

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

Key Financial Information Disclosure Statements
For The Half Year Ended 30 June 2019

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


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Authorized Signatory(s)

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

**Key Financial Information Disclosure Statements
For The Half Year Ended 30 June 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 HALF YEAR ENDED 30 JUNE 2019**

	Year ended	
	<u>30 June 2019</u>	<u>30 June 2018</u>
	HK\$'000	HK\$'000
INTEREST INCOME	109,968	75,525
INTEREST EXPENSE	<u>(59,565)</u>	<u>(27,092)</u>
	<u>50,403</u>	<u>48,433</u>
OTHER OPERATING INCOME		
Gains less losses arising from dealing in foreign currencies	(43)	3,247
Gains less losses arising from trading in interest rate derivatives	0	0
Net fees and commission income		
Income from fees and commission	6,028	3,726
Fees and commission expenses	(409)	(414)
Others		
Income from non-trading investments	903	0
Other Income	<u>0</u>	<u>0</u>
	<u>6,479</u>	<u>6,559</u>
OPERATING EXPENSES		
Staff expenses	(10,569)	(10,336)
Rental expenses	(2,968)	(3,087)
Other expenses	(3,511)	(3,446)
	<u>(17,048)</u>	<u>(16,869)</u>
CHARGES FOR BAD AND DOUBTFUL DEBTS		
Provision for bad and doubtful debts	(10,385)	(3,042)
Other provisions	(98)	(353)
	<u>(10,483)</u>	<u>(3,395)</u>
PROFIT BEFORE TAXATION	29,351	34,728
TAXATION	(5,071)	(6,267)
PROFIT AFTER TAXATION	<u><u>24,280</u></u>	<u><u>28,461</u></u>

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

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**II. BALANCE SHEET INFORMATION
FOR THE HALF YEAR ENDED 30 JUNE 2019**

	<u>30 June 2019</u>	<u>31 December</u> <u>2018</u>
	HK\$'000	HK\$'000
ASSETS		
Cash and balances with banks	441,139	942,219
Amount due from Exchange Fund	122,499	11,906
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	40,000	0
Trade bills	5,281	39,094
Advances and other accounts	3,185,689	2,970,860
Advances to other banks	303,791	363,243
FVOCI securities	2,265,048	2,031,292
Amortised cost securities	233,138	311,658
Fixed & intangible assets	21,145	1,603
Total assets	<u><u>6,617,730</u></u>	<u><u>6,671,875</u></u>
LIABILITIES		
Deposits and balances of banks (except those included in amount due to overseas offices)	873,168	1,260,867
Deposits from customers		
Demand deposits and current accounts	31,645	40,842
Savings deposits	1,429,993	1,520,137
Time, call and notice deposits	3,496,865	3,111,738
Amount due to overseas offices	367,920	467,435
Amount payable under repos	232,996	75,987
Other accounts and provisions		
Other liabilities	80,539	122,807
Provision	47,880	50,051
Total liabilities	<u><u>6,561,006</u></u>	<u><u>6,649,864</u></u>
Capital and reserves	56,724	22,011
Total equity and liabilities	<u><u>6,617,730</u></u>	<u><u>6,671,875</u></u>

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III. ADDITIONAL BALANCE SHEET INFORMATION
FOR THE HALF YEAR ENDED 30 JUNE 2019

ADVANCES AND OTHER ACCOUNTS

	<u>30 June 2019</u>	<u>31 December</u> <u>2018</u>
	HK\$'000	HK\$'000
A. Trade bills	5,281	39,094
Less: Collective impairment allowance	(53)	(586)
Trade bills less collective impairment allowance	<u>5,228</u>	<u>38,508</u>
B. Advances to customers	3,143,721	2,933,066
Advances to banks	303,791	363,243
Accrued interest and other accounts		
Accrued interest	21,927	19,821
Other accounts	20,041	17,973
Total	<u>3,489,480</u>	<u>3,334,103</u>
Less: Impairment allowance on Advances to customers		
Collective impairment allowance	(38,946)	(39,580)
Individual impairment allowance	(2,548)	(6,243)
Advances to banks		
Collective impairment allowance	(3,045)	(3,642)
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>(44,539)</u>	<u>(49,465)</u>
Advances and other accounts less impairment allowance	<u>3,444,941</u>	<u>3,284,638</u>
C. Details of the impaired advances to customers		
	<u>30 June 2019</u>	<u>31 December</u> <u>2018</u>
	HK\$'000	HK\$'000
Impaired loans which are individually determined to be impaired advances to customers	<u>5,097</u>	<u>12,486</u>
Individuals assessed allowance made in respect of impaired advances to customers	<u>2,548</u>	<u>6,243</u>
As a percentage of total advances to customers	<u>0.16%</u>	<u>0.43%</u>

Note: As at 30 Jun 2019 and 31 Dec 2018, there is no collateral held in respect of impaired advances to customers.

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III. ADDITIONAL BALANCE SHEET INFORMATION
FOR THE HALF YEAR ENDED 30 JUNE 2019

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	<u>30 June 2019</u>		<u>31 December 2018</u>	
	HK\$'000	%	HK\$'000	%
a. Advances to customers overdue for				
more than 1 month and up to 3 months	0	0.00%	12,486	0.43%
more than 3 months and up to 6 months	5,097	0.16%	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>5,097</u>	<u>0.16%</u>	<u>12,486</u>	<u>0.43%</u>
b. Individual impairment allowance on advances to customers overdue for				
more than 1 month and up to 3 months	0		6,243	
more than 3 months and up to 6 months	2,548		0	
more than 6 months and up to 1 year	0		0	
more than 1 year	0		0	
	<u>2,548</u>		<u>6,243</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>30 June 2019</u>	<u>31 December 2018</u>
	HK\$'000	HK\$'000
Other accounts receivable	6	2,876
Prepaid expenses	675	916
Prepaid Tax	0	0
Prepaid guarantee deposits	3,151	2,063
Premium-buy option	0	0
Revaluation-forward fx/swap/option	16,170	12,084
Exchange Position	39	34
	<u>20,041</u>	<u>17,973</u>

E. Analysis of other assets which have been overdue

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

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IV. OFF-BALANCE SHEET EXPOSURES
FOR THE HALF YEAR ENDED 30 JUNE 2019

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

	<u>30 June 2019</u>	<u>31 December 2018</u>
	HK\$'000	HK\$'000
Contingent liabilities and commitments		
Direct credit contingencies	16,574	21,638
Trade-related contingencies	39,295	39,634
Forward forward deposit placed	0	0
Other commitments	2,166,529	2,007,872
	<u>2,222,398</u>	<u>2,069,144</u>

	<u>30 June 2019</u>	<u>31 December 2018</u>
	HK\$'000	HK\$'000
Derivatives		
Exchange rate contracts	2,333,217	990,682
Interest rate contracts	0	0
	<u>2,333,217</u>	<u>990,682</u>

	<u>30 June 2019</u>	<u>31 December 2018</u>
	HK\$'000	HK\$'000
Fair value of derivatives (of the above derivatives)		
Exchange rate contracts:		
-Positive replacement cost	16,170	11,695
Interest rate contracts:		
-Positive replacement cost	0	0
	<u>16,170</u>	<u>11,695</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 HALF YEAR ENDED 30 JUNE 2019

1. GROSS ADVANCES TO CUSTOMERS BY INDUSTRY SECTORS

	30 June 2019		31 December 2018	
	HKS'000	HKS'000	HKS'000	HKS'000
		Amounts of Loan and advances covered by collateral		Amounts of Loan and advances covered by collateral
A. Loans for use in Hong Kong				
a. Industrial, commercial and financial				
Property development	0	0	0	0
Property investment	0	0	0	0
Financial concerns	239,059	108,992	54,585	0
Stockbrokers	206,950	0	364,249	0
Wholesale and retail trade	25,376	19,520	27,264	23,825
Manufacturing	47,995	18,900	48,762	8,362
Transport and transport equipment	0	0	0	0
Recreational activities	0	0	0	0
Information technology	39,452	0	39,382	0
Others	230,028	0	215,027	0
b. Individuals				
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	12,487	12,487	12,637	12,637
c. All others	0	0	0	0
B. Trade finance	169,568	38,916	223,370	48,228
C. Loan for use outside Hong Kong	2,172,806	95,116	1,947,790	101,605
Total	<u>3,143,721</u>	<u>293,931</u>	<u>2,933,066</u>	<u>194,657</u>

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

	30 June 2019	31 December 2018
	HKS'000	HKS'000
China	1,361,771	847,027
Hong Kong	1,272,073	1,595,531
Others	509,877	490,508
Total	<u>3,143,721</u>	<u>2,933,066</u>

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

	30 June 2019	31 December 2018
	HKS'000	HKS'000
Overdue loans and advances to customers		
Taiwan	5,097	12,486
Hong Kong	0	0
China	0	0
	<u>5,097</u>	<u>12,486</u>
Impaired loan and advances to customer		
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 HALF YEAR ENDED 30 JUNE 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 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.

<u>As at 30 June 2019</u>	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>

<u>As at 31 December 2018</u>	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>

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

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V. SEGMENTAL INFORMATION FOR THE HALF YEAR ENDED 30 JUNE 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>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
	<u>HK\$ Mil</u>	<u>HK\$ Mil</u>	<u>HK\$ Mil</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	1,834	303	2,137
Total assets after provision	6,570		
On-balance exposures as percentage of total assets	27.91%		
<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	1,880	430	2,310
Total assets after provision	6,622		
On-balance exposures as percentage of total assets	28.39%		

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VI. CURRENCY RISK

FOR THE HALF YEAR ENDED 30 JUNE 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.

As at 30 June 2019

	<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>

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>

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.

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VII. LIQUIDITY

FOR THE HALF YEAR ENDED 30 JUNE 2019

Average liquidity maintenance ratio

	<u>For the 2nd</u> <u>Quarter ended</u> <u>2019</u> %	<u>For the 2nd</u> <u>Quarter ended</u> <u>2018</u> %
Average liquidity maintenance ratio for the quarter ended	<u>56.95%</u> Apr-Jun 2019	<u>46.42%</u> Apr-Jun 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 2nd quarter & 2018 2nd 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.

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

30 June 2019

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
ASSETS							
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
Total assets	6,617,730	971,392	310,591	402,165	4,700,963	186,983	45,636
LIABILITIES							
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	232,996	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
Total equity and liabilities	6,617,730	3,805,841	1,748,725	844,931	19,604	0	198,629
Net Gap	0	(2,834,449)	(1,438,134)	(442,766)	4,681,359	186,983	(152,993)
Off Balance Sheet Exposures							
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
Total	536,292	487,833	36,747	11,712	0	0	0

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
ASSETS							
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
Total assets	6,671,875	1,338,071	327,953	403,733	4,570,970	0	31,148
LIABILITIES							
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
Total equity and liabilities	6,671,875	4,137,990	1,258,230	1,103,520	10,378	0	161,757
Net Gap	0	(2,799,919)	(930,277)	(699,787)	4,560,592	0	(130,609)
Off Balance Sheet Exposures							
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
Total	669,296	651,024	5,563	12,709	0	0	0

VIII. REMUNERATION SYSTEM

FOR THE HALF YEAR ENDED 30 JUNE 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 HALF YEAR ENDED 30 JUNE 2019**

	<u>30 June 2019</u> %	<u>31 December 2018</u> %
A. Capital adequacy ratio	<u>14.67%</u>	<u>14.38%</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>30 June 2019</u> NT\$'000	<u>31 December 2018</u> NT\$'000
B. Aggregate amount of shareholders' funds	<u>62,420,599</u>	<u>59,534,395</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 HALF YEAR ENDED 30 JUNE 2019**

	<u>30 June 2019</u> NT\$'000	<u>31 December</u> <u>2018</u> NT\$'000
Total Assets	<u>896,514,962</u>	<u>871,051,223</u>
Total Liabilities	<u>834,094,363</u>	<u>811,516,828</u>
Total advances	<u>580,963,938</u>	<u>566,160,164</u>
Total customers deposit	<u>768,049,696</u>	<u>741,630,145</u>
	<u>1 January 2019</u> to <u>30 June 2019</u> NT\$'000	<u>1 January 2018</u> to <u>30 June 2018</u> NT\$'000
Profit before taxation	<u>3,028,991</u>	<u>3,004,767</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 30 June 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.



Chief Executive

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

27 September 2019

Date