

Bank SinoPac Hong Kong Branch

(Incorporated In Taiwan With Limited Liability)

Key Financial Information Disclosure Statement FOR HALF-YEAR ENDED JUNE 30, 2020

Note:

A copy of the Key Financial Information Disclosure Statement is available on the website below for public inspection.

<https://bank.sinopac.com/sinopacBT/about/introduction/announcement/hongkong.html>

Bank SinoPac Hong Kong Branch

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR HALF-YEAR ENDED JUNE 30, 2020

<u>CONTENTS</u>	<u>PAGE(S)</u>
SECTION A. - INFORMATION OF THE BRANCH <INCLUDE HONG KONG BRANCH ONLY>	
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
SECTION B. - INFORMATION OF THE BANK AS A WHOLE	
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, 2020**

Figures in HKD thousands

	<u>Half Year to 2020-06-30</u>	<u>Half Year to 2019-06-30</u>
INTEREST INCOME	301,502	377,148
INTEREST EXPENSE	<u>(118,809)</u>	<u>(168,520)</u>
	182,693	208,628
OTHER OPERATING INCOME		
Fees and commission income	39,112	28,768
Fees and commission expenses	<u>(5,066)</u>	<u>(6,215)</u>
Net fees and commission income	34,046	22,553
Gains less losses arising from trading in foreign currencies	31,210	36,174
Gains less losses on securities held for trading purposes	(2,544)	9,704
Gains less losses from other trading activities	4,711	(1,335)
Others	<u>84</u>	<u>1,051</u>
	67,507	68,147
OPERATING EXPENSES		
Staff and rental expenses	(66,916)	(67,063)
Other expenses	(15,949)	(10,066)
Net charge for other provisions		
- Other provisions	(9,832)	2,544
- (Impairment loss) / Reversal of impairment loss on assets	<u>(114,721)</u>	<u>10,480</u>
	(207,418)	(64,105)
IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES	(5,033)	(20,497)
GAINS LESS LOSSES FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION	37,749	192,173
TAX EXPENSE	-	-
PROFIT AFTER TAXATION	<u>37,749</u>	<u>192,173</u>

Bank SinoPac Hong Kong Branch

II. BALANCE SHEET INFORMATION AS AT JUNE 30, 2020

Figures in HKD thousands

	<u>2020-06-30</u>	<u>2019-12-31</u>
<u>ASSETS</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	4,050,312	4,296,877
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)	1,012,820	1,606,648
Amount due from overseas offices	1,222,974	1,568,316
Trade bills	315,962	357,327
Certificates of Deposit held	738,246	815,192
Securities measured at fair value through profit or loss	143,295	-
Securities measured at amortised cost	591,563	483,041
Securities measured at fair value through other comprehensive income	9,164,840	7,990,280
Loans and receivables	9,461,605	8,412,701
Property, plant and equipment and investment properties	<u>1,835</u>	<u>1,659</u>
Total assets	<u>26,703,452</u>	<u>25,532,041</u>
<u>LIABILITIES</u>		
Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices)	492,207	412,500
Deposits from customers		
- demand deposits and current accounts	483,397	486,531
- savings deposits	10,021,762	8,763,574
- time, call and notice deposits	11,188,349	11,358,066
Amount due to overseas offices	2,759,756	2,303,351
Other accounts and provisions	<u>983,210</u>	<u>1,605,913</u>
Total liabilities	25,928,681	24,929,935
Capital and reserves	<u>774,771</u>	<u>602,106</u>
Total equity and liabilities	<u>26,703,452</u>	<u>25,532,041</u>

Bank SinoPac Hong Kong Branch

III. ADDITIONAL BALANCE SHEET INFORMATION

Figures in HKD thousands

1. TRADE BILLS

	<u>2020-06-30</u>	<u>2019-12-31</u>
Trade bills	319,597	369,245
Less : Impairment allowances	<u>(3,635)</u>	<u>(11,918)</u>
	<u>315,962</u>	<u>357,327</u>

2. LOANS AND RECEIVABLES

	<u>2020-06-30</u>	<u>2019-12-31</u>
A. i) Loans and advances to customers	8,308,964	6,882,697
Less : Impairment allowances	<u>(103,347)</u>	<u>(92,260)</u>
	<u>8,205,617</u>	<u>6,790,437</u>
ii) Loans and advances to banks	239,126	54,549
Less : Impairment allowances	<u>(2,657)</u>	<u>(818)</u>
	<u>236,469</u>	<u>53,731</u>
iii) Other accounts		
-Accrued interest	120,220	144,457
-Others	<u>932,481</u>	<u>1,457,813</u>
	1,052,701	1,602,270
Less : Impairment allowances	<u>(33,182)</u>	<u>(33,737)</u>
	<u>1,019,519</u>	<u>1,568,533</u>
	<u>9,461,605</u>	<u>8,412,701</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>2020-06-30</u>	<u>2019-12-31</u>
- Gross loans and advances to customers	2,874	3,054
- Impairment allowances	2,874	1,992
- Value of Collateral	-	-
Percentage of such loans and advances to total gross loans and advances	<u>0.03%</u>	<u>0.04%</u>

Bank SinoPac Hong Kong Branch

III. ADDITIONAL BALANCE SHEET INFORMATION - continued

Figures in HKD thousands

2. LOANS AND RECEIVABLES - continued

D. i) Overdue or rescheduled assets

	<u>2020-06-30</u>		<u>2019-12-31</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	2,874	0.03%	-	-
more than one year	-	-	-	-
	<u>2,874</u>	<u>0.03%</u>	<u>-</u>	<u>-</u>
b. Rescheduled advances to customers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2,874</u>	<u>0.03%</u>	<u>-</u>	<u>-</u>

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

	<u>2020-06-30</u>	<u>2019-12-31</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	2,874	-

d. Impairment allowances on such overdue loans and advances

	<u>2020-06-30</u>	<u>2019-12-31</u>
	2,874	-

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>2020-06-30</u>	<u>2019-12-31</u>
Accrued interest	45,317	63,292
Impairment allowances on loan commitments and financial guarantee contracts	13,808	4,820
Others	924,085	1,537,801
	<u>983,210</u>	<u>1,605,913</u>

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>2020-06-30</u>	<u>2019-12-31</u>
Direct credit substitutes	24,856	19,464
Transaction-related contingencies	12,685	6,758
Trade-related contingencies	203,876	73,774
Other commitments	4,371,710	3,343,432
Others	-	77,856
	<u>4,613,127</u>	<u>3,521,284</u>
Derivatives		
- Exchange rate contracts	55,117,301	101,468,714
- Interest rate contracts	4,542,610	4,548,833
- Others	-	4,671
	<u>59,659,911</u>	<u>106,022,218</u>
Fair Value of Derivatives (of the above derivatives)		
- Exchange rate contracts	206,693	773,849
- Interest rate contracts	60,019	28,470
- Others	-	6
	<u>266,712</u>	<u>802,325</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.

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". Countries or geographical segments constituting 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>2020-06-30</u>		<u>2019-12-31</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	-	-	150,000	150,000
- Property investment	382,898	213,534	203,534	63,534
- Financial concerns	1,942,463	828,970	1,053,558	250,000
- Stockbrokers	-	-	38,928	-
- Wholesale and retail trade	50,251	50,251	142,320	139,147
- Manufacturing	341,121	100,865	244,535	101,179
- Transport and transport equipment	167,375	6,525	177,875	9,659
- Recreational activities	-	-	-	-
- Information technology	555,194	23,000	555,194	23,000
- Others	25,000	-	-	-
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	634,633	89,000	664,787	103,068
C. Loans and advances for use outside Hong Kong	4,210,029	965,711	3,651,966	840,418
Total	8,308,964	2,277,856	6,882,697	1,680,005

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

	<u>2020-06-30</u>	<u>2019-12-31</u>
- Hong Kong	2,909,776	3,128,140
- China	1,486,077	1,405,771
- British Virgin Islands	1,612,046	959,992
- Others	2,301,065	1,388,794
Total	8,308,964	6,882,697

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

	<u>2020-06-30</u>	<u>2019-12-31</u>
- Taiwan	2,874	3,054
Total	2,874	3,054

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

AS AT JUNE 30, 2020

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	4,164	211	39	2,223	-	6,637
<i>of which Australia</i>	2,219	-	-	184	-	2,403
2 Offshore centres	1,885	425	1,246	5,195	-	8,751
<i>of which Hong Kong SAR</i>	1,264	425	789	2,982	-	5,460
3 Developing Asia and Pacific	6,564	-	1,234	2,034	-	9,832
<i>of which Chinese Taipei</i>	4,053	-	37	1,093	-	5,183

AS AT DECEMBER 31, 2019

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1 Developed countries	4,229	173	39	1,780	-	6,221
<i>of which Australia</i>	2,449	-	-	-	-	2,449
2 Offshore centres	1,785	313	954	4,434	-	7,486
<i>of which Hong Kong SAR</i>	1,315	313	854	2,723	-	5,205
3 Developing Asia and Pacific	6,994	-	748	2,194	-	9,936
<i>of which Chinese Taipei</i>	4,827	-	45	1,023	-	5,895

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, 2020			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	766	31	797
2 Local governments, local government-owned entities and their subsidiaries and JVs	432	159	591
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	896	527	1,423
4 Other entities of central government not reported in item 1 above	275	-	275
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	1,762	468	2,230
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	4,131	1,185	5,316
Total assets after provisions	26,690		
On-balance sheet exposures as percentage of total assets	15.48		
	On-balance sheet exposures	Off-balance sheet exposures	Total
AS AT DECEMBER 31, 2019			
1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs)	763	7	770
2 Local governments, local government-owned entities and their subsidiaries and JVs	424	247	671
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,165	254	1,419
4 Other entities of central government not reported in item 1 above	369	-	369
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	1,685	420	2,105
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	4,406	928	5,334
Total assets after provisions	25,659		
On-balance sheet exposures as percentage of total assets	17.17		

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.

AS AT JUNE 30, 2020	USD	EUR	CNY	IDR	INR	TWD	OTHERS	Total
Spot assets	14,648	473	2,325	-	-	-	3,472	20,918
Spot liabilities	(15,377)	(168)	(2,211)	-	-	-	(1,917)	(20,173)
Forward purchases	27,907	265	22,093	28	76	-	1,547	51,916
Forward sales	(26,188)	(593)	(22,086)	(28)	(72)	-	(3,091)	(52,058)
Net options position	-	-	-	-	-	-	-	-
Net long (short) position	490	(23)	121	-	4	-	11	603

AS AT DECEMBER 31, 2019	USD	EUR	CNY	IDR	INR	TWD	OTHERS	Total
Spot assets	14,356	646	2,841	-	-	-	2,962	20,805
Spot liabilities	(15,429)	(294)	(2,749)	-	-	-	(1,673)	(20,145)
Forward purchases	50,197	85	38,227	1,276	84	396	1,742	92,007
Forward sales	(49,496)	(512)	(38,018)	(1,241)	(46)	(46)	(2,973)	(92,332)
Net options position	-	(1)	-	-	-	-	-	(1)
Net long (short) position	(372)	(76)	301	35	38	350	58	334

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

	For the Second Quarter of 2020 %	For the Second Quarter of 2019 %
Average liquidity maintenance ratio (LMR) for the period	58.69	43.62

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 session "EMPLOYEE BENEFITS EXPENSE" in Bank's 2019 Annual Report page 62.

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>2020-06-30</u>	<u>2019-12-31</u>
14.14%	14.27%

B. Aggregate amount of shareholders' funds

<u>2020-06-30</u> TWD '000	<u>2019-12-31</u> TWD '000
<u>132,807,918</u>	<u>133,668,017</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>2020-06-30</u>	<u>2019-12-31</u>
Total assets	<u>1,852,600,031</u>	<u>1,695,816,123</u>
Total liabilities	<u>1,719,792,113</u>	<u>1,562,148,106</u>
Total loans advances	<u>1,118,794,170</u>	<u>999,554,298</u>
Total customer deposits	<u>1,533,683,536</u>	<u>1,388,840,551</u>
	<u>Half Year of</u> <u>2020</u>	<u>Half Year of</u> <u>2019</u>
Profit / (Loss) before taxation	<u>5,454,511</u>	<u>6,616,260</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, 2020. 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" and to the best of our knowledge and belief, it is not false or misleading.



Alternate Chief Executive
Bank Sinopac
Hong Kong Branch

23 SEP 2020

Date