

Bank SinoPac Hong Kong Branch

**Key Financial Information Disclosure Statement
FOR HALF-YEAR ENDED JUNE 30, 2018**

Bank SinoPac Hong Kong Branch

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR HALF-YEAR ENDED JUNE 30, 2018

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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, 2018**

Figures in HKD thousands

	<u>Half Year to 2018-06-30</u>	<u>Half Year to 2017-06-30</u>
INTEREST INCOME	283,086	220,989
INTEREST EXPENSE	<u>(116,982)</u>	<u>(84,933)</u>
	166,104	136,056
OTHER OPERATING INCOME		
Fees and commission income	23,125	22,105
Fees and commission expenses	<u>(5,893)</u>	<u>(5,952)</u>
Net fees and commission income	17,232	16,153
Gains less losses arising from trading in foreign currencies	46,803	31,960
Gains less losses on securities held for trading purposes	7,606	14,975
Gains less losses from other trading activities	2,527	(1,951)
Others	<u>25</u>	<u>631</u>
	74,193	61,768
OPERATING EXPENSES		
Staff and rental expenses	(65,025)	(66,408)
Other expenses (less fees and commission expenses)	(13,090)	(11,970)
Net charge for other provisions		
- Other provisions	1,734	10,987
- Impairment loss/(reversal of impairment loss) on assets	<u>(40)</u>	<u>5,600</u>
	<u>(76,421)</u>	<u>(61,791)</u>
IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES	(18,402)	(25,105)
GAINS LESS LOSSES FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION	145,474	110,928
TAX EXPENSE	-	-
PROFIT AFTER TAXATION	<u>145,474</u>	<u>110,928</u>

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II. BALANCE SHEET INFORMATION AS AT JUNE 30, 2018

Figures in HKD thousands

	<u>2018-06-30</u>	<u>2017-12-31</u>
<u>ASSETS</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	4,252,942	4,676,106
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)	1,447,290	453,300
Amount due from overseas offices	2,336,237	2,635,782
Trade bills	370,252	475,443
Certificates of Deposit held	714,283	494,907
Securities measured at fair value through profit or loss	451,999	430,493
Securities measured at amortised cost	49,957	49,984
Securities measured at fair value through other comprehensive income	4,971,585	4,660,640
Loans and receivables	10,334,308	10,260,975
Property, plant and equipment and investment properties	<u>1,552</u>	<u>1,733</u>
Total assets	<u>24,930,405</u>	<u>24,139,363</u>
<u>LIABILITIES</u>		
Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices)	146,395	460,317
Deposits from customers		
- demand deposits and current accounts	928,767	919,163
- savings deposits	8,581,505	8,507,828
- time, call and notice deposits	10,104,611	8,649,853
Amount due to overseas offices	2,679,689	2,965,381
Other accounts and provisions	<u>2,458,219</u>	<u>2,689,869</u>
Total liabilities	24,899,186	24,192,411
Capital and reserves	<u>31,219</u>	<u>(53,048)</u>
Total equity and liabilities	<u>24,930,405</u>	<u>24,139,363</u>

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III. ADDITIONAL BALANCE SHEET INFORMATION

Figures in HKD thousands

1. TRADE BILLS

	<u>2018-06-30</u>	<u>2017-12-31</u>
Trade bills	375,833	482,141
Less : Impairment allowances	(5,581)	(6,698)
	<u>370,252</u>	<u>475,443</u>

2. LOANS AND RECEIVABLES

	<u>2018-06-30</u>	<u>2017-12-31</u>
A. i) Loans and advances to customers	7,813,132	7,236,405
Less : Impairment allowances	(119,862)	N/A
Collective impairment allowances	N/A	(100,348)
Individual impairment allowances	N/A	(924)
	<u>7,693,270</u>	<u>7,135,133</u>
ii) Loans and advances to banks	57,971	-
Less : Impairment allowances	(870)	-
	<u>57,101</u>	<u>-</u>
iii) Other accounts		
-Accrued interest	93,224	71,192
-Others	2,526,450	3,090,944
	<u>2,619,674</u>	<u>3,162,136</u>
Less : Impairment allowances	(35,737)	(36,294)
	<u>2,583,937</u>	<u>3,125,842</u>
	<u>10,334,308</u>	<u>10,260,975</u>

B. Impairment allowances policy

There were no impairment allowances maintained at Head Office as at the above respective reporting dates.

C. Details of the impaired loans to customers

	<u>2018-06-30</u>	<u>2017-12-31</u>
- Gross loans and advances to customers	-	924
- Impairment allowances	-	N/A
- Individual impairment allowances	N/A	924
- Value of Collateral	-	-
Percentage of such loans and advances to total gross loans and advances	<u>0.00%</u>	<u>0.01%</u>

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III. ADDITIONAL BALANCE SHEET INFORMATION - continued

Figures in HKD thousands

2. LOANS AND RECEIVABLES - continued

D. i) Overdue or rescheduled assets

	<u>2018-06-30</u>		<u>2017-12-31</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	-	-	-	-
more than 6 months but not more than one year	-	-	-	-
<i>of which rescheduled assets included</i>	-	-	-	-
more than one year	-	-	924	0.01
	<u>-</u>	<u>-</u>	<u>924</u>	<u>0.01</u>
b. Rescheduled advances to customers	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>924</u>	<u>0.01</u>

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

	<u>2018-06-30</u>	<u>2017-12-31</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	-	924

d. Impairment allowances / individual impairment allowances on such overdue loans and advances

	<u>2018-06-30</u>	<u>2017-12-31</u>
	-	924

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 dates, irrespective of the accounting treatment of the related loans and advances.

E. Loans and advances to banks

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

3. OTHER ACCOUNTS AND PROVISIONS

	<u>2018-06-30</u>	<u>2017-12-31</u>
Accrued interest	58,744	44,008
Impairment allowances on loan commitments and financial guarantee contracts	6,393	2,549
Others	2,393,082	2,643,312
	<u>2,458,219</u>	<u>2,689,869</u>

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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>2018-06-30</u>	<u>2017-12-31</u>
Direct credit substitutes	7,845	10,942
Transaction-related contingencies	25,113	25,017
Trade-related contingencies	101,464	176,035
Other commitments	3,148,725	4,366,333
Others	<u>59,151</u>	<u>14,950</u>
	<u>3,342,298</u>	<u>4,593,277</u>
Derivatives		
- Exchange rate contracts	159,784,726	109,655,603
- Interest rate contracts	10,909,596	6,195,547
- Others	<u>55,388</u>	<u>79,148</u>
	<u>170,749,710</u>	<u>115,930,298</u>
Fair Value of Derivatives (of the above derivatives)		
- Exchange rate contracts	1,752,454	2,330,445
- Interest rate contracts	35,002	20,873
- Others	<u>675</u>	<u>531</u>
	<u>1,788,131</u>	<u>2,351,849</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.

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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 not less than 10% of the total gross amount of loans and advances to customers are disclosed.

A. Loans and advances for use in Hong Kong	2018-06-30		2017-12-31	
	Amount	Amount covered by collateral or other security	Amount	Amount covered by collateral or other security
a. Industrial, commercial and financial				
- Property development	-	-	150,000	-
- Property investment	649,944	294,284	641,889	288,889
- Financial concerns	1,335,332	168,241	1,478,396	159,808
- Stockbrokers	-	-	155,786	-
- Wholesale and retail trade	295,460	232,702	282,824	245,935
- Manufacturing	421,527	172,266	208,981	192,418
- Transport and transport equipment	27,251	5,375	27,947	2,237
- Recreational activities	-	-	-	-
- Information technology	173,444	-	176,085	-
- Others	36,468	36,468	37,374	37,374
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	-	-	17,194	17,194
B. Trade finance	954,336	330,610	543,844	125,819
C. Loans and advances for use outside Hong Kong	3,919,370	966,012	3,516,085	865,602
Total	<u>7,813,132</u>	<u>2,205,958</u>	<u>7,236,405</u>	<u>1,935,276</u>

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

	2018-06-30	2017-12-31
- Hong Kong	4,167,473	3,623,209
- China	1,648,773	1,821,173
- Others	1,996,886	1,792,023
Total	<u>7,813,132</u>	<u>7,236,405</u>

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

	2018-06-30	2017-12-31
- Others	-	924
Total	<u>-</u>	<u>924</u>

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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". Countries or geographical segments constituting not less than 10% of the total international claims are disclosed.

AS AT JUNE 30, 2018

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	3,484	-	40	772	-	4,296
2 Offshore centres	1,291	52	1,012	5,137	-	7,492
<i>of which Hong Kong SAR</i>	<i>1,021</i>	<i>52</i>	<i>1,012</i>	<i>4,327</i>	-	<i>6,412</i>
3 Developing Asia and Pacific	7,148	-	355	2,989	-	10,492
<i>of which China</i>	<i>968</i>	-	<i>276</i>	<i>1,351</i>	-	<i>2,595</i>
<i>of which Chinese Taipei</i>	<i>5,497</i>	-	-	<i>1,400</i>	-	<i>6,897</i>
Total	11,923	52	1,407	8,898	-	22,280

AS AT DECEMBER 31, 2017

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	3,127	-	-	572	-	3,699
2 Offshore centres	1,002	50	1,646	4,172	-	6,870
<i>of which Hong Kong SAR</i>	<i>806</i>	<i>50</i>	<i>1,607</i>	<i>3,491</i>	-	<i>5,954</i>
3 Developing Asia and Pacific	7,239	-	514	2,759	-	10,512
<i>of which China</i>	<i>2,196</i>	-	<i>451</i>	<i>1,365</i>	-	<i>4,012</i>
<i>of which Chinese Taipei</i>	<i>4,794</i>	-	-	<i>1,284</i>	-	<i>6,078</i>
Total	11,368	50	2,160	7,503	-	21,081

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 exposures	Off-balance sheet exposures	Total
AS AT JUNE 30, 2018			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	1,432	-	1,432
2 Local governments, local government-owned entities and their subsidiaries and JVs	805	-	805
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,639	4	1,643
4 Other entities of central government not reported in item 1 above	365	-	365
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	2,106	74	2,180
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	6,347	78	6,425
Total assets after provisions	24,924		
On-balance sheet exposures as percentage of total assets	25.46		

	On-balance sheet exposures	Off-balance sheet exposures	Total
AS AT DECEMBER 31, 2017			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	997	-	997
2 Local governments, local government-owned entities and their subsidiaries and JVs	629	-	629
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,190	6	2,196
4 Other entities of central government not reported in item 1 above	387	-	387
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	1,850	168	2,018
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	6,053	174	6,227
Total assets after provisions	24,137		
On-balance sheet exposures as percentage of total assets	25.08		

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 "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, 2018</u>	<u>USD</u>	<u>JPY</u>	<u>CNY</u>	<u>AUD</u>	<u>ZAR</u>	<u>Total</u>
Spot assets	13,303	189	2,930	2,993	1	19,416
Spot liabilities	(14,979)	(157)	(4,254)	(389)	(94)	(19,873)
Forward purchases	79,179	119	64,934	156	119	144,507
Forward sales	(77,550)	(198)	(63,519)	(2,825)	(5)	(144,097)
Net options position	1	-	-	-	-	1
Net long (short) position	(46)	(47)	91	(65)	21	(46)

<u>AS AT DECEMBER 31, 2017</u>	<u>USD</u>	<u>JPY</u>	<u>CNY</u>	<u>AUD</u>	<u>ZAR</u>	<u>Total</u>
Spot assets	12,385	155	4,222	1,967	47	18,776
Spot liabilities	(14,333)	(143)	(4,656)	(386)	(90)	(19,608)
Forward purchases	52,580	96	50,779	37	125	103,617
Forward sales	(50,805)	(138)	(50,168)	(1,665)	(52)	(102,828)
Net options position	2	-	-	1	-	3
Net long (short) position	(171)	(30)	177	(46)	30	(40)

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 Second Quarter of 2018</u>	<u>For the First Quarter of 2018</u>	<u>For the First Half Year of 2017</u>
	<u>%</u>	<u>%</u>	<u>%</u>
Average liquidity maintenance ratio (LMR) for the period	<u>44.79</u>	<u>41.60</u>	<u>41.72</u>

The branch's average liquidity maintenance ratio (LMR) for the period is based on the arithmetic mean of the average value of its LMR for each calendar month as reported in the liquidity position return submitted for the reporting period, which is computed in accordance with the Hong Kong Banking (Liquidity) Rules.

Under Banking (Disclosure) Rules, average LMR is presented on quarterly basis from 2018 onwards. Comparative information has not been restated.

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 2017 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>2018-06-30</u>	<u>2017-12-31</u>
	<u>14.45%</u>	<u>15.28%</u>
B. Aggregate amount of shareholders' funds	<u>2018-06-30</u>	<u>2017-12-31</u>
	TWD '000	TWD '000
	<u>124,625,227</u>	<u>125,002,329</u>

The capital adequacy ratio is calculated in accordance with the document entitled "Regulations Governing the Capital Adequacy and Capital Category of Banks".


II. OTHER FINANCIAL INFORMATION

Figures in TWD thousands

	<u>2018-06-30</u>	<u>2017-12-31</u>
Total assets	<u>1,456,252,539</u>	<u>1,433,208,401</u>
Total liabilities	<u>1,331,627,312</u>	<u>1,308,206,072</u>
Total loans advances	<u>877,615,359</u>	<u>865,990,024</u>
Total customer deposits	<u>1,142,853,858</u>	<u>1,154,487,183</u>
	<u>Half Year of</u>	<u>Half Year of</u>
	<u>2018</u>	<u>2017</u>
Profit / (Loss) before taxation	<u>5,629,308</u>	<u>5,252,184</u>

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, 2018. 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.



Alternate Chief Executive
Bank Sinopac
Hong Kong Branch

2018-09-20

Date