



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, 2024**



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Hong Kong Branch Key Financial Information Disclosure Statement as of June 30, 2024

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 blue ink, appearing to read 'Emma Wang'.

Emma Wang
General Manager

20 September, 2024

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

	Six months ended June 30, 2024	Six months ended June 30, 2023
	HK\$000	HK\$000
Interest income	453,289	399,820
Interest expense	(226,671)	(222,274)
Net interest income	226,618	177,546
Commission and fee income	14,880	11,781
Commission and fee expense	(1,843)	(1,510)
Net fees and commission income	13,037	10,271
Gains less losses arising from trading in foreign currencies	29,870	28,307
Income from investment held for trading	225	72
Other operating income	1	20
Total operating income before impairment losses and provision	30,096	28,399
(Increase)/ Decrease of provision of impairment losses on loans and receivables	3,738	12,906
Net operating income	273,489	229,122
Staff and rental expenses	(53,201)	(56,580)
Other expenses	(13,548)	(14,394)
Reversal of impairment loss / (impairment loss) on assets	-	-
Total operating expenses	(66,749)	(70,974)
Profit before taxation	206,740	158,148
Tax expense	(33,928)	(25,643)
Profit after taxation	172,812	132,505



Key Financial Information Disclosure Statement

Section A - Hong Kong Branch Information

2. Balance sheet

	June 30, 2024 HK\$000	December 31, 2023 HK\$000
ASSETS		
Cash and balances with banks (except for those included in amount due from overseas offices)	1,497,241	1,418,287
Placements with banks (except for those included in amount due from overseas offices)	2,065,364	1,805,595
Amount due from overseas offices	682,481	1,515,820
Trade bills	-	-
Loans to customers (net of provisions)	6,877,711	7,224,270
Government bills and notes	1,569,463	3,576,099
Investment securities	3,017,268	692,107
Fixed assets	14,629	15,259
Other assets	150,729	135,715
Total assets	15,874,886	16,383,152
LIABILITIES		
Deposits and balances from banks (except for those included in amount due to overseas offices)	11,026	25,294
Deposits from customers		
- demand deposits and current accounts	732,356	744,041
- savings deposits	3,400,454	3,198,144
- time, call and notice deposits	9,706,327	8,193,205
	13,839,137	12,135,390
Amount due to overseas offices	1,039,978	3,383,131
Other liabilities	140,063	159,345
Total liabilities	15,030,204	15,703,160
CAPITAL AND RESERVES		
Paid up capital	-	-
Reserves	671,870	426,161
Current profit	172,812	253,831
Total capital and reserves	844,682	679,992
Total liabilities and capital and reserves	15,874,886	16,383,152

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, 2024</u>	<u>December 31, 2023</u>
	HK\$000	HK\$000
Gross amount of loans to customers:		
- Hong Kong	3,778,331	3,849,552
- China	2,004,159	2,247,533
- Singapore	831,730	933,740
- British Virgin Island	156,176	156,203
- Mauritius	124,941	-
- United States	23,426	23,431
- Cayman Islands	15,618	73,978
- Taiwan	12,802	12,805
	<u>6,947,183</u>	<u>7,297,242</u>
Trade bills	-	-
Total loans and advances to customers	<u>6,947,183</u>	<u>7,297,242</u>
Less : Impairment allowances for impaired loans and advances		
- individual impairment allowances	-	-
- collective impairment allowances	<u>(69,472)</u>	<u>(72,972)</u>
	<u>6,877,711</u>	<u>7,224,270</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, 2024</u>	<u>December 31, 2023</u>
	HK\$000	HK\$000
- individual impairment allowances	-	-
- collective impairment allowances	58,726	70,763
- country risk provisions	<u>37,448</u>	<u>36,005</u>
	<u>96,174</u>	<u>106,768</u>
Gross value of assets against which individual impairment allowances have been made	<u>-</u>	<u>-</u>

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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, 2024		December 31, 2023	
	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
	<u>-</u>	<u>0.00</u>	<u>-</u>	<u>0.00</u>

	June 30, 2024	December 31, 2023
	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	-	-
	<u>-</u>	<u>-</u>

(c) Impaired loans and advances to customers

	June 30, 2024	December 31, 2023
	HK\$000	HK\$000
Gross impaired loans and advances	0	0
Individual impairment allowances	0	0
Net impaired loans and advances	<u>0</u>	<u>0</u>
Gross impaired loans and advances as a percentage of gross loans and advances to customers	<u>0.00%</u>	<u>0.00%</u>
Individual impairment allowances as a percentage of gross impaired loans and advances	<u>0.00%</u>	<u>0.00%</u>
Current market value of collateral related to impaired loans and advances	<u>0</u>	<u>0</u>

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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:

	June 30, 2024		December 31, 2023	
	HK\$000	%	HK\$000	%
Rescheduled loans and advances to customers	0	0.00	0	0.00

(e) Loans and advances to customers by industry sector

	June 30, 2024		December 31, 2023	
	HK\$000	The percentage covered by collateral	HK\$000	The percentage covered by collateral
Gross amount of loans to customers for use in Hong Kong:				
Industrial, commercial and financial				
- property development	151,687	90.06	94,237	84.00
- property investment	769,747	2.21	929,688	57.53
- financial concerns	3,170,284	19.96	3,072,131	24.70
- stockbrokers	0	0.00	200,000	0.00
- wholesale and retail trade	7,028	0.00	7,029	0.00
- manufacturing	118,426	100.00	131,241	100.00
- transport and transport equipment	0	0.00	0	0.00
- recreational activities	0	0.00	0	0.00
- information technology	70,279	100.00	23,430	100.00
- others	1,370,630	17.66	1,460,399	16.31
	5,658,081	21.51	5,918,155	29.83
Individuals				
- 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	326,974	92.84	340,681	93.12
	326,974	92.84	340,681	93.12
Total loans for use in Hong Kong	5,985,055	25.41	6,258,836	33.28
Trade finance	104,726	51.89	0	0.00
Loans for use outside Hong Kong	857,402	49.80	1,038,406	60.89
	6,947,183	28.82	7,297,242	37.21

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.

	June 30, 2024		
	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	156,577	-	156,577
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	476,787	308,571	785,358
4. Other entities of central governments not reported in item 1 above	119,053	-	119,053
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	328,904	802,980	1,131,884
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposure.	2,212,826	724,570	2,937,396
Total	3,294,147	1,836,121	5,130,268
Total assets after provisions	15,874,886		
On-balance sheet exposures as percentage of total assets	20.75%		

	December 31, 2023		
	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	242,220	-	242,220
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	751,813	127,380	879,193
4. Other entities of central governments not reported in item 1 above	165,777	-	165,777
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	476,079	767,125	1,243,204
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures.	2,280,607	885,962	3,166,569
Total	3,916,496	1,780,467	5,696,963
Total assets after provisions	16,383,152		
On-balance sheet exposures as percentage of total assets	23.91%		

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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:

						June 30, 2024
						HK\$million
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	1,301	3,381	-	181	-	4,863
- of which United States	707	3,381	-	-	-	4,088
- of which France	428	-	-	-	-	428
- of which Luxembourg	-	-	-	181	-	181
- of which United Kingdom	145	-	-	-	-	145
Offshore centres	984	-	140	5,002	-	6,126
- of which Cayman Islands	-	-	15	3,611	-	3,626
- of which Hong Kong	396	-	125	612	-	1,133
- of which Singapore	588	-	-	416	-	1,004
- of which West Indies UK	-	-	-	224	-	224
- of which Mauritius	-	-	-	139	-	139
Developing Asia and Pacific	1,750	-	-	1,081	-	2,831
- of which Chinese Taipei	1,643	-	-	-	-	1,643
- of which China	-	-	-	1,081	-	1,081
International Organisations	-	686	-	-	-	686
						December 31, 2023
						HK\$million
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	2,347	2,411	-	91	-	4,849
- of which United States	1,541	2,411	-	-	-	3,952
- of which United Kingdom	739	-	-	-	-	739
- of which Luxembourg	-	-	-	91	-	91
Offshore centres	466	-	195	5,138	-	5,799
- of which Cayman Islands	-	-	-	3,711	-	3,711
- of which Hong Kong	246	-	180	653	-	1,079
- of which Singapore	220	-	-	519	-	739
- of which West Indies UK	-	-	-	242	-	242
Developing Asia and Pacific	1,570	-	-	1,034	-	2,604
- of which China	-	-	-	1,034	-	1,034
- of which Chinese Taipei	1,570	-	-	-	-	1,570
International Organisations	-	698	-	-	-	698

Key Financial Information Disclosure Statement

Section A - Hong Kong Branch Information

7. Liquidity

	<u>Year 2024</u>	<u>Year 2023</u>
	%	%
Average liquidity maintenance ratio for the quarter ended June 30	50.45	49.99

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, 2024</u>	<u>December 31, 2023</u>
	%	%
Capital adequacy ratio	<u>14.31</u>	<u>13.75</u>

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, 2024</u>	<u>December 31, 2023</u>
	Equivalent to HK\$million	Equivalent to HK\$million
Total amount of shareholders' funds	<u>53,359</u>	<u>51,101</u>

2. Other financial information

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
	Equivalent to HK\$million	Equivalent to HK\$million
Total assets	564,847	542,640
Total liabilities	511,488	491,540
Total loans and advances	406,862	402,552
Total customer deposits	<u>471,367</u>	<u>442,004</u>

	<u>Six months ended June 30, 2024</u>	<u>Six months ended June 30, 2023</u>
	Equivalent to HK\$million	Equivalent to HK\$million
Profit before taxation	<u>5,810</u>	<u>6,169</u>

Note:

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

Jun 30, 2024	7.80880
Dec 31, 2023	7.81015
Jun 30, 2023	7.83465