

Bank SinoPac Hong Kong Branch

(Incorporated In Taiwan With Limited Liability)

**Key Financial Information Disclosure Statement
FOR HALF-YEAR ENDED JUNE 30, 2019**

Bank SinoPac Hong Kong Branch

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR HALF-YEAR ENDED JUNE 30, 2019

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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, 2019

Figures in HKD thousands

	Half Year to 2019-06-30	Half Year to 2018-06-30
INTEREST INCOME	377,148	283,086
INTEREST EXPENSE	<u>(168,520)</u>	<u>(116,982)</u>
	<u>208,628</u>	<u>166,104</u>
OTHER OPERATING INCOME		
Fees and commission income	28,768	23,125
Fees and commission expenses	<u>(6,215)</u>	<u>(5,893)</u>
Net fees and commission income	22,553	17,232
Gains less losses arising from trading in foreign currencies	36,174	46,803
Gains less losses on securities held for trading purposes	9,704	7,606
Gains less losses from other trading activities	<u>(1,335)</u>	<u>2,527</u>
Others	<u>1,051</u>	<u>25</u>
	<u>68,147</u>	<u>74,193</u>
OPERATING EXPENSES		
Staff and rental expenses	(67,063)	(65,025)
Other expenses	(10,066)	(13,090)
Net charge for other provisions		
- Other provisions	2,544	1,734
- Reversal of impairment loss / (Impairment loss) on assets	<u>10,480</u>	<u>(40)</u>
	<u>(64,105)</u>	<u>(76,421)</u>
IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES	(20,497)	(18,402)
GAINS LESS LOSSES FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION	192,173	145,474
TAX EXPENSE	-	-
PROFIT AFTER TAXATION	<u>192,173</u>	<u>145,474</u>

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II. BALANCE SHEET INFORMATION AS AT JUNE 30, 2019

Figures in HKD thousands

	<u>2019-06-30</u>	<u>2018-12-31</u>
<u>ASSETS</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	3,465,438	4,186,770
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)	2,191,443	2,612,402
Amount due from overseas offices	3,482,075	2,643,359
Trade bills	912,437	693,816
Certificates of Deposit held	737,057	816,332
Securities measured at fair value through profit or loss	-	196,880
Securities measured at amortised cost	153,400	94,124
Securities measured at fair value through other comprehensive income	6,876,755	5,738,273
Loans and receivables	10,386,001	10,077,467
Property, plant and equipment and investment properties	<u>1,501</u>	<u>1,850</u>
Total assets	<u>28,206,107</u>	<u>27,061,273</u>
<u>LIABILITIES</u>		
Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices)	1,011,755	806,426
Deposits from customers		
- demand deposits and current accounts	1,380,337	729,423
- savings deposits	8,535,874	8,933,131
- time, call and notice deposits	11,776,019	10,813,532
Amount due to overseas offices	2,759,264	2,487,469
Other accounts and provisions	<u>2,294,407</u>	<u>3,158,852</u>
Total liabilities	27,757,656	26,928,833
Capital and reserves	<u>448,451</u>	<u>132,440</u>
Total equity and liabilities	<u>28,206,107</u>	<u>27,061,273</u>

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III. ADDITIONAL BALANCE SHEET INFORMATION

Figures in HKD thousands

1. TRADE BILLS

	<u>2019-06-30</u>	<u>2018-12-31</u>
Trade bills	926,467	704,423
Less : Impairment allowances	<u>(14,030)</u>	<u>(10,607)</u>
	<u>912,437</u>	<u>693,816</u>

2. LOANS AND RECEIVABLES

	<u>2019-06-30</u>	<u>2018-12-31</u>
A. i) Loans and advances to customers	8,277,400	7,429,523
Less : Impairment allowances	<u>(128,317)</u>	<u>(128,248)</u>
	<u>8,149,083</u>	<u>7,301,275</u>
ii) Loans and advances to banks	54,734	55,324
Less : Impairment allowances	<u>(821)</u>	<u>(830)</u>
	<u>53,913</u>	<u>54,494</u>
iii) Other accounts		
-Accrued interest	145,978	123,416
-Others	<u>2,071,516</u>	<u>2,632,987</u>
	<u>2,217,494</u>	<u>2,756,403</u>
Less : Impairment allowances	<u>(34,489)</u>	<u>(34,705)</u>
	<u>2,183,005</u>	<u>2,721,698</u>
	<u>10,386,001</u>	<u>10,077,467</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>2019-06-30</u>	<u>2018-12-31</u>
- Gross loans and advances to customers	22,599	38,360
- Impairment allowances	22,599	30,959
- Value of Collateral	-	-
Percentage of such loans and advances to total gross loans and advances	<u>0.27%</u>	<u>0.52%</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>2019-06-30</u>		<u>2018-12-31</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	22,599	0.27%	-	-
more than 6 months but not more than one year	-	-	-	-
more than one year	-	-	-	-
	<u>22,599</u>	<u>0.27%</u>	<u>-</u>	<u>-</u>
b. Rescheduled advances to customers	-	-	20,784	0.28%
Total	<u>22,599</u>	<u>0.27%</u>	<u>20,784</u>	<u>0.28%</u>

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

	<u>2019-06-30</u>	<u>2018-12-31</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	22,599	-

d. Impairment allowances on such overdue loans and advances

	<u>2019-06-30</u>	<u>2018-12-31</u>
	22,599	-

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>2019-06-30</u>	<u>2018-12-31</u>
Accrued interest	74,919	72,799
Impairment allowances on loan commitments and financial guarantee contracts	4,535	7,438
Others	<u>2,214,953</u>	<u>3,078,615</u>
	<u>2,294,407</u>	<u>3,158,852</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>2019-06-30</u>	<u>2018-12-31</u>
Direct credit substitutes	19,518	7,832
Transaction-related contingencies	11,177	9,406
Trade-related contingencies	126,780	125,851
Other commitments	2,873,674	3,330,564
Others	-	195,793
	<u>3,031,149</u>	<u>3,669,446</u>
Derivatives		
- Exchange rate contracts	194,387,733	198,931,926
- Interest rate contracts	5,430,788	10,796,597
- Others	4,684	15,724
	<u>199,823,205</u>	<u>209,744,247</u>
Fair Value of Derivatives (of the above derivatives)		
- Exchange rate contracts	1,205,551	1,881,390
- Interest rate contracts	35,187	28,495
- Others	29	235
	<u>1,240,767</u>	<u>1,910,120</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	<u>2019-06-30</u>		<u>2018-12-31</u>	
	Amount	<u>Amount covered by collateral or other security</u>	Amount	<u>Amount covered by collateral or other security</u>
a. Industrial, commercial and financial				
- Property development	124,449	54,183	125,308	54,352
- Property investment	595,562	259,902	651,472	295,812
- Financial concerns	1,208,622	272,798	503,076	20,911
- Stockbrokers	-	-	100,000	-
- Wholesale and retail trade	238,684	238,469	180,583	136,160
- Manufacturing	502,844	104,475	258,864	97,975
- Transport and transport equipment	209,227	9,592	217,467	9,610
- Recreational activities	-	-	-	-
- Information technology	519,102	23,000	467,502	23,000
- Others	32,385	32,385	16,217	16,217
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	834,950	432,005	953,609	465,052
C. Loans and advances for use outside Hong Kong	4,011,575	947,269	3,955,425	797,780
Total	<u>8,277,400</u>	<u>2,374,078</u>	<u>7,429,523</u>	<u>1,916,869</u>

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

	<u>2019-06-30</u>	<u>2018-12-31</u>
- Hong Kong	4,155,540	3,161,417
- China	1,768,133	1,307,557
- Taiwan	347,426	1,370,461
- Others	2,006,301	1,590,088
Total	<u>8,277,400</u>	<u>7,429,523</u>

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

	<u>2019-06-30</u>	<u>2018-12-31</u>
- Taiwan	22,599	38,360
Total	<u>22,599</u>	<u>38,360</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, 2019

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	4,558	80	40	1,767	-	6,445
2 Offshore centres	1,502	77	686	5,248	-	7,513
<i>of which Hong Kong SAR</i>	1,100	77	686	4,089	-	5,952
3 Developing Asia and Pacific	8,710	-	615	2,693	-	12,018
<i>of which China</i>	2,121	-	381	1,205	-	3,707
<i>of which Chinese Taipei</i>	5,635	-	23	1,219	-	6,877
Total	14,770	157	1,341	9,708	-	25,976

AS AT DECEMBER 31, 2018

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	4,419	1	39	1,408	-	5,867
2 Offshore centres	1,437	61	563	4,676	-	6,737
<i>of which Hong Kong SAR</i>	1,358	61	523	3,359	-	5,301
3 Developing Asia and Pacific	8,324	35	451	2,943	-	11,753
<i>of which China</i>	1,632	35	352	1,289	-	3,308
<i>of which Chinese Taipei</i>	6,069	-	21	1,365	-	7,455
Total	14,180	97	1,053	9,027	-	24,357

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, 2019			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	1,029	66	1,095
2 Local governments, local government-owned entities and their subsidiaries and JVs	424	102	526
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,789	470	2,259
4 Other entities of central government not reported in item 1 above	319	-	319
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	1,493	489	1,982
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	5,054	1,127	6,181
Total assets after provisions	28,202		
On-balance sheet exposures as percentage of total assets	17.92		
AS AT DECEMBER 31, 2018			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	1,104	115	1,219
2 Local governments, local government-owned entities and their subsidiaries and JVs	489	74	563
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,496	417	1,913
4 Other entities of central government not reported in item 1 above	314	-	314
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	1,869	473	2,342
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	5,272	1,079	6,351
Total assets after provisions	27,105		
On-balance sheet exposures as percentage of total assets	19.45		

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, 2019</u>	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>OTHERS</u>	<u>Total</u>
Spot assets	15,624	986	2,947	2,649	22,206
Spot liabilities	(15,438)	(447)	(3,276)	(2,257)	(21,418)
Forward purchases	95,911	633	80,027	4,261	180,832
Forward sales	(95,943)	(1,246)	(79,534)	(4,605)	(181,328)
Net options position	-	-	-	-	-
Net long (short) position	154	(74)	164	48	292

<u>AS AT DECEMBER 31, 2018</u>	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>OTHERS</u>	<u>Total</u>
Spot assets	15,358	906	3,324	2,844	22,432
Spot liabilities	(15,712)	(360)	(4,589)	(1,673)	(22,334)
Forward purchases	98,348	299	84,644	1,206	184,497
Forward sales	(97,844)	(879)	(83,543)	(2,278)	(184,544)
Net options position	-	2	-	31	33
Net long (short) position	150	(32)	(164)	130	84

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 2019</u>	<u>For the Second Quarter of 2018</u>
	<u>%</u>	<u>%</u>
Average liquidity maintenance ratio (LMR) for the period	<u>43.62</u>	<u>44.79</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.

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 2018 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>2019-06-30</u>	<u>2018-12-31</u>
	<u>13.52%</u>	<u>14.44%</u>
B. Aggregate amount of shareholders' funds	<u>2019-06-30</u>	<u>2018-12-31</u>
	TWD '000	TWD '000
	<u>129,529,691</u>	<u>129,081,699</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>2019-06-30</u>	<u>2018-12-31</u>
Total assets	<u>1,640,324,092</u>	<u>1,485,321,021</u>
Total liabilities	<u>1,510,794,401</u>	<u>1,356,239,322</u>
Total loans advances	<u>1,015,948,271</u>	<u>919,303,206</u>
Total customer deposits	<u>1,344,195,310</u>	<u>1,195,974,154</u>
	<u>Half Year of</u>	<u>Half Year of</u>
	<u>2019</u>	<u>2018</u>
Profit / (Loss) before taxation	<u>6,616,260</u>	<u>5,629,308</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, 2019. 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 16 August 2019 and to the best of our knowledge and belief, it is not false or misleading.



Alternate Chief Executive
Bank SinoPac
Hong Kong Branch

2019-09-25

Date