



**第一商業銀行股份有限公司**

(於台灣成立的有限責任公司)

**香港分行**

**First Commercial Bank, Ltd**

(Incorporated in Taiwan with limited liability)

**Hong Kong Branch**

**Financial Information Disclosure Statement**

**For the half year ended 30 June 2019**



第一商業銀行股份有限公司 (於台灣成立的有限責任公司) 香港分行  
**First Commercial Bank, Ltd.** (Incorporated in Taiwan with limited liability)  
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## **KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2019**

<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. Other accounts and impairment allowances	6
4. Debt securities held	7
5. Off-balance sheet information	8
6. Gross advances to customers analysed and reported by loan usage	9~10
7. International claims	11
8. Mainland activities exposures	12
9. Foreign currency position	13
10. Liquidity maintenance ratio	13
IV. Other information	
1. Disclosure of remuneration	14
2. Publication of key financial information disclosure statement on web	14
<b>SECTION B. - INFORMATION OF THE BANK 〈CONSOLIDATED BASIS〉</b>	
I. Capital and capital adequacy ratio	15
II. Other financial information	15
<b>DECLARATION</b>	<b>16</b>



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

### I. PROFIT AND LOSS INFORMATION

FOR THE HALF YEAR ENDED 30 JUNE 2019

Figures in HKD thousand

	For the half year ended 30 June	
	2019	2018
Interest Income	367,406	287,478
Interest Expense	(164,910)	(115,809)
Net interest income	202,496	171,669
Fee and commission income	16,715	17,332
Fee and commission expense	(953)	(1,067)
Net fee and commission income	15,762	16,265
Other operating income		
- Gains less losses arising from dealing in foreign currencies	2,744	2,620
- Net gains/(losses) on financial instruments designated at fair value through profit or loss	51	454
- Net gains/(losses) on others	-	-
	2,795	3,074
<b>Total income</b>	<b>221,053</b>	<b>191,008</b>
Operating expenses		
- Staff and rental expenses	(21,210)	(20,424)
- Other expenses	(3,943)	(2,946)
<b>Total expenses</b>	<b>(25,153)</b>	<b>(23,370)</b>
Profit before impairment allowances	195,900	167,638
Impairment losses written back/(charges) on loans and advances	(1,150)	(16,418)
Impairment losses written back/(charges) on other assets	138	190.00
<b>Profit before taxation</b>	<b>194,888</b>	<b>151,410</b>
Taxation charge	(28,161)	(27,832)
<b>Profit after taxation</b>	<b>166,727</b>	<b>123,578</b>



## II. BALANCE SHEET INFORMATION

AS AT 30 JUNE 2019

Figures in HKD thousands

	<u>30-Jun-2019</u>	<u>31-Dec-2018</u> (Restated)
<b><u>ASSETS</u></b>		
Cash and balances with banks (except those included in amount due from overseas offices)	1,710,832	2,209,457
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	3,207,113	1,828,672
Amount due from overseas offices	374,698	1,102,076
Trade bills less impairment allowances	2,187	-
Loans and advances less impairment allowances	9,440,302	9,257,418
Certificates of deposit held less impairment allowances	390,411	684,740
Financial assets at fair value through other comprehensive income less impairment allowances	4,825,962	3,975,041
Financial assets at amortised cost less impairment allowances	-	-
Other assets		
- Accrued interest	69,274	63,788
- Other accounts less impairment allowances	107,554	80,102
Property, plant and equipment	10,465	1,770
<b>Total assets</b>	<b><u>20,138,798</u></b>	<b><u>19,203,064</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)	3,547,140	3,342,209
Current, fixed, savings and other deposits from customers		
- Demand deposits and current accounts	270,028	380,813
- Savings deposits	5,703,660	6,163,555
- Time deposits	8,058,033	6,913,857
- Structured deposits	-	45,504
Amount due to overseas offices	411,486	476,199
Other liabilities	253,048	152,251
<b>Total liabilities</b>	<b><u>18,243,395</u></b>	<b><u>17,474,388</u></b>
<b>Reserves and current profit/(loss)</b>	<b><u>1,895,403</u></b>	<b><u>1,728,676</u></b>
<b>Total equity and liabilities</b>	<b><u>20,138,798</u></b>	<b><u>19,203,064</u></b>

### Notes:

Our Branch has adopted the accounting policies of HKFRS 9 from 1 January 2018, and the financial assets have been reclassified and measured according to the requirements.



### III. SUPPLEMENTARY FINANCIAL INFORMATION

Figures in HKD thousands

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

	As at	
	30-Jun-2019	31-Dec-2018
Trade bills	2,239	-
Collective impairment allowances	(52)	-
Gross trade bills less impairment allowances	<u>2,187</u>	<u>0</u>

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

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

	As at	
	30-Jun-2019	31-Dec-2018
Advances to customers	9,231,986	8,880,823
Advances to banks and other financial institutions	312,344	489,588
Total	9,544,330	9,370,411
Collective provisions	(100,996)	(94,292)
Specific provisions	(3,032)	(18,701)
Total	(104,028)	(112,993)
Gross advances less provisions	<u>9,440,302</u>	<u>9,257,418</u>
Allowances as a percentage of gross advances		
- Collective provisions	1.06%	1.01%
- Specific provisions	0.03%	0.20%
Total provisions	<u>1.09%</u>	<u>1.21%</u>

##### B. Impairment allowances

<u>Balance as at 30 Jun 2019</u>	Specific provisions	Collective provisions	Total
- Advances to customers	3,032	97,115	100,147
- Advances to banks and other financial institutions	-	3,881	3,881
	<u>3,032</u>	<u>100,996</u>	<u>104,028</u>
<u>Balance as at 31 Dec 2018</u>	Specific provisions	Collective provisions	Total
- Advances to customers	18,701	87,860	106,561
- Advances to banks and other financial institutions	-	6,432	6,432
	<u>18,701</u>	<u>94,292</u>	<u>112,993</u>

Under the requirements of HKFRS 9 "Financial Instruments". Since 1 January 2018 our Branch has adopted Expect Credit Loss ("ECL") approach to measure the impairment allowance of financial assets. The scope of impairment covers amortised cost financial assets, loan commitments and financial guarantees, as well as debt instruments measured at Fair Value through Other Comprehensive Income ("FVOCI").



### 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-2019</u>	<u>31-Dec-2018</u>
- Gross impaired advances to customers	3,032	18,712
- Specific provisions	<u>(3,032)</u>	<u>(18,701)</u>
Total	<u>0</u>	<u>11</u>
Market value of collateral pledged	<u>0</u>	<u>0</u>
Covered portion of impaired advances	<u>0</u>	<u>12</u>
Uncovered portion of impaired advances	<u>3,032</u>	<u>18,700</u>
Gross impaired advances as a percentage of gross advances to customers	<u>0.03%</u>	<u>0.21%</u>
Specific provisions as a percentage of gross impaired advances	<u>100.00%</u>	<u>99.94%</u>

There were no impaired advances to banks and other financial institutions, nor were there any specific provisions made for them as at 30 June 2019 and 31 December 2018.



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

Figures in HKD thousands

#### D. Overdue and rescheduled advances to customers

	As at	
	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
<b>a. Advances to customers overdue for</b>		
more than 1 month and up to 3 months	-	15,176
more than 3 months and up to 6 months	-	-
more than 6 months and up to 1 year	-	-
more than 1 year	-	385
	<u>0</u>	<u>15,561</u>
Specific provisions made in respect of the above overdue advances	<u>0</u>	<u>15,549</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>12</u>
Uncovered portion of all overdue advances	<u>0</u>	<u>15,549</u>
<b>b. Rescheduled advances to customers</b>	<u>3,032</u>	<u>3,151</u>
(Net of those overdue advances which have been disclosed in above)		

	As a percentage of total gross advances to customers	
	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
	Percentage (%)	Percentage (%)
<b>c. Advances to customers overdue for</b>		
more than 1 month and up to 3 months	-	0.17
more than 3 months and up to 6 months	-	-
more than 6 months and up to 1 year	-	-
more than 1 year	-	-
	<u>0.00</u>	<u>0.17</u>
<b>d. Rescheduled advances to customers</b>	<u>0.03</u>	<u>0.04</u>

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

	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
Advances to customers overdue for more than 3 months	-	385
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	-	15,176
Add: impaired loans overdue for 3 months or less or not yet overdue and on which is still being accrued	3,032	3,151
Total impaired advances	<u>3,032</u>	<u>18,712</u>

There were no advances to banks and other financial institutions which were overdue or rescheduled as at 30 June 2019 and 31 December 2018.

#### F. Repossessed assets

As at 30 June 2019 and 31 December 2018, there were no repossessed assets held by our bank.



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

Figures in HKD thousands

**3. OTHER ACCOUNTS AND IMPAIRMENT ALLOWANCES**

	As at	
	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
Other accounts receivable and prepayment	110,927	88,914
Specific provisions	(865)	(707)
Provisions for loan commitments and financial guarantees	<u>(2,508)</u>	<u>(8,105)</u>
Other accounts less provisions	<u>107,554</u>	<u>80,102</u>





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

Figures in HKD thousands

#### 4. DEBT SECURITIES HELD

##### A. Financial assets at fair value through other comprehensive income

	As at	
	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
Government Bonds (including Hong Kong Exchange Fund Bills)	49,868	49,747
Floating rate notes	3,865,422	2,914,868
Debt securities	910,672	1,010,426
Total	<u>4,825,962</u>	<u>3,975,041</u>
Issued by:		
Government organization	49,868	49,747
Banks	3,746,169	3,016,008
Other financial institutions	1,030,119	910,043
Corporate entities	-	-
Total	<u>4,826,156</u>	<u>3,975,798</u>
Impairment allowances	(194)	(757)
Financial assets at fair value through other comprehensive income less impairment allowances	<u>4,825,962</u>	<u>3,975,041</u>
Impairment allowances as a percentage of financial assets at fair value through other comprehensive income	<u>0.00%</u>	<u>0.02%</u>

##### B. Financial assets at amortised cost

	As at	
	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
Debt securities	-	-
Issued by:		
Other financial institutions outside Hong Kong	-	-

##### C. Overdue or impaired securities

###### Balance as at 30 Jun 2019

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Impairment allowances
- Neither overdue nor impaired	4,826,156	-	(194)
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	<u>4,826,156</u>	<u>0</u>	<u>(194)</u>

###### Balance as at 31 Dec 2018

	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	3,975,798	-	(757)
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
Total	<u>3,975,798</u>	<u>0</u>	<u>(757)</u>

On 1 January 2018, the financial assets held by our Branch have been reclassified into the appropriate HKFRS 9 categories. The adoption of expected credit loss approach could increased the impairment allowances for financial instruments.



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

Figures in HKD thousands

#### 5. 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-2019	31-Dec-2018
Direct credit substitutes	44,153	43,281
Trade-related contingencies		
- Customer's liabilities under letter of credit	24,508	24,911
- Customer's liabilities under guarantee	-	-
- Customer's liabilities under acceptance	27,991	2,140
Forward forward deposits placed	-	-
Other commitments		
- Other commitments with an original maturity of not more than one year	1,482,927	1,000,468
- Other commitments with an original maturity of more than one year	541,095	779,264
	<u>2,120,674</u>	<u>1,850,064</u>

##### B. Derivative financial instruments

	Contract / notional amount	Contract / notional amount
<b>Exchange rate contracts</b>		
- Spot and forwards	10,210	8,329
- Swaps	509,313	226,910
- Options purchased	-	69,004
- Options written	-	69,004
	<u>519,523</u>	<u>373,247</u>

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

	Replacement costs	Replacement costs
<b>Exchange rate contracts</b>		
- Spot and forwards	3	7
- Swaps	34	64
- Options purchased	-	678
- Options written	-	643
	<u>37</u>	<u>1,392</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.

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

#### 6. 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 2019

##### As at 31 Dec 2018

	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
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##### a. Industrial, commercial and financial

- Property development	96,875	-	175,000	-
- Property investment	2,412,492	2,115,125	2,071,642	1,774,275
- Financial concerns	726,500	-	550,046	-
- Wholesale and retail trade	845,192	845,192	823,567	823,567
- Manufacturing	641,007	4,900	654,810	16,832
- Hotels, boarding houses & catering	764,250	764,250	763,250	763,250
- Transport and transport equipment	-	-	-	-
- Information technology	-	-	-	-
- Others	19,023	5,423	22,097	6,097

##### b. Individuals

- Loans for the purchase of other residential properties	40,806	40,806	42,009	42,009
- Others	-	-	-	-

##### c. Others

	-	-	-	-
	<u>5,546,145</u>	<u>3,775,696</u>	<u>5,102,421</u>	<u>3,426,030</u>

##### 2. Trade finance

	65,346	20,165	84,686	40,961
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##### 3. Loan for use outside Hong Kong

	<u>3,620,495</u>	<u>983,181</u>	<u>3,693,716</u>	<u>1,137,411</u>
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##### Total

	<u>9,231,986</u>	<u>4,779,042</u>	<u>8,880,823</u>	<u>4,604,402</u>
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**III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued***

Figures in HKD thousands

**6. 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 2019</u>		<u>As at 31 Dec 2018</u>	
	Impaired advances	Individual impairment allowances	Impaired advances	Individual impairment allowances
- Manufacturing	-	-	-	-
- Loan for use outside Hong Kong	3,032	3,032	18,712	18,701
	<u>3,032</u>	<u>3,032</u>	<u>18,712</u>	<u>18,701</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 2019</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	7,445,659	-	-	-
- Taiwan	100,576	-	3,032	3,032
- China	452,877	-	-	-
- Others	1,232,874	-	-	-
	<u>9,231,986</u>	<u>0</u>	<u>3,032</u>	<u>3,032</u>

<u>As at 31 Dec 2018</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	6,662,905	-	-	-
- Taiwan	158,097	-	18,327	18,328
- China	830,263	385	385	373
- Others	1,229,558	-	-	-
	<u>8,880,823</u>	<u>385</u>	<u>18,712</u>	<u>18,701</u>



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

Figures in HKD millions

#### 7. 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 2019					
			Non-bank private sector			
		Official	Non-bank	Non-		
	Banks	sector	financial	financial	Others	Total claims
Counterparty country/jurisdiction			institution	private		
Developed countries	2,461	-	312	1,030	-	3,803
Offshore centres	793	56	728	6,774	-	8,351
– of which : Hong Kong	793	56	728	6,727	-	8,304
Developing Europe	-	-	-	-	-	0
Developing Latin America and Caribbean	157	-	-	-	-	157
Developing Africa and Middle East	156	-	378	-	-	534
Developing Asia and Pacific	6,046	-	-	1,063	-	7,109
– of which : Chinese Taipei	2,509	-	-	101	-	2,610
China	1,868	-	-	454	-	2,322
International Organisations	-	-	157	-	-	157
<b>Total</b>	<b>9,613</b>	<b>56</b>	<b>1,575</b>	<b>8,867</b>	<b>0</b>	<b>20,111</b>

	As at 31 Dec 2018					
			Non-bank private sector			
			Non-bank	Non-		
	Banks	Official sector	financial institution	financial private	Others	Total claims
Counterparty country/jurisdiction						
Developed countries	2,688	-	538	784	-	4,010
Offshore centres	207	67	176	6,539	-	6,989
– of which : Hong Kong	206	67	176	6,492	-	6,941
Developing Europe	-	-	-	-	-	0
Developing Latin America and Caribbean	157	-	-	-	-	157
Developing Africa and Middle East	369	-	377	-	-	746
Developing Asia and Pacific	5,801	-	375	1,019	-	7,195
– of which : Chinese Taipei	2,956	-	-	159	-	3,115
China	1,848	-	375	457	-	2,680
International Organisations	-	-	157	-	-	157
<b>Total</b>	<b>9,222</b>	<b>67</b>	<b>1,623</b>	<b>8,342</b>	<b>0</b>	<b>19,254</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

#### 8. 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 2019

	<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)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	96	62	158
4. Other entities of central government not reported in item 1 above	78	-	78
5. Other entities of local governments not reported in item 2 above	652	50	702
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,508	304	1,812
7. Other counterparties where the exposures are considered by exposures the reporting institution to be non-bank Mainland China exposures	-	1	1
<b>Total</b>	<b><u>2,334</u></b>	<b><u>417</u></b>	<b><u>2,751</u></b>
Total assets after provision	<b><u>20,139</u></b>		
On-balance sheet exposures as percentage of total assets	<b><u>11.59%</u></b>		

##### As at 31 Dec 2018

	<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)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	96	63	159
4. Other entities of central government not reported in item 1 above	78	-	78
5. Other entities of local governments not reported in item 2 above	375	326	701
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,698	259	1,957
7. Other counterparties where the exposures are considered by exposures the reporting institution to be non-bank Mainland China exposures	3	2	5
<b>Total</b>	<b><u>2,250</u></b>	<b><u>650</u></b>	<b><u>2,900</u></b>
Total assets after provision	<b><u>19,203</u></b>		
On-balance sheet exposures as percentage of total assets	<b><u>11.72%</u></b>		



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

Figures in HKD millions

#### 9. 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 2019

Currency	USD	JPY	EUR	CNY	AUD	GBP	Other foreign currencies	Total
Spot assets	12,056	123	182	1,366	70	7	27	<b>13,831</b>
Spot liabilities	(12,504)	(112)	(183)	(1,379)	(68)	(7)	(26)	<b>(14,279)</b>
Forward purchases	485	11	1	20	2	-	-	<b>519</b>
Forward sales	(34)	(22)	-	(7)	(3)	-	-	<b>(66)</b>
Net option position	-	-	-	-	-	-	-	<b>0</b>
Net long (short) position	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>5</u>

##### As at 31 Dec 2018

Currency	USD	JPY	EUR	CNY	AUD	GBP	Other foreign currencies	Total
Spot assets	11,548	129	186	1,449	49	7	28	<b>13,396</b>
Spot liabilities	(11,354)	(126)	(177)	(1,644)	(58)	(8)	(26)	<b>(13,393)</b>
Forward purchases	21	1	-	196	17	1	-	<b>236</b>
Forward sales	(214)	(4)	(9)	-	(8)	-	-	<b>(235)</b>
Net option position	-	-	-	-	-	-	-	<b>0</b>
Net long (short) position	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>4</u>

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

#### 10. LIQUIDITY MAINTENANCE RATIO

##### AVERAGE LIQUIDITY RATIO

	Second quarter 30 June 2019 Percentage (%)	First quarter 31 March 2019 Percentage (%)	Second quarter 30 June 2018 Percentage (%)
Liquidity maintenance ratio	<u>41.88</u>	<u>42.50</u>	<u>45.55</u>

Pursuant to the requirement under the Banking (Disclosure) Rule effective from 30 June 2018. The LMR average percentage is calculated based on the arithmetical mean of each calendar month's average LMR in the quarter. The liquidity maintenance ratio is computed in accordance with the Banking (Liquidity) Rules.



#### 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 half year ended 30 June	
	<u>2019</u>	<u>2018</u>
	HKD '000	HKD '000
Persons	12	11
Basic salaries, allowances and benefits	5,482	4,903
Variable remuneration	-	119
Deferred remuneration	-	-

The remuneration above includes 4 (2018: 3) members of Senior Management and 8 (2018: 8) members of Key Personnel.

##### 2. 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**

	<b><u>30-Jun-2019</u></b>	<b><u>31-Dec-2018</u></b>
	Percentage (%)	Percentage (%)
	Unaudited	Unaudited
Common Equity Tier 1 capital ratio	10.64	10.96
Tier 1 capital ratio	11.22	11.59
Total capital ratio	13.22	13.57
Leverage ratio	<u>6.07</u>	<u>6.32</u>

The capital adequacy ratios of the Bank are compiled in accordance with Basel Capital Accord. The ratio compares the capital base of the Bank with on and off balance sheet assets, weighted for risk.

The relevant disclosures can be found on the Bank's website <http://www.firstbank.com.tw>, accessible through the "Regulatory Disclosures" link on the home page of the website.

**B. Aggregate amount of shareholders' funds**

<b><u>30-Jun-2019</u></b>	<b><u>31-Dec-2018</u></b>
HKD '000	HKD '000
<u>53,022,669</u>	<u>52,582,509</u>

**II. OTHER FINANCIAL INFORMATION (Consolidation basis)**

Figures in HKD thousands

	<b><u>30-Jun-2019</u></b>	<b><u>31-Dec-2018</u></b>
<b>Total assets</b>	<u>730,056,665</u>	<u>728,628,860</u>
<b>Total liabilities</b>	<u>677,033,996</u>	<u>676,046,351</u>
<b>Net loans and advances</b>	<u>428,606,372</u>	<u>431,067,907</u>
<b>Total customer deposit</b>	<u>555,722,806</u>	<u>554,454,713</u>
	<b><u>Half Year to</u></b>	<b><u>Half Year to</u></b>
	<b><u>30-Jun-2019</u></b>	<b><u>30-Jun-2018</u></b>
<b>Profit/(Loss) before taxation</b>	<u>2,935,866</u>	<u>2,707,290</u>



第一商業銀行股份有限公司 (於台灣成立的有限責任公司) 香港分行  
**First Commercial Bank, Ltd.** (Incorporated in Taiwan with limited liability)  
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 2019. 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", and to the best of my knowledge and belief, it is not false or misleading.

A handwritten signature in black ink, appearing to be 'LIN HUEI CHUAN'.

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General Manager (LIN Huei Chuan)  
First Commercial Bank Limited  
Hong Kong Branch

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24 September 2019

Date