

**KDB Asia Limited**  
**Interim Results 2022**

## Corporate Information

KDB Asia Limited (“the Company”) is a limited company incorporated and domiciled in Hong Kong and is a restricted licence bank under the Hong Kong Banking Ordinance. Its registered office is Suite 2005-2010, 20th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

During the period, the principal activities of the Company consisted of deposit taking, loan syndication, underwriting, investment, trade financing and the provision of financial services.

In the opinion of the directors, the holding company is the Korea Development Bank, which is wholly incorporated in Republic of Korea.

## Financial Review

The Company achieved a net profit before tax of US\$31.8 million in the first half of year 2022, an increase when compared to the same period of 2021 of US\$20.0m, which was mainly due to the increase in gains from financial assets held at fair value through profit or loss, decrease in other operating losses and reversal of credit loss allowances.

Total assets decreased by 8.00% to US\$3,072.3 million (2021: US\$3,339.3 million), whereas total liabilities including deposits and borrowings also decreased by 9.91%, amounted to US\$2,585.7 million (2021: US\$2,870.1 million). Due to the current profit contribution for the period, the Company’s shareholders’ equity still recorded a growth of 3.71% to US\$486.6 million (2021: US\$469.2 million).

Financial highlights for the first six months of 2022 are as follows:

- Return on average assets: 1.73%
- Return on average equities: 11.40%
- Average liquidity maintenance ratio: 74.40%
- Leverage ratio: 14.63%
- Common Equity Tier 1 capital ratio: 18.33%
- Tier 1 capital ratio: 18.33%
- Total capital ratio: 18.77%

The Directors of KDB Asia Limited announce that the unaudited interim results of the Company for the first half year of 2022 are as follows:

**(A) Statement of Profit or Loss**

	Notes	For the six months ended 30-Jun-2022 (unaudited) US\$	For the six months ended 30-Jun-2021 (unaudited) US\$
Interest income	1	28,718,522	23,446,029
Interest expense	2	(10,676,263)	(6,248,369)
<b>Net interest income</b>		<b>18,042,259</b>	<b>17,197,660</b>
Fee and commission income		4,434,868	5,509,559
Fee and commission expense		(505,451)	(775,882)
<b>Net fee and commission income</b>	3	<b>3,929,417</b>	<b>4,733,677</b>
Net gains from financial assets held at fair value through profit or loss	4	16,969,465	12,240,904
Net hedging gains	5	701,550	409,471
Other operating losses, net	6	(3,684,106)	(5,895,547)
<b>Operating income</b>		<b>35,958,585</b>	<b>28,686,165</b>
Operating expenses	7	(5,427,990)	(5,416,261)
Reversal of/(charge for) credit loss allowances, net	8	1,279,275	(2,811,944)
Net gains/(losses) on sale of financial assets at fair value through other comprehensive income		6,667	(448,568)
<b>PROFIT BEFORE TAX</b>		<b>31,816,537</b>	<b>20,009,392</b>
Income tax expense	9	(4,907,237)	(3,146,629)
<b>PROFIT FOR THE PERIOD</b>		<b>26,909,300</b>	<b>16,862,763</b>

## (B) Statement of Comprehensive Income

	For the six months ended	For the six months ended
Notes	30-Jun-2022 (unaudited) US\$	30-Jun-2021 (unaudited) US\$
<b>PROFIT FOR THE PERIOD</b>	<b>26,909,300</b>	16,862,763
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		
Other comprehensive income to be reclassified to statement of profit or loss in subsequent periods:		
Financial assets at fair value through other comprehensive income:		
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	10 <u>(9,489,829)</u>	<u>(957,769)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>17,419,471</b>	15,904,994

## (C) Statement of Financial Position

	Supplementary Information	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
<b>ASSETS</b>			
Cash and balances with banks and other financial institutions		14,540,056	90,250,315
Placements with banks and other financial institutions		231,644,753	153,862,677
Trade bills		146,489,023	342,086,978
Financial assets at fair value through profit or loss	(F)1	115,454,693	89,341,184
Loans and advances	(F)2	2,093,327,668	2,145,325,202
Financial assets at fair value through other comprehensive income	(F)3	426,850,328	475,903,858
Financial assets at amortised cost	(F)4	-	18,887,967
Property and equipment	(F)5	855,018	751,265
Right-of-use assets	(F)6	4,831,087	1,915,912
Interest receivable and other assets		38,294,673	20,951,216
<b>TOTAL ASSETS</b>		<b>3,072,287,299</b>	<b>3,339,276,574</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Deposits and balances of banks and other financial institutions		2,108,208,941	2,629,578,984
Deposits from customers	(F)7	11,069,212	31,062,129
Financial liabilities at fair value through profit or loss		2,064,315	1,058,879
Certificates of deposit issued		429,393,815	179,314,258
Lease liabilities	(F)6	4,822,403	1,949,219
Tax payable		7,737,018	4,215,042
Interest payable and other liabilities		22,154,241	21,190,813
Deferred tax liabilities		219,018	1,708,385
<b>TOTAL LIABILITIES</b>		<b>2,585,668,963</b>	<b>2,870,077,709</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital		240,000,000	240,000,000
Reserves	(F)8	246,618,336	229,198,865
<b>TOTAL EQUITY</b>		<b>486,618,336</b>	<b>469,198,865</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,072,287,299</b>	<b>3,339,276,574</b>

## (D) Statement of Changes in Equity

	Share capital US\$	Financial assets at fair value through other comprehensive income revaluation reserve US\$	Retained profits US\$	Total US\$
<b>At 1 January 2022</b>	<b>240,000,000</b>	<b>913,572</b>	<b>228,285,293</b>	<b>469,198,865</b>
Profit for the period	-	-	<b>26,909,300</b>	<b>26,909,300</b>
Other comprehensive income for the period:				
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	-	<b>(9,489,829)</b>	-	<b>(9,489,829)</b>
Total comprehensive income for the period	-	<b>(9,489,829)</b>	<b>26,909,300</b>	<b>17,419,471</b>
<b>At 30 June 2022 (unaudited)</b>	<b>240,000,000</b>	<b>(8,576,257)</b>	<b>255,194,593</b>	<b>486,618,336</b>
At 1 January 2021	240,000,000	2,240,715	191,001,033	433,241,748
Profit for the period	-	-	16,862,763	16,862,763
Other comprehensive income for the period:				
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	-	<b>(957,769)</b>	-	<b>(957,769)</b>
Total comprehensive income for the period	-	<b>(957,769)</b>	16,862,763	15,904,994
At 30 June 2021 (unaudited)	240,000,000	1,282,946	207,863,796	449,146,742

## (E) Condensed Statement of Cash Flows

	For the six months ended 30-Jun-2022 (unaudited) US\$	For the six months ended 30-Jun-2021 (unaudited) US\$
Net cash flows used in operating activities	(34,283,863)	(19,685,017)
Net cash flows from/(used in) investing activities	38,841,764	(49,097,418)
Net cash flows used in financing activities	(1,468,804)	(1,590,117)
Net increase/(decrease) in cash and cash equivalents	<u>3,089,097</u>	<u>(70,372,552)</u>
Cash and cash equivalents at 1 January	<u>223,687,513</u>	<u>104,173,344</u>
Cash and cash equivalents at 30 June	<u><u>226,776,610</u></u>	<u><u>33,800,792</u></u>

Components of cash and cash equivalents in the condensed statement of cash flows:

For the purposes of the condensed statement of cash flows, cash and cash equivalents comprise the following balances with original maturity of three months or less:

	30-Jun-2022 (unaudited) US\$	30-Jun-2021 (unaudited) US\$
Cash and balances with banks and other financial institutions	14,540,056	3,800,792
Placements with banks and other financial institutions	231,644,753	48,641,026
Cash and bank balances and placements	<u>246,184,809</u>	<u>52,441,818</u>
Less: Placements with banks and other financial institutions with original maturity more than three months	<u>(19,408,199)</u>	<u>(18,641,026)</u>
Cash and cash equivalents	<u><u>226,776,610</u></u>	<u><u>33,800,792</u></u>

Operational cash flows from interest and dividends:

	For the six months ended 30-Jun-2022 (unaudited) US\$	For the six months ended 30-Jun-2021 (unaudited) US\$
Interest received	29,665,691	25,223,067
Interest paid	8,884,109	7,106,099
Dividend received	<u>383,044</u>	<u>232,693</u>

**Notes:**

**(1) Interest income arising from:**

	<b>For the six months ended 30-Jun-2022 (unaudited) US\$</b>	<b>For the six months ended 30-Jun-2021 (unaudited) US\$</b>
Listed investments	4,848,382	5,297,738
Unlisted investments	520,204	-
Trade bills and loans and advances	22,549,812	17,955,050
Others	800,124	193,241
	<b>28,718,522</b>	<b>23,446,029</b>

Interest income is calculated using the effective interest rate method. Included in the above is interest income of US\$25,457 (2021: US\$117,447) accrued on impaired financial assets for the period ended 30 June 2022.

**(2) Interest expense arising from:**

	<b>For the six months ended 30-Jun-2022 (unaudited) US\$</b>	<b>For the six months ended 30-Jun-2021 (unaudited) US\$</b>
Deposits from customers, banks and other financial institutions and certificates of deposit issued	10,667,784	6,206,391
Lease liabilities	8,479	41,978
	<b>10,676,263</b>	<b>6,248,369</b>

**(3) Net fee and commission income:**

All fee and commission income and expense are related to financial assets and liabilities not designated at fair value through profit or loss.



**Notes:****(4) Net gains from financial assets held at fair value through profit or loss:**

	<b>For the six months ended 30-Jun-2022 (unaudited) US\$</b>	<b>For the six months ended 30-Jun-2021 (unaudited) US\$</b>
Net gains from trading securities/investments in funds	<b>18,989,031</b>	15,255,117
Net interest expenses on derivatives	<b>(2,019,566)</b>	(3,014,213)
	<b>16,969,465</b>	12,240,904

**(5) Net hedging gains:**

	<b>For the six months ended 30-Jun-2022 (unaudited) US\$</b>	<b>For the six months ended 30-Jun-2021 (unaudited) US\$</b>
Fair value hedges		
- Net losses on hedged items attributable to the hedged risk	<b>(7,951,177)</b>	(3,688,279)
- Net gains on hedging instruments	<b>8,652,727</b>	4,097,750
	<b>701,550</b>	409,471

**(6) Other operating losses, net:**

	<b>For the six months ended 30-Jun-2022 (unaudited) US\$</b>	<b>For the six months ended 30-Jun-2021 (unaudited) US\$</b>
Net losses from dealing in foreign currencies	<b>(4,134,890)</b>	(6,128,889)
Dividend income from unlisted financial assets at fair value through profit or loss	<b>383,044</b>	232,693
Others	<b>67,740</b>	649
	<b>(3,684,106)</b>	(5,895,547)

**Notes:**

**(7) Operating expenses:**

	For the six months ended 30-Jun-2022 (unaudited) US\$	For the six months ended 30-Jun-2021 (unaudited) US\$
Staff costs	3,406,320	3,357,229
Premises and equipment expenses		
- Depreciation of property and equipment	37,454	55,804
- Depreciation of right-of-use assets	1,044,303	1,111,691
- Rent	200,631	189,901
- Rates	42,388	51,162
	<b>1,324,776</b>	<b>1,408,558</b>
Auditor's remuneration	36,150	34,830
Others	660,744	615,644
	<b>696,894</b>	<b>650,474</b>
	<b>5,427,990</b>	<b>5,416,261</b>

Included in the staff costs above are retirement scheme contribution of US\$37,536 (2021: US\$36,192) and operating lease charges in respect of staff quarters of US\$43,708 (2021: US\$22,161) and depreciation of right-of-use assets in respect of staff quarters of US\$379,225 (2021: US\$411,844) for the period ended 30 June 2022.

Included in the above operating expenses are total operating lease charges of US\$54,247 (2021: US\$32,314) for rental of properties and US\$190,092 (2021: US\$179,748) for rental of equipment.

**(8) Reversal of/(charge for) credit loss allowances, net:**

	For the six months ended 30-Jun-2022 (unaudited)			
	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
<b>Net reversal of credit loss allowances/(charge for credit loss expenses):</b>				
- Cash and cash equivalents	(8,338)	-	-	(8,338)
- Trade bills	9,929	-	-	9,929
- Loans and advances	767,930	363,642	-	1,131,572
- Financial assets at fair value through other comprehensive income	65,533	-	-	65,533
- Financial assets at amortised cost	112,033	-	-	112,033
- Interest receivable and other assets	(29,730)	2,850	-	(26,880)
- Other commitments	(15,773)	-	-	(15,773)
- Trade-related contingencies	11,199	-	-	11,199
	<b>912,783</b>	<b>366,492</b>	<b>-</b>	<b>1,279,275</b>

**Notes:****(8) Reversal of/(charge for) credit loss allowances, net (continued):**

	For the six months ended			Total
	30-Jun-2021 (unaudited)			
	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	
Net reversal of credit loss allowances/(charge for credit loss expenses):				
- Cash and cash equivalents	14,543	-	-	14,543
- Trade bills	(11,430)	-	-	(11,430)
- Loans and advances	(2,181,363)	(594,489)	120,000	(2,655,852)
- Financial assets at fair value through other comprehensive income	(53,043)	-	-	(53,043)
- Interest receivable and other assets	(5,726)	(7,575)	-	(13,301)
- Other commitments	(91,461)	-	-	(91,461)
- Trade-related contingencies	(1,400)	-	-	(1,400)
	<u>(2,329,880)</u>	<u>(602,064)</u>	<u>120,000</u>	<u>(2,811,944)</u>

**(9) Income tax:**

	For the six months ended 30-Jun-2022 (unaudited) US\$	For the six months ended 30-Jun-2021 (unaudited) US\$
<b>Taxation in the income statement represents:</b>		
<b>Current tax</b>		
Current tax provision	4,442,114	2,639,084
<b>Deferred tax</b>		
Net charge of temporary difference	465,123	507,545
	<u>4,907,237</u>	<u>3,146,629</u>

Under the two-tiered profit tax rates regime, Hong Kong profits tax has been provided at the rate of 8.25% (2021: 8.25%) on estimated assessable profits of first HK\$2 million arising in Hong Kong during the year. The remainder of the assessable profits is to be taxed at 16.5% (2021: 16.5%).

**Notes:**

**(10) Other comprehensive income:**

**(a) Tax effects relating to each component of other comprehensive income**

	For the six months ended 30-Jun-2022 (unaudited)			For the six months ended 30-Jun-2021 (unaudited)		
	Before-tax amount	Tax effect	Net-of-tax amount	Before-tax amount	Tax effect	Net-of-tax amount
	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets at fair value through other comprehensive income:						
Net movement in financial assets at fair value through other comprehensive income revaluation reserve	<b>(11,444,319)</b>	<b>1,954,490</b>	<b>(9,489,829)</b>	(1,132,141)	174,372	(957,769)
Other comprehensive income	<b>(11,444,319)</b>	<b>1,954,490</b>	<b>(9,489,829)</b>	(1,132,141)	174,372	(957,769)

**(b) Reclassification adjustments relating to components of other comprehensive income**

	For the six months ended 30-Jun-2022 (unaudited) US\$	For the six months ended 30-Jun-2021 (unaudited) US\$
<b>Financial assets at fair value through other comprehensive income, net of tax</b>		
Changes in fair value recognised during the period	<b>(9,757,323)</b>	(1,368,581)
Reclassification adjustments for gains and losses included in profit or loss		
- Gains on disposal	<b>201,961</b>	357,769
- Net movement in credit loss allowance of financial assets at fair value through other comprehensive income	<b>65,533</b>	53,043
Net movement in financial assets at fair value through other comprehensive income revaluation reserve income	<b>(9,489,829)</b>	(957,769)

(F) Supplementary Information

(1) Financial assets at fair value through profit or loss

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Unlisted investments in funds, at fair value	103,457,625	84,846,419
Positive fair values of derivatives	11,997,068	4,494,765
	<u>115,454,693</u>	<u>89,341,184</u>

(2) Loans and advances

(a) Loans and advances less credit loss allowances

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Gross loans and advances to:		
- Banks	110,742,023	101,633,900
- Customers	1,997,060,574	2,059,297,803
	<u>2,107,802,597</u>	<u>2,160,931,703</u>
Less: Credit loss allowances on non-credit impaired loans and advances to		
- Banks	(38,257)	(32,058)
- Customers	(4,676,672)	(5,814,443)
	<u>(4,714,929)</u>	<u>(5,846,501)</u>
Less: Credit loss allowances on credit impaired loans and advances to		
- Customers	(9,760,000)	(9,760,000)
	<u>(9,760,000)</u>	<u>(9,760,000)</u>
Net loans and advances to:		
- Banks	110,703,766	101,601,842
- Customers	1,982,623,902	2,043,723,360
	<u>2,093,327,668</u>	<u>2,145,325,202</u>

(F) Supplementary Information

(2) Loans and advances (continued)

(b) By industry sectors

Loans and advances analysed by the coverage of collateral, overdue amount and the provisions is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

	Gross loans and advances US\$	Percentage of collateral securing loans and advances	Specific provisions US\$	General provisions US\$	Reversal of credit loss allowances/(credit loss expenses charged) to income statement during the period/year US\$
<b>At 30 June 2022 (unaudited)</b>					
Industrial, commercial and financial					
- Property development	47,921,956	-	-	75,712	(29,600)
- Property investment	110,699,052	-	-	154,784	(43,142)
- Financial concerns	52,783,540	-	-	15,638	21,076
- Stock brokers	-	-	-	-	19,335
- Wholesale and retail trade	80,445,665	-	-	177,986	126,167
- Manufacturing	207,304,609	-	-	475,447	5,139
- Transport and transport equipment	54,913,377	-	-	60,165	20,790
- Recreational activities	6,000,000	-	-	6,492	(66)
- Electricity and gas	29,959,293	-	-	104,470	109,746
- Others	33,211,138	-	-	123,914	10,702
Loans and advances for use in Hong Kong	623,238,630	-	-	1,194,608	240,147
Trade finance	5,049,000	-	-	31,616	(18,440)
Loans and advances for use outside Hong Kong	1,479,514,967	-	9,760,000	3,488,705	909,865
	<b>2,107,802,597</b>	<b>-</b>	<b>9,760,000</b>	<b>4,714,929</b>	
Reversal of credit loss allowances from statement of profit or loss during the period					<b>1,131,572</b>
<b>At 31 December 2021 (audited)</b>					
Industrial, commercial and financial					
- Property development	38,432,268	-	-	46,112	(803)
- Property investment	75,050,485	-	-	111,642	(40,141)
- Financial concerns	54,426,263	-	-	36,714	(1,153)
- Stock brokers	42,435,897	-	-	19,335	(4,809)
- Wholesale and retail trade	110,832,722	-	-	304,153	139,255
- Manufacturing	210,323,536	-	-	480,586	(325,467)
- Transport and transport equipment	54,882,878	-	-	80,955	(33,885)
- Recreational activities	6,000,000	-	-	6,426	(2,712)
- Electricity and gas	38,151,270	-	-	214,216	(214,216)
- Others	36,556,956	-	-	134,616	150,719
Loans and advances for use in Hong Kong	667,092,275	-	-	1,434,755	(333,212)
Trade finance	795,000	-	-	13,176	(5,361)
Loans and advances for use outside Hong Kong	1,493,044,428	-	9,760,000	4,398,570	(127,625)
	<b>2,160,931,703</b>	<b>-</b>	<b>9,760,000</b>	<b>5,846,501</b>	
Credit loss expenses from statement of profit or loss during the year					<b>(466,198)</b>

(F) Supplementary Information

(2) Loans and advances (continued)

(c) Movement in credit loss allowances on loans and advances

	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
At 1 January 2022	5,463,588	382,913	9,760,000	15,606,501
New loans/financing originated	1,370,998	-	-	1,370,998
Loans/financing derecognised or repaid during the period (other than write-offs)	(1,300,321)	(363,642)	-	(1,663,963)
Movements due to changes in credit risk	(838,607)	-	-	(838,607)
<b>At 30 June 2022</b>	<b>4,695,658</b>	<b>19,271</b>	<b>9,760,000</b>	<b>14,474,929</b>
<b>Attributable to:</b>				
Loans and advances to banks (note 2(a))	38,257	-	-	38,257
Loans and advances to customers (note 2(a))	4,657,401	19,271	9,760,000	14,436,672
	<b>4,695,658</b>	<b>19,271</b>	<b>9,760,000</b>	<b>14,474,929</b>
<b>Deducted from:</b>				
Loans and advances to banks (note 2(a))	110,742,023	-	-	110,742,023
Loans and advances to customers (note 2(a))	1,986,675,574	625,000	9,760,000	1,997,060,574
	<b>2,097,417,597</b>	<b>625,000</b>	<b>9,760,000</b>	<b>2,107,802,597</b>
At 1 January 2021	2,868,311	2,391,992	9,880,000	15,140,303
New loans/financing originated	1,880,192	-	-	1,880,192
Loans/financing derecognised or repaid during the year (other than write-offs)	(1,165,612)	(1,611,178)	(120,000)	(2,896,790)
Movements due to changes in credit risk	1,880,697	(397,901)	-	1,482,796
<b>At 31 December 2021</b>	<b>5,463,588</b>	<b>382,913</b>	<b>9,760,000</b>	<b>15,606,501</b>
<b>Attributable to:</b>				
Loans and advances to banks (note 2(a))	32,058	-	-	32,058
Loans and advances to customers (note 2(a))	5,431,530	382,913	9,760,000	15,574,443
	<b>5,463,588</b>	<b>382,913</b>	<b>9,760,000</b>	<b>15,606,501</b>
<b>Deducted from:</b>				
Loans and advances to banks (note 2(a))	101,633,900	-	-	101,633,900
Loans and advances to customers (note 2(a))	2,048,287,803	1,250,000	9,760,000	2,059,297,803
	<b>2,149,921,703</b>	<b>1,250,000</b>	<b>9,760,000</b>	<b>2,160,931,703</b>

(F) Supplementary Information

(2) Loans and advances (continued)

<b>(d) Impaired loans and advances</b>	<b>At 30-Jun-2022</b> <b>(unaudited)</b> <b>US\$</b>	<b>At 31-Dec-2021</b> <b>(audited)</b> <b>US\$</b>
Gross impaired loans and advances	9,760,000	9,760,000
Credit loss allowances		
- Credit impaired	<b>(9,760,000)</b>	<b>(9,760,000)</b>
	<b>-</b>	<b>-</b>
Gross impaired loans and advances as a percentage of total gross loans and advances	<b>0.46%</b>	<b>0.45%</b>

Credit impaired loans and advances are unsecured.

(e) By geographical areas

	<b>At 30-Jun-2022</b> <b>(unaudited)</b> <b>US\$</b>	<b>At 31-Dec-2021</b> <b>(audited)</b> <b>US\$</b>
Gross loans and advances		
- Hong Kong	541,959,040	592,026,774
- China	837,145,481	840,645,338
- Korea	343,096,837	358,981,940
- Others	375,841,239	359,517,651
	<b>2,098,042,597</b>	<b>2,151,171,703</b>
Impaired loans (credit impaired)		
- China	9,760,000	9,760,000
	<b>2,107,802,597</b>	<b>2,160,931,703</b>

The above geographical analysis is classified by the location of the counterparties after taking into account the transfer of risk. 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.



(F) Supplementary Information

(3) Financial assets at fair value through other comprehensive income

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Debt securities		
- Listed in Hong Kong	-	167,921,390
- Listed outside Hong Kong	416,878,881	307,926,088
- Unlisted	9,918,000	-
	<u>426,796,881</u>	<u>475,847,478</u>
Unlisted equity securities	53,447	56,380
	<u>426,850,328</u>	<u>475,903,858</u>
<b>Issued by:</b>		
Sovereigns	63,068,200	34,572,250
Public sector entities	30,682,680	22,456,355
Banks and other financial institutions	172,172,875	182,318,300
Corporate entities	160,926,573	236,556,953
	<u>426,850,328</u>	<u>475,903,858</u>

(4) Financial assets at amortised cost

(a) Financial assets at amortised cost less credit loss allowances

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Debt securities		
- Listed in Hong Kong	-	14,000,000
- Unlisted	-	5,000,000
	-	<u>19,000,000</u>
Less: Credit loss allowances	-	(112,033)
	-	<u>18,887,967</u>
<b>Issued by:</b>		
Corporate entities	-	<u>18,887,967</u>

(b) Movement in credit loss allowances on financial assets at amortised cost charged to revaluation reserve

	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
At 1 January 2022	112,033	-	-	112,033
Assets derecognised or repaid during the period (other than write-offs)	(112,033)	-	-	(112,033)
At 30 June 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 2021	-	-	-	-
New assets originated	112,033	-	-	112,033
At 31 December 2021	<u>112,033</u>	<u>-</u>	<u>-</u>	<u>112,033</u>

(F) Supplementary Information

(5) Property and equipment

	Land and buildings US\$	Leasehold improvements US\$	Furniture, fittings and office equipment US\$	Total US\$
2022				
<b>Cost:</b>				
At 1 January 2022	1,022,708	1,125,445	819,395	2,967,548
Additions	-	46,613	94,594	141,207
Disposal	-	-	-	-
<b>At 30 June 2022</b>	<b>1,022,708</b>	<b>1,172,058</b>	<b>913,989</b>	<b>3,108,755</b>
<b>Accumulated depreciation:</b>				
At 1 January 2022	476,986	1,001,174	738,123	2,216,283
Charge for the period	8,199	9,190	20,065	37,454
Written back on disposal	-	-	-	-
<b>At 30 June 2022</b>	<b>485,185</b>	<b>1,010,364</b>	<b>758,188</b>	<b>2,253,737</b>
<b>Net book value:</b>				
At 30 June 2022 (unaudited)	<b>537,523</b>	<b>161,694</b>	<b>155,801</b>	<b>855,018</b>
2021				
<b>Cost:</b>				
At 1 January 2021	1,022,708	1,125,445	798,652	2,946,805
Additions	-	-	21,253	21,253
Disposal	-	-	(510)	(510)
At 31 December 2021	1,022,708	1,125,445	819,395	2,967,548
<b>Accumulated depreciation:</b>				
At 1 January 2021	460,452	963,705	702,683	2,126,840
Charge for the year	16,534	37,469	35,950	89,953
Written back on disposal	-	-	(510)	(510)
At 31 December 2021	476,986	1,001,174	738,123	2,216,283
<b>Net book value:</b>				
At 31 December 2021 (audited)	<b>545,722</b>	<b>124,271</b>	<b>81,272</b>	<b>751,265</b>

- (F) **Supplementary Information**
- (6) **Right-of-use assets and lease liabilities**
- (a) **Right-of-use assets**

	Prepaid land lease payments US\$	Motor vehicles US\$	Total US\$
2022			
<b>Cost:</b>			
<b>At 1 January 2022</b>	8,416,971	261,395	8,678,366
Additions	364,884	-	364,884
Changes arising from lease modification	4,206,785	45,163	4,251,948
Disposal	(7,488,315)	(130,344)	(7,618,659)
<b>At 30 June 2022</b>	<u>5,500,325</u>	<u>176,214</u>	<u>5,676,539</u>
<b>Accumulated depreciation:</b>			
<b>At 1 January 2022</b>	6,622,215	140,239	6,762,454
Charge for the period	1,387,254	36,274	1,423,528
Written back on disposal	(7,250,658)	(89,872)	(7,340,530)
<b>At 30 June 2022</b>	<u>758,811</u>	<u>86,641</u>	<u>845,452</u>
<b>Net carrying amount:</b>			
<b>At 30 June 2022 (unaudited)</b>	<u>4,741,514</u>	<u>89,573</u>	<u>4,831,087</u>
2021			
<b>Cost:</b>			
At 1 January 2021	8,684,567	261,395	8,945,962
Additions	893,551	-	893,551
Disposal	(1,161,147)	-	(1,161,147)
At 31 December 2021	<u>8,416,971</u>	<u>261,395</u>	<u>8,678,366</u>
<b>Accumulated depreciation:</b>			
At 1 January 2021	4,748,353	70,595	4,818,948
Charge for the year	2,967,783	69,644	3,037,427
Written back on disposal	(1,093,921)	-	(1,093,921)
At 31 December 2021	<u>6,622,215</u>	<u>140,239</u>	<u>6,762,454</u>
<b>Net carrying amount:</b>			
At 31 December 2021 (audited)	<u>1,794,756</u>	<u>121,156</u>	<u>1,915,912</u>

The Company leases certain of its office, staff quarters and motor vehicles used in its operations. Leases for these assets are negotiated for terms ranging from two to five years (2021: two to five years).

(F) **Supplementary Information**

(6) **Right-of-use assets and lease liabilities (continued)**

(b) **Lease liabilities**

	<b>At 30-Jun-2022</b> <b>(unaudited)</b> <b>US\$</b>	<b>At 31-Dec-2021</b> <b>(audited)</b> <b>US\$</b>
<b>At 1 January</b>	<b>1,949,219</b>	4,215,212
Additions	<b>364,884</b>	886,823
Accretion of interest	<b>8,479</b>	65,551
Payments	<b>(1,468,804)</b>	(3,127,044)
Changes arising from lease modification	<b>4,251,948</b>	-
Disposal	<b>(283,323)</b>	(91,323)
	<b><u>4,822,403</u></b>	<b><u>1,949,219</u></b>

(c) **Amounts recognised in statement of profit or loss**

	<b>For the six</b> <b>months ended</b> <b>30-Jun-2022</b> <b>(unaudited)</b> <b>US\$</b>	<b>For the six months</b> <b>ended</b> <b>30-Jun-2021</b> <b>(unaudited)</b> <b>US\$</b>
Depreciation expense of right-of-use assets	<b>1,423,528</b>	1,523,535
Interest expense on lease liabilities	<b>8,479</b>	41,978
Operating lease charges to short-term leases	<b>244,339</b>	212,061
Gains on termination on leases	<b>(5,194)</b>	(649)
Total amounts recognised in statement of profit or loss	<b><u>1,671,152</u></b>	<b><u>1,776,925</u></b>

The Company had total cash outflows of US\$1,468,804 (2021: US\$3,127,044) for the period ended 30 June 2022. The Company also had non-cash additions of right-of-use assets and lease liabilities of US\$364,884 and US\$364,884 (2021: US\$893,551 and US\$886,823) for the period ended 30 June 2022 respectively.

(7) **Deposits from customers**

All of the deposits from customers are time deposit stated at amortised cost.

(F) Supplementary Information

(8) Reserves

	Retained profits US\$	Financial assets at fair value through other comprehensive income revaluation reserve US\$	Total US\$
<b>At 1 January 2022</b>	<b>228,285,293</b>	<b>913,572</b>	<b>229,198,865</b>
Financial assets at fair value through other comprehensive income:			
- Change in fair value, net of deferred tax	-	(9,514,224)	(9,514,224)
- Transfer to statement of profit or loss on disposal	-	201,961	201,961
- Transfer of credit loss expenses to statement of profit or loss	-	(177,566)	(177,566)
Profit for the period	<b>26,909,300</b>	-	<b>26,909,300</b>
<b>At 30 June 2022 (unaudited)</b>	<b>255,194,593</b>	<b>(8,576,257)</b>	<b>246,618,336</b>
At 1 January 2021	191,001,033	2,240,715	193,241,748
Financial assets at fair value through other comprehensive income:			
- Change in fair value, net of deferred tax	-	(1,755,670)	(1,755,670)
- Transfer to statement of profit or loss on disposal	-	374,928	374,928
- Transfer of credit loss expenses to statement of profit or loss	-	53,599	53,599
Profit for the year	37,268,242	-	37,268,242
Re-measurement gains on defined benefit scheme	16,018	-	16,018
At 31 December 2021 (audited)	228,285,293	913,572	229,198,865

**Nature and purpose of reserves**

(a) Revaluation reserve on financial assets at fair value through other comprehensive income revaluation reserve

The revaluation reserve on financial assets at fair value through other comprehensive income revaluation reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income revaluation reserve held at the end of the reporting period net of any deferred tax.

(b) Regulatory reserve

As at 30 June 2022, the Company has earmarked US\$6,367,548 (31 December 2021: US\$5,687,975) as regulatory reserve from retained profits. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained profits and in consultation with the HKMA.

(F) **Supplementary Information**

(9) **Derivatives**

The use of derivatives as risk management products sold to customers is an integral part of the Company's business activities. These instruments are also used to manage the Company's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Company are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. For accounting purposes, derivatives are classified as trading financial instruments.

(a) **Notional amount of derivatives**

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding at the reporting period and they do not represent amounts at risk.

	<b>At 30-Jun-2022</b> <b>(unaudited)</b> <b>US\$</b>	At 31-Dec-2021 <b>(audited)</b> <b>US\$</b>
<b>Exchange rate contracts</b>		
Forwards	<b>563,528,025</b>	680,652,305
<b>Interest rate contracts</b>		
Swaps		
- Qualifying for hedge accounting	<b>208,400,000</b>	287,200,000
- Others	<b>122,700,000</b>	112,700,000
	<b>331,100,000</b>	399,900,000
<b>Debt security contracts</b>		
Futures	<b>106,600,000</b>	58,800,000
	<b>1,001,228,025</b>	1,139,352,305

The transactions are used to hedge the Company's own exposure to market risks as part of its asset and liability management.

(F) Supplementary Information

(9) Derivatives (continued)

(b) Fair values and credit risk weighted amounts of derivatives

	At 30-Jun-2022 (unaudited)			At 31-Dec-2021 (audited)		
	Fair value		Credit risk weighted amount US\$	Fair value		Credit risk weighted amount US\$
	Assets US\$	Liabilities US\$		Assets US\$	Liabilities US\$	
<b>Exchange rate contracts</b>						
Forwards	4,086,278	2,061,564	3,232,654	3,459,057	523,990	3,854,233
<b>Interest rate contracts</b>						
Swaps	7,910,790	2,751	2,993,595	1,035,708	534,889	860,694
<b>Debt security contracts</b>						
Futures	-	-	107,455	68,906	-	56,725
	<b>11,997,068</b>	<b>2,064,315</b>	<b>6,333,704</b>	<b>4,563,671</b>	<b>1,058,879</b>	<b>4,771,652</b>

Credit risk-weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 20% to 100% for exchange rate, interest rate and debt security contracts.

The Company did not enter into any bilateral netting arrangement during the period and accordingly these amounts are shown on a gross basis.

(c) Fair values of derivatives designated as hedging instruments

The following is a summary of the fair values of derivatives held for hedging purposes by product type entered into by the Company:

	At 30-Jun-2022 (unaudited)			At 31-Dec-2021 (audited)		
	Change in fair value used for recognising hedge ineffectiveness US\$	Assets	Liabilities	Change in fair value used for recognising hedge ineffectiveness US\$	Assets	Liabilities
		US\$	US\$		US\$	US\$
<b>Interest rate contracts</b>						
Swaps	(5,509,891)	212,056	-	(13,751,671)	-	534,889

Fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of certain fixed rate assets due to the movements in market interest rates. At 30 June 2022, the net value of interest rate swaps was US\$212,056 comprising of assets only. At 31 December 2021, the net fair value of interest rate swaps was US\$534,889 comprising of liabilities only.

(F) Supplementary Information

(10) Contingent liabilities and commitments

(a) Contingent liabilities and commitments to extend credit

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Trade-related contingencies	1,373,624	4,957,601
Other commitments		
- with an original maturity of under one year	123,296,112	94,498,705
- with an original maturity of more than one year	208,753,851	211,654,925
	<u>333,423,587</u>	<u>311,111,231</u>
Credit risk weighted amounts	<u>129,310,873</u>	<u>125,718,724</u>

Contingent liabilities and commitments are credit-related instruments which include commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the customer default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

The risk weights used range from 0% to 100% for contingent liabilities and commitments.

Credit loss allowances as at 30 June 2022 was US\$322,645 (31 December 2021: US\$318,071).

(b) Capital commitments

- (i) Commitments to unlisted investments in funds outstanding at the reporting period not provided for in the financial statements were as follows:

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Contracted for	111,475,668	95,321,820
Credit risk weighted amounts	<u>55,737,834</u>	<u>47,660,910</u>

- (ii) Commitments to office renovation in progress outstanding at the end of the reporting period not provided for in the financial statements were as follows:

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
Contracted for	<u>208,846</u>	<u>586,888</u>



(F) **Supplementary Information**

(11) **Capital adequacy ratios**

	<b>At 30-Jun-2022</b> <b>(unaudited)</b>	At 31-Dec-2021 (audited)
Common Equity Tier 1 ("CET1") capital ratio	<b>18.33%</b>	17.06%
Tier 1 capital ratio	<b>18.33%</b>	17.06%
Total capital ratio	<b>18.77%</b>	17.51%

Capital adequacy ratios were compiled in accordance with the Banking (Capital) Rules issued by the HKMA. The capital disclosures at the reporting period are compiled in accordance with the Banking (Capital) Rules for the implementation of the Basel III capital framework.

In accordance with the Banking (Capital) Rules, the Company has adopted the "basic approach" for the calculation of the risk-weighted assets for credit risk, the standardized (market risk) approach to calculate its market risk, and the "basic indicator approach" for the calculation of operational risk. The Company has adopted the "standardised method" for the calculation of CVA capital charge.

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's regulatory capital disclosures will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

[https://www.kdb.co.kr/CHGMHK99N27.act?GmBrld=AL&\\_mnuId=IHIHGM2065&GmMlngTc=en](https://www.kdb.co.kr/CHGMHK99N27.act?GmBrld=AL&_mnuId=IHIHGM2065&GmMlngTc=en)

(F) Supplementary Information

(12) Regulatory capital disclosures

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
CET1 capital instruments	240,000,000	240,000,000
Retained earnings	255,194,593	228,285,293
Disclosed reserves	(8,576,257)	913,572
<b>CET 1 CAPITAL BEFORE DEDUCTIONS</b>	<b>486,618,336</b>	<b>469,198,865</b>
Deduct:		
Deferred tax assets in excess of deferred tax liabilities	-	-
Regulatory reserve for general banking risks	(6,367,548)	(5,687,976)
Defined benefit pension fund assets (net of related deferred tax liability)	(1,704)	-
<b>CET1 CAPITAL</b>	<b>480,249,084</b>	<b>463,510,889</b>
<b>ADDITIONAL TIER 1 CAPITAL AFTER DEDUCTIONS</b>	<b>-</b>	<b>-</b>
<b>TIER 1 CAPITAL</b>	<b>480,249,084</b>	<b>463,510,889</b>
Regulatory reserve for general banking risks	6,367,548	5,687,975
Collective impairment allowance	5,158,195	6,371,936
<b>TIER 2 CAPITAL</b>	<b>11,525,743</b>	<b>12,059,911</b>
<b>TOTAL CAPITAL BASE</b>	<b>491,774,827</b>	<b>475,570,800</b>

(F) **Supplementary Information**

(13) **Liquidity maintenance ratio**

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Company's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by the global markets department under the direction of the Risk Management Committee. The global markets department is responsible for ensuring that the Company has adequate liquidity for all operations; ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment risk in case of a maturity gap; and monitoring local and international markets for the adequacy of funding and liquidity.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. Adequate facilities can be obtained from its holding company to provide liquidity to meet unexpected and material cash outflows in the ordinary course of business.

	<b>For the six months ended 30-Jun-2022 (unaudited)</b>	For the six months ended 30-Jun-2021 (unaudited)
Average liquidity maintenance ratio for the period	<b>74.40%</b>	66.66%

The Company calculates the average liquidity maintenance ratio of each calendar month by reference to positions of specified days approved by the HKMA pursuant to Rule 48(2) of the Banking (Liquidity) Rules.

The average liquidity maintenance ratio is computed on a solo basis using the arithmetic mean of each calendar month's average liquidity maintenance ratio as reported in the return relating to liquidity position submitted to the HKMA.

To comply with the Banking (Disclosure) Rules, liquidity information disclosure will be published under the "Regulatory Disclosures" section on the website:

[https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&\\_mnuId=IHIHGM2065&GmMInqTc=en](https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&_mnuId=IHIHGM2065&GmMInqTc=en)

(F) Supplementary Information

(14) Leverage ratio

	At 30-Jun-2022 (unaudited) US\$	At 31-Dec-2021 (audited) US\$
On-balance sheet exposures	3,060,290,232	3,334,781,807
Less: Regulatory adjustments	(1,704)	-
<b>Total on-balance sheet exposures</b>	<b>3,060,288,528</b>	<b>3,334,781,807</b>
Replacement cost associated with all derivatives contracts	20,373,966	6,292,673
Add-on amounts for potential future exposure associated with all derivatives contracts	16,456,067	20,154,079
<b>Total derivative exposures</b>	<b>36,830,033</b>	<b>26,446,752</b>
Exposures with a 20% credit conversion factor	24,933,947	19,891,261
Exposures with a 50% credit conversion factor	160,114,760	153,488,373
<b>Total off-balance sheet exposures</b>	<b>185,048,707</b>	<b>173,379,634</b>
Securities financing transaction exposures	-	-
<b>Total exposures before adjustments for specific and collective provisions</b>	<b>3,282,167,268</b>	<b>3,534,608,193</b>
<b>Less: Adjustments for specific and collective provisions</b>	<b>(322,645)</b>	<b>(318,071)</b>
<b>Total exposures after adjustments for specific and collective provisions</b>	<b>3,281,844,623</b>	<b>3,534,290,122</b>
<b>Tier 1 capital</b>	<b>480,249,084</b>	<b>463,510,889</b>
<b>Leverage ratio</b>	<b>14.63%</b>	<b>13.11%</b>

Leverage ratio ("LR") is calculated in accordance with the completion instruction issued by the HKMA.

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's leverage ratio disclosure will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

[https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&\\_mnuId=IHIHGM2065&GmMlngTc=en](https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&_mnuId=IHIHGM2065&GmMlngTc=en)

(F) Supplementary Information

(15) Countercyclical Capital Buffer (CCyB) Ratio

CCyB ratio were compiled in accordance with the Banking (Capital) Rules issued by the HKMA. The Company's specific CCyB rate is calculated as the weighted average of the applicable jurisdictional CCyB rates, in respect of the jurisdictions (including Hong Kong) where the Company has private sector credit exposures. The weight to be attributed to a given jurisdiction's applicable CCyB rate is the ratio of the Company's aggregate risk-weighted amounts for its private sector credit exposures (in both the banking book and the trading book) in that jurisdiction (where the location of the exposures is determined as far as possible on an ultimate risk basis) to the sum of the Company's aggregate risk-weighted amounts across all jurisdictions in which the Company has private sector credit exposure. For a credit exposure guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Geographical breakdown of risk-weighted amounts (RWA) in relation to private sector credit exposures, are shown as follows:

At 30 June 2022 (unaudited)

Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio US\$	CCyB ratio	CCyB amount US\$
Hong Kong SAR	1.000%	632,184,145		
China	-	906,333,382		
Australia	-	80,872,973		
Canada	-	6,935,117		
Cayman Islands	-	120,276,023		
Finland	-	31,395,884		
India	-	29,203,858		
Ireland	-	1,498,687		
Kuwait	-	6,278,079		
Luxembourg	0.500%	34,421,507		
Macau	-	19,246,057		
Malaysia	-	282,426		
Netherlands	-	10,046,496		
Philippines	-	17,506,058		
Residual Latin America and Caribbean	-	574,076		
Saudi Arabia	-	19,781,792		
Singapore	-	29,749,250		
South Korea	-	191,110,624		
United Arab Emirates	-	33,994,510		
United Kingdom	-	275,969		
United States	-	72,722,537		
<b>Total</b>		<b>2,244,689,450</b>	<b>0.289%</b>	<b>6,487,153</b>

(F) Supplementary Information

(15) Countercyclical Capital Buffer (CCyB) Ratio (continued)

At 31 December 2021 (audited)

Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio US\$	CCyB ratio	CCyB amount US\$
Hong Kong SAR	1.000%	725,585,424		
China	-	920,737,337		
Australia	-	101,414,071		
Canada	-	7,334,877		
Cayman Islands	-	98,721,090		
India	-	19,471,202		
Ireland	-	1,762,883		
Kuwait	-	6,692,931		
Luxembourg	0.500%	31,525,590		
Macau SAR	-	25,528,661		
Malaysia	-	282,404		
Philippines	-	17,506,154		
Residual Latin America and Caribbean	-	16,028,366		
Saudi Arabia	-	20,787,792		
Singapore	-	32,615,053		
South Korea	-	204,802,116		
United Arab Emirates	-	34,337,932		
United Kingdom	-	47,087		
United States	-	64,713,221		
Total		2,329,894,191	0.318%	7,409,064

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's countercyclical capital buffer ratio disclosure will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

[https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&\\_mnuId=IHIHGM2065&GmMIngTc=en](https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&_mnuId=IHIHGM2065&GmMIngTc=en)

(F) Supplementary Information

(16) 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:

			<i>Non-bank private sector</i>		
	<b>Banks</b>	<b>Official</b>	<b>Non-bank</b>	<b>Non-bank</b>	<b>Total</b>
	<b>US\$</b>	<b>Sector</b>	<b>financial</b>	<b>private sector</b>	<b>US\$</b>
		<b>US\$</b>	<b>institutions</b>	<b>US\$</b>	<b>US\$</b>
			<b>US\$</b>		
<b>At 30 June 2022 (unaudited)</b>					
<b>Developed countries</b>	<b>140,107,836</b>	<b>63,259,626</b>	<b>116,658,415</b>	<b>84,508,588</b>	<b>404,534,465</b>
- of which Australia	25,627,198	-	59,384,284	6,793,794	91,805,276
- of which Austria	30,001,342	-	-	-	30,001,342
- of which Belgium	113,398	-	-	-	113,398
- of which Canada	-	-	6,380,026	-	6,380,026
- of which Finland	-	-	-	31,395,884	31,395,884
- of which France	16,202,286	-	-	-	16,202,286
- of which Ireland	-	-	1,498,687	-	1,498,687
- of which Japan	45,958,498	-	-	-	45,958,498
- of which Luxembourg	12,891	-	23,130,328	-	23,143,219
- of which Netherlands	-	-	-	10,046,496	10,046,496
- of which United Kingdom	20,573,831	-	127,247	-	20,701,078
- of which United States	1,618,392	63,259,626	26,137,843	36,272,414	127,288,275
<b>Offshore centres</b>	<b>39,748,772</b>	<b>-</b>	<b>191,294,181</b>	<b>190,953,332</b>	<b>421,996,285</b>
- of which Cayman Islands	-	-	70,168,701	-	70,168,701
- of which Hong Kong	20,675,813	-	103,864,878	160,160,359	284,701,050
- of which Macau	-	-	-	-	-
- of which Panama	10,513,062	-	-	-	10,513,062
- of which Singapore	8,559,897	-	17,260,602	30,792,973	56,613,472
<b>Developing Africa and Middle East</b>	<b>90,861,884</b>	<b>-</b>	<b>6,278,079</b>	<b>53,776,302</b>	<b>150,916,265</b>
- of which Kuwait	-	-	6,278,079	-	6,278,079
- of which Qatar	40,614,488	-	-	-	40,614,488
- of which Saudi Arabia	-	-	-	19,781,792	19,781,792
- of which United Arab Emirates	50,247,396	-	-	33,994,510	84,241,906
<b>Developing Asia and Pacific</b>	<b>573,610,969</b>	<b>99,230,994</b>	<b>177,195,772</b>	<b>912,128,172</b>	<b>1,762,165,907</b>
- of which China	119,414,716	-	130,263,154	746,649,814	996,327,684
- of which India	-	-	9,249,532	-	9,249,532
- of which South Korea	354,049,471	99,230,994	20,177,028	165,195,932	638,653,425
- of which Malaysia	50,143,242	-	-	282,426	50,425,668
- of which Philippines	-	-	17,506,058	-	17,506,058
- of which Taiwan	50,003,540	-	-	-	50,003,540

**(F) Supplementary Information****(16) International claims (by ultimate nation) (continued)**

	Banks US\$	Official Sector US\$	<i>Non-bank private sector</i>		Total US\$
			Non-bank financial institutions US\$	Non-bank private sector US\$	
At 31 December 2021 (unaudited)					
Developed countries	207,423,739	34,594,145	120,873,441	47,564,492	410,455,817
- of which Australia	27,145,002	-	78,529,745	7,374,116	113,048,863
- of which Belgium	7,023	-	-	-	7,023
- of which Canada	-	-	6,736,727	-	6,736,727
- of which France	9,996,457	-	-	-	9,996,457
- of which Ireland	-	-	1,762,883	-	1,762,883
- of which Japan	70,497,499	-	-	-	70,497,499
- of which Luxembourg	8,338	-	17,874,223	-	17,882,561
- of which United Kingdom	32,252,048	-	15,065	-	32,267,113
- of which United States	67,517,372	34,594,145	15,954,798	40,190,376	158,256,691
Offshore centres	48,432,027	-	266,210,944	172,802,789	487,445,760
- of which Cayman Islands	-	-	67,370,632	-	67,370,632
- of which Hong Kong	20,187,092	-	181,000,110	158,027,938	359,215,140
- of which Singapore	28,244,935	-	17,840,202	14,774,851	60,859,988
Developing Latin America and Caribbean	-	-	-	16,028,364	16,028,364
- of which Residual Developing Latin America And Caribbean	-	-	-	16,028,364	16,028,364
Developing Africa and Middle East	137,422,686	7,552,015	6,692,931	55,125,724	206,793,356
- of which Kuwait	-	-	6,692,931	-	6,692,931
- of which Qatar	62,052,893	-	-	-	62,052,893
- of which Saudi Arabia	-	-	-	20,787,792	20,787,792
- of which United Arab Emirates	75,369,793	7,552,015	-	34,337,932	117,259,740
Developing Asia and Pacific	648,585,587	92,864,844	154,029,120	969,494,446	1,864,973,997
- of which China	107,559,639	-	109,197,519	782,422,830	999,179,988
- of which India	-	-	9,219,502	10,251,700	19,471,202
- of which South Korea	513,381,805	92,864,844	18,105,945	176,537,512	800,890,106
- of which Malaysia	10,632,587	-	-	282,404	10,914,991
- of which Philippines	-	-	17,506,154	-	17,506,154
- of which Taiwan	17,011,556	-	-	-	17,011,556



(F) Supplementary Information

(17) Non-bank Mainland China exposures

The analysis of non-bank Mainland China 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.

	30-Jun-2022 (unaudited)			
	Items in HKMA return	On-balance sheet exposure US\$	Off-balance sheet exposure US\$	Total US\$
Central government, central government-owned entities and their subsidiaries and joint ventures	1	213,652,963	-	213,652,963
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	52,922,208	-	52,922,208
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3	602,374,443	71,283,858	673,658,301
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	32,054,062	-	32,054,062
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	160,518,389	35,768,173	196,286,562
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	68,493,079	7,537,102	76,030,181
<b>Total</b>	8	<b>1,130,015,144</b>	<b>114,589,133</b>	<b>1,244,604,277</b>
<b>Total assets after provision</b>	9	<b>3,078,180,226</b>		
<b>On-balance sheet exposures as percentage of total assets</b>	10	<b>36.71%</b>		

(F) Supplementary Information

(17) Non-bank Mainland China exposures (continued)

		31-Dec-2021 (audited)		
	Items in HKMA return	On-balance sheet exposure US\$	Off-balance sheet exposure US\$	Total US\$
Central government, central government-owned entities and their subsidiaries and joint ventures	1	257,618,129	-	257,618,129
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	87,609,307	-	87,609,307
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3	655,207,992	93,247,436	748,455,428
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	32,053,434	-	32,053,434
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	150,412,019	27,799,692	178,211,711
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	41,156,333	21,971,776	63,128,109
Total	8	<u>1,224,057,214</u>	<u>143,018,904</u>	<u>1,367,076,118</u>
Total assets after provision	9	<u>3,344,352,619</u>		
On-balance sheet exposures as percentage of total assets	10	<u>36.60%</u>		

No specific provision was made in respect of the above exposures.

(F) Supplementary Information

(18) Currency risk

The Company's foreign currency positions arise from foreign exchange dealing and commercial banking operations. All foreign currency positions are managed by the global markets department within limits approved by the board.

The following table indicates the concentration of currency risk at the end of reporting period defined by the Banking (Disclosure) Rules.

Expressed in millions of Hong Kong dollars	At 30-Jun-2022 (unaudited)						
	United States Dollars	Japanese Yen	Euros	Renminbi	Australian Dollars	Others	Total
Spot assets	18,520	98	680	184	326	50	19,858
Spot liabilities	(22,913)	(97)	(3)	(181)	(1)	-	(23,195)
Forward purchases	6,978	-	-	-	-	-	6,978
Forward sales	(2,583)	-	(671)	-	(319)	(69)	(3,642)
<b>Net long/(short) position</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>6</b>	<b>(19)</b>	<b>(1)</b>

  

Expressed in millions of Hong Kong dollars	At 31-Dec-2021 (unaudited)						
	United States Dollars	Japanese Yen	Euros	Renminbi	Australian Dollars	Others	Total
Spot assets	20,064	116	715	223	685	54	21,857
Spot liabilities	(25,447)	(115)	(442)	(220)	(2)	-	(26,226)
Forward purchase	8,428	-	-	-	-	-	8,428
Forward sales	(3,119)	-	(265)	-	(626)	(73)	(4,083)
<b>Net long/(short) position</b>	<b>(74)</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>57</b>	<b>(19)</b>	<b>(24)</b>

**(F) Supplementary Information**

**(19) Overdue and rescheduled assets**

(a) Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end.

	<b>At 30-Jun-2022</b> <b>(unaudited)</b> <b>US\$</b>	At 31-Dec-2021 <b>(audited)</b> <b>US\$</b>
Gross loans and advances to customers which have been overdue with respect to principal for period of		
- over 1 year	9,760,000	9,760,000

(b) Rescheduled loans and advances

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Company.

There were no rescheduled loans and advances to banks and customers at 30 June 2022 and 31 December 2021.

(c) There were no other assets which have been overdue for more than 3 months at 30 June 2022 and 31 December 2021.

(d) There were no repossessed assets held at 30 June 2022 and 31 December 2021.

**(20) Pillar 3 disclosures**

To comply with the Banking (Disclosure) Rules, all information in relation to the Company's Pillar 3 disclosures will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

[https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&\\_mnuId=IHIHGM2065&GmMlngTc=en](https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&_mnuId=IHIHGM2065&GmMlngTc=en)

**(21) Key elements of disclosure policy**

The Disclosure Policy of the Company sets out the approach used by the Company to (i) determine the content, appropriateness and frequency of the information it discloses to the general public relating to its state of affairs including its profit and loss and its financial resources (including capital/ liquidity resources) and (ii) descriptions of its own risk profile as required by the Banking (Disclosure) Rules.

To comply with the Banking (Disclosure) Rules, all information in relation to the Company's key elements of disclosure policy will be published under the "Regulatory Disclosures" section on the website:

[https://www.kdb.co.kr/CHGMHK99N30.act?GmBrnId=AL&\\_mnuId=IHIHGM2066&GmMlngTc=en](https://www.kdb.co.kr/CHGMHK99N30.act?GmBrnId=AL&_mnuId=IHIHGM2066&GmMlngTc=en)

**(G) Basis of preparation**

The financial information presented in this report is prepared on a basis consistent with the accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements.

**(H) Compliance with Disclosure Requirements**

In preparing the interim results for the six months ended 30 June 2022, the Company has fully complied with the requirements set out in the Banking (Disclosure) Rules and the guideline on the application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

**(I) Review of Interim Results**

These interim results have been reviewed by the Company's Board of Directors.

- End -