

TAI SANG BANK LIMITED

**INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2021
(UNAUDITED)**

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Half Year Ended 30 Jun 2021 (Unaudited)	Half Year Ended 30 Jun 2020 (Unaudited)
	HK\$	HK\$
Interest Income	2,684,945	9,284,881
Interest Expenses	(23,422)	(1,545,079)
Net Interest Income	2,661,523	7,739,802
Other Operating Income	7,702,573	7,029,551
Operating Income	10,364,096	14,769,353
Operating Expenses	(12,727,230)	(12,601,240)
Operating (Loss) / Profit Before Impairment	(2,363,134)	2,168,113
Expected Credit Loss Allowances for Impaired Assets	-	-
Operating (Loss) / Profit	(2,363,134)	2,168,113
Revaluation Surplus / (Deficit) of Investment Properties	4,558,930	(4,700,000)
Loss on Disposal of Property, Plant & Equipment	(15,081)	(2,767)
Profit / (Loss) Before Income Tax	2,180,715	(2,534,654)
Income Tax Credit / (Expense)	453,201	(4,563,012)
Profit / (Loss) Attributable to Equity Holders	2,633,916	(7,097,666)
Other Comprehensive Income / (Losses):		
Items that will not be reclassified to Profit or Loss		
Equity Investments at Fair Value through		
Other Comprehensive Income (FVOCI):		
Increase / (Decrease) in Fair Value during the Half Year	242,272	(1,971,385)
Deferred Tax	-	-
Items that will be reclassified to Profit or Loss		
Debt Securities at Fair Value through		
Other Comprehensive Income (FVOCI):		
Decrease in Fair Value during the Half Year	-	(30,415)
Transfer from Investment at FVOCI Revaluation Reserve		
to Statement of Comprehensive Income Upon Disposal		
of Debt Securities at FVOCI	-	60,505
Deferred Tax	-	-
Total Comprehensive Income / (Losses) Attributable to		
Equity Holders for the Half Year Ended 30th June	2,876,188	(9,038,961)

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I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

Explanatory Statement

Local economy showed signs of recovery. The local economy that was hard hit by the unprecedented COVID-19 pandemic since early 2020 showed some signs of recovery in the first half of 2021. With the government stimulating economic measures and the roll-out of the vaccination programmes, the hope of a full recovery back to the pre-COVID-19 pandemic level has become more optimistic than before. Yet, despite the difficult economic situation, the price index of the residential property market was at all time high.

Operating profit fell as compared to the same period last year. Compared to an operating profit of HK\$ 2.2 million for the first half of 2020, the Group recorded an operating loss of HK\$ 2.4 million in the first half of 2021. This was mostly caused by the HK\$5 million decrease in net interest income as the Group significantly reduced its interbank placement activities due to the extremely low interest rates. Interbank interest rates were at all time low levels due to ample liquidity in the market. The shrinkage of the Group's customers' deposit balances also reduced the amount of funds that the Group could place in the market.

During the first half of 2021, the Group has increased its investment in blue-chip listed equity shares. In addition, more fee income from safe deposit boxes was generated after converting some small-sized safe deposit boxes to large-sized ones. As a result, other operating income increased as compared to the same period last year. On the other hand, the operating expenses remained rather stable.

Revaluation surplus of investment properties instead of deficit. The Group acquired an office property in Mongkok in March 2021. While part of the property was used as the Bank's new back-up site, the remaining parts were temporarily leased out to outside parties. Basically, the Bank building in Central remained fully occupied in the first half of 2021. As a whole, the Group has booked a revaluation surplus of HK\$4.6 million of its investment properties in the first half of 2021, against a deficit of HK\$4.7Mn last year.

Marked-to-market gain of listed equity investments. The Group's equity investments measured at fair value through other comprehensive income, comprising mainly listed equity investments in Hong Kong, recorded about HK\$ 0.2 million cumulative unrealized gain as at 30 June 2021 as compared to an unrealized deficit of around HK\$2 million for the same period last year.

Economic outlook more cautiously optimistic in the near future. Despite the various uncertainties in the market, the Group remained healthy and the quality of the loan portfolio was little affected. The Group's liquidity and capital ratios continued to remain at high levels. The major impact on the Group was the all-time-low interest rates environment which had significantly reduced the Group's interest income from its surplus funds. In view of the situation, the Group would continue to look for safe investment opportunities to diversify its income sources and generate stable operating incomes for the shareholders.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
ASSETS		
Cash and Balances with Banks	327,081,180	277,510,599
Placements with Banks Maturing within One and Twelve Months	104,090,966	180,000,000
Loans and Advances to Customers & Other Accounts	216,087,690	168,897,040
Investment securities at Fair Value through Other Comprehensive Income (FVOCI)	13,616,505	6,591,932
Property, Plant & Equipment	105,321,287	101,083,789
Investment Properties	304,500,000	288,000,000
Right-of-use Assets	62,713	156,783
Tax Recoverable	-	204
TOTAL ASSETS	<u>1,070,760,341</u>	<u>1,022,240,347</u>
LIABILITIES		
Deposits from Customers	320,945,186	270,041,632
Other Liabilities & Provisions	22,748,013	27,554,356
Current Tax Liabilities	125,703	87,897
Deferred Tax Liabilities	10,790,878	11,282,089
TOTAL LIABILITIES	<u>354,609,780</u>	<u>308,965,974</u>
EQUITY		
Share Capital	310,000,000	310,000,000
Reserves	406,150,561	403,274,373
TOTAL EQUITY	<u>716,150,561</u>	<u>713,274,373</u>
TOTAL LIABILITIES AND EQUITY	<u>1,070,760,341</u>	<u>1,022,240,347</u>

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III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Bank			<u>Total</u> HK\$
	<u>Share</u> <u>capital</u> HK\$	<u>Other</u> <u>reserves</u> HK\$	<u>Retained</u> <u>earnings</u> HK\$	
	HK\$	HK\$	HK\$	
Balance at 1 January 2021 (Audited)	310,000,000	3,478,110	399,796,263	713,274,373
Comprehensive income				
Profit for the half year	-	-	2,633,916	2,633,916
Other comprehensive income				
Change in fair value of equity investments measured at FVOCI	-	242,272	-	242,272
Total comprehensive income	-	242,272	2,633,916	2,876,188
Total transfer and appropriation	-	-	-	-
Balance at 30 June 2021 (Unaudited)	<u>310,000,000</u>	<u>3,720,382</u>	<u>402,430,179</u>	<u>716,150,561</u>
Balance at 1 January 2020 (Audited)	310,000,000	5,070,878	411,751,908	726,822,786
Comprehensive income				
Loss for the half year	-	-	(7,097,666)	(7,097,666)
Other comprehensive income				
Change in fair value of equity investments measured at FVOCI	-	(1,971,385)	-	(1,971,385)
Transfer of cumulative revaluation deficit of debt securities investments at FVOCI on their disposal to profit & loss	-	60,505	-	60,505
Change in fair value of debt securities investments at FVOCI	-	(30,415)	-	(30,415)
Total comprehensive loss	-	(1,941,295)	(7,097,666)	(9,038,961)
Total transfer and appropriation	-	-	-	-
Balance at 30 June 2020 (Unaudited)	<u>310,000,000</u>	<u>3,129,583</u>	<u>404,654,242</u>	<u>717,783,825</u>

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IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Half Year Ended 30 Jun 2021 (Unaudited) HK\$	Half Year Ended 30 Jun 2020 (Unaudited) HK\$
Cash flows from operating activities		
Operating (loss) / profit	(2,363,134)	2,168,113
Depreciation - property, plant and equipment	665,109	517,065
Depreciation - right-of-use assets	94,070	94,070
Dividend income from equity investments at FVOCI	(150,989)	(41,854)
Hong Kong profit tax refund	-	75,006
Cash flows from operating activities before changes in operating assets and liabilities	(1,754,944)	2,812,400
Changes in operating assets and liabilities		
- Net decrease in interest receivable	95,004	516,034
- Net decrease in other receivable accounts	1,195,205	12,137,231
- Net increase / (decrease) in interest payable	578	(211,802)
- Net decrease in other payable accounts	(4,712,249)	(2,217,959)
- Net (increase) / decrease in advances to customers	(48,480,859)	126,319
- Net increase / (decrease) in customers' deposits	50,903,554	(350,178,440)
- Net (increase) / decrease in placements with banks repayable more than 3 months	(4,090,966)	84,258,776
Net cash outflow from operating activities	(6,844,677)	(252,757,441)
Cash flows from investing activities		
Dividends received on equity investments at FVOCI	150,989	41,854
Purchase of plant and equipment	(352,651)	(175,344)
Purchase of self-used bank premises	(4,567,537)	-
Purchase of investment properties	(11,941,070)	-
Purchase of equity investments at FVOCI	(6,782,301)	-
Sale Proceeds received on disposal of plant and equipment	2,500	-
Net cash outflow from investing activities	(23,490,070)	(133,490)
Cash flows from financing activities		
Principal elements of lease payments	(94,672)	(93,120)
Net cash outflow from financing activities	(94,672)	(93,120)
Decrease in cash and cash equivalents	(30,429,419)	(252,984,051)
Cash and cash equivalents at 1 January	457,510,599	759,840,038
Cash and cash equivalents at 30 June (Note a)	427,081,180	506,855,987
Cash flows from operating activities included:		
Interest received	2,779,949	9,800,915
Interest paid	22,844	1,756,881
Note a :		
Cash and cash equivalents comprise the following balances:		
Cash in hand	4,156,010	3,252,383
Balances with banks and central bank with original maturity within 3 months	322,925,170	258,603,604
Placements with banks with original maturity within 3 months	100,000,000	245,000,000
	427,081,180	506,855,987

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V. SCOPE OF CONSOLIDATION

This interim financial disclosure statement has been prepared based on the consolidated results and financial data of the Bank and its five subsidiaries made up to 30 June 2021. The five wholly owned subsidiaries of the Bank are TSB Property Management Limited, Success Land Enterprises Limited, Golden Wisdom Development Limited, Team Gold Investment Limited and Gold Harmony Enterprises Limited, the first two of which are engaged in property management and investment holding respectively, while the latter three are investment property holding companies. There were no subsidiaries which were not included in the consolidated Group.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The basis of consolidation for accounting purposes differs from the basis of consolidation for regulatory purposes, under which only Success Land Enterprises Limited, Golden Wisdom Development Limited, Team Gold Investment Limited and Gold Harmony Enterprises Limited are included as subsidiaries in the consolidated Group for regulatory purposes. The Bank is required to calculate and report its capital ratios on the consolidated position based on the regulatory scope of consolidated figures in addition to the Bank's solo position based on its unconsolidated level figures.

There are no shareholdings in any of the above subsidiaries that are deducted from the Bank's CET1 capital.

The total assets and total equity reported on the financial statement of each of the above mentioned subsidiaries as at 30 June 2021 are as follows:

	Total Assets At 30 Jun 2021 (Unaudited) HK\$	Total Equity At 30 Jun 2021 (Unaudited) HK\$
TSB Property Management Limited	1,062,885	773,502
Success Land Enterprises Limited	2	2
Golden Wisdom Development Limited	33,961,902	33,587,756
Team Gold Investment Limited	30,470,514	30,062,548
Gold Harmony Enterprises Limited	18,122,559	485,377

There are no restrictions on the transfer of funds or regulatory capital between the Group companies under any relevant regulatory, legal or taxation constraints.

VI. NOTES AND SUPPLEMENTARY INFORMATION

(1) General Information

The principal activities of Tai Sang Bank Limited (the "Bank") and its subsidiaries (collectively the "Group") are the provision of banking and related financial services, and property investment and management.

The Bank is an authorized institution incorporated in Hong Kong. The address of its registered office is 130 - 132 Des Voeux Road Central, Hong Kong.

This interim financial disclosure statement is presented in units of Hong Kong dollars (HK\$), unless otherwise stated.

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(2) Accounting Policies

The accounting policies applied in the preparation of this interim financial disclosure statement for the half year ended 30 June 2021 are consistent with those used and described in the Group's audited annual financial statements for the year ended 31 December 2020.

(3) Net Interest Income

	Half Year Ended 30 Jun 2021 (Unaudited) HK\$	Half Year Ended 30 Jun 2020 (Unaudited) HK\$
Interest income		
Cash and balances and placements with banks	198,315	4,755,302
Loans and advances	2,486,630	2,455,273
Debt securities at FVOCI	-	2,074,306
Impaired assets	-	-
	<u>2,684,945</u>	<u>9,284,881</u>
Interest expense		
Deposits from customers	22,117	1,516,945
Bank borrowings	-	7,397
Lease liabilities	1,027	2,580
Others	278	18,157
	<u>23,422</u>	<u>1,545,079</u>

(4) Other Operating Income

	Half Year Ended 30 Jun 2021 (Unaudited) HK\$	Half Year Ended 30 Jun 2020 (Unaudited) HK\$
Fees and commission income	72,764	75,117
Less : fees and commission expense	(39,335)	(35,223)
Net fees and commission income	<u>33,429</u>	<u>39,894</u>
Gross rental income - investment properties	4,444,615	4,230,059
Less : rental outgoings	(1,614,829)	(1,579,779)
	<u>2,829,786</u>	<u>2,650,280</u>
Air-conditioning and management fees	1,058,257	991,806
Net investment income / (loss)	-	(60,505)
Dividend income from:		
Listed equity investments at FVOCI	150,989	41,854
Miscellaneous income (includes mainly safe deposit box rental income and others)	3,630,112	3,366,222
	<u>7,702,573</u>	<u>7,029,551</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(5) Operating Expenses

	Half Year Ended 30 Jun 2021 (Unaudited) HK\$	Half Year Ended 30 Jun 2020 (Unaudited) HK\$
Staff costs	7,741,601	8,325,223
Premises and equipment expenses	760,695	679,342
Depreciation - property, plant and equipment	665,109	517,064
Depreciation - rights-of-use assets	94,070	94,070
Miscellaneous expenses	3,465,755	2,985,541
	<u>12,727,230</u>	<u>12,601,240</u>

(6) Income Tax (Credit) / Expense

Hong Kong income tax has been provided at the rate of 16.5% (2020:16.5%) on the estimated assessable profits for the period.

	Half Year Ended 30 Jun 2021 (Unaudited) HK\$	Half Year Ended 30 Jun 2020 (Unaudited) HK\$
Current income – Hong Kong profits tax expense	38,010	42,346
Deferred income tax (credit) / expense	(491,211)	4,520,666
Income tax (credit) / expense	<u>(453,201)</u>	<u>4,563,012</u>

(7) Cash and Balances with Banks

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Cash in hand	4,156,010	3,259,400
Balances with banks and central bank	262,702,476	111,896,301
Placement with banks, maturing within 1 month	60,222,694	162,354,898
	<u>327,081,180</u>	<u>277,510,599</u>
Expected credit loss allowances for impaired assets - (cash and balances with banks)	<u>-</u>	<u>-</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(8) Placements with Banks

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Placements with banks		
- maturing between 1 and 12 months	<u>104,090,966</u>	<u>180,000,000</u>
Expected credit loss allowances for impaired assets		
- (placements with banks)	<u>-</u>	<u>-</u>

(9) Loans and Advances to Customers & Other Accounts

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Loans and advances to customers	<u>212,228,346</u>	<u>163,747,487</u>
Accrued interest and other accounts	<u>3,859,344</u>	<u>5,149,553</u>
Expected credit loss allowances for impaired assets		
- expected credit loss allowances (loans and advances to customers)	<u>-</u>	<u>-</u>
- expected credit loss allowances (accrued interest & other accounts)	<u>-</u>	<u>-</u>

- (10) All advances disclosed in note (9) above as at 31 December 2020 and 30 June 2021 were made to customers located in Hong Kong and were fully secured.
- (11) As at 31 December 2020 and 30 June 2021, there were no advances to customers or banks and other financial institutions which were impaired and for which individual impairment allowances were made.
- (12) There were no advances to customers, advances to banks and other financial institutions and other assets which had been overdue for more than three months as at 31 December 2020 and 30 June 2021.
- (13) There were no rescheduled advances to customers as at 31 December 2020 and 30 June 2021, except for loans of total book value of HK\$ 195,398,903 as at 30 June 2021 (HK\$151,680,068 as at 31 December 2020) granted under the Pre-approved Principal Payment Holiday Scheme for Corporate Customers (the "Scheme") as advocated by the Hong Kong Monetary Authority as part of the financial assistance scheme for combatting COVID-19 detrimental impact on the Hong Kong economy. The Scheme was only offered to the Group's eligible corporate borrowers in Hong Kong that had annual sales turnover of HK\$800Mn or less and that had no outstanding loan payments overdue for more than 30 days. All the rescheduled loans under the said Scheme are of performing credit grading under Stage 1 of the expected credit loss measurements. There were no rescheduled advances to banks and other financial institutions as at 31 December 2020 and 30 June 2021.
- (14) The Group had no repossessed assets as at 31 December 2020 and 30 June 2021. In situations where assets are acquired by repossession of collateral for realization, they would continue to be reported as advances.
- (15) There were no exposures to non-bank counterparties in Mainland China as at 31 December 2020 and 30 June 2021.

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(16) Gross Advances to Customers by Industry Sectors

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Unaudited) HK\$
Loans for use in Hong Kong		
Industrial, commercial and financial		
- property investment	116,199,150	72,484,375
- investment companies	83,506,841	79,195,693
Wholesale and retail trade	6,862,132	6,672,563
Individuals		
- others	5,660,223	5,394,856
	<u>212,228,346</u>	<u>163,747,487</u>

(17) Investment Securities Measured at Fair Value through Other Comprehensive Income

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Equity Securities		
Listed in Hong Kong, at market value	13,436,486	6,417,796
Listed outside Hong Kong, at market value	44,019	38,136
Unlisted, at estimated fair value	136,000	136,000
Total Equity Securities	<u>13,616,505</u>	<u>6,591,932</u>
Total Investment Securities Measured at Fair Value through Other Comprehensive Income	<u>13,616,505</u>	<u>6,591,932</u>
Type of issuer:		
Banks and other financial institutions	8,144,672	5,137,026
Corporates	4,009,833	84,906
Others	1,462,000	1,370,000
	<u>13,616,505</u>	<u>6,591,932</u>
Expected credit loss allowances for impaired assets (investment debt securities at fair value through other comprehensive income)	<u>-</u>	<u>-</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(18) Property, Plant and Equipment

	Bank Premises HK\$	Furniture, Fixtures and Equipment HK\$	Total HK\$
Cost or Deemed cost at valuation			
At 1 Jan 2021 (Audited)	145,718,203	17,700,756	163,418,959
Additions	4,567,537	352,651	4,920,188
Write off / disposal	-	(45,355)	(45,355)
At 30 Jun 2021 (Unaudited)	<u>150,285,740</u>	<u>18,008,052</u>	<u>168,293,792</u>
Accumulated depreciation and impairment			
At 1 Jan 2021 (Audited)	50,254,380	12,080,790	62,335,170
Charge for the period	335,494	329,615	665,109
Write off / disposal	-	(27,774)	(27,774)
At 30 Jun 2021 (Unaudited)	<u>50,589,874</u>	<u>12,382,631</u>	<u>62,972,505</u>
Net book value			
At 30 Jun 2021 (Unaudited)	<u>99,695,866</u>	<u>5,625,421</u>	<u>105,321,287</u>
At 31 Dec 2020 (Audited)	<u>95,463,823</u>	<u>5,619,966</u>	<u>101,083,789</u>

(19) Investment Properties

	Total HK\$
At 1 Jan 2020 (Audited)	324,100,000
Fair value loss for the year	(8,000,000)
Transfer to bank premises during the current period	(28,100,000)
At 31 Dec 2020 (Audited)	<u>288,000,000</u>
Additions of investment properties	11,941,070
Fair value gain for the 6 months period	4,558,930
At 30 Jun 2021 (Unaudited)	<u>304,500,000</u>

(20) Deposits from Customers

Deposits from customers comprise of the following categories :

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Demand deposits and current accounts	86,252,953	96,529,111
Savings deposits	205,664,636	136,478,768
Time, call and notice deposits	29,027,597	37,033,753
	<u>320,945,186</u>	<u>270,041,632</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(21) Reserves

	Other properties revaluation reserve HK\$	Investments at FVOCI revaluation reserve HK\$	General reserve HK\$	Regulatory reserve HK\$	Retained earnings HK\$	Total HK\$
At 1 Jan 2021 (Audited)	2,047,075	(979,222)	610,257	1,800,000	399,796,263	403,274,373
Surplus on revaluation of equity investments at FVOCI	-	242,272	-	-	-	242,272
Profit for the half year	-	-	-	-	2,633,916	2,633,916
At 30 Jun 2021 (Unaudited)	2,047,075	(736,950)	610,257	1,800,000	402,430,179	406,150,561
Representing :						
Bank and subsidiaries	2,047,075	(736,950)	610,257	1,800,000	402,430,179	406,150,561

(22) International Claims

The break-down of the international claims by types of counterparties on geographical segment which constitutes 10% or more of the aggregate international claims are reported as follows:

	Banks and other Financial Institutions HK\$'000	Official Sector HK\$'000	Total HK\$'000
As at 30 June 2021 (Unaudited)			
Asia Pacific excluding Hong Kong	164,314	-	164,314
As at 31 December 2020 (Unaudited)			
Asia Pacific excluding Hong Kong	342,355	-	342,355

The above international claims classification has taken into account the transfer of risk in the case of claims on overseas branches of a bank whose head office is located in another country.

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(23) Currency Concentrations

The US dollar net position, the RMB net position and the EUR net position, which arise from non-trading positions and each constitutes more than 10% of the total net position in all foreign currencies, are reported as follows:

US Dollar Position:

	As at 30 Jun 2021 (Unaudited) HK\$'000	As at 31 Dec 2020 (Unaudited) HK\$'000
Equivalent in Hong Kong dollars		
Spot assets	14,443	22,474
Spot liabilities	(13,946)	(21,999)
Net long position	497	475

RMB Position:

	As at 30 Jun 2021 (Unaudited) HK\$'000	As at 31 Dec 2020 (Unaudited) HK\$'000
Equivalent in Hong Kong dollars		
Spot assets	390	388
Spot liabilities	(153)	(152)
Net long position	237	236

EUR Position:

	As at 30 Jun 2021 (Unaudited) HK\$'000	As at 31 Dec 2020 (Unaudited) HK\$'000
Equivalent in Hong Kong dollars		
Spot assets	34	35
Spot liabilities	-	-
Net long position	34	35

(24) Off-Balance Sheet Exposures

(a) Contingent Liabilities and Commitments

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Contract amount		
Direct credit substitutes	-	-
Trade-related contingencies	-	-
Other commitments with an original maturity of under 1 year or which are unconditionally cancellable	8,170,557	12,932,580
	8,170,557	12,932,580
Credit Risk Weighted Amount	-	-

(b) Derivatives

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Exchange Rate Contracts		
Notional Contract Amount	-	-
Credit Risk Weighted Amount	-	-
Replacement Cost	-	-

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(24) Off-Balance Sheet Exposures (Continued)

(b) Derivatives (Continued)

	As at 30 Jun 2021 (Unaudited) HK\$	As at 31 Dec 2020 (Audited) HK\$
Interest Rate Contracts		
Notional Contract Amount	-	-
Credit Risk Weighted Amount	-	-
Replacement Cost	-	-
Other Contracts		
Notional Contract Amount	-	-
Credit Risk Weighted Amount	-	-
Replacement Cost	-	-

The Group did not enter into any bilateral netting agreements during the period and accordingly the above amounts are shown on a gross basis.

(25) Capital Structure and Adequacy

The Bank is required by the HKMA to compute and report on capital ratios on both consolidated and solo basis. The Bank and the Group complied with all of the externally imposed capital requirements by the HKMA throughout the reporting period. The capital base after deductions used in the calculation of the above capital ratios and reported to the Hong Kong Monetary Authority is analysed as follows :

	Consolidated Basis As at 30 Jun 2021 (Unaudited) HK\$'000	Consolidated Basis As at 31 Dec 2020 (Audited) HK\$'000
Common equity tier 1 (CET1) capital :		
CET1 capital instruments	264,987	264,987
Retained earnings	401,667	399,099
Disclosed reserves	3,720	3,478
	<u>670,374</u>	<u>667,564</u>
Less: Cumulative fair value gains arising from revaluation of land and buildings	(271,111)	(266,552)
Regulatory reserve for general banking risk	(1,800)	(1,800)
Total CET1 capital after deductions	<u>397,463</u>	<u>399,212</u>
Additional Tier 1 capital	-	-
Total Tier 1 capital after deductions	<u>397,463</u>	<u>399,212</u>
Tier 2 capital		
Reserve attributable to fair value gains on revaluation of land and buildings	142,256	140,204
Regulatory reserve for general banking risk	1,800	1,800
	<u>144,056</u>	<u>142,004</u>
Less : Tier 2 capital deductions	-	-
Total Tier 2 capital after deductions	<u>144,056</u>	<u>142,004</u>
Total capital base	<u>541,519</u>	<u>541,216</u>

The total capital base for the current reporting period has slightly increased from that as at 31 December 2020, mainly as a result of the booking of revaluation surplus of investment properties held by the Group as at 30 June 2021 which was offset by the operating loss booked for the period.

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(25) Capital Structure and Adequacy (Continued)

The capital ratios shown in Template KM1 represent the consolidated ratios of the Bank as computed in accordance with the Banking (Capital) Rules. In accordance with the Banking (Capital) Rules, the Bank has adopted the “basic approach” for the calculation of the risk weighted assets for credit risk and the “basic indicator approach” for the calculation of operational risk. The Bank has been exempted from the calculation of risk weighted assets for market risk.

(26) Regulatory Disclosure Templates

The following regulatory disclosure templates as at 30 June 2021 (unaudited) are attached to the annex of this interim financial disclosure statement:

- Key Prudential Ratios (Template KM1)
- Composition of Regulatory Capital (Template CC1)
- Reconciliation of Regulatory Capital to Statement of Financial Position (Template CC2)
- Main Features of Regulatory Capital Instruments (Table CCA)
- Summary Comparison of Accounting Assets Against Leverage Ratio (Template LR1)
- Leverage Ratio (Template LR2)
- Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (Template CCyB1)
- Overview of Risk Weighted Assets (Template OV1)
- Credit Quality of Exposures Template (Template CR1)
- Changes in Defaulted Loans and Debt Securities Template (Template CR2)
- Overview of Recognized Credit Risk Mitigation Template (Template CR3)
- Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation Template (Template CR4)
- Credit Risk Exposures by Asset Classes and by Risk Weights Template (Template CR5)

The Bank does not engage in any derivative transactions, securities financing transactions or securitization transactions as at 31 December 2020 and 30 June 2021 nor has plan to engage in such transactions in the coming year, and has therefore not included any disclosure templates on counterparty credit risk in respect of derivative contracts and securities financing transactions and securitization exposures, which are considered not to be relevant and would carry nil balances on such templates if published.

The Bank has been exempted from the calculation of risk weighted assets for market risk and accordingly has been exempted from disclosing templates on market risk.

Full capital deductions under the Banking (Capital) Rules have already been applied in the Capital Disclosures Template.

Full terms and conditions of the Bank’s CET1 capital instruments are disclosed in the website of the Bank.

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(27) Statement in Accordance with Section 436 of Hong Kong Companies Ordinance (Cap. 622)

The financial information relating to the year ended 31 December 2020 as included in this Interim Financial Disclosure Statement for the half year ended 30 June 2021 as comparative information, does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Company is a private company, the Company is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Company's auditor has reported on those financial statements. The auditor's reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

(28) Statement of Compliance

This interim financial disclosure statement for the half year ended 30 June 2021 is prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" and fully complies with the requirements set out in the Banking (Disclosure) Rules.

TAI SANG BANK LIMITED
REGULATORY DISCLOSURE TEMPLATES
AS AT 30 JUNE 2021
(UNAUDITED)

Tai Sang Bank Limited
Template KM1: Key Prudential Ratios (on Regulatory Consolidated Basis)

		(a)	(b)	(c)	(d)	(e)
		30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20
	Regulatory capital (amount) (HK\$'000)					
1	Common Equity Tier 1 (CET1)	397,463	398,135	399,212	398,742	400,448
2	Tier 1	397,463	398,135	399,212	398,742	400,448
3	Total capital	541,519	540,139	541,216	542,260	543,966
	RWA (amount) (HK\$'000)					
4	Total RWA	558,692	559,712	523,167	525,470	552,074
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	71.14%	71.13%	76.31%	75.88%	72.54%
6	Tier 1 ratio (%)	71.14%	71.13%	76.31%	75.88%	72.54%
7	Total capital ratio (%)	96.93%	96.50%	103.45%	103.20%	98.53%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	1.000%	1.000%	1.000%	1.000%	1.000%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	3.50%	3.50%	3.50%	3.50%	3.50%
12	CET1 available after meeting the AI's minimum capital requirements (%)	63.14%	63.13%	68.31%	67.88%	64.54%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (HK\$'000)	759,810	704,493	715,910	803,893	839,823
14	LR (%)	52.31%	56.51%	55.76%	49.60%	47.68%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institution only:					
17a	LMR (%)	101.97%	112.92%	92.33%	80.56%	76.78%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

Tai Sang Bank Limited

Template KM1: Key Prudential Ratios (on Regulatory Consolidated Basis) Continued

Note:

(1) N/A: Not applicable

(2) **Risk-based regulatory capital ratios**

The table above summarizes the capital ratios calculated as computed in accordance with the Banking (Capital) Rules under regulatory consolidated basis of the Bank as at the dates shown. The constituent elements of the Total capital as at 30 June 2021 and 31 December 2020 have been disclosed in note (25) of the Interim Financial Disclosure Statements. The common equity tier 1 capital and tier 1 capital of the Bank's regulatory group have slightly decreased from 31 March 2021, mainly as a result of the operating loss booked for the current quarter. The total capital of the Bank's regulatory group have increased slightly from 31 March 2021, due to the taking up of revaluation surplus of the Group's investment properties as at 30 June 2021, forming part of the Group's tier 2 capital. The Bank's regulatory consolidated CET1 ratio, Tier 1 ratio and Total capital ratio as at 30 June 2021 have increased slightly from those as at 31 March 2021.

(3) The Bank uses the Basic Approach for calculating credit risk and the Basic Indicator Approach for calculating operational risk. The Bank was granted by the HKMA an exemption from the calculation of market risk under the exemption criteria under section 22(1) of the Banking (Capital) Rules on 22 March 2016 and has excluded market risk in the calculation of capital ratio since then and as at 30 June 2021.

(4) The capital conservation buffer ratio for the Bank for 2021 is 2.5% (2020: 2.5%) as stipulated by the Banking (Capital) Rules. While the Bank only operates and has private sector credit exposures in Hong Kong for the purpose of the calculation of its countercyclical capital buffer ratio, the applicable countercyclical capital buffer ratio for the Bank equals to that of Hong Kong as at 30 June 2021, which amounts to 1% (as at 31 December 2020: 1%).

(5) **Basel III leverage ratio**

The leverage ratio shown above represents the regulatory consolidated leverage ratio calculated in accordance with the Banking (Capital) Rules. The exposure measure for 30 June 2021 has increased from that as at 31 March 2021 due mainly to the increase in the size of the consolidated statement of financial position following an increase in the level of customer's deposits during the current quarter. This increase in exposure measures of the regulatory consolidated group was the main cause of the lower leverage ratio as at 30 June 2021.

(6) **Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)**

The Bank, as a category 2 institution for the purpose of the Liquidity Rules, is only required to maintain and report LMR on a solo basis. As such, the Bank is not required to report LCR. The above LMRs are the quarterly average LMRs calculated as the simple average of each calendar month's average LMR of the Bank's solo position within the reporting quarters. The decrease in average LMR noted for the current quarter as compared to the last quarter was mainly due to the increased average level of qualifying liabilities as most of the increased customers' deposits were savings accounts deposits which are included in qualifying liabilities of the Bank during the current quarter.

Liquidity risk arises from the mismatch in the cash flows emanating from on-balance sheet assets and liabilities, plus the settlement characteristic of off-balance sheet activities. The Group's funding activities are closely managed by the directors in accordance with policies and guidelines established by the Board. The usual conservative strategy and the availability of up-to-date reporting on liquidity position ensure that all obligations of the Group are met in a timely and cost efficient manner.

(7) **Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)**

The Bank is not required to report NSFR and CFR.

(8) **Higher Loss Absorbency (HLA)**

The Bank is not designated as a domestic systematically important authorised institution and as such is not subject to the HLA requirements under the Banking (Capital) Rules.

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2021
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	264,987	(1)
2	Retained earnings	401,667	(7)
3	Disclosed reserves	3,720	(3)+(4)+(5)+(6)
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	CET1 capital before regulatory adjustments	670,374	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liabilities)	0	
9	Other intangible assets (net of associated deferred tax liabilities)	0	
10	Deferred tax assets (net of associated deferred tax liabilities)	0	
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	272,911	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	271,111	(3)+(8)
26b	Regulatory reserve for general banking risks	1,800	(6)
26c	Securitization exposures specified in a notice given by the MA	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2021
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	Total regulatory deductions to CET1 capital	272,911	
29	CET1 capital	397,463	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements</i>	0	
36	AT1 capital before regulatory deductions	0	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
41	National specific regulatory adjustments applied to AT1 capital	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	Total regulatory deductions to AT1 capital	0	
44	AT1 capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	397,463	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i>	0	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0	
49	<i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i>	0	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,800	(6)
51	Tier 2 capital before regulatory deductions	1,800	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	
54	Insignificant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	0	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	0	

Tai Sang Bank Limited
Template CC1: Composition of Regulatory Capital as at 30 June 2021
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
56	National specific regulatory adjustments applied to Tier 2 capital	(142,256)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(142,256)	[(2)+(3)+(8)] *45%
57	Total regulatory adjustments to Tier 2 capital	(142,256)	
58	Tier 2 capital (T2)	144,056	
59	Total regulatory capital (TC = T1 + T2)	541,519	
60	Total RWA	558,692	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	71.14%	
62	Tier 1 capital ratio	71.14%	
63	Total capital ratio	96.93%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	8.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	1.00%	
67	of which: higher loss absorbency requirement	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	63.14%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	1,800	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	8,487	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	0	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	0	

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2021
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
82	Current cap on AT1 capital instruments subject to phase-out arrangements	0	
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements	0	
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	0	

Notes to the Template

	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liabilities)	0	0
	Explanation As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
10	Deferred tax assets (net of associated deferred tax liabilities)	0	0
	Explanation As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	Explanation For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2021
(Unaudited - on Regulatory Consolidated Basis)

Notes to the Template

Description		Hong Kong basis	Basel III basis
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
Explanation For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.			
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.			
54	Insignificant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	0	0
Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.			
Remarks: The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.			

Tai Sang Bank Limited

**Template CC2: Reconciliation of Regulatory Capital to Statement of Financial Position
as at 30 June 2021 (Unaudited - on Regulatory Consolidated Basis)**

	Consolidated Statement of Financial Position as in published interim financial disclosure statement	Under regulatory scope of consolidation - Group's Statement of Financial Position	Cross- referenced to Template CC1
	As at 30 June 2021	As at 30 June 2021	
	HK\$'000	HK\$'000	
Assets			
Cash and balances with banks	327,081	327,081	
Placements with banks maturing between one and twelve months	104,091	104,091	
Loans and advances to customers and other accounts	216,088	216,085	
Investment securities at fair value through other comprehensive income	13,617	13,617	
Investment in subsidiary not consolidated for regulatory purposes	-	10	
Property, plant and equipment	105,321	105,321	
Investment properties	304,500	304,500	
Right-of-use assets	63	63	
Tax recoverable	-	-	
Total assets	1,070,761	1,070,768	
Liabilities			
Deposits from customers	320,945	322,011	
Other liabilities and provisions	22,748	22,466	
Current tax liabilities	126	113	
Deferred tax liabilities	10,791	10,791	
Total liabilities	354,610	355,381	
Shareholders' Equity			
Paid-in share capital	310,000	310,000	
<i>of which: share capital paid up in cash and capitalized from realized revaluation gains of properties</i>		264,987	(1)
<i>share capital capitalized from unrealized revaluation gains of properties</i>		45,013	(2)
Other properties revaluation reserve	2,047	2,047	(3)
Investments at FVOCI revaluation reserve	(737)	(737)	(4)
General reserve	610	610	(5)
Regulatory reserve	1,800	1,800	(6)
Retained earnings	402,431	401,667	(7)
<i>of which: unrealized revaluation gains of investment properties</i>		269,064	(8)
<i>other retained earnings and profits</i>		132,603	
Total shareholders' equity	716,151	715,387	
Total liabilities and shareholders' equity	1,070,761	1,070,768	

Note:

There are no material changes in the reconciling items between the composition of the regulatory capital and the consolidated statement of financial position as at 30 June 2021 when compared to that of 31 December 2020.

Tai Sang Bank Limited

Table CCA: Main Features of Regulatory Capital Instruments as at 30 June 2021

1	Issuer	Tai Sang Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Laws of Hong Kong
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules [#]	Not applicable
5	Post-transitional Basel III rules ⁺	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HKD 265 (Mn)
9	Par value of instrument	HKD 1
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1954, 1969, 1990, 2001, 2010
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating dividend
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

Footnote:

[#] *Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*

⁺ *Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*

^{*} *Include solo-consolidated*

Tai Sang Bank Limited

**Template LR1 : Summary Comparison of Accounting Assets Against Leverage Ratio ("LR")
as at 30 June 2021 (Unaudited - on Regulatory Consolidated Basis)**

		(a)
	Item	Value under the LR framework HK\$'000 equivalent
1	Total consolidated assets as per published financial statements	1,070,761
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	10
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	0
3a	Adjustments for eligible cash pooling transactions	0
4	Adjustments for derivative contracts	0
5	Adjustment for SFTs (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	0
6a	Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	0
7	Other adjustments	6,146
8	Leverage ratio exposure measure	1,076,917

Note: There are no material changes in the summary comparison reconciling items of the Bank's balance sheet assets as stated in the statement of financial position with the exposure measure for the calculation of leverage ratio for the current semi-annual reporting period.

Template LR2 : Leverage Ratio ("LR") as at 30 June 2021 (Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
	Item	Leverage ratio framework HK\$'000	Leverage ratio framework HK\$'000
		30-Jun-21	31-Mar-21
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	1,076,917	1,016,715
2	Less: Asset amounts deducted in determining Tier 1 capital	(317,924)	(313,365)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	758,993	703,350
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivatives contracts (where applicable net of eligible cash variation margin and/or bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivatives contracts	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivatives contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivatives contracts	-	-
11	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	8,171	11,431
18	Less: Adjustments for conversion to credit equivalent amounts	(7,354)	(10,288)
19	Off-balance sheet items	817	1,143
Capital and total exposures			
20	Tier 1 capital	397,463	398,135
20a	Total exposures before adjustments for specific and collective provisions	759,810	704,493
20b	Adjustments for specific and collective provisions	0	0
21	Total exposures after adjustments for specific and collective provisions	759,810	704,493
Leverage ratio			
22	Leverage ratio	52.31%	56.51%

Note: Material changes in the components of the exposure measure for the calculation of the leverage ratio for the current reporting quarter have been explained in Template KM1 "Key Prudential Ratios" as at 30 June 2021.

Tai Sang Bank Limited

**Template CCyB1: Geographical Distribution of Credit Exposures Used in
Countercyclical Capital Buffer ("CCyB") as at 30 June 2021**

As at 30/06/2021		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio HK\$ '000	AI-specific CCyB ratio %	CCyB amount HK\$ '000
1	Hong Kong	1.000%	212,228		
	Total		212,228	1.000%	2,122

As at 31/12/2020		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio HK\$ '000	AI-specific CCyB ratio %	CCyB amount HK\$ '000
1	Hong Kong	1.000%	163,747		
	Total		163,747	1.000%	1,637

Note: The above templates show the CCyB ratios of the Bank computed on the consolidated basis as at 30 June 2021 and 31 Decemebr 2020. As the Bank only operates and has private sector credit exposures in Hong Kong, the overall contercyclical capital buffer ratio was the same as the jurisdiction countercyclical capital buffer ratio of Hong Kong, that is, 1%, as at 30 June 2021 (2020: 1%). The increase in RWA used in the computation of these CCyB ratios as at 30 June 2021 when compared to 31 December 2020 was mainly resulted from the larger loan portfolio at the end of June 2021.

Tai Sang Bank Limited
Template OV1: Overview of RWA as at 30 June 2021 (Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30-Jun-21	31-Mar-21	30-Jun-21
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitization exposures	678,948	677,273	54,316
2	Of which STC approach	-	-	-
2a	Of which BSC approach	678,948	677,273	54,316
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	-	-	-
7	Of which SA-CCR approach	-	-	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	-	-	-
11	Equity positions in banking book under the simple risk-weighted method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures - LTA	-	-	-
13	CIS exposures – MBA	-	-	-
14	CIS exposures – FBA	-	-	-
14a	CIS exposures - combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	-	-	-
21	Of which STM approach	-	-	-
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	N/A	N/A	N/A
24	Operational risk	53,613	53,800	4,289
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	173,869	171,361	13,910
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	173,869	171,361	13,910
27	Total	558,692	559,712	44,695

Note:

- (1) N/A: Not applicable
- (2) The risk weighted amounts (RWA) for the credit risk for non-securitization exposures calculated on BSC approach, RWA for operational risk and deduction to RWA were not materially different for the above two period reported.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2021

Template CR1 : Credit Quality of Exposures

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Or which ECL accounting provisions for credit losses on STC approach exposures		Or which ECL accounting provisions for credit losses on IRB approach exposures	Net values HK\$ '000
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provision	Allocated in regulatory category of collective provision		
As at 30 June 2021		HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
1	Loans	0	212,228	0	0	0	0	212,228
2	Debt securities	0	0	0	0	0	0	0
3	Off-balance sheet exposures	0	8,171	0	0	0	0	8,171
4	Total	0	220,399	0	0	0	0	220,399

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Or which ECL accounting provisions for credit losses on STC approach exposures		Or which ECL accounting provisions for credit losses on IRB approach exposures	Net values HK\$ '000
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provision	Allocated in regulatory category of collective provision		
As at 31 December 2020		HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
1	Loans	0	163,747	0	0	0	0	163,747
2	Debt securities	0	0	0	0	0	0	0
3	Off-balance sheet exposures	0	12,933	0	0	0	0	12,933
4	Total	0	176,680	0	0	0	0	176,680

Note: The Group's loan portfolio has grown during the first half of 2021 after the booking of new loans by the Group. The decrease for the current period under off-balance sheet exposures was mainly resulted from the utilisation of overdraft facility lines by customers as at the end of the current period.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2021

Template CR2 : Changes in Defaulted Loans and Debt Securities

		(a)
		Amount
		HK\$ '000
As at 30 June 2021		
1	Defaulted loans and debt securities at end of the previous reporting period	0
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes	0
6	Defaulted loans and debt securities at end of the current reporting period	0

		(a)
		Amount
		HK\$ '000
As at 31 December 2020		
1	Defaulted loans and debt securities at end of the previous reporting period	0
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes	0
6	Defaulted loans and debt securities at end of the current reporting period	0

Note: Our Bank does not have any defaulted loans and debt securities as at 30 June 2021 and 31 December 2020.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2021

Template CR3 : Overview of Recognized Credit Risk Mitigation (CRM)

		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount HK\$ '000	Exposures to be secured HK\$ '000	Exposures secured by recognized collateral HK\$ '000	Exposures secured by recognized guarantees HK\$ '000	Exposures secured by recognized credit derivative contracts HK\$ '000
As at 30 June 2021						
1	Loans	212,228	0	0	0	0
2	Debt securities	0	0	0	0	0
3	Total	212,228	0	0	0	0
4	Of which defaulted	0	0	0	0	0

		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount HK\$ '000	Exposures to be secured HK\$ '000	Exposures secured by recognized collateral HK\$ '000	Exposures secured by recognized guarantees HK\$ '000	Exposures secured by recognized credit derivative contracts HK\$ '000
As at 31 December 2020						
1	Loans	151,680	0	12,067	0	0
2	Debt securities	0	0	0	0	0
3	Total	151,680	0	12,067	0	0
4	Of which defaulted	0	0	0	0	0

Note: All loans of the Bank are fully secured by collaterals other than recognized CRM as at 30 June 2021.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2021

Template CR4 : Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation - for BSC Approach

As at 30 June 2021		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		HK\$ '000					
1	Sovereign exposures	260,908	0	260,908	0	0	0.00%
2	PSE exposures	0	0	0	0	0	0.00%
3	Multilateral development bank exposures	0	0	0	0	0	0.00%
4	Bank exposures	166,108	0	166,108	0	33,222	20.00%
5	Cash items	4,156	0	4,156	0	0	0.00%
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0.00%
7	Residential mortgage loans	83,507	7,693	83,507	0	83,507	100.00%
8	Other exposures	562,219	478	562,219	0	562,219	100.00%
9	Significant exposures to commercial entities	0	0	0	0	0	0.00%
10	Total	1,076,898	8,171	1,076,898	0	678,948	63.05%

As at 31 Dec 2020		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		HK\$ '000					
1	Sovereign exposures	109,970	0	109,970	0	0	0.00%
2	PSE exposures	0	0	0	0	0	0.00%
3	Multilateral development bank exposures	0	0	0	0	0	0.00%
4	Bank exposures	344,281	0	344,281	0	68,856	20.00%
5	Cash items	3,259	0	3,259	0	0	0.00%
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0.00%
7	Residential mortgage loans	79,196	12,000	79,196	0	79,196	100.00%
8	Other exposures	491,276	933	491,276	0	491,276	100.00%
9	Significant exposures to commercial entities	0	0	0	0	0	0.00%
10	Total	1,027,982	12,933	1,027,982	0	639,328	62.19%

Note: The increase in the overall level of exposures for 30 June 2021 was mainly resulted from the increase in other exposures offset by the lower outstandings of bank exposures and sovereign exposures. Residential mortgage loans in the above templates include loans and overdrafts secured by residential property mortgages, as defined by the completion instruction of the Capital Adequacy Return. Other on-balance sheet exposures for the current period increased from those at the end of December 2020, mainly due to the higher level of loans of the Group other those secured by residential property mortgages, the new property acquired by the Group for the Bank's back up site, additional investments made by the Group in listed equity shares and the revaluation surplus booked on investment properties as at 30 June 2021.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2021

Template CR5 : Credit Risk Exposures by Asset classes and by Risk Weights - for BSC Approach

As at 30 June 2021		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Exposure class	Risk Weight	0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
		HK\$ '000								
1	Sovereign exposures	260,908	0	0	0	0	0	0	0	260,908
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	166,108	0	0	0	0	0	166,108
5	Cash items	4,156	0	0	0	0	0	0	0	4,156
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0	0	0	0
7	Residential mortgage loans	0	0	0	0	0	83,507	0	0	83,507
8	Other exposures	0	0	0	0	0	562,219	0	0	562,219
9	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
10	Total	265,064	0	166,108	0	0	645,726	0	0	1,076,898

As at 31 December 2020		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Exposure class	Risk Weight	0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
		HK\$ '000								
1	Sovereign exposures	109,970	0	0	0	0	0	0	0	109,970
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	344,281	0	0	0	0	0	344,281
5	Cash items	3,259	0	0	0	0	0	0	0	3,259
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0	0	0	0
7	Residential mortgage loans	0	0	0	0	0	79,196	0	0	79,196
8	Other exposures	0	0	0	0	0	491,276	0	0	491,276
9	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
10	Total	113,229	0	344,281	0	0	570,472	0	0	1,027,982

Note: The increase in sovereign exposures for 30 June 2021 was mainly resulted from the increased balance in HKMA settlement account, which was matched by a decrease in the level of Bank exposures as at end of June 2021. Interbank funds were extremely difficult to be placed out during the current half year. Credit risk exposures amount of residential mortgage loans have increased from 31 December 2020. The increase of HK\$71 million in credit risk exposures for other exposures during the current half year period was due to higher loan book of the Group, increased investments in listed equity shares and the additional property acquired by the Group in Mongkok for use as back up site of the Bank.