

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
NON AUDIT ASSURANCE ENGAGEMENT REPORT ON
INTERIM FINANCIAL INFORMATION DISCLOSURE
FOR THE SIX MONTHS ENDED
30 JUNE 2018

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

TO THE MANAGEMENT OF CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

We have been engaged to perform a limited assurance engagement on the accompanying disclosure of interim financial information, which comprises the balance sheet of China CITIC Bank International Limited Macau Branch ("the Branch") as at 30 June 2018, the related income statement and the cash flow statement for the six-month period then ended, and other disclosures in accordance with Annex 4 of the Guideline on the Disclosure of Financial Information ("Disclosure Rules") set out under Circular No.026/B/2012-DSB/AMCM on 16 November 2012 issued by the Monetary Authority of Macau ("AMCM").

Branch management's Responsibility for the disclosure of interim financial information

Pursuant to the Disclosure Rules, the Branch management is responsible for the preparation and presentation of the disclosure of interim financial information. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the disclosure of interim financial information that are free from material misstatements, whether due to fraud or error; applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Registered Auditors issued by the Government of the Macao Special Administrative Region, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

It is our responsibility to express a conclusion on the disclosure of interim financial information based on our work performed 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. Within the scope of our engagement, we did not perform any audit or review procedures to verify the Branch's disclosure of interim financial information or the underlying records or other sources from which the Branch's disclosure of interim financial information were extracted.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This Standard requires that we plan and perform our work to form the conclusion.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT (CONTINUED)

Practitioner's Responsibilities (Continued)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The extent of procedures selected depends on the auditor's judgment and our assessment of the engagement risk. Within the scope of our work we performed amongst others the following procedures:

- Comparing the Branch's disclosure of interim financial information to the requirements of the Disclosure Rules;
- Obtaining an understanding of the Branch's process for compiling its disclosure of interim financial information with management;
- Agreeing, on a sample basis, data presented in the Branch's disclosure of interim financial information back to the underlying financial accounting systems or management prepared schedules;
- Agreeing manual adjustments, on a sample basis, to data extracted from the underlying financial accounting systems or management prepared schedules.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the disclosure of interim financial information does not comply in all material respects with the Disclosure Rules.

Purpose and Restriction on Use and Distribution

Without modifying our conclusion, we draw attention to the fact that the disclosure of interim financial information was prepared for the use of the Branch management using the Disclosure Rules designed for this purpose. As a result, the disclosure of interim financial information may not be suitable for another purpose. This report is not intended to be, and should not be distributed to any other parties or used for any other purpose.

PricewaterhouseCoopers
Certified Public Accountants

Macao, 13 September 2018

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
DISCLOSURE OF INTERIM SUMMARY FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2018

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 2018

			MOP
Assets	Total Amount	Provision, Accumulated Depreciation and Impairment	Net Amount
Cash	-	-	-
Deposits with AMCM	60,964,053.59	-	60,964,053.59
Account Receivable	8,011.61	-	8,011.61
Due from other local credit institutions	1,761,837.38	-	1,761,837.38
Due from other foreign credit institutions	271,876,014.33	-	271,876,014.33
Gold and Silver	-	-	-
Other Current Assets	-	-	-
Loans and advances to customers	2,253,195,887.99	-	2,253,195,887.99
Placements with local credit institutions	73,000,000.00	-	73,000,000.00
Placements with foreign credit institutions	-	-	-
Shares, Bonds and Equity	-	-	-
Debtors	-	-	-
Other Investments	-	-	-
Financial Investments	-	-	-
Real Estate	-	-	-
Equipment	7,556,406.83	6,460,309.29	1,096,097.54
Deferred Expenses	-	-	-
Pre-opening Expenses	-	-	-
Fixed assets in progress	-	-	-
Other Fixed Assets	1,458,773.00	1,458,773.00	-
Internal and Adjustment accounts	11,040,741.18	-	11,040,741.18
TOTAL	2,680,861,725.91	7,919,082.29	2,672,942,643.62

Branch Manager
Olivia Ding

Finance Manager
Emily Sio

Macao, 13 September 2018

China CITIC Bank International Limited Macau Branch

Summary Financial Statements

Balance Sheet as at 30 June 2018

MOP

Liabilities	Sub-total	Total
Saving Deposits	730,184,376.49	1,045,884,237.04
Deposits at short notice	-	
Time Deposits	315,699,860.55	
Public sector deposits	-	
Due to local credit institutions	-	1,518,261,579.42
Due to other local credit institutions	-	
Foreign currency takings	1,517,317,843.86	
Cheques and orders payable	630,754.03	
Creditors	312,981.53	
Other Liabilities	-	
Internal and Adjustment accounts	25,262,789.75	
Provisions	22,711,683.83	
Capital	50,000,000.00	
Legal Reserve	-	97,974,473.58
Voluntary Reserve	-	
Other Reserves	-	
Profit and loss accumulated balance	-	
Profit & Loss for the period	10,822,353.58	10,822,353.58
TOTAL		2,672,942,643.62

Branch Manager
Olivia Ding

Finance Manager
Emily Sio

Macao, 13 September 2018

China CITIC Bank International Limited Macau Branch
Summary Financial Statements

Operating Result for the six months ended 30 June 2018

MOP

Debit	Amount	Credit	Amount
Costs of credit operations	7,764,293.57	Income from credit operations	29,515,766.93
Personnel costs		Income from banking services	11,641,432.43
Directors and Supervisory Council Expenses	-	Income from other banking services	529,284.16
Staff Expenses	6,916,727.00	Income from securities and equity investments	-
Fixed Staff Benefits	498,529.20	Other banking income	-
Other personnel costs	344,548.38	Income from non-banking operations	-
Third party supply	88,895.44	Operating Loss	-
Third party services	2,717,004.28		
Other banking costs	70,217.65		
Taxation	15.06		
Costs of non-banking operations	-		
Depreciation allowances	199,137.57		
Provision allowances	10,788,984.25		
Operating Profit	12,298,131.12		
TOTAL	41,686,483.52	TOTAL	41,686,483.52

Profit and Loss Account for the six months ended 30 June 2018

MOP

Debit	Amount	Credit	Amount
Operating Loss	-	Operating Profit	12,298,131.12
Losses related to previous years	-	Profit related to previous years	-
Exceptional Losses	-	Exceptional Profits	-
Profit tax provision	1,475,777.54	Provisions charged back	-
Operating Result (Profit)	10,822,353.58	Operating Result (Loss)	-
TOTAL	12,298,131.12	TOTAL	12,298,131.12

 Branch Manager
 Olivia Ding

 Finance Manager
 Emily Sio

Macao, 13 September 2018

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
DISCLOSURE OF INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED
30 JUNE 2018

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2018**
(Expressed in Macao Patacas)

	30 June 2018 MOP	30 June 2017 MOP
Interest income	29,515,767	20,651,672
Interest expense	(7,764,294)	(4,236,961)
Net interest income	21,751,473	16,414,711
Fee and commission income	11,334,006	4,356,370
Other operating income	836,711	980,290
Operating income	33,922,190	21,751,371
Operating expenses	(10,835,059)	(10,263,369)
Operating profit before impairment	23,087,131	11,488,002
Impairment losses (charged)/written-back on loans and advances to customers	(10,788,984)	14,054,939
Recoveries of loans previously written off	-	2,811,900
Profit before taxation	12,298,147	28,354,841
Income tax charged	(1,475,793)	(3,402,597)
Profit for the period	10,822,354	24,952,244

Approved by the Branch management on 13 September 2018

Olivia Ding, Branch Manager

Emily Sio, Finance Manager

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 2018**

(Expressed in Macao Patacas)

	30 June 2018 MOP	31 December 2017 MOP
ASSETS		
Cash and balances with banks	273,637,852	1,529,134,369
Placements with bank	-	161,431,697
Deposits with AMCM	60,964,054	67,984,022
AMCM Monetary bills	72,944,250	60,977,350
Loans and advances to customers	2,230,484,204	1,080,269,806
Other assets	11,048,753	36,250,595
Plant and equipment	1,096,097	1,251,235
Total Assets	2,650,175,210	2,937,299,074
LIABILITIES		
Deposits from customers	1,045,884,237	2,394,306,711
Deposits and balances from Head Office	1,517,317,844	415,086,631
Current taxation	6,365,927	4,890,150
Other liabilities	19,784,848	36,541,979
	2,589,352,856	2,850,825,471
Head Office account		
Establishment fund	50,000,000	50,000,000
Retained profits	10,822,354	36,473,603
	60,822,354	86,473,603
Total Head Office Account And Liabilities	2,650,175,210	2,937,299,074

Approved by the Branch management on 13 September 2018

Olivia Ding, Branch Manager_____
Emily Sio, Finance Manager

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 2018

(Expressed in Macao Patacas)

	30 June 2018 MOP	30 June 2017 MOP
Operating activities		
Profit before taxation	12,298,147	28,354,841
Adjustments for:		
Depreciation expense	199,138	211,069
Impairment losses charged/(written-back) on loans and advances to customers	10,788,984	(14,054,939)
	<u>23,286,269</u>	<u>14,510,971</u>
(Increase)/decrease in operating assets:		
Placements with bank with original maturity beyond three months	395,696	4,294,132
AMCM Monetary bills with original maturity of more than three months	57,978,027	-
Minimum statutory deposits with AMCM	21,539,000	3,330,000
Loans and advances to customers	(1,161,003,382)	1,152,515,508
Other assets	25,201,842	62,097,799
	<u>(1,055,888,817)</u>	<u>1,222,237,439</u>
Decrease in operating liabilities:		
Deposits from customers	(1,348,422,474)	183,355,921
Deposits and balances from Head Office	1,102,231,213	(713,118,646)
Other liabilities	(16,757,131)	(63,346,583)
	<u>(262,948,392)</u>	<u>(593,109,308)</u>
Cash (used in)/generated from operating activities	(1,295,550,940)	643,639,102
Tax paid	(15)	(16)
Net cash (used in)/generated from operating activities	(1,295,550,955)	643,639,086

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

CASH FLOW STATEMENT (Continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2018
(Expressed in Macao Patacas)

	30 June 2018 MOP	30 June 2017 MOP
Investing activities		
Purchase of fixed assets	(44,000)	(356,409)
Net cash used in investing activities	(44,000)	(356,409)
Financing activities		
Retained profits remitted to Head Office	(36,473,603)	(49,027,470)
Net cash used in financing activities	(36,473,603)	(49,027,470)
Net (decrease)/increase in cash and cash equivalents	(1,332,068,558)	594,255,207
Cash and cash equivalents at 1 January	1,710,847,714	575,581,245
Cash and cash equivalents at 30 June	378,779,156	1,169,836,452
Cash flows from operating activities include:		
Interest received	22,946,566	23,074,123
Interest paid	(8,157,111)	(4,496,107)
Analysis of the balances of cash and cash equivalents		
Cash and balances with banks	56,187,192	1,037,602,417
Placements with original maturity within three months	217,450,660	-
Deposits with AMCM in excess of minimum statutory requirement	32,197,054	51,268,564
Treasury bills with original maturity within three months	72,944,250	80,965,471
Cash and cash equivalents	378,779,156	1,169,836,452

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 2018 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 Macao ("AMCM").

2 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 2018 MOP	31 December 2017 MOP
Loan commitment	62,466,880	76,587,311
Letters of guarantee	5,271,191	24,089,875
Letters of credit	2,609,487	41,500,253
	<u>70,347,558</u>	<u>142,177,439</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 2018 and 31 December 2017 respectively.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

2 Off-balance sheet exposures (Continued)

(c) Operating lease commitments

At 30 June 2018, the total future minimum lease payment under non-cancellable operating leases is payable as follows:

	30 June 2018 MOP	31 December 2017 MOP
Properties:		
- Within one year	1,280,202	2,185,656
- After one year but within five years	35,020	140,080
	<u>1,315,222</u>	<u>2,325,736</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.

3 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 2018 MOP	30 June 2017 MOP
Interest income from Head office and other branches	2,493,905	463,428
Interest expense to Head office	<u>3,473,623</u>	<u>3,893,590</u>

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

3 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 2018 MOP	31 December 2017 MOP
Due from Head Office and other branches:		
At 1 January	1,684,566,206	413,983,754
At 30 June 2018/31 December 2017	243,983,312	1,684,566,206
Average for the period/year	419,296,022	975,207,554
	<u><u> </u></u>	<u><u> </u></u>
Interest receivables from Head Office and other branches:		
At 1 January	875,025	131,997
At 30 June 2018/31 December 2017	31,141	875,025
Average for the period/year	372,975	168,836
	<u><u> </u></u>	<u><u> </u></u>
Deposits and balances from Head Office:		
At 1 January	415,086,631	1,400,482,291
At 30 June 2018/31 December 2017	1,517,317,844	415,086,631
Average for the period/year	566,491,404	792,132,338
	<u><u> </u></u>	<u><u> </u></u>
Interest payables to Head Office:		
At 1 January	110,551	141,461
At 30 June 2018/31 December 2017	164,585	110,551
Average for the period/year	28,971	47,769
	<u><u> </u></u>	<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

4 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 2018			
	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				
Macao SAR	606,498,077	-	-	5,948,445
British Virgin Islands	1,503,586,800	-	-	14,746,961
Total	<u>2,110,084,877</u>	<u>-</u>	<u>-</u>	<u>20,695,406</u>

	31 December 2017			
	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 SAR	187,415,210	31,373,830	-	1,911,819
Macao SAR	631,331,107	383,863	-	6,440,196
British Virgin Islands	329,798,930	-	-	3,364,272
Total	<u>1,148,545,247</u>	<u>31,757,693</u>	<u>-</u>	<u>11,716,287</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 MOP2,016,278 (31 December 2017: MOP701,255) was not allocated to the above geographical areas.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

4 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 2018			
	Debt Investments		Derivatives	
	Notional amounts MOP	Carrying value MOP	Notional amounts MOP	Carrying value MOP
Region				
Macao SAR	<u>73,000,000</u>	<u>72,944,250</u>	<u>-</u>	<u>-</u>
	31 December 2017			
	Debt Investments		Derivatives	
	Notional amounts MOP	Carrying value MOP	Notional amounts MOP	Carrying value MOP
Region				
Macao SAR	<u>61,000,000</u>	<u>60,977,350</u>	<u>-</u>	<u>-</u>

At 30 June 2018 and 31 December 2017, 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

4 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 2018					31 December 2017				
	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 period 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 in Macao										
Industrial, commercial and financial:										
- Manufacturing	41,200,000	-	-	415,286	-	41,583,863	383,863	-	453,942	-
- Others	103,613,573	-	-	1,044,401	-	103,634,351	-	-	1,131,304	-
	<u>144,813,573</u>	<u>-</u>	<u>-</u>	<u>1,459,687</u>	<u>-</u>	<u>145,218,214</u>	<u>383,863</u>	<u>-</u>	<u>1,585,246</u>	<u>-</u>
Individuals:										
- Loans and advances for the purchase of other residential properties	13,803,329	-	-	139,134	-	14,136,731	-	-	154,321	-
- Loans and advances for the purchase of other properties for investment purpose	27,586,853	-	-	278,069	-	28,853,558	-	-	314,974	-
	<u>41,390,182</u>	<u>-</u>	<u>-</u>	<u>417,203</u>	<u>-</u>	<u>42,990,289</u>	<u>-</u>	<u>-</u>	<u>469,295</u>	<u>-</u>
Trade finance	437,716,372	-	-	4,412,078	-	448,034,283	-	-	4,890,876	-

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

4 Credit risk (Continued)

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

	30 June 2018					31 December 2017				
	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 period 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 Maca0										
Industrial, commercial and financial:										
- Wholesale and retail trade	-	-	-	-	-	-	-	-	-	-
- Others	1,596,649,920	-	-	16,093,855	-	422,006,263	-	-	4,606,746	-
	<u>1,596,649,920</u>	<u>-</u>	<u>-</u>	<u>16,093,855</u>	<u>-</u>	<u>422,006,263</u>	<u>-</u>	<u>-</u>	<u>4,606,746</u>	<u>-</u>
Individuals:										
- Loans and advances for the purchase of other residential properties	2,521,000	-	-	25,411	-	2,569,627	-	-	28,051	-
- Loans and advances for the purchase of other properties for investment purpose	30,104,841	-	-	303,450	-	31,373,830	31,373,830	-	342,486	-
	<u>32,625,841</u>	<u>-</u>	<u>-</u>	<u>328,861</u>	<u>-</u>	<u>33,943,457</u>	<u>31,373,830</u>	<u>-</u>	<u>370,537</u>	<u>-</u>
Gross loans and advances to customers	<u>2,253,195,888</u>	<u>-</u>	<u>-</u>	<u>22,711,684</u>	<u>-</u>	<u>1,092,192,506</u>	<u>31,757,693</u>	<u>-</u>	<u>11,922,700</u>	<u>-</u>

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

4 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 2018							
	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	273,637,852	56,187,192	217,450,660	-	-	-	-	-
Placements with bank	-	-	-	-	-	-	-	-
Deposits with AMCM	60,964,054	60,964,054	-	-	-	-	-	-
Held-to-maturity investments	72,944,250	-	62,959,686	9,984,564	-	-	-	-
Loans and advances to customers	2,230,484,204	-	462,127,988	402,006,223	111,215	1,292,472,646	73,766,132	-
Other assets	10,130,969	-	1,592,804	1,063,273	183	7,396,016	78,693	-
Undated assets	2,013,881	-	-	-	-	-	-	2,013,881
Total assets	2,650,175,210	117,151,246	744,131,138	413,054,060	111,398	1,299,868,662	73,844,825	2,013,881
Liabilities								
Deposits from customers	1,045,884,237	730,184,376	312,119,024	3,114,667	466,170	-	-	-
Deposits and balances from Head Office	1,517,317,844	42,370,184	1,474,947,660	-	-	-	-	-
Other liabilities	8,859,061	-	1,982,308	2,472,140	2,837,742	1,542,027	24,844	-
Undated liabilities	17,291,714	-	-	-	-	-	-	17,291,714
Total liabilities	2,589,352,856	772,554,560	1,789,048,992	5,586,807	3,303,912	1,542,027	24,844	17,291,714
Asset-liability gap		(655,403,314)	(1,044,917,854)	407,467,253	(3,192,514)	1,298,326,635	73,819,981	

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4 Credit risk (Continued)

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

	31 December 2017							
	Total	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	3 years or less but over 1 year	Over 3 years	Undated
	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP
Assets								
Cash and balances with banks	1,529,134,369	1,529,134,369	-	-	-	-	-	-
Placements with bank	161,431,697	-	-	161,036,000	395,697	-	-	-
Deposits with AMCM	67,984,022	67,984,022	-	-	-	-	-	-
Held-to-maturity investments	60,977,350	-	52,982,960	7,994,390	-	-	-	-
Loans and advances to customers	1,080,269,806	-	431,224,223	415,524,145	25,721,458	170,193	207,629,787	-
Other assets	35,708,732	251,130	22,914,159	12,238,773	95,120	297	209,253	-
Undated assets	1,793,098	-	-	-	-	-	-	1,793,098
Total assets	2,937,299,074	1,597,369,521	507,121,342	596,793,308	26,212,275	170,490	207,839,040	1,793,098
Liabilities								
Deposits from customers	2,394,306,711	1,199,543,786	1,030,234,299	164,133,278	395,348	-	-	-
Deposits and balances from Head Office	415,086,631	338,969,631	76,117,000	-	-	-	-	-
Other liabilities	39,233,079	298,541	21,877,159	11,361,515	5,585,448	99,374	11,042	-
Undated liabilities	2,199,050	-	-	-	-	-	-	2,199,050
Total liabilities	2,850,825,471	1,538,811,958	1,128,228,458	175,494,793	5,980,796	99,374	11,042	2,199,050
Asset-liability gap		58,557,563	(621,107,116)	421,298,515	20,231,479	71,116	207,827,998	

(e) Analysis on past due assets

As at 30 June 2018 and 31 December 2017, there were no assets that have been past due for more than 3 months.

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5 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 2018									
	Euro dollars MOP	United States dollars MOP	Pound sterlings MOP	Japanese yen MOP	Chinese yuan MOP	Hong Kong dollars MOP	Australian dollars MOP	Singapore dollars MOP	Total MOP
Spot assets	39,868,131	1,528,587,345	6,562	752,004	2,580,508	786,068,186	1,453,746	177,632,112	2,536,948,594
Spot liabilities	(39,883,390)	(1,528,141,799)	(13,980)	(752,001)	(2,391,203)	(786,561,097)	(1,420,190)	(177,622,805)	(2,536,786,465)
Net (short)/long position	(15,259)	445,546	(7,418)	3	189,305	(492,911)	33,556	9,307	162,129
31 December 2017									
	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	595,373	1,060,825,367	7,015	316,725	728,919	1,722,748,025	605,967		2,785,827,391
Spot liabilities	(617,909)	(1,060,530,105)	(14,321)	(294,843)	(440,729)	(1,722,960,135)	(571,262)		(2,785,429,304)
Net (short)/long position	(22,536)	295,262	(7,306)	21,882	288,190	(212,110)	34,705		398,087

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6 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 2018 MOP	30 June 2017 MOP
Minimum weekly amount of cash in hand required to be held	32,817,000	32,446,000
Average weekly amount of cash in hand	69,040,000	67,283,000
Specified liquid assets at the end of each month	1,102,801,000	1,095,051,000
	30 June 2018 %	30 June 2017 %
Average ratio of specified liquid asset to total basic liabilities at the end of each month	96	101
One-month liquidity ratio in the last week of each month	72	87
Three-month liquidity ratio in the last week of each month	96	100

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.

7 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 2018 %	31 December 2017 %
Common Equity Tier 1 capital ratio	12.7	14.5
Tier 1 capital ratio	15.1	17.1
Total capital ratio	17.8	20.3

Capital adequacy ratios (“CAR”) comply 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.

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DISCLOSURES OF FINANCIAL INFORMATION

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

(a) Consolidated capital adequacy ratios (Continued)

	30 June 2018 HK\$	31 December 2017 HK\$
Equity		
Share capital	18,404,013,000	18,404,013,000
Reserves	16,080,068,000	18,979,895,000
Additional equity instruments	6,173,252,000	6,173,252,000
Total equity	<u>40,657,333,000</u>	<u>43,557,160,000</u>

(b) Consolidated assets, liabilities and profit positions

	30 June 2018 HK\$	31 December 2017 HK\$
Total assets	349,269,997,000	344,308,684,000
Total liabilities	308,612,664,000	300,751,524,000
Loans and advances to customers and other accounts	203,497,497,000	198,986,939,000
Deposits and balances of banks and other financial institutions	5,383,446,000	5,187,319,000
Deposits from customers	270,855,292,000	271,471,865,000
Profit before taxation	<u>1,971,127,000</u>	<u>3,287,211,000</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 30 June 2018, 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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7 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)

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

Mr. BAI Lijun Jeffery (Alternate Chief Executive Officer)

Non-executive Director

Mr. FANG Heying

Independent Non-executive Directors

Mr. TANG Shisheng

Ms. TSANG King Suen Katherine

Mr. WANG Guoliang

Mr. WU Jiesi