

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

**Key Financial Information Disclosure Statement
For the Period Ended 30 June 2021**

YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

Key Financial Information Disclosure Statement For the Period Ended 30 June 2021

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

I. Income Statement

For the Period Ended 30 June 2021

	For the period ended	
	30 June 2021 HK\$'000	30 June 2020 HK\$'000
Interest Income	21,626	48,432
Interest Expense	(3,529)	(22,515)
Net Interest Income	<u>18,097</u>	<u>25,917</u>
Other Operating Income		
Gains less losses arising from trading in foreign currencies	616	421
Gains less losses from other trading activities	0	0
Net fees and commission income		
Income from fees and commissions	634	1,110
Fees and commission expenses	(311)	(220)
Others	2,127	171
	<u>3,066</u>	<u>1,482</u>
Operating Expenses		
Staff expenses	(8,811)	(10,119)
Rental expenses	(2,739)	(8,158)
Other expenses	(5,404)	(5,206)
	<u>(16,954)</u>	<u>(23,483)</u>
Charges for Bad and Doubtful Debts		
Provision for bad and doubtful debts	8,608	8,993
Other provisions:		
Provision of accrued interest	17	29
Provision for account receivables	212	125
	<u>8,837</u>	<u>9,147</u>
Profit Before Taxation	13,046	13,063
Tax expense	(1,845)	(721)
Profit After Taxation	<u>11,201</u>	<u>12,342</u>

YUANTA COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

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

II. Balance Sheet

As At 30 June 2021

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
ASSETS		
Cash and balances with banks	583,809	246,798
Amount due from Exchange Fund	6,765	51,510
Amount due from overseas offices	15,430	489,622
Trade bills	0	0
Loans and receivables	1,002,805	1,320,630
Investment debt securities	1,840,679	1,436,717
Tangible fixed assets	14,678	18,655
Total Assets	3,464,166	3,563,932
LIABILITIES		
Deposits and balances from banks	854,156	0
Deposits from customers	2,146,709	3,103,339
Demand deposits and current accounts	16,531	24,034
Savings deposits	713,728	1,095,791
Time, call and notice deposits	1,416,450	1,983,514
Amount due to overseas offices	388,253	441,282
Other liabilities and provisions	56,533	72,077
Total Liabilities	3,445,651	3,616,698
Reserves	7,314	16,728
Current profit & loss	11,201	(69,494)
	18,515	(52,766)
Total Equity and Liabilities	3,464,166	3,563,932

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III. Additional Balance Sheet Information

	30 June 2021 HK\$'000	31 December 2020 HK\$'000
A. Trade bills		
Trade bills	0	0
General provisions	0	0
Specific provisions	0	0
Total	<u>0</u>	<u>0</u>
B. Loans and receivables		
Loans and advances to customers	954,666	1,269,142
Other accounts		
Accrued interest	5,494	6,115
Others	55,922	63,238
Total	<u>1,016,082</u>	<u>1,338,495</u>
Less: Provisions for bad and doubtful debts on		
Loans and advances to customers		
General provisions	(13,163)	(16,558)
Specific provisions	0	(966)
Accrued interest		
General provisions	(13)	(30)
Specific provisions	0	0
Other accounts		
General provisions	(101)	(311)
Specific provisions	0	0
Total	<u>(13,277)</u>	<u>(17,865)</u>
Loans and receivables after provisions for bad and doubtful debts	<u>1,002,805</u>	<u>1,320,630</u>
C. Percentage of total provisions against gross loans and advances to customers		
General provisions	1.38%	1.30%
Specific provisions	0.00%	0.08%
	<u>1.38%</u>	<u>1.38%</u>

D. Loans and advances to banks

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

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

III. Additional Balance Sheet Information

E. Overdue and rescheduled assets to customers

	30 June 2021		31 December 2020	
	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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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 2021 HK\$'000	31 December 2020 HK\$'000
Contingent liabilities and commitments		
Direct credit substitutes	0	0
Trade-related contingencies	0	0
Other commitments	77,762	285,486
	<u>77,762</u>	<u>285,486</u>
	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Derivatives		
Exchange rate contracts	1,020,443	200,315
Interest rate contracts	0	0
	<u>1,020,443</u>	<u>200,315</u>
	30 June 2021 HK\$'000	31 December 2020 HK\$'000
Replacement costs of derivatives (of the above derivatives)		
Exchange rate contracts	45	31
Interest rate contracts	0	0
	<u>45</u>	<u>31</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 2021		31 December 2020	
	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
A. Loans and advances for use in Hong Kong				
a. Industrial, commercial and financial				
Property development	0	0	0	0
Property investment	0	0	0	0
Financial concerns	0	0	0	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. Trade finance	0	0	9,861	0
C. Loan and advances for use outside Hong Kong	954,666	0	1,259,281	17,613
Total	<u>954,666</u>	<u>0</u>	<u>1,269,142</u>	<u>17,613</u>

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

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
Hong Kong	349,427	451,725
Cayman Islands	81,533	98,839
Singapore	153,680	285,857
Others	370,026	432,721
Total	<u>954,666</u>	<u>1,269,142</u>

B. Overdue loans and advances to customers by major countries

	30 June	31 December
	2021	2020
	HK\$'000	HK\$'000
Hong Kong	0	0
Cayman Islands	0	0
Singapore	0	0
Others	0	0
Total	<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 2021	Banks HK\$ Million	Official Sector HK\$ Million	Non-bank Private Sector		Others HK\$ Million	Total HK\$ Million
			Non-bank Financial Institutions HK\$ Million	Non-financial Private Sector HK\$ Million		
1. Developed countries	1,085	0	0	577	0	1,662
of which:						
Australia	388	0	0	0	0	388
United States	576	0	0	460	0	1,036
2. Offshore centres	0	15	0	955	0	970
of which:						
Cayman Islands	0	0	0	196	0	196
Bermuda	0	0	0	231	0	231
West Indies UK	0	0	0	221	0	221
Hong Kong	0	15	0	307	0	322
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	0	0	0	438	0	438
of which:						
South Korea	312	0	0	110	0	422
Taiwan	0	0	0	0	0	0
7. International organisations	0	318	0	0	0	318
8. Unallocated by country	0	0	0	0	0	0
Total	1,140	333	0	1,970	0	3,443

As at 31 December 2020	Banks HK\$ Million	Official Sector HK\$ Million	Non-bank Private Sector		Others HK\$ Million	Total HK\$ Million
			Non-bank Financial Institutions HK\$ Million	Non-financial Private Sector HK\$ Million		
1. Developed countries	532	0	0	451	0	983
of which:						
Australia	276	0	0	0	0	276
United States	124	0	0	451	0	575
2. Offshore centres	0	58	0	1,264	0	1,322
of which:						
Cayman Islands	0	0	0	213	0	213
Hong Kong	0	58	0	340	0	398
West Indies UK	0	0	0	291	0	291
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	54	0	0	0	0	54
of which:						
United Arab Emirates	54	0	0	0	0	54
6. Developing Asia and Pacific	855	0	0	15	0	870
of which:						
Taiwan	606	0	0	0	0	606
China	0	0	0	7	0	7
South Korea	249	0	0	8	0	257
7. International organisations	0	319	0	0	0	319
8. Unallocated by country	0	0	0	0	0	0
Total	1,441	377	0	1,730	0	3,548

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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 2021

	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)	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	0	0	0
4. Other entities of central government not reported in item 1 above	0	0	0
5. Other entities of local governments not reported in item 2 above	82	0	82
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	528	39	567
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	268	0	268
Total	<u>878</u>	<u>39</u>	<u>917</u>
Total assets after provisions	<u>3,464</u>		
On-balance sheet exposures as percentage of total assets	<u>25.35%</u>		

As at 31 December 2020

	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)	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	0	0	0
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	99	0	99
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	410	226	636
7. Other counterparties where the exposures are considered to be non-bank Mainland China exposures	410	21	431
Total	<u>1,119</u>	<u>247</u>	<u>1,366</u>
Total assets after provisions	<u>3,564</u>		
On-balance sheet exposures as percentage of total assets	<u>31.40%</u>		

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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 2021	USD	AUD	Others	Total
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Spot assets	2,690	120	568	3,378
Spot liabilities	(2,775)	(53)	(81)	(2,909)
Forward purchases	613	0	19	632
Forward sales	(444)	(68)	(543)	(1,055)
Net options position	0	0	0	0
Net long / (short) position	84	(1)	(37)	46

As at 31 December 2020	USD	AUD	Others	Total
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Spot assets	2,895	124	113	3,132
Spot liabilities	(2,927)	(108)	(42)	(3,077)
Forward purchases	148	0	14	162
Forward sales	(101)	(17)	(85)	(203)
Net options position	0	0	0	0
Net long / (short) position	15	(1)	0	14

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

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

VII. Liquidity Information

A. Average liquidity maintenance ratio

	30 June 2021	30 June 2020
	%	%
Average liquidity maintenance ratio (LMR) for the period	102.65%	81.11%
Calculation period	<Apr-Jun 2021>	<Apr-Jun 2020>

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 I.IQA: 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
2021/6/30	Total	1 month	to 3 months	to 6 months	to 1 year	over 1 year
On-balance sheet assets	3,415,214	2,451,494	152,102	266,772	42,708	502,138
Off-balance sheet assets	1,020,443	1,020,443	-	-	-	-
On-balance sheet liabilities	3,045,094	2,004,111	695,872	297,810	47,301	-
Off-balance sheet liabilities	1,096,181	1,018,419	19,413	19,524	38,825	-
Mismatch Gap		449,407	(563,183)	(50,562)	(43,418)	502,138
Cumulative Gap		449,407	(113,776)	(164,338)	(207,756)	294,382
						HK\$'000
2020/12/31	Total	Up to	1 month up	3 months up	6 months up	over 1 year
On-balance sheet assets	3,502,232	2,231,441	284,381	69,057	476,370	440,983
Off-balance sheet assets	200,315	200,315	-	-	-	-
On-balance sheet liabilities	3,213,477	2,057,973	719,590	269,261	166,653	-
Off-balance sheet liabilities	485,960	204,181	193,802	56,202	31,775	-
Mismatch Gap		169,602	(629,011)	(256,406)	277,942	440,983
Cumulative Gap		169,602	(459,409)	(715,815)	(437,873)	3,110

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

	30 June 2021 %	31 December 2020 %
A. Capital adequacy ratio	<u>15.90%</u>	<u>17.28%</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 2021 NT\$'000	31 December 2020 NT\$'000
B. Total amount of shareholders' funds	<u>121,762,583</u>	<u>123,942,740</u>

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

II. Other Financial Information

	30 June 2021 <u>NT\$'000</u>	31 December 2020 <u>NT\$'000</u>
Total assets	<u>1,577,564,066</u>	<u>1,443,480,272</u>
Total liabilities	<u>1,455,801,483</u>	<u>1,319,537,532</u>
Total loans and advances	<u>819,896,184</u>	<u>782,757,894</u>
Total deposits	<u>1,380,557,937</u>	<u>1,251,472,973</u>
	<u>For the period ended</u>	
	<u>30 June 2021</u> <u>NT\$'000</u>	<u>30 June 2020</u> <u>NT\$'000</u>
Pre-tax Profit	<u>5,000,711</u>	<u>5,173,142</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 2021 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.



Lin Chien Hung, Chief Executive
Yuanta Commercial Bank Co., Limited
Hong Kong Branch

26 AUG 2021

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

Yuanta Commercial Bank Co., Limited
Hong Kong Branch