



KEB HANA GLOBAL FINANCE LIMITED
換銀韓亞環球財務有限公司

Banking Disclosure Statements

30 June 2019

(Unaudited)

**These disclosures are prepared under
the Banking (Disclosure) Rules**

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

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KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

Corporate Information

KEB Hana Global Finance Limited (The "Company") is a limited liability company incorporated in Hong Kong. The Company's immediate holding company is KEB Hana Bank (the "Parent Bank"), a limited company incorporated in the Republic of Korea, and the ultimate holding company is Hana Financial Group Inc. The registered office and principal place of business of the Company is Suites 1706-10, 17th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong.

The Company is a deposit-taking company registered under the Banking Ordinance in Hong Kong and a registered institution under the Securities and Futures Ordinance. It engages in the business of lending, deposit-taking, dealing in securities and brokerage business. There were no significant changes in the nature of the Company's principal activities during the period.

Basis of preparation

The banking disclosure statements have been prepared in accordance with and fully comply with the requirements set out in the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("HKMA").

The approaches used in calculating the company's regulatory capital or capital charge are in accordance with the Banking (Capital) Rules (the "Capital Rules"). In accordance with the Capital Rules, the Company has adopted the "Basic Approach" for the calculation of risk-weighted assets for credit risk, and the "Basic Indicator Approach" for the calculation of operational risk. The Company has been exempted under section 22(1) of the Banking (Capital) Rules from the calculation of market risk under section 17.

KEB HANA GLOBAL FINANCE LIMITED

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Unaudited)

For six months ended 30 June 2019

	Notes	30 June 2019 US\$	30 June 2018 US\$
Interest income	2	3,966,422	2,965,012
Interest expenses	2	(1,881,145)	(1,160,905)
Net interest income		2,085,277	1,804,107
Fee income	3	2,044,993	908,690
Profit on sales of loans		10,000	-
		4,140,270	2,712,797
Operating expenses	4	(1,580,980)	(1,554,976)
Reversal of impairment allowance on debt investments at fair value through other comprehensive income		1,289	29
Reversal / (charge) for impairment allowances on loans and advances to customers	5	36,517	(62,012)
PROFIT BEFORE TAX		2,597,096	1,095,838
Income tax expense		-	-
PROFIT FOR THE PERIOD		2,597,096	1,095,838
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Debt investments at fair value through other comprehensive income:			
Changes in fair value		221,294	(148,565)
Change of impairment allowances charged to profit or loss		(1,289)	(29)
		220,005	(148,594)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		220,005	(148,594)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,817,101	947,244

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

STATEMENT OF FINANCIAL POSITION

(Unaudited)

At 30 June 2019

	Notes	30 June 2019 US\$	31 Dec 2018 US\$
ASSETS			
Bank balances with the Parent Bank	13	170,413	137,120
Bank balances with other financial institutions		1,388,384	569,107
Loans and advances	5	158,415,753	182,831,514
Debt investments at fair value through other comprehensive income	6	24,639,092	28,452,680
Property and equipment	7	103,699	130,779
Intangible assets	8	254,963	254,963
Deferred tax assets		62,884	62,884
Other receivables and prepayments		308,482	288,874
Total assets		<u>185,343,670</u>	<u>212,727,921</u>
LIABILITIES			
Loans due to the Parent Bank	13	121,253,358	151,432,019
Accrued expenses and other payables		206,402	229,093
Provision for reinstatement cost	9	94,853	94,853
Tax payable		310,668	310,668
Total liabilities		<u>121,865,281</u>	<u>152,066,633</u>
EQUITY			
Share capital	10	50,000,000	50,000,000
Reserves		13,478,389	10,661,288
Total equity		<u>63,478,389</u>	<u>60,661,288</u>
Total liabilities and equity		<u>185,343,670</u>	<u>212,727,921</u>

The notes on pages 8 to 15 form part of this financial report.

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

STATEMENT OF CHANGES IN EQUITY

(Unaudited)

For six months ended 30 June 2019

	Share Capital US\$	Available-for-sale investment revaluation reserve US\$	Fair value reserve US\$	Retained profits US\$	Regulatory reserve (note 11) US\$	Total US\$
At 31 December 2017	50,000,000	(236,074)	-	5,331,778	1,299,698	56,395,402
Effect of adoption of HKFRS 9	-	236,074	(230,323)	61,623	-	67,374
At 1 January 2018 (as restated)	50,000,000	-	(230,323)	5,393,401	1,299,698	56,462,776
Profit for the six months ended 30 June 2018	-	-	-	1,095,838	-	1,095,838
Other comprehensive income for the period:						
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	(148,565)	-	-	(148,565)
Expected credit losses released in profit or loss	-	-	(29)	-	-	(29)
Transfer to retained profits from regulatory reserve	-	-	-	50,870	(50,870)	-
At 30 June 2018	<u>50,000,000</u>	<u>-</u>	<u>(378,917)</u>	<u>6,540,109</u>	<u>1,248,828</u>	<u>57,410,020</u>
At 31 December 2018	50,000,000	-	(184,066)	9,252,414	1,592,940	60,661,288
Profit for the six months ended 30 June 2019	-	-	-	2,597,096	-	2,597,096
Other comprehensive income for the period:						
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	221,294	-	-	221,294
Expected credit losses charged in profit or loss	-	-	(1,289)	-	-	(1,289)
Transfer to retained profits from regulatory reserve	-	-	-	236,631	(236,631)	-
At 30 June 2019	<u>50,000,000</u>	<u>-</u>	<u>35,939</u>	<u>12,086,141</u>	<u>1,356,309</u>	<u>63,478,389</u>

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換銀韓亞環球財務有限公司

STATEMENT OF CASH FLOWS

(Unaudited)

For six months ended 30 June 2019

	30 June 2019 US\$	30 June 2018 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,597,096	1,095,838
Adjustments for:		
Depreciation	28,469	67,264
Release of impairment allowances of debt investments at fair value through other comprehensive income	(1,289)	(29)
(Reversal)/charge for impairment allowances of loans and advances to customers	(36,517)	62,012
Profit on disposal of fixed assets	-	(3,826)
Operating profit before changes in operating assets and liabilities	<u>2,587,759</u>	<u>1,221,259</u>
Changes in operating assets:		
Decrease in gross loans and advances to customers	24,452,278	4,982,291
Decrease/(increase) in debt investments at fair value through other comprehensive income	4,034,882	(10,401)
(Increase)/decrease in other receivables and prepayments	(19,608)	5,939
	<u>28,467,552</u>	<u>4,977,829</u>
Changes in operating liabilities:		
Decrease in loans due to the Parent Bank	(30,178,661)	(5,964,525)
Decrease in accrued expenses and other payables	(22,691)	(26,626)
	<u>(30,201,352)</u>	<u>(5,991,151)</u>
Hong Kong profits tax paid	-	-
Net cash flows (used in)/generated from operating activities	<u>853,959</u>	<u>207,937</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,389)	-
Proceeds on disposal of intangible assets	-	-
Proceeds on disposal of fixed assets	-	3,981
Net cash flows from investing activities	<u>(1,389)</u>	<u>3,981</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	852,570	211,918
Cash and cash equivalents at the beginning of the year	<u>706,227</u>	<u>388,222</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u><u>1,558,797</u></u>	<u><u>600,140</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances with the Parent Bank	170,413	105,337
Bank balances with other financial institutions	1,388,384	494,803
	<u><u>1,558,797</u></u>	<u><u>600,140</u></u>

KEB HANA GLOBAL FINANCE LIMITED

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

1. ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policies that are expected to be reflected in the 2019 annual financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. INTEREST INCOME AND INTEREST EXPENSES

	30 June 2019 US\$	30 June 2018 US\$
Interest income arising from:		
Bank balances with the Parent Bank	2	1,443
Loans and advances to customers	3,635,148	2,613,872
Debt investments at fair value through other comprehensive income	<u>331,272</u>	<u>349,697</u>
	<u>3,966,422</u>	<u>2,965,012</u>
Interest expenses for financial liabilities measured at amortised cost:		
Loans due to Parent Bank wholly repayable within one year	<u>1,881,145</u>	<u>1,160,905</u>
	<u>1,881,145</u>	<u>1,160,905</u>

Interest income earned from financial assets not designated as at fair value through profit or loss, by category of assets, is as follows:

	30 June 2019 US\$	30 June 2018 US\$
Bank balances with the Parent Bank	2	1,443
Loans and advances to customers	3,635,148	2,613,872
Debt investments at fair value through other comprehensive income	<u>331,272</u>	<u>349,697</u>
	<u>3,966,422</u>	<u>2,965,012</u>

There was no interest income recognised on impaired loans and advances to customers for the six months ended 30 June 2019 (30 June 2018: US\$21,152).

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

3. FEE INCOME

	30 June 2019 US\$	30 June 2018 US\$
Arrangement fee on loans	1,531,278	534,895
Management and arrangement fee for debt securities issuance	60,000	-
Brokerage Income	437,389	351,969
Others	16,326	21,826
	<u>2,044,993</u>	<u>908,690</u>

4. OPERATING EXPENSES

	30 June 2019 US\$	30 June 2018 US\$
Staff costs	875,689	769,638
Premises and equipment expenses		
-office premises rental	267,150	309,121
-staff quarters rental	145,341	150,290
-office equipment	24,430	24,300
Depreciation of property and equipment	28,469	67,264
Auditors' remuneration	32,285	31,579
Net foreign exchange loss / (profit)	202	2,574
Profit on disposal of fixed assets	-	(3,826)
Others	207,414	204,036
	<u>1,580,980</u>	<u>1,554,976</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

5. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2019 US\$	31 Dec 2018 US\$
Gross loans and advances to customers:		
-neither past due nor impaired	158,757,488	183,209,766
-impaired	<u>-</u>	<u>-</u>
	<u>158,757,488</u>	<u>183,209,766</u>
Less: Allowances for expected credit losses		
- Stage 1	(215,039)	(232,475)
- Stage 2	<u>(126,696)</u>	<u>(145,777)</u>
	<u>158,415,753</u>	<u>182,831,514</u>

The gross loans and advances to customers classified at different stages are analysed as follows:

	30 June 2019 US\$	31 Dec 2018 US\$
Gross loans and advances to customers:		
- Stage 1	153,101,138	172,402,872
- Stage 2	5,656,350	10,806,894
- Stage 3	<u>-</u>	<u>-</u>
	<u>158,757,488</u>	<u>183,209,766</u>

An analysis of changes in different stages of the gross carrying amounts is as follows:

	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amounts as at 1 January 2018	146,047,674	2,002,100	1,250,557	149,300,331
Transfers to Stage 1	4,027,159	(4,027,159)	-	-
Transfers to Stage 2	(14,053,422)	15,303,422	(1,250,000)	-
Change arising from exposures transferred	(26,700)	5,386	-	(21,314)
New assets originated or assets repaid (excluding write offs)	<u>36,408,161</u>	<u>(2,476,855)</u>	<u>(557)</u>	<u>33,930,749</u>
At 31 December 2018 and 1 January 2019	172,402,872	10,806,894	-	183,209,766
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Change arising from exposures transferred	-	-	-	-
New assets originated or assets repaid (excluding write offs)	<u>(19,301,734)</u>	<u>(5,150,544)</u>	<u>-</u>	<u>(24,452,278)</u>
At 30 June 2019	<u>153,101,138</u>	<u>5,656,350</u>	<u>-</u>	<u>158,757,488</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

5. LOANS AND ADVANCES TO CUSTOMERS (continued)

An analysis of changes in different stages of the ECL allowances is as follows:

	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amounts as at 1 January 2018	145,139	367	957,500	1,103,006
Transfers to Stage 1 ¹	733	(733)	-	-
Transfers to Stage 2	(2,567)	960,067	(957,500)	-
Change arising from exposures Transferred ²	-	(626,356)	-	(626,356)
Other re-measurement of loss allowance	89,170	(187,568)	-	(98,398)
At 31 December 2018 and 1 January 2019	232,475	145,777	-	378,252
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Change arising from exposures transferred	-	-	-	-
Other re-measurement of loss allowance	(17,436)	(19,081)	-	(36,517)
At 30 June 2019	<u>215,039</u>	<u>126,696</u>	<u>-</u>	<u>341,735</u>

¹ Represents movements prior to re-measurement

² Represents the change in the year-end ECLs of exposures that were transferred from one stage to another during the year.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

6. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2019 US\$	31 Dec 2018 US\$
Debt investments at fair value through other comprehensive income listed outside Hong Kong	<u>24,639,092</u>	<u>28,452,680</u>
	<u>24,639,092</u>	<u>28,452,680</u>
Analysed by type of issuers as follows:		
Banks	9,568,491	9,529,411
Corporates	<u>15,070,601</u>	<u>18,923,269</u>
	<u>24,639,092</u>	<u>28,452,680</u>

The above debt investments were irrevocable designated at fair value through other comprehensive income as the Company considers these investments to be strategic in nature. Movements during the year are as follows:

	30 June 2019 US\$	31 Dec 2018 US\$
Carrying amounts at 1 January	28,452,680	28,393,245
Redemption on maturity	(4,000,000)	-
Amortisation of interest	(34,882)	13,188
Change in fair value	<u>221,294</u>	<u>46,247</u>
At 30 June and 31 December	<u>24,639,092</u>	<u>28,452,680</u>

During the period ended 30 June 2019, the gross gain in respect of the Company's debt investments at fair value through other comprehensive income recognised in other comprehensive income amounted to US\$221,294, of which no gross gain was reclassified from other comprehensive income to profit or loss.

The company applies the general approach to provide for expected credit losses prescribed by HKFRS 9. Movements in the loss allowance for debt investments at fair value through other comprehensive income are as follows:

	30 June 2019 US\$	31 Dec 2018 US\$
At 31 December 2017		-
Effect of adoption of HKFRS 9		<u>5,751</u>
Carrying amounts at 1 January	5,761	5,751
(Reversal)/charge of impairment allowance	<u>(1,289)</u>	<u>10</u>
At 30 June and 31 December	<u>4,472</u>	<u>5,761</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

7. PROPERTY AND EQUIPMENT

	Leasehold improvements US\$	Reinstatement cost US\$	Furniture and fixtures US\$	Office equipment US\$	Motor vehicles US\$	Total US\$
Cost						
At 1 January 2018	342,425	94,853	57,070	194,004	137,373	825,725
Additions	117,451	-	-	-	-	117,451
Disposal	(341,907)	-	(4,484)	-	(137,373)	(483,764)
At 31 December 2018 and 1 January 2019	117,969	94,853	52,586	194,004	-	459,412
Additions	-	-	-	1,389	-	1,389
At 30 June 2019	<u>117,969</u>	<u>94,853</u>	<u>52,586</u>	<u>195,393</u>	<u>-</u>	<u>460,801</u>
Accumulated depreciation						
At 1 January 2018	256,431	80,652	56,989	155,027	137,218	686,317
Provided for the year	82,552	13,722	-	26,324	-	122,598
Written back on disposal	(338,580)	-	(4,484)	-	(137,218)	(480,282)
At 31 December 2018 and 1 January 2019	403	94,374	52,505	181,351	-	328,633
Provided for the six months	19,435	-	-	9,034	-	28,469
At 30 June 2019	<u>19,838</u>	<u>94,374</u>	<u>52,505</u>	<u>190,385</u>	<u>-</u>	<u>357,102</u>
Carrying amount						
At 30 June 2019	<u>98,131</u>	<u>479</u>	<u>81</u>	<u>5,008</u>	<u>-</u>	<u>103,699</u>
At 31 December 2018	<u>117,566</u>	<u>479</u>	<u>81</u>	<u>12,653</u>	<u>-</u>	<u>130,779</u>

8. INTANGIBLE ASSETS

	30 June 2019 US\$	31 Dec 2018 US\$
Club debentures		
At 1 January, 30 June and 31 December	<u>254,963</u>	<u>254,963</u>

Intangible assets represent club debentures. For the purpose of impairment testing on club debentures, the recoverable amount has been determined based on its fair value less costs to sell, which is estimated based on prices quoted in the secondary market.

9. PROVISION FOR REINSTATEMENT COST

	30 June 2019 US\$	31 Dec 2018 US\$
At 1 January, 30 June and 31 December	<u>94,853</u>	<u>94,853</u>

There is no movement in the provision for reinstatement cost during the year.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

10. SHARE CAPITAL

	30 June 2019 US\$	31 Dec 2018 US\$
Issued and fully paid:		
50,000,000 (31 December 2018: 50,000,000) shares	<u>50,000,000</u>	<u>50,000,000</u>

There is no movement in the Company's share capital during the year.

11. REGULATORY RESERVE

The regulatory reserve is maintained to satisfy the provisions of the Banking Ordinance for prudential supervision purposes and is distributable to owners of the Company subject to consultation with the Hong Kong Monetary Authority. Movements in the reserve are made directly through reserves.

12. LOAN COMMITMENTS

	30 June 2019 US\$	31 Dec 2018 US\$
Loan commitments	<u>235,294</u>	<u>1,632,689</u>

As the facilities may expire without being drawn upon, the loan commitments do not necessarily represent expected future cash flows.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2019

13. RELATED PARTY TRANSACTIONS

During the year, the Company entered into transactions with related parties in the ordinary course of its business. In the opinion of the directors, the transactions were conducted on an arm's length basis. Transactions entered into by the Company during the period and balances with related parties as at 30 June 2019 and 31 December 2018 were as follows:

Balances with the Parent Bank

	30 June 2019 US\$	31 Dec 2018 US\$
Bank balances with the Parent Bank	170,413	137,120
Loans due to the Parent Bank (note)	<u>121,253,358</u>	<u>151,432,019</u>

Note : Loans due to the Parent Bank are unsecured, and bear interest at the weighted average rate of 2.61% per annum (31 Dec 2018: 2.99% per annum) and mature in the third quarter of 2019 (31 Dec 2018: first quarter of 2019).

Transactions with the Parent Bank

	30 June 2019 US\$	30 June 2018 US\$
Interest expenses	1,881,145	1,160,905
Interest income	2	1,443
Brokerage income	19,370	60,918
Management and arrangement fee for debt securities issued by the Parent Bank	<u>60,000</u>	<u>-</u>

During the six months ended 30 June 2019 and the year ended 2018, the Parent Bank provided certain administrative services, including credit assessment and information system maintenance, to the Company. No fee has been charged by the Parent Bank in respect of such services.

14. APPROVAL OF BANKING DISCLOSURE STATEMENTS

The banking disclosure statements were reviewed by internal auditor and approved by senior management.

UNAUDITED BANKING DISCLOSURE STATEMENTS

Key prudential ratios and overview of risk-weighted amount

Key prudential ratios

The following table sets out the key prudential ratios that it is required to calculate for the purpose of the Banking (Capital) Rules (“BCR”) or the Banking (Liquidity) Rules (“BLR”).

Table KM1: Key prudential ratios		30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
Regulatory capital (US\$) ⁽ⁱ⁾						
1	Common Equity Tier 1 (CET1)	61,804,233	59,738,919	58,750,501	57,287,700	55,684,311
2	Tier 1	61,804,233	59,738,919	58,750,501	57,287,700	55,684,311
3	Total capital	62,842,803	60,922,828	60,012,983	58,422,935	56,723,611
RWA (US\$) ⁽ⁱ⁾						
4	Total RWA	94,883,110	105,947,067	112,220,146	101,336,175	93,795,272
Risk-based regulatory capital ratios (as a percentage of RWA) ⁽ⁱ⁾						
5	CET1 ratio (%)	65.14	56.39	52.35	56.53	59.37
6	Tier 1 ratio (%)	65.14	56.39	52.35	56.53	59.37
7	Total capital ratio (%)	66.23	57.50	53.48	57.65	60.48
Additional CET1 buffer requirements (as a percentage of RWA) ⁽ⁱ⁾						
8	Capital conservation buffer requirement (%)	2.500	2.500	1.875	1.875	1.875
9	Countercyclical capital buffer requirement (%)	0.168	0.137	0.112	0.118	0.142
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.668	2.637	1.987	1.993	2.017
12	CET1 available after meeting the AI's minimum capital requirements (%)	58.23	49.50	45.48	49.65	52.48
Basel III leverage ratio ⁽ⁱⁱ⁾						
13	Total leverage ratio (LR) exposure measure (US\$)	184,128,896	194,872,409	212,011,733	196,529,536	175,575,876
14	LR (%)	33.57	30.66	27.71	29.15	31.72
Liquidity Maintenance Ratio (LMR) ⁽ⁱⁱⁱ⁾						
15	LMR (%)	2,787.44	1,435.91	1,195.48	747.32	346.16

- (i) The regulatory capital, RWAs, risk-based regulatory capital ratios and additional CET1 buffer requirements are disclosed in accordance with the information contained in the Capital Adequacy Ratio Return submitted to the HKMA on a solo basis under BCR.
- (ii) The Basel III leverage ratio disclosures are made in accordance with the information contained in the Leverage Ratio Return submitted to HKMA under BCR.
- (iii) The Liquidity maintenance ratios shown are the arithmetic mean of the average LMRs of the 3 calendar months within the quarter. The average LMR of each calendar month is the arithmetic mean of each calendar month's average liquidity maintenance ratio as reported in the Return of Liquidity Position submitted to HKMA. 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.
- (iv) The Company is not designated as category 1 institution, Net Stable Funding Ratio (“NSFR”) is not applicable to the Company.
- (v) The Company is not designated as category 2A institution, Core Funding Ratio (“CFR”) is not applicable to the Company.

UNAUDITED BANKING DISCLOSURE STATEMENTS

Overview of risk-weighted amount

The following table provides an overview of capital requirements in terms of a detailed breakdown of risk-weighted assets for various risks. Minimum capital requirement represents the amount of capital to be held for that risk based on its RWAs after any applicable scaling factor multiplied by 8%.

Table OV1: Overview of RWA		RWA (US\$)		Minimum capital requirements (US\$)
		30 June 2019	31 March 2019	30 June 2019
1	Credit risk for non-securitization exposures	83,085,618	94,712,743	6,646,849
2	Of which STC approach			
2a	Of which BSC approach	83,085,618	94,712,743	6,646,849
3	Of which IRB approach			
4	Counterparty credit risk	-	-	-
5	Of which SA-CCR			
5a	Of which CEM			
6	Of which IMM(CCR) approach			
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method			
14	Of which IRB(S) approach – supervisory formula method			
15	Of which STC(S) approach			
16	Market risk	-	-	-
17	Of which STM approach			
18	Of which IMM approach			
19	Operational risk	12,456,965	11,904,680	996,557
20	Of which BIA approach			
21	Of which STO approach			
21a	Of which ASA approach			
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	659,473	670,356	52,758
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	659,473	670,356	52,758
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital			
25	Total	94,883,110	105,947,067	7,590,648

UNAUDITED BANKING DISCLOSURE STATEMENTS

Composition of Regulatory capital

Composition of regulatory capital

The following table sets out the detailed compositions of the company's regulatory capital on solo basis.

Table CC1 : Composition of regulatory capital		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2019			
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	50,000,000	[c]
2	Retained earnings	12,086,141	[d]
3	Disclosed reserves	1,392,248	[e] + [g]
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	CET1 capital before regulatory deductions	63,478,389	
CET1 capital: regulatory deductions			
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	254,963	[a]
10	Deferred tax assets (net of associated deferred tax liabilities)	62,884	[b]
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

As at 30 June 2019

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	1,356,309	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	-	
26b	Regulatory reserve for general banking risks	1,356,309	[e]
26c	Securitization exposures specified in a notice given by the MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	1,674,156	
29	CET1 capital	61,804,233	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements</i>	-	
36	AT1 capital before regulatory deductions	-	
	AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	61,804,233	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
47	<i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i>	-	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	-	

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

As at 30 June 2019

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
49	<i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i>	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,038,570	[f]
51	Tier 2 capital before regulatory deductions	1,038,570	
	Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	-	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	-	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	1,038,570	
59	Total regulatory capital (TC = T1 + T2)	62,842,803	
60	Total RWA	94,883,110	
	Capital ratios (as a percentage of RWA)		
61	CET1 capital ratio	65.14%	
62	Tier 1 capital ratio	65.14%	
63	Total capital ratio	66.23%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.668%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.168%	
67	of which: higher loss absorbency requirement	0.000%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	58.23%	

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

As at 30 June 2019

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	National minima (if different from Basel 3 minimum)		
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
	Amounts below the thresholds for deduction (before risk weighting)		
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	-	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
	Applicable caps on the inclusion of provisions in Tier 2 capital		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	1,698,043	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	1,038,570	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	<i>Current cap on CET1 capital instruments subject to phase-out arrangements</i>	Not applicable	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase-out arrangements</i>	-	
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on Tier 2 capital instruments subject to phase-out arrangements</i>	-	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	-	

UNAUDITED BANKING DISCLOSURE STATEMENTS

Reconciliation of regulatory capital to balance sheet

The table below show the link between balance sheet in published financial statements and the numbers that are used in composition of regulatory capital disclosure template set out in table CC1.

Table CC2: Reconciliation of regulatory capital to balance sheet	Balance sheet as in published financial statements/under regulatory scope of consolidation* (as at 30 June 2019) USD	Reference
Assets		
Bank balances with Parent Bank	170,413	
Bank balances with other financial institutions	1,388,384	
Loans and advances	158,415,753	
Debt investments at fair value through other comprehensive income	24,639,092	
Property and equipment	103,699	
Intangible assets	254,963	[a]
Deferred tax assets	62,884	[b]
Other receivable and prepayments	308,482	
Total assets	185,343,670	
Liabilities		
Loans due to the Parent Bank	121,253,358	
Accrued expenses and other payables	206,402	
Provision for reinstatement cost	94,853	
Tax payable	310,668	
Total liabilities	121,865,281	
Shareholders' equity		
Share capital	50,000,000	[c]
Reserve	13,478,389	
Of which: Retained earnings	12,086,141	[d]
Of which: Regulatory Reserve	1,356,309	[e]
<i>Of which: amount eligible for AT2</i>	<i>1,038,570</i>	[f]
Of which: Accumulated other comprehensive income	35,939	[g]
Total shareholders' equity	63,478,389	

* The scope of accounting consolidation and scope of regulatory consolidation are exactly the same.

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Main features of regulatory capital instruments

The following table provides a description on the main features of the CET1, Additional Tier 1 and Tier 2 capital instruments that are included in regulatory capital.

As at 30 June 2019

Table CCA: Main features of regulatory capital instruments

		Quantitative / qualitative information
		Ordinary shares
1	Issuer	KEB Hana Global Finance Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not Applicable
3	Governing law(s) of the instrument	Hong Kong Special Administrative Region of the People's Republic of China
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo / group / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	USD50 million
9	Par value of instrument	No Par Value
10	Accounting classification	Shareholders' equity
11	Original date of issuance	July 2, 2009
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	NA
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

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Macroprudential supervisory measures

Geographical distribution of credit exposures used in countercyclical capital buffer

The following table presents the company's CCyB ratio, the geographic breakdown of risk-weighted amounts in relation to jurisdictions in which it has private sector credit exposures and the applicable Jurisdictional CCyB ratio of each jurisdiction. The company uses the ultimate risk basis to determine the geographical allocation for credit risk and risk country for market risk.

Table CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer ("CCyB")

		As at 30 June 2019			
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio (USD'000)	AI-specific CCyB ratio (%)	CCyB amount (USD'000)
1	Hong Kong SAR	2.5	3,511		
	Sum		3,511		
	Total		52,072	0.168	87

Leverage ratio

Summary comparison of accounting assets against leverage ratio exposure

The following table reconcile the total assets in the published financial statements to the LR exposure measure.

Table LR1: Summary comparison of accounting assets against leverage ratio exposure

		As at 30 June 2019
	Item	(a) Value under the LR framework (US\$)
1	Total consolidated assets as per published financial statements	185,343,670
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	-
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	117,647
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	-
7	Other adjustments	(1,332,421)
8	Leverage ratio exposure measure	184,128,896

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Leverage ratio

The following table provides a detailed breakdown of the components of the LR denominator.

		(a)	(b)
		US\$	
		30-Jun-19	31-Mar-19
Table LR2: Leverage ratio			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	185,685,405	196,198,950
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,674,156)	(1,789,376)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	184,011,249	194,409,574
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivative contracts	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	235,294	925,671
18	Less: Adjustments for conversion to credit equivalent amounts	(117,647)	(462,836)
19	Off-balance sheet items	117,647	462,835
Capital and total exposures			
20	Tier 1 capital	61,804,233	59,738,919
20a	Total exposures before adjustments for specific and collective provisions	184,128,896	194,872,409
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	184,128,896	194,872,409
Leverage ratio			
22	Leverage ratio	33.57%	30.66%

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Credit risk for non-securitization exposures

The following tables provide detailed information relating to credit risk for non-securitization exposures under BSC approach.

Credit quality exposures

As at 30 June 2019

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / Impairments (US\$)	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures (US\$)	Net values (a+b-c) (US\$)
Table CR1: Credit quality exposures		Defaulted Exposures (US\$)	Non-defaulted Exposures (US\$)		Allocated in regulatory category of specific provisions (US\$)	Allocated in regulatory category of collective provisions (US\$)		
1	Loans	-	158,757,488	341,735	-	341,735	-	158,415,753
2	Debt securities	-	24,639,092	-	-	-	-	24,639,092
3	Off-balance sheet exposures	-	235,294	-	-	-	-	235,294
4	Total	-	183,631,874	341,735	-	341,735	-	183,290,139

Changes in defaulted loans and debt securities

Table CR2 : Changes in defaulted loans and debt securities		Amount US\$
1	Defaulted loans and debt securities at end of Dec 2018	0
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes	0
6	Defaulted loans and debt securities at end of June 2019	0

Overview of recognized credit risk mitigation

As at 30 June 2019

		(a)	(b1)	(b)	(d)	(f)
Table CR3: Overview of recognized credit risk mitigation		Exposures unsecured: carrying amount (US\$)	Exposures to be secured (US\$)	Exposures secured by recognized collateral (US\$)	Exposures secured by recognized guarantees (US\$)	Exposures secured by recognized credit derivative contracts (US\$)
1	Loans	56,763,362	101,652,391	-	101,652,391	-
2	Debt securities	24,639,092	-	-	-	-
3	Total	81,402,454	101,652,391	-	101,652,391	-
4	Of which defaulted	-	-	-	-	-

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Overview of recognized credit risk mitigation

Table CR4: Credit risk exposures and effects of recognized credit risk mitigation – BSC approach

As at 30 June 2019

(US\$)		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes							
1	Sovereign exposures	3,122,089	235,294	-	-	-	-
2	PSE exposures	15,070,601	-	17,682,489	98,422	3,556,182	20%
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	16,128,821	-	115,200,881	19,225	27,045,248	23%
5	Cash items	-	-	-	-	-	-
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-
7	Residential mortgage loans	-	-	-	-	-	-
8	Other exposures	151,046,047	-	52,484,188	-	52,484,188	100%
9	Significant exposures to commercial entities	-	-	-	-	-	-
10	Total	185,367,558	235,294	185,367,558	117,647	83,085,618	45%

Credit risk exposures by asset classes and by risk weights

Table CR5: Credit risk exposures by asset classes and by risk weights – BSC approach

As at 30 June 2019

(US\$)										Total credit risk exposures amount (post CCF and post CRM)
Risk weight		0%	10%	20%	35%	50%	100%	250%	Others	
Exposure class										
1	Sovereign exposures									-
2	PSE exposures			17,780,911						17,780,911
3	Multilateral development bank exposures									-
4	Bank exposures			110,218,573			5,001,533			115,220,106
5	Cash items									-
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis									-
7	Residential mortgage loans									-
8	Other exposures						52,484,188			52,484,188
9	Significant exposures to commercial entities									-
10	Total	-	-	127,999,484	-	-	57,485,721	-	-	185,485,205

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Other disclosures

Off-balance sheet exposures other than derivative transaction

The following table gives the nominal contract amounts and the total risk-weighted amount for credit risk of contingent liabilities and commitments.

Items		30 June 2019 US\$ (Contractual Amounts)
(a)	Direct credit substitutes	
(b)	Transaction-related contingencies	
(c)	Trade-related contingencies	
(d)	Note issuance and revolving underwriting facilities	
(e)	Forward forward deposits placed	
(f)(i)	Commitments which have an original maturity of not more than one year	
(ii)	Commitments which have an original maturity of more than one year	235,294
(iii)	Commitments which may be cancelled at any time unconditionally	
	Total	235,294
Total risk-weighted amount		23,529

International Claims

The analysis of international claims is prepared in accordance with the HKMA Return of International Banking Statistics. 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 represent the sum of cross-border claims in all currencies and local claims in foreign currencies. The table below shows claims on individual countries and territories or areas, after recognised risk transfer, amounting to not less than 10% of the company's total international claims.

As at 30 June 2019	Non-bank private sector					
	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Developed countries	1,386,997	-	-	16,876,238	-	18,263,235
Offshore centres	-	-	-	3,510,692	-	3,510,692
- of which Hong Kong	-	-	-	3,510,692	-	3,510,692
Developing Africa and Middle East	5,001,533	-	-	8,060,996	-	13,062,529
Developing Asia and Pacific	9,596,206	3,122,089	5,030,902	132,236,734	-	149,985,931
- of which China	4,520,953	-	-	26,895,486	-	31,416,439
-of which South Korea	5,075,253	3,122,089	5,030,902	97,610,601	-	110,838,845

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Loans and Advances by Geographical Areas

The 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.

As at 30 June 2019	Gross loans and advances	Overdue loans and advances	Impaired Loans (individually determined)	Specific provision	General provision
	US\$	US\$	US\$	US\$	US\$
Hong Kong	3,510,692				(4,043)
China	26,893,093				(66,869)
South Korea	90,684,288				(144,833)
Others	37,669,415				(125,990)
TOTAL	158,757,488	-	-	-	(341,735)

Loans and Advances by Industry Sectors

The analysis of gross loans and advances to customers by industry sector based on categories and definitions used by the HKMA is as follows:

As at 30 June 2019	Gross loans and advances	% of gross loans and advances covered by collateral	Overdue loans and advances	Impaired loans (Individually determined)	Individually assessed impairment allowances	Collectively assess impairment allowances	Impaired loans written off during the year	Impairment charged/ (credited) to statement of profit or loss during the year
	US\$		US\$	US\$	US\$	US\$	US\$	US\$
Loans and advances for use in Hong Kong	-	-	-	-	-	-	-	-
Loans and advances for use outside Hong Kong	158,757,488	2.80	-	-	-	(341,735)	-	(36,517)
TOTAL	158,757,488	2.80	-	-	-	(341,735)	-	(36,517)

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Overdue and Rescheduled Assets

(i) Overdue loans and advances

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

There are no overdue loans and advances to customers and banks as at 30 June 2019.

(ii) Rescheduled loans and advances

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of 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 payment terms are non-commercial to the Company.

Rescheduled loans and advances to customers are stated net of any advances which have been subsequently become overdue for more than three months and which are included in "Overdue loans and advances (note (i)).

There are no rescheduled loans and advances to customers and banks as at 30 June 2019.

(iii) There are no other overdue assets as at 30 June 2019.

(iv) There are no repossessed assets held as at 30 June 2019.

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Non-bank Mainland China Exposures

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

As at 30 June 2019		Items in HKMA return	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
			US\$	US\$	US\$
1	Central government, central government owned entities and their subsidiaries and joint ventures (JVs)	1	-	-	-
2	Local governments, local government-owned entities and their subsidiaries and JVs	2	-	-	-
3	PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	625,130	-	625,130
4	Other entities of central government not reported in item 1 above	4	-	-	-
5	Other entities of local governments not reported in item 2 above	5	-	-	-
6	PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	26,042,027	-	26,042,027
7	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	-	-	-
	Total	8	26,667,157	-	26,667,157
	Total assets after provision				185,343,670
	On-balance sheet exposures as percentage of total assets				14.39%

Currency Risk

The Company's net positions or net structural positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position or total structural position in all foreign currencies.

As at 30 June 2019	USD HK\$m
Non-structural position	
Spot assets	1,447
Spot liabilities	(1,448)
Forward purchases	0
Forward sales	0
Net option position	0
Net long (short) position	(1)
Net structural position	0