

KDB Asia Limited
Interim Results 2024

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 2005-2008, 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\$40.1 million in the first half of year 2024, increased by 27.9% when compared to the same period of 2023 of US\$31.4 million.

Total assets increased by 1.82% to US\$3,167.9 million (2023: US\$3,111.2 million), whereas total liabilities including deposits and borrowings also increased by 0.82%, amounted to US\$2,580.1 million (2023: US\$2,559.1 million). Due to the current profit contribution for the period, the Company’s shareholders’ equity still recorded a growth of 6.45% to US\$587.8 million (2023: US\$552.1 million).

Financial highlights for the first six months of 2024 are as follows:

- Return on average assets: 2.16%
- Return on average equities: 12.19%
- Average liquidity maintenance ratio: 130.82%
- Leverage ratio: 17.09%
- Common Equity Tier 1 capital ratio: 20.73%
- Tier 1 capital ratio: 20.73%
- Total capital ratio: 21.13%

The Directors of KDB Asia Limited announce that the unaudited interim results of the Company for the first half year of 2024 are as follows:

(A) Statement of Profit or Loss

	Notes	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Interest income	1	93,256,358	70,086,408
Interest expense	2	(73,225,625)	(56,976,913)
Net interest income		20,030,733	13,109,495
Fee and commission income		5,585,291	4,265,517
Fee and commission expense		(407,909)	(430,726)
Net fee and commission income	3	5,177,382	3,834,791
Net gains from financial assets held at fair value through profit or loss	4	24,690,140	9,257,383
Net hedging losses	5	(1,246,971)	(195,633)
Net other operating (losses)/gains	6	(9,495,917)	4,756,425
Operating income		39,155,367	30,762,461
Operating expenses	7	(5,615,295)	(4,899,161)
Reversal of credit loss allowances, net	8	5,093,671	4,953,184
Net gains on sale of financial assets at fair value through other comprehensive income		1,471,696	538,070
PROFIT BEFORE TAX		40,105,439	31,354,554
Income tax expense	9	(5,452,858)	(4,218,011)
PROFIT FOR THE PERIOD		34,652,581	27,136,543

(B) Statement of Comprehensive Income

	For the six months ended	For the six months ended
Note	30-Jun-2024	30-Jun-2023
	(unaudited)	(unaudited)
	US\$	US\$
PROFIT FOR THE PERIOD	34,652,581	27,136,543
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
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>966,052</u>	<u>407,536</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	35,618,633	27,544,079

(C) Statement of Financial Position

	Supplementary Information	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
ASSETS			
Cash and balances with banks and other financial institutions		27,516,034	10,288,836
Placements with banks and other financial institutions		99,950,545	99,764,063
Financial assets at fair value through profit or loss	(F)1	170,899,338	158,317,716
Loans and advances	(F)2	1,954,612,101	1,851,385,179
Financial assets at fair value through other comprehensive income	(F)3	490,012,105	564,223,778
Financial assets at amortised cost	(F)4	385,941,928	369,827,500
Property and equipment	(F)5	1,042,325	1,129,960
Right-of-use assets	(F)6	2,244,974	2,783,698
Interest receivable and other assets		35,677,152	53,476,954
TOTAL ASSETS		3,167,896,502	3,111,197,684
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits and balances of banks and other financial institutions		1,682,499,092	1,743,137,585
Deposits from customers	(F)7	-	1,089,214
Financial liabilities at fair value through profit or loss		1,749,861	14,285,037
Certificates of deposit issued		855,041,048	769,707,245
Lease liabilities	(F)6	2,362,246	2,785,060
Tax payable		4,045,800	736,482
Interest payable and other liabilities		33,989,457	27,091,462
Deferred tax liabilities		448,908	220,937
TOTAL LIABILITIES		2,580,136,412	2,559,053,022
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		240,000,000	240,000,000
Reserves	(F)8	347,760,090	312,144,662
TOTAL EQUITY		587,760,090	552,144,662
TOTAL EQUITY AND LIABILITIES		3,167,896,502	3,111,197,684

(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\$
At 1 January 2024	240,000,000	(5,943,536)	318,088,198	552,144,662
Profit for the period	-	-	34,652,581	34,652,581
Other comprehensive income for the period:				
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	-	966,052	-	966,052
Re-measurement losses on defined benefit scheme	-	-	(3,205)	(3,205)
Total comprehensive income for the period	-	966,052	34,649,376	35,615,428
At 30 June 2024 (unaudited)	240,000,000	(4,977,484)	352,737,574	587,760,090
At 1 January 2023	240,000,000	(11,634,843)	270,023,774	498,388,931
Profit for the period	-	-	27,136,543	27,136,543
Other comprehensive income for the period:				
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	-	411,850	-	411,850
Reclassification	-	(4,314)	4,314	-
Total comprehensive income for the period	-	407,536	27,140,857	27,548,393
At 30 June 2023 (unaudited)	240,000,000	(11,227,307)	297,164,631	525,937,324

(E) Condensed Statement of Cash Flows

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Net cash flows used in operating activities	(46,839,397)	(29,305,100)
Net cash flows from/(used in) investing activities	65,193,849	(10,586,126)
Net cash flows used in financing activities	(940,772)	(1,050,016)
Net increase/(decrease) in cash and cash equivalents	17,413,680	(40,941,242)
Cash and cash equivalents at 1 January	110,052,899	151,807,721
Cash and cash equivalents at 30 June	127,466,579	110,866,479

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-2024 (unaudited) US\$	30-Jun-2023 (unaudited) US\$
Cash and balances with banks and other financial institutions	27,516,034	7,507,747
Placements with banks and other financial institutions	99,950,545	103,358,732
Cash and bank balances and placements	127,466,579	110,866,479
Cash and cash equivalents	127,466,579	110,866,479

Operational cash flows from interest and dividends:

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Interest received	92,011,359	71,256,645
Interest paid	72,688,188	55,437,623
Dividend received	592,888	456,137

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

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Listed investments	18,490,251	5,973,467
Unlisted investments	3,685,227	194,178
Trade bills and loans and advances	67,930,790	61,091,539
Others	3,150,090	2,827,224
	<u>93,256,358</u>	<u>70,086,408</u>

Interest income is calculated using the effective interest rate method. There is no interest income accrued on impaired financial assets for the period ended 30 June 2024. (2023: Nil)

(2) Interest expense arising from:

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Deposits from customers, banks and other financial institutions and certificates of deposit issued	73,203,875	56,958,500
Lease liabilities	21,750	18,413
	<u>73,225,625</u>	<u>56,976,913</u>

(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 and recognised at the point in time when the service is transferred.

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

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Net gains from trading securities/investments in funds	21,383,077	5,698,209
Net interest income on derivatives	3,307,063	3,559,174
	24,690,140	9,257,383

(5) Net hedging losses:

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Fair value hedges		
- Net (losses)/gains on hedged items attributable to the hedged risk	(1,602,041)	898,909
- Net gains/(losses) on hedging instruments	355,070	(1,094,542)
	(1,246,971)	(195,633)

(6) Net other operating (losses)/gains:

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Net (losses)/gains from dealing in foreign currencies	(10,083,894)	4,217,064
Dividend income from unlisted financial assets at fair value through profit or loss	592,888	456,137
Others	(4,911)	83,224
	(9,495,917)	4,756,425

Notes:**(7) Operating expenses:**

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Staff costs	2,905,363	2,978,931
Premises and equipment expenses		
- Depreciation of property and equipment	88,353	89,273
- Depreciation of right-of-use assets	708,824	706,660
- Rent	263,941	179,701
- Rates	32,592	31,218
	<u>1,093,710</u>	<u>1,006,852</u>
Auditor's remuneration	41,560	37,950
Others	1,574,662	875,428
	<u>1,616,222</u>	<u>913,378</u>
	<u>5,615,295</u>	<u>4,899,161</u>

Included in the staff costs above are depreciation of right-of-use assets in respect of staff quarters of US\$320,961 (2023: US\$323,712), no operating lease charges in respect of staff quarters (2023: US\$6,644), retirement scheme contribution of US\$40,998 (2023: US\$40,797) and government subsidies granted from the Financial Industry Recruitment Scheme for Tomorrow under the Anti-epidemic Fund of the Hong Kong Government which aims to retain employment and combat COVID-19 epidemic of US\$3,122 (2023: US\$19,555) for the period ended 30 June 2024.

Included in the above operating expenses are depreciation of right-of-use assets in respect of office premises of US\$693,427 (2023: US\$689,684), operating lease charges of US\$119,276 (2023: US\$13,554) for rental of properties and US\$144,665 (2023: US\$172,791) for rental of equipment.

(8) Reversal of credit loss allowances, net:

	For the six months ended 30-Jun-2024 (unaudited)			
	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
Reversal of / (charge for) credit loss allowances, net:				
- Cash and cash equivalents	32,636	-	-	32,636
- Loans and advances	(839,053)	-	6,341,878	5,502,825
- Financial assets at fair value through other comprehensive income	(79,443)	-	-	(79,443)
- Financial assets at amortised cost	(40,349)	-	-	(40,349)
- Interest receivable and other assets	(11,623)	-	-	(11,623)
- Other commitments	(311,394)	-	-	(311,394)
- Trade-related contingencies	1,019	-	-	1,019
	<u>(1,248,207)</u>	<u>-</u>	<u>6,341,878</u>	<u>5,093,671</u>

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

	For the six months ended			Total US\$
	30-Jun-2023 (unaudited)			
	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	
Reversal of / (charge for) credit loss allowances, net:				
- Cash and cash equivalents	17,179	-	-	17,179
- Trade bills	2,063	-	-	2,063
- Loans and advances	1,467,102	18,031	3,276,809	4,761,942
- Financial assets at fair value through other comprehensive income	28,223	-	-	28,223
- Financial assets at amortised cost	(31,200)	-	-	(31,200)
- Interest receivable and other assets	5,674	394	-	6,068
- Other commitments	166,568	-	-	166,568
- Trade-related contingencies	2,341	-	-	2,341
	<u>1,657,950</u>	<u>18,425</u>	<u>3,276,809</u>	<u>4,953,184</u>

Under HKFRS 9, ECL is assessed using an approach which classifies financial assets into three stages, each of which is associated with an ECL calculation that is reflective of the assessed credit risk profile in each instance.

(9) Income tax expense:

Under the two-tiered profit tax rates regime, Hong Kong profits tax has been provided at the rate of 8.25% (2023: 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% (2023: 16.5%).

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Provision for the period	5,309,036	3,990,525
Deferred tax	143,822	227,486
	<u>5,452,858</u>	<u>4,218,011</u>

Notes:

(10) Other comprehensive income:

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

	For the six months ended 30-Jun-2024 (unaudited)			For the six months ended 30-Jun-2023 (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	1,050,201	(84,149)	966,052	666,487	(258,951)	407,536
Other comprehensive income	1,050,201	(84,149)	966,052	666,487	(258,951)	407,536

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

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Financial assets at fair value through other comprehensive income, net of tax		
Changes in fair value recognised during the period	1,454,818	476,556
Reclassification adjustments for gains and losses included in profit or loss		
- Gains on disposal	(409,323)	(97,243)
- Net movement in credit loss allowance of financial assets at fair value through other comprehensive income	(79,443)	28,223
Net movement in financial assets at fair value through other comprehensive income revaluation reserve income	966,052	407,536

(F) Supplementary Information

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

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Unlisted investments in funds, at fair value	163,955,389	154,630,170
Positive fair values of derivatives	6,943,949	3,687,546
	<u>170,899,338</u>	<u>158,317,716</u>

(2) Loans and advances

(a) Loans and advances less credit loss allowances

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Gross loans and advances to:		
- Banks	135,875,078	108,334,836
- Customers	1,834,008,947	1,763,825,092
	<u>1,969,884,025</u>	<u>1,872,159,928</u>
Less: Credit loss allowances on non-credit impaired loans and advances to		
- Banks	(79,125)	(57,432)
- Customers	(5,432,799)	(4,615,439)
	<u>(5,511,924)</u>	<u>(4,672,871)</u>
Less: Credit loss allowances on credit impaired loans and advances to		
- Customers	(9,760,000)	(16,101,878)
	<u>(9,760,000)</u>	<u>(16,101,878)</u>
Net loans and advances to:		
- Banks	135,795,953	108,277,404
- Customers	1,818,816,148	1,743,107,775
	<u>1,954,612,101</u>	<u>1,851,385,179</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	Percentage of collateral securing loans and advances	Specific provisions	General provisions	Reversal of credit loss allowances/(credit loss expenses charged) to income statement during the period/year
	US\$		US\$	US\$	US\$
At 30 June 2024 (unaudited)					
Industrial, commercial and financial					
- Property development	-	-	-	-	38,266
- Property investment	65,617,100	-	-	162,051	28,100
- Financial concerns	51,655,704	-	-	60,817	2,918
- Wholesale and retail trade	11,971,483	-	-	25,884	(24,840)
- Manufacturing	120,139,210	-	-	595,219	(102,894)
- Transport and transport equipment	89,421,906	-	-	361,057	(199,439)
- Electricity and gas	50,000,000	-	-	209,350	(7,950)
- Hotels, boarding houses & catering	4,017,096	-	-	33,818	(1,284)
- Others	39,815,953	-	-	126,056	(17,968)
Loans and advances for use in Hong Kong	432,638,452	-	-	1,574,252	(285,091)
Loans and advances for use outside Hong Kong	1,537,245,573	-	9,760,000	3,937,672	5,787,916
	1,969,884,025	-	9,760,000	5,511,924	
Credit loss expenses from statement of profit or loss during the period					5,502,825
At 31 December 2023 (audited)					
Industrial, commercial and financial					
- Property development	9,477,034	-	-	38,266	(11,734)
- Property investment	66,289,442	-	-	190,151	17,504
- Financial concerns	51,755,161	-	-	63,735	18,685
- Wholesale and retail trade	3,564,121	-	-	1,044	(53,837)
- Manufacturing	153,070,166	-	-	492,325	25,038
- Transport and transport equipment	99,381,652	-	-	161,618	102,713
- Recreational activities	-	-	-	-	(6,492)
- Electricity and gas	49,355,958	-	-	201,400	96,930
- Hotel, boarding houses & catering	8,033,824	-	-	32,534	32,534
- Others	42,601,213	-	-	108,088	(15,827)
Loans and advances for use in Hong Kong	483,528,571	-	-	1,289,161	205,514
Trade finance	-	-	-	-	(108)
Loans and advances for use outside Hong Kong	1,388,631,357	-	16,101,878	3,383,710	997,914
	1,872,159,928	-	16,101,878	4,672,871	
Credit loss expenses from statement of profit or loss during the year					1,203,320

(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 2024	4,672,871	-	16,101,878	20,774,749
New loans/financing originated	2,117,676	-	-	2,117,676
Loans/financing derecognised or repaid during the period (other than write-offs)	(1,325,020)	-	(6,341,878)	(7,666,898)
Movements due to changes in credit risk	46,397	-	-	46,397
At 30 June 2024	5,511,924	-	9,760,000	15,271,924
Attributable to:				
Loans and advances to banks (note 2(a))	79,125	-	-	79,125
Loans and advances to customers (note 2(a))	5,432,799	-	9,760,000	15,192,799
	5,511,924	-	9,760,000	15,271,924
Deducted from:				
Loans and advances to banks (note 2(a))	135,875,078	-	-	135,875,078
Loans and advances to customers (note 2(a))	1,824,248,947	-	9,760,000	1,834,008,947
	1,960,124,025	-	9,760,000	1,969,884,025
At 1 January 2023	4,236,742	2,297,878	13,036,809	19,571,429
New loans/financing originated	2,203,049	-	-	2,203,049
Loans/financing derecognised or repaid during the year (other than write-offs)	(2,421,219)	-	(3,276,809)	(5,698,028)
Transfer between stages - transfer to lifetime ECL credit impaired (Stage 3)	-	(2,297,878)	2,297,878	-
Movements due to changes in credit risk	654,299	-	4,044,000	4,698,299
At 31 December 2023	4,672,871	-	16,101,878	20,774,749
Attributable to:				
Loans and advances to banks (note 2(a))	57,432	-	-	57,432
Loans and advances to customers (note 2(a))	4,615,439	-	16,101,878	20,717,317
	4,672,871	-	16,101,878	20,774,749
Deducted from:				
Loans and advances to banks (note 2(a))	108,334,836	-	-	108,334,836
Loans and advances to customers (note 2(a))	1,747,723,214	-	16,101,878	1,763,825,092
	1,856,058,050	-	16,101,878	1,872,159,928

(F) **Supplementary Information**

(2) **Loans and advances (continued)**

(d) Impaired loans and advances	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Gross impaired loans and advances	9,760,000	16,101,878
Credit loss allowances		
- Credit impaired	(9,760,000)	(16,101,878)
	-	-
Gross impaired loans and advances as a percentage of total gross loans and advances	0.50%	0.86%

Credit impaired loans and advances are unsecured.

(e) **By geographical areas**

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Gross loans and advances (non-credit impaired)		
- Hong Kong	469,972,698	588,194,944
- China	182,326,571	224,531,554
- Korea	405,004,470	252,710,482
- Others	902,820,286	790,621,070
	1,960,124,025	1,856,058,050
Gross loans and advances (credit impaired)		
- China	9,760,000	16,101,878
	1,969,884,025	1,872,159,928

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

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

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Debt securities		
- Listed in Hong Kong	48,457,500	47,098,120
- Listed outside Hong Kong	441,554,601	517,125,654
	<u>490,012,101</u>	<u>564,223,774</u>
Unlisted equity securities	4	4
	<u>490,012,105</u>	<u>564,223,778</u>
Issued by:		
Sovereigns	54,606,410	123,854,930
Public sector entities	84,925,526	94,939,769
Banks and other financial institutions	177,764,185	188,380,090
Corporate entities	172,715,984	157,048,989
	<u>490,012,105</u>	<u>564,223,778</u>

(b) Movement in credit loss allowances on financial assets at fair value through other comprehensive income charged to profit or loss

	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 2024	342,109	-	-	342,109
New assets originated	121,922	-	-	121,922
Assets derecognised or repaid during the period (other than write-offs)	(74,177)	-	-	(74,177)
Movements due to changes in credit risk	31,698	-	-	31,698
At 30 June 2024	<u>421,552</u>	<u>-</u>	<u>-</u>	<u>421,552</u>
At 1 January 2023	210,043	-	-	210,043
New assets originated	143,085	-	-	143,085
Assets derecognised or repaid during the year (other than write-offs)	(70,915)	-	-	(70,915)
Movements due to changes in credit risk	59,896	-	-	59,896
At 31 December 2023	<u>342,109</u>	<u>-</u>	<u>-</u>	<u>342,109</u>

(F) Supplementary Information

(4) Financial assets at amortised cost

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

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Debt securities		
- Listed outside Hong Kong	268,078,670	270,000,000
- Unlisted	118,076,107	100,000,000
	386,154,777	370,000,000
Less: Credit loss allowances	(212,849)	(172,500)
	385,941,928	369,827,500
Issued by:		
Banks and other financial institutions	339,839,860	339,859,600
Corporate entities	46,102,068	29,967,900
	385,941,928	369,827,500

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

	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 2024	172,500	-	-	172,500
New assets originated	39,483	-	-	39,483
Movements due to changes in credit risk	866	-	-	866
At 30 June 2024	212,849	-	-	212,849
At 1 January 2023	-	-	-	-
New assets originated	172,500	-	-	172,500
At 31 December 2023	172,500	-	-	172,500

(F) Supplementary Information

(5) Property and equipment

	Land and buildings US\$	Leasehold improvements US\$	Furniture, fittings and office equipment US\$	Total US\$
2024				
Cost:				
At 1 January 2024	1,022,708	488,770	1,145,030	2,656,508
Additions	-	-	718	718
Disposal	-	-	-	-
At 30 June 2024	1,022,708	488,770	1,145,748	2,657,226
Accumulated depreciation:				
At 1 January 2024	510,054	162,709	853,785	1,526,548
Charge for the period	8,222	32,741	47,390	88,353
Written back on disposal	-	-	-	-
At 30 June 2024	518,276	195,450	901,175	1,614,901
Net book value:				
At 30 June 2024 (unaudited)	504,432	293,320	244,573	1,042,325
2023				
Cost:				
At 1 January 2023	1,022,708	488,770	1,168,256	2,679,734
Additions	-	-	18,239	18,239
Disposal	-	-	(41,465)	(41,465)
At 31 December 2023	1,022,708	488,770	1,145,030	2,656,508
Accumulated depreciation:				
At 1 January 2023	493,520	96,866	796,982	1,387,368
Charge for the year	16,534	65,843	98,268	180,645
Written back on disposal	-	-	(41,465)	(41,465)
At 31 December 2023	510,054	162,709	853,785	1,526,548
Net book value:				
At 31 December 2023 (audited)	512,654	326,061	291,245	1,129,960

(F) **Supplementary Information**

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

(a) **Right-of-use assets**

	Prepaid land lease payments	Motor vehicles	Total
	US\$	US\$	US\$
2024			
Cost:			
At 1 January 2024	6,078,228	131,051	6,209,279
Additions	278,884	83,212	362,096
Changes arising from lease modification	1,011	-	1,011
Disposal	(745,751)	(131,051)	(876,802)
At 30 June 2024	5,612,372	83,212	5,695,584
Accumulated depreciation:			
At 1 January 2024	3,316,276	109,305	3,425,581
Charge for the period	1,014,388	15,397	1,029,785
Changes arising from lease modification	(184,276)	-	(184,276)
Written off on disposal	(703,993)	(116,487)	(820,480)
At 30 June 2024	3,442,395	8,215	3,450,610
Net carrying amount:			
At 30 June 2024 (unaudited)	2,169,977	74,997	2,244,974
2023			
Cost:			
At 1 January 2023	5,642,482	176,214	5,818,696
Additions	575,223	-	575,223
Disposal	(139,477)	(45,163)	(184,640)
At 31 December 2023	6,078,228	131,051	6,209,279
Accumulated depreciation:			
At 1 January 2023	1,363,438	124,288	1,487,726
Charge for the year	2,053,049	30,180	2,083,229
Written off on disposal	(100,211)	(45,163)	(145,374)
At 31 December 2023	3,316,276	109,305	3,425,581
Net carrying amount:			
At 31 December 2023 (audited)	2,761,952	21,746	2,783,698

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 one to five years (2023: one to five years).

(F) **Supplementary Information**

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

(b) **Lease liabilities**

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
At 1 January	2,785,060	4,323,415
Additions	362,096	575,223
Accretion of interest	21,750	37,230
Payments	(940,772)	(2,109,001)
Changes arising from lease modification	185,287	-
Disposal	(51,175)	(41,807)
	<u>2,362,246</u>	<u>2,785,060</u>

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

	For the six months ended 30-Jun-2024 (unaudited) US\$	For the six months ended 30-Jun-2023 (unaudited) US\$
Depreciation expense of right-of-use assets	1,029,785	1,030,372
Interest expense on lease liabilities	21,750	18,413
Operating lease charges to short-term leases	263,941	186,345
Net losses/ (gains) on termination on leases	5,147	(2,541)
Total amounts recognised in statement of profit or loss	<u>1,320,623</u>	<u>1,232,589</u>

The Company had total cash outflows of US\$940,772 (2023: US\$2,109,001) for the period ended 30 June 2024. The Company also had non-cash additions of right-of-use assets and lease liabilities of US\$362,096 and US\$362,096 (2023: US\$575,223 and US\$575,223) for the period ended 30 June 2024 respectively.

(7) **Deposits from customers**

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

(F) Supplementary Information

(8) Reserves

	Financial assets at fair value through other comprehensive income revaluation reserve US\$	Retained profits US\$	Total US\$
At 1 January 2024	(5,943,536)	318,088,198	312,144,662
Financial assets at fair value through other comprehensive income:			
- Change in fair value, net of deferred tax	1,255,474	-	1,255,474
- Transfer to statement of profit or loss on disposal	(409,323)	-	(409,323)
- Transfer of credit loss expenses to statement of profit or loss	119,901	-	119,901
Profit for the period	-	34,652,581	34,652,581
Re-measurement losses on defined benefit scheme	-	(3,205)	(3,205)
At 30 June 2024 (unaudited)	(4,977,484)	352,737,574	347,760,090
At 1 January 2023	(11,634,843)	270,023,774	258,388,931
Financial assets at fair value through other comprehensive income:			
- Change in fair value, net of deferred tax	5,573,674	-	5,573,674
- Transfer to statement of profit or loss on disposal	(10,119)	-	(10,119)
- Transfer of credit loss expenses to statement of profit or loss	132,066	-	132,066
- Reclassification	(4,314)	4,314	-
Profit for the year	-	48,080,152	48,080,152
Re-measurement losses on defined benefit scheme	-	(20,042)	(20,042)
At 31 December 2023 (audited)	(5,943,536)	318,088,198	312,144,662

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 2024, the Company has earmarked US\$5,017,312 (31 December 2023: US\$5,200,727) 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.

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Exchange rate contracts		
Forwards	539,707,251	384,629,247
Interest rate contracts		
Swaps		
- Qualifying for hedge accounting	230,000,000	216,000,000
- Others	67,600,000	77,600,000
	297,600,000	293,600,000
	837,307,251	678,229,247

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-2024 (unaudited)			At 31-Dec-2023 (audited)		
	Fair value		Credit risk weighted amount US\$	Fair value		Credit risk weighted amount US\$
	Assets US\$	Liabilities US\$		Assets US\$	Liabilities US\$	
Exchange rate contracts						
Forwards	3,386,576	1,749,861	2,783,931	7,014	14,285,037	693,531
Interest rate contracts						
Swaps	3,557,373	-	1,268,584	3,680,532	-	1,317,232
	6,943,949	1,749,861	4,052,515	3,687,546	14,285,037	2,010,763

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 and interest rate 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-2024 (unaudited)			At 31-Dec-2023 (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\$
Interest rate contracts						
Swaps	(1,887,376)	856,237	(1,141,571)	3,746,198	60,348	-

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 2024, the net fair value liabilities of interest rate swaps was US\$285,334 comprising assets of US\$856,237 and liabilities of US\$1,141,571. At 31 December 2023, the net value of interest rate swaps was US\$60,348 comprising of assets only.

(F) Supplementary Information

(10) Contingent liabilities and commitments

(a) Contingent liabilities and commitments to extend credit

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Trade-related contingencies	-	753,544
Other commitments		
- with an original maturity of under one year	48,990,000	8,900,000
- with an original maturity of more than one year	316,862,841	327,171,774
	<u>365,852,841</u>	<u>336,825,318</u>
Credit risk weighted amounts	<u>168,229,420</u>	<u>165,516,596</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 2024 was US\$601,452 (31 December 2023: US\$291,077).

(b) Capital commitments

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

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Contracted for	109,631,215	87,765,109
Credit risk weighted amounts	<u>94,697,736</u>	<u>88,158,153</u>

(F) Supplementary Information

(11) Maturity analysis on assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled.

	At 30-Jun-2024 (unaudited)		
	Within 12 months	After 12 months	Total
	US\$	US\$	US\$
Cash and balances with banks and other financial institutions	27,516,034	-	27,516,034
Placements with banks and other financial institutions	99,950,545	-	99,950,545
Financial assets at fair value through profit or loss	6,553,144	164,346,194	170,899,338
Loans and advances	467,623,793	1,486,988,308	1,954,612,101
Financial assets at fair value through other comprehensive income	115,731,830	374,280,275	490,012,105
Financial assets at amortised cost	-	385,941,928	385,941,928
Property and equipment	-	1,042,325	1,042,325
Right-of-use assets	1,262,492	982,482	2,244,974
Interest receivable and other assets	35,677,152	-	35,677,152
	754,314,990	2,413,581,512	3,167,896,502
Deposits and balances of banks and other financial institutions	1,682,499,092	-	1,682,499,092
Financial liabilities at fair value through profit or loss	1,749,861	-	1,749,861
Certificates of deposit issued	855,041,048	-	855,041,048
Lease liabilities	1,386,050	976,196	2,362,246
Tax payable	4,045,800	-	4,045,800
Interest payable and other liabilities	33,989,457	-	33,989,457
Deferred tax liabilities	448,908	-	448,908
	2,579,160,216	976,196	2,580,136,412
	At 31-Dec-2023 (audited)		
	Within 12 months	After 12 months	Total
	US\$	US\$	US\$
Cash and balances with banks and other financial institutions	10,288,836	-	10,288,836
Placements with banks and other financial institutions	99,764,063	-	99,764,063
Financial assets at fair value through profit or loss	322,833	157,994,883	158,317,716
Loans and advances	412,637,061	1,438,748,118	1,851,385,179
Financial assets at fair value through other comprehensive income	233,934,044	330,289,734	564,223,778
Financial assets at amortised cost	-	369,827,500	369,827,500
Property and equipment	-	1,129,960	1,129,960
Right-of-use assets	145,715	2,637,983	2,783,698
Interest receivable and other assets	53,476,954	-	53,476,954
	810,569,506	2,300,628,178	3,111,197,684
Deposits and balances of banks and other financial institutions	1,393,137,585	350,000,000	1,743,137,585
Deposits from customers	1,089,214	-	1,089,214
Financial liabilities at fair value through profit or loss	14,285,037	-	14,285,037
Certificates of deposit issued	769,707,245	-	769,707,245
Lease liabilities	1,876,994	908,066	2,785,060
Tax payable	736,482	-	736,482
Interest payable and other liabilities	27,091,462	-	27,091,462
Deferred tax liabilities	220,937	-	220,937
	2,208,144,956	350,908,066	2,559,053,022

(F) **Supplementary Information**

(12) **Capital adequacy ratios**

	At 30-Jun-2024 (unaudited)	At 31-Dec-2023 (audited)
Common Equity Tier 1 ("CET1") capital ratio	20.73%	20.16%
Tier 1 capital ratio	20.73%	20.16%
Total capital ratio	21.13%	20.54%

Capital adequacy ratios were complied 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?GmBrId=AL&_mnuId=IHIHGM2065&GmMIngTc=en

(F) Supplementary Information

(13) Regulatory capital disclosures

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
CET1 capital instruments	240,000,000	240,000,000
Retained earnings	352,737,574	318,088,198
Disclosed reserves	(4,977,484)	(5,943,536)
CET 1 CAPITAL BEFORE DEDUCTIONS	587,760,090	552,144,662
Deduct:		
Regulatory reserve for general banking risks	(5,017,312)	(5,200,727)
Defined benefit pension fund assets (net of related deferred tax liability)	(15,856)	(7,949)
CET1 CAPITAL	582,726,922	546,935,986
ADDITIONAL TIER 1 CAPITAL AFTER DEDUCTIONS	-	-
TIER 1 CAPITAL	582,726,922	546,935,986
Regulatory reserve for general banking risks	5,017,312	5,200,727
Collective impairment allowance	6,424,057	5,255,291
TIER 2 CAPITAL	11,441,369	10,456,018
TOTAL CAPITAL BASE	594,168,291	557,392,004

(F) Supplementary Information

(14) 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.

	For the six months ended 30-Jun-2024 (unaudited)	For the six months ended 30-Jun-2023 (unaudited)
Average liquidity maintenance ratio for the period	130.82%	95.45%

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

(F) Supplementary Information

(15) Leverage ratio

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
On-balance sheet exposures	3,160,952,553	3,107,510,138
Less: Regulatory adjustments	(15,856)	(7,949)
Total on-balance sheet exposures	3,160,936,697	3,107,502,189
Replacement cost associated with all derivatives contracts	10,920,261	7,476,868
Add-on amounts for potential future exposure associated with all derivatives contracts	15,605,828	11,832,329
Total derivative exposures	26,526,089	19,309,197
Exposures with a 20% credit conversion factor	9,798,000	1,930,709
Exposures with a 50% credit conversion factor	213,247,028	207,468,442
Total off-balance sheet exposures	223,045,028	209,399,151
Securities financing transaction exposures	-	-
Total exposures before adjustments for specific and collective provisions	3,410,507,814	3,336,210,537
Less: Adjustments for specific and collective provisions	(601,452)	(291,077)
Total exposures after adjustments for specific and collective provisions	3,409,906,362	3,335,919,460
Tier 1 capital	582,726,922	546,935,986
Leverage ratio	17.09%	16.40%

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

(F) Supplementary Information

(16) 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 2024 (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%	400,757,257		
China	-	411,346,221		
Australia	1.000%	125,597,616		
Canada	-	7,455,063		
Cayman Islands	-	377,669,244		
France	1.000%	25,095,440		
Finland	-	32,285,269		
India	-	30,831,340		
Ireland	-	48,648,360		
Luxembourg	0.500%	92,876,040		
Netherlands	2.000%	35,027,226		
Singapore	-	84,549,617		
South Korea	1.000%	363,773,793		
Spain	-	39,163,042		
Taiwan	-	10,005,620		
Turkey	-	53,489,573		
United Arab Emirates	-	2,289,986		
United Kingdom	2.000%	92,500,345		
United States	-	54,508,780		
Virgin Islands (British)	-	11,512,156		
Total		2,299,381,988	0.529%	12,163,731

(F) Supplementary Information

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

At 31 December 2023 (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%	412,980,845		
China	-	499,718,580		
Australia	1.000%	123,060,760		
Canada	-	6,543,437		
Cayman Islands	-	369,560,591		
France	0.500%	24,777,391		
Finland		33,460,104		
India	-	30,936,653		
Ireland	-	100,290,497		
Kuwait	-	1,207,798		
Luxembourg	0.500%	82,233,118		
Macau SAR	-	19,241,230		
Netherlands	1.000%	10,079,895		
Philippines	-	24,458,191		
Saudi Arabia	-	19,950,592		
Singapore	-	57,602,909		
South Korea	-	188,216,580		
Spain	-	40,551,844		
Taiwan		10,005,630		
United Arab Emirates	-	2,505,717		
United Kingdom	2.000%	79,567,461		
United States	-	57,060,044		
Virgin Islands (British)	-	20		
Total		2,194,009,887	0.346%	7,591,274

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&.mnuld=IHIHGM2065&GmMIngTc=en>

(F) Supplementary Information

(17) 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>		
	Banks	Official	Non-bank	Non-bank	Total
	US\$	Sector	financial	private sector	US\$
		US\$	institutions		
			US\$	US\$	
At 30 June 2024 (unaudited)					
Developed countries	552,437,619	54,965,275	409,422,378	178,807,503	1,195,632,775
- of which Australia	15,491,950	-	91,913,287	37,356,853	144,762,090
- of which Belgium	273,738	-	-	-	273,738
- of which Canada	-	-	6,333,061	-	6,333,061
- of which Finland	-	-	-	32,285,269	32,285,269
- of which France	113,614,864	-	-	-	113,614,864
- of which Ireland	-	-	149,246,272	-	149,246,272
- of which Japan	77,940,271	-	-	-	77,940,271
- of which Luxembourg	12,084	-	56,923,493	-	56,935,577
- of which Netherlands	-	-	-	35,027,226	35,027,226
- of which Norway	-	-	2,495,097	-	2,495,097
- of which Spain	55,969,863	-	-	39,163,042	95,132,905
- of which United Kingdom	267,746,499	-	84,484,757	-	352,231,256
- of which United States	21,388,350	54,965,275	18,026,411	34,975,113	129,355,149
Offshore centres	12,621,804	-	313,966,807	104,673,400	431,262,011
- of which Cayman Islands	-	-	204,181,207	-	204,181,207
- of which Hong Kong	2,100,729	-	41,790,942	51,894,336	95,786,007
- of which Panama	10,521,075	-	-	-	10,521,075
- of which Singapore	-	-	67,994,658	52,779,064	120,773,722
Developing Latin America and Caribbean	-	-	-	15,126,356	15,126,356
- of which Residual Developing Latin America And Caribbean	-	-	-	15,126,356	15,126,356
Developing Africa and Middle East	27,273,470	12,361,856	2,289,986	-	41,925,312
- of which Qatar	27,273,470	-	-	-	27,273,470
- of which United Arab Emirates	-	12,361,856	2,289,986	-	14,651,842
Developing Asia and Pacific	311,726,931	146,751,150	76,821,752	635,771,951	1,171,071,784
- of which China	113,697,624	-	7,567,978	291,911,556	413,177,158
- of which India	-	-	9,153,437	-	9,153,437
- of which South Korea	117,984,158	146,751,150	50,094,717	343,860,395	658,690,420
- of which Malaysia	29,013,292	-	-	-	29,013,292
- of which Taiwan	51,031,857	-	10,005,620	-	61,037,477

(F) Supplementary Information**(17) 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 2023 (unaudited)					
Developed countries	458,442,240	124,427,917	341,840,526	154,460,673	1,079,171,356
- of which Australia	17,442,613	-	78,657,930	36,783,051	132,883,594
- of which Belgium	1,889,843	-	-	-	1,889,843
- of which Canada	-	-	5,480,486	-	5,480,486
- of which Finland	-	-	-	33,460,104	33,460,104
- of which France	109,748,247	-	1,859,009	-	111,607,256
- of which Ireland	-	-	100,290,497	-	100,290,497
- of which Japan	67,673,478	-	-	-	67,673,478
- of which Luxembourg	18,246	-	52,638,910	-	52,657,156
- of which Netherlands	-	-	-	10,079,895	10,079,895
- of which Spain	40,073,197	-	-	40,551,844	80,625,041
- of which United Kingdom	219,363,216	-	78,709,373	-	298,072,589
- of which United States	2,233,400	124,427,917	24,204,321	33,585,779	184,451,417
Offshore centres	33,333,991	-	297,508,579	79,040,439	409,883,009
- of which Cayman Islands	-	-	181,663,315	-	181,663,315
- of which Hong Kong	753,178	-	55,509,901	45,326,376	101,589,455
- of which Panama	10,647,471	-	-	-	10,647,471
- of which Singapore	21,933,342	-	60,335,363	33,714,063	115,982,768
Developing Latin America and Caribbean	-	-	-	15,126,431	15,126,431
- of which Residual Developing Latin America And Caribbean	-	-	-	15,126,431	15,126,431
Developing Africa and Middle East	27,882,037	12,362,534	3,713,515	19,950,592	63,908,678
- of which Kuwait	-	-	1,207,798	-	1,207,798
- of which Qatar	27,882,037	-	-	-	27,882,037
- of which Saudi Arabia	-	-	-	19,950,592	19,950,592
- of which United Arab Emirates	-	12,362,534	2,505,717	-	14,868,251
Developing Asia and Pacific	365,030,379	158,885,445	40,773,409	617,831,583	1,182,520,816
- of which China	148,680,402	-	11,545,733	415,126,416	575,352,551
- of which India	-	-	9,252,442	-	9,252,442
- of which South Korea	145,172,581	158,885,445	9,969,604	178,246,976	492,274,606
- of which Malaysia	25,123,937	-	-	-	25,123,937
- of which Philippines	-	-	-	24,458,191	24,458,191
- of which Taiwan	46,053,459	-	10,005,630	-	56,059,089

(F) **Supplementary Information**

(18) **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-2024 (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	98,967,270	58,990,000	157,957,270
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	90,084,114	-	90,084,114
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3	166,561,867	6,000,000	172,561,867
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	10,471,301	-	10,471,301
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	43,577,662	41,655,053	85,232,715
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	107,708,338	35,966,304	143,674,642
Total	8	517,370,552	142,611,357	659,981,909
Total assets after provision	9	3,172,837,027		
On-balance sheet exposures as percentage of total assets	10	16.31%		

(F) Supplementary Information

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

		31-Dec-2023 (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	79,973,028	-	79,973,028
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	101,017,790	-	101,017,790
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3	224,521,459	26,400,000	250,921,459
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	11,024,663	-	11,024,663
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	113,927,392	46,654,545	160,581,937
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	116,047,882	33,175,835	149,223,717
Total	8	<u>646,512,214</u>	<u>106,230,380</u>	<u>752,742,594</u>
Total assets after provision	9	<u>3,119,153,943</u>		
On-balance sheet exposures as percentage of total assets	10	<u>20.73%</u>		

Specific provision of US\$9,760,000 (2023: US\$16,101,878) was made in respect of the above exposures for the period ended 30 June 2024.

(F) Supplementary Information

(19) Currency risk

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-2024 (unaudited)							
	United States Dollars	Pound sterling	Japanese Yen	Euros	Renminbi	Australian Dollars	Others	Total
Spot assets	18,703	142	83	2,108	2	817	-	21,855
Spot liabilities	(21,300)	-	(80)	(5)	-	-	-	(21,385)
Forward purchases	5,717	10	-	8	-	16	-	5,751
Forward sales	(3,135)	(152)	-	(2,104)	-	(827)	-	(6,218)
Net long/(short) position	(15)	-	3	7	2	6	-	3

Expressed in millions of Hong Kong dollars	At 31-Dec-2023 (unaudited)							
	United States Dollars	Pound sterling	Japanese Yen	Euros	Renminbi	Australian Dollars	Others	Total
Spot assets	18,085	162	94	1,735	19	725	-	20,820
Spot liabilities	(21,021)	-	(91)	(7)	(17)	(17)	-	(21,153)
Forward purchase	5,274	-	-	-	-	16	-	5,290
Forward sales	(2,306)	(159)	-	(1,725)	-	(710)	-	(4,900)
Net long/(short) position	32	3	3	3	2	14	-	57

(F) Supplementary Information

(20) 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.

	At 30-Jun-2024 (unaudited) US\$	At 31-Dec-2023 (audited) US\$
Gross loans and advances to customers which have been overdue with respect to principal for period of		
- 6 months or less but over 3 months	-	6,341,878
- over 1 year	9,760,000	9,760,000
	<u>9,760,000</u>	<u>16,101,878</u>

(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 at 30 June 2024 and 31 December 2023.

(c) There were no other assets which have been overdue for more than 3 months at 30 June 2024 and 31 December 2023.

(d) There were no repossessed assets held at 30 June 2024 and 31 December 2023.

(21) 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&_mnuld=IHIHGM2065&GmMngTc=en

(22) 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&_mnuld=IHIHGM2066&GmMngTc=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 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements.

(H) Compliance with Disclosure Requirements

In preparing the interim results for the six months ended 30 June 2024, 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.

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