



玉山銀行
E.SUN BANK

Hong Kong Branch (INCORPORATED IN TAIWAN, WITH LIMITED LIABILITY)
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E.SUN COMMERCIAL BANK, LIMITED
HONG KONG BRANCH

Key Financial Information Disclosure Statement
For The Half Year Ended 30 June 2016

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH

Key Financial Information Disclosure Statement For The Half Year Ended 30 June 2016

<u>CONTENTS</u>	<u>PAGE(S)</u>
SECTION A - INFORMATION OF THE BRANCH (HONG KONG BRANCH ONLY)	
I. PROFIT AND LOSS INFORMATION	1
II. BALANCE SHEET INFORMATION	2
III. ADDITIONAL BALANCE SHEET INFORMATION	3-4
IV. OFF-BALANCE SHEET INFORMATION	5
V. OTHER FINANCIAL INFORMATION	6-9
VI. LIQUIDITY RATIO	9
VII. DISCLOSURE ON REMUNERATION OF SENIOR MANAGEMENT	9
SECTION B - INFORMATION OF THE BANK (CONSOLIDATED BASIS)	
I. CAPITAL AND CAPITAL ADEQUACY RATIO	10
II. OTHER FINANCIAL INFORMATION	10
DECLARATION	11

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH**SECTION A - INFORMATION OF THE BRANCH (HONG KONG BRANCH ONLY)****I. PROFIT AND LOSS INFORMATION
FOR THE HALF YEAR ENDED 30 June 2016****HK\$'000**

	For The Half Year Ended	
	<u>30 June 2016</u>	<u>30 June 2015</u>
Interest Income	171,042	136,092
Interest Expense	<u>(48,958)</u>	<u>(51,164)</u>
Net Interest Income	<u>122,084</u>	<u>84,928</u>
Other Operating Income		
Gains less losses arising from trading in foreign currencies	9,314	32,079
Gains less losses on securities held for trading purposes	5,708	313
Gains less losses from other trading activities	(42)	147
Income from fees and commissions	50,540	37,268
Fees and commission expenses	<u>(1,594)</u>	<u>(1,013)</u>
Net fees and commission income	<u>48,946</u>	<u>36,255</u>
Others	<u>2</u>	<u>-</u>
TOTAL INCOME	<u>186,012</u>	<u>153,722</u>
OPERATING EXPENSES		
Staff and rental expenses	(33,200)	(29,932)
Other expenses	(7,167)	(7,862)
Net charges for other provisions	<u>(15,189)</u>	<u>-</u>
	<u>(55,556)</u>	<u>(37,794)</u>
NET (CHARGE) / CREDIT FOR DEBT PROVISION	(14,433)	3,867
TANGIBLE FIXED ASSETS WRITTEN OFF	-	-
PROFIT BEFORE TAXATION	<u>116,023</u>	<u>119,795</u>
TAXATION CHARGE	(20,100)	(21,498)
PROFIT AFTER TAXATION	<u>95,923</u>	<u>98,297</u>

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH

II. BALANCE SHEET INFORMATION

AS AT 30 June 2016

HK\$'000

	<u>30 June 2016</u>	<u>31 December 2015</u>
ASSETS		
Cash and short term funds (Except those included in amount due from overseas offices)	1,098,253	1,445,520
Placement with banks and other financial institutions maturing between one and twelve months (Except those included in amount due from overseas offices)	-	-
Amount due from overseas offices	2,715,755	3,720,864
Account receivable under reverse repos	163,331	211,285
Trade bills	53,655	9,169
Held-to-Maturity Securities	522,561	566,511
Available-For-Sale Securities	4,806,003	3,899,307
Advances and other accounts (Net of provisions)	8,769,386	8,209,551
Tangible fixed assets	5,831	6,849
Total Assets	<u><u>18,134,775</u></u>	<u><u>18,069,056</u></u>
LIABILITIES		
Deposits and balances of banks and other financial institutions (Except those included in amount due to overseas offices)	2,150	435,311
Current, fixed, savings and other deposits from customers		
Demand deposits and current accounts	77,207	70,128
Savings deposits	8,310,230	7,399,426
Time deposits	7,206,707	5,879,232
Amount due to overseas offices	754,963	2,254,542
Other accounts	1,042,222	1,264,073
Total liabilities	<u><u>17,393,479</u></u>	<u><u>17,302,712</u></u>
Reserves and current profit	741,296	766,344
Total Equity And Liabilities	<u><u>18,134,775</u></u>	<u><u>18,069,056</u></u>

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH

III. ADDITIONAL BALANCE SHEET INFORMATION

HKS'000

ADVANCES AND OTHER ACCOUNTS	<u>30 June 2016</u>	<u>31 December 2015</u>
A.		
Advances to customers	8,064,228	6,920,855
Advances to banks and other financial institutions	77,593	-
Accrued interest and other accounts		
-Accrued interest	43,322	45,354
-Other accounts	687,303	1,312,939
Total	<u>8,872,446</u>	<u>8,279,148</u>
Less: Provisions against advances and other accounts		
General provisions	82,271	69,597
Specific provisions	20,789	-
Total	<u>103,060</u>	<u>69,597</u>
Total advances and other accounts less provisions	<u>8,769,386</u>	<u>8,209,551</u>

B.		
Details of the non-performing advances to customers (advances on which interest is being placed in suspense or has ceased to be accrued)		
	<u>30 June 2016</u>	<u>31 December 2015</u>
Gross advances to customers	-	-
Specific provisions	-	-
Total	<u>-</u>	<u>-</u>
Suspended interest	-	-
Value of collateral	-	-
Percentage of such advances to total gross advances to customers	<u>0.00%</u>	<u>0.00%</u>

ADVANCES AND OTHER ACCOUNTS - continued

C.

Overdue and rescheduled loans and advances to customers

	<u>30 June 2016</u>		<u>31 December 2015</u>	
	Amount	% of Total Loans	Amount	% of Total Loans
a. Advances to customers overdue for				
more than 3 months and up to 6 months	4,462	0.06	-	-
more than 6 months and up to 1 year	-	-	-	-
more than 1 year	-	-	-	-
	<u>4,462</u>	<u>0.06</u>	<u>-</u>	<u>-</u>
b. Rescheduled advances to customers (Net of those overdue advances disclosed above)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
c. Disclosure of value of collateral held against a. & b.				
current market value of collateral held	-		-	
covered portion of overdue loans and advances	-		-	
uncovered portion of overdue loans and advances	4,462		-	

There were no overdue and rescheduled advances to banks and other financial institutions as at 30 June 2016 and 31 December 2015.

D.

Reconciliation for advances to customers
between overdue advances and non-performing advances

	<u>30 June 2016</u>	<u>31 December 2015</u>
	Amount	Amount
Advances to customer overdue for more than 3 months	4,462	-
Less: Overdue loans for more than 3 months and on which interest is still being accrued	4,462	-
Add: Overdue loans for 3 months or less and on which interest is being placed in suspense or interest accrual ceased	-	-
Total non-performing advances	<u>-</u>	<u>-</u>

E.

Reposessed assets

There were no reposessed assets held as at 30 June 2016 and 31 December 2015.

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH

IV. OFF-BALANCE SHEET INFORMATION

HKD'000

CONTINGENT LIABILITIES AND COMMITMENTS

The following is a summary of the contract amounts of each significant class of contingent liabilities and commitments:

	<u>30 June 2016</u>	<u>31 December 2015</u>
Direct credit substitutes	19,786	-
Transaction-related contingent items	285	1,391
Trade-related contingent items	117,543	112,980
Other commitments	6,188,738	5,472,369
Others	-	-
	<u>6,326,352</u>	<u>5,586,740</u>
Derivatives		
-Exchange rate contracts	31,391,497	47,113,129
-Interest rate contracts	5,432	5,426
	<u>31,396,929</u>	<u>47,118,555</u>
Replacement Costs of Derivatives (of the above derivatives)		
-Exchange rate contracts	796,473	834,826
-Interest rate contracts	176	-
	<u>796,649</u>	<u>834,826</u>

For contingent liabilities and commitments, the contract 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.

1 GROSS ADVANCES TO CUSTOMERS ANALYSED AND REPORTED BY INDUSTRY SECTOR

	<u>30 June 2016</u>		<u>31 December 2015</u>	
	Outstanding Amount	Balance covered by collateral	Outstanding Amount	Balance covered by collateral
A. Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	490,635	-	490,635	-
- Property investment	124,200	124,200	-	-
- Financial concerns	541,518	117,133	455,252	-
- Stockbrokers	219,050	-	206,710	-
- Wholesale and retail trade	175,785	33,592	170,881	64,072
- Manufacturing	1,235,568	352,655	569,771	128,637
- Transport and transport equipment	50,797	-	24,000	-
- Others	235,635	45,714	185,963	39,297
Individuals				
- Others	74,394	24,131	10,076	-
B. Trade finance	5,347	-	13,698	-
C. Loan for use outside Hong Kong	4,911,299	250,478	4,793,869	220,604
Total	<u>8,064,228</u>	<u>947,903</u>	<u>6,920,855</u>	<u>452,610</u>

2 A. GROSS ADVANCES TO CUSTOMERS ANALYSED AND REPORTED BY COUNTRIES OR GEOGRAPHICAL AREAS

	<u>30 June 2016</u>	<u>31 December 2015</u>
-Hong Kong	3,507,619	3,328,600
-United States	1,542,679	1,022,938
-Others	3,013,930	2,569,317
	<u>8,064,228</u>	<u>6,920,855</u>

B. OVERDUE AND NON-PERFORMING LOANS ANALYSED AND REPORTED BY COUNTRY GEOGRAPHICAL AREAS

	<u>30 June 2016</u>	<u>31 December 2015</u>
-Hong Kong	-	-
-Others	4,462	-
	<u>4,462</u>	<u>-</u>

The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority. Only exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross amount of advances to customer as at the above respective reporting dates are disclosed.

3 INTERNATIONAL CLAIMS

The following tables analyze international claims by types of counterparties and are prepared in accordance with the completion instruction of the HKMA Return "Return of International Banking Statistics". Country or geographical classification is based upon the locations of counterparties after taking into account the transfer of country risk. Countries or geographical areas constituting 10% or more of the total international claims are disclosed.

As at 30 June 2016	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	2,777	441	1,954	944	-	6,116
of which:- United States	344	441	1,238	922	-	2,945
2. Offshore centres	382	-	548	2,232	-	3,162
of which:- Hong Kong	277	-	495	959	-	1,731
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	244	-	244
5. Developing Africa and Middle East	2	-	-	171	-	173
6. Developing Asia-Pacific	4,328	293	849	824	-	6,294
of which:- China	580	215	771	306	-	1,872
Taiwan	3,648	-	78	343	-	4,069
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-

As at 31 December 2015	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	2,627	444	1,239	856	-	5,166
of which:- United States	712	444	1,068	684	-	2,908
2. Offshore centres	306	-	519	1,477	-	2,302
of which:- Hong Kong	228	-	500	690	-	1,418
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	160	-	160
5. Developing Africa and Middle East	3	-	-	120	-	123
6. Developing Asia-Pacific	5,810	274	803	618	-	7,505
of which:- China	800	274	803	135	-	2,012
Taiwan	4,873	-	-	389	-	5,262
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-

4 NON-BANK MAINLAND CHINA EXPOSURE

<u>As at 30 June 2016</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total Exposure</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	773	-	773
2. Local governments, local government-owned entities and their subsidiaries and JVs	190	-	190
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,543	229	1,772
4. Other entities of central government not reported in item 1 above	383	-	383
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,855	1,339	3,194
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	154	96	250
Total	<u>4,898</u>	<u>1,664</u>	<u>6,562</u>
Total assets after provision	<u>18,135</u>		
On-balance sheet exposures as percentage of total assets	<u>27.01%</u>		
<u>As at 31 December 2015</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	775	-	775
2. Local governments, local government-owned entities and their subsidiaries and JVs	190	-	190
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,408	352	1,760
4. Other entities of central government not reported in item 1 above	390	-	390
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,982	1,708	3,690
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	175	232	407
Total	<u>4,920</u>	<u>2,292</u>	<u>7,212</u>
Total assets after provision	<u>18,069</u>		
On-balance sheet exposures as percentage of total assets	<u>27.23%</u>		

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH

V. OTHER FINANCIAL INFORMATION - continued

HK\$Million

5 FOREIGN CURRENCY POSITION

The foreign currency exposures are prepared in accordance with the completion instruction of the HKMA Return "Foreign Currency Position". The net position (regardless of sign) for each foreign currency which constitutes 10% or more of the total net position in all foreign currencies are disclosed.

<u>As at 30 June 2016</u>	<u>USD</u>	<u>GBP</u>	<u>CNY</u>	<u>CAD</u>	<u>NZD</u>	<u>OTHER</u>	<u>TOTAL</u>
Spot assets	13,350	35	928	110	7	1,390	15,820
Spot liabilities	(13,362)	(38)	(1,549)	(35)	(54)	(1,072)	(16,110)
Forward purchases	2,004	209	1,230	-	44	511	3,998
Forward sales	(1,934)	(209)	(605)	(77)	-	(864)	(3,689)
Net option position	(43)	-	9	-	-	34	-
Net long (short) position	<u>15</u>	<u>(3)</u>	<u>13</u>	<u>(2)</u>	<u>(3)</u>	<u>(1)</u>	<u>19</u>

<u>As at 31 December 2015</u>	<u>USD</u>	<u>GBP</u>	<u>CNY</u>	<u>CAD</u>	<u>NZD</u>	<u>OTHER</u>	<u>TOTAL</u>
Spot assets	13,059	33	1,251	23	5	1,211	15,582
Spot Liabilities	(12,936)	(32)	(1,743)	(25)	(50)	(1,212)	(15,998)
Forward purchases	2,707	-	661	-	43	1,234	4,645
Forward sales	(1,920)	-	(169)	-	-	(2,017)	(4,106)
Net option position	(770)	-	-	-	-	770	-
Net long (short) position	<u>140</u>	<u>1</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>	<u>(14)</u>	<u>123</u>

There were no foreign currency structural positions as at 30 June 2016 and 31 December 2015.

VI. LIQUIDITY RATIO

	For The Half Year Ended	
	<u>30 June 2016</u>	<u>30 June 2015</u>
	%	%
Average liquidity maintenance ratio for the period	<u>41.75%</u>	<u>38.68%</u>

Liquidity Maintenance Ratio ("LMR") is complied in accordance with the Banking (Liquidity) Rules issued by the HKMA. The average ratio is calculated based on the arithmetic mean of the average value of its liquidity position return for each month during the reporting period.

Hong Kong Branch has also set Liquidity Risk Management Policy Statement, Strategy and System which are regulated under E.Sun Commercial Bank "Hong Kong Branch Liquidity Management Policy and Procedure".

VII. DISCLOSURE ON REMUNERATION OF SENIOR MANAGEMENT

In accordance with the disclosure requirement under the HKMA's Supervisory Policy Manual "Guideline on a Sound Remuneration System", please refer to annual report of the Bank.

E.SUN COMMERCIAL BANK, LIMITED - HONG KONG BRANCH

SECTION B. - INFORMATION OF THE BANK (CONSOLIDATED BASIS)

E. Sun Commercial Bank Limited

I. CAPITAL AND CAPITAL ADEQUACY RATIO

	<u>30 June 2016</u> %	<u>31 December 2015</u> %
A. Capital adequacy ratio	<u>14.54%</u>	<u>13.33%</u>
	NTD'000	NTD'000
B. Aggregate amount of shareholders' funds	<u>122,079,215</u>	<u>118,258,346</u>

The capital adequacy ratio is computed in accordance with the "Regulations Governing the Capital Adequacy Ratio of Banks" and "Explanation of Methods for Calculating the Eligible Capital and Risk - Weighted Assets of Banks" in Taiwan after taken into account for credit risk, market risk and operational risk.

II. OTHER FINANCIAL INFORMATION

NTD'000

	<u>30 June 2016</u>	<u>31 December 2015</u>
Total Assets	<u>1,829,914,867</u>	<u>1,760,630,335</u>
Total Liabilities	<u>1,707,835,652</u>	<u>1,642,371,989</u>
Total Advances	<u>1,038,718,561</u>	<u>1,021,994,720</u>
Total Customer Deposits	<u>1,503,073,345</u>	<u>1,458,060,002</u>
For The Half Year ended	<u>30 June 2016</u>	<u>30 June 2015</u>
Profit/(Loss) before taxation	<u>8,627,641</u>	<u>7,702,507</u>

Our financial Statements together with the comparative figures have been prepared in accordance with the IFRS, IAS, IFRIC and SIC translated by the Accounting Research Development Foundation (ARDF) and issued by the Financial Supervisory Commission (FSC). For details, please refer to annual report of The Bank.

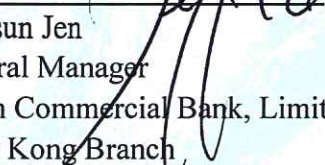


玉山銀行
E.SUN BANK

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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 E.Sun Commercial Bank, Limited, Hong Kong Branch for The Half Year ended 30 June 2016. We confirmed that the information contained therein complies, in all material aspects, with the relevant requirements for financial disclosure by overseas incorporated authorized institutions as set out in the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued in August 2015, and to the best of my knowledge and belief, it is not false or misleading.



Ke Tsun Jen
General Manager
E.Sun Commercial Bank, Limited
Hong Kong Branch

28 SEP 2016

Date