

BANK OF TAIWAN, HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the half year ended 30 Jun 2023

BANK OF TAIWAN – HONG KONG BRANCH
Key Financial Information Disclosure Statement
For the half year ended 30 Jun 2023

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SECTION A – INFORMATION OF THE BRANCH (HONG KONG BRANCH ONLY)

I. PROFIT AND LOSS INFORMATION

HK\$'000

	For the half year end	
	<u>30 Jun 23</u>	<u>30 Jun 22</u>
Interest income	330,219	97,431
Interest expense	(206,667)	(42,814)
Net interest income	123,552	54,617
Fee and commission income	2,962	3,365
Fee and commission expense	(711)	(824)
Net fee and commission income	2,251	2,541
Other operating income		
Gains less losses arising from non-trading activities in foreign currencies	1,269	76
Gains less losses arising from trading activities in foreign currencies	6	-
Gains less losses on disposal of securities	-	-
Others	8	7
	1,283	83
Total income	127,086	57,241
Operating expenses		
Staff expense	(9,409)	(9,607)
Rental expense	(668)	(601)
Other expense	(6,892)	(7,442)
	(16,969)	(17,650)
Write-back/(charges) of Impairment provisions for loans	6,721	26,000
Write-back/(charges) of Impairment provisions for other assets	193	(60)
Revaluation gains for negotiable debt instruments	(1,429)	(3,019)
Gains less losses from the disposal of property, plant and equipment	-	-
Profit before taxation	115,602	62,512
Tax expense	-	-
Profit after taxation	115,602	62,512

II. BALANCE SHEET INFORMATION

HK\$ '000

	As at	
	<u>30 Jun 23</u>	<u>31 Dec 22</u>
<u>Assets</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	3,048,094	3,553,384
Placements with banks and other financial institutions with maturity of more than one month but less than twelve months (except those included in amount due from overseas offices)	3,254,940	2,969,090
Amount due from overseas offices	22,400	11,508
Trade bills	-	-
Certificates of deposit held	1,046,654	894,867
Negotiable debt instruments	3,406,579	3,384,421
Loans and impairment losses		
Loans and advances to customers	1,231,667	1,509,841
Loans and advances to banks	560,149	428,902
Impairment losses (collective and specific)	(14,047)	(16,979)
Property, plant and equipment	10,758	14,979
Other accounts	113,928	101,978
Total assets	12,681,122	12,851,991
<u>Liabilities</u>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	156,758	500,051
Deposits from customers		
Demand deposits and current accounts	50,179	60,044
Savings deposits	1,848,718	2,069,369
Time, call and notice deposits	5,355,341	4,852,649
Amount due to overseas offices	2,990,261	3,243,404
Other accounts	146,724	98,250
Total liabilities	10,547,981	10,823,767
<u>Equities</u>		
Reserves	2,024,490	1,889,863
Current profit / (loss)	108,651	138,361
Total equities	2,133,141	2,028,224
Total Equities and Liabilities	12,681,122	12,851,991

A. ADVANCES AND IMPAIRMENT LOSSES**i. Advance to customers and impairment losses on advances**

	As at	
	<u>30 Jun 23</u>	<u>31 Dec 22</u>
Advances to customers	1,231,667	1,509,841
Advances to banks and other financial institutions	560,149	428,902
Total	<u>1,791,816</u>	<u>1,938,743</u>
Collective impairment provisions	(19,648)	(21,268)
Specific impairment provisions	-	-
Total	<u>(19,648)</u>	<u>(21,268)</u>
Gross advances less impairment provisions	1,772,168	1,917,475
Provisions as a percentage of gross advances		
- Collective impairment provisions	1.10%	1.10%
- Specific impairment provisions	0.00%	0.00%
Total provisions	<u>1.10%</u>	<u>1.10%</u>

ii. Impairment provisions

	Specific impairment provisions	Collective impairment provisions	Total
<u>30 Jun 23</u>			
Advances to customers	-	14,047	14,047
Advances to banks and other financial institutions	-	5,601	5,601
Total	<u>0</u>	<u>19,648</u>	<u>19,648</u>

	Specific impairment provisions	Collective impairment provisions	Total
<u>31 Dec 22</u>			
Advances to customers	-	16,979	16,979
Advances to banks and other financial institutions	-	4,289	4,289
Total	<u>-</u>	<u>21,268</u>	<u>21,268</u>

iii. Impaired advances to customers

	<u>30 Jun 23</u>	<u>31 Dec 22</u>
amount of impaired loans and advances	-	-
amount of specific provisions made	-	-
value of collateral	-	-
% of advances to customers	0.00%	0.00%

There were no loans and advances to banks and other financial institutions which are determined impaired as at 30 June 2023 and 31 December 2022.

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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B. OVERDUE AND RESCHEDULED ASSETS

	<u>30 Jun 23</u>	As at <u>31 Dec 22</u>
i. Advances to customers overdue for		
more than 3 months and up to 6 months	-	-
more than 6 months and up to 1 year	-	-
more than 1 year	-	-
	<u>-</u>	<u>-</u>
Specific impairment provisions made in respect of the above overdue advances	-	-
Market value of collateral held against the covered portion of all overdue advances	<u>-</u>	<u>-</u>
Covered portion of all overdue advances	<u>-</u>	<u>-</u>
Uncovered portion of all overdue advances	-	-
ii. Rescheduled advances to customers (Net of those overdue advances which have been disclosed above)	<u>-</u>	<u>-</u>

	As a percentage of total gross advances to customers	
	<u>30 Jun 23</u>	<u>31 Dec 22</u>
	%	%
a. Advances to customers overdue for		
more than 3 months and up to 6 months	0.00	0.00
more than 6 months and up to 1 year	0.00	0.00
more than 1 year	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
b. Rescheduled advances to customers	<u>0.00</u>	<u>0.00</u>

iii. Loans and advances to banks and other financial institutions

There were no loans and advances to banks and other financial institutions which were overdue as at 30 June 2023 and 31 December 2022.

iv. Other assets (trade bills and debt securities)

There were no other assets (including trade bills and debt securities) which were overdue as at 30 June 2023 and 31 December 2022.

v. Amount of repossessed assets

There were no repossessed assets held by the branch as at 30 June 2023 and 31 December 2022.

C. OFF-BALANCE SHEET INFORMATION

i. CONTINGENT LIABILITIES AND COMMITMENTS

	<u>30 Jun 23</u>	As at <u>31 Dec 22</u>
Off-balance sheet exposures (in contractual amounts)		
Direct credit substitutes	-	-
Transaction-related contingencies	-	-
Trade-related contingencies	16,496	25,436
Forward forward deposits placed	-	-
Other commitments	717,390	323,724

ii. DERIVATIVES

	<u>30 Jun 23</u>	<u>31 Dec 22</u>
Interest rate contracts		
Contractual amount	485,950	670,647
Replacement cost	-	-
Positive fair value	5,939	9,862
Negative fair value	-	-
Exchange rate and gold contracts		
Contractual amount	38,838	-
Replacement cost	-	-
Positive fair value	146	-
Negative fair value	(140)	-

For contingent liabilities and commitments, the contract amounts represent the amounts at risk should the contract be fully drawn upon and the client default. The total of the contract amount is not representative of future liquidity requirements. 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 valid bilateral netting agreements.

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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D. GROSS ADVANCES TO CUSTOMERS SEGMENTAL ANALYSIS

The following information concerning advances to customers by industry sectors has been classified in accordance with industry categories contained in the banking returns of Quarterly Analysis of Loans and Advances and the Provisions

i. BY INDUSTRY SECTOR

	As at			
	<u>30 Jun 23</u>		<u>31 Dec 22</u>	
	<u>Gross Amount</u>	<u>Balance Covered By Collateral</u>	<u>Gross Amount</u>	<u>Balance Covered By Collateral</u>
Loans and advances for use in Hong Kong				
Industrial, Commercial and Financial				
Property development	-	-	-	-
Property investment	-	-	-	-
Financial concerns	-	-	-	-
Stockbrokers	-	-	-	-
Manufacturing	45,016	-	273,773	-
Wholesale and retail trade	-	-	-	-
Transport and transport equipment	-	-	-	-
Electricity and gas	-	-	-	-
Information technology	-	-	-	-
Recreational activities	-	-	-	-
All others	-	-	-	-
Individuals				
Loans for the purchase of other residential properties	6,419	6,419	7,880	7,880
Subtotal	51,435	6,419	281,653	7,880
Trade finance	53,451	6,637	61,903	9,814
Loans and advances for use outside Hong Kong	1,126,781	-	1,166,285	-
Total loans and advances	1,231,667	13,056	1,509,841	17,694

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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ii. BY MAJOR COUNTRIES OR GEOGRAPHICAL SEGMENTS

After taking into account recognized risk transfer, exposures to a single country exceeding 10% of the aggregate gross loans and advances to customers by geographical segment disclosed.

<u>As at 30 Jun 23</u>	<u>Gross Amount</u>	<u>Overdue & Impaired</u>	<u>Specific impairment provisions</u>
1.China	141,082	-	-
2.Hong Kong	50,447	-	-
3.Others	1,040,138	-	-
	1,231,667	-	-

<u>As at 31 Dec 22</u>	<u>Gross Amount</u>	<u>Overdue & Impaired</u>	<u>Specific impairment provisions</u>
1.China	171,561	-	-
2.Hong Kong	296,865	-	-
3.Others	1,041,415	-	-
	1,509,841	-	-

E. INTERNATIONAL CLAIMS

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognised risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>		
<u>As at 30 Jun 23</u>						
1. Developed countries	2,304	-	124	32	-	2,460
2. Offshore centres	572	-	-	512	-	1,084
<i>of which:</i>						
<i>Hong Kong SAR</i>	213	-	-	179	-	392
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	775	-	-	-	-	775
6. Developing Asia-Pacific	5,768	121	39	571	-	6,499
<i>of which:</i>						
<i>China</i>	132	-	-	205	-	337
<i>Chinese Taipei</i>	3,020	-	-	11	-	3,031
7. International organisations	-	-	395	-	-	395
8. Unallocated by country	-	-	-	-	-	-

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>		
<u>As at 31 Dec 22</u>						
1. Developed countries	2,691	-	124	34	-	2,849
2. Offshore centres	638	-	-	759	-	1,397
<i>of which:</i>						
<i>Hong Kong SAR</i>	423	-	-	419	-	842
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	536	-	-	-	-	536
6. Developing Asia-Pacific	5,688	120	39	677	-	6,524
<i>of which:</i>						
<i>China</i>	141	-	-	235	-	376
<i>Chinese Taipei</i>	2,668	-	-	10	-	2,678
7. International organisations	315	-	-	-	-	315
8. Unallocated by country	-	-	-	-	-	-

The above figures are disclosed according to the HKMA return of international banking statistics and pursuant to Section 63 of the Banking Ordinance.

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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F. MAINLAND ACTIVITIES

The categories of non-bank counterparties and the type of direct exposures refers to the Completion Instructions for the Return of Mainland Activities-MA(BS)20.

<u>As at 30 Jun 23</u>	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total exposures</u>
1. Central government, central government-owned entities & their subsidiaries & JVs	-	-	-
2. Local governments, local government-owned entities & their subsidiaries & JVs	-	-	-
3. PRC national residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	141	-	141
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 1 above	-	-	-
6. PRC national residing outside ML China or entities incorporated outside ML China where the credit is granted for use in ML China	205	14	219
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank ML exposures	-	-	-
	346	14	360
Total assets after provision	12,681		
On-balance sheet exposures as percentage of total assets	2.73%		

<u>As at 31 Dec 22</u>	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total exposures</u>
1. Central government, central government-owned entities & their subsidiaries & JVs	-	-	-
2. Local governments, local government-owned entities & their subsidiaries & JVs	-	-	-
3. PRC national residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	148	-	148
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 1 above	-	-	-
6. PRC national residing outside ML China or entities incorporated outside ML China where the credit is granted for use in ML China	228	37	265
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank ML exposures	-	-	-
	376	37	413
Total assets after provision	12,852		
On-balance sheet exposures as percentage of total assets	2.93%		

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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G. FOREIGN CURRENCY POSITION

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 (in absolute terms) for each foreign currency which constitutes 10% or more of the total net position in all foreign currencies.

<u>As at 30 Jun 23</u>	USD	GBP	JPY	EUR	CNY	AUD	SGD	NZD	other foreign currencies	Total
Spot assets	9,260	5	78	36	897	3	1	-	-	10,280
Spot liabilities	(9,198)	(5)	(78)	(36)	(897)	(3)	(1)	-	-	(10,218)
Forward purchases	20	-	-	-	-	-	-	-	-	20
Forward sales	(20)	-	-	-	-	-	-	-	-	(20)
Net option position	-	-	-	-	-	-	-	-	-	-
Net long (short) position	62	-	-	-	-	-	-	-	-	62

<u>As at 31 Dec 22</u>	USD	GBP	JPY	EUR	CNY	AUD	SGD	NZD	other foreign currencies	Total
Spot assets	9,358	4	89	29	1,085	20	1	-	-	10,586
Spot liabilities	(9,307)	(4)	(89)	(30)	(1,084)	(20)	(1)	-	-	(10,535)
Forward purchases	-	-	-	-	-	-	-	-	-	-
Forward sales	-	-	-	-	-	-	-	-	-	-
Net option position	-	-	-	-	-	-	-	-	-	-
Net long (short) position	51	-	-	(1)	1	-	-	-	-	51

There were no foreign currency structural positions as at 30 June 2023 and 31 December 2022.

H. LIQUIDITY INFORMATION DISCLOSURE

For the period

	<u>30 Jun 23</u>	<u>30 Jun 22</u>
Average LMR for the year/period	141.83%	113.37%
Calculation period	Apr~Jun 2023	Apr~Jun 2022

Disclosure the average value of its LMR and the related information under section 103(3)(c) of the Banking (Disclosure) Rules.

The average value of its LMR calculated based on the arithmetic mean of the average value of its LMR reported in its liquidity position return for each month during the reporting period.

Liquidity ratios are monitored on a daily basis (Treasury department is responsible for adjustments of allocation of assets and liabilities based on the LMR calculated by Accounting department) and liquidity stress test has been performed quarterly in the branch. The Asset-Liability Committee (ALCO) has been established in the branch and ALCO meetings are held on a monthly basis.

I. REMUNERATION DISCLOSURE

In accordance with section 3 of the HKMA's Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System", Bank of Taiwan has disclosed the relevant information in the part of Corporate Governance of the Bank's Annual Report.

SECTION B – INFORMATION OF THE BANK (CONSOLIDATED BASIS)

NT\$'000

I. CAPITAL AND CAPITAL ADEQUACY RATIO

	<u>30 Jun 23</u>	As at <u>31 Dec 22</u>
A. Capital Adequacy Ratio	16.08%	14.99%
B. Aggregate amount of shareholder's funds	416,678,208	395,473,273

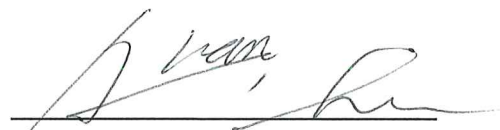
The capital adequacy ratio is computed in accordance with the Basel III Capital Accord framework after taken into account for credit risk, market risk and operational risk.

II. OTHER FINANCIAL INFORMATION

	<u>30 Jun 23</u>	As at <u>31 Dec 22</u>
Total assets	6,203,217,148	6,178,383,194
Total liabilities	5,786,538,940	5,782,912,538
Total advances	3,197,231,720	3,418,227,678
Total customer deposits	4,652,068,930	4,670,274,068
	For the half year ended	
	<u>30 Jun 23</u>	<u>30 Jun 22</u>
Profit / (Loss) before taxation	14,423,478	9,672,557

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 Bank of Taiwan, Hong Kong Branch for the half year ended 30 Jun 2023. We confirmed that the information contained therein complies, in all material respects, 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", and to the best of my knowledge and belief, it is not false or misleading.



Lu A-Kan
Chief Executive
Bank of Taiwan, Hong Kong Branch

28 AUG 2023

Date