

**YUANTA COMMERCIAL BANK CO., LIMITED  
HONG KONG BRANCH**

**Key Financial Information Disclosure Statement  
For the Period Ended 30 June 2019**

# YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

## Key Financial Information Disclosure Statement For the Period Ended 30 June 2019

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YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

Section A - Information of the Branch <Hong Kong Branch Only>

I. Income Statement

For the Period Ended 30 June 2019

	Six months ended	
	30 June 2019 HK\$'000	30 June 2018 HK\$'000
<b>Interest Income</b>	89,277	71,490
<b>Interest Expense</b>	(45,500)	(32,814)
<b>Net Interest Income</b>	<u>43,777</u>	<u>38,676</u>
<b>Other Operating Income</b>		
Gains less losses arising from trading in foreign currencies	(562)	(373)
Gains less losses from other trading activities	0	0
Net fees and commission income		
Income from fees and commissions	6,109	5,702
Fees and commission expenses	(338)	(27)
Others	2,066	2,264
	<u>7,275</u>	<u>7,566</u>
<b>Operating Expenses</b>		
Staff expenses	(8,760)	(7,719)
Rental expenses	(5,547)	(7,024)
Other expenses	(8,064)	(6,573)
	<u>(22,371)</u>	<u>(21,316)</u>
<b>Charges for Bad and Doubtful Debts</b>		
Provision for bad and doubtful debts	2,447	166
Other provisions:		
Provision of accrued interest	0	185
Provision for account receivables	(94)	(545)
	<u>2,353</u>	<u>(194)</u>
<b>Profit Before Taxation</b>	31,034	24,732
<b>Tax expense</b>	(4,886)	(3,961)
<b>Profit After Taxation</b>	<u>26,148</u>	<u>20,771</u>

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Section A - Information of the Branch <Hong Kong Branch Only>

II. Balance Sheet

As At 30 June 2019

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
<b>ASSETS</b>		
Cash and balances with banks	146,332	323,671
Amount due from Exchange Fund	2,349	61,562
Amount due from overseas offices	60,175	0
Trade bills	920	5,861
Loans and receivables	2,614,213	2,680,990
Investment debt securities	1,874,570	1,876,821
Tangible fixed assets	7,493	7,355
<b>Total Assets</b>	<b>4,706,052</b>	<b>4,956,260</b>
<b>LIABILITIES</b>		
Deposits and balances from banks	351,367	626,564
Deposits from customers	3,820,441	3,670,409
Demand deposits and current accounts	27,015	26,905
Savings deposits	847,436	619,329
Time, call and notice deposits	2,945,990	3,024,175
Amount due to overseas offices	390,408	626,564
Other liabilities and provisions	113,921	80,369
<b>Total Liabilities</b>	<b>4,676,137</b>	<b>5,003,906</b>
Reserves	3,767	(85,201)
Current profit & loss	26,148	37,555
	29,915	(47,646)
<b>Total Equity and Liabilities</b>	<b>4,706,052</b>	<b>4,956,260</b>

YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

Section A - Information of the Branch <Hong Kong Branch Only>

III. Additional Balance Sheet Information

	30 June 2019 HK\$'000	31 December 2018 HK\$'000
<b>A. Trade bills</b>		
Trade bills	929	5,942
General provisions	(9)	(81)
Specific provisions	0	0
Total	<u>920</u>	<u>5,861</u>
<b>B. Loans and receivables</b>		
Loans and advances to customers	2,614,350	2,672,809
Other accounts		
Accrued interest	14,229	16,981
Others	21,302	29,204
Total	<u>2,649,881</u>	<u>2,718,994</u>
Less: Provisions for bad and doubtful debts on		
Loans and advances to customers		
General provisions	(35,174)	(37,574)
Specific provisions	0	0
Accrued interest		
General provisions	(96)	(125)
Specific provisions	0	0
Other accounts		
General provisions	(398)	(305)
Specific provisions	0	0
Total	<u>(35,668)</u>	<u>(38,004)</u>
<b>Loans and receivables after provisions for bad and doubtful debts</b>	<u>2,614,213</u>	<u>2,680,990</u>
<b>C. Percentage of total provisions against gross loans and advances to customers</b>		
General provisions	1.35%	1.41%
Specific provisions	0.00%	0.00%
	<u>1.35%</u>	<u>1.41%</u>
<b>D. Loans and advances to banks</b>		
There were no loans and advances to banks at the respective reporting dates.		

## Section A - Information of the Branch &lt;Hong Kong Branch Only&gt;

## III. Additional Balance Sheet Information

## E. Overdue and rescheduled assets to customers

	30 June 2019		31 December 2018	
	HK\$'000	%	HK\$'000	%
a. Gross amount of loans and advances to customers which have been overdue for				
more than 3 months but not more than 6 months	0	0.00%	0	0.00%
more than 6 months but not more than one year	0	0.00%	0	0.00%
more than one year	0	0.00%	0	0.00%
	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
b. Specific provision on loans and advances to customers which have been overdue for				
more than 3 months but not more than 6 months	0		0	
more than 6 months but not more than one year	0		0	
more than one year	0		0	
	<u>0</u>		<u>0</u>	
c. Value of collateral held against the overdue loans and advances	<u>0</u>		<u>0</u>	
d. Rescheduled loans and advances to customers	<u>0</u>	0.00%	<u>0</u>	0.00%

## F. Overdue other assets

There were no overdue other assets at the respective reporting dates.

## G. Repossessed assets

There were no repossessed assets at the respective reporting dates.

**YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**Section A - Information of the Branch <Hong Kong Branch Only>**

**IV. Off-Balance Sheet Exposures**

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

	30 June 2019 <u>HK\$'000</u>	31 December 2018 <u>HK\$'000</u>
<b>Contingent liabilities and commitments</b>		
Direct credit substitutes	0	0
Trade-related contingencies	3,607	0
Other commitments	502,363	313,749
	<u>505,970</u>	<u>313,749</u>
	30 June 2019 <u>HK\$'000</u>	31 December 2018 <u>HK\$'000</u>
<b>Derivatives</b>		
Exchange rate contracts	1,386,903	1,426,884
Interest rate contracts	0	0
	<u>1,386,903</u>	<u>1,426,884</u>
	30 June 2019 <u>HK\$'000</u>	31 December 2018 <u>HK\$'000</u>
<b>Replacement costs of derivatives (of the above derivatives)</b>		
Exchange rate contracts	580	420
Interest rate contracts	0	0
	<u>580</u>	<u>420</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 replacement costs represent the costs of replacing all contracts which have a positive value when marked to market. They do not take into account the effects of bilateral netting arrangements.

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V. Sector Information

1. Gross amount of loans and advances to customers by industry sector

	30 June 2019		31 December 2018	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Gross Amount	Amounts of loans and advances covered by collateral	Gross Amount	Amounts of loans and advances covered by collateral
<b>A. Loans and advances for use in Hong Kong</b>				
a. Industrial, commercial and financial				
Property development	0	0	0	0
Property investment	0	0	0	0
Financial concerns	254,200	0	302,502	0
Stockbrokers	0	0	0	0
Wholesale and retail trade	0	0	18,852	0
Manufacturing	0	0	0	0
Transport and transport equipment	0	0	0	0
Recreational activities	0	0	0	0
Information technology	0	0	0	0
Others				
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	0	0	0	0
<b>B. Trade finance</b>	32,651	0	57,813	0
<b>C. Loan and advances for use outside Hong Kong</b>	2,327,499	11,528	2,293,642	4,068
<b>Total</b>	<b>2,614,350</b>	<b>11,528</b>	<b>2,672,809</b>	<b>4,068</b>

2. A. Gross amount of loans and advances to customers by major countries

	30 June	31 December
	2019	2018
	HK\$'000	HK\$'000
Hong Kong	767,703	849,830
Cayman Islands	869,603	885,354
Singapore	445,065	291,898
Others	531,979	645,727
<b>Total</b>	<b>2,614,350</b>	<b>2,672,809</b>

2. B. Overdue loans and advances to customers by major countries

	30 June	31 December
	2019	2018
	HK\$'000	HK\$'000
Hong Kong	0	0
Cayman Islands	0	0
Singapore	0	0
Others	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The above analysis has been classified according to categories and definitions used by the HKMA. Only exposures to a single country exceeding 10% of the aggregate gross amount of loans and advances to customers at the above respective reporting dates are disclosed.



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Section A - Information of the Branch <Hong Kong Branch Only>

V. Sector Information

3. International Claims

The following tables analyse the international claims by 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 completion instruction of [Return of International Banking Statistics MA(BS)21A] issued by HKMA. Countries or geographical areas constituting 10% or more of the total international claims are disclosed.

As at 30 June 2019	Non-bank Private Sector					Total HK\$ Million
	Banks HK\$ Million	Official Sector HK\$ Million	Non-bank Financial Institutions HK\$ Million	Non-financial Private Sector HK\$ Million	Others HK\$ Million	
1. Developed countries	886	0	0	0	0	886
of which:						
Australia	578	0	0	0	0	578
Switzerland	110	0	0	0	0	110
2. Offshore centres	0	42	607	1,649	0	2,298
of which:						
Cayman Islands	0	0	330	572	0	902
Hong Kong	0	42	122	293	0	457
West Indies UK	0	0	155	173	0	328
Bermuda	0	0	0	611	0	611
3. Developing Europe	0	0	0	0	0	0
4. Developing Latin America and Caribbean	0	0	0	0	0	0
5. Developing Africa and Middle East	55	0	0	0	0	55
of which:						
United Arab Emirates	55	0	0	0	0	55
6. Developing Asia and Pacific	862	0	240	372	0	1,474
of which:						
South Korea	438	0	0	167	0	605
China	245	0	240	78	0	563
Taiwan	178	0	0	9	0	187
Indonesia	0	0	0	118	0	118
7. International organisations	0	0	0	0	0	0
8. Unallocated by country	0	0	0	0	0	0
<b>Total</b>	<b>1,803</b>	<b>42</b>	<b>847</b>	<b>2,021</b>	<b>0</b>	<b>4,713</b>

As at 31 December 2018	Non-bank Private Sector					Total HK\$ Million
	Banks HK\$ Million	Official Sector HK\$ Million	Non-bank Financial Institutions HK\$ Million	Non-financial Private Sector HK\$ Million	Others HK\$ Million	
1. Developed countries	773	0	75	0	0	848
of which:						
Australia	269	0	0	0	0	269
Switzerland	161	0	0	0	0	161
Canada	138	0	0	0	0	138
France	95	0	0	0	0	95
2. Offshore centres	11	96	872	1,598	0	2,577
of which:						
Cayman Islands	0	0	341	500	0	841
Hong Kong	11	96	338	292	0	737
West Indies UK	0	0	193	344	0	537
Bermuda	0	0	0	422	0	422
3. Developing Europe	0	0	0	0	0	0
4. Developing Latin America and Caribbean	0	0	0	0	0	0
5. Developing Africa and Middle East	0	0	0	0	0	0
6. Developing Asia and Pacific	1,009	0	101	474	0	1,584
of which:						
South Korea	513	0	0	244	0	757
China	261	0	0	145	0	406
Taiwan	235	0	0	55	0	290
7. International organisations	0	0	0	0	0	0
8. Unallocated by country	0	0	0	0	0	0
<b>Total</b>	<b>1,793</b>	<b>96</b>	<b>1,048</b>	<b>2,072</b>	<b>0</b>	<b>5,009</b>

YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

Section A - Information of the Branch <Hong Kong Branch Only>

V. Sector Information

4. Non-bank Mainland Exposures

The following is the Branch's Mainland exposures to non-bank counterparties. For the categories of non-bank counterparties and the type of direct exposures to be disclosed were made with reference to the completion instruction for Part 3 of the [Return of Mainland Activities - (MA(85)20)] issued by HKMA.

Types of counterparties

As at 30 June 2019

	On-balance sheet exposures HK\$ Million	Off-balance sheet exposures HK\$ Million	Total HK\$ Million
1. Central government, central government-owned entities and their subsidiaries and joint ventures(JVs)	39	0	39
2. Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	313	28	341
4. Other entities of central government not reported in item 1 above	276	25	301
5. Other entities of local governments not reported in item 2 above	168	0	168
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	857	65	922
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	411	195	606
Total	<u>2,064</u>	<u>313</u>	<u>2,377</u>
Total assets after provisions	<u>4,706</u>		
On-balance sheet exposures as percentage of total assets	<u>43.86%</u>		

As at 31 December 2018

	On-balance sheet exposures HK\$ Million	Off-balance sheet exposures HK\$ Million	Total HK\$ Million
1. Central government, central government-owned entities and their subsidiaries and joint ventures(JVs)	39	0	39
2. Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	429	61	490
4. Other entities of central government not reported in item 1 above	291	10	301
5. Other entities of local governments not reported in item 2 above	72	0	72
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	969	27	996
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	270	0	270
Total	<u>2,070</u>	<u>98</u>	<u>2,168</u>
Total assets after provisions	<u>4,956</u>		
On-balance sheet exposures as percentage of total assets	<u>41.77%</u>		

## YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

### Section A - Information of the Branch <Hong Kong Branch Only>

#### VI. Currency Risk

##### 5. Foreign Currency Exposures

The foreign currency exposures are prepared in accordance with the the completion instruction [Return of Foreign Currency Position - (MA(BS)6)] issued by HKMA. The net position (in absolute terms) 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	USD	AUD	Others	Total
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Spot assets	2,651	815	9	3,475
Spot liabilities	(2,745)	(56)	(93)	(2,894)
Forward purchases	754	0	84	838
Forward sales	(633)	(759)	0	(1,392)
Net options position	0	0	0	0
Net long / (short) position	27	0	0	27

  

As at 31 December 2018	USD	AUD	Others	Total
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Spot assets	2,779	791	24	3,594
Spot liabilities	(3,118)	(41)	(100)	(3,259)
Forward purchases	892	0	77	969
Forward sales	(538)	(750)	(2)	(1,290)
Net options position	0	0	0	0
Net long / (short) position	15	0	(1)	14

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

**YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH**

**Section A - Information of the Branch <Hong Kong Branch Only>**

**VII. Liquidity Information**

a. Average liquidity maintenance ratio

	For the quarter ended	
	30 June 2019	30 June 2018
	%	%
Average liquidity maintenance ratio (LMR) for the period	<u>72.62%</u>	<u>74.07%</u>

Liquidity Maintenance Ratio (LMR) is complied in accordance with the Banking (Liquidity) Rules issued by the HKMA. The average ratio is calculated based on the arithmetic mean of the average value of its liquidity position return for each calendar month during the reporting period. In compliance with the Banking (Disclosure) Rules, quarterly average liquidity maintenance ratio should be disclosed.

b. Liquidity Risk Management

Pursuant to the disclosure requirement Part IID: Liquidity "Table LIQA: Liquidity Risk Management", the elements of the branch are as follows:

1. Liquidity Risk Management Strategy

The Branch follows the "Regulatory Framework for Supervision of Liquidity Risk" and "Sound Systems and Controls For Liquidity Risk Management" in the Supervisory Policy Manual issued by the Hong Kong Monetary Authority and the Liquidity Risk Management Procedures of the Branch to effectively manage liquidity risks. Besides, the Branch follows the Risk Appetite Statement to ensure the liquidity risk indicators falls within the acceptable range approved by the Board.

2. Responsible Party for Liquidity Risk Management

The Board is ultimately responsible for the management of liquidity risk. The branch manager acts as the chairman of the Assets and Liabilities Management Committee of the Branch ("ALCO"), which is mainly responsible for supervising the liquidity risk management. The risk management unit of the Branch is the independent party to monitor liquidity risk where the treasury, operations, deposit and loan business units are the execution party for liquidity risk management.

3. Liquidity Risk Management Framework

On a monthly basis, the ALCO reviews the reporting on establishment of identification, measurement, monitoring and management of liquidity risk, implemented the risk management principle, the monitoring result of risk indicators as well as the stress-testing of liquidity of funding and LMR in order to meet the regulatory requirements. To strengthen the ability to cope with sudden liquidity crisis, the Branch persistently enhances the internal controls procedures and to revise the contingency funding plan and recovery plan.

4. Funding Gap Analysis For On And Off Balance Sheet Items

30/6/2019	Total	Up to 1 month	1 month up to 3 months	3 months up to 6 months	6 months up to 1 year	HK\$'000
						over 1 year
On-balance sheet assets	4,720,511	2,215,268	341,833	70,989	297,215	1,795,206
Off-balance sheet assets	1,390,509	1,169,317	221,192	-	-	-
On-balance sheet liabilities	4,285,729	1,961,532	1,750,281	412,050	161,866	-
Off-balance sheet liabilities	1,898,470	1,174,975	221,132	5,822	407,376	89,165
Mismatch Gap		248,078	(1,408,388)	(346,883)	(272,027)	1,706,041
Cumulative Gap		248,078	(1,160,310)	(1,507,193)	(1,779,220)	(73,179)
31/12/2018	Total	Up to 1 month	1 month up to 3 months	3 months up to 6 months	6 months up to 1 year	HK\$'000
On-balance sheet assets	4,962,786	2,477,773	456,436	20,509	122,615	1,885,453
Off-balance sheet assets	1,426,883	847,648	579,235	-	-	-
On-balance sheet liabilities	4,575,675	2,644,897	1,567,458	300,357	62,963	-
Off-balance sheet liabilities	1,722,847	843,338	603,729	160,460	22,619	92,701
Mismatch Gap		(162,814)	(1,135,516)	(440,308)	37,033	1,792,752
Cumulative Gap		(162,814)	(1,298,330)	(1,738,638)	(1,701,605)	91,147

**VIII. Remuneration System**

Pursuant to the disclosure requirement, the relevant remuneration information was disclosed under the "Annual Report, Chapter II - Bank Profile and Corporate Governance", released by the Head Office.

## YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

### Section B. - Information of the Bank <Consolidated Basis>

#### I. Capital and Capital Adequacy Ratio

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	30 June 2019 %	31 December 2018 %
A. Capital adequacy ratio	<u>15.74%</u>	<u>15.74%</u>

The capital adequacy ratio (Equity Capital Ratio) is equal to the ratio of the regulatory capital to the total risk-weighted assets. The computation of capital adequacy ratio is in accordance with the "Regulations Governing the Capital Adequacy and Capital of Banks" which is in line with the risk-weighted approach proposed by the Bank for International Settlements.

	30 June 2019 NT\$'000	31 December 2018 NT\$'000
B. Total amount of shareholders' funds	<u>118,298,369</u>	<u>115,651,114</u>

## YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

### Section B. - Information of the Bank <Consolidated Basis>

#### II. Other Financial Information

	30 June 2019 NT\$'000	31 December 2018 NT\$'000
Total assets	<u>1,309,756,382</u>	<u>1,288,100,288</u>
Total liabilities	<u>1,191,458,013</u>	<u>1,172,449,174</u>
Total loans and advances	<u>746,834,088</u>	<u>742,944,803</u>
Total deposits	<u>1,102,856,924</u>	<u>1,067,889,268</u>
	<u>Six months ended</u>	
	<u>30 June 2019</u> NT\$'000	<u>30 June 2018</u> NT\$'000
Pre-tax Profit	<u>6,167,549</u>	<u>5,787,152</u>

## Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statement of Authorized Institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statements of Yuanta Commercial Bank Co., Limited - Hong Kong Branch for the period ended 30 June 2019 complies, in all material respects, with 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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Ting Hao Wei, Chief Executive  
Yuanta Commercial Bank Co., Limited  
Hong Kong Branch

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16 SEP 2019

Date

## **Prescribed Summary**

This is to inform the general public that the complete disclosures can be found at website:

[https://www.yuantabank.com.hk/en/financial\\_statements.html](https://www.yuantabank.com.hk/en/financial_statements.html)

Yuanta Commercial Bank Co., Limited  
Hong Kong Branch