



第一商業銀行

香港分行

First Commercial Bank Limited

Hong Kong Branch

Key Financial Information Disclosure Statement

For the year ended 31 December 2015



**KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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SECTION A. - INFORMATION OF THE BRANCH (INCLUDE H.K. BR. ONLY)

I. PROFIT AND LOSS INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2015

Figures in HKD thousands

	For the year ended 31 December	
	<u>2015</u>	<u>2014</u>
Interest Income	342,583	359,148
Interest Expense	<u>(156,735)</u>	<u>(159,983)</u>
Net interest income	185,848	199,165
Fee and commission income	59,558	47,803
Fee and commission expense	<u>(2,141)</u>	<u>(1,969)</u>
Net fee and commission income	57,417	45,834
Other operating income		
- Gains less losses arising from dealing in foreign currencies	3,857	4,534
- Net gains/(losses) on financial instruments designated at fair value through profit or loss	2,008	1,664
- Gains less losses on disposal of available-for-sale securities	240	-
- Others	<u>-</u>	<u>-</u>
	6,105	6,198
Total income	249,370	251,197
Operating expenses		
- Staff and rental expenses	(37,686)	(34,514)
- Other expenses	<u>(5,546)</u>	<u>(8,082)</u>
Total expenses	(43,232)	(42,596)
Profit before impairment allowances	206,138	208,601
Impairment losses written back/(charges) on loans and advances	4,537	(6,372)
Impairment losses on available-for-sale securities	<u>-</u>	<u>-</u>
Profit before taxation	210,675	202,229
Taxation charge	<u>-</u>	<u>-</u>
Profit after taxation	<u>210,675</u>	<u>202,229</u>

Notes: The accounting policies adopted by the Bank, are consistent with those applied in the previous financial year.



II. BALANCE SHEET INFORMATION

AS AT 31 DECEMBER 2015

Figures in HKD thousands

	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
<u>ASSETS</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	3,937,998	3,012,307
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	1,940,796	3,653,978
Amount due from overseas offices	908,688	1,000,082
Trade bills less impairment allowances	779,815	656,812
Loans and advances less impairment allowances	6,456,587	6,577,212
Certificates of deposit held	116,258	116,285
Available-for-sale debt securities less impairment allowances	1,563,475	1,196,381
Held-to-maturity debt securities	-	-
Other assets		
- Accrued interest	27,878	27,429
- Other accounts	76,393	170,450
Property, plant and equipment	2,255	2,708
Total assets	<u>15,810,143</u>	<u>16,413,644</u>
<u>LIABILITIES</u>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	2,119,854	3,974,638
Current, fixed, savings and other deposits from customers		
- Demand deposits and current accounts	305,587	313,274
- Savings deposits	5,550,942	5,122,725
- Time deposits	5,781,187	5,560,013
- Structured deposits	1,532	33,324
Amount due to overseas offices	795,400	243,505
Other accounts and provisions	98,208	85,747
Total liabilities	<u>14,652,710</u>	<u>15,333,226</u>
Reserves and current profit/(loss)	<u>1,157,433</u>	<u>1,080,418</u>
Total equity and liabilities	<u>15,810,143</u>	<u>16,413,644</u>



III. SUPPLEMENTARY FINANCIAL INFORMATION

Figures in HKD thousands

1. TRADE BILLS AND IMPAIRMENT ALLOWANCES ON TRADE BILLS

	As at	
	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
Trade bills	779,815	656,813
Collective impairment allowances	-	(1)
Gross trade bills less impairment allowances	<u>779,815</u>	<u>656,812</u>

2. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES

A. Advances to customers and impairment allowances on advances to customers

	As at	
	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
Advances to customers	6,508,154	6,649,069
Advances to banks and other financial institutions	20,000	-
Total	<u>6,528,154</u>	<u>6,649,069</u>
Collective impairment allowances	(67,176)	(67,307)
Individual impairment allowances	(4,391)	(4,550)
Total	<u>(71,567)</u>	<u>(71,857)</u>
Gross advances less impairment allowances	<u>6,456,587</u>	<u>6,577,212</u>
Allowances as a percentage of gross advances		
- Collective impairment allowances	1.03%	1.01%
- Individual impairment allowances	0.07%	0.07%
Total allowances	<u>1.10%</u>	<u>1.08%</u>

B. Impairment allowances

	Individual impairment allowances	Collective impairment allowances	Total
<u>Balance as at 31 Dec 2015</u>			
- Advances to customers	4,391	66,976	71,367
- Advances to banks and other financial institutions	-	200	200
	<u>4,391</u>	<u>67,176</u>	<u>71,567</u>
<u>Balance as at 30 Jun 2015</u>			
- Advances to customers	4,550	67,307	71,857
- Advances to banks and other financial institutions	-	-	0
	<u>4,550</u>	<u>67,307</u>	<u>71,857</u>



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

2. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES - *continued*

C. Impaired advances to customers

	As at	
	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
- Gross impaired advances to customers	6,188	6,404
- Individual impairment allowances	<u>(4,391)</u>	<u>(4,550)</u>
Total	<u>1,797</u>	<u>1,854</u>
Market value of collateral pledged	<u>0</u>	<u>0</u>
Covered portion of impaired advances	<u>0</u>	<u>0</u>
Uncovered portion of impaired advances	<u>6,188</u>	<u>6,404</u>
Gross impaired advances as a percentage of gross advances to customers	<u>0.10%</u>	<u>0.10%</u>
Individual impairment allowances as a percentage of gross impaired advances	<u>70.96%</u>	<u>71.05%</u>

There were no impaired advances to banks and other financial institutions; nor were there any individual impairment allowances made for them as at 31 December 2015 and 30 June 2015.



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

2. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES - *continued*

D. Overdue and rescheduled advances to customers

	As at	
	31-Dec-2015	30-Jun-2015
a. Advances to customers overdue for		
more than 1 month and up to 3 months	-	-
more than 3 months and up to 6 months	-	3,950
more than 6 months and up to 1 year	-	-
more than 1 year	-	-
	<u>0</u>	<u>3,950</u>
Individual impairment allowances made in respect of the above overdue advances	<u>0</u>	<u>0</u>
Market value of collateral held against the covered portion of all overdue advances	<u>0</u>	<u>0</u>
Covered portion of all overdue advances	<u>0</u>	<u>0</u>
Uncovered portion of all overdue advances	<u>0</u>	<u>3,950</u>
b. Rescheduled advances to customers	<u>6,188</u>	<u>2,454</u>
(Net of those overdue advances which have been disclosed in above)		

	As a percentage of total gross advances to customers	
	31-Dec-2015	30-Jun-2015
	Percentage (%)	Percentage (%)
c. Advances to customers overdue for		
more than 1 month and up to 3 months	-	-
more than 3 months and up to 6 months	-	0.06
more than 6 months and up to 1 year	-	-
more than 1 year	-	-
	<u>0.00</u>	<u>0.06</u>
d. Rescheduled advances to customers	<u>0.10</u>	<u>0.04</u>

E. Reconciliation for advances to customer between overdue advances and impaired advances is as follows:

	31-Dec-2015	30-Jun-2015
Advances to customers overdue for more than 3 months	-	3,950
Less: loans overdue but not impaired	-	-
Add: overdue loans for 3 months or less and on which interest is being placed in suspense or interest ceased to accrue	-	-
Add: impaired loans overdue for 3 months or less or not yet overdue and on which is still being accrued	6,188	2,454
Total impaired advances	<u>6,188</u>	<u>6,404</u>

There were no advances to banks and other financial institutions which were overdue or rescheduled as at 31 December 2015 and 30 June 2015.

F. Repossessed assets

As at 31 December 2015 and 30 June 2015, there were no repossessed assets held by our bank.



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

3. DEBT SECURITIES HELD AND OTHER ACCOUNTS

A. Available-for-sale securities

	As at	
	31-Dec-2015	30-Jun-2015
Government Bonds (including Hong Kong Exchange Fund Bills)	50,138	50,177
Floating rate notes	232,828	-
Debt securities	1,280,509	1,146,204
Total	1,563,475	1,196,381
Issued by:		
Government organization	50,138	50,177
Banks	663,715	187,294
Other financial institutions	231,238	234,293
Corporate entities	618,384	724,617
Total	1,563,475	1,196,381
Impairment allowances	-	-
Available-for-sale securities less impairment allowances	1,563,475	1,196,381
Impairment allowances as a percentage of Available-for-sale securities	0.00%	0.00%

B. Held-to-maturity securities

	As at	
	31-Dec-2015	30-Jun-2015
Debt securities	-	-
Issued by:		
Other financial institutions outside Hong Kong	-	-

C. Overdue or impaired securities

Balance as at 31 Dec 2015

	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	1,563,475	-	-
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	1,563,475	0	0

Balance as at 30 Jun 2015

	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	1,196,381	-	-
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	1,196,381	0	0



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

3. DEBT SECURITIES HELD AND OTHER ACCOUNTS - *continued*

D. Other accounts

	As at	
	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
Outward cheques receivable	6,710	136,094
Deferred tax asset	34,365	25,052
Evaluation adjustment on Available-for-sale securities	5,186	1,475
Other accounts	30,132	7,829
Total	<u>76,393</u>	<u>170,450</u>



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

4. OFF-BALANCE SHEET INFORMATION

A. Contingent liabilities and commitments

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

	As at	
	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
Direct credit substitutes	31,457	30,820
Trade-related contingencies		
- Customer's liabilities under letter of credit	16,048	63,718
- Customer's liabilities under guarantee	-	-
- Customer's liabilities under acceptance	16,008	10,902
Forward forward deposits placed	123,522	-
Other commitments		
- Other commitments with an original maturity of not more than one year	1,691,173	750,151
- Other commitments with an original maturity of more than one year	86,258	38,378
	<u>1,964,466</u>	<u>893,969</u>

B. Derivative financial instruments

	Contract / notional amount	Contract / notional amount
Exchange rate contracts		
- Spot and forwards	12,327	13,752
- Swaps	-	88,026
- Options purchased	734,360	563,629
- Options written	734,360	563,629
	<u>1,481,047</u>	<u>1,229,036</u>

Replacement Costs of Derivatives (of the above derivatives)

	Replacement costs	Replacement costs
Exchange rate contracts		
- Spot and forwards	-	34
- Swaps	-	42
- Options purchased	23,075	2,170
- Options written	22,553	1,664
	<u>45,628</u>	<u>3,910</u>

For contingent liabilities and commitments, the contract amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amount is not representative of future liquidity requirements. The replacement costs represent the cost 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.



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

5. GROSS ADVANCES TO CUSTOMERS ANALYSED AND REPORTED BY LOAN USAGE

The following information concerning advances to customers by industry sectors has been classified in accordance with industry categories contained in the banking returns of Quarterly Analysis of Loans and Advances and the Provisions (MA(BS)2A) and Assets and Liabilities of an Authorised Institution (MA(BS)1) submitted to the Hong Kong Monetary Authority.

A. By loan usage

1. Loan for use in Hong Kong	<u>As at 31 Dec 2015</u>		<u>As at 30 Jun 2015</u>	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
a. Industrial, commercial and financial				
- Property development	229,975	78,741	273,806	78,760
- Property investment	757,481	475,848	754,979	473,298
- Financial concerns	1,014,628	35,751	1,348,953	98,114
- Wholesale and retail trade	613,886	294,654	603,804	302,316
- Manufacturing	248,739	16,865	275,457	35,810
- Transport and transport equipment	43,137	43,137	47,951	47,951
- Electricity and gas	-	-	-	-
- Information technology	-	-	-	-
- Others	223,484	2,595	204,238	2,678
b. Individuals				
- Loans for the purchase of other residential properties	29,241	29,241	30,172	30,172
- Others	28,404	22,403	60,962	46,725
c. Others	-	-	-	-
	<u>3,188,975</u>	<u>999,235</u>	<u>3,600,322</u>	<u>1,115,824</u>
2. Trade finance	108,035	31,537	103,157	34,259
3. Loan for use outside Hong Kong	<u>3,211,143</u>	<u>328,813</u>	<u>2,945,590</u>	<u>249,554</u>
Total	<u>6,508,153</u>	<u>1,359,585</u>	<u>6,649,069</u>	<u>1,399,637</u>



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

5. GROSS ADVANCES TO CUSTOMERS ANALYSED AND REPORTED BY LOAN USAGE- *continued*

B. Analysis of impaired advances for the individual loan usage category:

	<u>As at 31 Dec 2015</u>		<u>As at 30 Jun 2015</u>	
	Impaired advances	Individual impairment allowances	Impaired advances	Individual impairment allowances
- Manufacturing	5,676	4,261	5,892	4,422
- Loan for use outside Hong Kong	512	130	512	128
	<u>6,188</u>	<u>4,391</u>	<u>6,404</u>	<u>4,550</u>

C. By geographical area

After taking into account the transfer of risk, exposures to a single country exceeding 10% of the aggregate gross advances to customers which are disclosed as follows:

<u>As at 31 Dec 2015</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	3,359,440	-	1,820	1,369
- Taiwan	371,545	-	3,856	2,894
- China	2,426,443	-	512	128
- Others	350,726	-	-	-
	<u>6,508,154</u>	<u>0</u>	<u>6,188</u>	<u>4,391</u>

<u>As at 30 Jun 2015</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	3,030,028	-	1,940	1,459
- Taiwan	788,249	3,950	3,952	2,963
- China	2,828,784	-	512	128
- Others	2,008	-	-	-
	<u>6,649,069</u>	<u>3,950</u>	<u>6,404</u>	<u>4,550</u>



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD millions

6. INTERNATIONAL CLAIMS

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognized risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognized risk transfer are disclosed.

As at 31 Dec 2015					
Counterparty country/jurisdiction	Banks	Official sector	Non-bank private sector		Total claims
			Non-bank financial institution	Non-financial private	
Developed countries	1,547	-	-	-	1,547
Offshore centres	161	159	651	3,083	4,054
– of which : Hong Kong	161	159	651	2,835	3,806
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-
Developing Africa and Middle East	-	-	-	-	-
Developing Asia and Pacific	6,562	-	736	2,909	10,207
– of which : Chinese Taipei	3,304	-	71	339	3,714
China	3,235	-	665	2,467	6,367
Total	8,270	159	1,387	5,992	15,808

As at 30 Jun 2015					
Counterparty country/jurisdiction	Banks	Official sector	Non-bank private sector		Total claims
			Non-bank financial institution	Non-financial private	
Developed countries	838	-	-	-	838
Offshore centres	1,284	63	670	2,486	4,503
– of which : Hong Kong	1,284	63	670	2,486	4,503
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-
Developing Africa and Middle East	-	-	-	-	-
Developing Asia and Pacific	6,497	-	1,544	2,925	10,966
– of which : Chinese Taipei	3,322	-	505	438	4,265
China	2,717	-	1,039	2,484	6,240
Total	8,620	63	2,214	5,411	16,308

The above figures are disclosed according to the HKMA return of international banking statistics and pursuant to Section 63 of the Banking Ordinance.



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD millions

7. MAINLAND ACTIVITIES EXPOSURES

The analysis of Mainland activities exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the Hong Kong Monetary Authority under the Banking (Disclosure) Rules with reference to the Hong Kong Monetary Authority return of non-bank Mainland exposures.

As at 31 Dec 2015

	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total exposures</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	710	-	710
2. Local governments, local government-owned entities and their subsidiaries and JVs	347	-	347
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	734	-	734
4. Other entities of central government not reported in item 1 above	163	23	186
5. Other entities of local governments not reported in item 2 above	349	-	349
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,112	133	1,245
7. Other counterparties where the exposures are considered by exposures the reporting institution to be non-bank Mainland China exposures	-	-	0
Total	<u>3,415</u>	<u>156</u>	<u>3,571</u>
Total assets after provision	<u>15,810</u>		
On-balance sheet exposures as percentage of total assets	<u>21.60%</u>		

As at 30 Jun 2015

	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total exposures</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,375	-	1,375
2. Local governments, local government-owned entities and their subsidiaries and JVs	318	-	318
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	701	-	701
4. Other entities of central government not reported in item 1 above	264	-	264
5. Other entities of local governments not reported in item 2 above	308	-	308
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	763	23	786
7. Other counterparties where the exposures are considered by exposures the reporting institution to be non-bank Mainland China exposures	107	101	208
Total	<u>3,836</u>	<u>124</u>	<u>3,960</u>
Total assets after provision	<u>16,414</u>		
On-balance sheet exposures as percentage of total assets	<u>23.37%</u>		



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD millions

8. FOREIGN CURRENCY POSITION

The foreign currency exposures are prepared in accordance with the HKMA banking return of "Foreign Currency Position" completion instructions. The net position in foreign currencies are disclosed as follows:

As at 31 Dec 2015								
Currency	USD	JPY	EUR	CNY	AUD	NZD	Other foreign currencies	Total
Spot assets	11,026	158	86	1,820	54	6	14	13,164
Spot liabilities	(11,007)	(158)	(86)	(1,803)	(54)	(6)	(13)	(13,127)
Forward purchases	12	-	-	-	-	-	-	12
Forward sales	-	-	-	(12)	-	-	-	(12)
Net option position	-	-	-	-	-	-	-	0
Net long (short) position	<u>31</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>37</u>
As at 30 Jun 2015								
Currency	USD	JPY	EUR	CNY	AUD	NZD	Other foreign currencies	Total
Spot assets	10,886	161	88	2,381	31	6	18	13,571
Spot liabilities	(10,835)	(161)	(90)	(2,399)	(17)	(6)	(16)	(13,524)
Forward purchases	27	-	2	19	13	-	-	61
Forward sales	(75)	(1)	-	0	(26)	-	-	(102)
Net option position	-	-	-	-	-	-	-	0
Net long (short) position	<u>3</u>	<u>(1)</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>6</u>

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

9. LIQUIDITY MAINTENANCE RATIO / LIQUIDITY RATIO

AVERAGE LIQUIDITY RATIO

	For the year ended 31 December	
	2015	2014
	Percentage (%)	Percentage (%)
Liquidity maintenance ratio	<u>38.93</u>	N.A.
Liquidity ratio	N.A.	<u>48.43</u>

The Branch's average liquidity maintenance ratio and liquidity ratio for the period are the simple average of each calendar month's average liquidity ratio.

The liquidity maintenance ratio is computed in accordance with the Banking (Liquidity) Rules with effect from 1 January 2015.

The liquidity ratio is computed in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.



IV. OTHER INFORMATION

1. DISCLOSURE OF REMUNERATION

A. Remuneration system

The reward system of our Branch is designed and reviewed by our Head Office. The basis of determining the emoluments payable by the Branch to senior management is mainly by reference to the level of emoluments normally paid by comparable banks and employees' performance. Total compensation comprises a fixed component, allowance and benefits. The reward to be expensed as cash settled, no award as shared-based compensation plan.

B. Remuneration for Senior Management and Key Personnel under CG-5

For the purpose of disclosure, Senior Management and Key Personnel mentioned in this section are defined according to the Hong Kong Monetary Authority's Guideline on a Sound Remuneration System.

Senior Management : The senior executives, including General Manager and Deputy General Managers, who are designated by the Bank and responsible for oversight of the branch-wide strategy or material business.

Key Personnel : The employees, including heads of functional departments and risk control, whose individual business activities involve the assumption of material risk which may have significant impact on risk exposure, or whose individual responsibilities are directly and materially linked to the profit.

For the year ended 31 December

	<u>2015</u>	<u>2014</u>
	HKD '000	HKD '000
Persons	10	9
Basic salaries, allowances and benefits	8,443	7,764
Variable remuneration	121	52
Deferred remuneration	-	-

The remuneration above includes 3 (2014: 3) members of Senior Management and 7 (2014: 6) members of Key Personnel.



IV. OTHER INFORMATION

2. LIQUIDITY RISK MANAGEMENT

A. Policy Statement of Liquidity Risk Management

- a. The purpose of liquidity risk management is to ensure our abilities with sufficient cash flows to meet obligations payable to our customers and interbank counterparties. And our Branch should always hold an adequate quantity of high quality liquid assets in order to handle the situation of liquidity shortfalls.
- b. Our Branch obeys "Asset/Liability Management Policy and Procedure", "Liquidity Management Policy", "Contingency Funding Plan" and other related regulations from our Head Office to manage the liquidity risk.
- c. Our Branch manages the liquidity on a prudent basis to ensure that we can always maintain a sufficiently high liquidity maintenance ratio relative to the statutory minimum. Additionally, the internal limit of liquidity maintenance ratio on average for each calendar month is set at 30% in order for the Branch to retain sufficient liquidity during its normal course of operation.

B. Management Mechanism of Liquidity Risk Management

- a. Assets and Liability Committee ("ALCO") is mainly responsible for the liquidity risk management in our Branch.
- b. The General Manager of our Branch is the chairman of ALCO, or in his absence, the General Manager (C.E.) could designate A.C.E. in our Branch as alternate General Manager. The other attendance members in ALCO at least include the Department Heads from Deposits, Loans, Treasury and Accounting Department. Otherwise, the General Manager could designate any other staff to attend at the ALCO in need.

3. PUBLICATION OF KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT ON WEBSITE

The Disclosure Statement of the Branch will be published on the website of the Bank (<http://www.firstbank.com.tw>) in due course. Users can download from the Bank's website for free.



SECTION B. - INFORMATION OF THE BANK < CONSOLIDATED BASIS >

I. CAPITAL AND CAPITAL ADEQUACY RATIO

A. Capital adequacy ratio

	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
	Percentage (%)	Percentage (%)
	Basel III basis	Basel III basis
	Unaudited	Unaudited
Common Equity Tier 1 capital ratio	10.98	9.45
Tier 1 capital ratio	10.98	9.45
Total capital ratio	<u>13.73</u>	<u>12.27</u>

Starting from 2013, the capital adequacy ratios of the Bank are compiled in accordance with the amended Capital Rules effective from 1 January 2013 for the implementation of the "Basel III" capital accord.

B. Aggregate amount of shareholders' funds

	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
	HKD '000	HKD '000
	<u>43,404,109</u>	<u>38,431,345</u>

II. OTHER FINANCIAL INFORMATION

Figures in HKD thousands

	<u>31-Dec-2015</u>	<u>30-Jun-2015</u>
Total assets	<u>570,612,712</u>	<u>579,137,380</u>
Total liabilities	<u>527,208,603</u>	<u>540,706,035</u>
Total advances	<u>351,228,561</u>	<u>359,486,574</u>
Total customer deposit	<u>456,827,748</u>	<u>457,299,928</u>
	year to	year to
	<u>31-Dec-2015</u>	<u>31-Dec-2014</u>
Profit/(Loss) before taxation	<u>4,492,073</u>	<u>3,892,485</u>



第一商業銀行

First Commercial Bank

香港分行

Hong Kong Branch

Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statement, we have pleasure in presenting the Key Financial Information Disclosure Statements of First Commercial Bank Limited, Hong Kong Branch for the year ended 31 December 2015. We confirmed that the information contained therein complies, in all material respects, with the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued in August 2015, and to the best of my knowledge and belief, it is not false or misleading.

General Manager (SU HSIEH Yu Hsiu)

First Commercial Bank Limited

Hong Kong Branch

16 March 2016

Date