

**Bank SinoPac Hong Kong Branch**

**Key Financial Information Disclosure Statement  
FOR HALF-YEAR ENDED JUNE 30, 2016**

## **Bank SinoPac Hong Kong Branch**

### **KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR HALF-YEAR ENDED JUNE 30, 2016**

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## **Bank SinoPac Hong Kong Branch**

### **SECTION A. - INFORMATION OF THE BRANCH <INCLUDE H.K. BR. ONLY>**

#### **I. PROFIT AND LOSS INFORMATION FOR HALF-YEAR ENDED JUNE 30, 2016**

Figures in HKD thousands

	<u>Half Year to 2016-06-30</u>	<u>Half Year to 2015-06-30</u>
INTEREST INCOME	181,232	224,023
INTEREST EXPENSE	<u>(68,864)</u>	<u>(83,750)</u>
	<u>112,368</u>	<u>140,273</u>
OTHER OPERATING INCOME		
Gains less losses arising from trading in foreign currencies	7,455	12,495
Gains less losses on securities held for trading purposes	2,035	(302)
Gains less losses from other trading activities	1,495	5,039
Net fees and commission income		
- Gross fees and commission income	36,528	36,841
- fees and commission expenses	<u>(4,916)</u>	<u>(4,745)</u>
Others	<u>425</u>	<u>250</u>
	<u>43,022</u>	<u>49,578</u>
OPERATING EXPENSES		
Staff and rental expenses	(66,317)	(68,374)
Other expenses (less fees and commission expenses)	(12,469)	(14,764)
Net charge for other provisions		
- Other provisions	1,888	1,670
- Impairment loss/(reversal of impairment loss) on assets	<u>20,419</u>	<u>12,597</u>
	<u>(56,479)</u>	<u>(68,871)</u>
IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES	7,122	77,577
GAINS LESS LOSSES FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION	106,033	198,557
TAX EXPENSE OR TAX INCOME	-	-
PROFIT AFTER TAXATION	<u>106,033</u>	<u>198,557</u>

## **Bank SinoPac Hong Kong Branch**

### **II. BALANCE SHEET INFORMATION AS AT JUNE 30, 2016**

Figures in HKD thousands

<u>ASSETS</u>	<u>2016-06-30</u>	<u>2015-12-31</u>
Cash and balances with banks (except those included in amount due from overseas offices)	3,329,848	4,841,892
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices)	2,700,521	851,440
Amount due from overseas offices	927,078	954,467
Trade bills	427,146	2,063,628
Certificates of Deposit held	-	-
Securities held for trading purposes	476,463	571,420
Held-To-Maturity Securities	49,944	49,999
Available-For-Sale Securities	4,090,378	2,906,255
Non-Active Market Securities	-	-
Loans and receivables	8,644,895	9,393,352
Loans and advances to banks	-	-
Property, plant and equipment and investment properties	2,258	2,729
Total assets	<u>20,648,531</u>	<u>21,635,182</u>
<u>LIABILITIES</u>		
Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices)	308,218	391,925
Deposits from customers		
- demand deposits and current accounts	1,051,748	977,520
- savings deposits	7,463,771	8,331,362
- time, call and notice deposits	7,851,855	7,068,959
Amount due to overseas offices	2,656,621	2,487,910
Certificates of Deposit Issued	110,000	275,012
Other liabilities	1,516,496	2,463,476
Total liabilities	20,958,709	21,996,164
Capital and reserves	(310,178)	(360,982)
Total equity and liabilities	<u>20,648,531</u>	<u>21,635,182</u>

## Bank SinoPac Hong Kong Branch

### III. ADDITIONAL BALANCE SHEET INFORMATION

Figures in HKD thousands

#### 1. LOANS AND RECEIVABLES

	<u>2016-06-30</u>	<u>2015-12-31</u>
A. Loans and advances to customers	6,444,569	6,392,022
Accrued interest and other accounts		
-Accrued interest	61,114	60,085
-Other accounts	2,277,090	3,104,553
Total	<u>8,782,773</u>	<u>9,556,660</u>
Less : Impairment allowance for impaired assets		
Collective impairment allowances	90,036	116,648
Individual impairment allowances	19,717	5,112
Impairment allowances for other accounts	28,125	41,548
Total	<u>137,878</u>	<u>163,308</u>
Total loans and receivables	<u>8,644,895</u>	<u>9,393,352</u>
B. Impairment allowances policy		
There were no collective impairment allowances maintained at Head Office as at end of June 2016.		
C. Details of the impaired loans to customers		
	<u>2016-06-30</u>	<u>2015-12-31</u>
- Gross loans and advances to customers	31,058	5,122
- Individual impairment allowances	19,717	5,112
- Value of Collateral	-	-
Percentage of such loans and advances to total gross loans and advances	<u>0.48%</u>	<u>0.08%</u>

## Bank SinoPac Hong Kong Branch

### III. ADDITIONAL BALANCE SHEET INFORMATION - continued

Figures in HKD thousands

#### 1. LOANS AND RECEIVABLES - continued

##### D. i) Overdue or rescheduled assets

	<u>2016-06-30</u>		<u>2015-12-31</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
a. Loans and Advances to customers overdue for more than 3 months but not more than 6 months	13,130	0.20	27	-
more than 6 months but not more than one year	10,270	0.16	-	-
<i>of which rescheduled assets included</i>	-	-	-	-
more than one year	-	-	5,095	0.08
	<u>23,400</u>	<u>0.36</u>	<u>5,122</u>	<u>0.08</u>
b. Rescheduled advances to customers	-	-	-	-
Total	<u>23,400</u>	<u>0.36</u>	<u>5,122</u>	<u>0.08</u>

##### c. Value of collateral held against such overdue loans and advances

	<u>2016-06-30</u>	<u>2015-12-31</u>
- Current market value of collateral held against the covered portion of overdue loans and advances	-	-
- Covered portion of overdue loans and advances	-	-
- Uncovered portion of overdue loans and advances	23,400	5,122

##### d. Individual impairment allowances on such overdue loans and advances

	<u>2016-06-30</u>	<u>2015-12-31</u>
	14,892	5,112

ii) There were no overdue or rescheduled other assets as at the above respective reporting dates.

iii) There were no repossessed assets held as at the reporting date, irrespective of the accounting treatment of the related loans and advances.

#### 2. LOANS AND ADVANCES TO BANKS

i) There were no overdue or rescheduled loans and advances to banks and other financial institutions as at the above respective reporting dates.

ii) There were no impaired loans to banks and other financial institutions as at the above respective reporting dates.

## **Bank SinoPac Hong Kong Branch**

### **IV. OFF-BALANCE SHEET INFORMATION**

Figures in HKD thousands

#### **1. CONTINGENT LIABILITIES AND COMMITMENTS**

The following is a summary of the contractual amounts of each material class of contingent liability and commitments:

	<u>2016-06-30</u>	<u>2015-12-31</u>
Direct credit substitutes	31,823	37,211
Transaction-related contingencies	9,322	-
Trade-related contingencies	104,745	111,291
Other commitments	3,396,256	4,991,337
Others	-	-
	<u>3,542,146</u>	<u>5,139,839</u>
Derivatives		
- Exchange rate contracts	155,146,399	151,305,045
- Interest rate contracts	10,033,243	12,833,524
- Others	79,710	69,022
	<u>165,259,352</u>	<u>164,207,591</u>
Fair Value of Derivatives (of the above derivatives)		
- Exchange rate contracts	1,341,181	1,981,363
- Interest rate contracts	104,343	110,368
- Others	34,625	122,085
	<u>1,480,149</u>	<u>2,213,816</u>

For contingent liabilities and commitments, the contract amounts represent the amounts at risk should the contract be fully drawn upon and the client default. The fair value represents the cost of replacing all contracts which have a positive value when marked to market. They do not take into account the effects of bilateral netting arrangements.

## Bank SinoPac Hong Kong Branch

### V. OTHER FINANCIAL INFORMATION

Figures in HKD thousands

#### 1. GROSS LOANS AND ADVANCES TO CUSTOMERS BY MAJOR SECTORS ANALYSIS

The following analysis of gross loans and advances to customers by major sectors are prepared in accordance with the definitions and the detailed descriptions in the completion instructions for the "Return of Quarterly Analysis of Loans and Advances and Provisions". Only exposures to a single country outside Hong Kong not less than 10% of the aggregate gross amount of loans and advances to customers as at the above respective reporting dates are disclosed.

A. Loans and advances for use in Hong Kong	2016-06-30		2015-12-31	
	Amount	Amount covered by collateral or other security	Amount	Amount covered by collateral or other security
a. Industrial, commercial and financial				
- Property development	390,972	43,036	812,553	200,886
- Property investment	922,838	427,323	161,000	141,180
- Financial concerns	641,865	-	604,347	34,878
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	326,294	124,114	396,551	237,068
- Manufacturing	340,717	152,786	424,358	178,756
- Transport and transport equipment	169,212	2,237	67,588	2,233
- Recreational activities	-	-	25,357	-
- Information technology	-	-	-	-
- Others	46,875	46,875	46,875	46,875
b. Individuals				
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-	-	-
- Loans for the purchase of other residential properties	-	-	-	-
- Credit card advances	-	-	-	-
- Others	-	-	-	-
B. Trade finance	882,915	279,224	1,148,424	523,629
C. Loans and advances for use outside Hong Kong	2,722,881	1,368,568	2,704,969	1,196,878
<b>Total</b>	<b>6,444,569</b>	<b>2,444,163</b>	<b>6,392,022</b>	<b>2,562,383</b>

#### 2.A. GROSS LOANS AND ADVANCES TO CUSTOMERS BY COUNTRIES OR GEOGRAPHICAL AREAS ANALYSIS

	2016-06-30	2015-12-31
- China	1,922,038	2,088,988
- Taiwan	759,971	811,318
- Others	3,762,560	3,491,716
<b>Total</b>	<b>6,444,569</b>	<b>6,392,022</b>

#### 2.B. OVERDUE AND IMPAIRED LOANS BY COUNTRIES OR GEOGRAPHICAL AREAS ANALYSIS

	2016-06-30	2015-12-31
- Others	31,058	5,122
<b>Total</b>	<b>31,058</b>	<b>5,122</b>



**Bank SinoPac Hong Kong Branch**

**V. OTHER FINANCIAL INFORMATION - continued**

**3. INTERNATIONAL CLAIMS DISCLOSURE**

Figures in HKD millions

The following tables analyse international claims by location and types of counterparties. Country or geographical segment classification is based upon the locations of counterparties after taking into account any recognised risk transfer. They are prepared in accordance with the Completion Instructions for the "Return of International Banking Statistics – MA(BS)21A". Countries or geographical segments constituting not less than 10% of the total international claims are disclosed.

**AS AT JUNE 30, 2016**

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>		
1 Developed countries	2,943	-	-	277	-	3,220
2 Offshore centres	550	50	1,737	3,256	-	5,593
<i>of which Hong Kong SAR</i>	482	50	1,069	2,862	-	4,463
3 Developing Asia and Pacific	5,416	240	252	3,468	-	9,376
<i>of which China</i>	1,272	234	102	1,541	-	3,149
<i>of which Chinese Taipei</i>	3,467	-	82	1,918	-	5,467
Total	8,909	290	1,989	7,001	-	18,189

**AS AT DECEMBER 31, 2015**

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>		
1 Developed countries	3,626	-	-	149	-	3,775
2 Offshore centres	538	50	843	2,903	-	4,334
<i>of which Hong Kong SAR</i>	231	50	571	2,370	-	3,222
3 Developing Asia and Pacific	6,059	392	191	3,774	-	10,416
<i>of which China</i>	2,083	376	124	1,656	-	4,239
<i>of which Chinese Taipei</i>	3,495	-	-	2,039	-	5,534
Total	10,223	442	1,034	6,826	-	18,525

**4. NON-BANK MAINLAND EXPOSURES**

Figures in HKD thousands

The Non-Bank Mainland exposures are prepared in accordance with the Completion Instructions for the "Return of Mainland Activities".

	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
<b>AS AT JUNE 30, 2016</b>			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	969	-	969
2 Local governments, local government-owned entities and their subsidiaries and JVs	719	-	719
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,514	-	1,514
4 Other entities of central government not reported in item 1 above	-	-	-
5 Other entities of local governments not reported in item 2 above	122	-	122
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,848	120	1,968
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	5,172	120	5,292
Total assets after provision	20,649		
On-balance sheet exposures as percentage of total assets	25.05		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
<b>AS AT DECEMBER 31, 2015</b>			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	775	-	775
2 Local governments, local government-owned entities and their subsidiaries and JVs	385	-	385
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,395	9	1,404
4 Other entities of central government not reported in item 1 above	-	-	-
5 Other entities of local governments not reported in item 2 above	77	-	77
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,138	93	2,231
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	4,770	102	4,872
Total assets after provision	24,084		
On-balance sheet exposures as percentage of total assets	19.81		

## **Bank SinoPac Hong Kong Branch**

### **V. OTHER FINANCIAL INFORMATION - continued**

Figures in HKD millions

#### **5. FOREIGN CURRENCY POSITION**

The foreign currency exposures are prepared in accordance with the H.K.M.A. Return of "Foreign Currency Position" completion instructions. The net position (in absolute terms) in a particular currency which constitutes not less than 10% of the total net position in all foreign currencies are disclosed.

<b><u>AS AT JUNE 30, 2016</u></b>	<b><u>USD</u></b>	<b><u>CNY</u></b>	<b><u>TWD</u></b>	<b><u>Total</u></b>
Spot assets	10,318	3,641	-	13,959
Spot liabilities	(13,082)	(3,544)	-	(16,626)
Forward purchases	74,730	69,739	555	145,024
Forward sales	(71,832)	(69,597)	(563)	(141,992)
Net options position	99	-	-	99
Net long (short) position	233	239	(8)	464

<b><u>AS AT DECEMBER 31, 2015</u></b>	<b><u>USD</u></b>	<b><u>CNY</u></b>	<b><u>TWD</u></b>	<b><u>Total</u></b>
Spot assets	9,786	5,569	-	15,355
Spot liabilities	(12,536)	(5,076)	-	(17,612)
Forward purchases	72,451	67,535	227	140,213
Forward sales	(69,308)	(68,340)	(260)	(137,908)
Net options position	(330)	-	-	(330)
Net long (short) position	63	(312)	(33)	(282)

The net options position is calculated on the basis of the delta-weighted position of options contracts. There were no foreign currency structural position as at the above respective reporting dates.

### **VI. LIQUIDITY DISCLOSURE**

	<b><u>For the First Half Year of 2016</u></b>	<b><u>For the First Half Year of 2015</u></b>
	<b><u>%</u></b>	<b><u>%</u></b>
Average liquidity maintenance ratio (LMR) for the period	<b><u>36.22</u></b>	<b><u>38.02</u></b>

The branch's average liquidity maintenance ratio (LMR) for the period are the arithmetic mean of each calendar month's average liquidity maintenance ratio, which is computed in accordance with the Hong Kong Banking Ordinance.

Hong Kong Branch has also established its own Liquidity Risk Management Policy, which is implemented under the framework and structure of Assets and Liabilities Committee of Bank Sinopac head office.

### **VII. DISCLOSURE ON REMUNERATION**

Pursuant to the disclosure requirement under the HKMA's Supervisory Policy Manual (CG-5) - Guideline on a Sound Remuneration System, please refers to the Bank's 2015 Annual Report.

## Bank SinoPac Hong Kong Branch

### SECTION B. - INFORMATION OF THE BANK AS A WHOLE

#### BANK SINOPAC

#### I. CAPITAL AND CAPITAL ADEQUACY RATIO

<b>A. Capital adequacy ratio</b>	<u>2016-06-30</u>	<u>2015-12-31</u>
	<u>14.57%</u>	<u>13.47%</u>
<b>B. Aggregate amount of shareholders' funds</b>	<u>2016-06-30</u>	<u>2015-12-31</u>
	TWD '000	TWD '000
	<u>118,173,060</u>	<u>109,117,974</u>

The capital adequacy ratio is calculated in accordance with the document entitled "International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (published by the Basel Committee on Banking Supervision in June 2006).

#### II. OTHER FINANCIAL INFORMATION


Figures in TWD thousands

	<u>2016-06-30</u>	<u>2015-12-31</u>
<b>Total assets</b>	<u>1,450,257,745</u>	<u>1,440,932,761</u>
<b>Total liabilities</b>	<u>1,332,084,685</u>	<u>1,331,814,787</u>
<b>Total loans advances</b>	<u>861,125,573</u>	<u>874,744,125</u>
<b>Total customer deposits</b>	<u>1,198,291,349</u>	<u>1,158,925,389</u>
	<u>Half Year of 2016</u>	<u>Half Year of 2015</u>
<b>Profit / (Loss) before taxation</b>	<u>4,740,200</u>	<u>6,347,981</u>

The Group has restated the comparative amounts on a retrospective basis.

## Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statement of authorized institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statements of Bank SinoPac, Hong Kong Branch for half-year ended June 30, 2016. We confirm that the information contained therein complies, in all material respects, with the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued on 06 August 2015 and to the best of our knowledge and belief, it is not false or misleading.



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Alternate Chief Executive  
Bank Sinopac  
Hong Kong Branch

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2016-09-28

Date