

Hua Nan Commercial Bank, Ltd.

Hong Kong Branch

Financial Information Disclosure Statements

For the year ended 31 Dec 2025

## SECTION A - BRANCH INFORMATION

HKD'000

I. INCOME STATEMENT INFORMATION	<u>Year to</u> <u>31 Dec 2025</u>	<u>Year to</u> <u>31 Dec 2024</u>	<u>Year to</u> <u>31 Dec 2025</u>	<u>Year to</u> <u>31 Dec 2024</u>
Net interest income			529,829	620,579
Interest income			1,049,690	1,259,547
Interest expense			(519,861)	(638,968)
Other operating income			20,200	21,502
Gains less losses arising from trading in foreign currencies			5,817	8,093
Gains less losses on securities held for trading purposes			0	0
Gains less losses from other trading activities			0	0
Net fees and commission income:	<u>Year to</u> <u>31 Dec 2025</u>	<u>Year to</u> <u>31 Dec 2024</u>	13,460	12,759
Income from fees and commission	15,544	14,732		
Less : fees and commission expenses	(2,084)	(1,973)		
Others			923	650
Operating expenses			(53,775)	(60,505)
Staff and rental expenses			(44,377)	(43,338)
Other expenses less fees and commission expenses			(9,398)	(17,167)
Provisions for bad and doubtful debts			(46,059)	(7,580)
Provisions for other			(576)	(480)
Provisions for impairment loss on assets			552	(939)
Profit before taxation			450,171	572,577
Tax expense			(78,901)	(92,006)
Profit after taxation			371,270	480,571

**II. BALANCE SHEET INFORMATION**

31 Dec 2025

30 Jun 2025

**Assets**

Cash and short term fund (except those included in amount due from overseas offices)	1,823,371	3,744,192
Placements with banks and other financial institutions maturing between 1~12 months (except those included in amount due from overseas offices)	2,514,799	2,808,890
Amount due from overseas offices of the institution	701	314,735
Trade bills	0	2,536
Certificates of deposit held	1,245,948	1,098,141
Advances to customers, banks and other financial institutions	5,969,885	5,875,310
Investment securities	10,527,272	9,491,261
Tangible fixed assets	9,593	13,452
Other assets and interest receivables	205,592	163,978
Total assets	<u>22,297,161</u>	<u>23,512,495</u>

**Equity and Liabilities**

Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	1,429,608	2,117,500
Deposits from customers	17,667,263	18,258,165
Demand deposits and current accounts	97,019	97,559
Savings deposits	4,983,979	5,174,644
Time, call and notice deposits	12,586,265	12,985,962
Amount due to overseas offices of the institution	116,457	214,582
Other liabilities and provisions	271,363	263,125
Total liabilities	<u>19,484,691</u>	<u>20,853,372</u>
Reserves and current profit	2,812,470	2,659,123
Total equity and liabilities	<u>22,297,161</u>	<u>23,512,495</u>

III. ADDITIONAL BALANCE SHEET INFORMATION		31 Dec 2025	30 Jun 2025
(i) Advances and other accounts		31 Dec 2025	30 Jun 2025
<i>A. Advances to customers</i>			
		4,055,988	3,924,294
Loans to finance imports to H.K. and exports and re-exports from H.K.		46,318	55,150
Other loans for use in H.K.		1,377,053	1,984,321
Other loans for use outside H.K.		2,632,617	1,884,823
<i>B. Advances to banks and other financial institutions</i>			
		1,913,897	1,951,016
<i>C. Accrued interest and other accounts</i>			
		205,592	163,978
Accrued interest		200,797	158,972
Other accounts:		4,795	5,006
	<u>31 Dec 2025</u> <u>30 Jun 2025</u>		
Prepaid expenses	2,160	2,262	
Other accounts receivable	1	0	
Prepaid taxes	0	0	
Other prepayment	0	0	
Fair value adjustments on financial assets designated at fair value	0	0	
Forward exchange contract receivable	34	0	
Refundable deposits	2,337	2,376	
Computer software	263	368	
Gain from revaluation of securities	0	0	
<i>D. Provisions for bad and doubtful debts</i>			
		131,223	62,292
Reserves for loans:			
General provisions			
		60,074	59,858
To customers		40,935	40,348
To country risk		0	0
To banks		19,139	19,510
Specific provisions			
		71,149	2,434
To customers		71,149	2,434
Reserves for other receivables:			
Specific provisions			
		0	0

### III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

#### (ii) Non-performing loans

	<u>Principal amt</u>	<u>Suspended interest</u>	<u>Total amt</u>	<u>Percentage to total advances</u>	<u>Value of collateral</u>	<u>Provisions</u>
31 Dec 2025	0	0	0	0.00%	0	0
30 Jun 2025	0	0	0	0.00%	0	0

#### (iii) The gross amount of advances to customers which have been overdue

	<u>31 Dec 2025</u>			<u>30 Jun 2025</u>		
	<u>Loans</u>	<u>Percentage to total advances</u>	<u>Provisions</u>	<u>Loans</u>	<u>Percentage to total advances</u>	<u>Provisions</u>
six months or less but over three months:	0	0.00%	0	0	0.00%	0
one year or less but over six months:	0	0.00%	0	0	0.00%	0
over one year:	0	0.00%	0	0	0.00%	0
Total	<u>0</u>		<u>0</u>	<u>0</u>		<u>0</u>

Market value of collateral held against the covered portion of all overdue advances

0 0

Covered portion of all overdue advances

0 0

Uncovered portion of all overdue advances

0 0

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)	31 Dec 2025	30 Jun 2025
(iv) a. The amount of advances to customers which have been overdue for more than three months and on which interest is still being accrued	0	0
b. The amount of advances to customers which have been overdue for three months or less or not yet overdue and on which interest is being placed in suspense or on which interest accrual has ceased	0	0
c. The amount of advances to customers which have been overdue for three months or less or not yet overdue and on which interest is still being accrued	0	0
(v) The amount of rescheduled advances to customers (net of those which have been overdue for over three months and reported in (iii) above)	0	0
(vi) Reconciliation between overdue loans and non-performing loans		
The amount of advances to customers which have been overdue for more than three months	0	0
<b>Add:</b> - The amount of advances to customers which have been overdue for three months or less or not yet overdue and on which interest is being placed in suspense or on which interest accrual has ceased	0	0
- The amount of advances to customers which have been overdue for three months or less or not yet overdue and on which interest is still being accrued	0	0
<b>Less:</b> The amount of advances to customers which have been overdue for more than three months and on which interest is still being accrued	0	0
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<u>Non-performing Loans</u>		
	<u>31 Dec 2025</u>	<u>30 Jun 2025</u>
Hong Kong areas	0	0
Other areas	0	0
(vii) The debt securities which have been overdue	0	0
(viii) Other assets which have been overdue	0	0

## IV. SEGMENTAL INFORMATION

## (i) Breakdown of the gross amount of advances to customers by industry sectors

	31 Dec 2025		30 Jun 2025	
	Amount	Amount covered by collateral	Amount	Amount covered by collateral
A.Loans for use in Hong Kong	1,377,053	526,393	1,984,321	427,015
a.Industrial,commercial and financial	1,377,053	526,393	1,984,321	427,015
Manufacturing	0	0	0	0
Property development	0	0	78,125	0
Property investment	0	0	103,883	0
Electricity and gas	0	0	0	0
Recreational activities	0	0	0	0
Information technology	127,503	0	385,413	0
Wholesale and retail trade	324,993	320,789	440,184	330,267
Transport	36,800	0	37,192	393
Hotels,boarding houses & catering	0	0	0	0
Financial concerns	887,757	205,604	939,524	96,355
Stockbrokers	0	0	0	0
Others	0	0	0	0
b.Individuals	0	0	0	0
Others	0	0	0	0
B.Trade finance	46,318	20,481	55,150	23,611
C.Loans for use outside H.K.	2,632,617	331,880	1,884,823	356,881
Total	4,055,988	878,754	3,924,294	807,507

## (ii) Gross amount of advances to customers by countries or geographical areas

31 Dec 2025

30 Jun 2025

(A country or geographical area is reported where it constitutes 10% or more of the aggregate gross amount of advances to customers after taking into consideration the transfers of risks.)

<b><u>Hong Kong</u></b> : Loans and advance to customers	1,230,919	1,875,415
<b><u>Taiwan</u></b> : Loans and advance to customers	55,112	62,253
Overdue loans	0	0
Non-performing loans	0	0
<b><u>China</u></b> : Loans and advance to customers	219,366	222,845

There are overdue and non-performing loans under the identified countries or geographical areas in addition to Taiwan

## (iii) Repossessed assets

0

0

## IV. SEGMENTAL INFORMATION (CONTINUED)

## (iv) Cross-border claims

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	<u>Others</u>	<u>Total</u>
<u>As at 31 Dec 2025</u>						
1. Developed economies	3,991	2	1,843	405	0	6,241
2. Offshore centres	1,147	15	343	1,250	0	2,755
of which country: Hong Kong	521	15	343	1,250	0	2,129
3. Developing Latin America and Caribbea	355	0	0	0	0	355
4. Developing Africa and Middle East	1,078	0	1,236	618	0	2,932
5. Developing Asia-Pacific	7,328	1	276	686	0	8,291
of which country: Korea	3,040	0	207	74	0	3,321
Taiwan	1,901	0	0	39	0	1,940
China	167	1	0	220	0	388
6. International organisations	0	0	1,696	0	0	1,696
<u>As at 30 Jun 2025</u>						
1. Developed economies	3,472	4	1,175	1,021	0	5,672
2. Offshore centres	1,133	15	210	2,098	0	3,456
of which country: Hong Kong	522	15	210	2,020	0	2,767
3. Developing Latin America and Caribbea	357	0	0	0	0	357
4. Developing Africa and Middle East	1,349	0	624	253	0	2,226
5. Developing Asia-Pacific	8,940	0	527	637	0	10,104
of which country: Korea	2,589	0	405	78	0	3,072
Taiwan	2,877	0	0	42	0	2,919
China	1,631	0	122	104	0	1,857
6. International organisations	0	0	1,662	0	0	1,662

The basis of the country/geographical classification has been taken account the transfer of risk.

## IV. SEGMENTAL INFORMATION (CONTINUED)

## (v) Mainland activities exposures

<u>As at 31 Dec 2025</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
Types of Counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	0	0	0
4. Other entities of central governments not reported in item 1 above	463	163	626
5. Other entities of local governments not reported in item 2 above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	459	208	667
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	136	136	272
<u>Total</u>	1,058	507	1,565
Total assets after provision	22,162		
On-balance sheet exposures as percentage of total assets	4.77%		
<u>As at 30 Jun 2025</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
Type of Counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0
2. Local government, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	0	0	0
4. Other entities of central governments not reported in item 1 above	372	163	535
5. Other entities of local governments not reported in item 2 above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	532	273	805
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	248	28	276
<u>Total</u>	1,152	464	1,616
Total assets after provision	23,448		
On-balance sheet exposures as percentage of total assets	4.91%		

**V. CURRENCY RISK**

(An individual currency is reported if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.)

<u>As at 31 Dec 2025</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>JPY</u>	<u>CNY</u>	<u>NZD</u>
Spot assets	15,783	274	2	185	1,453	5
Spot liabilities	(15,790)	(274)	(3)	(185)	(1,453)	(5)
Forward purchases	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0
Net long (short) position	(7)	0	(1)	0	0	0
<u>As at 30 Jun 2025</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>JPY</u>	<u>CNY</u>	<u>NZD</u>
Spot assets	16,294	351	3	158	1,681	5
Spot liabilities	(16,286)	(351)	(3)	(161)	(1,683)	(5)
Forward purchases	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0
Net long (short) position	8	0	0	(3)	(2)	0

**VI. DISCLOSURE ON ACTIVITIES RELATED TO CRYPTOASSETS**

No cryptoasset exposures in our branch.

VII. OFF-BALANCE SHEET EXPOSURES			31 Dec 2025	30 Jun 2025
(i) Contingent liabilities and commitments	<u>31 Dec 2025</u>	<u>30 Jun 2025</u>		
A. Direct credit substitutes			705,763	672,771
Customers' liabilities under guarantee	705,763	672,771		
B. Transaction-related contingencies			0	0
C. Trade-related contingent items			201,537	102,043
Collection receivable for customers	42,657	68,227		
Customers' liabilities under L/C	146,030	21,149		
Customers' liabilities under guarantee (SG)	0	0		
Customers' liabilities under acceptance	12,850	12,667		
D. Sale and repurchase agreements			0	274,791
E. Other commitments				
With an original maturity of under 1 year available OD & loans limit			1,355,497	1,628,923
With an original maturity of over 1 year loans limit			1,087,480	360,967
Note issue and revolving underwriting facilities			0	0

The contract amounts of the contingent liabilities and commitments represent the amounts at risk should the contract be fully drawn upon and the client default, the total of the contract amounts is not representative of future liquidity requirements.

(ii) Derivatives			<u>31 Dec 2025</u>	<u>30 Jun 2025</u>
Contract amounts :				
Interest rate contracts			0	0
Exchange rate contracts			0	0
			<hr/>	<hr/>
			0	0
Replacement costs (of the above derivatives) :				
Interest rate contracts			0	0
Exchange rate contracts			0	0
			<hr/>	<hr/>
			0	0

The contract amounts indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk. The replacement costs do not take into account the effects of bilateral netting arrangements.

## VIII. LIQUIDITY

	<u>For the year of 2025</u>	<u>For the year of 2024</u>
The average liquidity coverage ratio	N/A	N/A
	<u>For the year of 2025</u>	<u>For the year of 2024</u>
The average liquidity maintenance ratio for Q1 (Calculation period : Jan ~ Mar 2025 , Jan ~ Mar 2024)	85.42%	81.53%
The average liquidity maintenance ratio for Q2 (Calculation period : Apr ~ Jun 2025 , Apr ~ Jun 2024)	87.36%	76.07%
The average liquidity maintenance ratio for Q3 (Calculation period : Jul ~ Sep 2025 , Jul ~ Sep 2024)	96.34%	86.54%
The average liquidity maintenance ratio for Q4 (Calculation period : Oct ~ Dec 2025 , Oct ~ Dec 2024)	95.35%	85.93%
The average liquidity maintenance ratio for H1 (Calculation period : Jan ~ Jun 2025 , Jan ~ Jun 2024)	86.39%	78.80%
The average liquidity maintenance ratio for H2 (Calculation period : Jul ~ Dec 2025 , Jul ~ Dec 2024)	95.85%	86.24%
The average liquidity maintenance ratio for Year (Calculation period : Jan ~ Dec 2025 , Jan ~ Dec 2024)	91.12%	82.52%

LMR was complied in accordance with the Banking (Liquidity) Rules issued by the HKMA.

The average ratio is calculated based on the arithmetic mean of the average value of its liquidity position return for each month during the reporting period.(ex. Q1 is the 3 months' average.)

## IX. LIQUIDITY RISK MANAGEMENT

Please review the attachment of liquidity Risk Management.

## X. REMUNERATION DISCLOSURE

In respect to the disclosure requirement under the HKMA's Supervisory Policy Manual (CG-5)-Guideline on a Sound Remuneration System, please refer to the Bank's Annual Report (Chinese version) (in the part of Corporate Governance Report).

## SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

(HKD/TWD=4.039)

I. CAPITAL AND CAPITAL ADEQUACY	<u>31 Dec 2025</u>	<u>30 Jun 2025</u>
Consolidated capital adequacy ratio	15.46%	15.24%
Aggregate amount of shareholders' funds	315,437,347	296,953,915

The ratio is computed in accordance with the New Basel Capital Accord's Capital Adequacy Directive and the basis of computation incorporates allowances for credit, market and operational risks.

II. OTHER FINANCIAL INFORMATION	<u>31 Dec 2025</u>	<u>30 Jun 2025</u>
Total assets	4,182,824,655	4,061,595,131
Total liabilities	3,928,974,168	3,826,348,939
Total net advances	2,436,542,409	2,378,211,374
Total customer deposits	3,417,341,156	3,261,909,293
	<u>Year to</u>	<u>Year to</u>
	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>
Pre-tax Profit	29,293,619	26,571,704

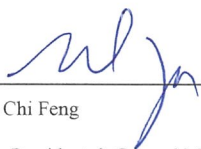
Declaration of Compliance

It is certified by the Chief Executive of Hua Nan Commercial Bank, Ltd. Hong Kong Branch that the information disclosed above complies fully with the disclosure standards as set out in CA-D-1 (Guideline on the Application of the Banking (Disclosure) Rules) of the Supervisory Policy Manual (V.5 - 01.01.26) issued by the Hong Kong Monetary Authority and is not false or misleading.

For and on behalf of

Hua Nan Commercial Bank, Ltd.

Hong Kong Branch



Yu, Chi Feng

Vice President &amp; General Manager

Date: 27 April 2026

**Liquidity Risk Management of  
Hua Nan Commercial Bank, Ltd. Hong Kong Branch**

1.	Strategy and policies of liquidity risk management	According to the CAP 155Q Banking (Liquidity) Rules of the Hong Kong Banking Ordinance, the Supervisory Policy Manual “LM-1: Regulatory Framework for Supervision of Liquidity Risk ” and “LM-2: Sound Systems and Controls for Liquidity Risk Management ” issued by the Hong Kong Monetary Authority, “Liquidity Risk Management Standard” and “Overseas Branches Guidelines and Measures of Liquidity and Interest Rate Risk Management in Banking Book” issued by head office, Hong Kong Branch has formulated the “ Liquidity Risk Management System and Control Measures” to ensure maintaining stable and adequate liquidity in daily operations and certain circumstances.
2.	Structure and responsibilities for liquidity risk management	The Branch has set up the Risk Management Committee, the branch manager as the convener to periodic review and analyze the liquidity risk management guideline and controlling measure, liquidity of funds, maturity gap, trend of interest rate and other related issues.
3.	Risk tolerance of liquidity risk management	According to the risk tolerance set by head office and the Supervisory Policy Manual issued by the Hong Kong Monetary Authority, AIs must maintain a LMR not less than 25% on average in each calendar month. The Branch has set LMR not less than 35% and the indicator reviews periodically and provided to head office.
4.	Reports of liquidity risk management	The Branch provide interest sensitivity indicators to head office and report to ALCO of Hong Kong Branch monthly. The Branch develop a proper funding plan based on the liquidity gap and structure to identify, monitor and mitigate liquidity risk.
5.	Strategy of funding plan	The Branch funding strategy is decentralized. To maintain appropriate liquidity asset portfolio by interbank borrowing or overdraw limit and prevent from centralizing deposit to meet the needs of daily operation funds.  Appendix : The Branch has set interbank borrowings to single counterparty not more than HKD400 Million / CNY300Million.

6.	Stress testing of liquidity risk management	According to 華南商業銀行香港分行流動性風險管理制度及管控措施, the Branch proceed stress testing periodically based on the possible condition and hypothesis and submit results to head office and discuss on the branch Assets and Liabilities Management Committee.
7.	Contingency funding plan of liquidity risk management	The Contingency Funding Plan is made by the Branch. To obtain support from central bank or head office or issue bonds /fixed deposits to mitigate liquidity gap and maintain the resources of going concern. The Branch assess and practices the Contingency Funding Plan every year.
8.	Liquidity risk mitigation techniques	The Branch has formulated and followed a daily internal and external liquidity ratio and early warning indicators to ensure sufficiently liquidity funds. When it needs, activate the Contingency Funding Plan and Recovery Plan to mitigate liquidity gaps.

(HK\$'000)

On-balance sheet liabilities	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing amount	
	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years		Over 5 years
Total	22,149,803	5,669,729	1,001,683	4,566,968	6,124,498	1,196,099	658,482	0	0	0	77,853	2,854,491

Off-balance sheet obligations	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing amount	
	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years		Over 5 years
Total	2,370,691	1,242,005	1,866	60,421	268,519	98,380	15,939	61,813	0	30,830	590,918	0

On-balance sheet assets	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing amount	
	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years		Over 5 years
Total	22,296,199	12,727,190	692,939	696,124	1,412,211	2,033,575	878,670	750,335	445,711	2,338,559	306,497	14,388

Off-balance sheet claims	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing amount	
	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years		Over 5 years
Total	1,873,055	49,190	226,108	59,081	56,646	169,312	119,326	235,158	137,121	173,941	647,172	0

Contractual Maturity Mismatch	5,864,646	(84,502)	(3,872,184)	(4,924,160)	908,408	323,575	923,680	582,832	2,481,670	284,898		
Cumulative Contractual Maturity Mismatch	5,864,646	5,780,144	1,907,960	(3,016,200)	(2,107,792)	(1,784,217)	(860,537)	(277,705)	2,203,965	2,488,863		