

BANK OF TAIWAN, HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the half year ended 30 Jun 2024

BANK OF TAIWAN – HONG KONG BRANCH
Key Financial Information Disclosure Statement
For the half year ended 30 Jun 2024

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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 24</u>	<u>30 Jun 23</u>
Interest income	360,274	330,219
Interest expense	<u>(232,205)</u>	<u>(206,667)</u>
Net interest income	128,069	123,552
Fee and commission income	2,536	2,962
Fee and commission expense	<u>(790)</u>	<u>(711)</u>
Net fee and commission income	1,746	2,251
Other operating income		
Gains less losses arising from non-trading activities in foreign currencies	701	1,269
Gains less losses arising from trading activities in foreign currencies	287	6
Gains less losses on disposal of securities	17	-
Others	<u>-</u>	<u>8</u>
	1,005	1,283
Total income	<u>130,820</u>	<u>127,086</u>
Operating expenses		
Staff expense	(10,070)	(9,409)
Rental expense	(672)	(668)
Other expense	<u>(8,792)</u>	<u>(6,892)</u>
	(19,534)	(16,969)
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	116,771	133,038
Tax expense	-	-
Profit after taxation	116,771	133,038

II. BALANCE SHEET INFORMATION

HK\$ '000

	As at	
	<u>30 Jun 24</u>	<u>31 Dec 23</u>
<u>Assets</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	2,035,994	3,680,869
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)	3,819,118	3,945,203
Amount due from overseas offices	588,356	84,817
Trade bills	-	-
Certificates of deposit held	2,184,902	1,529,311
Negotiable debt instruments	2,798,830	3,199,069
Loans and impairment losses		
Loans and advances to customers	958,194	719,016
Loans and advances to banks	381,241	420,623
Impairment losses (collective and specific)	(10,246)	(7,919)
Property, plant and equipment	5,155	6,574
Other accounts	120,281	202,144
Total assets	12,881,825	13,779,707
<u>Liabilities</u>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	1,067,320	1,297,285
Deposits from customers		
Demand deposits and current accounts	37,160	35,050
Savings deposits	1,498,426	1,712,413
Time, call and notice deposits	5,428,716	5,770,215
Amount due to overseas offices	2,235,396	2,509,912
Other accounts	272,505	190,780
Total liabilities	10,539,523	11,515,655
<u>Equities</u>		
Reserves	2,231,039	2,024,490
Current profit / (loss)	111,263	239,562
Total equities	2,342,302	2,264,052
Total Equities and Liabilities	12,881,825	13,779,707

III. ADDITIONAL BALANCE SHEET INFORMATION

HK\$'000

A. ADVANCES AND IMPAIRMENT LOSSES

i. Advance to customers and impairment losses on advances

	As at	
	<u>30 Jun 24</u>	<u>31 Dec 23</u>
Advances to customers	958,194	719,016
Advances to banks and other financial institutions	381,241	420,623
Total	<u>1,339,435</u>	<u>1,139,639</u>
Collective impairment provisions	(14,779)	(12,119)
Specific impairment provisions	-	-
Total	<u>(14,779)</u>	<u>(12,119)</u>
Gross advances less impairment provisions	1,324,656	1,127,520
Provisions as a percentage of gross advances		
- Collective impairment provisions	1.10%	1.06%
- Specific impairment provisions	0.00%	0.00%
Total provisions	<u>1.10%</u>	<u>1.06%</u>

ii. Impairment provisions

	Specific impairment provisions	Collective impairment provisions	Total
<u>30 Jun 24</u>			
Advances to customers	-	10,246	10,246
Advances to banks and other financial institutions	-	4,533	4,533
Total	<u>0</u>	<u>14,779</u>	<u>14,779</u>
<u>31 Dec 23</u>			
Advances to customers	-	7,913	7,913
Advances to banks and other financial institutions	-	4,206	4,206
Total	<u>-</u>	<u>12,119</u>	<u>12,119</u>

iii. Impaired advances to customers

	<u>30 Jun 24</u>	<u>31 Dec 23</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 2024 and 31 December 2023.

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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B. OVERDUE AND RESCHEDULED ASSETS

	<u>30 Jun 24</u>	As at <u>31 Dec 23</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 24</u>	<u>31 Dec 23</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 2024 and 31 December 2023.

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 2024 and 31 December 2023.

v. Amount of repossessed assets

There were no repossessed assets held by the branch as at 30 June 2024 and 31 December 2023.

III. ADDITIONAL BALANCE SHEET INFORMATION - CONTINUED

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C. OFF-BALANCE SHEET INFORMATION

i. CONTINGENT LIABILITIES AND COMMITMENTS

	<u>30 Jun 24</u>	As at <u>31 Dec 23</u>
Off-balance sheet exposures (in contractual amounts)		
Direct credit substitutes	-	-
Transaction-related contingencies	-	-
Trade-related contingencies	23,341	47,062
Forward forward deposits placed	-	-
Other commitments	802,261	836,362

ii. DERIVATIVES

	<u>30 Jun 24</u>	<u>31 Dec 23</u>
Interest rate contracts		
Contractual amount	0	343,859
Replacement cost	-	-
Positive fair value	-	1,669
Negative fair value	-	-
Exchange rate and gold contracts		
Contractual amount	1,168,439	1,094,315
Replacement cost	-	-
Positive fair value	23,649	22,103
Negative fair value	(22,735)	(21,325)

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 24</u>		<u>31 Dec 23</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	216,174	-	44,970	-
Wholesale and retail trade	-	-	2,344	2,344
Transport and transport equipment	-	-	-	-
Electricity and gas	-	-	-	-
Information technology	-	-	-	-
Recreational activities	-	-	-	-
All others	-	-	-	-
Individuals				
Loans for the purchase of other residential properties	12,544	12,544	12,901	12,901
Subtotal	228,718	12,544	60,215	15,245
Trade finance	51,371	9,577	18,443	8,634
Loans and advances for use outside Hong Kong	678,105	117,130	640,358	-
Total loans and advances	958,194	139,251	719,016	23,879

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 24</u>	<u>Gross Amount</u>	<u>Overdue & Impaired</u>	<u>Specific impairment provisions</u>
1.China	117,130	-	-
2.Hong Kong	60,489	-	-
3.Others	780,575	-	-
	958,194	-	-

<u>As at 31 Dec 23</u>	<u>Gross Amount</u>	<u>Overdue & Impaired</u>	<u>Specific impairment provisions</u>
1.China	128,947	-	-
2.Hong Kong	34,230	-	-
3.Others	555,839	-	-
	719,016	-	-

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>		
As at 30 Jun 24						
1. Developed countries	2,684	-	202	-	-	2,886
2. Offshore centres	200	-	39	145	-	384
<i>of which:</i>						
<i>Hong Kong SAR</i>	181	-	-	145	-	326
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	896	-	47	-	-	943
6. Developing Asia-Pacific	5,640	-	39	756	-	6,435
<i>of which:</i>						
<i>China</i>	-	-	-	134	-	134
<i>Chinese Taipei</i>	2,897	-	-	6	-	2,903
7. International organisations	-	-	393	-	-	393
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>		
As at 31 Dec 23						
1. Developed countries	2,468	-	202	34	-	2,704
2. Offshore centres	860	-	39	203	-	1,102
<i>of which:</i>						
<i>Hong Kong SAR</i>	667	-	-	179	-	846
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	819	-	-	47	-	866
6. Developing Asia-Pacific	6,215	120	39	483	-	6,857
<i>of which:</i>						
<i>China</i>	1	-	-	145	-	146
<i>Chinese Taipei</i>	3,446	-	-	3	-	3,449
7. International organisations	-	-	393	-	-	393
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 24</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	118	-	118
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	16	4	20
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank ML exposures	-	-	-
	134	4	138
Total assets after provision	12,882		
On-balance sheet exposures as percentage of total assets	1.04%		

<u>As at 31 Dec 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	130	-	130
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	16	10	26
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank ML exposures	-	-	-
	146	10	156
Total assets after provision	13,780		
On-balance sheet exposures as percentage of total assets	1.06%		

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.

	USD	GBP	JPY	EUR	CNY	AUD	SGD	NZD	other foreign currencies	Total
As at 30 Jun 24										
Spot assets	9,480	4	89	42	527	2	2	-	-	10,146
Spot liabilities	(9,435)	(4)	(89)	(42)	(527)	(3)	(2)	-	-	(10,102)
Forward purchases	593	-	-	-	-	-	-	-	563	1,156
Forward sales	(593)	-	-	-	-	-	-	-	(563)	(1,156)
Net option position	-	-	-	-	-	-	-	-	-	-
Net long (short) position	45	-	-	-	-	(1)	-	-	-	44
As at 31 Dec 23										
Spot assets	10,245	5	88	43	887	4	-	-	-	11,272
Spot liabilities	(10,195)	(4)	(87)	(42)	(887)	(4)	-	-	-	(11,219)
Forward purchases	555	-	-	-	-	-	-	-	-	555
Forward sales	(555)	-	-	-	-	-	-	-	-	(555)
Net option position	-	-	-	-	-	-	-	-	-	-
Net long (short) position	50	1	1	1	-	-	-	-	-	53

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 24</u>	<u>30 Jun 23</u>
Average LMR for the year/period	146.21%	141.83%
Calculation period	Apr~Jun 2024	Apr~Jun 2023

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)

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I. CAPITAL AND CAPITAL ADEQUACY RATIO

	<u>30 Jun 24</u>	As at <u>31 Dec 23</u>
A. Capital Adequacy Ratio	16.25%	16.18%
B. Aggregate amount of shareholder's funds	470,219,042	438,019,228

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 24</u>	As at <u>31 Dec 23</u>
Total assets	6,540,097,899	6,160,555,833
Total liabilities	6,069,878,857	5,722,536,605
Total advances	3,119,554,211	3,131,758,621
Total customer deposits	5,034,644,401	4,733,709,276
	For the half year ended	
	<u>30 Jun 24</u>	<u>30 Jun 23</u>
Profit / (Loss) before taxation	19,114,145	14,423,478

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 2024. 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

Date

12. Sep. 2024.