

# **Bank SinoPac Hong Kong Branch**

**Key Financial Information Disclosure Statement  
FOR HALF-YEAR ENDED JUNE 30, 2017**

## **Bank SinoPac Hong Kong Branch**

### **KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR HALF-YEAR ENDED JUNE 30, 2017**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
<b>SECTION A. - INFORMATION OF THE BRANCH &lt;INCLUDE HONG KONG BRANCH ONLY&gt;</b>	
I. PROFIT AND LOSS INFORMATION	1
II. BALANCE SHEET INFORMATION	2
III. ADDITIONAL BALANCE SHEET INFORMATION	3~4
IV. OFF-BALANCE SHEET INFORMATION	5
V. OTHER FINANCIAL INFORMATION	6~8
VI. LIQUIDITY DISCLOSURE	8
VII. DISCLOSURE ON REMUNERATION	8
<b>SECTION B. - INFORMATION OF THE BANK AS A WHOLE</b>	
I. CAPITAL AND CAPITAL ADEQUACY RATIO	9
II. OTHER FINANCIAL INFORMATION	9
DECLARATION	10

## **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, 2017**

Figures in HKD thousands

	<u>Half Year to 2017-06-30</u>	<u>Half Year to 2016-06-30</u>
INTEREST INCOME	220,989	181,232
INTEREST EXPENSE	<u>(84,933)</u>	<u>(68,864)</u>
	<u>136,056</u>	<u>112,368</u>
OTHER OPERATING INCOME		
Gains less losses arising from trading in foreign currencies	31,960	7,455
Gains less losses on securities held for trading purposes	14,975	2,035
Gains less losses from other trading activities	(1,951)	1,495
Net fees and commission income		
- Gross fees and commission income	22,105	36,528
- fees and commission expenses	(5,952)	(4,916)
Others	<u>631</u>	<u>425</u>
	<u>61,768</u>	<u>43,022</u>
OPERATING EXPENSES		
Staff and rental expenses	(66,408)	(66,317)
Other expenses (less fees and commission expenses)	(11,970)	(12,469)
Net charge for other provisions		
- Other provisions	10,987	1,888
- Impairment loss/(reversal of impairment loss) on assets	<u>5,600</u>	<u>20,419</u>
	<u>(61,791)</u>	<u>(56,479)</u>
IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES	(25,105)	7,122
GAINS LESS LOSSES FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION	110,928	106,033
TAX EXPENSE OR TAX INCOME	-	-
PROFIT AFTER TAXATION	<u>110,928</u>	<u>106,033</u>

## Bank SinoPac Hong Kong Branch

### II. BALANCE SHEET INFORMATION AS AT JUNE 30, 2017

Figures in HKD thousands

	<u>2017-06-30</u>	<u>2016-12-31</u>
<b>ASSETS</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	6,303,484	4,268,647
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)	1,447,320	3,888,819
Amount due from overseas offices	1,760,790	1,490,346
Trade bills	397,419	262,751
Certificates of Deposit held	402,185	216,791
Securities held for trading purposes	703,373	416,067
Held-To-Maturity Securities	49,967	49,878
Available-For-Sale Securities	4,477,518	4,279,948
Non-Active Market Securities	-	-
Loans and receivables	9,431,239	9,838,743
Loans and advances to banks	-	-
Property, plant and equipment and investment properties	<u>2,165</u>	<u>2,157</u>
Total assets	<u>24,975,460</u>	<u>24,714,147</u>
<b>LIABILITIES</b>		
Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices)	215,305	19,697
Deposits from customers		
- demand deposits and current accounts	1,032,283	1,104,121
- savings deposits	9,120,735	8,800,848
- time, call and notice deposits	9,856,396	9,518,195
Amount due to overseas offices	2,551,078	2,631,750
Certificates of Deposit Issued	-	-
Other liabilities	<u>2,349,166</u>	<u>2,883,489</u>
Total liabilities	25,124,963	24,958,100
Capital and reserves	<u>(149,503)</u>	<u>(243,953)</u>
Total equity and liabilities	<u>24,975,460</u>	<u>24,714,147</u>

## **Bank SinoPac Hong Kong Branch**

### **III. ADDITIONAL BALANCE SHEET INFORMATION**

Figures in HKD thousands

#### **1. LOANS AND RECEIVABLES**

	<u>2017-06-30</u>	<u>2016-12-31</u>
A. Loans and advances to customers	7,095,862	6,507,018
Accrued interest and other accounts		
-Accrued interest	66,690	66,037
-Other accounts	2,432,265	3,447,127
Total	<u>9,594,817</u>	<u>10,020,182</u>
Less : Impairment allowance for impaired assets		
Collective impairment allowances	100,777	87,102
Individual impairment allowances	24,979	31,779
Impairment allowances for other accounts	37,822	62,558
Total	<u>163,578</u>	<u>181,439</u>
Total loans and receivables	<u>9,431,239</u>	<u>9,838,743</u>
B. Impairment allowances policy		
There were no collective impairment allowances maintained at Head Office as at end of June 2017.		
C. Details of the impaired loans to customers		
	<u>2017-06-30</u>	<u>2016-12-31</u>
- Gross loans and advances to customers	24,978	44,324
- Individual impairment allowances	24,978	31,779
- Value of Collateral	-	-
Percentage of such loans and advances to total gross loans and advances	<u>0.35%</u>	<u>0.68%</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>2017-06-30</u>		<u>2016-12-31</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	-	-	4,034	0.06
more than 6 months but not more than one year	4,061	0.06	11,806	0.18
<i>of which rescheduled assets included</i>	-	-	-	-
more than one year	10,279	0.14	10,264	0.16
	<u>14,340</u>	<u>0.20</u>	<u>26,104</u>	<u>0.40</u>
b. Rescheduled advances to customers	-	-	-	-
Total	<u>14,340</u>	<u>0.20</u>	<u>26,104</u>	<u>0.40</u>

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

	<u>2017-06-30</u>	<u>2016-12-31</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	24,978	44,324

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

	<u>2017-06-30</u>	<u>2016-12-31</u>
	24,978	31,779

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>2017-06-30</u>	<u>2016-12-31</u>
Direct credit substitutes	26,542	19,388
Transaction-related contingencies	9,376	9,314
Trade-related contingencies	77,418	110,942
Other commitments	3,775,612	3,176,756
Others	<u>216,010</u>	<u>77,551</u>
	<u>4,104,958</u>	<u>3,393,951</u>
Derivatives		
- Exchange rate contracts	145,428,701	134,568,316
- Interest rate contracts	7,481,265	7,864,677
- Others	<u>26,036</u>	<u>13,429</u>
	<u>152,936,002</u>	<u>142,446,422</u>
Fair Value of Derivatives (of the above derivatives)		
- Exchange rate contracts	1,581,586	2,557,282
- Interest rate contracts	55,099	57,678
- Others	<u>18,283</u>	<u>24,806</u>
	<u>1,654,968</u>	<u>2,639,766</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	2017-06-30		2016-12-31	
	Amount	Amount covered by collateral or other security	Amount	Amount covered by collateral or other security
a. Industrial, commercial and financial				
- Property development	299,314	14	347,769	14
- Property investment	641,889	288,889	660,102	307,102
- Financial concerns	1,390,411	165,613	1,410,728	201,632
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	306,776	258,862	258,548	134,171
- Manufacturing	193,506	118,181	193,471	97,408
- Transport and transport equipment	51,686	2,237	164,915	2,237
- Recreational activities	-	-	-	-
- Information technology	76,662	-	80,653	-
- Others	-	-	-	-
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	770,412	144,243	670,343	124,945
C. Loans and advances for use outside Hong Kong	3,365,206	291,933	2,720,489	1,015,647
<b>Total</b>	<b>7,095,862</b>	<b>1,269,972</b>	<b>6,507,018</b>	<b>1,883,156</b>

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

	2017-06-30	2016-12-31
- China	1,305,782	1,220,444
- Taiwan	736,338	660,228
- Others	5,053,742	4,626,346
<b>Total</b>	<b>7,095,862</b>	<b>6,507,018</b>

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

	2017-06-30	2016-12-31
- Others	24,978	44,324
<b>Total</b>	<b>24,978</b>	<b>44,324</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, 2017

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	3,428	-	152	3,655	-	7,235
2 Offshore centres	1,362	50	1,761	5,248	-	8,421
<i>of which Hong Kong SAR</i>	797	50	1,706	4,355	-	6,908
3 Developing Asia and Pacific	8,108	-	142	8,580	-	16,830
<i>of which China</i>	3,096	-	79	4,459	-	7,634
<i>of which Chinese Taipei</i>	4,282	-	-	3,269	-	7,551
Total	12,898	50	2,055	17,483	-	32,486

##### AS AT DECEMBER 31, 2016

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	4,001	-	179	4,282	-	8,462
2 Offshore centres	950	50	2,072	4,942	-	8,014
<i>of which Hong Kong SAR</i>	509	50	2,025	4,387	-	6,971
3 Developing Asia and Pacific	7,119	-	176	7,528	-	14,823
<i>of which China</i>	2,142	-	78	3,418	-	5,638
<i>of which Chinese Taipei</i>	4,508	-	82	3,620	-	8,210
Total	12,070	50	2,427	16,752	-	31,299

#### 4. NON-BANK MAINLAND EXPOSURES

Figures in HKD millions

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

	On-balance sheet exposure	Off-balance sheet exposure	Total
<b>AS AT JUNE 30, 2017</b>			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	837	-	837
2 Local governments, local government-owned entities and their subsidiaries and JVs	638	-	638
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,579	-	1,579
4 Other entities of central government not reported in item 1 above	285	-	285
5 Other entities of local governments not reported in item 2 above	218	-	218
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,345	85	2,430
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	5,902	85	5,987
Total assets after provision	24,975		
On-balance sheet exposures as percentage of total assets	23.63		
	On-balance sheet exposure	Off-balance sheet exposure	Total
<b>AS AT DECEMBER 31, 2016</b>			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	730	-	730
2 Local governments, local government-owned entities and their subsidiaries and JVs	630	-	630
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,373	-	1,373
4 Other entities of central government not reported in item 1 above	185	-	185
5 Other entities of local governments not reported in item 2 above	135	-	135
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,735	92	1,827
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	4,788	92	4,880
Total assets after provision	24,714		
On-balance sheet exposures as percentage of total assets	19.37		

## 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.

<u>AS AT JUNE 30, 2017</u>	<u>USD</u>	<u>JPY</u>	<u>CNY</u>	<u>AUD</u>	<u>ZAR</u>	<u>Total</u>
Spot assets	14,415	108	3,025	2,137	3	19,688
Spot liabilities	(14,660)	(119)	(4,339)	(890)	(83)	(20,091)
Forward purchases	69,179	59	69,043	91	105	138,477
Forward sales	(69,322)	(27)	(67,274)	(1,359)	-	(137,982)
Net options position	18	-	-	(14)	-	4
Net long (short) position	(370)	21	455	(35)	25	96

<u>AS AT DECEMBER 31, 2016</u>	<u>USD</u>	<u>JPY</u>	<u>CNY</u>	<u>AUD</u>	<u>ZAR</u>	<u>Total</u>
Spot assets	14,614	91	3,975	1,546	3	20,229
Spot liabilities	(15,926)	(113)	(4,456)	(219)	(73)	(20,787)
Forward purchases	65,350	161	61,250	343	91	127,195
Forward sales	(63,852)	(130)	(60,614)	(1,695)	-	(126,291)
Net options position	(26)	-	-	-	-	(26)
Net long (short) position	160	9	155	(25)	21	320

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

	<u>For the First Half Year of 2017</u>	<u>For the First Half Year of 2016</u>
	<u>%</u>	<u>%</u>
Average liquidity maintenance ratio (LMR) for the period	<u>41.72</u>	<u>36.22</u>

The branch's average liquidity maintenance ratio (LMR) for the period is 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 established its own Assets and Liabilities Committee to implement the branch liquidity policies, which provide the principle guidelines to prudently manage the branch liquidity risk exposure. The principal liquidity measurement metrics of the branch include the Liquidity Maintenance Ratio, loan-to-deposit ratio, assets and liabilities cash-flows gap mismatch analysis, and liquidity stress tests computations under both normal business condition and various stress scenarios. The branch liquidity policies also set a higher internal limit of Liquidity Maintenance Ratio than statutory requirement.

The branch liquidity exposure is reported in the Assets and Liabilities Committee of the branch and in head office Committee on monthly basis. Any strategies or policy changes will be discussed and approved in the Committee to ensure continuing compliance of statutory requirements, the statutory guidelines in Supervisory Policy Manual LM-2 "Sound Systems and Controls for Liquidity Risk Management," and related HKMA guideline circulars.

#### 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 2016 Annual Report.

## **Bank SinoPac Hong Kong Branch**

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

#### **BANK SINOPAC**

#### **I. CAPITAL AND CAPITAL ADEQUACY RATIO**

##### **A. Capital adequacy ratio**

<u>2017-06-30</u>	<u>2016-12-31</u>
<u>14.47%</u>	<u>14.09%</u>

##### **B. Aggregate amount of shareholders' funds**

<u>2017-06-30</u> TWD '000	<u>2016-12-31</u> TWD '000
<u>121,583,904</u>	<u>119,721,905</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**

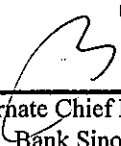
Figures in TWD thousands

	<u>2017-06-30</u>	<u>2016-12-31</u>
<b>Total assets</b>	<u>1,503,792,981</u>	<u>1,505,653,323</u>
<b>Total liabilities</b>	<u>1,382,209,077</u>	<u>1,385,931,418</u>
<b>Total loans advances</b>	<u>912,212,307</u>	<u>889,037,662</u>
<b>Total customer deposits</b>	<u>1,221,966,212</u>	<u>1,255,712,491</u>
	<u>Half Year of 2017</u>	<u>Half Year of 2016</u>
<b>Profit / (Loss) before taxation</b>	<u>5,252,184</u>	<u>4,740,200</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, 2017. 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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2017-09-20  
Date