convention.

##### **(i) New standards and interpretations not yet adopted**

Effective from 28 March 2020, Financial Reporting Standards issued by the Government of Macau under Administrative Regulation No. 25/2005 on 9 December 2005 (“MFRS”) were replaced by Financial Reporting Standards issued by the Directive of Secretaria para a Economia e Finanças No. 44/2020 on 17 March 2020 (“New MFRS”). The New MFRS is mandatory for adoption from the annual period beginning 1 January 2022. The Branch has not early adopted the New MFRS in preparing the financial statements for the year ended 31 December 2021. None of the standards included in the New MFRS is expected to have a significant effect on the financial statements of the Branch except the following as set out below:

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

## 2 Significant accounting policies (Continued)

### (a) Basis of preparation (Continued)

#### (i) New standards and interpretations not yet adopted (Continued)

##### - IAS 1 in the New MFRS

IAS 1, 'Presentation of Financial Statements' in the New MFRS requires to present all non-owner changes in equity either in one statement of comprehensive income or in two statements. The standard also requires the presentation of a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. These impact presentation aspects.

##### - IFRS 9 in the New MFRS

IFRS 9, "Financial Instruments" in the New MFRS addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard permits to apply the transitional provisions for the adoption.

With the adoption of IFRS 9, the Branch will reassess fees that are an integral part of the effective interest rate of a financial instrument. Such fees will be treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognised in profit or loss.

The Branch's debt instruments that are currently classified as held-to-maturity/loans and advances to customers which will continue to be measured at amortised cost under IFRS 9.

IFRS 9 requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income ("FVOCI"), contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. At initial recognition, impairment allowance is required for ECL resulting from default events that are possible within the next 12 months ("12-month ECL"). In the event of a significant increase in credit risk, an allowance is required for ECL resulting from all possible default events over the expected life of the financial instrument ("lifetime ECL").

The Branch has undertaken an assessment of how its impairment provisions would be affected by the new model and is expected to result in a decrease in the provision amount due to the adoption of IFRS 9. Nevertheless, Circular No. 012/2021-AMCM issued by AMCM requires the Branch to establish a regulatory reserve based on the credit risk of its financial assets. Thus, the adoption of the ECL impairment and regulatory reserve will not result in an increase in the amount of distributable profit of the Branch as at 1 January 2022.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Branch's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### **2 Significant accounting policies (Continued)**

##### **(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Branch and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

###### **(i) Interest income**

Interest income for all interest-bearing financial instruments is recognised in the income statement on an accrual basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Branch estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

###### **(ii) Fee and commission income**

Fee and commission income, including loan arrangement fee, insurance commission, remittance fee, is recognised on an accrual basis when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

Origination or commitment fees received/paid by the Branch which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### **2 Significant accounting policies (Continued)**

##### **(c) Loans and advances to customers**

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Branch does not intend to sell immediately nor in the near term and may recover substantially all of its initial investment, other than because of credit deterioration.

Loans and advances to customers are reported on the balance sheet as at the principal amount outstanding, less impairment losses, if any (see note 2(g)(i)).

All loans and advances are recognised when cash is advanced to borrowers.

##### **(d) AMCM Monetary bills**

###### **(i) Classification**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity for which the Branch has the positive intention and ability to hold to maturity, other than (a) those that the Branch, upon initial recognition, designates as at fair value through profit or loss or as available for sale; and (b) those that meet the definition of loans and receivables.

###### **(ii) Recognition and derecognition**

The Branch recognises held-to-maturity investments on a trade date basis and derecognises when contractual rights to receive cash flows from it expires or substantially all the risks and rewards of ownership have been transferred.

###### **(iii) Measurement**

Investments are measured initially at fair value, which normally will be equal to the transaction price plus transaction costs directly attributable to the acquisition.

Held-to-maturity investments are subsequently measured at amortised costs using the effective interest method less impairment losses, if any (see note 2(g)(ii)).

##### **(e) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

##### **(f) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any (see note 2(g)(iii)).

Gains or losses arising from the retirement or disposal of an item of Property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in income statement on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of Property, plant and equipment, less their estimated residual value, if any, using the straight line method over the estimated useful lives as follows:

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### **2 Significant accounting policies (Continued)**

##### **(f) Property, plant and equipment (Continued)**

Leasehold improvements	10 years
Furniture and fixtures	10 years
Office equipment	7 years
Computer equipment	3 - 5 years
Motor vehicle	4 years

Where parts of an item of Property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

##### **(g) Impairment of assets**

The carrying amount of the Branch's assets is reviewed at each reporting period to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Branch about one or more of the following loss events which has an impact on the future cash flows on the assets that can be estimated reliably:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;
- disappearance of an active market for financial assets because of financial difficulties; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to the income statement.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of loans and receivables and held-to-maturity investments, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Branch is satisfied that recovery is remote, the amount considered irrecoverable is written off against loans and receivables or held-to-maturity investments directly and any amounts held in the allowance account relating to that borrower/investment are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

##### **(i) Loans and advances to customers**

Impairment losses on loans and advances to customers are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.



## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

## 2 Significant accounting policies (Continued)

### (g) Impairment of assets (Continued)

#### (i) Loans and advances to customers (Continued)

In determining the amount of impairment losses, the Branch also made reference to the impairment allowance guidelines pursuant to AMCM notice no. 18/93-AMCM. The Branch assesses losses for impaired loans and advances when there is objective evidence that impairment of a loan or portfolio of loans has occurred. The Branch assesses on a case-by-case basis at each reporting date whether there is any objective evidence that a loan is impaired and made individual assessment to arrive at specific provision to such loan. For loans where specific provisions are not individually provided, general provisions are calculated on a collective basis to cover losses which have been incurred but not yet been identified, and such estimation is made reference to the AMCM's Provisioning Guidelines.

#### (ii) Investments

For held-to-maturity investments, the impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate, where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of impairment losses shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

#### (iii) Property, plant and equipment

Internal and external sources of information are reviewed at each reporting period to identify indications that plant and equipment may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

##### - Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

##### - Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### **2 Significant accounting policies (Continued)**

##### **(g) Impairment of assets (Continued)**

###### **(iii) Property, plant and equipment (Continued)**

- Reversals of impairment losses

In respect of assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

##### **(h) Leased assets**

Where the Branch has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

##### **(i) Employee benefits**

Salaries, annual bonuses, paid annual leave and contributions to defined contribution retirement plans are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

##### **(j) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills.

##### **(k) Current and deferred income tax**

Current and deferred income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case the relevant amounts of tax are recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

## **CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

### **NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

#### **2 Significant accounting policies (Continued)**

##### **(k) Current and deferred income tax (Continued)**

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Branch has the legally enforceable right to set off current tax assets against current tax liabilities and in the case of current tax assets and liabilities, the Branch intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **(l) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Branch has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### **2 Significant accounting policies (Continued)**

##### **(m) Foreign currencies**

###### **(i) Functional and presentation currency**

Items included in the financial statements of the Branch are measured using the currency of the primary economic environment in which the Branch operates (“the functional currency”). The financial statements are presented in Macao Official Patacas (“MOP”), which is the Branch’s presentation currency and functional currency.

###### **(ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Macao Patacas using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Macao Patacas using the foreign exchange rates ruling at the dates the fair value was measured.

##### **(n) Related parties**

###### **(a) A person, or a close member of that person’s family, is related to the Branch if that person:**

- (i)** has control or joint control over the Branch;
- (ii)** has significant influence over the Branch; or
- (iii)** is a member of the key management personnel of the Branch or the Branch’s parent.

###### **(b) An entity is related to the Branch if any of the following conditions applies:**

- (i)** The entity and the Branch are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii)** One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii)** Both entities are joint ventures of the same third party.
- (iv)** One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v)** The entity is a post-employment benefit plan for the benefit of employees of either the Branch or an entity related to the Branch.
- (vi)** The entity is controlled or jointly controlled by a person identified in (a).
- (vii)** A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### 2 Significant accounting policies (Continued)

##### (n) Related parties (Continued)

(b) An entity is related to the Branch if any of the following conditions applies (Continued):

- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### 3 Critical accounting estimates and assumptions

The Branch makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas susceptible to changes in essential estimates and judgements, which affect the carrying amount of assets and liabilities, are set out below. The effect of changes to either the key assumptions or other estimation uncertainties will be presented below if it is practicable to determine. It is possible that actual results may require material adjustments to the estimates referred to below.

##### (a) Impairment allowance for loans and advances to customers

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Branch makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment is described in the accounting policy Note 2(g).

#### 4 Net interest income

	2021 MOP	2020 MOP
Interest income from:		
- loans and advances to customers	73,042,278	88,601,921
- deposits with banks and AMCM	17,399	176,140
- AMCM monetary bills	52,941	630,628
- placements with Head Office	253,078	(151,426)
	<hr/> 73,365,696	<hr/> 89,257,263
	<hr/>	<hr/>
Interest expenses from:		
- deposits and balances from Head Office, banks and AMCM	1,812,213	3,333,970
- deposits from customers	7,343,746	12,252,351
	<hr/> 9,155,959	<hr/> 15,586,321
	<hr/>	<hr/>

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**4 Net interest income (Continued)**

Net interest income	64,209,737	73,670,942
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All interest income and expenses are arising from financial assets or financial liabilities that are not measured at fair value through profit or loss for the year ended 31 December 2021 and 31 December 2020.

**5 Fee and commission income**

	2021 MOP	2020 MOP
Trade finance business	821,274	775,425
Credit facility fee	19,260,909	5,150
Others	1,310,464	1,182,592
	<u>21,392,647</u>	<u>1,963,167</u>

**6 Operating expenses**

	2021 MOP	2020 MOP
Staff costs	18,686,519	18,641,603
Rental expenses	7,627,600	6,926,725
Depreciation (Note 14)	2,501,117	2,005,858
Others	3,082,916	3,603,110
	<u>31,898,152</u>	<u>31,177,296</u>

**7 Impairment losses (written-back)/ charged on loans and advances to customers**

	2021 MOP	2020 MOP
Impairment losses (written-back)/ charged on loans and advances to customers		
- individually assessed (Note 12(b))	-	-
- collectively assessed (Note 12(b))	(21,353,052)	20,201,525
	<u>(21,353,052)</u>	<u>20,201,525</u>

# CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

### 8 Taxation

Current income tax comprises of Macao complementary tax. According to Macao complementary tax law, Macao complementary tax is levied at progressive rates ranging from 3% to 9% on the taxable income above MOP32,000 but below MOP300,000, and thereafter at a fixed rate at 12%. For the years 2021 and 2020, special tax incentives were provided to effect that tax free income threshold are increased to MOP600,000 respectively, the profit thereafter is charged at a fixed rate of 12%. On 29 April 2021, the Legislative Assembly approved an additional tax incentive to reduce the 2020 complementary tax payment by MOP300,000 as a relief measure for the negative impacts of COVID-19.

#### (a) Taxation in the income statement represents:

	2021 MOP	2020 MOP
<b>Current tax - Macao complementary tax</b>		
Charge for the year	9,286,469	3,089,156
Additional tax incentives for COVID-19	(300,000)	(300,000)
Over-provision from prior years	(836,512)	(340,768)
	<u>8,149,957</u>	<u>2,448,388</u>
<b>Current tax- overseas</b>		
Withholding tax	27	31
	<u>8,149,984</u>	<u>2,448,419</u>

#### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2021 MOP	2020 MOP
Profit before taxation	<u>75,491,242</u>	<u>26,170,071</u>
Notional tax on profit before taxation, calculated at Macao		
Complementary Tax rate of 12% (2020: 12%)	9,058,949	3,140,409
Effect of progressive tax rate before 12%	(17,260)	(17,260)
Special complementary tax incentives	(54,740)	(54,740)
Additional tax incentives for COVID-19	(300,000)	(300,000)
Over-provision from prior years	(836,512)	(340,768)
Withholding tax	27	31
Others	299,520	20,747
Actual tax expense	<u>8,149,984</u>	<u>2,448,419</u>

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH****NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**8 Taxation (Continued)****(c) Current taxation in the balance sheet represents:**

	2021 MOP	2020 MOP
Balance of Macao complementary tax provision	<u>9,286,469</u>	<u>3,089,156</u>

The Branch does not have any significant unprovided deferred taxation as at 31 December 2021 and 31 December 2020.

**9 Cash and balances with banks**

	2021 MOP	2020 MOP
Balances with banks and other financial institutions maturing within one month	<u>521,894,463</u>	<u>836,302,013</u>

**10 Deposits with AMCM**

	2021 MOP	2020 MOP
Deposits with AMCM (Note)	<u>141,792,910</u>	<u>126,183,369</u>

Note: According to the statutory requirement, the Branch is required to maintain a minimum deposit balance with AMCM for liquidity purpose. The required daily amount of the MOP current deposit balance in each week should not be less than 70% of the following percentage of the average of the basic liabilities classified by term and calculated in the preceding week:

- (a) 3% on all the liabilities which are repayable on demand;
- (b) 2% on all the liabilities which are repayable within 3 months (3 months inclusive) except for those already counted in (a);
- (c) 1% on all the liabilities which are repayable beyond 3 months.

As at 31 December 2021, the amount of minimum statutory deposit balance with AMCM required for the Branch is MOP19,942,000 (31 December 2020: MOP16,253,000).



**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**11 AMCM Monetary bills**

	2021 MOP	2020 MOP
Unlisted monetary bills issued by AMCM, at amortised cost		
- current	54,982,088	49,980,927

**12 Loans and advances to customers**

**(a) Loans and advances to customers less impairment allowances**

	2021 MOP	2020 MOP
Gross loans and advances to customers	1,723,743,302	3,854,478,017
Impairment allowance		
- individually assessed (Note 12(b))	-	-
- collectively assessed (Note 12(b))	(17,774,995)	(39,128,047)
	1,705,968,307	3,815,349,970
Current	558,177,723	1,821,544,393
Non-current	1,147,790,584	1,993,805,577
	1,705,968,307	3,815,349,970

**(b) Movement in impairment allowances on loans and advances to customers**

	Individually assessed MOP	Collectively assessed MOP	Total MOP
At 1 January 2020 (Note 12(a))	-	18,926,522	18,926,522
Impairment losses charged to income statement (Note 7)	-	20,201,525	20,201,525
At 31 December 2020 (Note 12(a))	-	39,128,047	39,128,047
Impairment losses written-back to income statement (Note 7)	-	(21,353,052)	(21,353,052)
At 31 December 2021 (Note 12(a))	-	17,774,995	17,774,995

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**13 Other assets**

	2021 MOP	2020 MOP
Interest receivable	1,720,989	9,712,224
Prepayment and deposits	1,366,705	1,562,355
Others	39,221	348,510
	<u>3,126,915</u>	<u>11,623,089</u>
Current	1,722,217	6,580,170
Non-current	1,404,698	5,042,919
	<u>3,126,915</u>	<u>11,623,089</u>

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**14 Property, plant and equipment**

	Leasehold improvements MOP	Furniture and fixtures MOP	Office equipment MOP	Computer equipment MOP	Motor vehicle MOP	Total MOP
<b>Cost:</b>						
At 1 January 2021	10,109,216	1,661,481	1,679,752	8,221,295	471,740	22,143,484
Additions	-	-	-	132,238	-	132,238
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	10,109,216	1,661,481	1,679,752	8,353,533	471,740	22,275,722
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation:</b>						
At 1 January 2021	1,769,114	413,120	795,599	5,370,090	471,740	8,819,663
Charge for the year (Note 6)	1,010,922	155,637	238,703	1,095,855	-	2,501,117
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	2,780,036	568,757	1,034,302	6,465,945	471,740	11,320,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>						
At 31 December 2021	7,329,180	1,092,724	645,450	1,887,588	-	10,954,942
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**14 Property, plant and equipment (Continued)**

	Leasehold improvements MOP	Furniture and fixtures MOP	Office equipment MOP	Computer equipment MOP	Motor vehicle MOP	Total MOP
<b>Cost:</b>						
At 1 January 2020	10,109,216	1,661,481	1,679,752	5,046,078	471,740	18,968,267
Additions	-	-	-	3,175,217	-	3,175,217
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	10,109,216	1,661,481	1,679,752	8,221,295	471,740	22,143,484
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation:</b>						
At 1 January 2020	758,192	257,483	554,917	4,771,473	471,740	6,813,805
Charge for the year (Note 6)	1,010,922	155,637	240,682	598,617	-	2,005,858
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,769,114	413,120	795,599	5,370,090	471,740	8,819,663
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>						
At 31 December 2020	8,340,102	1,248,361	884,153	2,851,205	-	13,323,821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**15 Deposits from customers and banks**

	2021 MOP	2020 MOP
Current accounts	71,349,696	106,540,269
Savings deposits	144,789,142	107,410,036
Time, call and notice deposits	1,470,391,082	1,230,341,160
	<u>1,686,529,920</u>	<u>1,444,291,465</u>
Current	<u>1,686,529,920</u>	<u>1,444,291,465</u>

**16 Deposits and balances from Head Office**

The amount represents short term deposits from head office, which are unsecured, repayable within one month and bearing interest at the rates ranging from 0% to 0.13% per annum (2020: 0% to 2% per annum).

**17 Other liabilities**

	2021 MOP	2020 MOP
Interest payable	1,438,443	1,525,897
Deferred income	12,678,562	1,397,410
Cashier order and bills payable	257,185	135,322
Accounts payable	31,406,538	825,879
Accrued expenses	778,531	556,381
Bonus accrual	4,496,000	4,141,400
	<u>51,055,259</u>	<u>8,582,289</u>
Current	44,013,445	8,077,762
Non-current	7,041,814	504,527
	<u>51,055,259</u>	<u>8,582,289</u>

**18 Establishment fund**

Balance represents the set up capital of the Branch in accordance with Article 23 of Decree Law No.32/93/M (2020: same).

**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Macao Patacas)

**19 Cash and cash equivalents**

**(a) Components of cash and cash equivalents in the cash flow statement**

	2021 MOP	2020 MOP
Cash and balances with banks	521,894,463	836,302,013
Deposits with AMCM in excess of minimum statutory requirement (Note 10)	121,850,910	109,930,369
AMCM Monetary bills with original maturity within three months	54,982,088	49,980,927
	<u>698,727,461</u>	<u>996,213,309</u>

**(b) Reconciliation with the balance sheet**

	2021 MOP	2020 MOP
Cash and balances with banks	521,894,463	836,302,013
Deposits with AMCM	141,792,910	126,183,369
Unlisted monetary bills issued by AMCM	54,982,088	49,980,927
	<u>718,669,461</u>	<u>1,012,466,309</u>
Amounts shown in the balance sheet		
Less: Minimum statutory deposits with AMCM (Note 10)(Note)	(19,942,000)	(16,253,000)
	<u>698,727,461</u>	<u>996,213,309</u>
Cash and cash equivalents in the cash flow statement		

Note: The comparative figure has been reclassified to conform with current year's presentation.

**20 Contingent liabilities and commitments**

	2021 MOP	2020 MOP
Loan commitment	341,788,617	1,030,000
Letter of guarantee	52,035,600	48,616,000
	<u>393,824,217</u>	<u>49,646,000</u>

Contingent liabilities and commitments are credit-related instruments which include letters of credits, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers.

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

#### 21 Operating lease commitments

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2021 MOP	2020 MOP
- Within one year	7,293,422	6,578,519
- After one year but within five years	5,418,566	11,186,517
	<u>12,711,988</u>	<u>17,765,036</u>

The Branch leases two properties and two car-parks under operating leases. The lease for properties typically runs for an initial period of two years to five years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

#### 22 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Branch entered into the following material related party transactions.

During the year, the Branch entered into a number of transactions with the Head Office and other branches, in the normal course of its banking business including, inter alia, lending, the acceptance and placement of inter-bank deposits, correspondent banking transactions and foreign exchange transactions. The transactions were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other counterparties and customers of the Branch. In the opinion of the Branch management, these transactions were conducted on normal commercial terms.

- (a) During the year, the Branch earned income and incurred expense on balances with group companies as follows:

	2021 MOP	2020 MOP
Interest income from Head office and other branches	258,259	(147,330)
Interest expense to Head office	<u>1,301,432</u>	<u>3,333,970</u>

# CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Macao Patacas)

### 22 Material related party transactions (Continued)

- (b) Balances with group companies and related parties included in various balance sheet items are shown as follows:

	2021 MOP	2020 MOP
<b>Due from Head Office and other branches:</b>		
At 1 January	823,539,175	465,169,595
At 31 December	514,348,997	823,539,175
Average for the year	369,555,311	285,214,066
	<hr/>	<hr/>
<b>Interest receivables from Head Office and other branches:</b>		
At 1 January	1,646	-
At 31 December	391	1,646
Average for the year	1,252	2,014
	<hr/>	<hr/>
<b>Deposits and balances from Head Office:</b>		
At 1 January	3,327,047,127	970,932,686
At 31 December	574,506,719	3,327,047,127
Average for the year	1,510,000,353	1,852,536,862
	<hr/>	<hr/>
<b>Interest payables to Head Office:</b>		
At 1 January	6,867	291,135
At 31 December	1,894	6,867
Average for the year	2,862	3,984
	<hr/>	<hr/>

No impairment allowances were made in respect of the above placements with related parties.

Key management personnel are deemed to be the members of the Board of Directors of the Head Office which are responsible for the planning, directing and controlling the activities of the Head Office and the Branch. Compensation of key management personnel were borne by the Head Office for both years.



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**UNAUDITED DISCLOSURE OF FINANCIAL INFORMATION**  
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## **CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

### **UNAUDITED DISCLOSURE OF FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021** (Expressed in Macao Patacas)

#### **1 Financial risk management**

This section presents information about the Branch's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: loss resulting from client or counterparty default and arises on credit exposure in all forms, including settlement risk.
- Market risk: risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and market risk comprises currency risk, interest rate risk and other price risk.
- Liquidity and funding risk: risk that the Branch is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Branch has established policies and procedures to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Branch continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The internal auditors also perform regular audits to ensure compliance with the policies and procedures.

In addition to the Branch's exposure to and management of the aforesaid risks, this note also includes information about the Branch's capital management.

#### **(a) Credit risk management**

Credit risk is managed by a regular analysis of the current and potential risk of loss arising from a customer's or counterparty's inability to meet financial obligations. The Branch is exposed to credit risk mainly through its lending. The Branch defines the credit exposure to a customer as the amount of maximum potential loss arising from all these activities. These exposures include both on and off-balance sheet transactions, including unfunded lending commitments such as loan commitments, and letters of credit and financial guarantees.

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**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

Credit risk management is effected by monitoring implementation of adopted credit policies that determine the borrower's creditworthiness, credit risks classification, loan application procedure and procedures for lending decisions making. The Branch applies the same credit policy in respect of contingent liabilities as in respect of financial instruments recorded on the balance sheet, based on loan approval procedures, use of limits to reduce risk and monitoring. Credit risk is also minimised by obtaining collateral in the form of pledged assets and guarantees from borrowers and third parties.

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Branch's total exposures. An analysis of loans and advances to customers by industry sectors is disclosed in Note 1(a)(vi).

**(i) Credit quality of loans and advances to customers**

The credit quality of loans and advances to customers can be analysed as follows:

	2021 MOP	2020 MOP
Gross loans and advances to customers		
- neither past due nor impaired	1,723,743,302	3,854,478,017
- past due but not impaired	-	-
	<u>1,723,743,302</u>	<u>3,854,478,017</u>

The Branch classifies the loans and advances to customers in accordance with the loan classification system required to be adopted for reporting to the AMCM.

Loans and advances with a specific repayment date are classified as past due when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable on demand are classified as past due when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

At 31 December 2021 and 2020, none of the loans and advances to customers has been classified as impaired.

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**UNAUDITED DISCLOSURE OF FINANCIAL INFORMATION  
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(Expressed in Macao Patacas)

**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

(ii) Credit quality of financial assets other than loans and advances to customers

At 31 December 2021 and 2020, the Branch only had held-to-maturity investments in unlisted monetary bills issued by AMCM. None of these assets (2020: Nil) have been past due with respect to either principal or interest.

(iii) Collateral and other credit enhancements

The Branch holds collateral against loans and advances to customers in the form of mortgages over property, cash deposits and guarantees. Collaterals held as security for financial assets other than advances is determined by the nature of the instrument.

The lower of gross loans and advances and the estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

	2021 MOP	2020 MOP
Lower of gross loans and advances and the fair value of collaterals and other credit enhancements held against financial assets that are:		
- neither past due nor impaired	103,783,058	2,014,252,906
- past due but not impaired	-	-
	<u>103,783,058</u>	<u>2,014,252,906</u>

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**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

(iv) Geographical analysis of loans and advances to customers and commitments

Distribution of loans and advances to customers and commitments by region over or equal 10% of total loans and commitments.

	31 December 2021				
	Gross loans and advances to customers and commitments MOP	Past due or impaired loans and advances to customers MOP	Impaired loans and advances to customers MOP	Individually assessed impairment allowance MOP	Collectively assessed impairment allowance MOP
<b>Region</b>					
Macao SAR	921,064,224	-	-	-	7,926,245
British Virgin Islands	345,371,700	-	-	-	2,972,106
China	415,749,944	-	-	-	3,577,748
Hong Kong	383,346,051	-	-	-	3,298,896
Total	2,065,531,919	-	-	-	17,774,995
	31 December 2020				
	Gross loans and advances to customers and commitments MOP	Past due or impaired loans and advances to customers MOP	Impaired loans and advances to customers MOP	Individually assessed impairment allowance MOP	Collectively assessed impairment allowance MOP
<b>Region</b>					
Macao SAR	454,651,360	-	-	-	4,614,079
United States	1,964,359,200	-	-	-	19,935,515
British Virgin Islands	1,197,780,000	-	-	-	12,155,802
Total	3,616,790,560	-	-	-	36,705,396

The geographical analysis is classified based on the countries where the counterparties were incorporated, without taking into account the transfer of risk. In general, risk transfer applies when the exposure is guaranteed by a party situated in an area different from the counterparty.

The portion of collectively assessed impairment allowance of MOP nil (31 December 2020: MOP2,422,651) was not allocated to the above geographical areas.

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**(a) Credit risk management (Continued)**

Debt investments (including AMCM Monetary Bills) by geographical areas over or equal 10% of total credit exposure. The carrying value below represents the amount of the financial asset in the balance sheet.

	31 December 2021	
	Debt Investments	
	Notional amounts	Carrying value
	MOP	MOP
Region		
Macao SAR	55,000,000	54,982,088

  

	31 December 2020	
	Debt Investments	
	Notional amounts	Carrying value
	MOP	MOP
Region		
Macao SAR	50,000,000	49,980,927

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**CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**

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**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

(vi) Loans and advances to customers analysed by industry sectors

The information concerning loans and advances to customers by industry sectors is prepared by classifying the loans and advances according to the usage of the loans and advances and is stated gross of any impairment allowances.

	31 December 2021					31 December 2020				
	Gross loans and advances to customers MOP	Past due or impaired loans and advances to customers MOP	Individually assessed impairment allowance MOP	Collectively assessed impairment allowances MOP	Impairment allowance written off during the year MOP	Gross loans and advances to customers MOP	Past due or impaired loans and advances to customers MOP	Individually assessed impairment allowance MOP	Collectively assessed impairment allowances MOP	Impairment allowance written off during the year MOP
<b>Loans and advances for use in Macao</b>										
Industrial, commercial and financial:										
- Public construction	59,241,383	-	-	610,889	-	-	-	-	-	-
- Others	-	-	-	-	-	92,508,088	-	-	939,080	-
	<u>59,241,383</u>	<u>-</u>	<u>-</u>	<u>610,889</u>	<u>-</u>	<u>92,508,088</u>	<u>-</u>	<u>-</u>	<u>939,080</u>	<u>-</u>
Individuals:										
- Loans and advances for the purchase of other residential properties	4,216,590	-	-	43,481	-	4,424,942	-	-	44,919	-
- Loans and advances for the purchase of other properties for investment purpose	18,245,845	-	-	188,149	-	21,010,780	-	-	213,287	-
	<u>22,462,435</u>	<u>-</u>	<u>-</u>	<u>231,630</u>	<u>-</u>	<u>25,435,722</u>	<u>-</u>	<u>-</u>	<u>258,206</u>	<u>-</u>
Trade finance	512,493,544	-	-	5,284,760	-	352,177,023	-	-	3,575,062	-

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**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

(vi) Loans and advances to customers analysed by industry sectors (Continued)

	31 December 2021					31 December 2020				
	Gross loans and advances to customers	Past due or impaired loans and advances to customers	Individually assessed impairment allowance	Collectively assessed impairment allowances	Impairment allowance written off during the year	Gross loans and advances to customers	Past due or impaired loans and advances to customers	Individually assessed impairment allowance	Collectively assessed impairment allowances	Impairment allowance written off during the year
	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP
<b>Loans and advances for use outside Macao</b>										
Industrial, commercial and financial:										
- Public Construction	309,000,000	-	-	3,186,364	-	-	-	-	-	-
- Non-monetary institutions	401,595,000	-	-	4,141,190	-	-	-	-	-	-
- Others	396,871,700	-	-	4,092,484	-	3,359,899,200	-	-	34,107,418	-
	<u>1,107,466,700</u>	<u>-</u>	<u>-</u>	<u>11,420,038</u>	<u>-</u>	<u>3,359,899,200</u>	<u>-</u>	<u>-</u>	<u>34,107,418</u>	<u>-</u>
Individuals:										
- Loans and advances for the purchase of other residential properties	-	-	-	-	-	-	-	-	-	-
- Loans and advances for the purchase of other properties for investment purpose	22,079,240	-	-	227,678	-	24,457,984	-	-	248,281	-
	<u>22,079,240</u>	<u>-</u>	<u>-</u>	<u>227,678</u>	<u>-</u>	<u>24,457,984</u>	<u>-</u>	<u>-</u>	<u>248,281</u>	<u>-</u>
<b>Gross loans and advances to customers</b>	<u>1,723,743,302</u>	<u>-</u>	<u>-</u>	<u>17,774,995</u>	<u>-</u>	<u>3,854,478,017</u>	<u>-</u>	<u>-</u>	<u>39,128,047</u>	<u>-</u>



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**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

(vii) Analysis of assets and liabilities by remaining maturity

The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date.

	31 December 2021							
	Total	Repayable on	Within	3 months or	1 year or less	3 years or less	Over 3 years	Undated
	MOP	demand	1 month	less but over	but over	but over	MOP	MOP
		MOP	MOP	1 month	3 months	1 year		
				MOP	MOP	MOP		MOP
<b>Assets</b>								
Cash and balances with banks	521,894,463	521,894,463	-	-	-	-	-	-
Deposits with AMCM	141,792,910	141,792,910	-	-	-	-	-	-
Unlisted monetary bills issued by AMCM	54,982,088	-	4,999,971	49,982,117	-	-	-	-
Loans and advances to customers	1,705,968,307	-	345,582,373	212,595,350	-	1,048,367,534	99,423,050	-
Other assets	3,126,795	-	1,242,402	297,957	181,858	1,358,631	45,947	-
Undated assets	10,955,062	-	-	-	-	-	-	10,955,062
<b>Total assets</b>	<b>2,438,719,625</b>	<b>663,687,373</b>	<b>351,824,746</b>	<b>262,875,424</b>	<b>181,858</b>	<b>1,049,726,165</b>	<b>99,468,997</b>	<b>10,955,062</b>
<b>Liabilities</b>								
Deposits from customers	1,631,529,920	216,138,838	242,540,181	413,460,251	759,390,650	-	-	-
Deposits and balances from Head Office and banks	629,506,720	21,533,220	552,973,500	-	55,000,000	-	-	-
Other liabilities	60,187,227	257,185	31,709,099	1,696,344	19,637,285	6,777,647	109,667	-
Undated liabilities	154,500	-	-	-	-	-	-	154,500
<b>Total liabilities</b>	<b>2,321,378,367</b>	<b>237,929,243</b>	<b>827,222,780</b>	<b>415,156,595</b>	<b>834,027,935</b>	<b>6,777,647</b>	<b>109,667</b>	<b>154,500</b>
<b>Asset-liability gap</b>		<b>425,758,130</b>	<b>(475,398,034)</b>	<b>(152,281,171)</b>	<b>(833,846,077)</b>	<b>1,042,948,518</b>	<b>99,359,330</b>	

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**1 Financial risk management (Continued)**

**(a) Credit risk management (Continued)**

(vii) Analysis of assets and liabilities by remaining maturity (Continued)

	31 December 2020							
	Total	Repayable on	Within	3 months or	1 year or less	3 years or less	Over 3 years	Undated
	MOP	demand	1 month	less but over	but over	but over	MOP	MOP
		MOP	MOP	1 month	3 months	1 year		
				MOP	MOP	MOP		MOP
<b>Assets</b>								
Cash and balances with banks	836,302,013	836,302,013	-	-	-	-	-	-
Deposits with AMCM	126,183,369	126,183,369	-	-	-	-	-	-
Unlisted monetary bills issued by AMCM	49,980,927	-	-	49,980,927	-	-	-	-
Loans and advances to customers	3,815,349,970	-	259,384,624	376,538,819	1,185,620,950	1,944,418,358	49,387,219	-
Other assets	11,622,999	-	780,249	682,778	5,117,144	4,990,660	52,168	-
Undated assets	13,323,911	-	-	-	-	-	-	13,323,911
<b>Total assets</b>	<b>4,852,763,189</b>	<b>962,485,382</b>	<b>260,164,873</b>	<b>427,202,524</b>	<b>1,190,738,094</b>	<b>1,949,409,018</b>	<b>49,439,387</b>	<b>13,323,911</b>
<b>Liabilities</b>								
Deposits from customers	1,444,291,465	213,950,305	445,533,456	784,807,704	-	-	-	-
Deposits and balances from Head Office	3,327,047,127	38,122,927	3,288,924,200	-	-	-	-	-
Other liabilities	11,516,945	135,322	1,795,007	1,300,939	7,935,650	350,027	-	-
Undated liabilities	154,500	-	-	-	-	-	-	154,500
<b>Total liabilities</b>	<b>4,783,010,037</b>	<b>252,208,554</b>	<b>3,736,252,663</b>	<b>786,108,643</b>	<b>7,935,650</b>	<b>350,027</b>	<b>-</b>	<b>154,500</b>
<b>Asset-liability gap</b>		<b>710,276,828</b>	<b>(3,476,087,790)</b>	<b>(358,906,119)</b>	<b>1,182,802,444</b>	<b>1,949,058,991</b>	<b>49,439,387</b>	

(viii) Analysis on past due assets

As at 31 December 2021 and 31 December 2020, there were no assets that have been past due for more than 3 months.

# CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

## UNAUDITED DISCLOSURE OF FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in Macao Patacas)

### 1 Financial risk management (Continued)

#### (b) Market risk management

The Branch's short-term and long-term strategic businesses give rise to market risk exposures from the movements in foreign exchange rates and interest rates. To identify and control various market risk exposures and credit risk concentration in respect of loans and advances to customers of the Branch, the Bank's Credit and Risk Management Committee ("CRMC"), Asset and Liability Committee ("ALCO") and its delegated subcommittees have set up a hierarchy of limits and a series of risk measurements. Hierarchy limits are composed of policy, business and transaction limits. Each hierarchy level has a series of risk measurements like profit and loss limits, position limits and sensitivity limits to alert and trigger adequate actions of different management levels for specific market risk control.

##### (i) Currency risk

The Branch's foreign exchange risk stems from taking foreign exchange positions. All foreign exchange positions are subject to exposure limits approved by ALCO.

Significant foreign currency exposures (at equivalent in MOP) at the balance sheet date were as follows:

31 December 2021								
	Euro dollars	United States dollars	Pound sterling	Japanese yen	Chinese yuan	Hong Kong dollars	Other currencies	Total
	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP
Spot assets	3,448,235	1,349,791,578	2,693	10,534	1,667,651	832,661,062	926,989	2,188,508,742
Spot liabilities	(3,444,709)	(1,349,425,119)	(20)	(8,442)	(1,463,033)	(833,883,445)	(898,821)	(2,189,123,589)
Net long/(short) position	3,526	366,459	2,673	2,092	204,618	(1,222,383)	28,168	(614,847)
31 December 2020								
	Euro dollars	United States dollars	Pound sterling	Japanese yen	Chinese yuan	Hong Kong dollars	Other currencies	Total
	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP
Spot assets	2,213,828	4,308,622,443	6,768	12,015	569,434	388,418,533	988,058	4,700,831,079
Spot liabilities	(2,196,825)	(4,308,662,400)	-	(10,669)	(453,004)	(388,663,656)	(948,153)	(4,700,934,707)
Net long/(short) position	17,003	(39,957)	6,768	1,346	116,430	(245,123)	39,905	(103,628)

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**1 Financial risk management (Continued)**

**(b) Market risk management (Continued)**

**(i) Currency risk (Continued)**

For the foreign exchange currency exposures arising from financial instruments that are denominated in United States dollars (“USD”) or Hong Kong dollars (“HKD”), the Branch considers the risk of movements in exchange rates among MOP, USD and HKD on the Branch’s profits after tax and reserves to be insignificant as MOP and HKD are both pegged to the USD.

In respect of financial instruments denominated in other currencies, the Branch ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Consequently, the Branch considers the risk of movements in exchange rates of other currencies exposures in existence at that date, on the Branch’s profits after tax and reserves, to be insignificant, assuming that all other variables, in particular interest rates, remain constant.

**(ii) Interest rate risk**

Interest rate risk primarily results from timing differences in the repricing of interest bearing assets, liabilities and commitments. The Branch’s interest rate position arises mainly from lending activities undertaken. The Bank’s ALCO oversees all interest rate risk arising from the interest rate profile of the Branch’s assets and liabilities. These interest rate risk are comprised of maturity gaps, basis risk among different interest rate benchmarks, yield curve movements, interest rate repricing risk and risk from embedded options, if any. ALCO supervises the interest rate risk of the banking book through gap mismatch reports, sensitivity analysis and various stress testing.

The Branch measures the interest rate risk of the banking book by conducting a sensitivity analysis on the interest rate exposure on a quarterly basis.

The sensitivity analysis, which is based on an interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- (1) There is a parallel shift in the yield curve and in interest rates.
- (2) There are no other changes to the portfolio.
- (3) No loan prepayment is assumed as the majority of loans are on a floating base.
- (4) Deposits without fixed maturity dates are assumed to be repriced the next day.

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**1 Financial risk management (Continued)**

**(c) Liquidity risk management**

Liquidity risk is the risk that the Branch may not be able to fund an increase in assets or meet obligations as they fall due without incurring unacceptable losses. Such funding liquidity risk arises from the maturity mismatch of the assets and liabilities that the Branch manages.

Liquidity management is conducted at the Group and the Bank levels, and at individual overseas branches and subsidiaries. The Branch is responsible for implementing its own liquidity management policies under the framework established by ALCO of the Bank and local regulatory requirements. The liquidity situation is monitored as a whole by the ALCO. Counterparty limits are set for the Branch in respect of the funding support extended to them. The Branch expects all business units to contribute to the success of managing liquidity under normal and contingency situations by maintaining a rapport with depositors, customers, interbank counterparties, related companies and the regulatory authorities.

The objective of liquidity management is to meet obligations payable under normal and emergency circumstances, to fund asset growth and to comply with the statutory liquidity ratio.

The Branch always maintains a high liquidity ratio in order to meet unexpected increases of customer demand on cash.

The following table indicates the arithmetic mean of liquid assets held and liquidity ratios for the year ended 31 December for the Branch:

	31 December 2021 MOP	31 December 2020 MOP
Minimum weekly amount of cash in hand required to be held	33,482,000	25,839,000
Average weekly amount of cash in hand	122,701,000	77,064,000
Specified liquid assets at the end of each month	1,295,802,000	850,925,000
	<hr/>	<hr/>
	31 December 2021 %	31 December 2020 %
Average ratio of specified liquid asset to total basic liabilities at the end of each month	78	89
One-month liquidity ratio in the last week of each month	118	78
Three-month liquidity ratio in the last week of each month	99	91
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The liquid assets held and average liquidity ratio for the period are determined and calculated in accordance with the rules on cash in hand and minimum liquidity requirements as set out and defined in the AMCM Guideline Notice no. 002/2013-AMCM.

## CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

### UNAUDITED DISCLOSURE OF FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021 (Expressed in Macao Patacas)

#### 1 Financial risk management (Continued)

##### (d) Operational risk management

The Bank manages the Branch's operational risk through the Management Committee and the Operational Risk Management Committee. The Management Committee ensures that the Branch is operating properly and managed in accordance with pre-set risk policies and procedures of the Branch. The Operational Risk Management Committee periodically review, update, and test as necessary the operational policies, procedures and contingency plans of the Branch. For better monitoring of the risk, new products and services are evaluated by various functional units before they are approved by the Bank's senior management to ensure that staff, processes and technology can adequately support prior to launching.

##### (e) Capital management

The Branch's primary objectives when managing capital are to safeguard the Branch's ability to continue as a going concern, so that it can continue to provide returns for the Bank's shareholders and benefits the other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Branch defines "capital" as including all components of Head Office account. On this basis the amount of capital employed at 31 December 2021 was MOP117,341,258 (2020: MOP69,753,152).

The Branch actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

#### 2 Other information in relation to positions of Head Office, China CITIC Bank International Limited

The Branch is one of the branches of China CITIC Bank International Limited ("Head Office" or "the Bank") and therefore, it does not require to prepare consolidated accounts. Unless otherwise stated, all information disclosed is extracted from the corresponding information in the most recently available annual consolidated accounts of Head Office of which the Branch is a member.

##### (a) Consolidated capital adequacy ratios

	31 December 2021 %	31 December 2020 %
Common Equity Tier 1 capital ratio	12.0	12.2
Tier 1 capital ratio	14.7	14.8
Total capital ratio	17.1	17.2

Capital adequacy ratios ("CAR") comply with in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority ("HKMA"). The CAR are computed on a consolidated basis covering the Bank and certain of its subsidiaries as required by the HKMA. The Bank has adopted the "standardised approach" for calculating the risk-weighted amount for credit risk and market risk and the "basis indicator approach" for calculating operational risk. Certain comparatives have been revised in order to align with the latest books and records and banking returns submitted to the HKMA.

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**2 Other information in relation to positions of Head Office, China CITIC Bank International Limited (Continued)****(a) Consolidated capital adequacy ratios (Continued)**

	31 December 2021 HK\$	31 December 2020 HK\$
<b>Equity</b>		
Share capital	18,404,013,000	18,404,013,000
Reserves	22,827,746,000	21,393,369,000
Additional equity instruments	8,554,817,000	7,770,412,000
Total equity	<u>49,786,576,000</u>	<u>47,567,794,000</u>

**(b) Consolidated assets, liabilities and profit positions**

	31 December 2021 HK\$	31 December 2020 HK\$
Total assets	417,472,035,000	392,898,688,000
Total liabilities	367,685,459,000	345,330,894,000
Loans and advances to customers and other accounts	249,416,421,000	226,789,958,000
Deposits and balances of banks and other financial institutions	13,584,427,000	5,326,408,000
Deposits from customers	327,768,033,000	309,877,016,000
Profit before taxation	<u>2,500,399,000</u>	<u>1,306,088,000</u>

**(c) List of shareholders with qualifying holdings**

Qualifying holdings refers to holding which is owned directly or indirectly by the shareholder and which represents 10% or more of the share capital or voting right of the Bank or, in any other form which confers the possibility to exercise a significant influence over the management of the Bank.

At 31 December 2021, the directors consider the immediate parent of the Bank to be CITIC International Financial Holdings Limited, which is incorporated in Hong Kong, and the ultimate controlling party of the Bank to be CITIC Group Corporation, which is incorporated in the Mainland China.

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**2 Other information in relation to positions of Head Office, China CITIC Bank International Limited (Continued)**

**(d) Members of the company boards**

As at the date of this report, the Board of Directors of the Bank comprises:

**Executive Directors**

Mr. BI Mingqiang (President and Chief Executive Officer)  
Mrs. KAN NG Chau Yuk Helen (Deputy Chief Executive Officer)  
Mr. BAI Lijun (Deputy Chief Executive Officer)  
Mr. TANG Nai Pan (Deputy Chief Executive Officer)

**Non-executive Directors**

Mr. FANG Heying  
Mr. GUO Danghuai  
Mr. HU Gang (appointed on 4 March 2021)

**Independent Non-executive Directors**

Ms. LI Shuk Yin Edwina  
Mr. TANG Shisheng  
Ms. TSANG King Suen Katherine  
Mr. WANG Guoliang  
Mr. WU Jiesi