

中國信託銀行



CTBC BANK

CTBC Bank Co., Ltd.

Hong Kong Branch

Key Financial Information Disclosure Statements

For Period Ended 30 June 2024

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A. HONG KONG BRANCH INFORMATION

1. Income statement information

	HK\$'000	
	<i>6 months ended</i> <i>30 June 2024</i>	<i>6 months ended</i> <i>30 June 2023</i>
Interest income	2,441,304	1,978,663
Interest expense	1,608,786	1,097,117
Net interest income	832,518	881,546
Gains less (losses) arising from dealing in foreign currencies	195,701	159,270
Gains less (losses) on securities held for trading purposes	5,026	87
Gains less (losses) from other dealing activities	(4,165)	(4,937)
Net fees and commission income	77,415	53,584
- gross fees and commission income	97,667	72,099
- less: fee and commission expenses	(20,252)	(18,515)
Other operating income	100,190	89,350
Net operating income	374,167	297,354
Operating expenses	302,703	278,374
- Staff expenses	221,687	199,790
- Rental expenses	34,069	34,621
- Other expenses	46,947	43,963
Operating profit before impairment	903,982	900,526
(Charge for) / Write back of impairment allowances on advances to customers	(15,960)	46,753
Write back of / (Charge for) of impairment allowances on other impaired assets	1,003	(611)
Gains less (losses) from disposal of tangible fixed assets	0	0
Profit before taxation	889,025	946,668
Taxation charges	143,767	153,352
Profit after taxation	745,258	793,316



2. Balance sheet information

HK\$'000

	<u>30 June 2024</u>	<u>31 December 2023</u>
(i) Assets		
Cash and balances with banks	3,071,816	2,207,844
Placements with banks and other financial institutions maturing between 1 and 12 months	9,104,594	10,220,509
Amount due from overseas offices	20,393,550	21,107,061
Trade bills	523,404	196,978
Certificates of deposit held	3,212,147	2,411,668
Securities held for trading purposes	1,223,968	1,444,162
Advances and other accounts (Additional Balance Sheet Information)	30,622,632	27,775,973
Investment securities	37,421,260	37,909,736
Fixed assets	167,692	162,832
Total assets	<u>105,741,063</u>	<u>103,436,763</u>
(ii) Liabilities		
Deposits and balances of banks and other financial institutions	1,309,474	193,228
Deposits from customers	88,573,079	87,667,342
- Demand deposits and current accounts	891,638	1,061,853
- Savings deposits	25,978,619	23,921,626
- Time, call and notice deposits	61,702,822	62,683,863
Amount due to overseas offices	239,459	213,930
Issued debt securities	0	0
Other liabilities	5,015,791	5,439,173
Reserves and current profit	10,603,260	9,923,090
Total liabilities	<u>105,741,063</u>	<u>103,436,763</u>



3. Additional Balance sheet information

HK\$'000

(i) Advances and other accounts	<u>30 June 2024</u>	<u>31 December 2023</u>
Advances to customers	27,105,376	23,697,306
Advances to banks and other financial institutions	0	0
Accrued interest and other accounts	3,698,527	4,241,725
Less: Impairment allowance for impaired assets (Note)	181,271	163,058
Advances to customers	177,829	159,455
Trade bills	764	402
Securities and others	2,678	3,201
Advances and other accounts after impairment allowance for impaired assets	30,622,632	27,775,973

Note:

	<u>30 June 2024</u>		<u>31 December 2023</u>	
	Collective	Individual	Collective	Individual
Impairment allowance for impaired assets				
- Advances to customers	84,746	93,083	72,622	86,833
- Trade bills	764	0	402	0
- Securities and others	2,678	0	3,201	0
Total	88,188	93,083	76,225	86,833

(ii) Details of the impaired assets

	<u>30 June 2024</u>		<u>31 December 2023</u>	
	Banks and other FI's	Customers	Banks and other FI's	Customers
Impaired loans amount*	0	150,973	0	124,752
Individual impairment allowances	0	93,083	0	86,833
- Percentage to total advances to Banks & other FI's /Customers	0.00%	0.56%	0.00%	0.53%
Value of Collateral for impaired loans	0	39,424	0	39,876

* Impaired loans are loans on which interest is being placed in suspense or on which interest accrual has ceased.

(iii) Overdue and rescheduled loans

	<u>30 June 2024</u>		<u>31 December 2023</u>	
	Banks and other FI's	Customers	Banks and other FI's	Customers
(a) Overdue loans				
Three months or less but over one month	0	0	0	18,174
- Percentage to total advances to Banks & other FI's /Customers	0.00%	0.00%	0.00%	0.08%
Six months or less but over three months	0	0	0	69,593
- Percentage to total advances to Banks & other FI's /Customers	0.00%	0.00%	0.00%	0.29%
One year or less but over six months	0	17,719	0	4,081
- Percentage to total advances to Banks & other FI's /Customers	0.00%	0.07%	0.00%	0.02%
Over one year	0	28,566	0	24,485
- Percentage to total advances to Banks & other FI's /Customers	0.00%	0.10%	0.00%	0.10%
Total Overdue loans	0	46,285	0	116,333
- Total Percentage to total advances to Banks & other FI's /Customers	0.00%	0.17%	0.00%	0.49%
(b) Rescheduled loans				
Rescheduled loans, net of those reported in (a)	0	76,026	0	8,419
- Percentage to total advances to Banks & other FI's /Customers	0.00%	0.28%	0.00%	0.04%
(c) Value of collateral held against overdue loans and advances of those reported in (a)				
- Current market value of collateral held against the covered portion of overdue loans and advances	0	24,000	0	39,876
- Covered portion of overdue loans and advances	0	24,000	0	39,876
- Uncovered portion of overdue loans and advances	0	22,285	0	76,457
(d) Individual impairment allowance made on overdue loans	0	30,062	0	78,415
(iv) Repossessed assets held	0	0	0	0



4. Off-balance sheet exposures

HK\$'000

	<i>30 June 2024</i>	<i>31 December 2023</i>
(i) The contract or notional amounts of off-balance sheet exposures outstanding		
Contingent liabilities and commitments		
Direct credit substitutes	751,991	890,350
Transaction-related contingencies	465,333	472,833
Trade-related contingencies	1,180,776	1,090,256
Forward forward deposits placed	1,374,278	0
Other commitments	24,192,422	24,454,939
Others	0	0
Total of above	<u>27,964,800</u>	<u>26,908,378</u>
Derivatives		
Exchange rate contracts	548,994,849	408,730,474
Interest rate contracts	99,777,091	89,121,190
Others	117,050	0
Total of above	<u>648,888,990</u>	<u>497,851,664</u>
(ii) The replacement costs of derivatives outstanding		
Exchange rate contracts	2,039,250	2,588,074
Interest rate contracts	938,911	886,792
Others	66	0
Total of above	<u>2,978,227</u>	<u>3,474,866</u>

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 of the contract amount is not representative of future liquidity requirements.

For derivatives, the notional amounts indicate the nominal value of transactions outstanding at the balance sheet 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.



5. Segmental information

HK\$'000

	<u>30 June 2024</u>		<u>31 December 2023</u>	
	customers	secured	customers	secured
(i) Advances to customers by industry classification				
a) Loans for use in Hong Kong				
Industrial, commercial and financial:				
- Property development	12,439	2,439	10,000	0
- Property investment	4,296,113	3,977,630	4,293,040	4,042,523
- Financial concerns	655,231	331,701	683,121	331,896
- Stockbrokers	249,128	0	56,271	0
- Wholesale and retail trade	1,147,314	640,526	1,111,622	813,634
- Manufacturing	1,161,725	324,444	1,171,164	360,317
- Transport and transport equipment	413,140	263,182	633,246	433,246
- Recreational activities	0	0	0	0
- Information technology	507,284	36,750	463,268	0
- Others	3,029,032	1,276,720	2,298,150	1,269,122
Individual:				
- Loans for the purchase of other residential properties	0	0	0	0
- Others	281,551	0	155,440	0
b) Trade finance	2,450,559	709,030	2,021,763	489,947
c) Loans for use outside Hong Kong	12,901,860	3,222,007	10,800,221	2,623,834
Total of above	<u>27,105,376</u>	<u>10,784,429</u>	<u>23,697,306</u>	<u>10,364,519</u>
(ii) Advances to customers by countries or geographical areas				
	<u>30 June 2024</u>		<u>31 December 2023</u>	
Hong Kong	19,707,833		17,552,177	
China	3,592,156		2,736,037	
Taiwan	2,340,800		2,141,358	
Others	1,464,587		1,267,734	
Total of above	<u>27,105,376</u>		<u>23,697,306</u>	
(iii) Overdue loans by countries or geographical areas				
	<u>30 June 2024</u>		<u>31 December 2023</u>	
Hong Kong	28,566		98,159	
China	17,719		18,174	
Taiwan	0		0	
Others	0		0	
Total of above	<u>46,285</u>		<u>116,333</u>	
(iv) Impaired loans by countries or geographical areas				
	<u>30 June 2024</u>		<u>31 December 2023</u>	
Hong Kong	124,841		98,160	
China	17,719		18,174	
Taiwan	8,413		8,418	
Others	0		0	
Total of above	<u>150,973</u>		<u>124,752</u>	

Exposures to an individual country or geographical area is reported if it constitutes 10% or more of the total advances to customers.



5. Segmental information (cont'd)

HK\$'000

(iii) Non-bank Mainland exposures

30 June 2024

Types of counterparties

	On-balance sheet exposures	Off-balance sheet exposures	Total
1. Central government, central government-owned entities and their subsidiaries and JVs	918,541	0	918,541
2. Local governments, local government-owned entities and their subsidiaries and JVs	81,543	52,298	133,841
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,707,039	874,761	4,581,800
4. Other entities of central government not reported in item 1 above	1,995,339	308,761	2,304,100
5. Other entities of local governments not reported in item 2 above	245,021	0	245,021
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,245,243	636,300	4,881,543
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	97,996	97,996
Total	11,192,726	1,970,116	13,162,842
Total assets after provision	105,741,063		
On-balance sheet exposures as percentage of total assets	10.59%		

31 December 2023

Types of counterparties

1. Central government, central government-owned entities and their subsidiaries and JVs	742,002	0	742,002
2. Local governments, local government-owned entities and their subsidiaries and JVs	267,534	52,029	319,563
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,296,132	1,038,734	4,334,866
4. Other entities of central government not reported in item 1 above	2,221,050	295,474	2,516,524
5. Other entities of local governments not reported in item 2 above	275,419	0	275,419
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,230,023	523,965	4,753,988
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	296,249	296,249
Total	11,032,160	2,206,451	13,238,611
Total assets after provision	103,436,763		
On-balance sheet exposures as percentage of total assets	10.67%		



5. Segmental information (cont'd)

HK\$ million

(iv) International claims

	Non-bank private sector					Total
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	
<u>30 June 2024</u>						
Developed countries	7,798	16,667	0	411	0	24,876
- of which United States	719	15,840	0	161	0	16,720
Offshore centres	1,907	163	365	6,720	0	9,155
Developing Asia-Pacific	37,972	741	0	9,059	0	47,772
- of which China	7,717	606	0	6,910	0	15,233
- of which Taiwan	25,777	0	0	415	0	26,192
<u>31 December 2023</u>						
Developed countries	9,185	16,591	0	245	0	26,021
- of which United States	199	14,438	0	162	0	14,799
Offshore centres	2,354	659	342	5,973	0	9,328
Developing Asia-Pacific	37,098	671	0	8,336	0	46,105
- of which China	6,420	615	0	6,892	0	13,927
- of which Taiwan	26,564	0	0	432	0	26,996

Claim on an individual country or geographical area is reported if it constitutes 10% or more of the total international claims.

The above classification has been taken into account of transfer of risk.

6. Currency risk

HK\$ million

	USD	CNY	EUR	JPY	NTD	Total
<u>30 June 2024</u>						
Spot assets	70,470	8,053	1,438	666	6	89,800
Spot liabilities	(82,633)	(5,116)	(1,155)	(817)	(6)	(90,644)
Forward purchases	270,761	131,114	837	19,204	9,381	443,133
Forward sales	(258,356)	(135,071)	(1,119)	(19,052)	(9,303)	(442,967)
Net option position	0	0	0	0	0	0
Net long (short) position	242	(1,020)	1	1	78	(678)
Net structural position	0	0	0	0	0	0
<u>31 December 2023</u>						
Spot assets	67,732	8,907	1,562	1,810	6	89,627
Spot liabilities	(80,835)	(5,119)	(975)	(606)	(6)	(88,408)
Forward purchases	203,465	111,827	713	4,692	8,778	333,933
Forward sales	(190,463)	(116,528)	(1,301)	(5,894)	(8,822)	(336,211)
Net option position	0	0	0	0	0	0
Net long (short) position	(101)	(913)	(1)	2	(44)	(1,059)
Net structural position	0	0	0	0	0	0

The "Total" column represents the aggregate positions of all currencies.

The net option position is calculated using the delta equivalent value of the option contracts.



7. Liquidity

Starting from June 2018, an authorized institution that is a category 2 institution must disclose the average Liquidity Maintenance Ratio quarterly under the Banking (Disclosure) Rules Cap 155M Section 103B. The average liquidity maintenance ratio is being calculated based on the arithmetic mean of the average value of liquidity maintenance ratio for each month during the reporting period. The liquidity maintenance ratio is calculated in accordance with the guidelines of the HKMA and the Banking (Liquidity) Rules.

	<i>For the quarter ended</i>	<i>For the quarter ended</i>
	<u>30 June 2024</u>	<u>30 June 2023</u>
Average liquidity maintenance ratio for the period	105.82%	101.92%

Liquidity Risk Management

The liquidity maintenance ratio ("LMR") is prepared by Accounting Department on a daily basis and a daily report is submitted to branch management and Capital Market Department for monitoring purpose. Capital Market Department is performed the liquidity maintenance ratio projection on a daily basis and Risk Management Department is performed the liquidity stress test at least quarterly.

Funding and Liquidity Cushion

Capital Market Department is responsible for managing the funding of the branch which include interbank market funding and placement, customer deposits, etc and Head Office support when necessary. The branch is maintained the liquidity cushion by holding high quality marketable securities which consists of Hong Kong Exchange Fund Bills, other sovereign bonds or bills, NCDs and other bonds issued by authorized institution in Hong Kong or other financial institution outside Hong Kong. The investment portfolio combines of 21% fair value through other comprehensive income securities and 79% of amortised cost securities.

Governance

Liquidity risk management of CTBC, Hong Kong Branch ("The Branch") is governed by policies as established by the Board of Directors of the Head Office. The Branch has established an Asset and Liability Committee ("ALCO"), which is responsible for the management of liquidity and funding risk of the Branch, ensuring that it is managed within the approved policies and procedures, risk tolerance and limits, and complies with regulatory requirements. ALCO members comprise senior management from treasury, market and liquidity risk manager and business lines representatives.

The Branch's qualitative liquidity risk tolerance is to maintain a balanced asset and liability structure to ensure that it is capable of sustaining business growth while meeting various obligations under normal and certain stressed scenarios. Internal liquidity reporting is compiled and monitored on a regular basis for various level of the governance.

The Branch maintains diverse funding sources, including customer deposits, interbank money market, repo facilities and funding support from the Head Office. Controls and measures are in place to avoid over-reliance on interbank funding and intra-group funding.

Liquidity stress testing covers general market, institution-specific and combined stress scenarios and the results are reviewed on a quarterly basis at ALCO meeting to identify the Branch's potential vulnerabilities and its capacity to withstand stressed circumstances.

The Branch's contingency funding plan makes use of both qualitative and quantitative early warning indicators on different internal and external factors. Any early signs of significant impact on the Branch's liquidity position will be discussed in ALCO. Testing on the plan is conducted on an annual basis and the plan is also subject to regular review by ALCO.

7. Liquidity (cont'd)

Analysis of On/Off Balance Sheet by remaining maturity

HK\$'000	30 June 2024						
	Total	1 month or less	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 year	Over 5 Year	Undated or overdue
Assets							
Cash and balances with banks	3,071,816	3,071,816	0	0	0	0	0
Placements with banks and other financial institutions maturing between 1 and 12 months	9,104,594	0	8,440,880	663,714	0	0	0
Amount due from overseas offices	20,393,550	20,393,550	0	0	0	0	0
Trade bills	523,404	229,031	135,692	158,681	0	0	0
Certificates of deposit held	3,212,147	199,980	116,898	2,895,269	0	0	0
Securities held for trading purposes	1,223,968	0	0	0	1,223,968	0	0
Advances and other accounts (Additional Balance Sheet Information)	30,622,632	6,919,589	6,066,972	7,099,957	9,672,495	676,749	186,870
Investment securities	37,421,260	583,962	949,853	3,624,087	25,885,085	6,378,273	0
Fixed assets	167,692	0	0	0	0	0	167,692
Total assets	105,741,063	31,397,928	15,710,295	14,441,708	36,781,548	7,055,022	354,562
Liabilities							
Deposits and balances of banks and other financial institutions	1,309,474	1,282,730	26,744	0	0	0	0
Deposits from customers	88,573,079	47,190,655	17,479,174	23,872,513	30,737	0	0
Amount due to overseas offices	239,459	231,899	0	0	0	0	7,560
Other liabilities	5,015,791	1,225,632	826,511	1,282,248	649,659	124,094	907,647
Reserves and current profit	10,603,260	0	0	0	0	0	10,603,260
Total liabilities	105,741,063	49,930,916	18,332,429	25,154,761	680,396	124,094	11,518,467
Net Gap	0	(18,532,988)	(2,622,134)	(10,713,053)	36,101,152	6,930,928	(11,163,905)
Off Balance Sheet Exposures							
Contingent liabilities	2,398,100	424,046	699,368	1,068,547	206,139	0	0
Irrevocable commitments	2,448,810	2,448,810	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
Total	4,846,910	2,872,856	699,368	1,068,547	206,139	0	0
30 June 2023							
HK\$'000	Total	1 month or less	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 year	Over 5 Year	Undated or overdue
Assets							
Cash and balances with banks	1,005,598	1,005,598	0	0	0	0	0
Placements with banks and other financial institutions maturing between 1 and 12 months	9,718,332	0	9,718,332	0	0	0	0
Amount due from overseas offices	20,080,858	19,412,860	560,256	107,742	0	0	0
Trade bills	479,963	131,085	291,810	57,068	0	0	0
Certificates of deposit held	0	0	0	0	0	0	0
Securities held for trading purposes	0	0	0	0	0	0	0
Advances and other accounts (Additional Balance Sheet Information)	30,799,799	6,749,219	5,093,791	7,916,852	10,398,509	523,738	117,690
Investment securities	36,623,506	488,630	2,151,236	3,606,569	23,298,862	7,078,209	0
Fixed assets	48,556	0	0	0	0	0	48,556
Total assets	98,756,612	27,787,392	17,815,425	11,688,231	33,697,371	7,601,947	166,246
Liabilities							
Deposits and balances of banks and other financial institutions	556,466	556,466	0	0	0	0	0
Deposits from customers	80,472,737	43,418,565	17,587,968	19,461,135	5,069	0	0
Amount due to overseas offices	814,951	807,391	0	0	0	0	7,560
Other liabilities	7,815,969	1,874,782	1,819,245	2,300,304	851,468	114,903	855,267
Reserves and current profit	9,096,489	0	0	0	0	0	9,096,489
Total liabilities	98,756,612	46,657,204	19,407,213	21,761,439	856,537	114,903	9,959,316
Net Gap	0	(18,869,812)	(1,591,788)	(10,073,208)	32,840,834	7,487,044	(9,793,070)
Off Balance Sheet Exposures							
Contingent liabilities	2,514,405	233,088	968,931	1,189,061	123,325	0	0
Irrevocable commitments	3,171,890	3,171,890	0	0	0	0	0
Forward forward deposits placed	0	0	0	0	0	0	0
Total	5,686,295	3,404,978	968,931	1,189,061	123,325	0	0



8. Remuneration disclosure

In accordance with paragraph 3.1.2 of the HKMA's Supervisory Policy Manual Guideline on a Sound Remuneration System – CG5 issued on March 12, 2015, CTBC Bank has disclosed the relevant information under Part III Corporate Governance of the Chinese version of CTBC Bank Annual Report 2023.

B. BANK INFORMATION (CONSOLIDATED BASIS)

1. Capital and capital adequacy

	Unaudited	NTD million
	<u>30 June 2024</u>	<u>31 December 2023</u>
Consolidated capital adequacy ratio	13.53%	13.48%
Aggregate amount of shareholders' fund	387,192	381,312

The capital adequacy ratio is computed in accordance with the Basel Capital Accord under Taiwan MOF regulation. It is calculated as the percentage of net eligible capital divided by risk-weighted assets.

Net eligible capital is the sum of Tier I capital and qualified Tier II and Tier III capital (Total eligible capital) less required capital deductions.

Risk-weighted assets is the sum of credit risk-weighted assets plus the capital requirement for market risk and operational risk multiplied by 12.5.

2. Other financial information

	Unaudited	NTD million
	<u>30 June 2024</u>	<u>31 December 2023</u>
Total assets	6,124,575	6,046,297
Total liabilities	5,737,384	5,664,984
Total advances	3,519,279	3,456,021
Total customer deposits	5,111,245	4,998,381
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 June 2024</u>	<u>30 June 2023</u>
Pre-tax profit / (loss)	29,958	26,319

* Notes for NTD/HKD conversion rates : 4.16 (30-Jun-2024); 3.93 (31-Dec-2023) and 3.97 (30-Jun-2023).

Chief executive's declaration of compliance

We enclose herewith the Key Financial Information Disclosure Statement for the 6 months ended 30 June 2024. We confirm that the information contained therein complies fully with the relevant requirements for financial disclosure by overseas incorporated authorized institutions as set out in CA-D-1<Guideline on the Application of the Banking (Disclosure) Rules> of Supervisory Policy Manual issued by Hong Kong Monetary Authority and is not false or misleading in any material aspect.

HSU CHIA YUN
Chief Executive
CTBC Bank Co., Ltd.
Hong Kong Branch
(incorporated in Taiwan with limited liability)

26 September 2024