



## **Disclosure Statements**

**Intesa Sanpaolo S.p.A. - Hong Kong Branch**

**30 June 2022**

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**PROFIT AND LOSS ACCOUNT**

Period ended 30 June 2022

	Note	30 June 2022 HK\$'000	30 June 2021 HK\$'000
<b>NET INTEREST INCOME</b>			
Interest income		478,633	363,819
Interest expenses		<u>(248,480)</u>	<u>(176,869)</u>
		230,153	186,950
<b>OTHER OPERATING INCOME</b>			
Gains less losses arising from trading in foreign currencies		(83,488)	(22,363)
Gains less losses on securities held for trading purposes		64	(12,637)
Gains less losses from other trading activities		66,189	34,996
Gains less losses from non-trading activities		(14,993)	(1,706)
Net fees and commission income	1	<u>71,186</u>	<u>63,769</u>
<b>TOTAL INCOME</b>		269,111	249,009
<b>OPERATING EXPENSES</b>			
Staff expenses		(52,166)	(49,041)
Rental expenses		(15,475)	(15,676)
Other expenses		<u>(9,090)</u>	<u>(8,896)</u>
		(76,731)	(73,613)
<b>IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES</b>		<u>(91,544)</u>	<u>48,492</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		100,836	223,888
<b>TAX EXPENSE</b>		(13,257)	(33,930)
<b>EXTRAORDINARY PROFIT NET OF TAX</b>		<u>95</u>	<u>241</u>
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<u><u>87,674</u></u>	<u><u>190,199</u></u>

**BALANCE SHEET**

Period ended 30 June 2022

	Notes	30 June 2022 HK\$'000	31 December 2021 HK\$'000
<b>ASSETS</b>			
Cash and balances with banks		134,744	159,153
Due from Exchange Fund		23,709	4,650
Amount due from overseas offices of the institution		37,689,095	30,876,145
Trade bills		47,961	64,211
Financial assets measured at fair value through other comprehensive income		10,972,965	10,279,045
Loans and receivables	2	21,943,413	18,580,475
Property, plant and equipment and investment properties		<u>22,323</u>	<u>35,161</u>
Total assets		<u>70,834,210</u>	<u>59,998,840</u>
<b>LIABILITIES</b>			
Deposits and balances from banks		3,398,632	8,052,682
Deposits from customers	3	9,477,409	2,745,862
Amount due to overseas offices of the institution		54,377,868	47,266,142
Other liabilities		<u>3,580,301</u>	<u>1,934,154</u>
Total liabilities		<u>70,834,210</u>	<u>59,998,840</u>

**ADDITIONAL INFORMATION**

30 June 2022

**1. NET FEES AND COMMISSION INCOME**

	30 June 2022 HK\$'000	30 June 2021 HK\$'000
Commission income, gross	77,191	69,705
Commission expenses, gross	<u>(6,005)</u>	<u>(5,936)</u>
Net fees and commission income	<u>71,186</u>	<u>63,769</u>

**2. LOANS AND RECEIVABLE**

	Notes	30 June 2022 HK\$'000	31 December 2021 HK\$'000
(i) Loans and advances to customers	5	18,990,703	17,456,015
Provisions for impaired loans			
- Collective provisions	2 (iv), 4	(80,251)	(115,334)
- Specific provisions	4	<u>(828,544)</u>	<u>(743,283)</u>
		18,081,908	16,597,398
(ii) Loans and advances to banks		531,368	275,626
Provisions for impaired loans			
- Collective provisions	2 (iv), 4	<u>(527)</u>	<u>(80)</u>
		530,841	275,546
(iii) Other accounts		3,797,455	2,126,086
Provisions for impaired loans			
- Collective provisions	2 (iv), 4	(1,802)	(2,771)
- Specific provisions	4	<u>(464,989)</u>	<u>(415,784)</u>
		3,330,664	1,707,531
		<u>21,943,413</u>	<u>18,580,475</u>

## ADDITIONAL INFORMATION

### 2. LOANS AND RECEIVABLE (continued)

(iv) With the implementation of IFRS9 since 1 January 2018, the collective provisions for impaired loans and advance was calculated and recorded by the Branch.

(v) Impaired loans and advances:

	30 June 2022	31 December 2021
	HK\$'000	HK\$'000
Impaired loans and advances to customers	1,231,351	1,224,465
Specific Provisions	828,544	743,283
Percentage of such advances to total advances to customers	<u>6.48%</u>	<u>7.01%</u>

As of 30 June 2022 and 31 December 2021, there were collaterals of HK\$72,288,064 and HK\$71,859,277 for impaired loans and advances to customers respectively.

(vi) There was no impaired loans and advances to banks as of 30 June 2022 and 31 December 2021.

### 3. DEPOSITS FROM CUSTOMERS

	30 June 2022	31 December 2021
	HK\$'000	HK\$'000
Demand deposits and current accounts	9,333,354	2,584,971
Time, call and notice deposits	<u>144,055</u>	<u>160,891</u>
	<u>9,477,409</u>	<u>2,745,862</u>

**ADDITIONAL INFORMATION****4. PROVISIONS FOR IMPAIRED LOANS AND ADVANCES**

<b>30 June 2022</b>	Collective HK\$'000	Specific HK\$'000	Total HK\$'000
As of 31 December 2021	118,185	1,159,067	1,277,252
Charge for the period	13,214	127,565	140,779
Amounts recoveries	-	-	-
Amounts released	(49,235)	-	(49,235)
Amounts written-off	-	-	-
Exchange differences	416	6,901	7,317
As of 30 June 2022	<u>82,580</u>	<u>1,293,533</u>	<u>1,376,113</u>
Provisions against:			
Advances to banks	527	-	527
Advances to customers	80,251	828,544	908,795
Trade bills	27	-	27
Contingent liabilities and commitments	1,775	-	1,775
Accrued interest	-	464,989	464,989
	<u>82,580</u>	<u>1,293,533</u>	<u>1,376,113</u>
<b>31 December 2021</b>	Collective HK\$'000	Specific HK\$'000	Total HK\$'000
As of 31 December 2020	191,639	917,503	1,109,142
Charge for the period	115,623	261,783	377,406
Amounts recoveries	-	-	-
Amounts released	(187,305)	(25,615)	(212,920)
Amounts written-off	-	-	-
Exchange differences	(1,772)	5,396	3,624
As of 31 December 2021	<u>118,185</u>	<u>1,159,067</u>	<u>1,277,252</u>
Provisions against:			
Advances to banks	80	-	80
Advances to customers	115,334	743,283	858,617
Trade bills	45	-	45
Contingent liabilities and commitments	2,726	-	2,726
Accrued interest	-	415,784	415,784
	<u>118,185</u>	<u>1,159,067</u>	<u>1,277,252</u>

## ADDITIONAL INFORMATION

### 5. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

(i) Sectoral analysis of gross advances to customers

The information concerning gross amount of loans and advances to customers by industrial sectors has been classified according to the business activity of the borrowers or usage of the loans.

	30 June 2022		31 December 2021	
	Loan HK\$'000	Collateral HK\$'000	Loan HK\$'000	Collateral HK\$'000
Loans and advances for use in Hong Kong				
Industrial, Commercial and financial:				
Wholesale and retail trade	1,790,344	-	859,269	-
Manufacturing	177,197	-	689,457	-
Transport and transport equipment	560	-	1,431	-
Information Technology	1,259,819	-	472,433	-
Electricity and gas	784,567	-	1,289,037	-
Trade finance	1,590,651	8,441	788,468	8,381
Loans and advances for use outside Hong Kong	<u>13,387,565</u>	<u>1,114,323</u>	<u>13,355,920</u>	<u>5,446</u>
Total gross amount of loans and advances to customers	<u>18,990,703</u>	<u>1,122,764</u>	<u>17,456,015</u>	<u>13,827</u>



## ADDITIONAL INFORMATION

### 5. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (ii) Geographical analysis of loans and advances to customers

The analysis of loans and advances to customers by geographical segment is classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when the loans and advances are guaranteed by a party in a country which is different from that of the customers. The loans and advances to customers by major geographical segment are as follows:

#### 30 June 2022

Countries	Gross amount of loans and advances to customers HK\$'000	Overdue loans and advances to customers HK\$'000	Impaired loans and advances to customers HK\$'000
Hong Kong	4,612,027	11,426	11,426
Australia	3,028,633	-	-
Mongolia	1,114,870	-	-
China	2,964,148	720,955	394,918
Others	7,271,025	494,488	422,200
	<u>18,990,703</u>	<u>1,226,869</u>	<u>828,544</u>

#### 31 December 2021

Countries	Gross amount of loans and advances to customers HK\$'000	Overdue loans and advances to customers HK\$'000	Impaired loans and advances to customers HK\$'000
Hong Kong	2,097,700	11,374	11,374
Australia	2,991,434	-	-
Mongolia	1,113,911	-	-
China	2,020,638	716,678	312,214
Others	9,232,332	491,555	419,695
	<u>17,456,015</u>	<u>1,219,607</u>	<u>743,283</u>

The overdue and impaired loans and advances to customers are attributed to the exposures in Brazil, Hong Kong, China and Panama (31 December 2021 : Brazil, Hong Kong, China and Panama.)

## ADDITIONAL INFORMATION

### 6. ANALYSIS OF OVERDUE AND RESCHEDULED ADVANCES

(i) Overdue loans and advances to customers

	30 June 2022		31 December 2021	
	Amount HK\$'000	% of total advances to customers	Amount HK\$'000	% of total advances to customers
Gross advances overdue for:				
3 months or less but over 1 month	-	-	-	-
6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	<u>1,226,869</u>	<u>6.46%</u>	<u>1,219,607</u>	<u>6.99%</u>
Total overdue advances	<u>1,226,869</u>	<u>6.46%</u>	<u>1,219,607</u>	<u>6.99%</u>

- (ii) There was no rescheduled loan as of 30 June 2022 and 31 December 2021.
- (iii) There were no overdue or rescheduled advances to banks and other assets (trade bills and debt securities) as of 30 June 2022 and 31 December 2021.
- (iv) There were collaterals of HK\$72,288,064 and HK\$71,859,277 in respect of the overdue loans and advances, consisted mainly of the equity shares of the borrower as of 30 June 2022 and 31 December 2021 respectively.
- (v) There were no repossessed assets held as of 30 June 2022 and 31 December 2021.
- (vi) There were HK\$828,544,204 and HK\$743,282,724 specific provisions for overdue loans and advances as of 30 June 2022 and 31 December 2021 respectively.

## ADDITIONAL INFORMATION

### 7. NON-BANK MAINLAND EXPOSURES

30 June 2022

Types of Counterparties	On-balance sheet exposure HK\$'m	Off-balance sheet exposure HK\$'m	Total HK\$'m
1. Central government, central government-owned entities and their subsidiaries and JVs	989	-	989
2. Local governments, local government-owned entities and their subsidiaries and JVs	103	-	103
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,238	3,071	8,309
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	259	520	779
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,118	-	1,118
<b>Total</b>	<b>7,707</b>	<b>3,591</b>	<b>11,298</b>
<b>Total assets after provision</b>	<b>70,834</b>		
<b>On-balance sheet exposures as percentage of total assets</b>	<b>10.88%</b>		

## ADDITIONAL INFORMATION

### 7. NON-BANK MAINLAND EXPOSURES (continued)

31 December 2021

Types of Counterparties	On-balance sheet exposure HK\$'m	Off-balance sheet exposure HK\$'m	Total HK\$'m
1. Central government, central government-owned entities and their subsidiaries and JVs	1,496	-	1,496
2. Local governments, local government-owned entities and their subsidiaries and JVs	541	-	541
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	4,890	3,126	8,016
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	276	545	821
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,116	-	1,116
<b>Total</b>	<b>8,319</b>	<b>3,671</b>	<b>11,990</b>
<b>Total assets after provision</b>	<b>59,999</b>		
<b>On-balance sheet exposures as percentage of total assets</b>	<b>13.87%</b>		

## ADDITIONAL INFORMATION

### 8. INTERNATIONAL CLAIMS

International claims are disclosed by country or geographical segment based on the physical location of the counterparty in which not less than 10% of total international claims (including Hong Kong) after taking into account the transfer of risks. In general, such transfer of risk takes place if the claims are guaranteed by party in a country, which is different from that of the counterparty, or if the claims are on an overseas branch of a bank whose head office is located in another country.

As at 30 June 2022	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sectors	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1. Developed countries	41,116	2,364	1,913	7,521	52,914
of which					
- Italy	37,817	74	-	763	38,654
2. Offshore centres	405	159	51	7,651	8,266
3. Developing Asia and Pacific	803	52	-	4,056	4,911

  

As at 31 December 2021	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sectors	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1. Developed countries	34,143	1,063	1,792	8,219	45,217
of which					
- Italy	30,962	77	-	916	31,955
2. Offshore centres	39	177	54	9,539	9,809
3. Developing Asia and Pacific	939	54	-	4,377	5,370

## ADDITIONAL INFORMATION

### 9. FOREIGN CURRENCY EXPOSURES

The foreign currency exposures are prepared in accordance with the HKMA banking return of "Foreign Currency Position" completion instructions. Foreign currencies, which constitutes not less than 10% of the total net position in all foreign currencies of the Branch, are disclosed as follows:

30 June 2022	USD HK\$m	EUR HK\$m	JPY HK\$m	AUD HK\$m	Others HK\$m	Total HK\$m
Spot assets	39,557	7,238	7,127	13,306	2,072	69,300
Spot liabilities	(38,811)	(21,477)	(2,272)	(4,987)	(861)	(68,408)
Forward purchases	12,667	20,234	2,678	2,329	411	38,319
Forward sales	(13,276)	(5,972)	(7,528)	(10,656)	(1,627)	(39,059)
Net long / (short) position	<u>137</u>	<u>23</u>	<u>5</u>	<u>(8)</u>	<u>(5)</u>	<u>152</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

  

31 December 2021	USD HK\$m	EUR HK\$m	JPY HK\$m	AUD HK\$m	Others HK\$m	Total HK\$m
Spot assets	32,404	6,294	6,456	11,366	2,213	58,733
Spot liabilities	(41,968)	(8,250)	(3,216)	(4,076)	(1,748)	(59,258)
Forward purchases	18,199	5,187	2,591	612	647	27,236
Forward sales	(8,648)	(3,219)	(5,837)	(7,890)	(1,115)	(26,709)
Net long / (short) position	<u>(13)</u>	<u>12</u>	<u>(6)</u>	<u>12</u>	<u>(3)</u>	<u>2</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## ADDITIONAL INFORMATION

### 10. OFF-BALANCE SHEET EXPOSURES

#### (i) Contingent Liabilities and commitments

The following is a summary of the contractual or notional amounts of each material class of contingent liability and commitment outstanding:

	30 June 2022	31 December 2021
	HK\$'000	HK\$'000
Direct credit substitutes	1,932,116	1,898,934
Transaction-related contingencies	-	-
Trade-related contingencies	3,568,847	3,554,385
Note issuance and revolving underwriting facilities	-	-
Other commitments	13,457,754	13,873,493
Others - Forward forward deposits placed	313,827	416,499
	<u>19,272,544</u>	<u>19,743,311</u>

#### (ii) Derivatives

The following is a summary of the total contractual or notional amount of derivative transactions:

	30 June 2022	31 December 2021
	HK\$'000	HK\$'000
Exchange rate-related derivative contracts (excluded forward foreign exchange contracts arising from swap deposit arrangements)	39,424,941	27,973,854
Interest rate derivative contracts	87,980,232	92,202,374
Others	-	-
	<u>127,405,173</u>	<u>120,176,228</u>

## ADDITIONAL INFORMATION

### 10. OFF-BALANCE SHEET EXPOSURES (continued)

#### (ii) Derivatives (continued)

The total fair value of the above off-balance sheet derivative transactions which have been taken into account the effects of bilateral netting arrangement are as follows:

	30 June 2022	31 December 2021
	HK\$'000	HK\$'000
Exchange rate-related contracts	429,286	(51,680)
Valid bilateral netting agreement	<u>-</u>	<u>-</u>
	<u>429,286</u>	<u>(51,680)</u>
Interest rate derivative contracts	647,959	309,767
Valid bilateral netting agreement	<u>-</u>	<u>-</u>
	<u>647,959</u>	<u>309,767</u>
Others	<u>-</u>	<u>-</u>
	<u>1,077,245</u>	<u>258,087</u>

The notional amounts of the off-balance sheet instruments indicate the volume of transactions outstanding at the balance sheet date and do not represent amounts at risk.

### 11. LIQUIDITY RATIOS

	For the period From 01.04.2022 To 30.06.2022	For the period From 01.01.2022 To 31.03.2022	For the period From 01.01.2021 To 30.06.2021
Average Liquidity Maintenance Ratio ("LMR")	<u>47.88%</u>	<u>50.10%</u>	<u>45.20%</u>

The average LMR is calculated based on the arithmetic mean of each calendar month's average LMR calculated during the reporting period in accordance with the Banking (Liquidity) Rules and complies with the minimum requirement of 25% as stipulated by the Hong Kong Monetary Authority (HKMA).



## ADDITIONAL INFORMATION

### 12. DISCLOSURE ON REMUNERATION

According to the Supervisory Policy Manual ("SPM") CG-5 "Guideline on a Sound Remuneration System" issued by HKMA, the Branch, as an overseas-incorporated Authorized Institution is not required to make separate disclosures in respect of the remuneration system applicable to their Hong Kong operations. The disclosures made by Head Office in the Annual Report also cover information as set out in the said Guideline, where appropriate. The relevant Annual Report can be viewed in the Investor Relations section of the Intesa Sanpaolo website: [www.group.intesasanpaolo.com](http://www.group.intesasanpaolo.com)

**BANK INFORMATION (CONSOLIDATED BASIS)**

The following information is based on the consolidated financial statements of Intesa Sanpaolo S.p.A. as of 30 June 2022, 31 December 2021 and 30 June 2021

## (i) Capital adequacy ratio and shareholders' funds

	30 June 2022	31 December 2021
Capital adequacy ratio	<u>17.50%</u>	<u>19.10%</u>

The capital adequacy ratio is computed in accordance with the Basel Capital Accord taking into consideration of an allowance for market risk.

	30 June 2022	31 December 2021
	EUR'm	EUR'm
Aggregate amount of shareholders' funds	<u>64,017</u>	<u>63,775</u>

## (ii) Other financial information

	30 June 2022	31 December 2021
	EUR'm	EUR'm
Total assets	1,032,315	1,070,816
Total liabilities	968,298	1,005,642
Total loans and advances	657,716	669,501
Total customer deposits	<u>730,148</u>	<u>761,727</u>

	Period ended	Period ended
	30 June 2022	30 June 2021
	EUR'm	EUR'm
Profit before taxation	<u>3,598</u>	<u>3,712</u>

The financial information of Intesa Sanpaolo S.p.A. have been prepared in accordance with International Financial Reporting Standards and the comparative information have been restated to conform with the current period's presentation.

## CHIEF EXECUTIVE'S DECLARATION

This is to certify that the information disclosed above complies with the Banking (Disclosure) rules and the disclosure standards set out in the Supervisory Policy Manual - "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority and is not false or misleading.



Alessandro Vitale  
Chief Executive



Francesco Rinaldi  
Alternate Chief Executive

29 September 2022