



# 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 2020**



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  
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## **KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2020**

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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 2020

Figures in HKD thousand

	For the half year ended 30 June	
	<u>2020</u>	<u>2019</u>
Interest Income	268,769	367,406
Interest Expense	<u>(119,520)</u>	<u>(164,910)</u>
Net interest income	149,249	202,496
Fee and commission income	14,563	16,715
Fee and commission expense	<u>(993)</u>	<u>(953)</u>
Net fee and commission income	13,570	15,762
Other operating income		
- Gains less losses arising from dealing in foreign currencies	2,262	2,744
- Net gains/(losses) on financial instruments designated at fair value through profit or loss	-	51
- Net gains/(losses) on others	<u>9,792</u>	<u>-</u>
	12,054	2,795
<b>Total income</b>	<b><u>174,873</u></b>	<b><u>221,053</u></b>
Operating expenses		
- Staff and rental expenses	(21,827)	(21,210)
- Other expenses	<u>(5,365)</u>	<u>(3,943)</u>
<b>Total expenses</b>	<b><u>(27,192)</u></b>	<b><u>(25,153)</u></b>
Profit before impairment allowances	<b>147,681</b>	<b>195,900</b>
Impairment losses written back/(charges) on loans and advances	15,004	(1,150)
Impairment losses written back/(charges) on other assets	<u>321</u>	<u>138</u>
<b>Profit before taxation</b>	<b>163,006</b>	<b>194,888</b>
Taxation charge	(24,195)	(28,161)
<b>Profit after taxation</b>	<b><u>138,811</u></b>	<b><u>166,727</u></b>



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## II. BALANCE SHEET INFORMATION

AS AT 30 JUNE 2020

Figures in HKD thousands

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u> (Restated)
<b>ASSETS</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	2,039,543	2,851,092
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	2,752,204	1,748,253
Amount due from overseas offices	927,751	289,843
Trade bills less impairment allowances	-	2,295
Loans and advances less impairment allowances	8,927,133	8,739,601
Certificates of deposit held less impairment allowances	464,948	856,200
Financial assets at fair value through other comprehensive income less impairment allowances	3,408,395	4,498,219
Financial assets at amortised cost less impairment allowances	-	-
Other assets		
- Accrued interest	26,338	55,791
- Other accounts less impairment allowances	123,587	94,830
Property, plant and equipment	11,195	9,470
<b>Total assets</b>	<b><u>18,681,094</u></b>	<b><u>19,145,594</u></b>
<b>LIABILITIES</b>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	4,103,722	3,451,913
Current, fixed, savings and other deposits from customers		
- Demand deposits and current accounts	249,974	232,811
- Savings deposits	4,958,810	5,074,977
- Time deposits	6,677,566	7,740,817
- Structured deposits	-	-
Amount due to overseas offices	276,225	315,570
Other liabilities	215,431	268,951
<b>Total liabilities</b>	<b><u>16,481,728</u></b>	<b><u>17,085,039</u></b>
<b>Reserves and current profit/(loss)</b>	<b><u>2,199,366</u></b>	<b><u>2,060,555</u></b>
<b>Total equity and liabilities</b>	<b><u>18,681,094</u></b>	<b><u>19,145,594</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	
	<u>30-Jun-2020</u>	<u>31-Dec-2019</u> (Restated)
Trade bills	-	2,295
Collective impairment allowances	-	-
Gross trade bills less impairment allowances	<u>0</u>	<u>2,295</u>

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

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

	As at	
	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
Advances to customers	8,853,151	8,679,864
Advances to banks and other financial institutions	155,006	155,716
Total	9,008,157	8,835,580
Collective provisions	(78,208)	(93,067)
Specific provisions	(2,816)	(2,912)
Total	(81,024)	(95,979)
Gross advances less provisions	<u>8,927,133</u>	<u>8,739,601</u>
Allowances as a percentage of gross advances		
- Collective provisions	0.87%	1.05%
- Specific provisions	0.03%	0.03%
Total provisions	<u>0.90%</u>	<u>1.08%</u>

**B. Impairment allowances**

<u>Balance as at 30 Jun 2020</u>	Specific provisions	Collective provisions	Total
- Advances to customers	2,816	76,637	79,453
- Advances to banks and other financial institutions	-	1,571	1,571
	<u>2,816</u>	<u>78,208</u>	<u>81,024</u>
<u>Balance as at 31 Dec 2019</u>	Specific provisions	Collective provisions	Total
- Advances to customers	2,912	91,148	94,060
- Advances to banks and other financial institutions	-	1,919	1,919
	<u>2,912</u>	<u>93,067</u>	<u>95,979</u>



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### 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-2020</u>	<u>31-Dec-2019</u>
- Gross impaired advances to customers	2,812	2,912
- Specific provisions	<u>(2,816)</u>	<u>(2,912)</u>
Total	<u>(4)</u>	<u>0</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>2,812</u>	<u>2,912</u>
Gross impaired advances as a percentage of gross advances to customers	<u>0.03%</u>	<u>0.03%</u>
Specific provisions as a percentage of gross impaired advances	<u>100.14%</u>	<u>100.00%</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 2020 and 31 December 2019.



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III. SUPPLEMENTARY FINANCIAL INFORMATION - *continued*

Figures in HKD thousands

D. Overdue and rescheduled advances to customers

As at

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
<b>a. Advances to customers overdue for</b>		
more than 1 month and up to 3 months	-	-
more than 3 months and up to 6 months	-	-
more than 6 months and up to 1 year	-	-
more than 1 year	-	-
	<u>0</u>	<u>0</u>
Specific provisions 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>0</u>
<b>b. Rescheduled advances to customers</b>	<u>2,812</u>	<u>2,912</u>
(Net of those overdue advances which have been disclosed in above)		

As a percentage of total gross advances to customers

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
	Percentage (%)	Percentage (%)
<b>c. Advances to customers overdue for</b>		
more than 1 month and up to 3 months	-	-
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>0.00</u>
<b>d. Rescheduled advances to customers</b>	<u>0.03</u>	<u>0.03</u>

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

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
Advances to customers overdue for more than 3 months	-	-
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	2,812	2,912
Total impaired advances	<u>2,812</u>	<u>2,912</u>

There were no advances to banks and other financial institutions which were overdue or rescheduled as at 30 June 2020 and 31 December 2019.

F. Repossessed assets

As at 30 June 2020 and 31 December 2019, there were no repossessed assets held by our bank.



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

Figures in HKD thousands

**3. OTHER ACCOUNTS AND IMPAIRMENT ALLOWANCES**

	As at	
	<u>30-Jun-2020</u>	<u>31-Dec-2019</u> (Restated)
Other accounts receivable and prepayment	123,873	95,115
Specific provisions	<u>(286)</u>	<u>(285)</u>
Other accounts less provisions	<u><b>123,587</b></u>	<u><b>94,830</b></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-2020</u>	<u>31-Dec-2019</u>
Government Bonds (including Hong Kong Exchange Fund Bills)	80,184	79,947
Floating rate notes	3,057,222	4,142,146
Debt securities	270,989	276,126
<b>Total</b>	<b><u>3,408,395</u></b>	<b><u>4,498,219</u></b>
Issued by:		
Government organization	80,186	79,947
Banks	2,679,570	3,763,061
Other financial institutions	649,430	656,156
Corporate entities	-	-
<b>Total</b>	<b><u>3,409,186</u></b>	<b><u>4,499,164</u></b>
Impairment allowances	(791)	(945)
Financial assets at fair value through other comprehensive income less impairment allowances	<b><u>3,408,395</u></b>	<b><u>4,498,219</u></b>
Impairment allowances as a percentage of financial assets at fair value through other comprehensive income	<u>0.02%</u>	<u>0.02%</u>

**B. Financial assets at amortised cost**

	As at	
	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
Debt securities	-	-
Issued by:		
Other financial institutions outside Hong Kong	-	-

**C. Overdue or impaired securities**

**Balance as at 30 Jun 2020**

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Impairment allowances
- Neither overdue nor impaired	3,409,186	-	(791)
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
<b>Total</b>	<b><u>3,409,186</u></b>	<b><u>0</u></b>	<b><u>(791)</u></b>

**Balance as at 31 Dec 2019**

	Available-for-sale securities	Held-to-maturity securities	Individual impairment allowances
- Neither overdue nor impaired	4,499,164	-	(945)
- Non-overdue but impaired	-	-	-
- Overdue and impaired	-	-	-
<b>Total</b>	<b><u>4,499,164</u></b>	<b><u>0</u></b>	<b><u>(945)</u></b>

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	
	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
Direct credit substitutes	54,737	55,677
Trade-related contingencies		
- Customer's liabilities under letter of credit	44,035	56,308
- Customer's liabilities under guarantee	-	-
- Customer's liabilities under acceptance	49,100	74,058
Forward forward deposits placed	-	-
Other commitments		
- Other commitments with an original maturity of not more than one year	1,293,016	1,471,340
- Other commitments with an original maturity of more than one year	570,263	667,294
	<u>2,011,151</u>	<u>2,324,677</u>

**B. Derivative financial instruments**

	Contract / notional amount	Contract / notional amount
<b>Exchange rate contracts</b>		
- Spot and forwards	77,320	6,895
- Swaps	114,082	165,129
- Options purchased	-	-
- Options written	-	-
	<u>191,402</u>	<u>172,024</u>

Replacement Costs of Derivatives (of the above derivatives)

	Replacement costs	Replacement costs
<b>Exchange rate contracts</b>		
- Spot and forwards	39	6
- Swaps	91	163
- Options purchased	-	-
- Options written	-	-
	<u>130</u>	<u>169</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 2020**

**As at 31 Dec 2019**

	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
<b>a. Industrial, commercial and financial</b>				
- Property development	43,125	-	96,875	-
- Property investment	2,554,192	2,256,825	2,574,698	2,265,975
- Financial concerns	953,177	-	652,500	-
- Wholesale and retail trade	941,070	844,192	965,139	867,817
- Manufacturing	622,095	-	626,295	4,200
- Hotels, boarding houses & catering	415,000	415,000	415,000	415,000
- Transport and transport equipment	137,568	137,568	8,397	8,397
- Others	91,384	19,754	58,481	13,241
<b>b. Individuals</b>				
- Loans for the purchase of other residential properties	36,693	36,693	38,726	38,726
<b>c. Others</b>	-	-	-	-
	<u>5,794,304</u>	<u>3,710,032</u>	<u>5,436,111</u>	<u>3,613,356</u>
<b>2. Trade finance</b>	<b>68,964</b>	<b>24,364</b>	<b>79,630</b>	<b>25,667</b>
<b>3. Loan for use outside Hong Kong</b>	<b>2,989,883</b>	<b>846,260</b>	<b>3,164,123</b>	<b>972,376</b>
<b>Total</b>	<b><u>8,853,151</u></b>	<b><u>4,580,656</u></b>	<b><u>8,679,864</u></b>	<b><u>4,611,399</u></b>



**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 2020</u>		<u>As at 31 Dec 2019</u>	
	Impaired advances	Individual impairment allowances	Impaired advances	Individual impairment allowances
- Manufacturing	-	-	-	-
- Loan for use outside Hong Kong	2,812	2,816	2,912	2,912
	<u>2,812</u>	<u>2,816</u>	<u>2,912</u>	<u>2,912</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 2020</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	7,318,480	-	-	-
- Taiwan	104,999	-	2,812	2,816
- China	378,949	-	-	-
- Others	1,050,723	-	-	-
	<u>8,853,151</u>	<u>0</u>	<u>2,812</u>	<u>2,816</u>

<u>As at 31 Dec 2019</u>	Outstanding balance	Advances overdue for over three months	Impaired advances	Individual impairment allowances
- Hong Kong	6,973,772	-	-	-
- Taiwan	148,884	-	2,912	2,912
- China	439,191	-	-	-
- Others	1,118,017	-	-	-
	<u>8,679,864</u>	<u>0</u>	<u>2,912</u>	<u>2,912</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.

Counterparty country/jurisdiction	As at 30 Jun 2020					Total claims
	Banks	Official sector	Non-bank private sector		Others	
			Non-bank financial institution	Non-financial private		
Developed countries	1,800	-	427	593	-	2,820
Offshore centres	703	82	955	6,415	-	8,155
– of which : Hong Kong	703	82	955	6,369	-	8,109
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	155	-	-	-	-	155
Developing Africa and Middle East	78	-	223	-	-	301
Developing Asia and Pacific	6,146	-	-	897	-	7,043
– of which : Chinese Taipei	4,831	-	-	105	-	4,936
China	238	-	-	379	-	617
International Organisations	-	-	155	-	-	155
<b>Total</b>	<b>8,882</b>	<b>82</b>	<b>1,760</b>	<b>7,905</b>	<b>0</b>	<b>18,629</b>

Counterparty country/jurisdiction	As at 31 Dec 2019					Total claims
	Banks	Official sector	Non-bank private sector		Others	
			Non-bank financial institution	Non-financial private		
Developed countries	3,027	-	429	608	-	4,064
Offshore centres	701	94	654	6,375	-	7,824
– of which : Hong Kong	700	94	654	6,328	-	7,776
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	156	-	-	-	-	156
Developing Africa and Middle East	156	-	226	-	-	382
Developing Asia and Pacific	5,475	-	-	1,055	-	6,530
– of which : Chinese Taipei	1,801	-	-	149	-	1,950
China	2,012	-	-	440	-	2,452
International Organisations	-	-	156	-	-	156
<b>Total</b>	<b>9,515</b>	<b>94</b>	<b>1,465</b>	<b>8,038</b>	<b>0</b>	<b>19,112</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 2020**

	<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	95	62	157
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	902	199	1,101
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,208	248	1,456
7. Other counterparties where the exposures are considered by exposures the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b><u>2,283</u></b>	<b><u>509</u></b>	<b><u>2,792</u></b>
Total assets after provision	<b><u>18,681</u></b>		
On-balance sheet exposures as percentage of total assets	<b><u>12.22%</u></b>		

**As at 31 Dec 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	95	62	157
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	654	48	702
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,316	267	1,583
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>2,143</u></b>	<b><u>378</u></b>	<b><u>2,521</u></b>
Total assets after provision	<b><u>19,146</u></b>		
On-balance sheet exposures as percentage of total assets	<b><u>11.19%</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 2020								
Currency	USD	JPY	EUR	CNY	AUD	GBP	Other foreign currencies	Total
Spot assets	10,649	69	189	1,218	51	7	20	12,203
Spot liabilities	(10,663)	(61)	(189)	(1,215)	(43)	(8)	(20)	(12,199)
Forward purchases	103	7	-	70	7	-	-	187
Forward sales	(89)	(14)	-	(73)	(15)	-	-	(191)
Net option position	-	-	-	-	-	-	-	0
Net long (short) position	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>0</u>

As at 31 Dec 2019								
Currency	USD	JPY	EUR	CNY	AUD	GBP	Other foreign currencies	Total
Spot assets	11,318	122	180	1,111	48	2	21	12,802
Spot liabilities	(11,248)	(107)	(180)	(1,166)	(65)	(9)	(21)	(12,796)
Forward purchases	52	1	-	68	34	14	-	169
Forward sales	(120)	(15)	-	(12)	(17)	(7)	-	(171)
Net option position	-	-	-	-	-	-	-	0
Net long (short) position	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</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.

**10. LIQUIDITY MAINTENANCE RATIO**

**AVERAGE LIQUIDITY RATIO**

	Second quarter 30 June 2020 Percentage (%)	First quarter 31 March 2020 Percentage (%)	Second quarter 30 June 2019 Percentage (%)
Liquidity maintenance ratio	<u>41.08</u>	<u>46.79</u>	<u>41.88</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>2020</u>	<u>2019</u>
	HKD '000	HKD '000
Persons	12	12
Basic salaries, allowances and benefits	5,710	5,482
Variable remuneration	-	-
Deferred remuneration	-	-

The remuneration above includes 4 (2019: 4) members of Senior Management and 8 (2019: 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**

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
	Percentage (%)	Percentage (%)
	Unaudited	Unaudited
Common Equity Tier 1 capital ratio	10.87	10.63
Tier 1 capital ratio	11.44	11.11
Total capital ratio	13.43	13.00
Leverage ratio	<u>5.87</u>	<u>5.90</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**

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
	HKD '000	HKD '000
	<u>55,674,862</u>	<u>56,882,812</u>

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

Figures in HKD thousands

	<u>30-Jun-2020</u>	<u>31-Dec-2019</u>
<b>Total assets</b>	<u>837,828,923</u>	<u>804,276,768</u>
<b>Total liabilities</b>	<u>782,154,061</u>	<u>747,393,956</u>
<b>Net loans and advances</b>	<u>479,004,537</u>	<u>454,764,161</u>
<b>Total customer deposit</b>	<u>654,581,441</u>	<u>620,036,025</u>
	<b><u>Half Year to</u></b>	<b><u>Half Year to</u></b>
	<b><u>30-Jun-2020</u></b>	<b><u>30-Jun-2019</u></b>
<b>Profit/(Loss) before taxation</b>	<u>2,639,726</u>	<u>2,935,866</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 2020. 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.

*Chang Shih Lin*

General Manager (CHANG Shih Lin)  
First Commercial Bank Limited  
Hong Kong Branch

22 September 2020

Date