

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED
HONG KONG BRANCH

Key Financial Information Disclosure Statements
For The Half Year Ended 30 June 2009

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

Key Financial Information Disclosure Statements For The Half Year Ended 30 June 2009

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TAIPEI FUBON COMMERCIAL BANK CO., 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 2009**

	Half year ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
INTEREST INCOME	70,763	151,874
INTEREST EXPENSE	(36,624)	(110,969)
	<u>34,139</u>	<u>40,905</u>
OTHER OPERATING INCOME		
Gains less losses arising from dealing in foreign currencies	58,689	66,700
Gains less losses from trading in interest rate derivatives	2,893	(26,247)
Gains less losses from trading in other derivatives	115	0
Net fees and commission income		
Income from fees and commission	15,094	12,627
Fees and commission expenses	(2,192)	(1,239)
Other income	1,745	3,425
	<u>76,344</u>	<u>55,266</u>
OPERATING EXPENSES		
Staff expenses	(21,249)	(17,874)
Rental expenses	(10,704)	(6,583)
Other expenses	(7,312)	(7,122)
of which consultant expense:	0	0
research expense:	0	(1,738)
computer and system rental expense:	(3,007)	(2,143)
depreciation expense:	(1,891)	(1,354)
	<u>(39,265)</u>	<u>(31,579)</u>
CHARGES FOR BAD AND DOUBTFUL DEBTS		
Provision for bad and doubtful debts	(32,137)	(32,875)
Other provisions:		
Provision for Fx & Derivatives contracts	0	0
Provision of legal fee for problem assets	(45)	12
Provision for account receivable without recourse factoring	(1,572)	0
	<u>(33,754)</u>	<u>(32,363)</u>
PROFIT BEFORE TAXATION	37,464	31,729
TAXATION	(4,930)	(6,360)
PROFIT AFTER TAXATION	<u>32,534</u>	<u>25,669</u>

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

II. BALANCE SHEET INFORMATION

AS AT 30 JUNE 2009

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
ASSETS		
Cash and balances with banks	3,461,159	2,836,842
Amount due from Exchange Fund	23,739	37,014
Placement with banks maturing between one and twelve months (except those included in amount due from overseas offices)	939,064	310,000
Amount due from overseas offices	773,241	1,046,250
Trade bills	233,673	144,833
Advances and other accounts	2,730,108	3,521,452
Available-for-sale securities	390,917	387,214
Machinery and equipments	15,794	17,622
Total assets	8,567,695	8,301,227
LIABILITIES		
Deposits and balances of banks (except those included in amount due to overseas offices)	2,080,266	1,051,608
Deposits from customers		
Demand deposits and current accounts	154,550	130,548
Savings deposits	2,042,516	1,722,322
Time, call and notice deposits	2,671,419	1,935,392
Amount due to overseas offices	1,073,330	2,665,359
Other accounts and provisions		
Tax payable	6,439	1,509
Interest payable	14,797	30,924
Other liabilities	466,061	748,411
Total liabilities	8,509,378	8,286,073
Capital and reserves	58,317	15,154
Total equity and liabilities	8,567,695	8,301,227

Note: Nature of other liabilities

Account payable	29,584	51,897
Accrued expenses	1,584	2,048
Acceptance	126,296	68,330
Other account payable	10,760	8,991
Unearned revenue	1,736	108
Cashier Checks issued	633	828
Guarantee deposit received	3,126	5,063
Premium-Sell Option	162,067	47,166
Revaluation-forward fx/swap/NDF/option/IRS	126,995	563,980
Exchange Position	3,280	0
	466,061	748,411

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**III. ADDITIONAL BALANCE SHEET INFORMATION
AS AT 30 JUNE 2009**

ADVANCES AND OTHER ACCOUNTS

	30 Jun <u>2009</u> HK\$'000	31 December <u>2008</u> HK\$'000
A. Advances to customers	2,376,899	2,796,510
Accrued interest and other accounts		
Accrued interest	15,980	31,181
Other accounts	481,970	810,422
Total	<u>2,874,849</u>	<u>3,638,113</u>
Less: Provisions for bad and doubtful debts on		
Advances to customers		
General provision	(22,396)	(27,214)
Specific provision	(113,227)	(81,729)
Accrued interest		
General provision	0	(55)
Specific provision	(97)	(17)
Other accounts		
General provision	(1,627)	(1,590)
Specific provision	(7,394)	(6,056)
Total	<u>(144,741)</u>	<u>(116,661)</u>
Advances and other accounts after provisions for bad and doubtful debts	<u>2,730,108</u>	<u>3,521,452</u>

Note: Provision on other accounts include general provision for A/C receivable without resource factoring, legal fee for problem assets and Fx & Derivatives contracts.

B. Details of the impaired advances to customers

	30 Jun <u>2009</u> HK\$'000	31 December <u>2008</u> HK\$'000
Impaired loans which are individually determined to be impaired advances to customers	<u>137,331</u>	<u>87,597</u>
Individuals assessed allowance made in respect of impaired advances to customers	<u>113,227</u>	<u>81,729</u>
As a percentage of total advances to customers	<u>5.78%</u>	<u>3.13%</u>

Note: As at 30 June 2009 and 31 Dec 2008, there is no collateral held in respect of impaired advances to customers. The Hong Kong Branch does not have advances to banks and other financial institutions.

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SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

III. ADDITIONAL BALANCE SHEET INFORMATION
AS AT 30 JUNE 2009

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	30 June 2009		31 December 2008	
	HK\$'000	%	HK\$'000	%
a. Advances to customers overdue for				
more than 1 month and up to 3 months	0	0.00%	0	0.00%
more than 3 months and up to 6 months	10,482	0.44%	59,367	2.12%
more than 6 months and up to 1 year	77,104	3.24%	3,124	0.11%
more than 1 year	11,062	0.47%	13,463	0.48%
	<u>98,648</u>	<u>4.15%</u>	<u>75,954</u>	<u>2.71%</u>
b. Specific provision on advances to customers overdue for				
more than 1 month and up to 3 months	0		0	
more than 3 months and up to 6 months	10,482		53,163	
more than 6 months and up to 1 year	71,235		3,124	
more than 1 year	11,062		13,463	
	<u>92,779</u>		<u>69,750</u>	
c. Value of collateral held against the overdue loans	<u>N/A</u>		<u>N/A</u>	
d. Rescheduled advances to customers	<u>2,212</u>	0.09%	<u>0</u>	0.00%

D. Natures of other accounts

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Accounts receivable without recourse factoring	191,279	209,186
Other accounts receivable	9,139	5,283
Prepaid expenses	1,529	1,610
Prepaid guarantee deposits	5,383	5,246
Premium-Buy Option	120,374	33,334
Revaluation-forward FX/SWAP/NDF/Option/IRS	154,266	548,635
Exchange Position	0	7,128
	<u>481,970</u>	<u>810,422</u>

E. Analysis of other assets which have been overdue

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Other assets overdue for more than 6 months and up to 1 year	<u>4,173</u>	<u>0</u>
Individuals assessed allowance made in respect of overdue Assets	<u>4,173</u>	<u>0</u>
As a percentage of total assets	<u>0.87%</u>	<u>0.00%</u>

F. Repossessed assets

The Hong Kong Branch did not have any repossessed assets at the corresponding year/period end dates

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IV. OFF-BALANCE SHEET EXPOSURES

AS AT 30 JUNE 2009

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

	30 June <u>2009</u> HK\$'000	31 December <u>2008</u> HK\$'000
Contingent liabilities and commitments		
Trade-related contingencies	637,600	483,700
Direct credit substitutes	200,213	243,608
Other commitments	3,780,002	3,787,215
	<u>4,617,815</u>	<u>4,514,523</u>
	30 June <u>2009</u> HK\$'000	31 December <u>2008</u> HK\$'000
Derivatives		
Exchange rate contracts	90,073,164	69,836,474
Interest rate contracts	336,669	367,660
Commodities other than precious metals and gold contracts	34,613	0
	<u>90,444,446</u>	<u>70,204,134</u>
	30 June <u>2009</u> HK\$'000	31 December <u>2008</u> HK\$'000
Fair value of derivatives (of the above derivatives)		
Exchange rate contracts:		
-Positive fair value	360,689	567,341
-Negative fair value	(305,997)	(308,702)
Interest rate contracts:		
-Positive fair value	466	2,536
-Negative fair value	(27,630)	(38,614)
Commodities other than precious metals and gold contracts:		
-Positive fair value	713	0
-Negative fair value	(713)	0
	<u>27,528</u>	<u>222,561</u>

For contingent liabilities, commitments and derivatives, they refer to the contractual amounts at risks should the contracts be fully drawn upon and the clients do not repay accordingly. The fair value represent the costs of replacing all contracts which have a positive value in the market. They do not take into account the effects of bilateral netting arrangements.

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SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

V. SEGMENTAL INFORMATION
AS AT 30 JUNE 2009

1. GROSS ADVANCES TO CUSTOMERS BY INDUSTRY SECTORS

	30 June 2009		31 December 2008	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		Amounts of Loan and advances covered by collectual		Amounts of Loan and advances covered by collectual
A. Loans for use in Hong Kong				
a. Industrial, commercial and financial				
Property development	0	0	0	0
Property investment	91,818	0	97,273	0
Financial concerns	60,158	0	72,788	0
Stockbrokers	0	0	0	0
Wholesale and retail trade	36,471	0	59,250	23,250
Manufacturing	442,052	0	438,682	0
Transport and transport equipment	0	0	0	0
Recreational activities	0	0	0	0
Information technology	0	0	0	0
Others	0	0	0	0
b. Individuals				
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	0	0	0	0
Credit card advances	0	0	0	0
Others	0	0	2,093	2,093
c. All others	0	0	0	0
B. Trade finance	830,026	174,989	1,153,548	255,899
C. Loan for use outside Hong Kong	916,374	287,565	972,876	525,659
Total	<u>2,376,899</u>	<u>462,554</u>	<u>2,796,510</u>	<u>806,901</u>

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

	30 June 2009	31 December 2008
	HK\$'000	HK\$'000
Hong Kong	1,067,789	1,338,731
China	422,969	477,533
Taiwan	564,215	784,371
Others	321,926	195,875
Total	<u>2,376,899</u>	<u>2,796,510</u>

2B. OVERDUE AND IMPAIRED LOANS BY COUNTRIES OR GEOGRAPHICAL AREAS

	30 June 2009	31 December 2008
	HK\$'000	HK\$'000
Overdue loans and advances to customers		
Hong Kong	74,175	75,622
China	11,402	332
Taiwan	13,071	0
	<u>98,648</u>	<u>75,954</u>
Impaired loan and advances to customer		
Hong Kong	112,858	73,311
China	11,402	11,678
Taiwan	13,071	2,608
	<u>137,331</u>	<u>87,597</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.

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

V. SEGMENTAL INFORMATION
AS AT 30 JUNE 2009

3. CROSS-BORDER CLAIMS

The following tables analyse the cross-border claims by countries or geographical areas and types of counterparties. Countries or geographical areas are based upon the location of counterparties after taking into account the transfer of country risk. They are prepared in according with the H.K.M.A. return of "Cross-border Claims" completion instructions. Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

As at 30 June 2009	Banks	Public Sector entities	Other Sector	Total
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
1. Asia Pacific excluding Hong Kong	4,184	0	2,695	6,879
of which Taiwan	2,432	0	2,371	4,803
Japan	1,607	0	0	1,607
2. North America	175	0	0	175
3. Western Europe	59	0	0	59
Total	4,418	0	2,695	7,113

As at 31 December 2008	Banks	Public Sector entities	Other Sector	Total
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
1. Asia Pacific excluding Hong Kong	2,594	0	3,017	5,611
of which Taiwan	2,197	0	2,820	5,017
2. North America	55	0	0	55
3. Western Europe	521	0	0	521
Total	3,170	0	3,017	6,187

4. NON-BANK MAINLAND EXPOSURE

Types of counterparties	Referred items in Note (6) to MA(BS)2A	On-balance sheet exposure	Off-balance sheet exposure	Total	Specific provisions
		HK\$000	HK\$000	HK\$000	HK\$000
As at 30 June 2009					
Other entities incorporated or established in China	Item (e) of column (1)	7,752	0	7,752	0
Companies and individuals outside Mainland where the credit is granted for use in Mainland	Item (f) of column (1)	432,359	72,727	505,086	11,402
Total		432,359	72,727	505,086	11,402
As at 31 December 2008					
Other entities incorporated or established in China	Item (e) of column (1)	0	0	0	0
Companies and individuals outside Mainland where the credit is granted for use in Mainland	Item (f) of column (1)	504,705	62,140	566,845	6,673
Total		504,705	62,140	566,845	6,673

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

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VI. CURRENCY RISK

AS AT 30 JUNE 2009

5. FOREIGN CURRENCY EXPOSURES

The foreign currency exposures are prepared in accordance with the H.K.M.A. return of completion "Foreign Currency Position" completion instructions. The net position (regardless of sign) for each foreign currency which constitutes 10% or more of the total net position in all foreign currencies

<u>As at 30 June 2009</u>	<u>USD</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	5,416	0	1,871	7,287
Spot Liabilities	(6,591)	0	(764)	(7,355)
Forward purchases	20,101	8,741	6,982	35,824
Forward sales	(19,028)	(8,595)	(8,043)	(35,666)
Net option position	20	0	(20)	0
Net long / (short) position	(82)	146	26	90

<u>As at 31 December 2008</u>	<u>USD</u>	<u>JPY</u>	<u>Others</u>	<u>Total</u>
	HK\$ Mil	HK\$ Mil	HK\$ Mil	HK\$ Mil
Spot assets	7,257	144	306	7,707
Spot Liabilities	(6,863)	(83)	(264)	(7,210)
Forward purchases	22,613	212	17,212	40,037
Forward sales	(23,179)	(266)	(17,023)	(40,468)
Net option position	6	0	(6)	0
Net long / (short) position	(166)	7	225	66

The net options positions were calculated by using the "model user" method as at the above respective reporting dates.

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

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

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**VII. LIQUIDITY
FOR THE HALF YEAR ENDED 30 JUNE 2009**

	30 June <u>2009</u> %	31 December <u>2008</u> %
Average liquidity ratio for the year / period	<u>56.84%</u>	<u>64.46%</u>

The branch's average liquidity ratio for the year / period is the simple average of each calendar month's average liquidity ratio, which is computed in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION B. - INFORMATION OF THE BANK <CONSOLIDATED BASIS>

I. CAPITAL AND CAPITAL ADEQUACY FOR THE HALF YEAR ENDED 30 JUNE 2009

	30 June <u>2009</u> %	31 December <u>2008</u> %
Capital adequacy ratio	<u>10.95%</u>	<u>11.18%</u>

The capital adequacy ratio is equal to the ratio of the regulatory capital in Taiwan to the total risk-weighted assets. The computation of capital adequacy ratio is based on the "Basel Capital Accord" in line with the risk-weighted approach proposed by the Bank for International Settlements and the ratio has included all market risk factors.

	30 June <u>2009</u> NT\$'000	31 December <u>2008</u> NT\$'000
Aggregate amount of shareholders' funds	<u>43,589,883</u>	<u>43,589,883</u>

TAIPEI FUBON COMMERCIAL BANK CO., LIMITED - HONG KONG BRANCH

SECTION B. - INFORMATION OF THE BANK <CONSOLIDATED BASIS>

II. OTHER FINANCIAL INFORMATION

AS AT 30 June 2009

	30 June 2009 NTS'000	31 December 2008 NTS'000
Total Assets	<u>1,278,185,801</u>	<u>1,228,059,492</u>
Total Liabilities	<u>1,199,746,465</u>	<u>1,148,637,572</u>
Total advances	<u>810,746,774</u>	<u>758,269,379</u>
Total customers deposit	<u>1,009,314,494</u>	<u>967,532,895</u>
	1 January 2009 to 30 June 2009 NTS'000	1 January 2008 to 31 December 2008 NTS'000
Profit before taxation	<u>3,032,203</u>	<u>7,828,944</u>

Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statements of Authorized Institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statements of Taipei Fubon Commercial Bank Co., Limited - Hong Kong Branch for the half year ended 30 June 2009. We confirm 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.

24 SEP 2009



Chief Executive

Taipei Fubon Commercial Bank Co., Limited
Hong Kong Branch

Date