



臺灣中小企業銀行股份有限公司 香港分行

Taiwan Business Bank Hong Kong Branch

(於臺灣註冊成立之有限責任公司)

(Incorporated in Taiwan with limited liability)

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**TAIWAN BUSINESS BANK, LTD.
HONG KONG BRANCH**

**Key Financial Information Disclosure Statement
For The Half Year Ended 2024 / 6 / 30**





TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH
Key Financial Information Disclosure Statement
For The Half Year Ended 2024 / 6 / 30

| <u>Contents</u> | <u>Page</u> |
|---|-------------|
| Section A-Information of the Branch (Hong Kong Branch Only) | |
| I. Income statement information | 1 |
| II. Balance sheet information | 2 |
| III. Additional Balance sheet information | 3 |
| 1. Loans and advances and impairment provisions | 3 |
| 2. Overdue and rescheduled assets | 4 |
| 3. Off-balance sheet information | 7 |
| 4. Gross advances to customers segmental analysis | 8 |
| 5. International claims | 9 |
| 6. Non-bank Mainland exposures | 10 |
| 7. Currency risk | 11 |
| 8. Liquidity information disclosures | 12 |
| 9. Remuneration Disclosure | 13 |
| Section B-Information of the Bank (Consolidated Basis) | |
| I. Capital and capital adequacy ratio | 14 |
| II. Other financial information | 14 |
| Declaration | 15 |



Section A-Information of the Branch (Hong Kong Branch Only)

I. Income statement information

| | <u>For the half year end</u> <u>2024/6/30</u> HK\$'000 | <u>For the half year end</u> <u>2023/6/30</u> HK\$'000 |
|--|--|--|
| Interest Income | 151,223 | 127,362 |
| Interest Expense | <u>-74,603</u> | <u>-53,105</u> |
| | 76,620 | 74,257 |
| Other operating income | | |
| Gains less losses arising from trading in foreign currencies | 875 | 634 |
| Gains less losses on securities held for trading purpose | -5 | -48 |
| Gains less losses from other trading activities | 0 | 0 |
| Income from fees and commissions | 6,975 | 3,216 |
| Others | <u>1</u> | <u>1</u> |
| | 7,846 | 3,803 |
| Operating Expense | | |
| Staff and rental expenses | -9,706 | -9,984 |
| Net charge for other provisions | 222 | 3,080 |
| Other expenses | -8,844 | -9,902 |
| Impairment losses and provisions for impaired loans and receivables | -5,441 | -3,710 |
| Gains less losses from the disposal of property, plant and equipment and investment properties | 0 | 0 |
| | <u>-23,769</u> | <u>-20,516</u> |
| Profit before taxation | 60,697 | 57,544 |
| Taxation expense or tax income | -12,960 | -5,175 |
| Profit after taxation | <u>47,737</u> | <u>52,369</u> |



II. Balance sheet information

| | <u>2024/6/30</u> HK\$'000 | <u>2023/12/31</u> HK\$'000 |
|--|------------------------------|-------------------------------|
| <u>Assets</u> | | |
| Cash and balances with banks (except those included in amount due from overseas offices) | 644,094 | 991,476 |
| Placement with banks maturing between 1 and 12 months (except those included in amount due from overseas offices) | 50,000 | 0 |
| Amount due from overseas offices | 0 | 0 |
| Trade bills | 0 | 0 |
| Fair value through other comprehensive income financial assets and impairment provisions | | |
| Fair value through other comprehensive income financial assets | 1,476,007 | 1,409,695 |
| Impairment provisions (specific) | 0 | 0 |
| Amortised cost financial assets | 0 | 0 |
| Loans and advances and impairment provisions | | |
| Loans and advances to customers | 1,962,807 | 1,650,808 |
| Loans and advanced to banks | 1,538,196 | 1,304,754 |
| Impairment provisions (collective and specific) | -40,520 | -35,079 |
| Property, plant and equipment and investment properties | 20,938 | 22,729 |
| Other assets | | |
| Accrued interest | 39,473 | 36,327 |
| Others | 109,974 | 47,389 |
| Total assets | <u>5,800,969</u> | <u>5,428,099</u> |
| <u>Liabilities</u> | | |
| Deposits and balances of banks (except those included in amount due to overseas offices) | 802,729 | 764,096 |
| Deposits from customers | | |
| Demand deposits and current accounts | 59,858 | 68,781 |
| Savings deposits | 1,358,833 | 1,452,582 |
| Time, call and notice deposits | 2,653,507 | 2,393,314 |
| Amount due to overseas offices | 92,055 | 96,899 |
| Other liabilities | 244,168 | 107,067 |
| Total liabilities | <u>5,211,150</u> | <u>4,882,739</u> |
| Paid up capital | 0 | 0 |
| Reserves | 542,082 | 440,780 |
| Current profit/(loss) | 47,737 | 104,580 |
| Total equities | <u>589,819</u> | <u>545,360</u> |
| Total Equities and Liabilities | <u>5,800,969</u> | <u>5,428,099</u> |

III. Additional Balance sheet information

| | <u>2024/6/30</u> HK\$'000 | <u>2023/12/31</u> HK\$'000 | |
|---|------------------------------|-------------------------------|---------------|
| 1. Loans and advances and impairment provisions | | | |
| A. Loans and advances and impairment provisions | | | |
| Loans and advances to customers | 1,962,807 | 1,650,808 | |
| Loans and advances to banks | 1,538,196 | 1,304,754 | |
| Total | <u>3,501,003</u> | <u>2,955,562</u> | |
| Collective impairment provisions | -34,885 | -29,430 | |
| Specific impairment provisions | -5,635 | -5,649 | |
| Total | <u>-40,520</u> | <u>-35,079</u> | |
| Gross loans and advances less impairment provisions | <u>3,460,483</u> | <u>2,920,483</u> | |
| Provisions as % of gross loans and advances | | | |
| Collective impairment provisions | 1.00% | 1.00% | |
| Specific impairment provisions | 0.16% | 0.19% | |
| Total | 1.16% | 1.19% | |
| B. Impairment provisions | | | |
| | <u>Specific</u> | <u>Collective</u> | <u>Total</u> |
| 2024/6/30 | <u>impairment provisions</u> | <u>impairment provisions</u> | |
| Loans and advances to customers | 5,635 | 19,503 | 25,138 |
| Loans and advances to banks | 0 | 15,382 | 15,382 |
| Total | <u>5,635</u> | <u>34,885</u> | <u>40,520</u> |
| 2023/12/31 | | | |
| Loans and advances to customers | 5,649 | 16,382 | 22,031 |
| Loans and advances to banks | 0 | 13,048 | 13,048 |
| Total | <u>5,649</u> | <u>29,430</u> | <u>35,079</u> |
| | <u>2024/6/30</u> | <u>2023/12/31</u> | |
| | HK\$'000 | HK\$'000 | |
| C. Impaired loans and advances to customers | | | |
| Impaired loans and advances to customers | 12,521 | 12,552 | |
| Specific impairment provisions | -5,635 | -5,649 | |
| Total | <u>6,886</u> | <u>6,903</u> | |
| Market value of collateral of loans and advances to customers | 0 | 0 | |
| covered portion of impaired loans and advances to customers | 0 | 0 | |
| uncovered portion of impaired loans and advances to customers | 12,521 | 12,552 | |
| Impaired advances as % of gross loans and advances to customers | 0.64% | 0.76% | |
| Specific impairment provisions as % of impaired loans and advances to customers | 45.00% | 45.00% | |
| D. Impaired loans and advances to bank | | | |
| Impaired loans and advances to banks | 0 | 0 | |
| Specific impairment provisions | 0 | 0 | |
| Total | <u>0</u> | <u>0</u> | |
| Market value of collateral of loans and advances to banks | 0 | 0 | |
| covered portion of impaired loans and advances to banks | 0 | 0 | |
| uncovered portion of impaired loans and advances to banks | 0 | 0 | |
| Impaired advances as % of gross loans and advances to banks | 0.00% | 0.00% | |
| Specific impairment provisions as % of impaired loans and advances to banks | 0.00% | 0.00% | |

2. Overdue and rescheduled assets

Part I. Loans and advances to customers

| | <u>2024/6/30</u> HK\$'000 | <u>2023/12/31</u> HK\$'000 |
|---|--|--|
| A. Loans and advances to customers overdue for | | |
| more than 3 months but not more than 6 months | 0 | 0 |
| more than 6 months but not more than 1 year | 0 | 0 |
| more than 1 year | 0 | 0 |
| Total | <u>0</u> | <u>0</u> |
| Specific impairment provisions made in respect of the above | 0 | 0 |
| Market value of collateral of overdue loans and advances to customers | 0 | 0 |
| covered portion of overdue loans and advances to customers | 0 | 0 |
| uncovered portion of overdue loans and advances to customers | 0 | 0 |
| B. Rescheduled loans and advances to customers | <u>12,521</u> | <u>12,553</u> |
| (Net of those overdue loans and advances which have been disclosed above) | | |
| | As % of gross advances to customers | As % of gross advances to customers |
| | <u>2024/6/30</u> | <u>2023/12/31</u> |
| a. Advance to customers overdue for | | |
| more than 3 months but not more than 6 months | 0.00% | 0.00% |
| more than 6 months but not more than 1 year | 0.00% | 0.00% |
| more than 1 year | 0.00% | 0.00% |
| Total | <u>0.00%</u> | <u>0.00%</u> |
| b. Rescheduled loans and advances to customers | <u>0.64%</u> | <u>0.76%</u> |

C. Repossessed assets

As at 2024 / 6 / 30 and 2023 / 12 / 31, there were no repossessed assets held by our branch.



Part II. Loans and advances to banks

| | <u>2024/6/30</u> <u>HK\$'000</u> | <u>2023/12/31</u> <u>HK\$'000</u> |
|--|-------------------------------------|--------------------------------------|
| A. Loans and advances to banks overdue for | | |
| more than 3 months but not more than 6 months | 0 | 0 |
| more than 6 months but not more than 1 year | 0 | 0 |
| more than 1 year | 0 | 0 |
| Total | <u>0</u> | <u>0</u> |
| Specific impairment provisions made in respect of the above | 0 | 0 |
| Market value of collateral of overdue loans and advances to banks | 0 | 0 |
| covered portion of overdue loans and advances to banks | 0 | 0 |
| uncovered portion of overdue loans and advances to banks | 0 | 0 |
| B. Rescheduled loans and advances to banks | <u>0</u> | <u>0</u> |
| (Net of those overdue loans and advances which have been disclosed above) | | |
| | As % of gross advances to banks | As % of gross advances to banks |
| | <u>2024/6/30</u> | <u>2023/12/31</u> |
| a. Advance to bank overdue for | | |
| more than 3 months but not more than 6 months | 0.00% | 0.00% |
| more than 6 months but not more than 1 year | 0.00% | 0.00% |
| more than 1 year | 0.00% | 0.00% |
| Total | <u>0.00%</u> | <u>0.00%</u> |
| b. Rescheduled loans and advances to banks | <u>0.00%</u> | <u>0.00%</u> |
| C. Repossessed assets | | |
| As at 2024 / 6 / 30 and 2023 / 12 / 31, there were no repossessed assets held by our branch. | | |



Part III. Other assets

(Available-for-sale securities and Held-to-maturity securities)

| | <u>2024/6/30</u> HK\$'000 | <u>2023/12/31</u> HK\$'000 |
|---|---|--|
| A. Other assets overdue for | | |
| more than 3 months but not more than 6 months | 0 | 0 |
| more than 6 months but not more than 1 year | 0 | 0 |
| more than 1 year | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| Specific impairment provisions made in respect of the above | 0 | 0 |
| Market value of collateral of overdue other assets | 0 | 0 |
| covered portion of overdue other assets | 0 | 0 |
| uncovered portion of overdue other assets | 0 | 0 |
| B. Rescheduled Other assets | <u>0</u> | <u>0</u> |
| (Net of those overdue other assets which have been disclosed above) | | |
| | As % of gross Other assets <u>2024/6/30</u> | As % of gross Other assets <u>2023/12/31</u> |
| a. Other assets overdue for | | |
| more than 3 months but not more than 6 months | 0.00% | 0.00% |
| more than 6 months but not more than 1 year | 0.00% | 0.00% |
| more than 1 year | 0.00% | 0.00% |
| Total | <u>0.00%</u> | <u>0.00%</u> |
| b. Rescheduled Other assets | <u>0.00%</u> | <u>0.00%</u> |

C. Repossessed assets

As at 2024 / 6 / 30 and 2023 / 12 / 31, there were no repossessed assets held by our branch.



3. Off-balance sheet information

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.

| | <u>2024/6/30</u> HK\$'000 | <u>2023/12/31</u> HK\$'000 |
|--|------------------------------|-------------------------------|
| A. The contractual or notional amounts of each material class of its off-balance sheet exposures (other than Derivative transactions) | | |
| Direct credit substitutes | 0 | 0 |
| Transaction-related contingencies | 0 | 0 |
| Trade-related contingencies | 52,645 | 42,548 |
| Other commitments | 895,025 | 1,060,833 |
| Others | <u>0</u> | <u>0</u> |
| Total | 947,670 | 1,103,381 |
| B. Derivative transactions | | |
| Exchange rate contract | 0 | 0 |
| Interest rate contract | <u>0</u> | <u>0</u> |
| Total | 0 | 0 |
| Replacement cost of derivatives | | |
| Exchange rate contract | | |
| Positive Fair Value | 0 | 0 |
| Negative Fair Value | 0 | 0 |
| Interest rate contract | | |
| Positive Fair Value | 0 | 0 |
| Negative Fair Value | <u>0</u> | <u>0</u> |
| Total | 0 | 0 |

The fair value of derivatives 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.

4. Gross advances to customers segmental analysis

A. By loan usage

The following analysis of loans and gross advances to customers by major sectors are prepared in accordance with the definitions and the detailed descriptions in the completion instructions for the "Return of Quarterly Analysis of Loans and Advances and Provisions".

| | <u>2024/6/30</u> | | <u>2023/12/31</u> | |
|---|------------------------|----------------------|------------------------|----------------------|
| | <u>HK\$'000</u> | | <u>HK\$'000</u> | |
| | <u>Balance covered</u> | | <u>Balance covered</u> | |
| | <u>Amount</u> | <u>by collateral</u> | <u>Amount</u> | <u>by collateral</u> |
| Loan and advances for use in HK | | | | |
| Industrial, commercial and financial: | | | | |
| -Property development | 0 | 0 | 0 | 0 |
| -Property investment | 0 | 0 | 0 | 0 |
| -Financial concerns | 0 | 0 | 0 | 0 |
| -Stockbrokers | 50,000 | 0 | 0 | 0 |
| -Wholesale and retail trade | 181,380 | 62,625 | 121,771 | 64,750 |
| -Manufacturing | 93,697 | 0 | 93,755 | 0 |
| -Transport and transport equipment | 0 | 0 | 0 | 0 |
| -Recreational activities | 0 | 0 | 0 | 0 |
| -Information Technology | 193,182 | 0 | 193,182 | 0 |
| -Others | 143,669 | 0 | 227,746 | 0 |
| Individuals: | | | | |
| -Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchases Scheme of their respective Successor Schemes | 0 | 0 | 0 | 0 |
| -Loan for the purchase of other residential properties | 0 | 0 | 0 | 0 |
| -Credit card advances | 0 | 0 | 0 | 0 |
| -Others | 0 | 0 | 0 | 0 |
| Total | 661,928 | 62,625 | 636,454 | 64,750 |
| Trade finance | 12,521 | 0 | 12,553 | 0 |
| Loan and advances for use outside HK | 1,288,358 | 0 | 1,001,801 | 0 |
| Total | 1,962,807 | 62,625 | 1,650,808 | 64,750 |

B. By countries or geographical segments

| <u>2024/6/30</u> | <u>Gross</u> | <u>Overdue</u> | <u>Specific</u> |
|-------------------|---------------|-----------------------|------------------------------|
| <u>HK\$'000</u> | <u>Amount</u> | <u>& Impaired</u> | <u>impairment provisions</u> |
| Hong Kong | 747,820 | 12,521 | 5,635 |
| Singapore | 215,873 | 0 | 0 |
| Thailand | 309,701 | 0 | 0 |
| India | 312,324 | 0 | 0 |
| Macao | 0 | 0 | 0 |
| China | 4,940 | 0 | 0 |
| Others | 372,149 | 0 | 0 |
| Total | 1,962,807 | 12,521 | 5,635 |
| <u>2023/12/31</u> | <u>Gross</u> | <u>Overdue</u> | <u>Specific</u> |
| <u>HK\$'000</u> | <u>Amount</u> | <u>& Impaired</u> | <u>impairment provisions</u> |
| Hong Kong | 666,372 | 12,552 | 5,649 |
| Singapore | 403,311 | 0 | 0 |
| Thailand | 296,809 | 0 | 0 |
| India | 175,790 | 0 | 0 |
| Macao | 0 | 0 | 0 |
| China | 8,512 | 0 | 0 |
| Others | 100,014 | 0 | 0 |
| Total | 1,650,808 | 12,552 | 5,649 |

Only exposures to a country or geographical segment in accordance with the location of the counterparty not less than 10% of the aggregate gross amount of loans and advances to customers as at the above respective reporting data are disclosed.



5. International claims

International claims include the following types of financial claims, receivables and loans and advances, cash and balances and placements with banks (including loans and advances to banks), holdings of certificates of deposit, bills, promissory notes, commercial paper, other debt instruments and investments and accrued interest and overdue interest on all above assets.

The analysis of international claims by geographical segments in accordance with the location and the types of counterparties which constitutes not less than 10% of total international claims after taking into account any recognized risk transfer is as follow :

| <u>2024/6/30</u> <u>HK\$ millions</u> | <u>Banks</u> | <u>Non-bank private sector</u> | | | <u>Others</u> | <u>Total</u> |
|---|--------------|--------------------------------|--|-------------------------------------|---------------|--------------|
| | | <u>Official Sector</u> | <u>Non-bank Financial institutions</u> | <u>Non-financial private sector</u> | | |
| 1. Developed countries | 820 | 0 | 83 | 0 | 0 | 903 |
| 2. Offshore centers | 130 | 0 | 107 | 905 | 0 | 1,142 |
| of which-Hong Kong | 130 | 0 | 0 | 577 | 0 | 707 |
| of which-Singapore | 0 | 0 | 62 | 216 | 0 | 278 |
| 3. Developing Europe | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Developing Latin America and Caribbear | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Developing Africa and Middle East | 722 | 0 | 0 | 245 | 0 | 967 |
| 6. Developing Asia-Pacific | 1,222 | 0 | 70 | 873 | 0 | 2,165 |
| of which-Taiwan | 151 | 0 | 0 | 13 | 0 | 164 |
| of which-South Korea | 748 | 0 | 0 | 186 | 0 | 934 |
| of which-India | 205 | 0 | 0 | 315 | 0 | 520 |
| 7. International organizations | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Unallocated by country | 0 | 0 | 0 | 0 | 0 | 0 |

| <u>2023/12/31</u> <u>HK\$ millions</u> | | | | | | |
|---|-------|---|-----|-----|---|-------|
| 1. Developed countries | 1,349 | 0 | 81 | 0 | 0 | 1,430 |
| 2. Offshore centers | 171 | 0 | 108 | 912 | 0 | 1,191 |
| of which-Hong Kong | 120 | 0 | 0 | 435 | 0 | 555 |
| of which-Singapore | 51 | 0 | 62 | 405 | 0 | 518 |
| 3. Developing Europe | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Developing Latin America and Caribbear | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Developing Africa and Middle East | 416 | 0 | 0 | 47 | 0 | 463 |
| 6. Developing Asia-Pacific | 1,050 | 0 | 69 | 656 | 0 | 1,775 |
| of which-Taiwan | 55 | 0 | 0 | 14 | 0 | 69 |
| of which-South Korea | 748 | 0 | 0 | 148 | 0 | 896 |
| of which-Thailand | 0 | 0 | 0 | 298 | 0 | 298 |
| 7. International organizations | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Unallocated by country | 0 | 0 | 0 | 0 | 0 | 0 |



6. Non-bank Mainland exposures

| <u>2024/6/30</u> <u>HK\$'000</u> | <u>On-balance</u> <u>sheet exposures</u> | <u>Off-balance</u> <u>sheet exposures</u> | <u>Total</u> | <u>Specific</u> <u>provision</u> |
|--|---|--|--------------|-------------------------------------|
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 0 | 0 | 0 | 0 |
| 2. Local governments, local government-owned entities and their subsidiaries and JVs | 0 | 0 | 0 | 0 |
| 3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 4,825 | 0 | 4,825 | 0 |
| 4. Other entities of central government not reported in item 1 above | 0 | 0 | 0 | 0 |
| 5. Other entities of local governments not reported in item 2 above | 0 | 0 | 0 | 0 |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 32,105 | 1,553 | 33,658 | 0 |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 11,090 | 3,077 | 14,167 | 0 |
| Total | 48,020 | 4,630 | 52,650 | 0 |
| Total assets after provision | 5,800,969 | | | |
| On-balance sheet exposures as percentage of total assets | 0.83% | | | |
| <u>2023/12/31</u> <u>HK\$'000</u> | | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 0 | 0 | 0 | 0 |
| 2. Local governments, local government-owned entities and their subsidiaries and JVs | 0 | 0 | 0 | 0 |
| 3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 8,312 | 0 | 8,312 | 0 |
| 4. Other entities of central government not reported in item 1 above | 0 | 0 | 0 | 0 |
| 5. Other entities of local governments not reported in item 2 above | 0 | 0 | 0 | 0 |
| 6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 29,769 | 7,675 | 37,444 | 0 |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 10,737 | 540 | 11,277 | 0 |
| Total | 48,818 | 8,215 | 57,033 | 0 |
| Total assets after provision | 5,428,099 | | | |
| On-balance sheet exposures as percentage of total assets | 0.90% | | | |



7. Currency risk

| <u>2024/6/30</u> <u>HK\$ millions</u> | USD | GBP | JPY | EUR | CNY | CAD | AUD | NZD | Total |
|---|-------|-----|-----|-----|-----|-----|-----|-----|-------|
| Spot assets | 4,289 | 6 | 94 | 21 | 377 | 4 | 6 | 0 | 4,797 |
| Spot liabilities | 4,281 | 6 | 94 | 21 | 377 | 4 | 6 | 0 | 4,789 |
| Forward purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Forward sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net option position | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net long/ short position | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| <u>2023/12/31</u> <u>HK\$ millions</u> | USD | GBP | JPY | EUR | CNY | CAD | AUD | NZD | Total |
| Spot assets | 4,014 | 6 | 102 | 20 | 373 | 3 | 10 | 0 | 4,528 |
| Spot liabilities | 4,012 | 6 | 102 | 20 | 373 | 3 | 10 | 0 | 4,526 |
| Forward purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Forward sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net option position | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net long/ short position | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |

There were no foreign currency structural positions as at 2024 / 6 / 30 and 2023 / 12 / 31

8. Liquidity information disclosures

8.1 Average liquidity maintenance ratio

| | <u>2024/3/31</u> | <u>2024/6/30</u> | <u>2024/6/30</u> |
|--|------------------|------------------|------------------|
| Average value of its LMR for the year/period | 55.53% | 55.61% | 55.57% |
| Calculation period | (Jan~Mar 2024) | (Apr~Jun 2024) | (Jan~Jun 2024) |
| | <u>2023/3/31</u> | <u>2023/6/30</u> | <u>2023/6/30</u> |
| Average value of its LMR for the year/period | 46.56% | 49.23% | 47.89% |
| Calculation period | (Jan~Mar 2023) | (Apr~Jun 2023) | (Jan~Jun 2023) |

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average liquidity maintenance ratio for the period as calculated in accordance with the Banking (Liquidity) Rules with effect from 1 January 2015.

8.2 Qualitative disclosures

a. Approach to liquidity risk management.

The branch manages our liquidity risk in accordance with the Liquidity Risk Management Policy, which is set by Asset and Liability Committee and Risk Management Committee in Hong Kong branch and approved by our head office. The Policy provides a set of principles for the prudent management of liquidity in the normal course of business. The primary measures used to manage liquidity within the tolerance are the stress-testing and scenario analysis, liquidity maintenance ratio, loan-to-deposit and cash flow maturity mismatch analysis. In additions, our policy set a higher internal limit of liquidity maintenance ratio than the statutory minimum to reduce the liquidity risk.

Asset and Liability Committee is mainly responsible for the liquidity risk management in our branch. General Manager is the chairman of the Committee. The members include the department head of Treasury, Risk Management, Accounting, and all members of Treasury. General Manager could also invite other department heads to attend to Committee meeting in need. The branch also follows the guidance set forth by the Hong Kong Monetary Authority in Supervisory Policy Manual (LM-2) - Sound Systems and Controls for Liquidity Risk Management.

b. Funding strategies

The branch's main funding strategies include diverse funding source, relationship-building in financial market, and intra-group transactions.

c. Liquidity risk mitigation techniques

(i) The branch will take the action to reduce the rising liquidity risk by several measures include HKEF Notes intraday repo, funding from head office, and reduction of interbank lending activities.

(ii) Maintenance of liquidity cushion

Tier 1 assets: HKD1,753,901,578 Tier 2 assets: HKD 0 (both as of 30/6/2024)

The liquidity cushion assets are easily able to be sold for liquidity demand.

d. Stress testing

The branch performs stress testing quarterly for items as below

(i) Cash flow

(ii) Liquidity maintenance ratio

(iii) Liquidity gapping

The scenarios of 3 cases for our stress testing are "institution-specific stress scenario", "general market stress scenario", and "combination of both". We perform all three scenarios for item (i), and the extreme scenario, "combination of both", for both item (ii) and (iii). The different loss rates of deposit are assumed based on each 3 scenarios.

e. Contingency funding plan

The General Manager of branch should convene the meeting with all departments head to control and assess in case of excess of warning index.

Furthermore, the branch should report to risk management department of head office which is going to assess the possibility whether the operating risk occur and the branch start Contingency funding plan.

The branch maintains two kinds of the warning indexes which are internal warning index and market warning index. Internal warning index includes profitability, quality of assets, source of assets and funding, financial cost, maturity date mismatch, and regulation of branch and authority. Market warning index includes the bank credit rating, stock price, interbank transaction, and average deposit balance from customers.

8.3 Quantitative disclosures

f. Metrics of liquidity management

The branch maintains the due date gap ratio and sets up the formula as follows: (due date assets – due date liabilities) / total liabilities. The limit matrix is as below :

| Tenor | | CCY | | | | |
|---------|---------|-------|------|------|------|--------|
| | | Total | USD | HKD | CNH | Others |
| O/N | Limit | -75% | -75% | -75% | -75% | -75% |
| | Warning | -70% | -70% | -70% | -70% | -70% |
| A week | Limit | -75% | -75% | -75% | -75% | -75% |
| | Warning | -70% | -70% | -70% | -70% | -70% |
| A month | Limit | -40% | -50% | -70% | -70% | -70% |
| | Warning | -35% | -45% | -65% | -65% | -65% |

g. Concentration limit

The branch sets limit for funding concentration.

(i) The ratio of funding amount from a branch (or a consolidated group) to total lending to banks should not be over 30% (or 50%).

(ii) The ratio of time deposit of single customer (or a consolidated group) to total time deposit should not be over 30% (or 50%).

(iii) The amount of funding from a single country (Taiwan excluded) should not be over 300 million USD.



9. Remuneration Disclosure

In accordance with section 3 of the HKMA's Supervisory policy Manual Guideline CG-5 "Sound Remuneration System", Taiwan Business Bank, Ltd. has disclosed the relevant information in the part of Corporate Governance of the Bank's 2023 Annual Report (Chinese version).



Section B-Information of the Bank (Consolidated Basis)

| | <u>as at</u> <u>2024/6/30</u> TW\$ million | <u>as at</u> <u>2023/12/31</u> TW\$ million |
|---|--|---|
| I. Capital and capital adequacy ratio | | |
| A. Capital Adequacy Ratio | 13.19% | 13.55% |
| B. Aggregate amount of shareholder's funds | 125,635 | 120,122 |
| <p>The capital adequacy ratio is calculated in accordance with the document entitled "International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (published by the Basel Committee on Banking Supervision in Nov 2012).</p> | | |
| | <u>as at</u> <u>2024/6/30</u> | <u>as at</u> <u>2023/12/31</u> |
| II. Other financial information | | |
| Total assets | 2,266,426 | 2,209,815 |
| Total liabilities | 2,140,791 | 2,089,692 |
| Total loans and advances | 1,552,442 | 1,511,210 |
| Total customer deposits | 1,893,324 | 1,823,087 |
| | <u>Year to</u> <u>2024/6/30</u> | <u>Year to</u> <u>2023/12/31</u> |
| Profit /(Loss) before taxation | 7,878 | 12,428 |



Declaration

Statement of Authorized Institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statement of Taiwan Business Bank, Ltd. Hong Kong Branch for the half year ended 30 Jun. 2024. We confirmed that the information contained therein complies, in all material aspects, 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.

CHEN HSIAO-MING
VP & General Manager
Taiwan Business Bank, Ltd. Hong Kong Branch

Date : 2024/09/13