



**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 2013**



第一商業銀行

First Commercial Bank

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## KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2013

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

**I. PROFIT AND LOSS INFORMATION**

**FOR THE HALF YEAR ENDED 30 JUNE 2013**

Figures in HKD thousands

	For the six months ended 30 June	
	<u>2013</u>	<u>2012</u>
Interest Income	94,353	82,546
Interest Expense	(32,925)	(25,295)
Net interest income	61,428	57,251
Fee and commission income	18,911	17,222
Fee and commission expense	(886)	(749)
Net fee and commission income	18,025	16,473
Other operating income		
- Gains less losses arising from dealing in foreign currencies	2,455	2,529
- Net gains/(losses) on financial instruments designated at fair value through profit or loss	372	-
- Gains less losses on disposal of available-for-sale securities	-	-
- Others	1,289	6,831
	4,116	9,360
<b>Total income</b>	<b>83,569</b>	<b>83,084</b>
Operating expenses		
- Staff and rental expenses	(14,634)	(12,893)
- Other expenses	(2,770)	(2,882)
<b>Total expenses</b>	<b>(17,404)</b>	<b>(15,775)</b>
Profit before impairment allowances	66,165	67,309
Impairment losses written back/(charges) on loans and advances	(3,619)	(1,491)
Impairment losses on available-for-sale securities	-	-
<b>Profit before taxation</b>	<b>62,546</b>	<b>65,818</b>
Taxation charge	-	-
<b>Profit after taxation</b>	<b><u>62,546</u></b>	<b><u>65,818</u></b>

**Notes:**

1. The accounting policies adopted by the Bank, are consistent with those applied in the previous financial year.
2. Comparative figures  
Certain comparative figures have been reclassified to conform with the financial statements presentation adopted in current period.
3. The other operating income-Others during the first half year of 2012 was included the sale of debt securities issued by bank in Iceland realized gains HK\$5,605,825.



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## II. BALANCE SHEET INFORMATION

AS AT 30 JUNE 2013

Figures in HKD thousands

	<u>30-Jun-2013</u>	<u>31-Dec-2012</u>
<b><u>ASSETS</u></b>		
Cash and balances with banks (except those included in amount due from overseas offices)	1,405,275	1,718,248
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	2,296,553	1,996,313
Amount due from overseas offices	15,606	147,974
Trade bills less impairment allowances	955	485
Loans and advances less impairment allowances	4,536,511	4,281,484
Certificates of deposit held	528,552	527,305
Available-for-sale debt securities less impairment allowances	1,291,568	635,191
Held-to-maturity debt securities	-	-
Other assets		
- Accrued interest	20,266	13,956
- Other accounts	63,251	42,855
Property, plant and equipment	2,551	3,039
<b>Total assets</b>	<b><u>10,161,088</u></b>	<b><u>9,366,850</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)	124,679	28,019
Current, fixed, savings and other deposits from customers		
- Demand deposits and current accounts	237,686	256,754
- Savings deposits	4,840,498	4,698,644
- Time deposits	4,059,758	3,558,892
- Structured deposits	16,649	8,574
Amount due to overseas offices	95,182	94,343
Other accounts and provisions	34,106	31,641
<b>Total liabilities</b>	<b><u>9,408,558</u></b>	<b><u>8,676,867</u></b>
<b>Reserves and current profit/(loss)</b>	<b><u>752,530</u></b>	<b><u>689,983</u></b>
<b>Total equity and liabilities</b>	<b><u>10,161,088</u></b>	<b><u>9,366,850</u></b>



### III. SUPPLEMENTARY FINANCIAL INFORMATION

Figures in HKD thousands

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

	As at	
	30-Jun-2013	31-Dec-2012
Trade bills	965	490
Collective impairment allowances	(10)	(5)
Gross trade bills less impairment allowances	<u>955</u>	<u>485</u>

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

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

	As at	
	30-Jun-2013	31-Dec-2012
Advances to customers	4,306,114	3,950,759
Advances to banks and other financial institutions	280,944	377,812
Total	<u>4,587,058</u>	<u>4,328,571</u>
Collective impairment allowances	(45,843)	(43,284)
Individual impairment allowances	(4,704)	(3,803)
Total	<u>(50,547)</u>	<u>(47,087)</u>
Gross advances less impairment allowances	<u>4,536,511</u>	<u>4,281,484</u>
Allowances as a percentage of gross advances		
- Collective impairment allowances	1.00%	1.00%
- Individual impairment allowances	0.10%	0.09%
Total allowances	<u>1.10%</u>	<u>1.09%</u>

##### B. Impairment allowances

	Individual impairment allowances	Collective impairment allowances	Total
<b><u>Balance as at 30 Jun 2013</u></b>			
- Advances to customers	4,704	43,034	47,738
- Advances to banks and other financial institutions	-	2,809	2,809
	<u>4,704</u>	<u>45,843</u>	<u>50,547</u>
<b><u>Balance as at 31 Dec 2012</u></b>			
- Advances to customers	3,803	39,506	43,309
- Advances to banks and other financial institutions	-	3,778	3,778
	<u>3,803</u>	<u>43,284</u>	<u>47,087</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	
	30-Jun-2013	31-Dec-2012
- Gross impaired advances to customers	13,081	20,248
- Individual impairment allowances	(4,704)	(3,803)
Total	<u>8,377</u>	<u>16,445</u>
Market value of collateral pledged	<u>0</u>	<u>11,170</u>
Covered portion of impaired advances	<u>0</u>	<u>5,530</u>
Uncovered portion of impaired advances	<u>13,081</u>	<u>14,718</u>
Gross impaired advances as a percentage of gross advances to customers	<u>0.30%</u>	<u>0.51%</u>
Individual impairment allowances as a percentage of gross impaired advances	<u>35.96%</u>	<u>18.78%</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 2013 and 31 December 2012.



### 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-2013	31-Dec-2012
a. Advances to customers overdue for		
more than 1 month and up to 3 months	-	1,499
more than 3 months and up to 6 months	-	-
more than 6 months and up to 1 year	2,736	-
more than 1 year	-	162
	<u>2,736</u>	<u>1,661</u>
Individual impairment allowances made in respect of the above overdue advances	<u>2,061</u>	<u>162</u>
Market value of collateral held against the covered portion of all overdue advances	<u>0</u>	<u>4,300</u>
Covered portion of all overdue advances	<u>0</u>	<u>1,499</u>
Uncovered portion of all overdue advances	<u>2,736</u>	<u>162</u>
b. Rescheduled advances to customers	<u>10,345</u>	<u>16,786</u>
(Net of those overdue advances which have been disclosed in above)		

	As a percentage of total gross advances to customers	
	30-Jun-2013	31-Dec-2012
	Percentage (%)	Percentage (%)
c. Advances to customers overdue for		
more than 1 month and up to 3 months	-	0.04
more than 3 months and up to 6 months	-	-
more than 6 months and up to 1 year	0.06	-
more than 1 year	-	-
	<u>0.06</u>	<u>0.04</u>
d. Rescheduled advances to customers	<u>0.24</u>	<u>0.42</u>

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

	30-Jun-2013	31-Dec-2012
Advances to customers overdue for more than 3 months	2,736	162
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	10,345	20,086
Total impaired advances	<u>13,081</u>	<u>20,248</u>

There were no advances to banks and other financial institutions which were overdue or rescheduled as at 30 June 2013 and 31 December 2012.

### F. Repossessed assets

As at 30 June 2013 and 31 December 2012, 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	
	<u>30-Jun-2013</u>	<u>31-Dec-2012</u>
Government Bonds (including Hong Kong Exchange Fund Bills)	125,310	123,844
Floating rate notes	272,165	381,219
Debt securities	894,093	130,128
Total	<u>1,291,568</u>	<u>635,191</u>
Issued by:		
Government organization	125,310	123,844
Banks	272,165	381,219
Other financial institutions	-	-
Corporate entities	894,093	130,128
Total	<u>1,291,568</u>	<u>635,191</u>
Impairment allowances	-	-
Available-for-sale securities less impairment allowances	<u>1,291,568</u>	<u>635,191</u>
Impairment allowances as a percentage of Available-for-sale securities	<u>0.00%</u>	<u>0.00%</u>

B. Held-to-maturity securities

	As at	
	<u>30-Jun-2013</u>	<u>31-Dec-2012</u>
Debt securities	-	-
Issued by:		
Other financial institutions outside Hong Kong	-	-

C. Overdue or impaired securities

<u>Balance as at 30 Jun 2013</u>			
	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	1,291,568	-	-
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	<u>1,291,568</u>	<u>0</u>	<u>0</u>
<u>Balance as at 31 Dec 2012</u>			
	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	635,191	-	-
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	<u>635,191</u>	<u>0</u>	<u>0</u>





**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-2013</u>	<u>31-Dec-2012</u>
Outward cheques receivable	10,652	26,176
Deferred tax asset	11,237	11,237
Evaluation adjustment on Available-for-sale securities	36,358	3,585
Other accounts	<u>5,004</u>	<u>1,857</u>
Total	<b>63,251</b>	<b>42,855</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	
	<u>30-Jun-2013</u>	<u>31-Dec-2012</u>
Direct credit substitutes	37,670	29,637
Trade-related contingencies		
- Customer's liabilities under letter of credit	29,584	49,486
- Customer's liabilities under guarantee	-	-
- Customer's liabilities under acceptance	10,427	30,010
Forward forward deposits placed	23,526	77,515
Other commitments		
- Other commitments with an original maturity of not more than one year	808,212	779,963
- Other commitments with an original maturity of more than one year	6,000	22,519
	<u>915,419</u>	<u>989,130</u>

##### B. Derivative financial instruments

	Contract / notional amount	Contract / notional amount
Exchange rate contracts		
- Spot and forwards	25,537	10,976
- Swaps	248,959	83,948
- Options purchased	144,247	9,349
- Options written	144,247	9,349
	<u>562,990</u>	<u>113,622</u>

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

	Replacement costs	Replacement costs
Exchange rate contracts		
- Spot and forwards	32	2
- Swaps	172	23
- Options purchased	2,070	1
- Options written	2,017	-
	<u>4,291</u>	<u>26</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 30 Jun 2013</u>		<u>As at 31 Dec 2012</u>	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
<b>a. Industrial, commercial and financial</b>				
- Property development	186,000	-	223,940	90,440
- Property investment	659,355	453,802	463,279	463,279
- Financial concerns	993,820	69,873	861,972	70,254
- Wholesale and retail trade	40,446	29,284	38,598	25,437
- Manufacturing	883,356	73,134	1,057,151	67,666
- Transport and transport equipment	133,038	90,081	141,153	88,945
- Electricity and gas	-	-	-	-
- Information technology	-	-	-	-
- Others	88,335	3,011	5,719	5,719
<b>b. Individuals</b>				
- Loans for the purchase of other residential properties	36,489	36,489	38,111	38,111
- Others	29,912	29,912	38,550	38,550
<b>c. Others</b>	-	-	-	-
	<u>3,050,751</u>	<u>785,586</u>	<u>2,868,473</u>	<u>888,401</u>
<b>2. Trade finance</b>	109,649	40,585	132,582	51,679
<b>3. Loan for use outside Hong Kong</b>	<u>1,145,714</u>	<u>321,454</u>	<u>949,704</u>	<u>307,437</u>
<b>Total</b>	<u>4,306,114</u>	<u>1,147,625</u>	<u>3,950,759</u>	<u>1,247,517</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 2013</u>		<u>As at 31 Dec 2012</u>	
	Impaired advances	Individual impairment allowances	Impaired advances	Individual impairment allowances
- Manufacturing	7,565	1,965	10,095	2,123
- Loan for use outside Hong Kong	5,516	2,739	10,153	1,680
	<u>13,081</u>	<u>4,704</u>	<u>20,248</u>	<u>3,803</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 2013</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	3,150,662	-	4,509	1,455
- Taiwan	281,968	2,736	8,572	3,249
- China	871,254	-	-	-
- Others	2,230	-	-	-
	<u>4,306,114</u>	<u>2,736</u>	<u>13,081</u>	<u>4,704</u>

<u>As at 31 Dec 2012</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	3,281,257	162	15,535	2,980
- Taiwan	190,778	-	4,713	823
- China	474,933	-	-	-
- Others	3,791	-	-	-
	<u>3,950,759</u>	<u>162</u>	<u>20,248</u>	<u>3,803</u>



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

Figures in HKD millions

#### 6. CROSS-BORDER CLAIMS DISCLOSURE

The following tables analyse cross-border claims by types of counterparties. Country or geographical classification is based upon the locations of counterparties after taking into account the transfer of country risk. They are prepared in according with the HKMA banking return of "Cross-border Claims" completion instructions. Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

<u>As at 30 Jun 2013</u>	<u>Banks</u>	<u>Public Sector Entities</u>	<u>Others</u>	<u>Total</u>
Asia Pacific excluding Hong Kong	3,845	-	2,170	6,015
- <i>Of which</i> -				
China	1,556	-	1,669	3,225
Taiwan	1,842	-	499	2,341
Rest of Asia Pacific	447	-	2	449
Others	109	-	-	109
<b>Total</b>	<b><u>3,954</u></b>	<b><u>0</u></b>	<b><u>2,170</u></b>	<b><u>6,124</u></b>

<u>As at 31 Dec 2012</u>	<u>Banks</u>	<u>Public Sector Entities</u>	<u>Others</u>	<u>Total</u>
Asia Pacific excluding Hong Kong	4,322	-	877	5,199
- <i>Of which</i> -				
Taiwan	2,657	-	253	2,910
China	803	-	621	1,424
Rest of Asia Pacific	862	-	3	865
Others	241	-	-	241
<b>Total</b>	<b><u>4,563</u></b>	<b><u>0</u></b>	<b><u>877</u></b>	<b><u>5,440</u></b>

\* The aggregate gross amount of exposure to related foreign offices are excluded in the Taiwan area as disclosed in above.



III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD millions

7. NON-BANK MAINLAND CHINA EXPOSURES

Non-bank counterparties are identified in accordance with the definitions set out in the banking return of "Quarterly Analysis of Loans and Advances and Provisions" issued by the HKMA. Exposures in Mainland China arising from non-bank counterparties are summarised as follows:

As at 30 Jun 2013

	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total exposures</u>	<u>Individually assessed impairment allowances</u>
China government owned entities	711	-	711	-
Mainland China entities	197	-	197	-
Companies and individuals outside Mainland China where the credit is granted for use in Mainland China	915	168	1,083	3
Other non-bank Mainland China exposures	127	-	127	-
<b>Total</b>	<b><u>1,950</u></b>	<b><u>168</u></b>	<b><u>2,118</u></b>	<b><u>3</u></b>

As at 31 Dec 2012

	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total exposures</u>	<u>Individually assessed impairment allowances</u>
China government owned entities	75	-	75	-
Mainland China entities	31	-	31	-
Companies and individuals outside Mainland China where the credit is granted for use in Mainland China	834	164	998	2
Other non-bank Mainland China exposures	37	-	37	-
<b>Total</b>	<b><u>977</u></b>	<b><u>164</u></b>	<b><u>1,141</u></b>	<b><u>2</u></b>



### 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:

Currency	As at 30 Jun 2013							Total
	USD	GBP	JPY	EUR	CNY	AUD	SGD	
Spot assets	7,320	-	133	63	785	45	-	8,346
Spot liabilities	(7,106)	-	(125)	(56)	(940)	(56)	-	(8,283)
Forward purchases	32	-	-	6	157	23	-	218
Forward sales	(243)	-	(8)	(12)	-	(11)	-	(274)
Net option position	-	-	-	-	-	-	-	-
Net long (short) position	<u>3</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>7</u>

Currency	As at 31 Dec 2012							Total
	USD	GBP	JPY	EUR	CNY	AUD	SGD	
Spot assets	6,706	-	129	54	728	20	-	7,637
Spot liabilities	(6,632)	-	(128)	(49)	(775)	(30)	-	(7,614)
Forward purchases	16	-	-	-	50	19	-	85
Forward sales	(89)	-	(1)	(6)	-	(10)	-	(106)
Net option position	-	-	-	-	-	-	-	-
Net long (short) position	<u>1</u>	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>3</u>	<u>(1)</u>	<u>0</u>	<u>2</u>

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

#### 9. LIQUIDITY RATIO

##### AVERAGE LIQUIDITY RATIO

For the six months ended 30 June

The average liquidity ratio for the period

<u>2013</u>	<u>2012</u>
Percentage (%)	Percentage (%)
<u>43.23</u>	<u>40.82</u>

The Branch's average liquidity ratio for the period is the simple average of each calendar month's average liquidity ratio, which is computed in accordance with the Fourth Schedule to 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 of Senior Management

	For the six months ended 30 June	
	<u>2013</u>	<u>2012</u>
	HKD '000	HKD '000
Persons	8	7
Basic salaries, allowances and benefits	3,729	3,258
Variable remuneration	-	-
Deferred remuneration	-	-

##### 2. LIQUIDITY RISK MANAGEMENT

###### A. Policy Statement of Liquidity Risk Management

- 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.
- 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.
- Our Branch manages the liquidity on a prudent basis to ensure that we can always maintain a sufficiently high liquidity ratio relative to the statutory minimum. Additionally, the internal limit of liquidity ratio on average for each month and the month-end liquidity ratio are both set at 35% in order for the Branch to retain sufficient liquidity during its normal course of operation.

###### B. Management Mechanism of Liquidity Risk Management

- Assets and Liability Committee ("ALCO") is mainly responsible for the liquidity risk management in our Branch.
- 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 2013 interim FD 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-2013</u>	<u>31-Dec-2012</u>
	Percentage (%)	Percentage (%)
	Basel III basis	Basel II basis
	Audited	Audited
Common Equity Tier 1 capital ratio	8.34	N.A.
Tier 1 capital ratio	8.34	8.41
Total capital ratio	<u>11.03</u>	<u>11.51</u>

The capital adequacy ratios of the Bank as of 30 June 2013 are compiled in accordance with the amended Capital Rules effective from 1 January 2013 for the implementation of the "Basel III" capital accord, whereas the ratios as of 31 December 2012 were compiled in accordance with the "pre-amended Capital Rules" as in force immediately before 1 January 2013. Accordingly, the capital ratios of the two years are not directly comparable.

B. Aggregate amount of shareholders' funds

<u>30-Jun-2013</u>	<u>31-Dec-2012</u>
HKD '000	HKD '000
<u>32,703,831</u>	<u>33,610,478</u>

II. OTHER FINANCIAL INFORMATION

Figures in HKD thousands

	<u>30-Jun-2013</u>	<u>31-Dec-2012</u>
Total assets	<u>544,077,072</u>	<u>549,621,566</u>
Total liabilities	<u>511,373,241</u>	<u>516,011,088</u>
Total advances	<u>374,917,843</u>	<u>385,572,537</u>
Total customer deposit	<u>424,627,808</u>	<u>430,874,509</u>
	<u>Half-year to</u> <u>30-Jun-2013</u>	<u>Half-year to</u> <u>30-Jun-2012</u>
Profit/(Loss) before taxation	<u>1,917,780</u>	<u>1,993,503</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 of authorized institutions incorporated outside Hong Kong, 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 2013. 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 May 2007, and to the best of my knowledge and belief, it is not false or misleading.

Chien-Hao Lin  
General Manager (Lin Chien Hao )  
First Commercial Bank Limited  
Hong Kong Branch

24 September 2013  
Date