

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
NON AUDIT ASSURANCE ENGAGEMENT REPORT ON
INTERIM FINANCIAL INFORMATION DISCLOSURE
FOR THE SIX MONTHS ENDED
30 JUNE 2019

**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 2019, 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 Responsibilities

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.

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

Practitioner's Responsibilities (Continued)

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.

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.

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

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, 2 September 2019

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
DISCLOSURE OF INTERIM SUMMARY FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2019

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 2019

| MOP | | | |
|---|-------------------------|--|-------------------------|
| Assets | Total Amount | Provision, Accumulated Depreciation and Impairment | Net Amount |
| Cash | - | - | - |
| Deposits with AMCM | 79,998,207.93 | - | 79,998,207.93 |
| Account Receivable | 3,534,807.52 | - | 3,534,807.52 |
| Due from other local credit institutions | 905,761.73 | - | 905,761.73 |
| Due from other foreign credit institutions | 261,597,641.86 | - | 261,597,641.86 |
| Gold and Silver | - | - | - |
| Other Current Assets | - | - | - |
| Loans and advances to customers | 1,975,638,171.70 | - | 1,975,638,171.70 |
| Placements with local credit institutions | 64,000,000.00 | - | 64,000,000.00 |
| Placements with foreign credit institutions | - | - | - |
| Shares, Bonds and Equity | - | - | - |
| Debtors | - | - | - |
| Other Investments | - | - | - |
| Financial Investments | - | - | - |
| Real Estate | - | - | - |
| Equipment | 6,483,635.63 | 5,686,797.49 | 796,838.14 |
| Deferred Expenses | - | - | - |
| Pre-opening Expenses | - | - | - |
| Fixed assets in progress | - | - | - |
| Other Fixed Assets | 11,894,600.00 | 297,364.67 | 11,597,235.33 |
| Internal and Adjustment accounts | 14,146,327.72 | - | 14,146,327.72 |
| TOTAL | 2,418,199,154.09 | 5,984,162.16 | 2,412,214,991.93 |

Acting Branch Manager
Edward Ngou

Finance Manager
Emily Sio

Macao, 2 September 2019

China CITIC Bank International Limited Macau Branch

Summary Financial Statements

Balance Sheet as at 30 June 2019

MOP

| Liabilities | Sub-total | Total |
|--|------------------|------------------|
| Saving Deposits | 746,631,595.85 | 1,959,596,307.82 |
| Deposits at short notice | - | |
| Time Deposits | 1,212,964,711.97 | |
| Public sector deposits | - | |
| Due to local credit institutions | - | 335,191,402.36 |
| Due to other local credit institutions | - | |
| Foreign currency takings | 333,081,258.75 | |
| Cheques and orders payable | 633,851.52 | |
| Creditors | 1,476,292.09 | 98,847,131.79 |
| Other Liabilities | - | |
| Internal and Adjustment accounts | 28,981,201.24 | |
| Provisions | 19,865,930.55 | |
| Capital | 50,000,000.00 | 18,580,149.96 |
| Legal Reserve | - | |
| Voluntary Reserve | - | |
| Other Reserves | - | |
| Profit and loss accumulated balance | - | 2,412,214,991.93 |
| Profit & Loss for the period | 18,580,149.96 | |
| TOTAL | | |

Acting Branch Manager
Edward Ngou

Finance Manager
Emily Sio

Macao, 2 September 2019

China CITIC Bank International Limited Macau Branch

Summary Financial Statements

Operating Result for the six months ended 30 June 2019

MOP

| Debit | Amount | Credit | Amount |
|--|---------------|---|---------------|
| Costs of credit operations | 22,769,953.04 | Income from credit operations | 54,018,095.38 |
| Personnel costs | | Income from banking services | 4,437,840.66 |
| Directors and Supervisory Council Expenses | - | Income from other banking services | 788,921.34 |
| Staff Expenses | 7,659,946.00 | Income from securities and equity investments | - |
| Fixed Staff Benefits | 557,369.28 | Other banking income | - |
| Other personnel costs | 342,814.24 | Income from non-banking operations | - |
| Third party supply | 151,357.38 | Operating Loss | - |
| Third party services | 5,610,881.04 | | |
| Other banking costs | 56,643.15 | | |
| Taxation | 14.59 | | |
| Costs of non-banking operations | - | | |
| Depreciation allowances | 477,181.06 | | |
| Provision allowances | 475,883.72 | | |
| Operating Profit | 21,142,813.88 | | |
| TOTAL | 59,244,857.38 | TOTAL | 59,244,857.38 |

Profit and Loss Account for the six months ended 30 June 2019

MOP

| Debit | Amount | Credit | Amount |
|----------------------------------|---------------|----------------------------------|---------------|
| Operating Loss | - | Operating Profit | 21,142,813.88 |
| Losses related to previous years | - | Profit related to previous years | - |
| Exceptional Losses | 29,005.12 | Exceptional Profits | - |
| Profit tax provision | 2,533,658.80 | Provisions charged back | - |
| Operating Result (Profit) | 18,580,149.96 | Operating Result (Loss) | - |
| TOTAL | 21,142,813.88 | TOTAL | 21,142,813.88 |

Acting Branch Manager
Edward Ngou

Finance Manager
Emily Sio

Macao, 2 September 2019

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH
DISCLOSURE OF INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED
30 JUNE 2019

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH**INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2019**
(Expressed in Macao Patacas)

| | 30 June 2019 MOP | 30 June 2018 MOP |
|--|---------------------|---------------------|
| Interest income | 54,018,095 | 29,515,767 |
| Interest expense | (22,769,953) | (7,764,294) |
| Net interest income | 31,248,142 | 21,751,473 |
| Fee and commission income | 4,272,095 | 11,334,006 |
| Other operating income | 954,667 | 836,711 |
| Operating income | 36,474,904 | 33,922,190 |
| Operating expenses | (14,856,192) | (10,835,059) |
| Operating profit before impairment | 21,618,712 | 23,087,131 |
| Impairment losses charged on loans and advances to customers | (475,884) | (10,788,984) |
| Operating profit | 21,142,828 | 12,298,147 |
| Loss on disposal of fixed asset | (29,005) | - |
| Profit before taxation | 21,113,823 | 12,298,147 |
| Income tax charged | (2,533,673) | (1,475,793) |
| Profit for the period | 18,580,150 | 10,822,354 |

Approved by the Branch management on 2 September 2019 and signed on behalf by:

Edward Ngou, Acting 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 2019**

(Expressed in Macao Patacas)

| | 30 June 2019 MOP | 31 December 2018 MOP |
|--|------------------------|----------------------------|
| ASSETS | | |
| Cash and balances with banks | 262,503,404 | 743,398,960 |
| Placements with bank | - | 140,760 |
| Deposits with AMCM | 79,998,208 | 128,549,125 |
| AMCM Monetary bills | 63,910,278 | 72,906,575 |
| Loans and advances to customers | 1,955,772,241 | 1,898,917,330 |
| Other assets | 17,681,135 | 25,640,043 |
| Plant and equipment | 12,394,073 | 896,157 |
| Total Assets | 2,392,259,339 | 2,870,448,950 |
| LIABILITIES | | |
| Deposits from customers | 1,959,596,308 | 1,860,035,924 |
| Deposits and balances from Head Office | 333,081,259 | 888,397,414 |
| Current taxation | 7,638,497 | 5,104,838 |
| Other liabilities | 23,363,125 | 28,854,536 |
| | 2,323,679,189 | 2,782,392,712 |
| Head Office account | | |
| Establishment fund | 50,000,000 | 50,000,000 |
| Retained profits | 18,580,150 | 38,056,238 |
| | 68,580,150 | 88,056,238 |
| Total Head Office Account And Liabilities | 2,392,259,339 | 2,870,448,950 |

Approved by the Branch management on 2 September 2019 and signed on behalf by:

Edward Ngou, Acting 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 2019

(Expressed in Macao Patacas)

| | 30 June 2019 MOP | 30 June 2018 MOP |
|--|----------------------|------------------------|
| Operating activities | | |
| Profit before taxation | 21,113,823 | 12,298,147 |
| Adjustments for: | | |
| Depreciation expense | 477,182 | 199,138 |
| Impairment losses charged on loans and advances to customers | 475,884 | 10,788,984 |
| Loss on disposal of fixed assets | 29,005 | - |
| | <u>22,095,894</u> | <u>23,286,269</u> |
| Decrease/(increase) in operating assets: | | |
| Placements with bank with original maturity beyond three months | 140,760 | 395,696 |
| AMCM Monetary bills with original maturity of more than three months | 72,906,575 | 57,978,027 |
| Minimum statutory deposits with AMCM | 4,481,000 | 21,539,000 |
| Loans and advances to customers | (57,330,795) | (1,161,003,382) |
| Other assets | 7,958,908 | 25,201,842 |
| | <u>28,156,448</u> | <u>(1,055,888,817)</u> |
| Decrease in operating liabilities: | | |
| Deposits from customers | 99,560,384 | (1,348,422,474) |
| Deposits and balances from Head Office | (555,316,155) | 1,102,231,213 |
| Other liabilities | (5,491,411) | (16,757,131) |
| | <u>(461,247,182)</u> | <u>(262,948,392)</u> |
| Cash used in operating activities | (410,994,840) | (1,295,550,940) |
| Tax paid | (14) | (15) |
| Net cash used in operating activities | (410,994,854) | (1,295,550,955) |

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

CASH FLOW STATEMENT (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2019
 (Expressed in Macao Patacas)

| | 30 June 2019 MOP | 30 June 2018 MOP |
|--|---------------------|---------------------|
| Investing activity | | |
| Purchase of fixed assets | (12,004,103) | (44,000) |
| Net cash used in investing activity | (12,004,103) | (44,000) |
| Financing activity | | |
| Retained profits remitted to Head Office | (38,056,238) | (36,473,603) |
| Net cash used in financing activity | (38,056,238) | (36,473,603) |
| Net decrease in cash and cash equivalents | (461,055,195) | (1,332,068,558) |
| Cash and cash equivalents at 1 January | 826,713,085 | 1,710,847,714 |
| Cash and cash equivalents at 30 June | 365,657,890 | 378,779,156 |
| Cash flows from operating activities include: | | |
| Interest received | 52,780,024 | 22,946,566 |
| Interest paid | (17,965,161) | (8,157,111) |
| Analysis of the balances of cash and cash equivalents | | |
| Cash and balances with banks | 27,663,404 | 56,187,192 |
| Placements with original maturity within three months | 234,840,000 | 217,450,660 |
| Deposits with AMCM in excess of minimum statutory requirement | 39,244,208 | 32,197,054 |
| AMCM monetary bills with original maturity within three months | 63,910,278 | 72,944,250 |
| Cash and cash equivalents | 365,657,890 | 378,779,156 |

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 2019 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 2019 MOP | 31 December 2018 MOP |
|----------------------|------------------------|----------------------------|
| Loan commitment | 1,030,000 | 7,358,229 |
| Letters of guarantee | - | 5,271,190 |
| Letters of credit | - | 292,208 |
| | <u>1,030,000</u> | <u>12,921,627</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) Operating lease commitments

At 30 June 2019, the total future minimum lease payment under non-cancellable operating leases is payable as follows:

| | 30 June 2019 MOP | 31 December 2018 MOP |
|--|------------------------|----------------------------|
| Properties: | | |
| - Within one year | 6,473,459 | 7,026,259 |
| - After one year but within five years | 20,774,960 | 23,971,108 |
| | <u>27,248,419</u> | <u>30,997,367</u> |

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

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

DISCLOSURES OF FINANCIAL INFORMATION

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 2019 MOP | 30 June 2018 MOP |
|---|-----------------------------|-----------------------------|
| Interest income from Head office and other branches | 1,165,565 | 2,493,905 |
| Interest expense to Head office | 5,153,006 | 3,473,623 |
| | <u> </u> | <u> </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 2019 MOP | 31 December 2018 MOP |
|--|-----------------------------|-----------------------------|
| Due from Head Office and other branches: | | |
| At 1 January | 719,785,078 | 1,684,566,206 |
| At 30 June 2019/31 December 2018 | 254,908,426 | 719,785,078 |
| Average for the period/year | 275,305,790 | 457,385,825 |
| | <u> </u> | <u> </u> |
| Interest receivables from Head Office and other branches: | | |
| At 1 January | 20,440 | 875,025 |
| At 30 June 2019/31 December 2018 | 48,255 | 20,440 |
| Average for the period/year | 8,463 | 219,387 |
| | <u> </u> | <u> </u> |
| Deposits and balances from Head Office: | | |
| At 1 January | 888,397,414 | 415,086,631 |
| At 30 June 2019/31 December 2018 | 333,081,259 | 888,397,414 |
| Average for the period/year | 520,595,439 | 875,385,794 |
| | <u> </u> | <u> </u> |
| Interest payables to Head Office: | | |
| At 1 January | 57,008 | 110,551 |
| At 30 June 2019/31 December 2018 | 86,210 | 57,008 |
| Average for the period/year | 49,478 | 32,381 |
| | <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 2019 | | | |
|------------------------|--|---|---|---|
| | 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 | 415,454,443 | - | - | 4,175,404 |
| British Virgin Islands | 1,390,970,880 | - | - | 13,979,550 |
| Total | <u>1,806,425,323</u> | <u>-</u> | <u>-</u> | <u>18,154,954</u> |

| | 31 December 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 | 376,142,754 | 1,845,896 | - | 3,787,483 |
| British Virgin Islands | 1,500,350,400 | - | - | 15,107,433 |
| Total | <u>1,876,493,154</u> | <u>1,845,896</u> | <u>-</u> | <u>18,894,916</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 MOP1,710,977 (31 December 2018: MOP495,131) was not allocated to the above geographical areas.

DISCLOSURES OF FINANCIAL INFORMATION

(b) Geographical analysis of debt securities

| | 30 June 2019 | |
|-----------|------------------|----------------|
| | Debt Investments | |
| | Notional amounts | Carrying value |
| | MOP | MOP |
| Region | | |
| Macao SAR | 64,000,000 | 63,910,278 |

| | 31 December 2018 | |
|-----------|-------------------------|-----------------------|
| | Debt Investments | |
| | Notional amounts MOP | Carrying value MOP |
| Region | | |
| Macao SAR | 73,000,000 | 72,906,575 |

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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 2019 | | | | | 31 December 2018 | | | | |
|--|--|---|---|--|---|--|---|---|--|---|
| | 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: | | | | | | | | | | |
| - Others | - | - | - | - | - | 592,628 | - | - | 5,990 | - |
| | - | - | - | - | - | 592,628 | - | - | 5,990 | - |
| Individuals: | | | | | | | | | | |
| - Loans and advances for the purchase of other residential properties | 8,991,633 | - | - | 90,415 | - | 10,268,225 | 1,845,896 | - | 103,790 | - |
| - Loans and advances for the purchase of other properties for investment purpose | 25,014,727 | - | - | 251,534 | - | 26,309,506 | - | - | 265,934 | - |
| | 34,006,360 | - | - | 341,949 | - | 36,577,731 | 1,845,896 | - | 369,724 | - |
| Trade finance | 399,200,479 | - | - | 4,014,140 | - | 355,634,069 | - | - | 3,594,711 | - |

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 2019 | | | | | 31 December 2018 | | | | |
|--|--|---|---|--|---|--|---|---|--|---|
| | 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 Macao | | | | | | | | | | |
| Industrial, commercial and financial: | | | | | | | | | | |
| - Public construction | 123,562,800 | - | - | 1,242,480 | - | - | - | - | - | - |
| - Others | 1,390,970,880 | - | - | 13,986,838 | - | 1,494,022,171 | - | - | 15,101,418 | - |
| | <u>1,514,533,680</u> | <u>-</u> | <u>-</u> | <u>15,229,318</u> | <u>-</u> | <u>1,494,022,171</u> | <u>-</u> | <u>-</u> | <u>15,101,418</u> | <u>-</u> |
| Individuals: | | | | | | | | | | |
| - Loans and advances for the purchase of other residential properties | - | - | - | - | - | 2,472,320 | - | - | 24,990 | - |
| - Loans and advances for the purchase of other properties for investment purpose | 27,897,653 | - | - | 280,524 | - | 29,008,458 | - | - | 293,214 | - |
| | <u>27,897,653</u> | <u>-</u> | <u>-</u> | <u>280,524</u> | <u>-</u> | <u>31,480,778</u> | <u>-</u> | <u>-</u> | <u>318,204</u> | <u>-</u> |
| Gross loans and advances to customers | <u>1,975,638,172</u> | <u>-</u> | <u>-</u> | <u>19,865,931</u> | <u>-</u> | <u>1,918,307,377</u> | <u>1,845,896</u> | <u>-</u> | <u>19,390,047</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 2019 | | | | | | | |
|--|----------------------|-------------------------------|--------------------------|--|---|---|---------------------|-------------------|
| | 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 | 262,503,404 | 27,663,404 | 234,840,000 | - | - | - | - | - |
| Placements with bank | - | - | - | - | - | - | - | - |
| Deposits with AMCM | 79,998,208 | 79,998,208 | - | - | - | - | - | - |
| Held-to-maturity investments | 63,910,278 | - | 56,937,246 | 6,973,032 | - | - | - | - |
| Loans and advances to customers | 1,955,772,241 | - | 442,353,649 | 134,518,084 | 122,320,320 | 1,195,298,648 | 61,281,540 | - |
| Other assets | 14,537,945 | - | 5,711,686 | 348,071 | 232,023 | 8,182,405 | 63,760 | - |
| Undated assets | 15,537,263 | - | - | - | - | - | - | 15,537,263 |
| Total assets | 2,392,259,339 | 107,661,612 | 739,842,581 | 141,839,187 | 122,552,343 | 1,203,481,053 | 61,345,300 | 15,537,263 |
| Liabilities | | | | | | | | |
| Deposits from customers | 1,959,596,308 | 746,631,596 | 1,000,343,447 | 212,621,265 | - | - | - | - |
| Deposits and balances from Head Office | 333,081,259 | 41,281,819 | 168,236,640 | - | 123,562,800 | - | - | - |
| Other liabilities | 20,986,363 | - | 9,523,809 | 5,321,447 | 2,919,936 | 2,979,039 | 242,132 | - |
| Undated liabilities | 10,015,259 | - | - | - | - | - | - | 10,015,259 |
| Total liabilities | 2,323,679,189 | 787,913,415 | 1,178,103,896 | 217,942,712 | 126,482,736 | 2,979,039 | 242,132 | 10,015,259 |
| Asset-liability gap | | (680,251,803) | (438,261,315) | (76,103,525) | (3,930,393) | 1,200,502,014 | 61,103,168 | |

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4 Credit risk (Continued)

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

| | 31 December 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 | 743,398,960 | 743,398,960 | - | - | - | - | - | - |
| Placements with bank | 140,760 | - | - | - | 140,760 | - | - | - |
| Deposits with AMCM | 128,549,125 | 128,549,125 | - | - | - | - | - | - |
| Held-to-maturity investments | 72,906,575 | - | 62,929,628 | 9,976,947 | - | - | - | - |
| Loans and advances to customers | 1,898,917,330 | - | 287,455,165 | 352,039,357 | 51,036 | 1,191,465,589 | 67,906,183 | - |
| Other assets | 25,639,953 | 19,236 | 9,106,686 | 6,715,467 | 516,745 | 8,136,143 | 1,145,676 | - |
| Undated assets | 896,247 | - | - | - | - | - | - | 896,247 |
| Total assets | 2,870,448,950 | 871,967,321 | 359,491,479 | 368,731,771 | 708,541 | 1,199,601,732 | 69,051,859 | 896,247 |
| Liabilities | | | | | | | | |
| Deposits from customers | 1,860,035,924 | 648,633,407 | 715,558,791 | 495,242,073 | 601,653 | - | - | - |
| Deposits and balances from Head Office | 888,397,414 | 888,397,414 | - | - | - | - | - | - |
| Other liabilities | 33,804,874 | 197,833 | 6,737,455 | 8,811,335 | 10,199,223 | 7,511,761 | 347,267 | - |
| Undated liabilities | 154,500 | - | - | - | - | - | - | 154,500 |
| Total liabilities | 2,782,392,712 | 1,537,228,654 | 722,296,246 | 504,053,408 | 10,800,876 | 7,511,761 | 347,267 | 154,500 |
| Asset-liability gap | | (665,261,333) | (362,804,767) | (135,321,637) | (10,092,335) | 1,192,089,971 | 68,704,592 | |

(e) Analysis on past due assets

As at 30 June 2019 and 31 December 2018, 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 2019 | | | | | | | | | |
|---------------------------|---------------------|---------------------------------|---------------------------|---------------------|---------------------|-----------------------------|------------------------------|-----------------------------|-----------------|
| | 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 | 125,694,437 | 1,410,574,456 | 6,336 | 10,104 | 624,164 | 713,901,620 | 879,611 | 968,497 | 2,252,659,225 |
| Spot liabilities | (125,649,502) | (1,410,279,422) | (13,430) | (7,725) | (570,634) | (714,203,765) | (846,791) | (964,881) | (2,252,536,150) |
| Net (short)/long position | 44,935 | 295,034 | (7,094) | 2,379 | 53,530 | (302,145) | 32,820 | 3,616 | 123,075 |
| 31 December 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 | 1,862,295 | 1,543,118,740 | 6,356 | 9,878 | 6,699,176 | 1,132,226,833 | 886,578 | 961,446 | 2,685,771,302 |
| Spot liabilities | (1,860,604) | (1,542,613,408) | (13,472) | (7,669) | (6,660,828) | (1,132,547,429) | (853,606) | (957,833) | (2,685,514,849) |
| Net (short)/long position | 1,691 | 505,332 | (7,116) | 2,209 | 38,348 | (320,596) | 32,972 | 3,613 | 256,453 |

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DISCLOSURES OF FINANCIAL INFORMATION

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 2019 MOP | 30 June 2018 MOP |
|---|------------------------|------------------------|
| Minimum weekly amount of cash in hand required to be held | 39,563,000 | 32,817,000 |
| Average weekly amount of cash in hand | 107,005,000 | 69,040,000 |
| Specified liquid assets at the end of each month | 785,489,000 | 1,102,801,000 |
| | | |
| | 30 June 2019 % | 30 June 2018 % |
| Average ratio of specified liquid asset to total basic liabilities at the end of each month | 48 | 96 |
| One-month liquidity ratio in the last week of each month | 67 | 72 |
| Three-month liquidity ratio in the last week of each month | 71 | 96 |

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 2019 % | 31 December 2018 % |
|------------------------------------|----------------------|--------------------------|
| Common Equity Tier 1 capital ratio | 13.3 | 12.8 |
| Tier 1 capital ratio | 16.2 | 16.7 |
| Total capital ratio | 19.0 | 19.3 |

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.

CHINA CITIC BANK INTERNATIONAL LIMITED MACAU BRANCH

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 2019 HK\$ | 31 December 2018 HK\$ |
|-------------------------------|-------------------------|-----------------------------|
| Equity | | |
| Share capital | 18,404,013,000 | 18,404,013,000 |
| Reserves | 19,140,507,000 | 17,496,484,000 |
| Additional equity instruments | 7,770,412,000 | 10,080,580,000 |
| Total equity | <u>45,314,932,000</u> | <u>45,981,077,000</u> |

(b) Consolidated assets, liabilities and profit positions

| | 30 June 2019 HK\$ | 31 December 2018 HK\$ |
|---|-------------------------|-----------------------------|
| Total assets | 350,618,746,000 | 362,944,791,000 |
| Total liabilities | 305,303,813,000 | 316,963,714,000 |
| Loans and advances to customers and other accounts | 200,726,694,000 | 203,829,256,000 |
| Deposits and balances of banks and other financial institutions | 3,953,485,000 | 2,849,375,000 |
| Deposits from customers | 273,588,030,000 | 285,492,851,000 |
| Profit before taxation | <u>1,783,579,000</u> | <u>3,623,900,000</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 2019, 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

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. FANG Heying

Executive Directors

Mr. BI Mingqiang (President & Chief Executive Officer)

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

Mr. BAI Lijun (Alternate Chief Executive Officer)

Non-executive Director

Mr. SUN Deshun

Independent Non-executive Directors

Ms. LI Shuk Yin

Mr. TANG Shisheng

Ms. TSANG King Suen Katherine

Mr. WANG Guoliang

Mr. WU Jiesi