

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

**Key Financial Information Disclosure Statement  
For the Period Ended 30 June 2020**



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

## Key Financial Information Disclosure Statement For the Period Ended 30 June 2020

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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 2020**

|  | For the period ended        |                             |
|--|-----------------------------|-----------------------------|
|  | 30 June<br>2020<br>HK\$'000 | 30 June<br>2019<br>HK\$'000 |
| <b>Interest Income</b>                                       | 48,432                      | 89,277                      |
| <b>Interest Expense</b>                                      | (22,515)                    | (45,500)                    |
| <b>Net Interest Income</b>                                   | <u>25,917</u>               | <u>43,777</u>               |
| <b>Other Operating Income</b>                                |                             |                             |
| Gains less losses arising from trading in foreign currencies | 421                         | (562)                       |
| Gains less losses from other trading activities              | 0                           | 0                           |
| Net fees and commission income                               |                             |                             |
| Income from fees and commissions                             | 1,110                       | 6,109                       |
| Fees and commission expenses                                 | (220)                       | (338)                       |
| Others   | 171                         | 2,066                       |
|  | <u>1,482</u>                | <u>7,275</u>                |
| <b>Operating Expenses</b>                                    |                             |                             |
| Staff expenses   | (10,119)                    | (8,760)                     |
| Rental expenses  | (8,158)                     | (5,547)                     |
| Other expenses   | (5,206)                     | (8,064)                     |
|  | <u>(23,483)</u>             | <u>(22,371)</u>             |
| <b>Charges for Bad and Doubtful Debts</b>                    |                             |                             |
| Provision for bad and doubtful debts                         | 8,993                       | 2,421                       |
| Other provisions:  |                             |                             |
| Provision of accrued interest                                | 29                          | 26                          |
| Provision for account receivables                            | 125                         | (94)                        |
|  | <u>9,147</u>                | <u>2,353</u>                |
| <b>Profit Before Taxation</b>                                | 13,063                      | 31,034                      |
| <b>Tax expense</b>   | (721)                       | (4,886)                     |
| <b>Profit After Taxation</b>                                 | <u>12,342</u>               | <u>26,148</u>               |

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II. Balance Sheet

As At 30 June 2020

|                                      | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|--------------------------------------|-----------------------------|---------------------------------|
| <b>ASSETS</b>                        |                             |                                 |
| Cash and balances with banks         | 83,598                      | 508,164                         |
| Amount due from Exchange Fund        | 2,427                       | 12,123                          |
| Amount due from overseas offices     | 217,007                     | 391,240                         |
| Trade bills                          | 0                           | 2,621                           |
| Loans and receivables                | 1,693,867                   | 2,352,127                       |
| Investment debt securities           | 1,097,751                   | 781,889                         |
| Tangible fixed assets                | 1,329                       | 982                             |
| <b>Total Assets</b>                  | <b>3,095,979</b>            | <b>4,049,146</b>                |
| <b>LIABILITIES</b>                   |                             |                                 |
| Deposits and balances from banks     | 0                           | 77,874                          |
| Deposits from customers              | 2,614,756                   | 3,466,988                       |
| Demand deposits and current accounts | 20,703                      | 39,597                          |
| Savings deposits                     | 777,744                     | 768,010                         |
| Time, call and notice deposits       | 1,816,309                   | 2,659,381                       |
| Amount due to overseas offices       | 440,041                     | 389,370                         |
| Other liabilities and provisions     | 28,917                      | 57,727                          |
| <b>Total Liabilities</b>             | <b>3,083,714</b>            | <b>3,991,959</b>                |
| Reserves                             | (77)                        | (179)                           |
| Current profit & loss                | 12,342                      | 57,366                          |
|                                      | 12,265                      | 57,187                          |
| <b>Total Equity and Liabilities</b>  | <b>3,095,979</b>            | <b>4,049,146</b>                |

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**III. Additional Balance Sheet Information**

|  | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|--|-----------------------------|---------------------------------|
| <b>A. Trade bills</b>  |                             |                                 |
| Trade bills  | 0                           | 2,647                           |
| General provisions   | 0                           | (26)                            |
| Specific provisions  | 0                           | 0                               |
| <b>Total</b>   | <b>0</b>                    | <b>2,621</b>                    |
| <b>B. Loans and receivables</b>  |                             |                                 |
| Loans and advances to customers  | 1,679,911                   | 2,334,268                       |
| Other accounts   |                             |                                 |
| Accrued interest   | 5,566                       | 8,308                           |
| Others   | 30,678                      | 41,033                          |
| <b>Total</b>   | <b>1,716,155</b>            | <b>2,383,609</b>                |
| Less: Provisions for bad and doubtful debts on   |                             |                                 |
| Loans and advances to customers  |                             |                                 |
| General provisions   | (22,167)                    | (31,206)                        |
| Specific provisions  | 0                           | 0                               |
| Accrued interest   |                             |                                 |
| General provisions   | (36)                        | (66)                            |
| Specific provisions  | 0                           | 0                               |
| Other accounts   |                             |                                 |
| General provisions   | (85)                        | (210)                           |
| Specific provisions  | 0                           | 0                               |
| <b>Total</b>   | <b>(22,288)</b>             | <b>(31,482)</b>                 |
| <b>Loans and receivables after provisions for bad and doubtful debts</b>               | <b>1,693,867</b>            | <b>2,352,127</b>                |
| <b>C. Percentage of total provisions against gross loans and advances to customers</b> |                             |                                 |
| General provisions   | 1.32%                       | 1.34%                           |
| Specific provisions  | 0.00%                       | 0.00%                           |
|  | <b>1.32%</b>                | <b>1.34%</b>                    |

**D. Loans and advances to banks**

There were no loans and advances to banks at the respective reporting dates.

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III. Additional Balance Sheet Information

E. Overdue and rescheduled assets to customers

|  | 30 June 2020 |              | 31 December 2019 |              |
|--|--------------|--------------|------------------|--------------|
|  | 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.

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### 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<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|--|-----------------------------|---------------------------------|
| <b>Contingent liabilities and commitments</b>                      |                             |                                 |
| Direct credit substitutes  | 0                           | 0                               |
| Trade-related contingencies  | 161                         | 1,971                           |
| Other commitments  | 91,089                      | 262,392                         |
|  | <u>91,250</u>               | <u>264,363</u>                  |
|  |                             |                                 |
|  | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
| <b>Derivatives</b>   |                             |                                 |
| Exchange rate contracts  | 87,244                      | 98,839                          |
| Interest rate contracts  | 0                           | 0                               |
|  | <u>87,244</u>               | <u>98,839</u>                   |
|  |                             |                                 |
|  | 30 June<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
| <b>Replacement costs of derivatives (of the above derivatives)</b> |                             |                                 |
| Exchange rate contracts  | 14                          | 63                              |
| Interest rate contracts  | 0                           | 0                               |
|  | <u>14</u>                   | <u>63</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 2020             |  | 31 December 2019         |  |
|---|--------------------------|--|--------------------------|--|
|   | HK\$'000<br>Gross Amount | HK\$'000<br>Amounts of loans<br>and advances<br>covered by<br>collateral | HK\$'000<br>Gross Amount | HK\$'000<br>Amounts of loans<br>and advances<br>covered by<br>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  | 71,556                   | 0  | 243,339                  | 0  |
| Stockbrokers  | 0                        | 0  | 0                        | 0  |
| Wholesale and retail trade  | 0                        | 0  | 0                        | 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>   | 26,887                   | 0  | 20,960                   | 0  |
| <b>C. Loan and advances for use outside Hong Kong</b>   | 1,581,468                | 5,075  | 2,069,969                | 13,137   |
| <b>Total</b>  | <u>1,679,911</u>         | <u>5,075</u>   | <u>2,334,268</u>         | <u>13,137</u>  |

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

|                | 30 June          | 31 December      |
|----------------|------------------|------------------|
|                | 2020             | 2019             |
|                | HK\$'000         | HK\$'000         |
| Hong Kong      | 502,885          | 689,475          |
| Cayman Islands | 269,827          | 690,445          |
| Singapore      | 282,560          | 502,287          |
| Others         | 624,639          | 452,061          |
| <b>Total</b>   | <u>1,679,911</u> | <u>2,334,268</u> |

B. Overdue loans and advances to customers by major countries

|                | 30 June  | 31 December |
|----------------|----------|-------------|
|                | 2020     | 2019        |
|                | HK\$'000 | HK\$'000    |
| Hong Kong      | 0        | 0           |
| Cayman Islands | 0        | 0           |
| Singapore      | 0        | 0           |
| Others         | 0        | 0           |
| <b>Total</b>   | <u>0</u> | <u>0</u>    |

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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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 2020                        | Banks<br>HK\$ Million | Official<br>Sector<br>HK\$ Million | Non-bank Private Sector                               |   | Others<br>HK\$ Million | Total<br>HK\$ Million |
|---|-----------------------|------------------------------------|---|---|------------------------|-----------------------|
|   |                       |                                    | Non-bank<br>Financial<br>Institutions<br>HK\$ Million | Non-financial<br>Private Sector<br>HK\$ Million |                        |                       |
| 1. Developed countries                    | 403                   | 0                                  | 0   | 42  | 0                      | 445                   |
| of which:                                 |                       |                                    |   |   |                        |                       |
| Australia                                 | 258                   | 0                                  | 0   | 0   | 0                      | 258                   |
| United States                             | 58                    | 0                                  | 0   | 42  | 0                      | 100                   |
| 2. Offshore centres                       | 22                    | 59                                 | 357   | 1,293   | 0                      | 1,731                 |
| of which:                                 |                       |                                    |   |   |                        |                       |
| Cayman Islands                            | 0                     | 0                                  | 285   | 210   | 0                      | 495                   |
| Bermuda                                   | 0                     | 0                                  | 0   | 457   | 0                      | 457                   |
| West Indies UK                            | 0                     | 0                                  | 0   | 406   | 0                      | 406                   |
| Hong Kong                                 | 22                    | 59                                 | 72  | 212   | 0                      | 365                   |
| 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      | 52                    | 0                                  | 0   | 0   | 0                      | 52                    |
| of which:                                 |                       |                                    |   |   |                        |                       |
| United Arab Emirates                      | 52                    | 0                                  | 0   | 0   | 0                      | 52                    |
| 6. Developing Asia and Pacific            | 480                   | 0                                  | 0   | 68  | 0                      | 548                   |
| of which:                                 |                       |                                    |   |   |                        |                       |
| South Korea                               | 246                   | 0                                  | 0   | 56  | 0                      | 302                   |
| Taiwan                                    | 234                   | 0                                  | 0   | 0   | 0                      | 234                   |
| 7. International organisations            | 0                     | 311                                | 0   | 0   | 0                      | 311                   |
| 8. Unallocated by country                 | 0                     | 0                                  | 0   | 0   | 0                      | 0                     |
| <b>Total</b>                              | <b>957</b>            | <b>370</b>                         | <b>357</b>  | <b>1,403</b>                                    | <b>0</b>               | <b>3,087</b>          |

| As at 31 December 2019                    | Banks<br>HK\$ Million | Official<br>Sector<br>HK\$ Million | Non-bank Private Sector                               |   | Others<br>HK\$ Million | Total<br>HK\$ Million |
|---|-----------------------|------------------------------------|---|---|------------------------|-----------------------|
|   |                       |                                    | Non-bank<br>Financial<br>Institutions<br>HK\$ Million | Non-financial<br>Private Sector<br>HK\$ Million |                        |                       |
| 1. Developed countries                    | 272                   | 0                                  | 0   | 0   | 0                      | 272                   |
| of which:                                 |                       |                                    |   |   |                        |                       |
| Australia                                 | 176                   | 0                                  | 0   | 0   | 0                      | 176                   |
| United States                             | 46                    | 0                                  | 0   | 0   | 0                      | 46                    |
| Netherlands                               | 39                    | 0                                  | 0   | 0   | 0                      | 39                    |
| 2. Offshore centres                       | 0                     | 52                                 | 591   | 1,509   | 0                      | 2,152                 |
| of which:                                 |                       |                                    |   |   |                        |                       |
| Cayman Islands                            | 0                     | 0                                  | 303   | 432   | 0                      | 735                   |
| Singapore                                 | 0                     | 0                                  | 0   | 508   | 0                      | 508                   |
| Hong Kong                                 | 0                     | 52                                 | 215   | 156   | 0                      | 423                   |
| West Indies UK                            | 0                     | 0                                  | 73  | 315   | 0                      | 388                   |
| 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            | 1,113                 | 0                                  | 226   | 66  | 0                      | 1,405                 |
| of which:                                 |                       |                                    |   |   |                        |                       |
| Taiwan                                    | 834                   | 0                                  | 0   | 17  | 0                      | 851                   |
| China                                     | 130                   | 0                                  | 226   | 0   | 0                      | 356                   |
| South Korea                               | 149                   | 0                                  | 0   | 49  | 0                      | 198                   |
| 7. International organisations            | 0                     | 156                                | 0   | 0   | 0                      | 156                   |
| 8. Unallocated by country                 | 0                     | 0                                  | 0   | 0   | 0                      | 0                     |
| <b>Total</b>                              | <b>1,440</b>          | <b>208</b>                         | <b>817</b>  | <b>1,575</b>                                    | <b>0</b>               | <b>4,040</b>          |

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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(BS)20)] issued by HKMA.

Types of counterparties

As at 30 June 2020

|  | On-balance sheet<br>exposures<br>HK\$ Million | Off-balance sheet<br>exposures<br>HK\$ Million | Total<br>HK\$ Million |
|--|---|--|-----------------------|
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures(JVs)  | 0   | 0  | 0                     |
| 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                            | 201   | 0  | 201                   |
| 4. Other entities of central government not reported in item 1 above   | 200   | 0  | 200                   |
| 5. Other entities of local governments not reported in item 2 above  | 141   | 0  | 141                   |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 470   | 32   | 502                   |
| 7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures   | 451   | 19   | 470                   |
| Total  | <u>1,463</u>                                  | <u>51</u>                                      | <u>1,514</u>          |
| Total assets after provisions  | <u>3,096</u>                                  |  |                       |
| On-balance sheet exposures as percentage of total assets   | <u>47.25%</u>                                 |  |                       |

As at 31 December 2019

|  | On-balance sheet<br>exposures<br>HK\$ Million | Off-balance sheet<br>exposures<br>HK\$ Million | Total<br>HK\$ Million |
|--|---|--|-----------------------|
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures(JVs)  | 26  | 0  | 26                    |
| 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                            | 286   | 54   | 340                   |
| 4. Other entities of central government not reported in item 1 above   | 278   | 23   | 301                   |
| 5. Other entities of local governments not reported in item 2 above  | 165   | 0  | 165                   |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 807   | 78   | 885                   |
| 7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures   | 481   | 9  | 490                   |
| Total  | <u>2,043</u>                                  | <u>164</u>                                     | <u>2,207</u>          |
| Total assets after provisions  | <u>4,049</u>                                  |  |                       |
| On-balance sheet exposures as percentage of total assets   | <u>50.46%</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 2020          | USD          | AUD          | Others       | Total        |
|-----------------------------|--------------|--------------|--------------|--------------|
|                             | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| Spot assets                 | 2,238        | 108          | 63           | 2,409        |
| Spot liabilities            | (2,288)      | (64)         | (73)         | (2,425)      |
| Forward purchases           | 77           | 0            | 10           | 87           |
| Forward sales               | (10)         | (44)         | 0            | (54)         |
| Net options position        | 0            | 0            | 0            | 0            |
| Net long / (short) position | 17           | 0            | 0            | 17           |

| As at 31 December 2019      | USD          | AUD          | Others       | Total        |
|-----------------------------|--------------|--------------|--------------|--------------|
|                             | HK\$ Million | HK\$ Million | HK\$ Million | HK\$ Million |
| Spot assets                 | 2,616        | 4            | 51           | 2,671        |
| Spot liabilities            | (2,514)      | (53)         | (84)         | (2,651)      |
| Forward purchases           | 8            | 49           | 41           | 98           |
| Forward sales               | (90)         | 0            | (8)          | (98)         |
| Net options position        | 0            | 0            | 0            | 0            |
| Net long / (short) position | 20           | 0            | 0            | 20           |

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

|  | 30 June 2020   | 30 June 2019   |
|--|----------------|----------------|
|  | %              | %              |
| Average liquidity maintenance ratio (LMR) for the period | 81.11%         | 80.76%         |
| Calculation period                                       | <Apr-Jun 2020> | <Apr-Jun 2019> |

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. 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

|                               |           | Up to     | 1 month up  | 3 months up | 6 months up | HK\$'000    |
|-------------------------------|-----------|-----------|-------------|-------------|-------------|-------------|
| 2020/6/30                     | Total     | 1 month   | to 3 months | to 6 months | to 1 year   | over 1 year |
| On-balance sheet assets       | 3,090,732 | 1,415,549 | 319,906     | 97,905      | 98,806      | 1,158,566   |
| Off-balance sheet assets      | 87,405    | 87,405    | -           | -           | -           | -           |
| On-balance sheet liabilities  | 2,679,031 | 1,346,312 | 804,514     | 345,673     | 182,532     | -           |
| Off-balance sheet liabilities | 178,348   | 87,259    | 11,625      | 5,577       | 57,278      | 16,609      |
| Mismatch Gap                  |           | 69,383    | (496,233)   | (253,345)   | (141,004)   | 1,141,957   |
| Cumulative Gap                |           | 69,383    | (426,850)   | (680,195)   | (821,199)   | 320,758     |
|                               |           |           |             |             |             | HK\$'000    |
| 2019/12/31                    | Total     | Up to     | 1 month up  | 3 months up | 6 months up | over 1 year |
| On-balance sheet assets       | 4,043,667 | 1,904,549 | 462,190     | 83,251      | 295,458     | 1,298,219   |
| Off-balance sheet assets      | 100,809   | 50,411    | 50,398      | -           | -           | -           |
| On-balance sheet liabilities  | 3,576,214 | 1,687,352 | 1,629,180   | 173,796     | 85,886      | -           |
| Off-balance sheet liabilities | 362,659   | 75,651    | 58,831      | 76,848      | 38,937      | 112,392     |
| Mismatch Gap                  |           | 191,957   | (1,175,423) | (167,393)   | 170,635     | 1,185,827   |
| Cumulative Gap                |           | 191,957   | (983,466)   | (1,150,859) | (980,224)   | 205,603     |

#### 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<br>2020<br>% | 31 December<br>2019<br>% |
|---------------------------|----------------------|--------------------------|
| A. Capital adequacy ratio | <u>15.50%</u>        | <u>15.89%</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<br>2020<br>NT\$'000 | 31 December<br>2019<br>NT\$'000 |
|--|-----------------------------|---------------------------------|
| B. Total amount of shareholders' funds | <u>120,312,757</u>          | <u>121,874,319</u>              |

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

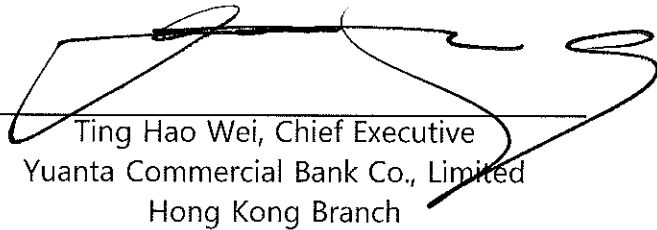
### Section B. - Information of the Bank <Consolidated Basis>

#### II. Other Financial Information

|                          | 30 June<br>2020<br>NT\$'000 | 31 December<br>2019<br>NT\$'000 |
|--------------------------|-----------------------------|---------------------------------|
| Total assets             | <u>1,388,393,042</u>        | <u>1,339,682,024</u>            |
| Total liabilities        | <u>1,268,080,285</u>        | <u>1,217,807,705</u>            |
| Total loans and advances | <u>771,809,076</u>          | <u>759,743,058</u>              |
| Total deposits           | <u>1,186,703,797</u>        | <u>1,142,353,669</u>            |
|                          | <u>For the period ended</u> |                                 |
|                          | 30 June 2020<br>NT\$'000    | 30 June 2019<br>NT\$'000        |
| Pre-tax Profit           | <u>5,173,142</u>            | <u>6,167,549</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 2020 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.



Ting Hao Wei, Chief Executive  
Yuanta Commercial Bank Co., Limited  
Hong Kong Branch

01 SEP 2020

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

