



**第一商業銀行**

香港分行

**First Commercial Bank Limited**

Hong Kong Branch

**Key Financial Information Disclosure Statement**

**For the half year ended 30 June 2015**



## KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2015

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
<b>SECTION A. - INFORMATION OF THE BRANCH 〈 INCLUDE HONG KONG BRANCH ONLY 〉</b>	
I. Profit and loss information	1
II. Balance sheet information	2
III. Supplement financial information	
1. Trade bills and impairment allowances on trade bills	3
2. Advances and impairment allowances on advances	3~5
3. Debt securities held and other accounts	6~7
4. Off-balance sheet information	8
5. Gross advances to customers analysed and reported by loan usage	9~10
6. International claims	11
7. Mainland activities exposures	12
8. Foreign currency position	13
9. Liquidity ratio	13
IV. Other information	
1. Disclosure of remuneration	14
2. Liquidity risk management	15
3. Publication of key financial information disclosure statement on website	15
<b>SECTION B. - INFORMATION OF THE BANK 〈 CONSOLIDATED BASIS 〉</b>	
I. Capital and capital adequacy ratio	16
II. Other financial information	16
<b>DECLARATION</b>	17



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

**I. PROFIT AND LOSS INFORMATION**

**FOR THE HALF YEAR ENDED 30 JUNE 2015**

Figures in HKD thousands

	<b>For the half year ended 30 June</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
Interest Income	176,160	176,755
Interest Expense	<u>(83,149)</u>	<u>(74,868)</u>
Net interest income	93,011	101,887
Fee and commission income	22,641	22,372
Fee and commission expense	<u>(1,096)</u>	<u>(993)</u>
Net fee and commission income	21,545	21,379
Other operating income		
- Gains less losses arising from dealing in foreign currencies	2,071	2,282
- Net gains/(losses) on financial instruments designated at fair value through profit or loss	993	861
- Gains less losses on disposal of available-for-sale securities	-	-
- Others	<u>-</u>	<u>-</u>
	3,064	3,143
<b>Total income</b>	<b>117,620</b>	<b>126,409</b>
Operating expenses		
- Staff and rental expenses	(19,101)	(16,748)
- Other expenses	<u>(3,349)</u>	<u>(2,961)</u>
<b>Total expenses</b>	<b>(22,450)</b>	<b>(19,709)</b>
Profit before impairment allowances	95,170	106,700
Impairment losses written back/(charges) on loans and advances	4,144	(4,673)
Impairment losses on available-for-sale securities	<u>-</u>	<u>-</u>
<b>Profit before taxation</b>	<b>99,314</b>	<b>102,027</b>
Taxation charge	-	-
<b>Profit after taxation</b>	<b><u>99,314</u></b>	<b><u>102,027</u></b>

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



## II. BALANCE SHEET INFORMATION

AS AT 30 JUNE 2015

Figures in HKD thousands

	<u>30-Jun-2015</u>	<u>31-Dec-2014</u>
<b><u>ASSETS</u></b>		
Cash and balances with banks (except those included in amount due from overseas offices)	3,012,307	2,490,724
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	3,653,978	1,613,769
Amount due from overseas offices	1,000,082	347,611
Trade bills less impairment allowances	656,812	619,810
Loans and advances less impairment allowances	6,577,212	7,040,657
Certificates of deposit held	116,285	426,575
Available-for-sale debt securities less impairment allowances	1,196,381	1,021,022
Held-to-maturity debt securities	-	-
Other assets		
- Accrued interest	27,429	32,100
- Other accounts	170,450	46,636
Property, plant and equipment	2,708	3,152
<b>Total assets</b>	<b><u>16,413,644</u></b>	<b><u>13,642,056</u></b>
<b><u>LIABILITIES</u></b>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	3,974,638	1,203,890
Current, fixed, savings and other deposits from customers		
- Demand deposits and current accounts	313,274	261,853
- Savings deposits	5,122,725	4,996,651
- Time deposits	5,560,013	5,531,997
- Structured deposits	33,324	4,190
Amount due to overseas offices	243,505	568,075
Other accounts and provisions	85,747	94,296
<b>Total liabilities</b>	<b><u>15,333,226</u></b>	<b><u>12,660,952</u></b>
<b>Reserves and current profit/(loss)</b>	<b><u>1,080,418</u></b>	<b><u>981,104</u></b>
<b>Total equity and liabilities</b>	<b><u>16,413,644</u></b>	<b><u>13,642,056</u></b>



### III. SUPPLEMENTARY FINANCIAL INFORMATION

Figures in HKD thousands

#### 1. TRADE BILLS AND IMPAIRMENT ALLOWANCES ON TRADE BILLS

	As at	
	<u>30-Jun-2015</u>	<u>31-Dec-2014</u>
Trade bills	656,813	619,829
Collective impairment allowances	(1)	(19)
Gross trade bills less impairment allowances	<u>656,812</u>	<u>619,810</u>

#### 2. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES

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

	As at	
	<u>30-Jun-2015</u>	<u>31-Dec-2014</u>
Advances to customers	6,649,069	7,084,566
Advances to banks and other financial institutions	-	32,000
Total	<u>6,649,069</u>	<u>7,116,566</u>
Collective impairment allowances	(67,307)	(71,165)
Individual impairment allowances	(4,550)	(4,744)
Total	<u>(71,857)</u>	<u>(75,909)</u>
Gross advances less impairment allowances	<u>6,577,212</u>	<u>7,040,657</u>
Allowances as a percentage of gross advances		
- Collective impairment allowances	1.01%	1.00%
- Individual impairment allowances	0.07%	0.07%
Total allowances	<u>1.08%</u>	<u>1.07%</u>

##### B. Impairment allowances

	Individual impairment allowances	Collective impairment allowances	Total
<b><u>Balance as at 30 Jun 2015</u></b>			
- 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>
<b><u>Balance as at 31 Dec 2014</u></b>			
- Advances to customers	4,744	70,845	75,589
- Advances to banks and other financial institutions	-	320	320
	<u>4,744</u>	<u>71,165</u>	<u>75,909</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>30-Jun-2015</u>	<u>31-Dec-2014</u>
- Gross impaired advances to customers	6,404	6,857
- Individual impairment allowances	<u>(4,550)</u>	<u>(4,744)</u>
Total	<u>1,854</u>	<u>2,113</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>6,404</u>	<u>6,857</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>71.05%</u>	<u>69.18%</u>

There were no impaired advances to banks and other financial institutions; nor were there any individual impairment allowances made for them as at 30 June 2015 and 31 December 2014.



### 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	
	30-Jun-2015	31-Dec-2014
<b>a. Advances to customers overdue for</b>		
more than 1 month and up to 3 months	-	4,070
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>3,950</u>	<u>4,070</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>3,950</u>	<u>4,070</u>
<b>b. Rescheduled advances to customers</b>	<u>2,454</u>	<u>2,787</u>
(Net of those overdue advances which have been disclosed in above)		

Certain comparative figures have been re-presented to conform with the current period's presentation.

	As a percentage of total gross advances to customers	
	30-Jun-2015	31-Dec-2014
	Percentage (%)	Percentage (%)
<b>c. Advances to customers overdue for</b>		
more than 1 month and up to 3 months	-	0.06
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>0.06</u>	<u>0.06</u>
<b>d. Rescheduled advances to customers</b>	<u>0.04</u>	<u>0.04</u>

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

	30-Jun-2015	31-Dec-2014
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	2,454	6,857
Total impaired advances	<u>6,404</u>	<u>6,857</u>

There were no advances to banks and other financial institutions which were overdue or rescheduled as at 30 June 2015 and 31 December 2014.

### F. Repossessed assets

As at 30 June 2015 and 31 December 2014, 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	
	30-Jun-2015	31-Dec-2014
Government Bonds (including Hong Kong Exchange Fund Bills)	50,177	49,891
Floating rate notes	-	-
Debt securities	1,146,204	971,131
Total	1,196,381	1,021,022
Issued by:		
Government organization	50,177	49,891
Banks	187,294	-
Other financial institutions	234,293	292,593
Corporate entities	724,617	678,538
Total	1,196,381	1,021,022
Impairment allowances	-	-
Available-for-sale securities less impairment allowances	1,196,381	1,021,022
Impairment allowances as a percentage of Available-for-sale securities	0.00%	0.00%

B. Held-to-maturity securities

	As at	
	30-Jun-2015	31-Dec-2014
Debt securities	-	-
Issued by:		
Other financial institutions outside Hong Kong	-	-

C. Overdue or impaired securities

<u>Balance as at 30 Jun 2015</u>	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
<u>Balance as at 31 Dec 2014</u>	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	1,021,022	-	-
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	1,021,022	0	0



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**III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued***

Figures in HKD thousands

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

**D. Other accounts**

	As at	
	<u>30-Jun-2015</u>	<u>31-Dec-2014</u>
Outward cheques receivable	136,094	5,975
Deferred tax asset	25,052	25,052
Evaluation adjustment on Available-for-sale securities	1,475	7,388
Other accounts	<u>7,829</u>	<u>8,221</u>
Total	<b>170,450</b>	<b>46,636</b>



### 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	
	30-Jun-2015	31-Dec-2014
Direct credit substitutes	30,820	37,302
Trade-related contingencies		
- Customer's liabilities under letter of credit	63,718	22,629
- Customer's liabilities under guarantee	-	-
- Customer's liabilities under acceptance	10,902	22,096
Forward forward deposits placed	-	-
Other commitments		
- Other commitments with an original maturity of not more than one year	750,151	1,124,594
- Other commitments with an original maturity of more than one year	38,378	8,730
	<u>893,969</u>	<u>1,215,351</u>

##### B. Derivative financial instruments

	Contract / notional amount	Contract / notional amount
Exchange rate contracts		
- Spot and forwards	13,752	18,344
- Swaps	88,026	112,604
- Options purchased	563,629	422,652
- Options written	563,629	422,652
	<u>1,229,036</u>	<u>976,252</u>

##### Replacement Costs of Derivatives (of the above derivatives)

	Replacement costs	Replacement costs
Exchange rate contracts		
- Spot and forwards	34	1
- Swaps	42	120
- Options purchased	2,170	4,203
- Options written	1,664	4,057
	<u>3,910</u>	<u>8,381</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	As at 30 Jun 2015		As at 31 Dec 2014	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
<b>a. Industrial, commercial and financial</b>				
- Property development	273,806	78,760	393,914	135,796
- Property investment	754,979	473,298	766,828	482,751
- Financial concerns	1,348,953	98,114	1,408,354	93,380
- Wholesale and retail trade	603,804	302,316	615,935	295,513
- Manufacturing	275,457	35,810	179,764	32,490
- Transport and transport equipment	47,951	47,951	100,628	54,093
- Electricity and gas	-	-	-	-
- Information technology	-	-	-	-
- Others	204,238	2,678	204,413	2,760
<b>b. Individuals</b>				
- Loans for the purchase of other residential properties	30,172	30,172	33,454	33,454
- Others	60,962	46,725	15,782	15,782
<b>c. Others</b>	-	-	-	-
	<u>3,600,322</u>	<u>1,115,824</u>	<u>3,719,072</u>	<u>1,146,019</u>
<b>2. Trade finance</b>	103,157	34,259	128,508	32,786
<b>3. Loan for use outside Hong Kong</b>	<u>2,945,590</u>	<u>249,554</u>	<u>3,236,986</u>	<u>498,524</u>
<b>Total</b>	<u>6,649,069</u>	<u>1,399,637</u>	<u>7,084,566</u>	<u>1,677,329</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 30 Jun 2015</u>		<u>As at 31 Dec 2014</u>	
	Impaired advances	Individual impairment allowances	Impaired advances	Individual impairment allowances
- Manufacturing	5,892	4,422	6,245	4,591
- Loan for use outside Hong Kong	512	128	612	153
	<u>6,404</u>	<u>4,550</u>	<u>6,857</u>	<u>4,744</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 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>

<u>As at 31 Dec 2014</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	3,194,172	-	2,612	1,656
- Taiwan	1,017,280	-	4,245	3,088
- China	2,871,052	-	-	-
- Others	2,062	-	-	-
	<u>7,084,566</u>	<u>0</u>	<u>6,857</u>	<u>4,744</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 30 Jun 2015						
Counterparty country/jurisdiction	Banks	Official sector	Non-bank private sector		Others	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	1	-	-	-	-	1
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
<b>Total</b>	<b>8,620</b>	<b>63</b>	<b>2,214</b>	<b>5,411</b>	<b>0</b>	<b>16,308</b>

  

As at 31 Dec 2014						
Counterparty country/jurisdiction	Banks	Official sector	Non-bank private sector		Others	Total claims
			Non-bank financial institution	Non-financial private		
Developed countries	493	-	-	-	-	493
Offshore centres	535	58	669	2,652	-	3,914
– of which : Hong Kong	535	58	669	2,652	-	3,914
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Africa and Middle East	-	-	-	-	-	-
Developing Asia and Pacific	4,506	-	1,629	3,132	-	9,267
– of which : Chinese Taipei	1,362	-	569	666	-	2,597
China	2,871	-	1,060	2,463	-	6,394
<b>Total</b>	<b>5,534</b>	<b>58</b>	<b>2,298</b>	<b>5,784</b>	<b>0</b>	<b>13,674</b>

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 30 Jun 2015

	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
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
<b>Total</b>	<b><u>3,836</u></b>	<b><u>124</u></b>	<b><u>3,960</u></b>
Total assets after provision	<b><u>16,414</u></b>		
On-balance sheet exposures as percentage of total assets	<b><u>23.37%</u></b>		

##### As at 31 Dec 2014

	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,418	-	1,418
2. Local governments, local government-owned entities and their subsidiaries and JVs	199	-	199
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	713	-	713
4. Other entities of central government not reported in item 1 above	97	-	97
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	409	13	422
7. Other counterparties where the exposures are considered by exposures the reporting institution to be non-bank Mainland China exposures	697	160	857
<b>Total</b>	<b><u>3,533</u></b>	<b><u>173</u></b>	<b><u>3,706</u></b>
Total assets after provision	<b><u>13,642</u></b>		
On-balance sheet exposures as percentage of total assets	<b><u>25.90%</u></b>		

Certain comparative figures have been re-presented to conform with the current period's presentation.



### 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 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>

  

As at 31 Dec 2014								
Currency	USD	JPY	EUR	CNY	AUD	NZD	Other foreign currencies	Total
Spot assets	8,047	164	84	3,303	33	8	14	11,653
Spot liabilities	(7,959)	(157)	(84)	(3,303)	(48)	(8)	(14)	(11,573)
Forward purchases	24	-	-	1	30	-	-	55
Forward sales	(107)	(8)	-	(1)	(15)	-	-	(131)
Net option position	-	-	-	-	-	-	-	0
Net long (short) position	<u>5</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</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 six months ended 30 June	
	2015	2014
	Percentage (%)	Percentage (%)
Liquidity maintenance ratio	<u>39.07</u>	N.A.
Liquidity ratio	N.A.	<u>45.68</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

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##### 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 six months ended 30 June

	<u>2015</u>	<u>2014</u>
	HKD '000	HKD '000
Persons	10	9
Basic salaries, allowances and benefits	4,218	3,872
Variable remuneration	41	-
Deferred remuneration	-	-

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



#### IV. OTHER INFORMATION

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### 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>30-Jun-2015</u>	<u>31-Dec-2014</u>
	Percentage (%)	Percentage (%)
	Basel III basis	Basel III basis
	Unaudited	Audited
Common Equity Tier 1 capital ratio	9.45	9.02
Tier 1 capital ratio	9.45	9.02
Total capital ratio	<u>12.27</u>	<u>11.50</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>30-Jun-2015</u>	<u>31-Dec-2014</u>
HKD '000	HKD '000
<u>38,431,345</u>	<u>36,370,959</u>

II. OTHER FINANCIAL INFORMATION

Figures in HKD thousands

	<u>30-Jun-2015</u>	<u>31-Dec-2014</u>
Total assets	<u>579,137,380</u>	<u>559,594,947</u>
Total liabilities	<u>540,706,035</u>	<u>522,001,298</u>
Total advances	<u>359,486,574</u>	<u>369,854,471</u>
Total customer deposit	<u>457,299,928</u>	<u>445,425,116</u>
	<u>Half year to</u>	<u>Half year to</u>
	<u>30-Jun-2015</u>	<u>30-Jun-2014</u>
Profit/(Loss) before taxation	<u>2,368,045</u>	<u>2,265,148</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 half year ended 30 June 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 September 2015

Date