

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
DISCLOSURE OF INTERIM SUMMARY FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2016

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 30 June 2016

| MOP | | | |
|---|------------------|--|------------------|
| Assets | Total Amount | Provision, Accumulated Depreciation and Impairment | Net Amount |
| Cash | - | - | - |
| Deposits with AMCM | 54,280,604.18 | - | 54,280,604.18 |
| Account Receivable | 6,180,000.00 | - | 6,180,000.00 |
| Due from other local credit institutions | 1,312,818.92 | - | 1,312,818.92 |
| Due from other foreign credit institutions | 84,313,409.23 | - | 84,313,409.23 |
| Gold and Silver | - | - | - |
| Other Current Assets | - | - | - |
| Loans and advances to customers | 2,086,774,878.22 | - | 2,086,774,878.22 |
| Placements with local credit institutions | 85,000,000.00 | - | 85,000,000.00 |
| Placements with foreign credit institutions | 6,765,307.20 | - | 6,765,307.20 |
| Shares, Bonds and Equity | - | - | - |
| Debtors | - | - | - |
| Other Investments | - | - | - |
| Financial Investments | - | - | - |
| Real Estate | - | - | - |
| Equipment | 7,030,413.48 | 5,959,813.18 | 1,070,600.30 |
| Deferred Expenses | - | - | - |
| Pre-opening Expenses | - | - | - |
| Fixed assets in progress | - | - | - |
| Other Fixed Assets | 1,458,773.00 | 1,458,773.00 | - |
| Internal and Adjustment accounts | 65,917,096.23 | - | 65,917,096.23 |
| TOTAL | 2,399,033,300.46 | 7,418,586.18 | 2,391,614,714.28 |

Executive Deputy General Manager & Branch Manager
Desmond Wong

Assistant Vice President
Emily Sio

Macao, 25 August 2016

China CITIC Bank International Limited Macau Branch

Summary Financial Statements

Balance Sheet as at 30 June 2016

MOP

| Liabilities | Sub-total | Total |
|--|------------------|-------------------------|
| Saving Deposits | 203,022,337.36 | 316,299,505.51 |
| Deposits at short notice | - | |
| Time Deposits | 113,277,168.15 | |
| Public sector deposits | - | |
| Due to local credit institutions | - | 1,897,495,039.51 |
| Due to other local credit institutions | - | |
| Foreign currency takings | 1,888,689,227.11 | |
| Cheques and orders payable | 2,711,771.72 | |
| Creditors | 6,094,040.68 | 158,795,303.86 |
| Other Liabilities | - | |
| Internal and Adjustment accounts | 85,256,748.38 | |
| Provisions | 23,538,555.48 | |
| Capital | 50,000,000.00 | 19,024,865.40 |
| Legal Reserve | - | |
| Voluntary Reserve | - | |
| Other Reserves | - | |
| Profit and loss accumulated balance | - | 19,024,865.40 |
| Profit & Loss for the year | 19,024,865.40 | |
| TOTAL | | 2,391,614,714.28 |

Executive Deputy General Manager & Branch Manager
Desmond Wong

Assistant Vice President
Emily Sio

Macao, 25 August 2016

China CITIC Bank International Limited Macau Branch

Summary Financial Statements

Operating Result for the six months ended 30 June 2016

MOP

| Debit | Amount | Credit | Amount |
|--|----------------------|---|----------------------|
| Costs of credit operations | 3,637,381.27 | Income from credit operations | 28,827,592.46 |
| Personnel costs | | Income from banking services | 7,189,337.35 |
| Directors and Supervisory Council Expenses | - | Income from other banking services | 588,278.55 |
| Staff Expenses | 6,918,251.00 | Income from securities and equity investments | - |
| Fixed Staff Benefits | 235,534.41 | Other banking income | - |
| Other personnel costs | 931,330.16 | Income from non-banking operations | - |
| Third party supply | 84,723.07 | Operating Loss | - |
| Third party services | 2,376,974.48 | | |
| Other banking costs | 51,146.14 | | |
| Taxation | 16.23 | | |
| Costs of non-banking operations | - | | |
| Depreciation allowances | 206,332.46 | | |
| Provision allowances | 847,558.65 | | |
| Operating Profit | 21,315,960.49 | | |
| TOTAL | 36,605,208.36 | TOTAL | 36,605,208.36 |

Profit and Loss Account for the six months ended 30 June 2016

MOP

| Debit | Amount | Credit | Amount |
|----------------------------------|----------------------|----------------------------------|----------------------|
| Operating Loss | - | Operating Profit | 21,315,960.49 |
| Losses related to previous years | - | Profit related to previous years | 303,206.95 |
| Exceptional Losses | - | Exceptional Profits | - |
| Profit tax provision | 2,594,302.04 | Provisions charged back | - |
| Operating Result (Profit) | 19,024,865.40 | Operating Result (Loss) | - |
| TOTAL | 21,619,167.44 | TOTAL | 21,619,167.44 |

Executive Deputy General Manager & Branch Manager
 Desmond Wong

Assistant Vice President
 Emily Sio

Macao, 25 August 2016

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
DISCLOSURE OF INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED
30 JUNE 2016

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016
 (Expressed in Macau Patacas)

| | 30 June 2016 MOP | 30 June 2015 MOP (Note 2) |
|--|---------------------|---------------------------------|
| Interest income | 28,827,592 | 25,522,495 |
| Interest expense | (3,637,381) | (3,305,406) |
| Net interest income | 25,190,211 | 22,217,089 |
| Fee and commission income | 6,590,860 | 5,381,339 |
| Other operating income | 1,186,755 | 1,247,263 |
| Operating income | 32,967,826 | 28,845,691 |
| Operating expenses | (10,804,292) | (10,445,355) |
| Operating profit before impairment | 22,163,534 | 18,400,336 |
| Impairment losses charged on loans and advances to customers | (847,558) | (9,239) |
| Recoveries of loans previously written off | 303,207 | 285,541 |
| Profit before taxation | 21,619,183 | 18,676,638 |
| Income tax charged | (2,594,318) | (1,927,054) |
| Profit for the period | 19,024,865 | 16,749,584 |

Approved by the Branch management on 25 August 2016

 Executive Deputy General Manager
 & Branch Manager

 Assistant Vice President

The accompanying notes form an integral part of these interim financial information disclosure.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

BALANCE SHEET

AT 30 JUNE 2016

(Expressed in Macau Patacas)

| | 30 June 2016 MOP | 31 December 2015 MOP |
|--|------------------------|----------------------------|
| Assets | | |
| Cash and balances with banks | 85,626,228 | 84,087,380 |
| Placements with bank | 6,765,307 | 6,924,765 |
| Deposits with AMCM | 54,280,604 | 49,497,753 |
| Held-to-maturity investments | 84,980,456 | 92,975,406 |
| Loans and advances to customers | 2,063,236,323 | 1,664,443,536 |
| Other assets | 72,097,097 | 89,630,498 |
| Fixed assets | 1,070,600 | 1,163,450 |
| TOTAL ASSETS | 2,368,056,615 | 1,988,722,788 |
| Liabilities | | |
| Deposits from customers | 316,299,506 | 402,060,622 |
| Deposits and balances from Head Office | 1,888,689,227 | 1,391,296,607 |
| Current taxation | 7,382,109 | 4,787,807 |
| Other liabilities | 86,660,908 | 105,005,876 |
| | 2,299,031,750 | 1,903,150,912 |
| Head Office account | | |
| Establishment fund | 50,000,000 | 50,000,000 |
| Retained profits | 19,024,865 | 35,571,876 |
| | 69,024,865 | 85,571,876 |
| TOTAL HEAD OFFICE ACCOUNT AND LIABILITIES | 2,368,056,615 | 1,988,722,788 |

Approved by the Branch management on 25 August 2016

Executive Deputy General Manager
& Branch Manager

Assistant Vice President

The accompanying notes form an integral part of these interim financial information disclosure.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Macau Patacas)

| | 30 June 2016 MOP | 30 June 2015 MOP (Note 2) |
|---|----------------------|---------------------------------|
| Operating activities | | |
| Profit before taxation | 21,619,183 | 18,676,638 |
| Adjustments for: | | |
| Depreciation expense | 206,333 | 277,063 |
| Impairment losses released on loans and advances to customers | 847,558 | 9,239 |
| | <u>22,673,074</u> | <u>18,962,940</u> |
| (Increase)/decrease in operating assets: | | |
| Placements with bank with original maturity beyond three months | 2,032,706 | (7,159,770) |
| Minimum statutory deposits with AMCM | (2,787,000) | 2,258,000 |
| Loans and advances to customers | (399,640,345) | (27,830,456) |
| Other assets | 17,533,401 | (20,862,063) |
| | <u>(382,861,238)</u> | <u>(53,594,289)</u> |
| Increase/(decrease) in operating liabilities: | | |
| Deposits from customers | (85,761,116) | (184,922,406) |
| Deposits and balances from Head Office | 497,392,620 | 147,235,429 |
| Other liabilities | (18,344,968) | 17,130,184 |
| | <u>393,286,536</u> | <u>(20,556,793)</u> |
| Cash generated from/ (used in) operations | <u>33,098,372</u> | <u>(55,188,142)</u> |
| Tax paid | (16) | (16) |
| Net cash generated from /(used in) operating activities | <u>33,098,356</u> | <u>(55,188,158)</u> |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

CASH FLOW STATEMENT (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2016
 (Expressed in Macau Patacas)

| | 30 June 2016 MOP | 30 June 2015 MOP (Note 2) |
|---|---------------------|---------------------------------|
| Investing activity | | |
| Purchase of fixed assets | (113,483) | (487,782) |
| Net cash used in investing activity | (113,483) | (487,782) |
| Financing activity | | |
| Retained profits remitted to Head Office | (35,571,876) | (4,343,052) |
| Net cash used in financing activity | (35,571,876) | (4,343,052) |
| Net decrease in cash and cash equivalents | (2,587,003) | (60,018,992) |
| Cash and cash equivalents at 1 January | 215,028,539 | 221,656,166 |
| Cash and cash equivalents at 30 June | 212,441,536 | 161,637,174 |
| Cash flows from operating activities include: | | |
| Interest received | 28,243,170 | 25,310,035 |
| Interest paid | (3,769,427) | (3,322,656) |
| Analysis of the balances of cash and cash equivalents | | |
| Balances with banks | 85,626,228 | 60,578,331 |
| Placements with original maturity within three months | 1,873,248 | - |
| Deposits with AMCM in excess of minimum statutory requirement | 39,961,604 | 28,072,642 |
| Treasury bills with original maturity within three months | 84,980,456 | 72,986,201 |
| Cash and cash equivalents | 212,441,536 | 161,637,174 |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

1 Basis of preparation

The disclosure of interim financial information of China CITIC Bank International Limited Macau Branch for the six months ended 30 June 2016 has been prepared in accordance with the requirements of the Annex 4 of the Guideline on Disclosure of Financial Information set out under Circular No.026/B/2012-DSB/AMCM on 16 November 2012 issued by the Autoridade Monetaria de Macau ("AMCM").

2 Change in accounting policy elected by the Branch

During the year of 2015, the Branch management re-assessed its loan and advances impairment allowance policy and considered that taking into consideration of the impairment allowance guidelines in notice no. 18/93-AMCM, issued by the local banking regulator, AMCM, would provide more reliable, relevant and comparable information to financial statements readers in the aspect of loan and advances impairment allowance under the applicable Macau banking industry regulatory framework.

Under notice no. 18/93-AMCM, all credit institutions are required to maintain a minimum level of specific provision for a bad and doubtful loan, net of the realisable value of any existing and duly formalised tangible collateral, at a percentage depending on the overdue period of the loan, and a general provision at a minimum of 1% of the aggregate value of loans and advances to customers that are not overdue for more than three months and certain credit-related off-balance sheet exposure at the balance sheet date.

Effective from 1 January 2015, the Branch has adopted a new accounting policy on loan and advances impairment allowance. Under the new impairment allowance policy, the higher of the sum of the individual impairment allowances and collective impairment allowances or the allowances calculated under AMCM's allowance guidelines would be recognised as impairment allowance balance in the balance sheet and the corresponding allowance balance movement would be recognised in the income statement.

As a result of the change in accounting policy, the Branch has applied the relevant change retrospectively. The effect of the change in accounting policy is summarised as below:

| | As previously reported MOP DR/(CR) | Change MOP +/(–) | As restated MOP DR/(CR) |
|---|---|------------------------|-------------------------------|
| For the six months ended 30 June 2015 | | | |
| Effects on Income Statement | | | |
| - Impairment losses (released)/charged on loans and advances to customers | (2,965,746) | 2,974,985 | 9,239 |
| - Income tax expenses | 2,284,052 | (356,998) | 1,927,054 |
| - Profit for the year | (19,367,571) | 2,617,987 | (16,749,584) |
| Effects on Cash flow Statement | | | |
| - Profit before income tax | 21,651,623 | (2,974,985) | 18,676,638 |
| - Impairment losses (released)/charged on loans and advances to customers | (2,965,746) | 2,974,985 | 9,239 |

The above restatements have also resulted in consequential changes in the total assets, total liabilities and net assets for the six months period ended 30 June 2015.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

3 Off-balance sheet exposures

(a) Contingent liabilities and commitments to extend credit

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

| | 30 June 2016 MOP | 31 December 2015 MOP |
|-----------------------------------|------------------------|----------------------------|
| Loan commitment | 2,584,751,868 | 2,667,049,342 |
| Transaction-related contingencies | 108,914,180 | 148,740,407 |
| Trade-related contingencies | 93,244,309 | 78,648,661 |
| | <u>2,786,910,357</u> | <u>2,894,438,410</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. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

(b) Derivatives

The use of derivatives for sale to customers as risk management products is part of the Branch's business activities. These instruments are also used to manage the Branch's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Branch are foreign exchange related contracts, which are primarily over-the-counter derivatives. Most of the Branch's derivative positions have been entered into to meet customer demand.

The Branch did not enter into any derivative arrangements for the 6 months period ended 30 June 2016 and 31 December 2015 respectively.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

3 Off-balance sheet exposures (Continued)

(c) Operating lease commitments

At 30 June 2016, the total future minimum lease payment under non-cancellable operating leases is payable as follows:

| | 30 June 2016 MOP | 31 December 2015 MOP |
|--|------------------------|----------------------------|
| Properties: | | |
| - Within one year | 969,995 | 1,664,095 |
| - After one year but within five years | 22,660 | 90,640 |
| | <u>992,655</u> | <u>1,754,735</u> |

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

4 Material related party transactions

During the period, 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 respective six-month periods, the Branch earned income and incurred expense on balances with group companies as follows:

| | 30 June 2016 MOP | 30 June 2015 MOP |
|---|------------------------|------------------------|
| Interest income from Head office and other branches | 197,408 | 128,220 |
| Interest expense to Head office | <u>3,275,945</u> | <u>2,855,327</u> |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

4 Material related party transactions (Continued)

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

| | 30 June 2016 MOP | 31 December 2015 MOP |
|--|-----------------------------|-----------------------------|
| Due from Head Office and other branches: | | |
| At 1 January | 30,795,629 | 98,819,704 |
| At 30 June 2016/31 December 2015 | 70,253,311 | 30,795,629 |
| Average for the period/year | 81,729,013 | 33,629,957 |
| | <u> </u> | <u> </u> |
| Interest receivables from Head Office and other branches: | | |
| At 1 January | 219,837 | 44,254 |
| At 30 June 2016/31 December 2015 | 41,537 | 219,837 |
| Average for the period/year | 135,728 | 104,731 |
| | <u> </u> | <u> </u> |
| Deposits and balances from Head Office: | | |
| At 1 January | 1,391,296,607 | 1,075,506,197 |
| At 30 June 2016/31 December 2015 | 1,888,689,227 | 1,391,296,607 |
| Average for the period/year | 1,463,104,404 | 1,242,001,006 |
| | <u> </u> | <u> </u> |
| Interest payables to Head Office: | | |
| At 1 January | 60,668 | 97,561 |
| At 30 June 2016/31 December 2015 | 119,449 | 60,668 |
| Average for the period/year | 134,691 | 192,176 |
| | <u> </u> | <u> </u> |

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

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

5 Credit risk

(a) 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.

| | 30 June 2016 | | | |
|------------------------|--|---|---|---|
| | Gross loans and advances to customers and commitments MOP | Past due or impaired loans and advances to customers MOP | Individually assessed impairment allowance MOP | Collectively assessed impairment allowance MOP |
| Region | | | | |
| Hong Kong | 1,088,884,026 | - | - | 5,486,591 |
| Macau SAR | 2,940,462,238 | - | - | 14,816,191 |
| British Virgin Islands | 637,948,525 | - | - | 3,214,449 |
| Total | <u>4,667,294,789</u> | <u>-</u> | <u>-</u> | <u>23,517,231</u> |

| | 31 December 2015 | | | |
|------------------------|--|---|---|---|
| | Gross loans and advances to customers and commitments MOP | Past due or impaired loans and advances to customers MOP | Individually assessed impairment allowance MOP | Collectively assessed impairment allowance MOP |
| Region | | | | |
| Hong Kong | 945,731,719 | - | - | 4,928,500 |
| Macau SAR | 2,740,492,256 | 5,198,643 | - | 14,281,551 |
| British Virgin Islands | 663,081,319 | - | - | 3,455,522 |
| Total | <u>4,349,305,294</u> | <u>5,198,643</u> | <u>-</u> | <u>22,665,573</u> |

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 MOP21,324 (31 December 2015: MOP25,424) was not allocated to the above geographical areas.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

5 Credit risk (Continued)

(b) Geographical analysis of debt securities and derivatives

Debt investments (including AMCM Monetary Bills) and derivatives 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.

| | 30 June 2016 | | | |
|---------------|----------------------------|-----------------------|----------------------------|-----------------------|
| | Debt Investments | | Derivatives | |
| | Notional amounts MOP | Carrying value MOP | Notional amounts MOP | Carrying value MOP |
| Region | | | | |
| Macau SAR | <u>85,000,000</u> | <u>84,980,456</u> | <u>-</u> | <u>-</u> |
| | | | | |
| | 31 December 2015 | | | |
| | Debt Investments | | Derivatives | |
| | Notional amounts MOP | Carrying value MOP | Notional amounts MOP | Carrying value MOP |
| Region | | | | |
| Macau SAR | <u>93,000,000</u> | <u>92,975,406</u> | <u>-</u> | <u>-</u> |

At 30 June 2016 and 31 December 2015, the Branch only had held-to-maturity investments in unlisted monetary bills issued by AMCM.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

5 Credit risk (Continued)

(c) 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.

| | 30 June 2016 | | | | | 31 December 2015 | | | | |
|--|---------------------------------------|--|--|---|--|---------------------------------------|--|--|---|--|
| | 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 |
| Loans and advances for use in Macau | | | | | | | | | | |
| Industrial, commercial and financial: | | | | | | | | | | |
| - Restaurants and hotels | 519,143,690 | - | - | 5,855,875 | - | 519,143,690 | - | - | 6,982,186 | - |
| - Construction and public works | - | - | - | - | - | 804,694 | - | - | 10,823 | - |
| - Wholesale and retail trade | 179,513,114 | - | - | 2,024,885 | - | 77,871,075 | - | - | 1,047,322 | - |
| - Manufacturing | 29,325,134 | - | - | 330,784 | - | 23,179,937 | - | - | 311,757 | - |
| - Others | 136,000,423 | - | - | 1,534,068 | - | 68,527,581 | - | - | 921,656 | - |
| | 863,982,361 | - | - | 9,745,612 | - | 689,526,977 | - | - | 9,273,744 | - |
| Individuals: | | | | | | | | | | |
| - Loans and advances for the purchase of other residential properties | 19,111,693 | - | - | 215,577 | - | 24,047,526 | - | - | 323,426 | - |
| - Loans and advances for the purchase of other properties for investment purpose | 36,086,206 | - | - | 407,048 | - | 37,475,423 | - | - | 504,023 | - |
| | 55,197,899 | - | - | 622,625 | - | 61,522,949 | - | - | 827,449 | - |
| Trade finance | 471,566,127 | - | - | 5,319,206 | - | 424,104,252 | 5,198,643 | - | 5,703,960 | - |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

5 Credit risk (Continued)

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

| | 30 June 2016 | | | | | 31 December 2015 | | | | |
|--|--|---|---|--|---|--|---|---|--|---|
| | 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 |
| Loans and advances for use outside Macau | | | | | | | | | | |
| Industrial, commercial and financial: | | | | | | | | | | |
| - Wholesale and retail trade | 583,616,162 | - | - | 6,583,116 | - | 476,587,636 | - | - | 6,409,832 | - |
| - Others | 71,597,561 | - | - | 807,611 | - | - | - | - | - | - |
| | <u>655,213,723</u> | <u>-</u> | <u>-</u> | <u>7,390,727</u> | <u>-</u> | <u>476,587,636</u> | <u>-</u> | <u>-</u> | <u>6,409,832</u> | <u>-</u> |
| Individuals: | | | | | | | | | | |
| - Loans and advances for the purchase of other residential properties | 6,449,742 | - | - | 72,752 | - | - | - | - | - | - |
| - Loans and advances for the purchase of other properties for investment purpose | 34,365,026 | - | - | 387,633 | - | 35,392,719 | - | - | 476,012 | - |
| | <u>40,814,768</u> | <u>-</u> | <u>-</u> | <u>460,385</u> | <u>-</u> | <u>35,392,719</u> | <u>-</u> | <u>-</u> | <u>476,012</u> | <u>-</u> |
| Gross loans and advances to customers | <u>2,086,774,878</u> | <u>-</u> | <u>-</u> | <u>23,538,555</u> | <u>-</u> | <u>1,687,134,533</u> | <u>5,198,643</u> | <u>-</u> | <u>22,690,997</u> | <u>-</u> |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

5 Credit risk (Continued)

(d) 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.

| | 30 June 2016 | | | | | | | |
|--|----------------------|-------------------------------|--------------------------|--|---|---|---------------------|-------------------|
| | Total MOP | Repayable on demand MOP | Within 1 month MOP | 3 months or less but over 1 month MOP | 1 year or less but over 3 months MOP | 3 years or less but over 1 year MOP | Over 3 years MOP | Undated MOP |
| Assets | | | | | | | | |
| Cash and balances with banks | 85,626,228 | 43,853,668 | 41,763,709 | - | - | - | - | 8,851 |
| Placements with bank | 6,765,307 | - | - | 1,873,248 | 4,892,059 | - | - | - |
| Deposits with AMCM | 54,280,604 | 54,280,604 | - | - | - | - | - | - |
| Held-to-maturity investments | 84,980,456 | - | 71,985,629 | 12,994,827 | - | - | - | - |
| Loans and advances to customers | 2,063,236,323 | 2,876,210 | 232,100,558 | 758,279,894 | 345,610,006 | 558,211,810 | 166,157,845 | - |
| Other assets | 71,143,717 | - | 36,674,577 | 31,912,930 | 2,265,759 | 135,809 | 154,642 | - |
| Undated assets | 2,023,980 | - | - | - | - | - | - | 2,023,980 |
| Total assets | 2,368,056,615 | 101,010,482 | 382,524,473 | 805,060,899 | 352,767,824 | 558,347,619 | 166,312,487 | 2,032,831 |
| Liabilities | | | | | | | | |
| Deposits from customers | 316,299,506 | 203,022,337 | 68,415,434 | 13,811,505 | 31,050,230 | - | - | - |
| Deposits and balances from Head Office | 1,888,689,227 | 33,408,287 | 1,855,280,940 | - | - | - | - | - |
| Other liabilities | 78,019,894 | 2,716,455 | 30,165,934 | 31,195,804 | 13,941,701 | - | - | - |
| Undated liabilities | 16,023,123 | - | - | - | - | - | - | 16,023,123 |
| Total liabilities | 2,299,031,750 | 239,147,079 | 1,953,862,308 | 45,007,309 | 44,991,931 | - | - | 16,023,123 |
| Asset-liability gap | | (138,136,597) | (1,571,337,835) | 760,053,590 | 307,775,893 | 558,347,619 | 166,312,487 | |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

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5 Credit risk (Continued)

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

| | 31 December 2015 | | | | | | | |
|--|------------------|-------------------------------|--------------------------|--|---|---|---------------------|----------------|
| | Total MOP | Repayable on demand MOP | Within 1 month MOP | 3 months or less but over 1 month MOP | 1 year or less but over 3 months MOP | 3 years or less but over 1 year MOP | Over 3 years MOP | Undated MOP |
| Assets | | | | | | | | |
| Cash and balances with banks | 84,087,380 | 84,087,380 | - | - | - | - | - | - |
| Placements with bank | 6,924,765 | - | - | 5,289,681 | 1,635,084 | - | - | - |
| Deposits with AMCM | 49,497,753 | 49,497,753 | - | - | - | - | - | - |
| Held-to-maturity investments | 92,975,406 | - | 64,989,813 | 27,985,593 | - | - | - | - |
| Loans and advances to customers | 1,664,443,536 | 9,061,050 | 368,727,866 | 304,233,679 | 324,068,097 | 560,263,875 | 98,088,969 | - |
| Other assets | 88,958,834 | 24,840 | 33,191,569 | 54,743,472 | 678,501 | 210,291 | 110,161 | - |
| Undated assets | 1,835,114 | - | - | - | - | - | - | 1,835,114 |
| | | | | | | | | |
| Total assets | 1,988,722,788 | 142,671,023 | 466,909,248 | 392,252,425 | 326,381,682 | 560,474,166 | 98,199,130 | 1,835,114 |
| | | | | | | | | |
| Liabilities | | | | | | | | |
| Deposits from customers | 402,060,622 | 333,243,886 | 35,502,884 | 9,230,927 | 24,082,925 | - | - | - |
| Deposits and balances from Head Office | 1,391,296,607 | 14,878,187 | 1,376,418,420 | - | - | - | - | - |
| Other liabilities | 96,105,154 | 154,992 | 31,052,769 | 54,268,136 | 10,629,257 | - | - | - |
| Undated liabilities | 13,688,529 | - | - | - | - | - | - | 13,688,529 |
| | | | | | | | | |
| Total liabilities | 1,903,150,912 | 348,277,065 | 1,442,974,073 | 63,499,063 | 34,712,182 | - | - | 13,688,529 |
| | | | | | | | | |
| Asset-liability gap | | (205,606,042) | (976,064,825) | 328,753,362 | 291,669,500 | 560,474,166 | 98,199,130 | |

(e) Analysis on past due assets

As at 30 June 2016 and 31 December 2015, there were no assets that have been past due for more than 3 months.

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6 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:

| | 30 June 2016 | | | | | | | |
|---------------------------|---------------------|---------------------------------|---------------------------|---------------------|---------------------|-----------------------------|------------------------------|-----------------|
| | Euro dollars MOP | United States dollars MOP | Pound sterlings MOP | Japanese yen MOP | Chinese yuan MOP | Hong Kong dollars MOP | Australian dollars MOP | Total MOP |
| Spot assets | 56,973 | 1,014,370,467 | 11,492 | 283,100 | 9,599,695 | 1,121,216,200 | 41,825,238 | 2,187,363,165 |
| Spot liabilities | (64,641) | (1,014,433,025) | (14,208) | (258,178) | (9,480,155) | (1,121,011,729) | (41,810,722) | (2,187,072,658) |
| Net (short)/long position | (7,668) | (62,558) | (2,716) | 24,922 | 119,540 | 204,471 | 14,516 | 290,507 |
| | | | | | | | | |
| | 31 December 2015 | | | | | | | |
| | Euro dollars MOP | United States dollars MOP | Pound sterlings MOP | Japanese yen MOP | Chinese yuan MOP | Hong Kong dollars MOP | Australian dollars MOP | Total MOP |
| Spot assets | 906,415 | 645,510,228 | 16,054 | 218,966 | 7,343,553 | 1,127,517,516 | 4,278 | 1,781,517,010 |
| Spot liabilities | (917,820) | (645,461,112) | (15,642) | (218,550) | (7,261,800) | (1,127,497,786) | (749) | (1,781,373,459) |
| Net (short)/long position | (11,405) | 49,116 | 412 | 416 | 81,753 | 19,730 | 3,529 | 143,551 |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

7 Liquidity risk

The following table indicates the arithmetic mean of liquid assets held and liquidity ratios for the periods ended 30 June for the Branch:

| | 30 June 2016 MOP | 30 June 2015 MOP |
|---|------------------------|------------------------|
| Minimum weekly amount of cash in hand required to be held | 11,065,000 | 10,905,000 |
| Average weekly amount of cash in hand | 44,206,000 | 30,789,000 |
| Specified liquid assets at the end of each month | 470,674,000 | 359,115,000 |
| | | |
| | 30 June 2016 % | 30 June 2015 % |
| Average ratio of specified liquid asset to total basic liabilities at the end of each month | 122 | 105 |
| One-month liquidity ratio in the last week of each month | 70 | 83 |
| Three-month liquidity ratio in the last week of each month | 111 | 108 |

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.

8 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 interim consolidated accounts of Head Office of which the Branch is a member.

(a) Consolidated capital adequacy ratios

| | 30 June 2016 % | 31 December 2015 % |
|------------------------------------|----------------------|--------------------------|
| Common Equity Tier 1 capital ratio | 11.1 | 10.5 |
| Tier 1 capital ratio | 12.3 | 11.7 |
| Total capital ratio | 16.4 | 16.5 |

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 “basic indicator approach” for calculating operational risk.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

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

(a) Consolidated capital adequacy ratios (Continued)

| | 30 June 2016 HK\$ | 31 December 2015 HK\$ |
|--|-------------------------|-----------------------------|
| Equity | | |
| Share capital | 9,366,271,000 | 7,566,271,000 |
| Reserves | 15,415,922,000 | 14,177,766,000 |
| Total equity attributable to equity shareholders of the Bank | 24,782,193,000 | 21,744,037,000 |
| Additional equity instruments | 2,310,168,000 | 2,310,168,000 |
| Total equity | 27,092,361,000 | 24,054,205,000 |

(b) Consolidated assets, liabilities and profit positions

| | 30 June 2016 HK\$ | 31 December 2015 HK\$ |
|---|-------------------------|-----------------------------|
| Total assets | 295,687,488,000 | 282,534,968,000 |
| Total liabilities | 268,595,127,000 | 258,480,763,000 |
| Loans and advances to customers and other accounts | 182,973,363,000 | 173,479,925,000 |
| Deposits and balances of banks and other financial institutions | 6,798,283,000 | 2,658,301,000 |
| Deposits from customers | 227,193,053,000 | 220,683,709,000 |
| Profit before taxation | 1,419,558,000 | 2,601,446,000 |

(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 30 June 2016, 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.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

8 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 comprise:

Chairman

Mr SUN Deshun

Executive Directors

Mr ZHANG Xiaowei (President and Chief Executive Officer)

Ms Margaret MAN (Deputy Chief Executive Officer)

Mrs KAN NG Chau Yuk Helen (Alternate Chief Executive Officer)

Non-executive Directors

Mr. FANG Heying

Mr. ZHANG Qiang

Independent Non-executive Directors

Mr Rafael GIL-TIENDA

Mr TANG Shisheng

Mr TSANG Yiu Keung Paul

Mr WANG Guoliang

Mr WU Jiesi