

Sample Letter of Comfort

[The letter should be on the parent bank's letterhead]

To: The Monetary Authority

Subject: [Name of AI] ("the Company")
The Banking Ordinance, Cap 155 ("the Ordinance")

In support of an application by the Company for authorization as [] under the Ordinance, we state and confirm the following:

1. We are the legal and beneficial owners of [percentage]% of the paid-up share capital of the Company. It is our present intention to maintain that percentage holding in the Company. We undertake to inform you forthwith of any change in that intention and to consult you in advance of any likely decrease in that percentage holding;
2. It is in our interest that the Company continues to conduct its business as an Authorized Institution under, and in conformity with, the provisions of the Ordinance;
3. It is in our interest that the Company and its subsidiaries meet their financial obligations at all times. It is our policy to provide the Company with such support and assistance as may be required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations in conformity with standards of prudence generally accepted for its field of business; and
4. This letter of comfort was duly authorized by a resolution of our Board of Directors dated [date], a copy of which is enclosed.

For and on behalf of the parent bank.

[Authorized signature]
[Name and title of signatory]