



**BANCO COMERCIAL PORTUGUÊS, S. A.
MACAU BRANCH**

DISCLOSURE OF FINANCIAL INFORMATION

31 DECEMBER 2023

(Circular No. 004/B/2024-DSB/AMCM)

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DISCLOSURE OF INFORMATION

The information presented hereinafter concerning Banco Comercial Português, S. A. Macau Branch (the Branch) and its Banking Group to which it belongs is disclosed under and is in compliance with Circular No. 004/B/2024-DSB/AMCM of the Monetary Authority of Macau ('AMCM') (Guideline on Disclosure of Financial Information).

The Branch's policy on this matter is available and can also be consulted.

The information enclosed on pages 5 to 46 of this document is consistent with our audited "Report and Financial Statements for the year ended 31 December 2023" and the relative information otherwise published or in any way supplied to the AMCM and, in what concerns the Group information, other regulators.

The Financial Statements provided here has been reviewed by the Branch's external auditors.

The information or any other remarks belonging to the Branch's books or practices are duly marked along these pages with the tag '*Macau Branch*'.

The Management of the Branch

SUMMARY OF THE ACTIVITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (MACAU BRANCH)

According to the International Monetary Fund (IMF), in 2023, the world economy is expected to have slowed down from 3.5% to 3.1%. This evolution reflects divergent performances among the main economies, with the acceleration of the United States economy (from 1.9% to 2.5%) contrasting with the sharp slowdown of the euro area economy (from 3.4% to 0.5%) and with the persistence of structural weaknesses in China. In 2024, the effects associated with the restrictiveness of monetary policy and the reduction of fiscal stimulus measures that were in place in 2023 are expected to contribute to the maintenance of a global GDP growth rate of 3.1%, which corresponds to a historically low level. The risks to this projection tilted to the downside and relate mainly to the possibility of worsening geopolitical tensions.

In Macao, the end of the zero-covid policy decided in December 2022, led to a very significant increase in the number of tourists, mainly from Mainland China, of 356.6% in 2023, compared to the same period of the previous year, reaching around 28 million and contributing decisively to the 334% increase in casino revenues, to 22 billion USD. Because of this sharp recovery the GDP in 2023 grew by 80.5% and according to the International Monetary Fund, Macao's GDP is forecasted to grow by 13.9%, supported mostly by the entertainment sector but also by the non-gaming investments.

In 2023, BCP Macao Branch successfully continued implementing its growth strategy oriented to:

- The Branch acted as a support platform for companies doing business in Macao and in Mainland China.
- Financing of local and Internacional corporate customers.
- Trade finance operations to support companies with exports to and/or imports from China.
- Attracting companies with international trade operations with China.
- Attracting Chinese clients wishing to invest in Portugal, both individually and at the business.
- Promoting contacts between the Investment Banking area of Millennium bcp and Chinese companies seeking investment opportunities in the Portuguese-speaking countries.

Net income reached 81.6 million Patacas in 2023, in line with Macao's Branch's target, but 33.6% lower than the same period of last year. This underperformance was mainly due to the increase in impairments for credit risk that more than offset the increases in net interest income, in net trading income and commissions.

Net interest income amounted to 204.4 million Patacas in 2023, compared to 182.1 million Patacas recorded in 2022 (+12.3%), mainly driven by the sharp increase of interest rates during the year.

For 2024, BCP Macao Branch will continue its prudent growth strategy, focused on offering its customers superior products and services. However, this strategy could be greatly affected by the negative repercussions on the economy and international financial markets caused by the continued war between Russia and Ukraine and other geopolitical uncertainties.

We would like to conclude by thanking all our customers, employees, Macao SAR Authorities and other stakeholders for the continued trust and confidence in our work.

The Management of
Banco Comercial Português, Macao Branch
Constantino Mousinho
General Manager

**INDEPENDENT AUDITOR'S REPORT TO REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 31
DECEMBER 2023**

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

TO THE BRANCH MANAGEMENT OF
BANCO COMERCIAL PORTUGUÊS, S.A. MACAU BRANCH

We have audited the financial statements of Banco Comercial Português, S.A. Macau Branch (the "Branch") set out on pages 3 to 42, which comprise the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, the statement of changes in reserves and head office account, the statement of cash flows for the year then ended, and a summary of material accounting policies information and other explanatory information.

Branch Management's Responsibility for the Financial Statements

The Branch 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") approved by the 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 the Branch management, as well as evaluating the overall presentation of the financial statements.

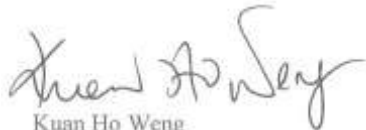
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE BRANCH MANAGEMENT OF
BANCO COMERCIAL PORTUGUÊS, S.A. MACAU BRANCH - continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Branch as at 31 December 2023, and of its financial results and cash flows for the year then ended in accordance with the Financial Reporting Standards of Macau SAR approved by the 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

05 APR 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ENDED 31 DECEMBER 2023
(MACAU BRANCH)

	NOTES	31 Dec 2023 MOP	31 Dec 2022 MOP
Interest income	5	432,562,774	280,649,820
Interest expense	5	(228,134,595)	(98,569,849)
Net interest income		204,428,179	182,079,971
Net fee and commission income	6	2,148,082	2,214,248
Net foreign exchange gains		7,391,065	3,534,939
Other operating income	8	14,470,096	3,084,603
Total operating income		228,437,422	190,913,761
Staff costs	7	(21,325,700)	(21,305,646)
Other administrative costs	8	(9,261,625)	(8,608,967)
Depreciation and amortisation	9	(1,392,814)	(1,623,176)
Other operating expenses		(591,056)	(497,741)
Operating profit before impairment losses		195,866,227	158,878,231
Net charge for impairment losses on financial instruments	17	(103,166,076)	(19,169,343)
Profit before income tax		92,700,151	139,708,888
Income tax	10	(11,052,019)	(16,693,067)
Profit and total other comprehensive income for the year		81,648,132	123,015,821

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023 (MACAU BRANCH)

	NOTES	31 Dec 2023 MOP	31 Dec 2022 MOP
ASSETS			
Cash and balances with the Monetary Authority of Macau	11	82,695,461	87,774,245
Balances with credit institutions repayable on demand	12	86,901,144	74,531,610
Other loans and advances to credit institutions	13	2,171,044,468	1,480,678,782
Loans and advances to customers	14	4,281,625,584	7,948,708,323
Property and equipment	15	2,118,964	2,902,726
Intangible assets	16	1,045,882	1,334,736
Other assets		9,161,814	4,648,756
TOTAL ASSETS		6,634,593,317	9,600,579,178
LIABILITIES			
Deposits from credit institutions	18	2,310,471,493	5,230,044,499
Deposits from customers	19	4,130,734,158	4,139,586,156
Income tax liabilities	10	11,458,494	17,257,775
Other liabilities		62,013,809	52,407,696
TOTAL LIABILITIES		6,514,677,954	9,439,296,126
RESERVES AND HEAD OFFICE ACCOUNT			
Total Reserves and Head Office account *		119,915,363	161,283,052
TOTAL LIABILITIES AND RESERVES AND HEAD OFFICE ACCOUNT		6,634,593,317	9,600,579,178
* Included the regulatory reserve required Monetary Authority of Macau ("AMCM"):			
- General		-	38,267,231
- Specific		-	-
Total regulatory reserve		-	38,267,231

STATEMENT OF CHANGES IN RESERVES AND HEAD OFFICE ACCOUNT ENDED 31 DECEMBER 2023
(MACAU BRANCH)

	<u>Retained earnings</u> MOP	<u>Regulatory reserves</u> MOP	<u>Total</u> MOP
At 31 December 2021	120,027,850	-	120,027,850
Impact of adopting New MFRSs	20,219,416	-	20,219,416
Transfer from retained earnings to regulatory reserves (Note)	<u>(20,219,416)</u>	<u>20,219,416</u>	<u>-</u>
At 1 January 2022, as adjusted	120,027,850	20,219,416	140,247,266
Profit transferred to Head Office	(101,980,035)	-	(101,980,035)
Profit for the year	123,015,821	-	123,015,821
Transfer from retained earnings to regulatory reserves (Note)	<u>(18,047,815)</u>	<u>18,047,815</u>	<u>-</u>
At 31 December 2022 and 1 January 2023	123,015,821	38,267,231	161,283,052
Profit transferred to Head Office	(123,015,821)	-	(123,015,821)
Profit for the year	81,648,132	-	81,648,132
Transfer from regulatory reserves to retained earnings (Note)	<u>38,267,231</u>	<u>(38,267,231)</u>	<u>-</u>
At 31 December 2023	<u><u>119,915,363</u></u>	<u><u>-</u></u>	<u><u>119,915,363</u></u>

Note : The Branch follows AMCM requirement to maintain regulatory reserve in excess of the Branch's impairment allowance for loans and advances to customers and financial guarantee contracts estimated through the transfer of retained profits to other reserves. As at 31 December 2023, zero amount (31 December 2022: MOP38,267,231) was included in regulatory reserves which is not distributable under AMCM's requirement. The transfers from other reserves to retained earnings were due to exceeding of the required regulatory reserves during the year.

BANCO COMERCIAL PORTUGUÊS, S. A. – MACAU BRANCH
DISCLOSURE OF INFORMATION (Circular No. 004/B/2024-DSB/AMCM)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023 (MACAU BRANCH)

	<u>NOTES</u>	<u>2023</u> MOP	<u>2022</u> MOP
CASH FLOW ARISING FROM OPERATING ACTIVITIES			
Profit before income tax		92,700,151	139,708,888
<u>Adjustments:</u>			
Depreciation and amortisation	9	1,392,814	1,623,176
Net charge for impairment losses on financial instruments		103,166,076	19,169,343
Interest income	5	(432,562,774)	(280,649,820)
Interest expense	5	228,134,595	98,569,849
Gain on fixed assets disposal		-	(49,512)
		<u>(7,169,138)</u>	<u>(21,628,076)</u>
<u>(Increase)/decrease in operating assets:</u>			
Other loans and advances to credit institutions (more than 3 months)		(5,246,867)	7,302,893,348
Loans and advances to customers		3,595,051,211	(505,880,646)
Other assets		(5,017,691)	(721,685)
<u>Increase/(decrease) in operating liabilities:</u>			
Deposits from credit institutions		(2,926,731,831)	(7,800,960,765)
Deposits from customers		(25,754,966)	44,969,025
Other liabilities		6,768,928	43,892,362
CASH FROM (USED IN) OPERATIONS		<u>639,068,784</u>	<u>(915,808,361)</u>
Interest paid		(204,072,802)	(98,652,531)
Interest received		404,462,635	292,164,340
Tax paid	10	(16,851,300)	(16,361,108)
NET CASH FROM (USED IN) FROM OPERATIONS		<u>815,438,179</u>	<u>(760,285,736)</u>
CASH ARISING FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	15	(92,572)	(942,076)
Acquisition of intangible assets	16	(227,626)	(175,200)
Proceeds from disposal of fixed assets		-	49,512
NET CASH USED IN INVESTING ACTIVITIES		<u>(320,198)</u>	<u>(1,067,764)</u>
CASH ARISING FROM FINANCING ACTIVITY			
Distribution to the Head office		(123,015,821)	(101,980,035)
NET CHANGE IN CASH AND CASH EQUIVALENTS		692,102,160	(863,333,535)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		<u>1,536,078,025</u>	<u>2,399,411,560</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u>2,228,180,185</u>	<u>1,536,078,025</u>
REPRESENTED BY:			
Cash and balances with the Monetary Authority of Macau	11	82,695,461	87,774,245
Balances with credit institutions repayable on demand	12	86,901,144	74,531,610
Other loans and advances to credit institutions		2,058,583,580	1,373,772,170
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u>2,228,180,185</u>	<u>1,536,078,025</u>

NOTES TO THE FINANCIAL STATEMENTS

1. STATUS OF THE BRANCH

Banco Comercial Português, S. A. – Macau Branch (the “Branch”) is a Branch of Banco Comercial Português, S.A. (“BCP” or the “Head Office”) established in Macau on 11 May 2010 and has its registered office and principal place of business in Macau at Avenida Comercial de Macau, Quarteirão 5, Lote A, Finance and IT Centre of Macau Building, 19. G-I. The Head Office, Banco Comercial Português, S.A., is incorporated in Portugal.

The Branch provides banking and other related financial services.

2. MATERIAL ACCOUNTING POLICIES (MACAU BRANCH)

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements as set out in Macau Financial System Act (Law No.13/2023) (“Financial System Act”) and the Macau Financial Reporting Standards (“MFRSs”) issued under Administrative Regulation No. 44/2020 of the Macau SAR.

2.2 Basis of preparation of the financial statements

The Branch is part of the Banco Comercial Português, S.A.. It is registered as a branch under the Financial System Act under the Supervision of the Monetary Authority of Macau (“AMCM”), accordingly, it is not a separate legal entity. These financial statements have been prepared from the books and records of the Branch, which contain evidence of all transactions entered into locally.

The financial statements are prepared in Macau Patacas (“MOP”), which is the Branch’s functional currency.

The measurement basis used in the preparation of the financial statements is historical cost, except for derivative financial instruments which have been measured at fair value.

The preparation of financial statements in conformity with MFRSs requires the Branch’s management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The issues involving a higher degree of judgment or complexity or where assumptions and estimates are considered to be significant are presented in note 3.

2.3 Financial assets

A. Classification and subsequent measurement of financial assets

Financial assets are measured initially at fair value. All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Branch commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at amortised cost

Financial assets that are held within a business model whose objective is to collect contractual cash flows, and that have contractual terms 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 effective interest rate amortisation is included in interest income in the profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") include all financial assets that are neither financial assets at amortised cost nor financial assets at fair value through other comprehensive income.

Financial assets at FVTPL are carried in the statement of financial position at fair value with changes in fair value presented as net foreign exchange gains in the statement of profit or loss and other comprehensive income. These net fair value changes include interest earned on these financial assets.

B. Impairment of financial assets

Measurement of Expected Credit Loss ("ECL")

The Branch recognizes a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 – Financial Instruments ("IFRS 9") (including loans and advances, 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.

The application of the ECL model will result in three stages of financial assets:

- Stage 1: the operations in which there is no significant increase in credit risk since its initial recognition are classified in this stage. Impairment losses associated with operations classified in this stage correspond to expected credit losses resulting from a default event that may occur within 12 months after the reporting date (12-month ECL);
- Stage 2: the operations in which there is a significant increase in credit risk since its initial recognition but are not impaired are classified in this stage.

Significant increase in credit risk (SICR) is determined according to a set of mostly quantitative, but also qualitative criteria. These criteria are mainly based on the risk grade of customers, according to the BCP Group's Rating Master Scale, and on its evolution in order to detect significant increases in credit risk/Probability of Default (PD), complemented by other information regarding the customers' behaviour towards the financial system.

Impairment losses associated with operations classified in this stage correspond to the expected credit losses resulting from default events that may occur over the expected residual life of the operations (lifetime ECL).

- Stage 3: impaired operations are classified in this stage. Impairment losses associated with operations classified in this stage correspond to lifetime ECL.

Definition of financial assets in default and impaired

All customers who meet at least one of the following conditions are marked as default and, consequently, as Non-performing (“NPE”):

a) Delay over 90 days of material payment:

- Amounts of principal, interest or fees not paid on the due date that, cumulatively, represent:
 - i) more than Euros 100 equivalent (retail) or more than Euros 500 equivalent (non-retail); and,
 - ii) more than 1% of the total debt (direct liabilities).

After these two conditions are met, and if the client remains in this situation for more than 90 consecutive days, it is classified as default (or Risk Grade 15 (GR15)).

The existence of a material payment delay gives rise to a default classification (GR15) of all holders of the operation (or operations).

b) Signs of low probability of payment:

- i. Credit restructuring due to financial difficulties with loss of value;
- ii. Delay after restructuring due to financial difficulties;
- iii. Recurrence of restructuring due to financial difficulties;
- iv. Credit with signs of impairment (or stage 3 of IFRS 9);
- v. Insolvency or equivalent proceedings;
- vi. Litigation;
- vii. Obligors that are guarantors of a defaulted exposure
- viii. Credit sales with losses;
- ix. Credit fraud;
- x. Obligors under a non-accrual status;
- xi. Breach of covenants in a credit agreement;

- xii. Contagion of default in an economic group;
- xiii. Cross default in BCP Group.

Customers representing high risk and exposure for which objective signs of impairment exist (Stage 3) are submitted to an individual impairment analysis. That individual analysis is a regular process of assigning a recovery expectation concerning all the exposures, as well as of a term expected for the recovery. The impairment amount for each client is based, essentially, in the prospects of repayment and repayment term, concerning monetary, financial or physical assets.

This process is based on the elements that are relevant for the impairment assessment, namely:

- Financial and economic data based on the Client's most recent accounting statements.
- Qualitative data that characterizes the Client's situation in what concerns the economic viability of the business.
- Projected cash-flows for clients that are analyzed in a 'going concern' perspective.
- Creditworthiness track-record of the Client within the BCP Group and the financial system.

Collateral and guarantees data are of particular importance, especially in real estate companies and in cases for which economic viability is reduced ("gone concern" approach). The BCP Group has a conservative approach towards the treatment of collateral, materialized in the use of haircuts, aiming at incorporating the assets' devaluation risk, the costs inherent to the disposal and the maintenance costs and term until the sale completion.

For each client, the impairment is calculated as the difference between the respective exposure and the sum of the expected cash-flows for the various operations, discounted at the effective interest rate of each operation.

The credits that are not subject to individual impairment analysis are grouped, taking into consideration their risk features and impairment assessment is based on homogeneous populations (collective analysis), defined in accordance with the client's risk grade and segment.

Expected credit losses (ECL) are determined as follows:

- financial assets with no signs of impairment at the reporting date: the present value of the difference between the contractual cash flows and the cash flows that the BCP Group expects to receive;
- financial assets with impairment at the reporting date: the difference between the gross book value and the present value of the estimated cash flows;
- unused credit commitments: the present value of the difference between the resulting contractual cash flows if the commitment is made and the cash flows that the BCP Group expects to receive;
- financial guarantees: the current value of the expected repayments less the amounts that the BCP Group expects to recover.

The main inputs used to measure ECLs on a collective basis include the following variables:

- Probability of Default – PD;
- Loss Given Default – LGD; and,
- Exposure at Default – EAD.

These parameters are obtained through internal statistical models and other relevant historical data, similar to the data used in the exiting regulatory models but adapted according to the requirements of IFRS 9.

- PDs are estimated based on a certain historical period and are calculated based on statistical models. These models are based on the BCP Group's internal data including both quantitative and qualitative factors. If there is a change in the risk of the counterparty or exposure, the associated PD will also vary.

The risk grades are a relevant input for determining the PD associated with each exposure.

The BCP Group collects performance and default indicators about their credit risk exposures by types of customers and products.

- LGD is the magnitude of the loss that is expected to occur if an exposure goes into default. The BCP Group estimates the LGD parameters based on the historical recovery rates after entry into default. The LGD models consider the associated collaterals, the counterparty activity sector, the time since default, as well as the recovery costs. In the case of contracts secured by real estate, it is expected that the LTV (loan-to-value) ratios are a parameter of high relevance in the determination of LGD.

- The EAD represents the expected exposure in case the customer defaults. The BCP Group obtains the EAD values from the counterparty's current exposure and potential changes to its current value as a result of the contractual conditions. For commitments and financial guarantees, the value of the EAD will consider both the amount of credit used and the expectation of future amounts that may be used in accordance with the agreement.

As described above, except for financial assets that consider a 12-month PD as a result of not presenting a significant increase in credit risk, the BCP Group will calculate the ECL value considering the risk of default during the maximum contractual maturity period of the contract, even if, for the purpose of risk management, it is considered to be a longer period. The maximum contractual period shall be considered as the period up to the date on which the BCP Group has the right to require payment or terminate the commitment or guarantee.

The BCP Group adopted as a residual term criterion for renewable operations, when in stage 2, a term of 5 years. This term was determined based on the behavioral models of this type of product. According to these models, the maximum period of repayment of these operations is the 5 years considered conservatively in the scope of the calculation of credit impairment.

The BCP Group uses models to forecast the evolution of the most relevant parameters for the expected credit losses, namely probability of default, which incorporate forward-looking information. The incorporation of forward-looking information is carried out in the relevant elements considered for the calculation of expected credit losses (ECL).

In particular, the PD point-in-time (PDpit) considered for the determination of the probability of performing exposures at the reference date becoming defaulted exposures considers the expected values for a set of macroeconomic variables (e.g. unemployment rate, savings rate, inflation rate, etc.), based on three scenarios (Central, Upside and Downside Scenario) prepared by the BCP Group's Economic Studies area. These scenarios, which are used across BCP for various purposes besides calculating impairment, consider existing projections by reference entities.

In December 2023, the BCP Group carried out an update of the macroeconomic scenarios and of the corresponded adjustment of the parameters considered in the collective impairment model.

Overlays

In order to comply with the Supervisors' guidelines, namely regarding to the identification and measurement of credit risk in the context of uncertainty associated with the current geopolitical crises, the disruption in distribution chains, rising energy costs and inflationary pressures, the BCP Group proceeded to record additional impairments in relation to the current models of collective impairment calculation (overlays).

The exercise carried out was based on an analysis of potential migrations from customers identified as having the highest risk for Stage 2 and Stage 3, with the greatest impact on the corporate segment.

Since this is an amount that is calculated globally, recognition is made at the aggregate level in the financial statements of the Head-Office in Portugal.

The Branch also complies with AMCM requirement to maintain regulatory reserves in excess of the Branch's impairment allowance for loans and advances. When the minimum provision under the relevant AMCM rules is higher than the impairment allowance made under the Branch's accounting policy which is in accordance with IFRS 9, the Branch transfers the additionally required amount from retained profits to regulatory reserves.

Write-off

Financial assets are written off with related impairment allowances (either partially or in full) when there is no realistic prospect of recovery. This is the case when the Branch 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. Financial assets written off may still be subject to enforcement activities under the Branch's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

2.4 Derecognition of financial assets

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 Branch 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 Branch has transferred substantially all the risks and rewards of the asset, or (b) the Branch 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 Branch has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset; (b) the Branch 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 Branch has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

When the Branch 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 Branch's continuing involvement in the asset. In that case, the Branch 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 Branch has retained.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.5 Financial liabilities

Financial liabilities include deposits from customers, deposits from credit institutions, and other liabilities. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, while derivative financial instruments are recognised at fair value and subsequently remeasured at fair value.

Financial liabilities at FVTPL includes other financial liabilities designated at FVTPL. Financial liabilities designated at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest paid.

The Branch derecognises financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

2.6 Revenue recognition

The Branch 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. Recognise revenue when, or as, the entity satisfies a performance obligation

The Branch 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 Branch's performance as the Branch performs;
- the Branch's performance creates or enhances an asset that the customer controls as the Branch performs; or

- the Branch's performance does not create an asset with an alternative use to the Branch and the Branch 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.

Interest income and expense for all interest-bearing financial instruments are recognized in the profit or loss on an accruals basis using the effective interest method. 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.

2.7 Property and equipment

Property and equipment are stated at acquisition cost net of the accumulated depreciation and impairment losses, if any. Subsequent costs are recognised as a separate asset only when it is probable that future economic benefits will flow to the Branch.

Depreciation is calculated to write off the cost of property and equipment using straight-line method over their estimated useful lives as follows:

	<u>Number of years</u>
Improvements to leasehold buildings	10
Equipment	4 to 10

The useful life of an asset and its residual value, if any, are reviewed annually.

2.8 Intangible assets

Software

The Branch records the costs associated with software acquired from external entities as intangible assets. These assets are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated on straight-line basis over an estimated useful life of three years. The Branch does not capitalise internal costs arising from software development.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and deposits with credit institutions having less than three months of maturity at acquisition.

Cash and cash equivalents include the Branch's deposit maintained in AMCM Fast Payment System (FPS) Platform, mandatory deposits and monetary bills with the AMCM having less than three months of maturity at acquisition.

Monetary bills are measured at amortised cost using the effective interest method.

2.10 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.11 Foreign currency transactions

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the statement of financial position date. Foreign exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

2.12 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Branch has a legal or contractual obligation arising as a result of past event, it is probable that an outflow of economic benefit will be recognised to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be recognised, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefit is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.13 Off-balance sheet financial instruments

Off-balance sheet financial instruments include mainly derivatives arising from forward, swap and option transactions undertaken by the Branch in the foreign exchange and interest rate markets. Realised gain or loss on derivatives is recognised as net foreign exchange gains or losses in the statement of profit or loss and other comprehensive income upon the settlement of forward, swap and option transactions.

2.14 Related Parties

For the purpose for these financial statements, related parties include:

- a) Any person or any close family member of that person if that person:
 - i. Has control or joint control over the Branch;

- ii. Has significant influence over the Branch;
 - iii. Holds a qualifying holding in the Branch;
 - iv. Is a member of supervisory board of the Branch or of a parent of the Branch; or
 - v. Is a member of key management personnel, other than a member of the supervisory board as identified in sub-item (iv) above, of the Branch or of a parent of the Branch.
- b) An entity if any of the following conditions applied:
- i. That entity and the Branch are members of the same group (e.g. parent, subsidiary and fellow subsidiary).
 - ii. That entity holds a qualifying holding in the Branch.
 - iii. That entity is controlled or jointly controlled by a person identified in (a).
 - iv. A person identified in (a)(i) has significant influence over that entity or is a member of the key management personnel of that entity (or of a parent of that entity).
 - v. A person identified in (a)(iv) is a member of the key management personnel of that entity (or of a parent of that entity).

3. CRITICAL ACCOUNTING ESTIMATES NOTES TO THE FINANCIAL STATEMENTS (MACAU BRANCH)

The Branch makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments 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.

Impairment of financial assets

The Branch reviews its credit portfolios to assess impairment. The measurement of impairment losses across all categories of credit asset requires judgment, in particular, the estimation of the amount and timing of future cash flows and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances such as 12-month ECL, lifetime ECL and in accordance with accounting policies as set out in note 2.3.

4. FINANCIAL RISK MANAGEMENT

The risks associated with the financial instruments include liquidity risk, credit risk, market risk (foreign currency risk, interest rate risk and other price risk). The management of the Branch manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Credit Risk

Credit risk is associated with the degree of uncertainty of the expected returns as a result of the inability either of the borrower (and the guarantor, if any) or of the issuer of a security or of the counterparty to an agreement to fulfill their obligations.

Credit granting is based on prior classification of the customers' risk and on thorough assessment of the level of protection provided by the underlying collateral. In order to do so, a single risk-notation system has been introduced, the Rating Master Scale, based on the expected probability of default,

allowing greater discrimination in the assessment of the customers and better establishment of the hierarchies of the associated risk.

The Rating Master Scale also identifies those customers showing worsening credit capacity and, in particular, those classified as being in default. All rating and scoring models used by the Branch have been duly calibrated for the Rating Master Scale. The protection-level concept has been introduced as a crucial element of evaluation of the effectiveness of the collateral in credit-risk mitigation, leading to more active collateralization of loans and more adequate pricing of the risk incurred.

The evaluation of the risk associated to the loan portfolio and quantification of the respective expected losses considers the following methodological approaches:

a) Collaterals and Guarantees

On the risk evaluation of an operation or of a group of operations, the mitigation elements associated to those operations are considered in accordance with the rules and internal procedures requirements, also reflecting the experience of the loan's recovery areas and the Legal Department opinions with respect to the entailment of the various mitigation instruments.

The collaterals and the relevant guarantees can be aggregated in the following categories:

- financial collaterals, real estate collaterals or other collaterals;
- receivables;
- first demand guarantees, issued by banks or other entities;
- personal guarantees;
- credit derivatives.

b) Risk grades

Aiming at an adequate assessment of credit risk, the BCP Group defined a set of macro segments and segments which are treated through different rating systems and models that relate the internal risk grades and the clients' PD, ensuring a risk assessment that considers the clients' specific features in terms of their respectively risk profiles.

The assessment made by these rating systems and models result in the assignment of a risk grade of the Master Scale to each client. The Master Scale has fifteen grades, where the last three correspond to relevant downgrades of the clients' credit quality and are referred to by "procedural risk grades": 13, 14 and 15, that correspond, in this order, to situations of increased severity in terms of probability of default and risk grade 15 to a Default situation.

The non-procedural risk grades are attributed by the rating systems through automatic decision models (retail clients) or by the Rating Division – a unit which is independent from the credit analysis and decision areas and bodies - and are reviewed/updated periodically or whenever this is justified by events.

The following table lists the equivalence between the internal rating levels (Rating Master Scale) and the external ratings of the international rating agencies:

Internal risk grade	External ratings			
	Fitch	S&P	Moody's	DBRS
1	AAA	AAA	Aaa	AAA
1	AA+	AA+	Aa1	AA (high)
2	AA	AA	Aa2	AA
2	AA-	AA-	Aa3	AA (low)
3	A+	A+	A1	A (high)
3	A	A	A2	A
4	A-	A-	A3	A (low)
4	BBB+	BBB+	Baa1	BBB (high)
5	BBB	BBB	Baa2	BBB
6	BBB-	BBB-	Baa3	BBB (low)
7	BB+	BB+	Ba1	BB (high)
8	BB	BB	Ba2	BB
9	BB-	BB-	Ba3	BB (low)
10	B+	B+	B1	B (high)
11	B	B	B2	B
12	≤ B-	≤ B-	≤ B3	≤ B-

(i) Maximum exposure to credit risk before collateral held or other credit enhancements

The table below shows the maximum exposure to credit risk for the components at the end of the reporting period. The maximum exposure is based on the carrying amounts net of offset and losses allowance.

	<u>2023</u> MOP	<u>2022</u> MOP
Cash and balances with the Monetary Authority of Macau	82,695,461	87,774,245
Balances with credit institutions repayable on demand	86,901,144	74,531,610
Other loans and advances to credit institutions	2,171,044,468	1,480,678,782
Loans and advances to customers	4,281,625,584	7,948,708,323
Loan commitments	2,696,815,531	2,142,582,165
Guarantees granted	41,439,852	43,378,259
	<u>9,360,522,040</u>	<u>11,777,653,384</u>

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(ii) Loans and advances to customers (gross)

	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	MOP	MOP	MOP	MOP
Movement in loans and advances to customers (gross):				
At 1 January 2023	7,620,192,450	324,500,117	90,551,801	8,035,244,368
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(323,706,931)	323,706,931	-	-
Transfer to Stage 3	(88,143,456)	-	88,143,456	-
Net change on exposure (including exchange adjustments)	43,342,707	610,721	4,239,253	48,192,681
New loans and advances originated or purchased	716,392,760	-	-	716,392,760
Loans and advances that have been derecognised	(4,285,861,339)	(40,415,635)	(1,898,687)	(4,328,175,661)
Write off	-	-	-	-
Recoveries of amount previously written off	-	-	-	-
At 31 December 2023	3,682,216,191	608,402,134	181,035,823	4,471,654,148

	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	MOP	MOP	MOP	MOP
Movement in loans and advances to customers (gross):				
At 1 January 2022	6,685,946,166	832,033,076	-	7,517,979,242
Transfer to Stage 1	215,477,195	(215,477,195)	-	-
Transfer to Stage 2	(54,124,939)	54,124,939	-	-
Transfer to Stage 3	-	(88,115,172)	88,115,172	-
Net change on exposure (including exchange adjustments)	(308,122,464)	78,495	330,835	(307,713,134)
New loans and advances originated or purchased	1,428,127,612	-	2,258,791	1,430,386,403
Loans and advances that have been derecognised	(347,111,120)	(258,144,026)	(152,997)	(605,408,143)
Write off	-	-	-	-
Recoveries of amount previously written off	-	-	-	-
At 31 December 2022	7,620,192,450	324,500,117	90,551,801	8,035,244,368

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(iii) Amounts arising from ECL for Loans and advances to customers

	31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	MOP	MOP	MOP	MOP
Movement in impairment allowances:				
At 1 January 2023	18,753,705	22,286,214	45,496,126	86,536,045
Transfer to 12-month ECL	-	-	-	-
Transfer to Lifetime ECL not credit-impaired	(10,687,226)	10,687,226	-	-
Transfer to Lifetime ECL credit-impaired	(728,101)	-	728,101	-
Net remeasurement of loss allowance (including exchange adjustments)	2,395,897	6,573,170	85,850,783	94,819,850
New financial assets originated or purchased	14,752,292	-	-	14,752,292
Financial assets that have been derecognized	(3,453,714)	(2,625,909)	-	(6,079,623)
Write off	-	-	-	-
Recoveries of amount previously written off	-	-	-	-
At 31 December 2023	21,032,853	36,920,701	132,075,010	190,028,564

	31 December 2022			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	MOP	MOP	MOP	MOP
Movement in impairment allowances:				
At 1 January 2022	20,557,813	42,643,414	-	63,201,227
Transfer to 12-month ECL	15,326,302	(15,326,302)	-	-
Transfer to Lifetime ECL not credit-impaired	(3,799,780)	3,799,780	-	-
Transfer to Lifetime ECL credit-impaired	-	(1,226,927)	1,226,927	-
Net remeasurement of loss allowance (including exchange adjustments)	(13,455,527)	(2,427,627)	44,269,199	28,386,045
New financial assets originated or purchased	6,113,000	-	-	6,113,000
Financial assets that have been derecognized	(5,988,103)	(5,176,124)	-	(11,164,227)
Write off	-	-	-	-
Recoveries of amount previously written off	-	-	-	-
At 31 December 2022	18,753,705	22,286,214	45,496,126	86,536,045

(iv) Credit quality

Loan and advances to customers

The following table sets out information about the overdue status of loans and advances to customers.

	31 December <u>2023</u> MOP	31 December <u>2022</u> MOP
Current	4,290,618,325	7,944,692,567
Past due up to 30 days	-	-
Past due 31-60 days	410,603	-
Past due 61-90 days	86,366,592	-
Past due over 90 days	94,258,628	90,551,801
	<u>4,471,654,148</u>	<u>8,035,244,368</u>

Market Risk

Market risks consist of the potential losses that might occur in a given portfolio as a result of changes in exchange rates and/or in the prices of the various financial instruments of portfolio, considering not only the correlations between those instruments but also their volatility.

Market risk assessment and management

In the course of its operations, the Branch is primarily exposed to fluctuations in foreign exchange and interest rates.

Complementarily to the monitoring performed by the Head Office risk function on an integrated global basis, the Branch also monitors its market risk, including interest rate risk by using the banking returns related to risks submitted to the AMCM. Through this model, computed at least once every quarter, the Branch is able to determine the sensitivity of its positions to changes in interest rates as well as the amount of capital that would be necessary to cover such scope of risk.

At the Head Office level, BCP's market risk management policy establishes a framework for identifying, measuring, limiting, and monitoring market risks from both trading and non-trading activities. This includes clear segregation of risk functions, robust risk measurement systems, and alignment with the Group's Risk Appetite Statement.

New products and activities are submitted to and reviewed by Capital, Asset and Liabilities Management Commission (CALCO) of Head Office, with prudential limits set for various market conditions, and within the limits set in the Risk Appetite Statement of the Group.

At Group level, market risk is monitored using Value at Risk (VaR), calculated daily with a ten-day holding period, based on a one-tail confidence level of 99% and a minimum of one year of historical data.

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At the Head Office, the operations of Macau Branch are included in the Head Office's interest rate risk management framework: variations of market interest rates influence the net interest income (NII) and the economic value of the Group, both in the short term – affecting the Bank's NII – and in the medium/long term, affecting the balance sheet economic value (EVE).

The main risk factors arise from the repricing mismatch of the portfolio positions which may cause direct or indirect financial losses in the banking book, due to changes in interest rates that have different impacts over assets and liabilities' classes, making the Head Office vulnerable to variations of the yield curve. Also, in interest rates may alter the behavioural profile of clients, inducing pre-payments/withdrawals in assets and liabilities. Additionally, there is the risk of unequal variations in different reference rates with the same repricing period.

The Head Office's monitoring of the interest rate risk takes into consideration the financial characteristics of each of the relevant contracts, with the respective expected cash-flows being projected according to the repricing dates, thus calculating the impact on economic value resulting from alternative scenarios of change of market interest rate curves. For non-remunerated demand deposits the Bank assumes the following repricing profile: 30% in one month, 30% in three months and 40% in one year. For remunerated demand deposits the behavioural assumptions is the 50% repricing in one month and 50% in three months.

Interest rate risk

At 31 December 2023

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
Cash and balances with the Monetary Authority of Macau	81,648	-	-	-	-	1,047	82,695
Balances with credit institutions repayable on demand	22,163	-	-	-	-	64,738	86,901
Other loans and advances to credit institutions	488,837	1,611,082	71,125	-	-	-	2,171,044
Loans and advances to customers	1,562,625	1,460,851	981,005	277,145	-	-	4,281,626
Other assets	-	-	-	-	-	12,327	12,327
Total assets	2,155,273	3,071,933	1,052,130	277,145	-	78,112	6,634,593
Liabilities							
Deposits from credit institutions	912,877	444,843	950,267	-	-	2,485	2,310,472
Deposits from customers	649,785	682,727	1,919,250	-	-	878,972	4,130,734
Other liabilities	-	-	-	-	-	73,472	73,472
Total liabilities	1,562,662	1,127,570	2,869,517	-	-	954,929	6,514,678
Total interest sensitivity gap	592,611	1,944,363	(1,817,387)	277,145	-	(876,817)	119,915

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At 31 December 2022

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
Cash and balances with the Monetary Authority of Macau	86,934	-	-	-	-	840	87,774
Balances with credit institutions repayable on demand	16,512	-	-	-	-	58,020	74,532
Other loans and advances to credit institutions	496,809	882,240	101,630	-	-	-	1,480,679
Loans and advances to customers	1,621,471	1,326,691	4,680,993	-	319,553	-	7,948,708
Other assets	-	-	-	-	-	8,886	8,886
Total assets	2,221,726	2,208,931	4,782,623	-	319,553	67,746	9,600,579
Liabilities							
Deposits from credit institutions	636,474	360,758	4,232,581	-	-	231	5,230,044
Deposits from customers	578,464	881,196	1,628,235	952	-	1,050,739	4,139,586
Other liabilities	-	-	-	-	-	69,666	69,666
Total liabilities	1,214,938	1,241,954	5,860,816	952	-	1,120,636	9,439,296
Total interest sensitivity gap	1,006,788	966,977	(1,078,193)	(952)	319,553	(1,052,890)	161,283

The Branch's interest rate risk is mainly caused by the time difference when the interest rate is re-set due to holdings of interest-bearing assets, liabilities and other off-balance sheet financial items. On 31 December 2023, if the interest rate increases by 100 pips on that day (2022: 100 pips), and other factors remain unchanged, the Branch's after-tax profit will increase relatively by MOP 8,771,249 (2022: increase by MOP 10,684,722).

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Currency risk

At 31 December 2023

	MOP	HKD	USD	EUR	Others	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets						
Cash and balances with the Monetary Authority of Macau	82,307	354	27	-	7	82,695
Balances with credit institutions repayable on demand	10,859	24,793	4,854	4,614	41,781	86,901
Other loans and advances to credit institutions	-	257,600	963,788	722,402	227,254	2,171,044
Loans and advances to customers	110,311	865,017	780,605	2,394,495	131,198	4,281,626
Other assets	4,232	5,986	541	1,463	105	12,327
Total assets	207,709	1,153,750	1,749,815	3,122,974	400,345	6,634,593
Liabilities						
Deposits from credit institutions	124,315	-	-	2,049,494	136,663	2,310,472
Deposits from customers	82,939	481,822	2,217,434	1,079,645	268,894	4,130,734
Other liabilities	19,477	54	45,484	8,284	173	73,472
Total liabilities	226,731	481,876	2,262,918	3,137,423	405,730	6,514,678
Net currency exposure	(19,022)	671,874	(513,103)	(14,449)	(5,385)	119,915

At 31 December 2022

	MOP	HKD	USD	EUR	Others	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets						
Cash and balances with the Monetary Authority of Macau	87,318	421	27	-	8	87,774
Balances with credit institutions repayable on demand	7,218	41,020	12,683	2,061	11,550	74,532
Other loans and advances to credit institutions	-	130,935	996,662	127,655	225,427	1,480,679
Loans and advances to customers	63,262	871,528	999,528	6,014,390	-	7,948,708
Other assets	5,546	774	306	2,019	241	8,886
Total assets	163,344	1,044,678	2,009,206	6,146,125	237,226	9,600,579
Liabilities						
Deposits from credit institutions	121,172	-	-	5,108,872	-	5,230,044
Deposits from customers	92,066	429,046	2,347,639	1,038,578	232,257	4,139,586
Other liabilities	23,487	135	30,874	8,194	6,976	69,666
Total liabilities	236,725	429,181	2,378,513	6,155,644	239,233	9,439,296
Net currency exposure	(73,381)	615,497	(369,307)	(9,519)	(2,007)	161,283

Sensitivity analysis

The currencies to which the Branch had significant exposure at the reporting dates on its monetary financial assets and liabilities included Hong Kong Dollars ("HKD"), United States Dollars ("USD") and Euro Dollar ("EUR"). Since MOP is linked to the HKD and HKD is linked to the USD, management considered the Branch's exposure to HKD and USD is minimal. As such, no sensitivity analysis is presented.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the EUR exchange rate, with all other variable held constant, on the Branch's profit after tax.

(Equivalent in MOP)

Increase/(decrease) in profit after taxation

Change in EUR Exchange rate	<u>2023</u> MOP'000	<u>2022</u> MOP'000
5%	(636)	(419)
(5%)	636	419

Liquidity risks

Liquidity risk reflects the Branch's inability to meet its obligations at maturity without incurring in significant losses resulting from the deterioration of the funding conditions (funding risk) and/or from the sale of its assets below market value (market liquidity risks).

Liquidity risk assessment and management

Evaluation of the Branch's liquidity risk is carried out using indicators defined by the supervisory authorities on a regular basis and other internal metrics for which exposure limits are also defined.

Aside from being monitored by the BCP Group risk function on an integrated global basis, and the support given by the Head-Office in this particular aspect by providing the liquidity as needed, the Branch has also its own liquidity risk management policy. Under this policy, the Branch manages its liquidity needs namely through maturity mismatch analysis over a series of time-bands as determined by the local regulator (AMCM).

The following maturity profile is based on the remaining period at the statement of financial position date to the contractual maturity date.

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At 31 December 2023

	Repayable on demand	3 months or less	3 months to 1 year	1 year to 5 years	Over 5 years	Undated or overdue	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
Cash and balances with the Monetary Authority of Macau	82,695	-	-	-	-	-	82,695
Balances with credit institutions repayable on demand	86,901	-	-	-	-	-	86,901
Other loans and advances to credit institutions	-	2,099,919	71,125	-	-	-	2,171,044
Loans and advances to customers	-	85,805	1,287,670	2,745,741	113,449	48,961	4,281,626
Other assets	105	6,952	1,066	-	-	4,204	12,327
Total assets	169,701	2,192,676	1,359,861	2,745,741	113,449	53,165	6,634,593
Liabilities							
Deposits from credit institutions	2,485	265,509	1,329,200	713,278	-	-	2,310,472
Deposits from customers	878,977	1,332,507	1,919,250	-	-	-	4,130,734
Other liabilities	-	51,066	13,494	-	-	8,912	73,472
Total liabilities	881,462	1,649,082	3,261,944	713,278	-	8,912	6,514,678
Asset-liability gap	(711,761)	543,594	(1,902,083)	2,032,463	113,449	44,253	119,915

At 31 December 2022

	Repayable on demand	3 months or less	3 months to 1 year	1 year to 5 years	Over 5 years	Undated or overdue	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
Cash and balances with the Monetary Authority of Macau	87,774	-	-	-	-	-	87,774
Balances with credit institutions repayable on demand	74,532	-	-	-	-	-	74,532
Other loans and advances to credit institutions	-	1,379,049	101,630	-	-	-	1,480,679
Loans and advances to customers	223,013	31,790	681,905	5,996,463	970,481	45,056	7,948,708
Other assets	241	2,004	944	-	-	5,697	8,886
Total assets	385,560	1,412,843	784,479	5,996,463	970,481	50,753	9,600,579
Liabilities							
Deposits from credit institutions	231	120,941	644,133	4,143,416	321,323	-	5,230,044
Deposits from customers	1,050,745	1,459,654	1,628,235	952	-	-	4,139,586
Other liabilities	-	33,549	19,839	-	-	16,278	69,666
Total liabilities	1,050,976	1,614,144	2,292,207	4,144,368	321,323	16,278	9,439,296
Asset-liability gap	(665,416)	(201,301)	(1,507,728)	1,852,095	649,158	34,475	161,283

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The tables below summarise the maturity profile, which is based on the remaining period of the Branch's financial liabilities based on the contractual undiscounted cash flows. The balances of some items in the tables below are different from the balances on the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest.

At 31 December 2023

	Repayable on demand	3 months or less	3 months to 1 year	1 year to 5 years	Over 5 years	Undated or overdue	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Liabilities							
Deposits from credit institutions	2,485	270,184	1,372,303	762,973	-	-	2,407,945
Deposits from customers	878,977	1,337,006	1,961,808	-	-	-	4,177,791
Other liabilities	-	51,066	13,495	-	-	-	64,561
Total liabilities	881,462	1,658,256	3,347,606	762,973	-	-	6,650,297

At 31 December 2022

	Repayable on demand	3 months or less	3 months to 1 year	1 year to 5 years	Over 5 years	Undated or overdue	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Liabilities							
Deposits from credit institutions	231	124,526	755,798	4,530,482	327,242	-	5,738,279
Deposits from customers	1,050,745	1,462,009	1,650,470	955	-	-	4,164,179
Other liabilities	-	33,549	19,839	-	-	-	53,388
Total liabilities	1,050,976	1,620,084	2,426,107	4,531,437	327,242	-	9,955,846

Off-balance sheet items

	At 31 December 2023			
	No later than 1	1-5 years	Over 5 years	Total
	year			
	MOP'000	MOP'000	MOP'000	MOP'000
Loan commitments	1,036,398	1,660,418	-	2,696,816
Guarantees, acceptances and other financial facilities	22,073	19,367	-	41,440
Total	1,058,471	1,679,785	-	2,738,256

	At 31 December 2022			
	No later than 1	1-5 years	Over 5 years	Total
	year			
	MOP'000	MOP'000	MOP'000	MOP'000
Loan commitments	565,803	1,576,779	-	2,142,582
Guarantees, acceptances and other financial facilities	23,481	19,897	-	43,378
Total	589,284	1,596,676	-	2,185,960

Fair value and fair value hierarchy

Fair value

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques.

Valuation techniques include net present value, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other parameters used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

Observable prices or model inputs are usually available in the market for listed debt securities and derivatives. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Fair value hierarchy

The following table presents the fair value of the Branch'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 valuations: Fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	At 31 December 2023			
	Level 1	Level 2	Level 3	Total
	MOP'000	MOP'000	MOP'000	MOP'000
Financial assets				
Other assets	-	724	-	724
	-	724	-	724
Financial liabilities				
Other liabilities	-	-	-	-
	-	-	-	-
	At 31 December 2022			
	Level 1	Level 2	Level 3	Total
	MOP'000	MOP'000	MOP'000	MOP'000
Financial assets				
Other assets	-	624	-	624
	-	624	-	624
Financial liabilities				
Other liabilities	-	757	-	757
	-	757	-	757

There was no transfer between level 1, level 2 and level 3 of the fair value hierarchy for financial assets and liabilities which are recorded at fair value during 2023 and 2022.

The carrying amounts of the Branch's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2023 and 31 December 2022.

Operational Risk

Operational risk is understood to be the potential loss resulting from the failures or inadequacies in internal procedures, persons or systems and also the potential losses resulting from external events.

Operational risk assessment and management

The approach to operational risk management is based on the business and support 'end-to-end' processes. Process management is the responsibility of the Process Owners, who are the first parties responsible for evaluation of the risks and for strengthening the performance within the scope of their processes. The Process Owners are responsible for keeping up to date all the relevant documentation concerning the processes, for ensuring the real adequacy of all the existing controls through direct supervision or by delegation on the departments responsible for the controls in question, for coordinating and taking part in the 'risk self-assessment' exercises, and for detecting and implementing improvement opportunities, including mitigating measures for the more significant exposures.

In the operational risk management implemented in the Head Office, there is a systematic process of gathering information on operational losses, which defines on a systematic form, the causes and the effects associated to an eventual detected loss. From the analysis of the historical information and its relationships, processes involving greater risk are identified and mitigation measures are launched to reduce the critical exposures.

BCP has duly documented principles and practices, promoting the continued improvement of the operational risk control environment including: functions segregation, definitions for lines of responsibility and respective authorization levels, tolerance limits for exposure to risks, appropriate internal regulations' framework (including ethical codes and codes of conduct), risks self-assessment exercises, assessment and monitoring of the risks over technological assets, information security and outsourcing, key risk indicators (KRI), access controls (physical and logical), reconciliation activities, exception reports, loss events data capture, a structured process for new products and services approval, contingency plans, contracting of insurance (for the total or partial transfer of risk), follow-up of the BCP's outsourcing contracts and internal training on processes, products and systems.

5. NET INTEREST INCOME

	<u>2023</u> MOP	<u>2022</u> MOP
Interest income		
Interest on loans and advances to customers	365,751,333	205,995,513
Interest on other loans and advances to credit institutions	66,811,441	74,654,307
	<u>432,562,774</u>	<u>280,649,820</u>
Interest expense		
Interest on deposits from customers	(100,416,749)	(33,560,231)
Interest on deposits from credit institutions	(127,717,846)	(65,009,618)
	<u>(228,134,595)</u>	<u>(98,569,849)</u>
Net interest income	<u>204,428,179</u>	<u>182,079,971</u>

6. NET FEE AND COMMISSION INCOME

	<u>2023</u> MOP	<u>2022</u> MOP
Fee and commission income		
From financial guarantees and documentary credits issued	827,221	967,085
From banking services rendered	2,581,341	2,405,163
	<u>3,408,562</u>	<u>3,372,248</u>
Fee and commission expenses		
From banking services rendered to third parties	(1,260,480)	(1,158,000)
Net fee and commission income	<u>2,148,082</u>	<u>2,214,248</u>

7. STAFF COSTS

	<u>2023</u> MOP	<u>2022</u> MOP
Remuneration	20,610,761	20,701,743
Mandatory social security charges	700,424	590,135
Voluntary social security charges	14,515	13,768
	<u>21,325,700</u>	<u>21,305,646</u>

8. OTHER OPERATING INCOME AND OTHER ADMINISTRATIVE COSTS

a) Other Operating income

	<u>2023</u> MOP	<u>2022</u> MOP
Other operating income	14,470,096	3,084,603
	<u>14,470,096</u>	<u>3,084,603</u>

Other operating income mainly comprise of other income MOP 14,136,867 (2022: MOP 2,628,443) from the recognition of residual unamortised fee for loan, which are early repaid during the year.

b) Other Administrative Costs

	<u>2023</u> MOP	<u>2022</u> MOP
Water, electricity and fuel	110,496	89,383
Equipment maintenance and repair	123,016	63,217
Insurance	257,374	222,808
Auditor's remuneration	596,702	517,902
System services and maintenance	717,930	743,379
Rental expenses	4,249,806	4,425,538
Telecommunications and postages	474,688	496,863
Office management and supplies	727,521	752,425
Professional and consulting services	833,936	688,033
Others	1,170,156	609,419
	<u>9,261,625</u>	<u>8,608,967</u>

9. DEPRECIATION AND AMORTISATION

	<u>2023</u> MOP	<u>2022</u> MOP
Intangible assets (note 16)		
- software	<u>516,480</u>	<u>375,288</u>
Property and equipment (note 15)		
Improvements to leasehold buildings	341,468	764,372
Equipment		
- Furniture and equipment	38,019	32,798
- Computer equipment	244,884	202,402
- Interior installations	30,133	33,359
- Motor vehicles	201,626	181,028
- Security equipment	20,204	33,929
	<u>876,334</u>	<u>1,247,888</u>
	<u>1,392,814</u>	<u>1,623,176</u>

10. INCOME TAX

Income tax liabilities

	<u>2023</u> MOP	<u>2022</u> MOP
As at 1 January	17,257,775	16,925,816
Tax paid during the year	(16,851,300)	(16,361,108)
Provision taking during the year	11,052,019	16,693,067
As at 31 December	<u>11,458,494</u>	<u>17,257,775</u>

The tax is calculated in accordance with the relative regulation of Macau Complementary Tax rate (i.e. maximum 12%) as well as the tax relief granted in the Macau Budget of the respective year. Moreover, tax liabilities may include the provisions for prior years.

Income tax expense

The amount of taxation charged to the statement of profit or loss and other comprehensive income represents:

	<u>2023</u> MOP	<u>2022</u> MOP
Macau complementary tax		
Provision for the year	<u>11,052,019</u>	<u>16,693,067</u>

The tax charge for the year can be reconciled to profit before tax per the statement of profit or loss and other comprehensive income as follows:

	<u>2023</u> MOP	<u>2022</u> MOP
Profit before income tax	92,700,151	139,708,888
Complementary tax at 12% (2022: 12%)	11,124,019	16,765,067
Others	(72,000)	(72,000)
Income tax expense	<u>11,052,019</u>	<u>16,693,067</u>

11. CASH AND BALANCES WITH THE MONETARY AUTHORITY OF MACAU

	<u>2023</u> MOP	<u>2022</u> MOP
Cash	744,776	786,127
Deposits at the Monetary Authority of Macau	81,950,685	86,988,118
	<u>82,695,461</u>	<u>87,774,245</u>

12. BALANCES WITH CREDIT INSTITUTIONS REPAYABLE ON DEMAND

	<u>2023</u> MOP	<u>2022</u> MOP
Credit institutions in Macau	26,915,320	25,343,236
Credit institutions abroad	59,985,824	49,188,374
	<u>86,901,144</u>	<u>74,531,610</u>

13. OTHER LOANS AND ADVANCES TO CREDIT INSTITUTIONS

	<u>2023</u> MOP	<u>2022</u> MOP
To credit institutions abroad (gross)	2,171,072,265	1,480,678,782
Impairment allowances	(27,797)	-
	<u>2,171,044,468</u>	<u>1,480,678,782</u>

14. LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers:	<u>2023</u> MOP	<u>2022</u> MOP
Loans and advances to customers (gross)	4,471,654,148	8,035,244,368
Impairment allowances	(190,028,564)	(86,536,045)
	<u>4,281,625,584</u>	<u>7,948,708,323</u>

15. PROPERTY AND EQUIPMENT

The movements of property and equipment are analysed as follows:

	Balance on 1 Jan 2023	Acquisitions / Charges	Disposal / Write-offs	Balance on 31 Dec 2023
	MOP	MOP	MOP	MOP
Cost				
Improvements to leasehold buildings	6,027,048	-	-	6,027,048
Equipment				
- Furniture and equipment	1,575,790	84,711	(73,151)	1,587,350
- Computer equipment	1,827,426	-	(534,290)	1,293,136
- Interior installations	357,205	7,861	(1,839)	363,227
- Motor vehicles	1,008,133	-	-	1,008,133
- Security equipment	349,788	-	(138,058)	211,730
Works of art	94,408	-	-	94,408
	<u>11,239,798</u>	<u>92,572</u>	<u>(747,338)</u>	<u>10,585,032</u>
Accumulated depreciation				
Improvements to leasehold buildings	5,048,034	341,468	-	5,389,502
Equipment				
- Furniture and equipment	1,451,710	38,019	(73,151)	1,416,578
- Computer equipment	1,141,413	244,884	(534,290)	852,007
- Interior installations	100,980	30,133	(1,839)	129,274
- Motor vehicles	402,121	201,626	-	603,747
- Security equipment	192,814	20,204	(138,058)	74,960
	<u>8,337,072</u>	<u>876,334</u>	<u>(747,338)</u>	<u>8,466,068</u>
		(note 9)		
Net book value				<u><u>2,118,964</u></u>

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	Balance on 1 Jan 2022 MOP	Acquisitions / Charges MOP	Disposal / Write-offs MOP	Balance on 31 Dec 2022 MOP
Cost				
Improvements to leasehold buildings	6,027,048	-	-	6,027,048
Equipment				
- Furniture and equipment	1,575,790	-	-	1,575,790
- Computer equipment	1,567,819	324,107	(64,500)	1,827,426
- Interior installations	357,205	-	-	357,205
- Motor vehicles	863,758	617,969	(473,594)	1,008,133
- Security equipment	349,788	-	-	349,788
Works of art	94,408	-	-	94,408
	<u>10,835,816</u>	<u>942,076</u>	<u>(538,094)</u>	<u>11,239,798</u>
Accumulated depreciation				
Improvements to leasehold buildings	4,283,662	764,372	-	5,048,034
Equipment				
- Furniture and equipment	1,418,912	32,798	-	1,451,710
- Computer equipment	1,003,511	202,402	(64,500)	1,141,413
- Interior installations	67,621	33,359	-	100,980
- Motor vehicles	694,687	181,028	(473,594)	402,121
- Security equipment	158,885	33,929	-	192,814
	<u>7,627,278</u>	<u>1,247,888</u>	<u>(538,094)</u>	<u>8,337,072</u>
		(note 9)		
Net book value				<u><u>2,902,726</u></u>

16. INTANGIBLE ASSETS

The movements of intangible assets are analysed as follows:

	Balance on 1 Jan 2023 MOP	Acquisitions / Charges MOP	Write-offs MOP	Balance on 31 Dec 2023 MOP
Cost				
Software	4,981,081	227,626	(162,075)	5,046,632
Accumulated amortisation				
Software	3,646,345	516,480	(162,075)	4,000,750
Net book value				<u><u>1,045,882</u></u>

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	Balance on 1 Jan 2022 MOP	Acquisitions / Charges MOP	Write-offs MOP	Balance on 31 Dec 2022 MOP
Cost				
Software	4,805,881	175,200	-	4,981,081
Accumulated amortisation				
Software	3,271,057	375,288	-	3,646,345
Net book value				<u>1,334,736</u>

17. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	<u>2023</u> MOP	<u>2022</u> MOP
Movements in impairment allowances on financial instruments:		
Other loans and advances to credit institutions		
At 31 December 2022/2021	-	-
Impact on new MFRS adoption	-	-
At 1 January	-	-
Impairment losses charged to profit or loss	(27,797)	-
At 31 December	<u>(27,797)</u>	<u>-</u>
Loans and advances to customers		
At 31 December 2022/2021	(86,536,046)	(87,519,391)
Impact on new MFRS adoption	-	24,318,163
At 1 January	(86,536,046)	(63,201,228)
Impairment losses charged to profit or loss	(103,492,518)	(23,334,818)
At 31 December	<u>(190,028,564)</u>	<u>(86,536,046)</u>
Direct credit substitutes and undrawn loan commitments		
At 31 December 2022/2021	(843,354)	-
Impact on new MFRS adoption	-	(4,098,747)
At 1 January	(843,354)	(4,098,747)
Impairment losses (charged) to/reversed in profit or loss	(2,230,265)	3,255,393
At 31 December	<u>(3,073,619)</u>	<u>(843,354)</u>

18. DEPOSITS FROM CREDIT INSTITUTIONS

	<u>2023</u> MOP	<u>2022</u> MOP
Deposits from credit institutions abroad	<u>2,310,471,493</u>	<u>5,230,044,499</u>

19. DEPOSITS FROM CUSTOMERS

	<u>2023</u> MOP	<u>2022</u> MOP
Repayable on demand	878,976,966	1,050,744,745
Term deposits	<u>3,251,757,192</u>	<u>3,088,841,411</u>
	<u>4,130,734,158</u>	<u>4,139,586,156</u>

20. NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	<u>2022</u> MOP	<u>2022</u> MOP
Up to 1 year	<u>2,492,799</u>	<u>2,031,571</u>

21. RELATED PARTY TRANSACTIONS (MACAU BRANCH)

21.1 Definition of basic terms

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Related party (non-exhaustive definition – see note 2.14 of ‘Material Accounting Policies’)

A party is related to an entity if the party, directly and indirectly, controls, is controlled by, or is under common control with, the entity.

A related party relationship might exist between entities when they are members of the same group either as a parent, a subsidiary or a fellow subsidiary.

Conflicts of interest

Conflicts of interest arise when an entity unduly benefits (directly or indirectly) from a transaction due to being in a relation of control with or having a significant influence over a related party.

21.2 Related party transactions

BCP Group has internal regulations relating to transactions with related parties provide for specific procedures for processing proposals relating to related parties, which ensure that such transactions are carried out under market conditions and subject to additional controls. As a matter of fact, the regular procedure for the approval of transactions with related parties consists in the approval of the transaction by a majority of two thirds of the Board of Directors, following a proposal submitted by the Executive Committee, after the prior issuance of an opinion by the Audit Committee and the opinions of the Compliance Office and the Risk Office regarding the compliance of the proposed operations with the internal regulations, legal and regulatory provisions and other constraints that may apply to them, namely in terms of risk. There are still simplified procedures for transactions considered to be of lower risk, which were defined considering the legal framework in force, especially the Notice 3/2020 of Banco de Portugal.

The Branch is required to follow the according control mechanisms and procedures implemented in BCP Group while dealing with the according transactions.

21.3 Disclosures

The significant transactions and balances with the Head Office and parties stated in the corresponding notes, arising from the Branch's course of business, are disclosed as follows.

i) Balances and transactions with Head Office

Statement of Financial Position

	<u>2023</u>	<u>2022</u>
	MOP	MOP
Assets		
Balances with credit institutions repayable on demand	54,216,101	27,391,625
Other loans and advances to credit institutions	2,120,586,066	1,416,568,695
Other assets	723,870	1,151,991
Total	<u>2,175,526,037</u>	<u>1,445,112,311</u>
Liabilities		
Deposits from credit institutions	2,310,471,493	5,230,044,499
Other liabilities	2,758,913	5,893,471
Total	<u>2,313,230,406</u>	<u>5,235,937,970</u>

Statement of profit or loss and other comprehensive income

	<u>2023</u> MOP	<u>2022</u> MOP
Interest income	<u>127,717,846</u>	<u>70,698,642</u>
Interest expense	<u>57,147,421</u>	<u>9,695,156</u>

Off- Balance Sheet Exposures

	<u>2023</u> MOP	<u>2022</u> MOP
Exchange rate contracts		
Purchases	451,107,185	449,869,095
Sales	(450,110,000)	(450,110,000)

ii) Balances and transactions with other related parties

Statement of Financial Position

	<u>2023</u> MOP	<u>2022</u> MOP
Assets		
Loans and advances to customers	<u>460,678,024</u>	<u>356,822,834</u>
Total	<u>460,678,024</u>	<u>356,822,834</u>
Liabilities		
Deposits from customers	<u>10,988,276</u>	<u>10,982,344</u>
Total	<u>10,988,276</u>	<u>10,982,344</u>

Note: Other related parties included qualified shareholders and its subsidiaries.

Statement of profit or loss and other comprehensive income

	<u>2023</u> MOP	<u>2022</u> MOP
Interest income	<u>19,811,037</u>	<u>7,482,616</u>
Interest expense	<u>208,782</u>	<u>55,356,953</u>

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Branch entered into the following material related party transactions.

iii) Key management personnel

The remuneration of key management personnel, which is included in "staff costs", is as follows:

	<u>2023</u> MOP	<u>2022</u> MOP
Remuneration	<u>9,166,260</u>	<u>8,915,037</u>
	<u>9,166,260</u>	<u>8,915,037</u>

22. WORKING CAPITAL MANAGEMENT

With reference to the article 31 of the Financial System Act effective from 1 November 2023, the Act requires the Head Office to provide operating fund free of charge to Macau Branch on amount equal to at least 50% of the minimum capital required for the establishment of a credit institution in cash. The Branch is now in the process of internal application to get the additional capital injection on or before one year grace period starting from the above-said effective date.

LIST OF SHAREHOLDERS WITH QUALIFIED HOLDINGS IN BANCO COMERCIAL PORTUGUÊS, S. A.

NAME	% OF SHARE CAPITAL	% OF VOTING RIGHTS
Fosun Group		
Chiado (Luxembourg) S.a.r.l. (*)	25.99%	25.99%
Sonangol Group		
Sonangol-Sociedade Nacional de Combustíveis de Angola, EP	19.49%	19.49%

(*) Chiado (Luxembourg) S.à r.l. announced on January 23, 2024, that it held on that date, 3,027,936,381 BCP shares, corresponding to 20.03% of the respective share capital and voting rights. On December 31, 2023, Chiado (Luxembourg) S.à r.l. held 3,927,436,381 BCP shares, corresponding to 25.99% of the share capital and voting rights.

Note:

According with the definition adopted by the Monetary Authority of Macau (AMCM), a qualifying holding is a holding which is owned directly or indirectly by the shareholder and which represents 10% or more of the share capital or voting rights of the credit institution or which confers, in any other form, the possibility to exercise a significant influence over the management of the credit institution.

NAMES OF MEMBERS OF BOARDS OF BANCO COMERCIAL PORTUGUÊS, S. A.

BOARD OF THE GENERAL MEETING

Pedro Rebelo de Sousa	Chairman
Octávio Castelo Paulo	Vice-Chairman
Ana Patrícia Moniz Macedo	Company Secretary

BOARD OF DIRECTORS

Nuno Manuel da Silva Amado	Chairman
Jorge Manuel Baptista Magalhães Correia	Vice-Chairman
Valter Rui Dias de Barros	Vice-Chairman
Miguel Maya Dias Pinheiro	Vice-Chairman
Altina de Fátima Sebastian Gonzalez Villamarin	Member
Ana Paula Alcobia Gray	Member
Cidália Maria Mota Lopes	Member
Fernando da Costa Lima	Member
João Nuno de Oliveira Jorge Palma	Member
José Miguel Bensliman Schorcht da Silva Pessanha	Member
Lingjiang Xu	Member
Lingzi Yuan (Smilla Yuan)	Member
Maria José Henriques Barreto de Matos de Campos	Member
Miguel de Campos Pereira de Bragança	Member
José Pedro Rivera Ferreira Malaquias	Member
Rui Manuel da Silva Teixeira	Member
Xiaoxu Gu (Julia Gu) *	Member

** resignation from her position by letter dated 05 January 2024 with effect from 29 February 2024*

EXECUTIVE COMMITTEE

Miguel Maya Dias Pinheiro	Chairman
Miguel de Campos Pereira de Bragança	Vice-Chairman
João Nuno de Oliveira Jorge Palma	Vice-Chairman
Rui Manuel da Silva Teixeira	Member
José Miguel Bensliman Schorcht da Silva Pessanha	Member
Maria José Henriques Barreto de Matos de Campos	Member

REMUNERATIONS AND WELFARE BOARD

José António Figueiredo Almaça	Chairman
Jorge Manuel Baptista Magalhães Correia	Member
Valter Rui Dias de Barros	Member

STRATEGIC BOARD (SB)

Nuno Manuel da Silva Amado	Members due to their functions
Jorge Manuel Baptista Magalhães Correia	Members due to their functions
Valter Rui Dias de Barros	Members due to their functions
Miguel Maya Dias Pinheiro	Members due to their functions

AUDIT COMMITTEE

Cidália Maria Mota Lopes	Chairwoman
Fernando da Costa Lima	Member
Valter Rui Dias de Barros	Member
Altina de Fátima Sebastian Gonzalez Villamarin	Alternate member

NAMES OF MEMBERS OF THE MANAGEMENT OF THE MACAU BRANCH OF BANCO COMERCIAL PORTUGUÊS, S. A.

Constantino Alves Mousinho	General Manager
Leung Chi Wai	Deputy General Manager
Vong Sau Mui	Deputy General Manager
Chan Fong Mei	Deputy General Manager

OFF-BALANCE SHEET EXPOSURES OTHER THAN DERIVATIVES TRANSACTIONS AT THE YEAR ENDED 31 DECEMBER (MACAU BRANCH)

	2023 MOP	2022 MOP
Credit substitutes	41,439,852	43,378,259
Transaction-related contingencies	-	-
Acceptances and other trade-related contingencies	-	-
Note issuance facilities, revolving underwriting facilities and other similar facilities	-	-
Forward asset purchases	-	-
Unpaid portion of partly paid shares and other securities	-	-
Forward deposits	-	-
Asset sales with repurchase option	-	-
Undrawn credit facilities and other commitments to extend credit	2,696,815,531	2,142,582,165
Other off-balance sheet items	17,722,928,329	19,470,999,853
TOTAL	<u>20,461,183,712</u>	<u>21,656,960,277</u>

DERIVATIVES TRANSACTIONS (MACAU BRANCH)

	2023 MOP	2022 MOP
Exchange rate contracts		
Forward purchases	451,107,186	449,869,095
Forward sales	450,110,000	450,110,000
Interest rate contracts		
Purchases	-	-
Sales	-	-
Equities contracts	-	-
Commodities contracts	-	-
Others	-	-
TOTAL	<u>901,217,186</u>	<u>899,979,095</u>
TOTAL OFF-BALANCE SHEET EXPOSURES	<u>21,362,400,898</u>	<u>22,556,939,372</u>

CREDIT RISK WEIGHTED AMOUNTS OF THE DERIVATIVES TRANSACTIONS

(in accordance with Notice no. 011/2015-AMCM)

	2023	2022
	MOP	MOP
Exchange rate contracts	5,234,812	5,122,288
Interest rate contracts	-	-
Equities contracts	-	-
Commodities contracts	-	-
Others	-	-
TOTAL	5,234,812	5,122,288

NET FAIR VALUE OF THE DERIVATIVES TRANSACTIONS

	2023	2022
	MOP	MOP
Exchange rate contracts	723,740	(133,473)
Interest rate contracts	-	-
Equities contracts	-	-
Commodities contracts	-	-
Others	-	-
TOTAL	723,740	(133,473)

LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHIC DISTRIBUTION (MACAU BRANCH)

	31 Dec 2023	31 Dec 2022
	MOP	MOP
British Virgin Islands	80,540,860	80,277,179
China	357,608,767	191,103,252
Germany	207,798,680	224,868,369
Hong Kong	1,913,189,381	1,753,432,093
Macau	268,897,665	243,174,640
Netherlands	1,603,545,087	5,305,988,900
Portugal	11,269,012	12,096,578
Spain	-	105,950,242
United States	28,804,696	118,355,115
	4,471,654,148	8,035,244,368
Impairment allowances	(190,028,564)	(86,536,045)
	4,281,625,584	7,948,708,323

CREDIT EXPOSURES BY GEOGRAPHIC DISTRIBUTION (MACAU BRANCH)

Loans and advances to customers as of 31 Dec 2023

	Gross Amount		ECL		Net Total
	Stage 1 & 2 MOP	Stage 3 MOP	Stage 1 & 2 MOP	Stage 3 MOP	MOP
British Virgin Islands	80,540,860	-	15,390	-	80,525,470
China	357,608,767	-	8,559,182	-	349,049,585
Germany	207,798,680	-	15,035,807	-	192,762,873
Hong Kong	1,732,564,161	180,625,220	21,776,465	131,849,274	1,759,563,642
Macau	268,487,062	410,603	9,435,715	225,736	259,236,214
Netherlands	1,603,545,087	-	2,102,456	-	1,601,442,631
Portugal	11,269,012	-	672,637	-	10,596,375
Spain	-	-	-	-	-
United States	28,804,696	-	355,902	-	28,448,794
	4,290,618,325	181,035,823	57,953,554	132,075,010	4,281,625,584

Loans and advances to customers as of 31 Dec 2022

	Gross Amount		ECL		Net Total
	Stage 1 & 2 MOP	Stage 3 MOP	Stage 1 & 2 MOP	Stage 3 MOP	MOP
British Virgin Islands	80,277,179	-	14,353	-	80,262,826
China	191,103,252	-	643,718	-	190,459,534
Germany	224,868,369	-	17,643,804	-	207,224,565
Hong Kong	1,663,412,718	90,019,375	8,393,819	45,341,292	1,699,696,982
Macau	242,640,214	532,426	8,019,042	154,834	234,998,764
Netherlands	5,305,988,900	-	4,437,389	-	5,301,551,511
Portugal	12,096,578	-	595,866	-	11,500,712
Spain	105,950,242	-	610,240	-	105,340,002
United States	118,355,115	-	681,688	-	117,673,427
	7,944,692,567	90,551,801	41,039,919	45,496,126	7,948,708,323

BANCO COMERCIAL PORTUGUÊS, S. A. – MACAU BRANCH
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Guarantees and undrawn commitments as of 31 Dec 2023

	Gross Amount		ECL		Net Total
	Stage 1 & 2 MOP	Stage 3 MOP	Stage 1 & 2 MOP	Stage 3 MOP	MOP
China	-	-	-	-	-
Hong Kong	530,781,892	-	1,514,678	-	529,267,214
Macau	299,263,085	-	828,809	-	298,434,276
Netherlands	1,770,895,920	-	250,283	-	1,770,645,637
Portugal	5,108,868	-	-	-	5,108,868
Spain	-	-	-	-	-
United States	132,205,618	-	479,849	-	131,725,769
	2,738,255,383	-	3,073,619	-	2,735,181,764

Guarantees and undrawn commitments as of 31 Dec 2022

	Gross Amount		ECL		Net Total
	Stage 1 & 2 MOP	Stage 3 MOP	Stage 1 & 2 MOP	Stage 3 MOP	MOP
China	41,842,464	-	9,610	-	41,832,854
Hong Kong	40,425,234	-	210,471	-	40,214,763
Macau	236,023,772	-	311,647	-	235,712,125
Netherlands	1,818,923,463	-	233,012	-	1,818,690,451
Portugal	5,316,010	-	-	-	5,316,010
Spain	1,150,122	-	2,082	-	1,148,040
United States	42,279,359	-	76,533	-	42,202,826
	2,185,960,424	-	843,355	-	2,185,117,069

BANCO COMERCIAL PORTUGUÊS, S. A. – MACAU BRANCH
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LOANS AND ADVANCES TO CUSTOMERS BY INDUSTRY DISTRIBUTION (MACAU BRANCH)

	31 Dec 2023	31 Dec 2022
	MOP	MOP
Mining industries	57,876,866	76,846,456
Manufacturing industries	359,194,596	282,041,307
Electricity, gas and water	51,282,044	51,157,248
Construction and public works	269,928,276	344,031,940
Wholesale and retail trade	316,850,197	396,673,970
Non-monetary financial institutions	807,992,646	4,097,581,841
Other industries	2,587,923,390	2,761,634,617
Personal loans	20,606,133	25,276,989
	<u>4,471,654,148</u>	<u>8,035,244,368</u>
Impairment allowances	(190,028,564)	(86,536,045)
	<u>4,281,625,584</u>	<u>7,948,708,323</u>

LOANS AND ADVANCES AND EXPECTED CREDIT LOSS (ECL) BY INDUSTRY DISTRIBUTION AS OF 31 DECEMBER 2023

	Gross Amount		ECL		Net Total
	Stage 1 & 2 MOP	Stage 3 MOP	Stage 1 & 2 MOP	Stage 3 MOP	MOP
Mining industries	57,876,866	-	70,516	-	57,806,350
Manufacturing industries	359,194,596	-	1,450,266	-	357,744,330
Electricity, gas and water	51,282,044	-	229,475	-	51,052,569
Construction and public works	89,303,056	180,625,220	17,059	131,849,274	138,061,943
Wholesale and retail trade	316,850,197	-	6,883,211	-	309,966,986
Non-monetary financial institutions	807,992,646	-	18,655,666	-	789,336,980
Other industries	2,587,923,390	-	26,628,551	-	2,561,294,839
Personal loans	20,195,530	410,603	4,018,810	225,736	16,361,587
	<u>4,290,618,325</u>	<u>181,035,823</u>	<u>57,953,554</u>	<u>132,075,010</u>	<u>4,281,625,584</u>

**LOANS AND ADVANCES AND EXPECTED CREDIT LOSS (ECL) BY INDUSTRY DISTRIBUTION
AS OF 31 DECEMBER 2022**

	Gross Amount		ECL		Net Total
	Stage 1 & 2 MOP	Stage 3 MOP	Stage 1 & 2 MOP	Stage 3 MOP	MOP
Mining industries	76,846,456	-	60,704	-	76,785,752
Manufacturing industries	282,041,307	-	346,329	-	281,694,978
Electricity, gas and water	51,157,248	-	166,257	-	50,990,991
Construction and public works	254,012,565	90,019,375	870,952	45,341,292	297,819,696
Wholesale and retail trade	396,673,970	-	4,157,324	-	392,516,646
Non-monetary financial institutions	4,097,581,841	-	20,632,292	-	4,076,949,549
Other industries	2,761,634,617	-	11,013,741	-	2,750,620,876
Personal loans	24,744,563	532,426	3,792,320	154,834	21,329,835
	7,944,692,567	90,551,801	41,039,919	45,496,126	7,948,708,323

PAST DUE EXPOSURES – LOANS AND ADVANCES TO CUSTOMERS

	31 Dec 2023 MOP	% *	31 Dec 2022 MOP	% *
More than 3 months but less than 6 months	86,777,195	1.9	90,551,801	1.1
More than 6 months but less than 1 year	-	-	-	-
More than 1 year	94,258,628	2.1	-	-
	<u>181,035,823</u>	4.0	<u>90,551,801</u>	1.1
Mitigation from collaterals **	(410,603)		(532,426)	
Net past due exposures	<u>180,625,220</u>		<u>90,019,375</u>	
Impairment allowances to past due exposures	<u>(132,075,010)</u>		<u>(45,496,126)</u>	

* % on total loans to customers (gross)

** Mitigation is driven from a collateral item valued MOP 900,000 for one of the past due exposures.

BANCO COMERCIAL PORTUGUÊS, S. A. – MACAU BRANCH
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CREDIT QUALITY ANALYSIS UNDER REGULATORY ASSET CLASSIFICATION (NOTICE NO. 012/2021-AMCM)

Credits as of 31 December 2023

MOP'000

Asset Class	Balance Sheet Item Type	Outstanding Balance	Real Guarantee Value	Net Exposure	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL
Pass	On Balance Sheet	4,299,079			24,055	36,921	-	60,976
	Off Balance Sheet	41,440			50	1	-	51
Special Mention	On Balance Sheet	-			-	-	-	-
	Off Balance Sheet	-			-	-	-	-
Substandard	On Balance Sheet	86,890	900	86,480	-	-	56,368	56,368
	Off Balance Sheet	-	-	-	-	-	-	-
Doubtful	On Balance Sheet	-	-	-	-	-	-	-
	Off Balance Sheet	-	-	-	-	-	-	-
Loss	On Balance Sheet	94,634	-	94,634	-	-	75,707	75,707
	Off Balance Sheet	-	-	-	-	-	-	-
Total		4,522,043	900	181,114	24,105	36,922	132,075	193,102

BANCO COMERCIAL PORTUGUÊS, S. A. – MACAU BRANCH
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Credits as of 31 December 2022

MOP'000

Asset Class	Balance Sheet Item Type	Outstanding Balance	Real Guarantee Value	Net Exposure	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL
Pass	On Balance Sheet	7,971,672			19,348	22,485	-	41,833
	Off Balance Sheet	43,378			30	20	-	50
Special Mention	On Balance Sheet	-			-	-	-	-
	Off Balance Sheet	-			-	-	-	-
Substandard	On Balance Sheet	91,215	900	90,683	-	-	45,496	45,496
	Off Balance Sheet	-	-	-	-	-	-	-
Doubtful	On Balance Sheet	-	-	-	-	-	-	-
	Off Balance Sheet	-	-	-	-	-	-	-
Loss	On Balance Sheet	-	-	-	-	-	-	-
	Off Balance Sheet	-	-	-	-	-	-	-
Total		8,106,265	900	90,683	19,378	22,505	45,496	87,379

ASSETS MATURITY ANALYSIS (MACAU BRANCH)

LOANS AND ADVANCES TO CUSTOMERS

	31 Dec 2023 MOP	31 Dec 2022 MOP
On demand (Overdrafts)	28,804,696	224,305,357
Within 1 month	-	32,098,135
More than 1 month but not more than 3 months	57,418,079	2,876,509
More than 3 months but not more than 1 year	1,478,860,102	683,008,945
More than 1 year but not more than 3 years	1,805,176,177	2,240,864,599
More than 3 years	1,101,395,094	4,852,090,823
Indefinite period	-	-
	<u>4,471,654,148</u>	<u>8,035,244,368</u>
Impairment allowance	(190,028,564)	(86,536,045)
	<u>4,281,625,584</u>	<u>7,948,708,323</u>

BALANCES, OTHER LOANS AND ADVANCES WITH CREDIT INSTITUTIONS

	31 Dec 2023 MOP	31 Dec 2021 MOP
On demand	86,901,144	74,531,610
Within 1 month	488,838,583	496,808,637
More than 1 month but not more than 3 months	1,611,082,122	882,240,463
More than 3 months but not more than 1 year	71,151,560	101,629,682
More than 1 year but not more than 3 years	-	-
More than 3 years	-	-
Indefinite period	-	-
	<u>2,257,973,409</u>	<u>1,555,210,392</u>
Impairment allowance	(27,797)	-
	<u>2,257,945,612</u>	<u>1,555,210,392</u>

LIABILITIES MATURITY ANALYSIS (MACAU BRANCH)

DEPOSITS FROM CREDIT INSTITUTIONS

	31 Dec 2023 MOP	31 Dec 2022 MOP
On demand	2,485,302	231,350
Within 1 month	190,270,793	120,940,931
More than 1 month but not more than 3 months	68,221,900	-
More than 3 months but not more than 1 year	1,278,311,442	644,133,236
More than 1 year but not more than 3 years	492,467,966	876,290,865
More than 3 years	278,714,090	3,588,448,117
Indefinite period	-	-
	<u>2,310,471,493</u>	<u>5,230,044,499</u>

DEPOSITS FROM PUBLIC SECTOR ENTITIES

	31 Dec 2023 MOP	31 Dec 2022 MOP
On demand	-	-
Within 1 month	334,949,915	332,582,963
More than 1 month but not more than 3 months	-	-
More than 3 months but not more than 1 year	-	-
More than 1 year but not more than 3 years	-	-
More than 3 years	-	-
Indefinite period	-	-
	<u>334,949,915</u>	<u>332,582,963</u>

DEPOSITS FROM NON-BANK CUSTOMERS

	31 Dec 2023 MOP	31 Dec 2022 MOP
On demand	878,976,966	1,050,744,745
Within 1 month	314,829,738	245,874,639
More than 1 month but not more than 3 months	682,727,137	881,196,540
More than 3 months but not more than 1 year	1,919,250,402	1,628,234,882
More than 1 year but not more than 3 years	-	952,387
More than 3 years	-	-
Indefinite period	-	-
	<u>3,795,784,243</u>	<u>3,807,003,193</u>

FOREIGN EXCHANGE POSITIONS AS OF 31 DECEMBER 2023 (MACAU BRANCH)

SPOT POSITION [LONG (+); SHORT (-)]	MOP'000
CURRENCIES	
Macau Pataca (MOP)	(333,051)
Australian Dollar (AUD)	21
Canadian Dollar (CAD)	(466)
Chinese Yuan (CNY)	1,253
Euro (EUR)	9,986
Hong Kong Dollar (HKD)	769,053
Japanese Yen (JPY)	3
South African Rand (ZAR)	(10)
Swiss Franc (CHF)	(23)
British Pound (GBP)	(583)
USA Dollar (USD)	(447,180)
FORWARD POSITION [LONG (+); SHORT (-)]	
Macau Pataca (MOP)	-
Hong Kong Dollar (HKD)	(450,110)
USA Dollar (USD)	451,107
NET POSITION (ALL CURRENCIES)	-
NET POSITION (ALL FOREIGN CURRENCIES)	333,051

BREAKDOWN OF FOREIGN CURRENCIES WHICH NET POSITION (IN ABSOLUTE TERMS) EXCEEDS 10% OF TOTAL FOREIGN CURRENCIES NET POSITION (MACAU BRANCH)

	MOP'000		
CURRENCIES	HKD	EUR	USD
ASSETS			
Cash and balances with the Monetary Authority of Macau	354	-	28
Balances with credit institutions repayable on demand	24,793	4,614	4,854
Other loans and advances to credit institutions	257,600	722,402	963,815
Loans and advances to customers	962,195	2,415,956	846,500
Property and equipment	5	-	-
Intangible assets	-	-	-
Other assets	5,981	1,462	541
SPOT ASSETS	1,250,928	3,144,434	1,815,738
LIABILITIES			
Deposits from credit institutions	-	2,049,493	-
Deposits from customers	481,822	1,079,644	2,217,434
Income tax liabilities	-	-	-
Other liabilities	53	5,311	45,484
SPOT LIABILITIES	481,875	3,134,448	2,262,918
Net Cash Position	769,053	9,986	(447,180)
Forward Purchase (+) / Sale (-)	(450,110)	-	451,107
NET POSITION	318,943	9,986	3,927

SELECTED LIQUIDITY INDICATORS FOR THE YEAR OF 2023 (MACAU BRANCH)

MOP'000

Arithmetic mean of the minimum weekly amount of cash in hand during the reporting period (2023)	77,960
Arithmetic mean of the average weekly amount of cash in hand during the reporting period (2023)	88,675
Arithmetic mean of the specified liquid assets at the end of each month during the reporting period (2023)	1,779,723
Average ratio of specified liquid asset to total basic liabilities at the end of each month during the reporting period (2023)	46%
Arithmetic mean of its one-month liquidity ratio in the last week of each month during the reporting period (2023)	105%
Arithmetic mean of its three-month liquidity ratio in the last week of each month during the reporting period (2023)	81%

CONSOLIDATED INFORMATION AS OF 31 DECEMBER 2023 – KEY INDICATORS OF BANCO COMERCIAL PORTUGUÊS, S. A. GROUP

	IN MOP (MILLIONS) @8.916	IN EURO (MILLIONS) OR %
BALANCE SHEET		
Total assets	841,492	94,380
Loans to customers (net)	492,324	55,218
Balance sheet customer funds	706,281	79,215
Deposits and other resources from customers	694,806	77,928
Loans to customers (net)/Balance sheet customer funds		69.7%
Total liabilities	776,405	87,080
Total equity	65,078	7,299
PROFITABILITY		
Net operating revenues	33,613	3,770
Operating costs	10,369	1,163
Impairment and provisions	9,808	1,100
Income before income tax	13,267	1,488
Income tax		
Current	1,605	180
Deferred	3,192	358
Non-controlling interests	820	92
Net income attributable to shareholders of the Bank	7,632	856
Return on average shareholders' equity (ROE)		16.0%
Return on average assets (ROA)		1.0%
Net interest margin		3.4%
Net operating revenues/Average net assets		4.1%
Cost to income (Operating costs/Net operating revenues)		30.8%
Staff costs/Net operating revenues		16.8%
CAPITAL – according to indicators published in BCP's 2023 Annual Report (Fully Implemented)		
Own funds	70,463	7,903
Total risk weighted assets	354,188	39,725
SOLVENCY RATIOS		
CET I		15.4%
Tier I		16.6%
Total		19.9%

OTHER INFORMATION

None.