



彰化銀行香港分行

**CHANG HWA COMMERCIAL BANK, LTD.**

**HONG KONG BRANCH**

**Financial Information Disclosure Statement**

**For the year ended 31 December 2019**

CHANG HWA COMMERCIAL BANK, LTD. HONG KONG BRANCH.

1401, Tower II, The Gateway, 25 Canton Road, Kowloon, Hong Kong

Tel : (852) 2956 1212 Fax : (852) 2956 1898

Incorporated in Taiwan (Republic of China) with limited liability



彰化銀行

彰化商業銀行股份有限公司香港分行  
CHANG HWA COMMERCIAL BANK, LTD. HONG KONG BRANCH  
於臺灣(中華民國)註冊成立的股份有限公司  
Incorporated in Taiwan (Republic of China) with limited liability

## **Financial Information Disclosure Statement For the year ended 31 December 2019**

The statement is available at Chang Hwa Commercial Bank, Ltd. Hong Kong Branch at the following address:

1401, Tower II, The Gateway, 25 Canton Road, Kowloon, Hong Kong

A copy of the Disclosure Statement has been lodged with the public registry of the Hong Kong Monetary Authority's Public Registry and is available on the website <https://www.chbebank.com> for public inspection.

## Financial Information Disclosure

### Statement

For the year ended 31 December 2019

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## Section A. Hong Kong Branch Information

### 1 Income statement information

	Note	For the year ended	
		31 December 2019	31 December 2018
		HK\$,000	HK\$,000
Interest income		537,092	525,138
Interest expenses		(297,881)	(257,827)
<b>Net interest income</b>		<b>239,211</b>	<b>267,311</b>
Other operating income	3a	33,771	50,444
Operating expenses	3b	(36,786)	(35,080)
Impairment losses and provisions for impaired loans and receivables		(16,178)	5,463
<b>Profit before taxation</b>		<b>220,018</b>	<b>288,138</b>
Tax expense		(39,850)	(41,125)
<b>Profit after taxation</b>		<b>180,168</b>	<b>247,013</b>



## 2 Balance sheet information

	Note	As at	
		31 December 2019	30 June 2019
		HK\$,000	HK\$,000
<b>Assets</b>			
Cash and balances with banks (except those included in amount due from head office and overseas office)		2,495,330	3,341,405
Placement with Bank and other financial institutions maturing between one and twelve months (except those included in amount due from head office and overseas office)		1,635,438	4,493,453
Amount due from head office and overseas office		1,270,417	510,181
Trade bills		3,518	2,919
Certificate of Deposit Held		233,634	468,882
Investment securities			
- Available-for-sale securities		2,027,429	2,004,622
Loans and receivables	3d	6,007,480	6,219,859
Other assets		25,242	171,022
Property, plant and equipment		16,143	16,651
<b>Total assets</b>		<b>13,714,631</b>	<b>17,228,994</b>
<b>Liabilities</b>			
Deposit and balances of banks and other financial institutions (except those included in amount due to head office and overseas office)		1,258,880	4,466,897
Deposit from customers	3c	7,627,831	8,366,477
Amount due to head office and overseas offices		4,180,008	3,265,237
Other liabilities and provision		150,433	299,264
<b>Total liabilities</b>		<b>13,217,152</b>	<b>16,397,875</b>
<b>Equities</b>			
Current profit		180,168	100,614
Reserves		317,311	730,505
		497,479	831,119
<b>Total equities and liabilities</b>		<b>13,714,631</b>	<b>17,228,994</b>



### 3 Notes to the income statement and balance sheet information

#### a. Other operating income

	For the year ended	
	31 December 2019	31 December 2018
	HK\$,000	HK\$,000
Service fee and commission income	30,190	39,022
Service fee and commission expenses	(2,630)	(2,776)
Net fees and commission income	27,560	36,246
Gains less losses arising from trading in foreign currencies	6,127	7,352
Gains less losses from other trading activities	0	8
Income from investments held for trading	10	0
Income from non-trading investments	74	6,838
	33,771	50,444

#### b. Operating expenses

	For the year ended	
	31 December 2019	31 December 2018
	HK\$,000	HK\$,000
Staff and rental expenses	18,441	28,102
Loss on sale of equipment	0	1
Other expenses	18,345	6,977
	36,786	35,080

#### c. Deposits from customers

	As at	
	31 December 2019	30 June 2019
	HK\$,000	HK\$,000
Demand deposits and current accounts	178,739	192,542
Savings accounts	3,312,299	3,468,032
Time, call and notice deposits	4,136,793	4,705,903
	7,627,831	8,366,477

#### d. Loans and receivables



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	As at	
	31 December 2019	30 June 2019
	HK\$,000	HK\$,000
Loans and advances to customers	6,065,133	6,239,505
Loans and advances to banks	0	0
Accrued interest and other accounts	36,453	63,692
	<u>6,101,586</u>	<u>6,303,197</u>
Less: Impairment allowances		
Loans and advances to customers		
- <i>Collective provisions</i>	77,547	81,408
- <i>Specific provisions</i>	16,373	853
Loans and advances to banks		
- <i>Collective provisions</i>	0	0
Trade bills		
- <i>Collective provisions</i>	35	29
Others		
- <i>Collective provisions</i>	151	1,048
	<u>94,106</u>	<u>83,338</u>
Impairment allowances for loans and receivables		
	<u>6,007,480</u>	<u>6,219,859</u>

**e. Detail of impaired loans and advances to customers**

Detail of impaired loans and advances to customers which are individually impaired:

	As at	
	31 December 2019	30 June 2019
	HK\$,000	HK\$,000
Gross amounts	112,984	2,414
Individual impairment allowances	16,372	853
Value of collateral	0	0
Percentage of such loans and advances to its total amount of loans and advances to customers	1.863%	0.039%



**f. Overdue and rescheduled loans:**
**(i) Overdue loans**

	As at			
	31 December 2019		30 June 2019	
	Percentage of total		Percentage of total	
	loans & advances to		loans & advances to	
customers which have been overdue for:	HK\$,000	customers	HK\$,000	customers
More than 3 months but not more than 6 months	112,144	1.85%	2,319	0.037%
More than 6 months but not more than one year	840	0.01%	0	0.00%
More than one year	0	0.00%	95	0.002%
	<u>112,984</u>	<u>1.86%</u>	<u>2,414</u>	<u>0.039%</u>

**Value of collateral held against the overdue loans and advances**

	As at	
	31 December 2019	30 June 2019
	HK\$,000	HK\$,000
Current market value of collateral held against the covered portion of overdue loans and advances	0	0
Covered portion of overdue loans and advances	0	0
Uncovered portion of overdue loans and advances	0	0

**(ii) Rescheduled loans**

	As at			
	31 December 2019		30 June 2019	
	Percentage of total		Percentage of total	
	loans & advances to		loans & advances to	
customers, excluding those which have been overdue for more than 3 months and net of those disclosed in subsection (i)	HK\$,000	customers	HK\$,000	customers
	0	0%	0	0%

**g. Repossessed assets**

There was no repossessed asset as at 31 December 2019 and 30 June 2019.



**4 Off-balance sheet exposures information**

The following is a summary of the contractual amounts of each significant class of off-balance sheet exposure information:

	As at	
	31 December 2019	30 June 2019
	HK\$,000	HK\$,000
<b>Contingent Liabilities and Commitments</b>		
Direct credit substitutes	33,682	24,413
Transaction-related contingencies	0	0
Trade-related contingencies	28,487	12,178
Other commitments	380,669	782,782
	<u>442,838</u>	<u>819,373</u>
<b>Derivatives</b>		
Exchange rate contracts	<u>0</u>	<u>0</u>
<b>Replacement cost of derivatives</b>		
Exchange rate contracts	<u>0</u>	<u>0</u>

For contingent liabilities and commitments, the contract amounts represents the amount at risk should the contract be drawn upon and the client defaults. The notional amounts of derivatives indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk.

The replacement cost of derivatives does not take into account the effects of bilateral netting arrangements.



## 5 Segmental information

### a. Loans and advances to customers by industry classification

	As at			
	31 December 2019		30 June 2019	
Loans and advances for use in Hong Kong	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
<b>Industrial, commercial and financial</b>	HK\$,000	HK\$,000	HK\$,000	HK\$,000
- Property development	0	0	0	0
- Property investment	0	0	0	0
- Financial concerns	207,108	0	205,156	0
- Stockbrokers	140,000	0	140,000	0
- Wholesale and retail trade	611,385	250,056	645,602	260,250
- Manufacturing	310,052	10,845	281,671	10,878
- Transport and transport equipment	0	0	0	0
- Recreational activities	0	0	0	0
- Information technology	167,040	0	170,802	0
- Others	0	0	0	0
<b>Individuals</b>				
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	0	0	0	0
- Loans for the purchase of other residential properties	3,171	3,171	3,259	3,259
- Credit card advances	0	0	0	0
- Others	9,018	9,018	18,130	18,130
<b>Trade finance</b>	84,677	0	50,302	0
<b>Loans and advances for use outside Hong Kong</b>	<u>4,532,682</u>	<u>934,213</u>	<u>4,724,583</u>	<u>810,706</u>
<b>Total loans and advances</b>	<u>6,065,133</u>	<u>1,207,303</u>	<u>6,239,505</u>	<u>1,103,223</u>

### b. Geographical segments analysis

The breakdown of the gross amount of advances to customers by countries, which according to the location of the counterparties and the amounts was reported after taking into account any recognized risk transfers, where it constitutes 10% or more of the relevant disclosure item.



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	As at	
	31 December 2019	30 June 2019
<b>Loans and advances by geographical segment</b>	HK\$,000	HK\$,000
- Hong Kong	1,305,161	1,291,181
- China	3,461,055	3,647,361
- Taiwan	23,126	19,763
- Others	1,162,807	1,278,786
<b>Impaired loans and advances by geographical segment</b>		
- China	112,984	2,319
- Taiwan	0	95
	<u>6,065,133</u>	<u>6,239,505</u>

**c. Mainland activities**

Types of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ million	HK\$ million	HK\$ million
<b>As at 31 December 2019</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	316	47	363
2. Local governments, local government-owned entities and their subsidiaries and JVs	233	0	233
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	329	0	329
4. Other entities of central government not reported in item 1 above	310	59	369
5. Other entities of local governments not reported in item 2 above	164	0	164
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,227	0	1,227
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank			
Mainland China exposures	1,004	18	1,022
Total	<u>3,583</u>	<u>124</u>	<u>3,707</u>
Total assets after provision	13,715		
On-balance sheet exposures as percentage of total assets	26.13%		

	On-balance	Off-balance	
Types of counterparties	sheet exposure	sheet exposure	Total
	HK\$ million	HK\$ million	HK\$ million
As at 30 June 2019			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	331	34	365
2. Local governments, local government-owned entities and their subsidiaries and JVs	233	0	233
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	435	0	435
4. Other entities of central government not reported in item 1 above	203	218	421
5. Other entities of local governments not reported in item 2 above	72	0	72
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,526	0	1,526
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	860	82	942
Total	3,660	334	3,994
Total assets after provision	17,229		
On-balance sheet exposures as percentage of total assets	21.24%		

**d. International claims**

International claims include the following types of financial claims: receivables and loans and advances, cash and balances and placements with banks (including loans and advances to banks), holdings of certificates of deposit, bills, promissory notes, commercial paper, other debt instruments and investments and accrued interest and overdue interest on all above assets.

The analysis of international claims by geographical segments in accordance with the location and the types of counterparties which constitutes not less than 10% of total international claims after taking into account any recognized risk transfer is as follow:

		Non-bank private sector					
		Non-Bank					
		Official	financial	Non-financial			
<u>Equivalent in millions of HK\$</u>		Banks	Sector	institutions	private sector	Others	Total
<b>As at 31 December 2019</b>							
1.	Developed countries	980	116	39	413	0	1548
	of which – United States	112	116	0	39	0	267
	of which – United Kingdom	77	0	0	0	0	77
	of which – Japan	156	0	0	0	0	156
2.	Offshore centres	117	0	0	298	0	415
	of which - Hong Kong	117	0	0	298	0	415
3.	Developing Europe	0	0	0	0	0	0
4.	Developing Latin America and Caribbean	0	0	0	0	0	0
5.	Developing Africa and Middle East	241	0	0	60	0	301
6.	Developing Asia-Pacific	5,971	55	117	2,497	0	8,640
	of which - China	720	0	117	2,056	0	2,893
	of which - Taiwan	4,659	0	0	2	0	4,661

<u>Non-bank private sector</u>						
Non-Bank						
		Official	financial	Non-financial		
<u>Equivalent in millions of HK\$</u>	Banks	Sector	institutions	private sector	Others	Total
<b>As a 30 June 2019</b>						
1. Developed countries	1,053	116	0	420	0	1,589
of which – United States	183	116	0	39	0	338
of which – United Kingdom	121	0	0	0	0	121
of which – Japan	156	0	0	0	0	156
2. Offshore centres	274	0	0	345	0	619
of which - Hong Kong	118	0	0	275	0	393
3. Developing Europe	0	0	0	0	0	0
4. Developing Latin America and Caribbean	0	0	0	0	0	0
5. Developing Africa and Middle East	243	0	0	63	0	306
6. Developing Asia-Pacific	8,773	0	0	2,772	0	11,545
of which - China	1,013	0	0	2,235	0	3,248
of which - Taiwan	7,030	0	0	2	0	7,032



## 6 Currency risk

The currency risk which arise from operations for the net position (in absolute terms) in a particular currency which constitutes not less than 10% of the total net position in all foreign currencies is as follow:

<u>Equivalent in millions of HK\$</u>	USD	AUD	CNY	Others	Total
<b>As at 31 December 2019</b>					
Spot assets	9,839	407	456	288	10,990
Spot liabilities	9,839	407	458	286	10,990
Forward purchase	0	0	0	0	0
Forward sales	0	0	0	0	0
Net option position	0	0	0	0	0
Net long/(short) position	0	0	(2)	2	0

<u>Equivalent in millions of HK\$</u>	USD	AUD	CNY	Others	Total
<b>As at 30 June 2019</b>					
Spot assets	13,124	407	719	439	14,689
Spot liabilities	13,110	407	719	443	14,679
Forward purchase	0	0	0	0	0
Forward sales	0	0	0	0	0
Net option position	0	0	0	0	0
Net long/(short) position	14	0	0	(4)	10

There was no structural position as at 31 December 2019 and 30 June 2019.

## 7 Liquidity risk management

### Average liquidity maintenance ratio

	For the quarter ended 31/12/2019	For the quarter ended 31/12/2018
Average liquidity maintenance ratio for the period	75.94%	44.29%

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average liquidity maintenance ratio for the relevant period as calculated in accordance with Section 103B of Banking (Disclosure) Rules.

**(a) Governance of liquidity risk management**

The branch manages our liquidity risk in accordance with the Liquidity Risk Management Policy, which is set by Liquidity Risk Management Committee in Hong Kong branch and approved by our Head Office's Assets and Liabilities Committee. The Policy provides a set of principles for the prudent management of liquidity in the normal course of business. The primary measures used to manage liquidity within the tolerance are the stress-testing and scenario analysis, liquidity maintenance ratio, loan-to-deposit and cash flow maturity mismatch analysis.

Liquidity Risk Management Committee is responsible for the liquidity risk management in our branch. Chief Executive is the chairman of the Committee. The members include the head and staff of treasury department, risk management department and accounting department. Chief Executive could also invite other department heads or staff to attend the Committee meeting in need. The regular Committee meeting will be convened monthly or on a need basis. The branch regularly prepares various liquidity risk measurement indicators and limits, and reports to the Liquidity Risk Management Committee. Then, the Committee will report to the senior management of the Head Office to let the high-level management understands the branch's funding liquidity.

**(b) Funding strategy**

The liquidity risk management of the branch adopts the principle of conservative and stable, forecasts the cash flow at different time points to diversify the source and duration of funds, and adjusts the liquidity gap for daily cash flow and market changes.

1. Source of funds: Based on the principle of diversification, stability and reliability.
2. Use of funds: The principle of decentralization and avoiding excessive concentration.
3. Management strategy: Based on the principle of conservative estimation, and strengthen the interactive management of foreign currency funds.

**(c) Liquidity risk mitigation techniques**

In order to maintain a stable liquidity ratio, the branch establishes several measures to reduce the liquidity risk when branch's capital is needed in emergency.

The measures are included by following:

1. Intra Day Repo
2. Sale of debt securities
3. Funding from Head Office
4. Funding from other banks
5. Reduction of inter-bank lending activities



#### (d) Liquidity stress tests

Stress tests should be performed quarterly for all currencies in aggregate and separately for positions in HKD, USD, CNY that we have significant positions in order to maintain appropriate individual currency funding in needs. The liquidity stress test is carried out by the Risk Management Department. There are 3 scenarios for stress testing. They are institution-specific stress scenario, general market stress scenario, and combination of both situations. Each scenario would perform cash-flow analysis for within 7 days or within 30 days. The stress result is used to analyzing exposure level and risk tolerance in such scenarios. The Risk Management Department also should review the assumptions and results of the stress testing periodically, as well as to adjust the different assumptions to ensure those assumptions for stress testing which are the most suitable for our branch.

#### (e) Liquidity buffers and contingency funding plan

Our policy set a higher internal limit of liquidity maintenance ratio than the statutory minimum to maintain adequate liquidity in response possible situation. In addition, the branch establishes a contingency funding plan that details the emergency measures which should be taken actions while a liquidity crisis occurs. The Liquidity Risk Management Committee shall formulate measures to address the emergency situation and report to the Head Office regarding the follow-up actions and results.

#### (f) Measure indicators of liquidity risk

The branch sets up a series of limits indicators, including liquidity maintenance ratio, maturity mismatch limits, loan to deposit ratio, loss of deposit and group liquidity limits, in order to monitoring impact on liquidity risk.

Limits indicators		Limit
Liquidity maintenance ratio		≥35%
Maturity mismatch limits	Within 1 month	-20%
Loan to deposit ratio	Overall	200%

#### (g) Concentration limits on collateral pools and sources of funding

The branch holds HKD 155 million qualified bonds as collateral for Intra Day Repo Facility. The major sources of funding for the branch are the funding raised from Head Office and inter-banks. The group has established concentration limit of funding sources taking into account the respective risk profiles of the bank. Intra-group funding and funding from the largest funding provider are restricted to be not more than 35% of the total funding sources to reduce reliance on a single source of funding. The composition of the major funding sources as at 31 Dec 2019 is shown below:



(HK\$'000)

Significant funding instruments	Total amount	As % of total liabilities	Breakdown of total amount by remaining term to maturity				
			Up to 1 month	2 – 3 months	4-6months	7-12 months	Exceed 12 months
Deposits from retail customers	3,072,226	22.40%	1,545,249	474,716	496,077	556,184	0
Deposits from other non-bank customers	4,555,605	33.22%	2,855,468	725,755	259,404	714,978	0
Funding raised from banks	5,438,888	39.66%	632,581	2,002,699	2,803,608	0	0

**(h) Liquidity exposures and funding**

Liquidity maintenance ratio (LMR) is the regulatory indicator for liquidity exposure of the branch. The LMR is computed by its own liquefiable assets and qualifying liabilities. The information on LMR as at 31 Dec 2019 and 31 Dec 2018 is shown below:

(HK\$'000)

	31 Dec 2019	31 Dec 2018
	Weighted amount	Weighted amount
Liquefiable assets	3,608,426	3,350,577
Qualifying liabilities (after deductions)	4,351,547	4,887,693
Liquidity Maintenance Ratio (month-end) (%)	82.92%	68.55%

**(i) On- and off-balance sheet items as of 31 December 2019 for the Branch are listed as below:**

On-balance sheet liabilities

(HK\$'000)

	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items					
		Up to 1 month	Exceed 1 month, up to 3 months	Exceed 3 months, up to 6 months	Exceed 6 months, up to 12 months	Exceed 12 months	No maturity date
Deposits from non-bank customers	7,671,809	4,413,169	1,216,551	763,680	1,278,409	0	0
Due to bank	5,446,710	633,056	2,006,116	2,807,538	0	0	0
Other liabilities	279,519	10,590	6,889	109	0	761	261,170
Capital and reserves	317,311	0	0	0	0	0	317,311
Total	13,715,349	5,056,815	3,229,556	3,571,327	1,278,409	761	578,481



Off-balance sheet obligations

Irrevocable loan commitments or facilities granted	158,307	158,307	0	0	0	0	0
Others	57,853	2,455	22,494	7,975	24,929	0	0
Total	216,160	160,762	22,494	7,975	24,929	0	0

On-balance sheet assets

(HK\$'000)

	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items					
		Up to 1 month	Exceed 1 month, up to 3 months	Exceed 3 months, up to 6 months	Exceed 6 months, up to 12 months	Exceed 12 months	No maturity date
Currency notes and coins	5,990	5,990	0	0	0	0	0
Due from MA for a/c of Exchange Fund	33,725	33,725	0	0	0	0	0
Due from banks	5,368,092	3,004,881	2,223,444	83,768	55,999	0	0
Debt securities, prescribed instruments and structured financial instruments held (net of short positions)	2,261,087	1,079,660	0	148,307	85,778	947,342	0
Acceptances and bills of exchange held	3,518	3,518	0	0	0	0	0
Loans and advances to non-bank customers	6,084,612	202,599	233,516	503,031	875,292	4,270,174	0
Other assets	51,712	8,742	6,922	1,779	169	8,178	25,922
Total	13,808,736	4,339,115	2,463,882	736,885	1,017,238	5,225,694	25,922

Off-balance sheet claims

Contractual Maturity Mismatch		-878,462	-788,168	-2,842,417	-286,100	5,224,933	
Cumulative Contractual Maturity Mismatch		-878,462	-1666,630	-4,509,047	-4,795,147	429,786	

**8 Remuneration disclosure**

In respect to the disclosure requirement under the Hong Kong Monetary Authority's Supervisory Policy Manual (CG-5) - Guideline on a Sound Remuneration System, Chang Hwa Commercial Bank, Ltd. has disclosed the relevant information under the part of Corporate Governance Report of annual report 2019.



## Section B. Bank Information (Consolidated Basis)

### 1 Financial information

	As at	
	31 December 2019	30 June 2019
	NTD,000	NTD,000
Total Assets	2,135,643,203	2,124,170,452
Total Liabilities	1,973,406,008	1,965,899,309
Total Advances	1,427,350,947	1,383,680,944
Total Customers Deposits	1,765,948,203	1,700,423,094

	For the year ended	
	31 December 2019	31 December 2018
	NTD,000	NTD,000
Pre-tax profit/(loss)	13,520,292	14,710,084

### 2 Capital and capital adequacy ratio

	As at	
	31 December 2019	30 June 2019
Capital adequacy ratio	14.71%	14.64%

The capital adequacy ratio is calculated in accordance with “Guideline of managing Capital adequacy ratio” issued by Financial Supervisory Commission Republic of China (Taiwan). The guideline closely follows the prevailing banking supervisory standards relating to capital adequacy issued by the Basel Committee.

### 3 Total amount of shareholders’ funds

	As at	
	31 December 2019	30 June 2019
	NTD,000	NTD,000
Shareholders’ funds	162,237,195	158,271,143





彰化銀行

彰化商業銀行股份有限公司香港分行  
CHANG HWA COMMERCIAL BANK, LTD. HONG KONG BRANCH  
於臺灣(中華民國)註冊成立的股份有限公司  
Incorporated in Taiwan (Republic of China) with limited liability

## Declaration of Compliance

We enclose herewith the Financial Information Disclosure Statement for the year ended 31 December 2019. We confirm that the information contained in the disclosure statement complies fully with the Banking (Disclosure) Rules and the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" for authorized institutions incorporated outside Hong Kong which issued by Hong Kong Monetary Authority and to the best of our knowledge and belief, is not false or misleading in any material respect.

For and on behalf of

Chang Hwa Commercial Bank, Ltd.

Hong Kong Branch

Yu Chien Mei

Chief Executive

7 April 2020