



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

Banking Disclosure Statements

30 June 2021

(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

CONTENTS

	Pages
<b>Corporate Information and Basis of Preparation</b>	<b>3</b>
<b>Unaudited Interim Financial Statements</b>	
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to unaudited interim financial statements	8-16
<b>Unaudited Banking Disclosure Statements</b>	
Key prudential ratios and overview of risk-weighted amount	
Table KM1: Key prudential ratios	17
Table OV1: Overview of risk-weighted amount	18
Composition of regulatory capital	
Table CC1: Composition of regulatory capital	19-22
Table CC2: Reconciliation of regulatory capital to balance sheet	23
Table CCA: Main features of regulatory capital instruments	24
Macroprudential supervisory measures	
Table CCyB1: Geographical distribution of credit exposures used in countercyclical	25
Table LR1: Summary comparison of accounting assets against leverage ratio	25
Table LR2: Leverage ratio	26
Credit risk for non-securitization exposures	
Table CR1 : Credit quality exposures	27
Table CR2 : Changes in defaulted loans and debt securities	27
Table CR3 : Overview of recognized credit risk mitigation	27
Table CR4 : Credit risk exposures and effects of recognized credit risk mitigation (BSC approach)	28
Table CR5 : Credit risk exposures by asset classes and by risk weights (BSC approach)	28
Other disclosures	
Off-balance sheet exposures other than derivative transaction	29
International Claims	29
Loans and Advances by Geographical Areas	30
Loans and Advances by Industry Sectors	30
Overdue and Rescheduled Assets	31
Non-bank Mainland China Exposures	32
Currency Risk	32

## 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 Unit 6203A, Level 62, International Commerce Centre, 1 Austin Road West, Kowloon, 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").

These banking disclosures are governed by the Company's disclosure policy, which has been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the Banking Disclosure Statement is not required to be externally audited, the document has been subject to independent review in accordance with the Company's policies on disclosure.

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

換銀韓亞環球財務有限公司

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

For six months ended 30 June 2021

	Notes	30 June 2021 US\$	30 June 2020 US\$
Interest income	2	1,312,345	2,246,676
Interest expenses	2	( 112,243)	( 660,182)
Net interest income		1,200,102	1,586,494
Fee income	3	2,520,093	1,048,465
		3,720,195	2,634,959
Operating expenses	4	( 1,799,028)	( 1,749,297)
Reversal of impairment allowance on debt investments at fair value through other comprehensive income		9	2,395
(Recognised)/reversal of impairment allowances on loans and advances to customers	5	( 16,277)	32,557
PROFIT BEFORE TAX		1,904,899	920,614
Income tax expense		-	-
PROFIT FOR THE PERIOD		1,904,899	920,614
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		( 42,148)	87,601
Change of impairment allowances reversed in profit or loss		( 30)	( 2,395)
		( 42,178)	85,206
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		( 42,178)	85,206
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,862,721	1,005,820

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 2021

	Notes	30 June 2021 US\$	31 Dec 2020 US\$
<b>ASSETS</b>			
Bank balances with the Parent Bank	12	229,340	250,803
Bank balances with other financial institutions		469,745	9,729,906
Loans and advances	5	186,884,249	138,574,882
Tax recoverable		626,542	626,542
Debt investments at fair value through other comprehensive income	6	10,115,099	10,208,687
Property and equipment	7	1,305,372	1,817,970
Intangible assets	8	254,963	254,963
Deferred tax assets		9,850	9,850
Other receivables and prepayments		335,790	337,760
Total assets		<u>200,230,950</u>	<u>161,811,363</u>
<b>LIABILITIES</b>			
Loans due to the Parent Bank	12	129,212,222	92,222,112
Accrued expenses and other payables		171,376	170,263
Provision for reinstatement cost	9	118,521	117,310
Lease liabilities		808,413	1,243,981
Total liabilities		<u>130,310,532</u>	<u>93,753,666</u>
<b>EQUITY</b>			
Share capital	10	50,000,000	50,000,000
Reserves		19,920,418	18,057,697
Total equity		<u>69,920,418</u>	<u>68,057,697</u>
Total liabilities and equity		<u>200,230,950</u>	<u>161,811,363</u>

The notes on pages 8 to 16 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 2021

	Share Capital US\$	Fair value reserve US\$	Retained profits US\$	Regulatory reserve (note 11) US\$	Total US\$
At 1 January 2021	50,000,000	140,084	17,258,787	658,826	68,057,697
Profit for the six months ended 30 June 2021	-	-	1,904,899	-	1,904,899
Other comprehensive income for the period:					
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	( 42,148)	-	-	( 42,148)
Expected credit losses reversed in profit or loss	-	( 30)	-	-	( 30)
Transfer from retained profits to regulatory reserve	-	-	( 208,028)	208,028	-
At 30 June 2021	<u>50,000,000</u>	<u>97,906</u>	<u>18,955,658</u>	<u>866,854</u>	<u>69,920,418</u>
At 1 January 2020	50,000,000	39,564	14,861,406	1,295,924	66,196,894
Profit for the six months ended 30 June 2020	-	-	920,614	-	920,614
Other comprehensive income for the period:					
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	87,601	-	-	87,601
Expected credit losses charged in profit or loss	-	( 2,395)	-	-	( 2,395)
Transfer to retained profits from regulatory reserve	-	-	684,501	( 684,501)	-
At 30 June 2020	<u>50,000,000</u>	<u>124,770</u>	<u>16,466,521</u>	<u>611,423</u>	<u>67,202,714</u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

STATEMENT OF CASH FLOWS  
(Unaudited)

For six months ended 30 June 2021

	30 June 2021 US\$	30 June 2020 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,904,899	920,614
Adjustments for:		
Depreciation	499,579	524,020
Interest expenses on lease liabilities	9,034	17,830
Interest expenses on provision for reinstatement cost	1,211	1,188
Reversal of impairment allowances of debt investments at fair value through other comprehensive income	( 9)	( 2,395)
Charge/(reversal) for impairment allowances of loans and advances to customers	16,277	( 32,557)
Profit on termination of lease contracts	( 338)	-
Operating profit before changes in operating assets and liabilities	<u>2,430,653</u>	<u>1,428,700</u>
Changes in operating assets:		
(Increase)/decrease in gross loans and advances to customers	( 48,325,644)	14,253,456
Decrease in debt investments at fair value through other comprehensive income	51,419	9,495,641
Decrease in other receivables and prepayments	1,970	83,789
	<u>( 48,272,255)</u>	<u>23,832,886</u>
Changes in operating liabilities:		
Increase/(decrease) in loans due to the Parent Bank	36,990,110	( 23,212,307)
Increase/(decrease) in accrued expenses and other payables	1,113	( 101,824)
	<u>36,991,223</u>	<u>( 23,314,131)</u>
Interest element on lease liabilities	( 9,034)	( 17,830)
Hong Kong profits tax paid	-	( 923,754)
Net cash flows (used in)/generated from operating activities	<u>( 8,859,413)</u>	<u>1,005,871</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	( 4,321)	-
Net cash flows from investing activities	<u>( 4,321)</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Principal portion of lease payments	( 417,890)	( 437,357)
Net cash flows used in financing activities	<u>( 417,890)</u>	<u>( 437,357)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>( 9,281,624)</b>	<b>568,514</b>
Cash and cash equivalents at the beginning of the year	<u>9,980,709</u>	<u>860,501</u>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<u><u>699,085</u></u>	<u><u>1,429,015</u></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances with the Parent Bank	229,340	350,427
Bank balances with other financial institutions	469,745	1,078,588
	<u>699,085</u>	<u>1,429,015</u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

1. ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policies that are expected to be reflected in the 2021 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 2021 US\$	30 June 2020 US\$
Interest income arising from:		
Bank balances with the Parent Bank	23	4
Loans and advances to customers	1,266,293	2,056,525
Debt investments at fair value through other comprehensive income	<u>46,029</u>	<u>190,147</u>
	<u>1,312,345</u>	<u>2,246,676</u>
Interest expenses for financial liabilities measured at amortised cost:		
Loans due to Parent Bank wholly repayable within one year	<u>112,243</u>	<u>660,182</u>
	<u>112,243</u>	<u>660,182</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 2021 US\$	30 June 2020 US\$
Bank balances with the Parent Bank	23	4
Loans and advances to customers	1,266,293	2,056,525
Debt investments at fair value through other comprehensive income	<u>46,029</u>	<u>190,147</u>
	<u>1,312,345</u>	<u>2,246,676</u>

There was no interest income recognised on impaired loans and advances to customers for the six months ended 30 June 2021 (30 June 2020: NIL).



KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

3. FEE INCOME

	30 June 2021 US\$	30 June 2020 US\$
Arrangement fee on loans	1,516,881	496,872
Brokerage Income	966,453	508,700
Others	<u>36,759</u>	<u>42,893</u>
	<u>2,520,093</u>	<u>1,048,465</u>

4. OPERATING EXPENSES

	30 June 2021 US\$	30 June 2020 US\$
Staff costs	955,963	886,776
Depreciation of property and equipment (note 7)	66,104	65,848
Depreciation of right-of-use assets (note 7)	433,475	458,172
Interest expenses on lease liabilities (note 7)	9,034	17,830
(Gain)/loss on termination of lease contracts (note 7)	( 338)	-
Lease payments not included in the measurement of lease liabilities	75,386	25,270
Auditors' remuneration	40,257	44,502
Net foreign exchange loss	2,031	3,125
Others	<u>217,116</u>	<u>247,774</u>
	<u>1,799,028</u>	<u>1,749,297</u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

5. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2021 US\$	31 Dec 2020 US\$
Gross loans and advances to customers:		
-neither past due nor impaired	187,073,759	138,748,115
Less: Allowances for expected credit losses		
- Stage 1	( 142,917)	( 128,826)
- Stage 2	( 46,593)	( 44,407)
	<u>186,884,249</u>	<u>138,574,882</u>

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

	30 June 2021 US\$	31 Dec 2020 US\$
Gross loans and advances to customers:		
- Stage 1	180,621,245	131,429,400
- Stage 2	6,452,514	7,318,715
- Stage 3	-	-
	<u>187,073,759</u>	<u>138,748,115</u>

An analysis of changes in the gross carrying amounts and the corresponding ECL allowances is, as follows:

	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amounts as				
at 1 January 2021	131,429,400	7,318,715	-	138,748,115
New assets originated	64,447,821	-	-	64,447,821
Assets repaid	( 15,255,976)	( 866,201)	-	( 16,122,177)
At 30 June 2021	<u>180,621,245</u>	<u>6,452,514</u>	-	<u>187,073,759</u>
ECL allowances as at				
1 January 2021	128,826	44,407	-	173,233
Other re-measurement of loss allowance	14,091	2,186	-	16,277
At 30 June 2021	<u>142,917</u>	<u>46,593</u>	-	<u>189,510</u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

5. LOANS AND ADVANCES TO CUSTOMERS (continued)

An analysis of changes in the gross carrying amounts and the corresponding ECL allowances is, as follows:

	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
Gross carrying amounts as at 1 January 2020	146,077,762	500,034	-	146,577,796
Transfers to Stage 2	( 7,570,901)	7,570,901	-	-
Change arising from exposures transferred	-	( 37,832)	-	( 37,832)
New assets originated	42,948,607	-	-	42,948,607
Assets repaid	( 50,026,068)	( 714,388)	-	( 50,740,456)
At 31 December 2020	<u>131,429,400</u>	<u>7,318,715</u>	<u>-</u>	<u>138,748,115</u>

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\$
ECL allowances as at 1 January 2020	161,719	85,410	-	247,129
Transfers to Stage 2 <sup>1</sup>	( 1,468)	1,468	-	-
Change arising from exposures Transferred <sup>2</sup>	-	7,709	-	7,709
Other re-measurement of loss allowance	( 31,425)	( 50,180)	-	( 81,605)
At 31 December 2020	<u>128,826</u>	<u>44,407</u>	<u>-</u>	<u>173,233</u>

<sup>1</sup> Represents movements prior to re-measurement

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

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

6. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2021 US\$	31 Dec 2020 US\$
Debt investments at fair value through other comprehensive income listed outside Hong Kong	<u>10,115,099</u>	<u>10,208,687</u>
Analysed by type of issuers as follows:		
Banks	<u>10,115,099</u>	<u>10,208,687</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:

	US\$
At 1 January 2020	24,649,575
New Investments	10,079,000
Amortisation of interest	( 122,468)
Change in fair value	102,580
Redemption	( 24,500,000)
At 31 December 2020 and 1 January 2021	10,208,687
Amortization of interest	( 51,440)
Change in fair value	( 42,148)
At 30 June 2021	<u>10,115,099</u>

During the period ended 30 June 2021, the gross loss in respect of the Company's debt investments at fair value through other comprehensive income recognised in other comprehensive income amounted to US\$42,148 (2020: gross gain US\$102,580), of which no gross gain was reclassified from other comprehensive income to profit or loss (2020: Nil).

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:

	Stage 1 US\$
At 1 January 2020	5,301
Reversal of impairment allowance during the year	( 2,060)
At 31 December 2020 and 1 January 2021	3,241
Reversal of impairment allowance during the period	( 30)
At 30 June 2021	<u>3,211</u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

7. PROPERTY AND EQUIPMENT AND LEASES

	Right-of-use assets			Owned assets				
	Office premises and staff quarters US\$	Motor vehicle US\$	Total US\$	Leasehold improvements US\$	Furniture and fixtures US\$	Office equipment US\$	Total US\$	Total US\$
<i>Cost</i>								
At 1 January 2020	2,092,934	63,385	2,156,319	406,623	86,871	307,543	801,037	2,957,356
Additions	289,729	-	289,729	-	-	1,195	1,195	290,924
Termination of lease contracts/disposals	( 244,400)	-	( 244,400)	-	-	( 22,669)	( 22,669)	( 267,069)
At 31 December 2020 and 1 January 2021	2,138,263	63,385	2,201,648	406,623	86,871	286,069	779,563	2,981,211
Additions	-	-	-	-	-	4,321	4,321	4,321
Termination of lease contracts/disposals	(141,593)	-	(141,593)	-	-	-	-	(141,593)
At 30 June 2021	<u>1,996,670</u>	<u>63,385</u>	<u>2,060,055</u>	<u>406,623</u>	<u>86,871</u>	<u>290,390</u>	<u>783,884</u>	<u>2,843,939</u>
<i>Accumulated depreciation</i>								
At 1 January 2020	211,692	2,182	213,874	1,672	455	139,738	141,865	355,739
Provided for the year	883,402	12,944	896,346	68,125	21,845	42,473	132,443	1,028,789
Written back on termination of lease contracts/disposals	( 198,818)	-	( 198,818)	-	-	( 22,469)	( 22,469)	( 221,287)
At 31 December 2020 and 1 January 2021	896,276	15,126	911,402	69,797	22,300	159,742	251,839	1,163,241
Provided for the year	427,013	6,462	433,475	33,730	10,816	21,558	66,104	499,579
Written back on termination of lease contracts/disposals	(124,253)	-	(124,253)	-	-	-	-	(124,253)
At 30 June 2021	<u>1,199,036</u>	<u>21,588</u>	<u>1,220,624</u>	<u>103,527</u>	<u>33,116</u>	<u>181,300</u>	<u>317,943</u>	<u>1,538,567</u>
Net book value at 30 June 2021	<u>797,634</u>	<u>41,797</u>	<u>839,431</u>	<u>303,096</u>	<u>53,755</u>	<u>109,090</u>	<u>465,941</u>	<u>1,305,372</u>
Net book value at 31 December 2020	<u>1,241,987</u>	<u>48,259</u>	<u>1,290,246</u>	<u>336,826</u>	<u>64,571</u>	<u>126,327</u>	<u>527,724</u>	<u>1,817,970</u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

7. PROPERTY AND EQUIPMENT AND LEASES (continued)

Notes:

- (a) The Company's right of use of office premises and staff quarters represents future lease payments for office premise and staff residences. The office premise is held for own use and the staff residences are held for home staff housing. The office premise is held on a medium-term lease expiring on 31 May 2022 and the staff residences are held on a medium-term leases expiring from 18 November 2021 to 30 December 2022.
- (b) The Company leases its office used in its operations. Lease for this asset is negotiated for terms of three years with three years extension option but no termination option and all the lease payments are fixed.

**Maturity profile of lease liabilities**

	30 June 2021 US\$	31 Dec 2020 US\$
Within one year	742,428	846,899
After one year but within five years	<u>73,862</u>	<u>414,052</u>
Lease liabilities (undiscounted)	816,290	1,260,951
Discount amount	<u>( 7,877)</u>	<u>( 16,970)</u>
Lease liabilities (discounted)	<u><u>808,413</u></u>	<u><u>1,243,981</u></u>

The fair value was determined by discounting the expected future cash flows at prevailing interest rates. The weighted average incremental borrowing rate applied to the lease liabilities recognized at 30 June 2021 was 0.45% (2020: 0.45%).

**Movements of carrying amounts of lease liabilities as at 30 June 2021 and 31 December 2020**

	US\$
At 1 January 2020	1,864,472
Additions	289,729
Accretion of interest	31,103
Payments	( 894,888)
Termination of lease contracts	<u>( 46,435)</u>
At 31 December 2020 and 1 January 2021	1,243,981
Accretion of interest	9,034
Payments	( 426,924)
Termination of lease contracts	<u>( 17,678)</u>
At 30 June 2021	<u><u>808,413</u></u>

KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

8. INTANGIBLE ASSETS

	2021 US\$	2020 US\$
Club debentures		
Carrying amount at 1 January	254,963	254,963
Amortisation provided during the year	<u>-</u>	<u>-</u>
Carrying amount at 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

	2021 US\$	2020 US\$
At 1 January	117,310	114,922
Additional provision made during the year	<u>1,211</u>	<u>2,388</u>
At 30 June and 31 December	<u>118,521</u>	<u>117,310</u>

10. SHARE CAPITAL

	30 June 2021 US\$	31 Dec 2020 US\$
Issued and fully paid:		
50,000,000 (31 December 2020: 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.

# KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2021

### 12. 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 2021 and 31 December 2020 were as follows:

#### Balances with the Parent Bank

	30 June 2021 US\$	31 Dec 2020 US\$
Bank balances with the Parent Bank	229,340	250,803
Loans due to the Parent Bank (note)	<u>129,212,222</u>	<u>92,222,112</u>

Note : Loans due to the Parent Bank are unsecured, and bear interest at the weighted average rate of 0.19% per annum (31 Dec 2020: 0.34% per annum) and mature in the third quarter of 2021 (31 Dec 2020: first quarter of 2021).

#### Transactions with the Parent Bank

	30 June 2021 US\$	30 June 2020 US\$
Interest expenses	112,243	660,182
Interest income	23	4
Brokerage income	298,547	70,782
Sundry commission paid	306	-
Investment advisory services fee	<u>-</u>	<u>-</u>

During the six months ended 30 June 2021 and the year ended 2020, 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.

### 13. 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 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
<b>Regulatory capital (US\$) <sup>(i)</sup></b>						
1	Common Equity Tier 1 (CET1)	68,788,751	67,028,926	67,134,058	67,375,363	66,328,348
2	Tier 1	68,788,751	67,028,926	67,134,058	67,375,363	66,328,348
3	Total capital	69,845,136	67,903,361	67,966,117	68,179,403	67,154,343
<b>RWA (US\$) <sup>(i)</sup></b>						
4	Total RWA	107,819,454	85,103,761	81,484,372	81,496,721	82,213,593
<b>Risk-based regulatory capital ratios (as a percentage of RWA) <sup>(i)</sup></b>						
5	CET1 ratio (%)	63.80	78.76	82.39	82.67	80.68
6	Tier 1 ratio (%)	63.80	78.76	82.39	82.67	80.68
7	Total capital ratio (%)	64.78	79.79	83.41	83.66	81.68
<b>Additional CET1 buffer requirements (as a percentage of RWA) <sup>(i)</sup></b>						
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer requirement (%)	0.236	-	0.047	0.045	0.060
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.736	2.500	2.547	2.545	2.560
12	CET1 available after meeting the AI's minimum capital requirements (%)	56.78	71.79	75.41	75.66	73.68
<b>Basel III leverage ratio <sup>(ii)</sup></b>						
13	Total leverage ratio (LR) exposure measure (US\$)	199,288,814	182,819,358	161,060,957	156,346,045	150,824,672
14	LR (%)	34.52	36.66	41.68	43.09	43.98
<b>Liquidity Maintenance Ratio (LMR) <sup>(iii)</sup></b>						
15	LMR (%)	26,398.56	16,617.90	41,341.41	62,271.41	47,856.06

- (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		Minimum capital requirements
		30 June 2021 (US\$)	31 March 2021 (US\$)	30 June 2021 (US\$)
1	Credit risk for non-securitization exposures	93,390,096	71,576,876	7,471,208
2	Of which STC approach			
2a	Of which BSC approach	93,390,096	71,576,876	7,471,208
3	Of which foundation IRB approach			
4	Of which supervisory slotting criteria approach			
5	Of which advanced IRB approach			
6	Counterparty default risk and default fund contributions	-		-
7	Of which SA-CCR approach			
7a	Of which CEM			
8	Of which IMM(CCR) approach			
9	Of which others			
10	CVA risk	-		-
11	Equity positions in banking book under the simple risk-weight method and internal models method	-		-
12	Collective investment scheme ("CIS") exposures – LTA*	-		-
13	CIS exposures – MBA*	-		-
14	CIS exposures – FBA*	-		-
14a	CIS exposures – combination of approaches*	-		-
15	Settlement risk	-		-
16	Securitization exposures in banking book	-		-
17	Of which SEC-IRBA			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA			
19a	Of which SEC-FBA			
20	Market risk	-		-
21	Of which STM approach			
22	Of which IMM approach			
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	-		-
24	Operational risk	14,429,358	13,526,885	1,154,349
24a	Sovereign concentration risk			
25	Amounts below the thresholds for deduction (subject to 250% RW)			
26	Capital floor adjustment			
26a	Deduction to RWA	-		-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital			-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital			
27	Total	107,819,454	85,103,761	8,625,557

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
At 30 June 2021			
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	50,000,000	[c]
2	Retained earnings	18,955,658	[d]
3	Disclosed reserves	964,760	[e] + [f]
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	<b>CET1 capital before regulatory deductions</b>	69,920,418	
<b>CET1 capital: regulatory deductions</b>			
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)	9,850	[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
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital		

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
At 30 June 2021			
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	866,854	[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	<b>Total regulatory deductions to CET1 capital</b>	1,131,667	
29	<b>CET1 capital</b>	68,788,751	
<b>AT1 capital: instruments</b>			
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	<b>AT1 capital before regulatory deductions</b>	-	
<b>AT1 capital: regulatory deductions</b>			
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	<b>Total regulatory deductions to AT1 capital</b>	-	
44	<b>AT1 capital</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	68,788,751	
<b>Tier 2 capital: instruments and provisions</b>			
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)		
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	1,056,385	[e] + [g] + [h]

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

At 30 June 2021

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
51	<b>Tier 2 capital before regulatory deductions</b>	1,056,385	
	<b>Tier 2 capital: regulatory deductions</b>		
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	<b>Total regulatory adjustments to Tier 2 capital</b>	-	
58	<b>Tier 2 capital (T2)</b>	1,056,385	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	69,845,136	
60	<b>Total RWA</b>	107,819,454	
	<b>Capital ratios (as a percentage of RWA)</b>		
61	<b>CET1 capital ratio</b>	63.800%	
62	<b>Tier 1 capital ratio</b>	63.800%	
63	<b>Total capital ratio</b>	64.780%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	2.736%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.236%	
67	of which: higher loss absorbency requirement	0.000%	
68	<b>CET1 (as a percentage of RWA) available after meeting minimum capital requirements</b>	56.78%	
	<b>National minima (if different from Basel 3 minimum)</b>		
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
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>		

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

At 30 June 2021

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
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)	1,056,385	
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	1,167,376	
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		
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
80	Current cap on CET1 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
82	Current cap on AT1 capital instruments subject to phase-out arrangements		
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)		
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements		
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)		

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	<b>Balance sheet as in published financial statements/under regulatory scope of consolidation*</b> (At 30 June 2021) USD	<b>Reference</b>
<b>Assets</b>		
Bank balances with Parent Bank	229,340	
Bank balances with other financial institutions	469,745	
Loans and advances	186,884,249	
<i>Of which: amount eligible for AT2</i>	189,510	[g]
Tax recoverable	626,542	
Debt investments at fair value through other comprehensive income	10,115,099	
<i>Of which: amount eligible for AT2</i>	21	[h]
Property and equipment	1,305,372	
Intangible assets	254,963	[a]
Deferred tax assets	9,850	[b]
Other receivable and prepayments	335,790	
<b>Total assets</b>	<b>200,230,950</b>	
<b>Liabilities</b>		
Loans due to the Parent Bank	129,212,222	
Accrued expenses and other payables	171,376	
Provision for reinstatement cost	118,521	
Lease liabilities	808,413	
<b>Total liabilities</b>	<b>130,310,532</b>	
<b>Shareholders' equity</b>		
Share capital	50,000,000	[c]
Reserve	19,920,418	
Of which: Retained earnings	18,955,658	[d]
Of which: Regulatory Reserve	866,854	[e]
Of which: Accumulated other comprehensive income	97,906	[f]
<b>Total shareholders' equity</b>	<b>69,920,418</b>	

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

UNAUDITED BANKING DISCLOSURE STATEMENTS

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.

At 30 June 2021

Table CCA: Main features of regulatory capital instruments		Quantitative / qualitative
		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)	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	NA
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA



## UNAUDITED BANKING DISCLOSURE STATEMENTS

### 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")

At 30 June 2021					
	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	1	14,944		
	Sum		14,944		
	Total		63,196	0.236	149

### 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 At 30 June 2021

	Item	Value under the LR framework (US\$)
1	Total consolidated assets as per published financial statements	200,230,950
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	
3a	Adjustments for eligible cash pooling transactions	
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)	
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	
7	Other adjustments	(942,136)
<b>8</b>	<b>Leverage ratio exposure measure</b>	<b>199,288,814</b>

UNAUDITED BANKING DISCLOSURE STATEMENTS

Leverage ratio

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

Table LR2: Leverage ratio		US\$	
		30 June 2021	31 Mar 2021
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	200,420,481	183,701,542
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,131,667)	(882,184)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	199,288,814	182,819,358
<b>Exposures arising from derivative contracts</b>			
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	<b>Total exposures arising from derivative contracts</b>	-	-
<b>Exposures arising from SFTs</b>			
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	<b>Total exposures arising from SFTs</b>	-	-
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	<b>Off-balance sheet items</b>	-	-
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	68,788,751	67,028,926
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	199,288,814	182,819,358
20b	<b>Adjustments for specific and collective provisions</b>	-	-
21	<b>Total exposures after adjustments for specific and collective provisions</b>	199,288,814	182,819,358
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	34.52%	36.66%

UNAUDITED BANKING DISCLOSURE STATEMENTS

**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

At 30 June 2021

Table CR1: Credit quality exposures		Gross carrying amounts of		Allowances / Impairments (US\$) (c)	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\$) (f)	Net values (a+b-c) (US\$)
		Defaulted Exposures (US\$) (a)	Non- defaulted Exposures (US\$) (b)		Allocated in regulatory category of specific provisions (US\$) (d)	Allocated in regulatory category of collective provisions (US\$) (e)		
1	Loans	-	187,073,759	189,510	-	189,510	-	186,884,249
2	Debt securities	-	10,115,120	21	-	21	-	10,115,099
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	<b>Total</b>	-	197,188,879	189,531	-	189,531	-	196,999,348

Changes in defaulted loans and debt securities

Table CR2 : Changes in defaulted loans and debt securities

		Amount US\$
1	<b>Defaulted loans and debt securities at end of Dec 2020</b>	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	<b>Defaulted loans and debt securities at end of June 2021</b>	0

Overview of recognized credit risk mitigation

At 30 June 2021

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	70,535,596	116,348,653	-	116,348,653	-
2	Debt securities	10,115,099	-	-	-	-
3	<b>Total</b>	80,650,695	116,348,653	-	116,348,653	-
4	Of which defaulted	-	-	-	-	-

UNAUDITED BANKING DISCLOSURE STATEMENTS

Overview of recognized credit risk mitigation

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

(US\$)		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereign exposures	2,005,564					-
2	PSE exposures	-		1,677,821		335,564	20%
3	Multilateral development bank exposures	5,016,294		5,016,294		-	-
4	Bank exposures	13,290,265		128,000,923		27,593,902	22%
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	179,843,545		65,460,630		65,460,630	100%
9	Significant exposures to commercial entities						-
10	<b>Total</b>	200,151,668	-	200,155,668	-	93,390,096	47%

Credit risk exposures by asset classes and by risk weights

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

(US\$)		At 30 June 2021								
Exposure class	Risk weight	0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
	1	Sovereign exposures								
2	PSE exposures			1,677,821						1,677,821
3	Multilateral development bank exposures	5,016,294								5,016,294
4	Bank exposures			125,508,777			2,492,146			128,000,923
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						65,460,630			65,460,630
9	Significant exposures to commercial entities									-
10	<b>Total</b>	5,016,294	-	127,186,598	-	-	67,952,776	-	-	200,155,668

UNAUDITED BANKING DISCLOSURE STATEMENTS

**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 2021 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	
(iii)	Commitments which may be cancelled at any time unconditionally	
	<b>Total</b>	0
<b>Total risk-weighted amount</b>		0

**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.

At 30 June 2021	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	469,498	-	-	20,400,110	-	20,869,608
Offshore centres	-	-	-	14,944,003	-	14,944,003
Developing Africa and Middle East	5,000,208	-	-	5,876,208	-	10,876,416
Developing Asia and Pacific	122,393,160	-	1,677,821	21,976,007	-	146,046,988
-of which South Korea	119,901,014	-	1,677,821	14,121,740	-	135,700,575
International organisations	-	5,016,293	-	-	-	5,016,293

UNAUDITED BANKING DISCLOSURE STATEMENTS

**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 2021	Gross loans and advances	Overdue loans and advances	Impaired Loans (individually determined)	Specific provision	General provision
	US\$	US\$	US\$	US\$	US\$
Hong Kong	14,944,003				(29,750)
China	-				-
South Korea	130,510,219				(88,049)
Others	41,619,537				(71,711)
TOTAL	187,073,759	-	-	-	(189,510)

**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 2021	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	14,944,003	-	-	-	-	( 29,750)	-	-
Loans and advances for use outside Hong Kong	172,129,756	2.74	-	-	-	( 159,760)	-	16,277
TOTAL	187,073,759	2.74	-	-	-	( 189,510)	-	16,277

## UNAUDITED BANKING DISCLOSURE STATEMENTS

### 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 2021.

(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 2021

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(iii) There are no other overdue assets as at 30 June 2021.

(iv) There are no repossessed assets held as at 30 June 2021.

UNAUDITED BANKING DISCLOSURE STATEMENTS

**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.

At 30 June 2021		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	125,009	-	125,009
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	-	-	-
7	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	-	-	-
	<b>Total</b>	<b>8</b>	<b>125,009</b>	<b>-</b>	<b>125,009</b>
	Total assets after provision				200,230,950
	On-balance sheet exposures as percentage of total assets				0.06%

**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 2021

	<b>USD (in Million)</b>
Non-structural position	
Spot assets	199
Spot liabilities	-200
Forward purchases	0
Forward sales	0
Net option position	0
Net long (short) position	(1)
Net structural position	0