



**兆豐國際商業銀行** 香港分行  
Mega International Commercial Bank Hong Kong Branch  
(Incorporated in Taiwan with limited liability)

香港九龍尖沙咀廣東道21號  
海港城港威大廈英國保誠保險大樓  
22樓2201室  
Suite 2201, 22/F, Prudential Tower  
The Gateway, Harbour City, 21 Canton Road  
Tsimshatsui, Kowloon, Hong Kong  
Tel: (852) 2525 9687  
Fax: (852) 2525 9014  
SWIFT: ICBCHKHH

## **MEGA INTERNATIONAL COMMERCIAL BANK CO., LIMITED**

### **HONG KONG BRANCH**

#### **Financial Information Disclosure Statements**

**For the year ended 31 December 2021**

## **CONTENT**

	<b>PAGE</b>
<b>SECTION A- INFORMATION OF THE BRANCH ( HONG KONG BRANCH ONLY)</b>	
I. <b>INCOME STATEMENT INFORMATION</b>	<b>3</b>
II. <b>BALANCE SHEET INFORMATION</b>	<b>4</b>
III. <b>ADDITIONAL BALANCE SHEET INFORMATION</b>	<b>5</b>
A)Loans and other assets	5
B)Provisions and other liabilities	5
C)Off-balances sheet and derivative risk exposure information	5
D)International claims	6
E)Sector information	7
F)Impaired, overdue and rescheduled loans	8
G)Mainland activities	8
H)Currency risk	9
IV. <b>LIQUIDITY INFORMATION DISCLOSURES</b>	<b>10</b>
V. <b>REMUNERATION DISCLOSURE</b>	<b>10</b>
 <b>SECTION B - INFORMATION OF THE BANK ( CONSOLIDATED BANKS)</b>	
I. <b>CAPITAL AND CAPITAL ADEQUACY</b>	<b>11</b>
II. <b>OTHER FINANCIAL INFORMATION</b>	<b>11</b>
 <b>SECTION C- DECLARATION</b>	<b>11</b>

## **SECTION A - INFORMATION OF THE BRANCH ( HONG KONG BRANCH ONLY )**

### **I. INCOME STATEMENT INFORMATION**

	HK Dollars Thousand	
	<u>31/12/2021</u>	<u>31/12/2020</u>
<b>Incomes</b>		
Net interest income		
Interest income	338,559	526,780
Interest expenses	(92,763)	(242,675)
	<u>245,796</u>	<u>284,105</u>
Other operating income/(expenses)		
Gains less losses arising from non-trading activities in foreign currencies	10,073	7,776
Gains less losses arising from trading in other derivatives	2,268	1,015
	<u>12,341</u>	<u>8,791</u>
Net fees and commission income / (expenses)		
Gross fees and commission income	28,003	28,656
Gross fees and commission expenses	(2,881)	(2,364)
	<u>25,122</u>	<u>26,292</u>
Other income	134	341
<b>Total income</b>	<b><u>283,393</u></b>	<b><u>319,529</u></b>
<b>Expenses and other charges</b>		
Staff and rental expenses	(56,030)	(60,422)
Other expenses	(12,722)	(23,301)
Net (charge)/ credit for debt provision	15,655	(17,295)
Net (charge)/ credit for other provisions	4,811	7,569
<b>Total expenses and other charges</b>	<b><u>(48,286)</u></b>	<b><u>(93,449)</u></b>
<b>Profit before taxation</b>	<b><u>235,107</u></b>	<b><u>226,080</u></b>
Tax expenses	(35,972)	(32,186)
<b>Profit after taxation</b>	<b><u>199,135</u></b>	<b><u>193,894</u></b>

## II. BALANCE SHEET INFORMATION

HK Dollars Thousand  
31/12/2021      30/6/2021

### Assets

Cash and balances with banks (except those included in amount due from overseas offices)	9,511,829	5,866,775
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices )	3,085,740	4,885,766
Amount due from overseas offices	1,484,499	290,408
Certificates of deposit held	2,013,421	2,348,149
Loans and other assets	9,108,122	9,011,141
Investment securities	11,225,866	10,820,674
Tangible fixed assets	<u>1,190</u>	<u>1,663</u>
Total assets	<u><b>36,430,667</b></u>	<u><b>33,224,576</b></u>

### Liabilities

Deposits and balances from banks (except those included in amount due to overseas offices)	1,968,412	2,834,532
Deposits from customers:		
Demand deposits and current accounts	154,562	137,416
Savings deposits	20,538,810	13,425,543
Time, call and notice deposits	12,648,036	16,270,636
Amount due to overseas offices	140,030	42,537
Provisions and other liabilities	<u>788,514</u>	<u>412,188</u>
Total liabilities	36,238,364	33,122,852
Reserves and current profit/(loss)	<u>192,303</u>	<u>101,724</u>
Total equity and liabilities	<u><b>36,430,667</b></u>	<u><b>33,224,576</b></u>

### III. ADDITIONAL BALANCE SHEET INFORMATION

HK Dollars Thousand  
31/12/2021      30/6/2021

#### A) Loans and other assets

Loans and advances to customers	8,398,180	8,668,410
Accrued interest and other assets	709,942	342,731
Total	<u><u>9,108,122</u></u>	<u><u>9,011,141</u></u>

Note:

The Branch does not have loans and advances to banks.

#### B) Provisions and other liabilities

Provisions	102,172	108,431
Other liabilities	686,342	303,757
Total	<u><u>788,514</u></u>	<u><u>412,188</u></u>

Provision against loans and advances:

Advances to customers :

General provision	85,117	88,170
Specific provision	5,555	6,264
Country risk	6,010	8,104

Accrued Interest :

General provision	48	61
Specific provision	-	-
Country risk	5	6

Provisions against value of other claims and investments:

General provision	5,437	5,826
Specific provision	-	-
Country risk	-	-

Total Provisions	<u><u>102,172</u></u>	<u><u>108,431</u></u>
------------------	-----------------------	-----------------------

#### C) Off-balances sheet and derivative transactions exposures

Contractual or notional amounts of off-balance sheet exposures outstanding:

Direct credit substitutes	-	41,400
Transaction-related contingencies	10,080	100
Trade-related contingencies	50,680	6,177
Other commitments	1,972,600	1,933,811
	<u>2,033,360</u>	<u>1,981,488</u>

Contractual or notional amounts of derivative transactions exposures outstanding:

Exchange rate contracts	2,452,977	1,655,982
-------------------------	-----------	-----------

Total	<u><u>4,486,337</u></u>	<u><u>3,637,470</u></u>
-------	-------------------------	-------------------------

Replacement cost for:

Exchange rate contracts:

Positive fair value	666	246
Negative fair value	(550)	(243)

Notes:

For contingent liabilities and commitments, the contract amount represents the amount at risk should the contract be drawn upon and the client defaults. The total contract amount is not representative of future liquidity requirements.

For derivatives, the notional amounts indicate the nominal value of transactions outstanding at the reporting date, they do not represent amounts at risk.

In deriving the derivatives' replacement costs, no effect of bilateral netting arrangements has been taken into account.

## D) International claims

The international claims by geographical segments are classified in accordance with the location and the types of counterparties. Countries or geographical segment are disclosed in gross amount after taking into account the effect of any recognized risk transfer. A major country or geographical segment constitutes 10% or more of the total international claims are disclosed respectively. The information of international claims are determined based on the guidance specified in the completion instruction of "Return of International Banking Statistics".

### HK Dollars Million

31/12/2021

		Non-bank private Sector				<u>Others</u>	<u>Total</u>
		Official	on-bank	financial	Non-financial		
	<u>Banks</u>	<u>sector</u>	<u>institutions</u>	<u>private sector</u>			
1	Developed countries	7,289	-	-	843	-	8,132
2	Offshore centers	1,434	172	54	7,444	-	9,104
	<i>of which Hong Kong</i>	1,434	158	54	5,291	-	6,937
3	Developing Europe	-	-	-	-	-	-
4	Developing Latin America and Caribbean	-	-	-	-	-	-
5	Developing Africa and Middle East	1,017	1,005	-	780	-	2,802
6	Developing Asia Pacific	14,656	-	98	1,607	-	16,361
	<i>of which Taiwan</i>	5,571	-	-	96	-	5,667
	<i>of which China</i>	3,767	-	-	814	-	4,581
7	International organizations	-	-	-	-	-	-
8	Unallocated by country	-	-	-	-	-	-

### HK Dollars Million

30/6/2021

		Non-bank private Sector				<u>Others</u>	<u>Total</u>
		Official	on-bank	financial	Non-financial		
	<u>Banks</u>	<u>sector</u>	<u>institutions</u>	<u>private sector</u>			
1	Developed countries	2,975	-	-	917	-	3,892
2	Offshore centers	1,826	34	55	7,570	-	9,485
	<i>of which Hong Kong</i>	1,352	34	55	5,141	-	6,582
3	Developing Europe	-	-	-	-	-	-
4	Developing Latin America and Caribbean	-	-	-	-	-	-
5	Developing Africa and Middle East	703	-	-	1,755	-	2,458
6	Developing Asia Pacific	15,334	-	-	2,019	-	17,353
	<i>of which Taiwan</i>	5,264	-	-	102	-	5,366
	<i>of which China</i>	4,355	-	-	604	-	4,959
7	International organizations	-	-	-	-	-	-
8	Unallocated by country	-	-	-	-	-	-

## E) Sector information

### 1 Breakdown of gross amount of advances to customers by industry sectors:

	<u>31/12/2021</u>		<u>30/6/2021</u>	
	HK Dollars Thousand	% of Loan Covered by Collateral	HK Dollars Thousand	% of Loan Covered by Collateral
<b>Loan for use in Hong Kong</b>				
Industrial, Commercial and Financial:				
Manufacturing	299,833	1.56%	53,678	8.68%
Property development	268,648	100.00%	221,640	100.00%
Property investment	2,489,211	35.63%	2,207,916	33.85%
Electricity and gas	96,970	54.76%	184,000	54.35%
Information technology	65,000	0.00%	65,000	0.00%
Wholesale and retail trade	166,406	100.00%	195,503	100.00%
Transport and transport equipment	216,978	0.00%	216,445	0.00%
Financial concerns	1,676,060	35.73%	1,659,583	32.37%
Hotel, boarding houses & catering	29,244	0.00%	29,111	0.00%
Stockbrokers	-	0.00%	-	0.00%
Professional & private individuals	-	0.00%	-	0.00%
Others	-	0.00%	-	0.00%
<b>Sub-total</b>	<u>5,308,350</u>		<u>4,832,876</u>	
<b>Trade finance</b>	64,688	13.59%	178,237	4.45%
<b>Loan for use outside Hong Kong</b>	<u>3,025,142</u>	40.50%	<u>3,657,297</u>	28.17%
<b>Total advances to customers</b>	<u><b>8,398,180</b></u>		<u><b>8,668,410</b></u>	

### 2 Breakdown of gross amount of loans and advances to customers by geographical areas after taking account of risk transfer:

	<u>HK Dollars Thousand</u>		
	<u>31/12/2021</u>		
	Gross amount	Overdue loans	Provisions
Hong Kong	4,679,139	-	48,263
China	812,710	-	12,161
Taiwan	97,563	-	999
Others	2,808,768	5,555	34,068
<b>Total</b>	<u><b>8,398,180</b></u>	<u><b>5,555</b></u>	<u><b>95,491</b></u>
Provisions as a percentage of gross amount of loans and advances to customers			<u>1.14%</u>

	<u>30/6/2021</u>		
	Gross amount	Overdue loans	Provisions
Hong Kong	4,210,458	-	44,126
China	1,211,728	-	18,176
Taiwan	102,457	-	1,048
Others	3,143,767	6,264	37,639
<b>Total</b>	<u><b>8,668,410</b></u>	<u><b>6,264</b></u>	<u><b>100,989</b></u>
Provisions as a percentage of gross amount of loans and advances to customers			<u>1.17%</u>

**F) Impaired, overdue and rescheduled loans**

		<u>HK Dollars Thousand</u>	
		<u>31/12/2021</u>	<u>30/6/2021</u>
1	Disclosure of impaired loans to customers:		
	Amount of impaired loans and advances	-	-
	Amount of specific provisions	-	-
	Amount of value of collateral	-	-
	Percentage of total loans and advances	-	-
2	Disclosure of overdue loans to customers:		
	Amount of overdue loans for more than:		
	1 month and up to 3 months	-	-
	3 months and up to 6 months	-	-
	6 months and up to 1 year	-	-
	Over 1 year	5,555	6,264
	Amount of specific provisions	5,555	6,264
	Value of collateral held against overdue loans:		
	Current market value of collateral	-	-
	Covered portion of overdue loans	-	-
	Uncovered portion of overdue loans	5,555	6,264
	Percentage of total loans and advances	0.07%	0.07%
	Breakdown of overdue loans by geographical :		
	-Macau	5,555	6,264
3	Rescheduled advances to customers	5,555	6,264
4	Reposessed assets held	-	-

Note :

The Branch have no impaired, overdue, rescheduled loans and reposessed assets related to banks as at the reporting dates.

The Branch have no other assets (including trade bills and debt securities), which have been overdue as at the reporting dates.

**G) Mainland Activities**

		<u>HK Dollars Million</u>	
		<u>31/12/2021</u>	
		<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>
			<u>Total</u>
Breakdown of Mainland exposures to non-bank counterparties :			
1	Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	308	40
2	Local governments, local government-owned entities and their subsidiaries	-	-
3	PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	182	91
	3.1 Of which, PRC nationals residing in Mainland China or entities beneficially- owned by Mainland interest	47	58
4	Other entities of central government not reported in item 1 above	223	48
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	486	393
7	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-
Total		1,199	572
Total assets after provision		36,328	1,771
On-balance sheet exposures as percentage of total assets		3.30%	



<u>HK Dollars Million</u>			
<u>30/6/2021</u>			
Breakdown of Mainland exposures to non-bank counterparties :	On-balance sheet <u>exposure</u>	Off-balance sheet <u>exposure</u>	<u>Total</u>
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	384	57	441
2 Local governments, local government-owned entities and their subsidiaries	-	-	-
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	260	10	270
3.1 Of which, PRC nationals residing in Mainland China or entities beneficially- owned by Mainland interest	-	-	-
4 Other entities of central government not reported in item 1 above	441	67	508
5 Other entities of local governments not reported in item 2 above	84	-	84
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	420	334	754
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	1,589	468	2,057
Total assets after provision	33,116		
On-balance sheet exposures as percentage of total assets	<u>4.80%</u>		

#### **H) Currency risk**

The information of foreign currency exposures in relation to the type of foreign currency positions are based on the completion instruction of "Return of Foreign Currency Position".

<u>HK Dollars Million</u>					
<u>31/12/2021</u>					
Foreign currency positions:	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>Other Currency</u>	<u>Total</u>
Spot assets	28,082	427	2,330	704	31,543
Spot liabilities	(30,170)	(427)	(2,354)	(623)	(33,574)
Forward purchases	2,216	-	24	78	2,318
Forward sales	(132)	-	-	(159)	(291)
Net option position	-	-	-	-	-
Net long (short) position	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>

<u>HK Dollars Million</u>					
<u>30/6/2021</u>					
Foreign currency positions:	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>Other Currency</u>	<u>Total</u>
Spot assets	25,797	554	1,890	595	28,836
Spot liabilities	(26,741)	(500)	(2,123)	(594)	(29,958)
Forward purchases	1,265	18	234	73	1,590
Forward sales	(326)	(74)	-	(73)	(473)
Net option position	-	-	-	-	-
Net long (short) position	<u>(5)</u>	<u>(2)</u>	<u>1</u>	<u>1</u>	<u>(5)</u>

Note :

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

#### IV. LIQUIDITY INFORMATION DISCLOSURES

	<u>2021</u>	<u>2020</u>
Average liquidity maintenance ratio :		
- Quarter 1 (Jan~Mar)	76.73%	60.12%
- Quarter 2 (Apr~Jun)	70.68%	60.93%
- Quarter 3 (July~Sep)	71.85%	65.60%
- Quarter 4 (Oct~ Dec)	63.78%	68.73%

The average liquidity maintenance ratio (LMR) is the arithmetic mean of each calendar month's average LMR for the period as calculated in accordance with the Banking (Liquidity) Rules and the requirement of "Return of Liquidity Position".

According to requirements of the Banking (Disclosure) Rules, the quarterly average LMR are disclosed based on three month's average LMR.

Hong Kong Branch (the Branch) has established the policies, procedures, contingency funding plan and Asset-Liability Committee (ALCO) to manage and monitor the liquidity risk of the Branch. Liquidity indicators ( e.g. LMR and RMB liquidity ratio) are monitored on a daily basis. Accounting Division executes liquidity stress tests ( e.g. LMR and intraday stress test) and provides the result to Treasury Division and Risk Management Division for reference on a monthly basis.

Information in relation to the liquidity management for the Branch has been disclosed on the Hong Kong Branch's official website:

<https://www.megabank.com.tw/abroad/hong-kong/zh-tw/regulatory-disclosures>

#### V. REMUNERATION DISCLOSURE

Pursuant to the HKMA's Supervisory Policy Manual Guideline CG-5 "Sound Remuneration System", the information on remuneration is disclosed as below:

##### 1. Remuneration System:

The Board of Head Office is responsible for review and approval of the overall remuneration policy. The Branch abides by the Head Office's remuneration policy, and establishes the branch-level procedures in accordance with such policy and the local requirements. The branch-level remuneration procedures are implemented under the supervision of the Head Office.

The Branch's remuneration structure is composed mainly of fixed compensation (including salary and year-end bonus), but also includes variable incentive-based element which is subject to the Branch's yearly business performance. The remuneration packages are determined in consideration of the employees' seniority, role, responsibilities and activities.

##### 2. Remuneration Information:

The remuneration information of the senior management and key personnel for the year ended 31 December 2021 are listed as below:

	<u>2021</u>	<u>2020</u>
Number of senior management	11	9
Number of key personnel	10	7
In HK\$ millions		
Fixed remuneration	12	11
Variable remuneration	3	3

※Senior management is defined as those who are responsible for oversight of the Branch's strategy or activities or those of the material business lines. Key personnel is defined as individual employees whose duties or activities involve the assumption of material risk or taking on material exposures on behalf of the Branch.

※The above information include the senior management and key personnel who leave and take over the positions during the reporting periods.

※All remuneration is paid in cash. No payment would be deferred.

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

	<u>NT Dollars Million</u>	
	<u>31/12/2021</u>	<u>30/6/2021</u>
<b>I. CAPITAL AND CAPITAL ADEQUACY</b>		
A. Consolidated capital adequacy ratio :	14.24%	14.16%
Note: The capital adequacy ratio is computed in accordance with the Basel III Capital Accord framework implemented in Taiwan, after taking credit risk, market risk and operational risk into consideration.		
<b>B. <u>Capital</u></b>		
Aggregate amount of shareholders' funds	299,106	291,112
<b>II. OTHER FINANCIAL INFORMATION</b>		
Total assets	3,798,147	3,842,114
Total liabilities	3,499,041	3,551,002
Total loans and advances	2,037,355	2,005,117
Total customer deposits and remittances	2,971,732	2,781,010
	<u>31/12/2021</u>	<u>31/12/2020</u>
Pre-tax profit	20,591	23,460


## SECTION C- DECLARATION

### Chief Executives' Declaration of Compliance

It is certified by the Chief Executive of Mega International Commercial Bank Co., Ltd. Hong Kong Branch that the information disclosed above complies, in all material respects, with Banking (Disclosure) Rules and CA-D-1 of the Supervisory Policy Manual.

To the best of my knowledge and belief, the financial information disclosures are not false and misleading.

For and on behalf of  
Mega International Commercial Bank Co., Ltd.  
Hong Kong Branch

  
Chen Chien Hung  
Chief Executive

Date: **26 APR 2022**