

Bank SinoPac Hong Kong Branch

(Incorporated In Taiwan With Limited Liability)

Key Financial Information Disclosure Statement FOR HALF-YEAR ENDED JUNE 30, 2023

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/seabranh/branch-hongkong.html>

Bank SinoPac Hong Kong Branch

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR HALF-YEAR ENDED JUNE 30, 2023

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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, 2023**

Figures in HKD thousands

| | <u>Half Year to</u> <u>2023-06-30</u> | <u>Half Year to</u> <u>2022-06-30</u> |
|---|--|--|
| INTEREST INCOME | 799,097 | 325,691 |
| INTEREST EXPENSE | <u>(521,426)</u> | <u>(81,993)</u> |
| | <u>277,671</u> | <u>243,698</u> |
| OTHER OPERATING INCOME | | |
| Fees and commission income | 61,333 | 48,195 |
| Fees and commission expenses | <u>(5,046)</u> | <u>(4,458)</u> |
| Net fees and commission income | 56,287 | 43,737 |
| Gains less losses arising from trading in foreign currencies | 72,966 | 49,865 |
| Gains less losses on securities held for trading purposes | 1,728 | (3,885) |
| Gains less losses from other trading activities | (34,444) | 27,333 |
| Others | <u>1,245</u> | <u>11,066</u> |
| | <u>97,782</u> | <u>128,116</u> |
| OPERATING EXPENSES | | |
| Staff and rental expenses | (83,238) | (75,763) |
| Other expenses | (15,516) | (14,733) |
| Net charge for other provisions | | |
| - Other provisions | 4,796 | (3,839) |
| - Reversal of impairment loss on assets | <u>5,877</u> | <u>7,201</u> |
| | <u>(88,081)</u> | <u>(87,134)</u> |
| IMPAIRMENT LOSSES AND PROVISIONS FOR IMPAIRED LOANS AND RECEIVABLES | (28,496) | (18,658) |
| GAINS LESS LOSSES FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES | <u>-</u> | <u>-</u> |
| PROFIT BEFORE TAXATION | 258,876 | 266,022 |
| TAX EXPENSE | - | - |
| PROFIT AFTER TAXATION | <u>258,876</u> | <u>266,022</u> |

Bank SinoPac Hong Kong Branch

II. BALANCE SHEET INFORMATION AS AT JUNE 30, 2023

Figures in HKD thousands

| | <u>2023-06-30</u> | <u>2022-12-31</u> |
|---|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash and balances with banks (except those included in amount due from overseas offices) | 5,644,370 | 6,511,383 |
| 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) | - | 157,977 |
| Amount due from overseas offices | 2,122,200 | 3,006,534 |
| Trade bills | 1,945,644 | 406,475 |
| Certificates of Deposit held | 220,000 | 300,000 |
| Securities measured at fair value through profit or loss | - | 45,341 |
| Securities measured at amortised cost | 4,334,602 | 3,080,610 |
| Securities measured at fair value through other comprehensive income | 10,595,698 | 11,123,156 |
| Loans and receivables | 11,488,383 | 11,451,394 |
| Property, plant and equipment and investment properties | 4,368 | 5,091 |
| Total assets | <u>36,355,265</u> | <u>36,087,961</u> |
| <u>LIABILITIES</u> | | |
| Deposits and balances from banks and other financial institutions (except those included in amount due to overseas offices) | 1,882,570 | 2,492,699 |
| Deposits from customers | | |
| - demand deposits and current accounts | 311,858 | 388,767 |
| - savings deposits | 7,425,526 | 10,562,482 |
| - time, call and notice deposits | 17,778,457 | 14,709,942 |
| Amount due to overseas offices | 5,141,277 | 4,789,603 |
| Other accounts and provisions | 2,821,338 | 2,505,310 |
| Total liabilities | 35,361,026 | 35,448,803 |
| Capital and reserves | 994,239 | 639,158 |
| Total equity and liabilities | <u>36,355,265</u> | <u>36,087,961</u> |

Bank SinoPac Hong Kong Branch

III. ADDITIONAL BALANCE SHEET INFORMATION

Figures in HKD thousands

1. TRADE BILLS

| | <u>2023-06-30</u> | <u>2022-12-31</u> |
|------------------------------|-------------------|-------------------|
| Trade bills | 1,973,671 | 412,567 |
| Less : Impairment allowances | <u>(28,027)</u> | <u>(6,092)</u> |
| | <u>1,945,644</u> | <u>406,475</u> |

2. LOANS AND RECEIVABLES

| | <u>2023-06-30</u> | <u>2022-12-31</u> |
|---------------------------------------|-------------------|-------------------|
| A. i) Loans and advances to customers | 9,597,726 | 9,955,308 |
| Less : Impairment allowances | <u>(109,428)</u> | <u>(160,237)</u> |
| | <u>9,488,298</u> | <u>9,795,071</u> |
| ii) Loans and advances to banks | 130,568 | - |
| Less : Impairment allowances | <u>(1,306)</u> | <u>-</u> |
| | <u>129,262</u> | <u>-</u> |
| iii) Other accounts | | |
| -Accrued interest | 224,788 | 195,456 |
| -Others | 1,692,039 | 1,504,209 |
| | <u>1,916,827</u> | <u>1,699,665</u> |
| Less : Impairment allowances | <u>(46,004)</u> | <u>(43,342)</u> |
| | <u>1,870,823</u> | <u>1,656,323</u> |
| | <u>11,488,383</u> | <u>11,451,394</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>2023-06-30</u> | <u>2022-12-31</u> |
|---|-------------------|-------------------|
| - Gross loans and advances to customers | - | 58,265 |
| - Impairment allowances | - | 40,788 |
| - Value of Collateral | - | - |
| Percentage of such loans and advances to total gross loans and advances | <u>-</u> | <u>0.59%</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>2023-06-30</u> | | <u>2022-12-31</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 | - | - | 58,265 | 0.59% |
| more than one year | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>58,265</u> | <u>0.59%</u> |
| b. Rescheduled advances to customers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>58,265</u></u> | <u><u>0.59%</u></u> |

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

| | <u>2023-06-30</u> | <u>2022-12-31</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 | - | - |

d. Impairment allowances on such overdue loans and advances

| <u>2023-06-30</u> | <u>2022-12-31</u> |
|-------------------|-------------------|
| - | 40,788 |

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>2023-06-30</u> | <u>2022-12-31</u> |
|---|-------------------------|-------------------------|
| Accrued interest | 178,915 | 117,618 |
| Impairment allowances on loan commitments and financial guarantee contracts | 9,206 | 17,860 |
| Amount payable under repos | 1,647,962 | 1,528,806 |
| Others | <u>985,255</u> | <u>841,026</u> |
| | <u><u>2,821,338</u></u> | <u><u>2,505,310</u></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>2023-06-30</u> | <u>2022-12-31</u> |
|--|--------------------|--------------------|
| Direct credit substitutes | - | 3,899 |
| Transaction-related contingencies | 6,751 | 4,965 |
| Trade-related contingencies | 173,688 | 303,651 |
| Other commitments | 3,560,302 | 6,188,134 |
| Others | - | - |
| | <u>3,740,741</u> | <u>6,500,649</u> |
| Derivatives | | |
| - Exchange rate contracts | 154,950,567 | 94,733,037 |
| - Interest rate contracts | 4,963,177 | 7,579,795 |
| - Others | 9,302 | - |
| | <u>159,923,046</u> | <u>102,312,832</u> |
| Fair Value of Derivatives (of the above derivatives) | | |
| - Exchange rate contracts | 876,646 | 652,856 |
| - Interest rate contracts | 18,613 | 53,816 |
| - Others | 58 | - |
| | <u>895,317</u> | <u>706,672</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 | 2023-06-30 | | 2022-12-31 | |
|---|------------------|--|------------------|--|
| | Amount | Amount covered by collateral or other security | Amount | Amount covered by collateral or other security |
| a. Industrial, commercial and financial | | | | |
| - Property development | 387,661 | 387,661 | 88,928 | 88,928 |
| - Property investment | 647,225 | 573,256 | 672,072 | 596,997 |
| - Financial concerns | 2,470,783 | 716,099 | 2,291,013 | 872,284 |
| - Stockbrokers | - | - | - | - |
| - Wholesale and retail trade | 110,725 | 72,005 | 211,923 | 68,895 |
| - Manufacturing | 648,275 | 150,000 | 503,140 | 150,000 |
| - Transport and transport equipment | 150,575 | 4,309 | 139,109 | 4,289 |
| - Electricity and gas | 2,449 | 2,449 | 1,568 | 1,568 |
| - Information technology | 350,000 | - | 350,000 | - |
| - Others | 25,000 | - | 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 | 8,185 | 8,185 | 6,117 | 6,117 |
| B. Trade finance | 370,862 | 62,891 | 494,179 | 45,527 |
| C. Loans and advances for use outside Hong Kong | 4,425,986 | 1,026,296 | 5,172,259 | 845,259 |
| Total | 9,597,726 | 3,003,151 | 9,955,308 | 2,679,864 |

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

| | 2023-06-30 | 2022-12-31 |
|--------------------------|------------------|------------------|
| - Hong Kong SAR | 3,026,850 | 3,283,918 |
| - China | 1,699,463 | 1,700,829 |
| - British Virgin Islands | 1,103,183 | 1,026,108 |
| - Cayman Islands | 1,071,799 | 1,051,554 |
| - Others | 2,696,431 | 2,892,899 |
| Total | 9,597,726 | 9,955,308 |

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

| | 2023-06-30 | 2022-12-31 |
|--------------------------|------------|---------------|
| - Hong Kong SAR | - | 23,306 |
| - China | - | 11,653 |
| - British Virgin Islands | - | 23,306 |
| Total | - | 58,265 |

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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, 2023

| | Banks | Official Sector | Non-bank private sector | | Others | Total |
|--------------------------------|-------|-----------------|---------------------------------|------------------------------|--------|--------|
| | | | Non-bank financial institutions | Non-financial private sector | | |
| 1 Developed countries | 7,053 | 697 | 162 | 1,815 | - | 9,727 |
| <i>of which Australia</i> | 3,352 | - | - | 161 | - | 3,513 |
| 2 Offshore centres | 1,511 | 1,277 | 1,119 | 7,011 | - | 10,918 |
| <i>of which Hong Kong SAR</i> | 977 | 1,277 | 754 | 4,401 | - | 7,409 |
| 3 Developing Asia-Pacific | 9,240 | 416 | 866 | 2,718 | - | 13,240 |
| <i>of which China</i> | 2,965 | 96 | 483 | 1,282 | - | 4,826 |
| <i>of which Chinese Taipei</i> | 4,284 | - | 53 | 400 | - | 4,737 |

AS AT DECEMBER 31, 2022

| | Banks | Official Sector | Non-bank private sector | | Others | Total |
|--------------------------------|-------|-----------------|---------------------------------|------------------------------|--------|--------|
| | | | Non-bank financial institutions | Non-financial private sector | | |
| 1 Developed countries | 6,874 | 619 | 189 | 1,920 | - | 9,602 |
| <i>of which Australia</i> | 3,839 | - | - | 242 | - | 4,081 |
| 2 Offshore centres | 2,217 | 1,269 | 1,220 | 7,036 | - | 11,742 |
| <i>of which Hong Kong SAR</i> | 1,883 | 1,269 | 852 | 4,446 | - | 8,450 |
| 3 Developing Asia-Pacific | 8,639 | 399 | 650 | 2,910 | - | 12,598 |
| <i>of which China</i> | 1,483 | 98 | 290 | 1,482 | - | 3,353 |
| <i>of which Chinese Taipei</i> | 5,260 | - | 46 | 662 | - | 5,968 |

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, 2023 | | | |
| 1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs) | 143 | 313 | 456 |
| 2 Local governments, local government-owned entities and their subsidiaries and JVs | 84 | 476 | 560 |
| 3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 683 | 801 | 1,484 |
| 4 Other entities of central government not reported in item 1 above | 236 | - | 236 |
| 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 | 1,102 | 636 | 1,738 |
| 7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | - | - | - |
| Total | 2,248 | 2,226 | 4,474 |
| Total assets after provisions | 36,346 | | |
| On-balance sheet exposures as percentage of total assets | 6.19 | | |

| | On-balance sheet exposures | Off-balance sheet exposures | Total |
|---|----------------------------|-----------------------------|-------|
| AS AT DECEMBER 31, 2022 | | | |
| 1 Central government, central government-owned entities and their subsidiaries and Joint Ventures (JVs) | 152 | 558 | 710 |
| 2 Local governments, local government-owned entities and their subsidiaries and JVs | 71 | 507 | 578 |
| 3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 1,058 | 1,741 | 2,799 |
| 4 Other entities of central government not reported in item 1 above | 235 | - | 235 |
| 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 | 1,703 | 857 | 2,560 |
| 7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | - | - | - |
| Total | 3,219 | 3,663 | 6,882 |
| Total assets after provisions | 36,179 | | |
| On-balance sheet exposures as percentage of total assets | 8.90 | | |

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, 2023</u> | <u>USD</u> | <u>CNY</u> | <u>JPY</u> | <u>AUD</u> | <u>OTHERS</u> | <u>Total</u> |
|----------------------------|--------------|------------|------------|-------------|---------------|--------------|
| Spot assets | 20,551 | 2,737 | 526 | 4,502 | 338 | 28,654 |
| Spot liabilities | (25,284) | (2,586) | (289) | (1,071) | (423) | (29,653) |
| Forward purchases | 79,824 | 17,181 | 2,369 | 842 | 6,953 | 107,169 |
| Forward sales | (75,394) | (17,239) | (2,604) | (4,363) | (6,830) | (106,430) |
| Net options position | - | - | - | - | - | - |
| Net long (short) position | <u>(303)</u> | <u>93</u> | <u>2</u> | <u>(90)</u> | <u>38</u> | <u>(260)</u> |

| <u>AS AT DECEMBER 31, 2022</u> | <u>USD</u> | <u>CNY</u> | <u>JPY</u> | <u>AUD</u> | <u>OTHERS</u> | <u>Total</u> |
|--------------------------------|--------------|------------|------------|--------------|---------------|--------------|
| Spot assets | 20,577 | 2,753 | 261 | 3,885 | 330 | 27,806 |
| Spot liabilities | (24,393) | (2,644) | (314) | (1,577) | (404) | (29,332) |
| Forward purchases | 48,741 | 17,068 | 2,102 | 212 | 5,039 | 73,162 |
| Forward sales | (45,243) | (17,140) | (2,011) | (2,630) | (4,939) | (71,963) |
| Net options position | - | - | - | - | - | - |
| Net long (short) position | <u>(318)</u> | <u>37</u> | <u>38</u> | <u>(110)</u> | <u>26</u> | <u>(327)</u> |

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 2023</u> | <u>For the Second Quarter of 2022</u> |
|--|---|---|
| | <u>%</u> | <u>%</u> |
| Average liquidity maintenance ratio (LMR) for the period | <u>71.97</u> | <u>58.44</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 session "EMPLOYEE BENEFITS EXPENSE" in Bank's 2022 Annual Report page 55-56.

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>2023-06-30</u> | <u>2022-12-31</u> |
|---|--------------------------|--------------------------|
| | <u>15.06%</u> | <u>13.80%</u> |
| B. Aggregate amount of shareholders' funds | <u>2023-06-30</u> | <u>2022-12-31</u> |
| | NTD '000 | NTD '000 |
| | <u>160,270,317</u> | <u>137,860,600</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 NTD thousands

| | <u>2023-06-30</u> | <u>2022-12-31</u> |
|--------------------------------|----------------------------|----------------------------|
| Total assets | <u>2,460,258,801</u> | <u>2,403,439,669</u> |
| Total liabilities | <u>2,299,988,484</u> | <u>2,265,579,069</u> |
| Total loans advances | <u>1,400,987,752</u> | <u>1,322,022,777</u> |
| Total customer deposits | <u>2,013,706,717</u> | <u>2,005,226,058</u> |
| | <u>Half Year of</u> | <u>Half Year of</u> |
| | <u>2023</u> | <u>2022</u> |
| Profit before taxation | <u>9,964,507</u> | <u>8,794,159</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, 2023. 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.



Chief Executive
Bank SinoPac
Hong Kong Branch

21 SEP 2023

Date