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This announcement is solely for the purpose of reference and does not constitute an offer of securities for sale or an invitation to purchase securities in the United States or any other jurisdiction. The Bonds described herein have not been and will not be registered under the U.S. Securities Act of 1933 (the “U.S. Securities Act”) or under any securities laws of any state or other jurisdiction of the United States. Unless exempt from registration and in compliance with the securities laws of any state or other jurisdiction of the United States, the Bonds (as defined below) described herein may not be sold, offered for sale, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act). There will be no public offer or sale of the Bonds described herein in the United States or to, or for the benefit of, any U.S. persons or in any other jurisdiction.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and have been listed on the Hong Kong Stock Exchange (as defined below) on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

PUBLICATION OF OFFERING CIRCULAR



澳門國際銀行
LUSO INTERNATIONAL BANKING LTD.

LUSO INTERNATIONAL BANKING LIMITED

(incorporated in Macau with limited liability)

as Issuer

**U.S.\$150,000,000 Tier 2 Capital Bonds due 2034
(the “Additional Bonds”)**

**(consolidated and formed a single series with the U.S.\$280,000,000
Tier 2 Capital Bonds due 2034 issued on 29 November 2023)
(together with the Additional Bonds, the “Bonds”)
(Stock Code: 6007)**

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

Please refer to the offering circular dated 21 December 2023 (the “**Offering Circular**”) appended hereto in relation to the Additional Bonds. The Issuer announces that the listing of the Additional Bonds on the Hong Kong Stock Exchange and permission to deal in the Additional Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Listing Rules) only has become effective on 29 December 2023.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

29 December 2023

As at the date of this announcement, the directors of the Issuer are Huang Laizhi, Guo YiMing, Zhang DeChun, Zou Zhiming, Ma Chi Un, Jong Lai Ching, Luo Yinghui, Lao Ngai Leong, Chui Sai Peng Jose, Pang Chuan and Fong Long Peng.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the “Offering Circular”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer (as defined in the Offering Circular) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR (THE “SECURITIES”) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT IN ACCORDANCE WITH REGULATION S UNDER OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering of the Securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by such Joint Lead Manager or affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, any of the Joint Lead Managers, the Trustee (as defined in the Offering Circular) or the Agents (as defined in the Offering Circular) or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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LUSO INTERNATIONAL BANKING LIMITED

(incorporated in Macau with limited liability)



澳門國際銀行
LUSO INTERNATIONAL BANKING LTD.

U.S.\$150,000,000 Tier 2 Capital Bonds due 2034 (to be consolidated and form a single series upon issue with the U.S.\$280,000,000 Tier 2 Capital Bonds due 2034 issued on 29 November 2023)

Issue Price: 100.00 per cent.
(plus an amount corresponding to accrued interest from (and including) 29 November 2023 to (but excluding) the New Issue Date (as defined below))

The Tier 2 Capital Bonds due 2034 in an aggregate principal amount of U.S.\$150,000,000 (the "Additional Bonds") will be issued by Luso International Banking Limited (the "Issuer" or the "Bank") on 28 December 2023 (the "New Issue Date") and upon issue, will be consolidated and form a single series with the U.S.\$280,000,000 Tier 2 Capital Bonds due 2034 issued by the Issuer on 29 November 2023 (the "Existing Bonds"), together with the Additional Bonds, the "Bonds". The Additional Bonds will have the same terms and conditions as the Existing Bonds in all respects, except for the issue date and the timing to perform and complete the NDRC Post-issue Filing (as defined in the Conditions). Upon the issue of the Additional Bonds, the aggregate principal amount of outstanding Bonds will be U.S.\$430,000,000.

The Bonds will constitute direct, unsecured and subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The claims of the Bondholders (as defined in the "Terms and Conditions of the Bonds" (the "Conditions")) (and of the Trustee (as defined in the Conditions) on their behalf) for payment of principal and any interest under the Bonds shall, subject to the insolvency laws of the Macau Special Administrative Region of the People's Republic of China ("Macau") and other applicable laws, in the event of a Winding-Up (as defined in the Conditions) of the Issuer, be subordinated to the claims of depositors of the Issuer and general creditors of the Issuer; rank in priority to the claims of holders of all classes of equity capital of the Issuer and holders of Additional Tier 1 Capital Instruments (as defined in the Conditions); and rank *pari passu* with the claims of holders of any other Tier 2 Capital Instruments (as defined in the Conditions) that rank *pari passu* with the Bonds. In addition, subject to the insolvency laws of Macau and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders (and of the Trustee on their behalf) for payment of principal and any interest under the Bonds shall rank *pari passu* with the Parity Obligations (as defined in the Conditions) (including the 2033 Subordinated Capital Bonds (as defined in the Conditions) and rank in priority to the Junior Obligations (as defined in the Conditions)). The ranking of claims set out above applies to all obligations of the Issuer, present or future, issued or guaranteed by the Issuer that rank or are expressed to rank in priority to, junior to or *pari passu* with the Bonds, as the case may be, by operation of law or contract. Other than in the event of a Winding-Up of the Issuer, none of the Trustee or the Bondholders shall declare any payment of principal or interest under the Bonds immediately due and payable. See "Terms and Conditions of the Bonds — Subordination and Non-Viability Trigger Event — Subordination".

If a Non-Viability Trigger Event (as defined in the Conditions) occurs and is continuing, the Issuer shall, upon the provision of a Non-Viability Trigger Event Notice (as defined in the Conditions), irrevocably (without the need for the consent of the Bondholders) reduce the then principal amount of, and cancel any accrued but unpaid interest in respect of, each Bond (in each case in whole or in part) by an amount equal to the Non-Viability Trigger Event Write-off Amount (as defined in the Conditions) per Bond. Any Write-off (as defined in the Conditions) pursuant to Condition 3(c) of the Conditions (in whole or in part) will not constitute a default under the Bonds. Any Bond may be subject to one or more Write-offs (as defined in the Conditions) in part (as the case may be), except where such Bond has been Written-off (as defined in the Conditions) in its entirety. Once the principal amount of, and any accrued but unpaid interest under, the Bonds has been Written-off, the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Trigger Event ceases to continue. See "Terms and Conditions of the Bonds — Subordination and Non-Viability Trigger Event — Write-off on a Non-Viability Trigger Event".

The Bonds bear interest on their outstanding principal amount (subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions) from, and including 29 November 2023 (the "Issue Date"). The rate of interest applicable to the Bonds shall be: (i) in respect of the period from, and including, the Issue Date to, but excluding, 29 May 2029 (the "Reset Date"), 7.50 per cent. per annum; and (ii) in respect of the period from and including, the Reset Date to, but excluding, 29 May 2034 (the "Maturity Date"), the Reset Interest Rate (as defined in the Conditions) which shall be equal to the sum of the Benchmark Rate (as defined in the Conditions) with respect to the Reset Date plus 3.011 per cent. Interest on the Bonds shall be payable semi-annually in arrears on 29 May and 29 November in each year, commencing on 29 May 2024. See "Terms and Conditions of the Bonds — Interest".

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Bonds will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, withheld or assessed by or within Macau or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would have been received by them if no such withholding or deduction had been required, subject to the extent described under "Terms and Conditions of the Bonds — Taxation and Withholding".

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed on the Maturity Date at their outstanding principal amount together with any accrued but unpaid interest to, but excluding, the Maturity Date, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions. Subject to the satisfaction of the conditions for redemption of the Bonds as described under Condition 5(b) of the Conditions, the Issuer may redeem at its option all but not some only of the Bonds on 29 May 2029 (the "Call Date"), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions. Subject to the satisfaction of the conditions for redemption of the Bonds as described under Condition 5(b) of the Conditions, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (whether before or following the Call Date), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions, following the occurrence of a Withholding Tax Event, a Tax Deduction Event, or a Regulatory Variation Event (as defined in the Conditions). Upon the occurrence of the Regulatory Variation Event, the Issuer may, subject to and in accordance with any applicable regulatory requirements, at any time (whether before or following the Call Date) vary the terms of the Bonds so that they remain or, as the case may be, become, eligible Tier 2 Capital Instruments. See "Terms and Conditions of the Bonds — Redemption, Variation and Purchase".

It is intended that the Bonds will qualify as Tier 2 Capital (as defined in the Conditions) of the Issuer in accordance with the requirements of the Capital Regulations (as defined in the Conditions) and Tier 2 Capital of Xiamen International Bank Co., Ltd. ("XIB" or the "Parent Bank") in accordance with the requirements of the NFRF (as defined in the Conditions).

Pursuant to the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (《企業中長期外債審核登記管理辦法》) (國家發展改革委員會令56號) which came into effect on 10 February 2023 (the "NDRC Administrative Measures"), the Parent Bank has registered the issuance of the Bonds with the NDRC (as defined in the Conditions) and obtained a certificate from the NDRC on 26 June 2023 evidencing such registration and which remains in full force and effect. So long as any Bond remains outstanding, the Issuer will file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the relevant issue date in accordance with the NDRC Administrative Measures and any implementation rules as issued by the NDRC from time to time. The NDRC Post-issue Filing with respect to the Existing Bonds has been duly submitted to the NDRC.

There may be Macau tax consequences for investors. Before making an investment decision, persons considering the purchase of the Additional Bonds should consult their own tax and legal advisors concerning the possible tax consequences of buying, holding or selling any Bond and how to comply with relevant tax obligations under Macau tax laws. See "Taxation — Macau" and "Risk Factors — Risk Factors relating to the Bonds — There may be Macau tax consequences for investors".

An application of the offering of the Bonds in Macau was reported to the Monetary Authority of Macau (Autoridade Monetária de Macau) (the "AMCM") and is one of bank operations carried out by the Issuer in accordance with the authorisations of the Chief Executive pursuant to Section 21(1) of the Financial System Act, as approved by Decree Law No. 13/2023. The authorisation of operation of banking business in relation to the offering of the Bonds by the Chief Executive does not imply a judgment or guarantee regarding any of the risks involving the Issuer, investment risks of the Bonds, profit or any other element of the investment.

The Existing Bonds are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Additional Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("Professional Investors") only. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Additional Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Issuer or XIB Group (as defined below) or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

It is expected that dealing in, and listing of, the Additional Bonds on the Hong Kong Stock Exchange will commence on or about 29 December 2023.

This Offering Circular is for distribution to professional investors (as defined in Section 11 of the Guideline on Provision and Distribution of Financial Products (Circular no. 033/B/2010-DSB/AMCM dated 17 September 2010), the Guideline on Issuance and Information Disclosure of Corporate Bond and Guideline on Underwriting and Trustee Business of Corporate Bond (Circulars no. 011/B/2023-DSB/AMCM dated 1 November 2023) as issued by the AMCM) (the "MOX Professional Investors") only. Investors should not purchase the Bonds in the primary or secondary markets unless they are MOX Professional Investors and understand the risks involved. The Bonds are only suitable for MOX Professional Investors.

Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "MOX") has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to MOX Professional Investors only have been reproduced in this Offering Circular. The Existing Bonds are listed on the MOX. Listing of the Bonds on the MOX is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer or the quality of disclosure in this Offering Circular. The MOX takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer or the Bonds.

This Offering Circular includes particulars given in compliance with the Guideline on Provision and Distribution of Financial Products (Circular no. 033/B/2010-DSB/AMCM dated 17 September 2010), the Guideline on Issuance and Information Disclosure of Corporate Bond and Guideline on Underwriting and Trustee Business of Corporate Bond (Circulars no. 011/B/2023-DSB/AMCM dated 1 November 2023) and guideline regarding Registration System for Bond Issuance through Public Subscription (Circular no. 012/B/2023-AMCM) for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The requirements in relation to the MOX Professional Investors above and in this Offering Circular shall be construed as relating to offers and sales of the Additional Bonds in Macau only.

Investing in the Bonds involves risks. In particular, the Bonds are complex and of high risk. There are risks inherent in the holding of the Bonds, for example (i) the Bonds constitute subordinated obligations of the Issuer and (ii) in the event of a Winding-Up of the Issuer, the rights and claims of the Bondholders in respect of the Bonds shall be subordinated to the claims of depositors of the Issuer and general creditors of the Issuer; rank in priority to the claims of holders of all classes of equity capital of the Issuer and holders of Additional Tier 1 Capital Instruments; and rank *pari passu* with the claims of holders of any other Tier 2 Capital Instruments that rank *pari passu* with the Bonds. In addition, subject to the insolvency laws of Macau and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders for payment of principal and any interest under the Bonds shall rank *pari passu* with the Parity Obligations and rank in priority to the Junior Obligations. Various other risks, including the circumstances in which the Bonds may be Written-off upon the occurrence of a Non-Viability Trigger Event in accordance with the Conditions, are difficult to predict and the quantum of any loss incurred by investors in the Bonds in such circumstances is also highly uncertain. Any Write-off is permanent, including where the relevant Non-Viability Trigger Event ceases to continue. The interest rate on the Bonds will also be reset on the Reset Date by reference to the relevant Benchmark Rate, which may affect the market value of the Bonds. The Additional Bonds are offered to Professional Investors and MOX Professional Investors only and are not suitable for retail investors. See "Risk Factors" beginning on page 19 for a discussion of certain considerations to be taken into account in connection with an investment in the Bonds.

The Additional Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Additional Bonds are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. For a description of these and certain restrictions on offers and sales of the Additional Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

The Additional Bonds will be represented initially by interests in a global certificate (the "Global Certificate") representing the Bonds in registered form registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream") and together with Euroclear, the "Clearing Systems" and each a "Clearing System". Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

China Industrial Securities International

DBS Bank Ltd.

Luso Bank Ltd.

Joint Bookrunners and Joint Lead Managers

Bank of China
Macau Branch

CCB
International

CITIC
Securities

CMBC
Capital

Huafu
International

ICBC
(Macau)

TF
International

Offering Circular dated 21 December 2023

IMPORTANT NOTICE

The contents of this Offering Circular have not been reviewed by any regulatory authority in Macau. You are advised to exercise caution in relation to the offer of the Additional Bonds. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer and to the Bonds, which is material in the context of the issue and offering of the Additional Bonds; (ii) the statements contained herein are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Parent Bank or the Bonds, the omission of which would, in the context of the issue and offering of the Additional Bonds, make any statement in this Offering Circular misleading in any material respect; (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements; and (vi) this Offering Circular does not include an untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading. In addition, the Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and XIB Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Additional Bonds described in this Offering Circular. The distribution of this Offering Circular and the offering of the Additional Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the joint lead managers as set forth in “*Subscription and Sale*” (the “**Joint Lead Managers**”) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Additional Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer, sale and resale of the Additional Bonds, and the circulation of documents relating thereto, in certain jurisdictions including, without limitation, the United States, the European Economic Area (the “**EEA**”), the UK, Hong Kong, Macau, Singapore and Japan and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Additional Bonds and distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the Additional Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Additional Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer or the Additional Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers, the Trustee or the Agents (as defined in the Conditions) or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Additional Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them to subscribe for or purchase any of the Additional Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Additional Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Additional Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Additional Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular, each investor is deemed to have agreed to these restrictions.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them or on its behalf in connection with the Issuer or the issue and offering of the Additional Bonds. Each of the Joint Lead Managers, the Trustee and the Agents and each of their respective directors, officers, employees, agents, advisers, affiliates and representatives and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them that any recipient of this Offering Circular or any other financial statements should purchase the Additional Bonds. Each potential purchaser of Additional Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Additional Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them undertakes to review the financial

condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Additional Bonds of any information coming to the attention of any of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE ADDITIONAL BONDS, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING AS STABILISATION MANAGER (OR ANY PERSON ACTING ON THEIR BEHALF) (THE “STABILISATION MANAGER(S)”) (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER), MAY OVER-ALLOT ADDITIONAL BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE ADDITIONAL BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE ADDITIONAL BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE NEW ISSUE DATE OF THE ADDITIONAL BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE ADDITIONAL BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Any purchase or acquisition of the Additional Bonds is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement (as defined in “*Subscription and Sale*”) and the issue of the Additional Bonds by the Issuer pursuant to the Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Additional Bonds pursuant to this Offering Circular shall (without liability or responsibility on the part of the Issuer or the Joint Lead Managers) lapse and cease to have any effect if (for any reason whatsoever) the Additional Bonds are not issued by the Issuer pursuant to the Subscription Agreement.

In connection with the offering of the Additional Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, may act as investors and place orders, receive allocations and trade the Additional Bonds for their own account and such orders, allocations or trading of the Additional Bonds may be material. These entities may hold or sell such Additional Bonds or purchase further Additional Bonds for their own account in the secondary market or deal in any other securities of the Issuer and therefore, they may offer or sell the Additional Bonds or other securities otherwise than in connection with the offering of the Additional Bonds. Accordingly, references herein to the offering of the Additional Bonds should be read as including any offering of the Additional Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Listing of the Bonds on the Hong Kong Stock Exchange and/or the MOX is not to be taken as an indication of the merits of the Issuer or the Bonds. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering of the Additional Bonds, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain considerations to be taken into account in connection with an investment in the Bonds.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Additional Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Additional Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Additional Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Additional Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Additional Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Additional Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Additional Bonds, including certain Joint Lead Managers, are “capital market intermediaries” (together, the “**CMI**s”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMI, which require the attention and cooperation of prospective investors. Certain CMI may also be acting as “overall coordinators” (together, the “**OC**s”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Additional Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI's). A rebate of 25 basis points is being offered by the Issuer to all private banks for orders they place (other than in relation to Additional Bonds subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Additional Bonds distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMI's otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMI's in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMI's (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

CERTAIN DEFINED TERMS AND CONVENTIONS

Unless otherwise specified or the context requires otherwise, references herein to the “**Issuer**” or the “**Bank**” are to Luso International Banking Limited.

Unless otherwise specified or the context requires, references herein to “**Macau patacas**” and “**MOP**” are to the lawful currency of the Macau Special Administrative Region of the People’s Republic of China (“**Macau**” or “**Macao**”), references herein to “**Hong Kong dollars**” and “**HKD**” are to the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), references herein to “**U.S. dollars**” or “**U.S.\$**” are to the lawful currency of the United States of America, references herein to “**Renminbi**” or “**RMB**” are to the lawful currency of the People’s Republic of China, references herein to “**China**”, “**Mainland China**” and the “**PRC**” are to the People’s Republic of China excluding Hong Kong, Macau and Taiwan, references herein to “**MFRS**” are to Financial Reporting Standards issued by the Government of the Macau Special Administrative Region and references herein to “**IFRS**” are to International Financial Reporting Standards.

Unless otherwise specified, where financial information has been translated into U.S. dollars, it has been so translated for information purposes only at the rate of MOP8.0308 equal to U.S.\$ 1.00 (being the average of the buying and selling rates of the opening indicative counter exchange rate published by the AMCM as at 31 December 2022). No representation is made that the Macau patacas or U.S. dollar amounts referred herein could have been or could be converted into U.S. dollars or Macau patacas, as the case may be, at any particular rate or at all.

PRESENTATION OF FINANCIAL INFORMATION

The Bank has prepared audited financial statements for the years ended 31 December 2020 (the “**2020 Audited Financial Statements**”), 2021 (the “**2021 Audited Financial Statements**”) and 2022 (the “**2022 Audited Financial Statements**”), and together with the 2020 Audited Financial Statements and the 2021 Audited Financial Statements, the “**Audited Financial Statements**”) in accordance with MFRS. Please refer to “*Summary Financial and Other Information*”. The Audited Financial Statements set out herein have been reproduced from the Issuer’s annual reports for the years ended 31 December 2020, 2021 and 2022, including the page numbers and page references set forth in such reports. The Audited Financial Statements have not been specifically prepared for the inclusion in this Offering Circular.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements regarding the intent, belief or current expectations of the Bank held reasonably with respect to its financial condition and future results of operations. In many cases, but not all, words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “probability”, “project”, “risk”, “seek”, “should”, “target” and similar expressions are used in relation to the Bank to identify forward-looking statements. Investors can also identify forward-looking statements in discussions of strategy, plans or intentions. These statements reflect the current views of the Bank with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove incorrect, the Bank’s actual results may vary materially from those it currently anticipates. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as at the date of this Offering Circular. The Bank disclaims any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in this Offering Circular to reflect future actual events or developments. The information contained in this Offering Circular, including without limitation the information under “*Risk Factors*” and “*Business of the Bank*”, identifies important factors that might cause the forward-looking statements not to be realised.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety.

INTRODUCTION

The Bank is a full service bank which operates primarily in Macau. As at the date of this Offering Circular, the Bank had an established network comprising a head office and a total of 14 branches and 3 24-hour e-banking centres in Macau, two branches located in Guangzhou and Hangzhou of the PRC and four sub-branches in Foshan, Dongguan, Huizhou and the Guangdong-Macau In-Depth Cooperation Zone in Hengqin of the PRC.

The Bank provides a wide range of banking and related financial services to retail and corporate customers in Macau. The Bank operates through three segments: Personal Banking, Commercial Banking, and Financial Markets Services. It offers savings, current, and fixed deposit accounts; credit cards; precious metals; mortgages and loans; commercial financing, SME financing, commercial mortgage loan and other loans; securities trading, foreign exchange, investment funds, and other trading services; and life, accident and medical insurance, travel, property, and liability insurance products, as well as Internet, mobile, and phone banking services. The Bank is also engaged in financial markets services, which includes its proprietary trading platform and investments businesses.

Since its inception in 1974, the Bank has expanded steadily and believes that it has successfully established itself as a reliable and prudent bank in Macau. The Bank was listed as a Top 500 bank in *Yazhou Zhoukan* (“亞洲週刊”) ‘Asia Weekly’ in 1995 and was the first financial institution in Macau to receive an ISO9002 certification for its billings business. In addition, the Bank also ranked No. 3 in terms of total assets scale in the banking industry in Macau as at 31 December 2022, according to the Official Gazette of Macau. The Bank has also been rated by The China Lianhe Credit Rating Co., Ltd. a rating of "AAA" and the rating is expected to remain "stable". The Bank was also ranked 154th out of the Top 1,000 world banks by The Banker in 2022 (four places higher than in 2021). In terms of first-tier capital, the Bank was also ranked 160th globally in 2022, which was 20 places higher than in 2021, and ranked 8th among the city commercial banks in China. The Bank enjoys long-standing relationships with many of its key customers and believes that it possesses a strong and stable deposit base.

As at 31 December 2020, 2021 and 2022, the Bank’s total assets were MOP224,306 million, MOP238,258 million and MOP240,990 million, respectively, and total liabilities and capital resources amounted to MOP224,306 million, MOP238,258 million and MOP240,990 million, respectively. As of the same dates, the Bank’s total deposits amounted to MOP171,070 million, MOP171,652 million and MOP170,275 million, respectively, and gross loans and advances amounted to MOP120,787 million, MOP125,366 million and MOP127,351 million, respectively. Overall, the average annual increase in total assets of the Bank is over 56 per cent. over the past two decades.

For the years ended 31 December 2020, 2021 and 2022, the Bank recorded profit for the year of MOP1,875 million, MOP1,960 million and MOP1,800 million, respectively.

As at 31 December 2020, 2021 and 2022, the Bank’s core capital ratio was 7.78 per cent., 7.37 per cent. and 7.55 per cent., and total capital adequacy ratio was 13.61 per cent., 13.62 per cent. and 14.67 per cent., respectively.

For the years ended 31 December 2020, 2021 and 2022, the Bank achieved return on average total assets of 0.87 per cent., 0.85 per cent. and 0.75 per cent., respectively, and return on average shareholder's equity of 14.93 per cent., 13.65 per cent. and 11.56 per cent., respectively. See "Summary Financial and Other Information — Other Selected Financial Data".

HISTORY AND MILESTONES OF THE BANK

The Bank was established and registered in Macau in 1974. In 1985, the Bank became a wholly-owned subsidiary of XIB, the first Sino-foreign joint-ventured bank in China. The Bank receives extensive support from XIB, its largest shareholder, in terms of client resources, funding, settlement and information technology. The significant collaboration between the Bank and XIB has enabled the Bank to capture opportunities of the fast growing economy of Macau and also expand its customer base and jurisdictions in which it operates, capturing emerging business opportunities in the PRC and overseas markets.

In 2015, the Bank introduced new shareholders and doubled the size of its capital base twice in order to raise the standards of corporate governance and to better implement strategic plans.

The Bank has also looked to actively develop its business in the PRC. After being the first Macau bank to set up a representative office in the Hengqin Special Economic Zone of Zhuhai in the PRC in 2014, the Bank also established its first PRC branch in Guangzhou in March 2017 and the second PRC branch in Hangzhou in September 2019. The Bank also set up three sub-branches in Foshan, Dongguan and Huizhou between 2018 and 2020 successively. In October 2021, the Bank's sub-branch in Guangdong-Macau In-Depth Cooperation Zone in Hengqin officially opened, becoming the first Macau-funded bank to commence business in the zone.

As of the end of December 2022, the deposit and total assets of the Bank ranked as among the top three among 33 banks in Macau.

COMPETITIVE STRENGTHS

The Bank believes that the following factors contribute to its strong competitive position:

- The Bank is a local commercial bank in Macau backed by a long history and loyal customer base.
- Strong support from Xiamen International Bank as a key shareholder providing ability to leverage their resources and networks for growth.
- An experienced management team with extensive knowledge and regulatory background.
- Solid capital base and superior asset quality.
- The Bank has developed a prudent risk management framework and culture with good corporate governance.

STRATEGIES

The Bank's long-term strategy is based on the following principles and initiatives:

- To capitalise on the strategic developments and initiatives of the PRC government in relation to the Greater Bay Area of Guangdong, Macau and Hong Kong.
- Leverage XIB's capabilities and network in the PRC and to maintain the Bank's position as the "Flagship Bank" of Xiamen International Bank in Macau.
- Develop a balanced corporate and personal banking business portfolio.

- To further invest in information technology and financial technology to capture growing opportunities in this space.
- Diversify the Bank's income stream by developing its wealth management capabilities.
- Proactively improve the organisational structure, management and compliance and risk management framework.

RECENT DEVELOPMENTS

Redemption of the 7 December Bonds (as defined below)

On 11 December 2023, the Issuer has redeemed its outstanding HKD1,668,000,000 8.00 per cent. undated additional tier 1 supplementary capital bonds issued on 7 December 2018 (the "**7 December Bonds**").

Intention to redeem the 21 December Bonds (as defined below)

On 23 November 2023, the Issuer has notified the relevant bondholders of its intention to redeem on 28 December 2023 its outstanding HKD582,000,000 8.00 per cent. undated additional tier 1 supplementary capital bonds issued on 21 December 2018 (the "**21 December Bonds**").

Financial Performance for the Six Months Ended 30 June 2023

On 29 September 2023, the Bank published its unaudited and unreviewed financial results as at and for the six months ended 30 June 2023 (the "**June 2023 Financial Information**"). The June 2023 Financial Information have been prepared and presented on a basis consistent with the applicable rules and regulations in Macau and have not been audited or reviewed by independent auditors. Investors are cautioned against placing undue reliance on any information disclosed in the June 2023 Financial Information since none of such information has been subject to any audit or review by the Bank's auditors and there is no assurance that such unaudited and unreviewed financial information has the same quality as the information that has been subject to an audit or review. The June 2023 Financial Information should not be taken as indicative of the Bank's financial results for the full year ending 31 December 2023.

As at 30 June 2023, the Bank's cash and balances with banks decreased as compared with 31 December 2022, primarily due to the arrangement of funds for the Bank's short term needs. As at 30 June 2023, the Bank's deposits with local regulatory authority decreased and the Bank's deposits with the central bank in Mainland China increased as compared with 31 December 2022, primarily due to a decrease in customer deposits in the Bank's Macau headquarter, and an increase in customer deposits in the Bank's Mainland China branch. As at 30 June 2023, placements with banks and other financial institutions increased significantly, while there is a significant reduction in financial assets purchased under resale agreements and derivative financial assets decreased significantly. As at 30 June 2023, the Bank's other assets increased significantly as compared with 31 December 2022, primarily due to a significant increase in account receivables and cheque receivables. As at 30 June 2023, there is a substantial increase in the amount of the Bank's derivative financial liabilities as compared with 31 December 2022. As at 30 June 2023, the Bank's current tax liabilities increased as compared with 31 December 2022, which reflected the Bank's income tax liabilities accrued in 2022. The Bank's consolidated total assets and consolidated total liabilities remained at a stable level as at 30 June 2023 as compared with 31 December 2022.

For the six months ended 30 June 2023, although the Bank's interest income increased, its interest expense also increased significantly due to increases in the Federal Funds Rate during the first half of 2023, resulting in a decrease in its net interest income, as compared with the corresponding period in 2022. For the six months ended 30 June 2023, the Bank's net trading gain decreased, contributing to a decrease in operating income as compared with the corresponding period in 2022. For the six months ended 30 June 2023, the amount of Mainland China withholding tax payable increased as compared with the corresponding period in 2022. For the six months ended 30 June 2023, the Bank recorded a net reversal of impairment losses on loans and advances to customers and other financial instrument as compared to the corresponding period in 2022, primarily due to the Bank's strengthened risk management process, including the disposal of non-performing loans in the first half of 2023. Meanwhile, the Bank also adjusted the parameters of its expected credit loss to a more optimistic level on the basis that Macau has witnessed a significant improvement and recovery in the economy during the first half of 2023. As the Bank's profit before tax and profit for the period decreased as compared with the corresponding period in 2022, the Bank's income tax expenses decreased significantly as compared with the corresponding period in 2022. As at 30 June 2023, the Bank's non-performance loan ratio was 1.49 per cent., representing an increase of 0.11 per cent. from 31 December 2022. The Bank's capital adequacy ratio was 14.89 per cent. as at 30 June 2023.

For the six months ended 30 June 2023, the Bank's currency translation difference increased as compared with the corresponding period in 2022, primarily due to the depreciation of Renminbi. For the six months ended 30 June 2023, the Bank's other comprehensive loss for the period, net of tax decreased as compared with the corresponding period in 2022, primarily due to the decrease in net fair value loss during the period. Overall, the Bank's total comprehensive income for the six months ended 30 June 2022 increased as compared with the corresponding period in 2022.

For the six months ended 30 June 2023, the net cash outflow from operating activities has decreased as compared with the corresponding period in 2022. The net cash outflow from investing activities has remained stable for the six months ended 30 June 2023 as compared with the corresponding period in 2022. There has been a significant increase in net cash inflow from financing activities for the six months ended 30 June 2023 as compared with the corresponding period in 2022, primarily due to the issuance of certificates of deposit and interbank deposits. Overall, the cash and cash equivalents as at 30 June 2023 has increased significantly as compared with the corresponding period in 2022.

The June 2023 Financial Information, as set out on pages 3 to 6 (inclusive) and page 9 of the disclosure of financial information of the Bank for the six months ended 30 June 2023, is available at <https://www.lusobank.com.mo/libtc/attachDir/2023/09/2023092916274918613.pdf> and is incorporated by reference into this Offering Circular.

SUMMARY OF THE OFFERING

The following summary does not purport to be complete and should be read in conjunction with the Conditions. It does not contain all the information that is important to investors. The Terms of the Additional Bonds are identical to the Existing Bonds, except for the issue date and the timing to perform and complete the NDRC Post-issue Filing, and will immediately upon issue be consolidated and form a single series with the Existing Bonds. For a more complete description of the Additional Bonds, please refer to “Terms and Conditions of the Bonds”. Terms used in this summary and not otherwise defined shall have the meanings given to them in “Terms and Conditions of the Bonds”.

Issuer	Luso International Banking Limited.
Description	U.S.\$150,000,000 Tier 2 Capital Bonds due 2034 (the “ Additional Bonds ”) to be consolidated and form a single series upon issue with the U.S.\$280,000,000 Tier 2 Capital Bonds due 2034 (the “ Existing Bonds ”).
Issue Price	100.00 per cent. (plus an amount corresponding to accrued interest on the aggregate principal amount of the Additional Bonds from (and including) 29 November 2023 to (but excluding) the New Issue Date).
Issue Date of the Existing Bonds	29 November 2023.
New Issue Date	28 December 2023
Maturity Date	29 May 2034.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Status of the Bonds	The Bonds will constitute direct, unsecured and subordinated obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves.
Subordination	Subject to the insolvency laws of Macau and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders (and of the Trustee on their behalf) for payment of principal and any interest under the Bonds shall be subordinated to the claims of depositors of the Issuer and general creditors of the Issuer; rank in priority to the claims of holders of all classes of equity capital of the Issuer and holders of Additional Tier 1 Capital Instruments; and rank <i>pari passu</i> with the claims of holders of any other Tier 2 Capital Instruments that rank <i>pari passu</i> with the Bonds. In addition, subject to the insolvency laws of Macau and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders (and of the Trustee on their behalf) for payment of principal and any interest under the Bonds shall rank <i>pari passu</i> with the Parity Obligations (including the 2033 Subordinated Capital Bonds) and rank in priority to the Junior Obligations.

The ranking of claims set out above will apply to all obligations of the Issuer, present or future, issued or guaranteed by the Issuer that rank or are expressed to rank in priority to, junior to or *pari passu* with the Bonds, as the case may be, by operation of law or contract.

Other than in the event of a Winding-Up of the Issuer, none of the Trustee or the Bondholders shall declare any payment of principal or interest under the Bonds immediately due and payable.

No Set-off

Subject to applicable laws, no Bondholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Bonds or the Trust Deed and each Bondholder shall, by virtue of being the holder of any Bond, be deemed to have waived all such rights of set-off, counter-claim or retention.

Interest

The Bonds bear interest on their outstanding principal amount (subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions) from, and including, the Issue Date in accordance with Condition 4 of the Conditions. Interest shall be payable semi-annually in arrear on 29 May and 29 November in each year (each an “**Interest Payment Date**”) at the applicable Interest Rate in equal instalments during the Initial Interest Rate Period and the Reset Interest Rate Period, respectively, commencing on 29 May 2024.

The rate of interest (the “**Interest Rate**”) applicable to the Bonds shall be:

- (a) in respect of the period from and including, the Issue Date to, but excluding, 29 May 2029 (the “**Reset Date**”), 7.50 per cent. per annum; and
- (b) in respect of the period from, and including, the Reset Date to, but excluding, the Maturity Date, the Reset Interest Rate.

The Reset Interest Rate shall be equal to the sum of the Benchmark Rate with respect to the Reset Date plus 3.011 per cent.

**Write-off on a Non-Viability
Trigger Event**

The ability to operationally effect any Write-off of any Bond under Condition 3(c) of the Conditions with respect to the clearing and/or settlement of any Bonds in or through the relevant clearing system(s) is subject to the availability of procedures to effect any such Write-off in the relevant clearing system(s). However, any Write-off of any Bond with respect to the Issuer under Condition 3(c) of the Conditions will be effective upon the date that the Issuer specifies in the relevant Non-Viability Trigger Event Notice notwithstanding any inability to operationally effect any such Write-off in the relevant clearing system(s).

If a Non-Viability Trigger Event occurs and is continuing, the Issuer shall, upon the provision of a Non-Viability Trigger Event Notice, irrevocably (without the need for the consent of the Bondholders) reduce the then principal amount of, and cancel any accrued but unpaid interest in respect of, each Bond (in each case in whole or in part) by an amount equal to the Non-Viability Trigger Event Write-off Amount per Bond (such reduction and cancellation, and the reduction and cancellation of any other Subordinated Capital Instruments so reduced and cancelled upon the occurrence of a Non-Viability Trigger Event, where applicable, being referred to herein as the “Write-off”, and “Written-off” shall be construed accordingly).

Concurrently with the giving of the notice of a Non-Viability Trigger Event, the Issuer shall procure, unless otherwise directed by the AMCM, that (A) a similar notice be given in respect of other Subordinated Capital Instruments in accordance with their terms and requirements thereof or any applicable laws and regulations; (B) the Bonds be Written-off only after the Write-off in respect of the aggregate principal amount of all Subordinated Capital Instruments which constitute Junior Obligations and (C) a Write-off concurrently and rateably with the Write-off of the Bonds, in respect of the aggregate principal amount of such other Subordinated Capital Instruments which constitute Parity Obligations on a *pro rata* basis with the Bonds.

According to the Guideline on Composition of Own Funds (Circular no. 010/B/2023-DSB/AMCM) (the “AMCM Guideline”), any Additional Tier 1 Capital Instruments and/or any Tier 2 Capital Instruments (including the Bonds) would constitute own funds of the Issuer. The Write-off sequence among any Additional Tier 1 Capital Instruments and/or any Tier 2 Capital Instruments (including the Bonds) would be at the option of the AMCM.

Any Write-off pursuant to Condition 3(c) of the Conditions (in whole or in part) will not constitute a default under the Bonds.

Any Bond may be subject to one or more Write-offs in part (as the case may be), except where such Bond has been Written-off in its entirety. Any references in the Conditions to principal in respect of the Bonds shall thereafter refer to the principal amount of the Bonds reduced by any applicable Write-off(s).

Once the principal amount of, and any accrued but unpaid interest under, the Bonds has been Written-off, the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Trigger Event ceases to continue. No Bondholder may exercise, claim or plead any right to any amount that has been Written-off, and each Bondholder shall, by virtue of his holding of any Bonds, be deemed to have waived all such rights to such amount that has been Written-off.

“Non-Viability Trigger Event” means the earliest of:

- (i) the AMCM notifying the Issuer in writing that the AMCM is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; or
- (ii) the AMCM notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable; or
- (iii) the home authority of the Parent Bank notifying the Parent Bank in writing that the home authority is of the opinion that a write-off or conversion is necessary, without which the Issuer or the Parent Bank would become non-viable; or
- (iv) the home authority of the Parent Bank notifying the Parent Bank in writing that the home authority has decided that a public sector injection of capital or equivalent support, in the jurisdiction of the Parent Bank, is necessary, without which the Issuer or the Parent Bank would become non-viable.

The Issuer has been advised that pursuant to paragraph 2(1) of the Guiding Opinions on Innovation of Capital Instruments of Commercial Banks (Revised) (《關於商業銀行資本工具創新的指導意見(修訂)》) issued by the former China Banking and Insurance Regulatory Commission (the “2019 Guiding Opinions”) and the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) issued by the NFRA on 1 November 2023 and which will become effective on 1 January 2024 (the “2024 Administrative Measures”), the references to the relevant “home authority” in paragraph (iii) of the definition of “Non-Viability Trigger Event” shall mean the NFRA and the relevant “home authority” in paragraph (iv) of the definition of “Non-Viability Trigger Event” shall mean any of those relevant authorities which may determine whether a public sector injection of capital or equivalent support, in the jurisdiction of such home authority, is necessary, without which the Issuer or the Parent Bank would become non-viable, including the State Council, the NFRA, the Ministry of Finance and the People’s Bank of China. In making such determination, the relevant “home authority” referred to in paragraph (iv) of the definition of “Non-Viability Trigger Event” may consult each other and/or seek joint agreement among themselves. The Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法(試行)》), which were issued by the former China Banking and Insurance Regulatory Commission on 7 June 2012 and which became effective on 1 January 2013 and will be replaced by the 2024 Administrative Measures on 1 January 2024, the 2019 Guiding Opinions and the 2024 Administrative Measures will be subject to interpretation and application by the NFRA and the other relevant authorities.

Redemption for Tax Reasons

Subject to Condition 5(h) of the Conditions, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (whether before, on or following the Call Date), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions, if the Issuer satisfies the Trustee immediately before the giving of such notice that (i) it has or will become obliged to pay additional amounts as described under Condition 7 of the Conditions as a result of any change in, or amendment to, the laws or regulations of Macau or any political subdivision or any authority thereof or therein, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 November 2023; and (ii) such obligation will apply on the occasion of the next payment due in respect of the Bonds and cannot be avoided by the Issuer taking reasonable measures available to it.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Redemption for Tax Reasons*” for further information.

**Redemption for Tax Deduction
Reasons**

Subject to Condition 5(h) of the Conditions, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (whether before or following the Call Date), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions, following the occurrence of a Tax Deduction Event. For the purposes of Condition 5(c) of the Conditions, a “**Tax Deduction Event**” occurs if (i) in respect of the interest payable on the Bonds, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Macau or any political subdivision or any authority thereof or therein having power to tax as a result of any change in, or amendment to, the laws or regulations of Macau or any political subdivision or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 November 2023; and (ii) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Redemption for Tax Deduction Reasons*” for further information.

**Redemption for Regulatory
Reasons**

Subject to Condition 5(h) of the Conditions, if a change in the Capital Regulations or regulations made thereunder occurs on or after the Issue Date having the effect that the Bonds, after having qualified as such, will no longer qualify as Tier 2 Capital Instrument (or equivalent or any successor type of regulatory capital instrument) of the Issuer (the “**Regulatory Variation Event**”, which, for the avoidance of doubt, does not include any such disqualification of the Bonds as a result of any discounting or amortisation of the Bonds pursuant to the relevant law and regulation in force as at the Issue Date), the Issuer may redeem at its option all but not some only of the Bonds at any time (whether before or following the Call Date) at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Redemption for Regulatory Reasons*” for further information.

Redemption at the Option of the Issuer

Subject to Condition 5(e) of the Conditions, the Bonds will be redeemable at the option of the Issuer. Subject to Condition 5(h) of the Conditions, the Issuer may redeem at its option all but not some only of the Bonds on 29 May 2029 (the “**Call Date**”), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c) of the Conditions.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Redemption at the Option of the Issuer*” for further information.

Variation for Regulatory Reasons

Upon the occurrence of the Regulatory Variation Event, the Issuer may, subject to and in accordance with any applicable regulatory requirements, at any time (whether before or following the Call Date) vary the terms of the Bonds so that they remain or, as the case may be, become, eligible Tier 2 Capital Instruments and the Trustee shall (subject to the following provisions of Condition 5(f) of the Conditions and subject to the receipt by it of the opinion and certificate referred to in Condition 5(f) of the Conditions) agree to such variation.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Variation for Regulatory Reasons*” for further information.

Purchase and Cancellation

Subject to Condition 5(h) of the Conditions, the Issuer and any of its Subsidiaries may, at any time, purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 9(a) of the Conditions.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Purchase and Cancellation*”.

Conditions for Redemption and Purchase in Respect of the Bonds

Notwithstanding any other provision in the Conditions, the Issuer shall not redeem any of the Bonds, unless (x) the prior written consent of the AMCM thereto shall have been obtained by the Issuer pursuant to the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the AMCM in relation thereto (unless otherwise directed by the AMCM) and (y) the NFRA Redemption Conditions are satisfied.

Prior to redemption of any of the Bonds by the Issuer, the Parent Bank needs to report to the NFRA in writing in respect of such redemption and in such case, the Bonds will be redeemed by the Issuer on the basis that such redemption is confirmed by the NFRA.

Neither the Issuer nor any affiliates controlled by it or over which it has significant influence shall purchase any Bonds and the Issuer shall not directly or indirectly provide any financing for the purchase of any Bonds, unless in each case the prior written consent of the AMCM thereto shall have been obtained, to the extent such consent is required under the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the AMCM in relation thereto. The restriction described above in this paragraph shall not apply to the Issuer or any of its Subsidiaries holding the Bonds in a purely nominee capacity.

See “*Terms and Conditions of the Bonds — Redemption, Variation and Purchase — Conditions for Redemption and Purchase in Respect of the Bonds*” for further information.

NFRA Redemption Conditions

“**NFRA Redemption Conditions**” means the following conditions precedent to the redemption of the Bonds by the Issuer:

- (i) the Bonds will be substituted with capital instruments of the same or superior quality to the Bonds and such substitution shall only be made at a time at which the Parent Bank (on a consolidated and non-consolidated basis) has a sustainable income generating capability; or
- (ii) the capital position of the Parent Bank (on a consolidated and non-consolidated basis) immediately after redemption of the Bonds will remain significantly higher than the regulatory capital requirements prescribed by the NFRA.

NDRC Filings

So long as any Bond remains outstanding, the Issuer will undertake to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the relevant issue date in accordance with the Administrative Measures for the Review and Registration of Medium and Long-Term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》(國家發展和改革委員會令第56號)) which came into effect on 10 February 2023, and any implementation rules as issued by the NDRC from time to time (each, an “**NDRC Filing**” (which term for the avoidance of doubt includes the NDRC Post-issue Filing)).

The Issuer (a) shall comply with all applicable PRC laws and regulations in connection with the Bonds, (b) shall file or cause to be filed with the NDRC the requisite information and documents in respect of the issue of the Bonds within 10 PRC Business Days after the relevant issue date (the “**NDRC Post-issue Filing**”) and (c) shall within 10 Registration Business Days after the NDRC Post-issue Filing (i) provide the Trustee with a certificate in English signed by an Authorised Signatory of the Issuer confirming the submission of the NDRC Post-issue Filing and (ii) give notice to the Bondholders in accordance with Condition 12 of the Conditions of the same.

Taxation and Withholding

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Bonds will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, withheld or assessed by or within Macau or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would have been received by them if no such withholding or deduction had been required, subject to the extent described under “*Terms and Conditions of the Bonds — Taxation and Withholding*”.

Enforcement Event

Notwithstanding any other provisions of the Bonds, the Bondholders shall not have any right to declare any payment of principal or interest under the Bonds immediately due and payable other than upon a Winding-Up of the Issuer.

If default is made in the payment of any amount of principal or interest in respect of the Bonds on the due date for payment thereof and such failure continues for a period of seven days in the case of principal or 14 days in the case of interest, the Issuer shall be deemed to be in default under the Trust Deed and the Bonds and then in order to enforce the obligations of the Issuer, the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall (subject to the Trustee in any such case having been indemnified and/or provided with security and/or pre-funded to its satisfaction) institute Winding-Up Proceedings against the Issuer. Any Write-off pursuant to the Conditions will not constitute a default under the Bonds or the Trust Deed.

Upon the Winding-Up in respect of the Issuer, the Bonds shall immediately become, due and payable at their principal amount together with accrued interest without further formality, and the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall claim in the Winding-Up of the Issuer.

Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing to perform and complete the NDRC Filings) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds.

Governing Law

English law, save that Condition 3(a) of the Conditions and related provisions of the Trust Deed relating to subordination of the Bonds are governed by, and shall be construed in accordance with, Macau law.

Jurisdiction

The courts of Hong Kong.

Trustee

The Bank of New York Mellon, London Branch

**Principal Paying Agent and
Calculation Agent**

The Bank of New York Mellon, London Branch

Registrar and Transfer Agent

The Bank of New York Mellon SA/NV, Dublin Branch.

Clearing Systems

The Additional Bonds will be represented initially by interests in the Global Certificate representing the Bonds registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream. For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of Euroclear, Clearstream or, as the case may be, any other clearing system, any transfer of interests in the Bonds shall be effected only through records maintained by Euroclear and Clearstream or, as the case may be, such other clearing system. Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds.

Clearance and Settlement

The Existing Bonds have been accepted for clearance through Euroclear and Clearstream. On the New Issue Date, the Additional Bonds will be consolidated and form a single series with the Existing Bonds, and the Bonds will be cleared through Euroclear and Clearstream under the following codes:

ISIN: XS2720193981

Common Code: 272019398

The Legal Entity Identifier (LEI) of the Issuer

30030056P5BEUFIKLS38.

Use of proceeds

To replenish the Issuer’s Tier 2 Capital in accordance with the applicable laws and regulatory approvals. See “*Use of Proceeds*”.

Listing

The Existing Bonds are listed on the MOX and the Hong Kong Stock Exchange. Application will be made to the MOX for the listing of the Additional Bonds by way of debt issues to MOX Professional Investors only. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer or the Bonds. Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Additional Bonds by way of debt issues to Professional Investors only.

Date of Notification to the AMCM relating to the Issue of the Bonds and Date of the Approval from the AMCM for inclusion of the Bonds as Tier 2 Capital of the Issuer

28 August 2023 and 22 November 2023.

Capital Treatment of the Bonds

It is intended that the Bonds will qualify as Tier 2 Capital of the Issuer in accordance with the requirements of the Capital Regulations and Tier 2 Capital of the Parent Bank in accordance with the requirements of the NFRA.

SUMMARY FINANCIAL AND OTHER INFORMATION

The summary financial information of the Issuer as at and for the year ended 31 December 2020 set forth below (other than Other Selected Financial Data) is derived from the 2020 Audited Financial Statements. Such financial information should be read in conjunction with the 2020 Audited Financial Statements and the notes thereto as included elsewhere in this Offering Circular. The 2020 Audited Financial Statements, which have been prepared and presented in accordance with the MFRS, were audited by KPMG in accordance with Auditing Standards and Technical Standards on Auditing issued by the Government of the Macau Special Administrative Region.

The summary financial information of the Issuer as at and for the years ended 31 December 2021 and 2022 set forth below is derived from the 2021 Audited Financial Statements and the 2022 Audited Financial Statements, respectively. Such financial information should be read in conjunction with the 2021 Audited Financial Statements and the 2022 Audited Financial Statements, respectively, and the notes thereto as included elsewhere in this Offering Circular. Each of the 2021 Audited Financial Statements and the 2022 Audited Financial Statements, which have been prepared and presented in accordance with the MFRS, were audited by Deloitte Touche Tohmatsu in accordance with Auditing Standards and Technical Standards on Auditing issued by the Government of the Macau Special Administrative Region.

INCOME STATEMENT

	For the year ended 31 December		
	2020	2021	2022
		<i>(audited)</i>	
		<i>(MOP'000)</i>	
Interest income	6,460,801	5,841,158	6,504,553
Interest expenses	(4,125,527)	(3,468,845)	(4,147,273)
Net interest income	2,335,274	2,372,313	2,357,280
Fee and commission income	485,083	646,689	531,460
Fee and commission expenses	(24,788)	(30,669)	(31,589)
Net fee and commission income	460,295	616,020	499,871
Dividend income	36	264	36
Net trading gain ⁽¹⁾	611,063	584,566	589,245
Other operating income	3,656	11,209	32,156
Operating income	3,410,324	3,584,372	3,478,588
Operating expenses	(989,381)	(1,180,946)	(1,260,403)
Mainland China withholding tax	(50,406)	(74,851)	(36,298)
Operating profit before impairment allowances	2,370,537	2,328,575	2,181,887
Net charge of impairment allowances	(434,882)	(290,369)	(309,259)
Profit before taxation	1,935,655	2,038,206	1,872,628
Taxation	(60,737)	(78,100)	(72,386)
Profit for the year	1,874,918	1,960,106	1,800,242
Attributable to: Shareholders of the Bank	1,874,918	1,960,106	1,800,242

BALANCE SHEET

	As at 31 December		
	2020	2021	2022
		(audited) ⁽¹⁾	
		(MOP'000)	
Assets			
Cash and balances with banks ⁽²⁾	—	14,472,888	14,790,427
Cash and short term funds	12,816,759	—	—
Deposits with local regulatory authority	2,443,094	3,475,210	2,982,731
Deposits with central bank in Mainland China ⁽³⁾	4,061,387	3,526,049	3,113,666
Placements with banks and other financial institutions ⁽²⁾	—	6,594,474	4,315,368
Amounts due from banks and other financial institutions ⁽⁴⁾	1,604,806	—	—
Financial assets purchased under resale agreements ⁽²⁾	—	2,692,924	1,374,263
Treasury bills	10,484,506	9,295,427	—
Derivative financial assets ⁽²⁾	—	14,569	302,356
Loans and advances to customers	119,261,025	123,842,278	125,441,708
Investment in securities	70,670,475	70,570,567	—
Intangible asset	1,545	1,545	—
Investments in debt instruments at amortised cost	—	—	33,840,615
Debt instruments at fair value through other comprehensive income	—	—	44,962,010
Financial assets at fair value through profit or loss	—	—	6,836,493
Equity instruments at fair value through other comprehensive income	—	—	6,240
Property, plant and equipment	240,166	397,588	537,990
Interest in leasehold land	76,334	113,660	148,199
Lease prepayments on land use rights	—	—	1,035,783
Deferred income tax asset	179,013	231,470	442,627
Other assets	2,467,374	3,029,781	859,045
Total assets	224,306,484	238,258,430	240,989,521
Liabilities			
Amounts due to banks and other financial institutions ⁽⁵⁾	22,300,988	35,836,034	31,773,100
Financial liabilities at fair value through profit or loss	—	—	13,148
Repurchase agreements	10,006,145	15,112,626	21,023,654
Derivative financial liabilities ⁽²⁾	—	48,763	18,769
Customer deposits	171,069,793	161,909,479	162,549,441
Other liabilities ⁽²⁾	2,429,378	1,672,631	1,385,656
Debt securities issued ⁽⁶⁾	3,997,121	5,902,398	5,773,107
Current income tax liabilities	151,199	140,569	141,502
Total liabilities	209,954,624	220,622,500	222,678,377
Equity			
Capital and reserves attributable to shareholders of the Bank			
Share capital	2,610,000	2,610,000	2,610,000
Retained earnings	1,902,120	2,064,396	1,918,825
Other reserves	7,529,546	8,673,293	8,009,142
Additional equity instruments	2,310,194	4,288,241	5,773,177
Shareholder funds	14,351,860	17,635,930	18,311,144
Total equity and liabilities	224,306,484	238,258,430	240,989,521

OTHER SELECTED FINANCIAL DATA

	As at/for the year ended 31 December		
	2020	2021	2022
Profitability Indicators			
Return on average total assets ⁽⁷⁾	0.87%	0.85%	0.75%
Return on equity ⁽⁸⁾	14.93%	13.65%	11.56%
Net interest margin ⁽⁹⁾	1.16%	1.20%	1.16%
Net fee and commission income to net operating income . . .	13.50%	17.19%	14.37%
Cost to income ratio ⁽¹⁰⁾	28.53%	32.36%	35.45%
Capital Adequacy Ratio			
Core capital ratio	7.78%	7.37%	7.55%
Total capital adequacy ratio	13.61%	13.62%	14.67%
Solvency ratio ⁽¹¹⁾	41.15%	33.45%	39.34%
Asset Quality Indicator			
Non-performing loan ratio	0.39%	0.49%	1.38%
Provision coverage of impaired loans and advances ⁽¹²⁾	325.98%	249.80%	108.31%
Other indicators			
Loan to deposit ratio	67.74%	73.03%	74.54%

⁽¹⁾ Net trading gain for the year ended 31 December 2020 equals to “Net trading loss” plus “Net gain on disposal of investment securities” in the 2020 Audited Financial Statements.

⁽²⁾ Certain line items for the year ended 31 December 2021 have been reclassified to conform with the presentation of the financial statements of the Bank for the year ended 31 December 2022. Such reclassifications have no significant impact on the Bank’s total equity as at both 31 December 2022 and 2021 or on the Bank’s profit for the years ended 31 December 2022 and 2021. Please refer to Note 43 of the 2022 Audited Financial Statements.

⁽³⁾ In the 2020 Audited Financial Statements and the 2021 Audited Financial Statements, this line item was named “Deposits with regulatory authority in Mainland China”.

⁽⁴⁾ In the 2020 Audited Financial Statements, this line item was named “Due from banks and other financial institutions”.

⁽⁵⁾ In the 2020 Audited Financial Statements of, this line item was named “Due to banks and other financial institutions”.

⁽⁶⁾ Prior to the 2021 Audited Financial Statements, this line item was referred to as “Subordinated liabilities”.

⁽⁷⁾ Calculated as profit for the year divided by the average of the beginning and ending balance of total assets.

⁽⁸⁾ Calculated as profit attributable to ordinary shareholders of the Bank for the year divided by average of the beginning and ending balance of capital and reserves attributable to ordinary shareholders of the Bank.

⁽⁹⁾ Calculated as net interest income divided by daily average balance of interest bearing assets.

⁽¹⁰⁾ Calculated as non-tax operating expenses divided by operating income.

⁽¹¹⁾ Calculated as the value of liquid assets divided by the total value of the basic liabilities as at end of each month.

⁽¹²⁾ Calculated as impairment allowance made in respect of the impaired advances divided by the balance of impaired advances as at year end. Loan represents gross advances to customers.

RISK FACTORS

Prospective investors should carefully take into account the considerations described below, in addition to the other information contained herein, before investing in the Additional Bonds. The occurrence of one or more events described below could have an adverse effect on the Bank's business, financial condition, or results of operations, and could affect its ability to make payments of principal and interest under the Bonds. Additional considerations and uncertainties not presently known to the Bank, or which the Bank currently deems immaterial, may also have an adverse effect on an investment in the Bonds.

Prospective investors should have regard to and should have sufficient knowledge and expertise to evaluate the effect of or the likelihood of the occurrence of the factors described in the sections below, which include the risk that the Bonds may be written off and/or may be subject to statutory regulatory capital write-off and conversion powers and/or bail-in resolution powers, which may result in loss absorption by investors.

RISK FACTORS RELATING TO THE BANK

The Bank faces competition in the Macau banking and financial services industry.

There are a total of 33 international and local licensed banks in Macau. As such, the Bank is subject to significant competition from many other banks and financial institutions, including competitors which have significantly greater financial and other capital resources, greater market share, and greater name recognition than the Bank. The banking and financial services industry in Macau is a mature market. Many of the international and local banks and niche players operating in Macau compete for substantially the same customers as the Bank. There is a crowded market, especially for retail banking products such as investment and insurance products, home mortgage loans, credit cards and personal loans businesses.

In recent years, competition among banks in Macau has become very aggressive. There can be no assurance that increased competition will not have a material adverse effect on the Bank's business, financial condition or results of operations. In addition, the intensified competition in the Macau banking industry may adversely affect the Bank's business and prospects, the effectiveness of its strategies, its results of operations and financial condition by potentially, *inter alia*:

- reducing the Bank's market share in its principal products and services;
- reducing the growth of the Bank's loan and deposit portfolios and other products and services;
- reducing the Bank's interest income and net interest margin;
- reducing the Bank's fee and commission income;
- increasing the Bank's interest and operating expenses; and
- increasing competition for qualified managers and employees.

The Bank has exposure to the global economy and financial markets.

Unfavourable financial or economic environments, including the continued global financial uncertainties, have had and may continue to have an adverse impact on investors' confidence and global financial markets. The global financial markets have suffered significant disruption and volatility since 2007, initially triggered by the collapse of United States sub-prime mortgage sector. The ensuing contraction of liquidity, diminished credit availability, deteriorations in asset values,

increase in bankruptcies, rising unemployment rates and declining consumer and business confidence have caused an overall slowdown in the global economy. The European debt crisis due to serious concerns over the abilities of certain European Union member countries to repay their debt since early 2010 has also led to further uncertainty for the global economy and financial markets.

Furthermore, the sustained tension between the United States and China over trade policies could undermine the stability of the global financial markets. The United States and China have been involved in disputes over trade barriers that have escalated into a trade war between the two countries. Both countries have implemented tariffs on certain imported products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. On 15 January 2020, the two governments entered into an initial phase one agreement to resolve the disputes. However, there are uncertainties as to when and whether the phase two negotiations will begin and whether the two governments will fulfil their respective obligations under the phase one agreement.

In addition, on 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. In December 2020, the United Kingdom, the European Union and the European Atomic Energy Community concluded the EU-UK Trade and Cooperation Agreement, which was rectified in April 2021 by the European Parliament and the Council of the EU. Given the lack of precedent, it is unclear how Brexit and the implementation of the EU-UK Trade and Cooperation Agreement would affect the fiscal, monetary and regulatory landscape within the UK, the EU and globally. In 2022, the military conflict between Russia and Ukraine has caused volatility in financial markets globally, as well as a new landscape in relation to international sanctions and export-control measures. Moreover, there are ongoing concerns about European sovereign debt levels, fiscal policies and the consequences for economic growth and investor confidence in the Eurozone, political gridlock in the United States over government spending, debt levels and civil rights issues and the consequences for economic growth and investor confidence in the United States, and the uncertainty around the Federal Reserve's future monetary policies. In 2023, the fall of several major financial institutions around the world has shaken the public's confidence in banks, causing volatility in the global bank stocks. All these factors would add to the uncertainties relating to the overall prospects for the global and the PRC economies, which may have a material adverse impact to the Bank's business, prospects, financial conditions and results of operations.

Since February 2020, the COVID-19 pandemic has caused stock markets worldwide to lose significant value and significant fluctuations in market interest rates. On 3 March 2020, the yield of the 10-year United States Treasury bond fell below 1.00 per cent. for the first time. Governments and central banks around the globe have introduced or are planning fiscal and monetary stimulus measures including tax cuts, direct subsidies, rate cuts, bond repurchase programmes and suspension or relaxation of prudential bank capital requirements. These measures aim to contain the economic impact of COVID-19, stabilise the markets and provide liquidity easing to the markets. In the United States, the Federal Open Market Committee (the "FOMC") reduced the target federal funds rate (the "FFR") by 50 basis points to 1.00 per cent. - 1.25 per cent. on 3 March 2020. Subsequently on 16 March 2020, the FOMC further reduced the target FFR by an additional 100 basis points to 0.00 per cent. - 0.25 per cent. In the first half of 2022, the FOMC has raised the target FFR multiple times in response to the high inflation rate, the COVID-19 pandemic and various other factors. The target FFR was raised to 0.25 per cent. - 0.50 per cent. in March 2022 and 0.75 per cent. - 1.00 per cent. in May 2022. The FOMC further raised the target FFR by 75 basis points for multiple times to 1.50 per cent. - 1.75 per cent. in June 2022, to 2.25 per cent. - 2.50 per cent. in July 2022, to 3.00 per cent. - 3.25 per cent. in September 2022 and to 3.75 per cent. - 4.00 per cent. in November 2022. In December 2022, the target FFR reached 4.25 - 4.50 per cent., an increase of 50 basis points compared to November 2022. In 2023, the FOMC raised the target FFR by 25 basis points on several occasions to 4.50 per cent. - 4.75 per cent. in February 2023, to 4.75 per cent. - 5.00 per cent. in March 2023, to 5.00 per cent. - 5.25 per cent. in May 2023 and to 5.25 per cent. - 5.50 per cent. in July 2023, marking the largest increase since 1994. These fluctuations in interest rates may result in continued significant volatility in global capital markets and adversely affect business and consumer confidence. There can

be no assurance that any such measures may be introduced in time or will be sufficient or effective in stabilising markets or mitigating the economic impact of COVID-19. Please see “*Risk Factors — Risk Factors relating to the Bank — Any future outbreak or threatened outbreak of mass communicable diseases such as COVID-19, SARS, avian or swine influenza or other new or contagious diseases may materially and adversely affect the Bank’s financial condition and results of operations*” and “*Risk Factors — Risk Factors relating to the Bank — The Bank’s business operation is exposed to interest rate risk*” of this Offering Circular.

The increasing uncertainties in financial markets could adversely affect the Bank’s financial condition and results of operations in many ways, including, among other things:

- during a period of economic slowdown, there is a greater likelihood that more of the Bank’s customers or counterparties might default on their loan repayments or other obligations to the Bank, which, in turn, could result in the Bank recording a higher level of non-performing loans, allowance for impairment losses and write-offs;
- the value of the Bank’s investments in equity and debt securities may significantly decrease;
- the Bank’s ability to raise additional capital on favourable terms, or at all, could be adversely affected; and
- trade and capital flow may further contract as a result of protectionist measures being introduced in certain markets, which could adversely affect the operations and financial conditions of the Bank’s customers in the financial sector and adversely affect the Bank’s business prospects.

The business prospects of the financial sector are sensitive to changes in the global financial market environment. If there is any adverse change to the current financial market conditions, there can be no assurance that the Bank’s loan portfolio for customers in the financial sector will not be adversely affected, and if there is any default by the Bank’s customers in the financial sector, the Bank’s financial conditions and results of operations may in turn be adversely affected.

The Bank’s business operation is exposed to interest rate risk.

As with other banks, net interest income is a significant factor in determining the Bank’s overall financial performance. For the years ended 31 December 2020, 2021 and 2022, the Bank’s net interest income amounted to MOP2,335 million, MOP2,372 million and MOP2,357 million, respectively, which was 68.48 per cent., 66.18 per cent. and 67.77 per cent. of its operating income in the relevant financial year. The differences in timing and levels of changes in interest rates can result in an increase in interest expense relative to its interest income, which may lead to a reduction in the Bank’s net interest income. Moreover, the Bank is subject to interest rate risk as a result of mismatches in the pricing and duration of assets and liabilities, as a large portion of its funding comes from demand deposits. There can be no assurance that interest rates will not rise or fall or become volatile or that changes in interest rates will not be frequent.

An increase in interest rates could lead to a decline in the value of securities in the Bank’s portfolio even though most of such decline in value would not affect the Bank’s operating income because most of the securities are in the available-for-sale portfolio. Interest rates in Macau have remained relatively low but have increased on various occasions since 2022 following the increases in interest rates in the United States. A sustained increase in interest rates could also raise the Bank’s funding costs without a proportionate increase in loan demand, if at all. Rising interest rates would therefore require the Bank to re-balance its assets and liabilities in order to minimise the risk of potential mismatches and maintain its profitability. In addition, rising interest rate levels may adversely affect the economy in Macau and the PRC and the financial condition and repayment ability of its corporate and retail borrowers, including holders of credit cards, which in turn may lead to a deterioration in the Bank’s credit portfolio.

Any future outbreak or threatened outbreak of mass communicable diseases such as COVID-19, SARS, avian or swine influenza or other new or contagious diseases may materially and adversely affect the Bank's financial condition and results of operations.

In 2003, there was an outbreak of severe acute respiratory syndrome (“SARS”), a highly contagious and potentially deadly disease, in Macau, Hong Kong and Mainland China and in many other countries. The SARS outbreak had a significant adverse impact on the economies of the affected countries. Since the latter half of 2005, there have been media reports regarding the spread of the H5N1 virus or “Avian Influenza A” among birds and poultry and, in some isolated cases, transmission of Avian Influenza A virus from animals to human beings. Similarly, since early 2009, there have been reports globally regarding the spread of the H1N1 virus or “Swine Influenza A” from animals to humans and, in some isolated cases, of human-to-human transmission of Swine Influenza A. There was also the outbreak of Middle East respiratory syndrome in 2015.

More recently, the COVID-19 pandemic has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities. COVID-19 has, however, had a relatively minor adverse impact on the Bank's financial conditions and results of operations. As at 31 December 2022, the Bank's profit before taxation was MOP1,873 million, as compared to MOP2,038 million for the year ended 31 December 2021. Any business continuity issues that were experienced as a result of the COVID-19 pandemic were addressed with the financial technology of the Bank. The Bank has also developed a systematic crisis management system for public health emergencies to deal with emergencies such as COVID-19 pandemic and ensures business continuity and at the same time financial services to the local Macau economy.

There is no assurance that there will not be further outbreaks of COVID-19 or other future outbreaks of mass communicable diseases in Macau, which may lead to adverse impacts on the Bank's financial conditions and results of operations. As the economy of Macau is significantly affected by the developments in China, the economic developments in China may also have an adverse impact on the Bank's results of operations and financial condition. Please see “*Risk Factors — Risk Factors relating to Macau — The Issuer's performance and financial condition are affected by the state of the Macau economy and political conditions*” of this Offering Circular.

Similarly, any further significant outbreak of a highly contagious disease may materially and adversely affect the Bank's financial condition and results of operations.

The implementation of OECD's Common Reporting Standard may increase operational and compliance costs for the Bank.

The Organisation for Economic Co-operation and Development (the “OECD”) has developed a draft common reporting standard (the “CRS”) and model competent authority agreement to enable the multilateral, automatic exchange of financial account information. The CRS does not include a potential withholding element. Under the CRS, financial institutions will be required to identify and report the tax residence status of customers in countries that have endorsed the plans. The adoption of CRS in the PRC and Macau has been effective from 1 January 2017. PRC and Macau financial institutions have started collecting tax residency information from their account holders since 1 January 2017 and may report information on reportable account holders in 2018. The increased due diligence of customer information and the reporting of information to the tax authorities will increase operational and compliance costs for banks, including the Bank.

The Basel III regulatory framework is in the process of being implemented in Macau and any incremental implementation may have an effect on the capital position of the Bank.

The Basel Committee on Banking Supervision (the “Basel Committee”) has adopted a number of fundamental reforms to the regulatory capital framework for internationally active banks. In December 2010, the Basel Committee issued the final regulatory framework under the new Basel Capital Accord of the Bank for International Settlements (the “Basel III Regulations”), which presents the Committee's reforms to strengthen capital and liquidity standards.

The Basel III Regulations set out the regulatory capital framework which requires local implementation, so the impact of such regulations on the Bank is subject to the implementation by the Macau government or authority. Although the AMCM Guideline issued by the AMCM and effective on 1 November 2023 represents a step towards fully implementing the Basel III Regulations in Macau by introducing a new definition of regulatory capital (defined as “own funds” in the AMCM Guideline) and specifying classification criteria for each component of own funds (including Additional Tier 1 Capital and Tier 2 Capital), as of the date of this Offering Circular, neither the Macau government nor the AMCM has fully implemented the Basel III regulations in Macau. Any future incremental implementation of the Basel III Regulations by the Macau government could result in significant changes to the current regulatory capital position and capital adequacy of the Bank, and the Bank may have to raise additional capital in the future to ensure that it remains compliant with the regulatory framework of Macau and the AMCM. Failure to comply with any such laws, rules and regulations that may be implemented, could result in non-compliance, fines or, in extreme cases, licence suspensions and revocations, each of which would have a material adverse effect on the Bank’s business, financial condition and results of operations.

The Bank’s business operation is subject to credit risk.

The Bank’s banking business is exposed to credit risk arising primarily from default by its borrowers, and is also subject to risks related to off-balance sheet credit related commitments. See “*Risk Management — Credit Risk Management*”. If there is any default by the Bank’s customers of credit related commitments in respect of off-balance sheet businesses such as bank acceptance letters of credit and letters of guarantee, the Bank may need to assume the risk of losses arising from insufficient repayments by customers, which in turn may have a material adverse effect on its financial condition and results of operations.

The Bank is exposed to credit risk with respect to its investments in treasury bills, certificates of deposit and debt securities, which are recorded as financial assets designated at fair value through profit or loss. These financial assets may also be subject to price fluctuations as a result of changes in the financial market’s assessment of the relevant issuer’s creditworthiness, delinquency and default rates and other factors. In addition, the Bank may not have sufficient access to resources and trading counterparties to effectively implement its trading and investment risk mitigation strategies and techniques. If the Bank fails to effectively manage its credit exposure, the volatility sourced from any negative news of the relevant security issuers could be magnified, and as a result, the Bank may experience significant financial losses that could materially and adversely affect its business, financial condition and results of operations.

In addition, part of the Bank’s corporate loan portfolio comprises unsecured loans, the repayment of which is largely dependent on the cashflow of the borrower and adherence to the financial covenants contained in the loans. The majority of the Bank’s loan portfolio comprises of standby letter of credit loans, deposit loans and mortgage loans while the remaining portion comprises mainly credit loans, which generally carry higher rates of interest. As at 31 December 2022, 48.9 per cent. of the Bank’s advances were covered by collateral or other security. In addition, the Bank’s loan portfolio is exposed to certain industries, such as wholesale and retail, personal housing, construction and infrastructure and manufacturing. Any downturns experienced by such industries, independent of the general macroeconomic environment, may therefore negatively affect the Bank’s business and loan portfolio. Although the Bank carefully assesses the repayment ability of such borrowers, loan products which are not secured by any collateral entail a higher degree of credit risk than secured loan products. If there is a downturn in the economy, the credit quality and charge-off rates experienced by the Bank may deteriorate.

The Bank may not be able to control the level of impaired loans in its loan portfolio, and the allowance for impairment losses on loans of the Bank may not be sufficient for covering the actual losses on its loan portfolio which may be incurred in the future.

The allowance for impairment losses on loans of the Bank may not be sufficient for covering the actual losses on its loan portfolio which may be incurred in the future. As at 31 December 2020, 2021 and 2022, the Bank's non-performing loan ratio amounted to 0.39 per cent., 0.49 per cent. and 1.38 per cent., respectively, the Bank's provisions for loans and advances to customers amounted to MOP1,526 million, MOP1,523 million and MOP1,909 million, respectively, representing 1.26 per cent., 1.22 per cent. and 1.51 per cent. of the Bank's loans and advances to customers at that time, respectively. The allowance for impairment losses of the Bank is determined according to the assessments and forecasts on various factors which may affect the quality of the loan portfolio. Such factors include, but are not limited to, a borrower's financial condition, solvency and willingness to repay, the realisable value of the collateral, the ability of the borrower's guarantor to perform the contract, as well as the PRC's and Macau's economic condition, policies for the industry, interest rates, accounting standards, laws and regulatory environment. Many of these factors are beyond its control, and the judgment and expectations on the aforesaid factors may not be consistent with the real conditions emerging in the future. Any change of the aforementioned factors may make its allowance for such impairment losses on loans insufficient to cover the actual losses, and as a result, may require the Bank to increase its allowance for such impairment losses. Hence, the Bank's profits may decrease, and its asset quality, results of operation and financial condition may also be materially and adversely affected.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of businesses of the Bank and there can be no assurance that the Bank will be able to control effectively the level of impaired loans in its loan portfolio and the credit quality of its borrowers and counterparties. In particular, the amount of the Bank's reported impaired loans, the ratio of its impaired loans to its loans and advances to customers may increase and the recoverability and value of the assets of the Bank may reduce in the future as a result of deterioration in the quality of its loan portfolio. Such deterioration may occur for a variety of reasons, including factors which are beyond the Bank's control, such as a slowdown in economic growth and other adverse macroeconomic conditions in the PRC, which may cause operational, financial and liquidity problems for its borrowers and hence materially and adversely affect their ability to service their outstanding debts.

The Bank may not be able to maintain sufficient portion of long-term funding, and if depositors do not roll over their deposits upon maturity, the Bank's liquidity could be adversely affected.

The Bank's business is capital intensive and requires a significant amount of cash. As such, sufficient liquidity is crucial to the Bank's business operations. Most of the Bank's funding requirements are met through customer and interbank deposits. However, there are many factors affecting the growth of the Bank's deposits, some of which are beyond the Bank's control, such as economic and political conditions, the availability of alternative investment choices (including but not limited to securities issued by governmental or corporate entities, unit trusts and mutual funds, investment-linked assurance schemes and structured investment products), change of government monetary policies, and retail customers' changing perceptions toward savings. There can be no assurance that the Bank will be able to grow its customer deposits at a pace sufficient to support its expanding business. Any decline in the Bank's liquidity level may impair the confidence of its customers or counterparties, which may result in loss of business and customers.

If the Bank fails to maintain its expected growth rate in deposits or if a substantial portion of the Bank's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, the liquidity position, financial condition and results of operations of the Bank may be materially and adversely affected and the Bank may need to seek more expensive sources of funding to meet its funding requirements.

The Bank is exposed to operational risks inherent in the banking industry.

Operational risks arise from the daily operation and fiduciary activities of the Bank. The Bank is exposed to operational failures by third-party providers, to natural disasters, political, security and social events and to failings in the financial services sector. While the Bank maintains an appropriate operational risk management framework, deficiencies in the internal processes and systems within the Bank could affect its ability to process, summarise and report financial and other data in a timely and accurate manner. These deficiencies could also increase the potential for financial reporting errors and non-compliance with regulations.

Like all other financial institutions, the Bank is exposed to many types of operational risks, including, but not limited to, the risk of fraud, unauthorised transactions or other misconduct by employees (including the violation of regulations for the prevention of corrupt practices, and other regulations governing its business activities). The business, reputation and prospects of the Bank may be adversely affected if the Bank is not able to detect and prevent fraud, corruption or other misconduct committed by its employees, customers or other third parties in a timely manner.

In addition, the Bank is exposed to risks associated with operational errors, including, but not limited to, clerical or record-keeping errors or errors resulting from faulty computer or telecommunications systems. The Bank is further exposed to the risk that external vendors may be unable to fulfil their contractual obligations to the Bank (or will be subject to the same risk of fraud or operational errors by their employees). Moreover, the Bank is exposed to the risk that its (or its vendors') business continuity and data security systems prove to be insufficient in case of a system failure or natural disaster.

The Bank's dependence upon automated systems to record and process transactions may further increase the risk of technical system flaws or employee tampering or manipulation of those systems that will result in losses that may be difficult to detect. The Bank may also be subject to disruptions of its operating systems, arising from events that are wholly or partially beyond its control (including, for example, computer viruses or electrical or telecommunication outages), which may give rise to a deterioration in customer service and loss or liability to the Bank. The Bank also faces the risk that the design of its controls and procedures may prove inadequate or be circumvented, thereby causing delays in detection of errors in information. Although the Bank has measures in place for its operational risk management, there can be no assurance that it will not suffer material losses from operational risks in the future. See "*Risk Management — Operational Risk Management*". The Bank's reputation may also be adversely affected by the occurrence of any such events involving its employees, customers or third parties.

The Bank may be presented with new risks and challenges as it expands in the PRC markets, and may not be able to achieve the anticipated synergies with Xiamen International Bank.

As at 31 December 2022, the Bank had two branches in Guangzhou and Hangzhou of the PRC and four sub-branches in Foshan, Dongguan, Huizhou and the Guangdong-Macau In-Depth Cooperation Zone in Hengqin of the PRC. The Bank intends to continue growing its business operations in the PRC.

The Bank's operating income from the PRC, as well as its advances to companies that have business interests in the PRC, may be influenced by the general state of the PRC economy and may be affected by significant political, social or legal uncertainties or changes in the PRC (including changes in political leadership, inflation rate, exchange controls and exchange rate, and the impact on the changes in regulations governing banking and other businesses). In addition, wide-spread defaults by the PRC property developers, the financial turmoil within the PRC property sector and the intensified mortgage boycotts joined by a growing number of homebuyers across the PRC have caused growing concern over the sustainability and future direction of the PRC property market and have adversely affected the PRC economy. There can be no assurance that the Bank's continued exposure to the PRC

or its strategy to grow its business in the PRC will not have a negative impact on the Bank's earnings or an adverse effect on the Bank's business, financial condition or results of operations or that the economic and political environment in the PRC will remain favourable to the Bank's business in the PRC in the future.

In addition, the banking industry in the PRC is highly competitive. The market has been dominated by the large state-owned commercial banks, which have long operating histories, well-established branch networks, large customer bases and better brand recognition. Moreover, the banking industry in the PRC has been facing more challenges in recent years as the PRC government implemented a series of measures to liberalise the banking industry. Following the PRC's accession to the World Trade Organisation, a number of foreign banks have received authorisation from the PRC government to, from five years after accession, provide Renminbi-denominated banking and financial services ("**Renminbi services**") to PRC domestic enterprises and individuals. There can be no assurance that the Bank will continue to develop its business successfully in the PRC if, as expected, competition in the banking sector in the PRC intensifies.

The Bank's business, financial condition, results of operations and prospects may be materially and adversely affected if it is unable to manage challenges arising during its growth.

The Bank's efforts to integrate its various business operations and coordinate among its branches may not be effective or timely. In addition, there is no assurance that such growth will continue in the future. The expansion of the Bank's business activities poses various challenges to it, including but not limited to:

- meeting the higher requirements for capital and cost controls to satisfy all relevant capital regulatory requirements, including the minimum capital adequacy ratio and net capital requirements, as well as other capital needs;
- strengthening its risk management capabilities and information technology ("**IT**") systems to effectively manage risks associated with various businesses and services;
- recruiting, training and retaining management, investment and finance professionals, technical personnel and sales staff with sufficient experience and knowledge;
- developing new distribution channels for its products and services; and
- maintaining and developing its brand and reputation.

The Bank's investments, acquisitions and business initiatives may expose it to various potential risks, including risks associated with the integration of new business lines, operations and personnel, the diversion of resources from its existing businesses and technologies, the potential loss of, or harm to, relationships with employees and customers, as well as other unforeseen or hidden liabilities. If the Bank is not able to manage future growth successfully, its business, financial condition, results of operations and prospects could be materially and adversely affected.

The Bank's operations depend on key management and professional staff and its business may be materially and adversely affected if it is unable to recruit, train or retain a sufficient number of qualified employees.

The success of the Bank's business, to a large extent, depends on its ability to attract and retain key personnel who possess in-depth knowledge and understanding of, and extensive working experience in, the financial industry. These key personnel include, among others, senior management, professional staff in the banking industry, experienced investment managers, product development personnel, research analysts, marketing and sales staff, legal professionals, risk management personnel, IT specialists and other operational personnel. Therefore, the Bank devotes considerable resources to recruiting and retaining these personnel. However, the market for quality professionals

is highly competitive and the Bank faces increasing competition in recruiting and retaining these individuals as other banks and financial institutions are vying for the same pool of talent. Although the Bank has succeeded in maintaining the core of its management team in recent years, the loss of members of the Bank's management team or failure to replace them upon their departure in a timely manner could have an adverse effect on the Bank's financial condition and results of operations. In the face of the intense competition for talent, the Bank may need to offer better compensation and other benefits to recruit and retain qualified professionals and additional costs may be incurred.

The Bank's risk management policies and procedures and internal controls, as well as the risk management tools available to it, may not be adequate or effective in identifying or managing risks to which it is exposed.

The complexity of the Bank's operations and products exposes it to various risks, including credit risk, market risk, liquidity risk, operational risk, reputational risk, legal and compliance risk and strategic risks. The Bank has established risk management and internal control systems and procedures to manage potential risks associated with the financial services and products it offers, and it has been dedicated to continuously improving these systems and procedures. See "*Risk Management*". However, the design and implementation of such systems, including internal control environment, risk identification and evaluation, effectiveness of risk control and information communication, are constrained by information, tools, models and technologies available to the Bank, and its systems may not be adequate or effective in identifying or mitigating its risk exposure in all market environments or protecting it against all types of risks. The Bank's risk management and internal control systems require constant maintenance and continual improvements. The Bank's efforts in maintaining these systems may be ineffective or inadequate.

The effectiveness of the Bank's risk management and internal control systems and procedures may also be adversely affected by oversight, clerical mishandling and errors, reporting errors or its limited experience or resources in making accurate, complete, up-to-date or proper evaluations. Many of the Bank's methods for managing risk exposure are based upon observed historical market behaviour or data. Potential future risk can be significantly greater than what these methods have historically estimated. Moreover, the information and empirical data that the Bank relies on may quickly become obsolete as a result of changes in market situations and regulatory requirements, and the Bank's historical data may not be able to adequately reflect risks that may emerge from time to time in the future.

There is no assurance that the Bank's risk management and internal control systems are adequate and effective. Failure to address any internal control matters and other deficiencies in a timely and effective manner may result in investigations, disciplinary actions or even prosecution being taken against the Bank or its employees, or disruption to its risk management system, any of which may have a material adverse effect on its business, financial condition and results of operations.

Failures of or inadequacies in IT systems could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank's business operations depend heavily on its business, accounting and other data processing systems. The failure of normal operation or even inability in operation of any of such systems will expose it to financial losses, business disruption, intervention of regulatory authorities or reputational damage.

The proper functioning of its business processing, accounting, financial controls, risk management, customer service and other business is dependent on the Bank's IT systems and communication networks with the third parties. If the fundamental system which supports the Bank's business suffers from malfunction or disruption, including system problems or communication disruption of its systems and the systems of any third parties it engaged may be indirectly affected, which will have a material adverse effect on its ongoing business. These failures could be caused by, among other things, hardware failure, software program errors, computer virus attacks, network failure, conversion

errors due to system upgrade or system relocation, failure to implement new IT initiatives, human errors, natural disasters, war, terrorist attacks, blackouts and unanticipated problems of facilities, many of which are beyond its control. Although the Bank backs up business data regularly, any prolonged disruption to or malfunction in the operation of its IT systems could have a large impact on its normal business operations and limit its ability to monitor and manage data, control financial and operation conditions, monitor and manage its risk exposures, keep accurate records, provide high-quality customer service and develop and sell profitable products and services. Recovery from such disasters may be unable to mitigate the Bank's losses incurred during such malfunction and disruptions. In addition, insurances or other precaution measures may only partly, if at all, indemnify the Bank's losses.

The Bank updates its IT systems and introduces new IT systems from time to time. However, delays, system failures or other accidents may occur during such system upgrades or introduction of new systems. In addition, the upgraded or new IT systems may not be able to achieve the anticipated processing capacity and availability, and may also not be able to meet the needs of its business growth in the future. The Bank's failure to address these problems promptly, including any delay in the implementation of any upgraded or new information systems, could result in its inability to perform, or delays in performing critical business operational functions, the loss of key business data, or a failure to comply with regulatory requirements, which could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Bank provides online financial services such as securities brokerage services to its customers. Security breaches, disruption to or instability of the Bank's online services platform could impair its ability to serve its customers and execute trades on their behalf and on its own account, which could materially and adversely affect its results of operations and reputation. The Bank's networks may be vulnerable to unauthorised access, computer viruses and other disruptive problems. Costs incurred in rectifying any such disruptive problems may be high and may adversely affect the Bank's business, financial condition and results of operations. To reduce security risks, the Bank has installed firewalls, anti-virus software, and network traffic monitoring tools. Concerns regarding security risks in general may deter the Bank's existing and potential customers from using its internet banking products and services, and may in turn have a material adverse effect on the Bank's internet banking business.

Any failure of the Issuer to detect money laundering and other illegal improper activities fully or in a timely manner may expose the Issuer to additional liability or harm to reputation.

The Bank is required to comply with applicable anti-money laundering laws, anti-terrorism laws and other regulations in Macau, the PRC and overseas. The Macau Law No. 2/2006 Prevention and Suppression of the Crime of Money Laundering and the Law No. 3/2006 Prevention and Suppression of the Crime of Terrorism (both amended by the Law No. 3/2017), the Anti-Money Laundering (AML) And Combating The Financing Of Terrorism (CFT) Guideline of the AMCM and the PRC Anti-money Laundering Law (中華人民共和國反洗錢法) require financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. The Macau Law No. 3/2006 Prevention and Suppression of the Crimes of Terrorism, Law No. 6/2016 Asset freeze Enforcement Regime, the PRC Anti-Terrorism Law (中華人民共和國反恐怖主義法) and the relevant anti-terrorism regulations also require financial institutions to freeze capital or other assets of terrorist organisations and their members that have been designated by the national anti-terrorism authorities and to report to the relevant governmental authorities.

While the Bank has already adopted policies and procedures to detect and prevent the use of the Bank's network for money laundering activities and by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering and other illegal or improper activities. To the extent the Bank fails to fully comply with applicable laws, rules and regulations, the

relevant government agencies to which the Bank reports have the power and authority to impose fines, freeze assets and impose other penalties on the Bank. There can be no assurance that there will not be future failures in detecting money laundering or other illegal or improper activities which may adversely affect the Bank's business reputation, operations and financial results of operations.

The Bank may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties in a timely manner.

The Bank may encounter fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties, which could result in violations of laws and regulations by the Bank and expose it to regulatory sanction. Even if such instances of misconduct do not result in any legal liabilities on its part, they could cause serious reputational or financial harm to the Bank. This misconduct could include, but may not be limited to, committing fraud.

The Bank's internal control procedures are designed to monitor its operations and ensure overall compliance. However, its internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct. The precautions taken to detect and prevent such activities may not be fully effective. There can be no assurance that fraud or other misconducts will not occur in the future. The Bank's failure to detect and prevent fraud and other misconducts in a timely manner may have a material and adverse effect on its business reputation, financial condition and results of operations.

The Bank may not be able to properly identify and deal with conflicts of interest, which could materially and adversely affect its business.

As the Bank develops its business and expand its client base, the Bank's ability to address potential conflicts of interest, including situations where two or more interests within its businesses legitimately exist but are in competition or conflict, becomes increasingly important. The Bank may encounter conflicts of interest where (i) its services to a particular client or its own investments are in conflict, or are perceived to conflict, with the interests of another client; (ii) any of the non-public information it obtains through business channels is disclosed to other business departments of the Bank; and (iii) the Bank may be a counterparty of an entity to which it also provides financial services or with which it has other business relationships. Any failure to prevent the imprudent use of information or manage conflicts of interest could harm the Bank's reputation and affect client confidence. In addition, potential or perceived conflicts of interest may also give rise to litigation or regulatory actions. Any of the foregoing situations could adversely affect the Bank's business, financial condition and results of operations.

The Bank may be involved in legal and other proceedings arising from its operations from time to time.

Legal risks arise from a variety of sources with the potential to cause harm to the Bank and its ability to operate. These issues require the Bank to deal appropriately with, amongst other things, potential conflicts of interest, legal and regulatory requirements, ethical issues, anti-money laundering and anti-terrorist financing laws or regulations, privacy laws, information security policies, sales and trading practices, and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to the Bank, which may increase the number of litigation claims and the amount of damages asserted against the Bank, or subject the Bank to regulatory enforcement actions, fines, or penalties or reputational damage.

Litigation and claims will always be a possibility and such claims, in aggregate, may become material to the Bank. Similarly, there can be no assurance that relevant government authorities or regulators will not seek to impose fines and/or suspend the Bank's regulated activities as a result of regulatory proceedings. Regulatory pressure to settle claims could also result in material payments by the Bank to disgruntled investors, which often does not reflect the merits of the parties' cases. Any legal or

regulatory proceedings, whether substantiated or not, may result in negative publicity and a loss of customer confidence and/or goodwill, which may lead to a loss of business that may pose adverse effect on the Bank's reputation with existing and potential customers, as well as the Bank's business, financial condition or results of operations. Lastly, future legislative or regulatory restrictions may also limit the practices and ability of the Bank to sell investment products, which may have an impact on the Bank's business. The Bank also carries out internal investigations and inspections to strengthen supervision and internal governance, and revises its business systems in response to potential and actual litigation and claims.

If the Bank is unsuccessful in defending any legal proceeding, or is unsuccessful in settling any legal proceeding on commercially reasonable terms, the Bank may be liable to pay damages or face penalties or sanctions that may have a material adverse effect on the Bank's business and operations. In addition, whilst the Bank has purchased liability insurance, there is no assurance by the Bank that such insurance coverage is sufficient to eliminate potential loss and damage caused by such proceedings.

Material changes in, or breach of regulations that govern the Bank and its business activities may adversely affect its business and future financial performance.

Banks in the PRC are subject to the supervision of the National Administration of Financial Regulation (the "NAFR"). Potential investors should be aware that regulatory requirements in the PRC may differ from those that prevail in other countries. In particular, the banking regulatory regime of the PRC continues to evolve and changes in the laws, rules and regulations as well as their interpretations may result in additional costs or restrictions on the Bank. For example, the NAFR, which was established in May 2023, replaced the former China Banking and Insurance Regulatory Commission, and took over certain financial consumer or investor protection responsibilities from other regulators in the PRC. The authority to regulate enterprise bonds has also been transferred from the National Development and Reform Commission (the "NDRC") to the China Securities Regulatory Commission ("CSRC").

The Bank's business and operations are directly affected by such changes in the laws, regulations and regulatory regimes of the PRC. There can be no assurance that the policies, laws, regulations and regulatory regimes governing the Bank will not change in the future or that any such changes will not materially and adversely affect the Bank's business, financial condition and results of operations nor can there be any assurance that the Bank will be able to adapt to all such changes on a timely basis. In addition, there may be uncertainties regarding the interpretation and application of new policies, laws and regulations, which may result in penalties and restrictions on the Bank and could also have a significant impact on its business.

Further, any failure of the Bank to comply with such regulatory requirements could result in administrative actions or sanctions, which may have an adverse effect on the Bank's results of operations. The Bank carefully manages legal and compliance risks, including in relation to the sale of financial products and compliance with anti-money laundering and anti-terrorist financing regulations.

Any failure of the Bank to detect money laundering and other illegal improper activities fully or in a timely manner may expose the Bank to additional liability or harm to reputation. The Bank is required to comply with applicable anti-money laundering, anti-terrorism and sanctions laws and other regulations in the PRC. Financial institutions in the PRC are required to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require the Bank, *inter alia*, to designate an independent anti-money laundering officer, establish a customer identification system in accordance with relevant rules, record the details of customer activities and report suspicious transactions to relevant authorities.

While the Bank has already adopted policies and procedures to detect and prevent the use of the Bank's network for money laundering activities and by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering and other illegal or improper activities. To the extent the Bank fails to fully comply with applicable laws, rules and regulations, the relevant government agencies to which the Bank reports have the power and authority to impose fines, freeze assets and impose other penalties on the Bank. There can be no assurance that there will not be future failures in detecting money laundering or other illegal or improper activities which may adversely affect the Bank's business reputation, operations and financial results of operations.

RISK FACTORS RELATING TO MACAU

The Issuer's performance and financial condition are affected by the state of the Macau economy and political conditions.

The Issuer's primary facilities and operations are located in Macau and the majority of its turnover is derived from Macau. The Issuer's results of operations and financial condition therefore depend on the economies of Macau and the PRC.

The economy of Macau is significantly affected by the developments in China and the Asia Pacific region. China's economy has experienced negative economic developments, and other regional economies may also deteriorate. For example, China's GDP growth was 2.3 per cent., 8.5 per cent. and 3.0 per cent. in 2020, 2021 and 2022, respectively, registering its slowest growth rate in 2020 since 1976 due to the impact of COVID-19. Since the second half of 2021, sporadic local resurgences of COVID-19 in the PRC have undermined the recovery of consumption and employment. The on-going COVID-19 has resulted in greater market volatility, and the supply constraints faced by the global economy continued. Since the start of 2020, the Macau economy has also been adversely affected by the COVID-19 pandemic, and despite slow recovery since the lifting or loosening of pandemic containment measures in 2021, Macau recorded a GDP of U.S.\$29.91 billion in 2021, which is significantly below its pre-pandemic level (U.S.\$55.2 billion in 2019). In 2022, Macau recorded a GDP of U.S.\$21.98 billion. According to GDP forecasts published by Statista, Macau's GDP will continue to be significantly below its pre-pandemic level in the near future. In such circumstances, if the economic growth of China continues to slow down, Macau's economy and hence the Issuer's operating results, financial condition, business and prospects would be adversely affected. Please see "*Risk Factors — Risk Factors relating to the Bank — Any future outbreak or threatened outbreak of mass communicable diseases such as COVID-19, SARS, avian or swine influenza or other new or contagious diseases may materially and adversely affect the Bank's financial condition and results of operations*" of this Offering Circular.

According to the Basic Law of the Macau Special Administrative Region of the People's Republic of China, Macau is a special administrative region of the PRC with its own government and legislature. Under the systems instituted in Macau prescribed by law, Macau is authorised to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. Macau has enjoyed and maintained current levels of autonomy from the PRC, however any change could have a material adverse effect on the Issuer's business, results of operations and financial condition. Such risks include those relating to changes in Macau's economic and political conditions, changes in the policies of the Macau Government, changes in laws of Macau or regulations or their interpretation, changes in exchange control regulations, potential restrictions on foreign investment and repatriation of capital, measures that may be introduced to control inflation such as interest rate increases, and changes in the rates or method of taxation.

Unfavourable changes in currency exchange rates of Macau patacas.

The Issuer's revenues are generated in Macau patacas. Macau patacas are linked to the Hong Kong dollar, and in many cases the two are used interchangeably in Macau. The exchange linkages of the Hong Kong dollar and Macau patacas, and the Hong Kong dollar and the U.S. dollar, may be subject to potential changes due to, among other things, the policies of Hong Kong and Macau and international economic and political developments.

It cannot be assured that the Hong Kong dollar will continue to be pegged to the U.S. dollar, or that the Macau patacas will continue to be linked to the Hong Kong dollar. Any delinkage may result in severe fluctuations in the exchange rates for these currencies. It also cannot be assured that the current rate of exchange fixed by the applicable monetary authorities for these currencies will remain at the same level.

In addition, the value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by, among other things, changes in the PRC and international political and economic conditions. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies.

The Bank's business, financial condition and results of operations could be adversely affected by the impact on the Macau economy of the discontinuation of the link of the Hong Kong dollar and Macau patacas, the Hong Kong dollar and the U.S. dollar, or any significant change in the exchange rate of U.S. dollars or Renminbi against Macau patacas.

Macau is susceptible to severe typhoons that may disrupt operations.

In the past, typhoons have caused considerable damage to Macau's infrastructure and economy. In the event of a major typhoon or other natural disaster in Macau, the Bank's business may be severely disrupted. Although the Bank has insurance coverage with respect to these events, insurance coverage may not be sufficient to reimburse the Bank fully against all direct and indirect costs, including loss of business, that could result from substantial damage to, or partial or complete destruction of, the Bank's properties or damage to the infrastructure or economy of Macau.

The enforceability of foreign judgments in Macau may be limited.

The laws and regulations of Macau may govern how the Issuer conducts its operations in Macau. There have been cases in which a foreign party has sought judicial enforcement of contracts or security interests against a Macau entity in a Macau court or through arbitration proceedings in Macau. Enforcement in Macau of judgments of a court in the United States or other foreign jurisdictions or of foreign arbitration decisions must be reviewed by a Macau court for confirmation, and may be rejected under certain circumstances according to the Macau law.

RISK FACTORS RELATING TO THE BONDS

The Bonds may not be a suitable investment for all investors.

The Additional Bonds are offered to Professional Investors only and are not suitable for retail investors. Investors should not purchase the Bonds in the primary or secondary markets unless they are Professional Investors. Each potential investor in the Additional Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular or any applicable supplement;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) have sufficient knowledge and expertise (either alone or with a financial adviser) to evaluate the effect or the likelihood of the occurrence of a Non-Viability Trigger Event and any loss absorption provisions for the Bonds.

The Bonds are complex financial instruments and are of high risks. A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, including the effects of inflation, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives and all the information contained in this Offering Circular.

The Conditions contain non-viability loss absorption provisions under which the Bonds may be written-off, and a Bondholder may lose all of its investment in the Bonds and all of its claims to unpaid interest.

The Bonds are intended to be Tier 2 Capital of the Issuer and Tier 2 capital of the Parent Bank. As a consequence, under the Conditions, a Non-Viability Trigger Event means the earlier of (a) the AMCM notifying the Issuer in writing that the AMCM is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; (b) the AMCM notifying the Issuer in writing that a decision has been made by the government body or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable; (c) the home authority of the Parent Bank having determined that without a write-off the Parent Bank would become non-viable; or (d) the home authority of the Parent Bank having determined that without a public sector injection of capital or equivalent support the Parent Bank would become non-viable.

The Issuer has been advised that pursuant to paragraph 2(1) of the Guiding Opinions on Innovation of Capital Instruments of Commercial Banks (Revised) (《商業銀行資本工具創新的指導意見(修訂)》) issued by the former China Banking and Insurance Regulatory Commission (the “**2019 Guiding Opinions**”) and the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) issued by the NFRA on 1 November 2023 and which will become effective on 1 January 2024 (the “**2024 Administrative Measures**”), the references to the relevant “home authority” in paragraph (c) of the definition of “Non-Viability Trigger Event” shall mean the NFRA and the relevant “home authority” in paragraph (d) of the definition of “Non-Viability Trigger Event” above shall mean any of those relevant authorities which may determine whether a public sector injection of capital or equivalent support, in the jurisdiction of such home authority, is necessary, without which the Issuer or the Parent Bank would become non-viable, including the State Council, the NFRA, the Ministry of Finance and the People's Bank of China. In making such determination, the relevant “home authority” referred to in paragraph (d) of the definition of “Non-Viability Trigger Event” above may consult each other and/or seek joint agreement among themselves. The Administrative Measures for the Capital of

Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法(試行)》), which were issued by the former China Banking and Insurance Regulatory Commission on 7 June 2012 and which became effective on 1 January 2013 and will be replaced by the 2024 Administrative Measures on 1 January 2024, the 2019 Guiding Opinions and the 2024 Administrative Measures will be subject to interpretation and application by the NFRA and the other relevant authorities.

If a Non-Viability Trigger Event occurs and is continuing, the Issuer shall, upon the provision of a Non-Viability Trigger Event Notice, irrevocably (without the need for the consent of the Bondholders) reduce the then principal amount of, and cancel any accrued but unpaid interest in respect of, each Bond (in each case in whole or in part) by an amount equal to the Non-Viability Trigger Event Write-off Amount per Bond. Although the Issuer has agreed to notify the clearing system(s) and the Bondholders following the occurrence of a Non-Viability Trigger Event, there will be a delay between a Non-Viability Trigger Event and the time that (i) the clearing system(s) are notified of the occurrence of the relevant Non-Viability Trigger Event and (ii) the Bondholders are notified of the occurrence of the relevant Non-Viability Trigger Event through their clearing system's accounts or otherwise. Such delay may exceed several days during which trading and settlement in the Bonds may continue. Any such delay will not change or delay the effect of a Non-Viability Trigger Event on the obligations of the Issuer under the Bonds or on the rights of the Bondholders. See "*Terms and Conditions of the Bonds — Subordination and Non-Viability Trigger Event — Write-off on a Non-Viability Trigger Event*".

The notification of a Non-Viability Trigger Event is at the discretion of the AMCM or the home authority of the Parent Bank. The exercise of such discretion may be unpredictable and may be outside of the Issuer's or the Parent Bank's control. The circumstances in which such discretion is exercised are not limited and may include concerns about the Issuer's capital, funding and/or liquidity levels. Accordingly, trading behaviour in respect of the Bonds is not necessarily expected to follow trading behaviour associated with other types of bonds. Any final determination, or actual or perceived increase in the likelihood that such determination will be made in respect of the Issuer or the Parent Bank could have an adverse effect on the market price of the Bonds.

Bondholders should note that any amount that is Written-off upon the occurrence of a Non-Viability Trigger Event in accordance with the Conditions is permanent and will not be restored under any circumstances, including where the relevant Non-Viability Trigger Event ceases to continue. In addition, a Non-Viability Trigger Event may occur on more than one occasion and each Bond may be written down on more than one occasion. Further, the Non-Viability Trigger Event Write-off Amount in respect of each Bond will unless otherwise directed by the AMCM be calculated based on a percentage of the principal amount of that Bond. In the event that such principal amount is permanently reduced by the relevant Write-off, Bondholders will receive less interest on their Bonds. In addition, upon the occurrence of a Non-Viability Trigger Event, Bondholders could risk losing up to the full principal amount of the Bonds, as well as the cancellation of any accrued but unpaid interest, without receiving any compensation for such loss or cancellation. Potential investors should also consider such risks in the context of the recent financial markets turmoil with the collapse of Silicon Valley Bank, followed by Signature Bank, the crisis of Credit Suisse and the seizure of First Republic Bank in early 2023, which has resulted in higher uncertainty in the financial services industry and raised questions about the viability of other financial services firms as well as the possibility of broader systemic risk. Please see "*Risk Factors — Risk Factors relating to the Bank — The Bank has exposure to the global economy and financial markets*" of this Offering Circular.

The application of the non-viability loss absorption feature similar to that contained in Condition 3(c) of the Conditions has not been tested in Macau and some degree of uncertainty may exist in its application. According to the AMCM Guideline, any Additional Tier 1 Capital Instruments and/or any Tier 2 Capital Instruments (including the Bonds) would constitute own funds of the Issuer. The Write-off sequence among any Additional Tier 1 Capital Instruments and/or any Tier 2 Capital Instruments (including the Bonds) would be at the option of the AMCM.

A Non-Viability Trigger Event may be determined and triggered by the home authority of the Parent Bank in relation to the Parent Bank only and the redemption of the Bonds by the Issuer is subject to the confirmation by the NFRA as the regulator of the Parent Bank and may be affected by the income generating capability or the capital position of the Parent Bank.

The Bonds contain loss-absorption provisions which require the Bonds to be written-off upon the occurrence of a Non-Viability Trigger Event as determined by either the AMCM (as the relevant authority governing the Issuer) or the home authority of the Parent Bank (including the State Council, the NFRA, the Ministry of Finance and the People's Bank of China). As such, independent of any determination by the AMCM of the occurrence of a Non-Viability Trigger Event in relation to the Issuer, a Non-Viability Trigger Event may be triggered, under and in accordance with the Conditions, by the home authority of the Parent Bank in relation to the viability of the Parent Bank, and as a consequence, the Bonds would be subject to a Write-off notwithstanding that the Issuer itself remains viable.

In addition, as it is intended that the Bonds should be eligible for inclusion as Tier 2 Capital of the Parent Bank, pursuant to the Conditions, prior to redemption of any of the Bonds by the Issuer, the Parent Bank needs to report to the NFRA in writing in respect of such redemption and in such case, the Bonds will be redeemed by the Issuer on the basis that such redemption is confirmed by the NFRA. The redemption of the Bonds is also subject to the satisfaction of the NFRA Redemption Conditions, which are that: (a) the Bonds will be substituted with capital instruments of the same or superior quality to the Bonds and such substitution shall only be made at a time at which the Parent Bank (on a consolidated and non-consolidated basis) has a sustainable income generating capability; or (b) the capital position of the Parent Bank (on a consolidated and non-consolidated basis) immediately after redemption of the Bonds will remain significantly higher than the regulatory capital requirements prescribed by the NFRA. However, if the Parent Bank's capital position or income generating capability deteriorates, the Issuer may not be able to redeem the Bonds.

The Bonds may be exposed to risks associated with resolution and other regulatory measures.

The response by government regulators and central banks to the recent financial markets turmoil, including the response by Swiss authorities in connection with the collapse of Credit Suisse and the determination that Credit Suisse's Additional Tier 1 bonds will be written off to zero, has caused market participants to question how regulators and central banks would utilise resolution powers with respect to financial institutions or otherwise respond in the event of further turbulence or crises in financial markets. In the event of a failure of the Issuer or the Parent Bank, the AMCM or the relevant home authority of the Parent Bank (as applicable) will have the discretion to determine whether the Issuer or the Parent Bank has reached a point of non-viability. Moreover, although there is no statutory regulatory capital write-off and conversion powers and/or bail-in resolution powers in Macau and the PRC as at the date of this Offering Circular, there is no assurance that no such law or regulation giving regulators such powers will be implemented during the term of the Bonds. In the event of a failure of the Issuer, the Parent Bank or another financial institution (for example, the recent collapse of Silicon Valley Bank, Signature Bank and Credit Suisse), it is possible that governments or regulators may take extraordinary measures or amend or introduce relevant laws or regulations, in each case in a manner that may directly or indirectly have an adverse impact on the business and operations of the Bank, the payment under the Bonds or the price or trading of the Bonds.

Certain considerations relating to enforcement.

In most circumstances, the sole remedy against the Bank available to the Trustee and the Bondholders to recover any amounts owing in respect of the principal of or interest on the Bonds will be to institute proceedings for the winding-up of the Bank in Macau.

If the Bank defaults on the payment of principal or interest on the Bonds and such failure continues for a period of seven days in the case of principal or 14 days in the case of interest, the Trustee and

the Bondholders will only institute a proceeding in Macau for the winding-up of the Bank in the circumstances contemplated in the Conditions. The Trustee and the Bondholders will have no right to accelerate payment of the Bonds in the case of default in payment or failure to perform a covenant except as they may be so permitted in the Conditions and the Trust Deed.

To the extent that the Trustee or the holders of the Bonds are entitled to any recovery with respect to the Bonds in any Macau proceedings, the Trustee and such holders of the Bonds might not be entitled in such proceedings to a recovery in U.S. dollars and might be entitled only to a recovery in Macau patacas.

In Macau proceedings, if the Bank's assets become subject to the control of a court-appointed receiver, interest on the Bonds would cease to accrue on the date of the court order and the relevant U.S. dollar amounts would be converted to Macau patacas as at such date for purpose of claims.

The courts of Macau would recognise a judgment obtained in the courts of another jurisdiction (the "**Foreign Judgment**") against the Bank in respect of the Bonds on which terms a sum of money is due and payable and would give a judgment based thereon, without further review of the merits, so long as:

- (i) there are no doubts about the authenticity of the document containing the Foreign Judgment or on its meaning arise;
- (ii) the Foreign Judgment is final and no appeal is possible under the laws of the relevant foreign jurisdiction;
- (iii) the Foreign Judgment was not obtained fraudulently and was not issued on one of the matters for which the Macau courts consider themselves (by law) to have exclusive jurisdiction;
- (iv) no identical suit is pending before a court in Macau and no identical suit has already been judged by a Macau court;
- (v) effective service of process was made on the defendant in accordance with the laws of such foreign jurisdiction and due process was followed and equitable rights and principles were granted to the parties by the foreign courts; and
- (vi) the Foreign Judgment obtained does not violate any public policy of Macau.

In addition, the Foreign Judgment may not be enforceable under the following circumstances:

- (i) if a final court decision establishes that the Foreign Judgment has been obtained by corruption; and
- (ii) if the judgment is contrary to a previous *causa judicata* between the parties.

The courts of Macau consider themselves as having exclusive jurisdiction to decide upon ownership rights and cases over immovable assets located in Macau (*lex rei sitae*) as well as bankruptcies of companies with their registered main office in Macau, such as the Bank.

Any judgment obtained against the Bank in the courts of Macau in respect of any sum payable by it under the Bonds would be permitted to be expressed in U.S. dollars or other foreign currency.

Subordination of the Bonds could impair an investor's ability to enforce its rights or realise any claims on the Bonds.

The Bonds constitute direct, unsecured and subordinated obligations of the Bank and subject to the insolvency laws of Macau and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders (and of the Trustee on their behalf) to payments on the Bonds will be subordinated to the claims of depositors of the Issuer and general creditors of the Issuer; rank in priority to the claims of holders of all classes of equity capital of the Issuer and holders of Additional Tier 1 Capital Instruments; rank *pari passu* with the claims of holders of any other Tier 2 Capital Instruments that rank *pari passu* with the Bonds; and rank *pari passu* with the Parity Obligations (including the 2033 Subordinated Capital Bonds) and rank in priority to the Junior Obligations.

In a Winding-Up of the Issuer, the Bondholders may recover less than the holders of deposit liabilities, the holders of unsubordinated liabilities or the holders of other subordinated liabilities of the Bank ranking senior to the Bonds. The Bonds and the Trust Deed do not limit the amount of the liabilities ranking senior to the Bonds that may be hereafter incurred or assumed by the Bank. As there is no precedent for a winding-up of a major financial institution in Macau, there is uncertainty as to the manner in which such a proceeding would occur and the results thereof. Although the Bonds may have a higher rate of interest than comparable bonds which are not subordinated, there is a risk that an investor in Bonds will lose all or some of its investment should the Bank become insolvent. See “*Terms and Conditions of the Bonds — Subordination and Non-Viability Trigger Event*” for a full description of subordination and the payment obligations of the Bank under the Bonds.

The Bondholders will have no right to require the Issuer to redeem the Bonds prior to maturity. However, the Bonds may be redeemed early at the Issuer's option on the Call Date and on the occurrence of certain other events.

The Bonds will not be redeemable at the option of the Bondholders and no Bondholder may request the Issuer to redeem any Bond held by it or request the Issuer to buy back any Bond held by it prior to maturity. However, the Issuer can at its option redeem the Bonds (i) on any Call Date or (ii) upon the occurrence of a Withholding Tax Event, a Tax Deduction Event or a Regulatory Variation Event, in each case subject to the Issuer obtaining the prior written consent of the AMCM pursuant to the Capital Regulations or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the AMCM in relation thereto (unless otherwise directed by the AMCM), the NFRA Redemption Conditions being satisfied, the confirmation of the NFRA and other requirements as prescribed by the Conditions.

In particular, in relation to a Regulatory Variation Event, the AMCM from time to time may introduce measures or make proposals to strengthen capital and liquidity regulations with the goal of promoting a more resilient banking sector. It may lead to changes in the requirements for bank capital. In particular, the AMCM may decide that the Bonds do not qualify as a Tier 2 Capital Instrument of the Bank. If the Bonds do not qualify, the Bank may choose to redeem the Bonds (subject to the conditions as mentioned in the preceding paragraph) pursuant to the Regulatory Variation Event redemption right.

The date on which the Issuer elects to redeem the Bonds may not accord with the preference of individual Bondholders. This may be disadvantageous to the Bondholders in light of market conditions or the individual circumstances of Bondholders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective interest rate at the same level as that of the Bonds.

The terms of the Bonds may be varied without the consent of the Bondholders.

Upon the occurrence of the Regulatory Variation Event, the Issuer may vary the terms of the Bonds so that they remain or, as the case may be, become eligible Tier 2 Capital Instruments and the Trustee shall (subject to the receipt by it of certain documents under the Conditions) agree to such variation.

No assurance can be given as to whether any such variation will negatively or materially affect the Bondholders. In addition, the tax and stamp duty consequences of holding such varied Bonds could be different for some categories of holders from the tax and stamp duty consequences for them of holding the Bonds.

There could be conflicts of interest arising out of the different roles played by the Bank, and the Bank's other activities may affect the value of the Bonds.

The Bank is the issuer of the Bonds and is also appointed as a Joint Lead Manager for the Bonds. The Bank may also issue other competing financial products which may affect the value of the Bonds. Investors should also note that potential and actual conflicts of interest may arise from the different roles played by the Bank in connection with the Bonds and the economic interests in each role may be adverse to the investors' interests in the Bonds. Although the Bank has internal control policies and procedures to minimise any potential conflict of interest, the Bank owes no duty to investors to avoid such conflicts.

Transfers scheduled to settle through Euroclear and/or Clearstream (the "ICSDs" and each an "ICSD") are expected to be rejected if the scheduled settlement is after any suspension by the ICSDs of clearance and settlement of the Bonds in connection with a Non-Viability Trigger Event Notice. Furthermore, because of time zone differences and the delay between the time when a Non-Viability Trigger Event occurs and when the relevant ICSD receives and processes the Non-Viability Trigger Event Notice, it is possible that transfers may either (i) fail to settle through the relevant ICSD even though such transfers were initiated prior to the Non-Viability Trigger Event or (ii) are settled through relevant ICSD even though such transfers were initiated after the Non-Viability Trigger Event.

The ICSDs are expected to suspend all clearance and settlement of transfers of the Bonds by Bondholders after receipt of a Non-Viability Trigger Event Notice, and any transfer of the Bonds that is scheduled to settle after commencement of such suspension is expected to be rejected by relevant ICSD and will not be settled within relevant ICSD. Although a Non-Viability Trigger Event Notice will be sent by the Issuer to (i) the ICSDs and (ii) the Bondholders via the relevant ICSD after the occurrence of a Non-Viability Trigger Event, the records of the ICSDs will not be immediately updated to reflect the Non-Viability Trigger Event, and a period of time, which may exceed several days, will be required before the clearance and settlement of transfers of the Bonds through the relevant ICSD are suspended. Due to such delay, it is possible that in the case of transfers that are initiated prior to such suspension and scheduled to settle on a date after the relevant ICSD commences such suspension, such suspension will result in such transfers failing to settle through the relevant ICSD, even though such transfers were initiated prior to the Non-Viability Trigger Event. In such circumstances, transferors of the Bonds would not receive any consideration through the relevant ICSD in respect of such intended transfer because the relevant ICSD will not settle such transfer after commencement of such suspension. Similarly, it is possible that transfers that are initiated prior to such suspension and scheduled to settle on a date before relevant ICSD commences such suspension will be settled through the relevant ICSD, even though such transfers were initiated after the Non-Viability Trigger Event. In such circumstances, transferees of the Bonds may be required to pay consideration through the relevant ICSD even though, upon the occurrence of a Non-Viability Trigger Event, no amounts under the Bonds will thereafter become due, and such transferees will have no rights whatsoever under the Trust Deed or the Bonds to take any action or enforce any rights or instruct the Trustee to take any action or enforce any rights whatsoever against the Issuer, regardless of whether they have received actual or constructive notice of such fact. The settlement of the Bonds following a Non-Viability Event will be subject to procedures of the ICSDs that are in place at such time.

The Bonds will not contain and will not be subject to any guarantee, credit or other support from the Parent Bank.

The Bonds contain loss-absorption provisions which allow a Non-Viability Trigger Event to be determined and triggered by the home authority of the Parent Bank in relation to the Parent Bank. This Offering Circular contains information relating to the Parent Bank, which has been included to provide investors with information in relation to the Parent Bank in the context of the determination of a Non-Viability Trigger Event only. The Bonds will not contain and will not be subject to any form of guarantee, credit or other support from the Parent Bank, and holders of the Bonds will not be able to bring any action, whether directly or indirectly, against the Parent Bank in relation to the Bonds. For further information in relation to the application of the Write-off on a Non-Viability Trigger Event under the Conditions, see “*Terms and Conditions of the Bonds — Subordination and Non-Viability Trigger Event — Write-off on a Non-Viability Trigger Event*”. For further information in relation to the Parent Bank, see “*The Parent Bank*”.

The Bonds are subject to the AMCM’s regulatory requirements, which may change in the future.

It is intended that the Bonds will qualify as Tier 2 Capital of the Issuer in accordance with the requirements of the AMCM Guideline issued by the AMCM, effective on 1 November 2023. Although the AMCM introduced the AMCM Guideline based on the Basel III framework by introducing a new definition of “own funds” and specifying classification criteria for each component of own funds (including Additional Tier 1 Capital and Tier 2 Capital), the Basel III Regulations have not been fully implemented in Macau. In addition, there is no certainty as to when the full Basel III Regulations will be adopted or their likely effects, and the Macau regulatory authorities may implement the full Basel III Regulations in a manner that is different from that which is currently envisaged. The Bonds are currently subject to write-off at the option of the AMCM upon the occurrence of a Non-Viability Trigger Event. As the AMCM Guideline is newly implemented, there is no precedent in relation to the AMCM directing a write-off of own funds. Therefore, there is uncertainty as to the manner in which the AMCM would direct such write-off under the AMCM Guideline.

The interest rate on the Bonds will be reset on the Reset Date by referring to the relevant Benchmark Rate, which may affect the market value of the Bonds.

The Bonds will initially bear interest on their outstanding principal amount at the fixed rate of 7.50 per cent. per annum to, but excluding, the Reset Date. However, from, and including, the Reset Date to, but excluding, the Maturity Date, the interest rate will be reset to a rate per annum which will be equal to the sum of the Benchmark Rate with respect to the Reset Date plus 3.011 per cent. per annum. The reset interest rate could be less than the initial interest rate and could therefore adversely affect the market value of an investment in the Bonds.

An active trading market for the Bonds may not develop.

There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Bank’s operations and the market for similar securities. The Joint Lead Managers are not obliged to make a market for the Bonds and any such market-making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers, acting together. No assurance can be given as to the liquidity of, or trading market for, the Bonds upon their listing on the MOX or the Hong Kong Stock Exchange. Lack of a liquid or active trading market for the Bonds may adversely affect the price of the Bonds or may otherwise impede a holder’s ability to dispose of the Bonds.

The Trustee may decline to take actions requested by the Bondholders.

In certain circumstances (including, without limitation, institution of Winding-up Proceedings against the Issuer pursuant to Condition 8(a)(ii) of the Conditions), the Trustee may (at its sole discretion)

request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Bondholders and shall not be obliged to take any such actions until it is first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may have an impact upon when such actions can be taken

The Trustee may decline to take action requested by the Bondholders, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, where it is not satisfied that the action is permitted by applicable law or regulation or the terms of the Trust Deed and/or the Conditions and, in such circumstances, to the extent permitted by the agreements and applicable law and regulation, it will be for the Bondholders to take such actions directly.

The Bank may raise other capital which affects the price of the Bonds.

The Bank may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Bank may issue or incur and which rank senior to, or *pari passu* with, the Bonds, and there is no restriction on the Bank issuing securities with or without the requirements for Write-off on a Non-Viability Trigger Event (whether or not such provisions are similar to those of the Bonds). The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Bondholders on a Winding-Up of the Bank. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Bonds and/or the ability of Bondholders to sell their Bonds.

Modifications and waivers may be made in respect of the Conditions and/or the Trust Deed by the Trustee or by less than all of the holders of the Bonds, and decisions may be made on behalf of all holders of the Bonds that may be adverse to the interests of individual holders of the Bonds.

The Conditions contain provisions for calling meetings of the holders of the Bonds to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Bondholders including those Bondholders who did not attend and vote at the relevant meeting and those Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of individual holders of the Bonds.

The Conditions also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (A) any modification of any of the provisions of the Trust Deed or the Conditions that, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (B) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed and/or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on all Bondholders.

Any failure to complete any relevant filing under the NDRC Administrative Measures within the relevant prescribed timeframe may have adverse consequences for the Issuer and/or the investors of the Bonds.

On 5 January 2023, the NDRC issued the NDRC Administrative Measures, which came into effect on 10 February 2023. On 9 February 2023, the NDRC published the frequently asked questions on the NDRC Administrative Measures and its responses (the “FAQs”), which provided further clarifications on the practical implications of certain provisions in the NDRC Administrative Measures.

Pursuant to the NDRC Administrative Measures, the Parent Bank has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 26 June 2023 (the “NDRC Certificate”) evidencing such registration and which remains in full force and effect as at the date

of this Offering Circular. The Issuer will also undertake to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the relevant issue date in accordance with the NDRC Administrative Measures and any implementation rules as issued by the NDRC from time to time (each, an “**NDRC Filing**”), including but not limited to (1) filing or causing to be filed with the NDRC the foreign debt borrowing information in relation to the Bonds in accordance with the NDRC Administrative Measures (including, without limitation to, the Issuer’s key operational indicators and foreign debt borrowing status) within 10 PRC business days after the issuance of the Bonds, (2) filing or causing to be filed with the NDRC the Issuer’s foreign debt borrowing status within 10 PRC business days after the expiry date of the NDRC Certificate, (3) so long as any Bond remains outstanding, filing or causing to be filed with the NDRC the requisite information, including, without limitation, to the use of proceeds of the Bonds, repayment details and plans of principal and interest of the Bonds, and the Issuer’s key operational indicators, within five PRC business days before the end of January and July of each year, and (4) submitting relevant information with the NDRC promptly upon the occurrence of any material event that may affect the due performance of debt obligations and take measures to avoid the spillover of default risk and the cross-default risk of onshore bonds. The NDRC Post-issue Filing with respect to the Existing Bonds has been duly submitted to the NDRC.

Failure to make or procure to be made an NDRC Filing in accordance with the NDRC Administrative Measures may result in the Issuer and/or the Parent Bank (as the case may be) being ordered to make corrections within a prescribed time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, the Issuer and/or the Parent Bank, as well as and their principal responsible person will be warned, which may have a material adverse impact on the Issuer’s or the Parent Bank’s business, financial condition or results of operations.

Since the administration, interpretation and implementation of the NDRC Administrative Measures may be subject to a certain degree of uncertainty as well as executive and policy discretion by the NDRC, there is no assurance that the NDRC will not issue further implementation rules or notices which may require additional steps in terms of the registration or provide sanctions or other administrative procedures in case of failure to complete any requisite filing with the NDRC.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange and the MOX, which standards may be different from those applicable to companies in certain other countries.

The Issuer will be subject to reporting obligations in respect of the Bonds to be listed on the Hong Kong Stock Exchange and the MOX. The disclosure standards imposed by the Hong Kong Stock Exchange and the MOX may be different than those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to.

A change in Macau or English law which will govern the Bonds may adversely affect Bondholders.

Except for Condition 3(a) of the Conditions and related provisions of the Trust Deed which will be governed by Macau law, the Conditions, the Trust Deed and the Agency Agreement will be governed by English law in effect as at the date of issue of the Bonds. No assurance can be given as to the impact of any possible judicial decision or change to Macau or English law or administrative practice after the date of issue of the Bonds.

Exchange rate risks and exchange controls may result in investors receiving less interests or principal than expected.

The Issuer will pay principal and interests on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than U.S. dollars. These include the risk

that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease (1) the Investor's Currency equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interests or principal than expected, or no interest or principal.

The Existing Bonds are initially (and the Additional Bonds will initially be) represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant ICSD.

The Existing Bonds are initially (and the Additional Bonds will initially be) represented by a Global Certificate registered in the name of the nominee of, and deposited with, a common depository for the ICSDs. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates. The relevant ICSD will maintain records of their respective accountholders credited with an interest in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the ICSDs.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the relevant ICSD for distribution to their accountholders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant ICSD to receive payments under the Bonds. None of the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them has any responsibility or liability for the records of the ICSDs or for payments made in respect of beneficial interests in the Global Certificate. Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant ICSD to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon their rights under the Trust Deed.

There may be Macau tax consequences for investors.

Before investing in the Bonds, each potential investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible Macau tax consequences of buying, holding or selling any Bonds and the procedures for paying relevant taxes.

Complementary Income Tax

The Complementary Income Tax shall be considered as profit tax in commercial or industrial activities which charges the tax payer on the actual profit or estimated profit as obtained in Macau pursuant to section 2 of the Regulation of Complementary Income Tax, as approved by Law no. 21/78/M dated 9 September 1978, and its section 20 sets out that interest on bonds or capital gains arising from the sale of the bonds in Macau are taxable income for calculating profit.

As per the Regulation of Complementary Income Tax, the tax rate of Complementary Income Tax is up to 12 per cent. (subject to any double taxation agreement as may be entered into between Macau and the relevant jurisdiction of the taxpayer) and the beneficiary of the bonds' interest may be the taxpayer of the Complementary Income Tax if the interest payment from the bonds and/or capital gains or profit from the sale and purchase, redemption or other forms of disposal of the bonds are obtained in Macau or obtained by Macau tax residents.

There is no withholding or deduction requirement imposed on the Issuer in respect of payments of principal or interest in respect of the Bonds or in respect of any capital gains arising from the sale of the Bonds and the Issuer is not obliged to withhold or deduct the Complementary Income Tax under Macau law.

Subject to any different interpretation that the Macau Finance Bureau may have, the Complementary Income Tax should not be applicable given that the Bonds are not issued in Macau and any related income generated by the Bonds should not be considered to be obtained in Macau.

If any Complementary Income Tax is applicable, the beneficiary of the bonds' interest may be the taxpayer of the Complementary Income Tax if the interest payment from the bonds and/or capital gains or profit from the sale and purchase, redemption or other forms of disposal of the bonds are obtained in Macau or obtained by Macau tax residents.

The beneficiary of the bonds' interest is required to complete the related tax enrolment procedure for the fulfilment of the tax duties in connection with the bonds. The beneficiary of the bonds' interest who is not a Macau resident shall also submit documents to the Macau tax authority (which is the Finance Service Bureau) for the registration as taxpayer in Macau.

If the beneficiary fails to submit the tax filings accurately within the prescribed time period, the Macau tax authority may impose a penalty of up to MOP20,000.00. If the beneficiary fails to pay Complementary Income Tax within 60 days from the prescribed time period, the Macau tax authority may impose the payment of late interests as well as an extra payment of 3 per cent. over the amount of Complementary Income Tax payable.

The above statements about Complementary Income Tax are subject to interpretation by the competent tax authority.

Before investing in the Bonds, each potential investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible Macau tax consequences of buying, holding or selling any Bonds and the procedures for paying such Complementary Income Tax.

Stamp Duty

Pursuant to sections 13 and 14 of the General Table of Stamp Duty as annexed in the Stamp Duty Regulation, as approved and amended by Law no. 17/88/M dated 27 June 1988 and the relevant laws and regulation, both the bond issuance and the transfers of the bonds in Macau are subject to stamp duty at the rates of 0.2 per cent. over the value of issued bond and 0.5 per cent. over the transfer value, respectively.

However, as the Issuer is a fully licensed bank under the category of credit institutions, the stamp duty in connection with the issuance of the bonds and the execution of the transaction documents is exempted. In addition, given that the Bonds are issued outside Macau, the stamp duty in Macau is not applicable to the issuance of the Bonds.

Pursuant to the Stamp Duty Regulation, stamp duty will be payable on any subsequent transfer of bonds, including transfers between accountholders in the relevant clearing system. Nevertheless, the stamp duty related to the transfer of bond certificate is only applicable for the situation where the transfer of the bond certificate is executed through judicial document, deed or public instrument in Macau.

However, given that the Bonds are issued outside Macau, the stamp duty in Macau is not applicable to the transfers of the Bonds either.

If any stamp duty is applicable, such stamp duty shall be paid by the transferee of the bonds to the Macau tax authority (which is the Finance Service Bureau) within 30 days from the date of the

relevant document, title or act which effects the transfer of the bonds. If the transferee fails to pay within the prescribed time period, the Macau tax authority may impose a fine of up to three times the amount of stamp duty payable. The fines may be reduced to one third for late payment made within 30 days from the end of the prescribed time period, or one half for late payment made between 31 days and 60 days from the end of the prescribed time period.

Failure to pay any stamp duty on such transfer may also cause the relevant transfer document to be inadmissible as evidence to the courts and will cause such transfer to be inadmissible as evidence with any government authorities. The transfer will not have any effect according to the Stamp Duty Regulation, unless payment of such stamp duty is made (together with any fines in the case where the payment is made late).

The above statements about the stamp duty are subject to interpretation by the competent tax authority.

Before investing in the Bonds, each potential investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible Macau tax consequences of buying, holding or selling any Bonds and the procedures for paying such stamp duty.

Please also see "*Taxation — Macau*".

TERMS AND CONDITIONS OF THE BONDS

*The following, subject to modification and other than the words in italics, is the text of the terms and conditions of the Bonds, which will appear on the reverse of each of the definitive certificates evidencing the Bonds. The Tier 2 Capital Bonds due 2034 in an aggregate principal amount of U.S.\$150,000,000 (the “**Additional Bonds**”) will be issued by the Issuer as a further issue in accordance with Condition 13 on 28 December 2023 (the “**New Issue Date**”) and, upon issue, will be consolidated and form a single series with the U.S.\$280,000,000 Tier 2 Capital Bonds due 2034 issued on 29 November 2023 (the “**Existing Bonds**”) and references in the Conditions to the “**Bonds**” shall include both the Existing Bonds and the Additional Bonds as well as any further bonds issued after the New Issue Date pursuant to Condition 13 and consolidated and forming a single series with the Bonds. The Additional Bonds will have the same terms and conditions as the Existing Bonds in all respects, except for the issue date and the timing to perform and complete the NDRC Post-issue Filing. The Additional Bonds will be constituted by a supplemental trust deed dated the New Issue Date:*

Luso International Banking Limited (the “**Issuer**”) passed a resolution of the board of directors of the Issuer on 29 March 2023 and a resolution of the shareholders of the Issuer on 30 March 2023, authorising the issue of the U.S.\$280,000,000 Tier 2 Capital Bonds due 2034 (the “**Bonds**” which expression shall include, unless the context requires otherwise, any additional bonds issued in accordance with Condition 13 and consolidated and forming a single series therewith). The Bonds are constituted by, and have the benefit of, a trust deed dated 29 November 2023 (the “**Issue Date**”) (such trust deed as amended and/or supplemented and/or restated from time to time, the “**Trust Deed**”) and made between the Issuer and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Bondholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds are the subject of the agency agreement dated 29 November 2023 (such agency agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor thereto) and as calculation agent (the “**Calculation Agent**”, which expression shall include any successor thereto), The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”, which expression shall include any successor thereto) and as transfer agent (the “**Transfer Agent**”, which expression shall include any successor thereto) and any other agents named therein. “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent and any other agents appointed for the Bonds under the Agency Agreement.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection by any Bondholder at all reasonable times during usual business hours (being between 9:00 a.m. (London time) and 3:00 p.m. (London time) from Monday to Friday (other than public holidays)) at the principal place of business of the Trustee (being as at the Issue Date at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified office of the Principal Paying Agent following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent or (ii) may be provided by email to any Bondholder following written request and proof of holding and identity to the satisfaction of the Principal Paying Agent. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

Unless otherwise specified, capitalised terms in these Conditions shall have the meanings given to them in Condition 19.

1 FORM, SPECIFIED DENOMINATION AND STATUS

(a) Form and Denomination

The Bonds are issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, an “**Authorised Denomination**”).

(b) Status of Bonds

The Bonds constitute direct, unsecured and subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The rights and claims of the Bondholders are subordinated as described in Condition 3(a) and the Trust Deed.

The net proceeds of the Bonds will be used to replenish the Issuer’s Tier 2 Capital in accordance with the applicable laws and regulatory approvals.

*As of the Issue Date, the AMCM has introduced the Guideline on Composition of Own Funds (Circular no. 010/B/2023-DSB/AMCM) (the “**AMCM Guideline**”) based on the Basel III framework as published by the Basel Committee on Banking Supervision (“**Basel III**”). The AMCM Guideline came into effect from 1 November 2023, and the Bonds are intended to qualify as Tier 2 Capital of the Issuer under the AMCM Guideline.*

2 REGISTER, TITLE AND TRANSFERS

(a) Register

The Registrar will maintain a register (the “**Register**”) in respect of the Bonds in accordance with the provisions of the Agency Agreement. In these Conditions, the “**holder**” of a Bond means the person in whose name a Bond is registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Bondholder**” shall be construed accordingly. A certificate (each, a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). The Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate. See “Summary of Provisions Relating to the Bonds in Global Form”.*

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds. The Bonds are not issuable in bearer form.

(b) Title

The holder of each Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such holder.

(c) Transfers

Subject to the Agency Agreement and Conditions 2(f) and 2(g) below, a Bond may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the specified office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Bond may not be transferred unless the principal amount of Bond transferred and (where not all of the Bonds held by a holder are being transferred) the principal amount of the transferred Bonds and the balance of Bonds not transferred are Authorised Denominations. Where not all the Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor.

Transfers of interests in the Bonds represented by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(d) Registration and Delivery of Certificates

Within seven business days of the surrender of a Certificate in accordance with Condition 2(c) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount of the Bonds transferred to each relevant holder at its specified office or (as the case may be) the specified office of the Transfer Agent or (at the request and risk of any such relevant holder) by uninsured post to the address specified for the purpose by such relevant holder. In this Condition 2(d), “**business day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its specified office.

(e) No Charge

The transfer of a Bond will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any Agent may require) of any tax, duty or other governmental charges that may be imposed in relation to such transfer, (ii) the relevant Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the relevant Agent being satisfied that the regulations concerning transfers and registration of Bonds have been complied with.

(f) Closed Periods

No Bondholder may require the transfer of the Bonds to be registered during (i) the period of 15 days prior to (and including) the due date of any payment of principal or interest in respect of the Bonds or (ii) during the period commencing on the date of a Non-Viability Trigger Event Notice (as defined in Condition 3(c) below) and ending on (and including) the close of business in Macau on the effective date of the related Write-off (as defined in Condition 3(c) below).

So long as any of the Bonds are represented by a Global Certificate and the Global Certificate is held by or on behalf of Euroclear or Clearstream or any other clearing system, following the receipt of a Non-Viability Trigger Event Notice (as defined in Condition 3(c)) by Euroclear or Clearstream or any other clearing system and the commencement of the period of five Clearing System Business Days (as defined in the note to Condition 6(a)) (or such other period as the relevant clearing systems shall determine

in accordance with their rules and procedures) commencing on the Clearing System Business Day immediately following the date on which the Non-Viability Trigger Event Notice has been received by the relevant clearing systems (the “Suspension Period”), the relevant clearing systems shall suspend all clearance and settlement of the Bonds.

(g) Regulations concerning Transfers and Registration

All transfers of the Bonds and entries on the Register are subject to the detailed regulations concerning the transfers and registration of the Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations (i) will be made available for inspection by any Bondholder at all reasonable times during usual business hours (being between 9:00 a.m. (Dublin time) and 3:00 p.m. (Dublin time) from Monday to Friday (other than public holidays)) at the specified office of the Registrar following prior written request and proof of holding and identity to the satisfaction of the Registrar or (ii) may be provided by email to any Bondholder following written request and proof of holding and identity to the satisfaction of the Registrar.

(h) Partial Write-off

In the case of a partial Write-off of Bonds, a new Certificate shall be issued to the relevant Bondholder to reflect the balance of the holding not Written-off. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or the Transfer Agent.

3 SUBORDINATION AND NON-VIABILITY TRIGGER EVENT

(a) Subordination

Subject to the insolvency laws of the Macau Special Administrative Region of the People’s Republic of China (“**Macau**”) and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders (and of the Trustee on their behalf) for payment of principal and any interest under the Bonds shall be subordinated to the claims of depositors of the Issuer and general creditors of the Issuer; rank in priority to the claims of holders of all classes of equity capital of the Issuer and holders of Additional Tier 1 Capital Instruments; and rank *pari passu* with the claims of holders of any other Tier 2 Capital Instruments that rank *pari passu* with the Bonds. In addition, subject to the insolvency laws of Macau and other applicable laws, in the event of a Winding-Up of the Issuer, the claims of the Bondholders (and of the Trustee on their behalf) for payment of principal and any interest under the Bonds shall rank *pari passu* with the Parity Obligations (including the 2033 Subordinated Capital Bonds) and rank in priority to the Junior Obligations.

The ranking of claims set out above in this Condition 3(a) applies to all obligations of the Issuer, present or future, issued or guaranteed by the Issuer that rank or are expressed to rank in priority to, junior to or *pari passu* with the Bonds, as the case may be, by operation of law or contract.

Other than in the event of a Winding-Up of the Issuer, none of the Trustee or the Bondholders shall declare any payment of principal or interest under the Bonds immediately due and payable.

For the purposes of these Conditions:

“2018 Undated HKD Additional Tier 1 Supplementary Capital Bonds” means 8.00 per cent. undated additional tier 1 supplementary capital bonds in total principal amount of HKD2,250,000,000 issued by the Issuer on 7 December 2018 and 21 December 2018;

“2021 Undated USD Additional Tier 1 Supplementary Capital Bonds” means 5.50 per cent. undated additional tier 1 supplementary capital bonds in total principal amount of U.S.\$248,000,000 issued by the Issuer on 6 August 2021;

“2022 Undated HKD Additional Tier 1 Supplementary Capital Bonds” means 7.50 per cent. undated additional tier 1 supplementary capital bonds in total principal amount of HKD1,450,000,000 issued by the Issuer on 29 November 2022;

“2033 Subordinated Capital Bonds” means dated subordinated capital bonds due 2033 in total principal amount of U.S.\$350,000,000 issued by the Issuer on 30 June 2023;

“Additional Tier 1 Capital” has the meaning that will be given to Additional Tier 1 capital pursuant to the Capital Regulations;

“Additional Tier 1 Capital Instruments” means any security, instrument or any other similar obligation issued or guaranteed by the Issuer that, in each case, constitutes Additional Tier 1 Capital of the Issuer pursuant to the Capital Regulations;

“AMCM” means the *Autoridade Monetária de Macau* or any successor thereto with the primary responsibility for the regulatory supervision of the Issuer in Macau;

“Capital Regulations” means the Financial System Act (Law No. 13/2023) and/or any other bank capital regulations from time to time applicable to the regulatory capital of the Issuer as published by the AMCM;

“Junior Obligation” means (i) the Shares and any other class of the Issuer’s share capital (including without limitation any preference shares); (ii) any Supplementary Capital Instrument that ranks junior to the Bonds (including the 2018 Undated HKD Additional Tier 1 Supplementary Capital Bonds, the 2021 Undated USD Additional Tier 1 Supplementary Capital Bonds and the 2022 Undated HKD Additional Tier 1 Supplementary Capital Bonds); (iii) any Additional Tier 1 Capital Instruments; and (iv) any other obligation issued or guaranteed by the Issuer that ranks or is expressed to rank junior to the Bonds by operation of law or contract;

“Parity Obligation” means (i) any Supplementary Capital Instrument that ranks *pari passu* with the Bonds (including the 2033 Subordinated Capital Bonds); (ii) any Tier 2 Capital Instruments; and (iii) any other obligation issued or guaranteed by the Issuer that ranks or is expressed to rank *pari passu* with the Bonds by operation of law or contract;

“Permitted Reorganisation” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking or assets of the Issuer are transferred to a successor entity which assumes all the obligations of the Issuer under the Bonds;

“Shares” means the ordinary share capital of the Issuer;

“Supplementary Capital” has the meaning given to supplementary capital pursuant to the Capital Regulations;

“**Supplementary Capital Instruments**” means any security, instrument or any other similar obligation issued or guaranteed by the Issuer that, in each case, constitutes Supplementary Capital of the Issuer pursuant to the Capital Regulations;

“**Tier 2 Capital**” has the meaning that will be given to Tier 2 capital pursuant to the Capital Regulations;

“**Tier 2 Capital Instruments**” means any security, instrument or any other similar obligation issued or guaranteed by the Issuer that, in each case, constitutes Tier 2 Capital of the Issuer pursuant to the Capital Regulations; and

“**Winding-Up**” means, with respect to the Issuer, a final and effective order or resolution by a competent authority in the jurisdiction of the Issuer for the bankruptcy, winding up, liquidation, administrative receivership, or similar proceeding in respect of the Issuer (other than any such order or resolution made or issued for the purposes of a Permitted Reorganisation).

(b) No Set-off

Subject to applicable laws, no Bondholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Bonds or the Trust Deed and each Bondholder shall, by virtue of being the holder of any Bond, be deemed to have waived all such rights of set-off, counter-claim or retention. Notwithstanding the preceding sentence, if any amount owing to any Bondholder by the Issuer in respect of, or arising under or in connection with, the Bonds is discharged by set-off or otherwise, such Bondholder shall, subject to applicable laws, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

(c) Write-off on a Non-Viability Trigger Event

The ability to operationally effect any Write-off of any Bond under this Condition 3(c) with respect to the clearing and/or settlement of any Bonds in or through the relevant clearing system(s) is subject to the availability of procedures to effect any such Write-off in the relevant clearing system(s). However, any Write-off of any Bond with respect to the Issuer under this Condition 3(c) will be effective upon the date that the Issuer specifies in the relevant Non-Viability Trigger Event Notice notwithstanding any inability to operationally effect any such Write-off in the relevant clearing system(s).

If a Non-Viability Trigger Event occurs and is continuing, the Issuer shall, upon the provision of a Non-Viability Trigger Event Notice, irrevocably (without the need for the consent of the Bondholders) reduce the then principal amount of, and cancel any accrued but unpaid interest in respect of, each Bond (in each case in whole or in part) by an amount equal to the Non-Viability Trigger Event Write-off Amount per Bond (such reduction and cancellation, and the reduction and cancellation of any other Subordinated Capital Instruments so reduced and cancelled upon the occurrence of a Non-Viability Trigger Event, where applicable, being referred to herein as the “**Write-off**”, and “**Written-off**” shall be construed accordingly).

Concurrently with the giving of the notice of a Non-Viability Trigger Event, the Issuer shall procure, unless otherwise directed by the AMCM, that (A) a similar notice be given in respect of other Subordinated Capital Instruments in accordance with their terms and requirements thereof or any applicable laws and regulations; (B) the Bonds be Written-off

only after the Write-off in respect of the aggregate principal amount of all Subordinated Capital Instruments which constitute Junior Obligations and (C) a Write-off concurrently and rateably with the Write-off of the Bonds, in respect of the aggregate principal amount of such other Subordinated Capital Instruments which constitute Parity Obligations on a pro rata basis with the Bonds.

According to the AMCM Guideline, any Additional Tier 1 Capital Instruments and/or any Tier 2 Capital Instruments (including the Bonds) would constitute own funds of the Issuer. The Write-off sequence among any Additional Tier 1 Capital Instruments and/or any Tier 2 Capital Instruments (including the Bonds) would be at the option of the AMCM.

Any Write-off pursuant to this Condition 3(c) (in whole or in part) will not constitute a default under the Bonds.

Any Bond may be subject to one or more Write-offs in part (as the case may be), except where such Bond has been Written-off in its entirety. Any references in these Conditions to principal in respect of the Bonds shall thereafter refer to the principal amount of the Bonds reduced by any applicable Write-off(s).

Once the principal amount of, and any accrued but unpaid interest under, the Bonds has been Written-off, the relevant amount(s) Written-off will not be restored in any circumstances including where the relevant Non-Viability Trigger Event ceases to continue. No Bondholder may exercise, claim or plead any right to any amount that has been Written-off, and each Bondholder shall, by virtue of his holding of any Bonds, be deemed to have waived all such rights to such amount that has been Written-off.

Each Bondholder shall be deemed to have authorised, ratified, directed (in the case of the Trustee only) and consented to the Trustee and the Agents to take any and all necessary action to give effect to any Write-off following the occurrence of the Non-Viability Trigger Event.

The Trustee and the Agents shall not be (i) responsible or liable to any Bondholder for monitoring or determining whether a Non-Viability Trigger Event has occurred, (ii) responsible for verifying or calculating any amount in connection with a Non-Viability Trigger Event or for any Write-off of Bonds made pursuant to the Issuer's directions, (iii) responsible for preparing any Non-Viability Trigger Event Notice, or (iv) liable to the Bondholders or to any other person with respect to the notification and/or implementation of any Non-Viability Trigger Event by any of them in respect of such Bonds.

None of the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them has any responsibility for, nor liability with respect to, actions taken or not taken by the clearing systems or their respective participants or members or any broker-dealers with respect to the notification or implementation of the Write-off nor any application of funds or delivery of notices prior to a Write-off or with respect to the return of any amount that was paid to any Bondholder following a Non-Viability Trigger Event in excess of the amount that should have been paid to such Bondholder.

In these Conditions:

“Macau Business Day” means any day, other than a Saturday, a Sunday or a public holiday, on which commercial banks and foreign exchange markets are open for general business in Macau;

“Non-Viability Trigger Event” means the earlier of:

- (i) the AMCM notifying the Issuer in writing that the AMCM is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; or
- (ii) the AMCM notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable; or
- (iii) the home authority of the Parent Bank notifying the Parent Bank in writing that the home authority is of the opinion that a write-off or conversion is necessary, without which the Issuer or the Parent Bank would become non-viable; or
- (iv) the home authority of the Parent Bank notifying the Parent Bank in writing that the home authority has decided that a public sector injection of capital or equivalent support, in the jurisdiction of the Parent Bank, is necessary, without which the Issuer or the Parent Bank would become non-viable;

The Issuer has been advised that pursuant to paragraph 2(1) of the Guiding Opinions on Innovation of Capital Instruments of Commercial Banks (Revised) (《關於商業銀行資本工具創新的指導意見(修訂)》) issued by the former China Banking and Insurance Regulatory Commission (the “2019 Guiding Opinions”) and the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) issued by the NFRA on 1 November 2023 and which will become effective on 1 January 2024 (the “2024 Administrative Measures”), the references to the relevant “home authority” in paragraph (iii) of the definition of “Non-Viability Trigger Event” shall mean the NFRA and the relevant “home authority” in paragraph (iv) of the definition of “Non-Viability Trigger Event” shall mean any of those relevant authorities which may determine whether a public sector injection of capital or equivalent support, in the jurisdiction of such home authority, is necessary, without which the Issuer or the Parent Bank would become non-viable, including the State Council, the NFRA, the Ministry of Finance and the People’s Bank of China. In making such determination, the relevant “home authority” referred to in paragraph (iv) of the definition of “Non-Viability Trigger Event” may consult each other and/or seek joint agreement among themselves. The Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) (《商業銀行資本管理辦法(試行)》), which were issued by the former China Banking and Insurance Regulatory Commission on 7 June 2012 and which became effective on 1 January 2013 and will be replaced by the 2024 Administrative Measures on 1 January 2024, the 2019 Guiding Opinions and the 2024 Administrative Measures will be subject to interpretation and application by the NFRA and the other relevant authorities.

“Non-Viability Trigger Event Notice” means the notice, which shall be given by the Issuer not more than two Macau Business Days after the occurrence of a Non-Viability Trigger Event, to the Bondholders, in accordance with Condition 12, and to the Trustee and the Principal Paying Agent in writing, and which shall state:

- (a) in reasonable detail the nature of the relevant Non-Viability Trigger Event; and
- (b) the Non-Viability Trigger Event Write-off Amount for (i) each Bond and (ii) each other Subordinated Capital Instrument in accordance with its terms;

Following the receipt of a Non-Viability Trigger Event Notice by Euroclear and/or Clearstream and the commencement of the Suspension Period, Euroclear and/or

Clearstream shall suspend all clearance and settlement of the Bonds. As a result, Bondholders will not be able to settle the transfer of any Bonds from the commencement of the Suspension Period, and any sale or other transfer of the Bonds that a Bondholder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by Euroclear and/or Clearstream and will not be settled within Euroclear and/or Clearstream. See “Risk Factors — Risk Factors Relating to the Bonds — Transfers scheduled to settle through Euroclear and/or Clearstream (the “ICSDs” and each an “ICSD”) are expected to be rejected if the scheduled settlement is after any suspension by the ICSDs of clearance and settlement of the Bonds in connection with a Non-Viability Trigger Event Notice. Furthermore, because of time zone differences and the delay between the time when a Non-Viability Trigger Event occurs and when the relevant ICSD receives and processes the Non-Viability Trigger Event Notice, it is possible that transfers may either (i) fail to settle through the relevant ICSD even though such transfers were initiated prior to the Non-Viability Trigger Event or (ii) are settled through the relevant ICSD even though such transfers were initiated after the Non-Viability Trigger Event” for further details.

“Non-Viability Trigger Event Write-off Amount” means the amount of interest or distribution and/or principal to be Written-off as the AMCM may direct or, in the absence of such a direction, as the Issuer shall (in consultation with the AMCM) determine to be necessary to satisfy the AMCM that the Non-Viability Trigger Event will cease to continue. For the avoidance of doubt, (a) the full amount of the Bonds will be Written-off in full in the event that the amount Written-off is not sufficient for the Non-Viability Trigger Event to cease to continue and (b) in the case of an event falling within paragraph (ii) and (iv) of the definition of Non-Viability Trigger Event, the Write-off will be effected in full before any public sector injection of capital or equivalent support is effected. Further, the Non-Viability Trigger Event Write-off Amount in respect of each Bond will unless otherwise directed by the AMCM be calculated based on a percentage of the principal amount of that Bond;

“Parent Bank” means Xiamen International Bank Co., Ltd. or any successor thereto; and

“Subordinated Capital Instrument” means any Junior Obligation or Parity Obligation which contain provisions relating to a write-down or cancellation in respect of its principal amount on the occurrence, or as a result, of a Non-Viability Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

4 INTEREST

(a) Interest

The Bonds bear interest on their outstanding principal amount (subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c)) from, and including, the Issue Date in accordance with this Condition 4. Interest shall be payable semi-annually in arrear on 29 May and 29 November in each year (each an **“Interest Payment Date”**) at the applicable Interest Rate in equal instalments during the Initial Interest Rate Period and the Reset Interest Rate Period, respectively, commencing on 29 May 2024.

The period beginning on and including the Issue Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is an **“Interest Period”**.

Each Bond will cease to accrue interest from the effective date for redemption unless, upon surrender of the Certificate, payment of the principal amount of the Bonds is improperly withheld or refused. In such event, interest on the Bonds shall continue to accrue (both before and after a judicial decision is made) at the then applicable Interest Rate until the earlier of either (i) the date on which the relevant Bondholder or its representative receives all amounts due and accrued to such date under the Bonds; or (ii) the seventh day after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all amounts due and accrued to such seventh day under the Bonds (except to the extent that there is any subsequent default in payment to the relevant Bondholders under these Conditions).

The Bonds are not subject to any interest rate step-up or any other incentive to redeem. The applicable interest rate is not linked to any credit rating of the Issuer and will not be adjusted according to changes in the credit rating of the Issuer in the future.

(b) Interest Rate

The rate of interest (the “**Interest Rate**”) applicable to the Bonds shall be:

- (i) in respect of the period from and including the Issue Date to but excluding 29 May 2029 (the “**Reset Date**”) (the “**Initial Interest Rate Period**”), 7.50 per cent. per annum; and
- (ii) in respect of the period from and including the Reset Date to but excluding the Maturity Date (the “**Reset Interest Rate Period**”), the Reset Interest Rate.

Interest on the Bonds will be calculated on a simple interest basis per annum, payable semi-annually in arrear. The Bonds do not require any overdue interest to be compounded and do not provide for any increased default interest.

(c) Interest Rate Determination

The Calculation Agent will, on the Calculation Date, determine the Reset Interest Rate in respect of the Bonds. The Issuer will procure the Reset Interest Rate determined by the Calculation Agent to be notified to the Trustee, the Agents and the Bondholders as soon as possible after their determination but in no event later than the fourth Payment Business Day (as defined in Condition 6(e)) thereafter. If the Bonds become due and payable under Condition 8, the Reset Interest Rate and interest accrued per Calculation Amount shall nevertheless continue to be determined by the Calculation Agent in accordance with this Condition 4 but no publication of the Reset Interest Rate so calculated need be made unless the Trustee otherwise requires. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agents and the Bondholders and (subject as aforesaid) no liability will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purpose.

If the Calculation Agent does not at any time for any reason so determine the Reset Interest Rate, the Issuer shall as soon as practicable, appoint a reputable financial institution of good standing as a successor calculation agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the successor calculation agent shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in the opinion of the successor calculation agent, it can do so and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Calculation of Interest

Subject as provided in this Condition 4, interest in respect of any Bond shall be calculated per U.S.\$1,000 in principal amount of the Bonds (the “**Calculation Amount**”), subject to adjustments following occurrence of a Non-Viability Trigger Event.

The amount of interest payable per Calculation Amount for any period (save as provided in Condition 4(a) in relation to equal instalments) shall be the product of (i) the relevant Interest Rate, multiplied by (ii) the Calculation Amount and by (iii) the relevant day count fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The applicable day count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 REDEMPTION, VARIATION AND PURCHASE

(a) Final Redemption

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed on 29 May 2034 (the “**Maturity Date**”) at their outstanding principal amount together with any accrued but unpaid interest to, but excluding, the Maturity Date, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c). The Issuer will only have the right to redeem the Bonds as described in this Condition 5. The Bonds are not redeemable at the option of the Bondholders and no Bondholder may request the Issuer to redeem any Bond held by it or request the Issuer to buy back any Bond held by it.

(b) Redemption for Tax Reasons

Subject to Condition 5(h), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (whether before, on or following the Call Date), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c), if the Issuer satisfies the Trustee immediately before the giving of such notice that (i) it has or will become obliged to pay additional amounts as described under Condition 7 as a result of any change in, or amendment to, the laws or regulations of Macau or any political subdivision or any authority thereof or therein, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 November 2023; and (ii) such obligation will apply on the occasion of the next payment due in respect of the Bonds and cannot be avoided by the Issuer taking reasonable measures available to it (a “**Withholding Tax Event**”).

The redemption option set out in this Condition 5(b) shall be exercised by the Issuer upon giving the Redemption Notice to the Trustee and the Principal Paying Agent in writing and to the Bondholders in accordance with Condition 12 with not less than 30 nor more than 60 days’ prior notice (which notice shall be irrevocable), provided that no such Redemption Notice shall be given earlier than 90 days prior to the earliest date on which it is determined that a Withholding Tax Event has occurred. Such Redemption Notice shall include details of the effective date of the redemption, the principal amount of the Bonds to be redeemed, procedures to effect such redemption and the method and time of payment of the redemption amounts.

Prior to giving any Redemption Notice pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee (A) a certificate signed by an Authorised Signatory of the Issuer stating that the requirement referred to in (i) above of this Condition 5(b) will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and (B) subject to Condition 5(h), a copy of the written opinion of the AMCM consenting to such redemption, certified as a true copy of the original by the Issuer. The Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of such conditions precedent set out above in this Condition 5(b), in which event the same shall be conclusive and binding on the Bondholders.

(c) Redemption for Tax Deduction Reasons

Subject to Condition 5(h), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (whether before or following the Call Date), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c), following the occurrence of a Tax Deduction Event. For the purposes of this Condition 5(c), a “**Tax Deduction Event**” occurs if (i) in respect of the interest payable on the Bonds, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Macau or any political subdivision or any authority thereof or therein having power to tax as a result of any change in, or amendment to, the laws or regulations of Macau or any political subdivision or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 November 2023; and (ii) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it.

The redemption option set out in this Condition 5(c) shall be exercised by the Issuer upon giving the Redemption Notice to the Trustee and the Principal Paying Agent in writing and to the Bondholders in accordance with Condition 12 with not less than 30 nor more than 60 days’ prior notice (which notice shall be irrevocable), provided that no such Redemption Notice shall be given earlier than 90 days prior to the earliest date on which it is determined that a Tax Deduction Event has occurred. Such Redemption Notice shall include details of the effective date of the redemption, the principal amount of the Bonds to be redeemed, procedures to effect such redemption and the method and time of payment of the redemption amounts.

Prior to giving any Redemption Notice pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee (A) a certificate signed by an Authorised Signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it and (B) subject to Condition 5(h), a copy of the written opinion of the AMCM consenting to such redemption, certified as a true copy of the original by the Issuer. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 5(c), in which event the same shall be conclusive and binding on the Bondholders.

(d) Redemption for Regulatory Reasons

Subject to Condition 5(h), if a change in the Capital Regulations or regulations made thereunder occurs on or after the Issue Date having the effect that the Bonds, after having qualified as such, will no longer qualify as Tier 2 Capital Instrument (or equivalent or any successor type of regulatory capital instrument) of the Issuer (the “**Regulatory Variation Event**”, which, for the avoidance of doubt, does not include any such disqualification of the Bonds as a result of any discounting or amortisation of the Bonds pursuant to the

relevant law and regulation in force as at the Issue Date), the Issuer may redeem at its option all but not some only of the Bonds at any time (whether before or following the Call Date) at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c).

The redemption option set out in this Condition 5(d) shall be exercised by the Issuer upon giving the Redemption Notice to the Trustee and the Principal Paying Agent in writing and to the Bondholders in accordance with Condition 12 with not less than 30 nor more than 60 days' prior notice (which notice shall be irrevocable), provided that no such Redemption Notice shall be given earlier than 90 days prior to the earliest date on which it is determined that a Regulatory Variation Event has occurred. Such Redemption Notice shall include details of the effective date of the redemption, the principal amount of the Bonds to be redeemed, procedures to effect such redemption and the method and time of payment of the redemption amounts.

Prior to giving any Redemption Notice pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee (i) a certificate signed by an Authorised Signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) subject to Condition 5(h), a copy of the written opinion of the AMCM consenting to such redemption, certified as a true copy of the original by the Issuer. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 5(d), in which event the same shall be conclusive and binding on the Bondholders.

(e) Redemption at the Option of the Issuer

Subject to this Condition 5(e), the Bonds are redeemable at the option of the Issuer. Subject to Condition 5(h), the Issuer may redeem at its option all but not some only of the Bonds on 29 May 2029 (the “**Call Date**”), at their principal amount together with any accrued but unpaid interest to, but excluding, the date fixed for redemption, subject to adjustments following the occurrence of a Non-Viability Trigger Event in accordance with Condition 3(c).

The redemption option set out in this Condition 5(e) shall be exercised by the Issuer upon giving the Redemption Notice to the Trustee and the Principal Paying Agent in writing and the Bondholders in accordance with Condition 12 with not less than 15 nor more than 45 days' prior notice (which notice shall be irrevocable). Such Redemption Notice shall include details of the effective date of the redemption, the principal amount of the Bonds to be redeemed, procedures to effect such redemption and the method and time of payment of the redemption amounts.

Prior to giving any Redemption Notice pursuant to this Condition 5(e), the Issuer shall deliver to the Trustee (x) a certificate signed by an Authorised Signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (y) subject to Condition 5(h), a copy of the written opinion of the AMCM consenting to such redemption, certified as a true copy of the original by the Issuer. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 5(e), in which event the same shall be conclusive and binding on the Bondholders.

(f) Variation for Regulatory Reasons

Upon the occurrence of the Regulatory Variation Event, the Issuer may, subject to and in accordance with any applicable regulatory requirements, having given not less than 30 nor more than 60 days' prior notice to the Trustee and the Principal Paying Agent in writing and the Bondholders in accordance with Condition 12 (which notice shall be irrevocable), at any time (whether before or following the Call Date) vary the terms of the Bonds so that they remain or, as the case may be, become, eligible Tier 2 Capital Instruments and the Trustee shall (subject to the following provisions of this Condition 5(f) and subject to the receipt by it of the opinion and certificate referred to in this Condition 5(f)) agree to such variation.

Prior to the publication of any notice of variation, the Issuer shall deliver to the Trustee (i) an opinion of reputable legal advisers of recognised standing, in form and substance satisfactory to the Trustee, to the effect that the Bonds as so varied will as at the effective date of such variation remain or, as the case may be, become eligible Tier 2 Capital Instruments and (ii) a certificate signed by an Authorised Signatory of the Issuer, confirming the occurrence of the Regulatory Variation Event and the variation in the terms of the Bonds complies with the relevant regulatory requirements. The Trustee shall be entitled to accept such opinion and certificate as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 5(f), in which event the same shall be conclusive and binding on the Bondholders.

(g) Purchase and Cancellation

Subject to Condition 5(h), the Issuer and any of its Subsidiaries may, at any time, purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 9(a).

All Certificates representing Bonds purchased by or on behalf of the Issuer and any of its Subsidiaries shall be surrendered for cancellation to the Transfer Agent or the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

(h) Conditions for Redemption and Purchase in Respect of the Bonds

Notwithstanding any other provision in these Conditions, the Issuer shall not redeem any of the Bonds, unless (i) the prior written consent of the AMCM thereto shall have been obtained by the Issuer pursuant to the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the AMCM in relation thereto (unless otherwise directed by the AMCM) and (ii) the NFRA Redemption Conditions are satisfied.

Prior to redemption of any of the Bonds by the Issuer, the Parent Bank needs to report to NFRA in writing in respect of such redemption and in such case, the Bonds will be redeemed by the Issuer on the basis that such redemption is confirmed by the NFRA.

Neither the Issuer nor any of its affiliates controlled by it or over which it has significant influence shall purchase any Bonds and the Issuer shall not directly or indirectly provide any financing for the purchase of any Bonds, unless in each case the prior written consent of the AMCM thereto shall have been obtained, to the extent such consent is required under

the Capital Regulations, or any successor legislation or regulations made thereunder, or any supervisory guidance issued by the AMCM in relation thereto. This restriction shall not apply to the Issuer or any of its Subsidiaries holding the Bonds in a purely nominee capacity.

In these Conditions:

“**NFRA Redemption Conditions**” means the following conditions precedent to the redemption of the Bonds by the Issuer:

- (i) the Bonds will be substituted with capital instruments of the same or superior quality to the Bonds and such substitution shall only be made at a time at which the Parent Bank (on a consolidated and non-consolidated basis) has a sustainable income generating capability; or
- (ii) the capital position of the Parent Bank (on a consolidated and non-consolidated basis) immediately after redemption of the Bonds will remain significantly higher than the regulatory capital requirements prescribed by the NFRA.

6 PAYMENTS

(a) Method of Payment

- (i) Payments of principal on each Bond shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 6(a)(ii).
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business, on the fifteenth day prior to the due date for payment thereof (the “**Record Date**”). Payments of any amounts on each Bond shall be made in U.S. dollars by transfer to a U.S. dollar account maintained by or on behalf of the relevant holder with a bank in New York City, details of which appear on the Register at the close of business on the Record Date.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of the Bonds represented by such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

*For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of Euroclear, Clearstream or any other clearing system, payments of interest or principal will be made to, or to the order of, the person whose name is entered on the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. Such payment will discharge the Issuer’s obligations in respect of that payment.*

(b) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 and any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) Payment Initiation

Payment instructions (for value the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of payments of principal, if later, on the Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) Delay in Payment

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(e) Business Days

In this Condition 6, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business in New York City, Macau and the city in which the specified office of the Principal Paying Agent is located.

(f) Appointment of Agents

The Principal Paying Agent, the Registrar, the Calculation Agent and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar, the Calculation Agent and the Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Calculation Agent, any Transfer Agent or any other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) a Calculation Agent where the Conditions so require, and (v) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Bondholders by the Issuer.

7 TAXATION AND WITHHOLDING

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Bonds will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, withheld or assessed by or within Macau or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would have been received by them if no such withholding or deduction had been required, provided, however, that no such additional amounts shall be payable in respect of any Bond by the Issuer under the following circumstances:

- (i) to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of its having some connection with Macau other than the mere holding of such Bond; or
- (ii) in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such additional amounts if it had presented such Certificate on the last day of such period of 30 days.

“**Relevant Date**” means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been paid on or prior to such due date, the date on which the full amount has been paid and notice to that effect has been given to the Bondholders.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Bonds by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction in these Conditions, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

For the avoidance of doubt, the Issuer’s obligation to pay additional amounts in respect of taxes, duties, assessments and other governmental charges will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, or interest on the Bonds; provided that the Issuer shall pay all stamp or other taxes, duties, assessments or other governmental charges, if any, which may be imposed by Macau or any political subdivision thereof or any taxing authority thereof or therein, with respect to the issuance of the Bonds.

Any reference to principal or interest with respect to the Bonds will be deemed to include any additional amounts payable by the Issuer in respect of such principal or interest under this Condition 7 or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

There may be Macau tax consequences for investors. Before making an investment decision, persons considering the purchase of the Bonds should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any Bond and how to comply with relevant tax obligations under Macau tax laws. See “Taxation — Macau” in the Offering Circular.

8 ENFORCEMENT EVENT; LIMITED RIGHT OF ACCELERATION

(a) Enforcement Event

- (i) Notwithstanding any other provisions of the Bonds, the Bondholders shall not have any right to declare any payment of principal or interest under the Bonds immediately due and payable other than upon a Winding-Up of the Issuer.
- (ii) If default is made in the payment of any amount of principal or interest in respect of the Bonds on the due date for payment thereof and such failure continues for a period of seven days in the case of principal or 14 days in the case of interest (each, an “**Event of Default**”), the Issuer shall be deemed to be in default under the Trust Deed and the Bonds and then in order to enforce the obligations of the Issuer, the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution (as defined in the Trust Deed), shall (subject to the Trustee in any such case having been indemnified and/or provided with security and/or pre-funded to its satisfaction) institute Winding-Up Proceedings against the Issuer. Any Write-off pursuant to these Conditions will not constitute a default under the Bonds or the Trust Deed.
- (iii) Upon the Winding-Up in respect of the Issuer, the Bonds shall immediately become, due and payable at their principal amount together with accrued interest without further formality, and the Trustee at its sole discretion may and, if so requested in writing by holders of at least 25 per cent. in principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall claim in the Winding-Up of the Issuer.

In these Conditions, “**Winding-Up Proceedings**” means, with respect to the Issuer, proceedings in Macau for the bankruptcy, liquidation, winding-up or other similar proceeding of the Issuer (as applicable).

(b) Enforcement

Without prejudice to Condition 8(a) above, the Trustee may at its discretion and without further notice to the Issuer take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed and the Bonds (other than any payment obligation to the Bondholders under or arising from the Trust Deed or the Bonds) and in no event shall the Issuer be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(c) Entitlement of Trustee

The Trustee shall not be bound to take any of the actions referred to in Condition 8(a) or Condition 8(b) above against the Issuer to enforce the terms of the Trust Deed or the Bonds or any other action under or pursuant to the Trust Deed unless (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) of the holders or in writing by the holders of at least 25 per cent. in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(d) Right of Holders

No holder of any Bond shall be entitled to proceed directly against the Issuer or to institute Winding-Up Proceedings of the Issuer or claim in any Winding-Up of the Issuer unless the Trustee, having become so bound to proceed or being able to claim in such Winding-Up, fails or is unable to do so within a reasonable period and such failure or inability shall be continuing, in which case the holder shall, with respect to the Bonds held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Bonds as set out in this Condition 8.

9 MEETING OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) Meeting of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee, and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding and the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons holding or representing Bonds whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, or to vary the method of calculating the rate of interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the ranking of the Bonds, or (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than $66\frac{2}{3}$ per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Bondholders (whether or not they were present at the meeting at which such resolution was passed). The consent or approval of the Bondholders shall not be required for any variation of the terms of the Bonds so that they remain or, as the case may be, become eligible Tier 2 Capital Instruments pursuant to Condition 5(f), or any Write-off of any principal amount or accrued but unpaid interest to be made in the circumstances described in Condition 3(c).

The Trust Deed provides that (A) a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent shall, in any case, be effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be executed in one or more counterparts, each signed by one or more Bondholders or their representatives. A resolution passed in writing or by Electronic Consent will be binding on all Bondholders whether or not they participated in such written resolution or Electronic Consent.

(b) Modification, Waiver and Authorisation

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions that, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders, and unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable.

(c) Entitlement of the Trustee

In connection with the exercise of its functions, powers, rights and discretions (including but not limited to those referred to in this Condition 9), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee, acting for and on behalf of Bondholders, shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer any indemnification or payment in each case in respect of any tax consequence of any such exercise upon individual Bondholders.

10 PRESCRIPTION

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and will become void unless made within a period of 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

11 CURRENCY INDEMNITY

U.S. dollars is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Trust Deed and the Bonds, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the Winding-Up of the Issuer or otherwise) by the Trustee or any Bondholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first following date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under the Trust Deed or the Bonds, the Issuer shall indemnify it against any liabilities sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 11, it will be sufficient for the Trustee or, as the case may be, the relevant Bondholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute separate and independent obligations from the Issuer's other obligations, shall give rise to separate and independent causes of action, shall apply irrespective of any indulgence granted by the Trustee and/or any Bondholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or any other judgment or order.

Any principal and/or interest referred to in these Conditions shall be construed to include any amounts payable under this Condition 11.

12 NOTICES

Notices to the Bondholders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, a Sunday or a public holiday) after the date of mailing and, so long as the Bonds are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that exchange or a relevant authority so require, published in a daily newspaper having general circulation in the place or places required by those rules. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held by or on behalf of Euroclear or Clearstream or any other clearing system, notices to the Bondholders shall be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for notification as required by the Conditions and such notice shall be deemed to be received by the Bondholders on the date of delivery of such notice to such clearing system.

13 FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing to perform and complete the NDRC Filings) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 13 and consolidated and forming a single series with the Bonds.

14 NOTIFICATION TO THE NDRC

So long as any Bond remains outstanding, the Issuer undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC (the “NDRC”) the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the relevant issue date in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》(國家發展和改革委員會令第56號)) which came into effect on 10 February 2023, and any implementation rules as issued by the NDRC from time to time (each, an “NDRC Filing” (which term for the avoidance of doubt includes the NDRC Post-issue Filing)). The Issuer (a) shall comply with all applicable PRC laws and regulations in connection with the Bonds, (b) shall file or cause to be filed with the NDRC the requisite information and documents in respect of the issue of the Bonds within 10 Registration Business Days after the relevant issue date (the “NDRC Post-issue Filing”) and (c) shall within 10 Registration Business Days after the NDRC Post-issue Filing (i) provide the Trustee with a certificate in English signed by an Authorised Signatory of the Issuer confirming the submission of the NDRC Post-issue Filing and (ii) give notice to the Bondholders in accordance with Condition 12 of the same.

The Trustee may rely conclusively without investigation or verification on such certificate and documents and shall have no duty to monitor or ensure or assist with the completion of the NDRC Post-issue Filing or any other NDRC Filing on or before the relevant deadlines referred to above or to verify the accuracy, content, completeness, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-issue Filing or any other NDRC Filing or any translation or certification thereof or to translate or procure that any document not

in English is translated into English or to verify the accuracy of any English translation of any such document or to give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing or any other NDRC Filing, and shall not be liable to any Bondholder or any other persons for any of the foregoing and for not doing so.

For the purposes of this Condition 14, “**Registration Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for general business in Macau, and “**PRC Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for general business in Beijing.

15 INDEMNIFICATION OF THE TRUSTEE AND OTHER MATTERS

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and/or any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Bondholders or any other person on any report, confirmation or certificate from or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, advice or opinion, in which event such report, confirmation, certificate, advice or opinion shall be binding on the Issuer and the Bondholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

None of the Trustee or the Agents shall have any obligation to monitor whether a Winding-Up of the Issuer or any Event of Default or any event or circumstance in Condition 5 has occurred or may occur, and none of them shall be liable to the Bondholders or any other person for not doing so. Unless and until the Trustee or any Agent has actual written notice, it shall be entitled to assume that no such event or circumstance exists.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

16 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to the Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Registrar or such Transfer Agent may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Trust Deed and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that Condition 3(a) and related provisions of the Trust Deed relating to subordination of the Bonds are governed by, and shall be construed in accordance with, Macau law.

(b) Jurisdiction

The courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with them (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Appointment Service of Process Agent

The Issuer has irrevocably appointed Xiamen International Investment Limited at its registered office for the time being in Hong Kong, currently at 7/F, Chiyu Banking Corporation Limited Building, 78 Des Voeux Road Central, Central, Hong Kong as its agent for service of process in any Proceedings before the Hong Kong courts, and agreed that, in the event of such agent being unable or unwilling for any reason so to act, the Issuer will immediately appoint another person as its agent for service of process in Hong Kong in respect of any Proceedings and will notify the Trustee of such new process agent within 30 days of such agent becoming unable or unwilling for any reason so to act. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Waiver of Immunity

The Issuer further irrevocably agrees that no immunity (to the extent that it may now or hereafter exist, whether on the grounds of sovereignty or otherwise) from any Proceedings or from execution of judgment, or before judgement or otherwise, or other legal process shall be claimed by or on behalf of it or with respect to its assets or revenues, any such immunity being irrevocably waived by the Issuer, and the Issuer irrevocably consents generally in respect of any such Proceedings to the giving of any relief or the issue of any process in connection with any such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such Proceedings.

19 DEFINITIONS

For the purposes of these Conditions:

“Benchmark Rate” means the rate per annum (expressed as a percentage) as determined by the Calculation Agent that is equal to the yield (that represents the average of the daily yields for the week immediately prior to the Calculation Date) derived from the most recently published statistical release designated “H.15” or any successor publication that is published by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the Comparable U.S. Treasury Issue. If there is no Comparable U.S. Treasury Issue with a maturity within three months before or after the Maturity Date, yields for the two published maturities most closely corresponding to the Comparable U.S. Treasury Issue will be determined and the Benchmark Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month. If such release (or any successor release) is not published during the week preceding the Calculation Date or does not contain such yields, “Benchmark Rate” shall mean the rate per annum (expressed as a percentage) equal to the yield to maturity of the Comparable U.S. Treasury Issue, calculated using a price for the Comparable U.S. Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable U.S. Treasury Price for the Calculation Date. If there is no Comparable U.S. Treasury Price for the Calculation Date, “Benchmark Rate” means the rate in per cent. per annum notified by the Calculation Agent to the Issuer and the Bondholders equal to the yield, that represents the average of the daily yields for the week that was last available prior to the Calculation Date, derived from the most recently published statistical release designated “H.15” or any successor publication that is published by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the Comparable U.S. Treasury Issue. If the Benchmark Rate cannot be determined after applying the aforesaid provisions on the Calculation Date, subject to the regulatory requirements (if any), the Bondholders (by way of an Extraordinary Resolution) and the Issuer shall approve any amendments to the Benchmark Rate or determine the principles to be applied in determining any Benchmark Rate;

“Calculation Business Day” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks in New York City, London, Hong Kong and Macau are open for business;

“Calculation Date” means, for the purpose of calculating the Reset Interest Rate, the third Calculation Business Day prior to the Reset Date;

“Call Date” has the meaning given to it in Condition 5(e);

“Comparable U.S. Treasury Issue” means the U.S. Treasury security selected by the Issuer as having a maturity of five years that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of five years

“**Comparable U.S. Treasury Price**” means, with respect to the Calculation Date, the average of three Reference U.S. Treasury Dealer Quotations for the Calculation Date;

“**Extraordinary Resolution**” has the meaning given to it in the Trust Deed;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**NFRA**” means the National Financial Regulatory Administration (國家金融監督管理總局) (which was formed on the basis of the former China Banking and Insurance Regulatory Commission in March 2023) or the China banking regulatory authorities of the State Council or any successor entity, including their respective local counterparts;

“**PRC**” means the People’s Republic of China, excluding, for purpose of these Conditions only, Hong Kong, Macau and Taiwan;

“**Redemption Notice**” means, in respect of any exercise by the Issuer of its redemption option, the redemption notice to be given by the Issuer to the Bondholders in accordance with these Conditions;

“**Reference U.S. Treasury Dealer**” means each of the three nationally recognised investment banking firms selected by the Issuer that are primary U.S. Government securities dealers and notified in writing to the Trustee and the Calculation Agent;

“**Reference U.S. Treasury Dealer Quotations**” means, with respect to each Reference U.S. Treasury Dealer and the Calculation Date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable U.S. Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer by such Reference Treasury Dealer at or around 5.00 p.m. (New York City time) on the Calculation Date;

“**Reset Date**” has the meaning given to it in Condition 4(b);

“**Reset Interest Rate**” means the interest rate per annum equal to the sum of the Benchmark Rate with respect to the Reset Date plus the Spread;

“**Spread**” means 3.011 per cent; and

“**Subsidiary**” of a person means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of that person.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate contains certain provisions which apply to the Bonds whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in this section. Summaries of some of those provisions are set out below.

The Existing Bonds are initially (and the Additional Bonds will initially be) represented by a Global Certificate registered in the name of the nominee of, and deposited with, the common depository of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, promises to pay such principal sum to the Bondholder on such date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system (an “**Alternative Clearing System**”) through which the Bonds are cleared is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

In addition, the Global Certificate contains provisions which modify the Conditions as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

PAYMENT: For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of Euroclear or Clearstream, payments made in respect of the Global Certificate will be made to or to the order of the person whose name is entered on the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. Such payment will discharge the Issuer’s obligations in respect of that payment.

NOTICES: So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of Euroclear, Clearstream or any Alternative Clearing System, notices to the Bondholders shall be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System for communication by it to entitled account holders in substitution for notification as required by the Conditions and such notice shall be deemed to be received by the Bondholders on the date of delivery of such notice to the relevant clearing system(s).

MEETINGS: For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.\$1,000 in principal amount of Bonds for which the Global Certificate is issued.

ISSUER'S REDEMPTION: The options of the Issuer provided for in Conditions 5(b), 5(c), 5(d) and 5(e) of the Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the relevant Condition.

TRANSFERS: Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective accountholders in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

CANCELLATION: Cancellation of any Bond represented by the Global Certificate following its redemption or purchase by the Issuer and its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in Schedule A of the Global Certificate.

WRITE-OFF: If a Write-off occurs at such time as the Bonds are represented by the Global Certificate, such Write-off will be reflected as a reduction in the aggregate principal amount of the Global Certificate and, unless the Issuer determines otherwise (acting in good faith and having regard to the rules and procedures of either Euroclear or Clearstream or any Alternative Clearing System, as the case may be), the principal amount standing to the account of each accountholder shall correspondingly be reduced on a pro rata basis to the extent practicable. Any excess portion of the principal amount held thereafter by an accountholder that is not wholly divisible into the then adjusted Calculation Amount shall, other than for the purposes of the redemption of the Bonds or determining a Bondholder's rights in a Winding-Up of the Issuer, be disregarded.

USE OF PROCEEDS

The net proceeds from the issue of the Additional Bonds are estimated to be approximately U.S.\$149,000,000 excluding the accrued interest from (and including) 29 November 2023 to (but excluding) the New Issue Date and after deducting underwriting commissions and other estimated expenses payable in connection with the offering of the Additional Bonds. The Bank intends to use the net proceeds from the issue of the Additional Bonds to replenish the Bank's Tier 2 Capital in accordance with the applicable laws and regulatory approvals.

CAPITALISATION

As at the date of this Offering Circular, the Bank has an issued and fully paid share capital of 2,610,000 ordinary shares of MOP1,000 each.

The following table sets out the Bank's total indebtedness and total capitalisation as at 31 December 2022 and as adjusted for the issue of the Bonds:

	As at 31 December 2022	
	Actual	As Adjusted
	<i>Audited</i>	
	<i>(MOP'000)</i>	
Indebtedness:		
Amount due to banks and other financial institutions	31,773,100	31,773,100
Financial liabilities at fair value through profit or loss	13,148	13,148
Repurchase agreements	21,023,654	21,023,654
Derivative financial liabilities	18,769	18,769
Customer deposits	162,549,441	162,549,441
Other liabilities	1,385,656	1,385,656
Debt securities issued	5,773,107	5,773,107
Current tax liabilities	141,502	141,502
Existing Bonds issued ⁽¹⁾	—	2,248,624
Additional Bonds to be issued ⁽²⁾	—	1,204,620
Total Indebtedness	222,678,377	226,131,621
Equity		
Share capital	2,610,000	2,610,000
Retained earnings	1,918,825	1,918,825
Additional equity instruments	5,773,177	5,773,177
Other reserves	8,009,142	8,009,142
Total equity	18,311,144	18,311,144
Total capitalisation ⁽³⁾	240,989,521	244,442,765

⁽¹⁾ On 29 November 2023, the Issuer issued an aggregate principal amount of the Existing Bonds of U.S.\$280,000,000 (representing approximately MOP2,248,624,000 translated at the exchange rate of MOP8.0308 to U.S.\$1.00, being the average of the buying and selling rates of the opening indicative counter exchange rate published by the AMCM as at 31 December 2022).

⁽²⁾ The aggregate principal amount of the Additional Bonds of U.S.\$150,000,000 (representing approximately MOP1,204,620,000 translated at the exchange rate of MOP8.0308 to U.S.\$1.00, being the average of the buying and selling rates of the opening indicative counter exchange rate published by the AMCM as at 31 December 2022).

⁽³⁾ Total capitalisation equals the sum of total indebtedness and total equity.

There has been no material change in the Bank's total indebtedness and total capitalisation since 31 December 2022.

THE PARENT BANK

This section has been included to provide investors with information in relation to XIB in the context of the determination of a Non-Viability Trigger Event and the satisfaction of the NFRA Redemption Conditions only. The Bonds do not contain and are not subject to any form of guarantee, credit or other support from XIB.

The information included in this Offering Circular regarding the Parent Bank (including but not limited to the financial information and capital adequacy ratios set out below) is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. Investors are cautioned against placing undue reliance on the selected financial information of the Parent Bank disclosed in this Offering Circular since none of such information has been subject to any audit or review by the Parent Bank's auditors and there is no assurance that such unaudited and unreviewed financial information has the same quality as the information that has been subject to an audit or review. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them has independently verified such information. No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates or representatives or any person who controls any of them as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.

Xiamen International Bank Co. Ltd (“XIB” or the “Parent Bank”), the parent of the Issuer, was established on 31 August 1985 and is headquartered in Xiamen. It was China’s first Sino-foreign joint venture bank. In 2013, it was converted from a limited liability company to a joint stock limited company and was restructured from a Sino-foreign joint venture bank to a Chinese-funded commercial bank.

Having operated for more than thirty-five years since its establishment, XIB looks to continue to develop its business through reform and innovation, so as to provide customers with high-quality services. XIB continues to ascend the ranks on The Banker’s list of “Top 1000 World Banks”, ranking 154th in terms of assets and 160th in terms of Tier 1 capital in 2023. The Bank was also selected as one of the top 200 global banks by The Banker for seven consecutive years from 2017 to 2023. XIB has subsidiaries in Hong Kong and Macau: Xiamen International Investment Limited (Hong Kong), Chiyu Banking Corporation Limited and Luso International Banking Ltd. As at the date of this Offering Circular, Chiyu Banking Corporation Limited has in Hong Kong 24 branches and subsidiaries such as Chiyu International Capital Co., Ltd. and Chiyu Asset Management Co., Ltd. and established seven subsidiaries in places such as Shenzhen, Fuzhou and Xiamen and a fintech subsidiary in Shenzhen. As at the date of this Offering Circular, in Mainland China, XIB has over 80 branches and sub-branches in Beijing, Shanghai, Zhuhai, Xiamen, Fuzhou, Ningde, Longyan, Quanzhou, Zhangzhou, Putian, Sanming and Nanping. Altogether, the bank has over 140 domestic and overseas outlets as at the date of this Offering Circular, and the branch network continues to grow.

BUSINESS OVERVIEW

XIB, together with its subsidiaries, provides various personal and corporate banking products and services. It offers current, fixed, personal, fixed-current linked, personal call, fixed term, corporate call, agreement term, foreign currency, non-resident account, and structured deposits. The bank also provides various personal loans; short-term, trade, project, real estate, guaranteed, and offshore/onshore integrated financing services; loans for small enterprises; and syndicated loans, as well as wealth management, foreign exchange, and financial services. In addition, it offers settlement, fund transaction, financial consultation and advisory, investment banking, and cash management services, as well as entrusted loans; and interbank financing and investment, and bond and derivatives trading services, as well as Internet and mobile banking services.

SELECTED FINANCIAL INFORMATION AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2023¹

For the six months ended 30 June 2023, the consolidated operating income of XIB and its subsidiaries (“**XIB Group**”) amounted to RMB7,129,307,054, as compared to RMB8,563,094,851 for the same period in 2022, representing a decrease of 16.74 per cent. Net profit for the six months ended 30 June 2023 amounted to RMB2,456,385,871, as compared to RMB3,001,024,768 for the same period in 2022, representing a decrease of 18.15 per cent.

As at 30 June 2023, the total assets of XIB Group amounted to RMB1,132,997,827,362, as compared to RMB1,088,114,634,059 as at 31 December 2022, representing an increase of 4.12 per cent. As at 30 June 2023, the total liabilities of XIB Group amounted to RMB1,042,611,832,689, as compared to RMB1,001,955,077,726 as at 31 December 2022, representing an increase of 4.06 per cent. As at 30 June 2023, net interest margin was 1.02 per cent., as compared to 1.50 per cent. as at 30 June 2022.

As at 30 June 2023, the liquidity ratio of XIB Group was 110.02 per cent., as compared to 110.59 per cent. as at 31 December 2022. The loan to deposit ratio as at 30 June 2023 was 87.77 per cent., as compared to 86.03 per cent. as at 31 December 2022. As at 30 June 2023, provision coverage of impaired loans amounted to 140.16 per cent., as compared with 168.42 per cent. as at 31 December 2022. As at 30 June 2023 and 31 December 2022, XIB Group’s non-performing loan ratio was 1.51 per cent. and 1.26 per cent., respectively, whereas its capital adequacy ratio was 11.79 per cent. and 11.69 per cent., respectively. T1 adequacy ratio of the Parent Bank as at 30 June 2023 was 10.69 per cent. and as at 31 December 2022 was 10.35 per cent. CET1 adequacy ratio of the Parent Bank for as at 30 June 2023 was 9.38 per cent. and as at 31 December 2022 was 9.03 per cent.

¹ The above selected financial information are calculated in accordance with the related regulatory requirements, definitions and accounting standards applicable to the relevant period and based on the financial information prepared in accordance with the Generally Accepted Accounting Principles in the PRC (the “**PRC GAAP**”).

BUSINESS OF THE BANK

INTRODUCTION

The Bank is a full service bank which operates primarily in Macau. As at the date of this Offering Circular, the Bank had an established network comprising a head office and a total of 14 branches and 3 24-hour e-banking centres in Macau, two branches located in Guangzhou and Hangzhou of the PRC and four sub-branches in Foshan, Dongguan, Huizhou and the Guangdong-Macau In-Depth Cooperation Zone in Hengqin of the PRC.

The Bank provides a wide range of banking and related financial services to retail and corporate customers in Macau. The Bank operates through three segments: Personal Banking, Commercial Banking, and Financial Markets Services. It offers savings, current, and fixed deposit accounts; credit cards; precious metals; mortgages and loans; commercial financing, SME financing, commercial mortgage loan and other loans; securities trading, foreign exchange, investment funds, and other trading services; and life, accident and medical insurance, travel, property, and liability insurance products, as well as Internet, mobile, and phone banking services. The Bank is also engaged in financial markets services, which includes its proprietary trading platform and investments businesses.

Since its inception in 1974, the Bank has expanded steadily and believes that it has successfully established itself as a reliable and prudent bank in Macau. The Bank was listed as a Top 500 bank in *Yazhou Zhoukan* (“亞洲週刊”) ‘Asia Weekly’ in 1995 and was the first financial institution in Macau to receive an ISO9002 certification for its billings business. In addition, the Bank also ranked No. 3 in terms of total assets scale in the banking industry in Macau as at 31 December 2022, according to the Official Gazette of Macau. The Bank has also been rated by The China Lianhe Credit Rating Co., Ltd. a rating of "AAA" and the rating is expected to remain "stable". The Bank was also ranked 154th out of the Top 1,000 world banks by *The Banker* in 2022 (four places higher than in 2021). In terms of first-tier capital, the Bank was also ranked 160th globally in 2022, which was 20 places higher than in 2021, and ranked 8th among the city commercial banks in China. The Bank enjoys long-standing relationships with many of its key customers and believes that it possesses a strong and stable deposit base.

The Bank has been fully supporting the Macau community over the years. Amid the pandemic, in response to the recommendation of the Macau government, the Bank implemented the “Financial Relief Measures” to help small and medium enterprises overcome the obstacles arising out of the pandemic. To provide continuous support to these small and medium enterprises, the Bank signed a strategic agreement with them and assist them with financial support. With its achievements over the years, the Bank was awarded *Medalha de Mérito Industrial e Comercial* by the Macau government in 2019. In 2022, the Bank was also awarded the “Issuance Contribution Award” and the “Underwriting Contribution Award” by MCSA, which demonstrates its substantial contribution to the Macau community.

As at 31 December 2020, 2021 and 2022, the Bank’s total assets were MOP224,306 million, MOP238,258 million and MOP240,990 million, respectively, and total liabilities and capital resources amounted to MOP224,306 million, MOP238,258 million and MOP240,990 million, respectively. As of the same dates, the Bank’s total deposits amounted to MOP171,070 million, MOP171,652 million and MOP170,275 million, respectively, and gross loans and advances amounted to MOP120,787 million, MOP125,366 million and MOP127,351 million, respectively. Overall, the average annual increase in total assets of the Bank is over 56 per cent. over the past two decades.

For the years ended 31 December 2020, 2021 and 2022, the Bank recorded profit for the year of MOP1,875 million, MOP1,960 million and MOP1,800 million, respectively.

As at 31 December 2020, 2021 and 2022, the Bank’s core capital ratio was 7.78 per cent., 7.37 per cent. and 7.55 per cent., and total capital adequacy ratio was 13.61 per cent., 13.62 per cent. and 14.67 per cent., respectively.

For the years ended 31 December 2020, 2021 and 2022, the Bank achieved return on average total assets of 0.87 per cent., 0.85 per cent. and 0.75 per cent., respectively, and return on average shareholder’s equity of 14.93 per cent., 13.65 per cent. and 11.56 per cent., respectively. See “*Summary Financial and Other Information — Other Selected Financial Data*”.

HISTORY AND MILESTONES OF THE BANK

The Bank was established and registered in Macau in 1974. In 1985, the Bank became a wholly-owned subsidiary of XIB, the first Sino-foreign joint-ventured bank in China. The Bank receives extensive support from XIB, its largest shareholder, in terms of client resources, funding, settlement and information technology. The significant collaboration between the Bank and XIB has enabled the Bank to capture opportunities of the fast growing economy of Macau and also expand its customer base and jurisdictions in which it operates, capturing emerging business opportunities in the PRC and overseas markets.

In 2015, the Bank introduced new shareholders and doubled the size of its capital base twice in order to raise the standards of corporate governance and to better implement strategic plans.

The Bank has also looked to actively develop its business in the PRC. After being the first Macau bank to set up a representative office in the Hengqin Special Economic Zone of Zhuhai in the PRC in 2014, the Bank also established its first PRC branch in Guangzhou in March 2017 and the second PRC branch in Hangzhou in September 2019. The Bank also set up three sub-branches in Foshan, Dongguan and Huizhou between 2018 and 2020 successively. In October 2021, the Bank’s sub-branch in Guangdong-Macau In-Depth Cooperation Zone in Hengqin officially opened, becoming the first Macau-funded bank to commence business in the zone.

As of the end of December 2022, the deposit and total assets of the Bank ranked as among the top three among 33 banks in Macau.

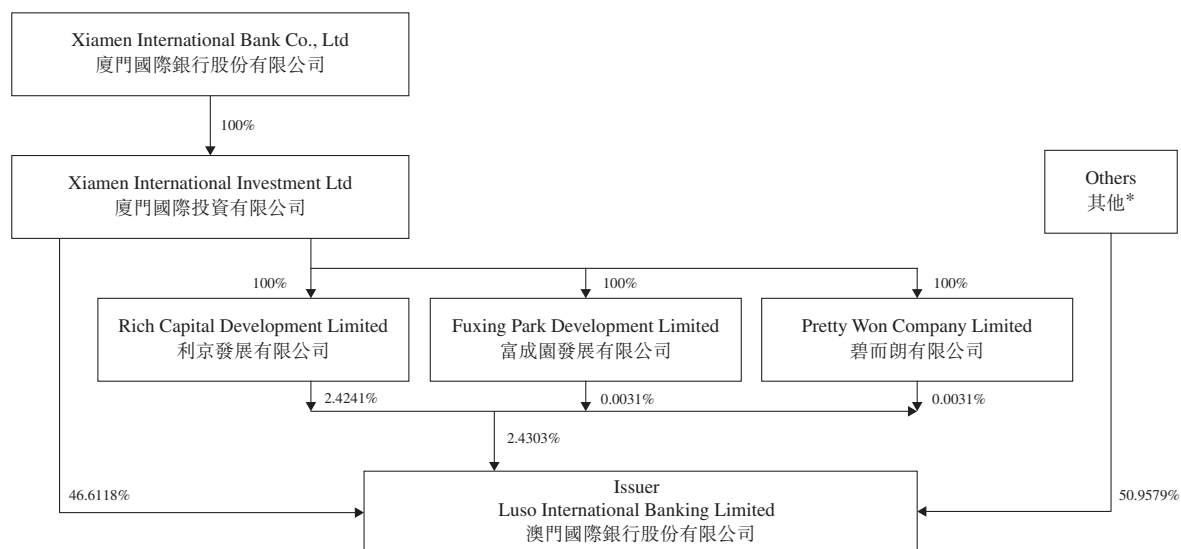
Set out below are the history and key milestones of the Bank:

Date	Milestone
1974	The Bank is established and registered in Macau.
1985	The Bank becomes a subsidiary and member of the Xiamen International Bank group.
1988	The Bank issues its first Visa and Mastercard credit cards.
1995	The Bank becomes listed as a Top 500 bank in Yazhou Zhoukan ‘Asia Weekly’.
1997	The Bank becomes the first financial institution in Macau to receive an ISO9002 certification for its billings business.
2006	The Bank launches its UnionPay debit card product.
2014	The Bank becomes the first Macau bank to set up a representative office in the Hengqin Special Economic Zone of Zhuhai in the PRC.
2015	The Bank doubles the capital size by introducing new shareholders. Shares being held by local investors accounted for 51 per cent. after the raise in capital of the Bank.
2017	The Bank establishes the Guangzhou branch, its first branch Mainland China.

Date	Milestone
2018	The Bank establishes its first and second sub-branches in Foshan and Dongguan.
2019	The Bank establishes its second branch in Mainland China in Hangzhou and was awarded the Industrial and Commercial Medal of Merit by the government of Macau SAR.
2020	The Bank establishes the third sub-branch in Huizhou.
2021	The Bank establishes the fourth sub-branch in the Guangdong-Macau In-Depth Cooperation Zone in Hengqin.
2022	The Bank is recognised by MCSA with the "Issuance Contribution Award" and Underwriting Contribution Award" for the Macau bond market. The Bank's newly elected board of directors and supervisory board officially takes office with the approval from the Monetary Authority of Macao.
2023	The Bank becomes the first bank in Macau to obtain a qualified foreign institutional investor qualification. The construction of Luso International Bank Building in Guangzhou commenced.

CORPORATE STRUCTURE

The chart below illustrates the corporate structure of the Bank as at 31 December 2022:



Note:

* Other shareholders consist of shares awarded to employees and also 41 Hong Kong and Macau investors, of which each does not, directly or indirectly, hold more than 6 per cent. shareholding of the Bank.

Xiamen International Bank

XIB was established on 31 August 1985 and is headquartered in Xiamen. It was China's first Sino-foreign joint venture bank. In 2013, it was converted from a limited liability company to a joint stock limited company and was restructured from a Sino-foreign joint venture bank to a Chinese-funded commercial bank.

XIB, together with its subsidiaries, provides various personal and corporate banking products and services. Having operated for more than thirty-five years since its establishment, XIB looks to continue to develop its business through reform and innovation, and to provide customers with high-quality services. XIB continues to ascend the ranks on The Banker's list of "Top 1000 World Banks", ranking 154th in terms of assets and 160th in terms of Tier 1 capital in 2023. The Bank was also selected as one of the top 200 global banks by The Banker for seven consecutive years from 2017 to 2023. XIB has subsidiaries in Hong Kong: Xiamen International Investment Limited (Hong Kong) and Chiyu Banking Corporation Limited ("**Chiyu Bank**"). As at the date of this Offering Circular, Chiyu Banking Corporation Limited has in Hong Kong 24 branches and subsidiaries such as Chiyu International Capital Co., Ltd. and Chiyu Asset Management Co., Ltd. and established seven subsidiaries in places such as Shenzhen, Fuzhou and Xiamen and a fintech subsidiary in Shenzhen. As at the date of this Offering Circular, in Mainland China, XIB has over 80 branches and sub-branches in Beijing, Shanghai, Zhuhai, Xiamen, Fuzhou, Ningde, Longyan, Quanzhou, Zhangzhou, Putian, Sanming and Nanping. Altogether, the bank has over 140 domestic and overseas outlets as at the date of this Offering Circular, and the branch network continues to grow.

RECENT DEVELOPMENTS

Redemption of the 7 December Bonds (as defined below)

On 11 December 2023, the Issuer has redeemed its outstanding HKD1,668,000,000 8.00 per cent. undated additional tier 1 supplementary capital bonds issued on 7 December 2018 (the "**7 December Bonds**").

Intention to redeem the 21 December Bonds (as defined below)

On 23 November 2023, the Issuer has notified the relevant bondholders of its intention to redeem on 28 December 2023 its outstanding HKD582,000,000 8.00 per cent. undated additional tier 1 supplementary capital bonds issued on 21 December 2018 (the "**21 December Bonds**").

Financial Performance for the Six Months Ended 30 June 2023

On 29 September 2023, the Bank published its unaudited and unreviewed financial results as at and for the six months ended 30 June 2023 (the "**June 2023 Financial Information**"). The June 2023 Financial Information have been prepared and presented on a basis consistent with the applicable rules and regulations in Macau and have not been audited or reviewed by independent auditors. Investors are cautioned against placing undue reliance on any information disclosed in the June 2023 Financial Information since none of such information has been subject to any audit or review by the Bank's auditors and there is no assurance that such unaudited and unreviewed financial information has the same quality as the information that has been subject to an audit or review. The June 2023 Financial Information should not be taken as indicative of the Bank's financial results for the full year ending 31 December 2023.

As at 30 June 2023, the Bank's cash and balances with banks decreased as compared with 31 December 2022, primarily due to the arrangement of funds for the Bank's short term needs. As at 30 June 2023, the Bank's deposits with local regulatory authority decreased and the Bank's deposits with the central bank in Mainland China increased as compared with 31 December 2022, primarily due to a decrease in customer deposits in the Bank's Macau headquarter, and an increase in customer deposits in the Bank's Mainland China branch. As at 30 June 2023, placements with banks and other financial institutions increased significantly, while there is a significant reduction in financial assets purchased under resale agreements and derivative financial assets decreased significantly. As at 30 June 2023, the Bank's other assets increased significantly as compared with 31 December 2022, primarily due to a significant increase in account receivables and cheque receivables. As at 30 June 2023, there is a substantial increase in the amount of the Bank's derivative financial liabilities as

compared with 31 December 2022. As at 30 June 2023, the Bank's current tax liabilities increased as compared with 31 December 2022, which reflected the Bank's income tax liabilities accrued in 2022. The Bank's consolidated total assets and consolidated total liabilities remained at a stable level as at 30 June 2023 as compared with 31 December 2022.

For the six months ended 30 June 2023, although the Bank's interest income increased, its interest expense also increased significantly due to increases in the Federal Funds Rate during the first half of 2023, resulting in a decrease in its net interest income, as compared with the corresponding period in 2022. For the six months ended 30 June 2023, the Bank's net trading gain decreased, contributing to a decrease in operating income as compared with the corresponding period in 2022. For the six months ended 30 June 2023, the amount of Mainland China withholding tax payable increased as compared with the corresponding period in 2022. For the six months ended 30 June 2023, the Bank recorded a net reversal of impairment losses on loans and advances to customers and other financial instrument as compared to the corresponding period in 2022, primarily due to the Bank's strengthened risk management process, including the disposal of non-performing loans in the first half of 2023. Meanwhile, the Bank also adjusted the parameters of its expected credit loss to a more optimistic level on the basis that Macau has witnessed a significant improvement and recovery in the economy during the first half of 2023. As the Bank's profit before tax and profit for the period decreased as compared with the corresponding period in 2022, the Bank's income tax expenses decreased significantly as compared with the corresponding period in 2022. As at 30 June 2023, the Bank's non-performance loan ratio was 1.49 per cent., representing an increase of 0.11 per cent. from 31 December 2022. The Bank's capital adequacy ratio was 14.89 per cent. as at 30 June 2023.

For the six months ended 30 June 2023, the Bank's currency translation difference increased as compared with the corresponding period in 2022, primarily due to the depreciation of Renminbi. For the six months ended 30 June 2023, the Bank's other comprehensive loss for the period, net of tax decreased as compared with the corresponding period in 2022, primarily due to the decrease in net fair value loss during the period. Overall, the Bank's total comprehensive income for the six months ended 30 June 2022 increased as compared with the corresponding period in 2022.

For the six months ended 30 June 2023, the net cash outflow from operating activities has decreased as compared with the corresponding period in 2022. The net cash outflow from investing activities has remained stable for the six months ended 30 June 2023 as compared with the corresponding period in 2022. There has been a significant increase in net cash inflow from financing activities for the six months ended 30 June 2023 as compared with the corresponding period in 2022, primarily due to the issuance of certificates of deposit and interbank deposits. Overall, the cash and cash equivalents as at 30 June 2023 has increased significantly as compared with the corresponding period in 2022.

The June 2023 Financial Information, as set out on pages 3 to 6 (inclusive) and page 9 of the disclosure of financial information of the Bank for the six months ended 30 June 2023, is available at <https://www.lusobank.com.mo/libtc/attachDir/2023/09/2023092916274918613.pdf> and is incorporated by reference into this Offering Circular.

None of the Joint Lead Manager, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, affiliates and representatives or any person who controls any of them makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to any financial information in the June 2023 Financial Information or the sufficiency of such financial information for an assessment of the Issuer's financial condition or results of operations.

COMPETITIVE STRENGTHS

The Bank believes that the following factors contribute to its strong competitive position:

The Bank is a local commercial bank in Macau backed by a long history and loyal customer base

Established in 1974, the Bank is one of the oldest local banks in Macau and enjoys strong brand recognition within Macau. The Bank has also developed a strong reputation as a customer-centric bank marrying professional and tailor-made financial solutions with an attentive service to customers. The Bank's business lines of personal banking business and corporate banking business have been providing dependable banking services including corporate loans, deposit taking, foreign currency savings, remittances, investment services, home mortgage loans, personal loans, credit cards, safe deposit boxes, personal Renminbi services, internet banking services and agency services for general and life insurance. As a result of the Bank's broad range of offerings and its long history of providing high quality and tailored service, the Bank possesses a solid pool of loyal customers across Macau and overseas Chinese communities.

Strong support from Xiamen International Bank as a key shareholder providing ability to leverage their resources and networks for growth

A key strength of the Bank is the strong support from its shareholder, XIB, which provides the Bank with access to a large network and additional business opportunities. The Bank intends to establish a strong competitive advantage founded on close connections and synergies with XIB and its subsidiaries. The market influence of the XIB group has successfully extended from the Mainland China, in particular, in the Fujian province and the Greater Bay Area (大灣區), to Macau and Hong Kong. This is evidenced by the extensive network created by both XIB in Xiamen and the PRC and Chiyu Bank in Hong Kong. With this extensive network, the Bank can provide a full range of cross-border financial services to its customers and the cross-border business.

In particular, the Bank will be the core financial service platform of XIB group in Macau and overseas, and will play a key role in creating synergies among its banking services and other financial services provided by other members of the XIB group. The Bank is expected to receive strong support from XIB in terms of financial, managerial, business network, technology, information and experience sharing aspects, and the Bank aims to develop an integrated financial service model, with banking services remaining its core business and supported by other product lines. Through these new support networks and its existing expertise in the Macau and overseas markets, the Bank intends to become the principal hub of the XIB group in both Macau and overseas.

In addition, as a result of the Bank's strong roots and track-record in Macau, along with the support from XIB, the Bank has established a comprehensive service network in Macau as well as a developing network in the Greater Bay Area and the Yangtze River Delta Economic Belt of the PRC. The Bank has strategically entered the markets of Guangzhou, Hangzhou, Dongguan, Foshan, Huizhou and the Guangdong-Macau In-Depth Cooperation Zone in Hengqin in the PRC, and is well positioned to serve other key strategic areas in the future.

An experienced management team with extensive knowledge and regulatory background

The Bank is led by a highly experienced management team that has overseen the Bank's development. The Bank's management team has extensive operating experience and an in-depth understanding of the banking industry. The Bank places strong emphasis on the quality of its management, both at a senior level and at an operational level within the Bank, and continuously seeks to attract skilled professionals to enhance its business and operations. The Bank's operations are managed by executives with extensive industry experience and a proven track record in the banking industry and relevant regulatory bodies.

The Bank also adopts a simple and flat management structure which looks to foster high efficiency and flexibility in organisation and decision making. The Bank's management therefore has great managerial control directly over its key assets and businesses, which allows management to exercise management control efficiently and effectively, and ensures that the strategic direction of each of the Bank's businesses can be monitored and aligned. Strategic decisions can also be taken efficiently, resulting in potential first-mover advantages as well as operational cost savings through management synergies.

The Bank's experienced management team has also fostered a strong corporate culture within the employees of the Bank, as well as a variety of incentive and benefits schemes to benefit employees of the Bank. Since 2015, the Bank has been offering Employee Shares Ownership Plan for all staff of supervisor grade or above. Currently over 75 per cent. of supervisor and management staff are holding shares, accounted for 2.5 per cent., of shares of the Bank. Employee deposits and loans have also increased steadily. The Bank believes the Employee Shares Ownership Plan, incentive and benefits schemes can promote morale of employees and align their interest with the Bank's.

Solid capital base and superior asset quality

The Bank has demonstrated a strong capital base with total capital adequacy ratios of 13.61 per cent., 13.62 per cent. and 14.67 per cent. as at 31 December 2020, 2021 and 2022, as compared to the statutory minimum requirement of 8.0 per cent.

For the years ended 31 December 2020, 2021 and 2022, the Bank's non-performing loan ratios were 0.39 per cent., 0.49 per cent. and 1.38 per cent., respectively.

The Bank also maintains high liquidity solvency ratios. For the years ended 31 December 2020, 2021 and 2022, the Bank's liquidity solvency ratios were 41.15 per cent., 33.45 per cent. and 39.34 per cent., respectively, which were significantly higher than the regulatory requirements of 30 per cent. for all three years.

Having maintained strong fundamentals over the years, as shown in its very strong capital ratios as compared to local peers, as well as its conservative liquidity profile, the Bank is well-positioned to maintain profitability and weather through economic downturns.

The Bank has developed a prudent risk management framework and culture with good corporate governance

The Bank, as a financial institution in Macau, is subject to the supervision of and regulatory requirements imposed by the AMCM. In addition, the Bank's operations in the PRC are subject to the supervision and regulatory requirements imposed by the NFRA in the PRC. These regulatory authorities promulgate requirements governing the Bank's business in various aspects, such as capital adequacy, anti-money laundering, entry into certain markets, periodic reporting and filing and other requirements and safeguarding the health and stability of the Bank's risk management.

As such, the Bank has adopted, and continues to progressively develop a prudent risk framework and culture, adhering to the principles of good governance and compliance. The Bank's board of directors is responsible for outlining and developing the Bank's risk management strategy and policies, with a particular focus on risk assessment. The Bank's board of directors also performs important supervisory functions against the Bank's senior management. The Bank's board of directors has established a number of committees to monitor and assess the Bank's risk management framework, including its strategic committee, connected transactions and audit committee and risk management committee. In addition, the Bank's senior management has also developed a wide range of committees in executing the Bank's risk management policies, including its assets and liabilities management committee, anti-money laundering committee, technology development committee and credit committee, in relation to asset and liability management and the monitoring of anti-money laundering, technology development and credit management functions.

The Bank adopts internal risk assessment models to measure, supervise and control potential risks. It also conducts periodic reviews of its risk management policies and procedures in order to accommodate the changes in market risks faced by the Bank and its business strategies. The Bank's risk management capabilities are further supported by its association with the XIB Bank and its robust and comprehensive approach to risk management. The provision coverage of impaired loans and advances of the Bank as at 31 December 2022 was 108.31 per cent.

As at 31 December 2022, the Bank had more than 185 employees across its risk management department, risk assessment department, legal and compliance department and management internal control department. For further information, see "*Risk Management*".

STRATEGIES

The Bank's long-term strategy is based on the following principles and initiatives:

To capitalise on the strategic developments and initiatives of the PRC government in relation to the Greater Bay Area of Guangdong, Macau and Hong Kong

The PRC government has, in its various policy initiatives, sought a series of initiatives and policies to develop the Greater Bay Area in the PRC, which comprises of Guangdong province, Macau and Hong Kong. In particular, in March 2017, Chinese Premier Li Keqiang announced a plan for the "**development of a city cluster in the Guangdong-Hong Kong-Macau Greater Bay Area**". In February 2019, the Central Committee of the Communist Party of China and the State Council issued the Outline of Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. The 56,500 square kilometre Greater Bay Area encompasses 11 cities — Hong Kong, Macau, Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing.

The Bank, in response to this initiative, is looking to strategically leverage its existing expertise and profile in Macau to benefit from this initiative. In particular, the Bank has established its first PRC branch in Guangzhou and four sub-branches in other cities of the Great Bay Area, with the goal of leveraging and utilising the Closer Economic Partnership Arrangement between Macau and the PRC to develop the market in Guangdong province. With the 5th Five-Year Plan of XIB which has begun in 2021, the Bank will continue to take advantage of the dual-market driver with opportunities arising inside and out of Macau and explore the possibilities of operating with multi-licences providing a variety of services. The Bank will continue to expand based on its hub and spoke strategy, with its Guangzhou branch as its focal point for broader opportunities in the Greater Bay region.

Leverage XIB's capabilities and network in the PRC and to maintain the Bank's position as the "Flagship Bank" of Xiamen International Bank in Macau

The Bank has been leveraging, and will continue to leverage, the strong support, network and resources of its key shareholders to identify, capture and exploit opportunities for growth. In terms of overall strategy, the Bank seeks to utilise its cooperation with XIB to further develop its business in the Greater Bay Area, and assist the wider XIB group in expanding its market share and product offering in Macau. The Bank intends to integrate its strong existing business with XIB's network in the PRC and Chiyu Bank's network in Hong Kong.

Additionally, the Bank also intends to deepen its presence in other cities in the PRC. Through providing services for investment and trading activities of Macau and Fujian along the Maritime Silk Road and with other Portuguese-speaking countries, the Bank is looking to unleash the potential of Macau's position and capitalise on the opportunities brought about by the Belt-and-Road Initiative, thereby connecting Fujian with Portuguese-speaking countries for economic and trading opportunities. Notably, a strategic cooperation agreement was signed among XIB, Chiyu Bank, the Bank and Chongwa (Macao) Financial Asset Exchange Co., Ltd. to promote the connection between Macau and Fujian. In terms of the Yangtze Delta, the Bank set up a sub-branch in Hangzhou in 2019.

Last not but not least, the Bank also intends to leverage on the geographical advantage of the Chengdu-Chongqing economic zone, which is growing to become “The Fourth Pole” of the PRC. In response to the Open Up West Program supported by the PRC government, it is also the Bank’s strategy to actively explore opportunities around the Chengdu-Chongqing economic zone.

XIB’s strong product portfolio, expertise and presence in the private enterprise sector and opportunities arising from private enterprises looking to make outbound investments from the PRC through Hong Kong and Macau are particular focuses in this respect. The Bank will also effectively utilise the existing infrastructure of XIB across a wide range of sectors and markets, customer network and human capital to exploit future opportunities for growth.

Develop a balanced corporate and personal banking business portfolio

The Bank implements its strategy in Macau and the PRC by continuing to broaden its product range, upgrading product features and exploring new market opportunities. With the aim of developing a balanced corporate and personal banking business portfolio, the Bank’s personal wealth management and asset management business, targeting mid to high-end customers with high net worth and cross-border asset allocation needs, will be the focus of the Bank’s core business development in the near future. The Bank will also further develop its corporate banking business, targeting mid to large corporations with high cross-border business needs and small and medium enterprises (“SMEs”) with high growth potential, enhancing its commercial lending, commercial remittance and trade finance services.

The Bank will look to implement market-oriented and international management strategies to achieve the development of a balanced corporate and personal banking portfolio — with particular areas of focus including increasing brand marketing, integration and customer demand. Synergies are also expected through the close cooperation with XIB and its subsidiaries.

To further invest in information technology and financial technology to capture growing opportunities in this space

The Bank offers fully automated telephone, internet and mobile banking services to its customers. The Bank’s internet banking and brokerage services comprise a wide variety of banking functions, including balance enquiries, rate enquiries, funds transfers, time deposits, bill payment, mobile payment and debit and credit card transactions. In addition, the Bank looks to leverage on XIB group’s market position in the PRC in financial technology and to import its expertise into the Macau market. In December 2020, the Bank and Macau Pass S.A. jointly announced the release of the first Smart Card (智能信用卡) in Macau, which combined the functions of a Macau Pass, credit card and debit card. The Bank’s services, the usage of the Smart Card and the significant growth in e-customers electronic banking transactions and online channels, continues to inform the Bank’s strategy of “building a stronger bank with technology” in becoming a top player in the Macau financial technology market, and to provide an increasing suite of service offerings to its clients.

Diversify the Bank’s income stream by developing its wealth management capabilities

The Bank derives a large proportion of its funding from customer deposits. Besides continuing to utilise its branch network to further expand its customer base, the Bank intends to focus on diversifying its sources of income, in particular from non-interest income arising from provision of wealth and asset management services. The Bank intends to utilise these ventures to commence the provision of corporate finance and asset management services in the future, with a view to diversifying its income stream and in particular non-interest income.

The Bank also intends to utilise its existing business infrastructure to support these new initiatives, with measures including (i) developing new banking products for and across its existing and potential customers in the corporate and personal banking businesses, (ii) increasing cross-selling opportunities and (iii) expanding its securities business by enhancing and improving its personal brokerage services

and by integration with the asset management business. In addition, the Bank is also looking to improve its financial performance by encouraging innovation, development of new products and sales channels, enhancement of customer service techniques and capabilities and improvements in the management of budget and capital strategies.

Proactively improve the organisational structure, management and compliance and risk management framework

The Bank is committed to strengthening and solidifying the foundations of its operations — namely in areas such as optimising its organisational structure to improve decision making processes and efficiency, improving management quality and stability within the wider workforce and refining its compliance and risk management framework to ensure a high quality credit and asset portfolio. In terms of optimising the Bank’s business structure, the Bank aims to expand its deposit base and businesses offering in areas with broader margins and higher quality risk-control, such as small loans, trade finance and premium financing.

With respect to management, whilst the Bank continues to develop the quality of the Bank’s management team, the Bank will look to maintain the stability of its human resources systems and on its employee selection, training and promotion mechanisms. In terms of risk management, the Bank intends to develop its business at a compatible pace with its risk management profile, balancing operating income levels with risk management quality. The Bank further plans to continue to strengthen its internal control systems. The Bank will also continue to maintain a stable total amount of capital and a prudent capital structure in order to satisfy its strategic development needs and regulatory requirements.

BUSINESS SEGMENTS

The Bank operates primarily in Macau. Its core operations comprise corporate banking, retail banking, wealth management, financial markets services, e-banking services, card business, RMB business, precious metal business and asset custody services.

The Bank’s advance portfolio

As at 31 December 2022, the Bank’s gross loans and advances were MOP127,351 million, which represented 52.32 per cent. of its total assets, as compared with MOP125,366 million as at 31 December 2021 and MOP120,787 million as at 31 December 2020.

The table below sets forth a summary of the Bank’s gross loans and advances to customers by locations of the counterparties as at the dates indicated.

	As at 31 December					
	2020		2021		2022	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	<i>(MOP’000, except percentages)</i>					
Macau	31,764,163	26%	38,657,984	31%	47,310,911	37%
Hong Kong	35,510,184	29%	28,971,808	23%	25,291,849	20%
PRC	44,002,581	37%	51,752,216	41%	51,044,806	40%
Others	9,509,936	8%	5,983,583	5%	3,703,110	3%
Total	120,786,864	100%	125,365,591	100%	127,350,676	100%

Personal banking

The personal banking services provided by the Bank are principally retail banking (current and savings accounts), Renminbi services, student loans, mortgage and other loans, precious metals, wealth management, insurance and ATM and credit cards. The Bank also provides automated telephone, internet banking and personal mobile banking services to its customers.

The Bank also offers financial services such as remittance and money exchange services, gift cheques, safe deposit boxes and provides phone banking and internet banking services to its customers.

Retail banking and Renminbi services

Retail banking comprises personal banking (including deposits via current and savings accounts, residential mortgage financing and other consumer financing) and wealth management services (including insurance and investment) to individual customers.

The core business of this segment relates to deposit products to the Bank's personal banking customers, which include current account deposits, savings account deposits and time deposits. In order to satisfy the customers' needs for transactions in different currencies, the Bank offers Macau patacas and Hong Kong dollar current accounts and offers Macau patacas, Hong Kong dollar and Renminbi savings accounts. The Bank also offers time deposits services in a variety of currencies, including Macau patacas, U.S. dollars, Hong Kong dollars, pounds sterling, Euro, Australian dollars, New Zealand dollars and Renminbi, which can be connected to the respective customers' current accounts, savings accounts and investment accounts with the Bank.

Credit Cards

The Bank offers a comprehensive range of VISA, MasterCard and UnionPay credit card products in Macau. In particular, the Bank looks to develop its credit card business with innovative strategies and a commitment to improve the Bank's products. For example, the Bank pioneered various themed credit card products in Macau, including its "Ladies" VISA Card and "YOUR" MasterCard.

Mortgages

The Bank offers mortgage plans for potential owners of local private residential properties.

The Bank has established a strong retail and corporate customer base that provides an on-going source of mortgage business, with different types of mortgage loans. The majority of the residential mortgages are owner-occupied properties and secured loans. The Bank has also taken on investment properties, both residential and commercial, largely from existing customers with significant net-worth.

All home mortgage advances are secured by a first registered charge over the property and require personal guarantees as additional security. Home mortgages typically include floating interest rates and are repayable by instalments. The contractual tenor of mortgage loans has been capped at 35 years though the actual tenor is much shorter with the consideration of the quality and age of the mortgaged property. Competitive pricing and buoyancy of the property markets are common causes of refinancing and early redemptions. The Bank offers mortgage loan advances within the loan-to-value ratio limits as specified by the AMCM from time to time.

Personal loans

The Bank also engages in the provision of personal loans, which are generally higher yielding loans, which include unsecured overdrafts, instalment loans and unsecured advances to individuals for a variety of purposes such as general investment purposes, hospitalisation, education and home

improvement. The repayment tenor can be up to five years with preferential interest rates. The Bank has a prudent credit policy and delinquency and write-offs are below market averages. The Bank has, over the past years, launched frequent campaigns with attractive pricing, simplified procedures and fast approval turnaround in capturing a growing number of new customers.

Wealth Management

The Bank's wealth management business, along with its experienced wealth management professionals, provides a flexible and convenient financial management service to meet its customers' needs. The Bank provides branded segment services such as its "Smart Banking (盈富理财)" which includes a combination of financial planning, personalised insurance and investment. Customers of the Bank's wealth management business enjoy bespoke services such as a dedicated customer relationship manager, which provides customers with personalised financial services. The Bank's experienced staff look to formulate a comprehensive wealth management plan for their clients, by assisting in defining short, medium and long-term financial goals and to analyse each customer's financial situation, goals, risk appetite and investment experience. Periodic reviews are also undertaken on the asset portfolio and wealth management strategies of each customer for refinement and realignment when needed. A particular focus for growth of the Bank's wealth management business has been in developing its insurance business.

In 2021, the Bank was one of the first pilot banks of the Cross-Boundary Wealth Management Connect Scheme, starting a new chapter for banks in facilitating the interconnection of wealth management markets in Guangdong and Macau. As of 31 December 2022, the Bank reached 265 clients through this initiative.

Brokerage and other investment services

The Bank provides brokerage services, which includes its brokerage business in the Hong Kong Stock Exchange. The Bank's securities dealing business has grown to provide a stable source of additional income for the Bank despite volatility in the stock market and bond market over the past few years. The Bank also provides secured facilities to its customers for margin trading of securities and foreign exchange.

Insurance

The Bank provides a wide range of insurance products to its customers, which the Bank categorises into life insurance and general insurance. In terms of life insurance, the Bank provides products such as savings annuity products, general insurance, investment-linked insurance, juvenile plans, accident and medical products. In terms of general insurance products, the Bank provides mortgage, travel, fire protection, car, marine cargo, personal accident, employee and public liability insurance products.

Remittance service

As part of the Bank's cross-border banking business, the Bank offers services for both inward and outward remittance, in both its physical branches in Macau and the PRC, as well as online via the Bank's internet banking service. The Bank's remittance service is available in the forms of telegraphic transfer or demand draft. Foreign cheques payable overseas can also be entrusted to the Bank for collection to seek for payment from the drawee on the customer's behalf. Arrangement may also be made for use of funds in advance while pending for collection of proceeds.

Telephone, Internet and Mobile Banking Services

As part of its general banking business, the Bank offers fully automated telephone, internet and mobile banking services to its customers. The Bank's internet banking services comprise a wide

variety of banking functions, including balance enquiries, rate enquiries, funds transfers, time deposits, bill payment and debit and credit card transactions. The Bank also offers internet-based brokerage services (including real-time internet stock price quote service), which allows customers to trade securities on the internet.

Commercial banking

The commercial banking services provided by the Bank include granting corporate banking, corporate loans, bills services, corporate wealth management, corporate insurance and other services. The Bank services various segments of corporate clients, ranging from SME to medium and large corporations and non-bank financial institutions. The Bank provides lending facilities to meet different financing needs of clients, which are arranged in terms of bilateral loans, syndicated loans, instalment loans, revolving loans, trade loans, short-term project loans, machinery loans and construction loans etc. The Bank also offers corporate banking services such as current accounts, remittance services, payroll services, and other offshore corporate services.

Corporate banking

Current and savings accounts

The Bank offers a great range of multi-currency accounts, including Macau patacas, Hong Kong dollar and U.S. dollar current accounts to its corporate clients. As at 31 December 2022, current and saving deposits from customers of the Bank amounted to MOP21,027 million.

Insurance

The Bank provides a wide range of insurance products to its corporate clients, including retail property insurance (with products such as fire, cash, property, personal accident, public liability, labour and signboard), factory insurance (with products such as fire protection, car, marine cargo and theft) and corporate insurance (corporate medical and retirement annuity plans) programmes.

Corporate loans

Bilateral advances

The Bank offers tailored-made financing packages and provides a wide range of financing products to its corporate clients including working capital loans, overdraft facilities, term loans, project loans, mortgage loans, and real estate development loans to meet the corporate funding needs, with a focus on high quality SMEs, state-owned and large private-owned enterprises in the PRC. The majority of borrowers are SMEs, medium to large-sized companies in the PRC, Hong Kong listed companies, non-bank Hong Kong financial institutions, state-owned and private-owned enterprises in the PRC, which typically use the funds for general working capital, projects and investments in Macau and the PRC.

Syndicated Advances

The Bank also actively participates in the Macau and regional syndicated lending market. The Bank typically acts as a participating bank. The Bank's aim is to build up relationships with clients to explore further opportunities. The Bank have a large client base that was start from the syndicated loans.

The Bank's syndicated advances are extended to a wide range of industries and are intended to further develop client relationships to explore cross-selling opportunities.

Trade finance

The Bank's trade finance clients comprise mainly of SMEs and large private-owned enterprises. For the purposes of accommodating the client's working capital requirements for trade business, the Bank provides its trade clients with customised services, which include the issuance of letters of credit, trust receipt financing, packing credits and export financing, etc.

Financial Markets Services

The Bank's financial markets services primarily consist of money market transactions, investment portfolio management and other interbank and capital markets activities conducted on behalf of the Bank and services for customer. The financial markets services segment is also responsible for the execution of funding and liquidity transactions of the Bank and in managing other market risk positions arising from banking activities. The Bank's financial market services are mainly divided into four segments, (i) foreign exchange markets, which is composed of spot, forward and swap foreign exchange transactions, (ii) money markets, which consists of interbank placements and borrowings, (iii) derivative products involving cross currency swaps as well as other structured wealth management products on behalf of clients and (iv) fixed income markets which primarily relate to bond investments.

The Bank's foreign exchange markets and money markets segment mainly comprises of spot, forward and swap transactions in foreign exchange. These transactions are mainly to facilitate currency mismatches arising from the balance sheet and position management of exchange rate risk. The Bank takes an active role in soliciting potential counterparties, which allows greater flexibility for pricing. At the same time, this may also result in a potential reduction in concentration risk by spreading the exposure of the Bank.

In the segment's derivative products business, the Bank looks to provide competitive treasury products to corporate and personal customers for hedging and other purposes.

In the fixed income market segment, the Bank carries out investment strategy set by its Asset and Liability Management Committee (the "ALMC"). Fixed income investments are primarily in Hong Kong dollar-, Renminbi- and U.S. dollar-denominated debt securities issued by governments, banks, corporates and other financial institutions, mainly those operating in the PRC and Hong Kong. The Bank takes a prudent approach to its growing business needs, acting through its team of professionals and by adhering to its robust risk management framework.

PRC OPERATIONS

As at 31 December 2022, the Bank had two branches located in Guangzhou and Hangzhou of the PRC and four sub-branches in Foshan, Dongguan, Huizhou and the Guangdong-Macau In-Depth Cooperation Zone in Hengqin of the PRC. The Bank's PRC operations were commenced to meet the requirements of its existing core customers as their interests expand outside of Macau, as well as to capitalise on the growing market opportunities within the Greater Bay Area and the fast-growing banking market in the PRC.

The Bank's business development in the PRC mainly focuses on its corporate banking business operating in the PRC. In particular, the Bank provides various kinds of deposits and loans products for corporates and other institutions in the mainland of PRC. Business focus is also in-line with the guidelines set by the regulatory bodies in support of the real growth of the economy.

The Bank's PRC branch shares the same product specifications and workflows with the Bank's branches in Macau and it adopts the same risk management standards set in Macau. The Bank is actively studying the feasibility in setting up new branches in the PRC, particularly in the Greater Bay

Area, Yangtze River Delta Economic Belt and Chengdu-Chongqing Economic Belt, to capitalise on the opportunities provided under the fast-growing banking market in the PRC. By establishing more branches, the Bank targets to increase brand recognition, enhance market influence, and promote the Bank's corporate image in the PRC.

PROPERTIES

The Bank currently owns properties with an aggregate floor area of approximately 164,731.53 square feet in Macau. Eight of the Bank's branches in Macau, along with the main offices, are self-owned properties of the Bank. The Bank's self-owned properties further include residential facilities for employees and training facilities. In addition, the Bank also leases properties with an aggregate floor area of approximately 43,454.23 square feet in Macau and 229,710.03 square feet in China. These leased properties are used as banking offices, as branches and for back office operations.

The Bank intends to obtain long-term leasing spaces for all of its new branches and/or back office operations which it expects to set up in the next three years to meet the Bank's expansion needs.

INTELLECTUAL PROPERTY

The Bank relies on domain name registrations to establish and protect its internet domain names. The Bank has registered the domain name www.lusobank.com.mo in Macau.

INSURANCE

The Bank works with a reputable, international insurance companies to maintain various types of insurance coverage, including property insurance to cover the loss of or damage to building structure, fixtures and content, electronic equipment and automatic teller machines, money risk insurance on cash, bullion, currency notes, coins, cheque, and or valuables contained in the Bank's premises; insurance to cover loss of property due to burglary, theft and robbery; public liability insurance to cover legal liability as a result of physical bodily injury and/or property damage caused to third parties; loss of money on premises and in transit and forgery of bank instruments; directors' and officers' liability insurance to cover the personal liability of the Bank's officers against any claims resulting from any wrongful act committed in connection with carrying out their duties as officers of the Bank. For the Bank's employees, the Bank provides benefits such as employees' compensation insurance, personal accident insurance, group medical insurance and travel insurance for its workforce. The Bank also requires borrowers to obtain appropriate insurance coverage for security provided by them.

COMPETITION

The Macau banking industry is mature and the Bank faces intense competition from a number of Macau incorporated banks and branches of international banks, including a total of 33 international and local licensed banks in Macau. According to the Official Gazette of Macau in December, the Bank is one of the top 3 in the industry in terms of deposits and total assets and is recognised by the AMCM as a systematically important financial institution. The Bank has also seen growth in its market position as the Bank's gross amount of loans and advances to customers increased from MOP125,365.59 million as at 31 December 2021 to MOP127,350.68 million as at 31 December 2022.

Given the increasing competition among the local banks in Macau, the Bank has actively pursued the strategy of expanding its presence in the PRC, where the banking industry is also highly competitive and has been dominated by the large state-owned commercial banks. However, in view of the fact that certain restrictions previously imposed on foreign banks in the PRC have recently been lifted, the Bank expects competition to continue to increase in the region. In addition, the PRC government has released numerous initiatives to promote and develop the "Guangdong- Hong Kong- Macau Greater Bay Area", which has allowed to Bank to benefit and focus on expansion of its operations in the PRC.

For a further discussion of the risks of competition faced by the Bank in Macau and the PRC, see "*Risk Factors*".

LITIGATION

Neither the Bank nor any of its subsidiaries is currently involved in any litigation, arbitration or similar proceedings and the Bank is not aware of any such proceedings pending or threatened against it or any of its subsidiaries which are or might be material in the context of the issue of the Additional Bonds.

EMPLOYEES

As at 31 December 2022, the Bank had a total of 1,295 employees as set forth in the following table:

	<u>No. of employees</u>
Head office and branches in Macau.....	704
PRC branch in Guangzhou.....	441
PRC branch in Hangzhou.....	<u>150</u>
Total.....	<u><u>1,295</u></u>

Approximately 10 per cent. of the Bank’s employees as at 31 December 2022 performed managerial and management functions.

The Bank views its employees as an asset and believes that investment in human resources is critical to its growth. The Bank has training programmes, internal and external, aimed at management development and team building. The Bank’s training curriculum includes courses on banking operations, product knowledge, marketing, management skills, compliance and customer service.

The Bank believes that it enjoys a good relationship with its employees. The Bank provides various different types of allowance to the Bank’s employees and also offers special rate mortgages and loans programmes. Employees in management are further offered to participate in employee share schemes of the Bank.

PROTECTION OF DEPOSITORS

For the purposes of maintaining the stability of the banking system and enhancing the protection of depositors in Macau, the Legislative Council of Macau passed Law No. 9/2012, the Deposit Insurance Scheme, in 2012. The legislation became effective on 9 October 2012. The introduction of the Deposit Insurance Scheme aims to provide insurance for both local and foreign currencies deposits versus the setting of a Deposit Insurance Fund (Enforced by the Administrative Regulation No. 24/2012). The Deposit Insurance Fund (the “DIF”) is regulated by the Chef Executive of Macau with the technical and administrative assistance of the AMCM. The funding of the DIF is composed of government subsidies, the DIF’s profits from investment and the annual contributions from participating institutions.

According to the regulations concerning the Deposit Insurance Scheme, the Macau government provides initial funding of MOP150 million and certain institutions, such as Macau’s local banks, branches of foreign banks operating in Macau or their locally corporate subsidiaries must participate into the DIF and make annual contributions from 2014. In addition, participating institutions have an obligation to provide important information with respect to beneficiaries of their respective insurance schemes, in particular in relation to coverage of the insurance and maximum compensation limits.

The DIF covers deposits up to MOP500,000 to each single depositor per participated institution. The range of the Deposit Insurance includes any deposits in a bank but does not include deposits from banks, deposits from public entities, bearer deposit certificates and deposits from the banks' affiliated persons.

The Deposit Insurance Scheme will be activated when the Administrative Committee of the AMCM passes a resolution declaring that the participating institutions are unable to make payment to the relevant depositors which is then approved by the Chief Executive. Alternatively the Deposit Insurance Scheme will also come into effect when a participating institution is declared bankrupt by the courts of Macau.

RISK MANAGEMENT

The Bank attaches a high degree of importance to risk management. The Bank is committed to the implementation of a comprehensive risk management system. Through the continual improvement of such system, the Bank maintains its high asset quality and good practices in risk management.

The Bank aims to cultivate a healthy corporate culture in risk management, as well as to strengthen its IT capabilities to facilitate execution of risk management strategies. Via a multi-faceted approach, which encompasses management of credit risk, market risk, liquidity risk, operational risk as well as legal and compliance risk, the Bank seeks to build an all-round protection against its risk exposures in order to maintain its asset quality.

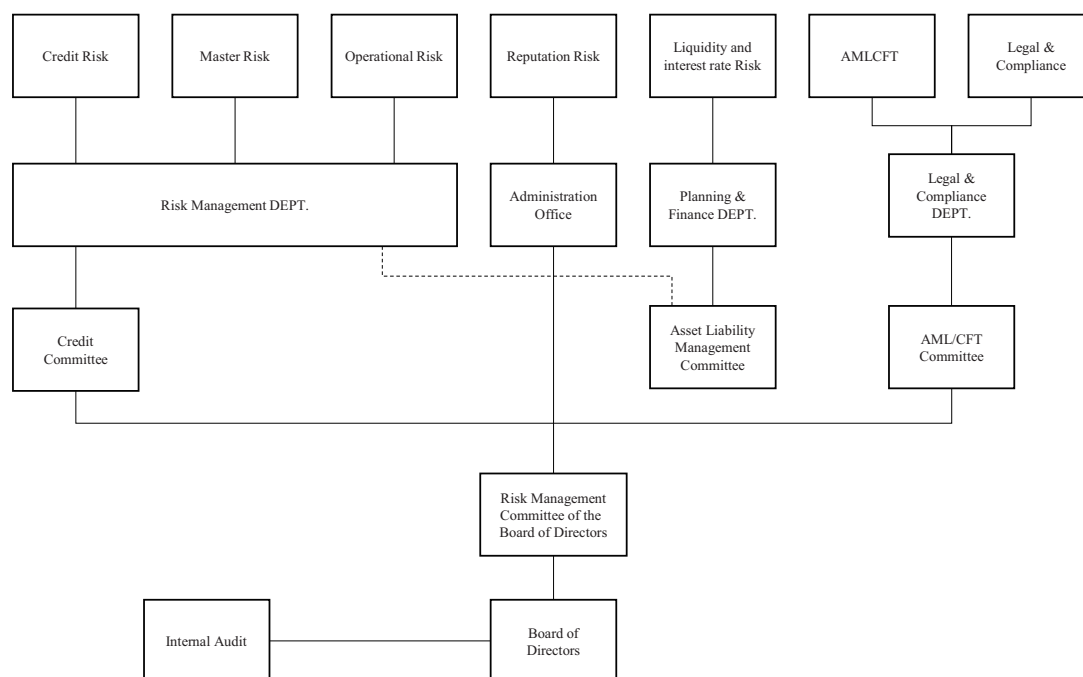
GENERAL RISK MANAGEMENT FRAMEWORK

The Bank’s risk management framework is designed to cover all business processes and ensure various risks are properly managed and controlled in the course of conducting business. The Bank has a robust risk management organisation structure with a comprehensive set of policies and procedures to identify, measure, monitor and control various risks that may arise. These risk management policies and procedures are regularly reviewed and updated to reflect changes in market conditions and business strategies.

The Board of Directors (the “**Board**”) and senior management have adopted and will continue to adopt a cautious management style. The Board of Directors has the ultimate responsibility for risk management. It formulates risk management strategies and policies, determines the risk appetite and tolerance of the Bank, ensures that the Bank has an effective risk management system to implement these strategies, and oversees senior management in its risk management operations.

The Risk Management Committee under the Board has the main duty to advise the Board of Directors on improving the Bank’s risk management guideline and policies, to review major issues or plans concerning capital management, major changes in policies and procedures etc, and to make recommendations to the Board.

The following diagram depicts the Bank’s risk management structure:



Apart from business units, which act as the first line of defence, the Bank has independent risk management units, which are responsible for the day-to-day management of different kinds of risks. These risk management units are responsible for drafting, reviewing and updating risk management policies and procedures, as well as monitoring the daily implementation of such policies and procedures. Internal control systems are also in place to monitor compliance with policies, procedures and limits.

CREDIT RISK MANAGEMENT

Credit risk is the risk that a debtor or counterparty is unable to meet its contractual obligations, or when a change in its credit quality decreases the value of financial assets, resulting in a decrease in expected revenue of the Bank or risk of financial loss. Credit risk exists in both the trading book and the banking book, including interbank business. It arises from on- and off-balance sheet transactions of the Bank in its various operations, such as in lending, interbank business, various investments and settlement.

Credit risk management framework

The Bank has formulated a comprehensive set of credit risk management policies and procedures, and appropriate credit risk limits to control credit risk that may arise. These policies, procedures and credit risk limits are developed to address the extent of exposure and complexity of credit risk the Bank faces. They are regularly reviewed and updated to cope with changes in market conditions and business strategies. The credit risk management policy's objective is to maintain credit risk exposures within acceptable limits, so as to maximise the Bank's risk-adjusted profitability.

The Bank's credit risk management workflow is to set goals, identify and assess risks arising from individual transactions, and respond correspondingly to monitor and control the changing credit risk. The Bank's credit risk management practice is underscored by the following principles:

- (a) *In compliance with law*: All procedures and processes in the Bank's credit risk management are in compliance with applicable regulations and policies, following the Bank's fundamental principle of strict observance to law, as well as various internal policies and operating manuals set out by the Bank.
- (b) *Safety, liquidity, profitability*: The purpose of credit risk management is for the Bank to achieve an optimal balance between safety, liquidity, and profitability. Among the three elements, safety is the principal criterion; liquidity is the condition, and profitability the ultimate goal.
- (c) *Segregation of duties*: Roles and responsibilities of all credit risk management units are clearly defined, where the duties of front-, mid- and back-office are segregated and designed to provide checks and balances. Through this systematic design, the Bank ensures effective internal communication as well as a balance of powers for effective monitoring of credit risk.
- (d) *Multi-level authorisations*: A clear set of authority and responsibility is laid out for the credit control and approval process relating to credit, investment and interbank loan limits. Different levels of credit approval requirement are clearly set and are derived with reference to the nature of credit business, the rating, the level of transaction risk, and the extent of credit exposure.
- (e) *Primacy*: The risk identification and assessment carried out in the credit approval process should primarily focus on the borrower itself, including the borrower's own operating conditions, credit rating, ability to repay and/or the main source of repayment regarding the project being financed. Guarantees or securities and other risk management measures are supplementary controls, with stop-loss procedures as the ultimate safeguard to protect the Bank.

- (f) *Risk-reward consideration*: the pricing of risk should include factors such as the level of risk involved in the project being financed, macroeconomic trends, market rate levels, source of funds and related costs. Price should be determined by major components, such as cost of funds, management costs, risk compensation factor and expected return, so as to optimise the risk-adjusted return. The ALMC is the unit responsible for determining policies on risk pricing and issues guidelines on risk pricing periodically.

Credit approvals and control procedures

The Bank has formulated a system to regulate credit approvals, improve efficiency of the approval process, and promote a healthy and orderly development of the credit business. Credit approval authority is delegated to multiple levels of operations, each with clear limits on approval powers depending on its rank and position.

The overall aim of the Bank's credit approval procedures is risk prevention and control. The Bank's credit approval and control procedures adhere to the following principles:

Clear separation between loan origination and credit approval lines

The departments and personnels responsible for loan origination and credit approval are segregated, which enable the two lines to mutually check and supervise each other.

Dual-control and Collective decisions

The Bank strictly adheres to a dual control system of credit assessment and approval. Complex projects or project involving large amounts require a collective decision-making system, so as to strengthen control and avoid subjectivity.

Professionalism, efficiency, fairness and accuracy

Based on the principle of balancing risk and return, the Bank exercises a uniform, comprehensive and detailed approach to risk assessment, and carries out its approval according to professional and systematic procedures in order to control credit risk effectively. At the same time, the credit control system is streamlined continuously to increase efficiency and promote business development.

Effective checks and balances; equal powers and responsibilities

The Bank strengthens its management of the credit approval workflow by clarifying the duties and responsibilities involved in each stage of credit approval, reinforcing its credit officers and specialised credit approval teams, and evaluating each of the sales, risk assessment and approval stages in its credit business so as to ensure the capability of each team matching with their powers and responsibilities. At the same time, the checks and balances in the approval process are maintained by mechanisms such as approval limits, the dual control approval system, collective decision-making system and the post-approval evaluation system.

The Bank's Loan Portfolio

Geographic and customer concentration

The table below sets forth a summary of the Bank's gross loans and advances to customers amount by geographical location as at the dates indicated.

	As at 31 December		
	2020	2021	2022
	Total Loan amount		
	<i>MOP('000)</i>		
Macau	31,764,163	38,657,984	47,310,911
Hong Kong	35,510,184	28,971,808	25,291,849
PRC	44,002,581	51,752,216	51,044,806
Others	9,509,936	5,983,583	3,703,110
Total	<u>120,786,864</u>	<u>125,365,591</u>	<u>127,350,676</u>

In terms of customer concentration, credit facilities to the top 10 customers of the Bank as a percentage of total credit facilities were 9.44 per cent., 8.53 per cent. and 7.29 per cent. as at 31 December 2020, 2021 and 2022, respectively, indicating a relatively diversified loan portfolio being maintained.

Non-performing loans and impaired advances

The table below summarises the Bank's internal classification of non-performing loans as at the dates thereof:

	As at 31 December		
	2020	2021	2022
	<i>MOP('000) (except percentages)</i>		
Non-performing loans	468,045	609,817	1,762,578
Non-performing loan ratio	0.39%	0.49%	1.38%

In terms of impaired advances as categorised by the customer segment of the Bank, as at the dates thereof, are set out below:

	As at 31 December		
	2020	2021	2022
	<i>MOP('000)</i>		
Manufacturing	34,349	—	156,196
Electricity, gas and water supply	—	56,223	56,216
Construction and public works	—	6,423	645,022
Wholesale and retail	178,903	210,487	8,016
Transport, storage and telecommunications	71,428	71,429	71,429
Information Technology	—	—	333
Personal Loans	5,003	6,513	47,391
Others	27,217	—	777,975
Total	<u>316,900</u>	<u>351,075</u>	<u>1,762,578</u>

MARKET RISK MANAGEMENT

Market risk refers to the risk of loss in on- and off-balance sheet activities arising from adverse movements in the value of foreign exchange, interest rate, fixed income and equity positions held by the Bank. Market risk exists in transactional and non-transactional businesses of the Bank, and includes interest rate risk, currency risk, equity risk and liquidity risk.

Market Risk Measurement:

The Bank's market risk exposures in different activities are managed by way of limits established by the ALMC under the authority of senior management and the Board of Directors. Exposures are measured and monitored on the basis of contractual or notional amount and outstanding balances. Limits are set by portfolio, product and risk type, using a combination of risk measurement techniques, including position limits, sensitivity limits, value-at-risk limits as well as stop loss limits. All market risk trading positions are monitored and managed by the Financial Markets Department. Independent monitoring, checking, daily mark-to-market valuation and trade confirmation are undertaken by Risk Management Department which is independent of the Financial Markets Department. Regular checking and reviews are also conducted by the Bank's internal audit function to ensure compliance with risk limits. All exceptions are reviewed and approved by the appropriate level of management and the ALM Committee. Regular reports are reviewed by the ALM Committee and Risk Management Committee.

The Bank also applies a wide range of stress testing to assess the financial impact of more extreme events on the market risk exposure of the Bank. The results of the stress testing are reviewed by the Risk Management Committee.

Investment Strategies

The Bank formulates its annual investment strategy according to its overall investment policy and the profit targets of the financial year, having taken into account several factors, such as its overall planning of assets and liabilities, market conditions and trends, its tolerance for market risks, and the target return on investments. The Bank reviews its investment strategy from time to time according to market conditions, in order for its investment activities to meet expected targets. Investment Strategies are approved by both the ALM Committee and Credit Committee before execution by Financial Markets Department.

The Bank's investment management follows the following principles:

Compliance with laws and regulations

All investments must be made in accordance with the laws and regulations of the local regulatory authorities and the relevant rules and regulations of the Bank.

Risk control

In line with the investment principle of prioritising safety and liquidity before profitability, investment activities are conducted with manageable risk assumptions. The matching of risk and return forms an important basis for the long-term operation of the Bank's investment businesses.

Multi-level authorisations under unified management

The Bank carries out its investment business under a unified investment policy. Investment planning and tracking, as well as monitoring and controlling the investment risk, is executed via delegated powers and authorisations to multiple levels of personnel.

Principle of separation of duties

In carrying out its investment business, the Bank ensures separation between its own trading book and the trading book on behalf of its clients. At the same time, organisational structures with front office, middle-end (risk management and risk assessment departments) and back offices (settlement function) are established with strict segregation in terms of reporting lines, structure, responsibilities, physical locations and staffing. Supervision mechanism and other means of checks and balances are also implemented.

Currency Risk

The Bank's deposits are mostly denominated in Hong Kong dollar and Macau dollar. Loans and investments are mostly denominated in Hong Kong dollar, Macau dollar and United States dollar. As these currencies are pegged to the U.S. dollar and the Bank has little exposure to other currencies, the Bank is exposed to limited currency risk overall.

To ensure the currency risk exposure of the Bank being kept within an acceptable level, the Bank strives to minimise the gap between assets and liabilities of individual currency and monitors the risk limits. Foreign exchange and swap contracts are usually used to manage currency risk associated with assets and liabilities denominated in foreign currencies. The following table summarises the Bank's major foreign currency exposures arising from trading and non-trading positions as at 31 December 2022.

	As at 31 December 2022				
	Hong Kong Dollars*	U.S. dollars*	Renminbi	Other foreign currencies	Total foreign currencies
	<i>(Equivalent of MOP'000)</i>				
Spot assets	48,265,049	74,939,272	81,355,808	850,822	205,410,951
Spot liabilities	(86,711,024)	(31,867,301)	(91,364,832)	(687,148)	(210,630,305)
Forward purchases	29,004,487	4,247,360	12,895,923	549,600	46,697,370
Forward sales	(54,408)	(42,505,719)	(3,288,701)	(706,972)	(46,555,800)
Net long/(short) position .	<u>(9,495,896)</u>	<u>4,813,612</u>	<u>(401,801)</u>	<u>6,301</u>	<u>(5,077,784)</u>

* The net long positions arose mainly from Hong Kong Dollars and U.S. dollars and such risk was deemed acceptable as Macau patacas are linked to the Hong Kong dollar, and the Hong Kong dollar is pegged to the U.S. dollar.

Settlement risk

Settlement risk arises mainly from foreign exchange transactions with counterparties and from derivatives transactions in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Settlement limits have been set for each counterparty to cover all settlement risk arising from the Bank's market transactions. Principle of separation must apply to any of market transactions to ensure settlement and operational risks are under monitored.

Interest Rate Risk

Interest rate risk means the risk of loss to the Bank's earnings and economic value arising from movements in interest rates and term structures of the Bank's asset and liability positions. The Bank's interest rate risk exposures are mainly structural. The major types of interest rate risk from structural positions are repricing risk, basis risk, yield curve risk and option risk.

Scenario analyses and stress tests are used to monitor interest rate risk. Scenario analyses and stress tests are also used to assess the impact on net interest income and economic value as a result of customers' choice to deposit their money and the prepayment of mortgage loans.

According to its Interest Rate Management Policy, the Bank uses stress testing to assess its interest rate risk and evaluate the probability of interest rate shock. Stress testing is a risk management tool for estimating risk exposures under stressed conditions arising from extreme but plausible market or macroeconomic movements. As at 31 December 2022, the Bank's interest rate sensitivity was at 13.34 per cent., which falls below the threshold level of 20 per cent. set by the 2004 Principles for the Management and Supervision of Interest Rate Risk by the Basel Committee on Banking Supervision.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Bank cannot obtain sufficient funds with reasonable cost to meet its financial obligations as and when they fall due and satisfy other cash flow needs in its business operations. The goal of the Bank's liquidity risk management policy is therefore to ensure adequate cash flows to meet all financial obligations under both normal and contingency circumstances, in a cost-effective manner and in compliance with regulatory requirements, so as to control liquidity risk to an acceptable level and support the Bank's business development.

To manage liquidity risk, the Bank established a comprehensive organisational workflow, where business units are separately in charge of policy planning, execution and monitoring under the direct management of the Board and senior management. Asset and liquidity management policies are reviewed periodically by the ALMC with prominent issues considered and approved by the Board. Liquidity is also managed and forecasted on a daily basis to enable the ALM, with assistance from the Planning & Finance Department and the Financial Markets Department, to act proactively according to changing market conditions and to implement contingency plans on a timely basis. The Planning & Finance Department is in charge of executing liquidity risk management strategies, while the Risk Management Department and the Internal Audit Department perform monitoring functions and internal checks.

Stress tests are regularly performed to assess contingent funding needs and the adequacy of funds to meet them. If a shortage of funding has been identified, corresponding remedial measures will be implemented. Liquidity stress test is carried out to test various market assumptions, which include scenarios for low, medium and severe levels of stress. As at 31 December 2022, the Bank was able to maintain a net cash inflow to meet regulatory requirements.

The Bank continues to explore and diversify funding channels to capitalise on opportunities for the Bank's business expansion. Funding from XIB has strengthened the Bank's liquidity capability.

The Bank's one-month average liquidity ratio was 52.37 per cent., 57.85 per cent., and 42.62 per cent. for the years ended 31 December 2020, 2021 and 2022, respectively.

The Bank's three-month average liquidity ratio was 44.06 per cent., 54.06 per cent., and 38.63 per cent. for the years ended 31 December 2020, 2021 and 2022, respectively.

The one-month average liquidity ratio is the simple average of the average liquidity ratio of each calendar month, which is computed on a bank level as required by the AMCM. The three-month average liquidity ratio is the simple average of the average liquidity ratio of a period of three calendar months, which is computed on a bank level as required by the AMCM.

	As at 31 December		
	2020	2021	2022
Solvency	41.15%	33.45%	39.34%
One-month average liquidity ratio	52.37%	57.85%	42.62%
Three-month average liquidity ratio	44.06%	54.06%	38.63%

The table below sets forth a summary of the various tenures of repayment of Customer deposits:

	As at 31 December		
	2020	2021	2022
		<i>MOP'000</i>	
Repayable on demand	26,033,004	24,664,288	21,085,274
Three months or less	75,837,957	116,893,548	70,649,345
Over three months to one year	67,510,231	16,712,914	68,828,649
Over one year	1,688,601	3,638,729	1,986,173
Total	171,069,793	161,909,479	162,549,441

The table below analyses the Bank's assets with respect to its investments in securities as at the dates stated:

	As at 31 December		
	2020	2021	2022
		<i>MOP'000</i>	
Debt investment held for trading			
Listed debt securities in Hong Kong	1,390,149	1,449,392	—
Listed debt securities outside Hong Kong	14,508	401,302	271,346
Unlisted debt securities	122,548	40,159	—
Treasury bills issued in Mainland China or Hong Kong	5,458,913	514,977	460,135
Accrued interest (applicable since 2022)	—	—	1,201
Less: provision for diminution in value	(6,864)	(9,418)	—
	6,979,254	2,396,412	732,682
Debt investment held-to-maturity⁽¹⁾			
Listed debt securities in Hong Kong	6,303,924	2,968,149	14,585,015
Listed debt securities outside Hong Kong	987,166	187,997	10,249,248
AMCM treasury bills ⁽²⁾	10,484,506	9,295,427	2,497,533
Treasury bills issued in Mainland China, Hong Kong or foreign governments	3,478,480	3,803,746	5,190,273
Accrued interest (applicable since 2022)	—	—	244,183
Less: provision for diminution in value	—	—	(23,966)
	21,254,076	16,255,319	32,742,286

(1) Debt investment held-to-maturity for the year ended 31 December 2020 equals to "Held-to-maturity investments" plus "Treasury bills" in the 2020 Audited Financial Statements.

(2) In the 2020 Audited Financial Statements and 2021 Audited Financial Statements, this line item was named as "Treasury bills".

	As at 31 December		
	2020	2021	2022
	<i>MOP'000</i>		
Other investments			
Listed debt securities in Hong Kong	13,590,833	25,389,839	12,978,443
Listed debt securities outside Hong Kong	5,639,231	8,376,428	8,042,495
Unlisted debt securities	5,581,695	2,855,246	—
Treasury bills issued in Mainland China, Hong Kong or foreign governments.	20,109,743	17,495,356	23,602,942
Private debt financing plans	1,215,696	1,171,335	1,071,174
Fund investment	6,934,810	5,604,777	4,614,292
Equity linked investment.	21,385	—	217,675
Unlisted shares, at cost	4,754	—	6,240
Other.	—	501,914	1,271,843
Accrued interest (applicable since 2022)	—	—	367,762
Less: provision for diminution in value.	(176,496)	(180,632)	(2,477)
	<u>52,921,651</u>	<u>61,214,263</u>	<u>52,170,389</u>

In terms of the Bank's assets in relation to customer deposits, amounts due to banks and other financial institutions, financial assets sold under repurchase agreements and debt securities issued:

	As at 31 December		
	2020	2021	2022
	<i>MOP'000</i>		
Customer deposits	171,069,793	161,909,479	162,549,441
Due to banks and other financial institutions.	22,300,988	35,836,034	31,786,248
Repurchase agreements	10,006,145	15,112,626	21,023,654
Debt securities issued	3,997,121	5,902,398	5,773,107
Total	<u>207,374,047</u>	<u>218,760,537</u>	<u>221,132,450</u>

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and system, or from external events. The risk is inherent with every aspect of business operations and confronted by the Bank in its day-to-day operational activities.

Operational risk management is the process of identifying, assessing, monitoring and controlling such risk. Once risks arising from the Bank's various businesses, products, and operations in its departments and branches are categorised, they are further assessed and quantified. Corresponding key indicators of operational risk management are then set up for the Bank to perform risk monitoring, and to tailor its risk management approach and policies towards each type of risk. Through the standardisation of the operational risk management process, the Bank controls operational risk to an acceptable level, and to ensure it remaining suitable to the Bank's risk appetite. Moreover, the Bank aims at improving the quantitative measurement process involved in operational risk management.

Various operational risk management tools or methodologies such as key risk indicators, self-assessment, operational risk events reporting and review are deployed to identify, assess, monitor and control the risks inherent in business activities and products. Business continuity plans are in place to support business operations in the event of an emergency or disaster. Adequate backup facilities are maintained and periodic drills are conducted.

To entrench a culture of compliance and promote a preventive approach in operational risk management, the Bank has strengthened its operational risk awareness and related capabilities, by gradually streamlining management control and ensuring checks and balances in its operational risk management systems. The Bank hosts internal informational sessions on recent examples of operational errors, as well as talks on operational risk policies, new joiners' training seminars, and management committee's forums, to reinforce the awareness of operational risk management and prevention in all departments. By performing evaluation and in-depth analysis on operational incidents, the Bank's business teams are able to reflect on and improve their operations. Overall, the Bank's operations are stable, and key operational risks are effectively managed.

REPUTATIONAL RISK MANAGEMENT

Reputational risk is the risk of the Bank bearing a negative reputation due to the Bank's business operations, management or other external events, whether genuine or not, in the view of interested third parties. Interested third parties include deposit customers, potential customers, shareholders, banks, trading counterparties, regulatory authorities and members of the Bank. Although reputation risk may not manifest immediately, and is hard to quantify or assess, it negatively impacts the Bank's business operations and future development. Reputational risk is inherent in other types of risk and every aspect of business operation and covers a wide spectrum of issues.

The Bank continues to operate in compliance with laws and regulations, and has put in place a comprehensive framework to continuously monitor reputational risk incidents. Through such monitoring framework, the Bank proactively manages its reputational risk. It ensures all levels of personnel understand the Bank's reputational risk and adopts a robust approach in managing such risk. It puts into place internal processes to respond to reputational risk exposures efficiently, and continue to increase its efforts in monitoring reputational risks and negative publicity of the Bank. The Bank has an overall low reputational risk through the years and has maintained a strong public image.

LEGAL AND COMPLIANCE RISK MANAGEMENT

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Bank. Compliance risk is the risk of legal or regulatory sanctions, financial losses or losses in reputation the Bank may suffer as a result of its failure to comply with all applicable laws and regulations. Legal and compliance risks are currently managed independently by the Legal and Compliance Department. As part of the Bank's corporate governance framework, the policy for the management of legal and compliance risk is approved by the RC as delegated by the Board.

The Bank and its employees follow the Bank's internal regulations on managing and maintaining compliance with appropriate regulations including those in Macau and the PRC. Legal and compliance risk is the prospective risk of legal and regulatory sanctions, financial loss, or reputational loss that the Bank may suffer as a result of violations of, or non-compliance with, all applicable laws, regulations or internal policies with respect to the conduction of its business.

Legal and compliance staff members advise management on legal and regulatory developments and assist management in establishing policies, procedures and a monitoring programme to ensure compliance with legal and regulatory requirements. They conduct regular compliance indicators reviews so that the Bank can identify any potential non-compliance issue and take remedial action on a timely basis. They also arrange training to enrich the knowledge of all staff of the relevant legal and regulatory requirements. Furthermore, regular reports on non-compliance issues and changes in legal and regulatory requirements are made to the Senior Management and the Risk Management Committee of the Board of Directors.

IT RISK MANAGEMENT

The Bank has established robust and effective mechanisms to manage information technology risk, including a complete management and monitoring structure and effective management policies and process flows. The Bank focuses on the identification and control of potential IT risks to ensure the safety and uninterrupted proper functioning of its systems. The Bank sees effective IT management as one of its core competencies and a key metric to ensure sustainable and competitive growth in the market.

STRATEGIC RISK MANAGEMENT

Strategic risk generally refers to the risks that may cause current or future negative impacts on the earnings, or capital or reputation or market position of the Bank because of poor business decisions, improper implementation of strategies and inadequate responses to the changing market conditions. The Board reviews and approves the strategic risk management policy. Key strategic issues have to be fully evaluated and properly endorsed by senior management and the Board.

The Bank regularly reviews its business strategies to cope with the latest market conditions and developments, and the Bank and its board has a particular focus on the implementation of its strategy. The Bank conducts periodic reviews to monitor the implementation of its strategy and the day to day operations by senior management.

CAPITAL MANAGEMENT

The Bank's objective for capital management is to allocate capital in an efficient and risk-based approach to optimise a risk-adjusted return to its shareholders. The Bank periodically reviews its capital structure and maintains an adequate capital base to support the development of its business.

The Bank manages its capital to execute its strategic business plans and support its growth and investments in an efficient way. The close monitoring of the capital adequacy ratio is one of the main tasks of the Planning & Finance Department, which reports to senior management and relevant departments on a quarterly basis and, in special circumstances.

Below is a summary of the key capital ratios of the Bank as at the dates stated thereof:

	As at 31 December		
	2020	2021	2022
Core Capital Ratio	7.78%	7.37%	7.55%
Capital Adequacy Ratio	13.61%	13.62%	14.67%

	As at 31 December		
	2020	2021	2022
		<i>MOP'000</i>	
Core capital	10,149,690	11,387,583	11,785,474
Paid-up share capital	2,610,000	2,610,000	2,610,000
Share premium	1,771,859	1,771,859	1,771,859
Reserves	5,767,831	7,005,724	7,403,614
Supplementary capital	7,595,185	9,658,312	11,116,256
General provision	1,287,870	1,356,923	1,330,309
Perpetual subordinated capital instruments	2,310,194	4,288,241	5,773,177
Non-perpetual subordinated capital instruments	3,997,121	4,013,148	4,012,771
Total capital base	17,744,875	21,045,895	22,901,730

The capital ratios were computed in accordance with Notice No. 011/2015-AMCM issued by the AMCM.

The Bank adjusts its business and lending strategy from time to time to optimise its risk-return profile. A detailed capital planning and allocation policy, engineered by the ALM, is to be drawn up to ensure compliance with related AMCM requirements.

Capital adequacy and the use of regulatory capital are closely monitored by the senior management. Information which is required to be filed with the AMCM is filed on a quarterly basis.

Internal audit functions

The internal audit functions of the Bank are responsible for the monitoring and assessment of the Bank's day to day operations, with its primary function to identify areas for improvement and to ensure that respective departments are in compliance with relevant risk management, internal controls and internal governance procedures. The internal audit function operates independently from senior management responsible for day to day management, and plays an independent role in ensuring proper risk management and internal controls. The internal audit functions report directly to both the board of directors and the Related Party Transaction Control and Audit Committee, whom are both responsible for providing oversight. The internal audit functions of the Bank are responsible for quarterly report to the board and Related Party Transaction Control and Audit Committee, which looks to communicate recommendations and findings for the relevant period.

BOARD OF DIRECTORS AND EXECUTIVES

The Bank is committed to maintaining a high standard of corporate governance. To enhance the overall management quality of the Bank, the Board has put in place governance practices with a particular emphasis on maintaining an effective Board for leadership and control, sound business ethics and integrity in all business activities. The Articles of Association of the Bank require that the Board must have at least two directors as Independent Directors.

BOARD OF DIRECTORS

The Board is responsible for leading the Bank in a responsible and effective manner. Its main responsibilities include, but are not limited to, ensuring competent management, approving objectives, strategies and business plans, ensuring prudent conduct of operations within the laws and approved policies, ensuring and monitoring integrity in the Bank's conduct of affairs. Directors, as members of the Board, jointly share responsibility for the proper direction and management of the Bank.

The Board of Directors of the Bank comprises eleven members, one executive directors and ten non-executive directors, of whom three are independent non-executive directors and one Employee Director. Currently, the Board is comprised of the following individuals:

Name	Age	Title
Mr. HUANG LAIZHI	50	Chairman, Director
Mr. GUO YIMING	49	Executive Director
Mr. ZHANG DECHUN	60	Director
Mr. ZOU ZHIMING	49	Director
Mr. MA CHI UN	51	Director
Ms. JONG LAI CHING	56	Director
Mr. LUO YINGHUI	49	Director
Mr. LAO NGAI LEONG	66	Independent Director
Mr. CHUI SAI PENG JOSE	63	Independent Director
Mr. PANG CHUAN	52	Independent Director
Ms. FONG LONG PENG	53	Employee Director

Mr. HUANG LAIZHI, Chairman

Mr. Huang was appointed as the Chairman of the Bank in June 2022, and he was also appointed as the Chairman of the Executive Committee and the Chairman of the Strategy Committee of the Bank in September 2022. Mr. Huang served as an Assistant Manager of Credit Department, a Senior Manager of the Credit and Marketing Department and a Branch President of the Fuzhou Branch of XIB, and the Deputy Director of Operations of XIB. He holds a Bachelor's degree in Business Administration and is an intermediate economist.

Mr. GUO YIMING, Executive Director

Mr. Guo was appointed as the Executive Director of the Bank in June 2022, and a member of the Executive Committee, the Risk Management Committee and the Related Party Transaction Control and Audit Committee of the Bank in September 2022. Mr. Guo served as a Deputy General Manager of the Internal Audit Department of XIB, a Deputy General Manager of Beijing Branch of XIB, a General Manager of Zhuhai Branch of XIB, an Assistant General Manager of the Bank and a General manager of the Guangzhou Branch of the Bank. Mr. Guo currently serves as a Deputy General Manager of the Bank. Mr. Guo holds a Doctoral Degree and is an intermediate economist.

Mr. ZHANG DECHUN, Director

Mr. Zhang was appointed as a Director of the Bank in 2013, and he is now a member of the Strategy Committee and the Nomination and Remuneration Committee of the Bank. Mr. Zhang successively served as a Deputy General Manager, an onshore General Manager, an executive director and the Branch President (Chief Executive Officer) of XIB. Mr. Zhang currently also serves as a non-executive director of Chiyu Banking Corporation Limited. Mr. Zhang holds a Bachelor's degree in Program Statistics and is a senior economist.

Mr. ZOU ZHIMING, Director

Mr. Zou was appointed as a Director of the Bank in June 2022, and a member of the Strategy Committee and Risk Management Committee of the Bank in September 2022. Mr. Zou served as a General Manager of the Planning and Finance Department and Deputy Chief Financial Officer of XIB, and as a Supervisor of the Bank. Mr. Zou currently serves as Deputy General Manager of XIB. Mr. Zou holds a Doctoral degree and is a senior accountant.

Mr. MA CHI UN, Director

Mr. Ma was appointed as a Director of the Bank in June 2022, and the Chairman of the Risk Management Committee, a member of the Executive Committee and Strategy Committee of the Bank in September 2022. Mr. Ma is the founder and served as an executive director of Fast Vast Corporation Limited (迅博有限公司) and served as the Chief Financial Officer of Hong Kong Chengtong Development Company Limited (香港誠通發展有限公司). Mr. Ma currently serves as the Vice Chairman and an executive director of Prime Properties Holdings Limited (聯生發展股份有限公司) in Macau, a founder and an executive director of Tengard Financial Services Ltd. (騰祺理財服務有限公司) in Hong Kong and Shanghai Liangfeng Logistics Company Limited (上海亮鋒物流有限公司), and a founder and director of Macau Insurance Brokers Ltd. (澳門保險經紀有限公司). Mr. Ma holds a Bachelor's degree in Business Management.

Ms. JONG LAI CHING, Director

Ms. Jong was appointed as a Director of the Bank in 2016, and she is now a member of the Related Party Transaction Control and Audit Committee of the Bank. Ms. Jong is the Chairman of Magran Investments Limited, a Manager of 「App師傅」有限公司, a Manager of DataExpert Technology Limited (DATAEXPERT (MACAU) 有限公司), We6 Company Limited (We6有限公司) and Golden Fruit Information Technology Company Limited (黃金果資訊科技有限公司). Ms. Jong holds a Bachelor's degree in International Economy from The American University of Paris and a Master's degree in Comparative Law from University of Macau.

Mr. LUO YINGHUI, Director

Mr. Luo was appointed as a Director of the Bank in June 2022, and a member of the Risk Management Committee of the Bank in September 2022. Mr. Luo served as a General Manager of Rucheng County Taifeng Mining Company Limited (汝城縣泰豐礦業有限公司) and the Chairman and a General Manager of Leiyang Fuxing Nonferrous Metals Smelting Company Limited (耒陽市福興有色金屬冶煉有限公司). Mr. Luo currently serves as a director of Hunan Hengshan Rural Commercial Bank (湖南衡山農村商業銀) and a director of Leiyang Yinyuan Small Loan Company Limited (耒陽市銀源小額貸款有限公司). Mr. Luo holds a Bachelor's degree in Silicates Profession and is an engineer.

Mr. LAO NGAI LEONG, Independent Director

Mr. Lao was appointed as an Independent Director of the Bank in June 2022, and a member of the Strategy Committee and the Nomination and Remuneration Committee of the Bank in September 2022. Mr. Lao is the Chairman of Chong Sai Enterprise (Group) Company Limited (創世企業集團有限公司) and a Convener of the Macau Deputies to the Fourteenth National People's Congress. Mr. Lao holds a Doctoral degree in Social Sciences (Honours).

Mr. CHUI SAI PENG JOSE, Independent Director

Mr. Chui was appointed as an Independent Director of the Bank in 2016, and he is now the Chairman of the Nomination and Remuneration Committee and a member of the Strategy Committee of the Bank. Mr. Chui was awarded the Professional Merit Medal by the Government of Macau in 1999 and by the Government of Macau Special Administrative Region ("Macau SAR") in 2004. He is now a Deputy of Macau to the Fourteenth National People's Congress, a member of the Seventh Legislative Council of Macau SAR, the Director General Manager of Macau New Region City Planning and Engineering Consulting Company Limited (澳門新城城市規劃暨工程顧問有限公司), the Chairman of Zhuhai City Dachang Tubular Pile Co., Ltd (珠海市大昌管樁有限公司) and the President of Parafuturo de Macau Investment and Development Limited (澳中致遠投資發展有限公司). Mr. Chui holds a Bachelor's degree in Civil Engineering from Washington State University, a Master's degree in Civil Engineering from University of California, Berkeley and a Doctor's degree in Urban Planning from Tsinghua University. Mr. Chui is also a Registered Civil Engineer in Macau, a Registered Civil Engineer and a Registered Structural Engineer (Senior Engineer) in California, the United States.

Mr. PANG CHUAN, Independent Director

Mr. Pang was appointed as an Independent Director of the Bank in 2018, and he is now the Chairman of the Related Party Transaction Control and Audit Committee, and a member of the Executive Committee and the Strategy Committee of the Bank. Mr. Pang holds a Bachelor's degree in Physical Electronics, a Master's degree in Management Science and a Doctor's degree in Management Science and Engineering from Fudan University. He is now a member of the Seventh Legislative Council of Macau SAR, the Vice-President of Macau University of Science and Technology, the Dean of School of Graduate Studies and Tourism Management and Professor of School of Business in Macau University of Science and Technology.

Ms. FONG LONG PENG, Employee Director

Ms. Fong was appointed as an Employee Director of the Bank in 2016, and she is now a member of the Related Party Transaction Control and Audit Committee of the Bank. Ms. Fong holds a Bachelor's degree in Computer Science from Macau Polytechnic Institute. She obtained ITIL V3 Foundation Certification in 2008 and obtained qualification of Computer Information Investigator in 2010. Ms. Fong now serves as the Deputy Director of Technology and a General Manager of Information Technology Department of the Bank.

SENIOR MANAGEMENT

Mr. GUO YIMING, Deputy General Manager

For the information about Mr. Guo, please see “Board of Directors and Executives — Board of Directors” of this Offering Circular.

Mr. FANG KAI, Assistant General Manager

Mr. Fang has been appointed as the Bank’s Assistant General Manager since January of 2023. He joined XIB in July 2004 and had been that Bank’s section head of Xiamen Subbranch, Chief Representative of Quanzhou, Assistant General Manager of Siming Subbranch, Assistant General Manager of Xiamen Branch. He has joined the Bank since April 2017, and has been the Deputy General Manager of Guangzhou Branch and General Manager of Hangchow Branch, General Manager of Guangzhou Branch.

Ms. WANG YANG, Assistant General Manager

Ms. Wang has been appointed as the Bank’s Assistant General Manager since January 2023. She has joined the Bank since June 2006 and had been staff of Corporate Banking Department, Head of Corporate Banking Department, Head of Corporate Banking Department I, Deputy Director of Marketing Management and the Head of Marketing Management Department, Director of Retail Banking.

Mr. LOK CHUN KONG, Assistant General Manager

Mr. Lok has been appointed as the Bank’s Assistant General Manager since January 2023. He has joined the Bank since March 2003 and had been Head of Treasury Department, Head of Financial Markets Department, Head of Investment Banking Department, Deputy Director of Financial Markets.

Organisation

The Bank, in designing its management structure, has appointed a number of independent directors and established various committees (the “**Board Committees**”) to assist the Board in supervising the Bank. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report to the Board and, where appropriate, make recommendations on matters discussed. The Board, in addition to its overall supervisory role, retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments and approving policies relating to the Board’s compliance.

Strategy Committee

The Strategy Committee (“**SC**”) is responsible for, among others, the following matters:

- researching and preparing the proposed development strategy, operation objectives, risk management strategy, capital management strategy and long-term development plans;
- inspecting and evaluating the implementation of the strategies; and
- based on the changes of operating environment, making proposals about adjustments of strategies and making suggestions to the Board.

As at the date of this Offering Circular, the members of the SC consist of seven Directors, Mr. HUANG LAIZHI is the Chairman of SC, other members are Mr. ZHANG DECHUN, Mr. ZOU ZHIMING, Mr. MA CHI UN, Mr. LAO NGAI LEONG, Mr. CHUI SAI PENG JOSE and Mr. PANG CHUAN.

Related Party Transaction Control and Audit Committee

The Related Party Transaction Control and Audit Committee (“**RPTCAC**”) is responsible for, among others, the following matters:

- researching and preparing the management procedures about the related party transactions of the Bank, and making proposals to the Board for discussion and approval; and
- reviewing the major related party transactions submitted to the Board, and making proposals to the Board for discussion and approval.

As at the date of this Offering Circular, the members of the RPTCAC consist of four Directors. Mr. PANG CHUAN is the Chairman of RPTCAC, other members are Mr. GUO YIMING, Ms. JONG LAI CHING and Ms. FONG LONG PENG.

Risk Management Committee

The Risk Management Committee (“**RMC**”) is responsible for, among others, the following matters:

- based on the domestic and international economic conditions, keeping track of the changes of regulations and the needs of business development of the Bank, researching and making proposals to the Board about adjustments of risk management plans and strategies of the Bank;
- inspecting and monitoring the internal control of the Bank in respects of the credit risk, market risk, operation risk, liquidity risk, legal risk, reputation risk, technology risk, jurisdiction risk and etc.;
- conducting regular evaluation of the Bank’s management conditions, risk management ability and capacity; and
- researching and making proposals to the Board about adjustments of risk management plans and strategies of the Bank.

As at the date of this Offering Circular, the members of the RMC consist of four Directors and one Chief Officer of Risk Management Department. Mr. MA CHI UN is the Chairman of RMC, other Director members are Mr. GUO YIMING, Mr. ZOU ZHIMING and Mr. LUO YINGHUI.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“**NRC**”) assists the Board in, among others, the following areas:

- conducting annual review of the Board’s structure, headcounts and composition;
- making proposals to the Board on its size and composition based on the Bank’s strategy plan, operation conditions, asset scale and shareholding structure;
- reviewing the candidate directors’ profiles, basic conditions and qualifications and making proposals to the Board for discussion and approval;
- researching and preparing the basic plans of the remuneration management of the Bank and making proposals to the Board for discussion and approval; and
- researching and preparing the standard of the Directors’ remuneration and management procedures about evaluation of the Directors’ performance, and making proposals to the Board for discussion and approval.

As at the date of this Offering Circular, the members of the NRC consist of three Directors. Mr. CHUI SAI PENG JOSE is the Chairman of NRC, other members are Mr. ZHANG DECHUN and Mr. LAO NGAI LEONG.

Other committees have also been established to ensure the professional, effective and legal operations of the Bank.

Asset Liability Management Committee

The Asset Liability Management Committee is responsible for:

- according to the principles of safety, liquidity and profitability, predicting, analysing, evaluating and inspecting the risks of the Bank's Asset-Liability Portfolio, and making policies and guidelines accordingly; and
- under the tolerable risk conditions, continuously adjusting and optimising structure of the asset and liability, in order to accommodate the changes of external financial conditions and regulations and internal operating requirements.

Anti-Money Laundering Committee

The Anti-Money Laundering Committee is responsible for:

- assisting the General Manager in reviewing the guidelines, inspection procedures and working plans of anti-money laundering related issues;
- conducting regular review of the Bank's works in relation to anti-money laundering and anti-terrorism financing;
- inspecting the implementation of the anti-money laundering policies; and
- researching relevant topics on anti-money laundering, including case study, information analysis and training, in order to ensure that the Bank is in compliance with relevant regulations.

Technology Development and Security Committee

The Technology Development and Security Committee is responsible for:

- making technology development plans and strategies according to the Bank's overall operating and management plans;
- making suggestions in relation to the development of the Bank's technology system;
- preparing the priority and investment budgets on the development of technology systems;
- monitoring the status of the Bank's major technology investment and major system developments; and
- upgrading the information technology based on the changes of market conditions in timely manners.

Credit Management Committee

The Credit Management Committee is responsible for:

- preparing the operation policies of the credit assets of the Bank, reviewing the credit policies of each stage and proposing adjustments, suggestions or credit risk warning in relation to the credit policies in timely manners;
- conducting regular review and inspections of the Bank's investment policies and procedures, and making policies and suggestions accordingly;
- reviewing on account exposure of authorised transaction accounts and transaction entry requirements and making relevant suggestions;
- reviewing the credit projects with approval levels higher than "two A-level approvers";
- reviewing the reconsideration of qualified credit projects, and issuing review opinions for the approvers' reference; and
- participating in the evaluation of the Risk Evaluation Department and the approvers.

Key Projects Deliberation Committee

The Key Projects Deliberation Committee is responsible for:

- deliberating the Bank's key credit and investment projects, which are listed by Risk Management Department; and
- providing advice on key projects for those who have the right to approve.

Quality Management Committee

The Quality Management Committee is responsible for:

- putting forward the guidelines and objectives of the Bank's overall quality management, and building the Bank's quality management system;
- inspecting the effectiveness of quality management policies and objectives, tracking the implementation of quality and efficiency standards;
- reviewing the quality management system, coming up with the demand for continuous improvement of the quality management system, and cooperating with external institutions to carry out the review of the Bank's quality system;
- organising the inspection and review of the Bank's quality management system, and supervising relevant departments to formulate, review and improve the Bank's management systems;
- supervising and improving the service standards and system construction of the Bank, and constantly improving the internal and external customer satisfaction evaluation index system;
- inspecting and tracking the optimisation of banking systems and business flow; and
- strengthening the education of employees' professional ethics and risk awareness.

Digital Transformation Committee

The Digital Transformation Committee is responsible for:

- studying and formulating the Bank's overall planning framework, research plan, specific digital transformation scheme and implementation roadmap;
- coordinating and allocating internal resources to create convenient conditions for digital transformation;
- promoting the dissemination of digital transformation and cultivating innovation culture within the Bank;
- studying the development strategy, development direction and work plan of the Bank's fintech innovation, and formulating the working template and relevant working mechanism of fintech innovation projects;
- establishing and improving the management system of incubation fund for fintech innovation projects;
- reviewing product systems related to digital transformation; and
- examining and approving specific fintech application innovation projects within the scope of authority.

Accountability Committee

The Accountability Committee is responsible for:

- coordinating the accountability work of the Bank and considering accountability treatment suggestions; and
- reviewing appeals from the people concerned within the scope of authority.

DIFFERENCES BETWEEN MFRS AND IFRS

The Audited Financial Statements included in this Offering Circular, have been prepared and presented in accordance with MFRS.

MFRS are substantially in line with IFRS, except for certain modifications which reflect Macau's unique circumstances and environment. MFRS consists of a specific set of 15 IASs and IFRS 1 (March 2004 edition) which are effective as at 1 January 2005. In applying MFRS, the Macau government authority is of the view that entities could apply the relevant standards based upon their latest IFRS releases, provided that the subsequent amendments do not conflict with the framework set under the MFRS. The MFRS applicable for annual periods beginning on or after 1 January 2022 (the "New MFRS") have adopted the Conceptual Framework for Financial Reporting and all of the standards and interpretations from the 2015 edition of the IFRS. Consequently, for the financial information for the year ended 31 December 2022 presented in this Offering Circular, there is no material difference between the New MFRS and IFRS.

The following is a general summary of certain differences between MFRS and IFRS on recognition and presentation as applicable to the Issuer for financial information prepared in 2020 and 2021. The Issuer is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of the financial information and related footnote disclosure between MFRS and IFRS and no attempt has been made to quantify such differences. Had any such quantification or reconciliation been undertaken by the Issuer, other potentially significant accounting and disclosure differences may have been required that are not identified below.

Accordingly, no assurance is provided that the following summary of differences between MFRS and IFRS is complete. In making an investment decision, each investor must rely upon its own examination of the Issuer, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisers for an understanding of the differences between MFRS and IFRS and/or between MFRS and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

PROVISION ON LOAN AND ADVANCES

For the years ended 31 December 2020 and 2021, specific provision is made with reference to the requirements of the AMCM under MFRS. In addition, amounts have been set aside as a general provision for loans and advances to customers. Under IFRS, a 12-month or lifetime expected credit loss allowance is recognised and measured for the debt instruments assets measured at amortised cost or fair value through other comprehensive income, an issued loan commitment (unless the loan commitment is measured at fair value through profit or loss) and an issued financial guarantee contract (unless the financial guarantee contract is accounted for as an insurance contract), using an "expected credit loss" model in accordance to IFRS 9.

FINANCIAL ASSETS AND LIABILITIES, DERIVATIVE FINANCIAL INSTRUMENTS

For the years ended 31 December 2020 and 2021, the Issuer classifies its investment securities into held-to-maturities, trading securities and other investments under MFRS. Held-to-maturity investments include debt securities for which the Issuer has the intention and ability to hold to maturity. Investments in listed and unlisted debt securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Trading securities are stated at the lower of amortised cost and market value at the balance sheet date. Other investments are stated at cost, and adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Derivative financial instruments designated as hedges (here refers to economic rather than accounting hedge) are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is

recognised in the income statement on the same basis as that arising from the related assets, liabilities or net positions. Foreign exchange contracts undertaken for trading purposes are translated at rates of exchange ruling at the balance sheet date. Unrealised gains on such transactions are included in “Other assets” whereas unrealised losses on such transactions are included in “Other liabilities”.

Under IFRS 9, embedded derivatives are not separated from financial assets if the host contract is an asset within the scope of IFRS 9. A financial asset is classified, according to the contractual cash flow characteristics of the asset in its entirety and the business model within which the reporting entity manages such financial assets, into three principal classification categories for financial assets with different measurement bases: (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVOCI). For a debt instrument asset that is classified as FVOCI, the gain or loss is recognised in other comprehensive income, except for the interest revenue, expected credit impairment gain or loss and foreign exchange gains/losses, until the financial asset is derecognised with the cumulative gains/losses in other comprehensive income being reclassified to profit or loss.

On initial recognition, an entity may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

For financial assets with contractual cash flow characteristics not meeting the solely payments of principal and interest criterion, such as equity securities, the classification is FVTPL regardless of the entity’s business model. An equity security that is not held for trading and meets the definition of an equity instrument from the issuer’s perspective, can be irrevocably designated by the holder as FVOCI. Gains and losses on such an equity security asset, except for the dividend income (which is recognised in profit or loss), is recognised in other comprehensive income without recycling.

DEFERRED TAX

There is no difference in the deferred tax accounting policy itself, but there are amount representing the deferred tax effect arising from the above policy differences between IFRS and MFRS.

REGULATION AND SUPERVISION

The banking sector in Macau is regulated by the Financial System Act as approved by the Law no. 13/2023 (“FSA”) which supersedes the Decree Law no. 32/93/M that has been in force since September 1993. At implementation level, the banking sector in Macau is regulated by notices published from time to time in the Official Gazette of Macau, as well as regulations, notices, circulars, guidelines and instructions issued by the AMCM. Such publications are aimed at regulating the financial market and the functioning of financial institutions pursuant to the authority assigned to the AMCM by the FSA, which combines a regulatory and a supervisory function, and the statutory law that created the AMCM and Decree Law no. 14/96/M of 11 March 1996 (as amended) which defined its powers.

Only credit institutions duly set up and licensed as locally incorporated institutions or as local branches of offshore institutions by the Chief Executive of Macau (the “C.E.”), upon advice from the AMCM, are entitled to carry on banking activities in Macau on a regular basis and for profit. Reference is made hereinafter to banks/credit institutions rather than financial institutions, as financial institutions which are not banks/credit institutions currently have no major relevance in the local banking industry.

Locally incorporated banks are set up as companies by shares, with a minimum share capital of MOP300 million. A bank’s own funds cannot be less than the share capital and, should its funds fall below such level, the AMCM may set terms and conditions for replenishing funds, such as accepting the revaluation of an asset on the basis of circumstances prevailing at the time, subject to the bank providing a reinforcement or substitute asset on or before a certain date to make up for the deficiency in its funds.

It is subject to the AMCM’s approval for (i) the direct or indirect acquisition, in one single step or as the cumulative effect of successive steps, of a qualified participation in a locally incorporated bank or (ii) the expansion of an already existing qualified participation by 5 per cent. or more of the share capital of, or voting power in, a bank, unless the subject shares are traded in a stock exchange or other circumstances render the submission for approval not feasible, in which case the AMCM shall be notified by the bank within 30 days upon such acquisition or expansion for obtaining its approval. “Qualified participation” is defined as a direct or indirect holding of 10 per cent. or more of the share capital of, or the voting power in, a bank or a participation that allows its holder to exert a significant influence in the management of the bank. Concepts of “connected persons”, “control over” and “controlled by” apply in identifying qualified participations.

In applying the concept of “connected persons”, certain relatives of a shareholder, shareholders who undertake to another shareholder to adopt a discipline of vote, third parties who are secured by a charge created by a shareholder on his shares where such charge gives such third parties the ability to exercise the voting rights pertaining to such shares, shareholders who entrust another shareholder with the deposit or custody of their own shares and allow such depositary or custodian to manage with no specific instructions the interests represented in such shares, are regarded as being connected with the concerned shareholder such that the voting rights of such connected persons will be deemed to add up to those of the concerned shareholder for the purposes of assessing the voting power of the concerned shareholder.

An entity has “control over” another (and conversely, the latter is “controlled by” the former) where it holds more than half of the voting rights of the latter, is a shareholder with the right to appoint or dismiss more than half of the members of its management or supervisory board or is a shareholder who has, by agreement with other shareholders, the ability to control the majority of the votes in the supervisory board. Control by an entity may be direct or exerted through another person that is himself controlled by such controlling entity. The voting rights of the controlling entity are deemed to add up to those of the persons it controls for the purposes of assessing its voting power.

In evaluating a request to acquire or expand a qualified participation, the AMCM runs a suitability test, under which the following may be grounds for opposition:

- the way in which the subject entity conducts its business or the nature of the activity carried on by the subject entity revealing the subject entity's tendency to take excessive risks;
- the inadequacy of the economic or financial situation of the subject entity in view of the amount of the participation envisaged;
- the AMCM having found doubts as to whether the origin of the funds is licit or who owns the funds;
- the new structure and characteristics of the group that the subject entity will become a part of disabling the adequate supervision of the subject entity going forward; or
- a lack of commitment to fulfil or offer assurances of compliance with any recovery or stabilisation plan previously set by the AMCM.

Prior notification must be made to the AMCM in case of disposal of a qualified participation, or a decrease of qualified participation in an amount equivalent to five per cent. or more of the share capital of, or voting right in, a bank, whether in one single step or as the cumulative effect of successive steps.

The directors of a bank must pass a suitability test. Under this test, the AMCM will consider the professional ethics and business conduct of the subject person, namely whether the subject person has the ability to make decisions in a prudent and principled manner, and whether the subject person has the professional knowledge, work experience and management capabilities appropriate to the respective position. The following circumstances are particularly relevant for this evaluation: the subject person having been in breach of his duties or behaved in a way that is not compatible with the keeping of a bank's reputation; the subject person having been declared bankrupt or insolvent or held responsible for the bankruptcy of a business controlled by him or of which he is a member of the administrative body or senior manager; the subject person having been a member of the administrative body or senior manager of a company that is at risk of bankruptcy, except for those who can prove that they are not personally responsible for the bankruptcy risk; the subject person having been indicted or sentenced robbery, theft, abuse of trust, issuing of bad cheques, fraud, forgery, misappropriation of official duties, bribery, extortion, profiteering, perverting the course of justice, accepting deposit or repayable funds from the public without permission, money laundering, terrorism or terrorist financing; the subject person having been warned, punished or applied regulatory measures by regulatory authorities; the subject person having been responsible for repeated or serious non-compliance with statutory or regulatory norms applicable to banks or other institutions under the supervision of the AMCM.

The board of directors of a locally incorporated bank shall be composed by at least 5 suitable persons, 3 of them with habitual residence in Macau (and at least one of them is resident in Macau), and with appropriate ability and experience to perform their obligations.

A bank's exposure to a single person or a group of connected persons cannot exceed 25 per cent. of its Tier 1 capital. "Exposure" is defined as any credit facility, whether or not used, either on- or off-balance sheet, including the giving of guarantees and other undertakings, extended to a client or a group of connected clients. There is deemed to be a connection between a bank's exposure to different clients if, due to the fact that one client controls the other or that the liabilities or financial conditions of one client are closely related to the financial condition of the other client or impact the other client's ability to collect its debts, the risks posed by such clients are in fact identical. A bank's aggregate large exposure (a "**large exposure**" being defined as an exposure to a single person or a group of connected persons that equals or exceeds 10 per cent. of the bank's Tier 1 capital) cannot exceed 800 per cent. of its Tier 1 capital.

A bank's exposure to a holder of a qualified participation in the bank may not at all material times exceed, in the aggregate, 20 per cent. of the bank's Tier 1 capital. A bank's total exposure to all qualified participation holders may not at all material times exceed 40 per cent. of the bank's Tier 1 capital.

A bank may not take its own shares as collateral or acquire an exposure to members of its management or supervisory board (and their related persons) in excess of one per cent. of its Tier 1 capital, as regards each of such persons individually, and ten per cent. of its Tier 1 capital in the aggregate.

Certain categories of exposure, defined by either the quality of the security provided in respect thereof or the nature of the investment, are excluded for the purposes of the calculation of the aforesaid exposure limits, namely including the exposure to the Macau Special Administrative Region, or central government or central banks of other countries or territories accepted by the AMCM, or credit secured by an irrevocable guarantee provided by or securities issued by such entities, credit secured by cash deposits or certificates of deposit issued by and deposited at the lending bank, exposure with a term up to 12 months to other banks subject to supervision deemed adequate by the AMCM, credit that takes as collateral discounted bills or other certificates issued in respect of export operations from Macau, unused credit with an original term up to 12 months or can be revoked unconditionally without prior notice. In addition, the C.E. may exempt specific transactions or categories of transactions from the aforesaid exposure limits.

A bank may not have a direct or indirect shareholding in a company in an amount that exceeds 15 per cent. of its own funds and the total amount of its shareholdings in other companies cannot exceed 60 per cent. of its own funds. Shareholdings acquired pursuant to an underwriting agreement are disregarded in the calculation of the said limits, **provided that** the shares are only kept for the normal duration of the underwriting and the underwriting activities are contained within any regulatory limits the AMCM may have imposed. Likewise, shares held by the bank in its own name for the account of others do not count towards the said limits, subject always to any regulatory limits the AMCM may have imposed on such kind of participations. Lastly, shares in financial institutions under supervision deemed adequate by the AMCM, do not count towards the said limits. The AMCM may also set the said limits aside in other exceptional cases.

A bank may not directly or indirectly hold more than 25 per cent. of the share capital of or voting power in a given company, unless the company is a financial institution under supervision deemed adequate by the AMCM or is an insurance company, a pension fund manager or an entity that carries on an activity ancillary to that of the bank.

The aggregate net asset value of a bank's financial applications and fixed assets, both tangible and intangible, shall not be greater than its own funds.

The AMCM sets out liquidity requirements to be observed by banks that are in line with the principles adopted by a September 2008 paper of the Basel Committee. In doing so, the AMCM provides a description of the cash in hand and other assets that may qualify for liquidity purposes, defines basic liabilities and establishes an average weekly ratio of cash in hand to basic liabilities by terms of repayment. A monthly solvency ratio of the other liquid assets to basic liabilities is also set by the AMCM. The AMCM lays down guidelines for the management of liquidity requirements, encourages banks to allocate such responsibility internally and advises them to implement systems and deploy tools to measure, monitor and control their liquidity position at all material times.

The AMCM requires and sets rules for banks to ascertain their capital adequacy ratio, which is defined as the relation to be maintained between a bank's own funds and its weighed total assets and off-balance sheet items, such ratio to be verified and reported to the AMCM on a quarterly basis.

Financial statements are subject to verification by external auditors approved by the AMCM. Early termination by the bank of its contract with its auditors can only be done for cause, unless otherwise agreed with the auditors, and such cause must be disclosed to the AMCM by written notification within 5 days. Early termination by the auditors or their decision to not renew the contract must also be disclosed to the AMCM by written notification within 5 days. In certain exceptional cases and upon consultation with the bank concerned, the AMCM may direct that an extraordinary audit be conducted by other independent auditors or entities.

The AMCM may exercise its supervisory role, both from its offices and on-site, and to this end require, with or without prior notice, production of any documents to verify the existence of assets of any bank. Where a bank's registered office is in Macau, supervision is done on the bank's financial position on a consolidated basis, taking into account entities in which the bank participates in more than 50 per cent. interest, but the AMCM may at times take the same approach even if the bank's participation is below that mark. In line with its supervisory role, the AMCM is required to adopt practices to facilitate the carrying out of similar exercises by foreign governmental bodies in respect of offshore banks with a branch office in Macau.

There is a special regime of government intervention in a local bank, such as an appointment of government delegates to supervise the management of the bank or an appointment of an administrative commission that will take over management of the bank. Such government interventions may occur if the bank is facing a serious situation of imbalance or has caused a material breach of statutory and regulatory provisions related to its activities, which anticipates a serious risk of default to the bank's depositors or other creditors or of breaching the trust of market participants in the financial system or infringing the public interests. The government interventions must be preceded by an advice from the AMCM. Unless otherwise stated in the dispatch of the C.E. that determines the start of the intervention, the said delegates or commission will be appointed for six months, with the appointment being renewable.

If, by the time of the government intervention, a voluntary petition for bankruptcy has already been filed by a bank with the court, no agreement between the bank and its creditors or among creditors (to continue the business of the bank) may be made, except if the government intervenes expressly and does not oppose to the same.

If, by the time of the government intervention, a creditor or a group of creditors has already filed for the bankruptcy of a bank, the court may not adjudicate on the matter once the government intervenes and during such time that intervention remains in place. Where the bankruptcy court procedure is being driven by creditors and is not based on a voluntary petition by the distressed entity, any attempt at a company-creditors agreement may only be made after the court has handed down a bankruptcy order, as a means of suspending and reversing the bankruptcy, and not as a means to prevent the bankruptcy from being declared (as would be the case where the entity itself submitted to the court voluntarily).

If the government intervention is already in place, the bank cannot submit to the court for bankruptcy and its creditors cannot request the court to commence bankruptcy proceedings against the bank, during such time that intervention remains in place.

A bank's licence may be cancelled if: (i) it was obtained through false representations or other illicit means, (ii) the bank demonstrates an inability to fulfil its obligations, in particular, as regards the safety of the funds entrusted to it, or because its own funds have fallen below its share capital and have not been replenished within the time the bank was assigned for such purpose; (iii) owing to serious irregularities in the corporate management, risk management, internal control or financial accounting, (iv) the bank has ceased its activities or the bank's trade has been of little significance for a period over 12 months, (v) the governing bodies of the bank have not been appointed or no longer function properly, (vi) the bank repeatedly and seriously breaches the laws and regulations of Macau and the determinations and guidelines issued by the C.E. or the AMCM, (vii) where the bank is a local branch of an offshore institution, the latter has its own licence cancelled by the authorities

of its jurisdiction of incorporation or changes its articles in a manner incompatible with the laws of Macau, (viii) the bank is not able to resume normal operation after the government intervention, or (ix) specific circumstances defined under article 58 paragraph 4, article 59 paragraph 6 and article 90 of the FSA. Notice of intent to cancel a bank's licence must be served and the bank may argue its case against the proposed cancellation within 10 days upon receipt thereof.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Persons considering the purchase of the Additional Bonds should consult their own tax advisers concerning the application of Macau tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Bonds arising under the laws of any other taxing jurisdiction.

MACAU

Withholding Tax

No withholding tax is payable in Macau in respect of payments of principal or interest in respect of the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Complementary Income Tax

The Complementary Income Tax shall be considered as profit tax in commercial or industrial activities which charges the tax payer on the actual profit or estimated profit as obtained in Macau pursuant to section 2 of the Regulation of Complementary Income Tax, as approved by Law no. 21/78/M dated 9 September 1978, and its section 20 sets out that interest on bonds or capital gains arising from the sale of the bonds in Macau are taxable income for calculating profit.

As per the Regulation of Complementary Income Tax, the tax rate of Complementary Income Tax is up to 12 per cent. (subject to any double taxation agreement as may be entered into between Macau and the relevant jurisdiction of the taxpayer).

There is no withholding or deduction requirement imposed on the Issuer in respect of payments of principal or interest in respect of the Bonds or in respect of any capital gains arising from the sale of the Bonds and the Issuer is not obliged to withhold or deduct the Complementary Income Tax under Macau law.

Subject to any different interpretation that the Macau Finance Bureau may have, the Complementary Income Tax should not be applicable given the Bonds are not issued in Macau and any related income generated by the Bonds should not be considered to be obtained in Macau.

If any Complementary Income Tax is applicable, the beneficiary of the bonds' interest may be the taxpayer of the Complementary Income Tax if the interest payment from the bonds and/or capital gains or profit from the sale and purchase, redemption or other forms of disposal of the bonds are obtained in Macau or obtained by Macau tax residents.

The beneficiary of the bonds' interest is required to complete the related tax enrolment procedure for the fulfilment of the tax duties in connection with the bonds. The beneficiary of the bonds' interest who is not a Macau resident shall also submit documents to the Macau tax authority (which is the Finance Service Bureau) for the registration as taxpayer in Macau.

If the beneficiary fails to submit the tax filings accurately within the prescribed time period, the Macau tax authority may impose a penalty of up to MOP20,000.00. If the beneficiary fails to pay Complementary Income Tax within 60 days from the prescribed time period, the Macau tax authority may impose the payment of late interests as well as an extra payment of 3 per cent. over the amount of Complementary Income Tax payable.

The above statements about Complementary Income Tax are subject to interpretation by the competent tax authority.

Before investing in the Bonds, each potential investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible Macau tax consequences of buying, holding or selling any Bonds and the procedures for paying such Complementary Income Tax.

Stamp Duty

Pursuant to sections 13 and 14 of the General Table of Stamp Duty as annexed in the Stamp Duty Regulation, as approved and amended by Law no. 17/88/M dated 27 June 1988 and the relevant laws and regulation, both the bond issuance and the transfers of the bonds in Macau are subject to stamp duty at the rates of 0.2 per cent. over the value of issued bond and 0.5 per cent. over the transfer value, respectively.

However, as the Issuer is a fully licensed bank under the category of credit institutions, the stamp duty in connection with the issuance of the bonds and the execution of the transaction documents is exempted. In addition, given that the Bonds are issued outside Macau, the stamp duty in Macau is not applicable with the issuance of the Bonds.

Pursuant to the Stamp Duty Regulation, stamp duty will be payable on any subsequent transfer of bonds, including transfers between accountholders in the relevant clearing system. Nevertheless, the stamp duty related to the transfer of bond certificate is only applicable for the situation where the transfer of the bond certificate is executed through judicial document, deed or public instrument in Macau.

However, given that the Bonds are issued outside Macau, the stamp duty in Macau is not applicable to the transfers of the Bonds either.

If any stamp duty is applicable, such stamp duty shall be paid by the transferee of the bonds to the Macau tax authority (which is the Finance Service Bureau) within 30 days from the date of the relevant document, title or act which effects the transfer of the bonds. If the transferee fails to pay within the prescribed time period, the Macau tax authority may impose a fine of up to three times the amount of stamp duty payable. The fines may be reduced to one third for late payment made within 30 days from the end of the prescribed time period, or one half for late payment made between 31 days and 60 days from the end of the prescribed time period.

Failure to pay any stamp duty on such transfer may also cause the relevant transfer document to be inadmissible as evidence to the courts and will cause such transfer to be inadmissible as evidence with any government authorities. The transfer will not have any effect according to the Stamp Duty Regulation, unless payment of such stamp duty is made (together with any fines in the case where the payment is made late).

The above statements about the stamp duty are subject to interpretation by the competent tax authority.

Before investing in the Bonds, each potential investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible Macau tax consequences of buying, holding or selling any Bonds and the procedures for paying such stamp duty.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the “**Amendment Ordinance**”) came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Bonds accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Macau) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Bondholders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Each of China Industrial Securities International Brokerage Limited, DBS Bank Ltd., Luso International Banking Limited, Bank of China Limited, Macau Branch, CCB International Capital Limited, CLSA Limited, Industrial and Commercial Bank of China (Macau) Limited and TFI Securities and Futures Limited (together the “**Joint Lead Managers**”) has, pursuant to a subscription agreement dated 21 December 2023 (the “**Subscription Agreement**”), severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for, or procure subscribers to subscribe and pay for, the principal amount of the Additional Bonds set out opposite its name below as its subscription commitment. Each Joint Lead Manager’s subscription commitment may not represent the amount of Additional Bonds actually subscribed or procured to be subscribed by such Joint Lead Manager.

Joint Lead Managers	Subscription Commitment
China Industrial Securities International Brokerage Limited	U.S.\$30,000,000
DBS Bank Ltd.	U.S.\$20,000,000
Luso International Banking Limited.	U.S.\$30,000,000
Bank of China Limited, Macau Branch	U.S.\$10,000,000
CCB International Capital Limited	U.S.\$10,000,000
CLSA Limited	U.S.\$10,000,000
CMBC Securities Company Limited	U.S.\$10,000,000
Huafu International Securities Limited	U.S.\$10,000,000
Industrial and Commercial Bank of China (Macau) Limited.	U.S.\$10,000,000
TFI Securities and Futures Limited	U.S.\$10,000,000
Total	U.S.\$150,000,000

The Issuer has agreed to pay to the Joint Lead Managers a commission and concession in connection with their subscription commitments in accordance with the Subscription Agreement. The Issuer has also agreed to indemnify the Joint Lead Managers and their affiliates against certain liabilities incurred in connection with the issue of the Additional Bonds. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Additional Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate the Subscription Agreement in certain circumstances at any time prior to payment of the gross subscription monies for the Additional Bonds to the Issuer.

The Issuer has agreed that, between the date of this Offering Circular and the date falling 14 calendar days after the New Issue Date (both dates inclusive), it will ensure that neither the Issuer nor any person acting on its behalf will issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of, any other debt securities or Bonds of the Issuer, or securities of the Issuer that are convertible into, or exchangeable for, such other debt securities or Bonds, in any such case without the prior written consent of the Joint Lead Managers.

In connection with the issue of the Additional Bonds, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s), may, to the extent permitted by applicable laws and directives, over-allot the Additional Bonds or effect transactions with a view to supporting the price of the Additional Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Joint Lead Managers.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer for which they have received, or will receive, fees and expenses.

In connection with the offering of the Additional Bonds, the Joint Lead Managers and certain of their affiliates or affiliates of the Issuer may purchase the Additional Bonds and be allocated the Additional Bonds for asset management and/or proprietary purposes but not with a view to distribution. The Joint Lead Managers, their respective affiliates or affiliates of the Issuer may act as investors and place orders, receive allocations and trade the Additional Bonds for their own account and such orders, allocations or trading of the Additional Bonds may be material. Such entities may hold or sell such Additional Bonds or purchase further Additional Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Additional Bonds or other securities otherwise than in connection with the offering of the Additional Bonds. Accordingly, references herein to the offering of the Additional Bonds should be read as including any offering of the Additional Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Additional Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Joint Lead Managers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and

securities activities may involve securities and instruments of the Issuer or its associates or associated companies, including the Bonds, may be entered into at the same time in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIIs (including private banks)

This notice to CMIIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIIs, which require the attention and cooperation of other CMIIs (including private banks). Certain CMIIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIIs should specifically disclose whether their investor clients have any Association when submitting orders for the Additional Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIIs should ensure that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Additional Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Additional Bonds. CMIIs are informed that a private bank rebate is payable as stated in this Offering Circular, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the Additional Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed

to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: dcm@lusobank.com.mo, dcm@xyzq.com.hk and DCMOmnibus@db.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

UNITED STATES

The Additional Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Additional Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Additional Bonds, an offer or sale of the Additional Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Additional Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Additional Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

UNITED KINGDOM

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), received by it in connection with the issue or sale of the Additional Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Additional Bonds in, from or otherwise involving the United Kingdom.

HONG KONG

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Additional Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Additional Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Additional Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

MACAU

Each Joint Lead Manager has represented, warranted and agreed that the Additional Bonds may not be promoted, distributed, sold or delivered in Macau, and any document relating to the Additional Bonds may not be distributed or circulated in Macau, except permitted under the terms of and in compliance with the FSA and Guideline on Provision and Distribution of Financial Products (Circular no. 033/B/2010-DSB/AMCM dated 17 September 2010), the Guideline on Issuance and Information Disclosure of Corporate Bond and Guideline on Underwriting and Trustee Business of Corporate Bond (Circulars no. 011/B/2023-DSB/AMCM dated 1 November 2023) and guideline regarding Registration System for Bond Issuance through Public Subscription (Circular no. 012/B/2023-AMCM) (the “**AMCM Circulars**”) and any other laws in Macau that may apply to the offer and sale of the Additional Bonds in Macau. The Additional Bonds have not been and will not be registered for offer and sell to professional investors in Macau under the FSA and the AMCM Circulars, thus may not be offered or sold in Macau, unless such offer and sale are made by Macau licensed entities according to the FSA and AMCM Circulars and upon their communication to the AMCM and the MOX (when applicable), in observation of the guidelines and recommendations issued by the AMCM and the MOX (when applicable) from time to time.

The Joint Lead Managers who are not Macau licensed entities will not promote, distribute, sell or deliver any of the Additional Bonds in Macau.

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Additional Bonds or caused the Additional Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Additional Bonds or cause the Additional Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Additional Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

JAPAN

The Additional Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Additional Bonds, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Additional Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Additional Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Additional Bonds, in any country or jurisdiction where action for that purpose is required.

None of the Issuer or the Joint Lead Managers makes any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Additional Bonds, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Additional Bonds, in any country or jurisdiction where action for that purpose is required.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by such Joint Lead Manager or affiliate on behalf of the Issuer in such jurisdiction.

GENERAL INFORMATION

1. **Clearing Systems:** The Existing Bonds have been accepted for clearance through Euroclear and Clearstream. On the New Issue Date, the Additional Bonds will be consolidated and form a single series with the Existing Bonds, and the Bonds will be cleared through Euroclear and Clearstream under Common Code 272019398 and ISIN XS2720193981.
2. **Legal Entity Identifier:** The Legal Entity Identifier (LEI) of the Issuer is 30030056P5BEUFIKLS38.
3. **Listing of Bonds:** The Existing Bonds are listed on the MOX and the Hong Kong Stock Exchange. Application will be made to the MOX for the listing of the Additional Bonds by way of debt issues to MOX Professional Investors only. The listing on the MOX is expected to become effective on or about 29 December 2023. Listing of the Additional Bonds on the MOX is conditional upon satisfaction of the requirements of that exchange.

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Additional Bonds by way of debt issues to Professional Investors only and it is expected that the dealing in, and listing of, the Additional Bonds on the Hong Kong Stock Exchange will commence on or about 29 December 2023.

4. **Litigation:** The Issuer is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the Additional Bonds, nor is the Issuer aware that any such proceedings are pending or threatened.
5. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations as may be required in connection with the issue and performance of the Bonds (including the Additional Bonds), including, but not limited to, approval by the AMCM. The issue of the Bonds was authorised by a resolution of the shareholders of the Issuer passed on 30 March 2023. The issue of the Bonds was also authorised by a resolution of the board of directors of the Issuer passed on 29 March 2023.

The NDRC Certificate dated 26 June 2023 has been obtained from the NDRC in connection with the issuance of the Bonds pursuant to the NDRC Administrative Measures which remains in full force and effect as of the date of this Offering Circular. The Issuer intends to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the relevant issue date in accordance with the NDRC Administrative Measures, for so long as any Bond remains outstanding. The NDRC Post-issue Filing with respect to the Existing Bonds has been duly submitted to the NDRC.

6. **No Material Adverse Change:** There has been no material adverse change in the financial or trading position of the Issuer since 31 December 2022 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2022.

7. **Available Documents:** For so long as any of the Bonds is outstanding, copies of the following documents (i) may be inspected by any Bondholder, at all reasonable times during usual business hours (being between 9:00 a.m. (London time) and 3:00 p.m. (London time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee (being at the Issue Date at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified office of the Principal Paying Agent following in each case prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent, or (ii) may be provided by the Principal Paying Agent by email to any Bondholder following written request and proof of holding and identity to the satisfaction of the Principal Paying Agent, and, in the case of the documents referred to in (a) to (e), subject to the Issuer first providing the same to the Principal Paying Agent and the Trustee and, in the case of the document referred to in (f), subject to the Issuer first providing the Trust Deed to the Principal Paying Agent:
- (a) the Memorandum and Articles of Association of the Issuer;
 - (b) a copy of the auditor's report of KPMG, the Issuer's external auditor for the year ended 31 December 2020, and the 2020 Audited Financial Statements;
 - (c) a copy of the auditor's report of Deloitte Touche Tohmatsu, the Issuer's external auditor for the year ended 31 December 2021, and the 2021 Audited Financial Statements;
 - (d) a copy of the auditor's report of Deloitte Touche Tohmatsu, the Issuer's external auditor for the year ended 31 December 2022, and the 2022 Audited Financial Statements;
 - (e) a copy of the most recent annual report (including the financial statements) published by the Issuer; and
 - (f) the Trust Deed (including the supplemental trust deed in relation to the Additional Bonds) and the Agency Agreement.
8. **Auditor:** The 2020 Audited Financial Statements included in this Offering Circular have been audited by KPMG, as stated in the auditor's report appearing in this Offering Circular in relation to such financial statements.

The 2021 Audited Financial Statements and the 2022 Audited Financial Statements included in this Offering Circular have been audited by Deloitte Touche Tohmatsu, as stated in the relevant auditor's report appearing in this Offering Circular in relation to such financial statements.

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Note:

- (1) The audited financial statements of the Bank as of and for the years ended 31 December 2020, 2021 and 2022 set out herein have been reproduced from the Issuer's annual reports for the years ended 31 December 2020, 2021 and 2022, including the page numbers and page references set forth in such reports. The financial statements have not been specifically prepared for the inclusion in this Offering Circular.

獨立審計師報告

致澳門國際銀行股份有限公司全體股東

(於澳門註冊成立的股份有限公司)

我們審計了載於第五頁至第八十五頁的澳門國際銀行股份有限公司(以下簡稱「貴銀行」)的財務報表,包括二零二二年十二月三十一日的財務狀況表,以及截至該日止年度的損益及其他全面收益表、權益變動表和現金流量表,以及重要會計政策概要和其他解釋性信息。

管理層對財務報表的責任

管理層負責根據中華人民共和國澳門特別行政區(以下簡稱「澳門特別行政區」)經第 44/2020 號經濟財政司司長批示核准的《財務報告準則》編製真實和公允的財務報表,並對其認為為使財務報表的編製不存在由於舞弊或錯誤導致的重大錯報所必需的內部控制負責。

審計師的責任

我們的責任是在執行審計工作的基礎上對財務報表發表審計意見,以及根據業務約定書的協議條款僅向全體股東(作為一個團體)作出報告,除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們按照會計師專業委員會第 2/2021/CPC 號通告通過之《審計準則》的規定執行了審計工作。這些準則要求我們遵守職業道德要求,計劃和執行審計工作以對財務報表是否不存在重大錯報獲取合理保證。

審計工作涉及實施審計程序,以獲取有關財務報表金額和披露的審計證據。選擇的審計程序取決於審計師的判斷,包括對由於舞弊或錯誤導致的財務報表重大錯報風險的評估。在進行風險評估時,審計師考慮與編製和真實和公允列報財務報表相關的內部控制,以設計恰當的審計程序,但目的並非對內部控制的有效性發表意見。審計工作還包括評價管理層選用會計政策的恰當性和作出會計估計的合理性,以及評價財務報表的總體列報。

我們相信,我們獲取的審計證據是充分、適當的,為發表審計見提供了基礎。

審計意見

我們認為,財務報表按照澳門特別行政區第 44/2020 號經濟財政司司長批示核准的《財務報告準則》,在所有重大方面真實和公允反映了貴銀行於二零二二年十二月三十一日的財務狀況以及截至該日止年度的經營成果和現金流量。

關可穎-執業會計師

合夥人

德勤·關黃陳方會計師事務所

澳門

二零二三年三月二十九日

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LUSO INTERNATIONAL BANKING LIMITED. (a limited liability company incorporated in Macau)

We have audited the financial statements of Luso International Banking Limited (the "Bank") set out on pages 5 to 85, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the the Financial Reporting Standards of Macau Special Administrative Region, the People's Republic of China ("Macau SAR") approved by Order of the Secretary for Economy and Finance No. 44/2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with the Standards on Auditing approved by the Professional Committee of Accountants under the Notice No. 2/2021/CPC. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Bank as at 31 December 2022, and of the Bank's financial results and cash flows for the year then ended in accordance with the Financial Reporting Standards of Macau SAR approved by Order of the Secretary for Economy and Finance No. 44/2020.

Kuan Ho Weng
Certified Public Accountant
Partner
Deloitte Touche Tohmatsu - Sociedade de Auditores
Macau
29 March 2023

損益及其他全面收益表

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

		附註 Notes	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
利息收入	Interest income	5	6,504,553	5,841,158
利息支出	Interest expenses	5	(4,147,273)	(3,468,845)
利息收入淨額	Net interest income		2,357,280	2,372,313
服務費及佣金收入	Fee and commission income	6	531,460	646,689
服務費及佣金支出	Fee and commission expenses	6	(31,589)	(30,669)
服務費及佣金收入淨額	Net fee and commission income		499,871	616,020
股息收入	Dividend income		36	264
買賣交易淨溢利	Net trading gain	7	589,245	584,566
其他經營收入	Other operating income		32,156	11,209
經營收入	Operating income		3,478,588	3,584,372
經營支出	Operating expenses	8	(1,260,403)	(1,180,946)
中國大陸稅金及附加	Mainland of China withholding tax		(36,298)	(74,851)
扣除減值準備前的經營溢利	Operating profit before impairment allowances		2,181,887	2,328,575
客戶貸款和墊款及其它金融工具減值損失淨額	Net charge for impairment losses on loans and advances to customers and other financial instruments	9	(309,259)	(290,369)
稅前溢利	Profit before tax		1,872,628	2,038,206
所得稅費用	Income tax expenses	10	(72,386)	(78,100)
年度溢利	Profit for the year		1,800,242	1,960,106
其他全面收益/(支出):	Other comprehensive (loss)/ income:			
其後不會重分類至損益的項目:	Items that will not be reclassified subsequently to profit or loss:			
指定以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity instruments designated as at fair value through other comprehensive income:			
年度公允價值變動淨額	Net fair value changes during the year		(816)	N/A
小計	Subtotal		(816)	N/A

損益及其他全面收益表 - 續

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
其後可能重分類至損益的項目：	Items that may be reclassified subsequently to profit or loss:		
以公允價值計量且其變動計入 其他全面收益的債權投資(所得稅後)：	Debt instruments at fair value through other comprehensive income:		
年度公允價值變動淨值	Net fair value changes during the year, net of tax	(1,050,279)	N/A
處置損益的重新分類調整	Release upon disposal reclassified to profit or loss	171,620	N/A
金融資產之減值損失撥回淨額	Net reversal for impairment losses	8,110	N/A
小計	Subtotal	(870,549)	N/A
外幣折算產生的匯兌差額	Currency translation difference	(397,927)	93,792
年度其他全面(支出)/收益總額(所得稅後)	Other comprehensive (loss)/ income for the year, net of tax	(1,269,292)	93,792
年度全面收益總額(所得稅後)	Total comprehensive income for the year, net of tax	530,950	2,053,898
歸屬於：	Attributable to:		
本銀行股東應得之全面收益總額	Shareholders of the Bank	530,950	2,053,898

財務狀況表 STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 於二零二二年十二月三十一日

		附註 Notes	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
資產	Assets			
現金及銀行存款	Cash and balances with banks	11	14,790,427	14,472,888
存放本地監管機構之存款	Deposits with local regulatory authority	12	2,982,731	3,475,210
存放中央銀行	Deposits with the central bank in Mainland of China		3,113,666	3,526,049
拆出資金	Placements with banks and other financial institutions	13	4,315,368	6,594,474
買入返售金融資產	Financial assets purchased under resale agreements	14	1,374,263	2,692,924
政府債券	Treasury bills	15	N/A	9,295,427
衍生金融資產	Derivative financial assets	16	302,356	14,569
客戶貸款和墊款	Loans and advances to customers	17	125,441,708	123,842,278
證券投資	Investments in securities	18	N/A	70,570,567
無形資產	Intangible assets		-	1,545
以攤餘成本計量的債權投資	Investments in debt instruments at amortised cost	19	33,840,615	N/A
以公允價值計量且其變動計入其他全面收益的債權投資	Debt instruments at fair value through other comprehensive income	20	44,962,010	N/A
以公允價值計量且其變動計入當期損益的金融資產	Financial assets at fair value through profit or loss	21	6,836,493	N/A
以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity instruments at fair value through other comprehensive income	22	6,240	N/A
物業、廠房和設備	Property, plant and equipment	23	537,990	397,588
租賃土地權益	Interest in leasehold land	24	148,199	113,660
土地使用權租賃預付款項	Lease prepayments on land use rights		1,035,783	-
遞延稅項資產	Deferred tax assets	25	442,627	231,470
其他資產	Other assets	26	859,045	3,029,781
資產總值	Total assets		240,989,521	238,258,430

財務狀況表 - 續 STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022 於二零二二年十二月三十一日

		附註 Note	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
負債	LIABILITIES			
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	27	31,773,100	35,836,034
以公允價值計量且其變動計入 當期損益的金融負債	Financial liabilities at fair value through profit or loss	28	13,148	N/A
賣出回購金融資產	Repurchase agreements	29	21,023,654	15,112,626
衍生金融負債	Derivative financial liabilities	16	18,769	48,763
客戶存款	Customer deposits	30	162,549,441	161,909,479
發行債券	Debt securities issued	31	5,773,107	5,902,398
本期稅項負債	Current tax liabilities		141,502	140,569
其他負債	Other liabilities	32	1,385,656	1,672,631
負債總值	Total liabilities		222,678,377	220,622,500
權益	EQUITY			
股本	Share capital	33	2,610,000	2,610,000
保留溢利	Retained earnings		1,918,825	2,064,396
其他儲備	Other reserve		8,009,142	8,673,293
本銀行股東應占股本及儲備	Share capital and reserve attributable to shareholders of the Bank		12,537,967	13,347,689
額外資本補充工具	Additional equity instruments	34	5,773,177	4,288,241
權益總值	Total equity		18,311,144	17,635,930
負債及權益總值	Total equity and liabilities		240,989,521	238,258,430

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

載於第五頁至第八十五頁之財務報表已於二零二三年三月二十九日由董事會批准，並由以下董事代表簽署：

The financial statements on pages 5 to 85 were approved by the Board of Directors on 29 March 2023 and are signed on its behalf by:

黃來志 Huang, LaiZhi

董事 DIRECTOR

焦雲迪 Jiao Yun Di

董事 DIRECTOR

權益變動表

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

	附註 Note	股本	股本溢價	額外資本 補充工具	投資重估 儲備金	法定儲備金	監管儲備金	外匯儲備金	其他儲備金	保留溢利	總額
		Share capital	Share Premium	Additional equity instruments	千元澳門幣 Investment revaluation reserve	Statutory reserve	Regulatory reserve	Foreign exchange reserve	Other Reserve	Retained earnings	Total
		澳門幣千 元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000		澳門幣千元 MOP'000			澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零二一年一月一日	At 1 January 2021	2,610,000	1,771,859	2,310,194	-	1,596,556	-	200,561	3,960,570	1,902,120	14,351,860
自保留溢利轉撥至法定及其他儲備金	Transfer from retained earnings to statutory and other reserve	-	-	-	-	187,492	-	-	862,463	(1,049,955)	-
支付額外資本補充工具利息	Interest paid on additional equity instruments	34	-	-	-	-	-	-	-	(185,400)	(185,400)
發行額外資本補充工具	Issue additional equity instruments	34	-	1,978,047	-	-	-	-	-	-	1,978,047
支付二零二零年普通股股息	2020 Dividend paid on ordinary shares	-	-	-	-	-	-	-	-	(562,475)	(562,475)
外幣報表折算差異	Exchange difference	-	-	-	-	-	-	93,792	-	-	93,792
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	1,960,106	1,960,106
於二零二一年十二月三十一日	At 31 December 2021	2,610,000	1,771,859	4,288,241	-	1,784,048	-	294,353	4,823,033	2,064,396	17,635,930
應用新《澳門財務報告準則》的影響	Adjustments of application of adopting New MFRSs	2.2	-	-	(40,480)	-	-	(8,134)	-	(604,780)	(653,394)
於二零二二年一月一日，經調整	At 1 January 2022, as adjusted	2,610,000	1,771,859	4,288,241	(40,480)	1,784,048	-	286,219	4,823,033	1,459,616	16,982,536
本年度溢利	Profit for the year	-	-	-	-	-	-	-	-	1,800,242	1,800,242
以公允價值計量且其變動計入其他全面收益的債權投資減值虧損計提	Charge for impairment loss of debt securities at FVOCI	-	-	-	8,110	-	-	-	-	-	8,110
以公允價值計量且其變動計入其他全面收益的債權投資的公允價值變動	Change in fair value of debt securities measured at FVOCI	-	-	-	(1,158,174)	-	-	-	-	-	(1,158,174)
自投資重估儲備金轉撥至損益	Transfer from investment revaluation reserve to profits or loss	-	-	-	171,620	-	-	-	-	-	171,620
以公允價值計量且其變動計入其他全面收益的權益工具投資的公允價值儲備金的變動	Change in fair value reserve of equity investments designated at FVOCI	-	-	-	(816)	-	-	-	-	-	(816)
遞延稅項的影響	Deferred income tax effect	-	-	-	107,895	-	-	-	-	-	107,895
外幣報表折算差異	Exchange difference	-	-	-	-	-	-	(397,927)	-	-	(397,927)
年度全面(支出)/收益總額	Total comprehensive (loss)/income for the year	-	-	-	(871,365)	-	-	(397,927)	-	1,800,242	530,950
自保留溢利轉撥至法定及其他儲備金	Transfer from retained earnings to statutory and other reserve	-	-	-	-	196,010	457,745	-	-	(653,755)	-
支付額外資本補充工具利息	Interest paid on additional equity instruments	34	-	-	-	-	-	-	-	(295,257)	(295,257)
發行額外資本補充工具	Issue additional equity instruments	34	-	1,484,936	-	-	-	-	-	-	1,484,936
支付二零二一年普通股股息	2021 Dividend paid on ordinary shares	35	-	-	-	-	-	-	-	(392,021)	(392,021)
於二零二二年十二月三十一日	At 31 December 2022	2,610,000	1,771,859	5,773,177	(911,845)	1,980,058	457,745	(111,708)	4,823,033	1,918,825	18,311,144

權益變動表 - 續 STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

附註 i / Note i :

法定儲備金為本行根據澳門銀行條例從每年所獲溢利中撥出金額設立之不可分配之儲備金。所撥出之金額不得少過上一年度除稅後溢利百分之二十，直至儲備金額相等於本行已發行股本的百分之五十。此後，則從每年除稅後溢利中撥出百分之十，直至儲備金額相等於本行之已發行股本為止。

The statutory reserve is a non-distributable reserve set aside from profit each year in accordance with the Financial System Act of Macau which provides that an amount of not less than twenty percent of the previous year's profit after tax be set aside each year until the reserve fund reaches fifty percent of the Bank's issued share capital and thereafter at least ten percent of the profit after tax each year until the reserve fund equals to the Bank's issued share capital.

附註 ii / Note iii :

監管儲備金為本行按照澳門金融管理局的規定，當資產的會計備用金不足以滿足監管備用金時，需按兩者的差額，由留存收益中撥出以設立監管儲備，監管儲備不得分派。

In accordance with the regulations of AMCM, when the accounting provision of financial assets is less than regulatory provision, the difference between the two shall be allocated from retained earnings to regulatory reserve, and the regulatory reserve shall not be distributed.

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

現金流量表

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

		附註 Note	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
來自經營活動之現金流量	Cash flows from operating activities			
- 稅前營業活動之現金流入	- Operating cash inflow before tax	37.1	10,801,631	6,479,117
- 已付澳門所得稅項	- Macau Complementary Tax		(128,653)	(151,138)
來自經營活動之現金流入淨額	Net cash flows generated from operating activities		10,672,978	6,327,979
來自投資活動之現金流量	Cash flows from investing activities			
- 出售其他投資	- Disposal of other investments		N/A	88,224,594
- 出售政府債券	- Disposal of treasury bills		N/A	12,900,000
- 出售以攤餘成本計量的債權投資	- Disposal of debt securities at amortised cost		10,821,745	N/A
- 出售以公允價值計量且其變動計入其他全面收益的債權投資	- Disposal of debt securities at FVOCI		96,332,435	N/A
- 已收股息	- Dividends received		36	264
- 購買租賃土地權益	- Purchase of interest in leasehold land		(37,464)	(39,501)
- 購買物業、廠房和設備	- Purchase of property, plant and equipment		(186,272)	(195,471)
- 購買政府債券	- Purchase of treasury bills		N/A	(13,578,294)
- 購買其他投資	- Purchase of other investments		N/A	(91,864,589)
- 購買以攤餘成本計量的債權投資	- Purchase of debt securities at amortised cost		(25,594,528)	N/A
- 購買以公允價值計量且其變動計入其他全面收益的債權投資	- Purchase of debt securities at FVOCI		(88,344,906)	N/A
來自投資活動之現金流出淨額	Net cash flows used in investing activities		(7,008,954)	(4,552,997)
來自籌資活動之現金流量	Cash flows from financing activities			
- 已付股息	- Dividends paid	35	(392,021)	(562,475)
- 發行資本補充工具	- Issue additional equity instruments	34	1,484,936	1,978,047
- 發行固定利率應付債券	- Issue fixed rate debts	31	-	1,889,250
- 應付債券利息	- Interest for fixed rate debts		(225,139)	(223,794)
- 額外資本補充工具利息	- Interest for additional equity instruments		(295,257)	(185,400)
來自籌資活動之現金流入淨額	Net cash flows generated from financing activities		572,519	2,895,628
現金及現金等價物增加淨額	Net increase in cash and cash equivalents		4,236,543	4,670,610
年初現金及現金等價物	Cash and cash equivalents at the beginning of the year		22,304,262	18,290,454
匯率變動對現金及現金等價物的影響額	Effect of foreign exchange rate changes on cash and cash equivalents		277,891	(656,802)
年末現金及現金等價物	Cash and cash equivalents at the end of the year	37.2	26,818,696	22,304,262

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

1. 背景資料

GENERAL INFORMATION

澳門國際銀行股份有限公司(簡稱“本行”)主要是在澳門從事一般銀行業務、金融業務及其他相關服務。

本行為於澳門註冊成立的股份有限公司。註冊辦事處地址為澳門蘇亞利斯博士大馬路 47 號。

該等財務報表已於二零二三年三月二十九日獲董事會批准刊發，董事會已任命黃來志先生和焦雲迪先生在年度的財務報表上簽署。

澳門國際銀行股份有限公司在中華人民共和國廣州市開設分行，於二零一七年三月開業。地址位於廣州市天河區珠江新城華夏路 8 號合景國際金融廣場 1 層 104 房、34 層 3401 房、35 層 3501 房。澳門國際銀行股份有限公司在中華人民共和國杭州市開設分行，於二零一九年九月開業。地址位於浙江省杭州市上城區四季青街道解放東路 41-49 號、市民街 202-212 號、富春路 310-315 號、香樟路 60-74 號(高德置地中心)1 幢 2906 室、2806 室，3 幢 101 室-101。

The principal activities of Luso International Banking Limited (the "Bank") are the provision of Banking, financial and other related services in Macau.

The Bank is a financial institution incorporated and domiciled in Macau. The address of its registered office is Avenida Dr. Mario Soares, No. 47, Macau.

These financial statements have been approved for issue by the Board of Directors on 29 March 2023, it was resolved that Mr. Huang Lai Zhi and Mr. Jiao Yun Di be authorised by the Board to sign the financial statements.

Guangzhou Branch was opened in March 2017. The address of the office is Room 104, Floor 1, Room 3401, Floor 34, Room 3501, Floor 35, International Finance Place, No.8 Huaxia Road, Pearl River New Town, Guangzhou, China. Hangzhou Branch was opened in September 2019. The address of the office is Room 2906 & 2806, Building 1, Room 101-101, Building 3, GT Land Plaza, No. 60-74 Xiangzhang Road, 310-315 Fuchun Road, 202-212 Shimin Street, No. 41-49 Jiefang Road East, Sijiqing Street, Shangcheng District, Hangzhou City, Zhejiang Province, China.

2. 主要會計政策

SIGNIFICANT ACCOUNTING POLICIES

用於編制本財務報表之主要會計政策詳列如下。除另外說明，有關政策已符合一致性採納於本財政報表所列示之財務期間內。

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

2.1 編製基準 Basis of preparation

(a) 合規聲明 Statement of compliance

本財務報表按照澳門法令第 32/93/M 號金融體系法律制度以及澳門特別行政區第 44/2020 號行政法規所頒佈的《澳門財務報告準則》編制。除以公允價值計量且其變動計入其他全面收益之金融資產、衍生金融工具、以公允價值計量且其變動計入損益之金融資產和金融負債按公允價值計量外，本財務報表採用歷史成本法編制。

編制財務報表需要管理層做出判斷、估計和假設，該等判斷、估計和假設會影響政策的實施以及年內迄今的資產和負債、收入和支出的報告金額。實際結果可能與該等估計不同。

除特別注明外，本財務報表使用澳門幣(MOP)為計量貨幣，澳門幣亦為本行之功能貨幣，且所有數值均四捨五入到千元。

These financial statements have been prepared in accordance with the requirements as set out in Decree-Law No. 32/93/M and the Macau Financial Reporting Standards issued under Administrative Regulation No. 44/2020 of the Macau Special Administrative Region. These financial statements have been prepared under the historical cost basis, except for the financial assets at fair value through other comprehensive income ("FVOCI"), derivative financial instruments, financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which have been measured at fair value.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These financial statements are presented in Macau Patacas ("MOP"), which is the Bank's functional currency, and are rounded to the nearest thousand except when otherwise indicated.

財務報表附註 - 續 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則

Application of new and amended Macau financial reporting standards

澳門經濟財政司司長第 44/2020 號令批准澳門特別行政區財務報告準則(「新《澳門財務報告準則》」),並於 2020 年 3 月 28 日生效,其將取代附件二第 25/2005 號行政法規原澳門特別行政區財務報告準則(「《澳門財務報告準則》」)。

《澳門財務報告準則》採用了來自 2004 年版國際財務報告準則的部分準則,包括財務報表的編制和列示框架以及 16 項準則。另一方面,新訂《澳門財務報告準則》採用了財務報告概念框架和 2015 年版國際財務報告準則的所有準則和解釋。

新《澳門財務報告準則》於二零二二年一月一日或之後開始的年度期間生效。

以下已經頒佈但尚未生效的新《澳門財務報告準則》(財務報告概念框架及 2015 年版《國際財務報告準則》的所有準則及解釋)為於二零二二年一月一日或之後開始的年度期間生效的準則:

《國際會計準則》第 1 號	-財務報表的列報
《國際會計準則》第 2 號	-存貨
《國際會計準則》第 7 號	-現金流量表
《國際會計準則》第 8 號	-會計政策、會計估計變更及差錯
《國際會計準則》第 10 號	-報告期後事項
《國際會計準則》第 12 號	-所得稅
《國際會計準則》第 16 號	-物業、廠場及設備
《國際會計準則》第 17 號	-租賃
《國際會計準則》第 19 號	-僱員福利
《國際會計準則》第 20 號	-政府補助的會計處理和政府援助的披露
《國際會計準則》第 21 號	-匯率變動之影響
《國際會計準則》第 23 號	-借款費用
《國際會計準則》第 24 號	-關聯方披露
《國際會計準則》第 26 號	-退休福利計劃的會計和報告
《國際會計準則》第 27 號	-單體財務報表
《國際會計準則》第 28 號	-於聯營公司和合營企業之投資
《國際會計準則》第 29 號	-惡行通貨膨脹經濟中的財務報告
《國際會計準則》第 32 號	-金融工具：列報
《國際會計準則》第 33 號	-每股收益
《國際會計準則》第 34 號	-中期財務報告
《國際會計準則》第 36 號	-資產減值
《國際會計準則》第 37 號	-撥備、或有負債和或有資產
《國際會計準則》第 38 號	-無形資產
《國際會計準則》第 39 號	-金融工具：確認和計量
《國際會計準則》第 40 號	-投資性房地產
《國際會計準則》第 41 號	-農業
《國際財務報告準則》第 1 號	-首次採用國際財務報告準則
《國際財務報告準則》第 2 號	-股份支付
《國際財務報告準則》第 3 號	-企業合併
《國際財務報告準則》第 4 號	-保險合約
《國際財務報告準則》第 5 號	-待出售非流動資產及停業單位
《國際財務報告準則》第 6 號	-礦產資源探勘及評估
《國際財務報告準則》第 7 號	-金融工具：披露

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續

Application of new and amended Macau financial reporting standards - continued

《國際財務報告準則》第 8 號	-經營分部
《國際財務報告準則》第 9 號	-金融工具
《國際財務報告準則》第 10 號	-合併財務報表
《國際財務報告準則》第 11 號	-合營安排
《國際財務報告準則》第 12 號	-對其他實體之權益之披露
《國際財務報告準則》第 13 號	-公允價值計量
《國際財務報告準則》第 14 號	-管制遞延賬戶
《國際財務報告準則》第 15 號	-客戶合約之收入
《國際財務報告解釋公告》*第 1 號	-現有退役、復原和類似負債的變動
《國際財務報告解釋公告》第 2 號	-成員在合作主體中的股份和類似工具
《國際財務報告解釋公告》第 4 號	-確定一項協議是否包含租賃
《國際財務報告解釋公告》第 5 號	-退役、復原和環境恢復基金產生的權益
《國際財務報告解釋公告》第 6 號	-參與廢棄電器和電子設備特定市場產生的負債
《國際財務報告解釋公告》第 7 號	-應用《國際會計準則第 29 號-惡行通貨膨脹經濟中的財務報告》中的重述法
《國際財務報告解釋公告》第 10 號	-中期財務報告和減值
《國際財務報告解釋公告》第 12 號	-服務特許權協定
《國際財務報告解釋公告》第 14 號	-《國際會計準則第 19 號》：對設定受益資產的限制、最低資金要求及其相互作用
《國際財務報告解釋公告》第 16 號	-境外經營淨投資的套期
《國際財務報告解釋公告》第 17 號	-非現金資產分配
《國際財務報告解釋公告》第 19 號	-以權益工具解除金融負債
《國際財務報告解釋公告》第 20 號	-露天礦生產階段的剝離
《國際財務報告解釋公告》第 21 號	-徵收
《常設解釋委員會解釋公告》**第 7 號	-引入歐元
《常設解釋委員會解釋公告》第 10 號	-政府援助：與經營活動沒有特定聯繫的政府援助
《常設解釋委員會解釋公告》第 15 號	-經營租賃：激勵措施
《常設解釋委員會解釋公告》第 25 號	-所得稅：主體或其股東納稅狀況的改變
《常設解釋委員會解釋公告》第 27 號	-評價涉及租賃法律形式的交易的實質
《常設解釋委員會解釋公告》第 29 號	-服務特許權協定：披露
《常設解釋委員會解釋公告》第 32 號	-無形資產：網站成本

* 國際財務報告準則解釋委員會 (“IFRIC”)

** 常設解釋委員會 (“SIC”)

銀行管理層認為採用《國際財務報告準則》第 8 號、《國際財務報告準則》第 9 號和《國際財務報告準則》第 15 號將產生如下重大變化。

(a) 《國際財務報告準則》第 9 號 (“IFRS 9”)

本行已根據《國際財務報告準則》第 9 號規定的過渡條款應用《國際財務報告準則》第 9 號，即對二零二二年一月一日(首次應用日)尚未終止確認的工具追溯應用分類和計量要求(包括預期信用損失模式下的減值)，且對二零二二年一月一日(首次應用日)已終止確認的工具不再應用該等要求。二零二一年十二月三十一日的賬面價值與二零二二年一月一日的賬面價值之間的差異在期初留存收益和其他權益成分中確認，不重述比較信息。

因此，由於比較信息乃根據澳門財務報告準則編制，若干比較信息可能不具可比性。

採用《國際財務報告準則》第 9 號之會計政策載於附註 2.3。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

The Financial Reporting Standards of Macau SAR which was approved by Order of the Secretary for Economy and Finance No. 44/2020 (the "New MFRSs"), have come into effect on 28 March 2020 and have replaced the Financial Reporting Standards of Macau SAR as stated in Annex II of the Administrative Regulation No.25/2005 (the "MFRSs").

The MFRSs had adopted a selection of standards from the 2004 edition of the International Financial Reporting Standards (the "IFRS") including framework for Preparation and Presentation of financial statements as well as 16 standards. The New MFRSs, on the other hand, have adopted the Conceptual Framework for Financial Reporting and all of the standards and interpretations from the 2015 edition of the IFRS.

The New MFRSs are effective for annual periods beginning on or after 1 January 2022.

The following New MFRSs (Conceptual Framework for Financial Reporting and all of the standards and interpretations from the 2015 edition of the IFRS) are the standards that are effective on or after 1 January 2022:

- IAS 1 - Presentation of Financial Statements
- IAS 2 - Inventories
- IAS 7 - Statement of Cash Flows
- IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 - Events after the Reporting Period
- IAS 12 - Income tax
- IAS 16 - Property, Plant and Equipment
- IAS 17 - Leases
- IAS 19 - Employee Benefits
- IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance
- IAS 21 - The Effects of Changes in Foreign Exchange Rates
- IAS 23 - Borrowing Costs
- IAS 24 - Related Party Disclosures
- IAS 26 - Accounting and Reporting by Retirement Benefit Plans
- IAS 27 - Separate Financial Statements
- IAS 28 - Investments in Associates and Joint Ventures
- IAS 29 - Financial Reporting in Hyperinflationary Economies
- IAS 32 - Financial Instruments: Presentation
- IAS 33 - Earnings per Share
- IAS 34 - Interim Financial Reporting
- IAS 36 - Impairment of Assets
- IAS 37 - Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 - Intangible Assets
- IAS 39 - Financial Instruments: Recognition and Measurement
- IAS 40 - Investment Property
- IAS 41 - Agriculture
- IFRS 1 - First-time adoption of International Financial Reporting Standards
- IFRS 2 - Share-based Payment
- IFRS 3 - Business Combinations
- IFRS 4 - Insurance Contracts
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations
- IFRS 6 - Exploration for and Evaluation of Mineral Resources
- IFRS 7 - Financial Instruments: Disclosures

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

IFRS 8	- Operating Segments
IFRS 9	- Financial Instruments
IFRS 10	- Consolidated Financial Statements
IFRS 11	- Joint Arrangements
IFRS 12	- Disclosure of Interests in Other Entities
IFRS 13	- Fair Value Measurement
IFRS 14	- Regulatory Deferral Accounts
IFRS 15	- Revenue from Contracts with Customers
IFRIC* Interpretation 1	- Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRIC Interpretation 2	- Members' Shares in Co-operative Entities and Similar Instruments
IFRIC Interpretation 4	- Determining whether an Arrangement Contains a Lease
IFRIC Interpretation 5	- Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRIC Interpretation 6	- Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IFRIC Interpretation 7	- Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC Interpretation 10	- Interim Financial Reporting and Impairment
IFRIC Interpretation 12	- Service Concession Arrangements
IFRIC Interpretation 14	- IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC Interpretation 16	- Hedges of a Net Investment in a Foreign Operation
IFRIC Interpretation 17	- Distributions of Non-cash Assets to Owners
IFRIC Interpretation 19	- Extinguishing Financial Liabilities with Equity Instruments
IFRIC Interpretation 20	- Stripping Costs in the Production Phase of a Surface Mine
IFRIC Interpretation 21	- Levies
SIC** Interpretation 7	- Introduction of the Euro
SIC Interpretation 10	- Government Assistance-No Specific Relation to Operating Activities
SIC Interpretation 15	- Operating Leases-Incentives
SIC Interpretation 25	- Income tax-Changes in the Tax Status of an Entity or its Shareholders
SIC Interpretation 27	- Evaluating the Substance of Transactions Involving the Legal Form of a Lease
SIC Interpretation 29	- Service Concession Arrangements: Disclosures
SIC Interpretation 32	- Intangible Assets-Web Site Costs

* International Financial Reporting Interpretations Committee ("IFRIC")

** Standard Interpretations Committee ("SIC")

The Bank's management considered the application of IFRS 8, IFRS 9 and IFRS 15 would have material changes as described below.

(a) IFRS 9

The Bank has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under expected credit loss ("ECL") model) retrospectively to instruments that have not been derecognised as at 1 January 2022 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2022. The difference between carrying amounts as at 31 December 2021 and the carrying amounts as at 1 January 2022 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under MFRSs.

Accounting policies resulting from application of IFRS 9 are disclosed in note 2.3.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

(a) 《國際財務報告準則》第 9 號(“IFRS 9”) - 續 IFRS 9 - continued

於二零二二年一月一日，本行各類別資產和負債的初始計量(包括減值)與根據 IFRS 9 進行重新分類和重新計量(包括減值)的對賬情況如下表所示：

The following table shows the reconciliation of the original measurement (including impairment) to the new classification and new measurement (including impairment) determined in accordance IFRS 9 for each class of the Bank's assets and liabilities as at 1 January 2022.

項目 Item	二零二一年十二月三十一日按照金融工具舊準則列示的賬面金額 Carrying amount presented under previous standards 31 December 2021	實施 IFRS 9 的影響 Impact of the implementation of the IFRS 9							二零二二年一月一日按照金融工具新準則列示的賬面金額 Carrying amount presented under the New Standard for Financial Instruments 1 January 2022 澳門幣千元 MOP'000	
		重新分類 Reclassification					重新計量 Remeasurement			
		自客戶貸款和墊款 Transfer from Loans and advances to customers to	自政府債券 Transfer from Treasury bills to	自證券投資 Transfer from investments in securities to	自其他資產 Transfer from Other assets to	自其他負債 Transfer from Other Liabilities to	預期信用損失 Expected credit losses	以攤餘成本計量變更為以公允價值計量 Change from measured at amortised cost to at fair value		
資產	Assets	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	
現金及銀行存款	Cash and balances with banks	14,472,888	-	-	-	1,127	-	(2,678)	-	14,471,337
存放本地監管機構之存款	Deposits with local regulatory authority	3,475,210	-	-	-	-	-	-	-	3,475,210
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	3,526,049	-	-	-	1,473	-	-	-	3,527,522
拆出資金	Placements with banks and other financial institutions	6,594,474	-	-	-	3,645	-	(499)	-	6,597,620
買入返售金融資產	Financial assets purchased under resale agreements	2,692,924	-	-	-	1,823	-	(333)	-	2,694,414
政府債券	Treasury bills	9,295,427	-	(9,295,427)	-	-	-	-	-	-
衍生金融資產	Derivative financial assets	14,569	-	-	-	-	-	-	-	14,569
客戶貸款和墊款	Loans and advances to customers	123,842,278	(123,842,278)	-	-	-	-	-	-	-
證券投資	Investments in securities	70,570,567	-	-	(70,570,567)	-	-	-	-	-
無形資產	Intangible assets	1,545	-	-	-	-	-	-	-	1,545
以攤餘成本計量的客戶貸款和墊款	Loans and advances to customers at amortised cost	N/A	121,766,714	-	-	885,751	-	(375,852)	-	122,276,613
以公允價值計量且其變動計入其他全面收益的客戶貸款和墊款	Loans and advances to customers at fair value through other comprehensive income	N/A	2,075,564	-	-	-	-	-	1,131	2,076,695
以攤餘成本計量的債權投資	Investments in debt instruments at amortised cost	N/A	-	9,295,427	8,131,227	129,938	-	(12,302)	-	17,544,290
以公允價值計量且其變動計入其他全面收益的債權投資	Debt instruments at fair value through other comprehensive income	N/A	-	-	54,216,922	424,648	-	-	(283,897)	54,357,673
以公允價值計量且其變動計入當期損益的金融資產	Financial assets at fair value through profit or loss	N/A	-	-	8,398,295	13,138	-	-	(163,327)	8,248,106
以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity instruments at fair value through other comprehensive income	N/A	-	-	4,755	-	-	-	2,301	7,056
物業、廠房和設備	Property, plant and equipment	397,588	-	-	-	-	-	-	-	397,588
租賃土地權益	Interest in leasehold land	113,660	-	-	-	-	-	-	-	113,660
遞延稅項資產	Deferred tax assets	231,470	-	-	-	-	-	-	31,403	262,873
其他資產	Other assets	3,029,781	-	-	-	(1,461,543)	-	-	-	1,568,238
資產合計	Derivative financial liabilities	238,258,430	-	-	180,632	-	-	(391,664)	(412,389)	237,635,009

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

(a) 《國際財務報告準則》第 9 號(“IFRS 9”) - 續 IFRS 9 - continued

		實施 IFRS 9 的影響 Impact of the implementation of the IFRS 9												
		重新分類 Reclassification				重新計量 Remeasurement								
項目 Item		自客戶貸款和墊款 Transfer from Loans and advances to customers to		自政府債券 Transfer from Treasury bills to		自證券投資 Transfer from Investments in securities to		自其他資產 Transfer from Other assets to		自其他負債 Transfer from Other Liabilities to		預期信用損失 Expected credit losses	以攤餘成本計量變更為以公允價值計量 Change from measured at amortised cost to at fair value	二零二一年一月一日按照金融工具新準則列示的賬面金額 Carrying amount presented under the New Standard for Financial Instruments 1 January 2022
		二零二一年十二月三十一日按照金融工具舊準則列示的賬面金額 Carrying amount presented under previous standards 31 December 2021	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000			
負債	Liabilities													
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	35,836,034	-	-	-	-	-	29,506	-	-	-	-	-	35,865,540
賣出回購金融資產	Repurchase agreements	15,112,626	-	-	-	-	-	23,937	-	-	-	-	-	15,136,563
衍生金融負債	Derivative financial liabilities	48,763	-	-	-	-	-	-	-	-	-	-	-	48,763
客戶存款	Customer deposits	161,909,479	-	-	-	-	-	740,703	-	-	-	-	-	162,650,182
其他負債	Other liabilities	1,672,631	-	-	-	-	-	(827,080)	21,839	-	-	-	-	867,390
發行債券	Debt securities issued	5,902,398	-	-	-	-	-	32,934	-	-	-	-	-	5,935,332
本期稅項負債	Current tax liabilities	140,569	-	-	-	-	-	-	-	-	-	-	-	140,569
負債合計	Total liabilities	220,622,500	-	-	-	-	-	-	21,839	-	-	-	-	220,644,339
權益	Equity													
股東應佔股本及儲備	Share capital and reserve attributable to shareholders													
股本	Share capital	2,610,000	-	-	-	-	-	-	-	-	-	-	-	2,610,000
保留溢利	Retained earnings	2,064,396	-	-	-	-	-	-	(441,453)	(163,327)	-	-	-	1,459,616
其他儲備	Other reserve	8,673,293	-	-	180,632	-	-	-	27,950	(249,062)	-	-	-	8,632,813
本銀行股東應佔股本及儲備	Share capital and reserve attributable to shareholders of the Bank	13,347,689	-	-	180,632	-	-	-	(413,503)	(412,389)	-	-	-	12,702,429
額外資本補充工具	Additional equity instruments	4,288,241	-	-	-	-	-	-	-	-	-	-	-	4,288,241
權益總值	Total equity	17,635,930	-	-	180,632	-	-	-	(413,503)	(412,389)	-	-	-	16,990,670

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

(a) 《國際財務報告準則》第 9 號(“IFRS 9”) - 續 IFRS 9 - continued

不重述比較期間相關信息。於二零二二年一月一日，因採用《國際財務報告準則》第 9 號而產生的金融資產賬面價值差額計入留存收益和儲備。因此，二零二一年所呈報的相關信息繼續按《澳門財務報告準則》予以報告，可能無法與本期比較。

截至二零二二年一月一日，本行董事根據《國際財務報告準則》第 9 號的要求，使用合理且可支持的信息對本行現有金融資產、貸款承諾和財務擔保合同等進行了減值審核和評估，該等信息無需付出不當成本或努力即可獲取。

截至二零二一年十二月三十一日的金融資產、貸款承諾和財務擔保合同等的所有損失準備與截至二零二二年一月一日的損失準備的期初結餘進行了對賬，如下所示：

Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2022. Accordingly, the information presented for 2021 continues to be reported under MFRSs and thus may not be comparable with the current period.

As at 1 January 2022, the directors of the Bank reviewed and assessed the Bank's existing financial assets, loan commitments and financial guarantee contracts etc. for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9.

All loss allowances for financial assets, loan commitments and financial guarantee contracts etc. as at 31 December 2021 are reconciled to the opening balances of loss allowances as at 1 January 2022 are as follows:

項目 Item		二零二一年 十二月三十一日 按照舊準則確認 的損失準備 Loss allowance recognized under previous standards	重新分類 Reclassification	二零二二年 一月一日 預期損失準備 的重新計量 Remeasurement of expected loss allowance 1 January 2022	二零二二年 一月一日 按照 IFRS 9 確認的損失準備 Loss allowance recognized under the IFRS 9 1 January 2022
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
減值準備:	Impairment allowances:				
現金及銀行存款	Cash and balances with banks	-	-	2,678	2,678
拆出資金	Placements with banks and other financial institutions	-	-	499	499
買入返售金融資產	Financial assets purchased under resale agreements	-	-	333	333
客戶貸款和墊款	Loans and advances to customers	1,523,313	(1,523,313)	-	-
證券投資	Investments in securities	180,632	(180,632)	-	-
以攤餘成本計量的客戶貸款和墊款	Loans and advances to customers at amortised cost	-	1,524,587	375,852	1,900,439
以公允價值計量且其變動計入其他全面收益的客戶貸款和墊款	Loans and advances to customers at fair value through other comprehensive income	-	-	673	673
以攤餘成本計量的債權投資	Debt securities at amortised cost	-	131	12,302	12,433
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	-	180,634	27,277	207,911
其他資產	Other assets	1,407	(1,407)	-	-
其他負債	Other liabilities	-	-	21,839	21,839
合計	Total	1,705,352	-	441,453	2,146,805

由於上述本行會計政策的變化，必須調整期初財務狀況表。下表列示了已確認的對各單獨行項目所做的調整。

As a result of the changes in the Bank's accounting policies as described above, the opening statement of financial position had to be adjusted. The following table show the adjustments recognised for each individual line item.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續

Application of new and amended Macau financial reporting standards - continued

(a) 《國際財務報告準則》第 9 號(“IFRS 9”) - 續 IFRS 9 - continued

項目 Item		二零二一年 十二月三十一日 31 December 2021	實施 IFRS9 的影響 Impact of the implementation of the IFRS 9	二零二二年 一月一日 1 January 2022
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
資產	Assets			
現金及銀行存款	Cash and balances with banks	14,472,888	(1,551)	14,471,337
存放本地監管機構之存款	Deposits with local regulatory authority	3,475,210	-	3,475,210
存放中國大陸中央銀行	Deposits with the central bank in Mainland of China	3,526,049	1,473	3,527,522
拆出資金	Placements with Banks and other financial institutions	6,594,474	3,146	6,597,620
買入返售金融資產	Financial assets purchased under resale agreements	2,692,924	1,490	2,694,414
政府債券	Treasury bills	9,295,427	(9,295,427)	-
衍生金融資產	Derivative financial assets	14,569	-	14,569
客戶貸款和墊款	Loans and advances to customers	123,842,278	511,030	124,353,308
證券投資	Investments in securities	70,570,567	(70,570,567)	-
無形資產	Intangible assets	1,545	-	1,545
以攤餘成本計量的債權投資	Debt securities at amortised cost	N/A	17,544,290	17,544,290
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	N/A	54,357,673	54,357,673
以公允價值計量且其變動計入當期損益的投資	Investments at fair value through profit or loss	N/A	8,248,106	8,248,106
以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity investments designated at fair value through other comprehensive income	N/A	7,056	7,056
物業、廠房和設備	Property, plant and equipment	397,588	-	397,588
租賃土地權益	Interest in leasehold land	113,660	-	113,660
遞延稅項資產	Deferred tax assets	231,470	31,403	262,873
其他資產	Other assets	3,029,781	(1,461,543)	1,568,238
資產總值	Total assets	238,258,430	(623,421)	237,635,009
負債	Liabilities			
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	35,836,034	29,506	35,865,540
賣出回購金融資產	Repurchase agreements	15,112,626	23,937	15,136,563
衍生金融負債	Derivative financial liabilities	48,763	-	48,763
客戶存款	Customer deposits	161,909,479	740,703	162,650,182
其他負債	Other liabilities	1,672,631	(805,241)	867,390
發行債券	Debt securities issued	5,902,398	32,934	5,935,332
應交所得稅	Income tax payable	140,569	-	140,569
負債總值	Total liabilities	220,622,500	21,839	220,644,339
權益	Equity			
本銀行股東應佔資本及儲備	Capital and reserves attributable to shareholders of the Bank			
股本	Share capital	2,610,000	-	2,610,000
保留溢利	Retained earnings	2,064,396	(604,780)	1,459,616
其他儲備	Other reserve	8,673,293	(40,480)	8,632,813
本銀行股東應佔股本及儲備	Share capital and reserve attributable to shareholders of the Bank	13,347,689	(645,260)	12,702,429
額外資本補充工具	Additional equity instruments	4,288,241	-	4,288,241
權益總值	Total equity	17,635,930	(645,260)	16,990,670
負債及權益總值	Total equity and liabilities	238,258,430	(623,421)	237,635,009

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

(b) 《國際財務報告準則》第 15 號 (b)IFRS 15

本行於本年度首次應用了《國際財務報告準則》第 15 號，其取代了《國際會計準則第 18 號 - 收入》及相關解釋。本行已追溯應用《國際財務報告準則》第 15 號，並在首次應用日(二零二二年一月一日)確認了首次應用該準則的累計影響。於首次應用日之任何差異於期初留存利潤(或適當的權益其他組成部分)確認，且未對比較信息進行重述。

另外，根據《國際財務報告準則》第 15 號載列之過渡條款，本行僅對二零二二年一月一日尚未完成之合同追溯應用該準則。因此，由於比較信息系根據《國際會計準則第 18 號 - 收入》及相關解釋編制，部分比較信息可能缺乏可比性。

本行確認了客戶合約產生的手續費及佣金收入。

關於本行應用《國際財務報告準則》第 15 號產生的履約義務和會計政策的信息分別披露於附註 2.3(a)。

《國際財務報告準則》第 15 號對本行上述收入來源的相關現有收入確認會計政策並無重大影響。附註 2.3(a)披露了因適用《國際財務報告準則》第 15 號而產生的履約義務和會計政策的相關資訊。於二零二二年一月一日，應用《國際財務報告準則》第 15 號對本行的留存利潤並無重大影響。

The Bank has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 Revenue and the related interpretations. The Bank has applied IFRS 15 retrospectively with the cumulative effect (if any) of initially applying this Standard recognised at the date of initial application, 1 January 2022. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated.

Furthermore, in accordance with the transition provisions in IFRS 15, the Bank has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2022. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 Revenue and the related interpretations.

The Bank recognises fee and commission income which arise from contracts with customers.

Information about the Bank's performance obligations and the accounting policies resulting from application of IFRS 15 are disclosed in note 2.3(a) respectively.

IFRS 15 has no significant impact on the Bank's existing accounting policies on revenue recognition for the above revenue source. Information about the performance obligation and the accounting policy resulting from application of IFRS 15 are disclosed in note 2.3(a). The application of IFRS 15 has had no material impact on the Bank's retained profits as at 1 January 2022.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.2 採用新訂及經修訂的澳門財務報告準則 - 續 Application of new and amended Macau financial reporting standards - continued

(c) 《國際財務報告準則》第 8 號 IFRS 8

應用《國際財務報告準則》第 8 號經營分部之後，本行應根據高級管理層為將資源配置至各分部並評估其業績而定期審查的內部報告確認經營分部，並向高級管理層報告為將資源配置至分部並評估其業績、披露下列項目的相關信息各經營分部項目採取的措施：

(i) 確認本行經營分部所使用的因素，包括組織基礎(例如，高級管理層是否依據產品和服務、地理區域、監管環境或結合多個因素組織本行，各分部是否合併)；以及

(ii) 可報告分部產生收入的產品和服務類型。

若以往年度的分部信息作為首次應用年度的比較信息進行報告，則應按照本《國際財務報告準則》的要求添加此類信息，除非無法獲取必要信息並且開發成本過高。

於二零二二年一月一日，應用《國際財務報告準則》第 8 號對本分銀行的財務報表無重大影響。

除了上文所述，於本期應用新《澳門財務報告準則》對本行本年和往年的財務狀況和業績和/或此類財務報表所述披露事項並無重大影響。

Upon the application of IFRS 8 Operating Segments, the Bank shall identify operating segments on the basis of internal reports that are regularly reviewed by the senior management in order to allocate resources to the segment and assess its performance, report for each operating segment item to be the measure reported to the senior management for the purposes of allocating resources to the segment and assessing its performance, and to disclose the information on:

(i) factors used to identify the Bank's operating segments, including the basis of organisation (for example, whether senior management organises the Bank around differences in products and services, geographical areas, regulatory environments, or a combination of factors and whether segments have been aggregated); and

(ii) types of products and services from which each reportable segment derives its revenue.

Segment information for prior years that is reported as comparative information for the initial year of application shall be added to conform to the requirements of this IFRS, unless the necessary information is not available and the cost to develop it would be excessive.

The application of IFRS 8 has had no material impact on the Bank's financial statements as at 1 January 2022.

Except as described above, the application of the New MFRSs in the current period has had no material impact on the Bank's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 收入的確認 Revenue recognition

本行採用五步流程確認客戶合約產生的收入

1. 識別客戶合約
2. 識別合約中的履約義務
3. 確定交易價格
4. 將交易價格分配至合約中的履約義務
5. 實際完成履約義務時(或就此)進行收入確認

本行完成履約義務時(或就此)確認收益，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時。

履約義務是指一項明確的服務或一系列實質相同的明確服務。

當滿足下列條件之一時，控制在一段時間內轉移並且收入按照完成相關履約義務的進度在一段時間內確認：

- 客戶在本行履約的同時取得並消耗通過本行履約所提供的利益；
- 本行的履約創造或改良了客戶在資產被創造或改良時就控制的資產；或
- 本行的履約並未創造一項可被本行用於替代用途的資產，且本行具有就迄今為止已完成的履約部分而獲得付款的權利。

否則，在當客戶取得對該項明確商品或服務控制權的時點確認收入。

The Bank adopts five step process for recognising revenue from contracts with customers

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when, or as, the entity satisfies a performance obligation

The Bank recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs;
- the Bank's performance creates or enhances an asset that the customer controls as the Bank performs; or
- the Bank's performance does not create an asset with an alternative use to the Bank and the Bank has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(a) 收入的確認 Revenue recognition

(I) 利息收入和支出 Interest income and expense

對於所有以攤餘成本計量的金融工具，分類為以公允價值計量且其變動計入其他全面收益的計息金融資產，利息收入或支出費用，均採用實際利率法記錄。在金融工具的預期使用壽命或較短的期限內，將預計的未來現金付款或收款準確折算為金融資產或金融負債的賬面淨值。該計算考慮了該金融工具的所有合約條款(例如，預付款選項)，並且包括直接歸屬於該工具且是實際利率不可分割的一部分的任何費用或增量成本，但不包括未來信用損失。

對於其後變成信用減值之金融資產而言，自下個報告期開始按該金融資產之攤銷成本採用實際利率法來確認利息收入。

For all financial instruments measured at amortised cost, interest-bearing financial assets classified as at fair value through other comprehensive income, interest income or expense is recorded using the effective interest rate method, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period.

(II) 手續費及佣金收入 Revenue recognition - continued

本行完成履約義務時(或就此)確認不屬於實際收益一部分的手續費及佣金收入。本行為客戶提供廣泛的服務賺取手續費和佣金。

貸款和墊款產生的手續費及佣金收入主要包括銀團貸款手續費。當相關銀團安排已完成，且本行沒有為自己保留任何貸款方案，或以適用於其他參與者的相同實際利率保留部分貸款方案時，將貸款銀團手續費確認為收入；證券和保險代理服務費在提供證券或保險經紀服務以及完成履約義務的時點確認；信用卡手續費在發卡或消費服務完成並履行履約義務時確認為收入；財務顧問費收入一般於服務提供期間以應計方式確認。

Fee and commission income that is not an integral part of the effective yield is recognised when (or as) a performance obligation is satisfied. The Bank earns fee and commission income from a diverse range of services it provides to its customers.

Fee and commission income from loan and advances mainly include loan syndication fees. Loan syndication fees are recognised as revenue when the related syndication arrangement has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as applicable to other participants; security and insurance agency services fees are recognised as revenue at a point in time when the securities or insurance brokerage services are rendered and the performance obligations are satisfied; credit card fees are recognised at a point in time when card issuance or consumption services completed and the performance obligations are satisfied. Financial consultancy fees are generally recognised on an accrual basis when the service has been provided.

(III) 股利收入 Dividend income

股利收入於本行有權收取股利時確認。

Dividend income is recognised when the Bank's right to receive the payment is established.

(IV) 租金收入 Rental income

租金收入於租期按時間比例確認。

Rental income is recognised on a time proportion basis over the lease terms.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(a) 收入的確認 - 續 Revenue recognition - continued

(V) 淨交易收入 Net trading income

淨交易收入是通過交易活動所得到的盈利及損失。而該等盈利及損失是源自公允價值的變動及金融資產和負債以交易形式所產生的相關利息收入或費用。

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense for financial assets and financial liabilities held for trading.

(b) 外幣折算 Foreign currencies

(I) 功能及呈列貨幣 Functional and presentation currency

財務報表中所載項目乃採用本行經營的主要經濟環境中所使用的貨幣 (功能貨幣) 計量。本行的財務報表以澳門幣作為呈列貨幣，即澳門幣為本行的功能及呈列貨幣。

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in Macau Official Patacas ("MOP"), which is the Bank's presentation currency and functional currency.

(II) 交易及結餘 Transactions and balances

外幣交易均按交易當日的匯率折算為功能貨幣。結算有關交易及按年終匯率換算以外幣計值的貨幣資產與負債產生的匯兌收益及虧損均於收益表確認。

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

(III) 非澳門本地經營產生的折算差異 Overseas operation translation

對非澳門本地經營的財務報表進行折算時，利潤表中的項目採用交易發生日的即期匯率的近似匯率折算為澳門幣。財務狀況表中的資產和負債項目，採用財務狀況表日的即期匯率折算為澳門幣。按照上述折算產生的外幣財務報表折算差異，均在財務狀況表中所有者權益下的其他儲備金中確認。

當處置非澳門本地經營業務時，相關的外幣財務報表折算差額自所有者權益均轉入當期處置損益。

The results of an foreign operation are translated into MOP at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statements of financial position items are translated into MOP at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in the other reserve of equity.

On disposal of an foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the statement of profit or loss and other comprehensive income when the profit or loss on disposal is recognised.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(c) 物業、廠房和設備 Property, plant and equipment

物業、廠房和設備按成本減累計折舊及減值列賬。

倘租賃物業之土地及房產兩部分之成本能於租賃訂立時可靠地分配，租賃土地部分會列作經營租賃。就租賃土地所付的溢價金或其他付款，按直線法於租期內在收益表支銷。租賃土地如須減值，有關減值損失亦會於收益表支銷。

僅在與該項資產相關之未來經濟效益有可能歸於本行及可靠地計算出項目成本之情況下，其後成本會包括於資產賬面值或確認為另立之資產（如適用）；而替換部分的賬面值則自相關資產撇除。所有其他維修費及保養費於其產生的財務期內於收益表支銷。

物業、廠房和設備的折舊是以直線法按下述估計可使用期限，將其成本攤銷至其預計剩餘價值：

永久業權土地	無須折舊
租賃土地及樓宇	租期或 50 年，兩者中取較短之期限
傢俬、裝修	3 至 6 年
車輛及設備	3 至 5 年

資產之剩餘價值及可使用年限已於每個資產負債表日審閱，並已於適當情況下作出調整。

倘某資產賬面值大於其估計可收回金額時，則該資產的賬面值將即時減值至其可收回金額。

出售資產之收益或虧損指出售所得淨額與相關資產賬面值之差額，並列入損益表賬內。

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Where the land and building elements of the leasehold properties can be allocated reliably at the inception of the lease, the land element is accounted for as an operating lease. Leasehold land premiums for acquiring the land leases, or other lease payments, are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease. Where the leasehold land is impaired, the impairment loss is charged to the statement of profit or loss and other comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance expenses are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

<u>Freehold land</u>	<u>Not depreciated</u>
Leasehold land and buildings	Lease term or 50 years, whichever is shorter
Furniture and decoration	3 to 6 years
Motor vehicles and equipments	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of assets are determined by comparing the proceeds with the carrying amount, and are included in the statement of profit or loss and other comprehensive income.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) 當期及遞延稅項 Current and deferred income tax

所得稅費用包括當期及遞延稅項。除了將與直接計入股東權益的交易或者事項有關的所得稅影響計入股東權益外，當期所得稅費用和遞延所得稅變動計入當期損益。

本行的當期稅項支出是採用澳門、廣州及杭州（為本行所處的經營地及應課稅收入的來源地）在結算日前已頒佈或實質頒佈之課稅率計算。銀行董事會定期對詮釋存在意見不一的稅務條例而導致須繳付額外稅款的可能性作出評估。如有需要，會就預計須支付的稅款，作出撥備。

遞延稅項採用財務狀況表債務法就資產負債之稅基與其在財務報表之賬面值之短暫時差作全數撥備。遞延稅項需在遞延稅項資產或負債確立後計算並採用在結算日前已頒佈或實質頒佈之課稅率釐定。

遞延稅項資產乃就未來可能出現之應課稅溢利與可動用之暫時性差異抵銷而確認。

The income tax expense for the year comprises current and deferred income tax. Tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Macau, Guangzhou and Hangzhou where the Bank operates and generates taxable income. Board of Directors periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(e) 經營性租賃 Operating leases

出租人如持有該資產所得之絕大部份風險及回報的租約屬經營性租賃。就經營性租賃作出的付款（扣除出租人給予的任何優惠）按直線法於租期內在收益表支銷。

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are expensed in the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

(f) 無形資產 Intangible assets

無形資產項下為一項壽命不確定的高爾夫球會會籍，按購買成本減累計減值虧損計量。

Intangible assets represent golf club membership with indefinite useful life and is stated at purchase cost less accumulated impairment losses.

(g) 撥備 Provisions

倘本行須就過去事項承擔現有法律或推定責任，而有可能導致有經濟利益的資源流出以履行該責任，並能可靠地估計相關金額，本行會為此責任確認撥備。未來經營虧損不會予以撥備確認。

如出現多項類似責任，銀行董事會以同類責任的整體性釐定其會否導致有經濟利益的資源流出以履行責任。即使同類別責任中任何一項可能導致有經濟利益的資源流出的機會不大，仍會確認撥備。

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(h) 或有負債 Contingent liability

或有負債指由於過往事件而可能產生的責任，此等責任最終會否形成乃取決於一項或多項日後或會(或不會)發生且並非本銀行可完全控制的不確定事件，方能確定。或有負債亦可能是因為已發生的事件而引致的現有責任，但由於可能不需要流出經濟資源，或責任金額未能可靠地衡量而未有確認。

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Bank's control, or a present obligation arising from past events that is not recognised either because an outflow of resources embodying economic benefits will be required to settle the obligation but is not probable or the amount of obligation cannot be measured with sufficient reliability.

(i) 現金及現金等價物 Cash and cash equivalents

就編製現金流量表而言，現金及現金等價物包括原始到期日在三個月內的結餘，包括現金、買入返售金融資產、拆出資金、超過最低法定要求的存放監管機構的存款結餘、存放銀行同業及其他金融機構及投資。

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with original maturity less than three months including cash, financial assets purchased under resale agreements, placements with banks and other financial institutions, balance of deposits with regulatory authorities in excess of minimum statutory requirement, deposits with banks and other financial institutions and investment.

(j) 投資及其他金融資產 Investments and other financial assets

以公允價值計量且其變動計入損益之金融資產(應用 IFRS9 之後)

以公允價值計量且其變動計入損益之金融資產包括既未被分類為以攤餘成本計量之金融資產也未被分類為以公允價值計量且其變動計入其他全面收益之金融資產的所有金融資產。

如果金融資產是為了在短期內出售而獲得的，則將其歸類為交易性。衍生工具，包括可拆分的嵌入式衍生工具，也被歸類為交易性，除非它們被指定為有效的套期保值工具。如果能夠消除或顯著減少會計錯配，本銀行可以將應被分類為以攤餘成本計量之金融資產或以公允價值計量且其變動計入其他全面收益之金融資產指定為以公允價值計量且其變動計入損益之金融資產。該指定一經做出，不得撤銷。

以公允價值計量且其變動計入損益之金融資產以公允價值在資產負債表列示，公允價值變動損益在損益及其他全面收益表中列示。公允價值變動淨額包括這些金融資產賺取的利息，這些利息根據附註 2.3(a)中規定的會計政策予以確認。

以攤餘成本計量之金融資產(應用 IFRS9 之後)

持有金融資產的業務模式是以收取合約現金流量為目標，且合約條款規定在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付，則該等金融資產按攤餘成本計量。

於初始確認後，該等資產採用實際利率法按攤餘成本減減值損失列示。獲得此類資產所產生的任何折價或溢價(包括構成實際利率主要部分之費用或成本)以實際利率法進行攤銷。對於購入或源生的信用減值金融資產以外的金融工具，除其後發生信用減值的金融資產外，利息收入乃通過金融資產之賬面總值採用實際利率法計算。就其後信用減值之金融資產，利息收入自下個報告期起通過金融資產的攤餘成本採用實際利率法進行確認。倘信用減值的金融工具的信用風險改善，使得金融資產不再信用減值，則從確定該項資產不再信用減值之後的報告期初起，利息收入通過金融資產的賬面總值採用實際利率法進行確認。按實際利率計算的攤銷金額作為利息收入計入合併損益表中。減值所產生之損失於合併損益表中確認。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 投資及其他金融資產 - 續 Investments and other financial assets - continued

以公允價值計量且其變動計入其他全面收益之金融資產(應用 IFRS9 之後)

持有金融資產的業務模式既以收取合約現金流量又以出售該金融資產為目標，且合約條款規定在特定日期產生的現金流量，僅為對本金和以未償付本金金額為基礎的利息的支付，則該等金融資產歸為以公允價值計量且其變動計入其他全面收益。

分類為以公允價值計量且其變動計入其他全面收益之債務證券之賬面價值，因採用實際利率法計算利息收入而發生的後續變化，於損益中確認。此類債務證券賬面價值的所有其他變動於其他全面收益確認並於投資重估準備金項下累計。在不減少此類債務證券的賬面價值額情況下，減值準備計入損益，相應調整計入其他全面收益。計入損益的金額等於此類債務證券按攤餘成本計量時計入損益的金額。如終止確認此類債務證券，先前計入其他全面收益的累計利得或損失則重分類為損益。

於初始確認日，本行不可撤銷地選擇(以工具為基礎)指定以公允價值計量且其變動計入其他全面收益的權益工具投資。

以公允價值計量且其變動計入其他全面收益的權益工具投資初始按公允價值加交易成本進行計量。其後按照公允價值計量，公允價值變動產生的損益於其他全面收益確認並於投資重估準備金項下累計；並且不受減值評估約束。處置該權益類投資時，累計利得或損失將不重分類為損益，而是繼續於投資重估準備金中持有。

若按照《國際財務報告準則》第 9 號確定本行有權收取股利，則該等權益工具投資產生的股利計入損益，惟該等股利明確代表收回部分投資成本。於損益確認的股利計入「股息收入」項目。

政府債券(應用 IFRS9 之前)

政府債券為“澳門金融管理局”發行有到期日及本行有明確意向及有能力持至到期日之債券。此類債券乃按成本值減除非短期性跌價準備列帳，並就購買時之溢價或折讓按贖回年期作出攤銷而調整。購入的政府債券按照實際利率法所產生之收入列作利息收入項目。

投資(應用 IFRS9 之前)

(I) 持至到期投資

持至到期投資包括債務證券，指本行有明確意向及有能力持至到期日之債務證券投資。持有上市及非上市債務證券按成本值減除非短期性跌價準備列帳，並就購買時之溢價或折讓按贖回年期作出攤銷而調整。若本行預期不可收回所有帳面值，將會提撥跌價準備並於損益帳內支銷。購入的債務證券產生之溢價或折讓之攤銷按照實際利率法列作利息收入項目。

(II) 持作買賣投資

持作買賣投資包括股票及債務證券，指為了從價格或回報率的短期波動所賺取的溢利而購入之投資。持作買賣的股票及債務證券投資按成本值或結算日市值兩者中較低者列帳。為持作買賣投資市價低於帳面值之差額所作的未實現虧損會於損益表內反映，並列入“買賣交易淨溢利”項下。

(III) 其他投資

其他投資是指不被列作持至到期或持作買賣的投資。其他投資按成本值減除非短期性跌價準備列帳，購買時之溢價或折讓按贖回年期作出攤銷而調整。若本行預期不可收回所有帳面值，將會提撥跌價準備並於損益帳內支銷。購入的其他投資產生之溢價或折讓之攤銷按照實際利率法列作利息收入項目。

當本行對其他投資持有意圖發生改變、或當其他投資公允價值不再能夠可靠計量、或持有期限已超過兩個完整的會計年度，本行可以將其重分類至持至到期投資。在重分類日以該投資的賬面價值作為其新的攤餘成本。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 投資及其他金融資產 - 續 Investments and other financial assets - continued

Financial assets at fair value through profit or loss (upon application of IFRS 9)

Financial assets at fair value through profit or loss include all financial assets that are neither financial assets at amortised cost nor financial assets at fair value through other comprehensive income.

Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. The Bank may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value presented in the statement of profit or loss and other comprehensive income. These net fair value changes include interest earned on these financial assets, which are recognised in accordance with the accounting policies set out in note 2.3(a).

Financial assets at amortised cost (upon application of IFRS 9)

Financial assets that are held within a business model whose objective is to collect contractual cash flows, and that have contractual terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at amortised cost.

After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired; For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired. The interest income calculated this way is included in interest income in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss.

Financial assets at fair value through other comprehensive income (upon application of IFRS 9)

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling and that have contractual terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVOCI.

Subsequent changes in the carrying amounts for debt securities classified as at FVOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt securities are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt securities. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt securities had been measured at amortised cost. When these debt securities are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

At the date of initial recognition, the Bank may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the investment revaluation reserve.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(j) 投資及其他金融資產 - 續 Investments and other financial assets - continued

Dividends on these investments in equity instruments are recognised in profit or loss when the Bank's right to receive the dividends is established in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "dividend income" line item in profit or loss.

Treasury bills (before application of IFRS 9)

Treasury bills are debt securities issued by AMCM which the Bank has the intention and ability to hold to maturity. Treasury bills are stated at cost adjusted for the amortisation of discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Interest earned on treasury bills is reported as interest income using effective interest method.

Investments in securities (before application of IFRS 9)

(i) Held-to-maturity investments

Held-to-maturity investments include debt securities for which the Bank has the intention and ability to hold to maturity. Investments in listed and unlisted debt securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Provisions are made for the amount of the carrying value which the Bank does not expect to recover and are recognised as an expense in the income statement as they arise. The amortisation of premiums and discounts arising on acquisition of these securities is included as part of interest income using effective interest method.

(ii) Investments held for trading

Investments held for trading include equity securities and debt securities which are acquired for the purpose of generating a profit from short-term fluctuations in price or yield enhancement. Investments in trading shares and debt securities are stated at the lower of amortised cost and market value at the balance sheet date. Any unrealised losses from writing down the investments to market value are recognised in the income statement and included as "Net trading gain".

(iii) Other investments

Other investments represent investments other than held-to-maturity and held for trading purposes. Other investments are stated at cost, and adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Provisions are made for the amount of the carrying value which the Bank does not expect to recover and are recognised as an expense in the income statement as they arise. The amortisation of premiums and discounts arising on acquisition of debt securities is included as part of interest income using effective interest method.

When the intention of holding other investment is changed or the holding period of other investment has exceeded two complete fiscal years, the investment would be reclassified as held-to-maturity investment. The book value at the date of reclassification becomes its new amortised cost.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(k) 終止確認金融資產 Derecognition of financial assets

一項金融資產(或一項金融資產之一部分或一組類似金融資產之一部分, 如適用)在下列情況下將被終止確認:

- 資產收取現金流量之權利屆滿; 或
- 本行已轉讓資產收取現金流量之權利或有責任根據「轉移」安排在不可延誤情況下向第三方全數支付已收取之現金流量; 即(a)本行已轉移資產之絕大部分風險及報酬, 或(b)本行既無轉移也無保留資產之絕大部分風險及報酬, 但已轉移該資產控制權。

「轉移」安排需滿足以下所有三個條件: (a)本行並無義務向最終接受者支付款項, 除非本行從原始資產中收取同等數額的款項; (b)除了作為向最終接受者支付現金流的義務之擔保外, 轉讓合約條款禁止本行出售或抵押原始資產; (c)本行有義務匯出其代表最終接受者收取的任何現金流, 不得有重大拖延。

當本行已轉讓資產收取現金流量的權利或已訂立資產轉移安排, 本行評估其是否以及在多大程度上保留了資產所有權上的風險和回報。如並無轉讓亦無保留資產之絕大部分風險及報酬, 亦無轉移資產之控制權, 則該項金融資產按本行繼續涉入的程度予以確認。在該情況下, 本行亦確認相關負債。已轉移的資產權利及相關負債按其反映本行所保留權利及責任來計量。

如以擔保的方式持續持有已轉讓的資產, 則按該資產之原賬面金額或本行可能須支付的最高金額較低者計量。

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

All the following three conditions are required to meet for "pass-through" arrangement: (a) the Bank has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset; (b) the Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; (c) the Bank has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(I) 金融資產減值 Impairment of financial assets

本行對須按《國際財務報告準則》第 9 號進行減值的金融資產(包括以攤餘成本計量的金融資產、以公允價值計量且其變動計入其他全面收益的債權投資)、貸款承諾和財務保函確認損失準備。預期信用損失金額於各報告日期更新，以反映信用風險自初步確認以來的變動。

若根據相關澳門金融管理局規則確定的最低準備高於應用《國際財務報告準則》第 9 號根據本行會計政策所作的減值準備，本行將額外所需款項從留存利潤轉移至監管儲備金。

預期信用損失的計量

預期信用損失，是指不同經濟情形下以發生違約的風險為權重的金融工具信用損失的加權平均值。預期信用損失的計算公式：

違約風險暴露 × 違約概率 × 違約損失率

本行採用以下三階段劃分方法計量未來 12 個月或整個存續期間預期信用損失的減值準備：

階段	描述	減值損失
1	金融工具信用風險自初始確認後未顯著增加	12 個月的預期信用損失
2	金融工具信用風險自初始確認後顯著增加	整個存續期預期信用損失
3	存在信用損失的金融工具	整個存續期預期信用損失

12 個月預期信用損失是在報告日後 12 個月內金融工具可能發生的違約事件導致的整個存續期信用損失的一部分。整個存續期預期信用損失是指金融工具整個預期存續期間所有可能發生的違約事件導致的預期信用損失。

本行確認計提 12 個月的預期信用損失作為減值準備，除非金融工具自初始確認後信用風險出現顯著增加，在這種情況下，需要計提整個存續期的預期信用損失。

考慮調整後到期日和實際利率的折現因數，用於在預期信用損失模型中計算貨幣的時間價值。

本行考慮合理和支持性的定量和定性信息，包括無需付出不當成本或努力即可獲取的歷史經驗信息和前瞻性信息。

就貸款承諾和財務保函而言，本行提供不可撤銷承諾的日期，即視為評估預期信用損失的初始確認日期。在評估自初始確認貸款承諾後信貸風險是否有顯著增加時，本行會考慮與貸款承諾和財務保函相關的貸款的違約風險變動情況。

信用風險顯著增加(「SICR」)

在評估自初始確認後金融工具(包括貸款承諾和財務保函)的信用風險是否顯著增加時，本行將報告日評估的金融工具違約風險與初始確認日評估的違約風險進行比較。本行在信用惡化評估流程中考慮各類標準，並對此劃分了第 1 階段和第 2 階段。

- 內部或外部評級變化差異分析；
- 逾期 30 天(「DPD」)；
- 貸款分類；

貸款承諾和財務擔保初始確認預期信用損失的時間是銀行做出不可撤銷承諾的生效日。在評估自首次確認後貸款承諾和財務擔保後信用風險是否顯著增加時，本行考慮了與貸款承諾和財務擔保相關的貸款違約風險的變化。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(I) 金融資產減值 - 續 Impairment of financial assets - continued

出現任意一項下列特徵的金融工具將被歸類為第 3 階段，包括以下內容：

- 逾期 90 天；
- 貸款分類(適用於貸款組合中的次級，可疑和損失貸款)；或
- 不良貸款清單中的風險敞口包括交叉違約情況。

本行考慮合理和支持性的定量和定性信息，包括無需付出不當成本或努力即可獲取的歷史經驗信息和前瞻性信息。

根據金融工具的性质，在評估信用風險是否顯著增加時，應考慮單項金融工具或金融工具組合。當對金融工具組合進行評估時，金融工具根據共同信用風險特徵進行分類，例如逾期狀態和信用風險評級。

為反映金融工具的信用風險自初始確認後的變化，本行在每個報告日重新計量預期信用損失，由此形成預期信用損失金額的任何變化，應當作為減值損失或利得計入當期損益。除以公允價值計量且其變動計入其他全面收益的金融資產的減值準備計入重估儲備外，本行確認其他金融資產的減值損失或轉回，並通過撥備賬戶相應調整該金融資產的賬面價值。

違約

當出現以下情況，則本行認為一項金融資產出現違約：

- 借款人就任何重大信用債務拖欠本行超過 90 日；或
- 借款人因無力償付其信用債務導致破產，很可能會重組資產。

有信用減值的金融資產

於各報告日期，本集團評估以攤銷成本入賬金融資產及以公允價值計量且其變動計入其他全面收益之金融資產是否有信用減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，金融資產出現「信用減值」。

金融資產信用減值的證據包括以下可觀察數據：

- 借款人或發行人出現重大財務困難；
- 違反合約，如拖欠或逾期事件；
- 按本集團於其他情況下不會考慮之條款進行貸款重組；
- 借款人很有可能將告破產或進行其他財務重組；或
- 因為出現財政困難而導致證券失去活躍市場。

撇銷

若貸款及債券無實際可收回的前景，則予核銷(部分或全部)。當本銀行判斷借款人並無資產或收入來源可產生足夠的現金流量以償還應核銷的金額時，一般會如此處理。然而，本行對已核銷的金融資產會繼續追收債務的工作，以遵守本銀行收回應收金額的程序。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(I) 金融資產減值 - 續 Impairment of financial assets - continued

The Bank recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including financial assets at amortised cost, debt instruments assets at fair value through other comprehensive income), loan commitments and financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

When the minimum allowance under the relevant AMCM rules is higher than the impairment allowance made under the Bank's accounting policy which is in accordance with IFRS 9, the Bank transfers the additionally required amount from retained profits to regulatory reserve.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

Exposure at Default x Probability of Default x Loss Given Default

The Bank measures impairment allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

Stage	Description	Impairment Loss
1	Credit risk on the financial instrument has not increased significantly since initial recognition	12-month ECL
2	redit risk on the financial instrument has increased significantly since initial recognition	Lifetime ECL
3	Financial instruments that are considered as credit-impaired	Lifetime ECL

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

The Bank recognises a loss allowance equal to 12-month ECL unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

A discount factor considering the residual maturity and effective interest rate is used to account for the time value of money in the ECL model.

Measurement of ECL - continued

The Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For loan commitments and financial guarantee, the date of initial recognition for the purpose of assessing ECL is considered to be the date that the Bank becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment and financial guarantee, the Bank considers changes in the risk of default occurring on the loan to which the loan commitment and financial guarantee relates.

Significant increase in credit risk ("SICR")

In assessing whether the credit risk of a financial instrument (including a loan commitment and financial guarantee) has increased significantly since initial recognition, the Bank compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Bank considers the following criteria in its credit deterioration assessment processes, which differentiate an account between stage 1 and stage 2.

- Notch difference analysis of internal or external rating change;
- Days past due ("DPD") of 30 days;
- Loan classification;

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(I) 金融資產減值 - 續 Impairment of financial assets - continued

Significant increase in credit risk ("SICR") - continued

For loan commitments and financial guarantee, the date of initial recognition for the purpose of assessing ECL is considered to be the date that the Bank becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment and financial guarantee, the Bank considers changes in the risk of default occurring on the loan to which the loan commitment and financial guarantee relates.

Financial instruments with any of the following characteristics will be classified as stage 3:

- DPD of 90 days;
- Loan classification of Substandard, Doubtful and Loss portfolio; or
- Exposures in the non-performing loan list including cross default situation

The Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECL are re-measured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Bank recognises an impairment loss or reversal for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for FVOCI, for which the loss allowance is accumulated in the revaluation reserve.

Default

The Bank considers a financial asset to be in default when:

- the borrower is more than 90 days past due on any material credit obligation to the Bank; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(m) 財務擔保合約 Financial guarantee contracts

財務擔保合約於合約簽發當日的公允價值初始確認為以公允價值計量的金融負債，其後按照下列金額較高者為準：(i)按照《國際財務報告準則》第9號“財務工具”確定的損失撥備，(ii)初始確認的金額適當減去按直線法確認的擔保存續期累計攤餘金額。

For financial guarantee contracts, they are initially recognised as financial liabilities at fair value on the date the guarantee was given and subsequently measured at the higher of (i) the amount of the loss allowance determined in accordance with IFRS 9 "Financial Instruments" and (ii) the amount initially recognised less, where appropriate, accumulated amortisation recognised over the life of the guarantee on a straight-line basis.

(n) 金融負債 Financial liabilities

(I) 初始確認及計量

金融負債分類為以公允價值計量且其變動計入損益之金融負債和其他金融負債，視適用情況而定。本行於初始確認時釐定金融負債之分類。

金融負債於初始確認時以公允價值確認，對於並非為以公允價值計量且其變動計入損益之金融負債，就交易成本調整初始確認金額。

本行金融負債包括銀行同業及其他金融機構之存款、以公允價值計量且其變動計入當期損益之金融負債、賣出回購金融資產、衍生金融負債、客戶存款、其他負債以及發行債券。

(II) 後續計量

金融負債按以下分類計量：

以公允價值計量且其變動計入損益之金融負債

以公允價值計量且其變動計入損益之金融負債包括以交易為目的持有的金融負債和指定以公允價值計量且其變動計入損益之其他金融負債。

金融負債如以短期交易為目的而獲得，則分類為交易類金融負債。此類別包括本行的衍生金融工具(不包括套期關係中的指定套期工具)。除以套期為目的的衍生工具外，嵌入式衍生工具亦分類為交易類金融負債。交易類金融負債之盈虧在損益及其他全面收益表中確認。

以攤余成本計量的金融負債

於初始確認後，其他金融負債按實際利率法計算攤餘成本作後續計量。

攤餘成本計量須考慮取得時之折價或溢價，以及構成實際利率組成部分之費用或成本。按實際利率攤銷額計入損益及其他全面收益表中的利息支出。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(n) 金融負債 - 續 Financial liabilities - continued

(III) 負債和權益的分類

銀行簽發的債券與權益工具根據合同協議的實質以及金融負債與權益的定義區分為金融負債或權益。

權益工具是指證明權益工具持有人享有主體在扣除所有負債後的資產剩餘利益的合同。本銀行發行的權益工具按照收到的價款，抵減直接的成本進行初始確認。

本行不承擔交付現金或其他金融資產的合同義務，且本行可全權酌情無限期推遲支付分派和贖回本金的永續債被分類為權益工具。其包含可被分類為額外資本補充工具的一級資本補充證券，該類證券具有一定面值且無固定到期日或贖回日，額外資本補充工具具體條款可見附注 34。

(i) Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities, as appropriate. The Bank determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value adjusted for transaction costs in case of financial liabilities not measured at fair value through profit or loss (FVTPL).

The Bank's financial liabilities include deposits from banks and other financial institutions, financial liabilities at fair value through profit or loss, repurchase agreements, derivative financial liabilities, customer deposits, other liabilities and debt securities issued.

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and other financial liabilities designated at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Bank that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Financial liabilities at amortised cost

After initial recognition, other financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and include fees or costs that are an integral part of the effective interest rate. The effective interest rate is applied in calculating interest expenses in the statement of profit or loss and other comprehensive income.

(iii) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(n) 金融負債 - 續 Financial liabilities - continued

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognized at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Bank to deliver cash or other financial assets as the Bank has the sole discretion not to make payments for distribution or redemption of principal amount indefinitely are classified as equity instruments. Additional equity instruments includes additional tier 1 capital securities with no fixed maturity or redemption date. Specific terms of additional tier 1 capital securities are disclosed in note 34.

(o) 終止確認金融負債 Derecognition of financial liabilities

當負債之責任被解除、取消或屆滿，則終止確認金融負債。

如現有金融負債被來自同一貸款人以具有不同條款的其他金融負債取代，或現有負債之條款被作出實質性的修訂，則該項交換或修訂被當作終止確認原負債及確認新負債處理，賬面金額之差額於損益及其他全面收益表確認。

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

(p) 金融工具之公允價值 Fair value of financial instruments

於活躍市場交易之金融工具之公允價值乃參考市場報價或交易商報價，且不會扣減任何交易成本。就並無活躍市場之金融工具而言，公允價值以適當估值方法釐定。此等方法包括以近期按公平原則進行之市場交易、以大致相同之另一工具之現行市價作參考、折現現金使用分析及其他估值模型。

The fair value of financial instruments that are traded in active markets is determined with reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other valuation models.

(q) 衍生金融工具 Derivative financial instruments

本行採用衍生金融工具，如貨幣掉期、遠期貨幣合約及利率掉期，以套期匯率及利率風險。衍生金融工具以衍生交易合約簽訂當日的公允價值進行初始確認，並以公允價值進行後續計量。當公允價值為正值時，衍生金融工具將被列為資產；當公允價值為負值時，則被列為負債。

衍生工具公允價值變動直接計入損益及其他全面收益表。除非該衍生工具符合套期會計的條件，在這種情況下，任何由此產生的損益確認取決於被套期項目的性質。

遠期貨幣合約之公允價值參考到期概況相近之合約的當前遠期匯率計算。利率掉期合約之公允價值乃通過折現現金流分析確定，即以反映公允價值的適當折現率進行折現的預期現金流的現值。

The Bank uses derivative financial instruments, such as currency swaps, forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 重大會計政策概要 - 續 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(q) 衍生金融工具 Derivative financial instruments - continued

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss and other comprehensive income, except where the derivatives are qualified for hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined using a discount cash flow analysis by taking the present value of the expected cash flows discounted at appropriate discount rates reflecting fair value.

(r) 非金融資產減值 Impairment of non-financial assets

未能確定可使用年期之資產不會予以攤銷，而於每年檢視其減值。如因某些事故或情況改變而顯示賬面值未能收回，銀行董事會對其減值需要作出評估。同樣地，如因某些事故或情況改變而顯示賬面值未能收回，予以攤銷之資產亦需評估其減值。若資產之賬面值超過其可收回價值，其部分將被確認為減值損失。可收回價值指該資產之公允價值減去變賣成本及其使用價值之較高者。在評估減值時，資產會在最低層次上歸類，且有獨立可確認之現金流量（現金產生單位）。

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(s) 職工薪酬 Employee benefits

定額供款計劃，指本行根據協定規定向公共養老保險計劃供款，除此以外本行並無其他付款義務。上述繳納的費用根據計劃的規定轉為應付款項時於損益表內列示。

For defined contribution plan, the Bank pays contributions to publicly administered pension insurance plans on a contractual basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit as they become payable in accordance with the rules of the plan.

(t) 股息分派 Dividends

於結算日後才建議或宣佈派發之股息應披露為結算日後事項，並不會在結算日時確認為負債。

Dividends proposed or declared after the balance sheet date are disclosed as a post statement of financial position event and not recognised as a liability at the balance sheet date.

(u) 分部報告 Segment reporting

經營分部屬於本行的組成部分，具有下列特點：(a)參與賺取收入並產生開支的業務活動(包括與同一實體其他組成部分交易相關的收入和開支)，(b)其經營成果由高級管理層定期審查，以此決定向該部分分配資源並評估其業績，以及(c)可提供單獨財務報表。

An operating segment is a component of the Bank: (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial statements is available.

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3. 重要會計估計及假設 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

本行作出影響下個會計年度內財務報告資產和負債金額的評估及假設，基於歷史經驗及其他因素持續進行評估，包括在這種情況下對未來事項的合理預期。

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 所得稅 Income tax

本行須繳納多個司法權區之所得稅，對本行的所得稅撥備，須作出重大評估。在日常業務中有若干交易及計算的最終稅項存在不確定性。本行預計稅務確認負債時是根據有否額外稅項到期之評估。倘最終稅務結果與入賬款不同，差額將影響作出決定期間所得稅及遞延稅項撥備。

The Bank is subject to income tax in numerous jurisdictions. Significant estimates are required in determining the Bank's provision for income tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be required. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2 金融資產減值 Impairment of financial assets

計量以攤銷成本及以公平價值經其他全面收益入賬、且因訂有貸款承擔及金融擔保合約而存在風險的金融資產之預期信用損失準備，是一個需要運用複雜模型及對未來經濟環境及信用行為(客戶違約之機率及由此產生之損失)作出重大假設之領域。有關計量預期信用損失時所用之輸入數據、假設及估計技術之詳細解釋，可參閱附註 4.1 信用風險。

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI and with exposure arising from loan commitments and financial guarantee contracts, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses). Refer to Note 4.1 credit risk for the explanation of the inputs, assumptions and estimation techniques used in measuring ECL.

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4. 金融風險管理

FINANCIAL RISK MANAGEMENT

風險概述

本行投入大量資源以維持健全之信用風險管理體系，為銀行高品質發展保駕護航。本行始終保持審慎經營的管理理念，遵循董事會制定的風險管理政策與策略，嚴格執行本行風險偏好及風險容忍度，積極應對外部宏觀經濟形勢變化，深入推進全面風險管理體系建設，持續對信用風險、市場風險、操作風險、流動性風險、法律風險、聲譽風險、科技風險、國別風險等方面的內部控制情況進行監督，對風險管理狀況、風險管理能力及水準進行定期評估。

Overview of risk

The Bank devotes considerable resources to maintaining sound credit risk management system to ensure the high quality development of bank. The Bank has constantly maintained the management concept of prudent operation, followed the risk management policies and strategies formulated by the Board of Directors, strictly implemented the Bank's risk preference and risk tolerance, actively responded to changes in external macro-economic situation, further promoted the building of a comprehensive risk management system, and continued to supervise the internal control such as credit risk, market risk, operational risk, liquidity risk, legal risk, reputation risk, technology risk and country risk, and regularly evaluated the risk management status, risk management ability and level.

4.1 信用風險 Credit risk

信用風險管理方面，本行嚴格執行資產信貸質量管理辦法，跟蹤分析國家調控政策及高度重視疫情影響較大領域的風險防範。信用風險是指本行之借款人或交易對手方未能或不願意履行其還款責任之風險。信用風險是本行在經營活動中所面臨的最重要的風險之一，本行對信用風險敞口採取審慎的原則進行管理，包括集中度限制及大額風險監控。本行面臨的信用風險主要來自貸款組合以及投資組合。

In terms of credit risk management, the Bank strictly adheres to the management methods for asset credit quality, and analyzes the state regulation and control policy and attaches great importance to risk prevention in areas where the epidemic has a large impact. Credit risk is the risk that a borrower or counterparty of the Bank will be unable or unwilling to honour a repayment obligation. The credit risk is one of the most important risks that the Bank is exposed to in its operating activities. The Bank has adopted prudent principles to manage credit risk exposure, including concentration limit and large risk monitoring. The Bank's credit risk mainly arises from loan portfolio and investment portfolio.

發放貸款和墊款

在計量發放貸款和墊款的信用風險時，本行主要考慮三個因素：(i) 客戶或交易對手對合同義務的違約的可能性；(ii) 目前對客戶或交易對手的風險敞口及其未來可能的發展而確定的“違約淨暴露”；(iii) 違約合同的可收回金額（“違約損失”）。

本行將信貸資產分為正常、關注、次級、可疑、損失五類，其中後三類貸款被視為不良貸款。五級分類的核心定義如下所示：

Loans and advances

In measuring the credit risk on loans and advances, the Bank mainly considers three factors: (i) the probability of default on contract obligations by customers or counterparties; (ii) the "net default exposure" determined by the current risk exposure to customers or counterparties and their possible future development; (iii) The recoverable amount of the contract in default ("default loss").

The Bank classifies credit assets into five categories: normal, attention, sub-ordinated, doubtful and loss, of which the latter three categories are deemed as bad loans. The definition of the five-level classification is shown below:

貸款分類

正常類： 借款人能夠履行合同，沒有足夠理由懷疑貸款本息不能按時足額償還。

關注類： 儘管借款人目前有能力償還貸款本息，但存在一些可能對償還產生不利影響的因素。

次級類： 借款人的還款能力出現明顯問題，完全依靠其正常收入無法足額償還貸款本息，即使執行擔保，也可能會造成一定損失。

可疑類： 借款人無法足額償還貸款本息，即使執行擔保，也肯定要造成較大損失。

損失類： 在採取所有可能措施或一切必要的法律程序之後，本息仍然無法收回，或只能收回極少部分。

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4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.1 信用風險 - 續 Credit risk - continued

貸款的分級主要基於綜合分析借款人的管理層素質、借款結構以及第一還款來源等指標評價信用風險；同時也考慮借款人的市場份額和地位、產品、財務狀況、償債能力、資產流動性、持續經營能力、盈利能力、股權結構以及抵押品的種類及價值。

Loan classification

- Normal: The borrower is able to perform the contract, and there is no sufficient reason to doubt that the loan principal and interest cannot be fully repaid in a timely manner.
- Attention: The borrower is currently able to repay the loan principal and interest though, there are some factors that may adversely affect the repayment.
- Sub-ordinated: The borrower has obvious problems in its repayment ability and cannot entirely depend on its normal income for full repayment of the loan principal and interest. Certain losses may be incurred despite execution of the guarantee.
- Doubtful: The borrower is unable to fully repay the loan principal and interest. Significant losses are certainly to be incurred despite execution of the guarantee.
- Loss: After all possible measures or all necessary legal procedures have been taken, the principal and interest are still not to be recovered, or only an insignificant portion can be recovered.

The grading of loans is mainly based on comprehensive analysis of the borrower's management quality, loan structure, the primary source of repayment and other indicators to evaluate credit risk. At the same time, the borrower's market share and position, products, financial position, solvency, the liquidity of assets, the ability to continue as a going concern, profitability, equity structure and the type and value of collaterals are also taken into consideration.

債權投資

本行採用外部評級(如標準普爾)管理除中國財政部、中國人民銀行、國家開發銀行、中國進出口銀行和中國農業發展銀行發行的證券和票據以外的債權投資的信用風險。

Debt investment

The Bank adopts an external rating (such as Standard & Poor's) to manage the credit risk on debt investment other than securities and notes issued by the Ministry of Finance of China, the People's Bank of China, China Development Bank, Export-Import Bank of China and Agricultural Development of China Development Bank.

信用風險限額管理及緩解措施

本行通過貸前調查、貸時審查及貸後檢查三個環節對信貸風險進行管理和監控。本行按照內部風險偏好，對授信進行集中度限額管理，達到分散風險的目的。

本行通過一系列政策和措施降低信用風險。其中，通用的方法是要求借款人交付抵質押品或擔保。本行接受的抵質押品主要包括定期存款、房產、有價證券、股權、土地使用權、機器設備、交通工具等。對於貸款及應收款項以外的其他金融資產，相關抵質押物視金融工具的種類而決定。

Credit risk limit management and mitigation measures

The Bank manages and monitors the credit risk, using three steps: pre-lending investigation, review during loans and post-lending inspection. Based on the internal risk preference, the Bank centralizes credit limit management for the purposes of risk diversification.

The Bank mitigates credit risk through a range of policies and measures. One of the common methods is to require borrowers to provide collateral or guarantee. The collateral accepted by the Bank mainly includes time deposits, housing properties, marketable securities, shares, properties, land use rights, machinery and equipment, transportation vehicles, etc. For financial assets other than loans and receivables, the related pledges are determined depending on the type of financial instruments.

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4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT - CONTINUED

4.1 信用風險 - 續 Credit risk - continued

信貸資產減值及準備金計提政策

(i) 預期信用損失的計量

本行根據信用風險是否發生顯著增加以及資產是否已發生信用減值，對符合納內金融資產減值準備計提範圍內的資產分別以 12 個月或整個存續期的預期信用損失計量損失準備。

本行通過判斷信用風險自初始確認後是否顯著增加或已發生信用減值，對信用風險進行階段劃分。其中階段一為金融資產自初始確認後信用風險未顯著增加；階段二為金融資產自初始確認後信用風險已出現顯著增加；階段三為金融資產信用風險已顯著增加至出現減值的客觀證據。對滿足階段一的金融資產按照相當於未來 12 個月內預期信用損失的金額計量其損失準備，對階段二的金融資產按照整個存續期內預期信用損失的金額計量其損失準備，對階段三的金額計量其損失準備。

本行對授信業務相關的金融資產定期通過資產分類對交易對手進行定期評估。用於識別信用風險顯著增加的標準，由本行授信管理委員會定期覆核其適當性。

截至二零二二年十二月三十一日，本行未採用較低信用風險假設，並將比較所有金融工具在財務狀況表日的信用風險與初始確認時相比是否顯著增加。

(ii) 對參數、假設及估計技術的說明

預期信用損失是違約概率(PD)、違約風險敞口(EAD)及違約損失率(LGD)三者的乘積折現後的結果。相關定義如下：

- 違約概率是指交易對手在未來 12 個月或在整個存續期期間，無法履行其償付義務或履行相關義務的可能性；
- 違約風險敞口是指在未來 12 個月或在整個存續期期間中，在違約發生時的預期風險暴露，同時需要考慮在報告日後，所有預期的違約敞口變化情況，其中包括合同及相關檔規定的應還本金和利息，以及相關債項未來支取的合理預期等；
- 違約損失率是指本行對違約敞口發生損失程度作出的預期。可根據交易對手的類型、追索的方式和優先順序，以及擔保物或其他信用支持等可獲得性的不同，違約損失率也有所不同。

本行通過獲取本金和利息的還款計劃，對推算的現金流進行折現。有關預期未來現金流量的估計是基於(i)本行過往的信用損失經驗，並按借款人個別因素作調整，該等因素包括借款人的任何重大財務困難、違約或借款人破產的可能性，以及財務重組狀況及進度，(ii)整體經濟環境及(iii)於報告日期時借款人的當前還款能力及當前抵押品價值，以及對未來狀況的預測(涉及重大判斷)。

本行通過分析風險敞口規模、複雜程度、結構和風險特徵的不同，識別關鍵的風險驅動因素，按照共同信用風險特徵進行分組，以歷史資料分析各組別出現違約的可能性。

本行定期監控並覆核預期信用損失計算相關的假設，包括各期限下的違約概率及擔保物價值的變動情況。

信用風險顯著增加的評估及預期信用損失的計算均涉及前瞻性信息。本行通過歷史資料分析，識別出影響各資產組合的信用風險及預期信用損失的關鍵經濟指標。前瞻性調整因素主要分析宏觀因子與違約率之間的關係，再通過預測經濟環境得出。

本報告期內，估計技術或關鍵假設未發生重大變化。

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本報告期內，估計技術或關鍵假設未發生重大變化。

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.1 信用風險 - 續 Credit risk - continued

Credit asset impairment and provision policy

(i) Measurement of ECL

Based on whether the credit risk has increased significantly and whether the asset has been credit-impaired, the Bank measures the loss allowance for assets qualified to be included in the scope of making provision for impairment losses of financial assets based on 12-month ECL or the lifetime ECL.

The Bank divides the credit risk into stages by determining whether the credit risk has increased significantly or has been impaired upon initial recognition. The Stage 1 is that the credit risk on financial assets has not increased significantly upon initial recognition; the Stage 2 is that the credit risk on financial assets has increased significantly upon initial recognition; and the Stage 3 is that there is objective evidence that the credit risk on financial assets has significantly increased to the extent of impairment. Loss allowance for financial assets qualified to be at Stage 1 is measured at the amount of the future 12-month ECL; loss allowance for financial assets qualified to be at Stage 2 is measured at the amount of lifetime ECL; and loss allowance for financial assets qualified to be at Stage 3 is measured at the amount of the lifetime ECL.

The Bank regularly evaluates the counterparties through asset classification for financial assets related to credit business. The appropriateness of the criteria used to identify the significant increase in credit risk is regularly reviewed by the Bank's Credit Management Committee.

As at 31 December 2022, the Bank does not apply the low credit risk exception and compares the credit risk of all financial instruments at the balance sheet date to see if it has increased significantly upon initial recognition.

(ii) Description of parameters, assumptions and estimate techniques

ECL is the result of discounting the product of probability of default (PD), exposure at default (EAD) and loss at default (LGD). Relevant definitions are as follows:

- The probability of default refers to the possibility that the counterparty will be unable to perform its repayment obligations or perform relevant obligations in the next 12 months or during lifetime;
- Exposure at default refers to the expected risk exposure when default occurs in the next 12 months or during lifetime. At the same time, it is necessary to consider all changes in the expected exposure at default after the reporting date, including the principal and interest repayable as stipulated in the contract and relevant document, as well as reasonable expectation of future withdrawal of relevant debts, etc;
- Loss at default refers to the Bank's expectation of the degree at which loss is incurred for the default exposure. Loss at default may vary according to the type of counterparties, the method and priority of recourse, and the availability of collateral or other credit supporting.

The Bank discounts the calculated cash flow through obtaining the repayment schedule of principal and interest. The estimation of expected future cash flows is based on (i) the Bank's historical credit loss experience, adjusted for factors that are specific to the borrowers which include any significant financial difficulty of the borrowers, breach of contract or probability that the borrowers will enter into bankruptcy and the status and progress of financial restructuring, (ii) general economic conditions and (iii) both the current conditions of borrowers' repayment ability and value of collateral at the reporting date as well as the forecast of future conditions with significant judgements involved.

Through analysis of the scale of risk exposures, differences in complexity, structure and risk characteristics, the key risk-driven factors are identified by the Bank and are grouped based on the common credit risk characteristics. The historical data is used to analyze the probability of default of each grouping.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.1 信用風險 - 續 Credit risk - continued

The Bank regularly monitors and reviews the assumptions related to the calculation of ECL, including the changes in probability of default and the value of collateral.

The forward-looking information is involved in both assessment of significant increase in credit risk and the calculation of ECL. Through analysis of the historical data, the Bank identifies key economic indicators that affect the credit risk and ECL of each asset portfolio. The forward-looking adjustment factors are evaluated mainly based on analyzing the relationship between the default rate and macroeconomic factors, and determined through forecasting economic environment.

During the reporting period, the estimate techniques or key assumptions have not changed significantly.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.1 信用風險 - 續 Credit risk - continued

(a) 最大信用風險敞口信息 Maximum exposure to credit risk

下表列示最大信用風險敞口的信息：

The maximum exposure to credit risk is presented in the table below:

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
現金及銀行存款	Cash and balances with banks	14,790,427	14,472,888
存放本地監管機構之存款	Deposits with local regulatory authority	2,982,731	3,475,210
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	3,113,666	3,526,049
拆出資金	Placements with banks and other financial institutions	4,315,368	6,594,474
買入返售金融資產	Financial assets purchased under resale agreements	1,374,263	2,692,924
政府債券	Treasury bills	N/A	9,295,427
衍生金融資產	Derivative financial assets	302,356	14,569
客戶貸款和墊款	Loans and advances to customers	125,441,708	123,842,278
證券投資	Investments in securities	N/A	70,570,567
以攤餘成本計量的債權投資	Debt securities at amortised cost	33,840,615	N/A
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	44,962,010	N/A
以公允價值計量且其變動計入當期損益的金融資產 (附註 1)	Financial assets at fair value through profit or loss (Note 1)	6,836,493	N/A
其他資產 (附註 2)	Other assets (Note 2)	505,286	1,881,047
小計	Subtotal	238,464,923	236,365,433
表外項目的信用風險敞口如下所述：	Credit risk exposures of off-sheet items are as follows:		
無條件可撤銷的信用承諾	Commitments that are unconditional cancellable without prior notice	94,975,676	83,927,377
已發行的銀行承兌匯票	Bank acceptances issued	5,924,186	5,806,914
擔保書	Letter of guarantee issued	1,742,049	1,835,842
開出信用證	Letter of credit issued	2,705,025	1,698,364
小計	Subtotal	105,346,936	93,268,497
合計	Total	343,811,859	329,633,930

附註 1：上述交易性金融資產包含基金投資、資產管理計劃投資等。

Note 1: The above financial assets at fair value through profit or loss include fund investment, asset management plan investment, etc.

附註 2：主要包括其他應收款項。

Note 2: It mainly includes other receivables.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.2 市場風險 Market risk

市場風險是指由於金融市場上各種價格的變動，令銀行的表內及表外業務出現損失的風險。市場風險存在於銀行的交易和非交易業務中。本行市場風險管理目標是通過將市場風險控制在銀行可以承受的合理範圍內，並定期向資產負債管理委員會報告各項風險的情況，除結合週邊經濟和金融同業的風險變化外，亦根據本行的風險承受能力評估本行能對抗的市場風險，適時決策調整風險結構，實現經風險調整的收益率的最大化。

Market risk is the risk of loss to a bank's on- and off-balance sheet businesses caused by price fluctuation in the financial market. Market risk arises from a bank's trading and non-trading businesses. The objective of the Bank's market risk management is to maximize its risk-adjusted rate of return by maintaining market risk exposure within acceptable parameters, reporting risk exposures to the Asset and Liability Management Committee regularly, evaluating the market risk the Bank is able to address based on its risk tolerance as well as the risk changes of economic conditions and of banks and other financial institutions, and making timely decisions to adjust risk structure.

(a) 利率風險 Interest rate risk

利率風險是指利率水準、期限結構等不利變動導致銀行賬簿經濟價值和整體收益遭受損失的風險。

本行根據《澳門國際銀行股份有限公司利率風險管理政策》進行識別、計量、監測、控制及管理利率風險，通過合理調整資產負債的表內及表外業務利率，重新定價期限結構以及合理運用利率衍生工具，控制利率風險在銀行可承擔的範圍內；同時結合對利率走勢的分析，適時調整各類業務定價方式與定價水準，運用內部資金轉移機制，引導業務經營，降低利率風險對銀行的不利影響。

Interest rate risk is the risk of loss in the economic value of the banking book and overall income resulting from adverse movements in interest rates and term structures.

The Bank identifies, measures, monitors, controls, and manages interest rate risk in accordance with the Administrative Measures for Interest Rate Risk of Luso International Banking Ltd. and maintains interest rate risk exposure within acceptable parameters by reasonably adjusting the interest rates on and off-balance sheet businesses, repricing term structure, and reasonably using interest rate derivatives. In the meantime, based on the judgment on the interest rate trend, the Bank timely adjusts the pricing methods and levels of businesses and uses the internal fund transfer mechanism to guide business operations, thereby reducing the adverse impact of interest rate risk.

於財務狀況表日，按照金融資產與金融負債在下一個預期利率重定價日(或到期日，以較早者為準)列示如下：

At the balance sheet date, the next expected rate repricing date (or the maturity date, whichever is earlier) of financial assets and financial liabilities during the relevant period are presented as follows:

		2022						
		1個月	1-3月	3-12月	1-5年	超過5年	不計利息	合計
		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
資產	Assets							
現金及銀行存款	Cash and balances with banks	14,116,678	-	155,208	-	-	518,541	14,790,427
存放本地監管機構之存款	Deposits with local regulatory authority	2,982,731	-	-	-	-	-	2,982,731
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	3,112,337	-	-	-	-	1,329	3,113,666
拆出資金	Placements with banks and other financial institutions	2,967,435	651,847	689,896	-	-	6,190	4,315,368
買入返售金融資產	Financial assets purchased under resale agreements	1,373,960	-	-	-	-	303	1,374,263
衍生金融資產	Derivative financial assets	-	-	-	-	-	302,356	302,356
客戶貸款和墊款	Loans and advances to customers	45,282,320	18,723,752	31,538,007	26,568,452	2,008,463	1,320,714	125,441,708
以攤餘成本計量的債權投資	Debt securities at amortised cost	7,929,470	10,857,598	12,729,950	1,551,813	497,969	273,815	33,840,615
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	6,809,845	13,101,772	10,805,545	12,729,450	1,177,268	338,130	44,962,010
以公允價值計量且其變動計入當期損益的金融資產	Financial assets at fair value through profit or loss	1,524,282	3,266,933	729,418	1,271,843	-	44,017	6,836,493
以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity investments designated at fair value through other comprehensive income	-	-	-	-	-	6,240	6,240
其他資產	Other assets	-	-	-	-	-	505,286	505,286
資產總值	Total assets	86,099,058	46,601,902	56,648,024	42,121,558	3,683,700	3,316,921	238,471,163

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.2 市場風險 - 續 Market risk

(a) 利率風險 - 續 Interest rate risk

於財務狀況表日，按照金融資產與金融負債在下一個預期利率重定價日(或到期日，以較早者為準)列示如下：

At the balance sheet date, the next expected rate repricing date (or the maturity date, whichever is earlier) of financial assets and financial liabilities during the relevant period are presented as follows: - continued

		2022						
		1個月	1-3月	3-12月	1-5年	超過5年	不計利息	合計
		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities							
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	13,355,677	12,171,956	6,035,307	-	-	210,160	31,773,100
以公允價值計量且其變動計入當期損益的金融負債	Financial liabilities at fair value through profit or loss	7,564	5,584	-	-	-	-	13,148
賣出回購金融資產	Repurchase agreements	11,940,687	7,620,633	1,382,160	-	-	80,174	21,023,654
衍生金融負債	Derivative financial liabilities	-	-	-	-	-	18,769	18,769
客戶存款	Customer deposits	43,177,354	47,984,776	68,323,687	1,953,170	-	1,110,454	162,549,441
其他負債	Other liabilities	-	-	-	-	-	907,966	907,966
發行債券	Debt securities issued	-	-	-	4,477,203	1,256,600	39,304	5,773,107
負債總值	Total liabilities	68,481,282	67,782,949	75,741,154	6,430,373	1,256,600	2,366,827	222,059,185
總利息重新定價差額	Total interest repricing gap	17,617,776	(21,181,047)	(19,093,130)	35,691,185	2,427,100	950,094	16,411,978
		2021						
		1個月	1-3月	3-12月	1-5年	超過5年	不計利息	合計
		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
資產	Assets							
現金及銀行存款	Cash and balances with banks	13,924,900	-	-	-	-	547,988	14,472,888
存放本地監管機構之存款	Deposits with local regulatory authority	3,475,210	-	-	-	-	-	3,475,210
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	3,526,049	-	-	-	-	-	3,526,049
拆出資金	Placements with Banks and other financial institutions	4,015,999	1,967,195	611,280	-	-	-	6,594,474
買入返售金融資產	Financial assets purchased under resale agreements	2,692,924	-	-	-	-	-	2,692,924
政府債券	Treasury bills	2,799,827	1,399,664	5,095,936	-	-	-	9,295,427
衍生金融資產	Derivative financial assets	-	-	-	-	-	14,569	14,569
客戶貸款和墊款	Loans and advances to customers	42,586,017	23,891,354	31,256,750	24,097,172	1,665,386	345,599	123,842,278
證券投資	Investments in securities	2,354,604	8,190,600	13,607,182	33,995,192	12,042,280	380,709	70,570,567
其他資產	Other assets	-	-	-	-	-	1,881,047	1,881,047
資產總值	Total assets	75,375,530	35,448,813	50,571,148	58,092,364	13,707,666	3,169,912	236,365,433

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.2 市場風險 - 續 Market risk - continued

(a) 利率風險 - 續 Interest rate risk - continued

於財務狀況表日，按照金融資產與金融負債在下一個預期利率重定價日(或到期日，以較早者為準)列示如下：

At the balance sheet date, the next expected rate repricing date (or the maturity date, whichever is earlier) of financial assets and financial liabilities during the relevant period are presented as follows:

		2021						
		1個月	1-3月	3-12月	1-5年	超過5年	不計利息	合計
		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities							
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	17,623,892	7,050,449	11,161,693	-	-	-	35,836,034
賣出回購金融資產	Repurchase agreements	1,818,245	13,173,469	120,912	-	-	-	15,112,626
衍生金融負債	Derivative financial liabilities	-	-	-	-	-	48,763	48,763
客戶存款	Customer deposits	45,653,483	38,952,380	73,664,887	3,638,729	-	-	161,909,479
其他負債	Other liabilities	-	-	-	-	-	1,418,826	1,418,826
發行債券	Debt securities issued	-	-	-	1,889,250	4,013,148	-	5,902,398
負債總值	Total liabilities	65,095,620	59,176,298	84,947,492	5,527,979	4,013,148	1,467,589	220,228,126
總利息重新定價差額	Total interest repricing gap	10,279,910	(23,727,485)	(34,376,344)	52,564,385	9,694,518	1,702,323	16,137,307

下表載列了截至二零二二年十二月三十一日和二零二一年十二月三十一日，主要幣種的收益率曲線平行移動 50 個基點對本行未來一年淨利息收入的潛在影響。

The table below illustrates the potential impact on the Bank's net interest income in the coming year of a parallel shift of 50 basis points in main currency yield curve as at 31 December 2022 and 2021.

基點變動	Changes in basis points	利息收入淨額 增加/(減少) 澳門幣千元 MOP'000
二零二二年	2022	
收益率上升 50 個基點	Yield rate is up 50 basepoints	(29,372)
收益率下降 50 個基點	Yield rate is down 50 basepoints	29,372
二零二一年	2021	
收益率上升 50 個基點	Yield rate is up 50 basepoints	(105,980)
收益率下降 50 個基點	Yield rate is down 50 basepoints	105,980

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4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.2 市場風險 - 續 Market risk - continued

(b) 外匯風險 Foreign exchange risk

匯率風險是指銀行的外匯頭寸受到外匯市場匯價波動的影響所造成的損失風險。本行每年均根據政策要求通過管理層和專業委員會評定額度規模和止損限額，日常致力於維護本行各項幣別頭寸的正常穩定，提升匯率風險的管理水準。

本行業務幣種主要以美元、港元、澳門幣為主，在聯繫匯率機制下，匯率波動風險影響相對可控，而隨著本行境內分、支行設立與發展，整體財務狀況表中人民幣規模有所增長，隨著人民幣市場化、國際化進程加快，人民幣的波動水準亦正在提高，本行將致力於控制市場匯率波動對本行資產負債結構的影響。

下表匯總了本行各金融資產及金融負債的外幣匯率風險敞口分佈，各原幣資產、負債及信用承諾的賬面價值已折合為澳門幣金額。

Currency risk is the risk of fluctuations in exchange rates in the foreign exchange market resulting in losses on a bank's foreign exchange positions. Every year, the Bank evaluates the total limits and stop-loss limits through the management and professional committee in accordance with policy requirements. It is committed to stabilizing the positions in different currencies and improving currency risk management on a routine basis.

The Bank's businesses are primarily conducted in USD, HKD, and MOP, with a controllable impact of exchange rate fluctuation risk under the linked exchange rate system. On the other hand, as the scale of RMB in the overall balance sheet has grown due to the Bank's establishment and development of branches and sub-branches in Mainland China. While with the acceleration of the marketization and internationalization of RMB, the volatility of the RMB is also increasing. The Bank will strive to control the impact of market exchange rate fluctuations on its asset-liability structure.

The table below summarizes the distribution of risk exposures of foreign currency exchange rates of the Bank's financial assets and financial liabilities, and the carrying amount of the assets and liabilities in the original currency as well as the credit commitments has been converted into MOP.

		2022					
		澳門幣	港元	美元	人民幣	其他貨幣	合計
		MOP	HKD	USD	RMB	Other currencies	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
資產	Assets						
現金及銀行存款	Cash and balances with banks	562,349	3,453,872	6,187,749	4,225,190	361,267	14,790,427
存放本地監管機構之存款	Deposits with local regulatory authority	2,982,731	-	-	-	-	2,982,731
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	-	7,830	19,822	3,086,014	-	3,113,666
拆出資金	Placements with Banks and other financial institutions	1,997	1,956,358	1,236,729	1,120,284	-	4,315,368
買入返售金融資產	Financial assets purchased under resale agreements	-	-	-	1,374,263	-	1,374,263
衍生金融資產	Derivative financial assets	-	119,294	-	176,219	6,843	302,356
客戶貸款和墊款	Loans and advances to customers	28,124,376	41,651,955	19,985,447	35,224,836	455,094	125,441,708
以攤餘成本計量的債權投資	Debt securities at amortised cost	2,497,507	-	26,616,599	4,726,509	-	33,840,615
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	434,070	228,652	25,934,885	18,364,403	-	44,962,010
以公允價值計量且其變動計入當期損益的金融資產	Financial assets at fair value through profit or loss	-	217,675	-	6,618,818	-	6,836,493
以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity investments designated at fair value through other comprehensive income	-	6,240	-	-	-	6,240
其他資產	Other assets	58,270	124,645	110,890	176,977	34,504	505,286
資產總值	Total assets	34,661,300	47,766,521	80,092,121	75,093,513	857,708	238,471,163

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4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT - CONTINUED

4.2 市場風險 - 續 Market risk - continued

(b) 外匯風險 - 續 Foreign exchange risk - continued

		2022					
		澳門幣	港元	美元	人民幣	其他貨幣	合計
		MOP	HKD	USD	RMB	Other currencies	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities						
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	1,000	13,415,669	6,338,721	12,017,157	553	31,773,100
以公允價值計量且其變動計入當期損益的金融負債	Financial liabilities at fair value through profit or loss	-	12,747	-	-	401	13,148
賣出回購金融資產	Repurchase agreements	-	-	2,646,358	18,377,296	-	21,023,654
衍生金融負債	Derivative financial liabilities	-	4,442	14,327	-	-	18,769
客戶存款	Customer deposits	18,165,996	67,721,926	18,921,766	57,087,667	652,086	162,549,441
其他負債	Other liabilities	43,128	404,969	398,297	27,463	34,109	907,966
發行債券	Debt securities issued	-	1,270,139	2,752,269	1,750,699	-	5,773,107
負債總值	Total liabilities	18,210,124	82,829,892	31,071,738	89,260,282	687,149	222,059,185
財務狀況表淨頭寸	Net position in the statement of financial position	16,451,176	(35,063,371)	49,020,383	(14,166,769)	170,559	16,411,978
財務擔保及信用承諾	Financial guarantees and credit commitments	8,592,181	10,350,731	23,576,733	62,679,736	147,555	105,346,936

		2022					
		澳門幣	港元	美元	人民幣	其他貨幣	合計
		MOP	HKD	USD	RMB	Other currencies	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
資產	Assets						
現金及銀行存款	Cash and balances with banks	581,307	4,846,891	7,913,169	960,561	170,960	14,472,888
存放本地監管機構之存款	Deposits with local regulatory authority	3,475,210	-	-	-	-	3,475,210
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	-	14,962	86,140	3,424,947	-	3,526,049
拆出資金	Placements with banks and other financial institutions	212,000	2,770,700	2,931,644	680,130	-	6,594,474
買入返售金融資產	Financial assets purchased under resale agreements	-	-	-	2,692,924	-	2,692,924
政府債券	Treasury bills	9,295,427	-	-	-	-	9,295,427
衍生金融資產	Derivative financial assets	3,173	636	-	10,760	-	14,569
客戶貸款和墊款	Loans and advances to customers	20,143,162	45,415,068	16,751,491	40,715,625	816,932	123,842,278
證券投資	Investments in securities	949,241	2,494,148	37,747,705	29,306,698	72,775	70,570,567
其他資產	Other assets	245,801	651,337	629,620	305,307	48,982	1,881,047
資產總值	Total assets	34,905,321	56,193,742	66,059,769	78,096,952	1,109,649	236,365,433

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT - CONTINUED

4.2 市場風險 - 續 Market risk - continued

(b) 外匯風險 - 續 Foreign exchange risk - continued

		2022					
		澳門幣	港元	美元	人民幣	其他貨幣	合計
		MOP	HKD	USD	RMB	Other currencies	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities						
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	1,000	16,962,806	14,134,940	4,736,467	821	35,836,034
賣出回購金融資產	Repurchase agreements	-	-	401,352	14,711,274	-	15,112,626
衍生金融負債	Derivative financial liabilities	-	-	6,322	42,411	30	48,763
客戶存款	Customer deposits	18,191,501	62,528,606	26,989,412	53,391,858	808,102	161,909,479
其他負債	Other liabilities	312,301	469,730	469,440	159,459	7,896	1,418,826
發行債券	Debt securities issued	-	1,256,600	2,756,548	1,889,250	-	5,902,398
負債總值	Total liabilities	18,504,802	81,217,742	44,758,014	74,930,719	816,849	220,228,126
財務狀況表淨頭寸	Net position in the statement of financial position	16,400,519	(25,024,000)	21,301,755	3,166,233	292,800	16,137,307
財務擔保及信用承諾	Financial guarantees and credit commitments	8,105,077	14,446,535	41,159,869	29,456,188	100,828	93,268,497

於報告日，本行貨幣金融資產和負債的重大風險敞口貨幣包括港元、美元和人民幣。由於澳門幣與港元和美元掛鈎，管理層認為本行對港元和美元的風險敞口較小，因此，未列示敏感度分析。

下表列示了於財務狀況表日人民幣匯率發生合理可能變動的敏感度分析。計算了當其他項目不變時，澳門幣對人民幣匯率的合理可能變動對本行稅前利潤和權益的影響。

敏感度分析

The currencies to which the Bank had significant exposure at the reporting dates on its monetary financial assets and liabilities included Hong Kong Dollars ("HKD"), United States Dollars ("USD") and Chinese Renminbi ("RMB"). Since Macau Patacas is linked to the HKD and USD, management considered the Bank's exposure to HKD and USD is minimal. As such, no sensitivity analysis is presented.

The table below presents the sensitivity analysis of reasonably possible changes in the exchange rate of RMB at the balance sheet date. The impact of the reasonably possible changes in exchange rate of MOP against RMB on the pre-tax profit and equity of the Bank is calculated while all other items are held constant.

Sensitivity analysis

稅前溢利增加/(減少)

人民幣匯率變動

5%

-5%

Increase/(decrease) in profit before tax
Change in RMB exchange rate

5%

-5%

2022
澳門幣千元
MOP'000

(20,177)

20,177

2021
澳門幣千元
MOP'000

(20,104)

20,104

權益增加/(減少)

人民幣匯率變動

5%

-5%

Increase/(decrease) in equity
Change in RMB exchange rate

5%

-5%

2022
澳門幣千元
MOP'000

(16,885)

16,885

2021
澳門幣千元
MOP'000

(16,551)

16,551

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4. 金融風險管理 - 續 FINANCIAL RISK MANAGEMENT – CONTINUED

4.3 流動性風險 Liquidity risk

流動性風險是指雖然有清償能力，但無法及時獲得充足資金或無法以合理成本及時獲得充足資金以應對資產增長或支付到期債務的風險。流動性風險是因資產與負債的金額和到期日錯配而產生。本行根據《澳門國際銀行股份有限公司流動性風險管理政策》對現金流進行日常監控，並確保維持適量的高流動性資產。該項管理與監控由計劃財務部及風險管理部具體負責，並置於資產負債管理委員會的監督之下。

本行之資產和負債的剩餘合同到期日詳列於下表。

Liquidity risk is the risk that a bank fails to raise adequate funds timely or do it timely at a reasonable cost to cope with asset growth or settle due debts despite its solvency. Liquidity risk arises from amount and maturity mismatches between assets and liabilities. In accordance with the Liquidity Risk Management Policy of Luso International Banking Ltd., the Bank monitors its cash flow on a routine basis and maintains high-liquidity assets at an appropriate amount. The management and monitoring of liquidity risk are performed by the Planning and Finance Department and the Risk Management Department, and supervised by the Asset and Liability Management Committee.

The following tables detail the Bank's remaining contractual maturity for its assets and liabilities.

		2022								
		按須償還	1 個月	1-3 月	3-12 月	1-5 年	超過 5 年	逾期	不定期	合計
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Past Due	Undated	Total
		澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元
		MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
資產	Assets									
現金及銀行存款	Cash and balances with banks	14,633,654	-	-	156,773	-	-	-	-	14,790,427
存放本地監管機構之存款	Deposits with local regulatory authority	1,341,756	-	-	-	-	-	1,640,975	-	2,982,731
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	462,676	-	-	-	-	-	2,650,990	-	3,113,666
拆出資金	Placements with banks and other financial institutions	-	2,969,325	652,575	693,468	-	-	-	-	4,315,368
買入返售金融資產	Financial assets purchased under resale agreements	-	1,374,263	-	-	-	-	-	-	1,374,263
衍生金融資產	Derivative financial assets	-	168,564	110,804	15,378	-	-	-	7,610	302,356
客戶貸款和墊款	Loans and advances to customers	-	35,254,485	6,889,039	39,125,500	41,469,502	2,068,431	-	634,751	125,441,708
以攤餘成本計量的債權投資	Debt securities at amortised cost	-	3,629,065	479,171	2,648,447	21,516,820	5,567,112	-	-	33,840,615
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	-	2,238,978	5,814,729	6,936,080	27,937,985	2,034,238	-	-	44,962,010
以公允價值計量且其變動計入當期損益的金融資產	Financial assets at fair value through profit or loss	-	466,468	278,801	162,273	1,271,843	-	-	4,657,108	6,836,493
以公允價值計量且其變動計入其他全面收益的權益工具投資	Equity investments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	6,240	6,240
其他資產	Other assets	-	141,446	363,840	-	-	-	-	-	505,286
資產總值	Total assets	16,438,086	46,242,594	14,588,959	49,737,919	92,196,150	9,669,781	-	9,597,674	238,471,163

		2022								
		按須償還	1 個月	1-3 月	3-12 月	1-5 年	超過 5 年	逾期	不定期	合計
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Past Due	Undated	Total
		澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元	澳門幣千元
		MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
負債	Liabilities									
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	2,954,396	14,067,431	8,669,246	6,082,027	-	-	-	-	31,773,100
以公允價值計量且其變動計入當期損益的金融負債	Financial liabilities at fair value through profit or loss	-	7,564	5,584	-	-	-	-	-	13,148
賣出回購金融資產	Repurchase agreements	-	12,815,576	6,825,918	1,382,160	-	-	-	-	21,023,654
衍生金融負債	Derivative financial liabilities	-	14,156	1,910	2,703	-	-	-	-	18,769
客戶存款	Customer deposits	21,085,274	24,548,823	46,100,522	68,828,649	1,986,173	-	-	-	162,549,441
其他負債	Other liabilities	47,508	644,339	216,119	-	-	-	-	-	907,966
發行債券	Debt securities issued	-	-	-	-	4,501,889	1,271,218	-	-	5,773,107
負債總值	Total liabilities	24,087,178	52,097,889	61,819,299	76,295,539	6,488,062	1,271,218	-	-	222,059,185
流動資金缺口淨額	Net liquidity gap	(7,649,092)	(5,855,295)	(47,230,340)	(26,557,620)	85,708,088	8,398,563	-	9,597,674	16,411,978

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4. 金融風險管理 - 續 FINANCIAL RISK MANAGEMENT – CONTINUED

4.3 流動性風險 - 續 Liquidity risk - continued

		2021								
		按須償還 Repayable on demand	1 個月 Up to 1 month	1-3 月 1-3 months	3-12 月 3-12 months	1-5 年 1-5 years	超過 5 年 over 5 years	逾期 Past Due	不定期 Undated	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
資產	Assets									
現金及銀行存款	Cash and balances with banks	14,317,905	74,681	-	80,302	-	-	-	-	14,472,888
存放本地監管機構之存款	Deposits with local regulatory authority	1,808,653	-	-	-	-	-	-	1,666,557	3,475,210
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	659,601	-	-	-	-	-	-	2,866,448	3,526,049
拆出資金	Placements with Banks and other financial institutions	-	4,015,999	1,967,195	611,280	-	-	-	-	6,594,474
買入返售金融資產	Financial assets purchased under resale agreements	-	2,692,924	-	-	-	-	-	-	2,692,924
政府債券	Treasury bills	-	2,799,827	1,399,664	5,095,936	-	-	-	-	9,295,427
衍生金融資產	Derivative financial assets	-	11,854	2,715	-	-	-	-	-	14,569
客戶貸款和墊款	Loans and advances to customers	-	6,374,885	6,831,830	39,052,796	47,221,661	23,386,399	-	974,707	123,842,278
證券投資	Investments in securities	-	3,776,287	589,314	15,284,121	33,392,601	11,864,664	-	5,663,580	70,570,567
其他資產	Other assets	-	628,663	1,252,384	-	-	-	-	-	1,881,047
資產總值	Total assets	16,786,159	20,375,120	12,043,102	60,124,435	80,614,262	35,251,063	-	11,171,292	236,365,433

		2021								
		按須償還 Repayable on demand	1 個月 Up to 1 month	1-3 月 1-3 months	3-12 月 3-12 months	1-5 年 1-5 years	超過 5 年 over 5 years	逾期 Past Due	不定期 Undated	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities									
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	8,243,664	9,380,228	7,050,449	11,161,693	-	-	-	-	35,836,034
賣出回購金融資產	Repurchase agreements	-	1,818,245	13,173,469	120,912	-	-	-	-	15,112,626
衍生金融負債	Derivative financial liabilities	-	42,513	2,859	3,391	-	-	-	-	48,763
客戶存款	Customer deposits	24,664,288	20,989,195	38,952,380	73,664,887	3,638,729	-	-	-	161,909,479
其他負債	Other liabilities	32,792	389,292	996,742	-	-	-	-	-	1,418,826
發行債券	Debt securities issued	-	-	-	-	1,889,250	4,013,148	-	-	5,902,398
負債總值	Total liabilities	32,940,744	32,619,473	60,175,899	84,950,883	5,527,979	4,013,148	-	-	220,228,126
流動資金缺口淨額	Net liquidity gap	(16,154,585)	(12,244,353)	(48,132,797)	(24,826,448)	75,086,283	31,237,915	-	11,171,292	16,137,307

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4. 金融風險管理 - 續 FINANCIAL RISK MANAGEMENT - CONTINUED

4.3 流動性風險 - 續 Liquidity risk - continued

本行金融工具未經折現的合約現金流量按到期日分析如下。由於下表包含所有與本金及利息相關的現金流量，因此下表中若干項目之結餘不同於財務狀況表之結餘。

The tables below summarise the maturity profile of the bank's financial instruments based on the contractual undiscounted cash flows. The balances of some items in the tables below are different from the balances on the statement of financial position as the tables incorporate all cash flows relating to both principal and interest.

		2022								
		按須償還	1 個月 Up to 1 month	1-3 月 1-3 months	3-12 月 3-12 months	1-5 年 1-5 years	超過 5 年 over 5 years	逾期 Past Due	不定期 Undated	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities									
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	2,954,396	14,084,505	8,712,757	6,186,330	-	-	-	-	31,937,988
以公允價值計量且其變動計入當期損益的金融負債	Financial liabilities at fair value through profit or loss	-	7,564	5,584	-	-	-	-	-	13,148
賣出回購金融資產	Repurchase agreements	-	12,828,291	6,853,109	1,403,037	-	-	-	-	21,084,437
客戶存款	Customer deposits	21,085,274	24,573,521	46,277,106	69,864,219	2,134,696	-	-	-	163,934,816
其他負債	Other liabilities	47,508	644,339	216,119	-	-	-	-	-	907,966
發行債券	Debt securities issued	-	-	-	280,209	5,452,718	1,346,614	-	-	7,079,541
負債總值 (合同到期)	Total liabilities (contractual maturity)	24,087,178	52,138,220	62,064,675	77,733,795	7,587,414	1,346,614	-	-	224,957,896
貸款及其他承諾	Loan and other commitments	1,755	6,360,813	6,519,119	42,129,204	39,913,425	51,360	-	-	94,975,676
保函/匯票/信用證	Guarantees/acceptance/letter of credit	30,109	249,395	2,464,226	6,135,799	372,408	1,119,323	-	-	10,371,260
以總額結算衍生金融工具現金流	Derivative financial instruments settled on gross basis									
總流入	Total inflows	-	13,164,730	21,479,827	5,593,045	-	-	-	-	40,237,602
總流出	Total outflows	-	(13,053,124)	(21,442,236)	(5,589,521)	-	-	-	-	(40,084,881)

		2021								
		按須償還	1 個月 Up to 1 month	1-3 月 1-3 months	3-12 月 3-12 months	1-5 年 1-5 years	超過 5 年 over 5 years	逾期 Past Due	不定期 Undated	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
負債	Liabilities									
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	8,243,665	9,386,199	7,068,563	11,270,364	-	-	-	-	35,968,791
賣出回購金融資產	Repurchase agreements	-	1,820,210	13,230,421	122,894	-	-	-	-	15,173,525
客戶存款	Customer deposits	24,664,288	21,001,184	39,041,383	74,303,097	3,790,464	-	-	-	162,800,416
其他負債	Other liabilities	32,792	389,292	996,742	-	-	-	-	-	1,418,826
發行債券	Debt securities issued	-	-	-	285,528	2,907,427	4,312,105	-	-	7,505,060
負債總值 (合同到期)	Total liabilities (contractual maturity)	32,940,745	32,596,885	60,337,109	85,981,883	6,697,891	4,312,105	-	-	222,866,618
貸款及其他承諾	Loan and other commitments	-	-	10,872	2,883,428	73,393,214	7,639,863	-	-	83,927,377
保函/匯票/信用證	Guarantees/acceptance/letter of credit	50,797	23,371	268,925	7,383,326	626,213	988,488	-	-	9,341,120
以總額結算衍生金融工具現金流	Derivative financial instruments settled on gross basis									
總流入	Total inflows	-	12,899,494	10,038,862	2,244,716	-	-	-	-	25,183,072
總流出	Total outflows	-	(12,919,817)	(10,039,875)	(2,248,932)	-	-	-	-	(25,208,624)

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4. 金融風險管理 - 續

FINANCIAL RISK MANAGEMENT – CONTINUED

4.4 資本管理 Capital management

本行資本管理貫穿經營管理全過程，與本行戰略規劃、風險管理、資產負債管理、預算管理等緊密結合。

基於本行董事會對資本充足率管理的決策，在滿足澳門金融管理局對資本充足率監管要求的前提下，優化資本配置，加快業務結構調整，降低資產的資本佔用量，實現風險與收益對價，達到風險調整後的資本收益最大化。

本行的資本管理包含以下內容：明確董事會、高級管理層、銀行各組織與部門在資本管理的角色和職責分工；建立和完善風險管理框架，對風險進行識別、計量、監測、緩解和控制，確保資本水準與面臨的主要風險及風險管理水準相適應，確保資本管理規劃與經營狀況、風險變化和中長期發展規劃相匹配；根據澳門金融管理局資本管理相關規定中關於資本充足率的要求，對資本充足率進行計算、分析，加強對日常資本管理的監測和報告，定期對資本運用情況、資本水準和主要影響因素的變化趨勢進行檢查；通過制定資本規劃，建立配套的資本補充機制，籌集本行經營戰略規劃所需要的資本，支援本行業務的可持續發展；信息披露方面，根據澳門金融管理局發出的《第 006/B/2022-DSB/AMCM 號傳閱檔-財務訊息披露指引》的要求進行披露。2022 年末，本行資本充足率為 14.67%(2021 年末：13.62%)。

The Bank performs capital management throughout operation and administration, which is closely integrated with our strategic planning, risk management, asset and liability management and budget management.

Based on capital adequacy ratio management of the Board of Directors, the Bank optimized asset allocation, speeded up business structure adjustment, reduced risk-weighted assets, realized risk-return trade-off and maximized risk-adjusted return on capital on the premise of compliance with regulations on capital adequacy ratio of Monetary Authority of Macao.

The Bank's capital management includes the following responsibilities: defining the roles and duties of the board of directors, senior management, and the Bank's organizations and departments in capital management; establishing and improving the risk management framework to identify, measure, monitor, mitigate, and control risks, thereby ensuring that the capital level adapts to major risks and the risk management capabilities as well as that the capital management plan matches the operating conditions, risk changes, and medium- and long-term development plans; calculating and analyzing the capital adequacy ratio in accordance with the relevant requirements prescribed in AMCM's capital management regulations, strengthening the monitoring and reporting of routine capital management, and reviewing the capital utilization, capital level, and trends in key influencing factors regularly; formulating capital plans and establishing the supporting capital replenishment mechanisms to raise the capital required by the Bank's business strategy and planning in order to support sustainable development; performing information disclosure in accordance with the requirements of the Guideline on Disclosure of Financial Information (Circular no. 006/B/2022-DSB/AMCM) issued by AMCM.

As at 31 December 2022, the Bank's capital adequacy ratio was 14.67 % (as at 31 December 2021: 13.62%)

4.5 運用衍生 Use of derivatives

本行主要以交易、資產負債管理及代客為目的而敘做與匯率與利率等相關的衍生金融工具，主要包括貨幣掉期交易和遠期合約。

隨著與衍生金融產品合約條款相關的外匯匯率、市場匯率及股票或期貨價格的波動，衍生金融產品的公允價值估值可能產生對銀行有利(資產)或不利(負債)的影響，這些影響可能在不同期間有較大的波動。

The Bank mainly handles derivative financial instruments related to exchange rates and interest rates for the purposes of trading, asset and liability management, and on behalf of customers, mainly including currency swaps and forward contracts.

With fluctuations in foreign exchange rates, market exchange rates and stock or futures prices related to the contractual terms of derivative financial products, the fair value valuation of derivative financial products may have favorable (assets) or unfavorable (liabilities) effects on the Bank. These effects may fluctuate significantly in different periods.

4.6 操作風險 Operational Risk

本行的操作風險管理工作是識別、評估、監測和控制操作風險的過程。本行通過加強操作風險管理，將操作風險控制在本行可以承受的合理範圍內。

The Bank's operational risk management is the process of identifying, assessing, monitoring, and controlling operational risk. It maintains operational risk exposure within acceptable level by intensifying operational risk management.

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4. 金融風險管理 - 續 FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 公允價值 FAIR VALUE

下表按三個層級列示本行在報告期末以經常性方式計量的金融工具的公允價值。本行參照估值技術中使用的輸入值的可觀察性和重要性釐定公允價值計量的層級，具體如下：

- 第一層次：釐定公允價值只採用第一層參數，即於計量日相同資產或負債在活躍市場未經調整的公開報價。
- 第二層次：釐定公允價值採用第二層參數，即可觀察到的輸入值不滿足第一層的條件，並且未基於對估值有影響的、市場訊息中無法獲得的非可觀察參數。
- 第三層次：釐定公允價值基於對估值有影響的非可觀察參數

公允價值層級

The following table presents the fair value of the Bank's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Only Level 1 parameters are adopted to determine the fair value, i.e., those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date;
- Level 2: Level 2 parameters are adopted to determine the fair value, i.e., the observable inputs do not meet the conditions of Level 1 and are not based on the unobservable parameters having an impact on the valuation and are unavailable from the market information.
- Level 3: Determination of fair value is based on the unobservable parameters having an impact on valuation.

Fair value hierarchy

		2022			
		第一層級	第二層級	第三層級	合計
		Level 1	Level 2	Level 3	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
金融資產	Financial assets				
客戶貸款和墊款	Loans and advances	-	-	1,266,232	1,266,232
- 貼現	- Carrying amount of loans and advances at FVOCI	-	-	1,266,232	1,266,232
以公允價值計量且其變動計入當期損益的金融資產	Financial assets at fair value through profit or loss	42,816	6,793,677	-	6,836,493
- 交易性債權投資	- Held-for-trading bond investments	-	6,793,677	-	6,793,677
- 交易性權益工具投資	- Held-for-trading equity investments	42,816	-	-	42,816
以公允價值計量且其變動計入其他全面收益的金融資產	Financial assets measured at fair value through other comprehensive income	-	44,962,010	6,240	44,968,250
- 債券證券	- Bond securities	-	44,962,010	-	44,962,010
- 權益證券	- Equity securities	-	-	6,240	6,240
衍生金融資產	Derivative financial assets	-	302,356	-	302,356
合計	Total	42,816	52,058,043	1,272,472	53,373,331
金融負債	Financial liabilities				
以公允價值計量且其變動計入當期損益的金融負債	Financial liabilities at fair value through profit or loss	-	13,148	-	13,148
衍生金融負債	Derivative financial liabilities	-	18,769	-	18,769
合計	Total	-	31,917	-	31,917
		2021			
		第一層級	第二層級	第三層級	合計
		Level 1	Level 2	Level 3	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
金融資產	Financial assets				
衍生金融資產	Derivative financial assets	-	14,569	-	14,569
合計	Total	-	14,569	-	14,569
金融負債	Financial liabilities				
衍生金融負債	Derivative financial liabilities	-	48,763	-	48,763
合計	Total	-	48,763	-	48,763

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4. 金融風險管理 - 續 FINANCIAL RISK MANAGEMENT - CONTINUED

4.7 公允價值 - 續 FAIR VALUE - continued

第二層次的公允價值計量

交易性金融資產和其他債權投資中的債券及存單投資的公允價值按照市場機構報價形成估值的過程中採用了反映市場狀況的可觀察輸入值。

衍生金融工具中的外匯掉期、利率掉期合約的公允價值，採用對合約未來預期的應收及應付金額折現並計算合約淨現值的方法來確定。所使用的折現率為相應貨幣的市場利率曲線，匯率價格採用相關市場報價，相關報價機構在形成報價過程中採用了反映市場狀況的可觀察輸入值。

Level 2 fair value measurement

The fair value of investments in bonds and certificates of deposit in held-for-trading financial assets and other debt securities adopts the observable inputs which reflect market conditions in the process of forming the valuation in accordance with quotations from market institutions.

The fair value of foreign exchange swaps and interest rate swap contracts in derivative financial instruments is determined by discounting the expected future amounts receivable and payable arising from contracts and calculating the net present value of the contracts. The discount rate used is the market interest rate curve of the corresponding currency, and the exchange rate price is quoted in the relevant market. The observable inputs which reflect market conditions are adopted by relevant quotation institutions in the process of forming quotations.

第三層次的公允價值計量

Level 3 fair value measurement

以公允價值計量的第三層金融工具之變動

Movements in level 3 financial instruments measured at fair value

		2022			
		以公允價值計量且其變動計入其他全面收益 的金融資產 Financial assets measured at fair value through other comprehensive income			資產總值 Total assets
		貸款和墊款 Loans and advances		權益證券 Equity securities	
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
二零二二年一月一日(根據 IFRS9 重述)	1 January 2022(as restated under IFRS9)	-	2,076,695	7,056	2,083,751
購買	Purchase	-	1,266,232	-	1,266,232
出售	Disposal	-	(2,075,616)	-	(2,075,616)
計入其他全面收益的公允價值變動	Changes in fair value through OCI	-	(1,079)	(816)	(1,895)
二零二二年十二月三十一日	31 December 2022	-	1,266,232	6,240	1,272,472

關於第三層級估值中重要的不可觀測輸入的信息

Information about significant unobservable inputs in level 3 valuations

資產類型 Type of assets	估值技術 Valuation technique	重大不可觀測輸入值 Significant unobservable input	2022 範圍 Range 2022
非上市股權 Unquoted equity instruments at FVOCI	現金流折現法 Discounted cash flow approach	折現率 Discount rate	15.79% 15.79%

本年本銀行的以公允價值計量的資產和負債均未發生於第一、第二及第三層次間的重大轉移。

There was no transfers among Level 1, Level 2 and Level 3 for the Bank's assets and liabilities measured at fair values this year.

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5. 利息收入淨額

NET INTEREST INCOME

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
利息收入	Interest income		
現金及銀行存款	Cash and balances with banks	31,931	12,796
存放本地監管機構之存款	Deposits with local regulatory authority	7,334	57
存放中國大陸中央銀行	Deposits with central bank in Mainland of China	45,079	50,312
拆出資金	Placements with banks and other financial institutions	71,413	26,171
政府債券	Treasury bills	N/A	33,321
客戶貸款及墊款	Loans and advances to customers	4,601,368	4,237,300
證券投資	Investments in securities	N/A	1,478,778
以攤餘成本計量的債權投資	Debt instruments at amortised cost	666,513	N/A
以公允價值計量且其變動計入其他全面益的債權投資	Debt instruments at fair value through other comprehensive income	1,078,241	N/A
其他	Others	2,674	2,423
合計	Total	6,504,553	5,841,158
利息支出	Interest expenses		
銀行同業及其他金融機構之存款	Deposits with banks and other financial institutions	478,059	250,346
賣出回購金融資產	Repurchase agreements	336,613	275,498
客戶存款	Customer deposits	2,744,345	2,682,453
其他	Others	588,256	260,548
合計	Total	4,147,273	3,468,845
利息收入淨額	Net interest income	2,357,280	2,372,313

6. 服務費及佣金收入淨額

NET FEE AND COMMISSION INCOME

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
服務費及佣金收入	Fee and commission income from:		
客戶貸款及墊款	Loans and advances to customers	220,797	277,540
財務顧問費	Financial consultancy fees	156,626	165,020
保險及其他代理業務佣金	Insurance and other agency commission	62,419	85,660
信用卡	Credit cards	32,349	43,153
證券買賣	Securities trading	24,916	36,185
基金銷售	Fund distribution	6,569	13,343
自動櫃員機	Automated teller machines	3,016	3,291
匯款	Remittances	3,464	2,784
其他	Others	21,304	19,713
合計	Total	531,460	646,689

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6. 服務費及佣金收入淨額 - 續 NET FEE AND COMMISSION INCOME - CONTINUED

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
服務費及佣金支出	Fee and commission expenses		
信用卡	Credit cards	6,078	13,345
其他	Others	25,511	17,324
合計	Total	<u>31,589</u>	<u>30,669</u>
服務費及佣金收入淨額	Net fee and commission income	<u>499,871</u>	<u>616,020</u>

7. 買賣交易淨溢利 NET TRADING GAIN

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
出售證券投資淨溢利	Net gain on disposal of investment securities	193,692	703,572
投資重估淨溢利/(虧損)	Revaluation gain/(loss) from investments	169,655	(4,109)
外匯買賣淨溢利	Net gain arising from dealings in foreign currencies	119,459	5,715
外匯掉期業務淨溢利/(虧損)	Net gain/(loss) from dealings in foreign exchange swaps	106,439	(120,612)
合計	Total	<u>589,245</u>	<u>584,566</u>

8. 經營支出 OPERATING EXPENSES

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
人事費用 (包括董事薪酬)	Staff costs (including directors' remuneration)	835,255	762,660
系統營運外包服務費用	System outsourcing fee	68,666	72,693
房地產費用	Property costs	72,318	70,566
業務推廣費用	Advertising and promotion expenses	49,338	63,223
物業、廠房和設備折舊	Depreciation of property, plant and equipment	43,475	38,439
稅金及附加	Taxes and surcharges	21,188	20,813
電腦費用	Computer expenses	15,118	17,449
資訊費	Information service charges	15,704	13,850
存款保障基金供款	Deposit Protection Fund Payment	8,180	8,591
信用卡費	Credit card operating expenses	8,977	8,421
其他費用	Others	122,184	104,241
合計	Total	<u>1,260,403</u>	<u>1,180,946</u>

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9. 客戶貸款和墊款及其它金融工具減值損失淨額

NET CHARGE FOR IMPAIRMENT LOSSES ON LOANS AND ADVANCES TO CUSTOMERS AND OTHER FINANCIAL INSTRUMENTS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
現金及銀行存款	Cash and balances with banks	60	3,724
拆出資金	Placements with banks and other financial institutions	2,761	-
客戶貸款和墊款	Loans and advances to customers	248,770	281,090
證券投資	Investments in securities	N/A	4,136
以攤餘成本計量的債權投資	Debt securities at amortised cost	14,642	N/A
以公允價值計量且其變動計入其他全面收益的債權投資	Debt securities at fair value through other comprehensive income	8,571	N/A
未使用貸款承諾和擔保	Undrawn loan commitments and guarantees	34,295	N/A
其他	Others	160	1,419
合計	Total	309,259	290,369

10. 所得稅費用

INCOME TAX EXPENSES

現有稅項主要包括澳門所得補充稅。根據澳門所得補充稅法律，澳門所得補充稅稅制為對應課稅收益超過 32,000 澳門幣但低於 300,000 澳門幣的部份徵收 3%至 9%的遞進稅率，對於課稅收益超過 300,000 澳門幣的部份徵收 12%固定稅率。在二零二一年度和二零二二年度，澳門所得補充稅特別稅務優惠，應課稅豁免收益提高至 600,000 澳門幣，而之後之課稅收益徵收 12%固定稅率。在澳門境外的稅收是按照相關地區適用的現行稅率計算。

Current tax is primarily comprised of Macau Complementary Tax. According to Macau Complementary Tax Law, Macau Complementary Tax is levied at progressive rates ranging from 3% to 9% on taxable income above MOP32,000 but below MOP300,000, and thereafter at a fixed rate of 12%. In 2021 and 2022, the special tax incentive was provided to effect that the tax-free income threshold is MOP600,000 and the profit thereafter being taxed at a fixed rate of 12%. The provision of taxation outside Macau is provided at the prevailing rates of taxation ruling in the region in which the relevant units of the Bank operates.

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
澳門所得稅	Macau complementary tax		
本年度計提	Current income tax charge for the year	186,691	184,367
以往年度準備少提(多提)	Under(overprovision) in prior years	1,190	(6,784)
小計	Subtotal	187,881	177,583
中國大陸利息收入預提稅(附註 A)	Tax credit - Mainland of China withholding tax paid (Note a)	(43,636)	(47,026)
當期稅項支出	Current income tax	144,245	130,557
遞延稅項支出(附註 25)	Deferred income tax (Note 25)	(71,859)	(52,457)
稅項支出合計	Taxation charge	72,386	78,100

稅項支出和會計溢利按適用稅率計算的對賬:

A reconciliation of the tax expenses and profit before tax at the applicable tax rate is as follows:

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
稅前溢利	Profit before tax	1,872,628	2,038,206
按照澳門所得補充稅率計算的稅項	Tax calculated at Macau complementary tax rate	224,715	244,513
澳門境外不同稅率的稅務影響	Tax effect of different tax rates outside Macau	70,968	107,184
不需課稅的收入的稅務影響	Tax effect of non-taxable income	(175,154)	(196,758)
不可扣稅之費用的稅務影響	Tax effect of non-deductible expenses	7,959	11,004
以往年度準備少提(多提)	Under(Overprovision) in prior years	1,190	(6,784)
雙重徵稅抵免協定(附註 A)	Tax credits available under a tax treaty (Note a)	(30,518)	(24,846)
其他	Others	(26,774)	(56,213)
實際稅項支出	Actual tax expenses	72,386	78,100

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10. 所得稅費用 - 續 INCOME TAX EXPENSES - CONTINUED

附註 A: 本行從國內業務所得須繳付中國內地相關稅項。根據澳門特別行政區政府與內地簽署的《關於對所得避免雙重徵稅和防止偷漏稅的安排》，本行於中國內地繳納之稅款可於應交澳門所得補充稅中抵免。

Note a: The Bank has income derived from Mainland China which is subject to Mainland China income tax. According to the "Arrangement Between The Macau Special Administrative Region and The Mainland of China For The Avoidance of Double Taxation and The Prevention of Fiscal Evasion With Respect To Taxes On Income", the amount of such Mainland China tax paid is allowed as a credit against the Macau Complementary Tax payable by the Bank subject to application and approval by Macau Finance Bureau.

11. 現金及銀行存款 CASH AND BALANCES WITH BANKS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
現金	Cash	516,385	547,988
存放銀行同業及其他金融機構	Deposits with banks and other financial institutions	14,274,586	13,924,900
應計利息	Accrued interest	2,156	N/A
小計	Subtotal	14,793,127	14,472,888
減: 減值準備	Less: Impairment allowances	(2,700)	-
合計	Total	<u>14,790,427</u>	<u>14,472,888</u>

於本年內，現金及銀行存款的減值準備均處於第一階段。

During the period, the impairment allowances of cash and balances with Banks are all in Stage 1.

12. 存放本地監管機構之存款 DEPOSITS WITH LOCAL REGULATORY AUTHORITY

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
於十二月三十一日存放澳門金融管理局之結餘	Balance with AMCM as at 31 December	<u>2,982,731</u>	<u>3,475,210</u>

按有關法例要求，本行需為了保持流動性，於澳門金融管理局開立之澳門幣活期賬戶的每週每日結餘不可少於按下述百分率對上一周所核定且以期間分類之平均基本負債而計算出之總和的 70%:

- (a) 即期負債之 3%;
- (b) 除 (a) 之即期負債外，三個月以內 (含三個月) 到期負債之 2%; 及
- (c) 三個月以上到期負債之 1%。

於二零二二年十二月三十一日，本行存放澳門金融管理局的法定最低結存為 1,640,975,000 澳門幣 (二零二一年十二月三十一日: 1,666,557,000 澳門幣)。

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

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

As at 31 December 2022, the amount of minimum statutory deposit balance with AMCM required for the Bank is MOP 1,640,975,000 (31 December 2021: MOP 1,666,557,000).

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13. 拆出資金 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
拆出資金	Placements with Banks and other financial institutions	4,312,388	6,594,474
應計利息	Accrued interest	6,190	N/A
小計	Subtotal	4,318,578	6,594,474
減：減值準備	Less: Impairment allowances	(3,210)	-
合計	Total	<u>4,315,368</u>	<u>6,594,474</u>

於本年內，拆出資金的減值準備均處於第一階段。

During the period, the impairment allowances of Placements with Banks and other financial institutions are all in Stage 1.

14. 買入返售金融資產 FINANCIAL ASSETS PURCHASED UNDER RESALE AGREEMENTS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
金融債券	Financial bonds	1,077,619	2,692,924
政府債券	Treasury bills	296,473	-
應計利息	Accrued interest	303	N/A
小計	Subtotal	1,374,395	2,692,924
減：減值準備	Less: Impairment allowances	(132)	-
合計	Total	<u>1,374,263</u>	<u>2,692,924</u>

於本年內，買入返售金融資產的減值準備均處於第一階段。

During the period, the impairment allowances of financial assets purchased under resale agreements are all in Stage 1.

15. 政府債券 TREASURY BILLS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
由澳門金融管理局發行的票據之攤銷成本 - 流動	Treasury bills issued by AMCM, at amortised cost - current	N/A	<u>9,295,427</u>

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16. 衍生金融工具

DERIVATIVE FINANCIAL INSTRUMENTS

		二零二二年十二月三十一日		
		合約金額	公允價值資產	公允價值負債
		Contract Amount	Fair values Assets	Fair values Liabilities
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
外匯合約	Foreign exchange contracts			
貨幣互換	Currency swaps			
		40,237,602	302,356	(18,769)
		二零二一年十二月三十一日		
		合約金額	公允價值資產	公允價值負債
		Contract Amount	Fair values Assets	Fair values Liabilities
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
外匯合約	Foreign exchange contracts			
貨幣互換	Currency swaps			
		25,183,072	14,569	(48,763)

17. 客戶貸款和墊款

LOANS AND ADVANCES TO CUSTOMERS

17.1 貸款及墊款的分類 Classification of loans and advances

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
以攤餘成本計量的貸款和墊款總額	Loans and advances at amortised cost	124,763,730	125,365,591
以攤餘成本計量的貸款和墊款應計利息	Accrued interest of loans and advances at amortised cost	1,320,714	N/A
小計	Subtotal	126,084,444	125,365,591
減：減值準備	Less: Impairment allowances	(1,908,968)	(1,523,313)
以攤餘成本計量的貸款和墊款賬面價值	Carrying amount of loans and advances to customers at amortised cost	124,175,476	123,842,278
以公允價值計量且其變動計入其他全面收益的貸款和墊款賬面價值	Carrying amount of loans and advances at FVOCI	1,266,232	N/A
合計	Total	125,441,708	123,842,278

(a) 以攤餘成本計量的貸款和墊款 Loans and advances at amortised cost

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
個人貸款和墊款	Individual loans and advances to customers		
– 房產按揭貸款	- Mortgage loans	19,174,054	17,330,453
– 生產經營貸款	- Business loans	2,491,567	1,667,077
– 消費貸款	- Consumption loans	11,129,084	9,419,886
– 信用卡	- Credit cards	102,282	111,572
– 其他	- Others	1,385,675	816,569
小計	Subtotal	34,282,662	29,345,557
企業貸款和墊款	Corporate loans and advances		
貸款	Loans	90,481,068	96,020,034
應計利息	Accrued interest	1,320,714	N/A
合計以攤餘成本計量的貸款和墊款	Total loans and advances at amortised cost	126,084,444	125,365,591
減：減值準備	Less: Impairment allowances		
– 階段一	- Stage 1	(1,109,905)	N/A
– 階段二	- Stage 2	(220,403)	N/A
– 階段三	- Stage 3	(578,660)	N/A
– 計提客戶貸款和墊款的減值準備	- Provision for loans and advances to customers	N/A	(1,523,313)
以攤餘成本計量的發放貸款和墊款淨值	Loans and advances at amortised cost - net	124,175,476	123,842,278

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17. 客戶貸款和墊款 - 續 LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

17.1 貸款及墊款的分類 - 續 Classification of loans and advances - continued

(b) 以公允價值計量且其變動計入其他全面收益的貸款和墊款 Loans and advances at FVOCI

		2022 澳門幣千元 MOP'000
以公允價值計量且其變動計入其他全面收益的貸款和墊款的賬面價值	Carrying amount of loans and advances at FVOCI	
企業貸款和墊款	Corporate loans and advances	
- 貼現	- Trade bills	1,266,232
減：減值準備	Less: Impairment allowances	
- 階段一	- Stage 1	(230)

17.2 貸款和墊款的信用風險與預期信用損失情況 Credit risk and expected credit loss of loans and advances

		2022			
		階段一 Stage 1 澳門幣千元 MOP'000	階段二 Stage 2 澳門幣千元 MOP'000	階段三 Stage 3 澳門幣千元 MOP'000	合計 Total 澳門幣千元 MOP'000
以攤餘成本計量的貸款和墊款	Loans and advances at amortised cost	120,791,227	3,535,969	1,757,248	126,084,444
減：減值準備	Less: Impairment allowances	(1,109,905)	(220,403)	(578,660)	(1,908,968)
以攤餘成本計量的貸款和墊款賬面價值	Carrying amount of loans and advances at amortised cost	119,681,322	3,315,566	1,178,588	124,175,476
以公允價值計量且其變動計入其他全面收益的貸款和墊款	Loans and advances at FVOCI	1,266,232	-	-	1,266,232
以公允價值計量且其變動計入其他全面收益的貸款和墊款的累計已計提減值金額	Accumulated loss allowance for loans and advances at FVOCI	(230)	-	-	(230)

17.3 貸款和墊款預期信用損失變動情況 Movements in expected credit loss of loans and advances

(a) 以攤餘成本計量的貸款和墊款預期信用損失變動情況

Movements in expected credit loss of loans and advances at amortised cost

		2022			
		階段一 Stage 1 澳門幣千元 MOP'000	階段二 Stage 2 澳門幣千元 MOP'000	階段三 Stage 3 澳門幣千元 MOP'000	合計 Total 澳門幣千元 MOP'000
年初餘額	As at 1 January 2022	1,592,555	15,428	292,456	1,900,439
轉移：	Transferred to:				
- 至階段一	- Stage 1	1,039	(1,039)	-	-
- 至階段二	- Stage 2	(61,490)	61,490	-	-
- 至階段三	- Stage 3	(30,397)	(4,957)	35,354	-
本年(轉回)/計提	(Reversals)/Provisions for the year	(337,802)	149,702	437,253	249,153
本年核銷	Written-off for the year	-	-	(182,223)	(182,223)
匯率變動	Changes in exchange rate	(54,000)	(221)	(4,180)	(58,401)
年末餘額	As at 31 December 2022	1,109,905	220,403	578,660	1,908,968

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17. 客戶貸款和墊款 - 續 LOANS AND ADVANCES TO CUSTOMERS - CONTINUED

17.3 貸款和墊款預期信用損失變動情況 - 續 Movements in expected credit loss of loans and advances - continued

(b) 以公允價值計量且其變動計入其他全面收益的貸款和墊款預期信用損失變動情況 Movements in expected credit loss of loans and advances at FVOCI

		2022 澳門幣千元 MOP'000
年初餘額	As at 1 January 2022	673
本年計提	Allowances for the year	(383)
匯率變動	Changes in exchange rate	(60)
年末餘額	As at 31 December 2022	230

於本年內，以公允價值計量且其變動計入其他全面收益的貸款和墊款的減值準備均處於第一階段。

During the period, the impairment allowances of loans and advances at FVOCI are all in Stage 1.

17.4 信貸質量 Credit quality

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
未逾期	Current	124,500,574	123,851,862
逾期 30 天內	Past due up to 30 days	1,233,374	531,331
逾期 31 至 60 天	Past due 31-60 days	383,154	241,418
逾期 61 至 90 天	Past due 61-90 days	120,507	132,947
逾期 90 天以上	Past due over 90 days	1,113,067	608,033
合計	Total	127,350,676	125,365,591

17.5 二零二一年貸款和墊款的準備金分析如下所示： An analysis of the allowance for loans and advances in 2021 is as follows:

		一般準備 General Provision	特定準備 Specific Provision	準備總額 Total Provision
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
年初餘額	Balance at 1 January 2021	1,287,870	237,969	1,525,839
本年減值準備 (附註 9)	Impairment allowances for the year (Notes 9)	107,460	173,630	281,090
核銷金額	Amount written off	(38,407)	(244,703)	(283,110)
匯兌差額	Exchange difference	-	(1,414)	(1,414)
貸款及墊款核銷後收回	Recoveries of loans and advances written-off in prior years	-	908	908
年末餘額	Balance at 31 December 2021	1,356,923	166,390	1,523,313

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18. 證券投資

INVESTMENTS IN SECURITIES

		2021 澳門幣千元 MOP'000
持作買賣投資	Investments held for trading	
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	1,449,392
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	401,302
非上市債務證券，攤銷成本	Unlisted debt securities, at amortised cost	40,159
在中國大陸或香港發行的政府債券，攤銷成本	Treasury bills issued in Mainland of China or Hong Kong, at amortised cost	514,977
減：公允價值損失	Less: fair value loss	(9,418)
		2,396,412
持至到期投資	Held-to-maturity investments	
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	2,968,149
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	3,991,743
		6,959,892
其他投資	Other investments	
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	26,535,585
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	21,829,237
非上市債務證券之攤銷成本	Unlisted debt securities, at amortised cost	5,752,047
基金投資	Fund investment	5,604,777
債權融資計劃	Private debt financing plans	1,171,335
其他	Others	501,914
減：準備金	Less: provision for diminution in value	(180,632)
		61,214,263
合計	Total	70,570,567
流動	Current	24,145,909
非流動	Non-current	46,424,658
合計	Total	70,570,567

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18. 證券投資 - 續

INVESTMENTS IN SECURITIES - CONTINUED

<u>附註:</u>	<u>Notes:</u>	2021 澳門幣千元 MOP'000
(a) 持作買賣投資之市值	(a) Market value of listed investments held for trading	
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	1,443,068
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	398,212
非上市債務證券，攤銷成本	Unlisted debt securities, at amortised cost	40,160
在中國大陸或香港發行的政府債券，攤銷成本	Treasury bills issued in Mainland of China or Hong Kong, at amortised cost	514,972
		2,396,412
(b) 投資按發行機構分佈如下	Analysis of investments by issuers	
持作買賣投資	Investments held for trading	
企業	Corporate entities	1,514,437
銀行同業及其他金融機構	Banks and other financial institutions	881,975
		2,396,412
持至到期投資	Held-to-maturity investments	
企業 (附註 A)	Corporate entities (Notes A)	2,410,234
國債及地方政府債	Sovereigns	3,803,746
銀行同業及其他金融機構	Banks and other financial institutions	745,912
		6,959,892
其他投資	Other investments	
銀行同業及其他金融機構	Banks and other financial institutions	24,428,190
企業 (附註 A)	Corporate entities (Notes A)	23,692,594
國債及地方政府債	Sovereigns	13,093,479
		61,214,263

附註 A:

截至二零二一年十二月三十一日，其他投資的企業證券投資有 14,547,048,355 澳門幣，用於本行債券質押融入的同業負債資金擔保。

Notes A:

As at 31 December 2021, investment in corporate entities with carrying amount of MOP14,547,048,355 was pledged to a financial institution to secure a loan facility.

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19. 以攤餘成本計量的債權投資 INVESTMENTS IN DEBT INSTRUMENTS AT AMORTISED COST

19.1 按產品類型 Analysis by product type

		2021 澳門幣千元 MOP'000
債權投資	Debt investment	
政府債券	Treasury bills	5,190,273
金融債券	Financial bonds	10,272,392
企業債券	Corporate bonds	14,561,871
澳門金融管理局票據	AMCM bills	2,497,533
債權融資計劃	Debt financing plan	1,071,174
應計利息	Accrued interest	273,815
小計	Subtotal	33,867,058
減：損失準備	Less: Loss allowance	
- 階段一	-Stage 1	(7,350)
- 階段二	-Stage 2	(19,093)
- 階段三	-Stage 3	-
小計	Subtotal	(26,443)
合計	Total	33,840,615

19.2 信用風險與預期信用損失情況 Credit risk and expected credit loss

		2022			
		階段一	階段二	階段三	合計
		Stage 1	Stage 2	Stage 3	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
債權投資	Debt securities	29,277,808	4,589,250	-	33,867,058
減：損失準備	Less: Impairment allowances	(7,350)	(19,093)	-	(26,443)
債權投資賬面價值	Carrying amount of debt securities	29,270,458	4,570,157	-	33,840,615

19.3 預期信用損失變動情況 Movements in expected credit loss

		2022			
		階段一	階段二	階段三	合計
		Stage 1	Stage 2	Stage 3	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
年初餘額	As at 1 January 2022	4,912	7,521	-	12,433
本年計提	Provisions for the year	2,689	11,953	-	14,642
匯率變動	Changes in exchange rate	(251)	(381)	-	(632)
年末餘額	As at 31 December 2022	7,350	19,093	-	26,443

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20. 以公允價值計量且其變動計入其他全面收益的債權投資

DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

20.1 按產品類型 Analysis by product type

		2022 澳門幣千元 MOP'000
政府債券	Treasury bills	23,895,534
金融債券	Financial bonds	7,662,773
企業債券	Corporate bonds	9,903,284
企業票據	Corporate bills	3,162,289
應計利息	Accrued interest	338,130
合計	Total	44,962,010

20.2 其他債權投資的信用風險與預期信用損失情況

Credit risk and expected credit loss of debt instruments at FVOCI

		2022			
		階段一 Stage 1	階段二 Stage 2	階段三 Stage 3	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
其他債權投資賬面餘額	Carrying amount of other debt securities	40,334,720	4,598,897	28,393	44,962,010
其他債權投資累計已計提減值金額	Accumulated loss allowance for other debt securities	(4,416)	(16,226)	(195,824)	(216,466)

20.3 其他債權投資預期信用損失變動情況

Movements in expected credit loss of other debt securities

		2022			
		階段一 Stage 1	階段二 Stage 2	階段三 Stage 3	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
年初餘額	As at 1 January 2022	7,703	19,577	180,631	207,911
轉移:	Transferred to:				
- 至階段二	- Stage 2	(15)	15	-	-
(轉回)/本年計提	(Reversals)/provisions for the year	(3,272)	(3,365)	15,208	8,571
匯率變動	Changes in exchange rate	-	(1)	(15)	(16)
年末餘額	As at 31 December 2022	4,416	16,226	195,824	216,466

21. 以公允價值計量且其變動計入當期損益的金融資產

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2022 澳門幣千元 MOP'000
基金投資	Fund investments	4,614,292
資產管理計劃	Assets management plan	1,271,843
政府債券	Treasury bills	689,866
結構性票據	Structured bills	217,676
上市股權投資	Listed equity investment	42,816
合計	Total	6,836,493

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22. 以公允價值計量且其變動計入其他全面收益的權益工具投資

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		2022 澳門幣千元 MOP'000
非上市權益工具投資	Unlisted equity instrument investments	6,240
合計	Total	6,240

23. 物業、廠房和設備

PROPERTY, PLANT AND EQUIPMENT

		永久業權土地 Freehold land	永久業權房地產 Freehold buildings	租約房地產 Leasehold buildings	傢私裝修及 辦公室設備 Furniture, Decoration and office equipment	電腦設備 Computer equipment	汽車 Motor vehicles	總計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
原值	Cost							
於二零二二年一月一日	At 1 January 2022	13,352	7,993	341,903	157,778	174,954	12,264	708,244
新增	Additions	-	-	149,855	14,822	19,486	1,142	185,305
處置	Disposals	-	-	-	(1,396)	(6,096)	(360)	(7,852)
重新分類	Reclassification	-	-	-	(7,668)	7,668	-	-
匯兌差額	Exchange difference	-	-	-	(350)	(2,824)	(462)	(3,636)
於二零二二年十二月三十一日	At 31 December 2022	13,352	7,993	491,758	163,186	193,188	12,584	882,061
累計折舊	Accumulated depreciation							
於二零二二年一月一日	At 1 January 2022	-	7,019	25,794	126,668	141,806	9,369	310,656
本年計提	Charge for the year	-	427	6,762	12,524	22,406	1,356	43,475
處置	Disposals	-	-	-	(1,321)	(6,074)	(360)	(7,755)
重新分類	Reclassification	-	-	-	(6,814)	6,814	-	-
匯兌差額	Exchange difference	-	-	-	(157)	(1,878)	(270)	(2,305)
於二零二二年十二月三十一日	At 31 December 2022	-	7,446	32,556	130,900	163,074	10,095	344,071
賬面淨值	Net book value							
於二零二二年十二月三十一日	At 31 December 2022	13,352	547	459,202	32,286	30,114	2,489	537,990
原值	Cost							
於二零二一年一月一日	At 1 January 2021	13,352	7,993	183,896	145,993	166,642	10,969	528,845
新增	Additions	-	-	158,007	13,417	22,878	1,174	195,476
處置	Disposals	-	-	-	(1,706)	(15,281)	-	(16,987)
匯兌差額	Exchange difference	-	-	-	74	715	121	910
於二零二一年十二月三十一日	At 31 December 2021	13,352	7,993	341,903	157,778	174,954	12,264	708,244
累計折舊	Accumulated depreciation							
於二零二一年一月一日	At 1 January 2021	-	6,592	22,030	117,567	134,517	7,973	288,679
本年計提	Charge for the year	-	427	3,764	10,771	22,139	1,338	38,439
處置	Disposals	-	-	-	(1,704)	(15,278)	-	(16,982)
匯兌差額	Exchange difference	-	-	-	34	428	58	520
於二零二一年十二月三十一日	At 31 December 2021	-	7,019	25,794	126,668	141,806	9,369	310,656
賬面淨值	Net book value							
於二零二一年十二月三十一日	At 31 December 2021	13,352	974	316,109	31,110	33,148	2,895	397,588

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24. 租賃土地權益

INTEREST IN LEASEHOLD LAND

本行於租賃土地權益的經營租賃及帳面淨值分析如下：

The Bank's interest in leasehold land represents operating leases and the net book value is analysed as follows:

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
於澳門按以下方式持有： - 10 至 50 年的租賃期 於一月一日	In Macau held on : - Leases of between 10 to 50 years At 1 January	113,660	76,334
新增	Addition	37,464	39,501
租賃土地權益攤銷支出	Amortisation of interests in leasehold land	(2,925)	(2,175)
於十二月三十一日	At 31 December	<u>148,199</u>	<u>113,660</u>

25. 遞延稅項

DEFERRED INCOME TAX

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
遞延稅項資產：	Deferred tax assets	<u>442,627</u>	<u>231,470</u>

25.1 遞延稅項賬目變動如下：

The movement on the deferred income tax account is as follows:

		公允價值及其他 Fair value and other assets	減值準備 Impairment allowances	加速稅項折舊 Accelerated tax depreciation	稅務損失 Tax losses	合計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零二一年十二月三十一日	At 31 December 2021	98,444	36,056	(519)	97,489	231,470
按照《國際財務報告準則》第 9 號的年初調整	Adjustments at the beginning of the year under IFRS 9	31,403	-	-	-	31,403
二零二二年一月一日	At 1 January 2022	129,847	36,056	(519)	97,489	262,873
本年遞延稅項變動計入損益表	Deferred tax (charged) credited to profit or loss during the year	(42,605)	(23,990)	(172)	138,626	71,859
本年遞延稅項變動計入權益	Deferred tax credited to the equity during the year	107,895	-	-	-	107,895
於二零二二年十二月三十一日	At 31 December 2022	<u>195,137</u>	<u>12,066</u>	<u>(691)</u>	<u>236,115</u>	<u>442,627</u>

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26. 其他資產

OTHER ASSETS

		2021 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
應收賬款	Accounts receivable	324,451	190,800
抵債資產	Debt asset	208,476	129,731
可收回中國大陸稅款	Mainland of China tax recoverable	90,130	84,052
預付費用	Prepayments	37,880	41,495
存出保證金	Margin deposits paid	42	42
應收利息	Interests receivable	-	1,462,951
土地競買保證金及預付款項	Bid deposit of land and prepayments	-	1,099,644
其他	Others	198,073	22,473
減：減值準備	Less: Impairment allowances	(7)	(1,407)
合計	Total	859,045	3,029,781

27. 銀行同業及其他金融機構之存款

DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	31,562,940	35,836,034
應計利息	Accrued interest	210,160	N/A
合計	Total	31,773,100	35,836,034

28. 以公允價值計量且其變動計入當期損益的金融負債

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
股票掛鈎存款	Equity-linked deposits	12,417	N/A
貨幣掛鈎存款	Currency-linked deposits	731	N/A
合計	Total	13,148	N/A

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29. 賣出回購金融資產 REPURCHASE AGREEMENTS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
債券	Debt securities	20,943,480	14,022,114
票據	Bills	-	1,090,512
應計利息	Accrued interest	80,174	N/A
合計	Total	21,023,654	15,112,626

已轉讓但未終止確認的金融資產及相關負債情況如下：以攤餘成本計量的債權投資和以公允價值計量且其變動計入其他全面收益的債權投資轉讓資產的賬面價值合計金額為 27,236,328,366 澳門幣，相關負債的賬面價值為 21,023,653,992 澳門幣。

Notes:

The carrying amount of the above mentioned financial assets sold by the Bank under agreements to repurchase as at 31 December 2022 that did not qualify for derecognition is MOP 27,236,328,366 of debt instruments at FVOCI and investments in debt instruments at amortised cost totally. The Carrying amount of associated financial liabilities is MOP 21,023,653,992.

30. 客戶存款 CUSTOMER DEPOSITS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
定期存款	Time deposits	140,412,205	137,288,992
往來及儲蓄存款	Current and savings deposits	21,026,782	24,620,487
應計利息	Accrued interest	1,110,454	N/A
合計	Total	162,549,441	161,909,479

31. 發行債券 DEBT SECURITIES ISSUED

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
定息次級債券	Subordinated fixed rate bonds	4,007,635	4,013,148
金融債券	Financial bonds	1,726,168	1,889,250
應付利息	Interest payable	39,304	N/A
合計	Total	5,773,107	5,902,398

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31. 發行債券 - 續

DEBT SECURITIES ISSUED - CONTINUED

於二零一七年十二月，本行發行面值為二億五千萬美元的十年期次級債券。該債券於可贖回日二零二三年六月二十八日前以固定利率 5.375% 計息，如果債券未在債券首個重置日（二零二三年六月二十八日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.233% 的利率水準。此次級債券在香港聯交所上市。

於二零一八年三月，本行發行面值為九千三百二十萬美元的十年期次級債券。該債券於可贖回日二零二三年六月二十八日前以固定利率 5.375% 計息，如果債券未在債券首個重置日（二零二三年六月二十八日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.233% 的利率水準。此次級債券在香港聯交所上市。

於二零一八年十月，本行發行面值為十二億二千萬港元的十年期次級債券。該債券於可贖回日二零二三年十月三十日前以固定利率 6% 計息，如果債券未在債券首個重置日（二零二三年十月三十日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.087% 的利率水準。

於二零二一年七月，本行發行面值為十五億元人民幣的第一期人民幣債券。該債券於可贖回日二零二四年七月二十七日前以固定利率 3.28% 計息，在本期債券存續期內利率固定不變。此金融債在全國銀行間債券市場公開發行。

In December 2017, the Bank issued a 10-year subordinated bonds with the face value of USD250,000,000. The bonds bear interest at a fixed rate of 5.375% per annum until 28 June 2023 (the first call date) and reset to an aggregate of five-year U.S. Treasury Rate plus a spread of 3.233% per annum thereafter if the bonds are not redeemed on the coupon reset date at the option of the Bank. The subordinated bonds are listed on the Hong Kong Stock Exchange.

In March 2018, the Bank issued a 10-year subordinated bonds with the face value of USD93,200,000. The bonds bear interest at a fixed rate of 5.375% per annum until 28 June 2023 (the first call date) and reset to an aggregate of five-year U.S. Treasury Rate plus a spread of 3.233% per annum thereafter if the bonds are not redeemed on the coupon reset date at the option of the Bank. The subordinated bonds are listed on the Hong Kong Stock Exchange.

In October 2018, the Bank issued a 10-year subordinated bonds with the face value of HKD1,220,000,000. The bonds bear interest at a fixed rate of 6.00% per annum until 30 October 2023 (the first call date) and reset to the aggregate of five-year U.S. Treasury Rate plus a spread of 3.087% per annum thereafter if the bonds are not redeemed on the coupon reset date at the option of the Bank.

In July 2021, the Bank issued a Renminbi Bonds (Series 1) with face value CNY1,500,000,000. The bonds bear interest at a fixed rate of 3.28% per annum until 27 July 2024. The interest rate remains unchanged during the lifetime of the bonds. The bonds are listed on the National Inter-Bank Bond Market in Mainland of China.

32. 其他負債

OTHER LIABILITIES

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
應付賬款	Accounts payable	420,670	255,935
應計費用	Expenses accruals	405,788	441,234
預計負債	Estimated liabilities	54,433	-
保證金	Margin deposits received	47,508	13,676
應付利息	Interest payable	-	835,745
其他應付款項	Other payables	457,257	126,041
合計	Total	1,385,656	1,672,631

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33. 股本

SHARE CAPITAL

	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
法定，已發行及已繳足股本 2,610,000 普通股股份 每股面值 1,000 澳門幣	2,610,000	2,610,000
Authorized, issued and fully paid 2,610,000 ordinary shares of MOP1,000 each		

34. 額外資本補充工具

ADDITIONAL EQUITY INSTRUMENTS

	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
22.5 億港元永久性非累積後償額外一級 資本證券(附註 1)	2,310,194	2,310,194
2.48 億美元永久性非累積後償額外一級 資本證券(附註 2)	1,978,047	1,978,047
14.5 億港元永久性非累積後償額外一級 資本證券(附註 3)	1,484,936	-
合計	5,773,177	4,288,241
HKD2,250 million perpetual non-cumulative subordinated additional tier 1 capital securities (Notes A)		
USD248 million perpetual non-cumulative subordinated additional tier 1 capital securities (Notes B)		
HKD1,450 million perpetual non-cumulative subordinated additional tier 1 capital securities (Notes C)		
Total		

附註 1：二零一八年十二月七日，本行於二零一八年十一月三十日獲澳門金融管理局 (AMCM) 批准後發行首批永久性非累積後償額外一級資本證券（“額外權益工具”），初始本金面值為 1,668,000,000 港元。該批次的額外權益工具為永久性證券，票面息率 8%，以二零二三年十二月十一日為第一個可贖回日期。按照發行通函第 9 條所述，該票面息率將每五年調整一次，如本行選擇不贖回該額外權益工具，則票面息率將調整為相當於該時點五年期美國國債利率加上固定的初始利差之固定利率。

二零一八年十二月二十一日，本行獲 AMCM 批准後發行第二批永久性非累積後償額外一級資本證券（“額外權益工具”），初始本金面值 582,000,000 港元。該批次的額外權益工具為永久性證券，票面息率 8%，以二零二三年十二月二十八日為第一個可贖回日期。按照發行通函第 9 條所述，該票面息率將每五年調整一次，如本行選擇不贖回該額外權益工具，則票面息率將調整為相當於該時點五年期美國國債利率加上固定的初始利差之固定利率。上述兩批次的額外權益工具之派息為每半年支付一次。

根據發行通函第 17 條的規定，如本行獲 AMCM 通知為保證本行之可持續性經營，必須對上述額外權益工具之本金進行賬面減計處理時，本行將按照 AMCM 的指示，將上述額外權益工具之本金減計為 AMCM 所認可的金額，且所有應計未付收益分派，本行不再負有支付義務。

本行享有一項贖回權，可以從額外權益工具的第一個可贖回日期（第一批次為二零二三年十二月十一日，第二批次為二零二三年十二月二十八日）或任何後續的票息支付日起贖回所有未償還的額外權益工具，但須受發行通函第 7 條規定的限制。

附註 2：二零二一年八月六日，本行發行永久性一級資本補充債券（“額外權益工具”），初始本金面值為 248,000,000 美元。該額外權益工具為永久性債券，發行起息日至首個贖回日間的收益分派率上限為年息 5.5%，以二零二六年八月六日為第一個可贖回日期。按照發行通函所述，該債券收益分派率將在第一個可贖回日及第一個可贖回日後每五年調整一次，債券收益分派率將調整為相當於該時點五年期美國國債利率加上利差 4.8% 之固定年息率。上述額外權益工具之派息為每半年支付一次。

本行享有一項贖回權，可以從額外權益工具的第一個可贖回日期（二零二六年八月六日）或任何後續的票息支付日起贖回所有未償還的額外權益工具本金及利息。

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34. 額外資本補充工具 - 續 ADDITIONAL EQUITY INSTRUMENTS - CONTINUED

附註 3：二零二二年十一月二十九日，本行發行無固定期限一級資本補充債券（“額外權益工具”），初始本金面值為 1,450,000,000 港元。該額外權益工具為永久性債券，發行起息日至首個贖回日間的收益分派率上限為年息 7.50%，以二零二七年十一月二十九日為第一個可贖回日期。按照發行通函所述，該債券收益分派率將在第一個可贖回日及其後的每五周年之際重置，債券收益分派率將重置為相當於該時點的五年期美國國債利率加上利差 3.6163% 之新的 5 年期固定利率。上述額外權益工具之派息為每半年支付一次。

本行享有一項贖回權，可以從額外權益工具的第一個可贖回日期（二零二七年十一月二十九日）或任何後續的票息支付日贖回所有未償還的額外權益工具本金及利息。

Notes A: On 7 December 2018, the Bank issued the first batch of the perpetual non-cumulative additional tier 1 capital securities ("additional equity instruments") with an initial principal amount of HK\$1,668,000,000 after the approval from AMCM dated 30 November 2018. The additional equity instruments are perpetual and bear an 8% coupon rate per annum until the first call date on 11 December 2023. As set out in the clause 9 of the offering circular dated 7 December 2018, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread if the additional equity instruments are not redeemed.

On 21 December 2018, the Bank issued the second batch of the perpetual non-cumulative additional tier 1 capital securities ("additional equity instruments") with an initial principal amount of HK\$582,000,000 with the same approval from AMCM dated 30 November 2018. The additional equity instruments are perpetual and bear an 8% coupon rate per annum until the first call date on 28 December 2023. As set out in the clause 9 of the offering circular, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread if the additional equity instruments are not redeemed. The coupon shall be payable semi-annually.

The principal of the additional equity instruments will be written down to the amount as directed or agreed with the AMCM if the AMCM notifies the Bank that the Bank would become non-viable should there be no written down of the principal (subject to the trigger events as set out in the clause 17 of the offering circular). And all accrued unpaid coupon, the Bank no longer has a payment obligation.

The Bank has a call option to redeem all the outstanding first batch of the additional equity instruments from 11 December 2023 while for the second batch is 28 December 2023, or any subsequent coupon payment date, but subject to restriction as set out in the clause 7 of the offering circular.

Notes B: On 6 August 2021, the Bank issued the perpetual Supplementary Capital Bonds ("additional equity instruments") with an initial principal amount of US\$248,000,000. The additional equity instruments are perpetual and bear a 5.5% coupon rate per annum until the first call date on 6 August 2026. As set out in the offering circular, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread of 4.8% if the additional equity instruments are not redeemed. The bonds shall be payable semi-annually.

The Bank has a call option to redeem all the outstanding additional equity instruments from 6 August 2026 (the first call date), or any subsequent coupon payment date.

Notes C: On 29 November 2022, the Bank issued Tier 1 Capital Supplementary Bonds with no fixed maturity ("additional equity instruments") with an initial principal amount of HK\$1,450,000,000. The additional equity instruments are perpetual and bear a 7.50% coupon rate per annum until the first call date on 29 November 2027. As set out in the offering circular, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread of 3.6163% if the additional equity instruments are not redeemed. The bonds shall be payable semi-annually.

The Bank has a call option to redeem all the outstanding additional equity instruments from 29 November 2027 (the first call date), or any subsequent coupon payment date.

35. 股息 DIVIDENDS

	2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
擬派股息	360,048	392,021

董事會擬派發二零二二年度普通股股息每股約 137.95 澳門幣(二零二一年每股約 150.20 澳門幣)，總額為 360,048,321 澳門幣(二零二一年：392,021,148 澳門幣)。此擬派股息未列作應付股息，惟將於截至二零二二年十二月三十一日止年度列作留存盈利分配。

The directors proposed dividends of approximately MOP 137.95 (2021: MOP 150.20) per ordinary share for the year ended 31 December 2022 amounting to MOP360,048,321 (2021: MOP 392,021,148). The proposed dividends have not been presented as dividends payable, but will be presented as an appropriation of retained earnings for the year ended 31 December 2022.

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36. 與集團公司及關聯方之交易

TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

集團公司包括控股公司（附註 42）及其關聯公司。關聯方是指控股公司之股東及其附屬公司。本年度內，本行與集團公司及關聯公司在日常銀行業務過程中進行了多項交易，其中包括借貸、接受及存放同業存款和往來銀行交易。這些交易是按正常商業條款進行。

除了本財務報表所披露的交易或結餘外，本行於本年度與集團公司及關連方在雙方商定條件下訂立了下列的重大結餘及交易。

Group companies include the holding company (note 42) and its subsidiaries. Related parties represent shareholders of the holding company and their subsidiaries. During the year, the Bank entered into transactions with the group companies and related parties in the normal course of its Banking business including, inter alia, lending, the acceptance and placement of inter-Bank deposits and correspondent Banking transactions.

Other than transactions or balances disclosed elsewhere in the financial statements, the Bank had entered into the following transactions and maintained significant balances with the group companies and related parties at mutually agreed terms during the year:

36.1 包括於以下財務狀況表賬項為與集團公司之結餘：

Included in various statement of financial position captions are balances with group companies as follows:

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
存放銀行同業及其他金融機構	Deposits with banks and other financial institutions	67,158	66,240
其他資產	Other assets	64	-
其他負債	Other liabilities	(3,211)	(10,900)
集友銀行所持次級債券	Subordinated bonds held by Chiyu Banking Corporation Limited	(154,500)	(154,500)
同業存放	Deposits from banks and other financial institutions	(2,941,660)	(317,518)
客戶存款	Customer deposits	(144,816)	(1,311,008)

36.2 年內，本行與集團公司之間的收入及支出如下：

During the year, the Bank earned income and incurred expense on balances with group companies as follows:

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
存放銀行同業及其他金融機構之利息收入	Interest income on deposits with banks and other financial institutions	4,173	-
支付控股公司之房屋租金費用	Rental of premises paid to the holding company	(1,607)	(1,559)
支付集友銀行所持次級債券之利息支出	Interest expense on subordinate notes paid to Chiyu Banking Corporation Limited	(9,270)	(9,270)
客戶存款及同業及其他金融機構存款之利息支出	Interest expense on customer deposits and amounts due to Banks and other financial institutions	(8,283)	(22,389)
支付廈門國際銀行股份有限公司之系統營運外包服務費用	System outsourcing fee paid to Xiamen International Bank Co. Ltd.	(61,425)	(66,370)

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36. 與集團公司及關聯方之交易 - 續

TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES (CONTINUED)

36.3 與其他關聯方之結餘/交易: Transactions/balances with other related parties:

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
員工股份 (附註)	Share equity contributed by employees (Notes)	137,299	137,299
經營支出	Operating expenses	(2,120)	-
其他資產	Other assets	4,621	4,012
客戶存款之利息支出	Interest expenses on customer deposits	(2,305)	(981)
其他負債	Other liabilities	(3,400)	(2,346)
客戶存款	Customer deposits	(135,274)	(63,237)

於二零二二年十二月三十一日，本行的客戶貸款及放款中有 1,019,676,792 澳門幣的客戶貸款(二零二一年: 3,411,470,863 澳門幣)由廈門國際銀行股份有限公司所開出備用信用證提供擔保。

附註:

於二零二二年十二月三十一日，員工股份在本行普通股中的佔比為 2.5%(二零二一年: 2.5%)。員工股份在所有者權益下的股本及股本溢價中確認。

As at 31 December 2022, the Bank's loans and advances to customers totalling MOP 1,019,676,792 (31 December 2021: MOP3,411,470,863) was guaranteed by Xiamen International Bank Co. Ltd. in the form of standby letters of credit.

Notes:

As at 31 December 2022, 2.5% (31 December 2021: 2.5%) of the total issued ordinary shares were held by the employees, which was recorded under share capital and premium in owners' equity.

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37. 現金流量表附註

NOTES TO STATEMENT OF CASH FLOWS

37.1 除稅前溢利與來自除稅前營業活動之現金流入對賬表

Reconciliation of profit before tax to operating cash flows from operating activities before tax

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
稅前溢利	Profit before tax	1,872,628	2,038,206
調整:	Adjustments for:		
- 減值準備金計提增加	- Increase in impairment allowances	309,259	290,369
- 物業、廠房和設備折舊	- Depreciation of property, plant and equipment	43,475	38,439
- 租賃土地權益之攤銷	- Amortisation of interests in leasehold land	2,925	2,175
- 股息收入	- Dividend income	(36)	(264)
- 投資證券溢價攤銷	- Amortisation of premium on investment securities	1,744,754	527,024
- 出售證券投資淨溢利	- Net gain from disposal of investments	(168,469)	(655,071)
營運資產之變動	Changes in working capital		
- 原到期日超過三個月的存放同業款項增加	- Increase in deposits with banks with original maturity over three months	(304,677)	(2,024,153)
- 存放監管機構存款結餘減少	- Decrease in minimum statutory deposits with regulatory authorities	241,188	794,732
- 拆出資金減少	- Decrease in placements with banks and other financial institutions with original maturity over three months	1,608,658	-
- 買入返售金融資產減少/(增加)	- Decrease/(increase) in financial assets purchased under resale agreements with original maturity over three months	2,692,288	(2,692,924)
- 客戶貸款和墊款淨額增加	- Increase in loans and advances to customers	(1,985,084)	(4,578,727)
- 以公允價值計量且其變動計入當期損益的金融資產減少	- Decrease in financial assets at fair value through profit or loss	1,574,940	4,582,842
- 其他資產(減少)/增加	- Decrease/(increase) in other assets	816,757	(562,407)
- 銀行同業及其他金融機構之存款(減少)/增加	- (Decrease)/increase deposits from banks and other financial institutions	(4,062,934)	13,535,046
- 賣出回購金融資產增加	- Increase in repurchase agreements	5,911,028	5,106,481
- 客戶存款增加/(減少)	- Increase/(decrease) in customer deposits	639,962	(9,160,314)
- 其他負債減少	- Decrease in other liabilities	(135,031)	(762,337)
除稅前營業活動之現金流入	- Decrease in other liabilities	10,801,631	6,479,117
經營活動產生的現金流包括:	Operating cash flows from operating activities before tax		
已收利息	Cash flows from operating activities include	6,227,200	6,486,563
已付利息	Interest received	(3,542,926)	(3,675,541)

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

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37. 現金流量表附註 - 續 NOTES TO STATEMENT OF CASH FLOWS (CONTINUED)

37.2 現金及現金等價物結餘分析 Analysis of balances of cash and cash equivalents

就現金流量表而言，現金及現金等價物包括自收購之日起三個月內到期的以下結餘。

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with maturity less than three months from the date of acquisition.

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
現金	Cash	516,385	547,988
現金等價物:	Cash equivalents:		
- 存放銀行同業及其他金融機構	- Deposits with banks and other financial institutions	14,119,363	14,072,198
- 三個月內到期的投資	- Investment with original maturity within three months	7,031,086	1,199,973
- 拆出資金	- Placements with banks and other financial institutions	3,348,760	4,015,998
- 超過最低法定要求的存放監管機構的存款結餘	- Balance of deposits with regulatory authorities in excess of minimum statutory requirement	1,803,102	2,468,105
現金及現金等價物	Cash and cash equivalents	26,818,696	22,304,262

38. 資本承擔 CAPITAL COMMITMENTS

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
已批准但尚未簽約	Expenditure authorised but not contracted for	-	1,117
已簽約但未支付	Expenditure contracted but not paid for	24,561	22,200
合計	Total	24,561	23,317

39. 經營租約承擔 OPERATING LEASE COMMITMENTS

於二零二二年十二月三十一日，銀行作為承租人，根據不可撤銷經營租賃而於未來須支付的最低總租金款項如下：

At 31 December 2022, the Bank had future aggregate minimum lease payments under non-cancellable operating leases as follows:

土地及房地產

Land and buildings

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
1 年內	Within 1 year	62,237	65,025
1 年以上但不超過 5 年	More than 1 year but less than 5 years	196,941	211,524
超過 5 年	Over 5 years	26,585	62,426
合計	Total	285,763	338,975

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

40. 信用承諾

C R E D I T C O M M I T M E N T S

		2022 澳門幣千元 MOP'000	2021 澳門幣千元 MOP'000
無條件可撤銷的貸款承諾	Commitments that are unconditional cancellable without prior notice	94,975,676	83,927,377
開出信用證	Letter of credit issued	2,705,025	1,698,364
擔保書	Guarantees issued	1,742,049	1,835,842
開出承兌匯票	Acceptances	5,924,186	5,806,914
合計	Total credit commitments	105,346,936	93,268,497

41. 分部報告

S E G M E N T R E P O R T I N G

本銀行從業務角度管理其運營。從業務角度來看，該實體主要通過以下四個業務部門提供金融服務：

個人銀行：個人銀行業務板塊涵蓋面向個人客戶的金融產品和服務。這些產品和服務包括個人貸款和預付款、存款、銀行卡和各種其他個人仲介業務。

公司銀行：公司銀行業務部門包括向公司客戶、政府和金融機構提供的金融產品和服務。這些產品和服務包括公司貸款和預付款、貿易融資、存款和各種其他公司仲介業務。

財資業務：財政部部門涵蓋了該公司的貨幣市場交易、回購交易、債權投資、財富管理產品和貴金屬。

其他：其他分部涵蓋了無法直接歸屬於上述分部的本行的剩餘業務，以及總行未適當分配的一些資產、負債、收入或費用。

The Bank manages its operations from business perspectives. From a business perspective, the Bank mainly provides financial services through four business segments, which are listed below:

- Corporate banking: Corporate banking business segment covers financial products and services to corporate customers, governments and financial institutions. These products and services include corporate loans and advances, trade finance, deposits, and various other corporate intermediary businesses.

- Personal banking: Personal banking business segment covers financial products and services to individual customers. These products and services include personal loans and advances, deposits, bank cards, and various other individual intermediary businesses.

- Treasury: Treasury segment covers the Bank's money market transactions, repurchase transactions, debt instrument investments, wealth management products and precious metals.

- Others: The others segment covers the remaining businesses of the Bank that cannot be directly attributable to the above segments, and some assets, liabilities, income or expenses of the Head Office that have not been properly allocated.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

41. 分部報告 - 續

SEGMENT REPORTING (CONTINUED)

		2022						
		個人銀行 Personal Banking	企業銀行 Corporate Banking	財資業務 Treasury	小計 Subtotal	其他 Others	合併抵銷 Eliminations	總計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
利息(支出)/收入淨額	Net interest (expenses) / income							
- 外部	- External	(86,607)	1,622,265	821,622	2,357,280	-	-	2,357,280
- 分部間	- Inter-segment	358,447	39,259	(397,706)	-	-	-	-
小計	Subtotal	271,840	1,661,524	423,916	2,357,280	-	-	2,357,280
服務費及佣金收入/(支出)淨額	Net fee and commission income / (expenses)	140,747	359,216	(92)	499,871	-	-	499,871
其他收入和損益	Other income and gains or losses	23,462	162	597,813	621,437	-	-	621,437
減值準備前的經營收入淨額	Net operating income before impairment allowances	436,049	2,020,902	1,021,637	3,478,588	-	-	3,478,588
減值準備轉回/(計提)淨額	Net reversal / (charge) of impairment allowances	104,961	(400,602)	(13,618)	(309,259)	-	-	(309,259)
經營收入淨額	Net operating income	541,010	1,620,300	1,008,019	3,169,329	-	-	3,169,329
經營支出	Operating expenses	(178,624)	(497,332)	(31,142)	(707,098)	(589,603)	-	(1,296,701)
稅前溢利/(虧損)	Profit / (loss) before tax	362,386	1,122,968	976,877	2,462,231	(589,603)	-	1,872,628
資產	Assets							
分部資產	Segment assets	35,264,422	91,985,243	117,743,134	244,992,799	-	(4,003,278)	240,989,521
負債	Liabilities							
分部負債	Segment liabilities	56,876,909	105,799,132	64,007,175	226,683,216	-	(4,004,839)	222,678,377
其他信息	Other information							
資本支出	Capital expenditure	-	-	186,272	186,272	-	-	186,272
折舊	Depreciation	-	-	43,475	43,475	-	-	43,475
證券攤銷	Amortisation of securities	-	-	1,744,754	1,744,754	-	-	1,744,754
		2021						
		個人銀行 Personal Banking	企業銀行 Corporate Banking	財資業務 Treasury	小計 Subtotal	其他 Others	合併抵銷 Eliminations	總計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
利息(支出)/收入淨額	Net interest (expenses) / income							
- 外部	- External	(162,645)	1,682,969	851,989	2,372,313	-	-	2,372,313
- 分部間	- Inter-segment	550,425	107,068	(657,493)	-	-	-	-
小計	Subtotal	387,780	1,790,037	194,496	2,372,313	-	-	2,372,313
服務費及佣金收入/(支出)淨額	Net fee and commission income / (expenses)	181,835	434,692	(507)	616,020	-	-	616,020
其他收入和損益	Other income and gains or losses	3,220	6	592,813	596,039	-	-	596,039
減值準備前的經營收入淨額	Net operating income before impairment allowances	572,835	2,224,735	786,802	3,584,372	-	-	3,584,372
減值準備轉回/(計提)淨額	Net reversal / (charge) of impairment allowances	(46,810)	(234,279)	(9,280)	(290,369)	-	-	(290,369)
經營收入淨額	Net operating income	526,025	1,990,456	777,522	3,294,003	-	-	3,294,003
經營支出	Operating expenses	(179,390)	(438,457)	(23,754)	(641,601)	(614,196)	-	(1,255,797)
稅前溢利/(虧損)	Profit / (loss) before tax	346,635	1,551,999	753,768	2,652,402	(614,196)	-	2,038,206
資產	Assets							
分部資產	Segment assets	30,035,095	94,574,536	119,495,028	244,104,659	-	(5,846,229)	238,258,430
負債	Liabilities							
分部負債	Segment liabilities	57,426,112	95,858,703	73,004,901	226,289,716	-	(5,667,216)	220,622,500
其他信息	Other information							
資本支出	Capital expenditure	-	-	195,471	195,471	-	-	195,471
折舊	Depreciation	-	-	38,439	38,439	-	-	38,439
證券攤銷	Amortisation of securities	-	-	527,024	527,024	-	-	527,024

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 截至二零二二年十二月三十一日止年度

42. 控股公司

HOLDING COMPANY

控股公司為廈門國際投資有限公司（其持本行股份佔比 49%），一家於香港註冊成立的公司，它是廈門國際銀行股份有限公司的附屬公司。廈門國際銀行股份有限公司是一家於廈門註冊成立的公司。

The Bank's holding company (holding 49% of the total issued ordinary shares of the Bank) is Xiamen International Investment Limited, a company incorporated in Hong Kong. The holding company is a subsidiary of Xiamen International Bank Co. Ltd., a company incorporated in Xiamen.

43. 比較資料

COMPARATIVE FIGURES

為與本年列示一致，財務報表之主表及相關附註中的部分比較資料進行了重分類調整。上述重分類調整對本行截至二零二二年十二月三十一日和二零二一年十二月三十一日的所有者權益及二零二二年度和二零二一年度的利潤均無重大影響。

Certain comparative figures set out in the financial statements and the related notes thereto have been reclassified to conform with the current year's presentation. These reclassifications have no significant impact on the Bank's total equity as at both 31 December 2022 and 2021, or on the Bank's profit for the years ended 31 December 2022 and 2021.

44. 期後事項

EVENTS AFTER THE REPORTING PERIOD

二零二三年三月二十九日，董事會建議，經股東在即將召開的年度股東大會上批准，截至二零二二年十二月三十一日止年度的最終股息為 360,048,321 澳門幣。董事會還建議，經股東在即將召開的年度股東大會上批准，將截至二零二二年十二月三十一日止年度利潤總額中的 180,024,160 澳門幣轉入法定準備金。

On 29 March 2023, the directors recommended, subject to the approval of the shareholders at the forthcoming annual general meeting, a final dividend of MOP 360,048,321 for the year ended 31 December 2022. The directors also recommended, subject to approval of the shareholders at the forthcoming annual general meeting, that amounts of MOP 180,024,160 out of the total profit for the year ended 31 December 2022 will be transferred to statutory reserve.

獨立審計師報告

致澳門國際銀行股份有限公司全體股東
(於澳門註冊成立的股份有限公司)

我們審計了載於第七頁至第四十七頁的澳門國際銀行股份有限公司(以下簡稱“貴銀行”)的財務報表, 包括二零二一年十二月三十一日的資產負債表, 以及截至該日止年度的損益表、權益變動表和現金流量表, 以及重要會計政策概要和其他解釋性信息。

管理層對財務報表的責任

管理層負責根據中華人民共和國澳門特別行政區(以下簡稱“澳門特別行政區”)之《財務報告準則》編製真實和公允的財務報表, 並對其認為為使財務報表的編製不存在由於舞弊或錯誤導致的重大錯報所必需的內部控制負責。

審計師的責任

我們的責任是在執行審計工作的基礎上對財務報表發表審計意見, 以及根據業務約定書的協議條款僅向全體股東(作為一個團體)作出報告, 除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。我們按照澳門特別行政區之《審計準則》的規定執行了審計工作。這些準則要求我們遵守職業道德要求, 計劃和執行審計工作以對財務報表是否不存在重大錯報獲取合理保證。

審計工作涉及實施審計程序, 以獲取有關財務報表金額和披露的審計證據。選擇的審計程序取決於審計師的判斷, 包括對由於舞弊或錯誤導致的財務報表重大錯報風險的評估。在進行風險評估時, 審計師考慮與編製和真實和公允列報財務報表相關的內部控制, 以設計恰當的審計程序, 但目的並非對內部控制的有效性發表意見。審計工作還包括評價管理層選用會計政策的恰當性和作出會計估計的合理性, 以及評價財務報表的總體列報。

我們相信, 我們獲取的審計證據是充分、適當的, 為發表審計意見提供了基礎。

審計意見

我們認為, 財務報表按照澳門特別行政區之《財務報告準則》, 在所有重大方面真實和公允反映了貴銀行於二零二一年十二月三十一日的財務狀況以及截至該日止年度的經營成果和現金流量。



獨立審計師報告

其他事項

貴銀行的財務報表，包括於二零二零年十二月三十一日的資產負債表，以及截至該日止年度的損益表、權益變動表和現金流量表，以及重要會計政策概要和其他解釋性信息由其他會計師事務所審計，並於二零二一年三月二十五日發表了無保留意見。

關可穎-執業會計師
德勤·關黃陳方會計師事務所
澳門
二零二二年三月二十四日

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LUSO INTERNATIONAL BANKING LIMITED.
(incorporated in Macau with limited liability by shares)

We have audited the financial statements of Luso International Banking Limited (the "Bank") set out on pages 7 to 47, which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards of Macau Special Administrative Region, the People's Republic of China ("Macau SAR"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I N D E P E N D E N T A U D I T O R ' S R E P O R T

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with the Standards on Auditing of Macau SAR. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Bank as at 31 December 2021, and of its financial results and cash flows for the year then ended in accordance with the Financial Reporting Standards of Macau SAR.

Other Matter

The financial statements of the Bank for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2021.

Kuan Ho Weng

Certified Public Accountant

Partner

Deloitte Touche Tohmatsu - Sociedade de Auditores

Macau

24 March 2022



損益表

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

		附註 Notes	2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
利息收入	Interest income	4	5,841,158	6,460,801
利息支出	Interest expenses	4	(3,468,845)	(4,125,527)
利息收入淨額	Net interest income		2,372,313	2,335,274
服務費及佣金收入	Fee and commission income	5	646,689	485,083
服務費及佣金支出	Fee and commission expenses	5	(30,669)	(24,788)
服務費及佣金收入淨額	Net fee and commission income		616,020	460,295
股息收入	Dividend income	6	264	36
買賣交易淨虧損	Net trading loss	7	(119,006)	(168,072)
出售證券投資淨溢利	Net gain on disposal of investment securities		703,572	779,135
其他經營收入	Other operating income		11,209	3,656
經營收入	Operating income		3,584,372	3,410,324
經營支出	Operating expenses	8	(1,180,946)	(989,381)
中國大陸稅金及附加	Mainland China withholding tax		(74,851)	(50,406)
扣除減值準備前的經營溢利	Operating profit before provisions for bad and doubtful debts		2,328,575	2,370,537
客戶貸款和墊款及其它金融資產減值損失	Net charge of impairment allowances	9	(290,369)	(434,882)
稅前溢利	Profit before taxation		2,038,206	1,935,655
所得稅	Taxation	10	(78,100)	(60,737)
年度溢利	Profit for the year		1,960,106	1,874,918
股東應得溢利	Attributable to: Shareholders of the Bank		1,960,106	1,874,918

資產負債表

BALANCE SHEET

AS AT 31 DECEMBER 2021 於二零二一年十二月三十一日

		附註 Notes	2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
資產	Assets			
現金及短期資金	Cash and short term funds	11	18,408,585	12,816,759
存放本地監管機構之存款	Deposits with local regulatory authority	12	3,475,210	2,443,094
存放中央銀行	Deposits with regulatory authority in Mainland China		3,526,049	4,061,387
存放銀行同業及其他金融機構	Amounts due from banks and other financial institutions	13	2,658,777	1,604,806
買入返售金融資產	Reverse repurchase agreements		2,692,924	-
政府債券	Treasury bills	14	9,295,427	10,484,506
客戶貸款和墊款淨額	Loans and advances to customers	15	123,842,278	119,261,025
證券投資	Investments in securities	16	70,570,567	70,670,475
無形資產	Intangible asset	17	1,545	1,545
固定資產	Property, plant and equipment	18	397,588	240,166
租賃土地權益	Interest in leasehold land	19	113,660	76,334
遞延稅項資產	Deferred income tax assets	20	231,470	179,013
其他資產	Other assets	21	3,029,781	2,467,374
資產總值	Total assets		238,243,861	224,306,484



資產負債表- 續

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021 於二零二一年十二月三十一日

		附註 Note	2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
負債	Liabilities			
銀行同業及其他金融機構之存款	Amounts due to banks and other financial institutions	22	35,836,034	22,300,988
賣出回購金融資產	Repurchase agreements	23	15,112,626	10,006,145
客戶存款	Customer deposits	24	161,909,479	171,069,793
其他負債	Other liabilities	25	1,706,825	2,429,378
應付債券	Debt securities issued	26	5,902,398	3,997,121
本期稅項負債	Current income tax liabilities	10(a)	140,569	151,199
			<hr/>	<hr/>
負債總值	Total liabilities		220,607,931	209,954,624
			<hr/>	<hr/>
權益	Equity			
歸屬於股東之股本及儲備	Capital and reserves attributable to shareholders of the Bank			
股本	Share capital	27	2,610,000	2,610,000
保留溢利	Retained earnings		2,064,396	1,902,120
其他儲備	Other reserve		8,673,293	7,529,546
			<hr/>	<hr/>
本銀行股東應占股本及儲備	Share capital and reserves attributable to the bank		13,347,689	12,041,666
額外資本補充工具	Additional equity instruments	28	4,288,241	2,310,194
			<hr/>	<hr/>
股東權益	Shareholders' funds		17,635,930	14,351,860
			<hr/>	<hr/>
負債及權益總值	Total liabilities and capital resources		238,243,861	224,306,484
			<hr/>	<hr/>

載於第四頁至第四十七頁之財務報表已於二零二二年三月二十四日由董事會批准，並由以下董事代表簽署：

The financial statements on pages 4 to 47 were approved and authorised for issue by the Board of Directors on 24 March 2022 and are signed on its behalf by:

呂耀明 (董事長)

焦雲迪 (總經理)

Lyu Yao Ming (Chairman)

Jiao Yun Di (General Manager)

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

權益變動表 STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

	附註 Note	股本 Share capital	股本溢價 Share Premium	額外資本 補充工具 Additional equity instruments	法定儲備金 (附註 i) Statutory Reserve (Note i)	其他儲備金 Other Reserve	保留溢利 Retained earnings	總額 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零二零年一月一日	At 1 January 2020	2,610,000	1,771,859	2,310,194	1,423,834	3,019,683	1,767,103	12,902,673
自保留溢利轉撥至法定及其他儲備金	Transfer from retained earnings to statutory and other reserves	-	-	-	172,722	863,612	(1,036,334)	-
支付額外資本補充工具利息	Interest paid on additional equity instruments						(185,400)	(185,400)
支付二零一九年普通股股息	2019 Dividend paid on ordinary shares						(518,167)	(518,167)
外幣報表折算差異	Currency translation differences	-	-	-	-	277,836	-	277,836
本年度溢利	Profit for the year	-	-	-	-	-	1,874,918	1,874,918
於二零二零年十二月三十一日及二零二一年一月一日	At 31 December 2020 and 1 January 2021	2,610,000	1,771,859	2,310,194	1,596,556	4,161,131	1,902,120	14,351,860
自保留溢利轉撥至法定及其他儲備金	Transfer from retained earnings to statutory and other reserves	-	-	-	187,492	862,463	(1,049,955)	-
支付額外資本補充工具利息	Interest paid on additional equity instruments						(185,400)	(185,400)
發行額外資本補充工具	Issue the additional equity instruments			1,978,047	-	-	-	1,978,047
支付二零二零年普通股股息	2020 Dividend paid on ordinary shares						(562,475)	(562,475)
外幣報表折算差異	Currency translation differences	-	-	-	-	93,792	-	93,792
本年度溢利	Profit for the year	-	-	-	-	-	1,960,106	1,960,106
於二零二一年十二月三十一日	At 31 December 2021	2,610,000	1,771,859	4,288,241	1,784,048	5,117,386	2,064,396	17,635,930

附註 i / Note i:

法定儲備金為本行根據澳門銀行條例從每年所獲溢利中撥出金額設立之不可分配之儲備金。所撥出之金額不得少過上一年度除稅後溢利百分之二十，直至儲備金額相等於本行已發行股本的百分之五十。此後，則從每年除稅後溢利中撥出百分之十，直至儲備金額相等於本行之已發行股本為止。

The statutory reserve is a non-distributable reserve set aside from profit each year in accordance with the Financial System Act of Macau which provides that an amount of not less than twenty percent of the previous year's profit after taxation be set aside each year until the reserve fund reaches fifty percent of the Bank's issued share capital and thereafter at least ten percent of the profit after taxation each year until the reserve fund equals to the Bank's issued share capital.

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

現金流量表

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

		2021	2020
	附註	澳門幣千元	澳門幣千元
	Note	MOP'000	MOP'000
來自經營活動之現金流量	Cash flows from operating activities		
- 稅前營業活動之現金流入		6,479,117	11,147,692
- 已付澳門所得稅項		(151,138)	(174,026)
來自經營活動之現金流入淨額	Net cash from operating activities	6,327,979	10,973,666
來自投資活動之現金流量	Cash flows from investing activities		
- 出售其他投資		88,224,594	61,734,227
- 出售政府債券		12,900,000	8,000,000
- 出售存款證		-	481,296
- 已收股息		264	36
- 購買租賃土地權益		(39,501)	(14,183)
- 購買固定資產		(195,471)	(102,125)
- 購買政府債券		(13,578,294)	(8,545,972)
- 購買其他投資		(91,864,589)	(66,407,667)
來自投資活動之現金流出淨額	Net cash used in investing activities	(4,552,997)	(4,854,388)
來自籌資活動之現金流量	Cash flows from financing activity		
- 已付普通股股息		(562,475)	(518,167)
- 發行資本補充工具		1,978,047	-
- 發行固定利率應付債券		1,889,250	-
- 次級債利息		(223,794)	(224,136)
- 額外資本補充工具利息		(185,400)	(185,400)
來自籌資活動之現金流入/ (流出) 淨額	Net cash from/(used in) financing activity	2,895,628	(927,703)
現金及現金等價物增加淨額	Net increase in cash and cash equivalents	4,670,610	5,191,575
年初現金及現金等價物	Cash and cash equivalents at beginning of the year	18,290,454	13,929,172
匯率變動對現金及現金等價物的影響額	Effect of foreign exchange rate changes	(656,802)	(830,293)
年末現金及現金等價物	Cash and cash equivalents at end of the year	22,304,262	18,290,454

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

1. 背景資料 GENERAL INFORMATION

澳門國際銀行股份有限公司（簡稱“本行”）主要是在澳門從事一般銀行業務、金融業務及其他相關服務。

本行為於澳門註冊成立的股份有限公司。註冊辦事處地址為澳門蘇亞里斯博士大馬路 47 號。

該等財務報表已於二零二二年三月二十四日獲董事會批准刊發，董事會已任命呂耀明先生和焦雲迪先生在年度的財務報表上簽署。

澳門國際銀行股份有限公司在中華人民共和國廣州市開設分行，於二零一七年三月開業。地址位於廣州市天河區珠江新城華夏路 8 號合景國際金融廣場 1 層 104 房、35 層 3501 房。澳門國際銀行股份有限公司在中華人民共和國杭州市開設分行，於二零一九年九月開業。地址位於浙江省杭州市江幹區高德置地中心 1 幢 2906 室、3 幢 101 室。

The principal activities of Luso International Banking Limited (the "Bank") are the provision of banking, financial and other related services in Macau.

The Bank is a financial institution incorporated and domiciled in Macau. The address of its registered office is Avenida Dr. Mario Soares, No. 47, Macau.

These financial statements have been approved for issue by the Board of Directors on 24 March 2022, it was resolved that Mr. Lyu Yao Ming and Mr. Jiao Yun Di be authorised by the Board to sign the financial statements.

Guangzhou Branch was opened in March 2017. The address of the office is Room 104, Floor 1 & Room 3501, Floor 35, International Finance Place, No.8 Huaxia Road, Pearl River New Town, Guangzhou, China. Hangzhou Branch was opened in September 2019. The address of the office is Room 2906 & Room 101, Building 1, GT Land Plaza, No.45 Jiefang Road East, Qianjiang New Town, Hangzhou, China.

2. 主要會計政策 SIGNIFICANT ACCOUNTING POLICIES

用於編製本財務報表之主要會計政策詳列如下。除另外說明，有關政策已符合一致性採納於本財政報表所列示之財務期間內。

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

(a) 編製基準 Basis of preparation

(i) 本財務報表是根據第 32/93/M 號法令和根據澳門特別行政區第 25/2005 號行政法規頒佈的澳門財務報告準則（“MFRSs”）的要求編製的。

(i) Statement of compliance

These financial statements have been prepared in accordance with the requirements as set out in Decree-Law No. 32/93/M and the Macau Financial Reporting Standards ("MFRSs") issued under the Administrative Regulation No. 25/2005 of Macau Special Administration Region (the "Macau SAR").



財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) 澳門特別行政區已發佈但尚未生效的新財務報告準則

經經濟財政司司長第 44/2020 號批准的澳門特別行政區財務報告準則（“新財務報告準則”）已於 2020 年 3 月 28 日生效，並已取代澳門特別行政區財務報告準則（第 25/2005 號行政法規（“MFRS”）附件二列示內容）。

澳門特別行政區財務報告準則採用了 2004 年版國際財務報告準則中的一些準則，包括財務報表的編製和列報框架以及 16 項準則。另一方面，新的澳門特別行政區財務報告準則採用了財務報告的概念框架以及 2015 年版國際財務報告準則的所有標準和解釋。

新的 MFRS 將於 2022 年 1 月 1 日或之後開始的年度期間生效。

本行管理層正在評估該申請的影響，這可能對本行未來財務報表中報告的金額和披露產生潛在影響。

(ii) New Financial Reporting Standards of Macau SAR in issue but not yet effective

The Financial Reporting Standards of Macau SAR approved by Order of the Secretary for Economy and Finance No. 44/2020 (the "New MFRS") have come into effect on 28 March 2020 and has replaced the Financial Reporting Standards of Macau SAR as stated in Annex II of Administrative Regulation No.25/2005 (the "MFRS").

The MFRS had adopted a selection of standards from the 2004 edition of the International Financial Reporting Standards (the "IFRS") including framework for Preparation and Presentation of financial statements as well as 16 standards. The New MFRS, on the other hand, have adopted the Conceptual Framework for Financial Reporting and all of the standards and interpretations from the 2015 edition of the IFRS.

The new MFRS will be effective for annual periods beginning on or after 1 January 2022.

The Bank's management is in the process of assessing the impact of the application which may have a potential impact on the amounts reported and disclosures made in the financial statements of the Bank in the future.

(iii) 除交易性投資外(附註 2(h))，財務報表乃按歷史成本法編製。但交易性投資(附註 2(h))除外，後者按攤余成本和市場價值兩者中較低者列報。

按照財務報告準則編製財務報表需要使用某些重要的會計估計。它還要求董事會在運用本行會計政策的過程中行使其判斷權。附註 3 披露了涉及更高程度判斷或複雜性的領域，或對財務報表具有重大意義的假設和估計的領域。

(iii) These financial statements have been prepared under the historical cost basis, except for investments held for trading (Note 2(h)) which is carried at lower of amortised cost and market value.

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

(b) 收入之確認 Revenue recognition

(i) 利息收入

利息收入均按照實際利率法確認在損益帳內。貸款發生減值時，該貸款賬面價值減記至按該貸款原實際利率折現確定的預計未來現金流量現值餘額，並繼續按實際利率法確認利息收入。已減值貸款的利息收入，按確定減值損失時對未來現金流量進行折現採用的折現率作為利率進行計算。

(i) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a loan receivable is impaired, the Bank reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) 服務費及佣金收入

服務費及佣金收入一般於服務提供期間以應計方式確認。

基於對客戶提供證券業務買賣、基金投資、保險及其他代理業務所收取之佣金於提供服務期間確認。

(ii) Fee and commission income and expenses

Fees and commissions are generally recognised on an accrual basis when the service has been provided.

Fees and commissions received from customers on securities trading, unit trust investments, insurance and other agency services provided are recognised rateably over the period during which the service is provided.

(iii) 股息收入

於收取股息的權利確立時確認。

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iv) 股票 / 外匯掛勾之債券及沽出期權收入

為對沖客戶股票 / 外匯投資而購入之股票 / 外匯掛勾債券的票面利息包含兩種元素：(1) 內在債券利息及 (2) 銀行所賣出內嵌的認沽期權金。債券的內在利息是按同等貨幣、相約期限及金額的香港同業拆息計算並確認於損益表內。期權金收益是以債券的票面息率與內在息率的差異計算，期權金收益將按債券期限於損益表中“財資業務及買賣投資淨收益”項目內攤銷。

用作為對沖客戶股票 / 外匯存款而獨立賣出的認沽期權金收益將按期權合約的期限於損益表中的“買賣投資淨收益”項目中攤銷。

(iv) Income on equity, currency linked debt securities and options written

Coupon interest on equity/currency linked debt securities purchased to hedge equity/ currency linked investments includes two elements: (1) interest on the host debt securities; and (2) premium received for the embedded put option written by the Bank. Interest income on the host debt securities is estimated and recognised in the income statement as interest income by reference to the interbank borrowing rate of the same currency, similar tenor and amounts. The premium received is calculated as the difference between the coupon interest rate and the estimated interest income on the host debt securities. The premium received is amortised to the income statement as "Net trading gain or loss" under net trading income over the tenor of the debt securities.

Premium received on stand-alone options written to hedge equity/currency linked customer deposits is amortised to the income statement as "Net trading gain or loss" under net trading income over the tenor of the options.

(c) 股票 / 外匯掛勾之客戶投資費用 Expenses on equity/currency linked investments

支付予客戶股票 / 外匯掛勾投資的票面利息包含兩種元素：(1) 內在定期存款利息及 (2) 客戶所賣出內嵌的認沽期權金。內在定期利息支出是按一般香港銀行所提供的同等貨幣，相約期限及金額的定期存款利率作計算。支付客戶的期權金是該掛勾存款票面息率與內在定期存款息率的差額計算。期權金支出按投資合約期限於損益表中“買賣投資淨收益”項目內攤銷。

Coupon interest paid on equity/currency linked customer investments includes two elements: (1) interest on the host fixed deposits; and (2) premium payable for the embedded put option written by the customer. Interest expense on the host fixed deposits is estimated and recognised in the income statement by reference to the market interest rate offered by banks in Hong Kong for fixed deposits of the same currency, similar tenor and amounts. The option premium payable is calculated as the difference between the coupon interest rate and the estimated interest expense on the host fixed deposits. The option premium payable is amortised to the income statement as "net trading gain or loss" under net trading income over the tenor of the investments.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 呆壞帳準備金 Provision for bad and doubtful debts

本行內設有五級貸款分類系統，參照對借款人的還款能力及本金及 / 或利息收回的可能性之評估作為貸款分類的基礎。同時亦會考慮本金及 / 或利息逾期償還的情況。

董事根據對貸款本金或利息最終能否收回的評估而在有關的基礎上增提準備金。特別準備金是遵循“澳門金融管理局”有關貸款呆壞帳撥備的要求而提取，並根據上述貸款分類，董事對有關貸款的潛在損失進行評估，然後將貸款餘額減除抵押品價值後的淨收回價值列帳。

除特定準備金外，本銀行亦會提撥貸款一般準備金。特定及一般準備金會從資產負債表中的“客戶貸款及放款”結餘中扣除。對於收回無望之貸款，有關貸款餘額將根據銀行董事之批准予以撇帳。

The Bank internally classifies loans and advances to customers into five categories largely based on an assessment of the borrower's capacity to repay and on the degree of doubt about the collectability of interest and/or principal. The periods that payments of interest and/or principal have been overdue are also taken into account when classifying loans and advances.

Provisions are made against specific advances to customers as and when the directors have doubts on the ultimate recoverability of principal or interest in full. Specific provision is made with reference to the requirements of The Monetary Authority of Macao ("AMCM") and the abovementioned classification of advances to reduce the carrying value of each of the loans and advances to the expected net realisable value based on directors' assessment of the potential losses on those identified loans and advances.

In addition, amounts have been set aside as a general provision for loans and advances to customers and certain off-balance sheet guarantee items with reference to the requirements of AMCM. Both specific and general provisions are deducted from "Loans and advances to customers" in the balance sheet. When there is no realistic prospect of recovery, the outstanding debt is written off upon the approval from Board of Directors has been obtained.

(e) 外幣折算 Foreign currencies

(i) 功能及呈列貨幣

財務報表中所載項目乃採用本行經營的主要經濟環境中所使用的貨幣（功能貨幣）計量。本行的財務報表以澳門幣作為呈列貨幣，即澳門幣為本行的功能及呈列貨幣。

(i) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in Macau Official Patacas ("MOP"), which is the Bank's presentation currency and functional currency.

(ii) 交易及結餘

外幣交易均按交易當日的匯率折算為功能貨幣。結算有關交易及按年終匯率換算以外幣計值的貨幣資產與負債產生的匯兌收益及虧損均於收益表確認。

(ii) Transactions and balances

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

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) 非澳門本地經營產生的折算差異

對非澳門本地經營的財務報表進行折算時，利潤表中的項目採用交易發生日的即期匯率的近似匯率折算為澳門幣。資產負債表中的資產和負債項目，採用資產負債表日的即期匯率折算為澳門幣。按照上述折算產生的外幣財務報表折算差異，均在資產負債表中所有者權益下的其他儲備金中確認。當處置非澳門本地經營業務時，相關的外幣財務報表折算差額自所有者權益均轉入當期處置損益。

(iii) Overseas operation translation

The results of an overseas operation are translated into MOP at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statements of financial position items are translated into MOP at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in the other reserve of equity.

On disposal of an overseas operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(f) 固定資產 Property, plant and equipment

固定資產按成本減累計折舊及減值列帳。

倘租賃物業之土地及房產兩部分之成本能於租賃訂立時可靠地分配，租賃土地部分會列作經營租賃。就租賃土地所付的溢價金或其他付款，按直線法於租期內在收益表支銷。租賃土地如須減值，有關減值損失亦會於收益表支銷。

僅在與該項資產相關之未來經濟效益有可能歸於本行及可靠地計算出項目成本之情況下，其後成本會包括於資產帳面值或確認為另立之資產（如適用）；而替換部分的帳面值則自相關資產撇除。所有其他維修費及保養費於其產生的財務期內於收益表支銷。

固定資產的折舊是以直線法按下述估計可使用期限，將其成本攤銷至其預計剩餘價值

永久業權土地	無須折舊
租賃土地及樓宇	50年
傢俬、裝修及辦事處設備	5至6年
電腦設備-硬件	4年
-軟件	3年
汽車	5年

資產之剩餘價值及可使用年限已於每個資產負債表日審閱，並已於適當情況下作出調整。

倘某資產帳面值大於其估計可收回金額時，則該資產的帳面值將即時減值至其可收回金額。

出售資產之收益或虧損指出售所得淨額與相關資產帳面值之差額，並列入損益表帳內。

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 固定資產 - 續 Property, plant and equipment (Continued)

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Where the land and building elements of the leasehold properties can be allocated reliably at the inception of the lease, the land element is accounted for as an operating lease. Leasehold land premiums for acquiring the land leases, or other lease payments, are charged to the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment loss is charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Freehold land	Not depreciated
Leasehold land and buildings	50 years
Fixtures and furniture	5 to 6 years
Computer equipment - hardware	4 years
- software	3 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are included in the income statement.

(g) 政府債券 Treasury bills

政府債券為“澳門金融管理局”發行有到期日及本行有明確意向及有能力持至到期日之債券。此類債券乃按成本值減除非短期性跌價準備列帳，並就購買時之溢價或折讓按贖回年期作出攤銷而調整。購入的政府債券按照實際利率法所產生之收入列作利息收入項目。

Treasury bills are debt securities issued by AMCM which the Bank has the intention and ability to hold to maturity. Treasury bills are stated at cost adjusted for the amortisation of discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Interest earned on treasury bills is reported as interest income using effective interest method.

(h) 投資 Investments in securities

(i) 持至到期投資

持至到期投資包括債務證券，指本行有明確意向及有能力持至到期日之債務證券投資。持有上市及非上市債務證券按成本值減除非短期性跌價準備列帳，並就購買時之溢價或折讓按贖回年期作出攤銷而調整。若本行預期不可收回所有帳面值，將會提撥跌價準備並於損益帳內支銷。購入的債務證券產生之溢價或折讓之攤銷按照實際利率法列作利息收入項目。

(i) Held-to-maturity investments

Held-to-maturity investments include debt securities for which the Bank has the intention and ability to hold to maturity. Investments in listed and unlisted debt securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Provisions are made for the amount of the carrying value which the Bank does not expect to recover and are recognised as an expense in the income statement as they arise. The amortisation of premiums and discounts arising on acquisition of these securities is included as part of interest income using effective interest method.

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 投資-續 Investments in securities(Continued)

(ii) 持作買賣投資

持作買賣投資包括股票及債務證券，指為了從價格或回報率的短期波動所賺取的溢利而購入之投資。持作買賣的股票及債務證券投資按成本值或結算日市值兩者中較低者列帳。為持作買賣投資市價低於帳面值之差額所作的未實現虧損會於損益表內反映，並列入“買賣交易淨虧損”項下。

(iii) Investments held for trading

Investments held for trading include equity securities and debt securities which are acquired for the purpose of generating a profit from short-term fluctuations in price or yield enhancement. Investments in trading shares and debt securities are stated at the lower of amortised cost and market value at the balance sheet date. Any unrealised losses from writing down the investments to market value are recognised in the income statement and included as "Net trading gain or loss".

(iii) 其他投資

其他投資是指不被列作持至到期或持作買賣的投資。其他投資按成本值減除非短期性跌價準備列帳，購買時之溢價或折讓按贖回年期作出攤銷而調整。若本行預期不可收回所有帳面值，將會提撥跌價準備並於損益帳內支銷。購入的其他投資產生之溢價或折讓之攤銷按照實際利率法列作利息收入項目。

當本行對其他投資持有意圖發生改變、或當其他投資公允價值不再能夠可靠計量、或持有期限已超過兩個完整的會計年度，本行可以將其重分類至持至到期投資。在重分類日以該投資的賬面價值作為其新的攤余成本。

(iii) Other investments

Other investments represent investments other than held-to-maturity and held for trading purposes. Other investments are stated at cost, and adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Provisions are made for the amount of the carrying value which the Bank does not expect to recover and are recognised as an expense in the income statement as they arise. The amortisation of premiums and discounts arising on acquisition of debt securities is included as part of interest income using effective interest method.

When the intention of holding other investment is changed or the holding period of other investment has exceeded two complete fiscal years, the investment would be reclassified as held-to-maturity investment. The book value at the date of reclassification becomes its new amortised cost.

(i) 當期及遞延稅項 Current and deferred income tax

所得稅費用包括當期及遞延稅項。除了將與直接計入股東權益的交易或者事項有關的所得稅影響計入股東權益外，當期所得稅費用和遞延所得稅變動計入當期損益。

本行的當期稅項支出是採用澳門、廣州及杭州（為本行所處的經營地及應課稅收入的來源地）在結算日前已頒佈或實質頒佈之課稅率計算。銀行董事會定期對詮釋存在意見不一的稅務條例而導致須繳付額外稅款的可能性作出評估。如有需要，會就預計須支付的稅款，作出撥備。

遞延稅項採用資產負債表債務法就資產負債之稅基與其在財務報表之帳面值之短暫時差作全數撥備。遞延稅項需在遞延稅項資產或負債確立後計算並採用在結算日前已頒佈或實質頒佈之課稅率釐定。

遞延稅項資產乃就未來可能出現之應課稅溢利與可動用之暫時性差異抵銷而確認。

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 當期及遞延稅項- 續 Current and deferred income tax(Continued)

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Macau, Guangzhou and Hangzhou where the Bank operates and generates taxable income. Board of Directors periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(j) 經營性租賃 Operating leases

出租人如持有該資產所得之絕大部份風險及回報的租約屬經營性租賃。就經營性租賃作出的付款 (扣除出租人給予的任何優惠) 按直線法於租期內在收益表支銷。

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are expensed in the income statement on a straight-line basis over the period of the lease.

(k) 無形資產 Intangible asset

無形資產項下為一項壽命不確定的高爾夫球會會籍，按購買成本減累計減值虧損計量。

Intangible asset represents a club debenture held in a golf club with indefinite useful life and is stated at purchase cost less accumulated impairment losses.

(l) 撥備 Provisions

倘本行須就過去事項承擔現有法律或推定責任，而有可能導致有經濟利益的資源流出以履行該責任，並能可靠地估計相關金額，本行會為此責任確認撥備。未來經營虧損不會予以撥備確認。

如出現多項類似責任，銀行董事會以同類責任的整體性釐定其會否導致有經濟利益的資源流出以履行責任。即使同類別責任中任何一項可能導致有經濟利益的資源流出的機會不大，仍會確認撥備。

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(m) 現金及現金等價物 Cash and cash equivalents

就編製現金流量表而言，現金及現金等價物包括自購入日期起三個月內到期的結餘，包括現金、買入返售金融資產、存放銀行同業及其他金融機構及政府債券。

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

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) 買入返售及賣出回購金融資產 Repurchase and reverse repurchase agreements

賣出回購金融資產是指本行按回購協議先賣出再按固定日期和價格進行回購的債券所融入的資金。由於本行仍保留債券的主要風險和收益，因此賣出回購對應的債券仍在資產負債表中予以確認。對於交易對手的債務在“賣出回購金融資產”中列示，相應債券作為該債務之抵押。協議期間債券之所有權轉至交易對手，交易對手並無出售或再抵押之限制。該類債券在資產負債表中以攤余成本列示。

根據轉售協定購買的資產（買入返售協議）不是作為資產購買，而是作為交易對手的應收賬款，並以攤余成本列入資產負債表內。

賣出回購或買入返售金融資產的利息支出和利息收入在相關交易期間以實際利率法攤銷。

Financial assets sold subject to repurchase agreements represented the debt securities classified as other investments that were transferred to an entity with terms to repurchase these debt securities at agreed dates and prices. As the Bank has retained substantially all the risks and rewards relating to these debt securities, the full carrying amount of these debt securities continued to be recognised. The cash received on the transfer was reported as liabilities under "Repurchase agreements". The transferred debt securities serve as collateral to secure these liabilities. During the covered period, the legal title of the debt securities is transferred to the counterparty entity and there is no restriction for the counterparty to sell or repledge the collateral. These debt securities are measured at amortised cost in the balance sheet.

Assets purchased under reverse repurchase agreements are reported not as purchases of the assets, but as receivables from the counterparties and are carried in the statement of financial position at amortised cost.

Interest earned on repurchase and reverse repurchase agreements are recognised as interest income and interest expense respectively, over the life of each agreement using the effective interest method.

(o) 衍生金融工具 Derivative financial instruments

衍生金融工具包括由本行在外匯、利率、股票及其他市場進行期貨、遠期、期權及掉期交易而產生的衍生工具。此等金融工具的會計處理要視乎交易用作買賣用途或對沖風險而定。

本行每當進行一筆衍生工具合約交易的時候，本行會決定相當的衍生工具交易為對沖目的。要使該等衍生工具符合對沖用途，該衍生工具必須在合約成立時能有效地減低現有或預期相關資產或負債因價格或利率變動所引致的市場風險。衍生工具用作減低因與客戶交易所引起的市場風險亦歸入對沖交易。用作對沖的交易是以其對沖的資產、負債或持倉淨額以相同之基準計值。任何損益均以相關資產、負債或持倉淨額所引起損益的相同基準確認。

若衍生金融工具並不符合上述有關對沖風險的要求，該衍生金融工具會被視作買賣用途。衍生金融工具按公允價值確認，並於報告期末重新計算公允價值。未變現之盈利將確認在其他資產內而未變現之虧損將確認在其他負債內。

Derivative financial instruments include derivatives, such as forwards, swaps, options and other transactions undertaken by the Bank in the foreign exchange, interest rate, equity and other markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

On the date a derivative contract is entered into, the Bank may designate certain derivative transactions as hedges. To qualify as a hedging transaction, a derivative transaction must be effective in reducing the market risk of existing or anticipated exposures to a change in market rates or prices. Derivative transactions entered into to reduce market risk of customer driven transactions are also regarded as hedging transactions. Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is recognised in the income statement on the same basis as that arising from the related assets, liabilities or net positions.

If a derivative financial instrument does not meet the criteria for a hedge set out above, the derivative financial instrument is deemed to be held for trading purposes. Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. Unrealised gains on such transactions are included in "Other assets" whereas unrealised losses on such transactions are included in "Other liabilities".

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2. 主要會計政策 - 續 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) 資產減值 Impairment of assets

未能確定可使用年期之資產不會予以攤銷，而於每年檢視其減值。如因某些事故或情況改變而顯示帳面值未能收回，銀行董事會對其減值需要作出評估。同樣地，如因某些事故或情況改變而顯示帳面值未能收回，予以攤銷之資產亦需評估其減值。若資產之帳面值超過其可收回價值，其部分將被確認為減值損失。可收回價值指該資產之公允價值減去變賣成本及其使用價值之較高者。在評估減值時，資產會在最低層次上歸類，且有獨立可確認之現金流量（現金產生單位）。

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(q) 應付債券 Subordinated liabilities

包含應付定息次級債券及應付金融債券，應付債券以公允價值初始計量，相關交易費用在其到期期限內進行攤銷。利息支出按照實際利率法列作利息支出項目。

Subordinated liabilities are recognised initially at fair value. The transaction cost in relation to the issuance of subordinated liabilities is amortised to the income statement over its expected maturity terms. The related interest expense is recognised, using the effective interest method, within "interest expense" in the income statement.

(r) 職工薪酬 Employee benefits

定額供款計劃，指本行根據協議規定向公共養老保險計劃供款，除此以外本行並無其他付款義務。相關供款在到期時確認為職工薪酬。上述繳納的費用按照權責發生制原則計入當期損益。

For defined contribution plan, the Bank pays contributions to publicly administered pension insurance plans on a contractual basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(s) 股息分派 Dividend

於結算日後才建議或宣佈派發之股息應披露為結算日後事項，並不會在結算日時確認為負債。

Dividends proposed or declared after the balance sheet date are disclosed as a post balance sheet event and not recognised as a liability at the balance sheet date.

(t) 額外資本補充工具 Additional equity instruments

包含可被分類為額外資本補充工具的一級資本補充證券，該類證券具有一定面值且無固定到期日或贖回日，僅在股東大會批准後才能支付利息。證券的稅後利息支付被確認為經股東會審議的可分配股東權益。

Securities which carry a fixed and non-cumulative coupon that is payable only upon the approval by the shareholders' meeting and have no fixed maturity or redemption date are classified as additional equity instruments. Interest payments on these securities are recognised, net of tax, as distributions from equity in the period in which they are declared.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

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3. 重要會計估計及假設 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

本行作出影響下個會計年度內財務報告資產和負債金額的評估及假設，基於歷史經驗及其他因素持續進行評估，包括在這種情況下對未來事項的合理預期。

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) 所得稅 Income taxes

本行須繳納多個司法權區之所得稅，對本行的所得稅撥備，須作出重大評估。在日常業務中有若干交易及計算的最終稅項存在不確定性。本行預計稅務確認負債時是根據有否額外稅項到期之評估。倘最終稅務結果與入帳款不同，差額將影響作出決定期間所得稅及遞延稅項撥備。

The Bank is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the Bank's provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be required. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) 貸款呆壞帳準備金 Provision for loans and advances

銀行董事會對為貸款組合設立的特別及一般準備金作出定期評估。準備金的提撥是參考“澳門金融管理局”對有關貸款呆壞帳撥備的要求及董事對有關貸款的潛在損失進行評估之貸款分類結果而釐定。當董事對貸款回收抱有懷疑又不能全面掌握有關客戶的財務狀況資料時，董事會於年底作出判斷以估計所需之撥備。如最終回收之金額與估計收回之金額有差異，差額及相應稅項費用會於下一年度的財務報表中反映。

The Bank periodically reviews its loan portfolios to assess the adequacy of existing specific and general provisioning level. In determining whether a provision for loans and advances to customers should be recorded, the Bank makes reference to the requirements/guidance of AMCM and the classification of loans and advances which is based on the management's assessment of the potential losses on those identified loans and advances. Where the recoverability of a loan is considered doubtful by the management but full information of the borrower's financial situation is not available, the management will exercise their judgement to estimate the amount of provision required against the loan at the year end. Any changes in estimates of the provision at any time during the life of the loan will be reflected in the current year financial statements with the consequential tax expense impact.

(c) 持作買賣投資之公允價 Market value of trading investments

根據本行的會計政策，內含權期合約而持作買賣之投資是以成本與公允價的低者計量。此類持作買賣而沒有活躍市場成交的投資是以交易對手報價或內部模型作為估值基礎。持作買賣投資之公允價值估值涉及若干參數假設，參數的假設可能對持作買賣投資之公允價值估值有重大影響。

Investments in trading debt securities with embedded options are, in accordance with the Bank's accounting policies, stated at the lower of cost and market value. The market values of such trading investments which are not traded in an active market are estimated based on either the brokers' quotations or internal model. The determination of fair values of those trading investments involves certain parameters input. Assumptions of those parameters could have material impact of the estimated values of those investments.



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4. 利息收入淨額 NET INTEREST INCOME

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
利息收入	Interest income		
客戶貸款及墊款	Loans and advances to customers	4,237,300	4,293,915
證券投資	Investments in securities	1,478,778	1,912,649
存放中國大陸中央銀行	Deposits with regulatory authority in Mainland China	50,312	54,553
存放銀行同業及其他金融機構	Amounts due from banks and other financial institutions	41,390	61,674
政府債券	Treasury bills	33,321	132,270
存放本地監管機構之存款	Deposits with local regulatory authority	57	5,740
		5,841,158	6,460,801
利息支出	Interest expenses		
客戶存款	Customer deposits	2,682,453	3,296,281
賣出回購金融資產	Repurchase agreements	275,498	178,376
銀行同業及其他金融機構之存款	Amounts due to banks and other financial institutions	250,346	351,379
其他	Others	260,548	299,491
		3,468,845	4,125,527

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5. 服務費及佣金收入淨額

NET FEE AND COMMISSION INCOME

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
服務費及佣金收入	Fee and commission income		
貸款及墊款	Loans and advances	277,540	146,504
財務顧問費	Financial consultancy fees	165,020	173,389
保險及其他代理業務佣金	Insurance and other agency commission	85,660	82,633
信用卡	Credit cards	43,153	29,890
證券買賣	Securities trading	36,185	29,720
基金	Unit trusts	13,343	9,349
自動櫃員機	Automated teller machines	3,291	3,737
匯款	Remittances	2,784	2,486
其他	Others	19,713	7,375
		646,689	485,083
		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
服務費及佣金支出	Fee and commission expenses		
信用卡	Credit cards	13,345	8,438
其他	Others	17,324	16,350
		30,669	24,788



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6. 股息收入 DIVIDEND INCOME

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
上市股票	Listed shares	228	-
非上市股票	Unlisted shares	36	36
		<u>264</u>	<u>36</u>

7. 買賣交易淨虧損 NET TRADING LOSS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
外匯買賣淨(溢利)	Net gain arising from dealings in foreign currencies	(5,715)	(92,224)
資金掉期業務淨虧損	Net loss from dealings in foreign exchange swaps	120,612	245,947
其他金融合約及資產重估虧損	Revaluation loss from other financial contracts	4,109	14,349
		<u>119,006</u>	<u>168,072</u>

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8. 經營支出 OPERATING EXPENSES

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
人事費用 (包括董事薪酬)	Staff costs (including directors remuneration)	762,660	639,731
系統營運外包服務費用	System outsourcing fee	72,693	68,591
房地產費用	Property costs		
– 集團公司物業租金	– Rental of premises from group companies	1,559	1,490
– 其他租金支出	– Other rental of premises	60,261	42,112
– 其他房地產費用	– Other property costs	8,746	7,342
業務推廣費用	Advertising and promotion expenses	63,223	46,129
固定資產折舊	Depreciation of property, plant and equipment	38,439	35,385
稅金及附加	Taxes and surcharges	20,813	16,377
電腦費用	Computer expenses	17,449	16,108
資訊費	Information services charges	13,850	12,075
存款保障基金供款	Deposit Protection Fund Payment	8,591	8,623
信用卡費	Credit card operating expenses	8,421	7,864
守護費	Security services charges	7,691	6,556
自動櫃員機費	Automatic teller machine operating expenses	4,594	4,709
水電費	Electricity and water	4,152	3,682
文具印刷費	Printing and stationery expenses	3,625	3,117
保養及維修費	Maintenance and repairs expenses	3,351	3,148
租賃土地權益攤銷	Amortisation of interests in leasehold land	2,175	2,175
其他費用	Others	78,653	64,107
		1,180,946	989,381



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9. 客戶貸款和墊款及其它金融資產減值損失 NET CHARGE OF IMPAIRMENT ALLOWANCES

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
客戶貸款和墊款減值準備計提	Provisions for loans and advances to customers		
特定準備金增加(附註 15)	Increase in specific provision (note 15)	173,630	289,464
一般準備金增加(附註 15)	Increase in general provision (note 15)	107,460	46,226
		<hr/>	<hr/>
小計	Subtotal	281,090	335,690
債券投資減值準備計提	Provisions for investments in debt securities		
特定準備金(減少)/增加	Increase/(decrease) in specific provision	4,136	(2,798)
存放同業及其他金融機構準備金計提及其他減值準備計提	Provision for amounts due from banks and other financial institutions and others	5,143	101,990
		<hr/>	<hr/>
減值損失合計	Net charge to income statement	290,369	434,882

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10. 稅項 TAXATION

現有稅項主要包括澳門所得補充稅。根據澳門所得補充稅法律，澳門所得補充稅稅制為對應課稅收益超過澳門幣 32,000 元但低於澳門幣 300,000 元的部份徵收 3%至 9%的遞進稅率，對於課稅收益超過澳門幣 300,000 元的部份徵收 12%固定稅率。在二零二零年度和二零二一年度，澳門所得補充稅特別稅務優惠，應課稅豁免收益提高至澳門幣 600,000 元，而之後之課稅收益徵收 12%固定稅率。在澳門境外的稅收是按照相關地區適用的現行稅率計算。

Current tax is primarily comprised of Macau Complementary Tax. According to Macau Complementary Tax Law, Macau Complementary Tax is levied at progressive rates ranging from 3% to 9% on taxable income above MOP32,000 but below MOP300,000, and thereafter at a fixed rate of 12%. For the years 2020 and 2021, the special tax incentive was provided to effect that the tax free income threshold is MOP600,000 and the profit thereafter being taxed at a fixed rate of 12%. The provision of taxation outside Macau is provided at the prevailing rates of taxation ruling in the region in which the relevant unit of the Bank operates.

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
澳門所得稅	Macao Complementary Tax		
本年度計提	Current income tax charge for the year	184,367	171,969
以往年度準備多提	Over provision in prior years	(6,784)	(28,730)
		<u>177,583</u>	<u>143,239</u>
中國大陸利息收入預提稅(附註 b)	Tax credit — Mainland China withholding tax paid (Note b)	(47,026)	(34,065)
所得稅支出	Current income tax	130,557	109,174
遞延稅項支出(附註 20)	Deferred income tax (Note 20)	(52,457)	(48,437)
稅項支出合計	Taxation charge	<u>78,100</u>	<u>60,737</u>

稅項支出和會計溢利按適用稅率計算的對賬:

The tax on the Bank's profit before taxation differs from the theoretical amount that would arise using the Macau Complementary Tax rate applicable to profits of the Bank as follows:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
稅前溢利	Profit before taxation	2,038,206	1,935,655
按照澳門所得補充稅稅率計算的稅項	Tax calculated at Macao Complementary Tax rate	244,513	232,279
澳門境外不同稅率的稅務影響	Impact of differently taxed profits outside Macau	107,184	81,122
不需課稅的收入的稅務影響	Tax effect of non-taxable income	(196,758)	(177,573)
不可扣稅之費用的稅務影響	Tax effect of non-deductible expenses	11,004	7,629
以往年度準備多提	Over provision in prior years	(6,784)	(28,730)
雙重徵稅抵免協議(附註 b)	Tax credits available under a tax treaty (Note b)	(24,846)	(10,197)
其他	Others	(56,213)	(43,793)
實際稅項支出	Taxation charge	<u>78,100</u>	<u>60,737</u>



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10. 稅項-續 TAXATION (CONTINUED)

附註 / Note :

(a) 本年度準備與本期稅項負債對帳表:

(a) Reconciliation from current income tax charge for the year to current tax liabilities:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
本年度準備	Current income tax charge for the year	184,367	171,969
減: 本年度雙重徵稅抵免	Less: Tax credits to be claimed in current year	(24,846)	(10,197)
其他稅項	Others	(18,952)	(10,573)
		<hr/>	<hr/>
本期稅項負債	Current tax liabilities	140,569	151,199

(b) 本行從國內業務所得須繳付國內相關稅項。根據澳門特別行政區政府與內地簽署的《關於對所得避免雙重徵稅和防止偷漏稅的安排》，本行於國內繳付之稅項可於應付的澳門所得稅款中抵免。

(b) The Bank has income derived from Mainland China which is subject to Mainland China income tax. According to the "Arrangement Between The Macau Special Administrative Region and The Mainland of China For The Avoidance of Double Taxation and The Prevention of Fiscal Evasion With Respect To Taxes On Income", the amount of such Mainland China tax paid is allowed as a credit against the Macau Complementary Tax payable by the Bank subject to application and approval by Macau Finance Bureau.

11. 現金及短期資金 CASH AND SHORT TERM FUNDS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
一個月內到期的銀行同業結存	Balances with banks maturing within one month	17,860,597	12,251,084
現金	Cash	547,988	565,675
		<hr/>	<hr/>
		18,408,585	12,816,759

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12. 存放本地監管機構之存款 DEPOSITS WITH LOCAL REGULATORY AUTHORITY

		2021	2020
		澳門幣千元	澳門幣千元
		MOP'000	MOP'000
於十二月三十一日存放澳門金融管理局之結餘	Balance with AMCM as at 31 December	3,475,210	2,443,094

按有關法例要求，本行需為了保持流動性，於澳門金融管理局開立之澳門幣活期賬戶的每週每日結餘不可少於按下述百分率對上一週所核定且以期間分類之平均基本負債而計算出之總和的 70%：

- (a) 即期負債之 3%；
- (b) 除 (a) 之即期負債外，三個月以內 (含三個月) 到期負債之 2%；及
- (c) 三個月以上到期負債之 1%。

於二零二一年十二月三十一日，本行存放澳門金融管理局的法定最低結存為澳門幣 1,666,557,000 元(二零二零年十二月三十一日：澳門幣 1,732,835,000 元)。

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

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

As at 31 December 2021, the amount of minimum statutory deposit balance with AMCM required for the Bank is MOP1,666,557,000 (31 December 2020: MOP1,732,835,000).

13. 存放銀行同業及其他金融機構 AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

		2021	2020
		澳門幣千元	澳門幣千元
		MOP'000	MOP'000
一個月以上至十二個月內到期的存放同業及其他金融機構	Amounts due from banks and other financial institutions maturing between one month to twelve months	2,658,777	1,769,207
減：存放同業及其他金融機構準備金	Less: provision for amounts due from banks and other financial institutions	-	(164,401)
		2,658,777	1,604,806



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14. 政府債券 TREASURY BILLS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
由澳門金融管理局發行的票據之攤銷成本 – 流動	Treasury bills issued by AMCM, at amortised cost – current	9,295,427	10,484,506

15. 客戶貸款及墊款 LOANS AND ADVANCES TO CUSTOMERS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
貸款及墊款	Loans and advances	125,365,591	120,786,864
減：客戶貸款及墊款準備金	Less: Provision for loans and advances to customers	(1,523,313)	(1,525,839)
		<u>123,842,278</u>	<u>119,261,025</u>
流動	Current	51,210,225	55,963,026
非流動	Non-current	72,632,053	63,297,999
		<u>123,842,278</u>	<u>119,261,025</u>

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15. 客戶貸款及墊款-續 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

貸款準備金之變動分析如下：

An analysis of the provision for loans and advances is as follows:

		一般準備 General provision	特定準備 Specific provision	合計 Total provision
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零二零年一月一日的結餘	Balance at 1 January 2020	1,241,644	100,414	1,342,058
撇帳貸款	Amount written off	-	(151,544)	(151,544)
折算差異	Exchange difference	-	(757)	(757)
收回以往年度撇帳貸款	Recoveries of loans and advances written-off in previous years	-	392	392
本年計提的減值虧損準備(附註 9)	Charge to income statement (Note 9)	46,226	289,464	335,690
於二零二零年十二月三十一日的結餘	Balance at 31 December 2020	1,287,870	237,969	1,525,839
於二零二一年一月一日的結餘	Balance at 1 January 2021	1,287,870	237,969	1,525,839
撇帳貸款	Amount written off	(38,407)	(244,703)	(283,110)
折算差異	Exchange difference	-	(1,414)	(1,414)
收回以往年度撇帳貸款	Recoveries of loans and advances written-off in previous years	-	908	908
本年計提的減值虧損準備(附註 9)	Charge to income statement (Note 9)	107,460	173,630	281,090
於二零二一年十二月三十一日的結餘	Balance at 31 December 2021	1,356,923	166,390	1,523,313

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16. 證券投資 INVESTMENT IN SECURITIES

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
持作買賣投資	Investments held for trading		
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	1,449,392	1,390,149
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	401,302	14,508
非上市債務證券，攤銷成本	Unlisted debt securities, at amortised cost	40,159	122,548
在中國大陸或香港發行的政府債券，攤銷成本	Treasury bills issued in Mainland China or Hong Kong, at amortised cost	514,977	5,458,913
減：公允價值損失	Less: fair value loss	(9,418)	(6,864)
		<u>2,396,412</u>	<u>6,979,254</u>
持至到期投資	Held-to-maturity investments		
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	2,968,149	6,303,924
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	3,991,743	4,465,646
		<u>6,959,892</u>	<u>10,769,570</u>
其他投資	Other investments		
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	26,535,585	13,654,552
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	21,829,237	18,166,240
非上市債務證券之攤銷成本	Unlisted debt securities, at amortised cost	5,752,047	13,100,710
基金投資	Fund investment	5,604,777	6,934,810
債權融資計劃	Private debt financing plans	1,171,335	1,215,696
其他	Other	501,914	26,139
減：準備金	Less: provision for diminution in value	(180,632)	(176,496)
		<u>61,214,263</u>	<u>52,921,651</u>
總計	Total	<u>70,570,567</u>	<u>70,670,475</u>
流動	Current	<u>24,145,909</u>	<u>29,245,595</u>
非流動	Non-current	<u>46,424,658</u>	<u>41,424,880</u>
總計	Total	<u>70,570,567</u>	<u>70,670,475</u>

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16. 證券投資-續 INVESTMENT IN SECURITIES (CONTINUED)

附註:	Note:	2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
(a) 持作買賣投資之市值	Market value of listed investments held for trading		
香港上市債務證券，攤銷成本	Listed debt securities in Hong Kong, at amortised cost	1,443,068	1,383,535
香港以外地區上市債務證券，攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	398,212	14,508
非上市債務證券，攤銷成本	Unlisted debt securities, at amortised cost	40,160	122,314
在中國大陸或香港發行的政府債券，攤銷成本	Treasury bills issued in Mainland China or Hong Kong, at amortised cost	514,972	5,458,897
		<u>2,396,412</u>	<u>6,979,254</u>
(b) 投資按發行機構分佈如下	Analysis of investments by issuers		
持作買賣投資	Investments held for trading		
企業	Corporate entities	1,514,437	6,053,175
銀行同業及其他金融機構	Banks and other financial institutions	881,975	926,079
		<u>2,396,412</u>	<u>6,979,254</u>
持至到期投資	Held-to-maturity investments		
企業 (附註 A)	Corporate entities (Note A)	2,410,234	5,128,848
國債及地方政府債	Sovereigns	3,803,746	3,478,479
銀行同業及其他金融機構	Banks and other financial institutions	745,912	2,162,243
		<u>6,959,892</u>	<u>10,769,570</u>
其他投資	Other investments		
銀行同業及其他金融機構	Banks and other financial institutions	24,428,190	21,290,173
企業 (附註 A)	Corporate entities (Note A)	23,692,594	19,210,604
國債及地方政府債	Sovereigns	13,093,479	12,420,874
		<u>61,214,263</u>	<u>52,921,651</u>

附註 A:

截至二零二一年十二月三十一日，其他投資的企業證券投資有澳門幣 14,547,048,355 元，(二零二零年為澳門幣 9,744,340,874 元) 用於本行的同業負債資金擔保 (附註 23)。

Note A:

As at 31 December 2021, investment in corporate entities with carrying amount of MOP14,547,048,355 (2020: MOP9,744,340,874) was pledged to a financial institution to secure a loan facility (Note 23).

17. 無形資產 INTANGIBLE ASSET

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
會籍	Club debenture		
成本	Cost	3,047	3,047
累計減值虧損	Accumulated impairment loss	(1,502)	(1,502)
帳面淨值	Net book amount	<u>1,545</u>	<u>1,545</u>

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18. 固定資產 PROPERTY, PLANT AND EQUIPMENT

		永久業權土地 Freehold land	永久業權房地產 Buildings	租約房地產 Leasehold buildings	傢私裝修及設備 Fixtures and furniture	電腦設備 Computer equipment	汽車 Motor vehicles	總計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
原值	Cost							
於二零二一年一月一日	At 1 January 2021	13,352	7,993	183,896	145,993	166,642	10,969	528,845
新增	Additions	-	-	158,007	13,417	22,878	1,174	195,476
處置	Disposals	-	-	-	(1,706)	(15,281)	-	(16,987)
折算差異	Exchange difference	-	-	-	74	715	121	910
於二零二一年十二月三十一日	At 31 December 2021	13,352	7,993	341,903	157,778	174,954	12,264	708,244
累計折舊	Accumulated depreciation							
於二零二一年一月一日	At 1 January 2021	-	6,592	22,030	117,567	134,517	7,973	288,679
年度折舊	Charge for the year	-	427	3,764	10,771	22,139	1,338	38,439
處置	Disposals	-	-	-	(1,704)	(15,278)	-	(16,982)
折算差異	Exchange difference	-	-	-	34	428	58	520
於二零二一年十二月三十一日	At 31 December 2021	-	7,019	25,794	126,668	141,806	9,369	310,656
帳面淨值	Net book value							
於二零二一年十二月三十一日	At 31 December 2021	13,352	974	316,109	31,110	33,148	2,895	397,588
原值	Cost							
於二零二零年一月一日	At 1 January 2020	13,352	7,993	125,010	132,128	140,961	9,445	428,889
新增	Additions	-	-	58,886	15,535	26,039	1,665	102,125
處置	Disposals	-	-	-	(1,823)	(1,807)	(379)	(4,009)
折算差異	Exchange difference	-	-	-	153	1,449	238	1,840
於二零二零年十二月三十一日	At 31 December 2020	13,352	7,993	183,896	145,993	166,642	10,969	528,845
累計折舊	Accumulated depreciation							
於二零二零年一月一日	At 1 January 2020	-	6,165	18,266	109,273	115,622	7,041	256,367
年度折舊	Charge for the year	-	427	3,764	10,054	19,927	1,213	35,385
處置	Disposals	-	-	-	(1,817)	(1,790)	(379)	(3,986)
折算差異	Exchange difference	-	-	-	57	758	98	913
於二零二零年十二月三十一日	At 31 December 2020	-	6,592	22,030	117,567	134,517	7,973	288,679
帳面淨值	Net book value							
於二零二零年十二月三十一日	At 31 December 2020	13,352	1,401	161,866	28,426	32,125	2,996	240,166

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19. 租賃土地權益 INTEREST IN LEASEHOLD LAND

本行於租賃土地權益的經營租賃及帳面淨值分析如下：

The Bank's interest in leasehold land represents operating leases and the net book value is analysed as follows:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
於澳門按以下方式持有：	In Macau held on :		
– 10 至 50 年的租賃期	– Leases of between 10 to 50 years	113,660	76,334
於一月一日	At 1 January	76,334	64,326
新增	Addition	39,501	14,183
租賃土地權益攤銷支出	Amortisation of interests in leasehold land	(2,175)	(2,175)
於十二月三十一日	At 31 December	113,660	76,334

20. 遞延稅項 DEFERRED INCOME TAX

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
遞延稅項資產：	Deferred income tax assets	231,470	179,013

遞延稅項帳目變動如下：

The movement on the deferred income tax account is as follows:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
於一月一日	At 1 January	179,013	130,576
於損益表確認 (附註 10)	Deferred taxation credited to income statement (Note 10)	52,457	48,437
於十二月三十一日	At 31 December	231,470	179,013

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20. 遞延稅項-續 DEFERRED INCOME TAX (CONTINUED)

遞延稅項資產/(負債)	Deferred income tax assets / (liabilities) recognised	投資及其他資產跌價撥備	貸款及墊款減值準備	加速稅項折舊	稅務損失	合計
		Provisions for diminution in value for investment and other assets	Provisions for loans and advances	Accelerated tax depreciation	Tax losses	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零一九年十二月三十一日	At 31 December 2019	27,891	3,977	(761)	99,469	130,576
於損益表確認(附註10)	Recognised in the income statement (Note 10)	66,022	5,534	78	(23,197)	48,437
於二零二零年十二月三十一日	At 31 December 2020	93,913	9,511	(683)	76,272	179,013
於損益表確認(附註10)	Recognised in the income statement (Note 10)	4,531	26,545	164	21,217	52,457
於二零二一年十二月三十一日	At 31 December 2021	98,444	36,056	(519)	97,489	231,470

21. 其他資產 OTHER ASSETS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
應收利息	Interests receivable	1,462,951	1,596,297
土地競買保證金及預付款項	Bid deposit and prepayment of land	1,099,644	-
應收帳款	Cheque clearance and account receivable	190,800	687,366
抵債資產	Debt asset	129,731	-
可收回中國大陸稅款	Mainland China tax recoverable	84,052	60,741
預付費用	Prepayments	41,495	30,065
存出保證金	Margin deposits paid	42	42
其他	Others	21,066	92,863
		<u>3,029,781</u>	<u>2,467,374</u>
流動	Current	1,595,642	1,301,285
非流動	Non-current	1,434,139	1,166,089
		<u>3,029,781</u>	<u>2,467,374</u>

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22. 銀行同業及其他金融機構之存款 AMOUNTS DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
十二個月內到期的銀行同業及其他金融機構之存款	Amounts due to banks and other financial institutions maturing within twelve months	35,836,034	22,300,988

23. 賣出回購金融資產 REPURCHASE AGREEMENTS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
賣出回購 — 債券	Repurchase agreements—debt securities	14,022,114	9,348,084
賣出回購 — 票據	Repurchase agreements—bills	1,090,512	658,061
		15,112,626	10,006,145

24. 客戶存款 CUSTOMER DEPOSITS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
定期存款	Time deposits	137,288,992	146,893,364
往來及儲蓄存款	Current and savings deposits	24,620,487	24,176,429
		161,909,479	171,069,793
流動	Current	158,270,750	169,381,191
非流動	Non-current	3,638,729	1,688,602
		161,909,479	171,069,793



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25. 其他負債 OTHER LIABILITIES

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
應付利息	Interests payable	835,745	1,015,616
應付帳款	Accounts payable	255,935	661,842
應計費用	Expenses accruals	441,234	380,620
衍生金融工具	Derivative financial instruments	34,194	145,702
保證金	Margin deposits received	13,676	13,911
其他應付款項	Other payables	126,041	211,687
		<u>1,706,825</u>	<u>2,429,378</u>
流動	Current	1,303,822	1,619,645
非流動	Non-current	403,003	809,733
		<u>1,706,825</u>	<u>2,429,378</u>

26. 應付債券 DEBT SECURITIES ISSUED

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
應付債券	Debt securities issued	5,902,398	3,997,121

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26. 應付債券-續 DEBT SECURITIES ISSUED (CONTINUED)

於二零一七年十二月，本行發行面值為二億五千萬美元的十年期次級債券。該債券於可贖回日二零二三年六月二十八日前以固定利率 5.375% 計息，如果債券未在債券首個重置日（二零二三年六月二十八日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.233% 的利率水準。此次級債券在香港聯交所上市。

於二零一八年三月，本行發行面值為九千三百二十萬美元的十年期次級債券。該債券於可贖回日二零二三年六月二十八日前以固定利率 5.375% 計息，如果債券未在債券首個重置日（二零二三年六月二十八日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.233% 的利率水準。此次級債券在香港聯交所上市。

於二零一八年十月，本行發行面值為十二億二千萬港元的十年期次級債券。該債券於可贖回日二零二三年十月三十日前以固定利率 6% 計息，如果債券未在債券首個重置日（二零二三年十月三十日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.087% 的利率水準。

於二零二一年七月，本行發行面值為十五億元人民幣的第一期人民幣債券。該債券於可贖回日二零二四年七月二十七日前以固定利率 3.28% 計息，在本期債券存續期內利率固定不變。此金融債在全國銀行間債券市場公開發行。

In December 2017, the Bank issued a 10-year subordinated capital notes with the face value of US\$250,000,000. The notes bear interest at a fixed rate of 5.375% per annum until 28 June 2023 (the first call date) and reset to an aggregate of five year U.S. Treasury Rate plus a spread of 3.233% per annum thereafter if the notes are not redeemed on the coupon reset date at the option of the Bank. The notes are listed on the Hong Kong Stock Exchange.

In March 2018, the Bank issued the second batch of the notes with the face value of US\$93,200,000. The notes bear interest at a fixed rate of 5.375% per annum until 28 June 2023 (the first call date) and reset to an aggregate of five year U.S. Treasury Rate plus a spread of 3.233% per annum thereafter if the notes are not redeemed on the coupon reset date at the option of the Bank. The notes are listed on the Hong Kong Stock Exchange.

In October 2018, the Bank issued a 10-year unlisted fixed rate subordinated capital notes qualifying as tier 2 capital with the face value of HK\$1,220,000,000. The notes bear interest at a fixed rate of 6.00% per annum until 30 October 2023 (the first call date) and reset to the aggregate of five year U.S. Treasury Rate plus a spread of 3.087% per annum thereafter if the notes are not redeemed on the coupon reset date at the option of the Bank.

In July 2021, the Bank issued a 3-year fixed rate Renminbi Bonds (Series 1) with face value CNY1,500,000,000. The note bear interest at a fixed rate of 3.28% per annum until 27 July 2024. The interest rate remains unchanged during the life of the bond. The bonds are listed on the National Inter-Bank Bond Market in Mainland China.

27. 股本 SHARE CAPITAL

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
法定，已發行及已繳足股本	Authorised, issued and fully paid		
2,610,000 普通股股份每股面值 1,000 澳門幣	2,610,000 Ordinary shares of MOP 1,000 each	2,610,000	2,610,000

28. 額外資本補充工具 ADDITIONAL EQUITY INSTRUMENTS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
22.5 億港元永久性非累積後償額外一級資本證券	HK\$ 2,250 million perpetual non-cumulative subordinated additional tier 1 capital securities	2,310,194	2,310,194
2.48 億美元永久性非累積後償額外一級資本證券	US\$248 million perpetual non-cumulative subordinated additional tier 1 capital securities	1,978,047	-
		4,288,241	2,310,194

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28. 額外資本補充工具 - 續 ADDITIONAL EQUITY INSTRUMENTS (CONTINUED)

二零一八年十二月七日，本行於二零一八年十一月三十日獲澳門金融管理局 (AMCM) 批准後發行首批永久性非累積後償額外一級資本證券 (“額外權益工具”)，初始本金面值為港幣 1,668,000,000 元。該批次的額外權益工具為永久性證券，票面息率 8%，以二零二三年十二月十一日為第一個可贖回日期。按照發行通函第 9 條所述，該票面息率將每五年調整一次，如本行選擇不贖回該額外權益工具，則票面息率將調整為相當於該時點五年期美國國債利率加上固定的初始利差之固定利率。

二零一八年十二月二十一日，本行獲 AMCM 批准後發行第二批永久性非累積後償額外一級資本證券 (“額外權益工具”)，初始本金面值港幣 582,000,000 元。該批次的額外權益工具為永久性證券，票面息率 8%，以二零二三年十二月二十八日為第一個可贖回日期。按照發行通函第 9 條所述，該票面息率將每五年調整一次，如本行選擇不贖回該額外權益工具，則票面息率將調整為相當於該時點五年期美國國債利率加上固定的初始利差之固定利率。

上述兩批次的額外權益工具之派息為每半年支付一次。按照發行通函第 8 和第 9 條和澳門商法典第 199 條第 1 和第 2 款的規定，銀行只能在可分派之盈餘 (為經股東會審議通過之帳目所得出之確定同意用於分派的盈餘) 下進行支付；當可分派之盈餘不足作任何收益分派，或本行接收到澳門金融管理局指示不能向該一級資本補充證券持有人作收益分派時，本行有權取消該證券的收益分派，且不構成違約事件。

根據發行通函第 17 條的規定，如本行獲 AMCM 通知為保證本行之可持續性經營，必須對上述額外權益工具之本金進行賬面減計處理時，本行將按照 AMCM 的指示，將上述額外權益工具之本金減計為 AMCM 所認可的金額，且所有應計未付收益分派，本行不再負有支付義務。

本行享有一項贖回權，可以從額外權益工具的第一個可贖回日期 (第一批為二零二三年十二月十一日，第二批為二零二三年十二月二十八日) 或任何後續的票息支付日起贖回所有未償還的額外權益工具，但須受發行通函第 7 條規定的限制。

二零二一年八月六日，本行發行永久性一級資本補充債券 (“額外權益工具”)，初始本金面值為 248,000,000 美元。該額外權益工具為永久性債券，發行起息日至首個贖回日間的收益分派率上限為年息 5.5%，以二零二六年八月六日為第一個可贖回日期。按照發行通函所述，該債券收益分派率將在第一個可贖回日及第一個可贖回日後每五年調整一次，債券收益分派率將調整為相當於該時點五年期美國國債利率加上利差 4.8% 之固定年息率。

上述額外權益工具之派息為每半年支付一次。按照發行通函和澳門商法典第 198 條第 3 款和第 199 條第 1 和第 2 款的規定，銀行如有遞延之虧損，有關營業年度之盈餘，須首先彌補虧損，並在設立或重新設法定公積金或章程規定之強制公積金後，及只能在可分派之盈餘 (為經股東會審議通過之帳目所得出之確定同意用於分派的盈餘) 下進行支付。

本行享有一項贖回權，可以從額外權益工具的第一個可贖回日期 (二零二六年八月六日) 或任何後續的票息支付日起贖回所有未償還的額外權益工具本金及利息。

On 7 December 2018, the Bank issued the first batch of the perpetual non-cumulative additional tier 1 capital securities ("additional equity instruments") with an initial principal amount of HK\$1,668,000,000 after the approval from AMCM dated 30 November 2018. The additional equity instruments are perpetual and bear an 8% coupon rate per annum until the first call date on 11 December 2023. As set out in the clause 9 of the offering circular dated 7 December 2018, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread if the additional equity instruments are not redeemed.

On 21 December 2018, the Bank issued the second batch of the perpetual non-cumulative additional tier 1 capital securities ("additional equity instruments") with an initial principal amount of HK\$582,000,000 with the same approval from AMCM dated 30 November 2018. The additional equity instruments are perpetual and bear an 8% coupon rate per annum until the first call date on 28 December 2023. As set out in the clause 9 of the offering circular, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread if the additional equity instruments are not redeemed.

The coupon shall be payable semi-annually. Pursuant to the clauses 8 and 9 of the offering circular and Macau Commercial Code article 199 clauses 1 and 2, the bank has obligations to pay the coupon only when they have distributable profits and approved by the shareholders' meeting. In the events when profits available for distribution is insufficient to pay to bondholders and being approved by shareholders' meeting, or if the AMCM directs the bank to cancel such distribution, the Bank shall have no obligation to pay the Distribution and any failure to pay such Distribution shall not constitute an Event of Default.

The principal of the additional equity instruments will be written down to the amount as directed or agreed with the AMCM if the AMCM notifies the Bank that the Bank would become non-viable should there be no written down of the principal (subject to the trigger events as set out in the clause 17 of the offering circular). And all accrued unpaid coupon, the Bank no longer has a payment obligation.

The Bank has a call option to redeem all the outstanding first batch of the additional equity instruments from 11 December 2023 while for the second batch is 28 December 2023, or any subsequent coupon payment date, but subject to restriction as set out in the clause 7 of the offering circular.

On 6 August 2021, the Bank issued the perpetual Supplementary Capital Bonds ("additional equity instruments") with an initial principal amount of US\$248,000,000. The additional equity instruments are perpetual and bear a 5.5% coupon rate per annum until the first call date on 6 August 2026. As set out in the offering circular, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread of 4.8% if the additional equity instruments are not redeemed.

The bonds shall be payable semi-annually. Pursuant to the offering circular, Macau Commercial Code article 198 clause 3 and article 199 clauses 1 and 2, the Bank has obligations to pay the coupon only when they have distributable profits and approved by the shareholders' meeting. In the events when profits available for distribution is insufficient to pay to bondholders and being approved by shareholders' meeting, the Bank shall have no obligation to pay the Distribution and any failure to pay such Distribution shall not constitute an Event of Default.

The Bank has a call option to redeem all the outstanding additional equity instruments from 6 August 2026 (the first call date), or any subsequent coupon payment date.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

29. 股息 PROPOSED DIVIDEND

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
擬派股息	Proposed dividend	392,021	562,475

董事會擬派發二零二一年度普通股股息每股約澳門幣 150.20 元（二零二零年每股約澳門幣 215.51 元），總額為澳門幣 392,021,148 元（二零二零年為澳門幣 562,475,497 元）。此擬派普通股股息，並無於本財務報表中列作應付股息，惟將於截至二零二一年十二月三十一日止年度列作留存盈利分配。

The directors proposed a dividend of approximately MOP150.20 (2020: MOP215.51) per ordinary share for the year ended 31 December 2021 amounting to MOP392,021,148 (2020: MOP562,475,497). The dividend proposed after the end of the reporting period has not been recognised as a liability at the balance sheet date, but will be reflected as an appropriation of retained earnings for the year ended 31 December 2021.

30. 與集團公司及關連方之交易 TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

集團公司包括控股公司（附註 35）及其關聯公司。關連方是指控股公司之股東及其附屬公司。本年度內，本行與集團公司及關聯公司在日常銀行業務過程中進行了多項交易，其中包括借貸、接受及存放同業存款和往來銀行交易。這些交易是按正常商業條款進行。

除了本財務報表所披露的交易或結餘外，本行於本年度與集團公司及關連方在雙方商定條件下訂立了下列的重大結餘及交易。

Group companies include the holding companies (note 35) and their subsidiaries. Related parties represent shareholders of the holding companies and their subsidiaries. During the year, the Bank entered into transactions with the holding companies and their subsidiaries in the normal course of its banking business including, inter alia, lending, the acceptance and placement of inter-bank deposits and correspondent banking transactions.

Other than transactions or balances disclosed elsewhere in the financial statements, the Bank had entered into the following transactions and maintained significant balances with the group companies and related parties at mutually agreed terms during the year:

(a) 包括於以下資產負債表帳項為與集團公司之結餘：

(a) Included in various balance sheet captions are balances with group companies as follows:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
存放銀行同業及其他金融機構	Amounts due from banks and other financial institutions	66,240	81,018
其他負債	Other liabilities	(10,900)	(12,977)
集友銀行股份有限公司持有之次級債券	Subordinated liabilities held by Chiyu Banking Corporate Limited	(154,500)	(154,500)
銀行同業及其他金融機構之存款	Amounts due to banks and other financial institutions	(317,518)	(3,109,609)
客戶存款	Customer deposits	(1,311,008)	(780,148)

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

30. 與集團公司及關連方之交易-續 TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES (CONTINUED)

(b) 年內，本行與集團公司之間的收入及支出如下：

(b) During the year, the Bank earned income and incurred expense on balances with group companies as follows:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
支付控股公司之房屋租金費用	Rental of premises paid to group companies	(1,559)	(1,490)
支付集友銀行所持次級債券之利息支出	Interest expense on subordinate notes paid to Chiyu Banking Corporate Limited	(9,270)	(9,295)
客戶存款及同業及其他金融機構存款之利息支出	Interest expense on customer deposits and amounts due to banks and other financial institutions	(22,389)	(26,843)
支付廈門國際銀行股份有限公司之系統營運外包服務費用	System outsourcing fee paid to Xiamen International Bank Co. Ltd.	(66,370)	(67,264)
		—	—

(c) 與關連方之餘額 / 交易：

(c) Transactions/balances with related parties:

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
員工股份 (附註)	Share equity contributed by employees (Note)	137,299	137,299
其他資產	Other assets	4,012	3,052
客戶存款之利息支出	Interest expense on customer deposits	(981)	(608)
其他負債	Other liabilities	(2,346)	(1,710)
客戶存款	Customer deposits	(63,237)	(41,074)
		—	—

於二零二一年十二月三十一日，本行的客戶貸款及放款中有澳門幣 3,411,470,863 元的客戶貸款（二零二零年：澳門幣 6,194,942,035 元）由廈門國際銀行股份有限公司所開出備用信用證提供擔保。

As at 31 December 2021, the Bank's loans and advances to customers totalling MOP 3,411,470,863 (31 December 2020: MOP6,194,942,035) was guaranteed by Xiamen International Bank Co. Ltd. in the form of standby letters of credit or letters of guarantee.

附註 / Note :

於二零二一年十二月三十一日，員工股份在本行普通股中的佔比為 2.5%（二零二零年：2.5%）。員工股份在所有者權益下的股本及股本溢價中確認。

As at 31 December 2021, 2.5% (31 December 2020: 2.5%) of the total issued ordinary shares were held by the employees, which was recorded under share capital and premium in equity.

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

31. 現金流量表附註 NOTES TO CASH FLOW STATEMENTS

(a) 除稅前溢利與來自除稅前營業活動之現金流入對帳表

(a) Reconciliation of profit before taxation to operating cash flows from operating activities before taxation

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
稅前溢利	Profit before taxation	2,038,206	1,935,655
調整：	Adjustments for:		
– 減值準備金計提增加	– Increase in provisions for bad and doubtful debts	290,369	434,882
– 固定資產折舊	– Depreciation of property, plant and equipment	38,439	35,385
– 租賃土地權益之攤銷	– Amortisation of interests in leasehold land	2,175	2,175
– 股息收入	– Dividend income	(264)	(36)
– 投資證券溢價/(折價)攤銷	– Amortisation of premium/(discount) on investments	527,024	(476,402)
– 出售其他投資淨溢利	– Net gain on disposal of investments other than held for trading	(655,071)	(735,255)
營運資產之變動	Changes in working capital		
– 客戶存款(減少)/增加	– (Decrease)/increase in customer deposits	(9,160,314)	10,618,425
– 賣出回購金融資產增加	– Increase in repurchase agreements	5,106,481	2,197,201
– 同業及其他金融機構之存款增加	– Increase in amounts due to banks and other financial institutions	13,535,046	1,256,588
– 買入返售金融資產(增加)/減少	– (Increase)/decrease in reverse repurchase agreements	(2,692,924)	1,141,882
– 其他負債(減少)/增加	– (Decrease)/increase in other liabilities	(762,337)	344,881
– 其他資產增加	– Increase in other assets	(562,407)	(121,184)
– 原到期日超過三個月的存放同業款項增加	– Increase in amounts due from banks with original maturity over three months	(2,024,153)	(183,904)
– 存放監管機構存款結餘減少/(增加)	– Decrease/(increase) in minimum statutory deposits with regulatory authorities	794,732	(706,758)
– 客戶貸款及放款增加	– Increase in loans and advances to customers	(4,578,727)	(983,460)
– 買賣投資減少/(增加)	– Decrease/(increase) in investments held for trading	4,582,842	(3,612,383)
除稅前營業活動之現金流入	Operating cash flows from operating activities before taxation	6,479,117	11,147,692
來自經營活動之現金流包括以下項目：	Cash flows from operating activities include		
已收利息	Interest received	6,486,563	6,040,404
已付利息	Interest paid	(3,675,541)	(4,349,908)



財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

31. 現金流量表附註-續 NOTES TO CASH FLOW STATEMENTS (CONTINUED)

(b) 現金及現金等價物之明細

上述現金流量表所指的現金及現金等價物包括下述自購入日期起三個月內到期的項目：

(b) Analysis of balances of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of acquisition.

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
現金及存放銀行同業之存款	Cash and balances with banks	18,408,585	12,816,759
澳門金管局發行原於三個月內到期的非上市金融票據	Treasury bills with original maturity within three months	1,199,973	3,099,319
銀行發行原於三個月內到期的非上市金融票據	Amounts due from banks with original maturity within three months	227,599	1,197,781
存放監管機構高於法定最低餘額的結存	Deposit with regulatory authorities in excess of minimum statutory requirement	2,468,105	1,176,595
現金及現金等價物	Cash and cash equivalents	<u>22,304,262</u>	<u>18,290,454</u>

32. 資本承擔 CAPITAL COMMITMENTS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
已批准但尚未簽約	Expenditure authorised but not contracted for	1,117	6,590
已簽約但未支付	Expenditure contracted but not provided for	<u>22,200</u>	<u>20,408</u>

財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

33. 經營租約承擔 OPERATING LEASE COMMITMENTS

於十二月三十一日，銀行作為承租人，根據不可撤銷經營租賃而於未來須支付的最低總租金款項如下：

At 31 December 2021, the Bank had future aggregate minimum lease payments under non-cancellable operating leases as follows:

土地及房地產

Land and buildings

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
1 年內	Not later than 1 year	65,025	49,178
1 年以上但不超過 5 年	Later than 1 year but not later than 5 years	211,524	105,752
超過 5 年	Later than 5 years	62,426	66,869
		338,975	221,799

34. 或有負債及承擔 CONTINGENT LIABILITIES AND COMMITMENTS

		2021 澳門幣千元 MOP'000	2020 澳門幣千元 MOP'000
信用承諾	Credit commitments		
貸款承諾	Loan commitments	83,927,377	72,318,444
開出信用證	Letters of credit issued	1,698,364	4,159,122
擔保書	Guarantees issued	1,835,842	1,592,685
開出承兌匯票	Acceptances	5,806,914	18,715
		93,268,497	78,088,966
信用承諾合計	Total credit commitments		
		93,268,497	78,088,966
其他承諾 (名義金額)	Other commitments (notional amount)		
遠期合約	Forward contracts	25,239,039	11,166,515
		25,239,039	11,166,515



財務報表附註 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021 截至二零二一年十二月三十一日止年度

35. 控股公司 HOLDING COMPANY

控股公司為廈門國際投資有限公司（其持本行股份佔比 49%），一家於香港註冊成立的公司，它是廈門國際銀行股份有限公司的附屬公司。廈門國際銀行股份有限公司是一家於廈門註冊成立的公司。

The Bank's immediate holding company (holding 49% of the total issued ordinary shares of the Bank) is Xiamen International Investment Limited, a company incorporated in Hong Kong. The immediate holding company is a subsidiary of Xiamen International Bank Co. Ltd., a company incorporated in Xiamen.

36. 比較數據 COMPARATIVE FIGURES

為與本年列示一致，財務報表之主表及相關附註中的部分比較資料進行了重分類調整。上述重分類調整對本行截至二零二零年十二月三十一日和二零二一年十二月三十一日的所有者權益及二零二零年度和二零二一年度的利潤均無重大影響。

Certain comparative figures set out in the financial statements and the related notes thereto have been reclassified to conform with the current year's presentation. These reclassifications have no impact on the Bank's total equity as at both 31 December 2021 and 2020, or on the Bank's profit for the years ended 31 December 2021 and 2020.

37. 報告出具日後的非調整事項 EVENTS AFTER THE REPORTING PERIOD

2022 年 3 月 24 日，董事會建議，經股東在即將召開的年度股東大會上批准，截至 2021 年 12 月 31 日止年度的最終股息為澳門幣 392,021,148 元。董事會還建議，經股東在即將召開的年度股東大會上批准，將截至 2021 年 12 月 31 日止年度利潤總額中的澳門幣 196,010,574 元和澳門幣 196,010,574 元分別轉入法定準備金和其他儲備金。

Profit distribution after the balance sheet date

On 24 March 2022, the directors recommended, subject to the approval of the shareholders at the forthcoming annual general meeting, a final dividend of MOP392,021,148 for the year ended 31 December 2021. The directors also recommended, subject to approval of the shareholders at the forthcoming annual general meeting, that amounts of MOP196,010,574 and MOP196,010,574 out of the total profit for the year ended 31 December 2021 will be transferred to statutory reserve and other reserve respectively.

獨立核數師報告

致澳門國際銀行股份有限公司全體股東

(於澳門註冊成立的股份有限公司)

我們審核了載於第 5 頁至第 35 頁的澳門國際銀行股份有限公司的財務報表，該財務報表由二零二零年十二月三十一日的資產負債表以及截至該日止年度的損益表、權益變動表和現金流量表組成，亦包括重大會計政策的摘要和解釋附註。

銀行董事對財務報表的責任

銀行董事負有根據澳門特別行政區政府頒佈的第 32/93/M 號法令及第 25/2005 號行政法規中《財務報告準則》編製及呈報財務報表的責任。這些責任包括：設計、實施和維持適當的內部控制，以避免因舞弊或錯誤而導致在編製及呈報財務報表方面出現重大誤報；選擇和運用適當的會計政策；按情況下作出合理的會計估計；以及保存適當和正確的會計紀錄。

核數師的責任

我們的責任是在根據我們的審核對上述財務報表發表意見，僅向銀行全體股東報告，除此之外本報告不可用作其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們按照澳門特別行政區政府之《核數準則》和《核數實務準則》實施了核數工作，該準則要求核數師遵守有關職業道德的規範，以及要求核數師計劃和實施核數工作，以合理確信財務報表是否不存在重大誤報。

核數工作包括實施適當的核數程序，以獲取支持財務報表內的金額及披露內容的核數證據。這些程序依據核數師的專業判斷來作出選擇，包括對舞弊或錯誤而引致的財務報表存在重大誤報的風險所作的評估。在對這些風險作出評估時，核數師考慮了與被審核實體財務報表的編製及呈報相關的內部控制，以便設計適當的核數程序，但並非為了對被審核實體內部控制的有效性發表意見。核數工作亦包括評價銀行董事會所採用的會計政策的適當性和會計估計的合理性，以及評價財務報表的整體反映。

我們相信，我們已獲得了充分和適當的核數證據，為發表我們的核數意見提供了合理的基礎。

核數意見

我們認為，上述的財務報表符合澳門特別行政區政府頒佈的第 32/93/M 號法令及第 25/2005 號行政法規所核準之《財務報告準則》，在所有重要方面真實和公允地反映了澳門國際銀行股份有限公司於二零二零年十二月三十一日的財務狀況以及截至該日止年度的經營結果和現金流量。

楊麗娟-執業會計師
畢馬威會計師事務所

澳門
蘇亞利斯博士大馬路 320 號
澳門財富中心
12 樓 B、C 座

二零二一年三月二十五日



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LUSO INTERNATIONAL BANKING LIMITED.

(incorporated in Macao with limited liability by shares)

We have audited the accompanying financial statements of Luso International Banking Limited ("the Bank") set out on pages 5 to 35, which comprise the balance sheet as at 31 December 2020, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Bank are responsible for the preparation and presentation of these financial statements in accordance with the requirements as set out in the Macao Financial System Act (Decree-Law No. 32/93/M) and the Financial Reporting Standards issued under Administrative Regulation No. 25/2005 of the Macao Special Administrative Region ("Macao SAR"). This responsibility includes designing, implementing and maintaining appropriate internal control relevant to the preparation and the presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and maintaining adequate and accurate accounting records.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. The report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with the Auditing Standards and Technical Standards of Auditing issued by the Macao SAR. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of, in all material respects, the state of affairs of the Bank as at 31 December 2020 and of its profits and cash flows for the year then ended in accordance with the requirements set out in Decree-Law No. 32/93M and the Financial Reporting Standards issued under the Administrative Regulation No. 25/2005 of the Macao SAR.

leong Lai Kun, CPA
KPMG
Certified Public Accountants
12th Floor, B & C
Finance and IT Center of Macao
No.320, Avenida Doutor Mario Soares
Macao
25 March 2021

損益表

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

		附註 Note	2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
利息收入	Interest income	4	6,460,801	6,994,558
利息支出	Interest expenses	4	(4,125,527)	(4,640,332)
利息收入淨額	Net interest income		2,335,274	2,354,226
服務費及佣金收入	Fee and commission income	5	485,083	415,592
服務費及佣金支出	Fee and commission expenses	5	(24,788)	(38,474)
服務費及佣金收入淨額	Net fee and commission income		460,295	377,118
股息收入	Dividend income	6	36	36
買賣交易淨虧損	Net trading loss	7	(168,072)	(195,820)
出售證券投資淨溢利	Net gain on disposal of investment securities		779,135	448,645
其他經營收入	Other operating income		3,656	7,924
經營收入	Operating income		3,410,324	2,992,129
經營支出	Operating expenses	8	(989,381)	(782,993)
中國大陸稅金及附加	Mainland China withholding tax		(50,406)	(44,475)
扣除減值準備前的經營溢利	Operating profit before provisions for bad and doubtful debts		2,370,537	2,164,661
客戶貸款和墊款及其它金融資產減值損失	Net charge of impairment allowances	9	(434,882)	(289,922)
稅前溢利	Profit before taxation		1,935,655	1,874,739
所得稅	Taxation	10	(60,737)	(147,516)
年度溢利	Profit for the year		1,874,918	1,727,223
股東應得溢利	Attributable to: Shareholders of the Bank		1,874,918	1,727,223

代表董事會通過並簽署
二零二一年三月二十五日

For and on behalf of the Board of Directors
25 March 2021

呂耀明 (董事長)
Lyu Yao Ming (Chairman)

焦雲迪 (總經理)
Jiao Yun Di (General Manager)

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.



資產負債表

BALANCE SHEET

AS AT 31 DECEMBER 2020 於二零二零年十二月三十一日

		附註 Note	2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
資產	Assets			
現金及短期資金	Cash and short term funds	11	12,816,759	9,376,341
存放本地監管機構之存款	Deposits with local regulatory authority	12	2,443,094	2,611,579
存放中央銀行	Deposits with regulatory authority in Mainland China		4,061,387	3,199,074
存放銀行同業及其他金融機構	Due from banks and other financial institutions	13	1,604,806	892,642
買入返售金融資產	Reverse repurchase agreements		-	1,141,882
政府債券	Treasury bills	14	10,484,506	9,523,330
客戶貸款和墊款淨額	Loans and advances to customers	15	119,261,025	118,613,155
存款證	Certificates of deposits held	16	-	480,845
證券投資	Investments in securities	17	70,670,475	60,146,535
無形資產	Intangible asset	18	1,545	1,545
固定資產	Property, plant and equipment	19	240,166	172,522
租賃土地權益	Interest in leasehold land	20	76,334	64,326
遞延稅項資產	Deferred income tax assets	21	179,013	130,576
其他資產	Other assets	22	2,467,374	2,346,190
資產總值	Total assets		<u>224,306,484</u>	<u>208,700,542</u>
負債	Liabilities			
銀行同業及其他金融機構之存款	Due to banks and other financial institutions	23	22,300,988	21,044,400
賣出回購金融資產	Repurchase agreements	24	10,006,145	7,808,944
客戶存款	Customer deposits	25	171,069,793	160,451,368
其他負債	Other liabilities	26	2,429,378	2,280,787
應付債券	Subordinated liabilities	27	3,997,121	4,009,613
本期稅項負債	Current income tax liabilities	10(a)	151,199	202,757
負債總值	Total liabilities		<u>209,954,624</u>	<u>195,797,869</u>
權益	Equity			
歸屬於股東之股本及儲備	Capital and reserves attributable to shareholders of the Bank			
股本	Share capital	28	2,610,000	2,610,000
保留溢利	Retained earnings		1,902,120	1,767,103
其他儲備	Other reserves		7,529,546	6,215,376
額外資本補充工具	Additional equity instruments	29	2,310,194	2,310,194
股東權益	Shareholders' funds		<u>14,351,860</u>	<u>12,902,673</u>
負債及權益總值	Total liabilities and capital resources		<u>224,306,484</u>	<u>208,700,542</u>

代表董事會通過並簽署
二零二一年三月二十五日
For and on behalf of the Board of Directors
25 March 2021

呂耀明 (董事長)
Lyu Yao Ming (Chairman)

焦雲迪 (總經理)
Jiao Yun Di (General Manager)

附註屬本財務報表的一部分。
The accompanying notes form an integral part of these financial statements.

權益變動表

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

	附註 Note	股本 Share capital	股本溢價 Share Premium	額外資本 補充工具 Additional equity instruments	法定儲備金 (附註 i) Statutory Reserve (Note i)	普通儲備金 (附註 ii) General Reserve (Note ii)	保留溢利 Retained earnings	總額 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零一九年一月一日	At 1 January 2019	2,610,000	1,771,859	2,310,194	1,123,461	2,532,612	1,501,864	11,849,990
自保留溢利轉撥至法定及普通儲備金	Transfer from retained earnings to statutory and general reserves	-	-	-	300,373	525,652	(826,025)	-
支付額外資本補充工具利息	Issuance of additional equity instruments	29	-	-	-	-	(185,400)	(185,400)
支付二零一八年普通股股息	2018 Dividend paid on ordinary shares	-	-	-	-	-	(450,559)	(450,559)
外幣報表折算差異	Currency translation differences	-	-	-	-	(38,581)	-	(38,581)
本年度溢利	Profit for the year	-	-	-	-	-	1,727,223	1,727,223
於二零一九年十二月三十一日及二零二零年一月一日	At 31 December 2019 and 1 January 2020	2,610,000	1,771,859	2,310,194	1,423,834	3,019,683	1,767,103	12,902,673
自保留溢利轉撥至法定及普通儲備金	Transfer from retained earnings to statutory and general reserves	-	-	-	172,722	863,612	(1,036,334)	-
支付額外資本補充工具利息	Interest paid on additional equity instruments	29	-	-	-	-	(185,400)	(185,400)
支付二零一九年普通股股息	2019 Dividend paid on ordinary shares	30	-	-	-	-	(518,167)	(518,167)
外幣報表折算差異	Currency translation differences	-	-	-	-	277,836	-	277,836
本年度溢利	Profit for the year	-	-	-	-	-	1,874,918	1,874,918
於二零二零年十二月三十一日	At 31 December 2020	2,610,000	1,771,859	2,310,194	1,596,556	4,161,131	1,902,120	14,351,860

附註 i / Note i:

法定儲備金為本行根據澳門銀行條例從每年所獲溢利中撥出金額設立之不可分配之儲備金。所撥出之金額不得少過上一年度除稅後溢利百分之二十，直至儲備金額相等於本行已發行股本的百分之五十。此後，則從每年除稅後溢利中撥出百分之十，直至儲備金額相等於本行之已發行股本為止。

The statutory reserve is a non-distributable reserve set aside from profit each year in accordance with the Financial System Act of Macao which provides that an amount of not less than twenty percent of the previous year's profit after taxation be set aside each year until the reserve fund reaches fifty percent of the Bank's issued share capital and thereafter at least ten percent of the profit after taxation each year until the reserve fund equals to the Bank's issued share capital.

附註 ii / Note ii:

普通儲備金為本行股東會批准從每年所獲稅後溢利中撥出金額設立之可分配之儲備金。

The general reserve is a distributable reserve which is set aside from profit after tax after approval at the Annual General Meeting.

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.



現金流量表

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

		2020	2019
	附註	澳門幣千元	澳門幣千元
	Note	MOP'000	MOP'000
來自經營活動之現金流量			
- 稅前營業活動之現金流入	32(a)	10,317,399	23,612,550
- 已付澳門所得稅項		(174,026)	(178,213)
來自經營活動之現金流入淨額		10,143,373	23,434,337
來自投資活動之現金流量			
- 出售其他投資		61,734,227	33,314,947
- 出售政府債券		8,000,000	3,900,000
- 出售存款證		481,296	-
- 已收股息		36	36
- 購買租賃土地權益		(14,183)	-
- 購買固定資產		(102,125)	(28,039)
- 購買政府債券		(8,545,972)	(8,284,457)
- 購買其他投資		(66,407,667)	(47,643,477)
來自投資活動之現金流出淨額		(4,854,388)	(18,740,990)
來自籌資活動之現金流量			
- 已付普通股股息	30	(518,167)	(450,559)
- 次級債利息		(224,136)	(224,950)
- 額外資本補充工具利息		(185,400)	(185,400)
來自籌資活動之現金流出淨額		(927,703)	(860,909)
現金及現金等價物增加淨額		4,361,282	3,832,438
年初現金及現金等價物		13,929,172	10,096,734
年末現金及現金等價物	32(b)	18,290,454	13,929,172

附註屬本財務報表的一部分。

The accompanying notes form an integral part of these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

1. 背景資料

GENERAL INFORMATION

澳門國際銀行股份有限公司 (簡稱“本行”) 主要是在澳門從事一般銀行業務、金融業務及其他相關服務。

本行為於澳門註冊成立的股份有限公司。註冊辦事處地址為澳門蘇亞里斯博士大馬路 47 號。

該等財務報表已於二零二一年三月二十五日獲董事會批准刊發。董事會已任命呂耀明先生和焦雲迪先生在年度的財務報表上簽署。

澳門國際銀行股份有限公司在中華人民共和國廣州市開設分行，於二零一七年三月開業。地址位於廣州市天河區珠江新城華夏路 8 號合景國際金融廣場 1 層 104 房、35 層 3501 房。澳門國際銀行股份有限公司在中華人民共和國杭州市開設分行，於二零一九年九月開業。地址位於浙江省杭州市江幹區高德置地中心 1 幢 2906 室、3 幢 101 室。

The principal activities of Luso International Banking Limited (the “Bank”) are the provision of banking, financial and other related services in Macao.

The Bank is a financial institution incorporated and domiciled in Macao. The address of its registered office is Avenida Dr. Mario Soares, No. 47, Macao.

These financial statements have been approved for issue by the Board of Directors on 25 March 2021, it was resolved that Mr. Lyu Yao Ming and Mr. Jiao Yun Di be authorised by the Board to sign the financial statements.

Guangzhou Branch was opened in March 2017. The address of the office is Room 104, Floor 1 & Room 3501, Floor 35, International Finance Place, No.8 Huaxia Road, Pearl River New Town, Guangzhou, China. Hangzhou Branch was opened in September 2019. The address of the office is Room 2906 & Room 101, Building 1, GT Land Plaza, No.45 Jiefang Road East, Qianjiang New Town, Hangzhou, China.

2. 主要會計政策

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

用於編製本財務報表之主要會計政策詳列如下。除另外說明，有關政策已符合一致性採納於本財政報表所列示之財務期間內。

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

(a) 編製基準 Basis of preparation

- (i) 本行財務報表乃根據澳門特別行政區於二零零五年十二月九日頒佈的第 25/2005 號行政法規所核準之澳門會計準則- 財務報告準則 (下稱「財務報告準則」) 編製。
- (ii) 澳門特別行政區政府於 2020 年 3 月 27 日公佈之第 44/2020 號經濟財政司司長批示核準的《財務報告準則》(「新財務報告準則」) 取代了第 25/2005 號行政法規核準的《財務報告準則》(「原財務報告準則」)。「新財務報告準則」採納了國際會計準則理事會 2015 年 1 月 1 日發佈的官方文件，包括生效日期為 2015 年 1 月 1 日之後的準則。該「新財務報告準則」包含《財務報告概念框架》、15 項財務報告準則、26 項會計準則及 21 項解釋公告。按過渡規定，「新財務報告準則」將強制適用於自 2022 年 1 月 1 日或以後日期開始的年度財務報表。「新財務報告準則」並未採納於本公司截至 2020 年 12 月 31 日止年度財務報表。
- (i) The financial statements of the Bank have been prepared in accordance with Financial Reporting Standards issued by the Macao Special Administrative Region (“Macao SAR”) under Administrative Regulation No. 25/2005 on 9 December 2005 (“FRSs”).
- (ii) On 27 March 2020, the Secretary of Economy and Finance of the Macao SAR issued the Dispatch No. 44/2020, which promulgated a new set of financial reporting standards (“new FRSs”). The new FRSs replaced the suite of FRSs previously promulgated in the Administrative Regulation No. 25/2005 (“FRSs”). The new FRSs adopt the International Accounting Standards Board’s authoritative pronouncements as issued at 1 January 2015, including amendments to standards that have an effective date after 1 January 2015, which are comprised of the Conceptual Framework for Financial Reporting, 15 financial reporting standards, 26 accounting standards and 21 interpretations.

In accordance with the transitional provisions, the new FRSs will be mandatory for the Bank’s financial statements for annual reporting periods beginning on or after 1 January 2022. These new FRSs have not been adopted in these financial statements.



財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

- (iii) 除交易性投資外(附註 2(i))，財務報表乃按歷史成本法編製。但交易性投資(附註 2(i))除外，後者按攤餘成本和市場價值兩者中較低者列報。

按照財務報告準則編制財務報表需要使用某些重要的會計估計。它還要求董事會在運用本行會計政策的過程中行使其判斷權。附註 3 披露了涉及更高程度判斷或複雜性的領域，或對財務報表具有重大意義的假設和估計的領域。

- (iii) These financial statements have been prepared under the historical cost convention, except for investments held for trading (Note 2(i)) which is carried at lower of amortised cost and market value.

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

(b) 收入之確認 Revenue recognition

- (i) 利息收入

利息收入均按照實際利率法確認在損益帳內。貸款發生減值時，該貸款賬面價值減記至按該貸款原實際利率折現確定的預計未來現金流量現值餘額，並繼續按實際利率法確認利息收入。已減值貸款的利息收入，按確定減值損失時對未來現金流量進行折現採用的折現率作為利率進行計算。

- (ii) 服務費及佣金收入

服務費及佣金收入一般於服務提供期間以應計方式確認。

財富管理費和客戶證券業務買賣、基金投資、保險及其他代理業務所收取之佣金於提供服務期間確認。

- (iii) 股息收入

於收取股息的權利確立時確認。

- (iv) 股票 / 外匯掛勾之債券及沽出期權收入

為對沖客戶股票 / 外匯投資而購入之股票 / 外匯掛勾債券的票面利息包含兩種元素：(1) 內在債券利息及 (2) 銀行所賣出內嵌的認沽期權金。債券的內在利息是按同等貨幣、相約期限及金額的香港同業拆息計算並確認於損益表內。期權金收益是以債券的票面息率與內在息率的差異計算，期權金收益將按債券期限於損益表中“財資業務及買賣投資淨收益”項目內攤銷。

用作為對沖客戶股票 / 外匯存款而獨立賣出的認沽期權金收益將按期權合約的期限於損益表中的“財資業務及買賣投資淨收益”項目中攤銷。

- (i) **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method. When a loan receivable is impaired, the Bank reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

- (ii) **Fee and commission income and expenses**

Fees and commissions are generally recognised on an accrual basis when the service has been provided.

Wealth management fees and commissions received from customers on securities trading, unit trust investments, insurance and other agency services provided are recognised rateably over the period during which the service is provided.

- (iii) **Dividend income**

Dividend income is recognised when the right to receive payment is established.

- (iv) **Income on equity, currency linked debt securities and options written**

Coupon interest on equity/currency linked debt securities purchased to hedge equity/ currency linked investments includes two elements: (1) interest on the host debt securities; and (2) premium received for the embedded put option written by the Bank. Interest income on the host debt securities is estimated and recognised in the income statement as interest income by reference to the interbank borrowing rate of the same currency, similar tenor and amounts. The premium received is calculated as the difference between the coupon interest rate and the estimated interest income on the host debt securities. The premium received is amortised to the income statement as "Net gain arising from other treasury and trading operations" under net trading income over the tenor of the debt securities.

Premium received on stand alone options written to hedge equity/currency linked customer deposits is amortised to the income statement as "Net gain arising from other treasury and trading operations" under net trading income over the tenor of the options.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**(c) 股票 / 外匯掛勾之客戶投資費用 Expenses on equity/currency linked investments**

支付予客戶股票 / 外匯掛勾投資的票面利息包含兩種元素：(1) 內在定期存款利息及 (2) 客戶所賣出內嵌的認沽期權金。內在定期利息支出是按一般香港銀行所提供的同等貨幣、相約期限及金額的定期存款利率作計算。支付客戶的期權金是該掛勾存款票面息率與內在定期存款息率的差額計算。期權金支出按投資合約期限於損益表中“財資業務及買賣投資淨收益”項目內攤銷。

Coupon interest paid on equity/currency linked customer investments includes two elements: (1) interest on the host fixed deposits; and (2) premium payable for the embedded put option written by the customer. Interest expense on the host fixed deposits is estimated and recognised in the income statement by reference to the market interest rate offered by banks in Hong Kong for fixed deposits of the same currency, similar tenor and amounts. The option premium payable is calculated as the difference between the coupon interest rate and the estimated interest expense on the host fixed deposits. The option premium payable is amortised to the income statement as "Net gain arising from other treasury and trading operations" under net trading income over the tenor of the investments.

(d) 呆壞帳準備金 Provision for bad and doubtful debts

本行內設有五級貸款分類系統，參照對借款人的還款能力及本金及 / 或利息收回的可能性之評估作為貸款分類的基礎。同時亦會考慮本金及 / 或利息逾期償還的情況。

董事根據對貸款本金或利息最終能否收回的評估而在有關的基礎上增提準備金。特別準備金是遵循“澳門金融管理局”有關貸款呆壞帳撥備的要求而提取，並根據上述貸款分類，董事對有關貸款的潛在損失進行評估，然後將貸款餘額減除抵押品價值後的淨收回價值列帳。

除特定準備金外，本行亦會提撥貸款一般準備金。特定及一般準備金會從資產負債表中的“客戶貸款及放款”結餘中扣除。對於收回無望之貸款，有關貸款餘額將根據銀行董事之批准予以撇帳。

The Bank internally classifies loans and advances to customers into five categories largely based on an assessment of the borrower's capacity to repay and on the degree of doubt about the collectability of interest and/or principal. The periods that payments of interest and/or principal have been overdue are also taken into account when classifying loans and advances.

Provisions are made against specific advances to customers as and when the directors have doubts on the ultimate recoverability of principal or interest in full. Specific provision is made with reference to the requirements of AMCM and the abovementioned classification of advances to reduce the carrying value of each of the loans and advances to the expected net realisable value based on directors' assessment of the potential losses on those identified loans and advances.

In addition, amounts have been set aside as a general provision for loans and advances to customers and certain off-balance sheet guarantee items with reference to the requirements of AMCM. Both specific and general provisions are deducted from "Loans and advances to customers" in the balance sheet. When there is no realistic prospect of recovery, the outstanding debt is written off upon the approval from Board of Directors has been obtained.

(e) 外幣折算 Foreign currencies**(i) 功能及呈列貨幣**

財務報表中所載項目乃採用本行經營的主要經濟環境中所使用的貨幣 (功能貨幣) 計量。本行的財務報表以澳門幣作為呈列貨幣，即澳門幣為本行的功能及呈列貨幣。

(ii) 交易及結餘

外幣交易均按交易當日的匯率折算為功能貨幣。結算有關交易及按年終匯率換算以外幣計值的貨幣資產與負債產生的匯兌收益及虧損均於收益表確認。

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) 非澳門本地經營產生的折算差異

對非澳門本地經營的財務報表進行折算時，利潤表中的項目採用交易發生日的即期匯率的近似匯率折算為澳門元。資產負債表中的資產和負債項目，採用資產負債表日的即期匯率折算為澳門元。按照上述折算產生的外幣財務報表折算差異，均在資產負債表中所有者權益下的普通儲備金中確認。當處置非澳門本地經營業務時，相關的外幣財務報表折算差額自所有者權益均轉入當期處置損益。

(iii) Overseas operation translation

The results of an overseas operation are translated into MOP at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statements of financial position items are translated into MOP at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in the general reserve of equity.

On disposal of an overseas operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

(f) 固定資產 Property, plant and equipment

固定資產按成本減累計折舊及減值列帳。

倘租賃物業之土地及房產兩部分之成本能於租賃訂立時可靠地分配，租賃土地部分會列作經營租賃。就租賃土地所付的溢價金或其他付款，按直線法於租期內在收益表支銷。租賃土地如須減值，有關減值損失亦會於收益表支銷。

僅在與該項資產相關之未來經濟效益有可能歸於本行及可靠地計算出項目成本之情況下，其後成本會包括於資產帳面值或確認為另立之資產（如適用）；而替換部分的帳面值則自相關資產撇除。所有其他維修費及保養費於其產生的財務期內於收益表支銷。

固定資產的折舊是以直線法按下述估計可使用期限，將其成本攤銷至其預計剩餘價值：

永久業權土地	無須折舊
租賃土地及樓宇	50 年
傢俬、裝修及辦事處設備	5 至 6 年
電腦設備-硬件	4 年
-軟件	3 年
汽車	5 年

資產之剩餘價值及可使用年限已於每個資產負債表日審閱，並已於適當情況下作出調整。

倘某資產帳面值大於其估計可收回金額時，則該資產的帳面值將即時減值至其可收回金額。

出售資產之收益或虧損指出售所得淨額與相關資產帳面值之差額，並列入損益表帳內。

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Where the land and building elements of the leasehold properties can be allocated reliably at the inception of the lease, the land element is accounted for as an operating lease. Leasehold land premiums for acquiring the land leases, or other lease payments, are charged to the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment loss is charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Freehold land	Not depreciated
Leasehold land and buildings	50 years
Fixtures and furniture	5 to 6 years
Computer equipment - hardware	4 years
- software	3 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are included in the income statement.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**(g) 政府債券 Treasury bills**

政府債券為“澳門金融管理局”發行有到期日及本行有明確意向及有能力持至到期日之債券。此類債券乃按成本值減除非短期性跌價準備列帳，並就購買時之溢價或折讓按贖回年期作出攤銷而調整。購入的政府債券按照實際利率法所產生之收入列作利息收入項目。

Treasury bills are debt securities issued by AMCM which the Bank has the intention and ability to hold to maturity. Treasury bills are stated at cost adjusted for the amortisation of discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Interest earned on treasury bills is reported as interest income using effective interest method.

(h) 存款證 Certificates of deposits held

存款證為非上市證券。對於本行有明確意向及有能力持至到期日之存款證按下述持至到期投資的會計政策處理。其餘之存款證按下述其他投資的會計政策處理。購入的存款證所產生之收入按照實際利率法列作利息收入項目。

Certificates of deposits ("CD") held are unlisted debt investments. The certificate of deposit held which the Bank has the intention and ability to hold to maturity are accounted for in accordance with the accounting policy for held-to-maturity investments as stated below. The remaining certificates of deposits held are accounted for in accordance with accounting policy for other investments as stated below. Interest earned on certificates of deposits held is reported as interest income using effective interest method.

(i) 投資 Investments in securities**(i) 持至到期投資**

持至到期投資包括債務證券，指本行有明確意向及有能力持至到期日之債務證券投資。持有上市及非上市債務證券按成本值減除非短期性跌價準備列帳，並就購買時之溢價或折讓按贖回年期作出攤銷而調整。若本行預期不可收回所有帳面值，將會提撥跌價準備並於損益帳內支銷。購入的債務證券產生之溢價或折讓之攤銷按照實際利率法列作利息收入項目。

(ii) 持作買賣投資

持作買賣投資包括股票及債務證券，指為了從價格或回報率的短期波動所賺取的溢利而購入之投資。持作買賣的股票及債務證券投資按成本值或結算日市值兩者中較低者列帳。為持作買賣投資市價低於帳面值之差額所作的未實現虧損會於損益表內反映，並列入“財資業務及買賣投資淨損益”項下。(附註7)

(iii) 其他投資

其他投資是指不被列作持至到期或持作買賣的投資。其他投資按成本值減除非短期性跌價準備列帳，購買時之溢價或折讓按贖回年期作出攤銷而調整。若本行預期不可收回所有帳面值，將會提撥跌價準備並於損益帳內支銷。購入的其他投資產生之溢價或折讓之攤銷按照實際利率法列作利息收入項目。

當本行對其他投資持有意圖發生改變、或當其他投資公允價值不再能夠可靠計量、或持有期限已超過兩個完整的會計年度，本行可以將其重分類至持至到期投資。在重分類日以該投資的公允價值作為其新的攤余成本。

(i) Held-to-maturity investments

Held-to-maturity investments include debt securities for which the Bank has the intention and ability to hold to maturity. Investments in listed and unlisted debt securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Provisions are made for the amount of the carrying value which the Bank does not expect to recover and are recognised as an expense in the income statement as they arise. The amortisation of premiums and discounts arising on acquisition of these securities is included as part of interest income using effective interest method.

(ii) Investments held for trading

Investments held for trading include equity securities and debt securities which are acquired for the purpose of generating a profit from short-term fluctuations in price or yield enhancement. Investments in trading shares and debt securities are stated at the lower of amortised cost and market value at the balance sheet date. Any unrealised losses from writing down the investments to market value are recognised in the income statement and included as "Net gain/ (loss) arising from other treasury and trading operations" (Note 7).

(iii) Other investments

Other investments represent investments other than held-to-maturity and held for trading purposes. Other investments are stated at cost, and adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for other than temporary diminution in value. Provisions are made for the amount of the carrying value which the Bank does not expect to recover and are recognised as an expense in the income statement as they arise. The amortisation of premiums and discounts arising on acquisition of debt securities is included as part of interest income using effective interest method.

When the intention of holding other investment is changed or the fair value of other investment cannot be reliably accountable any longer, or the holding period of other investment has exceeded two complete fiscal years, the investment would be reclassified as held-to-maturity investment. The fair value at the date of reclassification becomes its new amortised cost.



財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 當期及遞延稅項 Current and deferred income tax

所得稅費用包括當期及遞延稅項。除了將與直接計入股東權益的交易或者事項有關的所得稅影響計入股東權益外，當期所得稅費用和遞延所得稅變動計入當期損益。

本行的當期稅項支出是採用澳門及廣州（為本行所處的經營地及應課稅收入的來源地）在結算日前已頒佈或實質頒佈之課稅率計算。銀行董事會定期對詮釋存在意見不一的稅務條例而導致須繳付額外稅款的可能性作出評估。如有需要，會就預計須支付的稅款，作出撥備。

遞延稅項採用負債法就資產負債之稅基與其在財務報表之帳面值之短暫時差作全數撥備。遞延稅項需在遞延稅項資產或負債確立後計算並採用在結算日前已頒佈或實質頒佈之課稅率釐定。

遞延稅項資產乃就未來可能出現之應課稅溢利與可動用之短暫時差抵銷而確認。

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Macao, Guangzhou and Hangzhou where the Bank operates and generates taxable income. Board of Directors periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(k) 經營性租賃 Operating leases

出租人如持有該資產所得之絕大部份風險及回報的租約屬營業性租賃。就經營性租賃作出的付款（扣除出租人給予的任何優惠）按直線法於租期內在收益表支銷。

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are expensed in the income statement on a straight-line basis over the period of the lease.

(l) 無形資產 Intangible asset

無形資產項下為一間壽命不確定的高爾夫球會會籍，按購買成本減累計減值虧損計量。

Intangible asset represents a club debenture held in a golf club with indefinite useful life and is stated at purchase cost less accumulated impairment losses.

(m) 撥備 Provisions

倘本行須就過去事項承擔現有法律或推定責任，而有可能導致有經濟利益的資源流出以履行該責任，並能可靠地估計相關金額，本行會為此責任確認撥備。未來經營虧損不會予以撥備確認。

如出現多項類似責任，銀行董事會以同類責任的整體性釐定其會否導致有經濟利益的資源流出以履行責任。即使同類別責任中任何一項可能導致有經濟利益的資源流出的機會不大，仍會確認撥備。

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**(n) 現金及現金等價物 Cash and cash equivalents**

就編製現金流量表而言，現金及現金等價物包括自購入日期起三個月內到期的結餘，包括現金、存放銀行同業及其他金融機構及政府債券。

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

(o) 買入返售及賣出回購金融資產 Repurchase and reverse repurchase agreements

賣出回購金融資產是指本行按回購協議先賣出再按固定日期和價格進行回購的債券所融入的資金。由於本行仍保留債券的主要風險和收益，因此賣出回購對應的債券仍在資產負債表中予以確認。對於交易對手的債務在“賣出回購金融資產”中列示，相應債券作為該債務之抵押。協議期間債券之所有權轉至交易對手，交易對手並無出售或再抵押之限制。該類債券在資產負債表中以攤餘成本列示。

根據轉售協定購買的資產（買入返售協議）不是作為資產購買，而是作為交易對手的應收賬款，並以攤餘成本列入資產負債表內。

賣出回購或買入返售金融資產的利息支出和利息收入在相關交易期間以實際利率法攤銷。

Financial assets sold subject to repurchase agreements represented the debt securities classified as other investments that were transferred to an entity with terms to repurchase these debt securities at agreed dates and prices. As the Bank has retained substantially all the risks and rewards relating to these debt securities, the full carrying amount of these debt securities continued to be recognised. The cash received on the transfer was reported as liabilities under “Repurchase agreements”. The transferred debt securities serve as collateral to secure these liabilities. During the covered period, the legal title of the debt securities is transferred to the counterparty entity and there is no restriction for the counterparty to sell or repledge the collateral. These debt securities are measured at amortised cost in the balance sheet.

Assets purchased under reverse repurchase agreements are reported not as purchases of the assets, but as receivables from the counterparties and are carried in the statement of financial position at amortised cost.

Interest earned on repurchase and reverse repurchase agreements are recognised as interest income and interest expense respectively, over the life of each agreement using the effective interest method.

(p) 衍生金融工具 Derivative financial instruments

衍生金融工具包括由本行在外匯、利率、股票及其他市場進行期貨、遠期、期權及掉期交易而產生的衍生工具。此等金融工具的會計處理要視乎交易用作買賣用途或對沖風險而定。

本行每當進行一筆衍生工具合約交易的時候，本行會決定相當的衍生工具交易為對沖目的。要使該等衍生工具符合對沖用途，該衍生工具必須在合約成立時能有效地減低現有或預期相關資產或負債因價格或利率變動所引致的市場風險。衍生工具用作減低因與客戶交易所引起的市場風險亦歸入對沖交易。用作對沖的交易是以其對沖的資產、負債或持倉淨額以相同之基準計值。任何損益均以相關資產、負債或持倉淨額所引起損益的相同基準確認。

若衍生金融工具並不符合上述有關對沖風險的要求，該衍生金融工具會被視作買賣用途。衍生金融工具按公允價值確認，並於報告期末重新計算公允價值。未變現之盈利將確認在其他資產內而未變現之虧損將確認在其他負債內。

Derivative financial instruments include derivatives, such as forwards, swaps, options and other transactions undertaken by the Bank in the foreign exchange, interest rate, equity and other markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

On the date a derivative contract is entered into, the Bank may designate certain derivative transactions as hedges. To qualify as a hedging transaction, a derivative transaction must be effective in reducing the market risk of existing or anticipated exposures to a change in market rates or prices. Derivative transactions entered into to reduce market risk of customer driven transactions are also regarded as hedging transactions. Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is recognised in the income statement on the same basis as that arising from the related assets, liabilities or net positions.

If a derivative financial instrument does not meet the criteria for a hedge set out above, the derivative financial instrument is deemed to be held for trading purposes. Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. Unrealised gains on such transactions are included in “Other assets” whereas unrealised losses on such transactions are included in “Other liabilities”.



財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

2. 主要會計政策 (續) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(q) 資產減值 Impairment of assets**

未能確定可使用年期之資產不會予以攤銷，而於每年檢視其減值。如因某些事故或情況改變而顯示帳面值未能收回，銀行董事會對其減值需要作出評估。同樣地，如因某些事故或情況改變而顯示帳面值未能收回，予以攤銷之資產亦需評估其減值。若資產之帳面值超過其可收回價值，其部分將被確認為減值損失。可收回價值指該資產之公允價值減去變賣成本及其使用價值之較高者。在評估減值時，資產會在最低層次上歸類，且有獨立可確認之現金流量 (現金產生單位)。

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(r) 應付債券 Subordinated liabilities

應付債券以公允價值初始計量，相關交易費用在其到期期限內進行攤銷。利息支出按照實際利率法列作利息支出項目。

Subordinated liabilities are recognised initially at fair value. The transaction cost in relation to the issuance of subordinated liabilities is amortised to the income statement over its expected maturity terms. The related interest expense is recognised, using the effective interest method, within "interest expense" in the income statement.

(s) 職工薪酬 Employee benefits

定額供款計劃，指本行根據協議規定向公共養老保險計劃供款，除此以外本行並無其他付款義務。相關供款在到期時確認為職工薪酬。上述繳納的費用按照權責發生制原則計入當期損益。

For defined contribution plan, the Bank pays contributions to publicly administered pension insurance plans on a contractual basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(t) 股息分派 Dividend

於結算日後才建議或宣佈派發之股息應披露為結算日後事項，並不會在結算日時確認為負債。

Dividends proposed or declared after the balance sheet date are disclosed as a post balance sheet event and not recognised as a liability at the balance sheet date.

(u) 額外資本補充工具 Additional equity instruments

包含可被分類為額外資本補充工具的一級資本補充證券，該類證券具有一定面值且無固定到期日或贖回日，僅在股東大會批准後才能支付利息。證券的稅後利息支付被確認為經股東會審議的可分配股東權益。

Securities which carry a fixed and non-cumulative coupon that is payable only upon the approval by the shareholders' meeting and have no fixed maturity or redemption date are classified as additional equity instruments. Interest payments on these securities are recognised, net of tax, as distributions from equity in the period in which they are declared.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

3. 重要會計評估及假設 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

本行就下個財政年度導致資產及負債帳面值作出評估及假設，評估及判斷不斷按過往經驗及其他因素評核並以此為基準，包括相信於有關情況屬合理的日後事項預期。

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) 所得稅 Income taxes

本行須繳納多個司法權區之所得稅，決定本行於世界各地的所得稅撥備時，須作出重大評估。在日常業務中有若干交易及計算的最終稅項存在不確定性。本行預計稅務確認負債時是根據有否額外稅項到期之評估。倘最終稅務結果與入帳款不同，差額將影響作出決定期間所得稅及遞延稅項撥備。

The Bank is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the Bank's provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be required. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) 貸款呆壞帳準備金 Provision for loans and advances

銀行董事會對為貸款組合設立的特別及一般準備金作出定期評估。準備金的提撥是參考“澳門金融管理局”對有關貸款呆壞帳撥備的要求及董事對有關貸款的潛在損失進行評估之貸款分類結果而釐定。當董事對貸款回收抱有懷疑又不能全面掌握有關客戶的財務狀況資料時，董事會於年底作出判斷以估計所需之撥備。如最終回收之金額與估計收回之金額有差異，差額及相應稅項費用會於下一年度的財務報表中反映。

The Bank periodically reviews its loan portfolios to assess the adequacy of existing specific and general provisioning level. In determining whether a provision for loans and advances to customers should be recorded, the Bank makes reference to the requirements/guidance of AMCM and the classification of loans and advances which is based on the management's assessment of the potential losses on those identified loans and advances. Where the recoverability of a loan is considered doubtful by the management but full information of the borrower's financial situation is not available, the management will exercise their judgement to estimate the amount of provision required against the loan at the year end. Any changes in estimates of the provision at any time during the life of the loan will be reflected in the current year financial statements with the consequential tax expense impact.

(c) 持作買賣投資之公允價 Market value of trading investments

根據本行的會計政策，內含權期合約而持作買賣之投資是以成本與公允價的低者計量。此類持作買賣而沒有活躍市場成交的投資是以交易對手報價或內部模型作為估值基礎。持作買賣投資之公允價估值涉及若干參數假設，參數的假設可能對持作買賣投資之公允價估值有重大影響。

Investments in trading debt securities with embedded options are, in accordance with the Bank's accounting policies, stated at the lower of cost and market value. The market values of such trading investments which are not traded in an active market are estimated based on either the brokers' quotations or internal model. The determination of fair values of those trading investments involves certain parameters input. Assumptions of those parameters could have material impact of the estimated values of those investments.



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FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

4. 利息收入淨額

NET INTEREST INCOME

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
利息收入	Interest income		
客戶貸款及墊款	Loans and advances to customers	4,293,915	4,743,366
證券投資	Investments in securities	1,912,649	1,885,886
政府債券	Treasury bills	132,270	84,975
存放銀行同業及其他金融機構	Due from banks and other financial institutions	61,674	227,541
存放中國大陸中央銀行	Deposits with regulatory authority in Mainland China	54,553	41,230
存放本地監管機構之存款	Deposits with local regulatory authority	5,740	11,560
		<u>6,460,801</u>	<u>6,994,558</u>
利息支出	Interest expenses		
客戶存款	Customer deposits	3,296,281	3,657,497
銀行同業及其他金融機構之存款	Due to banks and other financial institutions	351,379	499,897
賣出回購金融資產	Repurchase agreements	178,376	223,602
其他	Others	299,491	259,336
		<u>4,125,527</u>	<u>4,640,332</u>

5. 服務費及佣金收入淨額

NET FEE AND COMMISSION INCOME

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
服務費及佣金收入	Fee and commission income		
財務顧問費	Financial consultancy fees	173,389	143,712
貸款及墊款	Loans and advances	146,504	98,946
保險及其他代理業務佣金	Insurance and other agency commission	82,633	82,050
信用卡	Credit cards	29,890	54,611
證券買賣	Securities trading	29,720	12,700
基金	Unit trusts	9,349	2,297
自動櫃員機	Automated teller machines	3,737	4,158
匯款	Remittances	2,486	2,779
其他	Others	7,375	14,339
		<u>485,083</u>	<u>415,592</u>
服務費及佣金支出	Fee and commission expenses		
信用卡	Credit cards	8,438	27,766
其他	Others	16,350	10,708
		<u>24,788</u>	<u>38,474</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020 截至二零二零年十二月三十一日止年度

6. 股息收入

DIVIDEND INCOME

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
非上市股票	Unlisted shares	36	36

7. 買賣交易淨虧損

NET TRADING LOSS

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
外匯買賣淨(溢利)/虧損	Net (gain)/loss arising from dealings in foreign currencies	(92,224)	190,556
資金掉期業務淨虧損	Net loss from dealings in foreign exchange swaps	245,947	17,232
其他金融合約及資產重估虧損/(溢利)	Revaluation loss/(gain) from other financial contracts	14,349	(11,968)
		<u>168,072</u>	<u>195,820</u>

8. 經營支出

OPERATING EXPENSES

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
人事費用(包括董事薪酬)	Staff costs (including directors remuneration)	639,731	529,444
系統營運外包服務費用	System outsourcing fee	68,591	-
房地產費用	Property costs		
- 集團公司物業租金	- Rental of premises from group companies	1,490	1,375
- 其他租金支出	- Other rental of premises	42,112	34,991
- 其他房地產費用	- Other property costs	7,342	5,884
業務推廣費用	Advertising and promotion expenses	46,129	45,472
固定資產折舊	Depreciation of property, plant and equipment	35,385	28,900
稅金及附加	Taxes and surcharges	16,377	12,742
電腦費用	Computer expenses	16,108	17,113
資訊費	Information services charges	12,075	7,707
存款保障基金供款	Deposit Protection Fund Payment	8,623	8,191
信用卡費	Credit card operating expenses	7,864	5,907
守護費	Security services charges	6,556	5,954
自動櫃員機費	Automatic teller machine operating expenses	4,709	4,874
水電費	Electricity and water	3,682	3,805
文具印刷費	Printing and stationery expenses	3,117	3,351
維修費	Maintenance and repairs expenses	3,148	2,316
租賃土地權益攤銷	Amortisation of interests in leasehold land	2,175	1,892
支付控股公司管理費	Management fee paid to holding company	-	9,270
其他費用	Others	64,107	53,805
		<u>989,381</u>	<u>782,993</u>

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9. 客戶貸款和墊款及其它金融資產減值損失 NET CHARGE OF IMPAIRMENT ALLOWANCES

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
客戶貸款和墊款減值準備計提	Provisions for loans and advances to customers		
特定準備金增加(附註 15)	Increase in specific provision (note 15)	289,464	64,977
一般準備金增加(附註 15)	Increase in general provision (note 15)	46,226	52,912
小計	Subtotal	335,690	117,889
債券投資減值準備計提	Provisions for investments in debt securities		
特定準備金(減少)/增加	(decrease)/increase in specific provision	(2,798)	111,857
存放同業及其他金融機構準備金計提及其他減值準備計提	Provision for due from banks and other financial institutions and others	101,990	60,176
減值損失合計	Net charge to income statement	434,882	289,922

10. 稅項

TAXATION

現有稅項主要包括澳門所得補充稅。根據澳門所得補充稅法律，澳門所得補充稅稅制為對應課稅收益超過澳門幣 32,000 元但低於澳門幣 300,000 元的部份徵收 3%至 9%的遞進稅率，對於課稅收益超過澳門幣 300,000 元的部份徵收 12%固定稅率。在二零一九年度和二零二零年度，澳門所得補充稅特別稅務優惠，應課稅豁免收益提高至澳門幣 600,000 元，而之後之課稅收益徵收 12%固定稅率。在澳門境外的稅收是按照相關地區適用的現行稅率計算。

Current tax is primarily comprised of Macao Complementary Tax. According to Macao Complementary Tax Law, Macao Complementary Tax is levied at progressive rates ranging from 3% to 9% on taxable income above MOP32,000 but below MOP300,000, and thereafter at a fixed rate of 12%. For the years 2019 and 2020, the special tax incentive was provided to effect that the tax free income threshold is MOP600,000 and the profit thereafter being taxed at a fixed rate of 12%. The provision of taxation outside Macao is provided at the prevailing rates of taxation ruling in the region in which the relevant unit of the Bank operates.

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
澳門所得稅	Macao Complementary Tax		
本年度計提	Current income tax charge for the year	171,969	215,848
以往年度準備多提	Over provision in prior years	(28,730)	(2,839)
		143,239	213,009
中國大陸利息收入預提稅(附註 b)	Tax credit – Mainland China withholding tax paid (Note b)	(34,065)	(28,274)
所得稅支出	Current income tax	109,174	184,735
遞延稅項支出(附註 21)	Deferred income tax (Note 21)	(48,437)	(37,219)
稅項支出合計	Taxation charge	60,737	147,516

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10. 稅項(續)

TAXATION(CONTINUED)

稅項支出和會計溢利按適用稅率計算的對賬：

The tax on the Bank's profit before taxation differs from the theoretical amount that would arise using the Macao Complementary Tax rate applicable to profits of the Bank as follows:

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
稅前溢利	Profit before taxation	1,935,655	1,874,739
按照澳門所得補充稅率計算的稅項	Tax calculated at Macao Complementary Tax rate	232,279	224,969
澳門境外不同稅率的稅務影響	Impact of differently taxed profits outside Macau	81,122	52,322
不需課稅的收入的稅務影響	Tax effect of non-taxable income	(177,573)	(146,054)
不可扣稅之費用的稅務影響	Tax effect of non-deductible expenses	7,629	6,431
以往年度準備多提	Over provision in prior years	(28,730)	(2,839)
雙重徵稅抵免協議 (附註 b)	Tax credits available under a tax treaty (Note b)	(10,197)	(19,079)
其他	Others	(43,793)	31,766
實際稅項支出	Taxation charge	60,737	147,516

附註 / Note :

(a) 本年度準備與本期稅項負債對帳表:

(a) Reconciliation from current income tax charge for the year to current tax liabilities:

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
本年度準備	Current income tax charge for the year	171,969	215,848
減: 本年度雙重徵稅抵免	Less: Tax credits to be claimed in current year	(10,197)	(19,079)
其他稅項	Others	(10,573)	5,988
本期稅項負債	Current tax liabilities	151,199	202,757

(b) 本行從國內業務所得須繳付國內相關稅項。根據澳門特別行政區政府與內地簽署的《關於對所得避免雙重徵稅和防止偷漏稅的安排》，本行於國內繳付之稅項可於應付的澳門所得稅款中抵免。

(b) The Bank has income derived from Mainland China which is subject to Mainland China income tax. According to the "Arrangement Between The Macao Special Administrative Region and The Mainland of China For The Avoidance of Double Taxation and The Prevention of Fiscal Evasion With Respect To Taxes On Income", the amount of such Mainland China tax paid is allowed as a credit against the Macao Complementary Tax payable by the Bank subject to application and approval by Macao Finance Bureau.

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11. 現金及短期資金

CASH AND SHORT TERM FUNDS

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
一個月內到期的銀行同業結存	Balances with banks maturing within one month	12,251,084	8,626,178
現金	Cash	565,675	750,163
		<u>12,816,759</u>	<u>9,376,341</u>

12. 存放本地監管機構之存款

DEPOSITS WITH LOCAL REGULATORY AUTHORITY

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
於十二月三十一日存放澳門金融管理局之結餘	Balance with AMCM as at 31 December	<u>2,443,094</u>	<u>2,611,579</u>

按有關法例要求，本行需為了保持流動性，於澳門金融管理局開立之澳門幣活期賬戶的每週每日結餘不可少於按下述百分率對上一週所核定且以期間分類之平均基本負債而計算出之總和的 70%：

- (a) 即期負債之 3%；
- (b) 除 (a) 之即期負債外，三個月以內 (含三個月) 到期負債之 2%；及
- (c) 三個月以上到期負債之 1%。

於二零二零年十二月三十一日，本行存放澳門金融管理局的法定最低結存為澳門幣 1,732,835,000 元 (二零一九年十二月三十一日：澳門幣 1,611,743,000 元)。

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

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

As at 31 December 2020, the amount of minimum statutory deposit balance with AMCM required for the Bank is MOP1,732,835,000 (31 December 2019: MOP1,611,743,000).

13. 存放銀行同業及其他金融機構

DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
一個月以上至十二個月內到期的存放同業及其他金融機構	Due from banks and other financial institutions maturing between one month to twelve months	1,769,207	955,054
減：存放同業及其他金融機構準備金	Less: Provision for due from banks and other financial institutions	(164,401)	(62,412)
		<u>1,604,806</u>	<u>892,642</u>

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14. 政府債券		TREASURY BILLS	
		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
由澳門金融管理局發行的票據之攤銷成本 - 流動	Treasury bills issued by AMCM, at amortised cost - current	10,484,506	9,523,330
15. 客戶貸款及墊款		LOANS AND ADVANCES TO CUSTOMERS	
		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
貸款及墊款	Loans and advances	120,786,864	119,955,213
減：客戶貸款及墊款準備金	Less: Provision for loans and advances to customers	(1,525,839)	(1,342,058)
		119,261,025	118,613,155
流動	Current	55,963,026	64,105,205
非流動	Non-current	63,297,999	54,507,950

貸款準備金之變動分析如下：

An analysis of the provision for loans and advances is as follows:

		一般準備 General provision 澳門幣千元 MOP'000	特定準備 Specific provision 澳門幣千元 MOP'000	合計 Total provision 澳門幣千元 MOP'000
於二零一九年一月一日的結餘	Balance at 1 January 2019	1,188,732	97,872	1,286,604
撇帳貸款	Amount written off	-	(62,776)	(62,776)
折算差異	Exchange difference	-	254	254
收回以往年度撇帳貸款	Recoveries of loans and advances written-off in previous years	-	87	87
本年計提的減值虧損準備(附註 9)	Charge to income statement (Note 9)	52,912	64,977	117,889
於二零一九年十二月三十一日的結餘	Balance at 31 December 2019	1,241,644	100,414	1,342,058
於二零二零年一月一日的結餘	Balance at 1 January 2020	1,241,644	100,414	1,342,058
撇帳貸款	Amount written off	-	(151,544)	(151,544)
折算差異	Exchange difference	-	(757)	(757)
收回以往年度撇帳貸款	Recoveries of loans and advances written-off in previous years	-	392	392
本年計提的減值虧損準備(附註 9)	Charge to income statement (Note 9)	46,226	289,464	335,690
於二零二零年十二月三十一日的結餘	Balance at 31 December 2020	1,287,870	237,969	1,525,839



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16. 存款證

CERTIFICATES OF DEPOSITS HELD

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
存款證	Certificates of deposits held - Current	-	480,845

17. 證券投資

INVESTMENT IN SECURITIES

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
持作買賣投資	Investments held for trading		
香港上市債務證券 · 攤銷成本	Listed debt securities in Hong Kong, at amortised cost	1,390,149	1,247,058
香港以外地區上市債務證券 · 攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	14,508	404,108
非上市債務證券 · 攤銷成本	Unlisted debt securities, at amortised cost	122,548	1,603,348
在中國大陸或香港發行的政府債券 · 攤銷成本	Treasury bills issued in Mainland China or Hong Kong, at amortised cost	5,458,913	114,859
減：準備金 (附註 A)	Less: provision for diminution in value (Note A)	(6,864)	(2,502)
		<u>6,979,254</u>	<u>3,366,871</u>
持至到期投資	Held-to-maturity investments		
香港上市債務證券 · 攤銷成本	Listed debt securities in Hong Kong, at amortised cost	6,303,924	8,200,342
香港以外地區上市債務證券 · 攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	4,465,646	3,664,908
		<u>10,769,570</u>	<u>11,865,250</u>
其他投資	Other investments		
香港上市債務證券 · 攤銷成本	Listed debt securities in Hong Kong, at amortised cost	13,654,552	18,245,258
香港以外地區上市債務證券 · 攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	18,166,240	18,986,680
非上市債務證券之攤銷成本	Unlisted debt securities, at amortised cost	13,100,710	4,128,427
債權融資計劃	Private debt financing plans	1,215,696	-
基金投資	Fund investment	6,934,810	3,756,821
股票掛鈎投資	Equity linked investment	21,385	18,541
非上市股票之成本	Unlisted shares, at cost	4,754	4,754
減：準備金 (附註 A)	Less: provision for diminution in value (Note A)	(176,496)	(226,067)
		<u>52,921,651</u>	<u>44,914,414</u>
總計	Total	<u>70,670,475</u>	<u>60,146,535</u>
流動	Current	29,245,595	11,285,577
非流動	Non-current	41,424,880	48,860,958
總計	Total	<u>70,670,475</u>	<u>60,146,535</u>

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17. 證券投資(續)

INVESTMENT IN SECURITIES(CONTINUED)

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
附註：	Note:		
(a) 持作買賣投資之市值	Market value of listed investments held for trading		
香港上市債務證券·攤銷成本	Listed debt securities in Hong Kong, at amortised cost	1,383,535	1,246,303
香港以外地區上市債務證券·攤銷成本	Listed debt securities outside Hong Kong, at amortised cost	14,508	402,361
非上市債務證券·攤銷成本	Unlisted debt securities, at amortised cost	122,314	1,603,348
在中國大陸或香港發行的政府債券·攤銷成本	Treasury bills issued in Mainland China or Hong Kong, at amortised cost	5,458,897	114,859
		<u>6,979,254</u>	<u>3,366,871</u>
(b) 投資按發行機構分佈如下	Analysis of investments by issuers		
持作買賣投資	Investments held for trading		
企業	Corporate entities	6,053,175	2,499,162
銀行同業及其他金融機構	Banks and other financial institutions	926,079	867,709
		<u>6,979,254</u>	<u>3,366,871</u>
持至到期投資	Held-to-maturity investments		
企業(附註B)	Corporate entities (Note B)	5,128,848	7,253,537
國債及地方政府債	Sovereigns	3,478,479	2,746,000
銀行同業及其他金融機構	Banks and other financial institutions	2,162,243	1,865,713
		<u>10,769,570</u>	<u>11,865,250</u>
其他投資	Other investments		
銀行同業及其他金融機構	Banks and other financial institutions	21,290,173	16,425,590
企業(附註B)	Corporate entities (Note B)	19,210,604	15,443,881
國債及地方政府債	Sovereigns	12,420,874	13,044,943
		<u>52,921,651</u>	<u>44,914,414</u>

附註A:

截至二零二零年十二月三十一日，因證券投資減值準備確認遞延所得稅資產為澳門幣 22,003,000 元 (二零一九年為澳門幣 27,428,000 元)。(附註 21)

Note A:

As at 31 December 2020, deferred tax assets of MOP22,003,000 (2019: MOP27,428,000) has been recognised on provision for diminution in value for investment in securities (Note 21).

附註B:

截至二零二零年十二月三十一日，其他投資的企業證券投資有澳門幣 9,744,340,874 (二零一九年為澳門幣 6,545,843,200) 用於本行的同業負債資金擔保 (附註 24)。

Note B:

As at 31 December 2020, investment in corporate entities with carrying amount of MOP9,744,340,874 (2019: MOP6,545,843,200) was pledged to a financial institution to secure a loan facility (Note 24).

18. 無形資產

INTANGIBLE ASSET

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
會籍	Club debenture		
成本	Cost	3,047	3,047
累計減值虧損	Accumulated impairment loss	(1,502)	(1,502)
帳面淨值	Net book amount	<u>1,545</u>	<u>1,545</u>

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19. 固定資產

PROPERTY, PLANT AND EQUIPMENT

		永久業權土地 Freehold land	永久業權房地產 Buildings	租約房地產 Leasehold buildings	傢私裝修及設備 Fixtures and furniture	電腦設備 Computer equipment	汽車 Motor vehicles	總計 Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
原值	Cost							
於二零二零年一月一日	At 1 January 2020	13,352	7,993	125,010	132,128	140,961	9,445	428,889
新增	Additions	-	-	58,886	15,535	26,039	1,665	102,125
處置	Disposals	-	-	-	(1,823)	(1,807)	(379)	(4,009)
折算差異	Exchange difference	-	-	-	153	1,449	238	1,840
於二零二零年十二月三十一日	At 31 December 2020	13,352	7,993	183,896	145,993	166,642	10,969	528,845
累計折舊	Accumulated depreciation							
於二零二零年一月一日	At 1 January 2020	-	6,165	18,266	109,273	115,622	7,041	256,367
年度折舊	Charge for the year	-	427	3,764	10,054	19,927	1,213	35,385
處置	Disposals	-	-	-	(1,817)	(1,790)	(379)	(3,986)
折算差異	Exchange difference	-	-	-	57	758	98	913
於二零二零年十二月三十一日	At 31 December 2020	-	6,592	22,030	117,567	134,517	7,973	288,679
帳面淨值	Net book value							
於二零二零年十二月三十一日	At 31 December 2020	13,352	1,401	161,866	28,426	32,125	2,996	240,166
原值	Cost							
於二零一九年一月一日	At 1 January 2019	13,352	7,993	125,010	122,103	126,174	8,125	402,757
新增	Additions	-	-	-	10,122	16,557	1,360	28,039
處置	Disposals	-	-	-	(78)	(1,568)	-	(1,646)
折算差異	Exchange difference	-	-	-	(19)	(202)	(40)	(261)
於二零一九年十二月三十一日	At 31 December 2019	13,352	7,993	125,010	132,128	140,961	9,445	428,889
累計折舊	Accumulated depreciation							
於二零一九年一月一日	At 1 January 2019	-	5,738	15,680	101,465	100,364	5,969	229,216
年度折舊	Charge for the year	-	427	2,586	7,889	16,911	1,087	28,900
處置	Disposals	-	-	-	(75)	(1,556)	-	(1,631)
折算差異	Exchange difference	-	-	-	(6)	(97)	(15)	(118)
於二零一九年十二月三十一日	At 31 December 2019	-	6,165	18,266	109,273	115,622	7,041	256,367
帳面淨值	Net book value							
於二零一九年十二月三十一日	At 31 December 2019	13,352	1,828	106,744	22,855	25,339	2,404	172,522

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20. 租賃土地權益

INTEREST IN LEASEHOLD LAND

本行於租賃土地權益的經營租賃及帳面淨值分析如下：

The Bank's interest in leasehold land represents operating leases and the net book value is analysed as follows:

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
於澳門按以下方式持有： - 10 至 50 年的租賃期	In Macao held on： - Leases of between 10 to 50 years	76,334	64,326
於一月一日	At 1 January	64,326	66,218
新增	Addition	14,183	-
租賃土地權益攤銷支出	Amortisation of interests in leasehold land	(2,175)	(1,892)
於十二月三十一日	At 31 December	76,334	64,326

21. 遞延稅項

DEFERRED INCOME TAX

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
遞延稅項資產：	Deferred income tax assets	179,013	130,576

遞延稅項帳目變動如下：

The movement on the deferred income tax account is as follows:

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
於一月一日	At 1 January	130,576	93,357
於損益表確認 (附註 10)	Deferred taxation credited to income statement (Note 10)	48,437	37,219
於十二月三十一日	At 31 December	179,013	130,576

遞延稅項資產/(負債)	Deferred income tax assets / (liabilities) recognised	投資及其他資產跌價撥備	貸款及墊款減值準備	加速稅項折舊	稅務損失	合計
		Provisions for diminution in value for investment and other assets	Provisions for loans and advances	Accelerated tax depreciation	Tax losses	Total
		澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000	澳門幣千元 MOP'000
於二零一八年十二月三十一日	At 31 December 2018	15,898	3,977	(717)	74,199	93,357
於損益表確認 (附註10)	Recognised in the income statement (Note 10)	11,993	-	(44)	25,270	37,219
於二零一九年十二月三十一日	At 31 December 2019	27,891	3,977	(761)	99,469	130,576
於損益表確認 (附註10)	Recognised in the income statement (Note 10)	66,022	5,534	78	(23,197)	48,437
於二零二零年十二月三十一日	At 31 December 2020	93,913	9,511	(683)	76,272	179,013



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22. 其他資產		OTHER ASSETS	
		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
應收利息	Interests receivable	1,596,297	1,646,350
應收帳款	Cheque clearance and account receivable	687,366	545,719
可收回中國大陸稅款	Mainland China tax recoverable	60,741	36,018
衍生金融工具	Derivative financial instruments	52,921	50,591
預付費用	Prepayments	30,065	54,457
存出保證金	Margin deposits paid	42	41
其他	Others	39,942	13,014
		<u>2,467,374</u>	<u>2,346,190</u>
流動	Current	1,301,285	1,042,885
非流動	Non-current	1,166,089	1,303,305
		<u>2,467,374</u>	<u>2,346,190</u>

23. 銀行同業及其他金融機構之存款		DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	
		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
十二個月內到期的銀行同業及其他金融機構之存款	Due to banks and other financial institutions maturing within twelve months	22,300,988	21,044,400

24. 賣出回購金融資產		REPURCHASE AGREEMENTS	
		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
賣出回購 – 債券	Repurchase agreements-debt securities	9,348,084	6,281,539
賣出回購 – 票據	Repurchase agreements-bills	658,061	1,527,405
		<u>10,006,145</u>	<u>7,808,944</u>

25. 客戶存款		CUSTOMER DEPOSITS	
		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
定期存款	Time deposits	146,893,364	142,924,396
往來及儲蓄存款	Current and savings deposits	24,176,429	17,526,972
		<u>171,069,793</u>	<u>160,451,368</u>
流動	Current	169,381,191	158,720,280
非流動	Non-current	1,688,602	1,731,088
		<u>171,069,793</u>	<u>160,451,368</u>

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26. 其他負債

OTHER LIABILITIES

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
應付利息	Interests payable	1,015,616	1,239,997
應付帳款	Accounts payable	661,842	489,061
應計費用	Expenses accruals	380,620	352,064
衍生金融工具	Derivative financial instruments	145,702	50,095
保證金	Margin deposits received	13,911	13,930
其他應付款項	Other payables	211,687	135,640
		<u>2,429,378</u>	<u>2,280,787</u>
流動	Current	1,619,645	1,837,967
非流動	Non-current	809,733	442,820
		<u>2,429,378</u>	<u>2,280,787</u>

27. 應付債券

SUBORDINATED LIABILITIES

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
應付定息次級債券	Subordinated fixed rate debts	3,997,121	4,009,613

於二零一七年十二月，本行發行面值為二億五千萬美元的十年期次級債券。該債券於可贖回日二零二三年六月二十八日前以固定利率 5.375% 計息，如果債券未在債券首個重置日（二零二三年六月二十八日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.233% 的利率水平。此次級債券在香港聯交所上市。

於二零一八年三月，本行發行面值為九千三百二十萬美元的十年期次級債券。該債券於可贖回日二零二三年六月二十八日前以固定利率 5.375% 計息，如果債券未在債券首個重置日（二零二三年六月二十八日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.233% 的利率水平。此次級債券在香港聯交所上市。

於二零一八年十月，本行發行面值為十二億二千萬港元的十年期次級債券。該債券於可贖回日二零二三年十月三十日前以固定利率 6% 計息，如果債券未在債券首個重置日（二零二三年十月三十日）被本行執行提前贖回的權力將重設至每年為五年美國國債利率加 3.087% 的利率水平。

In December 2017, the Bank issued a 10-year subordinated capital notes with the face value of US\$250,000,000. The notes bear interest at a fixed rate of 5.375% per annum until 28 June 2023 (the first call date) and reset to an aggregate of five year U.S. Treasury Rate plus a spread of 3.233% per annum thereafter if the notes are not redeemed on the coupon reset date at the option of the Bank. The notes are listed on the Hong Kong Stock Exchange.

In March 2018, the Bank issued the second batch of the notes with the face value of US\$93,200,000. The notes bear interest at a fixed rate of 5.375% per annum until 28 June 2023 (the first call date) and reset to an aggregate of five year U.S. Treasury Rate plus a spread of 3.233% per annum thereafter if the notes are not redeemed on the coupon reset date at the option of the Bank. The notes are listed on the Hong Kong Stock Exchange.

In October 2018, the Bank issued a 10-year unlisted fixed rate subordinated capital notes qualifying as tier 2 capital with the face value of HK\$1,220,000,000. The notes bear interest at a fixed rate of 6.00% per annum until 30 October 2023 (the first call date) and reset to the aggregate of five year U.S. Treasury Rate plus a spread of 3.087% per annum thereafter if the notes are not redeemed on the coupon reset date at the option of the Bank.



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	28. 股本		SHARE CAPITAL	
			2020	2019
			澳門幣千元	澳門幣千元
		MOP'000	MOP'000	
法定·已發行及已繳足股本	Authorised, issued and fully paid			
2,610,000 普通股股份每股面值澳門幣 1,000 元	2,610,000 Ordinary shares of MOP 1,000 each		2,610,000	2,610,000

	29. 額外資本補充工具		ADDITIONAL EQUITY INSTRUMENTS	
			2020	2019
			澳門幣千元	澳門幣千元
		MOP'000	MOP'000	
港元 22.5 億永久性非累積後償額外一級資本證券	HK\$ 2,250 million perpetual non-cumulative subordinated additional tier 1 capital securities		2,310,194	2,310,194

二零一八年十二月七日，本行於二零一八年十一月三十日獲澳門金融管理局 (AMCM) 批准後發行首批永久性非累積後償額外一級資本證券 (“額外權益工具”)，初始本金面值為港元 1,668,000,000。該批次的額外權益工具為永久性證券，票面息率 8%，以二零二三年十二月七日為第一個可贖回日期。按照發行通函第 9 條所述，該票面息率將每五年調整一次，如本行選擇不贖回該額外權益工具，則票面息率將調整為相當於該時點五年期美國國債利率加上固定的初始利差之固定利率。

二零一八年十二月二十一日，本行獲 AMCM 批准後發行第二批永久性非累積後償額外一級資本證券 (“額外權益工具”)，初始本金面值港元 582,000,000。該批次的額外權益工具為永久性證券，票面息率 8%，以二零二三年十二月二十八日為第一個可贖回日期。按照發行通函第 9 條所述，該票面息率將每五年調整一次，如本行選擇不贖回該額外權益工具，則票面息率將調整為相當於該時點五年期美國國債利率加上固定的初始利差之固定利率。

上述兩批次的額外權益工具之派息為每半年支付一次。按照發行通函第 8 和第 9 條和澳門商法典第 199 條第 1 和第 2 款的規定，銀行只能在可分派之盈餘 (為經股東會審議通過之帳目所得出之確定同意用於分派的盈餘) 下進行支付；當可分派之盈餘不足作任何收益分派，或本行接收到澳門金融管理局指示不能向該一級資本補充證券持有人作收益分派時，本行有權取消該證券的收益分派，且不構成違約事件。

根據發行通函第 17 條的規定，如本行獲 AMCM 通知為保證本行之可持續性經營，必須對上述額外權益工具之本金進行賬面減計處理時，本行將按照 AMCM 的指示，將上述額外權益工具之本金減計為 AMCM 所認可的金額，且所有應計未付收益分派，本行不再負有支付義務。

本行享有一項贖回權，可以從額外權益工具的第一個可贖回日期 (第一批次為二零二三年十二月十一日，第二批次為二零二三年十二月二十八日) 或任何後續的票息支付日起贖回所有未償還的額外權益工具，但須受發行通函第 7 條規定的限制。

On 7 December 2018, the Bank issued the first batch of the perpetual non-cumulative additional tier 1 capital securities (“additional equity instruments”) with an initial principal amount of HK\$ 1,668,000,000 after the approval from AMCM dated 30 November 2018. The additional equity instruments are perpetual and bear an 8% coupon rate per annum until the first call date on 11 December 2023. As set out in the clause 9 of the offering circular dated 7 December, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread if the additional equity instruments are not redeemed.

On 21 December 2018, the Bank issued the second batch of the perpetual non-cumulative additional tier 1 capital securities (“additional equity instruments”) with an initial principal amount of HK\$ 582,000,000 with the same approval from AMCM dated 30 November 2018. The additional equity instruments are perpetual and bear an 8% coupon rate per annum until the first call date on 28 December 2023. As set out in the clause 9 of the offering circular, the coupon will be reset every five years at the option of the Bank to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus a fixed initial spread if the additional equity instruments are not redeemed.

The coupon shall be payable semi-annually. Pursuant to the clauses 8 and 9 of the offering circular and Macao Commercial Code article 199 clauses 1 and 2, the bank has obligations to pay the coupon only when they have distributable profits and approved by the shareholders' meeting. In the events when profits available for distribution is insufficient to pay to bondholders and being approved by shareholders' meeting, or if the AMCM directs the bank to cancel such distribution, the Bank shall have no obligation to pay the Distribution and any failure to pay such Distribution shall not constitute an Event of Default.

The principal of the additional equity instruments will be written down to the amount as directed or agreed with the AMCM if the AMCM notifies the Bank that the Bank would become non-viable should there be no written down of the principal (subject to the trigger events as set out in the clause 17 of the offering circular). And all accrued unpaid coupon, the Bank no longer has a payment obligation.

The Bank has a call option to redeem all the outstanding first batch of the additional equity instruments from 11 December 2023 while for the second batch is 28 December 2023, or any subsequent coupon payment date, but subject to restriction as set out in the clause 7 of the offering circular.

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30. 股息

PROPOSED DIVIDEND

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
擬派股息	Proposed dividend	562,475	518,167

董事會擬派發二零二零年度普通股股息每股約澳門元 215.51 元 (二零一九年每股約澳門元 198.53 元) , 總額為澳門元 562,475,497 元 (二零一九年為澳門元 518,166,984 元) 。此擬派普通股股息 , 並無於本財務報表中列作應付股息 , 惟將於截至二零二零年十二月三十一日止年度列作留存盈利分配。

The directors proposed a dividend of approximately MOP 215.51 (2019: MOP198.53) per ordinary share for the year ended 31 December 2020 amounting to MOP 562,475,497 (2019: MOP518,166,984). The dividend proposed after the end of the reporting period has not been recognised as a liability at the reporting date, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2021.

31. 與集團公司及關連方之交易 TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

集團公司包括控股公司 (附註 36) 及其關聯公司。關連方是指控股公司之股東及其附屬公司。本年度內, 本行與集團公司及關聯公司在日常銀行業務過程中進行了多項交易, 其中包括借貸、接受及存放同業存款和往來銀行交易。這些交易是按正常商業條款進行。

除了本財務報表所披露的交易或結餘外, 本行於本年度與集團公司及關連方在雙方商定條件下訂立了下列的重大結餘及交易。

Group companies include the holding companies (note 36) and their subsidiaries. Related parties represent shareholders of the holding companies and their subsidiaries. During the year the Bank entered into transactions with the holding companies and their subsidiaries in the normal course of its banking business including, inter alia, lending, the acceptance and placement of inter-bank deposits and correspondent banking transactions.

Other than transactions or balances disclosed elsewhere in the financial statements, the Bank had entered into the following transactions and maintained significant balances with the group companies and related parties at mutually agreed terms during the year:

(a) 包括於以下資產負債表帳項為與集團公司之結餘:

(a) Included in various balance sheet captions are balances with group companies as follows:

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
存放銀行同業及其他金融機構	Due from banks and other financial institutions	81,018	422,627
其他負債	Other liabilities	(12,977)	(47,214)
集友銀行股份有限公司持有之次級債券	Subordinated liabilities held by Chiyu Banking Corporate Limited	(154,500)	(154,500)
客戶存款	Customer deposits	(780,148)	(439,895)
銀行同業及其他金融機構之存款	Due to banks and other financial institutions	(3,109,609)	(809,140)

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31. 與集團公司及關連方之交易 (續)

TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES(CONTINUED)

(b) 年內，本行與集團公司之間之收入及支出如下：

(b) During the year, the Bank earned income and incurred expense on balances with group companies as follows:

		2020	2019
		澳門幣千元	澳門幣千元
		MOP'000	MOP'000
浮息存款證、存放銀行同業及其他金融機構之利息收入	Interest income earned on CDs and due from banks and other financial institutions	-	657
支付控股公司之管理費	Management fee paid to immediate holding company	-	(9,270)
支付控股公司之房屋租金費用	Rental of premises paid to group companies	(1,490)	(1,375)
支付集友銀行所持次級債券之利息支出	Interest expense on subordinate notes paid to Chiyu Banking Corporate Limited	(9,295)	(1,600)
客戶存款及同業及其他金融機構存款之利息支出	Interest expense on customer deposits and due to banks and other financial institutions	(26,843)	(19,598)
支付廈門國際銀行股份有限公司之系統營運外包服務費用	System outsourcing fee paid to Xiamen International Bank Co. Ltd.	(67,264)	-
		<u> </u>	<u> </u>

(c) 與關連方之餘額 / 交易:

(c) Transactions/balances with related parties:

		2020	2019
		澳門幣千元	澳門幣千元
		MOP'000	MOP'000
固定利率次級債券	Subordinate fixed rate debts	154,500	154,500
員工股份 (附註)	Share equity contributed by employees (Note)	137,299	137,299
其他資產	Other assets	3,052	2,956
客戶存款之利息支出	Interest expense on customer deposits	(608)	(882)
其他負債	Other liabilities	(1,710)	(1,569)
客戶存款	Customer deposits	(41,074)	(28,317)
		<u> </u>	<u> </u>

於二零二零年十二月三十一日，本行的客戶貸款及放款中有澳門幣 6,194,942,035 元的客戶貸款 (二零一九年：澳門幣 21,814,478,979 元) 由廈門國際銀行股份有限公司所開出備用信用證提供擔保。

As at 31 December 2020, the Bank's loans and advances to customers totaling MOP6,194,942,035 (31 December 2019: MOP21,814,478,979) was guaranteed by Xiamen International Bank Co. Ltd. in the form of standby letters of credit or letters of guarantee.

附註 / Note :

於二零二零年十二月三十一日，員工股份在本行普通股中的佔比為 2.5% (二零一九年：2.5%)。員工股份在所有者權益下的股本及股本溢價中確認。

As at 31 December 2020, 2.5% (31 December 2019: 2.5%) of the total issued ordinary shares were held by the employees, which was recorded under share capital and premium in equity.

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32. 現金流量表附註

NOTES TO CASH FLOW STATEMENTS

(a) 除稅前溢利與來自除稅前營業活動之現金流入對帳表

		2020	2019
		澳門幣千元	澳門幣千元
		MOP'000	MOP'000
稅前溢利	Profit before taxation	1,935,655	1,874,739
調整：	Adjustments for:		
- 減值準備金計提增加	- Increase in provisions for bad and doubtful debts	434,882	289,922
- 固定資產折舊	- Depreciation of property, plant and equipment	35,385	28,900
- 租賃土地權益之攤銷	- Amortisation of interests in leasehold land	2,175	1,892
- 股息收入	- Dividend income	(36)	(36)
- 投資證券(折價)/溢價攤銷	- Amortisation of (discount)/premium on investments	(476,402)	449,432
- 出售其他投資淨溢利	- Net gain on disposal of investments securities	(779,135)	(367,315)
- 外匯差額	- Exchange difference	(786,413)	250,636
營運資產之變動	Changes in working capital		
- 客戶存款增加	- Increase in customer deposits	10,618,425	21,721,410
- 賣出回購金融資產增加	- Increase in repurchase agreements	2,197,201	4,287,680
- 同業及其他金融機構之存款增加	- Increase in due to banks and other financial institutions	1,256,588	677,389
- 買入返售金融資產減少/(增加)	- Decrease/(Increase) in reverse repurchase agreements	1,141,882	(447,560)
- 其他負債增加	- Increase in other liabilities	344,881	740,910
- 其他資產增加	- Increase in other assets	(121,184)	(418,015)
- 原到期日超過三個月的存放同業款項(增加)/減少	- (Increase)/decrease in amount due from banks with original maturity over three months	(183,904)	916,249
- 存放監管機構存款結餘增加	- Increase in minimum statutory deposits with regulatory authorities	(706,758)	(1,119,511)
- 客戶貸款及放款增加	- Increase in loans and advances to customers	(983,460)	(4,910,836)
- 買賣投資增加	- Increase in investments held for trading	(3,612,383)	(363,336)
除稅前營業活動之現金流入	Operating cash flows from operating activities before taxation	10,317,399	23,612,550
來自經營活動之現金流包括以下項目：	Cash flows from operating activities include		
已收利息	Interest received	6,040,404	7,478,024
已付利息	Interest paid	(4,349,908)	(4,560,146)

(b) 現金及現金等價物之明細

上述現金流量表所指的現金及現金等價物包括下述自購入日期起三個月內到期的項目：

(b) Analysis of balances of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of acquisition.

		2020	2019
		澳門幣千元	澳門幣千元
		MOP'000	MOP'000
現金及存放銀行同業之存款	Cash and balances with banks	12,816,759	9,376,341
澳門金管局發行原於三個月內到期的非上市金融票據	Treasury bills with original maturity within three months	3,099,319	2,795,775
銀行發行原於三個月內到期的非上市金融票據	Due from banks with original maturity within three months	1,197,781	567,531
存放監管機構高於法定最低餘額的結存	Deposit with regulatory authorities in excess of minimum statutory requirement	1,176,595	1,189,525
現金及現金等價物	Cash and cash equivalents	18,290,454	13,929,172



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33. 資本承擔

CAPITAL COMMITMENTS

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
已批准但尚未簽約	Expenditure authorised but not contracted for	6,590	5,747
已簽約但未支付	Expenditure contracted but not provided for	20,408	12,404

34. 經營租約承擔

OPERATING LEASE COMMITMENTS

於十二月三十一日，銀行作為承租人，根據不可撤銷經營租賃而於未來須支付的最低總租金款項如下：

At 31 December 2020, the Bank had future aggregate minimum lease payments under non-cancellable operating leases as follows:

土地及房地產

Land and buildings

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
1 年內	Not later than 1 year	49,178	49,879
1 年以上但不超過 5 年	Later than 1 year but not later than 5 years	105,752	112,128
超過 5 年	Later than 5 years	66,869	73,010
		221,799	235,017

35. 或有負債

CONTINGENT LIABILITIES AND COMMITMENTS

		2020 澳門幣千元 MOP'000	2019 澳門幣千元 MOP'000
信用承諾	Credit commitments		
貸款承諾	Loan commitments	72,318,444	78,706,256
開出信用證	Letters of credit issued	4,159,122	1,494,307
擔保書	Guarantees issued	1,592,685	1,459,153
開出承兌匯票	Acceptances	18,715	411,675
信用承諾合計	Total credit commitments	78,088,966	82,071,391
其他承諾 (名義金額)	Other commitments (notional amount)		
遠期合約	Forward contracts	11,166,515	18,782,960

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36. 控股公司

HOLDING COMPANY

控股公司為廈門國際投資有限公司 (其持本行股份佔比 49%)，一家於香港註冊成立的公司，它是廈門國際銀行股份有限公司的附屬公司。廈門國際銀行股份有限公司是一家於廈門註冊成立的公司。

The Bank's immediate holding company (holding 49% of the total issued ordinary shares of the Bank) is Xiamen International Investment Limited, a company incorporated in Hong Kong. The immediate holding company is a subsidiary of Xiamen International Bank Co. Ltd., a company incorporated in Xiamen.

37. 比較數據

COMPARATIVE FIGURES

為與本年列示一致，財務報表之主表及相關附註中的部分比較資料進行了重分類調整。上述重分類調整對本行截至二零一九年十二月三十一日和二零二零年十二月三十一日的所有者權益及二零一九年度和二零二零年度的利潤均無重大影響。

Certain comparative figures set out in the financial statements and the related notes thereto have been reclassified to conform with the current year's presentation. These reclassifications have no impact on the Bank's total equity as at both 31 December 2020 and 2019, or on the Bank's profit for the years ended 31 December 2020 and 2019.

38. 報告出具日後的非調整事項

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

2021年3月25日，董事會建議，經股東在即將召開的年度股東大會上批准，截至2020年12月31日止年度的最終股息為562,475,497澳門幣。董事會還建議，經股東在即將召開的年度股東大會上批准，將截至2020年12月31日止年度利潤總額中的187,491,832澳門幣和862,462,429澳門幣分別轉入法定準備金和一般準備金。

Profit distribution after the balance reporting period

On 25 March 2021, the directors recommended, subject to the approval of the shareholders at the forthcoming annual general meeting, a final dividend of MOP 562,475,497 for the year ended 31 December 2020. The directors also recommended, subject to approval of the shareholders at the forthcoming annual general meeting, that amounts of MOP 187,491,832 and MOP 862,462,429 out of the total profit for the year ended 31 December 2020 will be transferred to statutory reserve and general reserve respectively.

39. 已核准但於截至2020年12月31日止年度未強制適用之會計準則

NEW FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET ADOPTED FOR THE YEAR ENDED 31 DECEMBER 2020

如附註2(a)所述，「新財務報告準則」並未採納於本行截至2020年12月31日止年度財務報表。本行正在評估這些新「財務報告準則」在首次採用期間對財務報表之影響。迄今為止，本行識別若干準則對財務報表具潛在影響，包括但不限於：

- (a) 國際會計準則第19號 – 僱員福利
- (b) 國際財務報告準則第15號 – 客戶合同收入
- (c) 國際財務報告準則第9號 – 金融工具

除上述外，其他準則亦有可能影響財務報表的列報與披露。

As mentioned in Note 2(a), the new FRSS have not been adopted in these financial statements. The Bank is in the process of making an assessment of what the impact of these new FRSS is expected to be in the period of initial application. So far the Bank has identified certain standards which may have a significant impact on the financial statements, which include but not limited to:

- (a) IAS 19 – Employee Benefit
- (b) IFRS9 – Financial Instruments
- (c) IFRS15 – Revenue from Contracts with Customers

Apart from the standards in the above, other standards of the new FRSS may also impact the presentation and disclosure of the financial statements.

ISSUER

Luso International Banking Limited

Av. Dr. Mario Soares, No. 47
Macao

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**AUDITOR OF THE BANK
(FOR THE YEAR ENDED
31 DECEMBER 2020)**

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