



Regulatory Disclosures

30 June 2020

<u>Contents</u>	<u>Page</u>
Key prudential ratios, overview of risk management and RWA	
KM1: Key prudential ratios	1
OV1: Overview of RWA	2
Composition of regulatory capital	
CC1: Composition of regulatory capital	3 - 10
CC2: Reconciliation of regulatory capital to balance sheet	11
CCA: Main features of regulatory capital instruments	12
Macroprudential supervisory measures	
CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer	13
Leverage ratio	
LR1: Summary comparison of accounting assets against leverage ratio exposure measure	14
LR2: Leverage ratio	15
Credit risk for non-securitization exposures	
CR1: Credit quality of exposures	16
CR2: Changes in defaulted loans and debt securities	17
CR3: Overview of recognized credit risk mitigation	18
CR4: Credit risk exposures and effects of recognized credit risk mitigation – BSC approach	19
CR5: Credit risk exposures by asset classes and by risk weights – BSC approach	20
Advances to customers	21
Advances to banks and other financial institutions	22
Overdue and repossessed assets	23
Counterparty Credit risk	
CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches	24
CCR2: CVA capital charge	25
CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and	26
CCR5: Composition of collateral for counterparty default risk exposures (including those for	27
CCR6: Credit-related derivatives contracts	28
CCR8: Exposures to CCPs	29
Securitization exposures	
SEC1: Securitization exposures in banking book	30
SEC2: Securitization exposures in trading book	31
SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator	32
SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor	33
Market risk	
MR1: Market risk under STM approach	34
Liquidity information	35
Mainland Activities	36 - 37
International Claims	38
Foreign currency exposures	39
Countercyclical Capital Buffer Ratio	40
Capital Conservation Buffer Ratio	40

Summary of Pillar III Regulatory Disclosures

Disclosure requirement	Tables and templates	Page No.	Q2 of 2020
Part I : Key prudential ratios, overview of risk management	KM1: Key prudential ratios	1	✓
	OV1: Overview of RWA	2	✓
Part IIA : Composition of regulatory capital	CC1: Composition of regulatory capital	3 - 10	✓
	CC2: Reconciliation of regulatory capital to balance sheet	11	✓
	CCA: Main features of regulatory capital instruments	12	✓
Part IIB : Macroprudential supervisory measures	CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer	13	✓
Part IIC : Leverage ratio	LR1: Summary comparison of accounting assets against leverage ratio exposure measure	14	✓
	LR2: Leverage ratio	15	✓
Part III : Credit risk for non-securitization exposures	CR1: Credit quality of exposures	16	✓
	CR2: Changes in defaulted loans and debt securities	17	✓
	CR3: Overview of recognized credit risk mitigation	18	✓
	CR4: Credit risk exposures and effects of recognized credit risk mitigation – BSC approach	19	✓
	CR5: Credit risk exposures by asset classes and by risk weights – BSC approach	20	✓
Part IV : Counterparty Credit risk	CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches	24	✓
	CCR2: CVA capital charge	25	✓
	CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – BSC approach	26	✓
	CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)	27	✓
	CCR6: Credit-related derivatives contracts	28	✓
	CCR8: Exposures to CCPs	29	✓
Part V : Securitization exposures	SEC1: Securitization exposures in banking book	30	✓
	SEC2: Securitization exposures in trading book	31	✓
	SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator	32	✓
	SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor	33	✓
Part VI : Market risk	MR1: Market risk under STM approach	34	✓

Template KM1: Key prudential ratios

		30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
		USD	USD	USD	USD	USD
		(a)	(b)	(c)	(d)	(e)
		T	T-1	T-2	T-3	T-4
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	60,698,904	57,726,616	60,465,167	59,471,757	58,287,582
2	Tier 1	60,698,904	57,726,616	60,465,167	59,471,757	58,287,582
3	Total capital	77,381,854	75,413,791	78,244,639	77,273,935	76,149,632
RWA (amount)						
4	Total RWA	366,294,566	372,148,887	377,673,203	378,954,362	389,605,967
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	16.57%	15.51%	16.01%	15.69%	14.96%
6	Tier 1 ratio (%)	16.57%	15.51%	16.01%	15.69%	14.96%
7	Total capital ratio (%)	21.13%	20.26%	20.72%	20.39%	19.55%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.080%	0.081%	0.123%	0.066%	0.033%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.000%	0.000%	0.000%	0.000%	0.000%
11	Total AI-specific CET1 buffer requirements (%)	2.580%	2.581%	2.623%	2.566%	2.533%
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.07%	8.01%	8.51%	8.19%	7.46%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	426,856,852	458,166,413	437,959,396	443,967,856	456,143,641
14	LR (%)	14.22%	12.60%	13.81%	13.40%	12.78%
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institution only:						
15	Total high quality liquid assets (HQLA)	Not applicable				
16	Total net cash outflows	Not applicable				
17	LCR (%)	Not applicable				
Applicable to category 2 institution only:						
17a	LMR (%)	156.02%	253.97%	108.94%	120.64%	226.59%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
Applicable to category 1 institution only:						
18	Total available stable funding	Not applicable				
19	Total required stable funding	Not applicable				
20	NSFR (%)	Not applicable				
Applicable to category 2A institution only:						
20a	CFR (%)	Not applicable				

Template OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30-Jun-20	31-Mar-20	30-Jun-20
		USD	USD	USD
		T	T-1	T
1	Credit risk for non-securitization exposures	346,404,893	352,503,176	27,712,391
2	Of which STC approach	-	-	-
2a	Of which BSC approach	346,404,893	352,503,176	27,712,391
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	9,539,276	9,314,736	763,142
7	Of which SA-CCR*	Not applicable	Not applicable	Not applicable
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	9,539,276	9,314,736	763,142
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*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
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)*	Not applicable	Not applicable	Not applicable
24	Operational risk	10,350,397	10,330,975	828,032
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	366,294,566	372,148,887	29,303,565

1. Items marked with an asterisk (*) will be applicable only after their respective policy frameworks take effect. Until then, "Not applicable" should be reported in the rows.

Explanation of significant drivers behind differences in reporting periods T and T-1.

Credit exposures increase is due to an increase in loans and advances to customers and and to banks and other financial institutions.

When minimum capital requirements in column (c) do not correspond to 8% of RWA in column (a), the AI must explain the adjustment made.

Not applicable.

If the AI uses the internal models method under the market-based approach to calculate its equity exposures in the banking book pursuant to the BCR, it should provide a description of its internal models used in an accompanying narrative.

KEXIM Asia Limited uses Basic approach to measure equity exposures in the banking book. The internal models method under the market-based approach does not apply.

Regulatory Disclosures

Template CC1: Composition of regulatory capital

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	30,000,000	[7]
2	Retained earnings	33,156,547	[8] + [9] + [13]
3	Disclosed reserves	(1,402,737)	[11]
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	<i>Not applicable</i>	<i>Not applicable</i>
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	CET1 capital before regulatory deductions	61,753,810	
CET1 capital: regulatory deductions			
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	-	
10	Deferred tax assets (net of associated deferred tax liabilities)	165,260	[4] - [12]
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	-	

Regulatory Disclosures

Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
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)	<i>Not applicable</i>	<i>Not applicable</i>
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	<i>Not applicable</i>	<i>Not applicable</i>
22	Amount exceeding the 15% threshold	<i>Not applicable</i>	<i>Not applicable</i>
23	of which: significant investments in the ordinary share of financial sector entities	<i>Not applicable</i>	<i>Not applicable</i>
24	of which: mortgage servicing rights	<i>Not applicable</i>	<i>Not applicable</i>
25	of which: deferred tax assets arising from temporary differences	<i>Not applicable</i>	<i>Not applicable</i>
26	National specific regulatory adjustments applied to CET1 capital	889,646	[13]
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	889,646	[13]
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	-	

Regulatory Disclosures

Template CC1: Composition of regulatory capital *(continued)*

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	1,054,906	
29	CET1 capital	60,698,904	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements</i>	-	
36	AT1 capital before regulatory deductions	-	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	

Regulatory Disclosures

Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	60,698,904	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	15,000,000	[6]
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	1,682,950	[1] + [2] + [3] + [5]+[10]+[13]
51	Tier 2 capital before regulatory deductions	16,682,950	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	

Regulatory Disclosures

Template CC1: Composition of regulatory capital *(continued)*

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	-	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	-	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	16,682,950	
59	Total regulatory capital (TC = T1 + T2)	77,381,854	
60	Total RWA	366,294,566	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	16.57%	
62	Tier 1 capital ratio	16.57%	

Regulatory Disclosures

Template CC1: Composition of regulatory capital *(continued)*

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
63	Total capital ratio	21.13%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.580%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.080%	
67	of which: higher loss absorbency requirement	-	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	9.0711%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	<i>Not applicable</i>	<i>Not applicable</i>
70	National Tier 1 minimum ratio	<i>Not applicable</i>	<i>Not applicable</i>
71	National Total capital minimum ratio	<i>Not applicable</i>	<i>Not applicable</i>
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	-	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	<i>Not applicable</i>	<i>Not applicable</i>
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	<i>Not applicable</i>	<i>Not applicable</i>

Regulatory Disclosures

Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 June 2020			
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	-	
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	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	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)	-	

Notes :

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Template CC1: Composition of regulatory capital (continued)

		Hong Kong basis	Basel III basis
10	Deferred tax assets (net of associated deferred tax liabilities)	165,260	165,260
	<p><u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		
	<p>Remarks: The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.</p>		

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Template CC2: Reconciliation of regulatory capital to balance sheet

	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	At 30 June 2020	At 30 June 2020	
Assets			
Cash and balances with banks and other financial institutions	12,035,501	12,035,501	
Loans and advances to banks	28,462,420	28,462,420	
<i>Of which: collective impairment allowances</i>		24,955	[1]
Loans and advances to customers	221,342,537	221,342,537	
<i>Of which: collective impairment allowances</i>		703,089	[2]
Investment securities	154,870,923	154,870,923	
<i>Of which: collective impairment allowances</i>		1,997	[3]
Deferred tax assets	66,746	66,746	[4]
Property, plant and equipment	942,833	942,833	
Other assets	1,607,358	1,607,358	
TOTAL ASSETS	419,328,318	419,328,318	
Equity and liabilities			
Deposits and balances from banks and other financial institutions	212,052,072	212,052,072	
Tax payable	288,561	288,561	
Other liabilities	1,981,655	1,981,655	
<i>Of which: collective impairment allowances</i>		2,501	[5]
Borrowings from the ultimate holding company	98,305,423	98,305,423	
Borrowings from other financial institutions	30,000,000	30,000,000	
Subordinated liabilities	14,984,549	14,984,549	
<i>Of which: Subordinated liabilities</i>		15,000,000	[6]
Total liabilities	357,612,260	357,612,260	
Equity			
Share capital	30,000,000	30,000,000	[7]
Reserves	31,716,058	31,716,058	
<i>Of which: retained profits</i>		30,862,700	[8]
<i>profit for the period</i>		1,404,200	[9]
<i>other comprehensive income</i>		60,762	[10]
<i>AFS investment revaluation reserve</i>		(1,402,737)	[11]
<i>deferred tax assets</i>		(98,514)	[12]
<i>regulatory reserve</i>		889,646	[13]
Total equity	61,716,058	61,716,058	
TOTAL EQUITY AND LIABILITIES	419,328,318	419,328,318	

Table CCA: Main features of regulatory capital instruments

As at 30 June 2020		(a)	
		Quantitative / qualitative Information	
		Ordinary Shares	Subordinated loan
1	Issuer	KEXIM Asia Limited	
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N.A.	
3	Governing law(s) of the instrument	Hong Kong Laws	
	<i>Regulatory treatment</i>		
4	Transitional Basel III rules ¹	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules ²	Common Equity Tier 1	Tier 2
6	Eligible at solo / group / solo and group	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Subordinated loan
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	USD 30 million	USD 15 million
9	Par value of instrument	No par value (issued USD 30 million)	USD 15 million
10	Accounting classification	Shareholders' equity	Liability - amortised cost
11	Original date of issuance	4 March 2004	27 September 2018
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	27 September 2028
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N.A.	27 September 2023, USD 15 million
16	Subsequent call dates, if applicable	N.A.	N.A.
	<i>Coupons / dividends</i>		
17	Fixed or floating dividend / coupon	Floating dividend	Floating coupon
18	Coupon rate and any related index	No	3 months US\$ LIBOR + 1.6%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N.A.	N.A.
25	If convertible, fully or partially	N.A.	N.A.
26	If convertible, conversion rate	N.A.	N.A.
27	If convertible, mandatory or optional conversion	N.A.	N.A.
28	If convertible, specify instrument type convertible into	N.A.	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.	N.A.
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	N.A.	BCR Sch. 4C1.(k)
32	If write-down, full or partial	N.A.	Full or partial
33	If write-down, permanent or temporary	N.A.	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.	N.A.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Subordinated creditors	Senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N.A.	N.A.

Footnote:

¹ Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the BCR.

² Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.

The full terms and conditions of the Company's capital instruments can be found in our website, <https://www.koreaexim.go.kr/site/program/board/basicboard/list?boardtypeid=362&menuid=016001005>.

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

As at 30 June 2020		a	c	d	e
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
		(%)	Amount (USD)		
1	Hong Kong SAR	1.0000%	18,348,706		
2	Sum ¹		18,348,706		
3	Total ²		230,280,955	0.080%	184,225

Footnote:

¹ The sum of RWAs for the private sector credit exposures in jurisdictions with a non-zero applicable JCCyB ratio.

² Total: (for column (c)) total sum of the RWA for private sector credit exposures across all jurisdictions to which the AI is exposed, including jurisdictions with no applicable JCCyB ratio or with applicable JCCyB ratio set at zero.

Template LR1: Summary comparison of accounting assets against leverage ratio (“LR”) exposure measure

As at 30 June 2020

		(a)
	Item	Value under the LR framework USD
1	Total consolidated assets as per published financial statements	419,328,318
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(46,185,300)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	-
5	Adjustment for SFTs (i.e. repos and similar secured lending)	49,712,427
6	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	4,166,667
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	-
7	Other adjustments	(165,260)
8	Leverage ratio exposure measure	426,856,852

Template LR2: Leverage ratio ("LR")

		(a)	(b)
		30-Jun-20	31-Mar-20
		USD	USD
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	373,143,018	407,867,477
2	Less: Asset amounts deducted in determining Tier 1 capital	(166,260)	(165,260)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	372,977,758	407,702,217
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivative contracts	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	47,696,383	46,573,678
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	2,016,044	990,518
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	49,712,427	47,564,196
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	13,333,333	7,000,000
18	Less: Adjustments for conversion to credit equivalent amounts	(9,166,666)	(4,100,000)
19	Off-balance sheet items	4,166,667	2,900,000
Capital and total exposures			
20	Tier 1 capital	60,698,904	57,726,616
20a	Total exposures before adjustments for specific and collective provisions	426,856,852	458,166,413
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	426,856,852	458,166,413
Leverage ratio			
22	Leverage ratio	14.22%	12.60%

Template CR1: Credit quality of exposures

As at 30 June 2020								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
	Gross carrying amounts of		Allowances / impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b+c)	
	Defaulted exposures	Non- defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions			
USD								
1	Loans	-	250,733,496	728,043	-	728,043	-	250,005,453
2	Debt securities	-	154,872,921	62,760	-	62,760	-	154,810,161
3	Off-balance sheet exposures	-	13,333,333	2,501	-	2,501	-	13,330,832
4	Total	-	418,939,750	793,304	-	793,304	-	418,146,446

Default exposures : Borrower is more than 90 days past due on any credit obligation.

Regulatory Disclosures

Template CR2: Changes in defaulted loans and debt securities

	30-Jun-20 USD
1 Defaulted loans and debt securities at end of December 2019(1+2-3-4±5)	-
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Returned to non-defaulted status	-
4 Amounts written off	-
5 Other changes	-
6 Defaulted loans and debt securities at end of June 2020 (1+2-3-4±5)	-

Template CR3: Overview of recognized credit risk mitigation

		As at 30 June 2020				
		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
USD						
1	Loans	63,179,263	186,826,190	-	186,826,190	-
2	Debt securities	125,236,184	29,634,740	-	29,634,740	-
3	Total	188,415,447	216,460,930	-	216,460,930	-
4	Of which defaulted	-	-	-	-	-

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

As at 30 June 2020						
	(a)	(b)	(c)	(d)	(e)	(f)
	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
	USD	USD	USD	USD	USD	%
1 Sovereign exposures	1,185,825	-	1,185,825	-	1,185,825	100%
2 PSE exposures	-	-	-	-	-	-
3 Multilateral development bank exposures	-	-	-	-	-	-
4 Bank exposures	121,346,559	-	121,346,559	-	42,910,645	35%
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	298,141,756	4,166,667	298,141,756	4,166,667	302,308,423	100%
9 Significant exposures to commercial entities	-	-	-	-	-	-
10 Total	420,674,140	4,166,667	420,674,140	4,166,667	346,404,893	82%

No significant change over the last reporting period.

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

USD		As at 30 June 2020								
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk Weight		0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
Exposure class										
1	Sovereign exposures	-	-	-	-	-	1,185,825	-	-	1,185,825
2	PSE exposures	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	98,044,893	-	-	23,301,666	-	-	121,346,559
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	-	-	1,666,667	-	2,500,000	298,141,756	-	-	302,308,423
9	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-
10	Total	-	-	99,711,560	-	2,500,000	322,629,247	-	-	424,840,807

Advances to customers

(a) By industry sectors

The analysis of advances to customers by industry sector is based on the categories used in the "Quarterly Analysis of Loans and Advances and Provisions" Return to the HKMA and is stated gross of any provisions:

Loans and advances to customers analysed by the coverage of collateral and the impairment allowance is as follows:

At 06/30/2020				
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
Loans for use in Hong Kong				
Industrial, commercial and financial:				
- Recreational activities	1,250,000		12,167	-
Loans for use in Hong Kong	1,250,000	-	12,167	-
Loans for use outside Hong Kong	220,795,626		690,922	-
Gross advances to customers	222,045,626	-	703,089	-
At 12/31/2019				
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
Loans for use in Hong Kong				
Industrial, commercial and financial:				
- Recreational activities	2,500,000	-	24,481	-
Loans for use in Hong Kong	2,500,000	-	24,481	-
Loans for use outside Hong Kong	232,948,604	-	799,736	-
Gross advances to customers	235,448,604	-	824,217	-

(b) By geographical areas

At 06/30/2020			
	Gross loans and advances USD	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
-Korea	189,512,066	(471,692)	-
-Developing Asia Pacific	26,342,774	(219,377)	-
-Developing Latin America and Caribbean	4,190,786	(10,719)	-
-Developing Europe	2,000,000	(1,301)	-
-Offshore centres	-	-	-
	222,045,626	(703,089)	-
At 12/31/2019			
	Gross loans and advances USD	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
-Korea	202,777,806	(611,645)	-
-Developing Asia Pacific	26,463,965	(200,445)	-
-Developing Latin America and Caribbean	4,206,833	(10,819)	-
-Developing Europe	2,000,000	(1,308)	-
-Offshore centres	-	-	-
	235,448,604	(824,217)	-

The above geographical analysis is classified by the location of counterparties after taking into account the transfer of risk.

Advances to banks and other financial institutions

(a) By industry sectors

The analysis of advances to banks and other financial institutions by industry sector is based on the categories used in the "Quarterly Analysis of Loans and Advances and Provisions" Return to the HKMA and is stated gross of any provisions:

Loans and advances to banks and other financial institutions analysed by the coverage of collateral and the impairment allowance is as follows:

	At 06/30/2020		
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD
Loans for use outside Hong Kong	<u>28,487,375</u>	<u>-</u>	<u>24,955</u>
	At 12/31/2019		
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD
Loans for use outside Hong Kong	<u>35,198,503</u>	<u>-</u>	<u>33,762</u>

(b) By geographical areas

	At 06/30/2020	
	Gross loans and advances USD	Collectively - assessed impairment allowances USD
-Korea	5,000,000	(3,232)
-Developing Asia Pacific	4,994,615	(6,478)
-Developing Europe	-	-
-Developing Latin America and Caribbean	3,494,635	(2,271)
-Developing Africa and Middle East	10,000,000	(6,497)
-Offshore centres	4,998,125	(6,477)
	<u>28,487,375</u>	<u>(24,955)</u>
	At 12/31/2019	
	Gross loans and advances USD	Collectively - assessed impairment allowances USD
-Korea	5,000,000	(3,251)
-Developing Asia Pacific	4,993,494	(6,520)
-Developing Europe	-	-
-Developing Latin America and Caribbean	3,493,182	(2,284)
-Developing Africa and Middle East	16,714,948	(15,201)
-Offshore countries	4,996,879	(6,506)
	<u>35,198,503</u>	<u>(33,762)</u>

The above geographical analysis is classified by the location of counterparties after taking into account the transfer of risk.

KEXIM ASIA LIMITED

Regulatory Disclosures

Overdue

a Advances to customers which have been overdue for :

	<u>At 06/30/2020</u>	<u>At 06/30/2020</u>	<u>At 12/31/2019</u>	<u>At 12/31/2019</u>
	By amount USD	By % of total advances	By amount USD	By % of total advances
6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current market value of collateral held against the covered portion of overdue loans and	<u>-</u>		<u>-</u>	
Covered portion of overdue loans and advances	-		-	
Uncovered portion of overdue loans and advances	<u>-</u>		<u>-</u>	

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

b Advances to banks and other financial institutions which have been overdue for :

6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

c Other assets which have been overdue for :

6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

d Rescheduled advances to customers

-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

e Rescheduled advances to banks and other financial institution

-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

f Total impaired loans

-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

g Individual impairment allowances / Expected credit losses at stage 3 made on overdue loans and advances

-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 30 June 2020 and 31 December 2019, there were no overdue advances to banks and other financial institutions.

Reposessed assets

	<u>At 06/30/2020</u>	<u>At 12/31/2019</u>
	USD	USD
Reposessed assets	<u>-</u>	<u>-</u>

Template CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

		As at 30 June 2020					
		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
USD							
1	SA-CCR (for derivative contracts)	-	-		1.4	-	-
1a	CEM	-	-		N/A	-	-
2	IMM (CCR) approach			-	N/A	-	-
3	Simple Approach (for SFTs)					47,696,383	9,539,276
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						9,539,276

Template CCR2: CVA capital charge

USD		As at 30 June 2020	
		(a)	(b)
		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-
1	(i) VaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	-	-
4	Total	-	-

Template CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – BSC approach

USD		As at 30 June 2020								
		(a)	(b)	(c)	(ca)	(d)	(f)	(ga)	(h)	(i)
Risk Weight		0%	10%	20%	35%	50%	100%	250%	Others	Total default risk exposure after CRM
Exposure class										
1	Sovereign exposures	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	9,539,276	-	-	-	-	-	9,539,276
5	CIS exposures [4]	-	-	-	-	-	-	-	-	-
6	Other exposures	-	-	-	-	-	-	-	-	-
7	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-
8	Total	-	-	9,539,276	-	-	-	-	-	9,539,276

^[4] Before the new standard on banks' equity investment in funds is effective, an AI's CIS exposures may be reported within the category of 'Other exposures' of the template.

Template CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)

		As at 30 June 2020					
		(a)	(b)	(c)	(d)	(e)	(f)
		Derivative contracts				SFTs [5]	
		Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
USD		Segregated	Unsegregated	Segregated	Unsegregated		
	Cash - domestic currency [6]	-	-	-	-	-	-
	Cash - other currencies	-	-	-	-	45,680,338	-
	Domestic sovereign debt	-	-	-	-	-	-
	Other sovereign debt	-	-	-	-	-	-
	Government agency debt	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	47,696,383
	Equity securities	-	-	-	-	-	-
	Other collateral	-	-	-	-	-	-
	...	-	-	-	-	-	-
	Total	-	-	-	-	45,680,338	47,696,383

[5] For "Collateral used in SFTs" reported in columns (e) and (f), the collateral used is defined as referring to both legs of the transaction. For example, an AI transfers securities to a third party, which in turn posts collateral to the AI. The AI should report both legs of the transaction in the template; on one hand the collateral received is reported in column (e), on the other hand the collateral posted by the AI is reported in column (f).

[6] "Domestic currency" refers to the AI's reporting currency (not the currency / currencies in which the derivative contract or SFT is denominated).

Template CCR6: Credit-related derivatives contracts

USD	As at 30 June 2020	
	(a)	(b)
	Protection bought	Protection sold
Notional amounts		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

Template CCR8: Exposures to CCPs

USD		As at 30 June 2020	
		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or client to qualifying CCPs (total)		-
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	-	-
3	(i) OTC derivative transactions	-	-
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	-
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	-
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Template SEC1: Securitization exposures in banking book

USD		As at 30 June 2020								
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	-	-	-	-	-	-	-	-	-
2	residential mortgage	-	-	-	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-	-	-	-
4	other retail exposures	-	-	-	-	-	-	-	-	-
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	-	-
7	loans to corporates	-	-	-	-	-	-	-	-	-
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

Template SEC2: Securitization exposures in trading book

USD		As at 30 June 2020								
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	-	-	-	-	-	-	-	-	-
2	residential mortgage	-	-	-	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-	-	-	-
4	other retail exposures	-	-	-	-	-	-	-	-	-
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	-	-
7	loans to corporates	-	-	-	-	-	-	-	-	-
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

Template SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator

		As at 30 June 2020																
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)				Capital charges after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
USD																		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

		As at 30 June 2020																
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)			Capital charges after cap				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
USD																		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template MR1: Market risk under STM approach

		As at 30 June 2020
		(a)
USD		RWA
	Outright product exposures	-
1	Interest rate exposures (general and specific risk)	-
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	-
4	Commodity exposures	-
	Option exposures	-
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	-

The Company had been exempted from market risk capital requirement since September 2005.

Liquidity information

Liquidity maintenance ratio ("LMR")

	<u>At 06/30/2020</u>	<u>At 06/30/2019</u>
Average LMR for the period	<u>205.00%</u>	<u>226.59%</u>

The average LMR is computed as the arithmetic mean of the average value of the LMR for each calendar month as reported in the liquidity position submitted for the year.

Approach to liquidity risk management

The Company's approach to liquidity risk management is based on the building blocks of governance by framework, oversight by risk management committees, and internal control policies that define specific risk methodologies. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined. Risk Management Committee is responsible for overseeing overall liquidity position and ensuring that there is sufficient liquidity available to meet the obligations. The Committee members meet at least on a monthly basis to review several limits set internal or statutory. Internal target liquidity ratio is established which provide early-warning signal in relation to liquidity position.

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This included the Company's ability to meet any deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to company with statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by a senior manager under the direction of the management and liquidity maintenance ratio. The senior manager is responsible for ensuring that the Company has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring local and international markets for the adequacy of funding and liquidity. Risk Management Committee will be promptly informed if the ratio calculated below internal target and determine appropriate course of action to restore the ratio back to or above internal target ratio.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and bank balances and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. The Company regularly stress tests its liquidity position.

Mainland Activities

Non-bank Mainland China exposure

(Expressed in United States dollars)

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the "Return of Mainland Activities" for non-bank.

Types of Counterparties	At 06/30/2020		
	On-balance sheet exposure 000'	Off-balance sheet exposure 000'	Total exposure 000'
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
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	44,515	-	44,515
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 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	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,939	5,000	9,939
Total	49,454	5,000	54,454
Total assets after provision	420,008		
On-balance sheet exposures as percentage of total assets	11.77%		

Mainland Activities (continued)

Non-bank Mainland China exposure (continued)

(Expressed in United States dollars)

Types of Counterparties	At 12/31/2019		
	On-balance sheet exposure 000'	Off-balance sheet exposure 000'	Total exposure 000'
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
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	51,607	-	51,607
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 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	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	5,050	5,000	10,050
Total	56,657	5,000	61,657
Total assets after provision	432,259		
On-balance sheet exposures as percentage of total assets	13.11%		

International Claims

International claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account any 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. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate international claims are shown as follows:

USD

As at 30 June 2020	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
Developed countries	33,562,928	-	-	31,629,393	-	65,192,321
Offshore centres	5,007,022	-	-	16,289,160	-	21,296,182
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	5,009,451	-	-	4,230,434	-	9,239,885
Developing Africa and Middle East	15,937,343	-	-	7,916,805	-	23,854,148
Developing Asia-Pacific	63,257,659	-	-	239,252,274	-	302,509,933
of which : China	25,656,858	-	-	16,959,179	-	42,616,037
Korea	17,938,046	-	-	210,774,545	-	228,712,591
Total	122,774,403	-	-	299,318,066	-	422,092,469

USD

As at 31 December 2019	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
Developed countries	21,716,756	-	-	25,636,639	-	47,353,395
Offshore centres	5,000,892	-	-	16,058,587	-	21,059,479
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	3,516,224	-	-	4,257,850	-	7,774,074
Developing Africa and Middle East	22,768,265	-	-	3,025,715	-	25,793,980
Developing Asia-Pacific	63,443,227	-	-	267,698,871	-	331,142,098
of which : China	27,524,212	-	-	22,744,530	-	50,268,742
Korea	15,822,798	-	-	222,024,768	-	237,847,566
Total	116,445,364	-	-	316,677,662	-	433,123,026

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

Regulatory Disclosures

Foreign currency exposures

(Expressed in millions of Hong Kong dollars)

	At 06/30/2020			
	USD	EUR	CNY	Total
Spot assets	3,176	81	-	3,257
Spot liabilities	(3,180)	(80)	-	(3,260)
Forward purchases	-	-	-	-
Forward sales	-	-	-	-
Net long / (short) position	<u>(4)</u>	<u>1</u>	<u>-</u>	<u>(3)</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	At 12/31/2019			
	USD	EUR	CNY	Total
Spot assets	3,231	139	-	3,370
Spot liabilities	(3,240)	(132)	-	(3,372)
Forward purchases	-	-	-	-
Forward sales	-	-	-	-
Net long / (short) position	<u>(9)</u>	<u>7</u>	<u>-</u>	<u>(2)</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Countercyclical Capital Buffer Ratio

	<u>At 06/30/2020</u>	<u>At 12/31/2019</u>
Countercyclical Capital Buffer Ratio	<u>0.080%</u>	<u>0.123%</u>

The relevant disclosures of countercyclical capital buffer ratio which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found on the Company's website accessible through the "Regulatory Disclosures_ June 2020" link on the home page of the Company's website at <https://www.koreaexim.go.kr/site/program/board/basicboard/list?boardtypeid=362&menuid=016001005>.

Capital Conservation Buffer Ratio

Under section 3M of the Capital Rules, the capital conservation buffer ratios for calculating the Bank's buffer level are 2.5% for 2019 and 2.5% for 2020.

	<u>At 06/30/2020</u>	<u>At 12/31/2019</u>
Capital Conservation Buffer Ratio	<u>2.500%</u>	<u>2.500%</u>