



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

Banking Disclosure Statements

30 June 2024

(Unaudited)

These disclosures are prepared under  
the Banking (Disclosure) Rules

## CONTENTS

	Pages
<b>Introduction and Basis of Preparation</b>	3
<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	8-17
<b>Unaudited Banking Disclosure Statements</b>	
Key prudential ratios and overview of risk-weighted amount	
Table KM1: Key prudential ratios	18
Table OV1: Overview of risk-weighted amount	19
Composition of regulatory capital	
Table CC1: Composition of regulatory capital	20-24
Table CC2: Reconciliation of regulatory capital to balance sheet	25
Table CCA: Main features of regulatory capital instruments	26
Macroprudential supervisory measures	
Table CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer	27
Table LR1: Summary comparison of accounting assets against leverage ratio	27
Table LR2: Leverage ratio	28
Credit risk for non-securitization exposures	
Table CR1 : Credit quality exposures	29
Table CR2 : Changes in defaulted loans and debt securities	29
Table CR3 : Overview of recognized credit risk mitigation	29
Table CR4 : Credit risk exposures and effects of recognized credit risk mitigation (BSC approach)	30
Table CR5 : Credit risk exposures by asset classes and by risk weights (BSC approach)	30
Other disclosures	
Off-balance sheet exposures other than derivative transaction	31
International Claims	31
Loans and Advances by Geographical Areas	32
Loans and Advances by Industry Sectors	32
Overdue and Rescheduled Assets	33
Non-bank Mainland China Exposures	34
Currency Risk	34

## KEB HANA GLOBAL FINANCE LIMITED

換銀韓亞環球財務有限公司

### Introduction

#### Purpose

The information contained in this document is for KEB Hana Global Finance Limited (The “Company”). 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.

#### 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”).

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 2024

	Notes	30 June 2024 US\$	30 June 2023 US\$
<b>REVENUE</b>			
Interest income	2	7,427,271	4,964,420
Interest expenses	2	(3,937,960)	(2,480,706)
Net interest income		3,489,311	2,483,714
Fee income	3	1,769,577	1,598,515
Total revenue		5,258,888	4,082,229
<b>OPERATING EXPENSES</b>			
Loss on disposal of debt investments at fair value through other comprehensive income		-	630
Charge (reversal) of expected credit losses on debt investments at fair value through other comprehensive income		2,615	(83)
Charge of expected credit losses on loans and advances to customers	5	98,692	188,521
Staff costs		921,721	780,277
Other operating expenses		925,312	747,370
Total operating expenses		1,948,340	1,716,715
Profit before taxation		3,310,548	2,365,514
Income tax expense		508,846	352,395
Profit for the period	4	2,801,702	2,013,119
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) on debt investments at fair value through other comprehensive income		(23,314)	9,151
Reserve reclassified to profit or loss on disposal of debt investments measured at fair value through other comprehensive income		-	630
Charge (reversal) of expected credit losses on debt investments at fair value through other comprehensive income		2,615	(83)
Other comprehensive income (expenses) for the period		(20,699)	9,698
Total comprehensive income for the period		2,781,003	2,022,817

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 2024

	Notes	30 June 2024 US\$	31 Dec 2023 US\$
<b>ASSETS</b>			
Bank balances with the Parent Bank	12	778,002	1,104,020
Bank balances with other financial institutions		747,644	314,134
Loans and advances to customers	5	200,030,369	182,449,691
Debt investments at fair value through other comprehensive income	6	15,976,998	9,623,266
Property and equipment	7	114,522	151,448
Right-of-use-assets		1,486,069	538,053
Intangible assets	8	254,963	254,963
Deferred tax assets		119,012	98,052
Prepayments and other receivables		247,553	222,444
Total assets		<u>219,755,132</u>	<u>194,756,071</u>
<b>LIABILITIES</b>			
Loans due to the Parent Bank	12	134,841,151	113,860,825
Lease liabilities	7	1,475,700	544,737
Provision for reinstatement cost	9	126,007	124,727
Accruals and other payables		126,695	183,434
Tax payable		817,015	454,787
Total liabilities		<u>137,386,568</u>	<u>115,168,510</u>
NET ASSETS		<u>82,368,564</u>	<u>79,587,561</u>
<b>EQUITY</b>			
Share capital	10	50,000,000	50,000,000
Reserves		32,368,564	29,587,561
TOTAL EQUITY		<u>82,368,564</u>	<u>79,587,561</u>

The notes on pages 8 to 17 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 2024

	Share Capital US\$	Fair value reserve US\$	Retained profits US\$	Regulatory reserve (note 11) US\$	Total US\$
At 1 January 2024	50,000,000	(18,554)	28,934,121	671,994	79,587,561
Profit for the six months ended 30 June 2024	-	-	2,801,702	-	2,801,702
Other comprehensive income for the period:					
Fair value gain (loss) on debt investments at fair value through other comprehensive income	-	(23,314)	-	-	(23,314)
Charge (reversal) of expected credit losses on debt investments at fair value through other comprehensive income	-	2,615	-	-	2,615
Transfer to regulatory reserve	-	-	(6,195)	6,195	-
At 30 June 2024	<u>50,000,000</u>	<u>(39,253)</u>	<u>31,729,628</u>	<u>678,189</u>	<u>82,368,564</u>
At 1 January 2023	50,000,000	(192,367)	24,021,631	777,109	74,606,373
Profit for the six months ended 30 June 2023	-	-	2,013,119	-	2,013,119
Other comprehensive income for the period:					
Fair value gain (loss) on debt investments at fair value through other comprehensive income	-	9,781	-	-	9,781
Charge (reversal) of expected credit losses on debt investments at fair value through other comprehensive income	-	(83)	-	-	(83)
Transfer to retained profits	-	-	169,115	(169,115)	-
At 30 June 2023	<u>50,000,000</u>	<u>(182,669)</u>	<u>26,203,865</u>	<u>607,994</u>	<u>76,629,190</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 2024

	30 June 2024 US\$	30 June 2023 US\$
<b>OPERATING ACTIVITIES</b>		
Profit before tax	3,310,548	2,365,514
Adjustments for:		
Depreciation	370,195	414,153
Interest expenses on lease liabilities	11,721	3,940
Interest expenses on provision for reinstatement cost	1,280	1,249
Charge / (reversal) of impairment allowances of debt investments at fair value through other comprehensive income	2,615	(83)
Charge for impairment allowances of loans and advances to customers	98,692	188,521
Gain on termination of lease contracts	<u>(1,012)</u>	<u>-</u>
Operating cash flows before movements in working capital	3,794,039	2,973,294
Increase in gross loans and advances to customers	(17,679,370)	(1,696,048)
(Increase)/decrease in debt investments at fair value through other comprehensive income	(6,377,046)	279,678
Increase in prepayments and other receivable	(25,109)	(36,268)
Increase in loans due to the Parent Bank	20,980,326	5,098,160
Decrease in accruals and other payables	<u>(56,739)</u>	<u>(57,879)</u>
Cash generated from operations	636,101	6,560,937
Income taxes paid	<u>(167,578)</u>	<u>(626,191)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>468,523</u>	<u>5,934,746</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	<u>(361,031)</u>	<u>(330,594)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(361,031)</u>	<u>(330,594)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	107,492	5,604,152
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>1,418,154</u>	<u>1,855,336</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR, represented by cash and bank balances</b>	<u>1,525,646</u>	<u>7,459,488</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 2024

1. ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policies that are expected to be reflected in the 2024 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 2024 US\$	30 June 2023 US\$
Interest income arising from:		
Bank balances with the Parent Bank	10	10
Loans and advances to customers	7,173,723	4,816,422
Debt investments at fair value through other comprehensive income	<u>253,538</u>	<u>147,988</u>
	<u>7,427,271</u>	<u>4,964,420</u>
Interest expenses for financial liabilities measured at amortised cost:		
Loans due to Parent Bank wholly repayable within one year	3,924,959	2,475,517
Lease liabilities	11,721	3,940
Provision for reinstatement cost	<u>1,280</u>	<u>1,249</u>
	<u>3,937,960</u>	<u>2,480,706</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 2024 US\$	30 June 2023 US\$
Bank balances with the Parent Bank	10	10
Loans and advances to customers	7,173,723	4,816,422
Debt investments at fair value through other comprehensive income	<u>253,538</u>	<u>147,988</u>
	<u>7,427,271</u>	<u>4,964,420</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 2024

3. FEE INCOME

	30 June 2024 US\$	30 June 2023 US\$
Arrangement fee on loans	571,915	1,205,573
Brokerage Income	818,286	350,768
Others	<u>379,376</u>	<u>42,174</u>
	<u>1,769,577</u>	<u>1,598,515</u>
<b>Timing of recognition</b>		
At a point in time	<u>1,769,577</u>	<u>1,598,515</u>
	<u>1,769,577</u>	<u>1,598,515</u>

4. PROFIT BEFORE TAXATION

The Company's profit before taxation is arrived at after charging/(crediting):

	30 June 2024 US\$	30 June 2023 US\$
Depreciation of property and equipment (note 7)	36,926	66,646
Depreciation of right-of-use assets (note 7)	333,269	347,507
Interest expenses on lease liabilities (note 7)	11,721	5,189
Gain on termination of lease contracts	(1,012)	-
Lease payments not included in the measurement of lease liabilities	47,491	39,420
Auditors' remuneration	55,912	32,358
Net foreign exchange loss	<u>2,728</u>	<u>(8,465)</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 2024

5. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2024 US\$	31 Dec 2023 US\$
Gross loans and advances to customers:		
- neither past due nor impaired	200,528,931	182,849,561
Less: Allowances for expected credit losses		
- Stage 1	(498,562)	(380,849)
- Stage 2	-	(19,021)
	<u>200,030,369</u>	<u>182,449,691</u>

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

	30 June 2024 US\$	31 Dec 2023 US\$
Gross loans and advances to customers:		
- Stage 1	200,528,931	168,447,404
- Stage 2	-	14,402,157
- Stage 3	-	-
	<u>200,528,931</u>	<u>182,849,561</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 2024	168,447,404	14,402,157	-	182,849,561
New assets originated	62,579,333	-	-	62,579,333
Assets repaid	(30,497,806)	(14,402,157)	-	(44,899,963)
At 30 June 2024	<u>200,528,931</u>	<u>-</u>	<u>-</u>	<u>200,528,931</u>
ECL allowances as at				
1 January 2024	380,849	19,021	-	399,870
Other re-measurement of loss allowance	117,713	(19,021)	-	98,692
At 30 June 2024	<u>498,562</u>	<u>-</u>	<u>-</u>	<u>498,562</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 2024

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 2023	155,698,605	1,013,945	-	156,712,550
Transfer from Stage 1 to Stage 2	(14,056,831)	14,056,831	-	-
Changes arising from exposures transferred	-	89,925	-	89,925
New assets originated	85,179,711	-	-	85,179,711
Assets repaid	(58,374,081)	(758,544)	-	(59,132,625)
At 31 December 2023	<u>168,447,404</u>	<u>14,402,157</u>	<u>-</u>	<u>182,849,561</u>
	Stage 1 US\$	Stage 2 US\$	Stage 3 US\$	Total US\$
ECL allowances as at				
1 January 2023	105,524	391	-	105,915
Transfer from Stage 1 to Stage 2 <sup>1</sup>	(18,170)	18,170	-	-
Changes arising from exposures transferred <sup>2</sup>	-	115	-	115
Other re-measurement of loss allowance	293,495	345	-	293,840
At 31 December 2023	<u>380,849</u>	<u>19,021</u>	<u>-</u>	<u>399,870</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 2024

6. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2024 US\$	31 Dec 2023 US\$
Debt investments at fair value through other comprehensive income listed outside Hong Kong	<u>15,976,998</u>	<u>9,623,266</u>
Analysed by type of issuers as follows:		
Banks	4,934,540	9,623,266
Government	<u>11,042,458</u>	<u>-</u>
	<u>15,976,998</u>	<u>9,623,266</u>

All debt investments were measured subsequent to initial recognition at Level 2. There were no transfers between Levels 1, 2 and 3 in the current and prior years.

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 are as follows:

	US\$
At 1 January 2023	9,710,320
Redemption	(5,000,000)
New investments purchased	4,761,310
Amortisation	(21,447)
Net change in fair value	<u>173,083</u>
At 31 December 2023 and 1 January 2024	9,623,266
Redemption	(4,700,000)
New investments purchased	10,919,140
Amortization	157,906
Net change in fair value	<u>(23,314)</u>
At 30 June 2024	<u>15,976,998</u>

During the period ended 30 June 2024, 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\$23,314 (2023: gross gain US\$173,083), of which no gross gain/loss was reclassified from other comprehensive income to profit or loss (2023 loss: US\$630).

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 2023	3,103
Net charges of impairment allowance during the year	<u>100</u>
At 31 December 2023 and 1 January 2024	3,203
Net charges of impairment allowance during the period	<u>2,615</u>
At 30 June 2024	<u>5,818</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 2024

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 2023	1,397,069	40,475	1,437,544	406,623	86,871	300,865	794,359	2,231,903
Additions	369,086	-	369,086	-	-	10,432	10,432	379,518
Termination of lease contracts/disposals	(278,860)	-	(278,860)	-	-	(528)	(528)	(279,388)
At 31 December 2023 and 1 January 2024	1,487,295	40,475	1,527,770	406,623	86,871	310,769	804,263	2,332,033
Additions	1,316,605	-	1,316,605	-	-	-	-	1,316,605
Termination of lease contracts/disposals	(1,036,897)	-	(1,036,897)	-	-	-	-	(1,036,897)
At 30 June 2024	<u>1,767,003</u>	<u>40,475</u>	<u>1,807,478</u>	<u>406,623</u>	<u>86,871</u>	<u>310,769</u>	<u>804,263</u>	<u>2,611,741</u>
<i>Accumulated depreciation</i>								
At 1 January 2023	533,789	16,201	549,990	205,256	65,736	248,772	519,764	1,069,754
Provided for the year	704,590	13,855	718,445	67,597	21,135	44,847	133,579	852,024
Written back on termination of lease contracts/disposals	(278,718)	-	(278,718)	-	-	(528)	(528)	(279,246)
At 31 December 2023 and 1 January 2024	959,661	30,056	989,717	272,853	86,871	293,091	652,815	1,642,532
Provided for the year	326,336	6,933	333,269	33,640	-	3,286	36,926	370,195
Written back on termination of lease contracts/disposals	(1,001,577)	-	(1,001,577)	-	-	-	-	(1,001,577)
At 30 June 2024	<u>284,420</u>	<u>36,989</u>	<u>321,409</u>	<u>306,493</u>	<u>86,871</u>	<u>296,377</u>	<u>689,741</u>	<u>1,011,150</u>
Net book value at 31 December 2023	<u>527,634</u>	<u>10,419</u>	<u>538,053</u>	<u>133,770</u>	<u>-</u>	<u>17,678</u>	<u>151,448</u>	<u>689,501</u>
Net book value at 30 June 2024	<u>1,482,583</u>	<u>3,486</u>	<u>1,486,069</u>	<u>100,130</u>	<u>-</u>	<u>14,392</u>	<u>114,522</u>	<u>1,600,591</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 2024

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 2027 and the staff residences are held on a medium-term leases expiring from 10 August 2024 to 17 July 2026.
- (b) The Company leases its office used in its operations. Lease for this asset is negotiated for terms of three years and all the lease payments are fixed.

**Maturity profile of lease liabilities**

	30 June 2024 US\$	31 Dec 2023 US\$
Within one year	588,884	397,873
After one year but within five years	<u>889,524</u>	<u>162,711</u>
Lease liabilities (undiscounted)	1,478,408	560,584
Discount amount	<u>(2,708)</u>	<u>(15,847)</u>
Lease liabilities (discounted)	<u><u>1,475,700</u></u>	<u><u>544,737</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 2024 was 3.71% (2023: 4.12%).

**Movements of carrying amounts of lease liabilities as at 30 June 2024 and 31 December 2023**

	US\$
At 1 January 2023	851,776
Additions	369,086
Amortization	10,981
Payments	(686,964)
Termination of lease contracts	<u>(142)</u>
At 31 December 2023 and 1 January 2024	544,737
Additions	1,316,605
Amortization	11,721
Payments	(361,031)
Termination of lease contracts	<u>(36,332)</u>
At 30 June 2024	<u><u>1,475,700</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 2024

7. PROPERTY AND EQUIPMENT AND LEASES (continued)

**Amounts recognized in the statement of profit or loss and other comprehensive income**

	30 June 2024 US\$	30 June 2023 US\$
Depreciation of right-of-use assets (note 7)	333,269	347,507
Interest expenses on lease liabilities (note 7)	11,721	5,189
Expenses relating to short-term leases (included in staff costs)	5,911	-
Expenses relating to leases of low-value assets (included in other operating expenses)	<u>41,580</u>	<u>39,420</u>
	<u><u>392,481</u></u>	<u><u>392,116</u></u>

The company had total cash outflows for leases of US\$361,031 for the period June 2024 (June 2023: US\$330,594). The company also had non-cash additions of right-of-use assets and lease liabilities of US\$1,316,605 for the period June 2024 (June 2023: Nil).

The future lease payments for these non-cancellable lease contracts are US\$588,884 within one year (June 2023: US\$508,836), US\$889,524 after one year but within five years (June 2023: US\$19,807).

8. INTANGIBLE ASSETS

Intangible assets represent club debentures carried at cost less any subsequent accumulated impairment losses and are amortised on the straight-line basis over their useful lives. 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 2024 US\$	31 Dec 2023 US\$
At 1 January	124,727	122,207
Additional provision made during the year	<u>1,280</u>	<u>2,520</u>
At 30 June and 31 December	<u><u>126,007</u></u>	<u><u>124,727</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 2024

10. SHARE CAPITAL

	30 June 2024 US\$	31 Dec 2023 US\$
Issued and fully paid:		
50,000,000 (31 December 2023: 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.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

The directors do not recommend the payment of a dividend for the period (2023: nil).

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. LOANS TO DIRECTORS

The company did not make any loans to directors during the period ended 30 June 2024 and 31 December 2023, which are required to be disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.



## 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 2024

#### 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 2024 and 31 December 2023 were as follows:

##### Balances with the Parent Bank

	30 June 2024 US\$	31 Dec 2023 US\$
Bank balances with the Parent Bank	778,002	1,104,020
Loans due to the Parent Bank (note)	<u>134,841,151</u>	<u>113,860,825</u>

Note : Loans due to the Parent Bank are unsecured, and bear interest at the weighted average rate of 5.52% per annum (31 Dec 2023: 5.94% per annum) and mature in the third and fourth quarters of 2024 (31 Dec 2023: first and second quarter of 2024).

##### Transactions with the Parent Bank

	30 June 2024 US\$	30 June 2023 US\$
Interest expenses	3,924,959	2,475,517
Interest income	10	10
Brokerage income	81,020	51,151
Sundry commission paid	224	312
Investment advisory services fee	-	15,409
Recharge of information system maintenance and license fee	<u>4,818</u>	<u>-</u>

#### 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-24	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23
<b>Regulatory capital (US\$) <sup>(i)</sup></b>						
1	Common Equity Tier 1 (CET1)	81,316,400	79,883,434	78,562,552	77,594,556	75,693,148
2	Tier 1	81,316,400	79,883,434	78,562,552	77,594,556	75,693,148
3	Total capital	82,493,195	81,119,751	79,634,445	78,617,874	76,595,600
<b>RWA (US\$) <sup>(i)</sup></b>						
4	Total RWA	119,785,805	124,481,040	106,204,463	103,653,136	96,702,330
<b>Risk-based regulatory capital ratios (as a percentage of RWA) <sup>(i)</sup></b>						
5	CET1 ratio (%)	67.88	64.17	73.97	74.86	78.27
6	Tier 1 ratio (%)	67.88	64.17	73.97	74.86	78.27
7	Total capital ratio (%)	68.87	65.17	74.98	75.85	79.21
<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 (%)	0.702	0.433	0.377	0.322	0.320
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.202	2.933	2.877	2.822	2.820
12	CET1 available after meeting the AI's minimum capital requirements (%)	60.87	57.17	66.98	67.85	71.21
<b>Basel III leverage ratio <sup>(ii)</sup></b>						
13	Total leverage ratio (LR) exposure measure	219,201,574	227,390,699	194,643,358	185,250,180	175,700,164
14	LR (%)	37.10	35.13	40.36	41.89	43.08
<b>Liquidity Maintenance Ratio (LMR) <sup>(iii)</sup></b>						
17a	LMR (%)	517.30	493.02	210.59	565.01	2,857.78

- (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.

KEB HANA GLOBAL FINANCE LIMITED

換銀亞細亞財務有限公司

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
		30-06-2024 (US\$)	31-03-2024 (US\$)	30-06-2024 (US\$)
1	Credit risk for non-securitization exposures	103,384,786	107,953,312	8,270,783
2	Of which STC approach			
2a	Of which BSC approach	103,384,786	107,953,312	8,270,783
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	16,401,019	16,527,728	1,312,082
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	119,785,805	124,481,040	9,582,865

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

As at 30 June 2024

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<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	31,729,628	[d]
3	Disclosed reserves	638,936	[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>	82,368,564	
<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)	119,012	[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)	-	

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

As at 30 June 2024

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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	678,189	
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	678,189	[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>	1,052,164	
29	<b>CET1 capital</b>	81,316,400	
	<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	-	

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

As at 30 June 2024

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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	<b>AT1 capital</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	81,316,400	
<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	1,176,795	[e] + [g] + [h]
51	<b>Tier 2 capital before regulatory deductions</b>	1,176,795	
<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	-	

UNAUDITED BANKING DISCLOSURE STATEMENTS

Table CC1 : Composition of regulatory capital

As at 30 June 2024

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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>	1,176,795	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	82,493,195	
60	<b>Total RWA</b>	119,785,805	
	<b>Capital ratios (as a percentage of RWA)</b>		
61	<b>CET1 capital ratio</b>	67.88%	
62	<b>Tier 1 capital ratio</b>	67.88%	
63	<b>Total capital ratio</b>	68.87%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	3.202%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.702%	
67	of which: higher loss absorbency requirement	0.000%	
68	<b>CET1 (as a percentage of RWA) available after meeting minimum capital requirements</b>	60.87%	
	<b>National minima (if different from Basel 3 minimum)</b>		
69	<b>National CET1 minimum ratio</b>	Not applicable	Not applicable
70	<b>National Tier 1 minimum ratio</b>	Not applicable	Not applicable
71	<b>National Total capital minimum ratio</b>	Not applicable	Not applicable
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
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	<b>Mortgage servicing rights (net of associated deferred tax liabilities)</b>	Not applicable	Not applicable
75	<b>Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)</b>	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)	498,606	

KEB HANA GLOBAL FINANCE LIMITED  
 換銀亞細亞財務有限公司

UNAUDITED BANKING DISCLOSURE STATEMENTS

		Amount (USD)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Table CC1 : Composition of regulatory capital			
As at 30 June 2024			
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	498,606	
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	<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>	-	



KEB HANA GLOBAL FINANCE LIMITED

換銀亞細亞財務有限公司

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 2024) (USD)	Reference
<b>Assets</b>		
Bank balances with Parent Bank	778,002	
Bank balances with other financial institutions	747,644	
Loans and advances	200,030,369	
<i>Of which: collective provisions eligible for AT2</i>	498,562	[g]
Debt investments at fair value through other comprehensive income	15,976,998	
<i>Of which: collective provisions eligible for AT2</i>	44	[h]
Property and equipment	114,522	
Right-of-use-assets	1,486,069	
Intangible assets	254,963	[a]
Deferred tax assets	119,012	[b]
Prepayments and other receivables	247,553	
<b>Total assets</b>	219,755,132	
<b>Liabilities</b>		
Loans due to the Parent Bank	134,841,151	
Lease liabilities	1,475,700	
Provision for reinstatement cost	126,007	
Accruals and other payables	126,695	
Tax payable	817,015	
<b>Total liabilities</b>	137,386,568	
<b>Shareholders' equity</b>		
Share capital	50,000,000	[c]
Reserve	32,368,564	
<i>Of which: Retained earnings</i>	31,729,628	[d]
<i>Of which: Regulatory Reserve eligible for AT2</i>	678,189	[e]
<i>Of which: Accumulated other comprehensive income</i>	(39,253)	[f]
<b>Total shareholders' equity</b>	82,368,564	

\* 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 2024

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 2024			
	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	15,974		
2	Germany	0.75	10,685		
3	South Korea	1	12,057		
4	Netherlands	2	4,316		
N+1	Sum		43,032		
N+2	Total		63,652	0.702	447

### 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 2024

	Item	Value under the LR framework (US\$)
1	Total consolidated assets as per published financial statements	219,755,132
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	(553,558)
8	<b>Leverage ratio exposure measure</b>	<b>219,201,574</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 2024	31 March 2024
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	220,253,738	228,525,875
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,052,164)	(1,135,176)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	219,201,574	227,390,699
<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 collateral provided in respect of derivative contracts 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-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	Total exposures arising from derivative contracts	-	-
<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	Total exposures arising from SFTs	-	-
<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	Off-balance sheet items	0	-
<b>Capital and total exposures</b>			
20	Tier 1 capital	81,316,400	79,883,434
20a	Total exposures before adjustments for specific and collective provisions	219,201,574	227,390,699
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	219,201,574	227,390,699
<b>Leverage ratio</b>			
22	Leverage ratio	37.10%	35.13%

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 2024

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	-	200,528,931	498,562	-	-	-	200,030,369
2	Debt securities	-	15,977,042	44	-	-	-	15,976,998
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	<b>Total</b>	-	<b>216,505,973</b>	<b>498,606</b>	-	-	-	<b>216,007,367</b>

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 December 2023</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 2024</b>	0

Overview of recognized credit risk mitigation

At 30 June 2024

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	78,333,190	121,697,179	-	121,697,179	-
2	Debt securities	15,976,998	-	-	-	-
3	<b>Total</b>	94,310,188	121,697,179	-	121,697,179	-
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	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereign exposures	11,042,489		11,042,489		1,104,249	10%
2	PSE exposures						
3	Multilateral development bank exposures						
4	Bank exposures	21,598,625		143,340,636		36,783,899	26%
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	187,238,649		65,496,638		65,496,638	100%
9	Significant exposures to commercial entities						
10	<b>Total</b>	219,879,763	-	219,879,763	-	103,384,786	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 2024								
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		11,042,489						
2	PSE exposures									
3	Multilateral development bank exposures									-
4	Bank exposures			133,195,922			10,144,714			143,340,636
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						65,496,638			65,496,638
9	Significant exposures to commercial entities									-
10	<b>Total</b>	-	11,042,489	133,195,922	-	-	75,641,352	-	-	219,879,763

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 2024 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 2024	Non-bank private sector					Total
	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	
	US\$	US\$	US\$	US\$	US\$	
Developed countries	746,732	11,042,489	-	29,773,560	-	41,562,781
-of which United States	746,732	11,042,489	-	14,773,361	-	26,562,582
Offshore centres	-	-	-	15,974,726	-	15,974,726
Developing Africa and Middle East	4,993,712	-	-	2,320,241	-	7,313,953
Developing Asia and Pacific	137,507,347	-	-	15,583,772	-	153,091,119
-of which South Korea	127,362,633	-	-	12,056,836	-	139,419,469
International organisations	-	-	-	-	-	-

KEB HANA GLOBAL FINANCE LIMITED

換銀亞細亞財務有限公司

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 2024	Gross loans and advances	Overdue loans and advances	Impaired Loans (individually determined)	Individually assessed impairment allowances	Collectively assessed impairment allowance
	US\$	US\$	US\$	US\$	US\$
Hong Kong	15,974,726				(105,324)
South Korea	133,798,847				(62,580)
United States	14,773,361				(130,360)
Others	35,981,997				(200,298)
TOTAL	200,528,931	-	-	-	(498,562)

**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 2024	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 assessed 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\$
Transport and transport equipment - Air transport	11,006,365	-	-	-	-	(61,789)	-	1,940
Loans and advances for use in Hong Kong	11,006,365	-	-	-	-	(61,789)	-	1,940
Loans and advances for use outside Hong Kong	189,522,566	2.23	-	-	-	(436,773)	-	96,752
TOTAL	200,528,931	2.23	-	-	-	(498,562)	-	98,692



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 2024.

(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 2024.

.

(iii) There are no other overdue assets as at 30 June 2024.

(iv) There are no repossessed assets held as at 30 June 2024.

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 2024		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	-	-	-
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	4,968,361	-	4,968,361
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>4,968,361</b>	<b>-</b>	<b>4,968,361</b>
	Total assets after provision				219,755,132
	On-balance sheet exposures as percentage of total assets				2.26%

**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 2024	USD	
	USD	EUR
Non-structural position		
Spot assets	208,842,360	10,851,645
Spot liabilities	(208,733,554)	(10,690,453)
Forward purchases	-	-
Forward sales	-	-
Net option position	-	-
Net long (short) position	108,806	161,192
Net structural position	-	-