

TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED  
HONG KONG BRANCH

Key Financial Information Disclosure Statements  
For The Year Ended 31 December 2018

For and on behalf of  
TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD.  
Hong Kong Branch

  
.....  
*Authorized Signature(s)*

**TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**Key Financial Information Disclosure Statements  
For The Year Ended 31 December 2018**

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**TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>**

**I. PROFIT AND LOSS INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year ended	
	<u>31 December</u> <u>2018</u> HK\$'000	<u>31 December</u> <u>2017</u> HK\$'000
<b>INTEREST INCOME</b>	178,981	100,440
<b>INTEREST EXPENSE</b>	<u>(76,176)</u>	<u>(34,535)</u>
	<u>102,805</u>	<u>65,905</u>
<b>OTHER OPERATING INCOME</b>		
Gains less losses arising from dealing in foreign currencies	3,185	3,029
Gains less losses arising from trading in interest rate derivatives	0	0
Net fees and commission income		
Income from fees and commission	8,794	9,837
Fees and commission expenses	(911)	(646)
Other income	0	0
	<u>11,068</u>	<u>12,220</u>
<b>OPERATING EXPENSES</b>		
Staff expenses	(21,124)	(18,513)
Rental expenses	(6,171)	(6,312)
Other expenses	(9,603)	(8,063)
	<u>(36,898)</u>	<u>(32,888)</u>
<b>CHARGES FOR BAD AND DOUBTFUL DEBTS</b>		
Provision for bad and doubtful debts	(16,734)	(8,854)
Other provisions	(3,026)	(2,439)
	<u>(19,760)</u>	<u>(11,293)</u>
<b>PROFIT BEFORE TAXATION</b>	57,215	33,944
<b>TAXATION</b>	(101)	(7,500)
<b>PROFIT AFTER TAXATION</b>	<u><u>57,114</u></u>	<u><u>26,444</u></u>

**TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>**

**II. BALANCE SHEET INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>31 December</u> <u>2018</u>	<u>30 June 2018</u>
	HK\$'000	HK\$'000
<b>ASSETS</b>		
Cash and balances with banks	942,219	730,222
Amount due from Exchange Fund	11,906	153,328
Placement with banks maturing between one and twelve months (except those included in amount due from overseas offices)	0	0
Amount due from overseas offices	0	0
Trade bills	39,094	32,119
Advances and other accounts	2,970,860	2,292,943
Advances to other banks	363,243	363,758
FVOCI securities	2,031,292	2,076,900
Amortised cost securities	311,658	0
Fixed & intangible assets	1,603	706
<b>Total assets</b>	<u><u>6,671,875</u></u>	<u><u>5,649,976</u></u>
<b>LIABILITIES</b>		
Deposits and balances of banks (except those included in amount due to overseas offices)	1,260,867	1,462,126
Deposits from customers		
Demand deposits and current accounts	40,842	29,464
Savings deposits	1,520,137	1,633,077
Time, call and notice deposits	3,111,738	2,015,502
Amount due to overseas offices	467,435	337,928
Amount payable under repos	75,987	76,838
Other accounts and provisions		
Other liabilities	122,807	61,023
Provision	50,051	33,792
<b>Total liabilities</b>	<u><u>6,649,864</u></u>	<u><u>5,649,750</u></u>
Capital and reserves	<u>22,011</u>	<u>226</u>
<b>Total equity and liabilities</b>	<u><u>6,671,875</u></u>	<u><u>5,649,976</u></u>

TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

III. ADDITIONAL BALANCE SHEET INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018

ADVANCES AND OTHER ACCOUNTS

	<u>31 December</u> <u>2018</u> HK\$'000	<u>30 June 2018</u> HK\$'000
A. Trade bills	39,094	32,119
Less: Collective Impairment allowance	(586)	(439)
Trade bills less collective impairment allowance	<u>38,508</u>	<u>31,680</u>
 B. Advances to customers	 2,933,066	 2,257,793
Advances to banks	363,243	363,758
Accrued interest and other accounts		
Accrued interest	19,821	16,735
Other accounts	17,973	18,415
Total	<u>3,334,103</u>	<u>2,656,701</u>
 Less: Impairment allowance on Advances to customers		
Collective impairment allowance	(39,580)	(29,704)
Individual impairment allowance	(6,243)	0
Advances to banks		
Collective impairment allowance	(3,642)	(3,649)
Individual impairment allowance	0	0
Accrued interest		
Collective impairment allowance	0	0
Individual impairment allowance	0	0
Other accounts		
Collective impairment allowance	0	0
Individual impairment allowance	0	0
Total	<u>(49,465)</u>	<u>(33,353)</u>
 Advances and other accounts less impairment allowance	 <u>3,284,638</u>	 <u>2,623,348</u>
 C. Details of the impaired advances to customers		
	<u>31 December</u> <u>2018</u> HK\$'000	<u>30 June 2018</u> HK\$'000
Impaired loans which are individually determined to be impaired advances to customers	<u>12,486</u>	<u>0</u>
Individuals assessed allowance made in respect of impaired advances to customers	<u>6,243</u>	<u>0</u>
 As a percentage of total advances to customers	 <u>0.43%</u>	 <u>0.00%</u>

Note: As at 31 Dec 2018 and 30 Jun 2018, there is no collateral held in respect of impaired advances to customers.

TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

III. ADDITIONAL BALANCE SHEET INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	<u>31 December 2018</u>		<u>30 June 2018</u>	
	HK\$'000	%	HK\$'000	%
a. Advances to customers overdue for				
more than 1 month and up to 3 months	12,486	100.00%	0	0.00%
more than 3 months and up to 6 months	0	0.00%	0	0.00%
more than 6 months and up to 1 year	0	0.00%	0	0.00%
more than 1 year	0	0.00%	0	0.00%
	<u>12,486</u>	<u>100.00%</u>	<u>0</u>	<u>0.00%</u>
b. Individual impairment allowance on advances to customers overdue for				
more than 1 month and up to 3 months	6,243		0	
more than 3 months and up to 6 months	0		0	
more than 6 months and up to 1 year	0		0	
more than 1 year	0		0	
	<u>6,243</u>		<u>0</u>	
c. Value of collateral held against the overdue loans	<u>N/A</u>		<u>N/A</u>	
d. Rescheduled advances to customers	<u>0</u>	0.00%	<u>0</u>	0.00%

D. Natures of other accounts

	<u>31 December</u> <u>2018</u>	<u>30 June 2018</u>
	HK\$'000	HK\$'000
Other accounts receivable	2,876	1,829
Prepaid expenses	916	1,288
Prepaid Tax	0	3,750
Prepaid guarantee deposits	2,063	1,893
Premium-buy option	0	0
Revaluation-forward fx/swap/option	12,084	9,655
Exchange Position	34	0
	<u>17,973</u>	<u>18,415</u>

E. Analysis of other assets which have been overdue

	<u>31 December</u> <u>2018</u>	<u>30 June 2018</u>
	HK\$'000	HK\$'000
Other assets overdue for more than 3 months	<u>0</u>	<u>0</u>
As a percentage of total assets	<u>0.00%</u>	<u>0.00%</u>

F. Repossessed assets

The Hong Kong Branch did not have any repossessed assets at the corresponding year / period end dates.

TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

IV. OFF-BALANCE SHEET EXPOSURES  
FOR THE YEAR ENDED 31 DECEMBER 2018

The following is a summary of the contractual amounts of each significant class of contingent liabilities, commitments and derivatives :

	<u>31 December</u> 2018 HK\$'000	<u>30 June 2018</u> HK\$'000
Contingent liabilities and commitments		
Direct credit contingencies	21,638	18,147
Trade-related contingencies	39,634	77,078
Forward forward deposit placed	0	0
Other commitments	2,007,872	2,045,464
	<u>2,069,144</u>	<u>2,140,689</u>
	<u>31 December</u> 2018 HK\$'000	<u>30 June 2018</u> HK\$'000
Derivatives		
Exchange rate contracts	990,682	1,810,620
Interest rate contracts	0	0
	<u>990,682</u>	<u>1,810,620</u>
	<u>31 December</u> 2018 HK\$'000	<u>30 June 2018</u> HK\$'000
Fair value of derivatives (of the above derivatives)		
Exchange rate contracts:		
-Positive replacement cost	11,695	9,655
Interest rate contracts:		
-Positive replacement cost	0	0
	<u>11,695</u>	<u>9,655</u>

For contingent liabilities, commitments and derivatives, they refer to the contractual amounts at risks should the contracts be fully drawn upon and the clients do not repay accordingly. The fair value represents the costs of replacing all contracts which have a positive value in the market. They do not take into account the effects of bilateral netting arrangements.

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V. SEGMENTAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018

1. GROSS ADVANCES TO CUSTOMERS BY INDUSTRY SECTORS

	<u>31 December 2018</u>		<u>30 June 2018</u>	
	HKS'000	HKS'000	HKS'000	HKS'000
		Amounts of Loan and advances covered by collateral		Amounts of Loan and advances covered by collateral
<b>A. Loans for use in Hong Kong</b>				
<b>a. Industrial, commercial and financial</b>				
Property development	0	0	0	0
Property investment	0	0	0	0
Financial concerns	54,585	0	275,024	0
Stockbrokers	364,249	0	250,415	0
Wholesale and retail trade	27,264	23,825	157,473	33,189
Manufacturing	48,762	8,362	173,704	17,374
Transport and transport equipment	0	0	0	0
Recreational activities	0	0	0	0
Information technology	39,382	0	0	0
Others	215,027	0	158,339	0
<b>b. Individuals</b>				
Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	0	0	0	0
loans for the purchase of other residential properties	0	0	0	0
Credit card advances	0	0	0	0
Others	12,637	12,637	13,176	13,176
<b>c. All others</b>	0	0	0	0
<b>B. Trade finance</b>	223,370	48,228	188,783	88,784
<b>C. Loan for use outside Hong Kong</b>	1,947,790	101,605	1,040,879	108,967
<b>Total</b>	<u>2,933,066</u>	<u>194,657</u>	<u>2,257,793</u>	<u>261,490</u>

2A. GROSS ADVANCES TO CUSTOMERS BY COUNTRIES OR GEOGRAPHICAL AREAS

	<u>31 December</u>	<u>30 June 2018</u>
	<u>2018</u>	
	HKS'000	HKS'000
Hong Kong	1,595,531	1,079,579
China	847,027	670,176
Others	490,508	508,038
<b>Total</b>	<u>2,933,066</u>	<u>2,257,793</u>

2B. OVERDUE AND IMPAIRED LOANS BY COUNTRIES OR GEOGRAPHICAL AREAS

	<u>31 December</u>	<u>30 June 2018</u>
	<u>2018</u>	
	HKS'000	HKS'000
<b>Overdue loans and advances to customers</b>		
Taiwan	12,486	0
Hong Kong	0	0
China	0	0
	<u>12,486</u>	<u>0</u>
<b>Impaired loan and advances to customer</b>		
Taiwan	0	0
Hong Kong	0	0
China	0	0
	<u>0</u>	<u>0</u>

The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority. Only exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross amount of advances to customer as at the above respective reporting dates are disclosed.



**TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>**

**V. SEGMENTAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3. INTERNATIONAL CLAIMS**

The following tables analyze the international claims by countries or geographical areas and types of counterparties. Countries or geographical areas are based upon the location of counterparties after taking into account the transfer of country risk. They are prepared in accordance with the HKMA return of "International Banking Statistics" completion instructions. Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

As at 31 December 2018	Banks	Official Sectors	Non-bank Financial Institutions	Non-financial Private Sectors	Total
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
1. Developed countries	919	235	39	79	1,272
of which Australia	416	0	0	79	495
United States	129	235	0	0	364
France	244	0	0	0	244
2. Offshore Centres	170	12	189	695	1,066
of which Hong Kong	170	12	189	546	917
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	0	0	0	0	0
5. Developing Africa and Middle East	0	0	0	0	0
6. Developing Asia-Pacific	2,248	47	750	1,271	4,316
of which China	1,051	0	672	878	2,601
Taiwan	275	0	0	393	668
South Korea	558	0	0	0	558
India	226	47	78	0	351
7. International Organisations	0	0	0	0	0
8. Unallocated by country	0	0	0	0	0
	<u>3,337</u>	<u>294</u>	<u>978</u>	<u>2,045</u>	<u>6,654</u>

As at 30 June 2018	Banks	Official Sectors	Non-bank Financial Institutions	Non-financial Private Sectors	Total
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
1. Developed countries	909	78	40	79	1,106
of which Australia	428	0	0	79	507
France	246	0	0	0	246
United States	122	78	0	0	200
New Zealand	0	0	40	0	40
2. Offshore Centres	111	153	100	403	767
of which Hong Kong	111	153	100	222	586
Singapore	0	0	0	103	103
Macao	0	0	0	78	78
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	0	0	0	0	0
5. Developing Africa and Middle East	0	0	0	0	0
6. Developing Asia-Pacific	2,047	47	515	1,149	3,758
of which China	937	0	363	680	1,980
Taiwan	232	0	63	469	764
South Korea	513	0	0	0	513
India	227	47	78	0	352
7. International Organisations	0	0	0	0	0
8. Unallocated by country	0	0	0	0	0
	<u>3,067</u>	<u>278</u>	<u>655</u>	<u>1,631</u>	<u>5,631</u>

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SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

V. SEGMENTAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018

4. NON-BANK MAINLAND CHINA EXPOSURE

The categories of non-bank Mainland China exposure has been reclassified according to the new prudential reporting requirement. The categories of non-bank counterparties and the type of direct exposures refer to the Completion Instructions for the Return of Mainland Activities.

Types of counterparties	On-balance sheet exposure HK\$ Mil	Off-balance sheet exposure HK\$ Mil	Total HK\$ Mil
<u>As at 31 December 2018</u>			
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	895	119	1,014
2 Local government, local government-owned entities and their subsidiaries and joint ventures (JVs)	93	57	150
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	146	49	195
4 Other entities of central government not reported in item 1 above	62	0	62
5 Other entities of local government not reported in item 2 above	0	0	0
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where credit is granted for used in Mainland China	386	72	458
7 Other counterparties where the exposures are considered to be non-bank Mainland China exposures	298	133	431
Total	<u>1,880</u>	<u>430</u>	<u>2,310</u>
Total assets after provision	<u>6,622</u>		
On-balance exposures as percentage of total assets	<u>28.39%</u>		
<u>As at 30 June 2018</u>			
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	331	59	390
2 Local government, local government-owned entities and their subsidiaries and joint ventures (JVs)	98	52	150
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	310	92	402
4 Other entities of central government not reported in item 1 above	0	0	0
5 Other entities of local government not reported in item 2 above	0	0	0
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where credit is granted for used in Mainland China	13	0	13
7 Other counterparties where the exposures are considered to be non-bank Mainland China exposures	297	134	431
Total	<u>1,049</u>	<u>337</u>	<u>1,386</u>
Total assets after provision	<u>5,616</u>		
On-balance exposures as percentage of total assets	<u>18.67%</u>		

TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

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VI. CURRENCY RISK

FOR THE YEAR ENDED 31 DECEMBER 2018

5. FOREIGN CURRENCY EXPOSURES

The foreign currency exposures are prepared in accordance with the H.K.M.A. return of completion "Foreign Currency Position" completion instructions. The net position (regardless of sign) for each foreign currency which constitutes 10% or more of the total net position in all foreign currencies are disclosed.

As at 31 December 2018

	<u>USD</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	5,081	264	41	5,386
Spot Liabilities	(5,125)	(261)	(71)	(5,457)
Forward purchases	486	475	30	991
Forward sales	(514)	(477)	0	(991)
Net option position	0	0	0	0
Net long / (short) position	<u>(72)</u>	<u>1</u>	<u>0</u>	<u>(71)</u>

As at 30 June 2018

	<u>USD</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	4,311	583	50	4,944
Spot Liabilities	(4,537)	(540)	(99)	(5,176)
Forward purchases	968	794	48	1,810
Forward sales	(835)	(795)	0	(1,630)
Net option position	0	0	0	0
Net long / (short) position	<u>(93)</u>	<u>42</u>	<u>(1)</u>	<u>(52)</u>

The net options positions were calculated by using the "model user" method as at the above respective reporting dates.

There were no foreign currency structural positions as at the above respective reporting dates.

# TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

## SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

### VII. LIQUIDITY

#### FOR THE YEAR ENDED 31 DECEMBER 2018

##### Average liquidity maintenance ratio

	<u>For the 4th</u> <u>Quarter ended</u> <u>2018</u> %	<u>For the year</u> <u>ended 31 Dec</u> <u>2018</u> %	<u>For the year</u> <u>ended 31 Dec</u> <u>2017</u> %
Average liquidity maintenance ratio for the year / period	<u>48.06%</u> Oct-Dec 2018	<u>46.98%</u> Jan-Dec 2018	<u>48.61%</u> Jan-Dec 2017

The branch's average liquidity maintenance ratio for the year / period is calculated in accordance with the Banking (liquidity) Rules effective from 1 January 2015. The average LMR is the arithmetic mean of each calendar month's average LMR. The 2018 4th quarter ratio is based on three months average and the 2017 & 2018 year end is based on 12 months average

##### Liquidity Risk Management

The liquidity maintenance ratio ("LMR") is prepared by Accounting Department on a daily basis and a daily report is submitted to branch management and Treasury Department for monitoring purpose. Treasury Department is performed the liquidity maintenance ratio projection on a daily basis and Risk Management Department is performed the liquidity stress test quarterly.

##### Funding and Liquidity Cushion

Treasury is responsible for managing the funding of the branch which include interbank market funding and placement, customer deposits, etc. and Head Office support when necessary. The branch is maintained the liquidity cushion by holding high quality marketable securities issued or guaranteed by sovereigns and banks. Composition consists of U.S. Treasury Bond and NDIs issued by International Banks.

##### Governance

Liquidity risk management of Taiwan Shin Kong Commercial Bank, Hong Kong Branch ("The Branch") is governed by policies as established by the Board of Directors of the Head Office. The Branch has established an Asset and Liability Committee ("ALCO"), which is responsible for the management of liquidity and funding risk of the Branch, ensuring that it is managed within the approved policies and procedures, risk tolerance and limits, and complies with regulatory requirements. ALCO members comprise Branch senior management, head of compliance, risk management, treasury, business and support functions

The Branch's qualitative liquidity risk tolerance is to maintain a balanced asset and liability structure to ensure that it is capable of sustaining business growth while meeting various obligations under normal and certain stressed scenarios. Internal liquidity reporting is compiled and monitored on a regular basis for various level of the governance.

The Branch maintains diverse funding sources, including customer deposits, interbank money market, repo facilities and funding support from the Head Office. Controls and measures are in place to avoid over-reliance on interbank funding and intra-group funding.

Liquidity stress testing covers general market, institution-specific and combined stress scenarios and the results are reviewed on a quarterly basis at ALCO meeting to identify the Branch's potential vulnerabilities and its capacity to withstand stressed circumstances.

The Branch's contingency funding plan makes use of both qualitative and quantitative early warning indicators on different internal and external factors. Any early signs of significant impact on the Branch's liquidity position will be discussed in ALCO. Testing on the plan is conducted on an annual basis and the plan is also subject to regular review by ALCO.

VII Liquidity (cont'd)

Analysis of On/Off Balance Sheet by remaining maturity

31 December 2018

HK\$'000	Total	1 month or less	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 year	Over 5 year	Undated or overdue
<b>ASSETS</b>							
Cash and balances with banks	942,219	942,219	0	0	0	0	0
Amount due from Exchange Fund	11,906	11,906	0	0	0	0	0
Placement with banks maturing between one and twelve months (except those included in amount due from overseas offices)	0	0	0	0	0	0	0
Amount due from overseas offices	0	0	0	0	0	0	0
Trade bills	39,094	0	0	39,094	0	0	0
Advances and other accounts	2,970,860	383,946	327,953	273,023	1,956,393	0	29,545
Advances to other banks	363,243	0	0	0	363,243	0	0
FVOCI securities	2,031,292	0	0	91,616	1,939,676	0	0
Amortised cost securities	311,658	0	0	0	311,658	0	0
Fixed & intangible assets	1,603	0	0	0	0	0	1,603
<b>Total assets</b>	<b>6,671,875</b>	<b>1,338,071</b>	<b>327,953</b>	<b>403,733</b>	<b>4,570,970</b>	<b>0</b>	<b>31,148</b>
<b>LIABILITIES</b>							
Deposits and balances of banks (except those included in amount due to overseas offices)	1,260,867	869,262	391,605	0	0	0	0
Deposits from customers	4,672,717	2,785,668	786,049	1,101,000	0	0	0
Amount due to overseas offices	467,435	389,435	0	0	0	0	78,000
Amount payable under repos	75,987	0	75,987	0	0	0	0
Other liabilities	172,858	93,625	4,589	2,520	10,378	0	61,746
Capital and reserves	22,011	0	0	0	0	0	22,011
<b>Total equity and liabilities</b>	<b>6,671,875</b>	<b>4,137,990</b>	<b>1,258,230</b>	<b>1,103,520</b>	<b>10,378</b>	<b>0</b>	<b>161,757</b>
<b>Net Gap</b>	<b>0</b>	<b>(2,799,919)</b>	<b>(930,277)</b>	<b>(699,787)</b>	<b>4,560,592</b>	<b>0</b>	<b>(130,609)</b>
<b>Off Balance Sheet Exposures</b>							
Contingent liabilities	61,272	43,000	5,563	12,709	0	0	0
Irrevocable commitments	608,024	608,024	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
<b>Total</b>	<b>669,296</b>	<b>651,024</b>	<b>5,563</b>	<b>12,709</b>	<b>0</b>	<b>0</b>	<b>0</b>

30 June 2018

HK\$'000	Total	1 month or less	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 year	Over 5 year	Undated or overdue
<b>ASSETS</b>							
Cash and balances with banks	730,222	730,222	0	0	0	0	0
Amount due from Exchange Fund	153,328	153,328	0	0	0	0	0
Placement with banks maturing between one and twelve months (except those included in amount due from overseas offices)	0	0	0	0	0	0	0
Amount due from overseas offices	0	0	0	0	0	0	0
Trade bills	32,119	8,465	0	23,654	0	0	0
Advances and other accounts	2,292,943	140,422	333,468	321,874	1,406,936	77,921	12,322
Advances to other banks	363,758	0	0	0	363,758	0	0
FVOCI securities	2,076,900	0	0	11,781	2,065,119	0	0
Amortised cost securities	0	0	0	0	0	0	0
Fixed & intangible assets	706	0	0	0	0	0	706
<b>Total assets</b>	<b>5,649,976</b>	<b>1,032,437</b>	<b>333,468</b>	<b>357,309</b>	<b>3,835,813</b>	<b>77,921</b>	<b>13,028</b>
<b>LIABILITIES</b>							
Deposits and balances of banks (except those included in amount due to overseas offices)	1,462,126	1,226,695	235,431	0	0	0	0
Deposits from customers	3,678,043	2,155,842	793,267	728,934	0	0	0
Amount due to overseas offices	337,928	259,928	0	0	0	0	78,000
Amount payable under repos	76,838	0	76,838	0	0	0	0
Other liabilities	94,815	26,664	7,139	18,304	0	0	42,708
Capital and reserves	226	0	0	0	0	0	226
<b>Total equity and liabilities</b>	<b>5,649,976</b>	<b>3,669,129</b>	<b>1,112,675</b>	<b>747,238</b>	<b>0</b>	<b>0</b>	<b>120,934</b>
<b>Net Gap</b>	<b>0</b>	<b>(2,636,692)</b>	<b>(779,207)</b>	<b>(389,929)</b>	<b>3,835,813</b>	<b>77,921</b>	<b>(107,906)</b>
<b>Off Balance Sheet Exposures</b>							
Contingent liabilities	95,225	33,374	44,496	17,355	0	0	0
Irrevocable commitments	573,673	573,673	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
<b>Total</b>	<b>668,898</b>	<b>607,047</b>	<b>44,496</b>	<b>17,355</b>	<b>0</b>	<b>0</b>	<b>0</b>

VIII. REMUNERATION SYSTEM

FOR THE HALF YEAR ENDED 31 December 2018

The relevant remuneration information about Taiwan Shin Kong Commercial Bank is disclosed under the "Annual Report, Chinese edition, Chapter III - Corporate governance", released by the head office

**TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**SECTION B. - INFORMATION OF THE BANK <CONSOLIDATED BASIS>**

**I. CAPITAL AND CAPITAL ADEQUACY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<u>31 December 2018</u> %	<u>30 June 2018</u> %
A. Capital adequacy ratio	<u>14.38%</u>	<u>13.72%</u>

The capital adequacy ratio is equal to the ratio of a bank's the regulatory capital to its total risk-weighted assets. The computation of capital adequacy ratio is based on the "Basel Capital Accord" in line with the risk-weighted approach proposed by the Bank for International Settlements and the ratio has included all market risk factors.

	<u>31 December 2018</u> NT\$'000	<u>30 June 2018</u> NT\$'000
B. Aggregate amount of shareholders' funds	<u>59,534,395</u>	<u>53,903,399</u>

**TAIWAN SHIN KONG COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**SECTION B. - INFORMATION OF THE BANK <CONSOLIDATED BASIS>**

**II. OTHER FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>31 December 2018</u> NT\$'000	<u>30 June 2018</u> NT\$'000
Total Assets	<u>871,051,223</u>	<u>848,025,813</u>
Total Liabilities	<u>811,516,828</u>	<u>794,122,414</u>
Total advances	<u>566,160,164</u>	<u>548,266,507</u>
Total customers deposit	<u>741,630,145</u>	<u>728,212,860</u>
	<u>1 January 2017</u> to <u>31 December 2017</u> NT\$'000	<u>1 January 2017</u> to <u>31 December</u> <u>2017</u> NT\$'000
Profit before taxation	<u>6,232,325</u>	<u>4,860,647</u>

# Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statements of Authorized Institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statements of Taiwan Shin Kong Commercial Bank Co., Limited - Hong Kong Branch for the year ended 31 December 2018. We confirm that the information contained therein complies, in all material respects, with the Banking (Disclosure) Rules and the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" and to the best of my knowledge and belief, it is not false or misleading.



Chief Executive

Taiwan Shin Kong Commercial Bank Co., Limited  
Hong Kong Branch

26 April 2019

Date