

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

Key Financial Information Disclosure Statements  
For The Year Ended 31 December 2021

CERTIFIED TRUE COPY

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

.....  
*Joyce Cheng*  
Authorized Signature(s)

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

## **Key Financial Information Disclosure Statements For The Year Ended 31 December 2021**

<b>CONTENT</b>	<b>PAGE</b>
<b>SECTION A - INFORMATION OF THE BRANCH &lt;HONG KONG BRANCH ONLY&gt;</b>	
I. PROFIT AND LOSS INFORMATION	1
II. BALANCE SHEET INFORMATION	2
III. ADDITIONAL BALANCE SHEET INFORMATION	3-4
IV. OFF-BALANCE SHEET EXPOSURES	5
V. SEGMENTAL INFORMATION	6-8
VI. CURRENCY RISK	9
VII. LIQUIDITY	10-11
VIII. REMUNERATION SYSTEM	11
<b>SECTION B - INFORMATION OF THE BANK &lt;CONSOLIDATED BASIS&gt;</b>	
I. CAPITAL AND CAPITAL ADEQUACY	12
II. OTHER FINANCIAL INFORMATION	13
<b>SECTION C - DECLARATION</b>	14

**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 2021**

	Year Ended	
	<u>31 December</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	HK\$'000	HK\$'000
<b>INTEREST INCOME</b>	152,928	152,420
<b>INTEREST EXPENSE</b>	<u>(42,749)</u>	<u>(68,847)</u>
	<u>110,179</u>	<u>83,573</u>
<b>OTHER OPERATING INCOME</b>		
Gains less losses arising from dealing in foreign currencies	3,121	6,362
Gains less losses arising from trading in interest rate derivatives	0	0
Net fees and commission income		
Income from fees and commission	17,056	6,331
Fees and commission expenses	(1,799)	(1,193)
Others		
Income from trading investments	1,356	0
Income from non-trading investments	6,008	10,616
Other Income	0	0
	<u>25,742</u>	<u>22,116</u>
<b>OPERATING EXPENSES</b>		
Staff expenses	(32,326)	(25,100)
Rental expenses	(12,042)	(9,266)
Other expenses	(10,868)	(8,909)
	<u>(55,236)</u>	<u>(43,275)</u>
<b>CHARGES FOR BAD AND DOUBTFUL DEBTS</b>		
Provision for bad and doubtful debts	(9,973)	(8,826)
Other provisions	(853)	(282)
	<u>(10,826)</u>	<u>(9,108)</u>
<b>PROFIT BEFORE TAXATION</b>	69,859	53,306
<b>TAXATION</b>	(12,351)	(11,046)
<b>PROFIT AFTER TAXATION</b>	<u>57,508</u>	<u>42,260</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 2021**

	<u>31 December</u> <u>2021</u> HK\$'000	<u>30 June 2021</u> HK\$'000
<b>ASSETS</b>		
Cash and balances with banks	462,820	1,075,034
Amount due from Exchange Fund	547,163	516,364
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	147,291	131,829
Certificates of deposit held	832,388	480,400
FVPL securities	804,975	800,906
Advances and other accounts	4,452,332	4,044,875
Advances to other banks	0	0
FVOCI securities	3,904,147	4,423,312
Amortised cost securities	425,664	423,563
Fixed & intangible assets	22,128	25,147
<b>Total assets</b>	<b>11,598,908</b>	<b>11,921,430</b>
<b>LIABILITIES</b>		
Deposits and balances of banks (except those included in amount due to overseas offices)	1,485,007	1,747,125
Deposits from customers		
Demand deposits and current accounts	24,805	21,738
Savings deposits	3,153,320	3,626,696
Time, call and notice deposits	5,042,864	5,005,441
Amount due to overseas offices	925,589	285,525
Certificates of deposit issued	0	319,918
Amount payable under repos	656,586	646,050
Other accounts and provisions		
Other liabilities	68,851	56,841
Provision	62,442	54,809
<b>Total liabilities</b>	<b>11,419,464</b>	<b>11,764,143</b>
Capital and reserves	179,444	157,287
<b>Total equity and liabilities</b>	<b>11,598,908</b>	<b>11,921,430</b>

**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 2021**

**ADVANCES AND OTHER ACCOUNTS**

	<u>31 December</u> <u>2021</u> HK\$'000	<u>30 June 2021</u> HK\$'000
A. Trade bills	147,291	131,829
Less: Collective Impairment allowance	(2,151)	(1,625)
Trade bills less collective impairment allowance	<u>145,140</u>	<u>130,204</u>
 B. Advances to customers	 4,407,663	 3,992,756
Advances to banks	0	0
Accrued interest and other accounts		
Accrued interest	23,795	26,086
Other accounts	20,874	26,033
Total	<u>4,452,332</u>	<u>4,044,875</u>
Less: Impairment allowance on Advances to customers		
Collective impairment allowance	(56,479)	(49,499)
Individual impairment allowance	0	0
Advances to banks		
Collective impairment allowance	0	0
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>(56,479)</u>	<u>(49,499)</u>
Advances and other accounts less impairment allowance	<u>4,395,853</u>	<u>3,995,376</u>
 C. Details of the impaired advances to customers		
	<u>31 December</u> <u>2021</u> HK\$'000	<u>30 June 2021</u> HK\$'000
Impaired loans which are individually determined to be impaired advances to customers	<u>0</u>	<u>0</u>
Individuals assessed allowance made in respect of impaired advances to customers	<u>0</u>	<u>0</u>
As a percentage of total advances to customers	<u>0.00%</u>	<u>0.00%</u>

Note: As at 31 Dec 2021 and 30 Jun 2021, 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 2021

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	<u>31 December 2021</u>		<u>30 June 2021</u>	
	HKS'000	%	HKS'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%	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	0.05%
	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.05%</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		0	
more than 6 months and up to 1 year	0		0	
more than 1 year	0		0	
	<u>0</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>2021</u> HKS'000	<u>30 June 2021</u> HKS'000
Other accounts receivable	0	178
Prepaid expenses	1,659	2,619
Prepaid Tax	9,566	13,528
Prepaid guarantee deposits	3,082	3,091
NCD difference between nominal value and book value	967	679
Revaluation-forward fx/swap/option	5,600	5,938
	<u>20,874</u>	<u>26,033</u>

E. Analysis of other assets which have been overdue

	<u>31 December</u> <u>2021</u> HKS'000	<u>30 June 2021</u> HKS'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 2021**

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

	<u>31 December</u> 2021 HK\$'000	<u>30 June 2021</u> HK\$'000
Contingent liabilities and commitments		
Direct credit contingencies	31,194	3,060
Trade-related contingencies	69,599	67,761
Forward forward deposit placed	0	0
Other commitments	<u>3,861,593</u>	<u>2,141,792</u>
	<u><u>3,962,386</u></u>	<u><u>2,212,613</u></u>
	<u>31 December</u> 2021 HK\$'000	<u>30 June 2021</u> HK\$'000
Derivatives		
Exchange rate contracts	2,238,318	2,302,824
Interest rate contracts	0	0
	<u>2,238,318</u>	<u>2,302,824</u>
	<u>31 December</u> 2021 HK\$'000	<u>30 June 2021</u> HK\$'000
Fair value of derivatives (of the above derivatives)		
Exchange rate contracts:		
-Positive replacement cost	5,600	5,915
Interest rate contracts:		
-Positive replacement cost	0	0
	<u>5,600</u>	<u>5,915</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.

**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 2021**

**1. GROSS ADVANCES TO CUSTOMERS BY INDUSTRY SECTORS**

	<u>31 December 2021</u>		<u>30 June 2021</u>	
	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	583,000	583,000	0	0
Financial concerns	572,654	0	466,243	0
Stockbrokers	630,306	0	1,325,155	0
Wholesale and retail trade	55,662	11,600	17,424	11,600
Manufacturing	22,799	18,900	22,765	22,765
Transport and transport equipment	0	0	0	0
Recreational activities	0	0	0	0
Information technology	62,754	0	62,726	0
Others	58,380	0	58,088	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				
loans for the purchase of other residential properties	0	0	0	0
Credit card advances	0	0	0	0
Others	0	0	10,906	10,906
<b>c. All others</b>				
	0	0	0	0
<b>B. Trade finance</b>	104,134	23,635	101,777	70,637
<b>C. Loan for use outside Hong Kong</b>	2,317,974	441,885	1,927,672	427,463
<b>Total</b>	<u>4,407,663</u>	<u>1,079,020</u>	<u>3,992,756</u>	<u>543,371</u>

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

	<u>31 December 2021</u>	<u>30 June 2021</u>
	HK\$'000	HK\$'000
Hong Kong	2,641,455	2,572,956
Others	1,377,402	776,844
China	388,806	642,956
<b>Total</b>	<u>4,407,663</u>	<u>3,992,756</u>

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

	<u>31 December 2021</u>	<u>30 June 2021</u>
	HK\$'000	HK\$'000
<b>Overdue loans and advances to customers</b>		
Taiwan	0	0
Hong Kong	0	0
China	0	0
	<u>0</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 2021

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 2021	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	1,251	432	0	273	1,956
of which United States	344	377	0	0	721
France	313	0	0	0	313
Netherland	78	0	0	187	265
Australia	65	55	0	86	206
2. Offshore Centres	228	547	543	1,368	2,686
of which Hong Kong	227	547	543	1,071	2,388
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	94	0	0	78	172
of which Chile	94	0	0	0	94
Virgin Island	0	0	0	78	78
5. Developing Africa and Middle East	485	249	485	243	1,462
of which United Arab Emirates	485	0	172	0	657
Saudi Arabia	0	249	0	243	492
Qatar	0	0	313	0	313
6. Developing Asia-Pacific	1,961	94	1,406	1,761	5,222
of which China	1,422	0	915	224	2,561
Taiwan	0	0	233	1,317	1,550
7. International Organisations	0	0	56	0	56
8. Unallocated by country	0	0	0	0	0
	<u>4,019</u>	<u>1,322</u>	<u>2,490</u>	<u>3,723</u>	<u>11,554</u>

As at 30 June 2021	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	1,477	297	0	318	2,092
of which United States	396	297	0	229	922
France	460	0	0	0	460
Australia	289	0	0	89	378
2. Offshore Centres	351	516	389	552	1,808
of which Hong Kong	351	516	389	408	1,664
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	94	0	0	76	170
of which Chile	94	0	0	0	94
Virgin Island	0	0	0	76	76
5. Developing Africa and Middle East	484	254	483	246	1,467
of which United Arab Emirates	484	0	170	0	654
Saudi Arabia	0	254	0	246	500
Qatar	0	0	313	0	313
6. Developing Asia-Pacific	2,170	93	2,016	1,917	6,196
of which China	1,118	0	1,143	428	2,689
Taiwan	576	0	765	1,334	2,675
7. International Organisations	0	0	136	0	136
8. Unallocated by country	0	0	0	0	0
	<u>4,576</u>	<u>1,160</u>	<u>3,024</u>	<u>3,109</u>	<u>11,869</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 2021

#### 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>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil
<u>As at 31 December 2021</u>			
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,135	2	1,137
2 Local government, local government-owned entities and their subsidiaries and joint ventures (JVs)	156	0	156
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	195	5	200
4 Other entities of central government not reported in item 1 above	179	0	179
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	319	21	340
7 Other counterparties where the exposures are considered to be non-bank Mainland China exposures	0	0	0
Total	<u>1,984</u>	<u>28</u>	<u>2,012</u>
Total assets after provision	<u>11,536</u>		
On-balance exposures as percentage of total assets	<u>17.20%</u>		
<u>As at 30 June 2021</u>			
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,324	0	1,324
2 Local government, local government-owned entities and their subsidiaries and joint ventures (JVs)	100	0	100
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	276	0	276
4 Other entities of central government not reported in item 1 above	179	0	179
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	78	0	78
7 Other counterparties where the exposures are considered to be non-bank Mainland China exposures	0	0	0
Total	<u>1,957</u>	<u>0</u>	<u>1,957</u>
Total assets after provision	<u>11,867</u>		
On-balance exposures as percentage of total assets	<u>16.49%</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 2021**

**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 2021</u>	<u>USD</u>	<u>AUD</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	8,070	142	1,203	63	9,478
Spot Liabilities	(7,507)	(57)	(1,232)	(61)	(8,857)
Forward purchases	790	0	739	0	1,529
Forward sales	(1,444)	(84)	(710)	(2)	(2,240)
Net option position	0	0	0	0	0
Net long / (short) position	<u>(91)</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>(90)</u>

<u>As at 30 June 2021</u>	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	8,100	12	1,318	128	9,558
Spot Liabilities	(7,934)	(13)	(1,325)	(42)	(9,314)
Forward purchases	1,041	18	622	0	1,681
Forward sales	(1,256)	(37)	(614)	(86)	(1,993)
Net option position	0	0	0	0	0
Net long / (short) position	<u>(49)</u>	<u>(20)</u>	<u>1</u>	<u>0</u>	<u>(68)</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 2021

##### Average liquidity maintenance ratio

	<u>For the 4th</u> <u>Quarter ended</u> <u>2021</u> %	<u>For the 4th</u> <u>Quarter ended</u> <u>2020</u> %
Average liquidity maintenance ratio for the quarter ended	<u>75.06%</u> Oct-Dec 2021	<u>80.07%</u> Oct-Dec 2020

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 2021 4th quarter & 2020 4th 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 2021 is as follows:

Significant funding instruments	Total amount in HK\$'000	As % of total liabilities
Deposit from retail customers	2,046,944	17.74%
Deposit from other non-bank customers	6,184,276	53.61%
Funding raised from banks	2,142,229	18.57%
Funding raised from the Head Office	925,716	8.02%

##### 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 2021

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	462,820	462,820	0	0	0	0	0
Amount due from Exchange Fund	547,163	547,163	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	147,291	14,837	11,595	120,859	0	0	0
Certificates of deposit held	832,388	0	0	832,388	0	0	0
FVPL securities	804,975	0	23,424	0	781,551	0	0
Advances and other accounts	4,452,332	1,270,964	699,883	550,354	1,921,482	0	9,649
Advances to other banks	0	0	0	0	0	0	0
FVOCI securities	3,904,147	39,013	156,077	527,808	2,733,245	448,004	0
Amortised cost securities	425,664	0	0	0	77,847	347,817	0
Fixed & intangible assets	22,128	0	0	0	0	0	22,128
<b>Total assets</b>	<b>11,598,908</b>	<b>2,334,797</b>	<b>890,979</b>	<b>2,031,409</b>	<b>5,514,125</b>	<b>795,821</b>	<b>31,777</b>
<b>LIABILITIES</b>							
Deposits and balances of banks (except those included in amount due to overseas offices)	1,485,007	506,909	978,098	0	0	0	0
Deposits from customers	8,220,989	4,829,827	1,626,499	1,764,663	0	0	0
Amount due to overseas offices	925,589	457,659	389,930	0	0	0	78,000
Certificates of deposit issued	0	0	0	0	0	0	0
Amount payable under repos	656,586	78,376	578,210	0	0	0	0
Other liabilities	131,293	18,422	7,462	17,344	9,645	0	78,420
Capital and reserves	179,444	0	0	0	0	0	179,444
<b>Total equity and liabilities</b>	<b>11,598,908</b>	<b>5,891,193</b>	<b>3,580,199</b>	<b>1,782,007</b>	<b>9,645</b>	<b>0</b>	<b>335,864</b>
<b>Net Gap</b>	<b>0</b>	<b>(3,556,396)</b>	<b>(2,689,220)</b>	<b>249,402</b>	<b>5,504,480</b>	<b>795,821</b>	<b>(304,087)</b>
<b>Off Balance Sheet Exposures</b>							
Contingent liabilities	100,793	24,335	43,280	33,178	0	0	0
Irrevocable commitments	132,834	132,834	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
<b>Total</b>	<b>233,627</b>	<b>157,169</b>	<b>43,280</b>	<b>33,178</b>	<b>0</b>	<b>0</b>	<b>0</b>

30 June 2021

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	1,075,034	1,075,034	0	0	0	0	0
Amount due from Exchange Fund	516,364	516,364	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	131,829	21,127	110,702	0	0	0	0
Certificates of deposit held	480,400	0	0	480,400	0	0	0
FVPL securities	800,906	0	0	23,321	777,585	0	0
Advances and other accounts	4,044,875	2,031,971	216,946	705,807	974,226	106,193	9,732
Advances to other banks	0	0	0	0	0	0	0
FVOCI securities	4,423,312	31,061	116,576	426,250	2,513,914	1,335,511	0
Amortised cost securities	423,563	0	0	0	77,455	346,108	0
Fixed & intangible assets	25,147	0	0	0	0	0	25,147
<b>Total assets</b>	<b>11,921,430</b>	<b>3,675,557</b>	<b>444,224</b>	<b>1,635,778</b>	<b>4,343,180</b>	<b>1,787,812</b>	<b>34,879</b>
<b>LIABILITIES</b>							
Deposits and balances of banks (except those included in amount due to overseas offices)	1,747,125	582,375	1,164,750	0	0	0	0
Deposits from customers	8,653,875	5,078,087	1,586,944	1,988,844	0	0	0
Amount due to overseas offices	285,525	52,225	155,300	0	0	0	78,000
Certificates of deposit issued	319,918	0	319,918	0	0	0	0
Amount payable under repos	646,050	233,379	412,671	0	0	0	0
Other liabilities	111,650	4,338	3,848	19,998	15,088	0	68,378
Capital and reserves	157,287	0	0	0	0	0	157,287
<b>Total equity and liabilities</b>	<b>11,921,430</b>	<b>5,950,404</b>	<b>3,643,431</b>	<b>2,008,842</b>	<b>15,088</b>	<b>0</b>	<b>303,665</b>
<b>Net Gap</b>	<b>0</b>	<b>(2,274,847)</b>	<b>(3,199,207)</b>	<b>(373,064)</b>	<b>4,328,092</b>	<b>1,787,812</b>	<b>(268,786)</b>
<b>Off Balance Sheet Exposures</b>							
Contingent liabilities	98,821	2,657	65,104	31,060	0	0	0
Irrevocable commitments	210,996	210,996	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
<b>Total</b>	<b>309,817</b>	<b>213,653</b>	<b>65,104</b>	<b>31,060</b>	<b>0</b>	<b>0</b>	<b>0</b>

**VIII. REMUNERATION SYSTEM  
FOR THE YEAR ENDED 31 December 2021**

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 2021**

---

	<u>31 December 2021</u> %	<u>30 June 2021</u> %
A. Capital adequacy ratio	<u>14.82%</u>	<u>15.51%</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 2021</u> NTS'000	<u>30 June 2021</u> NTS'000
B. Aggregate amount of shareholders' funds	<u>69,450,290</u>	<u>69,070,137</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 2021

	<u>31 December 2021</u> NT\$'000	<u>30 June 2021</u> NT\$'000
Total Assets	<u>1,173,719,944</u>	<u>1,122,379,348</u>
Total Liabilities	<u>1,104,269,654</u>	<u>1,053,309,211</u>
Total advances	<u>719,376,083</u>	<u>688,501,893</u>
Total customers deposit	<u>1,043,994,125</u>	<u>986,961,771</u>
	<u>1 January 2021</u> to <u>31 December 2021</u> NT\$'000	<u>1 January 2020</u> to <u>31 December 2020</u> NT\$'000
Profit before taxation	<u>7,445,513</u>	<u>6,668,497</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 2021. 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.

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

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

Alternate Chief Executive

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

29 April 2022

Date