



BANCO WELL LINK, S.A.

**First Half Yearly Disclosure
for the first half year ended 30 June
2021**

Content for Disclosure of Financial Information

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BANCO WELL LINK, S.A.
Balance sheet as at 30 June 2021

MOP

ASSETS	GROSS ASSETS	PROVISION, DEPRECIATION AND AMORTIZATION	NET ASSETS
CASH	48,676,598.45	-	48,676,598.45
DEPOSIT WITH AMCM	235,827,558.87	-	235,827,558.87
VALUES FOR COLLECTION	2,506,836.96	-	2,506,836.96
DEPOSIT ON DEMAND WITH LOCAL CREDIT INSTITUTIONS	79,970,005.73	-	79,970,005.73
DEPOSIT ON DEMAND WITH FOREIGN CREDIT INSTITUTIONS	350,230,587.98	-	350,230,587.98
OTHER VALUES	95,151.00	-	95,151.00
LOANS AND ADVANCES	4,783,847,331.10	6,243,042.15	4,777,604,288.95
PLACEMENTS WITH LOCAL CREDIT INSTITUTIONS	3,948,011,370.94	-	3,948,011,370.94
DEPOSIT AT CALL AND AT TERM ABROAD	1,691,833,333.12	-	1,691,833,333.12
SHARES, BONDS AND OTHER SECURITIES	1,026,140,754.12	-	1,026,140,754.12
DEBTORS	22,518,136.55	-	22,518,136.55
OTHER APPLICATIONS	835,000,000.00	-	835,000,000.00
INVESTMENTS	2,550,410.00	-	2,550,410.00
EQUIPMENTS	20,428,895.79	6,746,819.41	13,682,076.38
DEFERRED EXPENDITURES	53,705,951.69	19,841,792.39	33,864,159.30
INSTALLATION EXPENDITURES	37,322,209.49	9,797,337.87	27,524,871.62
CONSTRUCTIONS IN PROGRESS	15,636,019.40	-	15,636,019.40
INTERNAL ACCOUNTS	49,315,686.98	-	49,315,686.98
TOTAL	13,203,616,838.17	42,628,991.82	13,160,987,846.35

BANCO WELL LINK, S.A.
Balance sheet as at 30 June 2021 (continued)

MOP

LIABILITIES	SUBTOTAL	TOTAL
DEPOSITS ON DEMAND	1,855,075,933.29	-
FIXED TERM DEPOSITS	7,381,261,183.36	-
PUBLIC SECTOR DEPOSITS	2,175,041,049.63	11,411,378,166.28
BORROWING FROM LOCAL CREDIT INSTITUTIONS	19,763,097.50	-
FOREIGN CURRENCY LOANS	771,028.38	-
CHEQUES AND PAYMENT ORDERS	6,831,088.84	-
CREDITORS	4,850,662.95	-
OTHER LIABILITIES	1,422,609.90	33,638,487.57
INTERNAL ACCOUNT	-	131,562,093.64
PROVISION FOR OTHER RISKS AND CHARGES	-	48,245,000.00
SHARE CAPITAL	1,200,000,000.00	-
LEGAL RESERVE	86,471,207.57	-
OTHER RESERVES	-4,178,121.57	1,282,293,086.00
RESULTS CARRIED FORWARD	200,225,787.33	-
PROFIT FOR THE YEAR	53,645,225.53	253,871,012.86
TOTAL		13,160,987,846.35

MEMORANDUM ITEMS	AMOUNT
VALUES HELD IN DEPOSIT	-
VALUES HELD FOR COLLECTION	-
VALUES HELD AS GUARANTEE	11,506,091,416.18
BANK GUARANTEES	49,256,276.30
LETTER OF CREDIT ISSUED	3,347,431.33
ACCEPTANCES OUTSTANDING	-
FORWARDS PURCHASE	-
FORWARDS SALES	-
OTHER MEMORANDUM ITEMS	655,823,483.41



BANCO WELL LINK, S.A.
Operating Profit and Loss Account
For the year ended 30 June 2021

MOP

DEBIT	AMOUNT	CREDIT	AMOUNT
INTEREST EXPENSES	95,449,836.81	INTEREST INCOME	214,386,480.09
STAFF COSTS:		BANKING SERVICE INCOME	21,440,270.57
MANAGEMENT REMUNERATION	1,550,000.00	OTHER BANKING SERVICES INCOME	2,697,147.01
EMPLOYEES REMUNERATION	32,955,370.50	SECURITIES AND FINANCIAL INVESTMENT INCOME	197,119.59
SPECIAL EXPENSES	2,001,588.49	OTHER BANKING INCOME	224,251.53
OTHER STAFF COSTS	361,740.20	UNUSUAL OPERATING INCOME	-
THIRD PARTY SUPPLIES	805,414.02	OPERATING LOSS	-
THIRD PARTY SERVICES	31,163,910.39		
OTHER BANKING EXPENSES	1,547,097.41		
INDUSTRIAL AND OTHER TAXES	142,435.00		
OTHER EXPENSES	1,311,502.58		
DEPRECIATION AND AMORTIZATION	8,473,787.17		
PROVISIONS FOR OTHER RISKS AND CHARGES	7,649,530.00		
OPERATING PROFIT	55,533,056.22		
TOTAL	238,945,268.79	TOTAL	238,945,268.79

Profit and loss account
For the first half year ended 30 June 2021

MOP

DEBIT	AMOUNT	CREDIT	AMOUNT
OPERATING LOSS	-	OPERATING PROFIT	55,533,056.22
PRIOR YEAR LOSS	-	PRIOR YEAR GAIN	-
EXCEPTIONAL LOSS	1,887,830.69	EXCEPTIONAL PROFIT	-
COMPLEMENTARY (CORPORATE) INCOME TAX	-	PROVISIONS UTILISED	-
NET PROFIT	55,533,056.22	NET LOSS	-
TOTAL	55,533,056.22	TOTAL	55,533,056.22

CHIEF EXECUTIVE OFFICER

Chong Sio Fai

EXECUTIVE DIRECTOR

Huang Ruisheng

Governing Bodies and Qualified Shareholders

Chairing Board of Shareholders' meeting

Chairman : Xu Chujia

Secretary : Yeung Chi Shing

Secretary : Xiang Fei

Board of Directors :

Chairman : Zhang Shengman

Directors : Xu Chujia

Paulo Jorge Fernandes Franco

Hon Wai Ming

So Shing Shun

Fang Hongguang

Lao Pun Lap

Antonio Jose Felix Pontes

Chong Sio Fai

Huang Ruisheng

Cai Kunshan

Artur Jorge Teixeira Santos

Executive Committee :

Chong Sio Fai

Huang Ruisheng

Cai Kunshan

Artur Jorge Teixeira Santos

Supervisory Board :

Chairman : Ng Man Kung

Members : Vong Hin Fai

CSC & Associates – Sociedade de Auditores (represented by
Mok Chi Meng)

Company Secretary : Xiang Fei

Institutions in which have holdings in excess of 5% in the share capital, or over 5% of their own funds

	<i>Total Capital</i>	<i>Holding capital</i>	<i>% of Total Capital</i>
Europe Assisatance (Macau) – Serviços de Assistência Personalizados, Lda.	MOP400,000	MOP 100,000	25%
Zhuhai Liqiao Jinrong Keji Youxian Gongsi	CNY 10,000,000	CNY 2,000,000	20%

Qualified Shareholders:

Shareholders with a qualified holding as of 30 June 2021:

Well Link Holding Limited	59.67%
Kingyin (Macau) Holdings Limited	15%
Shengman Investments Limited	10%

1 The Cash flow statement

CASH FLOWS FROM OPERATING ACTIVITIES	MOP
Profit before tax	53,645,225
Adjustments for:	
Depreciation	36,385,950
Gain on disposal of debt investments at fair value	157,554
Provision for doubtful loans and advances	7,649,530
Loss on disposal of items of plant and equipment	1,887,831
Exchange adjustments	130,785,509
	<hr/>
	230,511,599
Increase in minimum statutory deposits with AMCM	(17,581,523)
Increase in loans and advances	(591,279,609)
Decrease in placements with local credit institutions with original maturity beyond three months	865,597,081
Decrease in placements with foreign credit institutions with original maturity beyond three months	2,445,226,809
Decrease in interest receivables and other assets	3,403,400
Decrease in deposits on demand	531,766,583
Decrease in fixed term deposits	187,857,097
Increase in other liabilities	(2,432,692)
Increase in other payables	(43,801,085)
	<hr/>
Cash generated from operations	3,609,267,660
	<hr/>
Net cash flows from operating activities	<hr/> 3,609,267,660 <hr/>
CASH FLOWS USED IN INVESTING ACTIVITIES	
Purchases of items of plant and equipment	(48,919,312)
Purchases of debt investments	(149,201,629)
Proceeds from disposal of debt investments	197,114
	<hr/>
Net cash flows used in investing activities	<hr/> (197,923,827) <hr/>

2 The Cash flow statement(continued)

NET DECREASE IN CASH AND CASH EQUIVALENTS	3,411,343,833
Cash and cash equivalents at beginning of year	2,451,857,199
	5,863,201,032
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,863,201,032
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	
Cash	48,676,598
Deposits and clearing balances with AMCM with original maturity at or within three months	235,827,559
Deposits on demand with local credit institutions with original maturity at or within three months	430,200,594
Placements with local credit institutions with original maturity at or within three months	3,691,938,971
Placements with foreign credit institutions with original maturity at or within three months	1,590,888,833
Less: Minimum statutory deposits with AMCM	(134,331,523)
Cash and cash equivalents as stated in the statement of cash flows	5,863,201,032

2 Off-balance sheet exposures other than derivative transactions

At 30 June 2021 the Bank had the following contingent liabilities and outstanding commitments:

(a) *Off balance sheet items outstanding (contract amount) at the balance sheet date (in MOP):*

Bank guarantees issued	49,256,276
Values held as guarantees	11,506,091,416
Letter of Credit	3,347,431
Undrawn facilities	567,879,638
Values for collection	-
Acceptances	-

AMCM requires that general provision be maintained at 1% of the endorsements and performance guarantees on behalf of customers. Specific provisions on contingent credit are made when there is evidence that endorsement and performance guarantees on behalf of customers are not fully recoverable.

(b) *Operating lease commitments*

The Bank leases certain of its office premises under operating lease arrangements. Leases for office premises are negotiated for terms ranging from one to two years. At 30 June 2021, the Bank had future aggregate minimum lease payments under non-cancellable operating leases as follows (in MOP):

Within one year	20,783,067
In the second to fifth years, inclusive	57,217,386
	78,000,453

3 Derivatives

As at 30 June 2021, the notional amount of interest-bearing off balance sheet financial instruments is as follows:

	<i>Notional amount MOP</i>	<i>Credit risk weighted amount MOP</i>
Foreign currency swaps	87,943,846	513,908
Foreign exchange contract	-	-
	-	-

The notional amounts of these contracts indicate the volume of transactions outstanding and do not represent amounts at risk.

4 Related party transactions

The volume of related party transactions, outstanding balances as at 30 June 2021 and related income and expense for the first half year of 2020 are as follows:

(a) *Transactions with key management personnel*

Key management personnel of the Bank

In addition to the transactions and balances disclosed elsewhere in this financial information, the Bank provided commercial banking services to key management personnel of the Bank. The commercial banking services were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of a similar standing or, where applicable, with other employees.

(b) *Transactions with group companies*

During the year, the Bank entered into transactions with related parties in the normal course of its banking business including lending, acceptance and placement of inter-bank deposits, correspondent banking transactions and guarantees issued. The transactions were priced at the relevant market rates at the time of each transaction.

<i>The amount of related party transactions during the year is set out below</i>		<i>(in MOP)</i>
Directors:		
Interest expenses		(12,215)
Other related parties		
Interest expenses		(5,997)

4 Related party transactions (continued)

<i>The outstanding amounts of related party transactions as at the end of the reporting period are set out below</i>		<i>(in MOP)</i>
Shareholders:		
Deposit on demand		<u>(1,468,359)</u>
Directors:		
Deposit on demand		(780,931)
Fixed term deposits		(935,809)
Interest payables		<u>(4,026)</u>
Associates:		
Deposit on demand		(515,838)
Interest payables		<u>-</u>
Other related parties		
Deposit on demand		(5,131,668)
Fixed term deposits		(642,368)
Interest payables		<u>(1,144)</u>
		-

5 Capital

(a) Share capital

Authorised, issued and fully paid (in MOP):

1,200,000 shares of MOP1,000 each	<u>1,200,000,000</u>
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(b) Capital management

The Bank's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Bank belongs.

(i) Own funds

The Bank's own fund as of 30 June 2021 amounted to MOP1.53 billion. The value of own fund is the sum of core capital and supplementary capital less the amounts subject to deductions (if there were any).

Component of own fund is as follows (in MOP):

Share capital	1,200,000,000
Legal reserve	86,471,208
Other reserve	-4,178,122
Retained earnings	<u>200,225,787</u>
Total core capital	1,482,518,873
General provision/ Total supplementary capital	<u>48,245,000</u>
Total amount of own funds	<u>1,530,763,873</u>

The Bank's core capital consists of the following:

- Paid-up share capital pertains to 1,200,000 equity shares of authorised, issued and fully paid shares. The Bank does not have any other capital instruments except for these equity shares as qualifying capital.
- Legal reserve is a non-distributable reserve set aside from profit each year in accordance with FSA which provides that an amount of not less than 20 % of the profit after taxation be set aside each following year until the reserve reaches 50 % of the Bank's issued share capital and thereafter 10 % of the profit after taxation be set aside each year until the reserve is equal to the Bank's issued share capital.

5 Capital (continued)

(b) Capital management (continued)

(i) Own funds (continued)

- Other reserve pertains to the one-time transfer of retained profits in the prior year.
- Retained earnings are the accumulated undistributed profits, net of legal reserves set aside in accordance with FSA. Profit for the year pertains to the income earned for the period.

The Bank's supplementary capital represents the statutory reserves on general provision calculated in accordance with AMCM rules.

(ii) Operational Risk Adjusted Solvency ratio

- As of 30 June 2021, the Bank has maintained an Operational Risk Solvency Ratio of 20.97% against AMCM minimum regulatory requirement of 8%. The Operational Solvency Ratio is calculated with the Bank's own fund expressed as a percentage of the sum of its weight credit risk exposures, weighted market risk exposures and weighted operational risk exposures. The solvency ratio is calculated in accordance with Notice no. 011/2015-AMCM.

6 Credit risk management

(i) Geographical analysis of loans and advances to customers

<i>Region</i>	<i>Gross loans and advance: to customers MOP</i>	<i>Overdue loans and advances (more than 3 months) MOP</i>
Macau SAR	63,998,489	9,002,250
Hong Kong	3,131,983,184	96,568
Cayman Islands	30,203,200	-
China, People's Republic	698,648,611	165,029
Virgin Islands	540,750,000	-
Samoa	309,000,000	-
Total	4,774,583,484	9,263,847

The geographical analysis is classified by location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

6 Credit risk management (continued)

(ii) Geographical analysis of investments in debt and other securities

<i>Region</i>	<i>Gross Investments MOP</i>
Hong Kong SAR	426,424,027
Of which:	
– Banks	337,180,855
– Government/Public sectors	-
– Others	89,243,172
United Kingdom	178,212,057
Of which:	
– Banks	178,212,057
– Government/Public sectors	-
– Others	-
Philippine	111,801,082
Of which:	
– Banks	111,801,082
– Government/Public sectors	-
– Others	-
China	289,103,588
Of which:	
– Banks	202,314,892
– Government/Public sectors	86,788,696
– Others	-
Macau SAR	20,600,000
Of which:	
– Banks	-
– Government/Public sectors	-
– Others	20,600,000
Total	<u>1,026,140,754</u>

6 Credit risk management (continued)

(b) Industry distribution of exposures

The following information concerning the further analysis of loans and advances to customers by industry sectors is prepared by classifying the advances according to the usage of the advances in respect of industry sectors.

	<i>Gross loans and advances to customers MOP</i>	<i>Overdue loans and advance (more than 3 months) MOP</i>
For Other Personal Use	1,627,987,962	9,263,847
Financial Industry	1,686,669,725	-
Construction and public works	671,500,000	-
Other Financial Company	114,334,832	-
Wholesale and Retail	674,090,965	-
	<u>4,774,583,484</u>	<u>9,263,847</u>

6 Credit risk management (continued)

(c) Maturity analysis on assets and liabilities

Analysis of assets and liabilities by remaining maturity

The following maturity profile is based on the remaining period as at 30 June 2021 to the contractual maturity date:

	<i>Maturity date of financial instruments</i>								<i>Total</i>	
	<i>On demand</i>	<i>Up to 1 month</i>	<i>1 to 3 months</i>	<i>3 to 6 months</i>	<i>6 to 12 months</i>	<i>1 to 3 years</i>	<i>More than 3 years</i>	<i>Within an indefinite period</i>		<i>Overdue Loans & Advances</i>
	MOP	MOP	MOP		MOP	MOP	MOP	MOP	MOP	MOP
Assets										
Cash and balances	714,704,751									714,704,751
Loans and advances to bank		2,240,337,271	2,322,490,533	1,077,016,900	-	-	-			5,639,844,704
Securities and other investments	-	-	-	-	145,602,374	768,737,299	111,801,082	-		1,026,140,754
Loans and advances to customers	72,817,279	10,034,023	116,598,748	680,260,758	545,736,733	3,228,546,495	72,437,086	-	2,928,166	4,729,359,289
Interest receivables	233,757	18,962,197	9,133,298	1,822,681	7,998,792	-	-	-	-	38,150,725
Total	787,755,787	2,269,333,491	2,448,222,579	1,759,100,339	699,337,899	3,997,283,794	184,238,168	-	2,928,166	12,148,200,223

6 Credit risk management (continued)

(c) Maturity analysis on assets and liabilities (continued)

Analysis of assets and liabilities by remaining maturity (continued)

	<i>Maturity date of financial instruments</i>									<i>Total</i>
	<i>On demand</i>	<i>Up to 1 month</i>	<i>1 to 3 months</i>	<i>3 to 6 months</i>	<i>6 to 12 months</i>	<i>1 to 3 years</i>	<i>More than 3 years</i>	<i>Within an indefinite period</i>	<i>Overdue Loans & Advances</i>	
	MOP	MOP	MOP		MOP	MOP	MOP	MOP	MOP	MOP
Liabilities										
Deposits on demand	1,855,846,962	-	-	-	-	-	-	-	-	1,855,846,962
Fixed term deposits	62,324,416	2,047,969,481	2,148,925,633	2,757,378,812	2,500,554,798	39,019,093	130,000	-	-	9,556,302,233
Fixed term deposits- Interbank	2,858,098	-	-	2,060,000	14,845,000	-	-	-	-	19,763,098
Interest payables	1,498,786	28,926,714	20,014,784	16,892,142	12,013,033	1,690,375	11,228	-	-	81,047,062
Total	1,922,528,262	2,076,896,195	2,168,940,417	2,776,330,954	2,527,412,831	40,709,468	141,228	-	-	11,512,959,355
Net asset (liability) position	-1,134,772,475	192,437,296	279,282,162	-1,017,230,615	-1,828,074,932	3,956,574,326	184,096,940	-	2,928,166	635,240,868

6 Credit risk management (continued)

- (d) *Analysis of past due assets*
Up to 30 June 2021, the past overdue loan outstanding for more than 3 months was MOP9,263,847, a specific provision of MOP6,243,042 on the outstanding figures has been established.

7 Market risk management

The capital charge for market risk calculated in accordance with Notice no. 011/2015-AMCM guidelines as follows:

	MOP In '000'
Capital charge on foreign exchange Exposure/Total capital charge for market risk	2,827
Weighted Market Risk Exposure	<u>2,827</u>

8 Interest rate risk

Sensitivity analysis

The following table indicates the instantaneous change in the Bank's economic values of own funds that would arise if interest rates to which the Bank has significant exposure at the balance sheet date had changed at that date, assuming all other risk variables remained constant. Actual changes in the Bank's economic values of own funds resulting from the change in interest rates may differ from the result of the sensitivity analysis.

As of 30 June 2021, interest rate risk weighted position on all currencies, measured as its impact in the economic values of own funds as follows:

	MOP In '000'
MOP	-5,851
HKD	-23,689
USD	23,135
CNY	10,051

9 Operational risk management

Operational risks arise from the Bank's daily operation and fiduciary activities. The Bank's compliance department play an essential role in monitoring and limiting the Bank's operational risk. The primary focus of compliance departments is to ensure adherence to the operating guidelines, including regulatory and legal requirements and to pro-actively recommend improvements.

The Bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements.

10 Foreign exchange risk

The Bank's functional currency is Macau Patacas ("MOP"). The Bank is exposed to currency risk primarily arising from financial instruments that are denominated in United States dollars ("USD") and other major currencies.

As the MOP is pegged to HKD and the HKD is pegged to the USD, the Bank considers the risk of movements in exchange rates between these currencies to be insignificant.

In respect of balances denominated in foreign currencies other than MOP, USD and HKD, the associated assets are matched to the corresponding liabilities denominated in the same currency. Therefore, the effect of foreign exchange fluctuation is minimized.

The following table indicates the concentration of currency risk as of 30 June 2021:

(In thousand of MOP equivalent)

	<i>HKD</i>	<i>AUD</i>	<i>CNY</i>	<i>EUR</i>	<i>GBP</i>	<i>USD</i>	<i>Others</i>
Spot assets	1,538,202	64	2,530	-	138	385,882	95
Spot liabilities	-	-	-	(269)	-	-	-
Forward sales	-	-	-	-	-	-	-
Net long (short) position	1,538,202	64	2,530	(269)	138	385,882	95

11 Liquidity risk

(a) Average liquidity

(i) Average weekly liquidity for the year	MOP In '000'
Average weekly minimum cash in hand	170,859
Average weekly cash in hand	269,634

The average weekly liquidity is computed as the product of specified assets and liabilities by proportion designated in accordance with AMCM's requirements, as reported in the weekly return submitted to AMCM.

(ii) Liquidity ratio for the year

	In Percentage
1 month current ratio	109.2%
3 months current ratio	99.2%

The liquidity ratio is computed as the simple average of the percentage of specified assets to liabilities in the last week of each calendar month in accordance with AMCM's requirement, as reported in the monthly return submitted to AMCM.

(b) Average solvency assets

	MOP In '000'
Average specified liquid assets	6,457,035
Average total basic liabilities	9,757,887
Ratio of specified liquid assets to basic liabilities	66.2%

The average ratio of solvency assets to underlying liabilities is computed as the simple average of each calendar month's average ratio in accordance with AMCM's requirement, as reported in the monthly return submitted to AMCM.