

China Development Bank– Hong Kong Branch

2023 Annual Results Disclosure Statement

This is the Annual Results Disclosure Statement issued by the Bank for the period ended 31 December 2023. The information stated is not audited. It contains all the disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual:- Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority. This statement is readily accessible at our office located at 32/F, One International Finance Centre, No. 1 Harbour View Street, Central, Hong Kong and our Head Office website (www.cdb.com.cn/xwzx/xxgg/qtgg/).

China Development Bank - Hong Kong Branch
Interim Report for the year ended 31 December 2023

Amount expressed in thousand HKD, unless otherwise stated

I. Income Statement

	For period 1 January 2023 - 31 December 2023	For period 1 January 2022 - 31 December 2022
Interest income	11,915,740	5,826,457
Interest expense	(9,091,698)	(4,084,843)
Other operating income		
- Gains less losses arising from trading in foreign currencies	72,927	200,803
- Gains less losses on securities measured at fair value through profit or loss	(122,331)	35,092
- Net fees and commission income	61,600	56,594
- <i>Fees and commission income</i>	70,101	65,908
- <i>Fees and commission expenses</i>	(8,501)	(9,314)
- Others	(266,400)	(291,980)
Total operating income	<u>2,569,838</u>	<u>1,742,123</u>
Operating expenses		
- Rental expenses	(54,283)	(77,325)
- Staff expenses	(127,154)	(141,180)
- Net reversal for debt provision	(468,834)	1,296,189
- Other operating expenses	(35,880)	(36,076)
Total operating expenses	<u>(686,151)</u>	<u>1,041,608</u>
Profit before taxation	1,883,687	2,783,731
Taxation	(58,552)	(2,102)
Profit after taxation	<u>1,825,135</u>	<u>2,781,629</u>
Other comprehensive expenses		
- Debt instruments at fair value through other comprehensive income reserve	381,544	(437,785)
Total comprehensive income for the year	<u><u>2,206,679</u></u>	<u><u>2,343,844</u></u>

China Development Bank - Hong Kong Branch

Amount expressed in thousand HKD, unless otherwise stated

II. Balance Sheet

	As at 31 December 2023	As at 30 June 2023
Assets		
Cash and balances with banks	43,184,993	17,250,542
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	5,864,717	20,314,390
Due from Exchange Fund	985,279	973,047
Amount due from overseas offices	-	42,787
Loans and receivables and other accounts	167,802,683	169,373,589
Derivative financial instruments	87,246	84,527
Certificates of deposit held	25,557,059	21,464,120
Investment securities	19,778,127	13,465,039
Property, plant and equipment and investment properties	172,946	199,314
Total assets	<u>263,433,050</u>	<u>243,167,355</u>
Equity and liabilities		
Deposits and balances from banks	29,370,341	20,206,086
Deposits from customers	51,829,033	44,304,704
- Demand deposits and current accounts	-	-
- Savings deposits	24,262,792	18,882,999
- Time, call and notice deposits	27,566,241	25,421,705
Amount due to overseas offices	6,983,173	6,867,125
Certificates of deposit issued	1,248,948	
Certificates of deposit issued	119,324,277	111,295,779
Issued debt securities	46,798,285	53,063,048
Derivative financial instruments	465,451	506,633
Other liabilities	585,739	300,401
Total liabilities	<u>256,605,247</u>	<u>236,543,776</u>
Reserves	6,827,803	6,623,579
Total Equity and Liabilities	<u>263,433,050</u>	<u>243,167,355</u>

Amount expressed in thousand HKD, unless otherwise stated

III. Remuneration of Senior Management and Key Personnel

The remuneration policy and package are approved by Headquarter. They are applicable to China Development Bank Hong Kong Branch.

In determining remuneration policy, the Human Resources Department of the Headquarter will take into account the business objective, people strategy, short-term and long-term performance, business and economic environment conditions, market practices and risk management needs, in order to ensure the remuneration aligns with business and individual performances, promotes effective risk management, facilitates retention of quality personnel and is competitive in the market.

The following factors are considered when determining the remuneration packages of Senior Management and Key Personnel:

- business needs;
- general economic situation;
- market compensation competitiveness;
- individual contribution to the business;
- retention consideration and individual potential.

In this financial year of 2023, the Human Resources Department of the Headquarter has discussed and reviewed the Bank remuneration periodically. The remuneration policy has been reviewed and there is no change made to the policy.

Aggregate quantitative information on the remuneration for the Branch's senior management and key personnel is set out below:

(i) Amount of remuneration for the financial year 2023 and 2022, split into fixed and variable remuneration, and number of beneficiaries:

As at 31 December 2023

	Senior Management	Key Personnel
Number of beneficiaries	4	17
Total fixed remuneration	3,985	16,025
Total variable remuneration	2,194	6,780
Of which: Deferred	674	1,985
Of which: Non-Deferred	1,520	4,795

As at 31 December 2022

	Senior Management	Key Personnel
Number of beneficiaries	4	18
Total fixed remuneration	4,194	14,850
Total variable remuneration	2,531	10,333
Of which: Deferred	689	2,927
Of which: Non-Deferred	1,842	7,406

Senior management: The senior executives, including the Branch Chief Executive, the Branch Alternate Chief Executives, who are designated by the Bank and responsible for oversight the branch-wide business and strategy.

Key personnel: The employees, including heads of functional departments and risk control, whose individual business activities involve the assumption of material risk which may be significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the profit.

(ii) Deferred remuneration

	As at 31 December 2023	As at 31 December 2022
Vested	2,659	3,616
Unvested	-	-
	<u>2,659</u>	<u>3,616</u>
As at 1 January	4,856	3,778
Awarded	2,659	3,616
Paid out	(3,318)	(2,538)
Reduced through performance adjustments	-	-
As at the end of reporting period total outstanding deferred remuneration	<u>4,197</u>	<u>4,856</u>

(iii) According to the existing remuneration policy, both fixed and variable remuneration are paid in cash.

(iv) According to the existing remuneration policy, the Branch has implemented a deferral mechanism on performance bonus with a vesting period of four years. Apart from considering the Branch's business performance, if a staff is found to have committed significant operational incidents, non-compliance, or other serious incidents, the Branch may recalculate the variable remuneration and / or adjust the deferred variable remuneration of the staff.

(v) In relation to the risk management area, we have effective individual performance management system and all staff are required to complete the annual performance review. The assessment factors are not only based on the contribution to business results but also other management factors of the staff.

(vi) No senior management or key personnel has been awarded with new sign-on or severance payment during the financial year 2023.

Amount expressed in thousand HKD, unless otherwise stated

IV. Additional Balance Sheet Information

	As at 31 December 2023	As at 30 June 2023
(i) Loans and receivables and other accounts		
- loans and advances to customers	141,721,475	149,436,107
- loans and advances to banks	34,840,379	27,686,512
- accrued interest and other accounts	927,604	1,954,607
Less: Impairment allowances		
- stage 1	(1,054,939)	(2,295,415)
- stage 2	(554,634)	(108,545)
- stage 3	(8,077,202)	(7,299,677)
	<u>167,802,683</u>	<u>169,373,589</u>
(ii) Impaired loans and advances to customers:		
- Loans and advances	4,115,671	5,337,909
- Impairment allowances	(3,211,300)	(4,404,564)
- Collateral value	3,334,106	8,336,730
- Percentage to total loans and advances to customers	2.90%	3.57%
(iii) Impaired loans and advances to banks:		
- Loans and advances	11,781,845	11,580,450
- Impairment allowances	(4,865,902)	(2,895,113)
- Collateral value		
- Percentage to total loans and advances to banks	33.82%	41.83%
(iv) Analysis of gross amount of loans and advances to customers:		

	As at 31 December 2023		As at 30 June 2023	
	Outstanding Balance	Covered by Collateral	Outstanding Balance	Covered by Collateral
By industry categories:				
<i>Loans and advances for use in Hong Kong</i>				
Industrial, commercial and financial sectors:				
- Property development	4,979,007	-	4,977,315	-
- Property investment	-	-	-	-
- Financial concerns	68,550,812	-	63,982,959	-
- Wholesale and retail trade	4,115,671	3,334,106	4,127,052	8,336,730
- Manufacturing	-	-	-	-
- Transport and transport equipment	6,461,456	-	10,872,783	-
- Stockbrokers	-	-	-	-
- Information technology	-	-	-	-
- Others	30,960,107	-	19,474,303	-
<i>Trade finance</i>	-	-	-	-
<i>Loans and advances for use outside Hong Kong</i>	26,654,422	-	46,001,695	-
Total	<u>141,721,475</u>	<u>3,334,106</u>	<u>149,436,107</u>	<u>8,336,730</u>

By geographical areas:

The gross amount of loans and advances to customers by countries or geographical segment is in accordance with the location of the counterparties after taking into account the transfer of risk. In general, a transfer of risk arises if the loans or advances of a customer are guaranteed by a party in a country which is different from that of the customer. A country or geographical segment, to which not less than 10% of the Branch's total amount of loans and advances to customers are attributable after taking into account any recognised risk transfer, is disclosed at below:

	As at 31 December 2023	As at 30 June 2023
China	28,398,342	30,711,392
Hong Kong	109,057,955	116,221,290
Other countries	4,265,180	2,503,425
	<u>141,721,476</u>	<u>149,436,107</u>

China Development Bank - Hong Kong Branch
Additional Information

Amount expressed in thousand HKD, unless otherwise stated

IV. Additional Balance Sheet Information (cont'd)

(v) Impaired loans by geographical areas

	As at 31 December 2023		As at 30 June 2023	
	Gross amount	Impairment allowances	Gross amount	Impairment allowances
Loans and advances to customers:				
China	3,334,106	(2,502,800)	3,343,326	(2,485,483)
Hong Kong	781,565	(708,500)	1,994,583	(1,919,081)
	<u>4,115,671</u>	<u>(3,211,300)</u>	<u>5,337,909</u>	<u>(4,404,564)</u>
Loans and advances to banks:				
Venezuela	11,781,845	(4,865,902)	11,580,450	(2,895,113)

(vi) Overdue or rescheduled assets

	As at 31 December 2023		As at 30 June 2023	
	Gross amount	% to total loans and advances to customers	Gross amount	% to total loans and advances to customers
(a) Loans and advances to customers:				
Overdue more than 1 month but not more than 3 months	-	-	-	-
Overdue more than 3 months but not more than 6 months	-	-	-	-
Overdue more than 6 months but not more than 1 year	-	-	-	-
Overdue more than 1 year	4,115,671	2.90%	5,337,909	3.57%
Total	<u>4,115,671</u>	<u>2.90%</u>	<u>5,337,909</u>	<u>3.57%</u>
Collateral value:				
Market value of collateral held against overdue loans and advances	3,334,106		8,336,730	
Secured portion of overdue loans and advances	3,334,106		8,336,730	
Unsecured portion of overdue loans and advances	781,565		(2,998,821)	
By geographical areas:				
China	3,334,106		3,343,326	
Hong Kong	781,565		1,994,583	
	<u>4,115,671</u>		<u>5,337,909</u>	
Impairment allowances	<u>(3,211,300)</u>		<u>(4,404,564)</u>	

	As at 31 December 2023		As at 30 June 2023	
	Gross amount	% to total loans and advances to banks	Gross amount	% to total loans and advances to banks
(b) Loans and advances to banks:				
Overdue more than 1 month but not more than 3 months	-	-	-	-
Overdue more than 3 months but not more than 6 months	-	-	-	-
Overdue more than 6 months but not more than 1 year	-	-	-	-
Overdue more than 1 year	11,781,845	33.82%	11,580,450	41.83%
Total	<u>11,781,845</u>	<u>33.82%</u>	<u>11,580,450</u>	<u>41.83%</u>
Collateral value:				
Market value of collateral held against overdue loans and advances	-		-	
Secured portion of overdue loans and advances	-		-	
Unsecured portion of overdue loans and advances	11,781,845		11,580,450	
By geographical areas:				
Venezuela	11,781,845		11,580,450	
Impairment allowances	<u>(4,865,902)</u>		<u>(2,895,113)</u>	

(vii) Rescheduled assets

	As at 31 December 2023		As at 30 June 2023	
	Gross amount	% to total loans and advances to customers	Gross amount	% to total loans and advances to customers
Rescheduled advances to customers	<u>1,207,518</u>	-	-	-

At 31 December 2023, there were no rescheduled advances to banks.

Amount expressed in thousand HKD, unless otherwise stated

V. International Claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognised risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			Non-bank financial institutions	Non-financial private sector		
HK\$ million eqvi.						
As at 31 December 2023						
Developed countries	637	-	-	-	-	637
Offshore centres	1,633	-	55,632	12,316	-	69,581
- of which: Hong Kong	1,632	-	55,632	12,079	-	69,343
Developing Latin America and Caribbean	26,842	-	-	-	-	26,842
Developing Africa and Middle East	5,165	-	-	-	-	5,165
Developing Asia and Pacific	82,487	675	3,548	52,175	102	138,987
- of which: China	80,208	675	3,548	52,175	102	136,708
Total	116,764	675	59,180	64,491	102	241,212
As at 30 June 2023						
Developed countries	657	-	-	-	-	657
Offshore centres	1,884	3,987	50,084	26,304	652	82,911
- of which: Hong Kong	1,883	3,987	50,084	26,066	652	82,672
Developing Latin America and Caribbean	21,283	-	-	-	-	21,283
Developing Africa and Middle East	3,581	-	-	-	-	3,581
Developing Asia and Pacific	65,424	11	4,474	46,548	-	116,457
- of which: China	63,148	11	4,474	46,548	-	114,181
Total	92,829	3,998	54,558	72,852	652	224,889

VI. Currency Risk

Foreign currency exposures other than reporting currency

	As at 31 December 2023					
	<u>USD</u>	<u>GBP</u>	<u>EUR</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
HK\$ million eqvi.						
Spot assets	163,789	2,561	20,032	23,751	17	210,150
Spot liabilities	(148,394)	(2,217)	(14,082)	(30,291)	-	(194,984)
Forward purchases	5,049	-	1,561	1,292	-	7,902
Forward sales	(11,640)	(101)	(7,198)	-	-	(18,939)
Net option position	-	-	-	-	-	-
Net long (net short) position	8,804	243	313	(5,248)	17	4,129
Net structural position	-	-	-	-	-	-
	As at 30 June 2023					
	<u>USD</u>	<u>GBP</u>	<u>EUR</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
HK\$ million eqvi.						
Spot assets	163,926	1,436	12,321	21,473	17	199,173
Spot liabilities	(149,030)	(2,085)	(12,588)	(24,990)	-	(188,693)
Forward purchases	761	893	1,025	1,812	-	4,491
Forward sales	(8,076)	-	-	(1,453)	-	(9,529)
Net option position	-	-	-	-	-	-
Net long (net short) position	7,581	244	758	(3,158)	17	5,442
Net structural position	-	-	-	-	-	-

China Development Bank - Hong Kong Branch

Additional Information

Amount expressed in thousand HKD, unless otherwise stated

VII. Non-Bank Mainland Exposures

	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ million eqvi.		
As at 31 December 2023			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	119,665	15,100	134,765
(b) Local governments, local government-owned entities and their subsidiaries and JVs	11,581	-	11,581
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	924	226	1,150
(d) Other entities of central government not reported in item (a)	680	-	680
(e) Other entities of local governments not reported in item (b)	-	-	-
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>132,850</u>	<u>15,326</u>	<u>148,176</u>
Total assets after provision	<u>264,876</u>		
On-balance sheet exposures as percentage of total assets	<u>50.16%</u>		

	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ million eqvi.		
As at 30 June 2023			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	123,318	9,060	132,378
(b) Local governments, local government-owned entities and their subsidiaries and JVs	11,131	-	11,131
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	4,536	226	4,762
(d) Other entities of central government not reported in item (a)	905	-	905
(e) Other entities of local governments not reported in item (b)	-	-	-
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>139,891</u>	<u>9,286</u>	<u>149,177</u>
Total assets after provision	<u>244,902</u>		
On-balance sheet exposures as percentage of total assets	<u>57.12%</u>		

Amount expressed in thousand HKD, unless otherwise stated

VIII. Off-balance Sheet Exposures (other than derivative transactions)

	As at 31 December 2023	As at 30 June 2023
Contractual or notional amounts of other commitments		
Direct credit substitutes	-	-
Trade-related contingencies	-	-
Other commitments	24,546,169	14,834,360
	<u>24,546,169</u>	<u>14,834,360</u>

IX. Derivative Transactions

	As at 31 December 2023	As at 30 June 2023
<i>Total contractual or notional amounts</i>		
Exchange rate-related derivative contracts	18,668,404	9,452,984
Interest rate derivative contracts	11,146,899	10,439,471
	<u>29,815,303</u>	<u>19,892,455</u>
<i>Total fair value asset</i>		
Exchange rate-related derivative contracts	13,989	75,279
Interest rate derivative contracts	73,257	9,248
	<u>87,246</u>	<u>84,527</u>
<i>Total fair value liability</i>		
Exchange rate-related derivative contracts	(213,885)	(120,057)
Interest rate derivative contracts	(251,566)	(386,576)
	<u>(465,451)</u>	<u>(506,633)</u>

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

X. Liquidity Risk Management

The Bank has many policies in place to manage its liquidity risk. The senior management and the functional departments perform their responsibilities to ensure the policies are effectively implemented in daily operation. The bank uses various tools for measurement of liquidity risk including liquidity ratio, stress testing, liquidity gap analysis, dynamic liquidity cashflow model and maturity ladder to monitor the risk.

The Bank maintains diverse sources of liquidity to facilitate flexibility in meeting funding requirements. It is primarily funded by debt capital market issuances, interbank borrowings and borrowing from the head office.

The Bank has implemented a forecast model and assumptions to perform cash flow analysis under normal and stressed scenarios. A contingency plan is established to assign procedures and responsibility of relevant departments to take appropriate actions based on stress test results. The Bank has also obtained consent to get ultimate fundings from the head office under severe liquidity crisis.

Amount expressed in thousand HKD, unless otherwise stated

X. Liquidity Risk Management (cont'd)

(i) Liquidity maintenance ratio and the core funding ratio

	Year ended 31 December 2023	Year ended 31 December 2022	Quarter ended 31 December 2023	Quarter ended 30 September 2023
Average liquidity maintenance ratio	78.06%	82.96%	75.32%	72.49%
Average core funding ratio	116.53%	125.12%	103.74%	108.77%

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average value of its liquidity maintenance ratio as reported in Part I(2) of the "Return of Liquidity Position of an Authorized Institution". The average core funding ratio is the arithmetic mean of each calendar month's average value of its core funding ratio as reported in Part I of the "Stable Funding Position of an Authorized Institution".

The liquidity information can also be accessed at our website (www.cdb.com.cn/xwzx/xxgg/qtgg/).

(ii) Maturity Analysis

	Next day	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite
HK\$ million eqvi.							
As at 31 December 2023							
Amount receivable arising from derivative contracts	1,120	12,581	1,836	2,854	2,460	2,024	-
Due from MA for a/c of Exchange Fund	985	-	-	-	-	-	-
Due from banks	23,716	19,663	1,851	6,919	19,960	-	11,782
Debt securities held	44,067	-	-	1,267	-	-	-
Loans and advances to non-bank customers	-	39,541	430	53,968	41,236	2,422	4,116
Other assets	-	-	-	-	-	-	2,554
Total assets	69,888	71,785	4,117	65,008	63,656	4,446	18,452
Off-balance sheet claims	11,723	11,723	-	-	-	-	-
Deposits from non-bank customers	27,835	5,801	10,280	7,482	686	-	-
Amount payable arising from securities financing tr	-	-	-	1,249	-	-	-
Amount payable arising from derivative contracts	1,134	12,746	1,872	2,995	2,488	1,902	-
Due to banks	261	6,322	5,342	18,203	5,756	79	391
Debt securities issued and outstanding	-	18,335	36,043	81,789	23,578	7,240	-
Other liabilities	-	-	-	-	-	-	909
Capital and reserves	-	-	-	-	-	-	6,828
Total liabilities	29,230	43,204	53,537	111,718	32,508	9,221	8,128
Off-balance sheet obligations	-	1,563	4	11,608	11,371	-	-
Net liquidity gap	52,381	38,741	(49,424)	(58,318)	19,777	(4,775)	10,324

Amount expressed in thousand HKD, unless otherwise stated

(ii) Maturity Analysis (cont'd)

	Next day	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Indefinite
HK\$ million eqvi.							
As at 31 December 2022							
Amount receivable arising from derivative contracts	-	1,923	889	426	2,628	2,380	-
Due from MA for a/c of Exchange Fund	3,138	-	-	-	-	-	-
Due from banks	10,597	16,048	13,596	5,923	8,448	-	11,953
Debt securities held	52,975	-	-	-	-	-	-
Loans and advances to non-bank customers	-	33,590	1,520	45,255	65,879	1,405	5,310
Other assets	-	202	-	-	-	-	2,908
Total assets	66,710	51,763	16,005	51,604	76,955	3,785	20,171
Off-balance sheet claims	11,695	11,695	-	-	-	-	-
Deposits from non-bank customers	30,433	6,981	4,223	7,912	2,094	-	-
Amount payable arising from derivative contracts	-	1,944	865	622	2,750	2,227	-
Due to banks	513	2,599	7,388	15,080	6,360	1,043	390
Debt securities issued and outstanding	-	7,016	32,509	77,435	53,121	7,224	-
Other liabilities	-	-	-	-	-	-	1,192
Capital and reserves	-	-	-	-	-	-	4,621
Total liabilities	30,946	18,540	44,985	101,049	64,325	10,494	6,203
Off-balance sheet obligations	-	3,962	126	7,188	8,060	-	-
Net liquidity gap	47,459	40,956	(29,106)	(56,633)	4,570	(6,709)	13,968

XI. Consolidated Bank InformationAs at
31 December 2022¹As at
31 December 2021²

(i) Capital and Capital adequacy

	RMB million	RMB million
Consolidated Amount of Shareholders' funds	1,579,826	1,514,446
Consolidated Capital Adequacy Ratio *	11.37%	11.66%

(ii) Other Financial Information

	As at 31 December 2022 ¹	As at 31 December 2021 ²
Total assets	18,243,083	17,167,941
Total liabilities	16,637,502	15,629,661
Total loans and advances, gross	14,474,924	13,262,498
Total customer deposits	1,167,724	1,079,196
Pre-tax Profit	97,147	93,082

¹ The figures for year ended 31 December 2022 are extracted from the audited Consolidated Financial Statements of Head Office.² The figures for year ended 31 December 2021 are extracted from the audited Consolidated Financial Statements of Head Office.

* The consolidated capital adequacy ratio is calculated in accordance with relevant regulations including the Provisional Rule on Capital Management of Commercial Banks issued by the China Banking and Insurance Regulatory Commission. All figures relating to capital adequacy ratios are presented on a consolidated basis.

Amount expressed in thousand HKD, unless otherwise stated

XII. Statement of Compliance

This 2023 Annual Financial Disclosure Statement contains all disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual:- Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

The information contained in the disclosure statement is not false or misleading in any respect, and that the operations of the Bank are clearly explained.



Li Xi Guang
Chief Executive
China Development Bank - Hong Kong Branch