



**The Bank of East Asia, Limited,  
Macau Branch**

**Disclosure of financial information  
for the six months ended  
30<sup>th</sup> June, 2018**

Compiled by The Bank of East Asia, Limited, Macau Branch  
由東亞銀行有限公司澳門分行編製

## Balance sheet as at 30<sup>th</sup> June, 2018

(Expressed in Macau Patacas)

	<i>As at 30<sup>th</sup> June, 2018</i>		
	<i>Amounts</i>	<i>Reserves, depreciation and provision</i>	<i>Net amount</i>
	MOP	MOP	MOP
<b>Assets</b>			
Cash	122,760,191	-	122,760,191
Deposits at AMCM	73,389,427	-	73,389,427
Accounts receivables	15,398,450	-	15,398,450
Current deposits at other local credit institutions	35,699,325	-	35,699,325
Current deposits at other overseas credit institutions	178,699,744	-	178,699,744
Loans and advances	6,640,361,457	-	6,640,361,457
Placements to local credit institutions	751,501,400	-	751,501,400
Call and fixed deposits at overseas credit institutions	91,157,626	-	91,157,626
Debtors	215,873	-	215,873
Properties	144,877,844	30,293,877	114,583,967
Equipments	89,208,577	67,123,900	22,084,677
Internal and adjustment accounts	24,331,180	-	24,331,180
<b>Total</b>	<u>8,167,601,094</u>	<u>97,417,777</u>	<u>8,070,183,317</u>

**Balance sheet as at 30<sup>th</sup> June, 2018 (continued)**  
 (Expressed in Macau Patacas)

	<i>As at 30<sup>th</sup> June, 2018</i>	
	<i>Subtotal</i>	<i>Total</i>
	MOP	MOP
<b>Liabilities</b>		
Current deposits	991,550,260	
Fixed deposits	<u>2,761,227,336</u>	3,752,777,596
Amount due to local credit institutions	80,838,000	
Amount due to overseas credit institutions	4,044,598,392	
Cheques and bills payable	7,458,089	
Creditors	4,883,462	
Other liabilities	<u>374,614</u>	4,138,152,557
Internal and adjusting accounts		28,386,637
Provisions		51,100,836
Other reserves		69,191,964
Current profits		<u>30,573,727</u>
		<u><u>8,070,183,317</u></u>

## Off-balance sheet accounts as at 30<sup>th</sup> June, 2018

(Expressed in Macau Patacas)

<i>Off-balance sheet accounts</i>	
	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
Values received for collection	147,805
Values received as collateral	7,977,925,443
Guarantees on account of customers	120,774,504
Letters of credit	3,983,868
Acceptances	2,007,563
Values deposits by bank as collateral	
– Forward exchange contracts-purchases	868,495
– Forward exchange contracts-sales	868,495
Other memorandum items	1,209,492,550

**Profit and loss account  
 for the six months ended 30<sup>th</sup> June, 2018**  
 (Expressed in Macau Patacas)

<i>Income statement</i>			
	<i>6 months ended 30<sup>th</sup> June, 2018</i>		<i>6 months ended 30<sup>th</sup> June, 2018</i>
<i>Debit</i>	<i>Amount MOP</i>	<i>Credit</i>	<i>Amount MOP</i>
Operating costs	57,932,611	Operating income	117,193,402
Personnel expenses		Income from banking services	10,444,048
Staff costs	22,778,210	Other operating income	2,241,128
Supplies by third party	530,175	Other banking income	25,780
Services provided by third party	12,253,762	Non-operating income	-
Other banking expenses	1,428,540		
Tax expenses	69,290		
Non-operating expenses	6,517		
Depreciation expenses	3,876,192		
Provisions	210,331		
Operating profits	30,818,730		
<b>Total</b>	<b>129,904,358</b>	<b>Total</b>	<b>129,904,358</b>

**Profit and loss account**  
**for the six months ended 30<sup>th</sup> June, 2018 (continued)**  
*(Expressed in Macau Patacas)*

<i>Profit and loss account</i>			
	<i>6 months ended</i>		<i>6 months ended</i>
	<i>30<sup>th</sup> June, 2018</i>		<i>30<sup>th</sup> June, 2018</i>
<i>Debit</i>	<i>Amount</i>	<i>Credit</i>	<i>Amount</i>
	<i>MOP</i>		<i>MOP</i>
Tax on profit	4,091,035	Operating profit	30,818,730
Profit	30,573,727	Reversal provision under AMCM rules	(28,644,714)
		Income related to prior years	32,490,746
<b>Total</b>	<u>34,664,762</u>	<b>Total</b>	<u>34,664,762</u>

Approved and authorised for issue by the management of the Branch on 19<sup>th</sup> September, 2018.

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**Cash flow statement**  
**for the six months ended 30<sup>th</sup> June, 2018**  
*(Expressed in Macau Patacas)*

	<i>6 months ended 30<sup>th</sup> June, 2018 MOP</i>
<b>Operating activities</b>	
Profit before taxation	63,309,476
Adjustments for:	
Depreciation	3,876,192
Loss on disposal of fixed assets	6,517
Release of impairment losses on loans and advances	<u>(32,280,415)</u>
<b>Operating profit before changes in working capital</b>	<b>34,911,770</b>
Decrease/(increase) in operating assets:	
Placements with banks and other financial institutions with original maturity over three months	33,376,855
Monetary bills - held-to-maturity with original maturity over three months	(130,588,345)
Trading assets	17,332
Loans and advances to customers	282,856,987
Accrued interest and other accounts	(5,104,068)
(Decrease)/increase in operating liabilities:	
Deposits and balances of banks and other financial institutions	120,607,169
Deposits from customers	(559,197,167)
Trading liabilities	(16,069)
Other accounts and provisions	<u>(11,563,336)</u>
<b>Net cash generated from operating activities</b>	<b><u>(234,698,873)</u></b>

**Cash flow statement**  
**for the six months ended 30<sup>th</sup> June, 2018 (continued)**  
*(Expressed in Macau Patacas)*

	<i>6 months ended 30<sup>th</sup> June, 2018 MOP</i>
<b>Investing activities</b>	
Purchase of fixed assets	(685,994)
<b>Net cash used in investing activities</b>	(685,994)
<b>Net increase in cash and cash equivalents</b>	(235,384,867)
<b>Cash and cash equivalents at 1<sup>st</sup> January</b>	1,119,155,321
<b>Cash and cash equivalents at 30<sup>th</sup> June</b>	<u>883,770,454</u>



**Cash flow statement**  
**for the six months ended 30<sup>th</sup> June, 2018 (continued)**  
*(Expressed in Macau Patacas)*

	<i>6 months ended 30<sup>th</sup> June, 2018 MOP</i>
<b>Cash flow from operating activities</b>	
<b>include:</b>	
Interest received	110,515,246
Interest paid	<u>59,032,162</u>
<b>Components of cash and cash equivalents</b>	
<b>in the cash flow statement</b>	
Cash and balances with banks and other financial institutions	410,548,687
Placements with banks and other financial institutions (original maturity within three months)	340,391,487
Monetary bills - held-to-maturity (original maturity within three months)	<u>132,830,280</u>
	<u><u>883,770,454</u></u>

## Off-balance-sheet exposures for the six months ended 30<sup>th</sup> June, 2018

(Expressed in Macau Patacas)

### (a) *Contingent liabilities and commitments*

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

	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
Direct credit substitutes	120,774,504
Trade-related contingencies	3,983,868
Undrawn credit facilities	<u>1,209,492,550</u>
	<u><u>1,334,250,922</u></u>

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit and guarantees. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

Autoridade Monetária de Macau (“AMCM”) requires that general provision be maintained at 1% of the guarantees given by the credit institutions. Specific provisions on contingent credit are made when there is evidence that the guarantees given by the credit institutions are not fully recoverable.

### (b) *Derivatives*

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

## Off-balance-sheet exposures for the six months ended 30<sup>th</sup> June, 2018 (continued)

(Expressed in Macau Patacas)

### (b) Derivatives (continued)

The following is a summary of the notional amounts of each significant type of derivatives:

	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
Exchange rate contracts	1,467,487
Equity contracts	-
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	<u>1,467,487</u>

Derivatives arise from forward and swap transactions undertaken in the foreign exchange and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

The fair values and credit risk weighted amounts of the aforesaid derivative exposures are as follows:

	<i>As at 30<sup>th</sup> June, 2018</i>	
	<i>Assets MOP</i>	<i>Liabilities MOP</i>
Fair value		
- Exchange rate contracts	1,536	264
- Equity contracts	-	-
	<hr/>	<hr/>
	<u>1,536</u>	<u>264</u>

	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
Credit risk weighted amounts	
- Exchange rate contracts	14,675
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	<u>14,675</u>

**Off-balance-sheet exposures  
for the six months ended 30<sup>th</sup> June, 2018 (continued)**  
*(Expressed in Macau Patacas)*

**(b) Derivatives (continued)**

Credit risk weighted amount refers to the amount as computed in accordance with AMCM Guideline Notice 013/93-AMCM on capital adequacy and depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 50% for exchange rate and interest rate contracts and from 0% to 100% for other derivative contracts.

The Branch did not enter into any bilateral netting arrangements during the year and accordingly these amounts are shown on a gross basis.

## Significant related party transactions

(Expressed in Macau Patacas)

### (a) Amounts due from/(to) Head Office and other related parties

During the year, the Branch entered into transactions with its Head Office and certain other branches and subsidiaries of The Bank of East Asia, Limited in the ordinary course of its banking business. In the opinion of management, the transactions were conducted on an arm's length basis. Included in the following balance sheet captions are balances with Head Office and other branches and subsidiaries:

	<i>Head Office</i>	<i>Other branches</i>	<i>Subsidiaries</i>
Cash and balances with banks and other financial institutions	170,924,799	2,382,593	690,882
Placements with banks and other financial institutions	34,859,238	56,298,388	-
Other accounts	75,932	26,847	792
	<u>205,859,969</u>	<u>58,707,828</u>	<u>691,674</u>
Establishment fund	221,251,000	-	-
Deposits and balances of banks and other financial institutions	3,803,822,600	-	19,524,792
Other accounts and provisions	3,008,294	-	-
	<u>4,028,081,894</u>	<u>-</u>	<u>19,524,792</u>

The establishment fund of the Branch is interest-free and with no fixed repayment terms.

### (b) Related party transactions

Operating profits for the year are stated after taking into account significant transactions with Head Office and other branches and subsidiaries as follows:

	<i>6 months ended 30<sup>th</sup> June, 2018 MOP</i>
Interest income	978,580
Interest expense	<u>(31,559,429)</u>
	<u>(30,580,849)</u>

## **Credit risk management**

*(Expressed in Macau Patacas)*

**(a) Geographical distribution of credit risk exposures**

The geographical distribution is based on the countries where the counterparties were operated or located after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose Head Office is located in another country.

## Credit risk management (continued)

(Expressed in Macau Patacas)

### (a) Geographical distribution of credit risk exposures (continued)

Exposures to individual countries or jurisdictions, groups of countries or regions within countries amounting to 10% or more of the relevant major types of credit exposures at end of the reporting period are shown as follows:

Region	As at 30 <sup>th</sup> June, 2018		
	Loans and commitments Total	Debt securities Total	Financial derivatives Total
<b>Macau</b>			
- Banks	-	-	1,630,638
- Governments	-	393,963,852	-
- Public sectors	372,583,612	-	-
- Others	4,880,486,196	-	1,702,611
<b>Hong Kong</b>			
- Banks	7,105,000	-	11,134,228
- Governments	-	-	-
- Public sectors	-	-	-
- Others	1,888,241,269	-	-
<b>China</b>			
- Banks	-	-	-
- Governments	-	-	-
- Public sectors	-	-	-
- Others	663,247,374	-	-
<b>Others</b>			
- Banks	1,663,646	-	-
- Governments	-	-	-
- Public sectors	-	-	-
- Others	161,285,283	-	-
	<u>7,974,612,380</u>	<u>393,963,852</u>	<u>14,467,477</u>

## Credit risk management (continued)

(Expressed in Macau Patacas)

### (a) Geographical distribution of credit risk exposures (continued)

Geographic region with higher than or equal to 10% of the total loans and advances to customers at balance sheet date are shown as follows:

	<i>As at 30<sup>th</sup> June, 2018</i>	
	<i>Gross loans and advances MOP</i>	<i>Past due or impaired MOP</i>
Macau	4,306,082,153	296,366
Hong Kong	1,529,148,626	-
People's Republic of China	643,845,396	41,626
Others	161,285,282	-
	<u>6,640,361,457</u>	<u>337,992</u>

### (b) Industry distribution on loans and advances to customers

The following table shows the industry distribution of the loans and advances at the balance sheet date:

	<i>As at 30<sup>th</sup> June, 2018</i>	
	<i>Gross balance MOP</i>	<i>Past due or impaired MOP</i>
Manufacturing	19,638,157	
Electricity, gas and water	49,959,444	-
Construction and public works	180,765,510	-
Trade (wholesale and retail)	38,001,248	-
Restaurants, hotels and related activities	1,500,121,315	-
Transport, warehouse and communications	2,325,425	-
Non-monetary financial institutions	898,363,794	
Information Technology	5,544,587	
Individuals for house purchases	1,637,452,810	267,349
Individuals for other purchases	15,808,697	70,643
Others	2,292,380,470	-
	<u>6,640,361,457</u>	<u>337,992</u>

According to AMCM's requirements, a general provision is made at 1% of the aggregated balance of loans and advances (with overdue days less than 3 months), guarantees and contingent assets. As at 30<sup>th</sup> June, 2018, a specific provision amounted



to MOP70,643 is made against the loans and advances classified under “Individuals for other purchases” in Macau.

**Credit risk management (continued)**  
 (Expressed in Macau Patacas)

**(c) Analysis on assets and liabilities by remaining maturity**

	<i>As at 30<sup>th</sup> June, 2018</i>							
	<i>Repayable on demand MOP</i>	<i>Within 1 month MOP</i>	<i>3 months or less but over 1 month MOP</i>	<i>1 year or less but over 3 months MOP</i>	<i>3 years or less but over 1 year MOP</i>	<i>Over 3 years MOP</i>	<i>Undated or overdue MOP</i>	<i>Total MOP</i>
<b>Assets</b>								
Cash and balances with banks and other financial institutions	410,548,686	-	-	-	-	-	-	410,548,686
Placements with banks and other financial institutions	32,335,200	105,041,934	307,727,623	1,554,269	-	-	-	446,659,026
Monetary bills - held-to-maturity	-	64,995,138	77,809,670	251,159,044	-	-	-	393,963,852
Trading assets	-	-	-	-	-	-	180	180
Loans and advances to customers and other accounts	64,553,165	602,484,829	556,640,103	355,037,169	1,467,664,298	3,585,701,081	(1,552,088)	6,630,528,557
Other assets	-	-	-	-	-	-	684,950	684,950
Fixed assets	-	-	-	-	-	-	136,668,644	136,668,644
	<u>507,437,051</u>	<u>772,521,901</u>	<u>942,177,396</u>	<u>607,750,482</u>	<u>1,467,664,298</u>	<u>3,585,701,081</u>	<u>135,801,686</u>	<u>8,019,053,895</u>
<b>Liabilities</b>								
Deposits and balances of banks and other financial institutions	19,524,792	864,819,600	334,750,000	1,093,397,000	1,591,694,000	-	-	3,904,185,392
Deposits from customers	1,003,722,768	509,269,591	865,258,391	1,374,526,846	-	-	-	3,752,777,596
Trading liabilities	-	-	-	-	-	-	264	264
Other accounts and provisions	9,043,322	5,153,163	4,062,306	6,581,892	2,089,198	-	233,907	27,163,788
Current taxation	-	-	3,513,830	3,513,830	3,970,929	-	-	10,998,589
Deferred tax liabilities	-	-	-	-	-	-	2,911,576	2,911,576
	<u>1,032,290,882</u>	<u>1,379,242,354</u>	<u>1,207,584,527</u>	<u>2,478,019,568</u>	<u>1,597,754,127</u>	<u>-</u>	<u>3,145,747</u>	<u>7,698,037,205</u>
Net (outflow)/inflow	<u>(524,853,831)</u>	<u>(606,720,453)</u>	<u>(265,407,130)</u>	<u>(1,870,269,086)</u>	<u>(130,089,829)</u>	<u>3,585,701,081</u>	<u>132,655,939</u>	<u>321,016,690</u>

## Credit risk management (continued)

(Expressed in Macau Patacas)

### (d) Analysis on past due assets

The aging analysis of loans and advances to customers that have been past due is as follows:

Gross loans and advances to customer that have been past due for :	As at 30 <sup>th</sup> June, 2018	
	Gross loans and advances to customer MOP	Individual impaired allowance MOP
- More than 3 months but not more than 6 months	-	-
- More than 6 months but not more than 1 year	-	-
- More than 1 year	70,643	70,643
	<u>70,643</u>	<u>70,643</u>
	<u>70,643</u>	<u>70,643</u>
% of total loans and advances to customers	-	
Value of collateral	-	

As at 30<sup>th</sup> June, 2018, there were no other assets that have been past due for more than 3 months.

## Foreign exchange risk management

*(Expressed in Macau Patacas)*

The Branch's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Head Office.

The Branch has no significant foreign currency risk because its business is principally conducted in Macau and most of the transactions are denominated in the Branch's functional currency, Hong Kong dollar and United States dollar. Since both the MOP and Hong Kong dollar is pegged to the United States dollar, the Branch's exposure to foreign currency risk in respect of the bank balances denominated in United States dollars is considered to be minimal.

The Branch has an established control framework with respect to the measurement of foreign currency risk. This framework includes the submission of foreign currency position to Risk Management Department on a daily basis.

The following table indicates the net long/(short) position of currencies other than MOP:

	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
HKD	(50,889,839)
RMB	261,003
USD	2,262,558
Other currencies	<u>(475,628)</u>

## Foreign exchange risk management (continued)

(Expressed in Macau Patacas)

Analysis on foreign currencies with net position constitute not less than 10% of the total net position in all currencies:

	HKD	Transaction currencies		Others
		RMB	USD	
<b>Assets</b>				
Cash and balances with banks and other financial institutions	260,195,893	13,516,775	2,012,008	19,643,452
Placements with banks and other financial institutions	206,000,000	114,501,400	32,335,200	58,822,426
Loans and advances to customers and other accounts	4,679,987,204	3,607,890	1,484,144,211	95,540
Spot assets	<u>5,146,183,097</u>	<u>131,626,065</u>	<u>1,518,491,419</u>	<u>78,561,418</u>
<b>Liabilities</b>				
Deposits and balances of banks and other financial institutions	(2,998,799,792)	-	(905,385,600)	-
Deposits from customers	(2,185,058,937)	(130,389,167)	(608,254,687)	(79,071,051)
Other accounts and provisions	<u>(12,777,911)</u>	<u>(975,895)</u>	<u>(2,886,664)</u>	<u>(104,201)</u>
Spot liabilities	<u>(5,196,636,640)</u>	<u>(131,365,062)</u>	<u>(1,516,526,951)</u>	<u>(79,175,252)</u>
Forward purchases	-	-	298,090	436,296
Forward sales	<u>(436,296)</u>	<u>-</u>	<u>-</u>	<u>(298,090)</u>
Net long/ (short) position	<u>(50,889,839)</u>	<u>261,003</u>	<u>2,262,558</u>	<u>(475,628)</u>

## Liquidity risk management (continued)

*(Expressed in Macau Patacas)*

The following table summarised the key quantitative indicators for liquidity risk for the year ended 30<sup>th</sup> June, 2018:

(a)	The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held	81,603,708
(b)	The arithmetic mean of the average weekly amount of cash in hand	224,850,833
(c)	The arithmetic mean of the specified liquid assets at the end of each month	1,653,052,667
(d)	The average ratio of specified liquid asset to total basic liabilities at the end of month	41.52%
(e)	The arithmetic mean of its one-month liquidity ratio in the last week of each month	107.23%
(f)	The arithmetic mean of its three-month liquidity ratio in the last week of each month	41.25%

The above ratios and figures calculations are computed based on the data extracted from the weekly and monthly returns submitted to AMCM.

## Other information

(Expressed in Macau Patacas)

### (a) Capital commitments

Capital commitments outstanding at 30<sup>th</sup> June not provided for in the financial statements were as follows:

	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
Authorised and contracted for	<u>2,909,401</u>

### (b) Operating lease commitments

At 30<sup>th</sup> June, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<i>As at 30<sup>th</sup> June, 2018 MOP</i>
Within 1 year	5,856,751
After 1 year but within 5 years	<u>14,479,541</u>
	<u>20,336,292</u>

The Branch leases a number of properties under operating leases. The leases typically run for an initial period of two to five years, with an option to renew. None of the leases includes contingent rentals.

## Other information in relation to positions of The Bank of East Asia, Limited and its subsidiaries

*(Expressed in Hong Kong dollars)*

The Branch is one of the branches of The Bank of East Asia, Limited (“BEA”) and therefore, it is not required to prepare consolidated accounts. Unless otherwise stated, all information disclosed below is extracted from the corresponding information in the most recently available interim unaudited consolidated financial statements of BEA of which the Branch is a member.

The unaudited consolidated financial statements can be accessed through various channels, including its website (<http://www.hkbea.com>). For more comprehensive understanding of the financial position and results of operations of BEA, the information disclosed below should be read in conjunction with the unaudited consolidated financial statements.

### **(a) Consolidated capital adequacy ratio**

	<i>As at 30<sup>th</sup> June, 2018 %</i>
Common Equity Tier 1 capital ratio	15.3
Tier 1 capital ratio	17.4
Total capital ratio	20.5

Capital adequacy ratios are compiled in accordance with the Banking (Capital) Rules (“the Capital Rules”) issued by the Hong Kong Monetary Authority (“HKMA”). In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank’s shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds and transitional arrangements as determined in accordance with Part 3 and Schedule 4H of the Capital Rules respectively.



## Other information in relation to positions of The Bank of East Asia, Limited and its subsidiaries (continued)

(Expressed in Hong Kong dollars)

**(b) Capital and reserves**

	<i>As at 30<sup>th</sup> June, 2018 HKD million</i>
Total capital	38,883
Total reserves	<u>52,932</u>

**(c) Consolidated assets, liabilities and profits position**

	<i>As at 30<sup>th</sup> June, 2018 HKD million</i>
Total assets	826,834
Total liabilities	723,239
Total gross loans and advances to customers	491,098
Deposits and balances of banks and other financial institutions	31,056
Deposits from customers	568,682
Profit before taxation from continuing operations	<u>4,781</u>

## Other information in relation to positions of The Bank of East Asia, Limited and its subsidiaries (continued)

(d) **List of shareholders with qualifying holdings**

As at 30<sup>th</sup> June, 2018, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the Securities and Futures Ordinance (the “SFO”) were as follows:

**Long positions in ordinary shares of the Bank:**

<u>Name</u>	<u>Capacity and nature</u>	<u>No. of shares</u>	<u>% of issued voting Shares</u>
Sumitomo Mitsui Banking Corporation	Beneficial owner	510,003,673 <sup>1</sup>	19.01
Sumitomo Mitsui Financial Group, Inc.	Interest of Corporation	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, “la Caixa”	Interest of corporation	464,287,319 <sup>2</sup>	17.30
Guoco Management Company Limited	Beneficial owner	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
Guoco Group Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	Interest of corporation	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	Interest of corporation	369,755,978 <sup>3</sup>	14.15
QUEK Leng Chan	Interest of corporation	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	Interest of corporation	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	Interest of corporation	218,080,742 <sup>6</sup>	8.00

## Other information in relation to positions of The Bank of East Asia, Limited and its subsidiaries (continued)

### (d) List of shareholders with qualifying holdings (continued)

Notes:

- <sup>1</sup> Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 510,003,673 shares of the Bank held by Sumitomo Mitsui Banking Corporation.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 30th June, 2018, they stood at 547,282,033 shares (equivalent to approximately 19.49% of the issued shares of the Bank as at 30th June, 2018). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- <sup>2</sup> As at 30<sup>th</sup> June, 2018, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Critería Caixa, S.A., Sociedad Unipersonal ("Critería Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Critería Caixa.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 30th June, 2018, they stood at 491,476,626 shares (equivalent to approximately 17.50% of the issued shares of the Bank as at 30th June, 2018). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- <sup>3</sup> The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 13.17% of the issued shares of the Bank as at 30th June, 2018). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

Quek Leng Chan was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was 49.27% owned by Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited.

## Other information in relation to positions of The Bank of East Asia, Limited and its subsidiaries (continued)

### (d) List of shareholders with qualifying holdings (continued)

Notes: (continued)

<sup>4</sup> The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 13.17% of the issued shares of the Bank as at 30th June, 2018) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

KWEK Leng Kee was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

<sup>5</sup> GuoLine Overseas Limited and GuoLine Capital Assets Limited are wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by Hong Leong Company (Malaysia) Berhad and Guoco Group Limited, GuoLine Overseas Limited, GuoLine Capital Assets Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.

<sup>6</sup> Elliott Capital Advisors, L.P. ("ECALP") was deemed to be interested in these shares (equivalent to approximately 8.00% of the issued shares of the Bank as at 4th July, 2017, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 7.77% of the issued shares of the Bank as at 30th June, 2018) comprising 198,044,142 shares held by Elliott International L.P. ("EILP"), 20,035,600 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.

Liverpool LP was 100% controlled by Liverpool Associates, Ltd. Liverpool Associates, Ltd, Artan Investments Ltd and Frasco Investments Ltd were 100% controlled by Elliott Associates, L.P.. Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..

Both Elliott Associates, L.P. and Hambledon, Inc. were 100% controlled by ECALP which is accustomed to act in accordance with the instructions of Paul Singer.

## Other information in relation to positions of The Bank of East Asia, Limited and its subsidiaries (continued)

(e) **Board of Directors**

The Board of Directors of the Bank comprises:

**Executive Directors**

Dr. the Hon. Sir David LI Kwok-po (*Chairman & Chief Executive*)  
Mr. Adrian David LI Man-kiu (*Deputy Chief Executive*)  
Mr. Brian David LI Man-bun (*Deputy Chief Executive*)

**Non-executive Directors**

Professor Arthur LI Kwok-cheung (*Deputy Chairman*)  
Mr. Aubrey LI Kwok-sing  
Mr. Winston LO Yau-lai<sup>Note</sup>  
Mr. Stephen Charles LI Kwok-sze  
Dr. Isidro FAINÉ CASAS  
Dr. Peter LEE Ka-kit  
Dr. Daryl NG Win-kong<sup>Note</sup>  
Mr. Masayuki OKU

**Independent Non-executive Directors**

Dr. Allan WONG Chi-yun (*Deputy Chairman*)  
Dr. the Hon. Rita FAN HSU Lai-tai  
Mr. Meocre LI Kwok-wing  
Dr. the Hon. Henry TANG Ying-yen  
The Hon. CHAN Kin-por  
Dr. Delman LEE

*Note:*  
*Re-designated as Non-executive Director on 01/01/2018*