



華美銀行  
EAST WEST BANK

(Incorporated with limited liability under the laws of California, United States of America)

**East West Bank  
Hong Kong Branch**

**Key Financial Information Disclosure Statement  
as of June 30, 2022**



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## Hong Kong Branch

### Key Financial Information Disclosure Statement as of June 30, 2022

#### Principal activities

The Branch provides a range of banking, financial and related services, including commercial banking, wealth management and transactional banking services.

#### Chief Executive's Declaration of Compliance

I certify that the information disclosed in this statement is prepared in compliance with the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority and, to the best of my knowledge and belief, it is not false or misleading in any material respect.

A handwritten signature in black ink, appearing to be 'Brenda Wang', written over a horizontal line.

Brenda Wang  
General Manager

23 September, 2022

#### Disclosure Statement Available to The Public

Copies of the Disclosure Statement may be obtained from the reception of East West Bank, Hong Kong Branch on Suite 1108, 11/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

A copy of the Disclosure Statement has been lodged with the Hong Kong Monetary Authority's Public Registry and our website for public inspection.

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**1. Income statement**

	<b>Six months ended</b> <b>June 30, 2022</b>	<b>Six months ended</b> <b>June 30, 2021</b>
	HK\$000	HK\$000
Interest income	132,344	62,441
Interest expense	(20,492)	(11,845)
<b>Net interest income</b>	<b>111,852</b>	<b>50,596</b>
Commission and fee income	10,600	17,536
Commission and fee expense	(1,649)	(1,779)
<b>Net fees and commission income</b>	<b>8,951</b>	<b>15,757</b>
Gains less losses arising from trading in foreign currencies	19,751	25,716
Other operating income	-	-
<b>Total operating income before impairment losses and provision</b>	<b>19,751</b>	<b>25,716</b>
(Increase)/ decrease of provision of impairment losses on loans and receivables	(9,558)	(12,226)
<b>Net operating income</b>	<b>130,996</b>	<b>79,843</b>
Staff and rental expenses	(55,837)	(55,042)
Other expenses	(13,295)	(17,303)
Reversal of impairment loss / (impairment loss) on assets	-	-
<b>Total operating expenses</b>	<b>(69,132)</b>	<b>(72,345)</b>
<b>Profit before taxation</b>	<b>61,864</b>	<b>7,498</b>
Tax expense	(10,007)	(4,237)
<b>Profit after taxation</b>	<b>51,857</b>	<b>3,261</b>

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**2. Balance sheet**

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	HK\$000	HK\$000
<b>ASSETS</b>		
Cash and balances with banks (except for those included in amount due from overseas offices)	1,834,927	1,208,901
Placements with banks (except for those included in amount due from overseas offices)	741,462	467,787
Amount due from overseas offices	4,197,800	4,719,729
Trade bills	288	504
Loans to customers (net of provisions)	7,970,714	6,576,804
Government bills and notes	1,578,976	1,136,963
Investment securities	702,266	756,994
Fixed assets	22,435	19,753
Other assets	122,335	99,523
<b>Total assets</b>	<b>17,171,203</b>	<b>14,986,958</b>
<b>LIABILITIES</b>		
Deposits and balances from banks (except for those included in amount due to overseas offices)	6,467	5,764
Deposits from customers		
- demand deposits and current accounts	1,320,868	1,076,826
- savings deposits	6,514,928	7,584,160
- time, call and notice deposits	5,521,289	2,519,054
	13,357,085	11,180,040
Amount due to overseas offices	3,419,841	3,324,838
Other liabilities	88,979	70,542
<b>Total liabilities</b>	<b>16,872,372</b>	<b>14,581,184</b>
<b>CAPITAL AND RESERVES</b>		
Paid up capital	-	-
Reserves	246,974	380,959
Current profit	51,857	24,815
<b>Total capital and reserves</b>	<b>298,831</b>	<b>405,774</b>
<b>Total liabilities and capital and reserves</b>	<b>17,171,203</b>	<b>14,986,958</b>

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**3. Additional balance sheet information**
**(a) Loans and advances to customers**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	HK\$000	HK\$000
Gross amount of loans to customers:		
- Hong Kong	5,120,772	4,167,745
- China	1,446,849	1,699,859
- Singapore	753,855	467,578
- Cayman Islands	478,474	77,965
- Taiwan	23,741	23,590
- Australia	39,231	27,288
- British Virgin Island	156,923	155,929
- United States	23,538	23,389
- Others	7,846	-
	<u>8,051,229</u>	<u>6,643,343</u>
Trade bills	288	504
Total loans and advances to customers	<u>8,051,517</u>	<u>6,643,847</u>
Less : Impairment allowances for impaired loans and advances		
- individual impairment allowances	-	-
- collective impairment allowances	<u>(80,515)</u>	<u>(66,539)</u>
	<u>(80,515)</u>	<u>(66,539)</u>
	<u>7,971,002</u>	<u>6,577,308</u>

The individual impairment allowances are treated as specific provisions at the head office of East West Bank (EWB). Moreover, additional individual impairment allowances and country risk provisions are made by the head office against the exposures of the Hong Kong Branch on a monthly basis.

Impairment allowances made by the head office of EWB against the exposure of Hong Kong Branch as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	HK\$000	HK\$000
- individual impairment allowances	-	-
- collective impairment allowances	27,783	20,299
- country risk provisions	<u>33,860</u>	<u>29,531</u>
	<u>61,643</u>	<u>49,830</u>
Gross value of assets against which individual impairment allowances have been made	<u>-</u>	<u>-</u>

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**(b) Overdue loans and advances to customers**

Gross amount of loans and advances to customers which are more than one month overdue and their expression as a percentage of its total amount of loans and advances to customers are as follows:

	June 30, 2022		December 31, 2021	
	HK\$000	%	HK\$000	%
Hong Kong:				
- more than 1 month but not more than 3 months	-	0.00	-	0.00
- more than 3 months but not more than 6 months	-	0.00	-	0.00
- more than 6 months but not more than one year	-	0.00	-	0.00
- more than one year	-	0.00	-	0.00
	-	0.00	-	0.00
			<b>June 30, 2022</b>	<b>December 31, 2021</b>
			HK\$000	HK\$000
- individual impairment allowances			-	-
- covered portion of overdue loans and advances			-	-
- uncovered portion of overdue loans and advances			-	-
- current market value of collateral held against the covered portion of overdue loans and advances			-	-
<b>(c) Impaired loans and advances to customers</b>			<b>June 30, 2022</b>	<b>December 31, 2021</b>
			HK\$000	HK\$000
Gross impaired loans and advances			0	10,032
Individual impairment allowances			0	0
Net impaired loans and advances			0	10,032
Gross impaired loans and advances as a percentage of gross loans and advances to customers			0.00%	0.15%
Individual impairment allowances as a percentage of gross impaired loans and advances			0.00%	0.00%
Current market value of collateral related to impaired loans and advances			0	10,032

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**(d) Rescheduled loans and advances to customers**

Rescheduled loans and advances to customers excluding those which have been overdue for more than 3 months and their expression as a percentage of its total amount of loans and advances to customers are as follows:

	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	HK\$000	%	HK\$000	%
Rescheduled loans and advances to customers	-	0.00	0	0.00

**(e) Loans and advances to customers by industry sector**

	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	HK\$000	The percentage covered by collateral	HK\$000	The percentage covered by collateral
<b>Gross amount of loans to customers for use in Hong Kong:</b>				
<b>Industrial, commercial and financial</b>				
- property development	154,181	98.78	0	0.00
- property investment	192,012	100.00	193,547	100.00
- financial concerns	3,134,990	27.26	1,620,891	49.34
- stockbrokers	0	0.00	0	0.00
- wholesale and retail trade	182,785	91.41	337,270	39.52
- manufacturing	293,308	91.08	187,115	87.54
- transport and transport equipment	0	0.00	0	0.00
- recreational activities	39,231	0.00	27,288	0.00
- information technology	103,281	100.00	104,747	100.00
- others	1,365,743	48.77	1,602,184	46.87
	5,465,531	43.96	4,073,042	52.69
<b>Individuals</b>				
- loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0	0.00	0	0.00
- loans for the purchase of other residential properties	0	0.00	0	0.00
- credit card advances	0	0.00	0	0.00
- others	349,712	93.27	336,058	93.04
	349,712	93.27	336,058	93.04
<b>Total loans for use in Hong Kong</b>	5,815,243	46.93	4,409,100	55.76
<b>Trade finance</b>	113,451	71.16	77,860	70.10
<b>Loans for use outside Hong Kong</b>	2,122,535	88.58	2,156,383	53.44
	8,051,229	58.25	6,643,343	55.18

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**(f) Non-bank Mainland exposures**

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures with reference to the Completion Instruction for the HKMA return of non-bank Mainland exposures.

	<b>June 30, 2022</b>		
	HK\$000		
	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
1. Central government, central government-owned entities and their subsidiaries and JVs	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	336,795	-	336,795
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,593,287	144,577	1,737,864
4. Other entities of central governments not reported in item 1 above	220,468	-	220,468
5. Other entities of local governments not reported in item 2 above	103,288	100,000	203,288
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	685,973	195,939	881,912
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposure.	1,225,520	570,749	1,796,269
Total	<u>4,165,331</u>	<u>1,011,265</u>	<u>5,176,596</u>
Total assets after provisions	<u>17,171,203</u>		
On-balance sheet exposures as percentage of total assets	<u>24.26%</u>		
	<b>December 31, 2021</b>		
	HK\$000		
	On-balance sheet exposure	Off-balance sheet exposure	Total exposures
1. Central government, central government-owned entities and their subsidiaries and JVs	200,064	-	200,064
2. Local governments, local government-owned entities and their subsidiaries and JVs	485,502	55	485,557
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,235,282	178,725	1,414,007
4. Other entities of central governments not reported in item 1 above	362,197	12,673	374,870
5. Other entities of local governments not reported in item 2 above	104,754	-	104,754
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	519,424	163,920	683,344
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures.	614,150	377,339	991,489
Total	<u>3,521,373</u>	<u>732,712</u>	<u>4,254,085</u>
Total assets after provisions	<u>14,986,958</u>		
On-balance sheet exposures as percentage of total assets	<u>23.50%</u>		



**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**4. International claims (by ultimate nation)**

International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk and by types of counterparties. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, are shown as follows:

						<b>June 30, 2022</b>
						HK\$million
	Banks	Official Sector	<i>Non-bank private sector</i>		Others	Total
			Non-bank financial institutions	Non-financial private sector		
<b>Developed countries</b>	5,097	1,434	-	75	-	6,606
- of which United States	4,469	1,434	-	4	-	5,907
- of which France	393	-	-	-	-	393
- of which United Kingdom	214	-	-	-	-	214
- of which Australia	-	-	-	40	-	40
- of which New Zealand	-	-	-	31	-	31
<b>Offshore centres</b>	1,151	-	253	4,529	-	5,933
- of which Cayman Islands	-	-	16	3,153	-	3,169
- of which Hong Kong	1,151	-	237	338	-	1,726
- of which Singapore	-	-	-	521	-	521
- of which West Indies UK	-	-	-	365	-	365
- of which Bermuda	-	-	-	128	-	128
<b>Developing Asia and Pacific</b>	314	-	-	1,787	-	2,101
- of which China	-	-	-	1,779	-	1,779
- of which Chinese Taipei	314	-	-	8	-	322
<b>International Organisations</b>	-	705	-	-	-	705

  

						<b>December 31, 2021</b>
						HK\$million
	Banks	Official Sector	<i>Non-bank private sector</i>		Others	Total
			Non-bank financial institutions	Non-financial private sector		
<b>Developed countries</b>	4,873	989	-	63	-	5,925
- of which United States	4,720	989	-	5	-	5,714
- of which United Kingdom	114	-	-	-	-	114
- of which Australia	11	-	-	28	-	39
- of which New Zealand	-	-	-	30	-	30
- of which Germany	26	-	-	-	-	26
<b>Offshore centres</b>	674	-	245	2,733	-	3,652
- of which Cayman Islands	-	-	26	1,470	-	1,496
- of which Hong Kong	674	-	219	314	-	1,207
- of which Singapore	-	-	-	468	-	468
- of which West Indies UK	-	-	-	360	-	360
- of which Bermuda	-	-	-	105	-	105
- of which Mauritius	-	-	-	16	-	16
<b>Developing Asia and Pacific</b>	468	-	-	2,243	-	2,711
- of which China	-	-	-	2,235	-	2,235
- of which Chinese Taipei	468	-	-	8	-	476
<b>International Organisations</b>	-	760	-	-	-	760

**Key Financial Information Disclosure Statement**
**Section A - Hong Kong Branch Information**
**5. Off-balance sheet exposures and derivative transactions**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	HK\$000	HK\$000
<b>Contingent liabilities and commitments</b>		
- direct credit substitutes	132,993	135,833
- trade-related contingencies	2,110	2,275
- other commitments	2,583,927	1,854,425
	<u>2,719,030</u>	<u>1,992,533</u>

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	HK\$000	HK\$000
<b>Derivative transactions</b>		
- exchange rate contracts	3,175,052	4,203,426

The contract amounts of the above instruments indicate the volume of transactions outstanding as of the balance sheet date. They do not represent amounts at risk. The above instruments are used for position squaring or hedging purposes and there are no replacement costs reported.

**6. Currency risk**

Foreign currency exposures with net position (in absolute terms) constituting not less than 10% of the total net positions in all foreign currencies are disclosed.

	<u>June 30, 2022</u>	
	US dollars	HK\$million
<b>Non-structural position</b>		
Spot assets	14,485	14,485
Spot liabilities	(14,346)	(14,346)
Forward purchases	1,452	1,452
Forward sales	(1,585)	(1,585)
Net options position	-	-
Net long position	<u>6</u>	<u>6</u>
<b>Structural position</b>	<u>-</u>	<u>-</u>

	<u>December 31, 2021</u>	
	US dollars	HK\$million
<b>Non-structural position</b>		
Spot assets	12,307	12,307
Spot liabilities	(11,921)	(11,921)
Forward purchases	1,849	1,849
Forward sales	(2,220)	(2,220)
Net options position	-	-
Net short position	<u>15</u>	<u>15</u>
<b>Structural position</b>	<u>-</u>	<u>-</u>

**Key Financial Information Disclosure Statement****Section A - Hong Kong Branch Information****7. Liquidity**

	<u>Year 2022</u>	<u>Year 2021</u>
Average liquidity maintenance ratio for the quarter ended June 30	%	%
	<u>45.06</u>	<u>46.22</u>

The Branch's average liquidity maintenance ratio for the period is the simple average of each calendar month's average liquidity maintenance ratio. The liquidity maintenance ratio is computed in accordance with the Banking (Liquidity) Rules with effect from 1 January 2015. The liquidity ratio is computed in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

Assets and Liability Committee ("ALCO") is mainly responsible for the liquidity risk management in our branch. The management of liquidity is in compliance with the branch's Liquidity Management Policy to ensure compliance with local regulatory requirements and limits set by ALCO.

Liquidity is managed on a daily basis by establishing liquidity risk management indicators and limits to identify, measure, monitor and control the liquidity risk. The branch also performs cash flow forecast and stress testing regularly to identify liquidity risk exposures and possible impact.

**8. Remuneration system**

With reference to HKMA Supervisory Policy Manual CG-5 "Guideline on a sound remuneration system", remuneration information for senior management and key personnel is disclosed by EWB head office, hence it is not separately disclosed by EWB HK Branch.

## Key Financial Information Disclosure Statement

### Section B - Bank Information

#### 1. Capital and capital adequacy

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	%	%
Capital adequacy ratio	12.76	13.23

The capital adequacy ratio of the Bank is computed in accordance with the Basel Capital Accord. The ratio compares the capital base of the Bank with on and off balance sheet assets, weighted for risk. Such ratio incorporates an allowance for market risk.

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	Equivalent to HK\$million	Equivalent to HK\$million
Total amount of shareholders' funds	43,288	43,870

#### 2. Other financial information

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	Equivalent to HK\$million	Equivalent to HK\$million
Total assets	489,438	474,411
Total liabilities	446,150	430,541
Total loans and advances	362,940	328,787
Total customer deposits	428,801	419,079

	<u>Six months ended June 30, 2022</u>	<u>Six months ended June 30, 2021</u>
	Equivalent to HK\$million	Equivalent to HK\$million
Profit before taxation	5,073	3,965

Note:

a) The exchange rates for translation of US\$ against HK\$:

Jun 30, 2022	7.84615
Dec 31, 2021	7.79645
Jun 30, 2021	7.76550