

BANCO COMERCIAL DE MACAU, S. A.

**REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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BANCO COMERCIAL DE MACAU, S. A.
REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors of Banco Comercial de Macau, S. A. (the “Bank” or “BCM”) submits its report together with the audited financial statements for the year ended 31 December 2024.

Principal activities

BCM is a limited liability company by shares incorporated and domiciled in the Macau Special Administrative Region (“MSAR” or “Macau”), where it is engaged in general banking business by providing retail, commercial banking, wealth management, bancassurance, and other related financial services to its customers.

Results and appropriations

The results of the Bank for the year ended 31 December 2024 are set out in the Statement of Comprehensive Income on page 8.

The Board of Directors does not recommend payment of any dividend for the year ended 31 December 2024 (2023: Nil).

Shareholders’ equity

Movements in shareholders’ equity of the Bank during the year are set out in the Statement of Changes in Equity on page 12.

BANCO COMERCIAL DE MACAU, S. A.
REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024
(Continued)

Directors

The following persons were appointed as Directors at the Annual General Meeting (“AGM”) held on 24 March 2022 for the triennium 2022-2025 and continue in office or as of the date of this report:

David Shou-Yeh Wong	(Chairman)
Hon-Hing Wong (Derek Wong)	
Gary Pak-Ling Wang	
Harold Tsu-Hing Wong	
Pak-Hung Lau	
Chit-Kwan Wong (Vincent Wong)	
Wing-Shum Lee (Sam Lee)	(Executive Director, Appointed with effect from 21 January 2025)

Directors’ interests in contracts

None of the Directors had a beneficial interest in any contract of significance to the business of the Bank to which the Bank, any of its holding companies or fellow subsidiaries, was a party during the year.

Directors’ interests in equities or debentures

At no time during the year was the Bank, any of its holding companies or fellow subsidiaries, a part of any arrangement to enable the Bank’s Directors to acquire benefits by means of the acquisition of shares or debentures of the Bank.

Events subsequent to balance sheet date

The Board of Directors is not aware of any event that has occurred since the end of the financial year that has significantly affected the Bank.

BANCO COMERCIAL DE MACAU, S. A.
REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024
(Continued)

Management contracts

The Bank enters into an agreement (“Computer and Administrative Services Agreement” or the “Agreement”) with Dah Sing Bank, Limited (“DSB”, the Bank’s immediate holding company), pursuant to which DSB provides certain computer and administrative services to the Bank. The latest agreement entered into is for a fixed term of 3 years commencing on 1 January 2023.

The Bank shall pay a fee to DSB, for services rendered to the Bank, per DSB’s periodic billing. DSB and the Bank shall review the amount of fees at the end of each year.

Under the terms of the agreement, either party can terminate it by giving notice in writing to the other party if the other party commits any material breach of any terms of the agreement and shall have failed to remedy the breach within 30 days after the receipt of the request in writing.

In addition, the Bank enters into various outsourcing arrangements with unrelated parties in the areas of security, provision of electronic and brokerage services and others. The terms of these agreements are set in accordance with the Guideline on Outsourcing issued by Autoridade Monetaria de Macau (“AMCM”) under Circular N^o. 020/B/2023-DSB/AMCM.

These arrangements are entered into with the objectives to facilitate the operation of the Bank, improve the quality and diversify the range of services provided to customers.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment.

By and on behalf of the Board

(signed on the original)

Pak-Hung Lau
(Chief Executive Officer and Director)

(signed on the original)

Gary Pak-Ling Wang
(Director)

Macau, 3 March 2025

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BANCO COMERCIAL DE MACAU, S. A.
(incorporated in Macao with limited liability by shares)

We have audited the financial statements of Banco Comercial de Macau, S.A. ("BCM") set out on pages 8 to 73, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards issued by the Government of the Macao Special Administrative Region, 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, 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 Auditing Standards issued by the Professional Committee of Accountants of the Government of the Macao Special Administrative Region. 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 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BCM as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards issued by the Government of the Macao Special Administrative Region.

(signed on the original)

Li Ching Lap Bernard

Certified Public Accountant

PricewaterhouseCoopers

Macao, 3 March 2025

BANCO COMERCIAL DE MACAU, S. A.
FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023
Interest income		1,003,884	876,608
Interest expense		(653,810)	(533,061)
Net interest income	5	350,074	343,547
Fee and commission income		46,556	41,724
Fee and commission expense		(20,412)	(18,862)
Net fee and commission income	6	26,144	22,862
Net trading income	7	9,493	9,386
Other operating income	8	13,101	22,282
Operating income		398,812	398,077
Operating expenses	9	(240,442)	(232,971)
Operating profit before bad debt provisions		158,370	165,106
Loss on disposal of premises and other fixed assets		(120)	(2)
Credit Impairment losses	10	(109,169)	(40,218)
Recoveries of loans and interest previously written off		1,810	1,692
Profit before income tax		50,891	126,578
Income tax expense	11	(5,509)	(12,106)
Profit for the year		45,382	114,472

BANCO COMERCIAL DE MACAU, S. A.
FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

STATEMENT OF COMPREHENSIVE INCOME (continued)

		2024	2023
Profit for the year		<u>45,382</u>	<u>114,472</u>
Items that will not be reclassified to the income statement:			
Net change in the fair value of financial assets at fair value through other comprehensive income		(78,308)	555,579
Deferred income tax related to the above	21	<u>9,397</u>	<u>(66,670)</u>
Other comprehensive (loss)/income for the year, net of tax		(68,911)	488,909
Total comprehensive (loss)/income for the year, net of tax		<u>(23,529)</u>	<u>603,381</u>
Dividends			
Proposed dividend	12	<u>-</u>	<u>-</u>

The notes on pages 14 to 73 are an integral part of these financial statements.

BANCO COMERCIAL DE MACAU, S. A.
FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

STATEMENT OF FINANCIAL POSITION

	Note	2024	2023
Assets			
Cash and balances with banks	13	844,822	825,324
Balance with AMCM		351,695	323,166
AMCM monetary bills maturing within 12 months		1,129,193	1,625,076
Placements with and loans and advances to banks maturing within 12 months		4,014,043	3,089,340
Loans and advances to customers	14	14,280,969	14,800,804
Financial assets at amortized cost	16	4,067,421	3,875,002
Financial assets at fair value through other comprehensive income	17	811,527	889,835
Intangible assets	18	10,649	12,722
Premises and other fixed assets	19	166,949	173,370
Derivative financial instruments	15	800	770
Other assets	20	35,997	70,118
Total assets		25,714,065	25,685,527
Liabilities			
Balances and deposits from banks maturing within 12 months		281,025	96,700
Deposits from customers	22	22,275,174	22,372,161
Derivative financial instruments	15	906	740
Other liabilities	23	151,500	168,456
Current income tax liabilities		5,858	14,942
Deferred tax liabilities	21	91,160	100,557
Provisions		98	98
Total liabilities		22,805,721	22,753,654
Equity			
Share capital	26	300,000	225,000
Share premium		50,000	50,000
Legal reserve	27	225,000	225,000
General regulatory reserve	27	105,313	129,248
Specific regulatory reserve	27	-	57,527
Investment revaluation reserve		680,623	749,534
Retained earnings		1,547,408	1,495,564
Total equity		2,908,344	2,931,873
Total liabilities and equity		25,714,065	25,685,527

BANCO COMERCIAL DE MACAU, S. A.
FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

Approved and authorized for issue by the Board of Directors on 3 March 2025.

[\(signed on the original\)](#)

David Shou-Yeh Wong (Chairman)

[\(signed on the original\)](#)

Hon-Hing Wong (Derek Wong)

[\(signed on the original\)](#)

Gary Pak-Ling Wang

[\(signed on the original\)](#)

Harold Tsu-Hing Wong

[\(signed on the original\)](#)

Pak-Hung Lau (Chief Executive Officer)

[\(signed on the original\)](#)

Chit-Kwan Wong (Vincent Wong)

[\(signed on the original\)](#)

Wing-Shum Lee (Sam Lee)

The notes on pages 14 to 73 are an integral part of these financial statements.

BANCO COMERCIAL DE MACAU, S. A.**FINANCIAL STATEMENTS**

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

STATEMENT OF CHANGES IN EQUITY

	Share Capital (Note 26)	Share Premium	Legal Reserve (Note 27)	Reserve for Share-based Compensation	Regulatory Reserve (Note 27)	Reserve for Investment Revaluation	Retained Earnings	Total Equity
Balance as at 1 January 2023	225,000	50,000	225,000	1,146	163,503	260,625	1,422,364	2,347,638
2022 Dividend (Note 12)	-	-	-	-	-	-	(18,000)	(18,000)
Net profit for the year	-	-	-	-	-	-	114,472	114,472
Other comprehensive income for the year	-	-	-	-	-	488,909	-	488,909
Settlement of share-based compensation	-	-	-	(1,146)	-	-	-	(1,146)
Transfer to regulatory reserve	-	-	-	-	23,272	-	(23,272)	-
Balance as at 31 December 2023 and 1 January 2024	225,000	50,000	225,000	-	186,775	749,534	1,495,564	2,931,873
2023 Dividend (Note 12)	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	45,382	45,382
Other comprehensive loss for the year	-	-	-	-	-	(68,911)	-	(68,911)
Transfer to share capital	75,000	-	-	-	-	-	(75,000)	-
Transfer to regulatory reserve	-	-	-	-	(81,462)	-	81,462	-
Balance as at 31 December 2024	300,000	50,000	225,000	-	105,313	680,623	1,547,408	2,908,344

The notes on pages 14 to 73 are an integral part of these financial statements.

BANCO COMERCIAL DE MACAU, S. A.
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STATEMENT OF CASH FLOWS

	Note	2024	2023
Cash flows from operating activities			
Interest income received		1,043,770	799,160
Interest expense paid		(699,802)	(396,793)
Dividends received		5,838	14,285
Net fee and commission income received		26,377	22,148
Net trading income received		3,371	3,320
Recoveries of loans and interest previously written off		1,810	1,692
Other operating income received		7,219	7,993
Other operating expenses paid		(189,169)	(262,711)
Income tax paid		(14,595)	(12,535)
Net cash flows from operating activities before changes in operating assets and operating liabilities		184,819	176,559
Changes in operating assets and operating liabilities			
Net decrease/(increase) in AMCM monetary bills with original maturity of more than 3 months and balance with AMCM		159,066	(602,627)
Net increase in placements with and loans and advances to banks with original maturity of more than 3 months		(539,507)	(178,883)
Net decrease/(increase) in loans and advances to customers		403,796	(782,046)
Net decrease/(increase) in other operating assets		1,447	(740)
Net increase in balances and deposits from banks		184,009	47,492
Net (decrease)/increase in deposits from customers		(50,680)	2,224,978
Net (decrease)/increase in other operating liabilities		(16,946)	26,198
Net cash flows from operating assets and operating liabilities		141,185	734,372
Cash flows from investing activities			
Purchase of intangible assets		(5,595)	(9,078)
Purchase of premises and other fixed assets		(5,300)	(1,870)
Proceeds from disposal of premises and other fixed assets		45	5
Purchase of amortized cost investments		(3,635,887)	(3,322,878)
Proceeds from redemption of amortized cost investments		3,453,940	1,767,882
Net cash flows used in investing activities		(192,797)	(1,565,939)
Net cash flows from financing activities			
Dividend paid		-	(18,000)
Net cash flows used in financing activities		-	(18,000)
Net increase/(decrease) in cash and cash equivalents		133,207	(673,008)
Cash and cash equivalents at the beginning of the year		3,104,362	3,774,062
Exchange impact on cash and cash equivalents		(14,781)	3,308
Cash and cash equivalents at the end of the year		3,222,788	3,104,362
Cash and cash equivalents comprise:			
Cash and balances with banks		758,535	739,506
AMCM monetary bills and placements with and loans and advances to banks with original maturity up to 3 months		2,464,253	2,364,856
Total cash and cash equivalents as at 31 December	28	3,222,788	3,104,362

The notes on pages 14 to 73 are an integral part of these financial statements.

BANCO COMERCIAL DE MACAU, S. A.
NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

1 General information

Banco Comercial de Macau, S. A. (the “Bank” or “BCM”) is incorporated and domiciled in Macau where it provides a wide range of financial services including retail, commercial and institutional banking businesses. The Bank is a limited liability company by shares. The address of its registered office is Avenida da Praia Grande N° 572, Macau.

In its retail banking activities, the Bank handles individual customers’ deposits (current, savings and term deposit accounts) and provides consumer and housing loans, overdrafts, credit cards, bancassurance products, and other banking services such as remittances, as well as handles high net worth customers.

In its commercial business and institutional oriented activities, the Bank handles current and term deposit accounts as well as property, business, project and trade finance facilities, bank guarantees for corporate, and institutional customers.

The Bank also provides wealth management products, bancassurance and stock trading services to various customers.

BCM’s immediate and ultimate holding companies are Dah Sing Bank, Limited (“DSB”) and Dah Sing Financial Holdings Limited (“DSFH”) respectively, both of which are incorporated and domiciled in Hong Kong. DSFH is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The financial regulatory authority is the Autoridade Monetaria de Macau (“AMCM”).

These financial statements are presented in thousands of Macau Patacas (“MOP”), unless otherwise stated.

These financial statements have been approved for issue by the Board of Directors on 3 March 2025.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Bank have been prepared in accordance with the Financial Reporting Standards issued by the Government of the Macau Special Administrative Region under Directive No.44/2020 of the secretary of Economy and Finance (the “MFRS”).

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

BANCO COMERCIAL DE MACAU, S. A.
NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

With effect from 1 January 2026, the MFRS will be replaced by the Financial Reporting Standards issued by the Professional Committee of Accountants of the Government of the Macao Special Administrative Region (the “Committee”) pursuant to Committee’s Notice No. 2/2024/CPC on 19 November 2024, which follows the International Financial Reporting Standard (“IFRS”). The key changes are related to IFRS 16 “Leases” and are summarized as follows:

IFRS 16 “Leases”

IFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16. The new standard is mandatory for financial years commencing on or after 1 January 2028.

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Macau Patacas as the functional and presentation currency best reflecting the economic substance of the events relevant to the Bank.

2.2.2 Transactions and balances

Foreign transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Translation differences in the fair value of monetary items denominated in foreign currency carried at fair value through profit or loss are reported in the income statement as part of the fair value gain or loss.

Translation differences on non-monetary items, such as investments in equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on certain other non-monetary items, such as equities classified as FVOCI, are included in the investment revaluation reserve in other comprehensive income.

BANCO COMERCIAL DE MACAU, S. A.
NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

2 Summary of significant accounting policies (continued)

2.3 Interest income and expense

Interest income, the principal source of revenue of the Bank, and interest expense, the main financial cost incurred by the Bank, are recognized in the income statement for all instruments measured at amortized cost, fair value through other comprehensive income securities and certain financial assets/liabilities measured at fair value through profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

Once a financial asset has been written down upon the recognition of a specific provision, interest is recognized on a cash basis in accordance with Notice N° 18/93 AMCM.

2.4 Fee and commission income and expense

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognizes revenue when it transfers control over a service to a customer. Fees for ongoing account management, custody services and other servicing fees that are continuously provided over an extended period of time are recognized on systematic basis over the period the service is provided. Revenue related to transaction-based arrangements such as interchange, broking services and import or export services is recognized at the point in time when the transaction takes place. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period. Performance linked fees or fee components are recognized when the performance criteria are fulfilled.

BANCO COMERCIAL DE MACAU, S. A.
NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

2 Summary of significant accounting policies (continued)

2.5 Dividend income

Dividends are recognized in the income statement when the Bank's right to receive payment has been established.

2.6 Financial assets and liabilities

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired financial assets (assets that are credit-impaired at initial recognition) the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in income statement.

2.6.1 Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets transacted in a regular manner are recognized on trade-date, the date on which the Bank commits to purchase or sell the asset. At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss ("ECL") allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income ("FVOCI") which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

BANCO COMERCIAL DE MACAU, S. A.
NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousands of Macau Patacas (MOP) unless otherwise stated

2 Summary of significant accounting policies (continued)

2.6 Financial assets and liabilities (continued)

2.6.2 Classification and subsequent measurement – financial assets

The Bank classifies its financial assets in the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss (“FVPL”).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer’s perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements.

Classification and subsequent measurement of debt instruments depend on:

- the Bank’s business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (“SPPI”), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured.

FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets’ cash flows represent SPPI, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (“OCI”), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognized in profit or loss and presented in the income statement in the period in which it arises.

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2 Summary of significant accounting policies (continued)

2.6 Financial assets and liabilities (continued)

2.6.2 Classification and subsequent measurement – financial assets (continued)

(i) Debt instruments (continued)

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the "other" business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

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2 Summary of significant accounting policies (continued)

2.6 Financial assets and liabilities (continued)

2.6.2 Classification and subsequent measurement – financial assets (continued)

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to income statement, including on disposal. Dividends, when representing a return on such investments, continue to be recognized in income statement as other income when the Bank's right to receive payments is established.

2.6.3 Impairment – financial assets

The Bank assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposures arising from loans to customers, loan commitments and financial guarantee contracts. The Bank recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment allowance of financial assets measured at amortized cost is presented as a deduction from the gross carrying amount of the assets. Impairment allowance of loan commitments and financial guarantee contracts is recognized as a provision as part of "Other accounts and accruals". The carrying amount of debt instruments measured at FVOCI is their fair value. Their impairment allowance is recognized as part of "Investment revaluation reserve". Note 3.2.2 provides more details on how the ECL allowance is measured.

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2 Summary of significant accounting policies (continued)

2.6 Financial assets and liabilities (continued)

2.6.4 Modification of loans – financial assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognizes the original financial asset and recognizes a “new” asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

2.6.5 Derecognition other than on a modification – financial assets

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

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2 Summary of significant accounting policies (continued)

2.6 Financial assets and liabilities (continued)

2.6.6 Classification and subsequent measurement – financial liabilities

In both the current and prior periods, financial liabilities are initially recognized at fair value net of transaction costs incurred and subsequently stated at amortized cost. Any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the life of the financial liabilities using the effective interest method.

2.6.7 Derecognition – financial liabilities

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.7 Derivative financial instruments

The Bank enters into derivative transactions in the foreign exchange and interest rate markets, namely foreign exchange contracts, with the principal aim of hedging other transactions, either assets or liabilities.

Unrealized gains or losses on forward foreign exchange contracts which are marked to market are recognized in the income statement and included, respectively, in other assets or other liabilities in the balance sheet.

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2 Summary of significant accounting policies (continued)

2.8 Repossessed assets

Reposessed collateral assets are accounted as “Assets held for sale” and reported in “Other assets” and the relevant loans are derecognized. The reposessed collateral assets are measured at lower of carrying amount and fair value less costs to sell.

2.9 Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life of three years.

Cost associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software products so that it will be available for use;
- management intends to complete the software products and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software products will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

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2 Summary of significant accounting policies (continued)

2.9 Intangible assets (continued)

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over 3 years.

2.10 Premises and other fixed assets

Premises and other fixed assets are stated at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items of property and equipment. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of premises and other tangible fixed assets is calculated using the straight-line method to allocate the cost over their estimated useful lives, as follows:

• Buildings	2%	50 Years
• Premises improvements	33.3%	3 Years
• Computer equipment (hardware)	25%	4 Years
• Motor vehicles	20%	5 Years
• Furniture, fittings and other equipment	10%-25%	4-10 Years

No depreciation is charged in respect of freehold land and items of property and equipment under development.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains or losses on disposal are determined by comparing proceeds with carrying amount. These are recognized in the income statement.

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2 Summary of significant accounting policies (continued)

2.11 Employee benefits

The Bank sponsors a defined contribution pension plan, which is funded by payments by the Bank and its employees to an insurance company, which administers the plan. The plan is registered under and supervised by AMCM. The plan was established and is governed in accordance with Macau Decree-Law 6/99/M of 8 February 1999. Contributions to the plan are recognized as employee benefit expense when they fall due. The Bank has no further payment obligations once the contributions have been made.

Upon an employee's resignation, the Bank's payments to the defined contribution pension plan may be forfeited by the employee depending on their length of service with the Bank. Any amounts forfeited by the employees are maintained in a residual account with the pension provider and are used to offset the Bank's future contributions.

The Bank also offers healthcare insurance-based benefits to its employees who are providing service to the Bank. Healthcare benefits are prepaid annually when renewing the insurance policy and charged over the next 12 months.

2.12 Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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2 Summary of significant accounting policies (continued)

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Bank operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the Macau tax authority.

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

The tax effects of income tax losses available for carry forward are recognized as an asset when it is probable that future taxable benefits will be available against which these losses can be utilized.

2.14 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) including up-front payment made for leasehold land and land use rights, are charged to the income statement on a straight-line basis over the period of the lease.

Where the Bank is a lessor under operating leases, assets leased out are included in premises and other fixed assets in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned premises and other fixed assets. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

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2 Summary of significant accounting policies (continued)

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash, balances with banks and AMCM, items in course of collection from other banks, AMCM monetary bills, and placements with and loans and advances to banks with original maturities of 3 months or less and are subject to insignificant risk of changes in value.

2.16 Dividend

Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank's financial statements in the period in which the dividends are approved by the Bank's shareholders.

2.17 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make stipulated payments to reimburse the holder for an incurred loss because a third party failed to fulfill its obligations through either specified payments or the warrant of specific projects. Financial guarantees are carried off balance sheet.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision under other liabilities.

2.18 Balance with AMCM

In accordance with Notice N° 002/2013-AMCM, the Bank is required to maintain a minimum regulatory deposit balance with AMCM for liquidity purposes. The required weekly average of the MOP deposit account should not be less than 70% of the following:

- 3% on all liabilities repayable on demand;
- 2% on all liabilities repayable within 3 months (inclusive), except for those already counted above; and
- 1% on liabilities repayable beyond 3 months.

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3 Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the financial performance.

3.1 Credit risk

The Bank's main credit risk is that borrowers or counterparties may default on their payment obligations due to the Bank. These obligations arise from the Bank's lending and investment activities and trading of financial instruments (including derivatives).

The Bank has a Credit Committee for approving major credit exposures, which if beyond the approval authority of the Bank's Credit Committee will be approved by the Group Credit Committee. Credit risk measurement, underwriting, approval and monitoring requirements are detailed in credit policies.

Credits are extended within the parameters set out in the credit policies and are approved by different levels of management based upon established guidelines and delegated authorities. Credit exposures, limits and asset quality are regularly monitored and controlled by the management, credit committees and Group Risk Division. The Bank's internal auditors also conduct regular reviews and audits to ensure compliance with credit policies and procedures and regulatory guidelines.

3.1.1 Expected credit loss measurement

IFRS 9 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Significant increase in credit risk

The Bank considers a financial instrument to have experienced a SICR when one or more of the following criteria have been met:

- when there is significant adverse external credit rating transition for the bond portfolio, migrating from investment grade to non-investment grade, or one notch downgrade for bond with original non-investment grade at purchase,
- when there is internal credit rating transition, ranging from one notch to five notches depending on its initial credit rating, for corporate portfolio,
- when the day past due (“DPD”) exceeds 30 days,
- when the borrower is reported as “Early Warning” for corporate portfolio,
- when the borrower is reported as Special Mention according to the loan classification of the AMCM. The decision to classify the loans is based on the borrower’s repayment ability and likelihood of individual counterparties defaulting.

The assessment of SICR is performed on a monthly basis at a portfolio level for all retail financial instruments held by the Bank. In relation to corporate financial instruments, where an Early Warning list is used to monitor credit risk, this assessment is performed at the counterparty level and on a monthly basis. The criteria used to identify SICR are revised as when appropriate by the respective credit departments of the portfolios.

The Bank has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2024 and 2023.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is aligned with the definition of credit impaired (referred to as “Stage 3 financial assets”), when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- the borrower is bankrupt;
- it is reported as substandard, doubtful or loss according to the loan classification of the AMCM. The decision to classify the loans is based on the borrower’s repayment ability and likelihood of individual counterparties defaulting; and
- the disappearance of an active market for a security because of financial difficulties.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Definition of default and credit-impaired assets (continued)

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month ("12M") or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default ("PD"), exposures at default ("EAD"), and loss given default ("LGD"), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit impaired" above), either over the next 12 months ("12M PD"), or over the remaining lifetime ("Lifetime PD") of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted by expected life of loans. Early repayment/refinance assumptions are also incorporated into the calculation.
- For non-revolving products, the exposure at default is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default.
- For revolving products, the EAD is estimated by taking the maximum between the on-balance sheet exposure and the estimated utilized amount at default based on utilization rate.

The LGDs are determined based on the factors which impact the recoveries made post default. These include collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

Forward-looking economic information is also included in determining the PD, EAD and LGD.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs and how collateral values change etc., are regularly monitored and reviewed.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are provided by some economic research institutions and the in-house economic research team on a regular basis and provide the best estimate view of the economy over the next five years. For the economic variables out of the forecasting periods (i.e. after the next five years), the point-in-time default risk level at the last forecasting period is referenced to estimate the lifetime default risk level of each instrument. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and loss rates.

The assessment of SICR is performed by considering either the change in credit quality, expert credit judgement and backstop indicator. This determines whether the whole financial instrument is in Stage 1 or Stage 2, and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Economic variable assumptions

The Bank relies on a broad range of forward-looking economic indicators as model inputs, mainly the forecasts of MEFs such as property price indices, GDP growth rates, unemployment rates, and interest rates. The selection of MEFs had gone through stringent statistical data tests commonly adopted by the industry as well as expert judgements to ensure that MEFs used in the ECL models are relevant to and reflective of the risk profile of the Bank's credit portfolios while satisfying required quantitative standards.

The scenarios "base", "good" and "bad" were determined based on the underlying assumptions described in the below table. In particular, the "base" scenario makes reference to a set of macroeconomic forecasts obtained from different economic research institutions and the Group's economist. "Good" and "bad" scenarios were developed by referencing the MEFs in the "base" scenario, with appropriate adjustment to the upside and the downside potential variations taking into account the uncertainties in the forward-looking economic environments. The magnitude of adjustment was quantified based on historical movements of the MEFs observed through a long span of observed data covering peaks and troughs of past economic cycles.

Scenario Underlying assumptions of the scenario

Base	Forward-looking macroeconomic factors are a key component of the macroeconomic outlook. The base scenario is based on a set of macroeconomic forecasts which formulate a "base case" view of the most probable future direction of relevant economic variables.
Good	This scenario is determined by making reference to the "base" scenario and reflects positive uncertainties by incorporating upside variations to the "base" scenario macroeconomic forecasts.
Bad	This scenario is determined by making reference to the "base" scenario and reflects negative uncertainties by incorporating downside variations to the "base" scenario macroeconomic forecasts.

Members of the Group's CMC as well as department heads of risk units, including the Bank's Chief Executive and Chief Risk and AML Officer, put forth their most holistic view on the likelihood of occurrence, enabling the Bank to generate forecasts of economic factors and the forward-looking PD and LGD. To have further professional review and reasonableness checking, the Group's economist provided his overall view on whether the collective forecasted outcome is generally in line with his expectation. As a stringent measure, the summarized outcomes will be submitted to the CMC for final approval. These forward-looking PD and LGD are then used as input parameters in the expected credit loss model.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Significant period-end assumptions used for the ECL estimate are set out as below.

As at 31 December 2024		Average of 5-Year Forward Looking	One-Year Forward Looking
Macau Real GDP Growth Rate (%)	Base	4.10%	4.40%
	Good	7.02%	7.32%
	Bad	1.18%	1.48%
Macau General Government Revenue Growth Rate (%)	Base	35.38%	34.91%
	Good	43.09%	42.62%
	Bad	27.67%	27.20%
As at 31 December 2023		Average of 5-Year Forward Looking	One-Year Forward Looking
Macau Real GDP Growth Rate (%)	Base	4.50%	4.80%
	Good	7.42%	7.72%
	Bad	1.58%	1.88%
Macau General Government Revenue Growth Rate (%)	Base	34.21%	33.64%
	Good	41.92%	41.35%
	Bad	26.50%	25.93%

* These one-year forward-looking rates represent forecast average rates for one year.

The average weightings assigned to each economic scenario of “base”, “good” and “bad” as at 31 December 2024, were 69.69%, 10.31% and 20.00% respectively, as compared to 70.21%, 10.79% and 19.00% respectively as at 31 December 2023.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.1 Expected credit loss measurement (continued)

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

Sensitivity analysis

The most significant assumptions affecting the ECL allowance are as follows:

- GDP growth rates, given the significant impact on companies' performance and collateral valuations; and
- Macau General Government Revenue (% of GDP), given the impacts on companies' performance and mortgage lending portfolio for individuals.

Retail		ECL Impact	
		2024	2023
Macau real GDP growth rate	+0.5%	-9	-6
	-0.5%	9	6
Macau General Government Revenue growth rate	+2.0%	-12	-11
	-2.0%	12	11
Corporate		ECL Impact	
Macau real GDP growth rate	+0.5%	-358	-164
	-0.5%	384	181

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.2 Write-off policy

The Bank writes off financial assets, in whole or in part, when it has concluded there is no reasonable expectation of recovery even after taking necessarily all practical recovery efforts. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity, (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full, and (iii) entering into, or a very high likelihood of entering into, a debt restructuring agreement with a loss in principal amount. The Bank may write off financial assets that are still subject to enforcement activity. During the year ended 31 December 2024, there was MOP60 million outstanding contractual amounts of such assets written off (2023: MOP207 million).

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.3 Credit risk exposures

The following table illustrates the credit risk exposures of financial instruments of the Bank in accordance with the asset classification required by Notice No. 012/2021-AMCM. Financial asset not subject to impairment mainly comprised of derivative financial assets. As of 31 December 2024, the outstanding amount of derivative financial assets was MOP800,000 (2023: MOP770,000).

As at 31 December 2024	Gross amount					Total	ECL allowance	Net amount
	Pass	Special mention	Sub-standard	Doubtful	Loss			
Cash and advances to banks								
- Stage 1	1,196,524	-	-	-	-	1,196,524	(7)	1,196,517
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
AMCM monetary bills								
- Stage 1	1,129,206	-	-	-	-	1,129,206	(13)	1,129,193
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
Placements with and loans and advances to banks								
- Stage 1	4,019,223	-	-	-	-	4,019,223	(5,180)	4,014,043
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
Advances to customers								
- Stage 1	11,718,436	-	-	-	-	11,718,436	(8,553)	11,709,883
- Stage 2	1,595,794	834,922	-	-	-	2,430,716	(29,811)	2,400,905
- Stage 3	-	-	519	44,928	209,386	254,833	(84,652)	170,181
Financial assets at amortized cost								
- Stage 1	3,947,550	-	-	-	-	3,947,550	(3,931)	3,943,619
- Stage 2	-	123,992	-	-	-	123,992	(190)	123,802
- Stage 3	-	-	-	-	-	-	-	-
Other assets								
- Stage 1	36,144	-	-	-	-	36,144	(147)	35,997
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
Loan commitments and financial guarantees								
- Stage 1	1,353,918	-	-	-	-	1,353,918	(1,589)	1,352,329
- Stage 2	3,163	1,375	-	-	-	4,538	(150)	4,388
- Stage 3	-	-	-	-	-	-	-	-
Total	24,999,958	960,289	519	44,928	209,386	26,215,080	(134,223)	26,080,857

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.3 Credit risk exposures (continued)

As at 31 December 2023	Gross amount					ECL allowance	Net amount
	Pass	Special mention	Sub-standard	Doubtful	Loss		
Cash and advances to banks							
- Stage 1	1,148,498	-	-	-	-	(8)	1,148,490
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
AMCM monetary bills							
- Stage 1	1,625,114	-	-	-	-	(38)	1,625,076
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Placements with and loans and advances to banks							
- Stage 1	3,092,804	-	-	-	-	(3,464)	3,089,340
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Advances to customers							
- Stage 1	13,731,379	-	-	-	-	(7,953)	13,723,426
- Stage 2	471,837	387,966	-	-	-	(11,389)	848,414
- Stage 3	-	-	2,458	8,734	272,883	(55,111)	228,964
Financial assets at amortized cost							
- Stage 1	3,880,950	-	-	-	-	(5,948)	3,875,002
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Other assets							
- Stage 1	70,256	-	-	-	-	(138)	70,118
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Loan commitments and financial guarantees							
- Stage 1	1,002,618	-	-	-	-	(1,083)	1,001,535
- Stage 2	23,676	1,488	-	-	-	(119)	25,045
- Stage 3	-	-	-	-	-	-	-
Total	25,047,132	389,454	2,458	8,734	272,883	(85,251)	25,635,410

The results of credit performance of the Bank can be further assessed with reference to the followings:

- Mortgage loans, which represent the biggest group in the portfolio, are backed by collateral;
- Loans and advances to customers that are credit impaired constituted 1.8% (2023: 1.9%) of the total loans and advances to customers; and
- 2.2% (2023: 11.0%) of the investments in debt securities and other bills have at least an A-credit rating.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.3 Credit risk exposures (continued)

The following table provides an analysis of the impaired loans and advances to customers.

		% of gross loans and advances to customers
As at 31 December 2024		
Gross impaired loans and advances to customers	254,833	1.8%
ECL allowances	(84,652)	
	<u>170,181</u>	
Impaired loans and advances to customers covered by collateral	<u>157,827</u>	
As at 31 December 2023		
Gross impaired loans and advances to customers	284,075	1.9%
ECL allowances	(55,111)	
	<u>228,964</u>	
Impaired loans and advances to customers covered by collateral	<u>170,630</u>	

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.4 Loss allowance

The tables below provide a reconciliation of the Bank's ECL allowances and gross exposures for loans and advances to customers, loan commitments and financial guarantees by stage under IFRS 9.

	Stage 1 ECL allowance	Stage 2 ECL allowance	Stage 3 ECL allowance	Total ECL allowance
At 1 January 2024	9,036	11,507	55,111	75,654
Transfer:				
Transfer to Stage 1	2,089	(2,089)	-	-
Transfer to Stage 2	(1,017)	1,017	-	-
Transfer to Stage 3	(51)	(1,062)	1,113	-
Effect on stage transfers and changes in allowance ⁽¹⁾	(1,807)	21,083	93,432	112,708
New financial assets originated, purchased or derecognized during the period	1,892	(495)	(4,807)	(3,410)
Write-offs	-	-	(60,197)	(60,197)
As at 31 December 2024	10,142	29,961	84,652	124,755
	Stage 1 ECL allowance	Stage 2 ECL allowance	Stage 3 ECL allowance	Total ECL allowance
At 1 January 2023	12,357	10,557	218,192	241,106
Transfer:				
Transfer to Stage 1	1,480	(1,480)	-	-
Transfer to Stage 2	(842)	842	-	-
Transfer to Stage 3	(38)	(479)	517	-
Effect on stage transfers and changes in allowance ⁽¹⁾	(4,995)	4,448	44,711	44,164
New financial assets originated, purchased or derecognized during the period	1,074	(2,381)	(832)	(2,139)
Write-offs	-	-	(207,477)	(207,477)
As at 31 December 2023	9,036	11,507	55,111	75,654

Note (1): Effect on stage transfers and changes in allowance comprises loss allowances attributable to stage transfers and changes to risk parameters.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.4 Loss allowance (continued)

	Stage 1 Gross exposures	Stage 2 Gross exposures	Stage 3 Gross exposures	Total Gross exposures
At 1 January 2024	14,733,994	884,970	284,075	15,903,039
Transfer:				
Transfer to Stage 1	372,482	(372,482)	-	-
Transfer to Stage 2	(1,951,160)	1,951,160	-	-
Transfer to Stage 3	(34,999)	(12,609)	47,608	-
Changes in gross exposures other than modifications	(47,963)	(15,785)	(16,653)	(80,401)
Write-offs	-	-	(60,197)	(60,197)
As at 31 December 2024	13,072,354	2,435,254	254,833	15,762,441
	Stage 1 Gross exposures	Stage 2 Gross exposures	Stage 3 Gross exposures	Total Gross exposures
At 1 January 2023	14,359,333	719,110	486,324	15,564,767
Transfer:				
Transfer to Stage 1	33,748	(33,748)	-	-
Transfer to Stage 2	(450,281)	450,281	-	-
Transfer to Stage 3	(7,187)	(4,862)	12,049	-
Changes in gross exposures other than modifications	798,381	(245,811)	(6,821)	545,749
Write-offs	-	-	(207,477)	(207,477)
As at 31 December 2023	14,733,994	884,970	284,075	15,903,039

Treasury portfolio, which consists of cash and balances with banks, debt instruments and other assets at amortized cost are classified in Stage 1 with no stage transition during both years.

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.5 Debt securities

The table below presents an analysis of debt securities by rating agency designation at 31 December 2024 and 2023.

As at 31 December 2024	Financial assets at amortized cost
A- to A+	87,491
Rated but lower than A-	85,514
Unrated	3,898,537
Total	4,071,542

As at 31 December 2023	Financial assets at amortized cost
A- to A+	428,568
Rated but lower than A-	87,271
Unrated	3,365,111
Total	3,880,950

3.1.6 Concentration of risks of financial assets with credit risk exposure

Geographical sectors

Advances to customers by geographical area are classified according to the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party located in an area which is different from that of the borrower.

The following table analyses gross advances to customers by geographical area.

Gross advances to customers	As at 31 December 2024	As at 31 December 2023
- Macau	13,827,699	14,306,954
- Hong Kong	378,992	344,059
- Mainland China	184,520	210,102
- Others	12,774	14,142
Total	14,403,985	14,875,257

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3 Financial risk management (continued)

3.1 Credit risk (continued)

3.1.6 Concentration of risks of financial assets with credit risk exposure (continued)

Industry sectors

Gross advances to customers by industry sector classified according to the usage of loans.

Gross advances to customers	As at 31 December 2024	As at 31 December 2023 (restated)
Industrial, commercial and financial		
• Property development	614,067	684,662
• Property investment	1,551,473	1,592,919
• Financial concerns	3,813	4,480
• Wholesale and retail trade	634,180	599,591
• Manufacturing	172,323	237,897
• Transport and transport equipment	20,750	15,441
• Others	1,864,368	2,004,352
Individuals		
• Loans for the purchase of residential properties	6,400,959	6,307,668
• Credit card advances	195,897	211,316
• Others	2,836,659	3,099,085
Trade finance	109,496	117,846
Total	14,403,985	14,875,257

Note: Reclassification was conducted for some industry sectors in 2024. Comparative figures were also restated to ensure consistency of presentation.

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3 Financial risk management (continued)

3.2 Market risk

Market risk is the risk of losses in assets, liabilities and off-balance sheet positions arising from adverse movements in market rates and prices.

3.2.1 Currency risk

The Bank has limited net foreign exchange exposure (except for Hong Kong dollar which is in a linked exchange rate relationship with Macau Patacas under the currency board system, and for United States dollar which is pegged to Hong Kong dollar under the linked exchange rate system in Hong Kong and is therefore indirectly pegged to Macau Patacas) as foreign exchange positions and foreign currency balances arising from customer transactions are normally matched against other customer transactions or transactions with the market. All foreign exchange exposures are managed within limits approved by the Board.

The table below summarizes the Bank's financial assets and liabilities as well as off-balance sheet net notional positions and credit commitments translated into equivalent MOP amounts, categorized by currency.

As of 31 December 2024	MOP	HKD	USD	RMB	Others	Total
Assets						
Cash and advances with banks	504,285	214,068	28,571	126,394	323,199	1,196,517
AMCM monetary bills	1,129,193	-	-	-	-	1,129,193
Placements with and loans and advances to banks	-	2,032,483	1,238,878	345,154	397,528	4,014,043
Advances to customers	7,706,612	6,386,406	142,069	2,572	43,310	14,280,969
Financial assets at amortized cost	-	2,680,254	1,387,167	-	-	4,067,421
Derivative financial instruments	-	254	542	-	4	800
Other assets	35,997	-	-	-	-	35,997
Liabilities						
Deposits from banks	-	-	-	-	281,025	281,025
Deposits from customers	8,419,725	9,859,644	3,047,716	472,185	475,904	22,275,174
Derivative financial instruments	-	1	456	-	449	906
Other liabilities	151,500	-	-	-	-	151,500

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3 Financial risk management (continued)

3.2 Market risk (continued)

3.2.1 Currency risk (continued)

As of 31 December 2023	MOP	HKD	USD	RMB	Others	Total
Assets						
Cash and advances with banks	503,530	214,031	20,709	290,108	120,112	1,148,490
AMCM monetary bills	1,625,076	-	-	-	-	1,625,076
Placements with and loans and advances to banks	-	1,391,304	922,470	360,434	415,132	3,089,340
Advances to customers	7,922,343	6,714,663	111,141	3,220	49,437	14,800,804
Financial assets at amortized cost	-	2,932,254	942,748	-	-	3,875,002
Derivative financial instruments	-	-	-	-	770	770
Other assets	70,118	-	-	-	-	70,118
Liabilities						
Deposits from banks	-	-	-	-	96,700	96,700
Deposits from customers	9,155,849	10,145,290	1,929,699	653,085	488,238	22,372,161
Derivative financial instruments	-	731	-	3	6	740
Other liabilities	168,456	-	-	-	-	168,456

Sensitivity analysis

The Bank has limited net foreign exchange exposure (except for HKD, USD, and Renminbi ("RMB")) as foreign exchange positions and foreign currency balances arising from customer transactions are normally matched against other customer transactions or transactions with the market. As at 31 December 2024, if MOP had weakened by 100 basis points against RMB with all other variables held constant, the impact on profit after tax for the year and equity would be insignificant (same in 2023).

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3 Financial risk management (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk

From an earning perspective, interest rate risk is the risk that the net income arising from future cash flows of a financial instrument will fluctuate because of changes in market interest rate. From an economic value perspective, interest rate risk is the risk that the economic value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on interest rate risk from both perspectives in the banking book. As such, the interest margins or net interest income and the economic value of the capital may increase or decrease as a result of such changes or in the event that unexpected movements arise. The Board and the Asset and Liability Management Committee (“ALCO”) sets limits on the level of mismatch of interest rate re-pricing that may be undertaken and monitor the interest rate impacts through scenario analysis and stress testing regularly.

The table below summarizes the Bank’s exposure to interest rate risks. Included in the table are the Bank’s financial assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

As of 31 December 2024	3 months or less	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Assets						
Cash and advances with Banks	485,574	-	-	-	710,943	1,196,517
AMCM monetary bills	1,030,916	98,277	-	-	-	1,129,193
Placements with and Loans and advances to banks	2,702,590	1,280,290	-	-	31,163	4,014,043
Advances to customers	13,752,495	68,853	166,336	13,645	279,640	14,280,969
Financial assets at amortized cost	916,809	2,829,151	257,283	-	64,178	4,067,421
Derivative financial instruments	-	-	-	-	800	800
Other assets	-	-	-	-	35,997	35,997
Liabilities						
Deposits from banks	280,632	-	-	-	393	281,025
Deposits from customers	12,210,208	7,286,035	58,812	-	2,720,119	22,275,174
Derivative financial Instruments	-	-	-	-	906	906
Other liabilities	-	-	-	-	151,500	151,500

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3 Financial risk management (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk (continued)

As of 31 December 2023	3 months or less	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Assets						
Cash and advances with banks	598,290	-	-	-	550,200	1,148,490
AMCM monetary bills	1,134,000	491,076	-	-	-	1,625,076
Placements with and loans and advances to banks	2,490,795	555,127	-	-	43,418	3,089,340
Advances to customers	11,704,749	225,684	2,434,036	104,920	331,415	14,800,804
Financial assets at amortized cost	280,320	3,171,401	373,147	-	50,134	3,875,002
Derivative financial instruments	-	-	-	-	770	770
Other assets	-	-	-	-	70,118	70,118
Liabilities						
Deposits from banks	96,623	-	-	-	77	96,700
Deposits from customers	10,624,201	9,172,787	207,160	-	2,368,012	22,372,160
Derivative financial Instruments	-	-	-	-	740	740
Other liabilities	-	-	-	-	168,456	168,456

Sensitivity analysis

As at 31 December 2024, if market interest rates had experienced a 200 basis points parallel up shock, with other variables held constant, the impact on earnings over the next 12 months and the impact on economic value of equity would have been MOP58 million higher and MOP2 million lower respectively. (2023: MOP84 million higher and MOP26 million lower respectively).

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3 Financial risk management (continued)

3.3 Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend. The Bank manages its liquidity on a prudent basis to ensure that a sufficiently high liquidity ratio relative to the statutory minimum is maintained throughout the year. ALCO regularly reviews the Bank's current loan and deposit mix and changes, funding requirements and projections, and monitors the liquidity ratio and maturity mismatch on an ongoing basis. Appropriate limits on liquidity ratio and maturity mismatch are set and sufficient liquid assets are held to ensure that the Bank can meet all short-term funding requirements.

The table below analyzes the Bank's assets and liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date or, where applicable, the earliest callable date.

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3 Financial risk management (continued)

3.3 Liquidity risk (continued)

As at 31 December 2024	Repayable on demand	Up to 1 month	3 months or less but over 1 month	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Indefinite	Total
Assets								
Cash and balances with Banks	1,196,517	-	-	-	-	-	-	1,196,517
AMCM monetary bills	-	751,985	278,932	98,276	-	-	-	1,129,193
Placements with and loans and advances to banks	-	2,067,292	655,576	1,291,175	-	-	-	4,014,043
Advances to customers	1,301,636	180,424	311,457	1,348,461	5,331,092	5,636,383	171,516	14,280,969
Financial assets at amortized cost	-	3,502	951,244	2,855,392	257,283	-	-	4,067,421
Derivative financial Instruments	-	105	234	461	-	-	-	800
Other assets	-	-	-	35,997	-	-	-	35,997
Liabilities								
Deposits from banks	-	281,025	-	-	-	-	-	281,025
Deposits from customers	6,741,395	3,305,725	4,816,802	7,352,251	59,001	-	-	22,275,174
Derivative financial Instruments	-	447	76	383	-	-	-	906
Other liabilities	36,040	433	1,668	111,621	-	-	1,738	151,500
As at 31 December 2023	Repayable on demand	Up to 1 month	3 months or less but over 1 month	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Indefinite	Total
Assets								
Cash and balances with banks	1,148,490	-	-	-	-	-	-	1,148,490
AMCM monetary bills	-	828,198	305,802	491,076	-	-	-	1,625,076
Placements with and loans and advances to banks	-	1,812,355	716,617	560,368	-	-	-	3,089,340
Advances to customers	1,298,305	226,248	350,385	1,396,563	5,479,920	5,796,620	279,763	14,827,804
Financial assets at amortized cost	-	83,778	216,051	3,202,027	373,146	-	-	3,875,002
Derivative financial instruments	-	467	303	-	-	-	-	770
Other assets	-	-	-	70,118	-	-	-	70,118
Liabilities								
Deposits from banks	-	96,700	-	-	-	-	-	96,700
Deposits from customers	5,903,532	3,054,522	3,935,201	9,270,347	208,558	-	-	22,372,160
Derivative financial instruments	-	450	290	-	-	-	-	740
Other liabilities	-	-	-	168,456	-	-	-	168,456

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3 Financial risk management (continued)

3.3 Liquidity risk (continued)

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities, derivative financial liabilities that will be settled on a net basis and derivative financial instruments that will be settled on gross basis by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted cash inflows.

As at 31 December 2024	Repayable on demand	Up to 1 month	3 months or less but over 1 month	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Non-derivative cash flow							
Deposits from banks	-	281,025	-	-	-	-	281,025
Deposits from customers	6,741,395	3,310,733	4,841,090	7,482,264	60,283	-	22,435,765
Other liabilities	36,040	433	1,668	111,621	-	-	149,762
Total liabilities	6,777,435	3,592,191	4,842,758	7,593,885	60,283	-	22,866,552
Derivative cash flow							
Total outflow	-	304,522	82,602	47,957	-	-	435,081
Total inflow	-	(304,184)	(82,807)	(48,035)	-	-	(435,026)
Total	-	338	(205)	(78)	-	-	55

As at 31 December 2023	Repayable on demand	Up to 1 month	3 months or less but over 1 month	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Non-derivative cash flow							
Deposits from banks	-	96,623	-	-	-	-	96,623
Deposits from customers	5,898,750	3,059,372	3,958,457	9,492,839	217,387	-	22,626,805
Other liabilities	-	25	1,526	21,506	-	-	23,057
Total liabilities	5,898,750	3,156,020	3,959,983	9,514,345	217,387	-	22,746,485
Derivative cash flow							
Total outflow	-	59,559	11,440	-	-	-	70,999
Total inflow	-	(59,574)	(11,446)	-	-	-	(71,020)
Total	-	(15)	(6)	-	-	-	(21)

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3 Financial risk management (continued)

3.4 Fair values of financial assets and liabilities

3.4.1 Financial instruments measured at fair value

The Bank measures fair values using the following hierarchy that reflects the significance of the observable and unobservable inputs used in the fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes equity securities and derivatives that are listed on exchanges.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the OTC derivative contracts.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity and debt securities with significant unobservable components.

(1) Fair value hierarchy

As of 31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI				
Equity securities	-	-	811,527	811,527
Derivative financial instruments				
Held for hedging	-	800	-	800
Total assets measured at fair value	-	800	811,527	812,327
Derivative financial instruments				
Held for hedging	-	906	-	906
Total liabilities measured at fair value	-	906	-	906
As of 31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI				
Equity securities	-	-	889,835	889,835
Derivative financial instruments				
Held for hedging	-	770	-	770
Total assets measured at fair value	-	770	889,835	890,605
Derivative financial instruments				
Held for hedging	-	740	-	740
Total liabilities measured at fair value	-	740	-	740

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3 Financial risk management (continued)

3.4 Fair values of financial assets and liabilities (continued)

3.4.1 Financial instruments measured at fair value (continued)

(1) Fair value hierarchy (continued)

For unlisted equity (private equity) held for strategic purposes, management uses valuation techniques to determine the fair value, including the discounted cash flow analysis, net asset value and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have a significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Bank as Level 3.

The unlisted equity investments are measured using valuation techniques of market comparable companies or recent transaction. The significant unobservable inputs are the average price-to-earnings ratio ("PE ratio") of comparable listed companies. As at 31 December 2024, if all of the significant unobservable inputs favourably changed and unfavourably changed by 5%, the Bank's other comprehensive income would have increased by MOP40 million (2023: MOP44 million) and decreased by MOP40 million (2023: MOP44 million) respectively.

(2) Reconciliation of Level 3 items

	Financial assets at fair value through other comprehensive income Equity instruments
As at 1 January 2024	889,835
Changes in fair value recognized in the other comprehensive income	(78,308)
As at 31 December 2024	811,527
Total loss for the year included in reserve for investment revaluation of the other comprehensive income for assets held at the end of the reporting period	(78,308)
	Financial assets at fair value through other comprehensive income Equity instruments
As at 1 January 2023	334,256
Changes in fair value recognized in the other comprehensive income	555,579
At 31 December 2023	889,835
Total gain for the year included in reserve for investment revaluation of the other comprehensive income for assets held at the end of the reporting period	555,579

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3 Financial risk management (continued)

3.4 Fair values of financial assets and liabilities (continued)

3.4.2 Financial instruments not measured at fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

Placements with banks – The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity.

Loans and advances to customers, and trade bills – The estimated fair value of loans and advances and trade bills represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Investment securities – Investment securities include interest-bearing assets included in the amortized cost category. Fair value of amortized cost assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Deposits and balances from banks, deposits from customers, certificates of deposit issued and other borrowed funds – The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

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3 Financial risk management (continued)

3.4 Fair values of financial assets and liabilities (continued)

3.4.2 Financial instruments not measured at fair value (continued)

The carrying amounts of the Bank's financial instruments carried at cost or amortized cost are not materially different from their fair values as at 31 December 2024 except as follows:

As of 31 December 2024	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	4,067,421	-	3,959,533	-	3,959,533
As of 31 December 2023	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	3,875,002	-	3,795,207	-	3,795,207

3.5 Capital management

The Bank's objectives when managing capital are:

- To comply with the capital requirements set by the banking regulators in the markets where the entities within the Bank operate;
- To safeguard the Bank's ability to continue its business as a going concern;
- To maximize returns to shareholders and optimize the benefits to other stakeholders; and
- To maintain a strong capital base to support the development of its business

The capital adequacy of and the use of regulatory capital by the Bank is monitored regularly by the management, employing techniques based on the guidelines provided by AMCM. The Bank's regulatory capital is divided into two tiers in accordance with the requirements of AMCM:

- Core capital: share capital, retained earnings, and legal and other reserves created by appropriation of retained earnings; and
- Supplementary capital: fair value gains arising on revaluation of fair value through other comprehensive income equities and debt securities, and general provisions.

4 Critical accounting estimates and judgments

The Bank 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.

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4 Critical accounting estimates and judgments (continued)

4.1 Measurement of the ECL allowances

The measurement of the ECL allowances for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.1.1, which also sets out key sensitivities of the ECL to changes in these elements. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4.2 Fair value of financial instruments

The Bank applies judgement in selecting the most appropriate quotation for valuation purposes based on its assessment of the range of observable quotations, recent observable transactions, the reliability and quality of the pricing source, and the value of securities of a similar nature. For unlisted equity investments, management judgement and estimates are required for the selection of appropriate valuation parameters, assumptions and modelling techniques.

4.3 Assessment of claims and contingencies

Judgement is needed to determine if provision for compensation by the Company needs to be recorded in accordance with the requirements of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. In making this judgement, the Bank evaluates the information relating to each or similar cases, and the likelihood and estimated amount of outflow of resources which may be incurred to settle the obligation after considering factors such as recent settlement experiences and advice from legal counsel.

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5 Net interest income

Interest income

	2024	2023
Interest received and receivable on:		
Current account with AMCM	9,599	7,210
AMCM monetary bills	66,518	47,836
Placements with and loans and advances to banks	162,498	147,489
Investment securities	194,777	128,836
Loans and advances to customers	570,492	544,256
Other interest income	-	981
Total interest income	1,003,884	876,608

Interest expense

Interest paid and payable on:

Balances and deposits from banks	1,553	1,188
Deposits from customers	652,257	529,708
Other interest expense	-	2,165
Total interest expense	653,810	533,061

Net interest income	350,074	343,547
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6 Net fee and commission income

Fee and commission income

	2024	2023
Fee and commission income from:		
Bank guarantees granted	1,889	1,878
Trade finance	642	725
Securities trading and custodian services	8,509	6,644
Commitment fees	2,313	384
Credit card operations	15,606	16,517
Cheques and payment orders issued	1,241	1,162
Insurance sales	6,514	6,426
Other fee and commission income	9,842	7,988
Total fee and commission income	46,556	41,724

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6 Net fee and commission income (continued)

Fee and commission expense

	2024	2023
Fee and commission expense on:		
Custodian services	129	156
Auto finance	620	743
Correspondent banks	1,294	1,094
Securities trading	3,746	2,973
Credit card operations	14,623	13,896
Total fee and commission expense	20,412	18,862
Net fee and commission income	26,144	22,862

7 Net trading income

	2024	2023
Net trading income		
- Foreign exchange	9,634	8,941
- Net (loss)/gain on financial instruments at fair value through profit or loss	(141)	445
Net trading income	9,493	9,386

8 Other operating income

	2024	2023
Services rendered to third parties	1,254	1,072
Property rental	2,559	2,559
Dividend income from equity investments measured at FVOCI	5,838	14,285
Other operating income	3,450	4,366
Total other operating income	13,101	22,282

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9 Operating expenses

	2024	2023
Staff costs:		
Key management compensation		
- Directors' remuneration	7,530	7,141
- Pension costs	380	375
Wages, salaries and bonus	133,471	128,038
Pension costs	9,558	6,471
Others	10,835	11,480
Property costs:		
Rental of premises	5,890	6,780
Other property costs	1,472	1,420
Amortization and depreciation:		
Amortization of intangible assets	7,668	7,266
Depreciation for premises and other fixed assets	11,556	13,975
Other operating expenses:		
Advertising and promotion expenses	5,683	5,535
Computer expenses	22,294	19,499
Other operating expenses	24,105	24,991
Total operating expenses	240,442	232,971

10 Credit impairment losses

	2024	2023
New charge to income statement	109,169	40,218
	109,169	40,218
Attributable to:		
- Advances to customers	108,761	43,134
- Other financial assets	(127)	(1,807)
- Loan commitments and financial guarantees	535	(1,109)
	109,169	40,218

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11 Income tax expense

Current tax comprises of Macao complementary tax. According to Macao complementary tax law, Macao complementary tax is levied at progressive rates ranging from 3% to 9% on the taxable income above MOP32,000 but below MOP300,000, and thereafter at a fixed rate at 12%. For 2023 and 2024, a special tax incentive is provided to the effect that tax free income threshold is increased from MOP32,000 to MOP600,000 and the profit thereafter is to be taxed at a fixed rate of 12%. The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the Macao complementary tax rate applicable to the profits of the Bank, which is set out below:

	2024	2023
Current income tax expense	5,509	12,106
Total tax expense	5,509	12,106

	2024	2023
Profit before tax	50,891	126,578
Tax calculated at 12% (2023: 12%)	6,107	15,189
Over provision in previous years	(349)	(2,836)
Effect of the progressive tax rate below 12%	(17)	(17)
Special complementary tax incentive	(55)	(55)
Income not subject to tax	(250)	(244)
Expenses not deductible for tax purposes	73	69
Total tax expense	5,509	12,106

12 Dividend

At the meeting of the Board of directors of the Bank held on 3 March 2025, no dividend is proposed to be distributed for the year ended 31 December 2024 (2023: Nil).

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13 Cash and balances with banks

As at 31 December	2024	2023
Cash	284,795	308,181
Balances with banks	560,034	517,151
	844,829	825,332
Less: impairment allowance stage 1	(7)	(8)
	844,822	825,324

14 Loans and advances to customers

As at 31 December	2024	2023
Gross loans and advances to customers	14,403,985	14,875,257
Less: impairment allowances		
- Stage 1	(8,553)	(7,953)
- Stage 2	(29,811)	(11,389)
- Stage 3	(84,652)	(55,111)
Net loans and advances to customers	14,280,969	14,800,804

As at 31 December	2024	2023
Maturing within 12 months	2,421,331	2,647,764
Maturing beyond 12 months	11,859,638	12,153,040
Net loans and advances to customers	14,280,969	14,800,804

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15 Derivative financial instruments

As at 31 December 2024	Notional amount	Fair values	
		Assets	Liabilities
Foreign exchange derivatives			
Currency forwards	434,870	800	906
As at 31 December 2023	Notional amount	Fair values	
		Assets	Liabilities
Foreign exchange derivatives			
Currency forwards	70,564	770	740

16 Financial assets at amortized cost

As at 31 December	2024	2023
Debt securities (listed)	321,525	325,723
Debt securities (unlisted)	3,750,017	3,555,227
	4,071,542	3,880,950
Less: impairment allowances		
- Stage 1	(3,931)	(5,948)
- Stage 2	(190)	-
	<u>4,067,421</u>	<u>3,875,002</u>
Market value	<u>3,959,533</u>	<u>3,795,207</u>
Maturing within 12 months	3,809,469	3,502,605
Maturing beyond 12 months	262,073	378,345
	<u>4,071,542</u>	<u>3,880,950</u>

17 Financial assets at fair value through other comprehensive income

As at 31 December	2024	2023
Unlisted equity securities, at fair value	<u>811,527</u>	<u>889,835</u>

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18 Intangible assets

**Software and
banking systems**

Opening net book amount as at 1 January 2023	10,909
Additions	9,078
Amortization charged	(7,265)
Closing net book amount as at 31 December 2023	12,722

As at 31 December 2023

Cost	94,812
Accumulated amortization	(82,090)
Net book amount	12,722

Opening net book amount as at 1 January 2024	12,722
Additions	5,595
Write-offs/disposals	-
Amortization charged	(7,668)
Closing net book amount as at 31 December 2024	10,649

As at 31 December 2024

Cost	100,379
Accumulated amortization	(89,730)
Net book amount	10,649

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19 Premises and other fixed assets

	Premises	Premises improvements	Furniture and equipment	Total
As at 1 January 2023				
Cost	216,309	77,225	80,616	374,150
Accumulated depreciation	(53,059)	(70,198)	(67,346)	(190,603)
Net book amount	163,250	7,027	13,270	183,547
Opening net book amount as at 1 January 2023				
Additions	-	1,152	2,652	3,804
Write-offs/disposals	-	(704)	(1,229)	(1,933)
Depreciation charged	(4,298)	(3,571)	(4,179)	(12,048)
Closing net book amount as at 31 December 2023	158,952	3,904	10,514	173,370
As at 31 December 2023 and 1 January 2024				
Cost	216,309	77,672	82,039	376,020
Accumulated depreciation	(57,357)	(73,768)	(71,525)	(202,650)
Net book amount	158,952	3,904	10,514	173,370

Premises consist of investment properties measured at amortized cost, with carrying amount of MOP6,871,000 and fair value of MOP70,820,000 as of 31 December 2024 (2023: carrying amount of MOP7,133,000 and fair value of MOP75,720,000).

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19 Premises and other fixed assets (continued)

	Premises	Premises improvements	Furniture and equipment	Total
Opening net book amount as at 1 January 2024	158,952	3,904	10,514	173,370
Additions	-	1,136	4,164	5,300
Write-offs/disposals	-	(3,967)	(3,570)	(7,537)
Depreciation charged	(4,298)	(2,852)	(4,406)	(11,556)
Depreciation write-offs	-	3,950	3,422	7,372
Closing net book amount as at 31 December 2024	154,654	2,171	10,124	166,949

As at 31 December 2024

Cost	216,309	74,841	82,633	373,783
Accumulated depreciation	(61,655)	(72,670)	(72,509)	(206,834)
Net book amount	154,654	2,171	10,124	166,949

The net book amount of premises comprises:

	2024	2023
Leaseholds in Macau	152,327	156,546
Freeholds in Macau	2,327	2,406
Net book amount	154,654	158,952

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20 Other assets

As at 31 December	2024	2023
Reposessed assets	1,500	1,500
Accounts receivable and prepayments	26,896	59,697
Others	7,748	9,059
	<u>36,144</u>	<u>70,256</u>
Less: impairment allowance stage 1	(147)	(138)
	<u>35,997</u>	<u>70,118</u>

21 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

As at 31 December	2024	2023
Deferred tax liabilities to be settled after more than 12 months	<u>(91,160)</u>	<u>(100,557)</u>

The net movement on the deferred income tax (liabilities)/assets is as follows:

	2024	2023
As at 1 January	(100,557)	(33,887)
Recognized in the income statement (Note 11)	-	-
Recognized in equity	9,397	(66,670)
As at 31 December	<u>(91,160)</u>	<u>(100,557)</u>

Deferred income tax assets/(liabilities)	Impairment on loan and advances to customers	Investment revaluation	Total
As at 1 January 2023	1,653	(35,540)	(33,887)
Charged to the income statement	-	-	-
Charged to equity	-	(66,670)	(66,670)
As at 31 December 2023	<u>1,653</u>	<u>(102,210)</u>	<u>(100,557)</u>
As at 1 January 2024	1,653	(102,210)	(100,557)
Charged to the income statement	-	-	-
Credited to equity	-	9,397	9,397
As at 31 December 2024	<u>1,653</u>	<u>(92,813)</u>	<u>(91,160)</u>

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22 Deposits from customers

As at 31 December	2024	2023
Current deposit accounts	2,548,817	2,150,396
Savings deposit accounts	4,192,447	3,753,014
Time deposit accounts	15,533,910	16,468,751
Total deposits from customers	22,275,174	22,372,161

As at 31 December	2024	2023
Maturing within 12 months	22,215,810	22,163,107
Maturing beyond 12 months	59,364	209,054
	22,275,174	22,372,161

23 Other liabilities

As at 31 December	2024	2023
Accrued expenses and other payables	26,169	26,880
Deferred income	71,392	71,227
Others	52,201	69,146
	149,762	167,253
Add: impairment allowance stage 1 (in respect of contingent liabilities and undrawn commitments)	1,738	1,203
	151,500	168,456

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24 Contingent liabilities and commitments

a. Capital commitments

As at 31 December 2024 and 2023, the Bank did not have any capital commitments.

b. Credit commitments

Credit commitments as at 31 December	2024	2023
Bank guarantees	204,705	207,901
Trade related contingencies	9,678	58,214
Other commitments	1,144,072	761,667
Total credit commitments	1,358,455	1,027,782

c. Operating lease commitments

Operating lease commitments as at 31 December	2024	2023
Less than 12 months	4,483	4,034
Between 1 to 5 years	7,940	7,888
Total operating lease commitments	12,423	11,922

d. Other contingent liabilities

The Bank is currently having a legal dispute with its business partner in relation to its bancassurance business involving, amongst other things, a monetary claim of up to about MOP188 million against the Bank. No provision was made for the legal dispute because management of the Bank is of the opinion that the Bank is more likely to succeed in its defence.

25 Related party transactions

Related parties are those parties, which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

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25 Related party transactions (continued)

The Bank is controlled by DSB, the immediate holding company, which is a licensed bank incorporated in Hong Kong and directly owns 78% of the equity of the Bank. Other shareholders are DSB BCM (1) Limited and DSB BCM (2) Limited, each is directly holding 11% equity interest in the Bank, and both are wholly owned subsidiaries of DSB. The ultimate holding company of the Bank is DSFH, a company incorporated in Hong Kong and listed on The Stock Exchange of Hong Kong Limited. In the ordinary course of the Bank's business, the Bank enters into transactions with fellow subsidiaries of DSFH which include Macau Insurance Company Limited ("MIC") and Macau Pension Fund Management Company Limited ("MPFM"), in addition to transactions with DSB.

Immediate holding company

Balances as at 31 December	2024	2023
Balances and placements with and loans and advances to banks	4,424,700	3,481,579
Receivables or prepaid expenses:		
Other receivables or prepaid expenses	115	172
Liabilities:		
Balances and deposits from banks	281,025	96,700
Certificate of deposit issued	-	-
Payables or deferred income:		
Management fee	481	1,617
Other payables	792	792
Off balance sheet items:		
Currency options (notional amount)	39,363	1,462
For the year ended 31 December	2024	2023
Income:		
Interest on placements with and loans and advances to banks (Note i)	161,469	146,492
Other operating income/management fee (Note ii)	716	160

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25 Related party transactions (continued)

Immediate holding company (continued)

For the year ended 31 December	2024	2023
Expenses:		
Interest on balances and deposits from banks	1,496	991
Interest on certificate of deposit issued	-	169
Other operating expense/management fee (Note iii)	3,321	3,179

- (i) The deposits placed with/from the immediate holding company are at market rates and on normal commercial terms that are comparable or no more favorable than those offered to independent third parties and that no security over the assets of the Bank is granted in respect of such financial assistance.
- (ii) Income derived from derivative transactions entered into with the immediate holding company.
- (iii) The management fee was related to computer and administrative charges paid to the immediate holding company. The underlying service agreement commenced from 1 January 2023.

Fellow subsidiaries

Balances as at 31 December	2024	2023
Assets:		
Loans and advances to non-bank customers	1,521	1,802
Receivables or prepaid expenses:		
Other receivables or prepaid expenses	812	768
Liabilities:		
Deposits from customers	70,327	85,159
For the year ended 31 December	2024	2023
Income:		
Fee and commission income (Note iv)	8,284	7,588
Rental (Note v)	2,559	2,559
Management fee (Note vi)	1,254	1,072
Interest income (Note vii)	55	65
Expenses:		
Interest on deposits from customers (Note vii)	1,113	688
Fee and commission and operating expenses (Note viii)	4,050	3,810

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25 Related party transactions (continued)

Fellow subsidiaries (continued)

- (iv) The fee and commission income was derived from a distribution agreement with MIC for the marketing and distribution of general insurance products through BCM's branch network for a fixed term of three years with effect from 1 January 2023 and ending on 31 December 2025.
- (v) The rental income was derived from the lease of a property to MIC which covers the period from 1 January 2023 to 31 December 2025 at a month rent (exclusive of management fee and utility charges) of MOP213,210.
- (vi) The management fee was derived from computer and administrative charges earned from MIC.
- (vii) The interest income and expense were derived from banking services provided to MIC and MPFM in the same way as these services are provided to other customers and are conducted on normal commercial terms.
- (viii) Key management personnel – The Bank did not provide any credit facility to the Group's key management personnel, their close family members and entities controlled by them in 2024 (2023: Nil), whereas the deposits taken from them were immaterial. Key management personnel of the Bank are directors, and their remunerations are included under Note 9.

26 Share capital

	2024	2023
Authorized 1,200,000 shares at MOP250 each (2023: authorized 900,000 shares at MOP250 each)	<u>300,000</u>	<u>225,000</u>
Issued and fully paid:	2024	2023
Ordinary shares of MOP250 each		
As at 1 January and 31 December		
Number of shares (thousand)	1,200	900
Share capital	<u>300,000</u>	<u>225,000</u>

In 2024, the share capital of the Bank was increased by MOP75 million, to MOP300 million through the capitalization of retained earnings.

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27 Reserves

Legal reserve

Movements in legal reserve are included in the statement of changes in equity on page 12 of the financial statements.

The legal reserve represents the amount set aside from retained earnings and is not distributable to the Bank's shareholders. Article 70^º of the Macau Financial System Act requires credit institutions incorporated in Macau transfer at least 20% of their net annual profits to their legal reserve account until that fund amounts to half of the share capital. Once the amount referred to in the preceding sentence has been reached, credit institutions shall transfer at least 10% of their annual net profits to the legal reserve account until the reserve fund is equal to the share capital.

Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the AMCM for prudential supervision purposes in addition to expected credit loss recognized in accordance with AMCM Guideline Notice 012/2021-AMCM. Movements in the regulatory reserve are appropriated directly through retained earnings.

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28 Notes to statement of cash flows

Analysis of balances of cash and cash equivalents:

	2024	2023
Cash (Note 13)	284,795	308,181
Balances with banks (Note 13)	560,034	517,151
Balance with AMCM	351,695	323,167
Minimum statutory cash requirement	(437,989)	(408,993)
Total cash and balances with banks	758,535	739,506
With original maturity up to 3 months:		
AMCM monetary bills	511,322	811,091
Placements with and loans and advances to banks	1,952,931	1,553,765
Total AMCM monetary bills and placements with and loans and advances to banks	2,464,253	2,364,856
Total cash and cash equivalents as at 31 December	3,222,788	3,104,362