

# **Taishin International Bank Co., Ltd.**

**(Incorporated in Taiwan with limited liability)**

## **Financial Disclosure**

**For the Year Ended 31 December 2019**

TAISHIN INTERNATIONAL BANK CO., LTD  
(incorporated in Taiwan, R.O.C. with limited liability)

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**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Profit & Loss Account**

|  | For the Year Ended |                  |
|--|--------------------|------------------|
|  | 31 December 2019   | 31 December 2018 |
|  | HK\$'000           | HK\$'000         |
| Interest income  | 508,573            | 424,115          |
| Interest expense   | (302,840)          | (260,919)        |
| <b>Net Interest Income</b>                                   | <u>205,733</u>     | <u>163,196</u>   |
| Gains less losses arising from trading in foreign currencies | 40,926             | 40,774           |
| Gains less losses on securities held for trading purposes    | 24,395             | 6,250            |
| Gains less losses from other trading activities              | 1,242              | 1,008            |
| Fees and commission income                                   | 45,862             | 31,751           |
| Fees and commission expenses                                 | (4,243)            | (4,765)          |
| Others   | 15,404             | 35,101           |
| <b>Other Operating Income</b>                                | <u>123,586</u>     | <u>110,119</u>   |
| <b>Operating Income</b>                                      | <u>329,319</u>     | <u>273,315</u>   |
| Staff and rental expenses                                    | (119,508)          | (84,315)         |
| Other expenses   | (30,695)           | (26,587)         |
| <b>Operating Expenses</b>                                    | <u>(150,203)</u>   | <u>(110,902)</u> |
| <b>Operating Income Before Debt Charges</b>                  | <u>179,116</u>     | <u>162,413</u>   |
| Net (Charges)/ Releases for bad & doubtful debts             | (10,757)           | 1,409            |
| Net (Charges)/ Releases for other provisions                 | (566)              | 281              |
| <b>Profit Before Taxation</b>                                | <u>167,793</u>     | <u>164,103</u>   |
| Taxation   | -                  | -                |
| <b>Profit After Taxation</b>                                 | <u>167,793</u>     | <u>164,103</u>   |

**Taishin International Bank Co., Ltd.**  
**(Incorporated in Taiwan with limited liability)**  
**Balance Sheet**

|   | 31 December 2019<br>HK\$'000 | 30 June 2019<br>HK\$'000 |
|---|------------------------------|--------------------------|
| <b>Assets</b>   |                              |                          |
| Cash and bank balances                                    | 357,051                      | 193,279                  |
| Placements with banks                                     | 657,320                      | 636,560                  |
| Amount due from overseas offices                          | 2,610,600                    | 4,955,318                |
| Trade bills   | 536,124                      | 916,317                  |
| Advances and other accounts                               | 6,750,625                    | 5,265,208                |
| Debt securities   | 5,655,990                    | 4,972,375                |
| measured at fair value through other comprehensive income | 5,390,892                    | 4,506,649                |
| measured at fair value through profit or loss             | 265,098                      | 465,726                  |
| Tangible fixed assets                                     | 50,076                       | 54,078                   |
|   | <u>16,617,786</u>            | <u>16,993,135</u>        |
| <b>Liabilities</b>  |                              |                          |
| Deposits and balances from banks                          | 29,988                       | 10,209                   |
| Borrowings with banks                                     | 346,631                      | -                        |
| Customer deposits   | 13,810,220                   | 13,418,997               |
| Demand deposits   | 77,388                       | 84,100                   |
| Savings deposits  | 3,983,735                    | 4,216,755                |
| Time, call and notice deposits                            | 9,749,097                    | 9,118,142                |
| Amount due to overseas offices                            | 220,715                      | 218,875                  |
| Certificate of deposits issued                            | 50,000                       | 1,238,866                |
| Other accounts  | 1,964,952                    | 1,999,836                |
|   | <u>16,422,506</u>            | <u>16,886,783</u>        |
| <b>Capital &amp; Reserve</b>                              |                              |                          |
| Reserves  | 27,487                       | 22,664                   |
| Current profit & loss                                     | 167,793                      | 83,688                   |
|   | <u>195,280</u>               | <u>106,352</u>           |
|   | <u>16,617,786</u>            | <u>16,993,135</u>        |

**Taishin International Bank Co., Ltd.**  
**(Incorporated in Taiwan with limited liability)**  
**Additional Balance Sheet Information**

**(a) Trade Bills**

|                     | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|---------------------|-----------------------------|-------------------------|
| Trade Bills         | 537,347                     | 917,218                 |
| General provisions  | (1,223)                     | (901)                   |
| Specific provisions | -                           | -                       |
|                     | <u>536,124</u>              | <u>916,317</u>          |

**(b) Advances and other accounts**

|                                     | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|-------------------------------------|-----------------------------|-------------------------|
| Advances to customers               | 6,095,265                   | 4,681,191               |
| General provisions                  | (14,043)                    | (11,310)                |
| Specific provisions                 | (14,358)                    | (5,706)                 |
|                                     | <u>6,066,864</u>            | <u>4,664,175</u>        |
| Advances to banks                   | -                           | -                       |
| General provisions                  | -                           | -                       |
|                                     | <u>-</u>                    | <u>-</u>                |
| Accrued interest and other accounts | 685,501                     | 603,229                 |
| General provisions                  | (1,740)                     | (2,180)                 |
| Specific provisions                 | 0                           | (16)                    |
|                                     | <u>683,761</u>              | <u>601,033</u>          |
| Total                               | <u>6,750,625</u>            | <u>5,265,208</u>        |

**(c) Percentage of total provisions against gross advances to customers**

|                     | 31 December 2019 | 30 June 2019 |
|---------------------|------------------|--------------|
| General provisions  | 0.23%            | 0.24%        |
| Specific provisions | 0.24%            | 0.12%        |
|                     | <u>0.47%</u>     | <u>0.36%</u> |

**(d) Non-performing advances to customers and provisions**

|  | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|--|-----------------------------|-------------------------|
| Non-performing loans                                 | <u>12,021</u>               | <u>-</u>                |
| % of total advances to customers                     | <u>0.20%</u>                | <u>0.00%</u>            |
| Specific provisions made in respect of such advances | <u>12,021</u>               | <u>-</u>                |
| Collateral held against the non-performing loans     | <u>-</u>                    | <u>-</u>                |

**(e) Percentage of total provisions against gross advances to banks**

|                    | 31 December 2019 | 30 June 2019 |
|--------------------|------------------|--------------|
| General provisions | <u>0.00%</u>     | <u>0.00%</u> |
|                    | <u>0.00%</u>     | <u>0.00%</u> |

**Taishin International Bank Co., Ltd.**  
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**Additional Balance Sheet Information (continued)**

**(f) Non-performing advances to banks**

No non-performing and overdue advances to banks at the respective balance sheet dates.

**(g) Rescheduled advances to banks**

There were no rescheduled advances to banks at the respective balance sheet dates.

**(h) Overdue advances to customers**

|   | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|---|-----------------------------|-------------------------|
| Gross amount of advances which have been overdue for:         |                             |                         |
| more than 1 months but not more than 3 months                 | 6,617                       | 2,342                   |
| more than 3 months but not more than 6 months                 | -                           | -                       |
| more than 6 months but not more than 1 year                   | -                           | -                       |
| more than 1 year  | -                           | -                       |
|   | <u>6,617</u>                | <u>2,342</u>            |
| <br>  |                             |                         |
| % of total advances to customers which have been overdue for: |                             |                         |
| more than 1 months but not more than 3 months                 | 0.11%                       | 0.05%                   |
| 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%                   |
|   | <u>0.11%</u>                | <u>0.05%</u>            |

Current market value of collateral held against the covered portion of overdue loans and advances

Covered portion of overdue loans and advances

Uncovered portion of overdue loans and advances

|       |       |
|-------|-------|
| -     | -     |
| 6,617 | 2,342 |

**(i) Rescheduled advances to customers**

|  | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|--|-----------------------------|-------------------------|
| Amount of total assets which have been rescheduled | <u>7,740</u>                | <u>9,020</u>            |

**(j) Other overdue assets (Accrued Interest)**

|   | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|---|-----------------------------|-------------------------|
| Other assets which have been overdue for:     |                             |                         |
| more than 1 months but not more than 3 months | -                           | 3                       |
| more than 3 months but not more than 6 months | -                           | -                       |
| more than 6 months but not more than 1 year   | -                           | -                       |
| more than 1 year                              | -                           | -                       |
|   | <u>-</u>                    | <u>3</u>                |

**(k) Repossessed assets**

There were no repossessed assets at the respective balance sheet dates.

**(l) Reconciliation between overdue loans and non-performing loans**

|   | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|---|-----------------------------|-------------------------|
| Amount of overdue advances to customers   | 6,617                       | 2,342                   |
| Less: advances to customers which are overdue for more than 1 month but not more than 3 months and on which interest is still being accrued                                 | -                           | (2,342)                 |
| Less: advances to customers which are overdue for more than 3 months but not more than 6 months and on which interest is still being accrued                                | -                           | -                       |
| Less: advances to customers which are overdue for more than 6 months but not more than 1 year and on which interest is still being accrued                                  | -                           | -                       |
| Add: advances to customers which are overdue 3 months or less or not yet overdue and on which interest is being placed in suspense or on which interest accrual has ceased. | 5,404                       | -                       |
| Add: rescheduled advances to customers  | -                           | -                       |
| Non-performing loans  | <u>12,021</u>               | <u>-</u>                |

**Talshin International Bank Co., Ltd.**  
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**Additional Balance Sheet Information (continued)**

**(m) Non-bank Mainland Exposures**

The following is the Branch's Mainland exposures to non-bank counterparties. For the categories of non-bank counterparties and the type of direct exposures to be disclosed were made with reference to the Completion Instructions for Part 3 of the "Return of Mainland Activities - (MA(BS)20)".

| In HKD Millions   | <u>On-balance sheet</u><br><u>exposure</u> | <u>Off-balance sheet</u><br><u>exposure</u> | <u>Total</u> |
|---|--|---|--------------|
| <b>As at 31 December 2019</b>   |  |   |              |
| Central government, central government-owned entities and their subsidiaries and JVs  | 455  | 8   | 463          |
| Local governments, local government-owned entities and their subsidiaries and JVs   | 39   | 125   | 164          |
| PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs                            | 336  | 12  | 348          |
| Other entities of central government not reported in item 1 above   | 158  | 254   | 412          |
| Other entities of local government not reported in item 2 above   | 157  | 120   | 277          |
| PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 667  | 561   | 1,228        |
| Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures                        | 1,798                                      | 318   | 2,116        |
| <b>Total</b>  | <b>3,610</b>                               | <b>1,398</b>                                | <b>5,008</b> |
| Total assets after provision  | 16,618                                     |   |              |
| On-balance sheet exposures as percentage of total assets  | 21.72%                                     |   |              |
| <b>As at 30 June 2019</b>   |  |   |              |
| Central government, central government-owned entities and their subsidiaries and JVs  | 376  | 44  | 420          |
| Local governments, local government-owned entities and their subsidiaries and JVs   | 117  | 125   | 242          |
| PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs                            | 299  | 84  | 383          |
| Other entities of central government not reported in item 1 above   | 138  | 245   | 383          |
| Other entities of local government not reported in item 2 above   | 131  | 20  | 151          |
| PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 266  | 54  | 320          |
| Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures                        | 759  | 220   | 979          |
| <b>Total</b>  | <b>2,086</b>                               | <b>792</b>                                  | <b>2,878</b> |
| Total assets after provision  | 16,993                                     |   |              |
| On-balance sheet exposures as percentage of total assets  | 12.28%                                     |   |              |

**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Maturity Classification**

|   | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|---|-----------------------------|-------------------------|
| <b>(a) Placements with banks</b>          |                             |                         |
| Remaining maturity:                       |                             |                         |
| within one month                          | 518,934                     | 424,542                 |
| three months or less but over one month   | 138,386                     | 212,018                 |
| one year or less but over three months    | -                           | -                       |
|   | <u>657,320</u>              | <u>636,560</u>          |
| <b>(b) Trade bills</b>                    |                             |                         |
| Remaining maturity:                       |                             |                         |
| within one month                          | 39,417                      | 491,276                 |
| three months or less but over one month   | 146,805                     | 287,782                 |
| one year or less but over three months    | 351,125                     | 138,160                 |
|   | <u>537,347</u>              | <u>917,218</u>          |
| <b>(c) Advances to customers</b>          |                             |                         |
| Remaining maturity:                       |                             |                         |
| repayable on demand                       | 8,564                       | 23,424                  |
| three months or less                      | 2,592,524                   | 1,941,798               |
| one year or less but over three months    | 1,444,550                   | 549,424                 |
| five years or less but over one year      | 2,007,021                   | 2,166,545               |
| over five years                           | 42,606                      | -                       |
| within an indefinite period               | -                           | -                       |
|   | <u>6,095,265</u>            | <u>4,681,191</u>        |
| <b>(d) Advances to banks</b>              |                             |                         |
| Remaining maturity:                       |                             |                         |
| within one month                          | -                           | -                       |
| three months or less but over one month   | -                           | -                       |
|   | <u>-</u>                    | <u>-</u>                |
| <b>(e) Negotiable debt instruments</b>    |                             |                         |
| Remaining maturity:                       |                             |                         |
| within one month                          | -                           | 79,564                  |
| three months or less but over one month   | 38,950                      | 86,927                  |
| one year or less but over three months    | 213,010                     | 536,057                 |
| five years or less but over one year      | 4,677,786                   | 3,565,730               |
| over five years                           | 726,244                     | 704,097                 |
|   | <u>5,655,990</u>            | <u>4,972,375</u>        |
| <b>(f) Customer deposits</b>              |                             |                         |
| Remaining maturity:                       |                             |                         |
| repayable on demand                       | 4,680,437                   | 5,763,826               |
| three months or less                      | 6,977,054                   | 5,569,431               |
| one year or less but over three months    | 2,151,222                   | 2,081,879               |
| five years or less but over one year      | 1,507                       | 1,519                   |
| over five years                           | -                           | 2,342                   |
|   | <u>13,810,220</u>           | <u>13,418,997</u>       |
| <b>(g) Borrowings with banks</b>          |                             |                         |
| Remaining maturity:                       |                             |                         |
| within one month                          | -                           | -                       |
| three months or less but over one month   | -                           | -                       |
| one year or less but over three months    | -                           | -                       |
|   | <u>-</u>                    | <u>-</u>                |
| <b>(h) Certificate of deposits issued</b> |                             |                         |
| Remaining maturity:                       |                             |                         |
| within one month                          | -                           | 319,353                 |
| three months or less but over one month   | 50,000                      | 513,489                 |
| one year or less but over three months    | -                           | 406,024                 |
|   | <u>50,000</u>               | <u>1,238,866</u>        |



**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Off-balance Sheet Exposures**

***(a) Contingent liabilities and commitments***

The following is a summary of the contractual amount of each significant class of off-balance sheet financial instruments or contracts entered into by the branch and remained outstanding at the respective balance sheet dates:

|                                 | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|---------------------------------|-----------------------------|-------------------------|
| Direct credit substitutes       | 51,237                      | 28,270                  |
| Trade-related contingencies     | 248,111                     | 146,105                 |
| Forward forward deposits placed | 502,150                     | 993,197                 |
| Other commitments               | 4,670,436                   | 5,365,901               |
|                                 | <u>5,471,934</u>            | <u>6,533,473</u>        |

***(b) Derivatives***

The following is a summary of the contractual amount of each significant class of off-balance sheet contracts entered into by the branch and remained outstanding at the respective balance sheet dates:

|                         | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|-------------------------|-----------------------------|-------------------------|
| Exchange rate contracts | 67,817,965                  | 87,190,582              |
| Interest rate contracts | 2,679,844                   | 3,138,771               |
| Equity contracts        | -                           | -                       |
|                         | <u>70,497,809</u>           | <u>90,329,353</u>       |

The replacement cost of contracts represents the mark-to-market value on all contracts with a positive value and which have not been subject to any bilateral netting arrangement.

|                         | 31 December 2019<br>HKD'000 | 30 June 2019<br>HKD'000 |
|-------------------------|-----------------------------|-------------------------|
| Exchange rate contracts | 289,442                     | 406,458                 |
| Interest rate contracts | 22,334                      | 32,291                  |
| Equity contracts        | -                           | -                       |
|                         | <u>311,776</u>              | <u>438,749</u>          |

**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Segmental Information**

*(a) Loans & advances to customers by industry sector*

|   | 31 December 2019 |                  | 30 June 2019     |                  |
|---|------------------|------------------|------------------|------------------|
|   | HKD'000          |                  | HKD'000          |                  |
|   | Gross advances   | Secured advances | Gross advances   | Secured advances |
| Loans & advances for use in Hong Kong   |                  |                  |                  |                  |
| Industrial, commercial and financial sectors  |                  |                  |                  |                  |
| - property development  | 200,000          | 93,750           | 200,000          | 93,750           |
| - property investment   | 46,724           | -                | -                | -                |
| - financial concerns  | 1,785,524        | 352,222          | 1,350,066        | 308,416          |
| - stockbrokers  | 348,096          | -                | 217,500          | -                |
| - wholesale and retail trade  | 797,465          | 484,185          | 630,783          | 409,246          |
| - manufacturing   | 378,127          | -                | 315,079          | -                |
| - transport and transport equipment   | 7,199            | 7,198            | -                | -                |
| - recreational activities   | -                | -                | -                | -                |
| - information technology  | -                | -                | -                | -                |
| - electricity and gas   | 54,512           | -                | -                | -                |
| - others  | 72,033           | -                | 24,986           | -                |
|   | <u>3,689,680</u> | <u>937,355</u>   | <u>2,738,414</u> | <u>811,412</u>   |
| Individuals   |                  |                  |                  |                  |
| - loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes | -                | -                | -                | -                |
| - loans for the purchase of other residential properties  | -                | -                | -                | -                |
| - credit card advances  | -                | -                | -                | -                |
| - others  | 245,090          | 240,417          | 90,059           | 85,397           |
|   | <u>245,090</u>   | <u>240,417</u>   | <u>90,059</u>    | <u>85,397</u>    |
| Loans & advances for use inside Hong Kong   | 3,934,770        | 1,177,772        | 2,828,473        | 896,809          |
| Trade finance   | 211,977          | -                | 256,782          | -                |
| Loans & advances for use outside Hong Kong  | 1,948,518        | 418,349          | 1,595,936        | 216,142          |
| Loans & advances to customers   | <u>6,095,265</u> | <u>1,596,121</u> | <u>4,681,191</u> | <u>1,112,951</u> |

*(b) Loans & advances to customers by geographical areas*

Advances to customers by geographical areas are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party in a country which is different from that of the counterparty. Only exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross amount of loans and advances to customer as at the above respective reporting dates are disclosed.

|                                       | 31 December 2019 | 30 June 2019     |
|---------------------------------------|------------------|------------------|
|                                       | HKD'000          | HKD'000          |
| Gross advances to customers:          |                  |                  |
| Hong Kong                             | 2,077,733        | 1,435,503        |
| Virgin Islands                        | 916,471          | 591,707          |
| Cayman Islands                        | 794,164          | 996,120          |
| China                                 | 723,151          | 683,105          |
| Others                                | 1,583,745        | 974,757          |
|                                       | <u>6,095,264</u> | <u>4,681,192</u> |
| Overdue advances to customers:        |                  |                  |
| Taiwan                                | <u>6,617</u>     | <u>2,342</u>     |
| Non-performing advances to customers: |                  |                  |
| Taiwan                                | <u>12,021</u>    | <u>-</u>         |

**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Segmental Information (continued)**

**(c) International Claims**

International claims include receivables and loans and advances, cash and balances and placements with banks, bills, other debt instruments and investments and accrued interest and overdue interest on the assets. Claims are classified according to the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10 per cent or more of the aggregate cross border claims are shown as follows:

| In HKD Millions                        | Banks         | Official Sector | Non-bank<br>Financial<br>Institutions | Non-financial<br>Private Sector | Total         |
|--|---------------|-----------------|---------------------------------------|---------------------------------|---------------|
| <b>As at 31 December 2019</b>          |               |                 |                                       |                                 |               |
| Developed countries                    | 2,456         | 268             | 150                                   | -                               | 2,874         |
| of which:                              |               |                 |                                       |                                 |               |
| United States                          | 483           | 268             | 150                                   | -                               | 901           |
| Australia                              | 896           | -               | -                                     | -                               | 896           |
| Japan                                  | 459           | -               | -                                     | -                               | 459           |
| Offshore centres                       | 18            | -               | 1,036                                 | 1,024                           | 2,078         |
| of which:                              |               |                 |                                       |                                 |               |
| Bermuda                                | -             | -               | 178                                   | 232                             | 410           |
| Cayman Islands                         | -             | -               | 524                                   | 237                             | 761           |
| West Indies UK                         | -             | -               | 333                                   | 301                             | 634           |
| Developing Europe                      | -             | -               | -                                     | -                               | -             |
| Developing Latin America and Caribbean | -             | -               | -                                     | 62                              | 62            |
| of which:                              |               |                 |                                       |                                 |               |
| Brazil                                 | -             | -               | -                                     | 59                              | 59            |
| Developing Africa and Middle East      | 220           | -               | 1                                     | 263                             | 484           |
| of which:                              |               |                 |                                       |                                 |               |
| Saudi Arabia                           | -             | -               | -                                     | 263                             | 263           |
| United Arab Emirates                   | 220           | -               | -                                     | -                               | 220           |
| Developing Asia and Pacific            | 6,189         | 79              | 487                                   | 1,460                           | 8,215         |
| of which:                              |               |                 |                                       |                                 |               |
| Taiwan                                 | 3,100         | -               | 316                                   | 266                             | 3,682         |
| China                                  | 1,998         | 79              | 171                                   | 1,044                           | 3,292         |
| South Korea                            | 799           | -               | -                                     | 55                              | 854           |
| International Organisations            | -             | -               | -                                     | -                               | -             |
|  | <b>8,883</b>  | <b>347</b>      | <b>1,674</b>                          | <b>2,809</b>                    | <b>13,713</b> |
| <b>As at 30 June 2019</b>              |               |                 |                                       |                                 |               |
| Developed countries                    | 2,424         | 40              | 208                                   | -                               | 2,672         |
| of which:                              |               |                 |                                       |                                 |               |
| Australia                              | 1,020         | -               | -                                     | -                               | 1,020         |
| United States                          | 307           | 40              | 208                                   | -                               | 555           |
| United Kingdom                         | 277           | -               | -                                     | -                               | 277           |
| Offshore centres                       | 17            | -               | 1,284                                 | 839                             | 2,140         |
| of which:                              |               |                 |                                       |                                 |               |
| Cayman Islands                         | -             | -               | 787                                   | 217                             | 1,004         |
| West Indies UK                         | -             | -               | 392                                   | 179                             | 571           |
| Bermuda                                | -             | -               | 38                                    | 229                             | 267           |
| Developing Europe                      | -             | -               | -                                     | -                               | -             |
| Developing Latin America and Caribbean | -             | -               | -                                     | 67                              | 67            |
| of which:                              |               |                 |                                       |                                 |               |
| Brazil                                 | -             | -               | -                                     | 67                              | 67            |
| Developing Africa and Middle East      | 219           | -               | 1                                     | 221                             | 441           |
| of which:                              |               |                 |                                       |                                 |               |
| Saudi Arabia                           | -             | -               | -                                     | 221                             | 221           |
| United Arab Emirates                   | 219           | -               | -                                     | -                               | 219           |
| Developing Asia and Pacific            | 8,488         | 161             | 241                                   | 1,247                           | 10,137        |
| of which:                              |               |                 |                                       |                                 |               |
| Taiwan                                 | 5,663         | -               | 75                                    | 217                             | 5,955         |
| China                                  | 2,106         | 161             | 166                                   | 951                             | 3,384         |
| International Organisations            | -             | -               | -                                     | -                               | -             |
|  | <b>11,148</b> | <b>201</b>      | <b>1,734</b>                          | <b>2,374</b>                    | <b>15,457</b> |

**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Currency Risk**

The foreign currency exposures are prepared in accordance with the Completion Instruction "Return of Foreign Currency Position - (MA(BS)6)". The net position (in absolute terms) in a particular currency which constitutes not less than 10% of the total net position in all foreign currencies are disclosed. The net options position is calculated on the basis of the delta-weighted position of all foreign currency options contracts.

| In HKD Millions               | USD      | CNY      | TWD     | IDR     | Total    |
|-------------------------------|----------|----------|---------|---------|----------|
| <i>As at 31 December 2019</i> |          |          |         |         |          |
| Spot assets                   | 9,712    | 1,443    | -       | -       | 11,155   |
| Spot liabilities              | (10,128) | (1,150)  | -       | -       | (11,278) |
| Forward purchases             | 33,977   | 16,548   | 8,124   | 1,666   | 60,315   |
| Forward sales                 | (33,517) | (16,826) | (8,178) | (1,649) | (60,170) |
| Net option position           | (61)     | -        | 61      | -       | -        |
| Net (short)long position      | (17)     | 15       | 7       | 17      | 22       |
| <i>As at 30 Jun 2019</i>      |          |          |         |         |          |
| Spot assets                   | 10,550   | 1,401    | -       | -       | 11,951   |
| Spot liabilities              | (11,417) | (688)    | -       | -       | (12,105) |
| Forward purchases             | 43,799   | 20,188   | 9,807   | 561     | 74,355   |
| Forward sales                 | (42,918) | (20,934) | (9,814) | (561)   | (74,227) |
| Net option position           | (27)     | 23       | 1       | -       | (3)      |
| Net (short)long position      | (13)     | (10)     | (6)     | -       | (29)     |

There were no foreign currency structural position as at the above respective reporting dates.

**Taishin International Bank Co., Ltd.**  
(Incorporated in Taiwan with limited liability)  
**Liquidity Information**

The average liquidity maintenance ratio ("LMR") for quarters in 2019 & 2018 are the simple average of 3 months' average ratio during the quarter in the "Return of Liquidity Position of an Authorized Institution - MA(BS)-1E" calculated for the purpose of the Banking Ordinance.

|  |        |
|--|--------|
| Average liquidity maintenance ratio for the period of October to December 2019 | 50.14% |
| Average liquidity maintenance ratio for the period of October to December 2018 | 43.79% |

**Liquidity Risk Management**

(a) Governance of liquidity risk management

The goal of liquidity risk management is to ensure timely funding allocation as to fulfil payment obligations and meet funding demands of the Bank.

Liquidity risk tolerance is the bank's willingness to accept the maximum liquidity risk after considering the business development strategy, operational objectives, financial status and financing capabilities. Limit package is a quantitative standard for controlling liquidity risk. The definition and setting of the bank's liquidity risk is reflected in the current year's limit package. The board of directors regularly reviews, approves the liquidity risk tolerance and limit package.

Asset/Liability Management Committee ("ALCO") of Taishin Holdings is responsible for supervising liquidity risk management in accordance with the bank's Asset/Liability Management Policy, and verifying liquidity risk management procedures and mechanisms to ensure that the executing unit manages liquidity risk within the limits approved by the Board of Directors, and reviewing liquidity risk reports regularly.

The Finance Management ("FM") Division of Head Office takes ultimate responsibilities to manage liquidity risk of the overseas branches. It is also responsible to formulate policies related to liquidity risk management and to disclose liquidity risk exposure status of overseas branches to ALCO of Head Office. Also, FM Division of Head Office is responsible for monitoring liquidity risk as to ensure that the risk exposure is within the limits. If the risk limit is breached, the FM Division is responsible to further report such incident to the senior management.

The Risk Management ("RM") Division of Head Office is the limit package and stress test formulation and execution unit, which regularly submitting the limit package to the Board of Directors for approval. The RM Division is also responsible for performing liquidity stress tests regularly.

To maintain the bank's smooth operations, the Funding Unit of Head Office is the central unit which undertakes and manages the overall liquidity risk of the bank.

The Funding Unit of HK Branch is responsible to control the liquidity risk and funding gap of the branch. In the event of insufficient funding, this unit may bring up the matter to HK ALCO to liaise amongst various business units so as to relocate the deposit taking and loan strategies, or by borrowing funds from Head Office, or liquidate high grade bonds to eliminate the shortfall. The unit is responsible to provides liquidity risk reports to HK ALCO, FM Division and RM Division of Head Office.

(b) Funding strategy

Funding management principle of the Bank is to keep smooth and clear channels with diversity in their source of funding. The allocation considerations for the use of funds are in the order of liquidity, safety and then profitability.

The execution unit of the Bank's funding position is the Funding unit. The primary goal is to ensure the bank's liquidity is preserved as well as appropriate liquidity level. In order to ensure the effective use of available funds, this unit should pursue reasonable returns without sacrificing the bank's priority of maintain an appropriate level of liquidity.

Also, the funding unit shall monitor liquidity indicators such as the structural and the concentration of funds and deposits. If necessary, this unit may request redistribution of assets and liabilities by the business unit through ALCO to avoid concentration risks. Secondly, the funding unit shall cooperate with financial institution to regularly review the transaction limits provided by the interbank counterparties as a reference for limit package formulation. Lastly, the funding unit shall, through various financial instruments, such as interbank financing, repos etc. update and regularly test the limits provided by other banks to ensure the smooth flow of all source of funds.

The target and principle of funding management shall be formulated by the Head Office in a unified manner. However, it is necessary for the branch to report any structural changes and update of market conditions at the branch's ALCO for appropriate action.

**Taishin International Bank Co., Ltd.**  
(Incorporated In Taiwan with limited liability)  
**Liquidity Information**

**Liquidity Risk Management (Continued)**

(c) Liquidity risk mitigation techniques

After reviewing the liquidity risk exposure and market conditions, net funding received via various channel of the bank will be reallocated and balanced by HK Funding unit through interbank borrowing / lending, repo, reverse repo, or fx swap adjusting the funding gap and tenor mismatch to eliminate the liquidity risks.

*Tools that measure liquidity risk under general operating conditions including liquidity indicators and liquidity gaps*

The FM Division of Head Office will provide liquidity indicator reports to monitor liquidity risk to on a daily basis. Once the indicator exceeds the internal limit, HK Funding unit will report the incident to HK ALCO, and will escalate the issue to FM Division and RM Division of Head Office if the issue persists. The Head Office Risk Management Division will conduct liquidity stress test and Risk management unit of HK branch is responsible to report the results in the monthly ALCO meeting for discussion. When HK branch encounters liquidity crisis, the branch will activate contingency funding plan to improve its liquidity. Head Office offers full support to HK branch.

*Liquidity stress test is used to measure extreme adverse operating conditions*

The liquidity stress test shall be performed at least once a month by RM Division. The result will be report to RM Committee and ALCO of Head Office. If the stress test results show that liquidity risk is deteriorating, reasons should be given and FM Division should assist to analyze the relevant factors.

(d) Stress testing

Liquidity risk stress testing is to assess whether the Bank has the ability to obtain sufficient funds and sufficient high-quality liquid assets to meet the large and emergency cash outflow in adverse situation of extreme liquidity stress. The bank should review the Contingency Funding Plan based on stress testing results to ensure that can withstand sudden and significant liquidity shocks.

(e) Contingency funding plan

Contingency funding plan shall be immediately activated when the Branch encounters liquidity crisis, at the same time, the Branch shall seek support from the Head Office, of which it will offer unconditional and full support to the Branch during liquidity crisis. Other funding plan includes expanding of repo volume and interbank loans; liquidating bond portfolio, preventing loss of deposits and monitoring approval of large amount loans.

(f) Tools to assess liquidity positions

Tools for measuring liquidity risk under general operating conditions and extreme adverse operating conditions are as follows:

(i) *General operating condition*

Liquidity gap (cumulative) is used to measure the mismatch of cash in/out flow, timing asymmetry to avoid the risk of unable to cover the funding gap. Limits are shown below (in million ("M")):

| currency | 1D           | 2D~1W        | 1W~2W        | 2W~1M        | 1M~3M          | 3M~6M          | 6M~1Y         |
|----------|--------------|--------------|--------------|--------------|----------------|----------------|---------------|
| HKD      | > - HKD 600M | > - HKD 600M | > - HKD 800M | > - HKD 800M | > - HKD 1,000M | > - HKD 1,000M | > - HKD1,200M |
| USD      | > - USD 300M | > - USD 300M | > - USD 400M | > - USD 400M | > - USD 500M   | > - USD 500M   | > - USD 500M  |

(ii) *Extreme adverse operating condition*

Liquidity stress test is used to assess whether the bank has sufficient high quality liquefiable assets available for sale to obtain cash to meet the funding demands under extreme adverse operating conditions. RM division of Head Office will provide liquidity stress test for the HK Branch to formulate a contingency funding plan with mitigation techniques, taking into considerations of local statutory requirements.

(g) Concentration limits on sources of funding

Liquidity indicators are used to monitor deposit structure and concentration risk. Limits are shown below:

| Category                  | Liquidity Indicator   | Definition   | Currency       | Limit |
|---------------------------|---|--|----------------|-------|
| Loan to deposit structure | Loan to deposit ratio   | Total loans / Total deposits   | All currencies | 90%   |
| Concentration risk        | Top 10 largest depositors' ratio                              | Top 10 largest depositors' funds (excluding Taishin Holdings deposit) / Total deposits     | All currencies | 33%   |
| Funding source            | Outstanding interbank borrowing to major funding source ratio | Outstanding Interbank borrowing / (interbank borrowing + total deposits + financial bonds) | USD            | 10%   |

Liquidity Risk Management (Continued)

(h) Analysis of assets and liabilities by remaining maturity:

As at 31 December 2019

(HK\$'000)

|   | Next Day         | 2 - 7 days       | 8 days - 1 month | 3 months or less but over 1 month | 6 months or less but over 3 months | 1 year or less but over 6 months | 2 years or less but over 1 year | 3 years or less but over 2 years | 5 years or less but over 3 years | Over 5 years    | Undated or overdue | Total amount      |
|---|------------------|------------------|------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|-----------------|--------------------|-------------------|
| <b>On-balance sheet assets</b>  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Currency notes and coins  | 3,125            | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 3,125             |
| Amount receivable arising from securities financing transactions                                    | -                | 140,617          | -                | 45,828                            | 37,361                             | -                                | -                               | -                                | -                                | -               | -                  | 223,806           |
| Amount receivable arising from derivative contracts   | 12,483           | 106,516          | 130,375          | 156,567                           | 103,779                            | 76,623                           | 9,528                           | 4,216                            | 6,200                            | 859             | -                  | 606,765           |
| Due from MA for account of Exchange Fund  | 21,047           | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 21,047            |
| Due from overseas central banks   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Due from banks  | 1,565,535        | 555,393          | 142,484          | 1,355,271                         | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 3,618,683         |
| Debt securities, prescribed instruments and structured financial instruments held                   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) Readily monetizable   | 4,480,942        | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 4,480,942         |
| (b) Not readily monetizable   | -                | 473,452          | 427,767          | 311,303                           | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 1,212,522         |
| (i) Pledged to customers  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (ii) Others   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Acceptances and bills of exchange held  | 129              | 6,007            | 33,280           | 146,804                           | 351,127                            | 0                                | -                               | -                                | -                                | -               | 0                  | 537,347           |
| Loans and advances to non-bank customers  | 303,934          | 530,544          | 1,209,739        | 560,551                           | 555,668                            | 889,079                          | 795,815                         | 388,132                          | 823,097                          | 42,605          | 10,401             | 6,109,565         |
| Other assets  | 1,997            | 1,784            | 2,144            | 4,919                             | 3,269                              | 5,988                            | 11,426                          | 11,362                           | 5,434                            | -               | 41,249             | 89,482            |
| <b>Total</b>  | <b>6,389,102</b> | <b>1,814,313</b> | <b>1,945,789</b> | <b>2,581,244</b>                  | <b>1,051,204</b>                   | <b>971,690</b>                   | <b>816,769</b>                  | <b>403,710</b>                   | <b>834,731</b>                   | <b>43,464</b>   | <b>51,650</b>      | <b>16,903,285</b> |
| <b>Off-balance sheet claims</b>   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Irrevocable loan commitments or facilities received   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) With dates and amounts of drawdown ascertained  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (b) Others  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual claims arising from securities financing transactions                                   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual claims arising from derivative contracts  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Off-balance sheet claims  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) With dates and amounts of receipt of payment ascertained  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (b) Others  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| <b>Total</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>                          | <b>-</b>                           | <b>-</b>                         | <b>-</b>                        | <b>-</b>                         | <b>-</b>                         | <b>-</b>        | <b>-</b>           | <b>-</b>          |
| <b>On-balance sheet liabilities</b>   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Deposits from non-bank customers  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) Pledged deposits  | -                | 10,557           | 16,621           | 99,468                            | 103,363                            | 5,911                            | -                               | -                                | -                                | -               | -                  | 235,920           |
| (b) Demand, savings and current account deposits  | 4,065,870        | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 4,065,870         |
| (c) Term, call and notice deposits  | 623,724          | 1,071,850        | 2,284,053        | 3,521,370                         | 1,608,666                          | 445,483                          | 764                             | 780                              | -                                | -               | -                  | 9,556,690         |
| Amount payable arising from securities financing transactions                                       | 65,751           | 609,346          | 415,265          | 342,060                           | 37,356                             | -                                | -                               | -                                | -                                | -               | -                  | 1,469,778         |
| Amount payable arising from derivative contracts  | 18,176           | 103,600          | 121,778          | 146,835                           | 94,003                             | 79,603                           | 7,611                           | 4,054                            | 6,203                            | 859             | -                  | 581,218           |
| Due to MA for a/c of Exchange Fund  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Due to overseas central banks   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Due to banks  | 395,474          | 100,829          | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | 101,236         | -                  | 597,539           |
| Debt securities, prescribed instruments and structured financial instruments issued and outstanding | -                | -                | -                | 50,000                            | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 50,000            |
| Other liabilities   | 30,804           | 1,849            | 6,516            | 6,508                             | 9,451                              | 12,082                           | 39,800                          | 13,490                           | 5,501                            | 183             | 24,620             | 150,864           |
| Capital and reserves  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | 195,280            | 195,280           |
| <b>Total</b>  | <b>5,196,799</b> | <b>1,898,031</b> | <b>2,844,233</b> | <b>4,166,301</b>                  | <b>1,852,839</b>                   | <b>543,079</b>                   | <b>48,175</b>                   | <b>18,324</b>                    | <b>11,704</b>                    | <b>102,278</b>  | <b>219,900</b>     | <b>16,903,159</b> |
| <b>Off-balance sheet obligations</b>  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Irrevocable loan commitments or facilities granted  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) With dates and amounts of drawdown ascertained  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (b) Others (not included in sub-item (a))   | -                | -                | 3,524            | 524,584                           | 1,144,219                          | 795,611                          | -                               | -                                | -                                | -               | 101,731            | 2,569,669         |
| Contractual obligations arising from securities financing transactions                              | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual obligations arising from derivative contracts   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Off-balance sheet obligations   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) With dates and amounts of payment ascertained   | 1,044            | 23,882           | 97,269           | 58,491                            | 34,144                             | 77,091                           | -                               | -                                | -                                | -               | -                  | 291,921           |
| (b) Others  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | 7,427              | 7,427             |
| <b>Total</b>  | <b>1,044</b>     | <b>23,882</b>    | <b>100,793</b>   | <b>583,075</b>                    | <b>1,178,363</b>                   | <b>872,702</b>                   | <b>-</b>                        | <b>-</b>                         | <b>-</b>                         | <b>-</b>        | <b>109,158</b>     | <b>2,869,017</b>  |
| <b>Net Gap</b>  | <b>1,191,259</b> | <b>(107,600)</b> | <b>(999,237)</b> | <b>(2,168,132)</b>                | <b>(1,079,998)</b>                 | <b>(444,091)</b>                 | <b>768,594</b>                  | <b>385,386</b>                   | <b>823,027</b>                   | <b>(58,814)</b> | <b>-</b>           | <b>-</b>          |

Liquidity Risk Management (Continued)

(h) Analysis of assets and liabilities by remaining maturity:

As at 31 December 2018

(HK\$'000)

|   | Next Day         | 2 - 7 days       | 8 days - 1 month | 3 months or less but over 1 month | 6 months or less but over 3 months | 1 year or less but over 6 months | 2 years or less but over 1 year | 3 years or less but over 2 years | 5 years or less but over 3 years | Over 5 years    | Undated or overdue | Total amount      |
|---|------------------|------------------|------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|-----------------|--------------------|-------------------|
| <b>On-balance sheet assets</b>  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Currency notes and coins  | 4,542            | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 4,542             |
| Amount receivable arising from securities financing transactions                                    | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Amount receivable arising from derivative contracts   | 5,966            | 24,160           | 176,186          | 369,612                           | 137,990                            | 108,306                          | 28,664                          | 5,197                            | 7,319                            | 3,610           | -                  | 880,755           |
| Due from MA for account of Exchange Fund  | 17,725           | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 17,725            |
| Due from overseas central banks   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Due from banks  | 943,991          | 1,098,919        | 785,283          | 1,163,543                         | 881,339                            | 288,681                          | -                               | -                                | -                                | -               | -                  | 5,361,756         |
| Debt securities, prescribed instruments and structured financial instruments held                   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) Readily monetizable   | 1,908,337        | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 1,908,337         |
| (b) Not readily monetizable   | -                | -                | 1,448,323        | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 1,448,323         |
| (i) Pledged to customers  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (ii) Others   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Acceptances and bills of exchange held  | 474              | 65,940           | 289,778          | 447,991                           | 36,062                             | 191,382                          | -                               | -                                | -                                | -               | 10,933             | 1,042,660         |
| Loans and advances to non-bank customers  | 39,806           | 642,723          | 1,052,005        | 530,683                           | 158,162                            | 155,336                          | 901,594                         | 942,524                          | 184,556                          | 33,603          | 4,063              | 4,645,054         |
| Other assets  | 553              | 815              | 11,658           | 6,639                             | 4,126                              | 12,168                           | 69                              | 1                                | -                                | -               | 24,824             | 60,853            |
| <b>Total</b>  | <b>2,921,394</b> | <b>1,832,557</b> | <b>3,763,433</b> | <b>2,718,467</b>                  | <b>1,217,679</b>                   | <b>755,973</b>                   | <b>930,327</b>                  | <b>947,732</b>                   | <b>191,875</b>                   | <b>37,213</b>   | <b>39,820</b>      | <b>15,370,005</b> |
| <b>Off-balance sheet claims</b>   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Irrevocable loan commitments or facilities received   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (a) With dates and amounts of drawdown ascertained  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (b) Others  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual claims arising from securities financing transactions                                   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual claims arising from derivative contracts  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Off-balance sheet claims  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (a) With dates and amounts of receipt of payment ascertained  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (b) Others  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| <b>Total</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>                          | <b>-</b>                           | <b>-</b>                         | <b>-</b>                        | <b>-</b>                         | <b>-</b>                         | <b>-</b>        | <b>-</b>           | <b>-</b>          |
| <b>On-balance sheet liabilities</b>   |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Deposits from non-bank customers  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| (a) Pledged deposits  | 1,806            | 112,311          | 57,781           | 116,922                           | 7,580                              | 4,210                            | -                               | -                                | -                                | -               | -                  | 300,610           |
| (b) Demand, savings and current account deposits  | 3,228,524        | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 3,228,524         |
| (c) Term, call and notice deposits  | 174,796          | 497,105          | 2,324,382        | 2,738,540                         | 1,228,919                          | 578,241                          | -                               | 749                              | -                                | -               | -                  | 7,542,732         |
| Amount payable arising from securities financing transactions                                       | -                | -                | 1,386,849        | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 1,386,849         |
| Amount payable arising from derivative contracts  | 10,752           | 12,266           | 223,253          | 330,544                           | 146,147                            | 106,705                          | 22,185                          | 4,665                            | 7,411                            | 3,812           | -                  | 880,730           |
| Due to MA for a/c of Exchange Fund  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Due to overseas central banks   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Due to banks  | 314,904          | 50,030           | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | 101,816         | -                  | 466,750           |
| Debt securities, prescribed instruments and structured financial instruments issued and outstanding | -                | -                | -                | 637,404                           | 524,747                            | 172,305                          | -                               | -                                | -                                | -               | -                  | 1,334,456         |
| Other liabilities   | 971              | 2,197            | 6,560            | 19,800                            | 5,033                              | 2,482                            | 7,731                           | 4,705                            | 541                              | 129             | 15,668             | 65,817            |
| Capital and reserves  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | 163,537           |
| <b>Total</b>  | <b>3,731,783</b> | <b>673,909</b>   | <b>3,998,825</b> | <b>3,843,210</b>                  | <b>1,912,426</b>                   | <b>863,943</b>                   | <b>29,916</b>                   | <b>10,119</b>                    | <b>7,952</b>                     | <b>105,757</b>  | <b>179,205</b>     | <b>15,370,005</b> |
| <b>Off-balance sheet obligations</b>  |                  |                  |                  |                                   |                                    |                                  |                                 |                                  |                                  |                 |                    |                   |
| Irrevocable loan commitments or facilities granted  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (a) With dates and amounts of drawdown ascertained  | -                | -                | 130,533          | 757,035                           | 799,327                            | 162,358                          | 469,923                         | 77,992                           | 28,963                           | -               | 234,900            | 2,661,031         |
| (b) Others (not included in sub-item (a))   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual obligations arising from securities financing transactions                              | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Contractual obligations arising from derivative contracts   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| Off-balance sheet obligations   | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | -                  | -                 |
| (a) With dates and amounts of payment ascertained   | 1,057            | 5,847            | 101,578          | 57,493                            | 43,464                             | 71,626                           | -                               | -                                | -                                | -               | -                  | 281,065           |
| (b) Others  | -                | -                | -                | -                                 | -                                  | -                                | -                               | -                                | -                                | -               | 8,324              | 8,324             |
| <b>Total</b>  | <b>1,057</b>     | <b>5,847</b>     | <b>232,111</b>   | <b>814,528</b>                    | <b>842,791</b>                     | <b>233,984</b>                   | <b>469,923</b>                  | <b>77,992</b>                    | <b>28,963</b>                    | <b>-</b>        | <b>243,224</b>     | <b>2,950,420</b>  |
| <b>Net Gap</b>  | <b>(811,416)</b> | <b>1,152,801</b> | <b>(467,503)</b> | <b>(1,939,271)</b>                | <b>(1,537,538)</b>                 | <b>(341,954)</b>                 | <b>430,488</b>                  | <b>859,611</b>                   | <b>154,960</b>                   | <b>(68,544)</b> | <b>-</b>           | <b>-</b>          |



**Taishin International Bank Co., Ltd.**  
(Incorporated In Taiwan with limited liability)  
**Disclosure on Remuneration System**

The remuneration policy of Taishin International Bank, Hong Kong Branch is established in the branch level in accordance with local laws/ regulations and prevailing market practices. It is designed to encourage employee behavior that supports the Bank's risk tolerance, risk management framework and long-term financial soundness. The remuneration of staff is composed of "fixed remuneration" and "variable remuneration".

Pay review for individual staff will be conducted each year with reference to various factors like the staff's professional duties, salary market standard and individual performance etc. Discretionary bonus may be paid to employees each year taking into account of a combination of factors like business performance as well as financial and non-financial performance of individual staff. Pay review and payout of variable remuneration should be subject to the approval by Head Office.

During the reporting period, the remuneration of senior management and key personnel was as follows:

In HKD

As at 31 December 2019

(i) Senior Management

|                                     | Non-deferred | Deferred | No. of beneficiaries |
|-------------------------------------|--------------|----------|----------------------|
| <b>Fixed remuneration</b>           |              |          |                      |
| Cash-based                          | 7,401,122    | -        | 8                    |
| Shares and share-linked instruments | -            | -        | 8                    |
| Other                               | -            | -        | 8                    |
| <b>Variable remuneration</b>        | 1,554,410    | -        | 8                    |
| Cash-based                          |              |          |                      |
| Shares and share-linked instruments |              |          |                      |
| - Vested (no. of share)             | -            | 60       | 8                    |
| - Unvested (no. of share)           | -            | 50       | 8                    |
| Other                               | -            | -        | 8                    |

(ii) Key Personnel

|                                     | Non-deferred | Deferred | No. of beneficiaries |
|-------------------------------------|--------------|----------|----------------------|
| <b>Fixed remuneration</b>           |              |          |                      |
| Cash-based                          | 10,726,581   | -        | 20                   |
| Shares and share-linked instruments | -            | -        | 20                   |
| Other                               | -            | -        | 20                   |
| <b>Variable remuneration</b>        | 2,272,471    | -        | 20                   |
| Cash-based                          |              |          |                      |
| Shares and share-linked instruments |              |          |                      |
| - Vested (no. of share)             | -            | -        | 20                   |
| - Unvested (no. of share)           | -            | -        | 20                   |
| Other                               | -            | -        | 20                   |

As at 31 December 2018

(i) Senior Management

|                                     | Non-deferred | Deferred | No. of beneficiaries |
|-------------------------------------|--------------|----------|----------------------|
| <b>Fixed remuneration</b>           |              |          |                      |
| Cash-based                          | 4,885,530    | -        | 9                    |
| Shares and share-linked instruments | -            | -        | 9                    |
| Other                               | -            | -        | 9                    |
| <b>Variable remuneration</b>        | 2,945,871    | -        | 9                    |
| Cash-based                          |              |          |                      |
| Shares and share-linked instruments |              |          |                      |
| - Vested (no. of share)             | -            | 38       | 9                    |
| - Unvested (no. of share)           | -            | 190      | 9                    |
| Other                               | -            | -        | 9                    |

(ii) Key Personnel

|                                     | Non-deferred | Deferred | No. of beneficiaries |
|-------------------------------------|--------------|----------|----------------------|
| <b>Fixed remuneration</b>           |              |          |                      |
| Cash-based                          | 7,841,824    | -        | 21                   |
| Shares and share-linked instruments | -            | -        | 21                   |
| Other                               | -            | -        | 21                   |
| <b>Variable remuneration</b>        | 2,127,517    | -        | 21                   |
| Cash-based                          |              |          |                      |
| Shares and share-linked instruments |              |          |                      |
| - Vested (no. of share)             | -            | -        | 21                   |
| - Unvested (no. of share)           | -            | -        | 21                   |
| Other                               | -            | -        | 21                   |

**Taishin International Bank Co., Ltd.**  
**(Incorporated in Taiwan with limited liability)**  
**Other Financial Information**

Consolidated financial information of Taishin International Bank as follows:

|                         | 31 December 2019<br>TWD'000 | 30 June 2019<br>TWD'000 |
|-------------------------|-----------------------------|-------------------------|
| Total assets            | 1,931,947,031               | 1,837,933,075           |
| Total liabilities       | 1,778,356,499               | 1,688,956,667           |
| Shareholders' Fund      | 153,590,532                 | 148,976,408             |
| Total advances          | 1,155,329,751               | 1,092,052,601           |
| Total customer deposits | 1,436,245,872               | 1,386,514,742           |
| Capital                 | 82,557,118                  | 82,557,118              |
| Capital Adequacy Ratio  | 14.47%                      | 14.41%                  |

Remarks: Capital Adequacy Ratio is calculated in accordance with the requirements based on Basel III capital accord.

|                | For the Year ended          |                             |
|----------------|-----------------------------|-----------------------------|
|                | 31 December 2019<br>TWD'000 | 31 December 2018<br>TWD'000 |
| Pre-tax profit | 13,423,236                  | 11,651,499                  |

## Statement of Compliance

This is a statement to declare that all information for the year ended 31 December 2019 complies fully with the disclosure standards set out in Supervisory Policy Manual Part IV of CA-D-1 "Guideline on the application of the Banking (Disclosure) Rules".



Chief Executive  
Taishin International Bank Co., Ltd.  
(Incorporated in Taiwan with limited liability)

22 April 2020

## **Prescribed Summary**

This is to inform the general public that the complete disclosures can be found at 6/F., 15/F Room No. 1510-1511 & 1512A-1512B, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon.

Taishin International Bank Co., Ltd.  
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