

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

Key Financial Information Disclosure Statements  
For The Year Ended 31 December 2019

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 2019**

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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 2019**

	Year ended	
	<u>31 December</u> <u>2019</u> HK\$'000	<u>31 December</u> <u>2018</u> HK\$'000
<b>INTEREST INCOME</b>	219,013	178,981
<b>INTEREST EXPENSE</b>	(116,273)	(76,176)
	<u>102,740</u>	<u>102,805</u>
<b>OTHER OPERATING INCOME</b>		
Gains less losses arising from dealing in foreign currencies	1,544	3,185
Gains less losses arising from trading in interest rate derivatives	0	0
Net fees and commission income		
Income from fees and commission	11,453	8,794
Fees and commission expenses	(771)	(911)
Others		
Income from non-trading investments	8,691	0
Other Income	0	0
	<u>20,917</u>	<u>11,068</u>
<b>OPERATING EXPENSES</b>		
Staff expenses	(19,015)	(21,124)
Rental expenses	(5,832)	(6,171)
Other expenses	(9,185)	(9,603)
	<u>(34,032)</u>	<u>(36,898)</u>
<b>CHARGES FOR BAD AND DOUBTFUL DEBTS</b>		
Provision for bad and doubtful debts	(9,092)	(16,734)
Other provisions	(1,745)	(3,026)
	<u>(10,837)</u>	<u>(19,760)</u>
<b>PROFIT BEFORE TAXATION</b>	78,788	57,215
<b>TAXATION</b>	(12,419)	(101)
<b>PROFIT AFTER TAXATION</b>	<u>66,369</u>	<u>57,114</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 2019**

	<u>31 December</u> <u>2019</u> HK\$'000	<u>30 June 2019</u> HK\$'000
<b>ASSETS</b>		
Cash and balances with banks	509,735	441,139
Amount due from Exchange Fund	77,720	122,499
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	45,000	40,000
Trade bills	476	5,281
Advances and other accounts	3,143,788	3,185,689
Advances to other banks	303,116	303,791
FVOCI securities	2,641,338	2,265,048
Amortised cost securities	233,174	233,138
Fixed & intangible assets	18,439	21,145
<b>Total assets</b>	<u><u>6,972,786</u></u>	<u><u>6,617,730</u></u>
<b>LIABILITIES</b>		
Deposits and balances of banks (except those included in amount due to overseas offices)	1,362,760	873,168
Deposits from customers		
Demand deposits and current accounts	18,629	31,645
Savings deposits	1,745,416	1,429,993
Time, call and notice deposits	2,980,478	3,496,865
Amount due to overseas offices	505,384	367,920
Amount payable under repos	156,521	232,996
Other accounts and provisions		
Other liabilities	64,554	80,539
Provision	44,532	47,880
<b>Total liabilities</b>	<u><u>6,878,274</u></u>	<u><u>6,561,006</u></u>
Capital and reserves	94,512	56,724
<b>Total equity and liabilities</b>	<u><u>6,972,786</u></u>	<u><u>6,617,730</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 2019

ADVANCES AND OTHER ACCOUNTS

	<u>31 December 2019</u>	<u>30 June 2019</u>
	HK\$'000	HK\$'000
A. Trade bills	476	5,281
Less: Collective Impairment allowance	(5)	(53)
Trade bills less collective impairment allowance	<u>471</u>	<u>5,228</u>
B. Advances to customers	3,105,621	3,143,721
Advances to banks	303,116	303,791
Accrued interest and other accounts		
Accrued interest	19,992	21,927
Other accounts	18,175	20,041
Total	<u>3,446,904</u>	<u>3,489,480</u>
Less: Impairment allowance on Advances to customers		
Collective impairment allowance	(42,910)	(38,946)
Individual impairment allowance	(1,617)	(2,548)
Advances to banks		
Collective impairment allowance		(3,045)
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>(44,527)</u>	<u>(44,539)</u>
Advances and other accounts less impairment allowance	<u>3,402,377</u>	<u>3,444,941</u>
C. Details of the impaired advances to customers		
	<u>31 December 2019</u>	<u>30 June 2019</u>
	HK\$'000	HK\$'000
Impaired loans which are individually determined to be impaired advances to customers	<u>1,617</u>	<u>5,097</u>
Individuals assessed allowance made in respect of impaired advances to customers	<u>1,617</u>	<u>2,548</u>
As a percentage of total advances to customers	<u>0.05%</u>	<u>0.16%</u>

Note: As at 31 Dec 2019 and 30 Jun 2019, 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 2019

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	<u>31 December 2019</u>		<u>30 June 2019</u>	
	HK\$'000	%	HK\$'000	%
a. Advances to customers overdue for				
more than 1 month and up to 3 months	0	0.00%	0	0.00%
more than 3 months and up to 6 months	0	0.00%	5,097	0.16%
more than 6 months and up to 1 year	0	0.00%	0	0.00%
more than 1 year	1,617	0.05%	0	0.00%
	<u>1,617</u>	<u>0.05%</u>	<u>5,097</u>	<u>0.16%</u>
b. Individual impairment allowance on advances to customers overdue for				
more than 1 month and up to 3 months	0		0	
more than 3 months and up to 6 months	0		2,548	
more than 6 months and up to 1 year	0		0	
more than 1 year	1,617		0	
	<u>1,617</u>		<u>2,548</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>30 June 2019</u>
	<u>2019</u>	
	HK\$'000	HK\$'000
Other accounts receivable	818	6
Prepaid expenses	2,012	675
Prepaid Tax	11,305	0
Prepaid guarantee deposits	1,839	3,151
Premium-buy option	0	0
Revaluation-forward fx/swap/option	2,201	16,170
Exchange Position	0	39
	<u>18,175</u>	<u>20,041</u>

E. Analysis of other assets which have been overdue

	<u>31 December</u>	<u>30 June 2019</u>
	<u>2019</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 2019

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

	<u>31 December</u> 2019 HK\$'000	<u>30 June 2019</u> HK\$'000
Contingent liabilities and commitments		
Direct credit contingencies	11,681	16,574
Trade-related contingencies	27,001	39,295
Forward forward deposit placed	0	0
Other commitments	2,070,310	2,166,529
	<u>2,108,992</u>	<u>2,222,398</u>
	<u>31 December</u> 2019 HK\$'000	<u>30 June 2019</u> HK\$'000
Derivatives		
Exchange rate contracts	764,723	2,333,217
Interest rate contracts	0	0
	<u>764,723</u>	<u>2,333,217</u>
	<u>31 December</u> 2019 HK\$'000	<u>30 June 2019</u> HK\$'000
Fair value of derivatives (of the above derivatives)		
Exchange rate contracts:		
-Positive replacement cost	2,201	16,170
Interest rate contracts:		
-Positive replacement cost	0	0
	<u>2,201</u>	<u>16,170</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 2019

1. GROSS ADVANCES TO CUSTOMERS BY INDUSTRY SECTORS

	31 December 2019		30 June 2019	
	HK\$'000	HK\$'000	HK\$'000	HK\$'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	246,337	0	239,059	108,992
Stockbrokers	177,001	0	206,950	0
Wholesale and retail trade	98,557	12,898	25,376	19,520
Manufacturing	76,721	7,787	47,995	18,900
Transport and transport equipment	0	0	0	0
Recreational activities	0	0	0	0
Information technology	39,522	0	39,452	0
Others	58,132	0	230,028	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	12,397	12,397	12,487	12,487
<b>c. All others</b>				
	0	0	0	0
<b>B. Trade finance</b>	78,952	55,206	169,568	38,916
<b>C. Loan for use outside Hong Kong</b>	2,318,002	314,256	2,172,806	95,116
<b>Total</b>	<b>3,105,621</b>	<b>402,544</b>	<b>3,143,721</b>	<b>293,931</b>

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

	31 December 2019	30 June 2019
	HK\$'000	HK\$'000
Hong Kong	1,792,139	1,272,073
Others	790,360	509,877
China	523,122	1,361,771
<b>Total</b>	<b>3,105,621</b>	<b>3,143,721</b>

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

	31 December 2019	30 June 2019
	HK\$'000	HK\$'000
<b>Overdue loans and advances to customers</b>		
Taiwan	1,617	5,097
Hong Kong	0	0
China	0	0
	<u>1,617</u>	<u>5,097</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.



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V. SEGMENTAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019

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 according 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 2019	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	824	156	39	80	1,099
of which France	403	0	0	0	403
United States	232	156	0	0	388
Australia	98	0	0	80	178
Netherland	79	0	39	0	118
2. Offshore Centres	148	78	342	615	1,183
of which Hong Kong	148	78	342	275	843
Singapore	0	0	0	281	281
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	157	0	0	0	157
of which Chile	157	0	0	0	157
5. Developing Africa and Middle East	329	0	313	0	642
of which United Arab Emirates	329	0	157	0	486
Qatar	0	0	156	0	156
6. Developing Asia-Pacific	1,744	15	1,018	1,002	3,779
of which China	695	0	551	581	1,827
Taiwan	313	0	272	419	1,004
7. International Organisations	0	0	78	0	78
8. Unallocated by country	0	0	0	0	0
	<u>3,202</u>	<u>249</u>	<u>1,790</u>	<u>1,697</u>	<u>6,938</u>

As at 30 June 2019	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	796	235	103	156	1,290
of which Australia	419	0	0	156	575
United States	43	235	0	0	278
France	244	0	0	0	244
Netherland	79	0	63	0	142
2. Offshore Centres	170	122	359	553	1,204
of which Hong Kong	170	122	359	417	1,068
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	235	0	158	0	393
of which United Arab Emirates	235	0	0	0	235
Qatar	0	0	158	0	158
6. Developing Asia-Pacific	1,666	15	863	1,144	3,688
of which China	812	0	664	718	2,194
Taiwan	140	0	82	426	648
South Korea	409	0	0	0	409
India	226	15	78	0	319
7. International Organisations	0	0	0	0	0
8. Unallocated by country	0	0	0	0	0
	<u>2,867</u>	<u>372</u>	<u>1,483</u>	<u>1,853</u>	<u>6,575</u>

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 2019

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.

<u>Types of counterparties</u>	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ Mil	HK\$ Mil	HK\$ Mil
<u>As at 31 December 2019</u>			
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	883	106	989
2 Local government, local government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	101	79	180
4 Other entities of central government not reported in item 1 above	178	0	178
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	315	3	318
7 Other counterparties where the exposures are considered to be non-bank Mainland China exposures	0	0	0
Total	<u>1,477</u>	<u>188</u>	<u>1,665</u>
Total assets after provision	<u>6,928</u>		
On-balance exposures as percentage of total assets	<u>21.31%</u>		
<u>As at 30 June 2019</u>			
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	932	105	1,037
2 Local government, local government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	215	63	278
4 Other entities of central government not reported in item 1 above	178	0	178
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	408	2	410
7 Other counterparties where the exposures are considered to be non-bank Mainland China exposures	101	133	234
Total	<u>1,834</u>	<u>303</u>	<u>2,137</u>
Total assets after provision	<u>6,570</u>		
On-balance exposures as percentage of total assets	<u>27.91%</u>		

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

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

VI. CURRENCY RISK  
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

<u>As at 31 December 2019</u>	<u>USD</u>	<u>CNY</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	5,089	256	265	119	5,729
Spot Liabilities	(5,354)	(256)	(29)	(117)	(5,756)
Forward purchases	498	267	0	0	765
Forward sales	(265)	(267)	(236)	0	(768)
Net option position	0	0	0	0	0
Net long / (short) position	<u>(32)</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>(30)</u>

<u>As at 30 June 2019</u>	<u>USD</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	4,905	274	119	5,298
Spot Liabilities	(4,931)	(275)	(143)	(5,349)
Forward purchases	1,156	1,152	25	2,333
Forward sales	(1,181)	(1,152)	0	(2,333)
Net option position	0	0	0	0
Net long / (short) position	<u>(51)</u>	<u>(1)</u>	<u>1</u>	<u>(51)</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 2019

##### Average liquidity maintenance ratio

	<u>For the 4th Quarter ended</u> <u>2019</u> %	<u>For the 4th Quarter ended</u> <u>2018</u> %
Average liquidity maintenance ratio for the quarter ended	73.43%	47.93%
	Oct-Dec 2019	Oct-Dec 2018

The branch's average liquidity maintenance ratio for the quarter ended 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 2019 4th quarter & 2018 the quarter ratio is based on three 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.

##### Liquidity risk mitigation techniques

The Branch has set up early warning indicators and tolerance limits for identifying, monitoring and mitigating liquidity risk. The Branch can obtain funding from the market by means of money market funding or selling bonds to raise cash quickly to meet short-term liquidity needs. If necessary, the Branch would activate the Contingency Funding plan to recover from liquidity shortage. Mitigation options in the Contingency Funding Plan and the liquidity risk management framework are facilitated to ease the Branch from stress and recover to the usual business position.

##### Concentration limits on source of funding

The funding position of the Branch as at 31 December 2019 is as follows:

Significant funding instruments	Total amount in HK\$'000	As % of total liabilities
Deposit from retail customers	1,490,641	21.52%
Deposit from other non-bank customers	3,270,166	47.20%
Funding raised from banks	1,522,574	21.97%
Funding raised from the Head Office	506,286	7.31%

##### 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 2019

HKS'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	509,735	509,735	0	0	0	0	0
Amount due from Exchange Fund	77,720	77,720	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	45,000	45,000	0	0	0	0	0
Trade bills	476	476	0	0	0	0	0
Advances and other accounts	3,143,788	749,983	159,878	833,116	1,160,882	182,900	7,029
Advances to other banks	303,116	0	0	0	303,116	0	0
FVOCI securities	2,641,338	0	0	148,476	2,105,635	387,227	0
Amortised cost securities	233,174	0	0	77,814	77,509	77,851	0
Fixed & intangible assets	18,439	0	0	0	0	0	18,439
<b>Total assets</b>	<b>6,972,786</b>	<b>1,432,914</b>	<b>159,878</b>	<b>1,059,406</b>	<b>3,647,142</b>	<b>647,978</b>	<b>25,468</b>
<b>LIABILITIES</b>							
Deposits and balances of banks (except those included in amount due to overseas offices)	1,362,760	739,784	622,976	0	0	0	0
Deposits from customers	4,744,523	2,294,345	1,278,082	1,172,096	0	0	0
Amount due to overseas offices	505,384	193,768	233,616	0	0	0	78,000
Amount payable under repos	156,521	0	156,521	0	0	0	0
Other liabilities	109,086	15,517	8,054	19,205	17,017	0	49,293
Capital and reserves	94,512	0	0	0	0	0	94,512
<b>Total equity and liabilities</b>	<b>6,972,786</b>	<b>3,243,414</b>	<b>2,299,249</b>	<b>1,191,301</b>	<b>17,017</b>	<b>0</b>	<b>221,805</b>
<b>Net Gap</b>	<b>0</b>	<b>(1,810,500)</b>	<b>(2,139,371)</b>	<b>(131,895)</b>	<b>3,630,125</b>	<b>647,978</b>	<b>(196,337)</b>
<b>Off Balance Sheet Exposures</b>							
Contingent liabilities	38,682	15,963	18,825	3,894	0	0	0
Irrevocable commitments	604,388	604,388	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
<b>Total</b>	<b>643,070</b>	<b>620,351</b>	<b>18,825</b>	<b>3,894</b>	<b>0</b>	<b>0</b>	<b>0</b>

30 June 2019

HKS'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	441,139	441,139	0	0	0	0	0
Amount due from Exchange Fund	122,499	122,499	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	40,000	40,000	0	0	0	0	0
Trade bills	5,281	5,281	0	0	0	0	0
Advances and other accounts	3,185,689	362,473	310,591	228,037	2,073,114	186,983	24,491
Advances to other banks	303,791	0	0	0	303,791	0	0
FVOCI securities	2,265,048	0	0	174,128	2,090,920	0	0
Amortised cost securities	233,138	0	0	0	233,138	0	0
Fixed & intangible assets	21,145	0	0	0	0	0	21,145
<b>Total assets</b>	<b>6,617,730</b>	<b>971,392</b>	<b>310,591</b>	<b>402,165</b>	<b>4,700,963</b>	<b>186,983</b>	<b>45,636</b>
<b>LIABILITIES</b>							
Deposits and balances of banks (except those included in amount due to overseas offices)	873,168	484,145	389,023	0	0	0	0
Deposits from customers	4,958,503	2,784,453	1,347,768	826,282	0	0	0
Amount due to overseas offices	367,920	289,920	0	0	0	0	78,000
Amount payable under repos	332,996	232,996	0	0	0	0	0
Other liabilities	128,419	14,327	11,934	18,649	19,604	0	63,905
Capital and reserves	56,724	0	0	0	0	0	56,724
<b>Total equity and liabilities</b>	<b>6,617,730</b>	<b>3,805,841</b>	<b>1,748,725</b>	<b>844,931</b>	<b>19,604</b>	<b>0</b>	<b>198,629</b>
<b>Net Gap</b>	<b>0</b>	<b>(2,854,449)</b>	<b>(1,438,134)</b>	<b>(442,766)</b>	<b>4,681,359</b>	<b>186,983</b>	<b>(152,993)</b>
<b>Off Balance Sheet Exposures</b>							
Contingent liabilities	55,869	7,410	36,747	11,712	0	0	0
Irrevocable commitments	480,423	480,423	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
<b>Total</b>	<b>536,292</b>	<b>487,833</b>	<b>36,747</b>	<b>11,712</b>	<b>0</b>	<b>0</b>	<b>0</b>

**VIII. REMUNERATION SYSTEM  
FOR THE YEAR ENDED 31 December 2019**

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 2019

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	<u>31 December 2019</u> %	<u>30 June 2019</u> %
A. Capital adequacy ratio	<u>14.41%</u>	<u>14.67%</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 2019</u> NTS'000	<u>30 June 2019</u> NTS'000
B. Aggregate amount of shareholders' funds	<u>65,121,704</u>	<u>62,420,599</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 2019

	<u>31 December 2019</u> NTS'000	<u>30 June 2019</u> NTS'000
Total Assets	<u>939,839,720</u>	<u>896,514,962</u>
Total Liabilities	<u>874,718,016</u>	<u>834,094,363</u>
Total advances	<u>604,874,251</u>	<u>580,963,938</u>
Total customers deposit	<u>814,937,615</u>	<u>768,049,696</u>
	<u>1 January 2019</u> to <u>31 December 2019</u> NTS'000	<u>1 January 2018</u> to <u>31 December 2018</u> NTS'000
Profit before taxation	<u>6,688,213</u>	<u>6,232,325</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 2019. 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.



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Chief Executive

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

\_\_\_\_\_  
24 April 2020

Date