

Hua Nan Commercial Bank, Ltd.

Hong Kong Branch

Financial Information Disclosure Statements

For the half year ended 30 June 2026

SECTION A - BRANCH INFORMATION

HKD'000

I. INCOME STATEMENT INFORMATION		Half year to 30 Jun 2026	Half year to 30 Jun 2025
Net interest income		232,192	274,941
Interest income		476,118	538,585
Interest expense		(243,926)	(263,644)
Other operating income		22,446	9,715
Gains less losses arising from trading in foreign currencies		3,020	2,975
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:	Half year to 30 Jun 2026	Half year to 30 Jun 2025	
Income from fees and commission	4,822	7,642	3,604
Less : fees and commission expenses	(1,218)	(921)	6,721
Others		15,822	19
Operating expenses		(30,232)	(29,753)
Staff and rental expenses		(25,454)	(24,732)
Other expenses less fees and commission expenses		(4,778)	(5,021)
Provisions for bad and doubtful debts		(9,726)	23,342
Provisions for other		1,161	437
Provisions for impairment loss on assets		(381)	432
Profit before taxation		215,460	279,114
Tax expense		(36,000)	(46,100)
Profit after taxation		179,460	233,014

II. BALANCE SHEET INFORMATION	30 Jun 2026	31 Dec 2025
Assets		
Cash and short term fund (except those included in amount due from overseas offices)	1,732,224	1,823,371
Placements with banks and other financial institutions maturing between 1~12 months (except those included in amount due from overseas offices)	2,057,223	2,514,799
Amount due from overseas offices of the institution	79,164	701
Trade bills	1,514	0
Certificates of deposit held	1,646,288	1,245,948
Advances to customers, banks and other financial institutions	6,808,138	5,969,885
Investment securities	11,490,053	10,527,272
Tangible fixed assets	8,126	9,593
Other assets and interest receivables	168,581	205,592
Total assets	23,991,311	22,297,161
Equity and Liabilities		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	2,331,223	1,429,608
Deposits from customers	18,215,592	17,667,263
Demand deposits and current accounts	101,062	97,019
Savings deposits	5,076,493	4,983,979
Time, call and notice deposits	13,038,037	12,586,265
Amount due to overseas offices of the institution	239,434	116,457
Other liabilities and provisions	228,048	271,363
Total liabilities	21,014,297	19,484,691
Reserves and current profit	2,977,014	2,812,470
Total equity and liabilities	23,991,311	22,297,161

III. ADDITIONAL BALANCE SHEET INFORMATION

30 Jun 2026

31 Dec 2025

(i) Advances and other accounts

30 Jun 2026

31 Dec 2025

A. Advances to customers

4,843,311

4,055,988

Loans to finance imports to H.K. and

exports and re-exports from H.K.

56,329

46,318

Other loans for use in H.K.

943,039

1,377,053

Other loans for use outside H.K.

3,843,943

2,632,617

B. Advances to banks and other financial institutions

1,964,827

1,913,897

C. Accrued interest and other accounts

168,581

205,592

Accrued interest

164,136

200,797

Other accounts:

4,445

4,795

30 Jun 2026 31 Dec 2025

Prepaid expenses

1,875

2,160

Other accounts receivable

0

1

Prepaid taxes

0

0

Other prepayment

0

0

Fair value adjustments on financial

0

0

assets designated at fair value

Forward exchange contract receivable

0

34

Refundable deposits

2,411

2,337

Computer software

159

263

Gain from revaluation of securities

0

0

D. Provisions for bad and doubtful debts

70,984

131,223

Reserves for loans:

General provisions

70,984

60,074

To customers

52,120

40,935

To country risk

0

0

To banks

18,864

19,139

Specific provisions

0

71,149

To customers

0

71,149

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>
30 Jun 2026	0	0	0	0.00%	0	0
31 Dec 2025	0	0	0	0.00%	0	0

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

	<u>30 Jun 2026</u>			<u>31 Dec 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	0		0	0		0

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

0

Covered portion of all overdue advances

0

Uncovered portion of all overdue advances

0

III. ADDITIONAL BALANCE SHEET INFORMATION (CONTINUED)

30 Jun 2026

31 Dec 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
Add: - 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
Less: 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>30 Jun 2026</u>	<u>31 Dec 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

	30 Jun 2026		31 Dec 2025	
	Amount	Amount covered by collateral	Amount	Amount covered by collateral
A.Loans for use in Hong Kong	943,039	77,922	1,377,053	526,393
a.Industrial,commercial and financial	943,039	77,922	1,377,053	526,393
Manufacturing	0	0	0	0
Property development	0	0	0	0
Property investment	0	0	0	0
Electricity and gas	0	0	0	0
Recreational activities	0	0	0	0
Information technology	0	0	127,503	0
Wholesale and retail trade	3,168	3,051	324,993	320,789
Transport	600,000	0	36,800	0
Hotels,boarding houses & catering	0	0	0	0
Financial concerns	339,871	74,871	887,757	205,604
Stockbrokers	0	0	0	0
Others	0	0	0	0
b.Individuals	0	0	0	0
Others	0	0	0	0
B.Trade finance	56,329	34,170	46,318	20,481
C.Loans for use outside H.K.	3,843,943	413,447	2,632,617	331,880
Total	4,843,311	525,539	4,055,988	878,754

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

30 Jun 2026

31 Dec 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.)

<u>Hong Kong</u> : Loans and advance to customers	939,871	1,230,919
<u>Taiwan</u> : Loans and advance to customers	56,856	55,112
Overdue loans	0	0
Non-performing loans	0	0
<u>China</u> : Loans and advance to customers	6,563	219,366
<u>Korea</u> : Loans and advance to customers	626,834	279,248

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 30 Jun 2026</u>						
1. Developed economies	4,100	2	2,278	261	0	6,641
2. Offshore centres	1,076	20	0	1,130	0	2,226
of which country: Hong Kong	449	20	0	952	0	1,421
3. Developing Latin America and Caribbea	516	0	0	0	0	516
4. Developing Africa and Middle East	1,697	0	1,303	780	0	3,780
5. Developing Asia-Pacific	7,192	1	511	761	0	8,465
of which country: Korea	2,468	0	444	186	0	3,098
Taiwan	1,374	0	0	49	0	1,423
China	569	1	0	6	0	576
6. International organisations	0	0	2,325	0	0	2,325
<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

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 30 Jun 2026</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	295	200	495
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	3	85	88
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	16	490	506
<u>Total</u>	314	775	1,089
Total assets after provision	23,918		
On-balance sheet exposures as percentage of total assets	1.31%		
<u>As at 31 Dec 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	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%		

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 30 Jun 2026</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>JPY</u>	<u>CNY</u>	<u>NZD</u>
Spot assets	16,853	225	2	299	1,218	5
Spot liabilities	(16,848)	(225)	(3)	(299)	(1,218)	(5)
Forward purchases	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0
Net long (short) position	5	0	(1)	0	0	0
<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

VI. OFF-BALANCE SHEET EXPOSURES30 Jun 202631 Dec 2025

(i) Contingent liabilities and commitments	<u>30 Jun 2026</u>	<u>31 Dec 2025</u>		
A. Direct credit substitutes			762,421	705,763
Customers' liabilities under guarantee	762,421	705,763		
B. Transaction-related contingencies			0	0
C. Trade-related contingent items			450,002	201,537
Collection receivable for customers	125,030	42,657		
Customers' liabilities under L/C	324,767	146,030		
Customers' liabilities under guarantee (SG)	0	0		
Customers' liabilities under acceptance	205	12,850		
D. Sale and repurchase agreements			38,000	0
E. Other commitments				
With an original maturity of under 1 year available OD & loans limit			1,423,433	1,355,497
With an original maturity of over 1 year loans limit			698,295	1,087,480
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>30 Jun 2026</u>	<u>31 Dec 2025</u>
Contract amounts :		
Interest rate contracts	0	0
Exchange rate contracts	0	0
	<u>0</u>	<u>0</u>
Replacement costs (of the above derivatives) :		
Interest rate contracts	0	0
Exchange rate contracts	0	0
	<u>0</u>	<u>0</u>

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.

VII. LIQUIDITY

	<u>For the half year of 2026</u>	<u>For the half year of 2025</u>
The average liquidity coverage ratio	N/A	N/A
	<u>For the half year of 2026</u>	<u>For the half year of 2025</u>
The average liquidity maintenance ratio for Q1 (Calculation period : Jan ~ Mar 2026 , Jan ~ Mar 2025)	98.75%	85.42%
The average liquidity maintenance ratio for Q2 (Calculation period : Apr ~ Jun 2026 , Apr ~ Jun 2025)	92.83%	87.36%
The average liquidity maintenance ratio for H1 (Calculation period : Jan ~ Jun 2026 , Jan ~ Jun 2025)	95.79%	86.39%

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.)

HKD'000

VIII. RELATED PARTY TRANSACTIONS

	<u>30 Jun 2026</u>	<u>31 Dec 2025</u>
Transactions with Macau Branch		
Investment securities	431,399	0

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).

NTD'000

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

(HKD/TWD=4.067)

I. CAPITAL AND CAPITAL ADEQUACY	30 Jun 2026	31 Dec 2025
Consolidated capital adequacy ratio	14.39%	15.46%
Aggregate amount of shareholders' funds	314,867,323	315,437,347

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	30 Jun 2026	31 Dec 2025
Total assets	4,377,622,431	4,182,824,655
Total liabilities	4,125,166,213	3,928,974,168
Total net advances	2,573,450,186	2,436,542,409
Total customer deposits	3,567,688,417	3,417,341,156
	<u>Half year to</u> <u>30 Jun 2026</u>	<u>Half year to</u> <u>30 Jun 2025</u>
Pre-tax Profit	15,953,144	13,846,181

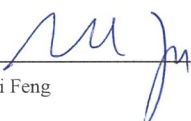
Declaration of Compliance

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 & General Manager

Date: 23 September 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.

Maturity Profile

2026.06.30

(HK\$'000)

On-balance sheet liabilities	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items							Balancing 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	
Total	23,891,205	5,217,580	1,761,843	4,938,057	6,430,515	1,500,949	934,073	0	3,029,752

Off-balance sheet obligations	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items							Balancing 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	
Total	2,094,186	881,503	38,265	37,129	67,525	301,973	44,292	27,042	690,339

On-balance sheet assets	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items							Balancing 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	
Total	23,959,903	13,538,446	443,444	1,098,154	440,898	2,331,677	370,799	967,508	12,571

Off-balance sheet claims	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items							Balancing 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	
Total	2,311,911	120,708	318	37,602	57,982	387,373	195,711	266,960	828,449

Contractual Maturity Mismatch	7,560,071	(1,356,346)	(3,839,430)	(5,999,160)	916,128	(411,855)	1,207,426	1,327,220	2,493,048	1,406,502
Cumulative Contractual Maturity Mismatch	7,560,071	6,203,725	2,364,295	(3,634,865)	(2,718,737)	(3,130,592)	(1,923,166)	(595,946)	1,897,102	3,303,604