

# Half-yearly Disclosure Statement 30 June 2021

UniCredit Bank AG

Hong Kong Branch

Incorporated in Germany with limited liability

Banking that matters.



# CONTENTS

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<b>1</b>	<b>HONG KONG BRANCH INFORMATION</b>	
1.1	Income statement information	2
1.2	Balance sheet information	3
1.3	Additional balance sheet information	4
1.4	International claims	5
1.5	Sector information	6
1.6	Overdue and rescheduled assets	7
1.7	Mainland activities	8
1.8	Currency Risk	9
1.9	Liquidity Information	10
<b>2</b>	<b>CONSOLIDATED UNICREDIT BANK AG GROUP INFORMATION</b>	
2.1	Capital and capital adequacy	11
2.2	Other financial information	11
<b>3</b>	<b>CHIEF EXECUTIVE'S DECLARATION OF COMPLIANCE</b>	<b>12</b>

# 1 HONG KONG BRANCH INFORMATION

## 1.1 Income Statement Information

Description	30 Jun 2021	30 Jun 2020
	HK\$ million	HK\$ million
Interest income	44	285
Interest expense	149	12
Other operating income	(13)	18
- Gains less losses arising from trading in foreign currencies	(115)	(71)
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	(2)	(23)
- Net fees and commission income	55	39
- Fees and commission income	58	43
- Fees and commission expenses	(3)	(4)
- Others	49	73
Operating expenses	(145)	(143)
- Staff expenses	(62)	(67)
- Rental expenses	(14)	(13)
- Other expenses less fee and commission expenses	(69)	(63)
Impairment losses and provision for impaired loans and receivables	-	-
Net charge for other provision	-	-
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit before taxation	35	172
Taxation expenses or tax income	-	-
<b>PROFIT AFTER TAXATION</b>	<b>35</b>	<b>172</b>

## 1.2 Balance Sheet Information

Description	30 Jun 2021	31 December 2020
	HK\$ million	HK\$ million
<b>ASSETS</b>		
Cash and balances with banks (excluding overseas offices)	912	500
Placements with banks maturing between one and twelve months	5,460	7,244
Amounts due from overseas offices of the institution	60,425	46,116
Trade bills	508	734
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables	3,205	5,542
- Loans and advances to customers	1,284	2,879
- Loans and advances to banks	29	27
- Other accounts	1,892	2,636
- Provisions for impaired loans and receivables	-	-
- Collective provision	-	-
- Individual provision	-	-
Investment Securities	39,622	31,413
Other investments	-	-
Property, plant and equipment and investment properties	3	4
<b>TOTAL ASSETS</b>	<b>110,135</b>	<b>91,553</b>
<b>LIABILITIES</b>		
Deposits and balances from banks (excluding overseas offices)	20,167	13,632
Deposits from customers	1,500	2,085
- Demand deposits and current accounts	1,244	1,121
- Savings deposits	-	-
- Time, call and notice deposits	256	964
Amounts due to overseas offices of the institution	76,875	70,206
Certificates of deposit issued	-	-
Issued debt securities	-	-
Other liabilities	11,593	5,630
Provisions	-	-
<b>TOTAL LIABILITIES</b>	<b>110,135</b>	<b>91,553</b>

## 1.3 Additional balance sheet information

(a) Impaired loans and advances (Note 1)	30 June 2021		31 December 2020	
	HK\$ million		HK\$ million	
	Collateral coverage		Collateral coverage	
(i) Impaired loans and advances to customers	-	-	-	-
Specific provisions made in respect of such advances	-	-	-	-
Impaired loans to customers after allowances	-	-	-	-
Percentage of impaired loans to total advances to customers	0.00%		0.00%	
(ii) Impaired loans and advances to banks	-	-	-	-
Specific provisions made in respect of such advances	-	-	-	-
Impaired loans to banks after allowances	-	-	-	-
Percentage of impaired loans to total advances to banks	0.00%		0.00%	
<b>(b) Off-balance sheet exposures</b>	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>HK\$ million</b>		<b>HK\$ million</b>	
<b>The contractual or notional amounts of each of the following class of off-balance sheet exposures outstanding:</b>				
<b>Contingent liabilities and commitments (Note 2)</b>				
Direct credit substitutes	-	-	-	-
Transaction-related contingencies	142	140	140	140
Trade-related contingencies	1,002	747	747	747
Note issuance and revolving underwriting facilities	-	-	-	-
Other commitments	2,098	1,023	1,023	1,023
Others	56,666	-	-	-
<b>Total</b>	<b>59,908</b>	<b>1,910</b>	<b>1,910</b>	<b>1,910</b>
<b>Derivatives (Note 3)</b>				
Exchange rate-related derivative contracts	329,581	192,530	192,530	192,530
Interest rate derivative contracts	37,392	28,879	28,879	28,879
Others	-	-	-	-
<b>Total</b>	<b>366,973</b>	<b>221,409</b>	<b>221,409</b>	<b>221,409</b>
<b>(c) The fair value of derivatives outstanding (Note 4)</b>	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>HK\$ million</b>		<b>HK\$ million</b>	
Exchange rate-related derivative contracts	1,141	2,512	2,512	2,512
Interest rate derivative contracts	10	2	2	2
Others	-	-	-	-
<b>Total</b>	<b>1,151</b>	<b>2,514</b>	<b>2,514</b>	<b>2,514</b>

## 1.4 International Claims (Note 5)

Geographical segment	HK\$ million					Total
	Banks	Official Sector	Non-bank private sector Non-bank financial institutions	Non-financial private sector	Others	
<b><u>As at 30 June 2021</u></b>						
1. Developed countries	60,676	34,234	-	490	-	95,400
of which Germany	60,428	-	-	222	-	60,650
of which Japan	83	34,234	-	-	-	34,317
2. Offshore centres	29	-	-	-	-	29
3. Developing Europe	369	-	-	-	-	369
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	-	-	-	-	-	-
6. Developing Asia-Pacific	11,178	505	-	783	-	12,466
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Impairments loans and advances to customers	-	-	-	-	-	-
Overdue loans and advances to customers	-	-	-	-	-	-
<b><u>As at 31 December 2020</u></b>						
1. Developed countries	46,440	27,967	-	496	-	74,903
of which Germany	46,116	-	-	206	-	46,322
of which Japan	77	27,967	-	-	-	28,044
2. Offshore centres	32	-	-	-	-	32
3. Developing Europe	268	-	-	-	-	268
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	-	-	-	-	-	-
6. Developing Asia-Pacific	10,696	623	-	2,367	-	13,686
of which China	10,357	623	-	1,267	-	12,247
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Impairments loans and advances to customers	-	-	-	-	-	-
Overdue loans and advances to customers	-	-	-	-	-	-

## 1.5 Sector information

Sector classification	HK\$ million			
	30 June 2021		31 December 2020	
Gross loans and advances to customers by major sectors	Collateral coverage	Gross amount of loans and advances	Collateral coverage	Gross amount of loans and advances
Loans and Advances for use in Hong Kong				
<b>Industrial, commercial and financial :</b>				
- Property development	-	-	-	-
- Property investment	-	-	-	-
- Financial concerns	-	-	-	-
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	-	166	-	126
- Manufacturing	-	-	-	9
- Transport and transport equipment	-	-	-	-
- Recreational activities	-	-	-	-
- Information technology	-	-	-	-
- Others	-	-	-	-
<b>Total industrial, commercial and financial</b>	-	<b>166</b>	-	<b>135</b>
<b>Individuals :</b>				
- Loans for the purchase of flats in the Home Owners Scheme, Private Sector Participation Scheme & Tenants Purchase Scheme, or their respective successor schemes	-	-	-	-
- Loans for the purchase of other residential properties	-	-	-	-
- Credit card advances	-	-	-	-
- Others	-	-	-	-
<b>Total individual</b>	-	<b>-</b>	-	<b>-</b>
<b>Loans and Advances for use in Hong Kong</b>		<b>166</b>		<b>135</b>
Trade finance		351		68
Loans and Advances for use outside Hong Kong		767		2,676
<b>Advances to customers (Note 7)</b>		<b>1,284</b>		<b>2,879</b>
<b>Geographic Breakdown :</b>				
India		402		148
China		381		1,267
Germany		225		208
Italy		175		192

## 1.6 Overdue and rescheduled assets

Description	30 June 2021			HK\$ million 31 December 2020		
	Collateral coverage	Gross amount	As % to total loans	Collateral coverage	Gross amount	As % to total loans
(1) Analysis of loans and advances to customers which have been overdue for:						
- Over 3 months and up to 6 months	-	-	0.00%	-	-	0.00%
- Over 6 months and up to one year	-	-	0.00%	-	-	0.00%
- more than one year	-	-	0.00%	-	-	0.00%
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
(2) Analysis of loans and advances to banks which have been overdue for:						
- Over 3 months and up to 6 months	-	-	0.00%	-	-	0.00%
- Over 6 months and up to one year	-	-	0.00%	-	-	0.00%
- more than one year	-	-	0.00%	-	-	0.00%
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
(3) Value of collateral held against overdue loans and advances						
- Current market value of collateral held against the covered portion of overdue loans and advances		-			-	
- Covered portion of overdue loans and advances		-			-	
- Uncovered portion of overdue loans and advances		-			-	
(4) Specific provision made for overdue loans and advances		-			-	
(5) Rescheduled loans and advances to customers net of those which have been overdue for over three months		-	0.00%		-	0.00%
(6) Rescheduled loans and advances to banks net of those which have been overdue for over three months		-	0.00%		-	0.00%
(7) Analysis of gross amount of other assets such as trade bills and debt securities, which have been overdue for:						
- Over 3 months and up to 6 months	-	-	0.00%	-	-	0.00%
- Over 6 months and up to one year	-	-	0.00%	-	-	0.00%
- more than one year	-	-	0.00%	-	-	0.00%
<b>Total</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
(8) Amount of repossessed assets held (Note 6)		-	0.00%		-	0.00%



## 1.7 Mainland Activities (Note 7)

Types of Counterparties	HK\$ million		
	On-balance sheet ex- posures	Off-balance sheet exposures	Total
<b><u>As at 30 June 2021</u></b>			
1. Central government, central government-owned entities and their subsidiaries and JVs	505	-	505
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	54	-	54
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of central government not reported in items 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	29	136	165
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>588</b>	<b>136</b>	<b>724</b>
Total Assets after provisions	110,135		
On-balance sheet exposure as percentage of total assets	0.53%		
<b><u>As at 31 December 2020</u></b>			
1. Central government, central government-owned entities and their subsidiaries and JVs	623	-	623
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	71	-	71
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of central government not reported in items 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8	65	73
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>702</b>	<b>65</b>	<b>767</b>
Total Assets after provisions	91,553		
On-balance sheet exposure as percentage of total assets	0.77%		

## 1.8 Currency Risk (Note 8)

Equivalent in HK\$ million	USD	EUR	CNY	Total
<b><u>As at 30 June 2021</u></b>				
Spot assets	9,853	40,555	3,748	54,156
Spot liabilities	(31,423)	(77,352)	(148)	(108,923)
Forward purchases	174,130	106,496	8,558	289,184
Forward sales	(153,021)	(69,861)	(12,173)	(235,055)
Net option position	-	-	-	-
<b>Net long (short) position</b>	<b>(461)</b>	<b>(162)</b>	<b>(15)</b>	<b>(638)</b>
<b>Net structural position</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b><u>As at 31 December 2020</u></b>				
Spot assets	8,001	29,216	2,217	39,434
Spot liabilities	(17,373)	(70,837)	(109)	(88,319)
Forward purchases	93,763	77,428	2,658	173,849
Forward sales	(81,000)	(37,576)	(4,736)	(123,312)
Net option position	-	-	-	-
<b>Net long (short) position</b>	<b>3,391</b>	<b>(1,769)</b>	<b>30</b>	<b>1,652</b>
<b>Net structural position</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

## 1.9 liquidity information

	<u>Quarter ended 30 June 2021</u>	<u>Quarter ended 30 June 2020</u>
<b>(i) The average liquidity maintenance ratio for the financial period</b>	<b>752.07%</b>	<b>237.16%</b>

**(ii) Liquidity Risk Management Policy**

Liquidity risk is defined as the risk that the bank will not be able to meet its obligations as they come due without incurring in unacceptable losses. With the objective to determine precisely and timely the location and amount of liquidity risk, and to execute proper measures against such risk, the bank has set out a liquidity risk management framework at Head Office level, and documented it in its fundamental policies, rules, procedures and internal control systems. An addendum specific to Hong Kong Branch has been set up to integrate and adapt said framework to the local business environment and regulatory requirements, specifically in accordance with the requirements set out in the "Supervisory Policy Manual (LM2)" issued by the HKMA.

At Head Office, senior management (including Treasury and the Asset & Liability Committee) exercise significant management oversight on liquidity risk management; at Hong Kong Branch level the strategy is implemented by the Treasury function. Head Office Finance Department is responsible for monitoring and supervising Liquidity Risk. Detailed procedures are in place to define the mechanics of reports' data transmission to HO Finance Department, as well as to ensure adequate 4-eyes-principle checking of Hong Kong Branch liquidity positions.

Representatives of Hong Kong Branch (CIB Head of Asia Pacific, Head of Treasury, Head of Finance and Head of Risk Control) meet on a regular and when-necessary basis to discuss ALM and liquidity risk topics; Head of Treasury Hong Kong meets regularly with UCB AG Head of Treasury and with Head of Group Treasury to discuss ALM and liquidity risk topics in Hong Kong, as well as the bank's funding situation.

It is coherent with our strategy to hold an appropriate amount of High Quality Liquid Assets to meet liquidity needs in times of liquidity stress.

The main tool for Liquidity Risk Management is the Liquidity Ladder. Daily-generated Cash Flow projections are plotted against HQLA positions to generate a time-bucketed Liquidity Ladder, in order to measure mismatches and funding gaps for each major currency. Gaps are monitored daily vs Gap Limits set out annually by Head Office ALCO.

Stress tests on the projected Cash Flows are carried out both at Head Office level (including Hong Kong branch positions, on a weekly basis) and locally, with quarterly frequency. Stress scenarios include and institution-specific shock, a market-wide shock and a combination of both.

The bank is subject to the Liquidity Maintenance Ratio. The bank monitors daily its LMR vs regulatory as well as internal targets. The LMR is calculated in accordance with the requirements set out in the "Supervisory Policy Manual (LM1)" issued by the HKMA, as well as the Fourth Schedule of the Hong Kong Banking Ordinance.

Other daily reports for supporting Liquidity Risk monitoring activities include analyses on the source, mix, concentration and maturity profile of funding sources of Hong Kong branch.

- Note 1 A loan to customer is impaired if it is not probable to have a full repayment of principal.
- Note 2 For contingent liabilities and commitments, the contract amount represents the amount at risk should the contract be fully drawn upon and the client defaults. The total of the contract amount is not representative of future liquidity requirements.
- Note 3 For derivatives, the notional amounts indicate the nominal value of transactions outstanding at the balance sheet date; they do not represent amounts at risk.
- Note 4 No bilateral netting arrangements has been taken into account in deriving the fair value.
- Note 5 The country or geographical classification has been taken into account of transfer of risk.
- Note 6 Upon the repossession of the assets, the related loans and advances will continue to be recorded in the account.
- Note 7 The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority.
- Note 8 The net options position is calculated by using our internal reporting method.

## 2 CONSOLIDATED UNICREDIT BANK AG GROUP INFORMATION

### 2.1 Capital and capital adequacy information

	<u>30 June 2021</u>	<u>31 December 2020</u>
<b>Capital adequacy ratio</b>	<b>20.0%</b>	<b>20.9%</b>
	<b>EUR Billion</b>	<b>EUR Billion</b>
<b>Shareholders' equity</b>	<b>18.0</b>	<b>17.9</b>

The capital adequacy ratio is computed in accordance with the Basel III and calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

### 2.2 Other financial information

	<u>30 June 2021</u>	<u>31 December 2020</u>
	<b>EUR Billion</b>	<b>EUR Billion</b>
Total assets	334.1	338.1
Total liabilities	316.1	320.2
Total advances (Note 1)	172.8	178.2
Total customer deposits	137.0	143.8
Note (1):		
Advances to Bank	29.8	34.0
Advances to Customers	143.0	144.2
<b>Total</b>	<b>172.8</b>	<b>178.2</b>
	<u>30 June 2021</u>	<u>30 June 2020</u>
	<b>EUR Billion</b>	<b>EUR Billion</b>
Pre-tax profit / (loss) for the financial period	0.62	0.50

The link to Group Half-yearly Financial Report as of 30 June 2021:  
<https://www.hypovereinsbank.de/portal?view=/de/ueber-uns/investor-relations-en/reports.jsp>

**UniCredit Bank AG Hong Kong Branch**  
**Chief executive's declaration of compliance**

We enclose herewith the Financial Information Disclosure Statement for the financial period ended 30-June 2021. We confirm that the information contained therein is not false or misleading. It complies in all material respects, with the Banking (Disclosure) Rules and the Supervisory Policy Manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority.



Michele Amadei  
Chief Executive  
Hong Kong Branch

31 August 2021

UniCredit Bank AG Hong Kong Branch  
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